



FY 2013-2015 Triennial Performance Audit of Butte Regional Transit

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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 The remaining recommendation regarding separation of BCAG and B-Line Board of Directors meetings is no longer applicable.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 headsigs 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

Performance Audit Recommendation	Background	Timeline
#1 Include BCAG and Butte Regional Transit administrative staff in reporting employee full-time equivalents in the State Controller's Report.	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.	High Priority
#2 Maintain documentation of annual fiscal audit submission to the state.	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.	High Priority

Performance Audit Recommendation	Background	Timeline
<p>#3 Establish updated performance standards to manage contractor performance.</p>	<p>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.</p> <p>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.</p>	<p>Medium Priority</p>
<p>#4 Use AVL/GPS data to redesign Oroville routes to improve performance.</p>	<p>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.</p>	<p>Medium Priority</p>

Performance Audit Recommendation	Background	Timeline
<p>#5 Work with BCAG to evaluate alternative farebox recovery standards.</p>	<p>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.</p> <p>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.</p> <p>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.</p>	<p>Medium Priority</p>

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**

Route	Frequency/Operation	Key Time points
Local Chico Routes		
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.	<ul style="list-style-type: none"> ● 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.	<ul style="list-style-type: none"> ● 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.	<ul style="list-style-type: none"> ● Chico Transit Center (2nd & Salem) ● Chico Junior High School ● First & Longfellow ● Pleasant Valley HS ● North Valley Plaza

Route	Frequency/Operation	Key Time points
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.	<ul style="list-style-type: none"> ● 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.	<ul style="list-style-type: none"> ● 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.	<ul style="list-style-type: none"> ● Chico State ● Chico Transit Center (2nd & Salem) ● W. Sac & Nord ● Nord & University Village Apt ● Warner & W. Sac

Route	Frequency/Operation	Key Time points
Route 9 (Warner/Oak) / Route 9C (Cedar Loop)	<p>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.</p>	<ul style="list-style-type: none"> ● Chico State ● Chico Transit Center (2nd & Salem) ● 7th Street & Hickory ● 4th Ave & Cedar
Route 14 * (Park/Forest/MLK)	<p>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.</p>	<ul style="list-style-type: none"> ● Chico Transit Center (2nd & Salem) ● 20th Street & E. Park ● Forest Xfer (Walmart) ● E. Park & MLK
Route 15 * (Esplanade/Lassen)	<p>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.</p>	<ul style="list-style-type: none"> ● Chico Transit Center (2nd & Salem) ● Esplanade & 5th ● Esplanade & East ● Lassen & Cohasset ● Ceres & Lassen

Route	Frequency/Operation	Key Time points
Route 16 * (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.	<ul style="list-style-type: none"> ● Chico Transit Center (2nd & Salem) ● Esplanade & 5th ● Rio Lindo & Parmac ● East & Esplanade ● Esplanade & SR 99
Route 17 * (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.	<ul style="list-style-type: none"> ● Chico Transit Center (2nd & Salem) ● 20th Street & E. Park ● E. Park & MLK ● Forest Xfer (Bank)
Local Oroville Routes		
Route 24 (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.	<ul style="list-style-type: none"> ● 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.	<ul style="list-style-type: none"> ● Oroville Transit Center (Mitchell & Spencer) ● Feather River Cinemas

Route	Frequency/Operation	Key Time points
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.	<ul style="list-style-type: none"> ● 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.	<ul style="list-style-type: none"> ● Oroville Transit Center (Mitchell & Spencer) ● Las Plumas High School ● Meyers & D Street
Intercity Routes		
Route 20 (Chico-Oroville)	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.	<ul style="list-style-type: none"> ● 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)

