

FY 2011-2013 TRIENNIAL PERFORMANCE AUDIT OF HUMBOLDT TRANSIT AUTHORITY (HTA)



SUBMITTED TO
HUMBOLDT COUNTY ASSOCIATION OF GOVERNMENTS



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SUBMITTED BY



TABLE OF CONTENTS

Section I.....	1
Introduction	1
Overview of the Transit System.....	1
Section II.....	7
Operator Compliance Requirements.....	7
Section III.....	14
Prior Triennial Performance Recommendations	14
Section IV	17
TDA Performance Indicators.....	17
Section V	26
Review of Operator Functions	26
Operations	26
Maintenance	27
Planning	30
Marketing.....	31
General Administration and Management	31
Section VI	33
Findings	33
Recommendations	36

Section I

Introduction

California's Transportation Development Act (TDA) requires that a triennial performance audit be conducted of public transit entities that receive TDA revenues. The performance audit serves to ensure accountability in the use of public transportation revenue.

The Humboldt County Association of Governments (HCAOG) engaged PMC to conduct the Transportation Development Act (TDA) triennial performance audit of the public transit operators under its jurisdiction in Humboldt County. This performance audit is conducted for the Humboldt Transit Authority (HTA) covering the most recent triennial period, fiscal years 2010-11 through 2012-13.

The purpose of the performance audit is to evaluate the HTA's effectiveness and efficiency in its use of TDA funds to provide public transportation in its service area. This evaluation is required as a condition for continued receipt of these funds for public transportation purposes. In addition, the audit evaluates the HTA's compliance with the conditions specified in the California Public Utilities Code (PUC). This task involves ascertaining whether the HTA is meeting the PUC's reporting requirements. Moreover, the audit includes calculations of transit service performance indicators and a detailed review of the transit administrative functions. From the analysis that has been undertaken, a set of recommendations has been made which is intended to improve the performance of transit operations.

In summary, this TDA audit affords the opportunity for an independent, constructive and objective evaluation of the organization and its operations that otherwise might not be available. The methodology for the audit included in-person interviews with management, collection and review of agency documents, data analysis, and on-site observations. The *Performance Audit Guidebook for Transit Operators and Regional Transportation Planning Entities* published by the California Department of Transportation (Caltrans) was used to guide in the development and conduct of the audit.

Overview of the Transit System

The Humboldt Transit Authority (HTA) was established in 1975 under a joint-powers agreement between the cities of Arcata, Eureka, Fortuna, Rio Dell and Trinidad and the County of Humboldt. HTA is the primary intercity public transit system in the county, providing a fixed-route trunk service along the U.S. 101 Corridor as well as an extension to Willow Creek along Highway 299. HTA also provides both intercity and local transit service in the southern portions of the county. In addition, HTA operates intra-city fixed-route service in the City of Eureka, and provides maintenance service to the Arcata & Mad River Transit System (A&MRTS), both under separate contracts. Demand response services provided in Arcata, Eureka and McKinleyville are administered by and coordinated through HTA. HTA is headquartered in the City of Eureka.

A demographic snapshot of the cities and the County within the HTA service area is presented below in Table I-1:

**Table I-1
HTA Service Area Demographics**

City/Jurisdiction	2010 US Census Population	Change from 2000 US Census	Population 65 years & older	Land area (in square miles)
Arcata	17,231	+3.3%	8.17%	9.10
Blue Lake	1,253	+10.4%	10.14%	0.59
Eureka (County Seat)	27,191	+4.1%	11.82%	9.38
Ferndale	1,371	-0.8%	22.47%	1.03
Fortuna	11,926	+13.6%	17.32%	4.85
Rio Dell	3,368	+3.9%	13.15%	2.28
Trinidad	367	+18.0%	19.35%	0.49
Total Humboldt County	134,623	+6.4%	13.17%	3,572.49

Source: 2010 U.S. Census

The city of Eureka is the county seat and largest city. The county and incorporated cities experienced modest growth between the 2000 and 2010 U.S. Census. Trinidad saw the highest percentage increase in population followed by Fortuna and Blue Lake. The senior citizen population, comprised of residents aged 65 and over is 13.17 percent countywide. The 2014 population for Humboldt County is estimated to be 134,648 as reported by the State Department of Finance.

Agriculture, fisheries, forestry, education, government services and tourism are mainstays of the local economy. Major highways traversing Humboldt County include U.S. Highway 101 (US-101) and State Routes (SR) 36, 96, 169, 200, 211, 254, 255, 271, 283 and 299. US-101 is the main north-south highway connecting Humboldt with Mendocino County to the south and Del Norte County to the north. US-101 also serves as HTA's major trunk route linking major cities and towns between Garberville and Trinidad. SR-299 runs east-west connecting U.S. 101 in Arcata with the county's interior communities and Redding in the upper Sacramento Valley. SR-36 also runs in an east-west direction connecting U.S. 101 just south of Fortuna with Red Bluff in the Sacramento Valley.

System Characteristics

HTA is comprised of several branded fixed-route services that operate along the U.S. 101 corridor including Redwood Transit System (RTS) and the Southern Humboldt Transit System (SHTS). The largest of these branded services is RTS which features north-south commuter route along the U.S. 101 Corridor as well as a route along the State Route (SR) 299 corridor between Arcata and Willow Creek called the Willow Creek Extension.

The Southern Humboldt Transit System is comprised of an intercity service connecting Eureka and Garberville as well as a local deviated fixed-route service. Prior to the introduction of the Southern Humboldt Transit Service, HTA operated the Quail Senior & Disabled Bus Service,

which provided lifeline service in the Garberville/Redway area as well as service to Eureka and Fortuna. The City of Eureka contracts with HTA to operate the Eureka Transit Service (ETS). The Arcata/McKinleyville & Corridor Dial-a-Ride/Lift (DAR/L) and Eureka DAR/L are administered by HTA and contracted with City Ambulance of Eureka (CAE) for operations. ETS fixed route and DAR/L operations are discussed separately in the audit report for the City of Eureka.

RTS Mainline: The RTS mainline service operates between the cities of Scotia and Trinidad. Headways range from 30 minutes in the heaviest traveled route sectors (between Humboldt State University and College of the Redwoods) to two hours. Destinations served include Scotia, Fortuna, Fernbridge, College of the Redwoods, Fields Landing, King Salmon, Eureka, Arcata, Humboldt State University (HSU), McKinleyville, Arcata-Eureka Airport and Trinidad. Hours of operation range between 6:00 a.m. and 10:00 p.m. Monday through Friday; between 8:30 a.m. to 7:30 p.m. on Saturdays; and between 8:30 a.m. and 7:13 p.m. on Sundays. Sunday service was implemented in November 2012. RTS does not operate on the following major holidays: New Year's Day, Independence Day, Thanksgiving and Christmas. Saturday service schedules operate on other major holidays.

RTS Willow Creek: RTS operates a lifeline commuter service between the community of Willow Creek and the Arcata Transit Center. Four westbound and three eastbound trips are operated between 6:30 a.m. and 7:40 p.m. Monday through Friday; and between 8:25 a.m. and 7:45 p.m. on Saturdays. Saturday service was implemented in July 2012. One eastbound trip originates in McKinleyville. Each trip between Arcata and Willow Creek averages one hour in duration. Once in Arcata, passengers can transfer onto local or regional buses at the transit center.

Southern Humboldt Transit System – Intercity: This service connects the southern Humboldt County communities of Garberville, Redway, Phillipsville, Miranda, Myers Flat and Weott with Eureka and provides connections to other HTA services. Five northbound and four southbound trips are operated Monday through Friday from 7:00 a.m. to 8:30 p.m.

Southern Humboldt Transit System – Local Deviated Fixed Route: This service operates between the southern Humboldt communities of Garberville, Redway, Phillipsville and Miranda. In addition, there are several stops in Garberville and Redway, one stop in Phillipsville and one stop in Miranda. Six northbound and six southbound local deviated trips are operated Monday through Friday from 7:20 a.m. to 8:30 p.m.

Dial-a-Ride

HTA administers the demand response service contract on behalf of the cities of Arcata and Eureka and the County of Humboldt. Dial-a-Ride service is provided within the city limits of Eureka and Arcata, in the unincorporated community of McKinleyville, and along the U.S. 101 corridor between Arcata and Eureka. DAR/L is available to seniors and disabled persons who are unable to use fixed-route bus transit services and live within $\frac{3}{4}$ miles from a bus route. Rides are scheduled 24 hours in advance with real time reservations accepted on a space available basis. Dial-a-Ride operates Monday through Friday between the hours of 6:00 a.m. and 7:00 p.m. and

Saturday between 7:30 a.m. and 5:30 p.m. HTA is responsible for printing and verifying tickets, determining rider eligibility, marketing, and ticket sales. Prior to July 2012, Dial-a-Ride tickets were \$2.80 each and \$16.80 for a strip of six. In July 2012, Dial-a-Ride tickets were raised to \$3.00 each and \$18.00 for a strip of six. Tickets are available for purchase at Eureka City Hall, Arcata Transit Center, HTA, and the Senior Resource Center.

Fares

HTA’s fares are structured accordingly to service type, passenger categories and fare media. Fares were previously structured based on a zonal system. New transit pass products are available as a result of new electronic fareboxes installed on the major fixed routes of the local transit operators. Pass products include monthly magnetic swipe passes and stored value cards good for RTS, Willow Creek, SHTS, ETS, and A&MRTS buses. \$10 or \$20 magnetic media cards allow passengers to ride the regional transit systems for the new discounted rate. About 30 percent of all passengers continue to pay by cash fare.

