



FY 2008-2010 TRIENNIAL PERFORMANCE AUDIT OF CITY OF IMPERIAL DIAL-A-RIDE



SUBMITTED TO:

Imperial County Transportation Commission

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SUBMITTED BY:



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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 Imperial County Transportation Commission (ICTC) engaged PMC to conduct a performance audit of the City of Imperial Dial-A-Ride service covering the most recent triennial period, fiscal years 2007–2008 through 2009–2010. The purpose of the performance audit is to evaluate the system's effectiveness and efficiency in its use of TDA funds to provide specialized public transportation in its service area. This evaluation is required as a condition for continued receipt of these funds for public transportation purposes. In addition, the audit evaluates the City of Imperial's compliance with the conditions specified in the California Public Utilities Code (PUC). This task involves ascertaining whether the City is meeting the PUC's reporting requirements. Moreover, the audit includes calculations of transit service performance indicators and a detailed review of the City's administrative functions. From the analysis that has been undertaken, a set of recommendations has been made for the agency which is intended to improve the performance of specialized 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 administrative and operations management, collection and review of agency documents, data analysis, and on-site observations. The *Performance Audit Guidebook for Transit Operators and Regional Transportation Planning Entities* published by the California Department of Transportation (Caltrans) was used to guide in the development and conduct of the audit.

Overview of the Transit System

The City of Imperial Dial-A-Ride is a specialized demand response service that operates within the City of Imperial as well as to the neighboring city of El Centro. Demand-response service is available only to seniors 60 years and older and persons with disabilities five days a week. General public riders are no longer eligible to ride Imperial Dial-A-Ride. The service is administered by the City of Imperial, subsidized by ICTC, and operated through a contract by ARC-Imperial Valley (ARC), a social services nonprofit 501(c)(3) organization. The dial-a-ride service has been operated by ARC since 2000.

The City of Imperial is located along the State Route (SR) 86 corridor just north of the county seat of El Centro. SR 111, which passes to the east of Imperial, is a major travel corridor for goods movement to the Calexico Port of Entry at the United States/Mexico international border. The city has a total land area of 5.77 square miles. Imperial is a general law city incorporated in 1904 and

has a council-manager form of government. Based upon the 2010 U.S. Census, the city's population is 14,758. The 2010 population is estimated to be 13,374 as reported by the California Department of Finance. The City of Imperial is one of the fastest growing cities in the Imperial Valley and experienced a 95.2 percent growth rate since 2000.

System Characteristics

The transit system operates five days a week from 7:00 a.m. to 4:00 p.m., Monday through Friday. The service does not operate weekends and the following holidays: New Year's Day, Martin Luther King, Jr. Day (observed), Presidents' Day, Memorial Day (observed), Independence Day (observed), Labor Day, Veterans Day, Thanksgiving, and Christmas. The fare for a one-way trip is \$0.75 within the city limits of Imperial and \$1.75 for travel to/from El Centro. Tickets are available for purchase at Imperial City Hall.

Weekday service hours were reduced and Saturday service eliminated effective March 2010. Prior to this service reduction, Imperial Dial-a-Ride operated from 7:00 a.m. to 6:00 p.m. Monday through Friday and from 7:00 a.m. to 4:00 p.m. on Saturday.

The Dial-A-Ride fleet consists of one vehicle plus one back-up vehicle as described in the following table:

**Table I-1
City of Imperial Dial-A-Ride Fleet**

Year	Manufacturer	Quantity	Fuel Type	Seat/Wheelchair Capacity
2007	Ford E450	1	Gasoline	16/2
Back-Up Vehicle				
2002	Ford E450	1	Gasoline	16/2

Source: ARC-Imperial Valley

The fleet conforms to the requirements of the Americans with Disabilities Act (ADA) of 1990 in regard to wheelchair accessibility.

Section II

Operator Compliance Requirements

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

Table II-1 Operator Compliance Requirements Matrix		
Operator Compliance Requirements	Reference	Compliance Efforts
The transit operator submitted annual reports to the RTPA 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: FY 2008: December 12, 2008 FY 2009: November 2, 2009 FY 2010: September 28, 2010 Conclusion: Partial Compliance due to late submittals in FY 2008 and FY 2009
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.	Public Utilities Code, Section 99245	Completion/submittal dates: FY 2008: July 17, 2009 FY 2009: December 21, 2009 FY 2010: Not submitted as of completion of this performance audit. Conclusion: Partial Compliance due to late submittal of FYs 2008 and 2010 audits after 90-day extension.

Table II-1 Operator Compliance Requirements Matrix		
Operator Compliance Requirements	Reference	Compliance Efforts
The CHP has, within the 13 months prior to each TDA claim submitted by an operator, certified the operator's compliance with Vehicle Code Section 1808.1 following a CHP inspection of the operator's terminal.	Public Utilities Code, Section 99251 B	<p>The City of Imperial through its contract operator 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>Inspection dates applicable to the audit period were December 12, 2006; March 4, 2008; March 5, 2008; April 6, 2009; April 7, 2009; May 25, 2010; and May 26, 2010.</p> <p>The City's contract operator received a satisfactory rating for all inspections conducted on Imperial Dial-A-Ride vehicles during the audit period. Only minor violations were noted during the December 12, 2006, and April 6, 2009, inspections.</p> <p>Conclusion: Complied</p>
The operator's claim for TDA funds is submitted in compliance with rules and regulations adopted by the RTPA for such claims.	Public Utilities Code, Section 99261	<p>As a condition of approval, the City's annual claims for Local Transportation Funds are submitted in compliance with rules and regulations adopted by ICTC. ICTC staff provides assistance as needed in completing the claims.</p> <p>The City's claims are submitted generally during the spring of</p>

Table II-1 Operator Compliance Requirements Matrix		
Operator Compliance Requirements	Reference	Compliance Efforts
		the claim year as required by ICTC. Conclusion: Complied
If an operator serves urbanized and non-urbanized areas, it has maintained a ratio of fare revenues to operating costs at least equal to the ratio determined by the rules and regulations adopted by the RTPA.	Public Utilities Code, Section 99270.1	This requirement is not applicable, as Imperial Dial-A-Ride is a specialized service in an urban area. Conclusion: Not Applicable
The operator's operating budget has not increased by more than 15% over the preceding year, nor is there a substantial increase or decrease in the scope of operations or capital budget provisions for major new fixed facilities unless the operator has reasonably supported and substantiated the change(s).	Public Utilities Code, Section 99266	Percentage increase in Imperial Dial-A-Ride's operating budget: FY 2008: +17.52% FY 2009: -3.95% FY 2010: -0.04% The operating budget increased by more than 15 percent in FY 2008 due to a rise in fuel costs as well as adjustments in the fuel and vehicle repair clauses of the contract. The budget decreases in FY 2009 and FY 2010 are attributed to the change in service characteristics from a general public service to a specialized service in July 2009 as well as service reductions effective March 2010. Source: Statistical Summary Reports – Operating Cost less

Table II-1 Operator Compliance Requirements Matrix		
Operator Compliance Requirements	Reference	Compliance Efforts
		depreciation/insurance Conclusion: Complied
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	The City's definition of performance measures as tracked and recorded by the contract operator is consistent with Public Utilities Code Section 99247. However, more consistency between data in internal and external reports is required. Conclusion: Complied
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	This requirement applied in FY 2008, as Dial-A-Ride was still a general public service. When DAR transitioned to a specialized service during FY 2009, the requirement was no longer applicable. The operating ratio for FY 2008 was 14.39%, which fell below the minimum 20% ratio. Source: FY 2008 Annual Fiscal and Compliance Audits Conclusion: Not Complied
If the operator serves a rural area, or provides exclusive	Public Utilities Code, Sections 99268.2, 99268.4,	The farebox ratio for Dial-A-Ride under PUC Section

