



**FYs 2013-2015
Triennial Performance Audit of
Stanislaus Regional Transit**



Submitted to Stanislaus
Council of Governments

November 2016

TABLE OF CONTENTS

Section I.....	1
Introduction	1
Overview of the Transit System.....	1
Section II.....	8
Operator Compliance Requirements.....	8
Section III.....	13
Prior Triennial Performance Recommendations	13
Section IV	16
TDA Performance Indicators.....	16
Section V	24
Review of Operator Functions	24
Operations	24
Maintenance.....	28
Planning	29
Marketing	30
General Administration and Management	31
Section VI	33
Findings	33
Recommendations	35

Section I

Introduction

California's Transportation Development Act (TDA) requires that a triennial performance audit be conducted of public transit entities that receive TDA revenues. The performance audit serves to ensure accountability in the use of public transportation revenue.

The Stanislaus Council of Governments (StanCOG) engaged Michael Baker International to conduct the TDA triennial performance audit of the public transit operators under its jurisdiction in Stanislaus County. This performance audit is conducted for Stanislaus Regional Transit (StaRT, County) covering the most recent triennial period, fiscal years 2012-13 through 2014-15.

The purpose of the performance audit is to evaluate the County's effectiveness and efficiency in its use of TDA funds to provide public transportation in its service area. This evaluation is required as a condition for continued receipt of these funds for public transportation purposes. In addition, the audit evaluates the County's compliance with the conditions specified in the California Public Utilities Code (PUC). This task involves ascertaining whether StaRT is meeting the PUC's reporting requirements. Moreover, the audit includes calculations of transit service performance indicators and a detailed review of the transit administrative functions. From the analysis that has been undertaken, a set of recommendations has been made which is intended to improve the performance of transit operations.

In summary, this TDA audit affords the opportunity for an independent, constructive, and objective evaluation of the organization and its operations that otherwise might not be available. The methodology for the audit included in-person interviews with management and the contract operator, collection and review of agency documents, data analysis, and on-site observations. The *Performance Audit Guidebook for Transit Operators and Regional Transportation Planning Entities* (September 2008, third edition), published by the California Department of Transportation (Caltrans), was used to guide in the development and conduct of the audit.

Overview of the Transit System

StaRT, the County's transit system, serves most population centers in Stanislaus County, including several communities in neighboring Merced County to the south. The County has been providing public transit service since 1981, consisting of intercity fixed route, deviated fixed route, demand response, and non-emergency transportation services to the Bay Area.

Stanislaus County is located in the northern San Joaquin Valley, bordered by San Joaquin County to the north, Merced County to the south, Alameda and Santa Clara Counties to the west, and Calaveras, Mariposa, Tuolumne Counties to the east. The county was named after the Stanislaus River and established in 1854 as a former part of Tuolumne County. The County is governed by a five-member Board of Supervisors, which serves as the main legislative body as well as the StaRT Board.

A demographic snapshot of the cities and the county within the StaRT service area is presented in Table I-1.

**Table I-1
StaRT Service Area Demographics**

City/Jurisdiction	2010 US Census Population	Change from 2000 US Census	Population 65 years & older	Land area (in square miles)
Ceres	45,417	31.2%	7.7%	8.0
Hughson	6,640	66.8%	10.8%	1.8
Modesto (County Seat)	201,165	6.5%	11.7%	37.1
Newman	10,224	44.1%	8.5%	2.1
Oakdale	20,675	33.4%	12.4%	6.1
Patterson	20,413	75.9%	6.3%	6.0
Riverbank	22,678	43.3%	8.4%	4.1
Turlock	68,549	22.8%	11.7%	16.9
Waterford	8,456	22.1%	7.3%	2.4
Unincorporated Area	110,236	-9.6%	10.8%	1,401.2
Total Stanislaus County	514,453	15.1%	10.7%	1,514.7

Source: 2010 US Census

The City of Modesto is the county seat and largest city. The county and incorporated cities experienced significant growth between the 2000 and 2010 US Census. Patterson saw the highest percentage increase in population followed by Hughson and Newman. The senior citizen population, comprising residents aged 65 and over, is 10.7 percent countywide. The 2016 population for Stanislaus County is estimated to be 540,214 as reported by the California Department of Finance.

Agriculture, distribution centers, food processing, government services, and viticulture are mainstays of the local economy. During the 2000s, residential construction fueled economic growth as Stanislaus County became a bedroom community for commuters traveling to work in the Bay Area. Major highways traversing Stanislaus County include Interstate 5 and State Routes (SR) 4, 33, 99, 108, 120, 132, and 165. SR 99 is the main north-south highway connecting the larger Cities of Modesto, Ceres and Turlock. Interstate 5 (I-5) runs north-south through the western portion of the county adjacent to the Cities of Newman and Patterson.

System Characteristics

StaRT is composed of four transit service modes: intercity fixed route, deviated fixed route, local Dial-A-Ride, and the non-emergency medical MEDIVAN service to the Bay Area. Fixed routes connect most major cities and communities whereas demand-response services provide localized service with designated fixed stops in Newman, Patterson, and Waterford. The Eastside Shuttle and the Turlock/Modesto Shuttle provide intercity demand-response service at specific time intervals throughout the day. The Waterford/Modesto Runabout is a deviated fixed route that combines a limited intercity fixed route with scheduled stops with demand-responsive service.

During the audit period, the Riverbank-Oakdale Transit Authority (ROTA) merged with StaRT after its dissolution in December 2012. StaRT assumed operation of the former ROTA services with the implementation of the Eastside Shuttle and local Dial-A-Ride services in Riverbank and Oakdale.

StaRT does not operate on Sundays and the following holidays: New Year’s Day, Presidents’ Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, and Christmas Day. Operating hours were extended and frequencies increased to meet the demand for service, particularly from student riders, on key routes during the audit period. Flag stops are allowed between the last and first bus stops between towns but are not allowed between bus stops within towns. StaRT’s fixed-route services during the audit period are described in detail in Table I-2.

**Table I-2
StaRT Fixed Route Services**

Route	Service Area	Days & Hours of Operation
10 Express	Modesto-Turlock	<ul style="list-style-type: none"> ▪ Monday through Friday from 5:00 a.m. to 10:20 p.m.
15	Modesto-Ceres-Keyes-Turlock	<ul style="list-style-type: none"> ▪ Monday through Friday from 5:35 a.m. to 9:49 p.m. ▪ Saturday from 6:30 a.m. to 8:56 p.m.
40	Modesto-Grayson-Westley-Patterson	<ul style="list-style-type: none"> ▪ Monday through Friday from 5:20 a.m. to 9:07 p.m. ▪ Saturday from 6:40 a.m. to 7:55 p.m.
45 East	Patterson-Turlock	<ul style="list-style-type: none"> ▪ Monday through Friday from 6:20 a.m. to 8:20 p.m. ▪ Saturday from 6:40 a.m. to 6:25 p.m.
45 West	Gustine-Newman-Crows Landing-Patterson	<ul style="list-style-type: none"> ▪ Monday through Friday from 5:40 a.m. to 9:21 p.m. ▪ Saturday from 6:00 a.m. to 8:06 p.m.
60	Modesto-Riverbank-Oakdale	<ul style="list-style-type: none"> ▪ Monday through Friday from 5:00 a.m. to 9:36 p.m. ▪ Saturday from 6:15 a.m. to 8:28 p.m.

Route	Service Area	Days & Hours of Operation
70	Modesto-Turlock-Merced	<ul style="list-style-type: none"> ▪ Monday through Friday from 5:45 a.m. to 6:35 p.m.
Waterford/Modesto Runabout	Modesto-Empire-Hughson-Waterford	<ul style="list-style-type: none"> ▪ Monday through Friday from 5:50 a.m. to 7:30 p.m. ▪ Saturday from 7:00 a.m. to 6:30 p.m.

Source: StaRT

Dial-A-Ride

In addition to the fixed-route services, StaRT provides curb-to-curb Dial-A-Ride service between and within communities throughout the county. Dial-A-Ride service is available to the general public as well as to seniors and persons with disabilities. StaRT’s Dial-A-Ride and designated fixed-stop services are outlined in Table I-3.

**Table I-3
StaRT Dial-A-Ride/Designated Fixed Stop Services**

Dial-A-Ride Route	Service Area	Hours of Operation
Turlock/Modesto Shuttle (Curb to Curb)	Modesto-Ceres-Keyes-Turlock	<ul style="list-style-type: none"> ▪ Monday through Friday from 7:00 a.m. to 5:30 p.m. ▪ Saturday from 8:00 a.m. to 4:45 p.m.
Eastside Shuttle (Curb to Curb)	Modesto-Riverbank-Oakdale	<ul style="list-style-type: none"> ▪ Monday through Friday from 6:00 a.m. to 4:30 p.m. ▪ Saturday from 7:30 a.m. to 4:00 p.m.
Newman Dial-A-Ride	Newman-Crows Landing-Gustine	<ul style="list-style-type: none"> ▪ Monday through Friday from 6:00 a.m. to 4:30 p.m. (Out of Service 12:00 p.m.-1:00 p.m.) ▪ Saturday from 8:00 a.m. to 4:30 p.m. (Out of Service 12:00 p.m.-12:30 p.m.)
Oakdale Dial-A-Ride	Oakdale Area Only	<ul style="list-style-type: none"> ▪ Monday through Friday from 6:30 a.m. to 5:30 p.m. ▪ Saturday – Service provided by Eastside Shuttle
Patterson Dial-A-Ride	Patterson-Grayson-Westley	<ul style="list-style-type: none"> ▪ Monday through Friday from 7:00 a.m. to 6:00 p.m. (Out of Service 12:00 p.m.-1:00 p.m.)

