



Butte County Association of Governments (BCAG)

FY 2018/19 - FY 2020/21  
TDA Triennial Performance Audit  
of the City of Gridley

FINAL REPORT  
MAY 2022





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## Chapter 1 | Executive Summary

In 2021, the Butte County Association of Governments selected Moore & Associates, Inc., to prepare Triennial Performance Audits of itself as the RTPA and the two transit operators to which it allocates TDA funding.

The California Public Utilities Code requires all recipients of Transit Development Act (TDA) Article 4 funding to undergo an independent performance audit on a three-year cycle in order to maintain funding eligibility. Audits of Article 8 recipients are encouraged.

The Triennial Performance Audit is designed to be an independent and objective evaluation of the City of Gridley as a public transit operator, providing operator management with information on the economy, efficiency, and effectiveness of its programs across the prior three fiscal years. In addition to assuring legislative and governing bodies (as well as the public) that resources are being economically and efficiently utilized, the Triennial Performance Audit fulfills the requirement of PUC Section 99246(a) that the RTPA designate an entity other than itself to conduct a performance audit of the activities of each operator to whom it allocates funds.

This chapter summarizes key findings and recommendations developed during the Triennial Performance Audit (TPA) of the City public transit program for the period:

- Fiscal Year 2018/19,
- Fiscal Year 2019/20, and
- Fiscal Year 2020/21.

The City of Gridley operates the Golden Feather Flyer Transit Service, a curb-to-curb demand-response service available to the residents of Gridley. The service operates within Gridley limits. Service is available Monday through Friday, between 8:00 a.m. through 4:00 p.m. The service does not operate on weekends and the following major holidays: New Year's Day, Presidents' Day, Memorial Day, Independence Day, Labor Day, Thanksgiving and the day after Thanksgiving, Christmas Eve, Christmas, and New Year's Eve.

This performance audit was conducted in accordance with generally accepted government auditing standards. Those standards require that the audit team plans and performs the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for its findings and conclusions based on the audit objectives. Moore & Associates believes the evidence obtained provides a reasonable basis for our findings and conclusions.

This audit was also conducted in accordance with the processes established by the California Department of Transportation (Caltrans), as outlined in the *Performance Audit Guidebook for Transit Operators and Regional Transportation Planning Entities*.

The Triennial Performance Audit includes five elements:

- Compliance requirements,
- Prior recommendations,
- Analysis of program data reporting,
- Performance Audit, and
- Functional review.

#### Test of Compliance

Based on discussions with City staff, analysis of program performance, and an audit of program compliance and function, the audit team presents two compliance findings:

1. State Controller Reports were submitted after the established deadline each year of the audit period.
2. Vehicle service hours are not excluding breaks from the calculation.

#### Status of Prior Recommendations

The prior audit – completed in September 2019 by Moore & Associates, Inc. for the three fiscal years ending June 30, 2018 – included four recommendations:

1. [Submit State Controller Reports no later than January 31 each year.](#)  
**Status:** Not implemented.
2. [All drivers should properly document revenue hours, revenue and non-revenue miles, and passengers on a daily basis.](#)  
**Status:** Partially implemented.
3. [The Finance Director or his/her designee should review performance data to ensure it is being accurately recorded.](#)  
**Status:** Implementation in progress.
4. [Work with BCAG to develop a short-range transit plan.](#)  
**Status:** Not implemented.

#### Findings and Recommendations

Based on discussions with the City of Gridley staff, analysis of program performance, and a review of program compliance and function, the audit team submits the aforementioned compliance findings for the City.

The audit team has identified two functional findings. While these findings are not compliance findings, we feel they are significant enough to be addressed within this audit:

1. The City has yet to develop a short-range transit plan.
2. The City's single-vehicle fleet requires the use of a pool car when that vehicle is down, limiting use by riders needing a wheelchair-accessible vehicle.



In completing this Triennial Performance Audit, we submit the following recommendations for the City of Gridley’s public transit program. They have been divided into two categories: TDA Program compliance recommendations and functional recommendations. TDA program compliance recommendations are intended to assist in bringing the operator into compliance with the requirements and standards of the TDA, while Functional Recommendations address issues identified during the triennial audit that are not specific to TDA compliance.

Exhibit 1.1 Summary of Audit Recommendations

TDA Compliance Recommendations		Importance	Timeline
1	Work with the City’s auditors to complete City audits in a timely manner so as to be able to submit State Controller Report by January 31.	High	FY 2021/22
2	Update the daily driver sheets to include a space to record time and odometer mileage for breaks, and work with the driver to accurately calculated daily vehicle service hours.	High	FY 2021/22
Functional Recommendations		Importance	Timeline
1	Work with BCAG to undertake a short range transit plan to address the City’s transit “vision” across a five-year planning horizon.	High	FY 2022/23
2	Work with BCAG to identify funding for a second wheelchair-accessible transit vehicle.	Medium	FY 2023/24

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## Chapter 2 | Audit Scope and Methodology

The Triennial Performance Audit (TPA) of the City of Gridley’s public transit program covers the three-year period ending June 30, 2021. The California Public Utilities Code requires all recipients of Transit Development Act (TDA) funding to complete an independent review on a three-year cycle in order to maintain funding eligibility.

In 2021, the Butte County Association of Governments selected Moore & Associates, Inc., to prepare Triennial Performance Audits of itself as the RTPA and the two transit operators to which it allocates TDA funding. Moore & Associates is a consulting firm specializing in public transportation, including audits of non-TDA Article 4 recipients. Selection of Moore & Associates followed a competitive procurement process.

The Triennial Performance Audit is designed to be an independent and objective evaluation of the City of Gridley’s as a public transit operator. Direct benefits of a Triennial Performance Audit include providing operator management with information on the economy, efficiency, and effectiveness of its programs across the prior three years; helpful insight for use in future planning; and assuring legislative and governing bodies (as well as the public) that resources are being economically and efficiently utilized. Finally, the Triennial Performance Audit fulfills the requirement of PUC Section 99246(a) that the RTPA designate an entity other than itself to conduct a performance audit of the activities of each operator to whom it allocates funds.

This performance audit was conducted in accordance with generally accepted government auditing standards. Those standards require that the audit team plans and performs the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for its findings and conclusions based on the audit objectives. The auditors believe the evidence obtained provides a reasonable basis for our findings and conclusions.

The audit was also conducted in accordance with the processes established by the California Department of Transportation (Caltrans), as outlined in the *Performance Audit Guidebook for Transit Operators and Regional Transportation Planning Entities*, as well as *Government Audit Standards* published by the U.S. Comptroller General.

### Objectives

A Triennial Performance Audit (TPA) has four primary objectives:

1. Assess compliance with TDA regulations;
2. Review improvements subsequently implemented as well as progress toward adopted goals;
3. Evaluate the efficiency and effectiveness of the transit operator; and
4. Provide sound, constructive recommendations for improving the efficiency and functionality of the transit operator.

## Scope

The TPA is a systematic review of performance evaluating the efficiency, economy, and effectiveness of the transit operator. The audit of the City of Gridley included five tasks:

1. A review of compliance with TDA requirements and regulations.
2. A review of the status of recommendations included in the prior Triennial Performance Audit.
3. A verification of the methodology for calculating performance indicators including the following activities:
  - Assessment of internal controls,
  - Test of data collection methods,
  - Calculation of performance indicators, and
  - Evaluation of performance.
4. Comparison of data reporting practices:
  - Internal reports,
  - State Controller Reports, and
  - National Transit Database.
5. Examination of the following functions:
  - General management and organization;
  - Service planning;
  - Scheduling, dispatching, and operations;
  - Personnel management and training;
  - Administration;
  - Marketing and public information; and
  - Fleet maintenance.
6. Conclusions and recommendations to address opportunities for improvement based upon analysis of the information collected and the audit of the transit operator's major functions.

## Methodology

The methodology for the Triennial Performance Audit of the City of Gridley included thorough review of documents relevant to the scope of the audit, as well as information contained on the City's website. The documents reviewed included the following (spanning the full three-year period):

- Monthly performance reports;
- State Controller Reports;
- Annual budgets;
- TDA fiscal audits;
- Transit marketing collateral;
- TDA claims;
- Fleet inventory;
- Preventive maintenance schedules and forms;
- Accident/road call logs; and
- Organizational chart.

Given impacts of the ongoing COVID-19 pandemic, the methodology for this audit included a virtual site visit with City representatives on March 23, 2022. The audit team met with Elisa Arteaga (Finance Director) and reviewed materials germane to the triennial audit.

This report is comprised of eight chapters divided into three sections:

1. Executive Summary: A summary of the key findings and recommendations developed during the Triennial Performance Audit process.
2. TPA Scope and Methodology: Methodology of the review and pertinent background information.
3. TPA Results: In-depth discussion of findings surrounding each of the subsequent elements of the audit:
  - Compliance with statutory and regulatory requirements,
  - Status of prior recommendations,
  - Consistency among reported data,
  - Performance measures and trends,
  - Functional audit, and
  - Findings and recommendations.

