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Chapter 1

Executive Summary

This Executive Summary highlights the findings from the Triennial Performance Audit of Tahoe Area Regional Transit (TART) in Placer County, California. Transportation Development Act (TDA) funds for TART are distributed through the Tahoe Regional Transportation Agency (TRPA), which has commissioned this audit as the Regional Transportation Planning Agency for the service area. The California Public Utilities Code requires that all transit operations that receive funding under Article 4 of the TDA be the subject of a performance audit every three years. This Audit report, conducted by LSC Transportation Consultants, Inc., covers Fiscal Years (FYs) 2003-04, 2004-05, and 2005-06. The field reviews and data collection were conducted in August and September of 2008.

BACKGROUND

The TRPA is responsible for the oversight of the public transit systems operating in California within the Tahoe Basin. In addition to the BlueGO services addressed in a separate audit, TART is operated by Placer County and is the focus of this audit. This service is a fixed route service operating along the West and North Shores of Lake Tahoe, as well as the State Route (SR) 89 corridor between Tahoe City and Truckee and the SR 267 corridor between Kings Beach and Truckee. In addition, Placer County Public Works Department operates free summer-only Trolley services on the North Shore of Lake Tahoe. Trolley services are financed by funds managed by the North Lake Tahoe Resort Association.

TRIENNIAL PERFORMANCE FINDINGS

The auditor's analysis of TART, in terms of operations, indicates that the systems are efficiently run and well managed. Indeed, by all accounts transit users are satisfied with services offered, and the system has been successful in improving capital assets, expanding services, and increasing ridership.

TART complies with most relevant TDA requirements, with the following exceptions:

- TART operating costs increased by 25 percent between FY 2003-04 and FY 2004-05, exceeding the standard of 15 percent.
- A single State Controllers Report is prepared by Placer County for both the Placer County Transit (PCT) service in western Placer County and the TART services. The FY 2003-04 State Controller Report was submitted later than 110 days after the end of the fiscal year, as required for electronic filing.
- The Fiscal Audits for FY 2003-04 and FY 2004-05 were not submitted within the required 180 day time period.

RECOMMENDATIONS

- TART should develop a comprehensive Operations and Training Manual. This was a recommendation from the prior performance audit. TART has numerous written training and operations procedures, but not consolidated into a single manual. This recommendation continues to be a goal of TART staff.
- Many components of operating costs, such as fuel costs, are out of the control of TART staff. However, there was a large increase in workers compensation claims during the audit period. Increasing safety standards in the workplace could help reduce the chance of this occurring again. The Operations and Training Manual should include a section on employee safety standards and outline a continuous safety training program. **See note on last page of document.**

Chapter 2

Triennial Performance Audit Results

BACKGROUND

The Transportation Development Act (TDA), also known as the “Mills-Alquist Deddeh Act,” provides two major sources of funding for public transportation providers in California: the Local Transportation Fund (LTF) and the State Transit Assistance fund (STA). The LTF is derived from 0.25 percent of the 7.25 percent retail sales tax collected statewide and can be used for a variety of transportation purposes according to a set of priorities detailed in the TDA. The LTF is returned by the State Board of Equalization to each county according to the amount of taxes collected in that county. STA funds are derived from statewide sales tax on gasoline and diesel fuel, and are allocated to each county based on the following formula: 50 percent according to population, and 50 percent according to operator revenues from the prior fiscal year. STA funds can only be used to pay for transportation planning and mass transportation purposes. If the operator does not meet the eligibility calculation, then the funds can only be used for transit capital needs.

The California Public Utilities Code requires that a triennial performance audit be conducted for all transit operations and regional transportation planning entities. A performance audit is a systematic process of evaluating an organization’s effectiveness, efficiency, and economy of operations under management control. The objectives of the audit are to provide a means for evaluating an organization’s performance and to enhance the performance by making recommendations for improvements. In addition, the audit evaluates the adequacy of an organization’s systems and the degree of compliance with established policies and procedures.

PERFORMANCE AUDIT AND REPORT ORGANIZATION

The Triennial Performance Audit consists of the following seven elements:

- ◆ Review of compliance requirements
- ◆ Follow-up review of prior Triennial Performance Audit recommendations
- ◆ Initial review of transit operator functions
- ◆ Verification and use of performance indicators
- ◆ Detailed review of transit operator functions
- ◆ Preparation of the draft Triennial Performance Audit report
- ◆ Preparation and presentation of the final Triennial Performance Audit report

TRANSIT PROGRAM DESCRIPTION

The TART system is operated by a division of the Placer County Public Works Department. Service originally began in 1974 under contractual arrangement with Las Vegas-Tonopah-Reno Stagelines. Shortly after, TART service operation was brought “in house” and operated directly by County staff. TART operates a fixed route system open to the general public. The TART “mainline” service runs from Tahoma (on Lake Tahoe’s West Shore in El Dorado County) to

Incline Village, Nevada. The Truckee Shuttle route operates between Tahoe City and Truckee. Services within Nevada are operated using funding provided by the Washoe Regional Transportation Commission. In the winter and summer, TART adds runs to this route. During the audit period, funding was also provided by El Dorado County and the Town of Truckee for services operated in their respective jurisdictions. In the summer months, funding to operate the free Trolley service is also provided by the North Lake Tahoe Resort Association.

In the winter of 2007-08 (after the audit period), TART added service between Truckee, Northstar, and Crystal Bay along SR 267, which is planned to continue in the winter season only. Beginning in FY 2007-08, services were increased on the Tahoe City/Truckee route along SR 89 to year round, hourly service. Previously, hourly service was only offered on this route during the peak winter and summer seasons, with service every two hours in the fall and spring. TART also contracts with Alpine Taxi, a local cab company, to provide complementary ADA paratransit services. The TART operations and maintenance facility is located at 970 Cabin Creek Road, approximately two miles south of Truckee along the SR 89 corridor. This facility includes a Compressed Natural Gas (CNG) fueling station. As presented in Table 1, TART maintains a fleet of 14 vehicles, including a spare bus from the Placer County Transit fleet. Two of the vehicles are stationed in Auburn. The TART fleet includes 8 CNG buses.

TART employment varies by season. On a year-round basis, TART employs five full-time supervisory/administrative staff, seven full-time drivers and five part-time drivers. In the summer and winter months TART employs an additional four to six part-time drivers and another four to six contract employees through MV Transportation, Inc. The base fare for TART service is \$1.50 per one-way passenger-trip, with discounts provided to elderly, disabled or youth passengers, as well as to multi-ride pass purchasers.

OPERATIONAL STATISTICS

Tables 2 through 4 below present operational statistics for TART obtained from operation reports. During the audit period the TART data was combined with PCT data in the State Controller Reports. Therefore State Controller Reports were not used as the primary source for TART operating statistics. The information in Tables 2 through 4 presents annual ridership data for TART services systemwide (Mainline, Truckee Route, Trolleys, and Paratransit) during the audit period and the three years prior to the current audit period. TART data is presented for FY 2000-01 through FY 2005-06.

As presented in Table 2, TART ridership remained fairly steady from FY 2002-03 to FY 2004-05, changing no more than 4.1 percent in comparison to the previous year. Larger increases in ridership were seen from FY 2000-01 to FY 2001-02 (8.6 percent increase) and from FY 2004-05 to FY 2005-06 (14.8 percent increase). Ridership in FY 2005-06 on TART was 339,196 one-way passenger-trips.

