

Town of Truckee Transit Operator Triennial Performance Audit FY 2018/19 through FY 2020/21

FINAL



Prepared for the
**NEVADA COUNTY
TRANSPORTATION
COMMISSION**



Prepared by LSC Transportation Consultants

Town of Truckee Transit Operator
Triennial Performance Audit

FY 2018/19 through FY 2020/21

FINAL

Prepared for

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Performance Audit of Town of Truckee Transit Operator

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 Triennial Performance Audit (TPA) of the transit operators in Eastern Nevada County (Tahoe Truckee Area Regional Transit and Truckee Dial-a-Ride). As the Regional Transportation Planning Agency (RTPA) responsible for TDA funding in Nevada County, this audit was performed under the authority of the Nevada County Transportation Council (NCTC).

This audit report covers Fiscal Year (FY) 2018-19 through FY 2020-21, and was conducted by LSC Transportation Consultants, Inc. The audit process follows guidelines outlined in the Performance Audit Guidebook for Transit Operators and Regional Transportation Planning Entities developed by Caltrans in 2008.

BACKGROUND

The main population center in Eastern Nevada County is the Town of Truckee. Public transit in Eastern Nevada County is operated by the Town of Truckee and branded the same as public transit operated in neighboring Placer County (Tahoe Truckee Area Regional Transit), which are not included in this audit. In order to differentiate between the two, services operated in the greater Truckee area are referred to as Truckee TART and services operated by Placer County are referred to as Placer TART. A private contractor, Paratransit Services is employed to operate the buses which are owned and maintained by the Town. Truckee TART services include a Truckee Local Fixed Route which serves the main commercial core areas, the west end of Donner Lake, downtown Truckee and some multi-family and senior housing developments. Connections to Placer TART are possible at the Train Depot and Crossroads Shopping Center. Truckee Dial-A-Ride (DAR) is a demand response service within the Town limits and acts as the complimentary paratransit service for Truckee. The general public are able to ride DAR on a space available basis. No fares are charged on the Truckee Local Route or for ADA eligible passengers on Truckee DAR. However, a fare of \$6.00 is charged for general public and \$2.00 for Senior (non-ADA) rides on DAR.

VERIFICATION AND USE OF PERFORMANCE INDICATORS

Tables 1-3 in Section 1 of the audit report presents operating and financial statistics for the current audit period and the prior audit period for Truckee TART. Figures 1-7 graphically present performance indicators for all Truckee TART services. During this audit period, Truckee TART systemwide ridership increased by roughly 4.5 percent. Contrary to most rural public transit operators, ridership has increased by 14 percent over the past six years. Systemwide, the operating cost per vehicle service hour increased (from \$169.39 in FY 2018-19 to \$182.56 in FY 2020-21) while productivity decreased slightly from 3.64 trips per hour to 3.05 trips per hour. Truckee Transit receives local support through the Tahoe Truckee Airport District, Air Quality Mitigation Fees, and local development mitigation fees. This funding allows Truckee Transit to be a fare free system and still maintain a farebox ratio above the 10 percent minimum

for rural transit agencies, as required by TDA. During the audit period, the farebox ratio ranged from 14.28 percent to 18.83 percent.

Truckee TART compiled operating statistics in accordance with TDA definitions, as presented in Appendix B of the Performance Audit Guidebook for Transit Operators and Regional Transportation Planning Entities with the exception of full-time equivalent employee hours. As for the overall data collection and recording process, Truckee TART manually enters driver recorded data into spreadsheets which are summarized for monthly and annual reports. This process is subject to human error and far more laborious to maintain and extrapolate to perform data analysis.

REVIEW OF COMPLIANCE REQUIREMENTS

The Performance Audit Guidebook for Transit Operators and Regional Transportation Planning Entities recommends reviewing transit operator compliance with certain TDA regulations that relate to transit performance. Table 4 presents Truckee TART's compliance with these requirements. During the audit period, Truckee TART was found to not be in compliance on three issues: 1) Fiscal and Compliance Audits were not completed within the specified time period, 2) Operating costs increased by more than 15 percent in FY 2019-20 and 3) Truckee TART's definition of full-time equivalent employees was not consistent with PUC 99247.

STATUS OF PRIOR AUDIT RECOMMENDATIONS

The previous audit was completed by Moore and Associates. The recommendations and their status from that effort are presented below.

Recommendation: The Town reports on-time performance as a number of trips, rather than as a percentage of total trips.

Implementation Complete

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

The Town of Truckee has a well-defined program of administrative oversight. Transit services changes are appropriately evaluated before and after implementation. Overall, transit operations and dispatch go

relatively smoothly, despite labor challenges in the transit industry which are exacerbated by Truckee's resort economy, rural setting, and limited and high cost of housing. The Town of Truckee has in place safety, operations, and training procedures which comply with applicable regulations. Marketing and public outreach efforts are conducted by the Truckee North Tahoe Transportation Management Association (TMA) for both Truckee TART and Placer TART. Contractor staff has a productive relationship with Town staff and has a standing weekly meeting to discuss data, customer satisfaction, contract compliance, staffing, billings, and any unforeseen circumstances or events. Vehicle replacement is on-going so as to maintain a safe and operable fleet and comply with state and federal asset management standards.

FINDINGS

- Productivity on the Truckee Local Route has been consistently low for a fixed route system, 4-5 passenger-trips per hour. This can be attributed to the high percentage of second homeowners, non-traditional work hours, and land use pattern and densities that do not complement fixed route service. The Town is currently planning a Micro-transit Pilot Program for summer 2022 which may prove to be a more efficient method of public transit for the core service area. However, long-term sustainable funding has not yet been identified.
- Operating costs increased more than 15 percent annually in FY 2019-20. During this period "salaries and benefits" increased by 25.7 percent and "maintenance and fuel" increased by 55.6 percent. In 2020 two vehicles were replaced, as they reached the end of their useful life, as defined by FTA. The older vehicles may have contributed to higher maintenance costs in FY 2019-20, as does Truckee's harsh winter and challenging operating environment.
- Although there was a dip in ridership at the beginning of the pandemic in FY 2019-20, systemwide ridership increased by 4.5 percent during the audit period and has increased 14 percent since FY 2015-16. This is unusual when compared to other rural transit agencies and is likely the result of increased visitation to the Truckee/Tahoe Area and corresponding service industry employee commute patterns that did not have the option to "work from home" like many other professions. It should be noted that DAR ridership decreased significantly during the audit period. Much of DAR ridership consists of group social service trips, which were discontinued during the pandemic.
- Truckee TART easily exceeded the 10 percent farebox ratio requirement for rural transit services due to the contributions from partnership agencies such as the Tahoe Truckee Airport District.
- The Town prepares detailed performance reports for both the TMA and the NCTC.
- The Fiscal and Compliance Audits for FY 2018-19 and FY 2019-20 were completed one month late each year of the audit period despite an allowed 90-day extension. The Town of Truckee was granted an additional 32-day extension for the FY 2020-21 audit, but the report was completed 4 days after that deadline. Delays in the audit process were due to staffing issues and weather-related power-shutoffs. It is not unusual for rural counties to complete the fiscal audits late and NCTC was in constant contact and coordination with the state throughout the process.
- FTEs were not calculated in accordance with TDA definitions.

- Truckee TART implemented all prior performance audit recommendations.

RECOMMENDATIONS

The auditor has one TDA Recommendation which is required to be compliant with TDA regulations.

Recommendation 1: Establish a uniform definition for contractor and Town staff as well as a method of tracking full-time equivalent employee hours for purposes of reporting to the state controller.

Town of Truckee Finance department in conjunction with the Town independent auditors prepare the State Controller Reports for Truckee TART. During the audit period, Full-Time Equivalent (FTE) employee hours were calculated using a denominator of 2,080 hours instead of 2,000 hours. Therefore, in an effort to report accurate and consistent data to the State Controller, the Town staff should develop a policy which identifies the method for properly calculating FTE's to be used by both Town and contractor staff. The definition of Full-time Equivalent Employees per the Caltrans Triennial Performance Audit Guidebook is as follows:

“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.”

Below are guidelines for developing a policy regarding calculating full-time equivalent employees for purposes of reporting to the State Controller:

All employees who spend time assisting with public transit-related functions should be included in the employee hour count. This consists of all Paratransit Services staff, Town of Truckee transit related staff, Town of Truckee Fleet Maintenance staff and Town of Truckee Administrative staff, who assist public transit such as accounting or management.