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## Chapter 3 | Program Compliance

This section examines the City of Gridley’s compliance with the Transportation Development Act as well as relevant sections of the California Code of Regulations. An annual certified fiscal audit confirms TDA funds were apportioned in conformance with applicable laws, rules, and regulations. The City considers full use of funds under California Code of Regulations (CCR) 6754(a) as referring to operating funds but not capital funds. The TPA findings and related comments are delineated in Exhibit 3.1.

Status of compliance items was determined through discussions with City staff as well as an inspection of relevant documents including the fiscal audits for each year of the triennium, State Controller annual filings, California Highway Patrol terminal inspections, National Transit Database reports, year-end performance reports, and other compliance-related documentation.

Two compliance issues were identified for the City of Gridley:

1. State Controller Reports were submitted after the established deadline each year of the audit period.
2. Vehicle service hours are not excluding breaks from the calculation.

### Developments Occurring During the Audit Period

The last half of the audit period is markedly different from the first half. The impacts of the COVID-19 pandemic resulted in significant declines in ridership and revenue. In many instances, transit operators strove to retain operations staff despite adopting a reduced schedule, resulting in significant changes to many cost-related performance metrics. While infusions of funding through the CARES Act mitigated some of the lost revenues for federally funded programs, most transit operators have yet to return to pre-pandemic ridership and fare levels. As a result, the Triennial Performance Audits will provide an assessment not only of how COVID-19 impacted each organization, but how they responded to the crisis.

In addition to the COVID-19 pandemic, recent and proposed changes to the TDA may result in audit reports that look somewhat different than in prior years. In the nearly 50 years since introduction of the Transportation Development Act, there have been many changes to public transportation in California. Many operators have faced significant challenges in meeting the farebox recovery ratio requirement, calling into question whether it remains the best measure for TDA compliance. In 2018, the chairs of California’s state legislative transportation committees requested the California Transit Association spearhead a policy task force to examine the TDA, which resulted in a draft framework for TDA reform released in early 2020. The draft framework maintains the farebox recovery ratio requirement, but eliminates financial penalties and allows more flexibility with respect to individual operator targets. These changes have yet to be implemented.

Assembly Bill 90, signed into law on June 29, 2020, provided temporary regulatory relief for transit operators required to conform with Transportation Development Act (TDA) farebox recovery ratio thresholds in FY 2019/20 and FY 2020/21. While the ability to maintain state mandates and performance measures is important, AB 90 offered much-needed relief from these requirements for these years impacted by the COVID-19 pandemic while TDA reform continues to be discussed.

AB 90 included the following provisions specific to transit operator funding through the TDA:

1. It prohibited the imposition of the TDA revenue penalty on an operator that did not maintain the required ratio of fare revenues to operating cost during FY 2019/20 or FY 2020/21.
2. It required the Controller to calculate and publish the allocation of transit operator revenue-based funds made pursuant to the State Transit Assistance (STA) Program for FY 2020/21 and FY 2021/22 based on the same individual operator ratios published by the Controller in a specified transmittal memo, and authorized the Controller to revise that transmittal memo, as specified. It required the Controller to use specified data to calculate those individual operator ratios. Upon allocation of the transit operator revenue-based funds to local transportation agencies pursuant to this provision, the Controller would publish the amount of funding allocated to each operator.
3. It exempted an operator from having to meet either of the STA efficiency standards for FY 2020/21 and FY 2021/22 and authorized the operator to use those funds for operating or capital purposes during that period.
4. It required the Controller to allocate State of Good Repair (SOGR) program funding for FY 2020/21 and FY 2021/22 to recipient transit agencies pursuant to the individual operator ratios published in the above-described transmittal memo.
5. It required the Controller to allocate Low Carbon Transit Operations Program (LCTOP) funding for FY 2020/21 and FY 2021/22 to recipient transit agencies pursuant to the individual operator ratios published in the above-described transmittal memo.

Assembly Bill 149, signed into law on July 16, 2021, provided additional regulatory relief with respect to Transportation Development Act (TDA) compliance. It extended the provisions of AB 90 through FY 2022/23 as well as provided additional regulatory relief including:

1. Waiving the annual productivity improvement requirement of Section 99244 through FY 2022/23.
2. Adding a temporary provision exempting operators from farebox recovery ratio requirements provided they expend at least the same amount of local funds as in FY 2018/19.
3. Expanding the definition of “local funds” to enable the use of federal funding, such as the CARES Act or CRRSAA, to supplement fare revenues and allows operators to calculate free and reduced fares at their actual value.
4. Adjusting the definition of operating cost to exclude the cost of ADA paratransit services, demand-response and microtransit services designed to extend access to service, ticketing/payment systems, security, some pension costs, and some planning costs.
5. Allowing operators to use STA funds as needed to keep transit service levels from being reduced or eliminated through FY 2022/23.

AB 149 also called for an examination of the triennial performance audit process, to ensure the practice continues to be effective and beneficial.



## Exhibit 3.1 Transit Development Act Compliance Requirements

Compliance Element	Reference	Compliance	Comments
State Controller Reports submitted on time.	PUC 99243	Finding	FY 2018/19: <i>Not provided</i> FY 2019/20: March 16, 2021 FY 2020/21: <i>Not provided</i>
Fiscal and compliance audits submitted within 180 days following the end of the fiscal year (or with up to 90-day extension).	PUC 99245	In compliance*	FY 2018/19: March 23, 2020 FY 2019/20: April 6, 2021 FY 2020/21: March 31, 2022
Operator's terminal rated as satisfactory by CHP within the 13 months prior to each TDA claim.	PUC 99251 B	Not applicable	The City is exempt from this requirement due to the size of the vehicle it uses. This finding was made by the CHP on April 9, 2014.
Operator's claim for TDA funds submitted in compliance with rules and regulations adopted by the RTPA.	PUC 99261	In compliance	
If 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.	PUC 99270.1	Not applicable	
Except as otherwise provided, the allocation for any purpose specified under Article 8 may in no year exceed 50% of the amount required to meet the total planning expenditures for that purpose.	PUC 99405	In compliance	
An operator receiving allocations under Article 8(c) may be subject to regional, countywide, or subarea performance criteria, local match requirements, or fare recovery ratios adopted by resolution of the RTPA.	PUC 99405	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).	PUC 99266	In compliance	FY 2018/19: +9.78% FY 2019/20: +6.59% FY 2020/21: -21.01%  <i>Source: State Controller Reports, FY 2018 – FY 2020.</i>
The operator's definitions of performance measures are consistent with the Public Utilities Code Section 99247.	PUC 99247	Finding	The calculation of vehicle service hours is correctly excluding travel time before and after the first pick-up and last drop-off, but is not excluding break times.
If the operator serves an urbanized area, it has maintained a ratio of fare revenues to operating cost at least equal to one-fifth (20 percent).	PUC 99268.2, 99268.4, 99268.1	Not applicable	

*\*In light of the COVID-19 pandemic, the audit team considers the City to be in compliance despite completing its FY 2019/20 TDA fiscal audit six days after the extended deadline.*

Compliance Element	Reference	Compliance	Comments
If the operator serves a rural area, it has maintained a ratio of fare revenues to operating cost at least equal to one-tenth (10 percent).	PUC 99268.2, 99268.4, 99268.5	In compliance	FY 2018/19: 16.38% FY 2019/20: 11.31% FY 2020/21: 7.82%  <i>Penalties waived for FY 2020 and FY 2021 due to AB 90 and AB 149.</i>  <i>Source: Senior Taxi Fund fiscal audits, FY 2019 – FY 2021</i>
For a claimant that provides only services to elderly and handicapped persons, the ratio of fare revenues to operating cost shall be at least 10 percent.	PUC 99268.5, CCR 6633.5	Not applicable	
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 for 40 years.	PUC 99271	In compliance	City employees received retirement benefits through CalPERS.
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.	CCR 6754 (a) (3)	Not applicable	The City does not receive federal funds.
In order to use State Transit Assistance funds for operating assistance, the operator's total operating cost per revenue hour does not exceed the sum of the preceding year's total plus an amount equal to the product of the percentage change in the CPI for the same period multiplied by the preceding year's total operating cost per revenue hour. An operator may qualify based on the preceding year's operating cost per revenue hour or the average of the three prior years. If an operator does not meet these qualifying tests, the operator may only use STA funds for operating purposes according to a sliding scale.	PUC 99314.6	In compliance	Prior to FY 2020, the City did a swap with Butte County for STA funds. However, in FY 2020 and FY 2021, the City claimed STA for transit so that LTF funds could be claimed for a specific streets and roads project. During those years, the efficiency tests were waived under AB 149.

