Triennial Performance Audit
El Centro Dial-A-Ride

DRAFT

and are in regular contact with the operator. In addition, a working group comprised of two City councilmembers and staff from the city and ICTC address service issues on the IVT Blue and Green Line Circulators.

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 El Centro Dial-A-Ride 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
El Centro Dial-A-Ride TDA Funding Allocations

<table>
<thead>
<tr>
<th>TDA Funding</th>
<th>FY 2007</th>
<th>FY 2008</th>
<th>FY 2009</th>
<th>FY 2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>LTF – (SB325)</td>
<td>$161,320</td>
<td>$161,320</td>
<td>$189,154</td>
<td>$227,034</td>
</tr>
</tbody>
</table>

Source: Transit Finance Plan, ICTC

The growth in the City’s allocation is reflective of the population growth within the service area. Based on the FY 2010–11 ICTC Transit Finance Plan, El Centro 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 has received federal transit formula grant funds toward planned transit infrastructure projects, such as the El Centro Transfer Terminal. The County/ICTC received a $1.22 million American Recovery and Reinvestment Act of 2009 (ARRA) earmark in FY 2010 toward the construction of the Transfer Terminal in addition to the $3.7 million in FTA Section 5307 grant funds received. The City has been tasked with the design, engineering and construction of the Transfer Terminal.

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 El Centro 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 El Centro Dial-A-Ride, the operation fully complied with eight requirements. Two additional compliance requirements did not apply to El Centro 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. El Centro Dial-A-Ride’s farebox recovery ratio remained above the required 10 percent standard. The average systemwide farebox recovery ratio was 14.67 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 El Centro 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 approximately 10 percent in FY 2008, followed by declines during the subsequent fiscal years. The budget reductions in FY 2009 and FY 2010 reflect the change in service characteristics from a general public service to a specialized service in September 2008 as well as service reductions effective March 2010.

5. El Centro Dial-A-Ride implemented five out of the six prior audit recommendations. The one recommendation not implemented pertained to the incentives and penalties clause of the service contract and has been carried forward in this audit for full implementation.

6. In September 2008, the El Centro City Council passed Resolution 08-92 to limit Dial-A-Ride services to disabled persons and senior citizens aged 60 and older for the purposes of adhering to the 10 percent minimum farebox ratio in accordance with the TDA statute.

7. Since becoming an exclusive dial-a-ride service targeted to the needs of seniors and disabled persons, the City has yet to institute a formal verification system. In essence, the service operates on an honor system that does not necessarily conform to ADA requirements.

8. In March 2010, the transit budget was cut by nearly one-third 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 an 8.9 percent reduction to a 27.12 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-based services.

10. 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 $1,000.

11. Dial-A-Ride administration duties have been shared between the Public Works Director and City Engineer, with support from Public Works and Finance Department staff. Both designated staff members regularly attend the ICTC Technical Advisory Committee (TAC) meetings and are in regular contact with the operator.

12. In addition to TDA funding, the County/ICTC has received federal transit formula grant funds toward planned transit infrastructure projects, such as the El Centro Transfer Terminal. The County/ICTC received a $1.22 million American Recovery and Reinvestment Act of 2009 (ARRA) earmark in FY 2010 toward the construction of the Transfer Terminal in addition to the $3.7 million in FTA Section 5307 grant funds received. The City has been tasked with the design, engineering and construction of the Transfer Terminal.
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. **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 El Centro 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.

3. **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.
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Executive Summary

The Imperial County Transportation Commission (ICTC) retained PMC to conduct its Transportation Development Act (TDA) performance audit covering the most recent triennial period, Fiscal Years (FY) 2007–2008 through 2009–2010. ICTC is required by Public Utilities Code (PUC) Sections 99246 and 99248 to prepare and submit an audit of its performance on a triennial basis to the California State Department of Transportation (Caltrans) as a condition of receiving TDA funding. TDA funds are expended for ICTC administration and planning of public transportation, and distribution to local jurisdictions for operations of public transit systems, non-motorized projects, and streets and roads.

This performance audit is intended to describe how well ICTC is meeting its administrative and planning obligations under TDA, as well as its organizational management and efficiency as a regional transportation entity. To gather information for the TDA performance audit, PMC undertook several efforts including conducting interviews with ICTC Board members and stakeholders that participate on ICTC’s committees, as well as with agency staff and the transit operators. PMC also reviewed various documents pertaining to the agency’s activities over the last three years and evaluated ICTC’s responsibilities, functions, and performance of the TDA guidelines and regulations.

Below is a summary of the findings from the analysis:

1. ICTC has in large part been able to accomplish its objectives as a regional planning entity and build good relationships with key partners such as Caltrans while maintaining on-going communication with its member local jurisdictions. With significant growth in Imperial County over the past decade evidenced by the 2010 Census figures, there is recognition for ICTC to continue its regional approach to delivery of service and compliance with increased mandates.

2. ICTC has satisfactorily complied with state legislative mandates for Regional Transportation Planning Agencies, with the exception of one in partial compliance. ICTC has partially complied with the provision ensuring that all member-agency certified fiscal audits have been submitted to it and the State Controller within the statutory timeline of 180 days after the end of the fiscal year. A few local jurisdiction claimants were several years past due, and ICTC has taken allowable action to withhold TDA funds until the fiscal audits were completed.

3. With the creation and transition to an independent transportation commission in January 2011, ICTC staffing underwent rather significant changes including the hiring of a full-time Executive Director who is employed by the new agency. The remaining staff who serve ICTC are still currently employed by Imperial County under the County’s personnel titles. A
transition process has been under way internally to move these County employees into the ranks of the new agency and reflecting full independence.

4. Of the nine prior audit recommendations made of ICTC’s predecessor, IVAG, seven have been fully implemented. The remaining two prior recommendations are still in progress of being implemented including making revisions to the TDA claims forms, and conducting transit efficiency tests.

5. Stakeholders that were interviewed for this audit, including ICTC elected officials and public agency staff and citizens who serve on an ICTC committee, were generally satisfied with ICTC’s activities, competencies and responsiveness. The interviewees were positive about the direction being taken by the agency including the hiring of an Executive Director which has improved the perception that the agency serves all member jurisdictions in a fair manner. A common suggestion made by the interviewees is for ICTC staff to develop an orientation program for board and committee members so that these individuals can get acclimated quicker to ICTC activities and responsibilities.

6. The transition from IVAG to ICTC brings new challenges and issues as the newly created agency continues to mature. The board approved for ICTC to be modeled after other fully operational county transportation commissions in southern California. The transition provides an opportunity for the board to discuss the dynamics of how the new agency conducts its business and how it reduces its reliance on SCAG and Caltrans.

7. ICTC has undertaken a strategic planning process through workshops with Board members and Management Committee members. Workshops took place in early May 2011 and resulted in development of a strategic plan for the region and includes elements toward the development of ICTC as an independent agency.

8. As contained in ICTC’s first Overall Work Plan for FY 2010–2011, a greater emphasis on regional transportation planning has been placed on the agency than in previous years. Activities have included working in partnership with Caltrans and each of the county’s planning agencies and regional planning partners to reach consensus on an approach to reduce greenhouse gases generated in Imperial County. Regional project delivery has also been prioritized including expediting the completion of the State Route 78 Brawley Bypass and improvements to the Interstate 8 Dogwood Interchange. ICTC also received Federal Transit Administration urbanized funds for the El Centro Bus Terminal design and construction, as well as for new local circulator transit service in El Centro. Additional federal funding has been received by ICTC for new bus transfer stations in the cities of Brawley and Imperial. ICTC has been active in securing federal grant funds for planning and implementation.

9. Several significant planning documents were completed during the audit time period. They include an update to the Imperial County Transportation Plan Highway Element in 2008 as part of the County Long-Range Transportation Plan Update, completion of the Coordinated
Public Transit – Human Services Transportation Plan in 2008 as a condition of eligibility for certain federal transit funding, and completion of the Public Transit Services Fare Analysis in 2008 that supported adjustments to transit fare rates.

10. ICTC continued its monitoring of public transit performance trends through the collection of performance data from each operator. The continual collection and review of the data on a regular basis by ICTC, as well taking action to preserve transit service, demonstrates its active role by the agency to provide oversight of TDA-funded transit services. In addition, ICTC staff utilize additional proactive monitoring techniques including in-person on-board observations for the county administered transit programs.

11. ICTC has created a community outreach/public information/marketing program that will consider ways to incorporate all ICTC services into one comprehensive identifiable entity. The main focus will be an effort to create a new independent ICTC website that will provide easy access to its member agencies, key stakeholders, and the general public. As part of the effort, ICTC’s website will provide links through logos of the public transit systems placed on the ICTC site that will enable the user to gain additional information about each system and direct the user to their respective home websites.

12. ICTC has made significant effort to increase its communication with the public by providing information in bilingual English/Spanish format. When feasible, ICTC has created bilingual media and provided interpreters at public meetings to enhance participation and communication. These have proven useful for such activities as the annual unmet transit needs, and communication with transit drivers. The ICTC website will also be formatted in both English and Spanish.

Four recommendations are provided based on our assessment of ICTC’s administration and management. Each recommendation is described in detail in the last chapter of this audit. These recommendations are summarized as follows:

1. **Develop an orientation program for ICTC board and committee members.**

Based on our interviews with board members and committee members, a common response was that an orientation program would be helpful to get members more quickly acclimated to ICTC activities. The program could comprise several elements including development of an orientation packet, one-on-one meetings, and strategic retreats or meetings held at regular intervals. The orientation packet could include at a minimum a fact sheet about ICTC’s roles and responsibilities, programs, and funding sources. Essentially, the fact sheet could be a condensed version of the OWP. For fact sheets to ICTC committee members including the Management Committee, Technical Advisory Committee, and Social Services Transportation Advisory Council, the content could include about ICTC and the role and responsibility of each committee.
2. **Complete Separate State Controller Reports for County General Public Transit and Specialized Service.**

ICTC, as the administrator of county transit services, is responsible for assisting the County of Imperial with completion of required reports including the annual State Controller Report for county transit. Currently, the County prepares and submits one State Controller Report to the State that includes financial and performance data for both general public service as well as specialized service to the elderly and disabled. However, the State Controller report instructions state that “...Transit operators providing two types of service, (general public use and transit service exclusively for the elderly/handicapped) must complete a separate report for each type of service...” This provision is also stated on the General Information page on the front of the Controller report that is submitted by the County. The instructions state that separate reports must be submitted, one for general public transit, and another for specialized service. Given the applicability of these provisions to the types of county services provided (IVT, AIM Transit, Med-Express, and West Shore DAR), there should be a separation of modes and two Controller reports prepared, one for general pubic and the other for specialized service.

3. **Implement the State Transit Assistance efficiency test.**

Under PUC 99314.6, before any STA funds can be used for operations, ICTC must conduct a test using a formula to determine the operator’s year over year growth in cost per revenue hour, or average three year change. ICTC currently allocates all STA funds for the operation of IVT service. Typically this test is conducted during the TDA claims process before funds are approved and distributed for their intended expenditures. Alternatively, ICTC could request the fiscal auditor for IVT to conduct the verification as part of the annual fiscal and compliance audit.

4. **Revise the TDA claims forms and provide training to the claimants.**

The current TDA claims forms were developed in January 2006 as part of the Transportation Development Act Guidebook update. During their subsequent use for the claims process, staff has found the claims forms to be complex relative to the claims being made and the information that is required by the claimants. A streamlined claim form would serve the agency better and should be revised as agency resources allow, along with further training for the claimants. The revised claims should include a requirement that the claimants report at least annually the status of implementing the fiscal audit and performance audit recommendations. This can be inserted as part of the annual TDA claims package. A few samples of alternative claims forms are shown in the appendix section of the prior IVAG Performance Audit covering through fiscal year 2007.
Section I

Introduction – Initial Review of ICTC Functions

The Imperial County Transportation Commission (ICTC) retained PMC to conduct its Transportation Development Act (TDA) performance audit covering the most recent triennial period, Fiscal Years (FY) 2007–2008 through 2009–2010. ICTC is required by Public Utilities Code (PUC) Sections 99246 and 99248 to prepare and submit an audit of its performance on a triennial basis to the California State Department of Transportation (Caltrans) as a condition of receiving TDA funding.

This performance audit, as required by TDA, is intended to describe how well ICTC is meeting its administrative and planning obligations under TDA.

Overview of Imperial County and ICTC

Imperial County is geographically located in the southeastern corner of California, stretching from the United States-Mexico border on the south, Riverside County on the north, San Diego County on the west, and the State of Arizona on the east. The terrain varies from 235 feet below sea level at the Salton Sea to 4,548 feet at Blue Angel Peak. The county’s geographical land area encompasses 4,597 square miles and is traversed by 2,555 miles of roadways. Major highways include Interstate 8 and State Routes (SR) 7, 78, 86, 98, 111, and 115.

Population growth has seen a marked increase in recent years. According to the newly released 2010 U.S. Census data, the county’s population is 174,528, an increase of close to 23 percent from the 2000 Census figures. The California Department of Finance 2010 estimate reports a countywide population of 183,029. The county seat and largest city is El Centro, with an estimated population of 42,598 based on the 2010 U.S. Census. The population of El Centro is followed in descending order by those of Calexico, Brawley, Imperial, Calipatria, Holtville, and Westmorland. In addition, in 2009, an estimated 75,000 people cross daily by car and foot into the United States from Mexico through the U.S. Customs and Border Protection Agency’s two busiest land ports of entry between Imperial County and Mexicali, Mexico, at Calexico West/Mexicali I and Calexico East/Mexicali II.

The performance audit time frame includes a historic period for transportation planning in Imperial County. The institutional structure of the regional transportation planning agency was changed on January 1, 2010, when legislation became effective creating the Imperial County Transportation Commission, an independent agency. Senate Bill 607 (Ducheny) was passed and chaptered by the Secretary of State on August 6, 2009. The legislation added Division 12.8 (commencing with Section 132800) to the Public Utilities Code establishing ICTC’s general provisions and creation of the commission, administration, and powers and functions.
The law establishes a governing board of up to 15 members, including 10 specified voting members, one nonvoting member appointed by the governor and representing Caltrans, and up to four additional nonvoting members at the commission's discretion. The voting members are composed of Imperial County, all the incorporated cities of the county, and the Imperial Irrigation District. It is the successor entity to the Imperial Valley Association of Governments and assumes all assets and liabilities of that entity. ICTC is an independent subregional entity of the Southern California Association of Governments (SCAG). A resolution recognizing the new agency was passed and adopted on March 24, 2010, by an affirmative vote of a majority of the members of the board.

The resolution also approved the Local Transportation Authority’s (LTA) request for ICTC to accept the responsibilities of administration of the LTA program of Measure D sales tax transportation funds. Previously, these responsibilities were managed by the County of Imperial’s Public Works Department. Following approval of the resolution, the LTA and ICTC Board’s directed staff to initiate all necessary steps toward implementing this transfer of responsibilities to be effective July 1, 2010. These responsibilities include but are not limited to providing staff support to the LTA Board and administration of the LTA funds. Language in the new LTA ordinance allows for the use of 2 percent of the funding for transit services for seniors. The LTA took action on May 26, 2010, authorizing the use of these funds for local transit services in FY 2010–2011.

In its capacity as a Regional Transportation Planning Agency (RTPA) for TDA administration, ICTC administers and allocates TDA revenues to eligible claimants, including transit operators and local jurisdictions for street and road purposes. Among its planning responsibilities, ICTC is required to develop and approve a three- to five-year transportation improvement program as well as a short-range transit plan. In addition, ICTC plans and programs local and regional transportation projects for funding and coordination with SCAG’s regional programs.

ICTC/IVAG’s total budgeted TDA allocations for administration and plans/programs during the fiscal years addressed by this audit ranged from $791,000 in FY 2007–2008, to $857,600 in FY 2008–2009, to $677,800 in FY 2009–2010. The increase in planning and programming funds in FY 2008–2009 were used to fund specific studies and activities including an evaluation of public transit fare policy, a social services transportation coordination plan, and the feasibility of the reorganization of IVAG as a County Transportation Commission.

**Role and Structure of ICTC**

As an independent county transportation commission, ICTC member agencies are enabled to exercise basic initiative and leadership in the transportation planning and programming process. ICTC guides the following:

- Development of the long-range Regional Transportation Plan for the Imperial region;
- Development of the Short Range Transit Plan that guides transit investment;
- Development of regional, state, and federal transportation improvement programs (TIPs) and their updates;
- Approval of the allocation of and claims for Transportation Development Act funds;
- Provision for the distribution and oversight of Local Transportation Fund monies;
- Preparation and submission of applications for transportation-related funds;
- Provision of the planning, programming, and administration of regional transit services;
- Encouragement of active citizen participation in the development and implementation of various transportation-related plans and programs; and
- Designation of ICTC as the Consolidation Transportation Services Agency for the county.

The range of responsibilities for ICTC include administering the County transit programs and TDA allocation process, coordinating with the local jurisdictions on transportation-related issues, and providing liaison services between ICTC and external agencies such as SCAG and Caltrans for planning, programming, and funding. Other responsibilities include short- and long-range planning, serving as the designated Consolidated Transportation Services Agency (CTSA), conducting ADA certification, and monitoring of transit performance standards.

ICTC staff comprise a new full-time Executive Director who is employed by the agency via a contract. This is in contrast to prior IVAG management that was filled by the County’s Director of Intergovernmental Services who served as the IVAG Regional Coordinator and provided part-time executive management and coordination. The remaining staff who serve ICTC are still currently employed through Imperial County under the County’s personnel titles, although they no longer share in the conduct of county business. A transition process has been under way and is a priority of ICTC to move these County employees into the ranks of the new agency. Staffing levels of ICTC can include up to five full-time positions (see organization chart), although four are currently filled. Temporary clerical staff is also being used.

In a further sign of separation and independence from the county, ICTC relocated to a new office located along North Imperial Avenue/Highway 86 in El Centro that is also shared with SCAG and the Imperial Valley Economic Development Corporation.

Staff provides support to the ICTC Board and standing regional committees as described below.

**Management Committee:** The purpose of the Management Committee is to serve as a policy advisory committee to the Board. Membership of the Management Committee includes two members from the County of Imperial and one member from each member city or agency. Members comprise city managers, chief executive officers, general managers, or their designated representative. The committee meets the second Wednesday of the month.
**Social Services Transportation Advisory Council (SSTAC):** The SSTAC is statutorily (PUC Section 99238) created to serve a broad representation of youth, students, elderly, disabled persons, persons of limited means, social service agencies, the transit dependent, and transit providers. The three tenets of the council are to participate in the identification of transit needs; review and recommend action; and provide advice and technical recommendations. The committee meets the first Wednesday of the month.

**ICTC Technical Advisory Committee (TAC):** The TAC is composed of planning and public works representatives from each member agency including ex officio members of ICTC. The purpose of the TAC is to coordinate the plans and development of the regional transportation improvement program of projects, transportation planning programs, and transportation funding programs. The committee meets the fourth Thursday of the month.

ICTC has the option of creating special purpose committees as the need arises. Existing committees that meet on an as-needed basis include the Americans with Disabilities Act Advisory Committee, Transportation Technical Advisory Committee, Planning Committee, and Borders Committee.

An organization chart of ICTC and its committees, drawn from the FY 2010–2011 Overall Work Program, is shown in the following figure.
ICTC approves TDA fund claims for and monitors public transportation systems in the county. Each of the transit services in ICTC’s jurisdiction is currently operated on a contract basis by the sponsoring local public agency. Public transportation in Imperial County consists of nine systems, some of which are operated by the same contract provider. A separate performance audit of each respective public transit operator is provided under separate cover. Each service is described briefly below.

**Imperial Valley Transit (IVT)**: Regional intercity service with six types of services that include regular fixed-route, express service to Imperial Valley College (IVC), direct intercity between Brawley and Calexico, lifeline, route deviation, and demand response in certain areas. IVT generally operates Mondays through Fridays with limited Saturday service. IVT is administered by ICTC and is operated by a private contractor, First Transit.

**Imperial Valley Transit – Blue/Green Lines**: Circulator shuttle service within the city of El Centro. The Blue Line initially began service in October 2006 with two bidirectional routes utilizing smaller buses, which connect public agencies and services not currently served by the regional system. Commencing in July 2009, the routes were reconfigured and split into two branded circulator services: the Blue Line and the Green Line.
AIM Transit: AIM Transit, or Areawide Independent Mobility, provides Americans with Disabilities Act (ADA) complementary intercity paratransit service within a ¾-mile corridor to IVT routes during the same operating hours. Service is curb to curb and is open to eligible ADA-certified passengers as well as to seniors over 60 years of age and the general public on a space-available basis. The paratransit service is administered by ICTC and was operated under a service contract by ARC-Imperial Valley. As of July 1, 2011, the name of the ADA service was changed to IVT Access to better reflect the service’s relationship to the IVT intercity fixed route.

Med-Express: Specialized paratransit service providing non-emergency medical trips between communities in Imperial County and medical facilities, clinics, and doctors offices in San Diego County for services that are not available in Imperial Valley. The service is administered by ICTC and was operated under contract by ARC-Imperial Valley. Service is available four days a week.

Brawley Dial-A-Ride: This demand-response transit service operates within the City of Brawley and to the San Diego State University extension campus just outside of Brawley. The service is administered by the City of Brawley and is currently operated under contract by Sonia Corina Incorporated dba Sunrise Driving Service, a nonprofit 501(c)(3) entity. Demand-response service is available to the general public on weekdays.

Calexico Dial-A-Ride: This demand-response transit service operates within the City of Calexico. The specialized service is administered by the City of Calexico Utilities Department and is currently operated by First Transit. Demand-response service is available to seniors and persons with disabilities seven days a week.

El Centro Dial-A-Ride: This demand-response transit service operates within the City of El Centro. The service is administered by the City of El Centro and is operated under contract by ARC. Demand-response service is available to seniors and persons with disabilities on weekdays.

Imperial Dial-A-Ride: This demand-response transit service operates within the City of Imperial and also provides intercity service between Imperial and the City of El Centro. The service is administered by the City of Imperial and is operated under contract by ARC-Imperial Valley. Demand-response service is available to seniors and persons with disabilities on weekdays.

West Shores Dial-A-Ride: This demand-response transit service operates along the SR 86 corridor serving communities located on the western shore of the Salton Sea. The service is administered by ICTC and was operated under contract by ARC-Imperial Valley. West Shores Dial-A-Ride is available to the general public Tuesdays and Thursdays, with lifeline service provided to Westmorland on Tuesdays.
Audit Methodology

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

*Document Review*: PMC conducted an extensive review of documents including various ICTC/IVAG files and internal reports, committee agendas, and public documents.

*Interviews*: PMC interviewed ICTC staff and members of the Board, Management Committee, TAC, and SSTAC, as well as the transit operators, to gain their perspective about the agency’s efficiency and economy.

*Analysis*: PMC evaluated the responses from the interviews as well as the documents reviewed about ICTC’s responsibilities, functions, and performance to TDA guidelines and regulations.

All of the activities described above were intended to provide PMC with the information necessary to assess ICTC’s efficiency and effectiveness in two key areas:

- Compliance with state TDA requirements, and
- Organizational management and efficiency.

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

RTPA Compliance Requirements

Fourteen key compliance requirements are suggested in the Performance Audit Guidebook for Transit Operators and Regional Transportation Planning Entities September 2008, which was developed by Caltrans to assess transit operators’ conformance with the TDA. Our findings concerning ICTC’s compliance with state legislative requirements are summarized in Table II-1.

<table>
<thead>
<tr>
<th>RTPA Compliance Requirements</th>
<th>Reference</th>
<th>Compliance Efforts</th>
</tr>
</thead>
<tbody>
<tr>
<td>All transportation operators and city or county governments which have responsibility for serving a given area, in total, claim no more than those Local Transportation Fund (LTF) monies apportioned to that area.</td>
<td>Public Utilities Code, Section 99231</td>
<td>ICTC accounts for its claimants’ areas of apportionment and has not allowed those claimants to claim more that what is apportioned for their area. ICTC develops an annual Transit Finance Plan that includes a LTF distribution table identifying the level of funds available to the claimants. The Transit Finance Plan has since been integrated as part of the Overall Work Program of ICTC. ICTC utilizes a formula based on population to determine each local jurisdiction’s apportionments. Conclusion: Complied</td>
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</table>

TABLE II-1
ICTC Compliance Requirements Matrix
<table>
<thead>
<tr>
<th>RTPA Compliance Requirements</th>
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<tbody>
<tr>
<td>The RTPA has adopted rules and regulations delineating procedures for the submission of claims for facilities provided for the exclusive use of pedestrians and bicycles.</td>
<td>Public Utilities Code, Sections 99233.3 and 99234</td>
<td>ICTC has an adopted set of policies governing the Article 3 Bicycle and Pedestrian Facilities Program. On an annual basis, ICTC sets aside 3 percent of LTF for bicycle and pedestrian-related projects. Each year in September, the member agencies submit candidate projects that are approved by the ICTC Board. An application guideline is provided to each claimant that explains the rules and procedures for claiming the funds, including consistency with the Regional Bicycle Plan, and approval by the ICTC Board. Items to be filed include a checklist, Article 3 Non-Transit Claim form, Financial Reporting Form, Project Information Form, Sample Governing Body Resolution, and Standard Statement of Assurances. According to the Transit Finance Plans during the audit period, the annual allocation (excluding carryover) under this article section has been $156,000 in FY 2007–2008, $171,000 in FY 2008–2009, and $171,000 in FY 2009–2010.</td>
</tr>
<tr>
<td>RTPA Compliance Requirements</td>
<td>Reference</td>
<td>Compliance Efforts</td>
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<tr>
<td>The RTPA has established a social services transportation advisory council. The RTPAs must ensure that there is a citizen participation process which includes at least an annual public hearing.</td>
<td>Public Utilities Code, Sections 99238 and 99238.5</td>
<td>The SSTAC meets monthly and participates on a number of issues, including the annual Unmet Transit Needs process and hearings, and coordination of specialized transportation services. The ICTC Unmet Transit Needs public hearing is scheduled annually in the spring at the County Administration Building in El Centro. Conclusion: Complied</td>
</tr>
</tbody>
</table>

<p>| The RTPA has annually identified, analyzed, and recommended potential productivity improvements which could lower the operating costs of those operators which operate at least 50 percent of their vehicle service miles within the RTPA's jurisdiction. Recommendations include, but are not limited to, those made in the performance audit. | Public Utilities Code, Section 99244 | ICTC staff collect transit performance data from the transit operators on a quarterly basis to provide historic comparison and trend analysis. A series of eight performance measures is used to identify trends on a semiannual and annual basis. The data are compared to performance standards specific to each type of transit service based on objectives contained in the last Short-Range Transit Plan. ICTC has recently commissioned an update to the SRTP that was last produced in 2004. The SRTP will review performance of the transit operators and provide recommendations for improvement. |</p>
<table>
<thead>
<tr>
<th>RTPA Compliance Requirements</th>
<th>Reference</th>
<th>Compliance Efforts</th>
</tr>
</thead>
<tbody>
<tr>
<td>• A committee for the purpose of providing advice on productivity improvements may be formed.</td>
<td></td>
<td>This update will be the second SRTP developed for county transit services. ICTC has not established a committee for the purpose of providing advice on productivity improvements (e.g., transit operators committee), although the SSTAC and TAC could serve some capacity. ICTC has also commissioned TDA performance audits of all public transit operators. The current audit cycle is the second for all operators. The findings and recommendations from these performance audits contribute to ICTC’s compliance with this measure. ICTC should develop a method to require at least annual reporting from the operators on the status of implementing the recommendations. This can be inserted as part of the annual TDA claims package.</td>
</tr>
<tr>
<td>• The operator has made a reasonable effort to implement improvements recommended by the RTPA, as determined by the RTPA, or else the operator has not received an allocation which exceeds its prior year allocation.</td>
<td></td>
<td>Conclusion: Complied</td>
</tr>
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</table>
## TABLE II-1
ICTC Compliance Requirements Matrix

<table>
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<tr>
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<tr>
<td>The RTPA has ensured that all claimants to whom it allocates Transportation Development Act (TDA) funds submits to it and to the State Controller an annual certified fiscal and compliance audit within 180 days after the end of the fiscal year (December 27). The RTPA may grant an extension of up to 90 days as it deems necessary (March 26).</td>
<td>Public Utilities Code, Section 99245</td>
<td>ICTC requires that each transit claimant for LTF and STA include a copy of their 180-day fiscal compliance audit with the claim. The TDA forms provide a check-off for certification of the fiscal audit. During the audit period, several claimants did not submit their certified fiscal audit within the statutory time line. ICTC has authority to withhold TDA funding until a claimant submits the annual fiscal audits, as specified in CCR Section 6664. ICTC has withheld funding from a few claimants during the audit period for lack of submittal of both TDA claims forms and the fiscal audits in a timely manner. Conclusion: Partial compliance from the perspective that not all certified fiscal audits have been submitted by claimants within the submission deadline. However, ICTC has enforced the provision to withhold TDA funding until the annual fiscal audits are completed and submitted.</td>
</tr>
<tr>
<td>RTPA Compliance Requirements</td>
<td>Reference</td>
<td>Compliance Efforts</td>
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<tr>
<td>The RTPA has designated an independent entity to conduct a performance audit of operators and itself (for the current and previous triennium). For operators, the audit was made and calculated the required performance indicators, and the audit report was transmitted to the entity that allocates the operator's TDA monies, and to the RTPA within 12 months after the end of the triennium. If an operator's audit was not transmitted by the start of the second fiscal year following the last fiscal year of the triennium, TDA funds were not allocated to that operator for that or subsequent fiscal years until the audit was transmitted.</td>
<td>Public Utilities Code, Sections 99246 and 99248</td>
<td>For the current three-year period, ICTC has retained an independent entity, PMC, to conduct the audit of ICTC and of the public transit operators. An independent entity was retained to conduct the previous audit for the three fiscal years that ended June 30, 2007. Conclusion: Complied</td>
</tr>
<tr>
<td>The RTPA has submitted a copy of its performance audit to the Director of the California Department of Transportation. In addition, the RTPA has certified in writing to the Director that the performance audits of operators located in the area under its jurisdiction have been completed.</td>
<td>Public Utilities Code, Section 99246(c)</td>
<td>ICTC submitted the completed triennial performance audits to Caltrans. A cover letter accompanying the audits was not located to verify the date of submittal. However, a check with Caltrans TDA staff confirmed receipt of the audit reports. Conclusion: Complied</td>
</tr>
</tbody>
</table>
TABLE II-1
ICTC Compliance Requirements Matrix

<table>
<thead>
<tr>
<th><strong>RTPA Compliance Requirements</strong></th>
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<th><strong>Compliance Efforts</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>The performance audit of the operator providing public transportation services shall include, but not be limited to, a verification of the operator’s operating cost per passenger, operating cost per vehicle service hour, passengers per vehicle service mile, and vehicle service hours per employee, as defined in Section 99247. The performance audit shall include, but not be limited to, consideration of the needs and types of passengers being served and the employment of part-time drivers and the contracting with common carriers of persons operating under a franchise or license to provide services during peak hours, as defined in subdivision (a) of Section 99260.2.</td>
<td>Public Utilities Code, Section 99246(d)</td>
<td>The separate performance audits of the operators providing public transportation services include the required verification of performance measures and analyses. <strong>Conclusion: Complied</strong></td>
</tr>
<tr>
<td>The RTPA has established rules and regulations regarding revenue ratios for transportation operators providing services in urbanized and new urbanized areas.</td>
<td>Public Utilities Code, Sections 99270.1 and 99270.2</td>
<td>ICTC updated its rules and regulations in January 2010 for developing a blended farebox recovery ratio for the IVT regional fixed-route service. An analysis was conducted that examined three new methods for determining the blended farebox.</td>
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</table>
### TABLE II-1
ICTC Compliance Requirements Matrix

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<tr>
<td></td>
<td></td>
<td>While the previous ratio developed by IVAG in 2004 was based on census population in urban and rural areas, the adopted new method is based on projected service hours between urban and rural areas. This method yielded the highest farebox recovery goal of the alternatives studied as a sign of holding the service to a higher standard. It was adopted by ICTC as well as approved by Caltrans in March 2010.</td>
</tr>
</tbody>
</table>

**Conclusion: Complied**

The RTPA has adopted criteria, rules, and regulations for the evaluation of claims under Article 4.5 of the TDA and the determination of the cost-effectiveness of the proposed community transit services.

