

# County Connection

2477 Arnold Industrial Way    Concord, CA 94520-5326    (925) 676-7500    countyconnection.com

## BOARD OF DIRECTORS MEETING AGENDA

**Thursday, August 21, 2014  
9:00 a.m.**

**CCCTA Paratransit Facility  
Gayle B. Uilkema Memorial Board Room  
2477 Arnold Industrial Way  
Concord, California**

The CCCTA Board of Directors may take action on each item on the agenda. The action may consist of the recommended action, a related action or no action. Staff recommendations are subject to action and/or change by the Board of Directors.

- 1) Call to Order/Pledge of Allegiance
- 2) Roll Call/Confirm Quorum
- 3) Public Communication
- 4) Consent Calendar
  - a. Approval of Minutes of Regular Meeting of July 17, 2014\*
  - b. Bus Advertising Contract Resolution No. 2015-001\*
- 5) Report of Chair
  - a) Report from Nominating Committee for Election of CCCTA Officers
- 6) Report of General Manager
  - a) Recognition of Employees of the 2nd Quarters, 2014
  - b) Update on the Implementation Process for the State Cap and Trade Transit Funds
  - c) Report on the Temporary Fix to the Federal Highway Trust Fund Account
  - d) Update on APTA Expo 2014
- 7) Report of Standing Committees
  - a. Administration & Finance Committee  
(Committee Chair: Director Al Dessayer)
    - 1) Agreement with City of Walnut Creek for Fare Reimbursement of Route #5\* and Resolution No. 2015-005\*  
(The A & F Committee recommends that the Board approve Resolution #

Clayton • Concord • Contra Costa County • Danville • Lafayette • Martinez  
Moraga • Orinda • Pleasant Hill • San Ramon • Walnut Creek

**CENTRAL CONTRA COSTA TRANSIT AUTHORITY**

2015-005 authorizing the General Manager to enter an agreement for fare subsidy for Route #5 with the City of Walnut Creek in an amount not to exceed \$55,000.)

- 2) Approve Continuation of Senior/Disabled Mid-Day Free Fare Program, and Adoption of Findings for a Statutory Exemption Under California Environmental Quality Act \*  
Resolution No. 2015-006\*  
(The A & F Committee recommends that the Board continue this fare program, which complies with County Connection's Disparate Impact or Disproportionate Burden policies by adopting Resolution # 2015-006)

b. Operations & Scheduling Committee  
(Committee Chair: Director Jack Weir)

- 1) Triennial TDA Performance Audit Final Report\*  
(The O & S Committee recommends that the Board accept the Triennial TDA Performance audit report.)

8) Report from the Advisory Committee

- a) Appointment of Randy Pedersoli to the Advisory Committee as a Representative from the City of San Ramon\*

9) Board Communication

Under this item, Directors are limited to providing information, asking clarifying questions about matters not on the agenda, responding to public comment, referring matters to committee or staff for information, or requesting a report (on any matter) be made at another meeting.

10) Closed Session

Public Employee Performance Evaluation  
Pursuant to Government Code Section 54957  
Position: General Manager

11) Open Session

- a) Consideration of Adjustment to the General Manager's Compensation

12) Adjournment

---

\*Enclosure

## General Information

Possible Action: The Board may act upon any item listed on the agenda.

Public Comment: Each person wishing to address the County Connection Board of Directors is requested to complete a Speakers Card for submittal to the Clerk of the Board before the meeting convenes or the applicable agenda item is discussed. Persons who address the Board are also asked to furnish a copy of any written statement to the Clerk. Persons who wish to speak on matters set for Public Hearings will be heard when the Chair calls for comments from the public. After individuals have spoken, the Public Hearing is closed and the matter is subject to discussion and action by the Board.

A period of thirty (30) minutes has been allocated for public comments concerning items of interest within the subject matter jurisdiction of the Board. Each individual will be allotted three minutes, which may be extended at the discretion of the Board Chair.

Consent Items: All matters listed under the Consent Calendar are considered by the Board to be routine and will be enacted by one motion. There will be no separate discussion of these items unless requested by a Board Member or a member of the public prior to when the Board votes on the motion to adopt.

Availability of Public Records: All public records relating to an open session item on this agenda, which are not exempt from disclosure pursuant to the California Public Records Act, that are distributed to a majority of the legislative body, will be available for public inspection at 2477 Arnold Industrial Way, Concord, California, at the same time that the public records are distributed or made available to the legislative body. The agenda and enclosures for this meeting are posted also on our website at [www.countyconnection.com](http://www.countyconnection.com).

Accessible Public Meetings: Upon request, County Connection will provide written agenda materials in appropriate alternative formats, or disability-related modification or accommodation, including auxiliary aids or services, to enable individuals with disabilities to participate in public meetings. Please send a written request, including your name, mailing address, phone number and brief description of the requested materials and preferred alternative format or auxiliary aid or service so that it is received by County Connection at least 48 hours before the meeting convenes. Requests should be sent to the Board Clerk, Lathina Hill, at 2477 Arnold Industrial Way, Concord, CA 94520 or [hill@countyconnection.com](mailto:hill@countyconnection.com)

Shuttle Service: With 24-hour notice, a County Connection LINK shuttle can be available at the North Concord BART station for individuals who want to attend the Board meetings. To arrange for the shuttle service, please call Robert Greenwood – 925/680 2072, no later than 24 hours prior to the start of the meeting.

### **Currently Scheduled Board and Committee Meetings**

Board of Directors:	Thursday, September 18, 9:00 a.m., County Connection Board Room
Administration & Finance:	Wednesday, September 3, 9:00 a.m. 1676 N. California Blvd., Suite 620, Walnut Creek
Advisory Committee:	Tuesday, September 9, 2:00 p.m. County Connection Board Room
Marketing, Planning & Legislative:	Thursday, September 4, 8:30 a.m., 3338 Mt. Diablo Blvd. in Lafayette
Operations & Scheduling:	Wednesday, September 10, 8:30a.m., Pleasant Hill City Offices

**The above meeting schedules are subject to change. Please check the County Connection Website ([www.countyconnection.com](http://www.countyconnection.com)) or contact County Connection staff at 925/676-1976 to verify date, time and location prior to attending a meeting.**

**This agenda is posted on County Connection's Website ([www.countyconnection.com](http://www.countyconnection.com)) and at the County Connection Administrative Offices, 2477 Arnold Industrial Way, Concord, California**

# County Connection

2477 Arnold Industrial Way

Concord, CA 94520-5326

(925) 676-7500

countyconnection.com

Agenda Item No. 4.a.

## CCCTA BOARD OF DIRECTORS

### MINUTES OF THE REGULAR MEETING

July 17, 2014

#### CALL TO ORDER/ROLL CALL/CONFIRM QUORUM

Chair Simmons called the regular meeting of the Board of Directors to order at 9 a.m. Board Members present were Directors Andersen, Dessayer, Hudson, Manning, Schroder, Storer, Tatzin, Weir and Worth. Directors Hoffmeister arrived after the meeting convened.

Staff: Ramacier, Chun, Barnes, Bowron, Burdick, Churchill, Dean, Gaston, Hill, Mitchell, Muzzini, and Vassallo

#### CONSENT CALENDAR

**MOTION:** Director Dessayer moved approval of the Consent Calendar, consisting of the following items: (a) Approval of Minutes of Regular Meeting of June 19, 2014. Director Hudson seconded the motion and it received the following vote of approval:

Aye: Directors Andersen, Dessayer, Hudson, Manning, Schroder, Simmons, Storer, Tatzin, Weir and Worth  
No: None  
Abstain: None  
Absent: Director Hoffmeister

#### REPORT OF CHAIR

##### Nominating Committee for Election of CCCTA Officers

Director Simmons reported that the nominating committee, consisting of the current Chair and two past Board Chairs have met. They nominate Director Dessayer as Chair, Director Storer as Vice Chair, and Director Weir as Secretary. The nominations will remain open until the Board meeting next month, at which time nominations will close and the new officers will be elected.

#### REPORT OF GENERAL MANAGER:

General Manager Rick Ramacier asked the Board to look at the new bus design on the buses out of the bus yard. The Board members and staff walked outside to see for themselves how the bus advertising configuration would be different from the way it is now. After a tour and a brief discussion, the General Manager ended his report.

## **REPORT OF STANDING COMMITTEES**

### **Marketing, Planning & Legislative Committee**

#### **Bus Advertising Contract and Resolution No. 2015-001**

Director Schroder explained that County Connection received 1 proposal from our current advertiser, Lamar Transit Advertising, in response to the Request for Proposals. The MP & L Committee recommends that County Connection go it alone as opposed to a joint contract with other small operators, to avoid disagreements about revenue split and maximize revenues. Director Schroder stated that the MP & L Committee also recommends use of the "percentage of gross with a minimum guarantee" type payment method to better track sales and optimize potential ad revenues. Finally, following much discussion of the pros and cons of limiting bus advertising space to below the bus, or allowing the advertiser to use full wrap advertising on no more than 20% of the fleet, the Board determined that it would be appropriate to maximize revenue by allowing the full wrap option, which would then be available to fund more public transit service. Several directors noted the larger windows on the new buses limited advertising space, and that the relocation of the County Connection logo to above the windows preserved the identity and brand of County Connection.

**MOTION:** Director Hudson moved approval of awarding the Bus Advertising Contract to Lamar Transit Advertising, and revised Resolution 2015-001, for a three year term with two one year options, based upon the percentage of gross and minimum guarantee basis of compensation, and based upon allowing the use of full wrap advertising on no more than 20% of the fleet. Director Schroder seconded the motion and it received the following vote of approval:

**Aye:** Directors Andersen, Dessayer, Hoffmeister, Hudson, Manning, Schroder, Simmons Storer, Tatzin, Weir and Worth  
**No:** None  
**Abstain:** None  
**Absent:** None

#### **Title VI Equity Analysis-Service Change & Mid-day Free Fare, Resolution No. 2015-002 & Resolution No. 2015-003**

Laramie Bowron and Anne Muzzini presented the two Title VI Equity Analyses for the Walnut Creek Service Changes and for the Mid-day Senior/Disabled Free Fare Program. After a brief Board discussion of the legal ramifications a motion was made.

**MOTION:** Director Schroder moved approval of Resolution No. 2015-002, Adoption of Title VI Equity Analysis of 2014 Walnut Creek Service Changes. Director Hudson seconded the motion and it received the following vote of approval:

**Aye:** Directors Andersen, Dessayer, Hoffmeister, Hudson, Manning, Schroder, Simmons Storer, Tatzin, Weir and Worth  
**No:** None  
**Abstain:** None  
**Absent:** None

**MOTION:** Director Schroder moved approval of Resolution 2015-003, Adoption of Title VI Equity Analysis of Senior/Disabled Mid-day Free Fare Program. Director Hoffmeister seconded the motion and it received the following vote of approval:

**Aye:** Directors Andersen, Dessayer, Hoffmeister, Hudson, Manning, Schroder, Simmons Storer, Tatzin, Weir and Worth  
**No:** None  
**Abstain:** None  
**Absent:** None

### **Report from the Advisory Committee**

#### Appointment of Jeremy Weinstein to the Advisory Committee as a Representative from the City of Walnut Creek

Director Simmons stated that the City of Walnut Creek recruited for individuals to apply for the advisory committee. The City had two applicants and interviewed them both. They recommended Jeremy Weinstein to become a member of County Connection Advisory Committee.

**MOTION:** Director Simmons moved approval of the Appointment of Jeremy Weinstein to the Advisory Committee as a Representative from the City of Walnut Creek. Director Hudson seconded the motion and it received the following vote of approval:

**Aye:** Directors Andersen, Dessayer, Hoffmeister, Hudson, Manning, Schroder, Simmons Storer, Tatzin, Weir and Worth  
**No:** None  
**Abstain:** None  
**Absent:** None

**BOARD COMMUNICATION: None**

#### **CLOSED SESSION:**

Public Employee Performance Evaluation Pursuant to Government Code Section 54957  
Position: General Manager

At 9:47 a.m. Chair Simmons announced that the Board will go into closed session regarding Public Employee Performance Evaluation of the General Manager.

#### **OPEN SESSION:**

##### **A. REPORT OF ACTION(S) TAKEN DURING CLOSED SESSION**

The Board reconvened in open session at 10:13 a.m. Chair Simmons announced the Board met in closed session to discuss the performance evaluation of the General Manager.

**MOTION:** Director Dessayer moved Resolution No. 2015-004, Approving Sixth Amendment to Employment Agreement between Central Contra Costa Transit Authority and Rick Ramacier, providing for an approximate 2% increase in the General Manager's salary to \$171,500 as of July 1, 2014. Director Hudson seconded the motion and it received the following vote of approval.

**Aye:** Directors Andersen, Dessayer, Hoffmeister, Hudson, Manning, Schroder, Simmons Storer, Tatzin, Weir and Worth  
**No:** None  
**Abstain:** None  
**Absent:** None

**MOTION:** Director Dessayer moved that the Chair and Legal Counsel develop a bonus pool of \$3500 for the General Manager. Director Tatzin seconded the motion and it received the following vote of approval.

