Tuolumne County Transportation Council

May 4, 2026

Triennial Performance Audit

FY-2022-23, 2023-24, 2024-25

Tuolumne County Transit Agency

Final

LSC Transportation Consultants, Inc.

Triennial Performance Audit
for

Tuolumne County Transit Agency

FY - 2022-23, 2023-24, 2024-25

Final

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EXECUTIVE SUMMARY

The California Public Utilities Code requires that all transit operators that receive funding under Article 4 of the Transportation Development Act (TDA) be subject to a performance audit every three years. Operators that receive funds under Article 8, while not statutorily required to do so, should also follow the same guidance. This document presents the findings from the performance audit of transit operations managed by the Tuolumne County Transit Agency (TCTA). As the Regional Transportation Planning Agency (RTPA) responsible for TDA funding in Tuolumne County, these audits were performed under the authority of the Tuolumne County Transportation Council (TCTC).

This audit report covers Fiscal Years (FY) 2022-23 through FY 2024-25 and was conducted by LSC Transportation Consultants, Inc. The audit process follows guidelines outlined in the *Performance Audit Guidebook for Transit Operators and Regional Transportation Planning Entities,* developed by Caltrans in 2008.

BACKGROUND

The TCTA was formed through a Joint Powers Agreement between Tuolumne County and the City of Sonora. TCTA is an independent entity with its own staff and is governed by a Board of Directors composed of representatives from both the County and the cities. TCTA shares staff with TCTC. TCTA provides fixed route and demand response services.

ORGANIZATION OF TRIENNIAL PERFORMANCE AUDIT REPORT

The following TPA report provides the following:

- Presentation of operating and financial statistics for TCTA for the current audit period as well as for the prior audit period.
- Verification and use of performance indicators for all TCTA services.
- Review of the transit operator’s compliance with certain TDA regulations that relate to transit performance.
- The status of prior audit recommendations.
- Detailed review of transit operator functions to evaluate efficiency and effectiveness.
- Findings and recommendations.

FINDINGS

- Ridership steadily increased 17.6 percent over the course of this audit period (FY 2022-23 to FY 2024-25).
- Reliability of transit service, as measured in terms of on-time performance, continued not to meet the TCTA target throughout the audit period, particularly on the fixed routes; however, efforts are being made to improve this metric. Some of this may be attributed to roadway improvement projects, which are out of TCTA's control.
- The auditor was unable to obtain copies of the completed State Controller Reports for all three audit years. However, a cover page was found for the submittal of FY 2022-23, indicating it was

submitted in August 2024. TCTA staff find it extremely challenging to obtain copies of the reports from the County Auditor.

- Per the State Controller's Office website, the State Controller Reports for two of the three fiscal years were submitted well past the deadline. As this Audit was being completed, FY 2024-25 has not been submitted.
- On-time submittal of the Fiscal and Compliance Audits remains an issue of significant concern. The auditor was not able to obtain a copy of the Fiscal and Compliance Audit for any fiscal year, and the repeated tardiness of submittal has resulted in withholding of STA funds from TCTA by Caltrans.
- TCTA maintained the required systemwide farebox ratio of 10 percent or better for all years of the audit period.
- TCTA continued its service fare-free during the audit period, utilizing LCTOP funds as an equivalent revenue source, calculated at the full value of fares for each service.
- TCTA and the contractor continue to have an effective working relationship.
- Productivity on the combined fixed routes ranged from 4.2 to 5.6 one-way passenger trips per hour during the audit period. This is below the industry standard of 6-7 passenger-trips per hour for a rural fixed route service. DAR saw a slight increase in productivity from the previous audit period to between 3.3 to 4.3 passenger-trips per hour, exceeding the industry standard of 2 trips per hour.
- Systemwide operating costs per trip of $31 to $35 during the audit period are less than similar transit agencies, as costs have increased significantly for many small transit agencies. Performance reports show that Calaveras Transit Agency saw operating costs per trip range from $41 to $56 during this audit period. Plumas Transit Systems saw an increase from $55 to $70 per trip during the audit period.

RECOMMENDATIONS

The auditor has the following recommendations, which relate to the TDA. Recommendations are outlined in greater detail in Section 3.

- **Recommendation 1:** Continue efforts to procure permanently separate accounting services outside the County Auditor in order to have greater knowledge of and control over TCTA accounting data and to help ensure the timely completion of Fiscal and Compliance Audits.
- **Recommendation 2:** Consider designating TCTA as a Consolidated Transportation Services Agency (CTSA).
- **Recommendation 3:** Continue to monitor on-time performance systemwide with the goal of meeting on-time performance standards.
- **Recommendation 4:** Track and accurately report Full-Time Equivalent (FTE) Employees to the State Controller in accordance with the definition outlined in PUC 99247(j).

The auditor has the following non-TDA-related recommendations.

- **Recommendation 5:** Update the TCTA website to remove fare information.
- **Recommendation 6:** Revise the Standards in Operating Contract to be better representative of transit performance for rural transit systems.

Section 1
INTRODUCTION

BACKGROUND

The TDA, also known as the "Mills-Alquist Deddeh Act," provides two major sources of funding for public transportation providers in California: the Local Transportation Fund (LTF) and the State Transit Assistance (STA). LTF is derived from 0.25 percent of the 7.25 percent retail sales tax collected statewide and can be used for a variety of transportation purposes, according to a set of priorities detailed in the Act. The California Department of Tax and Fee Administration returns the LTF to each county in accordance with the amount of tax collected in that county. STA funds are derived from statewide sales tax on diesel fuel, and the funds are allocated to each county based on the following formula: 50 percent according to population and 50 percent according to operator revenues from the prior fiscal year. STA funds can only be used to pay for transit planning, capital projects, and operations.

The California Public Utilities Code (PUC) requires that a Triennial Performance Audit (TPA) be conducted for all transit operators and Regional Transportation Planning Agencies (RTPAs). A performance audit is a systematic process of evaluating an organization's effectiveness, efficiency, and economy of operations under management control. The objective of the audit is to provide a means for evaluating an organization's performance and to enhance performance by making recommendations for improvements. In addition, the audit evaluates the adequacy of an organization's systems and the degree of compliance with established policies and procedures. This TPA covers FY 2022-23 through FY 2024-25.

PERFORMANCE AUDIT AND REPORT ORGANIZATION

The performance audit consists of the following elements:

- Initial review of transit operator functions
- Review of compliance requirements
- Transit program description
- Follow-up review of prior performance audit recommendations
- Verification and use of performance indicators
- Detailed review of various transit operator functions
- Preparation of the Draft Audit report
- Preparation of the Final Audit report

TUOLUMNE COUNTY TRANSIT AGENCY CHARACTERISTICS

TCTA is the regional transit operator for Tuolumne County. Public transit in Tuolumne County originally began as independent social service agencies providing transportation for their respective clients. In 1967, public transportation was consolidated under the umbrella of the County through a Joint Powers Agreement between the City of Sonora and the County. In 2010, operation of public transit service was transferred from the County to the RTPA, the TCTC, through a Joint Powers Agreement between Tuolumne County and the City of Sonora. In 2011, TCTA was formed as a separate agency with the specific purpose of operating public transit.

The RTPA (TCTC) and transit operator (TCTA) share the same board members and staff. A private transportation company, currently Storer Transit Systems (Storer), is contracted to provide all the drivers, dispatchers, mechanics, and other staff necessary for the operation and management of Tuolumne County Transit.

TCTA FIXED ROUTE CHARACTERISTICS

During this audit period, TCTA operated three to four fixed routes serving the Tuolumne County communities of Sonora, Sierra Village, Jamestown, Groveland, and Columbia. During the audit period, buses operated fare-free to passengers between 6:05 AM to 7:25 PM Monday through Friday. Each of these services also includes several on-demand and flag stops along their routes. The current fixed routes evaluated under this TPA are described below.

Route 1: Sonora Loop

Route 1 makes a loop through downtown Sonora and East Sonora, beginning and ending at the Transit Center on a 1-hour headway between 6:05 AM and 7:08 PM. The route travels along the popular roadways such as Washington Street, Old Wards Ferry Road, and Mono Way, serving major shopping centers, schools, medical centers, apartment complexes, and government services.

Route 2: Sierra Village – Sonora - Columbia

Route 2 makes four round trips between Sierra Village and Columbia College between 6:25 AM and 7:08 PM. Beginning in Sierra Village, the route travels west on Highway 108, making stops in Twain Harte and Mono Vista before continuing through downtown Sonora. From downtown Sonora, the route makes its way to Columbia College before turning around and returning to Sierra Village.

Route 3: Sonora - Jamestown

Route 3 travels between Sonora and Jamestown on hourly headways beginning at 6:30 AM and running until 7:30 PM. The route begins at Hotel Lumberjack in Sonora and heads west towards Jamestown, travelling as far as the new Chicken Ranch Casino Resort before making its way eastward through Jamestown before ending at the Crossroads Shopping Center in Sonora.

Groveland Columbia Connect (Discontinued June 2025)

This route provided service between Mary Laveroni Park in Groveland and Columbia College in Columbia, including stops at Courthouse Square in Sonora, Post Office in Jamestown, and on-demand stops at Convenience Store in Chinese Camp, Switchback Rd in Moccasin, and Big Oak Flat. This route began in August 2022, specifically to serve student transit needs, and was the result of the unmet transit needs process. It was discontinued in 2025 due to low ridership.

Dial-A-Ride Services

Dial-A-Ride (DAR) is available to the general public from 6:05 AM to 7:25 PM Monday through Friday and on Saturdays between 11:00 AM and 4:00 PM. DAR serves Columbia, Sonora, Jamestown, Soulsbyville, Twain Harte, and Sierra Village. TCTA recommends that passengers make a reservation at least one day in advance; however, same-day service can be accommodated if space is available. Priority is given to ADA passengers and passengers aged 60 or older.

Other Transit Services

TCTA operates a seasonal Dodge Ridge Ski Bus (SkiBUS) along SR 108 on winter weekends and holidays from the beginning of the winter season through March. In the morning, the SkiBUS picks up its first passengers around 6:45 AM at Chicken Ranch Casino Resort and makes several fixed and on-demand stops along the way before arriving at Dodge Ridge around 8:45 AM. The afternoon westbound departure leaves Dodge Ridge at 4:30 PM and arrives in Sonora at 6:30 PM. Round-trip fares are available for $10 for each individual or $25 for a family of four, with $5 for each additional child. Dodge Ridge Ski Resort guarantees the fare for a minimum number of rides for this service.

Golden Years Transit was launched by TCTA in partnership with Area 12 Agency on Aging on July 1, 2024. It is a free non-emergency medical transportation service for seniors over the age of 60 years old. The service provides rides within the greater Sonora area, including Columbia, Jamestown, East Sonora, Phoenix Lake, Standard, Tuolumne City, and Crystal Falls. Service hours are Monday to Friday, 7:00 AM to 6:00 PM, and Saturday, 8:00 AM to 12:00 PM. Ride reservations must be made at least two days prior at a minimum and up to two months in advance. Title IIIB Supportive Services funding, administered by Area 12 Agency on Aging, covers about 30 percent of this program.

