



FINAL REPORT
APRIL 2019

Shasta Regional Transportation Agency

Triennial Performance Audit of the Redding Area Bus Authority



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Chapter 1

Executive Summary

In 2018, the Shasta Regional Transportation Agency selected Moore & Associates, Inc. to prepare Triennial Performance Audits of itself as the Regional Transportation Planning Agency (RTPA) for Shasta County and of the Redding Area Bus Authority (RABA), to which it allocates TDA funding.

The California Public Utilities Code requires all recipients of Transit Development Act (TDA) Article 4 funding to complete an independent audit on a three-year cycle in order to maintain funding eligibility.

The Triennial Performance Audit (TPA) is designed to be an independent and objective evaluation of the Redding Area Bus Authority as a public transit operator, providing operator management with information on the economy, efficiency, and effectiveness of its programs across the prior three fiscal years. In addition to assuring legislative and governing bodies (as well as the public) that resources are being economically and efficiently utilized, the Triennial Performance Audit fulfills the requirement of PUC Section 99246(a) that the RTPA designate an entity other than itself to conduct a performance audit of the activities of each operator to whom it allocates funds.

This chapter summarizes key findings and recommendations developed during the Triennial Performance Audit of Redding Area Bus Authority's public transit program for the period Fiscal Year 2015/16 through Fiscal Year 2017/18.

The Redding Area Bus Authority provides bus and paratransit services within the cities of Redding, Shasta Lake, and Anderson as well as unincorporated portions of Shasta County. RABA operates 10 fixed routes from approximately 6:20 a.m. to 7:30 p.m. weekdays and 9:20 a.m. to 7:30 p.m. Saturday. There is no Sunday service. Three commuter routes operate Monday through Friday with varying schedules. The School Express route operates two trips per weekday during the school year only. RABA also operates the Burney Express on behalf of Shasta County, offering three trips in each direction Monday through Friday.

RABA's paratransit service is known as Demand Response Service, a shared-ride origin-to-destination public transit service for persons with disabilities. Demand Response Service provides transportation during the same days and hours as fixed-route service, and across the same service area.

Major initiatives taking place during the audit period are noted below.

- FY 2015/16:
 - Passenger loading improvements, including bus benches, shelters, sidewalk connections crosswalks, etc.
 - Upgrade of RABA's telephone system to voice-over IP (VOiP) technology.
 - Received a Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association for financial reporting for FY 2015.
- FY 2016/17:
 - Continuation of passenger loading improvements, including retrofitting existing shelters with solar safety lighting.

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- Maintenance facility improvements, including a solar parking shade structure.
- Delivery of four new paratransit vans.
- Acquisition of a portable trailer-mounted high-pressure washing system to replace a non-working pressure washer.
- Received a Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association for financial reporting for FY 2016.
- FY 2017/18:
 - Delivery of three replacement 35-foot Gillig buses.
 - Elimination of the Cottonwood Express (one-year pilot project).
 - Modification of routes serving the city of Anderson.

This performance audit was conducted in accordance with generally accepted government auditing standards. Those standards require the audit team plans and performs the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for its findings and conclusions based on the audit objectives. Moore & Associates believes the evidence obtained provides a reasonable basis for our findings and conclusions.

This audit was also conducted in accordance with the processes established by the California Department of Transportation (Caltrans), as outlined in the *Performance Audit Guidebook for Transit Operators and Regional Transportation Planning Entities*.

The Triennial Performance Audit includes five elements:

- Compliance requirements,
- Follow-up of prior report recommendations,
- Analysis of program data reporting,
- Performance Audit, and
- Functional review.

Test of Compliance

Moore & Associates concludes the Redding Area Bus Authority complies with the Transportation Development Act (TDA) regulations in an efficient and effective manner.

Status of Prior Recommendations

1. [Include additional locally generated revenue in the farebox recovery and TDA fiscal audit.](#)
Status: Implemented.
2. [Complete the procurement of updated fareboxes.](#)
Status: Implementation underway.

Findings and Recommendations

Based on discussions with RABA and its operations contractor staff, analysis of program performance, and a review of program compliance and function, Moore & Associates submits no compliance findings for the Redding Area Bus Authority.

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Moore & Associates has identified three functional findings. While these findings do not affect TDA compliance, Moore & Associates believes they are significant enough to be addressed within this report.

1. While RABA's farebox recovery ratio currently stands above the 15 percent threshold established by SRTA for a blended service, it is at risk of declining across the next few years, especially given the withdrawal of a route guarantee contract.
2. Consistency of reported data, particularly financial data, in internal and external reports could be improved.
3. RABA should continue with the implementation of farebox improvements as recommended in the prior triennial performance audit.

Exhibit 1.1 Summary of Audit Recommendations

Functional Recommendations	Importance	Timeline
1	Explore additional service strategies and revenue sources that can be counted toward fare revenue, with a goal of keeping the farebox recovery ratio far enough above the 15 percent threshold that it can accommodate modest fluctuations from year to year.	High FY 2019/20
2	Determine the cause of inconsistencies in reporting; either correct them or document the reason for the inconsistency.	Medium FY 2018/19
3	Complete the farebox improvements recommended in the prior triennial performance audit.	Medium FY 2018/19 – FY 2019/20



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Chapter 2

Audit Scope and Methodology

The Triennial Performance Audit (TPA) of the Redding Area Bus Authority's public transit program covers the three-year period ending June 30, 2018. The California Public Utilities Code requires all recipients of Transit Development Act (TDA) funding to complete an independent review on a three-year cycle in order to maintain funding eligibility.

In 2018, the Shasta Regional Transportation Agency selected Moore & Associates, Inc. to prepare Triennial Performance Audits of itself as the RTPA and the one transit operator to which it allocates TDA funding. Moore & Associates is a consulting firm specializing in public transportation. Selection of the firm followed a competitive procurement process.

The Triennial Performance Audit is designed to be an independent and objective evaluation of the Redding Area Bus Authority as a public transit operator. Direct benefits of a Triennial Performance Audit include providing operator management with information on the economy, efficiency, and effectiveness of its programs across the prior three years; helpful insight for use in future planning; and assuring legislative and governing bodies (as well as the public) that resources are being economically and efficiently utilized. Finally, the Triennial Performance Audit fulfills the requirement of PUC Section 99246(a) that the RTPA designate an entity other than itself to conduct a performance audit of the activities of each transit operator to which it allocates TDA funds.

This performance audit was conducted in accordance with generally accepted government auditing standards. Those standards require the audit team plans and performs the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for its findings and conclusions based on the audit objectives. Moore & Associates believes the evidence obtained provides a reasonable basis for our findings and conclusions.

The audit was also conducted in accordance with the processes established by the California Department of Transportation (Caltrans), as outlined in the *Performance Audit Guidebook for Transit Operators and Regional Transportation Planning Entities*, as well as *Government Audit Standards* published by the U.S. Comptroller General.

Objectives

A Triennial Performance Audit has five primary objectives:

1. Assess compliance with TDA regulations;
2. Review improvements subsequently implemented as well as progress toward adopted goals;
3. Review the accuracy of data reporting;
4. Evaluate the efficiency and effectiveness of the transit operator; and
5. Provide sound, constructive recommendations for improving the efficiency and functionality of the transit operator.



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Scope

The TPA is a systematic review of performance evaluating the efficiency, economy, and effectiveness of the transit operator. The audit of the Redding Area Bus Authority included five tasks:

1. A review of compliance with TDA requirements and regulations.
2. An assessment of the implementation of recommendations contained in prior performance audits.
3. A verification of the methodology for calculating performance indicators including the following activities:
 - Assessment of internal controls,
 - Test of data collection methods,
 - Calculation of performance indicators, and
 - Evaluation of performance.
4. Examination of the following functions:
 - General management and organization;
 - Service planning;
 - Scheduling, dispatching, and operations;
 - Personnel management and training;
 - Administration;
 - Marketing and public information; and
 - Fleet maintenance.
5. Conclusions and recommendations to address opportunities for improvement based upon analysis of the information collected and the audit of the transit operator's major functions.

Methodology

The methodology for the Triennial Performance Audit of the Redding Area Bus Authority included thorough review of documents relevant to the scope of the audit, as well as information contained on RABA's website. The documents reviewed included the following (spanning the full three-year period):

- Triennial Performance Audit report for the prior audit period;
- Monthly performance reports;
- State Controller Reports;
- Annual budgets;
- TDA fiscal audits;
- Transit marketing collateral;
- Fleet inventory;
- Preventive maintenance schedules and forms;
- California Highway Patrol terminal inspection reports;
- National Transit Database reports;
- Accident/road call logs;
- Customer complaint logs;
- Short Range Transit Plan; and
- Organizational chart.



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The methodology for this review included a site visit to the RABA Operations and Maintenance Facility, located at 3333 S. Market St., Redding, as well as Redding City Hall, located at 777 Cypress Ave., Redding, on September 14, 2018. The site visit included interviews with Anthony Maggiore, Management Analyst, City of Redding; Chuck Aukland, Director of Public Works, City of Redding; Melissa Estrada, Transportation Planner, City of Redding; Hallie Fonseca, General Manager, Transdev; and Cyndi Graves, Operations/Safety Manager, Transdev. Monika Long, Chief Fiscal Officer, Shasta Regional Transportation Agency also attended the site visit.

This report is comprised of eight chapters divided into three sections:

1. Executive Summary: A summary of the key findings and recommendations developed during the Triennial Performance Audit process.
2. TPA Scope and Methodology: Methodology of the review and pertinent background information.
3. TPA Results: In-depth discussion of findings surrounding each of the subsequent elements of the audit:
 - Compliance with statutory and regulatory requirements,
 - Progress in implementing prior recommendations,
 - Data analysis,
 - Performance measures and trends,
 - Functional audit, and
 - Findings and recommendations.



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Chapter 3

Program Compliance

This section examines the Redding Area Bus Authority's compliance with the Transportation Development Act as well as relevant sections of the California Code of Regulations. An annual certified fiscal audit confirms TDA funds were apportioned in conformance with applicable laws, rules, and regulations. The Shasta Regional Transportation Agency considers full use of funds under California Code of Regulations (CCR) 6754(a) as referring to operating funds but not capital funds. The TPA findings and related comments are delineated in Exhibit 3.1.

Compliance was determined through discussions with RABA staff as well as a physical inspection of relevant documents including the fiscal audits for each year of the triennium, TDA claim forms, State Controller annual filings, California Highway Patrol terminal inspections, year-end performance reports, and other compliance-related documentation.

The Redding Area Bus Authority met the test of compliance with respect to all Transportation Development Act (TDA) regulations.

Recent Changes Regarding Compliance

Two changes specific to the TDA and TDA funding went into effect beginning July 1, 2016. The first change was an amendment to the Public Utilities Code specific to the definition of operating cost and what costs can be excluded. It should be noted that many of the exclusions pertain only to *changes* in certain costs, either over the prior year or beyond the change in the Consumer Price Index. They do not apply to *all* costs related to specified exclusion categories.

Senate Bill 508, dated October 9, 2015, amended Section 99268.17 to read as follows:

99268.17 (a) *Notwithstanding subdivision (a) of Section 99247, the following costs shall be excluded from the definition of "operating cost" for the purposes of calculating any required ratios of fare revenues to operating cost specified in this article:*

- (1) *The additional operating costs required to provide comparable complementary paratransit service as required by Section 37.121 of Title 49 of the Code of Federal Regulations, pursuant to the federal Americans with Disabilities Act of 1990 (42 U.S.C. Sec. 120101 et seq.), as identified in the operator's paratransit plan pursuant to Section 37.139 of Title 49 of the Code of Federal Regulations that exceed the operator's costs required to provide comparable paratransit service in the prior year as adjusted by the Consumer Price Index.*
- (2) *Cost increases beyond the change in the Consumer Price Index for all of the following:*
 - (A) *Fuel.*
 - (B) *Alternative fuel programs.*
 - (C) *Power, including electricity.*



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(D) Insurance premiums and payments in settlement of claims arising out of the operator's liability.

(E) State and federal mandates.

(3) Startup costs for new services for a period of not more than two years.

(b) The exclusion of costs from the definition of operating costs in subdivision (a) applies solely for the purpose of this article and does not authorize an operator to report an operating cost other than as defined in subdivision (a) of Section 99247 or a ratio of fare revenue to operating cost other than as that ratio is described elsewhere in this article, to any of the following entities:

(1) The Controller pursuant to Section 99243.

(2) The entity conducting the fiscal audit pursuant to Section 99245.

(3) The entity conducting the performance audit pursuant to Section 99246.

Operators should be aware that the reporting forms for the State Controller may not be updated to reflect these exclusions for FY 2016/17. Until revised forms are made available, it is important for agencies to ensure any exclusions from operating cost are clearly itemized within TDA audits or other farebox revenue ratio calculations so that compliance can be clearly assessed. Redding Area Bus Authority already documents its farebox recovery ratio clearly and effectively in its Comprehensive Annual Financial Report.

The second change, also contained within Senate Bill 508, related to the type of funds that can be used to supplement farebox revenue. Prior to this bill, "local funds" was defined as "revenues derived from taxed imposed by the operator or by a county transportation commission." Senate Bill 508 amended Section 99268.19 to read:

99268.19 *If fare revenues are insufficient to meet the applicable ratio of fare revenues to operating cost required by this article, an operator may satisfy that requirement by supplementing its fare revenues with local funds. As used in this section, "local funds" means any nonfederal or nonstate grant funds or other revenues generated by, earned by, or distributed to an operator.*

This expanded definition opens up new revenue sources that can be used to offset farebox shortfalls. Applicable revenues include funds received through advertising, interest income, sale of surplus vehicles, and other such sources. While these funds are no longer limited to those generated by local taxes, they cannot be state or federal funds. Redding Area Bus Authority has already begun incorporating such supplemental revenues into its farebox recovery ratio calculations.

Another change affected the submittal deadline for the State Controller's Transit Operators Financial Transaction Report. Beginning with Fiscal Year 2016/17, the submittal deadline was changed from 110 days following the end of the fiscal year (typically October 18-20) to seven months following the end of the fiscal year (January 31). The original submittal deadline was in force during reporting for FY 2015/16, while the new deadline was utilized for FY 2016/17 forward.

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Exhibit 3.1 Transit Development Act Compliance Requirements

Compliance Element	Reference	Compliance	Comments
State Controller Reports submitted on time.	PUC 99243	In compliance	FY 2015/16: October 13, 2016 FY 2016/17: January 18, 2018 FY 2017/18: January 31, 2019
Fiscal and compliance audits submitted within 180 days following the end of the fiscal year (or with up to 90-day extension).	PUC 99245	In compliance	FY 2015/16: December 19, 2016 FY 2016/17: December 18, 2017 FY 2017/18: December 14, 2018
Operator's terminal rated as satisfactory by CHP within the 13 months prior to each TDA claim.	PUC 99251 B	In compliance	Satisfactory CHP inspections took place on: March 3, 2015 March 10, 2016 April 4, 2017 April 27, 2018
Operator's claim for TDA funds submitted in compliance with rules and regulations adopted by the RTPA.	PUC 99261	In compliance	
If 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.	PUC 99270.1	In compliance	SRTA established a farebox recovery ratio for RABA's fixed-route and paratransit service of 15%, with an aspirational goal of 19%. FY 2015/16: 17.10% FY 2016/17: 16.99% FY 2017/18: 18.78% <i>Source: RABA CAFRs</i>
The operator's operating budget has not increased by more than 15% 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 unless the operator has reasonably supported and substantiated the change(s).	PUC 99266	In compliance	FY 2015/16: + 1.12% FY 2016/17: + 0.71% FY 2017/18: + 5.37% <i>Source: RABA budgets for FY 2014 – FY 2018</i>
The operator's definitions of performance measures are consistent with the Public Utilities Code Section 99247.	PUC 99247	In compliance	
If the operator serves an urbanized area, it has maintained a ratio of fare revenues to operating cost at least equal to one-fifth (20 percent).	PUC 99268.2, 99268.4, 99268.1	Not applicable	RABA serves a combined rural and urbanized area and is subject to a blended farebox recovery ratio as established by the RTPA.
If the operator serves a rural area, it has maintained a ratio of fare revenues to operating cost at least equal to one-tenth (10 percent).	PUC 99268.2, 99268.4, 99268.5	In compliance	The farebox ratio for the Burney Express is 10%. FY 2015/16: 12.54% FY 2016/17: 10.97% FY 2017/18: 10.42% <i>Source: RABA CAFRs</i>

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Compliance Element	Reference	Compliance	Comments
For a claimant that provides only services to elderly and handicapped persons, the ratio of fare revenues to operating cost shall be at least 10 percent.	PUC 99268.5, CCR 6633.5	Not applicable	RABA is held to a blended farebox recovery ratio established by SRTA.
The current cost of the operator's retirement system is fully funded with respect to the officers and employees of its public transportation system, or the operator is implementing a plan approved by the RTPA, which will fully fund the retirement system for 40 years.	PUC 99271	In compliance	RABA has no employees. Administrative services are provided by City of Redding employees, who are eligible for CalPERS. The City contracts with a private provider for transit operations.
If the operator receives State Transit Assistance funds, the operator makes full use of funds available to it under the Urban Mass Transportation Act of 1964 before TDA claims are granted.	CCR 6754 (a) (3)	In compliance	As a recipient of State Transit Assistance Funds, the City is making full use of federal funds available under the Urban Mass Transportation Act of 1964 as amended. FY 2016: \$1,154,600 (Operating) \$829 (Capital) FY 2017: \$1,245,414 (Operating) \$306,604 (Capital) FY 2018: \$1,007,639 (Operating) \$0 (Capital) <i>Source: National Transit Database, FY 2018 CAFR.</i>
A transit claimant is precluded from receiving monies from the Local Transportation Fund and the State Transit Assistance Fund in an amount which exceeds the claimant's capital and operating costs less the actual amount of fares received, the amount of local support required to meet the fare ratio, the amount of federal operating assistance, and the amount received during the year from a city or county to which the operator has provided services beyond its boundaries.	CCR 6634	In compliance	



Chapter 4

Prior Recommendations

This section reviews and evaluates the implementation of prior Triennial Performance Audit recommendations. This objective assessment provides assurance the Redding Area Bus Authority has made quantifiable progress toward improving both the efficiency and effectiveness of its public transit program.