Compliance Element	Reference	Compliance	Comments
<p>A transit claimant is precluded from receiving monies from the Local Transportation Fund and the State Transit Assistance Fund in an amount which exceeds the claimant's capital and operating costs less the actual amount of fares received, the amount of local support required to meet the fare ratio, the amount of federal operating assistance, and the amount received during the year from a city or county to which the operator has provided services beyond its boundaries.</p>	<p>CCR 6634</p>	<p>In compliance</p>	

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## Chapter 4 | Prior Recommendations

This section reviews and evaluates the implementation of prior Triennial Performance Audit recommendations. This objective assessment provides assurance the City of Gridley has made quantifiable progress toward improving both the efficiency and effectiveness of its public transit program.

The prior audit – completed in September 2019 by Moore & Associates, Inc. for the three fiscal years ending June 30, 2018 – included four recommendations:

1. [Submit State Controller Reports no later than January 31 each year.](#)

**Discussion:** In FY 2015/16, the State Controller Report was submitted nearly one month late on November 16, 2017. In FY 2016/17, the report was submitted more than two months late on April 4, 2018. In FY 2017/18, the report was submitted more than one month late on March 6, 2019.

The City should clearly document on a shared calendar when the reports are due to be submitted. Ideally, the City should aim to complete the report in early January. This will help facilitate on-time submittal of the report.

**Progress:** The City’s Finance staff has been inconsistent over the past several years. As such, staff struggles to get the fiscal audit completed by March 31, and does not have audited data for the State Controller Report by January 31. The Finance Director is aware of the deadline and they have been working toward it.

**Status:** Not implemented.

2. [All drivers should properly document revenue hours, revenue and non-revenue miles, and passengers on a daily basis.](#)

**Discussion:** In FY 2015/16 and FY 2016/17, the City did not report vehicle service hours or full-time equivalents on the State Controller Report. In FY 2017/18, this data was reported, but vehicle service hours were reported incorrectly (using the same data as vehicle service miles). Further discussion with the City revealed a lack of knowledge regarding the proper definition of vehicle service hours.

The transit driver should properly document revenue hours, revenue and non-revenue miles, and passengers on a daily basis. This includes documenting the driver’s shift and break start and end times, departure time for first pickup, return time to yard after last drop-off, starting revenue mileage, any non-revenue mileage, pool car mileage, and total passenger trips. Each month, data from the driver logs should be aggregated into a monthly summary. The monthly summaries would then be totaled to provide an annual performance summary. This data would then be used to improve accuracy for all reporting (such as to the State Controller). A sample driver log and monthly/annual summaries are provided in Exhibits 8.1, 8.2, and 8.3 at the end of this chapter.

**Progress:** Vehicle service miles and vehicle service hours appear to be correctly documented. Mileage is calculated by subtracting mileage at first pick-up from mileage at last drop-off, then subtracting any mileage incurred between breaks. Service hours, however, appear to be slightly over-reported, as they do not exclude break times when the vehicle is out of service.

**Status:** Partially implemented.

3. [The Finance Director or his/her designee should review performance data to ensure it is being accurately recorded.](#)

**Discussion:** Once performance data is being correctly documented, it should be reviewed regularly to ensure its accuracy. Initially, this review should take place every week. Once it has been determined that everything is being recorded correctly, then the review can occur monthly.

**Progress:** The current Finance Director was responsible for preparing the State Controller Report in FY 2020/21 and generally oversees the transit program.

**Status:** Implementation in progress.

4. [Work with BCAG to develop a short-range transit plan.](#)

**Discussion:** The prior triennial performance audit recommended the City work with BCAG to develop a short-range transit plan. In recent years, BCAG completed the 2015 Transit and Non-Motorized Plan for Butte County. However, the City of Gridley’s demand-response service was not included in that plan (only Butte Regional Transit’s Gridley routes), and no other planning has been conducted on the City’s behalf.

Working with BCAG, the City should undertake the development of a short-range transit plan (SRTP) to assess its current service, identify anticipated changes within the community (such as the FEMA trailer community), and recommend any service changes to optimize service or better serve community needs. Even a “mini” SRTP will be beneficial, especially if it can be completed within the next year.

**Progress:** Due to the inconsistency of personnel in the City’s Finance department, BCAG has not pursued the development of an SRTP for Gridley. However, given some proposed developments in the city of Gridley (such as a sports complex) and anticipated growth in the next four years, the City feels it needs some direction. Even a relatively low-cost transit vision “white paper” would be helpful to look at the sustainability of the current service model as demand increases.

**Status:** Not implemented.

## Chapter 5 | Data Reporting Analysis

An important aspect of the Triennial Performance Audit process is assessing how effectively and consistently the transit operator reports performance statistics to local, state, and federal agencies. Often as a condition of receipt of funding, an operator must collect, manage, and report data to different entities. Ensuring such data are consistent can be challenging given the differing definitions employed by different agencies as well as the varying reporting timeframes. This chapter examines the consistency of performance data reported by the City of Gridley both internally as well as to outside entities during the audit period.

- **Operating cost:** Differences in operating cost between the two reports (TDA fiscal audit and State Controller Report) may be due to differences in what expenses are included in each. In FY 2018/19, the State Controller Report reported a lower amount, while the TDA fiscal audit had a higher figure. The source of the lower figure is unknown, though it is somewhat consistent with the amount excluded for depreciation. However, it does not appear depreciation was incorrectly excluded. Instead, it appears the fiscal audit included administrative and salary costs not included in the State Controller Report. In FY 2019/20, the data was reported consistently.
- **Fare Revenue:** This metric was reported consistently.
- **Vehicle Service Hours (VSH):** VSH was reported incorrectly in FY 2018/19 and FY 2019/20, as the City appeared to use the data for VSM for the VSH reporting. However, the City did document VSH via the driver sheets during those years. VSH as recorded on the driver sheets did not exclude break time, though it did correctly exclude time before and after the first pick-off and last drop-off.
- **Vehicle Service Miles (VSM):** This metric was generally reported consistently.
- **Passengers:** This metric was reported consistently.
- **Full-Time Equivalent (FTE) Employees:** The City employs one full-time driver and a part time driver that works on an as needed basis. Employees reported on the State Controller Report is the same as it would be using the TDA definition, even once other City hours are incorporated into the calculation.

Exhibit 5.1 Data Reporting Comparison

Performance Measure	System-Wide		
	FY 2018/19	FY 2019/20	FY 2020/21
<b>Operating Cost (Actual \$)</b>			
<i>Senior Taxi Fund fiscal audit</i>	\$132,000	\$146,646	\$96,413
<i>State Controller Report</i>	\$124,527	\$146,956	<i>Not provided</i>
<b>Fare Revenue (Actual \$)</b>			
<i>Senior Taxi Fund fiscal audit</i>	\$15,838	\$7,556	\$4,322
<i>State Controller Report</i>	\$15,838	\$7,556	<i>Not provided</i>
<b>Vehicle Service Hours (VSH)</b>			
<i>Monthly Performance Reports</i>	2,023	2,135	1,735
<i>State Controller Report</i>	15,426	15,020	<i>Not provided</i>
<b>Vehicle Service Miles (VSM)</b>			
<i>Monthly Performance Reports</i>	15,261	14,532	8,532
<i>State Controller Report</i>	15,426	14,532	<i>Not provided</i>
<b>Passengers</b>			
<i>Monthly Performance Reports</i>	7,713	6,177	2,732
<i>State Controller Report</i>	7,713	6,177	<i>Not provided</i>
<b>Full-Time Equivalent Employees</b>			
<i>State Controller Report</i>	1	1	<i>Not provided</i>
<i>Per TDA methodology</i>	1	1	1



## Chapter 6 | Performance Analysis

Performance indicators are typically employed to quantify and assess the efficiency of a transit operator's activities. Such indicators provide insight into current operations as well as trend analysis of operator performance. Through a review of indicators, relative performance as well as possible inter-relationships between major functions is revealed.

The Transportation Development Act (TDA) requires recipients of TDA funding to track and report five performance indicators:

- Operating Cost/Passenger,
- Operating Cost/Vehicle Service Hour,
- Passengers/Vehicle Service Hour,
- Passengers/Vehicle Service Mile, and
- Vehicle Service Hours/Employee.

To assess the validity and use of performance indicators, the audit team performed the following activities:

- Assessed internal controls in place for the collection of performance-related information,
- Validated collection methods of key data,
- Calculated performance indicators, and
- Evaluated performance indicators.

The procedures used to calculate TDA-required performance measures for the current triennium were verified and compared with indicators included in similar reports to external entities (i.e., State Controller and Federal Transit Administration).

