

Auburn Transit Triennial Performance Audit

FY 2018/19 through FY 2020/21

FINAL



Prepared for the

**PLACER COUNTY
TRANSPORTATION PLANNING AGENCY**



Prepared by LSC Transportation Consultants

Auburn Transit
Triennial Performance Audit
FY 2018/19 through FY 2020/21

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Prepared for the
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EXECUTIVE SUMMARY

The California Public Utilities Code requires that all transit operators that receive funding under Article 4 of the Transportation Development Act (TDA) be subject to a performance audit every three years. This document presents the findings from the performance audit of transit operations managed by the City of Auburn, Auburn 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 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

Auburn Transit is managed and operated by the City of Auburn Public Works Department. Auburn Transit currently offers one deviated fixed route within the City of Auburn and North Auburn with connections to Placer County Transit and Nevada County Connects. On-demand service within the City of Auburn was implemented just after the end of this audit period. Prior to this, two fixed routes were operated. Lastly, the City funds the Confluence Route which provides an alternative to driving to the American River Canyon for recreation from April through September.

VERIFICATION AND USE OF PERFORMANCE INDICATORS

Tables and figures in Chapter 2 present operating data and performance indicators for Auburn Transit. During the audit period, systemwide ridership decreased by 60 percent from 37,363 to 14,248. This decrease is a direct result of decreased ridership demand during the COVID-19 pandemic. Auburn Transit productivity (passenger-trips per hour) was also severely diminished, from 8.69 to 2.65, particularly as service levels were not reduced. In FY 2019-20, operating costs increased 12.5 percent but remained steady the following year. Although there was a slight increase in operating cost per vehicle service hour in FY 2019-20, this performance measure was close to the Short-Range Transit Plan standard of \$130 per hour in FY 2020-21. Cost effectiveness (operating cost per passenger trip) declined during the audit period, as a result of the ridership decrease (\$15.20 to \$44.95). It is interesting to note that other transit operators in Placer County and in Nevada County have very similar operating cost per trip figures and patterns. Auburn Transit services generated a farebox ratio (the ratio of passenger fares plus local support to operating costs) of 8.13 percent in FY 2018-19. This decreased to 6.38 percent the following year then increased to 7.17 percent in FY 2020-21. During the audit period, Auburn Transit was subject to a 10 percent farebox ratio requirement for rural areas and did not meet this requirement any year of the audit period. However, aware of the negative impact of COVID on public transit agencies, the state legislature suspended farebox ratio requirements from FY 2019-20 through FY 2022-23.

Auburn Transit compiled operating statistics in accordance with TDA definitions (as presented in Appendix B of the *Performance Audit Guidebook*) with the exception of employee hour full-time

equivalents. As for the overall data collection and recording process, Auburn Transit's fixed route employs a manual data entry process, which is subject to human error.

REVIEW OF COMPLIANCE REQUIREMENTS

The *Performance Audit Guidebook* recommends reviewing transit operator compliance with certain TDA regulations that relate to a performance audit. Table 2 presents Auburn Transit's compliance with these requirements. Auburn Transit's public transit services were found to be in compliance on all issues except for the timely submittal of the State Controller Reports and Fiscal and Compliance Audits (only a few days to two months late), calculation of employee hour full-time equivalents and meeting the minimum farebox ratio the last year of the audit period.

STATUS OF PRIOR AUDIT RECOMMENDATIONS

The previous audit was completed by LSC Transportation Consultants in 2019. One recommendation was completed. The recommendation to modify services in an effort to boost farebox ratio is in progress, and the recommendation to calculate Full-Time Equivalent Employees in accordance with TDA definitions has not yet begun.

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. However, there are insufficient back-up drivers to fill in if drivers are sick or on vacation. This requires the Transit Supervisor to divert attention from administrative matters and drive some of the routes. The lack of back-up drivers can eventually lead to overworked staff. Auburn Transit conducts effective service planning through the SRTP process and requests from the City Council. Auburn Transit has in place safety, operations and training procedures, which comply with applicable regulations. Sufficient marketing and public outreach efforts are conducted by Auburn Transit and PCTPA. 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

- ◆ Auburn Transit submitted the annual reports to the State Controller a few days after the required deadline in FY 2018-19.

- ◆ Auburn Transit submitted the Fiscal and Compliance Audits two months after the deadline in FY 2019-20.
- ◆ Auburn Transit has implemented one of the previous TPA recommendations, one is in progress and the third has not yet been initiated and therefore, has been carried over to this audit.
- ◆ An already decreasing ridership pattern was accelerated by the COVID pandemic. FY 2020-21 ridership levels of 14,248 one-way passenger trips represents a 72 percent decrease from FY 2015-16 levels of 52,101 one-way passenger trips.
- ◆ Productivity levels (passenger-trips per vehicle service hour) were in line with other rural fixed route services around eight passenger-trips per vehicle service hour in FY 2018-19 but significantly decreased during the pandemic to just below three passenger-trips per vehicle service hour, which is closer to typical levels seen on a demand-response system.
- ◆ 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.
- ◆ Auburn Transit did not meet the 10 percent farebox ratio requirement for any year of the audit period.
- ◆ The City of Auburn has begun the transition to a zero-emission fleet as mandated by the California Air Resources Board by purchasing two electric vehicles.

RECOMMENDATIONS

Recommendation 1: *Auburn Transit should reevaluate fixed route and on-demand services in FY 2022-23, to ensure that applicable farebox ratio requirements are being met. The City of Auburn could also consider increasing the level of local support.*

Auburn Transit recently implemented a pilot program on-demand micro-transit type of service using the TransLoc application. Instead of operating two fixed route buses, only one loop is operated in conjunction with the on-demand service throughout the City. A higher fare is charged on this popular on-demand service. Early ridership reports indicate that the on-demand service carries around 2 passenger-trips per hour and the number of calls for service has increased from 20 to 50 per day. In FY 2020-21, Auburn Transit was assessed a penalty for not meeting the 10 percent farebox ratio in FY 2017-18. Auburn Transit's farebox ratio has not returned to 10 percent over the past four years. Much of this is due to COVID-19's impact on transit ridership demand.

Understanding the challenges public transit operators are facing, AB 149 was passed by the state legislature which suspends farebox ratio requirements from FY 2019-20 through FY 2022-23. In FY 2023-24, unless there are further legislative actions regarding TDA, Auburn Transit will again be subject to a 10 percent farebox ratio. As this is two years away, Auburn Transit will have time to evaluate the impact of the new on-demand service and determine if it should be continued or expanded to better meet the needs of Auburn residents and meet farebox ratio. At the same time, the City should ensure that staffing levels are appropriate for the type of service chosen.

Another means of increasing farebox ratio is to increase local support. Currently the City of Auburn pays for vehicle maintenance with general funds, which is considered local support per TDA. This funding stream could be increased to the level to achieve the 10 percent farebox ratio or the City of Auburn could look for other sources of non-state/non-federal funds earned by or distributed to the operator to use as local support.