Free transfers are provided between RTS buses to complete a single trip. HSU students ride the RTS fare-free as part of the JackPass program by swiping their current student identification card. Staff and faculty can buy into the JackPass program for \$60 per semester. College of the Redwoods eliminated its student ticket program. HTA implemented a fare increase during the audit period for all services shown in the following tables. The fare structure for the RTS Mainline is shown in Table I-1:

**Table I-1
RTS Fare Schedule**

Categories	Fares (Prior to 7/1/2011)			Fares (Effective 7/1/2011)			
	Mainline RTS Service						
	One Ride	Multi-Ride/ Regional Pass	Monthly Pass	One Ride	Multi-Ride/ Regional Pass	Week Pass	Monthly Pass
Adult (Ages 18 to 61)	\$2.50	\$1.50	\$50.00	\$2.75	\$1.75	\$15.00	\$55.00
Youth (Ages 3 to 17)	\$2.25	\$1.25	\$45.00	\$2.50	\$1.50	\$13.00	\$50.00
Seniors (Ages 62 and up)	\$2.25	\$1.25	\$45.00	\$2.50	\$1.50	\$13.00	\$50.00
Disabled (with valid Transit ID)	\$2.25	\$1.25	\$45.00	\$2.50	\$1.50	\$13.00	\$50.00
In-town (Rides within one city)	\$1.50	n/a	n/a	\$1.75	n/a	n/a	n/a
Day Pass	n/a	\$4.00	n/a	n/a	\$4.50	n/a	n/a

Source: HTA

The fare structures for RTS Willow Creek and Southern Humboldt services are shown in Table I-2 as follows:

**Table I-2
RTS Willow Creek & Southern Humboldt Fare Schedule**

Categories	Fares (Prior to 7/1/2011)			Fares (Effective 7/1/2011)		
	RTS Willow Creek					
	One Ride	Multi-Ride/ Regional Pass	Monthly Pass	One Ride	Multi-Ride/ Regional Pass	Monthly Pass
Adult (Ages 18 to 61)	\$3.50	\$2.50	\$70.00	\$4.00	\$3.50	\$75.00
Youth (Ages 3 to 17)	\$3.00	\$2.00	\$65.00	\$3.50	\$2.75	\$70.00
Seniors (Ages 62 and up)	\$3.00	\$2.00	\$65.00	\$3.50	\$2.75	\$70.00
Disabled (with valid Transit ID)	\$3.00	\$2.00	\$65.00	\$3.50	\$2.75	\$70.00
Southern Humboldt InterCity						
Adult (Ages 18 to 61)	\$4.50	\$3.00	\$90.00	\$5.00	\$3.50	\$100.00
Youth (Ages 3 to 17)	\$4.00	\$2.50	\$80.00	\$3.50	\$3.00	\$90.00
Seniors (Ages 62 and up)	\$4.00	\$2.50	\$80.00	\$3.50	\$3.00	\$90.00
Disabled (with valid Transit ID)	\$4.00	\$2.50	\$80.00	\$3.50	\$3.00	\$90.00
Southern Humboldt Local						
Adult (Ages 18 to 61)	\$1.25	\$1.00	n/a	\$1.50	\$1.25	n/a
Youth (Ages 3 to 17)	\$1.00	\$0.75	n/a	\$1.10	\$0.85	n/a
Seniors (Ages 62 and up)	\$1.00	\$0.75	n/a	\$1.10	\$0.85	n/a
Disabled (with valid Transit ID)	\$1.00	\$0.75	n/a	\$1.10	\$0.85	n/a

Source: HTA

HTA implemented a subsequent fare increase effective January 2014. Fares were increased \$0.25 for most categories.

Fleet

There are 24 vehicles in the transit fleet for RTS, Willow Creek and SHTS services. HTA has been able to update its revenue fleet with replacement vehicles the past several years. Table I-3 shows the vehicle fleet and service type.

HTA vehicles are equipped with wheelchair lifts and tie downs, which conform to the requirements of the Americans with Disabilities Act (ADA) of 1990 requirements in regards to accessibility. Bicycle racks are available on most large buses.

Table I-3
RTS/Willow Creek /Southern Humboldt Fleet

Year	Make & Model	Quantity	Fuel type	Service	Seating Capacity
2000	Gillig Phantom	2	Diesel	RTS	43
2001	Gillig Phantom	1	Diesel	RTS	43
2002	Freightliner	2	Diesel	Willow Creek	29
2002	Gillig Phantom	1	Diesel	RTS	43
2002	Ford Goshen	1	Diesel	Southern Humboldt	20
2003	Gillig Phantom	1	Diesel	RTS	43
2004	Gillig Phantom	2	Diesel	RTS	43
2007	Gillig Low Floor	3	Diesel-Electric Hybrid	RTS	36
2009	Chevy Aerolite	2	Diesel	Southern Humboldt	29
2009	Chevy Duramax	2	Diesel	Southern Humboldt	28
2011	Gillig	2	Diesel	RTS	36
2012	Gillig	2	Diesel	RTS	36
2012	Ford	1	Diesel	Southern Humboldt	20
2013	International	2	Diesel	Willow Creek	29
Total		24			

Source: HTA fleet inventory

Section II

Operator Compliance Requirements

This section of the audit report contains the analysis of HTA’s ability to comply with state requirements for continued receipt of TDA funds. The evaluation uses the guidebook, *Performance Audit Guidebook for Transit Operators and Regional Transportation Planning Agencies, September 2008 (third edition)*, which was developed by the Department of Transportation (Caltrans) to assess transit operators. The guidebook contains a checklist of eleven measures taken from relevant sections of the Public Utilities Code and the California Code of Regulations. Each of these requirements is discussed in the table below, including a description of the system’s efforts to comply with the requirements. In addition, the findings from the compliance review are described in the text following the table.

Table II-1 Operator Compliance Requirements Matrix		
Operator Compliance Requirements	Reference	Compliance Efforts
The transit operator submitted annual reports to the RTPA and to the State Controller based upon the Uniform System of Accounts and Records established by the State Controller. Report is due 90 days after end of fiscal year (Sept. 28/29), or 110 days (Oct. 19/20) if filed electronically (Internet).	Public Utilities Code, Section 99243	<p>Completion/submittal dates:</p> <p>Fixed Route:</p> <p>FY 2011: October 10, 2011 FY 2012: October 15, 2012 FY 2013: September 27, 2013</p> <p>Specialized Service:</p> <p>FY 2011: October 10, 2011 FY 2012: October 15, 2012 FY 2013: September 27, 2013</p> <p>The annual reports have been submitted to the State Controller, but not to HCAOG.</p> <p>Conclusion: Partial compliance.</p>
The operator has submitted annual fiscal and compliance audits to the RTPA and to the State Controller within 180 days following the end of the	Public Utilities Code, Section 99245	<p>Completion/submittal dates:</p> <p>FY 2011: November 4, 2011 FY 2012: January 18, 2013 FY 2013: January 6, 2014</p>

Table II-1 Operator Compliance Requirements Matrix		
Operator Compliance Requirements	Reference	Compliance Efforts
fiscal year (Dec. 27), or has received the appropriate 90-day extension by the RTPA allowed by law.		Conclusion: Complied.
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 a CHP inspection of the operator's terminal.	Public Utilities Code, Section 99251 B	<p>HTA participates in the CHP Transit Operator Compliance Program in which the CHP has conducted inspections within the 13 months prior to each TDA claim.</p> <p>Inspections were conducted at HTA's maintenance facility in Eureka:</p> <p>Transit Operator Compliance Certificates and inspection dates applicable to the audit period were September 1 & 2, 2010; September 6, 2011; September 28, 2012; October 3, 2012; September 18, 2013 & September 23, 2013.</p> <p>Inspections were found to be satisfactory.</p> <p>Conclusion: Complied.</p>
The operator's claim for TDA funds is submitted in compliance with rules and regulations adopted by the RTPA for such claims.	Public Utilities Code, Section 99261	HTA is not a direct claimant of TDA funds. Each local jurisdiction member of the JPA claims TDA for transit from their respective allocations on behalf of HTA. The local jurisdiction claims comply with the rules and regulations adopted by HCAOG.

Table II-1 Operator Compliance Requirements Matrix		
Operator Compliance Requirements	Reference	Compliance Efforts
		Conclusion: Complied.
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.	Public Utilities Code, Section 99270.1	HTA is subject to farebox requirements as an older operator, but is not subject to this specific requirement. Conclusion: Not Applicable.
The operator's operating budget has not increased by more than 15% over the preceding year, nor is there a substantial increase or decrease in the scope of operations or capital budget provisions for major new fixed facilities unless the operator has reasonably supported and substantiated the change(s).	Public Utilities Code, Section 99266	Percentage increase in the HTA operating budget: FY 2011: +6.7 % FY 2012:+28.6% FY 2013: +6.0% The operating budget increased in excess of 15 percent for FY 2012 attributed to an increase in service hours with the implementation of Sunday service on RTS and Saturday service on the Willow Creek route. Salaries, benefits, supplies, vehicle parts, tires and fuel were also factors. Source: Annual Fiscal & Compliance Audits FYs 2010-2013 Conclusion: Complied.
The operator's definitions of performance measures are consistent with Public Utilities Code Section 99247, including (a) operating cost,	Public Utilities Code, Section 99247	A review of monthly reports from the operator during the audit period indicates that most performance data are collected correctly.