### Operating Cost

The Transportation Development Act requires an operator to track and report transit-related costs reflective of the Uniform System of Accounts and Records developed by the State Controller and the California Department of Transportation. The most common method for ensuring this occurs is through a compliance audit report prepared by an independent auditor in accordance with California Code of Regulations Section 6667<sup>1</sup>. The annual independent financial audit should confirm the use of the Uniform System of Accounts and Records. *Operating cost* – as defined by PUC Section 99247(a) – excluded the following during the audit period<sup>2</sup>:

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<sup>1</sup> CCR Section 6667 outlines the minimum tasks which must be performed by an independent auditor in conducting the annual fiscal and compliance audit of the transit operator.

<sup>2</sup> Given the passage of AB 149, the list of excluded costs will be expanded beginning with FY 2021/22.

- Cost in the depreciation and amortization expense object class adopted by the State Controller pursuant to PUC Section 99243,
- Subsidies for commuter rail services operated under the jurisdiction of the Interstate Commerce Commission,
- Direct costs of providing charter service, and
- Vehicle lease costs.

#### Vehicle Service Hours and Miles

*Vehicle Service Hours* (VSH) and *Miles* (VSM) are defined as the time/distance during which a revenue vehicle is available to carry fare-paying passengers, and which includes only those times/miles between the time or scheduled time of the first passenger pickup and the time or scheduled time of the last passenger drop-off during a period of the vehicle's continuous availability.<sup>3</sup> For example, demand-response service hours include those hours when a vehicle has dropped off a passenger and is traveling to pick up another passenger, but not those hours when the vehicle is unavailable for service due to driver breaks or lunch. For both demand-response and fixed-route services, service hours will exclude hours of "deadhead" travel to the first scheduled pick-up, and will also exclude hours of "deadhead" travel from the last scheduled drop-off back to the terminal. For fixed-route service, a vehicle is in service from first scheduled stop to last scheduled stop, whether or not passengers board or exit at those points (i.e., subtracting driver lunch and breaks but including scheduled layovers).

#### Passenger Counts

According to the Transportation Development Act, *total passengers* is equal to the total number of unlinked trips (i.e., those trips that are made by a passenger that involve a single boarding and departure), whether revenue-producing or not.

#### Employees

*Employee hours* is defined as the total number of hours (regular or overtime) which all employees have worked, and for which they have been paid a wage or salary. The hours must include transportation system-related hours worked by persons employed in connection with the system (whether or not the person is employed directly by the operator). Full-Time Equivalent (FTE) is calculated by dividing the number of person-hours by 2,000.

#### Fare Revenue

*Fare revenue* is defined by California Code of Regulations Section 6611.2 as revenue collected from the farebox plus sales of fare media.

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<sup>3</sup> A vehicle is considered to be in revenue service despite a no-show or late cancellation if the vehicle remains available for passenger use.

### TDA Required Indicators

To calculate the TDA indicators for the City of Gridley, the following sources were employed:

- Operating Cost was not independently calculated as part of this audit. Operating Cost data were obtained via State Controller Reports for each fiscal year covered by this audit. Operating Cost from the reports was compared against that reported in the City's audited financial reports and appeared to be consistent with TDA guidelines. In accordance with PUC Section 99247(a), the reported costs excluded depreciation and other allowable expenses.
- Fare Revenue was not independently calculated as part of this audit. Fare revenue data were obtained via State Controller Reports for each fiscal year covered by this audit. This appears to be consistent with TDA guidelines as well as the uniform system of accounts.
- Vehicle Service Hours (VSH) data were obtained via driver trip sheets for each fiscal year covered by this audit. The City of Gridley calculates VSH using driver trip sheets. The City's calculation methodology does not exclude break times.
- Vehicle Service Miles (VSM) data were obtained via driver trip sheets and ridership reports for each fiscal year covered by this audit. The City calculates VSM by subtracting deadhead and out-of-service miles from total vehicle mileage (as noted on each vehicle's odometer). This methodology is consistent with PUC guidelines.
- Unlinked trip data were obtained via driver trip sheets and ridership reports for each fiscal year covered by this audit. The City's calculation methodology is consistent with PUC guidelines.
- Full-Time Equivalent (FTE) data were obtained from State Controller Reports for each fiscal year covered by this review. Data reported was consistent with the TDA definition.

### System Performance Trends

Systemwide, operating cost rose steadily throughout prior audit period and fluctuated throughout the current audit period. Between FY 2015/16 and FY 2020/21, there was a net 15.9 percent decrease in operating cost. The most significant increase occurred in FY 2020/21, which experienced a 34.4 percent decrease and can be attributed to a decline in demand due to the COVID-19 pandemic. Fare revenues decreased every year, with the exception of a 5.7 increase in FY 2016/17. This resulted in a net 72.7 percent decrease during the audit period and a 73.6 percent net increase over the six-year span, the majority of which can be attributed to the COVID-19 pandemic.

Vehicle service hours (VSH) increased during five years of the six-year period, only decreasing in FY 2019/20. This resulted in a net decrease of 14.2 percent during the audit period and a net 13.6 percent decrease over the past six years. Vehicle service miles (VSM) experienced a decrease of 44.7 percent during the audit period, and a net decrease of 40.3 percent since FY 2015/16. Ridership experienced a slight increase in FY 2017/18, but declined significantly throughout the audit period. Overall, ridership decreased by 69.4 percent during the audit period, and experienced a net decrease of 74.2 percent over the six-year period.

Cost-related metrics typically provide an indicator of a system's efficiency, while passenger-related metrics offer insight into its productivity. Improvements are characterized by increases in passenger-related metrics and decreases in cost-related metrics. Cost-related metrics generally increased over the audit period, indicating a decrease in cost-effectiveness. Unsurprisingly, passenger-related metrics fell,

with passengers per VSH and passengers per VSM each seeing a significant decrease during the audit period.

Exhibit 6.1 System Performance Indicators

Performance Measure	System-wide					
	FY 2015/16	FY 2016/17	FY 2017/18	FY 2018/19	FY 2019/20	FY 2020/21
<b>Operating Cost (Actual \$)</b>	\$114,575	\$118,296	\$125,356	\$124,527	\$146,936	\$96,412
<i>Annual Change</i>		3.2%	6.0%	-0.7%	18.0%	-34.4%
<b>Fare Revenue (Actual \$)</b>	\$16,382	\$17,310	\$16,322	\$15,838	\$7,556	\$4,322
<i>Annual Change</i>		5.7%	-5.7%	-3.0%	-52.3%	-42.8%
<b>Vehicle Service Hours (VSH)</b>	2,008	2,176	1,992	2,023	2,135	1,735
<i>Annual Change</i>		8.4%	-8.5%	1.6%	5.5%	-18.7%
<b>Vehicle Service Miles (VSM)</b>	14,302	15,236	16,276	15,426	14,532	8,532
<i>Annual Change</i>		6.5%	6.8%	-5.2%	-5.8%	-41.3%
<b>Passengers</b>	9,160	8,164	8,737	7,713	6,177	2,364
<i>Annual Change</i>		-10.9%	7.0%	-11.7%	-19.9%	-61.7%
<b>Employees</b>	1	1	1	1	1	1
<i>Annual Change</i>		0.0%	0.0%	0.0%	0.0%	0.0%
<b>Performance Indicators</b>						
<b>Operating Cost/VSH (Actual \$)</b>	\$57.06	\$54.36	\$62.93	\$61.56	\$68.82	\$55.57
<i>Annual Change</i>		-4.7%	15.8%	-2.2%	11.8%	-19.3%
<b>Operating Cost/Passenger (Actual)</b>	\$12.51	\$14.49	\$14.35	\$16.15	\$23.79	\$40.78
<i>Annual Change</i>		15.8%	-1.0%	12.5%	47.3%	71.4%
<b>Passengers/VSH</b>	4.56	3.75	4.39	3.81	2.89	1.36
<i>Annual Change</i>		-17.8%	16.9%	-13.1%	-24.1%	-52.9%
<b>Passengers/VSM</b>	0.64	0.54	0.54	0.50	0.43	0.28
<i>Annual Change</i>		-16.3%	0.2%	-6.9%	-15.0%	-34.8%
<b>Farebox Recovery</b>	14.3%	14.6%	13.0%	12.7%	5.1%	4.5%
<i>Annual Change</i>		2.3%	-11.0%	-2.3%	-59.6%	-12.8%
<b>Hours/Employee</b>	2008.0	2176.0	1992.0	2,023.0	2,135.0	1735.0
<i>Annual Change</i>		8.4%	-8.5%	1.6%	5.5%	-18.7%
<b>TDA Non-Required Indicators</b>						
<b>Operating Cost/VSM</b>	\$8.01	\$7.76	\$7.70	\$8.07	\$10.11	\$11.30
<i>Annual Change</i>		-3.1%	-0.8%	4.8%	25.3%	11.8%
<b>VSM/VSH</b>	7.12	7.00	8.17	7.63	6.81	4.92
<i>Annual Change</i>		-1.7%	16.7%	-6.7%	-10.7%	-27.8%
<b>Fare/Passenger</b>	\$1.79	\$2.12	\$1.87	\$2.05	\$1.22	\$1.83
<i>Annual Change</i>		18.6%	-11.9%	9.9%	-40.4%	49.5%

Sources: FY 2015/16 – FY 2017/18 data from prior Triennial Performance Audit.

