Triennial Performance Audit

of

Marin County Transit District

(MCTD/Marin Transit)

Fiscal Years 2022/23, 2023/24 and 2024/25

FINAL AUDIT REPORT

prepared for the

METROPOLITAN TRANSPORTATION COMMISSION

by

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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 Marin County Transit District (MCTD). In California, a performance audit must be conducted every three years of any transit operator receiving Transportation Development Act (TDA) Article 4 funds, to determine whether the operator is in compliance with certain statutory and regulatory requirements, and to assess the efficiency and effectiveness of the operator's services. The two service modes operated by MCTD, bus, and paratransit, are the prime focus of this performance audit. The audit period is Fiscal Years 2023 through 2025 (from July 1, 2022 through June 30, 2025).

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 MCTD'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 MCTD's performance based on the results of the previous sections.

Comments received from MCTD and MTC staff regarding the draft report have been incorporated into the final report. Highlights of 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 MCTD is in compliance with the TDA requirements for data collection and reporting. The review is limited to the data items needed to calculate the TDA-mandated performance indicators. This review has determined that MCTD is in compliance with the data collection and reporting requirements for these performance indicators. 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 – MCTD's performance trends for the five TDA-mandated indicators were analyzed by mode. A six-year analysis period was used for all the indicators. In addition, component operating costs were analyzed.

- Bus Service TDA Performance Indicators – The following is a brief summary of the TDA performance trend highlights over the six-year period of FY2020 through FY2025:
  - Cost per hour increased an average of 6.5 percent annually over the analysis period. This increase was largely due to an overall increase in operating costs between FY2020 and FY2025, while vehicle service hours increased only slightly.
  - Passenger productivity showed improvements in terms of both passengers per hour and passengers per mile despite a large downturn in ridership during the pandemic, recovering in subsequent years to post average annual increases of 4.5 percent and 3.2 percent, respectively.
  - Although cost effectiveness fell sharply in FY2021 due to the pandemic, it showed improvements in every year between FY2022 and FY2025. As a result the increase in cost per passenger was held to below that of inflation.

- Bus Service Component Costs – The following is a brief summary of the component operating costs trend highlights for the bus service between FY2020 and FY2025:

  - Purchased transportation represents the largest single cost category comprising roughly 83 percent of total operating costs. There was a significant increase in purchased transportation costs in FY2023 of 17.0 percent.

  - Labor and fringe benefits costs comprise a little more than eight percent of total operating costs. These categories exhibited modest average annual increases over the analysis period.

  - Materials and supplies comprise five percent of total operating costs, and experienced a 6.8 percent average annual change between FY2020 and FY2025.

  - Although large average annual increases in casualty/liability and other expenses were noted, these categories combined represent less than two percent of total operating costs.

- Paratransit TDA Performance Indicators – The following is a brief summary of the TDA performance trend highlights over the six-year period of FY2020 through FY2025:

  - Cost per vehicle service hour rose an average of 21.1 percent per year in actual dollars, and 16.7 percent per year in constant (inflation-adjusted) dollars over the analysis period.

  - Passenger productivity exhibited slight declines in both the passengers per hour and the passengers per mile performance measures, 2.0 percent and 1.9 percent, respectively.

  - Cost per passenger increased over the six-year period as a result of increasing costs and declining ridership with an average annual increase of 23.5 percent in actual dollars, and 19.0 percent increase in constant dollars.

- Paratransit Component Costs – The following is a brief summary of the component operating costs trend highlights for paratransit between FY2020 and FY2025:

- Purchased transportation costs, the largest cost category for paratransit, exhibited an average annual increase of 10.8 percent per year between FY2020 and FY2025.

- In-house labor and fringe benefits costs together comprise approximately eight percent of total operating costs. These cost categories increased an average of 11.0 percent and 14.9 percent per year over the analysis period.

- Services costs decreased an average of 30.0 percent per year with its share of total operating costs decreasing from around six percent to approximately one percent between FY2020 and FY2025.

- Casualty/liability and other expenses together comprise less than two percent of total operating costs for paratransit. Neither of these categories contribute significantly to the changes in total operating costs.

Compliance with Statutory Requirements – MCTD 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 evaluating passenger needs.

Status of Prior Audit Recommendations – There were no prior audit recommendations. As such, no review was necessary.

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

- Systemwide (All Modes) – The following is a brief summary of the systemwide functional trend highlights between FY2023 and FY2025:

  - Administrative costs as a percent of total operating costs increased from 21.7 percent to 27.1 percent, and administrative costs per hour increased from $37.44 to $51.28during the audit period.

- Marketing costs represented 1.4 percent of administrative costs in FY2025, the only year for which data was available.

- Systemwide farebox recovery declines 14.5 percent during the audit period.

- Bus Service – The following is a brief summary of the bus service functional trend highlights between FY2023 and FY2025:

  - Service Planning results showed an average of about 86 percent vehicle miles and 93 percent hours in service, and passengers per vehicle service mile and hour both increasing during the audit period.

  - Operations results showed a decrease in vehicle operations costs as a portion of total operating costs (2.3 percent), and an increase in vehicle operations costs per hour (8.0 percent). On-time performance remained steady, but lower than what would be expected. Customer satisfaction showed improvements in terms of complaints, and commendations.

  - Maintenance results showed a decrease in total maintenance costs as a portion of total operating costs, and in vehicle maintenance costs per service mile. The vehicle spare ratio decreased by a third over the audit period. Mean distance between major mechanical failures decreased by 38.5 percent overall, and mean distance between all failures decreased by 20.7 percent.

  - Safety results showed preventable accidents per 100,000 vehicle miles decreasing slightly by 4.1 percent overall.

- Paratransit – The following is a brief summary of the paratransit functional trend highlights between FY2023 and FY2025:

  - Service Planning results exhibited increases in operating cost per passenger mile, vehicle miles as a percentage of total miles, and passengers per vehicle service mile. Most other service planning measures remained steady.

  - Operations performance exhibited significant improvements in a number of performance measures during the audit period, including a 15.0 percent increase in on-time performance, a 44.5 percent drop in complaints per 1,000 passengers, and an eight-fold increase in commendations. Performance in ADA trip related measures also demonstrated significant improvements during the audit period.

- Maintenance costs as a percentage of total operating costs declined by 28 percent over the three years, while vehicle maintenance costs per service mile rose by 8.4 percent. Although mean distance between major failures and all failures exhibited drops in performance, these results were overly influenced by the small numbers of actual failures experienced during the audit period.

- Safety performance worsened during the audit period with an approximately threefold increase in preventable accidents per 100,000 vehicle miles.

Recommendations

1. CONTINUE TO EVALUATE STRATEGIES FOR IMPROVING ON-TIME PERFORMANCE ON MCTD'S BUS SERVICE.
   [Reference Section: VI. Functional Performance Indicator Trends]

While MCTD's on-time performance improved slightly from 72.0 percent in FY2023 to 73.1 percent in FY2025, the overall level of performance is below the agency's goal of 90 percent across all services. MCTD faces numerous challenges to achieving this goal -- school-related traffic, roadway construction, traffic collisions, as well as accidents and congestion on Highway 101. MCTD recently implemented enhancements to its CAD/AVL system that will support more detailed analytic and monitoring capabilities. Along with evaluating service adjustments, the agency is attempting to strike a balance between improving reliability and maintaining service levels.

MCTD should continue to evaluate strategies to improve on-time performance, and develop measures to optimize its performance while maintaining service levels.

2. CONTINUE EFFIORTS TO IMPROVE MAINTENANCE RELIABILITY FOR MCTD'S BUS SERVICE.
   [Reference Section: VI. Functional Performance Indicator Trends]

The mean distance between major failures declined by 38.5 percent over the audit period. Distance between major failures went from 53,854 miles in FY2023 to 33,101 in FY2025. Similarly, the mean distance between all failures also declined, but at a lower overall rate. MCTD identified a number of factors that contributed to this performance including long lead times for obtaining critical components, as well as reliability issues with the deployment of replacement vehicles with a new Allison Hybrid technology.

MCTD has already taken the initial steps to address the reliability issues. As such, MCTD should continue its efforts to increase the mean distance between major and all mechanical failures for its bus service.

3. CONTINUE EFFORTS TO REDUCE PREVENTABLE ACCIDENTS ON THE PARATRANSIT SERVICE.
[Reference Section: VI. Functional Performance Indicator Trends]

The number of preventable accidents per 100,000 vehicle miles on MCTD's paratransit service rose sharply from 1.73 in FY2023 to 4.88 in FY2025, an increase of 181.2 percent. MCTD's review of the FY2025 incidents determined that the majority of preventable accidents involved minor contact with fixed objects while maneuvering vehicles in parking lots and other confined areas. In response, MCTD has been working with its contractor to implement several corrective actions. As a result, safety performance thus far in FY2026 has exhibited a reduction in preventable paratransit accidents of nearly 50 percent compared to FY2025.

MCTD should continue to work with its contractor to monitor safety performance, and enhance driver safety training in its efforts to improve safety performance.

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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 Marin County Transit District (MCTD). The two service modes operated by MCTD, bus, and paratransit, are the prime focus of this performance audit. The audit period is Fiscal Years 2023 through 2025 (from July 1, 2022 through June 30, 2025).

An overview of MCTD is provided in Exhibit 1. This is followed by a current agency organization chart in Exhibit 2, which reflects the basic in-house organizational structure.

Performance Audit and Report Organization

This performance audit of MCTD was conducted for MTC in accordance with its established procedures for performance audits. The audit consisted of two discrete phases:

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

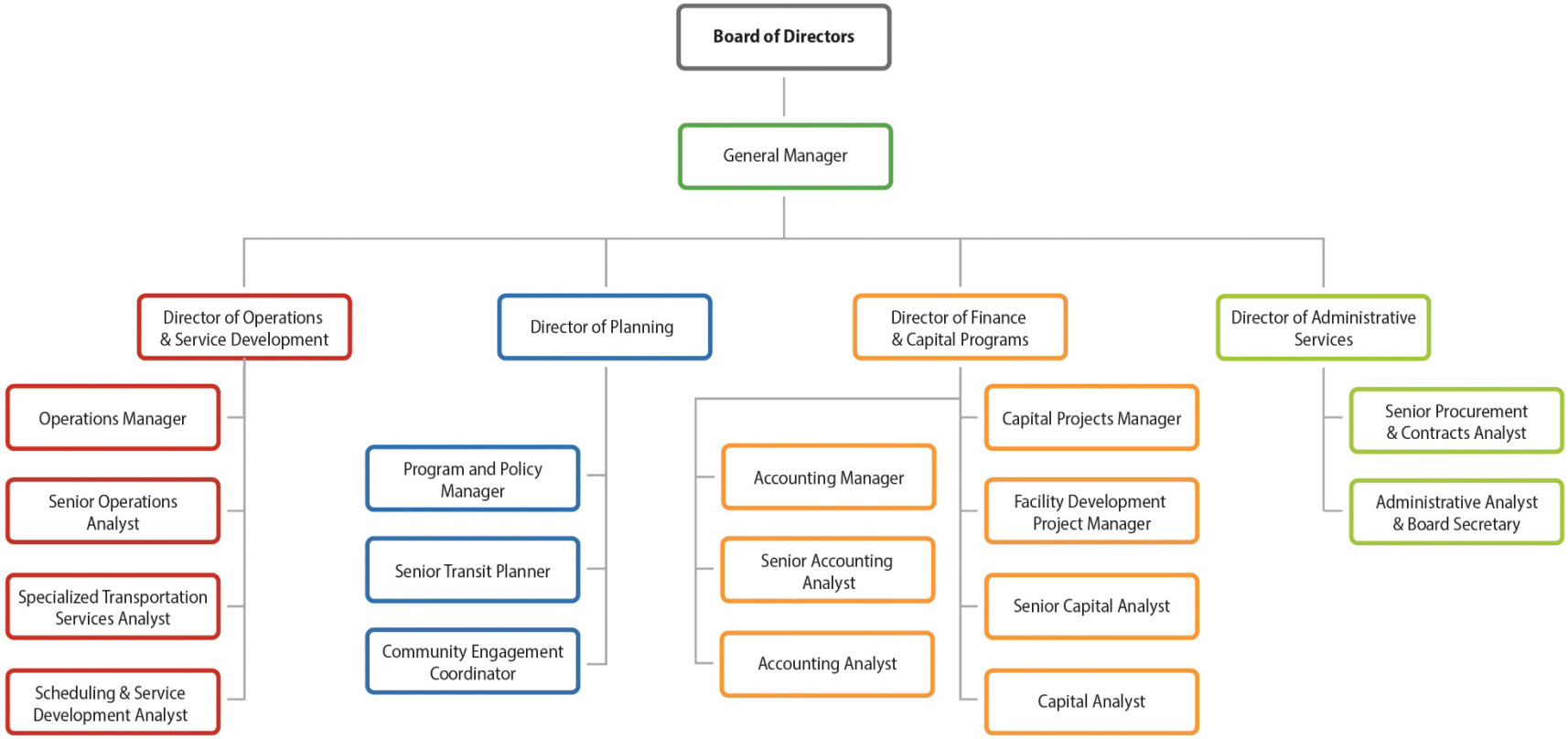
This final report presents the findings from both phases, Compliance Audit and Functional Review. Comments received from MCTD and MTC staff regarding the draft report were incorporated into this final report.

Exhibit 1: System Overview

Location	Headquarters/Administrative Office: 711 Grand Avenue, Suite 110, San Rafael CA 94901
Establishment	Marin County Transit District (MCTD) was formed by a vote of the people of Marin County in 1964 and was given the responsibility for providing local transit service within the County. The District historically was primarily a "pass through" agency providing funds for local services managed by Golden Gate Transit, along with administering the contract for local and regional paratransit services. However, in 2003 MCTD began to take responsibility for planning, outreach, oversight, and management of local fixed route transit services throughout the county. Although Marin Transit has responsibility for local transit services, the District owns limited facilities and does not employ its own drivers. Instead, Marin Transit contracts with other providers, including Golden Gate Bridge Highway and Transportation District (Golden Gate Transit), Marin Airporter, Bauer's Intelligent Transportation, and Transdev Services, Inc, for local bus and paratransit services.
Board	MCTD is directed by a seven-member Board. The Board includes elected representatives from the County Board of Supervisors (all five Supervisors), two city representatives, and an alternate city representative. City representatives are appointed by the Marin County Council of Mayors and Councilmembers (MCCMC) to two year terms. MCTD Board Members do not receive compensation for service on the Board. Each of the Board members and the City Alternate are elected officials of Marin County (Supervisors) or a City Council.
Facilities	MCTD's Administrative facility in San Rafael is a 6,465 square foot leased office space solely used for the administrative staff. It has 26 offices or workstations and three conference rooms. MCTD owns three small facilities: a 2.5-acre lot in Novato used to park vehicles under the Marin Airporter contract, a 0.71-acre facility in San Rafael for paratransit maintenance, and an adjacent 0.95-acre parcel for future paratransit parking, both used by Transdev. All other vehicle storage, maintenance, and fueling is done under contract by the District's various service providers at their own facilities. MCTD does not own or maintain any park-and-ride lots, but many routes serve the 15 park-and-ride facilities in the County that other transit operators or Caltrans own and maintain.
Service Data	MCTD serves all major cities, towns, and communities within Marin County. MCTD operates 19 fixed route transit services including local fixed-route and community shuttle routes, Stagecoach Service, which provides daily service to destinations in west Marin, including county and state parks and the Golden Gate National Recreation Area, as well as Supplemental Routes, which operate on school days only, and are designed to meet the needs of students.

