

# **Triennial Performance Audit**

*of the*

## **City of Dixon's Transit Service (Readi-Ride)**

**Fiscal Years 2017/18, 2018/19 and 2019/20**

**FINAL AUDIT REPORT**

*prepared for the*



**METROPOLITAN  
TRANSPORTATION  
COMMISSION**

*by*



**Pierlott & Associates, LLC**  
*Management Consulting*

**June 2021**

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NOTE:

*All exhibits in this report are presented at the end of the associated discussion in each section.*

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## EXECUTIVE SUMMARY

This executive summary highlights the findings from the performance audit of the City of Dixon's Transit Service (Readi-Ride). In California, a performance audit must be conducted every three years of any transit operator receiving Transportation Development Act (TDA) Article 4 funds, to determine whether the operator is in compliance with certain statutory and regulatory requirements, and to assess the efficiency and effectiveness of the operator's services. The service mode operated by Dixon, paratransit, is the prime focus of this performance audit. The audit period is Fiscal Years 2018 through 2020 (from July 1, 2017 through June 30, 2020). **NOTE: Due to the COVID-19 emergency it is recognized that performance in the latter part of FY2020 is anomalous with the earlier part of the audit period. As such, trend analyses in this report do not place much emphasis on performance beyond FY2019 for the purposes of drawing conclusions and formulating recommendations.**

### Performance Audit and Report Organization

The performance audit was conducted for MTC in accordance with its established procedures for performance audits. The final audit report consists of these sections:

- An assessment of data collection and reporting procedures;
- A review of performance trends in TDA-mandated indicators and component costs;
- A review of compliance with selected PUC requirements;
- An evaluation of Dixon's actions to implement the recommendations from the last performance audit;
- An evaluation of functional performance indicator trends; and

- Findings, conclusions, and recommendations to further improve Dixon’s performance based on the results of the previous sections.

Comments received from Dixon and MTC staff regarding the draft report have been incorporated into this final report. Highlights from the key activities are presented in this executive summary.

## **Results and Conclusions**

Review of TDA Data Collection and Reporting Methods - The purpose of this review is to determine if Dixon is in compliance with the TDA requirements for data collection and reporting. The review is limited to the five data items needed to calculate the TDA-mandated performance indicators. This review has determined that Dixon is in compliance with the data collection and reporting requirements for all five TDA statistics. In addition, the statistics collected over the period appear to be consistent with the TDA definitions and indicate general consistency in terms of the direction and magnitude of the year-to-year changes across the statistics.

Performance Indicators and Trends – Dixon’s performance trends for the five TDA-mandated indicators were analyzed by mode. A six-year analysis period was used for all the indicators. In addition, component operating costs were analyzed. The following is a summary of the TDA performance trend highlights over the six-year period of FY2015 through FY2020:

- There was an average annual increase in the operating cost per service hour of 11.4 percent, which amounted to an 8.3 percent increase in inflation adjusted dollars. However, the operating cost per hour decreased annually from FY2015 through FY2018 and the annual increase from FY2015 through FY2019 was only about 4.0 percent per year on average.

- The cost per passenger increased on average by 17.8 percent per year, with an average annual increase of 14.6 percent in constant FY2015 dollars. However, from FY2015 through FY2019 the average increase was only about 6.0 percent per year.
- Passenger productivity decreased slightly during the six-year period, with passengers per vehicle service hour decreasing by 5.5 percent per year overall and passengers per vehicle service mile decreasing by 1.9 percent annually.
- Employee productivity decreased an average 3.0 percent per year over the six-year period but increased overall by about 7.0 percent from FY2015 through FY2019.

The following is a summary of the component operating costs trend highlights for the transit service between FY2015 through FY2020:

- In-house labor and fringe benefit costs increased overall, by 12.5 percent and 3.6 percent per year, respectively. However, these two categories combined decreased from 66.1 percent of total operating costs in FY2015 to 60.8 percent of the total in FY2020.
- Services costs increased by 5.4 percent on average per year, and comprised between 0.5 to 5.4 percent of total operating costs over the review period.
- Costs for fuels/lubricants decreased by 1.8 percent per year on average. The share of fuels/lubricants costs also decreased from 7.5 percent to 4.0 percent of total operating costs from FY2015 to FY2020.
- Materials/supplies, casualty/liability, and other expenses each saw annual increases during the review period (7.6 percent, 24.8 percent, and 25.6 percent respectively). The three categories combined increased from 21.0 percent of operating costs in FY2015 to 30.9 percent in FY2020.

Compliance with Statutory Requirements – Dixon is in compliance with each of the seven sections of the state PUC that were reviewed as part of this performance audit.

These sections included requirements concerning CHP terminal safety inspections, labor contracts, reduced fares, Welfare-to-Work, revenue sharing, and evaluating passenger needs.

Status of Prior Audit Recommendations – There was one recommendation suggested in Dixon’s prior performance audit. Dixon has implemented corrective actions for the recommendation from the prior audit. Therefore, the status of the prior recommendation is Implemented.

Functional Performance Indicator Trends - To further assess Dixon’s performance over the past three years, a detailed set of functional area performance indicators was defined and reviewed.

- Systemwide – The following is a summary of the systemwide functional trend highlights between FY2018 and FY2020:
  - Administrative costs rose from 13 to 14 percent of total operating costs, between FY2018 and FY2019, then increased to 23.4 percent of total costs in FY2020. Administrative cost per vehicle service hour increased from about \$10 to \$13 between FY2018 and FY2019, before increasing to \$32.57 per vehicle service hour in FY2020.
  - Marketing cost as a percentage of total administrative cost ranged from a low of 0.0 percent in FY2019 to a high of 0.8 percent in FY2018. Marketing costs per unlinked passenger trip was either zero or \$0.01 in each year of the review.
  - Systemwide farebox recovery ratio decreased overall from 13.8 percent in FY2018 to 8.7 percent in FY2020.
- Transit Service – The following is a summary of the transit service functional trend highlights between FY2018 and FY2020:

- Total operating costs per passenger mile increased from \$7.37 in FY2018 to \$12.73 in FY2020, for an overall increase of 73 percent during the three-year audit period.
- Service Planning results showed vehicle miles in service and vehicle hours in service both showing modest decreases, but staying in the 96 percent and 90 percent range, respectively. Passengers per vehicle service mile and hour both declined about 10 percent overall, with the largest decrease occurring in FY2020.
- In Operations, overall vehicle operations costs decreased by about 13 percent overall as a percentage of total operating costs, but cost per service hour increased more than 60 percent overall, reflecting the steady decrease in vehicle service miles during the period. Farebox recovery declined from 13.8 percent to 8.7 percent overall, with the largest decrease (33 percent), occurring in FY2020. The TDA recovery rate decreased by 77 percent overall due to lower local funding in FY2020. Data for transit service schedule adherence was reported at 100 percent on time in all three years of the review period, while number of complaints and missed trips both stood at zero in all three years.
- Maintenance results found maintenance costs increasing slightly overall relative to total operating costs and more significantly on a service mile basis, reflecting the overall decrease in service miles. The vehicle spare ratio decreased from 10 percent in FY2018 and FY2019 to 8.3 percent in FY2020. Mean distance between major and all failures was 105,881 miles in FY2019. There were no revenue vehicle mechanical system failures during the other two years.
- Safety results demonstrated the rate of preventable accidents per 100,000 vehicle miles remained low throughout the period, ranging from zero in FY2019 to 1.2 in FY2020.

## Recommendations

No recommendations are suggested for Dixon at this time based on the results of this triennial performance audit.

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# Table of Contents

	<u>Page No.</u>
Executive Summary .....	i
Performance Audit and Report Organization .....	i
Results and Conclusions .....	ii
Recommendations.....	v
I. Introduction .....	1
Performance Audit and Report Organization .....	2
II. Review of TDA Data Collection and Reporting Methods .....	7
Compliance with Requirements .....	8
Consistency of the Reported Statistics.....	8
III. TDA Performance Indicators and Trends .....	12
Transit Service Performance Trends.....	13
Transit Service Component Costs.....	22
IV. Compliance with PUC Requirements .....	26
V. Status of Prior Audit Recommendations.....	29
VI. Functional Performance Indicator Trends .....	32
Readi-Ride Functional Area Trends .....	33
VII. Conclusions and Recommendations.....	40
Recommendations.....	43
Appendix A: Input Statistics for Functional Performance Measures .....	A-1
Functional Performance Inputs - Systemwide .....	A-2
Functional Performance Inputs.....	A-3

## List of Exhibits

Page No.

Exhibit 1: System Overview .....	3
Exhibit 2: Organization Chart.....	6
Exhibit 3.1: Compliance with TDA Data Collection and Reporting Requirements.....	9
Exhibit 3.2: TDA Statistics .....	11
Exhibit 4: TDA Indicator Performance.....	17
Exhibit 4.1: Operating Cost per Vehicle Service Hour.....	18
Exhibit 4.2: Passengers per Hour and per Mile .....	19
Exhibit 4.3: Operating Cost per Passenger .....	20
Exhibit 4.4: Vehicle Service Hours per FTE .....	21
Exhibit 4.5: Component Cost Trends.....	24
Exhibit 4.6: Distribution of Component Costs .....	25
Exhibit 5: Compliance with State PUC Requirements .....	27
Exhibit 6: Status of Prior Audit Recommendations.....	31
Exhibit 7: Functional Performance Trends - Sytemwide.....	34
Exhibit 8: Functional Performance Trends – Transit Service.....	38

## I. INTRODUCTION

Public Utilities Code (PUC) Section 99246 requires that a performance audit be conducted every three years of each public transit operator in California. The audit requirement pertains to recipients of Transportation Development Act (TDA) funds, and is intended to assure that the funds are being used efficiently. The substance and process of the performance audit is defined by the Regional Transportation Planning Agency (RTPA).

In the San Francisco Bay Area, the Metropolitan Transportation Commission (MTC) has been designated the RTPA and has this responsibility. By statute, the audit must be conducted in accordance with the U.S. Comptroller General's "Standards for Audit of Governmental Organizations, Programs, Activities, and Functions" (the "yellow book"). The performance audit is a systematic review to determine the extent to which a transit operator has complied with pertinent laws and regulations, and conducted operations in an efficient and economical manner. Relative to system compliance testing, all findings are reported regardless of materiality.

This report has been prepared as part of the performance audit of the City of Dixon's Transit Service (Readi-Ride). Dixon operates demand-response transit service, which is the focus of this performance audit. The audit period is Fiscal Years 2018 through 2020 (from July 1, 2017 through June 30, 2020). **NOTE: Due to the COVID-19 emergency it is recognized that performance in the latter part of FY2020 is anomalous with the earlier part of the audit period. As such, trend analyses in this report do not place much emphasis on performance beyond FY2019 for the purposes of drawing conclusions and formulating recommendations.**

An overview of Dixon is provided in Exhibit 1. This is followed by a recent organization chart in Exhibit 2, which reflects the basic organizational structure during the audit period and beyond.

### **Performance Audit and Report Organization**

This performance audit of Dixon was conducted for MTC in accordance with its established procedures for performance audits. The audit consisted of two discrete steps:

1. Compliance Audit - Activities in this phase include:
  - An overview of data collection and reporting procedures for the five TDA performance indicators;
  - Analysis of the TDA indicators; and
  - A review of compliance with selected state Public Utilities Code (PUC) requirements.
  
2. Functional Review - Activities in this phase include:
  - A review of actions to implement the recommendations from the prior performance audit;
  - Calculation and evaluation of functional performance indicator trends; and
  - Findings, conclusions, and the formulation of recommendations.

