# Acronyms for Butte County Association of Governments

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<thead>
<tr>
<th>ACRONYM</th>
<th>MEANING</th>
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<tr>
<td>AB</td>
<td>Assembly Bill</td>
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<td>ACOE</td>
<td>Army Corps of Engineers</td>
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<td>AFR</td>
<td>Accident Frequency Ratio</td>
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<td>APS</td>
<td>Alternative Planning Strategy</td>
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<td>AQMD</td>
<td>Air Quality Management District</td>
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<td>ARB</td>
<td>Air Resource Board</td>
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<td>AVL</td>
<td>Automatic Vehicle Location</td>
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<td>BCAG</td>
<td>Butte County Association of Governments</td>
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<td>CALCOCG</td>
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<td>CEQA</td>
<td>California Environmental Quality Act</td>
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<td>CMAQ</td>
<td>Congestion Mitigation &amp; Air Quality</td>
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<td>CON</td>
<td>Construction</td>
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<td>California Transportation Commission</td>
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<td>CTIP</td>
<td>California Transportation Improvement Program System</td>
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<td>California Department of Fish and Game</td>
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<td>Department of Transportation</td>
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<td>EIR</td>
<td>Environmental Impact Report</td>
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<td>NMFS</td>
<td>National Marine Fisheries Service (Also NOAA Fisheries)</td>
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<td>SAFETEA-LU</td>
<td>Safe Accountable Flexible Efficient Transportation Equity Act: A Legacy for Users</td>
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<td>UTTN</td>
<td>Unmet Transit Needs</td>
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<td>WE</td>
<td>Work Element</td>
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1. Pledge of Allegiance
2. Roll Call

Members of the public may comment on any item on the agenda at the time the item is taken up by the Board of Directors. We ask that members of the public come forward to be recognized by the Chair, state your name and address for the record, and keep remarks brief.

CONSENT AGENDA

3. Approval of Minutes from the February 23, 2017 BCAG Board of Directors Meeting (Attachment) – Cheryl
4. Approval of Resolution #17 and Resolution #18 Authorizing Execution of the Low Carbon Transit Operations Program (LCTOP) project and Certifications & Assurances (Attachment) – Mike
5. Approval of Two Year Extension with Transdev for Management and Operation of Butte Regional Transit (B-Line) (Attachment) - Mike

ITEMS REMOVED FROM CONSENT AGENDA – If Any

ITEMS FOR ACTION

6. Acceptance of BCAG Fiscal Audits and TDA Audits for Cities, Town and County for the year ending June 30, 2016 (Attachments) – Julie
8. Paradise Transit Center Preliminary Engineering Request for Proposal (Attachment) - Andy
ITEMS FOR INFORMATION
9. BCAG Draft 2017/18 Overall Work Program & Budget Outline (Attachment) – Jon
10. Butte Regional Transit (B-Line) Draft 2017/18 Budget Outline (Attachment) – Mike
11. Update on Transit Service to the Chico Airport (Route 52) (Attachment) - Jim
12. Caltrans District 3 Report - Adam Hansen

ITEMS FROM THE FLOOR
13. Members of the public may present items to the BCAG Board of Directors but no action will be taken other than placement on a future agenda.

ADJOURNMENT
14. The next meeting of the BCAG Board of Directors has been scheduled for Thursday, April 27, 2017, at the BCAG Board Room.

Copies of staff reports or other written documentation relating to items of the business referred to on the agenda are on file at the office of the Butte County Association of Governments (BCAG). Persons with questions concerning agenda items may call BCAG at (530) 879-2468.

Any handouts presented by speakers are to be distributed to the Board by the Clerk of the Board.
ITEM #3
The following minutes are a summary of actions taken by the Board of Directors. A digital recording of the actual meeting is available at BCAG’s office located at 326 Huss Drive, Suite 150, Chico, CA.

Board Member Connelly called the meeting to order at 9:02 a.m. at the City of Chico Council Chambers, 411 Main Street, Chico CA.

MEMBERS PRESENT
Bill Connelly, Chair
Maureen Kirk
Steve Lambert
Doug Teeter
Nathan Wilkinson
Andrew Coolidge
Ray Borges
Linda Dahlmeier
Jody Jones, Vice Chair

Supervisor
Supervisor
Supervisor
Supervisor
Councilmember
Councilmember
Councilmember
Councilmember
Councilmember

District 1
District 3
District 4
District 5
City of Biggs
City of Chico
City of Gridley
City of Oroville

MEMBERS ABSENT
Larry Wahl

Supervisor
District 2

STAFF PRESENT
Jon Clark
Ivan Garcia
Michael Rosson
Jim Peplow
Cheryl Massae

Executive Director
Transportation Programming Specialist
Transit Manager
Senior Planner, Transit Operations
Human Resources Manager

OTHERS PRESENT
Ádam Hansen, Caltrans District 3
Kristi More, The Ferguson Group
Scott Lotter, Town of Paradise
Luis A. Topete, City of Oroville
Tom Brannon, Caltrans District 3
Bill Smith, Transdev
Lance Antencio, Transdev
Linda Furr, League of Women Voters
Dorothy Churchill, SSTAC member
BCAG Chair – On motion by Board Member Lambert and seconded by Board Member Teeter, Board Member Connelly was nominated for Chair. It was moved the nominations be closed and carried unanimously to approve the nomination of Board Member Bill Connelly as BCAG Chair for the 2017 calendar year.

BCAG Vice Chair – On motion by Board Member Dahlmeier and seconded by Board Member Lambert, Board Member Jones was nominated for Vice-Chair. It was moved the nominations be closed and carried unanimously to approve the nomination of Board Member Jody Jones as BCAG Vice-Chair for the 2017 calendar year.

CONSENT AGENDA

4. Approval of Minutes from the December 8, 2016 BCAG Board of Directors Meeting
5. Approval of 2017 Federal Transportation Improvement Program (FTIP) Amendment #01
6. Approval of 2016 Regional Transportation Plan/Sustainable Communities Strategy #01
7. Approval of Memorandum of Understanding (MOU) for Planning and Programming between BCAG and California Department of Transportation

NO ITEMS PULLED FROM THE CONSENT AGENDA
On motion by Board Member Dahlmeier and seconded by Board Member Teeter, the Consent Agenda was unanimously approved.

ITEMS FOR ACTION

8. Public Hearing to Receive Testimony on Unmet Transit Needs for the Butte Regional Transit System
As the administrator of Transportation Development Act (TDA) funds for Butte County, BCAG is charged with performing the annual Unmet Transit Needs (UTN) process. This process requires at least one public hearing for the purpose of soliciting comments on unmet transit needs that may exist within the jurisdictions.
Staff informed the Board that public meetings were held in Paradise and Chico. The Oroville and Gridley meetings were cancelled due to the evacuations from the Oroville Dam incident. Attending a meeting is not necessary for comments to be received, BCAG receives comments throughout the year through comment cards, email, phone calls, in person and all receive equal consideration.

Chair Connelly opened the public hearing. No comments were received. The hearing was closed.

Staff informed the Board that bus service to Chico Airport was starting Monday, February 27, 2017. The service is 7 days a week and is an express route. The grant for funding the service is for 2 years.

Staff will bring back to the Board for final approval of the Unmet Transit Needs Assessment after the Social Services Transportation Advisory Committee (SSTAC) has met and approved any findings or no findings.

**9. Public Hearing for BCAG’s Federal Transit Administration (FTA)5310 Grant Application to Determine if there are Local Non-Profit Agencies able to provide ADA Complementary Paratransit Service**

Staff informed the Board that BCAG is required to hold a public hearing to determine if there are any non-profit agencies readily available to provide transit service to the elderly and disabled. If so, then BCAG cannot pursue these funds.

Chair Connelly opened the hearing. No comments were received. The hearing was closed and BCAG may now proceed to provide transit service and solicit federal funding.

**ITEMS FOR INFORMATION**

**10. 2017 BCAG Federal Agenda Program**

The Executive Director informed the Board that BCAG is coordinating a legislative platform with the County of Butte who participates in the contract with The Ferguson Group. Annually, representatives from BCAG and the County meet with federal officials in Washington DC to seek additional federal funding for regional projects and programs.

The annual meeting has been set for March 6-8, 2017. Board Member Dahlmeier expressed her interest to go to Washington DC.

Kristi More from the Ferguson Group spoke about how Butte County has been a topic of conversation in DC centering around the Oroville Dam, recovery and rebuilding. Main topics will be State Route 70 infrastructure, the Butte Regional Conservation Plan and
the budget process. The Board discussed the situation of the Oroville Dam and road repairs needed.

11. Butte Regional Transit 2nd Quarter Report for 2016/17
Staff presented key financial and statistical results for Butte Regional Transit for the second quarter of the FY 2016/17.

There was general discussion by the Board and staff in regards to the agenda item.

12. Caltrans Update on Current Projects & Information
Adam Hansen from Caltrans District 3 spoke to the Board about the busy month Caltrans has experienced due to the evacuations, road closures, repairs needed and mud slides.

There was general discussion by the Board and staff in regards to the agenda item.

Tom Brannon presented the Executive Director and Deputy Director (absent) with awards with completing the SR 70/149/99 environmental mitigations.

CLOSED SESSION

13. Public Employee Annual Evaluation (Government Code 54957)
On motion by Board Member Kirk, seconded by Board Member Jones, it was unanimously carried by all members present to approve Closed Session Agenda Item #13

ITEMS FROM THE FLOOR

17. There were no items from the floor
The Executive Director introduced and welcomed the new Board Members. He commended Transdev staff and BCAG Transit Manager Michael Rosson for the preparations made beforehand to assist with transit needs during the evacuation of Oroville. Board Member Teeter thanked drivers for their time and driving into the danger zone during the evacuation.

ADJOURNMENT
With no further items to discuss, the BCAG Board meeting adjourned at 9:46 AM.

Attest:
Jon Clark, Executive Director
Cheryl Massae, Human Resources Manager
Butte County Association of Governments
BCAG BOARD OF DIRECTORS

Item #4
Consent

March 23, 2017

APPROVAL OF RESOLUTION #17 AND RESOLUTION #18 AUTHORIZATIONS FOR THE EXECUTION OF THE LOW CARBON TRANSIT OPERATIONS PROGRAM (LCTOP) PROJECT AND THE CERTIFICATIONS AND ASSURANCES AND AUTHORIZED AGENT FORMS FOR THE LOW CARBON TRANSIT OPERATIONS PROGRAM (LCTOP) PROJECT

PREPARED BY: Michael Rosson, Transit Manager

ISSUE: The Low Carbon Transit Operations Program (LCTOP) is one of several programs funded as part of 2014-15 State of California budget (by Senate Bill 852 and Senate Bill 862) which has a goal of reducing greenhouse gas emissions and achievement of other benefits. These programs are funded by auction proceeds from the California Air Resource Board’s (ARB) Cap-and-Trade Program, with proceeds deposited into the Greenhouse Gas Reduction Fund (GGRF). Approved projects will support new or expanded bus or rail services, or expanded intermodal transit facilities, and may include Free-Ride Programs, equipment acquisition, fueling, and maintenance and other costs to operate those services or facilities, with each project reducing greenhouse gas emissions. Legislation passed in 2011, Senate Bill 535, which requires that programs funded from revenues in the GGRF result in benefits to disadvantaged communities. For transit agencies, whose service areas include disadvantaged communities (DAC), at least 50 percent of the total funds received shall be expended on projects or services that benefit the DAC.

DISCUSSION: BCAG has submitted, to Caltrans, the applications for FFY 2016/17 Low Carbon Transit Operations Program (LCTOP) Grant funding opportunity. This application is for the continuation of Operating expenses for the B-Line Commuter Express Route that is providing service for riders within Butte County Disadvantage Communities (DAC) areas to the Chico Municipal Airport Industrial Park and destinations in-between. In addition, the LCTOP application will include a ‘Green Day’ project for B-Line to offer free ride day(s) for Butte County riders. The B-Line Commuter Express Route will continue to perform at least 50% of the revenue service miles within the DAC as required under the LCTOP grant funding. The ‘Green Day’ project will not only benefit the riders in the DAC service area but all riders in Butte County.

These funds, if awarded, will apply to B-Line’s FY2017/18 budget year. One of the goals for the LCTOP Project would enable Butte Regional Transit to continue the operation of the New Transit Line (B-Line Commuter Express Route) that is providing connectivity of Transit routes located within the DAC to employment, health centers, non-profit
outreach centers, shopping, and Chico State University. Secondly, to provide funding for free rides to the Butte County Community. This will not only encourage riders to shift from cars to transit thus reducing the Greenhouse Gas Emissions but it will also assist BCAG in achieving the Clean Air Act Campaign as part of the Federal Clean Air Act of 2004 and the State of California Air Resource Board (ARB). If approved, the FFY16/17 LCTOP grant funding would be available for three Federal Fiscal Years.

The resolutions are required as part of the grant submittal process.


Key Staff: Michael Rosson, Transit Manager
Julie Quinn, Chief Fiscal Officer
Jon Clark, Executive Director
RESOLUTION OF THE BUTTE COUNTY ASSOCIATION OF GOVERNMENTS 
AUTHORIZATION FOR THE EXECUTION OF THE LOW CARBON TRANSIT 
OPERATIONS PROGRAM (LCTOP) PROJECT: 
(B-LINE COMMUTER EXPRESS SERVICE and ‘GREEN DAY’ PROJECT – 
$105,352)

WHEREAS, the Butte County Association of Governments (BCAG) is an eligible project sponsor and may receive state funding from the Low Carbon Transit Operations Program (LCTOP) now or sometime in the future for transit projects; and

WHEREAS, the statutes related to state-funded transit projects require a local or regional implementing agency to abide by various regulations; and

WHEREAS, Senate Bill 862 (2014) named the Department of Transportation (Department) as the administrative agency for the LCTOP; and

WHEREAS, the Department has developed guidelines for the purpose of administering and distributing LCTOP funds to eligible project sponsors (local agencies); and

WHEREAS, the Butte County Association of Governments (BCAG) wishes to implement the LCTOP project(s) listed above,

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Butte County Association of Governments (BCAG) that the fund recipient agrees to comply with all conditions and requirements set forth in the applicable statutes, regulations and guidelines for all LCTOP funded transit projects.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Butte County Association of Governments (BCAG) that it hereby authorizes the submittal of the following project nomination(s) and allocation request(s) to the Department in FY 2016-17 LCTOP funds:

Project information:
Project Name: B-LINE COMMUTER EXPRESS SERVICE and ‘GREEN DAY’ PROJECT

Amount of LCTOP funds requested: $105,352

Short description of project: Butte County Association of Governments (BCAG) is implementing the Commuter Express route, which will provide service within the DAC of Butte County to Chico Municipal Airport Industrial Park and locations in-between. In addition, provide free rides to the Butte County Community. This will not
only encourage riders to shift from cars to transit thus reducing the Greenhouse Gas
Emissions but it will also assist BCAG in achieving the Clean Air Act Campaign as part
of the Federal Clean Air Act of 2004 and the State of California Air Resource Board
(ARB).

Contributing Sponsors (if applicable): N/A

PASSED AND ADOPTED

AYES:

NOES:

ABSENT:

ABSTAIN:

APPROVED:  
BILL CONNELLY, CHAIR  
BUTTE COUNTY ASSOCIATION OF GOVERNMENTS

ATTEST:  
JON A. CLARK, EXECUTIVE DIRECTOR  
BUTTE COUNTY ASSOCIATION OF GOVERNMENTS
RESOLUTION OF THE BUTTE COUNTY ASSOCIATION OF GOVERNMENTS AUTHORIZATION FOR THE EXECUTION OF THE CERTIFICATIONS AND ASSURANCES AND AUTHORIZED AGENT FORMS FOR THE LOW CARBON TRANSIT OPERATIONS PROGRAM (LCTOP)

WHEREAS, the ___ Butte County Association of Governments (BCAG) ___ is an eligible project sponsor and may receive state funding from the Low Carbon Transit Operations Program (LCTOP) for transit projects; and

WHEREAS, the statutes related to state-funded transit projects require a local or regional implementing agency to abide by various regulations; and

WHEREAS, Senate Bill 862 (2014) named the Department of Transportation (Department) as the administrative agency for the LCTOP; and

WHEREAS, the Department has developed guidelines for the purpose of administering and distributing LCTOP funds to eligible project sponsors (local agencies); and

WHEREAS, the ___ Butte County Association of Governments (BCAG) ___ wishes to delegate authorization to execute these documents and any amendments thereto to ___Jon Clark, Executive Director.___

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the ___Butte County Association of Governments (BCAG)___ that the fund recipient agrees to comply with all conditions and requirements set forth in the Certification and Assurances and the Authorized Agent documents and applicable statutes, regulations and guidelines for all LCTOP funded transit projects.

NOW THEREFORE, BE IT FURTHER RESOLVED that ___Jon Clark, Executive Director___ be authorized to execute all required documents of the LCTOP program and any Amendments thereto with the California Department of Transportation.
PASSED AND ADOPTED

AYES:

NOES:

ABSENT:

ABSTAIN:

APPROVED:  

BILL CONNELLY, CHAIR  
BUTTE COUNTY ASSOCIATION OF GOVERNMENTS

ATTEST:  

JON A. CLARK, EXECUTIVE DIRECTOR  
BUTTE COUNTY ASSOCIATION OF GOVERNMENTS
APPROVAL OF TWO YEAR CONTRACT EXTENSION WITH TRANSDEV FOR MANAGEMENT AND OPERATION OF BUTTE REGIONAL TRANSIT (B-LINE)

PREPARED BY: Michael Rosson, Transit Manager

ISSUE: BCAG is proposing to utilize the included two (1) year contract options (combined into one two-year agreement) as noted in the Butte County Association of Governments Transit Operations Agreement, pg. 3 sec. 2 (b) Option Extension Term.

DISCUSSION: BCAG, as Butte Regional Transit, has contracted for the Management, Operations and Maintenance of the B-Line public transit system with Transdev for the past five years. The current contract will expire on June 30, 2017. BCAG’s current operations agreement is comprised of various financial components involving: an hourly fixed rate (based upon vehicle revenue/service hours), monthly insurance for the B-Line fleet, an hourly fixed rate for Extra Services.

The current Transdev contract includes the following rates:

Hourly fixed rate (urban and rural bus services): $58.62
Extra Services hourly rate (e.g. Special Promotion): $67.16

During the first 5-years of the current contract, Transdev met the Key Performance Indicators (KPI) as outlined in the contract. Staff have met with Transdev and agreed that the annual increase of the hourly fixed rate for the extended contract years would use the Consumer Price Index for All Urban Consumers: U.S. City Average All Items (CPI-U) for the most recently concluded calendar year. The CPI-U for the annual increase of the hourly fixed rate is 2.1% for year 1 (FY2017/2018) and year 2 (FY2018/2019) of the extended contract with Transdev. Staff believes this escalation will serve to allow Transdev to maintain a degree of profitability and thus maintain an appropriate degree of attentiveness and resource allocation.

The Extension Term rates for Transdev contract are the following:

FY2017/2018 Hourly fixed rate (urban and rural bus services): $59.85
FY2018/2019 Hourly fixed rate (urban and rural bus services): $61.11
Extra Services hourly rate (e.g. Special Promotion): $67.16 (Rate will remain the same)
Staff presented this proposal to the Transit Administrative Oversight Committee (TAOC) on March 10th, wherein the committee provided approval of the Contract Extension.

**STAFF RECOMMENDATION:** Staff requests Board approval of the proposed two (2) year contract extension for Transdev with an effective start date of July 1, 2017.

Key Staff: Michael Rosson, Transit Manager
Jon Clark, Executive Director
Andy Newsum, Deputy Director
Julie Quinn, CFO
BUTTE COUNTY ASSOCIATION OF GOVERNMENTS
TRANSIT OPERATIONS AGREEMENT

This AGREEMENT is made this 28 day of June 2012, by and between the BUTTE
COUNTY ASSOCIATION OF GOVERNMENTS, hereinafter referred to as "BCAG" and Veolia
Transportation, Inc., hereinafter referred to as "CONTRACTOR."

WITNESSETH:

WHEREAS, CONTRACTOR submitted a proposal dated March 2, 2012 in response to the
request for proposals to provide such services in the method and manner and for the costs set forth
in the proposal, subsequent clarifications and the "best and final offer"; and,

WHEREAS, BCAG has determined that CONTRACTOR has the management and technical
personnel, expertise and other useful assets of sufficient quantity and quality to provide BCAG's
transportation services; and,

WHEREAS, the subject RFP is attached to this agreement as Exhibit E and
CONTRACTOR's proposal is attached as Exhibit F and both are by this reference made a part of
this agreement;

NOW, THEREFORE, in consideration of the foregoing recital and covenants and
agreements of each of the parties, the parties do agree as follows:

1. PURPOSE OF AGREEMENT.
   BCAG hereby contracts with CONTRACTOR to manage, operate and maintain specified
   transportation services upon the terms and conditions hereinafter set forth.

2. TERM OF AGREEMENT.

   (a) Contract Term: Subject to the terms and conditions of this agreement, the term of this
       agreement shall be from July 1, 2012 through and including June 30, 2017.

   (b) Optional Extension Term: BCAG, at its sole discretion, will have the option to extend
       the terms of this agreement for two (1) year terms. The one year extensions may be acted upon
       either, individually or in conjunction.

   PRICE: The Fixed Hourly Rate shall be arrived at upon the basis of negotiations and mutual
   agreement, but shall be limited so that the maximum percentage increase in the AGREEMENT
   budget for each option period, after adjustment for any changes in the level of vehicle revenue
   hours to be provided, shall be no more than the annual increase in the Consumer Price Index for All
   Urban Consumers: U.S. City Average All Items (CPI-U) for the most recently concluded calendar
   year, unless expressly approved otherwise by majority vote in both the Transit Administrative
   Oversight Committee and the BCAG Board of Directors.
BOARD OF DIRECTORS MEETING
ITEM #6
BCAG BOARD OF DIRECTORS

March 23, 2017

ACCEPTANCE OF BCAG FISCAL AUDIT AND TDA AUDITS FOR CITIES, TOWN AND COUNTY FOR THE YEAR ENDING JUNE 30, 2016

PREPARED BY: Julie Quinn, Chief Fiscal Officer

ISSUE: BCAG is required to prepare a fiscal audit annually. In addition, BCAG prepares the fiscal and compliance audits for the Transportation Development Act (TDA) claimants for both Local Transportation Funds (LTF) and State Transit Assistance (STA) funds. BCAG’s fiscal audit and the TDA audits have been completed and are being presented to the BCAG Board for acceptance.

DISCUSSION: BCAG Audit: In accordance with State and Federal regulations, BCAG’s basic financial statements and supplemental information have been audited by independent auditors, Richardson & Associates, certified public accountants. Included in the agenda packet is a copy of the BCAG audit for the fiscal year ending June 30, 2016. The Independent Auditor’s Report is located on page 1. Management’s Discussion and Analysis of the fiscal year is located on pages 3-10. Also included are the Independent Auditors’ Management Letter and a Required Statement of Accounting Standards letter. Please note on page 50 of the audit that there were no financial statement findings, State compliance findings or major federal award program findings in the BCAG audit. Ingrid Sheipline, of Richardson and Company will be on hand to review the audit and answer any questions.

TDA Audits: BCAG annually budgets for the preparation of the TDA audits for each of the claimants. The audit covers TDA funds for each of the cities, town and county, as well as the City of Gridley Senior Taxi Fund. Each board member should have a copy of their jurisdiction’s TDA audit included in the agenda packet. There were no current findings associated with the TDA audits; however the auditors did make some suggestions in the Independent Auditors’ Management Letter regarding improvements to the process. Staff is in agreement with the comments and is developing a plan to incorporate the suggestions.

STAFF RECOMMENDATION: The Chief Fiscal Officer requests the BCAG Board of Directors accept the BCAG annual fiscal audit and the TDA audits prepared for the claimants for the fiscal year ending June 30, 2016.

Key staff: Julie Quinn, Chief Fiscal Officer
Jon Clark, Executive Director
BUTTE COUNTY ASSOCIATION
OF GOVERNMENTS

BOARD OF DIRECTORS MEETING
ITEM #7
BCAG BOARD OF DIRECTORS

Action

March 23, 2017

ACCEPTANCE OF TRANSPORTATION DEVELOPMENT ACT (TDA) TRIENNIAL PERFORMANCE AUDITS FOR BCAG, BUTTE REGIONAL TRANSIT AND GRIDLEY GOLDEN FEATHER FLYER FOR THE 2012/13 THROUGH 2014/15 FISCAL YEARS

PREPARED BY: Jim Peplow, Senior Planner

ISSUE: BCAG is required to prepare Performance Audits for BCAG, Butte Regional Transit and Gridley Golden Feather Flyer every three years in compliance with the Transportation Development Act (TDA).

DISCUSSION: In accordance with the Transportation Development Act (TDA) Article 3, Section 99246, the Triennial Performance Audits for fiscal years 2012/13 through 2014/15 have been completed by the firm of Michael Baker International.

A full electronic copy of these audits has been included in this agenda packet as well as posted on the BCAG webpage.

The following is a summary of the findings and recommendations from the BCAG, Butte Regional Transit and Gridley Golden Feather Flyer Performance Audits:

BCAG PERFORMANCE AUDIT
The performance audit for BCAG was positive overall finding that BCAG functions effectively, efficiently and economically in implementing our required federal and state planning responsibilities. In addition, there were no findings of non-compliance in implementing the Transportation Development Act (TDA) requirements.

The BCAG Performance Audit did identify five recommendations:

1) Update BCAG TDA Workbook for inclusion of new state legislation;
2) Develop and adopt TDA Article 4.5 evaluation criteria;
3) Develop and adopt eligibility criteria for “off-the-top” funding for pedestrian and bicycle projects;
4) Develop format and content for an annual BCAG report;
5) Assume a stronger role to help encourage ridesharing in the region.
BUTTE REGIONAL TRANSIT AUDIT
The Performance Audit for Butte Regional Transit was also positive overall in recognizing the work that has been accomplished during the three-year period of the audit. There were five recommendations made in the audit:

1) Include BCAG and Butte Regional Transit administrative staff in reporting employee full-time equivalents in the State Controller’s Report;
2) Maintain documentation of annual fiscal audit submission to the state;
3) Establish updated performance standards to manage contractor performance;
4) Use AVL/GPS data to redesign Oroville routes to improve performance;
5) Work with BCAG to evaluate alternative farebox recovery standards.

GRIDLEY GOLDEN FEATHER FLYER AUDIT
The Performance Audit for the Gridley Golden Feather Flyer was positive overall. There were four recommendations made in the audit:

1) Ensure that vehicle mileage and service hours are correctly calculated and accurately reported in internal and external reports;
2) Ensure that the proper State Controller Report template is used;
3) Develop and implement an effective marketing plan and public outreach program to increase ridership and raise awareness of the Gridley Golden Feather Flyer service;
4) Work with BCAG to develop a short-range transit plan.

SUMMARY: During this post audit period BCAG staff will be working to implement the recommendations made by Michael Baker International in these three audits. An assessment on the progress for implementing these recommendations will then be made in FY 2017/18.

Upon acceptance by the BCAG Board of Directors, a letter of completion of these audits will be sent to Caltrans Division of Mass Transit as required.

REQUESTED ACTION: Staff recommends that the BCAG Board of Directors accept the BCAG, Butte Regional Transit Triennial and Gridley Golden Feather Flyer Performance Audits as completed.

Key staff: Jim Peplow, Senior Planner
Mike Rosson, Transit Manager
Julie Quinn, Chief Fiscal Officer
FY 2013-2015
Triennial Performance Audit of
Butte County
Association of Governments

Prepared for:
Butte County
Association of Governments

January 2017

Submitted by:
Michael Baker International
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Executive Summary

The Butte County Association of Governments (BCAG) engaged the Michael Baker International team to conduct the agency’s Transportation Development Act (TDA) triennial performance audit for fiscal years (FY) 2012–13 through 2014–15. BCAG is required by Public Utilities Code (PUC) Section 99246 to prepare and submit an audit of its performance on a triennial basis to the California Department of Transportation (Caltrans) as a condition of receiving TDA funding. TDA funds are expended for BCAG administration and planning of public transportation, and are distributed to local jurisdictions for nonmotorized projects, operations of public transit systems, and street and road purposes.

This performance audit is intended to describe how well BCAG is meeting its administrative and planning obligations under the TDA, as well as to present a description of its organizational management and efficiency. To gather information for the TDA performance audit, Michael Baker reviewed various documents, conducted interviews with agency staff, and evaluated BCAG’s responsibilities, functions, and performance of the TDA guidelines and regulations.

The audit comprises several sections, including compliance with TDA requirements, status of prior audit recommendations, and review of functional areas. Findings from each section are summarized below, followed by recommendations based on the audit procedures.

Compliance with TDA Requirements

BCAG has satisfactorily complied with most applicable state legislative mandates for Regional Transportation Planning Agencies (RTPAs). Two mandates were not applicable to BCAG’s current TDA administrative process relating to “off-the-top” apportionments for non-motorized projects and funding claims under a particular TDA section (Article 4.5). An additional mandate to ensure prior performance audits of each public transit system were conducted was partially met.

Status of Prior Audit Recommendations

BCAG implemented one of the four recommendations made in the prior performance audit relating to funding Butte Regional Transit directly with TDA funds. Two recommendations were partially implemented, including reinstating the BCAG eNewsletter and assuming a stronger role in regional ridesharing. One recommendation not implemented concerns an update to the TDA Claims Manual.

Functional Review

1. BCAG conducts its management of the TDA program in a competent and professional manner.
2. Staffing levels remained relatively stable at between 11 and 12 personnel during the audit period. Managers of each department have also been relatively stable with some turnover, in particular the Transit Manager for the B-Line, which experienced turnover in 2013. BCAG filled the position, which has since been stable.

3. The Overall Work Plan (OWP) documents the management, budgetary, and monitoring activities performed annually by BCAG and is developed annually for Caltrans review and for approval by the BCAG Board of Directors. A new table was added in the first section of the OWP that identifies all of the plan’s work elements and indicates whether the work element addresses or is a component of the Core MPO Planning Functions, the California Planning Emphasis Areas, and the Federal Planning Emphasis Areas.

4. During the audit period, the Board adopted the Regional (Metropolitan) Transportation Plan & Sustainable Communities Strategy (RTP/SCS) on December 13, 2012. The RTP/SCS serves as the foundation for the development of the short-range Regional Transportation Improvement Program and the Federal Transportation Improvement Program. As BCAG is required to adopt a RTP/SCS and environmental impact report every four years, the subsequent update was recently adopted in December 2016.

5. In following its Public Participation Plan in compliance with Senate Bill (SB) 375, BCAG engaged the public in the RTP/SCS process. Each round of public workshops consisted of presentations made at each of the locations, generally in Chico and Oroville. Open house workshops were held for each of four rounds of project development.

6. Transit planning and oversight by BCAG are provided through various approaches. Given that Butte Regional Transit staff are housed within BCAG, the lines of communication on planning and oversight are clear. Oversight is provided by the Transit Administrative Oversight Committee. Transit staff have done a good job with keeping the BCAG Board regularly updated on the performance of the transit system through quarterly performance reporting.

7. On an annual basis during this audit period, BCAG was responsible for managing new Local Transportation Fund (LTF) revenues of between $6.3 and $7.2 million and new State Transit Assistance (STA) funds of between $1.2 and $1.3 million. BCAG maintains desktop procedures of the steps in the process including findings of apportionment and the TDA claims. BCAG assists the claimants by pre-populating the claim form with B-Line operations and capital data prior to sending the forms out to the jurisdictions.

8. The culmination of the annual unmet transit needs process results in the Unmet Transit Needs Assessment. The document is presented to the Butte County Social Service Transportation Advisory Council, which reviews the assessment and supports staff’s recommendation. For the audit period, BCAG made a finding of an unmet need that was reasonable to meet in FY 2013–14: the addition of one midday run on Route 7 serving east Chico.
Recommendations

Five recommendations are provided to improve BCAG’s administration and management of the TDA and its organization.

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<tr>
<th>Performance Audit Recommendation</th>
<th>Background</th>
<th>Timeline</th>
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<tr>
<td>1. Update BCAG TDA Workbook for inclusion of new state legislation.</td>
<td>The TDA Workbook has not been updated in some time, although several changes have occurred in relation to TDA administration and the effect on transit operations. New legislation (Senate Bill 508), passed in October 2015, significantly modified several provisions of TDA. The legislation has several objectives, including simplifying fare recovery requirements, authorizing funding of bicycle and pedestrian safety education programs, and modifying State Transit Assistance (STA) qualifying criteria for operations. BCAG’s TDA guidelines should be updated to reflect these changes and identify the responsible party for implementing the updates, such as the fiscal auditor for the farebox recovery calculation. BCAG and the B-Line should also communicate these changes and determine what implication, if any, the changes might have on transit operations. A list of specific changes from the legislation is contained in the last section of this audit.</td>
<td>High Priority</td>
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<td>2. Develop and adopt TDA Article 4.5 evaluation criteria.</td>
<td>Article 4.5 of the TDA statute enables certain agencies to claim local transportation funds for community transit services. In practice, most of the funds from this article section are claimed by a Consolidated Transportation Services Agency (CTSAs). The BCAG TDA Workbook identifies Butte County as the CTSA. Although the CTSA responsibilities have not been implemented, BCAG should develop and adopt evaluation criteria for reviewing possible claims for the funds in the future. The transit system in the county is growing, and social service transportation and mobility management are components that should be addressed. Article 4.5 would be the funding source for such services. BCAG should review the statutory section (Public Utilities Code Section 99275.5) regarding evaluation criteria and adopt similar language including the findings.</td>
<td>Medium Priority</td>
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<td>Performance Audit Recommendation</td>
<td>Background</td>
<td>Timeline</td>
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<tr>
<td>3. Develop and adopt eligibility criteria for “off-the-top” funding for pedestrian and bicycle projects</td>
<td>Currently, local jurisdictions claim their share of local transportation funds for bicycle and pedestrian projects under Article 8, which is available following the apportionment process by BCAG using a population distribution. As described in the compliance matrix section of this audit, BCAG should adopt rules and regulations for off-the-top LTF apportionments for bicycle and pedestrian projects prior to the population distribution. This off-the-top apportionment is limited to 2 percent of LTF and would be available to the cities and the county. This apportionment method could provide a level of flexibility to BCAG and the local jurisdictions in funding both local and regional projects. Advantages include that BCAG and the local jurisdictions could determine the method on how best to allocate the revenue toward non-motorized projects, such as by population, call for projects, rotating use of the fund, and/or building a reserve balance for use for regionally significant projects. Also, the statute allows a city or the county to expend up to 5 percent to supplement moneys from other sources to fund bicycle and pedestrian safety education programs. Given the recent completion of the Transit &amp; Non-Motorized Plan in April 2015, a revised method to allocate non-motorized funding from TDA should be considered and implemented.</td>
<td>Medium Priority</td>
</tr>
<tr>
<td>4. Develop format and content for an annual BCAG report.</td>
<td>BCAG has produced an eNewsletter for several years, but not on a regular basis. The last newsletter was developed in the fall of 2015 and highlights many areas, including agency accomplishments, funding, and challenges. The prior performance audit carried forward a prior recommendation for BCAG to reinstate its quarterly eNewsletter; however, with staffing constraints, an updated newsletter on a quarterly basis is not currently possible. This current recommendation makes an adjustment to the prior recommendation and suggests BCAG make an effort to develop an annual BCAG report. The fall 2015 newsletter serves as a basis for an annual report which is intended to encapsulate the activities and value that BCAG brings to the community through its mission and</td>
<td>Medium Priority</td>
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### Performance Audit Recommendation

<table>
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<td>transportation coordination, planning, programming, financial, and project delivery responsibilities. An annual report identifies the projects and outcomes for the community as well as educates the public and stakeholders on BCAG’s role in transportation. Many RTPAs develop annual reports that serve such a purpose to highlight the accomplishments and challenges for the year, and what to look forward to in the next year. A more robust annual report in lieu of the newsletter has been a desire of BCAG and should be explored further.</td>
<td>Medium Priority</td>
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5. Assume a stronger role to help encourage ridesharing in the region.

