

TRIENNIAL PERFORMANCE AUDIT
OF THE
LASSEN TRANSIT SERVICE AGENCY
FOR THE THREE YEARS ENDED
JUNE 30, 2015

LASSEN TRANSIT SERVICE AGENCY
TRIENNIAL PERFORMANCE AUDIT
Table of Contents
June 30, 2015

Independent Auditors' Report	1
Executive Summary	2
Compliance Audit Findings	2
Functional Audit Findings	3
Recommendations	4
Introduction	5
System Overview	6
Review of TDA Compliance	9
Verification of Performance Indicators	13
Analysis of Performance Indicators	14
Functional Review	26
Summary	33

INDEPENDENT AUDITORS' REPORT

To the Commissioners of the
Lassen County Transportation Commission
Susanville, California

We have conducted the performance audit of Lassen Transit Service Agency for the three years ended June 30, 2015. The results of our audit and related recommendations and comments are contained within this report.

We conducted our audit in accordance with the standards applicable to performance audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and with the guidance contained in the *Performance Audit Guidebook for Transit Operators and Regional Transportation Planning Entities*, published by the California Department of Transportation. The purpose of this performance audit is to evaluate the efficiency, effectiveness, and economy of the operation of Lassen Transit Service Agency.

This report is intended solely for the information and use of the management of Lassen Transit Service Agency and Lassen County Transportation Commission and the Department of Transportation and is not intended to be and should not be used by anyone other than these specified parties.

Sincerely,



SingletonAuman PC
October 27, 2015

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Lassen Transit Service Agency
Triennial Performance Audit
Three Years Ended June 30, 2015

EXECUTIVE SUMMARY

We were engaged to conduct a performance audit of Lassen Transit Service Agency (LTSA, or the Agency). This audit was performed in accordance with Government Auditing Standards and was designed to satisfy the requirements specified in Public Utilities Code section 99246 to evaluate the efficiency, effectiveness and economy of the organization's operations. This performance audit covers a three year fiscal periods beginning July 1, 2012 and ending June 30, 2015.

Our audit consisted of four main areas of focus that included a review of compliance with the Transportation Development Act (TDA), a verification and analysis of performance indicators, a review of functional areas and a review of the status of prior year performance audit recommendations. This summary presents our findings and recommendations.

During the course of our performance audit, we reviewed LTSA's compliance with applicable laws, rules, and regulations as prescribed by the TDA. Our compliance audit findings are noted here and discussed in detail beginning on page 9. Our audit found LTSA satisfied all of the compliance areas specified in the *Performance Audit Guidebook for Transit Operators and Regional Transportation Planning Entities*.

As part of our audit, we performed procedures to affirm that data was collected accurately, completely, and timely to report specifically on the performance indicators required by the TDA. The results of our examination are presented beginning on page 13 and a review of the transit services follows.

We also examined the key functional areas of operations. Our functional audit findings are noted here and are discussed in detail beginning on page 26. We believe LTSA, in light of operating with limited resources in a struggling rural economy, has done an admirable job of providing transportation services. Despite the complexity of providing these services over a large service area, they remained focused on meeting the public's transportation needs. We have made recommendations we believe may assist LTSA in continuing to provide public transit in an efficient and effective manner.

Our recommendations for improvement are noted beginning on page 4.

Compliance Audit Findings

1. Transit performance statistics are collected using the daily Driver time/Fare Sheet. This information is aggregated in spreadsheets by route by day and summarized into a monthly transit statistic report by the Operator. We performed a walkthrough of the systems and processes used to collect this data and summarize the information on a monthly summary of these sheets and traced the collection of data through to the monthly report. There appeared to be no errors that came to our attention as the result of our tests.
2. LTSA maintained a farebox ratio that was well above the minimum requirements for a rural transit service. The Farebox ratio for the three-year audit period averaged 24 percent while the minimum requirement is 10 percent. This was achieved by having an unusually high demand for services, very careful service planning, and timely evaluation of new routes.

Lassen Transit Service Agency
Triennial Performance Audit
Three Years Ended June 30, 2015

3. The CHP inspections found the vehicle maintenance and driver records to be in compliance with state and federal regulations.
4. Transit performance statistics during the audit period indicate the following:
 - a. Total passengers decreased from a high in 2013 of 104,970 passengers to 93,903 in 2015. This is a result of the decrease in fuel prices from 2013 to 2015. When fuel prices increased in 2012-2013, so did ridership, however with the decrease in fuel prices, ridership has decreased as well.
 - b. Operating cost per passenger increased from \$7.91 at the end of fiscal year 2013 to \$9.03 at the end fiscal year 2015. The increase is due to the increase in overall operating costs and the decrease in passengers.
 - c. Operating cost per vehicle service hour generally increased from \$67.63 in 2013 to \$69.81 in 2014 and then decreased to \$66.32 in 2015. This fluctuation was due to the decrease in passengers throughout the audit period and the addition of service hours in 2015.
 - d. Revenue hours per FTE increased from 1,128 in 2013 to 1,233 hours in 2015, as a result higher turnover of drivers in the years reviewed.

Functional Audit Findings

1. During the audit period, the Agency's significant investments included 3 new buses, a backup generator, and new touch screen security and fare collection devices in all buses.
2. LTSA does a good job of managing its financial resources. The reporting system provides management with most of the information it needs to manage operations. During the audit period, LTSA implemented a vehicle replacement plan, however, they currently have a relatively new fleet.
3. LTSA is governed by its own Board now which functions to provide policy direction to management. The Agency operates in cooperation with the Lassen County Transportation Commission. Since the Agency is staffed by members of the County of Lassen Public Works and maintains its offices at County facilities, LTSA benefits from the support of centralized services including payroll processing, accounting, cash management and human resources. These support services would normally be costly for LTSA to provide on its own.
4. LTSA coordinates its efforts with the Lassen County Transportation Commission to explore new services and routes that are requested by potential transit users as part of the unmet transit needs process. During the audit period, the Agency extended services on the East and South County commuter routes to include the Leavitt Lake and added the Eagle Lake route which runs Saturdays from Memorial Day to December 31st or the close of Eagle Lake Rd.

Lassen Transit Service Agency
Triennial Performance Audit
Three Years Ended June 30, 2015

5. LTSA's operating environment is segmented. The Agency has not established a mission statement, specific goals, objectives or standards. The updated Transit Development Plan Study recommended that LTSA identify its goals, objectives and standards and the report provides a framework for this purpose. LTSA will need to promote a more unified operating environment that provides cross training between personnel before it can truly achieve peak efficiency.
6. During this audit period, LTSA had sufficient safe and trained drivers to maintain existing service levels and add additional service hours to the Commuter routes.
7. LTSA has a maintained website where information on routes, schedules, fares and other information can be easily found by those wishing to use public transit. LTSA also has an application that can be downloaded by riders to monitor the location of the bus they are planning to ride.

Recommendations

1. The organization structure of the LTSA appears to be appropriate for a rural transit operation. However, we noted in the performance of this audit, as well as the organization fiscal audits, that the effectiveness of employees is decreased due to the "segmented" operating environment. The Organization should consider implementing a cross-training program so that employees can have a more holistic perspective of the Agency.
2. Personnel of the Agency, who have financial management and reporting responsibility, would benefit from additional training in governmental accounting, use of the accounting software, and transit funding so that they can have a more proactive role the financial management of the LTSA. This would allow for the staff to have a more timely and accurate perspective of the financial performance of the Agency.
3. Consider incorporating an automated reporting system for monitoring the number of road calls, accidents and complaints (i.e. the number of complaints/accidents per miles driven).
4. The Organization is maintaining monthly spreadsheets to monitor performance indicators. However, during the audit period, numerous mistakes were found throughout those spreadsheets, which effected the performance indicators. The Organization should consider implementing data entry procedures that ensure that all data used to measure performance indicators is properly recorded in the spreadsheet.

Lassen Transit Service Agency
Triennial Performance Audit
Three Years Ended June 30, 2015

INTRODUCTION

This is the performance audit report of Lassen Transit Service Agency (LTSA, the Agency) as the transit operator for Lassen County, covering the three years ended June 30, 2015. The California Transportation Development Act (TDA) requires that each transportation planning agency designate an independent entity to conduct a triennial performance audit of the transit operators to whom it provides funding. As provided in Public Utilities Code (PUC) Section 99246, the purpose of the performance audit is to “evaluate the efficiency, effectiveness, and economy of the operation of the entity being audited.”

This performance audit follows the guidance given in the *Performance Audit Guidebook for Transit Operators and Regional Transportation Planning Entities*, published by the California Department of Transportation Division of Mass Transportation in January 1991. This audit was also conducted in accordance with the efficiency, economy and effectiveness standards contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. The methodology consisted of questionnaires and interviews with transit staff, review of pertinent documents, verification of data collection processes, analysis of operating and financial data, and review of internal and external documents.

This report includes the following:

- LTSA’s compliance with the TDA requirements.
- A verification and analysis of performance indicators.
- A review of functional areas.
- Review of the recommendations from the prior performance audit and the status of their implementation.

Lassen Transit Service Agency
Triennial Performance Audit
Three Years Ended June 30, 2015

SYSTEM OVERVIEW

Lassen Transit Service Agency (LTSA) is the transit operator providing public transportation service to the citizens of Lassen County. Operations began in July of 1981 and the organization was known as the Lassen Rural Bus until July of 2001. The County's Board of Supervisors was the Agency's governing board and was advised by staff from the Lassen County Transportation Commission. On July 12, 2001, a Joint Powers Agreement (JPA) was signed between the County of Lassen and the City of Susanville creating the Lassen Transit Service Agency. The JPA created an independent governing board and the Agency now has its own staff which also serves as staff for the Lassen County Transportation Commission.

The Lassen County Public Works Director operates as the Executive Director of LTSA. LTSA has a Transportation Project Manager and a Transportation Planner who oversees the transit budget, prepares the monthly transit statistical reports, and prepares grant applications and annual TDA claims. LTSA also reports to members of the Lassen County Transportation Commission to coordinate service and meet transit needs. Annual budgets, including capital spending, are approved, by the LTSA governing board. Grant applications are approved by the Lassen County Transportation Commission. Scope of services is determined each year by the annual Unmet Transit Needs process conducted in Lassen County.