TCTA recognizes the importance of supporting community events, such as parades or fairs, by providing special event transit services. TCTA allocates roughly $16,000 of the annual operating budget to providing transportation for attendees of these events to/from a temporary park and ride lot. This, in turn, mitigates parking and traffic impacts caused by the events. No fare is charged in an effort to encourage use. The organization sponsoring the event must apply for special event transit service. As special event transit services are open to the public and the charitable organization sponsoring the event is not contracting with TCTA to provide the service, the service is not considered to be a charter service. Special events served during this audit period included the fair, parades, the 49er festival, and the rodeo. These services expose the “choice” rider to public transit and can be a good marketing tool, as long as they are not too costly.

Tuolumne County has partnered with local non-profit organizations to provide a reimbursement program called the Tuolumne Trip Program. The program is designed to serve seniors (60 years and older), persons with disabilities, persons of limited means, and/or veterans who are unable to use the fixed route or DAR services and have alternative options available to them by way of a volunteer driver. Participants are responsible for finding and paying for their own volunteer driver. TCTA only provides reimbursement for the trip and, therefore, the program requires little in the way of administrative costs. The Tuolumne Trip Program is advertised through social service agencies, and the TCTA Executive Director approves each user’s eligibility. The Trip Program provides annual reports. In 2023, the program reimbursed 6,083 miles, followed by 16,178 miles reimbursed in 2024 (an increase of 106 percent). As of October 2025, the program had reimbursed 14,593 miles.

TCTA also partners with the Yosemite Area Regional Transportation System (YARTS) to provide the Sonora to Yosemite YARTS bus route. TCTA does not operate the service. Rather, TCTA provides administrative staff time to market the service in the Sonora region. As a voting member of YARTS, the TCTC/TCTA Transit Planner participates in advisory committee meetings, and two Board of Supervisors members are voting members of the YARTS board. As a voting member, TCTC/TCTA also pays $67,000 annually in dues.

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Section 2
TRIENNIAL PERFORMANCE AUDIT RESULTS

TCTA OPERATING AND FINANCIAL STATISTICS

The following section quantitatively analyzes the efficiency and effectiveness of public transit services in Tuolumne County. Operating data and financial statistics are presented in Tables 1-3 and Figures 1-7. Operating data and financial data were obtained from annual internal performance reports due to the absence of available Fiscal and Compliance Audits. TCTA operating data for this audit period and the previous audit period is presented in Table 1 for TCTA services systemwide. Table 2 presents operating and financial statistics for fixed route services and special event services, and Table 3 presents operating and financial statistics for demand response services.

Due to the COVID-19 pandemic, year-to-year comparisons of performance should be viewed with caution. The three years that are covered in this audit represent a period of recovery post-COVID; however, for many transit agencies (including TCTA), performance indicators such as ridership, passenger-trips per hour, and cost per hour still fall short of pre-COVID levels. Encouragingly, TCTA has shown slow but consistent recovery in ridership over the current audit period.

DATA COLLECTION METHODS

As part of the TPA process, the auditor must collect and verify the following transit operator statistics:

- Annual Passenger Count
- Annual Vehicle Service Hours
- Annual Vehicle Service Miles
- Annual Operating Cost
- Annual Employee Hours
- Annual Fare Revenue

Passenger Count represents one-way passenger trips. TCTA's counting of passengers is consistent with this definition. For both fixed route and demand response services, passenger count data is recorded manually by drivers as unlinked one-way passenger-trips (single boarding and alighting).

Table 1 and Figure 1 present annual ridership data for all TCTA services during the audit period, as well as data from the previous three-year period (for purposes of comparison). During this current audit period, overall ridership increased by 17.6 percent. Over the past six years, systemwide ridership has increased slightly by 0.7 percent, with the lowest ridership occurring during the FY 2020-21 (40,428 trips) and the highest ridership occurring in FY 2024-25 (82,204 trips).

As shown in Table 2, fixed route service ridership increased by 47 percent over the past three fiscal years. Ridership on seasonal services, which include the Ski Bus and Special Events service, increased by 78.8 percent.

Ridership on the DAR service (Table 3) decreased by 19.8 percent over the audit period, with a 20.2 percent decrease in weekday ridership and a 7.8 percent decrease in weekend ridership. This is likely due to a reduction in weekday service levels.

Table 1: Tuolumne County Transit Agency Systemwide Performance Measures

Performance Measures	Prior Audit Period 2019-20	2020-21	2021-22	Current Audit Period 2022-23	2023-24	2024-25
One-Way Passenger-Trips	81,668	40,428	64,029	69,922	79,771	82,204
% Change from Previous Year	*-27.3%*	*-50.5%*	*58.4%*	*9.2%*	*14.1%*	*3.0%*
Vehicle Service Hours	17,775	14,637	17,582	16,690	16,717	14,564
% Change from Previous Year	*-13.4%*	*-17.7%*	*20.1%*	*-5.1%*	*0.2%*	*-12.9%*
Vehicle Service Miles	273,952	217,171	253,983	251,941	254,609	235,916
% Change from Previous Year	*-13.9%*	*-20.7%*	*17.0%*	*-0.8%*	*1.1%*	*-7.3%*
Operating Costs	$2,098,300	$2,137,184	$2,413,242	$2,418,792	$2,469,284	$2,748,630
% Change from Previous Year	*-0.6%*	*1.9%*	*12.9%*	*0.2%*	*2.1%*	*11.3%*
Full-Time Equivalent Employees (FTE)	21	17	20	22	22	23
% Change from Previous Year	*-8.7%*	*-19.0%*	*17.6%*	*9.4%*	*0.0%*	*3.0%*
Farebox Revenues	$147,520	$0	$4,027	$7,292	$11,438	$4,924
% Change from Previous Year	*-27.4%*	*-100.0%*	*0.0%*	*81.1%*	*56.9%*	*-57.0%*
Other Qualifying Revenue (1)	$84,074	$232,817	$1,818,093	$690,423	$846,521	$685,736
% Change from Previous Year	*115.2%*	*176.9%*	*680.9%*	*-62.0%*	*22.6%*	*-19.0%*
Operating Cost per One-Way Passenger-Trip	$25.69	$52.86	$37.69	$34.59	$30.95	$33.44
% Change from Previous Year	*36.7%*	*105.8%*	*-28.7%*	*-8.2%*	*-10.5%*	*8.0%*
Operating Cost per Vehicle Service Hour	$118.05	$146.01	$137.26	$144.92	$147.71	$188.73
% Change from Previous Year	*14.7%*	*23.7%*	*-6.0%*	*5.6%*	*1.9%*	*27.8%*
Passengers per Vehicle Service Hour	4.59	2.76	3.64	4.19	4.77	5.64
% Change from Previous Year	*-16.1%*	*-39.9%*	*31.8%*	*15.0%*	*13.9%*	*18.3%*
Passengers per Vehicle Service Mile	0.30	0.19	0.25	0.28	0.31	0.35
% Change from Previous Year	*-15.5%*	*-37.6%*	*35.4%*	*10.1%*	*12.9%*	*11.2%*
Vehicle Service Hours per FTE	846.43	861.00	879.10	762.83	763.76	646.00
% Change from Previous Year	*-5.1%*	*1.7%*	*2.1%*	*-13.2%*	*0.1%*	*-15.4%*
Farebox Recovery Ratio (including qualifying revenue)	11.0%	10.9%	75.5%	28.8%	34.7%	25.1%
% Change from Previous Year	*-3.8%*	*-1.3%*	*593.1%*	*-61.8%*	*20.5%*	*-27.7%*

Note: Previous audit period data obtained from prior performance audit.

Note 1: Includes LCTOP funds, advertising /marketing revenue, and federal operating funds (FTA 5311 and FTA 5311 CRRSAA) beginning in FY 2021-22.

Figure 1: TCTA Systemwide Annual Ridership History

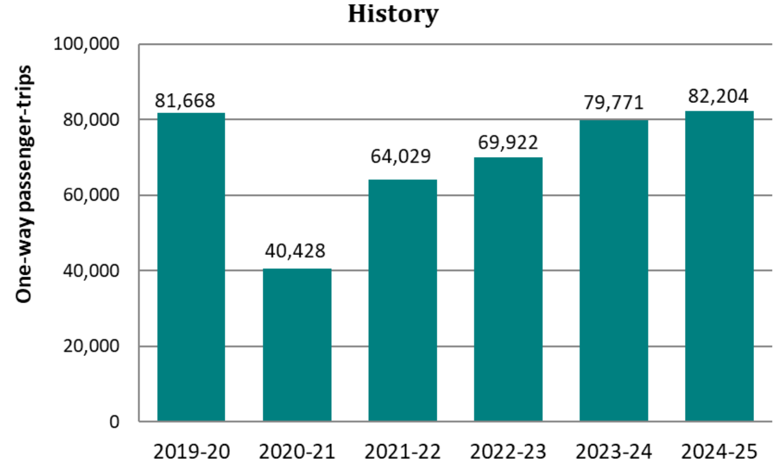


Table 2: Tuolumne County Transit Agency Fixed Route Services Performance Measures

Performance Measures	Combined Fixed Routes			SkiBUS and Special Events		
	2022-23	2023-24	2024-25	2022-23	2023-24	2024-25
One-Way Passenger-Trips	34,918	42,849	51,321	2,840	4,730	5,077
% Change from Previous Year	*16.0%*	*22.7%*	*19.8%*	*64.0%*	*66.5%*	*7.3%*
Vehicle Service Hours	6,684	7,403	8,254	286	235	263
% Change from Previous Year	*12.6%*	*10.7%*	*11.5%*	*37.3%*	*-17.9%*	*12.0%*
Vehicle Service Miles	107,379	122,226	133,300	4,772	4,199	5,284
% Change from Previous Year	*32.1%*	*13.8%*	*9.1%*	*48.1%*	*-12.0%*	*25.8%*
Operating Costs	$948,771	$1,075,075	$1,454,185	$45,731	$29,339	$54,594
% Change from Previous Year	*21.3%*	*13.3%*	*35.3%*	*51.1%*	*-35.8%*	*86.1%*
Farebox Revenues	0%	0%	0%	$7,292	$5,738	$4,924
% Change from Previous Year	*0.0%*	*0.0%*	*0.0%*	*81.1%*	*-21.3%*	*0.0%*
Local Funds (1)	$69,252	$79,577	$102,630	$0	$0	$0
% Change from Previous Year	*14.8%*	*14.9%*	*29.0%*	--	--	--
Operating Cost per One-Way Passenger-Trip	$27.17	$25.09	$28.34	$16.10	$6.20	$10.75
% Change from Previous Year	*4.6%*	*-7.7%*	*12.9%*	*-7.9%*	*-61.5%*	*73.4%*
Operating Cost per Vehicle Service Hour	$141.94	$145.23	$176.17	$160.10	$125.11	$207.91
% Change from Previous Year	*7.7%*	*2.3%*	*21.3%*	*10.0%*	*-21.9%*	*66.2%*
Passengers per Vehicle Service Hour	5.22	5.79	6.22	9.94	20.17	19.34
% Change from Previous Year	*3.0%*	*10.8%*	*7.4%*	*19.4%*	*102.9%*	*-4.1%*
Passengers per Vehicle Service Mile	0.33	0.35	0.39	0.60	1.13	0.96
% Change from Previous Year	*-12.2%*	*7.8%*	*9.8%*	*10.7%*	*89.3%*	*-14.7%*
Farebox Recovery Ratio	7.30%	7.40%	7.06%	15.95%	19.56%	9.02%
% Change from Previous Year	*-5.35%*	*1.4%*	*-4.7%*	*18.26%*	*22.7%*	*-53.9%*

Note 1: Local funds includes LCTOP funds.

