

Roseville Transit Triennial Performance Audit

FY 2018/19 through FY 2020/21

FINAL



Prepared for the

**PLACER COUNTY
TRANSPORTATION PLANNING AGENCY**



Roseville Transit
Triennial Performance Audit

FY 2018/19 through FY 2020/21

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Prepared for the

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July 26, 2022

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TABLE OF CONTENTS

<i>SECTION</i>	<i>PAGE</i>
Executive Summary.....	1
Section 1: Triennial Performance Audit Results.....	5
Operating and Financial Statistics.....	8
Review of Compliance Requirements.....	24
Status of Prior Audit Recommendations	26
Detailed Review of Transit Operator Functions	27
Section 2: Conclusions and Recommendations.....	35

LIST OF TABLES

<i>TABLES</i>	<i>PAGE</i>
Table 1: Roseville Transit Services Systemwide Operating Data Summary	9
Table 2: Roseville Transit Fixed Route Services Performance Measures.....	10
Table 3: Roseville Transit Dial a Ride Services Performance Measures	11
Table 4: Transit Operator Compliance Requirements – Roseville Transit	24

LIST OF FIGURES

<i>FIGURES</i>	<i>PAGE</i>
Figure 1: Roseville Transit Systemwide Operating Cost per Passenger-Trip.....	14
Figure 2: Roseville Transit Fixed Routes Services Operating Cost per Passenger-Trip	14
Figure 3: Roseville Transit Demand Response Operating Cost per Passenger-Trip.....	15
Figure 4: Roseville Transit Systemwide Operating Cost per Service Hour	16
Figure 5: Roseville Transit Fixed Route Services Operating Cost per Service Hour	17
Figure 6: Roseville Transit Demand Response Operating Cost per Service Hour	17
Figure 7: Roseville Transit Systemwide Passengers per Service Hour	18
Figure 8: Roseville Transit Fixed Route Services Passengers per Service Hour	18
Figure 9: Roseville Transit Demand Response Passengers per Service Hour	19
Figure 10: Roseville Transit Systemwide Passengers per Service Mile	20
Figure 11: Roseville Transit Fixed Route Services Passengers per Service Mile	20
Figure 12: Roseville Transit Demand Response Passengers per Service Mile	21
Figure 13: Roseville Transit Systemwide Hours per FTE.....	21
Figure 14: Roseville Transit Systemwide Farebox Ratio	22
Figure 15: Roseville Transit Fixed Route Services Farebox Ratio	22
Figure 16: Roseville Transit Demand Response Farebox Ratio	23

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EXECUTIVE SUMMARY

The California Public Utilities Code requires all transit operators that receive funding under Article 4 of the Transportation Development Act (TDA) be subject to a performance audit every three years. This document presents the findings from the performance audit of transit operations managed by the City of Roseville, known as Roseville Transit. As the Regional Transportation Planning Agency (RTPA) responsible for TDA funding in Western Placer County, these audits were performed under the authority of the Placer County Transportation Planning Agency (PCTPA).

This audit report covers Fiscal Years (FY) 2018-19 through FY 2020-21, and was conducted by LSC Transportation Consultants, Inc. Data collection, initial review, and on-site interviews were conducted in late 2021 and early 2022. The audit process follows guidelines outlined in the *Performance Audit Guidebook for Transit Operators and Regional Transportation Planning Entities* developed by Caltrans (2008).

BACKGROUND

Roseville Transit is managed by the City of Roseville's Alternative Transportation Department and operated by a contractor, MV Transportation. Roseville Transit offers local fixed route services and Dial-A-Ride (DAR) within the City of Roseville, as well as commuter transit service to downtown Sacramento. Roseville Transit is advised by the City of Roseville Transportation Commission.

VERIFICATION AND USE OF PERFORMANCE INDICATORS

Tables and figures in Chapter 2 present operating data and performance indicators for Roseville fixed route services, DAR services and all services systemwide. The impact of the COVID-19 pandemic is very evident during this audit period. Ridership on the commuter services dropped by 90 percent between FY 2018-19 and FY 2020-21 when state workers were asked to work from home. Fixed route ridership was also affected by the lower demand for public transit, although not to the same degree. Dial-A-Ride ridership has been affected by the decrease in demand for group social service trips and hesitancy of seniors to use the service during a pandemic. Overall system ridership dropped from 341,362 in FY 2018-19 to 125,028 in FY 2020-21. Despite decreasing service level in response to lower transit demand, productivity performance measures (passenger-trips per hour) decreased from 6.73 to 2.79 during this audit period, below adopted standards.

On the financial side, public transit agencies in California must contend with high operating costs due to unfunded pension liabilities for CalPERS, rising fuel and labor costs. As such, operating cost per trip increased from \$16.81 to \$43.05 during the audit period. Except for the last year of the audit period, Roseville Transit maintained a farebox ratio greater than the 15 percent minimum farebox ratio adopted by PCTPA. In FY 2020-21, the ratio of operating costs to fare revenues and local support dropped to 10.54 percent on a systemwide level. As per AB 149, farebox ratio requirements have been suspended from FY 2019-20 through FY 2022-23. Therefore, Roseville Transit will not be assessed a penalty for not meeting farebox ratio. It should be noted that most public transit agencies are seeing similar levels of ridership decline.

Roseville Transit compiled operating statistics in accordance with TDA definitions (as presented in Appendix B of the *Performance Audit Guidebook*) with the exception of full-time equivalent employees.

However, Roseville Transit is in the process of correcting this definition. As for the overall data collection and recording process, Roseville Transit employs electronic fareboxes, which allow for accurate collection of detailed operating statistics. Roseville Transit produces informative operating data quarterly reports, which compare existing data to adopted goals and standards.

REVIEW OF COMPLIANCE REQUIREMENTS

The *Performance Audit Guidebook* recommends reviewing transit operator compliance with certain TDA regulations that relate to a performance audit. Table 4 in the main report presents Roseville Transit's compliance with these requirements. Roseville Transit was found to be in compliance on all issues with the exception of late submittal of the FY 2020-21 State Controller Report and Fiscal and Compliance Audit and performance measure definitions. Roseville Transit was also not in compliance with the farebox ratio requirement in FY 2020-21; however, as stated above, the requirement was suspended for that year.

STATUS OF PRIOR AUDIT RECOMMENDATIONS

The previous audit was completed by LSC Transportation Consultants in 2019 and identified one recommendation. Roseville Transit is in the process of completely implementing the recommendation. This recommendation pertains to reporting full-time employee equivalent data to the State Controller correctly and consistently.

DETAILED REVIEW OF TRANSIT OPERATOR FUNCTIONS

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

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

In summary, organization and management of the transit operator appears to be appropriate for the size and scope of transit operations. Roseville Transit conducts effective service planning and regularly reviews operating statistics and TDA performance measures. Transit services comply with pertinent federal Americans with Disabilities Act (ADA) requirements. Roseville Transit is proactive about conducting public outreach prior to making significant service changes. Roseville Transit has in place safety, operations, and training procedures which comply with applicable regulations and are continuously reviewed for improvements. The program also has a robust marketing program, including informative bus schedules and service area maps. There appears to have been no significant issues during the audit period with respect to vehicle maintenance. Vehicle replacement plans are in place to maintain a safe and operable fleet.

FINDINGS

- The nationwide downward trend in transit ridership coupled with the COVID 19 pandemic has had a significant impact on Roseville Transit's performance, particularly for the commuter services.
- Roseville Transit's farebox ratio dropped below the 15 percent TDA minimum (with local support) in FY 2020-21. In the past, the very high farebox ratio on the commuter services has made it possible for Roseville Transit to maintain the systemwide 15 percent standard. Although future commute patterns are still uncertain, it is likely that state employees will only be required to work in their downtown Sacramento offices a few days a week. This would permanently reduce demand for Roseville Transit commuter services and make it more challenging for Roseville Transit to meet the TDA requirement without additional local support. Note that farebox ratio requirements are currently suspended and could potentially change in the future.
- Mainly due to the fact that service levels on the commuter routes were adjusted to meet new transit ridership demand during the pandemic, operating costs decreased by 6.2 percent during the audit period.
- Roseville Transit was close to meeting most city adopted performance measures (operating cost per hour, operating cost per trip, passenger trips per hour and farebox ratio) at the beginning of the audit period. However, the dramatic drop in ridership resulting from the COVID 19 pandemic has negatively affected performance.
- Aware of the changes in public transit ridership trends resulting from the pandemic, the City of Roseville received grant funding to hire a consultant to conduct a comprehensive operational analysis of all of Roseville Transit services and look for opportunities to improve its services.
- Roseville Transit meets most TDA requirements with the exception of the late submittal of the FY 2020-21 State Controller Report by only a few days and the FY 2020-21 Fiscal and Compliance Audit by less than one month. This is a minor finding, and it should be noted that this is a common finding among transit operators.
- The recommendation from the last performance audit for Roseville Transit is in progress.
- The detailed functional review portion of the audit did not reveal any significant inefficiency with respect to transit operations and management, nor did it indicate any misuse of TDA funds.
- The transit operations contractor, MV Transportation, has moved some of the operational procedures such as accident reporting and new hire paperwork on-line for efficiency and easier tracking.
- Roseville Transit has completed the required Zero-Emission Vehicle Rollout Plan and is beginning the process of transitioning its diesel-powered fleet to battery electric buses to meet state goals of a zero-emission fleet by 2040.

RECOMMENDATIONS

Recommendation: Reevaluate and adjust Roseville Transit performance standards to be more representative of current public transit trends in a post pandemic world.

Roseville Transit does a good job of compiling and reporting performance measures to the Transit Commission and comparing these performance measures to adopted standards in the SRTP. Prior to the pandemic the commuter service was a highly productive service with a high farebox ratio. Even as the pandemic fades, most state workers will likely only be required to travel to the office a few days a week. Society has become accustomed to working from home and it is not likely that commuters will need transit service five days a week, thereby substantially reducing the ridership demand for commuter services. The local fixed routes may be affected by this new trend as well, although not to the same degree. DAR services were impacted during the pandemic mostly because group social service activities were suspended. This is more likely to return in the near term. On a nationwide level, public transit ridership was already on a downward trend prior to the pandemic due to the low cost of owning a vehicle and the availability of Transportation Network Companies. The pandemic exacerbated this trend. Going forward, however, high gasoline prices may attract more passengers back to transit in the short-term. In summary, demand for public transit ridership has changed, and transit agencies should adjust their expectations accordingly. After a period of adjustment to post pandemic life, the City of Roseville should reevaluate performance standards for Roseville Transit services. This process should also consider any permanent changes in TDA requirements, such as minimum farebox return ratios.

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). The LTF is derived from 1/4 cent of the 7.25 cent state sales tax collected per dollar of retail sales in each county 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 PUC requires that a Triennial Performance Audit (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. Transit operators who make claims under Article 4 of the TDA must maintain a minimum farebox recovery ratio of 10 percent in rural areas and a ratio of 20 percent in urbanized areas. In a county with a population of 500,000 or less (such as Placer County), the RTPA may set the urbanized farebox ratio at 15 percent. The PCTPA and Roseville Transit have adopted the 15 percent farebox recovery ratio for transit services.

PERFORMANCE AUDIT AND REPORT ORGANIZATION

The performance audit consisted of the following elements:

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

TRANSIT PROGRAM DESCRIPTION

Roseville Transit is operated by the City of Roseville through a contract with MV Transportation. Funds for Roseville Transit are allocated by the PCTPA, which was created as a local area planning agency to undertake regional transportation planning for the portions of Placer County exclusive of the Lake Tahoe Basin. Roseville Transit is advised by a seven-member Transportation Commission. The commission provides recommendations to the City Council in four areas of transportation: public transit, traffic circulation, bikeways and pedestrian facilities, and transportation systems management.

Roseville Transit Local Fixed-Route Service

During the audit period, Roseville Transit provided 11 fixed routes and Dial-A-Ride services which generally operate between 5:45 AM and 10:00 PM on weekdays and 8:00 AM to 5:00 PM on Saturdays. No fixed route services are provided on Sunday. The one-way general public fare is \$1.50, and discounted fares are \$0.75 for youth, elderly (age 60 and older) and disabled persons. Instead of allowing free transfers between routes, Roseville Transit offers a “Daily Pass” for \$4.00 (general public) and \$2.00 for youth, elderly (age 60 and older) and disabled persons. There are also 10-ride passes for \$15.00 (\$7.50 discount rate) and 30-day passes \$58.00 (\$29.00 discount rate). The Summer Youth Bus Pass offers unlimited rides for elementary and high school students from June 1 through August 31 for \$10.00.