- For full time and part time Town transit related employees, staff could either code their time in support of transit services or they can estimate the proportion of annual work time spent on transit. For example: If the Transit Manager spends roughly 60 percent of their time on transit and 40 percent on parking projects, then the calculation would be as follows:

$$60\% \times \text{total hours worked (not including paid time off)} / 2,000$$

- For part time and full-time staff who are 100 percent public transit (such as Paratransit drivers, dispatchers etc.), total hours worked (not including paid time off) should be tallied at the end of the year and divided by 2,000.
- FTE calculations should include hours worked by Town of Truckee staff who support Truckee Transit such as fleet maintenance, accounting and managing public works staff. These hours could be calculated by coding hours to a transit cost category or simply developing a rough estimate of time

spent on transit per month. At the end of the year, hours should be totaled and divided by 2,000. Town staff could use adopted cost allocation plans as a guide for the calculation.

All these categories added together will represent the full-time equivalent employee count for Truckee TART for purposes of reporting to the state controlled.

The auditor has an additional Functional Recommendation which could increase efficiency for Truckee TART but is not required by TDA law.

Functional Recommendation: Consider procuring tablets for Truckee TART fixed route and DAR drivers to record passenger-trips and other operating data.

Currently Truckee TART uses paper manifests to record passenger-trips on both the DAR and fixed-route service. This data needs to be re-entered into spreadsheets and Easy Ride software before summarizing into monthly operating spreadsheets. Electronic tablets could be used by drivers to enter passenger-trips and other operating data. Tablets can also act as electronic manifests in conjunction with Easy Ride software. Eliminating re-entry of data, reduces human error and improves the accuracy and efficient of data reporting.

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Triennial Performance Audit Results

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) program. The LTF is derived from 0.25 percent of the 7.25 percent 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 sales tax on diesel fuel and are allocated to each county based on the following formula: 50 percent according to population, and 50 percent according to operator revenues from the prior fiscal year. STA funds can only be used to pay for transit planning, capital projects, and operations.

The California Public Utilities Code (PUC) requires that a TPA be conducted for all transit operators and RTPAs. A performance audit is a systematic process of evaluating an organization’s effectiveness, efficiency, and economy of operations under management control. The objectives of the audit are to provide a means for evaluating an organization’s performance and to enhance the performance by making recommendations for improvements. In addition, the audit evaluates the adequacy of an organization’s systems and the degree of compliance with established policies and procedures. Rural transit operators who make claims under Article 4 of the TDA in rural counties must maintain a minimum farebox recovery ratio of 10 percent. However, the state suspended this requirement for the last two years of the audit period due to the fact that COVID has significantly impacted transit ridership demand.

The NCTC allocates TDA funds for public transit services in Nevada County. There are two separate public transit systems in Nevada County: Nevada County Connect and Nevada County Now in the western half of the county and Tahoe Truckee Area Regional Transit (TART) in the eastern portion of the county. Both public transit services lie completely within a rural area as defined by the US Census Bureau. Therefore, these services are subject to a 10 percent farebox ratio requirement. This audit represents results from the public transit operator in the eastern portion of Nevada County.

PERFORMANCE AUDIT AND REPORT ORGANIZATION

The performance audit consisted of seven elements:

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

TRANSIT PROGRAM DESCRIPTION

The Nevada County Transportation Commission (NCTC) is the Regional Transportation Planning Agency (RTPA) for Nevada County and distributes TDA funding to transit operators in the county. In Eastern Nevada County, the transit operator is the Town of Truckee. The Town of Truckee contracts with Paratransit Services, Inc., to operate both its fixed route and demand response services. In recent years, the Town of Truckee has worked with nearby Placer County to brand transit services operated in the Lake Tahoe Basin and the Truckee area as Tahoe Truckee Area Regional Transportation (TART).

- The Truckee Local Route is a fixed route service within the Town of Truckee, and part of the larger fixed route network offered by Tahoe Truckee Area Regional Transportation serving the North Lake Tahoe Basin and Truckee.
- During the audit period, the Town of Truckee provided night service to both Northstar and Palisades Tahoe Resorts, enhancing the connectivity between these destinations and the amenities within the town. This service was offered seasonally and has since been suspended due to pandemic related constraints and performance.
- Truckee TART Dial-A-Ride provides door-to-door demand response services within the Town of Truckee limits.

Tahoe Truckee Area Regional Transportation (TART) – Truckee Local Route

The Truckee Local Route (TLR) is the fixed route within the Truckee portion of the TART network. The TLR goes along Henness Road south to Truckee Depot, as well as along Donner Pass Road to West End Beach Park. It also serves the Recreation Center, Downtown Truckee, Gateway Shopping Center, Crossroads Shopping Center, Senior Apartments and a portion of Old Brockway Road. From the TLR, it is possible to connect to the Placer TART network which serves the Lake Tahoe Basin at the Truckee Depot or the Crossroads shopping center. The TLR operates daily from 6:30 AM to 6:30 PM, seven days a week. There is no fare to ride the Truckee Local Route.

Tahoe Truckee Area Regional Transportation (TART) – Night Service to Northstar and Palisades Tahoe Resorts

In an effort to provide alternative transportation and reduce the need for a private vehicle for visitors, the Town of Truckee provided night service between Truckee, Northstar and Palisades Tahoe resorts. During the audit period, Night Service only operated from December 2019 to April 2020 and from June to December 2020 and from April 2021 to October 2021. The night service was suspended in October of 2021 due to low ridership. The Town is in the process of planning for an on-demand micro-transit type of service, which better serve visitor needs both during daytime and evening hours.

Truckee TART Dial-A-Ride (DAR)

The Town of Truckee's DAR service provides demand response paratransit services within town limits to the general public, with priority service for seniors and passengers with disabilities. By providing priority service to Americans with Disabilities Act (ADA) eligible passengers who are unable to use the fixed route, the Truckee TART DAR fulfills the requirements of the ADA. ADA certified passengers are offered free

fares, but others must pay a fare of \$6.00 for the general public and \$2.00 for Seniors. Truckee TART Dial-A-Ride paratransit service is operated seven days a week from 6:30 AM to 6:30 PM and reservations are required 24 hours in advance.

OPERATING AND FINANCIAL STATISTICS

The following section quantitatively analyzes the efficiency and effectiveness of public transit services in the Town of Truckee. Operating data and financial statistics are presented in Tables 1-3 and Figures 1-7. Operating data was obtained from internal reports while financial data was obtained from annual Fiscal and Compliance Audits. Town of Truckee operating data for this audit period and the previous audit period is presented in Table 1 for Town of Truckee services systemwide. Table 2 presents operating and financial statistics for fixed route services and Table 3 presents operating and financial statistics for demand response services.

Data Collection Methods

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

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

Passenger Counts - TDA defines passenger counts as one-way unlinked trips. The Town of Truckee's counting of passengers is consistent with this definition. For fixed routes, passenger count data is recorded on a paper manifest by the drivers as unlinked one-way passenger-trips (single boarding and alighting) which is then entered into spreadsheet files to compile daily and monthly totals. Demand response trips are also recorded on paper manifests and later compiled into Easy Rides software.

Table 1 and Figure 1 present annual ridership data for all Town of Truckee services during the audit period, as well as data from the previous three-year period (for purposes of comparison). During this current audit period, overall ridership increased by 4.5 percent. Over the past six years, systemwide ridership has increased by 14 percent, with the lowest ridership occurring during FY 2016-17 and the highest ridership occurring in FY 2019-20. This is a stark difference from the majority of public transit agencies in the nation which have seen drastic drops in ridership over the past three years. Truckee has benefitted by the fact that it is a year-round resort area which saw an increase in both visitors and residents during the pandemic.

As shown in Table 2, ridership on the Truckee Local Route increased by 10.7 percent over the past three fiscal years. A small amount of ridership occurred on the night services (2,700 to 3,700 trips annually) the last two years of the audit period.

In contrast, DAR ridership (Table 3) nearly halved during the audit period, experiencing a 48 percent decrease. The lowest DAR ridership occurred during FY 2020-21, which is likely an effect of the COVID-19 pandemic. DAR users tend to be more vulnerable and then reluctant to go out in public during a

pandemic. Additionally, many group social services did not occur, and therefore did not need transportation.

