



Roseville Transit Triennial Performance Audit

FY 2015-16 to FY 2017-18

FINAL

Prepared for



PLACER COUNTY
TRANSPORTATION
PLANNING AGENCY

Placer County Transportation
Planning Agency





TRIENNIAL PERFORMANCE AUDIT
of the
Roseville Transit
for
Fiscal Years 2015-16 through 2017-18

Final

Prepared for the

Placer County Transportation Planning Agency

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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) 2015-16 through FY 2017-18, and was conducted by LSC Transportation Consultants, Inc. Data collection, initial review, and on-site interviews were conducted at the beginning of 2013. 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. During the audit period, overall service levels remained relatively constant. Similar to many other California transit agencies, ridership on Roseville Transit decreased by 10.3 percent systemwide during the audit period. This could be the result of a growing economy, auto loan boom and/or the growing popularity of Transportation Network Companies such as Uber. The ridership trend has caused Roseville Transit productivity (passenger trips per hour) to lag behind the systemwide goal of eight passenger-trips per vehicle revenue hour. To complicate matters, public transit agencies in California must contend with significantly higher benefit costs due to unfunded pension liabilities for CalPERS. As such, operating cost per trip increased from \$13.20 to \$16.40 during the audit period. Despite these challenges, Roseville Transit services generated a systemwide farebox ratio (the ratio of passenger fares to operating costs) of 19.1 percent to 23.1 percent during this audit period, above the 15 percent minimum farebox ratio adopted by PCTPA.

Roseville Transit compiled operating statistics in accordance with TDA definitions (as presented in Appendix B of the *Performance Audit Guidebook*). 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 presents Roseville Transit's compliance with these requirements. Roseville Transit was found to be in compliance on all issues with the exception of how full-time equivalent employees were reported to the State Controller.

STATUS OF PRIOR AUDIT RECOMMENDATIONS

The previous audit was completed by Michael Baker International in September 2016. Roseville Transit has implemented the recommendations with the exception of one, which is in progress. 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. 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 has had an impact on Roseville Transit's performance, particularly in FY 2016-17.
- Roseville Transit's farebox ratio remains above the 15 percent TDA minimum (with local support), despite increasing operating costs associated unfunded pension liabilities.
- Transit services provided by Roseville Transit meet most TDA-requirements with the exception of the calculation of full-time equivalent employees.

- Roseville Transit has partially or completely implemented all of the prior audit recommendations.
- 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.

RECOMMENDATIONS

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.

Table 3 indicates that full-time equivalent (FTE) employees jumped from 51 to 56 in FY 2016-17; however actual staff levels did not change that significantly. During the audit period, different MV staff was responsible for tracking and reporting employee hours. This likely resulted in different methods of tracking employee hours. Therefore, in an effort to report accurate and consistent data to the State Controller, the City of Roseville staff should develop a policy which identifies the method for properly calculating FTE's to be used by both City and contractor staff. The definition of Full-time Equivalent Employees per the Caltrans Triennial Performance Audit Guidebook is as follows:

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

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

- All employees who spend time assisting with public transit-related functions (not including the Call Center) should be included in the employee hour count. This consists of: all Roseville Transit MV staff (with the exception of Call Center staff), City of Roseville Alternative Transportation staff, City of Roseville Fleet Services staff and City of Roseville Administrative staff, who assist public transit such as accounting or management.
- Non-Alternative Transportation Department staff support Roseville Transit either directly by coding to job or project numbers (i.e. fleet services and engineering) or programmatically (i.e. payroll, accounting, management). Support staff that provide direct service track hours spent on transit related functions on a daily basis. For those staff, at the end of the year, hours should be totaled and divided by 2,000. For staff that support transit on a programmatic basis, it is not feasible to code directly to transit projects. In these cases, the City estimates the level of administrative and management support through annual Cost Allocation Plan and Internal Service Fund studies that generate an overall cost for support services. The City will use these annual costs for administrative/management services to calculate an FTE equivalent based upon an assumed cost per FTE.

- For full time and part time Alternative Transportation Department employees , Roseville Transit staff could either code their time in support of transit services or they can estimate the proportion of annual work time spent on transit. For example: If the Alternative Transportation Manager spends roughly 80 percent of his time on transit and 20 percent on bicycle projects, then the calculation would be as follows:
 - $80\% \times \text{total hours worked (not including paid time off)} / 2,000$
- For part time and full-time staff who are 100 percent public transit (such as MV drivers, dispatchers etc.), total hours worked (not including paid time off) should be tallied at the end of the year and divided by 2,000.
- All these categories added together will represent the full-time equivalent employee count for Roseville Transit for purposes of reporting to the state controlled.

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 gasoline and 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

Roseville Transit currently provides 11 fixed routes and Dial-A-Ride services, generally operating 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 55 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 55 and older) and disabled persons. There are also 10-Ride passes for \$15.00 (\$7.40 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 operated in the audit period 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 (by request), and Sierra Gardens in a clockwise direction. Service is provided on half-hourly headways.
- **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 every hour and 15 minutes.
- **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.
- **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. Service is provided on half-hourly headways.
- **Route G - Douglas/Eureka/Sierra College:** This route connects the Sierra Gardens Transfer Point, Rocky Ridge Town Center and Sierra College on one hour and 15 minute headways.
- **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 the Junction Transfer Point, with stops along Pleasant Grove Boulevard every other 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.

Connections between Roseville Transit routes can be made at any of the five local transfer points – Civic Center, Galleria, Junction, 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.

Roseville Commuter Service

The Roseville Transit commuter routes operate between Roseville and downtown Sacramento Monday through Friday, during peak commute hours of 5:00 AM to 9:00 AM and 3:30 PM to 6:30 PM. A single fare is \$4.50 for non-Roseville residents and \$3.25 for Roseville residents. The one-way reverse commuter fare is \$3.25. The 10-Ride pass is \$45.00 for non-Roseville residents and \$32.50 for Roseville residents with reverse commuter passes at \$32.50. The 30-Day pass is offered at \$155.00 for non-residents, \$110.00 for residents, and \$110.00 for reverse commuters. A Roseville Transit Commuter/Capitol Corridor Monthly pass is also available at \$155.00 for non-residents and \$110.00 for residents.

Roseville Dial-A-Ride Service

A demand response service is also operated by Roseville Transit, 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 ten 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.

ROSEVILLE TRANSIT OPERATING AND FINANCIAL STATISTICS

The operating statistics presented in Tables 1 through 3 are based on data provided by Roseville Transit and obtained from annual Fiscal and Compliance Audits. Tables 1 and 2 display operating data by type of service, while Table 3 presents Roseville Transit data systemwide.

