



Shasta Regional Transportation Agency

FY 2018/19 - FY 2020/21

TDA Triennial Performance Audit of Redding Area Bus Authority

FINAL REPORT
MARCH 2022





Table of Contents

Chapter 1 Executive Summary	1
Chapter 2 Audit Scope and Methodology	5
Chapter 3 Program Compliance	9
Chapter 4 Prior Recommendations	13
Chapter 5 Data Reporting Analysis	15
Chapter 6 Performance Analysis	17
Chapter 7 Functional Review	39
Chapter 8 Findings and Recommendations	49



This page intentionally blank.



Table of Exhibits

Exhibit 1.1 Summary of Audit Recommendations.....	3
Exhibit 3.1 Transit Development Act Compliance Requirements	11
Exhibit 5.1 Data Reporting Comparison.....	16
Exhibit 6.1 System Performance Indicators	20
Exhibit 6.2 System Ridership	21
Exhibit 6.3 System Operating Cost/VSH	21
Exhibit 6.4 System Operating Cost/VSM.....	21
Exhibit 6.5 System VSM/VSH.....	21
Exhibit 6.6 System Operating Cost/Passenger	22
Exhibit 6.7 System Passengers/VSH	22
Exhibit 6.8 System Passengers/VSM.....	22
Exhibit 6.9 System VSH/FTE	22
Exhibit 6.10 System Farebox Recovery	23
Exhibit 6.11 System Fare/Passenger.....	23
Exhibit 6.12 Fixed-Route Performance Indicators.....	25
Exhibit 6.13 Fixed-Route Ridership.....	26
Exhibit 6.14 Fixed-Route Operating Cost/VSH	26
Exhibit 6.15 Fixed-Route Operating Cost/VSM	26
Exhibit 6.16 Fixed-Route VSM/VSH	26
Exhibit 6.17 Fixed-Route Operating Cost/Passenger.....	27
Exhibit 6.18 Fixed-Route Passengers/VSH	27
Exhibit 6.19 Fixed-Route Passengers/VSM	27
Exhibit 6.20 Fixed-Route Farebox Recovery.....	27
Exhibit 6.21 Fixed-Route Fare/Passenger	28
Exhibit 6.22 Demand-Response Performance Indicators	30
Exhibit 6.23 Demand-Response Ridership.....	31
Exhibit 6.24 Demand-Response Operating Cost/VSH.....	31
Exhibit 6.25 Demand-Response Operating Cost/VSM.....	31
Exhibit 6.26 Demand-Response VSM/VSH.....	31
Exhibit 6.27 Demand-Response Operating Cost/Passenger	32
Exhibit 6.28 Demand-Response Passengers/VSH.....	32
Exhibit 6.29 Demand-Response Passengers/VSM.....	32
Exhibit 6.30 Demand-Response Farebox Recovery	32
Exhibit 6.31 Demand-Response Fare/Passenger.....	33
Exhibit 6.32 Burney Express Performance Indicators.....	35
Exhibit 6.33 Burney Express Ridership.....	36
Exhibit 6.34 Burney Express Operating Cost/VSH	36



Exhibit 6.35 Burney Express Operating Cost/VSM	36
Exhibit 6.36 Burney Express VSM/VSH	36
Exhibit 6.37 Burney Express Operating Cost/Passenger.....	37
Exhibit 6.38 Burney Express Passengers/VSH	37
Exhibit 6.39 Burney Express Passengers/VSM	37
Exhibit 6.40 Burney Express Farebox Recovery.....	37
Exhibit 6.41 Burney Express Fare/Passenger	38
Exhibit 7.1 Fixed-Route Fare Structure	39
Exhibit 7.2 Fixed-Route Passes.....	40
Exhibit 7.3 Demand-Response Fare Structure	40
Exhibit 7.4 Burney Express Fare Structure	40
Exhibit 7.5 Organizational Chart.....	41
Exhibit 7.6 Redding Area Bus Authority Transit Fleet.....	47
Exhibit 8.1 Audit Recommendations	53



Chapter 1 | Executive Summary

In 2021, the Shasta Regional Transportation Agency (SRTA) selected Moore & Associates, Inc., to prepare Triennial Performance Audits of itself as the RTPA and the single transit operator to which it allocates TDA funding.

The California Public Utilities Code requires all recipients of Transit Development Act (TDA) Article 4 funding to undergo an independent performance audit on a three-year cycle in order to maintain funding eligibility. Audits of Article 8 recipients are encouraged.

The Triennial Performance Audit is designed to be an independent and objective evaluation of the Redding Area Bus Authority (RABA) 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 RABA's public transit program for the period:

- Fiscal Year 2018/19,
- Fiscal Year 2019/20, and
- Fiscal Year 2020/21.

The Redding Area Bus Authority (RABA) provides bus and paratransit services in the cities of Anderson, Redding, and Shasta Lake, as well as unincorporated portions of Shasta County. RABA operates 10 fixed routes and three commuter routes. RABA also operates the Burney Express on behalf of Shasta County.

RABA's paratransit service is known as Demand-Response Service, a shared-ride origin-to-destination transit service for persons with disabilities. Demand-Response Service provides transportation during the same days and hours as fixed-route service, and across the same service area.

This performance audit was conducted in accordance with generally accepted government auditing standards. Those standards require that 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, Inc. 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*.



The Triennial Performance Audit includes five elements:

- Compliance requirements,
- Prior recommendations,
- Analysis of program data reporting,
- Performance Audit, and
- Functional review.

Test of Compliance

Based on discussions with the Redding Area Bus Authority (RABA) staff, analysis of program performance, and an audit of program compliance and function, the auditors present no compliance findings.

Status of Prior Recommendations

The prior audit – completed in April 2019 by Moore & Associates, Inc. for the three fiscal years ending June 30, 2018 – included three recommendations:

1. Explore additional service strategies and revenue sources that can be counted toward fare revenue, with a goal of keeping the farebox recovery ration far enough above the 15-percent threshold that it can accommodate modest fluctuations from year to year.

Status: Implementation in progress.

2. Determine the cause of inconsistencies in reporting; either correct the, or document the reason for the inconsistency.

Status: Implemented.

3. Complete the farebox improvements recommended in the prior triennial performance audit.

Status: Implemented.

Findings and Recommendations

Based on discussions with the Redding Area Bus Authority (RABA) staff, analysis of program performance, and a review of program compliance and function, the audit team submits no compliance findings for RABA.

The audit team has identified two functional findings. While these findings are not compliance findings, we feel they are significant enough to be addressed within this audit:

1. The full-time equivalent metric calculated using the TDA definition is not what is being reported to the State Controller's Office.
2. It can be difficult for the public to find information about RABA Board meetings.

In completing this Triennial Performance Audit, we submit the following recommendations for the Redding Area Bus Authority's public transit program. They have been 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 triennial audit that are not specific to TDA compliance.

Given there were no compliance findings, only functional recommendations are provided. An additional recommendation (not related to a finding) was also provided in anticipation of changes arising from AB 149.

Exhibit 1.1 Summary of Audit Recommendations

Functional Recommendations		Importance	Timeline
1	Ensure FTE data calculated using the TDA definition and including RABA hours is used in the State Controller Report.	Medium	FY 2021/22
2	Include a link to the current Board agenda (or meeting cancellation notice) on the front page of the RABA website.	High	FY 2021/22
Additional Recommendation		Importance	Timeline
1	Continue to use the annual TDA fiscal audit to calculate the farebox recovery ratio by mode, incorporating new exclusions, exemptions, and revenue sources from AB 149 beginning in FY 2021/22.	Medium	FY 2022/23



This page intentionally blank.



Chapter 2 | Audit Scope and Methodology

The Triennial Performance Audit (TPA) of the Redding Area Bus Authority's public transit program covers the three-year period ending June 30, 2021. 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 2021, the Shasta Regional Transportation Agency selected Moore & Associates, Inc., to prepare Triennial Performance Audits of itself as the RTPA and the single transit operator to which it allocates TDA funding. Moore & Associates, Inc. is a consulting firm specializing in public transportation, including audits of non-TDA Article 4 recipients. Selection of Moore & Associates, Inc. followed a competitive procurement process.

The Triennial Performance Audit is designed to be an independent and objective evaluation of the Redding Area Bus Authority 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 operator to whom it allocates funds.

This performance audit was conducted in accordance with generally accepted government auditing standards. Those standards require that 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. The auditors believe 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 (TPA) has four primary objectives:

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



Scope

The TPA is a systematic review of performance evaluating the efficiency, economy, and effectiveness of the transit operator. The audit of the Redding Area Bus Authority included five tasks:

1. A review of compliance with TDA requirements and regulations.
2. A review of the status of recommendations included in the prior Triennial Performance Audit.
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. Comparison of data reporting practices:
 - Internal reports,
 - State Controller Reports, and
 - National Transit Database.
5. 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.
6. 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 Redding Area Bus Authority included thorough review of documents relevant to the scope of the audit, as well as information contained on RABA's website. The documents reviewed included the following (spanning the full three-year period):

- Monthly performance reports;
- State Controller Reports;
- Annual budgets;
- TDA fiscal audits;
- Transit marketing collateral;
- TDA claims;
- Fleet inventory;
- Preventive maintenance schedules and forms;
- California Highway Patrol Terminal Inspection reports;
- National Transit Database reports;



- Accident/road call logs; and
- Organizational chart.

Given impacts of the ongoing COVID-19 pandemic, the methodology for this audit included a virtual site visit with Redding Area Bus Authority representatives on November 10, 2021. The audit team met with Chuck Aukland (Public Works Director, City of Redding), Melissa Estrada (Transportation Planner, City of Redding), Yujin Copeland (Management Analyst, City of Redding), and Hallie Fonseca (General Manager, Transdev), and reviewed materials germane to the triennial audit.

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,
 - Status of prior recommendations,
 - Consistency among reported data,
 - Performance measures and trends,
 - Functional audit, and
 - Findings and recommendations.



This page intentionally blank.



Chapter 3 | Program Compliance

This section examines the Redding Area Bus Authority'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. RABA 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.

Status of compliance items was determined through discussions with Redding Area Bus Authority staff as well as an inspection of relevant documents including the fiscal audits for each year of the triennium, State Controller annual filings, California Highway Patrol terminal inspections, National Transit Database reports, year-end performance reports, and other compliance-related documentation.

No compliance findings were identified for RABA.

Developments Occurring During the Audit Period

The last half of the audit period is markedly different from the first half. The impacts of the COVID-19 pandemic resulted in significant declines in ridership and revenue. In many instances, transit operators strove to retain operations staff despite adopting a reduced schedule, resulting in significant changes to many cost-related performance metrics. While infusions of funding through the CARES Act mitigated some of the lost revenues for federally funded programs, most transit operators have yet to return to pre-pandemic ridership and fare levels. As a result, the Triennial Performance Audits will provide an assessment not only of how COVID-19 impacted each organization, but how they responded to the crisis.

In addition to the COVID-19 pandemic, recent and proposed changes to the TDA may result in audit reports that look somewhat different than in prior years. In the nearly 50 years since introduction of the Transportation Development Act, there have been many changes to public transportation in California. Many operators have faced significant challenges in meeting the farebox recovery ratio requirement, calling into question whether it remains the best measure for TDA compliance. In 2018, the chairs of California's state legislative transportation committees requested the California Transit Association spearhead a policy task force to examine the TDA, which resulted in a draft framework for TDA reform released in early 2020. The draft framework maintains the farebox recovery ratio requirement, but eliminates financial penalties and allows more flexibility with respect to individual operator targets. These changes have yet to be implemented.

Assembly Bill 90, signed into law on June 29, 2020, provided temporary regulatory relief for transit operators required to conform with Transportation Development Act (TDA) farebox recovery ratio thresholds in FY 2019/20 and FY 2020/21. While the ability to maintain state mandates and performance measures is important, AB 90 offered much-needed relief from these requirements for these years impacted by the COVID-19 pandemic while TDA reform continues to be discussed.



AB 90 included the following provisions specific to transit operator funding through the TDA:

1. It prohibited the imposition of the TDA revenue penalty on an operator that did not maintain the required ratio of fare revenues to operating cost during FY 2019/20 or FY 2020/21.
2. It required the Controller to calculate and publish the allocation of transit operator revenue-based funds made pursuant to the State Transit Assistance (STA) Program for FY 2020/21 and FY 2021/22 based on the same individual operator ratios published by the Controller in a specified transmittal memo, and authorized the Controller to revise that transmittal memo, as specified. It required the Controller to use specified data to calculate those individual operator ratios. Upon allocation of the transit operator revenue-based funds to local transportation agencies pursuant to this provision, the Controller would publish the amount of funding allocated to each operator.
3. It exempted an operator from having to meet either of the STA efficiency standards for FY 2020/21 and FY 2021/22 and authorized the operator to use those funds for operating or capital purposes during that period.
4. It required the Controller to allocate State of Good Repair (SOGR) program funding for FY 2020/21 and FY 2021/22 to recipient transit agencies pursuant to the individual operator ratios published in the above-described transmittal memo.
5. It required the Controller to allocate Low Carbon Transit Operations Program (LCTOP) funding for FY 2020/21 and FY 2021/22 to recipient transit agencies pursuant to the individual operator ratios published in the above-described transmittal memo.

Assembly Bill 149, signed into law on July 16, 2021, provided additional regulatory relief with respect to Transportation Development Act (TDA) compliance. It extended the provisions of AB 90 through FY 2022/23 as well as provided additional regulatory relief including:

1. Waiving the annual productivity improvement requirement of Section 99244 through FY 2022/23.
2. Adding a temporary provision exempting operators from farebox recovery ratio requirements provided they expend at least the same amount of local funds as in FY 2018/19.
3. Expanding the definition of “local funds” to enable the use of federal funding, such as the CARES Act or CRRSAA, to supplement fare revenues and allows operators to calculate free and reduced fares at their actual value.
4. Adjusting the definition of operating cost to exclude the cost of ADA paratransit services, demand-response and micro-transit services designed to extend access to service, ticketing/payment systems, security, some pension costs, and some planning costs.
5. Allowing operators to use STA funds as needed to keep transit service levels from being reduced or eliminated through FY 2022/23.

AB 149 also called for an examination of the triennial performance audit process, to ensure the practice continues to be effective and beneficial.



Exhibit 3.1 Transit Development Act Compliance Requirements

Compliance Element	Reference	Compliance	Comments
State Controller Reports submitted on time.	PUC 99243	In compliance	FY 2018/19: January 31, 2020 FY 2019/20: January 15, 2021 FY 2020/21: January 31, 2022
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 2018/19: December 18, 2019 FY 2019/20: December 22, 2020 FY 2020/21: December 21, 2021
Operator's terminal rated as satisfactory by CHP within the 13 months prior to each TDA claim.	PUC 99251 B	In compliance	April 27, 2018 April 19, 2019 April 23, 2020 April 19, 2021
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	In compliance*	FBRR requirement for RABA operations is 15 percent per SRTA. FY 2018/19: 14.76% (grace year) FY 2019/20: 11.34% (waived) FY 2020/21: 9.36% (waived)
Except as otherwise provided, the allocation for any purpose specified under Article 8 may in no year exceed 50% of the amount required to meet the total planning expenditures for that purpose.	PUC 99405	Not applicable	
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	
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 2018/19: +2.27% FY 2019/20: +5.53% FY 2020/21: -0.26%
The operator's definitions of performance measures are consistent with the Public Utilities Code Section 99247.	PUC 99247	In compliance	
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	Not applicable	

* While RABA fell below the 15-percent threshold in FY 2018/19, it remains in compliance due to using its one-time "grace" year.