Operating Cost data (Tables 1-3) for TCTA services systemwide were obtained from annual performance reports for all fiscal years. Only unaudited data is available for the audit period. Per TDA, operating costs include the annual cost of running a transit operation exclusive of depreciation, capital expenditures, vehicle lease costs, and direct costs of providing charter service. Extension of service can be excluded per Section 6633.8, as well as a variety of other costs, when calculating the farebox ratio per AB 149. As there are no fiscal audits available for this period, how TCTA calculates operating costs could not be officially verified. However, it appears that TCTA follows the TDA definition.

Systemwide operating costs increased by 13.6 percent between FY 2022-23 and FY 2024-25. Combined fixed route operating costs increased during the audit period (53.3 percent), mainly due to an increase in service. Operating costs for DAR service decreased during the audit period (12.9 percent from FY 2022-23 to FY 2024-25), corresponding with a decrease in service levels.

Table 3: Tuolumne County Transit Agency Demand Response Services Performance Measures

Performance Measures	Dial-A-Ride (Weekday)			Weekend Dial-A-Ride			Total Dial-A-Ride		
	2022-23	2023-24	2024-25	2022-23	2023-24	2024-25	2022-23	2023-24	2024-25
One-Way Passenger-Trips	31,103	31,140	24,828	1,061	1,052	978	32,164	32,192	25,806
% Change from Previous Year	*99.6%*	*0.1%*	*-20.3%*	*11.0%*	*-0.8%*	*-7.0%*	*-0.1%*	*0.1%*	*-19.8%*
Vehicle Service Hours	9,334	8,695	5,703	387	384	344	9,721	9,079	6,047
% Change from Previous Year	*84.2%*	*-6.8%*	*-34.4%*	*12.0%*	*-0.6%*	*-10.5%*	*-15.0%*	*-6.6%*	*-33.4%*
Vehicle Service Miles	135,010	123,459	92,429	4,780	4,725	4,903	139,790	128,184	97,332
% Change from Previous Year	*82.2%*	*-8.6%*	*-25.1%*	*-7.0%*	*-1.2%*	*3.8%*	*-17.5%*	*-8.3%*	*-24.1%*
Operating Costs	$1,365,268	$1,305,204	$1,169,163	$59,022	$59,666	$70,689	$1,424,290	$1,364,870	$1,239,852
% Change from Previous Year	*88.1%*	*-4.4%*	*-10.4%*	*14.2%*	*1.1%*	*18.5%*	*-11.0%*	*-4.2%*	*-9.2%*
Farebox Revenues	$0	$0	$0	$0	$0	$0	$0	$0	$0
% Change from Previous Year	*0.0%*	*-100.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*
Local Funds[(1)]	$72,333	$93,420	$74,121	$3,195	$3,156	$2,934	$75,528	$96,576	$77,055
% Change from Previous Year	*78.0%*	*29.2%*	*-20.7%*	*11.4%*	*-1.2%*	*-7.0%*	*-30.4%*	*27.9%*	*-20.2%*
Operating Cost per One-Way Passenger Trip	$43.90	$41.91	$47.09	$55.63	$56.72	$72.28	$44.28	$42.40	$48.05
% Change from Previous Year	*-11.5%*	*-4.5%*	*12.4%*	*2.9%*	*2.0%*	*27.4%*	*-10.9%*	*-4.3%*	*13.3%*
Operating Cost per Vehicle Service Hour	$146.27	$150.10	$205.01	$152.70	$155.34	$205.56	$146.52	$150.32	$205.04
% Change from Previous Year	*4.7%*	*2.6%*	*36.6%*	*1.9%*	*1.7%*	*32.3%*	*4.7%*	*2.6%*	*36.4%*
Passengers per Vehicle Service Hour	3.33	3.58	4.35	2.75	2.74	2.84	3.31	3.55	4.27
% Change from Previous Year	*18.3%*	*7.5%*	*21.6%*	*-0.9%*	*-0.2%*	*3.8%*	*17.6%*	*7.2%*	*20.4%*
Passengers per Vehicle Service Mile	0.23	0.25	0.27	0.22	0.22	0.20	0.23	0.25	0.27
% Change from Previous Year	*-10.3%*	*9.5%*	*6.5%*	*19.4%*	*0.3%*	*-10.4%*	*21.1%*	*9.1%*	*5.6%*
Farebox Recovery Ratio	5.3%	7.2%	6.3%	5.4%	5.3%	4.2%	5.3%	7.1%	6.2%
% Change from Previous Year	*-56%*	*35.1%*	*-11.4%*	*-2.46%*	*-2.3%*	*-21.5%*	*-21.83%*	*33.4%*	*-12.2%*

Note 1: Local funds includes LCTOP funds.

Vehicle Service Hour data (Tables 1-3) was obtained from internal performance reports. Appendix B of the *Performance Audit Guidebook* defines vehicle service hours as the time during which a revenue vehicle is available to carry fare-paying passengers. In other words, the time between the scheduled time of the first passenger pickup and the last passenger drop off. Vehicle service hours were recorded and reported in accordance with TDA definitions.

As shown in Table 1, over the three-year audit period, TCTA systemwide service levels decreased by 12.7 percent, or by 2,127 annual vehicle hours. During the past six-year period, systemwide vehicle hours have decreased by 18.1 percent. As seen in Table 3, this decrease in hours can be attributed to a reduction in DAR services, which decreased by 37.8 percent. By contrast, Table 2 shows that during the audit period, total combined fixed route vehicle service hours increased by 23.5 percent. SkiBUS and Special Events services stayed fairly consistent between 235 and 286 vehicle service hours between FY 2022-23 and FY 2024-25.

Vehicle Service Mile data is displayed in Tables 1-3. Vehicle service miles are defined in Appendix B of the *Performance Audit Guidebook* as those miles travelled during vehicle service hours. TCTA records deadhead miles separately; therefore, the vehicle service miles reported to the State Controller are consistent with the TDA definition.

As shown in Table 1, during this audit period, systemwide annual vehicle service miles decreased by 6.4 percent. This is mainly due to the annual vehicle service miles for DAR decreasing by 30.4 percent (Table 3). Weekday DAR annual service miles decreased by 31.5 percent, while weekend DAR service miles increased by 2.6 percent. Vehicle service miles provided by combined fixed routes and SkiBUS/Special Events increased by 24.1 percent and 10.7 percent, respectively.

The **Full-Time Equivalent (FTE) Employee** data (Table 1) was obtained from the internal performance reports and calculated by the performance auditor for the purpose of the TPA. FTE numbers increased by one over the audit period from 22 to 23 FTEs. Appendix B of the *Performance Audit Guidebook* defines full-time equivalent employee hours as dividing the total number of person-hours worked by transit-related employees by 2,000. As TCTA staff also serve as staff for TCTC, the agency correctly tracks percent of hours spent on transit versus other functions. The contractor provides TCTA with a monthly report of all staff hours worked that month. During this audit period, the County Auditor was tasked with completing the FTE count for the State Controller Reports. The one State Controller Report available miscalculated the total number of FTEs.

Beginning in FY 2025-26, TCTA staff will complete the State Controller Reports (and the FTE calculation). Historically, TCTC/TCTA has maintained a spreadsheet that accurately tracks hours worked on transit-related tasks for both TCTA and contractor staff. Conversations with staff strongly suggest that the issues present in this audit period will be resolved moving forward; however, a recommendation has been made to support the correction of this issue.

Fare Revenue data (Tables 1-3) was obtained from internal performance reports. It should be noted that PUC Section 99205.7 states that fare revenues are defined as revenue object classes 401, 402, and 403, as specified in Section 630.12 of Title 49 of the Code of Federal Regulations:

- Object class 401 revenues include full adult, senior, student, child, handicapped, Park-and-Ride lot revenues (must be operated by transit operator), special, and reduced fares collected from passengers.

- Object class 402 revenues include guaranteed revenues collected from an organization rather than a rider for rides given along special routes.
- Object class 403 revenues include revenues collected from schools for providing service to children to and from school.

Fare revenue also includes the amount of revenue received by an entity under contract for transit services not yet transferred to the claimant. Additionally, the definition of fare revenues includes fares collected (1) for a specified group of employees, members, or clients, or (2) to guarantee a minimum revenue on a line operated especially for the benefit of the paying entity (e.g., an employer, shopping center, university, etc.), or (3) cash donations made by individual passengers in lieu of a prescribed fare.

Fare revenue differs from and does not include local support or local funds, which have been recently redefined as any nonstate grants or other revenues generated by, or distributed to, the operator, per AB 149 (2021). Local funds can be used to supplement fare revenues for farebox ratio calculation purposes if fare revenues alone are not sufficient. Charter revenue cannot be included in the fare revenue category.

It should be noted that Low Carbon Transit Operations Program (LCTOP) funds acquired for the purpose of having fare-free transit service can be categorized as fare revenue for the purpose of calculating fare recovery ratios, calculated as the current full retail value of the fare. In Table 1, LCTOP funds are included with other qualifying revenue sources. In Tables 2 and 3, LCTOP funds are categorized as local funds at the full retail value of passes sold, per the number of passenger-trips.

Systemwide fare revenue data is presented in Tables 1-3. TCTA implemented free fares across all services during FY 2019-20 and has maintained free fares for the duration of the current audit period. The one exception is the SkiBUS service, which produced between $7,292 (FY 2022-23) and $4,924 (FY 2024-25) in fare revenue (shown in Tables 1 and 2). LCTOP funds and other local funding sources were used in place of farebox revenues to create revenue.