Dial-A-Ride Route	Service Area	Hours of Operation
		<ul style="list-style-type: none"> ▪ Saturday from 8:00 a.m. to 4:30 p.m. (Out of Service 12:00 p.m.-12:30 p.m.)
Riverbank Dial-A-Ride	Riverbank Area Only	<ul style="list-style-type: none"> ▪ Monday through Friday from 6:30 a.m. to 5:30 p.m. ▪ Saturday – Service provided by Eastside Shuttle
Waterford Dial-A-Ride	Waterford, Hickman and limited Oakdale area	<ul style="list-style-type: none"> ▪ Monday through Friday from 8:30 a.m. to 4:45 p.m. ▪ Saturday – Service provided by Waterford/Modesto Runabout
MEDIVAN (Reservations Required)	Bay Area Medical Facilities	<ul style="list-style-type: none"> ▪ Monday through Friday ▪ <i>Effective FY 2016: Monday through Thursday</i>

Source: StaRT

To schedule curb-to-curb service, riders may call and make reservations up to seven days in advance and no later than four hours before the ride. Cancellations are required no less than two hours prior to the scheduled pickup time. Reservations cancelled with less than two hours' notice are considered no-shows.

Fares

StaRT accepts a variety of fare media such as cash, passes, tickets, and transfers. Monthly passes, fast fares, and ticket booklets are available for purchase at the Modesto Transportation Center, Storer Transit Systems, Modesto Junior College, California State University, Stanislaus, and the city halls located in Newman, Oakdale, Patterson, Riverbank, Turlock, and Waterford. The fare structure during the audit period is shown in Table I-4.

**Table I-4
StaRT Fare Schedule**

Fare Categories	Fares
General Fare Routes 10, 15, 40, 45 (East/West) & 60	\$1.50
Senior/Disabled Routes 10, 15, 40, 45 (East/West) & 60	\$1.00
General Fare - Route 70	\$2.75
Senior/Disabled - Route 70	\$2.25
General Fare Turlock/Modesto & Eastside Shuttles	\$2.75

Fare Categories	Fares
	(Out of Area \$1.50 Additional)
Senior/Disabled Turlock/Modesto & Eastside Shuttles	\$2.25 (Out of Area \$1.50 Additional)
General Fare Waterford/Modesto Runabout	\$1.50 (Fixed Stop) \$2.75 (curb-to-curb) (Out of Area \$1.50 Additional)
Senior/Disabled Waterford/Modesto Runabout	\$1.00 (Fixed Stop) \$2.25 (curb-to-curb) (Out of Area \$1.50 Additional)
General Fare Dial-A-Ride-Newman/Patterson/Waterford/Oakdale/Riverbank	\$1.50 (Out of Area \$1.50 Additional)
Senior/Disabled Dial-A-Ride-Newman/Patterson/Waterford/Oakdale/Riverbank	\$1.25 (Out of Area \$1.50 Additional)
MEDIVAN – Bay Area	\$10.00 one-way/\$20.00 round trip
MEDIVAN - Attendant	\$3.00 one-way/\$6.00 round trip
Transfers between Routes 40/45 & Newman Dial-A-Ride	Free
Transfers to MAX, StaRT, BLAST, CAT, Ceres DAR, ROTA DAR & eTrans	Free
Fast Fare Cards	\$5.00-\$10.00
31-Day Pass	\$45.00
20-Ride Card – General Fare	\$27.00
20-Ride Card – Senior/Disabled	\$18.00
20-Ride Card – Student	\$25.50
20-Ride Ticket Books – General Fare	\$27.00
20-Ride Ticket Books –Senior/Disabled	\$18.00

Source: StaRT

A StaRT Senior and Persons with Disabilities discount card is acceptable proof of eligibility for the senior/disabled fares, passes, and ticket books. Americans with Disabilities Act of 1990 (ADA) identification from other transit systems and agency is acceptable.

Subsequent to the audit period, the County implemented a fare increase in FY 2017 for certain passenger categories. The general public fare on the fixed route increased from \$1.50 to \$1.60, while senior and disabled fare decreased from \$1.00 to \$0.80. StaRT also implemented a 1-Day Pass, which costs \$3.25 for the general public and \$1.60 for seniors and the disabled. Twenty-Ride Card fares were increased for the general public and a \$46.00 Employer Pass was implemented.

Fleet

There were 45 vehicles in the total fleet during the audit period. All StaRT vehicles are wheelchair-accessible in compliance with the ADA as well as equipped with bike racks, each of which holds two bikes. Table I-5 shows the vehicle fleet information.

**Table I-5
StaRT Fleet**

Year	Make/Model	Quantity	Seating Capacity	Fuel Type	Service Mode
2003	Orion V	4	44 (2 W/C)	CNG	Fixed Route
2006	Ford Starcraft	2	11 (2 W/C)	CNG	Dial-A-Ride
2008	Orion VII	3	37 (2 W/C)	CNG	Fixed Route
2008	Ford El Dorado E-450	12	20 (4 W/C)	Gasoline	DAR-Shuttle-Runabout-Fixed Route
2013	Champion Defender	1	20 (4 W/C)	Diesel	MEDIVAN-Fixed Route
2013	XN40 New Flyer	5	35 (2 W/C)	CNG	Fixed Route
2014	XN35 New Flyer	1	30 (2 W/C)	CNG	Fixed Route
2014	Chevy-4500 El Dorado	13	20P/8P (4 W/C)	Diesel	DAR-Shuttle-Runabout-Fixed Route
2014	EZ Rider II	1	27 (2 W/C)	CNG	Fixed Route
2015	XN40 New Flyer	3	35 (2 W/C)	CNG	Fixed Route
Total		45			

Source: StaRT
W/C=Wheelchair

Section II

Operator Compliance Requirements

This section of the audit report contains the analysis of StaRT’s ability to comply with state requirements for continued receipt of TDA funds. The evaluation uses the *Performance Audit Guidebook for Transit Operators and Regional Transportation Planning Agencies*, which contains a checklist of 11 measures taken from relevant sections of the PUC and the California Code of Regulations. Each of these requirements is discussed in the table below, including a description of the system’s efforts to comply with the requirements. In addition, the findings from the compliance review are described in the text following the table.

Table II-1 Operator Compliance Requirements Matrix		
Operator Compliance Requirements	Reference	Compliance Efforts
The transit operator submitted annual reports to the RTPA based upon the Uniform System of Accounts and Records established by the State Controller. Report is due 90 days after end of fiscal year (Sept. 28/29), or 110 days (Oct. 19/20) if filed electronically (Internet).	Public Utilities Code, Section 99243	Completion/submittal dates: FY 2013: October 16, 2013 FY 2014: October 28, 2014 FY 2015: September 29, 2015 Conclusion: Complied.
The operator has submitted annual fiscal and compliance audits to the RTPA and to the State Controller within 180 days following the end of the fiscal year (Dec. 27), or has received the appropriate 90-day extension by the RTPA allowed by law.	Public Utilities Code, Section 99245	Completion/submittal dates: FY 2013: December 20, 2013 FY 2014: December 23, 2014 FY 2015: December 17, 2015 Conclusion: Complied.
The CHP has, within the 13 months prior to each TDA claim submitted by an operator, certified the operator’s compliance with Vehicle Code Section 1808.1	Public Utilities Code, Section 99251 B	The County of Stanislaus, through its contract operator, participates in the CHP Transit Operator Compliance Program in which the CHP has conducted inspections within the 13 months prior to each TDA claim. Inspections were

Table II-1 Operator Compliance Requirements Matrix		
Operator Compliance Requirements	Reference	Compliance Efforts
following a CHP inspection of the operator’s terminal.		<p>conducted at the contract operator’s facility in Modesto.</p> <p>Transit Operator Compliance Certificates and inspections applicable to the audit period were October 10, 2013; October 29, 2014; and July 1, 2015.</p> <p>Inspections were found to be satisfactory.</p> <p>Conclusion: Complied.</p>
The operator’s claim for TDA funds is submitted in compliance with rules and regulations adopted by the RTPA for such claims.	Public Utilities Code, Section 99261	<p>As a condition of approval, the County of Stanislaus’ annual claims for Local Transportation Funds (LTF) and State Transit Assistance (STA) are submitted in compliance with the rules and regulations adopted by StanCOG.</p> <p>Conclusion: Complied.</p>
If an operator serves urbanized and non-urbanized areas, it has maintained a ratio of fare revenues to operating costs at least equal to the ratio determined by the rules and regulations adopted by the RTPA.	Public Utilities Code, Section 99270.1	<p>StanCOG set the farebox recovery standard for StaRT at 10 percent as shown in the Transit Cost Sharing Agreement. Stanislaus County’s operating ratios were as follows:</p> <p>FY 2013: 15.00% FY 2014: 12.00% FY 2015: 14.00%</p> <p>Source: Annual Fiscal & Compliance Audits.</p> <p>Effective FY 2017, StaRT will be subject to a 15 percent farebox recovery ratio standard.</p>

Table II-1 Operator Compliance Requirements Matrix		
Operator Compliance Requirements	Reference	Compliance Efforts
		Conclusion: Complied.
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).	Public Utilities Code, Section 99266	<p>Percentage increase in Stanislaus County’s transit operating budget:</p> <p>FY 2013: +7.1% FY 2014: +31.8% FY 2015: +5.4%</p> <p>The increase in the FY 2014 operating budget is attributed to the merger of ROTA into StaRT as well as the implementation of Dial-A-Ride services in the former ROTA service area, service enhancements on the fixed route, and an increase in service hours.</p> <p>Source: Public Works – Local Transit System Budgets for FYs 2012-2015</p> <p>Conclusion: Complied.</p>
The operator’s definitions of performance measures are consistent with Public Utilities Code Section 99247, including (a) operating cost, (b) operating cost per passenger, (c) operating cost per vehicle service hour, (d) passengers per vehicle service hour, (e) passengers per vehicle service mile, (f) total passengers, (g) transit vehicle, (h) vehicle service hours, (i) vehicle service miles, and (j) vehicle service hours per employee.	Public Utilities Code, Section 99247	<p>The County’s definition of performance is consistent with PUC Section 99247. A review of trip sheets from the contract operator during the audit period indicates that correct performance data are being collected.</p> <p>Conclusion: Complied.</p>