This prior recommendation is carried forward for implementation, as it retains merit and provides transportation options for county residents. As an RTPA, BCAG could promote alternative transportation measures in the county that are a function of local conditions and demand for such services. As an example, BCAG commissioned a study for alternative transportation options from Chico to Sacramento. No aviation options exist for this type of trip. The work effort and resources for promoting ridesharing would need to be input into the OWP and funding identified. A more passive method would be to simply post a link to the Sacramento Region 511 on the BCAG website and notify the public about the link. The Sacramento Region 511 Travel Info website features Google mapping for bicycle routes in the region, while Google Transit provides real-time feeds for public transit users. Carpooling and vanpooling are offered through the Sacramento Region Commuter Club website (www.sacregioncommuterclub.com), administered by the Sacramento Area Council of Governments (SACOG), which offers tools and information to commuters and employers to encourage carpooling, vanpooling, walking, bicycling, and riding transit.
Section I

Introduction – Initial Review of BCAG Functions

Butte County Association of Governments (BCAG) engaged the Michael Baker International team to conduct the agency’s Transportation Development Act (TDA) triennial performance audit for fiscal years (FY) 2012–13 through 2014–15. BCAG is required by Public Utilities Code (PUC) Section 99246 to prepare and submit an audit of its performance on a triennial basis to the California Department of Transportation (Caltrans) as a condition of receiving TDA funding.

This performance audit is intended to describe how well BCAG is meeting its administrative and planning obligations under the TDA.

Overview of Butte County

Butte County encompasses approximately 1,665 square miles in north central California. The western part of the county is located in the northern Sacramento Valley, while the eastern portion extends into the foothills of the Cascade and Sierra Nevada mountain ranges. Elevations range from 50 feet above sea level at Butte Sink along the Sacramento River at the southwest portion of the county to 7,087 feet above sea level at Humboldt Summit near the county’s northeastern border.

A demographic snapshot of key cities and the county is presented in Table I-1.

Table I-1
Butte County Demographics

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<tr>
<td>Biggs</td>
<td>1,707</td>
<td>-4.8%</td>
<td>10.9%</td>
<td>0.60</td>
</tr>
<tr>
<td>Chico</td>
<td>86,187</td>
<td>+42.4%</td>
<td>10.6%</td>
<td>33.10</td>
</tr>
<tr>
<td>Gridley</td>
<td>6,584</td>
<td>+22.3%</td>
<td>14.1%</td>
<td>2.07</td>
</tr>
<tr>
<td>Oroville</td>
<td>15,546</td>
<td>+19.5%</td>
<td>12.6%</td>
<td>13.01</td>
</tr>
<tr>
<td>Paradise</td>
<td>26,218</td>
<td>-0.7%</td>
<td>25.1%</td>
<td>18.32</td>
</tr>
<tr>
<td>Unincorporated Areas</td>
<td>83,758</td>
<td>-12.8%</td>
<td>21.2%*</td>
<td>1,609.90</td>
</tr>
<tr>
<td>Total Butte County</td>
<td>220,000</td>
<td>+8.3%</td>
<td>15.4%</td>
<td>1,677.00</td>
</tr>
</tbody>
</table>

Source: 2010 US Census
Note: Senior population percentage for unincorporated area is estimated taking the average senior population percentage from the three most populated census data places in the county (Magalia, Oroville East, and Thermalito).

Population growth between the last two census counts has been rapid for several cities, including Chico, Gridley, and Oroville. According to the 2010 US Census, the county’s population was 220,000, an increase of 8.3 percent from the 2000 Census figures. The senior citizen population,
comprising residents aged 65 and over, is 15.4 percent countywide. The California Department of Finance 2016 estimate reports a countywide population of 224,601, a 2.1 increase from the 2010 census. The county seat is Oroville and the largest incorporated municipality is Chico. Numerous unincorporated communities also dot Butte County. Feather Falls, Berry Creek, and Brush Creek are in the foothills in the southeastern portion of the county, while Paradise Pines, Magalia, Stirling City, Forest Ranch, Cohasset, and Butte Meadows are in the foothills in the northeastern area. The western portion of the valley includes the communities of Dayton, Durham, Nelson, and Richvale, with Palermo, Thermalito, Oroville East, Honcut, Cherokee, and Forbestown farther to the east. Butte County is home to four local Native American rancherias: Berry Creek Rancheria, Chico Rancheria, Enterprise Rancheria, and Mooretown Rancheria.

Role and Structure of BCAG

BCAG’s mission is:

To implement a comprehensive regional planning program that provides for public participation in the planning & decision making process, in the development of the region’s transportation plans, programs and projects that address regional, state and federal transportation needs and goals. All of BCAG’s state and federal required transportation plans, programs and projects will also be developed in compliance with all state and federal environmental requirements, and will be delivered in a fiscally responsible manner while ensuring the safety of people and goods movement in and through the Butte County region.

BCAG was originally established in 1969 under a cooperative agreement between Butte County and the Cities of Biggs, Chico, Gridley, and Oroville. The agreement was amended in 1978 to include the newly incorporated Town of Paradise. In 1995, the agency’s governing structure was changed to a Joint Powers Agreement (JPA) between Butte County and the incorporated cities and town. BCAG is governed by a 10-member Board of Directors that includes the five county supervisors and one council representative from each of the five cities/town.

BCAG became the area’s Metropolitan Planning Organization (MPO) after the 1980 census. As the RTPA and MPO, BCAG’s primary responsibility is to prepare all state and federal required transportation plans and programming documents necessary to secure state and federal transportation funding for the county and cities for highways, streets and roads, transit, bike and pedestrian facilities, and other transportation modes. BCAG serves as the lead agency for development of state highway projects within Butte County, and the agency is currently contracting the development of environmental and design components on several state highway projects in cooperation with Caltrans and the Federal Highway Administration. BCAG is a forum for the study/resolution of regional transportation issues and ensures that there is public participation in the transportation planning and decision-making process.

BCAG is also the administrative and policymaking agency for the region’s public transit service. Butte Regional Transit, or the B-Line, is a consolidated transit system that provides urban and
rural fixed-route service and provides complementary paratransit service in accordance with the Americans with Disabilities Act.

BCAG serves a variety of roles within the county including countywide transportation planning at a multimodal level, fund allocation and administration, and policy implementation. Its designations and responsibilities include the following:

**Metropolitan Planning Organization (MPO)** – BCAG is the federal designated Metropolitan Planning Organization (MPO) for Butte County. The agency’s MPO planning area boundary includes the entire geographic area of Butte County.

**Regional Transportation Planning Agency (RTPA)** – BCAG is the Regional Transportation Planning Agency (RTPA) for Butte County. BCAG and the California Department of Transportation (Caltrans) have formally agreed to a comprehensive, continuous, and cooperative transportation planning process through a signed Memorandum of Understanding (MOU).

**Butte Regional Transit Policy Board & Operator** – BCAG is the Policy Board and operator for Butte Regional Transit (the B-Line).

**Area-Wide Clearinghouse** – BCAG is the area-wide clearinghouse as designated by the Office of Management and Budget. BCAG is responsible for local review of proposed federal financial assistance, direction of federal development activities and environmental documents, and coordination with state plans.

**Census Affiliate Data Center** – BCAG is the US Census affiliate data center within the California State Data Center Program for census-related services to the residents of Butte County. BCAG assists with the coordination of the decennial census and maintains the census data information for the member agencies and the public.

**Butte Regional Transportation Corporation** – BCAG established a 401(c)(3) nonprofit public benefit corporation in 2013 named the Butte Regional Transportation Corporation (BRTC). The purpose for establishing the nonprofit public benefit corporation was to allow BRTC and BCAG to use funding available under the New Market Tax Credit (NMTC) program administered by the US Department of the Treasury. NMTC funds may be used for projects located in distressed areas as defined by the US Census and the NMTC program. BRTC was established specifically to receive funds for construction of the Butte Regional Transit Operations & Maintenance Facility in Chico.

It is BCAG’s responsibility to establish rules and regulations to provide for administration and allocation of the Transportation Development Act Local Transportation Fund (LTF) and State Transit Assistance (STA) Fund in accordance with applicable sections of the Government Code, PUC, and Administrative Code included in the TDA. Responsibilities include the establishment of a Social Service Transportation Advisory Council (SSTAC), the implementation of a citizen participation process appropriate for Butte County, annual recommendations for productivity improvements for the B-Line, the performance of an annual fiscal audit of all LTF claimants, the
implementation of a triennial performance audit, and the preparation of an annual unmet transit needs determination.

An organizational structure of BCAG is shown in Figure 1 and a staff organizational chart in Figure 2.

Figure 1  
BCAG Organizational Structure

Figure 2  
BCAG Staff Organizational Chart

Source: BCAG Overall Work Program

The new transit maintenance and operations center located at 326 Huss Drive in Chico also functions to house the BCAG administrative offices. Board meetings are held monthly and rotated among the council chambers of its member jurisdictions to expand public participation.
Audit Methodology

To gather information for this performance audit, Michael Baker accomplished the following activities:

- **Document Review**: Reviewed documents including various files and internal reports, committee agendas, and public documents.

- **Interviews**: Interviewed BCAG staff to gain their perspectives about the agency’s efficiency and economy in relation to TDA administration and transportation planning responsibilities.

- **Analysis**: Evaluated the documents and the interview responses as they related to BCAG’s responsibilities, functions, and performance to TDA guidelines and regulations.

The activities described above were intended to provide Michael Baker with the information necessary to assess BCAG’s efficiency and effectiveness in two key areas:

- Compliance with state TDA requirements
- Organizational management and efficiency

The remainder of this report is divided into four chapters. In Section II, Michael Baker provides a review of the compliance requirements of the TDA administrative process. Section III describes BCAG’s responses to the recommendations in the previous performance audit. In Section IV, Michael Baker provides a detailed review of BCAG’s functions, while Section V summarizes the audit findings and recommendations.
Section II

RTPA Compliance Requirements

Fourteen key compliance requirements are suggested in the Performance Audit Guidebook for Transit Operators and Regional Transportation Planning Entities, developed by Caltrans to assess an agency’s conformance with the TDA. Findings concerning BCAG’s compliance with state legislative requirements are summarized in Table II-1.

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<th>BCAG Compliance Requirements</th>
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<th>Compliance Efforts</th>
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<td>All transportation operators and city or county governments which have responsibility for serving a given area, in total, claim no more than those Local Transportation Fund (LTF) monies apportioned to that area.</td>
<td>Public Utilities Code, Section 99231</td>
<td>BCAG accounts for its claimants’ areas of apportionment and has not allowed those claimants to claim more than what is apportioned for their areas. The County has agreed to exchange the City of Biggs and City of Gridley’s STA for LTF funds. BCAG uses a formula based on annual California Department of Finance population estimates to determine each local jurisdiction’s apportionments. Each year, BCAG adopts a resolution of the apportionments and the subsequent claims. The FY 2014–15 LTF apportionment also includes $960,000 for Butte Regional Transit as an “operator” for the purpose of purchasing two buses in the event BCAG is unable to secure other federal or state grants for this purpose. Conclusion: Complied</td>
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<tr>
<td>BCAG Compliance Requirements</td>
<td>Reference</td>
<td>Compliance Efforts</td>
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<td>The RTPA has adopted rules and regulations delineating procedures for the submission of claims for facilities provided for the exclusive use of pedestrians and bicycles.</td>
<td>Public Utilities Code, Sections 99233.3 and 99234</td>
<td>According to the BCAG TDA Workbook, the off-the-top apportionment of 2 percent of LTF for bicycle and pedestrian projects is not utilized in Butte County. The local jurisdictions could claim LTF for a bicycle/pedestrian project under Article 8. <strong>Conclusion: Not applicable</strong></td>
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<td>The RTPA has established a social services transportation advisory council. The RTPAs must ensure that there is a citizen participation process which includes at least an annual public hearing.</td>
<td>Public Utilities Code, Sections 99238 and 99238.5</td>
<td>BCAG has established a SSTAC responsible for annual participation in the identification of transit needs in the jurisdictions, including unmet transit needs. A public hearing is among the methods used by BCAG to solicit testimony on potential unmet transit needs. The SSTAC advises BCAG on transportation issues for seniors and people with disabilities, and the identification of unmet transit needs. The SSTAC meets annually and may meet more frequently on an as-needed basis. The SSTAC conforms to the stakeholder categories pursuant to PUC Section 99238 and includes additional members as allowed under the statute. An additional member is an at-large appointment of a citizen nominated by a jurisdiction. Several SSTAC members serve in more than one of the stakeholder categories. Member terms are evenly staggered over three years with between three or four member terms expiring each June. BCAG</td>
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<tr>
<td>Compliance Requirements</td>
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<tr>
<td>BCAG Compliance Requirements</td>
<td>adsvertes and accepts nominations for members with an attached application form on its website.</td>
<td><strong>Conclusion: Complied</strong></td>
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<td>The RTPA has annually identified, analyzed, and recommended potential productivity improvements which could lower the operating costs of those operators which operate at least 50 percent of their vehicle service miles within the RTPA's jurisdiction. Recommendations include, but are not limited to, those made in the performance audit.</td>
<td>Public Utilities Code, Section 99244</td>
<td>BCAG participates in a number of activities in order to review productivity improvements of the transit systems. The BCAG Transit Administrative Oversight Committee (TAOC) meets as necessary to review and provide guidance concerning the B-Line transit service. Composed of BCAG staff and representatives of former transit systems from the county, cities, and town, the TAOC also makes recommendations to the BCAG Board of Directors on the annual transit service plan and budget and other transit issues. All transit policy issues, transit service, and operating matters are reviewed with this committee prior to a recommendation being made to the BCAG Board. Each quarter, staff present key financial and statistical results for Butte Regional Transit to the BCAG Board. Tables are developed that present a summary of key financial and operation results for transit. The financial data presentation compares quarterly results to the annual budget and the prior year to date. Operations tables represent a performance-based assessment in comparison to the same quarter of the prior fiscal year.</td>
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**TABLE II-1**

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<td></td>
<td><strong>BCAG</strong> has commissioned transit plan studies to improve the longer-term productivity of the B-Line. These studies include a market-based study and the more recent Transit &amp; Non-Motorized Plan that outline transit service and non-motorized transportation enhancements. The TDA performance audit sponsored by BCAG provides further means for analyzing transit productivity. <strong>Conclusion: Complied</strong></td>
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The RTPA has ensured that all claimants to whom it allocates Transportation Development Act (TDA) funds submits to it and to the State Controller an annual certified fiscal and compliance audit within 180 days after the end of the fiscal year (December 27). The RTPA may grant an extension of up to 90 days as it deems necessary (March 26). **Conclusion: Complied**

| The RTPA has designated an independent entity to conduct a performance audit of operators and itself (for the current and previous triennium). For operators, the audit was made and | Public Utilities Code, Sections 99246 and 99248 | BCAG maintains records of TDA claimants that submit an annual certified fiscal and compliance audit. The TDA claim statement of conformance includes a method by which the claimant can indicate it has complied with the submittal of its fiscal audit. The Butte Regional Transit fiscal audit is part of the BCAG fiscal audit, which was completed each year within the extension period granted by the statute. The Gridley Feather Flyer fiscal audit was also completed each year within the extension period. **Conclusion: Complied** |

| The RTPA has designated an independent entity to conduct a performance audit of operators and itself (for the current and previous triennium). For operators, the audit was made and | Public Utilities Code, Section 99245 | For the current three-year period, BCAG has retained an independent entity, Michael Baker International, to conduct the audit of BCAG and the two transit operators, Butte Regional Transit and Gridley Feather Flyer. The |
**TABLE II-1**

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<td>calculated the required performance indicators, and the audit report was transmitted to the entity that allocates the operator's TDA monies and to the RTPA within 12 months after the end of the triennium. If an operator's audit was not transmitted by the start of the second fiscal year following the last fiscal year of the triennium, TDA funds were not allocated to that operator for that or subsequent fiscal years until the audit was transmitted.</td>
<td>Public Utilities Code, Section 99246(c)</td>
<td>transit audits calculate the required performance indicators. Nelson\Nygaard was retained to conduct the previous audits for the three fiscal years that ended June 30, 2012. However, only the BCAG and Butte Regional Transit performance audits were completed. The performance audit for Gridley was not conducted due to an oversight by BCAG. <strong>Conclusion: Partial compliance</strong></td>
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<td>The RTPA has submitted a copy of its performance audit to the Director of the California Department of Transportation. In addition, the RTPA has certified in writing to the Director that the performance audits of operators located in the area under its jurisdiction have been completed.</td>
<td>Public Utilities Code, Section 99246(d)</td>
<td>BCAG submitted copies of the prior completed performance audits to Caltrans. The reports were completed in February 2014. However, in the absence of the Gridley performance audit, not all required audits were completed in the prior cycle. <strong>Conclusion: Partial compliance</strong></td>
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<td>The performance audit of the operator providing public transportation services shall include, but not be limited to, a verification of the operator's operating cost per passenger, operating cost per vehicle service hour, passengers per vehicle</td>
<td>Public Utilities Code, Section 99246(d)</td>
<td>The current performance audits of the transit systems include all required TDA performance measures plus additional indicators to further assess each system's efficiency, effectiveness, and economy with the use of TDA funds. <strong>Conclusion: Complied</strong></td>
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### TABLE II-1
Compliance Requirements Matrix

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<td>service mile, and vehicle service hours per employee, as defined in Section 99247. The performance audit shall include, but not be limited to, consideration of the needs and types of passengers being served and the employment of part-time drivers and the contracting with common carriers of persons operating under a franchise or license to provide services during peak hours, as defined in subdivision (a) of Section 99260.2.</td>
<td></td>
<td>BCAG’s adopting resolution of the TDA claims makes a finding that the operators are in compliance with the applicable fare revenue ratio under Article 4. Butte Regional Transit’s urban fixed-route operation must maintain a minimum fare ratio of 20 percent. <strong>Conclusion: Complied</strong></td>
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<td>The RTPA has established rules and regulations regarding revenue ratios for transportation operators providing services in urbanized and new urbanized areas.</td>
<td>Public Utilities Code, Sections 99260</td>
<td>Article 4.5 claims are typically used by a Consolidated Transportation Service Agency (CTSA). The BCAG TDA Workbook states that Butte County is the CTSA defined by BCAG that consolidates the provision of social service transportation in Butte County. Currently, there are no Article 4.5 claims made in Butte County. With the existence of a potential claimant of the funds, it is recommended that BCAG</td>
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<td><strong>State transit assistance funds received by the RTPA are allocated only for transportation planning and mass transportation purposes.</strong></td>
<td>Public Utilities Code, Sections 99310.5 and 99313.3, and Proposition 116</td>
<td>BCAG allocates STA funds for transit usage only pursuant to state statutes. The STA revenue is claimed by the local jurisdictions to support public transit provided by the B-Line fixed route.</td>
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<td><strong>The amount received pursuant to Public Utilities Code, Section 99314.3 by each RTPA for state transit assistance is allocated to the operators in the area of its jurisdiction as allocated by the State Controller’s Office.</strong></td>
<td>Public Utilities Code, Section 99314.3</td>
<td>STA funds under this section are allocated to the operator based on the estimates provided in the State Controller’s Office Quarterly State Transit Assistance Allocation.</td>
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| **If TDA funds are allocated to purposes not directly related to public or specialized transportation services, or facilities for exclusive use of pedestrians and bicycles, the transit planning agency has annually:** | Public Utilities Code, Section 99401.5 | BCAG adopts by resolution a finding on unmet transit needs prior to allocating TDA funds for non-transit purposes in the next fiscal year. BCAG produces an Unmet Transit Needs Assessment document containing elements in compliance with the statute, including a demographic analysis and adequacy of existing transit services. BCAG solicits public testimony regarding unmet transit needs through various means including public workshops held countywide, with a final public hearing before the BCAG Board of Directors. Each item of testimony received is analyzed and compared with the definitions of “unmet transit need” and |}

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<td>✓ Groups that are transit-dependent or transit-disadvantaged; ✓ Adequacy of existing transit services to meet the needs of groups identified; and ✓ Analysis of potential alternatives to provide transportation alternatives. • Adopted or reaffirmed definitions of &quot;unmet transit needs&quot; and &quot;reasonable to meet&quot;; • Identified the unmet transit needs and those needs that are reasonable to meet; • Adopted a finding that there are no unmet transit needs, that there are no unmet needs that are reasonable to meet, or that there are unmet transit needs including needs that are reasonable to meet.</td>
<td></td>
<td>&quot;reasonable to meet&quot; as adopted by BCAG on April 21, 1994, and is documented in the transit needs assessment. BCAG consults with the SSTAC as required by law. Conclusion: Complied</td>
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If a finding is adopted that there are unmet transit needs, these needs must have been funded before an allocation was made for streets and roads.
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<td>The RTPA has caused an audit of its accounts and records to be performed for each fiscal year by the county auditor, or a certified public accountant. The RTPA must transmit the resulting audit report to the State Controller within 12 months of the end of each fiscal year, and must be performed in accordance with the Basic Audit Program and Report Guidelines for California Special Districts prescribed by the State Controller. The audit shall include a determination of compliance with the TDA and accompanying rules and regulations. Financial statements may not commingle with other revenues or funds. The RTPA must maintain fiscal and accounting records and supporting papers for at least four years following fiscal year close.</td>
<td>California Administrative Code, Section 6662</td>
<td>BCAG has had an audit of its accounts and records performed for each fiscal year by a certified public accountant. The firm Richardson &amp; Company, LLP, was retained to conduct the fiscal audits. The completion dates were: FY 2013: January 15, 2014 FY 2014: January 16, 2015 FY 2015: January 29, 2016</td>
</tr>
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Findings from RTPA Compliance Requirements Matrix

BCAG has satisfactorily complied with most applicable state legislative mandates for RTPAs. Two mandates were not applicable to BCAG’s current TDA administrative process relating to off-the-top apportionments for non-motorized projects and funding claims under a particular TDA section (Article 4.5). An additional mandate to ensure prior performance audits of each public transit system were conducted was partially met.
The BCAG TDA Workbook was developed in November 2003. It identifies and describes the TDA administrative process conducted by the agency, and the steps to address transit funding. The process undertaken to apportion and allocate TDA funding in the county, including the conduct of required activities such as the unmet transit needs assessment and the submission of farebox recovery ratios, follows statutory provisions. With relatively new legislation (SB 508, October 2015) impacting the administration of TDA, BCAG should consider conducting an update to the workbook to reflect the latest guidance and requirements.

Currently, local jurisdictions could claim their share of LTF for bicycle and pedestrian projects under Article 8, which is available following the apportionment process by BCAG using a population distribution. As described in the above compliance matrix, BCAG could adopt rules and regulations for off-the-top LTF apportionments for bicycle and pedestrian projects prior to the population distribution. This off-the-top apportionment is limited to 2 percent of LTF and would be available to the cities and the county. This apportionment method could provide a level of flexibility to BCAG and the local jurisdictions in funding these projects. Advantages include that BCAG and the local jurisdictions could determine the method on how best to allocate the revenue toward non-motorized projects, such as by population, call for projects, rotating use of the fund, and/or building a reserve balance for use for regionally significant projects. Also, the statute allows a city or the county to expend up to 5 percent to supplement moneys from other sources to fund bicycle and pedestrian safety education programs.
Section III

Responses to Prior Triennial Performance Audit Recommendations

This chapter describes BCAG’s response to the recommendations included in the prior triennial performance audit. Each prior recommendation is described, followed by a discussion of BCAG’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

Consider funding Butte Regional Transit directly.

Background

This prior recommendation has been carried forward in past audits. The prior audits indicated that directly funding the B-Line from Local Transportation Funds would be more efficient and eliminate some administrative burden for both BCAG and member jurisdictions.

Actions taken by BCAG

With the FY 2014–15 LTF apportionment, Butte Regional Transit submitted a separate claim for the first time. The B-Line claimed $960,000 as an “operator” for the purpose of purchasing two buses in the event BCAG is unable to secure other federal or state grants for this purpose. The funds were held in reserve for the bus purchase.

Conclusion: This recommendation has been implemented.

Prior Recommendation 2

Update TDA Claims Workbook.

Background

The BCAG TDA Workbook is a guide to assist in the development of TDA claims and provide assistance in the general understanding of the TDA statutes. The version of the workbook on the BCAG website is dated November 2003, although BCAG staff indicated the workbook was updated in FY 2009–10. The prior performance auditors recommended that a revised TDA Claims Workbook be posted to the BCAG website to provide jurisdictions with updated information.
Actions taken by BCAG

A current review of the TDA Workbook on the BCAG website shows the 2003 date. There have since been significant changes made in the statute including to the calculation of farebox recovery and eligibility for transit operators to use STA funds for operations. Other aspects of the workbook would need revisions as well given the current BCAG TDA administrative process and the creation of Butte Regional Transit in 2005 after completion of the workbook.

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

Prior Recommendation 3

Reinstate the quarterly BCAG eNewsletter.

Background

This prior recommendation has been carried forward in past audits with slight modifications. The prior auditor revealed three years ago that the BCAG website had outdated copies of its eNewsletter, which was not being updated regularly. The prior auditor believed that a quarterly newsletter is an important tool to share information with agencies within the county and regionally. The eNewsletter can be used to provide highlights about recent activities, list upcoming projects and events, and disseminate information about special studies and other areas of interest to BCAG’s key stakeholders. Keeping a backlog of previous newsletters online is also a useful way of sharing past BCAG activities.

Actions taken by BCAG

The BCAG website shows a more recent newsletter posted from the fall of 2015. The newsletter is available both as a PDF downloaded file and a viewable file in HTML format. The newsletter highlights activities and accomplishments of BCAG and its partners. Articles on different travel modes are included such as highway development, active transportation program projects, and public transit operations. Board adoption of key documents such as the OWP is also described with graphics. The color newsletter increases awareness of BCAG’s activities and promotes public participation. An email sign-up list on the website is used to distribute the electronic newsletter. The prior recommendation encouraged BCAG to reinstate a quarterly newsletter; however, tight staffing resources have prevented this, although the newsletter is generally produced annually.

Conclusion: This recommendation has been partially implemented in that a more recent newsletter was developed, but producing updated newsletters on a quarterly basis is not currently possible due to staffing constraints. A more robust annual report in lieu of the newsletter has been a desire of BCAG and should be explored further.
Prior Recommendation 4

Assume a stronger role to help encourage ridesharing in the region.

Background

The prior audit stated that BCAG does not provide any Transportation Demand Management (TDM) or ridesharing services. As part of the regional goal of reducing greenhouse gas emissions, the prior audit stated BCAG should play a more prominent role in promoting ridesharing and other TDM initiatives in Butte County. Examples cited include BCAG playing a more active role with Sacramento Region 511 services and including information on its website for those who want to access more information on ridesharing activities and link to the Sacramento Region 511 website.

Actions taken by BCAG

A search for key words and phrases such as ridesharing, TDM, and 511 on the BCAG website did not yield a finding, indicating a continued reduced role for BCAG to engage in these services. There are clear links to the website for the B-Line, which is a type of ridesharing mode; however, TDM and ridesharing assistance services are not available. As an RTPA, BCAG could promote alternative transportation measures in the county that are a function of local conditions and demand for such services. As an example, BCAG is commissioning a study for alternative transportation options from Chico to Sacramento. No aviation options exist for this type of trip. The work effort and resources for promoting ridesharing would need to be input into the OWP and funding identified. A more passive method would be to simply post a link to the Sacramento Region 511 on the BCAG website and notify the public about the link.

Conclusion: This recommendation has been partially implemented from the current study of travel options from Chico to Sacramento and is carried forward in this audit.
Section IV

Detailed Review of BCAG Functions

In this section, a detailed assessment of BCAG’s functions and performance as an RTPA during this audit period is provided. Adapted from Caltrans’ Performance Audit Guidebook for Transit Operators and Regional Transportation Planning Entities, BCAG’s activities can be divided into the following activities:

- Administration and Management
- Transportation Planning and Regional Coordination
- TDA Claimant Relationships and Oversight
- Marketing and Transportation Alternatives
- Grant Applications and Management

Administration and Management

The administration of the agency is currently supported by 12 staff. Staffing levels remained relatively stable at between 11 and 12 personnel during the audit period. Executive management of the agency has been stable for many years and has provided for solid stewardship of the agency’s fiduciary responsibilities for transportation funding in the county. Managers of each department have also been relatively stable with some turnover, in particular the Transit Manager for the B-Line, which experienced turnover in 2013. BCAG filled the position, which has been stable since then. Other associate-level staff positions also experienced turnover. With completion of the new joint use operations and administration facility for the B-Line and BCAG, through an RFP process, BCAG retained the same construction management firm for facilities maintenance. With BCAG’s core planning functions to fulfill in addition to other regional planning studies that support state and federal planning and programming requirements, the agency is operating at a high level with limited resources.

Overall Work Program

The Overall Work Program (OWP) serves as BCAG’s annual budget and program guide and identifies the specific state and federal required regional transportation planning and programming activities that will be developed during the fiscal year. The OWP includes other regional transportation planning studies and projects that have been determined necessary by BCAG Board of Directors. The OWP is implemented in consultation with the BCAG member agencies, the public, tribal governments, and BCAG’s state and federal transportation planning partners and in compliance with BCAG’s adopted Public Participation Plan, which includes public
noticing of standing committees, Board of Director meetings, noticed public hearings, and workshops for the appropriate work elements.

The OWP documents the management, budgetary, and monitoring activities performed annually by BCAG and is developed annually for Caltrans review and for approval by the BCAG Board of Directors. Several work elements are funded by a mix of state, federal, and local programs including TDA-LTF funds. A new table was added in the first section of the OWP that identifies all of the OWP work elements and indicates whether the work element addresses or is a component of the Core MPO Planning Functions, the California Planning Emphasis Areas, and the Federal Planning Emphasis Areas.

TDA/Transit Coordination & Planning is a major section in the OWP. Work elements in this section include TDA fund administration, public transit coordination and planning, and administration of Butte Regional Transit. TDA fund administration encompasses the allocation of monies from the Local Transportation Fund and State Transit Assistance to member entities, as well as the preparation of the annual Unmet Transit Needs Assessment. This work element also includes BCAG’s responsibilities for the preparation of the year-end fiscal audits of Transportation Development Act funds received by the claimants and the conduct of the triennial performance audit.

For each work element, the OWP includes a table that estimates person months, revenues, and staff costs to implement the tasks. The months add up to the total number of staff. LTF planning revenue allocated to BCAG is shown to contribute to most work elements, the largest LTF planning expenditures being for the Butte Regional Conservation Plan, followed by indirect costs and B-Line administration. Given the state of transportation funding, BCAG has identified that it is even more critical that the public be aware and informed about transportation issues, the role of BCAG, and the activities the agency is currently carrying out and planning for the future. This awareness translates to a higher level of public discussion and informed approaches to dealing with transportation issues.

**Personnel Administration**

The purpose of the Personnel Policies handbook is to provide fair and systematic procedures for the administration of all matters affecting the status and activities of BCAG employees. The handbook, last revised and adopted in January 2014, is comprehensive and is intended to explain terms and conditions of employment of all full- and part-time employees and to outline policies, programs, and benefits available to eligible employees. It addresses numerous personnel topics including performance evaluations, working conditions, communications, benefits, standards of conduct and employee progressive discipline, expenses, and other related policies.

Supervisors and employees are strongly encouraged to discuss job performance and goals on an informal, day-to-day basis. A written performance evaluation is conducted at the end of an employee's initial period of hire, known as the introductory period. Annual performance evaluations are conducted at the end of each fiscal year. This formal evaluation allows both
supervisors and employees the opportunity to discuss job tasks, identify and correct weaknesses, encourage and recognize strengths, and discuss positive, purposeful approaches to meeting goals. Merit-based pay adjustments may be awarded during the annual performance evaluation in an effort to recognize superior employee performance. The decision to award such an adjustment is dependent upon numerous factors, including the information documented by this formal performance evaluation process.

**Transportation Planning and Regional Coordination**

*Regional Transportation Plan*

The RTP is BCAG’s long-range planning document that guides the development of transportation in Butte County. During the audit period, the Board adopted the Regional (Metropolitan) Transportation Plan & Sustainable Communities Strategy (RTP/SCS) on December 13, 2012. The RTP/SCS serves as the foundation for the development of the short-range Regional Transportation Improvement Program (RTIP) and the Federal Transportation Improvement Program (FTIP). The RTP/SCS can be amended at any time by the BCAG Board of Directors. As BCAG is required to adopt a RTP/SCS and environmental impact report every four years, the subsequent update was recently adopted in December 2016.

The RTP/SCS has a planning horizon of 20+ years and includes required elements such as a policy element (goals, objectives, and policies), action element, and financial element. The action element is the largest by page volume and consists of short- and long-term activities that address regional transportation issues and needs. All transportation modes (highway, railroad, bicycle, aviation, maritime, local streets and roads) are addressed. This element documents BCAG’s “regional” priorities for future state transportation improvement funds for highway and roadway projects and identifies the Federal Transit Administration (FTA) and Congestion Mitigation and Air Quality funding over the RTP horizon for the use of transit capital and operating expenditures. Non-motorized transportation is also recognized to identify potential new routes early in the planning process. In addition, action plans for intelligent transportation systems, aviation, rail, and goods movement are included with planned improvements that have been identified for both the short term and long term and that meet the RTP/SCS’s goals and objectives.

The 2012 RTP was the first to include a SCS under Senate Bill 375. The 2012 SCS focused on bringing together the newly developed local general plans, regional habitat conservation planning, and regional blueprint efforts to lay out a future development pattern for the region. The targets established for the region allow for a 1 percent increase, per capita, in passenger vehicle greenhouse gas (GHG) emissions for the years 2020 and 2035 (compared with 2005). The Butte County region will meet these targets by balancing housing and employment growth within the specified growth areas, protecting sensitive habitat and open space, and investing in a multimodal transportation system. The determination that BCAG will meet the California Air Resources Board’s GHG reduction target is based on the results of computer modeling.
The 2016 SCS serves as a minor update of the 2012 SCS. The focus of the 2016 RTP/SCS is to expand on the efforts of the 2012 plan by integrating the new Long-Range Transit and Non-Motorized Plan and incorporating the latest regional growth forecasts.