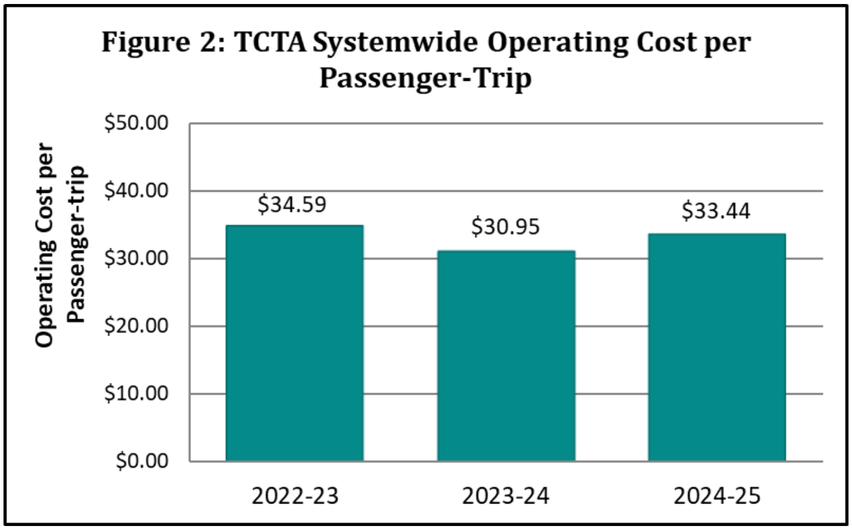
CALCULATION AND EVALUATION OF PERFORMANCE INDICATORS

Performance indicators are frequently used to quantify and review the efficiency and effectiveness of a transit operator's activities. Such indicators can provide insight into current operations as well as the operator's performance over a period of time. Using the data described above, the following performance indicators are calculated as required in Section 99246(d) of the Public Utilities Code:

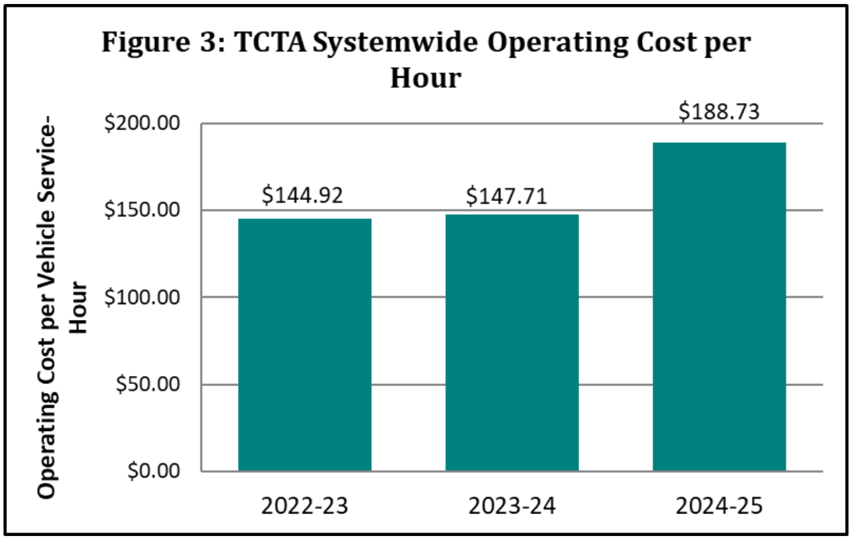
- Operating Cost per Passenger
- Operating Cost per Vehicle Service Hour
- Passengers per Vehicle Service Hour
- Passengers per Vehicle Service Mile
- Vehicle Revenue Hours per Employee

In addition, the Farebox Recovery Ratio is calculated and evaluated herein, as required in Section 99268 et seq. of the Public Utilities Code. The following are performance indicators that are specifically included in the current contract with the contractor: DAR passengers per vehicle service hour and farebox recovery ratio. On-time performance requirements are included in the contract with the contractor; however, calculation of this performance indicator is not required per PUC 99246(d) and is evaluated within the Detailed Review of Transit Operator Functions.

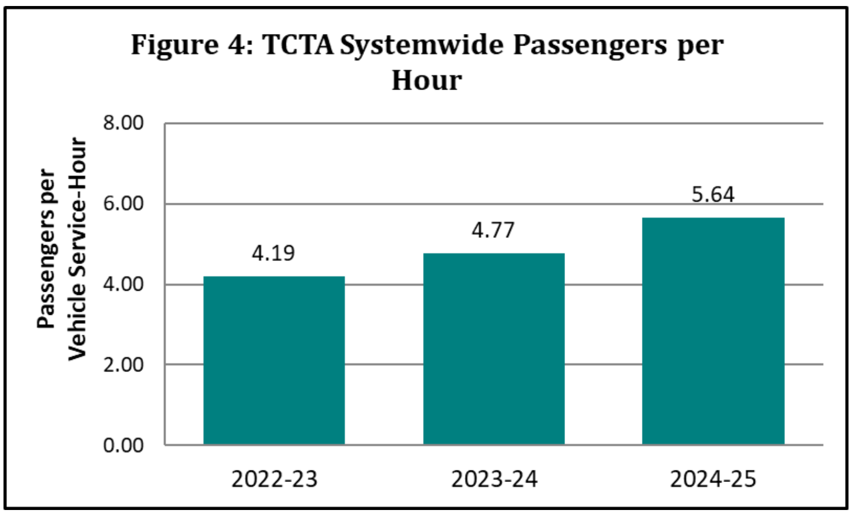
The **Operating Cost per (One-way) Passenger-Trip** data is presented in Tables 1-3 and Figure 2. This performance measure is a key indicator of a transit system's cost-effectiveness. Systemwide operating cost per trip decreased by 3.3 percent overall during the audit period (from $34.59 in FY 2022-23 to $33.44 in FY 2024-25). The Combined Fixed Route operating cost per trip increased by 4.3 percent (from $27.17 in FY 2022-23 to $28.34 in FY 2024-25) while the Specialized Services Category (Ski Bus and Special Event services) operating cost per trip decreased by 33.2 percent from FY 2022-23 to FY 2024-25. Demand response services, such as DAR services, are the least cost-effective type of service. Operating cost per trip for total DAR services ranged from $42.40 (FY 2023-24) to $48.05 (FY 2024-25), with weekday DAR cost per trip being significantly lower than the weekend.



The **Operating Cost per Vehicle Service Hour** data is presented in Tables 1-3 and Figure 3. This performance measure is a key indicator of a transit system's cost efficiency. Systemwide operating cost per vehicle service hour increased by 30.2 percent during the audit period from $144.92 in FY 2022-23 to $188.73 in FY 2024-25. Operating cost per hour on the combined fixed route services was $141.94 in FY 2022-23 and increased to $176.17 in FY 2024-25. DAR operating cost per vehicle hour was higher, ranging from $146.52 in FY 2022-23 to $205.04 in FY 2024-25 (an increase of 40.2 percent). Operating cost per hour on SkiBus and Special Events was the highest and increased from $160.10 in FY 2022-23 to $207.91 in FY 2024-25.



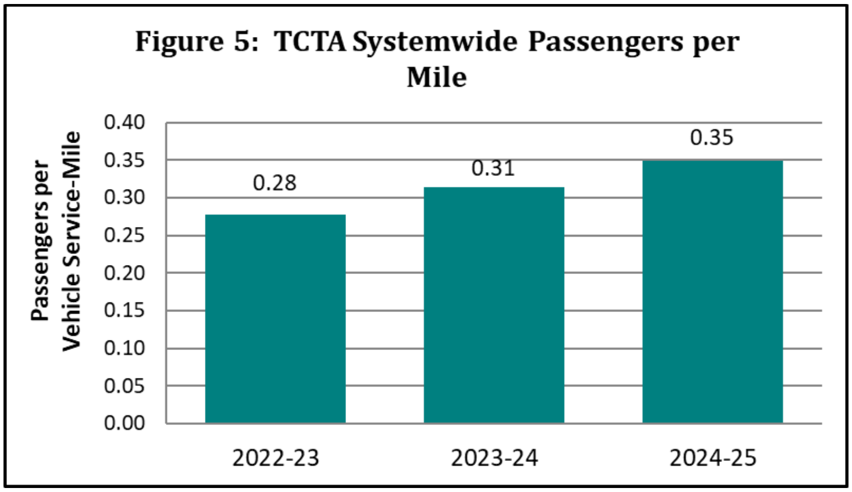
The **Passengers per Vehicle Service Hour** (commonly referred to as "productivity") data is presented in Tables 1-3 and Figure 4. Systemwide productivity over the audit period increased from 4.19 to 5.64 passenger-trips per service hour (a 34.7 percent increase over the audit period).



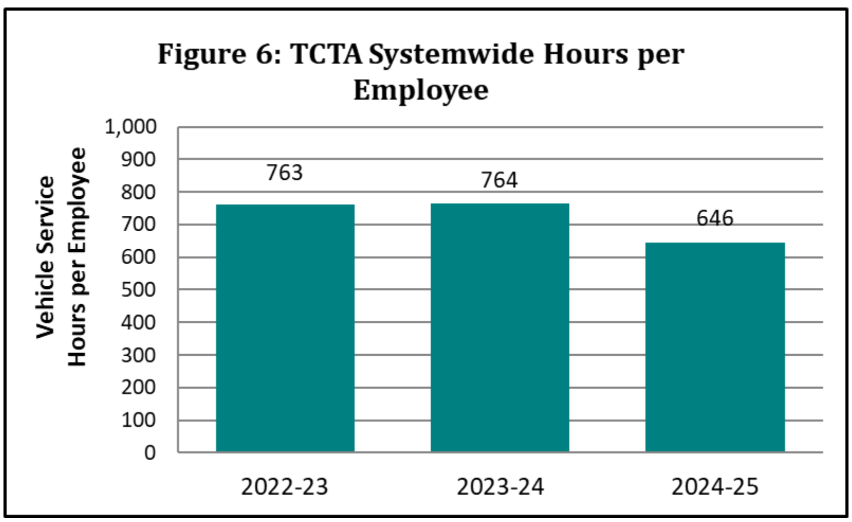
Looking at productivity by type of service (Tables 2 and 3), TCTA fixed route passenger-trips per vehicle service hour steadily grew over this audit period (from 5.22 to 6.22 trips per hour). Productivity along SkiBUS and Special Event services grew exponentially over the course of the audit period (9.94 in FY 2022-23 to 19.34 in FY 2024-25), peaking in FY 2023-24 (20.17).

Total DAR services saw a 29 percent increase in passenger-trips per service hour over the audit period (from 3.31 in FY 2022-23 to 4.27 in FY 2024-25), with weekday and weekend DAR passenger-trips per hour exhibiting similar trends. The current contract with Storer identifies that an average DAR productivity above 4.0 passengers per service hour is expected to be maintained. The contractor met this standard for one out of the three audit years. It should be noted that 4.0 passenger-trips per hour is a high bar for a demand response service, and TCTA DAR is performing well above the acceptable standard for a rural DAR service.