Table II-1		
Operator Compliance Requirements Matrix		
Operator Compliance Requirements	Reference	Compliance Efforts
If the operator serves an urbanized area, it has maintained a ratio of fare revenues to operating costs at least equal to one-fifth (20 percent), unless it is in a county with a population of less than 500,000, in which case it must maintain a ratio of fare revenues to operating costs of at least equal to three-twentieths (15 percent), if so determined by the RTPA.	Public Utilities Code, Sections 99268.2, 99268.3, 99268.12, 99270.1	This requirement is not applicable, as Stanislaus Regional Transit is subject to the farebox ratio established by StanCOG. Conclusion: Not Applicable
If the operator serves a rural area, or provides exclusive services to elderly and disabled persons, it has maintained a ratio of fare revenues to operating costs at least equal to one-tenth (10 percent).	Public Utilities Code, Sections 99268.2, 99268.4, 99268.5	This requirement is not applicable, as Stanislaus Regional Transit is subject to the farebox ratio established by StanCOG. Conclusion: Not Applicable
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 within 40 years.	Public Utilities Code, Section 99271	The County contracts with a private provider for operations, while the cost of County staff’s retirement is fully funded under the Stanislaus County Employees Retirement Association (StanCERA). Conclusion: Complied.
If the operator receives state transit assistance funds, the operator makes full use of funds available to it under the Urban Mass Transportation	California Code of Regulations, Section 6754(a)(3)	As a recipient of STA funds, the County of Stanislaus utilizes federal funds that are available to the agency, as reported in the National Transit Database (NTD).

Table II-1 Operator Compliance Requirements Matrix		
Operator Compliance Requirements	Reference	Compliance Efforts
Act of 1964 before TDA claims are granted.		FY 2013: \$579,175 (Operations) \$ 84,504 (Capital) FY 2014: \$545,400 (Operations) FY 2015: \$456,808 (Operations) Conclusion: Complied.

Findings and Observations from Operator Compliance Requirements Matrix

1. Of the compliance requirements pertaining to StaRT, the operator fully complied with all nine requirements. Two additional compliance requirements did not apply to the County (i.e., exclusive urbanized and rural area farebox recovery ratios).
2. StaRT’s farebox recovery ratio remained above the required 10 percent standard. The farebox recovery ratio was 15 percent in FY 2013, 12 percent in FY 2014, and 14 percent in FY 2015 based on audited data and excluding depreciation costs, vehicle lease costs, and new services costs which are permissible by the TDA statute. The average system-wide farebox recovery ratio was 13.67 percent during the triennial review period. Effective FY 2017, StaRT will be subject to a 15 percent system-wide farebox recovery ratio as a result of the county population exceeding 500,000 in the last census.
3. StaRT, through its contract operator, participates in the CHP Transit Operator Compliance Program and received vehicle inspections within the 13 months prior to each TDA claim. Satisfactory ratings were made for all inspections conducted during the audit period.
4. Increases in the operating budget reflect the service expansion that took place during the period. The budget increased 7.1 percent in FY 2013, 31.8 percent in FY 2014, and 5.4 percent in FY 2015. The budgetary increases in FY 2014 were attributed to the merger of ROTA into StaRT as well as the implementation of Dial-A-Ride services in the former ROTA service area, service enhancements on the fixed route, and an increase in service hours.

Section III

Prior Triennial Performance Recommendations

The County's efforts to implement the recommendations made in the prior triennial audit are examined in this section of the report. For this purpose, each prior recommendation for the agency is described, followed by a discussion of the County's efforts to implement the recommendation. Conclusions concerning the extent to which the recommendations have been adopted by the agency are then presented.

Prior Recommendation 1

Reinstate the system of incentives and liquidated damages to ensure performance standards are met in the operating contract.

Actions taken by the County of Stanislaus

Background: The prior audit noted that the operator service contract contained a performance-based incentive program to be used as an outline for measuring the contract operator's performance and building a cooperative relationship between the County and Storer Transit Systems. During the last contract renewal, the performance incentive clause was removed. Although most performance standards have either been met or exceeded by the contract operator, a series of incentives and penalties through the implementation of a performance-based incentive system would ensure continued service quality and spur efficiencies that control costs and support the farebox ratio. It was recommended that the County reinstate this clause as a safety net provision for the monitoring of actual performance against contract standards.

Action: The County, along with the Cities of Ceres and Modesto, jointly released a request for proposals (RFP) for the operation of their respective transit systems in September 2013. The operating and maintenance contract was awarded in July 2014 to Storer Transit Systems. Performance incentives and liquidated damages clauses were included in the RFP and operating contract. As a quality assurance measure, the County implemented a mystery shopper/rider program. Observations made by the mystery riders are shared with Storer. In addition, on-time performance has been a primary concern with the County and County transit staff are notified by email when buses are delayed.

Conclusion

This recommendation has been implemented.

Prior Recommendation 2

Include full time equivalent data in the State Controller Transit Operators Report according to the TDA definition.

Actions taken by the County

Background: The prior audit noted that the Transit Operators Financial Transactions Reports submitted to the State Controller by the County omitted full time equivalent (FTE) data. It was pointed out that employee hours should include those from the contract operator and County personnel responsible for managing and reporting on the transit system. Labor hours allocated to the transit system should be tracked and tabulated using the proper formula contained in the TDA statute. An accurate accounting of FTEs is based on the sum of all labor hours expended on transit and dividing the figure by 2,000. Regular reporting of FTEs would result in better responsiveness to TDA requirements.

Action: The Transit Operators Financial Transactions Reports submitted during the most recent audit period include the FTE data for both the fixed route (“Motor Bus”) and Dial-A-Ride (“Demand Response Vehicles”) service modes. The contract operator provides the County a breakdown of employee hours expended on StaRT operations as part of its monthly invoice and operations report.

Conclusion

This recommendation has been implemented.

Prior Recommendation 3

Update StaRT transit plan documents.

Actions taken by the County

Background: The prior audit noted that the last significant transit plan for StaRT was prepared in 2006 and suggested that an update to the planning documents be undertaken that evaluates the system’s operational status and future capital needs. Transit surveys conducted during the past few years have provided some level of transit information. It was acknowledged that a Comprehensive Operational Analysis (COA) would provide this evaluation and guidance on the goals for the service.

Action: The County updated its transit plan during the audit period by commissioning the *Stanislaus Regional Transit Comprehensive Operational Analysis*, which was completed in June 2014. The COA included a community assessment and existing conditions overview; ridecheck analysis and passenger survey; goals, policies, and service standards; technology systems plan;

consolidation assessment; service recommendations; a financial and capital improvement plan; and implementation strategies.

Conclusion

This recommendation has been implemented.

Section IV

TDA Performance Indicators

This section reviews StaRT's performance in providing transit service to the community in an efficient and effective manner. The TDA requires that at least five specific performance indicators be reported, which are contained in the following tables. Farebox recovery ratio is not one of the five specific indicators but is a requirement for continued TDA funding. Therefore, farebox calculation is also included. Two additional performance indicators, operating cost per mile and average fare per passenger, are included as well. Findings from the analysis are contained in the section following the tables.

Tables IV-1 through IV-3 provide the performance indicators for StaRT system-wide, fixed route, and Dial-A-Ride. Charts are also provided to depict the trends in the indicators. It is noted that the system-wide operating costs and fare revenues are based on audited figures, while fixed route and Dial-A-Ride costs and fare revenues are unaudited. The annual fiscal audits do not provide a modal breakdown.

**Table IV-1
StaRT TDA Performance Indicators
System-wide**

Performance Data and Indicators	Audit Period				% Change FY 2012-2015
	FY 2012	FY 2013	FY 2014	FY 2015	
Operating Cost ⁽¹⁾	\$3,487,745	\$3,812,828	\$5,152,050	\$4,773,131	36.9%
Operating Cost (with exclusion of new services)	\$3,314,333	\$3,202,465	\$3,112,858	\$3,280,932	-1.0%
Total Passengers	356,698	374,635	398,485	405,140	13.6%
Vehicle Service Hours	41,107	44,716	57,545	60,413	47.0%
Vehicle Service Miles	832,235	976,769	1,071,786	1,158,231	39.2%
Employee FTEs	40	44	44	46	15.0%
Passenger Fares	\$465,000	\$496,528	\$514,309	\$536,152	15.3%
Passenger Fares (with excluded revenues)	\$451,086	\$466,624	\$374,839	\$447,889	-0.7%
Operating Cost per Passenger	\$9.78	\$10.18	\$12.93	\$11.78	20.5%
Operating Cost per Vehicle Service Hour	\$84.85	\$85.27	\$89.53	\$79.01	-6.9%
Operating Cost per Vehicle Service Mile	\$4.19	\$3.90	\$4.81	\$4.12	-1.7%
Passengers per Vehicle Service Hour	8.68	8.38	6.92	6.71	-22.7%
Passengers per Vehicle Service Mile	0.43	0.38	0.37	0.35	-18.4%
Vehicle Service Hours per Employee	1,027.7	1,016.3	1,307.8	1,313.3	27.8%
Average Fare per Passenger	\$1.30	\$1.33	\$1.29	\$1.32	1.5%
Fare Recovery Ratio (without exclusion of new services) ⁽²⁾	13.33%	13.02%	9.98%	11.23%	-15.7%
Fare Recovery Ratio (with exclusion of new services) ⁽³⁾	13.61%	14.57%	12.04%	13.65%	0.3%

Source: Annual Fiscal & Compliance Audit; Internal Performance Reports; State Controller Reports

(1) Audited operating cost excludes depreciation and vehicle lease costs per PUC Section 99247.