TABLE 1: Tahoe Truckee Area Regional Transit Transit Operator Systemwide Performance Measures

Performance Measures	Prior Audit Period			Current Audit Period		
	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
One-Way Passenger-Trips	22,201	18,111	19,118	24,226	28,492	25,319
<i>% Change from Previous Year</i>	-11.4%	-18.4%	5.6%	26.7%	17.6%	-11.1%
Vehicle Service Hours	6,974	6,331	6,105	6,662	7,512	8,289
<i>% Change from Previous Year</i>	-2.4%	-9.2%	-3.6%	9.1%	12.8%	10.3%
Vehicle Service Miles	110,312	98,166	100,743	103,833	123,589	146,323
<i>% Change from Previous Year</i>	-5.0%	-11.0%	2.6%	3.1%	19.0%	18.4%
Operating Costs	\$972,545	\$961,109	\$1,085,779	\$1,128,493	\$1,375,883	\$1,513,217
<i>% Change from Previous Year</i>	14.7%	-1.2%	13.0%	3.9%	21.9%	10.0%
Full-Time Equivalent Employees (FTE)	11	11	25	6	6	6
<i>% Change from Previous Year</i>	0.0%	0.0%	127.3%	-76.0%	0.0%	0.0%
Farebox Revenues and Local Support	\$173,774	\$167,335	\$169,234	\$207,435	\$196,411	\$238,283
<i>% Change from Previous Year</i>	3.2%	-3.7%	1.1%	22.6%	-5.3%	21.3%
Operating Cost per One-Way Passenger-Trip	\$43.81	\$53.07	\$56.79	\$46.58	\$48.29	\$59.77
<i>% Change from Previous Year</i>	29.4%	21.1%	7.0%	-12.2%	3.7%	23.8%
Operating Cost per Vehicle Service Hour	\$139.45	\$151.81	\$177.85	\$169.39	\$183.17	\$182.56
<i>% Change from Previous Year</i>	17.6%	8.9%	17.2%	11.6%	8.1%	-0.3%
Passengers per Vehicle Service Hour	3.18	2.86	3.13	3.64	3.79	3.05
<i>% Change from Previous Year</i>	-9.2%	-10.1%	9.5%	27.1%	4.3%	-19.5%
Passengers per Vehicle Service Mile	0.20	0.18	0.19	0.23	0.23	0.17
<i>% Change from Previous Year</i>	-6.7%	-8.3%	2.9%	26.5%	-1.2%	-24.9%
Vehicle Service Hours per FTE	634.00	575.55	244.20	1,110.33	1,251.95	1,381.50
<i>% Change from Previous Year</i>	-2.4%	-9.2%	-57.6%	92.9%	12.8%	10.3%
Farebox Recovery Ratio ⁽¹⁾	17.87%	17.41%	15.59%	18.38%	14.28%	15.75%
<i>% Change from Previous Year</i>	-10.2%	-2.6%	-10.5%	5.6%	-22.3%	10.3%

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

Note 1: Farebox Ratio includes local support and private contributions.

Operating Cost data for Town of Truckee services systemwide were obtained from annual Fiscal Audits. Operating costs include total operating expenses for each object class as presented in the Chart of Accounts for the Uniform System of Accounts and Records minus depreciation costs. Per TDA, operating costs include the annual cost of running a transit operation exclusive of depreciation, capital expenditures, vehicle lease costs, and direct costs of providing charter service. Extension of service can be excluded per Section 6633.8 when calculating farebox ratio. The Town of Truckee follows this definition.

As shown in Table 1, systemwide operating costs increased by 21.9 percent between just FY 2018-19 and FY 2019-20, with another 10 percent increase in FY 2020-21. Specifically, in FY 2019-20 “salaries and benefits” increased by 25.7 percent and “maintenance and fuel” increased by 55.6 percent. The increase in salaries and benefits may also be affected by new requirements for local entities invested in the California Public Employees' Retirement System (CalPERS) to recognize their share of the state's unfunded pension and Other Post Employee Benefits (OPEB) liabilities on the employer's balance sheet, instead of in the footnotes.

Operating costs by type of service are not tracked in internal reports so systemwide operating costs were allocated to fixed route and demand response service by the proportion of vehicle service hours operated. As shown in Table 2, Truckee Local Route operating costs increased greatly during the audit period as service levels increased. The Truckee DAR saw a 37.6 percent decrease in operating costs during the audit period: 9.9 percent in FY 2019-20 and 30.8 percent in FY 2020-21 due to service levels decreasing, likely from lower demand during COVID.

Vehicle Service Hour data is reported in Tables 1 -3. Appendix B of the Performance Audit Guidebook defines vehicle service hours as the time during which a revenue vehicle is available to carry fare-paying passengers. In other words, the time between the schedule time of the first passenger pickup and the last passenger drop off. Vehicle service hours were recorded and reported in accordance with TDA Performance Audit Guidebook definitions.

TABLE 2: Tahoe Truckee Area Regional Transit Fixed Route Services Performance Measures

Performance Measures	Truckee Local Route			Night Service		
	2018-19	2019-20	2020-21	2018-19	2019-20	2020-21
One-Way Passenger-Trips	17,055	18,673	18,874	0	3,755	2,747
<i>% Change from Previous Year</i>	32.0%	9.5%	1.1%	--	--	-26.8%
Vehicle Service Hours	3,318	3,609	4,290	0	1,116	2,063
<i>% Change from Previous Year</i>	-2.8%	8.8%	18.9%	--	--	84.8%
Vehicle Service Miles	59,099	64,008	80,431	0	23,903	44,064
<i>% Change from Previous Year</i>	-7.1%	8.3%	25.7%	--	--	84.3%
Operating Costs	\$562,044	\$661,044	\$783,171	0	\$204,413	\$376,574
<i>% Change from Previous Year</i>	NA	17.6%	18.5%	--	--	84%
Operating Cost per One-Way Passenger-Trip	\$32.95	\$35.40	\$41.49	0	\$54.44	\$137.09
<i>% Change from Previous Year</i>	NA	7.4%	17.2%	--	--	152%
Operating Cost per Vehicle Service Hour	\$169.39	\$183.17	\$182.56	0	\$183.17	\$182.56
<i>% Change from Previous Year</i>	NA	8.1%	-0.3%	--	--	0%
Passengers per Vehicle Service Hour	5.14	5.17	4.40	0	3.36	1.33
<i>% Change from Previous Year</i>	35.7%	0.7%	-15.0%	--	--	-60.4%
Passengers per Vehicle Service Mile	0.29	0.29	0.23	0	0.16	0.06
<i>% Change from Previous Year</i>	42.1%	1.1%	-19.6%	--	--	-60.3%

TABLE 3: Tahoe Truckee Area Regional Transit Demand Response Services Performance Measures

Performance Measures	Dial-A-Ride		
	2018-19	2019-20	2020-21
One-Way Passenger-Trips	7,171	6,064	3,698
<i>% Change from Previous Year</i>	15.7%	-15.4%	-39.0%
Vehicle Service Hours	3,344	2,787	1,936
<i>% Change from Previous Year</i>	24.2%	-16.7%	-30.5%
Vehicle Service Miles	44,734	35,678	21,804
<i>% Change from Previous Year</i>	20.5%	-20.2%	-38.9%
Operating Costs	\$566,449	\$510,482	\$353,403
<i>% Change from Previous Year</i>	NA	-9.9%	-30.8%
Operating Cost per One-Way Passenger-Trip	\$78.99	\$84.18	\$95.57
<i>% Change from Previous Year</i>	NA	6.6%	13.5%
Operating Cost per Vehicle Service Hour	\$169.39	\$183.17	\$182.56
<i>% Change from Previous Year</i>	NA	8.1%	-0.3%
Passengers per Vehicle Service Hour	2.14	2.18	1.91
<i>% Change from Previous Year</i>	-6.8%	1.5%	-12.2%
Passengers per Vehicle Service Mile	0.16	0.17	0.17
<i>% Change from Previous Year</i>	-4.0%	6.0%	-0.2%