Recommendation 2: In order to be fully compliant with TDA requirements, the City of Auburn should keep documentation of how FTEs are calculated for purposes of reporting to the State Controller. 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 city transit staff, city administrative staff who assist public transit such as accounting or management and vehicle maintenance staff. The City could develop a general estimate of how many hours are spent on transit by other County administrative staff.
- Total hours worked (not including paid time off) should be tallied at the end of the year and divided by 2,000.
- This will represent the full-time equivalent employee count for Auburn Transit for purposes of reporting to the state controller.

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 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 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 Regional Transportation Planning Agencies (RTPA). A performance audit is a systematic process of evaluating an organization’s effectiveness, efficiency, and economy of operations under management control. The objectives of the audit are to 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. This TPA covers FY 2018-19 through FY 2020-21.

PERFORMANCE AUDIT AND REPORT ORGANIZATION

The performance audit consisted of the following elements, including:

- 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

Auburn Transit is operated by the City of Auburn Department of Public Works. Funds for Auburn Transit are allocated by the PCTPA, which was created as a local area planning agency to undertake regional transportation planning for Placer County, exclusive of the Lake Tahoe Basin.

Auburn Transit Fixed-Route Service

Auburn Transit operates one main deviated fixed route (Auburn Loop) within the City of Auburn and nearby portions of unincorporated Placer County on Monday through Saturday from 9:00 AM to 5:00 PM. The loop begins and ends at Nevada Station (the Amtrak Station) and operates on hourly headways. Deviations of up to three-quarters of a mile are available for ADA eligible passengers upon advance

request. The general public fare is \$1.50 per one-way trip with a 50 percent discount for seniors, disabled and youth. 30-ride passes are available for \$36.00, which equates to 20 percent discount compared to paying for each trip. Passengers may transfer without additional charge to Placer County Transit, Capital Corridor and Nevada County Connects.

The Confluence Route was recently implemented in May 2021 and provides an alternative to driving between Auburn and recreation opportunities at the American River Confluence. The Confluence Route is seasonal and operates from April 1st through October 1st only, Friday through Sunday 9:00 AM to 5:00 PM. Bus stops are limited to only five locations. In 2021 this service was operated as a fixed route service, but ridership was low. In 2022, Auburn Transit began including the Confluence bus stops in the On-Demand service discussed below. Passengers must call dispatch or use the TransLoc app to request service, but prior reservations are not necessary.

Auburn Transit On-Demand

Using TransLoc micro-transit software, the City of Auburn operates On-demand service beginning the fall of 2021. On Demand service hours are from 6:00 AM to 8:00 PM Monday through Wednesday and 6:00 AM to 11:00 PM Thursday through Saturday. Service is available within the City of Auburn and select commercial destinations in neighboring communities such as shopping centers and medical facilities. Passengers may download the TransLoc app to book their ride, though passengers without access to a smart phone may call Auburn Transit directly to book an on-demand ride. Generally, passengers are picked up within 20 minutes. Each ride costs \$3.50, which can be paid through the app or when boarding the bus.

OPERATING AND FINANCIAL STATISTICS

The following section quantitatively analyzes public transit service in the City of Auburn. Operating statistics are presented in Table 1 and Figures 1 - 6 and were obtained from annual State Controller Reports, annual Fiscal and Compliance Audits and data provided by Auburn Transit. Table 1 presents data from the current audit period (FY 2018-19 through 2020-21) as well as the prior audit period (FY 2015-16 through 17-18) for comparison purposes.

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

Drivers record passenger-trips, hours, miles and fare revenue collected on paper manifests which are deposited at the end of the day into a lock can with the actual fare revenue. The City Finance Department counts the revenue, compares fare revenue amounts to the number of recorded passenger-trips and deposits the fare revenue in the bank. The Finance Department will then return the manifests to the Transit Supervisor who then manually records the data into Excel spreadsheets. On-demand trips are recorded through the TransLoc app. Passengers are able to pay for their on-demand trip via the app or cash on the bus. A variety of ridership and revenue reports can be downloaded through TransLoc. On-

TABLE 1: Auburn Transit 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	52,101	46,237	37,459	37,363	26,749	14,248
<i>% Change from Previous Year</i>	1.4%	-11.3%	-19.0%	-0.3%	-28.4%	-46.7%
Vehicle Service Hours	4,737	4,440	4,304	4,302	4,439	4,827
<i>% Change from Previous Year</i>	-1.7%	-6.3%	-3.1%	0.0%	3.2%	8.7%
Vehicle Service Miles	63,380	60,823	60,872	59,499	64,054	72,043
<i>% Change from Previous Year</i>	-1.8%	-4.0%	0.1%	-2.3%	7.7%	12.5%
Operating Costs	\$514,883	\$584,908	\$583,288	\$567,955	\$639,198	\$640,403
<i>% Change from Previous Year</i>	4.4%	13.6%	-0.3%	-2.6%	12.5%	0.2%
Number of Employees	7	7	7	5	5	5
<i>% Change from Previous Year</i>	-12.5%	0.0%	0.0%	-28.6%	0.0%	0.0%
Farebox Revenues	\$25,207	\$24,317	\$21,850	\$21,830	\$18,835	\$15,325
<i>% Change from Previous Year</i>	-40.9%	-3.5%	-10.1%	-0.1%	-13.7%	-18.6%
Operating Cost per One-Way Passenger-Trip	\$9.88	\$12.65	\$15.57	\$15.20	\$23.90	\$44.95
<i>% Change from Previous Year</i>	3.0%	28.0%	23.1%	-2.4%	57.2%	88.1%
Operating Cost per Vehicle Service Hour	\$108.69	\$131.75	\$135.54	\$132.02	\$144.00	\$132.67
<i>% Change from Previous Year</i>	6.2%	21.2%	2.9%	-2.6%	9.1%	-7.9%
Passengers per Vehicle Service Hour	11.00	10.41	8.70	8.69	6.03	2.95
<i>% Change from Previous Year</i>	3.1%	-5.3%	-16.4%	-0.2%	-30.6%	-51.0%
Passengers per Vehicle Service Mile	0.82	0.76	0.62	0.63	0.42	0.20
<i>% Change from Previous Year</i>	3.2%	-7.5%	-19.1%	2.0%	-33.5%	-52.6%
Vehicle Service Hours per Employee (FTE)	676.73	634.23	614.79	860.40	887.80	965.40
<i>% Change from Previous Year</i>	12.4%	-6.3%	-3.1%	39.9%	3.2%	8.7%
Farebox Recovery Ratio ⁽¹⁾	10.19%	11.10%	8.26%	8.13%	6.38%	7.17%
<i>% Change from Previous Year</i>	17.9%	8.9%	-25.6%	-1.5%	-21.5%	12.3%

Note 1: Includes local support

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

demand drivers still record data on paper manifests as a back-up method, until Auburn Transit is more comfortable with the TransLoc process.

The TDA defines **Passenger Counts** as one-way unlinked trips. The method the City of Auburn uses to count passengers is consistent with this definition. Ridership data was obtained from State Controller Reports and compared to internal reports. There were no significant discrepancies found between the two sources.