Compliance Element	Reference	Compliance	Comments
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*	Burney Express (10%): FY 2018/19: 8.73% (grace year) FY 2019/20: 6.02% (waived) FY 2020/21: 4.70% (waived)
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	FY 2018/19: 11.08% FY 2019/20: 8.20% (waived) FY 2020/21: 8.15% (waived)
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	
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	



Chapter 4 | Prior Recommendations

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

The prior audit – completed in April 2019 by Moore & Associates, Inc. for the three fiscal years ending June 30, 2018 – included three recommendations:

1. Explore additional service strategies and revenue sources that can be counted toward fare revenue, with a goal of keeping the farebox recovery ratio far enough above the 15-percent threshold that it can accommodate modest fluctuations from year to year.

Discussion: During the audit period, RABA exceeded the established 15-percent farebox recovery ratio for fixed-route and paratransit, and came close to meeting the aspirational goal of 19 percent in FY 2017/18. However, the audit noted the withdrawal of the route guarantee by the IASCO Flight School would likely have a negative impact on the farebox recovery ratio in FY 2018/19 and forward, as would the automatic escalation of contract costs, declining ridership, and lost subscription services.

The auditor recommended the following actions: 1) Identify additional revenue sources, such as increased advertising revenue, route guarantees, college pass agreements, Medicare trips, etc., which would bolster the farebox recovery ratio closer to 19 percent without increasing customer fares. 2) Assess opportunities for alternative service delivery and technology which may have a positive impact on the farebox recovery ratio. 3) Explore partnerships with SRTA and private businesses to “test out” innovative service delivery projects. 4) Update RABA’s seven-year financial plan reflective of current actual costs and ridership data to more accurately project anticipated farebox recovery ratios across the seven-year span.

Progress: As expected, withdrawal of the IASCO contract in September 2018 had a significant impact on ridership and, consequently, the farebox recovery ratio. Despite offering free rides to IASCO students in October 2018, the farebox recovery ratio for that route dropped to three percent between October 2019 and February 2019. (In FY 2017/18, the farebox recovery ratio for the route was 49 percent.) A public hearing to eliminate the route was held in January 2019, and the route was eliminated on March 1, 2019. The COVID-19 pandemic also had a significant effect on efforts to improve the farebox recovery ratio. RABA’s remaining two contracts (Shasta College and Bethel School of Supernatural Ministry) pulled out as they were no longer offering on-campus services. Shasta College has since restarted its participation.



RABA is currently in the procurement process for an update to its Short Range Transit Plan, which will likely explore opportunities for innovative service delivery (such as micro-transit). RABA also continues to regain ridership impacted by the COVID-19 pandemic.

Status: Implementation in progress.

2. Determine the cause of inconsistencies in reporting; either correct them or document the reason for the inconsistency.

Discussion: The consistency of data reported internally and to the two external entities is fairly high, but still exhibits some discrepancies. Given the System Performance Report does not include Beach Bus and Cottonwood Express data, the variance observed between it and other reports is not a concern. However, the difference in operating cost and FTE between the State Controller Report and other reports is a more significant concern. Calculation methodology supporting the TDA definition of Full-time Equivalents (FTE) was confirmed via information provided by RABA, but each year this was off by one from what was reported in the State Controller Report.

The auditor recommended that, in documenting the FTE calculations for each fiscal year, RABA demonstrate how all hours are allocated between fixed-route and demand response, so that if rounding results in a slight difference in what is reported on the State Controller Report, it can be easily identified. Use the audited financials available in the CAFR to prepare the financials in the State Controller Report to ensure better consistency.

Progress: Reasons for inconsistency include reporting times lines, personnel changes, and differences in mode definition. While data for the CAFR is collected in the summer, the annual NTD Report is completed in October and the annual Performance Report is completed in January. Across the last two years, RABA has had three different Management Analysts. Mode definition depends on reporting purposes—sometimes fixed-route information does not include Burney Express information.

Status: Implemented.

3. Complete the farebox improvements recommended in the prior triennial performance audit.

Discussion: At the time of the prior audit this recommendation was in progress. RABA was in the process of securing new/updated fareboxes. The agency at the time was evaluating options to best suit its operations, but the City's Transportation Planner expected to have an RFP out by the end of the first quarter of CY 2019. The auditor recommended RABA move forward with the procurement process and implement the farebox improvements as soon as is feasible.

Progress: RABA purchased 19 GenFare Odyssey fareboxes in FY 2019. The fareboxes were delivered and implemented FY 2020.

Status: Implemented.



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 the Redding Area Bus Authority both internally as well as to outside entities during the audit period.

As noted in the prior audit, variances between the data reported in different documents is due to a number of factors, including the timing of the report, changes in personnel, and how a particular report defines a certain mode. For example, in some reports fixed-route data includes the Burney Express, while in others it is displayed separately. To help mitigate some of these factors, this analysis looks at system-wide data, which includes combined data for the fixed-route, demand-response, and Burney Express services.

- **Operating cost:** While there are modest variations between documents, overall they are quite modest. The greatest variance noted was less than one percent in any given year.
- **Fare Revenue:** Fare revenue reported in the TDA fiscal audit, to the State Controller, and on the NTD report was generally quite consistent. The outlier was that cited in the monthly performance reports, which was considerably higher than that reported elsewhere in FY 2018/19 and FY 2019/20, and slightly lower in FY 2020/21. This could be due to using unaudited data in the monthly performance reports.
- **Vehicle Service Hours (VSH):** There is greater variation in vehicle service hours than in the financial data. In FY 2018/19, the greatest variance (4.0 percent) is between that reported to the State Controller and that identified in the monthly performance reports. This is the direct result of the fixed-route service data. The variance is much less in FY 2019/20 (0.8 percent) and is primarily due to the higher number of hours reported to the National Transit Database (NTD) specific to the demand-response service. In FY 2020/21, the variance is due to a lower number of fixed-route VSH reported to the State Controller.
- **Vehicle Service Miles (VSM):** Vehicle service miles reported to the State Controller in FY 2018/19 were significantly lower than that reported to the NTD and in monthly performance reports. This led to an overall variance of 1.0 percent system-wide. A much smaller variance occurred in FY 2019/20; as with VSH, this was due to the higher number of miles reported to the NTD specific to the demand-response service. Data reported in FY 2020/21 was much more consistent.
- **Passengers:** Ridership was reported consistently in FY 2018/19. In FY 2019/20, fixed-route ridership as reported to the NTD was 5.2 percent higher than that contained in other reports, while demand-response ridership was consistently reported. In FY 2020/21, fixed-route ridership



contained in the monthly performance reports was 1.5 percent lower than that reported elsewhere.

- **Full-Time Equivalent (FTE) Employees:** While RABA appears to use the proper definition of full-time equivalent (as demonstrated by the FTE document provided), what has been reported to the State Controller does not match what was provided by RABA (which was based on hours). Per the TDA methodology, there should have been at least 66 FTE reported in FY 2018/19, but only 56 FTE were reported to the State Controller. Given there are several potential issues contributing to these variances, this discrepancy is addressed as a functional recommendation later in this report.

Exhibit 5.1 Data Reporting Comparison

Performance Measure	System-Wide		
	FY 2018/19	FY 2019/20	FY 2020/21
Operating Cost (Actual \$)			
<i>TDA fiscal audit</i>	\$5,804,946	\$5,932,875	\$5,960,514
<i>Monthly Performance Reports</i>	\$5,805,587	\$5,933,266	\$5,958,323
<i>National Transit Database</i>	\$5,806,424	\$5,914,736	\$5,936,657
<i>State Controller Report</i>	\$5,804,946	\$5,923,877	\$5,958,325
Fare Revenue (Actual \$)			
<i>TDA fiscal audit</i>	\$694,854	\$566,199	\$384,937
<i>Monthly Performance Reports</i>	\$783,867	\$656,573	\$377,600
<i>National Transit Database</i>	\$694,853	\$549,659	\$384,936
<i>State Controller Report</i>	\$694,853	\$566,199	\$384,937
Vehicle Service Hours (VSH)			
<i>Monthly Performance Reports</i>	57,771	52,759	47,845
<i>National Transit Database</i>	57,575	53,174	47,787
<i>State Controller Report</i>	55,500	52,755	45,372
Vehicle Service Miles (VSM)			
<i>Monthly Performance Reports</i>	965,667	871,630	789,195
<i>National Transit Database</i>	964,658	876,436	790,556
<i>State Controller Report</i>	878,412	871,554	790,557
Passengers			
<i>Monthly Performance Reports</i>	630,122	550,714	343,753
<i>National Transit Database</i>	630,122	577,908	348,763
<i>State Controller Report</i>	630,128	550,714	348,763
Full-Time Equivalent Employees			
<i>State Controller Report</i>	56	56	90
<i>Per TDA methodology</i>	66	60	54



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 auditors 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) – excluded the following during the audit period²:

- Cost in the depreciation and amortization expense object class adopted by the State Controller pursuant to PUC Section 99243,

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.

² Given the passage of AB 149, the list of excluded costs will be expanded beginning with FY 2021/22.



- 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.³ 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.

³ A vehicle is considered to be in revenue service despite a no-show or late cancellation if the vehicle remains available for passenger use.



TDA Required Indicators

To calculate the TDA indicators for the Redding Area Bus Authority, the following sources were employed:

- Operating Cost was not independently calculated as part of this audit. Operating Cost data were obtained via audited financial reports for each fiscal year covered by this audit. Operating Cost from the reports was compared against that reported in RABA's State Controller and National Transit Database reports and appeared 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 audited financial reports for each fiscal year covered by this audit. Fare Revenue from the reports was compared against that reported in RABA's State Controller and NTD reports and appears to be consistent with TDA guidelines as well as the uniform system of accounts. Fare revenue data reported to the State Controller may not reflect other revenues reported as fare revenue to the NTD.
- Vehicle Service Hours (VSH) data were obtained via monthly performance reports for each fiscal year covered by this audit and compared to data reported to the State Controller and NTD. RABA'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 and compared to data reported to the State Controller and NTD. This methodology is consistent with PUC guidelines.
- Unlinked trip data were obtained via monthly performance reports for each fiscal year covered by this audit and compared to data reported to the State Controller and NTD. RABA's calculation methodology is consistent with PUC guidelines.
- Full-Time Equivalent (FTE) data were obtained from data provided by the operator and calculated using the TDA definition for each fiscal year covered by this review.

System Performance Trends

Overall, operating cost appeared to be well controlled throughout the audit period and the three years prior. The greatest increase was 4.4 percent between FY 2015/16 and FY 2016/17, while there was a one percent decrease between FY 2017/18 and FY 2018/19. This was likely the result of the elimination of Airport Express route in March 2019. Fare revenue, which had experienced increases during the prior audit period, began a significant decline in FY 2018/19, due at first to the withdrawal of funding from IASCO and later due to the COVID-19 pandemic. Between FY 2015/16 and FY 2020/21, there was a net decrease of nearly 60 percent with respect to fare revenue.

While all modes experienced some decline in vehicle service hours and miles due to COVID-19, the system-wide decreases were heavily driven by the demand-response service. Ridership loss was also most dramatic on the demand-response and Burney Express services, though the fixed-route service also experienced double-digit declines. By FY 2020/21, system ridership had decreased 52.4 percent from FY 2015/16.

A review of performance indicators calculated using operating cost help to assess the overall efficiency of the system. Operating cost per passenger, operating cost per vehicle service hour, and operating cost per vehicle service mile all increased during the audit period, indicating a decline in efficiency. Passengers per



vehicle service hour and passengers per vehicle service mile both declined, indicating a decline in productivity. This is not surprising, as RABA continued to operate its full service with significantly fewer riders. This affected both efficiency and productivity as vehicle service hours/miles and ridership dropped while operating costs had only modest changes.

Exhibit 6.1 System Performance Indicators

Performance Measure	System-wide					
	FY 2015/16	FY 2016/17	FY 2017/18	FY 2018/19	FY 2019/20	FY 2020/21
Operating Cost (Actual \$)	\$5,394,653	\$5,633,238	\$5,864,979	\$5,806,419	\$5,937,570	\$5,960,514
Annual Change		4.4%	4.1%	-1.0%	2.3%	0.4%
Fare Revenue (Actual \$)	\$844,800	\$873,442	\$957,830	\$694,853	\$566,199	\$384,937
Annual Change		3.4%	9.7%	-27.5%	-18.5%	-32.0%
Vehicle Service Hours (VSH)	60,066	59,881	59,766	57,673	53,182	47,845
Annual Change		-0.3%	-0.2%	-3.5%	-7.8%	-10.0%
Vehicle Service Miles (VSM)	1,016,335	1,023,950	1,018,614	964,597	876,444	789,195
Annual Change		0.7%	-0.5%	-5.3%	-9.1%	-10.0%
Passengers	722,723	737,854	718,856	630,128	550,714	343,753
Annual Change		2.1%	-2.6%	-12.3%	-12.6%	-37.6%
Employees	60	58	58	66	60	54
Annual Change		-3.3%	0.0%	13.8%	-9.1%	-10.0%
Performance Indicators						
Operating Cost/VSH (Actual \$)	\$89.81	\$94.07	\$98.13	\$100.68	\$111.65	\$124.58
Annual Change		4.7%	4.3%	2.6%	10.9%	11.6%
Operating Cost/Passenger (Actual \$)	\$7.46	\$7.63	\$8.16	\$9.21	\$10.78	\$17.34
Annual Change		2.3%	6.9%	12.9%	17.0%	60.8%
Passengers/VSH	12.03	12.32	12.03	10.93	10.36	7.18
Annual Change		2.4%	-2.4%	-9.2%	-5.2%	-30.6%
Passengers/VSM	0.71	0.72	0.71	0.65	0.63	0.44
Annual Change		1.3%	-2.1%	-7.4%	-3.8%	-30.7%
Farebox Recovery	15.7%	15.5%	16.3%	12.0%	9.5%	6.5%
Annual Change		-1.0%	5.3%	-26.7%	-20.3%	-32.3%
Hours/Employee	1,001.1	1,032.4	1,030.4	873.8	886.4	886.0
Annual Change		3.1%	-0.2%	-15.2%	1.4%	0.0%
TDA Non-Required Indicators						
Operating Cost/VSM	\$5.31	\$5.50	\$5.76	\$6.02	\$6.77	\$7.55
Annual Change		3.6%	4.7%	4.5%	12.5%	11.5%
VSM/VSH	16.92	17.10	17.04	16.73	16.48	16.49
Annual Change		1.1%	-0.3%	-1.9%	-1.5%	0.1%
Fare/Passenger	\$1.17	\$1.18	\$1.33	\$1.10	\$1.03	\$1.12
Annual Change		1.3%	12.6%	-17.2%	-6.8%	8.9%

Sources: FY 2015/16 – FY 2017/18 data from prior Triennial Performance Audit.

FY 2018/19 - FY 2020/21 financial data from CAFRs.

FY 2018/19 – FY 2020/21 performance data from monthly performance reports.

FTE data provided by RABA.