Passengers per Vehicle Service Mile data is presented in Tables 1-3 and Figure 5. This performance indicator increased from 0.28 in FY 2022-23 to 0.35 in FY 2024-25 systemwide. This represents a 38.2 percent increase from FY 2021-22. The combined fixed routes carried 0.39 passengers per service mile in FY 2024-25. Similar to previous audit periods, the Special Events services carried the most passengers per service mile (1.13 passengers per mile in FY 2023-24 and 0.96 passengers per mile in FY 2024-25).



The **Vehicle Service Hours per Full-Time Equivalent (FTE) Employee** data is presented in Table 1 and Figure 6. As presented, the number of vehicle service hours per FTE decreased slightly during the audit period (from 759 hours in FY 2022-23 to 662 in FY 2024-25) as a result of decreasing service hours.



The **Farebox Recovery Ratio** data is presented in Tables 1-3 and Figure 7. The farebox ratio represents the proportion of operating costs paid for by fare revenues. Prior to the COVID-19 pandemic, TDA required rural transit agencies (such as TCTA) to maintain a farebox ratio of at least 10 percent (or to make up the difference using local funds). If the 10 percent farebox ratio were not attained, the difference between the amount of actual fare revenue collected and the required amount of fare revenue needed to meet the 10 percent ratio would be assessed as a penalty. One grace year is allowed per TDA.

Beginning in FY 2019-20, transit operators who did not meet the required minimum farebox recovery ratio requirement could not be penalized per Assembly Bill (AB) 90. This temporary relief was extended through FY 2025-26, per AB 149 and Senate Bill (SB) 125.

AB 149 (passed in July 2021) also redefined local funds, allowable per TDA to supplement fare revenue to meet the minimum farebox recovery ratio requirement, as "any nonstate grant funds or other revenues generated by, earned by, or distributed to an operator." Previously, examples included advertising revenue, lease revenue, or funds provided by a local agency. Beginning in FY 2021-22, federal grant funds could now be classified as local funds. For this audit period, therefore, federal grant funds allocated for operating expenditures, such as 5311 and 5311 - Coronavirus Response and Relief Supplemental Appropriations Act (CRRSAA), are included in the calculation of the farebox recovery ratio at the systemwide level only.

On the expense side, operating cost increases beyond the change in the Consumer Price Index for the following categories can be excluded from the farebox ratio calculation:

- Complementary paratransit service,
- Fuel,
- Alternative fuel programs,
- Power, including electricity,
- Insurance premiums and payments,
- State and federal mandates, and
- Startup costs for new services for a period of not more than two years.

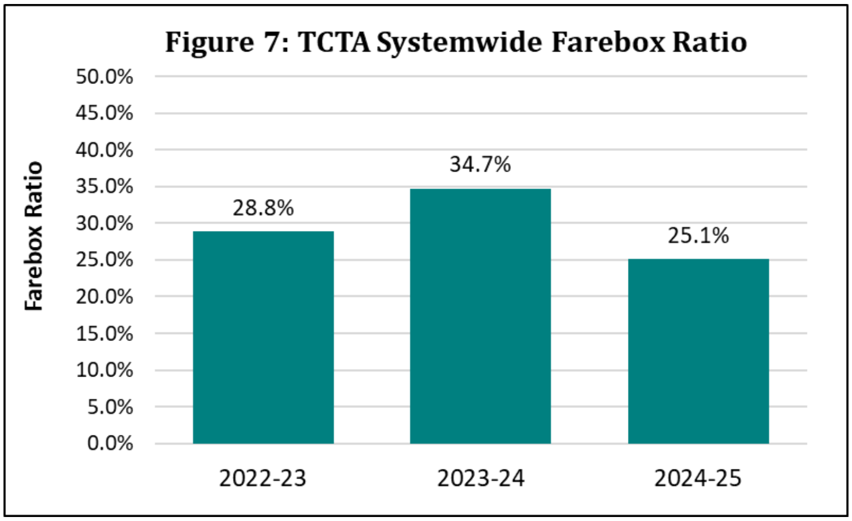
Beginning in FY 2021–22, AB 149 allows transit agencies to exclude several additional categories of operating cost increases from the TDA farebox recovery calculation. These exclusions include: the costs and revenue vehicle hours associated with operating demand-response and microtransit services that expand access beyond fixed-route corridors; costs for implementing or upgrading payment and ticketing systems; costs for security services and public safety contracts; any pension or OPEB expense above the actuarially determined contribution required under government accounting standards; and costs related to planning operational improvements, coordinating or integrating with other agencies, and transitioning to zero-emission operations.

Table 1 and Figure 7 present the systemwide farebox ratio, including local funds, categorized as "other qualifying revenue". In Tuolumne County, other qualifying revenue includes advertising revenue, LCTOP funds, FTA 531, and FTA 5311 CRRSAA funds. Farebox ratio is calculated at the systemwide level for TDA eligibility purposes; however, the calculation of the official farebox recovery ratio for TDA eligibility is the responsibility of the Fiscal and Compliance Auditor.

As shown in Figure 7, TCTA met the minimum TDA farebox ratio requirements for all three years of the audit period. In all three audit years, farebox ratios were well above the 10 percent minimum, with a range between 25.1 percent (FY 2024-25) and 34.8 percent (FY 2023-24).

TCTA has made a concerted effort in the past to decrease costs and increase fare revenues. During this audit period, unprecedented service interruptions and changes in calculation requirements made it nearly impossible to rely on the farebox recovery ratio as an indicator of performance. TCTA implemented fare-free services within the first half of the audit period to encourage an increase in ridership, and LCTOP funds have been utilized to produce fare revenue for the purpose of calculating the farebox ratio. The TCTA operating contract with Storer stipulates the following standards with respect to the farebox ratio:

- The farebox recovery ratio shall not fall below 10 percent for any single month and shall not fall below 12 percent for two consecutive months for either Fixed Route or Dial-A-Ride services. The Contractor is expected to maintain at least a 15 percent combined farebox recovery ratio, and anything above a 25 percent combined farebox ratio is considered exceptional.



RECOMMENDATIONS ON DATA COLLECTION AND REPORTING

As for the overall data collection and recording process, TCTA employs a straightforward manual data entry process. Drivers record passenger trips by type for each run manually into the daily driver's worksheets. Contractor staff enter data from the driver worksheets into Microsoft Excel spreadsheets. At the end of the month, operational data is summarized by route, day of week, passenger type, etc., in a comprehensive monthly report. Manually entered data is still subject to human error. The use of electronic fareboxes, if fares are reinstituted, could improve the data collection process by reducing the required staff time as well as the potential for error.

OVERALL PERFORMANCE

Nationwide public transit ridership has rebounded significantly since the COVID-19 pandemic, with steady year-over-year growth driven by service restorations, federal investment, and shifting travel behaviors. During this audit period, TCTA ridership has followed this trend with a systemwide 17.6 percent increase of passenger trips from FY 2022-23 to FY 2024-25. Systemwide operating costs have increased by 13.6 percent over the last three years. Productivity remains greatest along the SkiBUS and Special Event services.

ASSESSMENT OF INTERNAL CONTROLS

To ensure that the information gathered as part of this audit is dependable and valid, a review of internal controls is necessary. A transit operator's internal controls are intended to do the following:

- Provide reasonable assurance that program goals and objectives are met.

- Ensure that resources are adequately safeguarded and efficiently used.
- Ensure that reliable data is obtained, maintained, and fairly disclosed in reports.
- Ensure that the transit operator complies with laws and regulations.

TCTA appears to have a reasonably well-developed system of internal controls appropriate to the size of the transit system. This statement is echoed in interviews with TCTA and contractor staff.

REVIEW OF COMPLIANCE REQUIREMENTS

As an entity receiving TDA funds for transit purposes, TCTA is required to comply with laws and statutes set forth in the Act. Below is a discussion of TCTA's compliance with sections of the Public Utilities Code which relate to transit performance, as recommended in the *Performance Audit Guidebook*. Table 4 displays the results of the compliance analysis.

1. According to Public Utilities Code Section 99243, TCTA must submit annual reports to the TCTC based on the Uniform System of Accounts and Records established by the State Controller. These reports must be filed with TCTC and the State Controller seven months after the end of the fiscal year. The County Auditor prepared the reports for TCTA during the audit period. During this audit period, TCTA did not receive a copy of the State Controller Reports for two of the three fiscal years, nor did TCTA receive confirmation that the reports were sent to the State Controller within the required time period. As TCTA data is available on the State Controller website for FY 2022-23 and FY 2023-24, the auditor can confirm that reports were submitted for those years; however, the submittal date was well past the deadline in both years. Therefore, TCTA is not in compliance with PUC 99243. Given the repeated delays in submitting these reports, it is recommended that TCTA complete SCO reports in-house moving forward.
2. Regarding Public Utilities Code Section 99245, the timely completion and submittal of the annual Fiscal and Compliance Audits have been another recurring issue of non-compliance in Tuolumne County. For all three years of this audit period, the Fiscal and Compliance Audits have not been completed. As mentioned earlier in this report, the County Auditor is responsible for coordinating with the Fiscal Auditor and providing the necessary data to complete the report. Although TCTA staff have been diligent about following up with the County Auditor, the problem has not been resolved. TCTA staff indicate that TCTA is not the only county department whose fiscal audits are being submitted late by the County Auditor. Allocated TDA STA funding is currently being withheld from the TCTA due to repeated non-compliance with this requirement. While TCTC and TCTA are actively working to resolve this issue of non-compliance, a related recommendation has been made by the performance auditor.
3. In accordance with Public Utilities Code Section 99251, TCTA has submitted evidence that the California Highway Patrol (CHP) has certified compliance with Vehicle Code Section 1808.1 within the 13 months prior to each TDA claim submitted. Storer Transit Systems received a "Satisfactory" carrier rating for each of the three years.