Data Collection Methods

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

- Operating Cost
- Passenger Count
- Vehicle Service Hours
- Vehicle Service Miles
- Employee Hours in Full-Time Equivalents
- Fare Revenue

The **Operating Cost** data (Table 1, 2 and 3) for Roseville Transit services by type was obtained from internal operating spreadsheets. Systemwide financial data was obtained from the annual Fiscal and Compliance Audits and include total operating expenses for each object class as presented in the Chart of Accounts for the Uniform System of Accounts and Records minus depreciation costs. Operating cost data in internal spreadsheets differs slightly from annual Fiscal and Compliance Audits. This is typical, as financial data in internal reports is unaudited.

As shown in Table 3, annual operating costs for Roseville Transit increased 10 percent in the final year of the audit period. This is primarily a result of a large increase in maintenance costs and in City staff funded pension liabilities for CalPERS, as discussed in compliance requirement 10. It should be noted that all other transit agencies in California are seeing significant increases in operating costs for the same reason.

The **Passenger Count** data is presented in Tables 1 through 3 and represents unlinked trips. This data was obtained from internal operating reports and compared to data reported to the State Controller. There were minimal discrepancies found in the data, when compared between internal data and the State Controller Reports. Roseville Transit systemwide ridership decreased by 10.3 percent throughout the audit period. When reviewed by service type, ridership decreased on the fixed routes by 16.1 percent, on the commuter routes by 3.8 percent and on DAR by 3 percent.

The **Vehicle Revenue Service Hour** data is reported in Tables 1 through 3. This data was obtained from internal operating reports. The definition of a Vehicle Revenue Service Hour as currently used by MV Transportation is consistent with the definition presented in Appendix B of the *Performance Audit Guidebook*. There were no discrepancies between the vehicle revenue service hour data maintained in internal Roseville Transit reports and the data that was reported in the annual State Controller submittals during the audit period. Overall, vehicle revenue service hours remained steady throughout the audit period.

The **Vehicle Service Mile** data is also presented in Tables 1 - 3. As noted above, data was obtained from internal operating reports and matched data reported to the State Controller. 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*. Vehicle service miles decreased slightly during the audit period.

TABLE 1: Roseville Transit Fixed Route Services Performance Measures

Performance Measures	Fixed Routes			Commuter Route		
	2015-16	2016-17	2017-18	2015-16	2016-17	2017-18
One-Way Passenger-Trips	222,689	192,701	186,909	138,401	136,955	133,164
<i>% Change from Previous Year</i>	--	-13.5%	-3.0%	--	-1.0%	-2.8%
Vehicle Revenue Service Hours	32,665	32,753	32,218	6,147	6,302	6,341
<i>% Change from Previous Year</i>	--	0.3%	-1.6%	--	2.5%	0.6%
Vehicle Revenue Service Miles	438,274	439,432	434,982	150,543	152,430	142,893
<i>% Change from Previous Year</i>	--	0.3%	-1.0%	--	1.3%	-6.3%
Operating Costs	\$3,083,711	\$3,123,399	\$3,420,844	\$794,133	\$822,495	\$902,643
<i>% Change from Previous Year</i>	--	1.3%	9.5%	--	3.6%	9.7%
Farebox Revenues	\$418,077	\$440,879	\$442,969	\$641,171	\$679,137	\$674,969
<i>% Change from Previous Year</i>	--	5.5%	0.5%	--	5.9%	-0.6%
Operating Cost per One-Way Passenger-Trip	\$13.85	\$16.21	\$18.30	\$5.74	\$6.01	\$6.78
<i>% Change from Previous Year</i>	--	17.0%	12.9%	--	4.7%	12.9%
Operating Cost per Vehicle Service Hour	\$94.40	\$95.36	\$106.18	\$129.18	\$130.51	\$142.35
<i>% Change from Previous Year</i>	--	1.0%	11.3%	--	1.0%	9.1%
Passengers per Vehicle Service Hour	6.82	5.88	5.80	22.51	21.73	21.00
<i>% Change from Previous Year</i>	--	-13.7%	-1.4%	--	-3.5%	-3.4%
Passengers per Vehicle Service Mile	0.51	0.44	0.43	0.92	0.90	0.93
<i>% Change from Previous Year</i>	--	-13.7%	-2.0%	--	-2.3%	3.7%
Farebox Recovery Ratio	13.56%	14.12%	12.95%	80.74%	82.57%	74.78%
<i>% Change from Previous Year</i>	--	4.1%	-8.3%	--	2.3%	-9.4%

The **Employee Hours** data as **Full-Time Equivalent (FTE)** presented in Table 3 was obtained from the State Controller’s Reports. The Full-Time Equivalent (FTE) definition currently used by MV Transportation and the City of Roseville is generally consistent with the definition presented in Appendix B of the *Performance Audit Guidebook*. However, the manner in which employee hours were tracked by MV Transportation varied during the audit period and therefore Table 3 shows a 9.8 percent increase in the number of FTE’s in FY 2016-17. Variation in calculation methods may be a result of the inclusion of Call Center hours and vacation hours.

The **Fare Revenue** data presented in Table 1 and 2 was obtained from internal reports, while systemwide data presented in Table 3 was obtained from annual Fiscal and Compliance audit reports. It should be noted that PUC Section 99205.7 states that fare revenues are defined in revenue object classes 401, 402, and 403, as specified in Section 630.12 of Title 49 of the Code of Federal Regulations:

- Object class 401 revenues include full adult, senior, student, child, handicapped, park & 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.

TABLE 2: Roseville Transit Dial-A-Ride Services Performance Measures

Performance Measures	Current Audit Period		
	2015-16	2016-17	2017-18
One-Way Passenger-Trips	29,505	28,408	28,615
<i>% Change from Previous Year</i>	--	-3.7%	0.7%
Vehicle Revenue Service Hours	12,332	11,642	11,855
<i>% Change from Previous Year</i>	--	-5.6%	1.8%
Vehicle Revenue Service Miles	146,017	135,688	140,367
<i>% Change from Previous Year</i>	--	-7.1%	3.4%
Operating Costs	\$1,278,864	\$1,244,154	\$1,425,831
<i>% Change from Previous Year</i>	--	-2.7%	14.6%
Farebox Revenues	\$108,760	\$103,788	\$116,783
<i>% Change from Previous Year</i>	--	-4.6%	12.5%
Operating Cost per One-Way Passenger-Trip	\$43.34	\$43.80	\$49.83
<i>% Change from Previous Year</i>	--	1.0%	13.8%
Operating Cost per Vehicle Service Hour	\$103.71	\$106.87	\$120.27
<i>% Change from Previous Year</i>	--	3.0%	12.5%
Passengers per Vehicle Service Hour	2.39	2.44	2.41
<i>% Change from Previous Year</i>	--	2.0%	-1.1%
Passengers per Vehicle Service Mile	0.20	0.21	0.20
<i>% Change from Previous Year</i>	--	3.6%	-2.6%
Farebox Recovery Ratio	8.50%	8.34%	8.19%
<i>% Change from Previous Year</i>	--	-1.9%	-1.8%

Note 1: Employees estimated based on % of total VSH.