The Roseville Transit routes are described below:

- **Route A - Central Roseville/Galleria:** This route originates at the Louis/Orlando Transfer Point and serves the Civic Center, Galleria, Sutter Medical Center, and Sierra Gardens in a clockwise direction. Service is provided on half-hourly headways on weekdays and hourly headways on Saturday.
- **Route B - Central Roseville/Galleria:** This route follows the same path as Route A, but in a counterclockwise direction.
- **Route C - Rocky Ridge/Cirby:** Route C begins at the Sierra Gardens Transfer Point and operates on Rocky Ridge Drive, Cirby Way, and Sunrise Ave Drive. This route also serves the Country Villa Mobile Home Park. Route C and F are interlined with Routes E and G using one bus. In May of 2020, service to Sierra College was discontinued when classes moved to on-line. This had the effect of increasing service on Routes C and F from every two hours to hourly.
- **Route D - Civic Center/Junction:** This route begins and ends at the Civic Center Transfer Point, providing hourly service to the northwestern portion of the city. Stops are located along Main Street, Foothills Boulevard, McNally Drive, Woodcreek Oaks Boulevard, Junction Boulevard and Washington Boulevard.
- **Route E – Sierra Gardens/Sierra College Campus/Eureka/Douglas:** This route begins and ends at the Sierra Gardens Transfer Gardens. Stops are located along Sierra College Boulevard, Eureka and North Sunrise. This route serves Kaiser Medical Facility, apartment complexes and major shopping centers. This route was suspended as of May 26, 2020, due to Sierra College discontinuing on-campus classes during the COVID-19 pandemic. Service has not yet resumed but may the summer of 2022.
- **Route F – Sierra Gardens/ Sunrise/Cirby/ Rocky Ridge:** This route begins and ends at the Sierra Gardens Transfer Gardens. Stops are located along Sunrise, Cirby, Rocky Ridge and Douglas. Until the pandemic service was provided on hourly headways. Route C and F are interlined with Routes E and G using one bus. In May of 2020, service to Sierra College was discontinued when classes moved to on-line. This had the effect of increasing service on Routes C and F from every two hours to hourly.
- **Route G - Douglas/Eureka/Sierra College:** This route connects the Sierra Gardens Transfer Point, Renaissance Creek Shopping Center and Sierra College every two hours in a counterclockwise direction. This route was suspended as of May 26, 2020, due to the COVID-19 pandemic. Service has not yet resumed but may the summer of 2022.

- **Route L – Civic Center/Hardin/Lead Hill/Douglas/Sierra College Boulevard:** Route L offers hourly departures from the Civic Center Transfer Point. Stops are located along Douglas, Lead Hill, Sierra Gardens, Eureka, and Roseville Parkway.
- **Route M – Galleria/Fairway/Pleasant Grove/ West Park:** This route begins and ends at the Galleria Transfer Point and provides hourly service to Vintage Square, with stops along Pleasant Grove Boulevard every hour.
- **Route R – Louis Orlando/Foothills Boulevard:** This route provides service four times daily between the Louis Orlando Transfer Point and PRIDE Industries.
- **Route S – Galleria/Santucci Justice Center:** On weekdays, this route provides service between the Galleria Transfer Point and the Santucci Justice Center. There is no Route S Service on days when the Santucci Justice Center is closed.

Connections between Roseville Transit routes can be made at any of the five local transfer points – Civic Center, Galleria, Louis/Orlando and Sierra Gardens. Transfers to other operators can also be made at these points. More specifically, passengers can connect to Placer County Transit at the Louis/Orlando and Galleria transfer points, while connections to Sacramento Regional Transit can be made at the Louis/Orlando Transfer Point.

Game Day Express

During the Sacramento Kings regular season, Roseville Transit has provided non-stop service between the Civic Center Transfer Point in Roseville and the Golden One Center in Sacramento. This service did not operate during the first two years of the audit period but has since resumed.

Roseville Commuter Service

The Roseville Transit commuter routes operate between Roseville and downtown Sacramento from Monday through Friday during peak commute hours of 5:00 AM to 9:00 AM and 3:30 PM to 6:30 PM. The commuter routes make a loop in downtown Sacramento near the Capital Mall area to serve state offices. With many state offices being closed due to the pandemic, commuter routes were reduced to six AM and seven PM routes instead of ten in each period. The one-way fare for Roseville residents is \$3.25 while the one-way fare for non-Roseville residents is \$4.50. A 10-Ride passes can be purchased for \$32.50 and \$45, respectively. It is also possible to buy a 30-day pass or a Roseville Transit Commuter/Capitol Corridor monthly pass for \$110 if a Roseville resident or \$155 if a non-Roseville resident.

Roseville Dial-A-Ride Service

Roseville Transit operates a demand response service, which is available to the general public with priority service available to ADA eligible passengers. Service is available within the city limits of Roseville and to a total of nine designated locations in Citrus Heights, Rocklin and Granite Bay. Reservations must be made at least 1 day in advance and up to 14 days in advance. Operating hours are between 5:45 AM and 10:00 PM Monday through Friday and 8:00 AM to 5:00 PM on Saturday and Sunday. Fares are \$2.50 for seniors and persons with a disability (including ADA eligible passengers), \$3.75 for the general public

and free for children ages 4 and under. Same day request trips are provided when space is available for \$7.50 and are not available between 7:00 PM and 10:00 PM.

OPERATING AND FINANCIAL STATISTICS

The following section quantitatively analyzes the efficiency and effectiveness of public transit services in the City of Roseville. Operating data and financial statistics are presented in Tables 1-3 and Figures 1-16. Operating data was obtained from internal reports while financial data was obtained from annual Fiscal and Compliance Audits. Roseville Transit systemwide operating data for this audit period (FY 2018-19 through FY 2020-21) and the previous audit period (FY2015-16 through FY 2017-18) is presented in Table 1. Table 2 presents operating and financial statistics for Roseville Transit's local fixed route and commuter route services, and Table 3 presents operating and financial statistics for Roseville's demand response services.

DATA COLLECTION METHODS

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

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

Passenger Count data is presented in Tables 1 through 3 and represents unlinked trips, which is consistent with the TDA definition. This data was obtained from internal operating reports. The City of Roseville use GFI electronic fareboxes to count passengers. This reduces the likelihood of human error in the recording process.

Table 1 presents annual ridership data for the entire Roseville Transit system during the audit period, as well as ridership data from the previous audit period for the purposes of comparison. During the current audit period, overall ridership decreased by 63.4 percent. Over the past six years, systemwide ridership decreased by 68 percent with the lowest ridership occurring during FY 2020-21. When reviewed by service type, ridership on the local fixed routes decreased by 44.9 percent during the audit period and DAR ridership decreased by 46.7 percent. Ridership on the Roseville Transit Commuter Routes fell precipitously with an 88 percent decrease in passenger-trips from FY 2019-20 to FY 2020-21. The Commuter Routes cater to state employees who were mandated to work from home during the pandemic.

The COVID pandemic has severely reduced transit ridership demand on a nationwide level. As an example, Thousand Oaks Transit, a municipally operated public transit agency in Southern California serving a similar population and at similar service levels, saw a 41 percent decrease in total ridership from 2015-16 to FY 2019-20. During the same period, Roseville Transit systemwide ridership dropped by 30 percent. The American Public Transit Association (APTA) reports that overall US public transit ridership has decreased by 50 percent from calendar year 2018 to 2021 with a 60 percent decrease for commuter rail services.

Vehicle Service Hour data is reported in Tables 1 through 3. This data was obtained from internal operating reports. The definition of a Vehicle Service Hour as currently used by MV Transportation is consistent with the definition presented in Appendix B of the *Performance Audit Guidebook*.

TABLE 1: Roseville Transit Services Systemwide Operating Data Summary

Performance Measures	Previous Audit Period			Current Audit Period		
	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
One-Way Passenger-Trips	390,565	360,882	350,457	341,362	269,766	125,058
% Change from Previous Year	-4.8%	-7.6%	-2.9%	-2.6%	-21.0%	-53.6%
Vehicle Service Hours	51,144	50,969	50,603	50,708	49,165	44,749
% Change from Previous Year	0.6%	-0.3%	-0.7%	-2.6%	-3.0%	-9.0%
Vehicle Service Miles	734,834	729,606	719,913	702,877	671,840	581,830
% Change from Previous Year	-2.8%	-0.7%	-1.3%	-2.4%	-4.4%	-13.4%
Operating Costs⁽¹⁾	\$5,156,708	\$5,205,665	\$5,749,318	\$5,739,599	\$6,147,220	\$5,383,991
% Change from Previous Year	0.2%	0.9%	10.4%	-0.2%	7.1%	-12.4%
# Employees in FTEs	51.00	56.00	56.00	54.00	51.00	48.00
% Change from Previous Year	2.0%	9.8%	0.0%	-3.6%	-5.6%	-5.9%
Farebox Revenues	\$1,009,063	\$1,016,447	\$934,746	\$943,779	\$750,072	\$268,331
% Change from Previous Year	-14.2%	0.7%	-8.0%	1.0%	-20.5%	-64.2%
Operating Cost per One-Way Passenger-Trip	\$13.20	\$14.42	\$16.41	\$16.81	\$22.79	\$43.05
% Change from Previous Year	5.2%	9.3%	13.7%	2.5%	35.5%	88.9%
Operating Cost per Vehicle Service Hour	\$100.83	\$102.13	\$113.62	\$113.19	\$125.03	\$120.31
% Change from Previous Year	-0.3%	1.3%	11.2%	-0.4%	10.5%	-3.8%
Passengers per Vehicle Service Hour	7.64	7.08	6.93	6.73	5.49	2.79
% Change from Previous Year	-5.3%	-7.3%	-2.2%	-2.8%	-18.5%	-49.1%
Passengers per Vehicle Service Mile	0.53	0.49	0.49	0.49	0.40	0.21
% Change from Previous Year	-2.1%	-6.9%	-1.6%	-0.2%	-17.3%	-46.5%
Vehicle Service Hours per FTE	1,002.8	910.2	903.6	939.0	964.0	932.3
% Change from Previous Year	-1.4%	-9.2%	-0.7%	3.9%	2.7%	-3.3%
Farebox Recovery Ratio⁽²⁾	22.50%	23.10%	19.10%	19.61%	15.58%	10.54%
% Change from Previous Year	-1.7%	2.7%	-17.3%	2.7%	-20.5%	-32.3%

Note 1: Includes OPEB and Pension Costs
Note 2: Includes local support.
Source: Fiscal and Compliance Audits, Year-End Transit Reports, All Service Summaries

Overall, systemwide vehicle service hours decreased by 12.2 percent systemwide during the audit period. This is due to Roseville Transit reducing the number of commuter routes from 10 routes to 6 routes in the morning and from 10 routes to 7 routes in the afternoon in response to the stay-at-home order for state workers. As Table 2 shows, commuter service annual vehicle service hours decreased by 28 percent during the audit period. Dial-A-Ride passengers tend to be older adults or residents with disabilities and therefore, more susceptible to the COVID-19 virus. Therefore, demand for DAR service decreased. Roseville Transit reduced the number of vans in service to 5 from 10. As a result, DAR vehicle service

hours decreased by 36.8 percent during the audit period (Table 3). As shown in Table 2, vehicle service hours for the local fixed routes remained consistent throughout the audit period.

TABLE 2 : Roseville Transit Fixed Route Services Performance Measures

Performance Measures	Local Fixed Routes			Commuter Routes and Game Day Express		
	2018-19	2019-20	2020-21	2018-19	2019-20	2020-21
One-Way Passenger-Trips	178,277	140,605	98,290	135,883	106,493	12,271
% Change from Previous Year	-4.6%	-21.1%	-30.1%	2.0%	-21.6%	-88.5%
Vehicle Service Hours	32,402	32,718	32,408	6,583	6,117	4,723
% Change from Previous Year	0.6%	1.0%	-0.9%	3.8%	-7.1%	-22.8%
Vehicle Service Miles	427,225	429,117	403,731	140,388	128,132	94,769
% Change from Previous Year	-1.8%	0.4%	-5.9%	-1.8%	-8.7%	-26.0%
Operating Costs	\$3,195,615	\$3,880,813	\$3,735,026	\$1,025,822	\$1,023,278	\$742,281
% Change from Previous Year	0.1%	21.4%	-3.8%	22.4%	-0.2%	-27.5%
Farebox Revenues	\$411,919	\$359,842	\$324,967	\$704,714	\$521,771	\$91,874
% Change from Previous Year	-7.0%	-12.6%	-9.7%	4.4%	-26.0%	-82.4%
Operating Cost per One-Way Passenger-Trip	\$17.92	\$27.60	\$38.00	\$7.55	\$9.61	\$60.49
% Change from Previous Year	4.9%	54.0%	37.7%	20.0%	27.3%	529.5%
Operating Cost per Vehicle Service Hour	\$98.62	\$118.61	\$115.25	\$155.84	\$167.29	\$157.17
% Change from Previous Year	-0.5%	20.3%	-2.8%	17.9%	7.3%	-6.0%
Passengers per Vehicle Service Hour	5.50	4.30	3.03	20.64	17.41	2.60
% Change from Previous Year	-5.2%	-21.9%	-29.4%	-1.7%	-15.7%	-85.1%
Passengers per Vehicle Service Mile	0.42	0.33	0.24	0.97	0.83	0.13
% Change from Previous Year	-2.9%	-21.5%	-25.7%	3.9%	-14.1%	-84.4%
Farebox Recovery Ratio	12.89%	9.27%	8.70%	68.70%	50.99%	12.38%
% Change from Previous Year	-7.1%	-28.1%	-6.2%	-14.7%	-25.8%	-75.7%

Source: Roseville Transit Annual Reports, FY's 2018-19, 2019-20 and 2020-21

Vehicle Service Mile data was also obtained from internal operating reports and is presented in Tables 1 - 3. The definition of a vehicle revenue service mile as currently used by MV Transportation is consistent with the definition presented in Appendix B of the *Performance Audit Guidebook*. Systemwide vehicle service miles decreased by 17.5 percent from FY 2018-19 to FY 2020-21. As seen in Tables 2 and 3, the decrease in vehicle service miles was across the board for all types of services. Although service miles were lower for the local fixed routes in FY 2020-21, service levels actually remained the same. Routes E & G (to Sierra College) were essentially replaced with more service on C & F, as they are operated by one bus. The routes serving the college were longer distance routes and therefore, vehicle miles decreased somewhat in the last year of the audit period when these routes were suspended.

