



FINAL AUDIT REPORT

Triennial Performance Audit of the City of Rio Vista (Delta Breeze)

Fiscal Years 2005/06, 2006/07 and 2007/08

prepared for the

Metropolitan Transportation Commission

prepared by

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EXECUTIVE SUMMARY

This executive summary highlights the findings from the performance audit of the City of Rio Vista transit services. In California, a performance audit must be conducted every three years of any transit operator receiving Transportation Development Act (TDA) Article 4 funds, to determine whether the operator is in compliance with certain statutory and regulatory requirements, and to assess the efficiency and effectiveness of the operator's services. The City operates deviated fixed-route bus service and demand response transit service. The audit covers the period of fiscal years 2006 through 2008 (from July 1, 2005 through June 30, 2008).

PERFORMANCE AUDIT AND REPORT ORGANIZATION

This performance audit consisted of two discrete steps:

1. Compliance Audit – Activities in this phase included:
 - an overview of data collection and reporting procedures for the five TDA performance indicators;
 - analysis of the TDA indicators; and
 - a review of compliance with selected state Public Utilities Code (PUC) requirements.

2. Audit Survey – Activities in this phase included:
 - identification, documentation and evaluation of goals and objectives;
 - calculation and evaluation of performance indicator trends; and
 - findings, conclusions, and the formulation of recommendations.

During the conduct of the performance audit, an interim report was prepared to present the findings and conclusions of the compliance audit. A draft report covering all areas was also prepared. Comments received from the City and MTC staff have been incorporated into the Final Audit Report. Highlights from the key activities are presented in this executive summary.

COMPLIANCE AUDIT

Review of TDA Data Collection and Reporting Methods - The purpose of this review is to determine if the City is in compliance with the TDA requirements for data collection and reporting. The review is limited to the five data items needed to calculate the TDA-mandated performance indicators. This review has determined that the City is in compliance with the data collection and reporting requirements for these performance indicators. Appropriate definitions are in place and procedures for developing base data appear to be valid.

Performance Indicators and Trends – The City’s performance trends for the five TDA-mandated indicators were analyzed by mode. A six-year analysis period was used for all the indicators. Results are detailed below:

- TDA Performance Trends - The City’s performance over the five year period showed mixed results, with decreased cost efficiency and employee productivity levels, and increased passenger productivity and cost effectiveness. The City’s transition from demand response service to deviated fixed-route service impacted all of the performance indicators examined in this audit. Passengers per vehicle service hour and passengers per vehicle service mile both increased over the audit period. Passengers per hour increased an average of 32 percent annually, and passengers per vehicle service mile increased an average 20 percent annually, as increases in ridership outpaced the increase in both service hours and service miles. The City’s operating costs increased an average of 26.3 percent annually, which, when combined with a slightly lower rate of increased service hours, resulted in declining cost efficiency. The cost per vehicle service hour increased an average of 14.9 percent annually. Meanwhile the cost per passenger decreased an average of 13.0 percent annually, due to ridership increases almost doubling the increase in operating costs. With inflation removed, the cost per hour increased an average 11.5 percent per year, while cost per passenger decreased an average of 15.5 percent per year. Employee Full Time Equivalent data for FY2004 and FY2005 were not available for this analysis. Employee productivity, measured as vehicle service hours per FTE, declined an average of 7.7 percent annually, declining from 558 hours per FTE in FY2006 to 475 hours per FTE in FY2008. The data for this indicator is questionable, as the numbers for hours per FTE are unusually low. The FTE data provided may be based on a head count rather than actual FTE numbers. The City needs to investigate its reporting of FTEs further, as the current performance indicator shows the City’s transit workforce as rather unproductive.

Compliance with Statutory Requirements – The City is in compliance with the sections of the state PUC that were reviewed as part of this performance audit. The sections reviewed included requirements concerning CHP safety inspections, labor contracts, reduced fares, revenue sharing, and evaluation of passenger needs. The City was not required to obtain a FY2006 CHP satisfactory inspection certificate of its transit facilities as it was operating vehicles with less than ten seats at that time. However, a satisfactory certificate was provided for the following two years.

AUDIT SURVEY

Review of Goals and Objectives – The City has established a comprehensive set of goals, objectives and performance measures. The goals and objectives are clear and concise, addressing a wide range of concerns. Performance measures are related to the goals and objectives, identifying specific, mostly quantifiable outcomes. All quantifiable measures have associated standards that allow for comparison of actual performance with established targets. The City’s goals and objectives did have some deficiencies. The standards developed for some measures were not consistent or relevant to the actual performance, for example the standard for safety is a minimum of 100,000 miles between preventable accidents, when Delta Breeze has never exceeded 100,000 miles of service in any year of its existence. Also, the standard for operating cost per passenger was set at \$25 when the actual performance has never exceeded \$10 in any year. Other measures may be too broad to be effective. One example is the measure for performance evaluation and monitoring which calls for an evaluation interval of no greater than every three years, when more frequent monitoring and evaluation would be more effective. No mention was made of the daily or monthly performance monitoring that normally accompanies transit service provision. Finally, while most of the objectives have quantifiable measures associated with them, some have no quantifiable measures or broad, non-specific measures associated with them, which may make evaluation difficult.

In terms of actual performance monitoring, some discrepancies exist between the contractor’s Monthly Operations Report (MOR) and the City’s Monthly Operating Summary (MOS). The MOR provides data on several performance measures included in the SRTP such as

on-time performance, missed trips, preventable accidents, and operating cost per hour and passenger that are not included in the MOS. Also, the MOS tracks performance on a year to date basis, while the MOR does not. Neither monitoring report makes any comparison to performance versus prior years.

Performance According to Objectives and Standards – The City met less than half of the performance standards set for its transit service; however, some of that performance may be attributed to standards that are irrelevant and do not adequately reflect actual performance. The City saw improving performance over the audit period in the areas of farebox recovery and passenger productivity, while cost efficiency declined each year. The City’s operating cost per vehicle service hour and vehicle service mile increased every year. Cost per hour was well above the established standard in two of three years, while cost per mile was exceeded the established standard each year by a wide margin. This indicates that the City’s cost efficiency standards may not be realistic in terms of actual performance levels. Improving results were seen in both passenger trips per vehicle service hour and vehicle service mile areas during the audit period. The City met the standard for passengers per hour in two of the three years, but met the standard for passengers per mile only in FY2008. The City met or exceeded its standards for on-time performance, missed trips and vehicle accessibility in every year that data was recorded for them. The City did not meet the miles between preventable accidents standard in any year, but again, the established standard is unrealistic compared to performance. The city has never completed 100,000 miles of vehicle service since it began providing service.

Recommendations

1. EVALUATE PERFORMANCE MEASURES AND STANDARDS TO ENSURE CONSISTENCY, ADEQUACY AND MEASURABILITY.
[Reference Sections: III. Review of Goals and Objectives; Performance According to Objectives and Standards]

The City’s goals, objectives, measures and standards as established in its SRTP are clear and concise, addressing a wide range of concerns. However, several deficiencies were identified in the structure of the measures and standards established in support of the goals and objectives. Some of the standards developed were not consistent or relevant to actual performance. For

example the established safety standard is 100,000 miles between preventable accidents, when Delta Breeze has never exceeded 100,000 miles of service in any year of its existence. The City's standards for cost efficiency are not relevant to its actual performance, with cost per service hour far exceeding the standard in FY2007 and FY2008, and performance in cost per service mile, while showing a declining trend, was well below the established standard in each year of the audit period. The City's entire transit fleet is ADA accessible, and the ADA requires all new vehicles procured to be ADA compliant, so it is questionable whether the City needs a measure for vehicle accessibility. Finally, while most of the goals and objectives have quantifiable measures associated with them, some have no quantifiable measures or broad, non-specific measures associated with them, which may make evaluation difficult.

The City should evaluate and revise its goals, objectives, measures and standards to improve their consistency, adequacy and measurability, and therefore their overall usefulness as a management tool.

2. CONTINUE TO REFINE PROCEDURES FOR ROUTINE PERFORMANCE MONITORING AND ASSESSING PERFORMANCE AGAINST STANDARDS
[Reference Sections: III. Review of Goals and Objectives; Performance According to Objectives and Standards]

The City has established a performance monitoring system that tracks performance on a monthly and annual basis, with the operations contractor compiling daily performance data into monthly reports, and the Transit Coordinator summarizing that data into monthly and annual summaries. Some discrepancies exist between the contractor's monitoring activities and the City's activities. The contractor's reports provide data on several performance measures included in the SRTP such as on-time performance, missed trips, preventable accidents, and operating cost per hour and passenger that are not included in the City's summaries. Also, the City tracks performance on a year to date basis, while the contractor does not, and the monitoring reports do not make any comparison to performance versus prior years. Some of the measures established, such as marketing expenditures, are not tracked in any of the monthly reports. Finally, the SRTP recommends an evaluation of performance every three years (in conjunction with the SRTP update), when more frequent monitoring and evaluation is currently taking place and is more effective.

