Triennial Performance Audit

of the

City of Dixon's Transit Service (Readi-Ride)

Fiscal Years 2014/15, 2015/16 and 2016/17

FINAL AUDIT REPORT

prepared for the

METROPOLITAN TRANSPORTATION COMMISSION

by

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Management Consulting

May 2018

NOTE:

All exhibits in this report are presented at the end of the associated discussion in each section.

EXECUTIVE SUMMARY

This executive summary highlights the findings from the performance audit of the City of Dixon's Transit Service (Readi-Ride). In California, a performance audit must be conducted every three years of any transit operator receiving Transportation Development Act (TDA) Article 4 funds, to determine whether the operator is in compliance with certain statutory and regulatory requirements, and to assess the efficiency and effectiveness of the operator's services. Dixon operates demand-response transit service, which is the focus of this performance audit. The audit period is Fiscal Years 2015 through 2017 (from July 1, 2014 through June 30, 2017).

Performance Audit and Report Organization

The performance audit was conducted for MTC in accordance with its established procedures for performance audits. The final audit report consists of these sections:

- An assessment of data collection and reporting procedures;
- A review of performance trends in TDA-mandated indicators and component costs;
- A review of compliance with selected PUC requirements;
- An evaluation of Dixon's actions to implement the recommendations from the last performance audit;
- An evaluation of functional performance indicator trends; and
- Findings, conclusions, and recommendations to further improve Dixon's performance based on the results of the previous sections.

Comments received from Dixon and MTC staff regarding the draft report have been incorporated into this final report. Highlights from the key activities are presented in this executive summary.

Results and Conclusions

Review of TDA Data Collection and Reporting Methods - The purpose of this review is to determine if Dixon is in compliance with the TDA requirements for data collection and reporting. The review is limited to the five data items needed to calculate the TDA-mandated performance indicators. This review has determined that Dixon is in compliance with the data collection and reporting requirements for all five TDA statistics. In addition, the statistics collected over the six-year review period appear to be consistent with the TDA definitions, and indicate general consistency in terms of the direction and magnitude of the year-to-year changes across the statistics.

Performance Indicators and Trends – Dixon's performance trends for the five TDA-mandated indicators were analyzed. A six-year analysis period was used for all the indicators. In addition, component operating costs were analyzed. The following is a brief summary of the TDA performance trend highlights over the six-year period of FY2012 through FY 2017:

- There was 5.5 percent average annual decrease in operating cost per hour, which amounted to a 7.9 percent decrease in inflation adjusted dollars.
- The cost per passenger decreased on average by 4.5 percent per year, or 6.9 percent per year in constant FY2012 dollars.
- Passenger productivity was mostly unchanged, with passengers per vehicle service hour decreasing by one percent per year overall, and passengers per vehicle service mile showing no average annual change over the review period.

- Employee productivity increased an average 4.7 percent per year.

The following is a brief summary of the component operating costs trend highlights for the transit service between FY2012 and FY2017:

- Labor and fringe benefit costs both decreased around five percent per year, and comprised the majority of the component costs ranging from over 80 percent of total costs in FY2012 to just under 70 percent in FY2016.
- Costs for both services and fuel also decreased between five and six percent per year, with their share of total operating costs averaging between six and eight percent annually during the period.
- There were increases overall in the remaining component cost categories, with only other expenses comprising more than ten percent of the annual total operating costs. Other expenses component cost decreased from about 17 percent of total costs in FY2013 to about 11 percent in FY2016.

PUC Compliance – Dixon is in compliance with the sections of the state PUC that were reviewed as part of this performance audit. The sections reviewed included requirements concerning CHP safety inspections, labor contracts, reduced fares, Welfare-to-Work, revenue sharing, and evaluation of passenger needs.

Status of Prior Audit Recommendations – There were no recommendations made in Dixon's prior performance audit.

Functional Performance Indicator Trends - To further assess Dixon's performance over the past three years, a detailed set of functional area performance indicators was defined and reviewed.

- Readi-Ride Functional Area Trends – The following is a brief summary of the functional trend highlights between FY2015 and FY2017:

- Administrative costs decreased moderately overall to about three percent of total operating costs, and also decreased by 17.5 percent to $2.28 per vehicle service hour in FY2017. Marketing costs increased slightly overall compared to total administrative costs but remained at about $0.01 per passenger trip.

- Service Planning results showed operating cost per passenger mile decreasing by almost three percent overall, farebox recovery ratio remaining steady at about 15 percent, and the TDA recovery ratio (reflecting local support and operating cost exclusions) decreasing from 17 percent to just under 16 percent. Consistently over 92 percent of vehicle miles were in service, while vehicle hours in service improved from 76 to 86 percent. Passenger productivity was relatively steady.

- Operations results showed a slight decrease in vehicle operations costs compared to total costs and a modest decrease in vehicle operations cost per service hour. Operating data for on-time performance, passenger complaints, and missed trips were not available for the current audit period, however, the City is implementing an update of its Route Match software that will allow it to track on-time and missed trips going forward. The update is anticipated to go live in July 2018.

- Maintenance results showed total maintenance costs increasing to 9.0 percent of total costs, while vehicle maintenance costs per service mile increased overall from $0.48 to $0.62. The spare ratio decreased from about 44 to 38 percent, and there was moderate improvement in the mechanical failure rates.

- Safety results showed the accident rate was very low over the audit period, with no accidents in FY2015 and FY2016, and two accidents in FY2017.

Recommendations

1. IMPROVE DATA COLLECTION AND REPORTING ACTIVITIES FOR QUALITY OF SERVICE STATISTICS FOR READI-RIDE SERVICES.
[Reference Section: VI. Functional Performance Indicator Trends]

There were numerous data gaps in quality of service statistics identified in the Functional Performance Indicator section of the audit for Readi-Ride. The data items that were not being reported include on-time trips, missed trips and complaints. As such, functional performance trend analysis could not be made in for these measures.

The reasons for the gaps in statistics are both organizational and technological. For example, complaints are taken by the City Public Works staff, or in the case of civil rights complaints, by the Human Resources department, but there does not appear to be a structured process in place for complaint recording, monitoring and resolution. Currently, the City's Route Match software does not provide for tracking missed trips or late trips. The City is working on implementing a software upgrade that will allow it to track these statistics. It is anticipated that the upgrade will be ready by July 2018.

Collection and reporting of accurate, complete operating data is vital for a comprehensive analysis of performance for transit services. Dixon should continue to its efforts of collecting quality of service data for its transit services, by developing data collection policies and procedures, and upgrading its technology to implement a comprehensive set of performance indicators to assist with their performance monitoring efforts.

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I. INTRODUCTION

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

In the San Francisco Bay Area, the Metropolitan Transportation Commission (MTC) has been designated the RTPA and has this responsibility. By statute, the audit must be conducted in accordance with the U.S. Comptroller General's "Standards for Audit of Governmental Organizations, Programs, Activities, and Functions" (the "yellow book"). The performance audit is a systematic review to determine the extent to which a transit operator has complied with pertinent laws and regulations, and conducted operations in an efficient and economical manner. Relative to system compliance testing, all findings are reported regardless of materiality.

This report has been prepared as part of the performance audit of the City of Dixon's Transit Service (Readi-Ride). Dixon operates demand-response transit service, which is the focus of this performance audit. The audit period is Fiscal Years 2015 through 2017 (from July 1, 2014 through June 30, 2017).

An overview of Dixon is provided in Exhibit 1. This is followed by a recent organization chart in Exhibit 2, which reflects the basic organizational structure during the audit period and beyond.

Performance Audit and Report Organization

This performance audit of Dixon was conducted for MTC in accordance with its established procedures for performance audits. The audit consists of two discrete steps:

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

2. Functional Review - Activities in this phase include:
   - A review of actions to implement the recommendations from the prior performance audit;
   - Calculation and evaluation of functional performance indicator trends; and
   - Findings, conclusions, and the formulation of recommendations.

This report presents the findings from both phases. Comments received from Dixon and MTC staff regarding the draft report have been incorporated into this final report.

Exhibit 1: System Overview

Location Headquarters: 600 East A Street, Dixon, CA 95620

Establishment The City of Dixon began providing general public dial-a-ride service, known as Readi-Ride, in 1983. Readi-Ride was the responsibility of the City's Recreation and Community Service Department from 1995 until 2011, when it became part of the City Engineer/Public Works Department.

Board The Dixon City Council is the transit system governing body. The City Engineer/Public Works Director is responsible for the overall management and financial oversight of the transit system. The Transit Supervisor is responsible for the daily management of Readi-Ride. The Transportation Advisory Commission provides input to the City on transit issues. Transportation Advisory Commission members are appointed by City Council.

Facilities The City Corporation Yard is the central base of operations and storage for Readi-Ride's fleet. Maintenance is outsourced to private contractors, and administration functions are housed in the City Hall complex. Vehicles are fueled at local gas stations using City credit cards.

Service Data The City of Dixon provides curb-to-curb public dial-a-ride transportation within the city limits of Dixon, utilizing City owned vehicles operated by City employees. Service operates Monday through Friday from 7:00 a.m. to 5:00 p.m. Saturday service operates from 9:00 a.m. to 3:00 p.m. There is no service on Sundays or holidays. Ride reservations are taken weekdays from 7:00 a.m. to 5:00 p.m. and on a voice-mail system during other hours. Subscription service is also available on a space available basis, mostly for school tripper service.

Readi-Ride fares have not changed since February 2009. One-way fares are $2.00 for adults, $1.75 for youth (ages 5-17), $1.50 for seniors and passengers with disabilities, and $1.00 for children 4 and under (must be accompanied by a fare-paying adult). Exact change is appreciated, but drivers will make change for passengers. Discounted 20-ride coupon books also are available. A day pass is available for seniors and the disabled for use Monday through Friday, for $2.50 per day.

