



FYs 2013-2015 Triennial Performance Audit of Turlock Transit Services



Submitted to Stanislaus
Council of Governments

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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 the City of Turlock transit services (Turlock, City) covering the most recent triennial period, fiscal years 2012-13 through 2014-15.

The purpose of the performance audit is to evaluate the City'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 City's compliance with the conditions specified in the California Public Utilities Code (PUC). This task involves ascertaining whether the City 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, 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

The City of Turlock administers fixed-route and demand-response transit services within the city limits and its environs. Transit service was first established in 1975 with the implementation of a general public Dial-A-Ride service. As the city's population and area grew, a fixed-route service was introduced in 1998 in concert with the Dial-A-Ride service. The fixed-route service is branded under the name of BLAST, which stands for Bus Line Service of Turlock. The demand-response service is branded under the name of DART, which stands for Dial-A-Ride Turlock. Both BLAST and DART are operated under contract by First Transit and overseen by the City's transit planner.

Located in southern Stanislaus County near the border with Merced County, Turlock is the second largest city in the county. Based on the 2010 US Census, Turlock's population was 68,549, which grew 22.8 percent since the 2000 US Census. The senior citizen population, comprising residents

aged 65 and over, is 11.7 percent. The 2016 population for Turlock is estimated to be 72,050 as reported by the California Department of Finance. The city covers a 16.93-square-mile area.

Turlock was established in December 1871 and incorporated on February 15, 1908, as a general law city. The City has a council-manager form of government with five council members. Boosted by agricultural growth, the city has attracted immigrants from across the nation and the globe. Turlock is also home to the 228-acre campus of California State University, Stanislaus (CSU-Stanislaus), which has a student population of more than 9,000.

Major highways serving Turlock include State Routes (SR) 99 and 165. SR 99 is the main north-south highway connecting Turlock with other major cities and towns in the San Joaquin Valley, including the Ceres and Modesto. SR 165 connects Turlock with the City of Los Banos located in adjacent Merced County. Major arterial streets traversing Turlock include Geer Road, Golden State Boulevard (Business Route 99), Lander Avenue, West Main Street, and Monte Vista Avenue.

System Characteristics

The BLAST fixed route operates service along four fixed routes in the City of Turlock. All four routes originate and terminate at BLAST’s transfer hub, located at the intersection of Dels Lane and Hawkeye Avenue near Donnelly Park. The routes are structured in a unidirectional orientation providing coverage throughout most areas of the city, including school campuses and major shopping centers. Service hours for BLAST are Monday through Friday from 6:40 a.m. to 5:30 p.m. and Saturday from 9:25 a.m. to 4:00 p.m. BLAST and DART do not operate on the following holidays: New Year’s Day, Martin Luther King Jr. Day, Presidents’ Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, and Christmas Day.

BLAST’s fixed-route services during the audit period are described in detail in Table I-1.

**Table I-1
BLAST Fixed-Route Services**

Route	Frequency/Operation	Key Time points
A	Every 35 to 45 minutes (Monday through Friday from 6:40 a.m. to 5:30 p.m.) Every 1 hour, 20 minutes (Saturday from 10:00 a.m. to 4:00 p.m.)	<ul style="list-style-type: none"> ▪ Transit Center ▪ Walnut Road & West Main Street ▪ Lander Avenue & South Avenue ▪ Colorado Avenue & Canal Drive
B	Every 35 to 45 minutes (Monday through Friday from 6:40 a.m. to 5:30 p.m.) Every 1 hour, 20 minutes (Saturday from 9:25 a.m. to 3:15 p.m.)	<ul style="list-style-type: none"> ▪ Transit Center ▪ Countryside Drive & Monte Vista Avenue ▪ Geer Road & Regis Avenue ▪ Olive Avenue & Wayside Drive
C	Every 35 to 45 minutes (Monday through Friday from 6:40 a.m. to 5:30 p.m.) Every 1 hour, 20 minutes (Saturday from 10:00 a.m. to 4:00 p.m.)	<ul style="list-style-type: none"> ▪ Transit Center ▪ Geer Road & Regis Avenue ▪ Christoffersen Parkway & Crowell Road

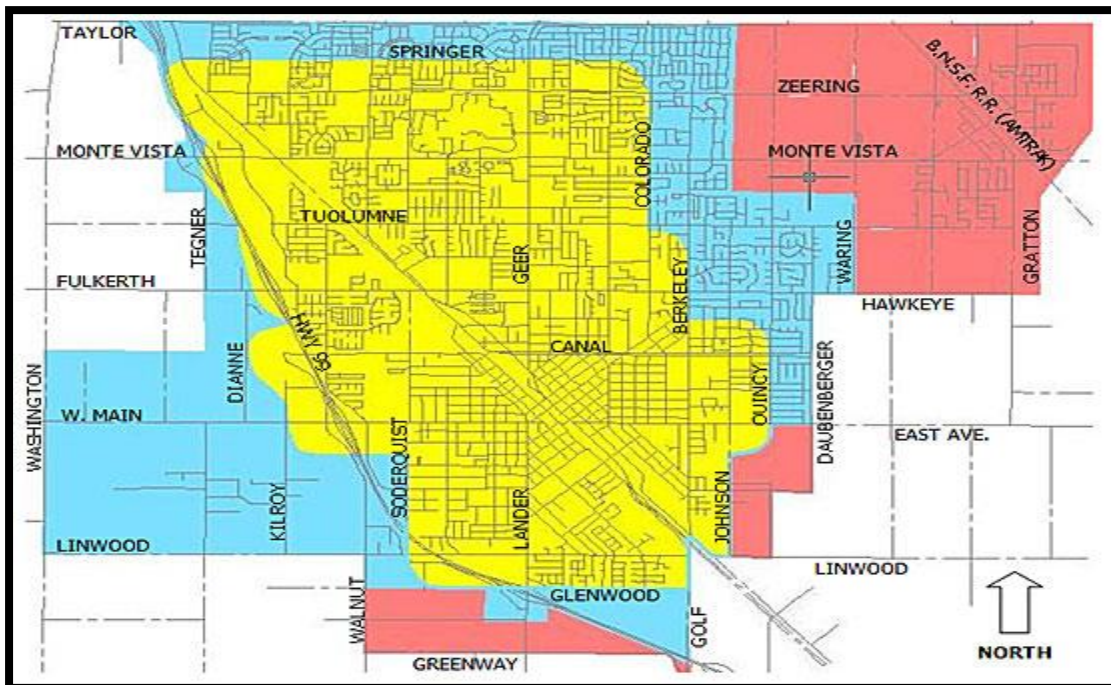
Route	Frequency/Operation	Key Time points
		<ul style="list-style-type: none"> ▪ Tergner Road & Powers Court
D	Every 35 to 45 minutes (Monday through Friday from 6:40 a.m. to 5:30 p.m.) Every 1 hour, 20 minutes (Saturday from 9:25 a.m. to 3:15 p.m.)	<ul style="list-style-type: none"> ▪ Transit Center ▪ West Avenue & South Avenue ▪ Berkeley Avenue & Brier Road ▪ Johnson Road & Canal Drive

Source: City of Turlock

Dial-A-Ride

DART provides complementary demand-response service within the BLAST service area as well as to unincorporated areas adjacent to Turlock, such as Denair. Within the BLAST service area, DART service is available only to persons with disabilities, seniors 65 years of age and older, Medicare card holders, and elementary school students. For trips outside of the BLAST service area, DART service is available to the general public. DART has the same service hours as BLAST within that service area. In the Denair area, DART operates Monday through Friday from 9:00 a.m. to 4:00 p.m. and Saturday from 9:00 a.m. to 3:00 p.m. Figure I-1 shows the DART service area below.

Figure I-1
DART Service Area



Source: City of Turlock

The area shaded in yellow denotes the BLAST service area whereas all shaded areas denote the DART service area. The shaded areas in blue and yellow are within Turlock and the area shaded in red is outside Turlock.

Reservations on DART can be accepted at least two hours in advance. After using DART regularly for two weeks, riders can take advantage of the subscription service. This service allows for riders to be picked up from the same place at the same time every day.