FY 2018/19 – FY 2020/21 performance data from monthly performance logs and reports.

FY 2018/19 – FY 2019/20 financial data from State Controller report.

FY 2020/21 financial data from Senior Taxi TDA fiscal audit.

Exhibit 6.2 System Ridership

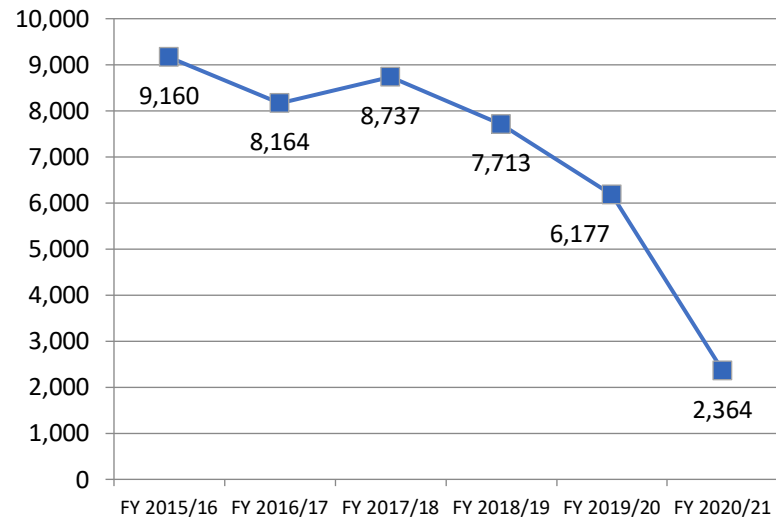


Exhibit 6.3 System Operating Cost/VSH

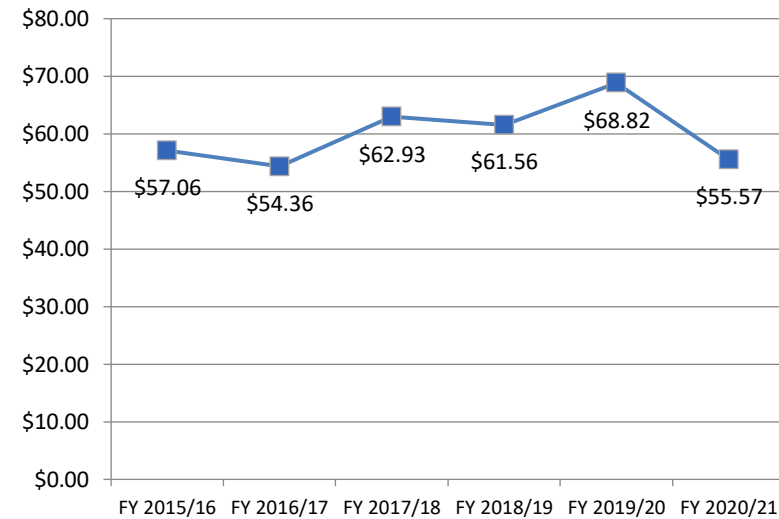


Exhibit 6.4 System Operating Cost/VSM

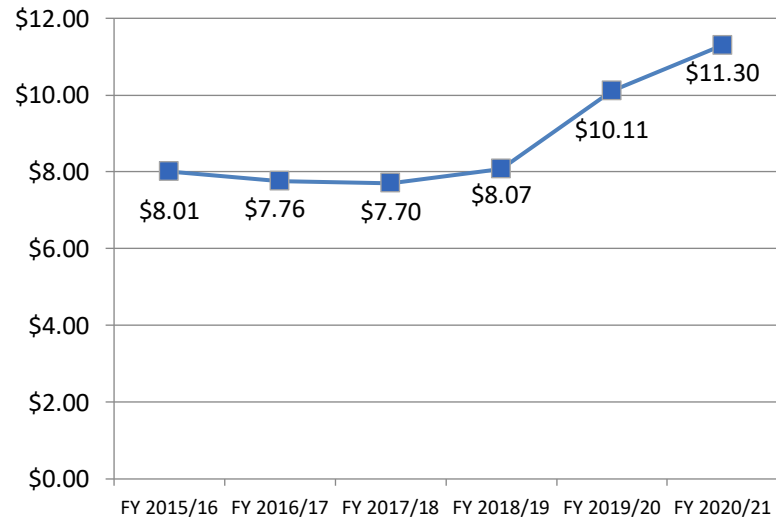


Exhibit 6.5 System VSM/VSH

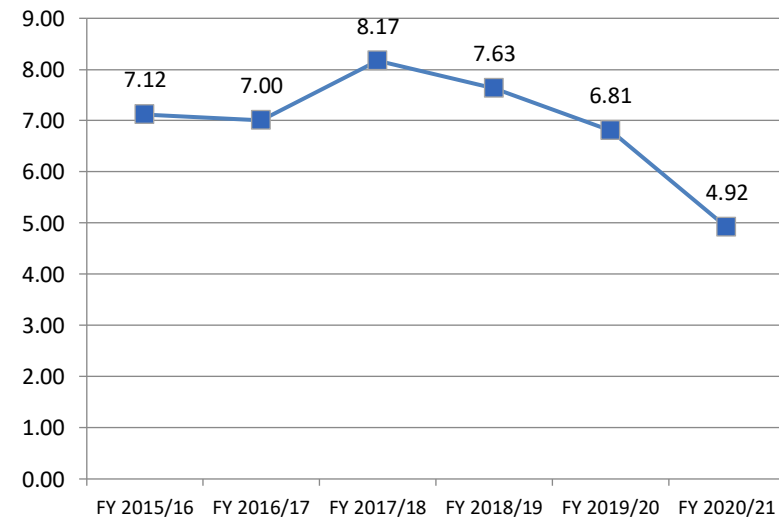


Exhibit 6.6 System Operating Cost/Passenger

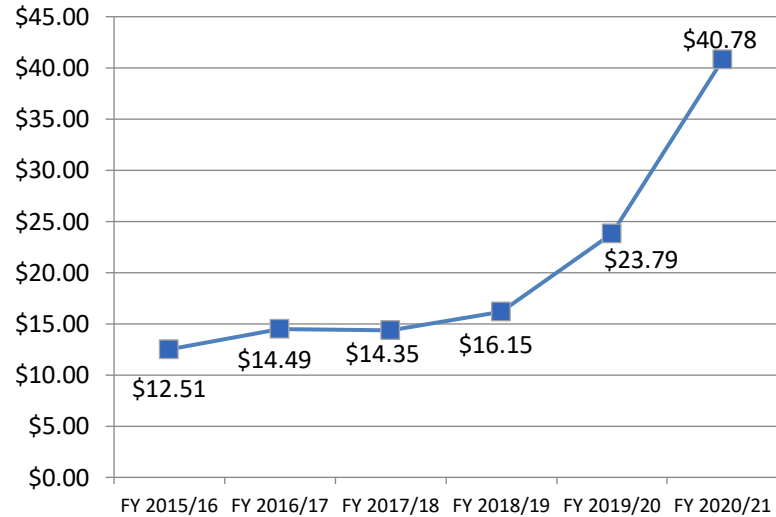


Exhibit 6.7 System Passengers/VSH

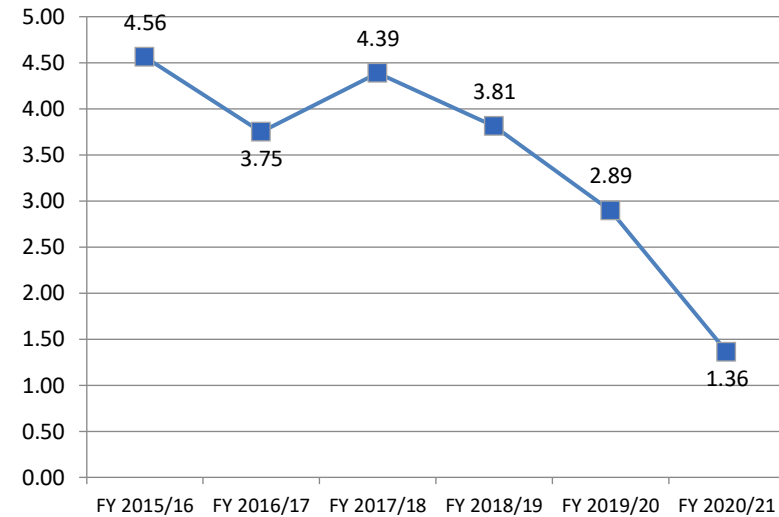


Exhibit 6.8 System Passengers/VSM

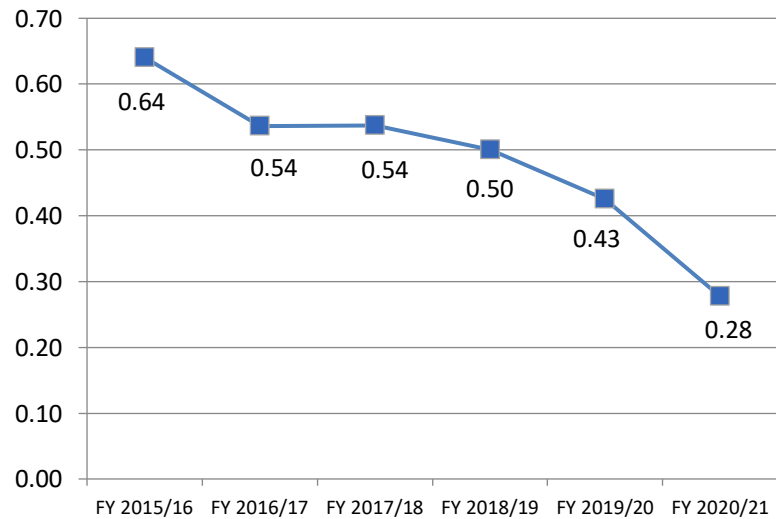


Exhibit 6.9 System VSH/FTE

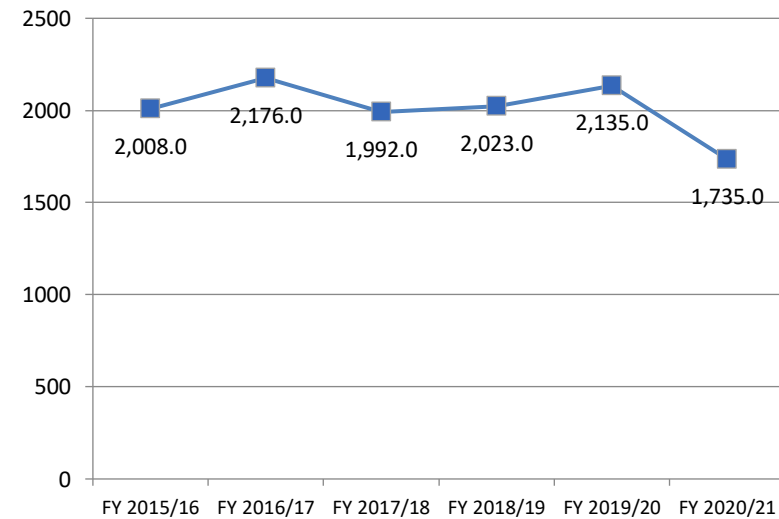


Exhibit 6.10 System Farebox Recovery

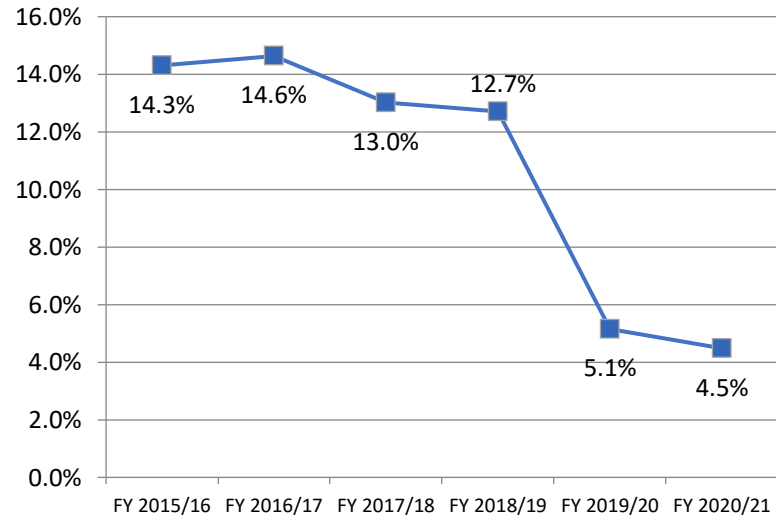
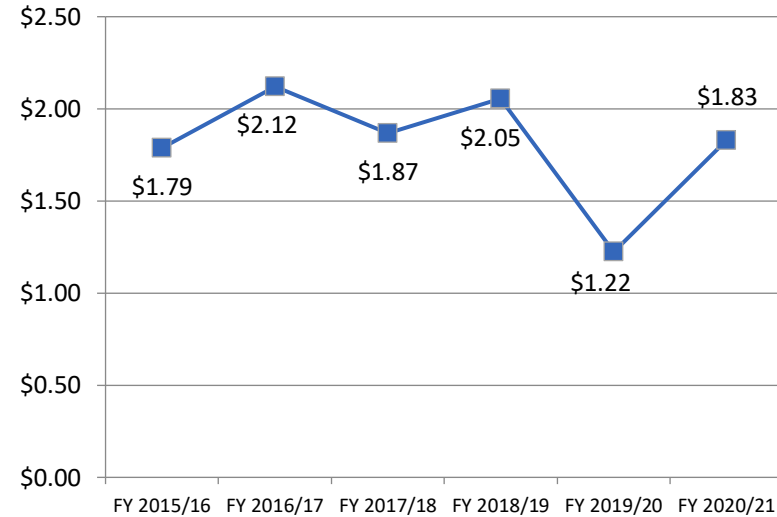


Exhibit 6.11 System Fare/Passenger



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## Chapter 7 | Functional Review

A functional review of the City of Gridley’s public transit program is intended to assess the effectiveness and efficiency of the operator. Following a general summary of the City’s transit services, this chapter addresses seven functional areas. The list, taken from Section III of the *Performance Audit Guidebook* published by Caltrans, reflects those transit services provided by the City through its transit program:

- General management and organization;
- Service planning;
- Scheduling, dispatch, and operations;
- Personnel management and training;
- Administration;
- Marketing and public information; and
- Fleet maintenance.

### Service Overview

The City of Gridley operates the Golden Feather Flyer Transit Service, a curb-to-curb demand-response service available to the residents of Gridley. The service operates within Gridley limits. Service is available Monday through Friday, from 8:00 a.m. through 4:00 p.m. The service does not operate on weekends or the following major holidays: New Year’s Day, Presidents’ Day, Memorial Day, Independence Day, Labor Day, Thanksgiving and the day after Thanksgiving, Christmas Eve, Christmas, and New Year’s Eve.