The prior audit – completed in January 2017 by Michael Baker International for the three fiscal years ending June 30, 2015 – included two recommendations:

1. [Include additional locally generated revenue in the farebox recovery and TDA fiscal audit.](#)

Discussion: RABA is subject to a 15 percent system-wide farebox recovery ratio standard established by SRTA. The prior auditor noted that revenues considered in the farebox ratio calculation have consisted primarily of passenger fares. Given new state legislation (Senate Bill 508) allowed for other locally generated revenues in the farebox ratio (such as interest earnings, gains on the sale of capital assets, lease revenues generated by transit-owned property, and advertising revenues), the auditor recommended the CAFR/annual TDA fiscal audit should calculate the farebox ratio inclusive of applicable additional revenue. At the time of the prior audit, RABA was seeking to amend its advertising policy to allow advertising from local tribal gambling casinos such as the Win-River Resort and Casino.

Progress: RABA has incorporated local support revenues towards its farebox recovery ratio as noted in the CAFR financial reports.

Status: Implemented.

Note: Even though this recommendation has been implemented, we further recommend the CAFR go into more detail regarding the sources of additional local funds as part of the compliance assessment so as to make this more transparent.

2. [Complete the procurement of updated fareboxes.](#)

Discussion: At the time of the prior audit, the fareboxes on the buses were relatively old, as they were installed the same time the older buses were procured. Identified issues with the existing GFI fareboxes include their reliability to distinguish inserted cash amounts, and double counting of fares. RABA had planned for replacement of fareboxes in the near term, and evaluated options for the purchase including buying them on their own, or possibly piggybacking on another procurement with another agency. Given the issues with the existing fareboxes on RABA buses, the prior auditor advised replacement should be undertaken to address the fare collection issues as well as expand RABA's data mining capabilities.



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Progress: RABA is still in the process of securing new/updated fareboxes. The agency is currently evaluating options to best suit its operations. Staff notes that they have run into some installation and software issues, yet the City of Redding's Transportation Planner expects to have an RFP out by end of the first quarter of 2019.

Status: Implementation underway.



Chapter 5

Data Reporting Analysis

An important aspect of the Triennial Performance Audit process is assessing how effectively and consistently the transit operator reports performance statistics to local, state, and federal agencies. Often as a condition of receipt of funding, an operator must collect, manage, and report data to different entities. Ensuring such data are consistent can be challenging given the differing definitions employed by different agencies as well as the varying reporting timeframes. This chapter examines the consistency of performance data reported by the Redding Area Bus Authority to the State Controller and Federal Transit Administration specific to the audit period. Submissions to these entities were included within the State Controller's Transit Operators Financial Transactions Report (TOR) and the National Transit Database (NTD) report, respectively.

Exhibit 5.1 provides a comparison between performance data reported within the NTD and TOR reports for the current audit period (ending FY 2015/16 through FY 2017/18)¹, as well as the data reported via System Performance Reports and RABA Comprehensive Annual Financial Reports (CAFRs). Consistency varies regarding RABA's reporting of key performance data. Through FY 2015/16, it was common for data to vary, especially on the TOR, as it was the first report to be completed (October). CAFRS are typically completed prior to December 30, with the System Performance Reports completed in January. NTD reports may not be finalized for several more months. Beginning in FY 2016/17, the TOR deadline was moved to January 31, which ideally would ensure more consistent reporting among the various sources.

Some of the variation in the System Performance Report is due to what is being reported. This report did not include data for the Beach Bus or Cottonwood Express, which likely explains the relatively minor variations in operating data.

- **Operating Cost:** Amounts reported in the RABA CAFR and the NTD reports tend to be the most consistent. In FY 2015/16, the operating cost included in the System Performance Report was 1.1 percent lower than that reported to the NTD, while the cost reported to the State Controller was 4.8 percent lower. In FY 2016/17, the operating cost included in the System Performance Report was 0.8 percent lower than that reported to the NTD, while the cost reported to the State Controller was 4.3 percent lower.
- **Fare Revenue:** Reported amounts are highly consistent between the RABA CAFR, NTD report, and TOR. Fare revenues reported in the System Performance Report are approximately six to seven percent higher.
- **Vehicle Service Hours:** In FY 2016/17, the NTD report and TOR were consistent regarding reporting of VSH, while the System Performance Report reported slightly fewer. This same trend is apparent in FY 2016/17 as well.
- **Vehicle Service Miles:** In FY 2016/17, the NTD report and TOR were consistent regarding reporting of VSM, while the System Performance Report reported 2.4 percent more VSM. In

¹ Note: The NTD report for FY 2017/18 was not available prior to the completion of this audit.

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FY 2017/18, the System Performance Report reported slightly fewer VSM than the NTD report and TOR.

- **Full-Time Equivalents (FTE):** Data reported on the TOR is very similar to the calculations provided by RABA, but not identical.
- **Passengers:** Overall, reported ridership was largely consistent, though the System Performance Report included slightly fewer passengers than the NTD report and TOR.

Exhibit 5.1 Data Reporting Consistency

Performance Measure	FY 2015/16	FY 2016/17	FY 2017/18
Operating Cost (Actual \$)			
<i>RABA CAFR</i>	\$5,393,653	\$5,633,238	\$5,864,979
<i>National Transit Database</i>	\$5,393,003	\$5,629,551	Not provided
<i>State Controller Report</i>	\$5,135,226	\$5,390,085	\$5,849,087
Fare Revenue (Actual \$)			
<i>RABA CAFR</i>	\$844,800	\$873,441	\$957,830
<i>National Transit Database</i>	\$844,800	\$873,442	Not provided
<i>State Controller Report</i>	\$844,800	\$873,442	\$957,830
Vehicle Service Hours (VSH)			
<i>System Performance Report</i>	60,066	59,881	59,766
<i>National Transit Database</i>	60,145	60,403	Not provided
<i>State Controller Report</i>	60,145	60,403	59,829
Vehicle Service Miles (VSM)			
<i>System Performance Report</i>	1,016,335	1,023,950	1,018,614
<i>National Transit Database</i>	992,681	1,036,164	Not provided
<i>State Controller Report</i>	992,454	1,036,164	1,018,614
Full Time Equivalent (FTE) Employees			
<i>Hour Audit Data Provided by RABA</i>	61	59	61
<i>State Controller Report</i>	60	58	58
Passengers			
<i>System Performance Report</i>	722,723	737,854	718,856
<i>National Transit Database</i>	723,080	740,188	Not provided
<i>State Controller Report</i>	723,080	740,188	718,556

Chapter 6

Performance Analysis

Performance indicators are typically employed to quantify and assess the efficiency of a transit operator's activities. Such indicators provide insight into current operations as well as trend analysis of operator performance. Through a review of indicators, relative performance as well as possible inter-relationships between major functions is revealed.

The Transportation Development Act (TDA) requires recipients of TDA funding to track and report five performance indicators:

- Operating Cost/Passenger,
- Operating Cost/Vehicle Service Hour,
- Passengers/Vehicle Service Hour,
- Passengers/Vehicle Service Mile, and
- Vehicle Service Hours/Employee.

To assess the validity and use of performance indicators, the audit team performed the following activities:

- Assessed internal controls in place for the collection of performance-related information,
- Validated collection methods of key data,
- Calculated performance indicators, and
- Evaluated performance indicators.

The procedures used to calculate TDA-required performance measures for the current triennium were verified and compared with indicators included in similar reports to external entities (i.e., State Controller and Federal Transit Administration).

Operating Cost

The Transportation Development Act requires an operator to track and report transit-related costs reflective of the Uniform System of Accounts and Records developed by the State Controller and the California Department of Transportation. The most common method for ensuring this occurs is through a compliance audit report prepared by an independent auditor in accordance with California Code of Regulations Section 6667². The annual independent financial audit should confirm the use of the Uniform System of Accounts and Records. *Operating cost* – as defined by PUC Section 99247(a) – excludes the following:

² CCR Section 6667 outlines the minimum tasks which must be performed by an independent auditor in conducting the annual fiscal and compliance audit of the transit operator.



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- Cost in the depreciation and amortization expense object class adopted by the State Controller pursuant to PUC Section 99243,
- Subsidies for commuter rail services operated under the jurisdiction of the Interstate Commerce Commission,
- Direct costs of providing charter service, and
- Vehicle lease costs.

Vehicle Service Hours and Miles

Vehicle Service Hours (VSH) and *Miles (VSM)* are defined as the time/distance during which a revenue vehicle is available to carry fare-paying passengers, and which includes only those times/miles between the time or scheduled time of the first passenger pickup and the time or scheduled time of the last passenger drop-off during a period of the vehicle's continuous availability.³ For example, demand-response service hours include those hours when a vehicle has dropped off a passenger and is traveling to pick up another passenger, but not those hours when the vehicle is unavailable for service due to driver breaks or lunch. For both demand-response and fixed-route services, service hours will exclude hours of "deadhead" travel to the first scheduled pick-up, and will also exclude hours of "deadhead" travel from the last scheduled drop-off back to the terminal. For fixed-route service, a vehicle is in service from first scheduled stop to last scheduled stop, whether or not passengers board or exit at those points (i.e., subtracting driver lunch and breaks but including scheduled layovers).

Passenger Counts

According to the Transportation Development Act, *total passengers* is equal to the total number of unlinked trips (i.e., those trips that are made by a passenger that involve a single boarding and departure), whether revenue-producing or not.

Employees

Employee hours is defined as the total number of hours (regular or overtime) which all employees have worked, and for which they have been paid a wage or salary. The hours must include transportation system-related hours worked by persons employed in connection with the system (whether or not the person is employed directly by the operator). Full-Time Equivalent (FTE) is calculated by dividing the number of person-hours by 2,000.

Fare Revenue

Fare revenue is defined by California Code of Regulations Section 6611.2 as revenue collected from the farebox plus sales of fare media. (Fare revenue does not include additional local revenues that can be used to supplement the farebox recovery ratio.)

³ A vehicle is considered to be in revenue service despite a no-show or late cancellation if the vehicle remains available for passenger use.



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TDA Required Indicators

To calculate the TDA indicators for the Redding Area Bus Authority, the following sources were employed:

- Operating Cost was not independently calculated as part of this audit. Operating Cost data were obtained via Comprehensive Annual Financial Reports for each fiscal year covered by this audit. Operating Cost from the reports was compared against that reported to the State Controller and NTD and was determined to be consistent with TDA guidelines. In accordance with PUC Section 99247(a), the reported costs excluded depreciation and other allowable expenses.
- Fare Revenue was not independently calculated as part of this audit. Fare Revenue data were obtained via Comprehensive Annual Financial Reports for each fiscal year covered by this audit. Fare revenue from the reports is consistent with TDA guidelines.
- Vehicle Service Hours (VSH) data were obtained via System Performance Reports for each fiscal year covered by this audit. Data from these reports were then compared with information included within RABA's monthly performance data summary reports. RABA calculates VSH using schedule hours reconciled with dispatcher daily logs. RABA's calculation methodology is consistent with PUC guidelines.
- Vehicle Service Miles (VSM) data were obtained via System Performance Reports for each fiscal year covered by this audit. Data from these reports were then compared with information included within RABA's monthly performance data summary reports. RABA calculates VSM by base mileage for all routes and multiplying base mileage by the number of trips, then adjusts for changes to service. This methodology is consistent with PUC guidelines.
- Unlinked trip data were obtained via System Performance Reports for each fiscal year covered by this audit. Data from these reports were then compared with information included within RABA's monthly performance data summary reports. RABA's calculation methodology is consistent with PUC guidelines.
- Full-Time Equivalent (FTE) methodology was provided by RABA and is consistent with the TDA definition (hours worked divided by 2,000).

While the data analysis in the prior section showed some discrepancies between the System Performance Report and other external reports due to the exclusion of Beach Bus and Cottonwood Express data, the NTD report and TOR do not segregate the RABA fixed-route service and the Burney Express, reporting only a single fixed-route mode. Therefore, we have elected to use the System Performance Report data, which does segregate the three modes. Moore & Associates believes this also offers a level of consistency with the data from the prior Triennial Performance Audit, which drew on RABA performance reports in its performance review.

System Performance Trends

System-wide, as of FY 2017/18, ridership had decreased 17.3 percent since its most recent peak in FY 2013/14. FY 2015/16 represented the low point, followed by a 2.1 percent rebound in FY 2016/17 and nearly equal decline in FY 2017/18. This general decline over the last few years reflects a national trend, as illustrated in Exhibit 6.1. It can be seen most clearly in the Nationwide-Bus trend, which gradually

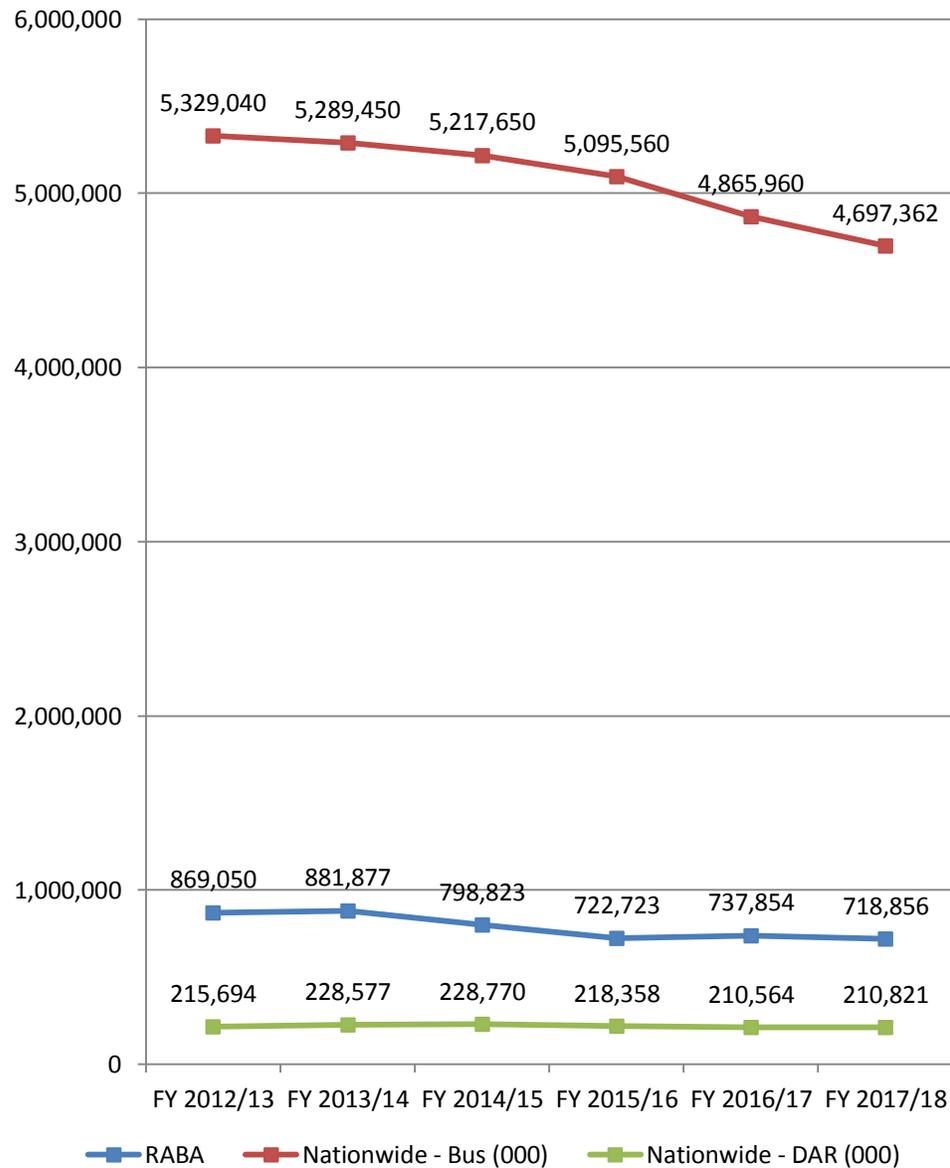
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declines across a five-year period. RABA, on the other hand, saw an overall decline followed by a slight uptick in FY 2016/17.