Exhibit 6.2 System Ridership

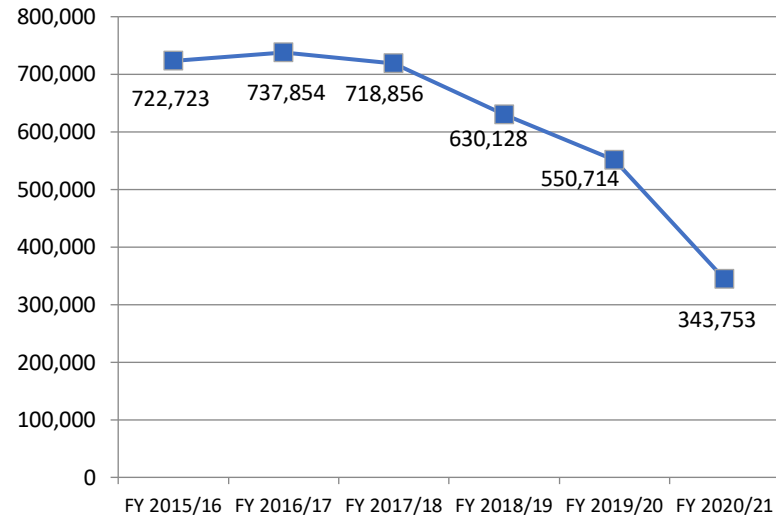


Exhibit 6.3 System Operating Cost/VSH

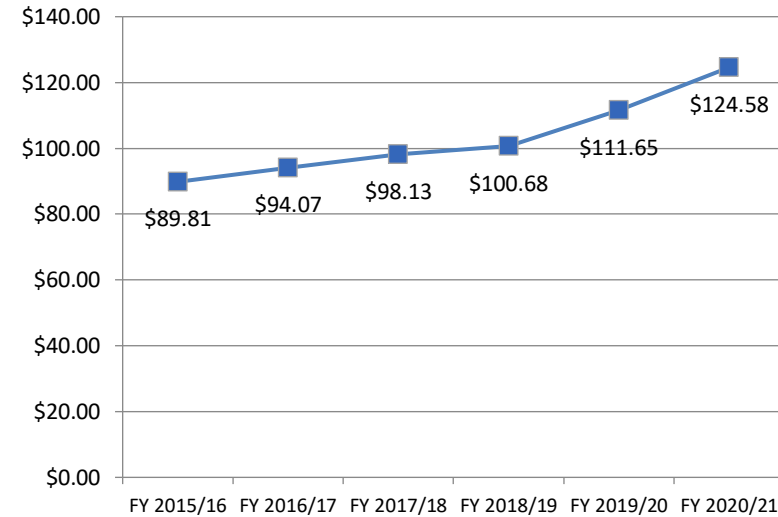


Exhibit 6.4 System Operating Cost/VSM

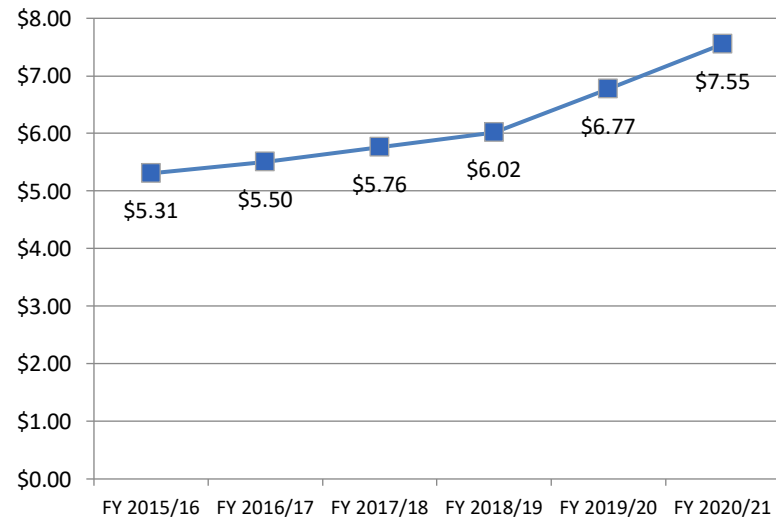


Exhibit 6.5 System VSM/VSH

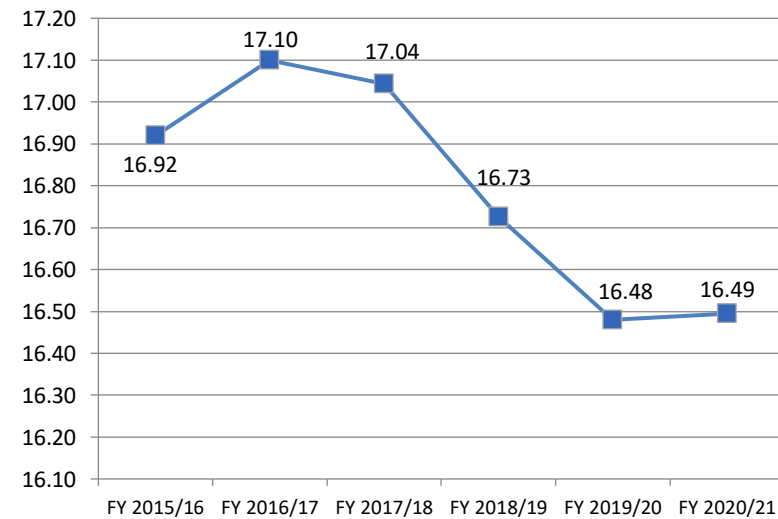




Exhibit 6.6 System Operating Cost/Passenger

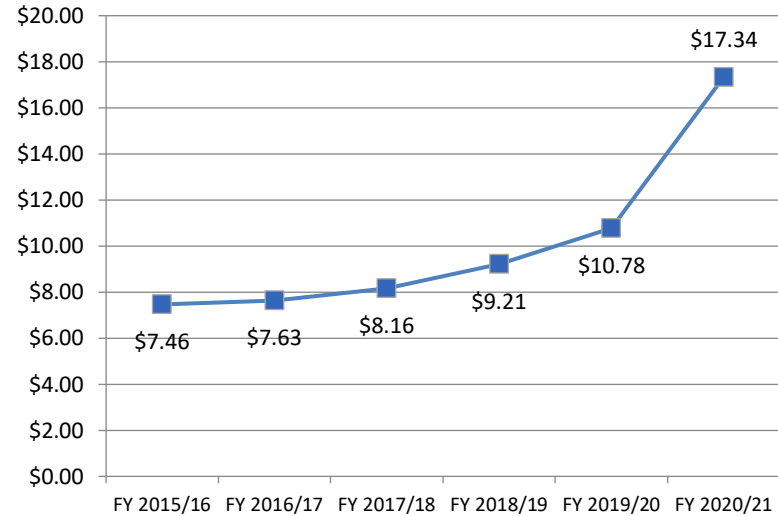


Exhibit 6.7 System Passengers/VSH

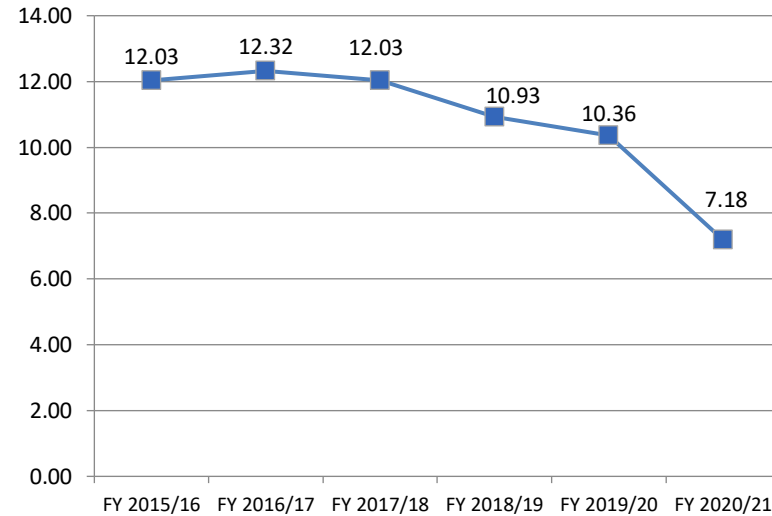


Exhibit 6.8 System Passengers/VSM

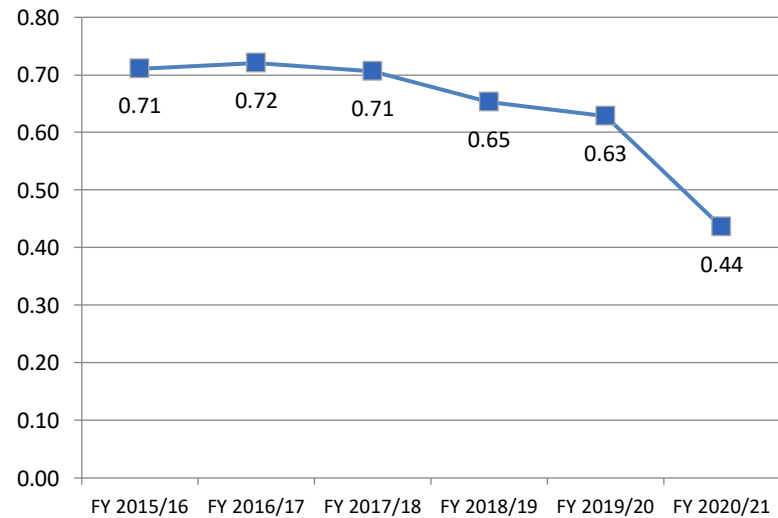


Exhibit 6.9 System VSH/FTE

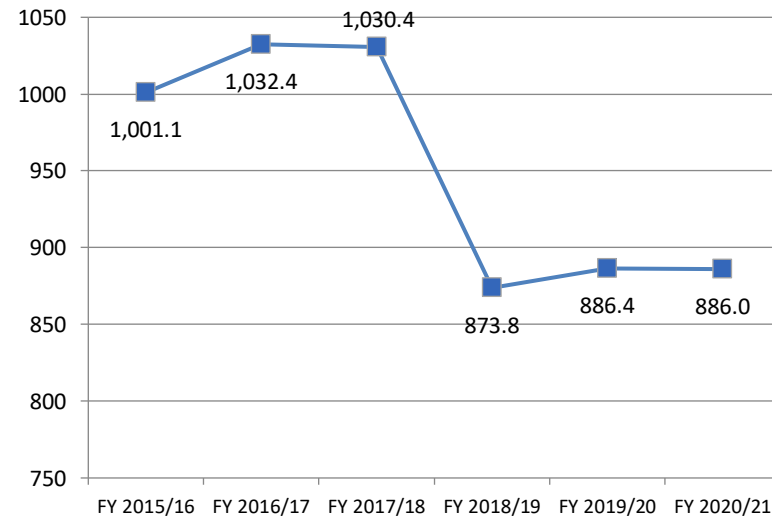




Exhibit 6.10 System Farebox Recovery

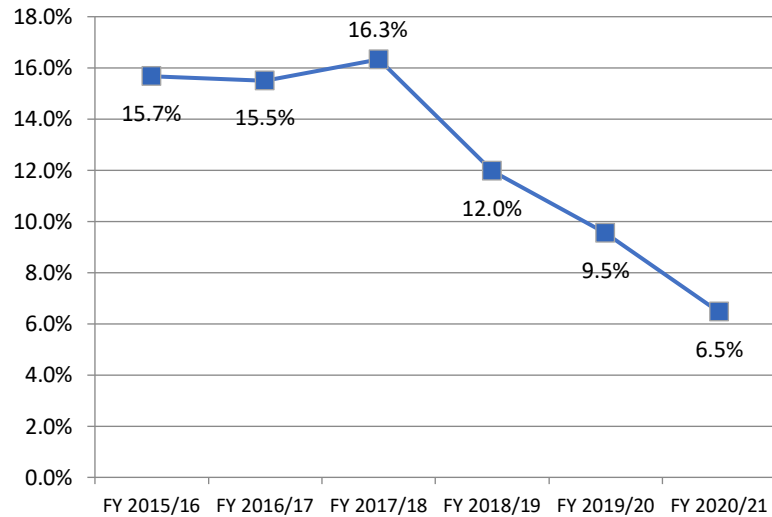
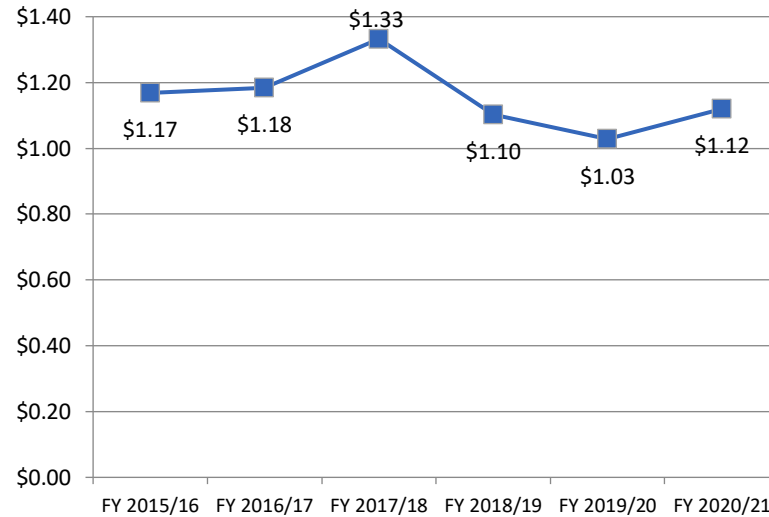


Exhibit 6.11 System Fare/Passenger





Fixed-Route Performance Trends

Fixed-route operating cost fluctuated more than the system as a whole, with annual increases between 3.8 percent and 8.0 percent. A decrease of 0.8 percent in FY 2018/19 can be attributed to the elimination of Airport Express route in March 2019. Fare revenue, which had experienced increases during the prior audit period, began a significant decline in FY 2018/19, due at first to the withdrawal of funding from IASCO and later due to the COVID-19 pandemic. Between FY 2015/16 and FY 2020/21, there was a net decrease of 53.6 percent with respect to fare revenue.

Vehicle service hours and vehicle service miles saw little change, with the greatest decrease occurring in FY 2018/19 with the elimination of the Airport Express route. Continuing to operate regular service throughout the COVID-19 pandemic resulted in little change to each of these metrics. Ridership, however, experienced double-digit decreases each year during the audit period. In FY 2018/19, that decrease was due to the termination of the IASCO Flight School contract. Decreases in FY 2019/20 and FY 2020/21 were due to COVID-19.

A review of performance indicators calculated using operating cost help to assess the overall efficiency of the fixed-route service. Operating cost per passenger, operating cost per vehicle service hour, and operating cost per vehicle service mile all increased during the audit period, indicating a decline in efficiency. Passengers per vehicle service hour and passengers per vehicle service mile both declined, indicating a decline in productivity. This is not surprising, as RABA continued to operate its full service with significantly fewer riders. This affected both efficiency and productivity as vehicle service hours/miles as well as ridership declined.



Exhibit 6.12 Fixed-Route Performance Indicators

Performance Measure	Fixed-Route					
	FY 2015/16	FY 2016/17	FY 2017/18	FY 2018/19	FY 2019/20	FY 2020/21
Operating Cost (Actual \$)	\$3,626,750	\$3,858,305	\$4,006,604	\$3,976,024	\$4,295,528	\$4,670,777
<i>Annual Change</i>		6.4%	3.8%	-0.8%	8.0%	8.7%
Fare Revenue (Actual \$)	\$639,281	\$670,176	\$770,812	\$523,203	\$459,394	\$316,000
<i>Annual Change</i>		4.8%	15.0%	-32.1%	-12.2%	-31.2%
Vehicle Service Hours (VSH)	40,683	41,163	41,257	39,664	38,912	38,824
<i>Annual Change</i>		1.2%	0.2%	-3.9%	-1.9%	-0.2%
Vehicle Service Miles (VSM)	629,859	635,957	637,806	609,569	589,000	584,084
<i>Annual Change</i>		1.0%	0.3%	-4.4%	-3.4%	-0.8%
Passengers	664,010	677,193	659,997	575,978	513,051	325,680
<i>Annual Change</i>		2.0%	-2.5%	-12.7%	-10.9%	-36.5%
Performance Indicators						
Operating Cost/VSH (Actual \$)	\$89.15	\$93.73	\$97.11	\$100.24	\$110.39	\$120.31
<i>Annual Change</i>		0.051440951	3.6%	3.2%	10.1%	9.0%
Operating Cost/Passenger (Actual \$)	\$5.46	\$5.70	\$6.07	\$6.90	\$8.37	\$14.34
<i>Annual Change</i>		4.3%	6.5%	13.7%	21.3%	71.3%
Passengers/VSH	16.32	16.45	16.00	14.52	13.18	8.39
<i>Annual Change</i>		0.8%	-2.8%	-9.2%	-9.2%	-36.4%
Passengers/VSM	1.05	1.06	1.03	0.94	0.87	0.56
<i>Annual Change</i>		1.0%	-2.8%	-8.7%	-7.8%	-36.0%
Farebox Recovery	17.6%	17.4%	19.2%	13.2%	10.7%	6.8%
<i>Annual Change</i>		-1.5%	10.8%	-31.6%	-18.7%	-36.7%
TDA Non-Required Indicators						
Operating Cost/VSM	\$5.76	\$6.07	\$6.28	\$6.52	\$7.29	\$8.00
<i>Annual Change</i>		5.4%	3.5%	3.8%	11.8%	9.7%
VSM/VSH	15.48	15.45	15.46	15.37	15.14	15.04
<i>Annual Change</i>		-0.2%	0.1%	-0.6%	-1.5%	-0.6%
Fare/Passenger	\$0.96	\$0.99	\$1.17	\$0.91	\$0.90	\$0.97
<i>Annual Change</i>		2.8%	18.0%	-22.2%	-1.4%	8.4%

Sources: FY 2015/16 – FY 2017/18 data from prior Triennial Performance Audit.