Vehicle lease costs were \$254,258 in FY 2012, \$254,258 in FY 2013, \$89,762 in FY 2014, and \$429,568 in FY 2015.

(2) The fare recovery ratio uses audited operating cost which exclude depreciation and vehicle leases, and match the operating costs and fare revenues in the table.

(3) The fare recovery ratio uses audited operating cost which excludes depreciation and vehicle leases, as well as new exempted services. This ratio is allowable under the TDA statute for performance evaluation and compliance with the TDA farebox recovery standard.

**Table IV-2
StaRT TDA Performance Indicators
Fixed Route**

Performance Data and Indicators	Audit Period				% Change FY 2012-2015
	FY 2012	FY 2013	FY 2014	FY 2015	
Operating Cost	\$2,219,733	\$2,285,671	\$3,256,509	\$3,325,362	49.8%
Total Passengers	322,926	330,555	347,943	359,475	11.3%
Vehicle Service Hours	26,774	28,808	37,581	41,578	55.3%
Vehicle Service Miles	589,004	610,843	781,838	888,097	50.8%
Employee FTEs	27	27	27	29	7.4%
Passenger Fares	\$389,636	\$425,741	\$429,607	\$459,461	17.9%
Operating Cost per Passenger	\$6.87	\$6.91	\$9.36	\$9.25	34.6%
Operating Cost per Vehicle Service Hour	\$82.91	\$79.34	\$86.65	\$79.98	-3.5%
Operating Cost per Vehicle Service Mile	\$3.77	\$3.74	\$4.17	\$3.74	-0.6%
Passengers per Vehicle Service Hour	12.06	11.47	9.26	8.65	-28.3%
Passengers per Vehicle Service Mile	0.55	0.54	0.45	0.40	-26.2%
Vehicle Service Hours per Employee	991.6	1,067.0	1,391.9	1,433.7	44.6%
Average Fare per Passenger	\$1.21	\$1.29	\$1.23	\$1.28	5.9%
Fare Recovery Ratio	17.55%	18.63%	13.19%	13.82%	-21.3%

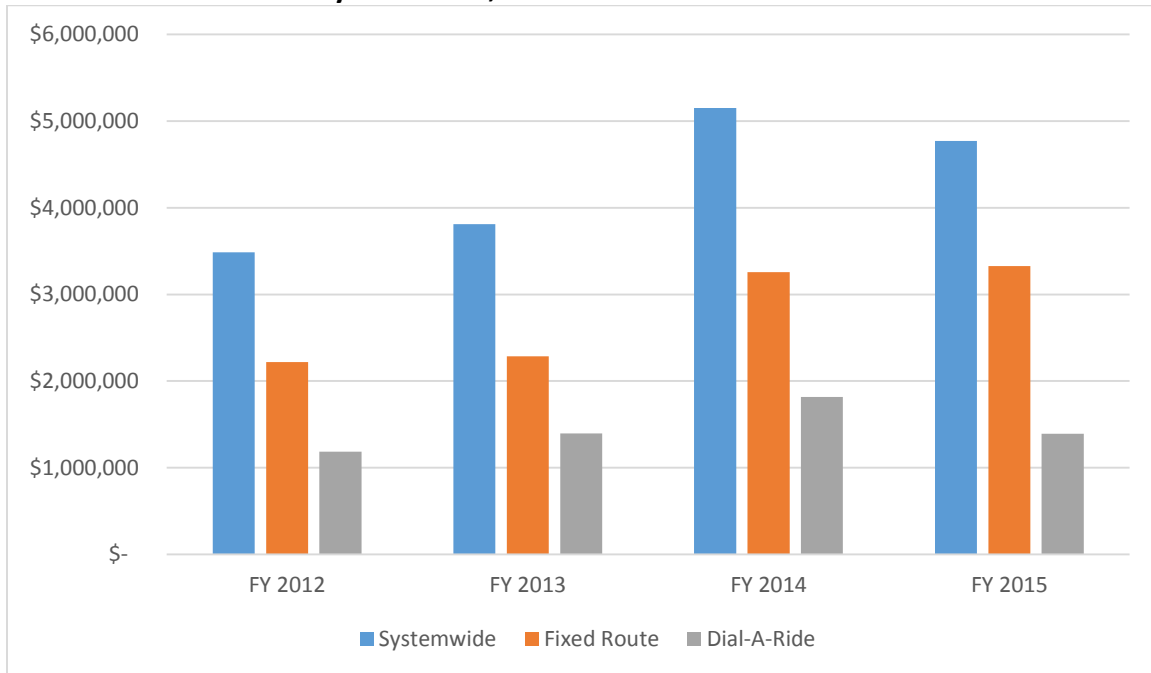
Source: Internal Performance Reports; State Controller Reports

**Table IV-3
StaRT TDA Performance Indicators
Dial-A-Ride**

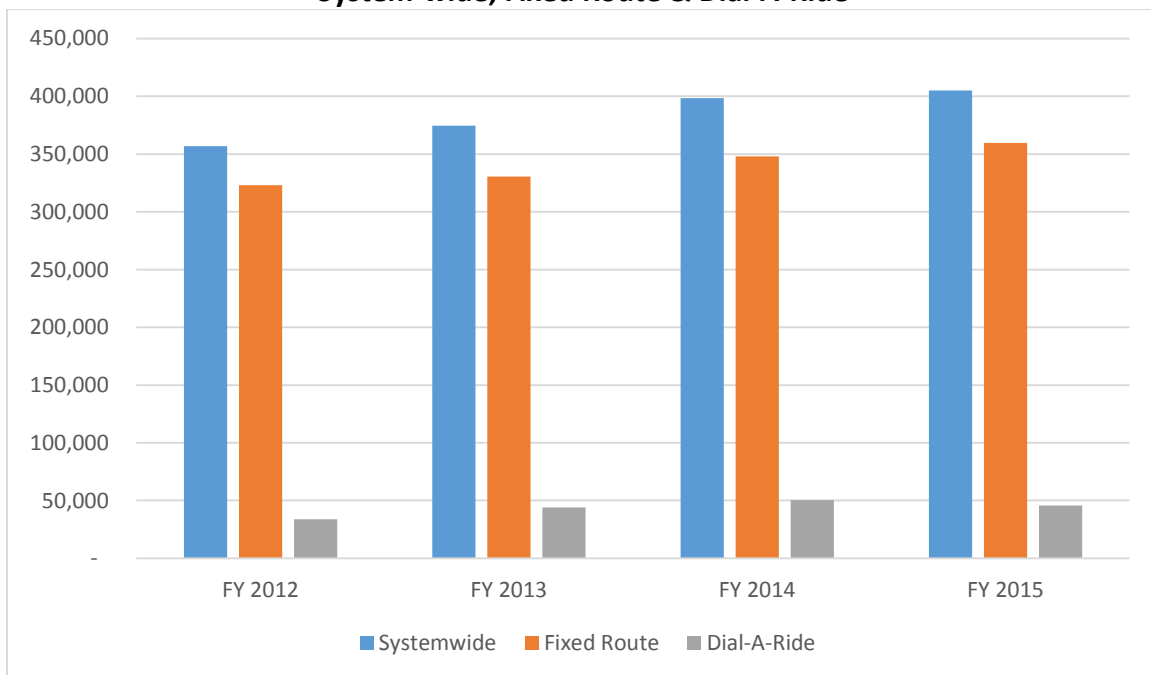
Performance Data and Indicators	Audit Period				% Change FY 2012-2015
	FY 2012	FY 2013	FY 2014	FY 2015	
Operating Cost	\$1,186,230	\$1,396,977	\$1,816,117	\$1,392,479	17.4%
Total Passengers	33,772	44,080	50,542	45,665	35.2%
Vehicle Service Hours	14,333	15,908	19,964	18,835	31.4%
Vehicle Service Miles	243,231	365,926	289,948	270,134	11.1%
Employee FTEs	13	17	17	17	30.8%
Passenger Fares	\$75,364	\$70,787	\$84,700	\$76,691	1.8%
Operating Cost per Passenger	\$35.12	\$31.69	\$35.93	\$30.49	-13.2%
Operating Cost per Vehicle Service Hour	\$82.76	\$87.82	\$90.97	\$73.93	-10.7%
Operating Cost per Vehicle Service Mile	\$4.88	\$3.82	\$6.26	\$5.15	5.7%
Passengers per Vehicle Service Hour	2.36	2.77	2.53	2.42	2.9%
Passengers per Vehicle Service Mile	0.14	0.12	0.17	0.17	21.7%
Vehicle Service Hours per Employee	1,102.5	935.8	1,174.4	1,107.9	0.5%
Average Fare per Passenger	\$2.23	\$1.61	\$1.68	\$1.68	-24.7%
Fare Recovery Ratio	6.35%	5.07%	4.66%	5.51%	-13.3%