Table II-1 Operator Compliance Requirements Matrix		
Operator Compliance Requirements	Reference	Compliance Efforts
(b) operating cost per passenger, (c) operating cost per vehicle service hour, (d) passengers per vehicle service hour, (e) passengers per vehicle service mile, (f) total passengers, (g) transit vehicle, (h) vehicle service hours, (i) vehicle service miles, and (j) vehicle service hours per employee.		<p>With regard to external reporting, full-time equivalent data appear to reflect headcount in the FY 2013 Transit Operators Financial Transactions Reports, rather than using the methodology of dividing total number of transit labor hours by 2,000. FTEs are inclusive of part time employees and/or city staff who contribute their time to transit.</p> <p>Conclusion: Partial Compliance.</p>
If the operator serves an urbanized area, it has maintained a ratio of fare revenues to operating costs 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 fare revenues to operating costs of at least equal to three-twentieths (15 percent), if so determined by the RTPA.	Public Utilities Code, Sections 99268.2, 99268.3, 99268.12, 99270.1	<p>HTA is subject to farebox requirements as an older operator, but is not subject to this specific requirement.</p> <p>Conclusion: Not Applicable.</p>
If the operator serves a rural area, or provides exclusive services to elderly and disabled persons, it has maintained a ratio of fare revenues to operating costs at least equal to one-tenth (10 percent).	Public Utilities Code, Sections 99268.2, 99268.4, 99268.5	<p>As an older operator, HTA's farebox recovery ratio for RTS fixed route service is set at the ratio it had in FY 1978-79, which is 26.4 percent.</p> <p>The RTS farebox recovery ratios based on audited data are as</p>

Table II-1 Operator Compliance Requirements Matrix		
Operator Compliance Requirements	Reference	Compliance Efforts
		<p>follows:</p> <p>FY 2011: 38.40% FY 2012: 37.34% FY 2013: 37.49%</p> <p>For rural and specialized service, the required fare ratios are 10 percent. The following ratios were calculated using audited data:</p> <p>Arcata DAR/L: FY 2011: 28.56% FY 2012: 16.35% FY 2013: 15.83%</p> <p>Corridor DAR/L: FY 2011: 33.21% FY 2012: 29.48% FY 2013: 20.51%</p> <p>Southern Humboldt Intercity: FY 2011: 14.96% <i>exempt</i> FY 2012: 17.44% <i>exempt</i> FY 2013: 13.91%</p> <p>Southern Humboldt Local: FY 2011: 7.70% <i>exempt</i> FY 2012: 8.39% <i>exempt</i> FY 2013: 7.81%</p> <p>Willow Creek: FY 2011: 19.70% FY 2012: 16.37% FY 2013: 22.09%</p> <p>Source: Annual Fiscal and Compliance Audits.</p>

Table II-1 Operator Compliance Requirements Matrix		
Operator Compliance Requirements	Reference	Compliance Efforts
		Conclusion: Complied for all services with exception of Southern Humboldt Local which did not meet the rural farebox standard in FY 2013.
The current cost of the operator's retirement system is fully funded with respect to the officers and employees of its public transportation system, or the operator is implementing a plan approved by the RTPA which will fully fund the retirement system within 40 years.	Public Utilities Code, Section 99271	HTA contributes to its employee's retirement through the California Public Employees' Retirement System (CalPERS). Participants are required to contribute 7% of their annual covered salary, which HTA pays on their behalf. On January 1, 2013, the Public Employees' Pension Reform Act of 2013 (PEPRA) took effect resulting in a shift of new members from existing pools. The Act requires new employees pay at least 50% of the total annual normal cost. Conclusion: Complied.
If the operator receives state transit assistance funds, the operator makes full use of funds available to it under the Urban Mass Transportation Act of 1964 before TDA claims are granted.	California Code of Regulations, Section 6754(a)(3)	As a recipient of State Transit Assistance Funds, HTA is making full use of federal funds available under the Urban Mass Transportation Act of 1964 as amended. FY 2011: \$259,929 (Operations) FY 2012: \$259,929 (Operations) FY 2013: \$680,000 (Operations/Capital) Source: HCAOG

Table II-1 Operator Compliance Requirements Matrix		
Operator Compliance Requirements	Reference	Compliance Efforts
		Conclusion: Complied.

Findings and Observations from Operator Compliance Requirements Matrix

1. Of the compliance requirements pertaining to HTA, the operator fully complied with six out of nine requirements. The Authority was in partial compliance with regard to reporting full-time equivalent (FTE) employee data, and meeting farebox recovery for all services. The transit system was also in partial compliance with its submittal of the annual State Controller Report; the reports were submitted to the State but not to HCAOG. Two compliance requirements did not apply to HTA (e.g. blended and urbanized farebox recovery ratios).
2. Based on the Annual Fiscal and Compliance Audits, most of the RTS services met their respective TDA farebox ratio in each year of the audit period. As an older operator, HTA's farebox recovery ratio for RTS Redwood Transit fixed route service is set at the ratio it had in FY 1978-79, which is 26.4 percent. The Willow Creek and Southern Humboldt Intercity, and the Arcata and Corridor DAR systems have also met their respective farebox ratios. The Southern Humboldt services were exempt from the farebox ratios for FYs 2011 & 2012 being new services. However, the Southern Humboldt Local did not meet its farebox in FY 2013.
3. HTA participates in the CHP Transit Operator Compliance Program and received vehicle inspections within the 13 months prior to each TDA claim. Satisfactory ratings were made for all inspections conducted during the audit period.
4. HTA operating budget exhibited a significant increase during the audit period exceeding 15 percent in FY 2012 attributed to an increase in service hours with the implementation of Sunday service on RTS and Saturday service on the Willow Creek route. The budget increased 6.7 percent in FY 2011 and 6.0 percent in FY 2013. Increases in salaries, benefits, supplies, vehicle parts, tires and fuel costs were also factors in budget increases.

Section III

Prior Triennial Performance Recommendations

HTA's efforts to implement the recommendations made in the prior triennial audit are examined in this section of the report. For this purpose, each prior recommendation for the agency is described, followed by a discussion of HTA's efforts to implement the recommendation. Conclusions concerning the extent to which the recommendations have been adopted by the agency are then presented.

Prior Recommendation 1

Continue efforts to report State Controller data using TDA definitions.

Actions taken by HTA

The prior audit noted that fixed route driver logs showed driver hours, as opposed to revenue hours, that are used as inputs to the data reported in the Transit Operator Financial Transactions Reports submitted to the State Controller. It was recommended that revenue hours be provided in the Transit Operator Financial Transactions Reports, which are a subset of total driver hours. Similar to how non-revenue miles are recorded in the driver logs, a separate reporting of revenue and non-revenue hours would generally be provided in the log and used to correctly complete the State Controller Report.

In addition, it was noted that Full time equivalent (FTE) calculations should also be conducted using total hours worked by all HTA employees and divided by 2,000 hours. Based on a comparison of total work hours provided by HTA, and FTE data in the Controller Reports, it appeared that the FTEs in the Controller Reports only included drivers and not administrative or maintenance staff. Minor adjustments to both sets of data would enable full compliance.

A review of the data reported in the Comparative Productivity Reports and the Transit Operators Financial Transactions Reports show improved accuracy and compliance with the TDA definitions. However, the FTE data appear to be reported inaccurately for FY 2013. For the mainline HTA services ("Motor Bus"), there were 32 FTEs reported as compared to 21 to 22 for prior years. This is attributed to the addition of full-time positions in conjunction with the implementation of Sunday service on RTS and Saturday service on the Willow Creek route. Likewise, for demand response services, there were 14 FTEs reported as compared to 1 to 2 reported. It is recommended that HTA continue its efforts to ensure that performance data are being reported accurately in the Transit Operators Financial Transactions Reports.

Conclusion

This recommendation has been partially implemented.

Prior Recommendation 2

Request and include additional operations data such as number of trip cancellations, trip denials, missed trips and no shows in the monthly DAR summary reports.

Actions taken by HTA

It was suggested in the prior audit that the provision of additional operating characteristics in the summary reports submitted by CAE to HTA could enhance the level of analysis with regard to DAR service. The suggestion of including these performance measures in the summary report follows industry standard information to help gauge operating performance. The implementation of Trapeze should simplify the collection and collation of this data as part of regular reporting. Patterns and trends from these measures would be synthesized with other data that is already being provided by DAR system such as ridership, service hours and miles, and farebox recovery.

CAE does provide an annual report categorized by passenger name of the number of cancellations, trip denials and no-shows generated by Trapeze. However, a review of the monthly Comparative Performance Activity Reports compiled by HTA and CAE show primarily operational performance data and not qualitative service data such as complaints, compliments, road calls, trip denials, missed trips and ridership by route. Pursuant to the Dial-a-Ride/Lift contract with CAE, the contractor is to provide: 1) the number of passengers; 2) vehicle revenue hours; 3) vehicle revenue hours; 4) employee pay hours; 5) number of validated complaints; 6) number of in-service road failures; and 7) monthly report of missed trips and/or appointments.

Conclusion

This recommendation has not been implemented and is carried forward for full implementation.

Prior Recommendation 3

Include operational performance indicators such as roadcalls and customer comments in the fixed route Comparative Performance Activity Report.

Actions taken by HTA

Operational data measures for fixed route service provide additional analytical tools to assess transit performance on a monthly and year-to-date basis. Service data such as on-time performance, vehicle breakdowns and roadcalls, and number of customer comments (complaints/compliments) are important features from an operational standpoint, and could be reviewed alongside existing financial performance indicators such as farebox recovery and operating costs in the Comparative Performance Activity Report. The inclusion of operational data by service (RTS, WC, and SHTS) in the performance activity report creates a wider snapshot

of service productivity within one report, and could provide further explanation of performance patterns and trends.