FIGURE 1: TART Annual Ridership History

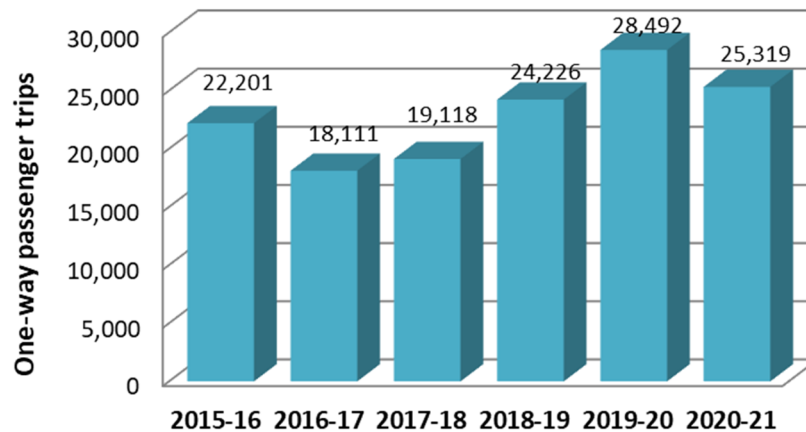


FIGURE 2: TART Operating Cost per Passenger-Trip

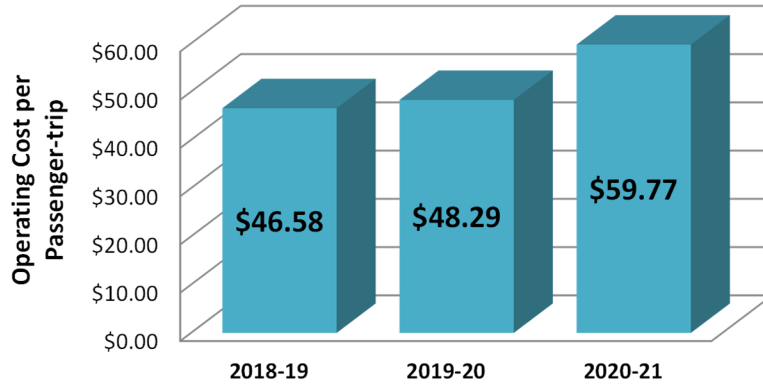


FIGURE 3: TART Operating Cost per Hour

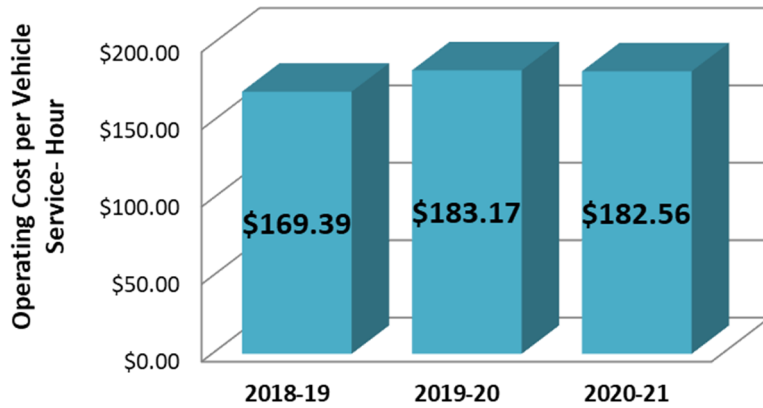


FIGURE 4: TART Passengers per Hour

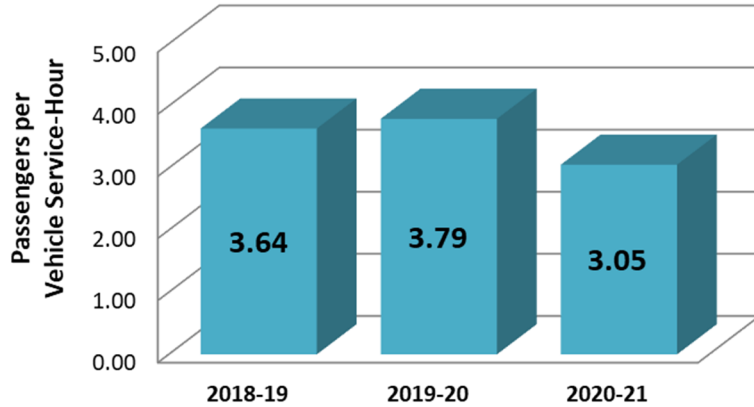


FIGURE 5: TART Passengers per Mile

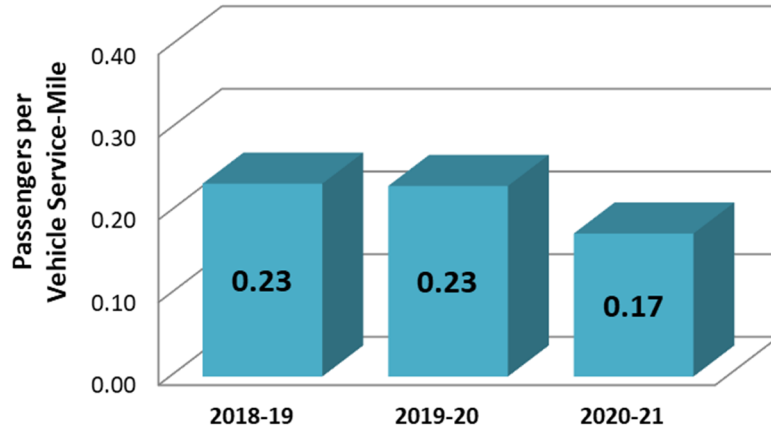


FIGURE 6: TART Hours per Employee

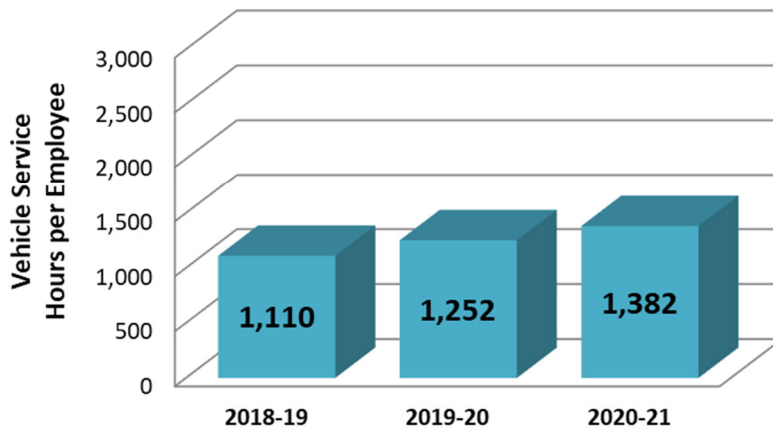
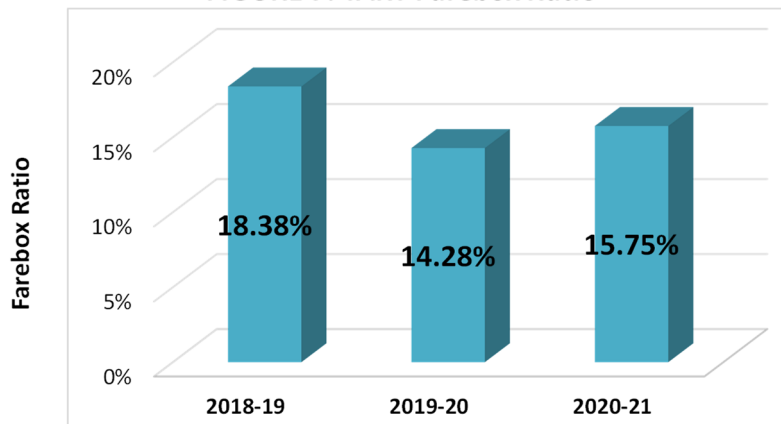


FIGURE 7: TART Farebox Ratio



As shown in Table 1, over the past six years Town of Truckee systemwide service levels increased by 18.9 percent, or by 1,315 annual vehicle-hours. During just the three-year audit period, vehicle hours increased by 24.4 percent. As seen in Tables 2 and 3, this increase in hours can be attributed to an increase in fixed route service and night service to the ski resorts, as vehicle service hours for DAR service actually decreased. In Spring of 2021 the Truckee Local Route increased service levels to match those operated by Placer TART. Alternatively at the beginning of the audit period during the winter of 2018, the Truckee Local Route service area was reduced to no longer serve the ski resorts up on Donner Summit.

Vehicle Service Mile data is displayed in Tables 1 - 3. Vehicle service miles are defined in Appendix B of the Performance Audit Guidebook as those miles travelled during vehicle service hours. The Town of Truckee records and reports vehicle service miles to the State Controller in accordance with the TDA definition.

As shown in Table 1, during this audit period, systemwide annual vehicle service miles increased by 42,490 miles, or 40.9 percent. This is due to the annual vehicle service miles for the Truckee Local Route increasing by 36.1 percent throughout the audit period and the night service to Northstar and Palisades Tahoe resorts. Specifically, the night service to Northstar and Palisades Tahoe resorts increased annual vehicle service miles by 84.3 percent from FY 2019-20 to FY 2020-21. In contrast, DAR annual service miles decreased by 51.3 percent.