In following its Public Participation Plan in compliance with SB 375, BCAG engaged the public in the process. Each round of public workshops consisted of presentations made at each of the locations, generally in Chico and Oroville. Open house workshops were held for each of four rounds of project development. The rounds included (1) conduct initial outreach to educate and inform the public as to what the project consists of and to solicit comments; (2) solicit views from agencies and the public regarding the scope and content of the environmental analysis; (3) review the preliminary draft RTP/SCS; and (4) review the complete draft RTP/SCS. While workshops were held, BCAG also accepted input in any manner convenient to the public, such as by phone, email, fax, mail, or in person. Notices concerning the workshops were published in local newspapers of general circulation and placed on the BCAG website.

Work conducted on the RTP/SCS included developing a set of standard performance measures that assess the effectiveness of the implementation of the RTP and which allow the quantitative analysis of the regional transportation system and plan. Using Caltrans performance measurement guidebooks as a basis to identify the measures, BCAG used multiple tools and datasets to quantify information for each of the measures. Current performance from the base year was compared to modeled impacts of the RTP financially constrained plan through the 20-year horizon.

**Regional Transportation Improvement Programs**

BCAG develops and programs transportation projects that are funded with state and federal funds and consistent with the RTP. BCAG staff coordinates with Caltrans, its local agency partners, and others regarding the various funding programs. As the RTPA, BCAG is required to prepare a Regional Transportation Improvement Program (RTIP) every two years to identify programming recommendations for the State Transportation Improvement Program. During the audit period, BCAG adopted the 2014 RTIP and worked on the 2016 RTIP. The 2014 RTIP was a continuation of the progress defined in the 2012 RTIP. BCAG recommended that two segments on the State Route (SR) 70 corridor move forward and that the Neal Road Class II Bike Lane Project be completed. Due to insufficient transportation revenues, however, the California Transportation Commission requested that BCAG reduce its funding target by $3.9 million for the 2016 RTIP. As a result, the SR 70 “Segment 2 Project” was deleted and there was a reduced state contribution on the SR 70 “Segment 1.”

The BCAG Federal Transportation Improvement Program (FTIP) is a programming document that identifies all regionally significant transportation projects and programs for Butte County that will be funded by federal transportation funds, or require some type of federal approval, within the four-year period. The FTIP contains a priority list of projects such as transit, highway, local roadway, rail, bicycle and pedestrian investments, and all regionally significant transportation projects or projects requiring federal action. The BCAG Board adopted the 2015 FTIP in August
2014. The FTIP includes approximately 24 individual transportation projects and committed federal, state, and local funding of approximately $188 million for four federal fiscal years ending in 2018. FTA funding programmed in the FTIP in the amount of about $31.0 million is estimated to be available for B-Line operations, maintenance, and capital projects.

*Transit Planning and Oversight*

Transit planning and oversight by BCAG are provided through various approaches. Given that Butte Regional Transit staff are housed within BCAG, the lines of communication on planning and oversight are clear. BCAG participates in a number of activities in order to review the productivity improvements of the transit systems. The BCAG Transit Administrative Oversight Committee (TAOC) meets as necessary to review and provide guidance concerning the B-Line transit service. Composed of BCAG staff and representatives of the jurisdictions that contribute funding to the B-Line from the county, cities, and town, the TAOC also makes recommendations to the BCAG Board of Directors on the annual transit service plan and budget and other transit issues. All transit policy issues, transit service, and operating matters are reviewed with this committee prior to a recommendation being made to the BCAG Board. A TAOC Finance Workshop meeting is held at the beginning of the year, followed by another meeting to review the budget and address the revenue and cost changes between years, and to answer questions. A capital funding analysis is also covered that gives a multiyear insight into the availability of capital reserves and the shortfall in reserves, which will be covered by TDA allocation. B-Line staff will continue to aggressively apply for discretionary grants.

Transit staff have done a good job with keeping the BCAG Board regularly updated on the performance of the transit system. Each quarter, key financial and operational results for Butte Regional Transit are presented in table format to the Board. The financial data, such as operating costs and fare revenues, compares quarterly results to annual budget and prior year to date. Operations tables including ridership and vehicle hours represent a performance-based assessment in comparison to the same quarter of the prior fiscal year. Performance metrics for preventable accidents and complaints are also shown. A breakdown of performance for each mode is discussed, including urban fixed route, rural fixed route, urban paratransit, and rural paratransit, with data to back up the descriptions.

In addition to the TAOC and quarterly reports, BCAG has commissioned transit plan studies to improve the longer-term productivity of the B-Line. Previous studies include a market-based study and the Public Transit and Human Services Transportation Coordinated Plan. More recently, the Transit & Non-Motorized Plan was completed in April 2015 that outlines transit service and non-motorized transportation enhancements. Based on the findings from the study, a series of transit service alternatives were developed, and a preferred B-Line route network has been proposed. The plan also identifies high-priority projects to facilitate regional bicycling and improve pedestrian access to major transit facilities. These recommendations were integrated into the 2016 RTP/SCS and made a major overhaul to the applicable chapters in the RTP/SCS.
TDA Claimant Relationships and Oversight

BCAG is responsible for the administration of the TDA program. The Chief Fiscal Officer maintains desktop procedures of the steps in the process, including findings of apportionment and the TDA claims. The uses of TDA revenues apportioned to Butte County flow through a priority process prescribed in state law. The LTF apportionments to the jurisdictions are based on the latest population figures from the California Department of Finance. In order of priority, LTF funds are allocated in Butte County as follows:

- BCAG administrative and planning costs, based on final OWP and budget
- County Auditor administrative costs
- Butte Regional Transit claim (in FY 2014–15)
- Area apportionments to local jurisdictions

During the audit fiscal years of 2013 through 2015, BCAG claimed the amounts shown in Table IV-1. The totals are between 6 and 7 percent of the annual LTF revenues each year, which are reasonable. The OWP splits the amount going to LTF administration and to LTF planning. About 15 percent of the BCAG LTF claim is used for administration of the fund, and the remaining amount is used toward planning projects (OWP Revenue Source by Work Element).

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>LTF Claim</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>$450,000</td>
</tr>
<tr>
<td>2014</td>
<td>$450,000</td>
</tr>
<tr>
<td>2015</td>
<td>$450,000</td>
</tr>
</tbody>
</table>

TDA Claim Processing

On an annual basis during this audit period, BCAG was responsible for managing new LTF revenues of between $6.3 and $7.2 million and new STA funds of between $1.2 and $1.3 million. Table IV-2 shows the amounts of LTF and STA funds that were allocated to the claimants.
Table IV-2

Total TDA Funding Allocations to Transit Claimants

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Local Transportation Fund (LTF)</th>
<th>State Transit Assistance (STA)</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>$6,344,880</td>
<td>$1,300,000</td>
<td>$7,644,880</td>
</tr>
<tr>
<td>2014</td>
<td>$7,243,237</td>
<td>$1,200,000</td>
<td>$8,443,237</td>
</tr>
<tr>
<td>2015</td>
<td>$6,909,207</td>
<td>$1,200,000</td>
<td>$8,109,207</td>
</tr>
</tbody>
</table>

Source: BCAG audited financial statements, Schedule of Allocations and Expenditure – LTF and STA

BCAG assists the claimants by pre-populating the claim form with B-Line operations and capital data prior to sending the forms out to the jurisdictions. BCAG prepares and distributes several documents during the TDA claims process. The documents include the estimates of apportionment (less BCAG administration, county auditor, and the B-Line) and a packet providing claimants with the forms and funding information needed to prepare both LTF and STA claims. The claims packet is a file that can be filled out electronically along with required signatures attesting to the accuracy of the claim and statement of conformance. Each local jurisdiction submits a claim to BCAG, which then reviews the claims for consistency against fund estimates and maximum eligibility. Backup documentation to the claim is provided to substantiate the request for funds, including a TDA checklist for review and submittal confirmation. Additional backup information includes a TDA annual project and expenditure plan, and a certified copy of the resolution from the claimant’s governing board approving the claim and its submittal to BCAG.

Original claims are generally submitted between May and July. The expenditure plan accompanying the claim is a road map of how each jurisdiction expends its allocation, whether on transit, streets and roads, and/or pedestrian/bicycle projects. Supplemental information in the expenditure plan include balances from prior years that are shown in addition to the annual apportionments and the amount claimed. As revised TDA estimates are made, the claimants can update their claim and reflect the revised amounts in their respective expenditure plan. BCAG staff typically conduct an annual workshop to facilitate the claims process.

Unmet Transit Needs

Unmet transit needs hearings are required by the TDA where claims can be made for streets and roads. BCAG undertakes the full unmet needs process required by the TDA as allocations are made for streets and roads. The process follows these steps:

1. Conduct analysis of transit-dependent groups and indicators, and adequacy of existing transit services.
2. Solicit testimony on unmet transit needs that may exist in Butte County through workshops and comment cards.
3. Analyze transit needs in accordance with adopted definitions of “unmet transit needs” and “reasonable to meet.”

4. Consult with the SSTAC.

5. Adopt a finding regarding unmet transit needs that may exist for implementation in the next fiscal year.

Public workshops for unmet transit needs were held in Paradise, Gridley, Chico, and Oroville, with a final public hearing before the BCAG Board of Directors. In addition to published notices, the announcements were also placed on every transit vehicle in the B-Line fleet, announced on the company website and social networking page (http://www.facebook.com/blinetransit), and emailed to community social service agencies. While only one public hearing is required by statute, BCAG held four public workshops as well as a “formal” hearing before the Board during the month of October. In addition, BCAG solicited comments by telephone, email, and comment cards available on all buses. Even though BCAG’s unmet transit needs findings are made on an annual basis, the assessment process continues throughout the year. Comment cards are placed on all buses, and telephone calls and emails are received and recorded throughout the year.

The culmination of these steps and evaluation of existing transit services results in the annual Unmet Transit Needs Assessment. The document is presented to the Butte County Social Service Transportation Advisory Council, which reviews the assessment and supports staff’s recommendation. For the audit period, BCAG made a finding of an unmet need that was reasonable to meet in FY 2013–14: the addition of one midday run on Route 7 serving east Chico. For the other two audit years, there were no new unmet needs that are reasonable to meet. Annual resolutions are approved by the BCAG Board in making findings regarding unmet transit needs.

BCAG solicits public interest for service on the SSTAC through an application on the BCAG website explaining the purpose and role of the council. The two-page application includes the type of position the applicant is interested in, and a request to summarize the reason they would like to participate in the SSTAC and any qualifying experience. Each of the required nine positions was filled during the triennial period by agencies and at large members with staggered terms that expire over a three-year period. The listing of members identifies which position each member fills, with several filling multiple positions. A number of members were reappointed for another three-year period following their term expiration.

Marketing and Transportation Alternatives

BCAG has a limited role in offering transportation alternatives which are a function of local conditions and demand for such service. Transportation demand management strategies and online alternative transportation services are examples of transportation services that are not available, although there are clear links from the BCAG website to the website for the B-Line, which is a type of ridesharing mode. Also, BCAG commissioned a study for alternative transportation options from Chico to Sacramento. No aviation options exist for this type of trip.
Butte County residents can also enter their commute information in the Sacramento 511 regional database.

As an MPO and an RTPA, BCAG uses a variety of public participation strategies to communicate and encourage public input. BCAG’s Public Participation Plan (PPP), amended in February 2014, includes a proactive public participation process that provides complete information, timely public notice, and public access to key decisions, and supports the public’s early and continuing involvement in developing all transportation plans and improvement programs. The PPP was developed in consultation with BCAG’s advisory committees and assists in identifying and addressing environmental justice and social equity issues. SB 375 also requires specific public participation requirements for the development of the SCS and alternative planning strategy, if needed, which have been addressed in the PPP. Social media has been tapped to extend the reach of BCAG public participation. Also, BCAG holds meetings in areas that are predominantly underrepresented such as among Hispanic and Hmong populations. Four amendments have been made to the PPP in a continuous effort to improve outreach strategies.

BCAG’s website (http://www.bcafg.org/) includes an extensive array of information about the agency’s projects and programs, the governing body, and upcoming meetings. The website’s library section contains a wealth of useful information, including general information about BCAG, plus useful links and archives of reports, drafts, documents, and newsletters. The website also provides names and email addresses for staff, current planning documents, and major projects. A direct link to the B-Line website is available, as is required environmental justice documentation including Title VI and DBE programs. The agency, through the B-Line website, also has a social media presence using Facebook (http://www.facebook.com/blinetransit) for the latest information. The B-Line has over 900 “likes” on its Facebook page. An update to the PPP emphasizes greater use of current social media to engage and inform the public in BCAG’s planning and programming processes.

**Grant Applications and Management**

BCAG serves an important role for state and federal transit grant applications in the county to coordinate and ensure there is no conflict with local plans and policies. BCAG offers assistance to its member agencies as needed. BCAG issues calls for projects for several funding sources including Congestion Management and Air Quality and FTA Sections 5310 and 5311. BCAG uses federal transit revenue from various formula-based and discretionary programs including FTA Sections 5304, 5307, 5310, 5311, 5311(f), and 5339. The 5311(f) intercity bus fund is a fairly new revenue source for the B-Line, while 5310 funds were expanded for rural paratransit. Through the 5304 program, BCAG is developing a mobile app for the B-Line to improve connectivity and communications with its riders. BCAG maintains a federal lobbying program with annual trips to advocate for discretionary funding. BCAG also hosted a town hall meeting event with the California Transportation Commission to discuss state funding and highlight Butte County issues.

Under the State Proposition 1B program, BCAG submitted grant applications from the California Office of Emergency Services Transit Security Grant Program for security cameras. BCAG
approves resolutions of these actions including fund allocation and ensuring projects are consistent with local planning studies such as the RTP/SCS.

BCAG also facilitates grant funds from Caltrans and the Strategic Growth Council for sustainable planning and transportation. Transportation planning grant funds are available for planning projects that improve mobility and lead to the planning, programming, and implementation of transportation improvement projects. Projects include:

- Partnership Planning
- Community-Based Transportation Planning
- Environmental Justice
- Statewide or Urban Transit Planning Studies
- Rural or Small Urban Transit Planning Studies
- Transit Planning Student Internships
Section V

Findings and Recommendations

The following material summarizes the findings obtained from the triennial audit covering FYs 2013 through 2015. A set of recommendations is then provided.

Findings

1. BCAG conducts its management of the TDA program in a competent and professional manner.

2. BCAG has satisfactorily complied with most applicable state legislative mandates for RTPAs. Two mandates were not applicable to BCAG’s current TDA administrative process relating to “off-the-top” apportionments for non-motorized projects and funding claims under a particular TDA section (Article 4.5). An additional mandate to ensure prior performance audits of each public transit system were conducted was partially met.

3. BCAG implemented one of the four recommendations made in the prior performance audit relating to funding Butte Regional Transit directly with TDA funds. Two recommendations were partially implemented, including reinstating the BCAG eNewsletter and assuming a stronger role in regional ridesharing. One recommendation not implemented concerns an update to the TDA Claims Manual.

4. Staffing levels remained relatively stable at between 11 and 12 personnel during the audit period. Managers of each department have also been relatively stable with some turnover, in particular the Transit Manager for the B-Line, which experienced turnover in 2013. BCAG filled the position, which has since been stable.

5. The Overall Work Plan documents the management, budgetary, and monitoring activities performed annually by BCAG and is developed annually for Caltrans review and for approval by the BCAG Board of Directors. A new table was added in the first section of the OWP that identifies all of the plan’s work elements and indicates whether the work element addresses or is a component of the Core MPO Planning Functions, the California Planning Emphasis Areas, and the Federal Planning Emphasis Areas.

6. During the audit period, the Board adopted the Regional (Metropolitan) Transportation Plan & Sustainable Communities Strategy (RTP/SCS) on December 13, 2012. The RTP/SCS serves as the foundation for the development of the short-range Regional Transportation Improvement Program and the Federal Transportation Improvement Program. As BCAG is required to adopt a RTP/SCS and environmental impact report every four years, the subsequent update was recently adopted in December 2016.
7. In following its Public Participation Plan in compliance with SB 375, BCAG engaged the public in the RTP/SCS process. Each round of public workshops consisted of presentations made at each of the locations, generally in Chico and Oroville. Open house workshops were held for each of four rounds of project development.

8. Transit planning and oversight by BCAG are provided through various approaches. Given Butte Regional Transit staff are housed within BCAG, the lines of communication on planning and oversight are clear. Oversight is provided by the Transit Administrative Oversight Committee. Transit staff have done a good job with keeping the BCAG Board regularly updated on the performance of the transit system through quarterly performance reporting.

9. On an annual basis during this audit period, BCAG was responsible for managing new LTF revenues of between $6.3 and $7.2 million and new STA funds of between $1.2 and $1.3 million. BCAG maintains desktop procedures of the steps in the process including findings of apportionment and the TDA claims. BCAG assists the claimants by pre-populating the claim form with B-Line operations and capital data prior to sending the forms out to the jurisdictions.

10. The culmination of the annual unmet transit needs process results in the Unmet Transit Needs Assessment. The document is presented to the Butte County Social Service Transportation Advisory Council, which reviews the assessment and supports staff’s recommendation. For the audit period, BCAG made a finding of an unmet need that was reasonable to meet in FY 2013–14: the addition of one midday run on Route 7 serving east Chico.

Recommendations

1. Update BCAG TDA Workbook for inclusion of new state legislation. 
   (High Priority)

   The TDA Workbook has not been updated in some time, although several changes have occurred in relation to TDA administration and the effect on transit operations. New legislation (Senate Bill 508), passed in October 2015, significantly modified several provisions of TDA. The legislation has several objectives, including simplifying fare recovery requirements, authorizing funding of bicycle and pedestrian safety education programs, and modifying State Transit Assistance (STA) qualifying criteria for operations. BCAG’s TDA guidelines should be updated to reflect these changes and identify the responsible party for implementing the updates, such as the fiscal auditor for the farebox recovery calculation. BCAG and the B-Line should also communicate these changes and determine what implication, if any, the changes might have on transit operations.
SB 508 rationalizes performance metrics, for example, by applying the same operating cost exemptions to both the farebox recovery ratio and the STA qualifying criteria. In addition, this bill clarifies a few terms that should help ensure expectations are applied uniformly to the transit operators. Highlights of the bill are summarized below.

**Farebox Recovery**
- Deletes the requirement for transit operators to maintain higher farebox requirements based on 1978–79 fiscal year.
- Revises definition of “local funds” to mean any nonfederal or nonstate grant funds or other revenues generated by, earned by, or distributed to an operator.
- Revises definition of “operating cost” to exclude principal and interest payments on capital projects funded with certificates of participation.
- Exempts startup costs for new transit services for up to two years.
- Exempts additional categories of expenditures from “operating cost” (cost increases above the Consumer Price Index for fuel, alternative fuel programs, power, insurance premiums and claims, and state and federal mandates).

**Claims for Funds**
- Authorizes the funding of bicycle and pedestrian safety education programs up to 5 percent of the 2 percent bicycle and pedestrian allocation found under Article 3 (PUC Section 99234(a)).

**STA Qualifying Criteria for Operations**
- Uses of a “sliding scale” to reduce the operator’s STA allocation for operations, rather than “pass/fail.”
- STA qualifying criteria requirement is exempt through fiscal year 2015–16.
- New sliding scale effective July 1, 2016.

The farebox recovery ratios calculated in the next annual TDA fiscal audit should account for these changes given that operator eligibility for TDA funds is determined in large part by the audited farebox ratios. The revised STA sliding scale test that BCAG must also apply would have certain budgeting and planning implications for using the revenue for operations.

2. **Develop and adopt TDA Article 4.5 evaluation criteria.**
   (Medium Priority)

   Article 4.5 of the TDA statute enables certain agencies to claim local transportation funds for community transit services. In practice, most of the funds from this article section are claimed
by a Consolidated Transportation Services Agency (CTSAs). The BCAG TDA Workbook identifies Butte County as the CTSA. Although the CTSA responsibilities have not been implemented, BCAG should develop and adopt evaluation criteria for reviewing possible claims for the funds in the future. The transit system in the county is growing, and social service transportation and mobility management are components that should be addressed. Article 4.5 would be the funding source for such services. BCAG should review the statutory section (Public Utilities Code Section 99275.5) regarding evaluation criteria and adopt similar language including the findings.

3. Develop and adopt eligibility criteria for “off-the-top” funding for pedestrian and bicycle projects.  
   (Medium Priority)

Currently, local jurisdictions claim their share of local transportation funds for bicycle and pedestrian projects under Article 8, which is available following the apportionment process by BCAG using a population distribution. As described in the compliance matrix section of this audit, BCAG should adopt rules and regulations for off-the-top LTF apportionments for bicycle and pedestrian projects prior to the population distribution. This off-the-top apportionment is limited to 2 percent of LTF and would be available to the cities and the county. This apportionment method could provide a level of flexibility to BCAG and the local jurisdictions in funding both local and regional projects. Advantages include that BCAG and the local jurisdictions could determine the method on how best to allocate the revenue toward non-motorized projects, such as by population, call for projects, rotating use of the fund, and/or building a reserve balance for use for regionally significant projects. Also, the statute allows a city or the county to expend up to 5 percent to supplement moneys from other sources to fund bicycle and pedestrian safety education programs. Given the recent completion of the Transit & Non-Motorized Plan in April 2015, a revised method to allocate non-motorized funding from TDA should be considered and implemented.

4. Develop format and content for an annual BCAG report.  
   (Medium Priority)

BCAG has produced an eNewsletter for several years, but not on a regular basis. The last newsletter was developed in the fall of 2015 and highlights many areas of the agency, including accomplishments, funding, and challenges. The prior performance audit carried forward a prior recommendation for BCAG to reinstate its quarterly eNewsletter; however, with staffing constraints, an updated newsletter on a quarterly basis is not currently possible.

This current recommendation makes an adjustment to the prior recommendation and suggests BCAG make an effort to develop an annual BCAG report. The fall 2015 newsletter serves as a basis for an annual report which is intended to encapsulate the activities and value that BCAG brings to the community through its mission and transportation coordination, planning, programming, financial, and project delivery responsibilities. An annual report identifies the projects and outcomes for the community as well as educates the public and
stakeholders on BCAG’s role in transportation. Many RTPAs develop annual reports that serve such a purpose to highlight the accomplishments and challenges for the year, and what to look forward to in the next year. A more robust annual report in lieu of the newsletter has been a desire of BCAG and should be explored further.

5. **Assume a stronger role to help encourage ridesharing in the region.**  
(Medium Priority)

This prior recommendation is carried forward for implementation, as it retains merit and provides transportation options for county residents. As an RTPA, BCAG could promote alternative transportation measures in the county that are a function of local conditions and demand for such services. As an example, BCAG commissioned a study for alternative transportation options from Chico to Sacramento. No aviation options exist for this type of trip. The work effort and resources for promoting ridesharing would need to be input into the OWP and funding identified. A more passive method would be to simply post a link to the Sacramento Region 511 on the BCAG website and notify the public about the link. The Sacramento Region 511 Travel Info website features Google mapping for bicycle routes in the region, while Google Transit provides real-time feeds for public transit users. Carpooling and vanpooling are offered through the Sacramento Region Commuter Club website (http://www.sacregioncommuterclub.com), administered by SACOG, which offers tools and information to commuters and employers to encourage carpooling, vanpooling, walking, bicycling, and riding transit.
FY 2013-2015
Triennial Performance Audit of
Butte Regional Transit

Prepared for:
Butte County
Association of Governments

January 2017

Submitted by:
Michael Baker International
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Executive Summary

The Butte County Association of Governments (BCAG) engaged the Michael Baker International team to conduct the Transportation Development Act (TDA) triennial performance audit of the public transit operators under its jurisdiction in Butte County. This performance audit is conducted for the Butte Regional Transit System (also referred to as B-Line) covering the most recent triennial period, fiscal years 2012–13 through 2014–15.

The audit includes a review of the following areas:

- Compliance with TDA requirements
- Status of prior audit recommendations
- Transit system performance trends
- Detailed functional review

From the review, recommendations were developed to improve the operational efficiency and effectiveness of the Butte Regional Transit.

Compliance with TDA Requirements

Butte Regional Transit has complied with all applicable requirements, with one exception. Butte Regional Transit is in partial compliance with the performance measure definitions established by Public Utilities Code Section 99247, in that the reporting of full-time equivalent (FTE) employees for the transit system does not include transit administrative and support staff from BCAG and Butte Regional Transit. Currently, only contractor operations and maintenance staff time is included in the FTE count. One additional TDA compliance requirement is not applicable to B-Line (i.e., intermediate farebox recovery ratio).

Status of Prior Audit Recommendations

Of the five prior audit recommendations, Butte Regional Transit fully implemented two recommendations regarding the review of ADA paratransit and Dial-A-Ride eligibility requirements, and development of a marketing plan. Two other recommendations—defining goals, objectives, and performance measures, and using AVL/GPS technology to improve on-time performance—have been partially implemented. The remaining recommendation regarding separation of BCAG and B-Line Board of Directors meetings is no longer applicable.

System Performance Trends

1. System-wide operating costs increased 16.8 percent over the audit period from the FY 2012 base year through FY 2015. By mode, fixed-route operating costs increased 15 percent and paratransit operating costs increased 20.7 percent during the audit period. System-wide and modal operating cost trends are developed using audited data.
2. Ridership increased 4.6 percent system-wide during the audit period. Fixed-route ridership increased 3.5 percent, while paratransit ridership increased 14.8 percent. Fixed-route ridership remained fairly stable with a 4.3 percent increase in FY 2013 while paratransit ridership increased steadily throughout the audit period with significant increases of 8.6 percent in FY 2013 and 3.9 percent in FY 2014.

3. Revenue hours and miles increased system-wide as well as for both modes during the audit period. Fixed-route revenue hours and miles increased 2.6 and 1.5 percent, respectively. Paratransit revenue hours and miles exhibited a more significant increase of 13.9 and 14.8 percent, respectively.

4. Operating cost per passenger increased 11.6 percent system-wide during the audit period. Cost per passenger increased 11.1 percent on fixed route and 5.2 percent on paratransit.

5. Operating cost per hour, which is a measure of cost efficiency, increased 9.1 percent system-wide. This indicator increased 12.1 percent on fixed route and 6.0 percent on paratransit.

6. While passengers per vehicle service hour decreased 2.2 percent system-wide, passengers per vehicle service hour by mode remained relatively flat. The system-wide decrease is due to the 14.8 percent increase in paratransit ridership while fixed-route ridership increased only 3.5 percent, skewing the system-wide indicator toward paratransit which has a lower ratio of ridership to service hours than fixed route.

7. The audited fixed-route farebox recovery ratio decreased 7.3 percent over the three-year period, from 23.9 percent in FY 2012 to 22.16 percent in FY 2015, while the audited paratransit farebox recovery decreased 3.5 percent. From FY 2014 to FY 2015, the fixed-route farebox recovery ratio increased 0.1 percent as a result of the fare increase implemented May 25, 2014. Paratransit farebox recovery increased by 0.7 percent during the same two years from improved operational efficiency with the implementation of the new ADA paratransit and Dial-A-Ride policies on July 1, 2014. The Butte Regional Transit farebox recovery calculation includes only fare revenue; it does not include other local revenue such as from advertising, interest, and local support.
**Functional Review**

1. Butte Regional Transit adopted a fare increase that was implemented in May 2014. The fare increase was implemented to meet the TDA fare recovery requirements.

2. In July 2014, Butte Regional Transit revised its ADA paratransit and Dial-A-Ride policies, including its no-show and cancellation policies. The B-Line’s ADA paratransit service is experiencing increasing demand. In order to best serve the growing population, Butte Regional Transit updated its policies and procedures to manage demand and improve operational efficiency and cost effectiveness.

3. In March 2016, Phase 1 of the Butte Regional Transit Operations and Maintenance Facility was completed. BCAG, Butte Regional Transit, and the contractor are now all co-located at the new facility.

4. Transit services are operated under contract by Transdev (formerly Veolia). The five-year base contract term is from July 1, 2012, through June 30, 2017, with an option for Butte Regional Transit to extend the contract for two additional one-year terms. Transdev also conducts maintenance on the vehicles in accordance with the standards outlined by the vehicle manufacturer.

5. Butte Regional Transit has several projects under way, including conducting a comprehensive review of all current bus stops for ADA compliance; integrating AVL/GPS, fareboxes, and headsigns into a single login to provide passenger boarding location information; upgrading the radio system; and developing a website that provides real-time information through the B-Line Tracker.

6. Butte Regional Transit services are marketed in electronic and print formats. The agency’s website provides information about the transit system, fares, schedules, maps, and paratransit. Printed brochures are available for both fixed-route and paratransit modes. The colored Schedules & System Maps brochure provides a service area map with fare, schedule, and service hour information. Butte Regional Transit also provides real-time bus location information through the B-Line Tracker via text messages.
## Recommendations

<table>
<thead>
<tr>
<th>Performance Audit Recommendation</th>
<th>Background</th>
<th>Timeline</th>
</tr>
</thead>
<tbody>
<tr>
<td>#1 Include BCAG and Butte Regional Transit administrative staff in reporting employee full-time equivalents in the State Controller’s Report.</td>
<td>In reporting full-time equivalent (FTE) employees in the Butte Regional Transit State Controller’s Report, Butte Regional Transit is only reporting FTEs for its transit contractor and is not including its transit management staff nor those BCAG employees who provide additional administrative or special project support. These individuals include the transit manager and senior planner and the BCAG chief financial officer. The current methodology for reporting FTEs technically does not comply with TDA definitions. In order to fully comply with TDA requirements, Butte Regional Transit should include pay hours spent on transit-related activities by all BCAG and Butte Regional Transit personnel, and divided by 2,000, in its FTE total in the State Controller’s Report. BCAG and Butte Regional Transit staff time is billed to the appropriate enterprise and project funds according to the Overall Work Program, enabling the allocation of labor to Butte Regional Transit. This correction will better align the FTEs with the operations cost reported by the transit agency in its State Controller’s Report.</td>
<td>High Priority</td>
</tr>
<tr>
<td>#2 Maintain documentation of annual fiscal audit submission to the state.</td>
<td>The Public Utilities Code requires transit operators to submit annual fiscal and compliance audits to the RTPA and to the State Controller within 180 days following the end of the fiscal year (December 27), or receive a 90-day extension from the RTPA as allowed by law. The Butte Regional Transit audited financial statements are contained in the BCAG annual financial audit, given that Butte Regional Transit is an enterprise fund. The BCAG Board of Directors typically approves the BCAG fiscal audit at its February meeting. Following approval, the fiscal audit is submitted to the State Controller’s Office. Evidence of the date of submittal should be maintained in the BCAG files to satisfy a TDA compliance measure. It is recommended that BCAG retain a copy of the dated transmittal letter and/or dated email of submission of the BCAG annual fiscal audit to the State Controller’s Office.</td>
<td>High Priority</td>
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<tr>
<td>Performance Audit Recommendation</td>
<td>Background</td>
<td>Timeline</td>
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<tr>
<td>#3 Establish updated performance standards to manage contractor performance.</td>
<td>While Butte Regional Transit has established performance measures and standards in the scope of work in its contract with Transdev, the agency has frozen the liquidated damages and incentives defined in the scope of work while it realigns its penalty/incentive program standards. In preparation of the next operating contract in a few years, Butte Regional Transit should revise its penalty/incentive program thresholds to align with industry standards and performance levels based on recent operating trends. The new standards should take into consideration current and recent historical performance and be based on reasonable expectations. These standards should be used to monitor and manage contractor performance and in assessing liquidated damages and awarding incentives. Butte Regional Transit should also consider reporting a sample of such standards and the contractor’s performance against the standards in its transit reports to the BCAG board as part of the ongoing evaluation of transit operations.</td>
<td>Medium Priority</td>
</tr>
<tr>
<td>#4 Use AVL/GPS data to redesign Oroville routes to improve performance.</td>
<td>Butte Regional Transit successfully used AVL/GPS data to redesign and improve performance on its Chico routes. When AVL/GPS data becomes available with the upgrade of the Butte Regional Transit server and the update of the TripSpark software, Butte Regional Transit should use the data to help evaluate opportunities to improve performance of its Oroville routes. In addition, the ridership and boarding location data with the integration of the AVL/GPS and GFI fareboxes will be valuable for identifying bus stops with higher boarding activity.</td>
<td>Medium Priority</td>
</tr>
<tr>
<td>Performance Audit Recommendation</td>
<td>Background</td>
<td>Timeline</td>
</tr>
<tr>
<td>----------------------------------</td>
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</tbody>
</table>
| #5 Work with BCAG to evaluate alternative farebox recovery standards.   | As described in the BCAG financial audit, Butte Regional Transit rural fixed-route and both rural and urban paratransit operations must each maintain minimum fare ratios of 10 percent, while the urban fixed-route operation must maintain a minimum fare ratio of 20 percent. This indicates that B-Line must be cognizant of maintaining four separate farebox ratios for its services.  
While these farebox ratios are compliant with TDA, Article 4 of the TDA provides other possible options for a transit operator to maintain compliance with the farebox recovery standard. Examples of farebox recovery options include developing 1) one overall system-wide ratio; and 2) one fixed-route farebox ratio, and another for specialized paratransit. The overall system-wide ratio would be determined as an intermediate ratio as Butte Regional Transit serves both rural and urban services. A blended system-wide farebox ratio would be derived taking into account the 20 percent urban standard and the 10 percent rural standard. There are several formulas that could be used to calculate this blended, or intermediate, ratio. Likewise, for the second alternative, the fixed-route ratio could be a blended ratio while the paratransit ratio is 10 percent.  
Although there is no urgency to develop a new farebox ratio for Butte Regional Transit to maintain eligibility for TDA funds, a healthy discussion with BCAG should occur to evaluate these options as the nature of local conditions and the transit service area evolves. Ultimately, the decision on a farebox ratio lies with BCAG as the RTPA. | Medium Priority |
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 Butte County Association of Governments (BCAG) engaged the Michael Baker International team to conduct the TDA triennial performance audit of the public transit operators under its jurisdiction in Butte County. This performance audit is conducted for the Butte Regional Transit System (also referred to as B-Line) covering the most recent triennial period, fiscal years 2012–13 through 2014–15.

The purpose of the performance audit is to evaluate Butte Regional Transit’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 Butte Regional Transit’s compliance with the conditions specified in the California Public Utilities Code (PUC). This task involves ascertaining whether the transit agency 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, recommendations have been made which are 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 B-Line and BCAG management, interviews with transit contractor staff, 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 the development and conduct of the audit.

Overview of the Transit System

Butte Regional Transit is an enterprise within BCAG. BCAG was formed by a Joint Powers Agreement (JPA) between the County of Butte and the Cities of Chico, Gridley, Biggs, and Oroville and the Town of Paradise. BCAG is the state-designated regional transportation planning agency (RTPA) and the federally designated metropolitan planning organization for Butte County.

The JPA gives responsibility to BCAG for the administration and operation of Butte Regional Transit. As the result of a multiyear planning effort by the cities, town, county and BCAG staff,
Butte Regional Transit was established in 2005 to consolidate the region’s variety of separate transit systems under one operating body.

The BCAG Board of Directors is responsible for all policy decisions under the authority of BCAG, and serves as the Policy Board for Butte Regional Transit. Transit policy decisions require a super majority vote of the board, seven of the ten board members. The Policy Board reviews and makes decisions based on recommendations presented by the Transit Administrative Oversight Committee and BCAG staff.