Annual vehicle service hours on TART have followed a similar pattern to ridership. Total systemwide annual vehicle service hours decreased slightly from FY 2000-01 until FY 2005-06. In FY 2005-06, an estimated 20,969 vehicle service hours were provided on TART, an increase

TABLE 1: TART Vehicle Fleet

Bus #	Make	Cum. Mileage 4/30/2008	Fuel	Year	Length	Capacity	Wheelchair		Funding Source	Location	Title	Replacement	
							Stations	Stations				Date	Plan
0950	Blue Bird	429,518	Diesel	1995	32	32	2	2	TDA	Auburn	Placer County	Spare - From PCT Fleet	Spare/Contingency Plan
0009	Gillig Phantom	475,837	Diesel	2000	35	33	2	2	FTA 5311, TRPA	Cabin Creek	Placer County	Primary Rotation	Primary Rotation
0010	Gillig Phantom	522,341	Diesel	2000	35	33	2	2	FTA 5311, TRPA	Cabin Creek	Placer County	Primary Rotation	Primary Rotation
0006	Trolley Enterprises	127,079	Diesel	2000	35	32	2	2	TOT	Cabin Creek	Placer County	Primary - Summer Only. Contingency in non-Summer months	Contingency in non-Summer months
0007	Trolley Enterprises	129,573	Diesel	2000	35	32	2	2	TOT	Cabin Creek	Placer County	Primary - Summer Only. Contingency in non-Summer months	Contingency in non-Summer months
0008	Trolley Enterprises	132,595	Diesel	2000	35	32	2	2	TOT	Cabin Creek	Placer County	Primary - Summer Only. Contingency in non-Summer months	Contingency in non-Summer months
0118	Orion V CNG	294,403	CNG	2001	35	35	2	2	FTA 5311, TRPA	Cabin Creek	Placer County	Primary Rotation	Primary Rotation
0119	Orion V CNG	244,764	CNG	2001	35	35	2	2	FTA 5311, TRPA	Cabin Creek	Placer County	Primary Rotation	Primary Rotation
0120	Orion V CNG	282,314	CNG	2001	35	35	2	2	FTA 5311, TRPA	Cabin Creek	Placer County	Primary Rotation	Primary Rotation
0424	Orion V CNG	168,313	CNG	2004	35	35	2	2	Caltrans RTSG/Truckee	Cabin Creek	Placer County	Primary Rotation	Primary Rotation
0425	Orion V CNG	195,842	CNG	2004	35	35	2	2	Caltrans RTSG/Truckee	Cabin Creek	Placer County	Primary Rotation	Primary Rotation
0426	Orion V CNG	155,408	CNG	2004	35	35	2	2	RTC/TRPA/SECAT	Cabin Creek	Placer County	Primary Rotation	Primary Rotation
0628	Orion V CNG	82,382	CNG	2006	40	38	2	2	FTA 5309	Cabin Creek	TTD	Primary Rotation	Primary Rotation
0629	Orion V CNG	36,532	CNG	2006	40	38	2	2	FTA 5309	Auburn	TTD	Primary Rotation	Primary Rotation

Source: TART, 2008.

TABLE 2: TART Annual Ridership

	Total Systemwide	
	Ridership	% Change
Fiscal Year 2000 - 01	277,611	--
Fiscal Year 2001 - 02	301,396	8.6%
Fiscal Year 2002 - 03	289,080	-4.1%
Fiscal Year 2003 - 04	286,510	-0.9%
Fiscal Year 2004 - 05	295,571	3.2%
Fiscal Year 2005 - 06	339,196	14.8%

Source: TART.

TABLE 3: TART Annual Vehicle Service Hours

	Total Systemwide	
	Hours	% Change
Fiscal Year 2000 - 01	19,580	--
Fiscal Year 2001 - 02	19,288	-1.5%
Fiscal Year 2002 - 03	19,363	0.4%
Fiscal Year 2003 - 04	19,228	-0.7%
Fiscal Year 2004 - 05	19,133	-0.5%
Fiscal Year 2005 - 06	20,962	9.6%

Source: TART.

TABLE 4: TART Annual Vehicle Service Miles

	Total	
	Miles	% Change
Fiscal Year 2000 - 01	416,573	--
Fiscal Year 2001 - 02	416,130	-0.1%
Fiscal Year 2002 - 03	416,969	0.2%
Fiscal Year 2003 - 04	424,897	1.9%
Fiscal Year 2004 - 05	417,211	-1.8%
Fiscal Year 2005 - 06	453,871	8.8%

Source: TART.

of 9.6 percent from the previous year. This increase was due to the implementation of new runs on the Truckee Route (to provide seasonal hourly service) and the North Shore Route (to provide seasonal half-hourly service between Tahoe City and North Stateline). See Table 3 for details.

As shown in Table 4, annual vehicle service miles on TART followed the same trend as annual vehicle service hours due to the increase in services. TART systemwide annual vehicle service miles totaled 453,871 in FY 2005-06.

TDA REQUIREMENTS

As a transit operator receiving TDA funds, TART must comply with the state's financial and reporting guidelines detailed in the *Performance Audit Guidebook for Transit Operators and Regional Transportation Planning Entities*, pursuant to TDA requirements. The following is a compilation of the financial and reporting requirements applicable to the operating procedures of TART.

Review of Compliance Requirements

Below is a discussion of each compliance section required in the Public Utilities Code and California Code of Regulations and outlined in the Performance Audit Guidebook as part of the Triennial Performance Audit:

- ♦ In accordance with Public Utilities Code Section 99243, TART submits annual reports to the Tahoe Regional Planning Agency and the State Controller based on the Uniform System of Accounts and Records established by the State Controller for each fiscal year under review. However, the State Controller reports for FY 2003-04 was submitted later than 110 days after the end of the fiscal year (report filed electronically). Staff has indicated that the reports are prepared by the County Auditor's office and that the deadline is difficult to meet because of other ongoing projects and responsibilities. It should be noted that during the audit period the State Controller Report for TART was combined with data for PCT, the transit system for the western portion of the county. As of FY 2006-07, a separate report has been completed for TART.
- ♦ In accordance with Public Utilities Code Section 99245, TART has submitted annual fiscal audits to the TRPA and to the State Controller within 180 days following the end of the fiscal year for FY 2005-06. Fiscal audits for FYs 2003-04 and 2004-05 were not completed within the 180 day time period. These audits were completed by independent auditors.
- ♦ In accordance with Public Utilities Code Section 99251, the California Highway Patrol (CHP) has, within the 13 months prior to each TDA claim submitted by TART, certified compliance with Vehicle Code Section 1808.1 following their inspection of the operating terminals. The auditor reviewed the CHP Safety Compliance and Terminal Record Inspection reports and TART received a satisfactory rating for all years.

- ◆ In accordance with Public Utilities Code Section 99261, TART claims for TDA funds are submitted in compliance with rules and regulations adopted by the TRPA for such claims. The auditor reviewed the TRPA Resolutions for TDA allocations.
- ◆ In accordance with Public Utilities Code Section 99264, TART does not routinely staff public transportation vehicles designed to be operated by one person with two or more persons.
- ◆ Public Utilities Code Section 99266 requires that TART’s operating budgets not increase by more than 15 percent over the preceding year, and no substantial increase or decrease in the scope of operations or capital budget provisions for major new fixed facilities be realized unless the operator has reasonably supported and substantiated the change(s). As shown in Table 5 below, operating costs for TART systemwide increased by 25 percent from FY 2003-04 to FY 2004-05.

In an effort to identify operating costs associated with services directly funded by TRPA allocated TDA funds, the operating costs of TART services located in the California portion of the Tahoe Basin were calculated. First a cost model identifying the cost per hour (for cost factors related to vehicle-hours of service) and cost per mile (for cost factors related to vehicle-miles of service) for each fiscal year during the audit period was developed using financial data obtained from the fiscal audits. The cost model was applied to operating data for each route to determine the operating costs of each route. It was assumed for this analysis that the California Tahoe Basin portion of TART services does not include the Nevada Route or 80 percent of the Truckee Route. California Tahoe Basin operating costs also increased above the 15 percent guideline (26.1 percent) from FY 2003-04 to 2004-05.

TABLE 5: TART Annual Operating Costs

	Tahoe CA Basin Portion ⁽¹⁾		Systemwide	
	Operating Costs	% Change	Operating Costs	% Change
Fiscal Year 2000 - 01	\$831,234	--	\$1,291,180	--
Fiscal Year 2001 - 02	\$871,237	4.8%	\$1,384,661	7.2%
Fiscal Year 2002 - 03	\$1,121,998	28.8%	\$1,666,604	20.4%
Fiscal Year 2003 - 04	\$1,048,182	-6.6%	\$1,708,178	2.5%
Fiscal Year 2004 - 05	\$1,321,349	26.1%	\$2,134,627	25.0%
Fiscal Year 2005 - 06	\$1,412,017	6.9%	\$2,345,561	9.9%

Note 1: California Tahoe Basin portion calculated by subtracting operating costs of Nevada Route and operating costs of 80% of Truckee route as per Fiscal Audit.
Source: Prior Performance Audit, Fiscal Audits, TART, LSC.