<table>
<thead>
<tr>
<th></th>
<th>Public Utilities Code, Section 99275.5</th>
<th>There are currently no Article 4.5 claimants for funds. However, as stated in the ICTC TDA Guidebook and Claims Forms document, the agency has adopted the following criteria for evaluating Article 4.5 claims:</th>
</tr>
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<tbody>
<tr>
<td></td>
<td></td>
<td>• High level of impact from the service in meeting a transportation need.</td>
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<td></td>
<td></td>
<td>• Priority for groups requiring special transportation assistance.</td>
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Triennial Performance Audit
Imperial County Transportation Commission
### TABLE II-1
ICTC Compliance Requirements Matrix

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<tbody>
<tr>
<td></td>
<td></td>
<td>• Minimizing adverse impacts on existing and taxi and transit services.</td>
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<tr>
<td></td>
<td></td>
<td>• Innovative and efficient services.</td>
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<tr>
<td></td>
<td></td>
<td>These criteria were adopted in December 1997 as part of the Consolidated Transportation Service Agency Goals and Objectives.</td>
</tr>
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<td><strong>Conclusion: Complied</strong></td>
</tr>
<tr>
<td>State transit assistance funds received by the RTPA are allocated only for transportation planning and mass transportation purposes.</td>
<td>Public Utilities Code, Sections 99310.5 and 99313.3, and Proposition 116</td>
<td>ICTC allocates State Transit Assistance (STA) funds for transit services only. During the audit period, funds were used to support both regional ADA and IVT fixed route service.</td>
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<tr>
<td></td>
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<td><strong>Conclusion: Complied</strong></td>
</tr>
<tr>
<td>The amount received pursuant to Public Utilities Code, Section 99314.3 by each RTPA for state transit assistance is allocated to the operators in the area of its jurisdiction as allocated by the State Controller’s Office.</td>
<td>Public Utilities Code, Section 99314.3</td>
<td>STA funds under this section are allocated to fund the regional fixed-route service. Previously, STA funds were used for the ADA complementary service, AIM Transit. The transition in the use of these funds occurred during the audit period.</td>
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<td><strong>Conclusion: Complied</strong></td>
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</table>
TABLE II-1  
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<tbody>
<tr>
<td>If TDA funds are allocated to purposes not directly related to public or specialized transportation services, or facilities for exclusive use of pedestrians and bicycles, the transit planning agency has annually:</td>
<td>Public Utilities Code, Section 99401.5</td>
<td>ICTC conducts the annual Unmet Transit Needs process and hearing in consultation with the SSTAC. One of the primary responsibilities of the SSTAC is to advise ICTC on existing public transportation needs. Annually during the spring, SSTAC delivers letters regarding transit needs to the Unmet Transit Needs Hearing Panel, which is a subcommittee of ICTC and comprises elected officials. One letter provides the transit issues and concerns, another letter presents the list of recommendations for TDA funding, and another reviews the “Findings” of the Transit Hearing Panel. A master list of identified transit needs is kept annually and used for discussion by the SSTAC. The issues are prioritized for the unmet needs hearings and forwarded to ICTC for consideration. The SSTAC also meets monthly or as needed and reviews and evaluates services and needs throughout the year.</td>
</tr>
<tr>
<td>• Consulted with the Social Services Transportation Advisory Council (SSTAC) established pursuant to Public Utilities Code Section 99238;</td>
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<tr>
<td>• Identified transit needs, including:</td>
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<tr>
<td>o Groups that are transit-dependent or transit disadvantaged,</td>
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<tr>
<td>o Adequacy of existing transit services to meet the needs of groups identified, and</td>
<td></td>
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<tr>
<td>o Analysis of potential alternatives to provide transportation services;</td>
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<tr>
<td>• Adopted or re-affirmed definitions of &quot;unmet transit needs&quot; and &quot;reasonable to meet&quot;;</td>
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</table>
**TABLE II-1**  
ICTC Compliance Requirements Matrix

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</thead>
<tbody>
<tr>
<td>- Identified the unmet transit needs or there are no unmet transit needs, or there are unmet transit needs that are reasonable to meet.</td>
<td></td>
<td>LTF funds have only been allocated to streets and roads after completion of the unmet needs process.</td>
</tr>
<tr>
<td>If a finding is adopted that there are unmet transit needs, these needs must have been funded before an allocation was made for streets and roads.</td>
<td></td>
<td>Conclusion: Complied</td>
</tr>
<tr>
<td>The RTPA has caused an audit of its accounts and records to be performed for each fiscal year by the county auditor, or a certified public accountant. The RTPA must transmit the resulting audit report to the State Controller within 12 months of the end of each fiscal year, and must be performed in accordance with the Basic Audit Program and Report Guidelines for California Special Districts prescribed by the State Controller. The audit shall include a determination of compliance with the TDA and accompanying rules and regulations. Financial statements may not commingle with other revenues or funds. The RTPA must maintain fiscal and accounting records and supporting papers for at least four years following fiscal year close.</td>
<td>California Administrative Code, Section 6662</td>
<td>ICTC has had an audit of its accounts and records performed for each fiscal year by a certified public accountant. The firm of Hutchinson and Bloodgood LLP has performed the audit annually for FYs 2008 through 2010. ICTC also maintains fiscal and accounting records and supporting papers for at least four years following fiscal year close.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Conclusion: Complied</td>
</tr>
</tbody>
</table>
Findings from RTPA Compliance Requirements Matrix

ICTC has satisfactorily complied with state legislative mandates for Regional Transportation Planning Agencies, with the exception of one in partial compliance. ICTC has partially complied with the provision ensuring that all member-agency certified fiscal audits have been submitted to it and the State Controller within the statutory timeline of 180 days after the end of the fiscal year. During the triennial audit period, most of the certified fiscal audits were submitted to ICTC within the submission deadline. A few local jurisdiction claimants, however, were several years past due, and ICTC has taken allowable action to withhold TDA funds until the fiscal audits are completed.

A recommendation was made in the previous performance audit to implement a formal noticing process for late submittal of annual certified fiscal audits. ICTC accomplishes this noticing through staff notifications about the status of these documents at ICTC Management and TAC committee meetings, as well as at the Board meetings. The notification is part of the process to update all subcommittees about unallocated funds in the transit finance plans.

In regard to the blended farebox ratio policy for IVT fixed route, ICTC derived a new method and received approval from Caltrans to calculate the ratio based on projected service hours between rural and urban service areas. The service hours include those from the IVT intercity service as well as the local circulators. Currently, the approved farebox ratio remains fixed for a five-year period as directed by Caltrans.

ICTC has improved its responsibility under Public Utilities Code Section 99244 to recommend productivity improvements of the operators within its jurisdiction through its commissioning of separate TDA performance audits of each operator for the audit cycle beginning in FYs 2005–2007. While there is no specific committee formed by ICTC for the purpose of providing advice on productivity improvements, which is an optional provision under the law, the recommendations made in the operator performance audits can be utilized by ICTC to meet minimum compliance with this measure. In addition, ICTC is currently updating its Short-Range Transit Plan that serves as a transit productivity and capital improvement guidance document.
Section III

Responses to Prior Triennial Performance Audit Recommendations

This chapter describes ICTC’s response to the recommendations included in the prior triennial performance audit. For this purpose, each prior recommendation for the agency is described, followed by a discussion of the agency’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

Continue progress related to the study of IVAG governance options.

Actions taken by ICTC

At the conclusion of the previous performance audit, IVAG and its stakeholders were continuing their study of options for new governance. In addition to Board member involvement, the ICTC Management Committee advised on the governance options and contributed to the process of drafting the legislation that created the independent ICTC. Senate Bill 607 (Ducheny) was passed by the state legislature, and ICTC became the successor agency of IVAG on January 1, 2010. A subsequent resolution recognizing the duties and obligations of the successor agency, as well as a set of bylaws, was created and adopted by the new ICTC Board of Directors.

Conclusion

This recommendation has been implemented.

Prior Recommendation 2

Consider revisions to the TDA claims forms and provide training to the claimants.

Actions taken by ICTC

The current TDA claims forms were developed in January 2006 as part of the Transportation Development Act Guidebook updated for ICTC. During their subsequent use for the claims process, staff has found the claims forms to be complex relative to the claims being made and the information that is required by the claimants. A streamlined claim form would serve the agency better and should be revised as agency resources allow, along with further training for the claimants.
Conclusion

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

Prior Recommendation 3

Comply at a minimum with the TDA statute regarding annually recommending potential productivity improvements for the operators.

Actions taken by ICTC

ICTC undertakes several activities that provide potential productivity improvements for the operators. These activities include the conduct of the performance audits of all public transit operators, the update of the Short-Range Transit Plan, and a requirement for the public transit systems to address farebox recovery issues. For transit-related projects that receive federal grant funding, ICTC requires that the transit grantees and their vendors be in compliance with applicable Federal Transit Administration grant requirements. These various activities stimulate improvements by the transit operators.

Conclusion

This recommendation has been implemented. Further action for enhanced implementation is to require each transit system to report on the status of implementing fiscal audit and performance audit recommendations in their annual TDA claims forms. This improves the accountability for both ICTC and the transit operators to increase productivity.

Prior Recommendation 4

Design and implement a formal noticing process for late submittal of annual certified fiscal audits.

Actions taken by ICTC

As described in the previous section, ICTC implements this recommendation through staff notifications about the status of these documents at ICTC Management and TAC committee meetings, as well as at the Board meetings. The notification is part of the process to update all subcommittees about unallocated funds in the transit finance plans.

ICTC has discretion over the administration of the fiscal audits. Each claimant currently retains their own certified public accountant (CPA) to conduct the TDA fiscal audit, and then submits the completed audit to ICTC. Alternatives to this arrangement for consideration include that ICTC could take the service in-house and contract for one CPA to conduct all the TDA fiscal audits, or have flexibility to allow some local jurisdictions to continue retaining their own CPA while ICTC administers the remaining audits.
Conclusion

This recommendation has been implemented.

Prior Recommendation 5

Become familiar with and implement the State Transit Assistance efficiency test.

Action taken by ICTC

During the audit period, State Transit Assistance (STA) funds were shifted from funding the AIM Transit contract to currently funding IVT service. State budget uncertainty created a need to shift funding resources among the services and provide appropriate subsidies. In both instances for AIM Transit and IVT, STA is used for subsidizing operating expenses.

TDA law (PUC Section 99314.6) requires that for STA funds to be used for operations, an operating efficiency test must be applied each year to determine the eligibility in the use of STA for operations. The efficiency test is oftentimes calculated in the annual TDA claims forms or contained in the annual fiscal and compliance audit of the transit system (in this case, the fiscal audit is the “County of Imperial Financial Report of the SB 325 Fund”). A review of both types of documents showed that the STA efficiency test has not been conducted.

The two-prong efficiency test relates to trends in the operator’s operating cost per hour and should be calculated by ICTC/fiscal auditor to meet TDA compliance as well as provide another means to monitor key performance.

Conclusion

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

Prior Recommendation 6

Take actions under PUC Section 99268.9 and assess the penalty against the public agencies as necessary for noncompliance with the farebox recovery ratio.

Action taken by ICTC

As part of its oversight responsibilities, ICTC reviews the farebox recovery ratios of the transit systems through its monitoring program. Several transit systems did not meet their respective farebox ratios during the audit period, including Calexico Dial-A-Ride and West Shores Dial-A-Ride. While ICTC has not imposed financial penalties in a manner stipulated in the TDA statute, ICTC requires the operators to address their farebox issues before approving the TDA claims for...
funding. For example, West Shores Dial-A-Ride service was reduced significantly to address cost, while the City of Calexico raised the fare on its dial-a-ride system to improve its farebox recovery.

Conclusion

This recommendation has been implemented.

Prior Recommendation 7

Analyze transit performance measures consistent with TDA.

Action taken by ICTC:

ICTC’s transit performance monitoring program includes the calculation of performance measures for each transit system using data submitted by the operators. The number of performance measures was updated in FY 2008–2009 and includes the following:

- Passengers per hour
- Passengers per day
- Passengers per mile
- Service hours per full-time equivalent
- Operating cost per passenger
- Subsidy per passenger
- Operating cost per hour
- Operating cost per mile
- Farebox ratio

The TDA statute contains five minimum performance indicators that are used in the performance audit. These standards include the following:

- Operating Cost per Passenger
- Operating Cost per Vehicle Service Hour
- Passengers per Vehicle Service Hour
- Passengers per Vehicle Service Mile
- Vehicle Service Hours per Employee
The farebox recovery ratio is another TDA performance indicator that is required to be calculated. From comparing the above two lists, ICTC’s monitoring program includes the TDA performance indicators in addition to other measures that analyze the transit systems.

**Conclusion**

This recommendation has been implemented.

*Prior Recommendation 8*

Include additional detailed information for each work element in the IVAG OWP.

**Action taken by ICTC:**

Upon the transition of IVAG to the independent transportation commission in January 2010, ICTC created the inaugural Overall Work Program (OWP) and Budget for FY 2010–2011. The OWP provides an overview of ICTC’s organization, responsibilities, and governance structure. Not only does the OWP incorporate the existing Transit Finance Plan developed by IVAG, but it is also the first phase and step toward implementation of a new comprehensive agency-wide budget that will thoroughly convey the work to be performed by ICTC. The budget is divided into three sections: the Budget Summary and the core programs of Regional Transportation Planning and Programming, and Transit Planning and Program Management.

ICTC staff has tried to manually track their time on a spreadsheet to keep record of time spent on the tasks contained in the OWP. The recording of time spent provides indication of the resources required to carry out the function. While staff described that this activity has been helpful for information purposes, it has presented challenges in terms of accuracy and the nature of the tasks that are conducted on a daily basis. Staff will consider re-engaging in this exercise when warranted.

**Conclusion**

This recommendation has been implemented.

*Prior Recommendation 9*

Develop internal procedures to ensure timely updates to the IVAG website.

**Action taken by ICTC**

One of ICTC’s staff is responsible for updating the agency’s Internet home page. This includes working with the County’s Information Technology department to update the site with new information and links pertaining to the agency such as board and subcommittee meeting agendas and minutes, contract opportunities, and state and federal compliance documents. As
the agency must meet the Brown Act, ICTC works to place public meeting information on the website in compliance with the act. A review of the ICTC website shows that public meeting agendas, minutes, and attachment items are available for viewing.

**Conclusion**

This recommendation has been implemented.
Section IV

Detailed Review of ICTC Functions

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

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

Administration, Management, and Coordination

Staffing and Administration

The transition to the independent ICTC resulted in a significant change in staffing composition of the RTPA. The most important change was the hiring of a full-time Executive Director to manage the fully operational agency. Whereas staff leadership of IVAG was previously held on a part-time basis by County executive management, ICTC is managed full time by independent and dedicated staff. The selection process of the Executive Director was made using an outside recruitment firm. During the search period, the Board agreed that an interim director was needed and had narrowed the search to an individual from either SCAG or Caltrans.

An interim director was selected from Caltrans and eventually was chosen for the permanent position by the ICTC Board in June 2010 after serving six months in the interim. The Executive Director had already been well connected to the agency through prior employment as a former transportation planner with Caltrans District 11 in San Diego. District 11 has been providing services to IVAG for many years on larger projects including managing updates of IVAG’s long-range transportation plan and conducting regional transportation modeling and coordination with SCAG. While Caltrans will continue to conduct modeling on behalf of ICTC, ICTC will assume responsibility of the long-range transportation plan at the request of the Board.
ICTC staffing is in a transitional stage in terms of “official” employment with the transportation commission. The only employee of ICTC is currently the Executive Director, who is employed via an employment contract, while the remaining staff operate under the County employment umbrella. The movement of staff from County employment status to the independent agency is continuing as the agency works on developing its human resource capabilities and addressing other employment matters. ICTC contracts with the County for various services including administration, information technology, and legal counsel.

In a further sign of its independence from the County, ICTC recently moved its operation into a separate building at a new location along North Imperial Avenue. The agency was temporarily located in the County Executive Office. ICTC occupies space in the new building along with a local SCAG field office and the Imperial Valley Economic Development Corporation. SCAG is the primary leaseholder of the shared office space.

During the audit period, staffing changes occurred while the agency pursued formation as an independent agency. Some IVAG/County rank and file employees that had roles within IVAG in the earlier years of the audit period either remained with the County and filled another position or pursued other opportunities outside the County. Positions that were vacant included one that dealt with transportation planning and programming of projects with SCAG and Caltrans, and other liaison services. ICTC has since filled several vacant positions and seeks to fill remaining transportation planning positions as funding allows.

A minimum of five total positions are created for the ICTC organization, as shown earlier in this audit. Current staff have been serving under different capacities to fill outstanding needs and responsibilities outlined in the OWP. Despite the personnel changes over the past years, a senior Administrative Analyst has remained with ICTC and has provided a stable presence during and after the transition in administering the TDA program, conducting program and grant management, and managing county transit services.

**ICTC Board and Committees**

*Governing Board*

As established by its enabling legislation, the ICTC board receives representation from each city, the County, and the Imperial Irrigation District (IID) as voting members. One non-voting member appointed by the Governor representing Caltrans also serves on the board. Although the composition of the ICTC Board is similar to that of the IVAG Regional Council, the legislation also provides in the future an opportunity for the governing board to also include the following ex officio or non-voting members: one member representing the State of Baja California, Mexico; one member representing the municipality of Mexicali, Mexico; one member representing the Consul of Mexico in Calexico, California; and one member representing any federally recognized Native American tribe in Imperial County. The expansion of the Board in
this manner recognizes the cross-border and tribal relations that ICTC may seek to further develop through the contribution of these entities on the commission.

Several Board members responded to our phone calls and were interviewed for this audit. Those interviewed expressed overall satisfaction with staff administration, responsiveness, and productivity, as well as direction being taken by the agency. Its independence and the hiring of an Executive Director have improved the perception that the agency serves all member jurisdictions in a fair manner, including the rotation of the chairmanship between small and large jurisdictions.

Good relations among the members from each jurisdiction combined with ICTC staff acumen have helped the agency to move forward on key projects such as the El Centro Transit Transfer Terminal and Brawley Bypass. While the Board has provided goals to the Executive Director, the current strategic planning process involving all Board members and staff should further solidify ICTC’s focus in developing an overall mission, goals, and the staff means and practices to achieve those goals. A suggestion made by the interviewees to improve the agency’s function is that a more formal orientation process, including creation of a fact sheet, might be helpful for new Board members to get acclimated quicker to ICTC activities and responsibilities.

Management Committee

The Management Committee serves as the management body that provides staff direction, coordinates the activities of the other committees, and advises the ICTC Board on policy issues. Interviews with responding city managers indicated overall satisfaction with staff competencies and the direction that is being taken in a more coordinated and focused manner, assisted by the hiring of an Executive Director. It is felt that ICTC is making steady progress and working through issues in an even-handed way. Similar to Board member interviews, it was indicated that ICTC staff could improve its orientation with new members and provide briefings about the agency and its role.

Technical Advisory Committee

The Technical Advisory Committee comprises the public works directors and planners from each city and the county. Representatives from Caltrans and the Imperial Irrigation District also participate as partners. The TAC provides input on the coordination and development of the regional transportation improvement program of projects, transportation planning programs, and transportation funding programs. Interviews conducted with TAC members indicated positive responses to staff’s capabilities, preparedness for TAC meetings, communications, and general working relations.

As membership on the TAC increased with the addition of city and county planners several years ago, it was indicated that the current size of the TAC has affected productivity levels such as the lower degree of technical detail and discussion provided on projects. In addition, it was expressed that ICTC’s evolving role may be seemingly limited to focus more on funding
allocation and budgeting constraints. Also, TAC members indicated that an orientation for members would be beneficial.

**Social Services Transportation Advisory Council**

The SSTAC reviews public transportation needs, especially services for the elderly, persons with disabilities, and those of limited means. The council maintains an annual unmet transit needs matrix of potential transit improvements. The matrix helps determine which transit needs are forwarded to the Unmet Transit Needs Hearing Panel and the Board for action. During this process, the SSTAC submits letters to the Board and the Unmet Transit Needs Hearing Panel advising on transit needs in the county while supporting transit improvement efforts. One letter provides a listing of transit issues and concerns for consideration by the transit hearing panel, and the second letter provides a review of the “Findings” made by the panel.

Several SSTAC members responded to the interviews for this audit – most of those interviewed have been on the SSTAC for many years. Those interviewed provided overall approval of how ICTC staff administer SSTAC meetings and the unmet transit needs process. It was expressed that ICTC promotes a fair and open discussion, is more visible, and is knowledgeable about the issues while keeping members informed. Funding cutbacks on transit services have created an ongoing and difficult environment to serve the clients of SSTAC members and generated sensitivities as to which services continue to receive funding, in particular dial-a-ride service. As the SSTAC members represent specific transit-dependent riders, reduction in service due to funding constraints often results in transit needs no longer being met, thereby placing greater emphasis on the importance of facilitating and advising on the unmet needs process.

**Management and Coordination**

**Strategic Planning**

The transition from IVAG to ICTC brings new challenges and issues as the newly created agency continues to mature. The board approved for ICTC to be modeled after other fully operational county transportation commissions such as Ventura County Transportation Commission, San Bernardino Associated Governments, and Riverside County Transportation Commission. The transition provides an opportunity for the board to discuss the dynamics of how the new agency conducts its business and how it reduces its reliance on SCAG and Caltrans.

Whereas in the past IVAG has held general sessions to set direction and policy, ICTC is undertaking a strategic planning process through workshops with Board members and Management Committee members. The workshop will initiate the development of a strategic plan for the region and include elements toward the development of ICTC as an independent agency. The strategic plan would review the relationships and communication between the various ICTC committees and the Board. The strategic plan would also address and prioritize the core agency responsibilities in regional planning, transit planning, project management, and...
programming of transportation funds. A goal of the plan and the workshop will be to create an ICTC mission statement based on goals, objectives, and priorities established by the Board and the Management Committee members. The strategic plan workshop is scheduled for early May 2011.

Regional planning and programming activities identified for discussion include current activities conducted by SCAG, SANDAG, and Caltrans District 11. These activities include long-range transportation planning, border crossing study, transportation improvement programming, grant and local assistance coordination, transportation modeling, SB 375 implementation, and legislative advocacy/regional partnerships. The workshop will also address human resource support services for ICTC agency development in the areas of business plan development, organization structure and salaries, job specifications, and development of policies and procedures for personnel, procurement, and contract management. The design and organization of ICTC is ultimately dependent on the role the agency will develop from the strategic plan.

Regional coordination is further enhanced through staff’s more active membership at SCAG. Staff views SCAG as a good partner that has dedicated resources to assisting regional agencies. ICTC staff is a member of SCAG’s Subregional Plans and Programs Technical Advisory Committee and is part of the County Commission subgroup. Two ICTC Board members are also on the SCAG Regional Council. Adding to this relationship is the SCAG Regional Council Districts in which members serve as liaisons between SCAG and the local agencies. The member for the Imperial County district is a former mayor of El Centro. This elevated participation has benefitted Imperial County and results in more active coordinated efforts to place important projects into SCAG’s Regional Transportation Plan. ICTC also serves as a representative on the SANDAG Borders Committee.

**ICTC Member Cost Sharing**

In April 2010, ICTC staff and the Board held a discussion about the cost-sharing formula of funding contributions by the member entities to fund the Executive Director and transportation planner positions. The County stated that tasks performed by the two positions on behalf of ICTC were no longer reimbursed by OWP project fees or other state and federal sources. For the first six months of FY 2009–2010, the former IVAG Regional Council had approved a cost-sharing agreement using the prorated percentage of each member’s population to the total countywide population.

The cost sharing for salaries for the second half of that fiscal year was debated by the Management Committee, which recommended one cost-sharing method to the ICTC Board. The Board adopted that particular method for reimbursement to the County based on the original population formula plus the IID’s share computed from the arithmetic mean of the largest and smallest agencies’ population. The Board, however, adopted a different methodology from that recommended by the Management Committee for reimbursement during FY 2010–2011. The adopted methodology was based on the original population formula.
plus the IID’s share computed from the arithmetic mean of the four largest member agencies’ populations. A Board member commented that this method is a 70 percent increase from the previous formula. The OWP for FY 2010–2011 shows that through this arrangement, IID contributes 17.4 percent of the $150,000 cost while the cities and County contribute the balance of 82.6 percent.

**Transportation Planning and Programming**

The ICTC Executive Director organized the agency’s planning and programming functions into two primary areas: Regional Transportation Planning and Program Management; and Transit Planning and Program Management.

As contained in the agency’s first OWP for FY 2010–2011, a greater emphasis on regional transportation planning has been placed on the agency than in previous years. With the passage of SB 375, the relationship between land use and transportation planning has been formalized and ICTC must be responsible for development of Sustainable Community Strategies (SCS) for Imperial County. ICTC and SCAG are working in partnership with each of the county’s planning agencies and regional planning partners to reach consensus on an approach to reduce greenhouse gases generated in Imperial County. Under ICTC, this work began for the first time in FY 2009–2010 with SCAG and included public outreach to the community to gather the public’s input. As a consequence of its independent status, ICTC will take a substantial amount of resources to support the SB 375 planning effort in concert with its partners.

ICTC has continued efforts with SCAG and Caltrans District 11 to update the Imperial County Transportation Model. This regional transportation model serves as a key planning tool for evaluating and prioritizing major transportation improvements in the county. Staff has also worked to identify funding opportunities to pursue critical planning studies necessary for the Forrester Road Corridor from Interstate 8 to State Route 78/86.

For regional transportation programming, the ICTC efforts are focused on the Capital Projects Program, Transportation Improvement Program, and the administration of the Local Transportation Authority (LTA). The Capital Projects Program provides oversight, planning, project management, and monitoring for ongoing roadway and highway improvement projects. One of the highest priorities in this program is to expedite the completion of the State Route 78 Brawley Bypass. Caltrans District 11 led the completion of construction of Stage 2 in the fall of 2010 and awarded a contract for construction of Stage 3, the final stage of the project slated to be completed in early 2013. The estimated cost of the project is $230.5 million, with funds coming from Proposition 1B for Stages 2 and 3 of the project, about $80 million from Prop 1B’s State Transportation Improvement Fund Augmentation, and about $49.5 million from the Trade Corridors Improvement Fund, also part of Proposition 1B, which is completely funding construction for Stage 3. Other key regional programmed projects include the Dogwood Road Widening, the Interstate 8 Dogwood Interchange, State Route 98 Widening (west of SR 111), and other transit, pedestrian, and bicycle capital improvements.
The Transportation Improvement Program activity for ICTC encompasses development and amendments to the state and federal transportation improvement programs (TIPs), including selection of projects to provide the greatest benefit based on approved criteria. Staff is finalizing development of the 2011 federal TIP incorporating all federally funded transportation projects and has submitted project nominations to the California Transportation Commission for inclusion in the state TIP (STIP). Since 2008, ICTC has contracted with a consultant to maintain, evaluate, and participate in the programmatic functions of the STIP and RTIP. These activities include development and submittal of specific documentation to the California Transportation Commission. In addition, the consultant represents ICTC and attends Caltrans-sponsored meetings and participates in teleconferences and the development of specific technical documentation for regional transportation projects. ICTC renewed the contract for one year through June 2011.

An activity that was not a part of IVAG but is now under ICTC is the commission’s acceptance of the responsibilities of administration of the Local Transportation Authority program of Measure D sales tax transportation funds. Previously, these responsibilities were managed by the County of Imperial’s Public Works Department. The sales tax was renewed by voters and became effective April 1, 2010, and is in effect for a period of 40 years. Following the March 2010 approval of these responsibilities, the LTA and ICTC Board directed staff to initiate all necessary steps toward implementing this transfer of responsibilities to be effective July 1, 2010. These responsibilities include but are not limited to providing staff support to the LTA Board and administration of the LTA funds. The ICTC Executive Director also serves as the LTA Executive Director. New to the sales tax program is allocation of 2 percent of funding to support transit projects, primarily for dial-a-ride service.

The Imperial County Long-Range Transportation Plan Update is being prepared by SCAG, ICTC, and Caltrans. In May 2008, the final report of the Imperial County Transportation Plan Highway Element was completed that develops a prioritized list of highway facility and roadway improvement projects to be used as the basis for the highway element in the County Long-Range Transportation Plan Update. The 2008 report was an update to the 2002 Highway Element Report and was required due to increases in population, housing, trade, and changes in land use developments. The update collected the most recent information regarding existing conditions, reviewed results of traffic modeling to predict future conditions, and obtained input from the general public through a series of workshops and technical review sessions with the Technical Review Committee.

The Coordinated Public Transit – Human Services Transportation Plan for Imperial County was completed in April 2008 as part of the statewide effort sponsored by Caltrans. Federal planning requirements specify that designated recipients of certain sources of funds administered by the FTA, including the Sections 5310, 5316 and 5317 grant programs, must certify that projects funded with those federal dollars are derived from a coordinated plan. Caltrans serves as the designated recipient in non-urbanized areas of California for funds subject to this plan. This plan focuses on identifying needs specific to the mobility of individuals who are disabled, elderly, or
of low-income status as well as identifying strategies to meet their needs. Caltrans sponsored a statewide planning effort on behalf of the 23 rural counties for whom the funds are intended so that potential sponsors of transportation improvements may access the funds. Imperial is one of the 23 counties.

The Public Transit Services Fare Analysis was also completed in April 2008 and presented an evaluation of the existing fare structure for IVT, AIM Transit and four of the local dial-a-ride services operating in Imperial Valley. The document reviewed operating costs, service levels, ridership and farebox revenues for all services and presented major trends for each service with emphasis on fares and farebox recovery ratios. Direction and guidance was provided by IVAG staff with input from the Social Services Transportation Advisory Council. A recommended fare strategy was developed that has served as the basis for fare adjustments made by the various agencies to improve transit performance.

**Overall Work Program**

As described earlier, the OWP developed for FY 2010–2011 is the first phase over the next three years in developing a new comprehensive agency-wide budget. In phase two, to take place the following fiscal year, ICTC proposes to enhance the OWP and provide individual tasks within the core programs that will contain task-level detail including objectives and accomplishments. In phase three of this new budget process, staff will attempt to integrate adopted goals and objectives into the comprehensive task-oriented budget.

Prior to development of the OWP, IVAG/ICTC staff had produced for many years the annual Transit Finance Plan that provides the annual budget and planned expenditure commitments for each of the transit operators, including County services and those provided by the local cities. The Transit Finance Plan has been incorporated into the OWP under the new title Transit Planning and Program Management for consistency with ICTC overall responsibilities. Many aspects of the former transit finance plan continue to be included in the OWP, including financial tables and graphic displays of the information; distribution of local transportation funds; descriptions and highlights of new and ongoing activities by ICTC and the transit operators such as capital improvements and new services; and status of planning studies and related projects by ICTC and the local jurisdictions.

Continuing into this audit period, ICTC received Federal Transit Administration 5307 urbanized funds for the El Centro Bus Terminal design and construction, as well as for IVT and Blue/Green Line operations. In the Transit Finance Plan and now the OWP, ICTC maintains exclusive tables for the tracking of revenues and expenditures related to the urbanized funds, as required by the FTA. The estimated apportionments and actual apportionments for each year are identified along with the planned expenditure, whether for capital or operating purpose. During the audit period, planned expenditures for IVT intercity operating using FTA 5307 ranged from $250,922 in FY 2008 to $208,379 in FY 2009 to $500,000 in FY 2010. Planned expenditures for the IVT
Blue/Green Line ranged from $277,653 in FY 2009 to $217,838 in FY 2010. The El Centro Transfer Terminal has planned expenditures of $2.9 million.

**TDA Claimant Relationships and Oversight**

This functional area addresses ICTC’s interaction with the transit operators in Imperial County and its administration of the provisions of TDA. The sub-functions described include costs to administer the program, technical and managerial assistance to operators, TDA claims processing, and the unmet transit needs process.

**ICTC Administration and Planning**

According to the Transit Finance Plans, between FYs 2007–2008 and 2009–2010 ICTC allocated between $5.7 million and $6.2 million in total Local Transportation Funds (LTF), including reserves. Over the same period, State Transit Assistance funds have ranged from $722,827 in FY 2008 to $354,444 in FY 2009 to $1,054,358 in FY 2010 based on audited reports and forms provided to the State Controller. The uses of the LTF revenues apportioned to Imperial County flow through the priority process prescribed in state law.

Prior to apportionment of funds to the Article 3 Bicycle and Pedestrian Program, to the transit operators, and for streets and roads, ICTC claims LTF revenues for transit administration, auditing, and planning. Table V-1 shows the annual LTF claims retained by ICTC. The allocation of LTF for ICTC administration and operations has ranged from $178,000 in FY 2008 to $252,220 in FY 2009 to $225,000 in FY 2010, excluding encumbrances. The significant increase in the FY 2009 budget was due to the agency’s need to keep up with its growing responsibilities, including the addition of administrative support costs, increases in training expenses to manage certain programs, meeting federal grant compliance, and staff time dedicated to regional plans and project coordination. The growth in expenditures for ICTC transit administration and special projects provides an indication of the growth in public transportation in the county and the use of TDA funds for these intended purposes. It also indicates the necessity of paying for a number of required reports as regional population growth continues. The ICTC transit administration budget reflects the County expenditure account codes that are linked with the expenditure description as a means to enhance budget accountability and transparency.

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>LTF Claim *</th>
</tr>
</thead>
<tbody>
<tr>
<td>2007-2008</td>
<td>$748,400</td>
</tr>
<tr>
<td>2008-2009</td>
<td>$300,600</td>
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</tbody>
</table>
In FY 2008, the amount claimed by ICTC for administration/operations/plan/programs equaled approximately 12.1 percent of Local Transportation Funds available to the County. In FY 2009, the amount claimed was 5.3 percent, and for FY 2010, the amount claimed was 11.9 percent. As now a statutorily created transportation planning agency, ICTC will need to consider the TDA provision of allocating up to 3 percent of annual LTF revenues for the conduct of the transportation planning and programming process (PUC Section 99233.2).

During the triennial audit period, ICTC commissioned several important studies such as the implementation of the El Centro Circulator Blue/Green Line Design Study, implementation of the El Centro Transfer Terminal Analysis and Site Location, social service transportation coordination plan, public transit fare analysis study, and public transit statistical sampling plan and project. These studies are intended to improve the delivery of transit service and fill transit needs identified during the unmet needs process.

**Technical and Managerial Assistance to Operators**

ICTC transit staff provides assistance to the operators as needed but under constrained resource and time availability. Assistance has been provided for a number of instances, including helping fill out and process TDA claims, and leading coordination efforts between County-administered transit services and several city-administered local dial-a-rides.

ICTC collects performance data from each operator on a quarterly basis to develop performance trends and monitor service. The performance data is entered in a master spreadsheet by operating system and compared to nine performance benchmark indicators that were developed from the last Short-Range Transit Plan in 2004 (an update to the SRTP is currently in process). Many of the benchmark indicators are the same as those contained in the TDA statute. While the data submitted by the transit agencies is not audited information and does not always match information provided in other reports (i.e., 90-day State Controller Report), the continual collection and review of the data on a regular basis by ICTC demonstrates its active role to provide oversight of TDA-funded transit services.

As part of performance monitoring of the County-provided services (IVT, Blue/Green Line, AIM, Med-Express, and West Shores Dial-A-Ride), ICTC staff utilize additional proactive techniques including in-person on-board observations and shadowing where staff will follow the bus vehicle from behind. An on-board observation form is used and includes a checklist and operations type criteria that is filled out by ICTC staff. Items that are observed include the start
and end time, driving habits, customer service, and bus requirements. A comments section is also provided for notes and other observations about the bus trip. Based on a sample observation schedule provided by ICTC, IVT is observed at least monthly using these techniques, the Blue/Green Lines and AIM are observed quarterly, and Med-Express and West Shores are observed semiannually. These techniques provide first-hand information that supplements the performance measurement data submitted by the operators on paper to enable ICTC to gain a greater understanding of daily operations.