TABLE 3: Roseville Transit Services System-Wide Operating Data Summary

Performance Measures	Previous Audit Period			Current Audit Period		
	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18
One-Way Passenger-Trips	376,834	402,400	410,120	390,595	360,882	350,477
% Change from Previous Year	8.1%	6.8%	1.9%	-4.8%	-7.6%	-2.9%
Vehicle Revenue Service Hours	47,688	49,580	50,862	51,144	50,969	50,603
% Change from Previous Year	-19.6%	4.0%	2.6%	0.6%	-0.3%	-0.7%
Vehicle Revenue Service Miles	642,224	696,034	755,778	734,834	729,606	719,913
% Change from Previous Year	-26.7%	8.4%	8.6%	-2.8%	-0.7%	-1.3%
Operating Costs	\$3,625,219	\$4,962,352	\$5,145,868	\$5,156,708	\$5,205,665	\$5,749,318
% Change from Previous Year	-10.9%	36.9%	3.7%	0.2%	0.9%	10.4%
# Employees in Full-Time Equivalents (FTE)	50.00	50.00	50.00	51.00	56.00	56.00
% Change from Previous Year	0.0%	0.0%	0.0%	2.0%	9.8%	0.0%
Farebox Revenues	\$972,666	\$1,150,564	\$1,176,008	\$1,009,063	\$1,016,447	\$934,746
% Change from Previous Year	4.4%	18.3%	2.2%	-14.2%	0.7%	-8.0%
Operating Cost per One-Way Passenger-Trip	\$9.62	\$12.33	\$12.55	\$13.20	\$14.42	\$16.40
% Change from Previous Year	-17.5%	28.2%	1.7%	5.2%	9.3%	13.7%
Operating Cost per Vehicle Service Hour	\$76.02	\$100.09	\$101.17	\$100.83	\$102.13	\$113.62
% Change from Previous Year	10.8%	31.7%	1.1%	-0.3%	1.3%	11.2%
Passengers per Vehicle Service Hour	7.90	8.12	8.06	7.64	7.08	6.93
% Change from Previous Year	34.4%	2.7%	-0.7%	-5.3%	-7.3%	-2.2%
Passengers per Vehicle Service Mile	0.59	0.58	0.54	0.53	0.49	0.49
% Change from Previous Year	47.5%	-1.5%	-6.1%	-2.0%	-6.9%	-1.6%
Vehicle Service Hours per Employee (FTE)	953.8	991.6	1,017.2	1,002.8	910.2	903.6
% Change from Previous Year	-19.6%	4.0%	2.6%	-1.4%	-9.2%	-0.7%
Farebox Recovery Ratio⁽¹⁾	22.5%	23.1%	22.9%	22.5%	23.1%	19.1%
% Change from Previous Year	-1.8%	2.7%	-1.1%	-1.6%	2.7%	-17.5%

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

Note 1: Includes local support in farebox ratio calculation.

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 result of a decrease in ridership. Unaudited fare revenue data in internal reports varies from the Fiscal and Compliance Audits as is typical.

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. 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.