This report presents the findings from both phases. Comments received from Dixon and MTC staff regarding this draft report have been incorporated into this final report.

## Exhibit 1: System Overview

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<b>Location</b>	Headquarters: 600 East A Street, Dixon, CA 95620
<b>Establishment</b>	The City of Dixon began providing general public dial-a-ride service, known as Readi-Ride, in 1983. Readi-Ride was the responsibility of the City's Recreation and Community Service Department from 1995 until 2011, when it became part of the City Engineer/Public Works Department.
<b>Board</b>	The Dixon City Council is the transit system governing body. The City Engineer/Public Works Director is responsible for the overall management and financial oversight of the transit system. The Transit Supervisor is responsible for the daily management of Readi-Ride. A Transportation Advisory Commission provides input to the City on transit issues. Transportation Advisory Commission members are appointed by City Council.
<b>Facilities</b>	The City Corporation Yard is the central base of operations and storage for Readi-Ride's fleet. Maintenance is outsourced to private contractors, and administration functions are housed in the Engineering Building, City Hall, and the Municipal Service Center. Vehicles are fueled at local gas stations using City credit cards.
<b>Service Data</b>	<p>The City of Dixon provides curb-to-curb public dial-a-ride transportation within the city limits of Dixon, utilizing City owned vehicles operated by City employees. Service operates Monday through Friday from 7:00 a.m. to 5:00 p.m. The Saturday service that operated from 9:00 a.m. to 3:00 p.m. was discontinued on February 9, 2019 due to lack of demand. There is no service on Sundays or holidays. Ride reservations are taken weekdays from 7:00 a.m. to 5:00 p.m. and on a voice-mail system during other hours. Subscription service is also available on a space available basis, mostly for school tripper service.</p> <p>Readi-Ride one-way fares were \$2.00 for adults, \$1.75 for youth (ages 5-17), \$1.50 for seniors and passengers with disabilities, and \$1.00 for children ages four and under (must be accompanied by a fare-paying adult) from February 2009 through December 2018. Fares were increased on January 1, 2019 by RESO 18-185. One-way fares adopted were \$2.50 for adults, \$2.00 for youth (ages 5-17), \$2.00 for seniors and passengers with disabilities, and \$1.00 for children ages four and under. Exact change is appreciated, but drivers will make change for passengers. Discounted 20-ride coupon books are available. A day pass is available for seniors and the disabled for use Monday through Friday, for \$2.50 per day. This fare increased to \$4.00 per day on January 1, 2019.</p> <p>Prior to January 1, 2019, Readi-Ride's intercity paratransit service fares were \$5.00 one way. On January 1, 2019 the paratransit fare increased to \$7.50 one way. Service is provided Monday through Friday from 7:00 a.m. to 5:00 p.m., for trips to Vacaville and Davis. No weekend or holiday service is provided.</p>

During the audit period, Read-Ride's fleet was comprised of nine buses and two mini-vans, with peak service requiring up to five buses. All vehicles were wheelchair accessible and all, but two mini-vans have bicycle racks.

The City also contributes financially to the regional bus service (Route 30) operated by Fairfield/Suisun Transit. Route 30 (transitioned to Blue Line during this audit period, on July 1, 2018) provides express bus service connecting the cities of Fairfield, Vacaville, Dixon, Davis and Sacramento (includes Benicia and Pleasant Hill BART). This service is not directly covered in this audit.

**Recent Changes**

Video camera systems were implemented on February 21, 2018 to provide increased security and monitoring. The City also launched the Routematch software and hardware IT system for electronic dispatching and performance report generation over a period from 2017 through 2019. The Routematch upgrade was a response to a prior recommendation from the 2018 TDA Audit.

The City participates with the Solano Transportation Authority and other Solano County transit operators in a new Countywide In-Person ADA Eligibility Program

The Solano Transportation Authority in conjunction with its consultant prepared the Dixon Read-Ride Short Range Transit Plan (SRTP) for FY 2021 - FY 2030. The plan was approved by the Dixon City Council on May 19, 2020 and features a Capital Improvement Program including the Market Lane Park and Ride Lot Rehabilitation, a schedule for revenue vehicle replacement, and a schedule for replacement of radio equipment on five year cycles.

**Response to COVID-19**

On March 25, 2020 The City of Dixon issued a press release – “Read-Ride Response to the COVID-19 Public Health Crisis.” The document states that City of Dixon staff would take into consideration the safety of both staff and the public. Read-Ride increased cleaning and disinfecting procedures, taped off rows within buses to encourage social distancing, reminded the public to follow the County's Shelter at Home Order, and to only request transportation for essential travel and services. The number of riders per bus were limited and drivers were assigned individual buses and hardware.

In addition, Dixon has provided input to the MTC's initiative -- Riding Together: Bay Area Healthy Transit Plan – the purpose of which is to identify consistent health and safety standards for public transportation customers to do and public transportation providers to implement as the Bay Area eases out of the COVID-19 stay-at-home order.

**Planned Changes**

The City plans to work with local residential developers and businesses to install shelters and benches in new development locations where riders are expected to congregate.

Ridership growth is expected to range from one to two percent per year, increasing with Development completion. Near-term future ridership should be able to be accommodated without service expansion, although capacity limits could be applied to peak operating periods that coincide with morning and afternoon school bell times.

The City has been contemplating converting at least some of the service to fixed-route, in order to maintain or increase capacity while keeping costs within available funding. In FY 2019 Moore & Associates was provided a Scope of Work to review and recommend options regarding Schoolchildren routes and/or a modified fixed route. The study did not commence until FY 2020.

During the mid-term planning horizon, a newly constructed Capital Corridor train station and multi-modal terminal in Dixon may become operational with commencement of passenger train service. If fixed-route service is provided at that time, a stop at that location would be established.

**Staff**

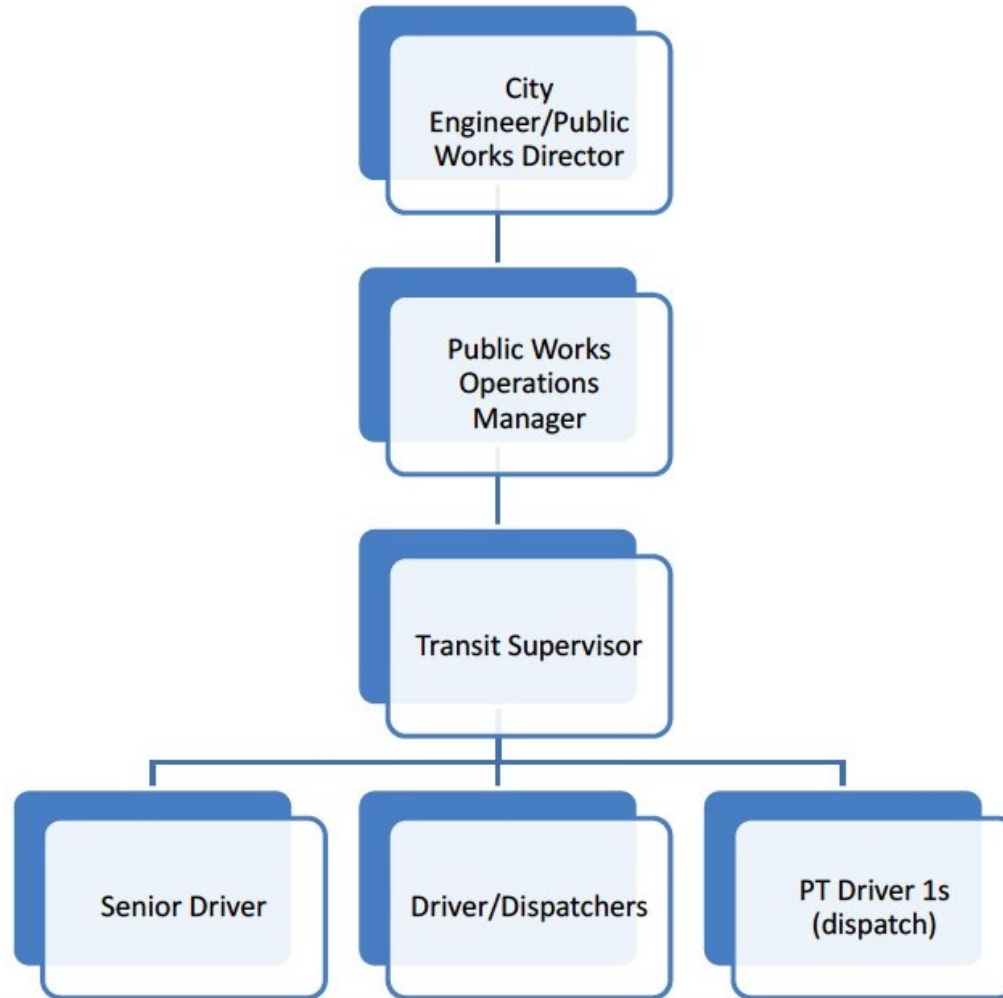
Dixon reported the following Transit staff based on the FY 2018 adopted budget:

Transit Supervisor	1.00 FTE
Senior Transit Driver	1.00 FTE
Transit Drivers/Dispatchers	4.00 FTE
Part-time Transit Drivers/Dispatchers	1.5 FTE
Temporary Driver I	550 hours
<b>Total</b>	<b>7.50 FTE + 550 hours</b>

Dixon reported the following Transit staff based on the FY 2020 adopted budget:

Transit Supervisor	1.00 FTE
Senior Transit Driver	1.00 FTE
Transit Drivers/Dispatchers	5.00 FTE
Part-time Transit Drivers/Dispatchers	0.75 FTE
Temporary Driver I	960 hours
<b>Total</b>	<b>7.75 FTE + 960 hours</b>

## Exhibit 2: Organization Chart





## II. REVIEW OF TDA DATA COLLECTION AND REPORTING METHODS

This section focuses on the five performance indicators required by TDA law. These indicators have been defined by the state PUC to evaluate the transit operator's efficiency, effectiveness and economy. The purpose of this review is to determine if Dixon is in compliance with the data collection and reporting requirements necessary to calculate the TDA performance indicators. The review is limited to the data items needed to calculate the indicators:

- Operating costs
- Vehicle service hours
- Vehicle service miles
- Unlinked passengers
- Employees (full-time equivalents)

The TDA indicator analysis for FY2018 through FY2020 is based on the operating costs reported in Dixon's annual MTC TDA-STA Claim applications; the vehicle service hours, vehicle service miles, and unlinked passenger trip data reported in Dixon's annual NTD Reports; and the employee FTEs reported in Dixon's annual Adopted Operating Budgets. Data for FY2015 through FY2017 is taken from the prior TDA performance audit report issued in 2018. The TDA-STA Claim applications are utilized as they break down operating expenses into individual component costs while the NTD Reduced Reporting Forms used by Dixon to report the other indicators do not break down operating costs. The information reported by Dixon covering the audit period has been reviewed.

## Compliance with Requirements

To support this review, Dixon staff confirmed that the data collection and reporting procedures remain unchanged from those described in the prior performance audit. Based on the information provided, as shown in Exhibit 3.1, Dixon is in compliance with the data collection and reporting requirements for all five TDA statistics.

## Consistency of the Reported Statistics

The resulting TDA statistics for Dixon's transit services are shown in Exhibit 3.2. Included are statistics covering each fiscal year of the three-year audit period, plus the immediately preceding three fiscal years, resulting in a six-year trend.