Exhibit 6.1 RABA Ridership vs. National Trends



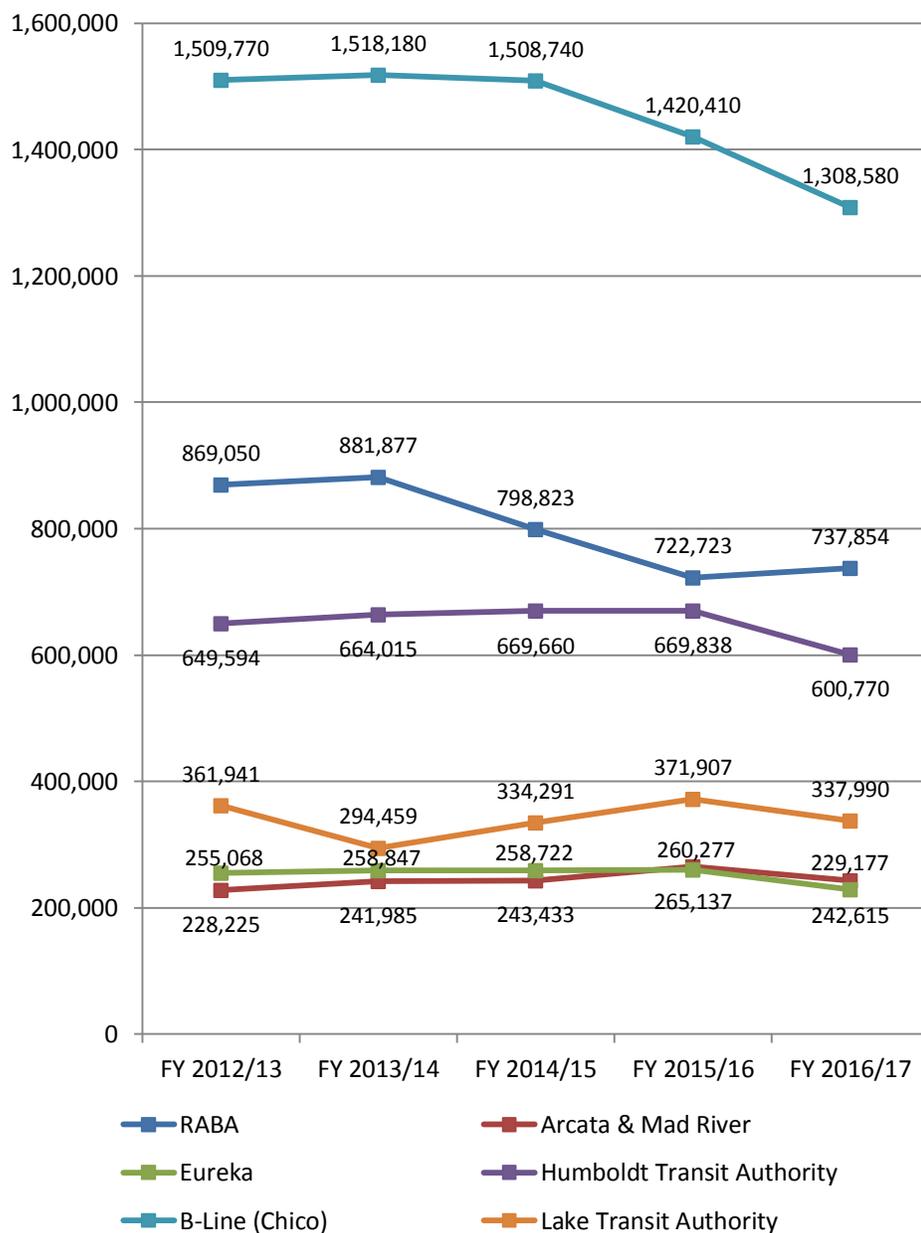
When compared with local peers, RABA is again the only agency that shows an increase in ridership between FY 2015/16 and FY 2016/17. Lake Transit Authority's ridership across the last five years also diverges from the overall trend, and may reflect changes in travel habits resulting from the 23,000-acre wildfire in August 2015 (give the resurgence in ridership in FY 2015/16). The B-Line in Chico saw the greatest overall decline, dropping more than 13 percent between FY 2012/13 and FY 2016/17.

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Exhibit 6.2 RABA Ridership vs. Local Peers



For the RABA system as a whole, operating cost increased steadily throughout the six-year period, though never more than 4.4 percent in any given year. Overall, operating cost saw an increase of 14.6 percent between FY 2012/13 and FY 2017/18. Fare revenue declined at the end of the prior audit period and at the beginning of the current audit period, but rebounded considerably in the last two years. Between FY 2012/13 and FY 2017/18, fare revenue saw a net increase of 7.7 percent.

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Vehicle Service Hours (VSH) saw very little change over the six-year period, increasing just 0.2 percent. Vehicle Service Miles (VSM) generally changed very little from year to year, though VSM experienced a nearly seven percent increase in FY 2015/16. This resulted in a net increase of 8.0 percent between FY 2012/13 and FY 2017/18. Ridership experienced significant decreases (nearly 10 percent each year) in FY 2014/15 and FY 2015/16, followed by a smaller decrease in FY 2017/18. This resulted in a net decrease of 17.3 percent over the six-year period.

Cost-related metrics rose throughout the audit period, while productivity-related metrics experienced only modest changes.

Exhibit 6.3 System Performance Indicators

Performance Measure	System-wide					
	FY 2012/13	FY 2013/14	FY 2014/15	FY 2015/16	FY 2016/17	FY 2017/18
Operating Cost (Actual \$)	\$5,119,204	\$5,280,150	\$5,284,171	\$5,394,653	\$5,633,238	\$5,864,979
Annual Change		3.1%	0.1%	2.1%	4.4%	4.1%
Fare Revenue (Actual \$)	\$889,096	\$911,963	\$888,666	\$844,800	\$873,442	\$957,830
Annual Change		2.6%	-2.6%	-4.9%	3.4%	9.7%
Vehicle Service Hours (VSH)	59,642	59,407	59,454	60,066	59,881	59,766
Annual Change		-0.4%	0.1%	1.0%	-0.3%	-0.2%
Vehicle Service Miles (VSM)	943,567	938,041	952,129	1,016,335	1,023,950	1,018,614
Annual Change		-0.6%	1.5%	6.7%	0.7%	-0.5%
Passengers	869,050	881,877	798,823	722,723	737,854	718,856
Annual Change		1.5%	-9.4%	-9.5%	2.1%	-2.6%
Employees	75	68	68	60	58	58
Annual Change		-9.3%	0.0%	-11.8%	-3.3%	0.0%
Performance Indicators						
Operating Cost/VSH (Actual \$)	\$85.83	\$88.88	\$88.88	\$89.81	\$94.07	\$98.13
Annual Change		3.6%	0.0%	1.1%	4.7%	4.3%
Operating Cost/Passenger (Actual \$)	\$5.89	\$5.99	\$6.61	\$7.46	\$7.63	\$8.16
Annual Change		1.6%	10.5%	12.8%	2.3%	6.9%
Passengers/VSH	14.57	14.84	13.44	12.03	12.32	12.03
Annual Change		1.9%	-9.5%	-10.4%	2.4%	-2.4%
Passengers/VSM	0.92	0.94	0.84	0.71	0.72	0.71
Annual Change		2.1%	-10.8%	-15.2%	1.3%	-2.1%
Farebox Recovery	17.4%	17.3%	16.8%	15.7%	15.5%	16.3%
Annual Change		-0.6%	-2.6%	-6.9%	-1.0%	5.3%
Hours/Employee	795.2	873.6	874.3	1,001.1	1,032.4	1030.4
Annual Change		9.9%	0.1%	14.5%	3.1%	-0.2%
TDA Non-Required Indicators						
Operating Cost/VSM	\$5.43	\$5.63	\$5.55	\$5.31	\$5.50	\$5.76
Annual Change		3.8%	-1.4%	-4.4%	3.6%	4.7%
VSM/VSH	15.82	15.79	16.01	16.92	17.10	17.04
Annual Change		-0.2%	1.4%	5.7%	1.1%	-0.3%
Fare/Passenger	\$1.02	\$1.03	\$1.11	\$1.17	\$1.18	\$1.33
Annual Change		1.1%	7.6%	5.1%	1.3%	12.6%

Sources: All FY 2012/13 – FY 2014/15 data from prior Triennial Performance Audit.
 FY 2015/16 – FY 2017/18 financial data from RABA CAFRs.
 FY 2015/16 – FY 2017/18 performance data from System Performance Reports.
 FTE data from State Controller Reports.

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Exhibit 6.4 System Ridership

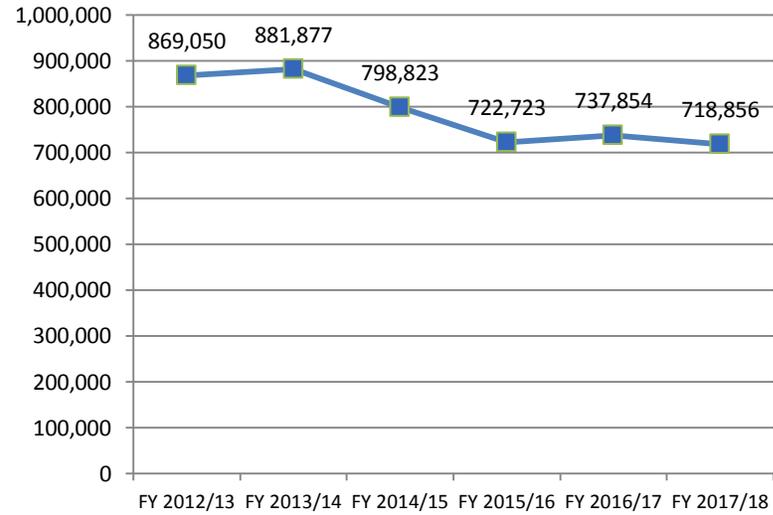


Exhibit 6.5 System Operating Cost/VSH

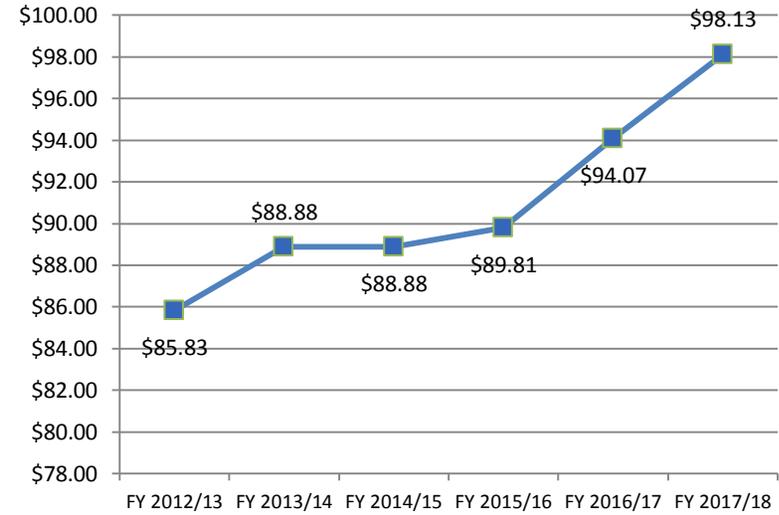


Exhibit 6.6 System Operating Cost/VSM

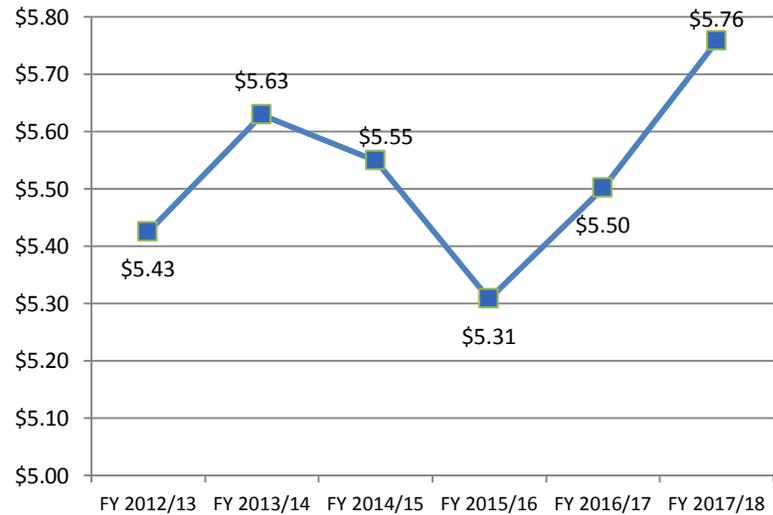
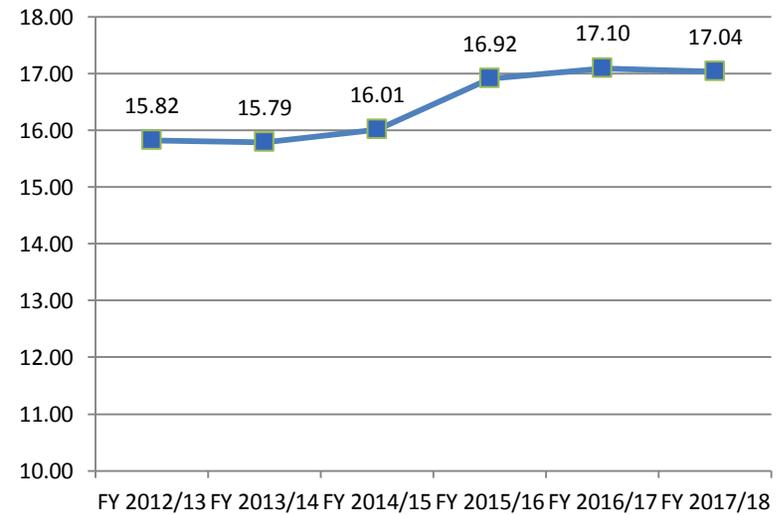


Exhibit 6.7 System VSM/VSH



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Exhibit 6.8 System Operating Cost/Passenger

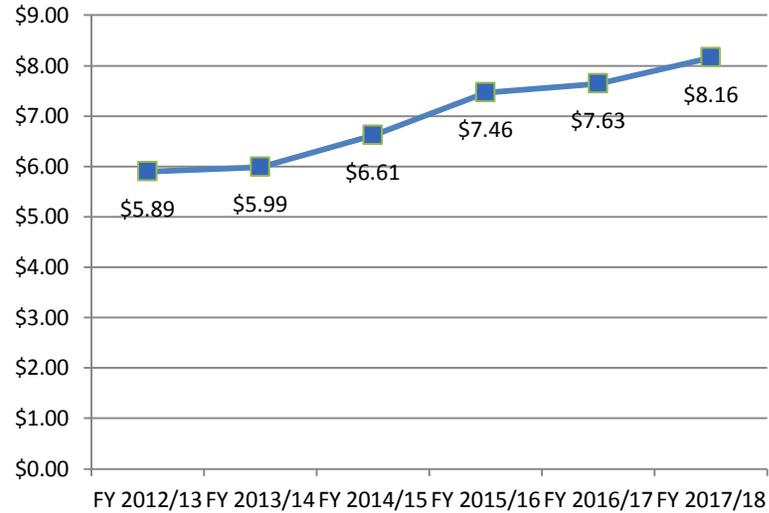


Exhibit 6.9 System Passengers/VSH

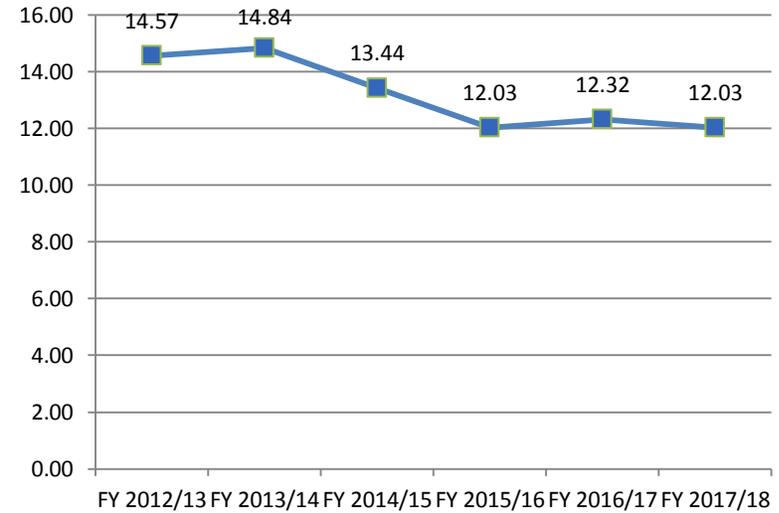


Exhibit 6.10 System Passengers/VSM

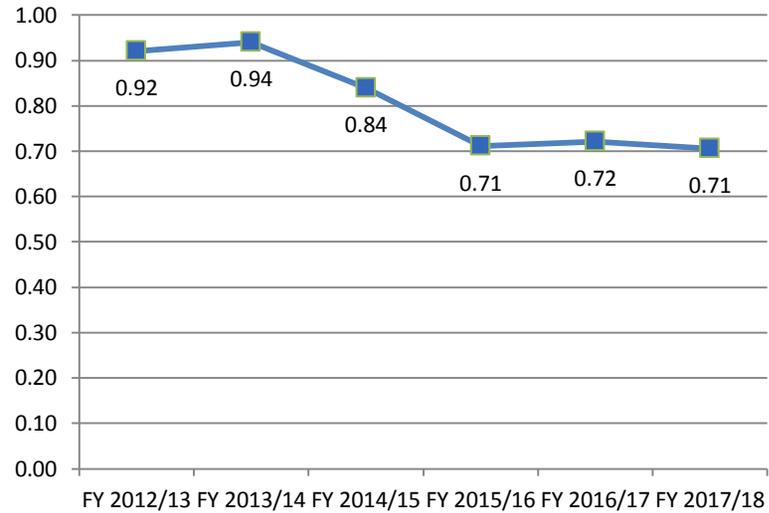
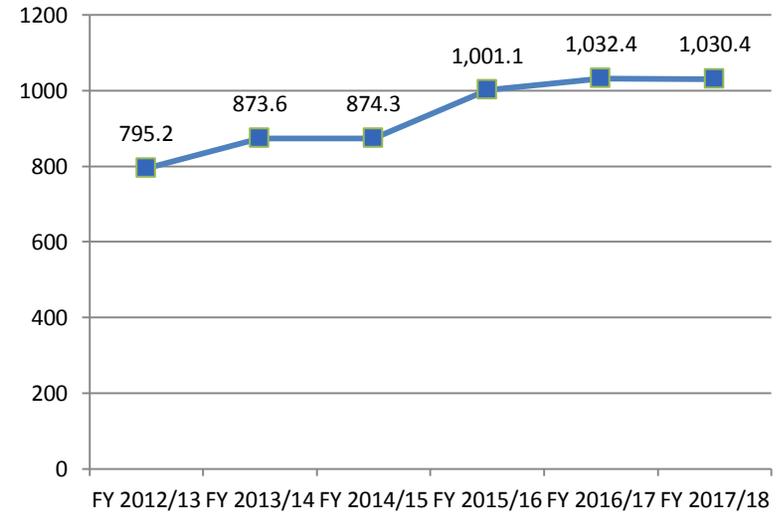