Table 4: Transit Operator Compliance Requirements - Tuolumne County Transit Agency

	Requirement	PUC Reference	In Compliance? Yes	No
(1)	The transit operator submitted annual reports to the RTPA based upon the Uniform System of Accounts and Records established by the State Controller within the specified time period.	99243		x
(2)	The operator has submitted annual fiscal and compliance audits to its RTPE and to the State Controller within 180 days following the end of the fiscal year, or has received the 90-day extension allowed by law.	99245		x
(3)	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 1808.1 following CHP inspection of the operator's terminal.	99251 b	x	
(4)	The operator's claim for TDA funds is submitted in compliance with rules and regulations adopted by the RTPA for such claims.	99261	x	
(5)	If an operator serves urbanized and non-urbanized areas, it has maintained a ratio of fare revenues to operating costs at least equal to the ratio determined by the rules and regulations adopted by the RTPA.	99270.1	NA	
(6)	The operator's operating budget has not increased by more than 15 percent over the preceding year, nor is there a substantial increase or decrease in the scope of operations or capital budget provisions for major new fixed facilities.	99266	x	
(7)	The operator's definitions of performance measures are consistent with Public Utilities Code Section 99247.	99247	x	
(8)	If the operator serves an urbanized area, it has maintained a ratio of fare revenue to operating cost at least equal to one-fifth (20 percent), unless it is in a county with a population of less than 500,000, in which case it must maintain a ratio of at least three-twentieths (15 percent).	99268.2, 99268.3, and 99268.1	NA	
(9)	If the operator serves a rural area, it has maintained a ratio of fare revenues to operating costs at least equal to one-tenth (10 percent).	99268.2, 99268.4, and 99268.5	x	
(10)	The current cost of operator's retirement system is fully funded with respect to the officers and employees of its public transportation system, or the operator is implementing a plan approved by the RTPA, which will fully fund the retirement system for 40 years.	99271	x	
(11)	If the operator receives state transit assistance funds, the operator makes full use of funds if available to it under the Urban Mass Transportation Act of 1964 before TDA claims are granted.	California Code of Regulations, Section 6754 (a) (3)	x	

4. In accordance with Public Utilities Code Section 99261, TCTA's claims for TDA funds are submitted in compliance with rules and regulations adopted by the TCTC for such claims. As TCTA and TCTC share the same staff, the TDA claims process is relatively simple and goes smoothly.
5. There are no urbanized areas in Tuolumne County as designated by the US Census. Therefore, PUC 99270.1 does not apply to TCTA services.

6. Public Utilities Code Section 99266 requires that TCTA's operating budget not increase by more than 15 percent over the preceding year, and no substantial increase or decrease in the scope of operations or capital budget provisions for major new fixed facilities be realized unless the operator has reasonably supported and substantiated the change(s). See Table 1 for actual operating costs between Fiscal Years 2022-23 and 2024-25. During the Audit period, annual operating costs for all TCTA services did not increase by more than 15 percent over the preceding year, and significant service changes were substantiated.
7. TCTA's definition of performance measures is consistent with Public Utilities Code Section 99247.
8. As the TCTA service area is located within a rural area, TCTA is not subject to a 20 percent farebox ratio requirement.
9. TCTA met the minimum 10 percent farebox ratio requirement for rural transit services for all fiscal years.
10. In reference to PUC Section 99271, TCTA offers a retirement plan to its transportation employees through the California Public Employees Retirement System (PERS). As of June 2024, reports show that the CalPERS responsibilities were only around 70 percent funded. CalPERS is taking steps to increase the funded status, such as shortening the amortization period and adopting new strategic asset allocation. Additionally, as referenced above, GASB 68 and 75 now requires employers to show the pension and OPEB liabilities on their balance sheets instead of in the footnotes. This is a way of forcing employers (including cities, counties, and joint powers authorities) to recognize their share of the state's unfunded liability in hopes that the employers take more interest in having these liabilities paid off.
11. Despite the changes to the balance sheets, actuarial valuations performed by CalPERS assume that the amortization period for the unfunded liability for CalPERS is 30 years or less. Therefore, the retirement system will be funded within 40 years, per PUC 99271.
12. In accordance with California Code of Regulations Section 6754(a)(3), TCTA makes full use of funds available to it under the Urban Mass Transportation Act of 1964 and its successors (in particular, FTA Section 5311 Non-Urbanized Area Formula Program funds) before TDA claims are granted. During the audit period, TCTA received funding from a variety of sources for planning and operating expenses in addition to TDA, including FTA and LCTOP funds.

STATUS OF PRIOR AUDIT RECOMMENDATIONS

The previous audit was completed by LSC Transportation Consultants, Inc. in 2023. The status of recommendations from that effort are enumerated below.

Recommendation 1: Procure separate accounting services outside the County Auditor in order to have greater knowledge of and control over TCTC/TCTA accounting data.

Implementation In-Progress: Separate accounting services were not procured during the audit period; however, in early FY 2025-26, TCTC/TCTA entered into a contract with an external accounting firm to provide external accounting services for TCTC/TCTA. This is a significant step towards ensuring that the required information is made available to complete delinquent and future Fiscal and Compliance Audits. A follow-up recommendation has been made by the auditor related to the procurement of external accounting services.

Recommendation 2: If the farebox recovery ratio falls below the 10 percent TDA requirement, consider allowances made by AB 149 (2021).

Implementation Complete: TCTA has consistently maintained a farebox ratio above 10 percent and is aware of allowances made by AB 149.

Recommendation 3: Review and update marketing of Dial-A-Ride services on the TCTA website.

Implementation Complete: Dial-Your-Ride has a prominent section in the website dropdown menu with a clear visual of service area, phone number, and other information.

Recommendation 4: Continue to monitor on-time performance systemwide with the goal of meeting on-time performance standards.

Implementation In Progress: On-time performance has continued to fall below the standard set in the operations contract over the audit period; however, TCTA continues to monitor and make schedule changes as necessary to better align the schedule with actual route performance. A follow-up recommendation has been made by the auditor.

DETAILED REVIEW OF TRANSIT OPERATOR FUNCTIONS

This section presents a review of the various functions of TCTA. In general, transit operator functions can be divided into the following areas:

- General Management and Organization
- Service Planning
- Scheduling, Dispatch, and Operations
- Personnel Management and Training
- Administration
- Marketing and Public Information
- Maintenance

General Management and Organization

TCTA is a Joint Powers Authority formed between Tuolumne County and the City of Sonora and shares staff and board of directors' membership with the TCTC. TCTC/TCTA staff generally consists of an Executive Director, an Executive Assistant to the Director, a Senior Administrative Analyst, and a Transit Planner (I/II). Over the course of the audit period, each staff member allocates various proportions of his/her time to RTPA or transit operator job duties. On the TCTA side, the Executive Director acts as the Transit Manager and is responsible for ensuring that public transit services are run efficiently and in accordance with TDA rules and TCTA goals and objectives. The Senior Administrative Analyst is responsible for the budget and other fiscal and legal matters. The Transit Planner I/II assists with certain capital purchases and vehicle replacement. Lastly, the Assistant to the Executive Director assists with ADA certification, manages the TRIP mileage reimbursement program, and other similar transit-related duties. The allocation of staff time to TCTA versus TCTC has increased slightly since the last audit period due mainly to staff time spent preparing for the transition to zero-emission buses.

TCTA employed between 2 and 3 FTEs during the audit period. The transit contractor employed between 19 and 20 full-time equivalent employees (per performance auditor calculations). Per Storer conversations, this includes: 1 General Manager, 1 Assistant Manager, 2.5 FTE Dispatch, 1 Operations, 1

Scheduling, 0.5 FTE Customer Service Representative, between 12-15 FTE Drivers, 2.5 FTE Mechanics, 0.5 Utility/Bus Washer, and 0.5 FTE Safety & Training Manager. This level of staffing remains relatively similar to the last audit period. The General Manager is responsible for the administration of all operations and personnel and reports to the TCTA Executive Director.

Administrative Oversight

TCTA has an appropriately well-defined program of administrative oversight. It regularly receives, reviews, and acts upon performance and financial information. The Transit Planner I/II prepares detailed operating reports, which the Executive Director reviews at least monthly and more frequently if warranted. Storer's General Manager prepares these reports, and the Transit Manager does an annual report to the Board

The Executive Director meets with the transit planner and administrative staff once a week. TCTA staff are in communication with contractor staff at least weekly, sometimes daily. Overall, TCTA and Storer have a well-developed set of operating standards and procedures to make the transit system effective and efficient. Given the size of the transit program, TCTA's internal organization structure is appropriate. Lines of reporting are clearly defined and appropriate.

Recent Program Changes and Innovations

Over the current audit period, TCTA made a few adjustments to transit service to better meet passenger needs, attract choice riders, and respond to post COVID-19 conditions:

- After being added in August 2022, the Groveland Columbia Connect route was discontinued in June 2025 due to low ridership.
- During the audit period, TCTA took over management of Silver Streak, a non-emergency medical transportation service, from Area 12 Agency on Aging. Now branded Golden Years Transit, TCTA has expanded its ability to provide for the transportation needs of those who cannot use TCTA's regular services.

Communication with Other Government Agencies

The Executive Director/Transit Manager acts as an intergovernmental liaison within TCTA. TCTA has, in the past, jointly prepared grant applications with other nearby transit agencies such as Calaveras and Amador Counties. Other collaborating efforts with other government agencies include becoming a voting member of YARTS in FY 2020-21.

Service and Strategic Planning

The effectiveness of a transit system is highly dependent upon the continued development of short- and long-range transit plans. TCTC is currently in the process of updating the Short-Range Transit Plan (SRTP) and Coordinated Public Transit Human Services Transportation Plan for Tuolumne County and is expected to be completed by Summer 2026.

In terms of strategic planning, TCTA has set clear, reasonable goals and objectives in its previous SRTP and Strategic Plan. During the completion of this audit, LSC Transportation Consultants hosted a Strategic Planning Workshop to update the vision of the 2021 TCTC and TCTA Strategic Plan. Through the workshop, the following top three prioritized focus areas were identified for the TCTA.

TCTA Top Priority Focus Areas:

- Acquisition of a transit operations and maintenance facility as a long-term investment and strategy for fiscal stability
- Expanding service to new areas, including both in-county and out-of-county connections
- Focusing on transit system improvements that increase ridership

Operations reports and ridership analysis are reported to the TCTA Board semi-annually. Operations reports are frequently reviewed internally, and an annual performance report is prepared by the Transit Planner I/II.

TCTA staff try to coordinate with City/County planners regarding transit issues and new project development. TCTA staff indicated that development is anticipated to predominantly occur on the western side of Tuolumne County in the future.

Evaluation of Existing Fixed Routes

Each month, the Executive Director receives and reviews a comprehensive report from the contractor. The report includes daily ridership by day, by route, and by fare revenue type, fuel usage, maintenance paperwork, and on-time performance. TCTA staff input contractor data into spreadsheets, which are linked to performance measure charts for each fiscal year. TCTA and the Storer General Manager speak weekly and have a good working relationship. In an effort to keep current with any transit-related issues, the Transit Planner will occasionally listen to the transit radio during the day.

On-board and community surveys were most recently conducted as part of the 2025 SRTDP update. TCTA and contractor staff are continually reviewing on-demand stop patterns and amending permanent/on-demand stops as justified.

Planning For and Serving Special Transportation Needs

All of TCTA's active fleet of 22 revenue vehicles are wheelchair accessible. TCTA DAR serves as the ADA-complementary paratransit service for fixed routes. DAR is offered the same hours and days and within a three-quarter-mile radius of the fixed routes, as required by ADA. Discounted fares for veterans, seniors, Medicare recipients, ADA-eligible clients, and students are part of the fare structure on the fixed routes, although all services were fare-free for most of the audit period.