The statistics collected over the period appear to be consistent with the TDA definitions. Further, they indicate general consistency in terms of the direction and magnitude of the year-to-year changes across the statistics. For example, increases or decreases in annual operating costs are relatively proportional to increases or decreases in annual vehicle service hours and miles from FY2015 through FY2018. However, FY2019 saw operating costs increase while during that same year vehicle service miles, vehicle service hours, and unlinked passengers each decreased. Note also that operating costs include past actual costs for FY2018 and FY2019, but include current adjusted costs for FY2020. The FY2020 costs may ultimately be revised when actual FY2020 costs are submitted later in CY2021.

### Exhibit 3.1: Compliance with TDA Data Collection and Reporting Requirements

TDA Statistic	TDA Definition	Compliance Finding	Verification Information
Operating Cost	“Operating cost” means all costs in the operating expense object classes exclusive of the costs in the depreciation and amortization expense object class of the uniform system of accounts and records adopted by the Controller pursuant to Section 99243. Also excluded are all subsidies for commuter rail services operated on railroad lines under the jurisdiction of the Federal Railroad Administration, all direct costs for providing charter services, all vehicle lease costs, and principal and interest payments on capital projects funded with certificates of participation.	In Compliance	<ul style="list-style-type: none"> <li>• Operating costs reported from audited financial statements.</li> <li>• Cost allocation model used for administrative expenses.</li> </ul>
Vehicle Service Hours	“Vehicle service hours” means the total number of hours that each transit vehicle is in revenue service, including layover time.	In Compliance	<ul style="list-style-type: none"> <li>• Collected from driver’s logs; deadhead hours tracked from garage to first pick-up and from last drop-off back to garage.</li> <li>• Calculated using average operating speed, and dividing service hours by average operating speed.</li> <li>• Data collected monthly and reported in semi-annual and annual reports.</li> </ul>
Vehicle Service Miles	“Vehicle service miles” means the total number of miles that each transit vehicle is in revenue service.	In Compliance	<ul style="list-style-type: none"> <li>• Calculated by subtracting deadhead miles from total vehicle miles.</li> <li>• Data collected monthly and reported in semi-annual and annual reports.</li> </ul>
Unlinked Passengers	“Unlinked passengers” means the number of boarding passengers, whether revenue producing or not, carried by the public transportation system.	In Compliance	<ul style="list-style-type: none"> <li>• Calculated from driver’s logs; collected monthly and reported in semi-annual and annual reports.</li> </ul>

TDA Statistic	TDA Definition	Compliance Finding	Verification Information
Employee Full-Time Equivalents	2,000 person-hours of work in one year constitute one employee.	In Compliance	<ul style="list-style-type: none"> <li>• Calculated using 2,000 working hour definition.</li> <li>• Administrative hours and other city department hours expended on transit are calculated based on cost allocation model.</li> </ul>

### Exhibit 3.2: TDA Statistics

TDA Statistic	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020
Operating Cost (Actual \$) (a)	\$664,514	\$703,716	\$706,253	\$806,714	\$907,615	\$1,118,784
<i>Annual Change</i>	--	5.9%	0.4%	14.2%	12.5%	23.3%
Vehicle Service Hours	8,163	8,657	9,215	10,830	9,525	8,027
<i>Annual Change</i>	--	6.1%	6.4%	17.5%	-12.0%	-15.7%
Vehicle Service Miles	96,718	100,206	101,539	108,182	102,344	78,924
<i>Annual Change</i>	--	3.6%	1.3%	6.5%	-5.4%	-22.9%
Unlinked Passengers	57,315	56,089	62,174	63,843	62,188	42,479
<i>Annual Change</i>	--	-2.1%	10.8%	2.7%	-2.6%	-31.7%
Employee Full-Time Equivalentents (b)	7.20	7.20	7.40	7.78	7.78	8.23
<i>Annual Change</i>	--	0.0%	2.8%	5.1%	0.0%	5.9%

Sources: FY2015 through FY2017 - Prior Performance Audit Report

FY2018 through FY2020 - Operating Costs from MTC TDA-STA Claim Applications; Vehicle Service Hours, Vehicle Service Miles, and Unlinked Passengers from NTD Reports; and FTEs from Dixon Annual Adopted Budget, Fund 350 Payroll Summaries

(a) includes past actual for FY2018 and FY2019 and current adjusted costs for FY2020

(b) includes 7.50 FTEs plus 550 hours for FY2018 and FY2019; and 7.75 FTEs plus 960 hours for FY2020

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### III. TDA PERFORMANCE INDICATORS AND TRENDS

The performance trends for Dixon's transit service modes are presented in this section. Performance is discussed for each of the five TDA-mandated performance indicators:

- operating cost per vehicle service hour
- passengers per vehicle service hour
- passengers per vehicle service mile
- operating cost per passenger
- vehicle service hours per full-time equivalent employee (FTE)

The performance results in these indicators were primarily developed from the cost information within Dixon's annual MTC TDA-STA Claim applications; the vehicle service hours, vehicle service miles, and unlinked passenger trip data reported in Dixon's annual NTD Reports; and the employee FTEs reported in Dixon's annual Adopted Operating Budgets. Data for FY2015 through FY2017 is taken from the prior TDA performance audit report issued in 2018.

In addition to presenting performance for the three years of the audit period (FY2018 through FY2020), this analysis features two enhancements:

- Six-Year Time Period – While the performance audit focuses on the three fiscal years of the audit period, six-year trend lines have been constructed for Dixon's service to provide a longer perspective on performance and to clearly present the direction and magnitude of the performance trends. In this analysis, the FY2018 to FY2020 trend lines have been combined with those from the prior audit period (FY2015 through FY2017) to define a six-year period of performance.

- Normalized Cost Indicators for Inflation – Two financial performance indicators (cost per hour and cost per passenger) are presented in both constant and current dollars to illustrate the impact of inflation in the Bay Area. The inflation adjustment relies on the All Urban Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) for the San Francisco Metropolitan Area. The average CPI-W percent change for each fiscal year has been calculated based on the bi-monthly results reported on the U.S. Department of Labor – Bureau of Labor Statistics website. The CPI-W is used since labor is the largest component of operating cost in transit. Since labor costs are typically controlled through labor contracts, changes in normalized costs largely reflect those factors that are within the day-to-day control of the transit system.

The following discussion is organized to present an overview of Dixon’s performance trends in each of the five TDA performance indicators. The analysis is also expanded to include a breakdown of the various component costs that contributed to the total and hourly operating costs during the last six years.

### Transit Service Performance Trends

This section provides an overview of the performance of Dixon’s transit service over the past six years. The trends in the TDA indicators and input statistics are presented in Exhibit 4. The six-year trends are illustrated in Exhibits 4.1 through 4.4.

#### Operating Cost Per Vehicle Service Hour (Exhibit 4.1)

- A key indicator of cost efficiency, the cost per hour of service increased an average of 11.4 percent annually during the six-year period, but only by about 4.0 percent per year on average from FY2015 to FY2019.
- The cost per hour ranged from a low of \$76.64 in FY2017 to a high of \$95.29 in FY2019 in the five years from FY2015 through FY2019. There were decreases in the three years from FY2016 through FY2018, which were offset by a 27.9 percent increase in FY2019 and a 46.3 percent increase in FY2020. The latter increase was due to the effects of COVID.



- In FY2015 constant dollars, there was an average annual increase of 8.3 percent in this indicator.

#### Passengers per Vehicle Service Hour (Exhibit 4.2)

- A key indicator of passenger productivity, passengers per hour decreased by 5.5 percent per year on average. The indicator was down only about 7.0 percent overall from FY2015 through FY2019, before an 18.9 decrease in FY2020 due to COVID.
- The decrease reflects an increase in vehicle service hours of about 15.0 percent compared to an increase in passengers of 8.0 percent from FY2015 through FY2019.
- Passengers per hour remained relatively flat prior to FY2020, changing from 7.0 in FY2015 to 6.5 in FY2019.

#### Passengers per Vehicle Service Mile (Exhibit 4.2)

- Passengers per vehicle service mile decreased slightly over the six year period, from 0.59 in FY2015 to 0.54 in FY2020.
- Passengers per mile varied slightly each year, ranging from 0.54 to 0.61 over the six-year period.
- The indicator reached a high of 0.61 in FY2019 and increased 3.2 percent overall from FY2015 through FY2019.

#### Operating Cost per Passenger (Exhibit 4.3)

- A key measure of cost effectiveness, the cost per passenger increased from \$11.59 in FY2015 to \$14.59 in FY2019, before a decline in passengers due to COVID-19 led to an increase to \$26.34 in FY2020.
- From FY2015 through FY2018, operating costs per passenger were relatively flat, increasing only 5.0 percent overall during the four year period. The increase over five years from FY2015 through FY2019 was about 10.0 percent overall.

- Cost per passenger increased an average of 17.8 percent annually over six years. With inflation removed from the cost side (normalization), cost per passenger exhibited an average annual increase of 14.6 percent per year over the six year period.

Vehicle Service Hours per Employee (FTE) (Exhibit 4.4)

- A measure of employee productivity, this indicator decreased by an average 3.0 percent per year over the six year period. However, through FY2019 there was an increase of about 7.0 percent overall over five years.
- Hours per FTE decreased overall from 1,134 in FY2015 to 975 in FY2020. Hours per FTE had increased to 1,225 in FY2019.
- Annual FTEs increased at a higher rate than vehicle service hours overall during the period.

\* \* \* \* \*

The following is a brief summary of the transit service TDA performance trend highlights over the six-year period of FY2015 through FY2020:

- During the six-year period, there was an average annual increase in the operating cost per service hour of 11.4 percent, which amounted to an 8.3 percent increase in inflation adjusted dollars. However, the operating cost per hour decreased annually from FY2015 through FY2018 and the annual increase from FY2015 through FY2019 was only about 4.0 percent per year on average.
- The actual cost per passenger increased on average by 17.8 percent per year, with an average annual increase of 14.6 percent in constant FY2015 dollars. However, from FY2015 through FY2019 the average increase was only about 6.0 percent per year.
- Passenger productivity decreased slightly during the six-year period, with passengers per vehicle service hour decreasing by 5.5

percent per year overall and passengers per vehicle service mile decreasing by 1.9 percent annually.

- Employee productivity decreased an average 3.0 percent per year over the six-year period but increased overall by about 7.0 percent from FY2015 through FY2019.