**Aye:** Directors Andersen, Dessayer, Hoffmeister, Hudson, Manning, Schroder, Simmons Storer, Tatzin, Weir and Worth  
**No:** None  
**Abstain:** None  
**Absent:** None

**ADJOURNMENT:** Chair Simmons adjourned the regular Board meeting at 10:14 a.m.

Minutes prepared by

---

Lathina Hill  
Assistant to the General Manager

---

Date

RESOLUTION NO. 2015-001

BOARD OF DIRECTORS, CENTRAL CONTRA COSTA TRANSIT AUTHORITY  
STATE OF CALIFORNIA

\* \* \*

AUTHORIZING AWARD OF CONTRACT TO LAMAR TRANSIT, LLC  
TO PROVIDE BUS ADVERTISING SERVICES

**WHEREAS**, the County of Contra Costa and the Cities of Clayton, Concord, Lafayette, Martinez, Orinda, Pleasant Hill, San Ramon, and Walnut Creek, and the Towns of Danville and Moraga (hereinafter “member jurisdictions”), have formed the Central Contra Costa Transit Authority (County Connection), a joint exercise of powers agency created under California Government Code Sections 6500, *et seq.*, to provide coordinated and integrated public transportation services within the area of such member jurisdictions; and

**WHEREAS**, in April 2014, County Connection released a Request For Proposals (RFP) for Bus Advertising Services, for the provision of interior and exterior bus advertising for the fleet and service area of County Connection; and

**WHEREAS**, the RFP asked proposers to present two separate advertising space coverage proposals, consisting of ads that fit below the bus windows only (first alternative), and full coverage ads on no more than 20% of the fleet (second alternative), priced as a fixed annual guarantee, or alternatively as a percentage of gross revenues with a minimum annual guarantee ; and

**WHEREAS**, on June 4, 2014, one proposal was received, from Lamar Transit, LLC; and

**WHEREAS**, Lamar Transit, LLC has been providing bus advertising service to County Connection since 2009 under a contract that has included advertising services for the Eastern Contra Costa Transit Authority (Tri Delta Transit) and the Western Contra Costa Transit Authority (WESTCAT), and staff has found the performance of Lamar Transit, LLC to be satisfactory and professional; and

**WHEREAS**, staff has evaluated the proposal in accordance with the criteria set forth in the Request For Proposals, and has recommended to the Marketing, Planning, & Legislative Committee that the contract be awarded to Lamar Transit, LLC; and

**WHEREAS**, staff's analysis of the two pricing structures found a decrease of between \$45,000 to \$70,000 compared to current revenue for the first alternative, and an increase of between \$30,000 to \$55,000 compared to current revenue for the second alternative; and

**WHEREAS**, for the first alternative, under the percentage of gross revenues with a minimum annual guarantee pricing structure, the proposal submitted by Lamar Transit, LLC guarantees County Connection a minimum of \$1,440,000 in revenues over the three-year contract term, in annual payments of: Year 1 -\$475,000, Year 2- \$480,000, Year 3 - \$485,000, and two one-year option terms with minimum annual payments of Year 4 - \$490,000, Year 5- \$495,000; and

**WHEREAS**, for the second alternative, under the percentage of gross revenues with a minimum annual guarantee pricing structure, the proposal submitted by Lamar Transit, LLC guarantees County Connection a minimum of \$1,752,000 in revenues over the three-year contract term, in annual payments of: Year 1 -\$575,000, Year 2- \$580,000, Year 3 - \$585,000, and two one-year option terms with minimum annual payments of Year 4 -\$590,000, Year 5- \$595,000; and



**WHEREAS**, the Marketing, Planning & Legislative Committee has recommended adopting the pricing structure based upon a percentage of gross revenues and a minimum annual guarantee, in order to better track sales and optimize the potential for advertising revenues; and

**WHEREAS**, after giving careful consideration to staff's analysis, and weighing the importance of raising revenue with the value of identifying County Connection buses with public transportation service, the Marketing, Planning, & Legislative Committee has further recommended award of the contract to Lamar Transit, LLC based upon its proposal for advertising space below the bus windows only, as a reasonable and appropriate approach for both generating revenue and promoting public transit; and

**WHEREAS**, the Board of Directors has carefully considered the Marketing, Planning & Legislative Committee recommendations, and has physically viewed the buses, taking note of the County Connection logo placement and the configuration for advertising space; and

**WHEREAS**, after thorough discussion of the cost and benefits of each alternative, the Board of Directors has determined that the proposed allotment of full bus wraps for no more than 20% of the fleet would best serve the interests of County Connection, as it will optimize revenue for passenger services and preserve the County Connection logo in a prominent location on the bus.

**NOW, THEREFORE, BE IT RESOLVED** that the Central Contra Costa Transit Authority Board of Directors hereby authorizes and directs the General Manager, or his designee, to execute and deliver a three-year contract in a form approved by Legal Counsel, with Lamar Transit, LLC for the purpose of providing bus advertising services to include full coverage ads on no more than 20% of the fleet, for which County Connection will be paid based upon a percentage of gross revenues and a minimum annual guarantee, for a total minimum compensation of \$1,752,000; and

**BE IT FURTHER RESOLVED** that the Central Contra Costa Transit Authority Board of Directors hereby authorizes the General Manager, or his designee, to exercise up to two additional one-year option terms, at a total minimum compensation of \$590,000 for year four, and \$595,000 for year five, provided that such options are in the best interests of County Connection.

Regularly passed and adopted this 17th day of July, 2014, by the following vote:

- AYES: Directors Andersen, Dessayer, Hoffmeister, Hudson, Manning, Schroder, Simmons, Storer, Tatzin, Weir and Worth
- NOES: None
- ABSTAIN: None
- ABSENT: None

---

Bob Simmons Chair, Board of Directors

ATTEST:

---

Lathina Hill, Clerk to the Board

To: Board of Directors

Date: August 12, 2014

From: Anne Muzzini, Director of Planning and Marketing

Reviewed by:

---

**Subject: City of Walnut Creek Agreement for Free Route #5**

---

Background:

The Adaptive Service Plan analyzed underperforming routes to determine ways to improve system productivity. Increasing the directness and frequency of the Route #5 was one change that was recommended by the consultant and was supported by the City of Walnut Creek. The new Route #5 will travel from Creekside drive, an area with many apartments, down Main street and California Ave. to BART. The route change has been approved by the Board and will go into effect August 17<sup>th</sup>. Because the City is interested in using parking revenues to address traffic issues in the downtown, they have voted to support the new Route #5 by paying the fares for riders similar to the arrangement for the Route #4 Trolley.

The City Council has authorized the City Manager to enter into an agreement not to exceed \$55,000 for fare subsidy on the route. During the first year, County Connection will track ridership and determine if the amount is sufficient to cover lost fare revenue and the City will determine if they want to continue the program in subsequent years.

If ridership is equal to 10 passengers per revenue hour, then the subsidy will be enough to break even. Currently the route is scheduled to operate 17 revenue hours a weekday with 20 minute headways in the morning and evening and 45 minute headways in the midday. The schedule may be modified to reflect demand.

Recommendation

The A&F Committee recommends that the Board approve resolution # 2015-005 authorizing the General Manager to enter an agreement for fare subsidy for Route #5 with the City of Walnut Creek in an amount not to exceed \$55,000.

**RESOLUTION NO. 2015-005**

**BOARD OF DIRECTORS, CENTRAL CONTRA COSTA TRANSIT AUTHORITY  
STATE OF CALIFORNIA**

\* \* \*

**AUTHORIZING EXECUTION OF  
A PUBLIC TRANSPORTATION SERVICES AGREEMENT WITH  
THE CITY OF WALNUT CREEK FOR ROUTE 5 SERVICE**

WHEREAS, the County of Contra Costa and the Cities of Clayton, Concord, the Town of Danville, Lafayette, Martinez, the Town of Moraga, Orinda, Pleasant Hill, San Ramon and Walnut Creek (hereinafter "Member Jurisdictions") have formed the Central Contra Costa Transit Authority ("CCCTA"), a joint exercise of powers agency created under California Government Code Section 6500 *et seq.*, for the joint exercise of certain powers to provide coordinated and integrated public transportation services within the area of its Member Jurisdictions;

WHEREAS, CCCTA engaged a consultant to conduct an Adaptive Service Analysis Plan to evaluate and develop recommendations for maximizing the effectiveness of its public transit service;

WHEREAS, the Adaptive Service Analysis Plan was adopted by the Board of Directors in December 2013, and staff was directed to proceed with soliciting public input and conduct further analysis to implement service changes recommended by the Plan, which included modifications to Route 5;

WHEREAS, in April 2014, following consideration of public comment, the Board of Directors authorized implementation of the recommended changes to Route 5 to provide more frequent and direct service from Creekside to the Walnut Creek BART station;

WHEREAS, the City has determined that it is in the public interest and within the scope of its powers to support CCCTA's provision of such service for the benefit of the public by providing a fare subsidy for the passengers of Route 5 so that all passengers ride free, not to exceed \$55,000 a year;

WHEREAS, the Administration & Finance Committee has authorized the General Manager to enter into an agreement with the City of Walnut Creek specifying the terms of the City's financial support for such service.

NOW, THEREFORE, BE IT RESOLVED that the Central Contra Costa Transit Authority Board of Directors hereby ratifies the Administration & Finance Committee's action authorizing the General Manager or his designee to execute a Public Transportation Services Agreement with the City of Walnut Creek, in a form approved by Legal Counsel, to provide

for a two-year "free ride" pilot program, whereby the City will contribute a fare subsidy for the Route 5 service of \$55,000 a year.

Regularly passed and adopted this 21st day of August, 2014, by the following vote:

AYES:

NOES:

ABSTENTIONS:

ABSENT:

\_\_\_\_\_  
Bob Simmons, Chair, Board of Directors

ATTEST:

\_\_\_\_\_  
Lathina Hill, Clerk to the Board

To: Board of Directors

Date: August 12, 2014

From: Anne Muzzini, Director of Planning & Marketing

Reviewed by:

---

**Subject:** Continuation of the Senior and Disabled Mid-Day Free Fare Program

---

### **Background:**

At the August 2013 Board of Directors meeting, the Board directed staff to implement mid-day free fares for seniors riders and those with disabilities between the hours of 10am and 2pm seven days/week as a pilot fare program.

At the July 2014 Board of Directors meeting, the Board approved the Title VI Equity Analysis needed to continue the fare program beyond its pilot period.

### **Summary of Issues:**

From implementation in December 2013 to June 2014, over 75,000 senior and disabled riders have utilized the mid day free fare program. This would equate to nearly \$66,000 in fare revenue that was forgone and this section of ridership equals around 4% of total boardings during this period. Senior and disabled boardings have increased 16% from December 2012 to June 2013 compared to total ridership increasing only 0.6% during that period.

This fare program has drawn praise from groups representing seniors and those with disabilities including the Contra Costa Transportation Authority's Paratransit Coordinating Council.

### **Recommendation:**

The A&F Committee recommends that the Board continue this popular fare program, which complies with County Connection's Disparate Impact or Disproportionate Burden policies by adopting resolution # 2015-006.

### **Options:**

1. Recommend the Board authorize the continuation of the Senior and Disabled mid-day free fare program.
2. Allow fare program to expire.
3. Other action determined by the committee.

**RESOLUTION NO. 2015-006**

**BOARD OF DIRECTORS CENTRAL CONTRA COSTA TRANSIT AUTHORITY  
STATE OF CALIFORNIA**

\* \* \*

**APPROVING CONTINUATION OF SENIOR/DISABLED MID-DAY FREE FARE PROGRAM**

**WHEREAS**, the County of Contra Costa and the Cities of Clayton, Concord, the Town of Danville, Lafayette, Martinez, the Town of Moraga, Orinda, Pleasant Hill, San Ramon and Walnut Creek (hereinafter "Member Jurisdictions") have formed the Central Contra Costa Transit Authority ("CCCTA"), a joint exercise of powers agency created under California Government Code Section 6500 *et seq.*, for the joint exercise of certain powers to provide coordinated and integrated public transportation services within the area of its Member Jurisdictions; and

**WHEREAS**, County Connection's Board of Directors (Board), at its meeting of August 15, 2013, approved the implementation of a pilot program, effective in December 2013, providing free mid-day fares for seniors and disabled customers (Senior/Disabled Mid-Day Free Fare Program); and

**WHEREAS**, staff has analyzed the pilot Senior/Disabled Mid-Day Free Fare Program and has concluded that it should be continued because it has drawn praise from groups representing seniors and those with disabilities, including the Contra Costa Transportation Authority's Paratransit Coordinating Council; and

**WHEREAS**, staff has also undertaken a Title VI Equity Analysis of the Senior/Disabled Mid-Day Free Fare Program that assessed the potential effects of the Senior/Disabled Mid-Day Free Fare Program on minority and low-impact populations, which analysis was presented to and approved by the Board at its July 17, 2014 meeting; and

**WHEREAS**, the Administration and Finance Committee recommends the Board approve the continuation of the Senior/Disabled Mid-Day Free Fare Program; and

**WHEREAS**, the purposes of the continuation of the Senior/Disabled Mid-Day Free Fare Program include meeting the financial needs and requirements of County Connection and obtaining funds for operating expenses, therefore exempting this action from the California Environmental Quality Act pursuant to Public Resources Code Section 21080(b)(8).

**NOW, THEREFORE, BE IT RESOLVED** that the Board of Directors of the Central Contra Costa Transit Authority hereby:

1. Finds that the continuation of the Senior/Disabled Mid-Day Free Fare Program serves the purposes of meeting the financial needs and requirements of County Connection and obtaining funds for operating expenses as referenced in the California Environmental Quality Act statutory exemption at Public Resources Code Section 21080(b)(8); and
2. Approves the continuation of the Senior/Disabled Mid-Day Free Fare Program.

Regularly passed and adopted this 21st day of August 2014, by the following vote.

AYES:

NOES:

ABSTENTIONS:

ABSENT:

---

Bob Simmons, Chair, Board of Directors

ATTEST:

---

Lathina Hill, Clerk to the Board

To: Board of Directors

Date: August 4, 2014

From: Laramie Bowron, Manager of Planning

Reviewed by:

---

**Subject: Triennial TDA Performance Audit Final Report**

---

**Summary of Issues:**

The Metropolitan Transportation Commission (MTC) has released its Triennial Performance Audit for the County Connection. A draft Audit was presented to the Operations & Scheduling Committee in January after which staff provided comments to MTC and the auditor, Pierlott & Associates, LLC. It is a requirement for transit agencies receiving Transportation Development Act (TDA) funds to undergo a performance audit every three years by an independent audit firm.

The attached report represents the final audit report for FY2011, FY2012, and FY2013.

The final audit report consists of the following sections for which there were no negative findings or recommendations:

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

Although it is not a requirement, past TDA Performance Audits have been adopted by the Board.

**Recommendation:**

The Operations & Scheduling Committee recommends the Board accept the Triennial TDA Performance audit report and requests the Administrative & Finance Committee explore the possibility of a fare increase in FY15.

**Attachment:**

County Connection Final Triennial Audit Report

# Triennial Performance Audit

*of the*

## Central Contra Costa Transit Authority (CCCTA)

Fiscal Years 2010/11, 2011/12 and 2012/13

FINAL AUDIT REPORT

*prepared for the*

Metropolitan Transportation Commission

*by*



**Pierlott & Associates, LLC**  
*Management Consulting*

May 2014





## **EXECUTIVE SUMMARY**

This executive summary highlights the findings from the performance audit of the Central Contra Costa Transit Authority (CCCTA). 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. CCCTA's bus and paratransit modes are the focus of the performance audit. The audit covers the period of fiscal years 2011 through 2013 (from July 1, 2010 through June 30, 2013).

### **Performance Audit and Report Organization**

The performance audit is being 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 reporting procedures;
- A review of performance trends in TDA-mandated indicators;
- A review of compliance with selected PUC requirements;
- An evaluation of CCCTA's actions to implement the recommendations from the last performance audit; and
- Findings, conclusions, and recommendations to further improve CCCTA's performance based on the results of the previous sections.

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

## Results and Conclusions

Review of TDA Data Collection and Reporting Methods - The purpose of this review is to determine if CCCTA is in compliance with the TDA requirements for data collection and reporting. The review is limited to the five data items needed to calculate the TDA-mandated performance indicators. This review has determined that CCCTA is in compliance with the data collection and reporting requirements for these performance indicators.

Performance Indicators and Trends – CCCTA’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 for the current audit period. Results are detailed below:

- Bus Service - CCCTA’s bus service performance over the six-year period exhibited variable year-to-year changes. CCCTA’s overall performance continues to reflect the effects of the fixed-route service restructuring implemented in FY2009. However, CCCTA’s bus system performance during the current audit period was better than its performance during the overall six-year time period, particularly in terms of cost efficiency. The following presents a brief summary of the performance trend highlights for CCCTA’s bus service:
  - Cost efficiency declined overall, with an average annual increase in operating cost per service hour of 3.9 percent, and 1.9 percent in inflation adjusted dollars. Cost per hour increased from \$99.48 in FY2008 to \$120.20 in FY2013.
  - During the last three years, CCCTA’s operating costs increased an average of 3.2 percent per year, versus 3.9 percent over the six-year period. Direct labor increased an average of 1.2 percent and fringe benefit costs increasing by 3.9 percent per year. Those two categories combined comprised about three-quarters of the total operating costs each year. Services comprised between seven and eight percent of total costs and increased an average of 14.2 percent annually. Cost decreases were observed in the materials/supplies (-2.7 percent) and casualty/liability (-0.5 percent) categories.
  - Cost effectiveness also declined, with cost per passenger increasing from \$6.35 in FY208 to \$7.79 in FY2013. The overall average annual increase in cost per passenger was 4.2 percent, with a normalized average annual

increase of 2.2 percent. This reflects decreasing ridership outperforming the decrease in operating costs.