Operating Cost data for Roseville Transit services systemwide (Table 1) was obtained from annual Fiscal Audits. Operating data by service type (Tables 2 and 3) was obtained from internal operating spreadsheets. Systemwide financial data includes 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.

TABLE 3: Roseville Transit Dial-A-Ride Services Performance Measures

Performance Measures	Current Audit Period		
	2018-19	2019-20	2020-21
One-Way Passenger-Trips	27,202	22,213	14,497
<i>% Change from Previous Year</i>	-4.9%	-18.3%	-34.7%
Vehicle Service Hours	11,724	10,258	7,407
<i>% Change from Previous Year</i>	-1.1%	-12.5%	-27.8%
Vehicle Service Miles	135,264	114,591	81,581
<i>% Change from Previous Year</i>	-3.6%	-15.3%	-28.8%
Operating Costs	\$1,263,461	\$1,243,129	\$907,684
<i>% Change from Previous Year</i>	-11.4%	-1.6%	-27.0%
Farebox Revenues	\$114,656	\$76,344	\$62,593
<i>% Change from Previous Year</i>	-1.8%	-33.4%	-18.0%
Operating Cost per One-Way Passenger-Trip	\$46.45	\$55.96	\$62.61
<i>% Change from Previous Year</i>	-6.8%	20.5%	11.9%
Operating Cost per Vehicle Service Hour	\$107.77	\$121.18	\$122.54
<i>% Change from Previous Year</i>	-10.4%	12.4%	1.1%
Passengers per Vehicle Service Hour	2.32	2.17	1.96
<i>% Change from Previous Year</i>	-3.9%	-6.7%	-9.6%
Passengers per Vehicle Service Mile	0.20	0.19	0.18
<i>% Change from Previous Year</i>	-1.4%	-3.6%	-8.3%
Farebox Recovery Ratio	9.07%	6.14%	6.90%
<i>% Change from Previous Year</i>	10.8%	-32.3%	12.3%

Source: Roseville Transit Annual Reports, FY's 2018-19, 2019-20, 2020-21

Extension of service can be excluded per Section 6633.8 when calculating farebox ratio. The City of Roseville follows this definition.

As shown in Table 1, annual operating costs for Roseville Transit fluctuated throughout the audit period, increasing 7.1 percent in FY 2019-20 then decreasing by 12.4 percent in FY 2020-21, resulting in a net decrease of 6.2 percent during the audit period. The increase in the first portion of the audit period was primarily due to an increase in salaries and benefits (which includes pension and OPEB expenses) and an increase in the operating contract (purchased transportation). The decrease in systemwide costs in FY 2020-21 was due to reduced commuter service and DAR service levels.

Table 2 shows a 22 percent increase in Commuter Service operating costs (which includes Game Day Express) in FY 2018-19. It was during this period that the cost to maintain the commuter buses increased by approximately \$1,000 per bus per month. Table 3 shows that demand response service costs have decreased during the audit period, particularly in FY 2020-21 when service levels were reduced.

The **Full-Time Equivalents (FTE) Employee** data presented in Table 1 was obtained from the State Controller's Reports for the first two years of the audit period and from internal data for FY 2020-21. In response to a prior audit recommendation, the City of Roseville developed a detailed spreadsheet to more accurately track FTE's according to the definition presented in Appendix B of the *Performance Audit Guidebook*. The only component missing in the current calculations is hours attributed to City Administrative and Management support for public transit. City staff are currently working on including this component into their calculations. Regardless, this likely is a small number of hours and therefore, the numbers in Table 1 are a good representation of actual FTE's. As shown in the table, FTE's decreased from 54 to 48 during the audit period. As an immediate response to COVID and in consultation with the City, MV made all drivers part-time, beginning April 6th, 2020. This allowed service hours to be reduced but no lay-offs were necessary. As Roseville Transit adjusted to the COVID pandemic, most bids were returned to full-time status by August 17, 2020.

The **Fare Revenue** data presented in Table 1 was obtained from annual Fiscal and Compliance audits. The fixed route services and DAR fare revenue data shown in Tables 2 and 3 were obtained from internal 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 & 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. However, neither charter nor advertising revenues can be included in the fare revenue category. During the audit period, fare revenue decreased as a direct result of the decrease in ridership.

Table 1 shows that over the past six years, systemwide fare revenues have decreased by 52.5 percent, with the peak in revenue occurring in in FY 2016-17 (\$1,016,447). The 49.2 percent drop in systemwide fare revenues over the past three fiscal years is because of the pandemic. Fare revenues in FY 2018-19 were actually 1 percent greater than those recorded in FY 2017-2018, however fares then decreased by 20.5 percent in FY 2019-20 and then by another 64 percent in FY 2020-21. The sharp decline in fare revenues in the last two years of the audit period is directly related to impacts of the COVID-19 pandemic, including the resulting scheduled decrease in service levels.

As for the overall data collection and recording process, Roseville Transit employs GFI electronic fareboxes. There are several benefits to the fareboxes in terms of accurate and thorough data collection. The fareboxes have the ability to classify a variety of fare/boarding types (senior day pass, regular 20-day pass, etc.). Passenger boarding data is automatically downloaded at the end of each day and can be compiled into various reports. At the end of each month a report is generated from GFI as well as Connect Card (regionwide fare media system). Data is entered into the master spreadsheet by City staff. These reports are double checked by MV Transportation staff to ensure that the proper fare set or classification was assigned by the driver (in the case of a cash fare). Roseville Transit and its contractor, MV Transportation, produce a variety of monthly and quarterly reports including data by fare type and performance indicators.

For the DAR service, each driver acknowledges passengers via a Mobile Data Terminal (MDT) unit with data download from the Trapeze booking system. The passenger counts (along with fare, dates, time and location data) are 'Trip Edited' or reviewed on a daily basis for accuracy. The counts are then tabulated for the month and a Master Report is placed in the End Month Billing folder noting the total counts by day, by route for the entire month.

Generally operating data reported to the State Controller closely matches that found in internal reports. The exception is vehicle service hours in FY 2018-19 where there was a 36 percent difference.

Calculation and Evaluation of Performance Indicators

Performance indicators are important tools to quantify and review the efficiency and effectiveness of a public transit system's operation. These indicators provide insight into the current operations, as well as 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 PUC:

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

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

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. According to the available data, the operating cost per one-way passenger-trip increased by 156.1 percent during the audit period from \$16.81 in FY 2018-19 to \$43.05 in FY 2020-21. This performance indicator increased by 27.3 percent between FY 2015-16 to FY 2018-19 before increasing more sharply in the last two years of the current audit period. Although the operating cost per passenger trip for the Roseville Transit system had been trending upwards, the sharp increase in the last two years of the audit period is due to reduced ridership resulting from the COVID-19 pandemic. Roseville Transit has established an operating cost per trip standard of \$10 per trip for all services systemwide. This standard may need be reevaluated as part of an upcoming Comprehensive Operations Analysis for Roseville Transit.

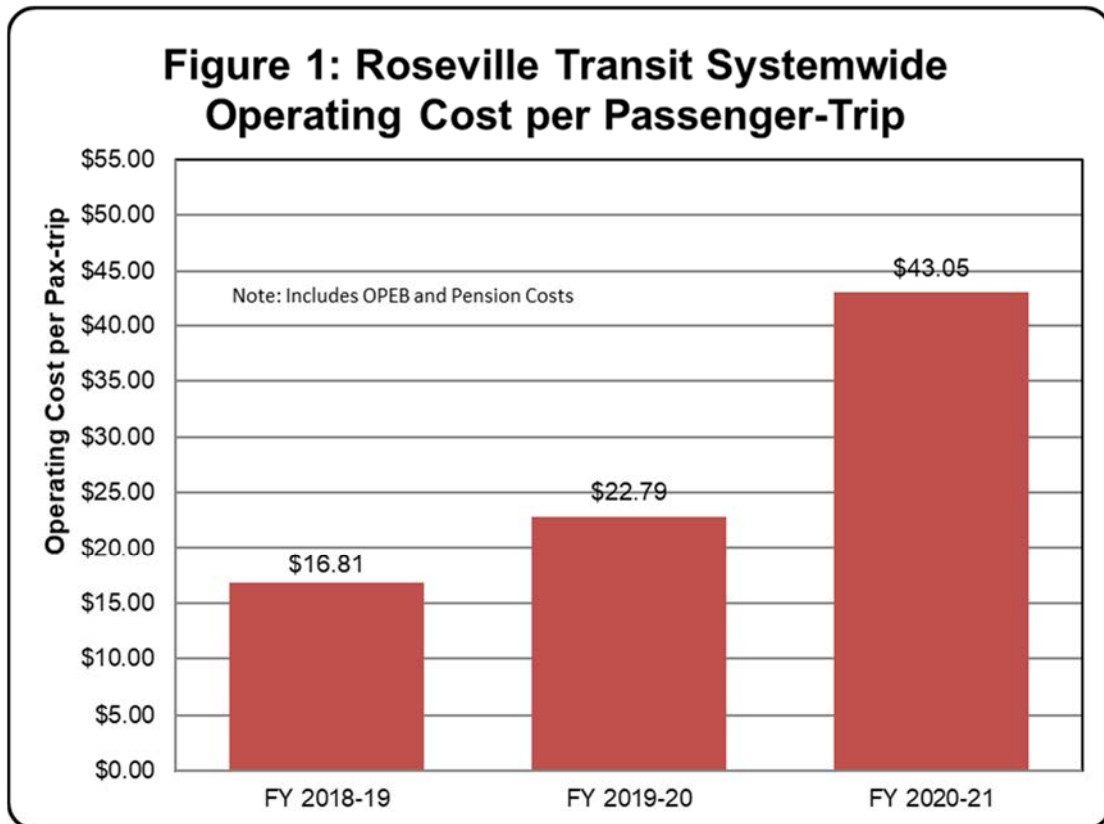


Figure 2: Roseville Transit Fixed Routes Services Operating Cost per Passenger-Trip