	MCTD has not increased local fares for almost 20 years. The fixed-route adult base fare is $2.00. The discounted fare for youth, seniors and disabled riders is $1.00. Up to two children under age 5 may ride free with a fare-paying adult. Transfers are free with a paid fare, and are good on all MCTD and Golden Gate buses in any direction within the county for two hours. MCTD also sells 1-day and 31-day passes, and annual youth passes. In addition, Clipper cards are accepted and give a ten percent discount off the adult cash fare for travel within Marin County. MCTD also provides the following demand-response services for older adults and people with disabilities under the brand Marin Access: ADA complementary paratransit, dial-a-ride shuttles, a volunteer driver reimbursement program, and the Catch A Ride taxi/TNC subsidy program. Marin Access ADA paratransit fares for local trips within the mandated service area (¾ mile of a fixed-route) are $4.00; riders can also travel beyond the mandated service area on stand-by status for $4.00. Fares on the other demand-response services vary by service. MCTD also manages regional paratransit service on behalf of Golden Gate Transit.
Recent Changes	Marin Transit Fare Study – the study was completed Spring 2024, and evaluated technology options to replace Marin Transit's fareboxes and count passengers. Staff completed the evaluation process and recommended a technology package of Drop Fareboxes and Automated Passenger Counters for Board adoption. Rush Landing Improvements – Phase1 of the project included bringing additional power to the site for the purpose of charging Battery Electric Vehicles. Phase 2 included replacement of the fence around the property with a more secure fence, updates related to Landscaping as required by the City of Novato, and improvements to the lighting at the site.
Planned Changes	Rush Landing Improvements – Marin Transit was recently awarded a Federal Transit Administration (FTA) grant in the amount of $5.64 million for the renovation of the Rush Landing office building and the purchase of three replacement buses. Funding was awarded as part of the FY25 FTA Bus and Low- and No-Emission Grant Awards and will allow Marin Transit to modernize the Rush Landing building in Novato and optimize its use for transit operations.
Staff	MCTD has 21 full-time employees. Currently, four Director level positions report directly to the General Manager. The staff breakdown is as follows: Operations & Service Development – 5 positions Planning – 4 positions Administrative Services – 3 positions Finance & Capital Programs – 8 positions

Exhibit 2: Current 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 MCTD 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 National Transit Database (NTD) reports submitted annually to the Federal Transit Administration (FTA). The information reported by MCTD covering the audit period has been reviewed.

Compliance with Requirements

To support this review, MCTD confirmed its data collection and reporting procedures as described in the prior performance audit. The definitions and procedures used to derive the TDA statistics generally are consistent with those used for the NTD reporting system.

Based on the information provided, as shown in Exhibit 3.1, MCTD is in compliance with the data collection and reporting requirements for the TDA statistics.

Consistency of the Reported Statistics

The resulting TDA statistics for MCTD's transit services are shown in Exhibits 3.2 and 3.3, respectively. Included are statistics covering each fiscal year of the three-year audit period, plus the preceding three fiscal years, resulting in a six-year trend. It should be noted that employee work hour/FTE data are not included since MCTD service is provided by a private contractor.

The available 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, and exclusive of all subsidies for commuter rail services operated under the jurisdiction of the Interstate Commerce Commission and of all direct costs for providing charter services, and exclusive of all vehicle lease costs.	In Compliance	MCTD reports operating costs based on NTD definitions. MCTD uses Abila accounting software, which allows precise coding of financial transactions so that data can be summarized and reported on many different indicators. This is used for reporting to the myriad funding agencies and for project and grant accounting. All financial transactions are coded with the applicable fund, function, program and project.
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	MCTD reports hours based on NTD definitions for Vehicle Revenue Hours (VRH). In 2015, the District hired an outside consultant to review and audit its methodologies to calculate VRH; current practices are consistent with the recommendations from this effort. MCTD uses a schedule software (Optibus) to generate "scheduled" operations data for fixed route services. This system then exports performance statistics including vehicle service hours for a given runcut. This information is then entered into the TransTrack systems program, a cloud-based, data management platform. Additionally, the program integrates with other transit software to download and integrate data without the need for duplicate data entry. This helps to manage data generated by multiple

TDA Statistic	TDA Definition	Compliance Finding	Verification Information
			service contractors operating out of an assortment of locations throughout the county. Fixed-Route: At each signup (twice a year) scheduled service hours are manually entered into TransTrack. All incidents, missed or adjusted services are entered and recorded in TransTrack as they occur. Hours reported are calculated based on the actual service operated for each period. Paratransit – For most services, hours data are collected through the Trapeze PASS system and automatically transmitted from Trapeze PASS into TransTrack system. Statistics for Marin Transit Connect, an on-demand service offered from May 2018 to June 2023, were collected from Tableau (software dedicated to that program) from May 2018 to June 2021, and were collected from Uber (software contract to run the program technology) from July 2021 to June 2023, and manually entered into TransTrack.
Vehicle Service Miles	"Vehicle service miles" means the total number of miles that each transit vehicle is in revenue service.	In Compliance	MCTD reports miles based on NTD definitions for Vehicle Revenue Hours (VRM). In 2015, the District hired an outside consultant to review and audit its methodologies to calculate VRM; current practices are consistent with the recommendations from this effort. As noted above, MCTD uses a scheduling software to generate "scheduled" operations data and then imports this information into the TransTrack systems program, which helps to manage data generated by multiple service contractors operating out of an assortment of locations throughout the county.

TDA Statistic	TDA Definition	Compliance Finding	Verification Information
			Fixed-Route: At each signup (every three to six months), scheduled service miles are manually entered into TransTrack. All incidents, missed or adjusted services are entered and recorded in TransTrack as they occur. Miles reported are calculated based on the actual service operated for each period. Paratransit – For most services, miles data are collected through the Trapeze PASS system and automatically transmitted from Trapeze PASS into TransTrack system. Statistics for Marin Transit Connect, an on-demand service offered from May 2018 to June 2023, were collected from Tableau (software dedicated to that program) from May 2018 to June 2021, and were collected from Uber (software contract to run the program technology) from July 2021 to June 2023, and manually entered into TransTrack.
Unlinked Passengers	"Unlinked passengers" means the number of boarding passengers, whether revenue producing or not, carried by the public transportation system.	In Compliance	MCTD reports passengers based on NTD definitions for Unlinked Passenger Trips (UPT). In 2015, the District hired an outside consultant to review and audit its methodologies to calculate UPT; current practices are consistent with the recommendations from this effort. As noted above, MCTD compiles all operations data in the TransTrack systems program, which helps to manage data generated by multiple service contractors operating out of an assortment of locations throughout the county. Fixed-Route: Unlinked passenger trips are calculated using a combination of data from GFI validating fareboxes and Clipper for non-Golden Gate Transit operated routes (GFI is automatically transmitted into TransTrack system, Clipper is pulled from Crystal Reports and manually

TDA Statistic	TDA Definition	Compliance Finding	Verification Information
			entered into TransTrack); Clipper and Golden Gate Transit Transat for GGT operated routes, both automatically transmitted into TransTrack database; and GFI validating fareboxes and NPS online ticketing system for Muir Woods Shuttle, through manual entry into TransTrack (GFI validating fareboxes were phased out on the Muir Woods Shuttle in May 2023). Paratransit – For most services, passenger data are collected through the Trapeze PASS system and automatically transmitted from Trapeze PASS into TransTrack system. Statistics for Marin Transit Connect, an on-demand service offered from May 2018 to June 2023, were collected from Tableau (software dedicated to that program) from May 2018 to June 2021, and were collected from Uber (software contract to run the program technology) from July 2021 to June 2023, and manually entered into TransTrack.
Employee Full-Time Equivalents	2,000 person-hours of work in one year constitute one employee.	In Compliance	MCTD reports FTEs from the State Controllers report, which uses the assumption that 2,000 person hours of work in one year constitutes one employee.

Exhibit 3.2: TDA Statistics – Bus Service

TDA Statistics	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025	Av. Ann. Chg.
Operating Cost (Actual $)	$22,890,698	$24,153,461	$25,398,055	$29,401,097	$31,521,385	$32,350,168	- -
Annual Change	- -	*5.5%*	*5.2%*	*15.8%*	*7.2%*	*2.6%*	*7.2%*
Operating Cost (Constant $)	$22,890,698	$23,159,432	$22,633,532	$25,608,664	$26,656,381	$26,839,765	- -
Annual Change	- -	*1.2%*	*-2.3%*	*13.1%*	*4.1%*	*0.7%*	*3.2%*
Vehicle Service Hours	175,850	188,568	183,510	182,308	181,316	181,352	- -
Annual Change	- -	*7.2%*	*-2.7%*	*-0.7%*	*-0.5%*	*0.0%*	*0.6%*
Vehicle Service Miles	2,272,524	2,792,082	2,844,726	2,642,268	2,512,741	2,502,022	- -
Annual Change	- -	*22.9%*	*1.9%*	*-7.1%*	*-4.9%*	*-0.4%*	*1.9%*
Unlinked Passengers	2,423,027	1,429,586	2,255,862	2,648,326	2,823,735	3,116,155	- -
Annual Change	- -	*-41.0%*	*57.8%*	*17.4%*	*6.6%*	*10.4%*	*5.2%*
Employee Full-Time Equivalents	*(a)*	*(a)*	*(a)*	*(a)*	*(a)*	*(a)*	- -
Annual Change	- -	- -	- -	- -	- -	- -	- -
Bay Area CPI - Annual Change	- -	4.3%	7.6%	2.3%	3.0%	1.9%	- -
Cumulative Change	- -	4.3%	12.2%	14.8%	18.3%	20.5%	*3.8%*

(a) Not applicable as MCTD bus service is provided by a private contractor

Sources:
FY2020 through FY2022 - Prior Performance Audit Report
FY2023 through FY2025 - NTD Reports
CPI Data - U.S. Department of Labor, Bureau of Labor Statistics

Exhibit 3.3: TDA Statistics – Paratransit

TDA Statistic	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025	*Av. Ann. Chg.*
Operating Cost (Actual $) *(a)*	$4,385,485	$3,504,439	$4,543,001	$5,792,290	$6,271,696	$6,491,515	- -
Annual Change	- -	*-20.1%*	*29.6%*	*27.5%*	*8.3%*	*3.5%*	*8.2%*
Operating Cost (Constant $)	$4,385,485	$3,360,215	$4,048,505	$5,045,145	$5,303,724	$5,385,775	- -
Annual Change	- -	*-23.4%*	*20.5%*	*24.6%*	*5.1%*	*1.5%*	*4.2%*
Vehicle Service Hours	42,439	16,279	25,972	21,800	23,885	24,126	- -
Annual Change	- -	*-61.6%*	*59.5%*	*-16.1%*	*9.6%*	*1.0%*	*-10.7%*
Vehicle Service Miles	599,879	298,590	428,922	375,035	351,096	340,837	- -
Annual Change	- -	*-50.2%*	*43.6%*	*-12.6%*	*-6.4%*	*-2.9%*	*-10.7%*
Unlinked Passengers	86,048	31,166	51,300	46,102	44,100	44,321	- -
Annual Change	- -	*-63.8%*	*64.6%*	*-10.1%*	*-4.3%*	*0.5%*	*-12.4%*
Employee Full-Time Equivalents	*(a)*	*(a)*	*(a)*	*(a)*	*(a)*	*(a)*	- -
Annual Change	- -	- -	- -	- -	- -	- -	- -
Bay Area CPI - Annual Change	- -	4.3%	7.6%	2.3%	3.0%	1.9%	- -
Cumulative Change	- -	4.3%	12.2%	14.8%	18.3%	20.5%	*3.8%*

(a) Not applicable as MCTD bus service is provided by a private contractor

Sources:
FY2020 through FY2022 - Prior Performance Audit Report
FY2023 through FY2025 - NTD Reports
CPI Data - U.S. Department of Labor, Bureau of Labor Statistics

III. TDA PERFORMANCE INDICATORS AND TRENDS

The performance trends for MCTD's bus and paratransit service modes are presented in this section. Performance is discussed for four 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

The performance results in these indicators were developed from the information in the NTD reports for the three years of the audit period.

Performance results for the fifth TDA-mandated indicator, vehicle service hours per full-time equivalent employee (FTE), were deemed not applicable since MCTD's services are provided by a private contractor.

In addition to presenting performance for the three years of the audit period (FY2023 through FY2025), 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 MCTD'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 FY2023 to FY2025 trend lines have been combined with those from the prior audit period (FY2020 through FY2022) 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 MCTD's performance trends in the four TDA performance indicators included. The discussion is organized by service mode -- bus service is discussed first, followed by paratransit. 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.

Bus Service Performance Trends

This section provides an overview of the performance of MCTD's bus 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 4.3.

- Operating Cost per Vehicle Service Hour (Exhibit 4.1)
  - Cost per hour is a key measure of cost efficiency. MCTD's cost per hour increased an average of 6.5 percent annually over the analysis period. This increase was largely due to an overall increase in operating costs between FY2020 and FY2025, while vehicle service hours increased only slightly.

- This increase is a result of rebid or amendments to three of Marin Transit's Operations and Maintenance Contracts which increased variable and fixed fees paid to contractors.

- Cost per hour rose from $130.17 in FY2020 to $178.38 in FY2025. Annual increases were most significant in FY2022 and FY2023, when cost per hour rose 8.1 percent and 16.5 percent, respectively.

- In constant (inflation-adjusted) dollars, cost per hour increased from $130.17 in FY2020 to $148.00 in FY2025, which was 2.6 percent over the increase due to inflation.

- Passengers per Vehicle Service Hour (Exhibit 4.2)

  - Passengers per hour is a measure of service productivity. Although productivity fell sharply in FY2021 as a result of the pandemic, it quickly rebounded.

  - Productivity rose an average of 4.5 percent per year between FY2020 and FY2025, from 13.8 passengers per hour to 17.2 passengers per hour.

  - The improving trend of this indicator was the result of an overall increase in total ridership (unlinked passenger trips) of 5.2 percent annually.

- Passengers per Vehicle Service Mile (Exhibit 4.2)

  - Passengers per mile also exhibited an increase over the analysis period, with performance of 1.07 in FY2020 increasing to 1.25 in FY2025.

  - The average annual increase in passengers per mile between FY2020 and FY2025 was 3.2 percent per year.