- Passenger productivity was steady, with passengers per hour decreasing an average of 0.3 percent annually, and passengers per mile increasing an average of 0.9 percent. There were decreases in ridership, vehicle service hours and vehicle service miles, however, the overall average annual decrease in ridership was greater than service hours but less than service miles, resulting in the opposing performance of the indicators.
- Employee productivity was steady, showing a modest 1.0 percent decrease per year in vehicle service hours per FTE.
- Paratransit Service – CCCTA’s paratransit service also demonstrated varied results in performance. As with the bus service, CCCTA’s paratransit performance was better during the current audit period, particularly in containing operating costs. The following presents a brief summary of the performance trend highlights for CCCTA’s paratransit service:
  - Cost efficiency worsened slightly, with an average annual increase in the operating cost per hour of 3.2 percent (1.3 percent in inflation adjusted dollars), from \$59.02 in FY2008 to \$69.18 in FY2013. The trend was driven by small average annual increases in operating costs (0.8 percent) and a decrease in service hours (-2.4 percent) over the audit period.
  - During the last three years, CCCTA’s in-house costs were steady, declining an average of 0.5 percent annually. Purchased transportation comprised 96.5 percent of CCCTA’s total costs and also decreased 0.5 percent per year, compared with a 4.5 percent increase in operating costs between FY2008 and FY2010. Fringe benefit and service costs increased over the last three years, but comprised less than two percent of total costs.
  - Cost per passenger increased an annual average of 2.3 percent, with a normalized average annual increase of 0.4 percent, from \$29.51 in FY2008 to \$33.08 in FY2013. Cost effectiveness was slightly negative, but performed better than cost efficiency, due to the overall decrease in ridership (-1.5 percent annual average) being less than the decrease in service hours (-2.4 percent annual average).
  - Passenger productivity was mostly steady, with passengers per hour ranging between 2.0 and 2.1 each year and passengers per mile from 0.12 to 0.13 per year. There was a net increase of 0.9 percent annually in both passengers per hour and per mile during the review period. This was due to the average annual decrease in service hours and service miles (-2.4 percent each) being slightly higher than the average annual decrease in unlinked passengers (-1.5 percent).

- Employee productivity also was steady, with a decrease of 0.1 percent per year in vehicle service hours per FTE, due to the decrease in FTEs and vehicle service hours being nearly identical over the period..

Compliance with Statutory Requirements – CCCTA is in compliance with all five sections of the state PUC that were reviewed as part of this performance audit. These sections included requirements concerning CHP terminal safety inspections, labor contracts, reduced fares, revenue sharing, and evaluating passenger needs.

Status of Prior Audit Recommendations – There were no recommendations made in CCCTA’s prior Triennial Performance Audit.

## **Recommendations**

No recommendations are suggested for CCCTA based on the results of this triennial performance audit.

# Table of Contents

	<u>Page No.</u>
Executive Summary .....	i
I. Introduction.....	1
Performance Audit and Report Organization .....	2
II. Review of TDA Data Collection and Reporting Methods.....	7
III. TDA Performance Indicators and Trends .....	11
Bus Service Performance Trends.....	12
Paratransit Performance Trends .....	22
IV. Compliance with PUC Requirements.....	32
V. Status of Prior Audit Recommendations.....	35
VI. Conclusions and Recommendations.....	36
Conclusions.....	36
Recommendations.....	38

## List of Exhibits

	<u>Page No.</u>
Exhibit 1: System Overview .....	3
Exhibit 2: Audit Period Organization Chart .....	6
Exhibit 3: Compliance with TDA Data Collection and Reporting Requirements.....	9
Exhibit 4: TDA Indicator Performance – Bus Service .....	15
Exhibit 4.1: Operating Cost per Vehicle Service Hour – Bus Service .....	16
Exhibit 4.2: Passengers per Hour and per Mile – Bus Service .....	17
Exhibit 4.3: Operating Cost per Passenger – Bus Service .....	18
Exhibit 4.4: Vehicle Service Hours per FTE – Bus Service .....	19
Exhibit 4.5: TDA Component Costs Trends – Bus Service.....	20
Exhibit 5: TDA Indicator Performance – Paratransit .....	25
Exhibit 5.1: Operating Cost per Vehicle Service Hour – Paratransit .....	26
Exhibit 5.2: Passengers per Hour and per Mile – Paratransit .....	27
Exhibit 5.3: Operating Cost per Passenger – Paratransit .....	28
Exhibit 5.4: Vehicle Service Hours per FTE – Paratransit .....	29
Exhibit 5.5: TDA Component Costs Trends – Paratransit.....	30
Exhibit 6: Compliance with State PUC Requirements .....	33

## I. INTRODUCTION

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

In the San Francisco Bay Area, the Metropolitan Transportation Commission (MTC) has been designated the RTPA and has this responsibility. 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 Central Contra Costa Transit Authority (CCCTA). The two modes operated by CCCTA, bus, and paratransit, are the focus of this performance audit. The audit period is Fiscal Years 2011 through 2013 (from July 1, 2010 through June 30, 2013).

An overview of CCCTA is provided in Exhibit 1. This is followed by an organization chart in Exhibit 2. The chart reflects the organization structure during the current audit period.



## **PERFORMANCE AUDIT AND REPORT ORGANIZATION**

This is the final audit report for the performance audit of CCCTA. Following this introduction, the report consists of these sections:

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

Comments received from CCCTA and MTC staff regarding the draft report have been incorporated into the final report.

## Exhibit 1: System Overview

<b>Location</b>	Headquarters: 2477 Arnold Industrial Way, Concord CA 94520
<b>Establishment</b>	CCCTA was established in 1980 as a joint powers agency to coordinate, integrate and expand transit service within central Contra Costa County. There are eleven jurisdictions comprising the joint powers agency: the cities of Clayton, Concord, Lafayette, Martinez, Orinda, Pleasant Hill, San Ramon and Walnut Creek; the towns of Danville and Moraga; and the unincorporated areas of central Contra Costa County.
<b>Board</b>	CCCTA is governed by an eleven-member Board of Directors consisting of one member from each of the incorporated member cities and towns, and one member representing the unincorporated areas of the County. The Board is organized into three standing committees: Administration and Finance; Marketing, Planning and Legislation; and Operations and Scheduling. The General Manager reports to the Board of Directors, and is responsible for the overall operation of the Authority, carrying out the policies of the Board and implementing the Disadvantaged Business Enterprise (DBE) program.
<b>Facilities</b>	CCCTA's administration, operations and maintenance functions all are housed at the Concord facility located at 2477 Arnold Industrial Way.
<b>Service Data</b>	<p>CCCTA provides fixed-route bus service under the name "The County Connection," with an active bus fleet of 131 vehicles. The County Connection service consists of local weekday routes, express routes, weekend only routes, and a number of "select service" routes oriented to area schools. Most routes provide feeder service to BART and other rail stations in the County. There are also contract services provided for several business parks and employers, a free downtown shuttle service subsidized by the city of Walnut Creek, and an ACE park and ride train shuttle. All of these services are open to the general public.</p> <p>Service is provided weekdays from approximately 5:30 a.m. until 11:00 p.m. On weekends, most service operates between 7:00 a.m. and 9:00 p.m. There is no service on major holidays. Headways on most routes range between 30 and 60 minutes during peak commute periods, and 60 to 90 minutes at other times.</p> <p>The County Connection base fare is \$2.00 (\$2.25 for express trips). Children under age six ride free but must be accompanied by an adult. Discounted commuter cards offer 20 regular rides and BART transfers for \$40. Discounted 12-ride and monthly passes are available for local and express services. Seniors (age 65 and older) and riders with disabilities</p>

pay \$1.00. There are also 20-ride passes available for reduced fare riders. Transfers within CCCTA are free; transfers to BART are \$1.00 for regular fare riders and \$0.50 for reduced fare riders.

CCCTA's ADA paratransit service, known as County Connection LINK, is an advance reservation dial-a-ride service. LINK service is provided under contract by First Transit, Inc. Hours of operation and service area reflect the hours during which the County Connection fixed route services operate. These hours vary depending upon the particular area. Weekend service covers only limited areas, restricted to the  $\frac{3}{4}$  mile boundary around the fixed-route operations as defined in the Americans with Disabilities Act (ADA). In addition, LINK service operates on behalf of BART weekdays from 4:00 to 6:00 a.m. and 10:00 p.m. to midnight; Saturdays from 6:00 to 8:30 a.m. and 7:30 p.m. to midnight, and Sundays 6:30 a.m. to midnight. Phone reservations can be made up to two days in advance. Same day requests are accepted on a space-available basis, and standing reservations can be accommodated on a limited basis. The one-way fare is \$4.00.

### **Recent Changes**

CCCTA last raised its fares in 2009. While the Board of Directors passed a resolution to raise fare every three years beginning in 2013, the fare increase plan is still being reviewed. CCCTA is currently in the process of upgrading its information technology (ITS) systems, updating the maintenance asset software system and replacing the CAD/AVL system on board its vehicles. CCCTA has implemented some minor fixed-route service changes, but nothing major since the service restructuring of 2009. Paratransit service changes follow the changes in the fixed-route system.

### **Planned Changes**

CCCTA's short term operating plans include:

- review community development plans;
- evaluate bus stop improvements;
- address specific route on-time performance;
- plan for demand increases at Bishop Ranch;
- evaluate service to the Pacheco park and ride;
- evaluate impact of fare increase and/or fare media changes; and
- implement updated paratransit scheduling technology.

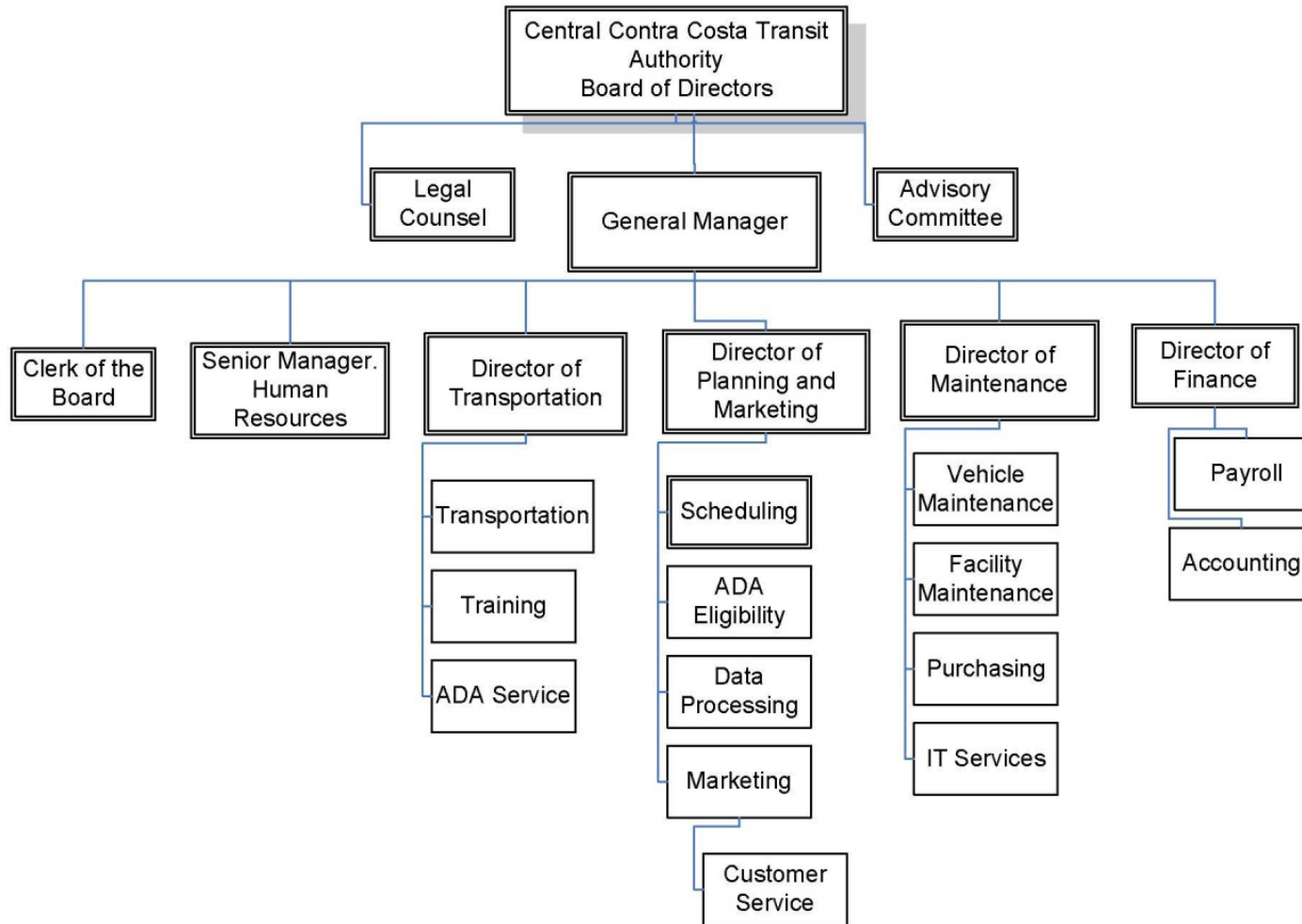
CCCTA's planned capital projects include replacement of 64 fixed-route buses over the next two years. CCCTA also is planning for the installation of solar panels at the Arnold Way facility and implementing the recommendations from the Access Improvement Project, which includes several projects that will increase access to transit services for both facilities and vehicles.

**Staff**

CCCTA staff is organized into four divisions, each headed by a Director, along with certain separate departments. The FY2013 Budget document lists a total of 258 employees. The breakdown by functional area was as follows:

Transportation	187
Maintenance	39
General Administration	29
Paratransit (Non-Contractor)	3
TOTAL	<u>258</u>

## Exhibit 2: Audit Period Organization Chart



## **II. REVIEW OF TDA DATA COLLECTION AND REPORTING METHODS**

This section presents 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 CCCTA is 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 CCCTA covering the three years of the audit period has been reviewed. CCCTA's NTD reports include its bus and paratransit services. However, consistent with FTA reporting requirements, CCCTA does not submit employee hour information for purchased transportation service to the NTD.

The CCCTA Director of Finance has the primary responsibility for collecting and reporting this information, assisted by the CCCTA Lead Data Analyst. Data collection and reporting for CCCTA's paratransit service is coordinated between CCCTA and its operations contractor, First Transit, Inc. The contractor is responsible for collecting and compiling data from its operations into a monthly report to CCCTA.