The Full-Time Equivalent (FTE) Employee data presented in Table 1 was obtained from the State Controller's Report. Appendix B of the Performance Audit Guidebook defines full-time equivalent employee hours as dividing the number of person-hours worked by transit related employees by 2,000. During the audit period, the Town of Truckee calculated FTE's by dividing the number of person-hours by 2,080. FTEs were consistently 6 for the Town of Truckee transit services, as reported to the State Controller.

Fare Revenue and Local Support – TDA PUC Section 99205.7 states that fare revenues are defined as revenue in 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. This would include revenue collected from ski resorts to allow employees to ride fare free.
- 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, (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. It should be noted that Low Carbon Transit Operations Program (LCTOP) funds acquired for the purpose of

having fare – free transit service can be categorized as fare revenue under object class 402. The Town of Truckee received LCTOP funds during this audit period.

Fare revenue does not include other donations or general operating assistance, whether from public or private sources. Charter revenues cannot be included in the fare revenue category. The Town of Truckee calculates and reports fare revenue to the State Controller correctly. Passenger fare revenue is around \$2,000 per year.

Per TDA, if fare revenue alone is insufficient to meet the 10 percent requirement, transit operators can use “local funds” to supplement fare revenue. Local funds are defined as, “any nonfederal or nonstate grant funds or other revenues generated by, earned by, or distributed to an operator. Examples include advertising revenue, lease revenue or funds provided by a local agency. As passenger fares are not charged on the fixed route and only non-ADA eligible passengers are charged a fare on the DAR, fare revenue consists mostly of private contributions from local agencies or local support. Both Placer and Truckee TART receive funding from the Truckee Tahoe Airport District, Air Quality Mitigation funds and development mitigation fees so that free fares can be provided for residents and visitors to the area. This amount is included in Table 1.

Systemwide fare revenue data presented in Table 1 was obtained from annual Fiscal and Compliance Audit reports. Fare revenue and local support increased by 21.3 percent in FY 2020-21 with an overall increase of 14.9 percent during the audit period.

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, per 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 Figure 2. This performance measure is a key indicator of a transit system’s cost effectiveness. Systemwide operating cost per trip decreased by 12.2 percent in FY 2018-19 to \$46.58 then increased by 3.7 percent to \$48.29 per trip in FY 2019-20, finally increasing by 23.8 percent to \$59.77 in FY 2020-21. The Truckee Local Route operating cost per trip increased from \$32.95 in FY 2018-19 to \$41.49 in FY 2020-21. Operating cost per trip for the night service to the resorts was around \$54.44 in FY 2019-20, then increased drastically to \$137.09 per trip in FY 2020-21 due to decreased ridership but increased service levels (part of the reason for discontinuing the service, alongside staffing issues). Operating cost per trip for the Town of Truckee DAR services ranged from \$78.99 to \$95.57.

The **Operating Cost per Vehicle Service Hour** data is presented in Tables 1-3 and Figure 3. This performance measure is a key indicator of a transit system's cost efficiency. Systemwide operating cost per vehicle revenue hour increased by 7.8 percent during the audit period from \$169.39 in FY 2018-19 and increased to \$182.56 in FY 2020-21. Both service levels and operating costs increased during this period with a greater increase in operating costs. As vehicle service hours were used to allocate operating costs between fixed route and demand response services, operating cost per hour shows as the same for both fixed route and DAR in Tables 2 and 3.

The **Passengers per Vehicle Revenue Hour** (commonly referred to as "productivity") is presented in Tables 1-3 and Figure 4. Systemwide productivity over this audit period decreased slightly from 3.6 to 3.05 passenger trips per hour and represents a slightly higher level of productivity compared to the previous audit period's average (between 2.86 and 3.2).

Looking at productivity by type of service (Tables 2 and 3), the Truckee Local Route passenger-trips per vehicle service hour decreased slightly this audit period (5.2 to 4.4 trips per hour). However, this range was higher than the previous audits average of 3.9 passenger trips per vehicle service hour. The night service to the resorts decreased in productivity in the two years it has operated, decreasing from 3.4 to 1.3 passenger trips per hour. Pre-pandemic industry standards for rural fixed route services were around 10 passenger-trips per hour.

DAR passenger trips per hour also decreased slightly during the audit period, ranging from 2.18 to a low of 1.9 in FY 2020-21. By FY 2020-21, there had been a 10.9 percent decrease in productivity from the FY 2018-19 levels, and a 17 percent decrease from the FY 2017-18 level of 2.3 passenger trips per hour. Again FY 2020-21 productivity was likely affected by the fact that fewer group social service programs were operating. A generally accepted productivity standard for demand response services is around 2 passenger-trips per hour.

Systemwide Passengers per Vehicle Revenue Mile data is presented in Tables 1-3 and Figure 5. This performance indicator has ranged from a systemwide 0.17 trips per mile to FY 2020-21 to 0.23 trips per mile in FY 2018-19 and FY 2019-20. The fixed routes carried more passenger-trips per mile (0.23 in FY 2020-21) than DAR (0.17 in FY 2020-21). The night service to Northstar and Palisades Tahoe resorts carried the least passenger trips per revenue mile in FY 2020-21, carrying 0.06 passenger-trips.

The **Vehicle Service Hours per Employee data** is presented in Table 1 and Figure 6. As presented, the number of vehicle revenue hours per Full Time Equivalent (FTE) increased during the audit period as a result of increasing revenue hours while the number of FTEs remained the same.

The **Farebox Recovery Ratio** data is presented in Tables 1-3 and Figure 7. Farebox ratio for the Town of Truckee system as a whole was calculated using data obtained from the Fiscal and Compliance Audits for the first two years of the audit period and State Controller Reports for FY 2020-21. TDA law does not require a performance auditor to calculate farebox recovery ratio and determine compliance with TDA farebox ratio minimums, as this is the job of the Fiscal and Compliance Auditor. However, as farebox ratio determines eligibility for TDA funding it is worthwhile to review this performance indicator.

The ultimate significance of the farebox ratio is that a claimant's maximum eligibility for TDA funds is determined in large part by its required ratio. For example, if a claimant had a required fare ratio of 10 percent, then it could receive a maximum of 90 percent of its operating cost from TDA and federal revenues (this is in addition to eligibility for capital purposes). If the claimant's actual fare revenues

proved to be less than the required 10 percent, its TDA eligibility would not be increased to make up the difference. Rather, the shortfall of required fares would reduce the amount of TDA eligibility in future years.

Unlike many other rural transit agencies, the Town of Truckee has maintained the 10 percent farebox ratio requirement throughout the last six years due to contributions from the Tahoe Truckee Airport District and Grays Crossing Mitigation Fees. As shown in Table 1 and Figure 7, the Town of Truckee's farebox ratio was 18.38 percent in FY 2018-19, dropped to 14.28 percent in FY 2019-20 and increased again to 15.75 percent in FY 2020-21.

The Town of Truckee's farebox ratio has not dipped below 10 percent within the last six years, even staying above 10 percent during the COVID-19 pandemic, as Truckee's local support funding is not dependent on ridership. The Town of Truckee has therefore been compliant with minimum farebox ratio standards as outlined by the TDA throughout the audit period.

RECOMMENDATIONS ON DATA COLLECTION AND REPORTING

Some discrepancies exist between operating data maintained in internal Town of Truckee reports and the data reported in the annual State Controller Report. Vehicle hours and miles data varied as much as 30 percent between the two sources in some instances. In some cases, it appears that hours or miles from the Night Service were not included in the State Controller reports.

As for the overall data collection and recording process, the Town of Truckee and its contractor employ a straightforward manual data entry process. Drivers record passenger-trips by type for each run manually into the daily driver manifests. Contractor staff enters data from the driver manifests into Microsoft Excel spreadsheets or Easy Rides for DAR. At the end of the month, operational data is summarized by route, and passenger type, etc. in a comprehensive monthly report. Manually entered data is still subject to human error. The use of tablets could improve the data collection process by reducing the required staff time as well as the potential for error.

Overall Performance

The US has been experiencing an overall downward trend in public transit ridership for a variety of reasons including decreasing gas prices and low cost of auto ownership. Truckee TART ridership has not followed this trend during the audit period with a 4.5 percent increase from FY 2018-19 to FY 2020-21. However, systemwide operating costs did increase more than 15 percent in one year (FY 2019-20). Productivity is on the low side for a fixed route system, but DAR productivity is on par with other rural areas during the pandemic. The Town of Truckee is a challenging location to serve efficiently with one public transit local route. Some residential areas such as Glenshire and Tahoe Donner are located several miles from the commercial core and therefore are not served by public transit given available resources. On the other hand, Truckee receives a high number of visitors each year who are often willing to arrive without a vehicle or leave their vehicle parked during their trip. This has likely kept Truckee TART ridership afloat during the pandemic.