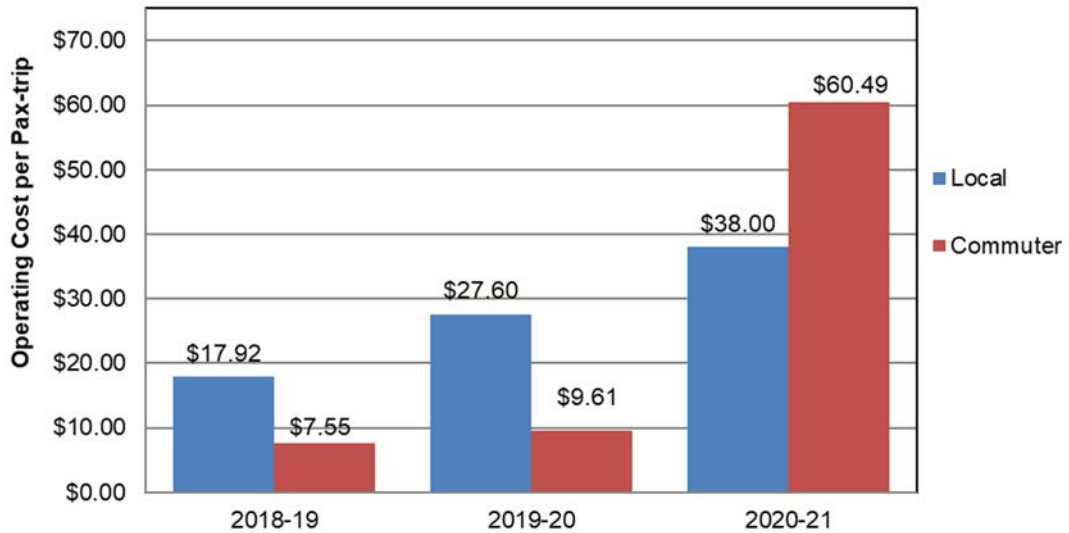
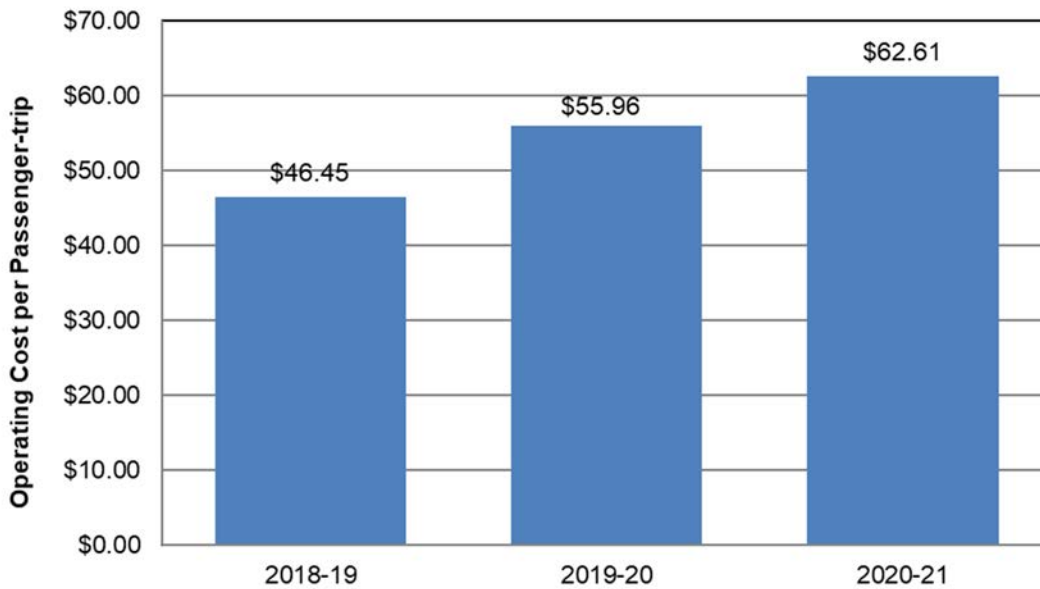


Figure 3: Roseville Transit Demand Response Operating Cost per Passenger-trip



The operating cost per passenger-trip increased for each service type (Tables 2 and 3). During the audit period, the local fixed routes saw an increase in operating cost per trip from \$17.92 to \$38.00, increasing further beyond the Roseville Transit operating cost per trip standard of \$15. For commuter routes, cost per trip increased from \$7.55 to \$60 per trip. As noted above, the commuter service saw a 90 percent reduction in ridership after state workers were told to work from home. Prior to the pandemic the

commuter routes were meeting the Roseville Transit standard of \$10 per trip for commuter services. DAR services operating cost per trip increased 36 percent from \$46.50 to \$62.6. The Roseville Transit operating cost per trip standard for DAR services is \$35 per trip.

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 systemwide operating cost per vehicle service hour increased 10.5 percent in FY 2019-20 and then decreased by 3.3 percent in FY 2020-21, resulting in a net increase of 6.3 percent systemwide over the course of the audit period. The decrease is due to both decreased operating costs and revenue hours. Operating cost per hour in FY 20-21 of \$120.31 was higher than the systemwide standard of \$100.

Roseville Transit adopted an operating cost per hour standard of \$100 for the local fixed routes and \$130 for the commuter routes. In FY 2018-19, the local fixed routes met this standard with an actual cost per hour of \$98.62 but the performance measure increased to \$115.25 by FY 2020-21. The commuter service is the most expensive to operate on a vehicle hour basis and is currently \$157.17 per vehicle service hour. DAR services also have a \$100 per vehicle service hour standard but this was also exceeded throughout the audit period (reaching up to \$122.54). Decreased operating cost efficiency and effectiveness performance indicators is common for most public transit operators during the pandemic.

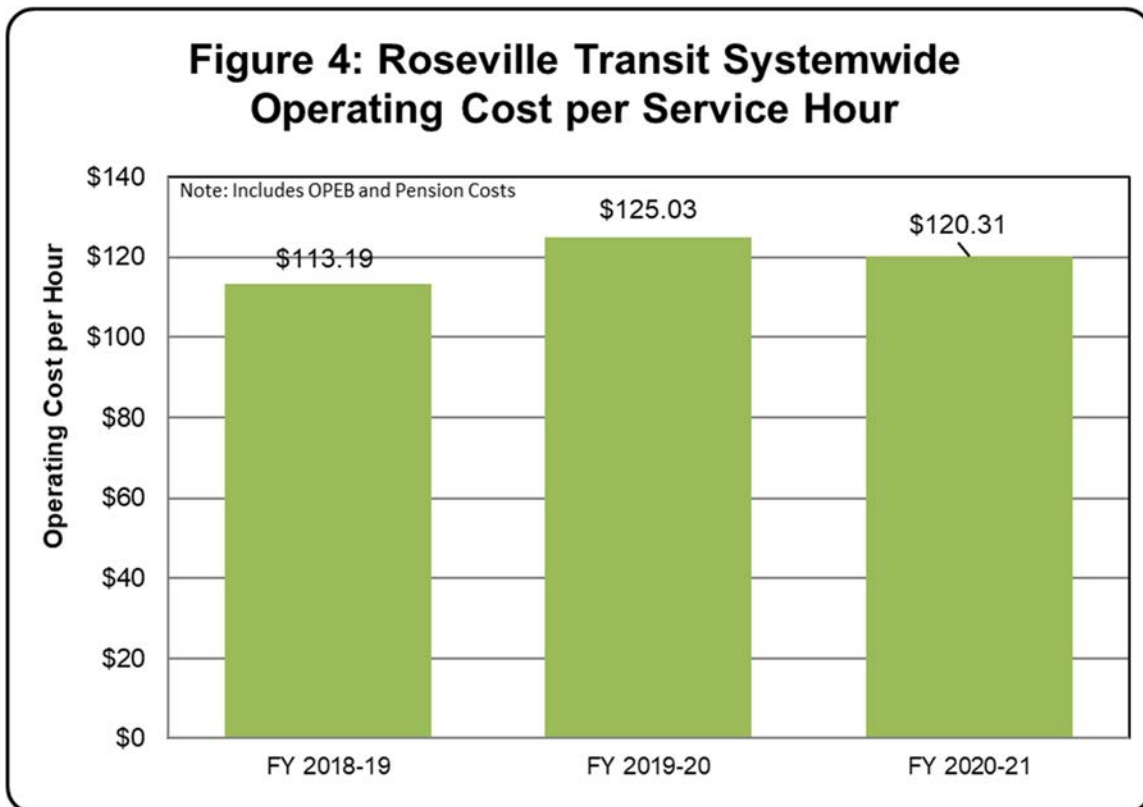


Figure 5: Roseville Transit Fixed Route Services Operating Cost per Service Hour

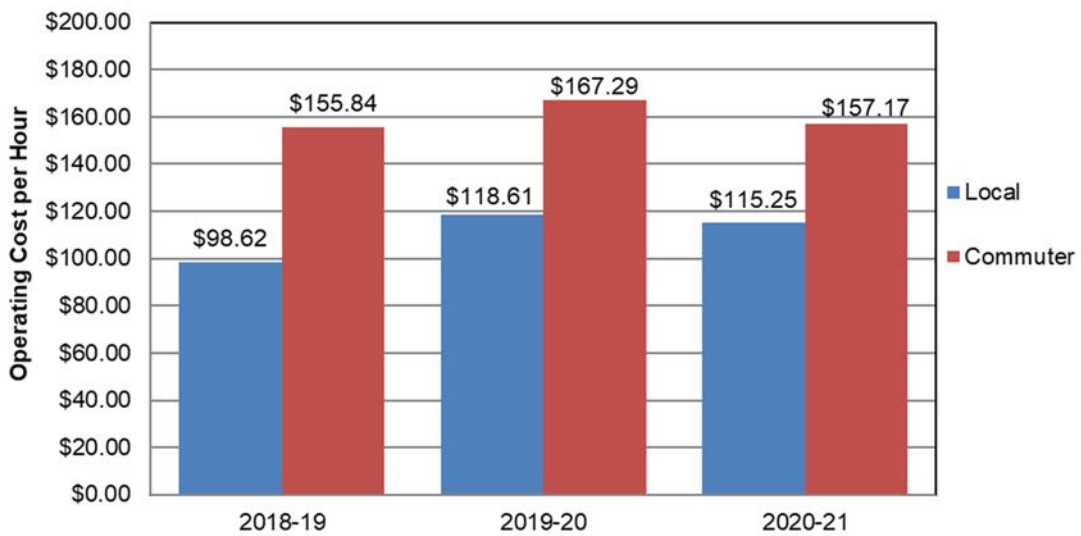
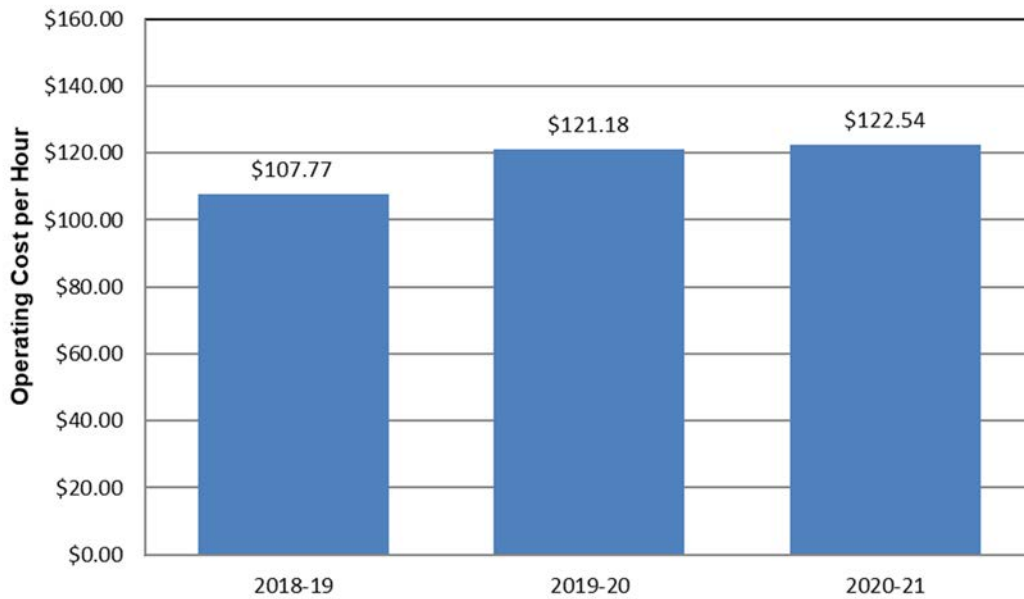
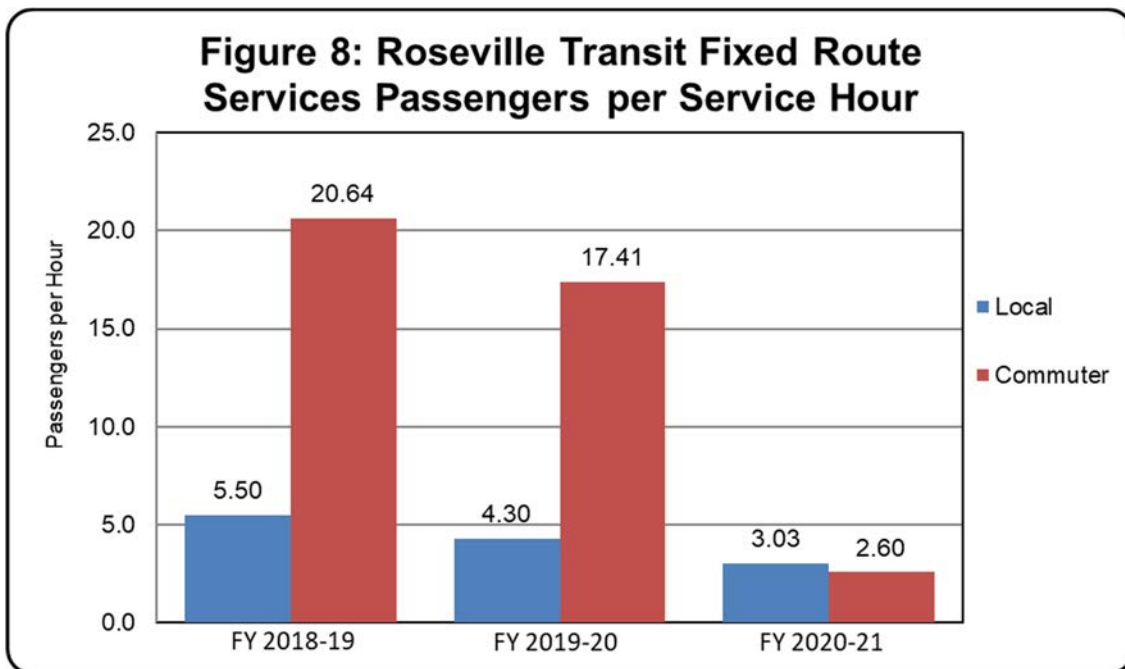
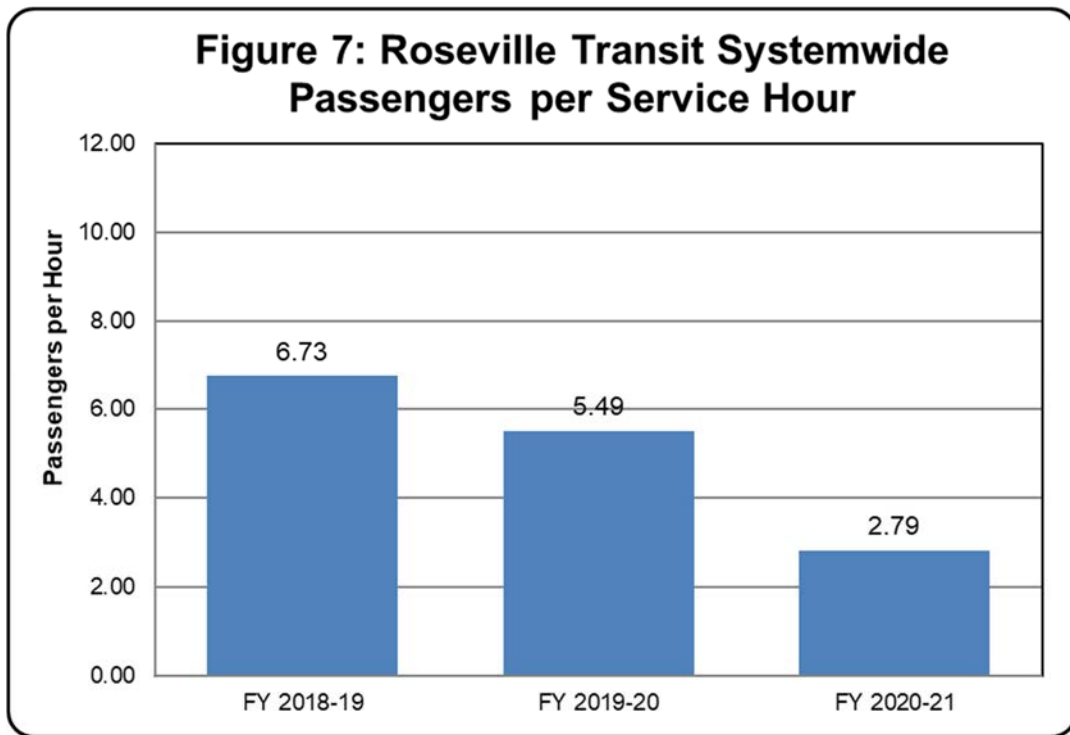