TART staff provided several reasons for the cost increase during this period:

- Workers compensation costs increased from \$25,711 to \$175,438 due to several injury claims. In recent years workers compensation costs were down to a substantially lower level of \$208.00.
- TART made an effort during the audit period to convert part-time “extra help” employees to permanent part-time employees in order to retain drivers. This resulted in higher labor costs.
- Benefit costs increased. For instance, PERS retirement increased from 6.0 percent to 9.0 percent of salary.
- Fuel costs increased by 12.0 percent.
- General liability costs increased by 177.9 percent.
- A-87 charges (costs which are allocated to TART by other county departments) increased by 49.0 percent.
- Additional costs were incurred during the first full year of operation of the CNG plant.

Increasing operating costs have been an issue for TART in the past. The cost increases during this audit period appear to be the result of many factors, some of which were out of the control of TART staff. Nevertheless, TART staff should continue to monitor operating costs and research methods to contain costs.

- ♦ Most rural transit services are required to maintain a 10 percent farebox ratio or the farebox ratio the system reported in FY 1978-79 as detailed in Public Utilities Code Sections 99268.2, 99268.4, and 99268.5. TART is considered an older operator, as service originally began in 1974. PUC Section 99268.1, *Expenditure Limitation Applied to Older Operators* states the following:

“Commencing with claims for the 1980-81 fiscal year, an operator that was in compliance with Section 99268 (which states that expenditure of funds may not exceed 50 percent of the amount required to meet total operating and capital expenses after a deduction of federal and STA grants) during the 1978-79 fiscal year in order to be eligible for funds under this article shall be eligible for such funds in any fiscal year, if it remains in compliance with that section during the fiscal year.”

Additionally, the *TDA Handbook* updated by Caltrans in 2005 includes the following discussion on farebox ratios:

“The ultimate significance of the ratios is that a claimant’s maximum eligibility for TDA funds is determined in large part by its required ratios. For example, if a claimant had a required fare ratio of 20 percent and no local support requirement, then it could receive a maximum of 80 percent of its operating cost from TDA and federal revenues (this is in addition to eligibility for capital purposes).”

Using a worksheet provided by TRPA, the auditor calculated the maximum allowable LTF allocation for TART under the 50 percent expenditure limitation rule (PUC 99268.1) for all years of the audit period (Tables 6-8). TART’s LTF allocation for each year of the audit period was less than 50 percent of net operating expenses after subtracting federal and STA funds as per PUC 99268. As TART does not claim additional funds beyond the 50 percent expenditure limitation under PUC 99268.1, the revenue ratios set forth in PUC Section 99268.2, 99268.4, and 99268.5 do not apply. TART could increase its eligibility for LTF funds to greater than the maximum LTF allocation allowed under the 50 percent expenditure rule (See Tables 6-8), if TART maintained a farebox ratio of 25 percent (which TART maintained in FY 1978-79).

- ♦ The current cost of TART’s retirement system is fully funded with respect to the officers and employees of its public transportation system for 40 years. (Public Utilities Code, Section 99271). TART employees are covered by CalPERS.
- ♦ In accordance with Public Utilities Code, Section 99314.5(e), TART is not precluded by contract from employing part-time drivers or from contracting with common carriers. TART employs many part-time employees and extra-help employees in order to respond to the seasonality of the service.
- ♦ In accordance with California Code of Regulations Section 6754(a)(3), TART makes full use of funds available to it under the Urban Mass Transportation Act of 1964 (and its successor Federal transit funding acts) before TDA claims are granted. TART uses FTA funds for both operating and capital purposes. The auditor reviewed TRPA Resolutions approving STA allocations, fiscal audits, and State Controller Reports to confirm compliance.

STATUS OF PRIOR AUDIT RECOMMENDATIONS

A triennial performance audit was conducted for TART for FYs 2000-01 through 2002-03. The recommendations made in the previous audit, and any follow-up measures taken by the transit operator, are summarized in the ensuing pages.

- ♦ *“A detailed administrative functional audit should be undertaken to better understand the reasons behind the 45 percent increase in operating costs per hour during the audit period. The objective of the more detailed functional audit is to implement budgetary measures to control future cost increases.”*

**TABLE 6: TART Maximum LTF Allocation Worksheet
FY 2003-04
50% Expenditure Limitation**

	Actual FY 2003 - 2004
Calculation of Maximum Eligible Operating Expense	
Total system operating expense	\$ 1,708,178
ADJUSTMENTS:	\$ -
Qualified service extension	\$ -
Federal/other operating funds anticipated	\$ 127,708
<i>Total Adjustments:</i>	\$ 127,708
<i>Net Expenses</i>	\$ 1,580,470
Net Eligible Expenses	\$ 790,235
Calculation of Maximum Eligible Allocation	
Qualified service extension	\$ -
Capital Intensive Project	\$ -
Other	\$ -
<i>Subtotal</i>	\$ -
Maximum LTF Allocation	\$ 790,235
Actual FY 03/04 LTF Allocation	\$ 635,045
Difference	\$ 155,190
Proportion of Net Expenses that are LTF Funds	40.18%
<i>Source: TRPA, Fiscal Audits</i>	

**TABLE 7: TART Maximum LTF Allocation Worksheet
FY 2004-05
50% Expenditure Limitation**

	Actual FY 2004 - 2005
Calculation of Maximum Eligible Operating Expense	
Total system operating expense	\$ 2,134,627
ADJUSTMENTS:	\$ -
Qualified service extension	\$ -
Federal/other operating funds anticipated	\$ 121,148
Total Adjustments:	\$ 121,148
Net Expenses	\$ 2,013,479
Net Eligible Expenses	\$ 1,006,740
Calculation of Maximum Eligible Allocation	
Qualified service extension	\$ -
Capital Intensive Project	\$ -
Other	\$ -
Subtotal	\$ -
Maximum LTF Allocation	\$ 1,006,740
FY 04/05 LTF Allocation	\$ 689,766
Difference	\$ 316,974
Proportion of Net Expenses that are LTF Funds	34.26%
<i>Source: TRPA, Fiscal Audits</i>	

**TABLE 8: TART Maximum LTF Allocation Worksheet
FY 2005-06
50% Expenditure Limitation**

	Actual FY 2005 - 2006
Calculation of Maximum Eligible Operating Expense	
Total system operating expense	\$ 2,345,561
ADJUSTMENTS:	
Qualified service extension	\$ -
Federal/other operating funds anticipated	\$ 187,723
<i>Total Adjustments:</i>	<i>\$ 187,723</i>
<i>Net Expenses</i>	<i>\$ 2,157,838</i>
Net Eligible Expenses	\$ 1,078,919
Calculation of Maximum Eligible Allocation	
Qualified service extension	\$ -
Capital Intensive Project	\$ -
Other	\$ -
<i>Subtotal</i>	<i>\$ -</i>
Maximum LTF Allocation	\$ 1,078,919
FY 05/06 LTF Allocation	\$ 736,714
Difference	\$ 342,205
Proportion of Net Expenses that are LTF Funds	34.14%
<i>Source: TRPA, Fiscal Audits</i>	

Status: Implementation Not Begun A detailed administrative functional audit has not been completed. TART staff has no objection to such a functional audit. TART staff had discussions with the previous auditor that the previous audit period was a period of cost increases coupled with administration capturing all costs associated with the operation. For example, the costs of the TART facility, which was completed in the FY 1999-00, were not completely captured and billed to the TART operation in the first years of the facility occupation.

Operating costs increased significantly during this audit period as well due to workers compensation claims, fuel costs, liability costs, intra-county charges, and employee retention practices. TART staff seems to have a good handle on where costs increases originate from and some of those cost increases could not be solved by an administrative audit such as fuel costs and intra-county charges. An administrative audit of all county departments is outside the scope of this document. Unfortunately the country appears to be entering an inflationary period and it is likely that transit operating costs will continue to rise despite efforts to minimize them. However, TART could implement policies and practices such as employee safety standards programs which could reduce the risk of worker compensation claims in the future.

- ◆ “Annually, TART should validate and document the assumptions utilized to calculate vehicle service hours, vehicle service miles, and full-time equivalents before submitting the data for the State Controller’s Report.” This will ensure accurate data reporting.