### Exhibit 4: TDA Indicator Performance

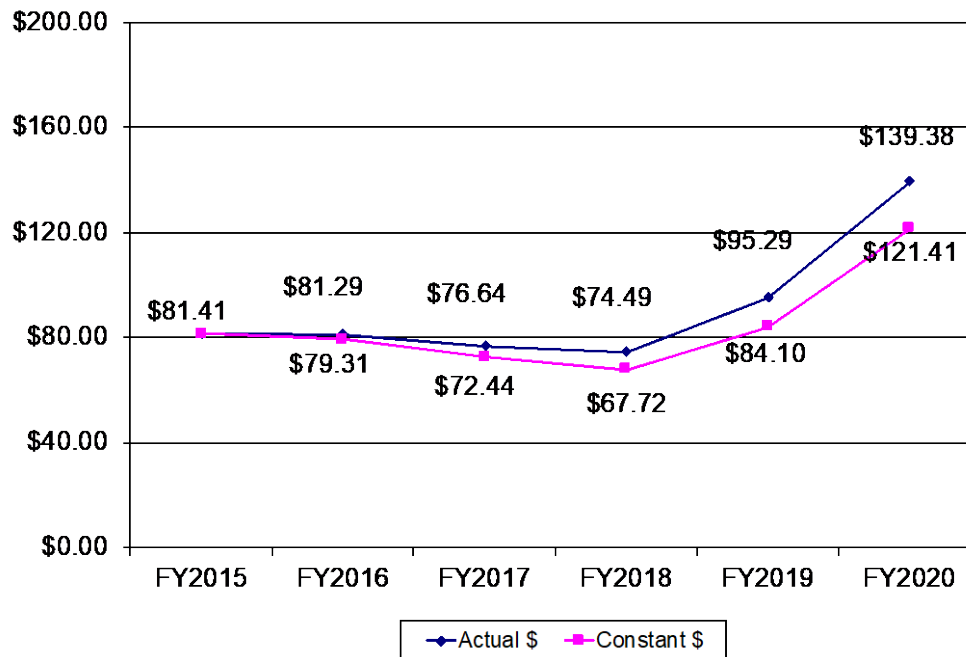
	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	Av. Ann. Chg.
<b>Performance Indicators</b>							
Op. Cost per Vehicle Svc. Hour (Actual \$)	\$81.41	\$81.29	\$76.64	\$74.49	\$95.29	\$139.38	--
<i>Annual Change</i>	--	-0.1%	-5.7%	-2.8%	27.9%	46.3%	11.4%
Op. Cost per Vehicle Svc. Hour (Constant \$)	\$81.41	\$79.31	\$72.44	\$67.72	\$84.10	\$121.41	--
<i>Annual Change</i>	--	-2.6%	-8.7%	-6.5%	24.2%	44.4%	8.3%
Passengers per Vehicle Service Hour	7.0	6.5	6.7	5.9	6.5	5.3	--
<i>Annual Change</i>	--	-7.7%	4.1%	-12.6%	10.8%	-18.9%	-5.5%
Passengers per Vehicle Service Mile	0.59	0.56	0.61	0.59	0.61	0.54	--
<i>Annual Change</i>	--	-5.5%	9.4%	-3.6%	3.0%	-11.4%	-1.9%
Op. Cost per Passenger (Actual \$)	\$11.59	\$12.55	\$11.36	\$12.64	\$14.59	\$26.34	--
<i>Annual Change</i>	--	8.2%	-9.5%	11.2%	15.5%	80.5%	17.8%
Op. Cost per Passenger (Constant \$)	\$11.59	\$12.24	\$10.74	\$11.49	\$12.88	\$22.94	--
<i>Annual Change</i>	--	5.6%	-12.3%	7.0%	12.1%	78.1%	14.6%
Vehicle Service Hours per FTE	1,134	1,202	1,245	1,393	1,225	975	--
<i>Annual Change</i>	--	6.1%	3.6%	11.9%	-12.0%	-20.4%	-3.0%
<b>Input Data</b>							
Operating Cost (Actual \$)	\$664,514	\$703,716	\$706,253	\$806,714	\$907,615	\$1,118,784	--
<i>Annual Change</i>	--	5.9%	0.4%	14.2%	12.5%	23.3%	11.0%
Operating Cost (Constant \$)	\$664,514	\$686,552	\$667,536	\$733,376	\$801,072	\$974,551	--
<i>Annual Change</i>	--	3.3%	-2.8%	9.9%	9.2%	21.7%	8.0%
Vehicle Service Hours	8,163	8,657	9,215	10,830	9,525	8,027	--
<i>Annual Change</i>	--	6.1%	6.4%	17.5%	-12.0%	-15.7%	-0.3%
Vehicle Service Miles	96,718	100,206	101,539	108,182	102,344	78,924	--
<i>Annual Change</i>	--	3.6%	1.3%	6.5%	-5.4%	-22.9%	-4.0%
Unlinked Passengers	57,315	56,089	62,174	63,843	62,188	42,479	--
<i>Annual Change</i>	--	-2.1%	10.8%	2.7%	-2.6%	-31.7%	-5.8%
Employee Full-Time Equivalents	7.20	7.20	7.40	7.78	7.78	8.23	--
<i>Annual Change</i>	--	0.0%	2.8%	5.1%	0.0%	5.9%	2.7%
Bay Area CPI - Annual Change	--	2.5%	3.3%	4.0%	3.0%	1.3%	--
- Cumulative Change	--	2.5%	5.8%	10.0%	13.3%	14.8%	2.8%

Sources: FY2015 through FY2017 - Prior Performance Audit Report

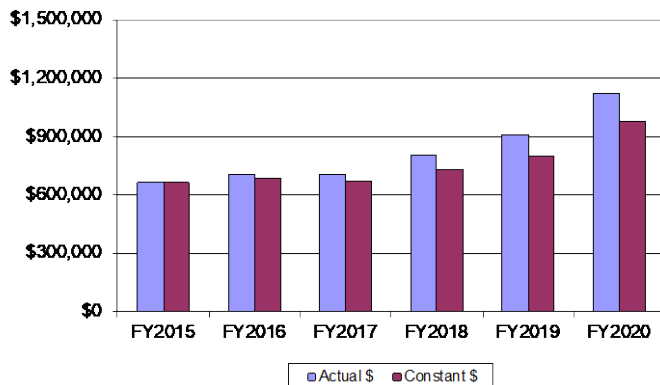
FY2018 through FY2020 - Operating Costs from MTC TDA-STA Claim Applications; Vehicle Service Hours, Vehicle Service Miles, and Unlinked Passengers from NTD Reports; and FTEs from Dixon Annual Adopted Budget, Fund 350 Payroll Summaries

CPI Data - U.S. Department of Labor, Bureau of Labor Statistics

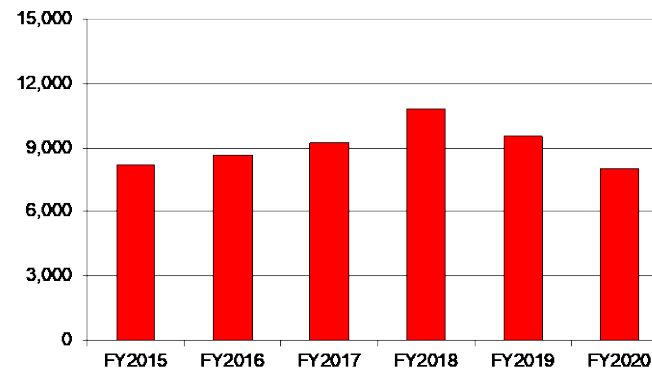
**Exhibit 4.1: Operating Cost per Vehicle Service Hour**



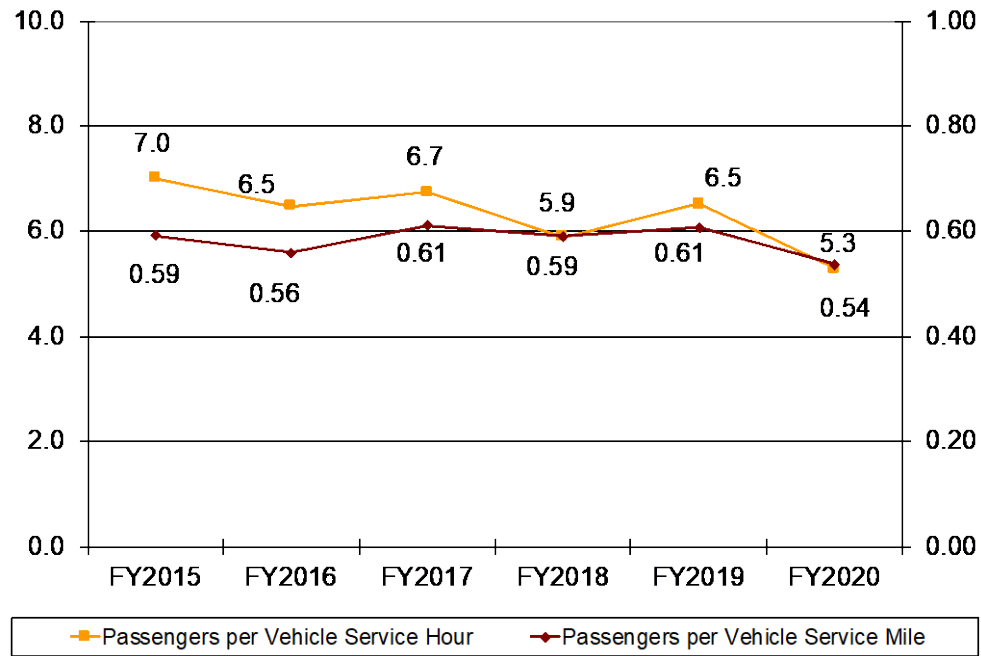
**Operating Cost**



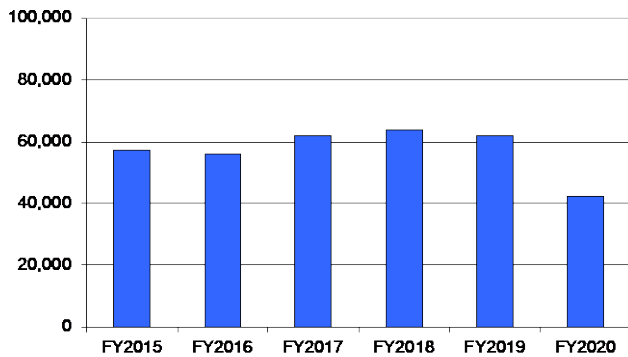
**Vehicle Service Hours**



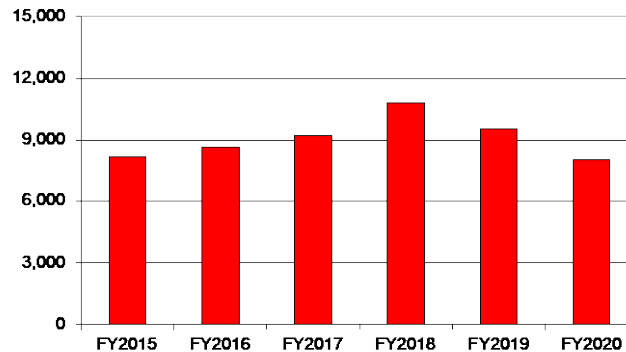
**Exhibit 4.2: Passengers per Hour and per Mile**