The transit service operations are contracted out to Paratransit Services which provides drivers, operations management and maintenance. Route scheduling, vehicle purchases, budgeting and overall management is provided by LTSA staff.

LTSA operates four fixed routes, three of which deviate up to ¾ of a mile, three South County commuter routes, one Demand-Response route and Dial-A-Ride (DAR), one Eagle Lake Demand Response Route, and charter services. One fixed route service is provided within the city limits of Susanville. Two fixed routes are provided connections between nearby communities. The West County Deviated Fixed route provides service between Susanville and the communities of Westwood and Clear Creek in Lassen County and Hamilton Branch and Chester communities of Plumas County. The East County Deviated Fixed route provides service between Susanville and the Standish Litchfield, Johnstonville and Herlong. The South County Commuter routes provide service between Susanville and the communities of Janesville, Milford, Herlong, Doyle, Standish, Litchfield and Leavitt Lake. The South County to Susanville route provides services between Susanville and the communities of Doyle, Herlong, and Janesville, The commuter routes have scheduled stops. The Demand Response Route runs to the west side of Eagle Lake every Saturday between Memorial Day and December 31st. The system also includes connections and transfers to Plumas County Transit at Holiday Market in Chester and to Modoc County Sage Stage in Susanville.

Dial-a-Ride (DAR) service is a complementary service to the Susanville City Route, providing door to door transportation to customers over 60 years of age and over and to customers that are disabled. To qualify for this service, applications must be submitted. Dispatch is used to accept reservations for trips. Reservations must be made at least 1 day in advance.

Lassen Transit Service Agency
Triennial Performance Audit
Three Years Ended June 30, 2015

The following is a summary of the routes offered by LTSA and the respective service areas:

Type of Service	Route Name	Service Area	Days & Hours
Fixed Route	City Fixed Route	City Limits of Susanville	M-F 7am to 6pm Sat: 8am to 4pm One hour loops
Deviated Fixed Route	West County (deviates up to ¾ miles)	Susanville Devil's Corral Westwood Clear Creek Hamilton Branch Chester	M-F 3 roundtrips per day starting at 5:21 and ending at 7:39 Sat: 2 roundtrips per day Starting at 8:20 and ending at 6:22
Deviated Fixed Route	East County Demand Response Route (deviates up to ¾ miles)	Susanville Standish Litchfield Johnstonville Herlong Leavitt Lake Milford	M-Th. 6:35 am arriving in Susanville at 7:48 am and leaves Susanville at 3:15 pm arriving back in Herlong at 4:40 pm
Deviated Fixed Route	South County to Susanville	Doyle Herlong Milford Janesville Susanville	M-Th. 2 one way routes each day. Morning Route Leaves Herlong at 6:35am and arrives in Susanville at 8:04am. Afternoon route leaves Susanville at 3:05pm and arrives in Herlong at 4:40pm.
Commuter Route	East/South County Commuter	Susanville Janesville Milford Herlong Doyle Standish Litchfield Leavitt Lake	Fri. and Federal Holiday's 2 round trip per day. Morning trip starting at 6:13 am and arriving back in Susanville at 9:13 am. Afternoon trip starts at 3:00 pm and returns to Susanville at 5:22 pm.

Lassen Transit Service Agency
Triennial Performance Audit
Three Years Ended June 30, 2015

Commuter Route	South County to Susanville	Doyle Herlong Janesville Susanville	M-F 6:30 am to 8:04 am Starts in Doyle, ends in Susanville
Commuter Route	South County Commuter	Susanville Johnstonville Janesville Milford Herlong	M-Th. 2 one way trips each day. Afternoon route leaves Susanville at 3:00 pm and arrives in Herlong at 4:45 pm. Morning trip Leaves Herlong at 2:00am and arrives in Susanville at 3:50 am.
Dial-a-Ride	Dial-a- Ride	City limits of Susanville	M-F: 7am to 6pm Sat: 8am to 4pm
Demand Response Route	Eagle Lake Route	West side of Eagle Lake	Saturdays Only Beginning Memorial Day Weekend and ending December 31 st or upon the closing of Eagle Lake Road. 2 round trip routes each Saturday. Morning Route Leaves Susanville at 10:00am and returns to Susanville at 1:15pm. Afternoon route leaves Susanville at 3:00pm and returns to Susanville at 6:15pm.

L TSA has two categories of fares which are the general and reduced. Reduced fares are available for elderly or disabled passengers. City Route one-way fares are \$1.00 for general and \$0.50 reduced, Daily passes are sold for \$3.00 for general and \$1.50 reduced. Monthly passes are priced at \$40.00 for general and \$20.00 reduced. The Dial-A-Ride fare is \$1.75 for all one-way passenger trips. The Commuter routes have higher fares that range from \$2.00 to \$4.00 for general and \$1.00 to \$2.00 for reduced, depending on route and distance. The Eagle Lake demand Route ranges from \$1.00 to \$3.00 for general and \$.50 to \$1.50 for reduced depending on destination. College students enrolled at Lassen Community College ride for free with a current LCC ID card. Monthly Passes are available and range from \$5.00 to \$93.00 for general and \$2.50 to \$45.00 for reduced, depending route.

L TSA transit fleet is shown below consisting of 13 revenue producing vehicles. All vehicles are equipped with wheelchair lifts which comply with the Americans with Disabilities Act. Fleet funding has been provided by a combination of Federal and state grants and transportation development act revenues.

Lassen Transit Service Agency
Triennial Performance Audit
Three Years Ended June 30, 2015

Bus #	Year	Make	Mileage at June 30, 2015
5	2000	Bluebird	543,505
14	2006	Chevy	276,265
15	2007	GMC	199,623
16	2007	GMC	205,846
17	2009	GMC	180,424
18	2009	GMC	206,336
19	2014	GMC	20,084
20	2014	GMC	21,103
21	2014	GMC	17,731
101	2010	Gillig	79,769
102	2012	Gillig	106,943

REVIEW OF TDA COMPLIANCE

The Public Utilities Code (PUC) and California Code of Regulations include twelve operator compliance requirements. We verified that LTSA is in full compliance with all of the twelve elements. The table below summarizes the audit findings relative to each of the compliance requirements. A discussion of each area of compliance follows:

TDA Requirements per the PUC	PUC Code Reference	Compliance
1. Submit annual report to the State Controller based upon the Uniform System of Accounts and Records established by the State Controller.	99243	Yes
2. Submit annual fiscal and compliance audit to RTPA and the State Controller within 180 days of the end of the fiscal year, or has received the appropriate 90 day extension allowed by law.	99245	Yes
3. CHP certification of compliance with Vehicle Code Section 1801.1 completed within the 13 month period prior to TDA claim submittal.	99251	Yes
4. TDA claim was submitted in compliance with rules and regulation adopted by RTPE.	99261	Yes
5. If operator serves urbanized and non-urbanized areas it has maintained a ratio of fare revenues to operating costs as determined by the RTPA.	99270.1	Yes
6. Operating Budget has not increased by more than 15% over prior year, unless a reasonable justification has been provided.	99266	Yes
7. Operator's definition of performance measures are consistent with PUC Code Reference 99247.	99247	Yes
8. For operators serving an urbanized area, operator has maintained a ratio of fare revenues to operating costs equal to or exceeding 20%. (10% for operators serving rural areas).	99268	Yes
9. Operator's retirement plan is fully funded	99271	Yes
10. Operator makes use of funds available from the FTA before TDA claims are made (applicable only if operator receives STA funds).	6754	Yes

Lassen Transit Service Agency
Triennial Performance Audit
Three Years Ended June 30, 2015

11. The amount received pursuant to the Public Utilities Code, Section 99314.3; by each RTPA for state transit assistance is allocated by the State Controllers Office.	99314.3	Yes
12. The RTPA has caused a fiscal audit to be performed each year and submitted the audit report to the state controller within 12 months of the end of the fiscal year.	6662	Yes

Requirements of the Transportation Development Act

1. The transit operator has submitted annual reports to the RTPA based upon the Uniform System of Accounts and Records as established by the State Controller.

LTSA submitted annual reports to the State Controller for each of the fiscal years in the audit period. The reports were submitted using the Uniform System of Accounts and Records as established by the State Controller. Data for the report was translated from the Agency's accounting system after adjusting for capital assets, long-term liabilities and audit adjustments.

2. The operator has submitted an annual fiscal and compliance audit to its RTPA and to the State Controller within 180 days following the end of the fiscal year or has received the appropriate 90-day extension allowed by law.

Independent fiscal audits were completed and forwarded to the State Controller and Lassen County Transportation Commission as required by statute.

3. The CHP has, within 13 months prior to each TDA claim submitted by the operator, certified the operator's compliance with Vehicle Code Section 1808.1 following a CHP inspection of the operator's terminal.

CHP Safety Compliance and Terminal Record Inspection dates were in accordance with PUC Section 99251. All inspections were satisfactory.

4. The operator's claim for TDA funds is submitted in compliance with rules and regulations adopted by the RTPA for such claims.

TDA claims for all three years were submitted to and approved by Lassen County Transportation Commission. The Commission does not have written rules and procedures and does not require TDA claims to be submitted using a designated form although the format of the claim has been standardized.

5. If the operator serves urbanized and non-urbanized areas, it has maintained a ratio of fare revenues to operating costs as determined by the RTPA. The TDA requires the minimum farebox recovery ratio of 10 percent.

LTSA has met this requirement.

Lassen Transit Service Agency
Triennial Performance Audit
Three Years Ended June 30, 2015

6. 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 changes. The LTSA is exempt from this requirement since they met farebox ratio requirements.
7. The operator's definitions of performance measures are consistent with PUC Code Reference 99247. The LTSA's performance measures are compliant.
8. If the operator served an urbanized area, it has maintained a ratio of fare revenues to operating costs at least equal to 20%, 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 at least equal to 15%, if so determined by the Local Transportation Commission. If the operator serves a rural area, it has maintained a ratio of fare revenues to operating costs at least equal to 10%.

LTSA is operating in a rural area, so the minimum farebox recovery ratio of 10 percent applies and is required by the Local Transportation Commission. In each of the fiscal years under audit, the farebox recovery ratio was greater than the minimum 10 percent.

9. 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 LTC which will fully fund the retirement system within 40 years.

The employees of LTSA are county employees and are covered by the County's retirement system. The County participates in the Public Employees Retirement System (PERS), a defined benefit plan.