  - Similar to passengers per hour, the increase in passengers per mile was driven by an overall increase to total ridership.

- Operating Cost per Passenger (Exhibit 4.3)

  - Cost per passenger is a measure of cost effectiveness. Between FY2020 and FY2021 there was a significant increase in cost per passenger as a result of ridership losses during the pandemic. However, from FY2022 through FY2025 cost effectiveness improved every single year.

- Overall, cost per passenger went from $9.45 in FY2020 to $10.38 in FY2025. With the interim annual improvements in passenger productivity, cost per passenger exhibited only a modest increase of 1.9 percent annually over the analysis period.

- With the effects of inflation removed (constant dollars), cost per passenger experienced an average annual decrease from $9.45 in FY2020 to $8.61 in FY2025.

* * * * *

The following is a brief summary of the TDA performance trend highlights over the six-year period of FY2020 through FY2025:

- Cost per hour increased an average of 6.5 percent annually over the analysis period. This increase was largely due to an overall increase in operating costs between FY2020 and FY2025, while vehicle service hours increased only slightly.

- Passenger productivity showed improvements in terms of both passengers per hour and passengers per mile despite a large downturn in ridership during the pandemic, recovering in subsequent years to post average annual increases of 4.5 percent and 3.2 percent, respectively.

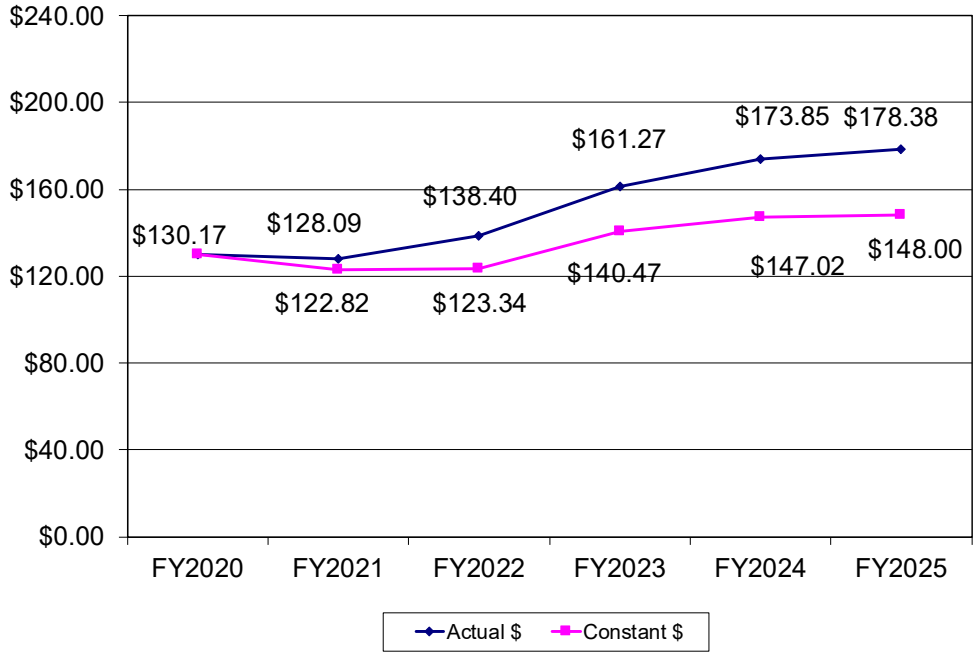
- Although cost effectiveness fell sharply in FY2021 due to the pandemic, it showed improvements in every year between FY2022 and FY2025. As a result the increase in cost per passenger was held to below that of inflation.

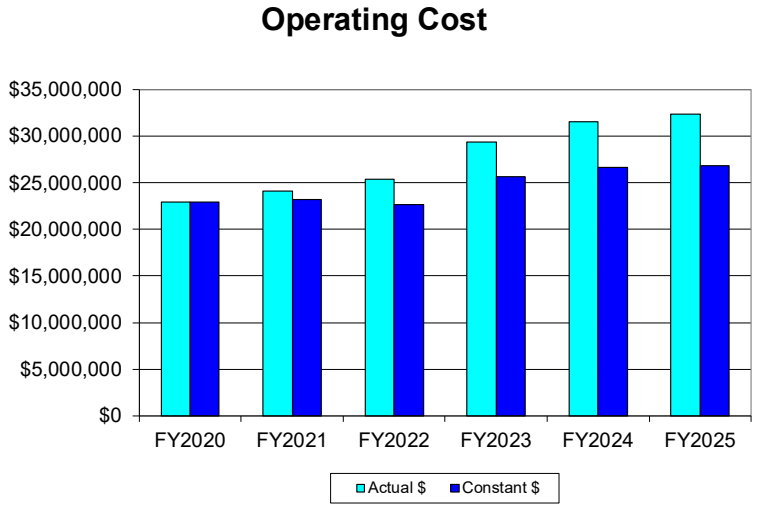
Exhibit 4: TDA Indicator Performance – Bus Service

TDA Performance Indicator	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025	*Av. Ann. Chg.*
Op. Cost per Vehicle Svc. Hour (Actual $)	$130.17	$128.09	$138.40	$161.27	$173.85	$178.38	- -
Annual Change	- -	*-1.6%*	*8.1%*	*16.5%*	*7.8%*	*2.6%*	*6.5%*
Op. Cost per Vehicle Svc. Hour (Constant $)	$130.17	$122.82	$123.34	$140.47	$147.02	$148.00	- -
Annual Change	- -	*-5.6%*	*0.4%*	*13.9%*	*4.7%*	*0.7%*	*2.6%*
Passengers per Vehicle Service Hour	13.8	7.6	12.3	14.5	15.6	17.2	- -
Annual Change	- -	*-45.0%*	*62.1%*	*18.2%*	*7.2%*	*10.3%*	*4.5%*
Passengers per Vehicle Service Mile	1.07	0.51	0.79	1.00	1.12	1.25	- -
Annual Change	- -	*-52.0%*	*54.9%*	*26.4%*	*12.1%*	*10.8%*	*3.2%*
Op. Cost per Passenger (Actual $)	$9.45	$16.90	$11.26	$11.10	$11.16	$10.38	- -
Annual Change	- -	*78.8%*	*-33.4%*	*-1.4%*	*0.6%*	*-7.0%*	*1.9%*
Op. Cost per Passenger (Constant $)	$9.45	$16.20	$10.03	$9.67	$9.44	$8.61	- -
Annual Change	- -	*71.5%*	*-38.1%*	*-3.6%*	*-2.4%*	*-8.8%*	*-1.8%*
Vehicle Service Hours per FTE	*(a)*	*(a)*	*(a)*	*(a)*	*(a)*	*(a)*	- -
Annual Change	- -	- -	- -	- -	- -	- -	- -
Bay Area CPI - Annual Change	- -	4.3%	7.6%	2.3%	3.0%	1.9%	- -
Cumulative Change	- -	4.3%	12.2%	14.8%	18.3%	20.5%	*3.8%*

(a) Not applicable as MCTD service is provided by a private contractor

Exhibit 4.1: Operating Cost per Vehicle Service Hour – Bus Service





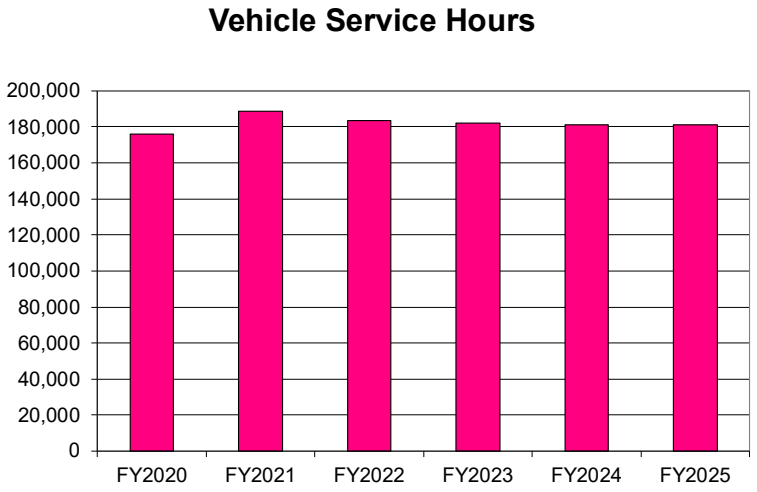
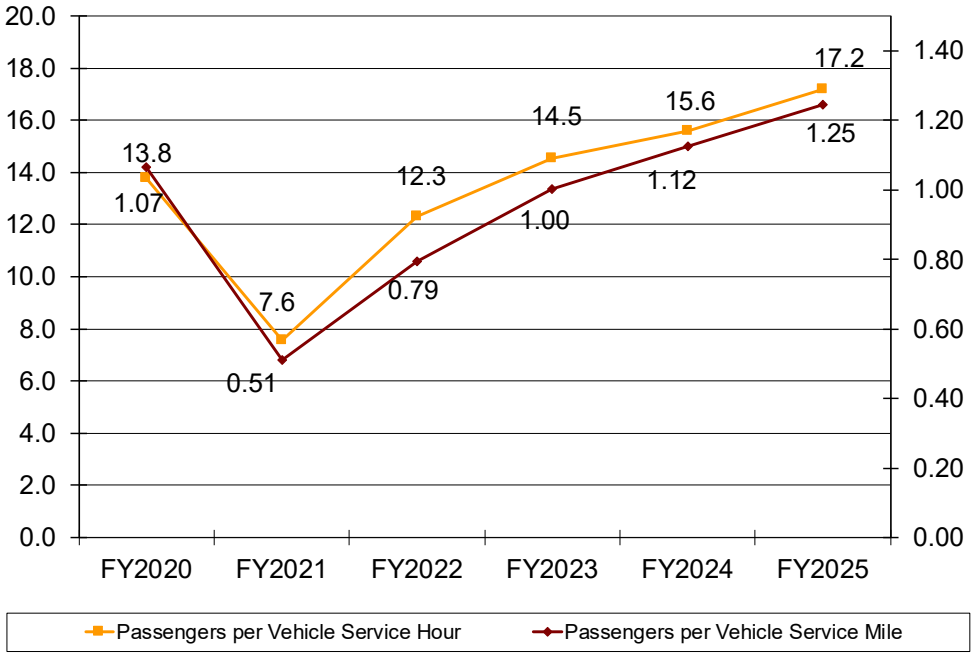
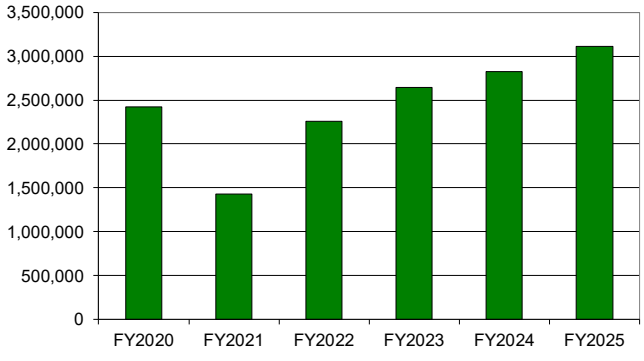


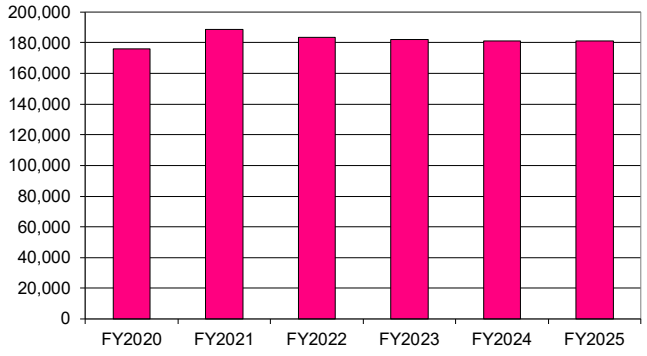
Exhibit 4.2: Passengers per Hour and per Mile – Bus Service



Unlinked Passengers



Vehicle Service Hours



Vehicle Service Miles

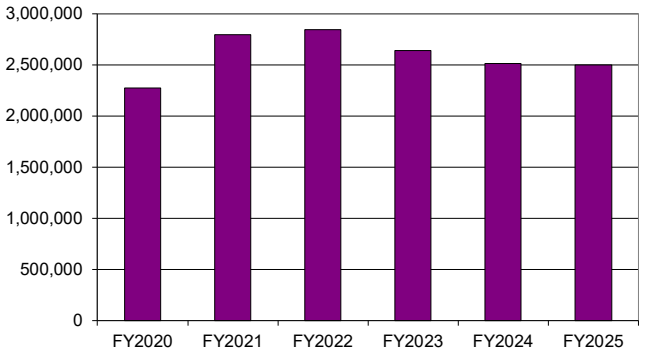
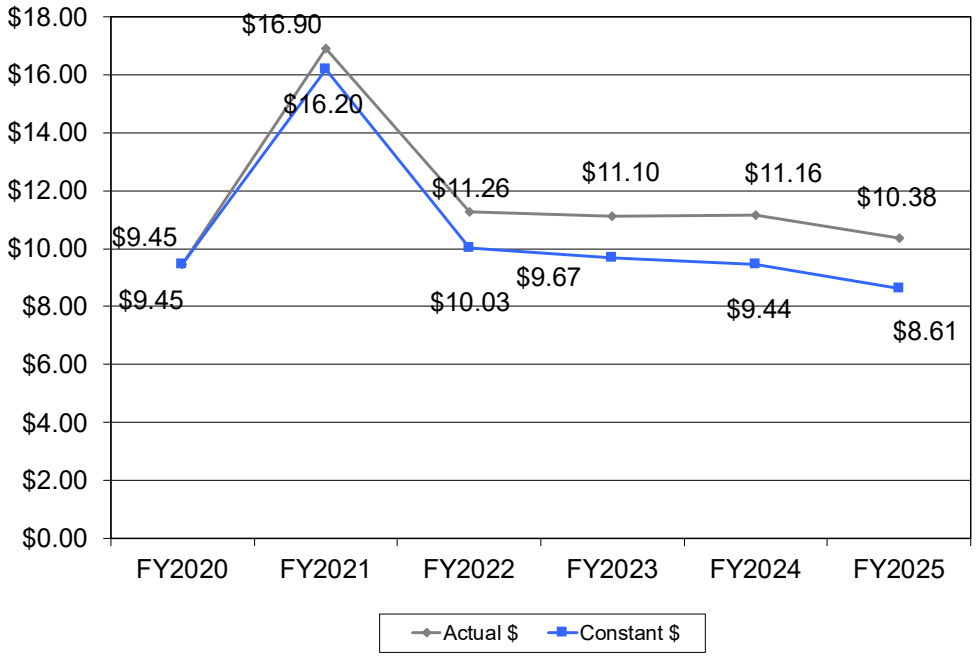
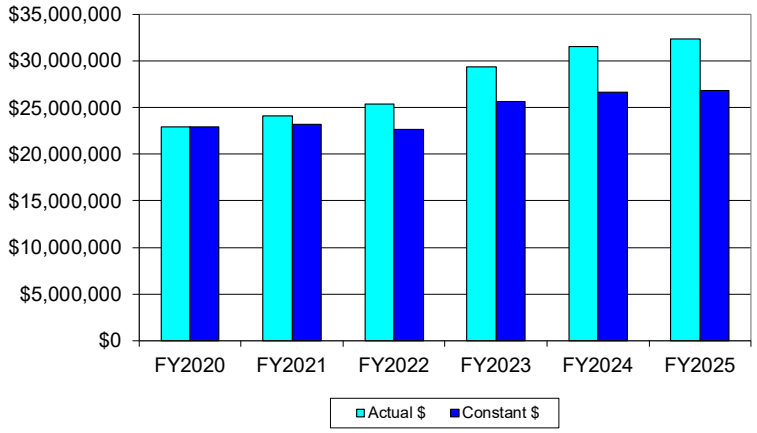