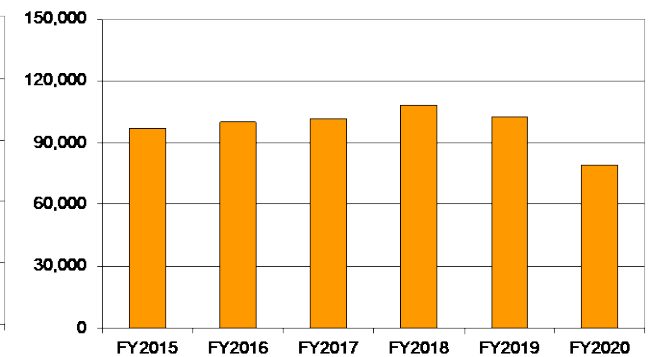
**Unlinked Passengers**



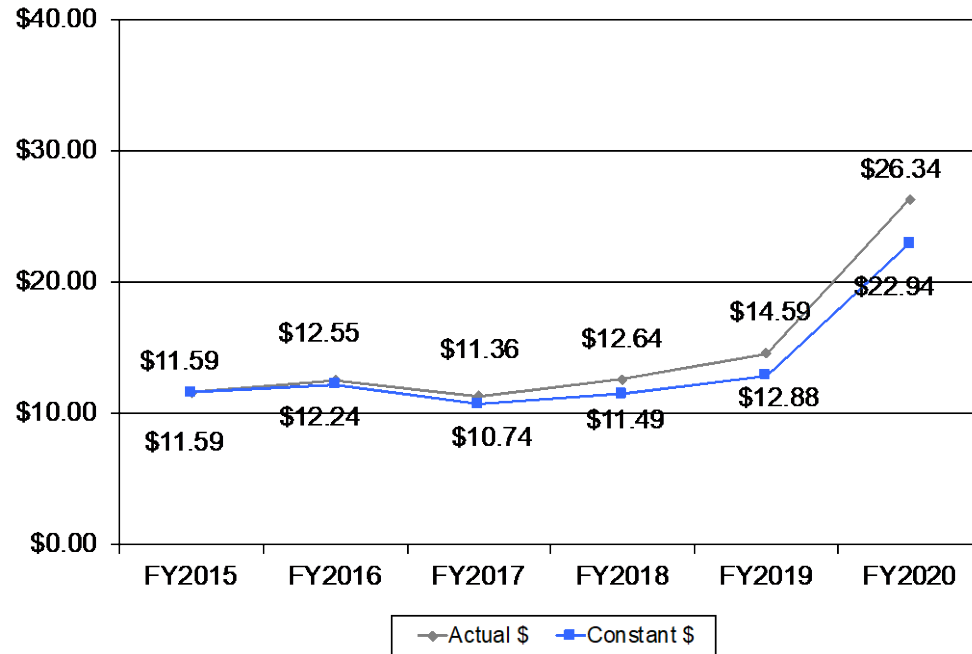
**Vehicle Service Hours**



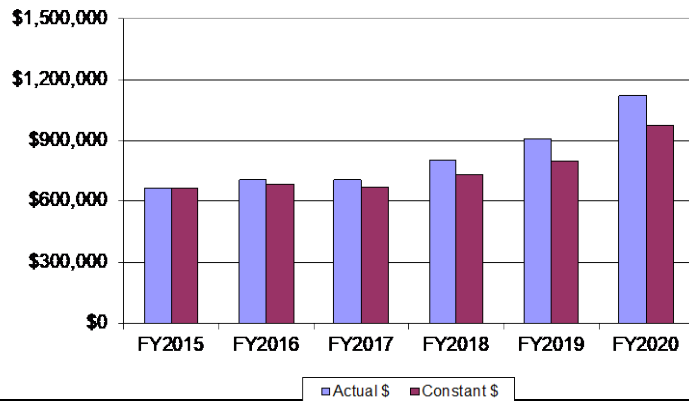
**Vehicle Service Miles**



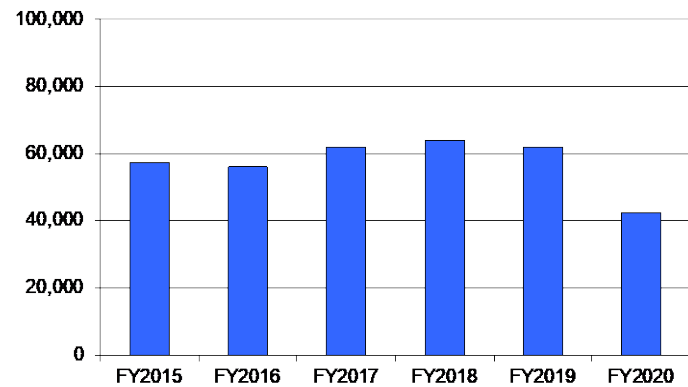
**Exhibit 4.3: Operating Cost per Passenger**



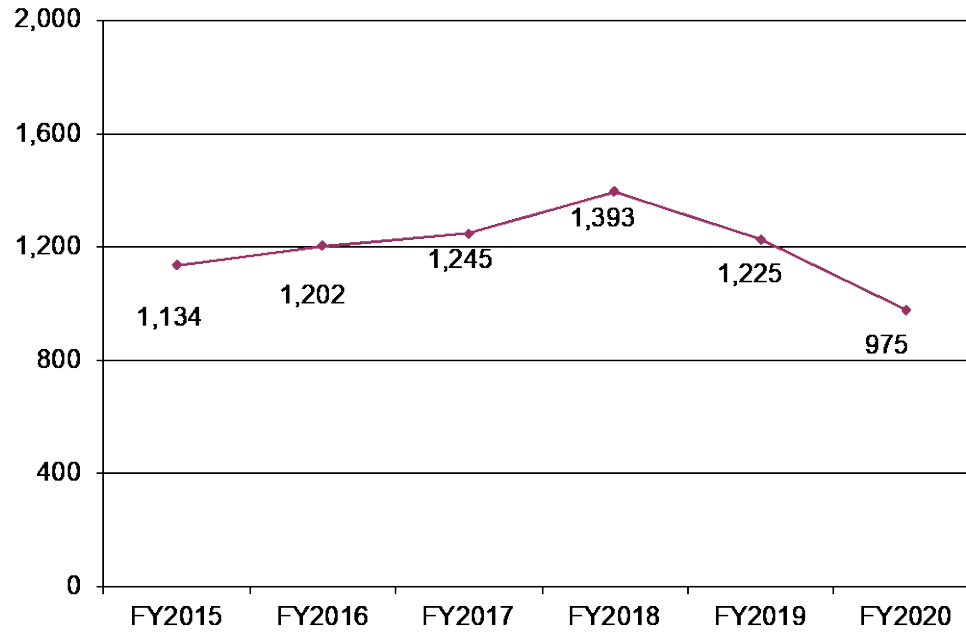
**Operating Cost**



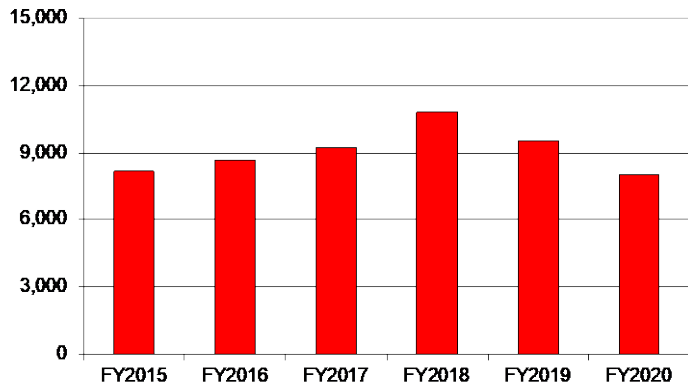
**Unlinked Passengers**



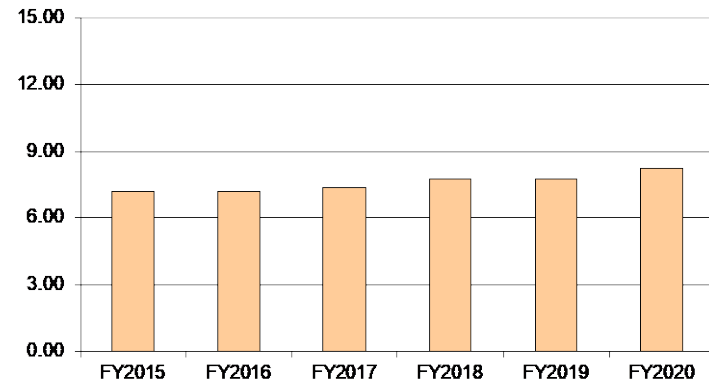
**Exhibit 4.4: Vehicle Service Hours per FTE**



**Vehicle Service Hours**



**Full-time Equivalents**





## Transit Service Component Costs

Year-to-year changes in selected operating cost categories over the past six years are presented in Exhibit 4.5. Examining components of operating costs (e.g., labor, fringes, fuel, and casualty/liability) may determine what particular components had the most significant impacts on the operating costs. Exhibit 4.5 also shows the concurrent changes in vehicle service hours, and Exhibit 4.6 illustrates the portion of the cost per vehicle service hour that can be attributed to each included cost component.

- In-house labor costs increased on average 12.5 percent annually over the six-year period. The labor cost share of total operating costs also increased from 38.4 percent to 41.2 percent during the same period.
- Fringe benefits costs increased an annual average of 3.6 percent per year. This is mostly due to an increase of 24.8 percent occurring in FY2019. Fringe benefits decreased from 27.7 percent of costs in FY2015 to 19.6 percent in FY2020.
- Services costs increased by about 5.4 percent a year on average, yet saw substantial increases FY2018 (368.1 percent) and FY2020 (307.4 percent) and a decrease of 91.1 percent in FY2017. Services costs were between 0.5 to 5.4 percent of total operating costs in each of six years.
- Costs for fuels/lubricants decreased by 1.8 percent on average and comprised from 4.0 to 7.5 percent of total costs over the review period. Prior to a decrease in FY2020, costs in this category had increased in three consecutive years.
- Materials/supplies costs increased by 7.6 percent per year from FY2015 to FY2020, including a 49.2 percent increase in FY2019. Materials/supplies comprised from 5.5 to 8.4 percent of total costs over the review period.
- Casualty/liability costs increased an average of 24.8 percent per year on average over six years. FY2016 (58.9 percent) and FY2018 (67.2

percent) saw the largest increases. In terms of percent of total costs, this category ranged from 1.9 percent to 3.9 percent over the review period.

- The Other Expenses category experienced an average annual increase of 25.6 percent per year. Increases included 20.1 percent in FY2018 and a 138.7 percent due to COVID-19 in FY2020. Other expenses comprised 10.7 to 20.7 percent of overall costs from FY2015 to FY2019.

\* \* \* \* \*

The following is a brief summary of the transit service component operating costs trend highlights between FY2015 and FY2020:

- In-house labor and fringe benefit costs increased overall, by 12.5 percent and 3.6 percent per year, respectively. However, these two categories combined decreased from 66.1 percent of total operating costs in FY2015 to 60.8 percent of the total in FY2020.
- Services costs increased by 5.4 percent on average per year, and comprised between 0.5 to 5.4 percent of total operating costs over the review period.
- Costs for fuels/lubricants decreased by 1.8 percent per year on average. The share of fuels/lubricants costs also decreased from 7.5 percent to 4.0 percent of total operating costs from FY2015 to FY2020.
- Materials/supplies, casualty/liability, and other expenses each saw annual increases during the review period (7.6 percent, 24.8 percent, and 25.6 percent respectively). The three categories combined increased from 21.0 percent of operating costs in FY2015 to 30.9 percent in FY2020.

