



FINAL REPORT
SEPTEMBER 2019

Butte County Association of Governments Butte Regional Transit (B-Line) TDA Triennial Performance Audit



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Chapter 1

Executive Summary

In 2019, the Butte County Association of Governments selected Moore & Associates, Inc. to prepare Triennial Performance Audits of itself as the RTPA and the two transit operators to which it allocates TDA funding.

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

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

This chapter summarizes key findings and recommendations developed during the Triennial Performance Audit (TPA) of Butte Regional Transit's public transit program for the period Fiscal Year 2015/16 through Fiscal Year 2017/18.

Butte Regional Transit operates B-Line, a fixed-route service available to the general public. The service operates locally in Chico, Oroville, and Paradise. The service also travels between communities throughout Butte County. Service is available seven days a week. Weekday service operates from 5:50 a.m. to 10:00 p.m., with Saturday service operating from 7:50 a.m. to 7:00 p.m. Sunday service operates from 7:50 a.m. to 6:00 p.m. Some routes do not operate every day. The service does not operate on designated holidays.

Butte Regional Transit also operates B-Line Paratransit, a door-to-door service offering two types of paratransit service for eligible persons. ADA Paratransit Service is available for individuals who cannot use the fixed route system and has ADA certification. A Dial-A-Ride service is available for seniors (70+). The services operate Monday through Friday from 5:50 a.m. to 10:00 p.m., Saturday from 7:00 a.m. to 10:00 p.m., and Sunday from 7:50 a.m. to 6:00 p.m. Service does not operate on designated holidays.

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

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

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The Triennial Performance Audit includes five elements:

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

Test of Compliance

With one exception, Moore & Associates concludes Butte Regional Transit complies with the Transportation Development Act (TDA) regulations in an efficient and effective manner.

1. In FY 2015/16, the State Controller Report was submitted three weeks after the established deadline.

Status of Prior Recommendations

1. [Include BCAG and Butte Regional Transit administrative staff in reporting employee full-time equivalents in the State Controller's Report.](#)
Status: Implemented.
2. [Maintain documentation of annual fiscal audit submission to the state.](#)
Status: Implemented.
3. [Establish updated performance standards to manage contractor performance.](#)
Status: No longer relevant.
4. [Use AVL/GPS data to redesign Oroville routes to improve performance.](#)
Status: Implementation in progress.

Findings and Recommendations

Based on discussions with BRT and its operations contractor staff, analysis of program performance, and a review of program compliance and function, Moore & Associates submits one compliance finding for Butte Regional Transit:

1. In FY 2015/16, the State Controller Report was submitted three weeks after the established deadline.

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

1. BRT has not yet redesigned its Oroville routes to improve performance.
2. BRT's transit plan is due to be updated within the next two years.
3. BRT is at risk of falling below the TDA farebox recovery ratio thresholds.



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

Exhibit 1.1 Summary of Audit Recommendations

TDA Compliance Recommendations		Importance	Timeline
1	Ensure State Controller Reports are submitted by the established deadline.	Low	Ongoing
Functional Recommendations		Importance	Timeline
1	Use AVL/GPS data to redesign Oroville routes to improve performance.	Medium	FY 2019/20
2	Prepare an SRTP specific to BRT within the next two years.	Medium	FY 2020/21
3	Identify strategies for increasing the farebox recovery ratio on all services.	Medium	Ongoing



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Chapter 2

Audit Scope and Methodology

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

In 2019, the Butte County Association of Governments selected Moore & Associates, Inc. to prepare Triennial Performance Audits of itself as the RTPA and the two transit operators to which it allocates TDA funding. Moore & Associates is a consulting firm specializing in public transportation. Selection of the firm followed a competitive procurement process.

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

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

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

Objectives

A Triennial Performance Audit has five primary objectives:

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



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Scope

The TPA is a systematic review of performance evaluating the efficiency, economy, and effectiveness of the transit operator. The audit of Butte Regional Transit included five tasks:

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

Methodology

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

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



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The methodology for this review included a site visit to the BRT operations and maintenance facility located at 326 Huss Lane #125 in Chico on August 1, 2019. The site visit included interviews with Jim Peplow (BCAG Senior Planner, Transit Operations), Julie Quinn (BCAG Chief Fiscal Officer), Lance Atencio (Transdev General Manager), and Bradley Wright (Transdev Safety Manager) as well as a tour of the BCAG offices and BRT operations and maintenance facility.

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

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



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Chapter 3

Program Compliance

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

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

With one exception, the Butte Regional Transit met the test of compliance with respect to all Transportation Development Act (TDA) regulations:

1. In FY 2015/16, the State Controller Report was submitted three weeks after the established deadline.

Recent Changes Regarding Compliance

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

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

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

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

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- (A) Fuel.
- (B) Alternative fuel programs.
- (C) Power, including electricity.
- (D) Insurance premiums and payments in settlement of claims arising out of the operator's liability.
- (E) State and federal mandates.

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

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

- (1) The Controller pursuant to Section 99243.
- (2) The entity conducting the fiscal audit pursuant to Section 99245.
- (3) The entity conducting the performance audit pursuant to Section 99246.

Operators should be aware that the reporting forms for the State Controller may not be updated to reflect these exclusions for FY 2016/17. Until revised forms are made available, it is important for agencies to ensure any exclusions from operating cost are clearly itemized within TDA audits or other farebox revenue ratio calculations so that compliance can be clearly assessed.

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

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

This expanded definition opens up new revenue sources that can be used to offset farebox shortfalls. Applicable revenues include funds received through advertising, interest income, sale of surplus vehicles, and other such sources. While these funds are no longer limited to those generated by local taxes, they cannot be state or federal funds.

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

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Exhibit 3.1 Transit Development Act Compliance Requirements

Compliance Element	Reference	Compliance	Comments
State Controller Reports submitted on time.	PUC 99243	Finding	FY 2015/16: November 8, 2016 FY 2016/17: January 17, 2018 FY 2017/18: January 29, 2019
Fiscal and compliance audits submitted within 180 days following the end of the fiscal year (or with up to 90-day extension).	PUC 99245	In compliance	FY 2015/16: March 8, 2017 FY 2016/17: February 2, 2018 FY 2017/18: February 1, 2019 <i>Reflects 30-day extension.</i>
Operator's terminal rated as satisfactory by CHP within the 13 months prior to each TDA claim.	PUC 99251 B	In compliance	March 25, 2015 April 5, 2016 April 13, 2017 April 24, 2018
Operator's claim for TDA funds submitted in compliance with rules and regulations adopted by the RTPA.	PUC 99261	In compliance	
If operator serves urbanized and non-urbanized areas, it has maintained a ratio of fare revenues to operating costs at least equal to the ratio determined by the rules and regulations adopted by the RTPA.	PUC 99270.1	Not applicable	While B-Line does serve both rural and urbanized areas, it does not use a blended farebox recovery ratio.
An operator receiving allocations under Article 8(c) may be subject to regional, countywide, or subarea performance criteria, local match requirements, or fare recovery ratios adopted by resolution of the RTPA.	PUC 99405	Not applicable	While B-Line does utilize some Article 8(c) funds, it does not utilize alternative performance criteria as it also received Article 4.
The operator's operating budget has not increased by more than 15% over the preceding year, nor is there a substantial increase or decrease in the scope of operations or capital budget provisions for major new fixed facilities unless the operator has reasonably supported and substantiated the change(s).	PUC 99266	In compliance	FY 2015/16: +5.33% FY 2016/17: -3.34% FY 2017/18: +3.45% <i>Source: FY 2015 – FY 2019 BRT operating budgets.</i>
The operator's definitions of performance measures are consistent with the Public Utilities Code Section 99247.	PUC 99247	In compliance	

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Compliance Element	Reference	Compliance	Comments
If the operator serves an urbanized area, it has maintained a ratio of fare revenues to operating cost at least equal to one-fifth (20 percent).	PUC 99268.2, 99268.4, 99268.1	In compliance*	Urban Fixed-Route: FY 2015/16: 22.34% FY 2016/17: 21.24% FY 2017/18: 21.06% <i>Source: TDA fiscal audits, FY 2016 – FY 2018</i>
If the operator serves a rural area, it has maintained a ratio of fare revenues to operating cost at least equal to one-tenth (10 percent).	PUC 99268.2, 99268.4, 99268.5	In compliance*	Rural Fixed-Route: FY 2015/16: 22.18% FY 2016/17: 18.86% FY 2017/18: 17.76% Rural Paratransit: FY 2015/16: 10.45% FY 2016/17: 9.78% (grace year) FY 2017/18: 11.37% <i>Source: TDA fiscal audits, FY 2016 – FY 2018</i>
For a claimant that provides only services to elderly and handicapped persons, the ratio of fare revenues to operating cost shall be at least 10 percent.	PUC 99268.5, CCR 6633.5	In compliance*	Urban Paratransit: FY 2015/16: 10.68% FY 2016/17: 10.51% FY 2017/18: 11.36% <i>Source: TDA fiscal audits, FY 2016 – FY 2018</i>
The current cost of the operator's retirement system is fully funded with respect to the officers and employees of its public transportation system, or the operator is implementing a plan approved by the RTPA, which will fully fund the retirement system for 40 years.	PUC 99271	In compliance	The B-Line service is contracted to a third-party contractor. BCAG employees receive retirement benefits through CalPERS.

*Fixed-route farebox recovery ratio, though remaining above the 20 percent threshold for urban and 10 percent threshold for rural during the audit period, continues to decline. Rural fixed-route remains well above the 10 percent threshold, but urban fixed-route is at risk of falling below the 20 percent threshold within the next audit period.

Both demand-response services are at risk of dropping below the 10 percent threshold within the next three years. A fare increase in January 2018 helped to keep the farebox recovery ratio above 10 percent in FY 2017/18, but not by a large margin.

A fare increase is scheduled for September 1, 2019. All fixed-route and demand-response base fares will increase by at least 25 cents. It is hoped that this fare increase will serve to keep the farebox recovery ratio compliant with the TDA. If it does not work, BCAG will need to identify alternative revenues for farebox supplementation or consider a blended rate for its fixed-route service.

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Compliance Element	Reference	Compliance	Comments
If the operator receives State Transit Assistance funds, the operator makes full use of funds available to it under the Urban Mass Transportation Act of 1964 before TDA claims are granted.	CCR 6754 (a) (3)	In compliance	
In order to use State Transit Assistance funds for operating assistance, the operator's total operating cost per revenue hour does not exceed the sum of the preceding year's total plus an amount equal to the product of the percentage change in the CPI for the same period multiplied by the preceding year's total operating cost per revenue hour. An operator may qualify based on the preceding year's operating cost per revenue hour or the average of the three prior years. If an operator does not meet these qualifying tests, the operator may only use STA funds for operating purposes according to a sliding scale.	PUC 99314.6	In compliance	
A transit claimant is precluded from receiving monies from the Local Transportation Fund and the State Transit Assistance Fund in an amount which exceeds the claimant's capital and operating costs less the actual amount of fares received, the amount of local support required to meet the fare ratio, the amount of federal operating assistance, and the amount received during the year from a city or county to which the operator has provided services beyond its boundaries.	CCR 6634	In compliance	



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Chapter 4

Prior Recommendations

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

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

1. [Include BCAG and Butte Regional Transit administrative staff in reporting employee full-time equivalents in the State Controller’s Report.](#)

Discussion: In reporting full-time equivalent (FTE) employees in the Butte Regional Transit State Controller’s Report, the prior auditor found Butte Regional Transit was only reporting FTEs for its transit contractor and was not including its transit management staff or those BCAG employees who provide additional administrative or special project support. These individuals included the transit manager and senior planner and the BCAG chief financial officer. That methodology for reporting FTEs technically did not comply with TDA definitions. In order to fully comply with TDA requirements, the auditor noted Butte Regional Transit should include pay hours spent on transit-related activities by all BCAG and Butte Regional Transit personnel, and divided by 2,000, in its FTE total in the State Controller’s Report. The audit found BCAG and Butte Regional Transit staff time was being billed to the appropriate enterprise and project funds according to the Overall Work Program, enabling the allocation of labor to Butte Regional Transit. Making this correction would better align the FTEs with the operations cost reported by the transit agency in its State Controller’s Report.

Progress: BCAG/BRT staff hours are now included in the annual State Controller’s report.

Status: Implemented.