Readi-Ride also provides intercity paratransit service Monday through Friday from 7:00 a.m. to 5:00 p.m., for trips to Vacaville and Davis. No weekend or holiday service is provided. The intercity paratransit service fares are $5.00 one way.

During the audit period, Readi-Ride's fleet was comprised of nine buses and two mini-vans, with peak service requiring up to five buses. All vehicles were wheelchair accessible and all but the two mini-vans have bicycle racks.

The City also contributes financially to the regional bus service (Route 30) operated by Fairfield/Suisun Transit. Route 30 provides express bus service connecting the cities of Fairfield, Vacaville, Dixon, Davis and Sacramento. This service is not directly covered in this review.

Recent Changes

No recent changes to Readi-Ride services were indicated by City of Dixon staff.

Planned Changes

Ridership growth is expected to range from one to two percent per year. Near-term future ridership should be able to be accommodated without service expansion, although capacity limits could be applied to peak operating periods that coincide with morning and afternoon school bell times.

The City is investigating technology upgrades to accomplish the following:

- Allow customers to schedule rides through a cell phone app. This will reduce the demand on dispatching particularly during peak periods.
- Electronically dispatch/assign trips to drivers improving safety and efficiency.
- Compile ridership reports.

The City is also investigating security camera options to improve safety for both passengers and staff.

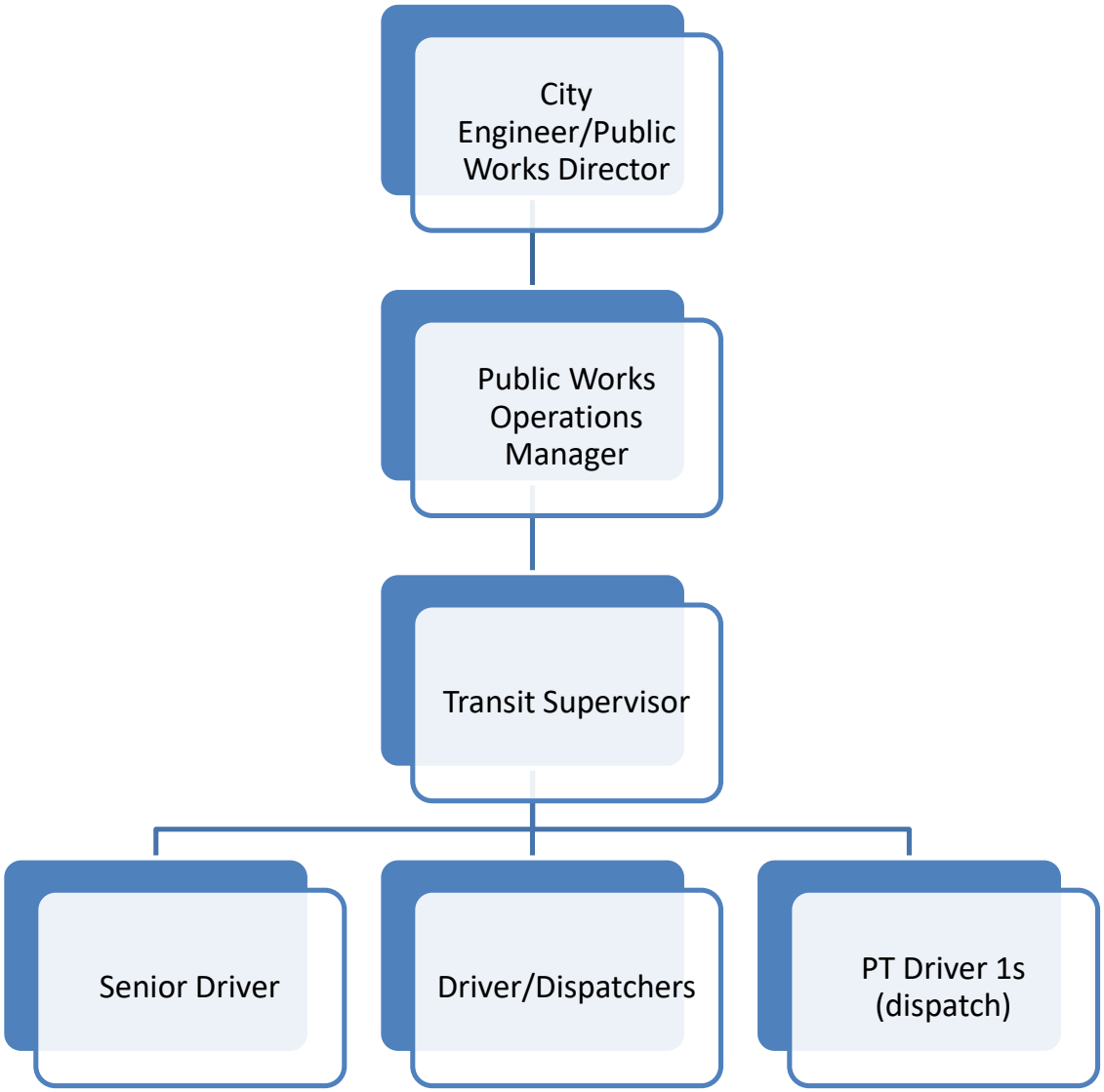
The City has been contemplating converting at least some of the service to fixed-route, in order to maintain or increase capacity while keeping costs within available funding.

Staff

Dixon reported the following Transit staff based on the FY2017 adopted budget:

Transit Supervisor	1.00
Senior Transit Driver	1.00
Transit Drivers/Dispatchers	4.50
Part-Time Drivers/Dispatchers	0.90
TOTAL	7.40

Exhibit 2: Organization Chart



II. REVIEW OF TDA DATA COLLECTION AND REPORTING METHODS

This section focuses on the five performance indicators required by TDA law. These indicators have been defined by the state PUC to evaluate the transit operator's efficiency, effectiveness and economy. The purpose of this review is to determine if Dixon is in compliance with the data collection and reporting requirements necessary to calculate the TDA performance indicators. The review is limited to the data items needed to calculate the indicators:

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

The TDA indicator analysis is based on these operating and financial statistics in the City's Transit Operators Financial Transactions Reports (TOFTR) filed with the California State Controller. The information reported by Dixon covering the audit period has been reviewed.

Dixon began reporting NTD data for its demand response transit service in FY2015, but it was determined for this effort, the TOFTR reports were more accurate, as they are submitted after the NTD report and contain the most up to date financial and operational statistics. The TOFTR also breaks operating expenses down into individual component costs, and the City utilizes the NTD Reduced Reporting Form, which does not break down operating costs. The statistics for the prior audit period (FY2012 – FY2014) were taken from Dixon's MTC TDA Claim Applications. Employee full time

equivalent (FTE) numbers were calculated from the City of Dixon Annual Budget Payroll Summary data.

Compliance with Requirements

To support this review, Dixon staff confirmed that the data collection and reporting procedures remain unchanged from those described in the prior performance audit. Based on the information provided, as shown in Exhibit 3.1, Dixon is in compliance with the data collection and reporting requirements for all five TDA statistics.

Consistency of the Reported Statistics

The resulting TDA statistics for Dixon's transit services are shown in Exhibit 3.2. Included are statistics covering each fiscal year of the three-year audit period, plus the immediately preceding three fiscal years, resulting in a six-year trend.

The statistics collected over the period appear to be consistent with the TDA definitions. Further, they indicate general consistency in terms of the direction and magnitude of the year-to-year changes across the statistics. For example, increases or decreases in annual operating costs are relatively proportional to increases or decreases in annual vehicle service hours and miles.

Exhibit 3.1: Compliance with TDA Data Collection and Reporting Requirements

TDA Statistic	TDA Definition	Compliance Finding	Verification Information
Operating Cost	"Operating cost" means all costs in the operating expense object classes exclusive of the costs in the depreciation and amortization expense object class of the uniform system of accounts and records adopted by the Controller pursuant to Section 99243. Also excluded are all subsidies for commuter rail services operated on railroad lines under the jurisdiction of the Federal Railroad Administration, all direct costs for providing charter services, all vehicle lease costs, and principal and interest payments on capital projects funded with certificates of participation.	In Compliance	• Operating costs reported from audited financial statements. • Cost allocation model used for administrative expenses.
Vehicle Service Hours	"Vehicle service hours" means the total number of hours that each transit vehicle is in revenue service, including layover time.	In Compliance	• Collected from driver's logs; deadhead hours tracked from garage to first pick-up and from last drop-off back to garage. • Calculated using average operating speed, and dividing service hours by average operating speed. • Data collected monthly and reported in semi–annual and annual reports
Vehicle Service Miles	"Vehicle service miles" means the total number of miles that each transit vehicle is in revenue service.	In Compliance	• Calculated by subtracting deadhead miles from total vehicle miles. • Data collected monthly and reported in semi–annual and annual reports.
Unlinked Passengers	"Unlinked passengers" means the number of boarding passengers, whether revenue producing or not, carried by the public transportation system.	In Compliance	• Calculated from driver's logs; collected monthly and reported in semi–annual and annual reports. .

TDA Statistic	TDA Definition	Compliance Finding	Verification Information
Employee Full-Time Equivalents	2,000 person-hours of work in one year constitute one employee.	In Compliance	• Calculated using 2,000 working hour definition. • Administrative hours and other city department hours expended on transit are calculated based on cost allocation model.