ICTC indicated its concern for the farebox ratio trend for some of the transit operators, including falling below the minimum farebox ratio thresholds set by TDA statute. This has led to actions that include scaling back services, increasing fares, and changing the nature of dial-a-ride from general public to specialized service. In addition to completing a countywide fare evaluation study in 2007 that recommended potential increases in fares for the transit systems, more recent changes were instituted. One was the reduction of service for West Shores Dial-A-Ride from five to two days a week due to falling demand. Saturday service for all city-operated dial-a-ride systems was discontinued. The City of Calexico raised its fare by 25 cents. Also, several dial-a-ride systems, including those for the Cities of Imperial and El Centro, transitioned from serving the general public to only carrying elderly and disabled. This action essentially reduced the required farebox recovery ratios for the two systems from 20 percent to 10 percent. ICTC’s monitoring of the operator farebox ratios and facilitating change to improve the ratios helps the agency to comply with its responsibility to recommend productivity improvements.

ICTC, as the administrator of county transit services, is responsible for assisting the County of Imperial with completion of required reports including the annual State Controller Report for county transit. Currently, the County prepares and submits one State Controller Report to the State that includes financial and performance data for both general public service as well as specialized service to the elderly and disabled. The State Controller report instructions state that “…Transit operators providing two types of service, (general public use and transit service exclusively for the elderly/handicapped) must complete a separate report for each type of service…” This provision is also stated on the General Information page on the front of the Controller report that is submitted by the County. Given the applicability of these provisions to the types of county services provided (IVT, AIM Transit, Med-Express, and West Shore DAR), there should be a separation of modes, and reports prepared, between general pubic and specialized service.

**TDA Claim Processing**

Claims and required documents for TDA funding in accordance with the adopted transit finance plan can be submitted throughout the fiscal year of the claim. During the audit time period, several local jurisdictions were behind on submitting their claims and required documents. In turn, ICTC had not allocated funding to those jurisdictions. According to updated staff reports to the Board in May 2010, there were several outstanding TDA claims, State Controller Reports,
and CPA fiscal audits that had not been submitted over a three-year period. Several of the local jurisdictions immediately submitted the documents to ICTC when the report was issued; however, several remained outstanding including the following:

- FY 2007–08 TDA Claims – cities of Holtville and Westmorland
- FY 2008–09 TDA Claims – cities of Holtville and Westmorland
- FY 2009–10 TDA Claims – cities of Calipatria, Holtville, and Westmorland
- FY 2008–09 Fiscal Audit – cities of Calipatria, Holtville, and Westmorland

ICTC indicated that the cities of Holtville and Westmorland have had TDA revenues on deposit for several prior years. As recent as the end of March 2011, however, ICTC had received the required claims and documents from these cities and most if not all of those prior year revenues were dispersed due to the cities’ actions to date.

ICTC utilizes elements of the 2006 IVAG Transportation Development Act Guidebook and Claim Forms. The purpose of the updated guidebook is to serve as a convenient reference document for TDA claimants and ICTC staff managing the TDA claims process. While the TDA guidebook provides ample information and definitions to complete the claims, ICTC staff indicated the difficulty of using the claims forms, citing their complexity, which has contributed to a lack of proper data submitted by the claimants for transit funds. Staff indicated that due to the form’s complexity, the claimants only fill in the minimum information and that ICTC staff must spend time to fill in as much remaining information as their limited time allows before processing the claims. The submittal process of the revised claims forms via electronic mail was also to become standardized, but that has not been the case. While the updated TDA guidebook is available online to the TDA claimants, it has not appeared to provide the intended assistance to the claimants nor to ICTC.

Claim application instructions are provided in the guidebook, and specific claim forms have been developed for TDA Articles 3, 4, 4.5, 6.5, 8a, 8c, and 8e. The forms vary according to the funding program being requested, and each form has a standard assurances checklist identifying all of the items required by that funding program. The forms provide the justification for the revenues and that the necessary compliance standards, such as the farebox recovery ratio, have been met. Within ICTC’s jurisdiction, claims for local transportation funds are made under Articles 3 and 8, and under Article 6.5 for State Transit Assistance (STA) funding. Currently, there are no Article 4 or 4.5 claimants in Imperial County.

For Article 3 bike and pedestrian claims, the checklist includes non-transit claim form, financial reporting form, project information, governing body authorization, and other exhibits. Article 8c and STA transit claims include transit claim form; standard assurances; governing body authorization; financial statements for both operating and capital; justification statements; cooperative agreement or copy of current contract; proposed commitment statement; and additional exhibits such as terminal inspection certificate, annual State Controller’s Financial Transactions Report, and annual Fiscal Audit. Each September, member agencies submit
candidate projects, which are approved in a public process by ICTC. Agencies then submit claim forms for approved projects throughout the fiscal year.

ICTC allocates funds toward the Bus Stop Benches and Shelters Program under Article 8e, which involves the installation and maintenance of bus stops for IVT. The program sets aside funding annually for member agencies that then choose the amenities and aesthetics desired as per local requirements and values.

ICTC also allocated LTF funds for street and road projects under Article 8a because Imperial County’s population was less than 500,000 in 1970, making it an “unrestricted county.” According to the Transit Finance Plan, FY 2007–2008 streets and roads projected expenditures using LTF totaled $1.7 million. In FY 2008–2009, the total increased to $2.0 million. However, there were no available LTF for streets and roads starting in FY 2009–2010 due to several factors including declining revenues from the economic recession.

For several years, STA funds went to the AIM Transit contract primarily because it was expedient to use those funds on one contract and under one oversight agency. The amount of STA funding in past years was comparable with the subsidy amount for AIM Transit. ICTC switched the funding source for AIM by swapping STA for LTF to fund AIM operations in light of constant threats by the State to raid the STA account and discontinue the program. This made the fund source unpredictable and unreliable, and created difficulties in budgeting. STA funds are now used as a subsidy for growing IVT service while AIM is fully funded by LTF.

**Unmet Transit Needs**

During the audit period, the mission statement for the delivery of public transit in Imperial County is as follows:

> The mission of the Imperial Valley Association of Governments public transit system is to improve the quality of life for the residents of the Imperial Valley through a coordinated, accessible, affordable and efficient countywide transit system.

The vision statement for transit is as follows:

> The transit network provides a safe, affordable and reliable transit system that meets the needs of the transit dependent in communities within the Imperial Valley, by providing access to health care, education, public services, employment, commercial and recreational activities.

Unmet transit needs hearings are required by TDA where claims can be made for streets and roads. Although ICTC has not allocated LTF revenues for street and road purposes since FY 2009–2010, the agency continues to conduct the annual unmet needs process in consultation with the statutorily required Social Services Transportation Advisory Council (SSTAC). The master list of transit needs is discussed and analyzed by the SSTAC to help form the priority
needs that are advocated and recommended to the Unmet Needs Panel and ultimately to the ICTC Board. A letter prepared on behalf of the SSTAC is submitted to the Unmet Needs Panel in the spring with the recommended transit needs.

The Unmet Needs Panel, comprising ICTC Board members, attends the annual unmet needs hearings required by TDA. From a review of documentation, ICTC complies with the unmet needs process including properly advertising the public hearings in newspapers of general circulation in both English and Spanish as well as in radio ads. The agency makes annual findings of unmet transit needs that are reasonable to meet.

ICTC has defined Unmet Transit Needs as “those public transportation or specialized transportation services that are identified in the Regional Short-Range Transit Plan, Regional Transportation Plan or similar Mobility Plan, that have not been implemented or fund.” The Reasonable to Meet definition encompasses the following factors: Community Acceptance, Timing, Equity, Economy, and Cost Effectiveness. The test of reasonable to meet is conducted using definitions that were adopted by IVAG in 1992.

A summary of unmet transit needs findings following the first public hearing each January is prepared for the Unmet Transit Needs Public Hearing Panel, which convenes a second hearing in February or early March. The summary describes the list of recommended findings that are reasonable to meet, public hearing process and the unmet transit needs definitions. TDA funding for transit has increased due to documented transit needs that are identified during the annual unmet transit needs process. The unmet transit needs findings and Board resolution are submitted to Caltrans generally in May for review of completeness. As a result of additional transit services being funded during the audit period, the level of TDA funding allocated toward transit has increased, while the amount claimed for streets and roads has decreased.

**Marketing and Transportation Alternatives**

ICTC has created a community outreach/public information/marketing program that will consider ways to incorporate all ICTC services into one comprehensive identifiable entity. The main focus will be an effort to create a new independent ICTC website that will provide easy access to its member agencies, key stakeholders, and the general public. As part of the effort, ICTC’s website will provide links through logos of the public transit systems placed on the ICTC site that will enable the user to gain additional information about each system and direct the user to their respective home websites. Additionally, staff will initiate efforts to work with Caltrans, SCAG, and SANDAG to create a new “511” transportation information service for Imperial County residents. For Imperial Valley, the 511 service is anticipated to provide Web-based and phone service information for traveler delays at the border crossings, transit service routes and schedules, and carpool/vanpool opportunities. Additionally, staff will explore other cost-effective opportunities to provide or display information regarding transit route and schedules to the daily transit riders and to the general public. Other aspects of the outreach program include the administration and management of information provided for board
meetings and the subcommittees of ICTC, as well as other public outreach events for regional transportation planning and transit planning activities.

ICTC has made significant effort to increase its communication with the public by providing information in bilingual English/Spanish format. When feasible, ICTC has created bilingual media and provided interpreters at public meetings to enhance participation and communication. These have proven useful for such activities as the annual unmet transit needs, and communication with transit drivers. The ICTC website will also be formatted in both English and Spanish.

ICTC completed a Public Participation Plan in December 2007 to ensure a proactive public involvement process that assures the opportunity for the public to be involved in all phases of the planning process by providing complete information, timely public notice, opportunities for making comments, full access to key decisions, and early and continuing involvement in developing transportation plans and programs. As ICTC is a subregion of SCAG in which SCAG acts as the metropolitan planning organization (MPO) for the County of Imperial, the public participation plan complies with SCAG public participation plan requirements. The plan describes the key policy documents (such as Air Quality Conformity Analysis, Overall Work Program, Regional Transportation Plan, Transportation Improvement Program and environmental documents), public meeting noticing, public comment periods, citizen advisory committees, and agency protocol.

With regard to transit marketing, ICTC publishes brochures on both Imperial Valley Transit intercity and local circulator services. The ICTC home page (http://www.imperialctc.org) serves as a portal in providing a link to the IVT website (http://www.ivtransit.com/) for bus information, as well as for regional ADA, Med-Express and dial-a-ride. The IVT site includes a description of the service, route schedules and map, a trip planner function, FAQs, contact information, and a link to Imperial Valley College. Within this site is another link to information for the Blue Line, which follows the same web format as the intercity service. Transit brochures are also available on other transit systems including AIM Transit and Med-Express. The nonprofit agency ARC developed a summary brochure of each of its contracted services containing rider eligibility, fares, and days and hours of operations. Due to budget constraints, marketing materials have been minimized.

The local cities and the County have been updating their individual bicycle master plans. ICTC reviews and accepts each local jurisdiction’s bicycle master plan as part of the update to its Regional Bicycle Master Plan last adopted in 2007. The regional bicycle plan comprises the individual master plans developed by the local jurisdictions, culminating in a countywide plan and map. The Regional Bicycle Master Plan provides the backbone for the coordination of funding and implementation of bike and pedestrian facilities for commute and recreational purposes.
ICTC participated in the 2010 California Emergency Management Agency’s (Cal EMA) Access and Functional Needs Evacuation and Transportation Planning Project for Imperial County. Through this five-month project, the group identified stakeholders for the evacuation/transportation of people with access and functional needs; held two meetings involving dozens of stakeholder organizations to assess strengths and weaknesses that should be addressed in the development of the county’s access and functional needs evacuation/transportation plan; developed a gap analysis report that details evacuation plan strategies Imperial County can implement to develop a plan that conforms to state planning guidance, federal planning guidance, and industry best practices; and created an evacuation plan framework that conforms with industry standards and best practices. ICTC took the lead in volunteering to complete the transit resource inventory started by the contractor and focused on getting more participation and response from the county’s school districts.

**Grant Applications and Management**

ICTC has used American Recovery and Reinvestment Act (ARRA) stimulus grant funds to invest in major transit facilities including the 7th and State Streets Intermodal Transfer Terminal in El Centro, a transfer terminal in the city of Brawley that will be used by IVT, a proposed “Gold Line” circulator bus service, and dial-a-ride. ICTC submitted certifications to the federal government as required under Section 1511 of ARRA to verify that the investments have gone through the necessary review and vetting required by law. ARRA project funds through the FTA 5307 urban grant program for the El Centro terminal totaled $1.2 million, while ARRA project funds through the FTA 5311 rural grant program for the Brawley terminal totaled about $621,000.

ICTC has been active in securing other grants including FTA 5304 planning funds for a transit circulator study of the Gold, Orange and Red Lines. There are also pending FTA planning grants for additional studies including for the Calexico Intermodal Transit Center, and the Southern California Interregional Farmworker Transportation Assessment Study.

ICTC serves as a clearinghouse for funding programs available to the Imperial Valley, including notifying the operators and cities of the availability and status of funds, assisting in technical matters, and ensuring timely submittal of grant applications. The federal transportation grants process is coordinated by ICTC and through the TAC, whose members discuss and prioritize projects requiring funding. These projects then follow an approval process through the Management Committee and the governing board.

ICTC staff, also acting as the County transit administrator, provides assistance in the planning and programming of federal transit grants such as FTA Section 5307 and Section 5311 grants. FTA Section 5307 funds have been programmed for IVT, the IVT Blue Line, and the El Centro Transfer Terminal construction. FTA Section 5311 funds are programmed for the operation of IVT fixed routes outside of the El Centro Urbanized Area. The contract operator, ARC, applies
for FTA 5310 capital funds for replacement of paratransit vehicles that operate on the public transit services.

Upon a request from ICTC, the County and Imperial Valley College (IVC) developed plans and received approval for grant funding to improve the transit transfer facility at IVC. Concurrent with the development of a new technology and science center at IVC, the project includes an enhanced waiting area with benches, shelters, and landscaping on the northeast section of the campus. Construction on Phase I was completed in May 2010, and Phase II construction is anticipated for December 2011. This project was funded from components of the State Proposition 1B Bond measure approved by voters in November 2006 including the Public Transportation Modernization Improvement and Service Enhancement Account (PTMISEA) program and the California Transit System Security Grant (CTSGP).

Along with its urbanized area status, ICTC is subject to additional federal reporting requirements as the administrator of the IVT bus system. The agency has been compiling financial, performance, and facility information for inclusion in the National Transit Database (NTD). The NTD is the FTA’s primary national database for statistics on transit agencies. Recipients of FTA Section 5307 and 5311 grants are required by statute to submit significant amounts of data to the NTD. ICTC staff attended specific training for the NTD in Washington, D.C., in 2009. Staff also participated in the first FTA Triennial Review of IVT in September 2010 that audited ICTC’s compliance with federal regulations and practices.
Section V

Findings and Recommendations

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

Findings

1. ICTC has in large part been able to accomplish its objectives as a regional planning entity and build good relationships with key partners such as Caltrans while maintaining on-going communication with its member local jurisdictions. With significant growth in Imperial County over the past decade evidenced by the 2010 Census figures, there is recognition for ICTC to continue its regional approach to delivery of service and compliance with increased mandates.

2. ICTC has satisfactorily complied with state legislative mandates for Regional Transportation Planning Agencies, with the exception of one in partial compliance. ICTC has partially complied with the provision ensuring that all member-agency certified fiscal audits have been submitted to it and the State Controller within the statutory timeline of 180 days after the end of the fiscal year. A few local jurisdiction claimants were several years past due, and ICTC has taken allowable action to withhold TDA funds until the fiscal audits were completed.

3. With the creation and transition to an independent transportation commission in January 2011, ICTC staffing underwent rather significant changes including the hiring of a full-time Executive Director who is employed by the new agency. The remaining staff who serve ICTC are still currently employed by Imperial County under the County’s personnel titles. A transition process has been under way internally to move these County employees into the ranks of the new agency and reflecting full independence.

4. Of the nine prior audit recommendations made of ICTC’s predecessor, IVAG, seven have been fully implemented. The remaining two prior recommendations are still in progress of being implemented including making revisions to the TDA claims forms, and conducting transit efficiency tests.

5. Stakeholders that were interviewed for this audit, including ICTC elected officials and public agency staff and citizens who serve on an ICTC committee, were generally satisfied with ICTC’s activities, competencies and responsiveness. The interviewees were positive about the direction being taken by the agency including the hiring of an Executive Director which has improved the perception that the agency serves all member jurisdictions in a fair manner. A common suggestion made by the interviewees is for ICTC staff to develop an
orientation program for board and committee members so that these individuals can get acclimated quicker to ICTC activities and responsibilities.

6. The transition from IVAG to ICTC brings new challenges and issues as the newly created agency continues to mature. The board approved for ICTC to be modeled after other fully operational county transportation commissions in southern California. The transition provides an opportunity for the board to discuss the dynamics of how the new agency conducts its business and how it reduces its reliance on SCAG and Caltrans.

7. ICTC has undertaken a strategic planning process through workshops with Board members and Management Committee members. Workshops took place in early May 2011 and resulted in development of a strategic plan for the region and includes elements toward the development of ICTC as an independent agency.

8. As contained in ICTC’s first Overall Work Plan for FY 2010–2011, a greater emphasis on regional transportation planning has been placed on the agency than in previous years. Activities have included working in partnership with Caltrans and each of the county’s planning agencies and regional planning partners to reach consensus on an approach to reduce greenhouse gases generated in Imperial County. Regional project delivery has also been prioritized including expediting the completion of the State Route 78 Brawley Bypass and improvements to the Interstate 8 Dogwood Interchange. ICTC also received Federal Transit Administration urbanized funds for the El Centro Bus Terminal design and construction, as well as for new local circulator transit service in El Centro. Additional federal funding has been received by ICTC for new bus transfer stations in the cities of Brawley and Imperial. ICTC has been active in securing federal grant funds for planning and implementation.

9. Several significant planning documents were completed during the audit time period. They include an update to the Imperial County Transportation Plan Highway Element in 2008 as part of the County Long-Range Transportation Plan Update, completion of the Coordinated Public Transit – Human Services Transportation Plan in 2008 as a condition of eligibility for certain federal transit funding, and completion of the Public Transit Services Fare Analysis in 2008 that supported adjustments to transit fare rates.

10. ICTC continued its monitoring of public transit performance trends through the collection of performance data from each operator. The continual collection and review of the data on a regular basis by ICTC, as well taking action to preserve transit service, demonstrates its active role by the agency to provide oversight of TDA-funded transit services. In addition, ICTC staff utilize additional proactive monitoring techniques including in-person on-board observations for the county administered transit programs.

11. ICTC has created a community outreach/public information/marketing program that will consider ways to incorporate all ICTC services into one comprehensive identifiable entity. The main focus will be an effort to create a new independent ICTC website that will provide
easy access to its member agencies, key stakeholders, and the general public. As part of the
effort, ICTC’s website will provide links through logos of the public transit systems placed on
the ICTC site that will enable the user to gain additional information about each system and
direct the user to their respective home websites.

12. ICTC has made significant effort to increase its communication with the public by providing
information in bilingual English/Spanish format. When feasible, ICTC has created bilingual
media and provided interpreters at public meetings to enhance participation and
communication. These have proven useful for such activities as the annual unmet transit
needs, and communication with transit drivers. The ICTC website will also be formatted in
both English and Spanish.

Triennial Audit Recommendations

1. Develop an orientation program for ICTC board and committee members.

Based on our interviews with board members and committee members, a common response
was that an orientation program would be helpful to get members more quickly acclimated to
ICTC activities. The program could comprise several elements including development of an
orientation packet, one-on-one meetings, and strategic retreats or meetings held at regular
intervals. The orientation packet could include at a minimum a fact sheet about ICTC’s roles and
responsibilities, programs, and funding sources. Essentially, the fact sheet could be a
condensed version of the OWP. For fact sheets to ICTC committee members including the
Management Committee, Technical Advisory Committee, and Social Services Transportation
Advisory Council, the content could include about ICTC and the role and responsibility of each
committee.

2. Complete Separate State Controller Reports for County General Public Transit and
Specialized Service.

ICTC, as the administrator of county transit services, is responsible for assisting the County of
Imperial with completion of required reports including the annual State Controller Report for
county transit. Currently, the County prepares and submits one State Controller Report to the
State that includes financial and performance data for both general public service as well as
specialized service to the elderly and disabled. However, the State Controller report
instructions state that “…Transit operators providing two types of service, (general public use
and transit service exclusively for the elderly/handicapped) must complete a separate report
for each type of service…” This provision is also stated on the General Information page on the
front of the Controller report that is submitted by the County. The instructions state that
separate reports must be submitted, one for general public transit, and another for specialized
service. Given the applicability of these provisions to the types of county services provided (IVT,
AIM Transit, Med-Express, and West Shore DAR), there should be a separation of modes and
two Controller reports prepared, one for general public and the other for specialized service.
3. **Implement the State Transit Assistance efficiency test.**

Under PUC 99314.6, before any STA funds can be used for operations, ICTC must conduct a test using a formula to determine the operator’s year over year growth in cost per revenue hour, or average three year change. ICTC currently allocates all STA funds for the operation of IVT service. Typically this test is conducted during the TDA claims process before funds are approved and distributed for their intended expenditures. Alternatively, ICTC could request the fiscal auditor for IVT to conduct the verification as part of the annual fiscal and compliance audit.

4. **Revise the TDA claims forms and provide training to the claimants.**

The current TDA claims forms were developed in January 2006 as part of the Transportation Development Act Guidebook update. During their subsequent use for the claims process, staff has found the claims forms to be complex relative to the claims being made and the information that is required by the claimants. A streamlined claim form would serve the agency better and should be revised as agency resources allow, along with further training for the claimants. The revised claims should include a requirement that the claimants report at least annually the status of implementing the fiscal audit and performance audit recommendations. This can be inserted as part of the annual TDA claims package. A few samples of alternative claims forms are shown in the appendix section of the prior IVAG Performance Audit covering through fiscal year 2007.
FY 2008-2010 TRIENNIAL
PERFORMANCE AUDIT OF
CITY OF IMPERIAL DIAL-A-RIIDE

DRAFT

SUBMITTED TO:
Imperial County Transportation Commission

June 2011

SUBMITTED BY:
PMC
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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>
<thead>
<tr>
<th>Year</th>
<th>Manufacturer</th>
<th>Quantity</th>
<th>Fuel Type</th>
<th>Seat/Wheelchair Capacity</th>
</tr>
</thead>
<tbody>
<tr>
<td>2007</td>
<td>Ford E450</td>
<td>1</td>
<td>Gasoline</td>
<td>16/2</td>
</tr>
<tr>
<td></td>
<td>Back-Up Vehicle</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2002</td>
<td>Ford E450</td>
<td>1</td>
<td>Gasoline</td>
<td>16/2</td>
</tr>
</tbody>
</table>

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>
<thead>
<tr>
<th>Operator Compliance Requirements</th>
<th>Reference</th>
<th>Compliance Efforts</th>
</tr>
</thead>
</table>
| The transit operator submitted annual reports to the RTPA based upon the Uniform System of Accounts and Records established by the State Controller. Report is due 90 days after end of fiscal year (Sept. 28/29), or 110 days (Oct. 19/20) if filed electronically (Internet). | Public Utilities Code, Section 99243 | Completion/submittal dates:  
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

<table>
<thead>
<tr>
<th>Operator Compliance Requirements</th>
<th>Reference</th>
<th>Compliance Efforts</th>
</tr>
</thead>
<tbody>
<tr>
<td>The CHP has, within the 13 months prior to each TDA claim submitted by an operator, certified the operator’s compliance with Vehicle Code Section 1808.1 following a CHP inspection of the operator’s terminal.</td>
<td>Public Utilities Code, Section 99251 B</td>
<td>The 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. 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. 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. <strong>Conclusion: Complied</strong></td>
</tr>
<tr>
<td>The operator’s claim for TDA funds is submitted in compliance with rules and regulations adopted by the RTPA for such claims.</td>
<td>Public Utilities Code, Section 99261</td>
<td>As a condition of approval, 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. The City’s claims are submitted generally during the spring of</td>
</tr>
</tbody>
</table>

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**Triennial Performance Audit**

**Imperial Dial-A-Ride**  

**PMC**

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**DRAFT**
### Table II-1
Operator Compliance Requirements Matrix

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</thead>
<tbody>
<tr>
<td>the claim year as required by ICTC.</td>
<td></td>
<td>Conclusion: Complied</td>
</tr>
<tr>
<td>If an operator serves urbanized and non-urbanized areas, it has maintained a ratio of fare revenues to operating costs at least equal to the ratio determined by the rules and regulations adopted by the RTPA.</td>
<td>Public Utilities Code, Section 99270.1</td>
<td>This requirement is not applicable, as Imperial Dial-A-Ride is a specialized service in an urban area. Conclusion: Not Applicable</td>
</tr>
<tr>
<td>The operator’s operating budget has not increased by more than 15% over the preceding year, nor is there a substantial increase or decrease in the scope of operations or capital budget provisions for major new fixed facilities unless the operator has reasonably supported and substantiated the change(s).</td>
<td>Public Utilities Code, Section 99266</td>
<td>Percentage increase in Imperial Dial-A-Ride’s operating budget:</td>
</tr>
<tr>
<td>FY 2008: +17.52%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>FY 2009: -3.95%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>FY 2010: -0.04%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>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.</td>
<td>Source: Statistical Summary Reports – Operating Cost less</td>
<td></td>
</tr>
</tbody>
</table>
### Table II-1
Operator Compliance Requirements Matrix

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</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>depreciation/insurance</td>
</tr>
<tr>
<td><strong>Conclusion: Complied</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>The operator’s definitions of performance measures are consistent with Public Utilities Code Section 99247, including (a) operating cost, (b) operating cost per passenger, (c) operating cost per vehicle service hour, (d) passengers per vehicle service hour, (e) passengers per vehicle service mile, (f) total passengers, (g) transit vehicle, (h) vehicle service hours, (i) vehicle service miles, and (j) vehicle service hours per employee.</td>
<td>Public Utilities Code, Section 99247</td>
<td>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. <strong>Conclusion: Complied</strong></td>
</tr>
<tr>
<td>If the operator serves an urbanized area, it has maintained a ratio of fare revenues to operating costs at least equal to one-fifth (20 percent), unless it is in a county with a population of less than 500,000, in which case it must maintain a ratio of fare revenues to operating costs of at least equal to three-twentieths (15 percent), if so determined by the RTPA.</td>
<td>Public Utilities Code, Sections 99268.2, 99268.3, 99268.12, 99270.1</td>
<td>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. <strong>Source:</strong> FY 2008 Annual Fiscal and Compliance Audits <strong>Conclusion: Not Complied</strong></td>
</tr>
<tr>
<td>If the operator serves a rural area, or provides exclusive</td>
<td>Public Utilities Code, Sections 99268.2, 99268.4,</td>
<td>The farebox ratio for Dial-A-Ride under PUC Section</td>
</tr>
</tbody>
</table>
## Table II-1
Operator Compliance Requirements Matrix

<table>
<thead>
<tr>
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<th>Reference</th>
<th>Compliance Efforts</th>
</tr>
</thead>
<tbody>
<tr>
<td>services to elderly and disabled persons, it has maintained a ratio of fare revenues to operating costs at least equal to one-tenth (10 percent).</td>
<td>99268.5</td>
<td>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</td>
</tr>
<tr>
<td>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.</td>
<td>Public Utilities Code, Section 99271</td>
<td>The City contracts with a private nonprofit provider for operations, while the cost of City staff’s retirement is fully funded.</td>
</tr>
<tr>
<td>If the operator receives state transit assistance funds, the operator makes full use of funds available to it under the Urban Mass Transportation Act of 1964 before TDA claims are granted.</td>
<td>California Code of Regulations, Section 6754(a)(3)</td>
<td>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.</td>
</tr>
</tbody>
</table>
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 pick-ups, 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>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating Cost</td>
<td>$103,215</td>
<td>$121,300</td>
<td>$116,513</td>
<td>$116,095</td>
<td>12.5%</td>
</tr>
<tr>
<td>Total Passengers</td>
<td>12,960</td>
<td>11,910</td>
<td>10,997</td>
<td>8,016</td>
<td>-38.1%</td>
</tr>
<tr>
<td>Vehicle Service Hours</td>
<td>2,396</td>
<td>2,341</td>
<td>2,293</td>
<td>1,949</td>
<td>-18.7%</td>
</tr>
<tr>
<td>Vehicle Service Miles</td>
<td>36,421</td>
<td>36,190</td>
<td>35,824</td>
<td>25,279</td>
<td>-30.6%</td>
</tr>
<tr>
<td>Employee FTEs</td>
<td>3</td>
<td>3</td>
<td>2</td>
<td>2</td>
<td>-19.5%</td>
</tr>
<tr>
<td>Operating Revenue</td>
<td>$19,120</td>
<td>$17,458</td>
<td>$16,275</td>
<td>$13,541</td>
<td>-29.2%</td>
</tr>
<tr>
<td>Operating Cost per Passenger</td>
<td>$7.96</td>
<td>$10.18</td>
<td>$10.59</td>
<td>$14.48</td>
<td>81.9%</td>
</tr>
<tr>
<td>Operating Cost per Vehicle Service Hour</td>
<td>$43.08</td>
<td>$51.82</td>
<td>$50.81</td>
<td>$59.57</td>
<td>38.3%</td>
</tr>
<tr>
<td>Operating Cost per Vehicle Service Mile</td>
<td>$2.83</td>
<td>$3.35</td>
<td>$3.25</td>
<td>$4.59</td>
<td>62.1%</td>
</tr>
<tr>
<td>Passengers per Vehicle Service Hour</td>
<td>5.4</td>
<td>5.1</td>
<td>4.8</td>
<td>4.1</td>
<td>-24.0%</td>
</tr>
<tr>
<td>Passengers per Vehicle Service Mile</td>
<td>0.36</td>
<td>0.33</td>
<td>0.31</td>
<td>0.32</td>
<td>-10.9%</td>
</tr>
<tr>
<td>Vehicle Service Hours per Employee</td>
<td>798.7</td>
<td>780.3</td>
<td>1,196.8</td>
<td>806.7</td>
<td>1.0%</td>
</tr>
<tr>
<td>Average Fare per Passenger</td>
<td>$1.48</td>
<td>$1.47</td>
<td>$1.48</td>
<td>$1.69</td>
<td>14.5%</td>
</tr>
<tr>
<td>Fare Recovery Ratio</td>
<td>18.52%</td>
<td>14.39%</td>
<td>13.97%</td>
<td>11.66%</td>
<td>-37.0%</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>TDA Statistic</th>
<th>Source</th>
<th>Base Year</th>
<th>Audit Review Period</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>FY 2007</td>
<td>FY 2008</td>
</tr>
<tr>
<td>Unlinked Passengers</td>
<td>ARC Statistical Summary Report</td>
<td>12,960</td>
<td>11,910</td>
</tr>
<tr>
<td></td>
<td>ICTC Performance Summary</td>
<td>12,960</td>
<td>11,910</td>
</tr>
<tr>
<td></td>
<td>State Controller Report</td>
<td>12,960</td>
<td>11,910</td>
</tr>
<tr>
<td>Vehicle Service Hours</td>
<td>ARC Statistical Summary Report</td>
<td>2,396</td>
<td>2,341</td>
</tr>
<tr>
<td></td>
<td>ICTC Performance Summary</td>
<td>2,397</td>
<td>2,340</td>
</tr>
<tr>
<td></td>
<td>State Controller Report</td>
<td>2,396</td>
<td>2,341</td>
</tr>
<tr>
<td>Vehicle Service Miles</td>
<td>ARC Statistical Summary Report</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td></td>
<td>ICTC Performance Summary</td>
<td>36,420</td>
<td>36,190</td>
</tr>
<tr>
<td></td>
<td>State Controller Report</td>
<td>N/A</td>
<td>N/A</td>
</tr>
</tbody>
</table>
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>
<thead>
<tr>
<th>Table V-1</th>
<th>Accidents &amp; On-Time Performance</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>FY 2007</td>
</tr>
<tr>
<td>Accidents</td>
<td>0</td>
</tr>
<tr>
<td>On Time Performance</td>
<td>95%</td>
</tr>
</tbody>
</table>

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>
<thead>
<tr>
<th>Table V-2</th>
<th>Cancellations, Denials &amp; No-Shows</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>FY 2007</td>
</tr>
<tr>
<td>Cancellations</td>
<td>13</td>
</tr>
<tr>
<td>Trip Denials</td>
<td>26</td>
</tr>
<tr>
<td>No Shows</td>
<td>524</td>
</tr>
</tbody>
</table>

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>
<thead>
<tr>
<th></th>
<th>FY 2007</th>
<th>FY 2008</th>
<th>FY 2009</th>
<th>FY 2010</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Complaints</td>
<td>5</td>
<td>2</td>
<td>1</td>
<td>0</td>
<td>8</td>
</tr>
<tr>
<td>Compliments</td>
<td>0</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>1</td>
</tr>
</tbody>
</table>

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>
<thead>
<tr>
<th>Roadcalls</th>
<th>FY 2007</th>
<th>FY 2008</th>
<th>FY 2009</th>
<th>FY 2010</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>NR</td>
<td>0</td>
<td>0</td>
<td>1</td>
<td>1</td>
<td>1</td>
</tr>
</tbody>
</table>

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](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](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

<table>
<thead>
<tr>
<th>TDA Funding</th>
<th>FY 2007</th>
<th>FY 2008</th>
<th>FY 2009</th>
<th>FY 2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>LTF – (SB325)</td>
<td>$78,432</td>
<td>$78,432</td>
<td>$105,595</td>
<td>$122,162</td>
</tr>
</tbody>
</table>

*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 Performance 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.
FY 2008-2010 TRIENNIAL PERFORMANCE AUDIT OF IMPERIAL VALLEY TRANSIT

DRAFT

SUBMITTED TO:
Imperial County Transportation Commission

June 2011

SUBMITTED BY:
PMC®
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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 Imperial Valley Transit (IVT) including the regional bus system and the Blue and Green Line circulators covering the most recent triennial period, fiscal years 2007–2008 through 2009–2010. The purpose of the performance audit is to evaluate IVT’s effectiveness and efficiency in the use of TDA funds to provide public transportation. This evaluation is required as a condition for continued receipt of these funds for public transportation purposes. In addition, the audit evaluates IVT’s compliance with the conditions specified in the California Public Utilities Code (PUC). This task involves ascertaining whether IVT is meeting the PUC’s reporting requirements. Moreover, the audit includes calculations of transit service performance indicators and a detailed review of IVT’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 IVT 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

IVT is the regional fixed-route transit provider for the Imperial Valley. The system was formed in 1989 under the name Imperial County Transit with five routes and a fleet of three buses running Monday through Friday. Currently, IVT operates 15 routes including ten regular routes, four express services that serve Imperial Valley College (IVC), and four direct routes between Brawley and the El Centro/Calexico areas.