2. [Maintain documentation of annual fiscal audit submission to the state.](#)

Discussion: The Public Utilities Code requires transit operators to submit annual fiscal and compliance audits to the RTPA and to the State Controller within 180 days following the end of the fiscal year or receive a 90-day extension from the RTPA as allowed by law. The Butte Regional Transit audited financial statements are contained in the BCAG annual financial audit, given that Butte Regional Transit is an enterprise fund. The BCAG Board of Directors typically approves the BCAG fiscal audit at its February meeting. Following approval, the fiscal audit is submitted to the State Controller’s Office. Evidence of the date of submittal should be maintained in the BCAG files to satisfy a TDA compliance measure. It is



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recommended that BCAG retain a copy of the dated transmittal letter and/or dated email of submission of the BCAG annual fiscal audit to the State Controller's Office.

Progress: BCAG now maintains the submittal information.

Status: Implemented.

3. Establish updated performance standards to manage contractor performance.

Discussion: While Butte Regional Transit has established performance measures and standards in the scope of work in its contract with Transdev, the agency has frozen the liquidated damages and incentives defined in the scope of work while it realigns its penalty/incentive program standards. In preparation for its next operating contract, the prior auditor recommended Butte Regional Transit revise its penalty/incentive program thresholds to align with industry standards and performance levels based on recent operating trends. The new standards would take into consideration current and recent historical performance and be based on reasonable expectations. Those standards then should be used to monitor and manage contractor performance and in assessing liquidated damages and awarding incentives.

The auditor also recommended Butte Regional Transit consider reporting a sample of such standards and the contractor's performance against the standards in its transit reports to the BCAG board as part of the ongoing evaluation of transit operations.

Progress: Inclusion of liquidated damages in its operations contract gives BCAG the option to use them should they be warranted, but does not necessarily require them to do so. Historically, BCAG has not assessed liquidated damages on its contractor. BCAG is not in favor of going through the exercise to identify updated liquidated damages simply because they do not meet an industry standard, and does not intend to begin assessing liquidated damages at any time in the near future.

Status: No longer relevant.

4. Use AVL/GPS data to redesign Oroville routes to improve performance.

Discussion: Butte Regional Transit successfully used AVL/GPS data to redesign and improve performance on its Chico routes. The prior auditor recommended that when AVL/GPS data becomes available with the upgrade of the Butte Regional Transit server and the update of the TripSpark software, Butte Regional Transit should use the data to help evaluate opportunities to improve performance of its Oroville routes. In addition, the ridership and boarding location data that will become available with the integration of the AVL/GPS and GFI fareboxes will be valuable for identifying bus stops with higher boarding activity.

Progress: BRT planned to redesign the Oroville routes once it was able to sync the AVL/GPS data from the TripSpark Streets software with its GFI fareboxes. That would enable BRT to track the exact location of where passengers boarded the bus. The syncing of these two



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systems took much longer than anticipated (about four years). However, BRT recently completed that task and is now in the process of beginning to collect the needed data. Once enough data is collected, it plans to analyze the ridership patterns and work on the Oroville redesign.

Status: Implementation in progress.



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Chapter 5

Data Reporting Analysis

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

Exhibit 5.1 provides a comparison between performance data reported within the NTD and State Controller reports for the current audit period (ending FY 2015/16 through FY 2017/18), as well as the data reported via Monthly Performance Reports and TDA fiscal audits.

- **Operating Cost:** Operating cost varied from report to report across all three fiscal years. In FY 2015/16 and FY 2016/17, the data reported in the TDA fiscal audits and State Controller Reports were consistent. In FY 2015/16, data reported in the monthly performance reports and NTD reports were approximately 6.0 percent lower. In FY 2016/17, data reported in the monthly performance reports and NTD reports were only slightly lower than that reported elsewhere. In FY 2017/18, the four reports reflect four different figures spanning a variance of less than one percent.
- **Fare Revenue:** In FY 2015/16, fare revenue reported in the TDA fiscal audit was 1.8 percent higher than that reported elsewhere. This may be due to the inclusion of additional revenues that are eligible to be applied to fares in the TDA audit that were not included in other reports. Otherwise, fare revenue was reported very consistently.
- **Vehicle Service Hours:** Data reported to the State Controller and NTD was highly consistent during all three fiscal years. In FY 2015/16, this data was 2.8 percent lower than that included in the monthly performance reports. It is likely this is due to the monthly performance data being unaudited while other data is audited.
- **Vehicle Service Miles:** As noted with respect to Vehicle Service Hours, data reported to the State Controller and NTD was highly consistent during all three years. The same pattern of variance was observed regarding the data in monthly performance reports, which was 2.2 percent higher than reported elsewhere in FY 2015/16 and 7.0 percent lower in FY 2016/17. In FY 2017/18, data was consistent across all three reports.
- **Passengers:** In FY 2015/16 and FY 2016/17, data reported in the monthly performance report was slightly lower than that reported to the NTD and State Controller. In FY 2017/18, this variance rose to 8.5 percent. It is likely this is due to the monthly performance data being unaudited while other data is audited.
- **Full-Time Equivalent (FTE):** Full-time equivalents reported to the State Controller were higher than those provided by BCAG. However, during the site visit interviews, it was determined that the data provided by BCAG did not include BCAG hours, which were



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included in the State Controller Reports. The calculation methodology was confirmed at this time as well.

Exhibit 5.1 Data Reporting Consistency

Performance Measure	System-Wide		
	FY 2015/16	FY 2016/17	FY 2017/18
Operating Cost (Actual \$)			
<i>TDA fiscal audit</i>	\$9,589,432	\$9,683,570	\$9,642,247
<i>Monthly Performance Reports</i>	\$9,035,939	\$9,592,761	\$9,624,387
<i>National Transit Database</i>	\$9,014,953	\$9,633,640	\$9,571,883
<i>State Controller Report</i>	\$9,589,432	\$9,683,569	\$9,596,227
Fare Revenue (Actual \$)			
<i>TDA fiscal audit</i>	\$1,738,951	\$1,613,525	\$1,618,441
<i>Monthly Performance Reports</i>	\$1,707,444	\$1,613,545	\$1,618,441
<i>National Transit Database</i>	\$1,707,444	\$1,613,545	\$1,618,441
<i>State Controller Report</i>	\$1,707,444	\$1,613,545	\$1,618,441
Vehicle Service Hours (VSH)			
<i>Monthly Performance Reports</i>	121,525	119,883	117,602
<i>National Transit Database</i>	118,079	119,866	117,580
<i>State Controller Report</i>	118,078	119,866	117,580
Vehicle Service Miles (VSM)			
<i>Monthly Performance Reports</i>	1,420,155	1,420,658	1,456,830
<i>National Transit Database</i>	1,389,541	1,526,933	1,456,830
<i>State Controller Report</i>	1,389,541	1,526,933	1,456,830
Passengers			
<i>Monthly Performance Reports</i>	1,418,026	1,308,596	1,150,110
<i>National Transit Database</i>	1,420,407	1,308,853	1,247,667
<i>State Controller Report</i>	1,420,407	1,308,583	1,247,667
Full-Time Equivalent Employees			
<i>State Controller Report</i>	120	119	117
<i>Per BCAG methodology</i>	115	115	108

Chapter 6

Performance Analysis

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

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

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

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

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

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

Operating Cost

The Transportation Development Act requires an operator to track and report transit-related costs reflective of the Uniform System of Accounts and Records developed by the State Controller and the California Department of Transportation. The most common method for ensuring this occurs is through a compliance audit report prepared by an independent auditor in accordance with California Code of Regulations Section 6667¹. The annual independent financial audit should confirm the use of the Uniform System of Accounts and Records. *Operating cost* – as defined by PUC Section 99247(a) – excludes the following:

¹ CCR Section 6667 outlines the minimum tasks which must be performed by an independent auditor in conducting the annual fiscal and compliance audit of the transit operator.

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

Vehicle Service Hours and Miles

Vehicle Service Hours (VSH) and *Miles (VSM)* are defined as the time/distance during which a revenue vehicle is available to carry fare-paying passengers, and which includes only those times/miles between the time or scheduled time of the first passenger pickup and the time or scheduled time of the last passenger drop-off during a period of the vehicle's continuous availability.² For example, demand-response service hours include those hours when a vehicle has dropped off a passenger and is traveling to pick up another passenger, but not those hours when the vehicle is unavailable for service due to driver breaks or lunch. For both demand-response and fixed-route services, service hours will exclude hours of "deadhead" travel to the first scheduled pick-up, and will also exclude hours of "deadhead" travel from the last scheduled drop-off back to the terminal. For fixed-route service, a vehicle is in service from first scheduled stop to last scheduled stop, whether or not passengers board or exit at those points (i.e., subtracting driver lunch and breaks but including scheduled layovers).

Passenger Counts

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

Employees

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

Fare Revenue

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

² A vehicle is considered to be in revenue service despite a no-show or late cancellation if the vehicle remains available for passenger use.

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TDA Required Indicators

To calculate the TDA indicators for Butte Regional Transit, the following sources were employed:

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

System Performance Trends

Operating cost increased a net 13.9 percent between FY 2012/13 and FY 2017/18. With the exception of FY 2015/16, operating cost saw a modest increase each year, though it rose just 0.3 percent between FY 2016/17 and FY 2017/18. Fare revenue was fairly static overall, with a net decrease of just 0.6 percent. The most significant changes were a 4.0 percent increase in FY 2015/16, followed by a 5.5 percent decrease the next year.

Vehicle Service Hours increased during the prior audit period, peaking in FY 2014/15 and decreasing a total of 3.4 percent throughout the current audit period. Ultimately, VSH saw a net decrease of 1.4 percent across the six-year period. Vehicle Service Miles declined at the end of the prior audit period and the beginning of the current audit period, but increased in FY 2017/18. VSM saw a net decrease of 6.1 percent between FY 2012/13 and FY 2017/18. Ridership peaked in FY 2013/14, with declines for four consecutive years. Overall, passengers saw a net decrease of 17.4 percent.



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Cost-related metrics generally increased during the audit period. Operating cost/VSH and operating cost/passenger increased each year, while operating cost/VSM declined slightly in FY 2017/18. Passengers/VSH and passengers/VSM both declined while VSM/VSH improved during the audit period. Fare/passenger saw modest increases in both FY 2016/17 and FY 2017/18, following a larger increase in FY 2015/16.

Exhibit 6.1 System Performance Indicators

Performance Measure	System-wide					
	FY 2012/13	FY 2013/14	FY 2014/15	FY 2015/16	FY 2016/17	FY 2017/18
Operating Cost (Actual \$)	\$8,453,546	\$9,030,439	\$9,304,847	\$9,035,939	\$9,592,761	\$9,624,387
<i>Annual Change</i>		6.8%	3.0%	-2.9%	6.2%	0.3%
Fare Revenue (Actual \$)	\$1,628,964	\$1,641,035	\$1,641,035	\$1,707,444	\$1,613,545	\$1,618,441
<i>Annual Change</i>		0.7%	0.0%	4.0%	-5.5%	0.3%
Vehicle Service Hours (VSH)	119,293	121,166	121,714	121,388	120,231	117,580
<i>Annual Change</i>		1.6%	0.5%	-0.3%	-1.0%	-2.2%
Vehicle Service Miles (VSM)	1,550,852	1,555,232	1,520,997	1,420,155	1,420,658	1,456,830
<i>Annual Change</i>		0.3%	-2.2%	-6.6%	0.0%	2.5%
Passengers	1,509,763	1,518,172	1,508,745	1,420,407	1,308,866	1,247,667
<i>Annual Change</i>		0.6%	-0.6%	-5.9%	-7.9%	-4.7%
Employees	107	108	110	120	119	117
<i>Annual Change</i>		0.9%	1.9%	9.1%	-0.8%	-1.7%
Performance Indicators						
Operating Cost/VSH (Actual \$)	\$70.86	\$74.53	\$76.45	\$74.44	\$79.79	\$81.85
<i>Annual Change</i>		5.2%	2.6%	-2.6%	7.2%	2.6%
Operating Cost/Passenger (Actual \$)	\$5.60	\$5.95	\$6.17	\$6.36	\$7.33	\$7.71
<i>Annual Change</i>		6.2%	3.7%	3.1%	15.2%	5.3%
Passengers/VSH	12.66	12.53	12.40	11.70	10.89	10.61
<i>Annual Change</i>		-1.0%	-1.1%	-5.6%	-7.0%	-2.5%
Passengers/VSM	0.97	0.98	0.99	1.00	0.92	0.86
<i>Annual Change</i>		0.3%	1.6%	0.8%	-7.9%	-7.0%
Farebox Recovery	19.3%	18.2%	17.6%	18.9%	16.8%	16.8%
<i>Annual Change</i>		-5.7%	-2.9%	7.1%	-11.0%	0.0%
Hours/Employee	1114.9	1121.9	1106.5	1011.6	1010.3	1005.0
<i>Annual Change</i>		0.6%	-1.4%	-8.6%	-0.1%	-0.5%
TDA Non-Required Indicators						
Operating Cost/VSM	\$5.45	\$5.81	\$6.12	\$6.36	\$6.75	\$6.61
<i>Annual Change</i>		6.5%	5.4%	4.0%	6.1%	-2.2%
VSM/VSH	13.00	12.84	12.50	11.70	11.82	12.39
<i>Annual Change</i>		-1.3%	-2.6%	-6.4%	1.0%	4.9%
Fare/Passenger	\$1.08	\$1.08	\$1.09	\$1.20	\$1.23	\$1.30
<i>Annual Change</i>		0.2%	0.6%	10.5%	2.6%	5.2%

Sources: All FY 2012/13 – FY 2014/15 data from prior Triennial Performance Audit. FY 2015/16 – FY 2017/18 fiscal data from TDA fiscal audits. Performance data from monthly performance reports.