Figure 6: Roseville Transit Demand Response Operating Cost per Service Hour

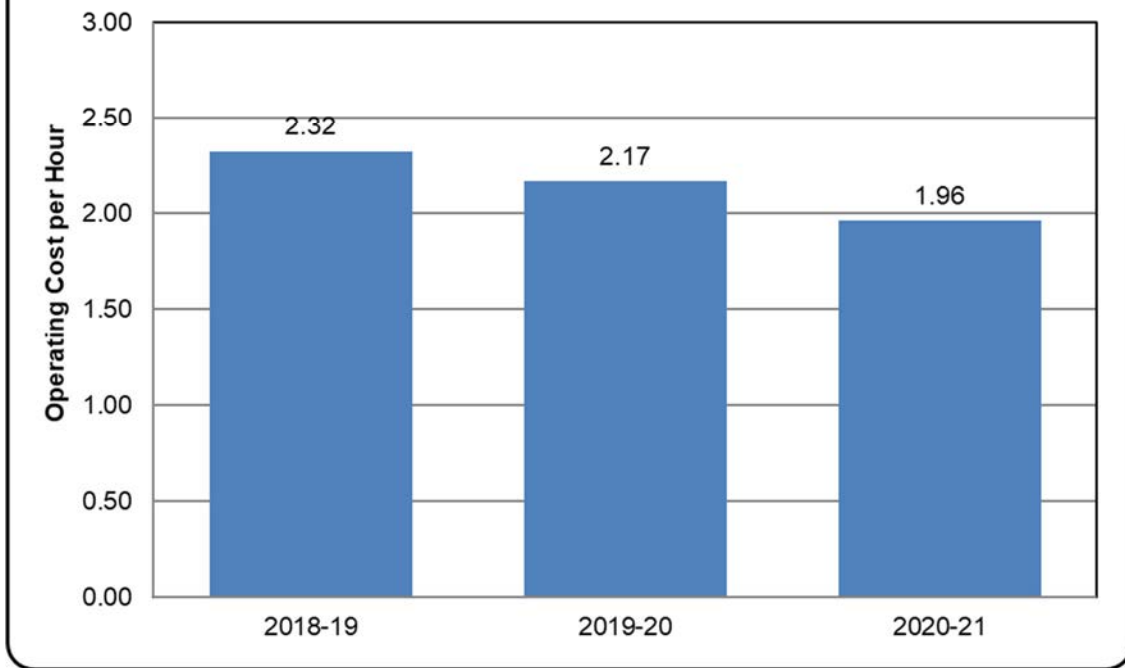


The **Passengers per Vehicle Service Hour** (commonly referred to as “productivity”) is presented in Tables 1 -3 and Figure 7 -9. During this audit period, passengers per service hour greatly decreased from 6.7 to

2.8 (58.3 percent). This continues a 6-year downward trend in productivity; however, this decline was amplified in FY 2019-20 and FY 2020-21 due to the significant decrease in ridership during the pandemic. This is below the Roseville Transit's standard of 7 trips per hour.



**Figure 9: Roseville Transit Demand Response
Passengers per Service Hour**



All of the services experienced a decline in productivity during the audit period. The DAR service experienced the smallest decrease, only 15.6 percent (2.32 to 1.96). The productivity of the local fixed routes decreased by 44.9 percent (5.5 to 3.0) and the commuter routes service experienced a drastic 87.7 percent decrease (20.6 to 2.60).

The **Passengers per Vehicle Service Mile** data is presented in Tables 1 - 3 and Figures 10 - 12. Systemwide, the passengers per vehicle service mile decreased 55.6 percent from 0.49 to 0.22 during the audit period. Although both ridership and vehicle service miles decreased, the number of passenger-trips decreased by a greater percentage during the audit period resulting in an overall decline in passengers per vehicle service mile. The commuter routes service experienced the greatest decrease (86.6 percent), followed by the local fixed routes (41.7 percent), then the DAR service (11.7 percent). The Roseville Transit systemwide passengers per mile standard is 0.5 trips per mile.

Figure 10: Roseville Transit Systemwide Passengers per Service Mile

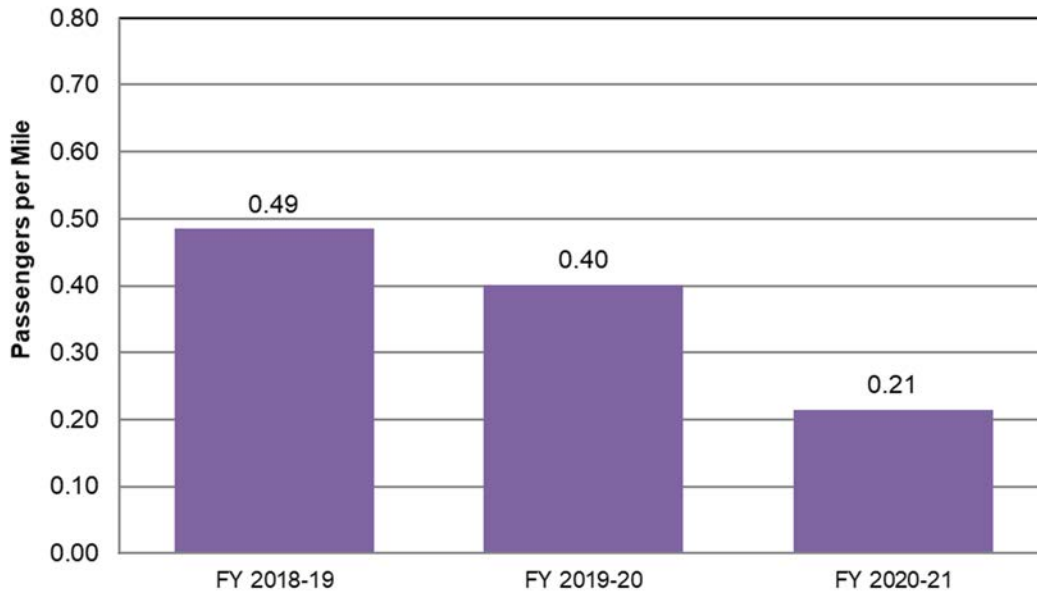
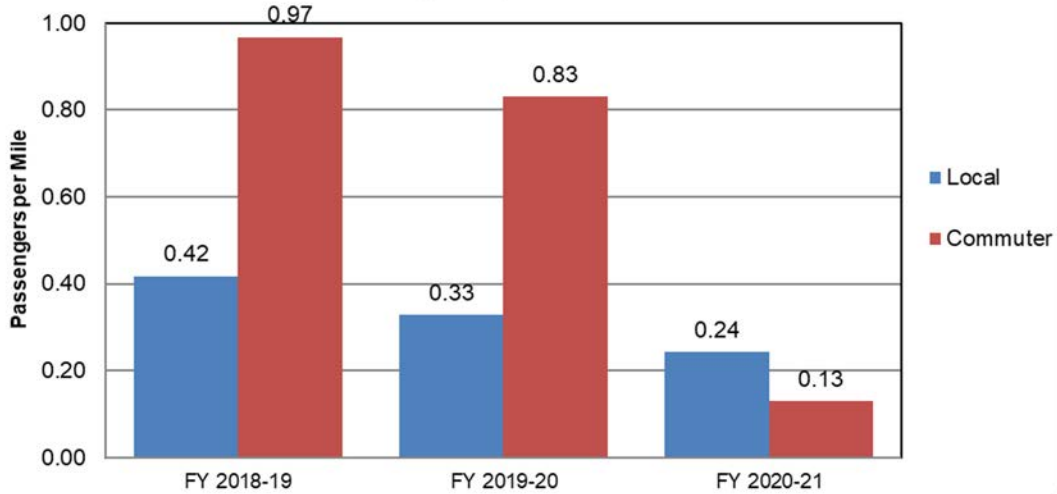
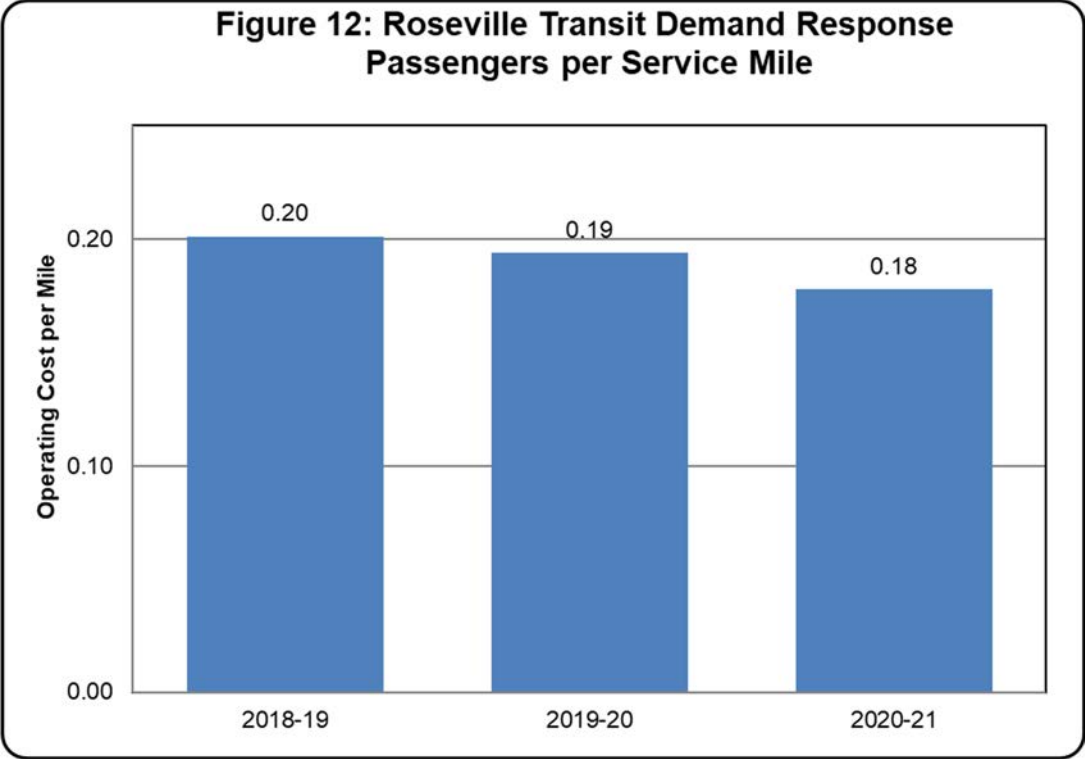
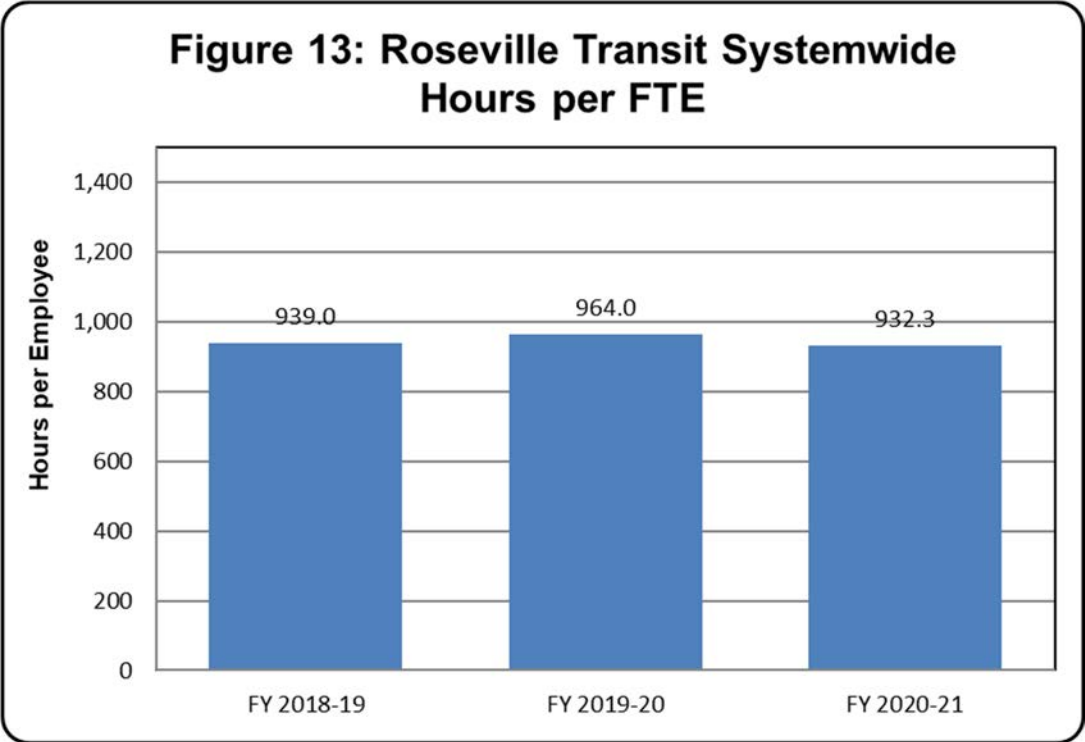