Exhibit 3.2: TDA Statistics

TDA Statistic	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017
Operating Cost (Actual $)	$699,347	$622,314	$655,297	$664,514	$703,716	$706,253
Annual Change	*- -*	*-11.0%*	*5.3%*	*1.4%*	*5.9%*	*0.4%*
Vehicle Service Hours	6,877	6,591	7,892	8,163	8,657	9,215
Annual Change	*- -*	*-4.2%*	*19.7%*	*3.4%*	*6.1%*	*6.4%*
Vehicle Service Miles	79,897	79,459	86,983	96,718	100,206	101,539
Annual Change	*- -*	*-0.5%*	*9.5%*	*11.2%*	*3.6%*	*1.3%*
Unlinked Passengers	48,898	50,420	52,976	57,315	56,089	62,174
Annual Change	*- -*	*3.1%*	*5.1%*	*8.2%*	*-2.1%*	*10.8%*
Employee Full-Time Equivalents	6.95	6.95	7.20	7.20	7.20	7.40
Annual Change	*- -*	*0.0%*	*3.6%*	*0.0%*	*0.0%*	*2.8%*

Sources: FY2012 & FY2013 - Prior Performance Audit Report; FY2014 - City of Dixon MTC TDA Claim report
FY2015 through FY2017 - Dixon Transit Operators Financial Transactions Reports - CA State Controller;
except FTEs - calculated from Dixon Annual Adopted Budget, Fund 350 Payroll Summary

III. TDA PERFORMANCE INDICATORS AND TRENDS

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

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

The performance results in these indicators were primarily developed from the information in the City's Transit Operators Financial Transactions Reports (TOFTR) filed with the California State Controller for the three years of the audit period. Dixon's TOFTR reports were the source of all operating and financial statistics except for contractor FTEs. Contractor employee FTE data was provided by Dixon staff from payroll summary data reported in the City's annual adopted budget.

In addition to presenting performance for the three years of the audit period (FY2015 through FY2017), this analysis features two enhancements:

- Six-Year Time Period – While the performance audit focuses on the three fiscal years of the audit period, six-year trend lines have been constructed for Dixon's service to provide a longer perspective on performance and to clearly present the direction and magnitude of the performance trends. In this analysis, the FY2015 to FY2017 trend lines have been combined with those from the prior audit period (FY2012 through FY2014) to define a six-year period of performance.

- Normalized Cost Indicators for Inflation – Two financial performance indicators (cost per hour and cost per passenger) are presented in both

constant and current dollars to illustrate the impact of inflation in the Bay Area. The inflation adjustment relies on the All Urban Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) for the San Francisco Metropolitan Area. The average CPI-W percent change for each fiscal year has been calculated based on the bi-monthly results reported on the U.S. Department of Labor – Bureau of Labor Statistics website. The CPI-W is used since labor is the largest component of operating cost in transit. Since labor costs are typically controlled through labor contracts, changes in normalized costs largely reflect those factors that are within the day-to-day control of the transit system.

The following discussion is organized to present an overview of Dixon's performance trends in each of the five TDA performance indicators. The analysis is also expanded to include a breakdown of the various component costs that contributed to the total and hourly operating costs during the last six years.

Transit Service Performance Trends

This section provides an overview of the performance of Dixon's transit service over the past six years. The trends in the TDA indicators and input statistics are presented in Exhibit 4. The six-year trends are illustrated in Exhibits 4.1 through 4.4.

- Operating Cost Per Vehicle Service Hour (Exhibit 4.1)
  - A key indicator of cost efficiency, the cost per hour of service decreased an average of 5.5 percent annually during the six-year review period.
  - The cost per hour ranged from a high of $101.69 in FY2012 to a low of $76.64 in FY2017. Cost per hour decreased in every year of the review period.
  - In FY2012 constant dollars, there was an average annual decrease in this indicator of 7.9 percent.

- Passengers per Vehicle Service Hour (Exhibit 4.2)

  - A key indicator of passenger productivity, passengers per hour was almost unchanged, decreasing an average of one percent annually during the six-year period.

  - The slight decrease in passengers per hour reflects vehicle service hours increasing slightly higher than the overall increase in passengers over the review period.

  - Passengers per hour decreased overall from 7.1 in FY2012 to 6.7 in FY2017.

- Passengers per Vehicle Service Mile (Exhibit 4.2)

  - Similar to passengers per hour, passengers per mile also was unchanged, with no average annual change recorded.

  - Passengers per mile varied slightly each year, ranging between 0.56 and 0.63, but began and ended the review period at 0.61 passengers per mile.

- Operating Cost per Passenger (Exhibit 4.3)

  - A key measure of cost effectiveness, the cost per passenger decreased from $14.30 in the first year of the review period to a low of $11.36 in FY2017.

  - The combination of increased ridership and relatively flat operating costs over the review period resulted in an average annual decrease of 4.5 percent in cost per passenger.

  - With the impact of inflation removed from the cost side (normalization), cost per passenger exhibited an average annual decrease of 6.9 percent.

- Vehicle Service Hours per Employee (FTE) (Exhibit 4.4)

  - A measure of employee productivity, this indicator increased by an average 4.7 percent per year over the six years.

  - Hours per FTE increased overall from 989 in FY2012 to 1,245 in FY2017.

– Annual vehicle service hours increased at a higher rate than FTEs overall during the period.

* * * * *

The following is a brief summary of the transit service TDA performance trend highlights over the six-year period of FY2012 through FY2017:

- There was an average annual decrease in the operating cost per hour of 5.5 percent, which amounted to a 7.9 percent decrease in inflation adjusted dollars.

- The cost per passenger decreased on average by 4.5 percent per year, or 6.9 percent per year in constant FY2012 dollars.

- Passenger productivity was mostly unchanged, with passengers per vehicle service hour decreasing by one percent per year overall, and passengers per vehicle service mile showing no average annual change over the review period.

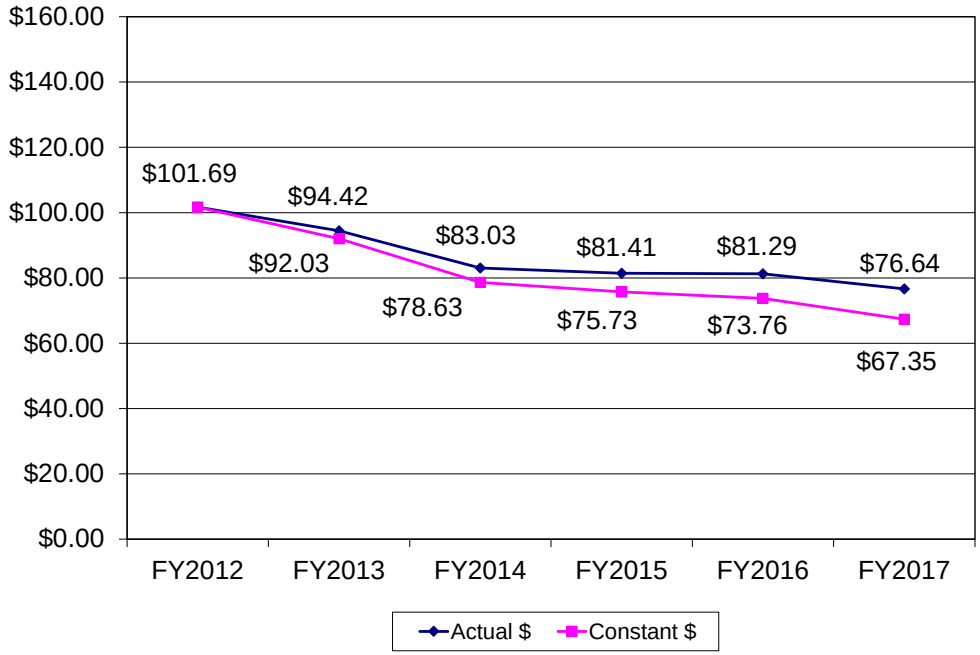
- Employee productivity increased an average 4.7 percent per year.

Exhibit 4: TDA Indicator Performance

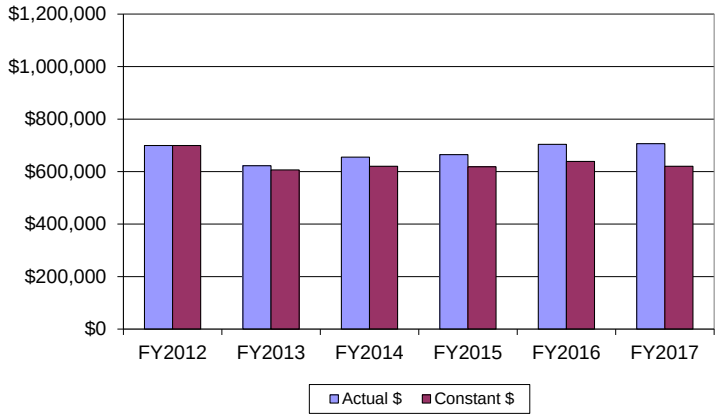
	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	*Av. Ann. Chg.*
Performance Indicators							
Op. Cost per Vehicle Svc. Hour (Actual $)	$101.69	$94.42	$83.03	$81.41	$81.29	$76.64	- -
Annual Change	- -	*-7.2%*	*-12.1%*	*-2.0%*	*-0.1%*	*-5.7%*	*-5.5%*
Op. Cost per Vehicle Svc. Hour (Constant $)	$101.69	$92.03	$78.63	$75.73	$73.76	$67.35	- -
Annual Change	- -	*-9.5%*	*-14.6%*	*-3.7%*	*-2.6%*	*-8.7%*	*-7.9%*
Passengers per Vehicle Service Hour	7.1	7.6	6.7	7.0	6.5	6.7	- -
Annual Change	- -	*7.6%*	*-12.3%*	*4.6%*	*-7.7%*	*4.1%*	*-1.0%*
Passengers per Vehicle Service Mile	0.61	0.63	0.61	0.59	0.56	0.61	- -
Annual Change	- -	*3.7%*	*-4.0%*	*-2.7%*	*-5.5%*	*9.4%*	*0.0%*
Op. Cost per Passenger (Actual $)	$14.30	$12.34	$12.37	$11.59	$12.55	$11.36	- -
Annual Change	- -	*-13.7%*	*0.2%*	*-6.3%*	*8.2%*	*-9.5%*	*-4.5%*
Op. Cost per Passenger (Constant $)	$14.30	$12.03	$11.71	$10.79	$11.39	$9.98	- -
Annual Change	- -	*-15.9%*	*-2.6%*	*-7.9%*	*5.6%*	*-12.3%*	*-6.9%*
Vehicle Service Hours per FTE	989	948	1,096	1,134	1,202	1,245	- -
Annual Change	- -	*-4.2%*	*15.6%*	*3.4%*	*6.1%*	*3.6%*	*4.7%*
Input Data							
Operating Cost (Actual $)	$699,347	$622,314	$655,297	$664,514	$703,716	$706,253	- -
Annual Change	- -	*-11.0%*	*5.3%*	*1.4%*	*5.9%*	*0.4%*	*0.2%*
Operating Cost (Constant $)	$699,347	$606,544	$620,546	$618,153	$638,581	$620,609	- -
Annual Change	- -	*-13.3%*	*2.3%*	*-0.4%*	*3.3%*	*-2.8%*	*-2.4%*
Vehicle Service Hours	6,877	6,591	7,892	8,163	8,657	9,215	- -
Annual Change	- -	*-4.2%*	*19.7%*	*3.4%*	*6.1%*	*6.4%*	*6.0%*
Vehicle Service Miles	79,897	79,459	86,983	96,718	100,206	101,539	- -
Annual Change	- -	*-0.5%*	*9.5%*	*11.2%*	*3.6%*	*1.3%*	*4.9%*
Unlinked Passengers	48,898	50,420	52,976	57,315	56,089	62,174	- -
Annual Change	- -	*3.1%*	*5.1%*	*8.2%*	*-2.1%*	*10.8%*	*4.9%*
Employee Full-Time Equivalents	6.95	6.95	7.20	7.20	7.20	7.40	- -
Annual Change	- -	*0.0%*	*3.6%*	*0.0%*	*0.0%*	*2.8%*	*1.3%*
Bay Area CPI - Annual Change	- -	2.6%	2.9%	1.9%	2.5%	3.3%	- -
- Cumulative Change	- -	2.6%	5.6%	7.5%	10.2%	13.8%	*2.6%*