Status: Implementation Complete A more complete procedure is in place now between operations and administration to review monthly operating data and verify the data is complete and accurate. Discussions with TART staff indicate that vehicle hours and miles are being calculated correctly.

- ♦ *“TART needs to develop an action plan to increase the farebox recovery ratio to the required 25 percent. This will likely incorporate the budget control measures recommended above and a thorough review of fare policies.”*

Status: Implementation Complete As outlined in the Review of Compliance Requirements section, TART is in compliance with the 50 percent expenditure limitation set forth in PUC Section 99268.1. TART does not claim additional funds beyond the 50 percent as set forth in PUC Section 99268.2 and therefore is not subject to the farebox ratio of 25 percent which it maintained in FY 1978-79.

- ♦ *“Until TART achieves the farebox recovery requirements, TART and TRPA need to review the TDA claims such that no more than 50% of the funds are TDA funds.”*

Status: Implementation Complete. Using worksheets provided by TRPA, the auditor calculated the maximum allowable LTF allocation for TART under the 50 percent expenditure limitation rule (PUC 99268.1) in Tables 6-8. TART’s LTF allocation for each year of the audit period was less than 50 percent of net operating expenses after subtracting federal and STA funds as per PUC 99268.

- ♦ *“TART needs to develop a comprehensive Operations and Training Manual.”*

Status: Implementation In Progress TART has numerous training and operations procedures that are in writing, but not yet consolidated into a single manual. This recommendation continues to be a goal of TART staff.

- ♦ *“Develop a coordinated system between the Placer County Fleet Maintenance Department and TART such that TART operations have real-time feedback on the repair status on individual buses.”*

Status: Implementation Complete According to staff, interaction has improved between Fleet Maintenance and TART divisions. For example, each deficiency report is numbered and the work orders reference the deficiency report number. TART also receives regular updates from Fleet Maintenance regarding maintenance status. The Daily Maintenance and Defect Report is available for review by the Transit Public Works Manager each day.

- ♦ *“The Transit Manager should review and validate the operating costs in the annual draft fiscal audit before the final fiscal audit is published.”*

Status: Implementation Complete The Transit Manager is closely involved with the Placer County Auditor’s office along with the outside TDA auditor to validate operating costs in the annual draft fiscal audit. This recommendation is accomplished.

To help assess internal controls and data collection techniques, the auditor met with TART staff to discuss the data collection process which included an overview of reports generated by the electronic fareboxes.

INITIAL REVIEW OF TRANSIT OPERATOR FUNCTIONS

This section discusses activities of TART during the audit period.

Verification and Use of Performance Indicators

Performance indicators are frequently used to quantify and review the efficiency and effectiveness of a transit operator's activities. Such indicators can provide insight on current operations as well as on the operator's performance over a period of time. This section will assess the internal controls of each operator, test data collection methods, calculate performance indicators, and evaluate performance indicators.

To ensure that the information gathered as part of this audit is reliable and valid, a review of internal controls is necessary. A transit operator's internal controls are intended to do the following:

- ♦ Provide reasonable assurance that program goals and objectives are met
- ♦ Ensure that reliable data are obtained, maintained, and fairly disclosed in reports
- ♦ Ensure that resources are adequately safeguarded and efficiently used
- ♦ Ensure that laws and regulations are complied with by the transit operator

Data Collection Methods

The following six operating statistics must be reported in the Triennial Performance Audit report:

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

This section discusses activities of TART during the audit period and provides a series of recommendations for improving operations.

The **Operating Cost** data reported in Table 5 above includes total expenses for each object class as presented in the Chart of Accounts for the Uniform System of Accounts and Records as presented in the Fiscal Audits, minus depreciation costs. The Auditor's tests of Placer County's financial statements disclosed no instance of noncompliance that is required to be reported under Government Auditing Standards. During the audit period, TART statistics were lumped in with PCT statistics and submitted to the State Controller as one report. This practice changed in FY 2006-07. Both the TART Fiscal Audit and the Placer County State Controller reports calculated operating costs correctly during the audit period. Operating expenses reported in the fiscal audits during this period equal expenses recorded in Placer County Expenditures records for TART.

The **Passenger Count** data in Table 2 above was reported as unlinked trips (single boarding and alighting), and was obtained from internal data. Passenger counts are obtained through reports generated by the electronic fareboxes. The reports show the number of riders in each fare category and the number of passes and transfers used. Reports can be summarized by route, daily, monthly or annually. Prior to the installation of the electronic fareboxes, passenger statistics were collected using mechanical tally boards and a series of color coded coupons for resort employees. Staff has noted that the new system streamlines the data collection process.

The **Vehicle Service Hour** data reported in Table 3 above was obtained from internal data. Discussions with TART staff have shown that the definition of a vehicle service hour as used by TART is consistent with the definition presented in Appendix B of the Performance Audit Guidebook. As the State Controller Reports combined data for PCT and TART, internal records cannot be compared to the State Controller Reports.

The **Vehicle Service Mile** data reported in Table 4 above was obtained from internal data. Discussions with TART staff have shown that the definition of a vehicle service mile as used by the transit operators is consistent with the definition presented in Appendix B of the Performance Audit Guidebook. As the State Controller Reports combined data for PCT and TART, internal records can not be compared to the State Controller Reports.

The **Employee Hours** data presented in Table 9 below was obtained from a combination of the State Controller's Reports and internal operating reports. TART's data on full-time equivalent employees is consistent with the definition presented in Appendix B of the Performance Audit Guidebook. Will working on confirming FTE data.

	Systemwide	
	FTE	% Change
Fiscal Year 2000 - 01	13.0	--
Fiscal Year 2001 - 02	13.3	2.3%
Fiscal Year 2002 - 03	13.3	0.0%
Fiscal Year 2003 - 04	17.0	27.8%
Fiscal Year 2004 - 05	17.0	0.0%
Fiscal Year 2005 - 06	47.0	176.5%

Source: TART, State Controller Reports

The **Fare Revenue** data presented in Table 10 below was obtained from the annual fiscal audits. Fare revenue noted in the fiscal audits represents actual deposits and revenue from outside agencies through billings collected in the Department of Public Works Office in Auburn. Examples of billings include revenue from several ski resorts in North Lake Tahoe who have established accounts with TART to pay for employee transit trips. Fare revenue totals of TART internal operations reports do not equal amounts listed in the fiscal audits. Internal operations reports represent fare revenue estimates and may not include all billings from outside organizations and ski resorts, and do not include fare revenue received from the North Lake Tahoe Resort Association for the summer Trolley program. The amount listed in the internal operations reports is always less than the amount listed in the fiscal audit, or the actual deposits during this audit period. Therefore it is likely that billings and NLTRA revenue account for the inconsistencies between the two reports. In any case, fare revenue has increased significantly, along with ridership, during the audit period.

Average Fare per Passenger

Average fare paid per passenger was calculated for each year of the audit period:

- FY 2003-04 - \$1.01
- FY 2004-05 - \$1.12
- FY 2005-06 - \$1.10

The general public fare on TART is \$1.50. TART offers a discounted senior/disabled/youth one-way fare of \$0.75. Children under 5 ride for free. An all-day pass is available for \$3.50 for adults, and \$1.75 for seniors/disabled/youth. In addition, multi-ride passes are available at \$14 for 10 rides, \$25 for 20 rides, and \$45 for 40 rides for adults and half-price for seniors/disabled/youth. Considering the discounted fare types available, the average fare paid per passenger appears to be consistent with the reported fare revenues.

	Total Systemwide	
	Farebox	% Change
Fiscal Year 2000 - 01	\$280,733	--
Fiscal Year 2001 - 02	\$306,915	9.3%
Fiscal Year 2002 - 03	\$293,574	-4.3%
Fiscal Year 2003 - 04	\$288,416	-1.8%
Fiscal Year 2004 - 05	\$330,217	14.5%
Fiscal Year 2005 - 06	\$372,547	12.8%

Source: Fiscal Audits, Prior Performance Report.

In summary, fiscal audits have been used, for the most part, for statistics on fares and operating costs; and internal reports were used for operating statistics such as passenger count, vehicle service hours, and miles. State Controller Reports and internal data were used to obtain employee hours. As State Controller Reports combined financial data for PCT and TART it was not possible to compare data between State Controller Reports and fiscal audits.