Butte Regional Transit operates local and intercity fixed-route buses (B-Line) and demand-responsive paratransit service (B-Line Paratransit) in Butte County, including Chico, Gridley, Oroville, and Paradise. Fixed-route and paratransit services are available seven days a week. Service is not provided on New Year’s Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, or Christmas Day. Transit service is operated by Transdev (formerly as Veolia), a private transportation contractor which has operated buses in Chico for over 25 years.

**Butte Regional Transit Fixed-Route Service**

Butte Regional Transit operates primarily two types of services: local service in Chico and Oroville and intercity service between major cities and population centers of Butte County. Butte Regional Transit operates seven days a week. Some routes do not operate every day. Some routes operate on reduced schedules when California State University, Chico (Chico State) is not in session. Butte Regional Transit currently operates a total of 21 fixed routes: 11 local Chico routes, 4 local Oroville routes, and 6 intercity routes. Table I-1 provides a description of all Butte Regional Transit fixed routes.
### Table I-1
B-Line: Butte Regional Transit Fixed Route Services

<table>
<thead>
<tr>
<th>Route</th>
<th>Frequency/Operation</th>
<th>Key Time points</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Local Chico Routes</strong></td>
<td></td>
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</tbody>
</table>
| **Route 2 (Mangrove)** | Route 2 service is provided every 30 minutes during the peak morning hours and every 60 minutes at all other times of the day. Monday through Friday service begins at 6:15 AM at Ceres & Lassen and ends at Ceres & Lassen at 8:34 PM. Saturday service begins at 8:15 AM at Ceres & Lassen and ends at 7:00 PM at the Chico Transit Center. Round trip running time on Route 2 is approximately 45 minutes with layover time at the Chico Transit Center. During peak times, Route 2 is through-routed with Route 7 at Ceres & Lassen. | ● Chico Transit Center (2nd & Salem)  
● Mangrove & 5th  
● Parmac & Rio Lindo  
● North Valley Plaza  
● Ceres & Lassen |
| **Route 3 (Nord/East)** | Route 3 service is provided every 60 minutes at most times of the day with the exception of several AM peak-hour times where service increases to 30-minute headways. Monday through Friday service begins at 6:18 AM at North Valley Plaza and ends at 9:00 PM at the Chico Transit Center. Saturday service begins at 8:50 AM at North Valley Plaza and ends at 7:00 PM at the Chico Transit Center. Round trip running time on Route 3 is 49 minutes with layover time at the Chico Transit Center. Route 3 is through-routed with Route 4 at North Valley Plaza. | ● Chico Transit Center (2nd & Salem)  
● Nord & W. 8th Ave  
● East & Nord  
● East & Esplanade  
● North Valley Plaza |
| **Route 4 (First/East)** | Route 4 service is provided every 60 minutes at most times of the day with limited 30-minute service during peak hours. Monday through Friday service begins at 6:15 AM at North Valley Plaza and ends at 9:00 PM at the Chico Transit Center. Saturday service begins at the Chico Transit Center at 8:50 AM and ends at the Chico Transit Center at 7:00 PM. Round trip running time on Route 4 is 49 minutes with layovers at the Chico Transit Center and North Valley Plaza. Route 4 is through-routed with Route 3 at North Valley Plaza. | ● Chico Transit Center (2nd & Salem)  
● Chico Junior High School  
● First & Longfellow  
● Pleasant Valley HS  
● North Valley Plaza |
<table>
<thead>
<tr>
<th>Route</th>
<th>Frequency/Operation</th>
<th>Key Time points</th>
</tr>
</thead>
</table>
| Route 5 (E. 8th Street) | Route 5 service is provided every 60 minutes most of the time on weekdays with limited 30-minute AM and PM peak hour service and every 60 minutes on Saturdays. Monday through Friday service begins at 6:15 AM at the Forest Ave Xfer (Bank) and ends at 8:34 PM at the Forest Ave Xfer (Bank). Saturday service begins at 8:15 AM at the Forest Ave Xfer (Bank) and ends at 7:00 PM at the Chico Transit Center. Round trip running time on Route 5 is 49 minutes with a layover at the Chico Transit Center. | • Chico Transit Center (2nd & Salem)  
• 9th Street & Pine  
• First Street Park-and-Ride  
• 8th Street & Forest  
• Forest Xfer (Bank) |
| Route 7 * (Courthouse/East) | Route 7 is the only route in Chico that does not provide service to the Chico Transit Center. Monday through Friday service on Route 7 provides three runs during AM and PM peak hours, and one midday run. Service on Monday through Friday begins at 6:45 AM at the North Butte County Courthouse and ends at 5:30 PM at Ceres and Lassen. Route 7 is through-routed with Route 2 at Ceres and Lassen. Round trip running time on Route 7 is 51 minutes. | • North Butte County Courthouse  
• Forest Ave Xfer (Bank)  
• Marsh Junior HS  
• Pleasant Valley HS  
• Ceres & Lassen |
| Route 8 (Nord) | Route 8 is a student shuttle that directly connects Chico State with student neighborhoods northwest of the campus. Route 8 also provides a connection to other routes at the Chico Transit Center. Route 8 provides 30-minute service Monday through Friday only while Chico State is in session. Monday through Friday service begins at 7:34 AM at Nord & University Village Apt. and ends at 9:34 PM at the Chico Transit Center on Monday through Thursday. Friday service ends at 4:04 PM at the Chico Transit Center. Round trip running time on Route 8 is 24 minutes and there is no scheduled layover time between runs. Route 8 is through-routed with Route 9 at the Chico Transit Center. | • Chico State  
• Chico Transit Center (2nd & Salem)  
• W. Sac & Nord  
• Nord & University Village Apt  
• Warner & W. Sac |
<table>
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<tr>
<th>Route</th>
<th>Frequency/Operation</th>
<th>Key Time points</th>
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</thead>
</table>
| Route 9 (Warner/Oak)/Route 9C (Cedar Loop) | Route 9 is a student shuttle that directly connects Chico State with student neighborhoods north and south of the campus. Route 9 also provides a connection to other routes at the Chico Transit Center. Like Route 8, Route 9 provides 30-minute service Monday through Friday only while Chico State is in session. Monday through Friday service begins at 7:33 AM at 4th Avenue & Cedar and ends at 10:01 PM at the Chico Transit Center on Monday through Thursday. Friday service ends at 4:01 PM at the Chico Transit Center. Round trip running time on Route 9 is 27 minutes and there is no scheduled layover time between runs. Route 9 is through-routed with Route 8 at the Chico Transit Center. Route 9C is a limited service loop that only operates when the regular Route 9 (student shuttle) is not running. | ● Chico State  
● Chico Transit Center (2nd & Salem)  
● 7th Street & Hickory  
● 4th Ave & Cedar |
| Route 14 *(Park/Forest/MLK)* | Route 14 services E 20th St & Forest & MLK in a clockwise loop. At the Chico Transit Center, Route 14 interlines with Route 15. Monday through Friday, Route 14 provides 20-minute service during AM and PM peak hours, 30-minute service during the midday, and 60-minute service in the evenings. On Saturday, Route 14 provides 60-minute service. Round trip running time on Route 14 is approximately 35 minutes for each loop. Route 14 service on Monday through Friday begins at 6:18 AM at the Forest Ave Xfer (Walmart) and ends at 9:45 PM at Chico Transit Center. Saturday service begins at 7:50 AM at Chico Transit Center and ends at 6:45 PM at Chico Transit Center. | ● Chico Transit Center (2nd & Salem)  
● 20th Street & E. Park  
● Forest Xfer (Walmart)  
● E. Park & MLK |
| Route 15 *(Esplanade/Lassen)* | Monday through Friday, Route 15 provides 20-minute service during AM and PM peak hours, 30-minute service during the midday, and 60-minute service in the evenings. Saturday, Route 15 provides 60-minute service. Round trip running time on Route 15 is approximately 45 minutes for each loop. Route 15 Monday through Friday service begins at 6:15 AM at Ceres & Lassen and ends at 9:34 PM at Ceres & Lassen. Saturday service begins at 7:50 AM at the Chico Transit Center and ends at 6:34 PM at Ceres & Lassen. Route 15 is through-routed with Route 14 at the Chico Transit Center. | ● Chico Transit Center (2nd & Salem)  
● Esplanade & 5th  
● Esplanade & East  
● Lassen & Cohasset  
● Ceres & Lassen |
### Route 16 *
**Route (Esplanade/SR 99)**
Route 16 provides 60-minute service Monday through Saturday. Round trip running time on Route 16 is 52 minutes for each loop. Monday through Friday service begins at 6:55 AM at Esplanade & SR 99 and ends at 6:55 PM at Esplanade & SR 99. Saturday service begins at 7:55 AM at Esplanade & SR 99 and ends at 5:55 PM at Esplanade & SR 99. Route 16 is through-routed with Route 17 at the Chico Transit Center.

**Key Time Points**
- Chico Transit Center (2nd & Salem)
- Esplanade & 5th
- Rio Lindo & Parmac
- East & Esplanade
- Esplanade & SR 99

### Route 17 *
**Route (Park/MLK/Forest)**
Route 17 provides 60-minute service throughout the entire day. Round trip running time on Route 17 is 35 minutes for each loop. Route 17 Monday through Friday service begins at 7:30 AM at Chico Transit Center and ends at 6:05 PM at Chico Transit Center. Saturday service begins at 8:30 AM at Chico Transit Center and ends at 6:05 PM at Chico Transit Center.

**Key Time Points**
- Chico Transit Center (2nd & Salem)
- 20th Street & E. Park
- E. Park & MLK
- Forest Xfer (Bank)

### Local Oroville Routes
#### Route 24
**Route (Thermalito)**
Route 24 provides 60-minute service Monday through Friday with a 1-hour layover midday. Service begins at 6:34 AM at the Oroville Transit Center (Mitchell & Spencer) and ends at 7:30 PM at the Oroville Transit Center (Mitchell & Spencer). Route 24 is timed to connect with Route 20 at Butte County Public Works for transfers to Chico. Total round trip running time on Route 24 is 36 minutes. Route 24 is through-routed with Route 27.

**Key Time Points**
- Oroville Transit Center (Mitchell & Spencer)
- 14th & Grand
- County Public Works (Oroville)

#### Route 25 (Oro Dam)
Route 25 provides 60-minute service Monday through Friday with a 1-hour layover midday. Service begins at 6:12 AM at the Oroville Transit Center (Mitchell & Spencer) and ends at 6:50 PM at the Oroville Transit Center (Mitchell & Spencer). Total round trip running time on Route 25 is 18 minutes. Route 25 is through-routed with Route 26.

**Key Time Points**
- Oroville Transit Center (Mitchell & Spencer)
- Feather River Cinemas
### Route 26 (Olive Highway/Kelly Ridge)

Monday through Friday, Route 26 provides 60-minute service to South Oroville and Gold Country Casino and alternating 120-minute service to Kelly Ridge (5 trips per day) and the Orange & Acacia area (6 trips per day). Service begins at 6:33 AM at the Oroville Transit Center (Mitchell & Spencer) and ends at 6:21 PM at the Oroville Transit Center (Mitchell & Spencer). Total running time for Route 26 is between 28 and 34 minutes depending on which loop it is running. Route 26 is through-routed with Route 25.

- Oroville Transit Center (Mitchell & Spencer)
- D Street & Meyers
- Gold Country Casino
- Kelly Ridge & Royal Oaks
- Oroville Hospital
- Orange & Acacia

### Route 27 (South Oroville)

Route 27 provides 60-minute service Monday through Friday, with a 1-hour layover at 10 AM. Monday through Friday service begins at 7:10 AM at the Oroville Transit Center (Mitchell & Spencer) and ends at 6:50 PM at the Oroville Transit Center (Mitchell & Spencer). Total running time for Route 27 is 20 minutes. Route 27 is through-routed with route 24.

- Oroville Transit Center (Mitchell & Spencer)
- Las Plumas High School
- Meyers & D Street

### Intercity Routes

Route 20 operates between Chico and Oroville seven days a week. Weekday service begins at 5:50 AM and ends at 8:00 PM. Weekend service begins at 7:50 AM and ends at 6:00 PM. Weekday headways on Route 20 are 60 minutes peak, and 120 minutes midday; weekend headways are 120 minutes. Total round trip between Chico and Oroville is approximately 1 hour and 50 minutes with a layover in Oroville.

- Chico Transit Center (2nd & Salem)
- First Street Park and Ride (Chico)
- Forest Xfer (Walmart & Bank) in Chico
- County Public Works (Oroville)
- Oroville Transit Center (Mitchell & Spencer)
<table>
<thead>
<tr>
<th>Route</th>
<th>Frequency/Operation</th>
<th>Key Time points</th>
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</thead>
<tbody>
<tr>
<td>Route 30</td>
<td>Route 30 operates between Oroville and Biggs with stops in Palermo and Gridley,</td>
<td>• Oroville Transit Center (Mitchell &amp; Spencer)</td>
</tr>
<tr>
<td>(Oroville-Biggs)</td>
<td>Monday through Saturday. Weekday service begins in Oroville at 7:45 AM and ends</td>
<td>• Lincoln &amp; Palermo (Palermo)</td>
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<td></td>
<td>in Oroville at 4:50 PM. Saturday service begins at 8:47 AM and ends at 5:00 PM.</td>
<td>• Heritage Oaks Mall (Gridley)</td>
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<td>Weekday service operates approximately every four hours and every three hours on</td>
<td>• 6th &amp; B Street (Biggs)</td>
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<td></td>
<td>Saturday. There is a five-minute layover in Biggs and vehicles go out of service</td>
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<tr>
<td></td>
<td>in Oroville at the end of each trip. Total round-trip travel time between Oroville</td>
<td></td>
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<tr>
<td></td>
<td>and Biggs is approximately 1 hour and 40 minutes.</td>
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<tr>
<td>Route 31</td>
<td>Route 31 provides one morning trip and one evening trip between Paradise and</td>
<td>• Almond &amp; Birch (Paradise)</td>
</tr>
<tr>
<td>(Paradise-Oroville)</td>
<td>Oroville on weekdays only. The morning trip begins at the Paradise Transit Center</td>
<td>• Clark &amp; Wagstaff (Paradise)</td>
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<td>at 6:45 AM and arrives at the Oroville Transit Center (Mitchell &amp; Spencer) at 7:33</td>
<td>• Clark &amp; Pearson (Paradise)</td>
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<tr>
<td></td>
<td>AM. The evening trip leaves the Oroville Transit Center at 5:05 PM and ends in</td>
<td>• County Public Works (Oroville)</td>
</tr>
<tr>
<td></td>
<td>Paradise at 5:56 PM. The total travel time between Paradise and Oroville is</td>
<td>• Oroville Transit Center (Mitchell &amp; Spencer)</td>
</tr>
<tr>
<td></td>
<td>approximately 50 minutes. Vehicles go out of service at the end of each trip.</td>
<td></td>
</tr>
<tr>
<td>Route 32</td>
<td>Route 32 provides one morning trip and one evening trip between Gridley and Chico</td>
<td>• Biggs City Hall</td>
</tr>
<tr>
<td>(Gridley-Chico)</td>
<td>on weekdays only. The morning trip begins in Biggs at 6:40 AM, serves Gridley at</td>
<td>• Spruce &amp; SR 99 (Gridley)</td>
</tr>
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<td></td>
<td>6:51 AM and arrives at the Chico Transit Center at 7:40 AM. The evening trip</td>
<td>• Midway &amp; Durham/Dayton Hwy (Durham)</td>
</tr>
<tr>
<td></td>
<td>leaves the Chico Transit Center at 5:20 PM and ends in Biggs at 6:20 PM. The</td>
<td>• Chico Transit Center (2nd &amp; Salem)</td>
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<tr>
<td></td>
<td>total travel time between Gridley and Chico is approximately 60 minutes.</td>
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<tr>
<td></td>
<td>Vehicles go out of service at the end of each trip.</td>
<td></td>
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<tr>
<td>Route</td>
<td>Frequency/Operation</td>
<td>Key Time points</td>
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<tr>
<td>Route 40 (Paradise-Chico)</td>
<td>Route 40 provides service between Paradise and Chico, seven days a week. Eastbound weekday service begins in Chico at 6:50 AM and ends in Paradise at 7:03 PM; westbound weekday service begins in Paradise at 6:00 AM and ends in Chico at 7:26 PM. Weekday headways are approximately 120 minutes, with more frequent service during the evening peak hours. Saturday service (eastbound) begins at 7:50 AM in Chico and ends at 7:03 PM in Paradise; Saturday service (westbound) begins at 8:44 AM in Paradise and ends at 6:00 PM in Chico. Sunday service (eastbound) begins at 9:50 AM in Chico and ends at 5:03 PM in Chico; Sunday service (westbound) begins at 10:44 AM in Paradise and ends at 6:00 PM in Chico. Round trip travel times between Paradise and Chico are approximately 1 hour and 52 minutes with a 10-minute layover scheduled in Paradise. For most runs, Route 40 alternates with Route 41. Route 40X provides a morning express service into Chico. It leaves the Paradise Transit Center at 6:44 AM and follows the Westbound route through Paradise. Once in Chico, it heads straight to the Chico Transit Center (bypassing Forest and making only one stop at the Chico Park ‘n Ride), arriving downtown around 7:35 AM. It does not operate during the Chico State summer or winter breaks.</td>
<td>• Chico Transit Center (2nd &amp; Salem) • Forest Xfer (Walmart) • Almond &amp; Birch (Paradise) • Skyway &amp; Wagstaff (Paradise)</td>
</tr>
</tbody>
</table>
### Route 41 (Paradise Pines-Chico)

<table>
<thead>
<tr>
<th>Route</th>
<th>Frequency/Operation</th>
<th>Key Time points</th>
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</thead>
</table>
| Route 41            | Route 41 provides service between Paradise Pines and Chico on weekdays. Eastbound service begins in Chico at 7:20 AM and ends in Magalia at 6:24 PM and the westbound service begins in Magalia at 5:50 AM and ends in Paradise at 6:53 PM. Headways are approximately 130 minutes, with some variation during the peak hours. Round trip travel times between Magalia and Chico are approximately 2 hours and 10 minutes. For most runs, Route 41 alternates with Route 40. Saturday service is available between Magalia and Paradise on three round trip loops, one in the morning, one midday and one in late afternoon. | • Chico Transit Center (2nd & Salem)  
• Forest Xfer (Walmart & Bank)  
• Almond & Birch (Paradise)  
• Skyway & Wagstaff (Paradise)  
• Lakeridge at Holiday Market (Magalia)  
• Skyway & Colter (Paradise Pines) |

Note: *Route 15s was redesigned and divided into two separate bidirectional routes, 14 & 17, to improve on-time performance. Route 7 was modified to serve the new Butte County Courthouse; a midday run was also added.

Source: Butte Regional Transit 2015-2016 Annual Service Plan and Budget
Butte Regional Transit Paratransit Service

B-Line Paratransit is a curb-to-curb service for qualified individuals traveling within the greater Butte County B-Line service area in Chico, Oroville, and Paradise. (Paratransit service in Gridley is provided by the Gridley Golden Feather Flyer service.) The two types of Butte Regional Transit paratransit services are:

1. ADA service for individuals who cannot use the fixed-route system and hold Americans with Disabilities Act (ADA) certification.

2. Dial-A-Ride service for individuals with disabilities who are not eligible for ADA service and seniors 65 years of age (prior to July 1, 2014) or 70 years of age (after July 1, 2014) or older. Current riders who are between the ages of 65 and 70 will be able to continue to use the service, and will be grandfathered in until they reach the age of 70. ADA-certified riders are given first priority and Dial-A-Ride requests are scheduled after all ADA trips are guaranteed.

Service is offered between 5:50 AM and 10 PM on weekdays; 7 AM and 10 PM on Saturdays; and 7:50 AM and 6:00 PM on Sundays. In addition to providing paratransit service within three-quarters of a mile of fixed-route service, B-Line Paratransit offers supplemental service to areas up to 3 miles outside the ADA boundaries, at an additional cost. However, for service to be provided to supplemental areas, a direct, easily accessible route from the core service area to the proposed destination must exist. Trips provided outside the core service area are non-ADA and are provided only when there is sufficient time and space available.

Reservations may be made from one to seven days in advance, and are taken from 7:00 AM to 5:00 PM seven days a week, excluding holidays. B-Line Paratransit accommodates a limited number of same-day requests based on available capacity. B-Line Paratransit also provides a subscription service where the vehicle automatically picks an ADA rider up at the same time on the same day of the week without having to schedule each time.

All paratransit riders need to apply and be certified as eligible by Butte Regional Transit before using the service. Applications may be downloaded online or prospective riders may ask for applications to be sent to them directly. There are separate applications for ADA paratransit and Dial-A-Ride. The ADA paratransit application requires healthcare verification. It also asks detailed questions about a rider’s disability and/or health status, including the nature of the disability, mobility equipment needs, and how close they are to fixed-route transit. If a rider’s application is not approved, the decision may be appealed.

Riders are certified to use B-Line ADA paratransit or Dial-A-Ride for a certain period of time, (typically three years, unless it is a temporary approval). After that time, riders must renew their eligibility status.
Fares

Butte Regional Transit has different fixed-route fares based on the type of service, with local routes priced slightly less than regional intercity routes. The current fare structure was established in May 2014; the previous fare change was in August 2009. Table 1-2 provides a breakdown of the fixed-route fare structure. In addition to cash fares, riders can purchase 2-ride passes, 10-ride passes, and 30-day passes in advance or purchase day passes on board the bus.

<table>
<thead>
<tr>
<th>Fare Category</th>
<th>Fixed Route</th>
<th>Local</th>
<th>Regional</th>
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<tr>
<td>Regular</td>
<td></td>
<td>$1.50</td>
<td>$2.00</td>
</tr>
<tr>
<td>Discount</td>
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<td>$0.75</td>
<td>$1.00</td>
</tr>
<tr>
<td>Student (6-18)</td>
<td></td>
<td>$1.00</td>
<td>$1.50</td>
</tr>
<tr>
<td>Child (under 6)</td>
<td></td>
<td>2 free</td>
<td>2 free</td>
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<tr>
<td>2-Ride Pass</td>
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<td></td>
</tr>
<tr>
<td>Regular</td>
<td></td>
<td>$3.00</td>
<td>$4.00</td>
</tr>
<tr>
<td>Discount</td>
<td></td>
<td>$1.50</td>
<td>$2.00</td>
</tr>
<tr>
<td>Student (6-18)</td>
<td></td>
<td>$2.00</td>
<td>$3.00</td>
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<tr>
<td>Day Pass</td>
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<tr>
<td>Regular</td>
<td></td>
<td></td>
<td>$4.00</td>
</tr>
<tr>
<td>10-Ride Pass</td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Regular</td>
<td></td>
<td>$13.50</td>
<td>$18.00</td>
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<tr>
<td>Discount</td>
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<td>$6.75</td>
<td>$9.00</td>
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<tr>
<td>Student (6-18)</td>
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<td>$9.00</td>
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<td>30-Day Pass</td>
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</tr>
<tr>
<td>Regular</td>
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<td>$37.50</td>
<td>$48.00</td>
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<tr>
<td>Discount</td>
<td></td>
<td>$19.00</td>
<td>$25.00</td>
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<tr>
<td>Student (6-18)</td>
<td></td>
<td>$25.00</td>
<td>$34.00</td>
</tr>
</tbody>
</table>

Note: *Discount fares apply to seniors (age 65+) and persons with disabilities or a valid Medicare card.

Source: B-Line: Butte Regional Transit website

Butte Regional Transit currently has a transfer policy that ensures riders who need more than one bus to reach their destination can complete a continuous one-way trip without paying an additional fare. Local transfers are valid for one hour from the time issued, and regional transfers are valid for two hours. Upgrades from local tickets, passes, or transfers may be purchased by simply paying the difference between the local and regional fares.

Butte Regional Transit also has special pass programs for its fixed-route service with Chico State, Butte College, and downtown Chico employees.
The one-way fare for ADA paratransit and Dial-A-Ride service is $2.75 within the core service area. Companions ride for the same amount. The fare for same day requests, if space is available, is $4.00. Both children under the age of 6 and personal care attendants ride for free. Paratransit riders can also purchase 2-ride passes for $5.50. Passes can be purchased at the City of Chico, City of Oroville, Butte County Public Works, and the Town of Paradise, or by mail.

For trips outside of the core service area, one-way fares for the supplemental zones are:
- Supplemental Zone 1 (up to 1 mile outside the core service area) - $7.00
- Supplemental Zone 2 (up to 1–2 miles outside the core service area) - $9.00
- Supplemental Zone 3 (up to 2–3 miles outside the core service area) - $11.00.

Fleet

Butte Regional Transit’s fixed-route fleet is shown in Table I-3. The fleet consists of 36 standard buses, with 13 of these vehicles powered by compressed natural gas (CNG). All Butte Regional Transit vehicles are equipped with wheelchair lifts and include a wheelchair securement area with space for two wheelchairs. Additionally, all fixed-route buses are equipped with front-mounted bicycle racks. Butte Regional Transit is converting its CNG fixed-route fleet to clean diesel buses to standardize the fleet to make it more cost effective for maintenance and service.

<table>
<thead>
<tr>
<th>Make/Model</th>
<th>Vehicle Year</th>
<th>Fuel Type</th>
<th>Bus Length</th>
<th>Quantity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Orion/Orion V</td>
<td>2000</td>
<td>CNG</td>
<td>40’</td>
<td>1</td>
</tr>
<tr>
<td>Gillig/Phantom</td>
<td>1997</td>
<td>Diesel</td>
<td>40’</td>
<td>3*</td>
</tr>
<tr>
<td>Gillig/Phantom</td>
<td>2001</td>
<td>Diesel</td>
<td>35’</td>
<td>2</td>
</tr>
<tr>
<td>Gillig</td>
<td>2003</td>
<td>Diesel</td>
<td>35’</td>
<td>6</td>
</tr>
<tr>
<td>Freightliner</td>
<td>2006</td>
<td>CNG</td>
<td>30’</td>
<td>4</td>
</tr>
<tr>
<td>Orion/Orion VII N.G.</td>
<td>2008</td>
<td>CNG</td>
<td>40’</td>
<td>8</td>
</tr>
<tr>
<td>Gillig/BRT</td>
<td>2011</td>
<td>Diesel</td>
<td>40’</td>
<td>2</td>
</tr>
<tr>
<td>Gillig/BRT</td>
<td>2011</td>
<td>Diesel</td>
<td>35’</td>
<td>4</td>
</tr>
<tr>
<td>Gillig/BRT</td>
<td>2014</td>
<td>Diesel</td>
<td>40’</td>
<td>6</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td></td>
<td></td>
<td><strong>36</strong></td>
</tr>
</tbody>
</table>

Note: * indicates status as spare.

Table I-4 lists the paratransit fleet, which consists of 31 Ford E-450 gasoline vehicles.
Table I-4
Butte Regional Transit Paratransit Fleet

<table>
<thead>
<tr>
<th>Make/Model</th>
<th>Vehicle Year</th>
<th>Fuel Type</th>
<th>Bus Length</th>
<th>Quantity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ford E-450</td>
<td>2002</td>
<td>Gasoline</td>
<td>24’</td>
<td>4*</td>
</tr>
<tr>
<td>Ford E-450</td>
<td>2008</td>
<td>Gasoline</td>
<td>25’</td>
<td>7</td>
</tr>
<tr>
<td>Ford E-450</td>
<td>2010</td>
<td>Gasoline</td>
<td>25’</td>
<td>6</td>
</tr>
<tr>
<td>Ford E-450</td>
<td>2013</td>
<td>Gasoline</td>
<td>25’</td>
<td>14</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>****</td>
<td>****</td>
<td><strong>31</strong></td>
<td>****</td>
</tr>
</tbody>
</table>

Note: * indicates status as spare.

Dispatching duties are performed and vehicles are stored and maintained at the new Butte Regional Transit Operations and Maintenance Facility located at 326 Huss Drive in Chico. Phase 1 of the new facility was completed in March 2016. Some vehicles are stored overnight in secured yards in Paradise and Oroville to reduce deadhead service.
Section II

Operator Compliance Requirements

This section of the audit report contains the analysis of the Butte Regional Transit’s compliance with state requirements for continued receipt of TDA funds. The evaluation uses the Caltrans guidebook, *Performance Audit Guidebook for Transit Operators and Regional Transportation Planning Agencies, September 2008* (third edition), to assess transit operators. The guidebook contains a checklist of 11 measures taken from relevant sections of the PUC 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>
<thead>
<tr>
<th>Operator Compliance Requirements</th>
<th>Reference</th>
<th>Compliance Efforts</th>
</tr>
</thead>
</table>
| The transit operator submitted annual reports to the RTPA 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 | Completion/submittal dates:  
Butte Regional Transit:  
FY 2013: Oct. 16, 2013  
(resubmitted Oct. 22, 2013)  
Specialized Service  
(ADA Paratransit):  
FY 2013: Oct. 16, 2013  
(resubmitted Oct. 22, 2013)  
Conclusion: Complied. |
## Table II-1
Operator Compliance Requirements Matrix

<table>
<thead>
<tr>
<th>Operator Compliance Requirements</th>
<th>Reference</th>
<th>Compliance Efforts</th>
</tr>
</thead>
<tbody>
<tr>
<td>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 fiscal year (Dec. 27), or has received the appropriate 90-day extension by the RTPA allowed by law.</td>
<td>Public Utilities Code, Section 99245</td>
<td>Completion/submittal dates: Butte Regional Transit: FY 2013: Feb. 27, 2014 FY 2014: Feb. 26, 2015 FY 2015: Feb. 25, 2016 The BCAG board typically approves the annual fiscal audit at its February meetings. Following approval, the fiscal audit is submitted to the State Controller by BCAG. However, no evidence of the submittal date to the State Controller was available. Conclusion: Complied with completion dates.</td>
</tr>
<tr>
<td>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.</td>
<td>Public Utilities Code, Section 99251 B</td>
<td>The Butte Regional Transit participates in the CHP Transit Operator Compliance Program in which the CHP has conducted inspections within the 13 months prior to each TDA claim. Inspections were conducted at the Butte Regional Transit Maintenance Facility at 326 Huss Drive in Chico. Inspection dates applicable to the audit period were: March 15, 2012; March 13, 2013; March 13, 2014. All inspections conducted were rated satisfactory. Conclusion: Complied.</td>
</tr>
<tr>
<td>Operator Compliance Requirements</td>
<td>Reference</td>
<td>Compliance Efforts</td>
</tr>
<tr>
<td>---------------------------------</td>
<td>-----------</td>
<td>--------------------</td>
</tr>
<tr>
<td>The operator’s claim for TDA funds is submitted in compliance with rules and regulations adopted by the RTPA for such claims.</td>
<td>Public Utilities Code, Section 99261</td>
<td>As a condition of approval, Butte Regional Transit’s annual claims for Local Transportation Funds and State Transit Assistance are submitted in compliance with the rules and regulations adopted by BCAG. Starting in FY 2015, Butte Regional Transit began submitting a separate claim for capital funding reserves. For operations, claims are submitted by each city/jurisdiction member of the transit agency. <strong>Conclusion: Complied.</strong></td>
</tr>
<tr>
<td>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.</td>
<td>Public Utilities Code, Section 99270.1</td>
<td>This requirement is not applicable. Butte Regional Transit calculates its fare revenue ratios by mode (fixed route/demand response) and service area (urbanized/non-urbanized). <strong>Conclusion: Not Applicable.</strong></td>
</tr>
</tbody>
</table>
| 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 Butte Regional Transit’s operating budget:  
FY 2013: +4.8%  
FY 2014: +5.2%  
FY 2015: +6.8%  
Source: Butte Regional Transit Annual Transit Service Plan and Budget. **Conclusion: Complied.** |
### Table II-1
**Operator Compliance Requirements Matrix**

<table>
<thead>
<tr>
<th>Operator Compliance Requirements</th>
<th>Reference</th>
<th>Compliance Efforts</th>
</tr>
</thead>
<tbody>
<tr>
<td>The operator’s definitions of performance measures are consistent with Public Utilities Code Section 99247, including (a) operating cost, (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.</td>
<td>Public Utilities Code, Section 99247</td>
<td>Butte Regional Transit’s definitions of performance measures is consistent with PUC Section 99247 with the exception of full-time equivalent (FTE) employees, which do not include Butte Regional Transit and BCAG administrative employees who support Butte Regional Transit. A review of internal performance data reports and trip sheets generated during the audit period indicates that performance data such as passengers and service hours/miles are being collected and reported correctly. <strong>Conclusion: Partially Complied.</strong></td>
</tr>
<tr>
<td>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.</td>
<td>Public Utilities Code, Sections 99268.2, 99268.3, 99268.12, 99270.1</td>
<td>Urban fixed-route operating ratios using audited data exceeded 20 percent: FY 2013: 22.9% FY 2014: 21.3% FY 2015: 21.9% Source: Fiscal Audit <strong>Conclusion: Complied.</strong></td>
</tr>
</tbody>
</table>
### Table II-1  
Operator Compliance Requirements Matrix

<table>
<thead>
<tr>
<th>Operator Compliance Requirements</th>
<th>Reference</th>
<th>Compliance Efforts</th>
</tr>
</thead>
</table>
| 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 | Rural fixed-route and paratransit operating ratios using audited data exceeded 10 percent:  
- Rural fixed route:  
  - FY 2013: 25.3%  
  - FY 2014: 23.3%  
  - FY 2015: 22.6%  
- Urbanized paratransit:  
  - FY 2013: 11.1%  
  - FY 2014: 10.7%  
  - FY 2015: 10.9%  
- Rural paratransit:  
  - FY 2013: 11.0%  
  - FY 2014: 11.1%  
  - FY 2015: 11.1%  
Source: Fiscal Audit  
**Conclusion: Complied.** |
| 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 | The Butte Regional Transit staff’s retirement is funded through the California Public Employees Retirement System.  
**Conclusion: Complied.** |
Table II-1
Operator Compliance Requirements Matrix

<table>
<thead>
<tr>
<th>Operator Compliance Requirements</th>
<th>Reference</th>
<th>Compliance Efforts</th>
</tr>
</thead>
<tbody>
<tr>
<td>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.</td>
<td>California Code of Regulations, Section 6754(a)(3)</td>
<td>As a recipient of State Transit Assistance Funds, Butte Regional Transit is making full use of federal funds available under the Urban Mass Transportation Act of 1964 as amended. Federal transit assistance for operations: FY 2013: $2,699,017 FY 2014: $2,922,292 FY 2015: $2,877,931 Source: Fiscal Audit Conclusion: Complied.</td>
</tr>
</tbody>
</table>

Findings and Observations from Operator Compliance Requirements Matrix

1. Ten compliance requirements are applicable to Butte Regional Transit. One additional compliance requirement is not applicable to Butte Regional Transit (i.e., intermediate farebox recovery ratio).

2. Butte Regional Transit is in compliance with the applicable requirements, with one exception. Butte Regional Transit is in partial compliance with the performance measure definitions established by PUC Section 99247. Butte Regional Transit’s reported full-time equivalent (FTE) employees do not include the time of BCAG and Butte Regional Transit administrative staff including the transit manager and senior planner, as well as BCAG staff who provide administrative or special project support. This methodology for reporting FTEs technically does not comply with TDA definitions. Butte Regional Transit is, however, correctly including contractor staff hours in its reported FTEs and separating time between fixed-route and paratransit modes.