Exhibit 6.11 System VSH/FTE



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Exhibit 6.12 System Farebox Recovery

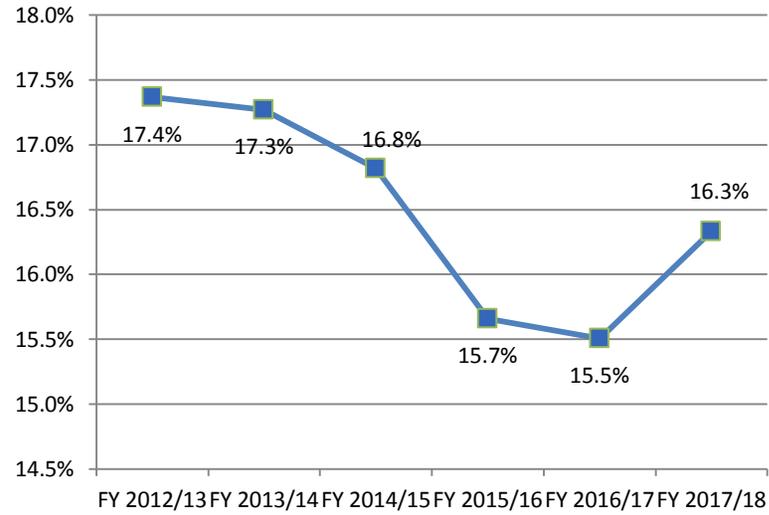
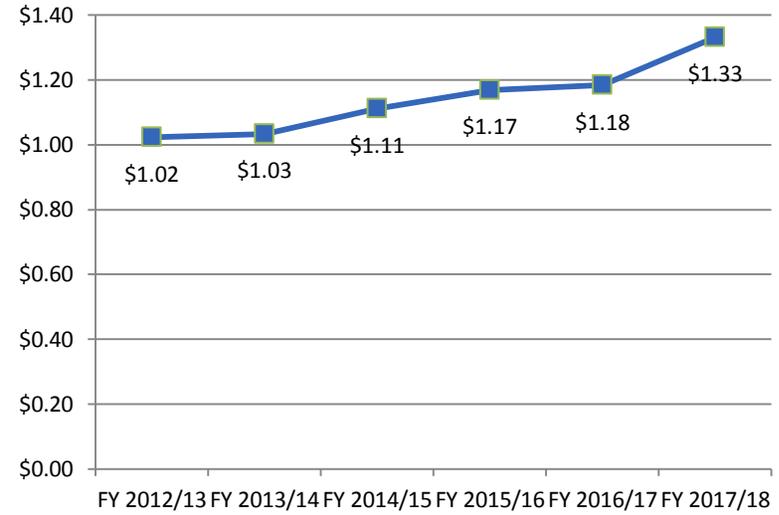


Exhibit 6.13 System Fare/Passenger



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Fixed-Route Performance

Given the fixed-route service (excluding the Burney Express) makes up the majority of the RABA system, fixed-route trends typically mirror those of RABA as a whole. Operating cost increased during most years of the six-year period. Overall, operating cost saw an increase of 14.9 percent between FY 2012/13 and FY 2017/18. Fare revenue declined at the end of the prior audit period and at the beginning of the current audit period, but rebounded considerably in the last two years. Between FY 2012/13 and FY 2017/18, fixed-route fare revenue saw a net increase of 12.4 percent.

Vehicle Service Hours (VSH) saw very little change over the six-year period, increasing just 1.1 percent. Vehicle Service Miles (VSM) generally changed very little from year to year, though VSM experienced a nearly six percent increase in FY 2015/16. This resulted in a net increase of 10.2 percent between FY 2012/13 and FY 2017/18. Ridership experienced significant decreases in FY 2014/15 and FY 2015/16, followed by a smaller decrease in FY 2017/18. This resulted in a net decrease of 18.3 percent over the six-year period.

Cost-related metrics rose throughout the audit period, while productivity-related metrics experienced only modest changes.

Exhibit 6.14 Fixed-Route Performance Indicators

Performance Measure	Fixed-Route					
	FY 2012/13	FY 2013/14	FY 2014/15	FY 2015/16	FY 2016/17	FY 2017/18
Operating Cost (Actual \$)	\$3,486,934	\$3,632,887	\$3,626,056	\$3,626,750	\$3,858,305	\$4,006,604
<i>Annual Change</i>		4.2%	-0.2%	0.0%	6.4%	3.8%
Fare Revenue (Actual \$)	\$685,897	\$706,413	\$699,922	\$639,281	\$670,176	\$770,812
<i>Annual Change</i>		3.0%	-0.9%	-8.7%	4.8%	15.0%
Vehicle Service Hours (VSH)	40,798	41,199	41,101	40,683	41,163	41,257
<i>Annual Change</i>		1.0%	-0.2%	-1.0%	1.2%	0.2%
Vehicle Service Miles (VSM)	578,826	586,061	595,628	629,859	635,957	637,806
<i>Annual Change</i>		1.2%	1.6%	5.7%	1.0%	0.3%
Passengers	807,894	823,012	742,172	664,010	677,193	659,997
<i>Annual Change</i>		1.9%	-9.8%	-10.5%	2.0%	-2.5%
Performance Indicators						
Operating Cost/VSH (Actual \$)	\$85.47	\$88.18	\$88.22	\$89.15	\$93.73	\$97.11
<i>Annual Change</i>		3.2%	0.0%	1.0%	5.1%	3.6%
Operating Cost/Passenger (Actual \$)	\$4.32	\$4.41	\$4.89	\$5.46	\$5.70	\$6.07
<i>Annual Change</i>		2.3%	10.7%	11.8%	4.3%	6.5%
Passengers/VSH	19.80	19.98	18.06	16.32	16.45	16.00
<i>Annual Change</i>		0.9%	-9.6%	-9.6%	0.8%	-2.8%
Passengers/VSM	1.40	1.40	1.25	1.05	1.06	1.03
<i>Annual Change</i>		0.6%	-11.3%	-15.4%	1.0%	-2.8%
Farebox Recovery	19.67%	19.44%	19.30%	17.63%	17.37%	19.24%
<i>Annual Change</i>		-1.1%	-0.7%	-8.7%	-1.5%	10.8%
TDA Non-Required Indicators						
Operating Cost/VSM	\$6.02	\$6.20	\$6.09	\$5.76	\$6.07	\$6.28
<i>Annual Change</i>		2.9%	-1.8%	-5.4%	5.4%	3.5%
VSM/VSH	14.19	14.23	14.49	15.48	15.45	15.46
<i>Annual Change</i>		0.3%	1.9%	6.8%	-0.2%	0.1%
Fare/Passenger	\$0.85	\$0.86	\$0.94	\$0.96	\$0.99	\$1.17
<i>Annual Change</i>		1.1%	9.9%	2.1%	2.8%	18.0%

Sources: All FY 2012/13 – FY 2014/15 data from prior Triennial Performance Audit.
 FY 2015/16 – FY 2017/18 financial data from RABA CAFRs.
 FY 2015/16 – FY 2017/18 performance data from System Performance Reports.

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Exhibit 6.15 Fixed-Route Ridership

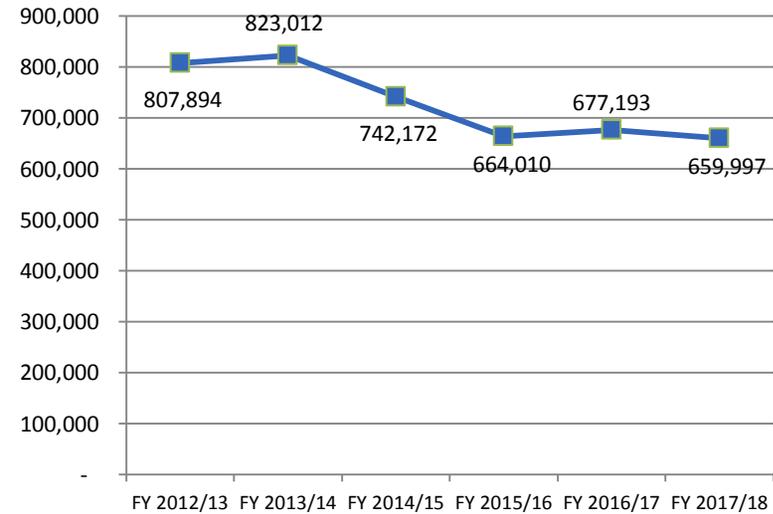


Exhibit 6.16 Fixed-Route Operating Cost/VSH

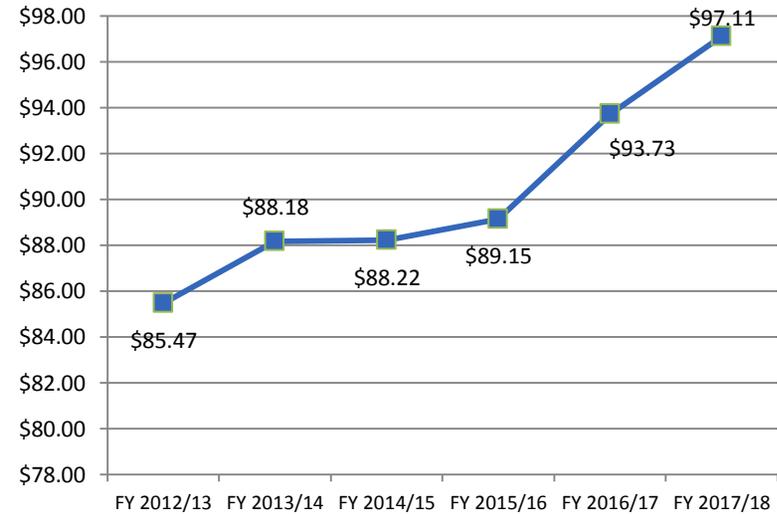


Exhibit 6.17 Fixed-Route Operating Cost/VSM

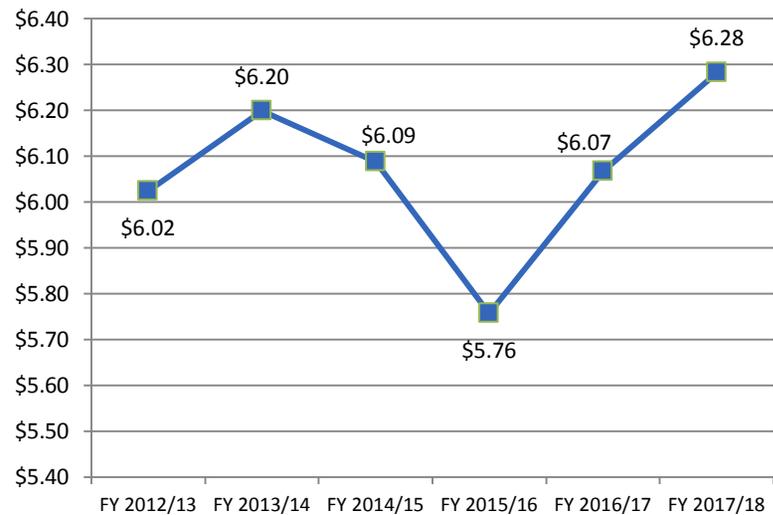
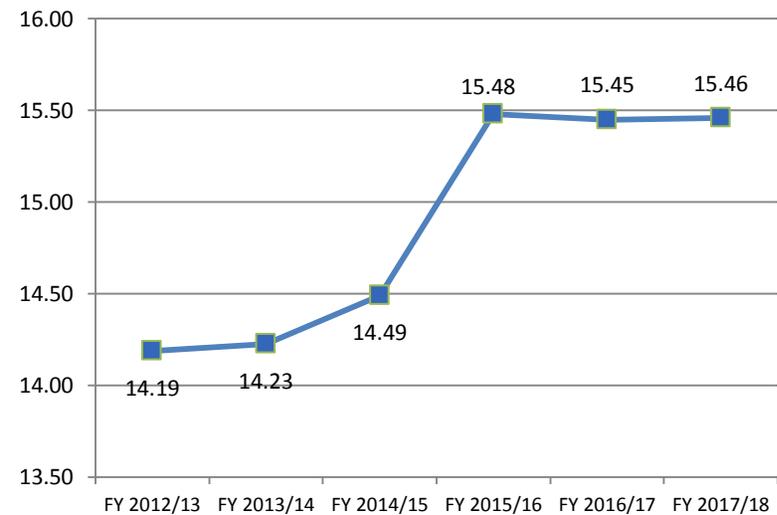


Exhibit 6.18 Fixed-Route VSM/VSH



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Exhibit 6.19 Fixed-Route Operating Cost/Passenger

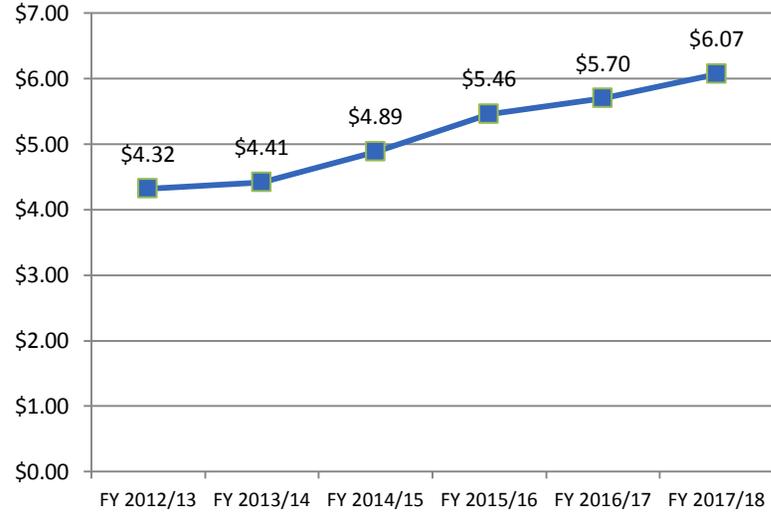


Exhibit 6.20 Fixed-Route Passengers/VSH

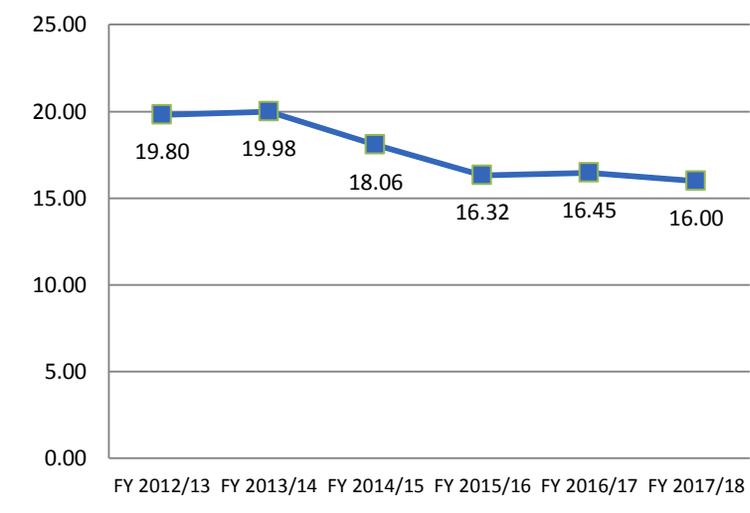


Exhibit 6.21 Fixed-Route Passengers/VSM

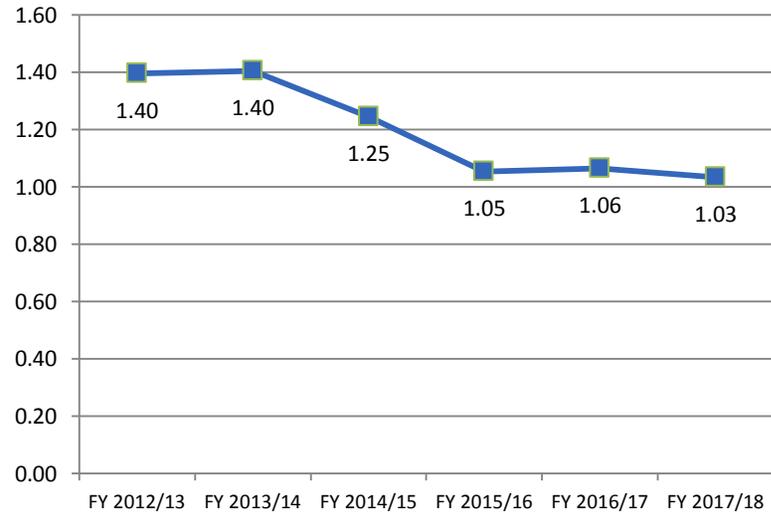
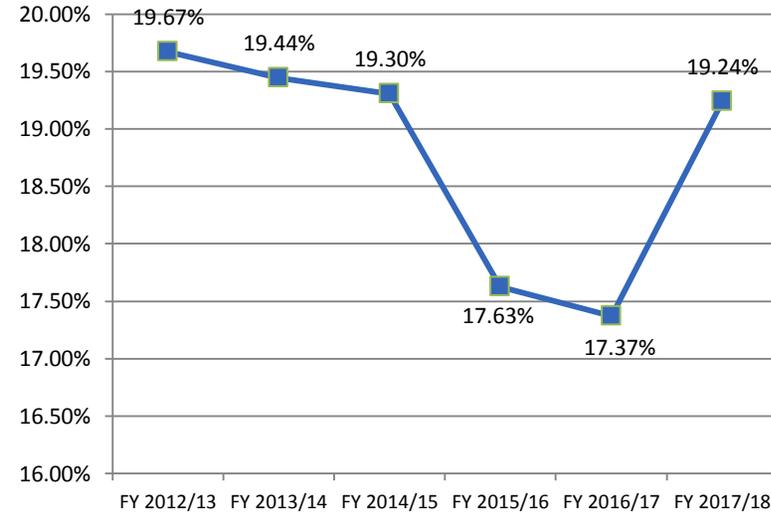


Exhibit 6.22 Fixed-Route Farebox Recovery

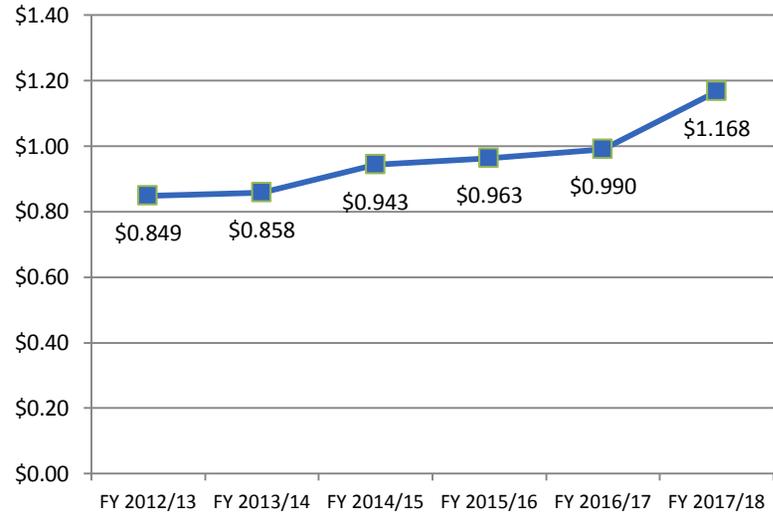


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Exhibit 6.23 Fixed-Route Fare/Passenger



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Burney Express Performance

The performance of the Burney Express included the addition of an afternoon trip in August 2015, which resulted in a significant increase in all performance measures in FY 2015/16.