Fares

Turlock’s transit services accept a variety of fare media such as cash, passes, tickets, and transfers. Transfers and all-day passes are only available for purchase from the driver. Monthly passes and ticket booklets are available for purchase at Turlock City Hall, Finance Division. Drivers do not make change and exact change is expected. The fare structure for BLAST during the audit period is shown in Table I-2.

**Table I-2
BLAST Fare Schedule**

Fare Categories	Fares
Regular Cash Fare	\$1.50
0-3 Years of Age (limit 2 per adult)	Free
65 Years of Age or Older/Disabled	\$0.75
Medicare Card Holders	\$0.75
Intraline Transfer (BLAST)	\$0.25
Interline Transfer (BLAST to StaRT)	\$0.25
All Day Pass	\$3.50
“Discount” All Day Pass	\$1.75
Monthly Pass	\$50.00
Monthly Pass (Purchased after the 15 th of the month)	\$25.00
“Discount” Monthly Pass	\$25.00
“Discount” Monthly Pass (Purchased after the 15 th of the month)	\$12.50
Student Monthly Pass	\$40.00
Student Monthly Pass (Purchased after the 15 th of the month)	\$20.00

Source: City of Turlock

DART’s fare structure is based on the service area traveled. The cash fare for travel inside Turlock is \$2.50, and \$3.50 for travel outside Turlock. Children aged 0 to 3 years ride free (limited to two per adult). Ticket books of 10 tickets are \$25.00 for travel inside Turlock and \$35.00 for travel outside Turlock. In addition, 10-trip elementary student passes cost \$30.00.

Fleet

There were 13 vehicles in the total fleet during the audit period. All vehicles are wheelchair-accessible with tie-downs in compliance with the Americans with Disabilities Act of 1990. Table I-3 shows the vehicle fleet information.

**Table I-3
Turlock Transit Fleet**

Year	Make/Model	Quantity	Seating Capacity	Engine Type	Service Mode
2003	Ford El Dorado Aerotech 220	5	14 (2 W/C)	CNG	BLAST & DART
2005	Ford El Dorado Aerotech 220	2	14 (2 W/C)	Gas	BLAST & DART
2005	Orion VII	2	34 (2 W/C)	CNG	BLAST
2007	Chevy El Dorado Aero Elite 270	1	20 (2 W/C)	Gas	BLAST
2009	Ford Glaval Universal 450	1	14 (2 W/C)	Gas	BLAST & DART
2010	Orion VII	2	34 (2 W/C)	CNG	BLAST
Total		13			

Source: City of Turlock

Section II

Operator Compliance Requirements

This section of the audit report contains the analysis of Turlock’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 17, 2013 FY 2014: October 16, 2014 FY 2015: October 19, 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: March 20, 2014 FY 2014: March 23, 2015 FY 2015: March 28, 2016 A 90-day extension was granted by the RTPA pursuant to the TDA statute. Conclusion: Complied.
The CHP has, within the 13 months prior to each TDA claim submitted by an operator, certified the	Public Utilities Code, Section 99251 B	The City of Turlock, through its contract operator, participates in the CHP Transit Operator Compliance Program in which

Table II-1 Operator Compliance Requirements Matrix		
Operator Compliance Requirements	Reference	Compliance Efforts
operator’s compliance with Vehicle Code Section 1808.1 following a CHP inspection of the operator’s terminal.		<p>the CHP has conducted inspections within the 13 months prior to each TDA claim.</p> <p>Inspections were conducted at the City Corporation Yard.</p> <p>Transit Operator Compliance Certificates and Terminal Record Updates applicable to the audit period were March 20-21 & 25, 2013; April 16, 2013; February 11, 2014; March 5 & 27, 2014; April 2, 2014; April 29, 2015; June 24, 2015; and September 29, 2015.</p> <p>Inspections were found to be satisfactory with the exception of the April 29, 2015, inspection, which was rated “unsatisfactory” due to a driver record violation. The violation involved a failure to enroll a driver in the DMV Employer Pull Notice program. Said violation was corrected and a satisfactory rating was issued September 29, 2015.</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	As a condition of approval, the City of Turlock’s annual claims for Local Transportation Funds (LTF) and State Transit Assistance (STA) are submitted in compliance with the rules and regulations adopted by StanCOG.

Table II-1 Operator Compliance Requirements Matrix		
Operator Compliance Requirements	Reference	Compliance Efforts
		Conclusion: Complied.
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	This requirement is not applicable, as Turlock only serves an urbanized area and is not subject to this standard. Conclusion: Not Applicable.
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	Percentage increase in Turlock’s transit operating budget: FY 2013: +21.9% FY 2014: -12.9% FY 2015: -6.8% The increase in the FY 2013 operating budget is attributed to labor and compensation costs, consultant contract for FTA grant assistance, CNG facility maintenance, higher fuel costs, and new service contract. Source: City of Turlock TDA Claims Budget for FYs 2012-2015 Conclusion: Complied.
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	Public Utilities Code, Section 99247	The City of Turlock’s definition of performance is consistent with PUC Section 99247. A review of monthly reports from the contract operator during the audit period indicates that

Table II-1 Operator Compliance Requirements Matrix														
Operator Compliance Requirements	Reference	Compliance Efforts												
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.		correct performance data are being collected. Conclusion: Complied.												
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	<p>The Turlock Metropolitan Statistical Area is a federally recognized urbanized area. StanCOG set the City’s farebox recovery ratio for fixed route at 15 percent and 10 percent for Dial-A-Ride.</p> <table border="0"> <tr> <td></td> <td>BLAST:</td> <td>DART:</td> </tr> <tr> <td>FY 2013:</td> <td>15.60%</td> <td>11.98%</td> </tr> <tr> <td>FY 2014:</td> <td>15.22%</td> <td>9.72%</td> </tr> <tr> <td>FY 2015:</td> <td>15.03%</td> <td>9.57%</td> </tr> </table> <p>Fixed route met the minimum farebox recovery ratio for all three years of the audit period. Dial-A-Ride met the minimum farebox recovery ratio one out of the three years of the audit period.</p> <p>Source: National Transit Database</p> <p>Effective FY 2017, Turlock fixed route will be subject to a 20 percent farebox recovery ratio standard.</p>		BLAST:	DART:	FY 2013:	15.60%	11.98%	FY 2014:	15.22%	9.72%	FY 2015:	15.03%	9.57%
	BLAST:	DART:												
FY 2013:	15.60%	11.98%												
FY 2014:	15.22%	9.72%												
FY 2015:	15.03%	9.57%												

Table II-1 Operator Compliance Requirements Matrix		
Operator Compliance Requirements	Reference	Compliance Efforts
		Conclusion: Partial Compliance.
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 Turlock serves only an urbanized area and is not subject to this standard. Also, DART serves the general public in addition to elderly and disabled persons outside the Turlock city limits. 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 City contracts with a private provider for operations, while the cost of City staff’s retirement is fully funded under the California Public Employees Retirement System (CalPERS). 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 Act of 1964 before TDA claims are granted.	California Code of Regulations, Section 6754(a)(3)	As a recipient of STA funds, the City of Turlock utilizes federal funds that are available to the agency, as reported in the National Transit Database (NTD). FY 2013: \$448,491 (Operations) \$647,636 (Capital) FY 2014: \$405,925 (Operations) FY 2015: \$484,479 (Operations) \$204,745 (Capital) Conclusion: Complied.

Findings and Observations from Operator Compliance Requirements Matrix

1. Of the compliance requirements pertaining to Turlock, the operator fully complied with eight of the nine requirements. The operator was in partial compliance with meeting its farebox recovery ratio in one of three audit years for Dial-A-Ride. Two additional compliance requirements did not apply to Turlock (i.e., rural only and rural/urban farebox recovery ratios).
2. Turlock’s service modes are held to farebox recovery standards established by StanCOG: 15 percent for fixed-route and 10 percent for Dial-A-Ride. Fixed route met the minimum farebox recovery ratio for all three years of the audit period: 15.60 percent in FY 2013, 15.22 percent in FY 2014, and 15.03 percent in FY 2015. Dial-A-Ride met the minimum farebox recovery ratio one of the three years of the audit period: 11.98 percent in FY 2013, 9.72 percent in FY 2014, and 9.57 percent in FY 2015. The average system-wide farebox recovery ratio was 12.96 percent during the triennial review period.
3. The City of Turlock 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 with the exception of the April 29, 2015, inspection, which was rated “unsatisfactory” due to a driver record violation. The violation involved a failure to enroll a driver in the DMV Employer Pull Notice program. Said violation was corrected and a satisfactory rating was issued September 29, 2015.
4. The operating budget exhibited notable changes during the audit period. The FY 2013 operating budget increased 21.9 percent due to labor and compensation costs, consultant contract for FTA grant assistance, CNG facility maintenance, higher fuel costs, and new service contract. Budgets for the subsequent years exhibited declines. The FY 2014 and FY 2015 operating budgets decreased 12.9 percent and 6.8 percent, respectively.