3. Butte Regional Transit participates in the CHP Transit Operator Compliance Program in which the CHP has conducted inspections within the 13 months prior to each TDA claim submittal. The CHP inspection reports submitted for review were found to be satisfactory.

4. Butte Regional Transit’s operating budget exhibited small increases during the audit period. The budget increased 4.8 percent in FY 2013, 5.2 percent in FY 2014, and 6.8
percent in FY 2015, and complies with the PUC requirement that budgets should not increase by more than 15 percent per year.

5. Based on the available data from the Annual Fiscal and Compliance Audits, Butte Regional Transit’s farebox recovery ratio for urbanized fixed-route service remained above the 20 percent requirement throughout the audit period. The farebox recovery ratio for rural fixed route and paratransit also remained above the required 10 percent during the audit period. The average farebox recovery ratio were 22.0 percent for urbanized fixed route, 23.7 percent for rural fixed route, 10.9 percent for urbanized paratransit, and 11.1 percent for rural paratransit.
Section III

Prior Triennial Performance Audit Recommendations

Butte Regional Transit’s efforts to implement the recommendations made in the prior triennial performance 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 Butte Regional Transit’s efforts to implement the recommendation. Conclusions concerning the extent to which the recommendations have been adopted by the agency are then presented.

In the prior audit, a total of five near-term recommendations were provided for consideration by Butte Regional Transit staff. These recommendations included one carryover recommendation from the previous audit (two audit cycles ago), one modified recommendation, and three new recommendations. The recommendations focused on establishing a clear set of goals and objectives for Butte Regional Transit, enhancing the distinction between Butte Regional Transit and BCAG’s policy bodies (without changing the organization’s structure), and enhancing system capacity and reliability for the system’s paratransit and fixed-route systems.

Prior Recommendation 1

*Develop an Annual Marketing Plan and Regularly Assess Progress Towards Achieving Marketing Goals.*

**Background**

This recommendation was a carryover from the prior performance audit. While the *Annual Transit Service Plan and Budget* outlines specific public relations expenditures, there is no clarity how these funds will be used to improve awareness of Butte Regional Transit services and for marketing efforts to boost ridership and revenue. The previous audit recommended that an annual marketing plan be prepared with a bulleted list of goals and objectives supported by action items to be reviewed by the Transit Administrative Oversight Committee.

**Actions taken by Butte Regional Transit**

Butte Regional Transit budgets approximately $48,000 annually for marketing the B-Line. Marketing activities include television advertising, advertising in local newspapers (e.g., *Chico News & Review*), Facebook, and sponsorships (e.g., Chico State University Athletics). Staff maintains a detailed spreadsheet that establishes an advertising budget for each media outlet and tracks expenses spent and invoices paid on its marketing campaign.

**Conclusion**

The common primary goal of all marketing activity is to increase ridership and awareness of the system. Marketing efforts are usually designed to attract riders and educate them about aspects of the transit service. During the audit period, both system-wide and modal ridership increased. Given the size of the marketing budget, the defined ongoing uses of marketing...
funds, and the fact that marketing expenses are carefully tracked, B-Line is carrying out this recommendation de facto in assessing its marketing resources against changes in ridership patterns. This recommendation has been implemented.

**Prior Recommendation 2**

*Separate BCAG and B-Line Board of Director Meetings.*

**Background**
The prior audit made a recommendation of “Ensuring Definitive Separation of BCAG as an RTPA and BCAG as a Transit Operator.” It was suggested that Butte Regional Transit and BCAG board meetings be held separately to reduce any potential perception of a conflict of interest. Butte Regional Transit and BCAG agenda items are discussed together at BCAG board meetings as their Boards of Directors are the same individuals. The prior recommendation was to develop separate agendas and hold separate consecutive meetings for Butte Regional Transit and BCAG.

**Actions taken by Butte Regional Transit**
While other agencies serving in similar capacities as both the RTPA and transit operator have chosen to hold consecutive meetings or to separate agenda items to make the decision-making process more transparent and minimize any perceived conflicts of interest, BCAG staff reviewed this recommendation and determined that procedural change would not have a meaningful impact on transparency or perceptions of conflicts of interest.

While the BCAG Board of Directors is the policy-making authority for transit decisions, the Transit Administrative Oversight Committee provides guidance concerning the B-Line transit service, including recommendations to the BCAG Board of Directors on the *Annual Transit Service Plan and Budget* and other transit issues that may arise during the year that are not included in the plan. All transit policy issues, transit service, and operating matters are reviewed with this committee prior to making a recommendation to the BCAG Board of Directors. This committee serves a purpose comparable to separating the BCAG and Butte Regional Transit meetings and agenda items.

In addition to the Transit Administrative Oversight Committee, BCAG has established Butte Regional Transit as an enterprise within the agency with separate financial records and its own *Annual Transit Service Plan and Budget* development process. As part of the development of the annual Overall Work Program required as the designated RTPA and metropolitan planning organization for Butte County, BCAG clearly delineates transit work elements.

**Conclusion**
The collaborative relationship between BCAG and Butte Regional Transit has been largely successful in terms of organizational efficiency while providing a countywide transit service. While it is important to maintain organizational separation, holding separate BCAG and B-Line Board of Director meetings was, after further review, not deemed to be a valid or meaningful
way to improve transparency and reduce the perception of conflict of interest. This recommendation is no longer applicable.

**Prior Recommendation 3**

*Define Goals and Objectives and Performance Measures and Monitor Progress Towards Achieving Them. Report Results at Quarterly Board Meetings.*

**Background**

Each year, the *Annual Transit Service Plan and Budget* includes a bulleted list of goals for the upcoming fiscal year. The prior audit noted that these goals are more suitably defined as action items as they typically refer to specific actions to be taken by Butte Regional Transit. The audit recommended establishing agency-level goals to help ensure that policy-makers, staff, and the riding public have an understanding of the agency’s intent and future direction and to guide decision-making processes. It also recommended that Butte Regional Transit should establish performance standards for fixed route and paratransit services for the upcoming 12 months; provide quarterly updates on the goals, objectives, and standards as part of the quarterly reports to the board; and include a status report on the prior year’s goals/action items in addition to highlights and accomplishments in each year’s *Annual Transit Service Plan and Budget*.

**Actions taken by Butte Regional Transit**

BCAG sponsored the *Transit and Non-Motorized Plan* in May 2015 to identify solutions to reduce greenhouse gas emissions through transit service as well as nonmotorized transportation enhancements that can be made in Butte County to expand mobility and improve intermodality. The plan serves to a degree as the Short- and Long-Range Transit Plan for B-Line and outlines the transit system’s primary goals to:

- Maximize service efficiency and reliability.
- Maximize the effectiveness of service for B-Line’s ridership markets.
- Improve the usability of B-Line.
- Expand B-Line’s services into areas where transit has a likelihood of success.
- Tie the provision of transit to land use and the resulting demand levels.
- Advocate sustainable development practices that support transit.

Butte Regional Transit provides a quarterly report to the BCAG Board of Directors with key financial and statistical results. The financial data presentation compares the actual year-to-date quarter results to the annual budget and the prior year-to-date. Operations tables represent a performance-based assessment with comparisons to the same quarter of the prior fiscal year. The measures of revenue, expense, ridership, vehicle revenue hours, and passengers per vehicle revenue hour are broken down by the four types and areas of service: urban and rural fixed route and paratransit. This separation helps to define where improvements and/or
issues are occurring. Accidents and complaints, including gauging safety and customer satisfaction, are analyzed for the system as a whole.

Butte Regional Transit has not established benchmark standards in its quarterly report for its performance measures. The quarterly reports do not include performance against the goals, objectives, and standards from the Annual Transit Service Plan and Budget or the Transit and Non-Motorized Plan. However, Butte Regional Transit takes route performance into consideration in the development of the Annual Transit Service Plan and Budget and specific route adjustments, such as redesign of Route 15s. Also, performance measures are identified in the contractual scope of work with the transit contractor, but not currently used to assess performance. Butte Regional Transit has frozen the liquidated damages and incentives defined in its contractual scope of work with Transdev while it realigns its penalty/incentive program standards in preparation for the optional contract extensions and/or a new contract. The new standards should take into consideration current performance and set reasonable expectations.

While B-Line goals are shown in the Transit and Non-Motorized Plan and in the Annual Transit Service Plan and Budget, the establishment of specific project and activity priorities also have importance for a transit agency the size of Butte Regional Transit. B-Line’s goals can be attained as resources and funding become available with sound project priorities in place.

Conclusion
This recommendation has not been fully implemented. Butte Regional Transit has not established performance standards and reported performance against them in the quarterly reports and Annual Transit Service Plan and Budget. As Butte Regional Transit works to realign these standards, it is recommended that Butte Regional Transit set standards that reflect reasonable performance trends based on recent historical data and which both Butte Regional Transit management and the contractor will monitor over time.

Prior Recommendation 4

Review B-Line Paratransit ADA and General Eligibility Requirements.

Background
The prior audit recommended reviewing the ADA paratransit and Dial-A-Ride application process and eligibility requirements due to increasing ridership demands. The prior audit also recommended limiting B-Line Paratransit service to ADA-eligible persons only.

Actions taken by Butte Regional Transit
Butte Regional Transit revised its paratransit policies and procedures. These new policies took effect on July 1, 2014. Butte Regional Transit continues to provide Dial-A-Ride to seniors; however, the minimum age has increased to 70 years with currently eligible riders under 70 years old grandfathered into the program. Butte Regional Transit also revised its no-show policy to address issues with repeat offenders and better comply with FTA guidance on such policy. The new ADA paratransit and Dial-A-Ride policies have been effective in reducing no-shows and
same day cancellations, minimizing the growth in operating costs per passenger and increasing the passengers per vehicle service hour.

**Conclusion**
This recommendation has been implemented.

**Prior Recommendation 5**

*Conduct Review of Effectiveness of AVL/GPS Technology and How it is Incorporated Into On-Time Performance Standards.*

**Background**
The prior audit recommended using AVL/GPS data from the fixed-route and paratransit fleet to improve on-time performance. The AVL/GPS systems provide real-time and historical tracking information on Butte Regional Transit fleet, which can be valuable for recording and analyzing on-time performance on a route-by-route basis.

**Actions taken by Butte Regional Transit**
Butte Regional Transit indicated that while the AVL/GPS has the capability to provide robust information, it has not yet been fully utilized due to delays in obtaining reports from the vendor. Staff indicated that the system’s reporting features are not adequate. Butte Regional Transit has been working with the vendor; however, the server must be upgraded prior to updating the TripSpark software. With completion of Phase 1 of the new Butte Regional Transit Operations and Maintenance Facility in March 2016, Butte Regional Transit is the process of upgrading its server. When staff obtains robust report information from the vendor, Butte Regional Transit plans to use the AVL/GPS data for route planning and to redesign its Oroville routes to improve performance. Staff have already used AVL/GPS data to help inform the redesign of Route 15s in Chico and adjust other routes in Chico. However, the available reports and data have not been conducive to a larger service redesign.

**Conclusion**
This recommendation has been partially implemented. It is recommended, when data becomes available, that Butte Regional Transit use the AVL/GPS data to monitor on-time performance and adjust service on its full-service area, specifically in Oroville.
Section IV

TDA Performance Indicators

This section reviews Butte Regional Transit’s performance in providing transit service to the community 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 recovery ratio is not one of the five specific indicators but is a requirement for continued TDA funding. Therefore, the farebox recovery calculation is also included. Two additional performance indicators, operating cost per mile and average fare per passenger, are included as well. Findings from the analysis are contained in the section following the tables.

Tables IV-1 through IV-3 provide the system-wide, fixed route, and paratransit performance indicators. It is noted that the operating costs and fare revenues are based on audited figures for each of the tables. Tables IV-4 and IV-5 provide audited fare recovery ratio by mode and for urban and rural areas. Charts are also provided to depict the trends in the indicators.

Table IV-1
Butte Regional Transit TDA Performance Indicators
System-wide

<table>
<thead>
<tr>
<th>Performance Data and Indicators</th>
<th>Base Year</th>
<th>Audit Period</th>
<th>% Change FY 2012-2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating Cost [1]</td>
<td>$7,968,774</td>
<td>$8,453,546</td>
<td>$9,030,439</td>
</tr>
<tr>
<td>Total Passengers</td>
<td>1,442,485</td>
<td>1,509,763</td>
<td>1,518,172</td>
</tr>
<tr>
<td>Vehicle Service Hours</td>
<td>113,757</td>
<td>119,293</td>
<td>121,166</td>
</tr>
<tr>
<td>Vehicle Service Miles</td>
<td>1,451,226</td>
<td>1,550,852</td>
<td>1,555,232</td>
</tr>
<tr>
<td>Employee FTEs</td>
<td>104</td>
<td>107</td>
<td>108</td>
</tr>
<tr>
<td>Passenger Fares</td>
<td>$1,558,342</td>
<td>$1,628,964</td>
<td>$1,641,035</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Performance Data and Indicators</th>
<th>Base Year</th>
<th>Audit Period</th>
<th>% Change FY 2012-2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating Cost per Passenger</td>
<td>$5.52</td>
<td>$5.60</td>
<td>$5.95</td>
</tr>
<tr>
<td>Operating Cost per Vehicle Service Hour</td>
<td>$70.05</td>
<td>$70.86</td>
<td>$74.53</td>
</tr>
<tr>
<td>Operating Cost per Vehicle Service Mile</td>
<td>$5.49</td>
<td>$5.45</td>
<td>$5.81</td>
</tr>
<tr>
<td>Passengers per Vehicle Service Hour</td>
<td>12.7</td>
<td>12.7</td>
<td>12.5</td>
</tr>
<tr>
<td>Passengers per Vehicle Service Mile</td>
<td>0.99</td>
<td>0.97</td>
<td>0.98</td>
</tr>
<tr>
<td>Vehicle Service Hours per Employee</td>
<td>1,093.8</td>
<td>1,114.9</td>
<td>1,121.9</td>
</tr>
<tr>
<td>Average Fare per Passenger</td>
<td>$1.08</td>
<td>$1.08</td>
<td>$1.08</td>
</tr>
<tr>
<td>Fare Recovery Ratio</td>
<td>19.56%</td>
<td>19.27%</td>
<td>18.17%</td>
</tr>
</tbody>
</table>

Source: Annual Fiscal & Compliance Audits (Statement of Revenues, Expenses and Changes in Net Position); National Transit Database; State Controller’s Reports

(1) TDA operating costs are audited data minus depreciation
Table IV-2
Butte Regional Transit TDA Performance Indicators, Fixed Route

<table>
<thead>
<tr>
<th>Performance Data and Indicators</th>
<th>Base Year</th>
<th>Audit Period</th>
<th>% Change FY 2012-2015</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>FY 2012</td>
<td>FY 2013</td>
<td>FY 2014</td>
</tr>
<tr>
<td>Operating Cost [1]</td>
<td>$5,214,821</td>
<td>$5,464,353</td>
<td>$5,839,053</td>
</tr>
<tr>
<td>Total Passengers</td>
<td>1,306,431</td>
<td>1,361,955</td>
<td>1,364,665</td>
</tr>
<tr>
<td>Vehicle Service Hours</td>
<td>69,503</td>
<td>70,952</td>
<td>71,017</td>
</tr>
<tr>
<td>Vehicle Service Miles</td>
<td>1,087,495</td>
<td>1,134,102</td>
<td>1,137,491</td>
</tr>
<tr>
<td>Employee FTEs</td>
<td>70</td>
<td>70</td>
<td>69</td>
</tr>
<tr>
<td>Passenger Fares</td>
<td>$1,246,467</td>
<td>$1,300,616</td>
<td>$1,292,794</td>
</tr>
<tr>
<td>Operating Cost per Passenger</td>
<td>$3.99</td>
<td>$4.01</td>
<td>$4.28</td>
</tr>
<tr>
<td>Operating Cost per Vehicle Service Hour</td>
<td>$75.03</td>
<td>$77.01</td>
<td>$82.22</td>
</tr>
<tr>
<td>Operating Cost per Vehicle Service Mile</td>
<td>$4.80</td>
<td>$4.82</td>
<td>$5.13</td>
</tr>
<tr>
<td>Passengers per Vehicle Service Hour</td>
<td>18.8</td>
<td>19.2</td>
<td>19.2</td>
</tr>
<tr>
<td>Passengers per Vehicle Service Mile</td>
<td>1.20</td>
<td>1.20</td>
<td>1.20</td>
</tr>
<tr>
<td>Vehicle Service Hours per Employee</td>
<td>992.9</td>
<td>1,013.6</td>
<td>1,029.2</td>
</tr>
<tr>
<td>Average Fare per Passenger</td>
<td>$0.95</td>
<td>$0.95</td>
<td>$0.95</td>
</tr>
<tr>
<td>Fare Recovery Ratio</td>
<td>23.9%</td>
<td>23.8%</td>
<td>22.14%</td>
</tr>
</tbody>
</table>

Source: Annual Fiscal & Compliance Audits (Note R - Compliance Requirements of Local Transportation Funds); National Transit Database; State Controller’s Reports
(1) TDA operating costs are audited data minus depreciation

Table IV-3
Butte Regional Transit TDA Performance Indicators, Paratransit

<table>
<thead>
<tr>
<th>Performance Data and Indicators</th>
<th>Base Year</th>
<th>Audit Period</th>
<th>% Change FY 2012-2015</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>FY 2012</td>
<td>FY 2013</td>
<td>FY 2014</td>
</tr>
<tr>
<td>Operating Cost [1]</td>
<td>$2,737,068</td>
<td>$2,974,530</td>
<td>$3,189,330</td>
</tr>
<tr>
<td>Total Passengers</td>
<td>136,054</td>
<td>147,808</td>
<td>153,507</td>
</tr>
<tr>
<td>Vehicle Service Hours</td>
<td>44,254</td>
<td>48,341</td>
<td>50,149</td>
</tr>
<tr>
<td>Vehicle Service Miles</td>
<td>363,731</td>
<td>416,750</td>
<td>417,741</td>
</tr>
<tr>
<td>Employee FTEs</td>
<td>34</td>
<td>37</td>
<td>39</td>
</tr>
<tr>
<td>Passenger Fares</td>
<td>$311,875</td>
<td>$328,348</td>
<td>$348,241</td>
</tr>
<tr>
<td>Operating Cost per Passenger</td>
<td>$20.12</td>
<td>$20.12</td>
<td>$20.78</td>
</tr>
<tr>
<td>Operating Cost per Vehicle Service Hour</td>
<td>$61.85</td>
<td>$61.53</td>
<td>$63.60</td>
</tr>
<tr>
<td>Operating Cost per Vehicle Service Mile</td>
<td>$7.52</td>
<td>$7.14</td>
<td>$7.63</td>
</tr>
<tr>
<td>Passengers per Vehicle Service Hour</td>
<td>3.1</td>
<td>3.1</td>
<td>3.1</td>
</tr>
<tr>
<td>Passengers per Vehicle Service Mile</td>
<td>0.37</td>
<td>0.35</td>
<td>0.37</td>
</tr>
<tr>
<td>Vehicle Service Hours per Employee</td>
<td>1,301.6</td>
<td>1,306.5</td>
<td>1,285.9</td>
</tr>
<tr>
<td>Average Fare per Passenger</td>
<td>$2.29</td>
<td>$2.22</td>
<td>$2.27</td>
</tr>
<tr>
<td>Fare Recovery Ratio</td>
<td>11.39%</td>
<td>11.04%</td>
<td>10.92%</td>
</tr>
</tbody>
</table>

Source: Annual Fiscal & Compliance Audits (Note R - Compliance Requirements of Local Transportation Funds); National Transit Database; State Controller’s Reports
(1) TDA operating costs are audited data minus depreciation
### Table IV-4
Butte Regional Transit Farebox Recovery, Fixed Route

<table>
<thead>
<tr>
<th></th>
<th>Base Year</th>
<th>Audit Period</th>
<th>% Change FY 2012-2015</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Farebox Recovery</strong></td>
<td>FY 2012</td>
<td>FY 2013</td>
<td>FY 2014</td>
</tr>
<tr>
<td>Urbanized Passenger Fares</td>
<td>$757,691</td>
<td>$757,424</td>
<td>$749,731</td>
</tr>
<tr>
<td>Operating Costs</td>
<td>$3,227,788</td>
<td>$3,313,163</td>
<td>$3,512,787</td>
</tr>
<tr>
<td>Farebox Recovery</td>
<td>23.5%</td>
<td>22.9%</td>
<td>21.3%</td>
</tr>
<tr>
<td>Annual Change</td>
<td>-2.6%</td>
<td>-6.6%</td>
<td>2.4%</td>
</tr>
<tr>
<td>Rural Passenger Fares</td>
<td>$488,776</td>
<td>$543,192</td>
<td>$543,063</td>
</tr>
<tr>
<td>Operating Costs</td>
<td>$1,987,033</td>
<td>$2,151,190</td>
<td>$2,326,266</td>
</tr>
<tr>
<td>Farebox Recovery</td>
<td>24.6%</td>
<td>25.3%</td>
<td>23.3%</td>
</tr>
<tr>
<td>Annual Change</td>
<td>2.7%</td>
<td>-7.5%</td>
<td>-3.1%</td>
</tr>
</tbody>
</table>

Source: Annual Fiscal & Compliance Audits (Note R - Compliance Requirements of Local Transportation Funds)

### Table IV-5
Butte Regional Transit Farebox Recovery, Paratransit

<table>
<thead>
<tr>
<th></th>
<th>Base Year</th>
<th>Audit Period</th>
<th>% Change FY 2012-2015</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Farebox Recovery</strong></td>
<td>FY 2012</td>
<td>FY 2013</td>
<td>FY 2014</td>
</tr>
<tr>
<td>Urbanized Passenger Fares</td>
<td>$140,633</td>
<td>$163,982</td>
<td>$174,760</td>
</tr>
<tr>
<td>Operating Costs</td>
<td>$1,327,435</td>
<td>$1,483,079</td>
<td>$1,626,467</td>
</tr>
<tr>
<td>Farebox Recovery</td>
<td>10.6%</td>
<td>11.1%</td>
<td>10.7%</td>
</tr>
<tr>
<td>Annual Change</td>
<td>4.4%</td>
<td>-2.8%</td>
<td>1.7%</td>
</tr>
<tr>
<td>Rural Passenger Fares</td>
<td>$171,242</td>
<td>$164,366</td>
<td>$173,481</td>
</tr>
<tr>
<td>Operating Costs</td>
<td>$1,409,633</td>
<td>$1,491,451</td>
<td>$1,562,863</td>
</tr>
<tr>
<td>Farebox Recovery</td>
<td>12.1%</td>
<td>11.0%</td>
<td>11.1%</td>
</tr>
<tr>
<td>Annual Change</td>
<td>-9.3%</td>
<td>0.7%</td>
<td>-0.0%</td>
</tr>
</tbody>
</table>

Source: Annual Fiscal & Compliance Audits (Note R - Compliance Requirements of Local Transportation Funds)
### Graph IV-1
**Operating Costs**

<table>
<thead>
<tr>
<th></th>
<th>FY 2012</th>
<th>FY 2013</th>
<th>FY 2014</th>
<th>FY 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Systemwide</td>
<td>$7,968,774</td>
<td>$8,453,546</td>
<td>$9,030,439</td>
<td>$9,304,847</td>
</tr>
<tr>
<td>Fixed Route</td>
<td>$5,214,821</td>
<td>$5,464,353</td>
<td>$5,839,053</td>
<td>$5,998,655</td>
</tr>
<tr>
<td>Paratransit</td>
<td>$2,737,068</td>
<td>$2,974,530</td>
<td>$3,189,330</td>
<td>$3,304,951</td>
</tr>
</tbody>
</table>

### Graph IV-2
**Ridership**

<table>
<thead>
<tr>
<th></th>
<th>FY 2012</th>
<th>FY 2013</th>
<th>FY 2014</th>
<th>FY 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Systemwide</td>
<td>1,442,485</td>
<td>1,509,763</td>
<td>1,518,172</td>
<td>1,508,745</td>
</tr>
<tr>
<td>Fixed Route</td>
<td>1,306,431</td>
<td>1,361,955</td>
<td>1,364,665</td>
<td>1,352,544</td>
</tr>
<tr>
<td>Paratransit</td>
<td>136,054</td>
<td>147,808</td>
<td>153,507</td>
<td>156,201</td>
</tr>
</tbody>
</table>

### Graph IV-3
**Operating Cost per Passenger**

<table>
<thead>
<tr>
<th></th>
<th>FY 2012</th>
<th>FY 2013</th>
<th>FY 2014</th>
<th>FY 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Systemwide</td>
<td>$5.52</td>
<td>$5.60</td>
<td>$5.95</td>
<td>$6.17</td>
</tr>
<tr>
<td>Fixed Route</td>
<td>$3.99</td>
<td>$4.01</td>
<td>$4.28</td>
<td>$4.44</td>
</tr>
<tr>
<td>Paratransit</td>
<td>$20.12</td>
<td>$20.12</td>
<td>$20.78</td>
<td>$21.16</td>
</tr>
</tbody>
</table>
Graph IV-4
Operating Cost per Vehicle Service Hour

<table>
<thead>
<tr>
<th></th>
<th>FY 2012</th>
<th>FY 2013</th>
<th>FY 2014</th>
<th>FY 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Systemwide</td>
<td>$70.05</td>
<td>$70.86</td>
<td>$74.53</td>
<td>$76.45</td>
</tr>
<tr>
<td>Fixed Route</td>
<td>$75.03</td>
<td>$77.01</td>
<td>$82.22</td>
<td>$84.14</td>
</tr>
<tr>
<td>Paratransit</td>
<td>$61.85</td>
<td>$61.53</td>
<td>$63.60</td>
<td>$65.55</td>
</tr>
</tbody>
</table>

Graph IV-5
Passengers per Vehicle Service Hour

<table>
<thead>
<tr>
<th></th>
<th>FY 2012</th>
<th>FY 2013</th>
<th>FY 2014</th>
<th>FY 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Systemwide</td>
<td>12.7</td>
<td>12.7</td>
<td>12.5</td>
<td>12.4</td>
</tr>
<tr>
<td>Fixed Route</td>
<td>18.8</td>
<td>19.2</td>
<td>19.2</td>
<td>19.0</td>
</tr>
<tr>
<td>Paratransit</td>
<td>3.1</td>
<td>3.1</td>
<td>3.1</td>
<td>3.1</td>
</tr>
</tbody>
</table>

Graph IV-6
Fare Recovery Ratio

<table>
<thead>
<tr>
<th></th>
<th>FY 2012</th>
<th>FY 2013</th>
<th>FY 2014</th>
<th>FY 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Systemwide</td>
<td>19.6%</td>
<td>19.3%</td>
<td>18.2%</td>
<td>18.2%</td>
</tr>
<tr>
<td>Fixed Route</td>
<td>23.9%</td>
<td>23.8%</td>
<td>22.1%</td>
<td>22.2%</td>
</tr>
<tr>
<td>Paratransit</td>
<td>11.4%</td>
<td>11.0%</td>
<td>10.9%</td>
<td>11.0%</td>
</tr>
</tbody>
</table>
Findings from Verification of TDA Performance Indicators

1. System-wide operating costs increased 16.8 percent over the audit period from the FY 2012 base year through FY 2015. By mode, fixed-route operating costs increased 15 percent and paratransit operating costs increased 20.7 percent during the audit period. System-wide and modal operating cost trends are developed using audited data.

2. Ridership increased 4.6 percent system-wide during the audit period. Fixed-route ridership increased 3.5 percent, while paratransit ridership increased 14.8 percent. Fixed-route ridership remained fairly stable with a 4.3 percent increase in FY 2013 while paratransit ridership increased steadily throughout the audit period with significant increases of 8.6 percent in FY 2013 and 3.9 percent in FY 2014.

3. Revenue hours and miles increased system-wide as well as for both modes during the audit period. Fixed-route revenue hours and miles increased 2.6 and 1.5 percent, respectively. Paratransit revenue hours and miles exhibited a more significant increase of 13.9 and 14.8 percent, respectively.

4. Operating cost per passenger increased 11.6 percent system-wide during the audit period. Cost per passenger increased 11.1 percent on fixed route and 5.2 percent on paratransit.

5. Operating cost per hour, which is a measure of cost efficiency, increased 9.1 percent system-wide. This indicator increased 12.1 percent on fixed route and 6.0 percent on paratransit.

6. While passengers per vehicle service hour decreased 2.2 percent system-wide, passengers per vehicle service hour by mode remained relatively flat. The system-wide decrease is due to the 14.8 percent increase in paratransit ridership while fixed-route ridership increased only 3.5 percent, skewing the system-wide indicator toward paratransit which has a lower ratio of ridership to service hours than fixed route.

7. The audited fixed-route farebox recovery ratio decreased 7.3 percent over the three-year period, from 23.9 percent in FY 2012 to 22.16 percent in FY 2015, while the audited paratransit farebox recovery decreased 3.5 percent. From FY 2014 to FY 2015, the fixed-route farebox recovery ratio increased 0.1 percent as a result of the fare increase implemented May 25, 2014. Paratransit farebox recovery increased by 0.7 percent during the same two years from improved operational efficiency with the implementation of the new ADA paratransit and Dial-A-Ride policies on July 1, 2014. The Butte Regional Transit farebox recovery calculation includes only fare revenue; it does not include other local revenue such as from advertising, interest, and local support.
Section V

Review of Operator Functions

This section provides an in-depth review of various functions in Butte Regional Transit. The review highlights accomplishments, issues, and/or challenges during the audit period. The following functions were reviewed at Butte Regional Transit:

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

Operations

Butte Regional Transit operates 21 fixed routes (6 intercity routes, 11 local Chico routes, and 4 local Oroville routes) and ADA paratransit/Dial-A-Ride service. The transit system serves the county with most routes centered around Chico. The most recent service change was implemented in FY 2016, outside of the audit period. Fixed-route service has been averaging 19 passengers per service hour and ADA paratransit/Dial-A-Ride has been averaging 3 passengers per service hour.

Butte Regional Transit adopted a fare increase that was implemented in May 2014 and was the first fare change since August 2009. The fare increase was implemented to meet the fare recovery ratio requirements. Moving forward, Butte Regional Transit has plans to increase fares in smaller increments every three years to minimize the impact on riders.

In 2009, BCAG/Butte Regional Transit contracted with Stott Outdoor Advertising to install bus shelters with trash and recycling receptacles at 80 stops as well as to update and maintain current assets including 70 existing bus shelters. This contract doubled the number of shelters in the region. Prior to the shelters, many stops were marked by flagpoles. Stott installed the shelters and continues to maintain them under contract with Butte Regional Transit receiving an invoice for materials. Stott also collects advertising revenue placed at the shelters. After subtracting Stott’s cost, Butte Regional Transit receives a 10 percent share of the remaining advertising revenue. Since 2010, all stops have schedule-holders with schedules specific to the stop. Butte Regional Transit and Transdev staff maintain the holders and are responsible for filling them with the correct schedules.

Butte Regional Transit has also been improving access to stops. During FY 2015, BCAG initiated a comprehensive review of all current stops, both sheltered and unsheltered, for ADA compliance. The firm Disabilities Access Consultants (DAC) was retained to evaluate the bus stops for ADA compliance throughout the county. During FY 2014 and FY 2015, 550 locations were evaluated. DAC completed the development of a computer-based bus stop inventory.
which identifies needed compliance improvements. Currently, compliance needs are being prioritized, and Butte Regional Transit will be coordinating with the local jurisdictions on the improvements.

Transdev provides operations and maintenance for Butte Regional Transit, while Butte Regional Transit provides the vehicles, maintenance facility, and office space for the contract operator. The original five-year base contract term with Veolia (now Transdev) was from July 1, 2012, through June 30, 2017. Butte Regional Transit has the option to extend the contract for two additional one-year terms.

Payments to Transdev are based on vehicle service hours and agreed-on extra services (e.g., special promotional and community services) or additional new services (e.g., transit kiosk) using the rates and amounts established for the first five years of the contract. As described in earlier sections of this report, Butte Regional Transit has frozen the liquidated damages and incentives defined in its contractual scope of work with Transdev. Butte Regional Transit, as part of its preparation for the next procurement, is looking at revising and streamlining its penalty/incentive program thresholds to align with industry standards.

Compared to the current contract performance standards, shown in Tables V-1 and V-2, Transdev meets the standards for on-time performance and miles between road calls. In general, Transdev also meets the missed run standard. Over the audit period, Transdev has only missed one fixed-route run and four paratransit runs. Performance on preventable accidents per total vehicle mile and number of valid complaints has not met the standards established in the contract. One challenge with tracking contractor performance in regard to complaints has been accurately categorizing comments received from customers as valid or invalid complaints or general comments; for example, many comments have been incorrectly categorized as complaints. Butte Regional Transit is working with Transdev to improve consistency in how comments are categorized. As Butte Regional Transit revises its standards, the new standards should take into consideration current performance and set reasonable expectations as well as establish clear definitions of compliance if necessary.

<table>
<thead>
<tr>
<th>Table V-1</th>
<th>Fixed Route Operator Performance</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Fixed Route</strong></td>
<td><strong>Audit Period</strong></td>
</tr>
<tr>
<td></td>
<td><strong>FY 2013</strong></td>
</tr>
<tr>
<td>Total Vehicle Miles</td>
<td>1,251,214</td>
</tr>
<tr>
<td>On-Time Performance</td>
<td>96%</td>
</tr>
<tr>
<td>Missed Runs</td>
<td>0</td>
</tr>
<tr>
<td>Road Calls</td>
<td>76</td>
</tr>
<tr>
<td>Miles Between Road Calls</td>
<td>16,463</td>
</tr>
<tr>
<td>Preventable Accidents</td>
<td>14</td>
</tr>
</tbody>
</table>
## Table V-2
### Paratransit Operator Performance

<table>
<thead>
<tr>
<th>Paratransit</th>
<th>FY 2013</th>
<th>FY 2014</th>
<th>FY 2015</th>
<th>Performance Standard</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Vehicle Miles</td>
<td>461,720</td>
<td>464,732</td>
<td>464,491</td>
<td>Standard 92% Penalty &lt; 90% Incentive &gt; 96%</td>
</tr>
<tr>
<td>On-Time Performance</td>
<td>N/A</td>
<td>96%</td>
<td>96%</td>
<td>Standard 0 Penalty 1/month</td>
</tr>
<tr>
<td>Total Missed Trips</td>
<td>4</td>
<td>0</td>
<td>0</td>
<td>Standard 0</td>
</tr>
<tr>
<td>Total Road Calls</td>
<td>43</td>
<td>22</td>
<td>N/A</td>
<td>Standard 12-15,000</td>
</tr>
<tr>
<td>Miles Between Road Calls (Total Vehicle Miles/Road Calls)</td>
<td>10,738</td>
<td>21,124</td>
<td>N/A</td>
<td>Standard 12-15,000</td>
</tr>
<tr>
<td>Preventable Accidents</td>
<td>7</td>
<td>3</td>
<td>4</td>
<td>Standard</td>
</tr>
<tr>
<td>Non-Preventable Accidents</td>
<td>5</td>
<td>2</td>
<td>7</td>
<td>Standard</td>
</tr>
<tr>
<td>Total Accidents</td>
<td>12</td>
<td>5</td>
<td>9</td>
<td>Standard</td>
</tr>
<tr>
<td>Accidents/70,000 Total Vehicles Miles</td>
<td>1.8</td>
<td>0.8</td>
<td>1.4</td>
<td>Penalty &gt; 1</td>
</tr>
<tr>
<td>Accidents/80,000 Total Vehicles Miles</td>
<td>2.1</td>
<td>0.9</td>
<td>1.6</td>
<td>Standard</td>
</tr>
<tr>
<td>Accidents/100,000 Total Vehicles Miles</td>
<td>2.6</td>
<td>1.1</td>
<td>1.9</td>
<td>Incentive &lt; 1</td>
</tr>
<tr>
<td>Total Complaints</td>
<td>11</td>
<td>11</td>
<td>13</td>
<td>Standard &lt; 10 Penalty &gt; 10 Incentive &lt; 4</td>
</tr>
</tbody>
</table>

Through the contract, Transdev is required to provide a minimum of one general manager, one operations manager, one safety and training manager, one maintenance manager, two road supervisors, one dispatch supervisor, and one office/human resources manager. Additionally, Transdev must provide all other personnel necessary to responsibly operate B-Line. Run cuts for operators are provided by the Transdev corporate office. Transdev employees are represented by General Teamsters Local #13.