Operating cost increased each year of the six-year period, though the increase in FY 2014/15 was less than one percent. Overall, operating cost saw an increase of 79.9 percent between FY 2012/13 and FY 2017/18. Fare revenue declined each year except for FY 2015/16, which saw a more than 26 percent increase. Between FY 2012/13 and FY 2017/18, Burney Express fare revenue saw a net increase of 9.0 percent.

Vehicle Service Hours (VSH) saw a significant increase in FY 2015/16, followed by a smaller increase in FY 2016/17. This resulted in an overall increase of 50 percent between FY 2012/13 and FY 2017/18. Vehicle Service Miles (VSM) experienced a similar pattern, resulting in a net increase of 40.4 percent between FY 2012/13 and FY 2017/18. Ridership experienced decreases in FY 2013/14 and FY 2014/15, followed by a significant increase in FY 2015/16. This resulted in a net increase of 10.6 percent over the six-year period.

Cost-related metrics rose throughout the audit period, while productivity-related metrics experienced only modest changes.



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Exhibit 6.24 Burney Express Performance Indicators

Performance Measure	Burney Express					
	FY 2012/13	FY 2013/14	FY 2014/15	FY 2015/16	FY 2016/17	FY 2017/18
Operating Cost (Actual \$)	\$137,159	\$155,435	\$156,550	\$211,824	\$237,118	\$246,775
<i>Annual Change</i>		13.3%	0.7%	35.3%	11.9%	4.1%
Fare Revenue (Actual \$)	\$23,605	\$22,764	\$20,993	\$26,560	\$26,021	\$25,722
<i>Annual Change</i>		-3.6%	-7.8%	26.5%	-2.0%	-1.1%
Vehicle Service Hours (VSH)	1,518	1,530	1,529	2,214	2,313	2,277
<i>Annual Change</i>		0.8%	-0.1%	44.8%	4.5%	-1.6%
Vehicle Service Miles (VSM)	61,608	58,140	58,141	84,249	87,780	86,526
<i>Annual Change</i>		-5.6%	0.0%	44.9%	4.2%	-1.4%
Passengers	5,457	4,912	4,493	5,969	6,266	6,038
<i>Annual Change</i>		-10.0%	-8.5%	32.9%	5.0%	-3.6%
Performance Indicators						
Operating Cost/VSH (Actual \$)	\$90.36	\$101.59	\$102.39	\$95.67	\$102.52	\$108.38
<i>Annual Change</i>		12.4%	0.8%	-6.6%	7.1%	5.7%
Operating Cost/Passenger (Actual \$)	\$25.13	\$31.64	\$34.84	\$35.49	\$37.84	\$40.87
<i>Annual Change</i>		25.9%	10.1%	1.8%	6.6%	8.0%
Passengers/VSH	3.59	3.21	2.94	2.70	2.71	2.65
<i>Annual Change</i>		-10.7%	-8.5%	-8.3%	0.5%	-2.1%
Passengers/VSM	0.09	0.08	0.08	0.07	0.07	0.07
<i>Annual Change</i>		-4.6%	-8.5%	-8.3%	0.8%	-2.2%
Farebox Recovery	17.2%	14.6%	13.4%	12.5%	11.0%	10.4%
<i>Annual Change</i>		-14.9%	-8.4%	-6.5%	-12.5%	-5.0%
TDA Non-Required Indicators						
Operating Cost/VSM	\$2.23	\$2.67	\$2.69	\$2.51	\$2.70	\$2.85
<i>Annual Change</i>		20.1%	0.7%	-6.6%	7.4%	5.6%
VSM/VSH	40.58	38.00	38.03	38.05	37.95	38.00
<i>Annual Change</i>		-6.4%	0.1%	0.1%	-0.3%	0.1%
Fare/Passenger	\$4.33	\$4.63	\$4.67	\$4.45	\$4.15	\$4.26
<i>Annual Change</i>		7.1%	0.8%	-4.8%	-6.7%	2.6%

Sources: All FY 2012/13 – FY 2014/15 data from prior Triennial Performance Audit.
 FY 2015/16 – FY 2017/18 financial data from RABA CAFRs.
 FY 2015/16 – FY 2017/18 performance data from System Performance Reports.

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Exhibit 6.25 Burney Express Ridership

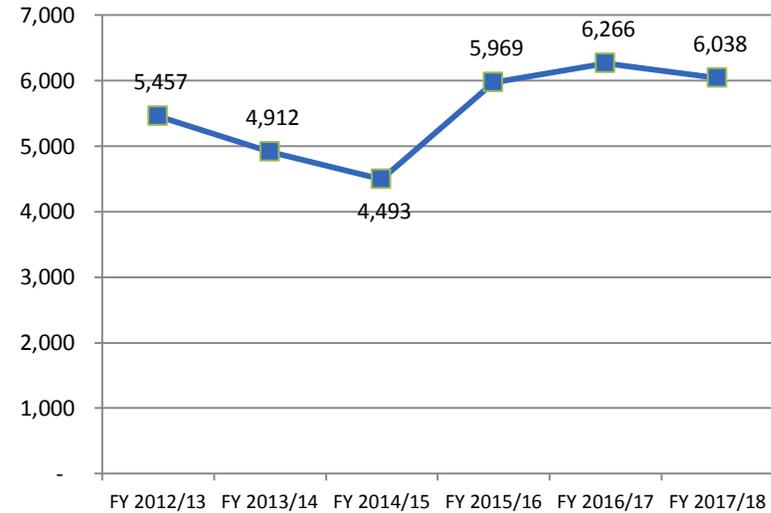


Exhibit 6.26 Burney Express Operating Cost/VSH

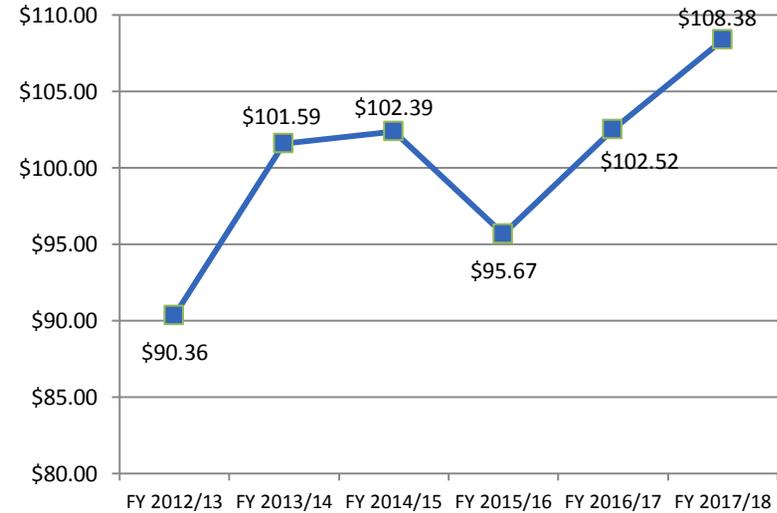


Exhibit 6.27 Burney Express Operating Cost/VSM

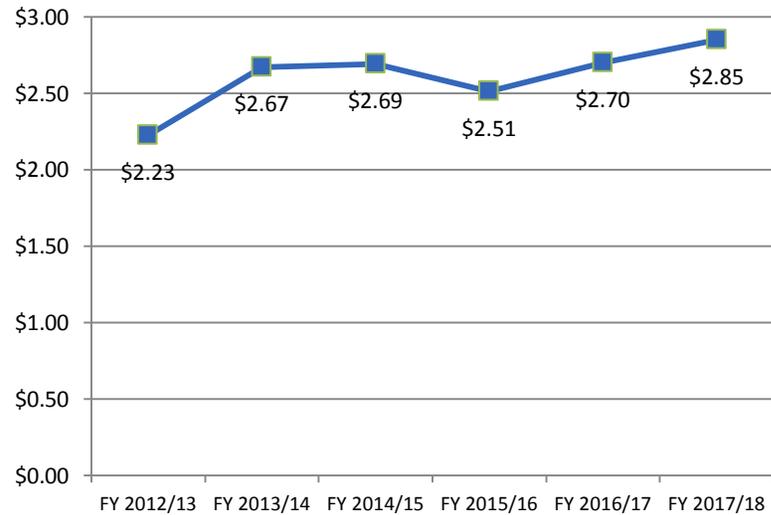
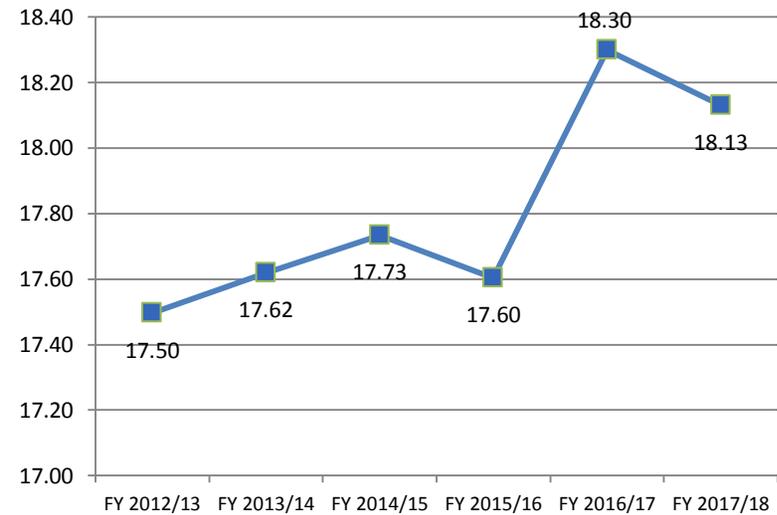


Exhibit 6.28 Burney Express VSM/VSH



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Exhibit 6.29 Burney Express Operating Cost/Passenger

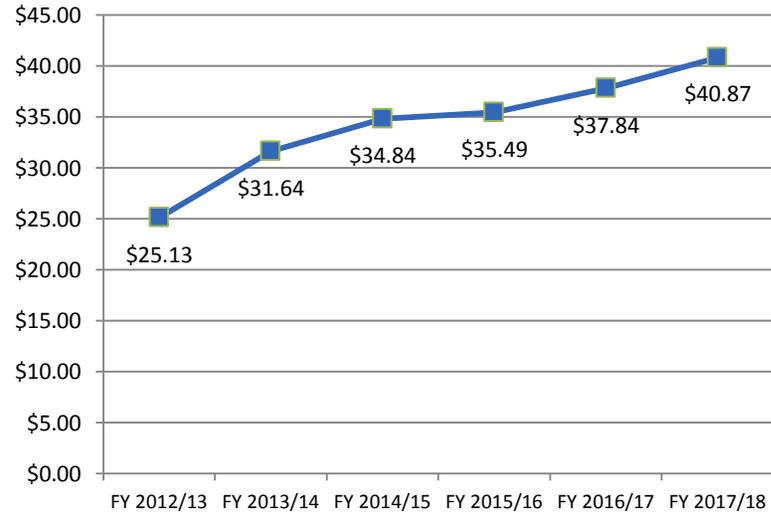


Exhibit 6.30 Burney Express Passengers/VSH

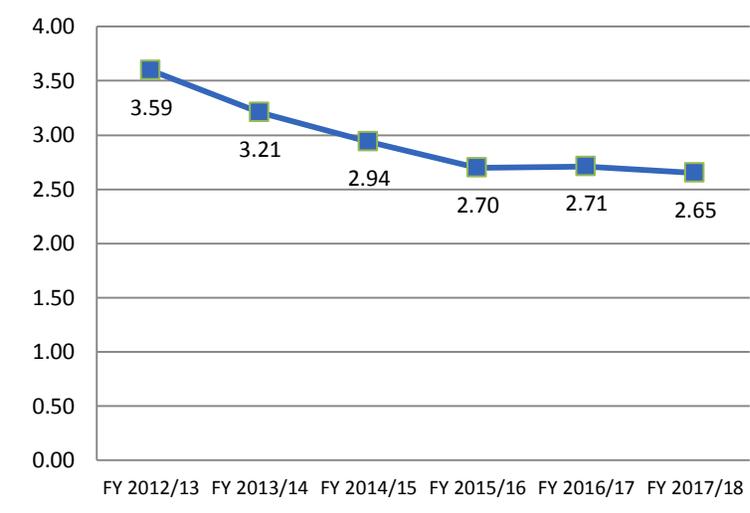


Exhibit 6.31 Burney Express Passengers/VSM

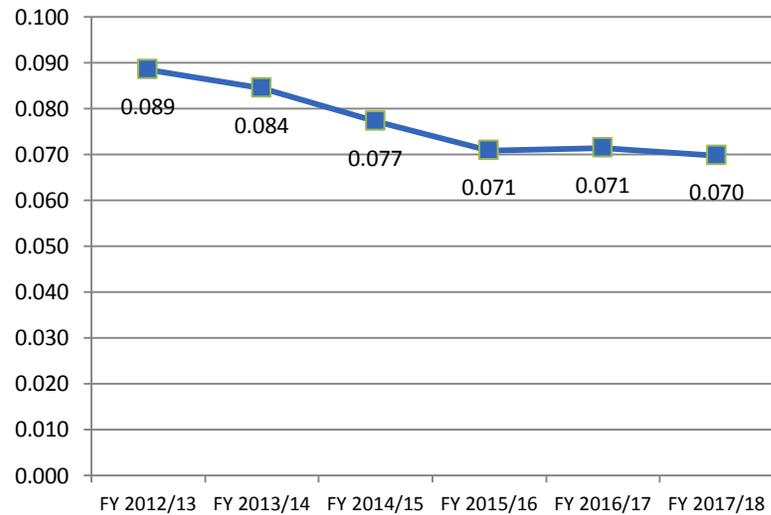
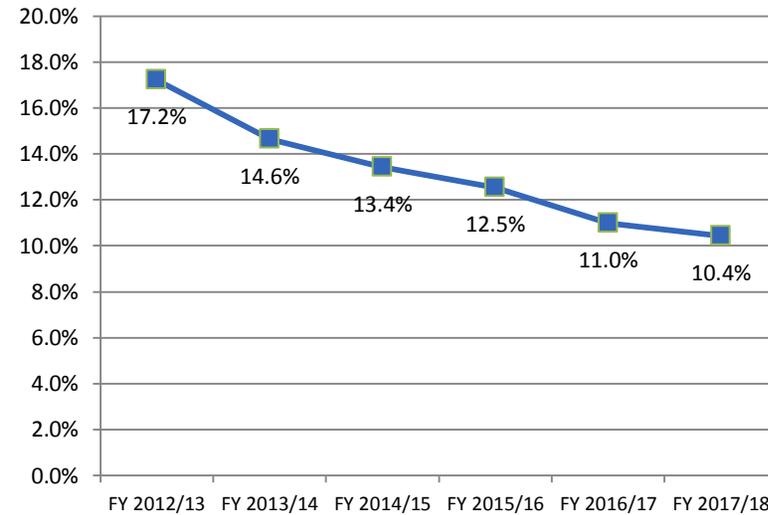


Exhibit 6.32 Burney Express Farebox Recovery

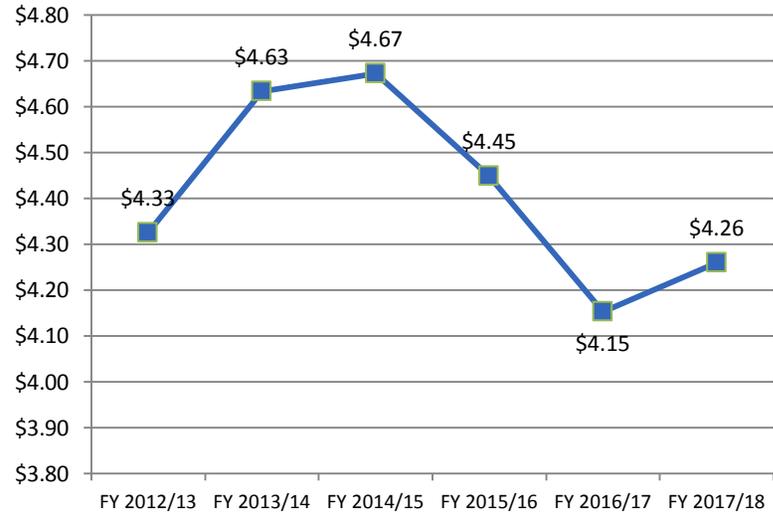


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Exhibit 6.33 Burney Express Fare/Passenger



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Demand-Response Performance

RABA's demand-response service has experienced less dramatic changes than the fixed-route service across the past six years.