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

The Town of Truckee appears to have a reasonably well-developed system of internal controls appropriate to the size of the transit system. This statement is echoed in each of the annual Fiscal Auditor's Reports.

REVIEW OF COMPLIANCE REQUIREMENTS

As an entity receiving TDA funds for transit purposes, the Town of Truckee is required to comply with laws and statutes set forth in the Act. Below is a discussion of Truckee'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. According to Public Utilities Code Section 99243, the Town of Truckee must submit 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 seven months after the end of the fiscal year. The Town Accounting Department with assistance from an independent financial auditing consultant prepares the reports. These reports were submitted on time during this audit period.
2. Public Utilities Code Section 99245 references timely completion and submittal of the annual Fiscal and Compliance Audits. Reports must be submit the December 31st deadline unless a 90-day extension is granted by the RTPA. The first two years of the audit period these reports were submitted about one month past the 90-day extension. In FY 2020-21 the Town was granted an additionally 32-day extension. The Final Audit was submitted four days after this deadline. NCTC procures the assistance of an outside auditor to conduct these audits and worked closely with the auditor, the State Controller's Office and Caltrans throughout the audit process. Staffing shortages and public safety power shut offs have contributed to delays in completing the audits. For reference, many rural counties are unable to complete fiscal and compliance audits on-time.
3. In accordance with Public Utilities Code Section 99251, the Town of Truckee 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. CHP assigns either "Satisfactory" or "Unsatisfactory" ratings to transit maintenance facilities as part of their annual inspection. The Town of Truckee maintenance facility received a "Satisfactory" carrier rating for each of the three years.
4. In accordance with Public Utilities Code Section 99261, the Town of Truckee's claims for TDA funds are submitted in compliance with rules and regulations adopted by the NCTC for such claims.

TABLE 4: Transit Operator Compliance Requirements - Tahoe Truckee Area Regional Transit

Requirement	PUC Reference	In Compliance?		Notes
		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		FY 18-19 sent 1/29/20 FY 19-20 sent 1/28/21 FY 20-21 sent 1/31/22
(2) The operator has submitted annual fiscal and compliance audits to its RTPE 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	FY 18-20 sent 4/30/20 FY 19-20 sent 04/30/21 FY 20-21 sent 05/06/22
(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		FY 2018-19 - Yes FY 2019-20 - Yes FY 2020-21 - Yes
(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).	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		

5. The Town of Truckee is not an urbanized area as designated by the US Census. Therefore, PUC 99270.1 does not apply to Truckee TART services.
6. Public Utilities Code Section 99266 requires that a transit operator's operating budgets not increase by more than 15 percent over the preceding year, and no substantial increase or decrease in the scope of operations or capital budget provisions for major new fixed facilities be realized unless the operator has reasonably supported and substantiated the change(s). See Table 1 for actual operating costs between Fiscal Years 2015-16 and 2020-21. In Fiscal Year 2019-20, annual operating costs for all Town of Truckee services increased by 21.9 percent over the preceding year. Service levels increased by 12.8 percent the same period. Vehicle service hour increases can be attributed to implementing Night Service and a small increase in hours for the Truckee Local Fixed Route.

7. The Town of Truckee's definition of performance measures are consistent with Public Utilities Code Section 99247 with the exception of FTE's. A recommendation is included at the end of this report to calculate FTEs in accordance with TDA definitions.
8. As Truckee TART's service area is located within a rural area, the Town of Truckee is not subject to a 20 percent farebox ratio requirement.
9. Truckee TART surpassed the minimum 10 percent farebox ratio requirement for rural transit services during the entire audit period.
10. In reference to PUC Section 99271, the Town of Truckee offers a retirement plan to its transportation employees through the California Public Employees Retirement System (PERS). As of June 2018, reports show that the CalPERS fund was only around 70 percent funded. CalPERS is taking steps to increase the funded status such as shortening the amortization period and adopting new strategic asset allocation. Additionally, as referenced above, GASB 68 and 75 now requires that employers show the pension and OPEB liabilities on their balance sheets instead of in the footnotes. This is a way of forcing employers (cities/counties) to recognize their share of the state's unfunded liability in hopes that the employers take more interest in having these liabilities paid off.

Despite the changes to the balance sheets, actuarial valuations performed by CalPERS assume that the amortization period for the unfunded liability for CalPERS is 30 years or less. Therefore, the retirement system will be funded within 40 years, per PUC 99271.

11. In accordance with California Code of Regulations Section 6754(a) (3), the Town of Truckee makes full use of funds available to it under the Urban Mass Transportation Act of 1964 and its successors (in particular, FTA Section 5311 Non-Urbanized Area Formula Program funds) before TDA claims are granted. During the audit period Truckee TART received funding from a variety of sources for planning and operating expenses in addition to TDA including: Federal Transit Administration, Low Carbon Transit Operations Program and private sources.

STATUS OF PRIOR AUDIT RECOMMENDATIONS

The previous audit was completed by Moore and Associates. The recommendations and their status from that effort are presented below.

Recommendation: The Town reports on-time performance as a number of trips, rather than as a percentage of total trips.

Implementation Complete: The prior performance auditor noted that the transit contractor for Truckee TART monitors on-time performance on every trip. While the information as currently reported by the contractor is good, it did not give any indication of how on-time performance compares to the system as a whole. It was recommended that presenting this information as a percentage of total trips would give a much clearer indication of how each mode is performing within the context of the mode and system as a whole. Paratransit Services now shows the percent on-time in their monthly reports.

DETAILED REVIEW OF TRANSIT OPERATOR FUNCTIONS

This section presents a review of the various functions of the Town of Truckee's transit programs. 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

General Management and Organization

Truckee TART is operated by the Town of Truckee using a private contractor, Paratransit Services. The Truckee Town Council is the decision-making board for Truckee TART. Although branded the same, Placer County TART (which serves the Tahoe Basin with regional connections to Truckee) is a separate transit operator run by Placer County.

The Town of Truckee Transit Program Coordinator acts as the Transit Manager for Truckee TART. This position was recently reclassified to place a higher emphasis on day-to-day transit operations as well as short and long range multi-modal transportation planning. Roughly 80 percent of their time is dedicated to transit while the other 20 percent is spent managing capital projects, special events and serving as the Park Hearings Officer. The Administrative Analyst reports to the Town Director of Public Works. An Administrative Technician also assists with transit matters and splits their time between public transit and other public works duties. Paratransit Services staff include a General Manager, Operations Supervisor six full-time drivers, two on-call drivers and a dispatcher. All vehicle maintenance is performed by Town Fleet Maintenance staff at the Public Works Facility. Fuel is also provided by the Town.

Administrative Oversight

The Town of Truckee has an appropriately well-defined program of administrative oversight. It regularly receives, reviews, and acts upon performance and financial information. The operations contractor sends detailed operating reports to the Transit Manager monthly. The Transit Manager reviews these reports or other operating data four or five times a month. Operating reports are presented to the Tahoe Truckee Transportation Management Association (TMA) and Town Council semi-annually. Performance reports are sent to NCTC on a quarterly basis.

Administrative and management staff for the Town Public Works department meets once a week. Transit is often the primary topic of the meeting. Discussions include contractor invoices, transit performance, ADA issues, grants, reporting, data needs for applications. The Transit Manager has a weekly standing meeting with the Paratransit Services General Manager to discuss performance, customer feedback and recruitment for new drivers. The COO for Paratransit Services is also very available for questions. Given the size of the transit program, Truckee TART's internal organization structure is appropriate. Lines of reporting are clearly defined and appropriate. Like many transit agencies, Truckee TART needs more drivers.

Recent Program Changes and Innovations

Over the current audit period, Truckee TART made some adjustments to transit service to better meet passenger needs, attract choice riders and increase efficiency:

- Discontinued serving the ski resorts on Donner Summit during the winter of 2018
- Discontinued the night route in late 2020 due to low ridership.
- Discontinued the holiday shuttles during the pandemic.
- Increased service span to be more consistent with Placer TART and allow for regional connections in Spring 2021. This included operating seven days a week and an expanded service hour schedule.
- Reclassification of Administrative Analyst position to Transit Program Coordinator.