Route	Frequency/Operation	Key Time points
Route 30 (Oroville-Biggs)	Route 30 operates between Oroville and Biggs with stops in Palermo and Gridley, Monday through Saturday. Weekday service begins in Oroville at 7:45 AM and ends in Oroville at 4:50 PM. Saturday service begins at 8:47 AM and ends at 5:00 PM. Weekday service operates approximately every four hours and every three hours on Saturday. There is a five-minute layover in Biggs and vehicles go out of service in Oroville at the end of each trip. Total round-trip travel time between Oroville and Biggs is approximately 1 hour and 40 minutes.	<ul style="list-style-type: none"> ● Oroville Transit Center (Mitchell & Spencer) ● Lincoln & Palermo (Palermo) ● Heritage Oaks Mall (Gridley) ● 6th & B Street (Biggs)
Route 31 (Paradise-Oroville)	Route 31 provides one morning trip and one evening trip between Paradise and Oroville on weekdays only. The morning trip begins at the Paradise Transit Center at 6:45 AM and arrives at the Oroville Transit Center (Mitchell & Spencer) at 7:33 AM. The evening trip leaves the Oroville Transit Center at 5:05 PM and ends in Paradise at 5:56 PM. The total travel time between Paradise and Oroville is approximately 50 minutes. Vehicles go out of service at the end of each trip.	<ul style="list-style-type: none"> ● Almond & Birch (Paradise) ● Clark & Wagstaff (Paradise) ● Clark & Pearson (Paradise) ● County Public Works (Oroville) ● Oroville Transit Center (Mitchell & Spencer)
Route 32 (Gridley-Chico)	Route 32 provides one morning trip and one evening trip between Gridley and Chico on weekdays only. The morning trip begins in Biggs at 6:40 AM, serves Gridley at 6:51 AM and arrives at the Chico Transit Center at 7:40 AM. The evening trip leaves the Chico Transit Center at 5:20 PM and ends in Biggs at 6:20 PM. The total travel time between Gridley and Chico is approximately 60 minutes. Vehicles go out of service at the end of each trip.	<ul style="list-style-type: none"> ● Biggs City Hall ● Spruce & SR 99 (Gridley) ● Midway & Durham/Dayton Hwy (Durham) ● Chico Transit Center (2nd & Salem)

Route	Frequency/Operation	Key Time points
<p>Route 40 (Paradise-Chico)</p>	<p>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.</p> <p>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.</p>	<ul style="list-style-type: none"> ● Chico Transit Center (2nd & Salem) ● Forest Xfer (Walmart) ● Almond & Birch (Paradise) ● Skyway & Wagstaff (Paradise)

Route	Frequency/Operation	Key Time points
Route 41 (Paradise Pines- Chico)	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.	<ul style="list-style-type: none"> ● 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 I-2
Butte Regional Transit Fare Schedule**

Fare Category	Fixed Route	
	Local	Regional
Regular	\$1.50	\$2.00
Discount	\$0.75	\$1.00
Student (6-18)	\$1.00	\$1.50
Child (under 6)	2 free	2 free
2-Ride Pass		
Regular	\$3.00	\$4.00
Discount	\$1.50	\$2.00
Student (6-18)	\$2.00	\$3.00
Day Pass		
Regular	\$4.00	
10-Ride Pass		
Regular	\$13.50	\$18.00
Discount	\$6.75	\$9.00
Student (6-18)	\$9.00	\$13.00
30-Day Pass		
Regular	\$37.50	\$48.00
Discount	\$19.00	\$25.00
Student (6-18)	\$25.00	\$34.00

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 I-3
Butte Regional Transit Fixed-Route Fleet**

Make/Model	Vehicle Year	Fuel Type	Bus Length	Quantity
Orion/Orion V	2000	CNG	40'	1
Gillig/Phantom	1997	Diesel	40'	3*
Gillig/Phantom	2001	Diesel	35'	2
Gillig	2003	Diesel	35'	6
Freightliner	2006	CNG	30'	4
Orion/Orion VII N.G.	2008	CNG	40'	8
Gillig/BRT	2011	Diesel	40'	2
Gillig/BRT	2011	Diesel	35'	4
Gillig/BRT	2014	Diesel	40'	6
Total				36

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

Make/Model	Vehicle Year	Fuel Type	Bus Length	Quantity
Ford E-450	2002	Gasoline	24'	4*
Ford E-450	2008	Gasoline	25'	7
Ford E-450	2010	Gasoline	25'	6
Ford E-450	2013	Gasoline	25'	14
Total				31

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 II-1 Operator Compliance Requirements Matrix		
Operator Compliance Requirements	Reference	Compliance Efforts
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: <u>Butte Regional Transit:</u> FY 2013: Oct. 16, 2013 (resubmitted Oct. 22, 2013) FY 2014: Oct. 15, 2014 FY 2015: Oct. 19, 2015 <u>Specialized Service (ADA Paratransit):</u> FY 2013: Oct. 16, 2013 (resubmitted Oct. 22, 2013) FY 2014: Oct. 14, 2014 FY 2015: Oct. 19, 2015 Conclusion: Complied.