New drivers undergo 40 hours of classroom training, 40 hours of bus training, and 40 hours behind the wheel. Classes generally start every six to eight weeks, with three to six students. Operator performance is checked through ride and trail checks. In order to monitor operator performance and assist in investigating accidents, Transdev has installed SmartDrive systems on
all vehicles. SmartDrive collects data regarding speed and braking. Cameras owned by Butte Regional Transit are also installed in the interior and on the exterior of the vehicles. A protocol has been established for operators who are involved in an accident, including operator retraining.

With the increase in the California minimum wage to $15 by 2022, Butte Regional Transit plans to exercise the option years of the current contract to control costs. However, moving forward, it will be important for Butte Regional Transit to consider how increasing the minimum wage will impact operating costs in the future, particularly since Transdev has begun to experience challenges with driver turnover and hiring.

Complaints are tracked by Transdev in a system called Listen. A log of the comments is provided to Butte Regional Transit in the monthly report. According to the Transdev agreement, Transdev staff log all complaints or commendations in an agreed-upon electronic format. Transdev is responsible for responding to complaints in accordance with mutually agreed-upon parameters including complaint validity, investigation status and initials of the supervisor performing the investigation, and action taken based upon the completed investigation.

In 2010, Butte Regional Transit finished installing Mentor automatic vehicle locator/global positioning system (AVL/GPS) to track the location of fixed-route and paratransit vehicles. Mentor was acquired by Trapeze Group, and Butte Regional Transit is now serviced by Trapeze Group’s TripSpark. Butte Regional Transit plans to use AVL/GPS data to monitor on-time performance; however, at this time, staff must conduct spot checks to monitor on-time performance. Butte Regional Transit is in the process of upgrading its server as part of moving into the new Transit Operations and Maintenance Facility. Butte Regional Transit plans to use the AVL/GPS data in Trapeze Streets, which the agency uses for route planning, and to redesign its Oroville routes to improve performance once the data become available. In addition to using AVL/GPS data for random routes and trips to measure on-time performance, Butte Regional Transit also conducts manual time-checks.

Butte Regional Transit is currently in the process of combining AVL/GPS and its GFI fareboxes and the headscreens into a single login for the operator. In addition to increasing simplicity for the operator, it will enable Butte Regional Transit to track boarding locations using farebox data. This information will be very helpful for planning and identifying stop usage.

In FY 2015, Butte Regional Transit began upgrading the radio system. Phase 1 included switching all mobile radios on vehicles and handhelds from analog to digital. Phase 2 included updating the dispatch center to a web-based program for dispatchers to communicate with the operators. Completion of the second phase was contingent upon the B-Line moving into the new facility in March 2016.

B-Line Paratransit is experiencing increasing demand; one of the most significant operational changes during the audit period was the revision of the ADA paratransit/Dial-A-Ride policies in 2014. In order to best serve the growing population, Butte Regional Transit has modified its
paratransit service to be more consistent with federal guidelines. The service once served anyone 65 or older and riders with disabilities, as well as anyone who qualified as ADA-eligible. The service is now limited to riders 70 or older for Dial-A-Ride and those who qualify as ADA-eligible. Riders can apply through either the ADA or Dial-A-Ride application process. Currently, ADA paratransit and Dial-A-Ride riders must recertify every three years. Because of the increase in the minimum age from 65 to 70 for Dial-A-Ride, Butte Regional Transit has grandfathered in current riders under 70 years old.

Butte Regional Transit has also changed its no-show and cancellation policy. Previously, the no-show policy was based on a point structure that did not take into account how frequently a rider used ADA paratransit/Dial-A-Ride service. Now, the policy is based on percentage of no-shows to total trips and better complies with federal transit administration guidance.

Butte Regional Transit no longer offers same-day ADA paratransit service, but accommodates a limited number of same-day Dial-A-Ride requests, space permitting. The fare for this same day service is $4.00. The ADA paratransit fare is $2.75, which is less than twice the local service fare as allowed by ADA regulations.

In addition to the policy changes, trip planning for ADA paratransit has become more efficient. Transdev has increased training for its dispatchers to improve passenger matching. Passengers per service hour have increased in the last few quarters outside of the audit period.

Butte Regional Transit is also working with the organization Mains'l Services to guide people with special needs to a greater independence in the community through practical training on riding the public bus. Mains'l supplies bus guides to potential riders and teaches them how to use the fixed-route bus service and find a route that works for them. The goal of this training is to encourage riders to use the fixed-route services and reduce the number of paratransit trips.

The new ADA paratransit/Dial-A-Ride policies have been effective in reducing no-shows and same day cancellations, as shown in Table V-3.

<table>
<thead>
<tr>
<th>Table V-3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Paratransit No-Show and Same-Day Cancels</td>
</tr>
<tr>
<td>Audit Period</td>
</tr>
<tr>
<td>--------------------------------------------</td>
</tr>
<tr>
<td>FY 2013</td>
</tr>
<tr>
<td>Total Denials</td>
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</tr>
<tr>
<td>Total No Shows</td>
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<tr>
<td>916</td>
</tr>
<tr>
<td>Total Same-Day Cancels</td>
</tr>
<tr>
<td>9,029</td>
</tr>
<tr>
<td>Total Late Cancels</td>
</tr>
<tr>
<td>905</td>
</tr>
</tbody>
</table>

Michael Baker International - 37
Maintenance

Currently, Butte Regional Transit has 36 fixed-route buses and 31 paratransit buses. Butte Regional Transit purchased six new fixed-route buses in 2014 from Gillig through joint procurements with larger transit agencies. Butte Regional Transit plans to purchase more buses in early 2017.

Butte Regional Transit is converting its CNG fixed-route fleet to clean diesel buses to standardize the fleet to make it more cost effective for maintenance and service. Thirteen of the 36 fixed-route buses are currently CNG. The CNG buses have had performance issues, including difficulty climbing inclines in the region. At the new facility, Butte Regional Transit intentionally did not build a CNG refueling station to eventually phase out the technology. CNG vehicles are required to fuel off-site.

Vehicle maintenance is conducted by Transdev, which does the work on-site at the new facility. Transdev uses Ron Turley Associates Fleet Management Software to track all assets, fleet maintenance, and warranties. Transdev also has a designated technical mechanic on staff who is responsible for all IT equipment on the buses, including fareboxes and cameras.

Transdev’s plan for preventative maintenance inspections (PMIs) conforms with the standards outlined by the vehicle manufacturer. Generally, Transdev completes PMIs within the 90 percent on-time range. The new Transdev maintenance manager employs a different method of accounting for on-time PMIs than the previous maintenance manager. For repairs under warranty, Transdev processes the warranty claims. For any repairs not under warranty, Butte Regional Transit reimburses Transdev for time and materials.

Butte Regional Transit has a contract with Kitchell for facility maintenance. Kitchell tracks and reports maintenance and repairs. Ray Morgan Company is contracted to manage the computer systems in the new facility, including performing IT service management, tracking all IT assets, and conducting repairs, upgrades, and maintenance.

The California Highway Patrol (CHP) certifies the transit system’s maintenance facilities and inspects vehicles on an annual basis. Butte Regional Transit vehicles have received satisfactory terminal inspections from the CHP during the audit period.

Planning

Each year, Butte Regional Transit prepares an Annual Transit Service Plan and Budget. The plan highlights accomplishments from the previous fiscal year, establishes goals for the new fiscal year, identifies fixed asset plans, provides the proposed service plan including route modification information and estimated annual service hours and miles, establishes the operating and capital budgets, and identifies funding sources.
On a quarterly basis, Butte Regional Transit presents key financial and statistical results to the BCAG Board of Directors. Financial data presentations compare the actual year-to-date quarter results to the annual budget and prior year-to-date. Operations tables present a performance-based assessment in comparison to the same quarter of the prior fiscal year. The measures of revenue, expense, ridership, vehicle revenue hours, and passengers per vehicle revenue hour are broken down by the four types of service: urban and rural fixed route and paratransit. This separation helps to define where improvements and/or issues are occurring. Accidents and complaints including gauging safety and customer satisfaction are analyzed for the system as a whole.

In addition to short-term planning, Butte Regional Transit conducts longer-term planning. Prior to the current audit period, Butte Regional Transit hired a consultant to conduct a market-based study which was completed in FY 2010. In November 2010, Butte Regional Transit revamped the routes based on the study’s recommendations. This included combining Routes 1, 6, and 10. The service change and route modifications led to a drop in ridership. In spring 2011, some corrections were made. In March 2014, Butte Regional Transit overhauled Route 15s based on ridership information and on-time performance data from the GPS/AVL system. The route was divided into two separate bidirectional routes, Routes 14 and 17. Butte Regional Transit plans to use GPS/AVL report data to redesign local Oroville routes to improve performance once reports become available from the vendor.

Butte Regional Transit has implemented GPS on the AVLs in order to track vehicles, build reports, and pull historical samples for run times, all to increase on-time performance. This information has been taken into account in the remastering of the routes and schedules. For example, in the route changes in 2011, Route 15 was made too long and became ineffective because the bus fleet size was inadequate to run 15-minute headways. Since then, Route 15 has been broken into four routes: 14, 15, 16 and 17. All of the routes are short, bidirectional, and make stops at the downtown transit center.

As an enterprise program within BCAG, Butte Regional Transit also coordinates its plans with BCAG. Butte Regional Transit participated in the development of the Transit & Non-Motorized Plan, which was completed in FY 2015. This plan is a component of the Regional Transportation Plan/Sustainable Communities Strategy that BCAG is required to prepare every four years, and which focuses on improving transportation networks for people who walk, bike, or use transit services in Butte County.

The Transit & Non-Motorized Plan includes a number of key components:

- An inventory of transit services and bicycle/pedestrian facilities
- Understanding of travel patterns, transit needs, and service gaps in Butte County
- An evaluation of B-Line fixed route and paratransit services
- Public input, via an online survey, data collection on B-Line buses, stakeholder meetings, and public meetings
The plan outlines proposed changes for B-Line services over the short- (by 2016), mid- (2017 through 2027), and long-term (to 2040) time horizons. Short-term and mid-term recommendations include:

- Consolidate and/or eliminate bus stops for improved service and to reduce customer confusion.
- Coordinate with the City of Chico and Chico High School for improved Esplanade service.
- Redesign brochure, map, and schedules to improve user-friendliness and clarity.
- Convert some routes to vanpool.
- Consider additional hours and services on weekends.
- Establish a transit-emphasis corridor for Route 15s with transit signal priority, wider/targeted stop spacing, and off-board fare payment.
- Work with the City of Chico as part of the Downtown Access Plan process to establish a new transfer location in downtown Chico.
- Build a new transit center with a park-and-ride in Paradise.
- Consider additional cost sharing and/or service partnerships with regional casinos, if not implemented in the short-term time frame.

Butte Regional Transit recently updated its Disadvantaged Business Enterprise program and its Title VI program, including its Limited English Plan. Butte Regional Transit is currently updating its Public Participation Plan.

**Marketing**

Butte Regional Transit markets its services both electronically and in print format. The B-Line has a dedicated webpage that is mobile-compatible with information, schedules, service hours, maps, fare information, and paratransit service information. The website regularly posts updates about routes or delays due to city works projects. All of these can be found at: [http://www.blinetransit.com/](http://www.blinetransit.com/). The website can be translated into Chinese, Hmong, and Spanish. On the Butte Regional Transit website, riders can also find Title VI and ADA information about accommodation and non-discrimination.

Print marketing materials include the Schedules & System Maps brochure (also referred to as the B-Line Brochure), which includes route-specific information as well as pamphlets such as the paratransit rider guide and B-Line Tracker rider tool, press releases, flyers, and banners. Print materials are available at the Butte Regional Transit Operations and Maintenance Facility. B-Line Brochures are also distributed on fixed route buses; route-specific information is stocked at all bus stops in schedule-holders.

In order to improve customer information, Butte Regional Transit has provided real-time bus location information since 2013, through the B-Line Tracker. Riders can text a number posted at
bus stops and receive a text back that says when the bus is going to arrive based on real-time locations from the AVL/GPS system on-board the vehicles. If the AVL/GPS system is down on the bus, the text will provide the scheduled time. The B-Line Tracker does not require a rider to have a smartphone or access to the Internet; a rider just needs a phone with texting ability. Butte Regional Transit is in the process of developing a website that will also provide real-time information.

Since 2014, Butte Regional Transit has published its route and schedule information using General Transit Feed Specification format and provides it to Google. Riders are now able to plan their trips using Google Maps along any fixed route in the B-Line system.

**General Administration and Management**

The BCAG JPA gives the agency responsibility for the administration and operation of Butte Regional Transit. The contract operator, Transdev, is a France-based public transportation operator with a North America corporate office in Lombard, Illinois. Dispatching duties are performed and vehicles are stored and maintained at the Butte Regional Transit Operations and Maintenance Facility located at 326 Huss Drive in Chico. The contract operator has an on-site project manager who oversees the day-to-day transit functions and staff of approximately 110 FTEs.

With the completion of Phase 1 of the new facility in March 2016, Butte Regional Transit, BCAG, and Transdev have co-located at the facility. With the co-location, communication between Butte Regional Transit and its contractor have improved. Butte Regional Transit and Transdev hold biweekly (every other week) meetings to review staffing and performance (e.g., monthly report, complaints, and accidents), discuss open action items and ongoing projects/campaigns, and address any performance issues, training, and other challenges. Transdev also submits a monthly report that contains the following: actual hours/miles versus scheduled, ridership and route productivity, on-time performance, cancelled/missed/no shows, comments/complaints, accidents, PMIs, road calls, expenses, and other items.

The BCAG chief financial officer and staff are responsible for the completion and submittal of the Transit Operators Financial Transactions Report to the State Controller.

For transit operations, each member city/jurisdiction submits TDA claims for Local Transportation Funds (LTF) and State Transit Assistance (STA) funds and reimburses Butte Regional Transit for the service provided. Starting in FY 2015, Butte Regional Transit began submitting TDA claims directly to BCAG for LTF funds to establish a capital project reserve, whereas previously capital expenses were included in the reimbursements from the cities and county. BCAG keeps the LTF transit capital reserve claimed directly by Butte Regional Transit in a separate account from another transit reserve fund to distinguish the use of the revenue between large purchases such as vehicles and other uses such as local capital matches or more minor incidental purchases, e.g., equipment.
Transit grants management is primarily handled by BCAG, the designated FTA recipient for Section 5307 and 5311 funding.
Section VI

Findings

This section summarizes the major findings from the triennial performance audit covering fiscal years 2013 through 2015. Recommendations follow the findings.

Compliance Review

1. Ten compliance requirements are applicable to Butte Regional Transit. One additional compliance requirement is not applicable to Butte Regional Transit (i.e., intermediate farebox recovery ratio).

2. Butte Regional Transit is in compliance with the applicable requirements, with one exception. Butte Regional Transit is in partial compliance with the performance measure definitions established by PUC Section 99247. Butte Regional Transit’s reported full-time equivalent (FTE) employees do not include the time of BCAG and Butte Regional Transit administrative staff, including the transit manager and senior planner, as well as BCAG staff who provide administrative or special project support. This methodology for reporting FTEs technically does not comply with TDA definitions. Butte Regional Transit is, however, correctly including contractor staff hours in its reported FTEs and separating time between fixed-route and paratransit modes.

3. Butte Regional Transit participates in the CHP Transit Operator Compliance Program in which the CHP has conducted inspections within the 13 months prior to each TDA claim submittal. The CHP inspection reports submitted for review were found to be satisfactory.

4. Butte Regional Transit’s operating budget exhibited small increases during the audit period. The budget increased 4.8 percent in FY 2013, 5.2 percent in FY 2014, and 6.8 percent in FY 2015, and complies with the PUC requirement that budgets should not increase by more than 15 percent per year.

5. Based on the available data from the Annual Fiscal and Compliance Audits, Butte Regional Transit’s farebox recovery ratio for urbanized fixed-route service remained above the 20 percent requirement throughout the audit period. The farebox recovery ratio for rural fixed route and paratransit also remained above the required 10 percent during the audit period. The average farebox recovery ratio were 22.0 percent for urbanized fixed route, 23.7 percent for rural fixed route, 10.9 percent for urbanized paratransit, and 11.1 percent for rural paratransit.
Prior Audit Recommendations

Of the five prior audit recommendations, Butte Regional Transit fully implemented two recommendations regarding the review of ADA paratransit and Dial-A-Ride eligibility requirements, and development of a marketing plan. Two other recommendations—defining goals, objectives, and performance measures, and using AVL/GPS technology to improve on-time performance—have been partially implemented. The remaining recommendation regarding separation of BCAG and B-Line Board of Directors meetings is no longer applicable.

TDA Performance Indicators

1. System-wide operating costs increased 16.8 percent over the audit period from the FY 2012 base year through FY 2015. By mode, fixed-route operating costs increased 15 percent and paratransit operating costs increased 20.7 percent during the audit period. System-wide and modal operating cost trends are developed using audited data.

2. Ridership increased 4.6 percent system-wide during the audit period. Fixed-route ridership increased 3.5 percent, while paratransit ridership increased 14.8 percent. Fixed-route ridership remained fairly stable with a 4.3 percent increase in FY 2013 while paratransit ridership increased steadily throughout the audit period with significant increases of 8.6 percent in FY 2013 and 3.9 percent in FY 2014.

3. Revenue hours and miles increased system-wide as well as for both modes during the audit period. Fixed-route revenue hours and miles increased 2.6 and 1.5 percent, respectively. Paratransit revenue hours and miles exhibited a more significant increase of 13.9 and 14.8 percent, respectively.

4. Operating cost per passenger increased 11.6 percent system-wide during the audit period. Cost per passenger increased 11.1 percent on fixed route and 5.2 percent on paratransit.

5. Operating cost per hour, which is a measure of cost efficiency, increased 9.1 percent system-wide. This indicator increased 12.1 percent on fixed route and 6.0 percent on paratransit.

6. While passengers per vehicle service hour decreased 2.2 percent system-wide, passengers per vehicle service hour by mode remained relatively flat. The system-wide decrease is due to the 14.8 percent increase in paratransit ridership while fixed-route ridership increased only 3.5 percent, skewing the system-wide indicator toward paratransit which has a lower ratio of ridership to service hours than fixed route.

7. The audited fixed-route farebox recovery ratio decreased 7.3 percent over the three-year period, from 23.9 percent in FY 2012 to 22.16 percent in FY 2015, while the audited paratransit farebox recovery decreased 3.5 percent. From FY 2014 to FY 2015, the fixed-
route farebox recovery ratio increased 0.1 percent as a result of the fare increase implemented May 25, 2014. Paratransit farebox recovery increased by 0.7 percent during the same two years from improved operational efficiency with the implementation of the new ADA paratransit and Dial-A-Ride policies on July 1, 2014. The Butte Regional Transit farebox recovery calculation includes only fare revenue; it does not include other local revenue such as from advertising, interest, and local support.

**Functional Review**

1. Butte Regional Transit adopted a fare increase that was implemented in May 2014. The fare increase was implemented to meet the TDA fare recovery requirements.

2. In July 2014, Butte Regional Transit revised its ADA paratransit and Dial-A-Ride policies, including its no-show and cancellation policies. The B-Line’s ADA paratransit service is experiencing increasing demand. In order to best serve the growing population, Butte Regional Transit updated its policies and procedures to manage demand and improve operational efficiency and cost effectiveness.

3. In March 2016, Phase 1 of the Butte Regional Transit Operations and Maintenance Facility was completed. BCAG, Butte Regional Transit, and the contractor are now all co-located at the new facility.

4. Transit services are operated under contract by Transdev (formerly Veolia). The five-year base contract term is from July 1, 2012, through June 30, 2017, with an option for Butte Regional Transit to extend the contract for two additional one-year terms. Transdev also conducts maintenance on the vehicles in accordance with the standards outlined by the vehicle manufacturer.

5. Butte Regional Transit has several projects under way, including conducting a comprehensive review of all current bus stops for ADA compliance; integrating AVL/GPS, fareboxes, and headscreens into a single login to provide passenger boarding location information; upgrading the radio system; and developing a website that provides real-time information through the B-Line Tracker.

6. Butte Regional Transit services are marketed in electronic and print formats. The agency’s website provides information about the transit system, fares, schedules, maps, and paratransit. Printed brochures are available for both fixed-route and paratransit modes. The colored Schedules & System Maps brochure provides a service area map with fare, schedule, and service hour information. Butte Regional Transit also provides real-time bus location information through the B-Line Tracker via text messages.
Recommendations

1. **Include BCAG and Butte Regional Transit administrative staff in reporting employee full-time equivalents in the State Controller’s Report.**  
   (High Priority)

In reporting full-time equivalent (FTE) employees in the Butte Regional Transit State Controller’s Report, Butte Regional Transit is only reporting FTEs for its transit contractor and is not including its transit management staff nor those BCAG employees who provide additional administrative or special project support. These individuals include the transit manager and senior planner and the BCAG chief financial officer. The current methodology for reporting FTEs technically does not comply with TDA definitions. In order to fully comply with TDA requirements, Butte Regional Transit should include pay hours spent on transit-related activities by all BCAG and Butte Regional Transit personnel, and divided by 2,000, in its FTE total in the State Controller’s Report. BCAG and Butte Regional Transit staff time is billed to the appropriate enterprise and project funds according to the Overall Work Program, enabling the allocation of labor to Butte Regional Transit. This correction will better align the FTEs with the operations cost reported by the transit agency in its State Controller’s Report.

2. **Maintain documentation of annual fiscal audit submission to the state.**  
   (High Priority)

The Public Utilities Code requires transit operators to submit annual fiscal and compliance audits to the RTPA and to the State Controller within 180 days following the end of the fiscal year (December 27), or receive a 90-day extension from the RTPA as allowed by law. The Butte Regional Transit audited financial statements are contained in the BCAG annual financial audit, given that Butte Regional Transit is an enterprise fund. The BCAG Board of Directors typically approves the BCAG fiscal audit at its February meeting. Following approval, the fiscal audit is submitted to the State Controller’s Office. Evidence of the date of submittal should be maintained in the BCAG files to satisfy a TDA compliance measure. It is recommended that BCAG retain a copy of the dated transmittal letter and/or dated email of submission of the BCAG annual fiscal audit to the State Controller’s Office.

3. **Establish updated performance standards to manage contractor performance.**  
   (Medium Priority)

While Butte Regional Transit has established performance measures and standards in the scope of work in its contract with Transdev, the agency has frozen the liquidated damages and incentives defined in the scope of work while it realigns its penalty/incentive program standards. In preparation of the next operating contract in a few years, Butte Regional Transit should revise its penalty/incentive program thresholds to align with industry standards and performance levels based on recent operating trends. The new standards should take into consideration current and recent historical performance and be based on
reasonable expectations. These standards should be used to monitor and manage contractor performance and in assessing liquidated damages and awarding incentives.

Butte Regional Transit should also consider reporting a sample of such standards and the contractor’s performance against the standards in its transit reports to the BCAG board as part of the ongoing evaluation of transit operations.

4. **Use AVL/GPS data to redesign Oroville routes to improve performance.**  
(Medium Priority)

Butte Regional Transit successfully used AVL/GPS data to redesign and improve performance on its Chico routes. When AVL/GPS data becomes available with the upgrade of the Butte Regional Transit server and the update of the TripSpark software, Butte Regional Transit should use the data to help evaluate opportunities to improve performance of its Oroville routes. In addition, the ridership and boarding location data that will become available with the integration of the AVL/GPS and GFI fareboxes will be valuable for identifying bus stops with higher boarding activity.

5. **Work with BCAG to evaluate alternative farebox recovery standards.**  
(Medium Priority)

As described in the BCAG financial audit, Butte Regional Transit rural fixed-route and both rural and urban paratransit operations must each maintain minimum fare ratios of 10 percent, while the urban fixed-route operation must maintain a minimum fare ratio of 20 percent. This indicates that B-Line must be cognizant of maintaining four separate farebox ratios for its services.

While these farebox ratios are compliant with TDA, Article 4 of the TDA provides other possible options for a transit operator to maintain compliance with the farebox recovery standard. Examples of farebox recovery options include developing 1) one overall system-wide ratio; and 2) one fixed-route farebox ratio, and another for specialized paratransit. The overall system-wide ratio would be determined as an intermediate ratio as Butte Regional Transit serves both rural and urban services. A blended system-wide farebox ratio would be derived taking into account the 20 percent urban standard and the 10 rural standard. There are several formulas that could be used to calculate this blended, or intermediate, ratio. Likewise, for the second alternative, the fixed-route ratio could be a blended ratio while the paratransit ratio is 10 percent.

Although there is no urgency to develop a new farebox ratio for Butte Regional Transit to maintain eligibility for TDA funds, a healthy discussion with BCAG should occur to evaluate these options as the nature of local conditions and the transit service area evolves. Ultimately, the decision on a farebox ratio lies with BCAG as the RTPA.
FY 2013-2015
Triennial Performance Audit of City of Gridley Golden Feather Flyer

Prepared for:
Butte County
Association of Governments

January 2017

Submitted by:
Michael Baker INTERNATIONAL
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Executive Summary

The Butte County Association of Governments (BCAG) engaged the Michael Baker International team to conduct the Transportation Development Act (TDA) triennial performance audit of the public transit operators under its jurisdiction in Butte County. This performance audit is conducted for the City of Gridley Golden Feather Flyer (City, Gridley) covering the most recent triennial period, fiscal years (FY) 2012–13 through 2014–15.

The audit includes a review of the following areas:

- Compliance with TDA requirements
- Status of prior audit recommendations
- Transit system performance trends
- Detailed functional review

From the review, recommendations were developed to improve the operational efficiency and effectiveness of the City of Gridley Golden Feather Flyer.

Compliance with TDA Requirements

Gridley has fully complied with five of the seven applicable requirements. The City was in partial compliance with regard to the timely submittal of its Transit Operator Financial Transactions Reports to the State Controller and the accurate reporting of performance data. Four additional compliance requirements did not apply to the City (i.e., CHP terminal inspections, intermediate farebox recovery ratio, urban farebox recovery ratio, and use of federal funds).

Status of Prior Audit Recommendations

Gridley satisfactorily implemented three out of the six prior audit recommendations. The three remaining audit recommendations were partially implemented and have been forwarded for full implementation in this audit.

System Performance Trends

1. Operating cost per vehicle service hour, an indicator of cost efficiency, increased 13.7 percent from $53.95 in FY 2012 to $61.31 in FY 2015. This trend is consistent with the increase in transit system operating costs of 20.8 percent during the time period as well as a smaller increase in vehicle service hours of 6.3 percent

2. Operating cost per passenger, an indicator of cost effectiveness, decreased 11.5 percent from $17.64 in FY 2012 to $15.60 in FY 2015. As noted above, system operating costs
increased 20.8 percent during the period; however, Golden Feather Flyer ridership increased 36.6 percent from 6,515 passengers in FY 2012 to 8,898 passengers in FY 2015.

3. Passengers per vehicle service hour, which measures the effectiveness of the service delivered, increased 28.5 percent between FY 2012 and FY 2015 from 3.1 to 3.9 passengers per hour. The trend in this indicator reflects a significant increase in ridership attributed to general public access with a concurrent increase in vehicle service hours, although at a lower rate than ridership.

4. Passengers per vehicle service mile, another indicator of service effectiveness, increased 11.1 percent, from 0.59 in FY 2012 to 0.65 passengers in FY 2015. From the FY 2012 base year to FY 2015, total vehicle service miles increased 23 percent from 11,060 vehicle service miles to 13,602 vehicle service miles.

5. Farebox recovery exhibited an overall decrease of 2.9 percent between FY 2012 and FY 2015. Farebox recovery remained fairly stable with modest changes reported during the audit period. There was a 2.7 percent decrease in FY 2013 followed by a 0.3 percent increase in FY 2014. The farebox recovery trends are attributed to the 20.8 increase in operating costs as compared to the 17.3 percent increase in passenger fare revenues.

Functional Review

1. Service was expanded to the general public in FY 2011-12, which has resulted in increased ridership. Gridley experimented with a fixed-route service in April 2012, which proved to be infeasible and was eventually discontinued.

2. Passengers generally call one hour in advance to schedule a ride. Vehicle dispatch functions are handled by the driver, who receives and schedules trip requests directly by mobile phone. City Hall employees also receive trip requests, which are relayed to the driver. Driver trip sheet data are entered onto an Excel spreadsheet.

3. The City employs one full-time driver who has been with the City since 2003. In addition, one reserve part-time driver works Fridays and available to cover when the full-time driver is unavailable. The full-time driver is represented by the International Brotherhood of Electrical Works (IBEW), Local 1245 union.

4. The City has budgeted between $300 and $500 annually toward advertising and marketing collateral. The transit service has historically relied on word-of-mouth and the visibility of the transit vehicle to market the service. The City produced and distributed flyers that announced the service expansion to the general public.

5. The Gridley Golden Feather Flyer service falls under the direction of the Finance Department and is administered by the finance director who has been with the City since
April 2014. The City’s annual TDA claim and State Controller Report are prepared by the finance director.

Recommendations

<table>
<thead>
<tr>
<th>Performance Audit Recommendation</th>
<th>Background</th>
<th>Priority</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Ensure that vehicle mileage and service hours are correctly calculated and accurately reported in internal and external reports.</td>
<td>This recommendation is forwarded from the prior audit for full implementation. The City continues to maintain and rely on an internal spreadsheet to track the data from the driver’s daily vehicle log. Driver trip sheet data are entered onto an Excel spreadsheet. The driver keeps track of revenue and non-revenue hours, and only revenue mileage on a daily vehicle log. There are no entries for mileage upon departing the yard and mileage upon returning to the yard (deadhead). There continue to be discrepancies between the data reported internally and the data reported on the Transit Operators Financial Transactions Report submitted to the State Controller. For example, State Controller Reports prepared during the audit period are missing vehicle service (revenue) miles and full time equivalent (FTE) data. FTE data are derived by compiling the total annual employee pay hours expended on transit and dividing by 2,000. The daily vehicle log should be modified to include entries for mileage upon departing the yard and mileage upon returning to the yard. This will clarify deadhead from revenue service mileage, similar to how hours are reported. In addition, it is suggested that the finance director perform a final review of the Supplemental Operating Data section of the State Controller Report for accuracy and thoroughness prior to submittal.</td>
<td>High Priority</td>
</tr>
<tr>
<td>2. Ensure that the proper State Controller Report template is used.</td>
<td>Although the Golden Feather Flyer became a general public demand-response service, the City has continued to use the Transit Operators Financial Transactions Report - Specialized Service template. Specialized service denotes service being provided exclusively to the elderly and persons with disabilities. On Page 1 of the report, the City checks off that service to the general public is being</td>
<td>High Priority</td>
</tr>
<tr>
<td>Performance Audit Recommendation</td>
<td>Background</td>
<td>Priority</td>
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<tr>
<td>3. Develop and implement an effective marketing plan and public outreach program to increase ridership and raise awareness of the Gridley Golden Feather Flyer service.</td>
<td>This recommendation is forwarded from the prior audit for full implementation. The resources devoted toward marketing the Gridley Golden Feather Flyer have been limited. The City generally budgets between $300 and $500 annually toward advertising and marketing collateral. The transit service has historically relied on word-of-mouth and the visibility of the transit vehicle to market the service. The City produced and distributed flyers that announced the service expansion to the general public. Information about the transit service is found on the City’s website, which is not easily accessible. Transit information can only be located by performing a search at the top right-hand corner of the website. The search result provides a link to a PDF page with only basic information about the service and outdated information about the fixed route, which has since been discontinued. The City should make information about the transit service more readily accessible on its website as well as consider placing inserts or messages in more visible areas such as in monthly utility billings, and flyers at public locations such as the library.</td>
<td>Medium Priority</td>
</tr>
<tr>
<td>4. Work with BCAG to develop a short-range transit plan.</td>
<td>This recommendation is forwarded from the prior audit for full implementation. The prior audit recommended that the City work with BCAG to develop a short-range transit plan that would allow the City to measure performance against the standards developed in the plan. BCAG did commission and adopt the Butte County Transit and Non-Motorized Plan in April 2015. The plan focuses on improving transportation access for people who walk, bike, or take transit in Butte County. It recommends short-term changes and enhancements, as well as long-term improvements needed based on projected growth in Butte County. However, the plan only addresses B-Line transit services (which include the two routes serving Gridley) and not the Golden Feather Flyer.</td>
<td>Medium Priority</td>
</tr>
</tbody>
</table>
The City, working in collaboration with BCAG, would benefit from a short-range transit service plan that revisits the goals and objectives of the service and identifies any service linkages to the B-Line to enhance ridership. The transit plan would provide performance standards, budgeting, marketing strategies, and a capital improvement program that support the updated goals and objectives.
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 Butte County Association of Governments (BCAG) engaged the Michael Baker International team to conduct the TDA triennial performance audit of the public transit operators under its jurisdiction in Butte County. This performance audit is conducted for the City of Gridley Golden Feather Flyer (City, Gridley) covering the most recent triennial period, fiscal years (FY) 2012–13 through 2014–15.

The purpose of the performance audit is to evaluate the City’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 City’s compliance with the conditions specified in the California Public Utilities Code (PUC). This task involves ascertaining whether the City 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 City transit 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 the development and conduct of the audit.

Overview of the Transit System

Local transit service has been operating in Gridley since March 1976. Golden Feather Flyer is a general public door-to-door demand-responsive transit service that operates within the city’s sphere of influence and adjacent unincorporated areas. The service was initially restricted to senior citizens aged 62 and older and disabled persons. Services were extended to the general public in FY 2012. The transit system is administered and operated by the City’s Finance Department.

The main highway serving Gridley is State Route (SR) 99, which runs in a north–south direction, connecting Gridley with Yuba City to the south and Chico to the north. The major arterial streets
traversing Gridley are Golden State Highway (SR 99), East Gridley Road, Kentucky Street, Magnolia Street, and Sycamore Street.