Table II-1 Operator Compliance Requirements Matrix		
Operator Compliance Requirements	Reference	Compliance Efforts
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).	99268.5	99268.5 became effective once the service transitioned to a specialized system. Under PUC Section 99268.5, the farebox ratio requirement for exclusive services for elderly and disabled is 10 percent. Imperial Dial-A-Ride's operating ratios using internal and audited financial data were as follows: FY 2009: 13.97% FY 2010: 11.66% Source: Statistical Summary Reports – ARC Imperial Valley Conclusion: Complied
The current cost of the operator's retirement system is fully funded with respect to the officers and employees of its public transportation system, or the operator is implementing a plan approved by the RTPA which will fully fund the retirement system within 40 years.	Public Utilities Code, Section 99271	The City contracts with a private nonprofit provider for operations, while the cost of City staff's retirement is fully funded. Conclusion: Complied
If the operator receives state transit assistance funds, the operator makes full use of funds available to it under the Urban Mass Transportation Act of 1964 before TDA claims are granted.	California Code of Regulations, Section 6754(a)(3)	This measure is not applicable, as federal formula grant funds are not utilized and Imperial Dial-A-Ride does not receive State Transit Assistance Fund (STAF) revenues. Conclusion: Not Applicable

Findings and Observations from Operator Compliance Requirements Matrix

1. Of the compliance requirements pertaining to Imperial Dial-A-Ride, the operation fully complied with six out of the eight requirements. The City was found in partial compliance with regard to the timely submittal of the State Controller Reports and the Annual Fiscal and Compliance Audits. Two additional compliance requirements did not apply to Imperial Dial-A-Ride (e.g., rural/urban farebox recovery ratios and federal funding). The system was not compliant with the urban farebox ratio for general public services during FY 2007-08.
2. Imperial Dial-A-Ride's farebox recovery ratio remained above the required 10 percent standard. The City has been able to exceed the 10 percent ratio since designating Dial-A-Ride as a specialized service for the elderly and disabled in July 2009. Prior to this change, the service operated as a general public dial-a-ride, which was subject to a 20 percent farebox requirement. The average systemwide farebox recovery ratio was 13.34 percent during the triennial review period.
3. Through its contract operator, the City participates in the CHP Transit Operator Compliance Program and received inspections of Imperial Dial-A-Ride vehicles within the 13 months prior to each TDA claim. Satisfactory ratings were made for all inspections conducted during the audit period.
4. The operating budget exhibited an increase of 17.52 percent in FY 2008, followed by declines during the subsequent fiscal years. The increase was attributed to a rise in fuel costs as well as adjustments in the fuel and vehicle repair clauses of the contract. The budget reductions in FY 2009 and FY 2010 reflect the change in service characteristics from a general public service to a specialized service as well as service reductions effective March 2010.

Section III

Prior Triennial Performance Recommendations

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

Prior Recommendation 1

Evaluate service or fare structure in light of declining farebox.

Actions taken by the City of Imperial

At the time of this recommendation, the transit service operated as a general public dial-a-ride, which was subject to a 20 percent minimum farebox requirement due to the service area's urbanized designation. The City found it difficult to meet and sustain this standard due to declining farebox trends. In addition, Imperial Valley Transit (IVT) recently launched two local circulator routes in neighboring El Centro. One of those routes serves a portion of Imperial. In light of these developments, the City restructured Imperial Dial-A-Ride into a specialized service for the elderly and disabled in July 2009. By operating as a specialized service, the City is subject to a 10 percent minimum farebox ratio. The system's farebox performance has exceeded the 10 percent minimum.

Conclusion

This recommendation has been implemented.

Prior Recommendation 2

Implement the incentives and penalties provisions in the service contract.

Actions taken by the City of Imperial

The scope of work for Imperial Dial-A-Ride attached to the contractor service agreement contains a table of incentives and penalties (Attachment 1-d) to allow for the measurement of the performance and efficiency of services based on nine criteria: on-time performance, missed pickups, miles between accidents and roadcalls, annual CHP inspection reports, preventative maintenance, noncompliance with vehicle appearance, reporting, and passenger comfort.

Performance measures are Passengers per Hour, Passengers per Day, Cost per Passenger, Subsidy per Passenger, Cost per Mile, Cost per Hour, and Farebox. These performance measures are

recorded and tracked by the statistical summary report developed by the contractor. Other service criteria such as on-time performance, accidents, roadcalls, and no-shows are tracked on the management summary and passenger service reports. However, the tracking of roadcalls and accidents are not based on mileage, but are instead recorded per occurrence. The contract operator has met the performance standards stipulated in its service contract without incentives or penalties being implemented by the City. This contract provides a set of established criteria that the city should review as a means to regularly measure performance.

Conclusion

This recommendation has not been implemented and is carried forward in this audit for full consideration.

Prior Recommendation 3

Conduct regular on-time performance checks.

Actions taken by the City of Imperial

The operator conducts on-time performance checks in two ways. The first way is to check the driver's route manifest with the dispatch logs. This is conducted by operations staff routinely on an eight day rotation. The second method involves an FTA/TSI-certified Driver Trainer, who tracks and reports on-time performance. On-time performance is one of the metrics reported in the management summary report.

Conclusion

This recommendation has been implemented.

Prior Recommendation 4

Record roadcalls as part of the management summary report.

Actions taken by the City of Imperial

The tracking and recording of roadcalls provide trend analysis of the number of vehicle failures during revenue service. Such data can assist with identifying the root cause of potential service issues while gauging the level of maintenance of the vehicles. The contract operator began recording roadcalls in its management summary report commencing with the FY 2009 summary.

Conclusion

This recommendation has been implemented.

Prior Recommendation 5

Properly record full-time equivalents on the Annual State Controller's Transit Report.

Actions taken by the City of Imperial

In a review of the performance data summaries compiled by ICTC for Imperial Dial-A-Ride, the full-time equivalent (FTE) count does not appear to be calculated accurately. The FTE data appear to be an annual aggregate total of the number of employees or monthly FTEs. When queried about this discrepancy, the contractor was able to demonstrate an accurate accounting of FTEs on the operations side. Employee hours are detailed and formulized to provide an FTE figure totaled monthly and annually. However, City finance personnel have yet to include their staff hours and provide an accurate accounting thereof. Therefore, it is suggested that City personnel responsible for preparing the State Controller Report track their time charged to transit administration according to the formula calculation for FTEs and accurately incorporate the FTE information provided by the contractor.

Conclusion

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

Prior Recommendation 6

Place marketing information about Imperial Dial-A-Ride on the City's website, in the quarterly city newsletter, and at City Hall.

Actions taken by the City of Imperial

The City has taken steps to market its transit program more aggressively. There is a link to the contract operator's website under the "City Transportation Services" page found under the Residents link on the City of Imperial website. Brochures about the transit system are made available at City Hall and the library. In addition, the quarterly *Imperialite* newsletter contains Dial-A-Ride information in two issues annually.

Conclusion

This recommendation has been implemented.

Section IV

TDA Performance Indicators

This section reviews the City of Imperial Dial-A-Ride's performance in providing service in an efficient and effective manner. TDA requires that at least five specific performance indicators be reported, which are contained in the following table. Farebox is not one of the five specific indicators, but is shown as a compliance measure. Findings from the analysis are contained in the section following the table, followed by the analysis.