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Exhibit 6.2 System Ridership

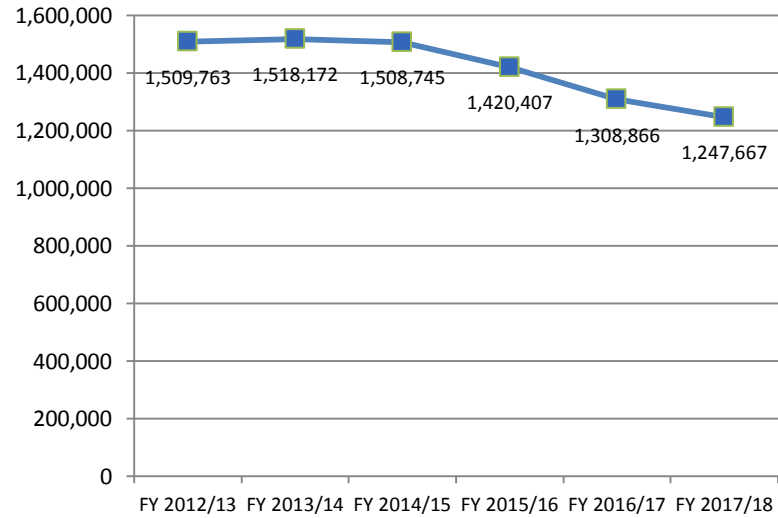


Exhibit 6.3 System Operating Cost/VSH

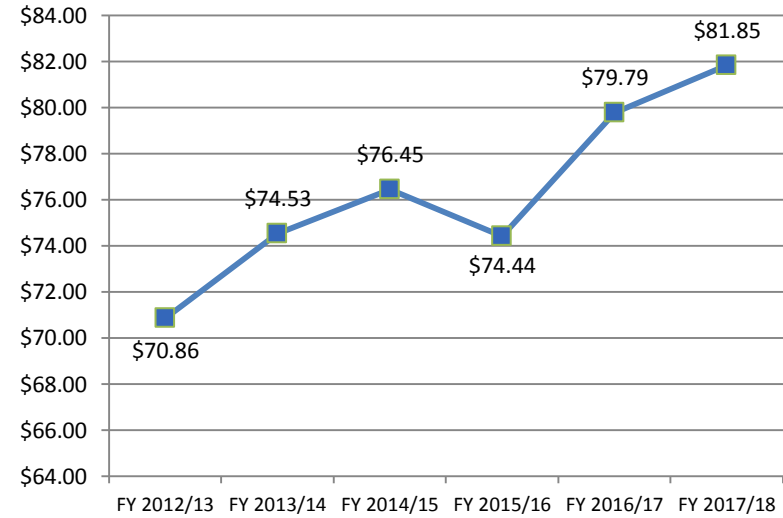


Exhibit 6.4 System Operating Cost/VSM

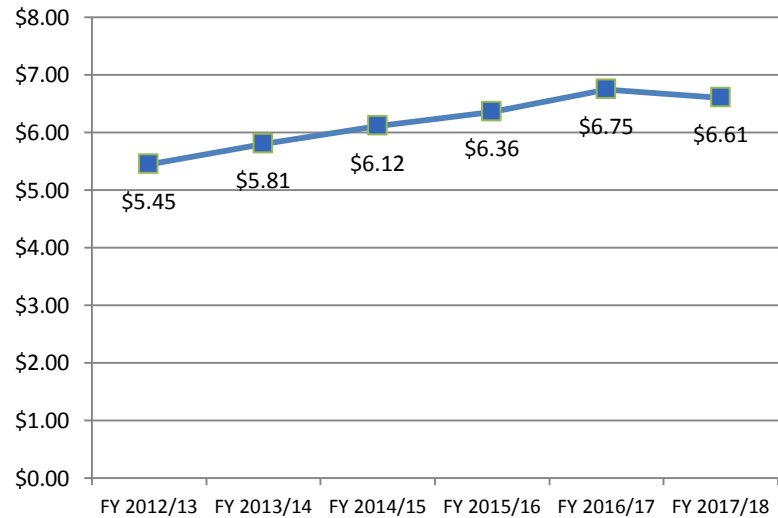
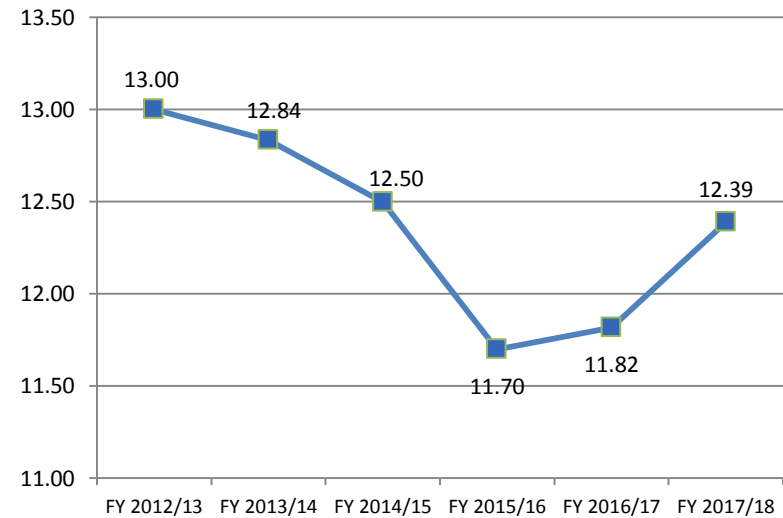


Exhibit 6.5 System VSM/VSH



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Exhibit 6.6 System Operating Cost/Passenger

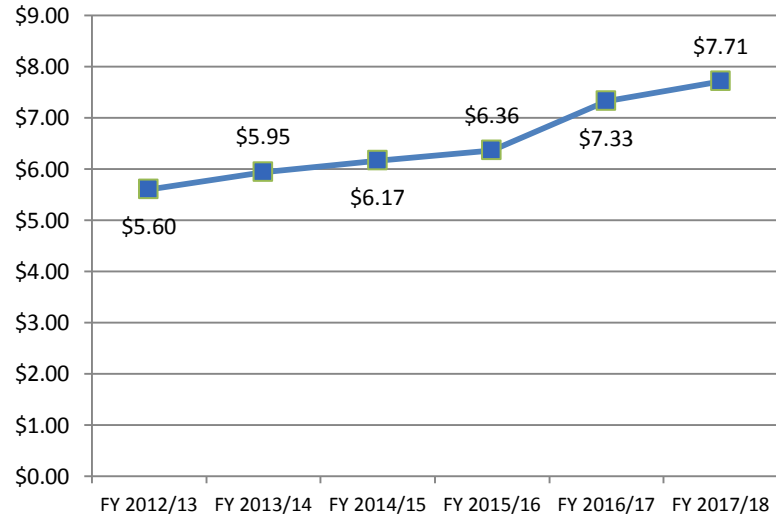


Exhibit 6.7 System Passengers/VSH

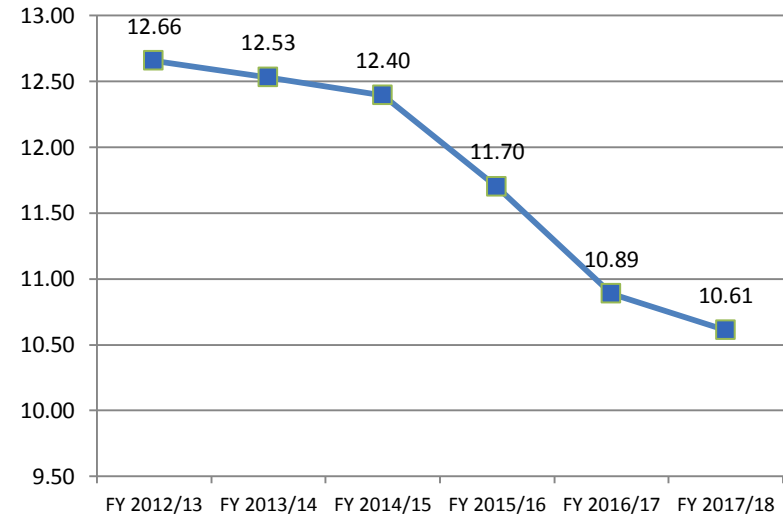


Exhibit 6.8 System Passengers/VSM

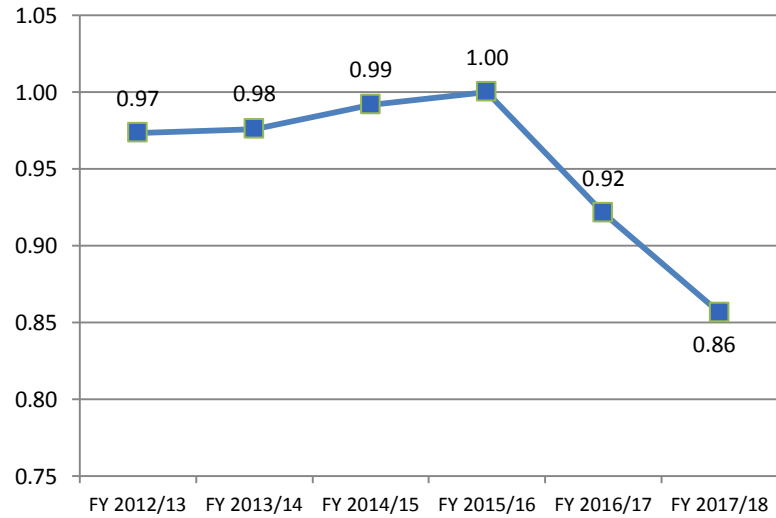
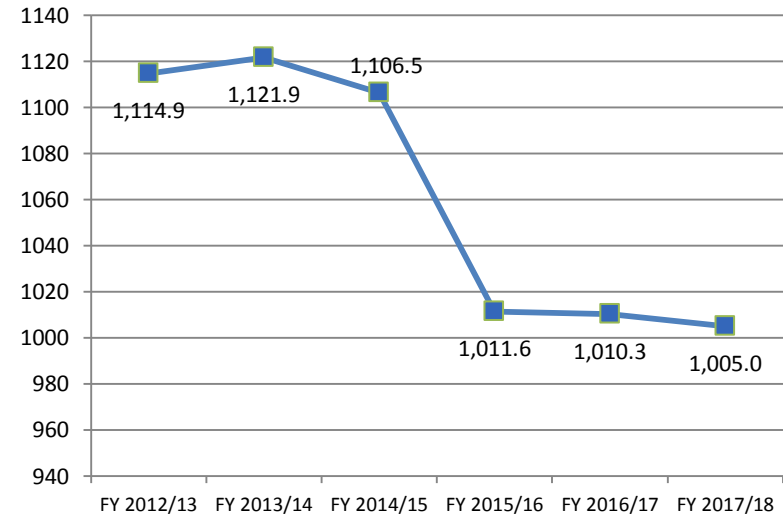


Exhibit 6.9 System VSH/FTE



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Exhibit 6.10 System Farebox Recovery