The service area generally extends from Bombay Beach at the Salton Sea in the north to Calexico at the United States/Mexico international border in the south, and from Ocotillo in the west to Winterhaven near the California/Arizona border in the east. The primary zone of service is in a north/south configuration and includes Brawley, Imperial, IVC, El Centro, Heber, and Calexico. The service is operated by First Transit, Inc., and administered by the County of Imperial on behalf of...
the eight member agencies of ICTC to provide fixed-route transit services throughout Imperial County.

In October 2006, the County branded and launched a circulator shuttle service within the city of El Centro known as the IVT Blue Line. The Blue Line initially began service with two bidirectional routes utilizing smaller buses, which connect government agencies and services not currently served by the regional system. Commencing in July 2009, the routes were reconfigured and split into two branded circulator services: the Blue Line and the Green Line. The Blue Line ceased its eastbound route and runs westbound serving public and social service agencies in the southern part of the city. On the other hand, the Green Line runs eastbound and serves the northern areas of El Centro. The Blue and Green Lines, being recently implemented services with different operating characteristics from the regional service, are considered separate from the IVT regional system for purposes of reporting and performance analysis.

Imperial County is geographically located in the southeastern corner of California, stretching from the United States-Mexico border on the south, Riverside County on the north, San Diego County on the west, and the State of Arizona on the east. The terrain varies from 235 feet below sea level at the Salton Sea to 4,548 feet at Blue Angel Peak. The county’s geographical land area encompasses 4,175 square miles and is traversed by 2,555 miles of roadway. Major highways include Interstate 8 and State Routes (SR) 7, 78, 86, 98, 111, and 115.

Population growth has seen a marked increase in recent years. According to the 2010 U.S. Census Data, the county’s population is 174,528. The California Department of Finance 2010 estimate reports a countywide population of 183,029. The county seat and largest city is El Centro, with an estimated population of 42,598 based on the 2010 U.S. Census. The population of El Centro is followed in descending order by those of Calexico, Brawley, Imperial, Calipatria, Holtville, and Westmorland.

System Characteristics

IVT operates six types of services that include regular fixed-route, express service to Imperial Valley College (IVC), direct intercity between Brawley and Calexico, lifeline, route deviation, and demand response in certain areas. Routes that are designed as demand responsive only receive service if a request is made at least one day in advance. Complementary Americans with Disabilities Act (ADA) paratransit service is provided separately by AIM Transit.

The IVT regional fixed-route system operates from 6:00 a.m. to 10:30 p.m., Monday through Friday, and from 6:00 a.m. to 7:00 p.m. on Saturdays. The service does not operate on Sundays and the following holidays: New Years Day, Martin Luther King’s birthday, Presidents’ Day, Memorial Day, Independence Day, Labor Day, Veterans Day, Thanksgiving, or Christmas Day. The following table contains details of each route within the IVT system:
### Table I-1

**IVT Regional System**

<table>
<thead>
<tr>
<th>Route Number</th>
<th>Description</th>
<th>Frequency/Operation</th>
<th>Destinations</th>
</tr>
</thead>
</table>
| 50           | Niland–El Centro     | Every 70 minutes from Brawley to El Centro. Approximately every two hours from Niland to El Centro. (Monday through Friday 6:03 a.m. to 10:20 p.m.) Every 2 to 3 hours (Saturday 6:30 a.m. to 7:00 p.m.) | • Niland  
• Calipatria  
• Westmorland  
• Brawley  
• Imperial  
• Imperial Valley College  
• K Mart/Costco-El Centro  
• State & 14th Street-El Centro |
| 100          | El Centro–Calexico   | Every 70 minutes (Monday through Friday 5:54 a.m. to 10:56 p.m.) Every 2 to 3 hours (Saturday 8:20 a.m. to 6:06 p.m.) | • State & 14th Street-El Centro  
• Library-El Centro  
• El Centro Hospital  
• Imperial Valley Mall  
• Heber  
• Calexico |
| 150          | Calexico–El Centro   | Every 70 minutes (Monday through Friday 5:45 a.m. to 11:23 p.m.) Every 2 to 3 hours (Saturday 6:06 a.m. to 7:20 p.m.) | • Calexico  
• Post Office-Calexico  
• Camarena Library  
• Heber;  
• Imperial Valley Mall  
• El Centro Hospital  
• Library-El Centro  
• State & 14th Street |
| 200          | El Centro–Niland     | Every 70 minutes to 2 hours and 40 minutes (Monday through Friday 5:45 a.m. to 10:37 p.m.) Every 2 to 3 hours (Saturday 7:20 a.m. to 8:12 p.m.) | • State & 14th Street  
• K Mart/Costco-El Centro  
• Wal-Mart-El Centro  
• Imperial Valley College  
• Imperial  
• Brawley  
• Westmorland  
• Calipatria  
• Niland |
<table>
<thead>
<tr>
<th>Route Number</th>
<th>Description</th>
<th>Frequency/Operation</th>
<th>Destinations</th>
</tr>
</thead>
<tbody>
<tr>
<td>300/350</td>
<td>El Centro–Holtville</td>
<td>Every 90 minutes to 2 hours and 30 minutes (Monday through Friday) Two to three trips (Saturday)</td>
<td>Winterhaven portion operates only on Wednesdays as a lifeline service. Route deviation service provided.</td>
</tr>
<tr>
<td></td>
<td>Holtville–El Centro</td>
<td></td>
<td></td>
</tr>
<tr>
<td>400/450</td>
<td>El Centro–Seeley–Ocotillo</td>
<td>Approximately every 2 hours and 20 minutes (Monday through Friday 6:45 a.m. to 5:50 p.m.) Two to three trips (Saturday)</td>
<td>Ocotillo portion operates only on Tuesdays as a lifeline service. Route deviation service provided.</td>
</tr>
<tr>
<td></td>
<td>Ocotillo–Seeley–El Centro</td>
<td></td>
<td></td>
</tr>
<tr>
<td>500/550</td>
<td>Bombay Beach-Brawley</td>
<td>One southbound a.m. trip One northbound p.m. trip Thursdays only as a lifeline service. Route deviation service provided.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Brawley–Bombay Beach</td>
<td></td>
<td></td>
</tr>
<tr>
<td>600/650 Direct</td>
<td>Calexico–Brawley</td>
<td>Two bidirectional a.m. trips Two bidirectional p.m. trips (Monday through Friday)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Brawley–Calexico</td>
<td></td>
<td></td>
</tr>
<tr>
<td>800 FAST</td>
<td>Brawley-El Centro</td>
<td>One a.m. trip (Monday through Friday)</td>
<td></td>
</tr>
<tr>
<td>IVC Express</td>
<td>Niland–IVC</td>
<td>Two southbound a.m. trips Two northbound p.m.</td>
<td></td>
</tr>
<tr>
<td>Route Number</td>
<td>Description</td>
<td>Frequency/Operation</td>
<td>Destinations</td>
</tr>
<tr>
<td>--------------</td>
<td>-------------</td>
<td>---------------------</td>
<td>--------------</td>
</tr>
</tbody>
</table>
| Calexico–IVC | Three northbound a.m. trips  
Three southbound p.m. trips (IVC school days only) | | • Post Office-Calexico  
• Camarena Library-Calexico  
• Imperial Valley College |

Source: IVT

In addition to IVT’s regional services, the IVT-Blue and Green Lines operate as circulator routes within the city of El Centro Monday through Friday. The following table provides a summary of the IVT-Blue and Green Line services:

<table>
<thead>
<tr>
<th>Route Name</th>
<th>Description</th>
<th>Frequency/Operation</th>
<th>Destinations</th>
</tr>
</thead>
</table>
| Blue       | Westbound   | Every 1 hour, 10 minutes (Monday through Friday from 6:00 a.m. to 6:38 p.m.) | • 14th & State  
• El Centro Library  
• Center for Employment  
• County Jail & Clark Road  
• Social Security  
• Social Services  
• El Centro Regional Hospital |
| Green      | Eastbound   | Every 1 hour, 10 minutes (Monday through Friday from 6:00 a.m. to 6:38 p.m.) | • 14th & State  
• DMV  
• Bradshaw & Costco  
• Bradshaw & Wal-Mart  
• Senior Housing Complex & Myrtle  
• Imperial Theaters  
• Food 4 Less  
• El Centro Regional Hospital  
• Central High School |

Source: IVT
Fares

During the audit period, the IVT fare structure was based on the number of zones traveled. There were five fare zones in the IVT system. The zones are outlined in the following table:

<table>
<thead>
<tr>
<th>Zone</th>
<th>Destination</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Bombay Beach &amp; Spas</td>
</tr>
<tr>
<td>2</td>
<td>Calipatria &amp; Niland</td>
</tr>
<tr>
<td>3</td>
<td>Brawley &amp; Westmorland</td>
</tr>
<tr>
<td>4</td>
<td>El Centro, Imperial, IVC, Heber &amp; Seeley</td>
</tr>
<tr>
<td>5</td>
<td>Calexico &amp; Heber</td>
</tr>
<tr>
<td>6</td>
<td>Holtville &amp; Winterhaven</td>
</tr>
</tbody>
</table>

*Source: IVT*

The community of Heber borders Zones 4 and 5; thus, riders would pay a single-zone fare to reach Zone 4 or Zone 5.

The fare schedule during the audit period is presented in the following table:

<table>
<thead>
<tr>
<th>Category</th>
<th>Fare</th>
</tr>
</thead>
<tbody>
<tr>
<td>Local Zone Fare/El Centro Circulators</td>
<td>$0.75</td>
</tr>
<tr>
<td>Senior (60+)/Disabled Local Zone</td>
<td>$0.35</td>
</tr>
<tr>
<td>Regional Zone Fare</td>
<td>$1.00</td>
</tr>
<tr>
<td>Senior (60+)/Disabled Regional Zone</td>
<td>$0.50</td>
</tr>
<tr>
<td>IVC Express – Student Fare</td>
<td>$1.00</td>
</tr>
<tr>
<td>IVC Express – Non-Student Fare</td>
<td>$1.50</td>
</tr>
<tr>
<td>Direct &amp; Fast Trip</td>
<td>$2.00</td>
</tr>
</tbody>
</table>

*Source: IVT*

<table>
<thead>
<tr>
<th>Ticket Books</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>20-Ride Local Zone</td>
<td>$12.00</td>
</tr>
<tr>
<td>20-Ride Regional Zone</td>
<td>$16.00</td>
</tr>
<tr>
<td>20-Ride Student (Express Routes Only)</td>
<td>$20.00</td>
</tr>
<tr>
<td>20-Ride Senior (60+)/Disabled Local Zone</td>
<td>$7.00</td>
</tr>
<tr>
<td>20- Ride Senior (60+)/Disabled Regional Zone</td>
<td>$10.00</td>
</tr>
</tbody>
</table>
Ticket booklets are available for purchase at the city halls in Calipatria, El Centro, Holtville, Imperial, and Westmorland, as well as at the Imperial Valley College library and the IVT office in El Centro. Drivers are not authorized to sell passes.

Fleet

IVT utilizes a total fleet of 20 buses plus five service and two spare vehicles as described in Table I-5. For the regional fixed-route services, IVT utilizes 17 buses ranging from 40-foot clean diesel low emission powered Gillig models to smaller cutaway buses. The Blue and Green Lines utilize three leased 30-foot cutaway buses. The 1988 and 1989 Gillig Phantom buses were retrofitted completely in 2005.

<table>
<thead>
<tr>
<th>Year</th>
<th>Make &amp; Model</th>
<th>Quantity</th>
<th>Fuel Type</th>
<th>Service Type</th>
<th>Seats</th>
<th>Wheelchair Capacity</th>
</tr>
</thead>
<tbody>
<tr>
<td>1988</td>
<td>Gillig Phantom</td>
<td>8</td>
<td>Diesel</td>
<td>Regional Fixed Route</td>
<td>43</td>
<td>2</td>
</tr>
<tr>
<td>1989</td>
<td>Gillig Phantom</td>
<td>2</td>
<td>Diesel</td>
<td>Regional Fixed Route</td>
<td>41</td>
<td>2</td>
</tr>
<tr>
<td>2003</td>
<td>Ford E450 Champion</td>
<td>1</td>
<td>Gasoline</td>
<td>Brawley Fast</td>
<td>16</td>
<td>2</td>
</tr>
<tr>
<td>2007</td>
<td>Ford E450 El Dorado</td>
<td>1</td>
<td>Gasoline</td>
<td>Brawley Fast</td>
<td>18</td>
<td>2</td>
</tr>
<tr>
<td>2007</td>
<td>Ford E450 El Dorado</td>
<td>1</td>
<td>Gasoline</td>
<td>Brawley Fast</td>
<td>20</td>
<td>2</td>
</tr>
<tr>
<td>2008</td>
<td>Chevy C5500 El Dorado</td>
<td>2</td>
<td>Gasoline</td>
<td>Direct/Express</td>
<td>30</td>
<td>2</td>
</tr>
<tr>
<td>2009</td>
<td>Ford E450 El Dorado</td>
<td>2</td>
<td>Gasoline</td>
<td>Holtville/Seeley</td>
<td>20</td>
<td>2</td>
</tr>
<tr>
<td>2009</td>
<td>Ford E450 Starcraft</td>
<td>3</td>
<td>Gasoline</td>
<td>El Centro Circulators</td>
<td>20</td>
<td>2</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>20</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: IVT

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 IVT’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>
<thead>
<tr>
<th>Operator Compliance Requirements</th>
<th>Reference</th>
<th>Compliance Efforts</th>
</tr>
</thead>
<tbody>
<tr>
<td>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).</td>
<td>Public Utilities Code, Section 99243</td>
<td>Completion/submittal dates: FY 2008: September 29, 2008 FY 2009: September 21, 2009 FY 2010: September 23, 2010 Conclusion: Complied</td>
</tr>
<tr>
<td>The operator has submitted annual fiscal and compliance audits to the RTPA and to the State Controller within 180 days following the end of the fiscal year (Dec. 27), or has received the appropriate 90-day extension by the RTPA allowed by law.</td>
<td>Public Utilities Code, Section 99245</td>
<td>Completion/submittal dates: FY 2008: June 5, 2009 FY 2009: December 15, 2009 FY 2010: January 12, 2011 Conclusion: Partial Compliance. FY 2008 Fiscal &amp; Compliance Audit was completed and received after the 90-day extension period.</td>
</tr>
<tr>
<td>The CHP has, within the 13 months prior to each TDA claim submitted by an</td>
<td>Public Utilities Code, Section 99251 B</td>
<td>Imperial County through its contract operator participates in the CHP Transit Operator</td>
</tr>
</tbody>
</table>

Triennial Performance Audit
Imperial Valley Transit
### Table II-1
**Operator Compliance Requirements Matrix**

<table>
<thead>
<tr>
<th>Operator Compliance Requirements</th>
<th>Reference</th>
<th>Compliance Efforts</th>
</tr>
</thead>
<tbody>
<tr>
<td>operator, certified the operator’s compliance with Vehicle Code Section 1808.1 following a CHP inspection of the operator’s terminal.</td>
<td></td>
<td>Compliance Program in which the CHP has conducted inspections within the 13 months prior to each TDA claim. Inspection dates applicable to the audit period were February 22, 2007; February 27, 2008; March 4, 2009; and March 4, 2010. The County’s contract operator received a satisfactory rating for all inspections conducted on IVT vehicles during the audit period. <strong>Conclusion: Complied</strong></td>
</tr>
<tr>
<td>The operator’s claim for TDA funds is submitted in compliance with rules and regulations adopted by the RTPA for such claims.</td>
<td>Public Utilities Code, Section 99261</td>
<td>As a condition of approval, the County’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. The County’s claims are submitted generally during the fall of the claim year as required by ICTC. During the audit period, the claims were submitted on October 10, 2008, and November 6, 2009. <strong>Conclusion: Complied</strong></td>
</tr>
</tbody>
</table>
### Table II-1
Operator Compliance Requirements Matrix

<table>
<thead>
<tr>
<th>Operator Compliance Requirements</th>
<th>Reference</th>
<th>Compliance Efforts</th>
</tr>
</thead>
<tbody>
<tr>
<td>If an operator serves urbanized and non-urbanized areas, it has maintained a ratio of fare revenues to operating costs at least equal to the ratio determined by the rules and regulations adopted by the RTPA.</td>
<td>Public Utilities Code, Section 99270.1</td>
<td>IVT provides service in both urbanized and non-urbanized areas of Imperial County. ICTC, pursuant to state law (PUC Section 99270.1), is responsible for calculating an intermediate or “blended” fare recovery ratio, including the methodology for calculating the ratio, which was approved by Caltrans in March 2010 and is effective for a period of five years (2010–2014). The blended fare ratio approved by Caltrans was 14.5%. The prior blended fare ratio was 13.4%. The systemwide farebox recovery for IVT is as follows: FY 2008: 13.41% FY 2009: 15.15% FY 2010: 16.43% Source: ICTC Performance Summary Conclusion: Complied</td>
</tr>
<tr>
<td>Operator Compliance Requirements</td>
<td>Reference</td>
<td>Compliance Efforts</td>
</tr>
<tr>
<td>----------------------------------</td>
<td>-----------</td>
<td>--------------------</td>
</tr>
<tr>
<td>The operator’s definitions of performance measures are consistent with Public Utilities Code Section 99247, including (a) operating cost, (b) operating cost per passenger, (c) operating cost per vehicle service hour, (d) passengers per vehicle service hour, (e) passengers per vehicle service mile, (f) total passengers, (g) transit vehicle, (h) vehicle service hours, (i) vehicle service miles, and (j) vehicle service hours per employee.</td>
<td>Public Utilities Code, Section 99247</td>
<td>The County’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</td>
</tr>
<tr>
<td>If the operator serves an urbanized area, it has maintained a ratio of fare revenues to operating costs at least equal to one-fifth (20 percent), unless it is in a county with a population of less than 500,000, in which case it must maintain a ratio of fare revenues to operating costs of at least equal to three-twentieths (15 percent), if so determined by the RTPA.</td>
<td>Public Utilities Code, Sections 99268.2, 99268.3, 99268.12, 99270.1</td>
<td>This measure is not applicable, as IVT is subject to the intermediate farebox ratio established by ICTC. Conclusion: Not applicable</td>
</tr>
<tr>
<td>Operator Compliance Requirements</td>
<td>Reference</td>
<td>Compliance Efforts</td>
</tr>
<tr>
<td>----------------------------------</td>
<td>-----------</td>
<td>--------------------</td>
</tr>
<tr>
<td>If the operator serves a rural area, or provides exclusive services to elderly and disabled persons, it has maintained a ratio of fare revenues to operating costs at least equal to one-tenth (10 percent).</td>
<td>Public Utilities Code, Sections 99268.2, 99268.4, 99268.5</td>
<td>This measure is not applicable, as IVT is subject to the intermediate farebox ratio established by ICTC. Conclusion: Not applicable</td>
</tr>
<tr>
<td>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.</td>
<td>Public Utilities Code, Section 99271</td>
<td>The County contracts with a private provider for operations, while the cost of County staff’s retirement is fully funded under the 1937 Act County Employees’ Retirement Law. Conclusion: Complied</td>
</tr>
<tr>
<td>If the operator receives state transit assistance funds, the operator makes full use of funds available to it under the Urban Mass Transportation Act of 1964 before TDA claims are granted.</td>
<td>California Code of Regulations, Section 6754(a)(3)</td>
<td>ICTC expended State Transit Assistance Fund (STAF) revenues on IVT fixed-route services and makes use of available federal transit monies. Conclusion: Complied</td>
</tr>
</tbody>
</table>
Findings and Observations from Operator Compliance Requirements Matrix

1. Of the compliance requirements pertaining to IVT, the operation fully complied with eight out of the nine requirements. The operator was found in partial compliance with the timely submittal of its annual fiscal audits. Two additional compliance requirements did not apply to IVT (e.g., separate rural and urban farebox recovery ratios).

2. The average systemwide farebox recovery ratio was 15 percent during the triennial review period. Increases in passenger trips and revenues have resulted in higher farebox ratios. The required minimum farebox ratio established by IVT through an adopted methodology is 14.5 percent effective March 2010. The prior adopted blended ratio was 13.4 percent.

3. Through its contract operator, the County participates in the CHP Transit Operator Compliance Program and received inspections of IVT 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 modest increases since FY 2007, with the highest increase of 9.73 percent realized in FY 2008 due to a rise in fuel costs.
Section III

Prior Triennial Performance Recommendations

IVT’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 agency’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

Conduct regular on-time performance checks.

Actions taken by IVT

On-time performance is one of the metrics tracked by IVT as both a service efficiency and a customer service measure. The road supervisor regularly conducts on-time performance checks by either following a bus in a service vehicle or riding the route. Approximately 50 to 60 routes are checked randomly on a weekly basis. In addition, a route evaluation is performed when the route supervisor rides an entire route.

Conclusion

This recommendation has been implemented.

Prior Recommendation 2

Combine IVT regional fixed route and Blue Line farebox recovery ratios to determine TDA funding eligibility.

Actions taken by IVT

Since IVT provides service in both urbanized and non-urbanized areas of Imperial County, it is subject to a “blended” farebox formulized by ICTC and approved by Caltrans every five years. The blended ratio was adjusted in March 2010 from 13.4 percent to 14.5 percent. It was suggested that the systemwide ratio include all IVT fixed route services comprising the regional and El Centro Circulator services (Blue and Green Lines). ICTC/County staff indicated that the methodology for deriving the new blended ratio includes all IVT fixed route services. The circulator service, which have not been meeting farebox, are generally reported separately from the regional service for internal analysis and service planning.

The required ratios of fare revenues to operating costs does not apply to an extension of public transportation services until two years after the end of the fiscal year in which the extension of
services was placed into operation. The Blue Line, which was first introduced into service in October 2006, was scheduled to lose its farebox exemption status in July 2009. One of the two bidirectional routes that constituted the Blue Line was split off and designated as the Green Line in July 2009. This service change triggered another farebox exemption for another two years.

Separate TDA claims are submitted for the Blue/Green Line and the IVT regional service by the County. Although the farebox for regional and circulator services are reported separately for internal analysis, for TDA fund eligibility, a combined farebox for all IVT fixed route services is the appropriate measure given the local circulators are an extension of regional service and fall under the umbrella of IVT. ICTC has complied with this measure in its submittal to Caltrans for approval.

Conclusion

This recommendation has been implemented.

Prior Recommendation 3

Consider developing a fare revenue deviation policy within the contract operator, First Transit.

Actions taken by IVT

The purpose for adoption of a fare revenue deviation policy would include establishing an acceptable variance range between projected and actual revenues. The operator has implemented several measures to ensure more accurate reconciliation of fare revenues received with the number of passenger trips. The fare count and number of passenger trips are compared and reconciled on a daily basis. Drivers are instructed to have passengers fully unfold bills upon placement into the farebox and use only U.S. currency. In addition, drivers are trained on the correct use of the passenger counters and are not authorized to sell tickets.

Conclusion

This recommendation has been implemented.

Prior Recommendation 4

Consider installation of electronic fareboxes/passenger counts and GPS on the buses.

Actions taken by IVT

It was suggested that the farebox and passenger tracking systems be upgraded to electronic technologies for future improvements in productivity and more accurate accounting. Such technology would be able to accommodate smart cards and passes that could automatically deduct fares and track passenger trips. Global Positioning Systems (GPS) technology could also enhance dispatching and vehicle tracking processes as the system continues to grow.
In regard to the installation of electronic fareboxes, the operator indicated that such technology would not be received well by the ridership; thus, the fareboxes remain manually operated. Given that a significant number of passenger trips originate from Calexico along the U.S./Mexico border, the fare media of preference are cash and coinage.

The operator has been in discussions with ICTC about procuring grants to fund Automated Vehicle Locator (AVL) and camera systems on the buses. In the interim, IVT underwent a $26,000 upgrade of its dispatch communication system in August 2010, utilizing Nextel advance technology. Drivers are required to report into dispatch upon departing the operations yard, at their last stop, and when loading wheelchair passengers or running five minutes behind schedule, as well as when incurring accidents, roadcalls, and passenger emergencies.

**Conclusion**

This recommendation has not yet been implemented, and is contingent on future funding for GPS related systems as well as further review of the feasibility of electronic fareboxes.

*Prior Recommendation 5*

Develop systemwide map for the Rider’s Guide.

**Actions taken by IVT**

The IVT Rider’s Guide provides schedules and maps for each individual route in the IVT system. It was suggested that a systemwide map of IVT would better assist riders to clearly visualize the full offering of the IVT services rather than on a route-by-route basis. Based on discussions with the contract operator, a systemwide map would not meet the needs of the ridership demographic. In lieu of a systemwide map, the contract operator suggested that developing schedules and maps for each route would better serve riders’ needs, such as what is provided for the Blue and Green Lines in El Centro.

**Conclusion**

This recommendation is no longer applicable.
Section IV

TDA Performance Indicators

This section reviews IVT’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 tables, followed by the analysis.

Table IV-1
IVT Systemwide Performance Indicators

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating Cost</td>
<td>$2,763,401</td>
<td>$3,032,322</td>
<td>$3,174,710</td>
<td>$3,334,161</td>
<td>20.7%</td>
</tr>
<tr>
<td>Total Passengers</td>
<td>327,404</td>
<td>479,739</td>
<td>556,433</td>
<td>592,012</td>
<td>80.8%</td>
</tr>
<tr>
<td>Vehicle Service Hours</td>
<td>29,739</td>
<td>32,031</td>
<td>31,959</td>
<td>33,061</td>
<td>11.2%</td>
</tr>
<tr>
<td>Vehicle Service Miles</td>
<td>647,683</td>
<td>662,047</td>
<td>645,845</td>
<td>663,501</td>
<td>2.4%</td>
</tr>
<tr>
<td>Employee FTEs</td>
<td>29</td>
<td>29</td>
<td>52</td>
<td>65</td>
<td>124.1%</td>
</tr>
<tr>
<td>Operating Revenue</td>
<td>$333,176</td>
<td>$406,618</td>
<td>$481,058</td>
<td>$547,709</td>
<td>64.4%</td>
</tr>
<tr>
<td>Operating Cost per Passenger</td>
<td>$8.44</td>
<td>$6.32</td>
<td>$5.71</td>
<td>$5.63</td>
<td>-33.3%</td>
</tr>
<tr>
<td>Operating Cost per Vehicle Service Hour</td>
<td>$92.92</td>
<td>$94.67</td>
<td>$99.34</td>
<td>$100.85</td>
<td>8.5%</td>
</tr>
<tr>
<td>Operating Cost per Vehicle Service Mile</td>
<td>$4.27</td>
<td>$4.58</td>
<td>$4.92</td>
<td>$5.03</td>
<td>17.8%</td>
</tr>
<tr>
<td>Passengers per Vehicle Service Hour</td>
<td>11.0</td>
<td>15.0</td>
<td>17.4</td>
<td>17.9</td>
<td>62.7%</td>
</tr>
<tr>
<td>Passengers per Vehicle Service Mile</td>
<td>0.51</td>
<td>0.72</td>
<td>0.86</td>
<td>0.89</td>
<td>76.5%</td>
</tr>
<tr>
<td>Vehicle Service Hours per Employee</td>
<td>1,025.5</td>
<td>1,104.5</td>
<td>614.6</td>
<td>508.6</td>
<td>-50.4%</td>
</tr>
<tr>
<td>Average Fare per Passenger</td>
<td>$1.02</td>
<td>$0.85</td>
<td>$0.86</td>
<td>$0.93</td>
<td>-9.1%</td>
</tr>
<tr>
<td>Fare Recovery Ratio</td>
<td>12.06%</td>
<td>13.41%</td>
<td>15.15%</td>
<td>16.43%</td>
<td>36.2%</td>
</tr>
</tbody>
</table>

Source: ICTC Summary Reports
### Table IV-2

**IVT Regional Service Performance Indicators**

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating Cost</td>
<td>$2,382,612</td>
<td>$2,516,431</td>
<td>$2,668,835</td>
<td>$2,826,722</td>
<td>18.6%</td>
</tr>
<tr>
<td>Total Passengers</td>
<td>319,427</td>
<td>462,784</td>
<td>536,703</td>
<td>570,231</td>
<td>78.5%</td>
</tr>
<tr>
<td>Vehicle Service Hours</td>
<td>25,151</td>
<td>25,615</td>
<td>25,869</td>
<td>26,695</td>
<td>6.1%</td>
</tr>
<tr>
<td>Vehicle Service Miles</td>
<td>591,639</td>
<td>583,749</td>
<td>571,772</td>
<td>588,027</td>
<td>-0.6%</td>
</tr>
<tr>
<td>Employee FTEs</td>
<td>25</td>
<td>25</td>
<td>39</td>
<td>39</td>
<td>56.0%</td>
</tr>
<tr>
<td>Operating Revenue</td>
<td>$327,621</td>
<td>$388,073</td>
<td>$463,441</td>
<td>$533,654</td>
<td>62.9%</td>
</tr>
<tr>
<td>Operating Cost per Passenger</td>
<td>$7.46</td>
<td>$5.44</td>
<td>$4.97</td>
<td>$4.96</td>
<td>-33.5%</td>
</tr>
<tr>
<td>Operating Cost per Vehicle Service Hour</td>
<td>$94.73</td>
<td>$98.24</td>
<td>$103.17</td>
<td>$105.89</td>
<td>11.8%</td>
</tr>
<tr>
<td>Operating Cost per Vehicle Service Mile</td>
<td>$4.03</td>
<td>$4.31</td>
<td>$4.67</td>
<td>$4.81</td>
<td>19.4%</td>
</tr>
<tr>
<td>Passengers per Vehicle Service Hour</td>
<td>12.7</td>
<td>18.1</td>
<td>20.7</td>
<td>21.4</td>
<td>68.2%</td>
</tr>
<tr>
<td>Passengers per Vehicle Service Mile</td>
<td>0.54</td>
<td>0.79</td>
<td>0.94</td>
<td>0.97</td>
<td>79.6%</td>
</tr>
<tr>
<td>Vehicle Service Hours per Employee</td>
<td>1,006.0</td>
<td>1,024.6</td>
<td>663.3</td>
<td>684.5</td>
<td>-32.0%</td>
</tr>
<tr>
<td>Average Fare per Passenger</td>
<td>$1.03</td>
<td>$0.84</td>
<td>$0.86</td>
<td>$0.94</td>
<td>-8.8%</td>
</tr>
<tr>
<td>Fare Recovery Ratio</td>
<td>13.75%</td>
<td>15.42%</td>
<td>17.36%</td>
<td>18.88%</td>
<td>37.3%</td>
</tr>
</tbody>
</table>

*Source: ICTC Summary Reports*
### Table IV-3
**IVT-Blue Line Performance Indicators**

<table>
<thead>
<tr>
<th>Performance Data and Indicators</th>
<th>FY 2007*</th>
<th>Audit Period</th>
<th>% Change FY 2007–2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating Cost</td>
<td>$380,789</td>
<td>FY 2008 $515,891</td>
<td>FY 2009 $505,875</td>
</tr>
<tr>
<td>Total Passengers</td>
<td>7,977</td>
<td>16,955</td>
<td>19,730</td>
</tr>
<tr>
<td>Vehicle Service Hours</td>
<td>4,588</td>
<td>6,416</td>
<td>6,090</td>
</tr>
<tr>
<td>Vehicle Service Miles</td>
<td>56,044</td>
<td>78,298</td>
<td>74,073</td>
</tr>
<tr>
<td>Employee FTEs</td>
<td>4</td>
<td>4</td>
<td>13</td>
</tr>
<tr>
<td>Operating Revenue</td>
<td>$5,555</td>
<td>$18,545</td>
<td>$17,618</td>
</tr>
<tr>
<td>Operating Cost per Passenger</td>
<td>$47.74</td>
<td>$30.43</td>
<td>$25.64</td>
</tr>
<tr>
<td>Operating Cost per Vehicle Service Hour</td>
<td>$83.00</td>
<td>$80.41</td>
<td>$83.07</td>
</tr>
<tr>
<td>Operating Cost per Vehicle Service Mile</td>
<td>$6.79</td>
<td>$6.59</td>
<td>$6.83</td>
</tr>
<tr>
<td>Passengers per Vehicle Service Hour</td>
<td>1.7</td>
<td>2.6</td>
<td>3.2</td>
</tr>
<tr>
<td>Passengers per Vehicle Service Mile</td>
<td>0.14</td>
<td>0.22</td>
<td>0.27</td>
</tr>
<tr>
<td>Vehicle Service Hours per Employee</td>
<td>1,147.0</td>
<td>1,604.0</td>
<td>468.5</td>
</tr>
<tr>
<td>Average Fare per Passenger</td>
<td>$0.70</td>
<td>$1.09</td>
<td>$0.89</td>
</tr>
<tr>
<td>Fare Recovery Ratio</td>
<td>1.46%</td>
<td>3.59%</td>
<td>3.48%</td>
</tr>
</tbody>
</table>

*Source: ICTC Summary Reports*

*FY 2007 data are from October 2006 to June 2007*
### Table IV-4
**IVT-Green Line Performance Indicators**

<table>
<thead>
<tr>
<th>Performance Data and Indicators</th>
<th>FY 2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating Cost</td>
<td>$253,684</td>
</tr>
<tr>
<td>Total Passengers</td>
<td>6,156</td>
</tr>
<tr>
<td>Vehicle Service Hours</td>
<td>3,182</td>
</tr>
<tr>
<td>Vehicle Service Miles</td>
<td>36,683</td>
</tr>
<tr>
<td>Employee FTEs</td>
<td>13</td>
</tr>
<tr>
<td>Operating Revenue</td>
<td>$4,108</td>
</tr>
<tr>
<td>Operating Cost per Passenger</td>
<td>$41.21</td>
</tr>
<tr>
<td>Operating Cost per Vehicle Service Hour</td>
<td>$79.72</td>
</tr>
<tr>
<td>Operating Cost per Vehicle Service Mile</td>
<td>$6.92</td>
</tr>
<tr>
<td>Passengers per Vehicle Service Hour</td>
<td>1.9</td>
</tr>
<tr>
<td>Passengers per Vehicle Service Mile</td>
<td>0.17</td>
</tr>
<tr>
<td>Vehicle Service Hours per Employee</td>
<td>244.8</td>
</tr>
<tr>
<td>Average Fare per Passenger</td>
<td>$0.67</td>
</tr>
<tr>
<td>Fare Recovery Ratio</td>
<td>1.62%</td>
</tr>
</tbody>
</table>

*Source: ICTC Summary Reports*

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-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 8.5 percent systemwide from $92.92 in FY 2007 to $100.85 in FY 2010. Overall vehicle service hours rose 11.2 percent, while operating costs exhibited an increase of 20.7 percent during the three-year period. The IVT Regional Service saw its cost per service hour increase 11.8 percent from $94.73 in FY 2007 to $105.89 in FY 2010. Vehicle service hours and operating costs rose by a modest 6.1 percent and 18.6 percent, respectively. On the other hand, the Blue Line circulator saw its cost per service hour decrease 4.0 percent from $83.00 in FY 2007 to $79.70 in FY 2010. Vehicle service hours and costs decreased 30.6 percent and 33.4 percent, respectively. Much of this decrease occurred in FY 2010, when the Blue Line’s eastbound route was split off and rebranded as the Green Line. This measure for the Green Line circulator was $79.72 for FY 2010.