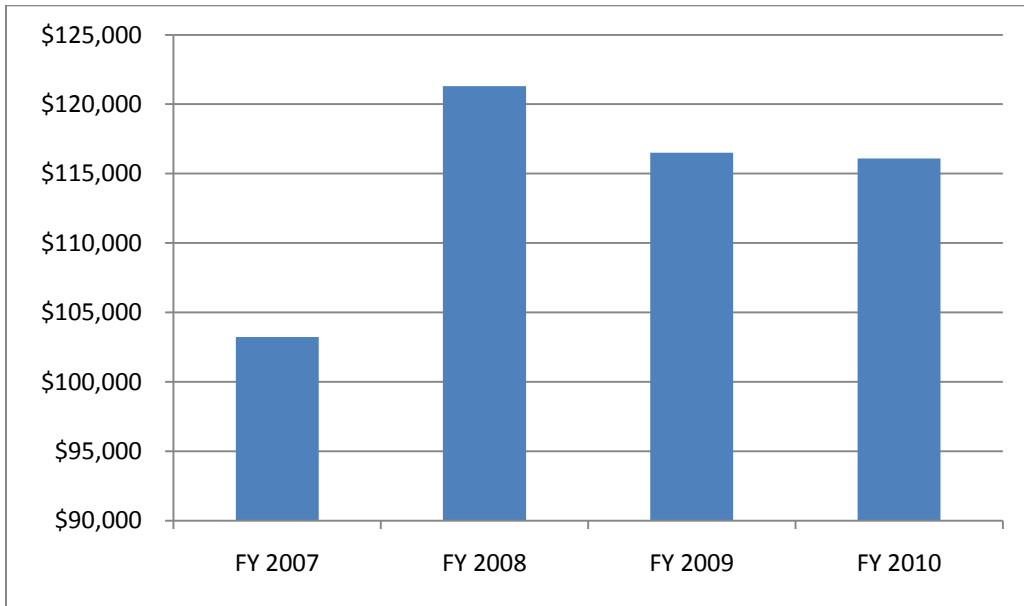
Table IV-1
Imperial Dial-A-Ride Performance Indicators

Performance Data and Indicators	FY 2007	Audit Period			% Change FY 2007– 2010
		FY 2008	FY 2009	FY 2010	
Operating Cost	\$103,215	\$121,300	\$116,513	\$116,095	12.5%
Total Passengers	12,960	11,910	10,997	8,016	-38.1%
Vehicle Service Hours	2,396	2,341	2,293	1,949	-18.7%
Vehicle Service Miles	36,421	36,190	35,824	25,279	-30.6%
Employee FTEs	3	3	2	2	-19.5%
Operating Revenue	\$19,120	\$17,458	\$16,275	\$13,541	-29.2%
Operating Cost per Passenger	\$7.96	\$10.18	\$10.59	\$14.48	81.9%
Operating Cost per Vehicle Service Hour	\$43.08	\$51.82	\$50.81	\$59.57	38.3%
Operating Cost per Vehicle Service Mile	\$2.83	\$3.35	\$3.25	\$4.59	62.1%
Passengers per Vehicle Service Hour	5.4	5.1	4.8	4.1	-24.0%
Passengers per Vehicle Service Mile	0.36	0.33	0.31	0.32	-10.9%
Vehicle Service Hours per Employee	798.7	780.3	1,196.8	806.7	1.0%
Average Fare per Passenger	\$1.48	\$1.47	\$1.48	\$1.69	14.5%
Fare Recovery Ratio	18.52%	14.39%	13.97%	11.66%	-37.0%

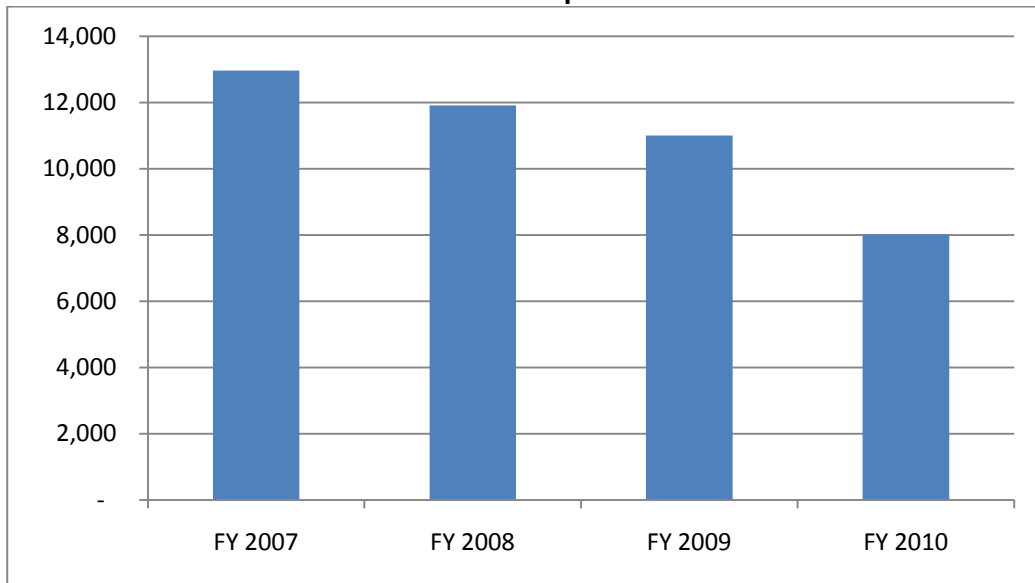
Source: ARC-Imperial Valley

Column graphs on the following pages are used to depict the trends for select performance indicators (Graphs IV-1 through IV-6).