CALCULATION AND EVALUATION OF PERFORMANCE INDICATORS

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

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

In addition, the farebox recovery ratio was calculated and evaluated. Note that data from the prior triennial performance audit is included in the tables and figures below for comparative purposes. The data presented reflect actual costs in each year, and thus include the effects of inflation.

The **Operating Cost per Passenger** data is presented in Table 11 and Figure 1. This performance measure is a key indicator of a transit system's cost effectiveness. As indicated, during the audit period the operating cost per passenger increased until FY 2004-05 to \$7.22 and then dipped slightly in FY 2005-06 to \$6.92. This trend is largely a result of the increase in operating costs in FY 2004-05, discussed earlier and an increase in passenger trips in FY 2005-06. The cost of \$6.92 per passenger on a rural transit system is reasonable, considering the relatively long trips provided by TART and the relatively high cost of labor and services in the region.

The **Operating Cost per Vehicle Service Hour** data is presented in Table 12 and Figure 2. This performance measure is a key indicator of a transit system's cost efficiency. As indicated, the operating cost per vehicle service hour incurred by TART increased significantly in FY 2004-05 along with operating costs to \$111.57 and remained relatively steady in FY 2005-06 at \$111.90.

The **Passengers per Vehicle Service Hour** (commonly referred to as "productivity") is presented in Table 13 and Figure 3. As indicated, TART experienced an increase in productivity during the audit period of 8.6 percent. This is a direct result of increased ridership on TART services during the audit period. In FY 2005-06 TART carried 16.2 one-way passenger-trips per vehicle service hour, a relatively high performance measure when compared with other rural fixed-route systems.

The **Passengers per Vehicle Service Mile** data is presented below in Table 14 and Figure 4. Similar to productivity, passengers per vehicle service mile increased steadily throughout the audit period from 0.67 passengers per mile to 0.75 passengers per mile.

TABLE 11: TART Operating Cost Per Passenger

	Total Systemwide	
	Op. Cost per Pax	% Change
Fiscal Year 2000 - 01	\$4.65	--
Fiscal Year 2001 - 02	\$4.59	-1.2%
Fiscal Year 2002 - 03	\$5.77	25.5%
Fiscal Year 2003 - 04	\$5.96	3.4%
Fiscal Year 2004 - 05	\$7.22	21.1%
Fiscal Year 2005 - 06	\$6.92	-4.3%

Source: TART.

FIGURE 1: TART Operating Cost Per Passenger

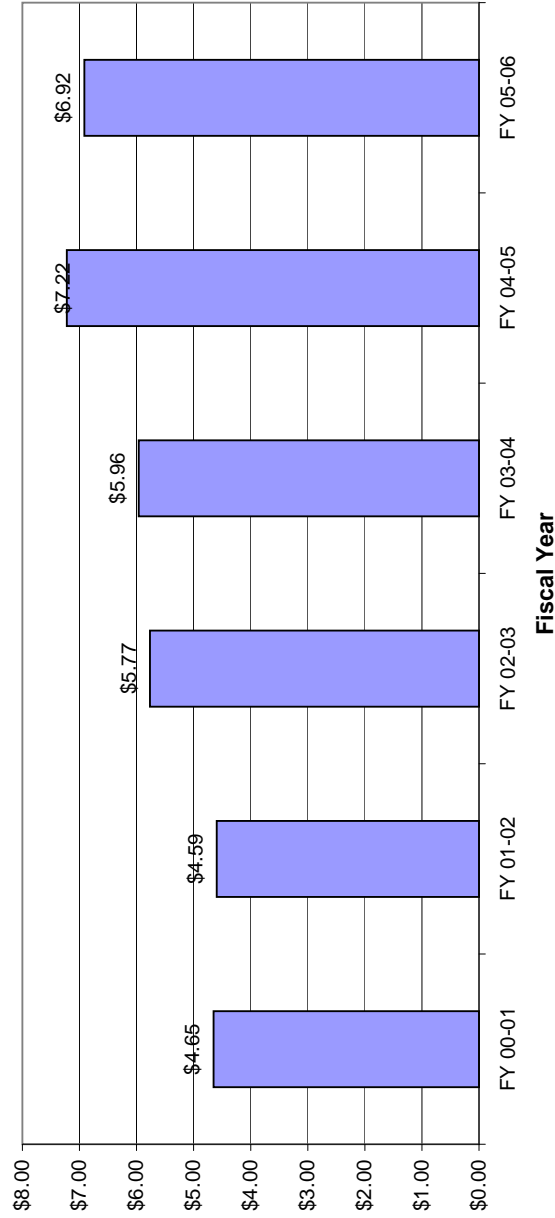


Table 12: TART Operating Cost Per Vehicle Service Hour

	Total Systemwide	
	Op. Cost per VSH	% Change
Fiscal Year 2000 - 01	\$65.94	--
Fiscal Year 2001 - 02	\$71.79	8.9%
Fiscal Year 2002 - 03	\$86.07	19.9%
Fiscal Year 2003 - 04	\$88.84	3.2%
Fiscal Year 2004 - 05	\$111.57	25.6%
Fiscal Year 2005 - 06	\$111.90	0.3%

Source: TART.

FIGURE 2: TART Operating Cost Per Vehicle Service Hour

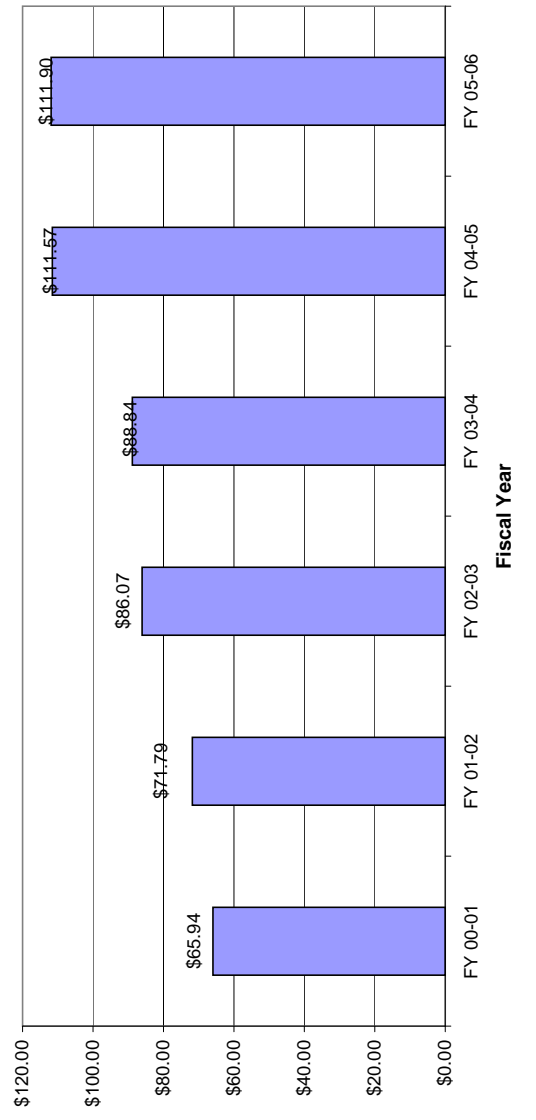


TABLE 13: TART Passengers Per Vehicle Service Hour

	Total Systemwide	
	Pax per VSH	% Change
Fiscal Year 2000 - 01	14.2	--
Fiscal Year 2001 - 02	15.6	10.2%
Fiscal Year 2002 - 03	14.9	-4.5%
Fiscal Year 2003 - 04	14.9	-0.2%
Fiscal Year 2004 - 05	15.4	3.7%
Fiscal Year 2005 - 06	16.2	4.7%

Source: TART.