Table 1 presents annual ridership data for all Auburn Transit services during the audit period, as well as data from the previous three-year period. During this current audit period, overall ridership decreased by 61.9 percent from 37,363 to 14,248 annual one-way passenger trips. Over the past six years, systemwide ridership decreased by 72.7 percent with the lowest ridership occurring during FY 2020-21 (14,248) and

the highest ridership occurring in FY 2015-16 (51,101). Most transit agencies throughout the US have seen a downward trend in ridership patterns over the past six years. The downward trend can be attributed to many factors such as a higher rate of private vehicle ownership, and then exacerbated by the COVID-19 pandemic.

Vehicle Service Hour data is reported in Table 1 and was obtained from State Controller reports. 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. The definition of a vehicle service hour as currently used by Auburn Transit is consistent with the definition presented in the *Performance Audit Guidebook*.

As shown in Table 1, over the past six years Auburn service levels have stayed relatively steady, around 4,500 vehicle service hours per year. In contrast to many public transit agencies, Auburn Transit vehicle service hours increased by 8.7 percent in FY 2020-21. In September of 2019, Auburn Transit increased the number of vehicle hours to have a more consistently hourly headway schedule. In May of 2020, the Confluence Route was implemented.

Vehicle Service Mile data was also obtained from the State Controller reports and is displayed in Table 1. Vehicle service miles are defined in Appendix B of the Performance Audit Guidebook as those miles travelled during vehicle service hours. The City of Auburn 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 12,544 miles, or 21.1 percent. Service changes listed above contributed to the increase in vehicle miles.

Operating Cost data for Auburn services systemwide were obtained from annual Fiscal Audits for the audit period. 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 City of Auburn follows this definition.

As shown in Table 1, systemwide operating costs increased by 12.5 percent between FY 2018-19 and FY 2019-20 from \$567,955 to \$631,198), and then stayed relatively steady between FY 2019-20 and FY 2020-21. Specifically, “maintenance” increased in FY 2019-20 by 12.7 percent, while “fuel” increased by only 1.7 percent. This is around the time two transit vehicles which had reached the end of their useful life were replaced with the electric cutaways.

Full-Time Equivalent (FTE) Employee, data was obtained from the State Controller 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. City staff indicated that FTE’s are calculated by dividing person-hours worked by 2,080. The State Controller Reports identify five FTEs for each year of the audit period.

Fare Revenue data presented in Table 1 was obtained from annual Fiscal and Compliance Audit reports. 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.
- 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. 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. 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 City of Auburn calculates and reports fare revenue to the State Controller correctly.

Table 1 shows that over the past six years systemwide fare revenues have decreased, with the peak in revenue occurring six years ago in FY 2015-16 (\$25,207). The 29.8 percent drop in systemwide fare revenues over the past three fiscal years is a direct result of the decrease in ridership due to the COVID-19 pandemic. Fare revenues in FY 2018-19 were only 0.1 percent lower than those recorded in FY 2017-2018, however fares then decreased by 13.7 percent in FY 2019-20 and another 18.6 percent in FY 2020-21.

Per the Short-Range Transit Plan recommendation, Auburn Transit implemented a fare adjustment in the fall of 2019, raising the general public one-way fare to \$1.50 from \$1.00. The City of Auburn also eliminated fares during the pandemic as a way to limit human interaction and provide financial relief for those who may have lost their job.

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 operations. 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
- ◆ Passengers per Vehicle Service Hour
- ◆ Passengers per Vehicle Service Mile
- ◆ Vehicle Service Hours per Employee

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

The **Operating Cost per (One-way) Passenger-Trip** data is presented in Table 1 and Figure 1. This performance measure is a key indicator of a transit system's cost effectiveness. Decreased ridership demand resulting from the COVID-19 pandemic combined with rising inflation has had a significant negative impact on this performance metric for all transit agencies. According to the available data, operating cost per one-way passenger-trip increased by 190 percent, from \$15.20 in FY 2018-19 to \$44.95 in FY 2020-21, as a result of both lower ridership and higher operating costs. The 2018 Short-Range Transit Plan for Auburn Transit identifies an operating cost per passenger-trip standard of \$12.50. Auburn Transit exceeded this standard throughout the audit period. It should be noted that both Nevada County Connect and Roseville Transit had similar operating cost per trip performance measures during this time period.

The **Operating Cost per Vehicle Service Hour** data is presented in Table 1 and Figure 2. This performance measure is a key indicator of a transit system's cost efficiency. Operating cost per vehicle service hour increased by 22 percent over the six-year period from FY 2015-16 to FY 2020-21 from \$108.69 to \$132.67. During this audit period, operating costs per vehicle hour increased by 9 percent in FY 2019-20 and then returned to \$132 per hour levels FY 2020-21. This is slightly above the adopted Short-Range Transit Plan operating cost per vehicle service hour standard of \$130. Rising inflation combined with a modest increase in service levels this audit period due to transit service changes to have a more consistent hourly schedule contributed to the increase in operating cost per vehicle service hour.

The **Passengers per Vehicle Service Hour** (commonly referred to as "productivity") is presented in Table 1 and Figure 3. As presented, productivity decreased significantly each year of the audit period from 8.7 passengers per hour in FY 2018-19, to 6.0 passengers per hour in FY 2019-20, to only 2.95 passengers per hour in FY 2020-21. This 66 percent decrease is due to both declining ridership and increasing service levels throughout the audit period. For reference, the Short-Range Transit Plan productivity standard is 8 passenger-trips per hour.

The **Passengers per Vehicle Service Mile** data is presented in Table 1 and Figure 4. As presented, passengers per vehicle service mile decreased measurably from 0.63 in FY 2018-19 to 0.20 in FY 2020-21 (68.5 percent decrease). Similar to the number of passengers per hour, the decrease was a result of the drop in ridership and an increase in service levels over the audit period.

The **Vehicle Service Hours per Full-Time Employee Equivalent (FTE)** data is presented in Table 1 and Figure 5. As presented, the number of vehicle service hours per full-time employee equivalent increased during the audit period, ranging from 860.4 in FY 2018-19 to 965.4 in FY 2020-21. This increase in hours is due to increasing service levels while staff levels remained the same.

The **Farebox Recovery Ratio** data is presented in Table 1 and Figure 6. 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, 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.