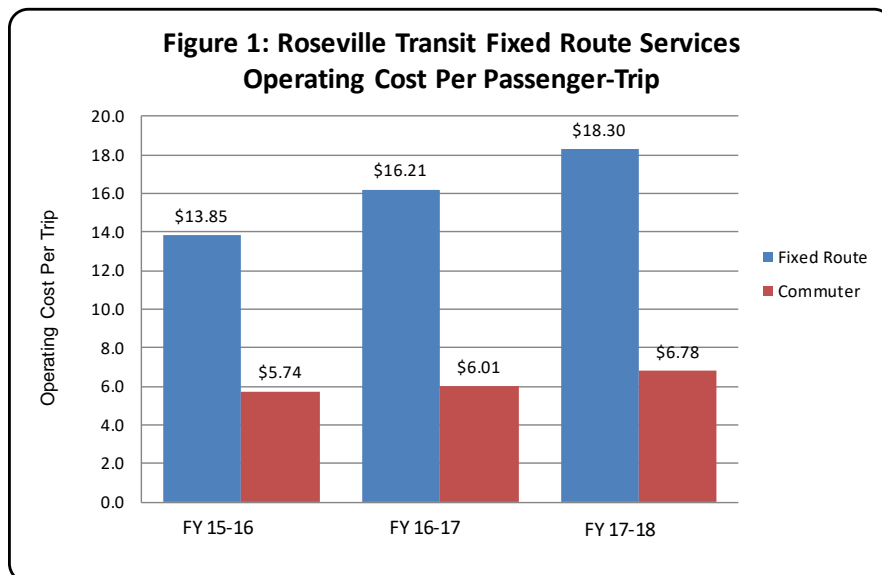
CALCULATION AND EVALUATION OF PERFORMANCE INDICATORS

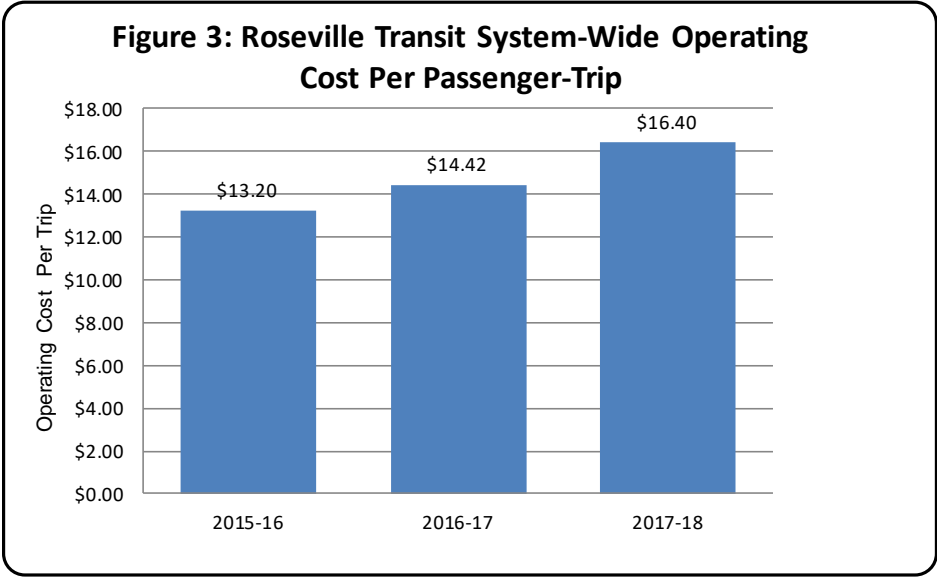
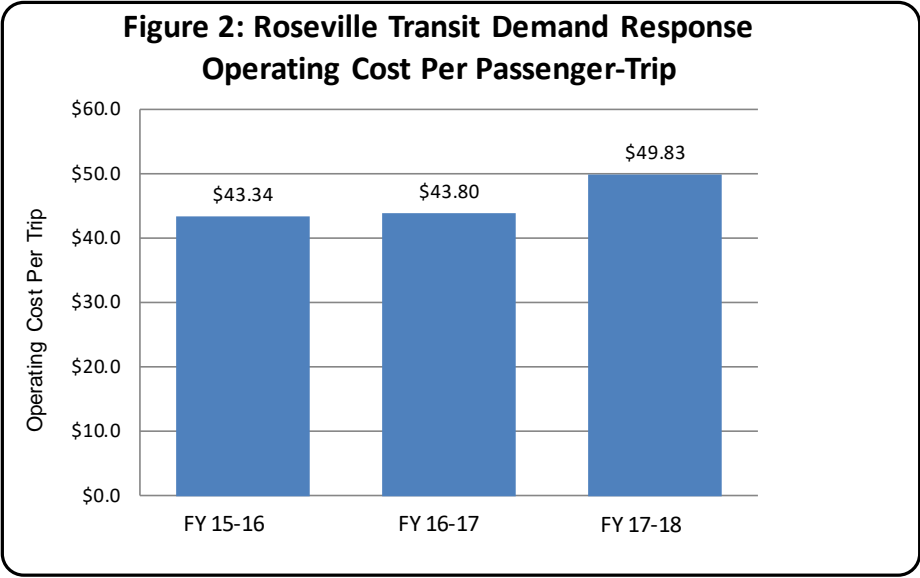
Using the data described above, the following performance indicators were calculated as required in Section 99246(d) of the PUC:

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

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

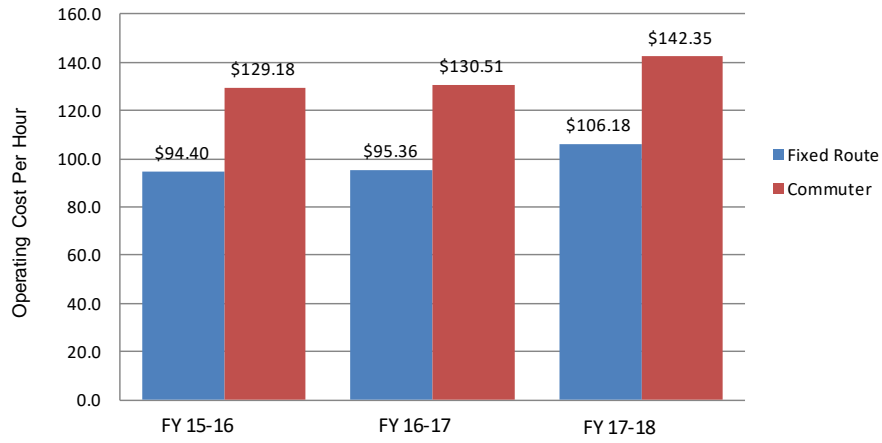
Operating Cost per (One-way) Passenger-Trip data is presented in Tables 1 - 3 and Figures 1 - 3. This performance measure is a key indicator of a transit system’s cost effectiveness. According to the available data, the operating cost per one-way passenger-trip increased by 24.3 percent during the audit period from \$13.20 to \$16.40. This performance indicator has steadily increased by 70.5 percent since fiscal year 2012-13. This is typical of California transit agencies and can be due to a number of factors: lower ridership, upward pressure on wages, increasing fuel costs and unfunded pension liabilities.



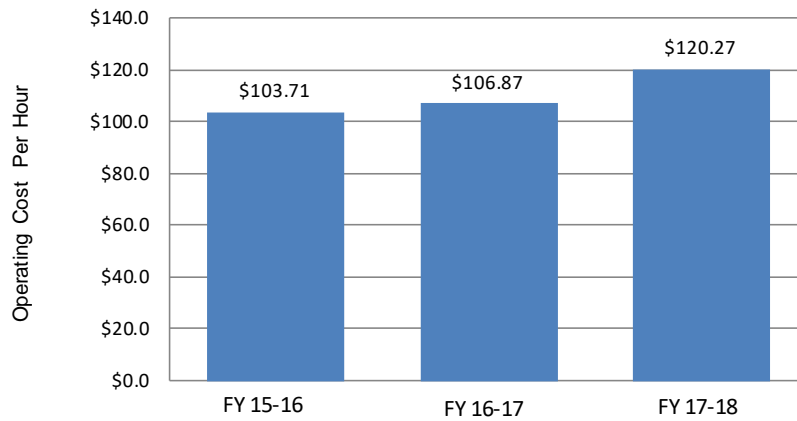


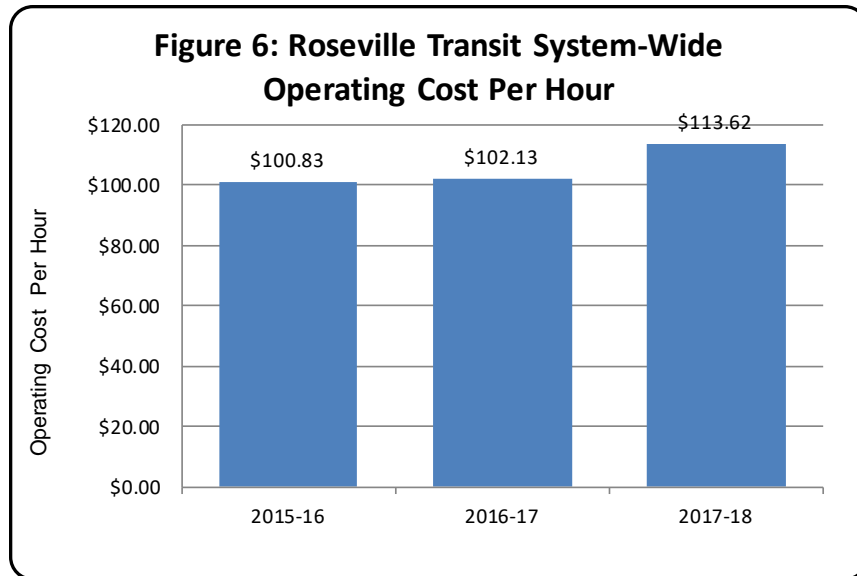
Operating Cost per Vehicle Revenue Hour data is presented in Tables 1 - 3 and Figures 4 - 6. This performance measure is a key indicator of a transit system’s cost efficiency. The operating cost per vehicle revenue hour increased 10.9 percent over the audit period from \$100.83 to \$113.62. The slow downward trend is systemwide and does not differ by type of service.