FIGURE 3: TART Passengers Per Vehicle Service Hour

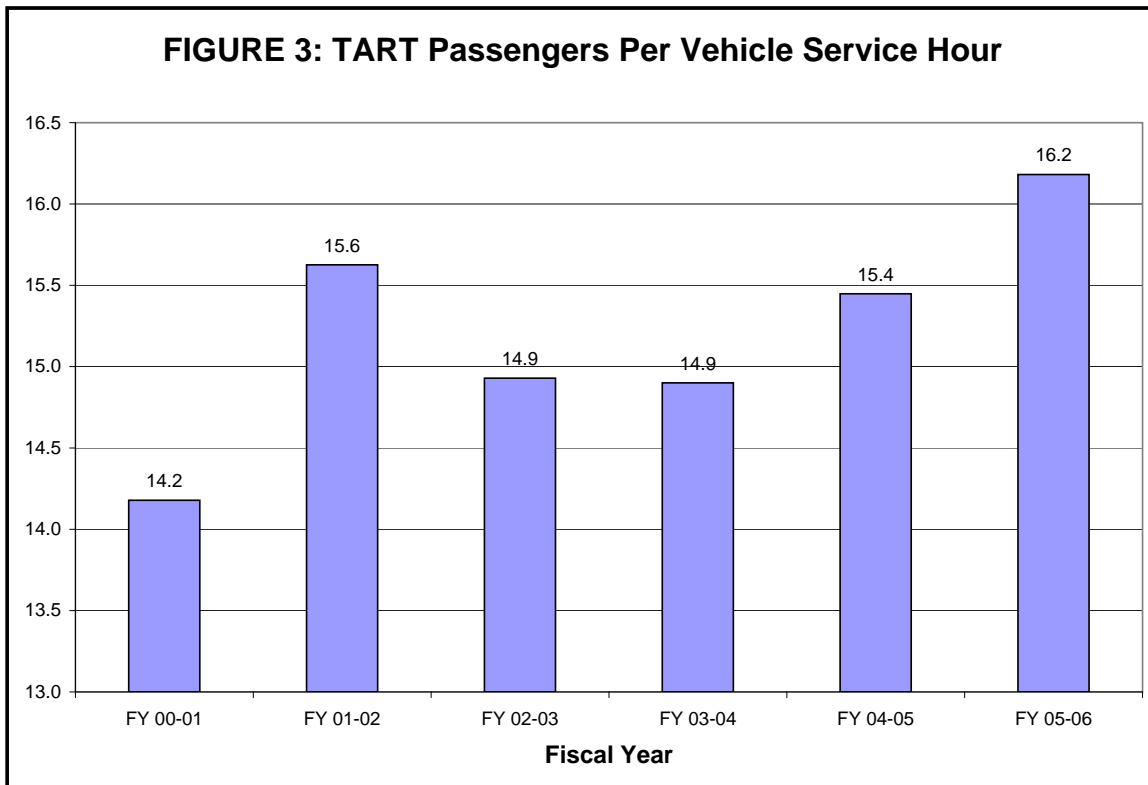
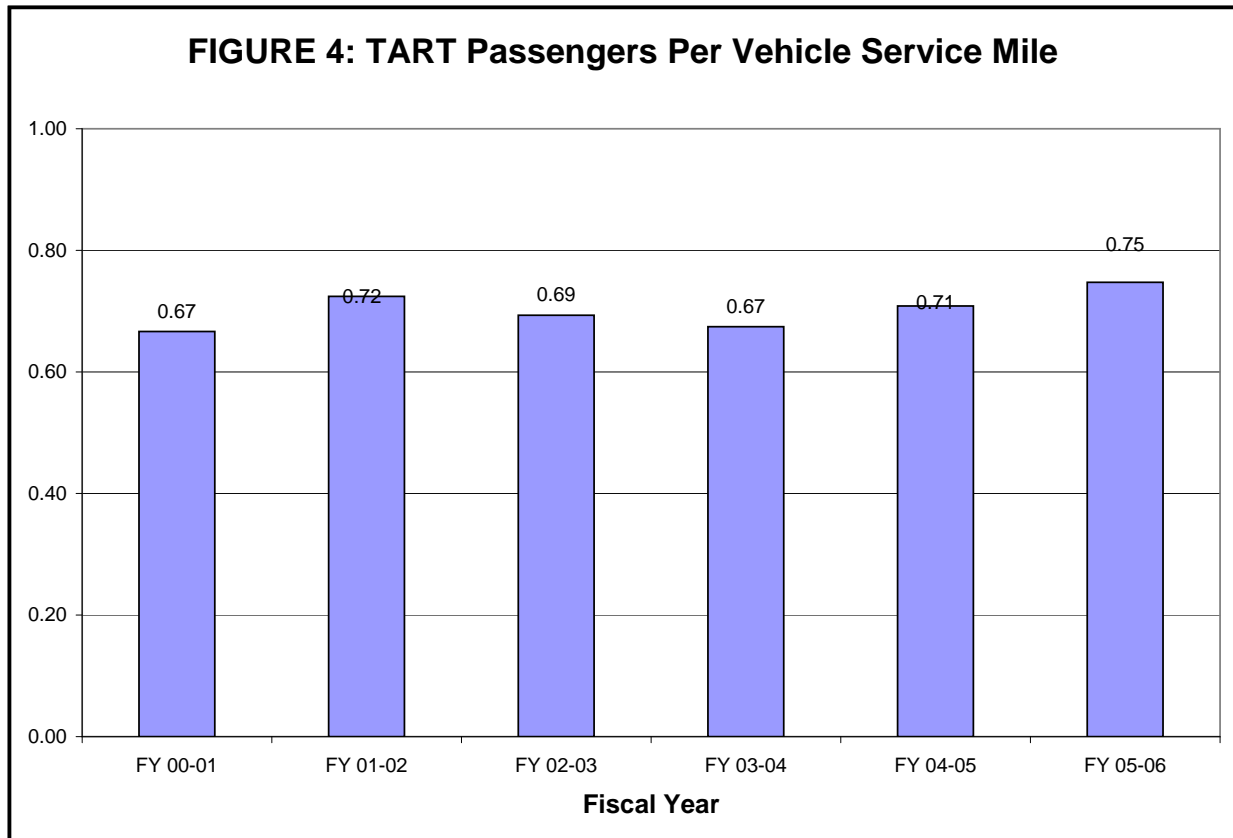


Table 14: TART Passengers Per Vehicle Service Mile

	Total Systemwide	
	Pax per VSM	% Change
Fiscal Year 2000 - 01	0.67	--
Fiscal Year 2001 - 02	0.72	8.7%
Fiscal Year 2002 - 03	0.69	-4.3%
Fiscal Year 2003 - 04	0.67	-2.7%
Fiscal Year 2004 - 05	0.71	5.1%
Fiscal Year 2005 - 06	0.75	5.5%

Source: TART.

FIGURE 4: TART Passengers Per Vehicle Service Mile



The **Vehicle Service Hours per Employee** data is presented below in Table 15 and Figure 5. TART shows a significant decrease in vehicle service hours per employee throughout the audit period, particularly in FY 2005-06. During that year TART increased the number of drivers in response to service hour expansion on the Truckee Route. Additionally, TART made an effort during the audit period to bump up the employment status of part-time extra-help employees to permanent part-time status in order to retain drivers. In FY 2005-06 vehicle service hours per employee dropped to 446. This figure is low in comparison to other rural transit systems. Confirming with Will that FTE numbers are correct.

The **Farebox Recovery Ratio** data is presented in Table 16. As indicated, the farebox recovery ratio for TART declined slightly over the audit period from 15.9 percent to 15.0 percent. This represents a difference of 6.8 percent from FY 2000-01. When farebox ratio is calculated solely for the California Tahoe Basin portion of TART service (as was done in the Fiscal Audits), the ratio ranged from 16.8 percent in FY 2005-06 to 17.5 percent in FY 2003-04. The lower farebox ratio over time stems from the higher operating costs discussed above. Ridership has certainly improved during the audit period and fare levels have remained the same, but TART has been confronted with higher labor costs including workers compensation claims, higher intra-county (A-87) charges as well as rising fuel and liability costs. Despite cost increases, a 15.0 percent farebox ratio is admirable for a rural transit system.

According to PUC Section 99268.2, transit operators (such as TART) required to be in compliance with Section 99268 under Section 99268.1 (50 percent expenditure limitation) may be allocated additional funds beyond the 50 percent expenditure limitation if the operator maintains a 10 percent farebox ratio (rural operators) or the same farebox ratio it had during the 1978-79 fiscal year. Records show that TART had a 25 percent farebox ratio in FY 1978-79. Therefore, TART cannot be allocated funds beyond the 50 percent expenditure limitation unless it achieves a farebox ratio of 25 percent.