Table II-1 Operator Compliance Requirements Matrix		
Operator Compliance Requirements	Reference	Compliance Efforts
<p>The operator has submitted annual fiscal and compliance audits to the RTPA and to the State Controller within 180 days following the end of the fiscal year (Dec. 27), or has received the appropriate 90-day extension by the RTPA allowed by law.</p>	<p>Public Utilities Code, Section 99245</p>	<p>Completion/submittal dates: <u>Butte Regional Transit:</u> FY 2013: Feb. 27, 2014 FY 2014: Feb. 26, 2015 FY 2015: Feb. 25, 2016</p> <p>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.</p> <p>Conclusion: Complied with completion dates.</p>
<p>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.</p>	<p>Public Utilities Code, Section 99251 B</p>	<p>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.</p> <p>Inspections were conducted at the Butte Regional Transit Maintenance Facility at 326 Huss Drive in Chico.</p> <p>Inspection dates applicable to the audit period were: March 15, 2012; March 13, 2013; March 13, 2014.</p> <p>All inspections conducted were rated satisfactory.</p> <p>Conclusion: Complied.</p>

Table II-1 Operator Compliance Requirements Matrix		
Operator Compliance Requirements	Reference	Compliance Efforts
<p>The operator’s claim for TDA funds is submitted in compliance with rules and regulations adopted by the RTPA for such claims.</p>	<p>Public Utilities Code, Section 99261</p>	<p>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.</p> <p>Conclusion: Complied.</p>
<p>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.</p>	<p>Public Utilities Code, Section 99270.1</p>	<p>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).</p> <p>Conclusion: Not Applicable.</p>
<p>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).</p>	<p>Public Utilities Code, Section 99266</p>	<p>Percentage increase in the Butte Regional Transit’s operating budget:</p> <p>FY 2013: +4.8% FY 2014: +5.2% FY 2015: +6.8%</p> <p>Source: Butte Regional Transit Annual Transit Service Plan and Budget.</p> <p>Conclusion: Complied.</p>

Table II-1 Operator Compliance Requirements Matrix		
Operator Compliance Requirements	Reference	Compliance Efforts
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.	Public Utilities Code, Section 99247	<p>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.</p> <p>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.</p> <p>Conclusion: Partially Complied.</p>
If the operator serves an urbanized area, it has maintained a ratio of fare revenues to operating costs at least equal to one-fifth (20 percent), unless it is in a county with a population of less than 500,000, in which case it must maintain a ratio of fare revenues to operating costs of at least equal to three-twentieths (15 percent), if so determined by the RTPA.	Public Utilities Code, Sections 99268.2, 99268.3, 99268.12, 99270.1	<p>Urban fixed-route operating ratios using audited data exceeded 20 percent:</p> <p>FY 2013: 22.9% FY 2014: 21.3% FY 2015: 21.9%</p> <p>Source: Fiscal Audit</p> <p>Conclusion: Complied.</p>

Table II-1 Operator Compliance Requirements Matrix		
Operator Compliance Requirements	Reference	Compliance Efforts
<p>If the operator serves a rural area, or provides exclusive services to elderly and disabled persons, it has maintained a ratio of fare revenues to operating costs at least equal to one-tenth (10 percent).</p>	<p>Public Utilities Code, Sections 99268.2, 99268.4, 99268.5</p>	<p>Rural fixed-route and paratransit operating ratios using audited data exceeded 10 percent:</p> <p>Rural fixed route: FY 2013: 25.3% FY 2014: 23.3% FY 2015: 22.6%</p> <p>Urbanized paratransit: FY 2013: 11.1% FY 2014: 10.7% FY 2015: 10.9%</p> <p>Rural paratransit: FY 2013: 11.0% FY 2014: 11.1% FY 2015: 11.1%</p> <p>Source: Fiscal Audit</p> <p>Conclusion: Complied.</p>
<p>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.</p>	<p>Public Utilities Code, Section 99271</p>	<p>The Butte Regional Transit staff's retirement is funded through the California Public Employees Retirement System.</p> <p>Conclusion: Complied.</p>