Source: Internal Performance Reports; State Controller Reports

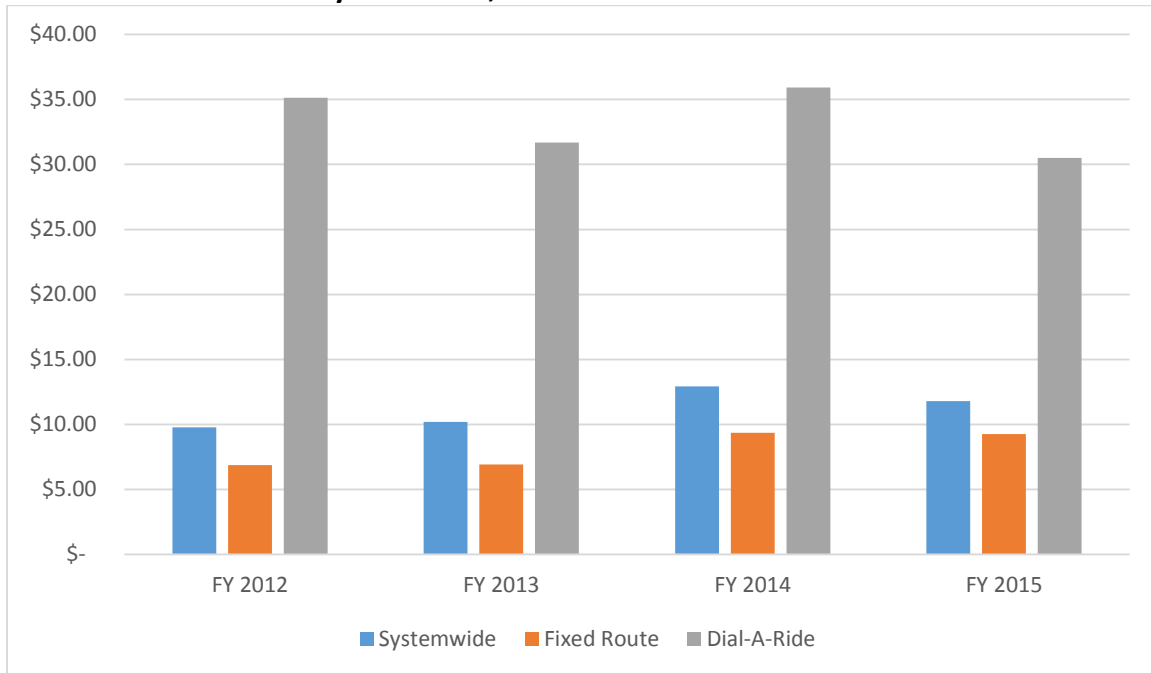
**Graph IV-1
Operating Costs
System-wide, Fixed Route & Dial-A-Ride**



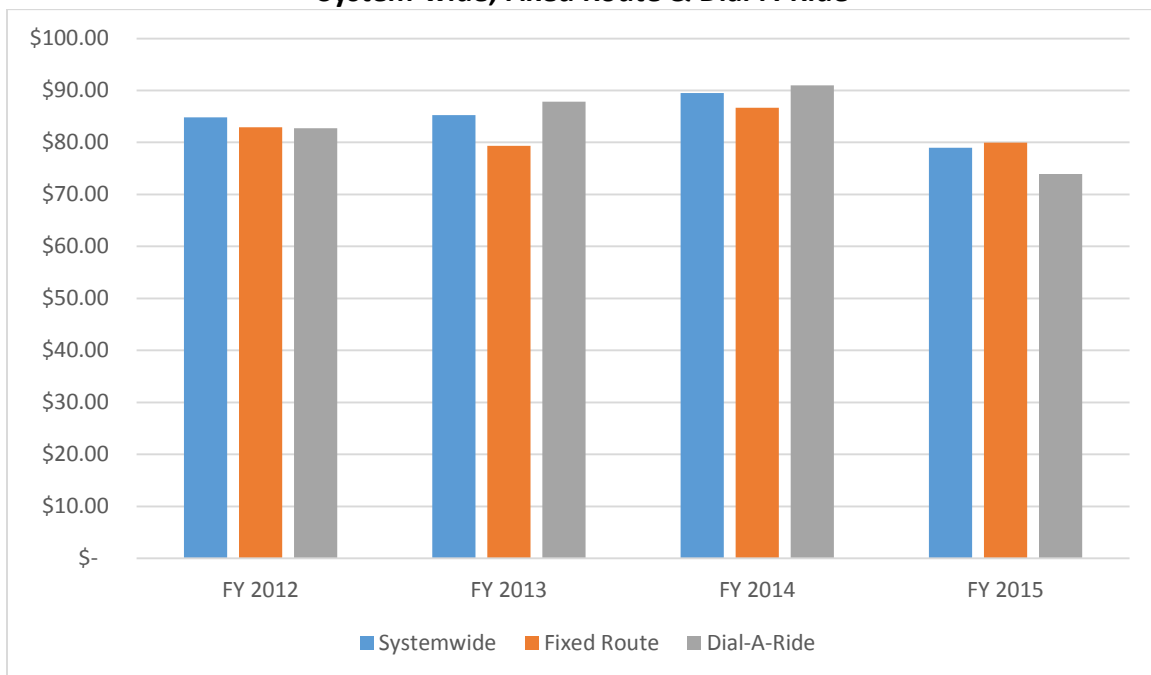
**Graph IV-2
Ridership
System-wide, Fixed Route & Dial-A-Ride**



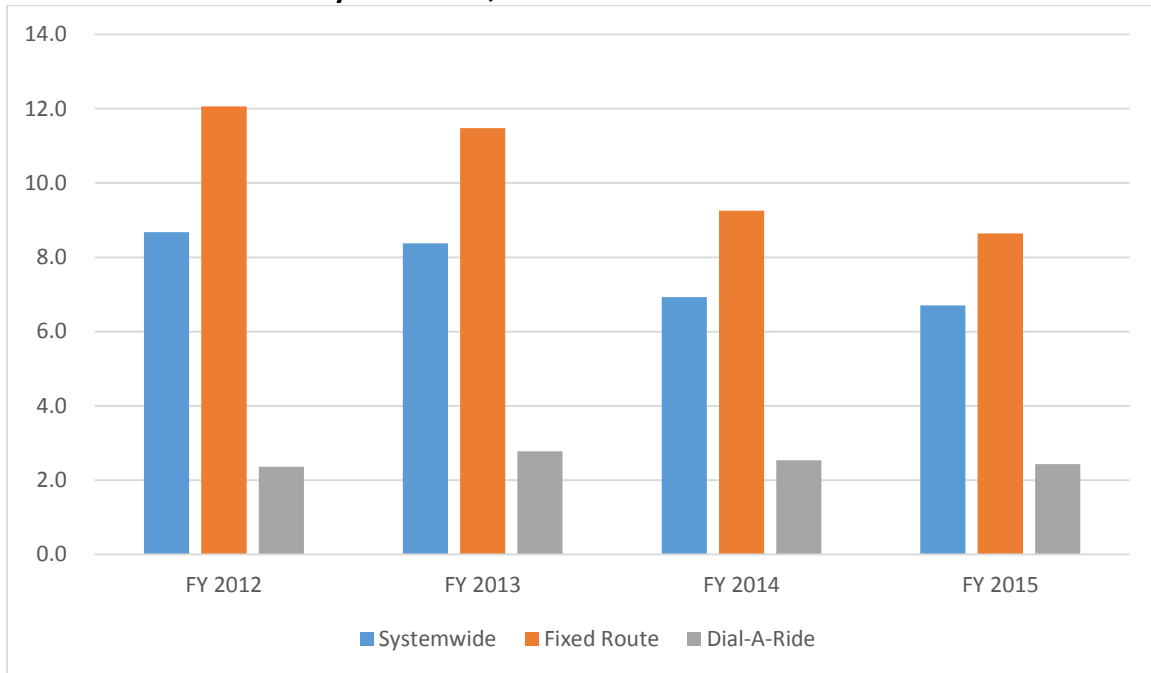
Graph IV-3
Operating Cost Per Passenger
System-wide, Fixed Route & Dial-A-Ride



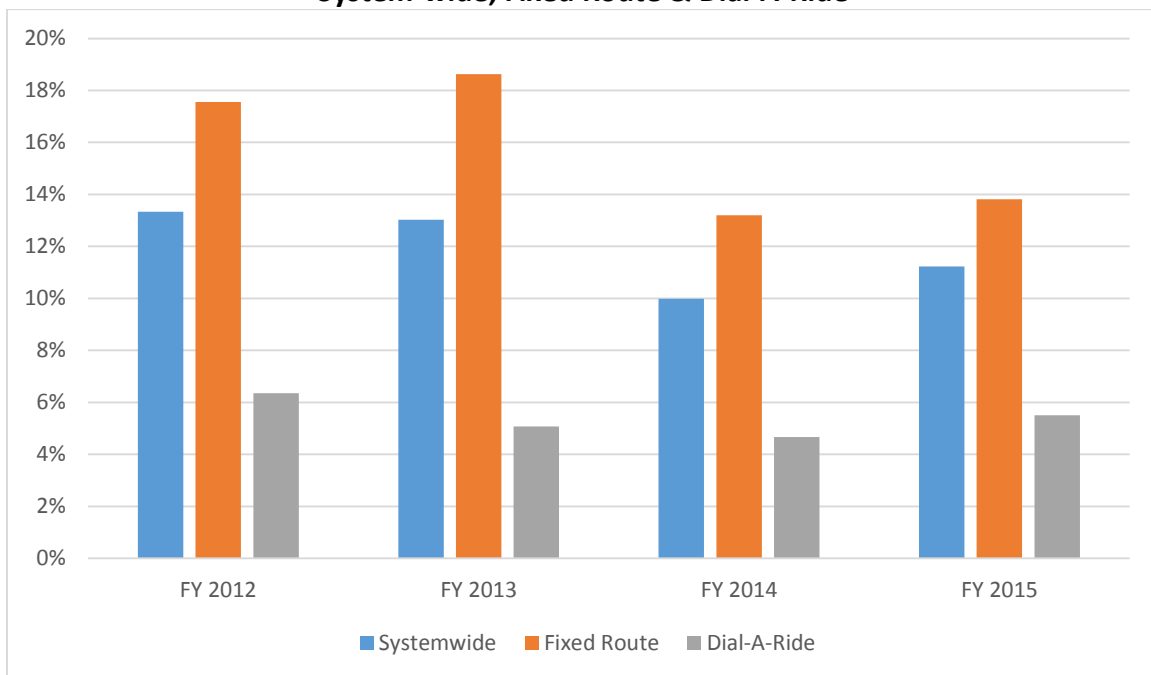
Graph IV-4
Operating Cost Per Vehicle Service Hour
System-wide, Fixed Route & Dial-A-Ride