Generally, Town staff look to TDA performance measure when evaluating the effectiveness of new services. Other criteria considered includes fleet required to provide the service, if there is sufficient administrative and technological support to provide the service and the relationship to regional services. During the audit period, the Town of Truckee discontinued Night Service between the Town and major ski resorts because of low ridership and staffing issues. Public hearings are held before implementing major changes.

Communications with Other Government Agencies

The Transit Manager acts as the intergovernmental liaison within NCTC and regional transit agencies. Although separate operators with separate governing boards, Town of Truckee transit services (Truckee TART) are branded similarly to Placer County transit services based in the Tahoe Basin (Placer TART). As such, the Town has a good relationship with Placer County. Both services are marketed jointly through the Transportation Management Association (TMA). The Town of Truckee has a good relationship with the RTPA, NCTC.

Service Planning

The effectiveness of a transit system is highly dependent upon the continued development of short- and long-range transit plans. NCTC just updated the Coordinated Public Transit Human Services Transportation Plan for Nevada County, including the Town of Truckee. The Eastern Nevada County Transit Development Plan was last updated in 2018, just prior to the beginning of this audit period. TDP recommended prioritized service improvements for five, ten and twenty-year period. The Town has implemented two of the high priority recommendations:

- Elimination of fares
- Additional hours on mainline (Truckee Local Route) service

The Town is in the process of planning an on-demand micro transit program. If successful, this program could be a solution to some of the issues addressed in the transit plan, such as serving outlying neighborhoods and evening service.

The Coordinated Plan includes additional strategies to improve mobility for the elderly, disabled and low income by recommending 30-minute service on the Truckee Local Route, implementing Community Shuttles, micro-transit programs, volunteer driver program and vanpool subsidy.

Strategic Planning

In terms of strategic planning, Town of Truckee has set clear, reasonable goals and objectives in the SRTDP. The Town is always looking for potential changes to public transit service which encourage choice ridership by visitors. This is evident in the implementation of the Night service and the pre-COVID Holiday Shuttles.

The Town compiles a monthly ridership and key performance indicator report for the TMA. This report is similar to what Placer TART provides. Performance statistics are reported to NCTC quarterly. These reports are consistent with what Western Nevada County transit services provide.

Short Range Planning

In terms of short-range planning, the 2018 TDP identifies residential, retail, and other developments which may require transportation. Truckee staff coordinate with Town planners regarding transit issues and new project development. Coordination will become more frequent as there are increasingly more policies regarding Greenhouse Gas emissions and Vehicle Miles Traveled which involve public transit.

Evaluation of Fixed Routes

Each month, the Transit Manager receives and reviews a comprehensive report from the contractor. The report includes ridership, on-time performance, road calls and the number of complaints and compliments. On-board and community surveys were conducted as part of the TDP update. Truckee TART is working with the regional transportation planning agencies in the Tahoe Basin (TRPA) to survey the Truckee Local Fixed Route over the course of one day this summer.

Planning for and Serving Special Transportation Needs

All of Truckee's active fleet of 7 revenue vehicles are wheelchair accessible. Truckee TART DAR serves as the Americans with Disabilities Act (ADA) complementary paratransit service for the fixed route. DAR is offered the same hours and days and within the Town limits, more than as required by ADA. As free fares are available on the Truckee Local Route, ADA eligible DAR passengers are also offered free fares so as to be compliant with ADA law. General public DAR passengers must pay a fare.

Public Participation Hearings

All Town Council meetings are open to the public and are conducted in an accessible facility per the requirements of the Americans with Disabilities Act (ADA). Truckee TART conducts public meetings prior to making major service changes. The NCTC Social Services Transportation Advisory Council (SSTAC), the NCTC Technical Advisory Committee also acts 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.

Paratransit Services Inc. drivers are appropriately certified and trained for the types of vehicles operated. Drivers are assigned to routes based on seniority. As there are very few drivers, there has not been an issue with this process. Most Paratransit drivers are full-time, while two drivers are on-call. Administrative personnel are capable of covering shifts if necessary. Contractor operations staff are in constant communication with each other as well as Truckee administrative personnel.

DAR scheduling is performed using Easy Rides software. Reservations are required to be made at least 24 hours in advance. Subscription service is available to passengers with recurring appointments so long as they do not present any capacity constraints for other qualified passengers. Truckee TART uses paper manifests for data collection.

Dial-A-Ride rules are posted clearly on the tahoetruckeetransit.com website, including a clear “no show” policy. DAR “No Shows” decreased by 91 percent between FY 2018-19 and FY 2020-21. “Late Cancels” decreased by 64 during the same period. Truckee has established an ADA eligibility certification process which complies with federal regulations.

Personnel Management and Training

Similar to most public transit agencies in California, Truckee TART is short of drivers. Truckee TART would like to hire two additional part-time drivers. Paratransit Services recruits drivers through a variety of means such as employment websites (Indeed), word of mouth, Chamber of Commerce, Town website Sierra college, posting of flyers around town and at community centers such as churches. New recruits can be trained in-house by Paratransit staff and only require a standard driver’s license. Paratransit will offer a signing bonus if the person has a commercial driver’s license.

There was some driver turnover during the audit period due to retirement, more attractive wages elsewhere and people simply moving on. One of the challenges with attracting transit drivers specific to Truckee and other ski resort areas is that the position often requires driving in the snow, at night and on holidays. Both the Town of Truckee and Paratransit Services conduct driver performance evaluations annually. There are no monetary incentive programs in place, but free pizza lunch is sometimes provided to staff as a token of appreciation. Full-time drivers receive benefits from Paratransit Services and a retirement plan. Paratransit Services has a clear and communicated policy for sick leave.

Both new and experienced Truckee TART drivers are trained in Truckee for initial classroom and behind-the-wheel training. If needed, an additional trainer from corporate Paratransit staff can be sent to assist with training. The Town of Truckee has developed a clear Drug and Alcohol Testing Policy for all Truckee TART employees, which appears to meet all applicable state and federal requirements. The Town of Truckee Personnel Policy defines personnel issues such as leave and compensation and was last updated in 2021.

Administration

Budgeting

The Truckee TART has a well-developed budget and reporting system that is appropriate to the size and scope of the transit program. The Transit Manager prepares the budget. The Town Council must approve substantial changes in the budget and/or spending. During this audit period there were no substantial excesses in the budget.

Grants Management

Grant application preparation and management duties are conducted by both the Transit Manager and Administrative Technician. During the audit period, Truckee TART did not lose a grant due to negligence or improper procedure. In addition to recurring grants, Truckee TART has been successful over the years in obtaining FTA grants, Low Carbon Transit Operations Program (LCTOP) funds as well as grants from the Truckee Tahoe Airport District and Air Quality Mitigation Funds.

Risk Management and Insurance

Regarding insurance, the contractor must maintain liability insurance. The Town has additional insurance through California Transit Indemnity Pool (CalTIP). The Town of Truckee/Paratransit has established procedures for processing and investigating accident/injury claims.

The Nevada County Office of Emergency Services partners with the Town of Truckee during all disasters that impact both the Town of Truckee and the unincorporated areas of the County. To ensure all emergency response processes, policies and procedures are reviewed periodically, the Town of Truckee semiannually participates in Nevada County Operational Area disaster exercises that are coordinated by the Nevada County OES. Truckee TART's fleet and maintenance facility is available for use during an emergency in the County. Buses are fueled at the end of the day in case of emergency.

Safety

Accidents/incidents are reported by the contractor to Town staff in the monthly report. Paratransit holds around 10 safety meetings per year to review a variety of safety issues including winter driving. Vehicles are equipped with safety equipment including fire extinguishers, first-aid kits, and a blood-borne pathogen kit.

Facility Management

Truckee TART operations and maintenance are conducted at the Town Public Works Facility located off of Stevens Lane near the center of Truckee. The facility is used by all of public works and includes 10 maintenance bays, 4 Mobile wheel lifts, (1) 2 Post surface mount auto lift and a wash bay. Town Facilities staff maintain this facility along with the Train Depot (main transfer point with Placer TART) and bus shelters. A new Transit Center is in project development and planned for the "North Balloon" parcel in the Truckee Railyard Master Plan area.

Revenue Collection and Cash Management

As Truckee TART is mostly a fare-free transit system, there is very little passenger revenue collected. Only a small amount of fare revenue is collected on DAR vehicles for general public passengers. DAR vehicles use a locked vault manual farebox system. Truckee TART has established specific procedures for fare revenue collection. Two staff members are present when fare revenue is counted and bagged for deposit. The Town of Truckee has a clear policy regarding the use of petty cash.