Reservations may be made the same day of the trip; however, the City encourages customers to schedule rides in advance for appointments. Tickets can be purchased at City Hall or onboard the vehicle.

Exhibit 7.1 Fare Structure

Fare Category	One way
General	\$2.00
Personal care attendant (PCA)	Free

### Response to COVID-19 pandemic

During the COVID-19 pandemic, the City’s transit program operated fewer hours per day and did not operate on some days due to staffing, though the service was never suspended. The program continued to operate as an essential service throughout the stay-at-home order.

### General Management and Organization

The Gridley Golden Feather Flyer service is under the direction of the Finance Department. There has been ongoing staffing turnover in the Finance Department since 2019. The Finance Director’s staff designee prepares a monthly analysis of passenger ridership and mileage of the program. This information is reviewed by the Finance Director and then forwarded to the City Administrator. The Finance Director is also responsible for preparing and reporting data to the State Controller’s Office and on the City’s annual TDA claim.

The Finance Department prepares a monthly report and an annual budget, which are forwarded to the City Administrator. The City Administrator annual presents the transit budget and additional information to the city council for approval.

The Finance Director provides direction on a weekly or daily (if needed) basis. There is clear written information provided to subordinates as to duties as well as additional safety measures. The Finance Director immediately provides direction and takes action regarding notification by the Transit Driver of any problems or issues.

The City employs one full-time driver and one reserve part-time driver. The City has taken measures to have another back-up driver available should the other drivers not be available. There is daily communication between the driver and management. All matters of concern or safety are addressed immediately through written or verbal communication. Written communications provide the driver and transit riders with clarification regarding the City’s transit service.

Ridership is reported monthly as the key metric for service evaluation. Recently the goal has been to increase ridership by marketing and promoting the service to the general public.