TABLE OF CONTENTS

	<u>Page No.</u>
EXECUTIVE SUMMARY	i
I. INTRODUCTION	1
II. COMPLIANCE AUDIT	7
Review of TDA Data Collection and Reporting Methods	7
Performance Indicators and Trends.....	11
Compliance with PUC Requirements.....	19
III. AUDIT SURVEY	22
Review of Rio Vista’s Goals and Objectives	22
Description of Goals, Objectives and Performance Standards	23
Assessment of Goals and Objectives	28
Overview of Performance Monitoring Activities	30
Performance According to Objectives and Standards	30
IV. CONCLUSIONS AND RECOMMENDATIONS	34
Conclusions	34
Recommendations	36

LIST OF EXHIBITS

	<u>Page No.</u>
Exhibit 1: System Overview	4
Exhibit 2: Audit Period Organization Chart	6
Exhibit 3: Compliance with TDA Data Collection and Reporting Requirements.....	9
Exhibit 4: TDA Indicator Performance.....	15
Exhibit 4.1: Operating Cost per Vehicle Service Hour.....	16
Exhibit 4.2: Passengers per Hour and per Mile	17
Exhibit 4.3: Operating Cost per Passenger	18
Exhibit 4.4: Vehicle Service Hours per FTE	19
Exhibit 5: Compliance with State PUC Requirements	20
Exhibit 6: Audit Period Goals, Objectives and Performance Standards.....	25
Exhibit 7: Assessment of Goals, Objectives and Associated Measures and Standards.....	29
Exhibit 8: Comparison of Performance with Standards	33

I. INTRODUCTION

Public Utilities Code (PUC) Section 99246 requires that a performance audit be conducted every three years of each public transit operator in California. The audit requirement pertains to recipients of Transportation Development Act (TDA) funds, and is intended to assure that the funds are being used efficiently. The substance and process of the performance audit is defined by the Regional Transportation Planning Agency (RTPA).

In the San Francisco Bay Area, the Metropolitan Transportation Commission (MTC) has been designated the RTPA and has this responsibility. MTC follows a “goals and objectives” approach to performance auditing, wherein a portion of the audit requires a review of the operator’s own adapted goals and objectives, related performance measures and standards, and an assessment of operator’s performance in achieving its standards. By statute, the audit must be conducted in accordance with the U.S. Comptroller General’s “Standards for Audit of Governmental Organizations, Programs, Activities, and Functions” (the “yellow book”). As stated in the MTC audit guide, the performance audit is a systematic review to determine the extent to which a transit operator has:

- Complied with pertinent laws and regulations;
- Established system goals and objectives;
- Achieved desired program results; and
- Conducted operations in an efficient and economical manner.

Under MTC’s approach, the objective of the performance audit is to meet the statutory requirements, while at the same time, to provide the operator with constructive and useful recommendations for improving the efficiency, effectiveness, and administration of its transit system. Relative to system compliance testing, all findings are reported regardless of materiality.

This report has been prepared as part of the performance audit of the City of Rio Vista. The audit period is Fiscal Years 2006 through 2008 (from July 1, 2005 through June 30, 2008). This performance audit includes the transportation services provided by Rio Vista. An overview

of the City's transit service is provided in Exhibit 1. This is followed by an organization chart in Exhibit 2. The chart reflects the organization structure during the audit period.

PERFORMANCE AUDIT AND REPORT ORGANIZATION

This performance audit of the City of Rio Vista was conducted for MTC in accordance with its established procedures for performance audits. The audit consisted of two discrete steps:

1. Compliance Audit – Activities in this phase included:
 - An overview of data collection and reporting procedures for the five TDA performance indicators;
 - Analysis of the TDA indicators; and
 - A review of compliance with selected state Public Utilities Code (PUC) requirements.

2. Audit Survey – Activities in this phase included:
 - Identification, documentation and evaluation of goals and objectives;
 - Calculation and evaluation of performance indicator trends; and
 - Findings, conclusions, and the formulation of recommendations.

This is the Final Audit Report of the City of Rio Vista. Following this introduction, the audit report consists of three sections:

- Compliance Audit - an assessment of data collection reporting procedures, a review of performance trends in TDA-mandated indicators, and a review of compliance with selected PUC requirements.

- Audit Survey - a description and evaluation of the goals, objectives, performance measures, standards and monitoring procedures that the City has established; and an assessment of performance against standards as well as a review of the trends in performance indicators over the audit period.

- Conclusions and Recommendations - highlights of the analysis results; a discussion of actions to further improve the City's performance, based on the findings from the previous sections; and the identification of any key issues worthy of further study.

During the conduct of the performance audit, an interim report was prepared to present the findings and conclusions of the Compliance Audit. A draft report covering all areas was also prepared. Comments received from the City and MTC staff have been incorporated into this report.

Exhibit 1
City of Rio Vista
System Overview

Location	Headquarters: One Main Street, Rio Vista, CA 94571
Establishment	The City of Rio Vista began providing general public dial-a-ride service, known as Rio Vista Transit, in 1980. Rio Vista Transit became Rio Vista Delta Breeze, a deviated fixed-route service in 2006. The City also implemented a Senior Shuttle service in 2006. The system was restructured again in 2007, with one route becoming a demand response circulator, and a restructuring of existing service levels to a “lifeline” operation. The transit system was the responsibility of the City’s Finance Department from 1984 to 2005, when transit was moved into the Public Works Department.
Board	The Rio Vista City Council is the transit system governing body. The Transit Coordinator is responsible for the overall management and financial oversight of the transit system, reporting directly to the City Manager. The City contracts with MV Public Transportation, Inc. to operate the service.
Facilities	The City Corporation Yard on St. Francis Way is the central base of operations and storage for the Delta Breeze fleet. The City’s Public Works Department, the Transit Coordinator and contract operator staff are housed at this location. Maintenance is outsourced to private contractors. Delta Breeze has several bus stops located throughout Rio Vista, as well as the cities of Fairfield, Isleton, Antioch, Suisun City, Lodi and Pittsburg.
Service Data	<p>The City of Rio Vista provides weekday deviated fixed-route transportation within the city limits of Rio Vista and to the neighboring cities of Fairfield, Isleton City, Lodi and Suisun City. The current contract operator is MV Public Transportation, Inc., who took over from the prior contractor, Trans Metro Express in 2007. Delta Breeze operates four vehicles on three deviated fixed-routes - Route 50 Express between Rio Vista and Fairfield - Suisun City; Route 52 Express to Antioch and the Pittsburg/Bay Point BART station; Route 53 Express to Lodi; and the Route 51 Rio Vista-Isleton City Circulator, a demand response service. Service operates weekdays only; there is no service on weekends or holidays. Deviated fixed-route service hours are: Route 50 – Tuesday 8:45 – 10:45 a.m. and 12:45 – 2:45 p.m.; Route 52 – Thursday 8:15 – 10:17 a.m. and 1:18 – 3:05 p.m.; and Route 53 – Tuesday 9:05 – 10:35 a.m. and 12:55 – 3:10 p.m. The Route 51 demand response circulator service operates Monday, Wednesday and Friday 8:00 a.m. – 9:30 a.m. and 10:30 a.m. – 3:30 p.m. and Tuesday and Thursday 2:45 p.m. to 5:00 p.m. Subscription service is also available on a space available basis, mostly for school tripper service.</p> <p>Delta Breeze fares are \$1.50 for adults and \$0.75 for seniors (age55+), passengers with disabilities, and Medicare cardholders for local service. Intercity express service is \$5.00 for a one-way trip. Route deviations on intercity routes are an extra \$0.50. Two children under the age of five may travel for free with a</p>

paying adult. Discounted 10-ride passes and monthly passes also are available. This fare structure has been in effect since 2006.

The City also participates in a Taxi Scrip program for senior citizens, persons with disabilities, and Medicare cardholders that allows those individuals to utilize local taxi services for door to door service using Taxi Scrip purchased through the City at a 50 percent discount. This service is not directly covered in this review.

Prior to 2008, paratransit service was provided by Solano Paratransit, a service of Solano County. The City discontinued its participation in Solano Paratransit in 2008. This service operates Monday through Saturday. Fares range from \$1.50 to \$8.00 depending on distance traveled.

Recent Changes

The City restructured its transportation service twice in the past five years. The City transitioned from a demand response transit system, Rio Vista Transit, to a deviated fixed-route service, Delta Breeze, in 2006. In 2007, due to low system productivity and high operating costs, the City restructured its Delta Breeze service, turning one fixed-route into a demand response circulator route, combining the Senior Shuttle service into Routes 50 and 52, and reducing hours of service. In FY 2008, the City added a new third deviated fixed-route, Route 53 operating one day a week eastbound to Lodi.

Planned Changes

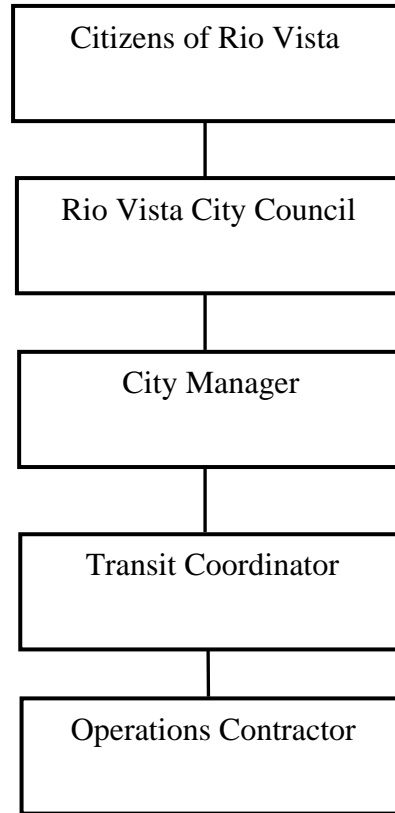
The City is considering new transit service alternatives as part of the SRTP update for FY2008. Projects included in the operations plan include restored daily service to Fairfield and Suisun City; and the potential addition of weekend service on Routes 50, 51 and 53, if additional funding can be obtained to operate these services. As of the date of this report, none of these changes have been implemented.

Capital projects planned include on-going vehicle replacement and acquisition of expansion vehicles over the next ten years.

Staff

Rio Vista has a contracted transit coordinator and contracts with MV Transportation, Inc. to operate its service. The City reported five full time equivalent employees in its most recent TDA application.