The Comparative Performance Activity Reports continue to reflect quantitative data reporting involving key performance indicators. However, qualitative service data such as on-time performance, vehicle breakdowns and roadcalls, and number of customer comments (complaints/compliments) are not included in reports and continue to be reported separately. It is suggested that HTA consolidate both quantitative and qualitative performance data on its Comparative Performance Activity Reports.

Conclusion

This recommendation has not been implemented and is carried forward for full implementation.

Section IV

TDA Performance Indicators

This section reviews HTA's performance in providing transit service in an efficient and effective manner. TDA requires that at least five specific performance indicators be reported, which are contained in the following tables. Farebox is not one of the five specific indicators, but is a requirement for continued TDA funding. Therefore, farebox calculation is also included for each mode. Graphs and findings from the analysis are contained in the section following the tables.

Tables IV-1 through IV-3 provide the performance indicators for HTA systemwide, fixed route and Dial-a-Ride. Charts are also provided to depict the trends in the indicators. It is noted that both systemwide and modal operating costs and fare revenues are based on audited data.

**Table IV-1
HTA Systemwide Performance Indicators**

Performance Data and Indicators	Audit Period				% Change FY 2010-2013
	FY 2010	FY 2011	FY 2012	FY 2013	
Operating Cost	\$2,695,375	\$2,876,877	\$3,700,842	\$3,923,217	45.6%
Total Passengers	595,669	624,160	650,901	649,594	9.1%
Vehicle Service Hours	38,865	42,117	42,092	46,651	20.0%
Vehicle Service Miles	791,407	922,867	894,554	904,833	14.3%
Employee FTE's	23	22	24	46	100.0%
Passenger Fares	\$1,019,518	\$1,009,926	\$1,179,635	\$1,236,138	21.2%
Operating Cost per Passenger	\$4.52	\$4.61	\$5.69	\$6.04	33.5%
Operating Cost per Vehicle Service Hour	\$69.35	\$68.31	\$87.92	\$84.10	21.3%
Operating Cost per Vehicle Service Mile	\$3.41	\$3.12	\$4.14	\$4.34	27.3%
Passengers per Vehicle Service Hour	15.3	14.8	15.5	13.9	-9.1%
Passengers per Vehicle Service Mile	0.75	0.68	0.73	0.72	-4.6%
Vehicle Service Hours per Employee	1,689.8	1,914.4	1,753.8	1,014.2	-40.0%
Average Fare per Passenger	\$1.71	\$1.62	\$1.81	\$1.90	11.2%
Fare Recovery Ratio	37.82%	35.10%	31.87%	31.51%	-16.7%

Source: Annual Fiscal & Compliance Audits, Comparative Performance Activity Reports, State Controller's Reports

**Table IV-2
RTS, Southern Humboldt (Intercity/Local) & Willow Creek Fixed Route Performance Indicators**

Performance Data and Indicators	Audit Period				% Change FY 2010-2013
	FY 2010	FY 2011	FY 2012	FY 2013	
Operating Cost	\$2,531,793	\$2,753,553	\$3,525,176	\$3,747,984	48.0%
Total Passengers	582,986	612,915	641,141	638,812	9.6%
Vehicle Service Hours	34,549	38,356	38,238	39,793	15.2%
Vehicle Service Miles	740,118	862,897	846,245	869,149	17.4%
Employee FTE's	21	21	22	32	52.4%
Passenger Fares	\$979,953	\$973,697	\$1,147,179	\$1,207,157	23.2%
Operating Cost per Passenger	\$4.34	\$4.49	\$5.50	\$5.87	35.1%
Operating Cost per Vehicle Service Hour	\$73.28	\$71.79	\$92.19	\$94.19	28.5%
Operating Cost per Vehicle Service Mile	\$3.42	\$3.19	\$4.17	\$4.31	26.1%
Passengers per Vehicle Service Hour	16.9	16.0	16.8	16.1	-4.9%
Passengers per Vehicle Service Mile	0.79	0.71	0.76	0.73	-6.7%
Vehicle Service Hours per Employee	1,645.2	1,826.5	1,738.1	1,243.5	-24.4%
Average Fare per Passenger	\$1.68	\$1.59	\$1.79	\$1.89	12.4%
Fare Recovery Ratio	38.71%	35.36%	32.54%	32.21%	-16.8%

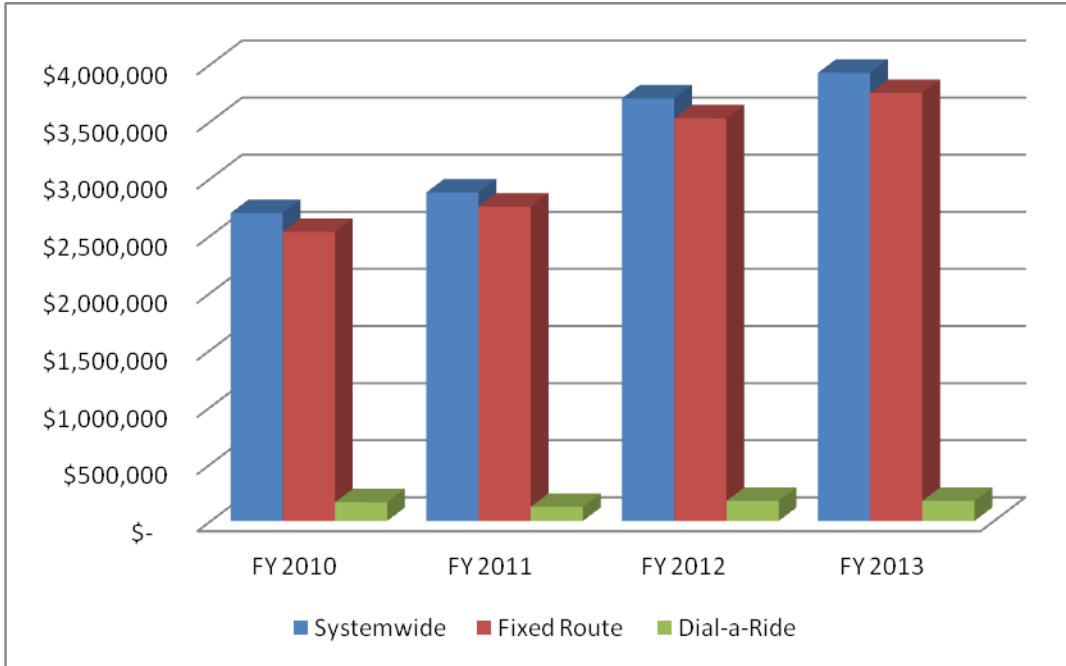
Source: Annual Fiscal & Compliance Audits, Comparative Performance Activity Reports, State Controller's Reports

**Table IV-3
Arcata and Corridor DAR/L Performance Indicators**

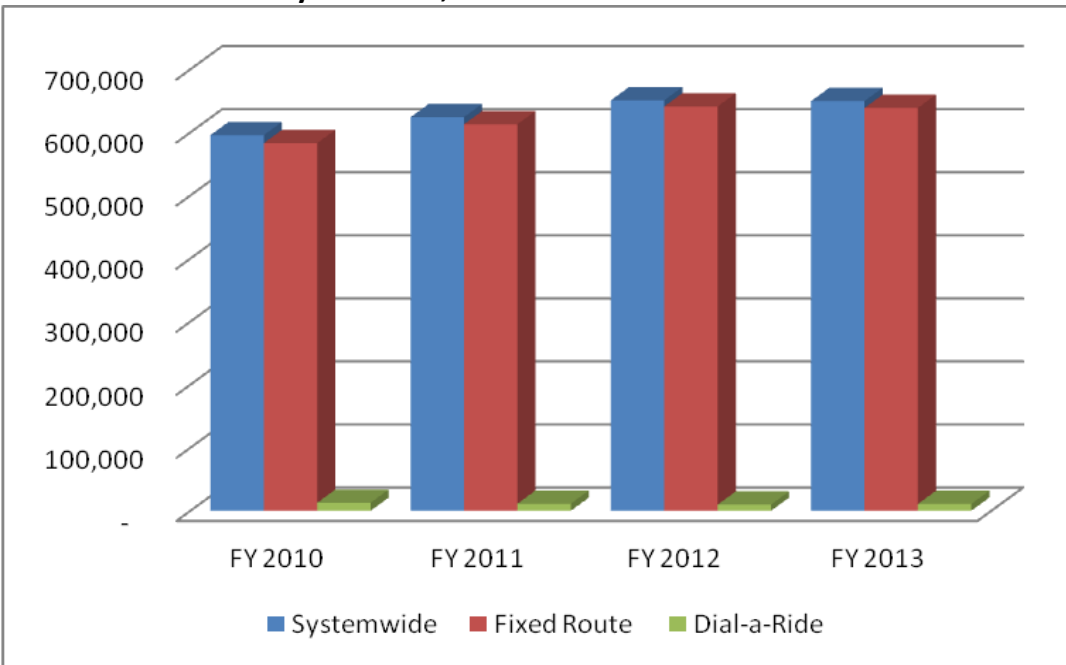
Performance Data and Indicators	Audit Period				% Change FY 2010- 2013
	FY 2010	FY 2011	FY 2012	FY 2013	
Operating Cost	\$163,582	\$123,324	\$175,666	\$175,233	7.1%
Total Passengers	12,683	11,245	9,760	10,782	-15.0%
Vehicle Service Hours	4,316	3,761	3,854	6,858	58.9%
Vehicle Service Miles	51,289	59,970	48,309	35,684	-30.4%
Employee FTE's	2	1	2	14	600.0%
Passenger Fares	\$39,565	\$36,229	\$32,456	\$28,981	-26.8%
Operating Cost per Passenger	\$12.90	\$10.97	\$18.00	\$16.25	26.0%
Operating Cost per Vehicle Service Hour	\$37.90	\$32.79	\$45.58	\$25.55	-32.6%
Operating Cost per Vehicle Service Mile	\$3.19	\$2.06	\$3.64	\$4.91	54.0%
Passengers per Vehicle Service Hour	2.9	3.0	2.5	1.6	-46.5%
Passengers per Vehicle Service Mile	0.25	0.19	0.20	0.30	22.2%
Vehicle Service Hours per Employee	2,158.0	3,761.0	1,927.0	489.9	-77.3%
Average Fare per Passenger	\$3.12	\$3.22	\$3.33	\$2.69	-13.8%
Fare Recovery Ratio	24.19%	29.38%	18.48%	16.54%	-31.6%