Table II-1 Operator Compliance Requirements Matrix		
Operator Compliance Requirements	Reference	Compliance Efforts
If the operator receives state transit assistance funds, the operator makes full use of funds available to it under the Urban Mass Transportation Act of 1964 before TDA claims are granted.	California Code of Regulations, Section 6754(a)(3)	As a recipient of State Transit Assistance Funds, 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.

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**

Performance Data and Indicators	Base Year	Audit Period			% Change FY 2012-2015
	FY 2012	FY 2013	FY 2014	FY 2015	
Operating Cost ⁽¹⁾	\$7,968,774	\$8,453,546	\$9,030,439	\$9,304,847	16.8%
Total Passengers	1,442,485	1,509,763	1,518,172	1,508,745	4.6%
Vehicle Service Hours	113,757	119,293	121,166	121,714	7.0%
Vehicle Service Miles	1,451,226	1,550,852	1,555,232	1,520,997	4.8%
Employee FTEs	104	107	108	110	5.8%
Passenger Fares	\$1,558,342	\$1,628,964	\$1,641,035	\$1,692,852	8.6%
Operating Cost per Passenger	\$5.52	\$5.60	\$5.95	\$6.17	11.6%
Operating Cost per Vehicle Service Hour	\$70.05	\$70.86	\$74.53	\$76.45	9.1%
Operating Cost per Vehicle Service Mile	\$5.49	\$5.45	\$5.81	\$6.12	11.4%
Passengers per Vehicle Service Hour	12.7	12.7	12.5	12.4	-2.2%
Passengers per Vehicle Service Mile	0.99	0.97	0.98	0.99	0.0%
Vehicle Service Hours per Employee	1,093.8	1,114.9	1,121.9	1,106.5	1.2%
Average Fare per Passenger	\$1.08	\$1.08	\$1.08	\$1.12	3.9%
Fare Recovery Ratio	19.56%	19.27%	18.17%	18.19%	-7.0%

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

Performance Data and Indicators	Base Year	Audit Period			% Change
	FY 2012	FY 2013	FY 2014	FY 2015	FY 2012-2015
Operating Cost ⁽¹⁾	\$5,214,821	\$5,464,353	\$5,839,053	\$5,998,655	15.0%
Total Passengers	1,306,431	1,361,955	1,364,665	1,352,544	3.5%
Vehicle Service Hours	69,503	70,952	71,017	71,292	2.6%
Vehicle Service Miles	1,087,495	1,134,102	1,137,491	1,103,504	1.5%
Employee FTEs	70	70	69	73	4.3%
Passenger Fares	\$1,246,467	\$1,300,616	\$1,292,794	\$1,329,344	6.6%
Operating Cost per Passenger	\$3.99	\$4.01	\$4.28	\$4.44	11.1%
Operating Cost per Vehicle Service Hour	\$75.03	\$77.01	\$82.22	\$84.14	12.1%
Operating Cost per Vehicle Service Mile	\$4.80	\$4.82	\$5.13	\$5.44	13.4%
Passengers per Vehicle Service Hour	18.8	19.2	19.2	19.0	0.9%
Passengers per Vehicle Service Mile	1.20	1.20	1.20	1.23	2.0%
Vehicle Service Hours per Employee	992.9	1,013.6	1,029.2	976.6	-1.6%
Average Fare per Passenger	\$0.95	\$0.95	\$0.95	\$0.98	3.0%
Fare Recovery Ratio	23.9%	23.8%	22.14%	22.16%	-7.3%