To support this review, CCCTA provided information to confirm and/or update its data collection and reporting procedures, using the descriptions in the prior performance audit as a reference. The staff indicated that the definitions and procedures used to derive the TDA indicator statistics generally are consistent with those used for the NTD reporting system.

Based on the information provided, as shown in Exhibit 3, CCCTA is in compliance with the data collection and reporting requirements for all five TDA statistics.

### Exhibit 3: Compliance with TDA Data Collection and Reporting Requirements

TDA Statistic	TDA Definition	Compliance Finding	Verification Information
Operating Cost	“Operating cost” means all costs in the operating expense object classes exclusive of the costs in the depreciation and amortization expense object class of the uniform system of accounts and records adopted by the Controller pursuant to Section 99243, and exclusive of all subsidies for commuter rail services operated under the jurisdiction of the Interstate Commerce Commission and of all direct costs for providing charter services, and exclusive of all vehicle lease costs.	In Compliance	<ul style="list-style-type: none"> <li>• Fixed-route - Service related costs, calculated according to several broad expense categories. Majority composed of wages and fringe benefits; remainder includes various “service expenses” (e.g., marketing and security) and materials/supplies. Reporting follows NTD categories and requirements.</li> <li>• Paratransit - Includes in-house paratransit-related costs and payments to the contractor for operating the service. By agreement, contractor’s invoices are based on a monthly fixed rate plus an hourly rate. Contractor pay includes deadhead hours.</li> </ul>
Vehicle Service Hours	“Vehicle service hours” means the total number of hours that each transit vehicle is in revenue service, including layover time.	In Compliance	<ul style="list-style-type: none"> <li>• Fixed Route - <i>Ridecheck</i> software gathers data collected by on-board <i>Clever Devices</i> computers and produces reports. The entire fleet is equipped with this computer system. Vehicle service hours are now generated by <i>Ridecheck</i> and uploaded each night to the server for processing.</li> <li>• Paratransit - Includes hours from the time a vehicle leaves the yard until it returns, minus lunch and breaks. Data gleaned from drivers’ manifests and input daily into computer.</li> </ul>
Vehicle Service Miles	“Vehicle service miles” means the total number of miles that each transit vehicle is in revenue service.	In Compliance	<ul style="list-style-type: none"> <li>• Fixed-route – <i>Ridecheck</i> software gathers data collected by on-board <i>Clever Devices</i> computers and produces reports. Vehicle service miles are now generated by <i>Ridecheck</i> and uploaded each night to the server for processing.</li> <li>• Paratransit - Includes miles accumulated by a vehicle for provision of service. Data gleaned from drivers’ manifests and input daily into computer.</li> </ul>



TDA Statistic	TDA Definition	Compliance Finding	Verification Information
Unlinked Passengers	“Unlinked passengers” means the number of boarding passengers, whether revenue producing or not, carried by the public transportation system.	In Compliance	<ul style="list-style-type: none"> <li>• Fixed-route - Ridecheck software gathers data collected by on-board Clever Devices computers, including Automatic Passenger Counting (APC) data and the passenger count by fare category entered by the driver. The entire fleet is now equipped with APC sensors and this computer system. The passenger count data is uploaded each night to the server for processing and report generation.</li> <li>• Paratransit - Includes all boardings as logged by drivers on their trip manifests. Drivers adjust pre-printed manifests for cancellations, no-shows, and additional same-day trips.</li> </ul>
Employee Full-Time Equivalents	2,000 person-hours of work in one year constitute one employee.	In Compliance	<ul style="list-style-type: none"> <li>• Fixed-route - Consistent with TDA definition; counted based on employee pay records.</li> <li>• Paratransit - Based on employee hours, as reported by the contractor.</li> </ul>

### III. TDA PERFORMANCE INDICATORS AND TRENDS

The performance trends for the CCCTA's bus and paratransit service modes are presented in this section. Performance is discussed for each of the five TDA-mandated performance indicators:

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

The performance results in these indicators were developed from the information in the NTD reports filed with the FTA for the three years of the audit period. CCCTA's NTD reports were the source of all operating and financial statistics except for contractor FTEs. Contractor employee FTE data was provided by CCCTA staff from data reported by the contractor.

In addition to presenting performance for the three years of the audit period (FY2011 through FY2013), 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 CCCTA'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 FY2011 to FY2013 trend lines have been combined with those from the prior audit period (FY2008 through FY2010) 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 CCCTA's performance trends in each of the five TDA performance indicators. The discussion is organized by service mode. CCCTA's bus service is discussed first, followed by paratransit. The analysis is expanded to include a breakdown of the various component costs that contributed to the total and hourly operating costs during the last three years, although it is recognized that for contracted services, the cost breakdowns generally are internal contractor issues.

### Bus Service Performance Trends

This section provides an overview of the performance of CCCTA'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 4.4.

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

- Operating Cost Per Vehicle Service Hour (Exhibit 4.1) - Operating cost per vehicle service hour is a key indicator of cost efficiency. During the six-year period, the cost per hour of bus service increased an average of 3.9 percent annually. Operating cost per vehicle service hour increased from \$99.48 in FY2008 to \$120.20 in FY2013. This was the result of vehicle service hours decreasing at a higher rate (-5.3 percent) than operating costs (-1.7 percent) over the period. These decreases were mostly due to the service restructuring instituted in FY2009, the effects of which carried over into FY2010 and FY2011. In constant FY2008 dollars, the operating cost experienced an average annual increase of 1.9 percent.

As shown in Exhibit 4.5, during the current audit period, total operating costs increased on average by 3.2 percent annually. Direct labor and fringe benefit costs were up slightly, with labor increasing an average of 1.2 percent and fringes increasing by 3.9 percent per year. Those two categories combined comprised about three-quarters of the total operating costs each year. Services had the

highest average increase of 14.2 percent annually during the audit period, but only comprised between seven and eight percent of total costs. There also were average annual increases in the fuel and lubricant (5.7 percent) and miscellaneous other cost (eight percent) categories, but average annual decreased costs in materials/supplies (-2.7 percent) and casualty/liability (-0.5 percent) over the three-year period.

- Passengers per Vehicle Service Hour (Exhibit 4.2) - One indicator of passenger productivity is passengers per vehicle service hour. Passengers per hour fluctuated over the six-year period, but was steady overall with an average annual decrease of 0.3 percent. Passengers per hour ranged from 15.7 in FY2008 to 15.4 in FY2013. This resulted from similar average annual decreases in ridership (-5.6 percent) and in vehicle service hours (-5.3 percent) over the six-year period, again largely due to the service restructuring of FY2009.
- Passengers per Vehicle Service Mile (Exhibit 4.2) - Another passenger productivity indicator is passengers per vehicle service mile. The six-year trend in this indicator was similar to the above indicator. Passengers per mile increased 0.9 percent annually during the period, rising from 1.32 passengers per mile in FY2008 to 1.38 passengers per mile in FY2013. This reflects a slightly higher reduction in service miles (-6.4 percent) than in ridership (-5.6 percent) during the audit period.
- Operating Cost per Passenger (Exhibit 4.3) - Operating cost per passenger is a measure of cost effectiveness. CCCTA's cost per bus passenger trend worsened, increasing an average of 4.2 percent annually. With the impact of inflation removed (normalization), the result was cost per passenger decreasing an average of 2.2 percent annually over the six years. Cost per passenger increased from \$6.35 in FY2008 to \$7.09 per passenger in FY2013. This reflects the overall decrease in ridership outpacing the decrease in operating costs.
- Vehicle Service Hours per Employee (FTE) (Exhibit 4.4) - Employee productivity is measured as vehicle service hours per full-time employee. This indicator was mostly unchanged over the six year period. CCCTA operated 995 hours per FTE in FY2008, but ended the period at 948 hours per FTE in FY2013. Overall, vehicle service hours per full-time employee decreased by 1.0 percent per year on average. This reflects the reduction of full time equivalent employees being slightly less than the reduction in vehicle service hours during this period.

CCCTA's bus service performance over the six-year period exhibited variable year-to-year changes. CCCTA's overall performance continues to reflect the effects of the fixed-route service restructuring implemented in FY2009. However, CCCTA's bus system performance during the current audit period was better than its performance during the overall six-year time

period, particularly in terms of cost efficiency. The following presents a brief summary of the performance trend highlights for CCCTA's bus service:

- Cost efficiency declined overall, with an average annual increase in operating cost per service hour of 3.9 percent, and 1.9 percent in inflation adjusted dollars. Cost per hour increased from \$99.48 in FY2008 to \$120.20 in FY2013.
- During the last three years, CCCTA's operating costs increased an average of 3.2 percent per year, versus 3.9 percent over the six-year period. Direct labor increased an average of 1.2 percent and fringe benefit costs increasing by 3.9 percent per year. Those two categories combined comprised about three-quarters of the total operating costs each year. Services comprised between seven and eight percent of total costs and increased an average of 14.2 percent annually. Cost decreases were observed in the materials/supplies (-2.7 percent) and casualty/liability (-0.5 percent) categories.
- Cost effectiveness also declined, with cost per passenger increasing from \$6.35 in FY2008 to \$7.79 in FY2013. The overall average annual increase in cost per passenger was 4.2 percent, with a normalized average annual increase of 2.2 percent. This reflects decreasing ridership outperforming the decrease in operating costs.
- Passenger productivity was steady, with passengers per hour decreasing an average of 0.3 percent annually, and passengers per mile increasing an average of 0.9 percent. There were decreases in ridership, vehicle service hours and vehicle service miles, however, the overall average annual decrease in ridership was greater than service hours but less than service miles, resulting in the opposing performance of the indicators.
- Employee productivity was steady, showing a modest 1.0 percent decrease per year in vehicle service hours per FTE.

### Exhibit 4: TDA Indicator Performance – Bus Service

	FY2008	FY2009	FY2010	FY2011	FY2012	FY2013	Av. Ann. Chg.
<b>Performance Indicators</b>							
Op. Cost per Vehicle Svc. Hour (Actual \$)	\$99.48	\$100.45	\$112.27	\$115.37	\$118.30	\$120.20	- -
<i>Annual Change</i>	- -	1.0%	11.8%	2.8%	2.5%	1.6%	3.9%
Op. Cost per Vehicle Svc. Hour (Constant \$)	\$99.48	\$100.66	\$110.93	\$110.82	\$110.66	\$109.47	- -
<i>Annual Change</i>	- -	1.2%	10.2%	-0.1%	-0.1%	-1.1%	1.9%
Passengers per Vehicle Service Hour	15.7	15.2	15.0	15.8	14.9	15.4	- -
<i>Annual Change</i>	- -	-2.7%	-1.6%	5.5%	-5.9%	3.6%	-0.3%
Passengers per Vehicle Service Mile	1.32	1.31	1.40	1.44	1.34	1.38	- -
<i>Annual Change</i>	- -	-1.1%	7.2%	2.3%	-6.9%	3.5%	0.9%
Op. Cost per Passenger (Actual \$)	\$6.35	\$6.59	\$7.48	\$7.29	\$7.94	\$7.79	- -
<i>Annual Change</i>	- -	3.8%	13.5%	-2.5%	8.9%	-2.0%	4.2%
Op. Cost per Passenger (Constant \$)	\$6.35	\$6.61	\$7.40	\$7.01	\$7.43	\$7.09	- -
<i>Annual Change</i>	- -	4.0%	12.0%	-5.3%	6.1%	-4.6%	2.2%
Vehicle Service Hours per FTE	995	1,014	966	1,014	958	948	- -
<i>Annual Change</i>	- -	1.9%	-4.7%	4.9%	-5.5%	-1.0%	-1.0%
<b>Input Data</b>							
Operating Cost (Actual \$)	\$27,938,064	\$26,837,924	\$24,216,345	\$24,100,651	\$24,690,727	\$25,676,872	- -
<i>Annual Change</i>	- -	-3.9%	-9.8%	-0.5%	2.4%	4.0%	-1.7%
Operating Cost (Constant \$)	\$27,938,064	\$26,891,707	\$23,929,195	\$23,151,442	\$23,097,032	\$23,385,129	- -
<i>Annual Change</i>	- -	-3.7%	-11.0%	-3.3%	-0.2%	1.2%	-3.5%
Vehicle Service Hours	280,828	267,165	215,706	208,901	208,719	213,624	- -
<i>Annual Change</i>	- -	-4.9%	-19.3%	-3.2%	-0.1%	2.4%	-5.3%
Vehicle Service Miles	3,323,964	3,109,876	2,305,646	2,302,257	2,325,896	2,384,645	- -
<i>Annual Change</i>	- -	-6.4%	-25.9%	-0.1%	1.0%	2.5%	-6.4%
Unlinked Passengers	4,397,978	4,071,296	3,235,722	3,304,456	3,107,879	3,296,763	- -
<i>Annual Change</i>	- -	-7.4%	-20.5%	2.1%	-5.9%	6.1%	-5.6%
Employee Full-Time Equivalents	282.2	263.4	223.2	206.0	217.9	225.3	- -
<i>Annual Change</i>	- -	-6.7%	-15.3%	-7.7%	5.8%	3.4%	-4.4%
Bay Area CPI - Annual Change	- -	-0.2%	1.4%	2.9%	2.7%	2.6%	- -
- Cumulative Change	- -	-0.2%	1.2%	4.1%	6.9%	9.8%	1.9%

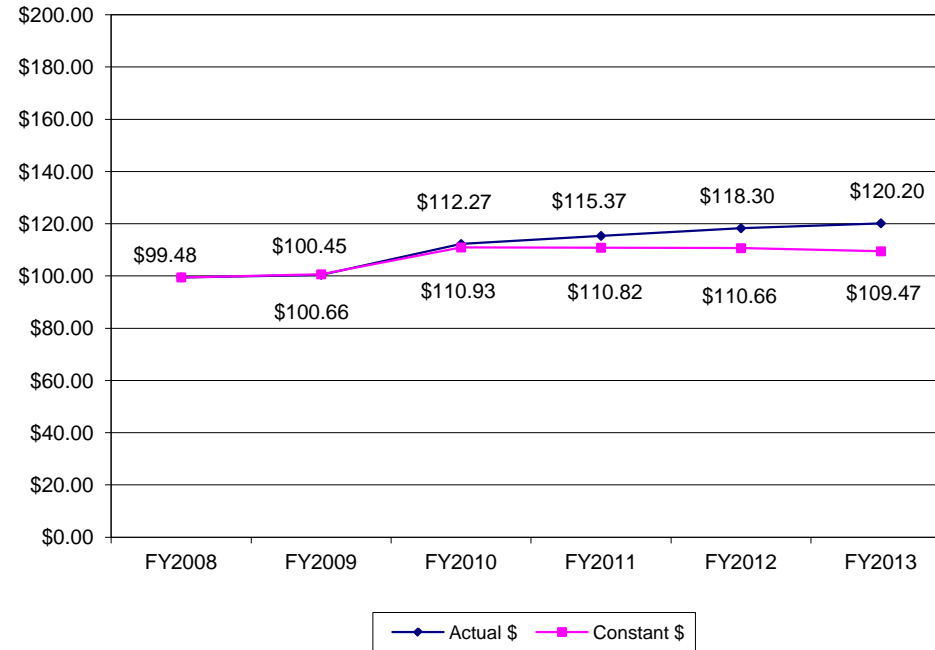
Sources:

FY2008 through FY2010 - Prior Performance Audit Report

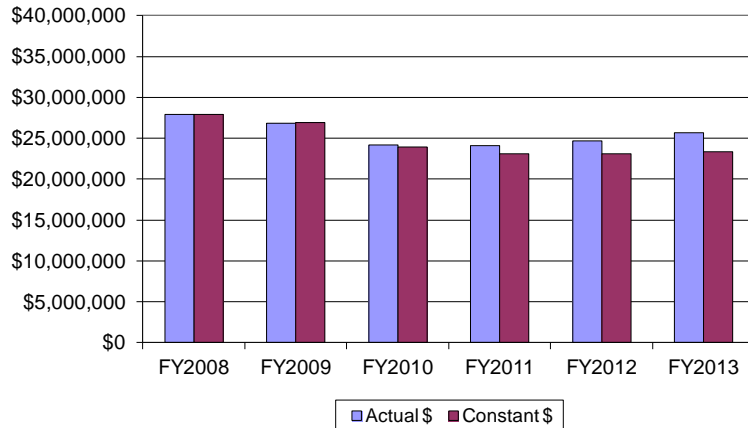
FY2011 through FY2013 - NTD Reports (FTEs calculated from reported employee work hours)

CPI Data - U.S. Department of Labor, Bureau of Labor Statistics

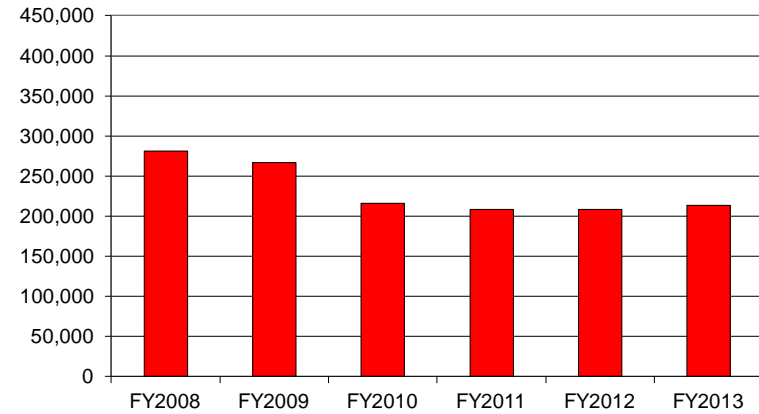
### Exhibit 4.1: Operating Cost per Vehicle Service Hour – Bus Service



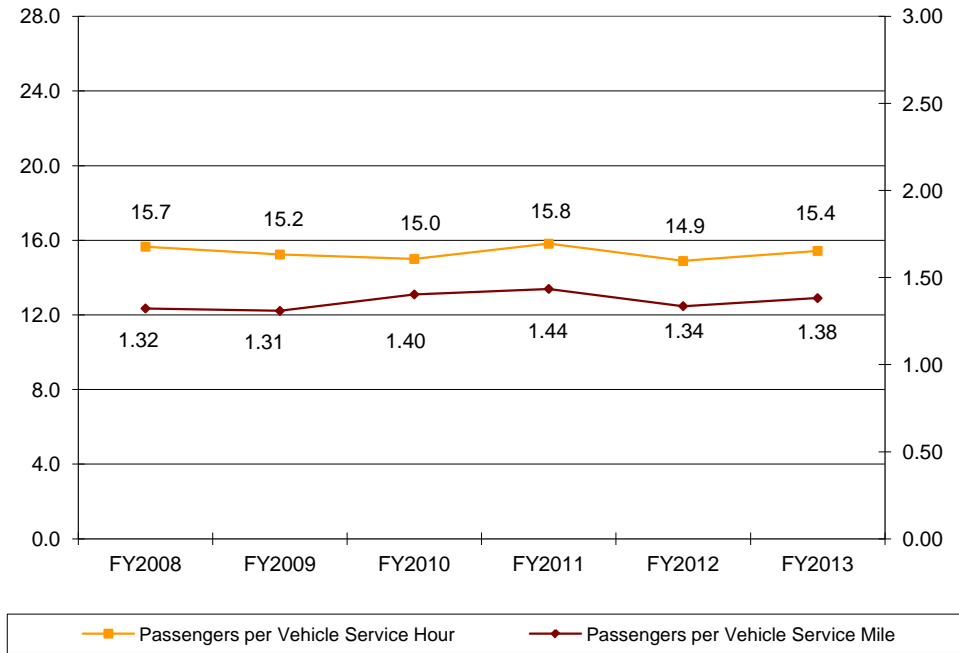
#### Operating Cost



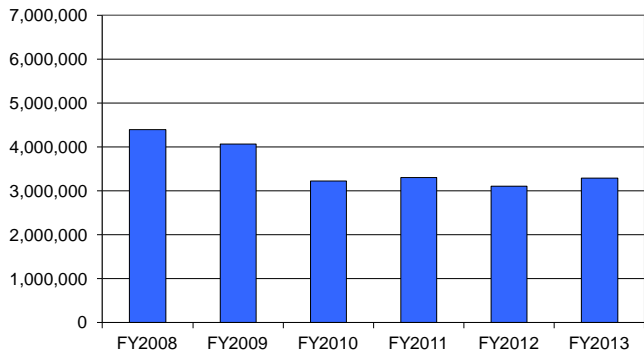
#### Vehicle Service Hours



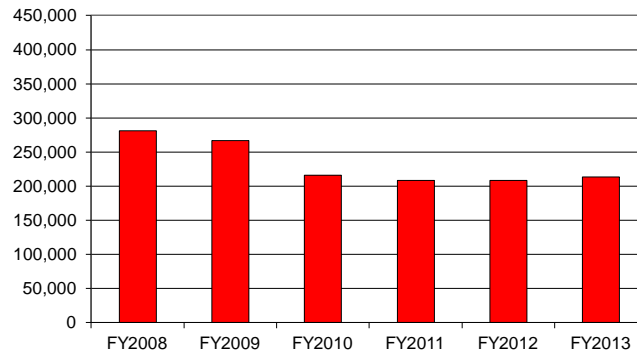
### Exhibit 4.2: Passengers per Hour and per Mile – Bus Service



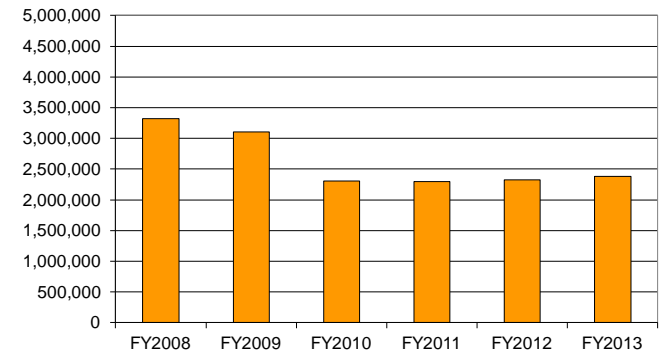
#### Unlinked Passengers



#### Vehicle Service Hours

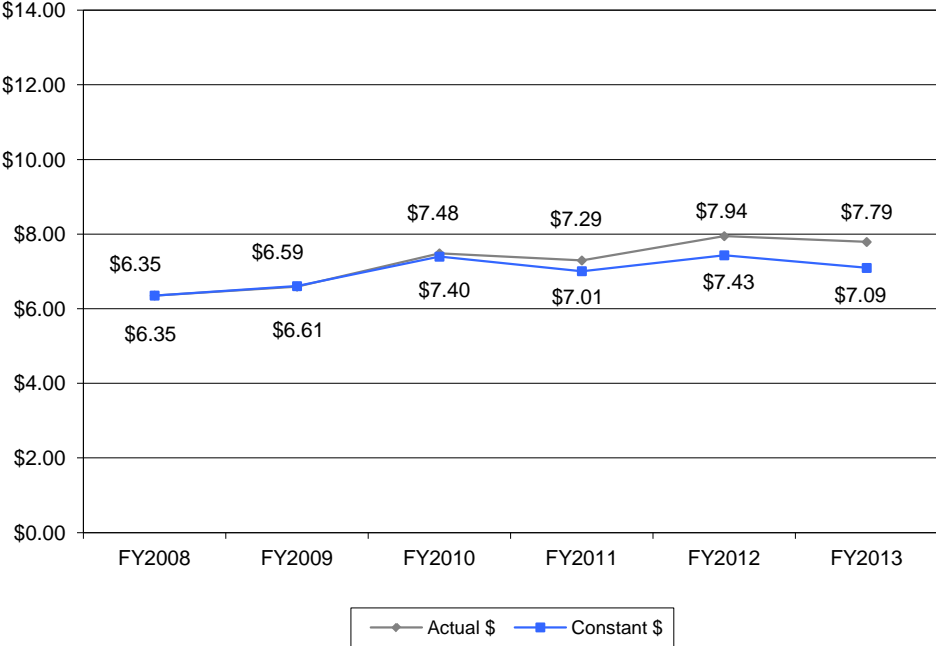


#### Vehicle Service Miles

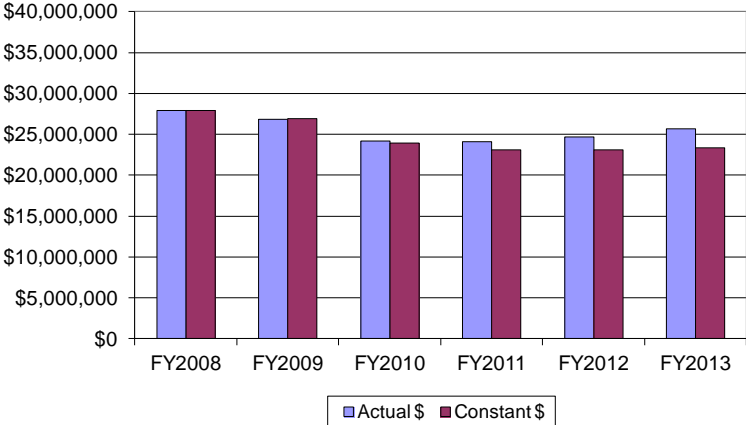




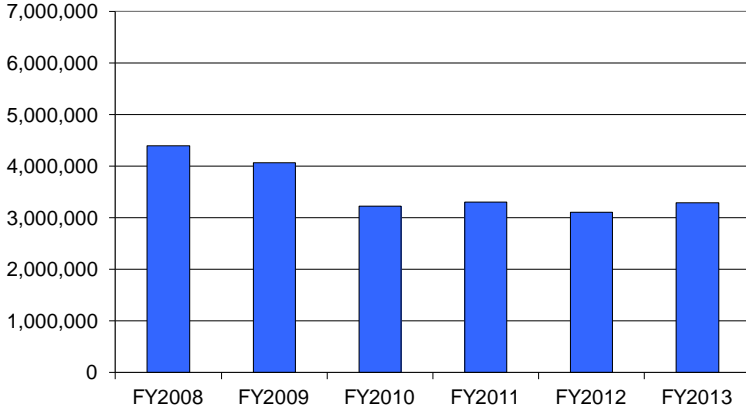
**Exhibit 4.3: Operating Cost per Passenger – Bus Service**



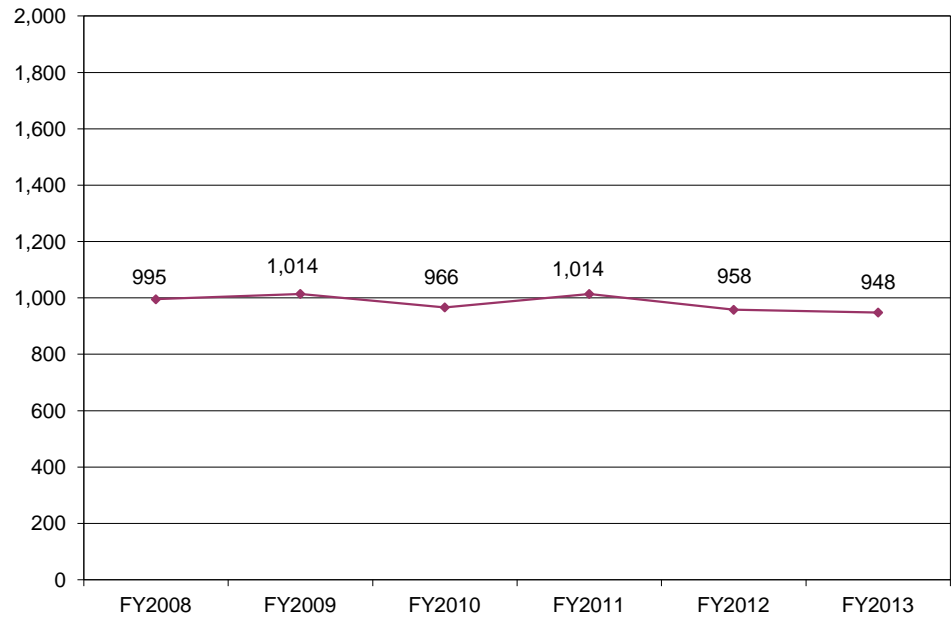
**Operating Cost**



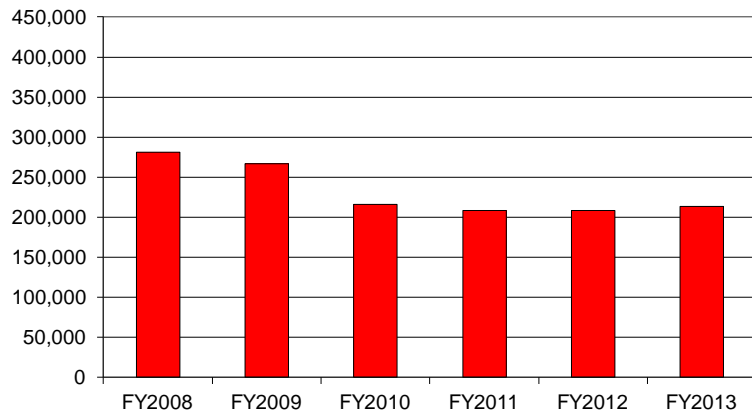
**Unlinked Passengers**



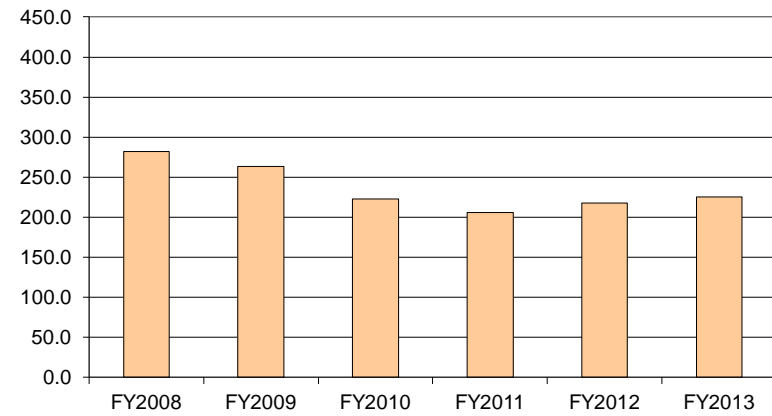
**Exhibit 4.4: Vehicle Service Hours per FTE – Bus Service**