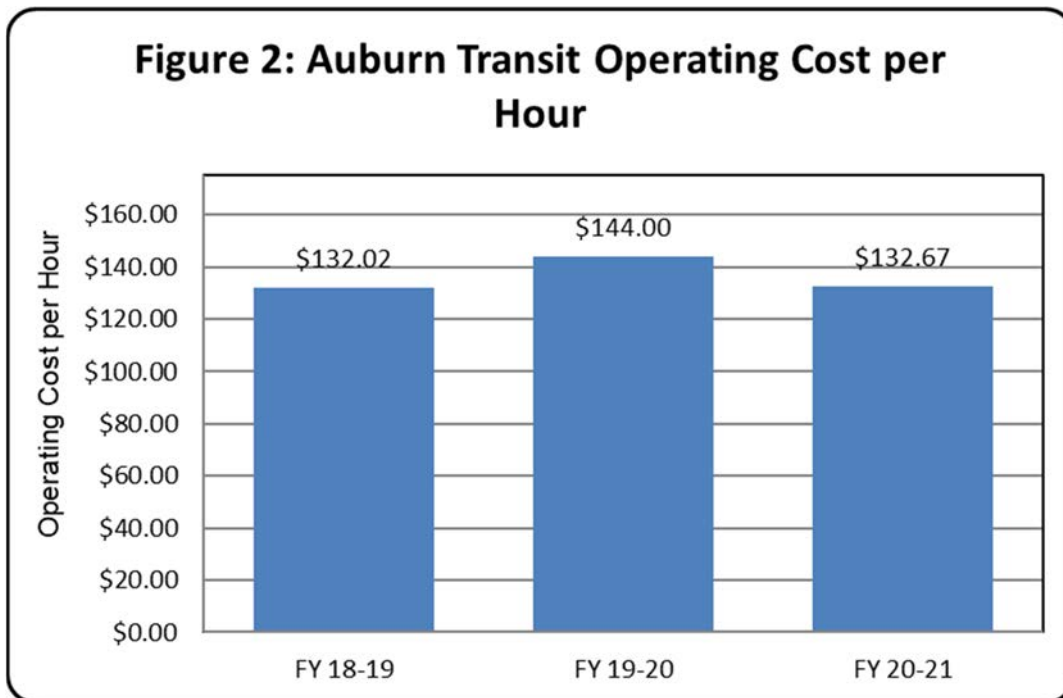
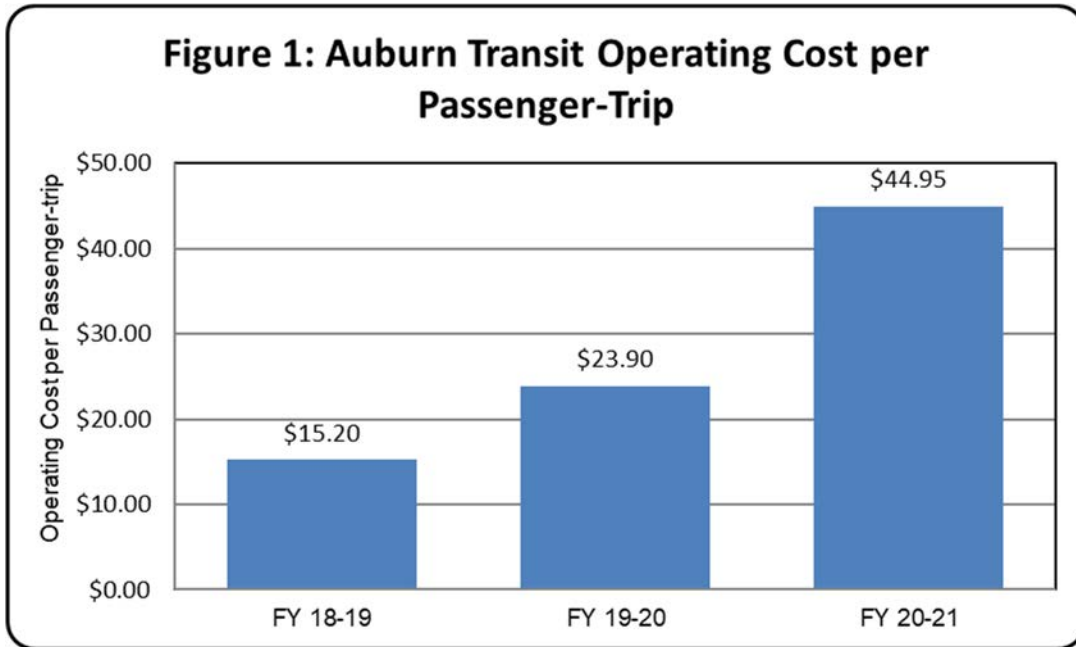