Source: Annual Fiscal & Compliance Audits, Comparative Performance Activity Reports, State Controller's Reports

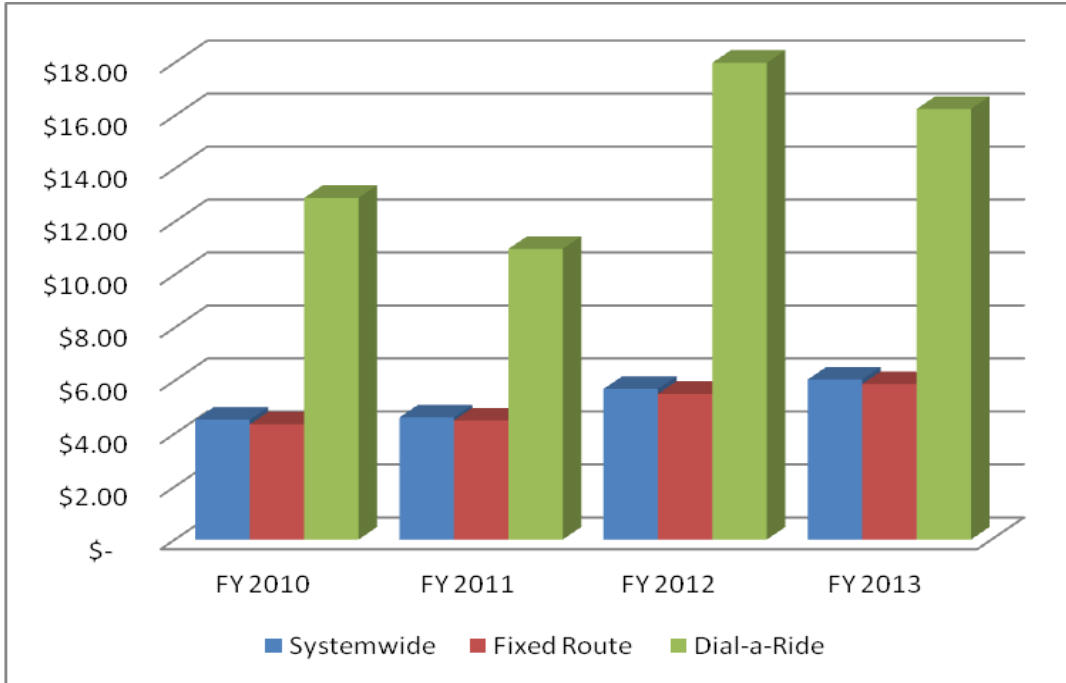
**Graph IV-1
Operating Costs
Systemwide, Fixed Route & Dial-a-Ride**



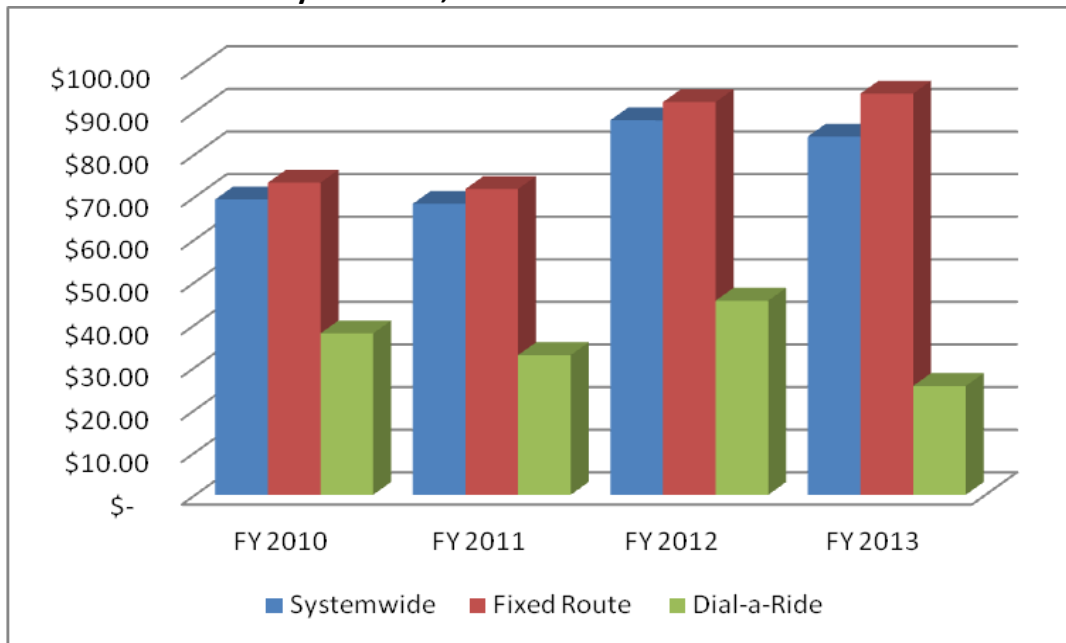
**Graph IV-2
Ridership
Systemwide, Fixed Route & Dial-a-Ride**



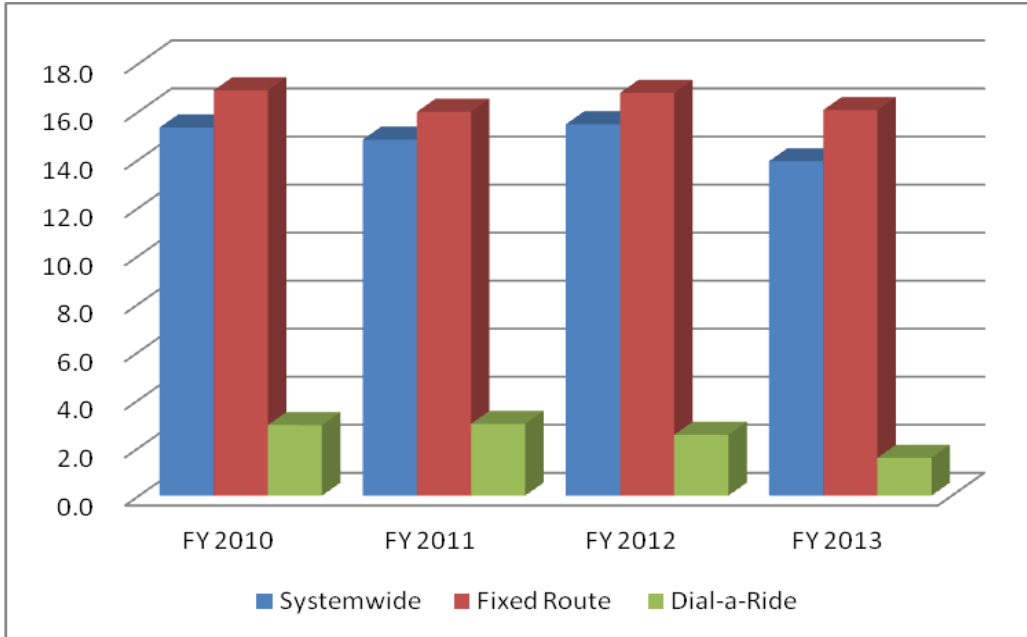
Graph IV-3
Operating Cost Per Passenger
Systemwide, Fixed Route & Dial-a-Ride



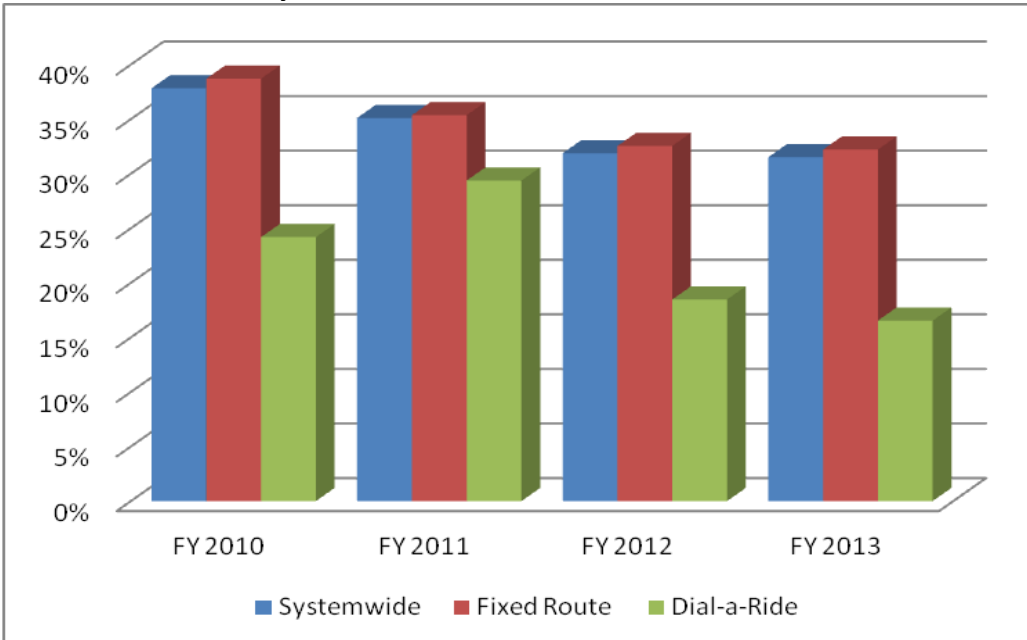
Graph IV-4
Operating Cost Per Vehicle Service Hour
Systemwide, Fixed Route & Dial-a-Ride