10. If the operator receives STA funds, the operator makes full use of funds available to it under the Federal Transit Act (FTA) before TDA claims are granted.

LTSA applies for and receives TDA funds to operate the system. The Commission reviews LTSA's use of federal grants before approving the annual claim for STA funds. In each fiscal year in the audit period, LTSA budgeted federal grant revenues and these amounts were incorporated into its TDA claim.

11. The amount received pursuant to PUC Reference 99314.3 for state transit assistance is to be allocated to the operator in the area of its jurisdiction as allocated by the State Controllers Office.

The amount of STA funds received pursuant to PUC section 99314.3 is allocated to the transit operator in the area as allocated by the State Controller's Office.

12. There is to be a fiscal audit to be performed each year and submit the audit report to the state controller within 12 months of the end of the fiscal year.

Lassen Transit Service Agency
Triennial Performance Audit
Three Years Ended June 30, 2015

In accordance with California Code of Regulations Section 6662, there has been a Fiscal and Compliance Audit of its accounts and records to be performed for each fiscal year by a certified public accountant. The audits were performed in accordance with the Basic Audit Program and Report Guidelines prescribed by the State Controller by the firm of SingletonAuman, PC. The audit include a determination of compliance with the TDA and accompanying rules and regulations. Additionally, there is a maintenance of fiscal and accounting records and supporting papers for at least five years following fiscal year close.

Lassen Transit Service Agency
Triennial Performance Audit
Three Years Ended June 30, 2015

VERIFICATION OF PERFORMANCE INDICATORS

TDA regulations specify that transit operator performance audits verify data collection and reporting procedures for the five statistics described and discussed below. For this verification, we reviewed the methods used by LTSA to measure operating costs, revenue service hours and miles, passengers and employee full-time equivalents.

Vehicle Service Hours (VSH)

Vehicle service hours are defined by the TDA as the total hours that vehicles are in revenue service. This excludes deadhead time, which is described as the travel time to and from storage facilities, and any breaks in service, such as driver's breaks and lunches. Revenue service begins when a vehicle arrives at its first stop and ends at the last stop of its daily route. For Dial-a-Ride services, revenue service hours begin at the time of the first passenger boarding and ends as the last passenger is dropped off.

Deadhead time is calculated from the Driver Manifest. Drivers record the beginning and end time of their shift, their breaks, and the time of their first and last stop. Deadhead time is calculated by the difference between total hours between first and last stop time and total time of breaks.

Vehicle Service Miles (VSM)

Vehicle service miles are defined by the TDA as the total annual miles traveled in revenue service. This excludes miles traveled to and from storage facilities and other deadhead travel. Drivers record the mileage at the start and end of their shift as well as the mileage at the first and last stop of their daily route on the Driver Manifest based on the odometer readings.

Deadhead miles are calculated from the difference between total miles accumulated during the shift and total miles accumulated between the first and last stop of the daily route.

Passenger Boarding's

Passenger counts include all passengers that board, regardless of whether or not they are revenue producing.

The driver records the number of passengers carried for each trip on the Driver Manifest. Drivers indicate the type of fare paid for each passenger and the number of passengers is totaled at the end of the day. Data from the Driver Manifest is accumulated in LTSA's Monthly Statistics reports. This consists of Excel spreadsheets that accumulate statistics by day for each route. The data is obtained directly from the Driver Manifest.

Fare Revenue

We audited the methods of financial accounting of fare revenues for each fiscal year in the audit period and fare revenues are reported in each year's audit report.

All busses have locked fareboxes. Each driver tracks fares on their Driver Manifest and at the end of their shift the drivers place the sheet inside the locked box. Drivers do not have keys to the boxes. At the

Lassen Transit Service Agency
Triennial Performance Audit
Three Years Ended June 30, 2015

end of the shift each day, the locked fareboxes are removed from the vehicles and brought to the transit contractor's office. Paratransit services administrative personnel counts the funds in the farebox. The total funds collected from the locked box is compared and reconciled to the total on the Driver Manifest. Deposits are made by Paratransit into their account. The amount of fares deposited, are shown as a credit on the next invoice from Paratransit and the difference between the contract price and the deposit is paid by LTSA to Paratransit.

Operating Cost

Operating cost for purposes of calculating performance indicators is defined as the annual cost of running a transit operation, exclusive of depreciation, capital expenditures, vehicle lease costs, and the direct costs of providing charter services. We audited the methods of financial accounting of expenses for fiscal years in the audit period and operating cost is reported in each year's audit report.

Operating cost information is provided on the monthly system route statistic report. Expenses are taken from the monthly contractor invoices from Paratransit services and also from the Agency's accounting system. Expenses are grouped and include operating costs, insurance, overhead and other administrative costs. Cost information by route is not available and can only be evaluated on a system-wide basis. Expense totals in the internal spreadsheet did not match the information reported in the State Controller's Report or the audited financial statements. Significant differences are the result of year end adjustments and accruals which are not incorporated in the monthly system route statistic report.

Employee Full-Time Equivalents

For TDA purposes, full-time equivalent (FTE) hours are required to be calculated as all the hours worked by the employees during the fiscal year divided by 2,000. Thus one person working 40 hours per week, 50 weeks per year would qualify as 1.0 FTE. Hours worked must include all hours related to transit, including drivers, mechanics and administrative personnel.

Data to calculate FTE equivalents was available on the Agency's Monthly System Route Statistic Report.

ANALYSIS OF PERFORMANCE INDICATORS

Transit services were evaluated using the following indicators:

- Operating cost per passenger;
- Operating cost per revenue service hour;
- Passengers per revenue service hour;
- Passengers per revenue service mile, and
- Revenue service hours per employee.

In addition to these TDA required indicators, a discussion of trends in fare revenue and the fare revenue ratio is included. Where possible, indicators and performance analysis has been presented on a route by route basis. Cost data was only available on a system-wide basis so indicators of this type are not presented by route.

Lassen Transit Service Agency
Triennial Performance Audit
Three Years Ended June 30, 2015

The following schedules and analysis are provided:

- System-wide performance statistics is presented in Exhibit 1
- City route performance statistics is presented in Exhibit 2
- Commuter route performance statistics is presented in Exhibit 3
- Dial-A-Ride route performance statistics is presented in Exhibit 4

Data Sources Used

Financial data for was obtained from the annual audit reports and internal spreadsheets that show performance for the individual services operated by LTSA.

Lassen Transit Service Agency
Triennial Performance Audit
Three Years Ended June 30, 2015

Exhibit 1: System-Wide

Operating Data	2010	2011	2012	2013	2014	2015
Operating Cost	\$ 741,032	\$ 739,281	\$ 792,081	\$ 830,753	\$ 854,554	\$ 848,081
<i>% Annual Change</i>	-8.8%	-0.2%	7.1%	4.9%	2.9%	-1%
Passengers	74,095	82,303	92,890	104,970	101,234	93,903
<i>% Annual Change</i>	-9%	11%	13%	13.0%	-3.6%	-7.2%
Revenue Miles	219,279	236,337	239,912	259,654	265,521	265,840
<i>% Annual Change</i>	0%	8%	2%	8%	2.3%	0.1%
Revenue Hours	11,237	11,961	12,088	12283	12241	12787
<i>% Annual Change</i>	-1%	6%	1%	1.6%	-0.3%	4.5%
FTE Equivalents	10	10	10	11	11	10
<i>% Annual Change</i>	-35%	0%	0%	5.2%	-0.2%	-4.6%
Farebox Revenue	\$ 168,668	\$ 176,527	\$ 184,003	\$ 205,113	\$ 189,033	\$ 201,041
<i>% Annual Change</i>	-4%	5%	4%	11.5%	-7.8%	6.4%
Cost per Passenger	\$ 10.00	\$ 8.98	\$ 8.65	\$ 7.91	\$ 8.44	\$ 9.03
<i>% Annual Change</i>	19%	-10%	-4%	-8.5%	6.7%	7.0%
Cost per Mile	\$ 3.38	\$ 3.13	\$ 3.31	\$ 3.20	\$ 3.22	\$ 3.19
<i>% Annual Change</i>	-9%	-7%	6%	-3.3%	0.6%	-0.9%
Cost per Hour	\$ 65.95	\$ 61.81	\$ 65.64	\$ 67.63	\$ 69.81	\$ 66.32
<i>% Annual Change</i>	-8%	-6%	6%	3.04%	3.22%	-5.00%
Passengers per Mile	0.34	0.35	0.39	0.40	0.38	0.35
<i>% Annual Change</i>	-8.7%	3%	11.2%	4.4%	-5.7%	-7.4%
Passengers per Hour	6.59	6.88	7.68	8.55	8.27	7.34
<i>% Annual Change</i>	-9%	4%	10%	10.1%	-3.3%	-12.6%
Revenue Hours per FTE	1146	1150	1168	1128	1126	1233
<i>% Annual Change</i>	52%	0%	2%	-3.4%	0%	9.5%
Farebox Recovery	23%	24%	23%	25%	22%	24%
<i>% Annual Change</i>	3%	5%	-3%	6.3%	-10.4%	7.2%
Average Fare per Passenger	\$ 2.28	\$ 2.14	\$ 1.98	\$ 1.95	\$ 1.87	\$ 2.14
<i>% Annual Change</i>	6.4%	-5.8%	-7.6%	-1.4%	-4.4%	14.7%

1. FTE Equivalents were recalculated using the formula, total employee hours divided by 2,000.
2. Operating costs do not include depreciation expense or capital expenditures.