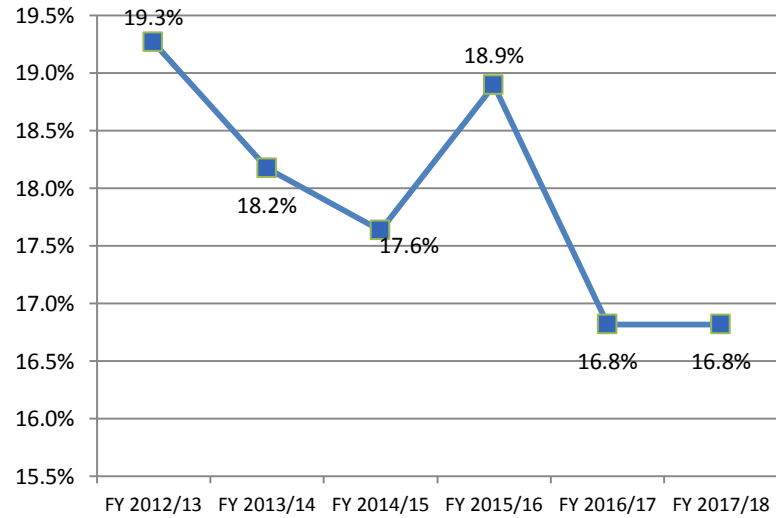
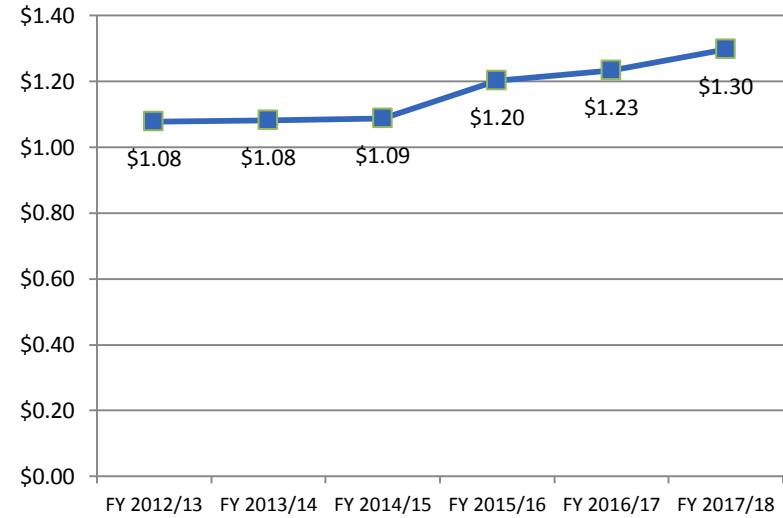


Exhibit 6.11 System Fare/Passenger



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Performance Trends by Mode

Urban Fixed-Route Performance

Operating cost for the urban fixed-route service increased 8.5 percent between the first two years of the audit period, but remained static between the second and third year. Conversely, fare revenue decreased a net 8.4 percent across the audit period.

Vehicle Service Hours and Vehicle Service Miles rose slightly in FY 2016/17 and decreased slightly in FY 2017/18, with net decreases of 0.1 percent and 0.3 percent, respectively, across the audit period. Passengers saw a steady decline, ultimately dropping by 7.0 percent between FY 2015/16 and FY 2017/18.

Cost-related metrics increased during the audit period, with the greatest increase (19.2 percent) observed in operating cost/passenger in FY 2016/17. This corresponded with an 8.5 percent increase in operating cost and a 9.0 percent decrease in ridership. Performance-related metrics generally decreased, though VSM/VSH remained largely static. Fare/passenger increased across the audit period, as fare revenue decreased more slowly than ridership.

Exhibit 6.12 Urban Fixed-Route Performance Indicators

Performance Measure	Urban Fixed-Route		
	FY 2015/16	FY 2016/17	FY 2017/18
Operating Cost (Actual \$)	\$3,299,746	\$3,578,991	\$3,579,351
<i>Annual Change</i>		8.5%	0.0%
Fare Revenue (Actual \$)	\$822,859	\$760,310	\$753,764
<i>Annual Change</i>		-7.6%	-0.9%
Vehicle Service Hours (VSH)	44,611	44,918	44,570
<i>Annual Change</i>		0.7%	-0.8%
Vehicle Service Miles (VSM)	431,566	433,038	430,392
<i>Annual Change</i>		0.3%	-0.6%
Passengers	901,774	820,729	765,210
<i>Annual Change</i>		-9.0%	-6.8%
Performance Indicators			
Operating Cost/VSH (Actual \$)	\$73.97	\$79.68	\$80.31
<i>Annual Change</i>		7.7%	0.8%
Operating Cost/Passenger (Actual \$)	\$3.66	\$4.36	\$4.68
<i>Annual Change</i>		19.2%	7.3%
Passengers/VSH	20.21	18.27	17.17
<i>Annual Change</i>		-9.6%	-6.0%
Passengers/VSM	2.09	1.90	1.78
<i>Annual Change</i>		-9.3%	-6.2%
Farebox Recovery	24.9%	21.2%	21.1%
<i>Annual Change</i>		-14.8%	-0.9%
TDA Non-Required Indicators			
Operating Cost/VSM	\$7.65	\$8.26	\$8.32
<i>Annual Change</i>		8.1%	0.6%
VSM/VSH	9.67	9.64	9.66
<i>Annual Change</i>		-0.3%	0.2%
Fare/Passenger	\$0.91	\$0.93	\$0.99
<i>Annual Change</i>		1.5%	6.3%

Sources: All FY 2012/13 – FY 2014/15 data from prior Triennial Performance Audit. FY 2015/16 – FY 2017/18 fiscal data from TDA fiscal audits. Performance data from monthly performance reports.

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Rural Fixed-Route Performance

Operating cost for the rural fixed-route service increased 17.1 percent across the audit period. Conversely, fare revenue decreased a net 7.3 percent across the audit period.

Vehicle Service Hours and Vehicle Service Miles increased by a net 6.1 percent and 5.0 percent, respectively, across the audit period. Passengers saw a steady decline, ultimately dropping by 10.1 percent between FY 2015/16 and FY 2017/18.

Cost-related metrics increased during the audit period, with the greatest increase (19.8 percent) observed in operating cost/passenger in FY 2016/17. This corresponded with an 10.4 percent increase in operating cost and a 7.9 percent decrease in ridership. Performance-related metrics generally decreased, though VSM/VSH remained largely static. Fare/passenger fluctuated across the audit period, ultimately seeing a net increase of 2.6 percent between FY 2015/16 and FY 2017/18.

Exhibit 6.13 Rural Fixed-Route Performance Indicators

Performance Measure	Rural Fixed-Route		
	FY 2015/16	FY 2016/17	FY 2017/18
Operating Cost (Actual \$)	\$2,344,074	\$2,587,399	\$2,745,304
<i>Annual Change</i>		10.4%	6.1%
Fare Revenue (Actual \$)	\$526,072	\$505,141	\$487,592
<i>Annual Change</i>		-4.0%	-3.5%
Vehicle Service Hours (VSH)	25,256	25,766	26,797
<i>Annual Change</i>		2.0%	4.0%
Vehicle Service Miles (VSM)	587,821	597,632	617,242
<i>Annual Change</i>		1.7%	3.3%
Passengers	349,373	321,834	314,008
<i>Annual Change</i>		-7.9%	-2.4%
Performance Indicators			
Operating Cost/VSH (Actual \$)	\$92.81	\$100.42	\$102.45
<i>Annual Change</i>		8.2%	2.0%
Operating Cost/Passenger (Actual \$)	\$6.71	\$8.04	\$8.74
<i>Annual Change</i>		19.8%	8.7%
Passengers/VSH	13.83	12.49	11.72
<i>Annual Change</i>		-9.7%	-6.2%
Passengers/VSM	0.59	0.54	0.51
<i>Annual Change</i>		-9.4%	-5.5%
Farebox Recovery	22.44%	19.52%	17.76%
<i>Annual Change</i>		-13.0%	-9.0%
TDA Non-Required Indicators			
Operating Cost/VSM	\$3.99	\$4.33	\$4.45
<i>Annual Change</i>		8.6%	2.7%
VSM/VSH	23.27	23.19	23.03
<i>Annual Change</i>		-0.3%	-0.7%
Fare/Passenger	\$1.51	\$1.57	\$1.55
<i>Annual Change</i>		4.2%	-1.1%

Sources: All FY 2012/13 – FY 2014/15 data from prior Triennial Performance Audit. FY 2015/16 – FY 2017/18 fiscal data from TDA fiscal audits. Performance data from monthly performance reports.

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Urban Demand-Response Performance

Operating cost for the urban demand-response service increased 1.7 percent across the audit period. Conversely, fare revenue decreased slightly in FY 2016/17, though it rebounded significantly (an 8.5 percent increase) in FY 2017/18. Ultimately, fare revenue saw a net 8.2 percent increase across the audit period.

Vehicle Service Hours saw an overall decrease of 5.4 percent during the audit period. Vehicle Service Miles decreased slightly in FY 2016/17 but increased in FY 2017/18, for a net 6.2 percent increase between FY 2015/16 and FY 2017/18. In contrast to the fixed-route services, urban demand-response passengers increased throughout the audit period, with an overall increase of 2.3 percent.

Operating cost/VSH increased during the audit period, while operating cost/passenger and operating cost/VSM saw net decreases. Passengers/VSH and VSM/VSH both increased, while passengers/VSM decreased. Fare/passenger fluctuated across the audit period, ultimately seeing a net increase of 5.1 percent between FY 2015/16 and FY 2017/18.

Exhibit 6.14 Urban Demand-Response Performance Indicators

Performance Measure	Urban Demand-Response		
	FY 2015/16	FY 2016/17	FY 2017/18
Operating Cost (Actual \$)	\$1,750,960	\$1,772,619	\$1,780,824
Annual Change		1.2%	0.5%
Fare Revenue (Actual \$)	\$186,940	\$186,382	\$202,269
Annual Change		-0.3%	8.5%
Vehicle Service Hours (VSH)	26,566	25,627	25,123
Annual Change		-3.5%	-2.0%
Vehicle Service Miles (VSM)	211,957	210,572	225,174
Annual Change		-0.7%	6.9%
Passengers	87,304	88,313	89,891
Annual Change		1.2%	1.8%
Performance Indicators			
Operating Cost/VSH (Actual \$)	\$65.91	\$69.17	\$70.88
Annual Change		4.9%	2.5%
Operating Cost/Passenger (Actual \$)	\$20.06	\$20.07	\$19.81
Annual Change		0.1%	-1.3%
Passengers/VSH	3.29	3.45	3.58
Annual Change		4.9%	3.8%
Passengers/VSM	0.41	0.42	0.40
Annual Change		1.8%	-4.8%
Farebox Recovery	10.7%	10.5%	11.4%
Annual Change		-1.5%	8.0%
TDA Non-Required Indicators			
Operating Cost/VSM	\$8.26	\$8.42	\$7.91
Annual Change		1.9%	-6.1%
VSM/VSH	7.98	8.22	8.96
Annual Change		3.0%	9.1%
Fare/Passenger	\$2.14	\$2.11	\$2.25
Annual Change		-1.4%	6.6%

Sources: All FY 2012/13 – FY 2014/15 data from prior Triennial Performance Audit. FY 2015/16 – FY 2017/18 fiscal data from TDA fiscal audits. Performance data from monthly performance reports.

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Rural Demand-Response Performance

Operating cost for the rural demand-response service saw a net decrease of 7.4 percent across the audit period. Conversely, fare revenue saw a net increase of 1.9 percent during the same period.

Vehicle Service Hours saw a significant overall decrease of 15.5 percent across the audit period. Vehicle Service Miles decreased slightly in FY 2016/17 but increased in FY 2017/18, for a net 2.5 percent increase between FY 2015/16 and FY 2017/18. Unlike the urban demand-response service, rural demand-response passengers decreased a net 4.1 percent during the audit period.

Operating cost/VSH increased during the audit period, while operating cost/passenger and operating cost/VSM saw net decreases. Passengers/VSH and VSM/VSH both increased, while passengers/VSM decreased. Fare/passenger fluctuated across the audit period, ultimately seeing a net increase of 6.7 percent between FY 2015/16 and FY 2017/18.