FY 2018/19 – FY 2020/21 financial data from CAFRs.

FY 2018/19 – FY 2020/21 performance data from monthly performance reports.



Exhibit 6.13 Fixed-Route Ridership

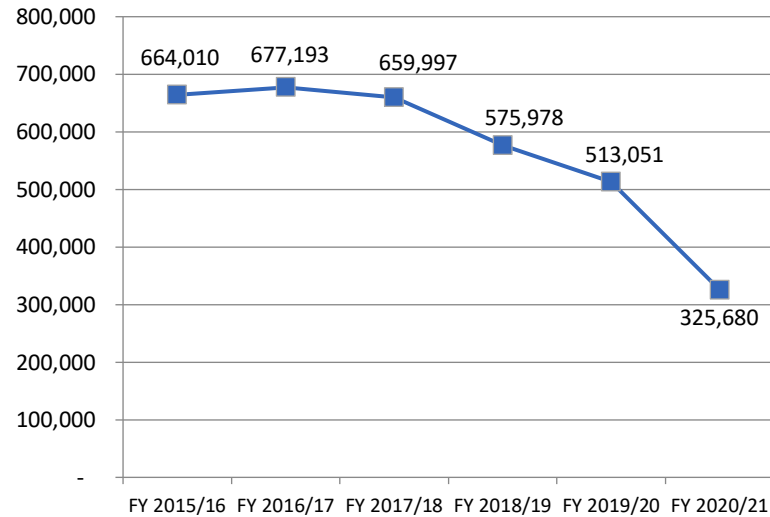


Exhibit 6.14 Fixed-Route Operating Cost/VSH

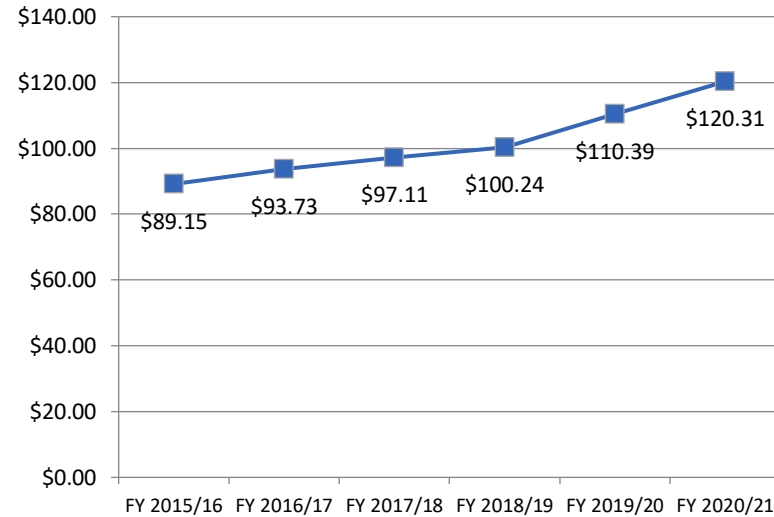


Exhibit 6.15 Fixed-Route Operating Cost/VSM

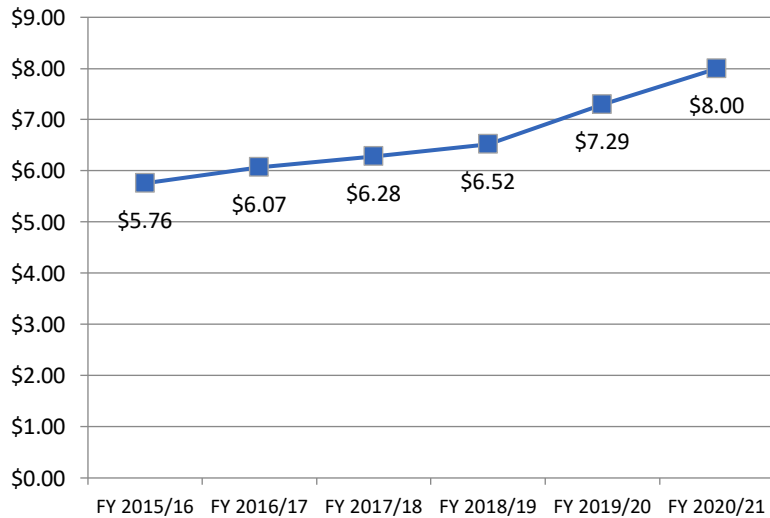


Exhibit 6.16 Fixed-Route VSM/VSH

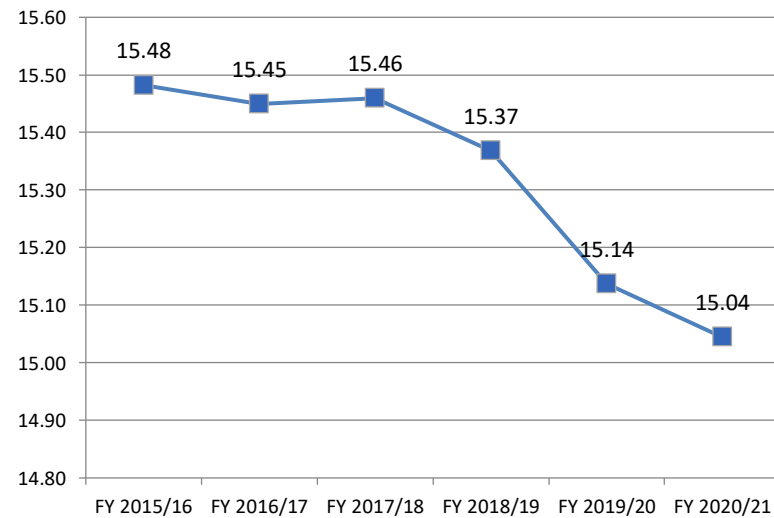




Exhibit 6.17 Fixed-Route Operating Cost/Passenger

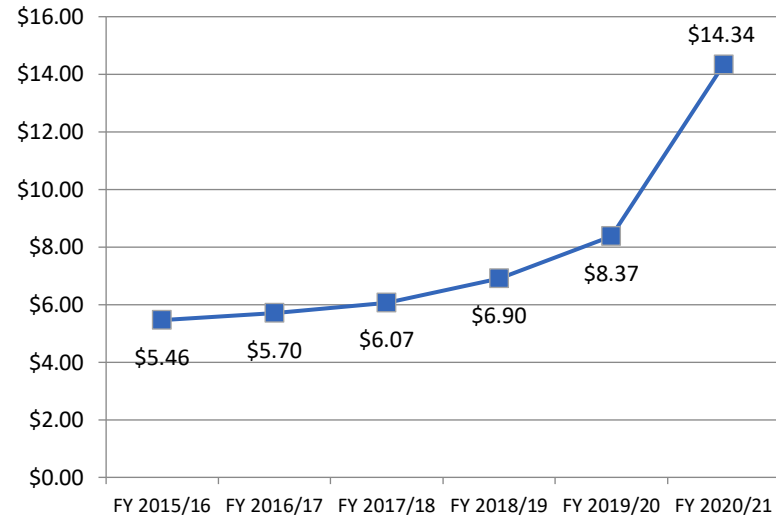


Exhibit 6.18 Fixed-Route Passengers/VSH

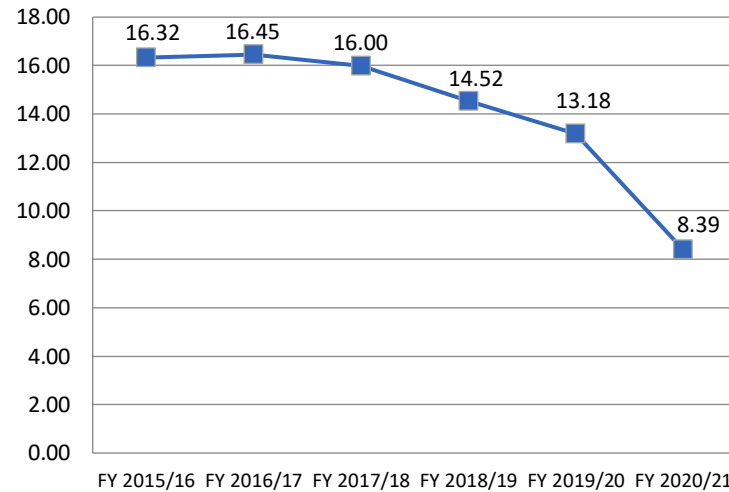


Exhibit 6.19 Fixed-Route Passengers/VSM

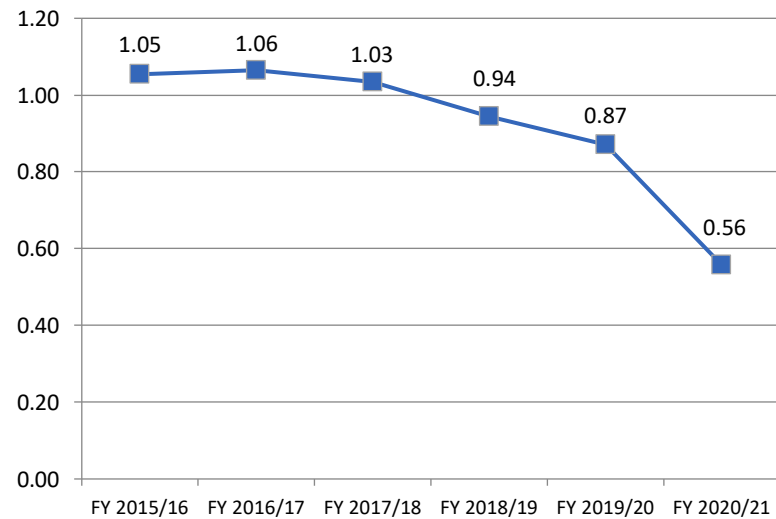


Exhibit 6.20 Fixed-Route Farebox Recovery

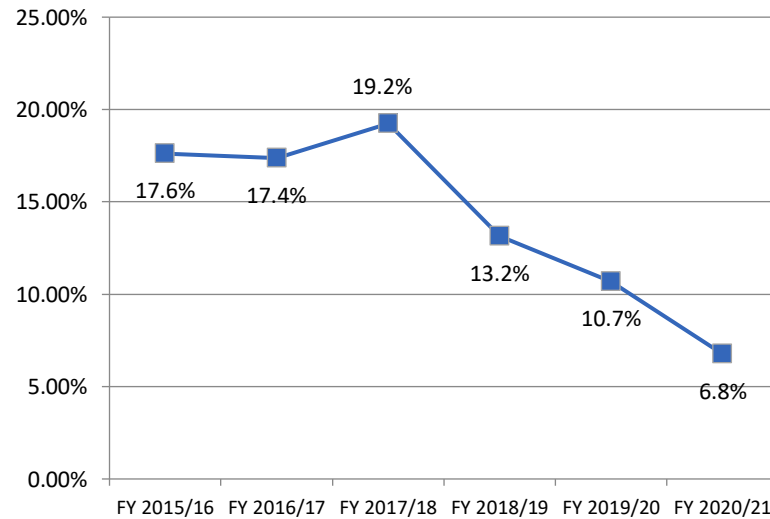
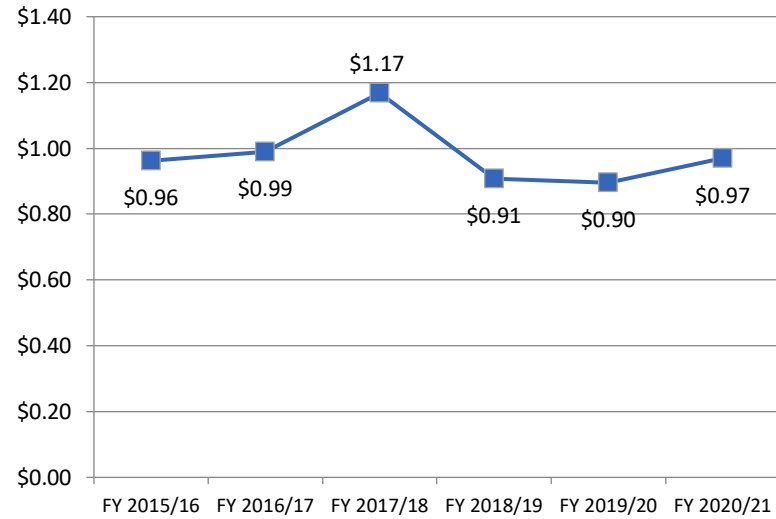




Exhibit 6.21 Fixed-Route Fare/Passenger





Demand-Response Performance Trends

Demand-response operating cost was the most impacted by COVID-19 in FY 2019/20 and FY 2020/21. As a demand-response service, operating cost was directly driven by demand, so when ridership declined, so did operations. Fare revenue, which had experienced a gradual decline during the prior audit period, dropped significantly in FY 2019/20 and FY 2020/21 due to the COVID-19 pandemic. Between FY 2015/16 and FY 2020/21, there was a net decrease of 73.9 percent with respect to fare revenue.

Vehicle service hours and vehicle service miles saw relatively modest changes between FY 2015/16 and FY 2018/19. However, vehicle service hours decreased 24.1 percent in FY 2019/20 and 43.8 percent in FY 2020/21 due to the COVID-19 pandemic, with vehicle service miles decreasing at a similar rate. Ridership, which saw modest decreases in FY 2017/18 and FY 2018/19, experienced a 34 percent decrease in FY 2019/20 and a 52.8 percent decrease in FY 2020/21 due to COVID-19. Overall, demand-response ridership decreased 71 percent between FY 2015/16 and FY 2020/21.

A review of performance indicators calculated using operating cost help to assess the overall efficiency of the demand-response service. Operating cost per passenger, operating cost per vehicle service hour, and operating cost per vehicle service mile all increased during the audit period, indicating a decline in efficiency. Passengers per vehicle service hour and passengers per vehicle service mile both declined, indicating a decline in productivity.