Lassen Transit Service Agency
Triennial Performance Audit
Three Years Ended June 30, 2015

Exhibit 2: City Route

Operating Data	2012	2013	2014	2015
Passengers	41,870	51,222	44,950	44,447
<i>% Annual Change</i>	21.7%	22.3%	-12.2%	-1.1%
Revenue Miles	50,788	50,687	50,552	41,992
<i>% Annual Change</i>	0.6%	-0.2%	-0.3%	-16.9%
Revenue Hours	3,224	3,385	3,421	2,820
<i>% Annual Change</i>	-5.4%	5.0%	1.1%	-17.6%
Farebox Revenue	\$ 12,687	\$ 13,949	\$ 10,949	\$ 10,314
<i>% Annual Change</i>	25.9%	9.9%	-21.5%	-5.8%
Passengers Per Mile	0.82	1.01	0.89	1.06
<i>% Annual Change</i>	21.0%	22.6%	-12.0%	19.0%
Passengers per Hour	12.99	15.13	13.14	15.76
<i>% Annual Change</i>	28.6%	16.5%	-13.2%	20.0%
Average Fare per Passenger	\$ 0.30	\$ 0.27	\$ 0.24	\$ 0.23
<i>% Annual Change</i>	3.5%	-10.1%	-10.6%	-4.7%

Exhibit 3: Commuter Routes

Operating Data	2012	2013	2014	2015
Passengers	37,824	39,498	28,152	34,168
<i>% Annual Change</i>	9.7%	4.4%	-28.7%	21.4%
Revenue Miles	178,292	120,686	173,295	206,481
<i>% Annual Change</i>	3.9%	-32.3%	43.6%	19.2%
Revenue Hours	6,978	5,403	4,764	5,712
<i>% Annual Change</i>	35.7%	-22.6%	-11.8%	19.9%
Farebox Revenue	\$ 98,164	\$ 120,489	\$ 77,787	\$ 59,486
<i>% Annual Change</i>	8.4%	22.7%	-35.4%	-23.5%
Passengers Per Mile	0.21	0.33	0.16	0.17
<i>% Annual Change</i>	5.7%	54.3%	-50.4%	1.9%
Passengers per Hour	5.42	7.31	5.91	5.98
<i>% Annual Change</i>	-19.1%	34.9%	-19.2%	1.2%
Average Fare per Passenger	\$ 2.60	\$ 3.05	\$ 2.76	\$ 1.74
<i>% Annual Change</i>	-1.2%	17.5%	-9.4%	-37.0%

Lassen Transit Service Agency
 Triennial Performance Audit
 Three Years Ended June 30, 2015

Exhibit 4: Dial-A-Ride

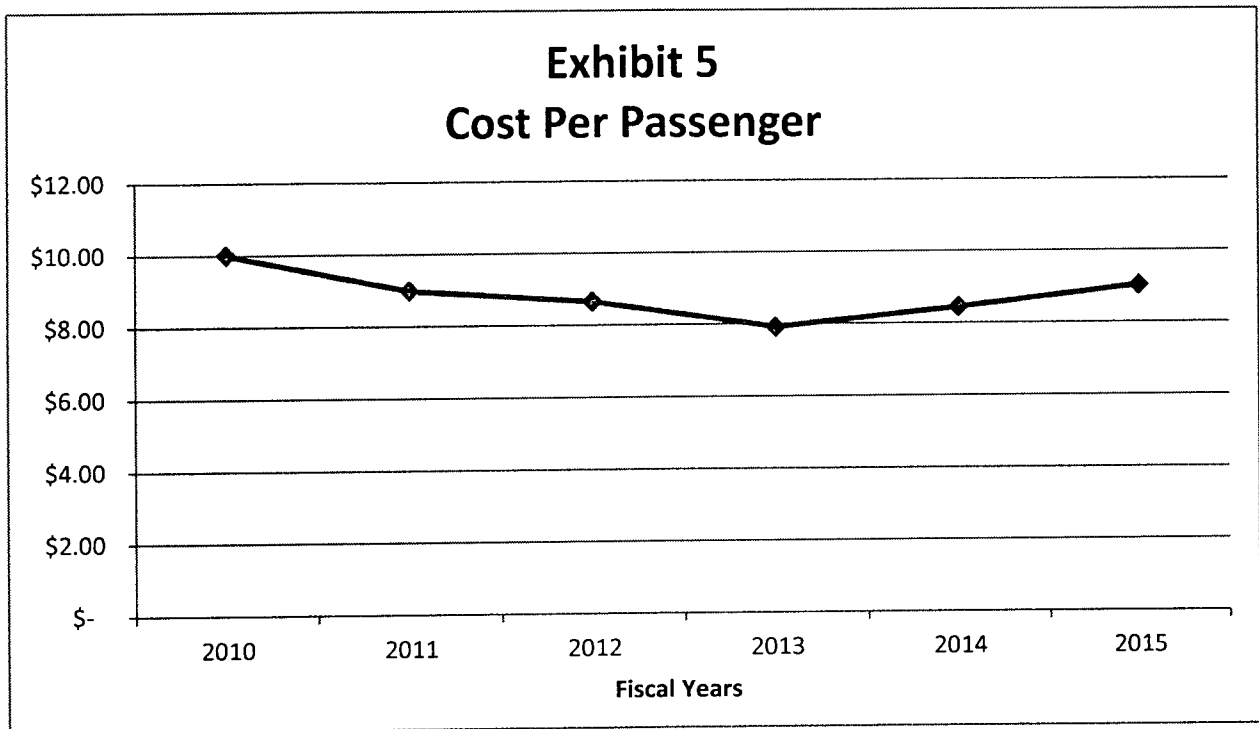
Operating Data	2012	2013	2014	2015
Passengers	14,339	14692	14,172	15,307
<i>% Annual Change</i>	-4.7%	2.5%	-3.5%	8.0%
Revenue Miles	10,263	7233	8,169	10,384
<i>% Annual Change</i>	-27.6%	-29.5%	12.9%	27.1%
Revenue Hours	3,424	3372	2,697	3,710
<i>% Annual Change</i>	0.5%	-1.5%	-20.0%	37.6%
Farebox Revenue	\$ 647	\$ 587	\$ 959	\$ 1,137
<i>% Annual Change</i>	33.3%	-9.3%	63.4%	18.6%
Passengers Per Mile	1.40	2.03	1.73	1.47
<i>% Annual Change</i>	31.6%	45.4%	-14.6%	-15.0%
Passengers per Hour	4.19	4.36	5.25	4.13
<i>% Annual Change</i>	-5.1%	4.0%	20.6%	-21.5%
Average Fare per Passenger	\$ 0.05	\$ 0.04	\$ 0.07	\$ 0.07
<i>% Annual Change</i>	39.9%	-11.5%	69.4%	9.8%

Lassen Transit Service Agency
Triennial Performance Audit
Three Years Ended June 30, 2015

Cost Effectiveness

Cost effectiveness of a transit system measures the rate at which services were consumed in relation to the resources expended. This concept addresses the question, "How many resources were expended per unit of consumption." Consumption, in this case, is measured by the number of passengers using the system. Resources expended are measured by the amount of operating costs incurred.

The trend in operating cost per passenger is presented below in Exhibit 5.



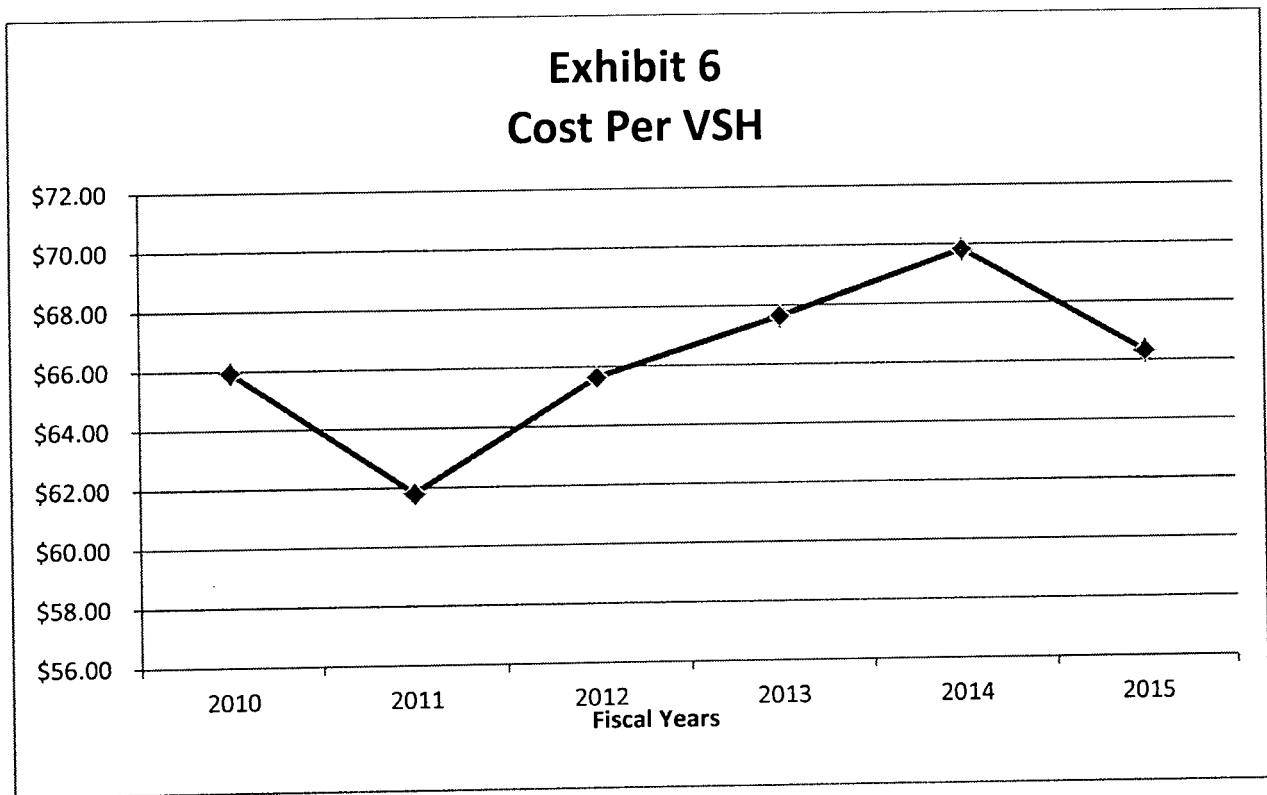
Cost per passenger was about \$10 per passenger in 2010 due to fuel prices and the high cost of the vehicle maintenance. The cost per passenger started to decline from 2011-2013 due to the purchase of newer busses requiring less maintenance and new routes influenced an increase in ridership. In 2014 and 2015 cost per passenger began to increase again, due to higher insurance rates and the annual increase in the contract amount with paratransit.

Lassen Transit Service Agency
Triennial Performance Audit
Three Years Ended June 30, 2015

Cost Efficiency

Cost efficiency of a transit system measures the amount of public transit services produced for the community in relation to the dollars spent. This measure addresses the question, "How much was spent per unit of public transit service produced?" Units of service produced are measured in terms of service outputs such as vehicle service hours and miles.