Figure 3: Auburn Transit Passengers per Hour

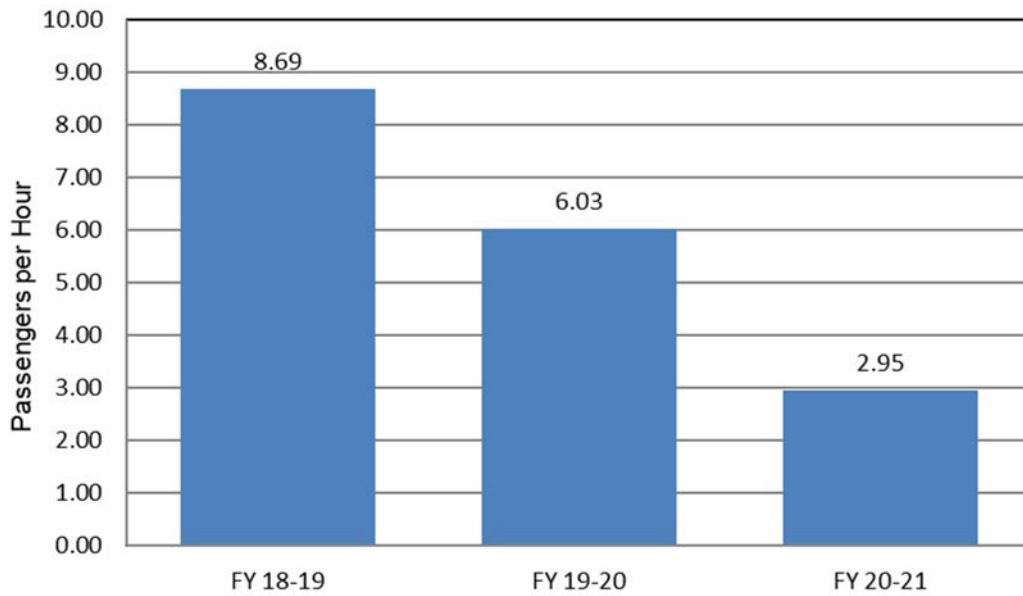


Figure 4: Auburn Transit Passengers per Mile

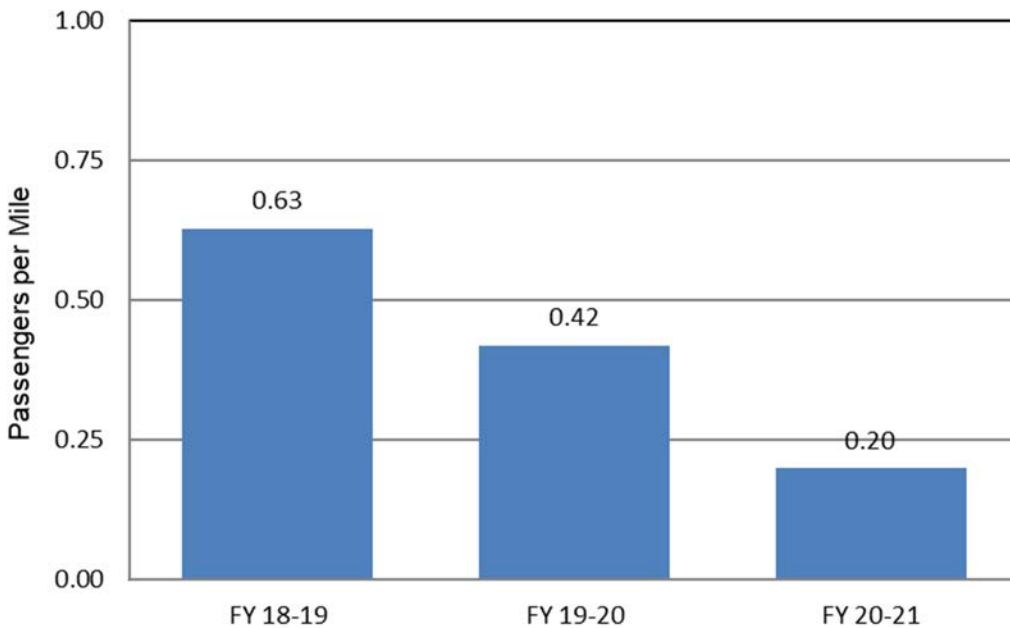


Figure 5: Auburn Transit Hours per Employee

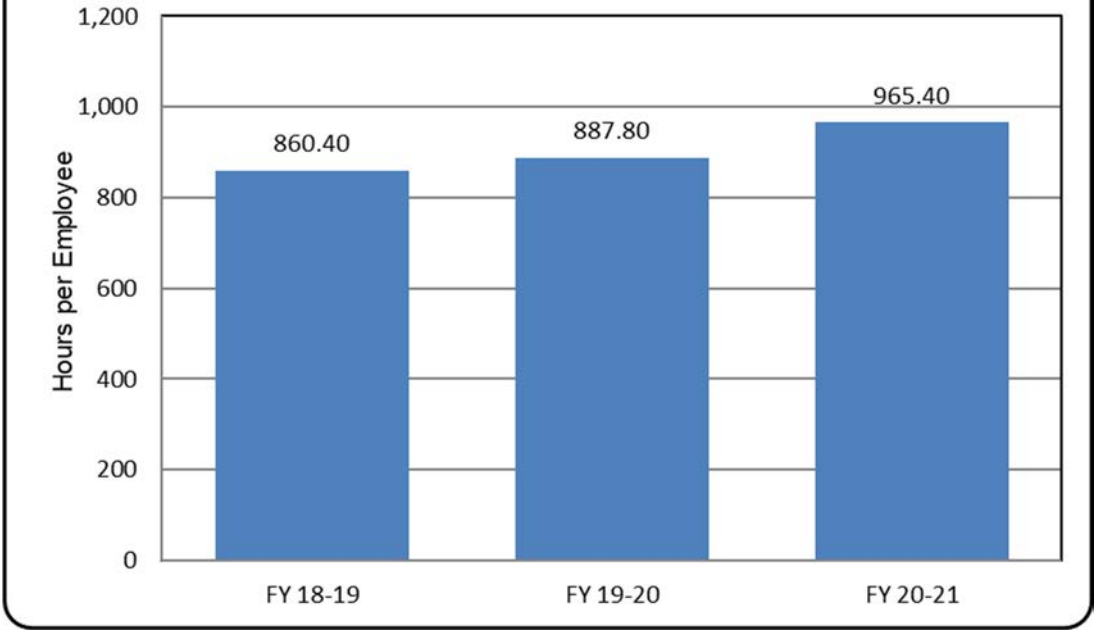
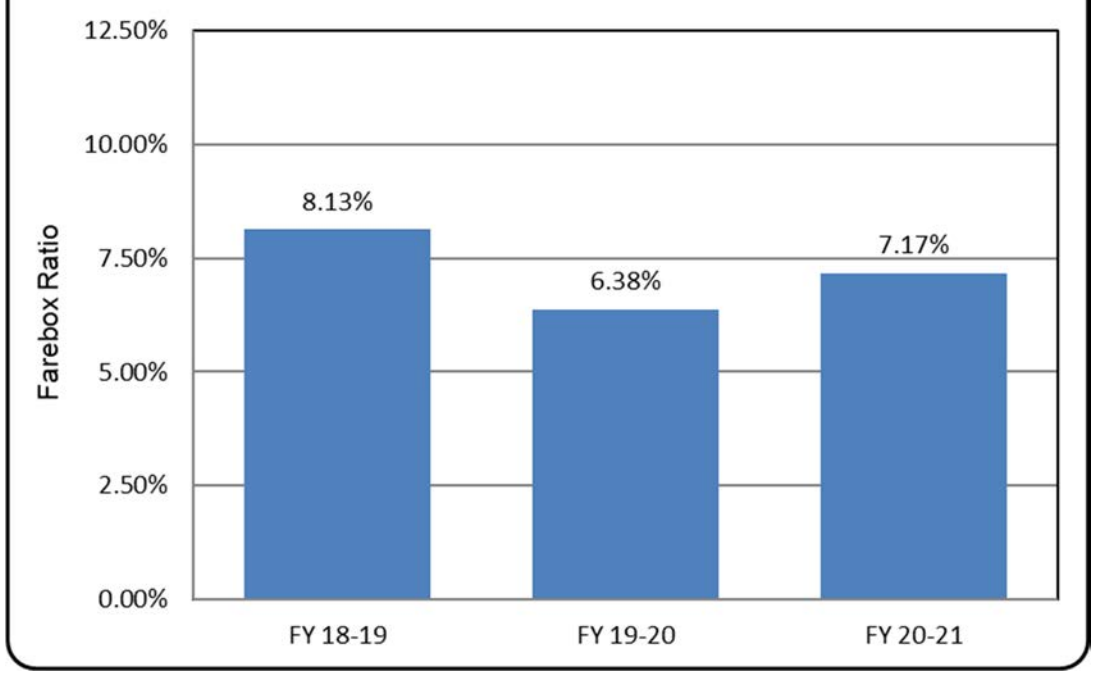


Figure 6: Auburn Transit Farebox Ratio



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”. The farebox calculations in Table 1 and Figure 6 include local funds/support. Examples include advertising revenue, lease revenue or funds provided by a local agency. The City of Auburn Public Works Department performs all maintenance for Auburn Transit and does not charge the transit fund for the costs. Vehicle maintenance is considered part of transit operating costs, but in the case of Auburn, it is paid for using City of Auburn general funds. This in-kind contribution for maintenance costs is considered local funds/support for farebox ratio calculations.

Some transit agencies receive Low Carbon Transit Operations Program (LCTOP) funds in lieu of charging passenger fares. There is some leeway in TDA law to distinguish LCTOP funds as local funds, if the RTPA desires; however, most transit agencies categorize LCTOP funds as fare revenue (object class 402).

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

Considering the expense side of the equation, the amount paid to Placer County for operating service to the Auburn Airport and for the City of Auburn’s portion of Placer County Transit (PCT)’s commuter service to Sacramento is excluded from the farebox ratio calculation. As these services are operated by PCT not Auburn Transit and fare revenue and passenger trips are recorded as PCT revenue and trips, these costs are correctly excluded from the Auburn Transit farebox ratio calculation.