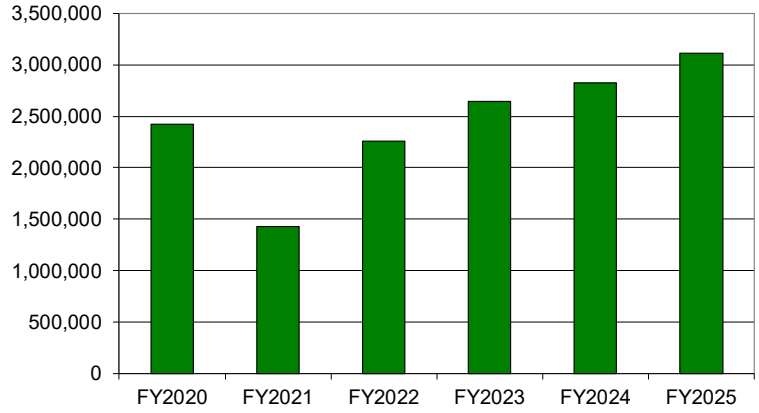
Exhibit 4.3: Operating Cost per Passenger – Bus Service



Operating Cost



Unlinked Passengers



Bus Service Component Costs

Year-to-year changes in selected operating cost categories over the past six years are presented in Exhibit 4.4. 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 4.4 also shows the concurrent changes in vehicle service hours and Exhibit 4.5 illustrates the portion of the cost per bus service hour that can be attributed to each included cost component.

- Changes in most component cost categories between FY2020 and FY2025 averaged less than 10 percent per year over the analysis period. Although large average annual increases were observed in casualty/liability and other expenses.
- Labor costs increased an average of 6.1 percent per year, while fringe benefits costs increased an average annual increase of 7.0 percent per year. Labor and fringe benefit costs represent 5.2 and 3.1 percent of total operating costs in FY2025.
- Services decreased an average of 6.5 percent per year, and represented between 1.2 per cent and 2.1 percent of total operating costs throughout the analysis period.
- Purchased transportation costs is the largest cost category representing between 82 and 84 percent of total operating costs over the six-year period. Purchased transportation increased an average of 7.1 percent per year, with the largest single year increase (17.0 percent) occurring in FY2023.
- Materials and supplies represent approximately five percent of total operating costs. Large increases in FY2021 and FY2022 were observed due to increases in fuel and parts costs in those years, but decreased costs during the audit period resulted in a modest overall increase of 6.8 percent per year.
- Casualty/liability and other expenses increased an average of 29.3 percent per year and 17.0 percent per year, respectively. However, these categories combined represent less than two percent of total operating costs.

* * * * *

The following is a brief summary of the component operating costs trend highlights between FY2020 and FY2025:

- Purchased transportation represents the largest single cost category comprising roughly 83 percent of total operating costs. There was a significant increase in purchased transportation costs in FY2023 of 17.0 percent.
- Labor and fringe benefits costs comprise a little more than eight percent of total operating costs. These categories exhibited modest average annual increases over the analysis period.
- Materials and supplies comprise five percent of total operating costs, and experienced a 6.8 percent average annual change between FY2020 and FY2025.
- Although large average annual increases in casualty/liability and other expenses were noted, these categories combined represent less than two percent of total operating costs.

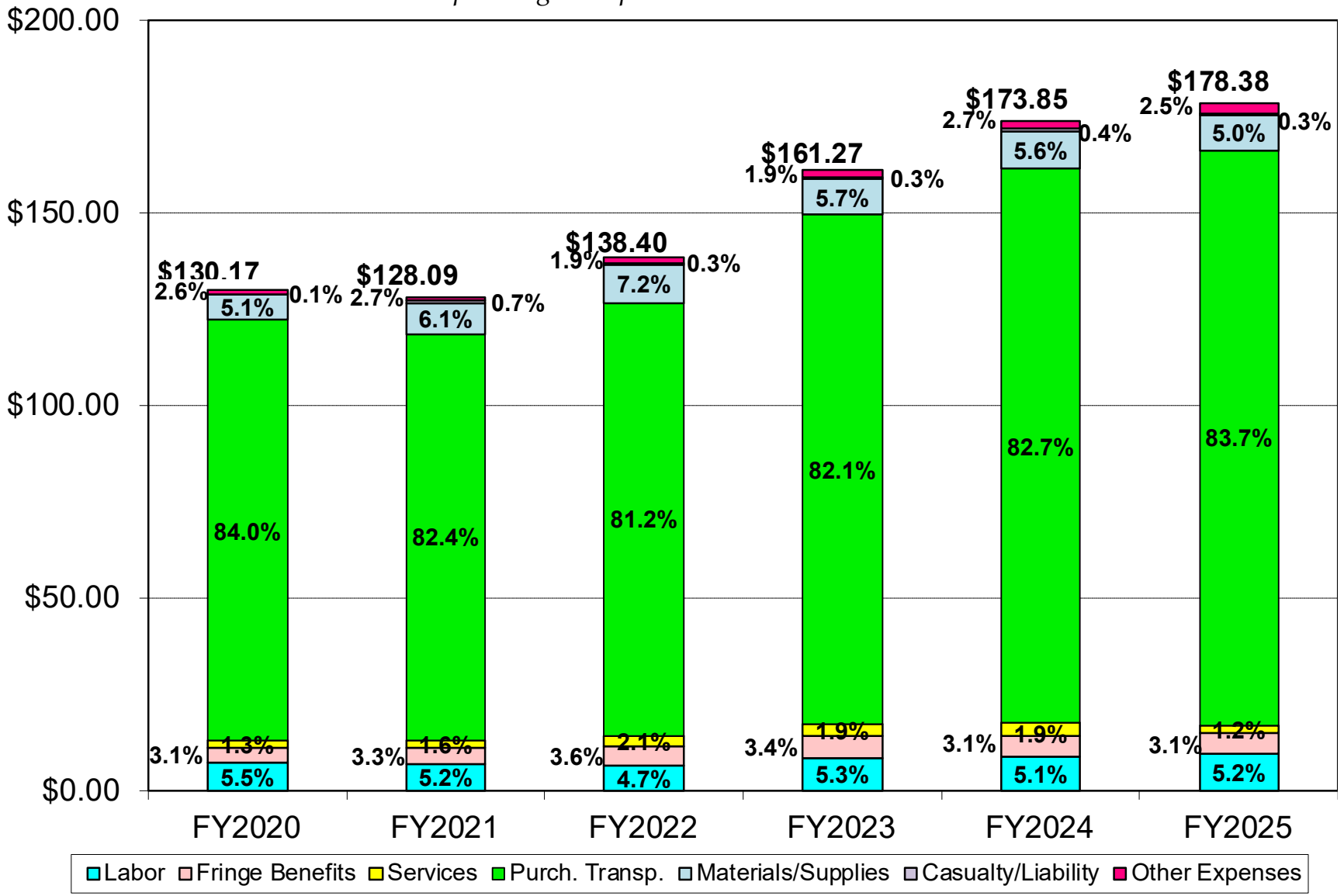
Exhibit 4.4: Component Cost Trends – Bus Service

	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025	*Av. Ann. Chg.*
COST CATEGORIES							
Labor (Salaries/Wages)	$1,261,788	$1,263,722	$1,182,158	$1,553,302	$1,597,343	$1,698,129	- -
Annual Change	- -	*0.2%*	*-6.5%*	*31.4%*	*2.8%*	*6.3%*	*6.1%*
Fringe Benefits *(a)*	$716,293	$805,567	$904,746	$1,013,998	$975,925	$1,004,781	- -
Annual Change	- -	*12.5%*	*12.3%*	*12.1%*	*-3.8%*	*3.0%*	*7.0%*
Services	$292,344	$384,842	$527,233	$552,630	$609,707	$377,583	
Annual Change	- -	*31.6%*	*37.0%*	*4.8%*	*10.3%*	*-38.1%*	*-6.5%*
Purchased Transportation	$19,217,062	$19,893,099	$20,627,795	$24,128,124	$26,077,651	$27,089,555	- -
Annual Change	- -	*3.5%*	*3.7%*	*17.0%*	*8.1%*	*3.9%*	*7.1%*
Materials/Supplies *(b)*	$1,171,220	$1,479,664	$1,818,937	$1,686,840	$1,776,253	$1,628,804	- -
Annual Change	- -	*26.3%*	*22.9%*	*-7.3%*	*5.3%*	*-8.3%*	*6.8%*
Casualty/Liability	$29,572	$172,784	$69,167	$82,523	$117,519	$106,965	- -
Annual Change	- -	*484.3%*	*-60.0%*	*19.3%*	*42.4%*	*-9.0%*	*29.3%*
Other Expenses (c)	$202,419	$153,783	$268,019	$383,680	$366,987	$444,351	- -
Annual Change	- -	*-24.0%*	*74.3%*	*43.2%*	*-4.4%*	*21.1%*	*17.0%*
Total	$22,890,698	$24,153,461	$25,398,055	$29,401,097	$31,521,385	$32,350,168	- -
Annual Change	- -	*5.5%*	*5.2%*	*15.8%*	*7.2%*	*2.6%*	*7.2%*
OPERATING STATISTICS							
Vehicle Service Hours	175,850	188,568	183,510	182,308	181,316	181,352	- -
Annual Change	- -	*7.2%*	*-2.7%*	*-0.7%*	*-0.5%*	*0.0%*	*0.6%*

(a) Includes paid absences
(b) Includes tires/tubes, fuels/lubricants, and other materials/supplies
(c) Includes utilities, taxes, and miscellaneous expenses

Exhibit 4.5: Distribution of Component Costs – Bus Service

Operating Cost per Vehicle Service Hour



Paratransit Performance Trends

This section provides an overview of the performance of MCTD's paratransit service over the six-year analysis period. The trends in the TDA indicators and input data are presented in Exhibit 5. The five or six-year trends are illustrated in Exhibits 5.1 through 5.3.

- Operating Cost per Vehicle Service Hour (Exhibit 5.1)
  - Costs per hour increased an average of 21.1 percent per year during the analysis period, increasing to $269.07 per hour in FY2025.
  - In FY2020 constant dollars, there was an average annual increase in this indicator of 16.1 percent over the analysis period.
- Passengers per Vehicle Service Hour (Exhibit 5.2)
  - Passengers per hour declined slightly over the analysis period from 2.0 in FY2020 to 1.8 in FY2025, an average decrease of 2.0 percent per year.
  - The performance of this indicator was due to significant declines in ridership, which outpaced changes in service hours.
  - Paratransit productivity has seen declines that correspond to decline in ridership following the pandemic and the closure of many day programs for older adults and those with disabilities in Marin
- Passengers per Vehicle Service Mile (Exhibit 5.2)
  - Passengers per mile also exhibited a slight decline from 0.14 in FY2020 to 0.13 in FY2025, an average decrease of 1.9 percent per year.
  - Similar to passengers per hour, the performance of this indicator was due to significant declines in ridership, which outpaced changes in service miles.
- Operating Cost per Passenger (Exhibit 5.3)
  - With rising cost per hour and decreases in passenger productivity, the trend in cost per passenger rose significantly over the six-year period from $50.97

in FY2020 to $146.47 in FY2025, and average increase of 23.5 percent per year.

– In constant dollars, the increase in cost per passenger between FY2020 and FY2025 averaged 19.0 percent per year.

* * * * *

The following is a brief summary of the TDA performance trend highlights over the six-year period of FY2020 through FY2025:

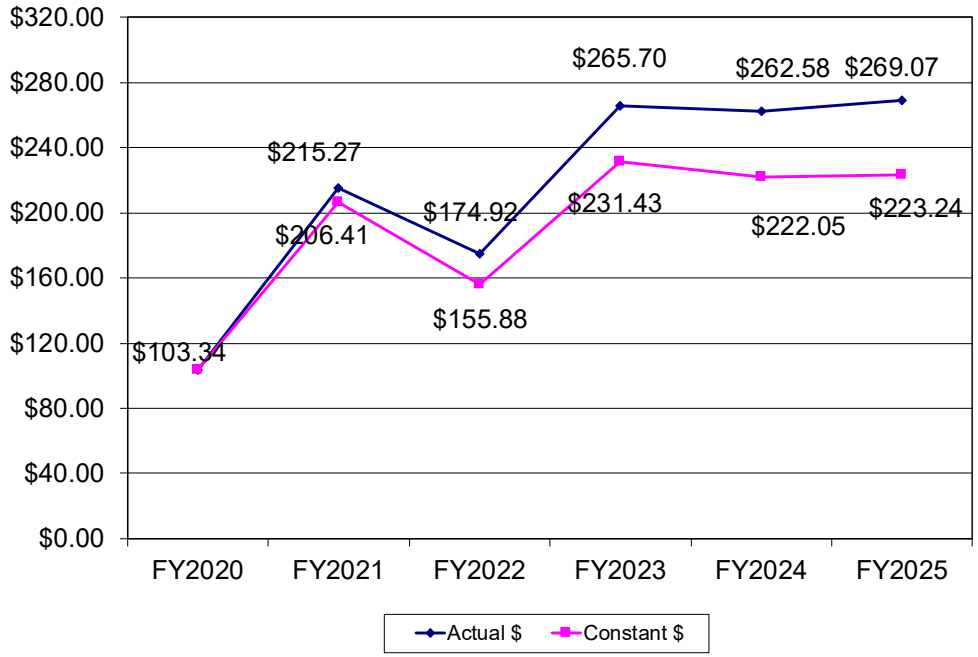
- Cost per vehicle service hour rose an average of 21.1 percent per year in actual dollars, and 16.7 percent per year in constant (inflation-adjusted) dollars over the analysis period.
- Passenger productivity exhibited slight declines in both the passengers per hour and the passengers per mile performance measures, 2.0 percent and 1.9 percent, respectively.
- Cost per passenger increased over the six-year period as a result of increasing costs and declining ridership with an average annual increase of 23.5 percent in actual dollars, and 19.0 percent increase in constant dollars.