The trend in operating costs per vehicle service hour is presented below in Exhibit 6.



The Cost per Vehicle Service Hour increased from 2011-2014 due to the annual increase in contract price with paratransit and increases in insurance and other overhead expenses. Most expenses are within the contract with paratransit, which keeps expenses from drastic changes, however the contract cost does increase annually. The Cost per Vehicle Service Hour decreased in 2015 because additional service hours were added to the Dial-A-Ride service, which increased vehicle service hours.

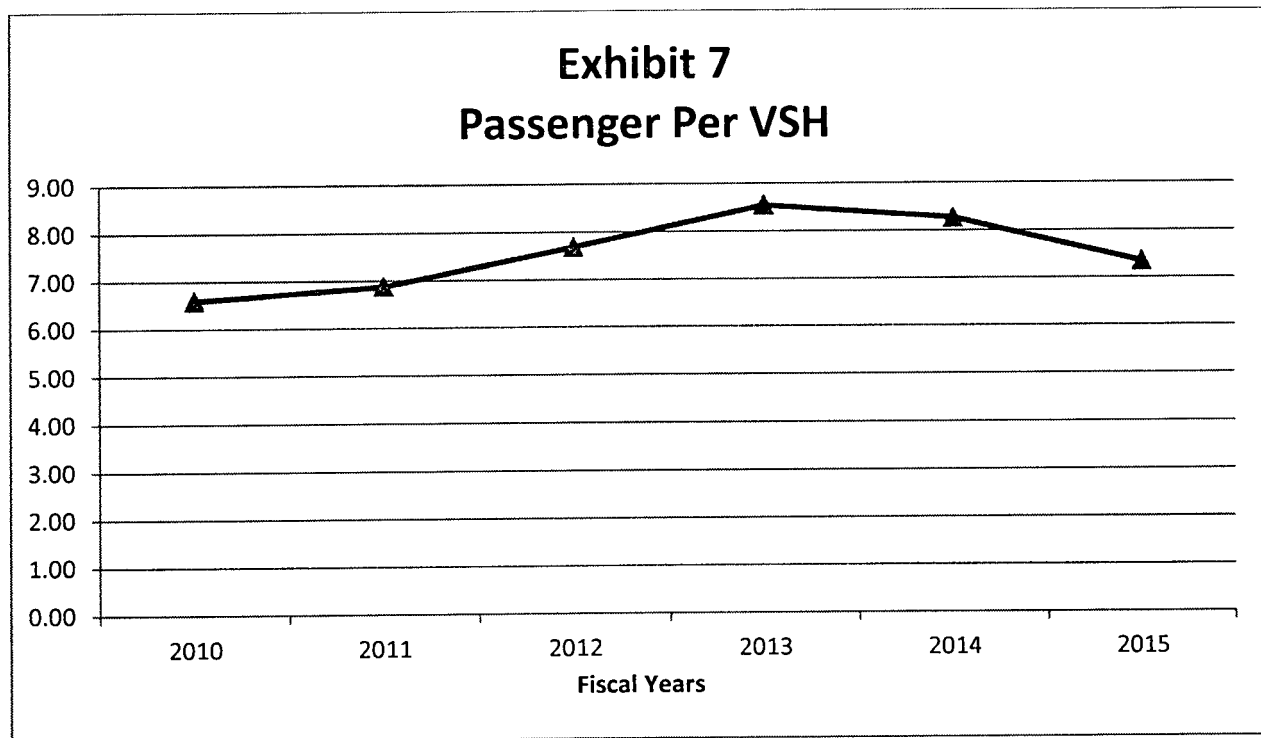
Lassen Transit Service Agency
Triennial Performance Audit
Three Years Ended June 30, 2015

Service Effectiveness

Service effectiveness of the transit system measures the rate at which services are used compared to the amount of services available. This addresses the question, "How much transportation service was consumed?" Consumption is measured by ridership. The amount of service available is measured by vehicle service hours and miles. The result is an indication of the system's productivity.

The trend in the number of passengers per vehicle service hour is shown below in Exhibit 7.

From 2010-2013, the system as a whole was carrying more passengers each year per hour of service as indicated, this was due to an increase in ridership from Far Northern Regional Center (FNRC) and market conditions, fuel prices and the economic downturn. In 2014 and 2015 there was a decrease in passengers per vehicle service hours because service hours increased with the addition of services in the commuter routes.



LTSA provides three types of services which include the fixed route, the commuter routes, and the Dial-A-Ride service. The relative size of each type of service as measured by the total number of passengers per year is shown in Exhibit 8. Combined, the Commuter routes and the City route carry nearly 80 percent of the system's passengers. The four-year trend illustrated in Exhibit 8 indicates the City and Commuter routes had an increase in passengers in the 2013 year. This was due to the increase in fuel prices, which reflected in an increase in ridership throughout the system. As fuel prices decreased, so did passengers. Passengers on City Route remained relatively constant from 2014-2015 and the commuter routes fluctuated. Over the reviewed period the Dial-A-Ride service remained consistent.

Lassen Transit Service Agency
 Triennial Performance Audit
 Three Years Ended June 30, 2015

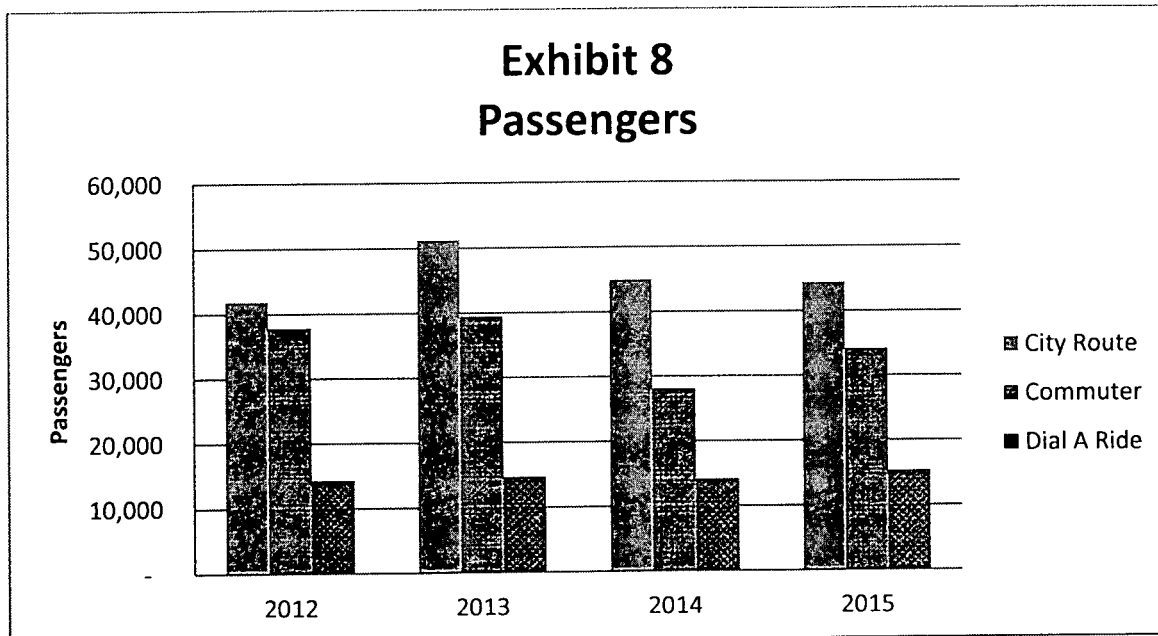
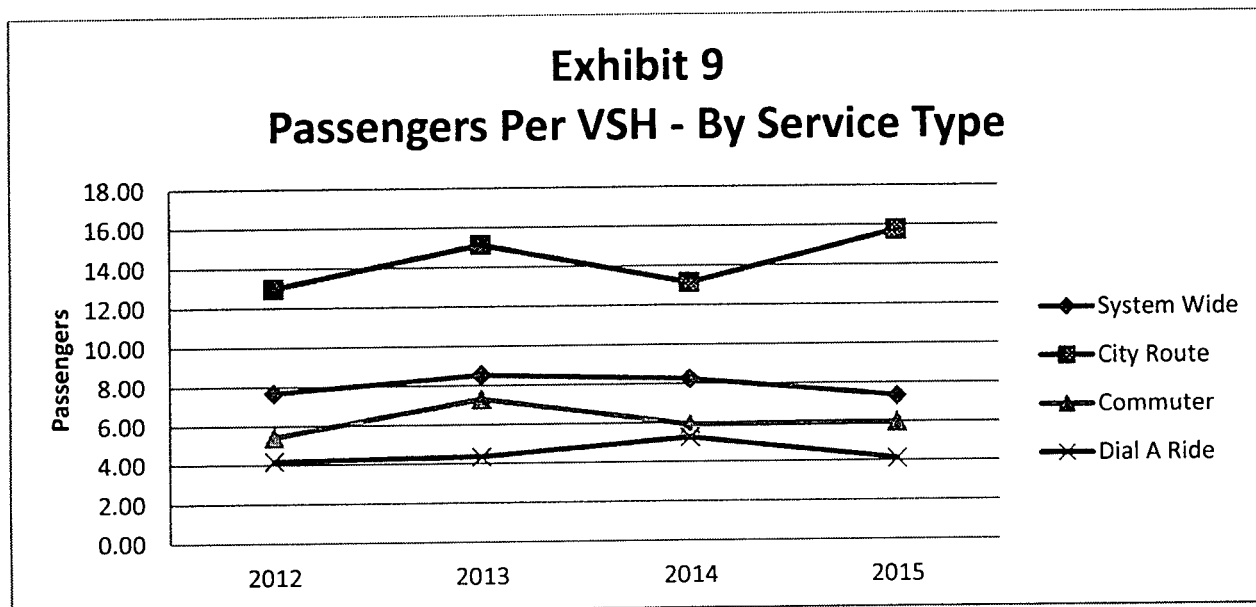
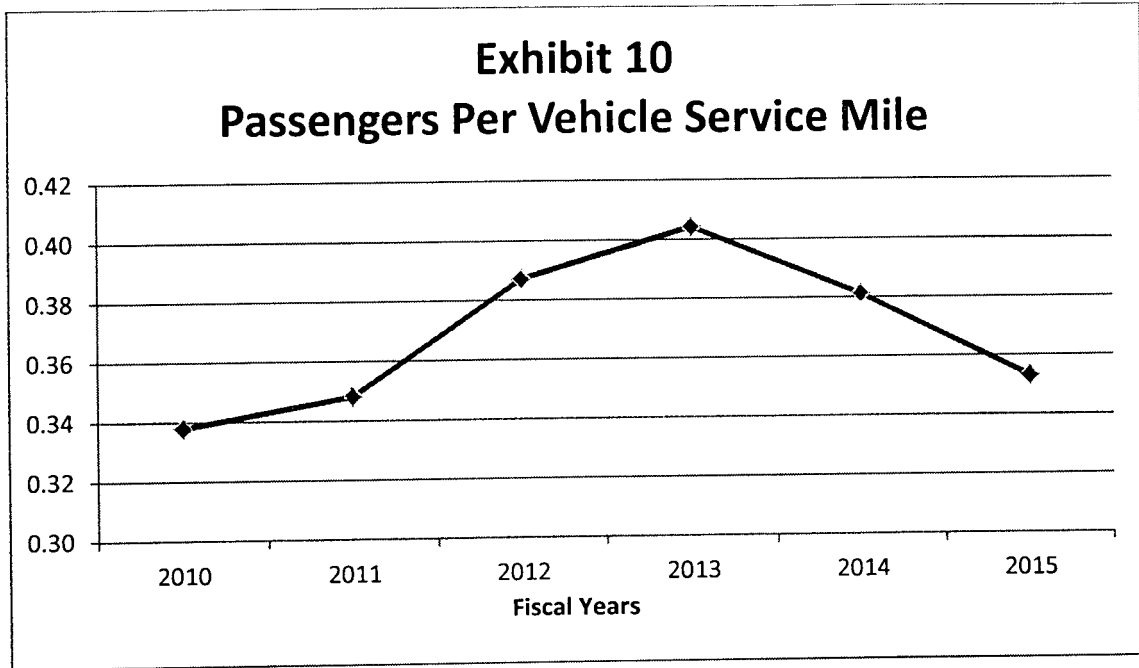