Like many other rural transit agencies, the City of Auburn has found it increasingly difficult in recent years to maintain the 10 percent farebox ratio. Population decreases, inexpensive gas (in the audit period), cheaper auto ownership and general inflation contribute to the challenge, and most recently, the COVID-19 pandemic has reduced or eliminated farebox revenue. As shown in Figure 6, Auburn’s farebox ratio was 8.13 percent in FY 2018-19, decreased to 6.38 percent in FY 2019-20, but then rebounded slightly to 7.1 percent in FY 2020-21. The City of Auburn’s farebox ratio was also below 10 percent in FY 2017-18. According to TDA law, transit operators who do not meet minimum farebox ratios are allowed one grace year before being considered non-compliant. If farebox ratio remains below the required minimum a second year, a penalty is assessed the following year. For Auburn Transit FY 2018-19 is considered the “non-compliance year”. Auburn Transit was assessed a penalty in amount of \$10,621 in FY 2020-21 which is considered the “penalty year”. Per AB 189 and AB90, farebox ratio requirements are waived for years FY 2019-20 through FY 2022-23. Therefore, penalties will not be assessed for Auburn Transit not meeting the 10 percent farebox ratio in FY 2019-20 and FY 2020-21.

Recommendations on Data Collection

As noted above, slight discrepancies exist between the operational data maintained in internal Auburn Transit reports and the data reported in the annual State Controller Report submittals. Auburn Transit maintains operating data in a Microsoft Excel database. Fixed route data is recorded manually, but on-demand service data is recorded both through the Trans Loc app and manually by the drivers. Manually recorded data is subject to human error. Purchasing tablets for drivers to record both fixed route and on-demand operating statistics would eliminate the need to reenter this data into spreadsheets. Auburn Transit prepares ridership reports for PCTPA on a quarterly basis and the City Council generally every month.

REVIEW OF COMPLIANCE REQUIREMENTS

As an entity receiving TDA funds for transit purposes, Auburn Transit is required to comply with laws and statutes set forth in the Act. Below is a discussion of Auburn Transit's compliance with sections of the Public Utilities Code which relate to transit performance, as recommended in the Performance Audit Guidebook. Table 2 displays the results of the compliance analysis:

1. In accordance with PUC Section 99243, Auburn Transit has submitted annual reports to the PCTPA and the State Controller based upon the Uniform System of Accounts and Records established by the State Controller. However, in Fiscal Year 2018-19, the report was submitted a few days after the deadline.
2. In accordance with PUC Section 99245, Auburn Transit submitted annual fiscal and compliance audits to the PCTPA for each year of the audit period. A 90-day extension was granted for each year of the audit period. An independent auditor completed these reports as required. In FY 2019-20 the Fiscal and Compliance Audit for Auburn Transit was submitted two months after the 90-day extension deadline.
3. In accordance with PUC Section 99251, Auburn 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. CHP Reports were signed with a "Satisfactory" rating on each year of the audit period.
4. In accordance with PUC Section 99261, Auburn Transit's claims for TDA funds are submitted in compliance with rules and regulations adopted by the PCTPA for such claims.
5. Auburn Transit is not subject to farebox ratio requirements listed in PUC 99270.1.
6. PUC Section 99266 requires that Auburn 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, actual operating costs during the audit period decreased by 2.6 percent this first year of the audit period, increased by 12.5 percent the second year and increased by 0.2 percent the final year of the audit period. Therefore, Auburn transit is consistent with PUC Section 99266.

TABLE 2: Transit Operator Compliance Requirements - Auburn Transit

Requirement	PUC Reference	In Compliance?		Comments
		Yes	No	
(1) The transit operator submitted annual reports to the RTPE based upon the Uniform System of Accounts and Records established by the State Controller within the specified time period.	99243		X	State Controllers Reports submitted: FY 2018-19 on 2/5/20 FY 2019-20 on 1/27/21 FY 2020-21 on 1/18/22
(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	Audits submitted: FY 2018-19 3/31/2020 FY 2019-20 5/13/2021 FY 2020-21 3/30/22
(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's are not calculated in accordance with TDA
(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	FY 2018-19 8.13% FY 2019-20 6.38% FY 2020-21 7.17%
(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 RTPE, 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		

7. Auburn Transit's definitions of performance measures are consistent with PUC Section 99247 with the exception of employee hour full-time equivalents.
8. Auburn Transit is not subject to the farebox ratio requirements for an urbanized area.
9. Auburn Transit did not meet the required 10 percent TDA farebox ratio during this audit period nor in FY 2017-18; however, the state suspended farebox ratio requirements for Fiscal Years 2019-20 through FY 2022-23.
10. In compliance with PUC Code 99271, the City of Auburn participates in the State of California Public Employees Retirement System (PERS) for its employee retirement through the City of Auburn employee benefit program. 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, 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), Auburn Transit makes full use of funds available to it under the FTA programs before TDA claims are granted.

STATUS OF PRIOR AUDIT RECOMMENDATIONS

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

Recommendation 1: Although Auburn Transit productivity is still relatively strong, ridership has been in a downward trend over the last two audit periods. Auburn Transit also failed to meet the 10 percent farebox ratio in FY 2017-18. Auburn Transit should consider making service and/or fare adjustments to increase ridership and boost farebox ratio.

Auburn Transit productivity (passenger-trips per hour) is close to the industry standard benchmark for fixed route services: 10 passenger-trips per hour. However, ridership levels decreased by 26 percent over the past six years. Farebox ratio has also decreased from a six year high of 13.0 percent to 8.26 percent.

The Auburn Transit SRTP recommended several plan elements which may increase transit performance: 1) Restructure the Blue and Red Route into three routes operated with two buses at peak to improve convenience and reduce travel time. 2) Raise fares to \$1.50 and 3) Reduce costs by discontinuing contract with Placer County to provide service to the airport as this receives low ridership.

Auburn Transit should implement the SRTP plan elements that boost ridership, increase fare revenue and/or reduce operating costs. Implementing plan elements will help to maintain farebox ratio above the 10 percent minimum as well as improve overall performance of the transit system.

Implementation In Progress: Roughly seven months after the adoption of the 2018-2025 Short Range Transit Plan, the COVID-19 pandemic struck the US resulting in stay-at-home orders. Public transit nationwide has been severely affected by the pandemic as residents' travel patterns and comfortability in groups changed. As such, the City of Auburn did not implement all the recommendations in the Short-Range Transit Plan, with the exception of raising the general public base fare to \$1.50 and increasing service levels slightly in 2019.

Unfortunately, the pandemic has had a significant impact on productivity and farebox ratio for Auburn Transit. Productivity decreased from 8.69 to 2.95 but farebox ratio only decreased from 8.13 percent to 7.17 percent, likely in part due to the fare increase. The City of Auburn recently made a significant change to how public transit is provided in the area by implementing Auburn “On-demand” micro-transit in addition to fixed route service. Early ridership reports show that the on-demand service carries around 2 one-way passenger trips per hour. As the service is relatively new, it has not yet reached its full ridership potential. This recommendation is considered “In Progress” as it remains to be seen if the fare increase and service changes will increase farebox ratio to the minimum 10 percent. Regardless, the City of Auburn should continue to monitor the new service and make adjustments as necessary.