Graph IV-5
Passengers Per Vehicle Service Hour
Systemwide, Fixed Route & Dial-a-Ride



Graph IV-6
Fare Recovery Ratio
Systemwide, Fixed Route & Dial-a-Ride



Findings from Verification of TDA Performance Indicators

1. **Operating cost per vehicle service hour**, an indicator of cost efficiency, increased 28.5 percent during the period for fixed route operations (RTS, Southern Humboldt, Willow Creek) from \$73.28 in FY 2010 to \$94.19 in FY 2013. Operating costs for fixed route increased 48 percent during the audit period compared with a 15.2 percent increase in operating hours. Dial-A-Ride cost per service hour decreased 32.6 percent from \$37.90 in FY 2010 to \$25.55 in FY 2013. Operating costs for Dial-A-Ride increased 7.1 percent during the audit period while service hours increased at a larger rate of 58.9 percent. This trend had the effect of decreasing DAR cost per hour.
2. **Operating cost per passenger**, an indicator of cost effectiveness, increased 35.1 percent for fixed route from \$4.34 in FY 2010 to \$5.87 in FY 2013. Trailing the growth in costs and service hours, ridership increased 9.6 percent during the audit period resulting in an adverse performance trend. DAR service saw its operating cost per passenger trend increase by 26 percent from \$12.90 in FY 2010 to \$16.25 in FY 2013. As DAR costs increased slightly, ridership declined in part due to the elimination of the Quail service in southern Humboldt County in 2010.
3. **Passengers per vehicle service hour**, which measures the effectiveness of the service delivered, decreased just over 9 percent systemwide between FY 2010 and FY 2013 from 15.3 passengers per hour to 13.9 passengers per hour. Fixed route operations exhibited a decrease of 4.9 percent over the same period from 16.9 to 16.1 passengers per hour. DAR operations saw a larger decrease in passengers per hour of 46.5 percent from 2.9 to 1.6 passengers per hour. As the number of passengers declined compared to the hours operated by the buses, these indicators showed a decline in productivity.
4. **Passengers per vehicle service mile**, another indicator of service effectiveness, decreased 4.6 percent systemwide from 0.75 in FY 2010 to 0.72 in FY 2013. For fixed route operations, the number of passengers per service mile decreased 6.7 percent from 0.79 to 0.73. DAR services exhibited an increase of 22.2 percent from 0.25 to 0.30 passengers per mile. As the number of service miles increased faster than the number of passengers, these indicators showed a lower rate of productivity with the exception of DAR.
5. **Vehicle service hours per employee**, using State Controller data, showed a decrease of 40 percent systemwide during the audit period from 1,690 hours to 1,014 hours. The SCO data showed that the number of FTE's increased from 23 to 46 between 2010 and 2013, which is a 100 percent increase. The higher FTE figure for FY 2013 may reflect a headcount rather than the TDA definition of total hours worked by all HTA employees, and then dividing by 2,000 hours. For fixed route, there was a 24.4 percent decrease in service hours per employee from 1,645 to 1,244. Likewise, the FTEs increased from 21 in FY 2010 to 32 in FY 2013. There was a more significant change for DAR from 2,158 to 490

hours amounting to a 77.3 percent decrease. The FTEs reported between FY 2010 and FY 2012 averaged 2 but increased to 14, which may reflect a headcount.

6. **Farebox recovery** exhibited relatively positive trends, as all services exceeded their minimum farebox recovery standards except for the Southern Humboldt Local. Systemwide, the farebox recovery ratio decreased 16.7 percent yet remained about 30 percent. Likewise using audited data, fixed route services encompassing RTS, Willow Creek, and the Southern Humboldt services saw a 16.8 percent decrease in farebox recovery but as a whole exceeded 30 percent. For the new Southern Humboldt Transit Service, the local deviated fixed route was achieving a farebox of 4.92 percent in FY 2010, and the intercity service was 12.86 percent. As a new service, Southern Humboldt Transit was exempt from the farebox requirements for two full fiscal years after the inaugural year. By FY 2013, the Southern Humboldt Intercity service had attained a 13.91 percent farebox recovery and the Southern Humboldt Local service had attained a 7.91 percent farebox recovery which is still below the minimum 10 percent level. More recent data after the audit period indicate the Southern Humboldt Local service farebox ratio is now above the minimum standard.

Conclusion from the Verification of TDA Performance Indicators

HTA's performance indicators over the past three years reflect service expansion even as the growth in passenger trips has slowed. Operating costs increased 45.6 percent from FY 2010 to FY 2013 attributed to implementation of new services and some increases in personnel compensation, yet growth in fare revenues increased at a lower rate. As a result, performance measures including cost per passenger increased while other cost measures have seen comparable increases. In addition, service effectiveness measures such as passengers per hour and per mile decreased over the audit period. As RTS is geared as a commuter service along a major highway corridor in Humboldt County, productivity measures such as farebox recovery tend to be higher than regular fixed route service. This is the case with RTS which has achieved a relatively high farebox ratio and must meet a higher TDA farebox requirement than a traditional rural type service.

Section V

Review of Operator Functions

This section provides an in-depth review of various functions within the HTA. The review highlights accomplishments, issues and/or challenges that were determined during the audit period. The following functions were reviewed at HTA's headquarters in Eureka:

- Operations
- Maintenance
- Planning
- Marketing
- General Administration and Management

Within some departments are sub-functions that require review as well, such as Grants Administration that falls under General Administration.

Operations

HTA, as the intercity public transit system in Humboldt County, strengthened its core services through increased service hours and frequencies, capital and technology improvements, and passenger amenities. The Authority also experienced changes in its administrative staffing and took steps to make the service more financially sustainable.

The high levels of ridership on the Redwood Transit System (RTS) mainline prompted the introduction of 30 minute headways between the College of the Redwoods (CR) and Humboldt State University (HSU). The shorter headways have made running times more predictable and consistent for riders with bus arrivals becoming more regular. In addition, Sunday service was added in November 2012 on the RTS mainline with four trips in each direction. Saturday service was also implemented on the Willow Creek route in July 2012 and allowing for added transfer opportunities with KT-Net and Trinity Transit in Willow Creek, and with the RTS Mainline, A&MRTS and Redwood Coast Transit in Arcata.

The Southern Humboldt Intercity and Local services, which provide a lifeline to communities in the southernmost part of the county such as Garberville and Redway, have improved from a financial and productivity perspective compared to when the respective services commenced. The Southern Humboldt Local service operates as a deviated fixed route available to all riders including ADA disabled passengers within a ¼ mile radius of the alignment. A letter from the FTA notified HTA that the Southern Humboldt Local service must also pick up general public passengers in addition to ADA riders for deviated trips. This requirement adds cost to the service to perform the deviations with some additional fare revenue collected. The Southern Humboldt

Transit Service was implemented in January 2010 upon an approved contract agreement between the County of Humboldt and HTA for operation of those services. The two-tiered local and intercity service expanded upon the prior Quail dial-a-ride program to include enhanced connectivity between southern Humboldt and along the Highway 101 corridor up to Eureka.

In addition to the service expansion, HTA implemented several technology upgrades. To better monitor on-time performance, the Authority acquired and installed a Global Positioning System (GPS) program in 2012. Passenger counters were installed in June 2012. In addition, there were enhancements to the GFI Genfare electronic farebox system and bus shelter improvements.

A fare increase was implemented for most fare categories effective July 1, 2011. Fares were raised an average of \$0.25. The fare increase also encompassed the value cards and monthly passes. The increase was prompted by increases in medical insurance premiums and changes in CalPERS health plan, which amounted to \$120,000 in additional costs to HTA. A subsequent fare increase was implemented in January 2014.

Since 2008, HTA has been under contract to provide transportation services for Humboldt State University (HSU) students, faculty and staff members under the JackPass program. The Jack Pass enables HSU students to ride free using their student identification card which is paid for through a mandatory fee with each student's registration, securing a steady fare revenue source for the transit system. Due to the constant change in ridership, the terms of the contract are renewed annually. HTA is required to record ridership and present a monthly report to HSU detailing ridership and statistical data. A similar student pass agreement is under consideration with the College of the Redwoods.

The DAR/L contract operator, CAE, installed Trapeze software that enhances the scheduling and tracking of riders and increases efficiencies in the number of passengers that can be accommodated. The software can track eligible DAR riders and their conditions of eligibility. The database of certified riders is approximately 3,200. Trip logs generated by the software are separated by service and can be summed for the month.

For the DAR/L service, a 24-hour advance reservation system was implemented which has resulted in better scheduling efficiencies and some cost savings. The reservation system, NOVUS for Demand Response, is a Trapeze software program that provides computerized scheduling and determines the vehicle location. Mobile data terminals (MDTs) are installed in the DAR/L vehicles. With the implementation of the new scheduling program, the DAR/L service has been able to increase its shared ride percentage and improve on-time performance compared to a few years ago. The on-time performance standard is 95 percent within five minutes of the scheduled pick up which is well within the general 30-minute pick up window.