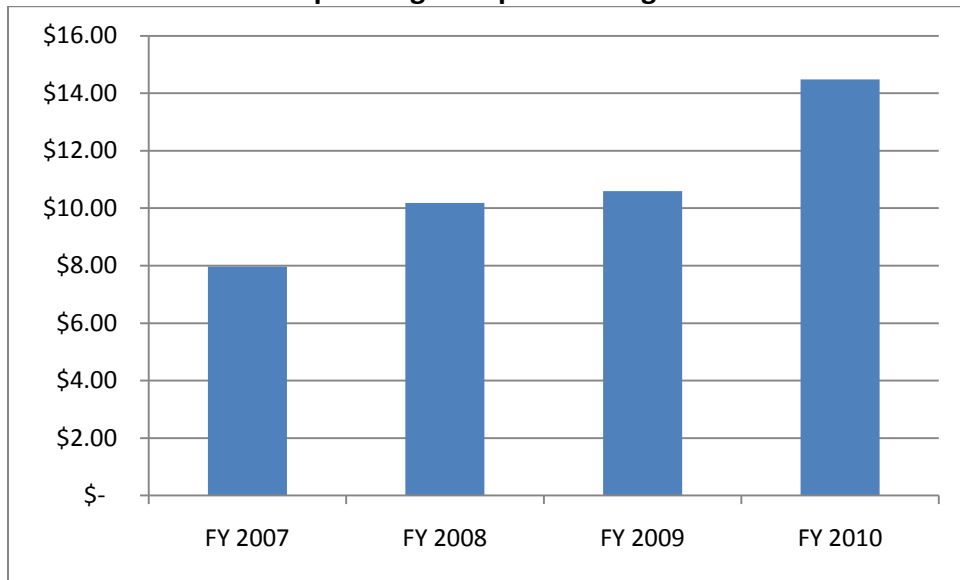
**Graph IV-1
Operating Costs**



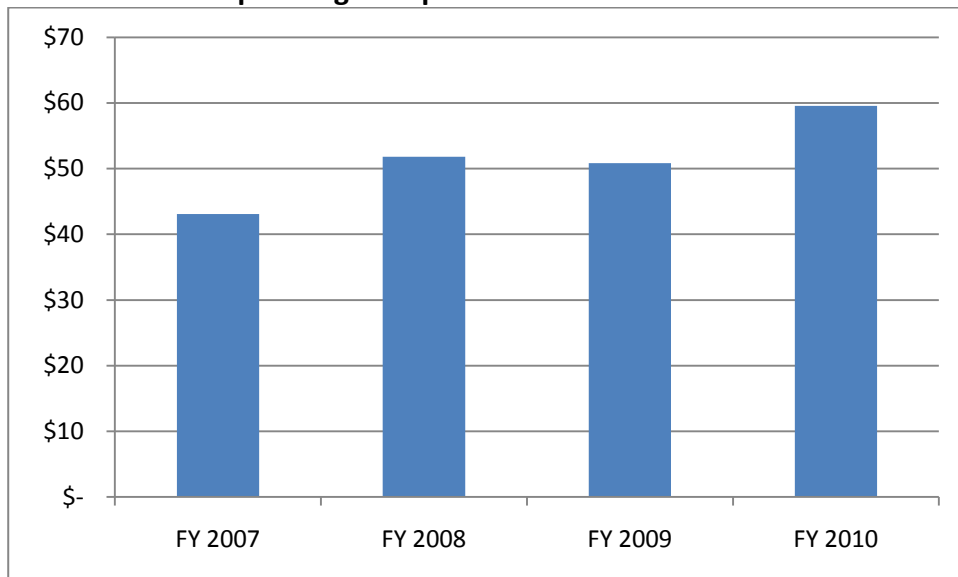
**Graph IV-2
Ridership**



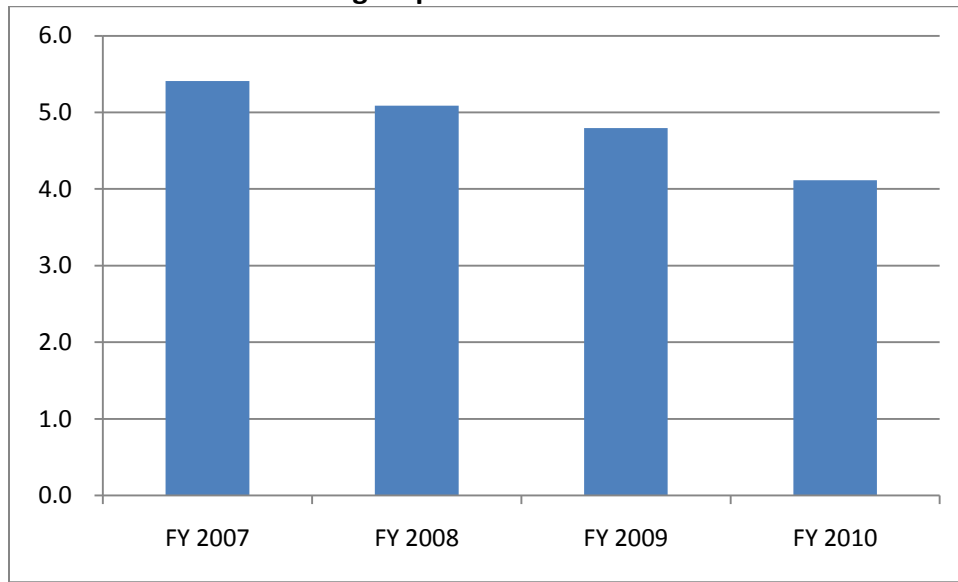
Graph IV-3
Operating Cost per Passenger



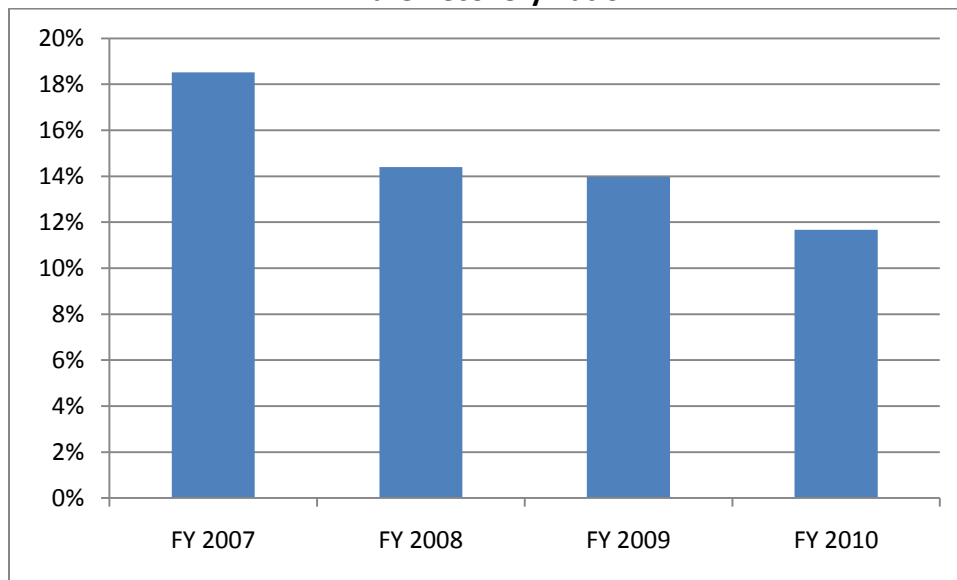
Graph IV-4
Operating Cost per Vehicle Service Hour



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



**Graph IV-6
Fare Recovery Ratio**



Findings from Verification of TDA Performance Indicators

1. **Operating cost per vehicle service hour**, an indicator of cost efficiency, increased by 38.3 percent from \$43.08 in FY 2007 to \$59.57 in FY 2010. Overall vehicle service hours declined 18.7 percent, while operating costs exhibited an increase of 12.5 percent during the three-year period. On an annualized basis, the growth in operating costs increased 4.4 percent with the highest increase occurring in FY 2008, which amounted to 17.5 percent. Vehicle service hours exhibited an annualized decline of 6.4 percent with FY 2010 showing the largest decline of 15.0 percent.
2. **Operating cost per passenger**, an indicator of cost effectiveness, increased by a notable 81.9 percent from \$7.96 in FY 2007 to \$14.48 in FY 2010. Overall ridership declined 38.1 percent during the period from 12,960 passengers in FY 2007 to 8,016 passengers in FY 2010, amounting to a 14.3 percent annualized rate of decline. Part of this trend may be attributed to the change from a general public service to a specialized dial-a-ride service in July 2009 along with additional service hour cutbacks in March 2010.
3. **Passengers per vehicle service hour**, which measures the effectiveness of the service delivered, decreased 24.0 percent between FY 2007 and FY 2010 from 5.4 passengers per hour to 4.1 passengers per hour. Together with the decline in passenger trips, vehicle service hours decreased from 2,396 hours in FY 2007 to 1,949 hours in FY 2010. On an annualized basis, service hours decreased at a rate of 6.4 percent.
4. **Passengers per vehicle service mile**, another indicator of service effectiveness, decreased by 10.9 percent from 0.36 in FY 2007 to 0.32 in FY 2010. Vehicle service miles decreased by 30.6 percent from 36,421 miles in FY 2007 to 25,279 miles in FY 2010, mirroring the decline in ridership over the same period. On an annualized basis, service miles decreased by 10.4 percent, with the most notable decline (29.4 percent) occurring in FY 2010.
5. **Vehicle service hours per employee** increased by a slight 1 percent between FY 2007 and FY 2010 from 798.7 to 806.7. This correlates with the decline in vehicle service hours as well as the 19.5 percent decrease in full-time equivalents (FTEs) during the period. FTEs are derived by the contract operator through the formula of dividing total annual employee hours and then dividing by 2000.
6. **Farebox recovery** for Imperial Dial-A-Ride remained above the minimum TDA requirement of 10 percent during the audit period in spite of a 37 percent decrease in farebox. With the change from a general public service to a specialized service operator in July 2009, Imperial was no longer subject to the 20 percent farebox return requirement. Although operating costs grew moderately during the period, the decline in passenger trips and revenues contributed to the 13.9 percent annualized decline in farebox returns.