Exhibit 6.15 Rural Demand-Response Performance Indicators

Performance Measure	Rural Demand-Response		
	FY 2015/16	FY 2016/17	FY 2017/18
Operating Cost (Actual \$)	\$1,641,159	\$1,653,752	\$1,518,908
Annual Change		0.8%	-8.2%
Fare Revenue (Actual \$)	\$171,573	\$161,712	\$174,816
Annual Change		-5.7%	8.1%
Vehicle Service Hours (VSH)	24,955	23,920	21,090
Annual Change		-4.1%	-11.8%
Vehicle Service Miles (VSM)	188,810	179,416	184,022
Annual Change		-5.0%	2.6%
Passengers	81,956	77,990	78,558
Annual Change		-4.8%	0.7%
Performance Indicators			
Operating Cost/VSH (Actual \$)	\$65.76	\$69.14	\$72.02
Annual Change		5.1%	4.2%
Operating Cost/Passenger (Actual \$)	\$20.02	\$21.20	\$19.33
Annual Change		5.9%	-8.8%
Passengers/VSH	3.28	3.26	3.72
Annual Change		-0.7%	14.2%
Passengers/VSM	0.43	0.43	0.43
Annual Change		0.1%	-1.8%
Farebox Recovery	10.5%	9.8%	11.5%
Annual Change		-6.5%	17.7%
TDA Non-Required Indicators			
Operating Cost/VSM	\$8.69	\$9.22	\$8.25
Annual Change		6.0%	-10.5%
VSM/VSH	7.57	7.50	8.73
Annual Change		-0.9%	16.3%
Fare/Passenger	\$2.09	\$2.07	\$2.23
Annual Change		-1.0%	7.3%

Sources: All FY 2012/13 – FY 2014/15 data from prior Triennial Performance Audit. FY 2015/16 – FY 2017/18 fiscal data from TDA fiscal audits. Performance data from monthly performance reports.

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Exhibit 6.16 Ridership by Mode

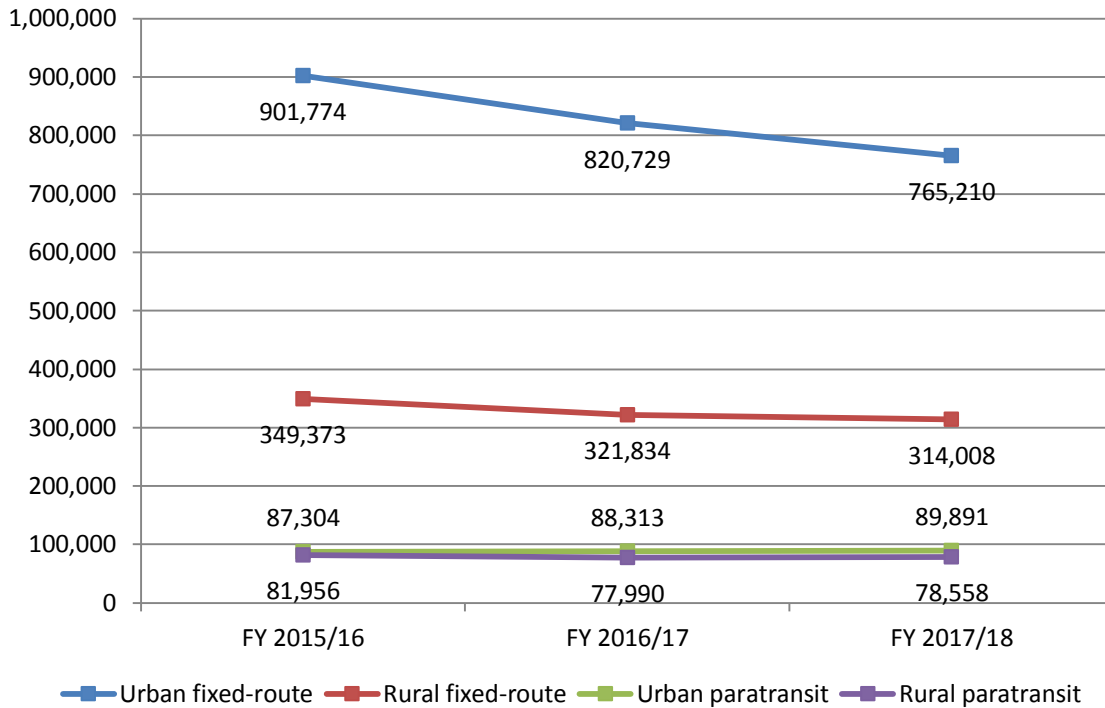
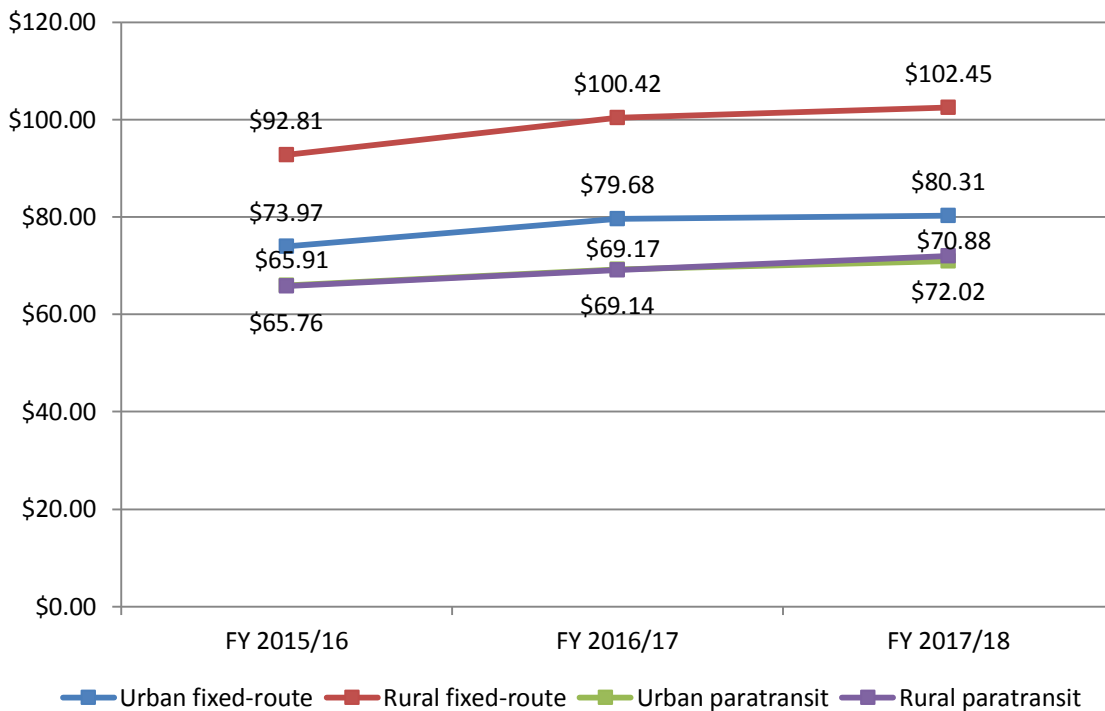


Exhibit 6.17 Operating Cost/VSH by Mode



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Exhibit 6.18 Operating Cost/VSM by Mode

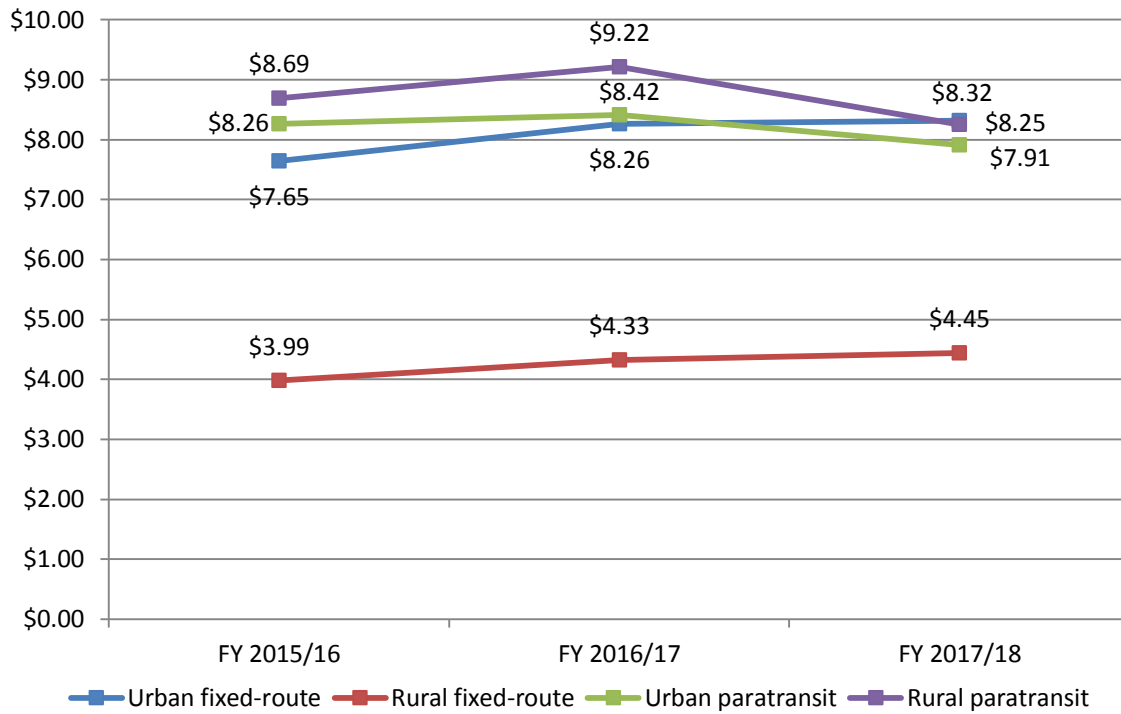
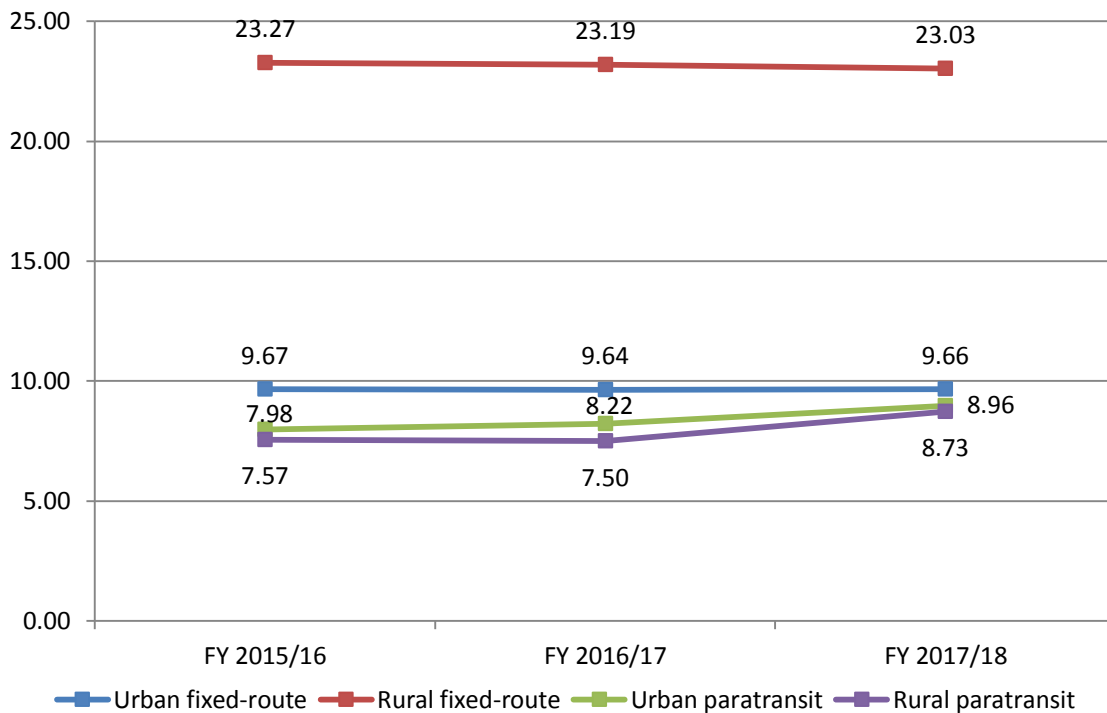


Exhibit 6.19 VSM/VSH by Mode



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Exhibit 6.20 Operating Cost/Passenger by Mode