Section III

Prior Triennial Performance Recommendations

The City of Turlock’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 Turlock’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

Evaluate adding or modifying fixed-route service to include school tripper service.

Actions taken by the City of Turlock

Background: The prior audit noted how the City has looked into improved route design to better serve the highest traffic generators such as school campuses. The City has sought to schedule runs that are based on bell times at the two local high schools. This scheduling practice would include the concept of providing school tripper service where more direct fixed-route service and shorter run times are provided to the schools before and after school bell times. While kept as a public transit route, the school tripper service connects students from home to schools and can substitute for a possible morning and/or mid-day bus run in keeping with the same relative level of service hours.

Action: In consideration of this strategy, Turlock has evaluated the possibility and effectiveness of more direct service to Turlock’s high school campuses and other major ridership generators. In the interim, the City has realigned Routes A and D as part of an overall system overhaul that will seek to target choice riders as well as student riders. The recent Short Range Transit Plan (SRTP) update provides service expansion recommendations that address the demand from local school campuses. This will be accomplished with 30-minute bidirectional routes scheduled for implementation in January 2017.

Conclusion

This recommendation has been implemented.

Prior Recommendation 2

Update the Short Range Transit Plan.

Actions taken by the City of Turlock

Background: Transit operators that receive state and federal funding through the Transportation Improvement Plans (TIP) prepare, adopt, and submit a SRTP that provides technical guidance on transit sustainability for the next five years. The last SRTP was prepared and adopted in July 2009. Generally speaking, SRTPs list suggested performance standards and benchmarks to help evaluate current services. Since the adoption of the last SRTP, the City has adopted fare increases and service modifications to address the decline in farebox recovery. In addition, the City has been in the process of implementing bidirectional route to better serve the new Regional Transit Center and attract choice riders. An update to the SRTP would enable the City to better structure its routes and services as well as provide performance benchmarks that would not only feature qualitative metrics but quantitative metrics that gauge farebox recovery, passengers per hour, operating costs per hour, and operating costs per passenger.

Action: During the audit period, the City was involved in updating the SRTP. The Turlock SRTP was completed in May 2016 and adopted by the City Council in June 2016. The SRTP contains proposed route and schedule reconfigurations mentioned previously. Moreover, the updated SRTP suggests other immediate service changes including later evening service on weekdays, expanded hours on Saturdays, and a route dedicated to the Turlock Swap Meet that runs on Tuesdays only.

Conclusion

This recommendation has been implemented.

Prior Recommendation 3

Calculate full-time equivalents according to the TDA definition.

Actions taken by the City of Turlock

Background: The prior audit noted that the City’s Transit Operators Financial Transactions Reports submitted to the State Controller Reports did not show the proper calculation for full time equivalents (FTEs). The FTE data appeared to be an annual total of the number of employees (headcount) rather than the product of dividing total annual employee hours by 2,000. Employee hours should include those from the contract operator and City personnel responsible for monitoring the operating contract and preparing the State Controller Report. It was suggested that time dedicated to the transit system be tracked as reasonably as possible and tabulated properly since it feeds into the State Controller Reports. The corrected FTE figure is generally lower than total headcount due to the inclusion of part-time employees. Proper reporting of FTEs would result in more accurate performance indicators of productivity and responsiveness to the state.

Action: In response to this recommendation, the City has taken the necessary measures to calculate FTE data in accordance with the TDA statute. The Transit Operators Financial Transactions Report is prepared by an independent auditor and reviewed by City administrative staff. The FTE

calculation is based on the total annual labor hours divided by 2,000 hours instead of the previously used “headcount” calculation for both fixed-route and demand-response services.

Conclusion

This recommendation has been implemented.

Section IV

TDA Performance Indicators

This section reviews Turlock’s performance in providing transit service to the community in an efficient and effective manner. 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 Turlock 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
Turlock 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	\$1,079,870	\$1,138,023	\$1,160,293	\$1,146,481	6.2%
Total Passengers	112,786	120,819	117,038	119,045	5.5%
Vehicle Service Hours	14,203	14,383	13,964	13,411	-5.6%
Vehicle Service Miles	198,968	187,847	183,060	183,211	-7.9%
Employee FTEs	15	14	14	14	-6.7%
Passenger Fare Revenue	\$145,827	\$151,293	\$150,150	\$144,959	-0.6%
Operating Cost per Passenger	\$9.57	\$9.42	\$9.91	\$9.63	0.6%
Operating Cost per Vehicle Service Hour	\$76.03	\$79.12	\$83.09	\$85.49	12.4%
Operating Cost per Vehicle Service Mile	\$5.43	\$6.06	\$6.34	\$6.26	15.3%
Passengers per Vehicle Service Hour	7.9	8.4	8.4	8.9	11.8%
Passengers per Vehicle Service Mile	0.57	0.64	0.64	0.65	14.6%
Vehicle Service Hours per Employee	946.87	1,027.36	997.43	957.93	1.2%
Average Fare per Passenger	\$1.29	\$1.25	\$1.28	\$1.22	-5.8%
Fare Recovery Ratio	13.50%	13.29%	12.94%	12.64%	-6.4%

Source: Annual Fiscal & Compliance Audits; State Controller's Reports; National Transit Database

**Table IV-2
Turlock 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	\$782,005	\$709,034	\$741,707	\$713,119	-8.8%
Total Passengers	100,890	108,401	106,256	106,831	5.9%
Vehicle Service Hours	11,491	11,461	11,325	10,973	-4.5%
Vehicle Service Miles	163,793	151,233	150,688	149,040	-9.0%
Employee FTEs	9	9	9	10	11.1%
Passenger Fares	\$107,490	\$110,639	\$112,855	\$107,184	-0.3%
Operating Cost per Passenger	\$7.75	\$6.54	\$6.98	\$6.68	-13.9%
Operating Cost per Vehicle Service Hour	\$68.05	\$61.86	\$65.49	\$64.99	-4.5%
Operating Cost per Vehicle Service Mile	\$4.77	\$4.69	\$4.92	\$4.78	0.2%
Passengers per Vehicle Service Hour	8.8	9.5	9.4	9.7	10.9%
Passengers per Vehicle Service Mile	0.62	0.72	0.71	0.72	16.4%
Vehicle Service Hours per Employee	1,276.78	1,273.44	1,258.33	1,097.30	-14.1%
Average Fare per Passenger	\$1.07	\$1.02	\$1.06	\$1.00	-5.8%
Fare Recovery Ratio	13.75%	15.60%	15.22%	15.03%	9.3%