Conclusion from the Verification of TDA Performance Indicators

Imperial Dial-A-Ride went from a general public demand-responsive service to a specialized service for senior and disabled riders at the beginning of FY 2010 in order for the system to better meet a lower farebox return requirement of 10 percent. Additional service changes in March 2010 entailed the elimination of Saturday service and a reduction in weekday service hours. These changes slowed the annual increase in operating costs; however, all performance cost indicators saw significant increases together with decreases in the number of passengers per hour and mile.

Before the change to a specialized service, Imperial Dial-A-Ride was subject to a 20 percent farebox requirement due to its designation as a general public carrier operating in an urbanized area. During FYs 2007 and 2008, the system fell short of meeting its farebox due to a 17.5 percent increase in operating costs in FY 2008 attributed to a rise in fuel as well as the implementation of the IVT Green Line circulator, which serves parts of Imperial and can carry passengers not dependent on Dial-A-Ride. Another operational challenge has been the demographic makeup of the service area. Imperial has the distinction of having the highest per capita household income in Imperial County; thus, it has the lowest number of transit-dependent residents of any community in the region.

Data Consistency

In a review of data consistency among external reports, fiscal year-end operations data was compared between the annual State Controller Report and two internal reports prepared by the Imperial Dial-A-Ride contract operator and ICTC. Table IV-2 shows the side-by-side comparison during the audit period (FYs 2008, 2009, and 2010) and including the base year of FY 2007.

Overall, there are some discrepancies and consistencies among the three data sets. A review of the two internal data sets shows relative consistency with only very minor variances. However, there are several discrepancies between the internal data and the State Controller Report data. State Controller vehicle service mile data from the FY 2007 base year through FY 2010 were either not reported or showed a wide variance from the internal reports. Data for FYs 2007 and 2008 were omitted, whereas the data for FYs 2009 and 2010 had variances of about 5,000 miles. For vehicle service hours, the preparer inputted passenger trip data instead of service hour data in the FYs 2009 and 2010 State Controller Reports. Although the remaining data appear fairly accurate, it is suggested that the City exercise greater discretion when transferring data from the internal to external reports.

**Table IV-2
Data Consistency Review**

TDA Statistic	Source	Base Year FY 2007	Audit Review Period		
			FY 2008	FY 2009	FY 2010
Unlinked Passengers	ARC Statistical Summary Report	12,960	11,910	10,997	8,016
	ICTC Performance Summary	12,960	11,910	10,997	8,016
	State Controller Report	12,960	11,910	10,997	8,016
Vehicle Service Hours	ARC Statistical Summary Report	2,396	2,341	2,293	1,949
	ICTC Performance Summary	2,397	2,340	2,291	1,950
	State Controller Report	2,396	2,341	10,997	8,016
Vehicle Service Miles	ARC Statistical Summary Report	36,421	36,190	35,824	25,279
	ICTC Performance Summary	36,420	36,190	35,824	25,279
	State Controller Report	N/A	N/A	41,156	30,177

Section V

Review of Operator Functions

This section provides an in-depth review of various functions within the City of Imperial Dial-A-Ride operation. The review highlights accomplishments, issues, and/or challenges that were determined during the audit period. The following departments and functions were reviewed at the City of Imperial and with the contract operator:

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

Operations & Planning

The City of Imperial Dial-A-Ride service has been in operation since the early 1990s. The service has been operated under contract by ARC-Imperial County since 2000. The City of Imperial collaborated with the County of Imperial's issuance of a comprehensive services contract that included all of the county's dial-a-ride services, as well as the dial-a-rides for the cities of El Centro and Imperial. As a result, the City's Dial-A-Ride contract scope of services is concurrent with the County of Imperial and is on the same time frame as the County's. The five-year service contract has been in effect since October 2006 and has five one-year option extensions. The City reports a good working relationship with ARC.

Imperial Dial-A-Ride is used by residents traveling to medical appointments in neighboring El Centro. Because the service operates beyond the city limits into El Centro, it could be considered somewhat of an intercity paratransit system. Most Dial-A-Ride riders reside along the Aten Road corridor where there is an 80-unit senior housing complex as well as 40-unit apartment complex. The service is operated with one vehicle plus one in reserve.

The city's small urban area designation, based on the 2000 Census, resulted in a change in the Dial-A-Ride farebox requirement from 10 percent to 20 percent. The 20 percent requirement became increasingly difficult to attain in recent years. In addition, Imperial Dial-A-Ride has been losing ridership to the El Centro Green Line Circulator, which serves parts of Imperial. The City restructured Dial-A-Ride into a specialized service for the elderly and disabled in July 2009. By operating as a specialized service, the City is subject to a 10 percent minimum farebox ratio in accordance with the TDA statute. Prior to this restructuring, the City authorized a \$0.25 fare increase effective July 1, 2009 as per a recommendation contained in the *Public Transit Services Fare Analysis* (Nelson/Nygaard 2008). A public notice of the fare increase was issued May 6, 2009.

Subsequent changes occurred in FY 2010. In March 2010, the transit budget was cut by 12 to 13 percent due to the State Budget crisis, resulting in a reduction in service hours and the elimination of Saturday service. Prior to this service reduction, Imperial Dial-A-Ride operated from 7:00 a.m. to 6:00 p.m. Monday through Friday and from 7:00 a.m. to 4:00 p.m. Saturday. Five options were analyzed, ranging from a 13.52 percent reduction to a 30.82 percent reduction in the total service cost for the four-month period commencing March 1, 2010, through June 30, 2010. All marketing efforts were suspended except for telephone directory listings. The reduction in operations amounted to \$13,041.

In spite of these recent budgetary and service cutbacks, Imperial has managed to sustain farebox levels above the 10 percent required minimum. The City Manager interviewed the driver assigned to Imperial Dial-A-Ride prior to the recent service changes in order gauge rider sentiment. The City received few comments and no negative feedback from the public.

As an exclusive dial-a-ride service targeted to the needs of seniors and disabled persons, Dial-A-Ride drivers check driver's licenses and other forms of identification to verify age and disability status. However, the city should develop and publicize a formal list of acceptable forms of identification as a means to standardize the ride eligibility process, including eligibility through ADA certification. A list of suggested types of identification for senior and disabled riders is provided in the recommendations section.

The operating service contract details a list of incentives and penalties to allow for the measurement of the performance and efficiency of services based on nine criteria: on-time performance, missed pick-ups, miles between accidents and roadcalls, annual CHP inspection reports, preventative maintenance, noncompliance with vehicle appearance, reporting, and passenger comfort. These criteria are not actively monitored by the City for the purpose of applying the incentives and penalties, although it is good practice to conduct some level of checks of actual performance against the criteria.

Performance measures are Passengers per Hour, Passengers per Day, Cost per Passenger, Subsidy per Passenger, Cost per Mile, Cost per Hour, and Farebox. These performance measures are recorded and tracked by the statistical summary report developed by the contractor. However, there is no set standard for the aforementioned measures. Other service criteria such as on-time performance, accidents, roadcalls, and no-shows are tracked on the management summary and passenger service reports. ARC also provides a quarterly and annual statement. When submitted to ICTC, these measures are compared to benchmarks contained in the prior Short Range Transit Plan.

ARC-Imperial Valley utilizes a manual dispatching system for Imperial Dial-A-Ride. According to ARC's Director of Transportation, federal grants would only cover up to 80 percent of the cost for an automated dispatching system with the city having to help cover the local match.