Sources: FY2012 through FY2013 - Prior Performance Audit Report; FY2104 - City of Dixon MTC TDA Claim report
FY2015 through FY2017 - Dixon Transit Operators Financial Transactions Reports - CA State Controller;
except FTEs - calculated from Dixon Annual Adopted Budget, Fund 350 Payroll Summary
CPI Data - U.S. Department of Labor, Bureau of Labor Statistics

Exhibit 4.1: Operating Cost per Vehicle Service Hour



Operating Cost



Vehicle Service Hours

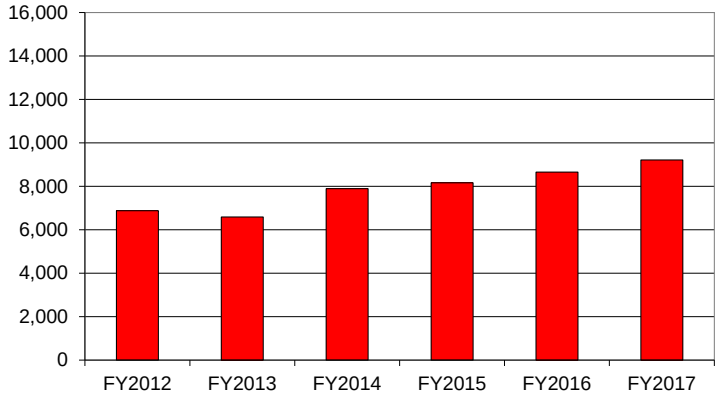
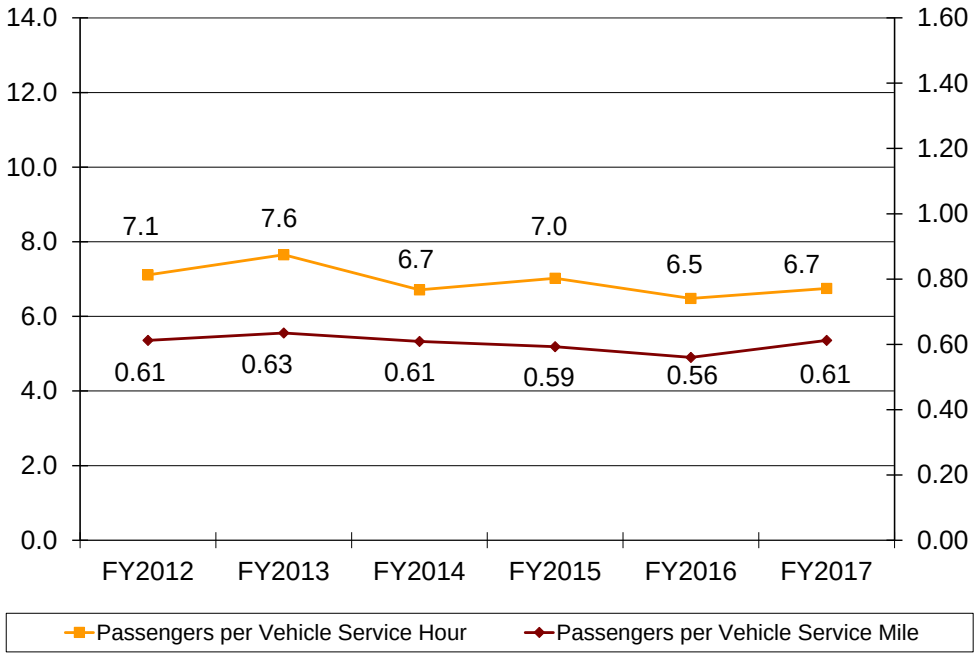
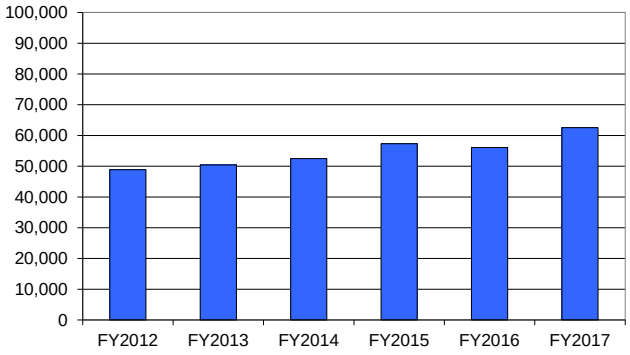


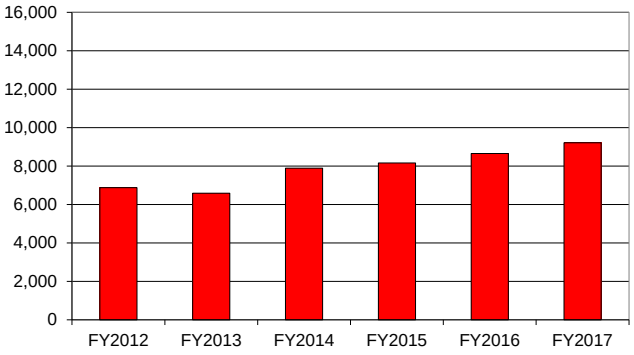
Exhibit 4.2: Passengers per Hour and per Mile



Unlinked Passengers



Vehicle Service Hours



Vehicle Service Miles

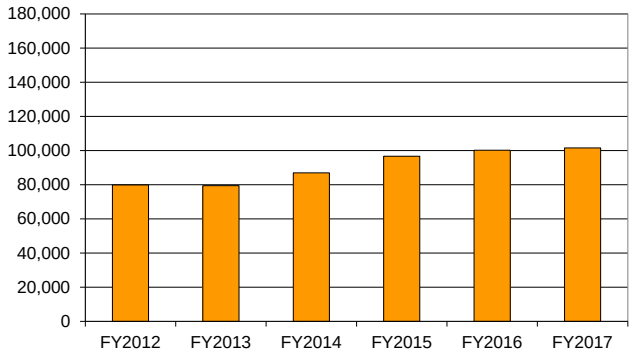
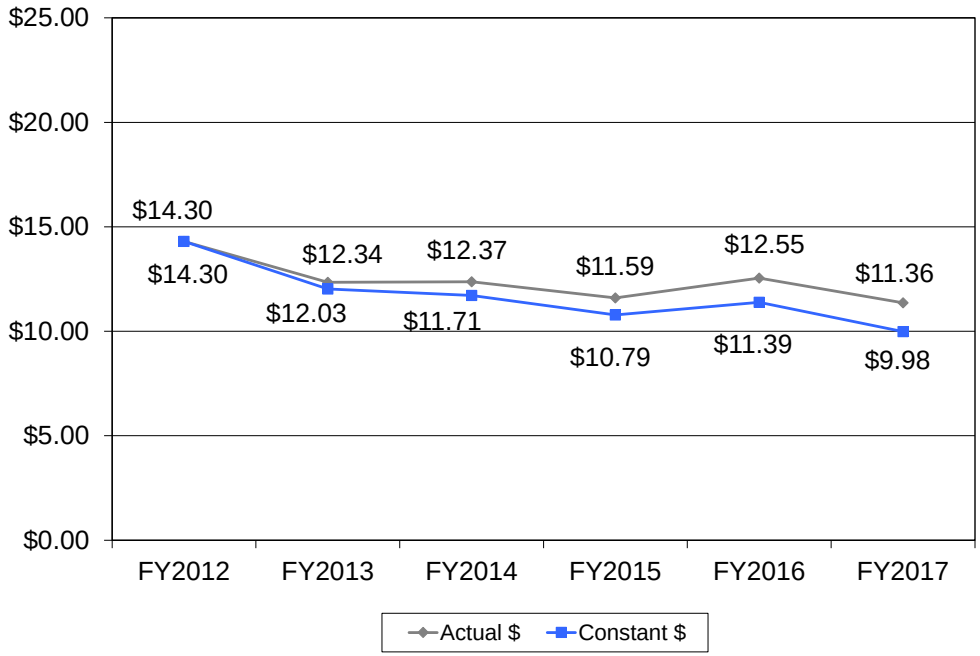
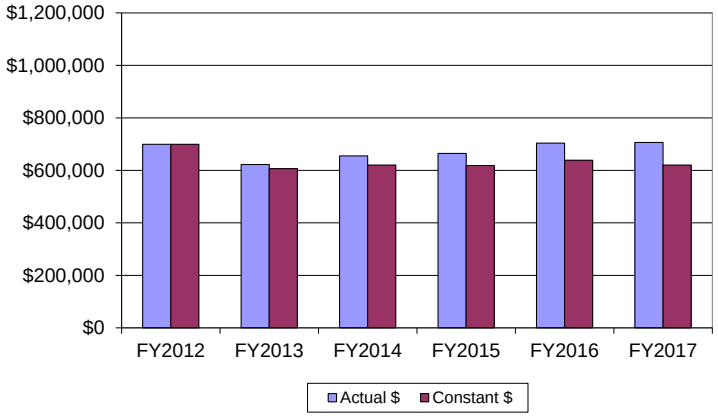