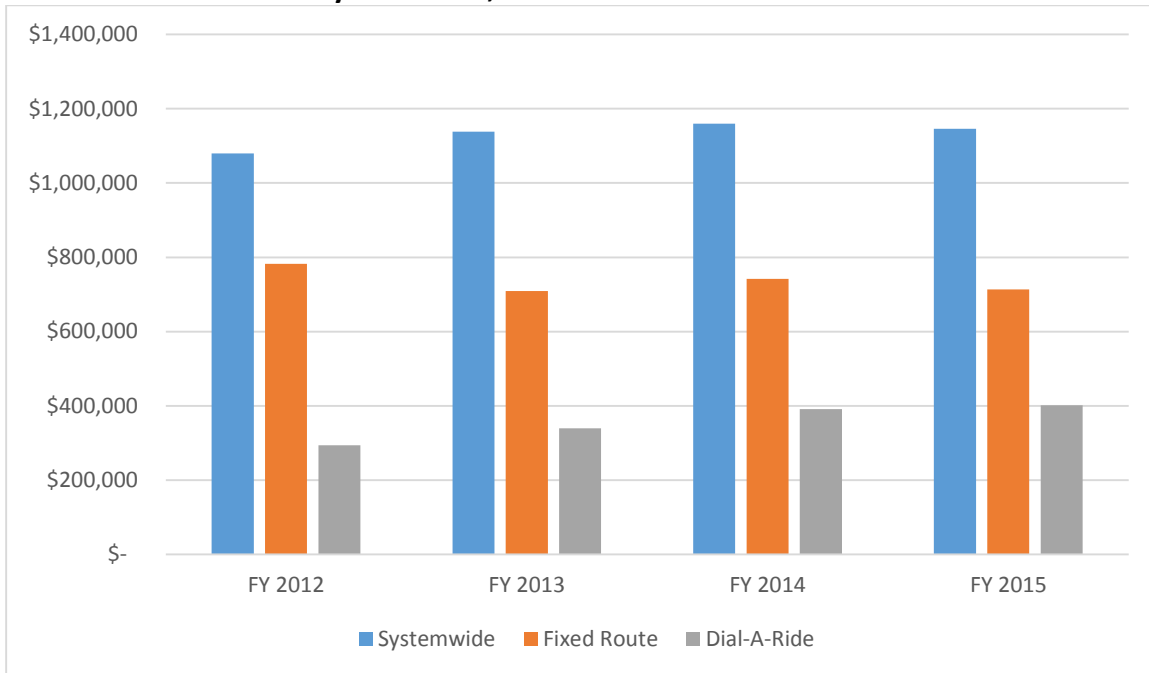
Source: State Controller Reports; National Transit Database

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

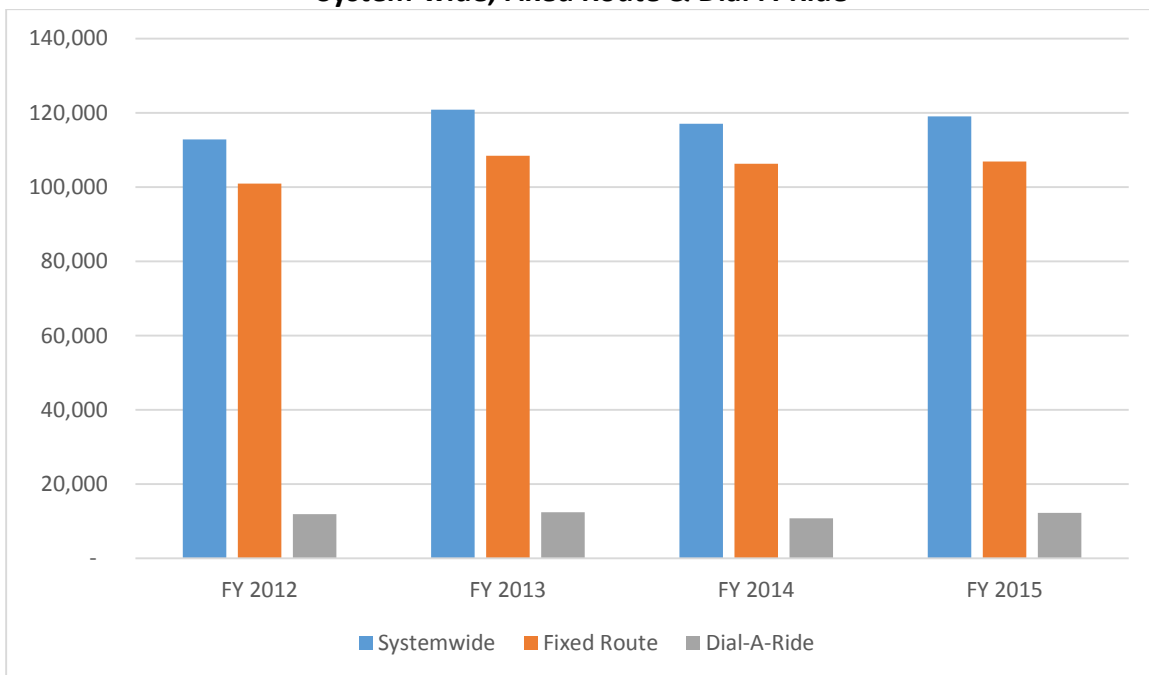
Performance Data and Indicators	Audit Period				% Change FY 2012-2015
	FY 2012	FY 2013	FY 2014	FY 2015	
Operating Cost*	\$293,381	\$339,242	\$390,693	\$401,064	36.7%
Total Passengers	11,896	12,418	10,782	12,214	2.7%
Vehicle Service Hours	2,712	2,922	2,639	2,438	-10.1%
Vehicle Service Miles	35,175	36,614	32,372	34,171	-2.9%
Employee FTEs	6	5	5	4	-33.3%
Passenger Fares**	\$38,337	\$40,654	\$37,985	\$38,375	0.1%
Operating Cost per Passenger	\$24.66	\$27.32	\$36.24	\$32.84	33.1%
Operating Cost per Vehicle Service Hour	\$108.18	\$116.10	\$148.05	\$164.51	52.1%
Operating Cost per Vehicle Service Mile	\$8.34	\$9.27	\$12.07	\$11.74	40.7%
Passengers per Vehicle Service Hour	4.4	4.2	4.1	5.0	14.2%
Passengers per Vehicle Service Mile	0.34	0.34	0.33	0.36	5.7%
Vehicle Service Hours per Employee	452.00	584.40	527.80	609.50	34.8%
Average Fare per Passenger	\$3.22	\$3.27	\$3.52	\$3.14	-2.5%
Fare Recovery Ratio	13.07%	11.98%	9.72%	9.57%	-26.8%

Source: State Controller Reports; National Transit Database

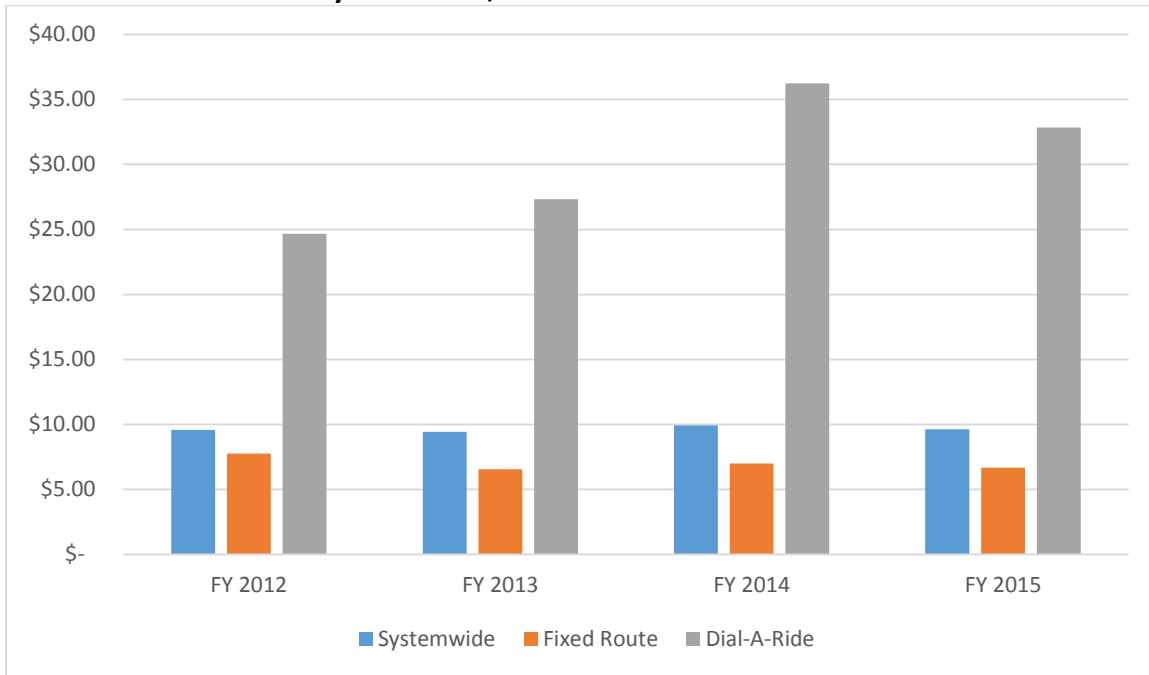
Graph IV-1
Operating Costs
System-wide, Fixed Route & Dial-A-Ride