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

Performance Data and Indicators	Base Year	Audit Period			% Change
	FY 2012	FY 2013	FY 2014	FY 2015	FY 2012-2015
Operating Cost ⁽¹⁾	\$2,737,068	\$2,974,530	\$3,189,330	\$3,304,951	20.7%
Total Passengers	136,054	147,808	153,507	156,201	14.8%
Vehicle Service Hours	44,254	48,341	50,149	50,422	13.9%
Vehicle Service Miles	363,731	416,750	417,741	417,493	14.8%
Employee FTEs	34	37	39	37	8.8%
Passenger Fares	\$311,875	\$328,348	\$348,241	\$363,508	16.6%
Operating Cost per Passenger	\$20.12	\$20.12	\$20.78	\$21.16	5.2%
Operating Cost per Vehicle Service Hour	\$61.85	\$61.53	\$63.60	\$65.55	6.0%
Operating Cost per Vehicle Service Mile	\$7.52	\$7.14	\$7.63	\$7.92	5.2%
Passengers per Vehicle Service Hour	3.1	3.1	3.1	3.1	0.0%
Passengers per Vehicle Service Mile	0.37	0.35	0.37	0.37	0.0%
Vehicle Service Hours per Employee	1,301.6	1,306.5	1,285.9	1,362.8	4.7%
Average Fare per Passenger	\$2.29	\$2.22	\$2.27	\$2.33	1.5%
Fare Recovery Ratio	11.39%	11.04%	10.92%	11.00%	-3.5%

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

	Base Year	Audit Period			% Change
Farebox Recovery	FY 2012	FY 2013	FY 2014	FY 2015	FY 2012-2015
Urbanized					
Passenger Fares	\$757,691	\$757,424	\$749,731	\$789,542	4.2%
Operating Costs	\$3,227,788	\$3,313,163	\$3,512,787	\$3,611,645	11.9%
Farebox Recovery	23.5%	22.9%	21.3%	21.9%	-6.9%
Annual Change		-2.6%	-6.6%	2.4%	
Rural					
Passenger Fares	\$488,776	\$543,192	\$543,063	\$539,802	10.4%
Operating Costs	\$1,987,033	\$2,151,190	\$2,326,266	\$2,387,009	20.1%
Farebox Recovery	24.6%	25.3%	23.3%	22.6%	-8.1%
Annual Change		2.7%	-7.5%	-3.1%	

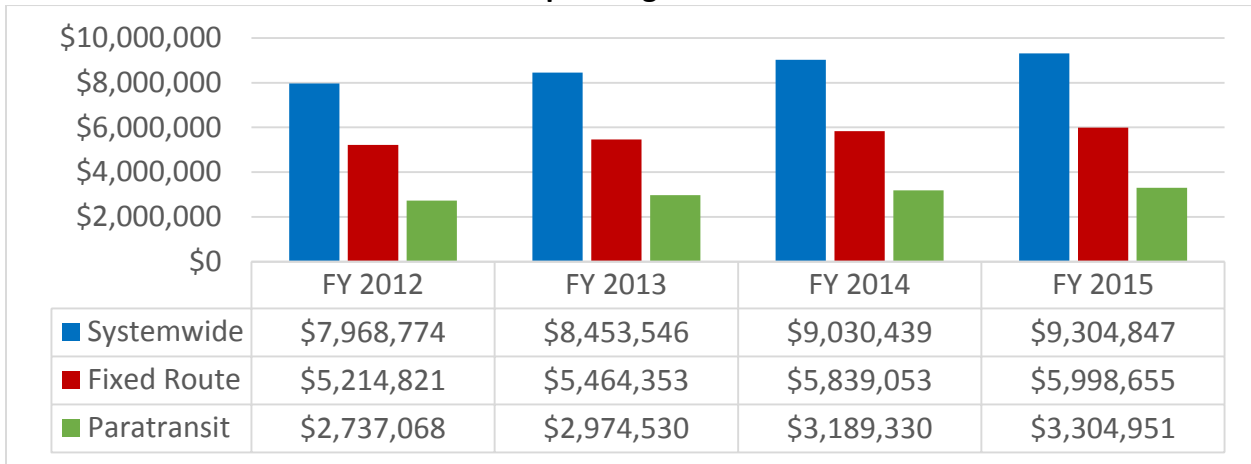
Source: Annual Fiscal & Compliance Audits (Note R - Compliance Requirements of Local Transportation Funds)