Recommendation 2: Review and track performance indicators beyond ridership figures on a quarterly basis.

Auburn Transit provides PCTPA with updated ridership figures each quarter. However, Auburn Transit does not compile performance indicators such as passengers per trip and operating cost per trip for internal review or reporting to PCTPA or the Auburn City Council. Auburn Transit should consider reporting annual operating data totals along with corresponding TDA performance indicators to the Auburn City Council at least annually. Relevant performance indicators include the following: passenger-trips per hour, operating subsidy per passenger trip and farebox ratio. The report should compare current year to previous year totals. Internal review of these performance indicators should occur quarterly and after any service changes have been implemented.

Implementation Complete: The Public Works Director presents a summary of Auburn Transit operating data, to the City Council generally on a monthly basis. Financial data is presented to the council during budget development. Auburn Transit still provides quarterly reports to PCTPA.

Recommendation 3: Calculate and report employee hour full-time equivalent employees (FTEs) consistently and in accordance with Appendix B of the Performance Audit Guidebook. 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.”

Implementation Not Yet Begun: According to City staff FTEs are calculated by dividing the number of person-hours worked by 2,080.

DETAILED REVIEW OF TRANSIT OPERATOR FUNCTIONS

This section presents a review of the various functions of Auburn Transit. Since functions of each transit operator in California will vary depending on the scope and breadth of its operations, not all parts of this section will apply to Auburn 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

Day to day operations of Auburn Transit is overseen by the full-time Transportation Supervisor, who reports directly to the Public Works Manager. The Public Works Manager's role recently changed to include more non-transit duties. Therefore, the Transportation Supervisor is transitioning to take over many of the duties which the Public Works Manager used to perform. Although they work in separate buildings, the Transportation Supervisor and Transit Manager are in constant contact. The Transportation Supervisor is responsible for data entry, tracking operational data, budget control and monthly/quarterly reporting. Auburn Transit is operated using three full-time drivers and two part-time bus drivers. There is no dispatcher. Currently there are no back-up drivers for the fixed route. If a driver calls in sick, the Transit Supervisor will drive. This works as a temporary solution, but Auburn Transit should have a back-up (extra-help/on-call) driver able to operate the fixed route service. Other public works staff are available as back-up drivers for the on-demand service. All transit functions (administrative, dispatch, operations, and maintenance) are performed by City staff.

Auburn Transit has an appropriately well-defined program of administrative oversight. It reviews and acts upon monthly performance and financial information compiled internally. The transit manager reports ridership data quarterly to the PCTPA and reports transit data to the City Council generally on a monthly basis. The Transit Supervisor meets with the Public Works Manager on a daily basis.

Service Planning

The effectiveness of a transit system is highly dependent on the continued development of short- and long-range transit plans. The city's most recent Short Range Transit Plan (SRTP) was finalized in August 2018. The SRTP was subsequently adopted by the City Council.

Over the past three years, Auburn Transit made a few changes to public transit service. The SRTP recommended changing the two bus two route system to a two bus three route system, so as to more efficiently service trip origin and destinations. Auburn Transit began to implement the new route alignment but when ridership demand disappeared due to COVID, City staff changed tactics. One of the fixed routes was eliminated and on-demand service was implemented using one bus with expanded service hours in the evening. This service was implemented just after the end of the audit period in October 2021 and has become popular with passengers as they are not confined to an hourly headway bus schedule or make reservations 24 hours in advance.

In an effort to address traffic congestion and parking limitations in the popular American River Confluence recreation area, the City funded a Confluence Route shuttle for the Spring/Summer of 2021. The service operated five round trips a day, Friday through Sunday. The Confluence Route garnered little ridership so trips to this area are now fulfilled by the on-demand service.

Per the SRTP recommendation, Auburn Transit made an adjustment to the fare structure, raising the one-way general public fare to \$1.50. This likely helped farebox ratio from decreasing more significantly during this audit period.

In terms of strategic planning, Auburn Transit has set clear, reasonable goals and objectives in the SRTP. Auburn Transit periodically reviews performance and financial data monthly to determine progress toward meeting its goals and objectives. Unfortunately, COVID has changed expectations for public transit and some of these standards may need to be adjusted.

As part of the SRTP process, schedule adherence and boarding and alighting counts were conducted. In addition, multiple community workshops were held in conjunction with PCTPA's "unmet transit needs" public process. The survey and workshop efforts reach out to both riders and non-riders in the Auburn community. Public hearings are conducted prior to implementing major service changes in accordance with federal regulations.

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. Driver scheduling for Auburn Transit is managed monthly by the Transportation Supervisor. The schedule generally rotates each month with some flexibility available for individual driver requests. Drivers are self-dispatched, so passengers requesting deviations contact the driver directly ten minutes before the top of the hour. Deviations requests are typically from returning passengers and usually do not delay bus service. According to staff, passengers prefer the small and family like nature of Auburn Transit, and therefore, prefer to request deviations directly through the driver instead of the South Placer Transportation Call Center.

The new on-demand service has changed the scheduling process. Passengers can request on-demand service both through the TransLoc app and by calling Auburn Transit directly. As there is no dispatcher, the on-demand drivers take calls for on-demand rides for during their shift, as well as monitor the TransLoc app on a tablet. The Transit Supervisor takes calls in between shifts.

The Americans with Disabilities Act (ADA) requires agencies that provide general public fixed-route service to also offer complementary paratransit service for those individuals with transportation disabilities who cannot otherwise use the fixed-route service. The complementary paratransit service must be offered during the same hours and days as the fixed-route service. Because Auburn Transit operates a flex-route program that serves the required minimum ADA service area, it is currently in compliance with the ADA on this issue.

Auburn Transit drivers are appropriately certified for the types of vehicles operated. Full-time employees are eligible for vacation, sick leave, and any other employer-paid benefits and part-time employees are only eligible for sick time.

Personnel Management and Training

Auburn Transit had some driver turnover during the audit period. Auburn Transit uses the City website and employment websites such as Indeed. In an effort to attract capable recruits, Auburn Transit raised the wage rate for drivers by three percent; however, the City has found it difficult to compete with other service industry employers who pay a similar wage and require little training.

Auburn Transit is often able to hire drivers with previous experience (generally retired school bus drivers), limiting the need to actively recruit and minimizing the need for initial training. Initial and on-going driver training is conducted by the Transportation Supervisor and meets state requirements. Auburn Transit drivers are required to attend monthly safety meetings which cover a variety of topics. Performance evaluations are conducted when there is a salary step increase.

Employee discipline is the responsibility of the Transportation Supervisor. Policies regarding absences, tardiness and paid time off are clearly outlined in the Auburn Transit Operations Manual. Drug and alcohol policies are in place, which conform to applicable federal and state requirements.

Administration

Auburn Transit has a reasonably developed budget and reporting system that is appropriate to the size and scope of the transit program. Performance and financial data are monitored internally. Ridership statistics are reported to PCTPA on a quarterly basis and the City Council biannually.