Graph IV-5
Passengers Per Vehicle Service Hour
System-wide, Fixed Route & Dial-A-Ride



Graph IV-6
Fare Recovery Ratio
System-wide, Fixed Route & Dial-A-Ride



Findings from Verification of TDA Performance Indicators

1. Operating costs system-wide increased 36.9 percent over the past three years based on audited data from the FY 2012 base year through FY 2015. Using unaudited data, fixed-route operating costs increased 49.8 percent over the same time frame. Dial-A-Ride operating costs increased 17.4 percent. The increase in operating costs is attributed to the ROTA merger, increased service hours, fixed-route service enhancements, and expanded Dial-A-Ride services.
2. Ridership increased 13.6 percent system-wide during the audit period. Fixed-route ridership increased 11.3 percent while Dial-A-Ride ridership increased by 35.2 percent. Annual increases in Dial-A-Ride ridership exceeded 30 percent between FYs 2012 and 2013. Dial-A-Ride ridership trends led the overall system-wide increase during the period. The increase in ridership is attributed to the implementation of several Dial-A-Ride services and extended service hours on the fixed route.
3. Fixed route revenue hours and miles increased 55.3 and 50.8 percent, respectively, whereas Dial-A-Ride revenue hours and miles increased 31.4 and 11.1 percent, respectively. System-wide, vehicle service hours increased 47 percent and vehicle service miles increased 39.2 percent. The increase in revenue hours and miles reflects service expansion implemented on both service modes.
4. Operating cost per passenger increased 20.5 percent system-wide. The indicator exhibited a higher increase of 34.6 percent on the fixed route whereas Dial-A-Ride saw a decrease of 13.2 percent over the period. The trends for this indicator reflect a much greater increase in operating costs than for passenger trips system-wide and on fixed route.
5. Operating cost per hour decreased 6.9 percent system-wide based on audited cost data. For fixed route, the cost per hour decreased 3.5 percent using unaudited data. Dial-A-Ride saw a higher decrease of 10.7 percent. The trends in this indicator demonstrate that the increase in revenue service hours exceeded the increase in operating costs over the audit period.
6. Passengers per vehicle service hour system-wide exhibited a decrease of 22.7 percent from 8.7 to 6.7 passengers. Fixed-route passengers per hour decreased by 28.3 percent; however, passengers per hour on Dial-A-Ride increased slightly by 2.9 percent.
7. The fare recovery ratio, when including new services over the past three years, decreased system-wide by 15.7 percent. When excluding new services, the farebox ratio increased by a negligible 0.3 percent. When new services are excluded, the farebox ratio remained above the required standard which is also a positive trend with existing services. Farebox for fixed route decreased 21.3 percent while Dial-A-Ride exhibited a decrease of 13.3 percent. However, system-wide fare revenue increased 15.3 percent based on audited data. For fixed-route, revenues increased 17.9 percent and for Dial-A-Ride fare revenue increased by a modest 1.8 percent.

Section V

Review of Operator Functions

This section provides an in-depth review of various functions within Stanislaus County. The review highlights accomplishments, issues, and/or challenges that were determined during the audit period. The following functions were reviewed at the County Department of Public Works, Transit Division, and at the contract operator facility in Modesto:

- Operations
- Maintenance
- Planning
- Marketing
- General Administration and Management

Within some departments are subfunctions that require review as well, such as Grants Administration that falls under General Administration.

Operations

StART has been making efforts to foster regional transit coordination. As the principal intercity transit operator in Stanislaus County, StART has taken notable steps to balance service needs with funding and cost constraints. StART evolved from lifeline service to a major trunk carrier connecting larger cities while meeting the transit needs of smaller cities and communities.

In FY 2013, the County implemented a series of service enhancements designed to increase system productivity and coverage. The County based these changes on route-level analysis and passenger feedback. StART increased frequencies on its fixed routes in order to reduce wait times. Schedule changes are generally implemented in August.

Route 45 was split into two routes, Routes 45 East and West, to better serve the communities in western Stanislaus County. Route 45 East runs between Patterson and Turlock, which meets the service demand generated by the Blue Diamond almond processing place in Turlock. Route 45 West runs between Patterson and Newman along the SR 33 corridor. These west county routes and services have seen increased demand due to trips generated by the U.S. Renal Care dialysis center and the Del Puerto Health Center. Other traffic generators include the KeyStone West Business Park in Patterson, which houses the Amazon Distribution Center.

In addition, an extra Dial-A-Ride bus was placed into service due to increased student demand. The transfer point in Patterson was moved to Veterans Memorial Park for safety reasons. Routes

40, 45 East & West, Newman Dial-A-Ride and Patterson Dial-A-Ride have seen the highest ridership increases.

StaRT was considering discontinuing Route 70 service to Merced due to low ridership. However, the service was maintained as a lifeline service for students and faculty at the University of California, Merced. There are two morning trips; however, the two evening trips were cut down to one to sustain the service.

ROTA merged with StaRT after its dissolution in December 2012. StaRT assumed operation of the former ROTA services with the implementation of the Eastside Shuttle and local Dial-A-Ride services in Riverbank and Oakdale. Since the merger, ridership has decreased on Riverbank Dial-A-Ride, whereas ridership on Oakdale Dial-A-Ride has rebounded. In addition, the County procured six new vehicles to replace the four paratransit vehicles inherited from ROTA. The newer vehicles have a longer-range capacity.

With regard to its demand-response services, StaRT took steps to expand its Dial-A-Ride service areas. Since Dial-A-Ride service hours did not correspond with the fixed-route service hours, the County saw the need to fill the gap. StaRT implemented ADA service in August 2016 throughout its countywide service area. The County recently adopted an ADA service plan and restructured its fares to include an ADA/disabled fare category.

The Waterford/Modesto Runabout will eventually become a regular fixed route branded as Route 61. The Waterford Dial-A-Ride will be converted into a shuttle service providing connections into Ceres.

Long distances traveled by StaRT's buses versus other transit systems in the county require the need for different replacement plans and policies. Based on the findings contained in the FTA's *Useful Life of Transit Buses and Vans* (Report No. FTA VA-267229-07-1), "the rate of vehicle wear is determined by a variety of factors including annual mileage, average operating speed, and passenger loadings. In general, higher annual mileages increase the rate of vehicle deterioration."

Given the rural intercity profile of StaRT's service area, the fleet primarily consists of smaller buses with relatively short useful lives (generally 4-6 years); as a result, replacement needs are more frequent. A number of StaRT buses over 500,000 miles (useful life) have begun breaking down while in service, thereby impacting the system with delays. With a relatively large service coverage area and long routes, switching out of buses during a breakdown is more difficult due to distances that may need to be covered, plus the compounding effect of these breakdowns on long haul route times in comparison to shorter bus runs with more frequent service in a denser urban area.

Therefore, the County has embarked on a fleet replacement effort. Working with its contract operator, Storer Transit Systems, the County started identifying and replacing the vehicles with the highest mileage. The County used LTF and State Proposition 1B funds that were reallocated toward the procurement of new vehicles, and was able to piggyback with the State of Minnesota in FY 2012-13 and San Bernardino-based Omnitrans in FY 2014-15.

During the audit period, the contract was scheduled to expire in June 2013 but was extended through June 30, 2014. An RFP was jointly released in September 2013 by the County and the Cities of Ceres and Modesto for the operation of their respective transit systems. The StaRT operating and maintenance contract was awarded in July 2014 to the incumbent, Storer Transit Systems. The contract has a liquidated damages clause in case of performance lapses. The County has been in the process of amending the operations contract to include the ADA and commuter service modes.

Storer provides an extensive monthly management report to the County detailing transit operations. The monthly contractor report, delivered on the 10th of the month, contains the billing invoice along with an hourly and daily ridership summary, an employee roster, hours, mileage, preventative maintenance summary, fare revenue breakdown, and customer complaints. The ridership analysis section provides a breakdown of fares sold by category, service interruptions, accidents, complaints, and performance indicators.

Farebox counting and reconciliation procedures involve both electronic and manual methods of verification. At the end of each run, electronic fareboxes are probed and the vaults are opened at the Storer facility. Fare revenues are taken to a highly secured and monitored area where they are counted by two Storer staff members. Following the count, farebox revenues are deposited at the County treasurer's office on Tuesday and Thursday. Driver trip sheets are submitted to the County on a weekly basis. Trip data are entered onto a spreadsheet, which is accompanied by deposit slips, dispatch sheets, and driver logs.

The contract also defines how vehicle service hours are calculated for the various service modes. For fixed-route services, revenue hours begin from arrival at the first stop to departure from last stop of service. For deviated fixed-route service, revenue hours begin from the arrival at the first stop or first pickup to departure from the last stop on the service or the last drop-off, whichever time is longer. For shuttle services and intercity demand-response service, revenue hours begin from the first pickup to the last drop-off. For Dial-A-Ride, revenue hours begin when a vehicle enters a Dial-A-Ride service boundary for the purpose of providing service. Pursuant to the contract, Dial-A-Ride is billed on a revenue hour basis.

Vehicle service hours exclude out-of-service time for operator breaks, deadhead, fueling, and all other non-revenue transport. Driver trip sheets reviewed for this audit adhere to the contract and TDA definitions for vehicle service hours.