ARC provides an annual management summary report that records operational data such as wheelchair life failures, accidents, vandalism, and roadcalls. A monthly management summary

report is also maintained and includes the number of service days, farebox revenues, mileage (revenue/deadhead), hours (revenue/deadhead), passenger count, passenger miles, passenger category, and trip purpose. The report also includes trip denials and comments received. Two of the operational measures reported on the management summary report are accidents and on-time performance. These measures are summarized in Table V-1.

**Table V-1
Accidents & On-Time Performance**

	FY 2007	FY 2008	FY 2009	FY 2010	Total/Average
Accidents	0	0	0	0	0
On Time Performance	95%	96%	97%	99%	97%

Source: ARC-Imperial Valley

There were no accidents reported on the Imperial Dial-A-Ride system. On-time performance has improved during the period, increasing from 95 percent to 99 percent of scheduled trips. This trend averages out to a 99 percent on-time performance rate for the period.

Customer service trends are monitored on the passenger service report, which are presented on the same spreadsheet as the management summary report. This report includes a tally of cancellations, no-shows, comments, complaints, and compliments. Table V-2 below summarizes the number of cancellations, trip denials, and no-shows received during the audit period.

**Table V-2
Cancellations, Denials & No-Shows**

	FY 2007	FY 2008	FY 2009	FY 2010	Total
Cancellations	13	6	26	6	51
Trip Denials	26	88	99	51	264
No Shows	524	371	329	165	1,389

Source: ARC-Imperial Valley

The number of cancellations and no shows has declined significantly during the audit period. This trend reflects the effort to implement and enforce the no-show policy as per a prior audit recommendation. ARC now charges for no-shows after a total of three no-shows. No-shows continue to be more prevalent on subscription services.

Unlike cancellations and no-shows, trip denials are not reported on the passenger service report. ARC maintains a monthly denial log that contains the date and time of the request, pick-up and destination addresses, and reason for the denial. There are nine alphabetical codes utilized for the reason given for each denial. The most common reasons for a denial include an inability to renegotiate dates and times, same-day trip requests, and a passenger not qualifying for the service. The denial log is attached to the monthly management summary information sheet.

Another measure of customer service is in the tracking of complaints and compliments on the passenger service report and tallied for the service year. ARC dispatchers keep a record of complaints received, which are reported to the City. Complaints and compliments are summarized in Table V-3 below.

**Table V-3
Complaints & Compliments**

	FY 2007	FY 2008	FY 2009	FY 2010	Total
Complaints	5	2	1	0	8
Compliments	0	1	0	0	1

Source: ARC-Imperial Valley

The number of complaints reported has averaged 2 annually, peaking at 5 complaints in FY 2007 and trending downward ever since. There was one compliment received in FY 2008. Overall, the City is satisfied with the service provided by ARC.

Planning

Service planning for Imperial Dial-A-Ride relies on several approaches consisting of public forums, plans, and studies. Pursuant to the TDA claims process, ICTC conducts annual Unmet Transit Needs hearings. Unmet Transit Needs are, at a minimum, those public transportation or specialized transportation services that are identified in the Regional Short-Range Transit Plan (SRTP), Regional Transportation Plan, or similar Mobility Plan which have not been implemented or funded. Unmet Transit Needs identified during the process must also be found “reasonable to meet” based upon a set of five criteria in order to be implemented. Testimony received during the Unmet Needs process over the course of the audit period did not specifically pertain to Imperial Dial-A-Ride, but instead involved requests for bus stops to be implemented in the vicinity of Imperial and Cross as well as in the vicinity of Aten and La Brucherie in Imperial.

ICTC commissioned a fare study of the transit agencies under its jurisdiction in 2008. For several of the operators, the farebox recovery ratios had been declining over the past few years given the growth in operating costs, primarily from fuel and insurance. The *Public Transit Services Fare Analysis* (Nelson/Nygaard 2008) concluded that the 20 percent farebox would not be attainable in the near future without an adjustment in the \$0.50 intracity fare and the \$1.50 intercity fare to/from El Centro. The farebox recovery ratio had been trending below the standard of 20 percent since FY 2007. It was suggested in the analysis that the Imperial Dial-A-Ride fare be raised by \$0.25 for each fare category, resulting in an intracity fare of \$0.75 and an intercity fare \$1.75. These recommendations were implemented in July 2009 along with the change from a general public service to a specialized dial-a-ride service that lowered the farebox recovery standard to 10 percent.

An updated SRTP was commissioned by ICTC in January 2011 and is currently being developed. The primary objectives of the SRTP will be to review existing performance and prioritize operating and capital expenditures to maintain and recommend improvements to the regional transit

system. The prior SRTP was adopted in FY 2004, and the new SRTP will review and evaluate the related goals, policies, objectives, and standards developed for that plan. In addition, it will provide a five-year plan for operations including, but not limited to, specifics on fares, service levels, route changes, service policy changes, inter-operator agreements, spare ratios, and other characteristics.

As for the City of Imperial, a fixed-route community circulator has been proposed as part of an FTA Section 5304 planning grant and would be modeled after the IVT Blue and Green Line circulators operating in El Centro. Such a circulator would be branded as the “Red Line,” which would allow for timed connections with the IVT Regional Service at a designated stop in Imperial. In anticipation of further transit service expansion and coordination, the County/ICTC received a \$947,000 American Recovery and Reinvestment Act of 2009 (ARRA) earmark for the development of a downtown transit park.

The City is considering other transit operations for non-ADA and elderly residents in order to meet the needs of the seasonal “snowbird” population. A new regional park is planned in the northwest section of the city that would feature amenities for recreational vehicles (RVs). Moreover, the City has identified generators that could support transit such as the weekly farmers’ market, the California Mid-Winter Fair, Imperial County Airport, the expansion of library services, and planned commercial development. The City has also taken the initiative to install and refurbish bus shelters downtown near the intersection of Imperial Avenue and Worthington Road. Another bus shelter is planned for installation in front of the Imperial Irrigation District (IID) headquarters on Worthington Road. The new IID headquarters is planned to the east of the city limits within the proposed annexation area.

Future annexations to the city would involve extending water and sewer infrastructure, which induce development and transit demand. One annexation scenario would involve Imperial Valley College (IVC) situated on the Aten Road corridor to the east of Imperial. Another would involve the annexation of the Ironwood Acres subdivision located to the west of the city. A recent update to the Circulation Element of the City of Imperial General Plan involved an adjustment to the City’s road classification to be consistent with that of the County.

Maintenance

ARC has developed a four-phase vehicle maintenance protocol for the vehicles utilized by Imperial Dial-A-Ride. The first phase involves the Driver’s Daily Vehicle Inspection Report (DVIR), which is completed prior to the first and second shifts to discover any mechanical defects that would prevent safe operation of the vehicles. The DVIR consists of a 30-point inspection checklist. ARC displays a daily mileage board indicating the current mileage of each vehicle and the mileage when each type of maintenance check is required.

The second phase involves an in-house 1,500-mile vehicle inspection along with a mid-point inspection prior to the third phase. The purpose of this inspection is to discover and correct any

mechanical defect that may have occurred since the time of the last inspection either in-house or at a repair facility.

The third phase consists of a 3,000-mile/45-day inspection performed by an outside repair facility with certified technicians. This involves an inspection, oil change, and lubrication as mandated by the Department of Transportation. In addition, the purpose of this inspection is to discover and correct mechanical defects that are denoted during the thorough inspection by a certified Automotive Service Excellence (ASE) mechanic. The fourth phase involves the California Highway Patrol (CHP) Annual Bus and Terminal Inspection, which occurs at 13-month intervals.