The City Council must approve substantial changes in the budget and/or spending, while the PCTPA must approve revenue allocations.

The City's Public Works Manager had primary oversight of grants management duties, service planning, and public information during the audit period. The Transportation Supervisor provides day-to-day operations and maintenance management. The Transportation Supervisor's role is transitioning to include more grant management duties. Auburn Transit operates out of the City's corporation yard, located at 11500 Blocker Drive in Auburn, which is operated and maintained by City staff.

As for fare revenue collection, Auburn Transit uses manually locking fareboxes. Auburn Transit has an established and secure counting process in place. Two staff members are present for the fare counting process and fare revenues collected are reconciled with passenger counts.

Marketing and Public Information

Information regarding the city's transit service is accessible through the city's website and was recently revamped to include the new services (on-demand and the Confluence Route). The "transit" page offers information on fares, schedule times, routes, and hours of operation. A short informative video about how to ride the on-demand service is posted on the main page. Also available is contact information for regional transit services including both public and private providers along with Title VI information. The Auburn Transit service map for the fixed route can be accessed from the website. Printed versions of the

new map and schedule are available on buses, PCTPA and other local transit agencies. Auburn Transit staff conduct outreach to schools and human service agencies periodically. Auburn Transit currently relies on the PCTPA for the majority of regional marketing efforts, such as the Transit Connections in South Placer County website and maps.

Passenger complaints are directed to the Transit Manager and if a mutual resolution cannot be met, the Director of Planning and Public Works is involved. If a solution can still not be found, the issue is brought to the City Council. A summary of complaints is not presented to the City Council; however, few are received.

Maintenance

A preventive maintenance schedule is in place that meets the requirements of the bus manufacturers. Drivers track the preventative maintenance schedule on the Daily Inspection Report. Mechanics' time spent repairing transit vehicles is tracked so that their time may be accounted for in the budget, as this can be counted toward the farebox ratio calculation.

The City of Auburn's consolidated operations/maintenance facility appears to be sufficient for the varied types of vehicles operated. The facility includes six service bays, a bus washing area, and adequate storage space for maintenance equipment. It also includes administrative space. Vehicles are parked outside in a fenced and paved lot. Security cameras have been installed at the yard.

Auburn Transit's current fleet of five buses is 100 percent wheelchair accessible. The average age of the fleet is 5.6 years. The transit fleet includes gas-powered, diesel-powered and Compressed Natural Gas (CNG) buses. Auburn Transit recently purchased two electric 14 passenger cutaways which are primarily used for the on-demand service. Although the electric vehicles require overall less maintenance, the vehicles are only able to drive around 45 miles per charge during Auburn's hot summer. This requires Auburn Transit to pre-trip two vehicles for the on-demand service.

Vehicles are inspected daily by the Auburn Transit drivers, and defects are noted on the Daily Inspection Report. There is good communication between maintenance and operations staff. There is not typically a backlog of repairs and Auburn Transit has a sufficient fleet inventory to accommodate any unexpected maintenance issues. Regular maintenance items are kept in parts storage and the local automotive parts store has most items that maintenance staff would require.

CONCLUSIONS AND RECOMMENDATIONS

The Auditor's analysis of Auburn Transit indicates that, in terms of operations, the system was efficiently run and well managed during the audit period given the challenges presented by the COVID-19 pandemic. Demand for public transit significantly decreased during the pandemic, particularly for elderly, disabled and group social service trips. This has significantly impacted Auburn Transit's performance. On a positive note, the City of Auburn has implemented an alternative transit service, On-Demand, in an attempt to better meet the needs of Auburn residents. Overall, the City of Auburn adheres to TDA laws and regulations in an efficient and effective manner and is in compliance with TDA rules and regulations with a few exceptions. The following notes the auditor's findings and recommendations:

FINDINGS

- ◆ Auburn Transit submitted the annual reports to the State Controller a few days after the required deadline in FY 2018-19.
- ◆ Auburn Transit submitted the Fiscal and Compliance Audits two months after the deadline in FY 2019-20.
- ◆ Auburn Transit has implemented one of the previous TPA recommendations, one is in progress and the third has not yet begun.
- ◆ An already decreasing ridership pattern was accelerated during the COVID pandemic. FY 2020-21 ridership levels of 14,248 one-way passenger trips represents a 72 percent decrease from FY 2015-16 levels of 52,101 one-way passenger trips.
- ◆ Productivity levels (passenger-trips per vehicle service hour) were in line with other rural fixed route services around eight passenger- trips per vehicle service hour in FY 2018-19 but significantly decreased during the pandemic to just below three passenger-trips per vehicle service hour, which is closer to standards for a demand-response system.
- ◆ 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.
- ◆ Auburn Transit did not meet the 10 percent farebox ratio requirement for any year of the audit period.
- ◆ The City of Auburn has begun the transition to a zero-emission fleet as mandated by the California Air Resources Board by purchasing two electric vehicles.

RECOMMENDATIONS

Recommendation 1: *Auburn Transit should reevaluate fixed route and on-demand services in FY 2022-23, to ensure that applicable farebox ratio requirements are being met. The City of Auburn could also consider increasing the level of local support.*

Auburn Transit recently implemented a pilot program on-demand micro-transit type of service using the TransLoc application. Instead of operating two fixed route buses, only one loop is operated in conjunction with the on-demand service throughout the City. A higher fare is charged on this popular on-demand service. Early ridership reports indicate that the on-demand service carries around 2 passenger-trips per hour and calls for service have increased from 20 per day to 50 per day. In FY 2020-21, Auburn Transit was assessed a penalty for not meeting the 10 percent farebox ratio in FY 2017-18. Auburn Transit's farebox ratio has not returned to 10 percent over the past four years. Much of this is due to COVID-19's impact on transit ridership demand.

Understanding the challenges public transit operators are facing, AB 149 was passed by the state legislature which suspends farebox ratio requirements from FY 2019-20 through FY 2022-23. In FY 2023-24, unless there are further legislative actions regarding TDA, Auburn Transit will again be subject to a 10 percent farebox ratio. As this is two years away, Auburn Transit will have time to evaluate the impact of the new on-demand service and determine if it should be continued or expanded to better meet the needs of Auburn residents and meet farebox ratio. At the same time, the City should ensure that staffing levels are appropriate for the type of service chosen.

Another means of increasing farebox ratio is to increase local support. Currently the City of Auburn pays for vehicle maintenance with general funds and this is considered local support per TDA. This funding stream could be increased to the level to make the 10 percent farebox ratio or the City of Auburn could look for other sources of non-state/non-federal funds earned by or distributed to the operator to use as local support.

Recommendation 2: In order to be fully compliant with TDA requirements, the City of Auburn should keep documentation of how FTEs are calculated for purposes of reporting to the State Controller. 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 city transit staff, city administrative staff who assist public transit such as accounting or management and vehicle maintenance staff. The City could develop a general estimate of how many hours are spent on transit by other City administrative staff.
- Total hours worked (not including paid time off) should be tallied at the end of the year and divided by 2,000.
- This will represent the full-time equivalent employee count for Auburn Transit for purposes of reporting to the state controller.