**Exhibit 2
City of Rio Vista
Audit Period Organization Chart**



II. COMPLIANCE AUDIT

This section presents the findings from the Compliance Audit, which focuses on the five performance indicators required by TDA law. These indicators have been defined by the state PUC to evaluate the transit operator's efficiency, effectiveness and economy. The first part of this chapter discusses the City of Rio Vista's procedures for collecting the statistics used to calculate the TDA indicators. In the second part, the trends in the indicators are reviewed for the City's transit services. The chapter concludes with a review of the City's compliance with selected state PUC requirements.

REVIEW OF TDA DATA COLLECTION AND REPORTING METHODS

The purpose of this review is to determine if the City is compliance with the data collection and reporting requirements necessary to calculate the TDA performance indicators. The review is limited to the five data items needed to calculate the indicators:

- Operating costs
- Vehicle service hours
- Vehicle service miles
- Unlinked passengers
- Employees (full-time equivalents)

Per MTC procedures, the TDA indicator analysis typically relies on the National Transit Database (NTD) reports submitted annually to the Federal Transit Administration (FTA). However, during the audit period the City received its funding from the FTA through the California Department of Transportation (CalTrans) and thus its NTD data is filed as part of the CalTrans annual NTD report. Therefore, NTD reports were not used for this analysis; instead, information and definitions provided by City staff were used to analyze TDA data collection and reporting.

To support this review, the City was asked to provide information to confirm its data collection and reporting procedures. The City provided copies of its TDA data collection and reporting procedures and transit fund audit reports for determination of compliance with the data collection and reporting procedures.

Based on the information provided, as shown in Exhibit 3, the City is in compliance with the data collection and reporting requirements for the five TDA statistics. Appropriate definitions are in place and procedures for developing base data appear to be valid.

Exhibit 3
City of Rio Vista
Compliance with TDA Data Collection and Reporting Requirements

TDA Statistic	TDA Definition	Compliance Finding	Verification Information
Operating Cost	"Operating cost" means all costs in the operating expense object classes exclusive of the costs in the depreciation and amortization expense object class of the uniform system of accounts and records adopted by the Controller pursuant to Section 99243, and exclusive of all subsidies for commuter rail services operated under the jurisdiction of the Interstate Commerce Commission and of all direct costs for providing charter services, and exclusive of all vehicle lease costs.	In Compliance	<ul style="list-style-type: none"> • Reported according to TDA definition. • Cost allocation model used for administrative expenses. • Transit fund is audited annually by an independent auditor.
Vehicle Service Hours	"Vehicle service hours" means the total number of hours that each transit vehicle is in revenue service, including layover time.	In Compliance	<ul style="list-style-type: none"> • Vehicle service hours are tracked by vehicle operators on daily dial-a-ride passenger logs and bus route logs. Hours are tracked for vehicles leaving and returning to the service yard, and the time of first pick up and last drop off. Service and deadhead hours calculated daily. Service hours tracked in contractor's Monthly Operations Reports.
Vehicle Service Miles	"Vehicle service miles" means the total number of miles that each transit vehicle is in revenue service.	In Compliance	<ul style="list-style-type: none"> • Vehicle service miles are tracked by vehicle operators on daily dial-a-ride passenger logs and bus route logs. Miles are tracked for vehicles leaving and returning to the service yard, and the mileage of the first pick up and last drop off. Service and deadhead hours calculated daily. Service miles tracked in contractor's Monthly Operations Reports.

Exhibit 3, continued
City of Rio Vista
Compliance with TDA Data Collection and Reporting Requirements

TDA Statistic	TDA Definition	Compliance Finding	Verification Information
Unlinked Passengers	"Unlinked passengers" means the number of boarding passengers, whether revenue producing or not, carried by the public transportation system.	In Compliance	<ul style="list-style-type: none"> Passengers are tracked by vehicle operators on daily dial-a-ride passenger logs and bus route logs. Dial-a-ride logs also track type of fare and non-revenue passengers. Ridership totals tracked in contractor's Monthly Operations Reports.
Employee Full-Time Equivalents	2,000 person-hours of work in one year constitutes one employee.	In Compliance	<ul style="list-style-type: none"> The City includes both in-house and contracted personnel in its calculation of FTEs. The City uses timecards to track employee work hours for both contract and City employees, using 2,000 hours as the definition of a Full-Time Equivalent employee.

PERFORMANCE INDICATORS AND TRENDS

The performance trends for the City's Delta Breeze service is presented in this section. Performance is discussed for each of the five TDA-mandated performance indicators:

- operating cost per vehicle service hour
- passengers per vehicle service hour
- passengers per vehicle service mile
- operating cost per passenger
- vehicle service hours per full-time equivalent employee (FTE)

These indicators were primarily calculated using information from the City TDA applications filed with MTC, the Delta Breeze Operating Summary reports (FY2005 – FY2008), and input from City staff.

In addition to presenting performance for the three years of the audit period (FY2006 through FY2008), this analysis features two enhancements:

- Five-Year Time Period – While the performance audit focuses on the three fiscal years of the audit period, five-year trend lines have been constructed for the City's service to provide a longer perspective on performance and to clarify the direction and magnitude of the performance trends. In this analysis, the FY2006 to FY2008 trend lines have been combined with those from the FY2004 through FY2005 to define a five-year period of performance. Performance data prior to FY2004 was not available for this audit.
- Normalized Cost Indicators for Inflation – To understand the extent to which cost increases reflect local inflationary pressures, the two financial performance indicators (cost per hour and cost per passenger) are presented in both constant and current dollars. The inflation adjustment relies on the All Urban Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) for the San Francisco Metropolitan Area. The average CPI-W percent change for each fiscal year has been calculated based on the bi-monthly results reported on the U.S. Department of Labor – Bureau of Labor Statistics website. The CPI-W is used since labor is the largest component of operating cost in transit. Since labor costs are typically controlled through labor contracts, changes in normalized costs largely reflect those factors that are within the day-to-day control of the transit system.

The trends in the TDA indicators and input statistics for FY2004 through FY2008 are presented in Exhibit 4. The five-year trends are illustrated in Exhibits 4.1 through 4.4.

- Operating Cost Per Vehicle Service Hour (Exhibit 4.1) - Operating cost per vehicle service hour is a key indicator of cost efficiency. During the five-year study period, the cost per hour of service increased on average by 14.9 percent annually, ranging from \$43.04 per hour in FY2004 to \$74.99 per hour in FY2008. Operating cost per vehicle service hour increased 50 percent between FY2006 and FY2007, with the increase likely due to the transition from demand response to deviated fixed-route service in January 2006. There were corresponding increases in vehicle service hours and miles in FY2006. The introduction of deviated fixed-route service caused a large increase in the City's costs for purchased transportation. The cost of contracted transit services in FY2006 was more than twice the City's labor costs in FY2005, and the City's FY2007 purchased transportation costs were more than three times its FY2005 costs. Operating cost per hour declined 8 percent between FY2005 and FY2006, due to the increase in service hours outpacing operating costs during the restructuring of Delta Breeze services. To determine the effects of inflation on the trend, the annual results are presented in constant as well as current dollars. In FY2004 dollars, operating cost per hour increased an annual average of 11.5 percent.
- Passengers per Vehicle Service Hour (Exhibit 4.2) - Passengers per vehicle service hour is an indicator of passenger productivity. Passengers per hour increased from 0.7 passengers per hour in FY2004 to 2.1 passengers per hour in FY2008. Overall, passengers per hour increased an average of 32 percent per year, with the largest increases coming in the last two years of the period. Again, the transition to deviated fixed-route service in FY2006 caused large increases in both passengers (65.3 percent) and service hours (40.6 percent) from the City's prior transit services. Service hours decreased in FY2007, due to a service restructuring, before increasing slightly in FY2008, and combined with corresponding large increases in passengers, caused a significant increase in passengers per hour in both those years – 120 percent in FY2007 and 37.5 percent in FY2008.
- Passengers per Vehicle Service Mile (Exhibit 4.2) – Another passenger productivity indicator is passengers per vehicle service mile. There was an increase in this indicator between FY2004 (0.08 passengers per mile) and FY2008 (0.18 passengers per mile), due to large increases in service miles and passengers as a result of the transition to deviated fixed-route service. Vehicle service miles increased more than 182% in FY2006 over the FY2005 service level. Significant increases in ridership in FY2007 and FY2008 resulted in increases of 120 percent and 37.5 percent in passengers per mile in those years. Overall, passengers per vehicle service mile increased an average of 20 percent annually.

- Operating Cost per Passenger (Exhibit 4.3) - Operating cost per passenger is a measure of cost effectiveness. The City's cost per passenger trend decreased an average of 13.0 percent annually from \$63.22 in FY2004 to \$36.27 in FY2008. The increase in this indicator reflects the increase in passenger levels outpacing the increase in operating costs by an almost two to one ratio over the five-year period. If the increase in costs due to inflation is removed (normalization), the trend improves, with the cost per passenger decreasing an average of 15.5 percent annually.
- Vehicle Service Hours per Employee (FTE) (Exhibit 4.4) - Employee productivity is measured as vehicle service hours per full-time employee. FTE data for FY2004 and FY2005 were not available for this analysis. The overall trend declined from 558 hours per FTE (FY2006) to 475 hours per FTE (FY2008). The average annual decrease was 7.7 percent. This was mostly due to fluctuations in employee FTEs between 4.0 and 5.5 for the audit period, combined with increasing vehicle service hours. The average annual increase in FTEs was 4.9 percent, which was half the 10 percent annual increase in vehicle service hours over the period. This resulted in the declining performance. In general, the reported vehicle service hours per FTE are unusually low. This may be due to incorrect reporting of the FTE numbers, which were taken from the City's MTC TDA applications. The FTE numbers may be actual head counts, rather than the real number of FTE employees.