**Figure 4: Roseville Transit Fixed Route Services
Operating Cost Per Hour**

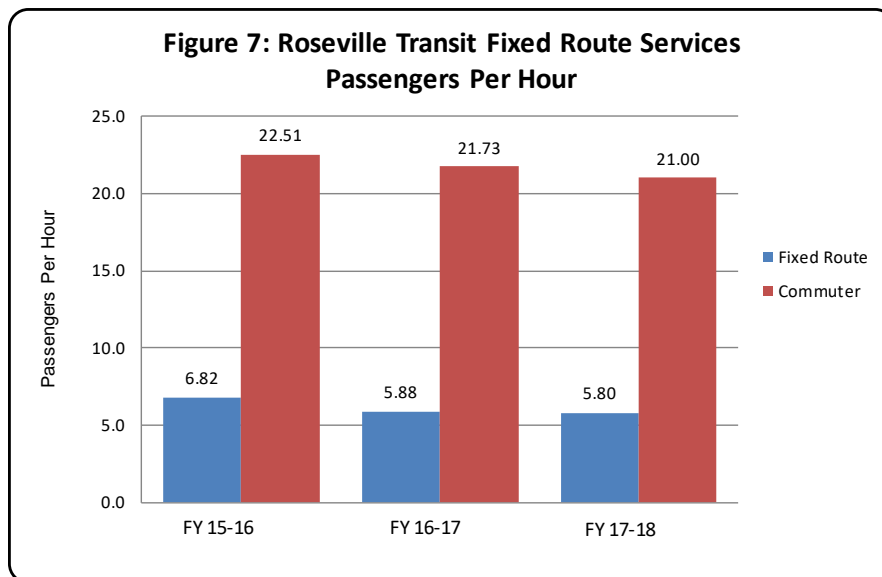


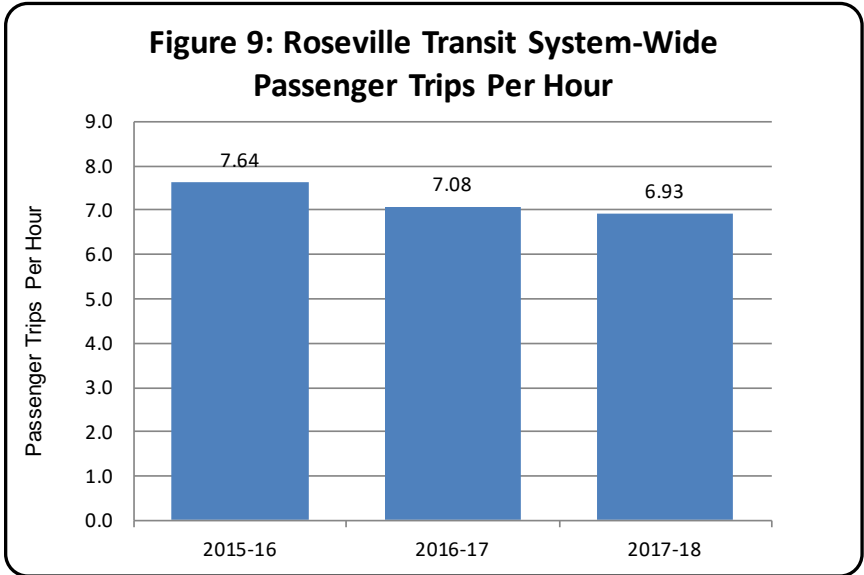
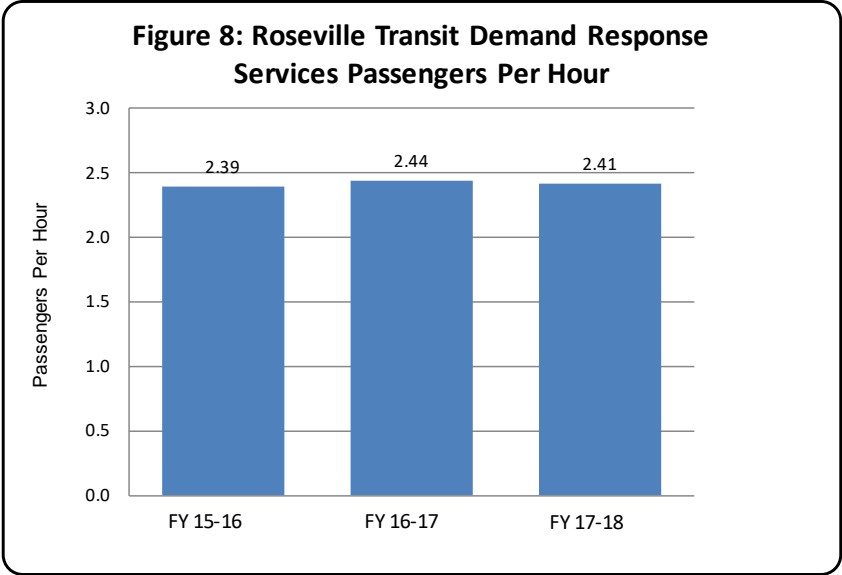
**Figure 5: Roseville Transit Demand Response
Operating Cost Per Hour**





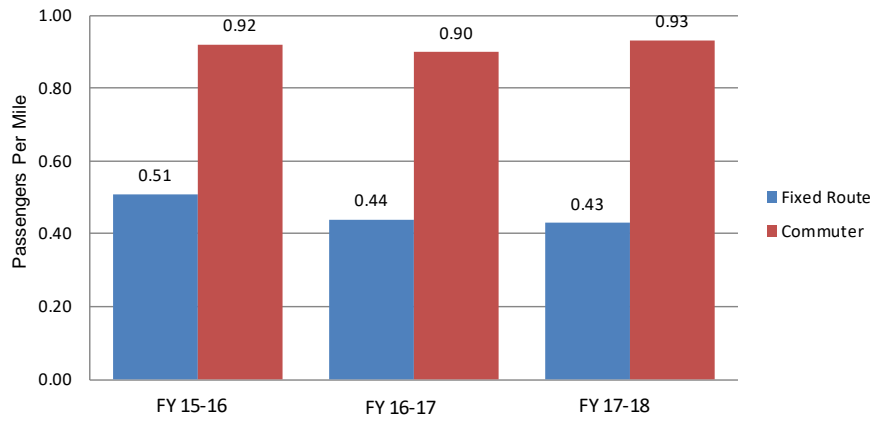
The **Passengers per Vehicle Revenue Hour** (commonly referred to as “productivity”) is presented in Tables 1 -3 and Figure 7 -9. During this audit period, passengers per revenue hour decreased slightly from 7.6 to 6.9. This is below the Roseville Transit standard of 8 trips per hour.