Exhibit 6.22 Demand-Response Performance Indicators

Performance Measure	Demand-Response					
	FY 2015/16	FY 2016/17	FY 2017/18	FY 2018/19	FY 2019/20	FY 2020/21
Operating Cost (Actual \$)	\$1,556,079	\$1,537,815	\$1,611,600	\$1,584,926	\$1,367,252	\$972,953
Annual Change		-1.2%	4.8%	-1.7%	-13.7%	-28.8%
Fare Revenue (Actual \$)	\$178,959	\$177,245	\$161,296	\$150,225	\$90,265	\$54,050
Annual Change		-1.0%	-9.0%	-6.9%	-39.9%	-40.1%
Vehicle Service Hours (VSH)	17,169	16,405	16,232	15,739	11,950	6,717
Annual Change		-4.4%	-1.1%	-3.0%	-24.1%	-43.8%
Vehicle Service Miles (VSM)	302,227	300,213	294,282	268,782	199,892	117,559
Annual Change		-0.7%	-2.0%	-8.7%	-25.6%	-41.2%
Passengers	52,744	54,395	52,821	49,169	32,439	15,314
Annual Change		3.1%	-2.9%	-6.9%	-34.0%	-52.8%
Performance Indicators						
Operating Cost/VSH (Actual \$)	\$90.63	\$93.74	\$99.29	\$100.70	\$114.41	\$144.85
Annual Change		3.4%	5.9%	1.4%	13.6%	26.6%
Operating Cost/Passenger (Actual \$)	\$29.50	\$28.27	\$30.51	\$32.23	\$42.15	\$63.53
Annual Change		-4.2%	7.9%	5.6%	30.8%	50.7%
Passengers/VSH	3.07	3.32	3.25	3.12	2.71	2.28
Annual Change		7.9%	-1.9%	-4.0%	-13.1%	-16.0%
Passengers/VSM	0.17	0.18	0.18	0.18	0.16	0.13
Annual Change		3.8%	-0.9%	1.9%	-11.3%	-19.7%
Farebox Recovery	11.5%	11.5%	10.0%	9.5%	6.6%	5.6%
Annual Change		0.2%	-13.2%	-5.3%	-30.3%	-15.9%
TDA Non-Required Indicators						
Operating Cost/VSM	\$5.15	\$5.12	\$5.48	\$5.90	\$6.84	\$8.28
Annual Change		-0.5%	6.9%	7.7%	16.0%	21.0%
VSM/VSH	17.60	18.30	18.13	17.08	16.73	17.50
Annual Change		4.0%	-0.9%	-5.8%	-2.0%	4.6%
Fare/Passenger	\$3.39	\$3.26	\$3.05	\$3.06	\$2.78	\$3.53
Annual Change		-4.0%	-6.3%	0.1%	-8.9%	26.8%

Sources: FY 2015/16 – FY 2017/18 data from prior Triennial Performance Audit.

FY 2018/19 – FY 2020/21 financial data from CAFRs.

FY 2018/19 – FY 2020/21 performance data from monthly performance reports.



Exhibit 6.23 Demand-Response Ridership

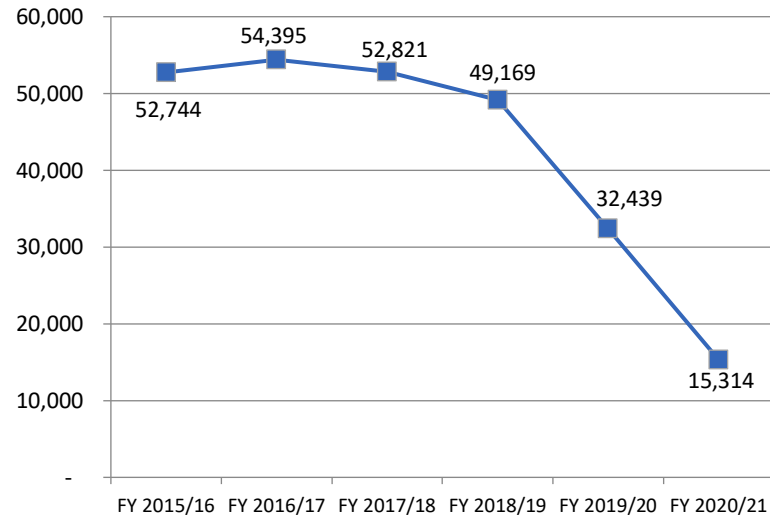


Exhibit 6.24 Demand-Response Operating Cost/VSH

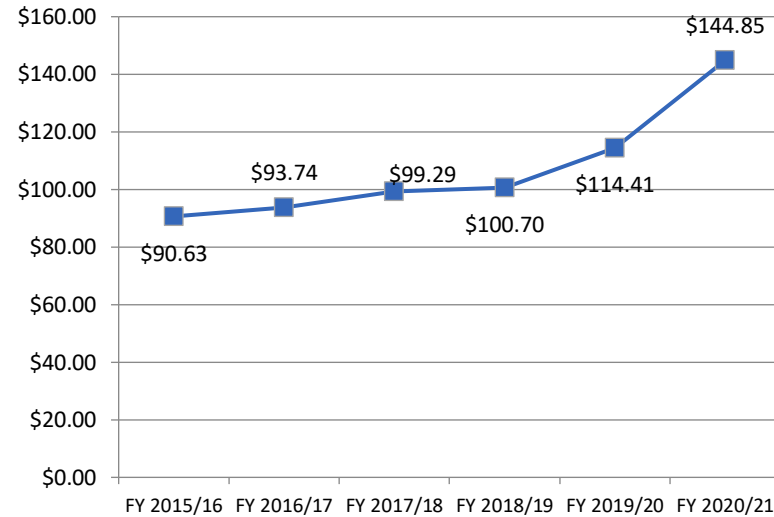


Exhibit 6.25 Demand-Response Operating Cost/VSM

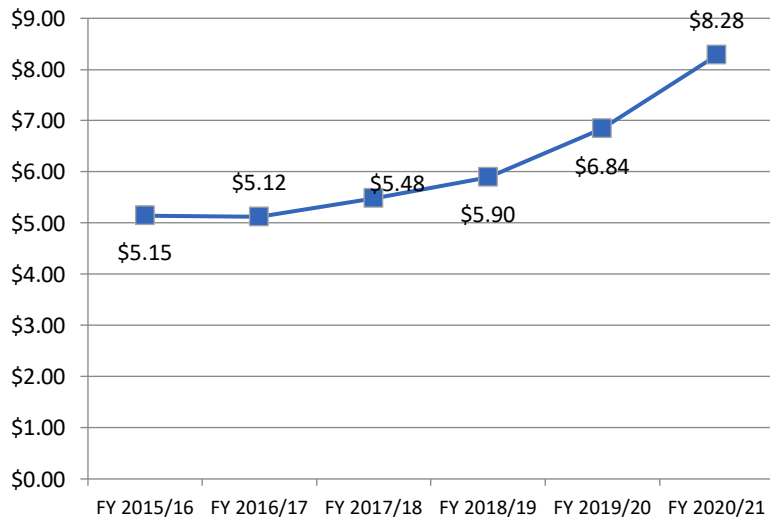


Exhibit 6.26 Demand-Response VSM/VSH

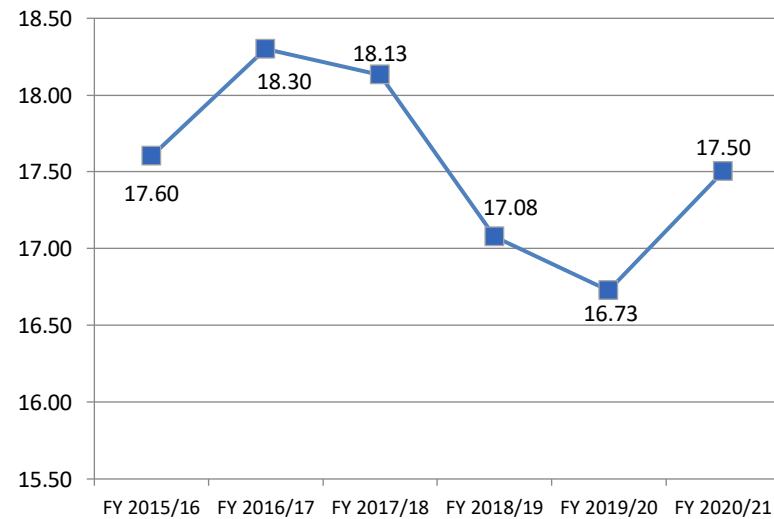




Exhibit 6.27 Demand-Response Operating Cost/Passenger

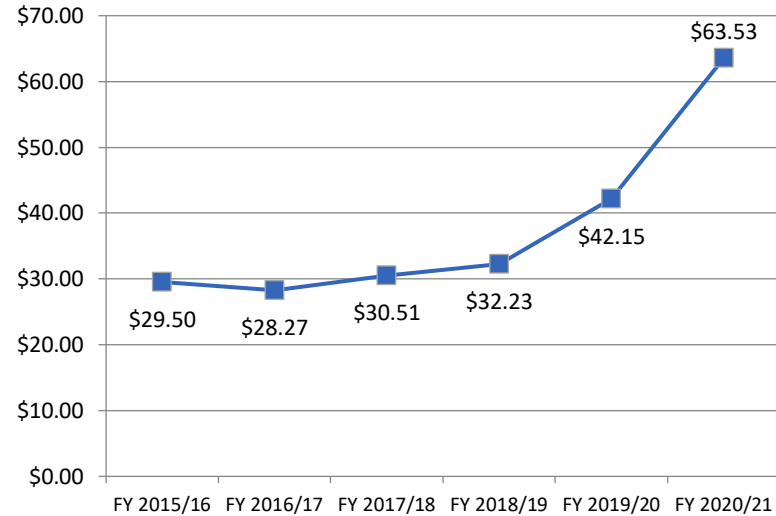


Exhibit 6.28 Demand-Response Passengers/VSH

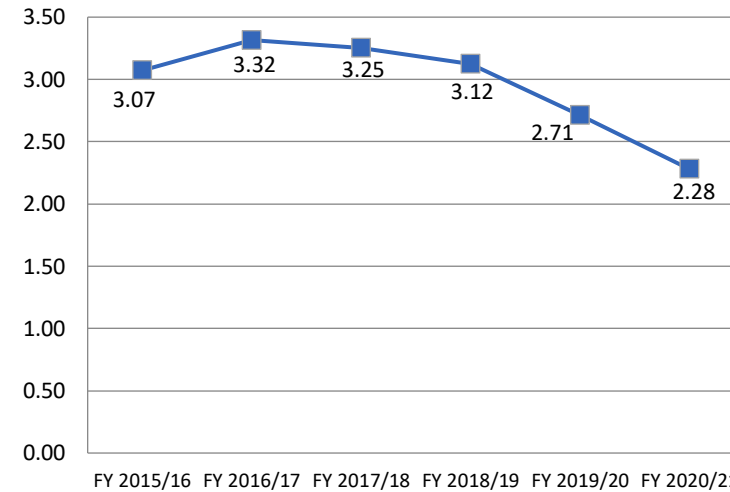


Exhibit 6.29 Demand-Response Passengers/VSM

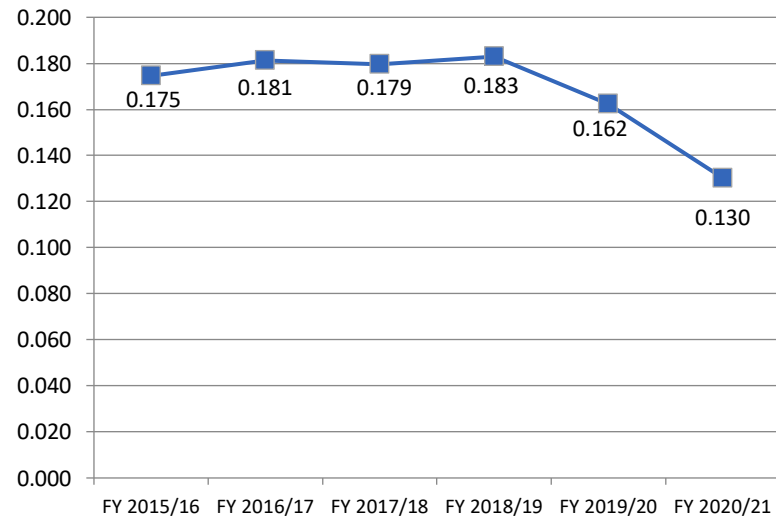


Exhibit 6.30 Demand-Response Farebox Recovery

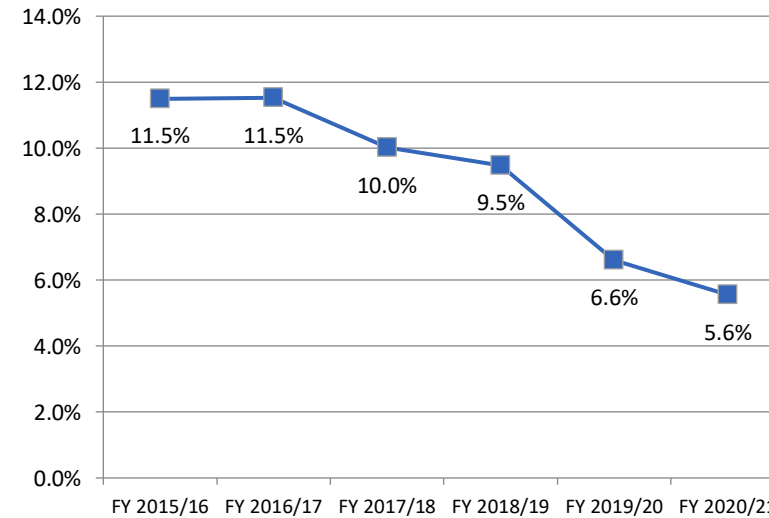
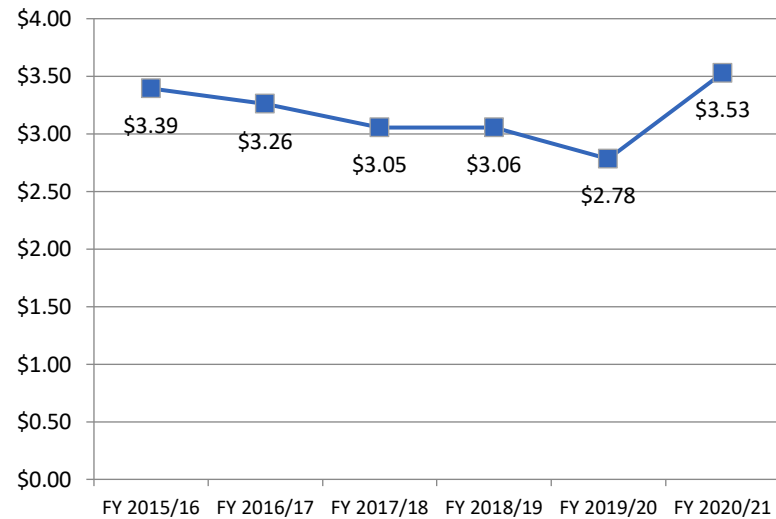




Exhibit 6.31 Demand-Response Fare/Passenger





Burney Express Performance Trends

The Burney Express operating cost saw its most significant increases (11.9 percent) in FY 2016/17 and FY 2019/20. Fare revenue, which had experienced a gradual decline during the prior audit period, dropped significantly in FY 2019/20 and FY 2020/21 due to the COVID-19 pandemic. Between FY 2015/16 and FY 2020/21, there was a net decrease of 52 percent with respect to fare revenue.

Vehicle service hours and vehicle service miles saw relatively modest changes each year. Ridership experienced a 17.5 percent decrease in FY 2018/19, rebounded slightly in FY 2019/20, and then decreased 47.2 percent in FY 2020/21 due to COVID-19. Overall, Burney Express ridership decreased 53.8 percent between FY 2015/16 and FY 2020/21.

A review of performance indicators calculated using operating cost help to assess the overall efficiency of the demand-response service. Operating cost per passenger, operating cost per vehicle service hour, and operating cost per vehicle service mile all increased during the audit period, indicating a decline in efficiency. Passengers per vehicle service hour increased in FY 2019/20 and passengers per vehicle service mile remained stable that year, indicating a slight improvement in productivity. However, both indicators subsequently decreased in FY 2020/21, declining to a six-year low.