The City's performance over the five year period showed mixed results, with decreased cost efficiency and employee productivity levels, and increased passenger productivity and cost effectiveness. The City's transition from demand response service to deviated fixed-route service impacted all of the performance indicators examined in this audit. Passengers per vehicle service hour and passengers per vehicle service mile both increased over the audit period. Passengers per hour increased an average of 32 percent annually, and passengers per vehicle service mile increased an average 20 percent annually, as increases in ridership outpaced the increase in both service hours and service miles. The City's operating costs increased an average of 26.3 percent annually, which, when combined with a slightly lower rate of increased service hours, resulted in declining cost efficiency. The cost per vehicle service hour increased an average of 14.9 percent annually. Meanwhile the cost per passenger decreased an average of 13.0 percent annually, due to ridership increases almost doubling the increase in operating costs. With inflation removed, the cost per hour increased an average 11.5 percent per year, while cost per passenger decreased an average of 15.5 percent per year. Employee Full Time Equivalent data for FY2004 and FY2005 were not available for this analysis. Employee productivity,

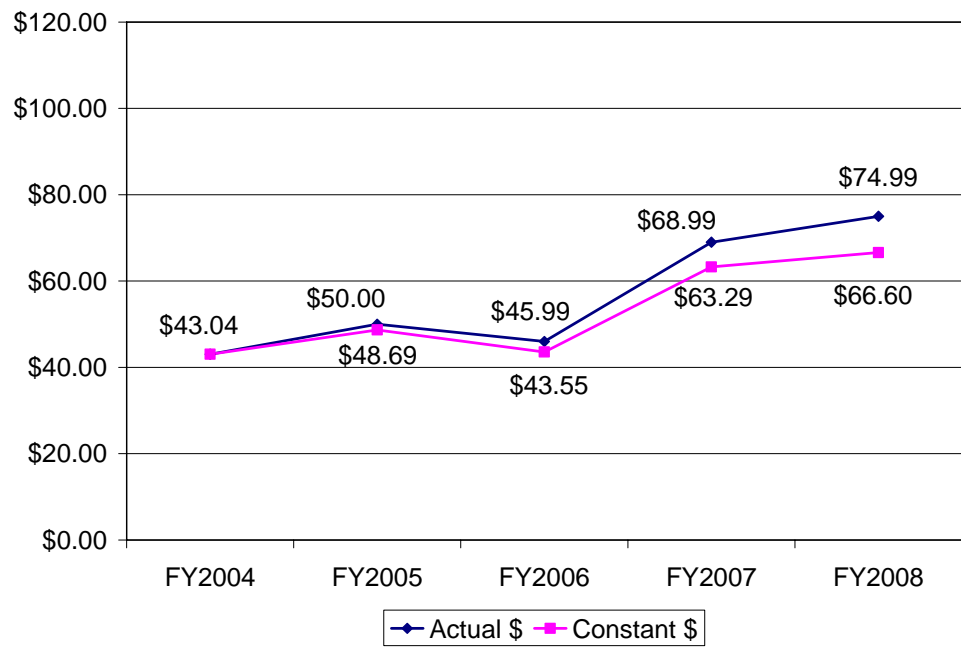
measured as vehicle service hours per FTE, declined an average of 7.7 percent annually, declining from 558 hours per FTE in FY2006 to 475 hours per FTE in FY2008. The data for this indicator is questionable, as the numbers for hours per FTE are unusually low. The FTE data provided may be based on a head count rather than actual FTE numbers. The City needs to investigate its reporting of FTEs further, as the current performance indicator shows the City's transit workforce as rather unproductive.

Exhibit 4
City of Rio Vista
TDA Indicator Performance – Demand Response and Delta Breeze Service

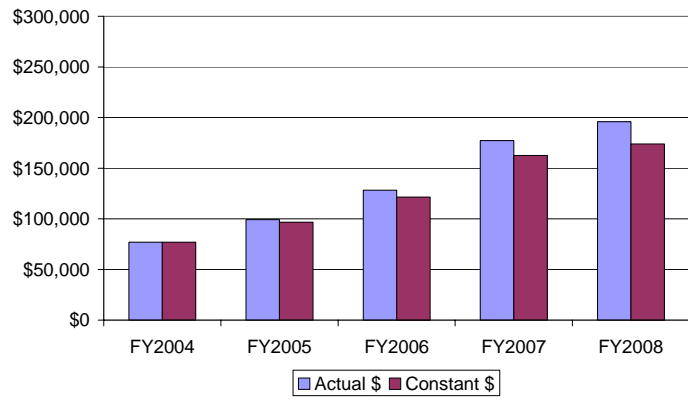
	FY2004	FY2005	FY2006	FY2007	FY2008	Av. Ann. Chg.
Performance Indicators						
Op. Cost per Vehicle Svc. Hour (Actual \$)	\$43.04	\$50.00	\$45.99	\$68.99	\$74.99	- -
<i>Annual Change</i>	- -	16.2%	-8.0%	50.0%	8.7%	14.9%
Op. Cost per Vehicle Svc. Hour (Constant \$)	\$43.04	\$48.69	\$43.55	\$63.29	\$66.60	- -
<i>Annual Change</i>	- -	13.1%	-10.5%	45.3%	5.2%	11.5%
Passengers per Vehicle Service Hour	0.7	0.6	0.7	1.5	2.1	- -
<i>Annual Change</i>	- -	-14.6%	17.6%	120.0%	37.5%	32.0%
Passengers per Vehicle Service Mile	0.08	0.08	0.05	0.08	0.18	- -
<i>Annual Change</i>	- -	-9.3%	-41.5%	82.7%	114.3%	20.0%
Op. Cost per Passenger (Actual \$)	\$63.22	\$85.96	\$67.26	\$45.87	\$36.27	- -
<i>Annual Change</i>	- -	36.0%	-21.8%	-31.8%	-20.9%	-13.0%
Op. Cost per Passenger (Constant \$)	\$63.22	\$83.70	\$63.70	\$42.08	\$32.21	- -
<i>Annual Change</i>	- -	32.4%	-23.9%	-33.9%	-23.5%	-15.5%
Vehicle Service Hours per FTE	(a)	(a)	558	642	475	- -
<i>Annual Change</i>	- -	- -	- -	15.1%	-26.1%	-7.7%
Input Data						
Operating Cost (Actual \$)	\$76,873	\$99,200	\$128,272	\$177,238	\$195,873	- -
<i>Annual Change</i>	- -	29.0%	29.3%	38.2%	10.5%	26.3%
Operating Cost (Constant \$)	\$76,873	\$96,592	\$121,470	\$162,604	\$173,955	- -
<i>Annual Change</i>	- -	25.7%	25.8%	33.9%	7.0%	22.6%
Vehicle Service Hours	1,786	1,984	2,789	2,569	2,612	- -
<i>Annual Change</i>	- -	11.1%	40.6%	-7.9%	1.7%	10.0%
Vehicle Service Miles	14,312	14,976	42,332	46,939	30,609	- -
<i>Annual Change</i>	- -	4.6%	182.7%	10.9%	-34.8%	20.9%
Unlinked Passengers	1,216	1,154	1,907	3,864	5,401	- -
<i>Annual Change</i>	- -	-5.1%	65.3%	102.6%	39.8%	45.2%
Employee Full-Time Equivalents	(a)	(a)	5.0	4.0	5.5	- -
<i>Annual Change</i>	- -	- -	- -	-20.0%	37.5%	4.9%
Bay Area CPI - Annual Change	- -	1.7%	2.8%	3.3%	3.3%	- -
- Cumulative Change	- -	2.7%	5.6%	9.0%	12.6%	3.2%

*Sources: FY2004, FY2005 Service Hours and all FTE data - MTC TDA Applications
FY2005-FY2008 - Rio Vista Delta Breeze Operating Summary Reports (except FTEs)
CPI Data - U.S. Department of Labor, Bureau of Labor Statistics
(a) Not Available*

Exhibit 4.1
City of Rio Vista
TDA Indicator Performance
Operating Cost per Vehicle Service Hour