Operating cost increased most years during the six-year period, resulting in a net increase of 7.8 percent between FY 2012/13 and FY 2017/18. Fare revenue declined during several years, with the most significant declines occurring with FY 2014/15 and FY 2017/18. Overall, demand-response fare revenue saw a net decrease of 10.2 percent.

Vehicle Service Hours (VSH) experienced a net decrease between FY 2012/13 and FY 2017/18, declining 6.3 percent. Vehicle Service Miles (VSM) experienced a similar pattern, resulting in a net decrease of 2.9 percent during the six-year period. Ridership experienced decreases in FY 2013/14 and FY 2014/15, then again in FY 2017/18. This resulted in a net decrease of 5.2 percent over the six-year period.

Cost-related metrics generally rose throughout the audit period, while productivity-related metrics experienced only modest changes.

Exhibit 6.34 Demand-Response Performance Indicators

Performance Measure	Demand-Response					
	FY 2012/13	FY 2013/14	FY 2014/15	FY 2015/16	FY 2016/17	FY 2017/18
Operating Cost (Actual \$)	\$1,495,111	\$1,491,828	\$1,501,565	\$1,556,079	\$1,537,815	\$1,611,600
Annual Change		-0.2%	0.7%	3.6%	-1.2%	4.8%
Fare Revenue (Actual \$)	\$179,594	\$182,786	\$167,751	\$178,959	\$177,245	\$161,296
Annual Change		1.8%	-8.2%	6.7%	-1.0%	-9.0%
Vehicle Service Hours (VSH)	17,326	16,678	16,824	17,169	16,405	16,232
Annual Change		-3.7%	0.9%	2.1%	-4.4%	-1.1%
Vehicle Service Miles (VSM)	303,133	293,840	298,360	302,227	300,213	294,282
Annual Change		-3.1%	1.5%	1.3%	-0.7%	-2.0%
Passengers	55,699	53,953	52,158	52,744	54,395	52,821
Annual Change		-3.1%	-3.3%	1.1%	3.1%	-2.9%
Performance Indicators						
Operating Cost/VSH (Actual \$)	\$86.29	\$89.45	\$89.25	\$90.63	\$93.74	\$99.29
Annual Change		3.7%	-0.2%	1.5%	3.4%	5.9%
Operating Cost/Passenger (Actual \$)	\$26.84	\$27.65	\$28.79	\$29.50	\$28.27	\$30.51
Annual Change		3.0%	4.1%	2.5%	-4.2%	7.9%
Passengers/VSH	3.21	3.23	3.10	3.07	3.32	3.25
Annual Change		0.6%	-4.2%	-0.9%	7.9%	-1.9%
Passengers/VSM	0.18	0.18	0.17	0.17	0.18	0.18
Annual Change		-0.1%	-4.8%	-0.2%	3.8%	-0.9%
Farebox Recovery	12.0%	12.3%	11.2%	11.5%	11.5%	10.0%
Annual Change		2.0%	-8.8%	2.9%	0.2%	-13.2%
TDA Non-Required Indicators						
Operating Cost/VSM	\$4.93	\$5.08	\$5.03	\$5.15	\$5.12	\$5.48
Annual Change		2.9%	-0.9%	2.3%	-0.5%	6.9%
VSM/VSH	17.50	17.62	17.73	17.60	18.30	18.13
Annual Change		0.7%	0.7%	-0.7%	4.0%	-0.9%
Fare/Passenger	\$3.22	\$3.39	\$3.22	\$3.39	\$3.26	\$3.05
Annual Change		5.1%	-5.1%	5.5%	-4.0%	-6.3%

Sources: All FY 2012/13 – FY 2014/15 data from prior Triennial Performance Audit.
 FY 2015/16 – FY 2017/18 financial data from RABA CAFRs.
 FY 2015/16 – FY 2017/18 performance data from System Performance Reports.

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Exhibit 6.35 Demand-Response Ridership

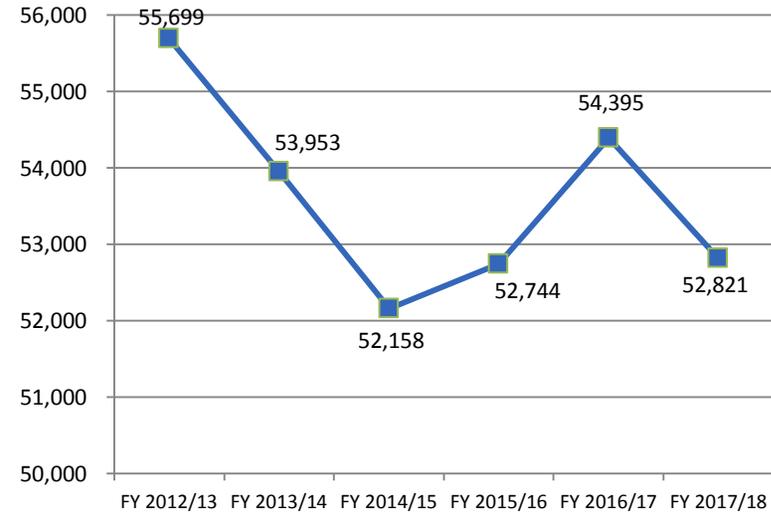


Exhibit 6.36 Demand-Response Operating Cost/VSH

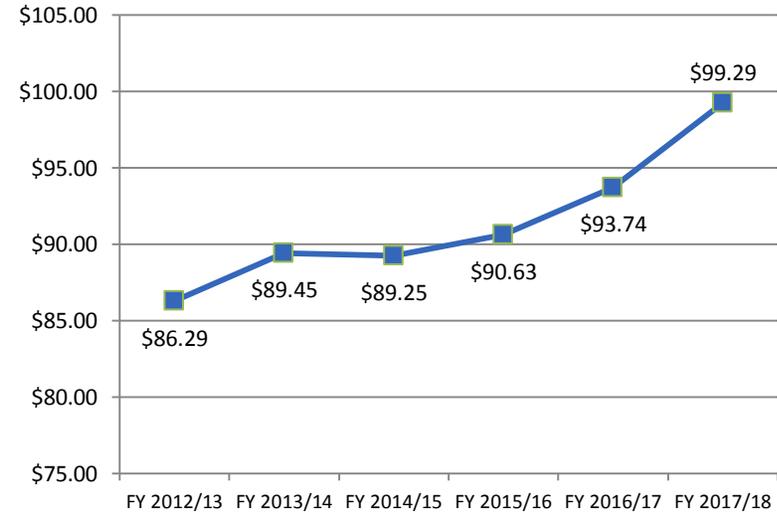


Exhibit 6.37 Demand-Response Operating Cost/VSM

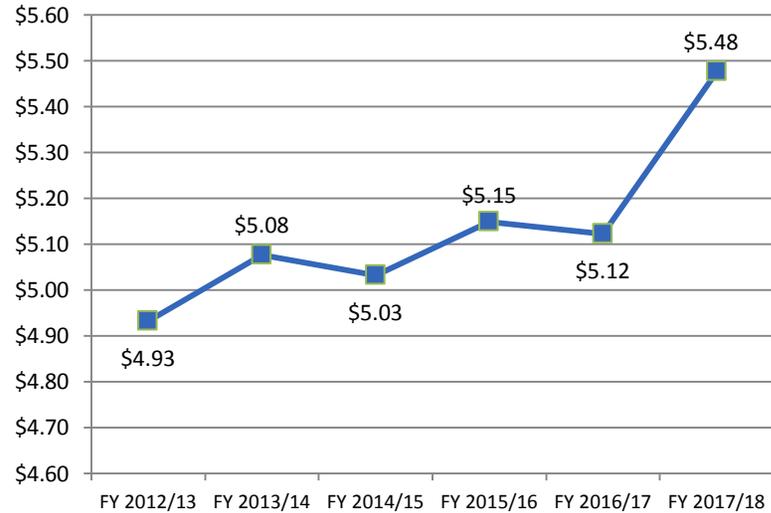
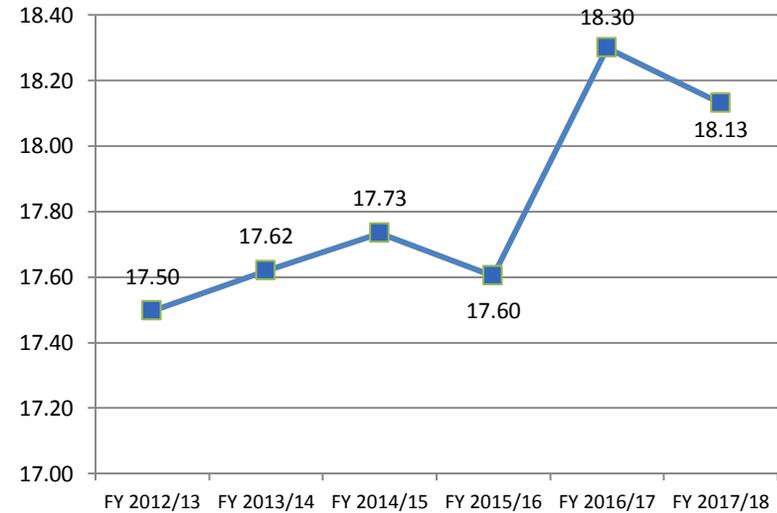


Exhibit 6.38 Demand-Response VSM/VSH



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Exhibit 6.39 Demand-Response Operating Cost/Passenger

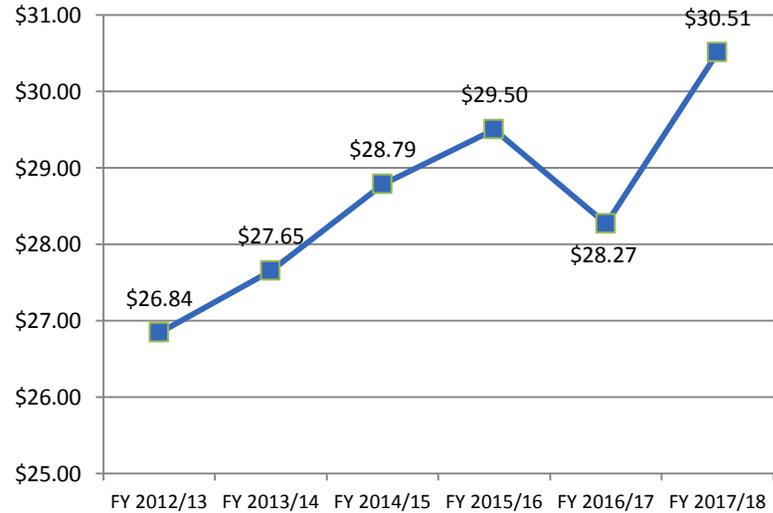


Exhibit 6.40 Demand-Response Passengers/VSH

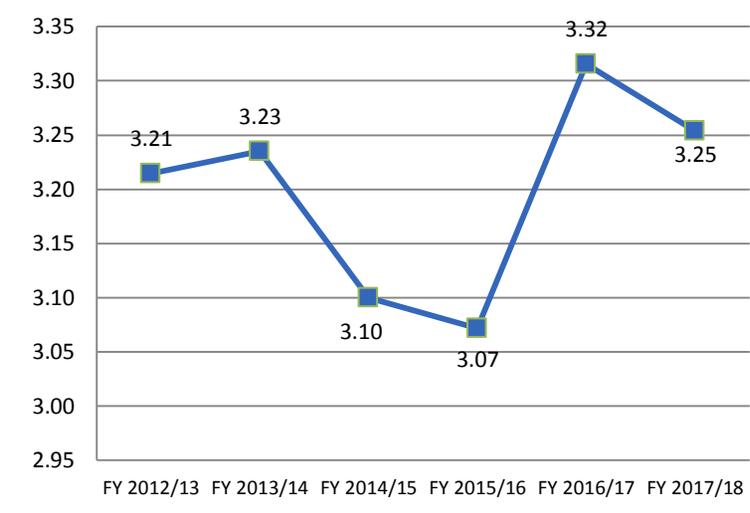


Exhibit 6.41 Demand-Response Passengers/VSM

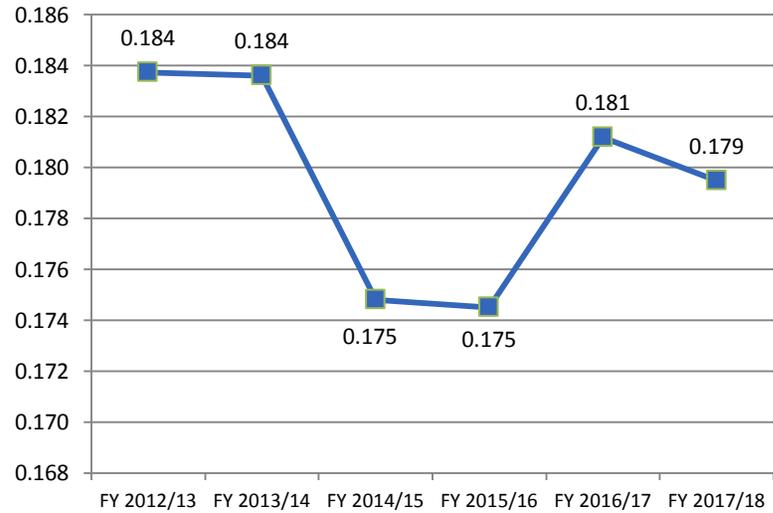
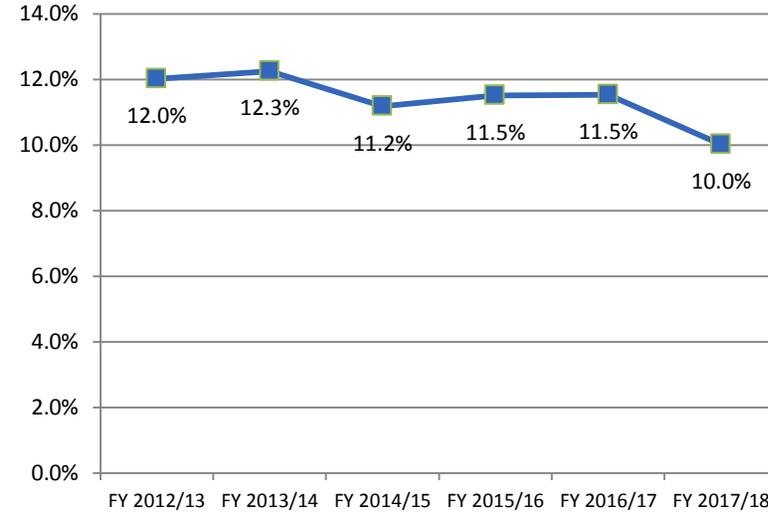


Exhibit 6.42 Demand-Response Farebox Recovery

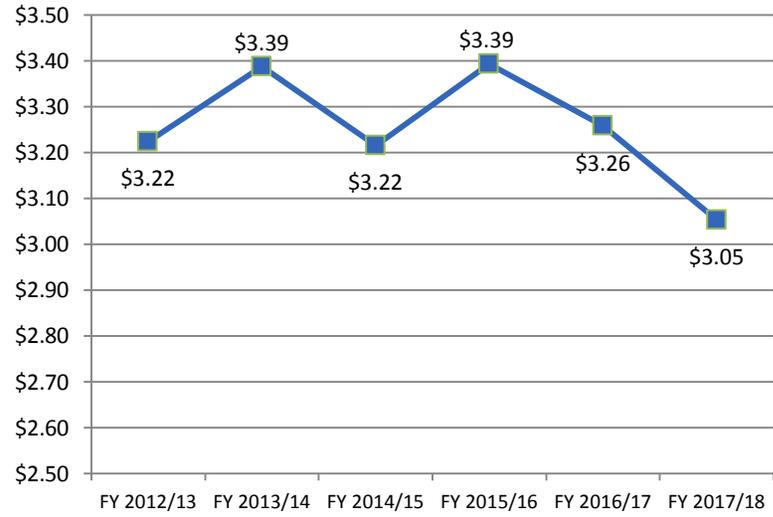


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Exhibit 6.43 Demand-Response Fare/Passenger



Chapter 7 Functional Review

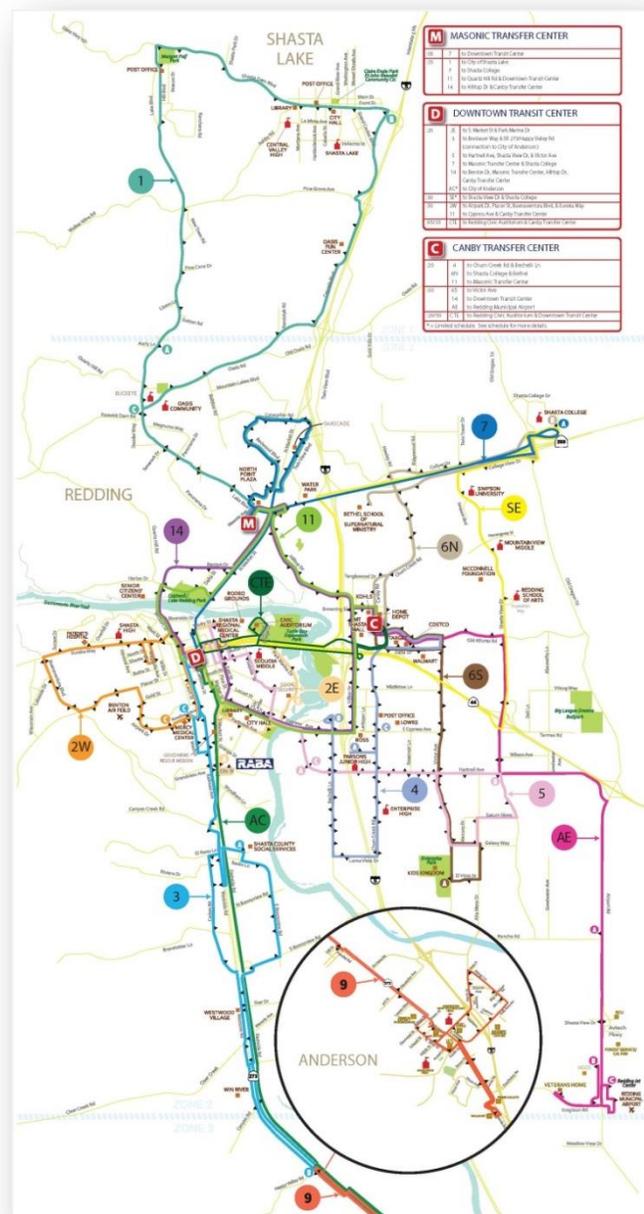
A functional review of the Redding Area Bus Authority's public transit program is intended to assess the effectiveness and efficiency of the operator. Following a general summary of RABA's transit services, this chapter addresses seven functional areas. The list, taken from Section III of the *Performance Audit Guidebook* published by Caltrans, reflects those transit services provided by the Redding Area Bus Authority through its transit program:

- General management and organization;
- Service planning;
- Scheduling, dispatch, and operations;
- Personnel management and training;
- Administration;
- Marketing and public information; and
- Fleet maintenance.