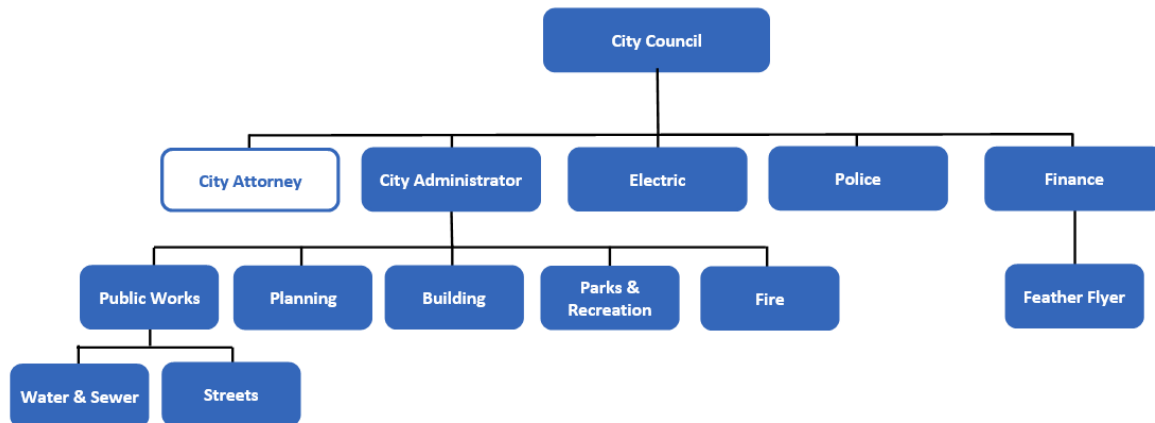
There were no organizational or service changes during the audit period.

The Gridley City Council is the governing body for the City’s transit program. City council meetings are held on the first and third Monday of each month. The meetings are open to the public and provide for an open community participation forum.

Management’s primary interest has been to continue providing an excellent level of service to all city residents as well as marketing the service within the community to increase utilization of the program. The City is also interested in working with BCAG in the near future to develop a short-range transit plan (S RTP) to adequately prepare for anticipated community growth.

The City has a positive working relationship with BCAG. The City does not have a relationship with the FTA as it does not receive federal funding.

Exhibit 7.2 Organizational Chart



### Service Planning

No major planning studies have been completed to date. The City is currently experiencing new housing projects and growth. One low-income housing complex is nearly completed, and two senior and low-income housing complexes are expected to be built next year. As such, the City needs to set goals and develop a plan to address the anticipated need. A short-range transit plan to objectively evaluate the current program and assess the feasibility of a potential fixed route serving these areas is warranted.

The driver has daily scheduled blocked out time slots for riders with disabilities and/or special needs. The transit vehicle is equipped with a wheelchair lift. If the lift-equipped vehicle is unavailable, service may be provided with a pool car, which is not wheelchair-accessible.

No surveys of riders or the community have been conducted recently due to COVID restrictions. There are plans to have a survey sent out in a billing insert to all residents. The City typically administered surveys via mail.

Public participation is generally available via regular city council meetings. In addition, BCAG schedules public meetings in Gridley in order to solicit community feedback regarding transit service changes or unmet transit needs.

### Administration

The budget is prepared annually by the Finance Director, forwarded to the City Administrator for review, and then approved by the City Council. Budgeted expenses and revenues are compared to actual revenues and expenses during budget preparation. Any substantial excesses over budgeted expenses are agendaized before the City Council for consideration.

Since the last audit, the city had a software conversion project, and all financial data is located in the new software (Tyler Incode 10). As part of the conversion project, the system is being audited and reviewed for accuracy.

The Finance Director (or his/her designee) is responsible for preparing grant applications and overseeing compliance. There are grants the City has not applied for due to the loss of its grant administrator. An RFP for future grant administration assistance is expected to be issued by the City.

The City is a member of the Northern California Cities Self Insurance Fund (NCCSIF), a Joint Powers Authority that provides insurance coverage and safety resources to member cities. NCCSIF has provided procedures for processing accident and injury claims, and annually reviews coverages to ensure a proper amount of liability coverage. Incidents are monitored monthly, with an annual review of claims. For any incident, a report is prepared wherein the operator reviews the incident or accident and examines its practices.

The Finance Director oversees all safety and loss prevention activities. The City's disaster preparedness plan is overseen by the City Administrator.

The Finance Director reviews all documentation relating to performance and quality of service.

Payroll occurs biweekly. Employees submit timesheets, and all data is entered into the Tyler financial software. All employees have the option to utilize direct deposit.

The City's receiving function is separate from its purchasing and disbursement functions. All invoice terms are reviewed against purchase orders. Each department director (or designee) signs off on purchase orders once it has been verified that items have been received, and the purchase order is submitted to accounts payable.

The finance department has a petty cash box, which is kept in a locked cash box inside the city vault. Receipts are required in order to receive reimbursement. The reimbursement receipts require approval by the Finance Director and the employee's signature to confirm receipt of funds. At the end of the month, the petty cash box is balanced and a request for replenishment of funds is submitted to accounts payable.

The City's procurement policy meets local and state requirements. Policies and procedures regarding competitive bids, quotes, and contracting are well-defined. Any purchases that are not budgeted over certain amounts must be authorized by the City Council. All purchases over \$5,000 are reviewed against budgeted amounts. The City has established vendors for fuel and maintenance, and vehicles are by competitive bid or through the state bid.

The City has an internal audit function. However, due to staffing turnover, COVID-19, and software conversion the FY 2019/20 and FY 2020/21 audits have been delayed. Management staff and City Council were updated as progress was made in those specific financial areas.

#### Marketing and Public Information

Transit service information is available on public counters in City Hall and the public library. An informational flyer is offered in lieu of a brochure. Service information has also been included on utility bills. The City provides flyers to establishments in the area as well in order to increase ridership, and the driver keeps flyers onboard to hand out to riders. The driver has a cell phone respond to telephone inquiries regarding service and scheduling, and the City hopes to equip the driver with a tablet.

Complaint/suggestion forms are available at City Hall. The Finance Director reviews and processes all complaints. If a complaint comes in via phone, the clerk forwards the information to the Finance Director for review. Suggestions are recorded and considered as part of service assessment.

The City will be working cooperatively with local healthcare facilities to establish working partnerships to promote its transit service. It also plans to continue distributing flyers with utility bills.

The perception of the service has been positive among those who utilize it, the majority of whom are elderly and/or disabled. There is also a positive perception of the service by the community as a whole.

The City communicates effectively with facilities for adult day care programs that provide services to disabled individuals. The City has partnered with the hospital to provide necessary transportation. The service has also been used during City events (Fishing Derby) where there were approximately 300 participants in the event.

### Scheduling, Dispatch, and Operations

The City employs one full-time driver and one part-time reserve driver, who provides coverage when the full-time driver is not available. All drivers must possess a valid Class C driver's license and participate in the EPN program, pre-employment physical, substance abuse screening, and additional ongoing safety training (such as CPR certification) by the City's insurance pool. Only the full-time driver reports to work on a regular basis. Part-time drivers are utilized on an as-needed and fill-in basis. They are required to have the same safety training and pre-employment screening as the full-time driver. Transit drivers are represented by the International Brotherhood of Electrical Workers (IBEW) Local 1245.

Both drivers are employees of the City of Gridley. The City's personnel rules and the IBEW MOU provide policy rules and information related to absences and sick leave. All vacations are requested in advance to allow for the scheduling of coverage by the part-time driver.

The City's transit vehicle is not equipped with a farebox. The driver collects tickets and any cash fares in a money pouch, which is delivered to the Finance Department at the end of the day. Tickets can be purchased from the driver or at City Hall. The driver takes the cash and deposits it with the clerks who then validate it against logs. The accounting technicians reconcile and prepare the bank deposits. The Finance Director approves posting to the general ledger.

### Personnel Management and Training

The City is not currently recruiting for drivers, as it is fully staffed. Only one driver is needed for regular service. The City has an additional back-up driver on call. When new drivers are needed, open positions are advertised through the website, Facebook, and local newspapers. The City typically recruits for drivers with prior transit experience, though no commercial license is required. The City reviews all applications and determines applicant eligibility based on qualifications and experience. Job performance evaluations are conducted by the Finance Director on an annual basis.

There has been no turnover in the full-time driver position, as the current driver has been with the program since 2003.

Drivers are required to possess a valid Class C driver's license, City-issued CPR and first aid cards, and have an excellent driving record as reported by the Department of Motor Vehicles' EPN program (which provides an ongoing review of their driving record). Drivers must also have received wheelchair training through BCAG.

All discipline is enforced based on the City's personnel rules. All drivers are enrolled in a substance abuse monitoring testing program. Progressive discipline is outlined in the IBEW MOU.

Full-time driver benefits are detailed in the IBEW MOU and include life, health, dental, and vision insurance, sick leave, and retirement benefits. Part-time drivers only receive sick leave as required by California law. IBEW MOU handbooks detailing all benefits are provided to all members.

### Maintenance

Maintenance services have been provided by Gridley Country Ford since 2000. The vendor is capable of accommodating most repairs. A preventive maintenance schedule that conforms with manufacturer's

requirements is maintained. Warranty claims are filed as appropriate. All records are maintained in City Hall.