During the audit period, TCTA took over management of Common Ground's Silver Streak, a non-emergency medical transportation service. Now branded Golden Years Transit, TCTA has expanded its ability to provide for the transportation needs of those who cannot use TCTA's regular services. Area 12 Agency on Aging administers Title IIB funding for the program.

Public Participation

All TCTA meetings are open to the public and are conducted in an accessible facility per the requirements of the Americans with Disabilities Act (ADA). TCTA conducts public meetings prior to making major service changes. Public meetings are held at the Board of Supervisors Chambers, with virtual attendance options provided as well. Meeting agendas and minutes are accessible on the TCTA website (Tuolumnecountytransit.com). In addition, TCTA staff are continually looking for and receiving input through the website, dispatchers, and outreach to community groups, colleges, human service agencies, and the local tribes. The TCTA Social Services Transportation Advisory Council (SSTAC), the TCTC Technical Advisory Committee (TAC), and the Citizens Advisory Committee (CAC) also act as an important conduit for soliciting public input. Efforts to update strategic documents, such as the SRTP, also act periodically as ways to gather important public input.

Scheduling, Dispatch, and Operations

This functional area concerns the short-term scheduling of routes, drivers, and vehicles, the daily coordination and assurance that each customer is served, and the specific function of providing transportation service.

On-time performance is evaluated herein as specific goals for this indicator are included in the current contract with Storer. Per the current contract, on-time performance is defined as a bus departing no more than 5 minutes late from any scheduled stop or dial-a-ride window time and not leaving any point prior to the scheduled departure time. On-time performance for the combined fixed routes for the audit period was 76.8 percent (FY 2022-23), 91.5 percent (FY 2023-24), and 71.6 percent (FY 2024-25). On-time performance for DAR was significantly higher at 80.3 percent, 83.7 percent, and 92.5 percent during the same time frame. These figures fall below the stated goal of 95 percent on-time performance.

Assignment of Drivers to Routes

TCTA drivers are appropriately certified and trained for the types of vehicles operated. Most drivers can drive all routes. Drivers are assigned to routes and types of vehicles for which they are certified, most proficient, and most comfortable. There is no driver bid process, but seniority and their internal points system play a role in driver route assignments. Generally, drivers keep the same shifts, but if schedule adjustments are made, drivers are assigned routes based on their strengths, skills, and experience. This has not changed since the prior audit period.

Assignment of Passengers to Demand Responsive Routes

During the audit period, Storer switched from using StrataGen to VIA software for all of their scheduling and DAR dispatch. Reservations are recommended to be made at least one day in advance. Same-day ride requests (at least one hour in advance) are accommodated on a space-available basis only. Subscription service is available to passengers with recurring appointments, so long as they do not present any capacity constraints for other qualified passengers. Subscription passengers make up about 45 percent of total DAR passenger trips.

VIA allows schedulers to easily access a database of passenger information and sort passenger-trip requests geographically. Current Dial-A-Ride reservation and cancellation policies, including a clear “no show” policy, is available on the website or by contacting TCTA. TCTA has established an ADA eligibility certification process which complies with federal regulations.

Part-time and Cover Drivers

Most Storer drivers are full-time. One driver has other job responsibilities and drives part-time to cover shifts when needed. The Storer Employee Handbook details policies regarding benefits and leaves of absence, and new employees are required to read and sign every Storer transportation policy and procedure memo prior to beginning work. Operations staff are in constant communication with drivers.

Personnel Management and Training

Recruiting

Storer recruits through a variety of means, including the Union Democrat, Indeed, the Tuolumne County website, and the My Motherlode website. As Storer continuously advertises and accepts applications regardless of whether there is a position available, there is usually a pool of qualified applicants available for hire. After completing an extensive application, qualified recruits are contacted for interviews with the General Manager and the Storer President. Storer is willing to hire individuals without experience and provide training. New drivers must pass a probation period of 90 days. There was some driver turnover during the audit period, but Storer was able to fill vacant positions without much delay. Unlike many transit operators during this audit period, Storer has not had significant issues finding and retaining drivers. Storer conducts driver performance evaluations annually.

Motivation

Storer develops a positive and negative point system to provide motivation for employees. The General Manager will assess negative points for preventable accidents or policy violations, such as leaving a messy bus. Positive points can be assessed for various reasons at the discretion of the General Manager. At the end of the year, drivers with no net negative points receive a bonus. Storer also has an employee of the month/year program that recognizes exemplary employees with a gift card and recognition at board meetings. Storer conducts quarterly employee appreciation BBQs.

All wages were increased when Storer renewed its contract amendment with TCTA in 2024. Recently, sick leave policies have been updated to 40 hours per year to match new State requirements. Vacation and absence policies have not changed since the last audit period.

Training and Safety

Both new and experienced TCTA drivers are trained at the Storer Modesto facility for a portion of the initial classroom and behind-the-wheel training. A certified trainer is newly available on-site at the transit facility in Sonora, enabling a portion of driver training to occur on-site. Storer holds an annual mandatory transit workshop training day for all employees at the Modesto facility in addition to holding winter driving training in Sonora. Storer’s Employee Handbook details its formalized employee discipline program. All safety-sensitive employees are covered by Storer Transit’s Drug and Alcohol Testing Policy, which appears to meet all applicable state and federal requirements. The Storer Employee Handbook was recently updated, as was the Drug and Alcohol Policy. Storer Transit Systems has adopted an Equal Opportunity Employment Policy.

Administration and Operations

Budgeting and Management Information Systems

TCTA has a reasonably well-developed budget and reporting system that is appropriate to the size and scope of the transit program. The Senior Administrative Analyst prepares the budget, and the Executive Director reviews and approves it prior to presentation to the board. The TCTA Board must approve substantial changes in the budget and/or spending. During this audit period, there were no substantial excesses in the budget.

Financial and Grants Management

Various staff prepare grant applications and handle grant administrative duties, depending on the type of grant. FTA grants are typically managed by the Transportation Planner. During the audit period, TCTA did not lose a grant due to negligence or improper procedure. In addition to recurring grants, TCTA has been successful over the years in obtaining LCTOP funding, as well as an FTA 5310 grant.

Risk Management and Insurance

Regarding insurance, the contractor must maintain liability insurance of at least $10 million. TCTA has additional insurance through the County's California State Association of Counties (CSAC) Excessive Insurance Authority policy. Storer has established procedures for processing and investigating accident/injury claims with an emphasis on correcting the situation so that the accident will not occur again. Storer has high standards for what is considered a "preventable" accident. In terms of risk management, Storer has a sound Code of Safe Work Practices in place.

In 2012, TCTA developed the Transportation Emergency Operations Plan, a guide to all transportation providers in the region during an emergency. The plan complements the 2012 County Emergency Operations Plan. The plan defines different types of emergencies, assigns responsibilities, and sets forth communication procedures for providing transportation. The plan has worked well during forest fire disasters, but provides little guidance for a pandemic. TCTA would like to update this section going forward.

TCTC recently completed the Tuolumne County Evacuation Needs Assessment and Communication Strategies study in 2023, which included the identification of specific improvements to increase roadway capacity and relieve congestion in the event of an evacuation.

Safety

Accidents/incidents are summarized in the cover letter of the contractor's monthly report as well as discussed in person. Storer has a strong accident response process in place. A company-wide panel annually reviews each accident and makes a group determination as to whether the accident was "preventable." Drivers are invited to attend the meeting and learn from the experience.

Storer has a designated full-time Safety Officer who is responsible for overseeing all safety practices. The Safety Officer periodically follows drivers while working to evaluate safety practices. After an accident, a driver must be retrained before being allowed on the road again.

Contract Management

TCTA employs a transit contractor, Storer Transit Systems, for the operation of both fixed route and DAR service. The current contract with Storer has been amended several times during the auditing period. Both TCTA staff and Storer staff indicated that there is a good working relationship between the two entities and that they were satisfied with the level of communication.

Facility Management

The TCTA operations and maintenance facility is located at 13033 Sanguinetti Road in Sonora. The facility lease was renewed in July of 2022 and was extended to an eight-year lease plus the option of a one-year extension. Two electric vehicle chargers have been installed at the facility and are currently in use. TCTA's facility management, as well as bus stop maintenance and repair, are provided by the County Facilities Management Department. Although there is a good relationship with the landowner, not owning the operations and maintenance facility does represent a long-term risk for the transit operator, particularly if the landowner changes.

The Transit Center is located off of Old Wards Ferry Road in Sonora on the opposite side of SR 108 from the Crossroads Shopping Center. It includes both indoor and outdoor waiting areas, Wi-Fi, restrooms, bicycle racks, and real-time bus arrival information. During the audit period, the indoor portion of the transit center was closed to the public due to a reduction in service and an increase in misuse. It has since been reopened but continues to pose challenges in safety and maintenance.

Procurement

TCTA follows a purchasing policy which is compliant with FTA rules and regulations. All large capital items are procured competitively according to the County procurement policy. All financial duties are performed by TCTA or County staff. TCTC/TCTA updated its procurement policy during the audit period. TCTA competitively procures fuel from Hunt & Sons.

Maintenance

The operations contractor performs fleet maintenance at the TCTA maintenance facility. TCTA has a good preventive maintenance schedule in place that meets the requirements of the bus manufacturers. The maintenance facility includes two maintenance bays, a mobile lift, a wash bay, and a small office space for the mechanics. Parts inventory is organized and sufficient so as to limit downtime for vehicles. Safety procedures are in place to keep non-maintenance personnel away from vehicle maintenance areas. All vehicles are parked in a fenced lot at the operations and maintenance facility on Sanguinetti Road. CHP inspections for the audit period show a satisfactory rating for TCTA’s terminal inspection.

Upon identifying a safety defect during a pre-trip inspection, any driver or dispatcher has the authorization to complete a maintenance order, which is forwarded to the senior mechanic. Overall, TCTA has a good procedure in place for prioritizing and tracking repairs, and during the audit period, there was no backlog of repairs or preventative maintenance that disrupted service. There is good communication between mechanics and dispatchers with respect to maintenance.

Vehicle Condition

TCTA has a fleet of 22 active revenue vehicles. The average age of the fleet is 12 years, and the average vehicle mileage is 130,000. During the audit period, TCTA was proactive with vehicle replacement to ensure the safety of the transit system and limit disruption in service due to vehicle repairs.

Marketing and Public Information

Public Information

The TCTA website is a good source of route and schedule information, as well as a portal to provide input. In addition to its website, Facebook, and Twitter, TCTA conducts targeted outreach to social service agencies, Columbia College, and tribal entities.

Marketing

TCTA has a robust marketing and outreach program. TCTA has continued to expand its social media presence, specifically with the goal of promoting ridership among a younger demographic. Paper schedules and flyers are distributed at local businesses, hotels, and social service agencies. The General Manager for the operations contractor participates in community events to promote public transit.