Exhibit 6.32 Burney Express Performance Indicators

Performance Measure	Burney Express					
	FY 2015/16	FY 2016/17	FY 2017/18	FY 2018/19	FY 2019/20	FY 2020/21
Operating Cost (Actual \$)	\$211,824	\$237,118	\$246,775	\$245,469	\$274,790	\$316,784
Annual Change		11.9%	4.1%	-0.5%	11.9%	15.3%
Fare Revenue (Actual \$)	\$26,560	\$26,021	\$25,722	\$21,425	\$16,540	\$14,887
Annual Change		-2.0%	-1.1%	-16.7%	-22.8%	-10.0%
Vehicle Service Hours (VSH)	2,214	2,313	2,277	2,270	2,320	2,304
Annual Change		4.5%	-1.6%	-0.3%	2.2%	-0.7%
Vehicle Service Miles (VSM)	84,249	87,780	86,526	86,246	87,552	87,552
Annual Change		4.2%	-1.4%	-0.3%	1.5%	0.0%
Passengers	5,969	6,266	6,038	4,981	5,224	2,759
Annual Change		5.0%	-3.6%	-17.5%	4.9%	-47.2%
Performance Indicators						
Operating Cost/VSH (Actual \$)	\$95.67	\$102.52	\$108.38	\$108.14	\$118.44	\$137.49
Annual Change		7.1%	5.7%	-0.2%	9.5%	16.1%
Operating Cost/Passenger (Actual \$)	\$35.49	\$37.84	\$40.87	\$49.28	\$52.60	\$114.82
Annual Change		6.6%	8.0%	20.6%	6.7%	118.3%
Passengers/VSH	2.70	2.71	2.65	2.19	2.25	1.20
Annual Change		0.5%	-2.1%	-17.3%	2.6%	-46.8%
Passengers/VSM	0.07	0.07	0.07	0.06	0.06	0.03
Annual Change		0.8%	-2.2%	-17.2%	3.3%	-47.2%
Farebox Recovery	12.5%	11.0%	10.4%	8.7%	6.0%	4.7%
Annual Change		-12.5%	-5.0%	-16.3%	-31.0%	-21.9%
TDA Non-Required Indicators						
Operating Cost/VSM	\$2.51	\$2.70	\$2.85	\$2.85	\$3.14	\$3.62
Annual Change		7.4%	5.6%	-0.2%	10.3%	15.3%
VSM/VSH	38.05	37.95	38.00	37.99	37.74	38.00
Annual Change		-0.3%	0.1%	0.0%	-0.7%	0.7%
Fare/Passenger	\$4.45	\$4.15	\$4.26	\$4.30	\$3.17	\$5.40
Annual Change		-6.7%	2.6%	1.0%	-26.4%	70.4%

Sources: FY 2015/16 – FY 2017/18 data from prior Triennial Performance Audit.

FY 2018/19 – FY 2020/21 financial data from CAFRs.

FY 2018/19 – FY 2020/21 performance data from monthly performance reports.



Exhibit 6.33 Burney Express Ridership

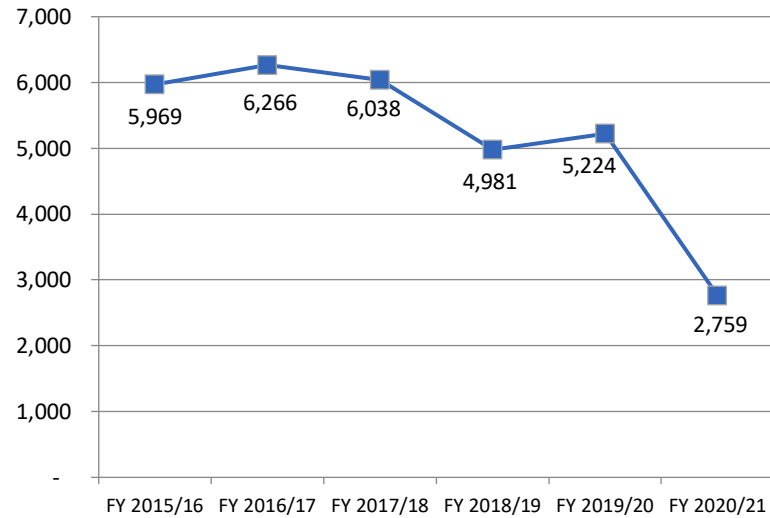


Exhibit 6.34 Burney Express Operating Cost/VSH

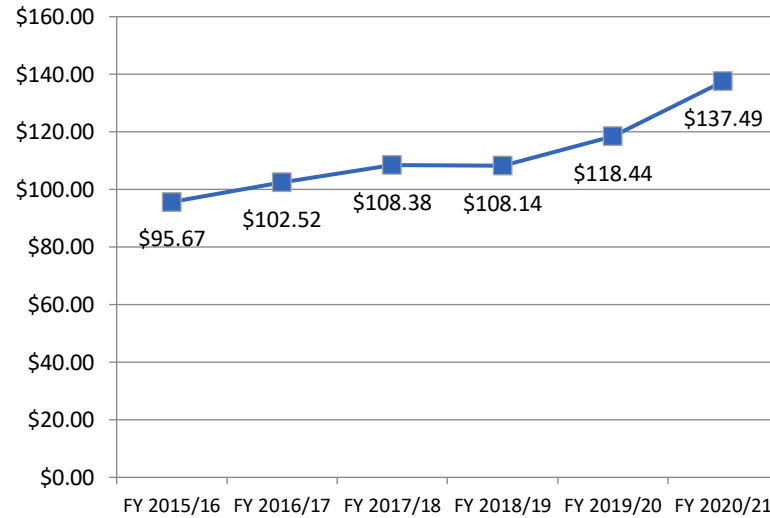


Exhibit 6.35 Burney Express Operating Cost/VSM

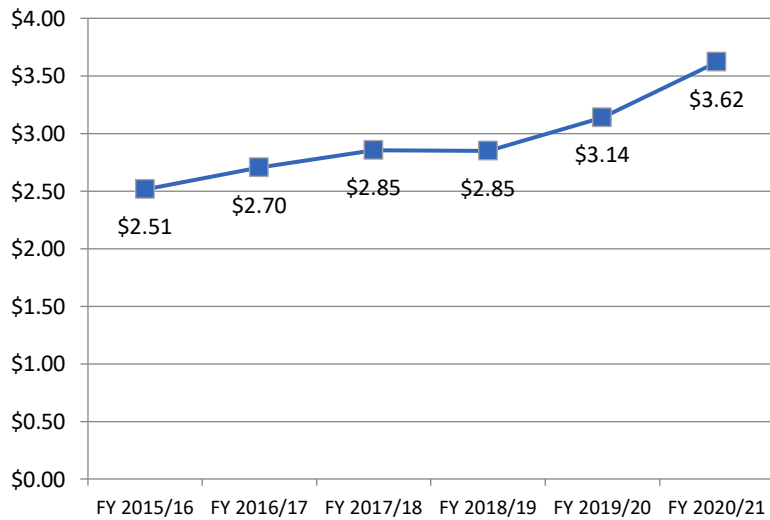


Exhibit 6.36 Burney Express VSM/VSH

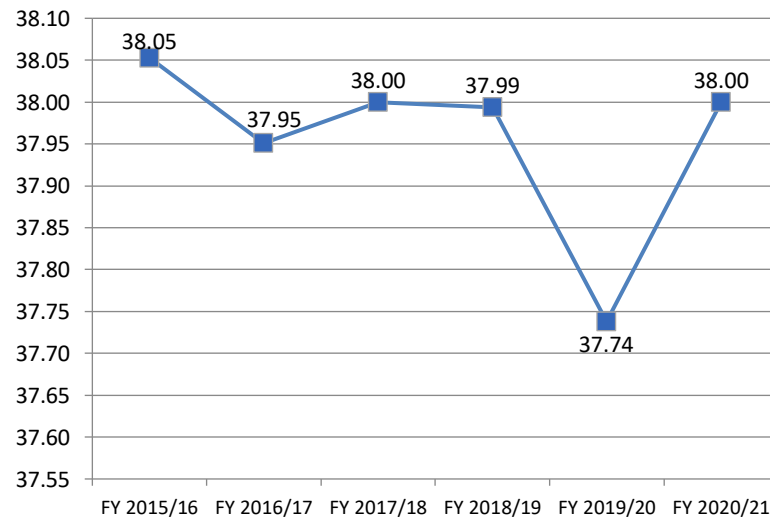




Exhibit 6.37 Burney Express Operating Cost/Passenger

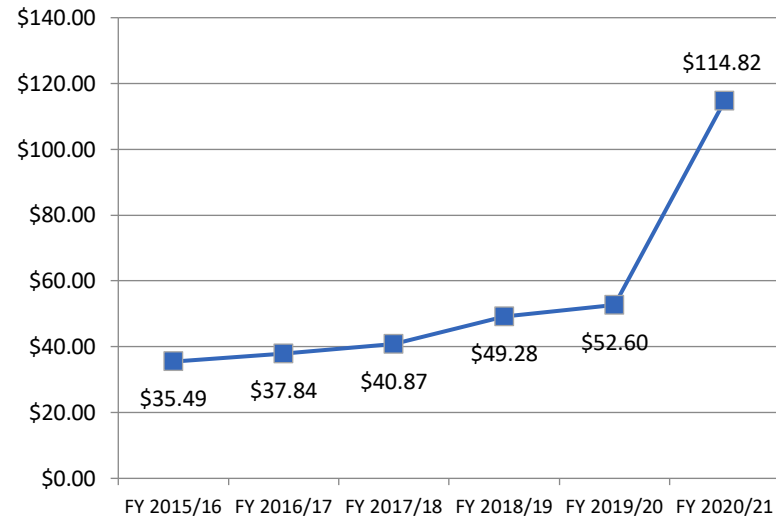


Exhibit 6.38 Burney Express Passengers/VSH

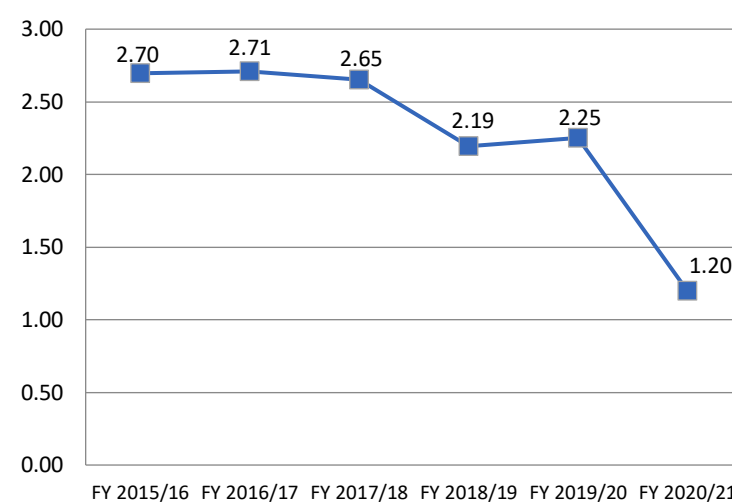


Exhibit 6.39 Burney Express Passengers/VSM

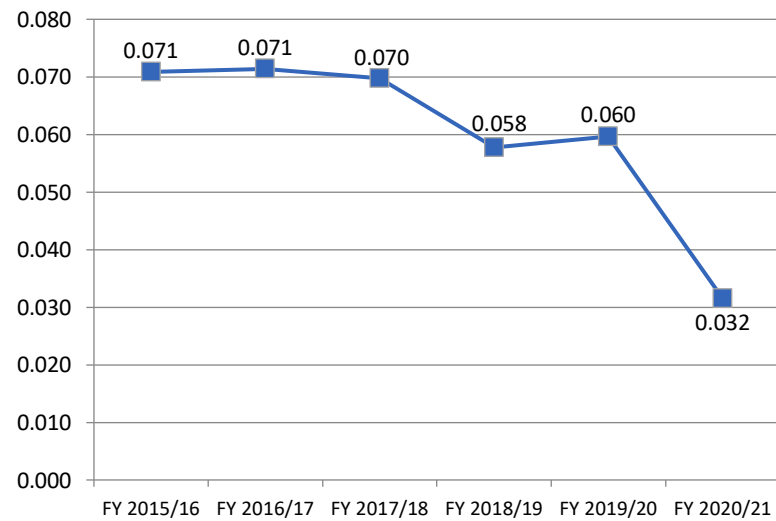


Exhibit 6.40 Burney Express Farebox Recovery

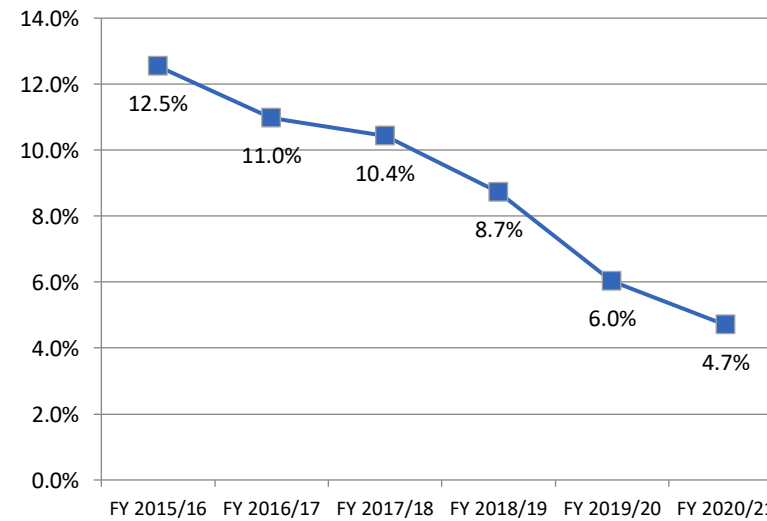
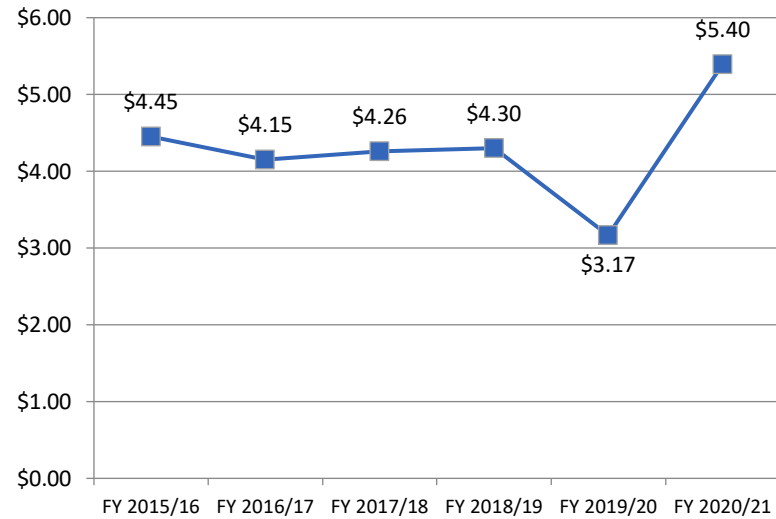




Exhibit 6.41 Burney Express Fare/Passenger





Chapter 7 | Functional Review

A functional review of the Redding Area Bus Authority's public transit program is intended to assess the effectiveness and efficiency of its operations. Following a general summary of the RABA'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 services provided by RABA 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

The Redding Area Bus Authority (RABA) provides bus and paratransit services in the cities of Anderson, Redding, and Shasta Lake, as well as unincorporated portions of Shasta County. RABA operates 10 fixed routes from approximately 6:20 a.m. to 7:30 p.m. weekdays and 9:20 a.m. to 7:30 p.m. Saturday. Three commuter routes operate Monday through Friday with varying schedules. RABA also operates the Burney Express on behalf of Shasta County, offering three trips in each direction, Monday through Friday.

RABA's paratransit service is known as Demand-Response Service, a shared-ride origin-to-destination public transit for persons with disabilities. Demand-Response Service provides transportation during the same days and hours as fixed-route service, and across the same service area. On Saturdays, there is no service if the fixed route closest to the rider has no service.