Table IV-5
Butte Regional Transit Farebox Recovery, Paratransit

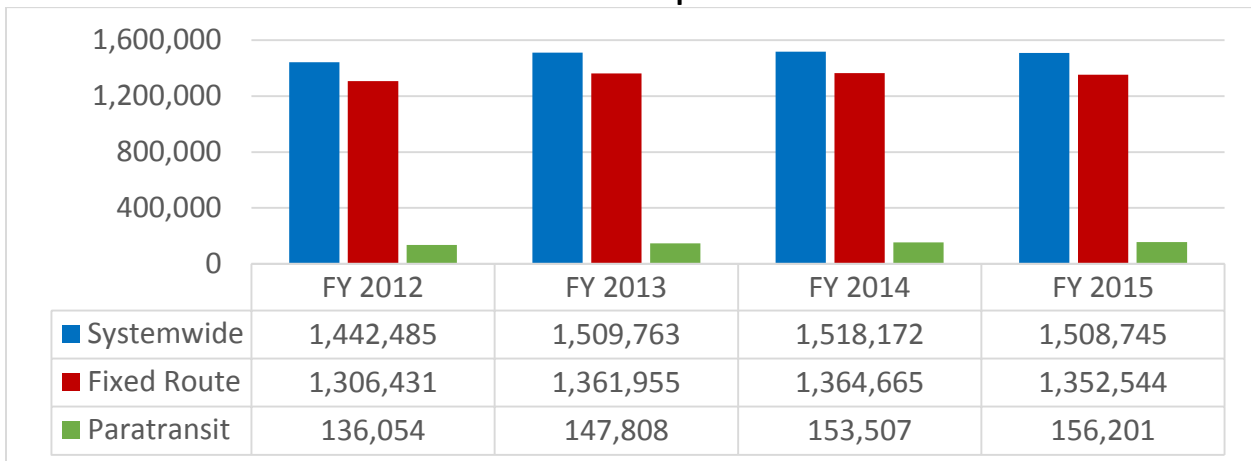
	Base Year	Audit Period			% Change
Farebox Recovery	FY 2012	FY 2013	FY 2014	FY 2015	FY 2012-2015
Urbanized					
Passenger Fares	\$140,633	\$163,982	\$174,760	\$182,889	30.0%
Operating Costs	\$1,327,435	\$1,483,079	\$1,626,467	\$1,674,125	26.1%
Farebox Recovery	10.6%	11.1%	10.7%	10.9%	3.1%
Annual Change		4.4%	-2.8%	1.7%	
Rural					
Passenger Fares	\$171,242	\$164,366	\$173,481	\$180,619	5.5%
Operating Costs	\$1,409,633	\$1,491,451	\$1,562,863	\$1,630,827	15.7%
Farebox Recovery	12.1%	11.0%	11.1%	11.1%	-8.8%
Annual Change		-9.3%	0.7%	-0.0%	