Exhibit 4.3: Operating Cost per Passenger



Operating Cost



Unlinked Passengers

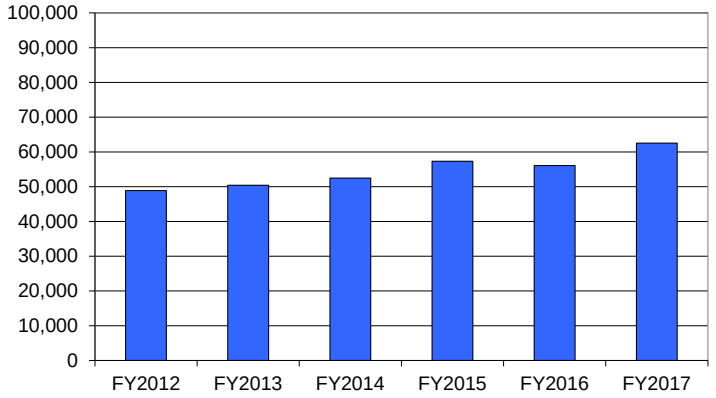
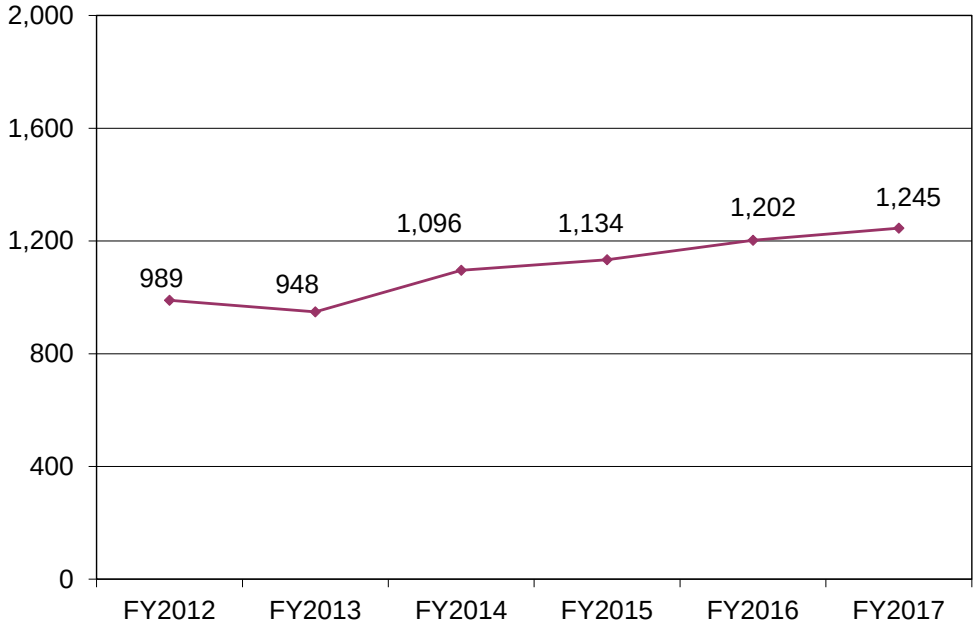
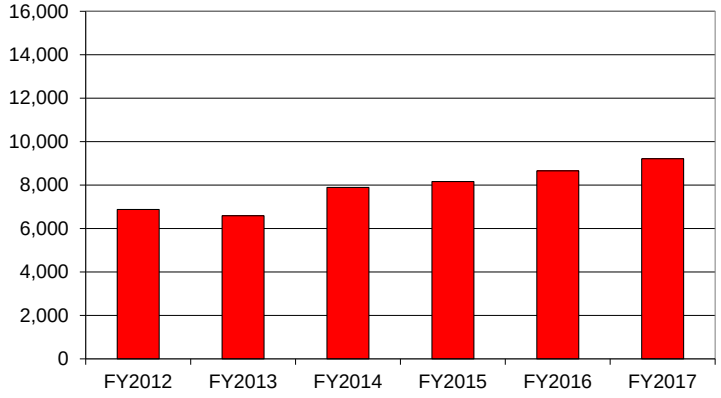


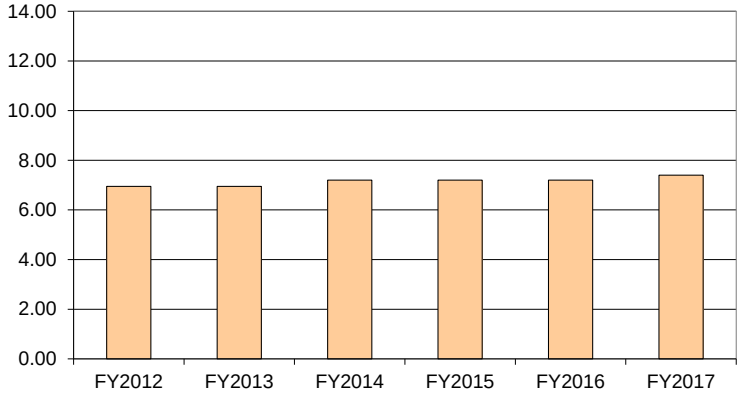
Exhibit 4.4: Vehicle Service Hours per FTE



Vehicle Service Hours



Full-time Equivalents



Transit Service Component Costs

Year-to-year changes in selected operating cost categories over the past six years are presented in Exhibit 4.5. Examining components of operating costs (e.g., labor, fringes, fuel, and casualty/liability) may determine what particular components had the most significant impacts on the operating costs. Exhibit 4.5 also shows the concurrent changes in vehicle service hours, and Exhibit 4.6 illustrates the portion of the cost per vehicle service hour that can be attributed to each included cost component.

- Labor costs decreased an average of 5.3 percent annually. The labor cost share of total operating costs decreased from almost half to less than 40 percent during the review period.

- Fringe benefits costs also decreased by five percent on average each year, alternating between increases and decreases each year over the first five years of the review period. Fringe benefits comprised 28.7 percent of total operating costs in FY2016, down from 35.5 percent in FY2012.

- Services and fuel/lubricants costs both decreased about five and six percent per year, respectively. The fuel costs component decreased from about eight percent to six percent of the total cost per vehicle service hour over the review period.

- The remaining component cost categories, materials/supplies, casualty/liability and other expenses each experienced significant average annual increases over the review period, but only other expenses comprised more than ten percent of the total operating costs. The share of other expenses to total costs decreased over the period from about 17 percent in FY2013 to about 11 percent in FY2016.

* * * * *

The following is a brief summary of the transit service component operating costs trend highlights between FY2012 and FY2017:

- Labor and fringe benefit costs both decreased around five percent per year, and comprised the majority of the component costs ranging from over 80 percent of total costs in FY2012 to just under 70 percent in FY2016.

- Costs for both services and fuel also decreased between five and six percent per year, with their share of total operating costs averaging between six and eight percent annually during the period.

- There were increases overall in the remaining component cost categories, with only other expenses comprising more than ten percent of the annual total operating costs. Other expenses component cost decreased from about 17 percent of total costs in FY2013 to about 11 percent in FY2016.