Figure 11: Roseville Transit Fixed Route Services Passengers per Service Mile

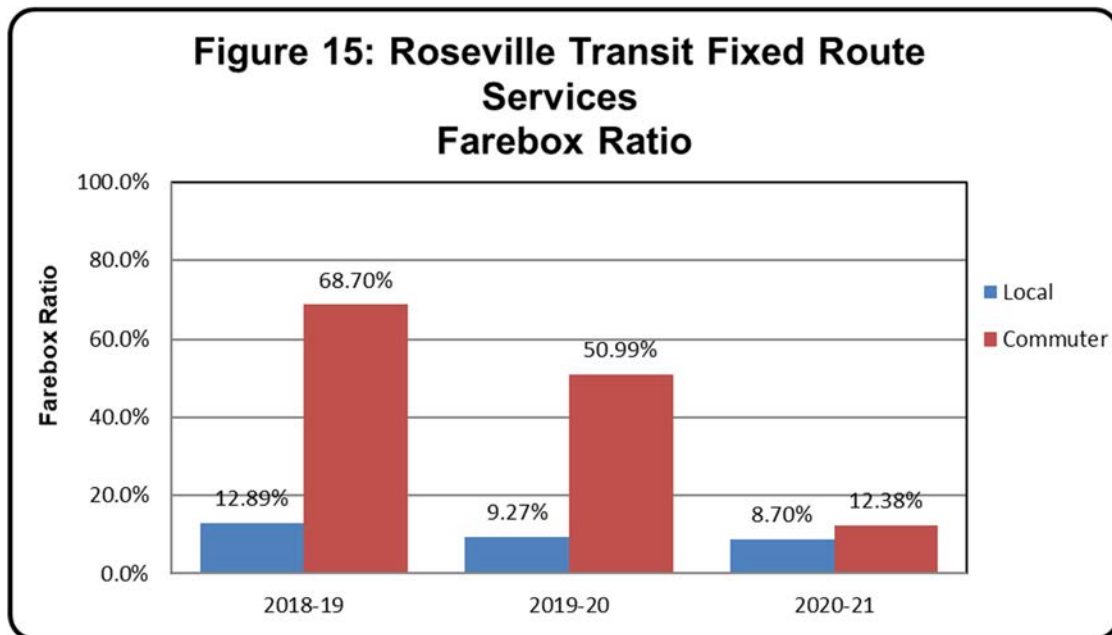
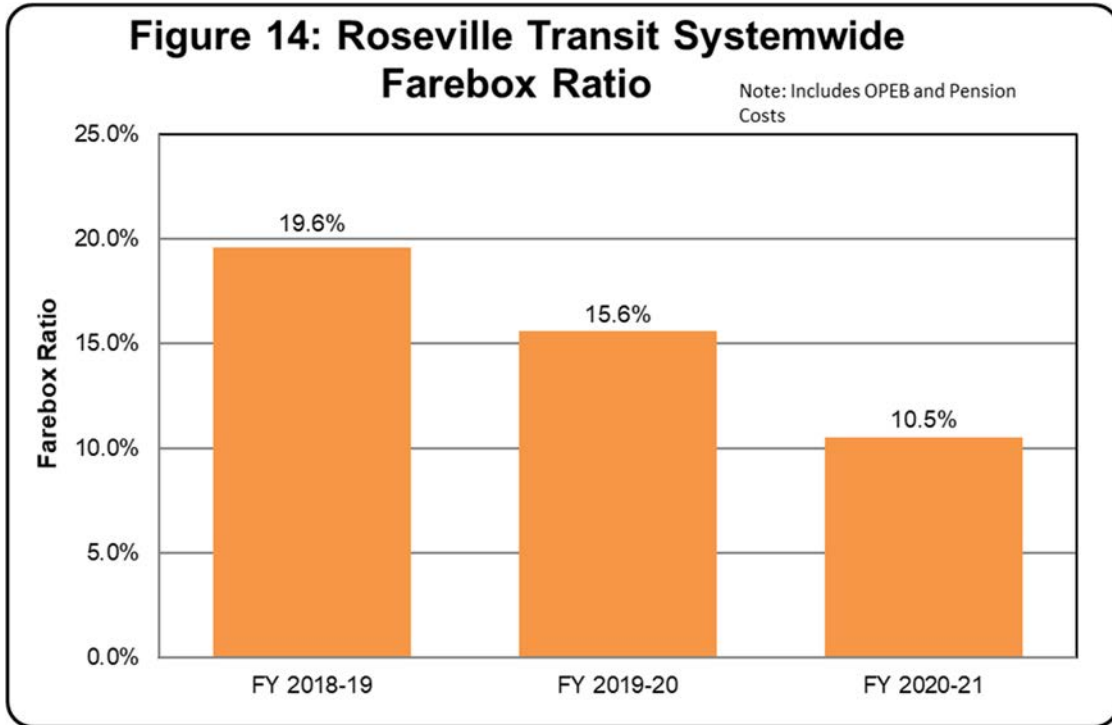


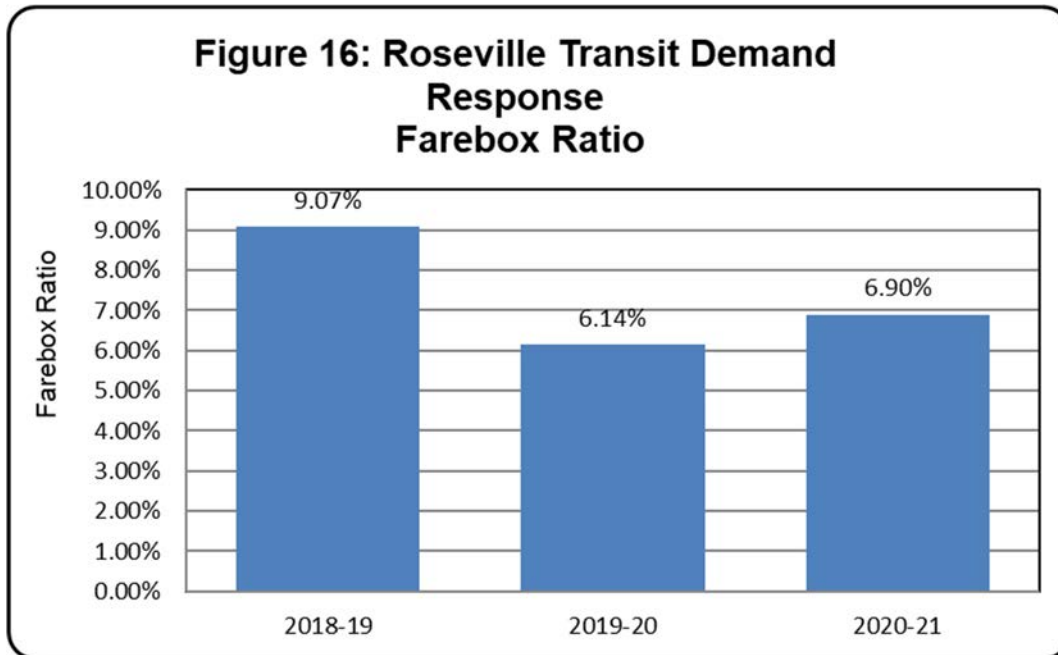


The **Vehicle Service Hours per Employee (FTE)** data is presented in Tables 1 - 3 and Figure 13. As presented, the number of vehicle service hours per FTE decreased by only 1.8 percent during the audit period.



Farebox Recovery Ratio data is presented in Tables 1 through 3 and Figure 14 through 16. Farebox ratio is calculated in Table 1 using data from the Fiscal and Compliance Audits. 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, Roseville Transit has a required farebox ratio of 15 percent, so it could receive a maximum of 85 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 15 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.

Per TDA, if fare revenue alone is insufficient to meet the 15 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." The farebox calculations in Table 1 and Figure 6 include local funds/support but calculations for each type of service (Tables 2 and 3) do not include local support. Examples of local support include advertising revenue, lease revenue or funds provided by a local agency. Local support is included in the farebox ratio calculations in Table 1 and represents advertising revenue and revenue from Placer County for the operation of Commuter Route 6.

On the expense side, operating cost increases beyond the change in the Consumer Price Index for the following categories can be excluded from farebox ratio calculation:

- Complementary paratransit service
- Fuel
- Alternative fuel programs
- Power, including electricity
- Insurance premiums and payments
- State and federal mandates
- Startup costs for new services for a period of not more than two years

There is also some leeway in TDA law to distinguish LCTOP funds as local funds/support, if the RTPA desires; however, most transit agencies categorize LCTOP funds as fare revenue (object class 402).

The systemwide farebox recovery ratio decreased significantly during the audit period from 19.61 percent in FY 2018-19 to 10.54 percent in FY 2020-21. As with many of the other performance indicators, this decline is due to decreased ridership across all service types and therefore reduced fares revenues collected. Lower fare revenues on the commuter services had the greatest impact as commuter service farebox ratio went from 68.70 percent in FY 2018-19 to 12.38 percent in FY 2020-21.