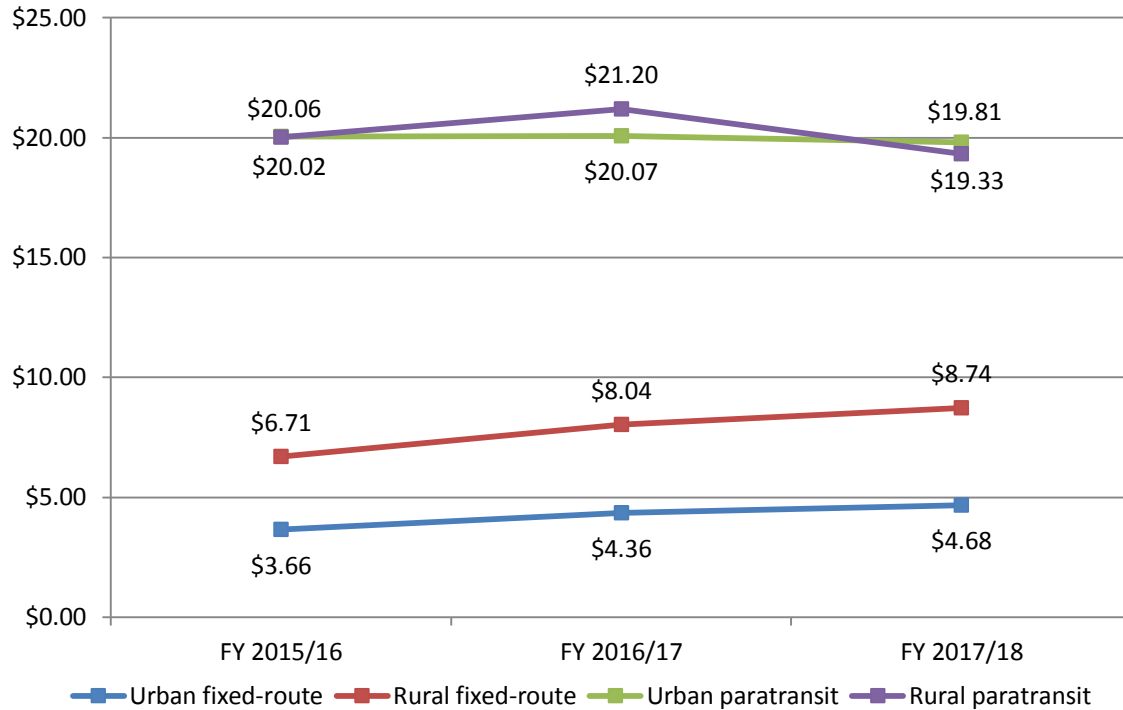
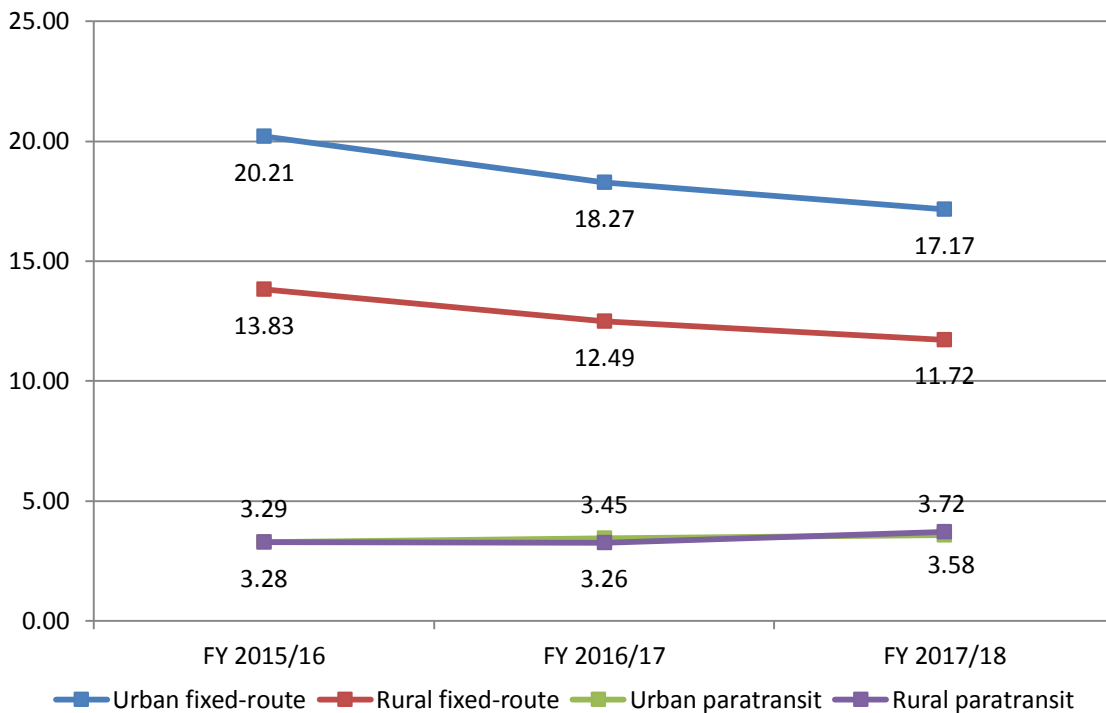


Exhibit 6.21 Passengers/VSH by Mode



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Exhibit 6.22 Passengers/VSM by Mode

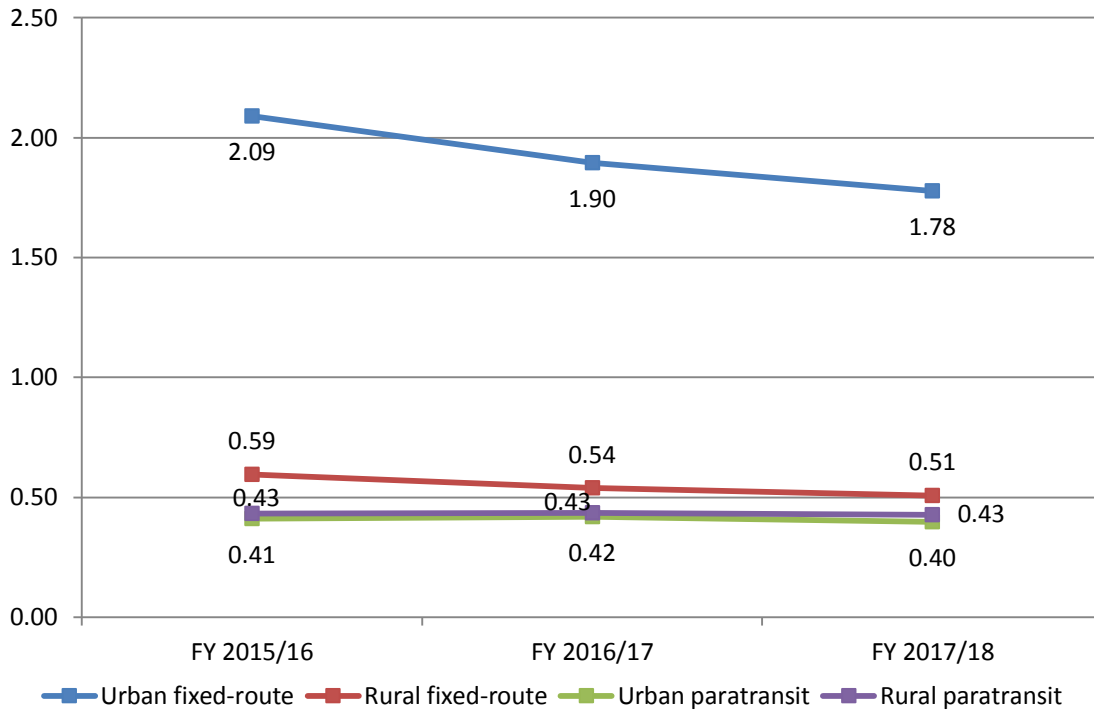
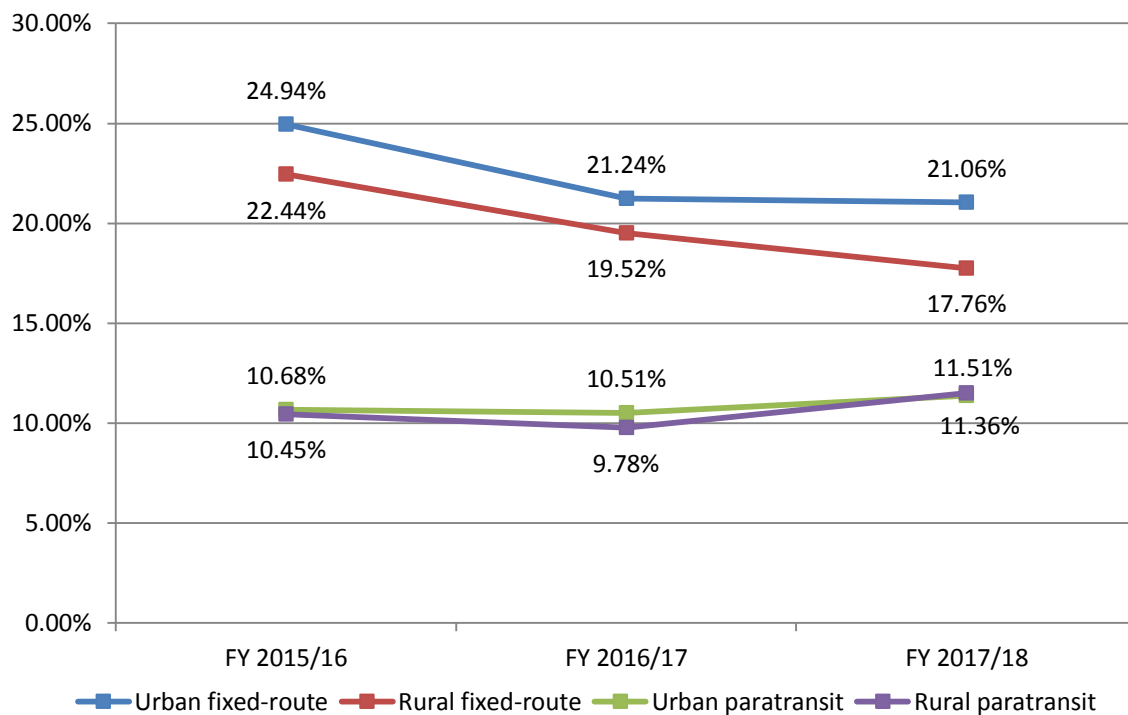


Exhibit 6.23 Farebox Recovery by Mode

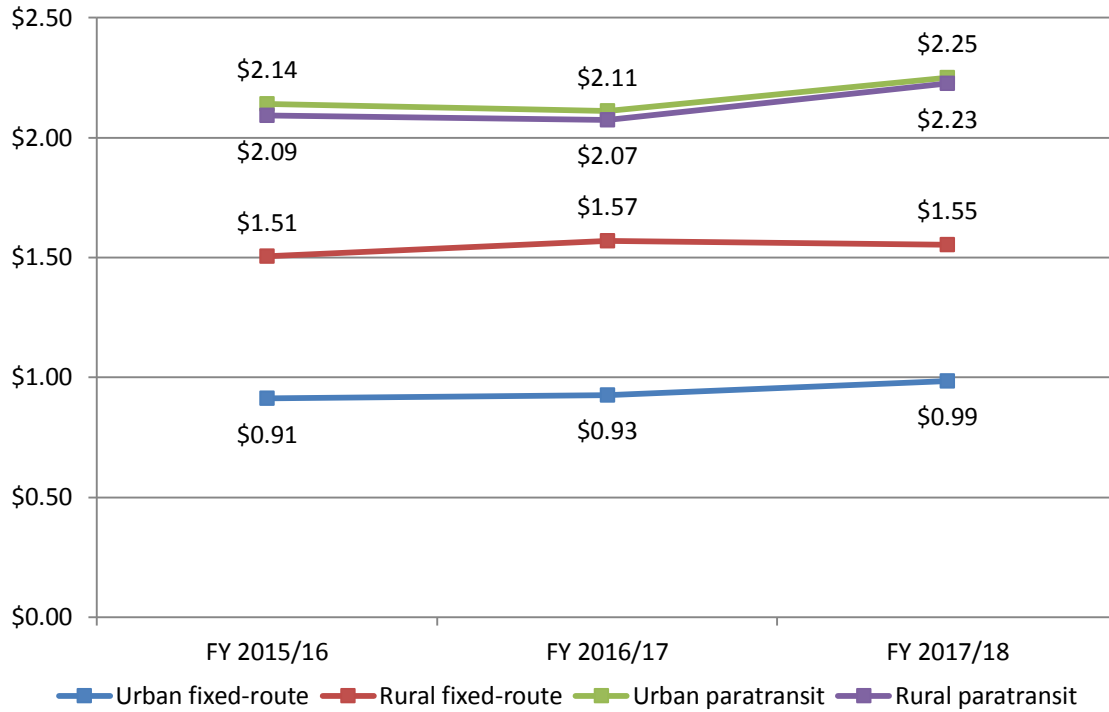


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Exhibit 6.24 Fare/Passenger by Mode



Chapter 7

Functional Review

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

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

Service Overview

Butte Regional Transit operates B-Line, a fixed-route service available to the general public. The service operates locally in Chico, Oroville, and Paradise. The service also travels between communities throughout Butte County. Service is available seven days a week. Weekday service operates from 5:50 a.m. to 10:00 p.m., with Saturday service operating from 7:50 a.m. to 7:00 p.m. Sunday service operates from 7:50 a.m. to 6:00 p.m. Some routes do not operate every day. The service does not operate on designated holidays.