Exhibit 4.5: Component Cost Trends

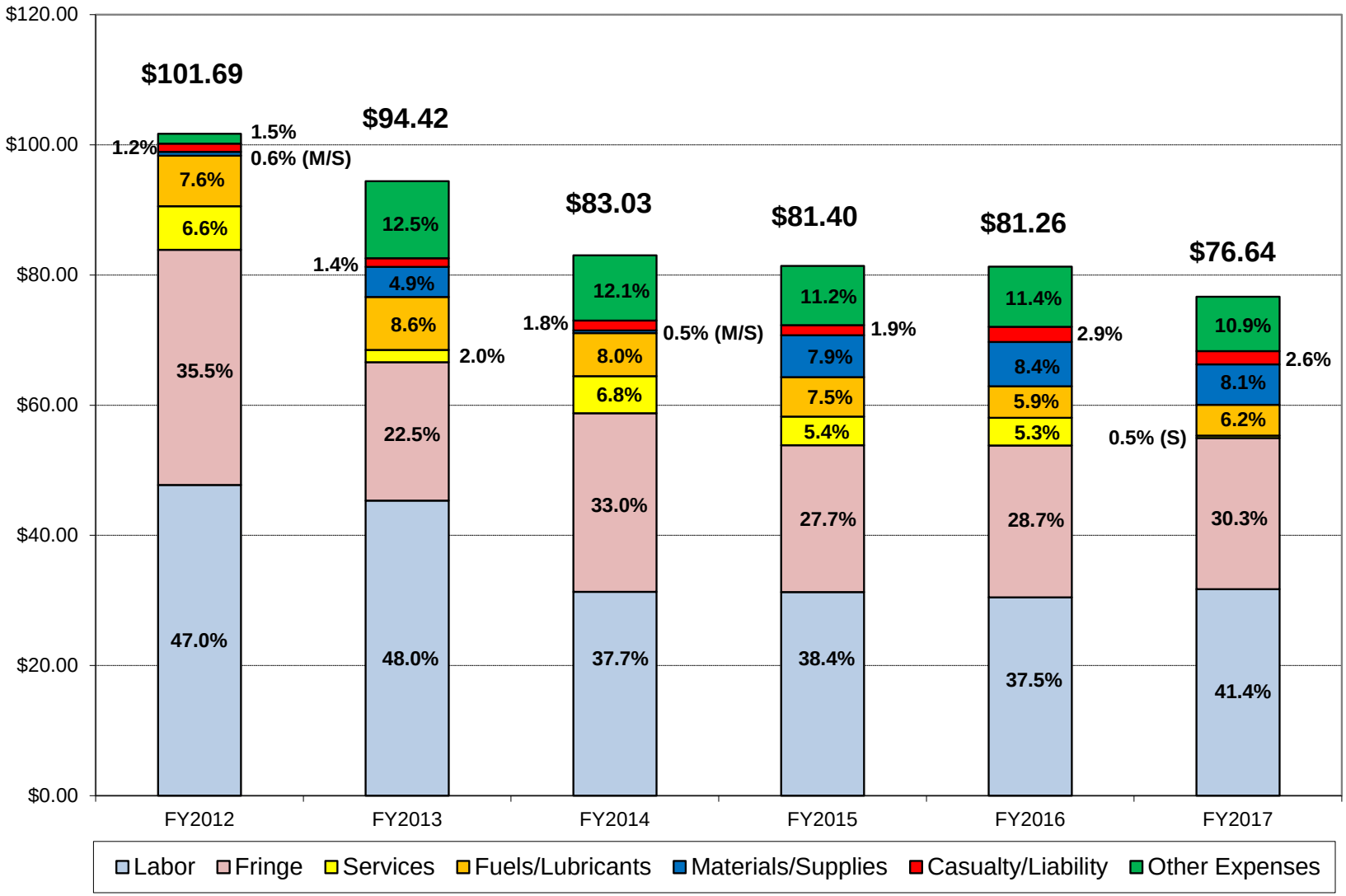
	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	*Av. Ann. Chg.*
COST CATEGORIES							
Labor - (Salaries, Wages)	$328,347	$298,720	$247,192	$255,268	$263,688	$292,544	- -
Annual Change	- -	*-9.0%*	*-17.2%*	*3.3%*	*3.3%*	*10.9%*	*-2.3%*
Fringe Benefits	$248,485	$140,295	$216,549	$184,275	$202,085	$213,929	- -
Annual Change	- -	*-43.5%*	*54.4%*	*-14.9%*	*9.7%*	*5.9%*	*-3.0%*
Services	$46,056	$12,351	$44,865	$36,004	$36,982	$3,275	- -
Annual Change	- -	*-73.2%*	*263.2%*	*-19.8%*	*2.7%*	*-91.1%*	*-41.1%*
Purchased Transportation	$0	$0	$0	$0	$0	$0	- -
Annual Change	- -	- -	- -	- -	- -	- -	- -
Fuels/Lubricants	$53,353	$53,536	$52,276	$49,528	$41,658	$43,517	- -
Annual Change	- -	*0.3%*	*-2.4%*	*-5.3%*	*-15.9%*	*4.5%*	*-4.0%*
Materials/Supplies	$4,066	$30,693	$3,280	$52,337	$58,962	$57,543	- -
Annual Change	- -	*654.9%*	*-89.3%*	*1495.6%*	*12.7%*	*-2.4%*	*69.9%*
Casualty/Liability	$8,736	$8,736	$11,911	$12,718	$20,206	$18,600	- -
Annual Change	- -	*0.0%*	*36.3%*	*6.8%*	*58.9%*	*-7.9%*	*16.3%*
Other Expenses *(a)*	$10,304	$77,983	$79,224	$74,384	$80,135	$76,845	- -
Annual Change	- -	*656.8%*	*1.6%*	*-6.1%*	*7.7%*	*-4.1%*	*49.5%*
Total	$699,347	$622,314	$655,297	$664,514	$703,716	$706,253	- -
Annual Change	- -	*-11.0%*	*5.3%*	*1.4%*	*5.9%*	*0.4%*	*0.2%*
OPERATING STATISTICS							
Vehicle Service Hours	6,877	6,591	7,892	8,163	8,657	9,215	- -
Annual Change	- -	*-4.2%*	*19.7%*	*3.4%*	*6.1%*	*6.4%*	*6.0%*

Sources: City of Dixon MTC TDA Claim Applications (FY2012 - 2014); Dixon State Controller's Transit Operators Financial Transactions Report (2015 -2016)

(a) Includes utilities and other/miscellaneous expense (2012 – 2014) and lease/rentals categories (2015 – 2017)

Exhibit 4.6: Distribution of Component Costs

Operating Cost per Vehicle Service Hour



IV. COMPLIANCE WITH PUC REQUIREMENTS

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

The results from this review are detailed by individual requirement in Exhibit 5. Dixon is in compliance with the seven sections of the state PUC that were reviewed as part of this performance audit. These sections included requirements concerning CHP terminal safety inspections, labor contracts, reduced fares, Welfare-to-Work coordination, revenue sharing, and evaluating passenger needs.

Exhibit 5: Compliance with State PUC Requirements

Code Reference	Operator Compliance Requirements	Compliance Finding	Verification Information
PUC99251	CHP Certification - The CHP has, within the 13 months prior to each TDA claim submitted by an operator, certified the operator's compliance with Vehicle Code Section 1808 following a CHP inspection of the operator's terminal	In Compliance	Satisfactory Inspections: • 2015: 01/13/15 • 2016: 01/08/16 • 2017: 01/10/17
PUC99264	Operator-to-Vehicle Staffing - The operator does not routinely staff with two or more persons public transportation vehicles designed to be operated by one person	In Compliance	No provision for excess fixed-route vehicle staffing in: MOU Agreements between City of Dixon and Public Employees Union Local 1: • July 1, 2014 – June 30, 2016 • July 1, 2016 – June 30, 2019
PUC99314.5 (e)(1)(2)	Part Time Drivers and Contracting - Operators receiving STA funds are not precluded by contract from employing part-time drivers or from contracting with common carriers	In Compliance	• Part Time Drivers – No prohibition of part time employees in MOU Agreements between City of Dixon and Public Employees Union Local 1. • Contracting – Section 9.4 of Agreements between City of Dixon and Public Employees Union Local 1 contains provisions for contracting out of unit work by City.
PUC99155	Reduced Fare Eligibility - For any operator who received TDA Article 4 funds, if the operator offers reduced fares to senior citizens and disabled persons, applicant will honor the federal Medicare identification card, the California Department of Motor Vehicles disability ID card, the Regional Transit Connection Discount Card, or any other current identification card issued by another transit operator that is valid for the type of transportation service or discount requested; and if the operator offers reduced fares to senior citizens, it also offers the same reduced fare to disabled patrons	In Compliance	Fare information in public information materials: • City of Dixon Readi-Ride Transit Service User's Guide • City of Dixon website - http://ca-dixon.civicplus.com/index.aspx?NID=238

Code Reference	Operator Compliance Requirements	Compliance Finding	Verification Information
PUC99155.1 (a)(1)(2)	Welfare to Work Coordination - Operators must coordinates with county welfare departments in order to ensure that transportation moneys available for purposes of assisting recipients of aid are expended efficiently for the benefit of that population; if a recipient of CalWORKs program funds by the county, the operator shall give priority to the enhancement of public transportation services for welfare-to-work purposes and to the enhancement of transportation alternatives, such as, but not limited to, subsidies or vouchers, van pools, and contract paratransit operations, in order to promote welfare-to-work purposes	In Compliance	• Dixon indicates it participates in the Solano Transportation Authority (STA) welfare to work process. • Dixon was a stakeholder in the Solano County Mobility Management Plan. • Dixon is a member of the STA Board, Solano Express Intercity Transit Consortium and Solano Senior and People with Disabilities Transportation Advisory Committee.
PUC99314.7, Govt Code 66516, MTC Res. Nos. 3837, 4073	Joint Revenue Sharing Agreement - The operator has current joint fare revenue sharing agreements in place with transit operators in the MTC region with which its service connects, and submitted copies of agreements to MTC	In Compliance	• Signatory participant in Intercity Transit Funding Agreement (July 2012). Agreement also includes: Solano Transportation Authority, Solano County, SolTrans, and the cities of Fairfield, Suisun City, and Vacaville. • Signatory participant in Intercity Paratransit Services Agreement (July 2013-June 2015). Agreement also includes: Solano Transportation Authority, Solano County, SolTrans, and the cities of Fairfield, Rio Vista, and Vacaville.

Code Reference	Operator Compliance Requirements	Compliance Finding	Verification Information
PUC99246(d)	Process for Evaluation of Passenger Needs - The operator has an established process in place for evaluating the needs and types of passengers being served	In Compliance	Outreach programs: • Annual passenger surveys • Ongoing customer feedback solicited SRTP discussions (FY2016): • Public participation and Transportation Advisory Commission • Service and system performance evaluation • Goals, objectives, measures and standards

V. STATUS OF PRIOR AUDIT RECOMMENDATIONS

Dixon's prior performance audit was completed in May 2015. Generally, MTC has used the audit recommendations as the basis for developing the Productivity Improvement Program (PIP) projects the operator is required to complete. MTC tracks PIP project implementation as part of its annual review of the operator's TDA-STA claim application. This section provides an assessment of actions taken by TDA-STA recipients toward implementing the recommendations advanced in the prior audit. This assessment provides continuity between the current and prior audits, which allows MTC to fulfill its obligations where the recommendations were advanced as PIP projects.