2. **Operating cost per passenger**, an indicator of cost effectiveness, decreased 33.3 percent systemwide from $8.44 in FY 2007 to $5.63 in FY 2010. Overall ridership grew significantly by 80.8 percent during the period from 327,404 passengers in FY 2007 to 592,012 passengers in FY 2010, amounting to a 23.0 percent annualized rate of growth. This trend was mirrored on the IVT Regional Service, which saw a 33.5 percent decrease in this indicator from $7.46 in FY 2007 to $4.96 in FY 2010. Passenger trips grew 78.5 percent from 319,427 in FY 2007 to 570,231. Cost per passenger on the Blue Line decreased 66.0 percent from $47.74 in FY 2007 to $16.24 in FY 2010 as the result of increased ridership and the FY 2010 route realignment. The Green Line’s cost per passenger was $41.21 in FY 2010.

3. **Passengers per vehicle service hour**, which measures the effectiveness of the service delivered, increased 62.7 percent systemwide between FY 2007 and FY 2010 from 11 passengers per hour to 17.9 passengers per hour. This trend is reflective of the significant increase in passenger trips and the more modest rise in service hours, which increased from 29,739 hours in FY 2007 to 33,061 hours in FY 2010. Passengers per service hour on the IVT Regional Service exhibited a 68.2 percent increase from 12.7 passengers in FY 2007 to 21.4 passengers per hour in FY 2010. Moreover, the Blue Line exhibited a 182.2 percent increase from 1.7 passengers per hour to 4.9 passengers per hour. There were 1.9 passengers per vehicle service hour on the Green Line circulator.

4. **Passengers per vehicle service mile**, another indicator of service effectiveness, increased systemwide by 76.5 percent from 0.51 passengers per mile in FY 2007 to 0.89 passengers per mile in FY 2010. Overall service miles increased by a modest 2.4 percent from 647,683 miles in FY 2007 to 663,501 in FY 2010, while ridership increased by 40 times that rate. The IVT Regional Service exhibited a comparable increase of 79.6 percent from 0.54 passengers per mile in FY 2007 to 0.97 passengers per mile in FY 2010. The Blue Line saw its passengers per mile increase 183 percent from 0.14 passengers in FY 2007 to 0.40 passengers in FY 2010. The Green Line had 0.17 passengers per mile in FY 2010.
5. **Vehicle service hours per employee** decreased 50.4 percent between FY 2007 and FY 2010 from 1,025.5 to 508.6 systemwide. This correlates with the modest increase in vehicle service hours as well as the 124.1 percent increase in full-time equivalents (FTEs), as shown in ICTC summary reports. For the IVT Regional Service, service hours per employee decreased 32 percent from 1,006 in FY 2007 to 684.5 in FY 2010. The Blue Line exhibited a 78.6 percent decrease from 1,147 service hours per employee in FY 2007 to 244.9 service hours per employee in FY 2010. The Green Line had 244.8 vehicle service hours per employee in FY 2010. The large discrepancies in the data suggest that the FTEs shown in the summary report are incorrectly reflecting headcount in FYs 2009 and 2010. According to TDA definitions, FTEs are derived through the formula of dividing total annual employee hours (contractor operator staff plus ICTC/County staff) by 2,000 hours.

6. **Farebox recovery** for IVT increased 36.2 percent systemwide from 12.06 percent in FY 2007 to 16.43 percent in FY 2010. Farebox returns remained above the minimum blended TDA threshold of 13.4 percent. The blended ratio was adjusted in March 2010 from 13.4 percent to 14.5 percent. Farebox for the IVT Regional Service also increased at a comparable rate of 37.3 percent from 13.75 percent in FY 2007 to 18.88 percent in FY 2010. Although the Blue Line exhibited a 168.7 percent increase in farebox during the period, from 1.46 percent in FY 2007 to 3.92 percent in FY 2010, the service remained significantly below farebox attainment in spite of its exemption as a new service. The Green Line also struggled with low farebox returns, with a 1.62 percent farebox recovery in FY 2010.
Conclusion from the Verification of TDA Performance Indicators

IVT provides fixed-route intercity transit service throughout the Imperial Valley. Given its large service area encompassing both small urban and rural communities, it has managed to maintain healthy farebox recovery returns driven by high passenger trip demand and modest increases in operating costs. On an annualized basis, systemwide operating costs grew 6.5 percent whereas passenger trips grew 23 percent. Passenger trips jumped by more than 46 percent in FY 2008 attributed to the rise in market gasoline prices and reduced headways to 70 minutes. Fare revenues were also bolstered by the increased passenger demand as well as by a fare increase implemented in October 2008. The cost indicators reflect these trends, as evidenced by declining operating costs per passenger and moderately rising costs per hour and mile. In contrast, notable increases in passengers per hour and mile are indicative of higher levels of productivity.

The IVT Regional Service exhibited comparable increases in passenger trips and operating costs. Operating costs increased in a modest yet steady fashion, whereas passenger trips increased at a greater rate. FY 2009 saw the introduction of a new route, the Brawley Fast, that operates during the peak morning hours from Brawley to El Centro. The most productive routes are between Calexico and El Centro as well as to and from the IVC campus. However, the practice of picking up passengers at safe flag stops in the more isolated non-urban areas along the bus route may affect productivity over time. However, an approved list of flag stops has been compiled for routes in urban areas, which serves as a useful service planning tool to help determine where future stop could be sited.

The most challenging routes from a productivity standpoint have been the Blue and Green Line circulators in El Centro. Although the number of passenger trips on the Blue Line has been increasing at annualized rate of 36 percent, with a nearly 96 percent increase in trips between FY 2007 and FY 2010, the service continues to experience low farebox returns. When the service was initially implemented in FY 2007, the City of El Centro was still operating general public demand-responsive service within the city until 2008, when that system became an exclusive specialized service for seniors and the disabled. Another challenge has been the strong customer identification with the IVT Regional Service brand, which operates larger buses that provide for increased sociability. The El Centro Circulator is operated with smaller cutaway buses. In an effort to increase ridership and attain the minimum farebox return, one of the two bidirectional Blue Line routes that ran eastbound was split away and rebranded as the Green Line. This modification had the effect of lowering operating costs by nearly 50 percent and increasing the farebox recovery slightly to 3.92 percent in FY 2010.
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 contract operator and ICTC. Data for IVT detailed on the State Controller Report appear to be inclusive of the El Centro Circulator services. Table IV-5 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 reveals several variances in the reported data since FY 2007. There is an 11,437-passenger variance for FY 2009 and a 969-passenger variance for FY 2010 in the unlinked passenger data. For vehicle service hours, there is a 2,520-hour variance for FY 2008, a 280-hour variance for FY 2009, and a 367-hour variance for FY 2010. For vehicle service miles reported, there is a 10,965-mile variance for FY 2008, a 2,590-mile variance for FY 2009, and a 3,214-mile variance for FY 2010. On the other hand, the State Controller Report data and the ICTC Performance Summary data appear fairly consistent. As was mentioned earlier, the data may be inclusive of other IVT services such as the Blue and Green Line circulators.

### Table IV-5
Data Consistency Review

<table>
<thead>
<tr>
<th>TDA Statistic</th>
<th>Source</th>
<th>Base Year FY 2007</th>
<th>Audit Review Period</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>FY 2007</td>
<td>FY 2008</td>
</tr>
<tr>
<td>Unlinked Passengers</td>
<td>IVT Statistical Summary Report</td>
<td>327,404</td>
<td>479,739</td>
</tr>
<tr>
<td></td>
<td>ICTC Performance Summary</td>
<td>327,404</td>
<td>479,739</td>
</tr>
<tr>
<td></td>
<td>State Controller Report</td>
<td>327,404</td>
<td>479,379</td>
</tr>
<tr>
<td>Vehicle Service Hours</td>
<td>IVT Statistical Summary Report</td>
<td>29,738</td>
<td>29,511</td>
</tr>
<tr>
<td></td>
<td>ICTC Performance Summary</td>
<td>29,739</td>
<td>32,031</td>
</tr>
<tr>
<td></td>
<td>State Controller Report</td>
<td>29,739</td>
<td>32,031</td>
</tr>
<tr>
<td>Vehicle Service Miles</td>
<td>IVT Statistical Summary Report</td>
<td>647,686</td>
<td>651,082</td>
</tr>
<tr>
<td></td>
<td>ICTC Performance Summary</td>
<td>647,683</td>
<td>662,047</td>
</tr>
<tr>
<td></td>
<td>State Controller Report</td>
<td>647,683</td>
<td>662,047</td>
</tr>
</tbody>
</table>
Section V

Review of Operator Functions

This section provides an in-depth review of various functions within the IVT as well as the IVT Blue and Green Line operations. The review highlights accomplishments, issues, and/or challenges that were determined during the audit period. The following departments and functions were reviewed at the County and the contract operator:

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

Operations & Planning

Imperial Valley Transit (IVT) is Imperial County’s principal public fixed-route transit system. The service area for IVT includes routes in the Primary Corridor area between Brawley, Imperial, Imperial Valley College (IVC), El Centro, and Heber to Calexico. The Secondary Service areas include Holtville, Seeley, Niland, Calipatria, and Westmorland. The Remote Zones (lifeline service) include Bombay Beach (Salton Sea area), Ocotillo, Seeley, and Winterhaven.

Since the implementation of the 70-minute headways, ridership has continued to grow significantly. Another added inducement for the growth in ridership has been the increase in retail fuel prices. In addition, several new demonstration and overflow services were implemented as well as new fare media and structures. The Primary Corridor lines have the highest ridership given the proximity of the Imperial Valley’s largest population and employment centers. The lines with the highest ridership are summarized in Table V-1.

<table>
<thead>
<tr>
<th>Line</th>
<th>FY 2007</th>
<th>FY 2008</th>
<th>FY 2009</th>
<th>FY 2010</th>
<th>4-Yr. Average</th>
</tr>
</thead>
<tbody>
<tr>
<td>50 – Niland/El Centro</td>
<td>81,564</td>
<td>102,016</td>
<td>110,289</td>
<td>113,846</td>
<td>101,929</td>
</tr>
<tr>
<td>100 – El Centro/Calexico</td>
<td>61,662</td>
<td>77,944</td>
<td>95,023</td>
<td>106,380</td>
<td>85,252</td>
</tr>
<tr>
<td>150 – Calexico/El Centro</td>
<td>112,218</td>
<td>138,404</td>
<td>165,545</td>
<td>181,718</td>
<td>149,471</td>
</tr>
<tr>
<td>200 – El Centro/Niland</td>
<td>43,721</td>
<td>55,352</td>
<td>62,306</td>
<td>64,960</td>
<td>56,585</td>
</tr>
<tr>
<td>IVC Express – Calexico</td>
<td>25,262</td>
<td>26,633</td>
<td>29,600</td>
<td>41,303</td>
<td>30,700</td>
</tr>
</tbody>
</table>

Source: First Transit

Line 150 from Calexico to El Centro has the highest ridership in the IVT system with 181,718 trips in FY 2010, averaging 149,471 annually since FY 2007. The line with the second highest ridership is Line 50 from Niland to El Centro with 113,846 trips in FY 2010 and an annual four-year average of...
101,929. The popularity of service to IVC is evident in the growth in ridership of the IVC Express to and from Calexico. Ridership on the IVC Express-Calexico increased 63 percent during the audit period from 25,262 trips in FY 2007 to 41,303 trips in FY 2010. In an effort to alleviate passenger overcrowding on Lines 100 and 150 at 3rd and Paulin Streets in Calexico, IVT implemented an overflow bus toward the end of FY 2010.

IVT implemented Line 800, the Brawley Fast, in July 2008 as a morning peak express route from Brawley to El Centro with an intermediate stop in Imperial. This was the result of an Unmet Transit Needs finding for FY 2008–2009, which mandated that IVT implement an in-bound peak trip at approximately 6:30 a.m. allowing southbound passengers from Brawley easier connections with other IVT intercity services and the IVT-Blue Line in El Centro. The route would operate for a 12-month demonstration period, subject to evaluation by ICTC. Toward the end of FY 2010, the line was only averaging 3.9 passengers a day. ICTC staff recommended suspension of the route due to such low ridership effective June 2010. Service in the Primary Corridor is required to average 20 passengers per trip in order to be sustainable.

Nevertheless, other service expansions were implemented during the period as the result of Unmet Transit Needs findings. IVT implemented limited Saturday service consisting of three round trips between El Centro and Seeley in July 2009. The route was implemented on a demonstration basis for a 12-month period. Another demonstration service consisted of another pair of express routes between IVC and Calexico that was implemented in August 2009. This service operates during the IVC calendar school year, including the winter and summer semesters.

IVT implemented a fare increase in October 2008 pursuant to the findings and recommendations contained in the Public Transit Services Fare Analysis (Nelson/Nygaard 2008) commissioned by ICTC (formerly IVAG). Local zone fares increased from $0.60 per one-way trip to $0.75 per one-way trip. Direct and fast-trip fares increased from $1.50 per one-way trip to $2.00 per one-way trip. Fares for seniors and the disabled were reduced from $0.50 per one-way local trip to $0.35 per one-way trip and from $0.80 per regional zone trip to $0.50 per regional zone trip. In addition, punch cards were eliminated and replaced by day passes and multi-ride tickets.

There were management changes within the private contract operator of the service. A new General Manager was hired in February 2010 to administer the IVT, El Centro Circulators, and Calexico Dial-A-Ride services. This individual transferred from Ohio, where he managed another transit system, and has a law enforcement background. The previous General Manager served in an interim capacity until a permanent replacement was found. In addition, the Driver Development and Safety Manager position became vacant, which First Transit recently filled.

IVT buses have been utilized in response to disaster and emergency situations according to prescribed protocol. The Imperial Valley was impacted by a 7.2 magnitude earthquake on Easter Sunday, April 4, 2010, centered in neighboring Baja California, Mexico. Structural damage occurred in various places around the valley, which was particularly evident in downtown Calexico. IVT buses were used to transport residents from Calexico to the Local Assistance Center in El Centro for three days after the earthquake. Regular transit service was only suspended for one
day. IVT and City of Calexico staffs worked closely and diligently to reroute bus stop locations away from damaged structures in downtown Calexico.

Drivers are required to report to duty in the event of an emergency. This is done to first check on their safety status and second to determine their availability in the event of emergency services activation. They also undergo special needs response training in the event of an emergency situation. In regard to another event involving a bomb threat at IVC, IVT buses transported employees and students away from the scene. As a result of this incident, the First Transit General Manager along with IVC security personnel established five pick-up locations on the campus in the event that a similar incident occurs in the future.

The service contract during the audit period between the County and First Transit provided measured increases in the hourly fixed rate paid to the contract operator for each year the contract is in effect. The operator is responsible for the collection of fare revenue, which is subtracted from the costs to determine the actual monthly subsidy. In light of rising fuel costs, the contract contains a fuel escalator clause that provides extra compensation over and above the budget amount and any savings from other areas of operations. The fuel clause protects First Transit from additional fuel expenses given the significant increase in fuel prices. Each month, First Transit invoices the County for the additional fuel expenses as a separate line item on the invoice. In this manner, the fuel clause acts as a pass-through measure for the County to reimburse the expense.

Fare receipts from the prior day’s runs are counted each morning by two employees in a dedicated money room. The fare receipts are compared against the daily passenger count. The General Manager indicated that revenues received tend to be slightly more than the expected number based on passenger counts, likely due to overpayment from riders from lack of exact change. An armored guard service picks up the receipts and transports them to the bank for deposit.

Drivers are required to report into dispatch upon departing the operations yard, at their last stop, when handling a wheelchair passenger, after an accident or breakdown, during a passenger emergency, or when running five minutes late. First Transit invested $26,000 in a communications upgrade in August 2010. The Advance Tech-Nextel System is equipped with a Tier 2 Emergency frequency. The new system is the same used by commuter traffic monitoring systems in the Los Angeles area and involves less downtime than the previous repeater radio system. Transit vehicles are not equipped with Automatic Vehicle Locator (AVL), Global Positioning Systems (GPS), or cameras. There have been discussions with ICTC about procuring grant funds for the acquisition of AVL and camera systems.

The service contract for IVT contains standards and evaluation criteria to allow for the measurement of the performance and efficiency of services provided. The performance standards measured are Passengers per Hour, Passengers per Day, Cost per Passenger, Subsidy per Passenger, Cost per Mile, Cost per Hour, and Farebox. A summary of the performance standards and the actual operation performance for each measure is presented in Table V-2.
Table V-2
IVT Regional Performance Standard Criteria

<table>
<thead>
<tr>
<th>Indicator/Measure</th>
<th>Standard</th>
<th>FY 2007</th>
<th>FY 2008</th>
<th>FY 2009</th>
<th>FY 2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Passengers Per Hour</td>
<td>20</td>
<td>12.7</td>
<td>18.1</td>
<td>20.7</td>
<td>21.4</td>
</tr>
<tr>
<td>Passengers Per Day</td>
<td>1,200</td>
<td>1,272.6</td>
<td>1,843.8</td>
<td>1,875.4</td>
<td>2,026.3</td>
</tr>
<tr>
<td>Cost Per Passenger</td>
<td>$6.50</td>
<td>$7.46</td>
<td>$5.44</td>
<td>$4.97</td>
<td>$4.96</td>
</tr>
<tr>
<td>Subsidy Per Passenger</td>
<td>$5.50</td>
<td>$6.78</td>
<td>$5.10</td>
<td>$4.55</td>
<td>$4.12</td>
</tr>
<tr>
<td>Cost Per Mile</td>
<td>$4.44</td>
<td>$4.03</td>
<td>$4.31</td>
<td>$4.67</td>
<td>$4.81</td>
</tr>
<tr>
<td>Cost Per Hour</td>
<td>$101.00</td>
<td>$94.73</td>
<td>$98.24</td>
<td>$103.17</td>
<td>$105.89</td>
</tr>
<tr>
<td>Farebox</td>
<td>13.4%</td>
<td>13.75%</td>
<td>15.42%</td>
<td>17.36%</td>
<td>18.88%</td>
</tr>
</tbody>
</table>

Source: First Transit

IVT has met or exceeded the performance standard criteria for most measures. Passengers per hour increased markedly from 12.7 passengers in FY 2007 to 21.4 passengers in FY 2010. The average number of passengers per day exceeded the 1,200-passenger standard during the period, peaking at 2,026.3 in FY 2010. Given the high passenger volumes, cost efficiencies were successfully maintained for most measures. Cost per passenger and subsidy per passenger met their respective standards during the period. On the other hand, cost per mile and cost per hour began the period meeting the standard and then increased slightly by FY 2010 resulting in not meeting the standard. Farebox recovery remained above the 13.4 percent standard as well as the 14.5 percent that was subsequently adopted.

First Transit provides a performance summary report that records operational data such as ridership by line, mileage, riders per service hour, on-time performance, accidents, missed trips, and roadcalls. The summary report provides data on a monthly and year-to-date basis. Two of the operational measures reported on the performance summary report are accidents and on-time performance. These measures are summarized in Table V-3.

Table V-3
IVT Accidents & On-Time Performance

<table>
<thead>
<tr>
<th></th>
<th>FY 2007</th>
<th>FY 2008</th>
<th>FY 2009</th>
<th>FY 2010</th>
<th>Total/Average</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accidents</td>
<td>3</td>
<td>1</td>
<td>4</td>
<td>1</td>
<td>9</td>
</tr>
<tr>
<td>On Time Performance</td>
<td>82%</td>
<td>90%</td>
<td>84%</td>
<td>86%</td>
<td>85%</td>
</tr>
</tbody>
</table>

Source: First Transit

The number of accidents reported during the period has averaged 2.25 accidents annually. The most accidents reported (four) occurred in FY 2009. There was one accident reported in FY 2008 and one in FY 2010. The low accident rate is reflective of the “safety first” philosophy of First Transit. On the other hand, on-time performance has tended to be below the standard. This trend averages to an 85 percent on-time performance rate for the period, which is below the 95 percent standard defined as the percentage of time-point departures maintained within five minutes of schedule.
The on-time performance challenges could be attributed in part to the practice of picking up riders at flag stops (unofficial, unmarked bus stops), which adversely impacts headways. In addition, traffic congestion along SR-111 in Calexico near the international border also impacts schedules for the main regional line connecting Calexico and El Centro. The contract operator is seeking to meet with drivers to modify route alignments and stops in an effort to improve on-time performance.

The road supervisor conducts on-time performance checks by following buses or riding an actual route. About 50 to 60 routes a week are chosen at random. A route evaluation is performed when a route is ridden for its entirety. To be compliant with the ADA, extra buses are dispatched in order to accommodate an overflow of wheelchair-bound passengers.

Another performance measure that is reported is missed trips. A missed trip is defined as a scheduled trip that did not operate for a variety of reasons including operator absence, vehicle failure, dispatch error, traffic, accident, or other unforeseen reason. Missed trips reported during the audit period are summarized in Table V-4 below.

<table>
<thead>
<tr>
<th>Table V-4</th>
<th>IVT Missed Trips</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY 2007</td>
<td>FY 2008</td>
</tr>
<tr>
<td>Missed Trips</td>
<td>1</td>
</tr>
</tbody>
</table>

*Source: First Transit*

The number of missed trips reported for the period is negligible. Only two missed trips were reported since FY 2007, one in FY 2007 and one in FY 2009. This trend is indicative that the vast majority of trips scheduled are completed successfully.

Customer service levels are measured by tracking complaints and compliments on the performance summary report. In addition to being tracked on the summary report, the contract operator maintains a narrative report summarizing the type of complaint or compliment received. Complaints and compliments are summarized in Table V-5 below.

<table>
<thead>
<tr>
<th>Table V-5</th>
<th>IVT Complaints &amp; Compliments</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY 2007</td>
<td>FY 2008</td>
</tr>
<tr>
<td>Complaints</td>
<td>43</td>
</tr>
<tr>
<td>Compliments</td>
<td>3</td>
</tr>
</tbody>
</table>

*Source: First Transit*

The number of complaints has been showing a downward trend commensurate with improvements in service (e.g., 70-minute headways, new routes). After peaking at 56 complaints received in FY 2008, there were 21 reported in FY 2009 and 25 reported in FY 2010. Detailed summaries of the complaints are maintained in a separate customer log. The three compliments received in FY 2007 pertained to driver courtesy and skills.
IVT-Blue & Green Lines: The El Centro Circulator

The IVT-Blue Line was initiated in the city of El Centro in October 2006 as a circulator to serve medical clinics and social service agencies not easily accessible by the IVT fixed-route service. The Blue Line utilizes two smaller cutaway buses plus one spare that initially ran two bi-directional routes. ICTC has been assessing the poor performance of the Blue Route and has made adjustments based on the fare analysis study.

The IVT-Blue Line, being a new type of service to the IVT transit system, was exempt from meeting the TDA farebox recovery ratio for a period of two full fiscal years after the year the service commenced, as contained in PUC Section 99268.8. This meant that the Blue Line would be exempt from the TDA farebox recovery standard until July 2009. By the end of FY 2009, the farebox recovery on the Blue Line was only 3.48 percent. In an effort to boost productivity and farebox recovery, ICTC realigned and split the Blue Line into two branded services. This action allowed for a second exemption from the farebox recovery standard. The Blue Line ceased its eastbound route and was realigned to run westbound serving public and social service agencies in the southern part of the city. The second route, the Green Line, was aligned to run eastbound and serves the northern areas of El Centro along the Imperial Avenue commercial corridor and parts of Imperial. The majority of riders on the Green Line are senior citizens. This realignment has resulted in only modest improvement of the Blue Line’s performance, whereas the Green Line’s first year performance indicators have not been strong.

As with the IVT Regional Service, the service contract for IVT-Blue and Green Lines contains standards and evaluation criteria to allow for the measurement of the performance and efficiency of services provided. The performance standards measured are Passengers per Hour, Passengers per Day, Cost per Passenger, Subsidy per Passenger, Cost per Mile, Cost per Hour, and Farebox. A summary of the performance standards and the actual operation performance for each measure is presented in Table V-6.

<table>
<thead>
<tr>
<th>Indicator/Measure</th>
<th>Standard</th>
<th>FY 2007</th>
<th>FY 2008</th>
<th>FY 2009</th>
<th>FY 2010</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Blue</td>
<td>Blue</td>
<td>Blue</td>
<td>Blue</td>
<td>Green</td>
</tr>
<tr>
<td>Passengers Per Hour</td>
<td>13.2</td>
<td>1.7</td>
<td>2.6</td>
<td>3.2</td>
<td>4.9</td>
</tr>
<tr>
<td>Passengers Per Day</td>
<td>310</td>
<td>41.6</td>
<td>65.5</td>
<td>75.9</td>
<td>59.6</td>
</tr>
<tr>
<td>Cost Per Passenger</td>
<td>$7.45</td>
<td>$47.74</td>
<td>$30.43</td>
<td>$25.64</td>
<td>$16.24</td>
</tr>
<tr>
<td>Subsidy Per Passenger</td>
<td>$6.46</td>
<td>$53.56</td>
<td>$31.45</td>
<td>$26.20</td>
<td>$18.00</td>
</tr>
<tr>
<td>Cost Per Mile</td>
<td>$7.69</td>
<td>$6.79</td>
<td>$6.59</td>
<td>$6.83</td>
<td>$6.54</td>
</tr>
<tr>
<td>Cost Per Hour</td>
<td>$95.22</td>
<td>$83.00</td>
<td>$80.41</td>
<td>$83.07</td>
<td>$79.70</td>
</tr>
<tr>
<td>Farebox</td>
<td>13.4%</td>
<td>1.46%</td>
<td>3.59%</td>
<td>3.48%</td>
<td>3.92%</td>
</tr>
</tbody>
</table>

Source: First Transit
The performance indicators for the El Centro Circulator have struggled to meet performance standards for all the aforementioned indicators. Passengers per hour and per day on the Blue Line have averaged 3.1 and 60.7 passengers, respectively. For the Green Line, there were 1.9 passengers per hour and 23.9 passengers per day for FY 2010. The Blue Line’s cost per passenger had shown some improvement during the period, yet by FY 2010 remained more than double the standard of $7.45. Likewise for the subsidy per passenger, there was a downward trend but not sufficient to meet the standard. As was discussed previously, the farebox recovery continues to be significantly below the TDA standard for the service area despite gradual improvement. On the other hand, both the Blue and Green Lines have met cost efficiency standards for cost per mile and cost per hour.

Accidents and on-time performance measures have been tracked and reported. The number of accidents reported has been minimal in spite of the service area characteristics of a small urbanized area. These measures are summarized in Table V-7.

<table>
<thead>
<tr>
<th></th>
<th>FY 2007</th>
<th>FY 2008</th>
<th>FY 2009</th>
<th>FY 2010</th>
<th>Total/Average</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Accidents</strong></td>
<td>Blue</td>
<td>Blue</td>
<td>Blue</td>
<td>Blue</td>
<td>Green</td>
</tr>
<tr>
<td><strong>On Time Performance</strong></td>
<td>99%</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
</tr>
</tbody>
</table>

*Source: First Transit*

An average of 1.5 accidents has occurred annually on the El Centro Circulator during the period. Out of a total of six accidents reported, three were reported on the Blue Line and three were reported on the Green Line in its first year. The services reported an on-time performance rate of 100 percent, which exceeds the standard of 95 percent.

Missed trips have also been tracked for the Blue and Green Lines. Missed trips reported during the audit period are summarized in Table V-8 below.

<table>
<thead>
<tr>
<th></th>
<th>FY 2007</th>
<th>FY 2008</th>
<th>FY 2009</th>
<th>FY 2010</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Missed Trips</strong></td>
<td>Blue</td>
<td>Blue</td>
<td>Blue</td>
<td>Blue</td>
<td>Green</td>
</tr>
<tr>
<td>Missed Trips</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>

*Source: First Transit*

Only one missed trip was reported on the Blue Line in FY 2007. There were no subsequent missed trips reported for the remainder of the audit period.
As a relatively new service, close attention has been paid to the number of complaints and compliments received as indicators of customer service. Table V-9 provides a summary of the number of complaints and compliments received for both the Blue and Green Lines.

### Table V-9

<table>
<thead>
<tr>
<th></th>
<th>FY 2007</th>
<th>FY 2008</th>
<th>FY 2009</th>
<th>FY 2010</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Blue</td>
<td>Blue</td>
<td>Blue</td>
<td>Blue</td>
<td>Green</td>
</tr>
<tr>
<td>Complaints</td>
<td>12</td>
<td>13</td>
<td>2</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Compliments</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>

Source: First Transit

There has been an average of 6.75 complaints annually on the El Centro Circulator. The number of complaints dropped significantly in FY 2009 to 2 complaints reported, from a high of 13 complaints in FY 2008. There were no complaints reported in FY 2010. In addition to being tracked on the summary report, the contract operator maintains a narrative report summarizing the type of complaint or compliment received. Detailed summaries of the complaints are maintained in a separate customer log. There were no compliments received during the audit period.

### Planning

Service planning for IVT and the El Centro Circulators 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 pertained to buses running late because of too many stops, bus stop requests, implementing limited Saturday service to Seeley, implementing Sunday service, and additional service to IVC. Saturday service between El Centro and Seeley as well as additional express service to IVC were implemented. As was discussed earlier, a list of flag stops in urban areas is compiled, which aids in future service planning. Compliance with California State Assembly Bill (AB) 32 and State Senate Bill (375) also influences service planning efforts. The Unmet Transit Needs findings during the audit period affirmed the continuation and funding of IVT and the El Centro Circulators.

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) recommended one of the fare options under the new zone, which went through the public hearing process. It was suggested in the analysis that IVT adopt a new fare structure; the study also recommended a 25 percent increase for the local fare. The analysis also recommended that IVT adopt new fare media such as a day pass, monthly pass, summer
youth pass, and ticket books. As was previously mentioned, IVT implemented fare increases for the local zone and direct/express services as well as introduced new fare media in the form of multi-ride passes and ticket booklets.

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.

A Request for Proposals (RFP) was released in March 2011 by ICTC for the provision of countywide fixed-route services. The fleet requirements for service in the Primary Corridor consist of the standard 40-foot transit bus comparable to a Gillig vehicle. Service in the Secondary Service areas and Remote Zones would require 25-foot and 30-foot vehicles comparable to a cutaway or minibus. In addition, a spare fleet ratio of 20 percent is required. The farebox standard would remain at 14.5 percent pursuant to TDA guidelines. The estimated annual hours proposed would be 27,000 hours, and the estimated annual mileage proposed would be 590,000 with operations scheduled Monday through Saturday. The new contract would also include a series of incentives and penalties through the implementation of a performance-based incentive system. The contract operator would be allowed to make recommendations as to changes to improve service on a case-by-case basis.

**Maintenance**

Most basic maintenance for IVT vehicles is performed at the First Transit facility in El Centro. This maintenance facility is noted for being self-sufficient in the event of an emergency situation. There are three service bays with portable floor jacks to raise the vehicles for routine inspections of the vehicle undercarriage. The Preventative Maintenance Inspection (PMI) is configured on an A-B-C-D schedule. “Dry” inspections are performed every 3,000 miles or 45 days, and “wet” inspections including oil changes are performed every 6,000 miles. Drivers complete a vehicle inspection form prior to each run. The daily vehicle inspection consists of 44 points and three major categories: (1) Vehicle Exterior Checks; (2) Vehicle Interior Checks; and (3) Brakes System Checks. The form consists of a top copy and two carbon copies. The California Highway Patrol (CHP) inspects the transit vehicles on a monthly basis as part of its commercial trucking task force, which is as thorough as an annual CHP Annual Bus and Terminal Inspection.

On-site maintenance is performed by two mechanics, which are supervised by a maintenance manager. The mechanic work shifts are staggered to ensure constant coverage throughout all hours of operation. The first shift commences at 4:45 a.m. and the second shift commences at 1:00 p.m. Major maintenance, such as engine and transmission work, is performed off-site by Automotive Service Excellence (ASE)-certified vendors. NAPA Auto Parts, located at 258 East Main Street in El Centro, performs engine rebuild work. RPM Engine Service in Pomona also performs...
engine and transmission rebuild work. Vehicles are washed by staff on-site after hours with an auto washer located on the east side of the maintenance building.