RABA observes the following holidays: New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, and Christmas Day. There is no Sunday service.

Exhibit 7.1 Fixed-Route Fare Structure

Fare Category	Fare
One Zone - Adults and youth	\$1.50
One Zone - Seniors (age 62+), persons with disability, veterans (with proof of age or RABA Disabled ID)	\$0.75
Each Additional Zone - Adults and youth	\$0.75
Each Additional Zone - Seniors (age 62+), persons with disability, veterans (with proof of age or RABA Disabled ID)	\$0.35
Children under 6 when accompanied by fare-paying adult	Free



Exhibit 7.2 Fixed-Route Passes

Type of Pass	Fare
Youth (6-17) Monthly pass - Redding	\$29.00
Youth (6-17) Monthly pass - Redding-Shasta	\$29.00
Youth (6-17) Monthly pass - Redding-Anderson	\$29.00
Adult (18-61) Monthly pass - Redding	\$48.25
Adult (18-61) Monthly pass - Redding-Shasta	\$82.00
Adult (18-61) Monthly pass - Redding-Anderson	\$82.00
Seniors (age 62+), persons with disability, veterans (with proof of age or RABA Disabled ID) Monthly pass - Redding	\$24.00
Seniors (age 62+), persons with disability, veterans (with proof of age or RABA Disabled ID) Monthly pass - Redding-Shasta	\$41.00
Seniors (age 62+), persons with disability, veterans (with proof of age or RABA Disabled ID) Monthly pass - Redding-Anderson	\$41.00

Exhibit 7.3 Demand-Response Fare Structure

Fare Category	Fare
One Zone - All passengers	\$3.00
Each Additional Zone - All passengers	\$1.50

Exhibit 7.4 Burney Express Fare Structure

From	To			
	Shasta College/ Bella Vista	Round Mtn/ Montgomery Ck	Burney	Redding
Redding	\$2.00	\$3.50	\$5.00	---
Burney	\$3.50	\$2.00	---	\$5.00

Response to COVID-19 pandemic

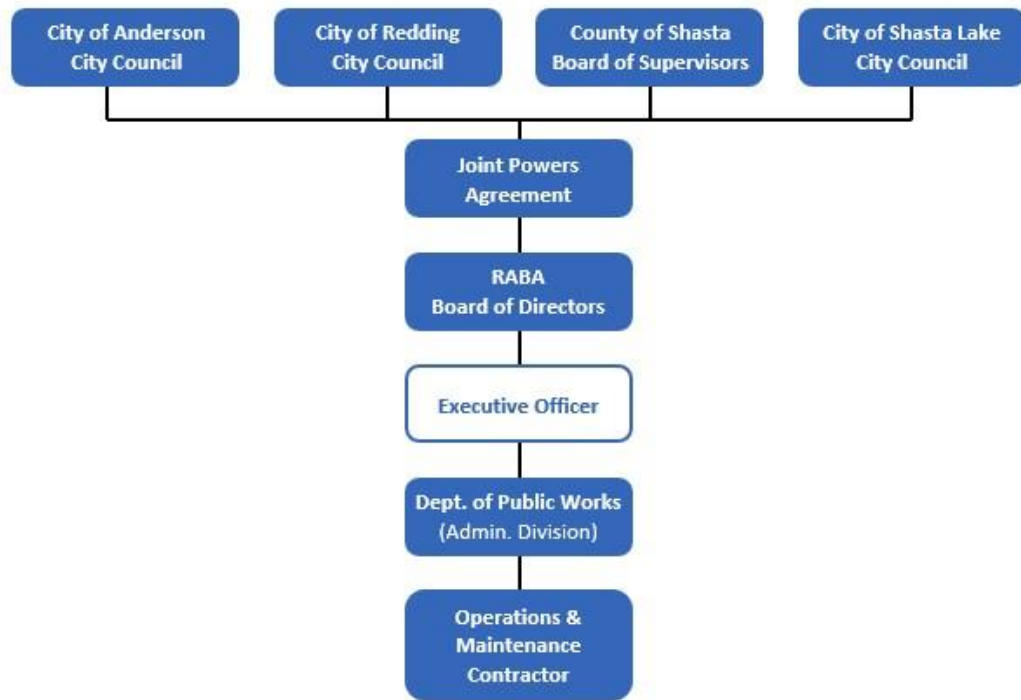
RABA immediately expanded paratransit service availability through the acceptance of same-day reservations, which lasted for approximately one year. This was possible due to the excess capacity caused by the significant decline in ridership due to the stay-at-home orders. In May and June 2020, RABA transitioned to fare-free for all services (using LCTOP funding). This reduced person-to-person contact by eliminating fare transactions and allowed riders to board the bus through the rear door to promote social distancing.

General Management and Organization

RABA is administered through a joint powers agreement, of which the signatories to are the cities of Anderson, Redding, and Shasta Lake, and the County of Shasta. The City of Redding serves as the managing entity, providing administrative management of the program. RABA itself has no employees; administrative and management staff are employees of the City of Redding, while operational staff are employees of an operations contractor, Transdev. Lines of reporting and managerial authority are effective and clearly defined.



Exhibit 7.5 Organizational Chart



Direction for RABA is provided by an eight-member Board of Directors. The Board includes five members from the City of Redding and one member each from Shasta County, the City of Anderson, and the City of Shasta Lake. Board meetings are held on the third Monday of each month at 5:15 p.m. at the City of Redding's Council Chambers (777 Cypress Ave.) and are open to the public.

Management monitors program performance at the bi-weekly RABA Contractor Coordination Meeting. Management also reviews monthly data. Clear direction is provided to subordinates daily.

During the audit period RABA's ridership/funding agreement with IASCO Flight Training, Inc. (IFT) was terminated with little notice after the start of the fiscal year. This resulted in a reduced system-wide farebox recovery ratio and the eventual elimination of the Airport Express (AE) route. Prior to termination, RABA offered free rides to IFT students on the Airport Express route. Airport Express ridership significantly decreased between October 2018 and February 2019, to an approximate three percent farebox recovery ratio. In November 2018, RABA received board approval to conduct a public hearing to eliminate the route. The public hearing was held on January 28, 2019 and the Airport Express route was eliminated on March 1, 2019. The impact of the service change was measured using existing goals and objectives.

In FY 2019/20 the Real-Time Passenger Information System (RTPIS) was implemented, allowing riders to see real-time bus arrivals via desktop, app, and text/SMS services.

RABA service is provided through an operations and maintenance contract with Transdev. Transdev (and its predecessor companies) have held this contract for many years. Transdev completed a seven-year contract in 2018 and was selected again through a competitive procurement for a new seven-year



contract (five-year base period plus two one-year options). This will potentially leave Transdev in place as the operations contractor through 2025.

The roles of the Shasta Regional Transportation Agency (RTPA and MPO), RABA, and Shasta County are clear. However, there has been some confusion as to roles and responsibilities of Shasta Connect, managed by the RTPA and operated by Dignity Health Connected Living (the CTSA). This led to the development of an MOU to ensure the CTSA does not operate within the RABA service area. The MOU clearly defined the boundaries of service so each of the operators does not compete for riders. There is also the perception that the Shasta Connect Sunday Service competes with RABA for funding, yet is not held accountable through clear performance goals or a performance review. However, the auditors conclude the performance goals for Sunday service are clearly defined within SRTA's contract with its operations contractor. SRTA tracks performance on a regular basis.

SRTA staff expressed a concern that some decision-making appeared to occur at the RABA staff level rather than at the Board level. RABA staff do not share these concerns. Further, the auditor's review of RABA Board agendas documents many of the issues indicated by SRTA staff did in fact go to the RABA Board at some point. While not included as a formal recommendation in this audit, the auditors encourage SRTA staff and RABA staff to work collaboratively to review and discuss proposed RABA Board action items to ensure there is clarity as to the proposed action in advance of potential Board action. Doing so will continue to support the effective and efficient provision of public transit service in Shasta County.

The RABA Executive Officer is the designated intergovernmental liaison. RABA has an effective and positive relationship with Caltrans and the FTA.

Service Planning

The most recent Short Range Transit Plan (SRTTP) was completed in June 2014. Funded by a Caltrans planning grant, it was prepared by a consultant. Goals and objectives were part of the SRTTP process. Performance targets are addressed as part of monthly reports to the RABA Board. Performance for Goal #2 (Convenient Transit Goal) cannot be measured until additional funding becomes available to support service expansion. Progress is evaluated regularly and improvements have been made.

The Short Range Transit Plan is typically updated every five to ten years, while the Transit Asset Management Plan is updated every four years. Both plans are scheduled to be updated in 2022. RABA's Transportation Planner actively works to identify development areas that may require transportation, as well as coordination with active transportation. RABA has provided letters of support for local municipal agencies for housing/transportation projects for grant funds, as well as reviews and provides conditions of approval on all new land development projects.

Planning for financial needs and projects is conducted through the 7-Year Financial and Capital Plan, modified and adopted with the annual budget.

RABA's Demand Response Service operates as complementary paratransit per federal requirements. This mode is eligibility-based and is limited to ADA-certified persons. Travel Training, a program that teaches how to ride fixed-route transit, is available to all. The goal is to shift as many riders onto the more cost-effective fixed-route service as possible. All RABA revenue vehicles are ADA-compliant.



Public participation is conducted in accordance to RABA's Title VI Plan. Notices to the public are communicated via newspaper and radio, with additional information made available on the RABA website and onboard vehicles. Public hearings are conducted as part of the transit planning process, as set forth in Public Participation Policy within the Title VI Plan. Hearings are generally held at Redding city hall, although meetings may be held in other jurisdictions (such as Anderson or Shasta Lake) as appropriate.

Passenger surveys are conducted bi-annually. The most recent non-rider/community survey was conducted for the Short Range Transit Plan. Passenger surveys are conducted onboard the buses, while community surveys are conducted online.

Administration

The Management Analyst considers historical expenses, contract rates, and other factors for the Operating Expenses to propose the next fiscal year budget, while using the long-term capital plan to plan the Capital budget. The budget is reviewed and adjusted in April/May each year by the Transportation Planner and Transportation Manager, then approved by the RABA Board in June.

RABA compares revenue yearly and expenses are reviewed quarterly. If actual expenses significantly exceed budgeted expectations adjustments can be completed three ways: 1) RABA resolution, 2) moving by appropriation, and 3) the RABA Chair and Board can take actions to prevent or minimize possible deficit.

Grant application and compliance is the responsibility of the Management Analyst. RABA has not lost any grants due to staffing.

The Redding City Attorney and General Counsel provide risk management services to RABA. The City of Redding processes claims and hold insurance on facilities, but transfers what risk it can to its operations contractor (vehicle insurance, "hold harmless" clause naming the City, etc.). The City of Redding is insured by Alliant.

The City's Transportation Planner manages the RABA operations contract, which is approved by the RABA Board. Facility management is the responsibility of Transdev and the City of Redding's Building Maintenance and Streets Department.

RABA's operations contractor, Transdev, uses a time-keeping system called VDS where all schedules are managed. Employees clock in with the dispatchers. Payroll is bi-weekly and provided to ADP for processing. Any changes to personnel and payroll data are the responsibility of Transdev's Payroll Clerk and the General Manager. All Transdev employees utilize direct deposit.

The procurement process follows the City of Redding's established purchasing policies as well as its own procurement policies, both of which are in compliance with FTA guidelines. Fuel, security, and pest control are purchased jointly with the City. All other goods/services are competitively purchased.

Accounts receivable are handled by the Transportation Clerk, Management Analyst, and the City of Redding's Finance Department. Accounts Payable is handled by the Management Analyst and the City of Redding's Finance Department. Invoice terms, quantities, and prices are verified against purchase orders. Amounts from \$10,000 to \$30,000 require the Transportation Manager's approval; amounts from



\$30,000 up to \$100,000 require the Executive Officer's approval; and amounts greater than \$100,000 require approval of the RABA Board.

RABA does not have an internal audit function. There are two annual audits that are outsourced. At year end, all financial documents are pulled together to form the Comprehensive Annual Financial Report (CAFR). At that time, items are compared to last year, to ensure that numbers make sense. Also, RABA grant schedules are reviewed when the City of Redding goes through its Single Audit. Implementation of official procedural internal audits in the future is a consideration.

Scheduling, Dispatch, and Operations

Transdev is RABA's operations contractor, with non-management employees being represented by Teamsters Local 137. Transdev drivers bid on shifts three times a year based on seniority, and the process is governed by a collective bargaining agreement. Drivers must be trained and signed off on each type of revenue vehicles in service.

Typically, all of Transdev's 34 drivers are considered full-time drivers (working 30 or more hours per week). Vacation is accrued based on how many days per month they work; drivers are eligible for vacation if they work 14 or more days per month. Sick time is accrued in the same manner, although there are different rules for holiday pay.

Sign-up sheets are posted for drivers to volunteer to cover vacation, days off, etc. Policies for absences and sick leave are defined in the drivers' union contract. Transdev secured an agreement with the union for an increase in drivers this year and a minimal increase next year.

Vehicles are assigned to routes by dispatch based on route restrictions. Dispatch receives a "down list" from maintenance at the end of each service day to ensure no vehicles that are not in good repair are assigned for the next day. Given all drivers are trained and signed off on each type of revenue vehicle, no additional qualifications or certifications are needed to operate specific services. A master list of driver training and sign off is maintained by the Scheduler and located in Dispatch.

Buses are probed every evening and fareboxes are dropped into the vault. Only management staff have access to the fares. The next day, the report is run and two supervisors go to the counting room to count the money. The key to the vault is securely stored in the General Manager's office. The counting room is well-covered from multiple angles by video cameras, including a camera outside the counting room that is trained on the vault. Supervisors conduct daily reviews of deposits. Transdev's General Manager reviews the monthly report and forwards the report to RABA staff for preparation of report for the Board of Directors. Cash is transported through a contract with the Loomis armored car company. Revenue collection is sufficiently secure given the amount of fares collected.

Personnel Management and Training

While there are currently enough drivers to meet Transdev's needs, recruitment is ongoing. Jobs are posted on several online portals and hiring bonuses are offered. These methods are effective. Recruits may already be licensed or may be completely inexperienced. All new hires receive comprehensive training.



Transdev motivates employees by recognizing employees performing safe acts, awarding an employee of the month, providing gift cards, and an attendance policy that allows sick time to be cashed out (up to 40 hours) if an employee has good attendance for one year. The current turnover rate is about 10 percent. Most drivers who leave do so due to retirement, relocation, or changes in jobs. All Transdev staff receive an annual performance evaluation, and drivers undergo field observations annually as well. Drivers may also be observed should Transdev's General Manager receive a call or complaint about a specific driver.

Initial driver training starts with paperwork, a background check, and a pre-employment physical, then follows the Transdev curriculum. This includes Transdev's Operator Development Program, classroom training, behind the wheel training, and DMV test preparation. Each month, safety meetings offer ongoing training, with a new topic each month and refresher training on certain topics held annually. Transdev has two TSI-certified instructors on-site and two "behind the wheel" trainers. Employees/trainees are assigned a trainer for refresher courses and ongoing (recurrent) training.

Rules are enforced through a progressive discipline policy (verbal, written warning, suspension). Policies are included in the employee handbook. A drug and alcohol policy is in place, as well as compliance with all testing and DAMIS reporting requirements.

Transdev employees who are represented receive benefits through the union, including life insurance, medical, dental, vacation, sick leave, maternity, and retirement. Transdev pays for a portion of medical and dental, although there are some employee-shared costs. Pension plan contributions are based on the number of hours worked. Employees can elect to do a one-to-one match. Full benefits are available to any employee working more than 30 hours a week.