Operating Cost



Vehicle Service Hours

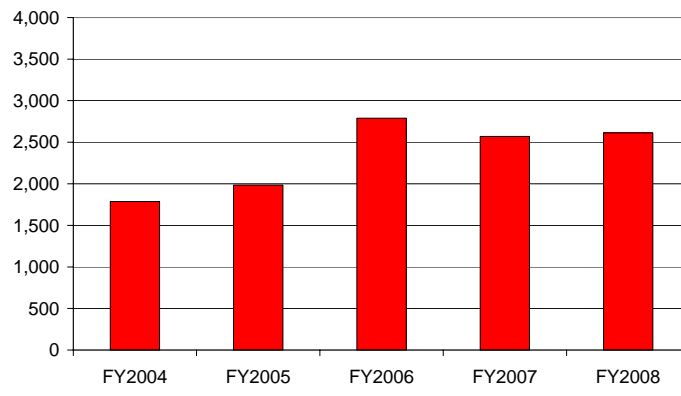
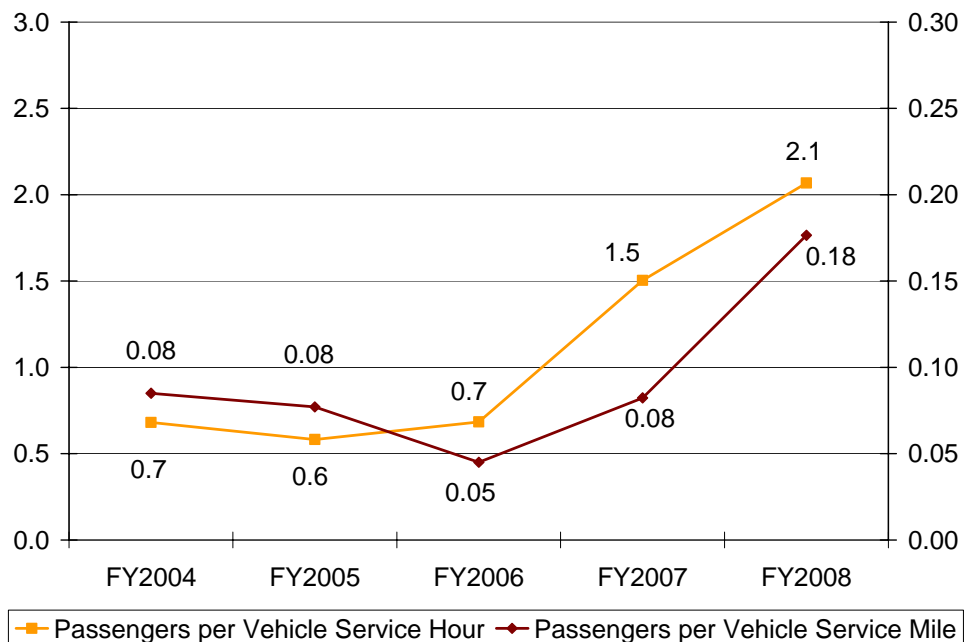
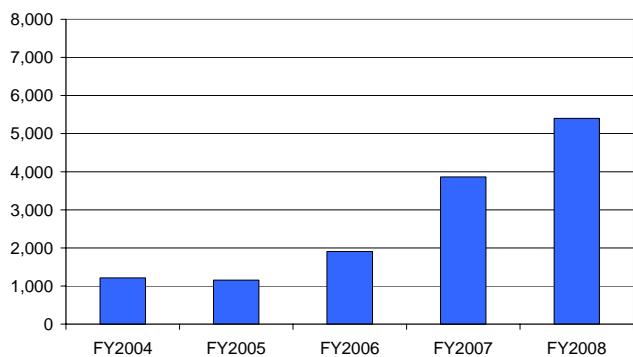


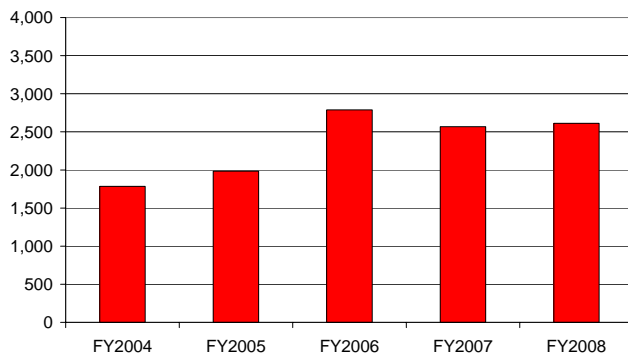
Exhibit 4.2
City of Rio Vista
TDA Indicator Performance
Passengers per Hour and per Mile



Unlinked Passengers



Vehicle Service Hours



Vehicle Service Miles

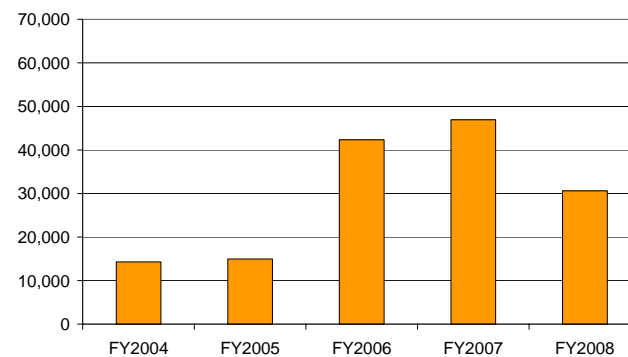
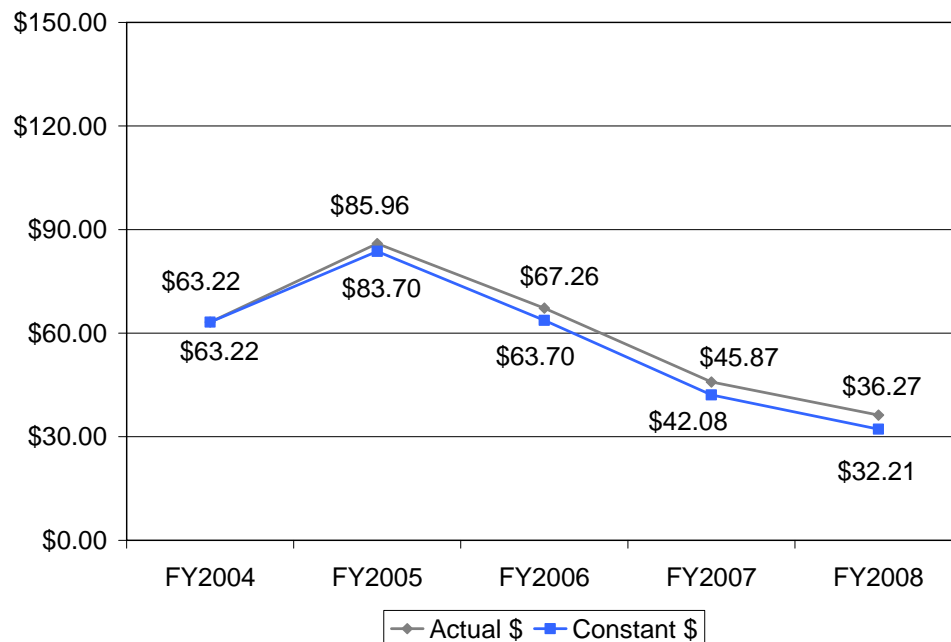
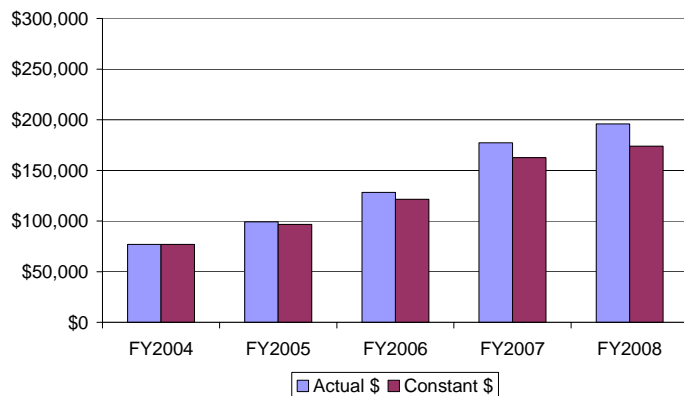


Exhibit 4.3
City of Rio Vista
TDA Indicator Performance
Operating Cost per Passenger



Operating Cost



Unlinked Passengers

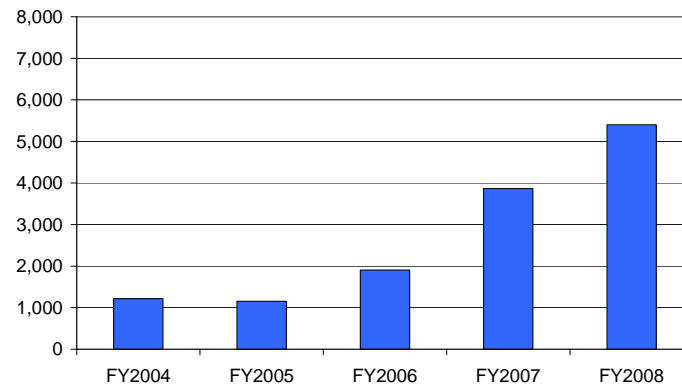
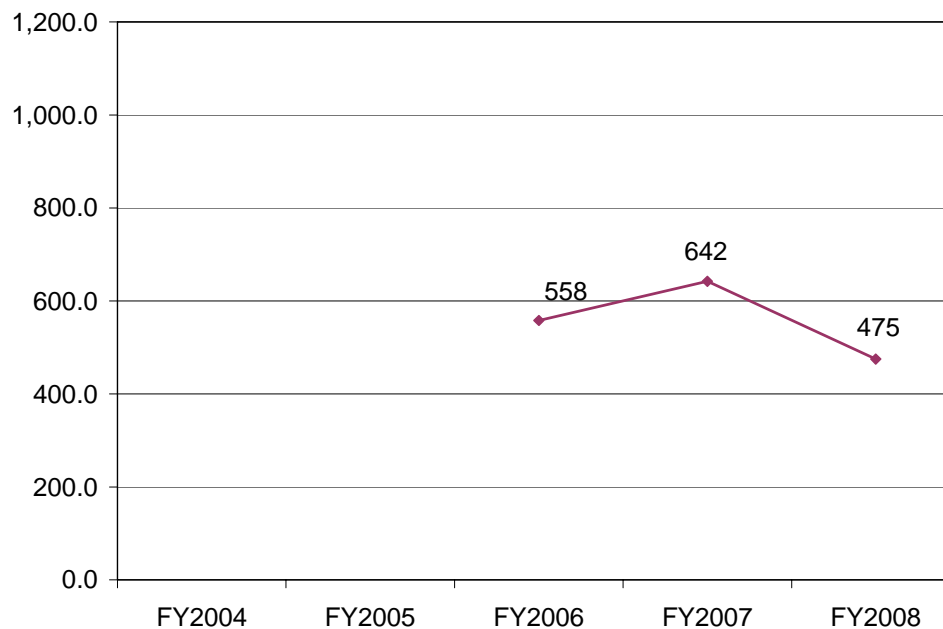
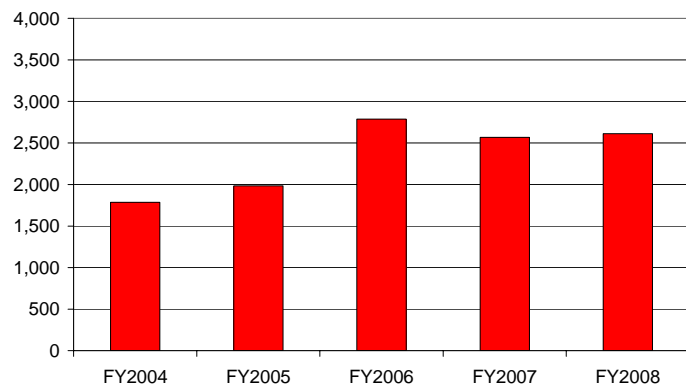