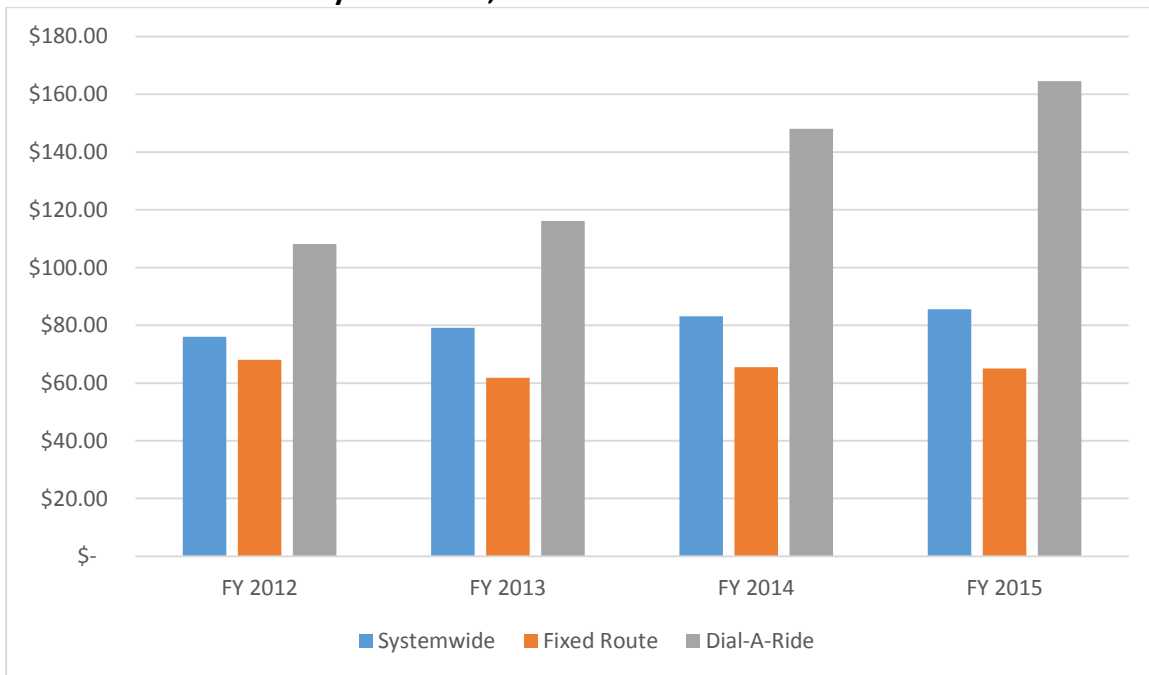
Graph IV-2
Ridership
System-wide, Fixed Route & Dial-A-Ride



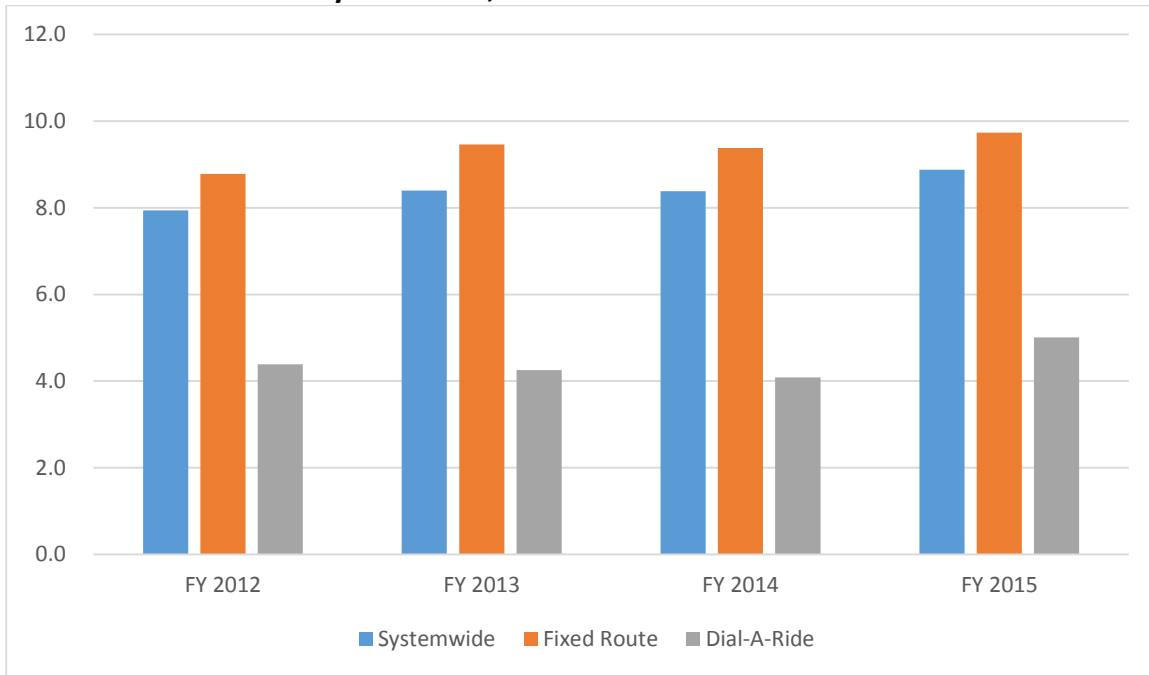
Graph IV-3
Operating Cost Per Passenger
System-wide, Fixed Route & Dial-A-Ride



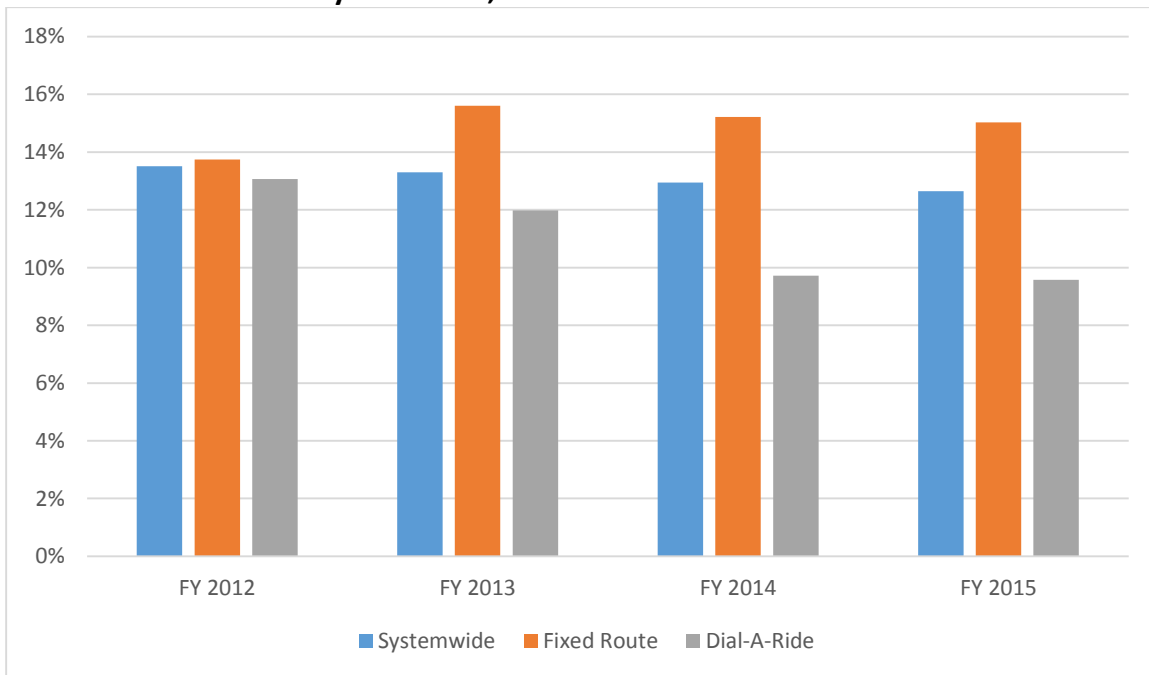
Graph IV-4
Operating Cost Per Vehicle Service Hour
System-wide, Fixed Route & Dial-A-Ride