First Transit utilizes the Infor Datastream 7i maintenance software program, which, among other capabilities, tracks mileage, parts inventory, and PMIs. Mileage and fuel data are manually uploaded to the system daily. The software is tied electronically to First Transit company management and can be reviewed by the area’s director of maintenance. Parts inventory is monitored at each phase of a purchase order execution: upon request, activation, and completion. The system advises when the PMIs are due and maintains separate records for 3,000-mile and 6,000-mile inspections.

The previous General Manager spent $60,000 to recondition air conditioning units. First Transit is considering the installation of roof-mounted air units in the middle of the vehicles to assist the existing cooling systems to remove humidity. In addition, an in-frame build was conducted on three bus engines. Approximately 4 out of 10 engines have undergone rebuilds.

In order to accommodate California Air Resources Board (CARB) regulations, IVT replaced the diesel engines on two 25-foot and two 30-foot vehicles with emission-compliant gasoline engines. This had the effect of lowering emissions significantly. In addition, two 30-foot GMC vehicles were acquired to be utilized on the express routes.

The parts inventory was valued at $28,764 as of February 2011, which was 2 percent over the allotted amount due to the availability of suspension parts. A Detailed Maintenance Index (DMI) report is generated weekly to monitor parts levels. Inventories for air conditioning compressors and belts are increased during the summer months. In addition, cycle counts are conducted quarterly. Tires are purchased new, and disposed tires are tracked. First Transit participates in a national tire recycling program sponsored by Michelin and Bridgestone.

Roadcalls are regularly tracked on the performance summary report along with a detailed narrative summary of the nature of each roadcall. Table V-10 provides a numerical summary of the roadcalls reported on the IVT regional service.

<table>
<thead>
<tr>
<th>Table V-10</th>
<th>IVT Regional Roadcalls</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>FY 2007</td>
</tr>
<tr>
<td>Roadcalls</td>
<td>39</td>
</tr>
</tbody>
</table>

Source: First Transit

There were a total of 195 roadcalls, averaging about 49 roadcalls annually during the period. The most roadcalls (70) were reported in FY 2009. FY 2010 had the lowest number of roadcalls, reported at 35. A review of the narrative reports details that most roadcalls during the summer months involve air conditioning system malfunctions. Other roadcall issues detailed include wheelchair lift issues, overheating, and the engine quitting. For the Blue and Green Lines, roadcalls were also tracked and are summarized in Table V-11 below.
Table V-11

El Centro Circulator Roadcalls

<table>
<thead>
<tr>
<th></th>
<th>FY 2007</th>
<th>FY 2008</th>
<th>FY 2009</th>
<th>FY 2010</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Blue</td>
<td>Blue</td>
<td>Blue</td>
<td>Blue</td>
<td>Green</td>
</tr>
<tr>
<td>Roadcalls</td>
<td>6</td>
<td>11</td>
<td>8</td>
<td>2</td>
<td>2</td>
</tr>
</tbody>
</table>

*Source: First Transit*

Out of a total of 29 roadcalls on the El Centro Circulator, there was an average of 7.25 roadcalls annually. FY 2008 had the highest number of roadcalls reported. Following a downward trend, there were two roadcalls each reported on the Blue and Green Lines in FY 2010, respectively. A review of the narrative reports reveals that most roadcalls involve malfunctioning air conditioning units. Other roadcalls involve stuck fareboxes, flat tires, and wheelchair lift issues.

**Marketing**

IVT employs a variety of tools and strategies to market its transit services. The operator is responsible for marketing the transit service as per its contract with the County. Five percent of the annual budget is dedicated to marketing and advertising. Advertisements are paid for upfront and reimbursed by the County. The Imperial Valley Transit Rider’s Guide is widely distributed and is published in English and Spanish. The Rider’s Guide contains maps and schedules for each intercity route as well as fare information. There is no description of either the Blue Line or Green Line in the IVT Rider’s Guide, although separate print brochures for the circulator services are available. The First Transit General Manager has indicated a preference to have individual timetables for each route in lieu of the Rider’s Guide based on customer feedback. Other forms of print advertising include newspaper ads and flyers.

First Transit has done extensive marketing of the El Centro Circulator Blue and Green Line routes. Separate timetables have been developed for each route featuring a map and schedule. The challenge in boosting ridership on the circulator services, according to the First Transit General Manager, is that many riders are drawn to the larger IVT regional buses where they are accustomed to interacting socially with a larger base of other riders and drivers. When faced with a choice to ride either an IVT bus or the local circulator for the same trip in El Centro, some passengers prefer the larger IVT bus for these reasons.

Marketing outreach has included booths at local fairs and public events, as well as radio and television advertising over local stations. Brochures are available at ticket outlets where discounted ticket booklets are sold, including at health clinics, the city halls in Calexico, Calipatria, El Centro, Holtville, Imperial, and Westmorland, the IVC Parking Control Office, and at IVT offices.

IVT maintains an interactive website located at [http://www.ivtransit.com/](http://www.ivtransit.com/). The website contains links to route schedules, a trip planner, interactive map, contact form, and frequently asked questions (FAQ). There is also a link to one of the television commercials, and a link to the Blue Line entitled “Go Blue.” On the website is an informal poll/survey that currently asks riders...
whether they would purchase tickets online. Next to the “yes” or “no” answers, a space for an email address and comments is provided. In order to be an effective tool as well as to incorporate real-time data applications, it is suggested that IVT consider several technological enhancements to its website which are planned.

**General Administration & Management**

During the audit period, IVT was administered by County staff serving under the umbrella agency IVAG. The newly created ICTC, through adopting resolution, assumed the transfer of duties and obligations as the successor agency to IVAG. Among the duties transferred included the continued management of the countywide transit system. In addition to the oversight of IVT provided by ICTC staff through contract management and monitoring, discussions about service are held through committees including the Social Services Transportation Advisory Council (SSTAC) that advises ICTC on transit matters pertaining to the needs of transit-dependent and transit-disadvantaged persons.

The contract operator, First Transit, is the United States subsidiary of First Transit PLC headquartered in the United Kingdom. U.S. operations are headquartered in Cincinnati, Ohio, and local operations are in El Centro. There are 40 employees on staff. Operational staff comprises 28 drivers (25 full-time and 3 part-time) and 4 dispatchers. The majority are assigned to IVT operations with the exception of five drivers (4 full-time, 1 part-time) and one dispatcher who are assigned to the Calexico Dial-A-Ride contract. Administrative and support staff consist of a general manager, an operations manager, one maintenance manager, two mechanics, two bus washers, and one clerical person. Non-management employees are represented by Teamsters, Local 542. The current Memorandum of Understanding (MOU) is effective through March 2012. Drivers are cross-trained and all dispatchers and staff are trained as drivers. An employee handbook provides a detailed summary of rules, policies, and benefits. Employees are required to sign the handbook acknowledgment.

Potential drivers are required to have a Class B license with a passenger endorsement. However, most drivers have a Class A license when hired. Drivers undergo classroom and behind-the-wheel instruction totaling 80 hours. The training conducted by a DMV-certified instructor on staff is audited by the Department of Motor Vehicles (DMV) on a regular basis. In addition, there is a 2-hour monthly in-service training featuring the Safety Solution Team, which reviews safety procedures. As safety awareness is the top priority for the operator, there are also quarterly safety rallies, and fluorescent green safety vests are worn by all staff members while on duty.

There is a 90-day probationary period for new employees. After probation, full-time employees are eligible for benefits. Benefits include medical, dental, and vision plans. In addition, employees receive $10,000 in employer-paid life insurance and the option of long-term disability insurance. There are several types of employee incentives such as employee appreciation barbecues, food and raffles during monthly safety trainings, and points earned toward free lunches and television sets for zero accidents.
First Transit has a zero-tolerance policy to drug and alcohol abuse. A drug and alcohol handbook stipulates the company’s policies and protocols. Random drug testing is performed through Cal-Test Drug Testing Services in Imperial. There is no second testing on negative dilutes.

**Grant Administration & Funding**

The primary source of intergovernmental grant funding for IVT is derived from the County’s TDA apportionment and Federal Transit Administration (FTA) Section 5307 and FTA Section 5311 grant programs. The County annually receives substantial TDA funds, much of which is transferred among the various transit services. IVT receives both Local Transportation Fund (LTF) and State Transit Assistance (STA) support. Due to uncertain state budget conditions that have affected the STA program over the past several years, ICTC staff began shifting this funding source from the regional ADA service (AIM Transit) to IVT fixed route as a means to lessen the funding uncertainty among the local transit systems. The ADA service then received LTF to replace the lost STA revenue. STA revenues have since reverted back recently for use on the ADA service. Table V-12 provides a summary of LTF funding allocation towards the countywide fixed-route transit program.

<table>
<thead>
<tr>
<th>Services</th>
<th>FY 2007</th>
<th>FY 2008</th>
<th>FY 2009</th>
<th>FY 2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>IVT Regional</td>
<td>$1,504,514</td>
<td>$1,769,438</td>
<td>$2,027,525</td>
<td>$1,995,095</td>
</tr>
<tr>
<td>IVT Blue Line</td>
<td>$157,637</td>
<td>$611,761</td>
<td>$298,551</td>
<td>$358,667</td>
</tr>
<tr>
<td>Total</td>
<td>$1,662,151</td>
<td>$2,381,199</td>
<td>$2,326,076</td>
<td>$2,353,762</td>
</tr>
</tbody>
</table>

*Source: Transit Finance Plan, ICTC*

Total LTF funding support for operations increased nearly 42 percent during the audit period. Funding for IVT regional service operation increased by about one-third over the period, peaking at more than $2 million in FY 2009. LTF support for the Blue Line circulator more than doubled since FY 2007, peaking at $611,761 in FY 2008.

As a transit service serving both urbanized and rural areas of Imperial County, IVT, through ICTC, receives federal funding from the FTA Section 5307 and FTA Section 5311 grant programs. FTA Section 5307 urban formula grant funds totaling over $1.55 million were drawn down during the audit period for operations of IVT and capital projects. In addition, the County/ICTC has received federal transit formula grant funds toward planned transit infrastructure projects, such as the El Centro Transfer Terminal. The County/ICTC received a $1.22 million American Recovery and Reinvestment Act of 2009 (ARRA) earmark in FY 2010 toward the construction of the Transfer Terminal in addition to the $3.7 million in FTA Section 5307 grant funds received. The City has been tasked with the design, engineering and construction of the Transfer Terminal.

Rural FTA Section 5311 grant funds averaged about $348,400 annually for operation of the IVT fixed-route system for the audit period. In FYs 2009 and 2010, the grant funds increased to just
ICTC submits a Program of Projects that identifies sub-recipients and projects to receive Section 5311 funds in their planning area by December 31 of each year.
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 IVT, the operation fully complied with eight out of the nine requirements. The operator was found in partial compliance with the timely submittal of its annual fiscal audits. Two additional compliance requirements did not apply to IVT (e.g., separate rural and urban farebox recovery ratios).

2. The average systemwide farebox recovery ratio was 15 percent during the triennial review period. Increases in passenger trips and revenues have resulted in higher farebox ratios. The required minimum farebox ratio established by IVT through an adopted methodology is 14.5 percent effective March 2010. The prior adopted blended ratio was 13.4 percent.

3. Through its contract operator, the County participates in the CHP Transit Operator Compliance Program and received inspections of IVT 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 modest increases since FY 2007, with the highest increase of 9.73 percent realized in FY 2008 due to a rise in fuel costs.

5. Out of the five prior audit recommendations, IVT fully implemented three recommendations. One recommendation was found no longer applicable, and one recommendation was not yet implemented. The one recommendation not implemented pertained to the installation of electronic fareboxes/passenger counts and GPS on the buses, which is contingent on future funding for GPS related systems as well as further review of the feasibility of electronic fareboxes.

6. Given its large service area encompassing both small urban and rural communities, IVT has managed to maintain healthy farebox recovery returns driven by high passenger trip demand and modest increases in operating costs. On an annualized basis, systemwide operating costs grew 6.5 percent, whereas passenger trips grew 23 percent.

7. Line 150 from Calexico to El Centro has the highest ridership in the IVT system with 181,718 trips in FY 2010, averaging 149,471 annually since FY 2007. The line with the second highest ridership is Line 50 from Niland to El Centro with 113,846 trips in FY 2010 and an annual four-year average of 101,929. In an effort to alleviate passenger overcrowding on Lines 100 and 150 at 3rd and Paulin Streets in Calexico, IVT implemented an overflow bus toward the end of FY 2010.
8. IVT implemented Line 800, the Brawley Fast, in July 2008 as a morning peak express route from Brawley to El Centro with an intermediate stop in Imperial. Toward the end of FY 2010, the line was only averaging 3.9 passengers a day. ICTC recommended suspension of the route due to such low ridership effective June 2010. Service in the primary corridor is required to average 20 passengers per trip in order to be sustainable.

9. IVT implemented a fare increase in October 2008 pursuant to the findings and recommendations contained in the Public Transit Services Fare Analysis (Nelson/Nygaard 2008) commissioned by ICTC (formerly IVAG). Local zone fares increased from $0.60 per one-way trip to $0.75 per one-way trip. Direct and fast-trip fares increased from $1.50 per one-way trip to $2.00 per one-way trip. In addition, punch cards were eliminated and replaced by day passes and multi-ride tickets.

10. A new General Manager for the private operator, First Transit, was hired in February 2010 to administer the IVT, El Centro Circulator, and Calexico Dial-A-Ride services. This individual brings a law enforcement background to transit management and has integrated a greater level of safety preparedness into the service.

11. In response to the large earthquake in the Imperial Valley in April 2010, IVT buses were used to transport residents from Calexico to the Local Assistance Center in El Centro for three days after the earthquake. Regular transit service was only suspended for one day.

12. IVT has met or exceeded the performance standard criteria for most measures. Passengers per hour increased markedly from 12.7 passengers in FY 2007 to 21.4 passengers in FY 2010. The average number of passengers per day exceeded the 1,200-passenger standard during the period, peaking at 2,026.3 in FY 2010. Given the high passenger volumes, cost efficiencies were successfully maintained for most measures.

13. IVT averaged an 85 percent on-time performance rate for the period, which is below the 95 percent standard defined as the percentage of time-point departures maintained within five minutes of schedule. Traffic congestion along SR-111 in Calexico near the international border impacts the schedules for one of the most popular bus routes. The contract operator is seeking to meet with drivers to make recommendations to modify route schedules and stops in an effort to improve on-time performance.

14. By the end of FY 2009, the farebox recovery on the Blue Line was only 3.48 percent. In an effort to boost productivity and farebox recovery, ICTC realigned and split the Blue Line into two branded services. The Blue Line ceased its eastbound route and continued to run westbound serving public and social service agencies in the southern part of the city. The second route, the Green Line, was aligned to run eastbound and serves the northern areas of El Centro along the Imperial Avenue commercial corridor and parts of Imperial.

15. Performance indicators for the Blue Line Circulator suggest that the service has struggled early to meet most performance standards including for cost effectiveness and service
effectiveness. For example, passengers per hour and per day have been below standards established for the service. However, some cost efficiency measures such as cost per hour and per mile have met their respective standards. Improvements in these measures have been made in recent years.

16. In order to accommodate California Air Resources Board (CARB) regulations, IVT replaced the diesel engines on two 25-foot and two 30-foot vehicles with emission-compliant gasoline engines. This had the effect of lowering emissions significantly. In addition, two 30-foot GMC vehicles were acquired to be utilized on the express routes.

17. As a transit service serving both urbanized and rural areas of Imperial County, IVT, through ICTC, receives federal funding from the FTA Section 5307 and FTA Section 5311 grant programs. FTA Section 5307 urban formula grant funds totaling over $1.55 million were drawn down during the audit period for operations of IVT and capital projects. Rural FTA Section 5311 grant funds averaged about $348,400 annually for operation of the IVT fixed-route system for the audit period.
Triennial Audit Recommendations

1. **Calculate Full Time Equivalents according to TDA Definition.**

Both the internal performance data summaries and the external State Controller Reports compiled for IVT services do not properly calculate for FTEs. The FTE data appear to be an annual total of the number of employees (headcount) rather than the product of dividing total annual employee hours by 2,000. Employee hours should include those from the contract operator, ICTC staff for contract administration and monitoring, and County personnel responsible for preparing the State Controller Report. It is suggested that time dedicated to IVT be tracked as reasonably as possible and tabulated properly in the ICTC transit data summaries which feed into the State Controller Reports. The corrected FTE figure is generally lower than total headcount due to the inclusion of part time employees. Proper reporting of FTEs will result in more accurate performance indicators of productivity and responsiveness to the State.

2. **Conduct a study to improve on-time performance.**

While IVT continues to see growth in passenger trips, the system has not been able to meet its on-time performance standards. The on-time performance standard is 95 percent of scheduled trips, defined as the percentage of time-point departures maintained within five minutes of schedule. IVT has been averaging below that standard at about 85 percent. Although traffic bottlenecks in Calexico near the international border have been identified as well as stopping for flag stops, a more comprehensive analysis would serve IVT well in determining the impacts from these occurrences. The SRTP update that is underway as well as the local community circulator study could serve as useful tools to identify deficiencies in on-time performance as well as suggest measures and realignments to ensure more efficient operations.

3. **Improve IVT website to take advantage of technology.**

The IVT website located at [http://www.ivtransit.com/](http://www.ivtransit.com/) serves as the principal Internet portal for information about public fixed-route transit services in Imperial Valley. The website contains links to route schedules, a trip planner, interactive map, contact form, and frequently asked questions (FAQ). In order to be an effective tool as well as to incorporate real-time data applications, it is suggested that IVT consider several technological enhancements. Should IVT procure and install AVL/GPS technologies on its buses, the real-time data derived from such technologies could be uploaded to the website for access by users to find out the status on their bus.
FY 2008-2010 TRIENNIAL PERFORMANCE AUDIT OF MEDEXPRESS

DRAFT

SUBMITTED TO:
Imperial County Transportation Commission

June 2011

SUBMITTED BY:
PMC
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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 Med-Express covering the most recent triennial period, fiscal years 2007–2008 through 2009–2010. The purpose of the performance audit is to evaluate Med-Express’ 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 Med-Express’ compliance with the conditions specified in the California Public Utilities Code (PUC). This task involves ascertaining whether Med-Express is meeting the PUC’s reporting requirements. Moreover, the audit includes calculations of transit service performance indicators and a detailed review of Med-Express’ 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 Med-Express’ executive 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

Med-Express is a specialized paratransit service providing non-emergency medical trips between communities in Imperial County and medical facilities, clinics, and doctors offices in San Diego County. Med-Express is used by a number of social service agencies to get their clients to medical appointments in San Diego and has been operating since November 1994. The service is administered by the County of Imperial and is operated under contract by ARC-Imperial Valley (ARC), a social services nonprofit 501(c)(3) organization.

Imperial County is geographically located in the southeastern corner of California, stretching from the United States-Mexico border on the south, Riverside County on the north, San Diego County on the west, and the State of Arizona on the east. The terrain varies from 235 feet below sea level at the Salton Sea to 4,548 feet at Blue Angel Peak. The county’s geographical land area
encompasses 4,175 square miles and is traversed by 2,555 miles of roadways. Major highways include Interstate 8 and State Routes (SR) 7, 78, 86, 98, 111, and 115. Interstate 8 is the principal route connecting the Imperial Valley with San Diego County.

Population growth has seen a marked increase in recent years. According to the 2010 U.S. Census Data, the county’s population is 174,528. The California Department of Finance 2010 estimate reports a countywide population of 183,029. The county seat and largest city is El Centro with an estimated population of 42,598 based on the 2010 U.S. Census. The population of El Centro is followed in descending order by those of Calexico, Brawley, Imperial, Calipatria, Holtville, and Westmorland.

System Characteristics

Med-Express provides non-emergency transportation access to medical facilities, clinics, and doctors offices in the greater San Diego area four days a week (Tuesday, Wednesday, and Thursday, plus alternating Mondays and Fridays every other week). The hours of operation are from 5:30 a.m. to 6:30 p.m. Preference is given to those transit-dependent persons requiring essential or lifeline medical services. The service was originally created to transport minor patients to Children’s Hospital in San Diego, but expanded to transport seniors as well as adults with disabilities. Service to clinics and facilities in the South Bay area (Chula Vista, National City, Otay Mesa, and San Ysidro) is available on every third Wednesday of the month. Med-Express departs from three pick-up and return points in Imperial County. The times and locations are listed in Table I-1 below.

<table>
<thead>
<tr>
<th>City</th>
<th>Pick-Up/Return Points</th>
<th>Pick-Up Time</th>
</tr>
</thead>
<tbody>
<tr>
<td>Brawley</td>
<td>8th and Main – Parking Lot</td>
<td>5:00 a.m.</td>
</tr>
<tr>
<td>Calexico</td>
<td>4th and Heber – Parking Lot</td>
<td>5:45 a.m.</td>
</tr>
<tr>
<td>El Centro</td>
<td>5th and Olive – Parking Lot</td>
<td>6:30 a.m.</td>
</tr>
</tbody>
</table>

Source: ARC-Imperial Valley

The Med-Express bus departs from El Centro promptly at 7:00 a.m. and departs from San Diego promptly at 3:00 p.m. The service does not operate on the weekends and the following holidays: New Year’s Day, Martin Luther King Day (observed), Presidents’ Day, Memorial Day (observed), Independence Day (observed), Labor Day, Veterans Day, Thanksgiving, and Christmas. Reservations are required at least two business days in advance, although reservations can be made 30 days in advance. ARC confirms the reservation with the passenger the night before.
Fares

Med-Express operates on a tiered fare system based on two passenger designations defined as Category A and Category B.

Passengers who fall under Category A are given priority and must meet the following criteria:

- Infants/toddlers and children up to age 21 with severe disabilities and/or medical conditions;
- Individuals who utilize wheelchairs or other mobility equipment and who do not have an adaptive personal vehicle;
- Low-income individuals without access to a personal vehicle;
- Persons with chronic conditions who are no longer permitted to drive;
- Veterans with disabilities and chronic medical conditions;
- Adults with life-threatening, chronic, and debilitating diseases;
- Persons with a mental/cognitive impairment that affects their ability to drive a vehicle; and
- Transit dependent.

Individuals who do not meet the above minimum criteria are designated as Category B passengers, which include the general public. Service to Category B passengers is provided on a space-available basis to medical facilities only. It is the policy that Category A passengers not be displaced by Category B passengers. The fare schedule for both passenger categories is shown below in Table I-2.

<table>
<thead>
<tr>
<th>Passenger Category</th>
<th>One Way</th>
<th>Round Trip</th>
</tr>
</thead>
<tbody>
<tr>
<td>Category A</td>
<td>$7.50</td>
<td>$15.00</td>
</tr>
<tr>
<td>Category A – Attendant</td>
<td>$3.50</td>
<td>$7.00</td>
</tr>
<tr>
<td>Category B</td>
<td>N/A</td>
<td>$30.00</td>
</tr>
</tbody>
</table>

*Source: ARC-Imperial Valley*
Fleet

Med-Express is operated with one vehicle plus one back-up vehicle, both of which are owned by ARC-Imperial Valley. The fleet is described in Table I-3.

<table>
<thead>
<tr>
<th>Year</th>
<th>Manufacturer</th>
<th>Quantity</th>
<th>Fuel Type</th>
<th>Seat/Wheelchair Capacity</th>
</tr>
</thead>
<tbody>
<tr>
<td>2007</td>
<td>Ford E450</td>
<td>1</td>
<td>Gasoline</td>
<td>16/2</td>
</tr>
</tbody>
</table>

**Back-Up Vehicles**

<table>
<thead>
<tr>
<th>Year</th>
<th>Manufacturer</th>
<th>Quantity</th>
<th>Fuel Type</th>
<th>Seat/Wheelchair Capacity</th>
</tr>
</thead>
<tbody>
<tr>
<td>2004</td>
<td>Ford E450</td>
<td>1</td>
<td>Gasoline</td>
<td>16/2</td>
</tr>
</tbody>
</table>

*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 Med-Express’ 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>
<thead>
<tr>
<th>Operator Compliance Requirements</th>
<th>Reference</th>
<th>Compliance Efforts</th>
</tr>
</thead>
<tbody>
<tr>
<td>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).</td>
<td>Public Utilities Code, Section 99243</td>
<td>Completion/submittal dates: FY 2008: September 29, 2008 FY 2009: September 21, 2009 FY 2010: September 23, 2010 Conclusion: Complied</td>
</tr>
<tr>
<td>The operator has submitted annual fiscal and compliance audits to the RTPA and to the State Controller within 180 days following the end of the fiscal year (Dec. 27), or has received the appropriate 90-day extension by the RTPA allowed by law.</td>
<td>Public Utilities Code, Section 99245</td>
<td>Completion/submittal dates: FY 2008: June 5, 2009 FY 2009: December 15, 2009 FY 2010: January 12, 2011 Conclusion: Partial Compliance. FY 2008 Fiscal &amp; Compliance Audit was completed and received after the 90-day extension period.</td>
</tr>
<tr>
<td>The CHP has, within the 13 months prior to each TDA</td>
<td>Public Utilities Code, Section 99251 B</td>
<td>Imperial County through its contract operator participates</td>
</tr>
</tbody>
</table>
Table II-1
Operator Compliance Requirements Matrix

<table>
<thead>
<tr>
<th>Operator Compliance Requirements</th>
<th>Reference</th>
<th>Compliance Efforts</th>
</tr>
</thead>
<tbody>
<tr>
<td>claim submitted by an operator, certified the operator’s compliance with Vehicle Code Section 1808.1 following a CHP inspection of the operator’s terminal.</td>
<td>in the CHP Transit Operator Compliance Program in which the CHP has conducted inspections within the 13 months prior to each TDA claim. Inspection dates applicable to the audit period were July 23, 2007; March 4, 2008; April 6, 2009; and May 25, 2010. The County’s contract operator received a satisfactory rating for all inspections conducted on Med-Express vehicles during the audit period. Only minor violations were found during the April 6, 2009, inspection. Conclusion: Complied</td>
<td></td>
</tr>
<tr>
<td>The operator’s claim for TDA funds is submitted in compliance with rules and regulations adopted by the RTPA for such claims.</td>
<td>Public Utilities Code, Section 99261</td>
<td>As a condition of approval, the County’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. The County’s claims are submitted generally during the fall of the claim year as required by ICTC. During the audit period, the claims were submitted on October 10, 2008, and November 6, 2009. Conclusion: Complied</td>
</tr>
<tr>
<td>Operator Compliance Requirements</td>
<td>Reference</td>
<td>Compliance Efforts</td>
</tr>
<tr>
<td>---------------------------------</td>
<td>-----------</td>
<td>--------------------</td>
</tr>
<tr>
<td>If an operator serves urbanized and non-urbanized areas, it has maintained a ratio of fare revenues to operating costs at least equal to the ratio determined by the rules and regulations adopted by the RTPA.</td>
<td>Public Utilities Code, Section 99270.1</td>
<td>This requirement is not applicable, as Med-Express is not an urbanized general public transit service. <strong>Conclusion: Not Applicable</strong></td>
</tr>
</tbody>
</table>
| The operator’s operating budget has not increased by more than 15% over the preceding year, nor is there a substantial increase or decrease in the scope of operations or capital budget provisions for major new fixed facilities unless the operator has reasonably supported and substantiated the change(s). | Public Utilities Code, Section 99266 | Percentage increase in Med-Express’ operating budget:  
FY 2008: +14.93%  
FY 2009: -8.52%  
FY 2010: +4.69%  
The FY 2008 increase in the operating budget can be attributed to rising fuel costs and passenger demand.  
Source: Statistical Summary Reports – Operating costs less depreciation  
**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 | Public Utilities Code, Section 99247 | The County’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** |
Table II-1
Operator Compliance Requirements Matrix

<table>
<thead>
<tr>
<th>Operator Compliance Requirements</th>
<th>Reference</th>
<th>Compliance Efforts</th>
</tr>
</thead>
<tbody>
<tr>
<td>hours, (i) vehicle service miles, and (j) vehicle service hours per employee.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>If the operator serves an urbanized area, it has maintained a ratio of fare revenues to operating costs at least equal to one-fifth (20 percent), unless it is in a county with a population of less than 500,000, in which case it must maintain a ratio of fare revenues to operating costs of at least equal to three-twentieths (15 percent), if so determined by the RTPA.</td>
<td>Public Utilities Code, Sections 99268.2, 99268.3, 99268.12, 99270.1</td>
<td>This requirement is not applicable to Med-Express, as Med-Express is not an urbanized general public transit service. Conclusion: Not Applicable</td>
</tr>
<tr>
<td>If the operator serves a rural area, or provides exclusive services to elderly and disabled persons, it has maintained a ratio of fare revenues to operating costs at least equal to one-tenth (10 percent).</td>
<td>Public Utilities Code, Sections 99268.2, 99268.4, 99268.5</td>
<td>Under PUC Section 99268.5 and CCR Section 6633.5, the farebox ratio requirement for exclusive services for elderly and disabled is 10 percent. Although the service is available to the general public on a space-available basis, the policy is to not place a priority on these passenger types. During the audit period, there were no general public trips. In addition, the service is limited to medical facilities in the San Diego area, further limiting the type of riders to elderly and disabled. Med-Express operating ratios using internal financial data were as follows: FY 2007: 19.05% FY 2008: 22.85%</td>
</tr>
</tbody>
</table>
Table II-1
Operator Compliance Requirements Matrix

<table>
<thead>
<tr>
<th>Operator Compliance Requirements</th>
<th>Reference</th>
<th>Compliance Efforts</th>
</tr>
</thead>
<tbody>
<tr>
<td>The current cost of the operator’s retirement system is fully funded with respect to the officers</td>
<td>Public Utilities Code, Section</td>
<td>FY 2009: 20.26%</td>
</tr>
<tr>
<td>and employees of its public transportation system, or the operator is implementing a plan</td>
<td>99271</td>
<td>Conclusion: Complied</td>
</tr>
<tr>
<td>approved by the RTPA which will fully fund the retirement system within 40 years.</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Conclusion: Complied</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>If the operator receives state transit assistance funds, the operator makes full use of funds</td>
<td>California Code of Regulations,</td>
<td>This measure is not applicable, as federal formula grant funds are not utilized and</td>
</tr>
<tr>
<td>available to it under the Urban Mass Transportation Act of 1964 before TDA claims are granted.</td>
<td>Section 6754(a)(3)</td>
<td>Med-Express does not receive State Transit Assistance Fund (STAF) revenues.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Conclusion: Not Applicable</td>
</tr>
</tbody>
</table>

Findings and Observations from Operator Compliance Requirements Matrix

1. Of the compliance requirements pertaining to Med-Express, the operation fully complied with eight out of the nine requirements. The operator was found in partial compliance with the timely submittal of its annual fiscal audits. Three additional compliance requirements did not apply to Med-Express (e.g., rural/urban farebox recovery ratios and federal grant funds).

2. Med-Express’ farebox recovery ratio remained above the statutory 10 percent standard in accordance with TDA. The average farebox recovery ratio was 20.72 percent during the triennial review period.

3. Through its contract operator, the County participates in the CHP Transit Operator Compliance Program and received inspections of Med-Express vehicles within the 13
months prior to each TDA claim. Satisfactory ratings were made for all inspections conducted during the audit period, with only minor violations reported.

4. The operating budget exhibited the highest increase in FY 2008. The 14.93 percent increase was attributed to a rise in fuel costs and passenger demand. The operating budget declined by 8.52 percent in FY 2009 and rose modestly in FY 2010 by 4.69 percent.
Section III

Prior Triennial Performance Recommendations

Med-Express’ 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 agency’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

Implement the incentives and penalties provisions in the service contract.

Actions taken by Med-Express

The service contract for Med-Express contains standards and evaluation criteria to allow for the measurement of the performance and efficiency of services provided. The performance standards measured are Passengers per Hour, Passengers per Day, Cost per Passenger, Subsidy per Passenger, Cost per Mile, Cost per Hour, and Farebox. These performance standards are recorded and tracked by the statistical summary report developed by the contractor. Other service criteria not stipulated in the service contract such as on-time performance, accidents, roadcalls, and no-shows are tracked on the management summary and passenger service reports. The contract operator has met the performance standards stipulated in its service contract without incentives or penalties being implemented by the County. This contract provides a set of established criteria that the County should review as a means to regularly measure performance.

Conclusion

This recommendation has not been implemented as the performance standards have been met and do not warrant the penalties provisions in the contract.

Prior Recommendation 2

Review fares in light of cost increases and decreasing farebox returns.

Actions taken by Med-Express

The fare structure for Med-Express has remained unchanged since inception. In light of this, the service has maintained farebox ratios of around 20 percent, which is double the required 10 percent farebox requirement. The County has resisted fare increases due to the unique mission of the service in providing non-emergency medical transport to the San Diego region. The number of passenger trips has increased and costs have risen modestly during the audit period. Should short term operating costs rise at a pace that is unsustainable from a farebox perspective, a fare
increase should be considered. The relatively high farebox ratio currently generated by Med-Express provides some degree of time flexibility when considering any change to the fares and the implications on ridership.

Conclusion

This recommendation is no longer applicable.

Prior Recommendation 3

Develop annual marketing plan.

Actions taken by Med-Express

The Med-Express service contract stipulates that the contract operator is responsible for the development of a marketing plan with a corresponding budget of 5 percent of the total cost of the service for the fiscal year. Such a plan would include the development and preparation of all marketing materials for Med-Express subject to the approval of the County. The contractor developed a glossy multi-fold bilingual brochure for the service as well as a half-page advertisement appearing in the Imperial County Area Agency on Aging Senior Services Directory. Other focused marketing efforts have included attractive flyers and advertising listings in the local Yellow Pages. Med-Express’ efforts at marketing have been stymied by the reduction of its marketing budget in March 2010.