This review addresses Dixon's responses to the recommendations made in the prior performance audit, and whether Dixon made reasonable progress toward their implementation. However, there were no recommendations made in Dixon's prior audit.

VI. FUNCTIONAL PERFORMANCE INDICATOR TRENDS

To further assess Dixon's performance over the past three years, a detailed set of functional area performance indicators was defined. This assessment consists of a three-year trend analysis of the functions in each of the following areas:

- Management, Administration and Marketing
- Service Planning
- Operations
- Maintenance
- Safety

The indicators selected for this analysis were primarily those that were tracked regularly by Dixon or for which input data were maintained by Dixon on an on-going basis, such as performance reports, contractor reports, annual financial reports and annual budget reports. As such, there may be some overlap with the TDA indicators examined earlier in the audit process, but most indicators will be different. Some indicators were selected from the California Department of Transportation's Performance Audit Guidebook for Transit Operators and Regional Transportation Planning Entities as being appropriate for this evaluation. The input statistics for the indicators, along with their sources, are contained in Appendix A at the end of this report.

The trends in performance are presented over the three-year audit period to give an indication of which direction performance is moving for these indicators. The remainder of this section presents the findings from this review. The discussion presents

the highlights of performance, followed by an exhibit illustrating the indicators by function as applicable.

Readi-Ride Functional Area Trends

City of Dixon's Readi-Ride service functional area trends represent areas of cost efficiency, safety, productivity and service reliability. Audit period performance is discussed below and presented in Exhibit 6.

- Management, Administration and Marketing
  - Administrative costs decreased from 3.4 percent of total operating costs in FY2015 to three percent in both FY2016 and FY2017.
  - Administrative cost performance was similar, decreasing from $2.76 to $2.28 per vehicle service hour over the audit period.
  - The portion of administrative costs attributed to marketing activities increased overall from 2.3 percent in FY2015 to 3.8 percent in FY2017.
  - Marketing expenditures remained minimal at about $0.01 per passenger trip in all three years.

- Service Planning
  - Operating costs per passenger mile increased from $6.87 in FY2015 to $7.02 in FY2016, before decreasing to $6.69 in FY2017, an overall decrease of 2.7 percent.
  - The farebox recovery ratio declined from 15 percent in the first year to 13.5 percent in FY2016, before improving to 15.3 percent in FY2017. Similarly, during the same period, the TDA recovery ratio decreased from 17.1 percent to 14.7 percent, before ending at 15.7 percent. For this calculation, farebox revenue is augmented with local support and operating costs reflect allowable exclusions, in this case, depreciation.

- About 92 to 96 percent of all vehicle miles traveled were in service during the audit period. Vehicle service hours in proportion to all hours increased from 76.5 percent in FY2015, to about 86 percent in service in FY2017.

- Passengers carried per service mile increased slightly, while passengers carried per service hour decreased slightly.

- Operations

  - Vehicle operations costs comprised between 88 and 89 percent of total operating costs in all three years of the audit period.

  - Vehicle operations costs per service hour decreased in each year, from $72.84 in FY2015 to $67.49 by FY2017.

  - Operating data for on-time performance, passenger complaints, and missed trips were not available for the current audit period, and therefore are not presented in this evaluation. The City is implementing a software upgrade, anticipated for July 2018, that will allow it to track these statistics for future reporting.

- Maintenance

  - Total maintenance costs increased from 7.2 percent to 9.0 percent of total operating costs over the period.

  - Vehicle maintenance costs per service mile increased overall from $0.48 to $0.62 (27 percent).

  - The vehicle spare ratio decreased from 44.4 percent in the first year to 37.5 percent in the last two years.

  - The mean distance between major failures and between all failures showed improvement, increasing almost 10 percent over the audit period.

- Safety

  - The rate of accidents per 100,000 miles was zero in the first two years, and 1.82 in FY2017.

* * * * *

The following is a brief summary of the functional trend highlights between FY2015 and FY2017:

- Administrative costs decreased moderately to about three percent of total operating costs, and decreased by 17.5 percent to $2.28 per vehicle service hour in FY2017. Marketing costs increased slightly overall compared to total administrative costs but remained at about $0.01 per passenger trip.

- Service Planning results have operating cost per passenger mile decreasing by almost three percent overall, farebox recovery ratio remaining steady at about 15 percent, and the TDA recovery ratio (reflecting local support and operating cost exclusions) decreasing from 17 percent to just under 16 percent. Consistently over 92 percent of vehicle miles were in service, while vehicle hours in service improved from 76 to 86 percent. Passenger productivity was relatively steady.

- Operations results showed a slight decrease in vehicle operations costs compared to total costs and a modest decrease in vehicle operations cost per service hour. Operating data for on-time performance, passenger complaints, and missed trips were not available for the current audit period, however, the City is implementing an update of its Route Match software that will allow it to track on-time and missed trips going forward. The update is anticipated to go live in July 2018.

- Maintenance results showed total maintenance costs increasing to 9.0 percent of total costs, while vehicle maintenance costs per service mile increased overall from $0.48 to $0.62. The spare ratio decreased from about 44 to 38 percent, and there was moderate improvement in the mechanical failure rates.

- Safety results showed the accident rate was very low over the audit period, with no accidents in FY2015 and FY2016, and two accidents in FY2017.

Exhibit 6: Functional Performance Trends

FUNCTION/Indicator	Actual Performance		
	FY2015	FY2016	FY2017
MANAGEMENT, ADMINISTRATION & MARKETING			
Administrative Cost/Total Operating Cost	3.4%	3.0%	3.0%
Annual Percent Change	- -	-11.2%	-1.2%
Three Year Percent Change	- -	- -	-12.3%
Adminstrative Cost/Vehicle Service Hour	$2.76	$2.45	$2.28
Annual Percent Change	- -	-11.4%	-6.9%
Three Year Percent Change	- -	- -	-17.5%
Marketing Cost/Total Administrative Cost	$0.02	$0.00	$0.04
Annual Percent Change	- -	-89.9%	1514.2%
Three Year Percent Change	- -	- -	62.9%
Marketing Cost/Unlinked Passenger Trip	$0.01	$0.00	$0.01
Annual Percent Change	- -	-90.3%	1343.4%
Three Year Percent Change	- -	- -	39.9%
SERVICE PLANNING			
Total Operating Cost/Passenger Mile	$6.87	$7.02	$6.69
Annual Percent Change	- -	2.2%	-4.8%
Three Year Percent Change	- -	- -	-2.7%
Farebox Recovery Ratio (Farebox Rev./Oper. Cost)	15.0%	13.5%	15.3%
Annual Percent Change	- -	*-9.8%*	*12.8%*
Three Year Percent Change	- -	- -	*1.7%*
TDA Recovery Ratio *(a)*	17.1%	14.7%	15.7%
Annual Percent Change	- -	*-14.3%*	*7.2%*
Three Year Percent Change	- -	- -	*-8.1%*
Vehicle Service Miles/Total Miles	96.2%	95.6%	92.2%
Annual Percent Change	- -	*-0.7%*	*-3.5%*
Three Year Percent Change	- -	- -	*-4.2%*
Vehicle Service Hours/Total Hours *(b)*	76.5%	85.7%	85.9%
Annual Percent Change	- -	*12.0%*	*0.3%*
Three Year Percent Change	- -	- -	*12.3%*
Passengers/Vehicle Service Mile	0.59	0.56	0.61
Annual Percent Change	- -	*-5.5%*	*9.4%*
Three Year Percent Change	- -	- -	*3.3%*
Passengers/Vehicle Service Hour	7.02	6.48	6.75
Annual Percent Change	- -	*-7.7%*	*4.1%*
Three Year Percent Change	- -	- -	*-3.9%*

FUNCTION/Indicator	Actual Performance		
	FY2015	FY2016	FY2017
OPERATIONS			
Vehicle Operations Cost/Total Operating Cost	89.3%	89.1%	87.9%
Annual Percent Change	- -	-0.2%	-1.3%
Three Year Percent Change	- -	- -	-1.6%
Vehicle Operations Cost/Vehicle Service Hour	$72.84	$72.50	$67.49
Annual Percent Change	- -	-0.5%	-6.9%
Three Year Percent Change	- -	- -	-7.3%
Trips On-Time/Total Trips	*(c)*	*(c)*	*(c)*
Annual Percent Change	- -	- -	- -
Three Year Percent Change	- -	- -	- -
Complaints/Unlinked Passenger Trips	*(c)*	*(c)*	*(c)*
Annual Percent Change	- -	- -	- -
Three Year Percent Change	- -	- -	- -
Missed Trips/Total Trips	*(c)*	*(c)*	*(c)*
Annual Percent Change	- -	- -	- -
Three Year Percent Change	- -	- -	- -
MAINTENANCE			
Vehicle + Non-Veh. Maint. Cost/Total Operating Cost	7.2%	7.9%	9.0%
Annual Percent Change	- -	*9.2%*	*14.2%*
Three Year Percent Change	- -	- -	*24.7%*
Vehicle Maintenance Cost/Vehicle Service Mile	$0.48	$0.55	$0.62
Annual Percent Change	- -	*13.0%*	*12.4%*
Three Year Percent Change	- -	- -	*27.0%*
Spare Vehicles/Total Vehicles	44.4%	37.5%	37.5%
Annual Percent Change	- -	*-15.6%*	*0.0%*
Three Year Percent Change	- -	- -	*-15.6%*
Mean Dist. betw. Major Failures (Miles)	100,499	104,853	110,141
Annual Percent Change	- -	*4.3%*	*5.0%*
Three Year Percent Change	- -	- -	*9.6%*
Mean Dist. betw. All Failures (Miles)	100,499	104,853	110,141
Annual Percent Change	- -	*4.3%*	*5.0%*
Three Year Percent Change	- -	- -	*9.6%*
SAFETY			
Accidents/100,000 Vehicle Miles	0.00	0.00	1.82
Annual Percent Change	- -	- -	- -
Three Year Percent Change	- -	- -	- -

(a) - Farebox Revenue plus Local Support/Operating Cost less TDA Allowable Exclusions

(b) - Total hours reported as shift, or working hours

(c) - Unavailable

VII. CONCLUSIONS AND RECOMMENDATIONS

This report has presented the findings of the compliance audit portion of the performance audit of the City of Dixon's transit service. The primary focus was the three-year audit period of FY2015 through FY2017 (July 1, 2014 through June 30, 2017). It has focused on TDA compliance issues including trends in TDA-mandated performance indicators and compliance with selected sections of the state Public Utilities Code (PUC). It also provides the findings from an overview of Dixon's data collection activities to support the TDA indicators. Performance results from the previous three years have also been included as applicable to provide a longer perspective on performance.