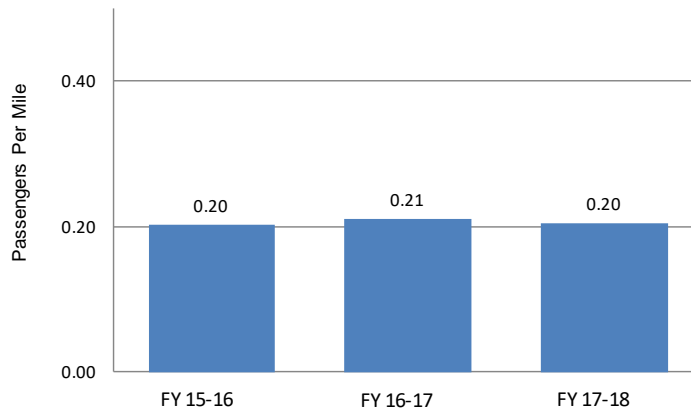


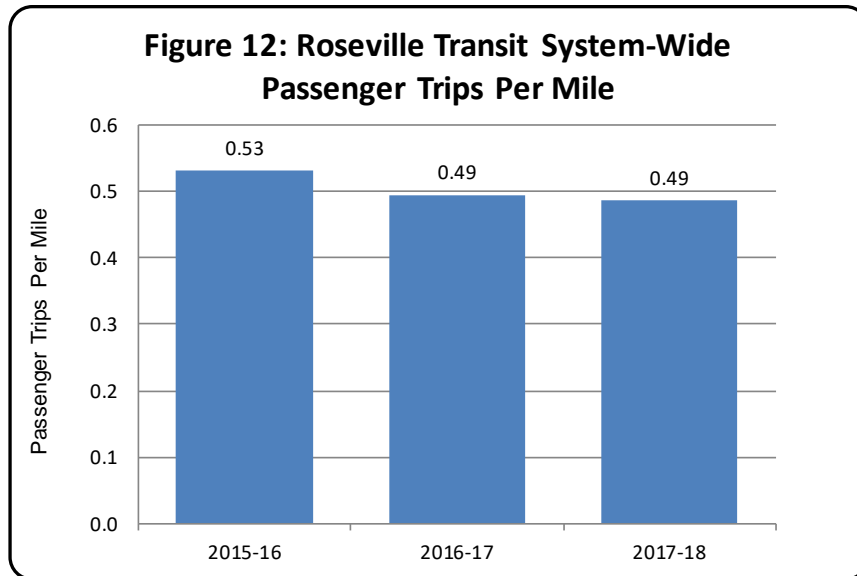
The **Passengers per Vehicle Revenue Mile** data is presented in Tables 1 - 3 and Figures 10 - 12. During this audit period, passengers per vehicle revenue mile increased slightly from 0.92 to 0.93.

**Figure 10: Roseville Transit Fixed Route Services
Passengers Per Mile**

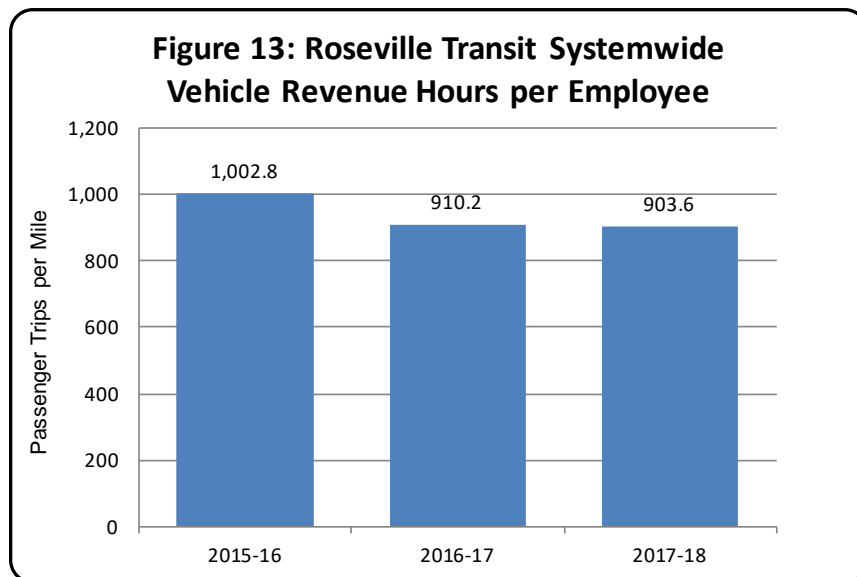


**Figure 11: Roseville Transit Demand Response
Services Passengers Per Mile**



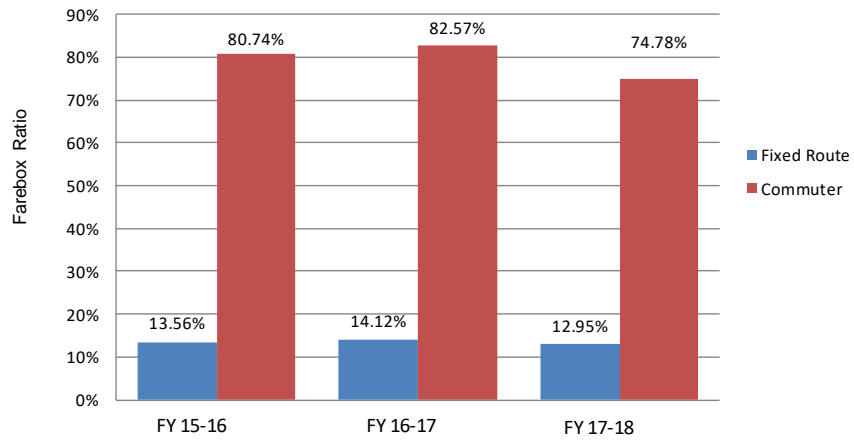


The **Vehicle Service Hours per Employee (FTE)** data is presented in Tables 1 - 3 and Figure 13. As presented, the number of vehicle revenue hours per FTE decreased during the audit period by 8.4 percent; however, FTE data was not reported correctly during the audit period.