Exhibit 5: TDA Indicator Performance – Paratransit

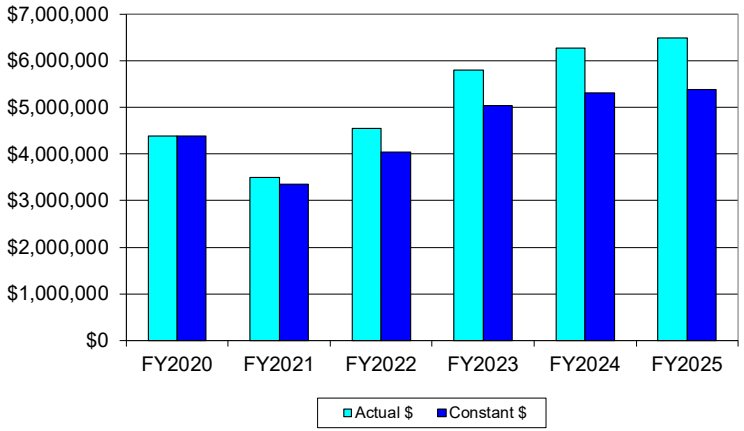
TDA Performance Indicator	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025	*Av. Ann. Chg.*
Op. Cost per Vehicle Svc. Hour (Actual $)	$103.34	$215.27	$174.92	$265.70	$262.58	$269.07	- -
Annual Change	- -	*108.3%*	*-18.7%*	*51.9%*	*-1.2%*	*2.5%*	*21.1%*
Op. Cost per Vehicle Svc. Hour (Constant $)	$103.34	$206.41	$155.88	$231.43	$222.05	$223.24	- -
Annual Change	- -	*99.8%*	*-24.5%*	*48.5%*	*-4.1%*	*0.5%*	*16.7%*
Passengers per Vehicle Service Hour	2.0	1.9	2.0	2.1	1.8	1.8	- -
Annual Change	- -	*-5.6%*	*3.2%*	*7.1%*	*-12.7%*	*-0.5%*	*-2.0%*
Passengers per Vehicle Service Mile	0.14	0.10	0.12	0.12	0.13	0.13	- -
Annual Change	- -	*-27.2%*	*14.6%*	*2.8%*	*2.2%*	*3.5%*	*-1.9%*
Op. Cost per Passenger (Actual $)	$50.97	$112.44	$88.56	$125.64	$142.22	$146.47	- -
Annual Change	- -	*120.6%*	*-21.2%*	*41.9%*	*13.2%*	*3.0%*	*23.5%*
Op. Cost per Passenger (Constant $)	$50.97	$107.82	$78.92	$109.43	$120.27	$121.52	- -
Annual Change	- -	*111.5%*	*-26.8%*	*38.7%*	*9.9%*	*1.0%*	*19.0%*
Vehicle Service Hours per FTE	*(a)*	*(a)*	*(a)*	*(a)*	*(a)*	*(a)*	- -
Annual Change	- -	- -	- -	- -	- -	- -	- -
Bay Area CPI - Annual Change	- -	4.3%	7.6%	2.3%	3.0%	1.9%	- -
Cumulative Change	- -	4.3%	12.2%	14.8%	18.3%	20.5%	*3.8%*

(a) Not applicable as MCTD service is provided by a private

Exhibit 5.1: Operating Cost per Vehicle Service Hour – Paratransit

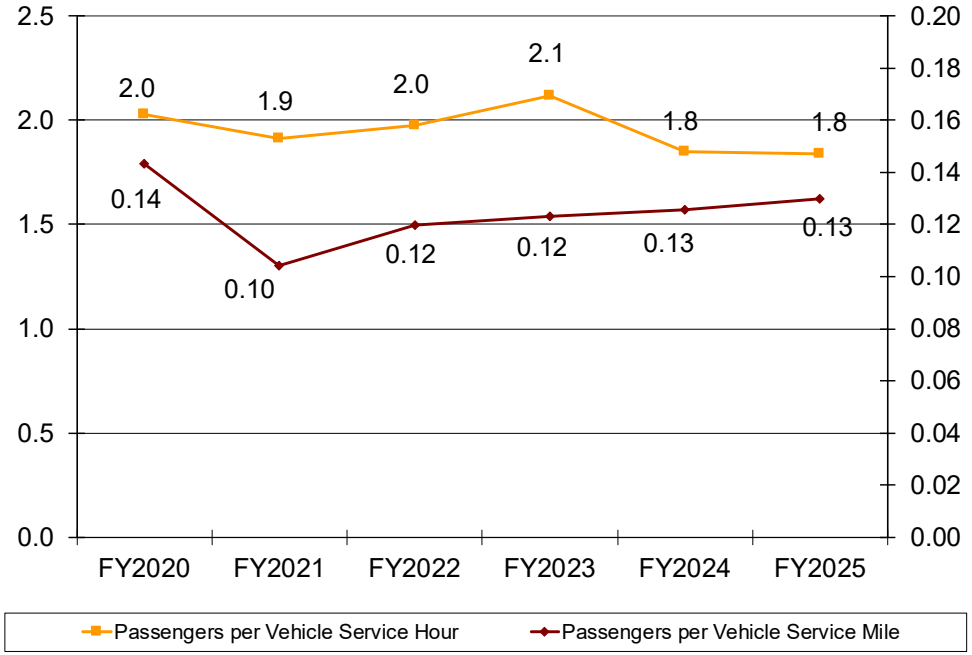


Operating Cost

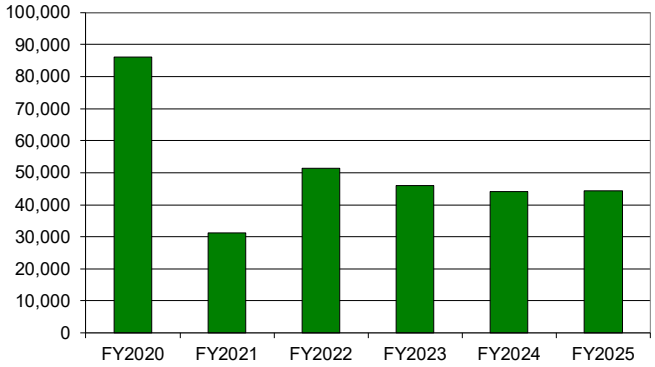


Vehicle Service Hours

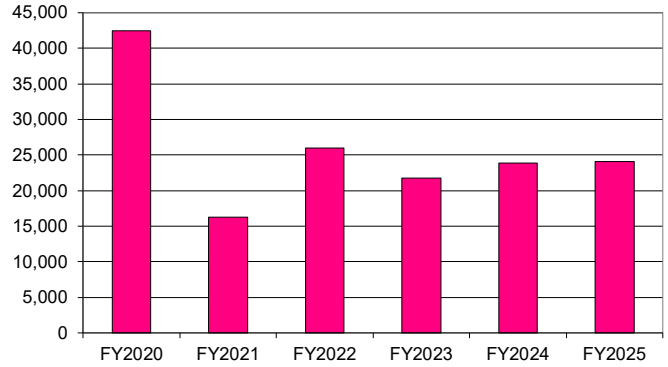
Exhibit 5.2: Passengers per Hour and per Mile – Paratransit



Unlinked Passengers



Vehicle Service Hours



Vehicle Service Miles

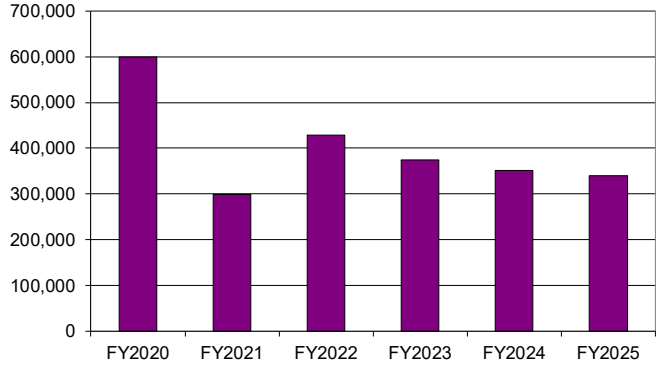
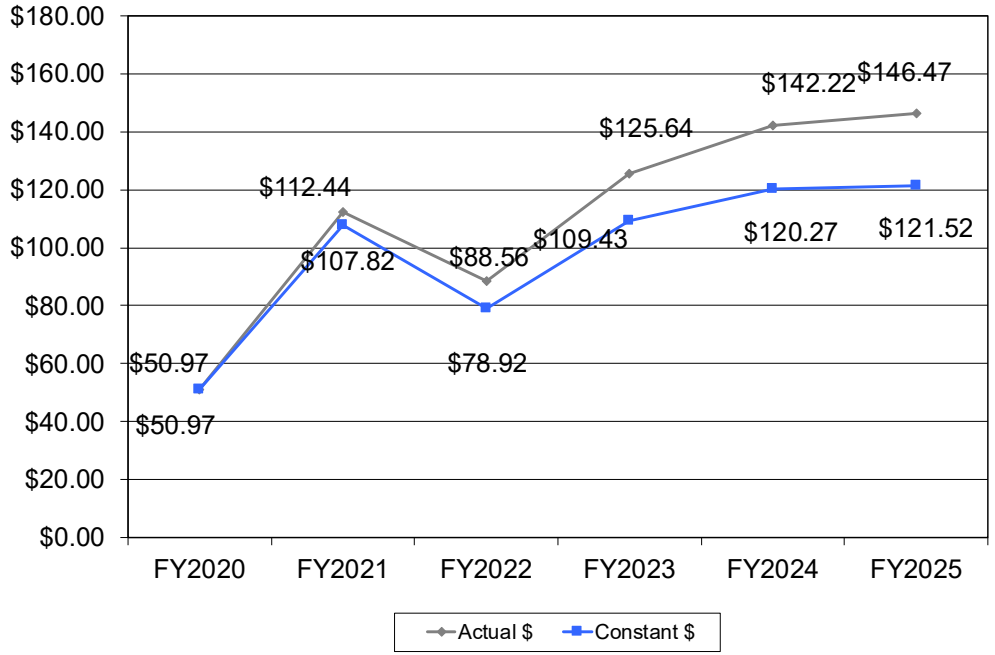
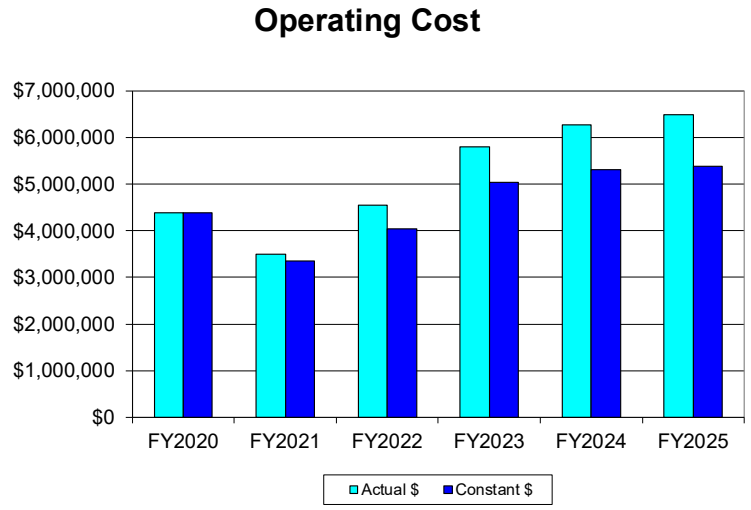
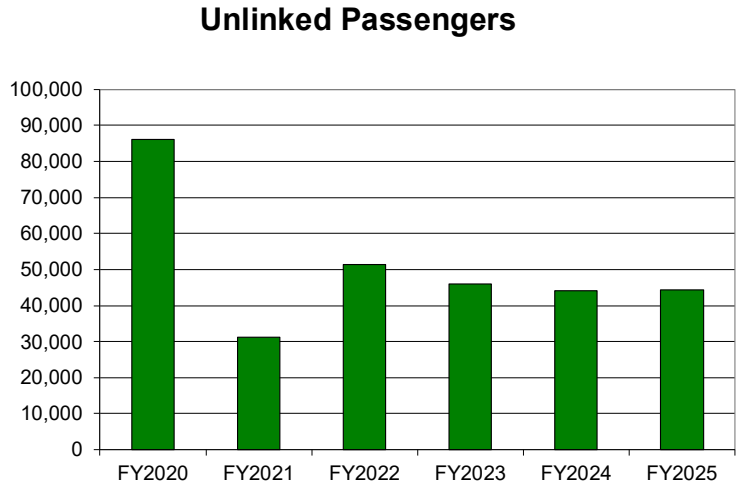


Exhibit 5.3: Operating Cost per Passenger – Paratransit







Paratransit Component Costs

The year-to-year changes in selected operating cost categories are presented in Exhibit 5.4, along with the concurrent changes in vehicle service hours. The portions of the cost per vehicle service hour that can be attributed to each included cost component are shown in Exhibit 5.5.

- In-house labor costs comprise between four and five percent of total operating costs. Labor costs increased an average of 11.0 percent per year between FY2020 and FY2025.
- Fringe benefits costs rose an average of 14.9 percent per year, with significant increases experienced in FY2024 and FY2025 of 28.6 percent and 25.6 percent, respectively. Fringe benefits costs comprise a little more than three percent of total operating costs.
- Services costs varied from year-to-year, the result of which was an average decrease of 30.0 percent per year. The share of services to total operating costs fell from around six percent in the prior audit period to around one percent during the current audit period.
- Purchased transportation costs for the paratransit service are the largest category ranging from 71.5 percent to 84.9 percent during the analysis period. Purchased transportation costs increased an average of 10.8 percent per year between FY2020 and FY2025.
- The cost of materials/supplies decreased an average of 5.7 percent per year over the analysis period. Like services costs, the share of materials and supplies as a percentage of total operating costs fell from approximately 11 percent during the prior audit period to around six percent during the current audit period.
- Casualty/liability and other expenses costs increased an average of 17.7 percent per year and 3.9 percent per year, respectively. However, these costs combined represent less than two percent of the total operating costs.

* * * * *

The following is a brief summary of the component operating costs trend highlights between FY2020 and FY2025:

- Purchased transportation costs, the largest cost category for paratransit, exhibited an average annual increase of 10.8 percent per year between FY2020 and FY2025.
- In-house labor and fringe benefits costs together comprise approximately eight percent of total operating costs. These cost categories increased an average of 11.0 percent and 14.9 percent per year over the analysis period.
- Services costs decreased an average of 30.0 percent per year with its share of total operating costs decreasing from around six percent to approximately one percent between FY2020 and FY2025.
- Casualty/liability and other expenses together comprise less than two percent of total operating costs for paratransit. Neither of these categories contribute significantly to the changes in total operating costs.