Exhibit 9 shows the number of passengers per vehicle hour by route as compared to the system-wide rate. The routes appear to have remained pretty constant over the 4 year period. The growth throughout in 2013 was related to the increase in fuel prices as mentioned before. The commuter route appears to have stayed constant, however, there was a decrease in riders and an increase in service hours. With the addition of stops on the commuter routes, the combined effect of these changes keeps the passengers per service hours consistent.



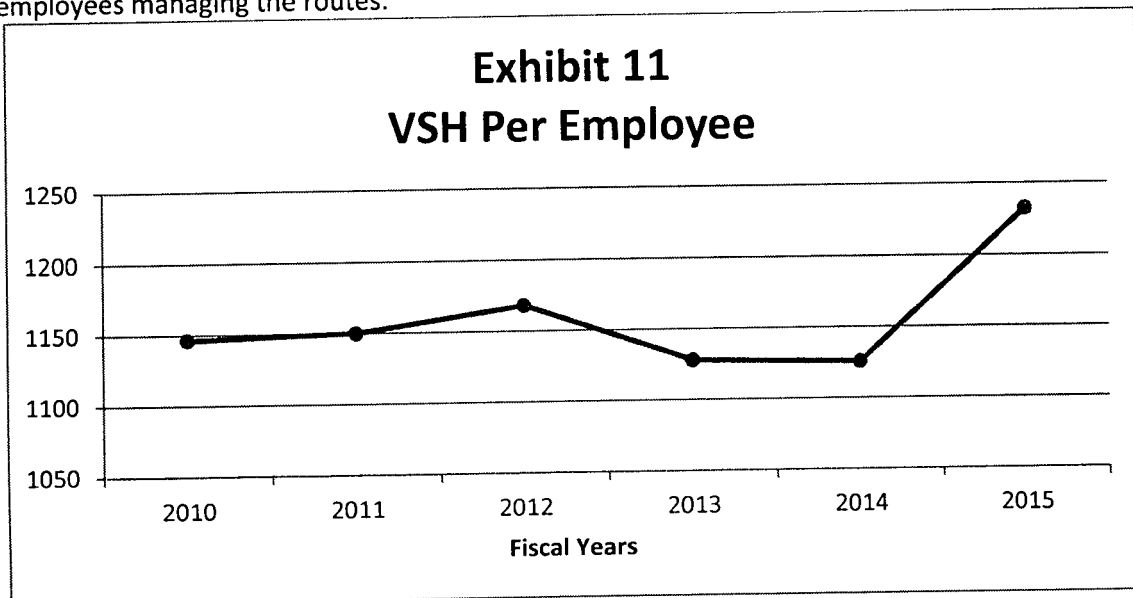
Lassen Transit Service Agency
Triennial Performance Audit
Three Years Ended June 30, 2015

The trend in the number of passengers per vehicle service mile is shown below in Exhibit 10. Passengers carried per vehicle service mile have remained fairly constant at 0.34 to 0.41 per mile. There was an increase from 2012 and 2013 due to the increase in ridership, however, in 2014 and 2015 ridership decreased again continuing to keep the passengers per vehicle service mile within a .07 range.



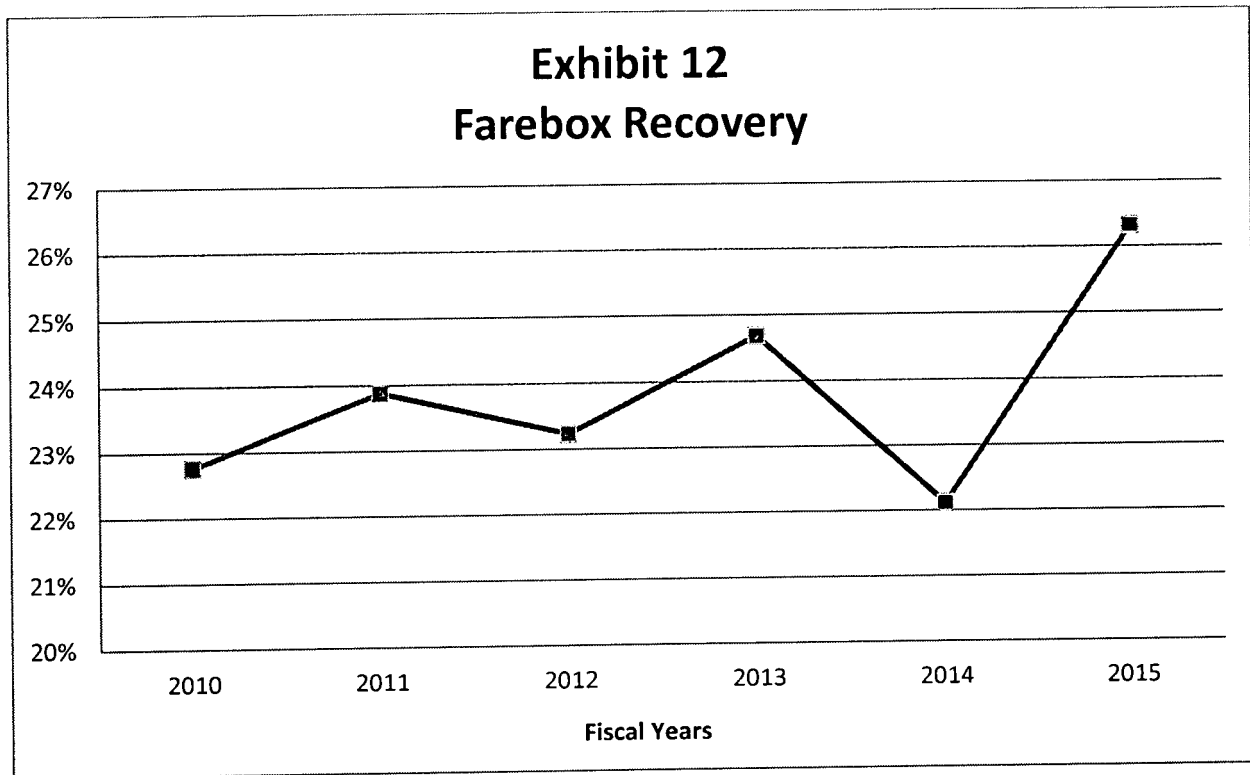
Vehicle Service Hours per FTE

Vehicle service hours per employee measures transit system labor efficiency and is shown in Exhibit 11 for the six-year period on a system-wide basis. The increase in 2015 was due to higher turnover rate and less employees managing the routes.



Lassen Transit Service Agency
Triennial Performance Audit
Three Years Ended June 30, 2015

The trend in system-wide fare box recovery ratios is shown below in Exhibit 12.

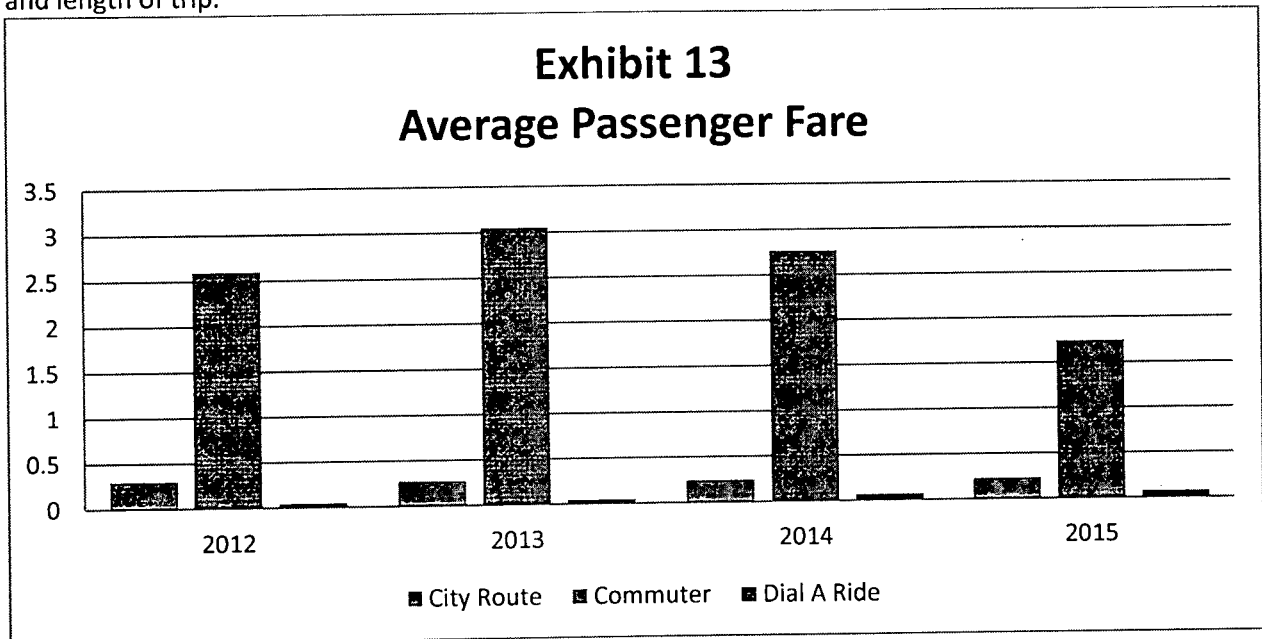


LTSA is required to maintain system-wide fare revenue to operating expense ratio of at least 10 percent. LTSA's farebox ratio is well above this minimum. While other rural transit systems are struggling to meet minimum farebox requirements, LTSA is doing an excellent job through a combination of controlling operating costs, gaining passengers and efficient route planning. Overall, farebox recovery ratio has remained consistently higher than required. LTSA monitors and evaluates the continuation of new routes very closely to ensure it maintains efficiency.