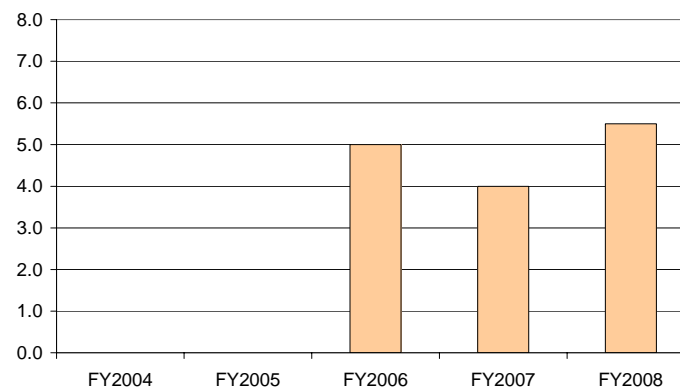
Exhibit 4.4
City of Rio Vista
TDA Indicator Performance
Vehicle Service Hours per FTE



Vehicle Service Hours



Full-time Equivalents



COMPLIANCE WITH PUC REQUIREMENTS

In conjunction with the State Performance Audit Guidelines, an assessment of the City's compliance with selected sections of the state Public Utilities Code (PUC) has been performed. The compliance areas included in this review are those that MTC has identified for inclusion in the triennial performance audit. Other statutory and regulatory compliance requirements are reviewed by MTC in conjunction with its annual review of the City's TDA-STA claim application.

The results from this review are detailed by individual requirement in Exhibit 5. The City is in compliance with the sections of the state PUC that were reviewed as part of this performance audit. These sections included requirements concerning CHP terminal safety inspections, labor contracts, reduced fares, revenue sharing, and evaluating passenger needs. The City was not required to obtain a FY2006 CHP satisfactory inspection certificate of its transit facilities as it was operating vehicles with less than ten seats at that time. However, a satisfactory certificate was provided for the following two years.

Exhibit 5
City of Rio Vista
Compliance with State PUC Requirements

Code Reference	Operator Compliance Requirements	Compliance Finding	Verification Information
PUC99251	<u>CHP Certification</u> - 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 following a CHP inspection of the operator's terminal	In Compliance	Satisfactory Inspections: <ul style="list-style-type: none"> • FY2006: Not required by CHP as City was operating vehicles with less than 10 seats • FY2007: 3/19/07 • FY2008: 3/14/08
PUC99264	<u>Operator-to-Vehicle Staffing</u> - The operator does not routinely staff with two or more persons public transportation vehicles designed to be operated by one person	In Compliance	Operating contract agreement with: <ul style="list-style-type: none"> • Trans Metro Express, Inc. – January 2006; • MV Transportation, Inc. – January 2007
PUC99155	<u>Reduced Fare Eligibility</u> - For any operator who received TDA Article 4 funds, if the operator offers reduced fares to senior citizens and disabled persons, applicant will honor the federal Medicare identification card, the California Department of Motor Vehicles disability ID card, the Regional Transit Connection Discount Card, or any other current identification card issued by another transit operator that is valid for the type of transportation service or discount requested; and if the operator offers reduced fares to senior citizens, it also offers the same reduced fare to disabled patrons	In Compliance	Fare information in public information materials: <ul style="list-style-type: none"> • Delta Breeze Rider's Guide • City of Rio Vista website

Exhibit 5, continued
City of Rio Vista
Compliance with State PUC Requirements

Code Reference	Operator Compliance Requirements	Compliance Finding	Verification Information
PUC99314.7, Govt Code 66516, MTC Res. Nos. 2310, 2927	<u>Joint Revenue Sharing Agreement</u> - The operator has current SB602 joint fare revenue sharing agreements in place with transit operators in the MTC region with which its service connects, and submitted copies of agreements to MTC	In Compliance	City has direct agreements with CalTrans, Capital Corridor Joint Powers Authority, CCCTA, ECCTA, City of Fairfield, Sacramento County and City of Vallejo, and is a signatory of the BART Plus Agreement with BART, CCCTA, SFMTA, Dumbarton Bridge Consortium, ECCTA, LAVTA, SamTrans, SCVTA, Union City, WCCTA and City of Benicia
PUC99246(d)	<u>Process for Evaluation of Passenger Needs</u> - The operator has an established process in place for evaluating the needs and types of passengers being served	In Compliance	Outreach programs: <ul style="list-style-type: none"> • Ride checks • Community meetings • Unmet transit needs hearings SRTP discussions: <ul style="list-style-type: none"> • Ride check analysis • Operations performance • Public outreach analysis

III. AUDIT SURVEY

This chapter presents the results of the second phase of the City's performance audit, the audit survey. The audit survey was comprised of several distinct tasks:

- identification and documentation of the City's goals and objectives;
- calculation and evaluation of performance indicator trends; and
- findings, conclusions, and formulation of recommendations.

This chapter addresses the first two topics. Typically, a review of the status of any recommendations made in the prior performance audit would be included in this section as well. However, since this is the first performance audit of Rio Vista, there are no prior audit recommendations to review. The findings, conclusions and recommendations are presented in the final chapter of this report.

REVIEW OF RIO VISTA'S GOALS AND OBJECTIVES

MTC's scope of work for the performance audits requires a review of the operator's adopted goals and objectives, and related performance measures and standards. Under this approach, the operator's performance is assessed using expectations it has established for itself, rather than using externally imposed expectations (e.g., comparison to peer group operators). Performance standards are the targets against which actual performance is compared. There are two key purposes for this review:

1. Assure MTC that the operator has procedures in place to:
 - develop and update a comprehensive system of goals and objectives, and related performance measures and standards;
 - communicate these goals and objectives throughout the organization; and
 - routinely monitor performance relative to the objectives and related standards.

2. To identify the available information that can be used as the foundation for a more detailed functional area analysis, in order to assess the operator's actual performance against its objectives and standards.

To carry out this assessment, it was necessary to identify the goals and objectives, and related performance measures and standards that were in effect for the City during the three-year audit period. This was done by reviewing documents provided by, and interviewing, Rio Vista staff. The interviews focused on the internal procedures in place to develop goals and objectives, and related performance measures and standards, as well as to monitor system performance.

Description of Goals, Objectives and Performance Standards

The City documents its goals, objectives and performance measures for its transit system in the Short Range Transit Plan (SRTP). There were two SRTPs in effect during the audit period. The City developed a Mini-SRTP for FY2007-2016 in October 2006 in conjunction with Publictransit.us of Vallejo, California. The Mini-SRTP did not address goals, objectives and performance measures. The City hired a consultant, Moore & Associates, Inc. in 2007 to develop an SRTP for FY2008-2018. That SRTP was completed in December 2007 contained a component that included the Delta Breeze goals, objectives and performance measures. The City developed six goals for its transportation services in this current SRTP:

1. *Operate an efficient and effective system that maximizes service and minimizes cost impacts.*
2. *Provide safe, reliable and high-quality transportation.*
3. *Serve the transportation needs of the community.*
4. *Evaluate, monitor and improve transit services on an on-going basis.*
5. *Undertake effective marketing, outreach and public participation.*
6. *Coordinate transit system development with community planning and development efforts and land use policy.*

The current SRTP goals are supported by objectives, measures and standards by which progress toward achieving the goals can be assessed. As the SRTP was not published until

December 2007, these goals, objectives, measures and standards were in place only for the last half of FY2008. However, since no other performance measures and standards were available for the beginning of the audit period, these goals, objectives and measures will be used in this review to evaluate the City's performance for the entire audit period. The goals, objectives, measures and standards are detailed in Exhibit 6.

Exhibit 6
City of Rio Vista
Audit Period Goals, Objectives and Performance Standards

Goal 1: Operate an efficient and effective system that maximizes cost impacts		
Objective	Performance Measure	Standard
Minimize operating cost.	Operating cost per vehicle service hour (VSH)	\$48.70
	Operating cost per passenger	\$25.00
	Farebox recovery	7 percent
Minimize use of transit funding.	Coordinated human services plan	No duplication of service
Increase transit usage	Annual growth in ridership	Growth in annual ridership mirrors that of service area population.
	Passengers/VSH	1.0 passenger/VSH
	Passengers/VSM	0.10 passenger/VSM
Goal 2: Provide safe, reliable and high quality transportation		
Objective	Performance Measure	Standard
Reliable transit service	On-time performance	Deviated Fixed-Routes (DVR Routes 50 & 52) – 95 percent of all monthly trips operate on-time (defined as no earlier than 1 minute and no more than 6 minutes past the published schedule) Demand response (DR Route 51) – 95 percent of all monthly trips operate on-time (defined as within 10 minute of scheduled pick up time)
	Missed trips	Less than 1 percent of total monthly trips (DVR – no later than 15 minutes past the scheduled pick up time or missed entirely; DR – no later than 30 minutes past scheduled pick up time or missed entirely)
	Spare ratio	20 percent

Exhibit 6, continued
City of Rio Vista
Audit Period Goals, Objectives and Performance Standards

Goal 3: Serve the transportation needs of the community		
Objective	Performance Measure	Standard
Maximize accessibility	Geographic coverage	Equal coverage throughout local tax base area
	Accessibility	100 percent of fleet accessible to person with disabilities
	Miles between preventable accidents	All transit vehicles and stops are marked appropriately
Goal 4: Evaluate, monitor and improve transit services on an on-going basis		
Objective	Performance Measure	Standard
Ongoing, mandatory enhancement	Regularly programmed service evaluations	Independent evaluations at intervals of no greater than three years.
Goal 5: Undertake effective marketing, outreach and public participation		
Objective	Performance Measure	Standard
Development of a marketing plan	Actual expenditures	Not less than 3 percent of annual operating budget
Encourage citizen participation	Conduct annual TDA Unmet Transit needs process	Conduct annual outreach prior to meetings to encourage public input on unmet needs.
	Provide various opportunities for customer feedback	Increase position visibility strategically to encourage new users.