Conclusions

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

- Data Collection – Dixon is in compliance with the data collection and reporting requirements for all five TDA statistics. In addition, the statistics collected over the six-year review period appear to be consistent with the TDA definitions, and indicate general consistency in terms of the direction and magnitude of the year-to-year changes across the statistics.

- TDA Performance Trends

  Dixon's performance trends for the five TDA-mandated indicators were analyzed. A six-year analysis period was used for all the indicators. In addition, component operating costs were analyzed.

  The following is a brief summary of the TDA performance trend highlights over the six-year period of FY2012 through FY2017:

- There was a 5.5 percent average annual decrease in operating cost per hour, which amounted to a 7.9 percent decrease in inflation adjusted dollars.

- The cost per passenger decreased on average by 4.5 percent per year, or 6.9 percent per year in constant FY2012 dollars.

- Passenger productivity was mostly unchanged, with passengers per vehicle service hour decreasing by one percent per year overall, and passengers per vehicle service mile showing no average annual change over the review period.

- Employee productivity increased an average 4.7 percent per year.

The following is a brief summary of the component operating costs trend highlights between FY2012 and FY2017:

- Labor and fringe benefit costs both decreased around five percent per year, and comprised the majority of the component costs ranging from over 80 percent of total costs in FY2012 to just under 70 percent in FY2016.

- Costs for both services and fuel also decreased between five and six percent per year, with their share of total operating costs averaging between six and eight percent annually during the period.

- There were increases overall in the remaining component cost categories, with only other expenses comprising more than ten percent of the annual total operating costs. Other expenses component cost decreased from about 17 percent of total costs in FY2013 to about 11 percent in FY2016.

- PUC Compliance – Dixon is in compliance with the sections of the state PUC that were reviewed as part of this performance audit. These sections included requirements concerning CHP terminal safety inspections, labor contracts, reduced fares, Welfare-to-Work, revenue sharing, and evaluating passenger needs.

- Status of Prior Audit Recommendations – There were no recommendations made in Dixon's prior performance audit.

- Functional Performance Indicator Trends

  To further assess Dixon's performance over the past three years, a detailed set of functional area performance indicators was defined and reviewed.

  Readi-Ride Functional Area Trends – The following is a brief summary of the functional trend highlights between FY2015 and FY2017:

  – Administrative costs decreased moderately overall to about three percent of total operating costs, and also decreased by 17.5 percent to $2.28 per vehicle service hour in FY2017. Marketing costs increased slightly overall compared to total administrative costs but remained at about $0.01 per passenger trip.

  – Service Planning results showed operating cost per passenger mile decreasing by almost three percent overall, farebox recovery ratio remaining steady at about 15 percent, and the TDA recovery ratio (reflecting local support and operating cost exclusions) decreasing from 17 percent to just under 16 percent. Consistently over 92 percent of vehicle miles were in service, while vehicle hours in service improved from 76 to 86 percent. Passenger productivity was relatively steady.

  – Operations results showed a slight decrease in vehicle operations costs compared to total costs and a modest decrease in vehicle operations cost per service hour. Operating data for on-time performance, passenger complaints, and missed trips were not available for the current audit period, however, the City is implementing an update of its Route Match software that will allow it to track on-time and missed trips going forward. The update is anticipated to go live in July 2018.

  – Maintenance results showed total maintenance costs increasing to 9.0 percent of total costs, while vehicle maintenance costs per service mile increased overall from $0.48 to $0.62. The spare ratio decreased

from about 44 to 38 percent, and there was moderate improvement in the mechanical failure rates.

– Safety results showed the accident rate was very low over the audit period, with no accidents in FY2015 and FY2016, and two accidents in FY2017.

Recommendations

1. IMPROVE DATA COLLECTION AND REPORTING ACTIVITIES FOR QUALITY OF SERVICE STATISTICS FOR READI-RIDE SERVICES.
[Reference Section: VI. Functional Performance Indicator Trends]

There were numerous data gaps in quality of service statistics identified in the Functional Performance Indicator section of the audit for Readi-Ride. The data items that were not being reported include on-time trips, missed trips and complaints. As such, functional performance trend analysis could not be made for these measures.

The reasons for the gaps in statistics are both organizational and technological. For example, complaints are taken by the City Public Works staff, or in the case of civil rights complaints, by the Human Resources department, but there does not appear to be a structured process in place for complaint recording, monitoring and resolution. Currently, the City's Route Match software does not provide for tracking missed trips or late trips. The City is working on implementing a software upgrade that will allow it to track these statistics. It is anticipated that the upgrade will be ready by July 2018.

Collection and reporting of accurate, complete operating data is vital for a comprehensive analysis of performance for transit services. Dixon should

continue to its efforts of collecting quality of service data for its transit services, by developing data collection policies and procedures, and upgrading its technology to implement a comprehensive set of performance indicators to assist with their performance monitoring efforts.

APPENDIX A:
INPUT STATISTICS FOR
FUNCTIONAL PERFORMANCE MEASURES

Functional Performance Inputs

Data Item	FY2015	FY2016	FY2017	Source
Total Operating Costs	$664,514	$703,716	$706,253	Dixon Financial Ops. Financial Trans. Report
Administrative Costs *(a)*	$22,538	$21,187	$21,000	Dixon Budget Fund 350 - Transit
Vehicle Service Hours	8,163	8,657	9,215	Dixon Financial Ops. Financial Trans. Report
Marketing Costs *(a)*	$527	$50	$800	Dixon Budget Fund 350 - Transit
Unlinked Passenger Trips	57,315	56,089	62,174	Dixon Financial Ops. Financial Trans. Report
Vehicle Service Miles	96,718	100,206	101,539	Dixon Financial Ops. Financial Trans. Report
Total Vehicle Miles	100,499	104,853	110,141	Dixon Operations Annual Report
Vehicle Service Hours	8,163	8,657	9,215	Dixon Financial Ops. Financial Trans. Report
Total Vehicle Hours *(b)*	10,671	10,105	10,723	Dixon Operations Annual Report
Unlinked Passenger Trips	57,315	56,089	62,174	Dixon Financial Ops. Financial Trans. Report
Farebox Revenue	$99,656	$95,203	$107,734	Dixon Financial Ops. Financial Trans. Report
Passenger Miles	96,718	100,206	105,626	Dixon Operations Annual Report
Vehicle Operations Costs *(a), (c)*	$593,391	$626,884	$620,753	Dixon Financial Ops. Financial Trans. Report & Budgets
Local Support (TDA Article 4 services only) *(d)*	*(g)*	*(g)*	*(g)*	
TDA Oper. Cost Exclusions - PUC 99247 *(e)*	81,337	53,944	20,202	Dixon Budget Fund 350 - Transit
TDA Oper. Cost Exclusions - PUC 99268.17 *(f)*	*(g)*	*(g)*	*(g)*	
Trips On-Time	*(g)*	*(g)*	*(g)*	
Total Trips	57,315	56,089	62,174	Dixon Financial Ops. Financial Trans. Report
Complaints	*(g)*	*(g)*	*(g)*	
Missed Trips	*(g)*	*(g)*	*(g)*	

Functional Performance Inputs (continued)

Data Item	FY2015	FY2016	FY2017	Source
Vehicle Maintenance Costs *(a)*	$46,882	$54,871	$62,500	Dixon Budget Fund 350 - Transit
Non-Vehicle Maintenance Costs *(a)*	$1,176	$724	$1,200	Dixon Budget Fund 350 - Transit
Spare Vehicles (Total less Maximum Service)	4	3	3	Dixon Financial Ops. Financial Trans. Report
Total Vehicles	9	8	8	Dixon Financial Ops. Financial Trans. Report
Revenue Vehicle Mechanical System Failures - Total	0	0	0	Dixon Operations Annual Report
Revenue Vehicle Mechanical System Failures - Major	0	0	0	Dixon Operations Annual Report
Accidents	0	0	2	Dixon Operations Annual Report

(a) FY2017 figures estimated

(b) Reported as total shift, or working hours

(c) Calculated as total operating costs less adminstrative, marketing, maintenance and non-maintenance costs

(d) Local Support includes the following (USOA revenue class in parentheses):
- *Auxiliary transportation revenue (406)*
- *Taxes directly levied (408)*
- *Local cash grants and reimbursements (409)*
- *Local special fare assistance (410)*
- *Subsidy from other sectors of operation (440)*

(e) Operating expense object classes exclusive of the following pursuant to PUC Section 99247:
- *depreciation and amortization expenses*
- *subsidies for commuter rail services operated on railroad lines under the jurisdiction of the Federal Railroad Administration*
- *costs for providing charter services*
- *vehicle lease costs*
- *principal and interest payments on capital projects funded with certificates of participation*

(f) Operating expense object class exclusions pursuant to PUC Section 99268.17:
- *additional operating costs for federally required ADA paratransit service that exceed prior year costs (CPI adjusted)*
- *cost increases beyond the CPI change for: fuel; alternative fuel programs; power (including electricity); insurance premiums/liability claims payouts; state and federal mandates*
- *start-up costs for new services (not more than two years)*

(g) Unavailable