### Exhibit 4.5: Component Cost Trends

	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	Av. Ann. Chg.
<b>COST CATEGORIES</b>							
Labor - (Salaries, Wages)	\$255,268	\$263,688	\$292,544	\$376,669	\$397,722	\$460,895	--
<i>Annual Change</i>	--	3.3%	10.9%	28.8%	5.6%	15.9%	12.5%
Fringe Benefits (a)	\$184,275	\$202,085	\$213,929	\$195,938	\$244,439	\$219,576	--
<i>Annual Change</i>	--	9.7%	5.9%	-8.4%	24.8%	-10.2%	3.6%
Services	\$36,004	\$36,982	\$3,275	\$15,331	\$11,516	\$46,921	--
<i>Annual Change</i>	--	2.7%	-91.1%	368.1%	-24.9%	307.4%	5.4%
Purchased Transportation	\$0	\$0	\$0	\$0	\$0	\$0	--
<i>Annual Change</i>	--	--	--	--	--	--	--
Fuels/Lubricants	\$49,528	\$41,658	\$43,517	\$51,135	\$55,730	\$45,208	--
<i>Annual Change</i>	--	-15.9%	4.5%	17.5%	9.0%	-18.9%	-1.8%
Materials/Supplies (b)	\$52,337	\$58,962	\$57,543	\$44,253	\$66,011	\$75,563	--
<i>Annual Change</i>	--	12.7%	-2.4%	-23.1%	49.2%	14.5%	7.6%
Casualty/Liability	\$12,718	\$20,206	\$18,600	\$31,092	\$34,974	\$38,505	--
<i>Annual Change</i>	--	58.9%	-7.9%	67.2%	12.5%	10.1%	24.8%
Other Expenses (c)	\$74,384	\$80,135	\$76,845	\$92,296	\$97,223	\$232,116	--
<i>Annual Change</i>	--	7.7%	-4.1%	20.1%	5.3%	138.7%	25.6%
<b>Total</b>	\$664,514	\$703,716	\$706,253	\$806,714	\$907,615	\$1,118,784	--
<i>Annual Change</i>	--	5.9%	0.4%	14.2%	12.5%	23.3%	11.0%
<b>OPERATING STATISTICS</b>							
Vehicle Service Hours	8,163	8,657	9,215	10,830	9,525	8,027	--
<i>Annual Change</i>	--	6.1%	6.4%	17.5%	-12.0%	-15.7%	-0.3%

Sources: FY2015 through FY2017 - Prior Performance Audit Report

FY2018 through FY2020 - Operating Costs from MTC TDA-STA Claim Applications; Vehicle Service Hours from NTD Reports

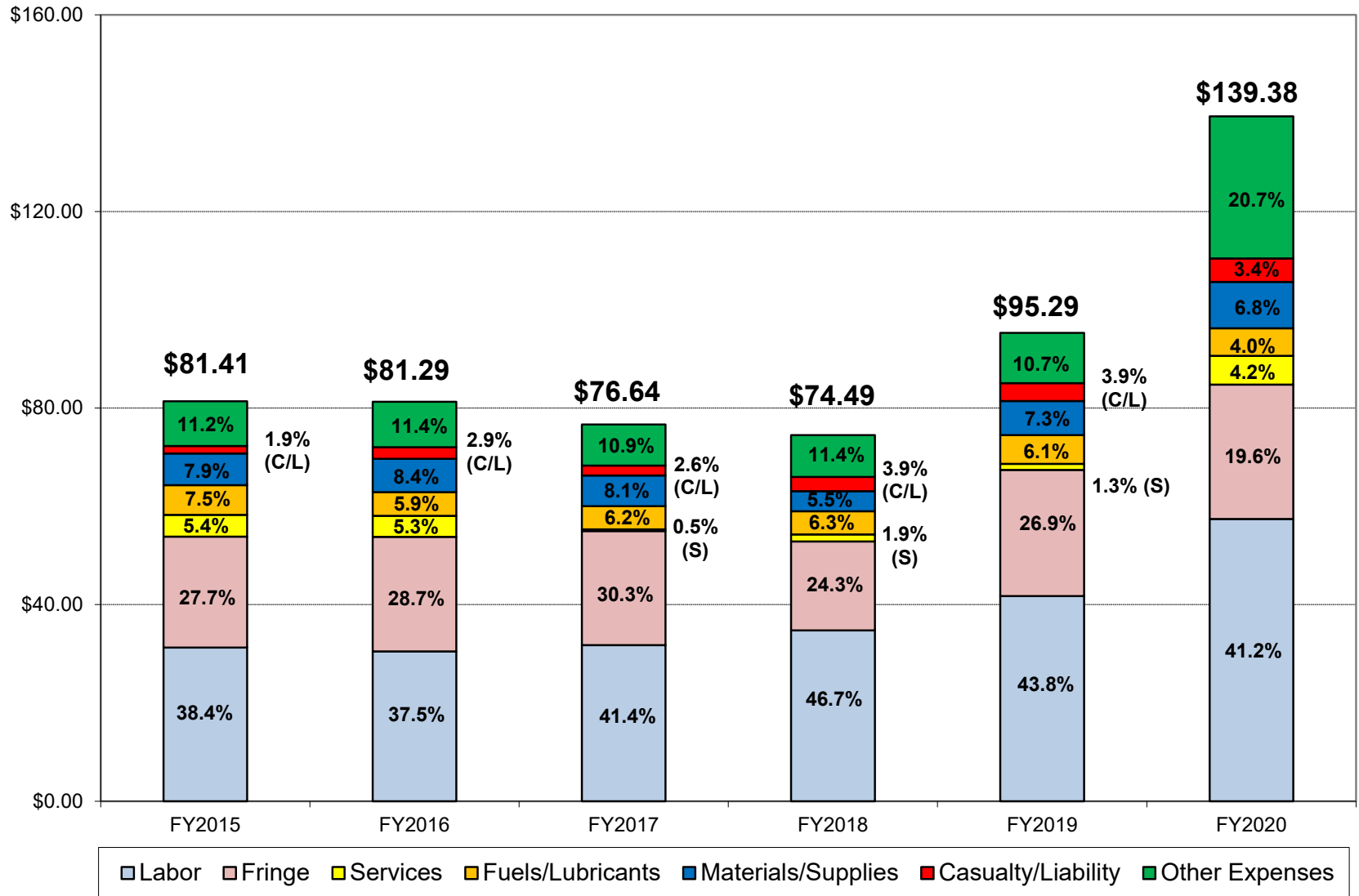
(a) includes Fringe Benefits and Pension Plans/Retirement Costs

(b) includes Other Materials and Supplies and does not include Fuels and Lubricants

(c) includes Other, Leases and Rentals, and Utilities

### Exhibit 4.6: Distribution of Component Costs

*Operating Cost per Vehicle Service Hour*



#### **IV. COMPLIANCE WITH PUC REQUIREMENTS**

An assessment of Dixon's compliance with selected sections of the state Public Utilities Code (PUC) has been performed. The compliance areas included in this review are those that MTC has identified for inclusion in the triennial performance audit. Other statutory and regulatory compliance requirements are reviewed by MTC in conjunction with its annual review of Dixon's TDA-STA claim application.

The results from this review are detailed by individual requirement in Exhibit 5. Dixon is in compliance with each of the seven sections of the state PUC that were reviewed as part of this performance audit. These sections included requirements concerning CHP terminal safety inspections, labor contracts, reduced fares, Welfare-to-Work, revenue sharing, and evaluating passenger needs.

## Exhibit 5: Compliance with State PUC Requirements

Code Reference	Operator Compliance Requirements	Compliance Finding	Verification Information
PUC99251	<u>CHP Certification</u> - 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 following a CHP inspection of the operator's terminal	In Compliance	Satisfactory Inspections <ul style="list-style-type: none"> <li>• 2018: 02/26/18</li> <li>• 2019: 03/14/19</li> <li>• 2020: 04/21/20</li> </ul>
PUC99264	<u>Operator-to-Vehicle Staffing</u> - The operator does not routinely staff with two or more persons public transportation vehicles designed to be operated by one person	In Compliance	<ul style="list-style-type: none"> <li>• No provision for excess fixed-route vehicle staffing in MOU agreement between Dixon and PEU Local 1.</li> <li>• July 1, 2016 – June 30, 2019</li> <li>• July 1, 2019 – June 30, 2022</li> </ul>
PUC99314.5 (e)(1)(2)	<u>Part Time Drivers and Contracting</u> - Operators receiving STA funds are not precluded by contract from employing part-time drivers or from contracting with common carriers	In Compliance	<ul style="list-style-type: none"> <li>• Part Time Drivers – No prohibition of part time employees in MOU Agreements between City of Dixon and Public Employees Union Local 1.</li> <li>• Contracting – Section 9.4 of Agreements between City of Dixon and Public Employees Union Local 1 contains provisions for contracting out of unit work by City.</li> </ul>
PUC99155	<u>Reduced Fare Eligibility</u> - For any operator who received TDA Article 4 funds, if the operator offers reduced fares to senior citizens and disabled persons, applicant will honor the federal Medicare identification card, the California Department of Motor Vehicles disability ID card, the Regional Transit Connection Discount Card, or any other current identification card issued by another transit operator that is valid for the type of transportation service or discount requested; and if the operator offers reduced fares to senior citizens, it also offers the same reduced fare to disabled patrons	In Compliance	<ul style="list-style-type: none"> <li>• City of Dixon Transit Service User's Guide</li> <li>• <a href="https://www.ci.dixon.ca.us/DocumentCenter/View/655/Senior_People_with_Disabilities_Transportation_Gu?bidId=">https://www.ci.dixon.ca.us/DocumentCenter/View/655/Senior_People_with_Disabilities_Transportation_Gu?bidId=</a></li> </ul>

Code Reference	Operator Compliance Requirements	Compliance Finding	Verification Information
PUC99155.1 (a)(1)(2)	<u>Welfare to Work Coordination</u> - Operators must coordinate with county welfare departments in order to ensure that transportation monies available for purposes of assisting recipients of aid are expended efficiently for the benefit of that population; if a recipient of CalWORKs program funds by the county, the operator shall give priority to the enhancement of public transportation services for welfare-to-work purposes and to the enhancement of transportation alternatives, such as, but not limited to, subsidies or vouchers, van pools, and contract paratransit operations, in order to promote welfare-to-work purposes	In Compliance	<ul style="list-style-type: none"> <li>• Dixon indicates it participates in the Solano Transportation Authority (STA) welfare to work process.</li> <li>• Dixon was a stakeholder in the Solano County Mobility Management Plan.</li> <li>• Dixon is a member of the STA Board, Solano Express Intercity Transit Consortium and Solano Senior and People with Disabilities Transportation Advisory Committee.</li> </ul>
PUC99314.7, Govt Code 66516, MTC Res. Nos. 3837, 4073	<u>Joint Revenue Sharing Agreement</u> - The operator has current joint fare revenue sharing agreements in place with transit operators in the MTC region with which its service connects, and submitted copies of agreements to MTC	In Compliance	<ul style="list-style-type: none"> <li>• MOU for Solano County and Solano Transit for Intercity Taxi Card Program. Extension from 10/01/18 – 06/30/20.</li> </ul>
PUC99246(d)	<u>Process for Evaluation of Passenger Needs</u> - The operator has an established process in place for evaluating the needs and types of passengers being served	In Compliance	<ul style="list-style-type: none"> <li>• Annual passenger surveys</li> <li>• Title VI Program, Outreach and Survey Process documents</li> </ul>

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## V. STATUS OF PRIOR AUDIT RECOMMENDATIONS

Dixon's prior performance audit was completed in May 2018. Generally, MTC has used the audit recommendations as the basis for developing the Productivity Improvement Program (PIP) projects the operator is required to complete. MTC tracks PIP project implementation as part of its annual review of the operator's TDA-STA claim application. This section provides an assessment of actions taken by TDA-STA recipients toward implementing the recommendations advanced in the prior audit. This assessment provides continuity between the current and prior audits, which allows MTC to fulfill its obligations where the recommendations were advanced as PIP projects.

This review addresses Dixon's responses to the recommendations made in the prior performance audit, and whether Dixon made reasonable progress toward their implementation. There was one recommendations made in Dixon's prior audit. A summary of the recommendations and the actions taken by Dixon in response is presented in Exhibit 7. A determination of the status of the recommendation also is provided, using one of the following four evaluation categories:

- Implemented – appropriate actions have been taken and the issue has been sufficiently addressed.
- Implementation in Progress – actions have been taken to address the issue, but the recommendation remains open until further actions are completed.
- Not Implemented – no actions have been taken to address the issue, and the recommendation remains open.
- Closed – no actions have been taken to address the issue, but changes in circumstances have impacted the need to implement the recommendation.