Butte Regional Transit also operates B-Line Paratransit, a door-to-door service offering two types of paratransit service for eligible persons. ADA Paratransit Service is available for individuals who cannot use the fixed route system and has ADA certification. A Dial-A-Ride service is available for seniors (70+). The services operate Monday through Friday from 5:50 a.m. to 10:00 p.m., Saturday from 7:00 a.m. to 10:00 p.m., and Sunday from 7:50 a.m. to 6:00 p.m. Service does not operate on designated holidays.

Reservations may be made seven days a week between the hours of 7:00 a.m. and 5:00 p.m. Requests may be scheduled up to seven days in advance. Same-day requests may be scheduled if available. Only four one-way trip reservations can be made per reservations call.

The primary service area for B-Line Paratransit is within three quarters of a mile of B-Line fixed routes within Chico, Oroville, or Paradise. Three supplemental service zones provide non-ADA service outside of these core areas on a space-available basis. Supplemental Zone 1 serves up to one mile outside the core service area. Supplemental Zone 2 serves one to two miles outside the core service area, and Supplemental Zone 3 serves two to three miles outside the core service area.



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Fare Structure

During the audit period, the regular base cash fare for the fixed-route service was \$1.50, with reduced fares offered for seniors (70 years and older), persons with disabilities, Medicare card holders, and youth (age 6-18). The base Paratransit fare during the audit period was \$3.00 as of January 10, 2018, when Paratransit fares were increased. Prior to that time, the base Paratransit fare was \$2.75. The increase was necessary as the urban and rural demand-response services risked falling below the 10 percent TDA farebox recovery ratio requirement.

Exhibit 7.1 Fixed-Route Service Fare Structure (prior to September 1, 2019)

Fare Category	Local Service	Regional Service
Cash Fare		
Regular	\$1.50	\$2.00
Discount (Senior/Disabled/Medicare)	\$0.75	\$1.00
Youth (6-18)	\$1.00	\$1.50
Child (under 6, with fare-paying adult)	2 free	2 free
2-Day Pass		
Regular	\$3.00	\$4.00
Discount (Senior/Disabled/Medicare)	\$1.50	\$2.00
Youth (6-18)	\$2.00	\$3.00
All-Day Pass		
Regular	\$4.00	\$4.00
10-Day Pass		
Regular	\$13.50	\$18.00
Discount (Senior/Disabled/Medicare)	\$6.75	\$9.00
Youth (6-18)	\$9.00	\$13.00
31-Day Pass		
Regular	\$37.50	\$48.00
Discount (Senior/Disabled/Medicare)	\$19.00	\$25.00
Youth (6-18)	\$25.00	\$34.00
Upgrade from Local to Regional Fare		
Regular		\$0.50
Discount (Senior/Disabled/Medicare)		\$0.25
Youth (6-18)		\$0.50

Exhibit 7.2 Paratransit Fare Structure (prior to September 1, 2019)

Fare Category	ADA Paratransit Service Area	Supplemental Zone 1	Supplemental Zone 2	Supplemental Zone 3
One-way trip	\$3.00	\$7.50	\$9.50	\$11.50
2-Ride Pass	\$6.00			
Same-day service request	\$4.50			
\$25 Value Card		\$25.00		
\$50 Value Card		\$50.00		

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Effective September 1, 2019, all B-Line fares (both fixed-route and demand-response) are being raised in an effort to better meet TDA required farebox recovery ratios in future years. The base fixed-route fare will increase from \$1.50 to \$1.75, while the base demand-response fare will increase from \$3.00 to \$3.50. While this is outside of the audit period, it shows BCAG is proactively addressing identified challenges in meeting farebox recovery ratio requirements.

Exhibit 7.3 Fixed-Route Service Fare Structure (after September 1, 2019)

Fare Category	Local Service	Regional Service
Cash Fare		
Regular	\$1.75	\$2.40
Discount (Senior/Disabled/Medicare)	\$0.85	\$1.20
Youth (6-18)	\$1.25	\$1.75
Child (under 6, with fare-paying adult)	2 free	2 free
2-Day Pass		
Regular	\$3.50	\$4.80
Discount (Senior/Disabled/Medicare)	\$1.70	\$2.40
Youth (6-18)	\$2.50	\$3.50
All-Day Pass		
Regular	\$5.00	\$5.00
10-Day Pass		
Regular	\$15.75	\$21.60
Discount (Senior/Disabled/Medicare)	\$7.65	\$10.80
Youth (6-18)	\$11.25	\$15.75
31-Day Pass		
Regular	\$43.50	\$57.50
Discount (Senior/Disabled/Medicare)	\$21.50	\$30.00
Youth (6-18)	\$31.25	\$40.00
Upgrade from Local to Regional Fare		
Regular		\$0.65
Discount (Senior/Disabled/Medicare)		\$0.50
Youth (6-18)		\$0.35

Exhibit 7.4 Paratransit Fare Structure (after September 1, 2019)

Fare Category	ADA Paratransit Service Area	Supplemental Zone 1	Supplemental Zone 2	Supplemental Zone 3
One-way trip	\$3.50	\$8.75	\$10.75	\$12.75
2-Ride Pass	\$7.00			
Same-day service request	\$5.25			
\$25 Value Card		\$25.00		
\$50 Value Card		\$50.00		

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Camp Fire

While the Camp Fire did not occur during the audit period (November 2018), it will have a definite impact on service decisions moving forward. The fire covered nearly 240 square miles and destroyed the town of Paradise, which is part of BRT's service area. It damaged or destroyed nearly 20,000 structures, resulting in thousands of residents being displaced. A community of FEMA trailers will be established in Gridley in early FY 2019/20, to provide housing to those who remain displaced nearly a year later.

From its location in Chico, BRT's physical assets were not directly affected by the fire. However, as it did with the rest of the community, the fire had a significant effect on the workforce, customers, and service delivery. As a result, the analysis and recommendations presented herein, while they do not directly incorporate the aftermath of the fire, they certainly reflect the changed environment of Butte County.

General Management and Organization

Butte Regional Transit (BRT) is operated by BCAG. BCAG staff oversee the transit operation, which is contracted to Transdev. BCAG's Transit Administration and Operations Division is primarily responsible for administration of the program. The Senior Planner, Transit Operations and Transit Administrator regularly monitor the system's performance.

The BCAG Board of Directors is the governing body for BRT. It is comprised of the five Butte County Supervisors and one city/town council representative from each of the five incorporated cities/towns. The Board meets the fourth Friday of the month at 9:00 a.m. at the BCAG Board Room (326 Huss Dr., Building E, Suite 100, Chico). All meetings are open to the public and the location is ADA-accessible. This location is not served by the B-Line fixed-route service; however, Board meetings are live streamed via BCAG's YouTube channel.

There were no significant changes to the B-Line service during the audit period. Route 52, which was funded through an LCTOP grant, was added in February 2017. Staffing has remained the same.

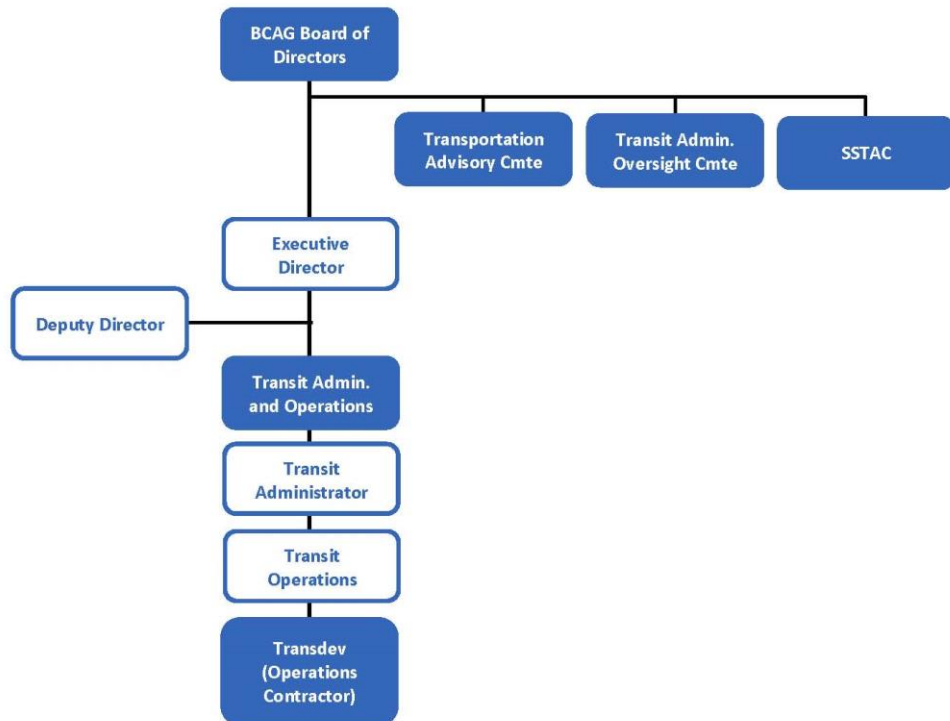


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Exhibit 7.3 Organizational Chart



Source: Butte County Association of Governments

Service Planning

During the audit period, BCAG held off on service planning activities recommended in the prior audit because it did not have the data it needed to do so. The TripSpark GPS platform is now operational, and ties in with DoubleMap to enable the tracking of boarding locations via GPS. BCAG anticipates being able to redesign Oroville routes using the new data.

BRT does not have an individual Short Range Transit Plan (SRTP), but is incorporated into BCAG’s planning process. BCAG’s Transit and Non-Motorized Plan was completed in May 2015 and is due to be updated during the next audit period. BCAG updates the financial projections each year as required by the FTA.

The most recent customer survey was conducted as part of the Transit and Non-Motorized Plan nearly five years ago. BCAG has scheduled a survey as part of its post-Camp Fire assessment. Surveys are also likely to be included in any SRTP or Transit Development Plan conducted during the next audit period.

Scheduling, Dispatch, and Operations

Transdev drivers bid on shifts four times each year based on seniority. Many drivers are cross-trained on both fixed-route and demand-response services. There are no special requirements for the demand-response service. Dispatchers and customer service representatives have a minimum of two bids per year.

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Transdev currently employs 63 full-time drivers. There are no part-time drivers at this time, but the operations contractor is not precluded from hiring part-time drivers. B-Line does maintain a standby/extra board, which is a separate bid.

Dispatch is located in the BRT administrative building. Transdev staffs dispatchers, customer service representatives, and all customer-facing personnel.

Revenue collection is undertaken at the fuel island in the transit yard, where vehicles are probed and the vaults dumped. The following day, two cash counters count the fares in the money room, bag them, and do all paperwork. The money room is a locked room with limited access. It is monitored with multiple cameras. Cash is picked up by an armored car every day. Fare revenue is delivered to BCAG's treasurer. Revenue from ticket sales and credit card purchases is reconciled by BCAG and included in the weekly deposit.

Personnel Management and Training

Transdev has a sufficient number of drivers to staff its current needs. The contractor is not currently recruiting, but started a new trainee class in Summer 2019. Driver turnover is generally pretty low. There was some turnover following the Camp Fire, but that has settled down since. If drivers make it through the training and probation, they tend to remain as drivers.

Transdev provides a dedicated Safety Manager, who is a certified trainer. The Safety Manager can take drivers all the way through training. Transdev typically recruits a mixture of experienced and inexperienced driver candidates. Monthly safety meetings include a mix of local topics and those identified by the corporate office.

Transdev drivers, mechanics, dispatchers, and customer service representatives (excluding utility workers) are represented by the Teamsters Union, Local No. 137. A Collective Bargaining Agreement (CBA) dictates all disciplinary actions, including progressive discipline. The CBA also sets forth wages as well as benefits for full-time employees, including paid holidays, health insurance, funeral leave, paid time off, pension, jury duty, boot and tool reimbursements (for mechanics), and bonuses for ASE certification and attendance/safety.

Administration

The Chief Fiscal Officer handles annual budgeting for BRT, with significant input from the Transit Manager and other staff. The budget goes to the Board for approval. There is no opportunity for a mid-year adjustment.

The Chief Fiscal Officer also oversees the overall grants process. Other staff handle different grants and different parts of the process (applications, compliance, reporting, etc.). BCAG has sufficient staffing to pursue a sufficient number of grants. BCAG's Associate Senior Planner is responsible for most grant applications.

Risk management and insurance are the responsibility of the Human Resources Department. Transdev maintains its own insurance as well.