Personnel

The contract operator employs a thorough hiring and training process for its pool of drivers. Storer's staff of 130 employees provides contract service for the three county transit systems (Ceres, Modesto, and the County). Of these employees, 80 to 90 are full-time drivers. The operator also maintains a pool of part-time drivers who work on average between 16 and 20 hours weekly. The utilization of part-time staff helps to limit overtime. All new employees are assigned evening,

weekend, and holiday shifts. The number of employees assigned to StaRT toward the end of the audit period is shown in Table V-1:

Table V-1
StaRT Contract Staffing

Employee Classification	Number of Assigned Employees
Dispatchers	13
Drivers	43
Counter Agents	5
Telephone Agents	18

Source: Personnel Duty Report, Storer Transit Systems, June 2015

In addition to the aforementioned employees, there is an operations manager who oversees the contract as well as an assistant manager, administrative assistant, and customer service assistant. The monthly management report for June 2015 reflects the multifunctional nature of job classifications. Dispatchers and telephone agents are cross trained to work at all three county transit systems, while about 60 percent of all paratransit drivers are cross trained on at least two of the three systems. Dispatchers are also trained as drivers to serve as backup when needed. Dispatchers are assigned specifically to specific service modes.

Drivers are recruited through the Storer website, Modesto Bee, Indeed.com, Facebook, and bus wraps on charter buses. Qualified candidates are required to have a good work history and a clean H-6 printout from the Department of Motor Vehicles (DMV). A General Public Paratransit Vehicle (GPPV) certificate is required for Dial-A-Ride. A Verification of Transit Training (VTT) certificate issued by the DMV is required for fixed-route operations. As part of the interview and vetting process, candidates are taken on ride-alongs with a driver. The second phase of the interview process involves the Storer vice president, who covers defensive driving techniques.

Once hired, new drivers undergo 86 hours of training, which includes classroom, behind-the-wheel, and ADA/mobility sensitivity instruction. Drivers are also trained behind a computer-simulated drive cam for defensive driving skills. State-certified trainers on Storer's staff train and assist candidates with attaining their Class B license. In addition to the basic training curriculum, GPPV-certified drivers attend 20 hours and VTT-certified drivers attend 26 hours in a class that addresses driving in foggy and adverse weather conditions. On the weekends, there is a five-hour transit workshop offered to employees.

Storer Transit System is a nonunion shop but driver assignments are scheduled based on seniority and on-the-job performance. The driver turnover rate averages 7 percent annually, which is low by industry standards. Storer has a point-based employee incentive program where points can be earned for exemplary attendance, customer service, and safety. The Employee of the Year recipient is awarded \$500 and a trophy. An Employee of the Month recipient is awarded a \$100 bonus and a dedicated parking space. In addition, there is an employee barbecue held in June.

Paid time off (PTO) for contract employees includes vacation, sick leave, bereavement, and jury duty. Employees who work 1,560 hours annually or more are eligible for PTO. During the first year of service, the accrual is 40 hours; for the second year, the accrual is 80 hours; from the start of the third to the end of the fourth year, the accrual is 120 hours; and from the fifth year onward, the accrual rate is 160 hours per year. All full-time employees are eligible for seven paid holidays annually.

Employees are eligible to participate in the company’s 401(k) retirement plan after six months of continuous employment. Employees can contribute from 1 to 75 percent of their wages to the plan up to the annual IRS limits. The company’s discretionary match is 20 percent. In addition, Storer allocates \$450 per full-time employee per month toward benefits. Storer offers three medical insurance plans through Kaiser Permanente with various co-pay options. The two dental plans are offered through Ameritas Life Insurance and the vision plan is offered through Medical Eye Services, a division of Blue Shield.

Maintenance

StaRT vehicles are stored and maintained at the Storer Transit System facilities in Modesto. Paratransit and smaller transit vehicles are serviced at Storer’s facility located at 1216 Doker Drive. The Doker facility has two service bays and one lift. Patterson and Newman service vehicles are rotated. Larger transit vehicles are serviced at the Storer facility located at 3519 McDonald Avenue. Larger vehicles are County-owned and the smaller vehicles are owned by the contract operator. Storer also maintains a third facility located at 318 Beard Avenue.

Vehicles undergo a preventative maintenance inspection (PMI) every 45 days or 3,000 miles, which includes brakes, steering, and suspension. At 5,000 miles, vehicles undergo a full service PMI. Storer utilizes ManagerPlus software to track PMIs, parts inventory, and work orders. The contract operator has been recognized by the CHP for its outstanding safety record.

Fueling is conducted at the Stanislaus County Public Works facility located at 1716 Morgan Road in Modesto and in the city of Riverbank. Road calls are tracked and detailed in the contractor’s monthly management report. Road calls and non-major vehicle failures are presented for each mode in Table V-2 below.

**Table V-2
StaRT Road Calls**

Year	StaRT Fixed Route		StaRT Dial-A-Ride		Total
	Road Calls	Miles Between Road Calls	Road Calls	Miles Between Road Calls	
2013	26	23,494	14	18,995	40
2014	20	39,092	11	26,359	31
2015	20	44,405	13	20,780	33

Source: Storer Transit Systems

The number of road calls reported has shown mixed trends. Fixed-route operations saw the number of overall road calls decrease and miles between road calls increase, which is a positive trend. Dial-A-Ride operations saw a decrease in road calls between FY 2013 and FY 2014 before increasing slightly the following year, with the mileage between road calls averaging between 19,000 and 21,000 miles.

Planning

The County has been engaged in various planning efforts aimed at sustaining the core elements of the transit system while incorporating route restructuring, attracting new riders, and pursuing regional integration. The County's planning focus has been to ensure the financial sustainability of transit in anticipation of a blended farebox recovery ratio requirement as well as ensure regional connectivity. The impetus for these objectives was the completion of the StaRT Comprehensive Operational Analysis (COA) in June 2014.

The purpose of the COA is to provide an in-depth review of transit services, assess the efficiency and effectiveness of services, gain better knowledge of the customers, and direct transit investment where it is most needed. The analyses identify both strengths and opportunities for improvement that meets future transit demand. The COA included a community assessment and an overview of existing conditions; an evaluation of transit needs and services; goals, policies, and standards framework; technology system plan; consolidation assessment; service recommendations; financial and capital plan; and an implementation plan.

The StaRT COA service plan is organized into a series of options for consideration by the County. Achieving a sustainable minimum farebox recovery ratio of 15 percent is identified as a critical objective of the COA service plan. Effective FY 2017, StaRT is being held to a higher 15 percent farebox recovery ratio from TDA measures requiring a higher ratio due to the County population exceeding 500,000 in the latest census. The implementation plan provides an outline of 12 actions to be taken for each recommendation over a three-year timeline. Some of the key implementation plan elements include:

1. Increasing cycle times on Routes 10, 15, 40, and 60 to improve on-time performance and service reliability. This activity will include route testing, schedule finalization, blocking (if necessary), and amendments to StaRT Ride Guide prior to implementation.
2. Implementation of an ADA Complementary Paratransit Service Plan. This activity would include establishment of a StaRT ADA registration and certification program, the development of trip assignment protocols, and the establishment of coordination protocols with the Cities of Modesto, Ceres, and Turlock.
3. Establishment of Route 10 and 60 Clock-face Headways – simplify schedules to improve service attractiveness, and in the case of Route 60, increase frequency and capacity.

4. Combining East Side Shuttle/Riverbank Dial-A-Ride – productivity improvement. This activity would include route testing, schedule finalization, blocking (if necessary), and amendments to StaRT Ride Guide prior to implementation.
5. Combining Oakdale Dial-A-Ride/Waterford Connector – productivity improvement. This activity would include route testing, schedule finalization, blocking (if necessary), and amendments to StaRT Ride Guide prior to implementation.
6. Implementation of Route 45 West/Newman Dial-A-Ride/Patterson Dial-A-Ride – productivity improvement. This activity would include route testing, schedule finalization, blocking (if necessary), and amendments to StaRT Ride Guide prior to implementation.

The County has already implemented a number of recommendations and continues to incorporate recommendations from the COA to improve transit in the StaRT service area. StaRT plans to develop a Short Range Transit Plan in FY 2017-18.

In addition, StaRT is looking at providing bidirectional service and utilizing intelligent transportation system technology to assist with planning. Some of the transit planning tools under consideration include Remix and TransTrack. The Remix planning software tool is an online resource that provides demographic profiles of the service area, route planning, and travel assessments. Remix is used by more than 130 transit agencies in nine countries. TransTrack is a performance data management system used by transit agencies and transportation planning agencies.

Marketing

Stanislaus County utilizes several methods and collateral to market StaRT services within the community and region at large. The most prominent marketing tool for StaRT is the Ride Guide, which contains a system route map, schedules, fares, and general information about the service. The Quick Guide, located on the back cover of the Ride Guide, provides an easy reference to routes, service areas, hours of operation, and fares. The Ride Guide is primarily printed in English; however, general information about the service is printed in Spanish toward the back of the guide. StaRT also prepares and posts flyers announcing fare increases and service changes. In FY 2016-17, StaRT started publishing individual route schedules, which was well received by the public.

Transit information is also accessed online through a dedicated web portal (<http://www.srt.org/>), which was upgraded in August 2016. The website's main page provides a menu of links to announcements, routes and schedules, fares, system maps, and contact information. The Easy Rider trip planning tool powered by Google Transit is also accessible on the website. In addition, StaRT has employed the use of radio ads on local Clear Channel stations serving the greater Modesto media market. Newspaper ad copy in local newspapers is also utilized as a marketing tool.

StaRT buses and bus shelters do not allow for advertising space. Other transit agencies in the region have advertising programs that generate locally sourced revenues that support their

farebox recovery. It is suggested that the County entertain the possibility of allow advertising space on its buses and bus shelters.

In an effort to raise the profile of the transit system, the County is looking to rebrand StaRT, which would include a new livery and color scheme to differentiate the service from MAX and other agencies in the region. Beyond the use of electronic and print media, StaRT has also engaged in extensive community outreach such as Earth Day, Healthy Aging Summit, Parent Resource Fair, and Oakdale Senior Event. As a means to boost ridership, a bus equipped with a mock reservations center was present at the Senior Resource Fair put on by the Oakdale Senior Center. The County works in close collaboration with MOVE, the CTSA for Stanislaus County, to provide travel training to senior and non-ADA riders so they may use fixed-route transit services.