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 6.2 percent over the audit period based on audited data from the FY 2012 base year through FY 2015. Dial-A-Ride operating costs increased 36.7 percent during the audit period while fixed-route operating costs decreased by 8.8 percent. The increase in operating costs reflects the new service contract, filling the transportation engineer position, expanded service, and higher fuel costs. City transit staff indicated that Dial-A-Ride vehicles are being used for both fixed-route and demand-response services, but that all maintenance costs for the vehicles are allocated to demand response.
2. Ridership increased 5.5 percent system-wide during the audit period. Fixed-route ridership increased by a comparable 5.9 percent and Dial-A-Ride ridership increased 2.7 percent. System-wide ridership increased from 112,786 in FY 2012 to 120,819 in FY 2013, a 7.1 percent increase. These trends indicate a rebound since fares were raised in 2011 and adjustments were made to the routes and service hours.
3. The provision of revenue hours and miles exhibited decreases during the audit period system-wide as well as for both modes. Fixed-route revenue hours and miles decreased 4.5 percent and 9 percent, respectively, while Dial-A-Ride revenue hours and miles decreased 10.1 percent and 2.9 percent, respectively. System-wide, vehicle service hours decreased 5.6 percent and vehicle service miles decreased 7.9 percent.
4. Operating cost per passenger, an indicator of cost effectiveness, increased by a negligible 0.6 percent system-wide, which is a positive trend. Cost per passenger decreased 13.9 percent on fixed route, but increased 33.1 percent on Dial-A-Ride. The trend for this indicator reflects comparable rates of growth in operating costs and ridership.
5. Operating cost per hour, an indicator of cost efficiency, increased 12.4 percent system-wide. The increase was attributed to the 52.1 percent increase in the Dial-A-Ride cost per hour increase. The hourly cost per hour on the fixed route decreased 4.5 percent.
6. Passengers per vehicle service hour, which measures the effectiveness of the service delivered, exhibited an increase of 11.8 percent system-wide. The rate of increase in this indicator for the individual service modes was comparable. The fixed route exhibited a 10.9 percent increase in passengers per hour and Dial-A-Ride saw a 14.2 percent increase. System-wide, the number of passengers per service hour increased from 7.9 passengers to 8.9 passengers during the audit period.
7. The fare recovery ratio during the audit period decreased 6.4 system-wide using audited figures. Using unaudited figures by mode, the Dial-A-Ride farebox recovery decreased by 26.8 percent whereas farebox recovery for fixed route increased by 9.3 percent. Fare revenues increased by a negligible 0.1 percent on Dial-A-Ride although operating costs increased by a larger percentage.

Section V

Review of Operator Functions

This section provides an in-depth review of various functions within the City of Turlock. The review highlights accomplishments, issues, and/or challenges that were determined during the audit period. The following functions were reviewed at the City of Turlock:

- 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

During the audit period, the City made significant strides toward the development of the Turlock Regional Transit Center located at the intersection of West Hawkeye Avenue and North Golden State Boulevard. The transit center will link travel to various activity centers along all scheduled fixed routes, providing connectivity between BLAST routes as well as to StaRT and Merced County Transit routes. The first phase of the transit center was completed in August 2012 and consists of bus loading platforms, passenger walkways, bus shelters, landscaping, and an on-site park-and-ride lot.

The second phase of the project involved the acquisition of two additional parcels totaling 1.6 acres. In February 2013, the City Council unanimously approved the purchase of the two vacant pieces of property for \$1.5 million. Even though the design of phase two was completed, the project encountered environmental review and grant funding delays. Once built out, the transit center will include passenger canopies, an office building to house operations and dispatching, a ticketing lobby and restroom facilities, tenant leasing opportunities for future Greyhound service, and a pedestrian flyover walkway that could connect to future Altamont Corridor Express (ACE) rail service.

Other service improvements have been in the planning stages for implementation in FY 2016 and FY 2017. Staffing constraints at the City held up project delivery and equipment procurement due to the retirement of the transportation engineering supervisor in December 2011. Turlock took delivery of five vehicles in December 2015, which was part of a joint procurement with the

Livermore Amador Valley Transit Authority. Turlock swapped CNG buses with Merced County Transit, which involved a title transfer. The City delayed implementation of route changes pending the receipt of the new vehicles. Additional cutaway buses are scheduled for delivery by the end of 2016. All transit vehicles are equipped with surveillance cameras. The older vehicles are equipped with two and newer vehicles are equipped with eight cameras. Electronic GFI/SPX Genfare fareboxes were installed in May 2016.

Most of the transit system's ridership is composed of a transit-dependent population with limited mobility options, who live in the southern and western parts of the city. The Countryside Plaza retail center along the SR 99 corridor between Fulkerth Road and Monte Vista Avenue generate a high number of trips on BLAST. Despite the fact that CSU-Stanislaus is located in Turlock, there is minimal ridership demand to and from the campus. There is a five-minute layover at the end of each run except during the morning hours. BLAST Route D claims the highest ridership in the system.

Turlock improved on-time performance by adjusting the headways from 40 to 45 minutes in 2016 and realigning the A and D routes. This was part of an overall effort to realign the fixed-route system from a loop alignment to a bidirectional system. The system realignment would place a greater emphasis on primary arterial corridors and target choice riders. The City is seeking to execute a Memorandum of Understanding with the County to clarify service coordination.

In addition, Turlock has simplified the fare structure without implementing a fare increase. Such measures have included the elimination of mid-monthly passes, transfers, and fees. It has also adjusted child fare categories to be compatible with other transit systems in the region. There is consideration of implementing cash value pass cards, which could eventually lead to a regional fare pass. Moreover, the City and CSU-Stanislaus have been in negotiations on an agreement for a student bus pass for implementation in late 2016. The CSU-Stanislaus student government approved a \$10.00 per year to cover the pass. The DART fare structure has not been affected by these changes.

The City's transit operations are currently contracted to First Transit, which provides drivers and dispatchers. Local operations are conducted from the City Corporation Yard located at 701 South Walnut Road. The First Transit contract was renewed for a three-year term in October 2011 with the same hourly rate for both BLAST and DART. Turlock exercised a three-year option that extended the contract through November 2017.

On-time performance is tracked by the drivers writing down the time of their first stop on the trip sheet. Dispatchers will call to verify the driver's location and the general manager will also follow behind the buses to check time adherence on occasion. Accidents reported on the system have been negligible. In addition to tracking accidents, the contractor also tracks customer service performance. Customers would generally voice their concerns with the drivers who in turn would relay the information to the general manager. Since the implementation of the 45-minute headways, there have been fewer complaints.

The fare counting and reconciliation process involves both the contractor and the City. The dispatcher counts the cash revenue from the farebox vaults. A second count is performed by another dispatcher. Coinage is counted and rolled up. The process involves documenting the bus number and the fare category and media. After the count is completed, the fares are placed into a deposit bag and taken to the City Finance Department daily. The deposit is then transported to the bank by an armored security service. Spreadsheets are used for reconciliation and verification. In efforts to address the farebox recovery, the transit planner closely monitors the fare collection practice to ensure proper fares are received.

Dial-A-Ride Program and Policies

DART provides demand-responsive service to seniors 65 years of age and over, passengers with disabilities, Medicare card holders, and elementary school students with a DART pass. For Dial-A-Ride trips outside the BLAST service area, DART service is available to the general public. Elementary students needing service inside the BLAST service area must have a DART pass to ride, and service is limited to trips to and from school only. Outside the BLAST service area, normal rules and fares apply. The fare structure is based on zones. Turlock is seeking to expand the DART service area, which already includes the community of Denair, where there is an Amtrak depot.

Ridership on DART averages 1,000 trips monthly. Reservations can be scheduled from seven days to two hours in advance, although most riders schedule one day in advance. After using DART regularly for two weeks, riders can request to be picked up from the same place at the same time every day. Regular return trips can also be arranged. This subscription service continues automatically until the riders request a change.

Dispatching and scheduling of trips is conducted on a manual basis. Using manual service logs, the pickup and drop-off information, including addresses and times, is recorded. The contract operator tracks and monitors no-shows and cancellations, which are summarized in Table V-1:

**Table V-1
DART No-Shows and Cancellations**

Year	No-Shows	Cancellations
2012	287	880
2013	<i>No YTD Data</i>	<i>No YTD Data</i>
2014	177	656
2015	359	879

Source: First Transit, Inc.
YTD = Year-to-date

After having declined in FY 2014, the number of no-shows and cancellations increased at or above the FY 2012 levels. Year-end data were not available for FY 2013. A decline in these measures reflect better enforcement of the no-show policy.