The **Farebox Recovery Ratio** data is presented in Tables 1 through 3 and Figure 14 through 16. The farebox recovery ratio stayed relatively steady around 22 or 23 percent from 2012 to 2016, until higher operating costs were incurred from unfunded pension liabilities combined with lower ridership. In FY 2017-18 Roseville Transit had a farebox ratio of 16.3 percent without local support. When local support (i.e. advertising revenue) is included, farebox ratio is 19.1 percent. This is above the 15 percent farebox ratio requirement for Roseville Transit.

**Figure 14: Roseville Transit Fixed Route Services
Farebox Ratio**



**Figure 15: Roseville Transit Demand Response
Farebox Ratio**

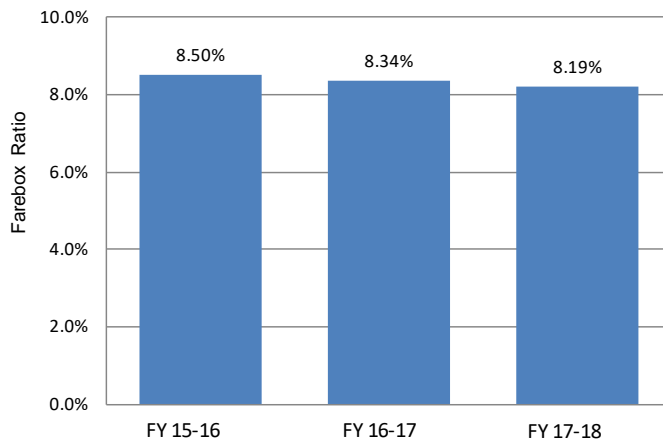
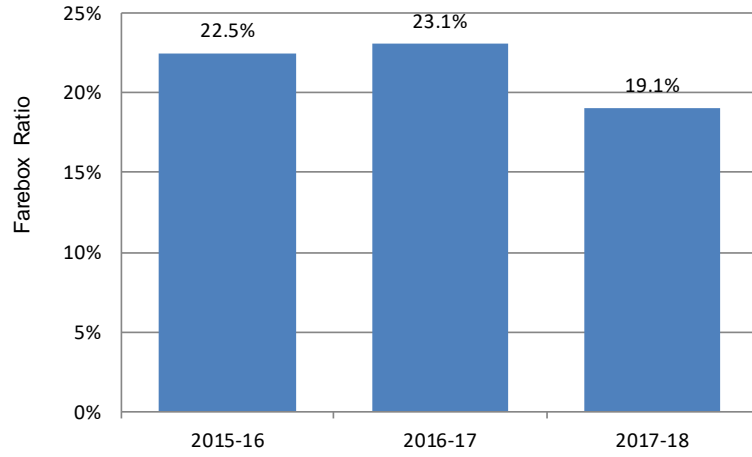


Figure 16: Roseville Transit System-Wide Farebox Ratio



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 three 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. In FY 2015-16, these reports must be filed with PCTPA and the State Controller within 90 days from the end of the fiscal year (September 28th) for paper filing and 110 days from the end of the fiscal year (October 18th) for electronic filing. The deadline was changed to January 31 for the other two years of the audit period. All reports were filed within the deadline during this audit period.
2. In accordance with PUC Section 99245, Roseville Transit 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 filed. PCTPA files extensions for all western Placer County transit operators. As such, Roseville Transit is in compliance with this requirement.
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.
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 3, systemwide operating costs were relatively steady the first two years of the audit period and then increased by 10 percent in the final year of the audit period. This is primarily a result of a large increase in maintenance costs and City staff funded pension liabilities for CalPERS, as discussed in compliance requirement 10.

7. Roseville Transit's definitions of performance measures are consistent with PUC Section 99247 with the exception of Full-Time Equivalent Employee counts.
8. Roseville Transit serves an urbanized area and is 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, with both urban and rural areas. Roseville Transit attained this standard throughout the audit period.
9. Roseville Transit is subject to farebox ratio requirements for an urbanized area with a population of 500,000 or less.
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 2018, CalPERS was only funded to around 70 percent of the long-term liability; however, CalPERS is taking steps to increase the funded status such as shortening the amortization period, adopting new strategic asset allocation, and by raising fees for participating government entities. Actuarial valuations performed by CalPERS assume 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.

TABLE 4: Transit Operator Compliance Requirements - Roseville Transit

Requirement	PUC Reference	In Compliance?	
		Y/N	Comments
(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	Y	FY 15-16 sent 10/18/2016 FY 16-17 sent 1/26/2017 FY 17-18 sent 2/7/2019
(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	Y	FY 15-16 sent 02-27-2017 (extension filed) FY 16-17 sent 02-07-18 (extension filed) FY 17-18 sent 1/31/2019 (extension filed)
(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	Y	Compliant for each year of the audit period.
(4) The operator's claim for TDA funds is submitted in compliance with rules and regulations adopted by the RTPA for such claims.	99261	Y	
(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	Y	Operating cost increases did not exceed 15% per year during the audit period.
(7) The operator's definitions of performance measures are consistent with Public Utilities Code Section 99247.	99247	N	FTE calculations varied during the audit period
(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	Y	Farebox ratio ranged from 19.1% to 23.1%
(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, 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 RTPE, which will fully fund the retirement system for 40 years.	99271	Y	
(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)	Y	

STATUS OF PRIOR AUDIT RECOMMENDATIONS

The previous audit was completed by Michael Baker International in September 2016, and the recommendations from that effort are enumerated below.

Recommendation 1: *Ensure the timely completion and submittal of the annual State Controller Transit Operators Financial Transactions Reports.*

Implementation Complete: During this audit period all State Controller Transit Operators Financial Transactions Reports were submitted within the relevant time period.

Recommendation 2: Account for all labor hours charged to the transit program in the full-time equivalent employee calculation.

Implementation in Progress: According to the previous audit, not all administrative or maintenance hours associated with Roseville Transit were included in the full-time equivalent employee calculation. For this audit period, Roseville Transit made an effort to track all labor hours associated with Roseville Transit for purposes of reporting this data to the State Controller, however, methods for calculating FTEs varied during the audit period. As discussed in the performance review section, the calculated FTE's increased from 51 to 56 in FY 2016-17. Discussions with Roseville Transit staff indicate that this may be due to a change in personnel responsible for recording FTE data and that different staff used different methods of calculation. It was also noted that MV Transportation is using a different method of FTE calculation than City of Roseville staff. A recommendation to establish a uniform process for calculating FTE's for Roseville Transit is included at the end of this audit.

Recommendation 3: Track and separate rider types for Dial-A-Ride in the quarterly reports.