Marketing and Public Information

RABA's most recent significant marketing/outreach effort was in 2009, when it contracted with Illium to prepare a marketing plan, rebrand the system, and create several different initiatives. Illium came up with a few programs that continue, such as the advertising program. Most marketing focuses on community events, where RABA often has a booth and brings a vehicle for display. Some of these activities include:

- Annual veterans salute – set up at a location in partnership with a local bank and others, with supporting radio coverage. Donated funds go toward purchasing passes for veterans.
- Free bus service for events such as the Whole Earth and Watershed Festival, Shasta County Fair, Shasta College Welcome Day, RevRumble and Road, the Christmas Parade, and Sundial Splash – these are viewed as marketing/outreach activities.
- Stuff the Bus events twice a year.

RABA participates in college welcome days and establishes agreements with the colleges for student transit pass programs. RABA provides discounted fares for student field trips. Overall public perception regarding community value is generally positive. However, public perception regarding service is less than positive due to one-hour headways and limited-service hours.

Paratransit performance is analyzed to identify target markets. To capture "choice riders" (e.g., large employers), which has not been accomplished, convenient transit is needed, which necessitates increased service frequency and span of service, which is dependent upon additional funding.



Maintenance

The Transit Operations and Maintenance facility (located at 3333 S. Market St.) is owned by RABA. It features five maintenance bays, one with a permanent lift, another three with portable lifts. There is ample office space as well as space for records storage. The current facility can accommodate all work except major engine overhaul work, body work, and painting. There is no backlog of repairs and preventive maintenance on-site, although repairs that are sent out or that are awaiting a part can be delayed on the vendor side.

Transdev has a preventive maintenance program in place that conforms with the manufacturer's recommended schedule. Compliance can be evaluated through paperwork and the RTA fleet management system. Maintenance does not conflict with regular vehicle use; maintenance prints out the next day's maintenance schedule and dispatch holds in the specified vehicles. Warranties are tracked within RTA, on parts as well as vehicles.

Parts inventories are sufficient to minimize downtime. However, due to the ongoing COVID-19 pandemic, parts that were previously easy to acquire became delayed in their delivery, including specialty parts for the Proterra bus. Parts are stored in a well-organized parts room. Maintenance staff can pull parts themselves but have to log them out of RTA. Each part is barcoded, and that code is put on a work order and closed out by the clerk. Transdev constantly conducts cycle counts to track parts, which are also tracked on the monthly parts report.

RABA does not have excess maintenance capacity, and does not provide any maintenance services to other public or private organizations, or any other City departments.

RABA fleet details as of June 30, 2021, are provided in Exhibit 7.6. The oldest vehicle is model year 2009, with all others between 2010 and 2019. Vehicles are replaced based on useful life according to mileage. Occasionally a vehicle warrants a mid-life overhaul. There is a vehicle replacement program in effect.



Exhibit 7.6 Redding Area Bus Authority Transit Fleet

Vehicle #	Year	Make	Model	Length	Fuel	PAX	WC Positions	Service	Mileage as of 6/30/21
48	2009	Gillig	G27D102	40	LSD	37	3	Fixed Route	467,604
49	2010	Gillig	G27D102	40	LSD	37	2	Fixed Route	323,776
51	2010	Gillig	G27D102	40	LSD	37	2	Fixed Route	423,774
52	2012	Gillig	G27D102	35	LSD	32	3	Fixed Route	383,222
53	2012	Gillig	G27D102	35	LSD	32	3	Fixed Route	400,187
54	2012	Gillig	G27D102	35	LSD	32	3	Fixed Route	393,246
55	2012	Gillig	G27D102	35	LSD	32	3	Fixed Route	403,505
56	2013	Gillig	G27D103	35	LSD	32	3	Fixed Route	351,027
57	2013	Gillig	G27D104	35	LSD	32	3	Fixed Route	33,914
58	2013	Gillig	G27D105	35	LSD	32	3	Fixed Route	340,090
59	2015	Gillig	G27B102N4	35	LSD	30	3	Fixed Route	286,620
60	2015	Gillig	G27B102N4	35	LSD	30	3	Fixed Route	285,368
61	2017	Gillig	GLFloor17	35	LSD	30	3	Fixed Route	161,596
62	2017	Gillig	GLFloor17	35	LSD	30	3	Fixed Route	139,467
63	2017	Gillig	GLFloor17	35	LSD	30	3	Fixed Route	156,607
64	2019	Proterra	Catalyst E2	35	Electric	26	3	Fixed Route	25,671
65	2020	Gillig	GLFloor17	35	LSD	30	3	Fixed Route	43,336
66	2020	Gillig	GLFloor17	35	LSD	30	3	Fixed Route	40,492
248	2009	El Dorado Chevy	Aerotech 200	23	Gas	10	4	Paratransit	216,679
249	2009	El Dorado Chevy	Aerotech 200	23	Gas	10	4	Paratransit	256,405
250	2009	El Dorado Chevy	Aerotech 200	23	Gas	10	4	Paratransit	312,844
251	2009	El Dorado Chevy	Aerotech 200	23	Gas	10	4	Paratransit	265,976
252	2010	El Dorado Chevy	GMT 600	21	Gas	8	2	Paratransit	118,909
254	2010	El Dorado Chevy	GMT 600	21	Gas	8	2	Paratransit	99,729
256	2010	El Dorado Chevy	Aerotech 200	22	Gas	10	4	Paratransit	226,399



Vehicle #	Year	Make	Model	Length	Fuel	PAX	WC Positions	Service	Mileage as of 6/30/21
257	2010	El Dorado Chevy	Aerotech 200	22	Gas	10	4	Paratransit	258,722
259	2010	El Dorado Chevy	Aerotech 200	22	Gas	10	4	Paratransit	256,383
260	2011	El Dorado Ford	Aerotech 240	23	Gas	16	4	Paratransit	249,883
261	2011	El Dorado Ford	Aerotech 240	23	Gas	16	4	Paratransit	244,198
263	2011	El Dorado Ford	Aerotech 240	23	Gas	16	4	Paratransit	241,290
264	2017	El Dorado Ford	Aerotech 240	25	Gas	16 or 8	2 or 4	Paratransit	90,947
265	2017	El Dorado Ford	Aerotech 240	25	Gas	16 or 8	2 or 4	Paratransit	93,123
266	2017	El Dorado Ford	Aerotech 240	25	Gas	16 or 8	2 or 4	Paratransit	80,085
267	2017	El Dorado Ford	Aerotech 240	25	Gas	16 or 8	2 or 4	Paratransit	97,650
268	2019	Glaval	E450	24	Gas	12 or 6	2 or 4	Paratransit	8,478
269	2019	Glaval	E450	24	Gas	12 or 6	2 or 4	Paratransit	7,802
305	2010	Ford	E450	24	Gas	15 or 9	2 or 4	Not in service	453,776
306	2010	Ford	E450	24	Gas	15 or 9	2 or 4	Not in service	294,984
307	2014	Chevrolet	G4500	25	Gas	10	3	Burney Express	216,951
308	2019	Glaval	E450	24	Gas	12 or 6	2 or 4	Burney Express	23,597
309	2019	Glaval	E450	24	Gas	12 or 6	2 or 4	Burney Express	40,108



Chapter 8 | Findings and Recommendations

Conclusions

Moore & Associates, Inc. finds the Redding Area Bus Authority (RABA) 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

Based on discussions with RABA staff, analysis of program performance, and an audit of program compliance and function, the audit team presents no compliance findings.

The audit team has identified two functional findings. While these findings are not compliance-related, the auditors believe they warrant inclusion herein:

1. The full-time equivalent metric calculated using the TDA definition is not what is being reported to the State Controller's Office.
2. Public information about RABA Board meetings can be challenging to obtain.

Program Recommendations

In completing this Triennial Performance Audit, the auditors submit the following recommendations for the Redding Area Bus Authority's public transit program. 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. Each finding is presented along with the elements identified within the 2011 *Government Auditing Standards* as well as one or more recommendations.

Given there were no compliance findings, only functional findings and recommendations are presented below.

Functional Finding 1: The full-time equivalent metric calculated using the TDA definition is not what is being reported to the State Controller's Office.

Criteria: PUC 99247 defines a full-time equivalent (FTE) employee based on 2,000 person-hours of work in one year. This definition is used to calculate the FTE metric for reporting on the State Controller's Transit Operator Financial Transaction Report.

Condition: During the course of this audit, RABA provided a summary of hours worked, which was then used to calculate the FTE metric. For FY 2018/19, it appeared the metric was calculated using a divisor of 2,080 hours rather than 2,000. This metric calculation was subsequently corrected for FY 2019/20 and FY 2020/21. However, the metric calculation reported to the State Controller did not match the calculated FTE, and the variance was well beyond the difference one can expect to see as a result of rounding.



	FY 2018/19	FY 2019/20	FY 2020/21
Total hours	132,273.63	120,105.45	108,591.89
FTE calculated by RABA/Transdev	61	60	55
FTE calculated using TDA definition	66.14	60.05	54.30
Total FTE reported to State Controller	56	56	<i>Not available</i>

Minor variations between the RABA/Transdev calculations and calculation using the TDA definition can easily be explained by differences in rounding. It is acceptable to use standard rules of rounding (where anything 0.50 and higher is rounded up, and .49 and lower is rounded down), or to round up anything more than .00 (since you cannot have a fraction of a person). The concern is that neither of the calculated figures for a given year are consistent with that reported to the State Controller. It is also unclear as to whether the hours provided include any RABA/City of Redding staff time.

Cause: As noted in the data comparison, there have been multiple individuals in the Management Analyst role. In addition, there may also be a lack of understanding as to how FTE is calculated specific to the TDA since it is only used in a single report.

Effect: Both of the above factors can result in FTE being reported incorrectly, primarily due to a misunderstanding of how it should be reported.

Recommendation: Ensure FTE data calculated using the TDA definition and including RABA hours is used in the State Controller Report.

Recommended Action: Ensure accurate FTE data is reported to the State Controller by including the following elements:

1. Count all hours worked by Transdev and City staff with respect to the RABA program. If actual City hours are not logged, you may estimate using the percentage an individual is dedicated to transit. For example, if an individual is assigned to transit as .25 FTE, that can be calculated as $0.25 \text{ FTE} * 2,080 \text{ (full-time hours)} = 720 \text{ hours}$.
2. Divide the hours by mode. For administrative personnel and dispatch, this may require calculating a split between modes. You may use vehicle service hours to determine the split for the purposes of this calculation. For example, if there were 41,128 fixed-route VSH and 6,717 demand-response VSH, then the fixed-route share is 86 percent and the demand-response share is 14 percent.
3. Finally, calculate the FTE by dividing the number of hours by 2,000. The State Controller Report only allows whole numbers to be entered, so you will need to round accordingly.

Staffers responsible for completing or reviewing the State Controller Reports should be aware of this methodology. It should also be documented and stored somewhere accessible to multiple individuals (such as on a shared network) so that this methodology can remain consistent even if there are staffing changes.



Timeline: FY 2021/22.

Anticipated Cost: None.

Management response: This issue has been resolved, as recommended.

Functional Finding 2: Public information about RABA Board meetings can be challenging to obtain.

Criteria: As a public entity, it is important RABA ensures its governing board meetings are accessible to the public, both in terms of physical participation and access to information.

Condition: Currently, accessing Board meeting information from the RABA homepage requires the visitor to click on *About RABA*; then *Board Members, Agendas, and Minutes*; and then *RABA Board Meeting Portal*. Only then can a relevant agenda be accessed, or a notice of cancellation be viewed on the City of Redding’s online “Upcoming Meetings” page.

Cause: Meeting information is maintained on the City of Redding’s “Upcoming Meetings” page rather than as part of the RABA portion of the City’s website.

Effect: While such placement may result in easier information management, it can be more difficult for the public to locate it on the City’s website.

Recommendation: Include a link to the current Board agenda (or meeting cancellation notice) on the front page of the RABA website.

Recommended Action: The City of Redding’s inclusion of RABA Board meeting information on the its “Upcoming Meetings” page is logical and this practice does not need to be modified. However, adding a link directly to that page from the RABA homepage would provide greater access to this information. A simple “Click here for current RABA Board Meeting information” link would take visitors directly to the “Upcoming Meetings” page. As the link would connect to the page, not an individual agenda, it would not need to be updated prior to each meeting.

Timeline: FY 2021/22.

Anticipated Cost: None.

Management response: This issue has been resolved, as recommended.

Additional Recommendation

An additional recommendation is included not as the result of a finding, but as guidance in anticipation of the application of new TDA legislation arising from AB 149. The purpose of this additional recommendation is to encourage RABA to take into account additional exemptions/exclusions from operating cost and additional revenue sources in calculating the farebox recovery ratio beginning in FY 2021/22.



PUC 99268.17 identifies a number of expenses that may be excluded from an entity's operating cost for the purpose of calculating farebox recovery ratios. Assembly Bill 149, signed into law in July 2021, expands the expenses that may be excluded from the farebox recovery ratio calculation.

RABA already calculates the farebox recovery ratio separately for its fixed-route service, demand-response service, and the Burney Express within its annual TDA fiscal audit. The detailed calculation excludes allowable costs from operating cost, includes allowable sources of local supplementation, and calculates the farebox recovery ratio.

Recommendation: Continue to use the annual TDA fiscal audit to calculate the farebox recovery ratio by mode, incorporating new exclusions, exemptions, and revenue sources from AB 149 beginning in FY 2021/22.

Recommended Action: Using the amended PUC 99268.17 contained in AB 149 as a reference, RABA should determine which cost items are used and can be excluded from the farebox recovery ratio calculation. Specific to RABA, these additional exclusions may include:

- Costs required to operate demand-response and micro-transit services that expand access to transit service beyond fixed-route corridors.
- Costs of funding or improving payment and ticketing systems and services.
- Costs of security services and public safety contracts.
- Any expense greater than the actuarially determined contribution associated with pensions and other post-employment benefits as require by GAB Statement Number 68 and 75.
- Costs of planning for improvements in transit operations, integration with other operators and agencies, transitioning to zero-emission operations, and for compliance with state and federal mandates.

According to the above exclusions, beginning in FY 2021/22, RABA could exclude the cost of preparing its Short Range Transit Plan, any zero-emission bus or infrastructure planning, and costs related to improving fare payment (such as the implementation of a mobile ticketing program). While RABA would not receive any penalties for falling below the 15-percent farebox threshold through FY 2022/23, it is important to have this process in place so that the agency can plan for FY 2023/24, when these waivers expire.

It is also important for RABA to incorporate additional sources of allowable revenues that can be applied to the farebox recovery ratio. The Senate Bill 508 update to the TDA legislation implemented in 2016 (PUC 99268.19) expanded the definition of local funds to include "any non-federal or non-state grant funds or other revenues generated by, earned by, or distributed to an operator." AB 149 further expanded the definition by removing the phrase "non-federal" from the section, thereby allowing federal grant funds to be applied to fare revenues. Therefore, RABA should be mindful to include revenues such as those from federal grant programs, the sale of surplus vehicles, advertising, concessions, interest income, rents paid to the organization, and other similar local sources to supplement farebox revenues.

Timeline: FY 2022/23.

Anticipated Cost: None.



Exhibit 8.1 Audit Recommendations

Functional Recommendations		Importance	Timeline
1	Ensure FTE data calculated using the TDA definition and including RABA hours is used in the State Controller Report.	Medium	FY 2021/22
2	Include a link to the current Board agenda (or meeting cancellation notice) on the front page of the RABA website.	High	FY 2021/22
Additional Recommendation		Importance	Timeline
1	Continue to use the annual TDA fiscal audit to calculate the farebox recovery ratio by mode, incorporating new exclusions, exemptions, and revenue sources from AB 149 beginning in FY 2021/22.	Medium	FY 2022/23



This page intentionally blank.