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

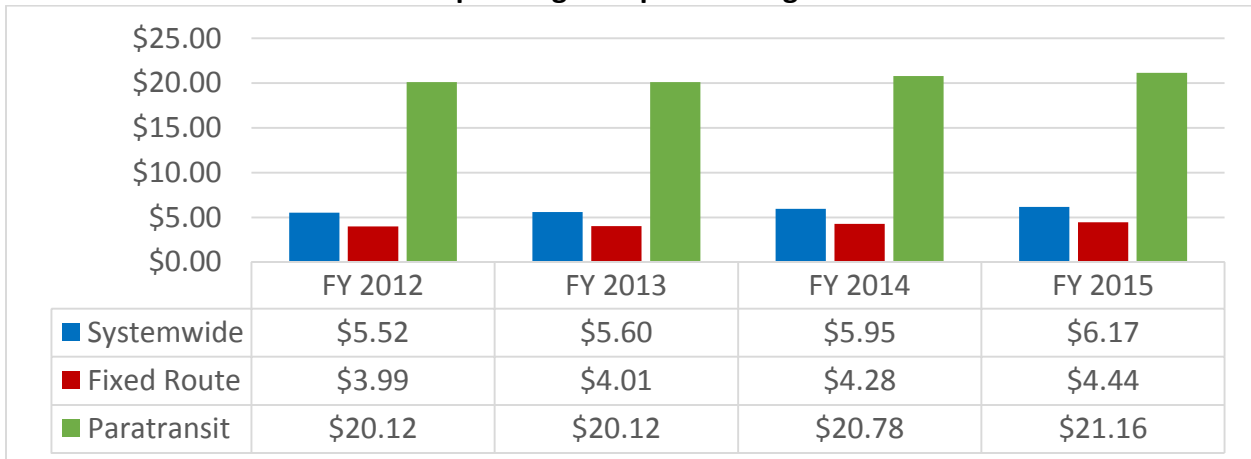
**Graph IV-1
Operating Costs**



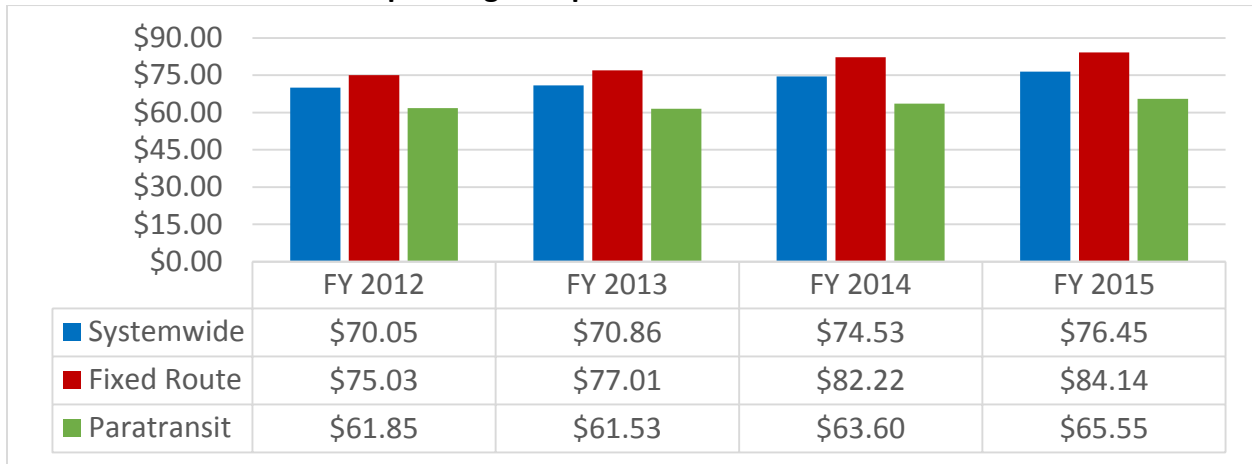
**Graph IV-2
Ridership**



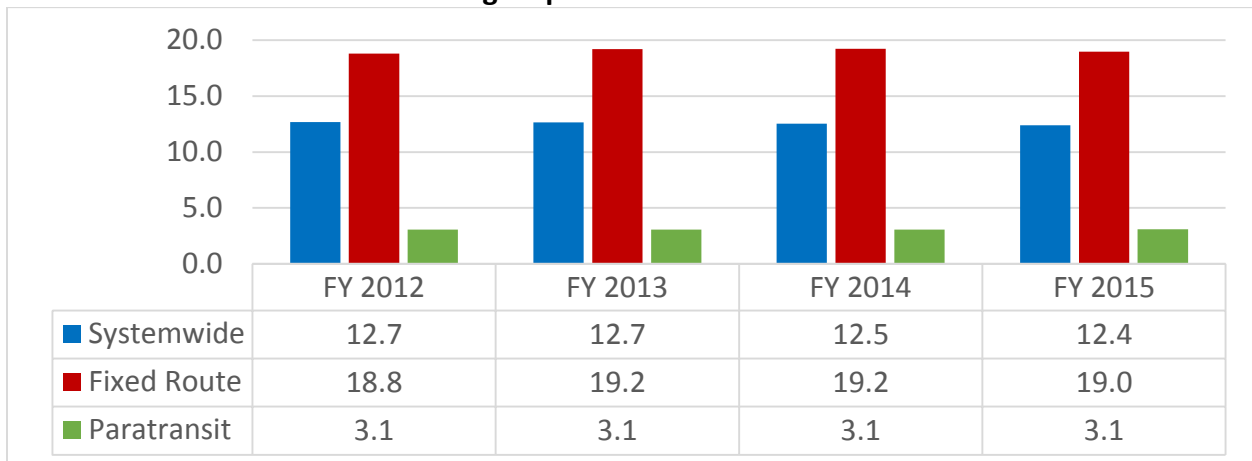
**Graph IV-3
Operating Cost per Passenger**