Service Overview

Redding Area Bus Authority (RABA) provides bus and paratransit services in the cities of Redding, Shasta Lake, and Anderson as well as unincorporated portions of Shasta County. RABA operates 10 fixed routes from approximately 6:20 a.m. to 7:30 p.m. weekdays and 9:20 a.m. to 7:30 p.m. Saturday. Three commuter routes operate Monday through Friday with varying schedules. The School Express route operates two trips per weekday during the school year only. RABA also operates the Burney Express on behalf of Shasta County, offering three trips in each direction, Monday through Friday.

RABA's paratransit service is known as Demand Response Service, a shared-ride origin-to-destination public transit for persons with disabilities. Demand Response Service provides transportation during the



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same days and hours as fixed-route service, and across the same service area.

RABA observes the following holidays: New Year’s Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, and Christmas Day. There is no Sunday service.

Fare Structure

Exhibit 7.1 details RABA’s fixed-route fare structure, while Exhibit 7.2 illustrates the Burney Express fare structure. Exhibit 7.3 provides the Demand Response Service paratransit and senior fare structure.

Exhibit 7.1 Fixed-Route Service Fare Structure

Fare Category	Fare
One Zone - Adults and youth	\$1.50
One Zone - Seniors (age 62+), persons with disability, veterans (with proof of age or RABA Disabled ID)	\$0.75
Each Additional Zone - Adults and youth	\$0.75
Each Additional Zone - Seniors (age 62+), persons with disability, veterans (with proof of age or RABA Disabled ID)	\$0.35
Children under 6 when accompanied by fare-paying adult	Free

Type of Pass	Fare
Youth (6-17) Monthly pass - Redding	\$29.00
Youth (6-17) Monthly pass - Redding-Shasta	\$29.00
Youth (6-17) Monthly pass - Redding-Anderson	\$29.00
Adult (18-61) Monthly pass - Redding	\$48.25
Adult (18-61) Monthly pass - Redding-Shasta	\$82.00
Adult (18-61) Monthly pass - Redding-Anderson	\$82.00
Seniors (age 62+), persons with disability, veterans (with proof of age or RABA Disabled ID) Monthly pass - Redding	\$24.00
Seniors (age 62+), persons with disability, veterans (with proof of age or RABA Disabled ID) Monthly pass - Redding-Shasta	\$41.00
Seniors (age 62+), persons with disability, veterans (with proof of age or RABA Disabled ID) Monthly pass - Redding-Anderson	\$41.00

Exhibit 7.2 Burney Express Fare Structure

From	To			
	Shasta College/ Bella Vista	Round Mtn/ Montgomery Ck	Burney	Redding
Redding	\$2.00	\$3.50	\$5.00	---
Burney	\$3.50	\$2.00	---	\$5.00

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Exhibit 7.3 Demand Response Service Fare Structure

Fare Category	Fare
One Zone - All passengers	\$3.00
Each Additional Zone - All passengers	\$1.50

Major initiatives taking place during the audit period are noted below.

- FY 2015/16:
 - Passenger loading improvements, including bus benches, shelters, sidewalk connections crosswalks, etc.
 - Upgrade of RABA’s telephone system to voice-over IP (VOiP) technology.
 - Received a Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association for financial reporting for FY 2015.
- FY 2016/17:
 - Introduction of the Cottonwood Express pilot project, which provided service between Cottonwood and downtown Redding via Anderson.
 - Continuation of passenger loading improvements, including retrofitting existing shelters with solar safety lighting.
 - Maintenance facility improvements, including a solar parking shade structure.
 - Delivery of four new paratransit vans.
 - Acquisition of a portable trailer-mounted high-pressure washing system to replace a non-working pressure washer.
 - Received a Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association for financial reporting for FY 2016.
- FY 2017/18:
 - Delivery of three replacement 35-foot Gillig buses.
 - Elimination of the Cottonwood Express (one-year pilot project).
 - Modification of routes serving the City of Anderson.

General Management and Organization

RABA is administered through a joint powers agreement, the signators of which are the cities of Anderson, Redding and Shasta Lake, and the County of Shasta. The City of Redding serves as the lead agency, providing administrative management of the program. RABA itself has no employees; administrative and management staff are employees of the City of Redding, while operational staff are employees of an operations contractor, Transdev. Management and administration of RABA lies within the City of Redding’s Public Works Department.

RABA’s organizational chart is illustrated in Exhibit 7.4.

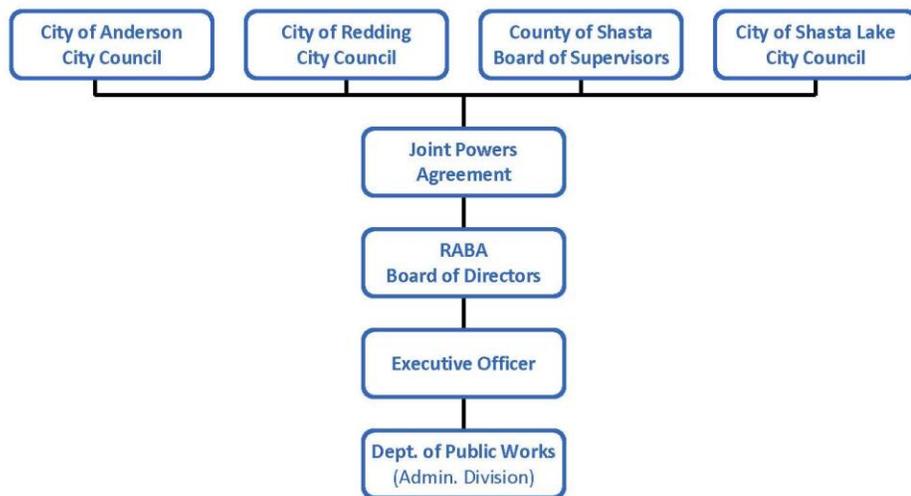


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Exhibit 7.4 Organizational Chart



Source: Redding Area Bus Authority.

The City of Redding’s Public Works Director serves as RABA’s Executive Officer. In June 2018, the prior Public Works Director retired after ten years with the City. The City’s Assistant Public Works Director succeeded him as Public Works Director/Executive Officer and participated in this audit process. Other management and administrative staff began working for RABA within the audit period. The program is staffed appropriately through the City of Redding, though they could use one more clerk-level staffer. All City staff assigned to RABA are only assigned there part-time. RABA staff have an excellent relationship with the RTPA, Shasta Regional Transportation Agency.

Direction for RABA is provided by an eight-member Board of Directors. The Board includes five members from the City of Redding and one member each from Shasta County, the City of Anderson, and the City of Shasta Lake. Board meetings are held on the third Monday of each month at 5:15 p.m. at the City of Redding’s Council Chambers (777 Cypress Ave.). Board meetings are open to the public and held in an handicap-accessible location served by RABA routes 5, 11, and 14.

Management and the Board are particularly interested in being part of the community. RABA participates in community events in a variety of capacities as often as it can.

RABA service is provided through an operations and maintenance contract with Transdev. Transdev (and its predecessor companies) have held this contract for many years. Transdev completed a seven-year contract in 2018 and was selected again through a competitive procurement for a new seven-year contract (five-year base period plus two two-year options). This will potentially leave Transdev in place as the operations contractor through 2025.

The RABA Executive Officer and Management Analyst conduct regular biweekly staff meetings with the General Manager, Operations/Safety Manager, and Trainer for Transdev, the operations contractor. Management is pleased with its operations contractor. The current operations staff has been with RABA for a long time (under different corporate names). While certain things can be improved, staff has a good feed for the community, its population, and ridership. Management would like to see Transdev

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draw more on its corporate resources to solve local challenges. As a world-wide company, Transdev has access to insights and solutions developed at other properties that could have bearing on RABA operations.

One of the primary concerns of management is the farebox recovery ratio. RABA has not implemented a fare increase since 2006. Given anticipated increases in operating costs, absent system growth RABA will not be able to keep up with farebox recovery goals. A route guarantee with the IASCO flight school supporting the Airport Express route has helped, but that contract ended in FY 2017/18. This may result in future service reductions on the Airport Express route. Changes in the TDA which allow more local sources to be counted as farebox revenue are helpful, but may not be able to offset this loss of revenue.

Service Planning

The most recent Short Range Transit Plan (S RTP) was completed in June 2014. Funded by a Caltrans planning grant, it was prepared by an outside consultant. Staff was pleased with the outcome of the S RTP.

Goals and objectives were part of the S RTP process. Performance targets are addressed as part of monthly reports to the RABA Board. Progress is evaluated regularly and improvements have been made. Staff actively seeks to identify areas where RABA is falling short with respect to performance goals.

RABA's transportation planner actively works to identify development areas that may require transportation, as well as coordination with active transportation. This includes meeting with various departments within the City, review of site plans, evaluating pedestrian access to bus stops, and reduced parking requirements with appropriate bus access. RABA communicates regularly with planning and zoning agencies.

RABA's Demand Response Service operates as complementary paratransit per federal requirements. This mode is eligibility-based and is open to ADA-certified customers only. There is no senior Dial-A-Ride. The goal is to shift as many people onto the fixed-route service as possible. All vehicles are accessible to wheelchairs and individuals with mobility impairments. Half-fare pricing is offered to seniors and persons with disabilities onboard the fixed-route service. A reduced youth fare is also available. Fares for the Burney Express are established separately by the County of Shasta.

Public participation with respect to service changes is conducted as spelled out by RABA's Title VI Plan. Notices to the public are posted via newspaper and radio, with additional information made available on the RABA website and onboard vehicles. Hearings are conducted as part of the transit planning process, as set forth in Public Participation Policy within the Title VI Plan. Hearings are generally held at city hall, though meetings may be held in other jurisdictions (such as Anderson or Shasta Lake) as appropriate. SRTA manages the unmet needs process for all of Shasta County through its Social Service Transportation Advisory Council (SSTAC).

RABA conducted a customer and telephone survey as part of the development of its most recent S RTP. A basic survey is conducted annually in October. Other survey efforts include a questionnaire-type survey for the Cottonwood Express prior to its elimination. A survey of the Airport Express route is currently underway.

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RABA has considered implementing Automatic Passenger Counters (APCs) on its vehicles, but is unsure as to how it would utilize the data that would be generated. Staff is not sure this is an avenue they want to pursue or not.

Scheduling, Dispatch, and Operations

Transdev drivers bid on shifts based on seniority, and the process is governed by a collective bargaining agreement. Ninety-nine percent of drivers are qualified to drive both fixed-route and demand-response services. There is one driver (grandfathered in) that drives for the Demand Response Service only and is not qualified to drive for the fixed-route service. Many drivers prefer one mode over the other. All qualified drivers are cross-trained on the Burney Express route.

Typically, all of Transdev's 37 drivers are considered full-time drivers (30 or more hours per week). There are two part-time drivers who are part-time due to personal or medical reasons. At the time of the site visit, two drivers were cadetting with another two scheduled to begin training the following week. Vacation is accrued based on how many days per month they work; drivers are eligible for vacation if they work 14 or more days per month. Sick time is accrued the same way, though there are different rules for holiday pay.

Transdev does not currently maintain an extra board. Sign-up sheets are posted for drivers to volunteer to cover vacation, days off, etc. Policies for absences and sick leave are defined in the drivers' union contract. Transdev is constantly training and recruiting drivers. Transdev management would ultimately like to have standby drivers, who report to work but are not assigned to a route, to cover last-minute absences. This is a goal for some time in the future. Currently, when drivers call out at the last minute, the first driver to walk in (who is scheduled for a later route) may get reassigned. Other remedies include calling in a driver who is not on the schedule for that day, or assigning a dispatcher, road supervisor, or trainer to cover the route.

Vehicles are assigned to routes by dispatch based on route restrictions. The 40-foot buses cannot be assigned to some routes due to roadway restrictions, so they are generally assigned to routes 1, 11, and 14, which carry the majority of riders and have no geographic restrictions. Dispatch receives a down list from maintenance at the end of the day to ensure no vehicles that are not in good repair are assigned for the next day. Sometimes vehicles that are scheduled to be pulled for maintenance later in the day are assigned to in-town routes to facilitate the vehicle change.

Buses are probed every evening and fareboxes are dropped into the vault. Neither drivers nor utility workers have access to the fares. The next day, the report is run and two supervisors go to the counting room to count the money. The key to the vault is securely stored in the general manager's office. The counting room is well-covered from multiple angles by video cameras, including a camera outside the counting room that is trained on the vault. Fare revenue is counted on a daily basis, with a weekly deposit each Thursday. Cash is transported through a contract with the Loomis armored car company. RABA generates between \$3,000 and \$5,000 in cash each week. Revenue collection is sufficiently secure given the amount of fares collected. Cash receipts for pass sales are reconciled back to the number of passes issued on a daily and weekly basis.



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Bus yard with solar panel canopy



Vault drop and probe



Bus yard



Vault drop camera



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Personnel Management and Training

Recruitment is a constant struggle for Transdev management. There is an ongoing driver shortage despite offering hiring bonuses, referral bonuses, etc. Jobs are posted on Indeed and on Transdev's job site online. Recruits may already be licensed or may be completely inexperienced. Transdev met its affirmative action goals for this year.

Transdev motivates employees by doing a lot of hands-on work with them. In addition to monthly meetings, they offer feedback, hold barbecues, and recognize an employee of the quarter (who receives a restaurant gift certificate). The current turnover rate is about 12 percent. It has been higher in the past, and there have been several years with virtually no turnover. FY 2016/17 was the hardest, with turnover throughout the program, not just drivers. Most drivers who leave do so for personal reasons or because of absenteeism (no-shows). Transdev has recently had multiple drivers with 20 or more years of experience retire. In the last six months, only one driver has left for disciplinary reasons. All Transdev staff receive an annual performance evaluation, and drivers are observed annually as well. Drivers may also be observed if the general manager receives a call or complaint about a specific driver.

Initial driver training starts with all paperwork, background check, and pre-employment physical, then follows the Transdev curriculum. This includes 40 hours of classroom training plus preparation for the DMV licensing exam if the recruit is not yet licensed. Overall training is approximately 120 hours. Each month, safety meetings offer ongoing training, with a new topic each month and refresher training on certain topics held annually. At the time of the site visit, fire suppression training was scheduled for an upcoming safety meeting. Transdev's SmartDrive system offers an opportunity for additional coaching.

Rules are enforced through a progressive discipline policy (verbal, written warning, suspension). Transdev prefers to work with its employees to correct issues as much as possible. Transdev has a good rapport with its union (Teamsters Local 137). Policies are included in the employee handbook. Additional training on absences and tardiness was conducted in January 2018.

Transdev employees who are represented receive benefits through the union, including life insurance, medical, dental, vacation, sick leave, maternity, and retirement. Transdev pays for a portion of medical and dental, though there are some shared costs. Pension plan contributions are based on the number of hours work. Employees can elect to do a one-to-one match. Benefits are only available to full-time drivers (those who work 30 or more hours per week). At this time, all part-time drivers receive benefits elsewhere, so not being eligible for benefits has not been an issue. Non-union Transdev employees receive benefits information annually during open enrollment and can go online to select their benefits.

Administration

In budgeting for RABA, the City uses a seven-year budget outlook. It plans seven years out based on a 2.5 to 3 percent overall increase. The budget is reviewed and adjusted in April/May each year, then approved by the RABA Board in June.

RABA compares budgeted expectations with actual revenue and expenses each quarter at a budget meeting, where the budget is reviewed line by line. Parts and supplies are monitored pretty heavily, as is fuel costs. Improvements may be deferred if necessary to stay within the established budget. Excesses over budgeted expenses only go to the Board if they will exceed the total budget. Staff can reallocate budgeted funds as needed to cover modest overages in a particular budget category.

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Grant application and compliance is the responsibility of the Management Analyst. RABA has not lost any grants. There was one year in which RABA was not able to claim the full amount of a grant due to submittal timeline, but that was prior to the hiring of the current grants staff.

RABA utilizes the City's risk management personnel. The City processes claims and hold insurance on facilities, but transfers what risk it can to its operations contractor (vehicle insurance, "hold harmless" clause naming the City, etc.). The City is self-insured.