Detailed Review of Transit Operator Functions

This section presents a review of the various functions of TART. Transit operator functions can be divided into the following areas:

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

General Management and Organization

TART is a section of the Transportation Division of the Placer County Department of Public Works (DPW). The Transit Public Works Manager reports directly to the Director of the DPW and manages both the TART and PCT. The Transit Public Works Manager spends approximately

TABLE 15: TART Vehicle Service Hours Per Employee

	Total Systemwide	
	VSH per Emp.	% Change
Fiscal Year 2000 - 01	1,506	--
Fiscal Year 2001 - 02	1,450	-3.7%
Fiscal Year 2002 - 03	1,456	0.4%
Fiscal Year 2003 - 04	1,131	-22.3%
Fiscal Year 2004 - 05	1,125	-0.5%
Fiscal Year 2005 - 06	446	-60.4%

Source: TART.

FIGURE 5: TART Vehicle Service Hours Per Employee

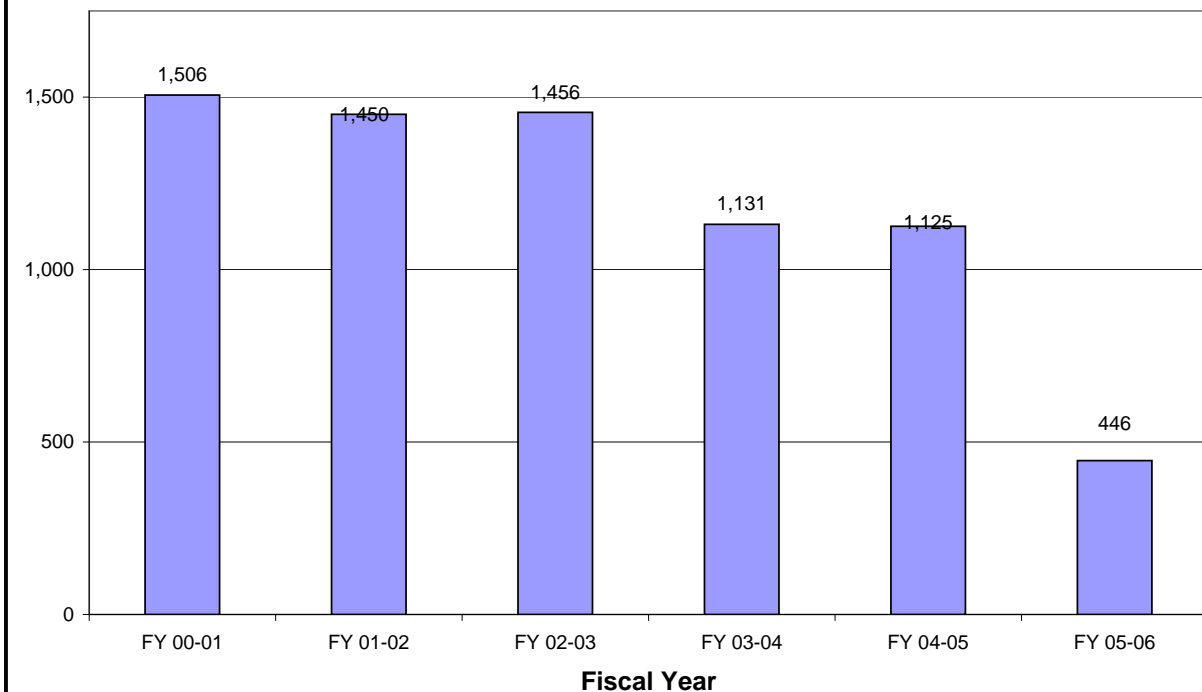


TABLE 16: TART Farebox Recovery Ratio

	Tahoe CA Basin Portion		Systemwide	
	Farebox Ratio	Difference	Farebox Ratio	Difference
Fiscal Year 2000 - 01	24.5%	--	21.7%	--
Fiscal Year 2001 - 02	25.4%	0.9%	22.2%	0.4%
Fiscal Year 2002 - 03	19.2%	-6.2%	17.6%	-4.6%
Fiscal Year 2003 - 04	17.5%	-1.7%	15.9%	-1.7%
Fiscal Year 2004 - 05	16.5%	-1.0%	15.0%	-0.9%
Fiscal Year 2005 - 06	16.8%	0.3%	15.0%	0.0%

Source: TART, LSC.

20 to 30 percent of his time on TART administrative duties. In addition to overseeing transit operations, the Transit Public Works Manager performs grant writing and is involved in various transit related projects. The Senior Transportation Systems Supervisor and the Staff Service Analyst report to the Transit Public Works Manager and divide their time fairly evenly between the two transit systems. The Transportation Supervisor is the day-to-day supervisor of the TART operation. The Senior Driver is the secondary supervisor and is responsible for training and safety. The Administrative Dispatcher is responsible for clerical, administrative, cash management, and communications duties. Maintenance personnel are managed separately by the Fleet Public Works Director who reports to the Assistant Director of Public Works.

During the audit period TART employed seven full-time permanent Operators, five part-time permanent Operators, and four to six part-time “extra-help” employees during the high season and four to six contract employees during the high season through MV Transportation. All operating and maintenance employees in the TART system are covered under a collective bargaining agreement (Operating Engineers Local 39).

The Administrative Dispatcher compiles a monthly management report (primarily in spreadsheet format). The Staff Service Analyst critiques the report before it is sent to the Transit Public Works Manager for review and discussion of performance measures. The monthly management report is compared to the transit goals, objectives, and performance standards adopted in the *TART Systems Study Report* (LSC Transportation Consultants, Inc, 2005). This report is also shared with the Washoe County Regional Transportation Commission and recently with TRPA. The Transit Public Works Manager also produces an annual report, which includes summaries of operating data and a narrative of system achievements. Operating and administrative staff meet as a group monthly to discuss safety, operating, and other issues facing the organization. A driver meeting is scheduled quarterly.

No citizens or other transit advisory committee currently exists; however the Truckee North Tahoe Transportation Management Association (TNT-TMA) provides input at their monthly meetings. Unmet Transit Needs meetings are also held annually, which provide a public forum for input regarding transit services. All policy direction (i.e., fare levels) is provided by the Placer County Board of Supervisors, with recommendations provided by DPW staff.

Service Planning

In 2005, the Placer County Board of Supervisors and the TRPA adopted the *TART Systems Plan Study*. This document includes a comprehensive review of existing TART services (including on-board surveys) and a five-year service plan. The Institutional Management section of the TART plan includes a set of goals which address planning and management, service effectiveness, financial effectiveness, and service quality. TART has implemented several of the top priority service plan elements. New services and existing services are compared to these goals.

TART currently contracts with Alpine Taxi to provide complementary paratransit service, in accordance with the ADA. TART reviews eligibility requirements and provides the contractor with a master list of eligible patrons. Riders schedule trips directly with Alpine Taxi.

In terms of public participation regarding route, service hour, fare, and other important changes, TART seeks input and discusses recommendations at meetings of the Placer County Board of Supervisors. These meetings are open to the general public, are conducted at accessible locations, and are generally conducted in the Tahoe Basin. All efforts are made to discuss issues of local importance at meetings. On-board surveys were performed as part of the *TART Systems Plan Study* effort in 2003.

Scheduling, Dispatch, and Operations

This functional area concerns the short-term scheduling of routes, drivers, and vehicles, the daily coordination and assurance that each route or each demand response customer is served, and the specific function of providing transportation service. Scheduling and dispatching for TART is overseen by the Senior Transportation Supervisor and the Transit Public Works Manager. Dispatching is primarily the responsibility of the Administrative Dispatcher, but is also occasionally performed by the Transportation Supervisor or Senior Driver.

Driver shift options are initially developed by the Senior Transportation System Supervisor and the Senior Driver with input from the Administrative Dispatcher. Through an arrangement with the union, drivers bid on their preferred shift. Final shifts are assigned based on seniority. Most recruits are experienced in transporting passengers (many come from local school districts) and require minimal training. Nonetheless, a minimum of 35 hours of behind-the-wheel training and 25 hours of classroom training is provided for each new recruit. Additionally, all drivers are provided with a minimum of 8 re-training hours annually (to meet Verification of Transit Training requirements). Safety training is part of the initial classroom training. The Senior Driver is responsible for training.