Other Financial Transactions

The Town of Truckee follows a purchasing policy which is compliant with FTA rules and regulations. All large capital items are procured competitively according to the Town procurement policy. All financial duties are performed by Town staff. An electronic time clock is used to track Truckee TART employees' hours and direct deposit is available.

Marketing and Public Information

The Truckee North Tahoe TMA conducts the majority of marketing efforts for both Truckee TART and Placer TART. Around \$15,000 is spent on marketing each year. The tahoetruckeetransit.com website (managed by the TMA) is a good source of route and schedule information for public transit services in Truckee and the North Lake Tahoe area. Service area maps are updated seasonally, posted on the website and distributed to various hotels and businesses in Town. Truckee TART does not have a large social media presence. For paratransit outreach, the Town communicates regularly with social service agencies, the rotary club and schools.

Complaints and compliments are received directly by contractor staff. These are reported to the Town monthly.

One important marketing aspect is the passenger's perception of the public transit system's reliability. This is often measured in terms of on-time performance. Paratransit Services tracks on-time performance for both the fixed route and DAR. Truckee TART defines on-time as being less than 10 minutes late. During the audit period, fixed route services on-time performance increased from 93 percent in FY 2018-19 to 95 percent in FY 2020-21. DAR on-time performance also improved from 95 percent on-time in FY 2018-19 to 97 percent on-time in FY 2020-21.

Maintenance

Fleet maintenance is performed by the Town Fleet Maintenance staff. A good preventive maintenance schedule that exceeds the requirements of the bus manufacturers is outlined in the latest update of the Town of Truckee Fleet Maintenance Plan. The 2018 CHP Terminal Inspection noted that the 45-day maintenance inspection period was exceeded for three vehicles. This improved during the audit period.

The maintenance facility includes 10 maintenance bays and multiple lifts. Although there is not one particular maintenance bay is dedicated to public transit, there has never been an issue with having to wait for an available bay or maintenance time. During the winter season fleet maintenance staff shifts extend until 8:30 PM further allowing maintenance to be performed in a timely manner. Parts inventory is organized and sufficient so as to limit downtime for vehicles. All vehicles are parked in an inside storage

bays at the fenced operations and maintenance facility on Stevens Road. This is particularly important during the winter months. CHP inspections for the audit period show a satisfactory rating for Truckee TART's terminal inspection.

Upon identifying a safety defect during a pre-trip or post trip inspection, any driver or dispatcher has the authorization to remove the vehicle from service. Overall, the Town of Truckee has a good procedure in place for prioritizing and tracking repairs and during the audit period there was no backlog of repairs or preventative maintenance which disrupted service. There is good communication between mechanics and dispatchers with respect to maintenance. The Fleet Maintenance division uses Vehicle Tracker software. This software compiles all the data, schedules all preventative maintenance and staff reporting as well as divisional and vehicle specific reports.

The Town has a fleet of 7 active revenue vehicles. This allows for a back-up vehicle for both fixed route and DAR services. The average age of the fleet is 5 years and average mileage is 99,273. During the audit period, the Town was proactive with vehicle replacement to ensure the safety of the transit system and limit disruption in service due to vehicle repairs. Two vehicles were replaced in 2020.

Section 2

Findings and Recommendations

The Auditor’s analysis of the Town of Truckee transit operators indicates that, in terms of operations, the system was efficiently run and professionally managed during the audit period. The Town, has a good relationship with its contractor, the RTPA and neighboring transit operators.

FINDINGS

- Productivity on the Truckee Local Route has been consistently low for a fixed route system, 4-5 passenger-trips per hour. This can be attributed to the high percentage of second homeowners, non-traditional work hours, and land use pattern and densities that do not complement fixed route service. The Town is currently planning a Micro-transit Pilot Program for summer 2022 which may prove to be a more efficient method of public transit for the core service area. However, long-term sustainable funding has not yet been identified.
- Operating costs increased more than 15 percent annually in FY 2019-20. During this period “salaries and benefits” increased by 25.7 percent and “maintenance and fuel” increased by 55.6 percent. In 2020 two vehicles were replaced, as they reached the end of their useful life, as defined by FTA. The older vehicles may have contributed to higher maintenance costs in FY 2019-20, as does Truckee’s harsh winter and challenging operating environment.
- Although there was a dip in ridership at the beginning of the pandemic in FY 2019-20, systemwide ridership increased by 4.5 percent during the audit period and has increased 14 percent since FY 2015-16. This is unusual when compared to other rural transit agencies and is likely the result of increased visitation to the Truckee/Tahoe Area and corresponding service industry employee commute patterns that did not have the option to “work from home” like many other professions. It should be noted that DAR ridership decreased significantly during the audit period. Much of DAR ridership consists of group social service trips, which were discontinued during the pandemic.
- Truckee TART easily exceeded the 10 percent farebox ratio requirement for rural transit services due to the contributions from partnership agencies such as the Tahoe Truckee Airport District.
- The Town prepares detailed performance reports for both the TMA and the NCTC.
- The Fiscal and Compliance Audits for FY 2018-19 and FY 2019-20 were completed one month late each year of the audit period despite an allowed 90-day extension. The Town of Truckee was granted an additional 32-day extension for the FY 2020-21 audit, but the report was completed 4 days after that deadline. Delays in the audit process were due to staffing issues and weather-related power-shutoffs. It is not unusual for rural counties to complete the fiscal audits late and NCTC was in constant contact and coordination with the state throughout the process.
- FTEs were not calculated in accordance with TDA definitions.
- Truckee TART implemented all prior performance audit recommendations.

RECOMMENDATIONS

The auditor has one TDA Recommendation which is required to be compliant with TDA regulations.

Recommendation 1: Establish a uniform definition for contractor and Town staff as well as a method of tracking full-time equivalent employee hours for purposes of reporting to the state controller.

Town of Truckee Finance department in conjunction with the Town independent auditors prepare the State Controller Reports for Truckee TART. During the audit period, Full-Time Equivalent (FTE) employee hours were calculated using a denominator of 2,080 hours instead of 2,000 hours. Therefore, in an effort to report accurate and consistent data to the State Controller, the Town staff should develop a policy which identifies the method for properly calculating FTE's to be used by both Town and contractor staff. The definition of Full-time Equivalent Employees per the Caltrans Triennial Performance Audit Guidebook is as follows:

“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.”

Below are guidelines for developing a policy regarding calculating full-time equivalent employees for purposes of reporting to the State Controller:

All employees who spend time assisting with public transit-related functions should be included in the employee hour count. This consists of all Paratransit Services staff, Town of Truckee transit related staff, Town of Truckee Fleet Maintenance staff and Town of Truckee Administrative staff, who assist public transit such as accounting or management.

- For full time and part time Town transit related employees, staff could either code their time in support of transit services or they can estimate the proportion of annual work time spent on transit. For example: If the Transit Manager spends roughly 60 percent of their time on transit and 40 percent on parking projects, then the calculation would be as follows:

$$60\% \times \text{total hours worked (not including paid time off)} / 2,000$$

- For part time and full-time staff who are 100 percent public transit (such as Paratransit drivers, dispatchers etc.), total hours worked (not including paid time off) should be tallied at the end of the year and divided by 2,000.
- FTE calculations should include hours worked by Town of Truckee staff who support Truckee Transit such as fleet maintenance, accounting and managing public works staff. These hours could be calculated by coding hours to a transit cost category or simply developing a rough estimate of time

spent on transit per month. At the end of the year, hours should be totaled and divided by 2,000. Town staff could use adopted cost allocation plans as a guide for the calculation.

All these categories added together will represent the full-time equivalent employee count for Truckee TART for purposes of reporting to the state controlled.

The auditor has an additional Functional Recommendation which could increase efficiency for Truckee TART but is not required by TDA law.

Functional Recommendation: Consider procuring tablets for Truckee TART fixed route and DAR drivers to record passenger-trips and other operating data.

Currently Truckee TART uses paper manifests to record passenger-trips on both the DAR and fixed-route service. This data needs to be re-entered into spreadsheets and Easy Ride software before summarizing into monthly operating spreadsheets. Electronic tablets could be used by drivers to enter passenger-trips and other operating data. Tablets can also act as electronic manifests in conjunction with Easy Ride software. Eliminating re-entry of data, reduces human error and improves the accuracy and efficient of data reporting.