Dixon has implemented corrective actions for the recommendation from the prior audit. Exhibit 7, below, outlines steps Dixon has taken in order to address the recommendation. Therefore, the status of the recommendation is currently Implemented.

- The 2018 audit found that there were numerous data gaps in quality of service statistics identified in the Functional Performance Indicator section of the audit. In response to the recommendation for Dixon to improve data collection and reporting activities for quality of service statistics for Redit-Ride Services.
- Dixon issued an RFP in June of 2017 soliciting submittal of proposals for electronic dispatching and associated technology upgrades to support Redit-Ride transit services. The project goal according to the Productivity Improvement Program is to reduce manual data entry, improve trip planning and mileage efficiency, and increase customer ease of payment.
- Dixon launched the upgraded Routematch software and hardware IT system for electronic dispatching and performance report generation over a period from 2017 through 2019. The Routematch upgrade was a direct response to the prior recommendation from the 2018 TDA Audit, and is meant to proactively improve operational efficiency and maintain farebox recovery over the long term.
- For the 2021 audit, Dixon was able to submit all of the requested data.

### Exhibit 6: Status of Prior Audit Recommendations

Recommendation	Actions Taken	Evaluation
1. Improve data collection and reporting activities for quality-of-service statistics for Readi-Ride services.	Dixon launched the upgraded Routematch software and hardware IT system for electronic dispatching and performance report generation over a period from 2017 through 2019.  Data items requested for this audit were submitted for the current period.	Implemented.

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## VI. FUNCTIONAL PERFORMANCE INDICATOR TRENDS

To further assess Dixon's performance over the past three years, a detailed set of functional area performance indicators was defined. This assessment consists of a three-year trend analysis of the functions in each of the following areas:

- Management, Administration and Marketing
- Service Planning
- Operations
- Maintenance
- Safety

The indicators selected for this analysis were primarily those that were tracked regularly by Dixon, or for which input data were maintained by Dixon on an on-going basis, such as performance reports, contractor reports, annual financial reports and annual budget reports. As such, there may be some overlap with the TDA indicators examined earlier in the audit process, but most indicators will be different. Some indicators were selected from the California Department of Transportation's Performance Audit Guidebook for Transit Operators and Regional Transportation Planning Entities as being appropriate for this evaluation. The input statistics for the indicators, along with their sources, are contained in Appendix A at the end of this report.

The trends in performance are presented over the three-year audit period to give an indication of which direction performance is moving for these indicators. The remainder of this section presents the findings from this review. The discussion presents

the highlights of performance by mode (Systemwide and Transit Service), followed by an exhibit illustrating the indicators by function as applicable.

### Systemwide

For the purposes of this review, Dixon's Redit-Ride service functional relating to Management, Administration and Marketing have been included on a systemwide basis. Systemwide audit period performance is discussed below and presented in Exhibit 7.

- Administrative costs rose from 13 to 14 percent of total operating costs, between FY2018 and FY2019, then increased to 23.4 percent of total costs in FY2020. Administrative cost per vehicle service hour increased from about \$10 to \$13 between FY2018 and FY2019, before increasing to \$32.57 per vehicle service hour in FY2020.
- Marketing cost as a percentage of total administrative cost ranged from a low of 0.0 percent in FY2019 to a high of 0.8 percent in FY2018. Marketing costs per unlinked passenger trip was either zero or \$0.01 in each year of the review.
- Systemwide farebox recovery ratio decreased overall from 13.8 percent in FY2018 to 8.7 percent in FY2020.

### Exhibit 7: Functional Performance Trends - Systemwide

FUNCTION/Indicator	Actual Performance		
	FY2018	FY2019	FY2020
<b>MANAGEMENT, ADMINISTRATION &amp; MARKETING</b>			
Administrative Cost/Total Operating Cost	13.1%	14.1%	23.4%
<i>Annual Percent Change</i>	--	7.2%	66.1%
<i>Three Year Percent Change</i>	--	--	78.1%
Administrative Cost/Vehicle Service Hour	\$9.77	\$13.41	\$32.57
<i>Annual Percent Change</i>	--	37.2%	143.0%
<i>Three Year Percent Change</i>	--	--	233.3%
Marketing Cost/Total Administrative Cost	0.8%	0.0%	0.1%
<i>Annual Percent Change</i>	--	--	--
<i>Three Year Percent Change</i>	--	--	--
Marketing Cost/Unlinked Passenger Trip	\$0.01	\$0.00	\$0.00
<i>Annual Percent Change</i>	--	--	--
<i>Three Year Percent Change</i>	--	--	--
Farebox Revenue/Operating Cost	13.8%	12.9%	8.7%
<i>Annual Percent Change</i>	--	-6.1%	-33.0%
<i>Three Year Percent Change</i>	--	--	-37.0%

## Transit Service

Dixon's transit service functional area trends represent areas of cost efficiency, safety, productivity and service reliability. Audit period performance is discussed below and presented in Exhibit 8.

- Service Planning
  - Total operating cost per passenger mile increased from \$7.37 in FY2018 to \$8.53 in FY2019 and \$12.37 in FY2020.
  - Vehicle miles travelled in service remained steady between 95 and 97 percent throughout the audit period, while vehicle hours traveled in service ranged between 89 percent to 91 percent over the three years.
  - Passengers per vehicle service mile and vehicle service hour both increased modestly between FY2018 and FY2019, before declining in FY2020 to end lower overall during the audit period, by 8.8 percent and 10.2 percent respectively.
  
- Operations
  - Vehicle operations costs as a part of total operations cost decreased slightly (2.9 percent) between FY2018 and FY2019, but declined again in FY2020, decreasing overall from 81.5 percent to 70.5 percent.
  - Performance in vehicle operations costs per service hour was the opposite, increasing from \$60.69 in FY2018 to \$98.19 in FY2020.
  - The bus service farebox recovery ratio increased slightly from 13.8 percent in FY2018 to 12.9 percent in FY2019, before declining to 8.7 percent in FY2020.
  - The TDA recovery ratio, reflecting farebox revenue plus local support less operating cost exclusions, stood at 57.2 percent in FY2018 and 76.3 percent in FY2019 before a decrease in local funding led to a 13.2 percent TDA recovery ratio for FY2020.



- On-time performance measured 100 percent for each year of the three-year audit period and there were zero complaints and zero missed trips reported during the current audit period.
- Maintenance
  - Total maintenance costs (vehicle plus non-vehicle) increased from 5.4 percent of total operating costs in FY2018 to 6.8 percent in FY2019, before ending at 6.2 percent at in FY2020.
  - Vehicle maintenance costs per service mile also increased from \$0.40 in the first year of the audit period to \$0.84 by FY2020, reflecting the overall decrease in service miles during the audit period.
  - The vehicle spare ratio was 10 percent in the first two years of the audit period, before increasing to 8.3 percent in FY2020.
  - Mean distance between major failures and mean distance between all failures was 105,881 miles in FY2019. There were zero revenue vehicle mechanical system failures in both FY2018 and FY2020.
- Safety
  - The rate of preventable accidents fluctuated over the audit period, with a low of zero accidents in FY2019, and a high of 1.2 accidents per 100,000 vehicles miles in FY2020.

\* \* \* \* \*

The following is a summary of the systemwide functional trend highlights between FY2018 and FY2020:

- Total operating costs per passenger mile increased from \$7.37 in FY2018 to \$12.73 in FY2020, for an overall increase of 73 percent during the three-year audit period.

- Service Planning results showed vehicle miles in service and vehicle hours in service both showing modest decreases, but staying in the 96 percent and 90 percent range, respectively. Passengers per vehicle service mile and hour both declined about 10 percent overall, with the largest decrease occurring in FY2020.
- In Operations, overall vehicle operations costs decreased by about 13 percent overall as a percentage of total operating costs, but cost per service hour increased more than 60 percent overall, reflecting the steady decrease in vehicle service miles during the period. Farebox recovery declined from 13.8 percent to 8.7 percent overall, with the largest decrease (33 percent), occurring in FY2020. The TDA recovery rate decreased by 77 percent overall due to lower local funding in FY2020. Data for transit service schedule adherence was reported at 100 percent on time in all three years of the review period, while number of complaints and missed trips both stood at zero in all three years.
- Maintenance results found maintenance costs increasing slightly overall relative to total operating costs and more significantly on a service mile basis, reflecting the overall decrease in service miles. The vehicle spare ratio decreased from 10 percent in FY2018 and FY2019 to 8.3 percent in FY2020. Mean distance between major and all failures was 105,881 miles in FY2019. There were no revenue vehicle mechanical system failures during the other two years.
- Safety results demonstrated the rate of preventable accidents per 100,000 vehicle miles remained low throughout the period, ranging from zero in FY2019 to 1.2 in FY2020.

### Exhibit 8: Functional Performance Trends – Transit Service

FUNCTION/Indicator	Actual Performance		
	FY2018	FY2019	FY2020
<b>SERVICE PLANNING</b>			
Total Operating Cost/Passenger Mile	\$7.37	\$8.53	\$12.73
<i>Annual Percent Change</i>	--	15.8%	49.2%
<i>Three Year Percent Change</i>	--	--	72.8%
Vehicle Service Miles/Total Miles	96.8%	96.7%	95.0%
<i>Annual Percent Change</i>	--	-0.1%	-1.7%
<i>Three Year Percent Change</i>	--	--	-1.8%
Vehicle Service Hours/Total Hours	91.1%	91.5%	89.2%
<i>Annual Percent Change</i>	--	0.4%	-2.6%
<i>Three Year Percent Change</i>	--	--	-2.2%
Passengers/Vehicle Service Mile	0.59	0.61	0.54
<i>Annual Percent Change</i>	--	3.0%	-11.4%
<i>Three Year Percent Change</i>	--	--	-8.8%
Passengers/Vehicle Service Hour	5.90	6.53	5.29
<i>Annual Percent Change</i>	--	10.8%	-18.9%
<i>Three Year Percent Change</i>	--	--	-10.2%
<b>OPERATIONS</b>			
Vehicle Operations Cost/Total Operating Cost	81.5%	79.1%	70.5%
<i>Annual Percent Change</i>	--	-2.9%	-11.0%
<i>Three Year Percent Change</i>	--	--	-13.5%
Vehicle Operations Cost/Vehicle Service Hour	\$60.69	\$75.39	\$98.19
<i>Annual Percent Change</i>	--	24.2%	30.2%
<i>Three Year Percent Change</i>	--	--	61.8%
Farebox Revenue/Operating Cost	13.8%	12.9%	8.7%
<i>Annual Percent Change</i>	--	-6.1%	-33.0%
<i>Three Year Percent Change</i>	--	--	-37.0%
TDA Recovery Ratio (a)	57.2%	76.3%	13.2%
<i>Annual Percent Change</i>		33.4%	-82.7%
<i>Three Year Percent Change</i>	--		-77.0%
Percentage of Trips On-Time	100.0%	100.0%	100.0%
<i>Annual Percent Change</i>	--	0%	0%
<i>Three Year Percent Change</i>	--	--	0%
Complaints/10,000 Passenger Trips	0.0	0.0	0.0
<i>Annual Percent Change</i>	--	0%	0%
<i>Three Year Percent Change</i>	--	--	0%
Missed Trips/Total Trips	0.0	0.0	0.0
<i>Annual Percent Change</i>	--	0%	0%
<i>Three Year Percent Change</i>	--	--	0%