The Public Works Director was unsure as to whether the City has a disaster preparedness and response plan specific to RABA. The City has a documented plan, and RABA participates in drills with law enforcement and is used for evacuations as needed. During the recent Carr Fire (July – September 2018), RABA suspended its regular service one Friday to evacuate residents. Customers were notified of the service cancellation through Facebook and the RABA website, and RABA received no complaints resulting from this action.

The City's Transportation Planner manages the RABA operations contract, which is approved by the RABA Board. The procurement process follows the City's established purchasing policies, which are in compliance with FTA guidelines. Fuel, security, and pest control are purchased jointly with the City. All other goods/services are competitively purchased.

Any goods and services that are purchased also go through contracts with the purchasing department. Invoice terms, quantities, and prices are verified against purchase orders. RABA staff work with Transdev to verify something has been received before authorizing payment. Vehicle repair quotes (when outsourced) are reviewed by the Management Analyst and approved by the Public Works Director before Transdev is authorized to make repairs. The Public Works Director has signature authority of up to \$125,000.

The City does have an internal audit function, which conducts annual audits using City Finance staff. Management reviews internal audit reports and determines if action was taken on recommendations.

Marketing and Public Information

RABA's last big marketing/outreach effort was in 2009, when they contracted with Illium to prepare a marketing plan, rebrand the system, and create several different initiatives. Illium came up with a few programs that continue, such as the advertising program. Most marketing focuses on community events, where RABA often has a booth and brings a vehicle for display. Some of these activities include:

- Annual veterans salute – set up at a location in partnership with a local bank and others, with supporting radio coverage. Donated funds go toward purchasing passes for veterans.
- Free bus service for events such as the Watershed Festival, Earth Fair, Think Pink, and Sundial Splash – these are viewed as marketing/outreach activities.
- Contract with KRCR for commercial radio spots.
- Marketing to schools, including participation in Shasta College's open house, a partnership with the Bethel School of Ministry (and participation in its orientation activities), and the development of flyers for the YMCA to show students how to get there from their schools. RABA offers discounted fares for school field trips (\$0.35 per ride), and works through the Martin Luther King Jr. Center for summer field trips. In 2017, RABA offered free rides to high

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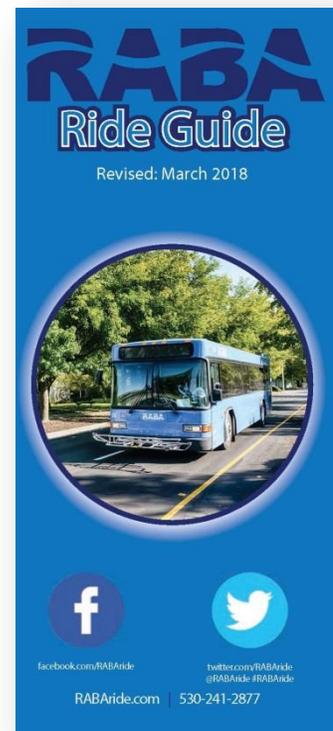
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school students for two weeks, with no riders. It has also created flyers for some of the high schools. RABA learned it needs much more involvement from counselors and administration ahead of such an event, with more promotion up front to make it successful.

The RABA Ride Guide, website, and Google Transit are RABA's primary service information tools. Staff is working on providing real-time service information with Proposition 1B funding.

Transdev handles telephone inquiries regarding service, though any problems are elevated to the City. This occurs about once or twice per week. Complaints from the website go directly to the City, where staff distributes them to the appropriate party.

While RABA does not have specific marketing goals, it does its best to address performance challenges through marketing. There is a set schedule of activities they are trying to meet. Staff have been doing a lot of outreach to transit-dependent populations. In general, the overall rider population changes every couple of years, especially due to Shasta College and the Bethel School of Ministry. RABA tries to keep things fresh every year. Education is a big piece of it, and they try to tie in parking and congestion issues when they can. RABA does not have a lot of choice riders; there are not a lot of disincentives to driving. The City has received funding to redevelop downtown Redding, which will include the introduction of over 300 housing units into the downtown area. As part of this project, downtown residents will receive free RABA passes for three years to encourage transit use.



Overall, the community perception of RABA is neutral, per the Public Works Director. If people don't need it, they don't think about it. The general population is modestly aware of the system, but they don't know where it goes, etc.

Maintenance

The operations and maintenance facility (located at 3333 S. Market St.) is owned by the City. It contains five maintenance bays, one with a permanent lift, another three with portable lifts. There is ample office space as well as space for records storage. The maintenance facility can accommodate work that is not sent out; Transdev sends out major engine overhaul work, body work, and painting. There is no backlog of repairs and preventive maintenance on-site, though repairs that are sent out or that are waiting on a part can be hung up on the vendor side. Quotes are obtained for any work that is contracted out, frequently from Kenworth, Western, and Cummings.

Transdev has a preventive maintenance program in place that conforms with the manufacturer's recommended schedule. Compliance can be evaluated through paperwork and the RTA fleet management system. Maintenance does not conflict with regular vehicle use; maintenance prints out the next day's maintenance schedule and dispatch holds in the specified vehicles. Warranties are tracked within RTA, on parts as well as vehicles.

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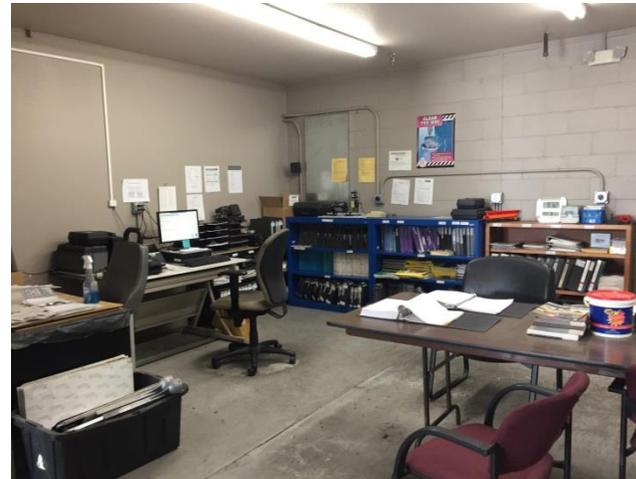
Maintenance machine shop



Maintenance bays (with portable lifts)



Maintenance bays (with permanent lift)



Workstation/resource area/break room



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Parts room



Wash bay



Parts room counter



Detailing bay



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Parts inventories are sufficient to minimize downtime. Parts are stored in a well-organized parts room. Maintenance staff can pull parts themselves but have to log them out of RTA. Each part is barcoded, and that code is put on a work order and closed out by the clerk. Transdev constantly conducts cycle counts to track parts, which are also tracked on the monthly parts report.

RABA does not have excess maintenance capacity, and does not provide any maintenance services to other public or private organizations, or any other City departments.

RABA fleet details as of June 30, 2018 are provided in Exhibit 7.5. The oldest vehicle is from 2003, with all others between 2009 and 2017. Vehicles are replaced based on useful life according to mileage. Occasionally a vehicle warrants a mid-life overhaul. There is a vehicle replacement program in effect.



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Exhibit 7.5 RABA Fleet

Vehicle ID #	Make	Model	Year	Length (ft)	PAX	WC	Mileage	Mode
47	Gillig	C20B102N4	2003	35	35	3	514,036	RABA fixed-route
48	Gillig	G27D102	2009	40	37	3	349,001	RABA fixed-route
49	Gillig	G27D102	2010	40	37	2	318,784	RABA fixed-route
50	Gillig	G27D102	2010	40	37	2	297,158	RABA fixed-route
51	Gillig	G27D102	2010	40	37	2	313,842	RABA fixed-route
52	Gillig	G27D102	2011	35	32	3	261,825	RABA fixed-route
53	Gillig	G27D102	2011	35	32	3	267,061	RABA fixed-route
54	Gillig	G27D102	2011	35	32	3	260,102	RABA fixed-route
55	Gillig	G27D102	2011	35	32	3	284,153	RABA fixed-route
56	Gillig	G27D103	2013	35	32	3	227,814	RABA fixed-route
57	Gillig	G27D104	2013	35	32	3	216,388	RABA fixed-route
58	Gillig	G27D105	2013	35	32	3	215,290	RABA fixed-route
59	Gillig	G27B102N4	2015	35	30	3	164,340	RABA fixed-route
60	Gillig	G27B102N4	2015	35	30	3	167,658	RABA fixed-route
61	Gillig	GLFoor17	2017	35	30	3	32,237	RABA fixed-route
62	Gillig	GLFoor17	2017	35	30	3	27,310	RABA fixed-route
63	Gillig	GLFoor17	2017	35	30	3	29,716	RABA fixed-route
248	El Dorado	Aerotech	2009	23	10	4	187,794	Paratransit
249	El Dorado	Aerotech	2009	23	10	4	219,706	Paratransit
250	El Dorado	Aerotech	2009	23	10	4	223,356	Paratransit
251	El Dorado	Aerotech	2009	23	10	4	226,351	Paratransit
252	El Dorado	GMT 600	2010	21	8	2	102,108	Paratransit
253	El Dorado	GMT 600	2010	21	8	2	88,183	Paratransit
254	El Dorado	GMT 600	2010	21	8	2	85,286	Paratransit
255	El Dorado	GMT 600	2010	21	8	2	94,842	Paratransit
256	El Dorado	Aerotech	2010	22	10	4	211,877	Paratransit
257	El Dorado	Aerotech	2010	22	10	4	189,916	Paratransit
259	El Dorado	Aerotech	2010	22	10	4	213,303	Paratransit
260	El Dorado Ford	Aerotech	2011	23	16	4	206,679	Paratransit
261	El Dorado Ford	Aerotech	2011	23	16	4	204,279	Paratransit
263	El Dorado Ford	Aerotech	2011	23	16	4	192,316	Paratransit
264	El Dorado Ford	Aerotech 240	2017	25	16 or 8	2 or 4	24,856	Paratransit
265	El Dorado Ford	Aerotech 240	2017	25	16 or 8	2 or 4	23,877	Paratransit
266	El Dorado Ford	Aerotech 240	2017	25	16 or 8	2 or 4	25,003	Paratransit
267	El Dorado Ford	Aerotech 240	2017	25	16 or 8	2 or 4	22,404	Paratransit
305	Ford	E450	2010	24	15 or 9	2 or 4	338,824	Burney Express
306	Ford	E450	2010	24	15 or 9	2 or 4	264,984	Burney Express
307	Chevrolet	G4500	2014	25	10	3	89,626	Burney Express
14	Chevrolet	Silverado	2007	Truck			74,217	Non-revenue vehicle
246	Chevrolet	GMT 600	2006	Van	10	4	167,061	Non-revenue vehicle
505	Chevrolet	Aveo	2008	Auto			82,423	Non-revenue vehicle
506	Chevrolet	Express	2008	Van			53,931	Non-revenue vehicle
507	Ford	Fusion	2014	Auto			19,888	Non-revenue vehicle
508	Ford	Fusion	2014	Auto			25,675	Non-revenue vehicle

Chapter 8

Findings and Recommendations

Conclusions

Moore & Associates finds the Redding Area Bus Authority to be in compliance with the requirements of the Transportation Development Act. In addition, the entity generally functions in an efficient, effective, and economical manner.

Findings and Recommendations

Based on discussions with RABA staff, analysis of program performance, and an audit of program compliance and function, the audit team presents no compliance findings.

Moore & Associates has identified three functional findings. While these findings do not affect TDA compliance, we feel they are significant enough to be addressed within this audit.

1. While RABA's farebox recovery ratio currently stands above the 15 percent threshold established by SRTA for a blended service, it is at risk for declining over the next few years, especially given the withdrawal of a route guarantee contract.
2. Consistency of reported data, particularly financial data, in internal and external reports could be improved.
3. RABA should continue with the implementation of farebox improvements as recommended in the prior triennial performance audit.

Program Recommendations

In completing this Triennial Performance Audit, Moore & Associates submits the following recommendations for the Redding Area Bus Authority. They are divided into two categories: TDA Program Compliance Recommendations and Functional Recommendations. TDA Program Compliance Recommendations are intended to assist in bringing the operator into compliance with the requirements and standards of the TDA, while Functional Recommendations address issues identified during the audit that are not specific to TDA compliance.

Given there are no compliance findings, only Functional Recommendations are provided.

Functional Finding 1: While RABA's farebox recovery ratio currently stands above the 15 percent threshold established by SRTA for a blended service, it is at risk for declining over the next few years, especially given the withdrawal of a route guarantee contract.

Criteria: PUC Section 99270.1 gives the RTPA the authority to determine an appropriate farebox recovery ratio requirement for transit operators serving both urbanized and non-urbanized areas. Given RABA serves both urbanized and non-urbanized areas, SRTA has established a farebox recovery ratio of 15 percent for RABA's fixed-route and complementary paratransit service, with an aspirational goal of 19 percent.



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Condition: During the audit period, RABA exceeded the established 15 percent farebox recovery ratio for fixed-route and paratransit, and came close to meeting the aspirational goal of 19 percent in FY 2017/18. However, the withdrawal of the route guarantee by the IASCO flight school is likely to have a negative impact on the farebox recovery ratio in FY 2018/19 and forward, as are the automatic escalation of contract costs, declining ridership, and lost subscription services.

Per PUC 99270.1, SRTA (as the RTPA) is directed to determine the required farebox recovery ratio based on the portion of urbanized area served and portion of non-urbanized area served. While a 15 percent minimum farebox ratio is not specified in PUC 99270.1, that is the minimum that may be set for an urbanized area in a county with a population of 500,000 or less where funds may be allocated under Article 8 (per CCR 6633.2).

Cause: When fare revenue and local support do not keep pace with increases in operating cost, the farebox recovery ratio drops.

Effect: If the farebox recovery ratio drops below 15 percent, RABA will be out of compliance with the TDA, and could have TDA funding withheld.

Recommendation: Explore additional service strategies and revenue sources that can be counted toward fare revenue, with a goal of keeping the farebox recovery ratio far enough above the 15 percent threshold that it can accommodate modest fluctuations from year to year.

Recommended Action(s): 1) Identify additional revenue sources, such as increased advertising revenue, route guarantees, college pass agreements, Medicare trips, etc., which would bolster the farebox recovery ratio closer to 19 percent without increasing customer fares. 2) Assess opportunities for alternative service delivery and technology which may have a positive impact on the farebox recovery ratio. 3) Explore partnerships with SRTA and private businesses to “test out” innovative service delivery projects. 4) Update RABA’s seven-year financial plan reflective of actual cost and ridership data to more accurately project anticipated farebox recovery ratios in out-years.

Given the majority of RABA’s fixed-route service is provided within the urbanized area of Redding, we would not recommend considering a lower farebox recovery ratio, even if allowable under TDA. The aspirational goal of 19 percent is appropriate; while not a criteria for funding, reasons for not achieving the aspirational goal should be assessed as part of RABA’s annual productivity review.

Timeline: FY 2019/20 and ongoing.

Anticipated Cost: Varies.

Functional Finding 2: Consistency of reported data, particularly financial data, in internal and external reports (such as that submitted to the State Controller) could be improved.

Criteria: Per PUC 99243, transit operators must submit an annual report to the State Controller.

Condition: The consistency of data reported internally and to the two external entities is fairly high, but still exhibits some discrepancies. Given the System Performance Report does not include Beach Bus and



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Cottonwood Express data, the variance observed between it and other reports is not a concern. However, the difference in operating cost and FTE between the State Controller Report and other reports is a more significant concern. Calculation methodology supporting the TDA definition of Full-time Equivalents (FTE) was confirmed via information provided by RABA, but each year this was off by one from what was reported in the State Controller Report.

Cause: Historically, the difference in submittal timelines for external and internal reports has contributed to potential variances between reports. However, with the extension of the deadline for submitting the operator's report to the State Controller, the timelines for the various reports line up better, and should minimize the discrepancies due to timing.

Effect: Discrepancies in the reporting may call into question the accuracy of data collection and reporting procedures.

Recommendation: Determine the cause of inconsistencies in reporting; either correct them or document the reason for the inconsistency.

Recommended Action(s): In documenting the FTE calculations for each fiscal year, demonstrate how all hours are split between fixed-route and demand-response, so that if rounding results in a slight difference in what is reported on the State Controller Report, it can be easily identified. Use the audited financials available in the CAFR to prepare the financials for the State Controller Report to ensure better consistency.

Timeline: FY 2018/19.

Anticipated Cost: Negligible.

Functional Finding 3: RABA should continue with the implementation of farebox improvements as recommended in the prior triennial performance audit.

Criteria: The prior audit recommended RABA complete the procurement of new fareboxes to replace its aging units. It was not fully implemented.

Condition: This recommendation is in progress. RABA is still in the process of securing new/updated fareboxes. The agency is currently evaluating options to best suit its operations, but the City's Transportation Planner expects to have an RFP out by end of the 1st quarter of CY 2019.

Cause: The City has run into some installation and software issues, which have delayed the process.

Effect: Further delays can result in further deterioration of aging fareboxes and/or potentially greater challenges as technology continues to evolve.

Recommendation: Complete the farebox improvements recommended in the prior triennial performance audit.



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Recommended Action(s): Move forward with the procurement process and implement the farebox improvements as soon as is feasible.

Timeline: Complete procurement process during FY 2018/19, with target implementation in FY 2019/20.

Anticipated Cost: Already budgeted.

Exhibit 8.1 Summary of Audit Recommendations

Functional Recommendations	Importance	Timeline
1	Explore additional service strategies and revenue sources that can be counted toward fare revenue, with a goal of keeping the farebox recovery ratio far enough above the 15 percent threshold that it can accommodate modest fluctuations from year to year.	High
2	Determine the cause of inconsistencies in reporting; either correct them or document the reason for the inconsistency.	FY 2019/20
3	Complete the farebox improvements recommended in the prior triennial performance audit.	Medium
		FY 2018/19 – FY 2019/20