Exhibit 6, continued
City of Rio Vista
Audit Period Goals, Objectives and Performance Standards

Goal 6: Coordinate transit system development with community planning and development efforts and land use policy		
Objective	Performance Measure	Standard
Encourage consideration of transit needs in land use policies within all Rio Vista Delta Breeze partner communities during the development review and approval process	Practice involvement in the planning/approval process	Specify service levels. Identify capital improvements to be included in new developments.
		Work with retailers and business community to increase accessibility to public transit network

Source: City of Rio Vista SRTP FY2007/08 – FY2017/18, December 2007

Assessment of Goals and Objectives

MTC recognizes that meaningful goals and objectives are central to the effective planning and management of a transit system. Goals and objectives should provide focus and direction to all aspects of the operation. Quantifiable measures standards associated with the goals and objectives provide an objective way to monitor actual performance. In the following discussion, Dixon's goals, objectives and performance measures are assessed. The assessment focuses on comprehensiveness, structure, consistency, adequacy, controllability and measurability. Details of this evaluation are shown in Exhibit 7, and are discussed briefly below.

In the 2008-2018 SRTP, the City established a comprehensive set of goals, objectives and performance measures. The goals and objectives are clear and concise, addressing a wide range of concerns. Performance measures are related to the goals and objectives, identifying specific, mostly quantifiable outcomes. All quantifiable measures have associated standards that allow for comparison of actual performance with established targets. The City's goals and objectives did have some deficiencies. The standards developed for some measures were not consistent or relevant to the actual performance, for example the standard for safety is a minimum of 100,000 miles between preventable accidents, when Delta Breeze has never exceeded 100,000 miles of service in any year of its existence. Also, the standard for operating cost per passenger was set at \$25 when the actual performance has never exceeded \$10 in any year. Other measures may be too broad to be effective. One example is the measure for performance evaluation and monitoring which calls for an evaluation interval of no greater than every three years, when more frequent monitoring and evaluation would be more effective. No mention was made of the daily or monthly performance tracking and monitoring that normally accompanies transit service provision. Finally, while most of the objectives have quantifiable measures associated with them, some have no quantifiable measures or broad, non-specific measures associated with them, which may make evaluation difficult.

Exhibit 7
City of Rio Vista
Assessment of Goals, Objectives and Associated Measures and Standards

Assessment Category	Definition of Category	Strengths	Weaknesses
Comprehensiveness	Address a wide range of issues, concerns and activities that are relevant to operation of the transit system.	Goals and objectives together address a broad range of issues, concerns and activities. Goals and objectives are current and relevant to the system.	None
Structure	Logical, showing clear relationships between comprehensive goals and specific activities.	Goals and objectives reflect clear and logical relationships. Specific activities are relevant to the goals to which they are linked.	None
Consistency	Cohesiveness and relevancy are maintained throughout the audit period.	Goals and objectives remained consistent and relevant during the audit period.	Standards for some measures were not consistent with or relevant to actual performance in those measures.
Adequacy	Content has breadth and depth needed to enable monitoring of performance in all key areas of the transit system.	Content covers all aspects of Delta Breeze operations. Specific measures and standards promote effective performance monitoring.	Measures and standards for performance evaluation and monitoring may be overly broad to promote effective performance monitoring.
Controllability	Include aspects of performance for which management can influence the outcome.	All goals, objectives, and performance measures describe activities that are controllable by management.	None
Measurability	Include quantifiable measures to ascertain performance in relation to goals.	Most goals and objectives are associated with quantifiable performance measures.	Some goals have no quantifiable measures associated with them, or have non-specific measures.

Overview of Performance Monitoring Activities

The City monitors its Delta Breeze performance on a monthly and annual basis. Performance indicators are compiled by the contractor and tracked on a monthly basis. Daily service data is recorded by the bus operators in a Daily Operations Log. The daily information is compiled into a Monthly Operations Report (MOR) which is sent to the City and reviewed by the Transit Coordinator. The MOR contains a summary of issues; billing information; deposit records; monthly service statistics including ridership, service and non-service hours and miles, fare statistics and other statistics and indicators; graphs of daily statistics and ridership; maintenance reports; and special service reports.

The Transit Coordinator summarizes this monthly information into a Monthly Operating Summary (MOS) which includes all of the TDA indicators. The MOS is compiled monthly but also displays data on a quarterly and year to date basis. This report is provided to the City Council and other agencies as required. Some discrepancies exist between the contractor's Monthly Operations Report and the City's Monthly Operating Summary. The MOR provides data on several performance measures included in the SRTP such as on-time performance, missed trips, preventable accidents, and operating cost per hour and passenger that are not included in the MOS. Also, the MOS tracks performance on a year to date basis, while the MOR does not. Neither monitoring report makes any comparison to performance versus prior years.

PERFORMANCE ACCORDING TO OBJECTIVES AND STANDARDS

To further review the City's performance over the past three years, a detailed set of performance indicators was defined. The indicators selected for this analysis were those established to support the City's goals and objectives. These indicators supplement the five TDA-mandated indicators discussed in the Compliance Audit. Some of the City's established objectives and standards have not been used because they either do not lend themselves to quantifiable analysis or focus more on service design issues rather than performance results.

The emphasis in this indicator-related review is on operations-related functions, since this is the "front line" in meeting the City's responsibilities to provide public transit service.

Supporting functions are evaluated primarily in terms of their overall contribution toward the mission of providing transit service.

A variety of data sources were used for this analysis. Much of the information was contained in the City's Monthly Operating Summary performance reports. This was supplemented by the City's budget reports, contractor Monthly Operations Reports, TDA applications and direct input from department personnel. In some cases, the techniques used to capture and report this information differ from those used previously in the Compliance Audit, which relied primarily on the City's year-end performance reports. This may result in different results for similar data items. However, all data in this section are internally consistent. The remainder of this section presents the findings from this review. The results are detailed in Exhibit 8; key findings are discussed below.

Eleven performance measures established by the City in the FY2008-2018 SRTP were used for this review. As no other standards were in place for the beginning of the audit period, actual performance during each year of the audit period is compared to the standards that the City established in the SRTP in December 2007.

- Cost efficiency performance declined during the period. The percent change in operating cost per vehicle service hour and per vehicle service mile increased each year. The City met its performance standard of \$48.70 for cost per hour only in FY2006, but exceeded it by a fairly large margin in FY2007 and FY2008. Cost per mile easily exceeded the standard of \$25 in all three years. This wide variance from the standards suggest perhaps the standards are not adequate relevant to actual performance.
- The City's farebox recovery standard was seven percent, less than the ten percent minimum required by the TDA, but the TDA allows for exemptions for providers of services to new areas or along new routes for two years, and also allows providers of services to elderly and disabled persons under Article 4.5 and Article 8 to set their own farebox recovery standard through the RTPA. The City's actual performance increased in all three years, and exceeded the seven percent standard in FY2007 and FY2008.
- Passenger productivity was positive, with the City increasing its passenger trips per vehicle service hour and vehicle service mile in each year. The City was able

to exceed its standard for passengers per vehicle service hour in two of three years, while exceeding the standard for passengers per mile only in FY2008.

- Service delivery results were generally positive, with the City meeting or exceeding its standards for on-time performance and missed trips in each year that data was available. Data for spare ratio performance was not available for this audit. As the entire Delta Breeze fleet is ADA accessible, the City met its 100 percent vehicle accessibility standard in each year.
- The City's performance in miles between preventable accidents did not exceed the standard each year. This is not surprising as the standard is set at 100,000 miles between accidents and the City has never exceeded 100,000 total miles of service since the inception of transit service.
- The City did not meet its standard for marketing expenditures in either FY2007 or FY2008, the only years data was available. As the City does not track this measure in its monthly performance monitoring, the performance for FY2008 is an estimate calculated from the budgeted expenses included in the annual budget.

During the audit period, the City met less than half of the performance standards set for its transit service; however, some of that performance may be attributed to standards that are irrelevant and do not adequately reflect actual performance. The City saw improving performance over the audit period in the areas of farebox recovery and passenger productivity, while cost efficiency declined each year. The City's operating cost per vehicle service hour and vehicle service mile increased every year. Cost per hour was well above the established standard in two of three years, while cost per mile was exceeded the established standard each year by a wide margin. This indicates that the City's cost efficiency standards may not be realistic in terms of actual performance levels. Improving results were seen in both passenger trips per vehicle service hour and vehicle service mile areas during the audit period. The City met the standard for passengers per hour in two of the three years, but met the standard for passengers per mile only in FY2008. The City met or exceeded its standards for on-time performance, missed trips and vehicle accessibility in every year that data was recorded for them. The City did not meet the miles between preventable accidents standard in any year, but again, the established standard is unrealistic compared to performance. The city has never completed 100,000 miles of vehicle service since it began providing service.