Lassen Transit Service Agency
 Triennial Performance Audit
 Three Years Ended June 30, 2015

Average Fare per Passenger

Average fare per passenger varies widely across LTSA routes as shown in Exhibit 13. LTSA has a wide range of fare pricing. The City route charges one-way fares of \$1.00 to the general public and \$0.50 for elderly and disabled passengers. The City route also provides rides to Lassen College students where the College has a Memorandum of Understanding with the LTSA to provide college student services for an annual fee. This contributes to the lower average passenger fare seen below. Dial-A-Ride fares are \$1.75 for each one-way passenger trip. However, the average passenger fare indicated below is far less than the one-way fare rate at \$0.07 in the last year. This is due to the increase in ridership from FNRC patrons. The Commuter route fares vary from \$.50 to \$4.00 depending on the passenger's destination and length of trip.



(1) Includes contract with Lassen College which is \$20,000 per year. Excludes transit passes other than those sold on the transit vehicle.

Lassen Transit Service Agency
Triennial Performance Audit
Three Years Ended June 30, 2015

FUNCTIONAL REVIEW

This portion identifies and reviews the major functions of LTSA. The following functional areas are discussed:

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

General Management and Organization

This functional area includes the overall administration of all functions performed by the transit operator and involves administrative oversight, organizational structure and reporting, and communications with other government agencies.

Policy guidance comes from the Lassen Transit Service Agency Board of Directors, which is responsible for the adoption of the annual transit budget. Subsequent increases or changes must be approved by them. Unmet transit needs and changes in transit fares are facilitated by the Lassen County Transportation Commission. Routine organization of the system is the responsibility of an Executive Director, who is assisted by a small staff consisting of a Project Planner, a Transportation Planner and an accountant. Transit operations are contracted to Paratransit Services. The management team functions to control transit operations and communicate with the LTSA board, the Local Transportation Commission board and operator personnel.

The Agency has a transit utilization and performance committee that is used to discuss route performance related issues. We observed that solutions were provided and implemented with performance being re-evaluated using specific ridership and farebox criteria to observe if solutions were successful.

LTSA's operating environment is segmented. The Agency has not established a mission statement, specific goals, objectives or standards. The updated Transit Development Plan Study recommended that LTSA identify its goals, objectives and standards and the report provides a framework for this purpose. LTSA will need to promote a more unified operating environment that provides cross training between personnel before it can truly achieve peak efficiency.

LTSA management works toward staying within its budget, exceeding the minimum of 10 percent farebox threshold while meeting public needs for transit. Route statistics are collected each month and financial data is integrated. Comparisons and assessments of the current month to the same month of the previous year are made for each route. More than the minimum performance indicators are reviewed, including passengers per day, employee hours by position and mechanic idle time.

LTSA has two separate systems from which performance data is retrieved and evaluated. The route statistics including ridership, vehicle service hours and miles and fare revenues are collected from the

Lassen Transit Service Agency
Triennial Performance Audit
Three Years Ended June 30, 2015

daily driver time and fare sheets. These are recorded to an Excel spreadsheet and then collected to generate a comprehensive monthly report. This information is reviewed regularly and action is taken if indicators change by significant amounts.

An additional system is the County of Lassen's financial reporting system. Monthly financial reports showing transactions and balances are provided by the County's Auditor-Controller's office. These reports show current revenues and expenses against budgeted activity. We found that the LTSA staff does not actively review this same information to manage operations, monitor the budget, or track program revenue.

LTSA purchased 3 new buses during the audited period and now has a relatively new fleet. They have established a comprehensive vehicle replacement plan that will help the agency maintain a sufficient fleet.

Service Planning

This functional area includes short-range planning, route evaluation, planning for special transportation needs, public participation processes, and administration of surveys to transit and non-transit users.

The LTSA in cooperation with the Local Transportation Commission carries out the functions of transit planning, route evaluation, and planning for special transportation needs. All meetings are open to the public, and the public is encouraged to participate in the annual unmet transit needs process conducted by the Local Transportation Commission. The unmet transit needs hearing in Lassen County has successfully generated comments from the public regarding transit needs that are not currently being met. Out of this process, changes in levels of service and route modifications are explored, implemented, and evaluated.

Currently the LTSA has no formal policy for minimum ridership by route. Overall, routes must meet or contribute to an overall system fare box ratio of at least 10 percent. Trip purposes are evaluated in connection with adding additional transit services, but are not evaluated on an ongoing basis. Trip purposes that include destinations such as social services, medical, shopping and work are considered reasonable needs. LTSA does not usually collect statistics on route purposes unless there is a specific need. The Dial-A-Ride (DAR) log offers an indication of purpose based on the passenger's destination, but this information is not compiled for analysis. No information on trip purposes is collected for the fixed route and commuter route systems.

New routes are evaluated after a start-up phase of six months, and then continually monitored thereafter. If the route is being utilized and there is evidence that ridership for that route is increasing, the route will be extended for another six months. This evaluation process will continue until ridership indicates that the route is feasible as a fixed route, or ridership falls below acceptable levels. It is the LTSA's goal to have new routes establish at least a five percent farebox recovery. Some routes that do not provide adequate ridership levels even after multiple periods of evaluation, these routes are usually discontinued. However, the LTSA has a policy to continue routes if they benefit the public and do not jeopardize overall fare box revenues.

Lassen Transit Service Agency
Triennial Performance Audit
Three Years Ended June 30, 2015

No new routes were added during the audit period, however there was an extension of services. The Agency has also extended service time for the Dial-A-Ride service, which had added two additional hours, however after substantial assessment those additional hours were redacted. The agency is currently in the process of implementing a program Intelligent Transportation System (ITS), which allows the Agency to view the real-time location of each bus, vehicle idle time, speed and additional data monitoring capabilities. Much of this information is also available to the public, allowing them to see the location of buses, and have available bus routes and times available by mobile device or by web interface. This system helps improve the predictability of a fixed route system.

Every vehicle in the LTSA fleet is equipped with ADA compliant equipment. All vehicles are equipped to carry two wheelchair-bound passengers. Discount fares are available for elderly and disabled passengers on the City route and Commuter routes. Students at the Lassen Community College also ride for free due to a transportation agreement between the LTSA and the College. Transit passes are available on all routes except DAR.

Survey information from existing riders was not regularly collected during the audit period except that on-board surveys are available on all vehicles. Survey information was collected by the consultant hired to prepare the update to the Transit Development Plan. On occasion, information is collected to determine the feasibility of establishing new routes or expanded service, when it is determined that doing so would yield valuable feedback. To supplement limited surveying, a telephone number is posted on each bus instructing passengers to call the transit office if they have a comment, question, suggestion, or complaint.

The Agency had also increase the funding to the Big Valley 50+ group, this increase was nearly 21% from previous funding. This will allow for senior citizens to get necessary transportation to nearby hospitals and rehabilitation facilities.

Scheduling, Dispatch and Operations

This functional area involves the daily or weekly scheduling of routes, assignment of drivers to routes, and vehicle assignments.

During the audit period, LTSA contracted with Paratransit Services for day-to-day operation and management of the transit operations including the assignment of drivers to routes and vehicles. Paratransit Services staff assigned to Lassen's transit system includes a General Manager, an Operations Supervisor, two mechanics and eleven drivers. Of the drivers, seven are part-time. All drivers start their routes at the transit office. Drivers are scheduled weekly by the General Manager who creates the schedule at the beginning of the week. All drivers are licensed and capable of driving all vehicles; and while drivers are allowed to request their route assignments, drivers generally are assigned to a route covering a specific geographical area.

One of the Agency's biggest challenges is the recruiting and the retention of drivers. There is competition from several other government employers, especially the prison system, which offers higher wages. In some cases, potential recruits are not experienced with the types of vehicles the Agency operates. In these instances the Agency offers training at the transit service center.

Lassen Transit Service Agency
Triennial Performance Audit
Three Years Ended June 30, 2015

Full-time drivers are eligible to receive paid vacation. Driver's requests for time off scheduled in advance and coordinated to ensure that there are enough drivers, including on-call drivers, for scheduled routes. When drivers have unscheduled absences, they will call the transit service center to arrange for one of the on-call drivers to take their route for that day. The operator does not employ standby drivers. Due to the nature of the area, it is not economically feasible to pay wages for standby drivers.

Dispatch operations are used for the Dial-A-Ride (DAR) service and are located at the transit service center. The dispatch operations are handled by the office clerk or the general manager. Prospective passengers for the DAR service are asked to complete an application. Since DAR services are only available to elderly or disabled persons, the application ensures eligibility to use the DAR system.

All DAR applications are reviewed, entered into Paratransit's Rides Unlimited Software, and filed. Passengers may call in advance to schedule reservations or they can call the same day for service. The passenger's information is entered into the Rides Unlimited System, which indicates the riders name, pick-up and drop-off location, and the time of day. The application process is used to determine eligibility for riders prior to scheduling for service. All eligible passengers are stored in the Rides Unlimited system. Flexibility is allowed for new riders until they are able to learn the system and submit necessary applications.