**Vehicle Service Hours**



**Full-time Equivalent**

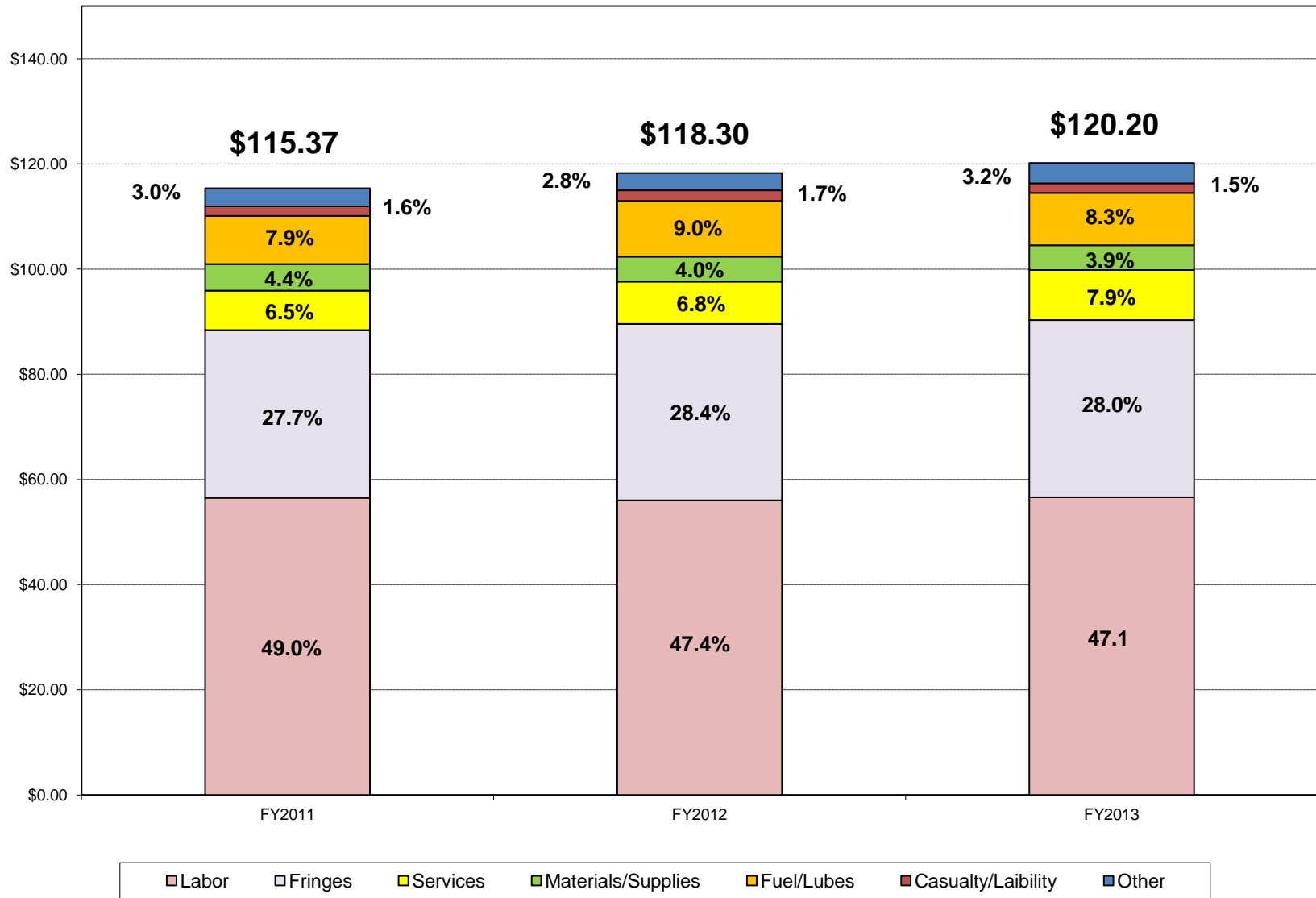


### Exhibit 4.5: TDA Component Costs Trends – Bus Service

	FY2011	FY2012	FY2013	Av. Ann. Chg.
COST CATEGORIES				
Labor - (Salaries, Wages)	\$11,806,241	\$11,693,347	\$12,093,546	--
<i>Annual Change</i>	--	-1.0%	3.4%	1.2%
Fringe Benefits	\$6,666,017	\$7,002,819	\$7,196,515	--
<i>Annual Change</i>	--	5.1%	2.8%	3.9%
Services	\$1,563,554	\$1,685,170	\$2,040,602	--
<i>Annual Change</i>	--	7.8%	21.1%	14.2%
Materials/Supplies	\$1,057,806	\$987,749	\$1,001,836	--
<i>Annual Change</i>	--	-6.6%	1.4%	-2.7%
Fuel/Lubricants	\$1,909,869	\$2,215,715	\$2,132,441	--
<i>Annual Change</i>	--	16.0%	-3.8%	5.7%
Casualty/Liability	\$385,277	\$415,417	\$381,485	--
<i>Annual Change</i>	--	7.8%	-8.2%	-0.5%
Other Costs	\$711,887	\$690,510	\$830,447	--
<i>Annual Change</i>	--	-3.0%	20.3%	8.0%
<b>Total</b>	\$24,100,651	\$24,690,727	\$25,676,872	--
<i>Annual Change</i>	--	2.4%	4.0%	3.2%
OPERATING STATISTICS				
Vehicle Service Hours	208,901	208,719	213,624	--
<i>Annual Change</i>	--	-0.1%	2.4%	1.1%

Source: 2011 – 2013 NTD reports

**Exhibit 4.5: TDA Component Costs Trends – Bus Service, *continued***  
*Operating Cost per Vehicle Service Hour*



## Paratransit Performance Trends

This section provides an overview of the performance of CCCTA's paratransit service over the six year analysis period. The trends in the five TDA indicators and input data are presented in Exhibit 5. The six-year trends are illustrated in Exhibits 5.1 through 5.4. In addition, year-to-year changes in selected operating cost categories over the current audit period are presented in Exhibit 5.5, along with the concurrent changes in vehicle service hours and the portion of the cost per vehicle service hour that can be attributed to each included cost component.

- Operating Cost per Vehicle Service Hour (Exhibit 5.1) – Paratransit cost per hour trends were similar to the fixed route service. Cost per vehicle service hour increased an average of 3.2 percent per year over the six years, 1.3 percent in constant FY2008 dollars. The cost per hour increased from \$59.02 in FY2008 to \$69.18 in FY2013. This was the result of average annual decreases in vehicle service hours (-2.4 percent) combined with a slight annual increase in operating expenses (0.8 percent) during the six-year period.

As shown in Exhibit 5.5, during the current audit period, CCCTA's total operating expenses decreased an average of 0.5 percent per year. This exactly mirrors the average annual decrease in purchased transportation costs during the period. Purchased transportation comprised 96.5 percent of total costs. Cost decreases were also observed in the labor, materials/supplies and casualty/liability categories. Fringe benefit and service costs both increased over the last three years, but comprised less than two percent of total costs.

- Passengers per Vehicle Service Hour (Exhibit 5.2) – Passengers per vehicle service hour was steady, increasing from 2.0 in FY2008 to 2.1 in FY2013. This was due to the average annual decrease in service hours (-2.4 percent) being slightly higher than the average annual decrease in unlinked passengers (-1.5 percent). Overall passenger productivity increased 0.9 percent on average annually.
- Passengers per Vehicle Service Mile (Exhibit 5.2) – Performance in passengers per vehicle service mile exactly matched performance in passengers per vehicle service hour, the result of vehicle service miles decreasing at the same overall rate as vehicle service hours. Passengers per mile increased from 0.12 in FY2008 to 0.13 per mile in FY2013. Overall, performance improved an average annual increase of 0.9 percent.

- Operating Cost per Passenger (Exhibit 5.3) – Cost effectiveness was down slightly by 2.3 percent per year on average, with cost per passenger rising from \$29.51 in FY2008 to \$30.13 in FY2013. Cost effectiveness decreased less than cost efficiency, due to the overall decrease in ridership (-1.5 percent annual average) being less than the decrease in service hours (-2.4 percent annual average). If the impact of inflation is removed (normalization), the cost per passenger was mostly stable, increasing by an average of 0.4 percent annually.
- Vehicle Service Hours per FTE (Exhibit 5.4) – Paratransit employee productivity was also steady over the six years, decreasing from 1,032 hours per FTE in FY2008 to 1,028 hours in FY2013. This was due to the decrease in FTEs and vehicle service hours being nearly identical over the period. Overall, employee productivity decreased an average of 0.1 percent annually.

CCCTA's paratransit service also demonstrated varied results in performance. As with the bus service, CCCTA's paratransit performance was better during the current audit period, particularly in containing operating costs. The following presents a brief summary of the performance trend highlights for CCCTA's paratransit service:

- Cost efficiency worsened slightly, with an average annual increase in the operating cost per hour of 3.2 percent (1.3 percent in inflation adjusted dollars), from \$59.02 in FY2008 to \$69.18 in FY2013. The trend was driven by small average annual increases in operating costs (0.8 percent) and a decrease in service hours (-2.4 percent) over the audit period.
- During the last three years, CCCTA's in-house costs were steady, declining an average of 0.5 percent annually. Purchased transportation comprised 96.5 percent of CCCTA's total costs and also decreased 0.5 percent per year, compared with a 4.5 percent increase in operating costs between FY2008 and FY2010. Fringe benefit and service costs increased over the last three years, but comprised less than two percent of total costs.
- Cost per passenger increased an annual average of 2.3 percent, with a normalized average annual increase of 0.4 percent, from \$29.51 in FY2008 to \$33.08 in FY2013. Cost effectiveness was slightly negative, but performed better than cost efficiency, due to the overall decrease in ridership (-1.5 percent annual average) being less than the decrease in service hours (-2.4 percent annual average).
- Passenger productivity was mostly steady, with passengers per hour ranging between 2.0 and 2.1 each year and passengers per mile from 0.12 to 0.13 per year. There was a net increase of 0.9 percent annually in both passengers per hour and per mile during the review period. This was due to the average annual decrease in

service hours and service miles (-2.4 percent each) being slightly higher than the average annual decrease in unlinked passengers (-1.5 percent).

- Employee productivity also was steady, with a decrease of 0.1 percent per year in vehicle service hours per FTE, due to the decrease in FTEs and vehicle service hours being nearly identical over the period.

### Exhibit 5: TDA Indicator Performance – Paratransit

	FY2008	FY2009	FY2010	FY2011	FY2012	FY2013	Av. Ann. Chg.
<b>Performance Indicators</b>							
Op. Cost per Vehicle Svc. Hour (Actual \$)	\$59.02	\$56.87	\$61.22	\$63.91	\$66.52	\$69.18	- -
<i>Annual Change</i>	- -	-3.6%	7.6%	4.4%	4.1%	4.0%	3.2%
Op. Cost per Vehicle Svc. Hour (Constant \$)	\$59.02	\$56.99	\$60.50	\$61.39	\$62.22	\$63.01	- -
<i>Annual Change</i>	- -	-3.4%	6.2%	1.5%	1.4%	1.3%	1.3%
Passengers per Vehicle Service Hour	2.0	2.0	2.0	2.1	2.0	2.1	- -
<i>Annual Change</i>	- -	2.5%	0.0%	0.1%	-4.2%	6.4%	0.9%
Passengers per Vehicle Service Mile	0.12	0.13	0.13	0.13	0.12	0.13	- -
<i>Annual Change</i>	- -	3.9%	-0.4%	1.3%	-4.5%	4.7%	0.9%
Op. Cost per Passenger (Actual \$)	\$29.51	\$27.75	\$29.88	\$31.17	\$33.85	\$33.08	- -
<i>Annual Change</i>	- -	-6.0%	7.7%	4.3%	8.6%	-2.3%	2.3%
Op. Cost per Passenger (Constant \$)	\$29.51	\$27.81	\$29.53	\$29.94	\$31.67	\$30.13	- -
<i>Annual Change</i>	- -	-5.8%	6.2%	1.4%	5.8%	-4.9%	0.4%
Vehicle Service Hours per FTE	1,032	1,037	1,035	1,254	1,176	1,028	- -
<i>Annual Change</i>	- -	0.6%	-0.3%	21.2%	-6.2%	-12.6%	-0.1%
<b>Input Data</b>							
Operating Cost (Actual \$)	\$4,924,832	\$4,926,065	\$5,149,277	\$5,177,014	\$5,170,150	\$5,125,995	- -
<i>Annual Change</i>	- -	0.0%	4.5%	0.5%	-0.1%	-0.9%	0.8%
Operating Cost (Constant \$)	\$4,924,832	\$4,935,937	\$5,088,218	\$4,973,116	\$4,836,436	\$4,668,484	- -
<i>Annual Change</i>	- -	0.2%	3.1%	-2.3%	-2.7%	-3.5%	-1.1%
Vehicle Service Hours	83,450	86,614	84,106	81,006	77,729	74,093	- -
<i>Annual Change</i>	- -	3.8%	-2.9%	-3.7%	-4.0%	-4.7%	-2.4%
Vehicle Service Miles	1,361,878	1,394,496	1,359,674	1,294,421	1,246,821	1,208,228	- -
<i>Annual Change</i>	- -	2.4%	-2.5%	-4.8%	-3.7%	-3.1%	-2.4%
Unlinked Passengers	166,887	177,518	172,317	166,102	152,720	154,945	- -
<i>Annual Change</i>	- -	6.4%	-2.9%	-3.6%	-8.1%	1.5%	-1.5%
Employee Full-Time Equivalents	80.9	83.5	81.3	64.6	66.1	72.1	- -
<i>Annual Change</i>	- -	3.2%	-2.6%	-20.5%	2.3%	9.1%	-2.3%
Bay Area CPI - Annual Change	- -	-0.2%	1.4%	2.9%	2.7%	2.6%	- -
- Cumulative Change	- -	-0.2%	1.2%	4.1%	6.9%	9.8%	1.9%

Sources:

FY2008 through FY2010 - Prior Performance Audit Report

FY2011 through FY2013 - NTD Reports, except FTEs provided by CCCTA staff

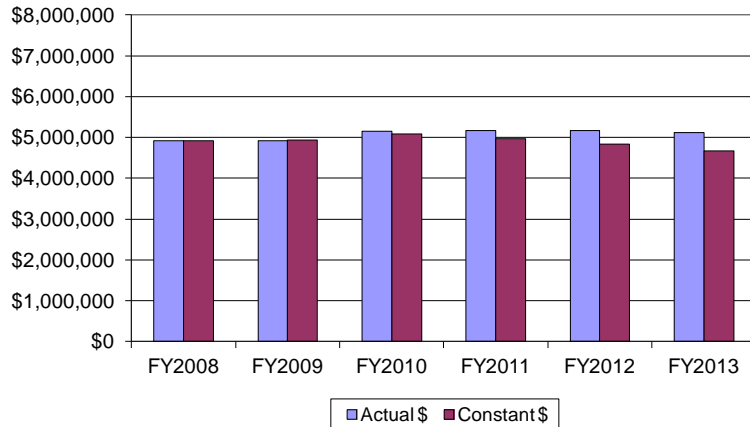
CPI Data - U.S. Department of Labor, Bureau of Labor Statistics