FUNCTION/Indicator	Actual Performance		
	FY2018	FY2019	FY2020
<b>MAINTENANCE</b>			
Vehicle + Non-Veh. Maint. Cost/Total Operating Cost	5.4%	6.8%	6.2%
<i>Annual Percent Change</i>	--	26.0%	-9.2%
<i>Three Year Percent Change</i>	--	--	14.4%
Vehicle Maintenance Cost/Vehicle Service Mile	\$0.40	\$0.60	\$0.84
<i>Annual Percent Change</i>	--	51.0%	39.3%
<i>Three Year Percent Change</i>	--	--	110.3%
Spare Vehicles/Total Vehicles	10.0%	10.0%	8.3%
<i>Annual Percent Change</i>	--	0.0%	-16.7%
<i>Three Year Percent Change</i>	--	--	-16.7%
Mean Distance between Major Failures (Miles)	(b)	105,881	(b)
<i>Annual Percent Change</i>	--	--	--
<i>Three Year Percent Change</i>	--	--	--
Mean Distance between All Failures (Miles)	(b)	105,881	(b)
<i>Annual Percent Change</i>	--	--	--
<i>Three Year Percent Change</i>	--	--	--
<b>SAFETY</b>			
Preventable Accidents/100,000 Vehicle Miles	0.9	0.0	1.2
<i>Annual Percent Change</i>	--	-100.0%	--
<i>Three Year Percent Change</i>	--	--	34.6%

(a) Farebox Revenue plus Local Support/Operating Cost less TDA Allowable Exclusions

(b) No revenue vehicle mechanical system failures (total or major) in FY2018 or FY2020

## VII. CONCLUSIONS AND RECOMMENDATIONS

This report has presented the findings of the compliance audit portion of the performance audit of the City of Dixon's transit service. The primary focus was the three-year audit period of FY2018 through FY2020 (July 1, 2017 through June 30, 2020). It has focused on TDA compliance issues including trends in TDA-mandated performance indicators and compliance with selected sections of the state Public Utilities Code (PUC). It also provides the findings from an overview of Dixon's data collection activities to support the TDA indicators. Performance results from the previous three years have also been included as applicable to provide a longer perspective on performance.

The key findings and conclusions from the individual sections of this performance audit are summarized below:

- Data Collection – Dixon is in compliance with the data collection and reporting requirements for all five TDA statistics. The data collected over the six-year period appear to be consistent with the TDA definitions.

In addition, the statistics collected over the period appear to be consistent with the TDA definitions and indicate general consistency in terms of the direction and magnitude of the year-to-year changes across the statistics.

- TDA Performance Trends

Dixon's performance trends for the five TDA-mandated indicators were analyzed. A six-year analysis period was used for all the indicators. In addition, component operating costs were analyzed.

The following is a summary of the TDA performance trend highlights over the six-year period of FY2015 through FY2020:

- There was an average annual increase in the operating cost per service hour of 11.4 percent, which amounted to an 8.3 percent increase in

inflation adjusted dollars. However, the operating cost per hour decreased annually from FY2015 through FY2018 and the annual increase from FY2015 through FY2019 was only about 4.0 percent per year on average.

- The cost per passenger increased on average by 17.8 percent per year, resulting in an average annual increase of 14.6 percent in constant FY2015 dollars. However, from FY2015 through FY2019 the average increase was only about 6.0 percent per year.
- Passenger productivity decreased slightly during the review period, with passengers per vehicle service hour decreasing by 5.5 percent per year overall and passengers per vehicle service mile decreasing by 1.9 percent annually.
- Employee productivity decreased an average 3.0 percent per year over the review period but increased overall by about 7.0 percent from FY2015 through FY2019.

The following is a summary of the component operating costs trend highlights between FY2015 and FY2020:

- In-house labor and fringe benefit costs increased overall, by 12.5 percent and 3.6 percent per year, respectively. However, these two categories combined decreased from 66.1 percent of total operating costs in FY2015 to 60.8 percent of the total in FY2020.
- Services costs increased by 5.4 percent on average per year, and comprised between 0.5 to 5.4 percent of total operating costs during each year the review period.
- Costs for fuels/lubricants decreased by 1.8 percent per year on average. The share of fuels/lubricants costs also decreased from 7.5 percent to 4.0 percent of total operating costs from FY2015 to FY2020.
- Materials/supplies, casualty/liability, and other expenses each saw annual increases during the review period (7.6 percent, 24.8 percent, and 25.6 percent respectively). The three categories combined increased from 21.0 percent of operating costs in FY2015 to 30.9 percent in FY2020.

- Compliance with Statutory Requirements – Dixon is in compliance with each of the seven sections of the state PUC that were reviewed as part of this performance audit. These sections included requirements concerning CHP terminal safety inspections, labor contracts, reduced fares, Welfare-to-Work, revenue sharing, and evaluating passenger needs.
- Status of Prior Audit Recommendations – There was one recommendation suggested in Dixon’s prior performance audit. Dixon has implemented corrective actions for the recommendation from the prior audit. Therefore, the status of the recommendation is currently Implemented.
- Functional Performance Indicator Trends  
To further assess Dixon’s performance over the past three years, a detailed set of systemwide and modal functional area performance indicators was defined and reviewed.

Systemwide – The following is a summary of the systemwide functional trend highlights between FY2018 and FY2020.

- Administrative costs rose from 13 to 14 percent of total operating costs, between FY2018 and FY2019, then increased to 23.4 percent of total costs in FY2020. Administrative cost per vehicle service hour increased from about \$10 to \$13 between FY2018 and FY2019, before increasing to \$32.57 per vehicle service hour in FY2020.
- Marketing cost as a percentage of total administrative cost ranged from a low of 0.0 percent in FY2019 to a high of 0.8 percent in FY2018. Marketing costs per unlinked passenger trip was either zero or \$0.01 in each year of the review.
- Systemwide farebox recovery ratio decreased overall from 13.8 percent in FY2018 to 8.7 percent in FY2020.

Transit Service – The following is a summary of the transit service functional trend highlights between FY2018 and FY2020:

- Total operating costs per passenger mile increased from \$7.37 in FY2018 to \$12.73 in FY2020, for an overall increase of 73 percent during the three-year audit period.
- Service Planning results showed vehicle miles in service and vehicle hours in service both showing modest decreases, but staying in the 96 percent and 90 percent range, respectively. Passengers per vehicle service mile and hour both declined about 10 percent overall, with the largest decrease occurring in FY2020.
- In Operations, overall vehicle operations costs decreased by about 13 percent overall as a percentage of total operating costs, but cost per service hour increased more than 60 percent overall, reflecting the steady decrease in vehicle service miles during the period. Farebox recovery declined from 13.8 percent to 8.7 percent overall, with the largest decrease (33 percent), occurring in FY2020. The TDA recovery rate decreased by 77 percent overall due to lower local funding in FY2020. Data for transit service schedule adherence was reported at 100 percent on time in all three years of the review period, while number of complaints and missed trips both stood at zero in all three years.
- Maintenance results found maintenance costs increasing slightly overall relative to total operating costs and more significantly on a service mile basis, reflecting the overall decrease in service miles. The vehicle spare ratio decreased from 10 percent in FY2018 and FY2019 to 8.3 percent in FY2020. Mean distance between major and all failures was 105,881 miles in FY2019. There were no revenue vehicle mechanical system failures during the other two years.
- Safety results demonstrated the rate of preventable accidents per 100,000 vehicle miles remained low throughout the period, ranging from zero in FY2019 to 1.2 in FY2020.

## Recommendations

No recommendations are suggested for Dixon at this time based on the results of this triennial performance audit.



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**APPENDIX A:  
INPUT STATISTICS FOR  
FUNCTIONAL PERFORMANCE MEASURES**

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## Functional Performance Inputs - Systemwide

Data Item	FY2018	FY2019	FY2020	Source
Total Operating Costs	\$806,714	\$907,615	\$1,118,784	MTC TDA-STA Claim Applications
Administrative Costs	\$105,836	\$127,695	\$261,461	MTC TDA-STA Claim Applications
Vehicle Service Hours	10,830	9,525	8,027	NTD RR-20
Marketing Costs	\$805	\$0	\$172	City of Dixon Annual Budgets
Unlinked Passenger Trips	63,843	62,188	42,479	NTD RR-20
Farebox Revenue	\$111,074	\$117,350	\$96,977	NTD RR-20

## Functional Performance Inputs – Transit Service

Data Item	FY2018	FY2019	FY2020	Source
Vehicle Service Miles	108,182	102,344	78,924	NTD RR-20
Total Vehicle Miles	111,765	105,881	83,052	MTC TDA-STA Claim Applications
Vehicle Service Hours	10,830	9,525	8,027	NTD RR-20
Total Vehicle Hours	11,884	10,410	9,003	MTC TDA-STA Claim Applications
Unlinked Passenger Trips	63,843	62,188	42,479	NTD RR-20
Farebox Revenue	\$111,074	\$117,350	\$96,977	NTD RR-20
Total Operating Costs	\$806,714	\$907,615	\$1,118,784	MTC TDA-STA Claim Applications
Passenger Miles	109,508	106,363	87,887	Dixon Annual Operations Reports
Vehicle Operations Costs	\$657,257	\$718,076	\$788,187	MTC TDA-STA Claim Applications
Local Support (a)	\$350,013	\$574,824	\$50,301	NTD RR-20
TDA Oper. Cost Exclusions - PUC 99247 (b)	\$0	\$0	\$0	MTC TDA-STA Claim Applications
TDA Oper. Cost Exclusions - PUC 99268.17 (c)	\$0	\$0	\$0	MTC TDA-STA Claim Applications
Trips On-Time	100%	100%	100%	Dixon Annual Operations Reports
Total Trips (Booked)	62144	61726	43327	Dixon Annual Operations Reports
Complaints	0	0	0	Dixon Annual Operations Reports
Missed Trips	0	0	0	Dixon Annual Operations Reports
Trip Cancellations	3060	3037	1703	Dixon Annual Operations Reports
No Shows/Late Trip Cancellations	2557	2180	1999	Dixon Annual Operations Reports
Vehicle Maintenance Costs	\$42,996	\$61,407	\$65,976	MTC TDA-STA Claim Applications
Non-Vehicle/Facility Maintenance Costs	\$625	\$437	\$3,259	MTC TDA-STA Claim Applications
Spare Vehicles (Total less Maximum Service)	1	1	1	Dixon Annual Operations Reports
Total Vehicles	10	10	12	NTD RR-20
Revenue Vehicle Mechanical System Failures - Total	0	1	0	Dixon Annual Operations Reports
Revenue Vehicle Mechanical System Failures - Major	0	1	0	Dixon Annual Operations Reports
Preventable Accidents	1	0	1	Dixon Annual Operations Reports

(a) Local Support includes the following (USOA revenue class in parentheses):

- Auxiliary transportation revenue (406)
- Taxes directly levied (408)
- Local cash grants and reimbursements (409)
- Local special fare assistance (410)
- Subsidy from other sectors of operation (440)
- Other non-federal/non-state grant funds or other revenues

(b) Operating expense object classes exclusive of the following pursuant to PUC Section 99247:

- depreciation and amortization expenses
- subsidies for commuter rail services operated on railroad lines under the jurisdiction of the Federal Railroad Administration
- costs for providing charter services
- vehicle lease costs
- principal and interest payments on capital projects funded with certificates of participation

(c) Operating expense object class exclusions pursuant to PUC Section 99268.17:

- additional operating costs for federally required ADA paratransit service that exceed prior year costs (CPI adjusted)
- cost increases beyond the CPI change for: fuel; alternative fuel programs; power (including electricity); insurance premiums/liability claims payouts; state and federal mandates
- start-up costs for new services (not more than two years)