Given the City has a single transit vehicle and the service is a demand-response service, maintenance is scheduled when there are no conflicts with scheduled riders. The current vehicle was placed into service in August 2017. However, the City has reached out to BCAG to discuss options to have funding for a secondary vehicle as a back-up as the current vehicle ages. Furthermore, in the next few years, the city anticipates growth due to upcoming developments therefore the need may arise to have a second vehicle should demand increase. The City budgets for vehicle replacement as part of its annual budget. The vehicle is stored behind City Hall in the employee parking lot, next to the Police Department.

All maintenance is conducted on schedule to proactively avoid breakdowns. Should a breakdown occur, the vehicle will be serviced immediately by Gridley Country Ford. The maintenance vendor communicates effectively with the City, with prompt notification when maintenance or repairs are complete.

Exhibit 7.3 City of Gridley's Transit Fleet

Vehicle	Model Year	Mileage (as of June 2021)	Passengers	WC Positions	Status
Ford Transit E350	2016	52,484	6	2	Active

## Chapter 8 | Findings and Recommendations

### Conclusions

With two exceptions, Moore & Associates finds the City of Gridley to be in compliance with the requirements of the Transportation Development Act. In addition, the entity generally functions in an efficient, effective, and economical manner.

### Findings

Based on discussions with City staff, analysis of program performance, and an audit of program compliance and function, the audit team presents two compliance findings:

1. State Controller Reports were submitted after the established deadline each year of the audit period.
2. Vehicle service hours are not excluding breaks from the calculation.

The audit team has identified two functional findings. While these finding are not compliance findings, the audit team believes they warrant inclusion in this report:

3. The City has yet to develop a short-range transit plan.
4. The City's single-vehicle fleet requires the use of a pool car when that vehicle is down, limiting use by riders needing a wheelchair-accessible vehicle.

### Program Recommendations

In completing this Triennial Performance Audit, the auditors submit the following recommendations for the City of Gridley's public transit program. They are divided into two categories: TDA Program Compliance Recommendations and Functional Recommendations. TDA Program Compliance Recommendations are intended to assist in bringing the operator into compliance with the requirements and standards of the TDA, while Functional Recommendations address issues identified during the audit that are not specific to TDA compliance. Each finding is presented with the elements identified within the 2011 *Government Auditing Standards* as well as one or more recommendations.

### Compliance Finding 1: State Controller Reports were submitted after the established deadline each year of the audit period.

**Criteria:** PUC 99243 requires operators receiving funding under Article 4 to submit their Financial Transaction Report to the State Controller within seven months of the end of the fiscal year.

**Condition:** None of the State Controller Reports submitted during the audit period were shown to be submitted within the established timeframe. High turnover in the City's Finance Department resulted in delays in a number of areas, including preparation of the City's annual fiscal audits and TDA fiscal audits. Data from these audits is used to prepare the State Controller Reports.

**Cause:** The root cause of the late submittals was the inconsistent staffing within the City's Finance Department.

**Effect:** This lack of “institutional memory” can have a negative impact on annual auditing and reporting tasks, both in terms of preparing the reports and audits and the timeline for their completion.

**Recommendation:** Work with the City’s auditors to complete City audits in a timely manner so as to be able to submit State Controller Report by January 31.

**Recommended Action:** City Finance staff and its auditors should work together to ensure audited data is available for the State Controller Reports in time for them to be submitted no later than the January 31 deadline.

**Timeline:** FY 2021/22.

**Anticipated Cost:** Negligible.

**Compliance Finding 2: Vehicle service hours are not excluding breaks from the calculation.**

**Criteria:** PUC 99247 defines vehicle service hour (VSH) as “the total number of hours that each transit vehicle is in revenue service, including layover time.” Break times (such as a lunch break) are not considered vehicle service hours because the vehicle is not available for service at that time.

**Condition:** On the driver trip sheets, the driver typically logs the time of the first pick-up and last drop-off, as well as break times. For the total service hours recorded at the top of the page, that figure correctly calculates the time between first pick-up and last drop-off (rather departure from and return to the yard) but does not exclude break time (which is typically 45 to 60 minutes per day). As a result, vehicle service hours are being over-reported. In addition, one driver did not always fill out the form correctly, indicating only start times for breaks, which would make calculating VSH more difficult.

This over-reporting is not insignificant. The difference between what is reported on the driver sheets (“total hours in service”) versus the number of service hours excluding breaks is shown below.

	Total Hours in Service	Total Hours in Service Excluding Breaks	Hours Over-reported
FY 2018/19	2,022.5	1,786.25	236.25
FY 2019/20	2,134.75	1,880.75	254
FY 2020/21	1,734.75	1,491.5	243.25

**Cause:** The most likely cause is a misunderstanding of how to calculate this metric.

**Effect:** This metric is over-reported.

**Recommendation:** Update the daily driver sheets to include a space to record time and odometer mileage for breaks, and work with the driver to accurately calculate daily vehicle service hours.



**Recommended Action:** The City has already begun working to update its daily record-keeping, and has begun recording odometer readings for breaks as well as times. However, it has continued to use the same form. The City should update the form so that it is easy to understand, can be completed consistently and correctly by all drivers, and includes directions about how to calculate VSH.

**Timeline:** FY 2021/22.

**Anticipated Cost:** Modest.

**Functional Finding 1: The City has yet to develop a short-range transit plan.**

**Criteria:** The Service Planning functional area calls for operators to plan for financial needs and projects as well as project future service needs based on existing utilization as well as planned development.

**Condition:** This recommendation is carried forward from the prior audit. It was not implemented during the current audit period for a number of reasons, including significant staff turnover at the City. However, the City is looking at potentially significant growth over the next few years, including several low-income and senior housing developments and a sports complex (which is unlikely to have sufficient parking for large events). The City has expressed a need for a practical transit “vision” that assess the current service and looks at potential enhancements across the next five years. The current service delivery mode can only expand so much before it will have to start turning away riders due to reaching capacity. A short range transit plan (SRTP) would enable the City to prepare for whatever comes next before it reaches a tipping point.

**Cause:** Turnover at the City made it difficult to move ahead with this recommendation.

**Effect:** The City has yet to undertake any short-range planning.

**Recommendation:** Work with BCAG to undertake a short range transit plan to address the City’s transit “vision” across a five-year planning horizon.

**Recommended Action:** The City, in partnership with BCAG, should retain a qualified consultant to provide an objective evaluation of the Gridley Feather Flyer program and offer recommendations for future program development based on anticipated population growth, land-use, and other considerations.

**Timeline:** FY 2022/23.

**Anticipated Cost:** Variable; likely between \$30,000 and \$50,000.

**Functional Finding 2: The City’s single-vehicle fleet requires the use of a pool car when that vehicle is down, limiting use by riders needing a wheelchair-accessible vehicle.**

**Criteria:** The Service Planning functional area calls for operators to plan for financial needs and projects as well as project future service needs based on existing utilization as well as planned development.

**Condition:** The City currently operates its transit program using a single lift-equipped transit vehicle. Maintenance is typically planned for non-operating hours so as not to impact service delivery. A City pool car is available should the transit vehicle be out of service, but the pool car is not wheelchair-accessible.

**Cause:** While the City works to ensure the lift-equipped transit vehicle is available for all service hours, an unexpected issue could take the vehicle out of service.

**Effect:** This could result in trips requiring a wheelchair-accessible vehicle not being able to be provided.

**Recommendation:** Work with BCAG to identify funding for a second wheelchair-accessible transit vehicle.

**Recommended Action:** Work with BCAG to determine what funding is available to enable the City to purchase a second wheelchair-accessible vehicle. Some smaller vehicles (such as minivans) can be wheelchair-accessible, and such a vehicle may be appropriate if the vehicle is simply to serve as a back-up. However, the City may wish to wait until its SRTP is completed to determine whether the role of the vehicle is as a back-up or if it is likely to be needed as a primary service vehicle, in which case it should be at least the size and capacity of the current transit vehicle. The City should also weigh whether a used vehicle would be appropriate for its needs, or if a new vehicle is preferred. (Additional reporting and compliance would be required if the City were to use any federal money for a vehicle.)

**Timeline:** FY 2023/24 (upon completion of the SRTP).

**Anticipated Cost:** Dependent upon type of vehicle.

Exhibit 8.1 Audit Recommendations

TDA Compliance Recommendations		Importance	Timeline
1	Work with the City’s auditors to complete City audits in a timely manner so as to be able to submit State Controller Report by January 31.	High	FY 2021/22
2	Update the daily driver sheets to include a space to record time and odometer mileage for breaks, and work with the driver to accurately calculated daily vehicle service hours.	High	FY 2021/22
Functional Recommendations		Importance	Timeline
1	Work with BCAG to undertake a short range transit plan to address the City’s transit “vision” across a five-year planning horizon.	High	FY 2022/23
2	Work with BCAG to identify funding for a second wheelchair-accessible transit vehicle.	Medium	FY 2023/24