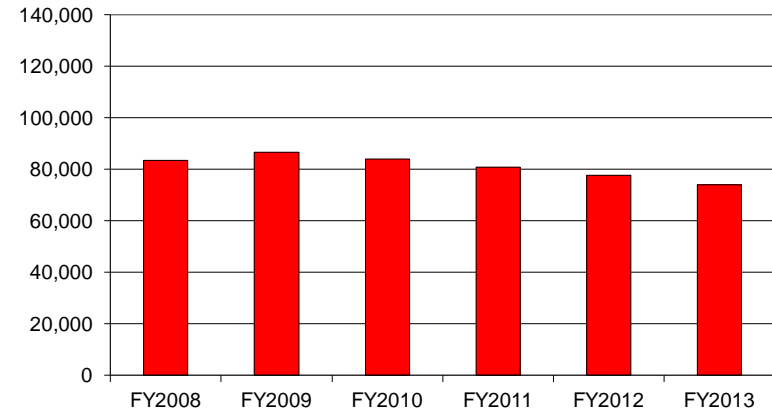
### Exhibit 5.1: Operating Cost per Vehicle Service Hour – Paratransit



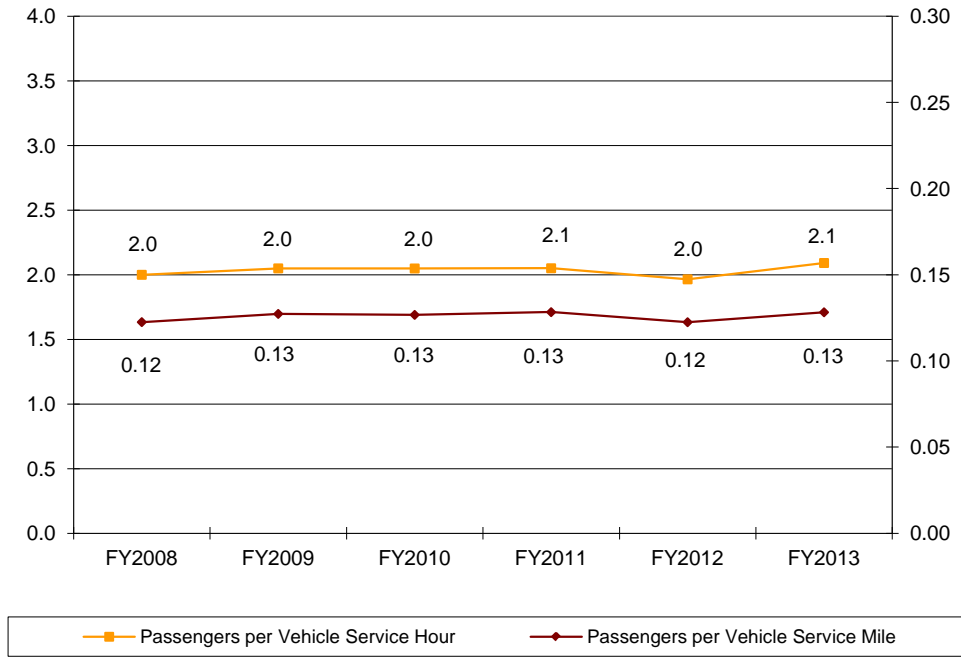
#### Operating Cost



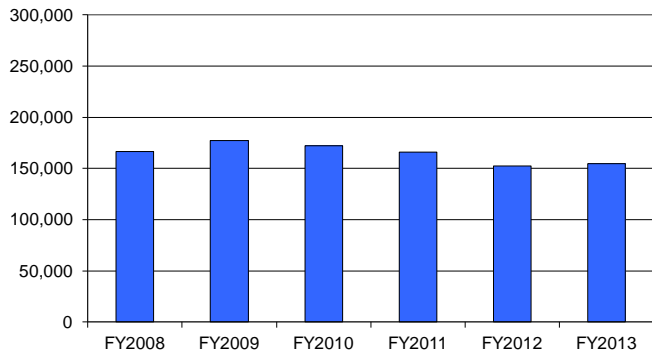
#### Vehicle Service Hours



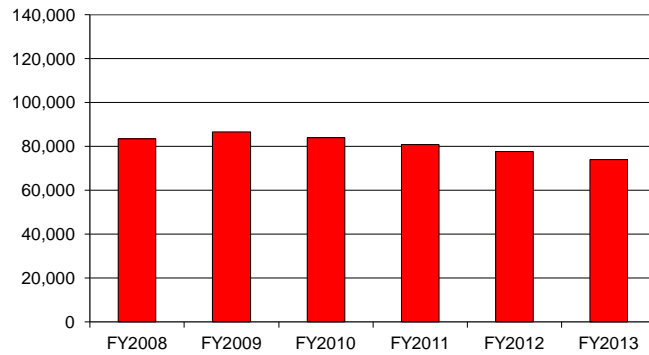
### Exhibit 5.2: Passengers per Hour and per Mile – Paratransit



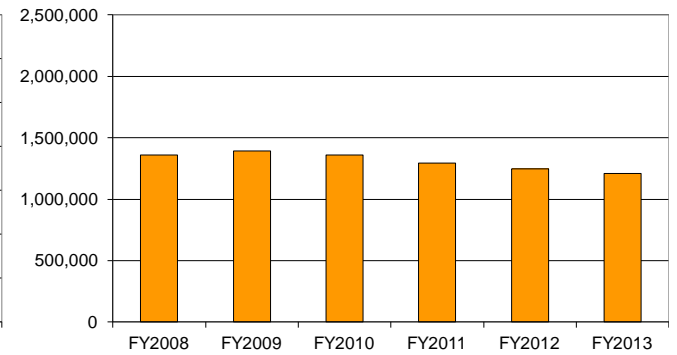
**Unlinked Passengers**



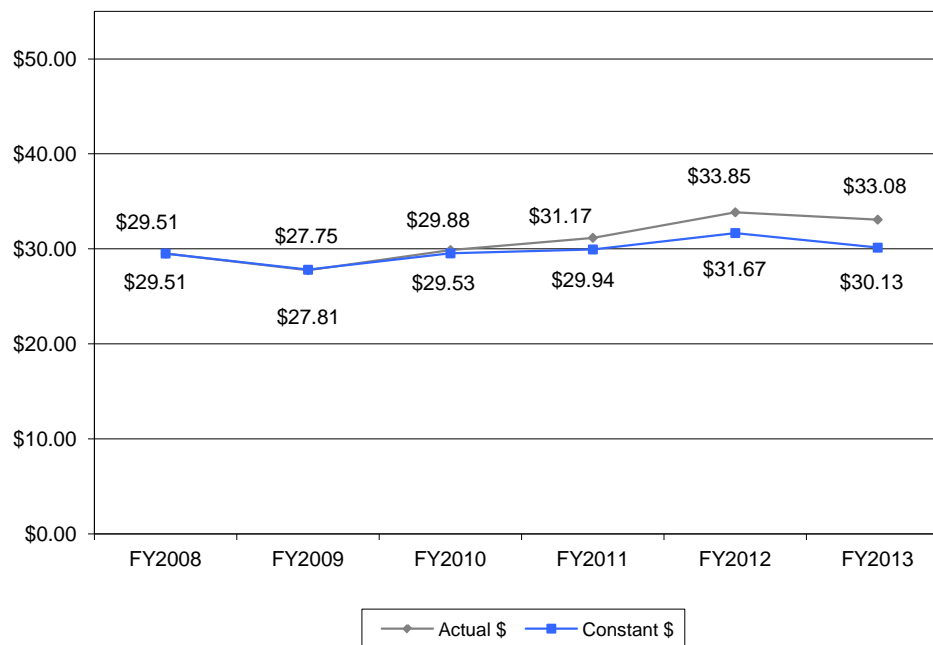
**Vehicle Service Hours**



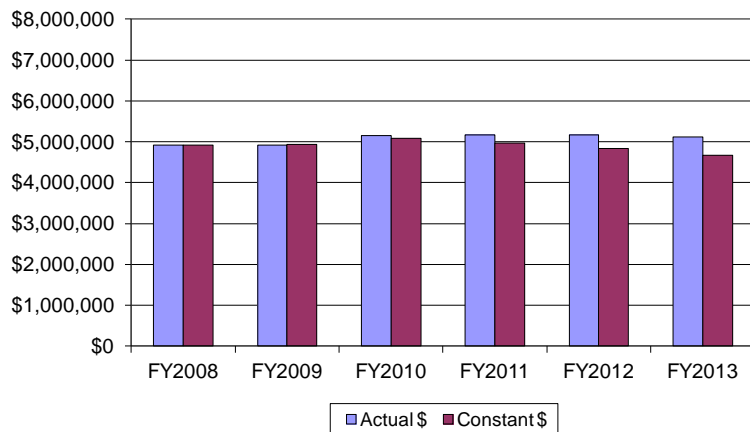
**Vehicle Service Miles**



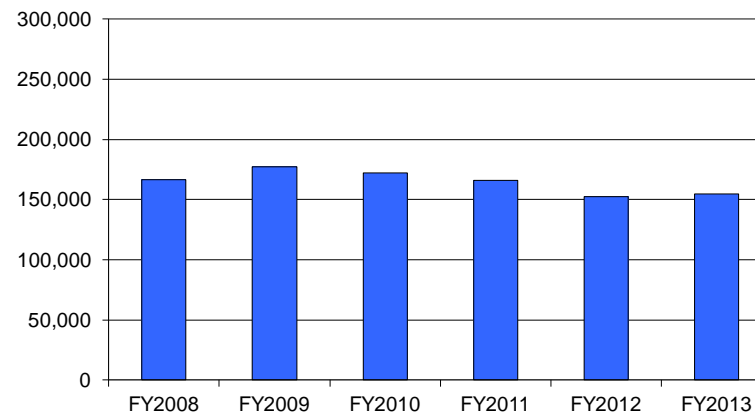
### Exhibit 5.3: Operating Cost per Passenger – Paratransit



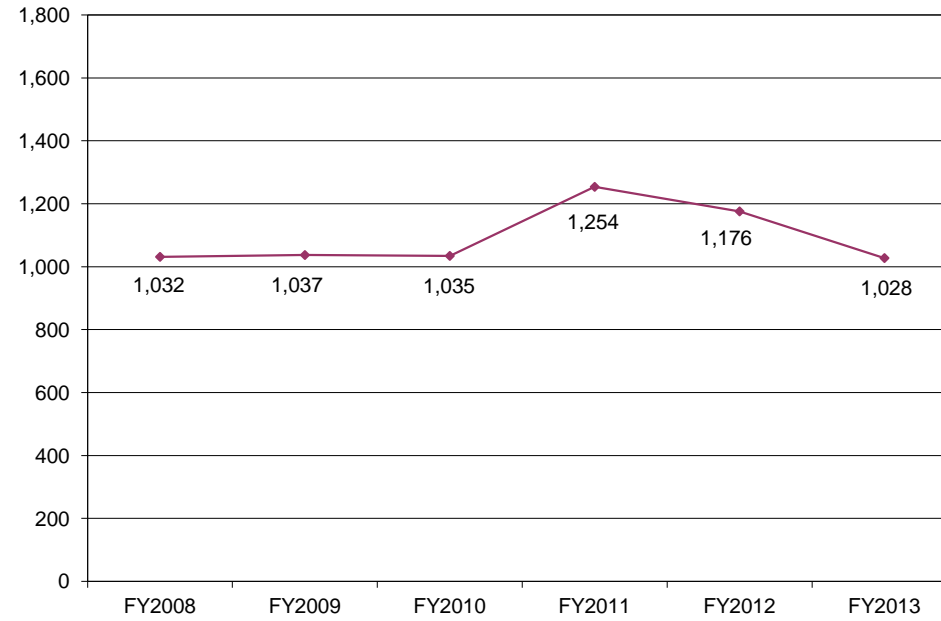
#### Operating Cost



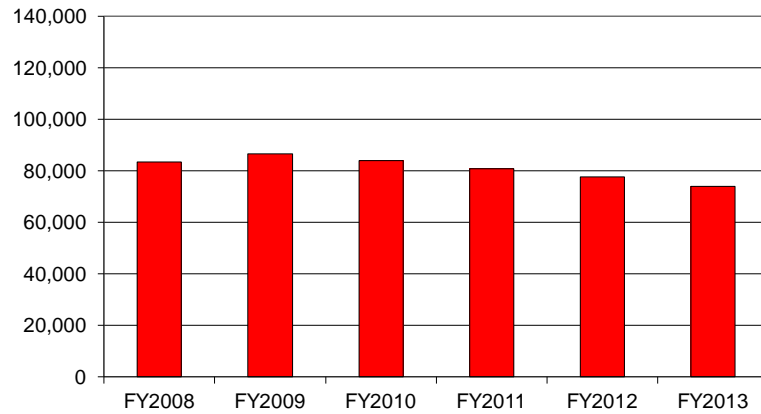
#### Unlinked Passengers



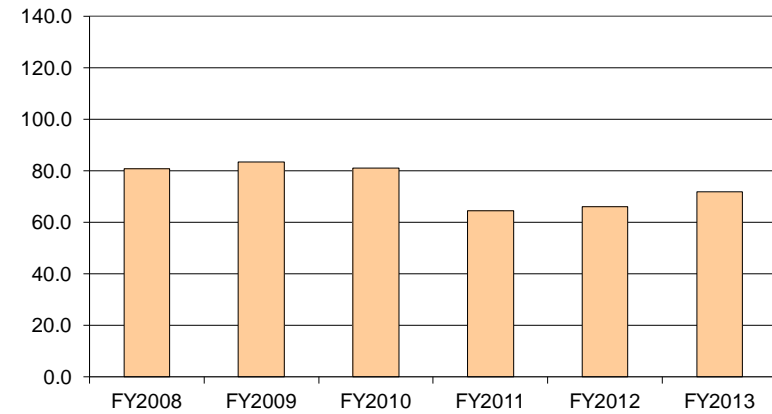
**Exhibit 5.4: Vehicle Service Hours per FTE – Paratransit**