Vehicle maintenance is performed by several dedicated vendors locally. El Centro Motors, located at 1520 Ford Drive in El Centro, provides service on Ford vehicles. Radiator and glass repairs are performed by MJ Radiators & Glass Service located at 363 West State Street in El Centro. Escobedo Auto Body Shop, located at 361 East Main Street in El Centro, performs body work on the vehicles. Vehicles are taken to Desert Auto Plaza in El Centro or to a dealership in San Diego for warranty repairs. The parts inventory is very low at ARC given most vehicle maintenance and repair is performed at the vendor’s location. The annual cost for vehicle repair and maintenance increased 9.3 percent from \$15,883.43 in FY 2007 to \$17,356.25 in FY 2010.

Vehicle fueling is handled through McNeece Brothers Oil of El Centro located at 691 East Heil Avenue only a few blocks away from ARC’s offices. A special fleet discount is applied on fuel purchases exceeding 10,000 gallons monthly. According to ARC financial reports, annual fuel costs increased approximately 9.3 percent from \$17,661.62 in FY 2007 to \$19,299.33 in FY 2010. This increase is attributed to the overall increase in fuel costs during the period.

The contract operator, as per a prior audit recommendation, began tracking roadcalls on its management summary report in FY 2008. Table V-4 below provides a summary of roadcalls incurred on the Imperial Dial-A-Ride system from FY 2008 to FY 2010.

**Table V-4
Roadcalls**

	FY 2007	FY 2008	FY 2009	FY 2010	Total
Roadcalls	NR	0	0	1	1

NR=Not Reported

Source: ARC-Imperial Valley

A review of the management summary report showed that the sole roadcall occurred in August 2009 during the peak of extreme summer temperatures that affect the optimal performance of vehicle air conditioning systems. The service contract stipulates that thorough air conditioning inspections and repairs be executed and completed on all vehicles no later than April 1 of each contractual year.

Marketing

ARC is responsible for marketing the service on behalf of Imperial and coordinates the placement, scheduling, and distribution of all advertising and promotional materials to promote ridership. The contract with the City stipulates that the marketing budget not exceed \$1,500 for the fiscal year. The contract also requires ARC to develop an annual marketing plan at least 30 days prior to the end of the fiscal year for approval by the City. ARC has made efforts to develop and implement a marketing plan in spite of budgetary constraints. With the cut in operating subsidies in March 2010, the marketing budget was subject to significant reductions amounting to approximately \$1,582.

There is a one-quarter-page color advertisement featured in the Imperial County Area Agency on Aging Senior Services Directory. The ad contains a photo of an Imperial Dial-A-Ride vehicle along with contact numbers. Flyers are also employed to announce service or fare changes. ARC has created a paratransit data sheet that provides a listing of all the dial-a-ride services operated in Imperial County. The service is also listed in the local Yellow Pages telephone directory. Information about Imperial Dial-A-Ride is featured on a rotating basis in the City's *Imperialite* quarterly newsletter. Internet marketing consists of a listing of transit links on the City Transportation Services section of the Residents page link of the City of Imperial webpage <http://www.imperial.ca.gov/residents.php?id=26>. One of the links connects to the ARC-Imperial Valley transportation services webpage: <http://www.arciv.org/transportation.php>. The ARC webpage only contains basic information about the various dial-a-ride services operated. There is no information regarding fares, service areas, or hours of operation.

ARC has developed and provides passenger comment cards. The Transportation Service Questionnaire contains 10 questions and is printed in English and Spanish. ARC provides a statistical summary of the frequency and patterns of comments in its passenger service report. Report gives a breakdown of comments received as well as the number of complaints (written or phoned in) and compliments.

General Administration & Management

The City of Imperial operates as a general law city under a council-manager form of government. The five-member City Council serves as the principal policy-making body. The Mayor and Mayor Pro-Tem are selected from the Council. The Council convenes on the first and third Wednesday of the month at 7:00 p.m. in the Council Chambers located in the Public Library at 200 West 9th Street. The City Council provides policy direction to the City Manager, who oversees City operations including Dial-A-Ride.

The City Manager's oversight of the Dial-A-Ride service is supported by personnel from the Finance Department. Any technical communication between the City and the contract operator or ICTC regarding the transit service appears to be through the City's finance staff and clerk. The City does not regularly review ARC's operations from an analysis perspective and instead relies on ICTC

for technical assistance. The City does receive invoices from ARC on a monthly basis and utilizes the performance data attached to the invoices to input into a spreadsheet for reporting to ICTC and annual State Controller Report.

ARC is a nonprofit, 501(c)(3) social services agency that provides a number of services to the disabled community such as vocational programs, residential services, first aid/CPR training, and paratransit services. ARC's transportation division is the largest paratransit provider in Imperial County. ARC is governed by a Board of Directors and an Executive Director. Serving under the Board and Executive Director is the Director of Transportation, who oversees the paratransit services operation. The Director of Transportation is assisted by an Office Manager and Operations Supervisor. The Operations Supervisor oversees the dispatchers, schedulers, trainers, maintenance personnel, and drivers. In addition to the management and supervisory-level staff, ARC has 27 full-time drivers and 5 dispatchers. Drivers are assigned to contracted services based on their aptitude and customer service skills. The Director of Transportation reported higher than average employee turnover in FY 2010 due to wage increase deferrals and benefit cuts.

Drivers undergo a minimum of 80 hours of training consisting of 40 hours classroom and 40 hours behind-the-wheel instruction. Classroom instruction encompasses first aid, cardiopulmonary resuscitation (CPR), sensitivity/empathy training, Commercial Driver's License (CDL) study and testing, ADA requirements, radio usage, and dispatch procedures. The behind-the-wheel instruction consists of pre-trip and post-trip inspections, brake and transmission checks, wheelchair lift operation and securement, and the SMITH system driving skill techniques. The SMITH system encompasses five keys for safe vehicle operation: (1) aim high in steering; (2) get the big picture; (3) keep eyes moving; (4) leave an out; and (5) make sure other drivers see you.

In addition to the aforementioned training protocol, new drivers are placed on a route under the supervision of a senior-level driver or route trainer who "rides along" to reinforce skills previously learned during the initial trainings. There are also ongoing in-service trainings such as mandatory monthly safety meetings, check rides, road observations, and retraining. Drivers are subject to retraining in the event of an accident or unfavorable evaluation.

ARC provides a comprehensive benefits package to its full-time employees including retirement options through a 401K plan. However, there have been no employer contributions toward retirement for three years due to reduced operator subsidies and higher costs. The value of the benefits package is calculated to be approximately \$3.35 an hour on average.

Grant Administration and Funding

The primary source of intergovernmental grant funding for Imperial Dial-A-Ride operations is derived from the City's TDA apportionment, which is primarily from the Local Transportation Fund (LTF). Table V-5 provides a summary of TDA funding allocation toward the City's paratransit program.

Table V-5
Imperial Dial-A-Ride TDA Funding Allocations

TDA Funding	FY 2007	FY 2008	FY 2009	FY 2010
LTF – (SB325)	\$78,432	\$78,432	\$105,595	\$122,162

Source: Transit Finance Plan, ICTC

The growth in the City’s allocation is reflective of population growth within the service area. Based on the FY 2010–11 ICTC Transit Finance Plan, Imperial is slated to receive \$20,000 in County Local Transportation Authority (LTA) revenues derived from the renewed local transportation sales tax. The renewed tax includes allocations for transit projects.

In addition to TDA funding, the County/ICTC received \$947,000 in an ARRA earmark toward the development of a downtown transit park. The proposed transit park would feature bicycle racks, a space for dial-a-ride vehicles, a taxi stand, and a decorative water feature. The transit park would complement efforts for mixed-use development planned for downtown.