Personnel

First Transit provides contracting staffing for the Turlock's transit system. During the audit period, there were 12 drivers, 2 dispatchers, and a general manager. Subsequent to the audit period, the number of drivers declined to 7 drivers, of which 3 were full-time. There was a high rate of driver turnover attributed to retirements, a failed random drug test, and low starting wages. Employees have since received a pay increase and are nonunion. Route assignments are scheduled on a seniority basis. BLAST drivers are rotated on a weekly basis. The current general manager is relatively new to the Turlock operation, having transferred from another property in August 2014.

Driver candidates are required to have at least three years of driving experience, a California Class B valid driver's license, and Verification of Transit Training certification with passenger and airbrakes endorsements. Employees attend a monthly safety meeting as well as a monthly meeting with the mechanics. The general manager is also a driver trainer. Employee incentives include plaques, safety pins, and lunch. First Transit offers a full benefits package including a 401(k) retirement plan.

Maintenance

Turlock's transit fleet is maintained and stored at the City's Corporation Yard. The maintenance facility is equipped with three service bays and five lifts. The building design allows for proper venting of CNG vehicles. Preventative maintenance inspection (PMI) scheduling is computerized using MP2 software that tracks and flags vehicles for maintenance based on the fuel odometer reading. Vehicles undergo service every 3,000 miles or 45 days according to the PMI schedule. Maintenance files are kept on-site and FTA rules are followed. The City employs Automotive Service Excellence certified mechanics, including one mechanic dedicated to the transit system. The City intends to hire one additional mechanic in order to provide sufficient coverage.

Parts inventories are kept to a minimum and are limited to basic part supplies. Filters are procured from local vendors. Other part procurements are bid out by contract. The Corporation Yard is monitored by a series of surveillance cameras procured through a Proposition 1B Homeland Security grant.

The Corporation Yard is equipped with four CNG fill stations in the bus parking area. Gasoline-powered vehicles are fueled at the Joe Gomes & Sons station located at 725 North Tully Road in Turlock. Based on a review of the contractor's monthly and year-end summary reports, there were no road calls reported during FY 2013 and FY 2014 on both service modes. There were 10 major mechanical failures and 4 other mechanical failures reported on BLAST in FY 2015. There were no road calls reported on DART in FY 2015.

Planning

Turlock 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 City's planning focus has been to ensure the financial sustainability of transit in anticipation of the higher urbanized-area farebox recovery ratio requirement, which increased from 15 percent to 20 percent, effective July 2016. The impetus for these changes was the development of the most recent Turlock SRTP, which was completed in May 2016 and adopted in June 2016.

The purpose of the SRTP is to provide a detailed summary of current transit services and performance measures, as well as a brief overview of planned capital improvements and scheduled service enhancements over a five-year period, to efficiently and effectively meet the needs of the public. The prior SRTP update was adopted in July 2009 and covered the period of FY 2009-10 through FY 2013-14. The SRTP included a series of six transit service goals and supporting objectives that were mainly qualitative in nature:

1. Develop a transit system that is available and usable to an increasing number of persons living in all parts of the Turlock urbanized area;
2. Develop a transit system that attracts additional riders by expanding public awareness and opportunity of transit as a realistic alternative to individual vehicles;
3. Develop a coordinated transfer link to the County's transit service (StaRT) into a system that maximizes the public's ability of regional transit opportunities;
4. Develop a system that is energy efficient and environmentally friendly;
5. Purchase vehicles and build stops, shelters, and transit centers that are accessible with persons with disabilities; and
6. Maintain State required system-wide farebox-to-cost ratio.

The 2016 SRTP built upon the prior SRTP and included a comprehensive service evaluation that identified strengths, weaknesses, and opportunities for improvement. Ridership surveys were conducted for route, trip, and bus stop in the transit system. The evaluation process also included operator interviews and an extensive field review. Key findings were developed based upon the route design and service levels, ridership, and schedule adherence. Riders surveyed during the SRTP's development expressed the need for later evening service, increased frequencies, and weekend service.

Based on the findings derived from the comprehensive service evaluation and community engagement efforts, a series of service recommendations were presented. The recommendations

included the restructuring of the entire fixed-route network, rebranding of the service as Turlock Transit, and implementation of 30-minute service on four of the six routes to reduce wait times and improve regional connectivity. The route changes are scheduled for implementation in January 2017. Future service expansion considerations would involve weeknight service, the extension of Route 3 to Denair, and the introduction of commuter service to the Livermore ACE Station and the Dublin/Pleasanton BART station.

Marketing

The City of Turlock utilizes a variety of methods and collateral to market its transit services within the community and region at large. The most prominent marketing tool is a multi-fold glossy ride guide that contains a system route map, schedules, fares, and general information about BLAST. A Spanish language insert is also available. The City provides a separate brochure for DART that includes contact information, fares hours of service, and eligibility requirements. Bus stop signage contains the route identifier and bus shelters have system route maps and schedules posted. The ride guide and route maps are updated when schedule changes are made. Turlock is considering the publishing of individual route brochures.

Transit information is also accessed online through the City's website (<http://www.cityofturlock.org/transitservices/>). The website's main page provides a menu of links to riding etiquette, routes and schedules, fares, system maps, and information on connections to other transit services such as Modesto Area Express, Merced County Transit, and StaRT. The Easy Rider trip planning tool powered by Google Transit is also accessible on the website, which has both local and regional applications.

In concert with the SRTP implementation, Turlock is embarking on a rebrand of the transit system. BLAST and DART will be changed to reflect one name and brand, Turlock Transit. The rebranding initiative will also encompass a social media presence over Facebook and Twitter. The transit system has been using Development Services' social media accounts. In addition, Turlock Transit will have its own dedicated website and domain name. The City is working with Trillium to design and implement an Easy Rider trip planner on the new website.

Mobility training is coordinated through MOVE, the countywide consolidated transportation services agency. The Mobility Training Program teaches participants how to independently use fixed-route transit throughout Stanislaus County. Trainers work with individuals one-on-one and in groups to train participants how to use the multiple public transit systems available. Training can include lessons in how to read a schedule, planning a trip, paying the fare, using accessibility features, and taking actual rides on the bus.

Turlock took steps to allow advertising on its vehicles as a source of additional revenue to support farebox recovery. In October 2014, the City released a request for proposals for advertising services and received two submittals. The City executed an agreement with Stott Outdoor Advertising in August 2015 whereby the City will receive at least \$3,000 per month for the first year of the three-year contract, and \$4,200 per month the following two years or a percentage of the total

advertising space sales generated. The program will eventually be expanded to include bus shelters.

Pursuant to the federal Civil Rights Act of 1964, Turlock 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 access to the Title VI policy and complaint forms in English and Spanish on the City's transit services website. However, the auditor could not locate Title VI policy information in Spanish. It is suggested that the City provide Title VI complaint procedures in Spanish.

General Administration and Management

The City of Turlock was incorporated on February 15, 1908, as a general law city. The City has a council-manager form of government with a five-member City Council which serves as the City's principal policy making body. The City Council meets the second and fourth Tuesday of the month at 6:00 p.m. The meetings are held at Turlock City Hall located at 156 South Broadway in the Yosemite Room. The City manager, who is appointed by the City Council, oversees the operations of City departments, including the Development Services Department, which is responsible for the provision of public transit services.

The transit system is administered by a transit planner in the Engineering Division of the Development Services Department. The only full-time City staff members have been the transit planner and one transit-dedicated mechanic at the City Corporation Yard. The traffic/transportation engineering supervisor split his time between transit and other transportation duties until his retirement in December 2011; and then again as part-time until December 2012. A traffic/transportation engineer joined the City's transit administration in December 2015.

The director of Development Services has assisted the transit planner with the budgeting process on an as-needed basis. In addition, the transit planner has been involved in training another staff member to assist on a part-time basis and has received inquiries about internship opportunities from local college students.

Pursuant to the TDA, the City receives LTF proceeds and STA funds. TDA revenues are used primarily for operating expenses with some LTF allocated toward capital. Based on the data provided in the City's Transit Operators Financial Transactions Reports, LTF revenues received were \$661,127 in FY 2014 and \$554,093 in FY 2015. STA funds received were \$9,694 in FY 2013; \$8,258 in FY 2014; and \$8,075 in FY 2015.