Conclusion

This recommendation has been partially implemented.
Section IV

TDA Performance Indicators

This section reviews Med-Express’ 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>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating Cost</td>
<td>$124,584</td>
<td>$143,183</td>
<td>$130,981</td>
<td>$137,127</td>
<td>10.1%</td>
</tr>
<tr>
<td>Total Passengers</td>
<td>3,139</td>
<td>4,367</td>
<td>4,865</td>
<td>4,374</td>
<td>39.3%</td>
</tr>
<tr>
<td>Vehicle Service Hours</td>
<td>1,197</td>
<td>1,608</td>
<td>1,616</td>
<td>1,566</td>
<td>30.8%</td>
</tr>
<tr>
<td>Vehicle Service Miles</td>
<td>42,936</td>
<td>56,447</td>
<td>56,174</td>
<td>55,485</td>
<td>29.2%</td>
</tr>
<tr>
<td>Employee FTEs</td>
<td>3</td>
<td>3</td>
<td>3</td>
<td>3</td>
<td>0.0%</td>
</tr>
<tr>
<td>Operating Revenue</td>
<td>$26,338</td>
<td>$27,282</td>
<td>$29,930</td>
<td>$27,780</td>
<td>5.5%</td>
</tr>
<tr>
<td>Operating Cost per Passenger</td>
<td>$39.69</td>
<td>$32.79</td>
<td>$26.92</td>
<td>$31.35</td>
<td>-21.0%</td>
</tr>
<tr>
<td>Operating Cost per Vehicle Service Hour</td>
<td>$104.08</td>
<td>$89.04</td>
<td>$81.05</td>
<td>$87.57</td>
<td>-15.9%</td>
</tr>
<tr>
<td>Operating Cost per Vehicle Service Mile</td>
<td>$2.90</td>
<td>$2.54</td>
<td>$2.33</td>
<td>$2.47</td>
<td>-14.8%</td>
</tr>
<tr>
<td>Passengers per Vehicle Service Hour</td>
<td>2.6</td>
<td>2.7</td>
<td>3.0</td>
<td>2.8</td>
<td>6.5%</td>
</tr>
<tr>
<td>Passengers per Vehicle Service Mile</td>
<td>0.07</td>
<td>0.08</td>
<td>0.09</td>
<td>0.08</td>
<td>7.8%</td>
</tr>
<tr>
<td>Vehicle Service Hours per Employee</td>
<td>399.0</td>
<td>536.0</td>
<td>538.7</td>
<td>522.0</td>
<td>30.8%</td>
</tr>
<tr>
<td>Average Fare per Passenger</td>
<td>$8.39</td>
<td>$6.25</td>
<td>$6.15</td>
<td>$6.35</td>
<td>-24.3%</td>
</tr>
<tr>
<td>Fare Recovery Ratio</td>
<td>21.14%</td>
<td>19.05%</td>
<td>22.85%</td>
<td>20.26%</td>
<td>-4.2%</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>Year</th>
<th>FY 2007</th>
<th>FY 2008</th>
<th>FY 2009</th>
<th>FY 2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cost</td>
<td>$45.00</td>
<td>$40.00</td>
<td>$30.00</td>
<td>$30.00</td>
</tr>
</tbody>
</table>

Graph IV-4
Operating Cost per Vehicle Service Hour

<table>
<thead>
<tr>
<th>Year</th>
<th>FY 2007</th>
<th>FY 2008</th>
<th>FY 2009</th>
<th>FY 2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cost</td>
<td>$120</td>
<td>$100</td>
<td>$80</td>
<td>$80</td>
</tr>
</tbody>
</table>
Findings from Verification of TDA Performance Indicators

1. **Operating cost per vehicle service hour**, an indicator of cost efficiency, decreased 15.9 percent from $104.08 in FY 2007 to $87.57 in FY 2010. Overall vehicle service hours increased 30.8 percent, while operating costs exhibited a more modest increase of 10.1 percent during the three-year period. Operating costs increased by a 3.7 percent annualized rate, with increases of nearly 15 percent in FY 2008 due to a rise in fuel costs. On the other hand, vehicle service hours exhibited an annualized increase of 10.6 percent, with FY 2008 showing the largest increase of 34.3 percent due to higher passenger demand.

2. **Operating cost per passenger**, an indicator of cost effectiveness, decreased 21.0 percent from $39.69 in FY 2007 to $31.35 in FY 2010. Overall ridership grew at a robust 39.3 percent during the period from 3,139 passengers in FY 2007 to 4,374 passengers in FY 2010, amounting to a 13.5 percent annualized rate of growth. This rate of growth was sufficient to offset operating costs, which increased at a slower rate.

3. **Passengers per vehicle service hour**, which measures the effectiveness of the service delivered, increased 6.5 percent between FY 2007 and FY 2010 from 2.6 passengers per hour to 2.8 passengers per hour. The average number of passengers per hour peaked at 3.0 passengers in FY 2009. Vehicle service hours increased from 1,197 hours in FY 2007 to 1,566 hours in FY 2010. The percentage increase in service hours was comparable to the increase in passenger trips.

4. **Passengers per vehicle service mile**, another indicator of service effectiveness, increased by 7.8 percent from 0.07 in FY 2007 to 0.08 in FY 2010. Service miles increased by 29.2 percent from 42,936 miles in FY 2007 to 55,485 in FY 2010, while ridership increased by 39.3 percent. On an annualized basis, service miles increased by 9.9 percent, with the highest increase of 31.5 percent occurring in FY 2008.

5. **Vehicle service hours per employee** increased 30.8 percent between FY 2007 and FY 2010 from 399 to 522 hours per employee. This correlates with the identical percentage increase in service hours, while the number of full-time equivalents (FTEs) remained constant at 3 FTEs. 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 Med-Express averaged 20.72 percent, which is more than double the minimum TDA requirement of 10 percent during the audit period. The overall farebox recovery ratio decreased by a modest 4.2 percent characterized by an annualized percentage decline of less than 1 percent. One exception to this decline was an increase of nearly 20 percent in FY 2009 when the farebox reached 22.85 percent. Passenger fare revenues increased 5.5 percent during the period.
Conclusion from the Verification of TDA Performance Indicators

Med-Express provides non-emergency medical transportation for Imperial County residents to facilities in the San Diego metropolitan area. This unique demand-responsive transit service caters to a targeted ridership that may not have any other means to travel to medical appointments located in the San Diego region. The service miles generated by Med-Express are indicative of the long distances traversed. Vehicle service miles increased 29.2 percent during the period. Service hours also exhibited a comparable increase of 30.8 percent. However, operating costs exhibited only a third of those increases during the period.

The increases in miles and hours are also driven by passenger demand which requires more drop offs and pickups at both ends of the route. Passenger trips increased 39.3 percent, whereas passenger revenue increased by a modest 5.5 percent. The record rise in fuel costs during FY 2008 increased passenger trips, service miles, and hours. However, operating costs only increased at less than half the percentage increase of the other measures due to existing operating efficiencies from running the unique service. Given this level of service demand, Med-Express has managed to maintain farebox returns double the minimum 10 percent standard. The fare structure, which has remained unchanged since the service’s inception, provided sufficient revenues to maintain an average 20 percent farebox even though the percentage growth in operating costs was nearly double that of passenger revenues.
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 contract operator and ICTC. Data for Med-Express detailed on the State Controller Report for Imperial County appear to be placed in the “Other” column in the operating data section. 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. Fiscal year 2007 data appear to show the most consistency. There were several variances between the internal data sets. There is a 654-trip difference in the passenger trip data for FY 2008, as well as a 658-trip and 1,128-trip difference for FYs 2009 and 2010, respectively. For FY 2010, there is a 263-hour difference in vehicle service hours and a 13,932-mile difference in vehicle service miles. It is important to note that the FY 2010 data derived from the ICTC Performance Summary only cover the period through May 2010.

The State Controller data appear to be more consistent with the ICTC data than with the contract operator data, which some exceptions. It is suggested that ICTC and County personnel tasked with the preparation of the internal and external reports continue to exercise checks and balance when analyzing and transferring the data from the contract operator for greater accuracy.

Table IV-2
Data Consistency Review

<table>
<thead>
<tr>
<th>TDA Statistic</th>
<th>Source</th>
<th>Base Year FY 2007</th>
<th>Audit Review Period</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>FY 2007</td>
<td>FY 2008</td>
</tr>
<tr>
<td>Unlinked Passengers</td>
<td>ARC Statistical Summary Report</td>
<td>4,222</td>
<td>4,367</td>
</tr>
<tr>
<td></td>
<td>ICTC Performance Summary*</td>
<td>4,222</td>
<td>3,713</td>
</tr>
<tr>
<td></td>
<td>State Controller Report</td>
<td>4,222</td>
<td>3,312</td>
</tr>
<tr>
<td>Vehicle Service Hours</td>
<td>ARC Statistical Summary Report</td>
<td>1,600</td>
<td>1,608</td>
</tr>
<tr>
<td></td>
<td>ICTC Performance Summary*</td>
<td>1,604</td>
<td>1,608</td>
</tr>
<tr>
<td></td>
<td>State Controller Report</td>
<td>1,604</td>
<td>1,474</td>
</tr>
<tr>
<td>Vehicle Service Miles</td>
<td>ARC Statistical Summary Report</td>
<td>57,836</td>
<td>56,447</td>
</tr>
<tr>
<td></td>
<td>ICTC Performance Summary*</td>
<td>57,866</td>
<td>56,447</td>
</tr>
<tr>
<td></td>
<td>State Controller Report</td>
<td>57,866</td>
<td>51,706</td>
</tr>
</tbody>
</table>

*FY 2010 ICTC data are from June 2009 to May 2010 only
Section V

Review of Operator Functions

This section provides an in-depth review of various functions within the Med-Express 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 County and the contract operator:

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

Operations & Planning

Med-Express is a lifeline service comprising non-emergency medical transportation from the Imperial Valley to San Diego area hospitals, clinics, and doctor appointments. The service picks up passengers from public parking facilities in the cities of Brawley, El Centro, and Calexico. Since Med-Express does not operate as a regular demand-response service, such as AIM Transit, passengers must provide their own transportation to reach the pick-up locations.

Senior citizens comprise approximately 42 percent of the ridership. Their share of the Med-Express ridership has ranged from 37.12 percent in FY 2009 to 48.41 percent in the FY 2007 base year. Care attendants comprise the second largest share of riders, averaging 36 percent. Disabled and ADA-certified riders comprise approximately 17 percent and 1.75 percent, respectively. The remaining share is wheelchair-assisted individuals, who comprise just over 5 percent of the ridership. There is an average of 12 passengers per trip. Based on the operator’s statistical summary report, no general public riders were accommodated during the audit period.

The Med-Express operating contract was renewed with ARC by the County of Imperial effective October 2006 after a competitive bid process. The contract is for five years, plus five one-year option extensions. The County issued a comprehensive services contract that included all of the County’s dial-a-ride services (AIM Transit, Med-Express, and West Shores). The cities of El Centro and Imperial also piggybacked on the bid for their dial-a-ride systems, for which ARC also provides services. Unlike the other transit services, there have been minimal contract modifications or cutbacks affecting Med-Express during the audit period.

The service is operated with one dedicated vehicle plus one spare vehicle. Popular destinations include the University of California, San Diego (UCSD) Medical Center, Rady Children’s Hospital, and other medical facilities in the San Diego area four days a week. Trips to medical offices in Chula Vista and other South Bay communities are provided every third Wednesday of the month.
The service must traverse the mountain passes along Interstate 8 between Imperial County and San Diego, and the highway is subject to closure during snowy weather. In the event of such a closure that would impede a return trip to Imperial County, the driver is provided with $500 in contingency funds and an American Express card to accommodate passengers with overnight lodging and meals.

The driver assigned to Med-Express is selected based on skill level and personality traits. He/she must also have a high logistic aptitude and geographic knowledge of the route. The current Med-Express driver has been recognized for his high commitment to customer care and safety. On an industry-wide level, Med-Express received the 2010 CalACT Award for Outstanding Rural Transit Program.

The service contract for Med-Express contains standards and evaluation criteria to allow for the measurement of the performance and efficiency of services provided. The performance standards measured are Passengers per Hour, Passengers per Day, Cost per Passenger, Subsidy per Passenger, Cost per Mile, Cost per Hour, and Farebox. A summary of the performance standards and the actual operation performance for each measure is presented in Table V-1.

<table>
<thead>
<tr>
<th>Indicator/Measure</th>
<th>Standard</th>
<th>FY 2007</th>
<th>FY 2008</th>
<th>FY 2009</th>
<th>FY 2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Passengers Per Hour</td>
<td>3</td>
<td>2.6</td>
<td>2.7</td>
<td>3.0</td>
<td>2.8</td>
</tr>
<tr>
<td>Passengers Per Day</td>
<td>20</td>
<td>20.1</td>
<td>21.4</td>
<td>23.7</td>
<td>21.5</td>
</tr>
<tr>
<td>Cost Per Passenger</td>
<td>$31.77</td>
<td>$39.69</td>
<td>$32.79</td>
<td>$26.92</td>
<td>$31.35</td>
</tr>
<tr>
<td>Subsidy Per Passenger</td>
<td>$25.60</td>
<td>$26.39</td>
<td>$27.76</td>
<td>$22.03</td>
<td>$26.38</td>
</tr>
<tr>
<td>Cost Per Mile</td>
<td>$2.52</td>
<td>$2.90</td>
<td>$2.54</td>
<td>$2.33</td>
<td>$2.47</td>
</tr>
<tr>
<td>Cost Per Hour</td>
<td>$79.85</td>
<td>$104.08</td>
<td>$89.04</td>
<td>$81.05</td>
<td>$87.57</td>
</tr>
<tr>
<td>Farebox</td>
<td>20%</td>
<td>21.14%</td>
<td>19.05%</td>
<td>22.85%</td>
<td>20.26%</td>
</tr>
</tbody>
</table>

Source: ARC-Imperial Valley

Med-Express operations have met or exceeded performance standards for most indicators. Fluctuations in the data on an annual basis have caused some standards to be missed; however the trend during the audit period shows progress toward meeting the standards more consistently. The cost per hour standard was not met in any year, although the actual data shows the cost trend to be improving toward the standard. Med-Express has managed to meet or exceed the 20 percent farebox standard as stipulated in the service contract even though the statutory minimum is 10 percent as a specialized service. The incentive and penalty provisions contained in the service contract that contain these types of standards have yet to be implemented by the County.

ARC-Imperial Valley utilizes a manual dispatching system for Med-Express. 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 remaining cost to be covered by other local sources.
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-2.

<table>
<thead>
<tr>
<th>Table V-2</th>
<th>Accidents &amp; On-Time Performance</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>FY 2007</td>
</tr>
<tr>
<td>Accidents</td>
<td>0</td>
</tr>
<tr>
<td>On Time Performance</td>
<td>100%</td>
</tr>
</tbody>
</table>

Source: ARC-Imperial Valley

The service has operated without any reported accidents during the audit period. On-time performance has been 100 percent. Given the nature of the service, trips originate from designated pick-up points at scheduled times, departing El Centro at 7:00 a.m. Return trips depart San Diego promptly at 3:00 p.m. Arrival times vary based on destination and road and traffic conditions.

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-3 below summarizes the number of cancellations, trip denials, and no-shows received during the audit period.

<table>
<thead>
<tr>
<th>Table V-3</th>
<th>Cancellations, Denials &amp; No-Shows</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>FY 2007</td>
</tr>
<tr>
<td>Cancellations</td>
<td>494</td>
</tr>
<tr>
<td>Trip Denials</td>
<td>134</td>
</tr>
<tr>
<td>No-Shows</td>
<td>340</td>
</tr>
</tbody>
</table>

Source: ARC-Imperial Valley

The number of cancellations and no-shows has fluctuated during the audit period. Cancellations peaked at 538 in FY 2010 in spite of trending lower in prior years. No-shows peaked at 419 in FY 2009 before decreasing to 375 in FY 2010. ARC now charges for no-shows after a total of three no-shows. On the other hand, trip denials have trended lower since FY 2008 when they peaked at 163 before declining to 110 in FY 2010.

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 reason for denial is due to request a date that has already been booked. 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. Complaints and compliments are summarized in Table V-4 below.

<table>
<thead>
<tr>
<th>Table V-4 Complaints &amp; Compliments</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
</tr>
<tr>
<td>Complaints FY 2007 FY 2008 FY 2009 FY 2010 Total</td>
</tr>
<tr>
<td>Complaints 0 1 2 1 4</td>
</tr>
<tr>
<td>Compliments 0 2 0 0 2</td>
</tr>
</tbody>
</table>

Source: ARC-Imperial Valley

The number of complaints reported has averaged one annually, peaking at two complaints in FY 2009. There were two compliments received in FY 2008 and none received during subsequent years.

Planning

Service planning for Med-Express 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 from a Brawley resident during the FY 2010–2011 Unmet Transit Needs process expressed support for retaining the Med-Express service. The Unmet Transit Needs findings during the audit period affirmed the continuation and funding of Med-Express.

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) analyzed and proposed new fare structures for the fixed-route and demand-responsive transit services in Imperial County. There was no analysis of Med-Express’ fare structure nor were any proposed adjustments recommended. Fares on the Med-Express system have remained changed for the past 18 years. As described earlier, a fare increase should be considered if operating costs increase to where the farebox recovery ratio is adversely impacted.
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.

**Maintenance**

ARC has developed a four-phase vehicle maintenance protocol for the vehicles utilized by Med-Express. 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 bodywork 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 budget projection for vehicle repair and maintenance increased 9.3 percent from $22,884.12 in FY 2007 to $25,006.10 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 budget projections, annual fuel costs increased 9.3 percent from in $25,921.70 in FY 2007 to $28,325.34 in FY 2010. This increase is attributed to the overall increase in fuel costs during the period.

<table>
<thead>
<tr>
<th>Roadcalls</th>
<th>FY 2007</th>
<th>FY 2008</th>
<th>FY 2009</th>
<th>FY 2010</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>NR</td>
<td>NR</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>1</td>
</tr>
</tbody>
</table>

Source: ARC-Imperial Valley

A review of the management summary report shows that the sole roadcall during the audit period occurred in October 2008. 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 the County and coordinates the placement, scheduling, and distribution of all advertising and promotional materials to promote ridership. The contract with the County stipulates that the marketing budget is 5 percent of the Med-Express budget, which is higher than the marketing percentage for ARC’s contracts with the cities of Imperial and El Centro. 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 County. 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 a $4,087.54 reduction.

A glossy color tri-fold brochure has been developed for Med-Express. The brochure, which is printed in English and Spanish, provides a calendar schedule, fare summary, and general information on how the service operates. The brochure contains a Title VI of the Civil Rights Act of 1964 disclosure ensuring that no person is excluded from participation in, or denied the benefits of its services on the basis of race, color, or national origin. There is a one-half page color advertisement featured in the Imperial County Area Agency on Aging Senior Services Directory. The ad contains a photo of a Med-Express 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. Basic information about the service is featured on the transportation services page of the ARC website and can be accessed at [http://arciv.org/transportation.php](http://arciv.org/transportation.php). The service is also listed in the local Yellow Pages telephone directory.

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**

During the audit period, Med-Express was administered by County staff serving under the umbrella agency IVAG. The newly created ICTC, through adopting resolution, assumed the transfer of duties and obligations as the successor agency to IVAG. Among the duties transferred included the continued management of Med-Express. In addition to the oversight of Med-Express provided by ICTC staff through contract management and monitoring, discussions about service are held through committees including the Social Services Transportation Advisory Council (SSTAC) that advises ICTC on transit matters pertaining to the needs of transit-dependent and transit-disadvantaged persons.

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 upon 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 & Funding**

The primary source of intergovernmental grant funding for Med-Express is derived from the County’s TDA apportionment. The County annually receives substantial TDA funds, much of which is transferred among the various transit services. Med-Express receives Local Transportation Fund (LTF) support. Table V-6 provides a summary of TDA funding allocations toward Med-Express.

<table>
<thead>
<tr>
<th>TDA Funding</th>
<th>FY 2007</th>
<th>FY 2008</th>
<th>FY 2009</th>
<th>FY 2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>LTF – (SB325)</td>
<td>$118,797</td>
<td>$178,499</td>
<td>$182,428</td>
<td>$175,341</td>
</tr>
</tbody>
</table>

*Source: Transit Finance Plan, ICTC*

TDA funding support for operations has gradually increased during the audit period. The total TDA allocation increased by nearly 48 percent since the FY 2007 base year, peaking in FY 2008. By FY 2010, that trend receded slightly as the recent economic recession impacted local sales tax revenues.

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 Med-Express 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 Med-Express, the operation fully complied with eight out of the nine requirements. The operator was found in partial compliance with the timely submittal of its annual fiscal audits. Three additional compliance requirements did not apply to Med-Express (e.g., rural/urban farebox recovery ratios and federal grant funds).

2. Med-Express’ farebox recovery ratio remained above the statutory 10 percent standard in accordance with TDA. The average farebox recovery ratio was 20.72 percent during the triennial review period.

3. Through its contract operator, the County participates in the CHP Transit Operator Compliance Program and received inspections of Med-Express vehicles within the 13 months prior to each TDA claim. Satisfactory ratings were made for all inspections conducted during the audit period with only minor violations reported.

4. The operating budget exhibited the highest increase in FY 2008. The 14.93 percent increase was attributed to a rise in fuel costs and passenger demand. The operating budget declined by 8.52 percent in FY 2009 and rose modestly in FY 2010 by 4.69 percent.

5. Out of the three prior audit recommendations, Med-Express partially implemented one recommendation, another was not implemented, and the last was no longer applicable. The recommendation pertaining to the penalties clause of the service contract has not been implemented because the system’s performance standards have been met.

6. The service miles generated by Med-Express are indicative of the long distances traversed. Vehicle service miles increased 29.2 percent during the period. Service hours also exhibited a comparable increase of 30.8 percent. However, operating costs exhibited only a third of those increases during the period.

7. The increases in miles and hours are also driven by passenger demand. Passenger trips increased 39.3 percent, whereas passenger revenue increased by a modest 5.5 percent. The record rise in fuel costs during FY 2008 increased passenger trips and service miles and hours.

8. Med-Express has managed to maintain farebox returns double the minimum 10 percent standard. The fare structure, which has remained unchanged since the service’s inception,
provided sufficient revenues to maintain an average 20 percent farebox even though the percentage growth in operating costs was nearly double that of passenger revenues.

9. Senior citizens comprise approximately 42 percent of the ridership. Their share of the Med-Express ridership has ranged from 37.12 percent in FY 2009 to 48.41 percent in the FY 2007 base year. Care attendants comprise the second largest share of riders, averaging 36 percent. Disabled and ADA-certified riders comprise approximately 17 percent and 1.75 percent, respectively. The remaining share is wheelchair-assisted individuals, who comprise just over 5 percent of the ridership.

10. The service must traverse the mountain passes along Interstate 8 between Imperial County and San Diego, and the highway is subject to closure during snowy weather. In the event of such a closure that would impede a return trip to Imperial County, the driver is provided with $500 in contingency funds and an American Express card to accommodate passengers with overnight lodging and meals.

11. The driver assigned to Med-Express is selected based on skill level and personality traits. He/she must also have a high logistic aptitude and geographic knowledge of the route. The current Med-Express driver has been recognized for his high commitment to customer care and safety. On an industry-wide level, Med-Express received the 2010 CalACT Award for Outstanding Rural Transit Program.

12. The contract with the County stipulates that the marketing budget is 5 percent of the Med-Express budget. 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 $4,087.54.

13. TDA funding support for operations has gradually increased during the audit period. The total TDA allocation increased by nearly 48 percent since the FY 2007 base year, peaking in FY 2008. By FY 2010, that trend receded slightly as the recent economic recession impacted local sales tax revenues.
Triennial Audit Recommendations

1. 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 Med-Express. 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 summarized into a monthly total and included concurrently with cancellation and no-show data on the passenger service report.
FY 2008-2010 TRIENNIAL PERFORMANCE AUDIT OF WEST SHORES DIAL-A-RIDE

DRAFT

SUBMITTED TO:

Imperial County Transportation Commission

June 2011

SUBMITTED BY:

PMC®
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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 West Shores Dial-A-Ride covering the most recent triennial period, fiscal years 2007–2008 through 2009–2010. The purpose of the performance audit is to evaluate West Shores Dial-A-Ride’s effectiveness and efficiency in its use of TDA funds to provide public transportation in its service area. This evaluation is required as a condition for continued receipt of these funds for public transportation purposes. In addition, the audit evaluates West Shores Dial-A-Ride’s compliance with the conditions specified in the California Public Utilities Code (PUC). This task involves ascertaining whether West Shores Dial-A-Ride is meeting the PUC’s reporting requirements. Moreover, the audit includes calculations of transit service performance indicators and a detailed review of West Shores Dial-A-Ride 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 West Shores Dial-A-Ride 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

West Shores Dial-A-Ride is a general public demand-response transit service that serves communities along the western shore of the Salton Sea in northwestern Imperial County. The service is administered and subsidized by ICTC and operated by ARC-Imperial County (ARC), a social services nonprofit 501(c)(3) organization. The service has been operated by ARC since September 2006. Prior to ARC, West Shores Dial-A-Ride had been operated by the West Shores Health and Education Association since 1994 on a largely volunteer basis from the West Shores Community Clinic in Salton City.

The service area comprises a 15-mile stretch of the State Route (SR) 86 corridor between the unincorporated towns of Desert Shores, Salton Sea Beach, and Salton City. In addition, there is one
weekly round-trip connection to and from the Imperial Valley Transit (IVT) fixed-route bus stop in the city of Westmorland. The service area has approximately 3,500 residents.

The communities are governed by the Salton Community Services District (SCSD), which provides sewage collection and treatment, solid waste disposal, fire protection, recreational activities and facilities, street lighting and maintenance, and emergency medical services. During the 1960s and 1970s, the west shore of the Salton Sea was a popular recreation and tourist area. During the 1980s, the area experienced economic decline and population stagnation due to increases in salinity and water levels in the Salton Sea resulting in fish kills and other environmental damage.

System Characteristics

West Shores Dial-A-Ride operates from 7:00 a.m. to 4:00 p.m., Tuesdays and Thursdays, with lifeline service provided to Westmorland on Tuesdays. The service operates as late as 6:30 p.m. on Thursdays. The service does not operate weekends, the remaining weekdays, 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. Reservations for service are accepted up to seven days in advance. The fare for a one-way trip is $2.00.

Current service days and hours have been effective since March 2010. Initially, West Shores Dial-A-Ride operated five days a week, Monday through Friday, from 7:00 a.m. to 6:00 p.m. from September 2006 through February 2007. From March 2007 through July 2009, the service continued to operate five days a week from 7:00 a.m. to 4:00 p.m., a two hour per day reduction. The third service modification reduced operations to three days a week: Tuesday, Wednesday, and Thursday, from 7:00 a.m. to 4:00 p.m. effective July 2009 through March 2010.

The service utilizes one vehicle plus one back-up vehicle as described in Table I-1.

<table>
<thead>
<tr>
<th>Year</th>
<th>Manufacturer</th>
<th>Quantity</th>
<th>Fuel Type</th>
<th>Seat/Wheelchair Capacity</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009</td>
<td>Ford E350</td>
<td>1</td>
<td>Gasoline</td>
<td>8/2</td>
</tr>
</tbody>
</table>

Back-Up Vehicle

<table>
<thead>
<tr>
<th>Year</th>
<th>Manufacturer</th>
<th>Quantity</th>
<th>Fuel Type</th>
<th>Seat/Wheelchair Capacity</th>
</tr>
</thead>
<tbody>
<tr>
<td>2007</td>
<td>Ford E350</td>
<td>1</td>
<td>Gasoline</td>
<td>8/2</td>
</tr>
</tbody>
</table>

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 West Shores Dial-A-Ride’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>
<thead>
<tr>
<th>Operator Compliance Requirements</th>
<th>Reference</th>
<th>Compliance Efforts</th>
</tr>
</thead>
<tbody>
<tr>
<td>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).</td>
<td>Public Utilities Code, Section 99243</td>
<td>Completion/submittal dates: FY 2008: September 29, 2008 FY 2009: September 21, 2009 FY 2010: September 23, 2010 Conclusion: Complied</td>
</tr>
<tr>
<td>The operator has submitted annual fiscal and compliance audits to the RTPA and to the State Controller within 180 days following the end of the fiscal year (Dec. 27), or has received the appropriate 90-day extension by the RTPA allowed by law.</td>
<td>Public Utilities Code, Section 99245</td>
<td>Completion/submittal dates: FY 2008: June 5, 2009 FY 2009: December 15, 2009 FY 2010: January 12, 2011 Conclusion: Partial Compliance. FY 2008 Fiscal &amp; Compliance Audit was completed and received after the 90-day extension period.</td>
</tr>
<tr>
<td>The CHP has, within the 13 months prior to each TDA claim submitted by an ICTC through its contract operator participates in the CHP Transit Operator</td>
<td>Public Utilities Code, Section 99251 B</td>
<td>ICTC through its contract operator participates in the CHP Transit Operator</td>
</tr>
<tr>
<td>Operator Compliance Requirements</td>
<td>Reference</td>
<td>Compliance Efforts</td>
</tr>
<tr>
<td>----------------------------------</td>
<td>-----------</td>
<td>-------------------</td>
</tr>
<tr>
<td>operator, certified the operator’s compliance with Vehicle Code Section 1808.1 following a CHP inspection of the operator’s terminal.</td>
<td></td>
<td>Compliance Program in which the CHP has conducted inspections within the 13 months prior to each TDA claim. Inspection dates applicable to the audit period were December 12, 2006; March 5, 2008; March 18, 2008; April 7, 2009; April 13, 2009; May 24, 2010; and May 25, 2010. ICTC’s contract operator received a satisfactory rating for all inspections conducted on West Shores Dial-A-Ride vehicles during the audit period. Only minor violations were found during the December 2006 inspection. <strong>Conclusion: Complied</strong></td>
</tr>
<tr>
<td>The operator’s claim for TDA funds is submitted in compliance with rules and regulations adopted by the RTPA for such claims.</td>
<td>Public Utilities Code, Section 99261</td>
<td>As a condition of approval, the 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. The claims for West Shores Dial-A-Ride are submitted generally during the fall of the claim year as required by ICTC. During the audit period, the claims were submitted on October 10, 2008, and</td>
</tr>
<tr>
<td>Operator Compliance Requirements</td>
<td>Reference</td>
<td>Compliance Efforts</td>
</tr>
<tr>
<td>----------------------------------</td>
<td>-----------</td>
<td>-------------------</td>
</tr>
</tbody>
</table>
| 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 | November 6, 2009.  
**Conclusion: Complied**  
This requirement is not applicable, as West Shores Dial-A-Ride serves only a rural 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 West Shores Dial-A-Ride’s operating budget:  
FY 2008:  +55.39%  
FY 2009:  -10.08%  
FY 2010:  -31.71%  
The FY 2008 increase in the operating budget can be attributed to the new service contract in FY 2007 that reflected the vehicle fuel clause as well as expanded service hours. The budget decreases reflect the cutback in service hours. The FY 2008 increase was substantiated.  
Source: Statistical Summary Reports – Operating costs less depreciation  
**Conclusion: Complied** |
| The operator’s definitions of performance measures are | Public Utilities Code, Section 99247 | The County’s definition of performance measures as |
### Table II-1
Operator Compliance Requirements Matrix

<table>
<thead>
<tr>
<th>Operator Compliance Requirements</th>
<th>Reference</th>
<th>Compliance Efforts</th>
</tr>
</thead>
<tbody>
<tr>
<td>consistent with Public Utilities Code Section 99247, including (a) operating cost, (b) operating cost per passenger, (c) operating cost per vehicle service hour, (d) passengers per vehicle service hour, (e) passengers per vehicle service mile, (f) total passengers, (g) transit vehicle, (h) vehicle service hours, (i) vehicle service miles, and (j) vehicle service hours per employee.</td>
<td>Public Utilities Code, Sections 99268.2, 99268.3, 99268.12, 99270.1</td>
<td>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</td>
</tr>
<tr>
<td>If the operator serves an urbanized area, it has maintained a ratio of fare revenues to operating costs at least equal to one-fifth (20 percent), unless it is in a county with a population of less than 500,000, in which case it must maintain a ratio of fare revenues to operating costs of at least equal to three-twentisths (15 percent), if so determined by the RTPA.</td>
<td>Public Utilities Code, Sections 99268.2, 99268.3, 99268.12, 99270.1</td>
<td>This requirement is not applicable, as West Shores Dial-A-Ride serves only a rural area. Conclusion: Not Applicable</td>
</tr>
<tr>
<td>If the operator serves a rural area, or provides exclusive services to elderly and disabled persons, it has maintained a ratio of fare revenues to operating costs at least equal to one-tenth (10 percent).</td>
<td>Public Utilities Code, Sections 99268.2, 99268.4, 99268.5</td>
<td>West Shore Dial-A-Ride’s operating ratios using internal financial data were as follows:</td>
</tr>
<tr>
<td></td>
<td></td>
<td>FY 2008: 4.09%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>FY 2009: 5.73%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>FY 2010: 5.18%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Source: Statistical Summary Reports</td>
</tr>
<tr>
<td>Operator Compliance Requirements</td>
<td>Reference</td>
<td>Compliance Efforts</td>
</tr>
<tr>
<td>----------------------------------</td>
<td>-----------</td>
<td>--------------------</td>
</tr>
<tr>
<td>The 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.</td>
<td>Public Utilities Code, Section 99271</td>
<td>ICTC contracts with a private nonprofit provider for operations, while the cost of ICTC staff’s retirement is fully funded under the 1937 Act County Employees’ Retirement Law. Conclusion: Complied</td>
</tr>
<tr>
<td>If the operator receives state transit assistance funds, the operator makes full use of funds available to it under the Urban Mass Transportation Act of 1964 before TDA claims are granted.</td>
<td>California Code of Regulations, Section 6754(a)(3)</td>
<td>This measure is not applicable, as federal formula grant funds are not utilized and West Shores Dial-A-Ride does not receive State Transit Assistance Fund (STAF) revenues. Conclusion: Not Applicable</td>
</tr>
</tbody>
</table>

Findings and Observations from Operator Compliance Requirements Matrix

1. Of the compliance requirements pertaining to West Shores Dial-A-Ride, the operation fully complied with seven out of the nine requirements. The operator was found not in compliance with maintaining its minimum farebox ratio and was found in partial compliance with the timely submittal of its annual fiscal audits. Two additional compliance requirements did not apply to West Shores Dial-A-Ride (e.g., rural/urban farebox recovery ratios and federal formula grants).