Based on the 2010 US Census, Gridley’s population is 6,584, a 17.4 percent increase since the 2000 US Census. The senior citizen population, comprising residents aged 65 and over, is 14.1 percent. The 2016 population for Gridley is estimated to be 6,575, as reported by the California Department of Finance. The city covers a 2.07-square-mile area.

System Characteristics

The Golden Feather Flyer operates as a general public demand-response service within the city’s sphere of influence and adjacent unincorporated areas. The service area encompasses a three-quarter mile radius of the Butte Regional Transit (B-Line) stops for B-Line Routes 30 and 32. The service boundary is defined by Oro Ranch Road to the north; Evans Reimer Road to the south; Block and Grace Roads to the west; and Larkin Road to the east.

The service operates Monday through Friday between the hours of 8:00 a.m. and 6:00 p.m. Additional service is operated on Tuesday to the Gridley farmers market between the hours of 5:30 p.m. and 7:30 p.m. The farmers’ market service has three pickup locations: Hazel Hotel, Haskell Apartments, and the Gridley Oak Apartments. The City briefly operated a fixed-route service in 2012 with three scheduled departure times and 12 stops around Gridley.

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.

Fares

The fare structure for the Golden Feather Flyer is based on passenger category and fare media type. One-way general public cash fares are $2.00 and $1.00 for children under 12 years of age. The round-trip fare on the farmers’ market service is $1.00. Tickets can be purchased in advance at Gridley City Hall. Ticket sales for trips outside the city are subsidized by B-Line at $4.00 and $4.50 based on the zone of travel.

Fleet

The Gridley Golden Feather Flyer operates one 2007 Ford E-350 lift-equipped vehicle (eight ambulatory and one wheelchair passenger capacity). A City pool vehicle is utilized as backup. Due to its passenger capacity, the vehicle does not meet the definition of a transit bus as defined in the California Vehicle Code Section 642 and is therefore exempt from the CHP Transit Operator Compliance Program.
Section II

Operator Compliance Requirements

This section of the audit report contains the analysis of the City’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), developed by Caltrans to assess transit operators. The guidebook contains a checklist of 11 measures taken from relevant sections of the PUC 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>
<thead>
<tr>
<th>Operator Compliance Requirements</th>
<th>Reference</th>
<th>Compliance Efforts</th>
</tr>
</thead>
<tbody>
<tr>
<td>The transit operator has submitted annual reports to the RTPA 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).</td>
<td>Public Utilities Code, Section 99243</td>
<td>Completion/submittal dates:</td>
</tr>
<tr>
<td></td>
<td></td>
<td>FY 2013: October 17, 2013</td>
</tr>
<tr>
<td></td>
<td></td>
<td>FY 2014: November 5, 2014</td>
</tr>
<tr>
<td></td>
<td></td>
<td>FY 2015: October 27, 2015</td>
</tr>
<tr>
<td></td>
<td></td>
<td>The FYs 2014 &amp; 2015 Transit Operator Financial Transactions Reports were submitted after the statutory deadline 110 days after the end of the fiscal year.</td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>Conclusion: Partial Compliance.</strong></td>
</tr>
<tr>
<td>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 fiscal year (Dec. 27), or has received the appropriate 90-day extension by the RTPA allowed by law.</td>
<td>Public Utilities Code, Section 99245</td>
<td>Completion/submittal dates:</td>
</tr>
<tr>
<td></td>
<td></td>
<td>FY 2013: February 10, 2014</td>
</tr>
<tr>
<td></td>
<td></td>
<td>FY 2014: February 9, 2015</td>
</tr>
<tr>
<td></td>
<td></td>
<td>FY 2015: January 26, 2016</td>
</tr>
<tr>
<td></td>
<td></td>
<td>The fiscal and compliance audits were submitted within the 90-day extension granted by BCAG allowed by the TDA statute.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>The audits of the City’s TDA Fund</td>
</tr>
</tbody>
</table>
Table II-1
Operator Compliance Requirements Matrix

<table>
<thead>
<tr>
<th>Operator Compliance Requirements</th>
<th>Reference</th>
<th>Compliance Efforts</th>
</tr>
</thead>
<tbody>
<tr>
<td>and Gridley Senior Taxi Fund received an internal control finding in FY 2014 due to several years of unrecorded audit adjustments and incorrect general ledger postings. BCAG followed up with the City about this finding; it has since been addressed and corrected. <strong>Conclusion: Complied.</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>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.</td>
<td>Public Utilities Code, Section 99251 B</td>
<td>Due to the size of the vehicle operated, the City is exempt from the CHP Transit Operator Compliance Program in which the CHP conducts inspections within the 13 months prior to each TDA claim. The CHP made this finding during an inspection conducted April 9, 2014, at the City Hall located at 685 Kentucky, Gridley. Due to the passenger capacity being eight seated passengers, one wheelchair passenger, and the driver, the vehicle does not meet the definition of a transit bus as defined in California Vehicle Code 642. The vehicle undergoes routine maintenance at the local Ford dealership and inspections are arranged through BCAG. <strong>Conclusion: Not applicable.</strong></td>
</tr>
<tr>
<td>The operator’s claim for TDA funds is submitted in</td>
<td>Public Utilities Code, Section 99261</td>
<td>As a condition of approval, the annual claims for Local</td>
</tr>
</tbody>
</table>
### Table II-1
Operator Compliance Requirements Matrix

<table>
<thead>
<tr>
<th>Operator Compliance Requirements</th>
<th>Reference</th>
<th>Compliance Efforts</th>
</tr>
</thead>
<tbody>
<tr>
<td>compliance with rules and regulations adopted by the RTPA for such claims.</td>
<td></td>
<td>Transportation Funds (LTF) and State Transit Assistance (STA) submitted by the City of Gridley are submitted in compliance with the rules and regulations adopted by BCAG. BCAG staff provides assistance to the City in completing the claim. BCAG had noted the Statement of Conformance was not signed and filled out properly for one of the claim years.</td>
</tr>
<tr>
<td>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.</td>
<td>Public Utilities Code, Section 99270.1</td>
<td>The Gridley Golden Flyer operates in a non-urbanized area and is not subject to this requirement.</td>
</tr>
<tr>
<td>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).</td>
<td>Public Utilities Code, Section 99266</td>
<td>Percentage change in the transit system’s operating budget:</td>
</tr>
</tbody>
</table>
|                                                                                               |                                                                             | FY 2013: -7.0%  
FY 2014: -1.9%  
FY 2015: -11.9%  
Source: City of Gridley Senior Taxi Budget for FYs 2012–2015 |                                                                                                                                                         |
| The operator’s definitions of performance measures are consistent with Public Utilities Code Section 99247, including (a) operating cost, | Public Utilities Code, Section 99247                                      | The transit system’s definition of performance is largely consistent with PUC Section 99247. A review of performance data reports generated during the audit period                                                                 |

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

<table>
<thead>
<tr>
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<tr>
<td>(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.</td>
<td></td>
<td>showed that some of the performance data such as vehicle service miles and FTEs are being omitted from external reports. Conclusion: Partial Compliance.</td>
</tr>
<tr>
<td>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.</td>
<td>Public Utilities Code, Sections 99268.2, 99268.3, 99268.12, 99270.1</td>
<td>The Gridley Golden Feather Flyer operates in a non-urbanized area and is not subject to this requirement. Conclusion: Not applicable.</td>
</tr>
<tr>
<td>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).</td>
<td>Public Utilities Code, Sections 99268.2, 99268.4, 99268.5</td>
<td>Operating ratios for the transit system system-wide using audited data were as follows: FY 2013: 11.59% FY 2014: 11.63% FY 2015: 11.56% Source: Annual Fiscal and Compliance Audits Conclusion: Complied.</td>
</tr>
<tr>
<td>The current cost of the</td>
<td>Public Utilities Code,</td>
<td>The City’s contribution to its staff’s</td>
</tr>
</tbody>
</table>
### Table II-1
Operator Compliance Requirements Matrix

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<thead>
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<th>Compliance Efforts</th>
</tr>
</thead>
</table>
| 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. | Section 99271 | retirement is fully funded under the California Public Employees Retirement System (CalPERS).  
**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) | Although the City receives STA funds toward the operation of its transit service, it does not receive or utilize federal grant funds.  
**Conclusion: Not applicable.** |

### Findings and Observations from Operator Compliance Requirements Matrix

1. Of the compliance requirements pertaining to the City, the operator fully complied with five of the seven applicable requirements. The City was in partial compliance with regard to the timely submittal of its Transit Operator Financial Transactions Reports to the State Controller and the accurate reporting of performance data. Four additional compliance requirements did not apply to the City (i.e., CHP terminal inspections, intermediate farebox recovery ratio, urban farebox recovery ratio and use of federal funds).

2. Due to the size of the vehicle operated, the City is exempt from the CHP Transit Operator Compliance Program in which the CHP conducts inspections within the 13 months prior to each TDA claim. However, the vehicle undergoes routine maintenance at the local Ford dealership and inspections are arranged through BCAG.

3. The operating budget exhibited decreases all three years of the audit period. The budget decreased 7 percent in FY 2013; 1.9 percent in FY 2014; and 11.9 percent in FY 2015.

4. Based on audited data, the Gridley Golden Feather Flyer farebox recovery ratio remained above the required 10 percent standard during the audit period. Farebox recovery was 11.59 percent in FY 2013, 11.63 percent in FY 2014, and 11.56 percent in FY 2015. The average farebox during the triennial period was 11.59 percent.
Section III

Prior Triennial Performance Recommendations

The City’s efforts to implement the recommendations made in the prior triennial audit dated August 2010 covering FY 2006–07 through 2008–09 are examined in this section of the report. A performance audit covering FYs 2009-10 through 2011-12 was not conducted. For this purpose, each prior recommendation for the agency is described, followed by a discussion of the City’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

Institute an Employer Pull Notice with the California Department of Motor Vehicles.

Actions taken by the City of Gridley

Background: The prior audit found that the Gridley Golden Feather Flyer vehicle could be operated by a driver who is in possession of a standard Class C driver’s license due to the size of the vehicle. Because of this, the CHP generally does not perform an annual inspection of the Golden Feather Flyer and the driver has not been subject to the Employer Pull Notice (EPN) Program.

It was recommended that, for safety purposes, the City enroll all of its active drivers in the EPN Program with the Department of Motor Vehicles. The EPN Program was established to promote driver safety by providing employers the means to have an ongoing review of the driving records of their employed commercial licensed drivers. Each employer enrolled in the EPN Program is issued an account with an assigned requester code that is added to each identified employee’s driver license record. Providing ongoing safety training for all drivers would help keep the skills of the City’s drivers current.

Action: In response to this recommendation, the City has enrolled in the EPN Program. All City employees participate including the transit driver. In addition, the qualifications for the driver have been upgraded to a commercial Class B driver’s license with a passenger endorsement, City-issued CPR and first aid cards, and an excellent driving record.

Conclusion

This recommendation has been implemented.
Prior Recommendation 2

Consider expanding the Gridley Golden Feather Flyer service to the general public.

Actions taken by the City of Gridley

Background: It was noted in the prior audit that the Gridley Golden Feather Flyer had experienced a decrease in ridership during the three years ending FY 2008–09. By expanding the service to accommodate the general public, the City would be able to realize an increase in passenger trips and boost farebox recovery.

Action: The City expanded ridership on the Golden Feather Flyer service to the general public in FY 2011–12. Since implementation, ridership on the Golden Feather Flyer has increased nearly 37 percent through FY 2015 and farebox recovery has been sustained above the 10 percent minimum standard.

Conclusion

This recommendation has been implemented.

Prior Recommendation 3

Ensure that vehicle mileage and service hours are correctly calculated and accurately reported in internal documents. Additionally, make sure that the information provided to the State Controller’s Reports is accurate and up-to-date.

Actions taken by the City of Gridley

Background: The prior auditor found discrepancies between the driver's log sheets of daily vehicle activities, including mileage and service time, versus those reported on the internal mileage report spreadsheets for each fiscal year. Several performance measures such as vehicle service hours, passenger counts, and full-time equivalent (FTE) employees were incorrectly calculated. It was suggested that correcting the methodology would ensure the accuracy of future reports and consistency with TDA guidelines.

Action: The City continues to maintain and rely on an internal spreadsheet to track the data from the driver’s daily vehicle log. Driver trip sheet data are entered onto an Excel spreadsheet. The driver keeps track of revenue and non-revenue hours, and only revenue mileage on a daily vehicle log. There are no entries for mileage upon departing the yard and mileage upon returning to the yard (deadhead).

There continue to be discrepancies between the data reported internally and the data reported on the Transit Operators Financial Transactions Report submitted to the State Controller. For example, State Controller Reports prepared during the audit period are missing vehicle service
(revenue) miles and full time equivalent (FTE) data. FTE data are derived by compiling the total annual employee pay hours expended on transit and dividing by 2,000.

The daily vehicle log should be modified to include entries for mileage upon departing the yard and mileage upon returning to the yard. This will clarify deadhead from revenue service mileage, similar to how hours are reported. In addition, it is suggested that the finance director perform a final review of the Supplemental Operating Data section of the State Controller Report for accuracy and thoroughness prior to submittal.

Conclusion

This recommendation has been partially implemented and is carried forward in this audit for full implementation.

*Prior Recommendation 4*

Develop and implement an effective marketing plan and public outreach program to increase ridership and raise awareness of the Gridley Golden Feather Flyer service.

*Actions taken by the City of Gridley*

*Background:* The City has relied primarily on word-of-mouth and the visibility of the transit vehicle to market the service. While these are effective mechanisms, they are not sufficient as stand-alone tactics to sustain and grow ridership. One possible solution offered in the prior audit involved expanding the market base beyond seniors and persons with disabilities. Another option would be the development of a brief marketing plan to direct limited marketing resources in order to grow ridership and awareness.

*Action:* In response to this recommendation, the City has taken several steps in marketing the transit service more effectively. With the expansion of the service to the general public in FY 2012, ridership on the Golden Feather Flyer has increased nearly 37 percent. The City also briefly operated a fixed-route service in 2012 with three scheduled departure times and 12 stops around Gridley.

Information about the transit service is found on the City’s website, which is not readily visible. Transit information is difficult to access and can only be located by performing a search at the top right-hand corner of the website. The search result provides a link to a PDF page with only basic information about the service and outdated information about the fixed route, which has since been discontinued. The City has also produced and distributed flyers marketing the service to the general public.

In addition, information about the Golden Feather Flyer is found in the annual *Discover Gridley* magazine published by the *Gridley Herald* newspaper, the Experience Butte County website, and local senior citizen resource directories. The City should make information about the transit
service more readily accessible on its website as well as consider placing inserts or messages in more visible areas such as in monthly utility billings, and flyers at public locations such as the library.

Conclusion

This recommendation has been partially implemented and is carried forward in this audit for full implementation.

Prior Recommendation 5

Work with the Butte County Association of Governments (BCAG) to develop a five-year service plan and measure performance against the standards.

Actions taken by the City of Gridley

Background: This recommendation was prompted by the transit system’s poor farebox recovery attainment during the prior audit period. It was suggested that the City review the Golden Feather Flyer’s operations and look for opportunities to improve efficiencies and effectiveness through a five-year service plan. Such a plan would contain seven elements and be used as a tool to compare performance against performance standards and budgets which would provide improved accountability to policy makers and the public.

Action: BCAG commissioned and adopted the Butte County Transit and Non-Motorized Plan in April 2015. The plan focuses on improving transportation access for people who walk, bike, or take transit in Butte County. It recommends short-term changes and enhancements, as well as long-term improvements needed based on projected growth in Butte County. However, the plan only addresses B-Line transit services (which include routes serving Gridley) and not the Golden Feather Flyer.

Since the prior audit, the City has taken steps to improve system performance such as expanding ridership to accommodate general public ridership. The Gridley Golden Feather Flyer is held to a 10 percent farebox recovery, which it has been able to attain during the audit period. Nevertheless, the City would benefit from a short-range transit service plan that revisits the goals and objectives of the service and identifies greater service linkages to the B-Line to enhance ridership. The transit plan would provide performance standards, budgeting, marketing strategies, and a capital improvement program that support the updated goals and objectives.

Conclusion

This recommendation has been partially implemented and is carried forward in this audit for full implementation.
Prior Recommendation 6

Define management responsibility for the Gridley Golden Feather Flyer.

Actions taken by the City of Gridley

Background: The responsibility for operations and personnel of the Gridley Golden Feather Flyer had been unclear and fragmented due to changes in the City’s management structure during the time frame of the prior audit. Many of the issues noted were due to lack of oversight of operations and performance. It was suggested that a clear management structure with regular oversight of personnel, operations, and performance would enable the City to maintain a viable public transportation system.

Action: The City has improved the lines of communication between the finance director and the driver. It was acknowledged that there had been poor communication between the prior finance director and the driver. The current finance director has been with the City since April 2014 and has been more proactive in the administration of the Gridley Golden Feather Flyer. In addition, the City has instituted a reporting policy that facilitates enhanced communication and oversight.

Conclusion

This recommendation has been implemented.
Section IV

TDA Performance Indicators

This section reviews the City’s performance in providing transit service to the community 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 recovery ratio is not one of the five specific indicators but is a requirement for continued TDA funding. Therefore, farebox calculation is also included. Two additional performance indicators—operating cost per mile and average fare per passenger—are also included. Findings from the analysis are contained in the section following the tables.

Table IV-1 provides the performance indicators for the Gridley Golden Feather Flyer. Charts are also provided to depict the trends in the indicators. It is noted that the operating costs and fare revenues are based on audited data.
### Table IV-1
Gridley Golden Feather Flyer TDA Performance Indicators

<table>
<thead>
<tr>
<th>Performance Data and Indicators</th>
<th>Audit Period</th>
<th>% Change FY 2012-2015</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>FY 2012</td>
<td>FY 2013</td>
</tr>
<tr>
<td>Operating Cost</td>
<td>$114,908</td>
<td>$128,160</td>
</tr>
<tr>
<td>Total Passengers</td>
<td>6,515</td>
<td>7,682</td>
</tr>
<tr>
<td>Vehicle Service Hours</td>
<td>2,130</td>
<td>2,181</td>
</tr>
<tr>
<td>Vehicle Service Miles</td>
<td>11,060</td>
<td>11,766</td>
</tr>
<tr>
<td>Employee FTEs</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Passenger Fares</td>
<td>$13,683</td>
<td>$14,856</td>
</tr>
<tr>
<td>Operating Cost per Passenger</td>
<td>$17.64</td>
<td>$16.68</td>
</tr>
<tr>
<td>Operating Cost per Vehicle Service Hour</td>
<td>$53.95</td>
<td>$58.76</td>
</tr>
<tr>
<td>Operating Cost per Vehicle Service Mile</td>
<td>$10.39</td>
<td>$10.89</td>
</tr>
<tr>
<td>Passengers per Vehicle Service Hour</td>
<td>3.1</td>
<td>3.5</td>
</tr>
<tr>
<td>Passengers per Vehicle Service Mile</td>
<td>0.59</td>
<td>0.65</td>
</tr>
<tr>
<td>Vehicle Service Hours per Employee</td>
<td>2,130.0</td>
<td>2,181.0</td>
</tr>
<tr>
<td>Average Fare per Passenger</td>
<td>$2.10</td>
<td>$1.93</td>
</tr>
<tr>
<td>Fare Recovery Ratio</td>
<td>11.91%</td>
<td>11.59%</td>
</tr>
</tbody>
</table>

Source: Annual Fiscal & Compliance Audits; City of Gridley Senior Taxi service activity summary; State Controller Reports
Graph IV-1
Operating Costs

Graph IV-2
Ridership
Graph IV-3
Operating Cost per Passenger

Graph IV-4
Operating Cost per Vehicle Service Hour
Graph IV-5
Passengers per Vehicle Service Hour

Graph IV-6
Fare Recovery Ratio
Findings from Verification of TDA Performance Indicators

1. **Operating cost per vehicle service hour**, an indicator of cost efficiency, increased 13.7 percent from $53.95 in FY 2012 to $61.31 in FY 2015. This trend is consistent with the increase in transit system operating costs of 20.8 percent during the time period as well as a smaller increase in vehicle service hours of 6.3 percent.

2. **Operating cost per passenger**, an indicator of cost effectiveness, decreased 11.5 percent from $17.64 in FY 2012 to $15.60 in FY 2015. As noted above, system operating costs increased 20.8 percent during the period; however, Golden Feather Flyer ridership increased 36.6 percent from 6,515 passengers in FY 2012 to 8,898 passengers in FY 2015.

3. **Passengers per vehicle service hour**, which measures the effectiveness of the service delivered, increased 28.5 percent between FY 2012 and FY 2015 from 3.1 to 3.9 passengers per hour. The trend in this indicator reflects a significant increase in ridership attributed to general public access with a concurrent increase in vehicle service hours, although at a lower rate than ridership.

4. **Passengers per vehicle service mile**, another indicator of service effectiveness, increased 11.1 percent, from 0.59 in FY 2012 to 0.65 passengers in FY 2015. From the FY 2012 base year to FY 2015, total vehicle service miles increased 23 percent from 11,060 vehicle service miles to 13,602 vehicle service miles.

5. **Vehicle service hours per employee** increased by 6.3 percent between FY 2012 and FY 2015. This increase was associated with the 6.3 percent increase in vehicle service hours, while the number of employees remained the same at 1 FTE. This measure is based on the number of employee FTE using employee pay hours from the State Controller’s Report and dividing by 2,000 hours per employee.

6. **Farebox recovery** exhibited an overall decrease of 2.9 percent between FY 2012 and FY 2015. Farebox recovery remained fairly stable with modest changes reported during the audit period. There was a 2.7 percent decrease in FY 2013 followed by a 0.3 percent increase in FY 2014. The farebox recovery trends are attributed to the 20.8 percent increase in operating costs as compared to the 17.3 percent increase in passenger fare revenues.
Conclusion from the Verification of TDA Performance Indicators

The City of Gridley’s performance indicators reflect the increase in ridership and fare revenue of its transit services during the triennial period due to the expansion of service accessibility to the general public in FY 2012. System operating costs grew between FY 2012 and 2013 at a rate of 11.5 percent. Costs decreased the following year by a modest 2.2 percent before increasing 10.8 percent in FY 2015. Golden Feather Flyer vehicle revenue hours and miles increased modestly during the period, reflecting the increase in ridership demand.
Section V

Review of Operator Functions

This section provides an in-depth review of various functions in the Golden Feather Flyer. The review highlights accomplishments, issues, and/or challenges that were determined during the audit period. The following functions were reviewed with the finance director and transit driver at the City of Gridley:

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

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

Operations

The Gridley Golden Feather Flyer is a general public demand-response service that operates within the city’s sphere of influence, including adjacent unincorporated areas. Service is available Monday through Friday, 10 hours a day, from 8:00 a.m. to 6:00 p.m. Ridership is composed primarily of senior citizens and persons with disabilities. The wheelchair lift is utilized an average of eight times daily. Service was expanded to the general public in FY 2011–12, which has resulted in increased ridership. Gridley experimented with a fixed-route service in April 2012, which proved to be infeasible and was eventually discontinued.

Passengers generally call one hour in advance to schedule a ride. Vehicle dispatch functions are handled by the driver, who receives and schedules trip requests directly by mobile phone. City Hall employees also receive trip requests, which are relayed to the driver. Driver trip sheet data are entered onto an Excel spreadsheet. The driver keeps track of starting and ending hours and miles on a daily vehicle log. The time and mileage of the first pickup and last drop-off are recorded on the log. The driver also records the times for breaks taken in the morning, at lunch time, and in the afternoon. Total service miles and hours are recorded at the top of the vehicle log. However, the daily vehicle log does not provide entries for mileage upon departing the yard and mileage upon returning to the yard.

Tickets are available for purchase at City Hall and from the driver. The tickets are color-coded to differentiate between city trips (orange) and county trips (green). The driver uses a pouch to collect the fares. Although the driver does not issue change, if the passenger does not have
Correct fare, the driver will collect upon the next trip as the driver knows the passengers. Fare-counting procedures involve the driver and a clerk at City Hall, who reconciles the fare count. Each ticket is enumerated and tracked by the City. Subscription trips for special needs children are billed directly to the Far Northern Regional Center, and average between $500 and $700 monthly.

**Personnel**

The City employs one full-time driver who has been with the City since 2003. In addition, one reserve part-time driver works Fridays and is available to cover when the full-time driver is unavailable. The full-time driver is represented by the International Brotherhood of Electrical Works (IBEW), Local 1245 union. The current Memorandum of Understanding between the IBEW, Local 1245 and the City became effective July 1, 2014, and runs through June 30, 2019.

Transit vehicle operators are required to possess a Class B license with a passenger endorsement, City-issued CPR and first aid cards, and an excellent driving record. In addition, candidates must pass a physical examination (pre-employment or renewal), including a substance abuse screening.

The City participates in the Department of Motor Vehicles’ EPN Program. The EPN Program promotes driver safety by providing employers the means to have an ongoing review of the driving records of their employed commercial licensed drivers. In addition, training has been provided through the City’s insurance pool and BCAG. Gridley participated in wheelchair training with BCAG in 2014.

**Maintenance**

The transit vehicle is maintained by a local automotive dealership. Gridley Country Ford, located at 1709 Highway 99 in Gridley, performs service on an as-needed basis. The service department is staffed by a service manager, parts manager, four automotive technicians, and two porters. A multipoint inspection conducted by the dealership in November 2015 found most of the vehicle’s systems and components operating normally. However, the inspection report noted that the passenger door was not closing evenly. The City has indicated that maintenance costs have increased due to the age of the vehicle. The vehicle is scheduled for replacement in 2017.

The driver performs pre-trip and post-trip inspections to ensure that the vehicle and other operating equipment is in safe and proper working condition. The vehicle inspection checklist is found on the bottom half of the daily vehicle log. In addition, the driver is tasked with fueling the vehicle and scheduling preventative maintenance. The vehicle is fueled at Lakeview Petroleum-Pacific Pride located at 505 Virginia Street in Gridley. Lakeview offers a fleet fuel card program and a card-lock fueling system.
Due to the passenger capacity of the vehicle, the City is not subject to the CHP Transit Operator Compliance Program. However, the City does make arrangements for the vehicle to undergo regular inspections through BCAG.

**Planning**

There were no major planning studies undertaken by the City related to the operation of the Golden Feather Flyer. In response to a prior audit recommendation, the City expanded the service to accommodate general public ridership in FY 2012 and briefly operated a fixed-route service in April 2012.

The prior audit also recommended that the City work with BCAG to develop a short-range transit plan that would allow the City to measure performance against the standards developed in the plan. BCAG did commission and adopt the Butte County Transit and Non-Motorized Plan in April 2015. The plan focuses on improving transportation access for people who walk, bike, or take transit in Butte County. It recommends short-term changes and enhancements, as well as long-term improvements needed based on projected growth in Butte County. However, the plan only addresses B-Line transit services (which include routes serving Gridley) and not the Golden Feather Flyer.

As was suggested earlier, the City, working in collaboration with BCAG, would benefit from a short-range transit service plan that would provide performance standards, budgeting, marketing strategies, and a capital improvement program.

**Marketing**

The resources devoted toward marketing the Gridley Golden Feather Flyer have been limited. The City has budgeted between $300 and $500 annually toward advertising and marketing collateral. The transit service has historically relied primarily on word-of-mouth and the visibility of the transit vehicle to market the service. The City produced and distributed flyers that announced the service expansion to the general public.

Information about the transit service is found on the City’s website, which is not easily accessible. Transit information can only be located by performing a search at the top right-hand corner of the website. The search result provides a link to a PDF page (http://www.gridley.ca.us/sites/default/files/files/Documents/finance-department/Feather%20Flyer%20Schedule.pdf) with only basic information about the service and outdated information about the fixed route, which has since been discontinued. Information about the Golden Feather Flyer is also found in the annual Discover Gridley magazine published by the Gridley Herald newspaper, the Experience Butte County website, and local senior citizen resource directories.
General Administration and Management

The City of Gridley was incorporated November 23, 1905, and is designated a general law city with a council-manager form of government. The City Council serves as the principal legislative body and each council member is elected at-large for a four-year term. Regular meetings of the City Council are convened on the first and third Mondays of the month at 6:00 p.m. in the City Council Chambers at Gridley City Hall located at 685 Kentucky Street. The mayor and mayor pro tempore are chosen by the members of the City Council. The positions of city administrator, finance director, public works director, police chief, electric superintendent, and community development director are appointed by the Council.

The city administrator is responsible for administrative and budgetary oversight of city departments. The Gridley Golden Feather Flyer service falls under the direction of the Finance Department and is administered by the finance director. The City Council is kept apprised of the transit system’s budget but not its operational performance. The City’s annual TDA claim is prepared by the finance director. The Transit Operators Financial Transactions Report submitted to the State Controller is also prepared by the finance director.

Pursuant to the TDA, the City receives LTF proceeds and STA funds. TDA revenues are used primarily for operating expenses. Based on data from the annual fiscal and compliance audits for the Senior Taxi Fund, LTF revenues received during the audit period were $136,438 in FY 2013, $156,830 in FY 2014, and $61,242 in FY 2015. STA funds received were $15,070 in FY 2013 and $24,139 in FY 2014.

Grants Management

The City does not generally receive intergovernmental grant funding for transit from state and federal sources. Funding through the State’s Proposition 1B Public Transportation Modernization, Improvement, and Service Enhancement Account (PTMISEA) program could be applied toward the acquisition of a new vehicle planned for 2017. During the audit period, the City did not apply for or receive any PTMISEA funds.
Section VI

Findings

The following summarizes the findings obtained from this triennial audit covering fiscal years 2013 through 2015. A set of recommendations is then provided.

Triennial Audit Findings

1. Of the compliance requirements pertaining to the City, the operator fully complied with five of the seven applicable requirements. The City was in partial compliance with regard to the timely submittal of its Transit Operator Financial Transactions Reports to the State Controller and the accurate reporting of performance data. Four additional compliance requirements did not apply to the City (i.e., CHP terminal inspections, intermediate farebox recovery ratio, urban farebox recovery ratio and use of federal funds).

2. Due to the size of the vehicle operated, the City is exempt from the CHP Transit Operator Compliance Program in which the CHP conducts inspections within the 13 months prior to each TDA claim. However, the vehicle undergoes routine maintenance at the local Ford dealership and inspections are arranged through BCAG.

3. The operating budget exhibited decreases all three years of the audit period. The budget decreased 7 percent in FY 2013; 1.9 percent in FY 2014; and 11.9 percent in FY 2015.

4. Based on audited data, the Gridley Golden Feather Flyer farebox recovery ratio remained above the required 10 percent standard during the audit period. Farebox recovery was 11.59 percent in FY 2013, 11.63 percent in FY 2014, and 11.56 percent in FY 2015. The average farebox during the triennial period was 11.59 percent.

5. Gridley satisfactorily implemented three out of the six prior audit recommendations. The three remaining audit recommendations were partially implemented and have been forwarded for full implementation in this audit.

6. Operating cost per vehicle service hour, an indicator of cost efficiency, increased 13.7 percent from $53.95 in FY 2012 to $61.31 in FY 2015. This trend is consistent with the increase in transit system operating costs of 20.8 percent during the time period as well as a smaller increase in vehicle service hours of 6.3 percent.

7. Operating cost per passenger, an indicator of cost effectiveness, decreased 11.5 percent from $17.64 in FY 2012 to $15.60 in FY 2015. As noted above, system operating costs increased 20.8 percent during the period; however, Golden Feather Flyer ridership increased 36.6 percent from 6,515 passengers in FY 2012 to 8,898 passengers in FY 2015.
8. Passengers per vehicle service hour, which measures the effectiveness of the service delivered, increased 28.5 percent between FY 2012 and FY 2015 from 3.1 to 3.9 passengers per hour. The trend in this indicator reflects a significant increase in ridership attributed to general public access with a concurrent increase in vehicle service hours, although at a lower rate than ridership.

9. Service was expanded to the general public in FY 2011–12, which has resulted in increased ridership. Gridley experimented with a fixed-route service in April 2012, which proved to be infeasible and was eventually discontinued.

10. Passengers generally call one hour in advance to schedule a ride. Vehicle dispatch functions are handled by the driver, who receives and schedules trip requests directly by mobile phone. City Hall employees also receive trip requests, which are relayed to the driver. Driver trip sheet data are entered onto an Excel spreadsheet.

11. The City employs one full-time driver who has been with the City since 2003. In addition, one reserve part-time driver works Fridays and is available to cover when the full-time driver is unavailable. The full-time driver is represented by the IBEW, Local 1245 union.

12. The Gridley Golden Feather Flyer service falls under the direction of the Finance Department and is administered by the finance director who has been with the City since April 2014. The City’s annual TDA claim and State Controller Report are prepared by the finance director.
Recommendations

1. **Ensure that vehicle mileage and service hours are correctly calculated and accurately reported in internal and external reports.**
   (High Priority)

   This recommendation is forwarded from the prior audit for full implementation. The City continues to maintain and rely on an internal spreadsheet to track the data from the driver’s daily vehicle log. Driver trip sheet data are entered onto an Excel spreadsheet. The driver keeps track of revenue and non-revenue hours, and only revenue mileage on a daily vehicle log. There are no entries for mileage upon departing the yard and mileage upon returning to the yard (deadhead).

   There continue to be discrepancies between the data reported internally and the data reported on the Transit Operators Financial Transactions Report submitted to the State Controller. For example, State Controller Reports prepared during the audit period are missing vehicle service (revenue) miles and full time equivalent (FTE) data. FTE data are derived by compiling the total annual employee pay hours expended on transit and dividing by 2,000.

   The daily vehicle log should be modified to include entries for mileage upon departing the yard and mileage upon returning to the yard. This will clarify deadhead from revenue service mileage, similar to how hours are reported. In addition, it is suggested that the finance director perform a final review of the Supplemental Operating Data section of the State Controller Report for accuracy and thoroughness prior to submittal.

2. **Ensure that the proper State Controller Report template is used.**
   (High Priority)

   Although the Golden Feather Flyer became a general public demand-response service, the City has continued to use the Transit Operators Financial Transactions Report - Specialized Service template. Specialized service denotes service being provided exclusively to the elderly and persons with disabilities. On Page 1 of the report, the City checks off that service to the general public is being provided. Therefore, the City should use the proper template for its annual transit data reporting to the State Controller for consistency.

3. **Develop and implement an effective marketing plan and public outreach program to increase ridership and raise awareness of the Gridley Golden Feather Flyer service.**
   (Medium Priority)

   This recommendation is forwarded from the prior audit for full implementation. The resources devoted toward marketing the Gridley Golden Feather Flyer have been limited. The City generally budgets between $300 and $500 annually toward advertising and marketing collateral. The transit service has historically relied on word-of-mouth and the
visibility of the transit vehicle to market the service. The City produced and distributed flyers that announced the service expansion to the general public.

Information about the transit service is found on the City’s website, which is not easily accessible. Transit information can only be located by performing a search at the top right-hand corner of the website. The search result provides a link to a PDF page with only basic information about the service and outdated information about the fixed route, which has since been discontinued. The City should make information about the transit service more readily accessible on its website as well as consider placing inserts or messages in more visible areas such as in monthly utility billings, and flyers at public locations such as the library.