Pursuant to the federal Civil Rights Act of 1964, the County has an adopted a Title VI Program. Title VI of the Civil Rights Act of 1964 requires that no person in the United States, on the grounds of race, color, or national origin be excluded from, be denied the benefits of, or be subjected to discrimination under any program or activity receiving federal financial assistance. Program compliance includes a paragraph summarizing the Title VI policy and a link to a comment form for filing a complaint on the Policies and Procedures page of the StaRT web site. An additional link is provided to Stanislaus County's ADA and Civil Rights Program web page.

General Administration and Management

Stanislaus County is governed by a five-member Board of Supervisors, which serves as the principal administrative and legislative body. The board meets every Tuesday at 9:00 a.m. except for every third Tuesday when the meeting is held at 6:30 p.m. The meetings are held in the County-City Chambers, located in the basement of 1010 10th Street, Modesto. The board approves the county's annual budget and allocates funds for 25 County departments and agencies, including the Department of Public Works.

StaRT is administered by the Transit Division of the Department of Public Works. Transit Division personnel are composed of a transit manager, one staff services coordinator, two staff service analysts, an associate planner, and an administrative clerk who splits her time between Development Services and Transit. The current transit manager joined the County in 2012 and has extensive transit planning experience, having worked for other public transit agencies and a regional transportation planning agency. The transit manager administers the StaRT contract with the contract operator and coordinates with StanCOG staff during unmet transit needs process.

Pursuant to TDA, the County receives LTF and STA fund proceeds primarily for operating expenses. LTF revenues received during the audit period were \$5,863,653 in FY 2013; \$6,528,796 in FY 2014; and \$4,895,581 in FY 2015. STA funds received by the agency were \$24,146 in FY 2013; \$22,473 in FY 2014; and \$25,271 in FY 2015.

Grants Management

Grant funding allocated toward supporting transit services have been derived from state and federal sources. Transit Division staff track and monitor grants on a capital projects financial status report spreadsheet. The spreadsheet includes categories and line items for the project type and name, transaction date, bond amount, interest amount, funds expended, and year-to-date principal and interest balance.

The County received state Public Transportation Modernization, Improvement and Service Enhancement Account (PTMISEA) funds as a part of the Proposition 1B bond act. PTMISEA funds have been applied toward capital projects such as the Patterson Intermodal Facility, fixed-route and paratransit vehicle procurement, Genfare electronic fareboxes, and video surveillance cameras. Based on annual audited financial statements, PTMISEA funding received was \$578,805 in FY 2013; \$2,952,753 in FY 2014; and \$2,553,859 in FY 2015. At the end of FY 2015, the County had an ending balance of \$3,426,894. Another component of the Proposition 1B program is the California Transit Security Grant Program, California Transit Assistance Fund (CTSGP-CTAF) administered by the Governor's Office of Emergency Services. CTSGP-CTAF grant funds awarded to the County were applied toward bus stop security enhancements. At the end of FY 2015, qualifying expenses were \$75,514 with an ending account balance of \$276,420.

On an annual basis, a Program of Projects (POP) for FTA Section 5311 non-urbanized formula grant funding is developed and presented to the County Board of Supervisors for approval following a public hearing. All POPs are forwarded to StanCOG for their concurrence. StaRT maintains a grant reporting spreadsheet that tracks the type, amount, and status of each federal assistance grant. During the audit period, County was notified of its eligibility to receive FTA Section 5307 urbanized area formula funding. In November 2014, the County entered into a Memorandum of Understanding with the City of Modesto as a sub recipient. The County also received Congestion Mitigation and Air Quality Improvement Program funding for the County's employee rideshare program.

Section VI

Findings

The following summarizes the major findings obtained from this triennial audit covering fiscal years 2013 through 2015. A set of recommendations is then provided.

Triennial Audit Findings

1. Of the compliance requirements pertaining to StaRT, the operator fully complied with all nine requirements. Two additional compliance requirements did not apply to the County (i.e., exclusive urbanized and rural area farebox recovery ratios).
2. StaRT's farebox recovery ratio remained above the required 10 percent standard. The farebox recovery ratio was 15 percent in FY 2013, 12 percent in FY 2014, and 14 percent in FY 2015 based on audited data and excluding depreciation costs, vehicle lease costs, and new services costs which are permissible by the TDA statute. The average system-wide farebox recovery ratio was 13.67 percent during the triennial review period.
3. StaRT, through its contract operator, participates in the CHP Transit Operator Compliance Program and received vehicle inspections within the 13 months prior to each TDA claim. Satisfactory ratings were made for all inspections conducted during the audit period.
4. Increases in the operating budget reflect the service expansion that took place during the period. The budget increased 7.1 percent in FY 2013, 31.8 percent in FY 2014, and 5.4 percent in FY 2015. The budgetary increases in FY 2014 were attributed to the merger of ROTA into StaRT as well as the implementation of Dial-A-Ride services in the former ROTA service area, service enhancements on the fixed route, and an increase in service hours.
5. The County satisfactorily implemented each of the three prior audit recommendations. The prior recommendations pertained to incentives, penalties, and liquidated damages in the operating contract; proper reporting of FTEs in the State Controller Report; and updating the StaRT transit plan.
6. Operating costs system-wide increased 36.9 percent over the past three years based on audited data from the FY 2012 base year through FY 2015. Using unaudited data, fixed-route operating costs increased 49.8 percent over the same time frame. Dial-A-Ride operating costs increased 17.4 percent. The increase in operating costs is attributed to the ROTA merger, increased service hours, fixed-route service enhancements, and expanded Dial-A-Ride services.
7. Ridership increased 13.6 percent system-wide during the audit period. Fixed-route ridership increased 11.3 percent while Dial-A-Ride ridership increased by 35.2 percent. Dial-A-Ride ridership trends led the overall system-wide increase during the period. The increase in

ridership is attributed to the implementation of several Dial-A-Ride services and extended service hours on the fixed route.

8. Fixed-route revenue hours and miles increased 55.3 and 50.8 percent, respectively, whereas Dial-A-Ride revenue hours and miles increased 31.4 and 11.1 percent, respectively. System-wide, vehicle service hours increased 47 percent and vehicle service miles increased 39.2 percent. The increase in revenue hours and miles reflects service expansion implemented on both service modes.
9. Operating cost per passenger increased 20.5 percent system-wide. The indicator exhibited a higher increase of 34.6 percent on the fixed route whereas Dial-A-Ride saw a decrease of 13.2 percent over the period.
10. Operating cost per hour decreased 6.9 percent system-wide based on audited cost data. For fixed route, the cost per hour decreased 3.5 percent using unaudited data. Dial-A-Ride saw a higher decrease of 10.7 percent.
11. In FY 2013, the County implemented a series of service enhancements designed to increase system productivity and coverage. The County based these changes on route-level analysis and passenger feedback. StaRT increased frequencies on its fixed routes in order to reduce wait times. Route 45 was split into two routes, Routes 45 East and West, to better serve the communities in western Stanislaus County.
12. ROTA merged with StaRT after its dissolution in December 2012. StaRT assumed operation of the former ROTA services with the implementation of the Eastside Shuttle and local Dial-A-Ride services in the Cities of Riverbank and Oakdale.
13. An RFP was jointly released by the County and the Cities of Ceres and Modesto for the operation of their respective transit systems in September 2013. The StaRT operating and maintenance contract was awarded in July 2014 to the incumbent, Storer Transit Systems.
14. The County commissioned the development of a COA that was completed in June 2014. The purpose of the COA is to provide an in-depth review of transit services and assess the efficiency and effectiveness of services and to gain better knowledge of the customers, as well as direct transit investment where it is most needed.
15. Transit Division personnel include a transit manager, one staff services coordinator, two staff service analysts, an associate planner, and an administrative clerk who splits her time between Development Services and Transit.
16. During the audit period, County was notified of its eligibility to receive FTA Section 5307 urbanized area formula funding. In November 2014, the County entered into a Memorandum of Understanding with the City of Modesto as a sub recipient.

Recommendations

1. Pursue Short Range Transit Plan update.

The County commissioned the development of a Comprehensive Operational Analysis (COA) of StaRT, which was completed in June 2014. The purpose of the COA is to provide an in-depth review of transit services, assess the efficiency and effectiveness of services, gain better knowledge of the customers, and direct transit investment where it is most needed. The County has already implemented a number of recommendations and continues to incorporate recommendations from the COA to improve transit in the StaRT service area. Such measures have included new commuter service to the Bay Area and a system-wide ADA service. Additional system enhancements under consideration include rebranding, bidirectional route realignment, and utilizing intelligent transportation system technology to assist with planning. Moreover, StaRT is now subject to a 15 percent system-wide farebox ratio. These new developments will require more focused analysis and planning. Therefore, it is suggested that the County prioritize and follow through on its plans to develop a Short Range Transit Plan in FY 2017-18, which could follow the findings from an anticipated efficiency study to be commissioned by StanCOG.

2. Consider implementation of an advertising program.

Historically, revenues considered in the farebox ratio calculation have consisted primarily of passenger fares. New state legislation (SB 508) allows for other locally generated revenues in the farebox ratio. Examples of possible other local support revenues may include interest earnings, gains on the sale of capital assets, lease revenues generated by transit-owned property, alternative fueling services, advertising revenues, and donations other than cash donations made in lieu of a prescribed fare. Modesto and Turlock allow advertising space on their buses and bus shelters that generate extra farebox revenues. It is suggested that the County consider implementation of an advertising program to generate supplemental farebox revenues.