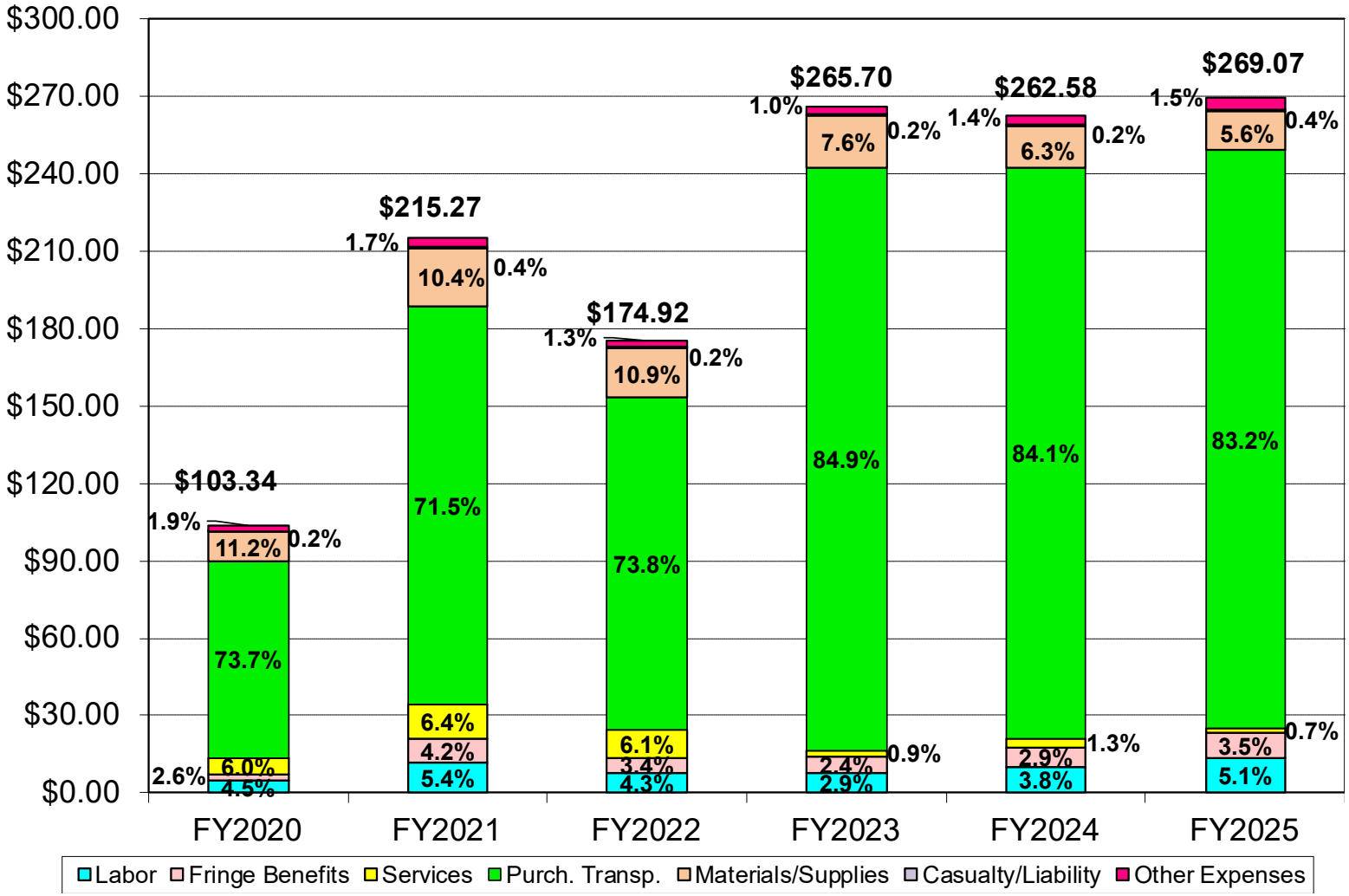
Exhibit 5.4: Component Costs Trends – Paratransit

	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025	*Av. Ann. Chg.*
COST CATEGORIES							
Labor (Salaries/Wages)	$196,452	$190,639	$196,600	$165,595	$240,168	$331,754	- -
Annual Change	- -	*-3.0%*	*3.1%*	*-15.8%*	*45.0%*	*38.1%*	*11.0%*
Fringe Benefits *(a)*	$113,945	$148,169	$156,498	$141,237	$181,687	$228,247	- -
Annual Change	- -	*30.0%*	*5.6%*	*-9.8%*	*28.6%*	*25.6%*	*14.9%*
Services	$261,208	$222,679	$276,899	$51,124	$79,482	$43,764	- -
Annual Change	- -	*-14.8%*	*24.3%*	*-81.5%*	*55.5%*	*-44.9%*	*-30.0%*
Purchased Transportation	$3,231,283	$2,506,376	$3,350,794	$4,918,521	$5,277,352	$5,399,439	- -
Annual Change	- -	*-22.4%*	*33.7%*	*46.8%*	*7.3%*	*2.3%*	*10.8%*
Materials/Supplies *(b)*	$489,244	$363,163	$494,562	$442,922	$395,845	$363,992	- -
Annual Change	- -	*-25.8%*	*36.2%*	*-10.4%*	*-10.6%*	*-8.0%*	*-5.7%*
Casualty/Liability	$10,687	$12,409	$10,597	$13,554	$11,472	$24,167	- -
Annual Change	- -	*16.1%*	*-14.6%*	*27.9%*	*-15.4%*	*110.7%*	*17.7%*
Other Expenses (c)	$82,666	$61,004	$57,051	$59,337	$85,690	$100,152	- -
Annual Change	- -	*-26.2%*	*-6.5%*	*4.0%*	*44.4%*	*16.9%*	*3.9%*
Total	$4,385,485	$3,504,439	$4,543,001	$5,792,290	$6,271,696	$6,491,515	- -
Annual Change	- -	*-20.1%*	*29.6%*	*27.5%*	*8.3%*	*3.5%*	*8.2%*
OPERATING STATISTICS							
Vehicle Service Hours	42,439	16,279	25,972	21,800	23,885	24,126	- -
Annual Change	- -	*-61.6%*	*59.5%*	*-16.1%*	*9.6%*	*1.0%*	*-10.7%*

(a) Includes paid absences
(b) Includes tires/tubes, fuels/lubricants, and other materials/supplies
(c) Includes utilities, taxes, and miscellaneous expenses

Exhibit 5.5: Distribution of Component Costs – Paratransit

Operating Cost per Vehicle Service Hour



IV. COMPLIANCE WITH PUC REQUIREMENTS

An assessment of MCTD'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 MCTD's TDA-STA claim application.

The results from this review are detailed by individual requirement in Exhibit 6. MCTD is in compliance with each of 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, revenue sharing, and evaluating passenger needs.

Exhibit 6: 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 Facility Inspection Certificates (Four Contractors Total): 2023 2024 2025 GGT 10/27 11/01 11/07 Airporter 11/09 11/13 11/19 Transdev 05/11 09/10 09/11 MV Transp. 05/18 N/A N/A
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 staffing in audit period to current Operations and Maintenance Contracts/Amendments with: GGBHTD, Marin Airporter, Transdev, and MV Transportation.
PUC99314.5(e)(1)(2)	Part-Time Drivers and Contracting - If the operator receives STA funds, the operator is 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 audit period to current Operations and Maintenance Contracts/Amendments. Contracting – MCTD contracts with several common carriers to operate its fixed-route and paratransit services.

Code Reference	Operator Compliance Requirements	Compliance Finding	Verification Information
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	Reduced fare information in public information materials: Rider's Guide June 2023 Rider's Guide January 2024 Rider's Guide August 2024 Rider's Guide January 2025 https://marintransit.org/fares
PUC99155.1(a)(1)(2)	Welfare-to-Work - The operator 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	MCTD is a stakeholder in the MTC Coordinated Public Transit-Human Services Transportation Plan, directed by MTC as the RTAP and MPO for the Bay Area.

Code Reference	Operator Compliance Requirements	Compliance Finding	Verification Information
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	Clipper Agreement (with AC Transit, BART, CCCTA, GGBHTD, SFMTA, SamTrans, Caltrain, FAST, ECCTA, LAVTA, NVTA, Petaluma, Santa Rosa, SolTrans, SCT, SMART, Vacaville, VTA, WCCTA, WETA, Union City). No-Cost and Reduced Cost Interagency Transfer Pilot Program, October 1, 2024 Agreement for Revenue Sharing Related to Use of Local Bus Fare Media on GGT Regional Bus Routes, dated May 22, 2009.

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	Evaluation of ridership, service levels, productivity, and on time performance by route on a monthly, quarterly, and annual basis. On-board surveys of fixed route passengers approximately every three years. The next on-board survey is scheduled for the Spring of 2026. MTC snapshot survey of Marin Transit completed in March and April of 2024. Evaluation of ridership patterns ridership patterns and demographics with Title VI Program Update. Survey of Marin Access ADA and older adult riders on an annual basis ridership and demographics. Meetings of advisory councils and periodic focus groups with riders to solicit input on needs and service. Ongoing service planning efforts, regularly query database and use service suggestions in both short- and long-range system planning.

V. STATUS OF PRIOR AUDIT RECOMMENDATIONS

MCTD's prior performance audit was completed in June 2024. 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.

There were no prior audit recommendations. As such, no review was necessary.

VI. FUNCTIONAL PERFORMANCE INDICATOR TRENDS

To further assess MCTD'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 MCTD or for which input data were maintained by MCTD on an on-going basis, such as performance reports, contractor reports, annual financial reports, and NTD 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 by mode (Systemwide, Bus Service and Paratransit), each followed by an exhibit illustrating the indicators by function as applicable.

Systemwide (All Modes)

For the purposes of this review, MCTD's functional indicators relating to Management, Administration and Marketing have been included generally on a systemwide basis. Systemwide audit period performance is discussed below and presented in Exhibit 7.

- Administrative costs as a percent of total operating costs increased during the audit period. In FY2023, administrative costs were 21.7 percent of total operating costs, but rose to 27.1 percent in FY2025.
- Similarly administrative costs per vehicle service hour also increased from $37.44 in FY2023 to $51.28 in FY2025, an overall rise of 37.0 percent over three years.
- The portion of administrative costs attributed to marketing activities was only available for the last year of the audit period. In FY2025 marketing costs represented 1.4 percent of administrative costs, or approximately five cents per passenger trip.
- The systemwide farebox recovery ratio decreased from 8.1 percent in FY2023 to 6.9 percent in FY2025, an overall decline of 14.5 percent during the audit period.

* * * * *

The following is a brief summary of the systemwide functional trend highlights between FY2023 and FY2025.

- Administrative costs as a percent of total operating costs increased from 21.7 percent to 27.1 percent, and administrative costs per hour increased from $37.44 to $51.28during the audit period.
- Marketing costs represented 1.4 percent of administrative costs in FY2025, the only year for which data was available.
- Systemwide farebox recovery declines 14.5 percent during the audit period.

Exhibit 7: Functional Performance Trends – Systemwide (All Modes)

FUNCTION/Indicator	Actual Performance		
	FY2023	FY2024	FY2025
MANAGEMENT, ADMINISTRATION & MARKETING			
Administrative Cost/Total Operating Cost	21.7%	22.1%	27.1%
Annual Percent Change	- -	*2.0%*	*22.5%*
Three Year Percent Change	- -	- -	*24.9%*
Administrative Cost/Vehicle Service Hour	$37.44	$40.79	$51.28
Annual Percent Change	- -	*9.0%*	*25.7%*
Three Year Percent Change	- -	- -	*37.0%*
Marketing Cost/Total Administrative Cost	*(a)*	*(a)*	1.4%
Annual Percent Change	- -	- -	- -
Three Year Percent Change	- -	- -	- -
Marketing Cost/Unlinked Passenger Trip	*(a)*	*(a)*	$0.05
Annual Percent Change	- -	- -	- -
Three Year Percent Change	- -	- -	- -
Farebox Revenue/Operating Cost	8.1%	7.9%	6.9%
Annual Percent Change	- -	*-2.9%*	*-12.0%*
Three Year Percent Change	- -	- -	*-14.5%*

(a) Data for Marketing Costs not available

Bus Service

MCTD's bus service functional area trends represent areas of cost efficiency, safety, productivity, and service reliability. Audit period performance is discussed below and presented in Exhibit 8.

- Service Planning
  - Operating cost per passenger mile decreased from $2.57 in FY2023 to $2.40 in FY2025, a drop of 6.5 percent over the audit period.
  - Farebox recovery declined 15.3 percent over the audit period, from 9.0 percent to 7.5 percent between FY2023 and FY2025.
  - The TDA fare recovery ratio (farebox revenue plus local support, less allowable exclusions) Increased from 56.2 percent in FY2023 to 64.5 percent in FY2025, an improvement of nearly 15 percent.
  - The ratio of vehicle service miles to total miles held fairly steady throughout the audit period ranging from 85 percent to 87 percent between FY2023 and FY2025, a net increase of just 2.7 percent.
  - Similarly, the ratio of vehicle service hours to total hours remained stable ranging from 92 percent to 94 percent over the audit period, an increase of only 1.3 percent between FY2023 and FY2025..
  - Passengers per vehicle service mile and vehicle service hour both increased overall by 24.3 percent and 18.3 percent respectively during the audit period.
- Operations
  - Vehicle operations costs as a percent of total operating costs increased between FY2023 and FY2024 from 61.5 percent to 64.5 percent. In FY2025, the percent of operations costs went back down to 60.0 percent, overall a decrease of just 2.3 percent over the audit period.
  - Vehicle operations costs per service hour increased by eight percent, from $99.12 in FY2023 to $107.09 in FY2025.

- While on-time performance improved slightly from 72.0 percent in FY2023 to 73.1 percent in FY2025. However, the overall level of performance is below what would be expected for a system of MCTD's size.

- Customer satisfaction, as measured by valid complaints per 100,000 passenger trips, improved by 22.8 percent during the audit period. Valid complaints dropped from 24.6 to 19.0 per 100,000 passenger trips between FY2023 and FY2025.

- Customer commendations also improved with commendations (i.e., compliments) rising from 0.9 per 100,000 passenger trips in FY2023 to 1.3 per 100,000 passenger trips in FY2025, an increase of 48.7 percent.

- The incidence of missed trips improved by 96.8 percent over the audit period, decreasing from 1.93 percent in FY2023 to 0.06 percent in FY2025.

- Maintenance

  - Maintenance costs (vehicle and non-vehicle) as a percentage of total operating costs decreased by 29.5 percent over the audit period. Maintenance costs represented 19.0 percent of total operating costs in FY2023 as compared to 13.4 percent in FY2025.

  - Vehicle maintenance costs per service mile also decreased over the audit period from $1.78 in FY2023 to $1.60 in FY2025, an efficiency improvement of 10.0 percent overall.

  - The vehicle spare ratio decreased from 28.9 percent in FY2023 to 19.1 percent in FY2025, reduction of nearly 40 percent.