Exhibit 8
City of Rio Vista
Comparison of Performance with Standards

Indicator	FY2006			FY2007			FY2008		
	Standard	Actual	Result	Standard	Actual	Result	Standard	Actual	Result
Operating Cost per Vehicle Service Hour (a)	\$48.70	\$45.99	+	\$48.70	\$68.99	-	\$48.70	\$74.99	-
Operating Cost per Vehicle Service Mile	\$25.00	\$3.03	+	\$25.00	\$3.76	+	\$25.00	\$6.40	+
Farebox Recovery Ratio	7.0%	4.9%	-	7.0%	7.3%	+	7.0%	10.9%	+
Passenger Trips per Vehicle Service Hour (a)	1.0	0.7	-	1.0	1.5	+	1.0	2.1	+
Passenger Trips per Vehicle Service Mile (a)	0.10	0.05	-	0.10	0.08	-	0.10	0.18	+
On-time performance	95.0%	(b)	(c)	95.0%	99.9%	+	95.0%	99.9%	+
Missed Trips	<1%	(b)	(c)	<1%	<1%	=	<1%	<1%	=
Spare ratio	20.0%	(b)	(c)	20.0%	(b)	(c)	20.0%	(b)	(c)
Miles between Preventable Accidents (minimum)	100,000	(b)	(c)	100,000	46,939	-	100,000	30,609	-
Vehicle accessibility	100%	100.0%	=	100%	100.0%	=	100%	100.0%	=
Marketing expenditures (% of total operating budget)	3.0%	(b)	(c)	3.0%	1.0%	-	3.0%	2.2% (d)	-

Legend: + Performance exceeds standard
 = Performance meets standard
 - Performance does not meet standard

(a) TDA Indicator - actual results per Compliance Audit
 (b) Not available
 (c) Not applicable
 (d) Calculated from budgeted expenses in annual transit budget

Note: A standard is considered met if performance is within 1.0 percent of the standard

IV. CONCLUSIONS AND RECOMMENDATIONS

The preceding sections presented a discussion of the City of Rio Vista's transportation service performance during the three-year period of FY2006 through FY2008 (July 1, 2005 through June 30, 2008). They included discussions of the City's compliance with reporting requirements and trends in TDA-mandated performance indicators; the procedures through which the City establishes goals and objectives, and related performance measures and standards; and functional area performance trends using a set of relevant performance indicators.

CONCLUSIONS

The key findings and conclusions from the individual sections of this performance audit are summarized below:

COMPLIANCE AUDIT

- Data Collection - The City is in compliance with the data collection and reporting requirements for the five TDA statistics. Appropriate definitions are in place and procedures for developing base data appear to be valid.
- TDA Performance Trends - The City's performance over the five year period showed mixed results, with decreased cost efficiency and employee productivity levels, and increased passenger productivity and cost effectiveness. The City's transition from demand response service to deviated fixed-route service impacted all of the performance indicators examined in this audit. Passengers per vehicle service hour and passengers per vehicle service mile both increased over the audit period. Passengers per hour increased an average of 32 percent annually, and passengers per vehicle service mile increased an average 20 percent annually, as increases in ridership outpaced the increase in both service hours and service miles. The City's operating costs increased an average of 26.3 percent annually, which, when combined with a slightly lower rate of increased service hours, resulted in declining cost efficiency. The cost per vehicle service hour increased an average of 14.9 percent annually. Meanwhile the cost per passenger decreased an average of 13.0 percent annually, due to ridership increases almost doubling the increase in operating costs. With inflation removed, the cost per hour increased an average 11.5 percent per year, while cost per passenger decreased an average of 15.5 percent per year. Employee Full Time Equivalent data for FY2004 and FY2005 were not available for this analysis. Employee productivity, measured as vehicle service hours per FTE, declined an average of 7.7 percent

annually, declining from 558 hours per FTE in FY2006 to 475 hours per FTE in FY2008. The data for this indicator is questionable, as the numbers for hours per FTE are unusually low. The FTE data provided may be based on a head count rather than actual FTE numbers. The City needs to investigate its reporting of FTEs further, as the current performance indicator shows the City's transit workforce as rather unproductive.

- PUC Compliance - The City is in compliance with the sections of the state PUC that were reviewed as part of this performance audit. These sections included requirements concerning CHP terminal safety inspections, labor contracts, reduced fares, revenue sharing, and evaluating passenger needs. The City was not required to obtain a FY2006 CHP satisfactory inspection certificate of its transit facilities as it was operating vehicles with less than ten seats at that time. However, a satisfactory certificate was provided for the following two years.

AUDIT SURVEY

- Review of Goals and Objectives – The City has established a comprehensive set of goals, objectives and performance measures. The goals and objectives are clear and concise, addressing a wide range of concerns. Performance measures are related to the goals and objectives, identifying specific, mostly quantifiable outcomes. All quantifiable measures have associated standards that allow for comparison of actual performance with established targets. The City's goals and objectives did have some deficiencies. The standards developed for some measures were not consistent or relevant to the actual performance, for example the standard for safety is a minimum of 100,000 miles between preventable accidents, when Delta Breeze has never exceeded 100,000 miles of service in any year of its existence. Also, the standard for operating cost per passenger was set at \$25 when the actual performance has never exceeded \$10 in any year. Other measures may be too broad to be effective. One example is the measure for performance evaluation and monitoring which calls for an evaluation interval of no greater than every three years, when more frequent monitoring and evaluation would be more effective. No mention was made of the daily or monthly performance monitoring that normally accompanies transit service provision. Finally, while most of the objectives have quantifiable measures associated with them, some have no quantifiable measures or broad, non-specific measures associated with them, which may make evaluation difficult.

In terms of actual performance monitoring, some discrepancies exist between the contractor's Monthly Operations Report (MOR) and the City's Monthly Operating Summary (MOS). The MOR provides data on several performance measures included in the SRTP such as on-time performance, missed trips, preventable accidents, and operating cost per hour and passenger that are not included in the MOS. Also, the MOS tracks performance on a year to date basis,

while the MOR does not. Neither monitoring report makes any comparison to performance versus prior years.

- Performance According to Objectives and Standards – The City met less than half of the performance standards set for its transit service; however, some of that performance may be attributed to standards that are irrelevant and do not adequately reflect actual performance. The City saw improving performance over the audit period in the areas of farebox recovery and passenger productivity, while cost efficiency declined each year. The City's operating cost per vehicle service hour and vehicle service mile increased every year. Cost per hour was well above the established standard in two of three years, while cost per mile was exceeded the established standard each year by a wide margin. This indicates that the City's cost efficiency standards may not be realistic in terms of actual performance levels. Improving results were seen in both passenger trips per vehicle service hour and vehicle service mile areas during the audit period. The City met the standard for passengers per hour in two of the three years, but met the standard for passengers per mile only in FY2008. The City met or exceeded its standards for on-time performance, missed trips and vehicle accessibility in every year that data was recorded for them. The City did not meet the miles between preventable accidents standard in any year, but again, the established standard is unrealistic compared to performance. The city has never completed 100,000 miles of vehicle service since it began providing service.

RECOMMENDATIONS

1. EVALUATE PERFORMANCE MEASURES AND STANDARDS TO ENSURE CONSISTENCY, ADEQUACY AND MEASURABILITY.

[Reference Sections: III. Review of Goals and Objectives; Performance According to Objectives and Standards]

The City's goals, objectives, measures and standards as established in its SRTP are clear and concise, addressing a wide range of concerns. However, several deficiencies were identified in the structure of the measures and standards established in support of the goals and objectives. Some of the standards developed were not consistent or relevant to actual performance. For example the established safety standard is 100,000 miles between preventable accidents, when Delta Breeze has never exceeded 100,000 miles of service in any year of its existence. The City's standards for cost efficiency are not relevant to its actual performance, with cost per service hour far exceeding the standard in FY2007 and FY2008, and performance in cost per service mile, while showing a declining trend, was well below the established standard in each year of the audit period. The City's entire transit fleet is ADA accessible, and the ADA requires all new vehicles procured to be ADA compliant, so it is questionable whether the City needs a

measure for vehicle accessibility. Finally, while most of the goals and objectives have quantifiable measures associated with them, some have no quantifiable measures or broad, non-specific measures associated with them, which may make evaluation difficult.

The City should evaluate and revise its goals, objectives, measures and standards to improve their consistency, adequacy and measurability, and therefore their overall usefulness as a management tool.

2. CONTINUE TO REFINE PROCEDURES FOR ROUTINE PERFORMANCE MONITORING AND ASSESSING PERFORMANCE AGAINST STANDARDS
[Reference Sections: III. Review of Goals and Objectives; Performance According to Objectives and Standards]

The City has established a performance monitoring system that tracks performance on a monthly and annual basis, with the operations contractor compiling daily performance data into monthly reports, and the Transit Coordinator summarizing that data into monthly and annual summaries. Some discrepancies exist between the contractor's monitoring activities and the City's activities. The contractor's reports provide data on several performance measures included in the SRTP such as on-time performance, missed trips, preventable accidents, and operating cost per hour and passenger that are not included in the City's summaries. Also, the City tracks performance on a year to date basis, while the contractor does not, and the monitoring reports do not make any comparison to performance versus prior years. Some of the measures established, such as marketing expenditures, are not tracked in any of the monthly reports. Finally, the SRTP recommends an evaluation of performance every three years (in conjunction with the SRTP update), when more frequent monitoring and evaluation is currently taking place and is more effective.

The City should refine its performance monitoring efforts to ensure a coordinated, effective system of performance monitoring is in place. The City should make sure its monitoring system is comprehensive; includes all relevant measures and standards; and that its objectives and standards support the most effective system for monitoring its transportation related activities.