**Vehicle Service Hours**



**Full-time Equivalents**

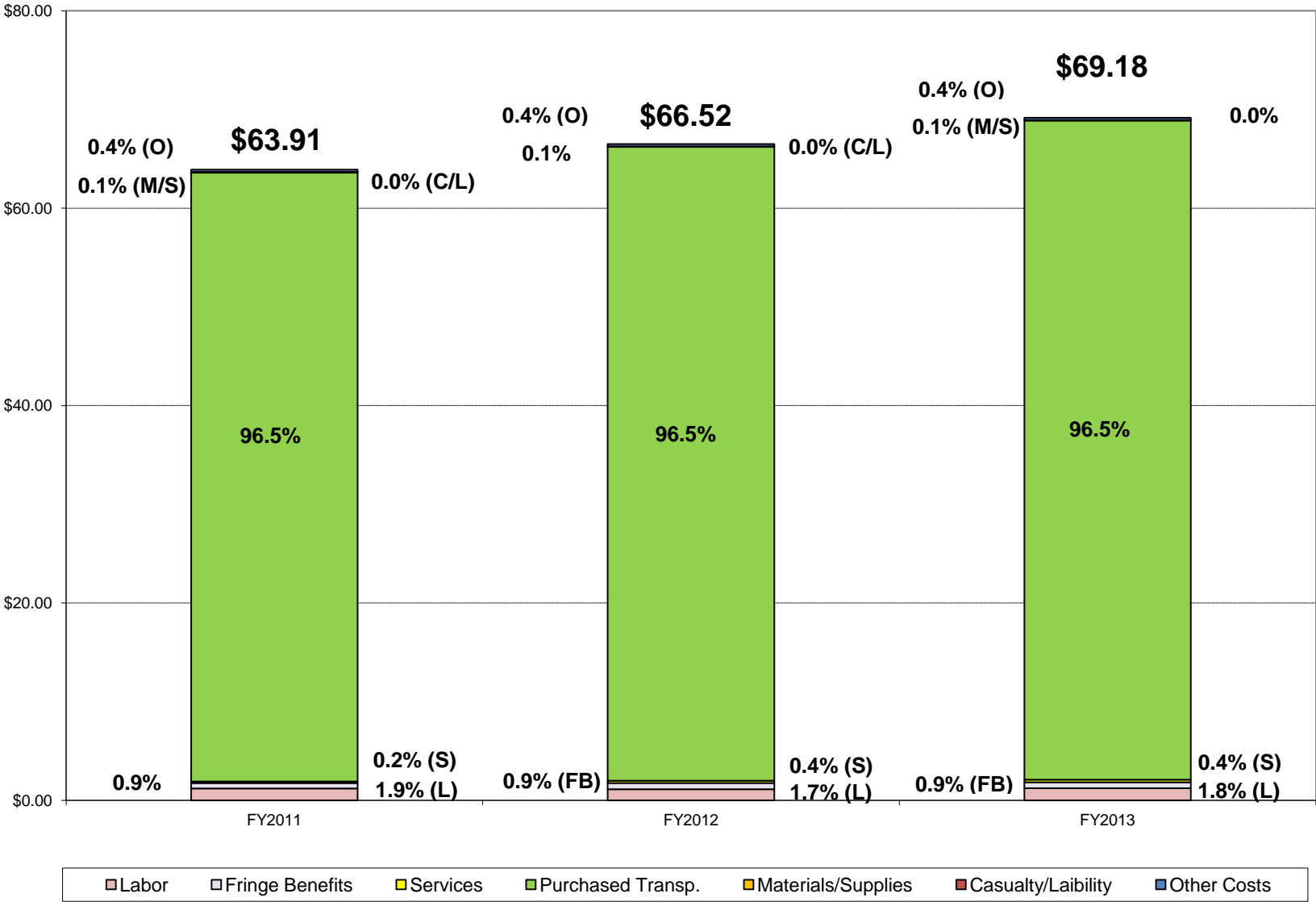


### Exhibit 5.5: TDA Component Costs Trends – Paratransit

	FY2011	FY2012	FY2013	Av. Ann. Chg.
COST CATEGORIES				
Labor - (Salaries, Wages)	\$97,913	\$88,411	\$91,579	--
<i>Annual Change</i>	--	-9.7%	3.6%	-3.3%
Fringe Benefits	\$44,880	\$48,258	\$45,552	--
<i>Annual Change</i>	--	7.5%	-5.6%	0.7%
Services	\$12,192	\$19,503	\$18,813	--
<i>Annual Change</i>	--	60.0%	-3.5%	24.2%
Purchased Transportation	\$4,996,419	\$4,991,166	\$4,947,725	--
<i>Annual Change</i>	--	-0.1%	-0.9%	-0.5%
Materials/Supplies	\$6,304	\$3,066	\$3,500	--
<i>Annual Change</i>	--	-51.4%	14.2%	-25.5%
Casualty/Liability	\$591	\$0	\$0	--
<i>Annual Change</i>	--	-100.0%	--	-100.0%
Other Costs	\$18,715	\$19,746	\$18,826	--
<i>Annual Change</i>	--	5.5%	-4.7%	0.3%
<b>Total</b>	\$5,177,014	\$5,170,150	\$5,125,995	--
<i>Annual Change</i>	--	-0.1%	-0.9%	-0.5%
OPERATING STATISTICS				
Vehicle Service Hours	81,006	77,729	74,093	--
<i>Annual Change</i>	--	-4.0%	-4.7%	-4.4%

Source: 2010 – 2013 NTD reports

**Exhibit 5.5: TDA Component Costs Trends – Paratransit, *continued***  
*Operating Cost per Vehicle Service Hour*



**This page left intentionally blank.**

#### **IV. COMPLIANCE WITH PUC REQUIREMENTS**

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

The results from this review are detailed by individual requirement in Exhibit 6. CCCTA is in compliance with all five sections of the state PUC that were reviewed as part of this performance audit. These sections included requirements concerning CHP terminal safety inspections, labor contracts, reduced fares, revenue sharing, and evaluating passenger needs.



## Exhibit 6: Compliance with State PUC Requirements

Code Reference	Operator Compliance Requirements	Compliance Finding	Verification Information
PUC99251	<u>CHP Certification</u> - The CHP has, within the 13 months prior to each TDA claim submitted by an operator, certified the operator's compliance with Vehicle Code Section 1808 following a CHP inspection of the operator's terminal	In Compliance	Satisfactory Inspections: <ul style="list-style-type: none"> <li>FY2011: 05/12/11 (MB); 07/27/11 (LINK)</li> <li>FY2012: 05/29/2012 (MB); 07/31/12 (LINK)</li> <li>FY2013: 07/31/2013 (MB); LINK – 01/03/14</li> </ul>
PUC99264	<u>Operator-to-Vehicle Staffing</u> - The operator does not routinely staff with two or more persons public transportation vehicles designed to be operated by one person	In Compliance	<ul style="list-style-type: none"> <li>No provision for excess staffing in Agreement for Professional Services with First Transit, Inc. (05/21/2009, extended 4/21/11, 6/21/12 and 6/20/13).</li> </ul>
PUC99155	<u>Reduced Fare Eligibility</u> - For any operator who received TDA Article 4 funds, if the operator offers reduced fares to senior citizens and disabled persons, applicant will honor the federal Medicare identification card, the California Department of Motor Vehicles disability ID card, the Regional Transit Connection Discount Card, or any other current identification card issued by another transit operator that is valid for the type of transportation service or discount requested; and if the operator offers reduced fares to senior citizens, it also offers the same reduced fare to disabled patrons	In Compliance	Fare information in public information material: <ul style="list-style-type: none"> <li>CCCTA website – <a href="http://www.cccta.org/fares">www.cccta.org/fares</a></li> </ul>
PUC99314.7, Govt Code 66516, MTC Res. Nos. 2310, 2927	<u>Joint Revenue Sharing Agreement</u> - The operator has current Govt. Code 66516 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	Valid transfer/revenue sharing agreements with: <ul style="list-style-type: none"> <li>AC Transit, BART Plus (agreement with AC Transit, Benicia, Capitol Corridor, ECCTA, LAVTA, Rio Vista, SFMTA, SamTrans, VTA, Vallejo, and WestCAT), Rio Vista, San Joaquin Reg. Rail Comm.</li> </ul>

Code Reference	Operator Compliance Requirements	Compliance Finding	Verification Information
PUC99246(d)	<p><u>Process for Evaluation of Passenger Needs</u> - The operator has an established process in place for evaluating the needs and types of passengers being served</p>	<p>In Compliance</p>	<p>SRTP discussions:</p> <ul style="list-style-type: none"> <li>SRTP FY2012-2021 includes evaluations of existing service conditions, passenger demographics, service needs, operating and capital budgets and recommendations.</li> </ul> <p>Outreach programs:</p> <ul style="list-style-type: none"> <li>County Connection 2012 Passenger Study – Conducted 2012 (draft report included in SRTP).</li> </ul>

**This page left intentionally blank.**

## **V. STATUS OF PRIOR AUDIT RECOMMENDATIONS**

CCCTA's prior performance audit was completed in May 2011. 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 recommendations made in CCCTA's prior Triennial Performance Audit. (Other recommendations were suggested in the accompanying Technical Memorandum that addressed issues not included in the Compliance Audit. These recommendations will be addressed separately in an accompanying Technical Memorandum that will be prepared for this audit cycle).

**This page left intentionally blank.**

## VI. CONCLUSIONS AND RECOMMENDATIONS

The preceding sections presented a discussion of CCCTA's performance during the three-year period of FY2011 through FY2013 (July 1, 2010 through June 30, 2013). They included discussions of CCCTA's compliance with reporting requirements and trends in TDA-mandated performance indicators, actions taken to implement the recommendations from the prior performance audit, and a review of selected other key performance results.

### CONCLUSIONS

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

- Data Collection - CCCTA is in compliance with the data collection and reporting requirements for all five TDA statistics.

- TDA Performance Trends

Bus Service - CCCTA's bus service performance over the six-year period exhibited variable year-to-year changes. CCCTA's overall performance continues to reflect the effects of the fixed-route service restructuring implemented in FY2009. However, CCCTA's bus system performance during the current audit period was better than its performance during the overall six-year time period, particularly in terms of cost efficiency. The following presents a brief summary of the performance trend highlights for CCCTA's bus service:

- Cost efficiency declined overall, with an average annual increase in operating cost per service hour of 3.9 percent, and 1.9 percent in inflation adjusted dollars. Cost per hour increased from \$99.48 in FY2008 to \$120.20 in FY2013.
- During the last three years, CCCTA's operating costs increased an average of 3.2 percent per year, versus 3.9 percent over the six-year period. Direct labor increased an average of 1.2 percent and fringe benefit costs increasing by 3.9 percent per year. Those two categories combined comprised about three-quarters of the total operating costs each year. Services comprised between seven and eight percent of total costs and increased an average of 14.2 percent annually. Cost decreases were observed in the materials/supplies (-2.7 percent) and casualty/liability (-0.5 percent) categories.

- Cost effectiveness also declined, with cost per passenger increasing from \$6.35 in FY2008 to \$7.79 in FY2013. The overall average annual increase in cost per passenger was 4.2 percent, with a normalized average annual increase of 2.2 percent. This reflects decreasing ridership outperforming the decrease in operating costs.
- Passenger productivity was steady, with passengers per hour decreasing an average of 0.3 percent annually, and passengers per mile increasing an average of 0.9 percent. There were decreases in ridership, vehicle service hours and vehicle service miles, however, the overall average annual decrease in ridership was greater than service hours but less than service miles, resulting in the opposing performance of the indicators.
- Employee productivity was steady, showing a modest 1.0 percent decrease per year in vehicle service hours per FTE.

Paratransit Service – CCCTA’s paratransit service also demonstrated varied results in performance. As with the bus service, CCCTA’s paratransit performance was better during the current audit period, particularly in containing operating costs. The following presents a brief summary of the performance trend highlights for CCCTA’s paratransit service:

- Cost efficiency worsened slightly, with an average annual increase in the operating cost per hour of 3.2 percent (1.3 percent in inflation adjusted dollars), from \$59.02 in FY2008 to \$69.18 in FY2013. The trend was driven by small average annual increases in operating costs (0.8 percent) and a decrease in service hours (-2.4 percent) over the audit period.
- During the last three years, CCCTA’s in-house costs were steady, declining an average of 0.5 percent annually. Purchased transportation comprised 96.5 percent of CCCTA’s total costs and also decreased 0.5 percent per year, compared with a 4.5 percent increase in operating costs between FY2008 and FY2010. Fringe benefit and service costs increased over the last three years, but comprised less than two percent of total costs.
- Cost per passenger increased an annual average of 2.3 percent, with a normalized average annual increase of 0.4 percent, from \$29.51 in FY2008 to \$33.08 in FY2013. Cost effectiveness was slightly negative, but performed better than cost efficiency, due to the overall decrease in ridership (-1.5 percent annual average) being less than the decrease in service hours (-2.4 percent annual average).

- Passenger productivity was mostly steady, with passengers per hour ranging between 2.0 and 2.1 each year and passengers per mile from 0.12 to 0.13 per year. There was a net increase of 0.9 percent annually in both passengers per hour and per mile during the review period. This was due to the average annual decrease in service hours and service miles (-2.4 percent each) being slightly higher than the average annual decrease in unlinked passengers (-1.5 percent).
- Employee productivity also was steady, with a decrease of 0.1 percent per year in vehicle service hours per FTE, due to the decrease in FTEs and vehicle service hours being nearly identical over the period.
- PUC Compliance – CCCTA is in compliance with all five sections of the state PUC that were reviewed as part of this performance audit. These sections included requirements concerning CHP terminal safety inspections, labor contracts, reduced fares, revenue sharing, and evaluating passenger needs.
- Status of Prior Audit Recommendations – There were no recommendations made in CCCTA’s prior Triennial Performance Audit.

## **RECOMMENDATIONS**

No recommendations are suggested for CCCTA based on the results of this triennial performance audit.



To: Board of Directors

Date: August 7, 2014

From: Mary Burdick

Reviewed by:

---

**SUBJECT: Appointment of Randy Pedersoli to Advisory Committee**

---

**Summary of Issues:**

On July 22, 2014 the San Ramon City Council recommended the appointment of Randy Pedersoli to serve as a representative on County Connection's Advisory Committee for a term ending August, 2016.

**Recommendation:**

Approve the appointment of Randy Pedersoli to serve as a representative of San Ramon on County Connection's Advisory Committee.

**Financial Implication**

None

**Options:**

- 1) Approve the recommendation of the San Ramon City Council
- 2) Decline to approve the recommendation
- 3) Other action as directed

**Attachment:**

Appointment letter



---

## CITY OF SAN RAMON

2222 CAMINO RAMON  
SAN RAMON, CALIFORNIA 94583  
PHONE: (925) 973-2500  
WEB SITE: [www.sanramon.ca.gov](http://www.sanramon.ca.gov)

---

July 25, 2014

Mary Burdick  
County Connection  
2477 Arnold Industrial Way  
Concord, CA 94520

**RE: Citizens Advisory Committee – San Ramon Representative**

Dear Ms. Burdick,

I am writing to inform you that at the July 22, 2014 City Council meeting, the San Ramon City Council unanimously recommended Mr. Randy Pedersoli for San Ramon's vacant position at the County Connection Citizens Advisory Committee (CAC).

It is the Council's recommendation that Mr. Pedersoli's two-year term commence once the CCCTA Board has approved the recommendation and appointed Mr. Pedersoli, thereby maximizing his time on the CAC.

If you have any questions, please contact me at 925-973-2656. Thank you.

Sincerely,

PJ Dhoot  
Transportation Specialist

CC: Mr. Randy Pedersoli  
Transportation Advisory Committee  
Lisa Bobadilla, Transportation Division Manager