  - The mean distance between major failures declined by 38.5 percent over the audit period. Distance between major failures went from 53,854 miles in FY2023 to 33,101 in FY2025. The decline in this measure was due to a 40.1 percent decline in FY2025.

  - Similarly, the mean distance between all failures also declined, but at a lower overall rate. Although distance between all failures increased between FY2023 and FY2024, the subsequent decline of 42.5 percent in FY2025 resulted in a net decline over the audit period of 20.7 percent.

- Safety

  – The rate of preventable fluctuated during the audit period, falling from 0.8 per 100,000 miles in FY2023 to 0.5 per 100,000 miles in FY2024. In FY2025, the preventable accident rate increased to 0.8 per 100,000 miles. Despite these changed, the range of performance is generally low.

* * * * *

The following is a brief summary of the bus service functional trend highlights between FY2023 and FY2025:

- Service Planning results showed an average of about 86 percent vehicle miles and 93 percent hours in service, and passengers per vehicle service mile and hour both increasing during the audit period.

- Operations results showed a decrease in vehicle operations costs as a portion of total operating costs (2.3 percent), and an increase in vehicle operations costs per hour (8.0 percent). On-time performance remained steady, but lower than what would be expected. Customer satisfaction showed improvements in terms of complaints, and commendations.

- Maintenance results showed a decrease in total maintenance costs as a portion of total operating costs, and in vehicle maintenance costs per service mile. The vehicle spare ratio decreased by a third over the audit period. Mean distance between major mechanical failures decreased by 38.5 percent overall, and mean distance between all failures decreased by 20.7 percent.

- Safety results showed preventable accidents per 100,000 vehicle miles decreasing slightly by 4.1 percent overall.

Exhibit 8: Functional Performance Trends – Bus Service

FUNCTION/Indicator	Actual Performance		
	FY2023	FY2024	FY2025
SERVICE PLANNING			
Total Operating Cost/Passenger Mile	$2.57	$2.58	$2.40
Annual Percent Change	- -	*0.6%*	*-7.0%*
Three Year Percent Change	- -	- -	*-6.5%*
Farebox Revenue/Operating Cost	9.0%	8.8%	7.6%
Annual Percent Change	- -	*-2.0%*	*-13.6%*
Three Year Percent Change	- -	- -	*-15.3%*
TDA Recovery Ratio *(a)*	56.2%	58.0%	64.5%
Annual Percent Change	- -	*3.3%*	*11.1%*
Three Year Percent Change	- -	- -	*14.7%*
Vehicle Service Miles/Total Miles	84.6%	85.8%	86.9%
Annual Percent Change	- -	*1.4%*	*1.2%*
Three Year Percent Change	- -	- -	*2.7%*
Vehicle Service Hours/Total Hours	92.3%	93.3%	93.5%
Annual Percent Change	- -	*1.1%*	*0.2%*
Three Year Percent Change	- -	- -	*1.3%*
Passengers/Vehicle Service Mile	1.0	1.1	1.2
Annual Percent Change	- -	*12.1%*	*10.8%*
Three Year Percent Change	- -	- -	*24.3%*
Passengers/Vehicle Service Hour	14.5	15.6	17.2
Annual Percent Change	- -	*7.2%*	*10.3%*
Three Year Percent Change	- -	- -	*18.3%*
OPERATIONS			
Vehicle Operations Cost/Total Operating Cost	61.5%	64.5%	60.0%
Annual Percent Change	- -	*5.0%*	*-6.9%*
Three Year Percent Change	- -	- -	*-2.3%*
Vehicle Operations Cost/Vehicle Service Hour	$99.12	$112.15	$107.09
Annual Percent Change	- -	*13.1%*	*-4.5%*
Three Year Percent Change	- -	- -	*8.0%*
Percentage of Trips On-Time	72.0%	73.2%	73.1%
Annual Percent Change	- -	*1.7%*	*-0.1%*
Three Year Percent Change	- -	- -	*1.5%*
Valid Complaints/100,000 Unlinked Passenger Trips	24.6	24.5	19.0
Annual Percent Change	- -	*-0.5%*	*-22.5%*
Three Year Percent Change	- -	- -	*-22.8%*
Commendations/100,000 Unlinked Passenger Trips	0.9	1.2	1.3
Annual Percent Change	- -	*32.9%*	*11.9%*
Three Year Percent Change	- -	- -	*48.7%*
Missed Trips/Total Trips	1.93%	0.42%	0.06%
Annual Percent Change	- -	*-78.4%*	*-85.3%*
Three Year Percent Change	- -	- -	*-96.8%*

FUNCTION/Indicator	Actual Performance		
	FY2023	FY2024	FY2025
MAINTENANCE			
Vehicle + Non-Veh. Maint. Cost/Total Operating Cost	19.0%	15.5%	13.4%
Annual Percent Change	- -	*-18.2%*	*-13.7%*
Three Year Percent Change	- -	- -	*-29.5%*
Vehicle Maintenance Cost/Vehicle Service Mile	$1.78	$1.81	$1.60
Annual Percent Change	- -	*2.0%*	*-11.7%*
Three Year Percent Change	- -	- -	*-10.0%*
Spare Vehicles/Total Vehicles	28.9%	28.6%	19.1%
Annual Percent Change	- -	*-1.2%*	*-33.1%*
Three Year Percent Change	- -	- -	*-33.9%*
Mean Distance between Major Failures (Miles)	53,854	55,246	33,101
Annual Percent Change	- -	*2.6%*	*-40.1%*
Three Year Percent Change	- -	- -	*-38.5%*
Mean Distance between All Failures (Miles)	21,249	29,280	16,841
Annual Percent Change	- -	*37.8%*	*-42.5%*
Three Year Percent Change	- -	- -	*-20.7%*
SAFETY			
Preventable Accidents/100,000 Vehicle Miles	0.8	0.5	0.8
Annual Percent Change	- -	*-34.4%*	*46.2%*
Three Year Percent Change	- -	- -	*-4.1%*

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

Paratransit

MCTD's paratransit functional area trends represent mostly similar areas to the bus service. Audit period performance is discussed below and presented in Exhibit 9.

- Service Planning
  - Total operating cost per passenger mile rose 21.4 percent in FY2024, and held steadily for the remainder of the audit period, Overall, costs increased from $15.78 per passenger mile in FY2023 to $19.35 per passenger mile in FY2025.
  - The farebox recovery ratio remained at between three and four percent throughout the audit period. The TDA Recovery Ratio decreased 13.6 percent over the audit period from 62.5 percent in FY2023 to 54.0 percent in FY2025.
  - The ratio of service miles to total miles also remained steady during the audit period at between 82 and 83 percent.
  - The ratio of service hours to total hours increased over the audit period by 7.2 percent rising from 82.3 percent in FY2023 to 88.3 percent in FY2025.
  - Productivity in terms of miles travelled held steadily at approximately 0.13 passengers per service mile, while in terms of hours, productivity declined 13.1 percent from 2.11 to 1.84 passengers per service hour between FY2023 and FY2025.
- Operations
  - Vehicle operations costs increased overall from 55.2 percent of total operating costs in FY2023 to 61.4 percent by FY2025.
  - Vehicle operations costs per service hour increased 12.6 percent during the audit period, from $148.78 in FY2023 to $165.24 in FY2025.
  - On-time performance showed significant improvement during the audit period increasing from 82 percent to 98 percent of trips operated on-time.

- Valid complaints per 1,000 passenger trips also improved decreasing more than 44 percent over the audit period, while commendations rosed from 0.26 to 2.32 per 1,000 passenger trips.

- Missed trips as a percentage of total trips fell from 1.06 percent in FY2023 to 0.07 percent in FY2025.

- There were no ADA trip denials during the audit period, and the percentage of trip cancellations to total ADA trips exhibited a 28.8 percent improvement between FY2023 and FY2025.

- Similarly, the percentage of trip cancellations and no-shows to total trips also showed improvements with the performance in these measures decreasing by 29.1 percent and 38.3 percent, respectively.

- Maintenance

  - Total maintenance costs as a percentage of total operating costs declined by 28.0 percent, from 12.2 percent in FY2023 to 8.8 percent in FY2025.

  - Vehicle maintenance costs per service mile increased overall during the audit period from $1.25 to $1.35, an increase of 8.4 percent.

  - The vehicle spare ratio decreased between FY2023 and FY2025 going from 38.7 percent to 24.1 percent in FY2025.

  - Although the mean distance between all failures and total failures exhibited declines during the audit period, the number of failures was very low, resulting in large swings in these measures.

- Safety

  - The rate of preventable accidents per 100,000 vehicles miles increased from 1.73 in FY2023 to 4.88 in FY2025, nearly a threefold increase.

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The following is a brief summary of the paratransit functional trend highlights between FY2022 and FY2024:

- Service Planning results exhibited increases in operating cost per passenger mile, vehicle miles as a percentage of total miles, and passengers per vehicle service mile. Most other service planning measures remained steady.

- Operations performance exhibited significant improvements in a number of performance measures during the audit period, including a 15.0 percent increase in on-time performance, a 44.5 percent drop in complaints per 1,000 passengers, and an eight-fold increase in commendations. Performance in ADA trip related measures also demonstrated significant improvements during the audit period.

- Maintenance costs as a percentage of total operating costs declined by 28 percent over the three years, while vehicle maintenance costs per service mile rose by 8.4 percent. Although mean distance between major failures and all failures exhibited drops in performance, these results were overly influenced by the small numbers of actual failures experienced during the audit period.

- Safety performance worsened during the audit period with an approximately threefold increase in preventable accidents per 100,000 vehicle miles.

Exhibit 9: Functional Performance Trends – Paratransit

FUNCTION/Indicator	Actual Performance		
	FY2023	FY2024	FY2025
SERVICE PLANNING			
Total Operating Cost/Passenger Mile	$15.78	$19.17	$19.35
Annual Percent Change	- -	*21.4%*	*1.0%*
Three Year Percent Change	- -	- -	*22.6%*
Farebox Revenue/Operating Cost	3.7%	3.2%	3.6%
Annual Percent Change	- -	*-12.8%*	*11.1%*
Three Year Percent Change	- -	- -	*-3.1%*
TDA Recovery Ratio *(a)*	62.5%	55.4%	54.0%
Annual Percent Change	- -	*-11.3%*	*-2.6%*
Three Year Percent Change	- -	- -	*-13.6%*
Vehicle Service Miles/Total Miles	81.3%	83.4%	83.1%
Annual Percent Change	- -	*2.6%*	*-0.3%*
Three Year Percent Change	- -	- -	*2.2%*
Vehicle Service Hours/Total Hours	82.3%	84.6%	88.3%
Annual Percent Change	- -	*2.7%*	*4.3%*
Three Year Percent Change	- -	- -	*7.2%*
Passengers/Vehicle Service Mile	0.12	0.13	0.13
Annual Percent Change	- -	*2.2%*	*3.5%*
Three Year Percent Change	- -	- -	*5.8%*
Passengers/Vehicle Service Hour	2.11	1.85	1.84
Annual Percent Change	- -	*-12.7%*	*-0.5%*
Three Year Percent Change	- -	- -	*-13.1%*
OPERATIONS			
Vehicle Operations Cost/Total Operating Cost	55.2%	55.5%	61.4%
Annual Percent Change	- -	*0.4%*	*10.7%*
Three Year Percent Change	- -	- -	*11.2%*
Vehicle Operations Cost/Vehicle Service Hour	$146.78	$145.69	$165.24
Annual Percent Change	- -	*-0.7%*	*13.4%*
Three Year Percent Change	- -	- -	*12.6%*
Percentage of Trips On-Time	82.0%	97.0%	95.0%
Annual Percent Change	- -	*18.3%*	*-2.1%*
Three Year Percent Change	- -	- -	*15.9%*
Valid Complaints/1,000 Unlinked Passenger Trips	2.28	1.34	1.26
Annual Percent Change	- -	*-41.3%*	*-5.6%*
Three Year Percent Change	- -	- -	*-44.5%*
Commendations/1,000 Unlinked Passenger Trips	0.26	0.79	2.32
Annual Percent Change	- -	*204.9%*	*192.8%*
Three Year Percent Change	- -	- -	*792.8%*
Missed Trips/Total Trips	1.06%	0.03%	0.07%
Annual Percent Change	- -	*-97.2%*	*122.0%*
Three Year Percent Change	- -	- -	*-93.8%*

FUNCTION/Indicator	Actual Performance		
	FY2023	FY2024	FY2025
OPERATIONS (Continued)			
ADA Trip Denials/Total ADA Trips	0.0%	0.0%	0.0%
Annual Percent Change	- -	- -	- -
Three Year Percent Change	- -	- -	- -
Trip Cancellations/Total ADA Trips	6.0%	4.1%	4.3%
Annual Percent Change	- -	*-31.6%*	*4.1%*
Three Year Percent Change	- -	- -	*-28.8%*
Late Trip Cancellations/Total ADA Trips	5.0%	3.3%	3.5%
Annual Percent Change	- -	*-33.8%*	*7.2%*
Three Year Percent Change	- -	- -	*-29.1%*
No-Shows/Total ADA Trips	3.4%	1.6%	1.8%
Annual Percent Change	- -	*-52.1%*	*8.0%*
Three Year Percent Change	- -	- -	*-48.3%*
MAINTENANCE			
Vehicle + Non-Veh. Maint. Cost/Total Operating Cost	12.2%	11.5%	8.8%
Annual Percent Change	- -	*-5.6%*	*-23.7%*
Three Year Percent Change	- -	- -	*-28.0%*
Vehicle Maintenance Cost/Vehicle Service Mile	$1.25	$1.37	$1.35
Annual Percent Change	- -	*10.2%*	*-1.6%*
Three Year Percent Change	- -	- -	*8.4%*
Spare Vehicles/Total Vehicles	38.7%	31.3%	24.1%
Annual Percent Change	- -	*-19.3%*	*-22.8%*
Three Year Percent Change	- -	- -	*-37.6%*
Mean Dist. betw. Major Failures (Miles)	(b)	60,152	58,596
Annual Percent Change	- -	- -	*-2.6%*
Three Year Percent Change	- -	- -	- -
Mean Dist. betw. All Failures (Miles)	230,701	60,152	51,271
Annual Percent Change	- -	*-73.9%*	*-14.8%*
Three Year Percent Change	- -	- -	*-77.8%*
SAFETY			
Preventable Accidents/100,000 Vehicle Miles	1.73	2.37	4.88
Annual Percent Change	- -	*37.0%*	*105.3%*
Three Year Percent Change	- -	- -	*181.2%*

(a) Farebox Revenue plus Local Support/Operating Cost less TDA Allowable Exclusions
(b) No major failures reported this year

VII. CONCLUSIONS AND RECOMMENDATIONS

The preceding sections presented a review of MCTD's transit service performance during the three-year period of FY2023 through FY2025 (July 1, 2022 through June 30, 2025). They focused on TDA compliance issues including trends in TDA-mandated performance indicators and compliance with selected sections of the state Public Utilities Code (PUC). They also provided the findings from an overview of MCTD's data collection activities to support the TDA indicators, actions taken to implement recommendations from the prior performance audit, and a review of selected key functional performance results.