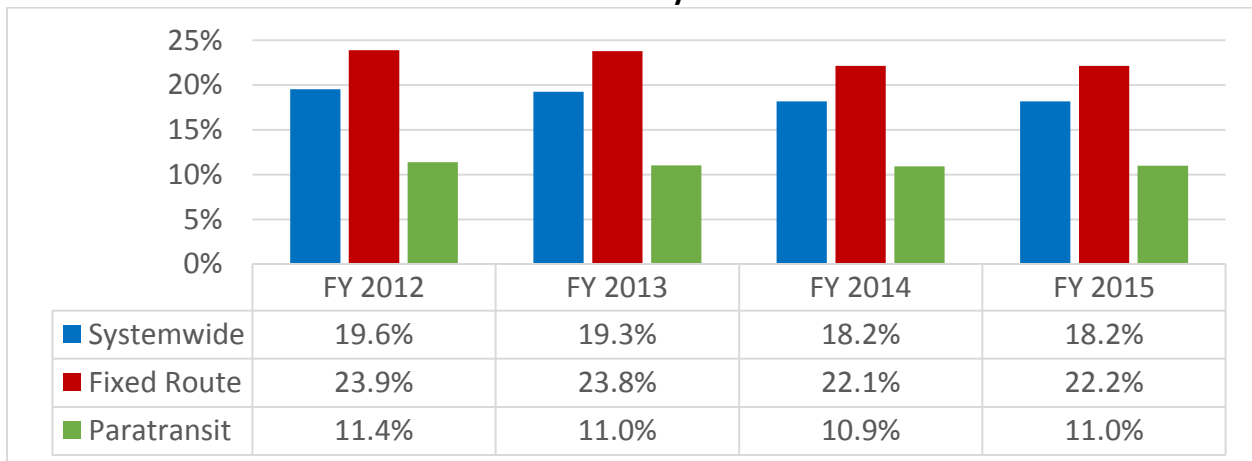
**Graph IV-4
Operating Cost per Vehicle Service Hour**



**Graph IV-5
Passengers per Vehicle Service Hour**



**Graph IV-6
Fare Recovery Ratio**



Findings from Verification of TDA Performance Indicators

1. 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 V-1
Fixed Route Operator Performance**

Fixed Route	Audit Period			Performance Standard
	FY 2013	FY 2014	FY 2015	
Total Vehicle Miles	1,251,214	1,255,080	1,221,290	-
On-Time Performance	96%	97%	96%	Standard 95% Penalty < 90% Incentive > 98%
Missed Runs	0	1	0	Standard 0 Penalty 1/month
Road Calls	76	95	89	-
Miles Between Road Calls	16,463	13,211	13,722	Standard 12-15,000
Preventable Accidents	14	13	17	-

Fixed Route	Audit Period			Performance Standard
	FY 2013	FY 2014	FY 2015	
Non-Preventable Accidents	7	9	22	-
Total Accidents	21	22	39	-
Accidents/70,000 Total Vehicles Miles	1.2	1.2	2.2	Penalty > 1
Accidents/80,000 Total Vehicles Miles	1.3	1.4	2.6	Standard
Accidents/100,000 Total Vehicles Miles	1.7	1.8	3.2	Incentive < 1
Complaints	36	29	61	Standard < 10 Penalty > 10 Incentive < 4

**Table V-2
Paratransit Operator Performance**

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

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 headsigs 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 V-3
Paratransit No-Shows and Same-Day Cancels**

Paratransit	Audit Period		
	FY 2013	FY 2014	FY 2015
Total Denials	0	0	0
Total No Shows	916	595	685
Total Same-Day Cancels	9,029	9,295	3,870
Total Late Cancels	905	1,555	1,308

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/>. 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 managements is primary 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 headsigs 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.