Personnel

HTA operations service is provided by 43 full-time and 8 part-time employees. Driver extra board consists of drivers on standby for duty if needed. Thirty drivers bid for routes and times

based on the seniority system. The Operations Manager serves in a supervisory role for ground-level operations and field monitoring in addition to providing administrative management duties. Drivers, mechanics and service workers are represented by the American Federation of State, County and Municipal Employees (AFSCME) Local 1684 Humboldt County Public Employees Association. Table V-1 provides a breakdown of union represented positions outlined in the HTA Classification Plan:

Table V-1
HTA Classification Plans - Union Represented Positions

Position	FY 2011-12 Allocation	FY 2011-12 Filled	FY 2012-13 Allocation
Driver	30	27	30
Extra board Driver	10	8	12
Mechanic I	2	0	1
Mechanic II	2	2	1
Technician I	1	1	1
Technician II	1	1	2
Vehicle Service Worker	1	1	1
Cleaner/Janitor	1	1	1.5

Source: HTA Classification Plan

The contract with the employees union was adopted for a three year period effective June 2009 through June 2012. The contract provisions included recognition of part time workers and a step pay increase over the three year period. The pay increase totaled \$1.75 per hour for employees by the third year of the contract. Unrepresented staff received the same increase plus an extra \$1.00 per hour starting in January 2010 because of the increase in workload from the addition of both Southern Humboldt transit services. The most current contract was approved in December 2012.

There is difficulty in recruiting drivers in the Humboldt region that have a Class B license with passenger endorsements. In turn, HTA provides driver training and safety courses to meet state and federal requirements, including 15 hours in the classroom and 20 hours behind the wheel training. Three certified trainers are on staff to conduct evaluations and pre-trip inspection training. A safety meeting is held over the course of a day in which three separate classes are offered to allow all drivers to attend one of them based on their driving schedule in the morning, afternoon, or late evening. Safety awards are offered as incentives including pins and gift certificates. HTA is reviewing other means of driver incentives as the system evolves.

CAE drivers are required to have a Class B license with a passenger endorsement. Drivers undergo periodic sensitivity, wheelchair lift and First Aid/CPR training. As an incentive, drivers who pass the Class B licensing test with a score of 85 percent or higher receive a \$0.50 an hour pay incentive. DAR/L drivers are also qualified taxi drivers for the City of Eureka.

Maintenance

Maintenance is conducted on-site at the HTA administrative facility. The department is staffed by the Equipment and Facilities Manager, Shop Supervisor/Mechanic, two mechanics, three technicians, a vehicle service worker, and a cleaner. HTA has increased the number of maintenance staff from seven to nine. Maintenance occurs during the hours of 4:30 am and 7:30 pm, with fueling taking place through midnight. During fueling, the GFI boxes are probed for electronic mileage reading and other downloaded data. Although maintenance around the clock is possible from a financial standpoint, there is no proper supervision available to handle night work issues. The hiring of qualified mechanics that have the skill to work with large vehicles is difficult in the local market.

The maintenance facility includes three bus bays plus an extra lane if needed. There is a storage bay and a separate parts room containing vehicle spare parts that are tracked via barcodes. The barcodes feed into the fleet maintenance software provided by Ron Turley and Associates. The General Manager indicated that the software is quite adequate for HTA’s purpose, and that the vendor provides good support. HTA is purchasing a 15,000 gallon fuel tank for added capacity and as a replacement for the five 2,000 gallon fuel tanks currently utilized.

Roadcalls are recorded onto a vehicle repair history report maintained for each vehicle, which also serves as a work order for the maintenance department. The vehicle repair history reports are categorized according to transit service. Roadcalls for the Southern Humboldt service were not available for FY 2010 due to the service commencing in January 2010. Table V-2 provides a breakdown of roadcalls reported during the audit period:

**Table V-2
HTA Roadcalls**

	FY 2010	FY 2011	FY 2012	FY 2013
RTS - Mainline	15	32	47	33
RTS – Willow Creek	2	1	0	3
Southern Humboldt	n/a	11	5	5
Total	17	44	52	41

Source: HTA

Inventory cycle counts are conducted at fiscal year end each June for reporting, and then a full parts count is conducted each January. An order form is generated as necessary for the out of area manufacturer, Gillig, for special parts. The Ron Turley software is cable of creating an automated email to the parts vendor to order parts based on selected inventory levels by the user. HTA will use grant funds to stock up on parts to avoid shortages. Tires are recapped and not leased.

HTA maintains not only its own fleet, but also the buses for ETS and A&MRTS. Mechanics also maintained three dial-ride vehicles for CAE while the vehicles were under ownership by HTA.

These vehicles have since been signed over to CAE. More recently, in November 2010, HTA contracted with the Humboldt Fire District to maintain five of the district's vehicles under a one-year trial period. HTA also has a contract with the Humboldt County Office of Education (HCOE) to maintain its fleet of vehicles.

Planning

Transit planning has involved in-depth analysis and monitoring of ridership trends over a multi-year period. The FY 2011/12-2015/16 Transit Development Plan (TDP) Update for Humboldt County Transit Systems, adopted in May 2012, covers a five-year planning horizon and contains a series of operational recommendations for HTA. HTA service recommendations focused primarily on RTS with regard to the implementation of service efficiencies and bus stop enhancements and relocations.

The TDP Update recommended that RTS focus on improving on time performance and schedule adherence as well as provide additional capacity within its core service area between Arcata and the College of the Redwoods. In addition the following service recommendations specific to RTS were made, with several being implemented:

- Reduce south bound and north bound bus stops within Arcata to the HSU Library Circle, 14th Street and Arcata Transit Center.
- Reduce south bound and north bound bus stops along the 4th and 5th Street corridors within Eureka.
- Reduce local RTS stops within Fortuna and adjust routing focus to Redwood Village Shopping Center and Redwood Memorial Hospital on Redwood Way, and the Park and Ride site at Kenmar and Atterberry.
- Formalize bus stops at HSU Library Circle.
- Move current bus stops and time points at 14th and B Streets west on 14th Street closer to planned Willow Walk HSU pedestrian access.
- Monitor passenger loads on peak hour RTS service within the core service corridor between the Arcata and the College of the Redwoods.
- Evaluate potential market for additional Saturday afternoon frequency between the College of the Redwoods and HSU.
- Amend RTS route numbering system to simplify schedule information for the public.
- Establish a quarterly system-wide monitoring and evaluation program on a trip-by-trip basis.

Marketing

HTA utilizes a combination of printed collateral and electronic methods in marketing its services to the public. One the primary marketing tools is the Internet. The HTA Web site (<http://www.hta.org/>) provides links to all of the transit services that it administers and operates, including RTS. The Web site also provides real time information through GPS on bus location, arrival times and transit alerts. General information links for HTA's administration are also accessible. In addition, HTA's Title VI policy statement is published at the bottom of the main web page.

RTS has its own dedicated Web site (<http://www.redwoodtransit.org/>) with access to route, fare and schedule information. Riders have the ability to purchase passes and Dial-a-Ride tickets online with a credit card. The RTS web site is similar in format and functionality as that of the A&MRTS and Eureka Transit Service websites including Google trip planning capabilities. These electronic formats are developed by the same private firm, Trillium Solutions, and provide further evidence of the level of collaboration between the agencies in delivering public transit. HTA upgraded its web site in December 2012.

Regional transit information is also provided in the publication *Humboldt County Transportation Services Guide*. The guide was developed by HTA and printed in January 2010 for public transit and human service transportation. The large newspaper style guide provides maps and bus schedules for all public transportation operations in the county including for both fixed route and demand response systems. The guide is also available online. HTA released a fold out map and schedule publication in January 2014 that provides the latest schedule and route information for all services operated by HTA.

As an added passenger amenity, RTS, Willow Creek, and Southern Humboldt buses are now all equipped with free Wi-Fi. Through State Transit Assistance funding, HTA offers this mobile Wi-Fi hotspot service free of charge and enables riders to surf the internet to download e-mail, work, shop, and read the latest news from their seat on the bus, especially on longer haul trips.

General Administration and Management

HTA is governed by a seven member Board of Directors comprised of one representative each from the five incorporated cities and two representatives from the County of Humboldt. The Authority is administered by a General Manager, who is supported by an Operations Manager, Equipment and Facilities Manager, and an Administrative and Finance Manager. HTA experienced changes in its administrative staff during the audit period. Clerical support is provided by an Administrative Assistant and a Receptionist/ADA Specialist. The current General Manager served in the capacity of Operations Manager before being hired by the Board of Directors in December 2011. A new Operations Manager and Administrative and Finance Manager were also hired during the period.

As a result of additional federal requirements to operate transit service, HTA support staff has become more involved in preparing documents related to Title VI equity analysis, and Limited English Proficiency (LEP) program to ensure that there is no discrimination in the provision of service. Also, HTA, under contract to the Cities of Eureka and Arcata, and County of Humboldt, conducts DAR rider screening and ticket reimbursement. HTA management indicated that these responsibilities have placed constraints on staff with little to no funding allotted to these activities. HTA's role in providing Dial-a-Ride rider certifications without identified funding has been an issue that is being discussed through the HCAOG Service Coordination Committee.

HTA owns property adjacent to its location at the corner of 2nd and X Streets that contains an historic (circa 1890) white Victorian structure capable of being renovated and used for an additional five office spaces. Consideration has been given to using the structure to house HTA's administrative functions.