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 City of Roseville and its contractor 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 annual Fiscal and Compliance Audits.

REVIEW OF COMPLIANCE REQUIREMENTS

As an entity receiving TDA funds for transit purposes, Roseville Transit is required to comply with laws and statutes set forth in the Act. Below is a discussion of Roseville Transit'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 PUC Section 99243, Roseville Transit submits annual reports to the PCTPA based upon the Uniform System of Accounts and Records established by the State Controller. These reports must be filed with PCTPA and the State Controller by January 31 of the following year. The Fiscal Year 2018-19 report was filed within the required time period. The FY 2019-20 report was filed one day late. The FY 2020-21 report was filed around one month late.
2. Per PUC Section 99245, Roseville Transit must submit annual Fiscal and Compliance audits to the PCTPA and to the State Controller within 180 days following the end of the fiscal year for each year of this audit period, unless a 90-day extension is granted. In coordination with the state, PCTPA grants extensions for all western Placer County transit operators. As such, Roseville Transit is in compliance with this requirement for the first two years of the audit period. The FY 2020-21 audit was completed one month after the 90-day extension deadline.
3. In accordance with PUC Section 99251, Roseville Transit has submitted evidence that the California Highway Patrol has certified compliance with Vehicle Code Section 1808.1 within the 13 months prior to each TDA claim submitted.

TABLE 4: Transit Operator Compliance Requirements - Roseville Transit

Requirement	PUC Reference	In Compliance?		
		Yes	No	
(1) The transit operator submitted annual reports to the RTPA based upon the Uniform System of Accounts and Records established by the State Controller within the specified time period.	99243		X	FY 2018-19 on 1/22/20 FY 2019-20 on 2/1/21 FY 2020-21 on 2/3/22
(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	FY 2018-19 on 12-9-19 FY 2019-20 on 3-24-21 FY 2020-21 on 4-26-22
(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		
(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	FTE definition is being refined
(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		X	However, farebox ratio requirements are waived for the non-compliant year
(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	NA		
(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		

4. In accordance with PUC Section 99261, Roseville Transit's claims for TDA funds are submitted in compliance with rules and regulations adopted by the PCTPA for such claims.
5. As Roseville Transit's service area is completely within the Sacramento Urbanized Area, PUC Section 99270.1 does not apply.
6. PUC Section 99266 requires that Roseville Transit'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). As shown in Table 1, systemwide operating costs increased by 7.1 percent in FY 2019-20 due to higher maintenance costs, higher contract costs as well as pension costs. However, operating costs then decreased by 12.4 percent in FY 2020-21 as service levels were cut in response to the pandemic.

7. Roseville Transit's definitions of performance measures are consistent with PUC Section 99247. However, a few refinements need to be made to the calculation of Full-Time Equivalent Employee hours to accurately reflect time spent by City Administration and Management.
8. Transit operators in an urbanized area are required to maintain 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 fare revenues to operating cost of at least 15 percent, if so determined by the RTPA. In accordance with PUC, Sections 99268.3 and 99268.1, Roseville Transit's farebox recovery ratio requirement is 15 percent, as defined by PCTPA for a county with a population of 500,000 or less. Roseville Transit attained this standard until commuter ridership plummeted as a result of the COVID 19 stay at home order. The farebox ratio for FY 2020-21 (including local support) is 10.4 percent. Because of the COVID-19 pandemic, the state has suspended farebox ratio requirements for fiscal years 2019-20 through fiscal year 2022-23. Therefore, a penalty will not be assessed for Roseville Transit in FY 2020-21.
9. Roseville Transit is subject to farebox ratio requirements for an urbanized area with a population of 500,000 or less. This requirement is not applicable to Roseville Transit.
10. The operations contractor, MV Transportation, offers a 401K program for benefit eligible employees. City of Roseville staff receives retirement benefits through CalPERS. As of June 2021, CalPERS was funded to around 82 percent of the long-term liability; which is an improvement over the funded status of the prior audit period. This is likely due to recent significant gains in the stock market. Previous actuarial valuations performed by CalPERS assumed that the amortization period for the unfunded liability 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), Roseville Transit makes full use of funds if available to it under the Urban Mass Transportation Act of 1964 (in particular, FTA Section 5307 Urbanized Area Formula Program funds administered by Caltrans) before TDA claims are granted.

STATUS OF PRIOR AUDIT RECOMMENDATIONS

The previous audit was completed by LSC Transportation Consultants in June 2019, and the recommendations from that effort are enumerated below.

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

Implementation In Progress: The City of Roseville developed a detailed spreadsheet to track FTE's more accurately according to the definition presented in Appendix B of the Performance Audit Guidebook. The only component missing in the current calculations are the hours attributed to City Administrative and

Management support for public transit. City staff are currently working on including this component into their calculations.

DETAILED REVIEW OF TRANSIT OPERATOR FUNCTIONS

This section presents a review of the various functions of Roseville Transit. In general, transit operator functions can be divided into the following areas:

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

General Management and Organization

MV Transportation is the current transit operations contractor for Roseville Transit. MV Transportation reports to the City's Alternative Transportation Manager (within the Public Works Department), who is charged with direct oversight of the Roseville Transit program. In addition to transit, the Alternative Transportation program plans for bicycle and pedestrian facilities. The department includes a staff of 12 personnel, including the Alternative Transportation Manager. The Transportation Analyst, Community Relations Analyst and two Administrative Technicians work closely with the Alternative Transportation Manager on transit matters. The organizational structure for the Alternative Transportation Department has not changed significantly since the prior audit period, except that an additional Administrative Technician spends 90 percent of their time on transit matters.

The Alternative Transportation Manager is the liaison with the Transportation Commission, which provides recommendations to the City Council regarding public transit issues as well as traffic circulation, bicycle pedestrian and transportation systems management issues. The Transportation Commission meets on the third Tuesday of the month. Alternative Transportation staff provides updates and quarterly performance reports to the Transportation Commission.

MV Transportation's operations facility is located at the city corporation yard in Roseville on Hilltop Circle, adjacent to where the transit vehicles are maintained. Transit vehicles are maintained by the City of Roseville Fleet Services staff.

Roseville Transit has an appropriately well-defined program of administrative oversight. It regularly receives, reviews, and acts on performance and financial information compiled internally and by the contractor's staff. The contractor submits monthly management reports to the Alternative Transportation Manager. These reports provide detailed information on ridership, productivity, and on-time performance by type of service.

During the audit period, the Alternative Transportation Manager has standing meetings with the operations contractor's General Manager every two weeks and the Maintenance Supervisor once per

month. The operations contractor regularly compiles, reviews, and acts on performance data. The MV General Manager meets with managers and road supervisors weekly.

Given the size of the Roseville Transit program, its internal organization structure is appropriate. The managerial authority is well defined within both Roseville Transit and the contractor's organization. Lines of reporting are clearly defined and appropriate. MV Transportation's internal structure is appropriate, effective and efficient.

Recent Program Changes and Innovations

During the audit period, Roseville Transit made several service changes in order to adjust to changing transit demand during the COVID-19 pandemic.

- Routes E and G which serve Sierra College were temporarily suspended and service was increased on C and F which are interlined with E and G.
- Seven of the 20 commuter runs were suspended.
- Service reductions for local fixed routes E and G
- Temporary reduction of DAR routes and allowing no more than 1 or 2 DAR passengers on the bus at a time.
- Suspension of Game Day Express which provides transportation for fans to the Sacramento Kings Games at the Golden 1 Center, but service has since resumed.

Roseville Transit monitors service changes and makes additional adjustments if the change had unanticipated impacts.

Other capital improvements completed during the audit period include:

- Improvements to the Sierra Gardens Transfer Point including pedestrian improvements, new bike racks, new paving, replaced shelter and new shelter along with ladder crosswalks and a bus pull-out area.

During this audit period, Roseville Transit adopted their Zero Emission Bus Business Plan in March of 2020, as required by the California Air Resources Board (CARB) Innovative Clean Transit Rule. Roseville Transit has begun replacing diesel fueled vehicles with battery-electric buses using FTA grant money as well as constructing charging stations at transfer points.

The South Placer Express Bus Project is intended to reduce automobile congestion between Sacramento and southern Placer County along the I-80 and SR 65 corridor. The plan calls for a three-year pilot program to implement express bus service from Lincoln to Roseville, (the Galleria, Sutter Hospital and Kaiser Hospital) to Light Rail at Watt/I-80 along Highway 65 and I-80. The Implementation Plan recommends that Roseville Transit operate the service.

Communications with Other Government Agencies

The Alternative Transportation Manager attends regional Transit Operator Working Group (TOWG) meetings, which includes all western Placer County transit operators, and is the primary liaison with the RTPA and other governmental agencies. Roseville Transit was involved with the development of the

Western Placer Consolidated Transportation Services Agency (WPCTSA) and is one of the contractors for certain on-going functions such as the South Placer Transit Information Center, Mobility Training Program and Transit Ambassador Program.

Service Planning

The effectiveness of a transit system is highly dependent on the continued development of short- and long-range transit plans. MV Transportation works with Roseville Transit staff as needed to assist in service planning and evaluation.

In terms of strategic planning, the *Roseville Transit Short Range Transit Plan* provides clear, reasonable goals and objectives. Roseville staff regularly reviews certain performance indicators, such as cost per passenger and subsidy per passenger, to determine if service changes should be made. Quarterly performance reports are prepared which compare actual statistics to established goals standards. These reports are presented to the Transportation Commission.

PCTPA commissioned an update of the *Roseville Transit Short Range Transit Plan (SRTP)* in 2018. At present, the plan has been accepted by the City of Roseville. The plan developed low-cost and higher-cost alternatives. Some of the recommended plan elements include:

- Modify existing schedules
- Expand Saturday service hours
- Reduce morning weekday service hours
- Add service to Roseville Train Station

Unfortunately, the COVID pandemic began one year or so after the adoption of the SRTP. As the pandemic has changed public transit trends, many of the SRTP recommendations are no longer relevant. Regardless, Roseville Transit staff is proactive about reviewing new developments and determining how the development could potentially be served by public transit. Housing development is growing in West Roseville. The City intends to circulate a Request for Proposal for a Comprehensive Operations Analysis for Roseville Transit services. This plan will likely review alternative forms of transit such as micro-transit options.

Evaluation of Fixed Routes

Alternative Transportation staff prepare quarterly transit reports for the Transportation Commission. These reports are thorough and include a comparison of established goals and performance measures to actual performance as well as to historical performance.

All fixed route service changes are based on evaluation of route performance. As part of the SRTP process, an on-board survey of Roseville Transit's riders was conducted to evaluate rider travel patterns and customer service issues. Surveys are also conducted annually as part of the unmet transit needs process.

The Alternative Transportation Department has the opportunity to comment on major developments in the city, which may impact transit. In fact, there are two staff people whose main role is development review. Many Specific Plans require fees for long-range transit planning which are used to build bus

shelters. The *West Roseville Specific Plan* is unique and pro-active in that it can be used for any purpose, so it provides an on-going subsidy for transit.

Planning for Special Needs Transportation

Roseville Transit's services meet the federal and state requirements, such as ADA policies, to serve persons with disabilities. Roseville Transit's entire fleet of transit vehicles is wheelchair accessible. Roseville Transit is the contractor for the South Placer Transportation Call Center. The Call Center is the result of coordination efforts of WPCTSA and western Placer County transit operators and allows DAR passengers for all public transit services in the South Placer County area to call one phone number to make reservations for demand response transit service. Call Center reservationists then assign and schedule the trip to the appropriate DAR service. The buildout of homes to the northwest of the I-80 corridor in Roseville has brought efficiency challenges to the DAR system, trips from new developments in West Roseville take longer to access goods and services in the commercial core. MV staff review this issue through Trapeze software, in an attempt to group as many trips as possible. MV also reviews trip denial reports to see if driver shifts should be adjusted to better meet DAR passenger needs.

Public Participation/Community Surveys

All Transportation Commission and City Council meetings are open to the public and are conducted in an accessible facility per the requirements of the Americans with Disabilities Act (ADA). Public hearings are conducted before adopting route changes, service hour changes, fare increases or other important changes of public concern as per the *Roseville Transit Title VI and Public Participation Plan*. Additionally, transit issues in Roseville are included as part of the unmet needs process conducted by PCTPA. The public is also notified of potential service changes through flyers on transit vehicles, in public locations, on the website and through email. Additionally, transit service revision notices are posted on Roseville Transit vehicles and in passenger facilities and on the website. Outreach is conducted in both Spanish and English. The PCTPA Social Services Transportation Advisory Council also acts as an important conduit for soliciting public input. During this audit period, there was not much need for public input as service changes were in response to the COVID-19 emergency.

As part of the most recent SRTP effort, a community survey was made available online across a four-week period in 2017. The community survey was designed with the following objectives: to promote community awareness of public transit, identify potential transit service improvements and identify the most effective marketing media.