2. West Shores Dial-A-Ride’s farebox recovery ratio remained below the required 10 percent standard. Service cutbacks and fare increases were implemented in attempts to sustain the farebox. The average farebox recovery ratio was 5 percent during the triennial review period.

3. Through its contract operator, ICTC participates in the CHP Transit Operator Compliance Program and received inspections of West Shores 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 a wide variation of increases and decreases. The budget increased by 55.39 percent in FY 2008 due to the new service contract in FY 2007 that reflected the vehicle fuel clause as well as expanded service hours. The budget decreases in FY 2009 and FY 2010 reflect the cutback in service hours from five to three to eventually two days a week.
Section III

Prior Triennial Performance Recommendations

West Shores Dial-A-Ride’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 agency’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
Review fares in light of cost increases and decreasing farebox returns.

Actions taken by West Shores Dial-A-Ride
The service underwent a fare increase from $1.00 per trip to a high of $2.50 per trip effective November 2008. The fare was later adjusted to $2.00 per trip during the audit period. Furthermore, service days and hours were reduced in an effort to control operating costs. In spite of these measures, there has only been modest improvement in farebox returns (from 4 to 5 percent), but not sufficient to attain the required 10 percent farebox ratio.

Conclusion
This recommendation has been implemented.

Prior Recommendation 2
Continue reviewing service delivery alternatives.

Actions taken by West Shores Dial-A-Ride
West Shores Dial-A-Ride continues to operate as a lifeline service to the small communities located along SR 86 corridor near the Salton Sea. At the beginning of the audit period, the service operated five days a week, 11 hours a day. Increasing costs and minimal farebox returns prompted two service modifications during the period. Operations were reduced to three days a week, Tuesday, Wednesday, and Thursday, from 7:00 a.m. to 4:00 p.m., commencing in July 2009. The second modification became effective in March 2010, which reduced the service to two days a week with the same service hours. The reductions have resulted in a notable decline in passenger trips with only a slight improvement in farebox returns. In light of the system’s shortfalls to maintain productive measures despite significant adjustments, ICTC should consider a review of additional options in-lieu of standard dial-a-ride to provide lifeline service. One such option could
be a volunteer driver reimbursement program, while another option could include restructuring passenger pickups to occur at a central location at established times to increase passenger loads. Upon pickup at the central location, the vehicle would then drop off passengers at their individual destinations.

**Conclusion**

This recommendation has been implemented.

*Prior Recommendation 3*

Conduct regular on-time performance checks.

**Actions taken by West Shores Dial-A-Ride**

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*

Implement the incentives and penalties provisions in the service contract.

**Actions taken by West Shores Dial-A-Ride**

The service contract for West Shores Dial-A-Ride contains standards and evaluation criteria to allow for the measurement of the performance and efficiency of services provided. The performance standards measured are Passengers per Hour, Passengers per Day, Cost per Passenger, Subsidy per Passenger, Cost per Mile, Cost per Hour, and Farebox. These performance standards are recorded and tracked by the statistical summary report developed by the contractor, and monitored by ICTC staff. Other service criteria not stipulated in the service contract such as on-time performance, accidents, roadcalls, and no-shows are tracked on the management summary and passenger service reports that are also reviewed by ICTC.

**Conclusion**

This recommendation has been implemented.
**Prior Recommendation 5**

Develop annual marketing plan.

**Actions taken by West Shores Dial-A-Ride**

The West Shores Dial-A-Ride contract stipulates that the contract operator is responsible for the development of a marketing plan with a corresponding budget of 3 percent of the total cost of the service for the fiscal year. Such a plan would include the development and preparation of all marketing materials for West Shores Dial-A-Ride subject to the approval of ICTC. The contractor arranged a quarter-page advertisement appearing in the Imperial County Area Agency on Aging Senior Services Directory. Other focused marketing efforts have included attractive flyers and advertising listings in the local Yellow Pages. West Shores Dial-A-Ride’s efforts at marketing have been stymied by the reduction of its marketing budget in March 2010.

**Conclusion**

This recommendation has been partially implemented.

**Prior Recommendation 6**

Add checkbox for West Shores Dial-A-Ride on Customer Contact Report form.

**Actions taken by West Shores Dial-A-Ride**

The contractor has developed a Customer Contact Report card, which allows for customer feedback on all the dial-a-ride services it operates. A checkbox for West Shores Dial-A-Ride had been omitted at the time this recommendation was made. The contractor has since included a checkbox for West Shores Dial-A-Ride on its latest forms. The comment cards are primarily submitted directly to the contractor for processing which is part of industry practice and typically contained in the service contract. An alternative is for the comment cards to be addressed to and postage paid by the oversight agency for tracking purposes. Another option is for the public phone number to report a comment be changed to reflect the number for the oversight agency.

**Conclusion**

This recommendation has been implemented.

**Prior Recommendation 7**

Add information about West Shores Dial-A-Ride on ARC’s website.

**Actions taken by West Shores Dial-A-Ride**
ARC-Imperial Valley is the contract operator for West Shores Dial-A-Ride. The service is referenced on ARC’s website’s transportation services page as one of five paratransit services it operates in Imperial County. The contractor indicated that it is the responsibility of ICTC to provide more detailed information about West Shores Dial-A-Ride online. The ICTC website does have a public transportation link that leads to the Imperial Valley Transit (IVT) website.

Conclusion

This recommendation has been partially implemented.
Section IV

TDA Performance Indicators

This section reviews West Shores 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>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating Cost</td>
<td>$96,510</td>
<td>$139,006</td>
<td>$124,999</td>
<td>$85,368</td>
<td>-11.5%</td>
</tr>
<tr>
<td>Total Passengers</td>
<td>4,512</td>
<td>5,680</td>
<td>4,084</td>
<td>2,212</td>
<td>-51.0%</td>
</tr>
<tr>
<td>Vehicle Service Hours</td>
<td>1,494</td>
<td>1,842</td>
<td>1,544</td>
<td>806</td>
<td>-46.0%</td>
</tr>
<tr>
<td>Vehicle Service Miles</td>
<td>33,339</td>
<td>44,175</td>
<td>32,520</td>
<td>17,522</td>
<td>-47.4%</td>
</tr>
<tr>
<td>Employee FTEs</td>
<td>2</td>
<td>2</td>
<td>2</td>
<td>2</td>
<td>0.0%</td>
</tr>
<tr>
<td>Operating Revenue</td>
<td>$4,512</td>
<td>$5,680</td>
<td>$7,167</td>
<td>$4,424</td>
<td>-2.0%</td>
</tr>
<tr>
<td>Operating Cost per Passenger</td>
<td>$21.39</td>
<td>$24.47</td>
<td>$30.61</td>
<td>$38.59</td>
<td>80.4%</td>
</tr>
<tr>
<td>Operating Cost per Vehicle Service Hour</td>
<td>$64.60</td>
<td>$75.46</td>
<td>$80.98</td>
<td>$105.88</td>
<td>63.9%</td>
</tr>
<tr>
<td>Operating Cost per Vehicle Service Mile</td>
<td>$2.89</td>
<td>$3.15</td>
<td>$3.84</td>
<td>$4.87</td>
<td>68.3%</td>
</tr>
<tr>
<td>Passengers per Vehicle Service Hour</td>
<td>3.0</td>
<td>3.1</td>
<td>2.6</td>
<td>2.7</td>
<td>-9.2%</td>
</tr>
<tr>
<td>Passengers per Vehicle Service Mile</td>
<td>0.14</td>
<td>0.13</td>
<td>0.13</td>
<td>0.13</td>
<td>-6.7%</td>
</tr>
<tr>
<td>Vehicle Service Hours per Employee</td>
<td>747.0</td>
<td>921.0</td>
<td>771.8</td>
<td>403.2</td>
<td>-46.0%</td>
</tr>
<tr>
<td>Average Fare per Passenger</td>
<td>$1.00</td>
<td>$1.00</td>
<td>$1.75</td>
<td>$2.00</td>
<td>100.0%</td>
</tr>
<tr>
<td>Fare Recovery Ratio</td>
<td>4.68%</td>
<td>4.09%</td>
<td>5.73%</td>
<td>5.18%</td>
<td>10.8%</td>
</tr>
</tbody>
</table>

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 63.9 percent from $64.60 in FY 2007 to $105.88 in FY 2010. Overall vehicle service hours decreased 46.0 percent, while operating costs decreased 11.5 percent during the three-year period. Operating costs increased by a 0.8 percent annualized rate, with an increase of 44 percent in FY 2008 due to a rise in fuel costs. On the other hand, vehicle service hours exhibited an annualized decline of 13.6 percent due to subsequent cutbacks in service hours and days.

2. **Operating cost per passenger**, an indicator of cost effectiveness, increased 80.4 percent from $21.39 in FY 2007 to $38.59 in FY 2010. Overall ridership fell 51.0 percent during the period from 4,512 passengers in FY 2007 to 2,212 passengers in FY 2010, amounting to a 16 percent annualized rate of decline. This trend is indicative of the fare increases and service cutbacks that were implemented during the period.

3. **Passengers per vehicle service hour**, which measures the effectiveness of the service delivered, decreased 9.2 percent between FY 2007 and FY 2010 from 3.0 passengers per hour to 2.7 passengers per hour. The average number of passengers per hour peaked at a 3.1 passengers in FY 2008. Vehicle service hours decreased from 1,494 hours in FY 2007 to 806 hours in FY 2010, reflecting the cut in service hours.

4. **Passengers per vehicle service mile**, another indicator of service effectiveness, decreased by 6.7 percent from 0.14 in FY 2007 to 0.13 in FY 2010. Service miles decreased by 47.4 percent from 33,339 miles in FY 2007 to 17,522 in FY 2010, while ridership declined by a slightly higher percentage. On an annualized basis, service miles decreased at a rate of 13.3 percent except for FY 2008 when service miles increased 32.5 percent.

5. **Vehicle service hours per employee** decreased 46.0 percent between FY 2007 and FY 2010 from 747 to 403 hours. This correlates with the 46.0 percent decline in service hours even though full-time equivalents (FTEs) remained constant at 2 FTEs. 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 West Shores Dial-A-Ride remained below the minimum TDA requirement of 10 percent during the audit period in spite of some modest improvement. Farebox recovery increased 10.8 percent from 4.68 percent in FY 2007 to 5.18 percent in FY 2010, peaking at 5.73 percent in FY 2009. A fare increase implemented in FY 2009 was intended to offset the increase in costs while helping to maintain adequate farebox returns.
Conclusion from the Verification of TDA Performance Indicators

West Shores Dial-A-Ride is a general public, demand-responsive service operating along the SR 86 corridor along the Salton Sea in northwestern Imperial County. Due to the remote location and small population of the service area as well as rising fuel costs, West Shores continued to struggle with farebox attainment. Several measures were taken to bolster farebox recovery. Service hours and days were reduced from five days to two days a week. Fares were increased from $1.00 to as high as $2.50 per trip and later reduced to $2.00 per trip.

While the service was operating five days a week, passenger trips, service hours and miles peaked in FY 2008 as fuel prices rose. However, the increases in these measures were not sufficient to offset the increase in operating costs, which caused the farebox to lag at just over 4 percent. All three operating cost indicators rose significantly during the audit period. The fare increase implemented in November 2008 helped revenues and farebox recovery to rise at a rate of 26.2 percent and 40.3 percent, respectively. Service cutbacks commencing in July 2009 resulted in a decline in passenger trips and revenues, with a farebox recovery of 5.18 percent in FY 2010.
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 contract operator and ICTC. Data for West Shores Dial-A-Ride detailed on the State Controller Report appear to be inclusive of other demand-responsive services, such as AIM Transit, operating in Imperial County. 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. Fiscal year 2007 data appear to show the most consistency. There were several variances between the internal data sets. For FY 2008, there is a 198-hour difference in the vehicle service hour data as well as a 3,542-mile difference in the vehicle service mile data. For FY 2010, there is a 168-passenger difference in passenger trips, a 52-hour difference in vehicle service hours, and a 1,175-mile difference in vehicle service miles. It is important to note that the FY 2010 data derived from the ICTC Performance Summary only cover the period through May 2010.

As was mentioned earlier, the data in the State Controller Report is inclusive of other County-supported demand-response services such as AIM Transit and Med-Express. It is suggested that County personnel tasked with the preparation of the State Controller Report make a note in the report indicating that data from more than one demand-response carrier is being reported, along with a breakdown of the performance data for each individual carrier.

#### Table IV-2
Data Consistency Review

<table>
<thead>
<tr>
<th>TDA Statistic</th>
<th>Source</th>
<th>Base Year FY 2007</th>
<th>Audit Review Period</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>FY 2007</td>
<td>FY 2008 FY 2009 FY 2010</td>
</tr>
<tr>
<td>Unlinked Passengers</td>
<td>ARC Statistical Summary Report</td>
<td>4,512</td>
<td>5,680 4,084 2,212</td>
</tr>
<tr>
<td></td>
<td>ICTC Performance Summary*</td>
<td>4,512</td>
<td>5,680 4,084 2,044</td>
</tr>
<tr>
<td></td>
<td>State Controller Report**</td>
<td>31,625</td>
<td>38,451 36,450 28,613</td>
</tr>
<tr>
<td>Vehicle Service Hours</td>
<td>ARC Statistical Summary Report</td>
<td>1,492</td>
<td>1,842 1,544 806</td>
</tr>
<tr>
<td></td>
<td>ICTC Performance Summary*</td>
<td>1,494</td>
<td>2,040 1,543 754</td>
</tr>
<tr>
<td></td>
<td>State Controller Report**</td>
<td>13,143</td>
<td>12,926 12,364 9,741</td>
</tr>
<tr>
<td>Vehicle Service Miles</td>
<td>ARC Statistical Summary Report</td>
<td>33,339</td>
<td>44,175 32,520 17,522</td>
</tr>
<tr>
<td></td>
<td>ICTC Performance Summary*</td>
<td>33,339</td>
<td>47,717 32,220 16,347</td>
</tr>
<tr>
<td></td>
<td>State Controller Report**</td>
<td>164,405</td>
<td>232,924 213,050 173,394</td>
</tr>
</tbody>
</table>

*FY 2010 data are from June 2009 to May 2010 only
**Operational data inclusive of other county dial-a-ride services (AIM Transit)
Section V

Review of Operator Functions

This section provides an in-depth review of various functions within the West Shores 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 ICTC and with the contract operator:

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

Operations & Planning

During the audit period, West Shores Dial-A-Ride experienced a number of operational challenges and changes. Prior to September 2006, the service was operated by the West Shores Health and Education Association, a local volunteer organization under the DBA West Shores Roadrunner Transportation Service. According to the California Public Utilities Commission (CPUC) website, under Transportation Carrier Information, the operator’s carrier status (CA ID 0120380) was cancelled as of February 1, 2006. On September 4, 2006, ARC assumed the contractual operation of the service. Administration of the West Shores Dial-A-Ride service contract was formally transferred from the County of Imperial to ICTC in November 2010.

Operations of West Shores Dial-A-Ride underwent a number of service modifications in an effort to control costs and meet its farebox recovery standard. From September 2006 through the end of February 2007, West Shores operated Monday through Friday between the hours of 7:00 a.m. and 6:00 p.m. Since March 2007, the hours of operation were scaled back by two hours to save on costs from lack of rider demand. West Shores Dial-A-Ride operated five days a week, Monday through Friday, from 7:00 a.m. to 4:00 p.m. from March 2007 through July 2009. A third service modification reduced operations to three days a week, Tuesday, Wednesday, and Thursday, from 7:00 a.m. to 4:00 p.m. effective July 2009 through March 2010. Due to the state budget situation, the service was reduced to two days a week, with the elimination of Wednesday service. The service provided on Tuesdays includes a lifeline service to Westmorland that connects with the IVT fixed route and AIM Transit demand-response services. The service provided on Thursdays transports participants of the Catholic Charities Nutrition Group program.

Senior citizens comprise approximately 53 percent of the ridership. Their share of the West Shores Dial-A-Ride ridership has ranged from 45.81 percent in FY 2009 to 61.30 percent in FY 2010. General public passengers comprise the second largest share of riders, averaging 45 percent. Their
share of the overall ridership has ranged from 36.35 percent in FY 2010 to 52.82 percent in FY 2009. Disabled and wheelchair lift access riders comprise approximately 0.36 percent and 1.05 percent, respectively. Approximately 14.5 percent of revenues are subscription-based, derived from the Catholic Charities Nutrition Group program. Among the challenges has been the increase in fuel costs coupled with low ridership and the long distances along the service corridor.

The service underwent a fare increase in November 2008 from $1.00 to $2.50 per trip in order to achieve the TDA-mandated farebox recovery of 10 percent. Prior to this increase being implemented, a data analysis of the system was released in September 2008 with six option scenarios and a recommendation. The analysis methodology included a scoping session at the April 2008 Salton Communities Services District Board meeting. Among the comments received was an acceptance of a proposed fare increase. Further scoping was conducted at a senior luncheon in May 2008. Comments received indicated that an increase in fares would be acceptable as long as there was no reduction in service hours.

Based on ARC's data, the day with the highest ridership was Thursday with an average of 28 passengers. The majority of passengers utilize the service in the morning between 7:00 a.m. and 10:00 a.m. and in the afternoon between 1:00 p.m. and 3:00 p.m. About 76 percent of the passengers are located in Salton City and the remaining 24 percent are located in Desert Shores, Salton Sea Beach, and Vista Del Mar. Based on these findings, the following suggestions were provided by the operator:

- Increase the fare from $1.00 to $2.50 per one-way trip;
- Decrease the daily service hours;
- Decrease the number of service days per week;
- Combination of Options #1, #2, and #3

The data analysis contained a mix of fare increases and service modifications. Table V-1 provides a summary of the six analysis scenarios that would enable West Shores Dial-A-Ride to achieve a 10 percent farebox.

<table>
<thead>
<tr>
<th>Option Number</th>
<th>Measure</th>
<th>Farebox</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>If increase fares to $2.00</td>
<td>8.00%</td>
</tr>
<tr>
<td>2</td>
<td>If increase fares to $2.25 with no reduction in service</td>
<td>9.12%</td>
</tr>
<tr>
<td>3</td>
<td>If increase fares to $2.50 with no reduction in service</td>
<td>10.14%</td>
</tr>
<tr>
<td>4</td>
<td>If decrease in hours (Hours: 7:00 a.m. to 12:00 p.m. &amp; 1:00 p.m. to 4:00 p.m.)</td>
<td>4.70%</td>
</tr>
<tr>
<td>5</td>
<td>If increase in fares to $2.00 and a decrease in service to 6 hours</td>
<td>9.50%</td>
</tr>
<tr>
<td>6</td>
<td>If increase fares to $2.25 and a decrease in service to 6 hours</td>
<td>10.64%</td>
</tr>
</tbody>
</table>

*Source: West Shores Dial-A-Ride Analysis, County of Imperial*
The analysis identified two service scenarios for recommendation based on calculations with average data, which would result in meeting the TDA-mandated 10 percent farebox recovery ratio needed to sustain the service. Those options were #3 (fare increase to $2.50 with no reduction in service) and #6 (fare increase to $2.25 and decrease service hours to six hours). In accordance with staff’s recommendation, the County Board of Supervisors adopted Option #3 to increase the fare to $2.50 per trip with no reduction in service. Eventually, the system was subject to subsequent service and fare adjustments. Service was eventually reduced to Tuesdays and Thursdays from 7:00 a.m. to 4:00 p.m. in March 2010 and the fare adjusted to $2.00 per trip. There has been interest to maintain the service at current levels of two days a week, eight hours a day.

Drivers are assigned to routes and contract based upon skill level and personality traits. Drivers must also have a high logistic aptitude and geographic knowledge of the service area. Approximately 70 percent of drivers are cross-trained. In addition, two of the five dispatchers on staff are trained as drivers. The driver assigned to West Shores resides in the neighboring city of Westmorland and maintains the vehicle overnight at his home instead of deadheading to the ARC facility in El Centro. Much of the relative sustainability of the service relies on this driver and the close proximity of the driver’s residence to the service area. In addition, there is one dedicated dispatcher attending to West Shores Dial-A-Ride during the morning hours, who is relieved in the afternoon.

The service contract for West Shores Dial-A-Ride contains standards and evaluation criteria to allow for the measurement of the performance and efficiency of services provided. The performance standards measured are Passengers per Hour, Passengers per Day, Cost per Passenger, Subsidy per Passenger, Cost per Mile, Cost per Hour, and Farebox. A summary of the performance standards and the actual operation performance for each measure is presented in Table V-2.

<table>
<thead>
<tr>
<th>Indicator/Measure</th>
<th>Standard</th>
<th>FY 2007</th>
<th>FY 2008</th>
<th>FY 2009</th>
<th>FY 2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Passengers Per Hour</td>
<td>5</td>
<td>3.0</td>
<td>3.1</td>
<td>2.6</td>
<td>2.7</td>
</tr>
<tr>
<td>Passengers Per Day</td>
<td>30</td>
<td>22.2</td>
<td>22.5</td>
<td>18.5</td>
<td>18.4</td>
</tr>
<tr>
<td>Cost Per Passenger</td>
<td>$19.63</td>
<td>$21.39</td>
<td>$24.47</td>
<td>$30.61</td>
<td>$38.59</td>
</tr>
<tr>
<td>Subsidy Per Passenger</td>
<td>$18.63</td>
<td>$20.39</td>
<td>$24.47</td>
<td>$29.89</td>
<td>$38.38</td>
</tr>
<tr>
<td>Cost Per Mile</td>
<td>$2.48</td>
<td>$2.89</td>
<td>$3.15</td>
<td>$3.84</td>
<td>$4.87</td>
</tr>
<tr>
<td>Cost Per Hour</td>
<td>$53.62</td>
<td>$64.60</td>
<td>$75.46</td>
<td>$80.98</td>
<td>$105.88</td>
</tr>
<tr>
<td>Farebox</td>
<td>10%</td>
<td>4.68%</td>
<td>4.09%</td>
<td>5.73%</td>
<td>5.18%</td>
</tr>
</tbody>
</table>

Source: ARC-Imperial Valley

West Shore Dial-A-Ride operations have struggled to meet performance standards for all the aforementioned indicators. Passengers per hour and per day have averaged 2.85 and 20.4 passengers, respectively. All the cost indicators have not met the standard by being almost twice as high. Although the farebox has shown some modest improvement, the average farebox
recovery has averaged 4.92 percent, slightly less than half the required 10 percent standard. ICTC continues to monitor the performance of this service and make adjustments as feasible.

ARC-Imperial Valley utilizes a manual dispatching system for West Shores 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 remaining cost to be covered by other local sources.

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-3.

### Table V-3
Accidents & On-Time Performance

<table>
<thead>
<tr>
<th></th>
<th>FY 2007</th>
<th>FY 2008</th>
<th>FY 2009</th>
<th>FY 2010</th>
<th>Total/Average</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accidents</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>On Time</td>
<td>100%</td>
<td>100%</td>
<td>98%</td>
<td>99%</td>
<td>99%</td>
</tr>
</tbody>
</table>

Source: ARC-Imperial Valley

The service has operated without any reported accidents during the audit period. On-time performance has averaged 99 percent with only slight variations from year to year. 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-4 below summarizes the number of cancellations, trip denials, and no-shows received during the audit period.

### Table V-4
Cancellations, Denials & No-Shows

<table>
<thead>
<tr>
<th></th>
<th>FY 2007</th>
<th>FY 2008</th>
<th>FY 2009</th>
<th>FY 2010</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cancellations</td>
<td>82</td>
<td>138</td>
<td>121</td>
<td>9</td>
<td>350</td>
</tr>
<tr>
<td>Trip Denials</td>
<td>NR</td>
<td>40</td>
<td>50</td>
<td>32</td>
<td>122</td>
</tr>
<tr>
<td>No Shows</td>
<td>213</td>
<td>352</td>
<td>236</td>
<td>76</td>
<td>877</td>
</tr>
</tbody>
</table>

NR=Not Reported
Source: ARC-Imperial Valley

The number of cancellations, no-shows, and trip denials has declined significantly during the audit period. This trend reflects the effort to implement and enforce the no-show policy as well as overall service reductions. ARC now charges for no-shows after a total of three no-shows. The annual number of cancellations decreased 89 percent from 82 in FY 2007 to 9 in FY 2010, peaking at 138 in FY 2008. Similarly, no-shows decreased 64 percent from 213 in FY 2007 to 76 in FY 2010, peaking at 352 in FY 2008.
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 not being able to renegotiate dates and times, same-day trip requests, and requests for pick-ups on non-service days and hours. 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. Complaints and compliments are summarized in Table V-5 below.

<table>
<thead>
<tr>
<th>Table V-5</th>
<th>Complaints &amp; Compliments</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>FY 2007</td>
</tr>
<tr>
<td>Complaints</td>
<td></td>
</tr>
<tr>
<td></td>
<td>1</td>
</tr>
<tr>
<td>Compliments</td>
<td>0</td>
</tr>
</tbody>
</table>

Source: ARC-Imperial Valley

The number of complaints reported has averaged 0.5 annually, with one complaint reported in FY 2007 and FY 2008, respectively. There were no compliments received during the period.

Planning

Service planning for West Shores 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. There was no testimony received during the Unmet Needs process that pertained to the West Shores Dial-A-Ride service area. The Unmet Transit Needs resolutions during the audit period affirmed the continuation and funding of the various demand response services including West Shores Dial-A-Ride.

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) analyzed and proposed new fare structures for the fixed-route and demand-responsive transit services in Imperial County. There was no analysis of the West Shores Dial-A-Ride fare structure nor were any proposed adjustments recommended. Based on the findings of the West Shores Dial-A-Ride analysis, fares were raised from $1.00 per trip to a
high of $2.50 per trip in November 2008. The fare was later adjusted to $2.00 per trip. In spite of these measures, farebox recovery remains below the 10 percent minimum farebox standard.

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.

**Maintenance**

ARC has developed a four-phase vehicle maintenance protocol for the vehicles utilized by West Shores 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 decreased by nearly a third (32.7 percent) from $12,631.73 in FY 2007 to $8,500.00 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 decreased 14.5 percent from $17,121.78 in FY 2007 to $14,635.00 in FY 2010. Although retail fuel costs increased during the period, the decline in annual fuel costs for West Shores Dial-A-Ride corresponds to the reductions in service.

The contract operator, as per a prior audit recommendation, began tracking roadcalls on its management summary report in FY 2009. Table V-6 below provides a summary of roadcalls incurred on West Shores Dial-A-Ride for FYs 2009 and 2010.

### Table V-6

<table>
<thead>
<tr>
<th>Roadcalls</th>
<th>FY 2007</th>
<th>FY 2008</th>
<th>FY 2009</th>
<th>FY 2010</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>NR</td>
<td>NR</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>

NR=Not Reported

Source: ARC-Imperial Valley

A review of the management summary report showed that no roadcalls were reported during the period. 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 ICTC and coordinates the placement, scheduling, and distribution of all advertising and promotional materials to promote ridership. The contract with ICTC stipulates that the marketing budget is 3 percent of the West Shores Dial-A-Ride budget. 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 ICTC. ARC has made efforts to develop and implement a marketing plan in spite of budgetary constraints.

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 a West Shores 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. Basic information about the service is featured on the transportation services page of the ARC website and can accessed at [http://arciv.org/transportation.php](http://arciv.org/transportation.php). The service is also listed in the local Yellow Pages telephone directory.

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. The comment cards are primarily submitted directly to the contractor for processing which is part of industry practice and typically contained in the service contract. An alternative is for the comment cards to be addressed to and postage paid by the...
oversight agency for tracking purposes. Another option is for the public phone number to report a comment be changed to reflect the number for the oversight agency.

**General Administration & Management**

During the audit period, West Shores Dial-A-Ride was administered by County staff serving under the umbrella agency IVAG. The newly created ICTC, through adopting resolution, assumed the transfer of duties and obligations as the successor agency to IVAG. Among the duties transferred included the continued management of West Shores Dial-A-Ride. In addition to the oversight of West Shores Dial-A-Ride provided by ICTC staff through contract management and monitoring, discussions about service are held through committees including the Social Services Transportation Advisory Council (SSTAC) that advises ICTC on transit matters pertaining to the needs of transit-dependent and transit-disadvantaged persons.

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 driver assigned to West Shores Dial-A-Ride resides in Westmorland, where the vehicle is secured overnight in lieu of transporting it to ARC’s facility in El Centro. 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 & Funding**

The primary source of intergovernmental grant funding for West Shores Dial-A-Ride is derived from the County’s TDA apportionment. The County annually receives substantial TDA funds, much of which is transferred among the various transit services. West Shores Dial-A-Ride receives Local Transportation Fund (LTF) support. Table V-7 provides a summary of TDA funding allocations toward West Shores Dial-A-Ride.

<table>
<thead>
<tr>
<th>TDA Funding</th>
<th>FY 2007</th>
<th>FY 2008</th>
<th>FY 2009</th>
<th>FY 2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>LTF – (SB325)</td>
<td>$120,564</td>
<td>$160,462</td>
<td>$164,421</td>
<td>$88,122</td>
</tr>
</tbody>
</table>

*Source: Transit Finance Plan, ICTC*

TDA funding support for operations has fluctuated during the audit period, reflecting the service modifications. From the FY 2007 base year to FY 2009, the LTF allocation increased by about 36 percent. By FY 2010, the allocation declined by nearly half (46 percent) to $88,122, which corresponded to the service cutbacks.

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 West Shores 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 West Shores Dial-A-Ride, the operation fully complied with seven out of the nine requirements. The operator was found not in compliance with maintaining its minimum farebox ratio and was found in partial compliance with the timely submittal of its annual fiscal audits. Two additional compliance requirements did not apply to West Shores Dial-A-Ride (e.g., rural/urban farebox recovery ratios and federal formula grants).

2. West Shores Dial-A-Ride's farebox recovery ratio remained below the required 10 percent standard. Service cutbacks and fare increases were implemented to help sustain the farebox. The average farebox recovery ratio was 5 percent during the triennial review period.

3. Through its contract operator, ICTC participates in the CHP Transit Operator Compliance Program and received inspections of West Shores 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 a wide variation of increases and decreases. The budget increased by 55.39 percent in FY 2008 due to the new service contract in FY 2007 that reflected the vehicle fuel clause as well as expanded service hours. The budget decreases in FY 2009 and FY 2010 reflect the cutback in service hours from five to three to eventually two days a week.

5. Out of the seven prior audit recommendations, West Shores Dial-A-Ride fully implemented five recommendations and partially implemented two recommendations. The recommendations partially implemented pertained to the development of an annual marketing plan and placement of information about the service on the contractor’s website.

6. While the service was operating five days a week, passenger trips, service hours and miles peaked in FY 2008 as fuel prices rose. The fare increase implemented in November 2008 helped revenues and farebox recovery to rise at a rate of 26.2 percent and 40.3 percent, respectively. Service cutbacks commencing in July 2009 resulted in a decline in passenger trips and revenues with a farebox recovery of 5.18 percent in FY 2010.

7. The service underwent a fare increase in November 2008 from $1.00 to $2.50 per trip in order to achieve the TDA-mandated farebox recovery of 10 percent. Prior to this increase being
implemented, a data analysis of the system was released in September 2008 with six option scenarios and a recommendation. Option #3 was adopted to increase the fare to $2.50 per trip with no reduction in service. Service was eventually reduced to Tuesdays and Thursdays from 7:00 a.m. to 4:00 p.m. in March 2010 and the fare adjusted to $2.00 per trip.

8. West Shore Dial-A-Ride operations have struggled to meet performance standards for all the aforementioned indicators. Passengers per hour and per day have averaged 2.85 and 20.4 passengers, respectively. All the cost indicators have exceeded the standard by approximately double. Although the farebox has shown some modest improvement, the average farebox recovery has averaged 4.92 percent, slightly less than half the required 10 percent standard.

9. The driver assigned to West Shores resides in the neighboring city of Westmorland and maintains the vehicle overnight at his home instead of deadheading to the ARC facility in El Centro. Much of the relative sustainability of the service relies on this driver and the close proximity of the driver’s residence to the service area. In addition, there is one dedicated dispatcher attending to West Shores Dial-A-Ride during the morning hours, who is relieved in the afternoon.

10. The number of cancellations, no-shows, and trip denials has declined significantly during the audit period. This trend reflects the effort to implement and enforce the no-show policy as well as overall service reductions. The annual number of cancellations decreased 89 percent from 82 in FY 2007 to 9 in FY 2010, peaking at 138 in FY 2008. Similarly, no-shows decreased 64 percent from 213 in FY 2007 to 76 in FY 2010, peaking at 352 in FY 2008.

11. ARC is responsible for marketing the service on behalf of ICTC and coordinates the placement, scheduling, and distribution of all advertising and promotional materials to promote ridership. The contract with ICTC stipulates that the marketing budget is 3 percent of the West Shores Dial-A-Ride budget.

12. The County administered the contract for West Shores Dial-A-Ride until November 2010 when oversight was transferred to ICTC. In addition to contract management and monitoring by ICTC, oversight is also provided through the various committees of ICTC.
**Triennial Audit Recommendations**

1. **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 West Shores 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 summarized into a monthly total and included concurrently with cancellation and no-show data on the passenger service report.

2. **Consider mobility management alternatives in the service area.**

   The County and ICTC have made several service modifications to West Shores Dial-A-Ride in an effort to maintain it as a viable and cost-effective transit service. The West Shores Dial-A-Ride analysis presented several operational scenarios to boost farebox recovery with a combination of service reductions and fare increases. Since the implementation of a fare increase and reduction of service to just two days a week, the service continues to maintain a low farebox recovery. While it has been suggested that West Shores Dial-A-Ride be incorporated into the ADA Paratransit Program, the service continues to be politically popular with residents and public officials.

   A possible approach would be to consider addressing the unique mobility management needs of the communities along the west shore of the Salton Sea. Volunteer driver reimbursement and community vanpool programs have been proven successful cost-effective options in such remote communities. In addition, for demand response, the practice of coordinating the pick up of passengers at one major location such as a shopping area at specific times and then transporting them to their individual drop off locations (e.g. home) could improve service efficiencies and effectiveness. This action would require educating the riders about meeting at a designated location at certain times to receive a return ride.