The Rides Unlimited Software is being used to make reservations for DAR service. Advance scheduling is completed within the Rides Unlimited system, while sorting of pickups and drop-offs to minimize deadhead travel time are managed by the driver's on route.

Personnel Management and Training

This functional area includes management of human resources and recruiting and training policies.

Human resource responsibilities are held by the contracted transit provider (Paratransit). Open positions are recruited through advertisements in local newspapers, the Alliance for Workforce Development office, and by "Now Hiring" signs, additional advertising consist of social media. The agency has been successful in hiring drivers, although given the rural area; there is not a significant pool of eligible recruits. Some new hires have prior experience; however, all new hires receive initial training. Turnover rates in the audited period has been higher than in previous years. Turnover occurred mainly due to relocation of employees. The Agency does offer a safety incentive to employees for not being involved in preventable accidents. Driver Skill Evaluations are performed at least annually, which gives the agency an opportunity to monitor employee performance and provide feedback.

LTSA follows State guidelines to determine the level of training to provide its employees and ensure all employees are properly licensed. All initial training and licensing is offered by the transit provider at the transit center facility in Red Bluff, CA. All employees receive two hours per month of ongoing training which meets state requirements. All vehicles are equipped with necessary safety equipment and safety inspections are performed by the drivers daily using a safety checklist.

Absentee and tardiness policies are communicated to employees at the time of hire. Drug and alcohol policies require pre-employment testing and follow state and federal requirements to enforce a zero tolerance policy. When disciplinary action is necessary, personnel policies are followed. These policies

Lassen Transit Service Agency
Triennial Performance Audit
Three Years Ended June 30, 2015

include verbal and written warnings and suspension or termination depending of the severity. Drivers are expected to adhere to the policies included in the driver handbook.

Full time employees are offered benefits including life, health, and dental insurance, vacation and sick leave, as well as a 403b retirement plan. These benefits are described in the employee handbook and provided to employees at the time of hire. Part time employees are not eligible for benefits.

The annual CHP inspections found LTSA driver records, including driver proficiency, proof of driver's enrollment, supervisor training, lab testing, and DMV records to be current and in compliance.

Administration

This functional area includes the business and support type services necessary for an organization to continue operating and performing its primary functions. Sub-functions which are applicable to LTSA include:

- Budgeting and Management Information Systems
- Financial and Grants Management
- Risk Management and Insurance
- Revenue Collection
- Payroll
- Accounts Payable

Administration performs monthly comparisons of budgeted expenses vs. actual expenses. Expenditure levels are verified by Lassen County before payments are made on invoices. Budget increases must be approved by the Agency's board. All reports are distributed each month by the County's Auditor-Controller's Office.

Insurance requirements are placed on the transit provider (Paratransit) who provides for liability coverage up to \$10 million. Coverage in excess of \$10 million is provided through the County's risk pool. Evidence of coverage is provided to the transit manager by Paratransit. These policies are periodically reviewed and evaluated.

The safety of passengers is a priority to LTSA and this concern is communicated to all LTSA employees. The Transit Operations Manager is responsible for safety procedures. Safety records are reviewed annually or as necessary and are compared with preparation and analysis of the maintenance logs. Vehicle safety checks are performed daily by drivers, before their route begins. There is a process to notify the dispatch upon the occurrence of problems while the bus is in service.

LTSA follows the County's procurement procedures and policies. Competitive bidding is required at times, however, these circumstances do not occur frequently. Purchase requisitions are generated in the County's system, than sent to the County's purchasing agent. There is no receiving function and there does not appear to be a need for one. When invoices are received, an authorization for payment is created and it is sent to the County for payment processing. The Auditor-Controller's office checks invoice items, quantities and prices before payment is processed.

Lassen Transit Service Agency
Triennial Performance Audit
Three Years Ended June 30, 2015

All vehicles have lockboxes for collecting fares. Drivers do not have keys to the lockboxes this ensure proper segregation of duties. Fare revenues are tracked by route and by driver. Each driver is required to track the number of riders by type on the Driver Manifest. From this, LTSA can calculate what the farebox revenue for the day should be. Comparisons are made between this and the actual count made from the lockboxes. Discrepancies are handled immediately and reported through the chain of command.

Fare collections are counted at the Transit Center and then reconciled to the collection and prepares the deposit. The money is then deposited to Paratransit's account and that daily revenue is recorded which offsets the expense paid by LTSA. Deposits are made occur on a daily basis. The County Treasury pools LTSA funds with other agencies and County departments to maximize investment earnings. All banking functions are provided by the County Treasurer and the Auditor-Controller.

Payroll services are processed by the Paratransit. All drivers are required to submit timesheets which are reviewed by the Agency's management. All employee records, pay rates, benefit selection and other key information are secure and processed in an appropriate manner. We did not notice anything that would indicate otherwise.

Monthly invoices are prepared by Paratransit employees and submitted to the Agency for payment. Invoices are reviewed by Agency staff and are paid in a timely manner. The maintenance facility is owned by the Agency, but is operated by Paratransit in accordance with an agreement. The Agency's administrative office is part of the public works department of the County. Costs are allocated in accordance with the County's cost plan. Agency administrative staff is considered County employees and charge their time to the Agency's accounts.

LTSA staff has primary responsibility for LTSA's grants. Grant applications are prepared and submitted to the Local Transportation Commission for approval. LTSA has been successful in receiving federal grants on a regular basis. There is no indication that LTSA has ever been denied grants due to due to application errors.

Marketing and Public Information

This functional area involves the operator's marketing efforts and communication activities within its service area. Lassen Transit Service Agency advertises its services both in the local paper and on a local radio station to make its services known to the general public. Special newspaper and radio advertising is targeted prior to starting new routes or expanding existing routes. LTSA continues to use feedback to adapt accordingly.

LTSA publishes and distributes rider's guides that provide information about services, schedules, and maps. It also provides phone numbers that possible riders can call for more information. These are distributed at numerous locations including the transit center, all County and City facilities, community centers, senior centers and major shopping centers. Specific targeted demographics consist of a few groups, one example of this is the summer ride schedule aimed to transport school age children during the summer months.

Lassen Transit Service Agency
Triennial Performance Audit
Three Years Ended June 30, 2015

LTSA and the transit provider have staff available to respond to telephone inquiries. The transit center accepts calls and complaints. All vehicles have complaint forms that can be completed and placed in a container on the bus. All buses have a phone number posted where passengers can call and communicate a problem performance and survey data are routinely collected here have been marketing campaigns to promote ridership growth but these have been few.

The Agency has indicated that public perception of the system is positive. This is also reflected by the fairly high farebox ratio that the system has maintained in comparison to other rural areas and systems.

Maintenance

This functional area includes the maintenance and repairs of vehicles used by LTSA. Preventative maintenance is scheduled and monitored by LTSA staff and the transit provider. The maintenance schedule was designed to meet the requirements of the vehicle manufacturers, as well as state and federal laws. Maintenance logs are kept for each vehicle and routine maintenance is scheduled based on vehicle mileage and number of days since maintenance was last performed.

Paratransit schedules the maintenance of each vehicle when it comes due. The vehicles are on a rotation schedule, so general maintenance is scheduled for vehicles on a day that they are not scheduled to be used on a daily route.

The current facility is capable of accommodating almost all types of repairs and maintenance. However, the facility only has one bay which does not fit a full lift. This affects the ability to do some work within the bay. In circumstances where there are necessary repairs on multiple vehicles some work must be done in the parking lot. If work must be done in the parking lot, vehicles must be shifted between the bay and parking lot to ensure that work involving the transferring of fluids is not done outside of the bay. The only maintenance and repairs that cannot be performed is maintenance that requires dealer only computer systems which are not available to the facility and when painting needs arise. In these circumstances, vehicles are sent to the warranty company or the work is placed out for bid.

LTSA has plans to add an additional bay to the current facility in the 2015/2016 Fiscal Year.

Inventory kept on site at the Transit Center is limited to small items necessary for general maintenance. Parts necessary for unexpected repairs must be ordered from a dealer in Reno, NV and delivered to the Transit Center before those repairs can be done. Transit staff indicated that in the instance of an immediate need for a part, staff has been required to drive to Redding or Reno to pick up the part in person.

Drivers are required to complete a safety checklist prior to the start of each route. These checklists ensure that only safe vehicles are being used on daily routes. These checklists also help to identify necessary repairs, whether they are urgent or can wait until the next scheduled maintenance and act as a daily log of mileage to assist in scheduling of general maintenance. Repairs are prioritized if necessary.

Dispatch is promptly notified of the occurrence of breakdowns on daily routes. Maintenance personnel are then dispatched to correct mechanical problems or another bus is delivered to continue the route. The maintenance staff promptly notifies dispatch when repairs are finished.

Lassen Transit Service Agency
Triennial Performance Audit
Three Years Ended June 30, 2015

Summary

Our performance audit found that LTSA is effectively and efficiently using its limited resources to provide public transit services in a rural area requiring inter-community linking of origins and destinations. LTSA routes provide mobility to its residents and it strives to satisfy unmet transit needs that are reasonable to meet. The system provides good coverage, connecting communities and regions as well as linking with transit systems from neighboring regions. Our recommendations are made as possible considerations for improvement and should be considered within the confines of limited funding resources. Overall, LTSA is doing a commendable job offering public transportation.

The prior TDA performance audit was completed for the triennial period ended June 30, 2012. It contained several recommendations. As part of the current performance audit, the status of these recommendations was reviewed. These recommendations are listed below in conjunction with its current status.

Prior Audit Recommendation #1

1. Consider implementing a cross training program so that employees can have a more holistic perspective of the Agency

Status of Recommendation: Not implemented, See current year recommendation #1.

Prior Audit Recommendation #2

2. Consider giving financial management additional training in governmental accounting and use of the accounting software and transit funding.

Status of Recommendation: Not implemented, See current year recommendation #2

Prior Audit Recommendation #3

3. Obtain a clearer understanding between the Contract operator (Paratransit Services) and the Agency regarding information that is needed to ensure that the Agency remains compliant with the requirements of the TDA, federal and state funding, and the Operator Agreement.

Status of Recommendation: Implemented.

Prior Audit Recommendation #4

4. Creation of a formal and coordinated marketing plan promoting the services and benefits of using the bus system.

Status of Recommendation: Implemented