Conclusions

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

Data Collection – MCTD is in compliance with the data collection and reporting requirements for the TDA statistics. The available 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.

TDA Performance Trends – MCTD's performance trends for the five TDA-mandated indicators were analyzed by mode. A six-year analysis period was used for all the indicators. In addition, component operating costs were analyzed. Cost indicators

were normalized to adjust for the impacts of inflation, as measured by the CPI-W for the San Francisco Metropolitan Area.

- Bus Service TDA Performance Indicators – The following is a brief summary of the TDA performance trend highlights over the six-year period of FY2020 through FY2025:

  - Cost per hour increased an average of 6.5 percent annually over the analysis period. This increase was largely due to an overall increase in operating costs between FY2020 and FY2025, while vehicle service hours increased only slightly.

  - Passenger productivity showed improvements in terms of both passengers per hour and passengers per mile despite a large downturn in ridership during the pandemic, recovering in subsequent years to post average annual increases of 4.5 percent and 3.2 percent, respectively.

  - Although cost effectiveness fell sharply in FY2021 due to the pandemic, it showed improvements in every year between FY2022 and FY2025. As a result the increase in cost per passenger was held to below that of inflation.

- Bus Service Component Costs – The following is a brief summary of the component operating costs trend highlights for the bus service between FY2020 and FY2025:

  - Purchased transportation represents the largest single cost category comprising roughly 83 percent of total operating costs. There was a significant increase in purchased transportation costs in FY2023 of 17.0 percent.

  - Labor and fringe benefits costs comprise a little more than eight percent of total operating costs. These categories exhibited modest average annual increases over the analysis period.

  - Materials and supplies comprise five percent of total operating costs, and experienced a 6.8 percent average annual change between FY2020 and FY2025.

  - Although large average annual increases in casualty/liability and other expenses were noted, these categories combined represent less than two percent of total operating costs.

- Paratransit TDA Performance Indicators – The following is a brief summary of the TDA performance trend highlights over the six-year period of FY2020 through FY2025:

  - Cost per vehicle service hour rose an average of 21.1 percent per year in actual dollars, and 16.7 percent per year in constant (inflation-adjusted) dollars over the analysis period.

  - Passenger productivity exhibited slight declines in both the passengers per hour and the passengers per mile performance measures, 2.0 percent and 1.9 percent, respectively.

  - Cost per passenger increased over the six-year period as a result of increasing costs and declining ridership with an average annual increase of 23.5 percent in actual dollars, and 19.0 percent increase in constant dollars.

- Paratransit Component Costs – The following is a brief summary of the component operating costs trend highlights for paratransit between FY2020 and FY2025:

  - Purchased transportation costs, the largest cost category for paratransit, exhibited an average annual increase of 10.8 percent per year between FY2020 and FY2025.

  - In-house labor and fringe benefits costs together comprise approximately eight percent of total operating costs. These cost categories increased an average of 11.0 percent and 14.9 percent per year over the analysis period.

  - Services costs decreased an average of 30.0 percent per year with its share of total operating costs decreasing from around six percent to approximately one percent between FY2020 and FY2025.

  - Casualty/liability and other expenses together comprise less than two percent of total operating costs for paratransit. Neither of these categories contribute significantly to the changes in total operating costs.

Compliance with Statutory Requirements – MCTD 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 prior audit recommendations. As such, no review was necessary.

Functional Performance Indicator Trends – to further assess MCTD's performance over the past three years, a detailed set of systemwide and modal functional area performance indicators was defined and reviewed.

- Systemwide (All Modes) – The following is a brief summary of the systemwide functional trend highlights between FY2023 and FY2025:
  - Administrative costs as a percent of total operating costs increased from 21.7 percent to 27.1 percent, and administrative costs per hour increased from $37.44 to $51.28during the audit period.
  - Marketing costs represented 1.4 percent of administrative costs in FY2025, the only year for which data was available.
  - Systemwide farebox recovery declines 14.5 percent during the audit period.
- Bus Service – The following is a brief summary of the bus service functional trend highlights between FY2023 and FY2025:
  - Service Planning results showed an average of about 86 percent vehicle miles and 93 percent hours in service, and passengers per vehicle service mile and hour both increasing during the audit period.
  - Operations results showed a decrease in vehicle operations costs as a portion of total operating costs (2.3 percent), and an increase in vehicle operations costs per hour (8.0 percent). On-time performance remained steady, but lower than what would be expected. Customer satisfaction showed improvements in terms of complaints, and commendations.
  - Maintenance results showed a decrease in total maintenance costs as a portion of total operating costs, and in vehicle maintenance costs per service mile. The vehicle spare ratio decreased by a third over the audit period.

Mean distance between major mechanical failures decreased by 38.5 percent overall, and mean distance between all failures decreased by 20.7 percent.

- Safety results showed preventable accidents per 100,000 vehicle miles decreasing slightly by 4.1 percent overall.

- Paratransit – The following is a brief summary of the paratransit functional trend highlights between FY2023 and FY2025:

  - Service Planning results exhibited increases in operating cost per passenger mile, vehicle miles as a percentage of total miles, and passengers per vehicle service mile. Most other service planning measures remained steady.

  - Operations performance exhibited significant improvements in a number of performance measures during the audit period, including a 15.0 percent increase in on-time performance, a 44.5 percent drop in complaints per 1,000 passengers, and an eight-fold increase in commendations. Performance in ADA trip related measures also demonstrated significant improvements during the audit period.

  - Maintenance costs as a percentage of total operating costs declined by 28 percent over the three years, while vehicle maintenance costs per service mile rose by 8.4 percent. Although mean distance between major failures and all failures exhibited drops in performance, these results were overly influenced by the small numbers of actual failures experienced during the audit period.

  - Safety performance worsened during the audit period with an approximately threefold increase in preventable accidents per 100,000 vehicle miles.

Recommendations

1. CONTINUE TO EVALUATE STRATEGIES FOR IMPROVING ON-TIME PERFORMANCE ON MCTD'S BUS SERVICE.
   [Reference Section: VI. Functional Performance Indicator Trends]

While MCTD's on-time performance improved slightly from 72.0 percent in FY2023 to 73.1 percent in FY2025, the overall level of performance is below the agency's

goal of 90 percent across all services. MCTD faces numerous challenges to achieving this goal -- school-related traffic, roadway construction, traffic collisions, as well as accidents and congestion on Highway 101. MCTD recently implemented enhancements to its CAD/AVL system that will support more detailed analytic and monitoring capabilities. Along with evaluating service adjustments, the agency is attempting to strike a balance between improving reliability and maintaining service levels.

MCTD should continue to evaluate strategies to improve on-time performance, and develop measures to optimize its performance while maintaining service levels.

2. CONTINUE EFFIORTS TO IMPROVE MAINTENANCE RELIABILITY FOR MCTD'S BUS SERVICE.
[Reference Section: VI. Functional Performance Indicator Trends]

The mean distance between major failures declined by 38.5 percent over the audit period. Distance between major failures went from 53,854 miles in FY2023 to 33,101 in FY2025. Similarly, the mean distance between all failures also declined, but at a lower overall rate. MCTD identified a number of factors that contributed to this performance including long lead times for obtaining critical components, as well as reliability issues with the deployment of replacement vehicles with a new Allison Hybrid technology.

MCTD has already taken the initial steps to address the reliability issues. As such, MCTD should continue its efforts to increase the mean distance between major and all mechanical failures for its bus service.

3. CONTINUE EFFORTS TO REDUCE PREVENTABLE ACCIDENTS ON THE PARATRANSIT SERVICE.
[Reference Section: VI. Functional Performance Indicator Trends]

The number of preventable accidents per 100,000 vehicle miles on MCTD's paratransit service rose sharply from 1.73 in FY2023 to 4.88 in FY2025, an increase of 181.2 percent. MCTD's review of the FY2025 incidents determined that the majority of preventable accidents involved minor contact with fixed objects while maneuvering vehicles in parking lots and other confined areas. In response, MCTD has been working with its contractor to implement several corrective actions. As a result, safety performance thus far in FY2026 has exhibited a reduction in preventable paratransit accidents of nearly 50 percent compared to FY2025.

MCTD should continue to work with its contractor to monitor safety performance, and enhance driver safety training in its efforts to improve safety performance.

APPENDIX A:
INPUT STATISTICS FOR
FUNCTIONAL PERFORMANCE MEASURES

Functional Performance Inputs - Systemwide (All Modes)

Data Item	FY2023	FY2024	FY2025	Source
Total Operating Costs	$35,193,387	$37,793,081	$38,841,683	NTD F-40
Administrative Costs	$7,641,522	$8,370,138	$10,536,833	NTD F-40
Vehicle Service Hours	204,108	205,201	205,478	NTD S-10
Marketing Costs	*(a)*	*(a)*	$145,759	NTD F-30
Unlinked Passenger Trips	2,694,428	2,867,835	3,160,476	NTD S-10
Farebox Revenue (All Modes)	$2,851,708	$2,974,174	$2,690,047	NTD F-10

(a) Not available

Functional Performance Inputs – Bus Service

Data Item	FY2023	FY2024	FY2025	Source
Vehicle Service Miles	2,642,268	2,512,741	2,502,022	NTD S-10 MB
Total Vehicle Miles	3,123,550	2,928,012	2,879,807	NTD S-10 MB
Vehicle Service Hours	182,308	181,316	181,352	NTD S-10 MB
Total Vehicle Hours	197,504	194,268	193,950	NTD S-10 MB
Unlinked Passenger Trips	2,648,326	2,823,735	3,116,155	NTD S-10 MB
Farebox Revenue	$2,638,732	$2,772,993	$2,458,663	NTD F-10
Total Operating Costs	$29,401,097	$31,521,385	$32,350,168	NTD F-30 MB
Passenger Miles	11,440,768	12,198,535	13,461,790	NTD S-10 MB
Vehicle Operations Costs	$18,070,486	$20,334,382	$19,420,970	NTD F-30 MB
Local Support (TDA Article 4 services only) (a)	$13,878,440	$15,516,685	$18,393,783	NTD F-10
TDA Oper. Cost Exclusions - PUC 99247 (b)	$0	$0	$0	
TDA Oper. Cost Exclusions - PUC 99268.17 (c)	$0	$0	$0	
Trips On-Time	72%	73%	73%	Syncromatics Insights Schedule Adherence Report
Total Trips	219,675	217,648	214,582	TT>Plan>YTD Data>Agency Summarized Database
Total Complaints	772	863	766	TT>Feedback>Feedback Entry>Daily Customer Feedback
Valid Complaints	652	692	592	
Compliments	24	34	42	
Missed Trips	4230	905	131	TT>Operations>Service Monitoring & Changes>Monthly Service Change Summary (CT)
Vehicle Maintenance Costs	$4,691,303	$4,549,689	$3,999,506	NTD F-30 MB
Non-Vehicle Maintenance Costs	$886,070	$339,224	$329,344	NTD F-30 MB

Data Item	FY2023	FY2024	FY2025	Source
Spare Vehicles (Total less Maximum Service)	24	20	13	NTD S-10 MB
Total Vehicles	83	70	68	NTD S-10 MB
Revenue Vehicle Mechanical System Failures - Total	147	100	171	NTD R-20
Revenue Vehicle Mechanical System Failures - Major	58	53	87	NTD R-20
Preventable Accidents	26	16	23	TT/Safety/Daily Safety and Security Events (filter Agency Status/Disposition by Preventable, and Dispatch Incident Reason by Collision Accident)

(a) 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)*
- *Other non-federal/non-state grant funds or other revenues*

(b) 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*

(c) 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)*

Functional Performance Inputs – Paratransit

Data Item	FY2023	FY2024	FY2025	Source
Vehicle Service Miles	375,035	351,096	340,837	NTD S-10
Total Vehicle Miles	461,402	421,061	410,169	NTD S-10
Vehicle Service Hours	21,800	23,885	24,126	NTD S-10
Total Vehicle Hours	26,478	28,234	27,337	NTD S-10
Unlinked Passenger Trips	46,102	44,100	44,321	NTD S-10
Farebox Revenue	$212,976	$201,181	$231,384	NTD F-10
Total Operating Costs	$5,792,290	$6,271,696	$6,491,515	NTD F-30 DR
Passenger Miles	367,021	327,246	335,428	NTD S-10
Vehicle Operations Costs	$3,199,835	$3,479,876	$3,986,480	NTD F-30 DR
Local Support (TDA Article 4 services only) *(a)*	$3,407,500	$3,275,310	$3,274,046	NTD F-10 Agency Detail
TDA Oper. Cost Exclusions - PUC 99247 *(b)*	$0	$0	$0	
TDA Oper. Cost Exclusions - PUC 99268.17 *(c)*	$0	$0	$0	
Trips On-Time	82.0%	97.0%	95.0%	Marin Access Reporting V2 Google Doc
Total Trips	46,102	44,100	44,321	NTD S-10 DR
Total Complaints	112	99	74	TT>Feedback>Feedback Entry>Daily Customer Feedback
Valid Complaints	105	59	56	
Compliments	12	35	103	
Missed Trips	487	13	29	Marin Access Reporting V2 Google Doc TT>Operations>Call Center Eligibility Statistics
Total ADA Trips	39,079	43,226	43,059	NTD S-10 DR
ADA Trip Denials	1	0	1	Marin Access Reporting V2 Google Doc TT>Operations>Call Center Eligibility Statistics
Trip Cancellations	2,363	1,789	1,855	Marin Access Reporting V2 Google Doc TT>Operations>Call Center Eligibility Statistics

Data Item	FY2023	FY2024	FY2025	Source
Late Trip Cancellations	1,954	1,430	1,527	Marin Access Reporting V2 Google Doc TT>Operations>Call Center Eligibility Statistics
No Shows	1,339	709	763	Marin Access Reporting V2 Google Doc TT>Operations>Call Center Eligibility Statistics
Vehicle Maintenance Costs	$467,640	$482,253	$460,576	NTD F-30 DR
Non-Vehicle (Facility) Maintenance Costs	$236,531	$237,519	$107,974	NTD F-30 DR
Spare Vehicles (Total less Maximum Service)	12	10	7	NTD S-10
Total Vehicles	31	32	29	NTD S-10
Revenue Vehicle Mechanical System Failures - Total	2	7	8	NTD R-20
Revenue Vehicle Mechanical System Failures - Major	0	7	7	NTD R-20
Preventable Accidents	(d)	(d)	(d)	

(a) 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)*
- *Other non-federal/non-state grant funds or other revenues*

(b) 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*

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- *cost increases beyond the CPI change for: fuel; alternative fuel programs; power (including electricity);*
- *insurance premiums/liability claims payouts; state and federal mandate*
- *start-up costs for new services (not more than two years)*