TART increased service during the audit period and therefore has added three full-time bus drivers. Demand for transit service in the Tahoe Basin is very seasonal. Staff has found it difficult to recruit seasonal drivers and have therefore resorted to the assistance of a contractor to provide some of the seasonal help. Hiring contract employees for TART has become slightly more expensive than directly employing drivers, but it relieves TART management from recruiting, testing, and training duties. TART staff indicated that many of the full-time drivers are retiring and fewer younger drivers are getting into the business. Assignment of vehicles to each route is generally handled by the Transportation Supervisor.

TART established a Memorandum of Understanding with the union for deciding who receives benefits. Employees who work more than 32 hours per week over a 26 week period receive benefits. Vacation and leaves of absence are generally scheduled in advance. Due to the highly seasonal nature of TART services, it is generally easier to accommodate requests for time off during the “shoulder” months in spring and fall. TART has a policy for sick leave, tardiness, and other absences. TART also has a clear drug and alcohol policy. TART follows Placer County procedures when discipline is required. The Director of Public Works is responsible for carrying out suspensions and terminations. A union representative is typically present.

No monetary or non-monetary incentive plans are currently used at TART, although becoming a full-time employee with benefits is seen as an incentive for part-time employees. Job performance is evaluated annually and observations are conducted through “ride alongs.”

Demand Response

TART contracts with Alpine Taxi for provision of complimentary paratransit service. The Administrative Dispatcher handles the billing and applications from clients. Staff has noted that the system works well enough to meet ADA requirements; however there is always the possibility the taxi company will go out of business, temporarily leaving TART with no complementary paratransit service.

Administration

Most administrative functions for TART such as payroll and accounting are the responsibility of the DPW Administration Division. The Transit Public Works Manager has general oversight of these functions. Grant administration is handled primarily by the Transit Public Works Manager. No grants have lapsed over the past five years, and TART has been very successful in attaining discretionary monies through state and federal sources. Substantial excesses over budgeted expenses must be approved by the Placer County Board of Supervisors.

TART has an established accident and incident investigation process. An accident package – consisting of forms, instructions, and a camera – is provided on each TART vehicle. Drivers and/or other operating personnel are required to immediately notify dispatch in case of an occurrence, and to submit summaries of the occurrence on established forms. Supervisory staff then completes a follow-up review, and then the information is forwarded to a County safety

committee administered by the Risk Management Department. Accident reports including pictures are maintained in an electronic database. In the future, TART staff plan on incorporating accident data into a GIS program for easy reference and review of potential problems.

TART is self insured for public liability and property damage up to \$100,000 per occurrence. Claims between \$100,000 and \$500,000 are covered through the California Transit Systems Joint Powers Insurance Authority (CalTIP) insurance pool. Additional insurance was purchased by CalTIP for claims between \$500,000 and \$10 million per occurrence. Placer County Office of Emergency Services has a current disaster preparedness and response plan which includes the list of contacts in case of emergency. TART is part of the emergency phone tree.

All TART vehicles have GFI electronic fareboxes aboard. The electronic farebox not only provides for a secure and accurate fare collection procedure but also automatically compiles passenger statistics. At the end of a shift, the farebox is “probed” for data which is wirelessly sent to the main computer system and the locked cashbox is sent to the counting room. The administrative dispatcher compares the cash amounts in each cash box to computer generated fare revenue reports and makes daily deposits at a local bank. The County’s accounts payable program and procurement policies are well-established. The procurement policy indicates at what level of budget items must be competitively procured, and the policy meets FTA procurement requirements. CNG fuel is essentially a monopoly in the region and therefore can not be procured competitively. There is no petty cash maintained. A credit card is available for small purchases for the Transportation Supervisor but is rarely used. TART staff is constantly reviewing the safety of its operating practices often in the form of “ride alongs.” Internal audits are periodically completed by the County’s Audit Department.

Marketing and Public Information

The Truckee/North Tahoe Transportation Management Association conducts marketing efforts for local public transit services (including TART) in the region. The TNT-TMA produces schedules and maintains a website for all transit services in Truckee/North Lake Tahoe. The majority of marketing materials for TART services are produced and distributed through the TNT-TMA; however Placer County does create and maintain TART-only schedules on the buses for passengers. Schedules and transit information can also be found on Placer County’s website.

Maintenance

The Placer County Department of Public Works Fleet Maintenance performs all vehicle maintenance. During the audit period, preventive maintenance standards were at 6,000 mile intervals for diesel vehicles and 8,000 mile intervals for CNG buses. A review of preventative maintenance intervals for two TART vehicles showed that “A Service” preventative maintenance is generally performed within the mile interval goals. Preventative maintenance on one of the vehicles reviewed was performed approximately 1,000 miles after the scheduled interval. In 2008, TART fleet maintenance changed the preventative maintenance interval for the Orion CNG John Deere engine buses to 12,000 miles per the manufacturer’s recommendations as a cost saving measure.

Each vehicle is inspected before entering revenue service by the driver, using an established procedure and checkout form. Any defects are noted and forwarded to maintenance staff for repairs. A Daily Maintenance Report which outlines all defects noted on the vehicle inspection report is provided to the Transit Public Works Manager every day for review. This report also shows the miles since the last preventative maintenance service. All vehicle inspection sheets and maintenance work orders are archived at the Auburn maintenance facility. The County has a computerized maintenance scheduling and management program as well as hard copies of maintenance work orders available at the TART facility to assist staff in ensuring a well-maintained fleet.

The average age of the TART fleet is 6.3 years (including the spare Blue Bird vehicle housed in Auburn). TART has developed a good capital replacement program. Two of the diesel Gilligs are close to the end of their useful life and are due for replacement in 2010. There appears to be no excessive idle time for maintenance personnel, and procedures are in place to repair the most critically needed vehicles first. TART has a relatively high spare ratio which helps minimize disruption of service. DPW fleet maintenance perform the majority of repairs on TART vehicles with the exception of warranty work and major engine rebuilds which are typically sent to Sacramento. The parts inventory at the TART facility is minimal in order to keep within a tight budget. If a part is not on hand at the TART facility, it may be available at the Auburn facility. Maintenance keeps some of the parts for the Orion CNG buses in inventory as these can be difficult to obtain.

Facilities

TART operates from an operations/maintenance facility located at 970 Cabin Creek Road approximately two miles south of Truckee along the SR 89 corridor. The facility has 3,900 square feet of office space and a 7,750 square foot maintenance area with three repair bays, a wash bay, a parts room, and a mechanics office. There is also a 3,300 square foot bus storage building for five buses and an open parking lot for five buses. Diesel and CNG fueling is located on-site. Maintenance space is leased to Placer County DPW Fleet Services for repair of non-TART fleet.

Chapter 3

Conclusions and Recommendations

The Auditor's analysis of TART leads to the following conclusions and recommendations.

FINDINGS

TART complies with most relevant TDA requirements, with the following exceptions:

- TART operating costs increased by 25 percent between FY 2003-04 and FY 2004-05, exceeding the standard of 15 percent.
- A single State Controller Report is prepared by Placer County for both the PCT service in western Placer County and the TART services. The FY 2003-04 State Controller Report was submitted later than 110 days after the end of the fiscal year, as required for electronic filing.
- The Fiscal Audits for FY 2003-04 and FY 2004-05 were not submit within the 180 day time period.

RECOMMENDATIONS

- TART should develop a comprehensive Operations and Training Manual. This was a recommendation from the prior performance audit. TART has numerous written training and operations procedures, but not consolidated into a single manual. This recommendation continues to be a goal of TART staff.
- Many components of operating costs, such as fuel costs, are out of the control of TART staff. However, there was a large increase in workers compensation claims during the audit period. Increasing safety standards in the workplace could help reduce the chance of this occurring again. The Operations and Training Manual should include a section on employee safety standards and outline a continuous safety training program.

Another component of operating cost increases are the A-87 intra-county charges. Will: One suggestion might be to review the cost allocation method for A-87 charges. Is transit being charged unfairly because most A-87 charges are labor related instead of capital intensive such as asphalt for road department? Do you feel that this is a touchy subject that isn't appropriate to address in this audit or is there some particular wording you think we should insert here?