Turlock's most recent FTA Triennial Review, conducted in 2015, involved site visits on April 16 and 17, 2015. The review examined compliance in 17 areas. No deficiencies were found in 15 FTA review areas. Turlock was found deficient in two areas pertaining to procurement and drug free

workplace/drug and alcohol program. Each deficiency was addressed and corrections were made by September 2015.

Grants Management

Grant funding allocated toward supporting transit services are derived from state and federal sources. Turlock received funding through the State Proposition 1B Public Transportation Modernization, Improvement & Service Enhancement Account (PTMISEA) program. Through FY 2015, the City received a total of \$4,997,243 in PTMISEA funds and expended \$2,778,285. PTMISEA funds have been allocated for various projects such as Phases I and II of the Transit Transfer Center, bus LED destination signs and brochure holders, a new CNG fixed-route bus, electronic fareboxes, and a CNG slow fill compressor.

The City has also procured federal grants such as FTA Section 5307 funding for capital and operating assistance. Turlock received a \$1,176,000 FTA Section 5307 grant in FY 2013 that was still open as of FY 2015. A copy of the application was provided for review. The transit planner maintains a funding scorecard spreadsheet which tracks the various funding grants that have been procured toward the construction of the Transit Transfer Center.

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 Turlock, the operator fully complied with eight of the nine requirements. The operator was in partial compliance with meeting its farebox recovery ratio in one of three audit years for Dial-A-Ride. Two additional compliance requirements did not apply to Turlock (i.e., rural only and rural/urban farebox recovery ratios).
2. Turlock's service modes are held to farebox recovery standards established by StanCOG: 15 percent for fixed-route and 10 percent for Dial-A-Ride. Fixed route met the minimum farebox recovery ratio for all three years of the audit period: 15.60 percent in FY 2013, 15.22 percent in FY 2014, and 15.03 percent in FY 2015. Dial-A-Ride met the minimum farebox recovery ratio one of the three years of the audit period: 11.98 percent in FY 2013, 9.72 percent in FY 2014, and 9.57 percent in FY 2015. The average system-wide farebox recovery ratio was 12.96 percent during the triennial review period.
3. The City of Turlock 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 with the exception of the April 29, 2015, inspection, which was rated "unsatisfactory" due to a driver record violation. The violation involved a failure to enroll a driver in the DMV Employer Pull Notice program. Said violation was corrected and a satisfactory rating was issued September 29, 2015.
4. The operating budget exhibited notable changes during the audit period. The FY 2013 operating budget increased 21.9 percent due to labor and compensation costs, consultant contract for FTA grant assistance, CNG facility maintenance, higher fuel costs, and new service contract. Budgets for the subsequent years exhibited declines. The FY 2014 and FY 2015 operating budgets decreased 12.9 percent and 6.8 percent, respectively.
5. Turlock satisfactorily implemented the three prior audit recommendations. The recommendations pertained to providing school tripper services, an SRTP update, and proper calculation and reporting of employee FTEs in the State Controller Report.
6. Operating costs system-wide increased 6.2 percent over the audit period based on audited data from the FY 2012 base year through FY 2015. Dial-A-Ride operating costs increased 36.7 percent during the audit period while fixed route operating costs decreased by 8.8 percent. The increase in operating costs reflects the new service contract, filling the transportation engineer position, expanded service, and higher fuel costs. City transit staff indicated that Dial-A-Ride

vehicles are being used for both fixed-route and demand-response services, but that all maintenance costs for the vehicles are allocated to demand response.

7. Ridership increased 5.5 percent system-wide during the audit period. Fixed-route ridership increased by a comparable 5.9 percent and Dial-A-Ride ridership increased 2.7 percent. System-wide ridership increased from 112,786 in FY 2012 to 120,819 in FY 2013, a 7.1 percent increase. These trends indicate a rebound since fares were raised in 2011 and adjustments were made to the routes and service hours.
8. The provision of revenue hours and miles exhibited decreases during the audit period system-wide as well as for both modes. Fixed-route revenue hours and miles decreased 4.5 percent and 9 percent, respectively, while Dial-A-Ride revenue hours and miles decreased 10.1 percent and 2.9 percent, respectively. System-wide, vehicle service hours decreased 5.6 percent and vehicle service miles decreased 7.9 percent.
9. Operating cost per passenger, an indicator of cost effectiveness, increased by a negligible 0.6 percent system-wide, which is a positive trend. Cost per passenger decreased 13.9 percent on fixed route, but increased 33.1 percent on Dial-A-Ride. The trend for this indicator reflects comparable rates of growth in operating costs and ridership.
10. Operating cost per hour, an indicator of cost efficiency, increased 12.4 percent system-wide. The increase was attributed to the 52.1 percent increase in the Dial-A-Ride cost per hour increase. The hourly cost per hour on the fixed route decreased 4.5 percent.
11. During the audit period, the City made significant strides toward the development of the Turlock Regional Transit Center, located at the intersection of West Hawkeye Avenue and North Golden State Boulevard. The first phase of the transit center was completed in August 2012 and consists of bus loading platforms, passenger walkways, bus shelters, landscaping, and an on-site park-and-ride lot.
12. The second phase of the transit center project involved the acquisition of two additional parcels totaling 1.6 acres. In February 2013, the City Council unanimously approved the purchase of the two vacant pieces of property for \$1.5 million.
13. The City's transit operations are currently contracted to First Transit, which provides drivers and dispatchers. Local operations are conducted from the City Corporation Yard located at 701 South Walnut Road. The First Transit contract was renewed for a three-year term in October 2011 with the same hourly rate for both BLAST and DART. Turlock exercised a three-year option that extended the contract through November 2017.
14. In concert with the SRTP implementation, Turlock is embarking on a rebranding of the transit system. BLAST and DART will be changed to reflect one name and brand, Turlock Transit. The rebranding initiative will also encompass a social media presence over Facebook and Twitter.

In addition, Turlock Transit will have its own dedicated website and domain name. The City is working with Trillium to design and implement an Easy Rider trip planner on the new website.

15. Turlock took steps to allow advertising on its vehicles as a source of additional revenue to support farebox recovery. In October 2014, the City released a request for proposals for advertising services and received two submittals. The City executed an agreement with Stott Outdoor Advertising in August 2015.

Recommendations

1. Include additional locally generated revenue in the farebox recovery and TDA fiscal audit.

Turlock will be subject to a higher urbanized farebox recovery ratio standard. 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. The City executed agreements with Stott Outdoor Advertising and CSU-Stanislaus that would generate extra revenues. The annual TDA fiscal audit should calculate the farebox ratio inclusive of applicable additional revenue. The City's Transit Division should work with the City Finance Department to ensure other local transit revenues are included in the farebox ratio in the TDA fiscal audit for Turlock Transit.

2. Provide Title VI complaint procedures in Spanish.

Pursuant to the federal Civil Rights Act of 1964, Turlock Transit Services 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. Title VI provisions include a Limited English Proficiency (LEP) Plan to help identify reasonable steps to provide language assistance for LEP persons seeking meaningful access to Turlock Transit services as required by Executive Order 13166.

Program compliance includes access to the Title VI policy and complaint forms in English and Spanish on the City's transit services website. However, the auditor could not locate Title VI policy information in Spanish. It is suggested that the City provide Title VI complaint procedures in Spanish.

3. Reallocate maintenance costs for Dial-A-Ride vehicles.

Vehicle maintenance for Dial-A-Ride increased significantly during the audit period. A review of federal NTD data prepared by the City verified maintenance cost increases for these vehicles. City transit staff indicated that Dial-A-Ride vehicles are being used for both fixed-route and demand-response services, but that all maintenance costs for the vehicles are allocated to demand response.

The City should develop a methodology to allocate Dial-A-Ride maintenance costs between the two modes based on actual usage. A common factor driving maintenance costs is mileage, which can be tracked and differentiated between fixed route and Dial-A-Ride service. Costs can be allocated based on mileage by mode using either a cost per mile factor, or a percentage ratio

of fixed-route and Dial-A-Ride miles to total miles. Fuel costs can also be allocated by mileage using the same method.