As a nonprofit social services agency, ARC has successfully applied for and received Federal Transit Administration (FTA) Section 5310 grant funding toward paratransit vehicle procurement and other related equipment. Grant applications are scored and ranked by ICTC. ARC has compiled an annual bus inventory and depreciation schedule for Imperial Dial-A-Ride vehicles. Buses and associated equipment are listed along with the funding source, acquisition date, and annual and monthly depreciation amounts, as well as date of full depreciation.

Section VI

Findings and Recommendations

The following material summarizes the major findings obtained from this triennial audit covering FYs 2008 through 2010. A set of recommendations is then provided.

Triennial Audit Findings

1. Of the compliance requirements pertaining to Imperial Dial-A-Ride, the operation fully complied with six out of the eight requirements. The City was found in partial compliance with regard to the timely submittal of the State Controller Reports and the Annual Fiscal and Compliance Audits. Three additional compliance requirements did not apply to Imperial Dial-A-Ride (e.g., rural/urban farebox recovery ratios and federal funding). The system was not compliant with the urban farebox ratio for general public services during FY 2007-08.
2. Imperial Dial-A-Ride's farebox recovery ratio remained above the required 10 percent standard. The average systemwide farebox recovery ratio was 13.34 percent during the triennial review period.
3. Through its contract operator, the City participates in the CHP Transit Operator Compliance Program and received inspections of Imperial Dial-A-Ride vehicles within the 13 months prior to each TDA claim. Satisfactory ratings were made for all inspections conducted during the audit period.
4. The operating budget exhibited an increase of 17.52 percent in FY 2008, followed by declines during the subsequent fiscal years. The increase was attributed to a rise in fuel costs as well as adjustments in the fuel and vehicle repair clauses of the contract. The budget reductions in FY 2009 and FY 2010 reflect the change in service characteristics from a general public service to a specialized service as well as service reductions effective March 2010.
5. Imperial Dial-A-Ride implemented four out of the six prior audit recommendations. One recommendation not implemented pertained to the incentives and penalties clause of the service contract, and the second recommendation not implemented pertained to FTE data not calculated accurately. Both recommendations have been carried forward in this audit for full implementation.
6. The City restructured Dial-A-Ride into a specialized service for the elderly and disabled in July 2009. By operating as a specialized service, the City is subject to a 10 percent minimum farebox ratio in accordance with the TDA statute. Prior to this restructuring, the City authorized a \$0.25 fare increase in July 2009 as per a recommendation contained in the *Public Transit Services Fare Analysis* (Nelson/Nygaard 2008).

7. Before the change to a specialized service, Imperial Dial-A-Ride was subject to a 20 percent farebox requirement due to its designation as a general public carrier operating in an urbanized area. During FYs 2007 and 2008, the system fell short of meeting its farebox due to a 17.5 percent increase in operating costs in FY 2008 attributed to a rise in fuel costs.
8. In March 2010, the transit budget was cut by 12 to 13 percent due to the State Budget crisis, resulting in a reduction in service hours and the elimination of Saturday service. Five options were analyzed, ranging from a 13.52 percent reduction to a 30.82 percent reduction in the total service cost for the four-month period commencing March 1, 2010, through June 30, 2010.
9. The number of cancellations and no-shows has declined significantly during the audit period. This trend reflects the effort to implement and enforce the no-show policy as per a prior audit recommendation. ARC now charges for no-shows after a total of three no-shows. No-shows continue to be more prevalent on subscription services.
10. ARC maintains a monthly denial log that contains the date and time of the request, pick-up and destination addresses, and reason for the denial. There are nine alphabetical codes utilized for the reason given for each denial. The most common reasons for a denial include an inability to renegotiate dates and times, same-day trip requests, and a passenger not qualifying for the service.
11. The contract with the City stipulates that the marketing budget not exceed \$1,500 for the fiscal year. The contract also requires ARC to develop an annual marketing plan at least 30 days prior to the end of the fiscal year for approval by the City. With the cut in operating subsidies in March 2010, the marketing budget was subject to significant reductions amounting to approximately \$1,582.
12. Administrative oversight of the Dial-A-Ride service is provided by the City Manager, who is supported by personnel from the Finance Department. Any technical communication between the City and the contract operator or ICTC regarding the transit service appears to be through the City's finance staff and clerk. The City does not regularly review ARC's operations from an analysis perspective and instead relies on ICTC for technical assistance.

Triennial Audit Recommendations

1. Implement the incentives and penalties provisions in the service contract.

This recommendation is carried over from the previous audit. The existing service contract does contain provisions for the implementation of incentives and penalties. Although most performance standards have either been met or exceeded by the contract operator, a series of incentives and penalties through the implementation of a performance-based incentive system would ensure continued service quality and spur greater efficiencies that could support the farebox standard and control costs. It is suggested that the City regularly monitor actual performance against the criteria and enforce these provisions as necessary.

2. Adjust the FTEs shown in the annual State Controller Report.

This recommendation is carried over from the previous audit. A review of the performance data summaries compiled by ICTC for Imperial Dial-A-Ride, the FTE count does not appear to be calculated accurately. The FTE data appear to be an annual aggregate total of the number of employees or monthly FTEs. When queried about this discrepancy, the contractor was able to demonstrate an accurate accounting of FTEs on the operations side. Employee hours are detailed and formulized to provide an FTE figure totaled monthly and annually. However, County personnel have yet to include their staff hours and provide an accurate accounting thereof. Therefore, it is suggested that City finance personnel responsible for preparing the State Controller Report track their time charged to transit administration according to the formula calculation for FTEs and accurately incorporate the FTE information provided by the contractor as well as include the FTE data compiled from the contract operator.

3. Record trip denials on the annual passenger service report.

The contract operator, ARC-Imperial Valley, has developed a thorough process for recording and classifying trip denials on Imperial Dial-A-Ride. ARC maintains a monthly denial log that contains the date and time of the request, pick-up and destination addresses, and reason for the denial. There are nine alphabetical codes utilized for the reason given for each denial. The monthly denial log is attached to a monthly management summary report and the number of denials is noted on the report. Unlike cancellations and no-shows, trip denials are not reported on the passenger service report. It is suggested that trip denial data be included concurrently with cancellation and no-show data on the passenger service report.

4. Show actual passenger fare revenues in annual fiscal and compliance audits (180-day) reports.

The operating revenue data in the annual fiscal and compliance audit (180-day) reports for the City of Imperial appear to be inclusive of municipal subsidies as well as actual passenger fare revenue data. However, there is no breakdown of actual fare revenues from direct subsidies.

The auditor requested a breakdown of passenger revenue data from the City Finance Manager, which has yet to be provided. This manner of reporting results in a skewed farebox ratio that differs from the farebox ratios reported in internal and external reports. It is suggested that the City instruct the CPA auditor to differentiate between actual passenger fare revenues and municipal subsidies as well as base the farebox ratio calculation on passenger fare revenue in subsequent annual reports.

5. Enhance passenger ride eligibility and verification.

Operating as a specialized transit service, El Centro Dial-A-Ride limits its ridership to senior citizens 60 years and older, and disabled persons. Due to this limitation, verification of rider eligibility is required prior to boarding. The city should clearly state the forms of identification that are acceptable to ride specialized DAR. Several accepted forms of identification include the following:

For Senior Riders:

- Medicare Card and proper identification
- Driver's License or State of California (DMV) I.D. Card

For People with Disabilities:

- ADA I.D. Card or letter
- DMV Disabled Person Placard Identification Card/Receipt
- Social Security Medicare Card and proper identification or disability insurance award letter
- V.A. letter confirming a disability of 50% or greater.

It is suggested that the City collaborate with ICTC for providing ADA certification as one form of disability verification. ICTC currently conducts ADA certifications for the regional ADA paratransit service, which could then also be valid for rides on the city DAR services. In this manner, a centralized database of ADA certified riders is maintained countywide and can be shared among DAR providers.