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. Scheduling and dispatching for Roseville Transit is provided by MV Transportation staff as identified in the operating contract. MV Transportation employs Trapeze software for all dispatch and scheduling needs.

MV Transportation drivers are appropriately certified for the types of vehicles operated for Roseville Transit. Driver bids are based on seniority and are conducted twice a year unless there are major service changes. Vehicles are assigned to specific routes according to anticipated passenger loads. Roseville Transit has an adopted "no-show" and late cancellation policy with a fee imposed after one offense.

Vacations, Absences and Sick Leave

Drivers are represented by the Amalgamated Transit Union (ATU). Full-time employees are eligible for vacation, sick leave and other employer-paid benefits. Policies and benefits are clearly outlined in the MV Employee Handbook. As mentioned above, MV Transportation employs part-time drivers, who facilitate covering unscheduled absences. At the bi-monthly safety meetings, MV management provides “Kudo Awards” to employees who display behavior above and beyond the call of duty. MV Transportation also has a driver of the year program.

Personnel Management and Training

Recruiting and retaining public transit drivers is currently a challenge for most transit operators. Recently, wage rates for service jobs which require little training and responsibility, such as a fast-food establishment, are increasing. This makes a bus driver position less attractive, particularly if CalPERS retirement is not available. Roseville Transit also has to compete with a higher wage rate for the neighboring transit operator, Sacramento Regional Transit (RT). MV recruits drivers through a variety of methods including Career Builder and Indeed websites and outreach to experienced drivers from other transportation companies. MV recently developed a new hiring process which is on-line based. This process seems to be easier for recruits as well as a good method of tracking recruit data. MV’s employee turnover rate is around 26 percent per year. During the audit period, 24 drivers left voluntarily and 5 involuntarily.

As per the union agreement, individual performance evaluations are not conducted for drivers; however Individual Development Plans are developed for staff which provide them with annual goals. Managers also have the ability to review feedback from DriveCam and the Apollo Video system for any significant issues occurring on route.

MV Transportation has established an extensive proprietary training program for new hires and on-going training. This includes classroom training, observation, behind the wheel and cadetting (route mapping and daily functions). MV also provides customer service training and on-going safety training for employees. MV Transportation’s Employee Handbook details its formalized employee discipline program and details drug and alcohol policies. MV Transportation has an affirmative action program. MV frequently provides non-monetary incentives and rewards to Roseville Transit drivers to maintain morale and retain good employees. Prizes are given for good safety records and no sick calls. Employees with 20 years of service are presented awards and one driver is recognized every three months as “Driver of the Quarter”. MV also has implemented a “Caught in the Act” award which recognizes commendable acts on a random basis.

Administration

Budgeting and Information

Roseville Transit has a well-developed budget and reporting system that is appropriate for the size and scope of the transit program. During the audit period, the Alternative Transportation Manager and the Alternative Transportation Analyst worked in conjunction with the City of Roseville Finance Department to develop the budget. Transit staff reviews the budget and expenses internally on a monthly basis and

three times a year with the Finance Department. The City Council must approve any excess in the budget and/or spending, while the PCTPA must approve TDA revenue allocations.

Grants Management

During the audit period, the Transportation Grants Analyst acted as the grants manager for the division with review by the Alternative Transportation Manager. This Analyst is responsible for making sure the transit agency is in compliance with grant requirements and coordinates with the individual project managers. Roseville Transit has been successful in securing a variety of discretionary and recurring grants for operating and capital purposes; including FTA capital funds to reconstruct the transit center at Louis and Orlando, purchase zero-emission buses and regular vehicle replacement. Roseville Transit also received Coronavirus Aid, Relief, and Economic Security Act CARES Act and CMAQ funding. During the audit period, Roseville Transit did not lose a grant due to negligence or improper procedure.

Risk Management and Insurance

An appropriate amount of liability and injury insurance is provided through the operations contract. MV Transportation's Safety and Training Manager is primarily responsible for conducting specific safety training. This may include emergency evacuation, unusual incident, safe driving methods and blood borne pathogen training. Mandatory safety meetings are held every month. Established procedures for processing and investigating accident/injury claims are currently in place. This process was recently moved "on-line" so as to allow for easier processing and tracking. The Roseville Transit fleet can be utilized in the event of a disaster or emergency situation. In addition, Roseville Transit staff participates in annual emergency evacuation exercises with the City and coordinates training with Placer County Emergency Operations. The City is a member of the California Joint Powers Risk Management Authority which covers general liability claims up to \$40 million and property damage up to \$400 million.

Contract Management

The Alternative Transportation Manager is responsible for contract management, most notably oversight of the operating contract with the transit operations contractor. The Alternative Transportation Administrative Analyst also serves as an important liaison with the transit contractor. The City Council executes all contracts after considering the recommendation of staff. The transit operations contract for Roseville Transit was competitively bid in 2017 and covers four years with two (2) year extensions.

Facility Management

The Roseville Transit operations facility is located at the city corporation yard conveniently adjacent to the fleet services facility. The facility provides adequate office space for administrative and dispatching functions. Transit vehicles are parked outside in a fenced lot. Drive-through bus washers are located at the yard.

Revenue Collection and Cash Management

Roseville Transit uses GFI electronic fareboxes for fare revenue and passenger data collection. At the end of each driver shift, cash boxes are deposited into a main vault at the Roseville Transit facility. Two times a week, staff collect, count, and reconcile fare revenue. Counted fare revenue is then stored in a smaller vault before it is picked up by an armored vehicle. MV Transportation has a secure fare counting process

in place. Two staff members are always present and security cameras have been installed in the counting room. Actual fare revenue is compared to projected fare revenue based on passenger-trips recorded prior to deposit. The key to the main vault is hidden at an undisclosed location by dispatch, while only two management team members know the combination to the smaller vault.

MV Transportation's petty cash is kept securely in a locked box in the General Manager's offices. Receipts are required for every purchase, and it is typically reconciled every other month.

Procurement

Roseville Transit competitively procures vehicles, fuel, and other large capital purchases. Roseville Transit uses the state vehicle contract to procure new transit vehicles.

Marketing and Public Information

The City of Roseville Public Affairs & Communications Department (PA&C) staff provides oversight of communication, marketing, media relations and public engagement for Public Works, with a dedicated Public Information Officer. The PA&C department also provides ancillary support with a Graphic Designer, Video Technician, and Marketing & Communications Analyst. Within the Public Works - Alternative Transportation Division, a dedicated Community Relations Analyst handles public engagement, which includes but is not limited to: transit, bicycling and other active transportation options. Staff participates in public outreach events at various community groups, work places, and key sites such as Sierra College. The Roseville Transit website is easy to follow and provides good access to maps and schedules and relevant announcements. Social media updates, text and email subscriptions are available and provide regular passenger updates. The City of Roseville conducts a number of marketing campaigns (including paid advertising) throughout the year to educate passengers and attract ridership.

Roseville Transit has a good presence on social media and Roseville Transit information is also available through the South Placer Transit Information website and Placer County Transportation Planning Agency website. The City of Roseville conducts a number of marketing campaigns (including paid advertising) throughout the year in an effort to increase ridership.

Another marketing effort for Roseville Transit and the south Placer region is the Transit Ambassador Program, which is funded through the Consolidated Transportation Services Agency. Volunteers are trained and spend time at transfer centers to answer questions and assist passengers with deciphering transit information and planning trips. Roseville Transit also has an extensive Mobility Training for individuals or groups who may need special help in order to use transit independently, although this program was not used as frequently during COVID.

Roseville Transit rider's guides and transit maps are informative and effective. Information is presented clearly and in both English and Spanish. The Roseville Transit website also has a wealth of information for existing and potential passengers, including a link to Google Trip Planner and Bus Tracker, a real time bus arrival tool available on-line and for computers and mobile phones.

Any complaints received from passengers are reviewed by City of Roseville staff and MV staff so that the complaint can be properly researched, and a response provided to the passenger. Being able to review actual incidents via the Apollo video footage is important to correctly resolving the issue and greatly helps with customer service.

Maintenance

City of Roseville Fleet Services staff perform all maintenance. A preventive maintenance schedule is in place that meets the requirements of the bus manufacturers. The City employs Squarerigger maintenance software to assist with fleet management. The program is capable of generating email communication to MV staff with respect to routine service checks.

Roseville Transit employs Zonar Electronic Vehicle Inspection Report Technology to complete pre- and post-trip checks. This technology improves operational efficiency by allowing managers to be informed of potential maintenance issues in a timely manner. The Zonar system also ensures that pre-trip vehicle inspections are properly performed, and the appropriate staff members are notified of any needed repairs.

There is good communication between mechanics and dispatchers with respect to maintenance. An adequate supply of parts is available to minimize vehicle downtime. No runs have been missed due to maintenance issues.

The City performs the majority of repairs with the exception of body work, paint and some lift repairs. The City's fleet maintenance facility appears to be sufficient for the varied types of vehicles operated. Roseville Transit has a good vehicle replacement plan in place for aging vehicles. During the audit period, the City secured grants to purchase five battery-electric buses and a charging facilities at the City's corporation yard.

CONCLUSIONS AND RECOMMENDATIONS

The Auditor's analysis of Roseville Transit and its contractor indicates that, in terms of operations, the system was efficiently run and well managed during the audit period. The following notes the auditor's findings and recommendations.

FINDINGS

- The nationwide downward trend in transit ridership coupled with the COVID 19 pandemic has had a significant impact on Roseville Transit's performance, particularly for the commuter services.
- Roseville Transit's farebox ratio dipped below the 15 percent TDA minimum (with local support) in FY 2020-21. In the past, the very high farebox ratio on the commuter services has made it possible for Roseville Transit to maintain the systemwide 15 percent standard. Although future commute patterns are still uncertain, it is likely that state employees will only be required to work in their downtown Sacramento offices a few days a week. This would permanently reduce demand for Roseville Transit services and make it more challenging for Roseville Transit to meet the TDA requirement without additional local support. Note that farebox ratio requirements are currently suspended and could potentially change in the future.
- Mainly due to the fact that service levels on the commuter routes were adjusted to meet new transit ridership demand during the pandemic, operating costs decreased by 6.2 percent during the audit period.
- Roseville Transit was close to meeting most city adopted performance measures (operating cost per hour, operating cost per trip, passenger trips per hour and farebox ratio) at the beginning of the audit period. However, the dramatic drop in ridership resulting from the COVID 19 pandemic has negatively affected performance.
- Aware of the changes in public transit ridership trends resulting from the pandemic, the City of Roseville received grant funding to hire a consultant to conduct a comprehensive operational analysis of all of Roseville Transit services and look for opportunities to improve its services.
- Roseville Transit meets most TDA requirements with the exception of the late submittal of the FY 2020-21 State Controller Report by only a few days and the FY 2020-21 Fiscal and Compliance Audit by less than one month. This is a minor finding, and it should be noted that this is a common finding among transit operators.
- The recommendation from the last performance audit for Roseville Transit is in progress.
- The detailed functional review portion of the audit did not reveal any significant inefficiency with respect to transit operations and management, nor did it indicate any misuse of TDA funds.

- The transit operations contractor, MV Transportation, has moved some of the operational procedures such as accident reporting and new hire paperwork on-line for efficiency and easier tracking.
- Roseville Transit has completed the required Zero-Emission Vehicle Rollout Plan and is beginning the process of transitioning its diesel-powered fleet to battery electric buses to meet state goals of a zero-emission fleet by 2040.

RECOMMENDATIONS

Recommendation: Reevaluate and adjust Roseville Transit performance standards to be more representative of current public transit trends in a post pandemic world.

Roseville Transit does a good job of compiling and reporting performance measures to the Transit Commission and comparing these performance measures to adopted standards in the SRTP. Prior to the pandemic the commuter service was a highly productive service with a high farebox ratio. Even as the pandemic fades, most state workers will likely only be required to travel to the office a few days a week. Society has become accustomed to working from home and it is not likely that commuters will need transit service five days a week, thereby substantially reducing the ridership demand for commuter services. The local fixed routes may be affected by this new trend as well, although not to the same degree. DAR services were impacted during the pandemic mostly because group social service activities were suspended. This is more likely to return in the near term. On a nationwide level, public transit ridership was already on a downward trend prior to the pandemic due to the low cost of owning a vehicle and the availability of Transportation Network Companies. The pandemic exacerbated this trend. Going forward, however, high gasoline prices may attract more passengers back to transit in the short-term. In summary, demand for public transit ridership has changed, and transit agencies should adjust their expectations accordingly. After a period of adjustment to post pandemic life, the City of Roseville should reevaluate performance standards for Roseville Transit services. This process should also consider any permanent changes in TDA requirements, such as minimum farebox return ratios.