Implementation Complete: The prior performance auditor recommended that Roseville Transit routinely record passengers by type (general public, senior, disabled) in the quarterly reports in an effort to develop trends in ridership patterns and determine if some riders could switch to using the more efficient fixed route instead of DAR. Roseville Transit's monthly reports track the number of general public passengers vs. discounted passengers. This information is not included in the quarterly performance reports; however the data is tracked internally. Roughly 15 percent of DAR passengers are general public passengers, including Sunday riders when there is no fixed route transit available. Roseville Transit has a good mobility management program available to train DAR passengers to use the fixed route. At this time, there does not seem to be an issue with general public passengers using DAR. Therefore, this recommendation is considered to be completed.

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 14 personnel, including the manager. The two Alternative Transportation Administrative Analysts, Administrative Clerk and Marketing Analyst, work closely with the Alternative Transportation Manager 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. 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. MV Transportation's current local staff consists of a General Manager, a Payroll Clerk, Operations Manager, Safety and Training Manager, 4 Dispatchers, 5 Reservationists, 2 Bus/Shelter Washers, 3 Road Supervisors, 3 Money Counters, 1 Utility Technician, 30 full-time drivers and 12 part-time drivers. 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 met with the operations contractor twice per month 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 an effort to increase efficiency and on-time performance. These included modifications to Route M and Route D as well as the elimination of Route I. Roseville Transit monitors service changes and makes additional adjustments if the change had unanticipated impacts. The Game Day Express Service which provides transportation for fans to Sacramento Kings Games and the Golden 1 Center was also implemented during this audit period.

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 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 recently-adopted *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

Roseville Transit staff is proactive about reviewing new developments and determining how the development could potentially be served by public transit.

Evaluation of Fixed Routes

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.

Roseville Transit has the opportunity to comment on major developments on the city, which may impact transit. 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 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 PCTPA 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.

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.

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

In the past, Roseville Transit finding a sufficient number of bus drivers was challenging, but this is improving. MV recruits drivers through Career Builders website and through outreach to experienced drivers from other transportation companies. As per 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 to ability to review feedback from DriveCam/Lytx clips for any significant issues. During the audit period, some turnover at MV Transportation occurred due much in part to a tight labor market and higher wages offered by a nearby transit operator, Sacramento RT.

MV Transportation has established an extensive training program for new hires: “MV Avatar Fleet Operator Training Program.” 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.

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 Administrative Analyst worked in conjunction with the City of Roseville Finance Department to develop the budget. Transit staff reviews the budget and expenses monthly. 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, an Administrative Analyst acted as the grants manager for the division. This position 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; specifically, a FTA Mobility Management Grant was obtained to start up the Mobility Management Training Program as well as capital funds to reconstruct the transit center at Louis and Orlando. During the audit period, Roseville Transit did not lose a grant due to negligence or improper procedure. However, there was an instance where grant money could not be obligated in time and so had to be returned.

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 other month. Established procedures for processing and investigating accident/injury claims are currently in place. 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.

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 recently competitively bid in 2017. The contract sets forth specific prices for each five years of the contract period with the potential for 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. Three days 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. Some purchases such as fuel or vehicle contracts are procured jointly with other agencies.

Marketing and Public Information

The City of Roseville Alternative Transportation staff includes a Marketing and Communications Analyst position whose time is spent on promoting all facets of the entire Public Works Department, which includes but is not limited to: transit, bicycling and other transportation options.

Alternative Transportation staff attends outreach events at various locations such as Sierra College. The Roseville Transit website is easy to follow and provides good access to maps and schedules and relevant

announcements. Text and e-mail alerts are available to those who sign up. 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.

The Marketing and Communications Analyst also provides support to regional partners when it comes to communications and marketing, i.e. Summer Youth Bus Pass, South Placer Transit Information, etc.

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.

Maintenance

All maintenance is performed by City of Roseville Fleet Services staff. 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.

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 has had an impact on Roseville Transit's performance, particularly in FY 2016-17.
- Roseville Transit's farebox ratio remains above the 15 percent TDA minimum (with local support), despite increasing operating costs associated unfunded pension liabilities.
- Transit services provided by Roseville Transit meet most TDA-requirements with the exception of the calculation of full-time equivalent employees.
- Roseville Transit has partially or completely implemented all of the prior audit recommendations.
- 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.

RECOMMENDATIONS

Overall, the Auditor find the Roseville Transit system to be a good example of a well-run small urbanized transit program, which is making efficient use of public resources. The Auditor has the following recommendation:

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.

Table 3 indicates that full-time equivalent (FTE) employees jumped from 51 to 56 in FY 2016-17; however actual staff levels did not change that significantly. During the audit period, different MV staff was responsible for tracking and reporting employee hours. This likely resulted in different methods of tracking employee hours. Therefore, in an effort to report accurate and consistent data to the State Controller, the City of Roseville staff should develop a policy which identifies the method for properly calculating FTE's to be used by both City and contractor staff. The definition of Full-time Equivalent Employees per the Caltrans Triennial Performance Audit Guidebook is as follows:

“Transportation system-related hours worked by persons employed in connection with the public transportation system (whether or not the person is employed by the operator, for example, a city accounts payable person whose time is partly charged to transit operations). Such persons include contractor staff. A Full-Time Equivalent employee count can be calculated by dividing the

number of person-hours worked by 2,000.”

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

- All employees who spend time assisting with public transit related functions (not including the Call Center) should be included in the employee hour count. This consists of: all Roseville Transit MV staff (with the exception of Call Center staff), City of Roseville Alternative Transportation staff, City of Roseville Fleet Services staff and City of Roseville Administrative staff who assist public transit such as accounting or management.
- Non-Alternative Transportation Department staff support Roseville Transit either directly by coding to job or project numbers (i.e. fleet services and engineering) or programmatically (i.e. payroll, accounting, management). Support staff that provide direct service track hours spent on transit related functions on a daily basis. For those staff, at the end of the year, hours should be totaled and divided by 2,000. For staff that support transit on a programmatic basis, it is not feasible to code directly to transit projects. In these cases, the City estimates the level of administrative and management support through annual Cost Allocation Plan and Internal Service Fund studies that generate an overall cost for support services. The City will use these annual costs for administrative/management services to calculate an FTE equivalent based upon an assumed cost per FTE.
- For full time and part time Alternative Transportation Department employees , Roseville Transit staff could either code their time in support of transit services or they can estimate the proportion of annual work time spent on transit. For example: If the Alternative Transportation Manager spends roughly 80 percent of his time on transit and 20 percent on bicycle projects, then the calculation would be as follows:
 - $80\% \times \text{total hours worked (not including paid time off)} / 2,000$
- For part time and full-time staff who are 100 percent public transit (such as MV drivers, dispatchers etc.), total hours worked (not including paid time off) should be tallied at the end of the year and divided by 2,000.
- All these categories added together will represent the full-time equivalent employee count for Roseville Transit for purposes of reporting to the state controller.