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The Senior Planner, Transit Operations is the contract manager for the day-to-day operations, while the Executive Director and Deputy Director manage the contract itself. The Deputy Director recently renegotiated the Transdev contract. Transdev has provided contracted operations for more than 20 years (under various company names). The new five-year contract begins in FY 2019/20, with two two-year options.

Payroll is handled by Butte County. Timesheets are submitted biweekly and signed by the employee and a manager. Direct deposit is utilized.

BCAG has a general procurement manual as well as one specifically for BRT. All procurement practices conform to FTA and state and local requirements. Management and the Board regularly review internal audit reports to determine if action has been taken on recommendations.

Marketing and Public Information

The B-Line website (blinetransit.com) and service brochures are BRT's primary service information tools. BCAG also uses Facebook, advertising in the visitors guide, sponsorships, and television advertisements. In December 2018, BCAG began selling advertising on transfer passes; this allowed local vendors to offer a buy one, get one free offer on the back side of the pass. Other tactics include participation in community events, advertisements in local media, and advertising at bus stops. BRT does not have a formal Marketing Plan.

BRT uses DoubleMap to provide real-time updates via the web and the DoubleMap (Map My Bus) mobile app. Real-time updates can also be accessed by text message. The prior B-Line Tracker has been phased out.

BRT began accepting credit cards for fare media sales about one year ago. BCAG expects to begin offering mobile ticketing through Token Transit during the first half of FY 2019/20. BCAG had originally planned to integrate mobile ticketing into its GFI Odyssey Fast Fare fareboxes, but has not had a good experience with them. Token Transit validators will be used to track boarding and alighting; reports can be integrated with GFI reports as well.

Transdev documents all complaints and provides a monthly report to the Senior Planner, Transit Operations. It includes details regarding the investigation into the validity of the complaint as well as its resolution. The Senior Planner, Transit Operations also receives some complaints directly, which are forwarded to Transdev. Quarterly reports to the Board include ridership, efficiency, accident reports, and complaint reports.

Fleet Maintenance

BCAG owns the transit operations and maintenance facility. Transdev provides all maintenance services within the facility, which only services B-Line vehicles and Transdev-owned non-revenue vehicles used to support the operation. The facility is more than sufficient. It was completed during the audit period.

Transdev utilizes RTA fleet management and maintenance software. Preventive maintenance is completed according to company standards, BCAG standards, and OEM recommendations. Pre-trip inspections are done using paper forms. The active fleet consists of 32 fixed-route and 26 Dial-A-Ride



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vehicles. All vehicles are equipped with first aid kits, cameras, and fire extinguishers. All vehicles are ADA accessible.

The facility has a well-stocked parts room. There is no controlled access from maintenance staff; mechanics pull their own parts. The room is secured from outside of the building. The contractor completes cycle counts and regular inventories to monitor stock levels.

There is good coordination between dispatch and maintenance, which are located within the same maintenance and operations facility. No other contracts are operated out of the facility.

Exhibit 7.4 BRT Transit Fleet

# of Vehicles	Year	Make	Model	Fuel	Mode	Status
7	2008	Orion	Orion VII N.G	CNG	Fixed Route	Active
6	2011	Gillig	BRT	Diesel	Fixed Route	Active
6	2014	Gillig	BRT	Diesel	Fixed Route	Active
13	2017	Gillig	BRT	Diesel	Fixed Route	Active
6	2010	Ford	E450	Unleaded	DAR	Active
14	2013	Ford	E450	Unleaded	DAR	Active
6	2018	Ford	E450	Unleaded	DAR	Active
3	2002	Ford	E450	Unleaded	DAR	Out of Service
5	2008	Ford	E450	Unleaded	DAR	Retired

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B-Line cutaway buses at storage yard.



B-Line fixed-route buses at storage yard.



Fixed-route vehicle in maintenance bay.



Maintenance facility.



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Parts room.



Cutaway vehicle in maintenance bay.



Portable lifts in maintenance bay.



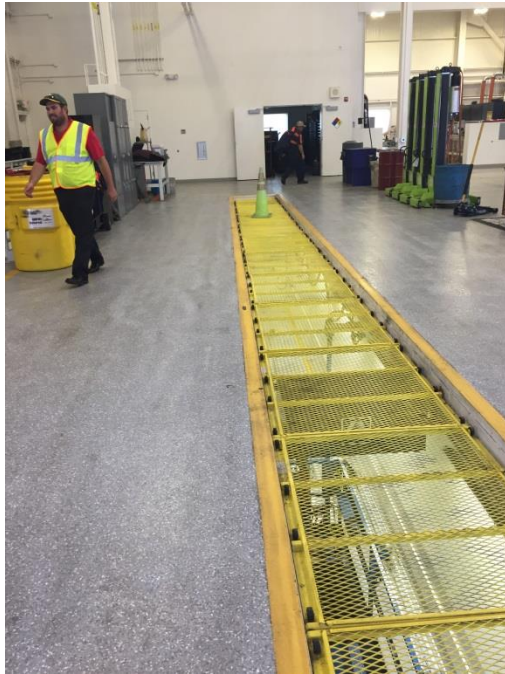
Bus wash in fleet storage yard.



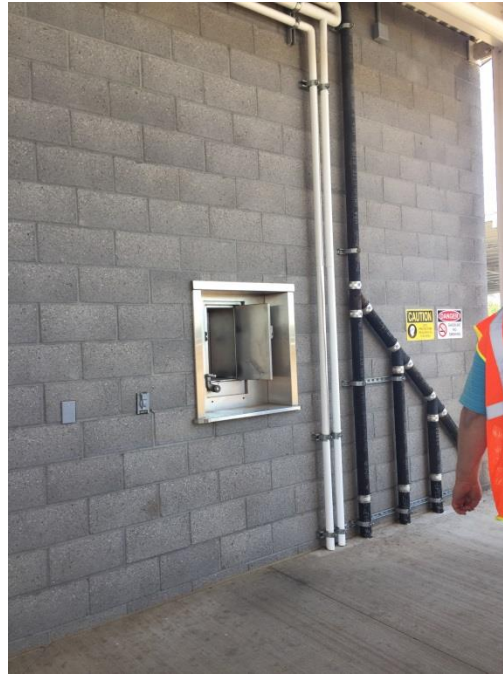
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Service pit in maintenance bay.



Vault drop at probing station.



Interior vault in counting room.



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Vehicle fuel island and probing station.



Entrance to B-Line offices.



Chapter 8

Findings and Recommendations

Conclusions

With one exception, Moore & Associates finds Butte Regional Transit to be in compliance with the requirements of the Transportation Development Act. In addition, the entity generally functions in an efficient, effective, and economical manner.

Findings and Recommendations

Based on discussions with BRT staff, analysis of program performance, and an audit of program compliance and function, the audit team presents one compliance finding:

1. In FY 2015/16, the State Controller Report was submitted three weeks after the established deadline.

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

1. BRT has not yet redesigned its Oroville routes to improve performance.
2. BRT's transit plan is due to be updated within the next two years.
3. BRT is at risk of falling below the TDA farebox recovery ratio thresholds.

Program Recommendations

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

TDA Compliance Finding 1: In FY 2015/16, the State Controller Report was submitted three weeks after the established deadline.

Criteria: PUC 99243(a) requires transit operators to file a Transit Operators Financial Transaction Report with the State Controller following the end of the fiscal year. In FY 2015/16, the report was due within 110 days of the end of the fiscal year (October 18, 2016). Beginning in FY 2016/17, the report was due within seven months of the end of the fiscal year (January 31).

Condition: In FY 2015/16, the State Controller Report was submitted on November 8, 2016, three weeks after the established deadline for that year.

Cause: The Chief Fiscal Officer, who is responsible for preparing and submitting the State Controller Report, experienced two deaths in her family around the time the report was due to be submitted.



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Effect: The Chief Financial Officer filed the report late due to these special circumstances, and appropriately notified the State Controller of the situation.

Recommendation: Ensure State Controller Reports are submitted by the established deadline.

Recommended Action(s): Given the special circumstances that were the cause of the late filing, no further actions are recommended. The report was filed on time in both FY 2016/17 and FY 2017/18. BCAG already has effective processes in place to ensure timely reporting.

Timeline: Ongoing.

Anticipated Cost: None.

Functional Finding 1: BRT has not yet redesigned its Oroville routes to improve performance.

Criteria: Triennial Performance Audits are designed to confirm compliance with the Transportation Development Act as well as evaluate the efficiency, effectiveness, and economy of the transit operation. Recommendations are provided to enhance operator compliance as well as system performance.

Condition: The prior Triennial Performance Audit recommended BRT use the TripSpark AVL/GPS data to help evaluate opportunities to improve performance of its Oroville routes. BRT was unable to implement this recommendation given delays in syncing the data from TripSpark with its GFI fareboxes. However, BRT recently completed that task and is now in the process of beginning to collect the needed data.

Cause: The syncing of the two systems took much longer than anticipated (about four years).

Effect: The absence of the necessary data meant the route redesign could not be undertaken.

Recommendation: Use AVL/GPS data to redesign Oroville routes to improve performance.

Recommended Action(s): Now that the two systems can sync effectively, BRT should move forward with redesign of its Oroville routes to improve performance. The ridership and boarding location data that will become available will be valuable for identifying bus stops with higher boarding activity, and help BRT more effectively serve current demand. This may be done as part of the Transit Plan recommended in Functional Recommendation #2.

Timeline: FY 2019/20.

Anticipated Cost: Moderate.



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Functional Finding 2: BRT's transit plan is due to be updated within the next two years.

Criteria: Service planning is one of the areas included in the functional review in Chapter 7 of this report.

Condition: BRT's Transit and Non-Motorized Plan was completed in May 2015. Given BRT does not maintain a separate Short-Range Transit Plan, an update of that plan or development of an SRTP or TDP is warranted during the audit period.

Cause: It has been nearly five years since BRT's last system-wide planning effort.

Effect: Development of a new plan is warranted.

Recommendation: Prepare an SRTP specific to BRT within the next two years.

Recommended Action(s): BRT should prepare an SRTP specific to its own system sometime within the next two years. Alternately, planning for BRT may be included in a county-wide transit plan, provided sufficient performance analysis is included. Planning for Oroville routes (Functional Recommendation #1) may be included within the plan if desired.

Timeline: FY 2020/21.

Anticipated Cost: Moderate.

Functional Finding 3: BRT is at risk of falling below the TDA farebox recovery ratio thresholds.

Criteria: PUC 99268 stipulates a 20 percent farebox recovery ratio for urbanized transit systems and a 10 percent farebox recovery ratio for rural transit systems and services exclusive to elderly and disabled persons.

Condition: Despite declining each year, BRT's fixed-route services remained above the TDA threshold throughout the audit period. The urban fixed-route service, however, dipped to 21.06 percent in FY 2017/18, while the rural fixed-route service remained well above the 10 percent threshold even when it dropped to 17.76 percent in FY 2017/18. The demand-response services, both with a threshold of 10 percent, hovered right around that point each year. Rural Paratransit fell below 10 percent (to 9.78 percent) in FY 2016/17, which was considered a grace year. Urban Paratransit remained above 10 percent that same year, at 10.51 percent. Both services increased to 11.4 percent in FY 2017/18, likely due to a fare increase that year. However, this does not provide much of a cushion against the 10 percent threshold. There is still a risk farebox recovery ratio on all services could continue to decrease, despite a fare increase effective September 1, 2019.

Cause: Operating cost has been increasing each year while fare revenue (and ridership) decrease.

Effect: This results in a decrease in farebox recovery ratio.



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Recommendation: Identify strategies for increasing the farebox recovery ratio on all services.

Recommended Action(s): BRT should work to identify strategies for increasing the farebox recovery ratio on all services, particularly the urban fixed-route and both demand-response services. The effort required will depend on the effect of the fare increase going into effect in September 2019. This could include identifying additional tactics for increasing ridership, increasing advertising revenues, or identifying other funding streams that can be counted as local supplementation. It is also possible that the identification of operating efficiencies and improvements to productivity may result from revisions to the Oroville routes and an updated short-range transit plan.

Timeline: Ongoing.

Anticipated Cost: Negligible.

Exhibit 8.1 Summary of Audit Recommendations

TDA Compliance Recommendations		Importance	Timeline
1	Ensure State Controller Reports are submitted by the established deadline.	Low	Ongoing
Functional Recommendations		Importance	Timeline
1	Use AVL/GPS data to redesign Oroville routes to improve performance.	Medium	FY 2019/20
2	Prepare an SRTP specific to BRT within the next two years.	Medium	FY 2020/21
3	Identify strategies for increasing the farebox recovery ratio on all services.	Medium	Ongoing