4. **Work with BCAG to develop a short-range transit plan.**
   *(Medium Priority)*

This recommendation is forwarded from the prior audit for full implementation. The prior audit recommended that the City work with BCAG to develop a short-range transit plan that would allow the City to measure performance against the standards developed in the plan. BCAG did commission and adopt the Butte County Transit and Non-Motorized Plan in April 2015. The plan focuses on improving transportation access for people who walk, bike, or take transit in Butte County. It recommends short-term changes and enhancements, as well as long-term improvements needed based on projected growth in Butte County. However, the plan only addresses B-Line transit services (which include the two routes serving Gridley) and not the Golden Feather Flyer.

The City, working in collaboration with BCAG, would benefit from a short-range transit service plan that revisits the goals and objectives of the service and identifies any service linkages to the B-Line to enhance ridership. The transit plan would provide performance standards, budgeting, marketing strategies, and a capital improvement program that support the updated goals and objectives.
PARADISE TRANSIT CENTER PRELIMINARY ENGINEERING REQUEST FOR PROPOSAL

PREPARED BY: Andy Newsum, Deputy Director

ISSUE: Staff received 1 submittal on March 10, 2016, in response to a Request for Qualifications (RFQ) for the above-mentioned services.

DISCUSSION: With the completion and success of the Oroville Transit Center, staff began looking at other locations within the B-Line service area that could benefit from a centralized location of routes serving specific areas. Being the second largest jurisdiction served by the B-Line, the Town of Paradise was determined to be a good candidate for the establishment of a transit center.

B-Line service in the Town of Paradise has a main stop on Almond Avenue between Birch and Almond Streets which is the current referenced “Transit Center”. There are three routes (31, 40 and 41) moving through the Transit Center. Route 40 and 41 are generally passing through the location on the hour going in one direction or the other with service between Chico, Paradise and Magalia. Route 31 is a once in the morning departure to Oroville with a once in the evening return to the Transit Center. Having a central stopping point for pickup and drop off could add efficiencies to the B-Line serving all of the Paradise area routes running through the generally centralized downtown area. In February of this year, a Congestion Mitigation and Air Quality (CMAQ) Grant was executed with the Federal Transit Administration (FTA) for the development of Preliminary Engineering (PE) work products affiliated with identifying a location and designing a transit center.

A Request for Proposals was circulated on February 10, 2017 through two consultant listing services and on the BCAG/B-Line websites. A single proposal was received from Mark Thomas of Sacramento with utilization of local consultants for environmental and architectural services. Typically, cost proposals submitted under separate cover would not be opened until all reviews and consultant interviews have been completed. In this case, since there is only one proposal, the cost has been reviewed and currently stands significantly under budget. It is possible there is enough budget to determine and acquire the right way (if necessary) required to accommodate the ultimate design location. Staff has forwarded a copy of the proposal to the Town of Paradise Public Works Director for review. Following review and discussion with the Public Works
Director, staff would move forward with a consultant agreement process and begin developing the work products.

**STAFF RECOMMENDATION:** Staff requests Board Authorization for the Executive Director to negotiate an agreement with Mark Thomas of Sacramento for the development of Preliminary Engineering work products for the Paradise Transit Center.

**Key Staff:** Jon Clark, Executive Director  
Andy Newsum, Deputy Director  
Mike Rosson, Transit Manager
BOARD OF DIRECTORS MEETING
ITEM #9
BCAG BOARD OF DIRECTORS

March 23, 2017

DRAFT 2017/18 OVERALL WORK PROGRAM & BUDGET

PREPARED BY: Jon Clark, Executive Director

ISSUE: As the designated Regional Transportation Planning Agency (RTPA) and Metropolitan Planning Organization (MPO) for Butte County, BCAG is required to prepare an annual Overall Work Program & Budget to identify State, Federal and local transportation planning responsibilities to be undertaken for the coming fiscal year.

DISCUSSION: The Executive Director has prepared a Draft of the 2017/18 Overall Work Program (OWP) & Budget, this memo outlines the proposed work elements and revenues/expenditures for the coming fiscal year. A full copy of the Draft 2017/18 OWP & Budget is posted on the BCAG website for public review and comments.

The Draft 2017/18 OWP & Budget identifies twenty-three specific work elements that address state and federal planning requirements, regional transportation planning needs, capital projects and construction, and public transit administration, operations and planning. Each work element outlines an objective, tasks to be completed, personnel, and a summary of revenues and expenditures for completing the work element. Below is a list of Work Elements included in the Draft 2017/18 OWP:

REGIONAL TRANSPORTATION PLANNING & PROGRAMMING WORK ELEMENTS

18-999 2017/18 Indirect Costs
18-100 Administration of the 2017/18 Overall Work Program & Budget
18-101 Intergovernmental Coordination & Information Distribution
18-102 Regional Transportation Model
18-103 Regional Geographic Information System (GIS) Coordination
18-104 Regional Transportation-Air Quality Planning
18-105 2017 Federal Transportation Improvement Program (FTIP) Administration
18-107 2016 Regional Transportation Plan (RTP) & Sustainable Communities Strategy (SCS)
18-109 Census Affiliate Data Center Administration
18-110 Intelligent Transportation System – Regional Architecture Maintenance
18-114 Butte Regional Conservation Plan (BRCP)
18-119 Butte Regional PEV Readiness Plan
18-120 Regional Performance Measures for Planning & Programming
REGIONAL CAPITAL PROJECT DEVELOPMENT & MANAGEMENT WORK ELEMENTS

18-208 SR 70 Widening/Ophir Road Project Mitigation & Monitoring
18-212 Singer Creek Mitigation & Monitoring
18-213 Butte Regional Transit Operations Facility Maintenance
18-214 State Route 70 Project Approval & Environmental Documents (PA&ED)
18-215 Paradise Transit Center Project
18-216 State Route 191 Mitigation Implementation

TRANSPORTATION DEVELOPMENT ACT (TDA) ADMINISTRATION & BUTTE REGIONAL TRANSIT ADMINISTRATION & PLANNING WORK ELEMENTS

18-300 Transportation Development Act Administration
18-301 Public Transit Systems Planning & Coordination
18-302 Butte Regional Transit Administration & Operations
18-303 Americans with Disabilities Act (ADA) Certification Program
18-306 ADA Bus Stop Compliance & Transition Plan
18-307 B-Line Mobile App Development

DRAFT BUDGET

The draft budget for implementing the Draft 2016/17 Overall Work Program is projected to be approximately $3,591,424. Draft Revenues and Expenditures are as follows:

EXPENDITURES

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<th>Item</th>
<th>Amount</th>
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<tbody>
<tr>
<td>Salaries &amp; Benefits</td>
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<td>Services &amp; Supplies</td>
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<td>Professional Services Contracts</td>
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TOTAL EXPENDITURES $3,591,424

REVENUES

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<td>Federal Highway Administration Planning (FHWA PL)</td>
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<td>Federal Transit Administration 5303 Funds</td>
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<td>Federal Transit Administration 5304 BRT Mobile App</td>
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<td>Federal Transit Administration 5303 PEV Grant</td>
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<td>TDA Administration</td>
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<td>Planning, Programming &amp; Monitoring Funds (PPM)</td>
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<td>RIP/IIP - STIP Funds</td>
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<td>Butte Regional Transit</td>
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<td>NMTC Funding</td>
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<td>CMAQ – Paradise Transit Center</td>
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<td>US Fish &amp; Wildlife Section 6 Grant</td>
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<td>Federal Demo Funds for SR 70</td>
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<td>California Department of Fish &amp; Wildlife</td>
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TOTAL REVENUES $3,591,424
PROPOSED STAFF FOR 2017/18

BCAG currently has a staff of twelve with (10) full-time and (2) part time employees. During the 2017/18 FY the Executive Director does not propose to add any additional staff.

Review with Federal Highway Administration – Federal Transit Administration – Caltrans

The review and approval process for BCAG’s 2017/18 Overall Work Program & Budget includes not only the BCAG Board of Directors approval, but the review and approval of the California Department of Transportation (Caltrans), the Federal Highway Administration (FHWA) and the Federal Transit Administration (FTA).

BCAG met with our State and Federal planning partners in January 2017 to review the preliminary outline of the 2017/18 OWP & Budget, and to review progress on the current 2016/17 OWP. Overall, BCAG received a positive review of the proposed 2017/18 OWP outline and budget. BCAG staff may have a follow-up meeting with Caltrans, FHWA and FTA to review the final Draft OWP & Budget in April, if it is necessary. A final 2017/18 OWP & Budget will be submitted after the BCAG Board’s approval in May.

SUMMARY

BCAG’s Draft 2017/18 Overall Work Program & Budget concentrates on the completion of required state and federal planning that is necessary to ensure continued funding for the region’s transportation projects and programs. The 2017/18 OWP also includes the continuation of several capital projects for the region and important regional planning studies such as the Butte Regional Conservation Plan (BRCP) and improvements for State Route 70. (See Work Element Description & Benefits Attachment)

BCAG staff will present a final 2017/18 Overall Work Program & Budget to the BCAG Board of Directors at the May 25, 2017 meeting for adoption.

STAFF RECOMMENDATION: None. This item is presented for information, discussion and comments.

Key Staff: Jon Clark, Executive Director
Julie Quinn, Chief Fiscal Officer
Andy Newsum, Deputy Director
<table>
<thead>
<tr>
<th>2017/18 OVERALL WORK PROGRAM</th>
<th>WORK ELEMENT DESCRIPTIONS &amp; BENEFITS</th>
<th>FEDERAL REQUIREMENT</th>
<th>STATE REQUIREMENT</th>
<th>REGIONAL PLANNING NEED</th>
<th>SUPPORTS CITY-COUNTY PROGRAMS</th>
<th>WORK ELEMENT SUMMARY</th>
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<tr>
<td>18-999 2017/18 Indirect Cost Allocation Plan (ICAP)</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td></td>
<td></td>
<td>The ICAP is required for all monthly, quarterly billings for all planning revenues identified in the 2017/18 OWP. An ICAP is prepared annually and is approved by FHWA and Caltrans.</td>
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<tr>
<td>18-100 Administration of 2017/18 Overall Work Program &amp; Budget</td>
<td>✓</td>
<td>✓</td>
<td></td>
<td></td>
<td></td>
<td>Administration of the OWP includes monthly meetings of the Board of Directors; billing and invoicing; attendance at local, state and federal meetings; and other activities that support implementation of the OWP and budget.</td>
</tr>
<tr>
<td>18-101 Intergovernmental Coordination &amp; Information Distribution</td>
<td>✓</td>
<td>✓</td>
<td></td>
<td></td>
<td></td>
<td>Tasks under this work element include meetings of the Transportation Advisory Committee (TAC); meetings of the City/County Planning Directors Working Group; distribution of BCAG’s eNewsletter; and distribution of state and federal funding or planning regulation important to BCAG member agencies.</td>
</tr>
<tr>
<td>18-102 Regional Transportation Model Program</td>
<td>✓</td>
<td>✓</td>
<td></td>
<td></td>
<td></td>
<td>BCAG is required to maintain and update a regional traffic model for analysis of land use impacts on the regional road network and state highways. The model is also used to prepare the air quality conformity determinations that are required in order to receive federal and state funding. The regional model is also used by the cities and county for evaluation of land use or project proposals that require a CEQA analysis.</td>
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<tr>
<td>18-103 Regional Geographic Information System (GIS) Maintenance &amp; Coordination</td>
<td>✓</td>
<td>✓</td>
<td></td>
<td></td>
<td></td>
<td>BCAG established a countywide Geographic Information System (GIS) database program in 1998. The GIS program was established to provide BCAG and the cities and county with a parcel based GIS database for transportation and land use planning. BCAG maintains the GIS database under an agreement with the Assessors office, and CSU Chico.</td>
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<tr>
<td>18-104 Regional Transportation Air Quality Planning</td>
<td>✓</td>
<td>✓</td>
<td></td>
<td></td>
<td></td>
<td>BCAG is required to model &amp; prepare an air quality conformity determination for all federal/state funded transportation projects, in addition to regionally significant local projects. Air quality conformity determinations are required for the MTP and FTIP, in order to receive federal/state transportation funding. BCAG also keeps BCAG member jurisdictions apprised of federal/state air quality regulations that may affect land use and transportation decisions.</td>
</tr>
<tr>
<td>18-105 2017 Federal Transportation Improvement Program (FTIP)</td>
<td>✓</td>
<td>✓</td>
<td></td>
<td></td>
<td></td>
<td>BCAG is required to prepare the FTIP every three years. The FTIP includes a listing of all projects and programs that will receive federal transportation funding. Projects of regional significance are also included in the FTIP. An air quality conformity determination is also required with the FTIP.</td>
</tr>
<tr>
<td>18-107 2016 Regional Transportation Plan (RTP) &amp; Sustainable Communities Strategy (SCS)</td>
<td>✓</td>
<td>✓</td>
<td></td>
<td></td>
<td></td>
<td>The RTP/SCS is BCAG long-range (20 year) transportation plan that identifies future transportation needs for all systems, in addition to funding needs for implementation. The RTP/SCS must be funding constrained to known anticipated funds. The plan must also meet required air quality goals.</td>
</tr>
<tr>
<td>18-109 US Census Data Affiliate Center Administration</td>
<td>✓</td>
<td>✓</td>
<td></td>
<td></td>
<td></td>
<td>BCAG is the US Census Affiliate Data Center for Butte County. BCAG maintains all US Census data and provides regional coordination with the decennial census. BCAG also provides census information/data to the cities/county and the public as requested.</td>
</tr>
<tr>
<td>18-110 Intelligent Transportation System – Regional Architecture Maintenance</td>
<td>✓</td>
<td>✓</td>
<td></td>
<td></td>
<td></td>
<td>BCAG maintains an ITS work element to monitor and identify transportation projects that fulfill federal/state ITS project criteria. ITS projects are also included in the regional ITS Architecture Plan that is required by state and federal planning requirements.</td>
</tr>
<tr>
<td>WORK ELEMENT SUMMARY</td>
<td>SUPPORTS CITY-COUNTY PROGRAMS</td>
<td>REGIONAL PLANNING NEED</td>
<td>STATE REQUIREMENT</td>
<td>FEDERAL REQUIREMENT</td>
<td>WORK ELEMENT DESCRIPTIONS &amp; BENEFITS</td>
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<td>2017/18 OVERALL WORK PROGRAM</td>
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<td>WORK ELEMENT DESCRIPTIONS &amp; BENEFITS</td>
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<tr>
<td>18-114</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Butte Regional Conservation Plan (BRCP)</td>
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<tr>
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<td>BCAG is developing the BRCP on behalf of the cities of Biggs, Chico, Oroville, Gridley and the County of Butte. Caltrans District 3, and four water districts within Butte County are also plan participants. The BRCP will provide a streamlined permitting process for all state and federal species permits, and will include a process to reduce time/costs for the USACE clean water act approvals.</td>
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</tr>
<tr>
<td>18-119</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Butte Regional Plug-In Electric Vehicle (PEV) Readiness Plan</td>
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<td>BCAG will prepare a PEV Readiness Plan for the region to identify locations for future PEV charging stations. The PEV Readiness Plan is being coordinated with the cities and county so that future projects and funding may be obtained within city/county jurisdictions. Supports city/county sustainability elements.</td>
<td></td>
</tr>
<tr>
<td>18-120</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Regional Performance Measures for Planning &amp; Programming</td>
<td></td>
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<td>As part of the 2017/18 OWP, BCAG has included a new ongoing work element to address the federally required Transportation Performance Measures. Transportation Performance Measures (TPM) are a strategic approach that uses system information to make investment and policy decisions to achieve national performance goals.</td>
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<tr>
<td>18-208</td>
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<td></td>
<td></td>
<td>SR 70 Widening/Ophir Road Project Mitigation &amp; Monitoring</td>
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<tr>
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<td>This work element includes the ongoing five year mitigation and monitoring requirements for the SR 70 Widening project in Oroville that BCAG implemented in partnership with Caltrans District 3.</td>
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<tr>
<td>18-212</td>
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<td></td>
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<td></td>
<td>Singer Creek Preserve Mitigation Management &amp; Monitoring</td>
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<td>This work element includes the ongoing five year mitigation and monitoring requirements for the Singer Creek Mitigation and Conservation area that BCAG maintains on behalf of Caltrans District 3 for advance mitigation activities.</td>
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<tr>
<td>18-213</td>
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<td></td>
<td>Butte Regional Transit Operations Center Maintenance</td>
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<td>This work element includes staff time for the Project Manager who oversees the maintenance of the Butte Regional Transit Operations Center. Work includes management of the Transit Facility's Manager and ongoing preventative maintenance work at the facility throughout the year.</td>
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<tr>
<td>18-214</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>State Route 70 Corridor Project Approval &amp; Environmental Documents (PA&amp;ED)</td>
<td></td>
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<td>BCAG is developing the required PA&amp;ED documents that dentity future project improvements for State Route 70 between the City of Oroville in Butte and the City of Marysville in Yuba County. PA&amp;ED documents are being prepared for two of the six project segments along the corridor, both projects are currently included in the 2014 STIP.</td>
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<tr>
<td>18-215</td>
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<td></td>
<td></td>
<td></td>
<td>Paradise Transit Center Project</td>
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<td>BCAG is the owner and operator for the regions public transit system, the B-Line. B-Line serves each of the incorporated cities and currently has transit centers in the City of Chico and the City of Oroville. The Town of Paradise, which is the second largest urban area in the County, is in need of a transit center to serve as a hub for passengers in and near the Town of paradise. This work element will include the initial planning and development for this future project.</td>
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<tr>
<td>WORK ELEMENT SUMMARY</td>
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<tr>
<td>BCAG will be implementing the required federal and state mitigation for the SR 191 SHOPP project south of Paradise in Butte County. This project will satisfy the mitigation requirements for this $30 million safety project.</td>
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<tr>
<td>BCAG is required to administer the Transportation Development Act (TDA) and State Transit Assistance (STA) funds within Butte County. TDA/STA funds are to fund transit operations first, if transit needs are being met, funds may then be used for other eligible uses such as streets and roads or bike and pedestrian improvements. TDA/STA funds are allocated to the Cities/County based on population, and are managed through the required TDA/STA claims process. An annual audit of TDA/STA funds is also prepared by BCAG in accordance with the State Controller.</td>
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<tr>
<td>BCAG as the owner and operator for B-Line includes a work element in the annual OWP to include for planning activities for improving public transit service within the region. During the 2017/18 FY, BCAG will continue to look at making improvements to the fixed route service using recommendations from the Transit &amp; Non-Motorized Study that was prepared during the 2013/14-2014/15 FY.</td>
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<tr>
<td>BCAG administers and operates Butte Regional Transit the B-Line throughout Butte County and the incorporated areas. B-Line operates a regional fixed route service and a paratransit/ADA service. Implementation of the B-Line is done in cooperation with the County and incorporated cities.</td>
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<tr>
<td>Federal Transit Administration and ADA regulations require the B-Line provide complementary ADA service to eligible riders since fixed route service is provided to the general public. As part of the ADA service offered by B-Line, a certification process to determine ADA eligibility is proved by B-Line to determine ADA service eligibility, or whether a rider may use the service as a paratransit rider. This work element includes the implementation of the ADA certification services implemented by BCAG staff.</td>
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<tr>
<td>As operator of the public transit system for Butte County, BCAG is required to address ADA compliance over the five hundred bus and flag pole stops and transit center locations located along the fixed route bus service operated by B-Line. During the 2013/14-2014/15 FY, an ADA Bus Stop Compliance Plan was prepared that included an inventory of each stop, and the ADA compliance or non compliance issue. In the 2015/16 FY, as funding permits, BCAG will implement ADA improvements through the ADA Transition Plan.</td>
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<td>During the 2017/18 FY, BCAG will continue development of a mobile app for B-Line transit users that will better enable them to access all of the B-Line transit information such as routing, trip planning, and B-Line Tracker for users with Smart Phones.</td>
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BOARD OF DIRECTORS MEETING
ITEM #10
BCAG BOARD OF DIRECTORS

BUTTE REGIONAL TRANSIT (B-LINE) DRAFT 2017/18 BUDGET OUTLINE

PREPARED BY: Michael Rosson, Transit Manager

ISSUE: BCAG is responsible for the preparation of the Annual Service Plan and Budget for Butte Regional Transit (B-Line) which will be scheduled for adoption at the May BCAG Board of Directors meeting.

DISCUSSION: Attached for the Board of Directors review and comments is a copy of the Draft 2017/18 Butte Regional Transit Budget Outline.

Staff met with the Transit Administrative Oversight Committee (TAOC) on March 10, 2017 to review the Draft Budget for the coming fiscal year. The Committee provided staff with several comments to which staff responded during the meeting. Over the next month, staff will continue to work with the TAOC to finalize the proposed FY2017/18 Budget. The final FY2017/18 Annual Service Plan and Budget will be presented to the BCAG Board of Directors for adoption at the May 2017 meeting.

In summary, the 2017/18 Proposed Draft Budget identifies a total operating budget of $10,168,477, including contingency, for both Fixed Route service and Paratransit service in the urban and rural areas of Butte County. The 2017/18 budget is $159,725 higher than prior year in total dollars, an increase of 1.60%. The increase to the transit services contract hourly rate for the year is approximately 2.1%.

The following items are major changes in expenditures from the 2016/17 Budget:

- Decrease of $12,000 in Printing and Public Relations to bring budget in line with actual costs.
- Increase of $25,000 for Software License/Maintenance for addition of APC and Remix licenses and increase in price on all licenses.
- Decrease of $45,000 for Vehicle Maintenance due to purchase of new busses.
- Increase in Purchased Transportation of $150,120, consistent with 2.1% Transdev contract increase.
- Increase of $10,000 for Fuel expense for increased service hours in urban paratransit. Staff continues to see on-going benefits of on-site fueling.
- Increase of $8,000 for the BRT Facility Operations and Maintenance. Overall the initial estimates of facility maintenance were on target. Adjustments were made based on actual expense outcomes.
Funding for the Transit service is provided from three major categories: farebox ticket sales, Federal Transit Administration (FTA) grants and state Transportation Development Act (TDA) funds.

Farebox revenue must meet the required ratio by service category, which ranges from 10-20%. Fare revenue overall covers 16.2% of the proposed budget. The proposed budget includes a decrease in farebox revenue due declining ridership. As discussed in the quarterly reports, lower gas prices tend to drive ridership numbers down. This decrease is putting pressure on meeting TDA required farebox ratios. The Committee requested staff to initiate the process of reviewing fare increases. As this is within the scheduled three-year fare increase timeline, staff is making plans to begin this review during the summer of 2017.

Annual FTA grants are awarded to transit recipients during the operating year, thus budgeted federal funding is based on prior year amounts adjusted for any known changes. Federal funding covers 33.7% of the proposed budget, a slight increase over prior year funding. Increased grants include additional FTA 5310 Expanded funds used for rural paratransit and FTA 5307 funds used for the urban fixed and paratransit routes.

TDA funding makes up the remainder of the transit funding at 50.1%. These funds come from the combined State Transit Assistance (STA) funding and Local Transportation Funding (LTF) which comes from a ¼ cent of state sales tax revenue. These revenues are distributed to the jurisdictions based on population and are paid in to transit services based on the current funding formula.

**STAFF RECOMMENDATION:** This item is presented for review and comments.

Staff will continue to work with the TAOC over the next month to finalize the 2017/18 B-Line Service Plan & Budget, and will present a final budget to the BCAG Board of Directors at the May 25th meeting.

**Key Staff:**  
Mike Rosson, Transit Manager  
Julie Quinn, Chief Fiscal Officer  
Jim Peplow, Senior Transit Planner  
Jon Clark, Executive Director
### Fiscal Year 2017/18 Budget

#### Draft Operating Budget

<table>
<thead>
<tr>
<th></th>
<th>FY 2015/16 Actual Annual</th>
<th>FY 2016/17 Approved Budget</th>
<th>FY 2016/17 2Q Cost</th>
<th>Change</th>
<th>% Change</th>
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<tbody>
<tr>
<td><strong>Operating Expenses</strong></td>
<td></td>
<td></td>
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<tr>
<td>Administration</td>
<td>$74,600</td>
<td>$14,208</td>
<td>$58,000</td>
<td>$8,742</td>
<td>$50,000</td>
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<tr>
<td>Training and travel</td>
<td>4,000</td>
<td>501</td>
<td>4,000</td>
<td>1,272</td>
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<td>Public Outreach</td>
<td>69,000</td>
<td>38,434</td>
<td>54,000</td>
<td>24,566</td>
<td>50,000</td>
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<td>Software License/Maintenance</td>
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<td>69,958</td>
<td>62,000</td>
<td>95,740</td>
<td>107,000</td>
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<td>Paratransit ADA Certification</td>
<td>25,000</td>
<td>35,170</td>
<td>35,000</td>
<td>24,241</td>
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<td>Support Services</td>
<td>337,000</td>
<td>310,854</td>
<td>367,000</td>
<td>220,032</td>
<td>367,000</td>
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<td><strong>Total Administration</strong></td>
<td>$565,800</td>
<td>$469,085</td>
<td>$600,000</td>
<td>$374,593</td>
<td>$613,000</td>
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<td><strong>Operations and Maintenance</strong></td>
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<tr>
<td>Communication</td>
<td>$-</td>
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<td>$9,636</td>
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<td>Fleet Insurance</td>
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<td>367,272</td>
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<td>179,460</td>
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<td>Maintenance - Vehicle</td>
<td>225,000</td>
<td>203,111</td>
<td>225,000</td>
<td>113,561</td>
<td>180,000</td>
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<td>Maintenance - Equipment</td>
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<td>15,955</td>
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<td>14,721</td>
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<td>Purchased Transportation-Fixed Route</td>
<td>4,051,410</td>
<td>4,019,782</td>
<td>4,129,810</td>
<td>2,057,708</td>
<td>4,195,381</td>
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<td>Purchased Transportation-Paratransit</td>
<td>2,913,553</td>
<td>2,924,835</td>
<td>2,991,994</td>
<td>1,483,168</td>
<td>3,076,343</td>
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<td>Fuel</td>
<td>1,290,500</td>
<td>938,043</td>
<td>1,050,000</td>
<td>556,920</td>
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<td>Transit Center Maintenance- Chico/Groville</td>
<td>83,000</td>
<td>84,331</td>
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<td>42,841</td>
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<td>Transit Center Lease</td>
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<td>18,000</td>
<td>8,010</td>
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<td>BRT Facility Operations/Maintenance</td>
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<td>123,757</td>
<td>412,000</td>
<td>177,912</td>
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<td><strong>Total Ops and Maintenance</strong></td>
<td>$9,061,514</td>
<td>$8,683,086</td>
<td>$9,309,655</td>
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<td><strong>Sub-total Operating Expenses</strong></td>
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<td>$5,008,894</td>
<td>$10,007,800</td>
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<td><strong>Appropriation for Contingencies</strong></td>
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<td>$100,677</td>
<td>$1,580</td>
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<td><strong>Total Operating Requirements</strong></td>
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<td>$5,008,894</td>
<td>$10,108,477</td>
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<td><strong>Operating Revenues</strong></td>
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<tr>
<td>Fixed Route Passenger Fares</td>
<td>$1,407,967</td>
<td>$1,380,438</td>
<td>$1,339,060</td>
<td>$614,405</td>
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<td>Paratransit Fares</td>
<td>353,744</td>
<td>358,513</td>
<td>375,774</td>
<td>179,304</td>
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<td><strong>Total Operating Revenue</strong></td>
<td>$1,761,711</td>
<td>$1,738,951</td>
<td>$1,715,734</td>
<td>$793,709</td>
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<td><strong>Non-operating Revenue</strong></td>
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<td>County</td>
<td>$1,517,864</td>
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<td>$1,441,941</td>
<td>$720,971</td>
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<td>Biogas</td>
<td>7,906</td>
<td>5,169</td>
<td>7,770</td>
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<td>Chico</td>
<td>2,187,398</td>
<td>1,730,431</td>
<td>2,080,250</td>
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<td>Gridley</td>
<td>24,132</td>
<td>15,594</td>
<td>21,681</td>
<td>10,841</td>
<td>22,701</td>
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<td>Groville</td>
<td>566,501</td>
<td>464,598</td>
<td>550,438</td>
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<td>Paradise</td>
<td>878,392</td>
<td>772,874</td>
<td>875,753</td>
<td>437,877</td>
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<td><strong>Total Local Support</strong></td>
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<td>$4,190,304</td>
<td>$4,857,873</td>
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<td>FTA Grants-Operating</td>
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<td>Interest and Other</td>
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<td>$146,678</td>
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<td>$21,713</td>
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<td><strong>Total Revenues</strong></td>
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<td>$10,008,750</td>
<td>$3,287,646</td>
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# DRAFT CAPITAL OUTLAY BUDGET

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<tr>
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<th>FY 2015/16 APPROVED BUDGET</th>
<th>FY 2015/16 ACTUAL ANNUAL</th>
<th>FY 2016/17 ESTIMATED BUDGET</th>
<th>FY 2016/17 ACTUAL 2Q COST</th>
<th>2017/18 PROPOSED BUDGET</th>
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<tr>
<td><strong>CAPITAL OUTLAY</strong></td>
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<tr>
<td>Construction in Progress - BRT Ops Facility</td>
<td>$ - $</td>
<td>765,770</td>
<td>$ - $</td>
<td>68,107</td>
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<td>Equipment/ Structures</td>
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<td>62,967</td>
<td>$ - $</td>
<td>3,847,000</td>
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<td>Fixed Route Vehicles</td>
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<td>3,847,000</td>
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<tr>
<td>ParaTransit Vehicles</td>
<td>$ - $</td>
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<td>$ - $</td>
<td>$ - $</td>
<td>$ - $</td>
</tr>
<tr>
<td><strong>TOTAL CAPITAL OUTLAY</strong></td>
<td>$ - $</td>
<td>1,346,927</td>
<td>$ 2,423,000</td>
<td>$ 151,074</td>
<td>$ 3,847,000</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>CAPITAL OUTLAY FUNDING SOURCES</strong></th>
<th>FY 2015/16 APPROVED BUDGET</th>
<th>FY 2015/16 ACTUAL ANNUAL</th>
<th>FY 2016/17 ESTIMATED BUDGET</th>
<th>FY 2016/17 ACTUAL 2Q COST</th>
<th>2017/18 PROPOSED BUDGET</th>
</tr>
</thead>
<tbody>
<tr>
<td>RESERVED LTF</td>
<td>$ - $</td>
<td>$ - $</td>
<td>2,423,000</td>
<td>$ - $</td>
<td>2,052,000</td>
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<tr>
<td>LTF CAPITAL RESERVES</td>
<td>14,875</td>
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<td>64,500</td>
<td>811,000</td>
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<tr>
<td>PTM/SESA</td>
<td>64,948</td>
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<td>-</td>
<td>500,000</td>
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<tr>
<td>FTA GRANT 5307 CAPITAL</td>
<td>448,452</td>
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<td>484,000</td>
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<tr>
<td>CALOES GRANT</td>
<td>798,652</td>
<td>$ - $</td>
<td>85,574</td>
<td>$ - $</td>
<td>$ - $</td>
</tr>
<tr>
<td><strong>TOTAL CAPITAL OUTLAY FUNDING</strong></td>
<td>$ - $</td>
<td>1,346,927</td>
<td>$ 2,423,000</td>
<td>$ 151,074</td>
<td>$ 3,847,000</td>
</tr>
</tbody>
</table>
BUTTE COUNTY ASSOCIATION OF GOVERNMENTS

BOARD OF DIRECTORS MEETING
ITEM #11
UPDATE ON TRANSIT SERVICE TO THE CHICO AIRPORT (ROUTE 52)

PREPARED BY: Jim Peplow, Senior Planner

ISSUE: BCAG received a Caltrans Grant under the Low Carbon Transit Operation Program (LCTOP) in the amount of at least $230,926. This program will fund the new B-Line Commuter Express Service from Oroville to the Chico Airport Industrial Park.

DISCUSSION: For the past several years, transit service to the Chico Airport has been a regular request during the annual Unmet Transit Needs process. However, statistical analysis has not shown it would meet the required farebox recovery ratio and as such transit operating funds could not be used to implement that service. Recently, staff was successful in obtaining the LCTOP grant to fully cover the operating cost of this service. The LCTOP grants will cover the costs of the Chico Airport Route Pilot service for up to three years. It will be evaluated regularly and if successful could be incorporated into the regular Butte Regional Transit service schedule.

The Chico Airport Express – Route 52, is a service that begins and ends in Oroville, with multiple round trips between downtown Chico and the Chico Airport, Monday through Friday. While developing the route and schedule, staff meet with the larger airport employers to determine the optimal times to schedule trips.

Route 52 began service on February 27, 2017. At this point, it is too soon to predict the future success of this route. However, with the support of the business community and the city the route has seen a slow, but steady, increase in ridership.

Attached is the tri-fold brochure showing the Route 52 maps, timetable, and bus stop locations.

REQUESTED ACTION: This item is presented for information only.

Key staff: Jim Peplow, Senior Planner
Mike Rosson, Transit Manager
**Route 52 - Chico Airport Express Bus Stops**

**Northbound: From Oroville Transit Center to Chico**

<table>
<thead>
<tr>
<th>Oroville</th>
<th>Chico</th>
</tr>
</thead>
<tbody>
<tr>
<td>Grand Ave</td>
<td>Fir Street</td>
</tr>
<tr>
<td>Mitchell Ave</td>
<td>chg=1</td>
</tr>
<tr>
<td>5:35</td>
<td>5:45</td>
</tr>
</tbody>
</table>

**Southbound: From Airport to Downtown Chico**

<table>
<thead>
<tr>
<th>Chico</th>
<th>Oroville</th>
</tr>
</thead>
<tbody>
<tr>
<td>Grand Ave</td>
<td>Mitchell Ave</td>
</tr>
<tr>
<td>5:00</td>
<td>5:05</td>
</tr>
</tbody>
</table>

**Route 52 Schedule & Map**

**Route 52 - Chico Airport Express:**
Service between Oroville & Chico, with service to the Chico Airport Industrial Park

**Route 52 Schedule & Map**

**B-Line Tracker for Bus Arrival Time**

To find out the arrival time of your bus, use the B-Line Tracker. Simply text message the Bus Stop ID# to 27299, and you will receive a reply with the arrival time (in minutes) of the next bus. (If the reply is scheduled time, rather than minutes, it means the real-time isn't available.)

**Effective**
February 2017

**www.blinetransit.com**
Route 52, the Chico Airport Industrial Park Express service has a limited number of bus stop locations, but they are strategically placed to maximize efficiency and connectivity. The bus will serve all stops shown on this route map. The stops are indicated by this symbol, ●. All routes begin or end at either the Transit Centers (TC) or the Chico Airport stop at Ryan and Cohasset. Since this is an Airport Express Service, there are a concentration of ten stop in the Airport Industrial Park.
BUTTE COUNTY ASSOCIATION OF GOVERNMENTS

BOARD OF DIRECTORS MEETING
ITEM #12
March 23, 2017

CALTRANS UPDATE ON CURRENT PROJECTS & INFORMATION

PRESENTER:  Adam Hansen, Caltrans District 3