The majority of passenger complaints and compliments are received directly by TCTA staff through the website comment form. A summary of customer complaints received by the contractor is included in the cover letter of the monthly performance report to the TCTA staff. TCTA and contractor staff discuss major issues stemming from complaints in person on a regular basis. TCTA's Title VI Program is well defined, and the document is available to the public on its website.

One important marketing aspect is the passenger's perception of the public transit system's reliability. This is often measured in terms of on-time performance. As discussed above, TCTA has developed an on-time performance standard for fixed route and DAR services and evaluates this standard monthly.

Section 3
CONCLUSIONS AND RECOMMENDATIONS

The Auditor's analysis of TCTA indicates that, in terms of operations, the system was efficiently run and well managed during the audit period. Overall, TCTA adheres to TDA laws and regulations in an efficient and effective manner and is in compliance with TDA rules and regulations with a few exceptions. TCTA has a well-rounded public transit system as it offers public transit services to both the transit-dependent and choice riders through special event services. The following is a summary of the auditor's findings and recommendations:

FINDINGS

- Ridership steadily increased 17.6 percent over the course of this audit period (FY 2022-23 to FY 2024-25).
- Reliability of transit service, as measured in terms of on-time performance, continued not to meet the TCTA target throughout the audit period, particularly on the fixed routes; however, efforts are being made to improve this metric. Some of this may be attributed to roadway improvement projects, which are out of TCTA's control.
- The auditor was unable to obtain copies of the completed State Controller Reports for all three audit years. However, a cover page was found for the submittal of FY 2022-23, indicating it was submitted in August 2024. TCTA staff find it extremely challenging to obtain copies of the reports from the County Auditor.
- Per the State Controller's Office website, the State Controller Reports for two of the three fiscal years were submitted well past the deadline. As this Audit was being completed, FY 2024-25 has not been submitted.
- On-time submittal of the Fiscal and Compliance Audits remains an issue of significant concern. The auditor was not able to obtain a copy of the Fiscal and Compliance Audit for any fiscal year, and the repeated tardiness of submittal has resulted in withholding of STA funds from TCTA by Caltrans.
- TCTA maintained the required systemwide farebox ratio of 10 percent or better for all years of the audit period.
- TCTA continued its service fare-free during the audit period, utilizing LCTOP funds as an equivalent revenue source, calculated at the full value of fares for each service.
- TCTA and the contractor continue to have an effective working relationship.
- Productivity on the combined fixed routes ranged from 4.2 to 5.6 one-way passenger trips per hour during the audit period. This is below the industry standard of 6-7 passenger-trips per hour for a rural fixed route service. DAR saw a slight increase in productivity from the previous audit period to between 3.3 to 4.3 passenger-trips per hour, exceeding the industry standard of 2 trips per hour.
- Systemwide operating costs per trip of $31 to $35 during the audit period are less than similar transit agencies, as costs have increased significantly for many small transit agencies.

- Performance reports show that Calaveras Transit Agency saw operating costs per trip range from $41 to $56 during this audit period. Plumas Transit Systems saw an increase from $55 to $70 per trip during the audit period.

RECOMMENDATIONS

The auditor has the following recommendations, which relate to the TDA.

Recommendation 1: Continue efforts to procure permanently separate accounting services outside the County Auditor in order to have greater knowledge of and control over TCTA accounting data and to ensure timely completion of Fiscal and Compliance Audits.

As noted throughout this report, Fiscal and Compliance Audits have not been completed over the previous and existing audit period because the Fiscal Auditor is unable to obtain financial data from the County Auditor. TCTC and TCTA staff are not the keepers of this information and can only act as the middleperson between the Auditor's office and the Fiscal Auditor. The Tuolumne County Auditor has many responsibilities, as the Auditor oversees financial books for all county departments in addition to providing accounting services for TCTC and TCTA. In rural areas, county auditors are often understaffed, and public transit is not always the top concern.

Chronic failure to complete Fiscal and Compliance Audits in a timely manner has led to the withholding of STA funds from TCTA by Caltrans beginning in FY 2020-21. In the past, TCTA has been allocated anywhere from $400,000 to $650,000 STA funds each year. In total, at least $2 million in STA funds have been withheld from TCTA. These funds can be used for both operating and capital purposes.

As of FY 2025-26, TCTC and TCTA staff are actively working with an external accounting and fiscal auditing firm to complete delinquent fiscal audits. FY 2019-20 and FY 2020-21 have been issued and sent to the State Controller's Office. The FY 2021-22 will be submitted in May, with another audit complete each month until they are caught up in early Fall 2026. As of this report, the State Controller's Office has already released the first year's worth of withheld funding. From there, the audits will continue to be submitted in chronological order until they are caught up to the present fiscal year.

Due to this long-unresolved and financially harmful issue, TCTA should continue working with TCTC to procure permanently separate accounting services outside of the County Auditor. Other transit agencies and RTPAs have found that contracting a private accounting firm to provide accounting services can be more reliable by reducing the delays associated with County Auditors reporting to the State Controller, and for Fiscal and Compliance Audit purposes. This scenario could also allow TCTA to have greater access to financial information and, therefore, a better understanding of what funds are actually available for use.

Recommendation 2: Consider designating TCTA as a Consolidated Transportation Services Agency (CTSA).

TCTA, as the sole public transportation provider in Tuolumne County, provides general transit services that benefit elderly and disabled persons through its public Dial-A-Ride and specialized services for elderly persons through its Golden Years Transit program, through a funding agreement with Area 12 Agency on Aging.

Although TCTA appears to provide these services effectively as is, TCTA should explore an official CTSA designation, as doing so could provide the following benefits to TCTA, as well as to TCTC:

- A CTSA is legally able to claim additional and separated funds through the TDA LTF claims process under Article 4.5 (up to 5 percent of remaining TDA funds pursuant to PUC 99233.7).
- Designating funds for a CTSA provides for a more secure funding source to provide, coordinate, and manage specialized services for elderly and disabled persons, as Article 4.5 is allocated prior to Article 4 (used by TCTA for transit operations) or Article 8 (streets and roads).
- Provides a basis for accounting separately for the cost of trips and services provided under the CTSA as opposed to TCTA general transit services.

In practice, TCTA should consider the following:

- TCTA would be required to follow the steps outlined in Article 7 – Consolidated Transportation Services Agencies (CCR Section 6680) of the TDA Handbook.
- TCTA would be required to develop an Action Plan pursuant with Government Code Section 15975.
- TCTA should update its Transportation Development Act Procedures Guide to reflect the new designation of a CTSA.

Recommendation 3: Continue to monitor on-time performance systemwide with the goal of meeting on-time performance standards.

During the current audit period, on-time performance dropped below the TCTA on-time performance standard. Discussion with TCTA staff and Storer indicated that this is likely a result of route deviations and roadway traffic. While Storer and TCTA staff have worked to restructure schedules that better accommodate these challenges, TCTA staff should continue to monitor on-time performance and seek ways to improve this percentage to meet the on-time performance standard as defined by the current contract with Storer. Efforts to evaluate and improve on-time performance will promote higher passenger satisfaction with the service.

Recommendation 4: Track and accurately report Full-Time Equivalent (FTE) Employees to the State Controller in accordance with the definition outlined in PUC 99247(j).

During the audit period, there was a significant disparity between the FTE count reported in the one State Controller Report available (FY 2023-24) and the calculations conducted by the Auditor using internal data. No official FTE counts were available for the other audit years. TCTA should track and accurately report FTEs in accordance with the following definition outlined in PUC 99247(j):

> *"Transportation system-related hours worked by persons employed in connection with the public transportation system (whether or not the person is employed by the operator, for example, a city accounts payable person whose time is partly charged to transit operations). Such persons include contractor staff. A Full-Time Equivalent employee count can be calculated by dividing the number of person-hours worked by 2,000."*

- The total number of hours worked by TCTA staff on transit-related items (including administration and maintenance) and total contractor hours should be totaled and divided by 2,000.

During the previous audit period, TCTA maintained an Excel spreadsheet tracking tool that accurately calculated total hours worked on transit. TCTA is encouraged to utilize such a spreadsheet tool to accurately track and calculate FTEs.

The Auditor has the following recommendations that do not relate to TDA compliance.

Recommendation 5: Update the TCTA website to remove fare information.

TCTA was fare-free throughout the audit period (FY 2022-23 through FY 2024-25). It is recommended that fare information be removed from the website so as not to mislead current and potential passengers.

Recommendation 6: Revise the Standards in Operating Contract to be better representative of transit performance for rural transit systems.

The current transit operating contract with Storer references multiple performance standards. The contract also identifies “liquidated damages,” which could be assessed if standards are not met. Although holding the operating contractor to high standards is commendable, some of the performance standards mentioned in the contract are not likely attainable for a rural transit operator such as TCTA. The auditor has the following recommendations with respect to changes to performance standards in the transit operating contract:

- Productivity Standard: Dial-A-Ride productivity shall not fall below 3.5 passenger trips per service hour for two consecutive months and shall not drop below 3.0 passengers in any single month. The contractor is expected to maintain an overall average above 4.0 passengers per hour, and anything above 5 passengers per hour is considered a preferred level of productivity.

  The industry productivity standard for rural Dial-A-Ride systems is around 2 passenger-trips per vehicle service hour. Some Dial-A-Ride systems, which carry a high number of trips for social service programs, can reach the 4.0 passengers per hour level of productivity. However, the number of programs in Tuolumne County needing transportation is out of the contractor's hands. This standard was likely implemented to ensure that the contractor grouped regular DAR trips as frequently as possible. Discussions with staff indicate that efforts are made to do this using dispatch software. A more reasonable standard would be a minimum of 2.0 trips per hour.
- Farebox Ratio Standard: The farebox recovery ratio shall not fall below 10 percent for any single month and shall not fall below 12% for two consecutive months for either Fixed Route or DAR services. The Contractor is expected to maintain at least 15% combined farebox recovery ratio, and anything above a 25 combined farebox recovery ratio is considered exceptional.

Farebox ratio is generally defined as fare revenues divided by operating costs. The required minimum farebox ratio on a systemwide level per TDA is 10 percent for rural areas, making this standard above and beyond what is required for full TDA eligibility. Further, TDA allows for a variety of operating cost exclusions and revenue additions when the farebox ratio is officially calculated by the Fiscal Auditor. In recent years, there has been a developing trend to offer fare-free service as a way of encouraging public transit ridership and meeting state greenhouse gas emission goals. Lastly, the recent trends which have contributed to a decline in ridership are out of the control of the transit contractor. For these reasons, it is recommended that the farebox ratio standard not be included in the next operating contract.

These recommendations do not purport that productivity and farebox performance standards should not be considered in overall transit planning. Performance standards should still be used to evaluate the effectiveness of existing and proposed transit services, and can be a good tool to determine if routes should continue or be discontinued. Holding a transit contractor accountable to unrealistic standards is not effective.