Grants Management

HTA, through its member agencies, relies on a variety of grants and other funding mechanisms to support its transit systems. These grant sources are derived from state and federal programs. Pursuant to TDA, the Authority receives Local Transportation Fund (LTF) proceeds and the State Transit Assistance (STA) funds. TDA funding is used for both operating and capital expenses. LTF revenues claimed by the member agencies for HTA transit services during the audit period were \$2,105,295 in FY 2011; \$2,100,028 in FY 2012; and \$2,477,430 in FY 2013. The STA funds allocated to HTA were \$376,839 in FY 2011; \$448,795 in FY 2012; and \$359,860 in FY 2013.

Toward the end of FY 2010, HTA applied for and received \$1,422,520 in funding through the State Proposition 1B Public Transportation Modernization, Improvement & Service Enhancement Account (PTMISEA) to purchase new transit vehicles, a GPS tracking system and bus stop amenities. During the audit period, HTA received \$170,887 in FY 2011 and \$270,074 in additional PTMISEA grant funding. The Authority had an unexpended balance of \$121,227 at the end of FY 2013. Grants awarded by the Federal Transit Administration (FTA) have been derived from the FTA Sections 5311 and 5311(f) programs for operations and capital. HTA received \$260,435 in FY 2010; \$259,929 in FY 2011 and FY 2012, respectfully; and \$680,000 in FY 2013 toward two replacement vehicles.

Section VI

Findings

The following summarizes the major findings obtained from this Triennial Audit covering fiscal years 2011 through 2013. A set of recommendations is then provided.

Triennial Audit Findings

1. Of the compliance requirements pertaining to HTA, the operator fully complied with six out of nine requirements. The Authority was in partial compliance with regard to reporting full-time equivalent (FTE) employee data, and meeting farebox recovery for all services. The transit system was also in partial compliance with its submittal of the annual State Controller Report; the reports were submitted to the State but not to HCAOG. Two compliance requirements did not apply to HTA (e.g. blended and urbanized farebox recovery ratios).
2. Based on the Annual Fiscal and Compliance Audits, most of the RTS services met their respective TDA farebox ratio in each year of the audit period. As an older operator, HTA's farebox recovery ratio for RTS Redwood Transit fixed route service is set at the ratio it had in FY 1978-79, which is 26.4 percent. The Willow Creek and Southern Humboldt Intercity, and the Arcata and Corridor DAR systems have also met their respective farebox ratios. The Southern Humboldt services were exempt from the farebox ratios for FYs 2011 & 2012 being new services. However, the Southern Humboldt Local did not meet its farebox in FY 2013.
3. HTA participates in the CHP Transit Operator Compliance Program and received vehicle inspections within the 13 months prior to each TDA claim. Satisfactory ratings were made for all inspections conducted during the audit period.
4. HTA operating budget exhibited significant increases during the audit period exceeding 15 percent in FY 2012 attributed to an increase in service hours with the implementation of Sunday service on RTS and Saturday service on the Willow Creek route. The budget increased 6.7 percent in FY 2011 and 6.0 percent in FY 2013. Increases in salaries, benefits, supplies, vehicle parts, tires and fuel costs were also factors in budget increases.
5. HTA partially implemented one out of the three prior audit recommendations with regard to reporting performance data in the State Controller Report in accordance with TDA definitions. The recommendations not implemented involve reporting of qualitative operational data.
6. Operating cost per vehicle service hour, an indicator of cost efficiency, increased 28.5 percent during the period for fixed route operations (RTS, Southern Humboldt, Willow Creek) from \$73.28 in FY 2010 to \$94.19 in FY 2013. Operating costs for fixed route increased 48 percent during the audit period compared with a 15.2 percent increase in

operating hours. Dial-A-Ride cost per service hour decreased 32.6 percent from \$37.90 in FY 2010 to \$25.55 in FY 2013. Operating costs for Dial-A-Ride increased 7.1 percent during the audit period while service hours increased at a larger rate of 58.9 percent. This trend had the effect of decreasing DAR cost per hour.

7. Operating cost per passenger, an indicator of cost effectiveness, increased 35.1 percent for fixed route from \$4.34 in FY 2010 to \$5.87 in FY 2013. Trailing the growth in costs and service hours, ridership increased 9.6 percent during the audit period resulting in an adverse performance trend. DAR service saw its operating cost per passenger trend increase by 26 percent from \$12.90 in FY 2010 to \$16.25 in FY 2013. As DAR costs increased slightly yet ridership declined in part due to the elimination of the Quail service in southern Humboldt County in 2010.
8. Passengers per vehicle service hour, which measures the effectiveness of the service delivered, decreased just over 9 percent systemwide between FY 2010 and FY 2013 from 15.3 passengers per hour to 13.9 passengers per hour. Fixed route operations exhibited a decrease of 4.9 percent over the same period from 16.9 to 16.1 passengers per hour. DAR operations saw a larger decrease in passengers per hour of 46.5 percent from 2.9 to 1.6 passengers per hour. As the number of passengers declined compared to the hours operated by the buses, these indicators showed a decline in productivity.
9. Farebox recovery exhibited relatively positive trends, as all services exceeded their minimum farebox recovery standards except for the Southern Humboldt Local. Systemwide, the farebox recovery ratio decreased 16.7 percent yet remained about 30 percent. Likewise using audited data, fixed route services encompassing RTS, Willow Creek, and the Southern Humboldt services saw a 16.8 percent decrease in farebox recovery but as a whole exceeded 30 percent.
10. The high levels of ridership on the Redwood Transit System (RTS) mainline prompted the introduction of 30 minute headways between the College of the Redwoods (CR) and Humboldt State University (HSU) resulting in more predictable and consistent service. In addition, Sunday service was added in November 2012 on the RTS mainline with four trips in each direction. On the Willow Creek route, Saturday service was also implemented in July 2012.
11. HTA implemented several technology upgrades. To better monitor on-time performance, the Authority acquired and installed a Global Positioning System (GPS) program in 2012. Passenger counters were installed in June 2012. In addition, there were enhancements to the GFI Genfare electronic farebox system and bus shelter improvements.
12. A fare increase was implemented for most fare categories effective July 1, 2011. Fares were raised an average of \$0.25. The fare increase also encompassed the value cards and monthly passes. The increase was prompted by increases in medical insurance premiums and changes

in CalPERS health plan, which amounted to \$120,000 in additional costs to HTA. A subsequent fare increase was implemented in January 2014.

13. HTA operations service is provided by 43 full-time and 8 part-time employees. Driver extra board consists of drivers on standby for duty if needed. Thirty drivers bid for routes and times based on the seniority system. Drivers, mechanics and service workers are represented by the American Federation of State, County and Municipal Employees (AFSCME) Local 1684 Humboldt County Public Employees Association.
14. The FY 2011/12-2015/16 Transit Development Plan (TDP) Update for Humboldt County Transit Systems, adopted in May 2012, covers a five-year planning horizon and contains a series of operational recommendations for HTA. HTA service recommendations focused primarily on RTS with regard to the implementation of service efficiencies and bus stop enhancements and relocations.
15. The current General Manager served in the capacity of Operations Manager before being hired by the Board of Directors in December 2011. A new Operations Manager and Administrative and Finance Manager were also hired during the period.

Recommendations

1. Request and include additional operations data such as number of trip cancellations, trip denials, missed trips and no shows in the monthly DAR summary reports.

This recommendation is carried over from the prior performance audit. It is suggested that the provision of additional operating characteristics in the summary reports submitted by CAE to the City of Eureka could enhance the level of analysis with regard to DAR service. CAE does provide an annual report categorized by passenger name of the number of cancellations, trip denials and no-shows generated by Trapeze. However, a review of the monthly Comparative Performance Activity Reports compiled by HTA and CAE show primarily operational performance data and not qualitative service data such as complaints, compliments, road calls, trip denials, missed trips and ridership by route. The suggestion of including these performance measures in the summary report follows industry standard information to help gauge operating performance. With the implementation of Trapeze, the collection and presentation of this data could be included as part of regular reporting. Patterns and trends from these measures would be synthesized with other data that is already being provided such as ridership, service hours and miles, and farebox recovery.

2. Include operational performance indicators such as roadcalls and customer comments in the fixed route Comparative Performance Activity Report.

This recommendation is carried over from the prior performance audit. The Comparative Performance Activity Reports continue to reflect quantitative data reporting involving key performance indicators. However, qualitative service data such as on-time performance, vehicle breakdowns and roadcalls, and number of customer comments (complaints/compliments), while collected by HTA, are not included in the Comparative Performance Activity Reports reports. The inclusion of such data measures is useful from an operational standpoint, and could be reviewed alongside existing financial performance indicators such as farebox recovery and operating costs in the Comparative Performance Activity Report. The inclusion of operational data by service (RTS, WC, and SHTS) in the performance activity report creates a wider snapshot of service productivity within one report, and could provide further explanation of performance patterns and trends. It is suggested that HTA consolidate both quantitative and qualitative performance data on its Comparative Performance Activity Reports.

3. Calculate Full Time Equivalents in the Transit Operators Financial Transactions Report according to the TDA definition.

Full Time Equivalents (FTEs) are required to be reported in the annual Transit Operators Financial Transactions Report submitted to the State Controller. The State Controller Reports compiled for HTA's fixed route and specialized demand response services during the audit period do not properly calculate FTEs. FTE data appear to reflect a headcount based on

recent State Controller data submitted by HTA, rather than the methodology of total number of labor hours divided by 2,000. FTEs are inclusive of all staff who contributes their time to the respective transit services including operations and administration.