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## Chapter 1 | Executive Summary

In 2021, the San Joaquin Council of Governments (SJCOC) selected Moore & Associates, Inc., to prepare Triennial Performance Audits of itself as the RTPA and the seven transit operators to which it allocates State of California TDA funding.

The California Public Utilities Code requires all recipients of Transit Development Act (TDA) Article 4 funding to undergo an independent performance audit on a three-year cycle in order to maintain funding eligibility. Audits of Article 8 recipients are encouraged.

The Triennial Performance Audit is designed to be an independent and objective evaluation of the San Joaquin Regional Transit District (RTD) as a public transit operator, providing operator management with information on the economy, efficiency, and effectiveness of its programs across the prior three fiscal years. In addition to assuring legislative and governing bodies (as well as the public) that resources are being economically and efficiently utilized, the Triennial Performance Audit fulfills the requirement of PUC Section 99246(a) that the RTPA designate an entity other than itself to conduct a performance audit of the activities of each operator to whom it allocates funds.

This chapter summarizes key findings and recommendations developed during the Triennial Performance Audit (TPA) of the RTD's public transit program for the period:

- Fiscal Year 2018/19,
- Fiscal Year 2019/20, and
- Fiscal Year 2020/21.

The San Joaquin Regional Transit District provides bus and paratransit services within the Stockton metropolitan area, as well as between Stockton and surrounding communities and Sacramento. RTD's service includes 25 local Metro routes, five Metro BRT Express routes, seven Metro Hopper routes, six Weekend routes, two Commuter routes, and five County Hopper routes. Metro and County Hopper routes are deviated fixed routes, providing deviations of up to one mile from the route to accommodate ADA-certified customers.

The RTD provides a variety of mobility services, including the Stockton Metro Area Dial-A-Ride. Dial-A-Ride is a curb-to-curb service available to ADA-certified individuals seven days per week. The RTD launched its VanGo! ridesharing program in FY 2018/19. VanGo! passengers can travel anywhere within San Joaquin county. Trips may be booked up to two days in advance. Customers can pay online, through the Van Go! app, or with cash upon pick-up.

This performance audit was conducted in accordance with generally accepted government auditing standards. Those standards require that the audit team plans and performs the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for its findings and conclusions based on the audit objectives. Moore & Associates, Inc. believes the evidence obtained provides a reasonable basis for our findings and conclusions.

This audit was also conducted in accordance with the processes established by the California Department of Transportation (Caltrans), as outlined in the *Performance Audit Guidebook for Transit Operators and Regional Transportation Planning Entities*.

The Triennial Performance Audit includes five elements:

- Compliance requirements,
- Prior recommendations,
- Analysis of program data reporting,
- Performance Audit, and
- Functional review.

#### Test of Compliance

Based on discussions with San Joaquin Regional Transit District staff, analysis of program performance, and an audit of program compliance and function, the audit team did not identify any compliance findings.

#### Status of Prior Recommendations

The prior audit – completed in April 2019 by Moore & Associates, Inc. for the three fiscal years ending June 30, 2018 – included one recommendation:

1. RTD should continue to use the proper definition of “full-time equivalent” (FTE) when calculating Employees for reporting to the State Controller.  
**Status:** Implemented.

#### Findings and Recommendations

Based on discussions with RTD staff, analysis of program performance, and a review of program compliance and function, the audit team did not identify either compliance or functional findings for the San Joaquin RTD for the current audit cycle.

## Chapter 2 | Audit Scope and Methodology

The Triennial Performance Audit (TPA) of the San Joaquin Regional Transit District’s public transit program covers the three-year period ending June 30, 2021. The California Public Utilities Code requires all recipients of State of California Transit Development Act (TDA) funding to complete an independent review on a three-year cycle in order to maintain funding eligibility.

In 2021, the San Joaquin Council of Governments (SJCOG) selected Moore & Associates, Inc., to prepare Triennial Performance Audits of itself as the RTPA and the seven transit operators to which it allocates TDA funding. Moore & Associates, Inc. is a consulting firm specializing in public transportation, including audits of non-TDA Article 4 recipients. Selection of Moore & Associates, Inc. followed a competitive procurement process.

The Triennial Performance Audit is designed to be an independent and objective evaluation of the RTD as a public transit operator. Direct benefits of a Triennial Performance Audit include providing operator management with information on the economy, efficiency, and effectiveness of its programs across the prior three years; helpful insight for use in future planning; and assuring legislative and governing bodies (as well as the public) that resources are being economically and efficiently utilized. Finally, the Triennial Performance Audit fulfills the requirement of PUC Section 99246(a) that the RTPA designate an entity other than itself to conduct a performance audit of the activities of each operator to whom it allocates funds.

This performance audit was conducted in accordance with generally accepted government auditing standards. Those standards require that the audit team plans and performs the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for its findings and conclusions based on the audit objectives. The auditors believe the evidence obtained provides a reasonable basis for our findings and conclusions.

The audit was also conducted in accordance with the processes established by the California Department of Transportation (Caltrans), as outlined in the *Performance Audit Guidebook for Transit Operators and Regional Transportation Planning Entities*, as well as *Government Audit Standards* published by the U.S. Comptroller General.

### Objectives

A Triennial Performance Audit (TPA) has four primary objectives:

1. Assess compliance with TDA regulations;
2. Review improvements subsequently implemented as well as progress toward adopted goals;
3. Evaluate the efficiency and effectiveness of the transit operator; and
4. Provide sound, constructive recommendations for improving the efficiency and functionality of the transit operator.

## Scope

The TPA is a systematic review of performance evaluating the efficiency, economy, and effectiveness of the transit operator. The audit of the San Joaquin Regional Transit District included five tasks:

1. A review of compliance with TDA requirements and regulations.
2. A review of the status of recommendations included in the prior Triennial Performance Audit.
3. A verification of the methodology for calculating performance indicators including the following activities:
  - Assessment of internal controls,
  - Test of data collection methods,
  - Calculation of performance indicators, and
  - Evaluation of performance.
4. Comparison of data reporting practices:
  - Internal reports,
  - State Controller Reports, and
  - National Transit Database.
5. Examination of the following functions:
  - General management and organization;
  - Service planning;
  - Scheduling, dispatching, and operations;
  - Personnel management and training;
  - Administration;
  - Marketing and public information; and
  - Fleet maintenance.
6. Conclusions and recommendations to address opportunities for improvement based upon analysis of the information collected and the audit of the transit operator's major functions.

## Methodology

The methodology for the Triennial Performance Audit of RTD included thorough review of documents relevant to the scope of the audit, as well as information contained within the RTD's website. The documents reviewed included the following (spanning the full three-year period):

- Monthly performance reports;
- State Controller Reports;
- Annual budgets;
- TDA fiscal audits;
- Transit marketing collateral;
- TDA claims;
- Fleet inventory;
- Preventive maintenance schedules and forms;
- California Highway Patrol Terminal Inspection reports;
- National Transit Database reports;



- Accident/road call logs; and
- Organizational chart.

Given impacts of the ongoing COVID-19 pandemic, the methodology for this audit included a virtual site visit with RTD representatives on August 19, 2021. The audit team met with Ravi Sharma (Finance Manager), Virginia Alcaide (Director of Financial Planning), Kimberly Gayle (Deputy CEO), Darla Smith (COO), Damaris Galvan (Service Development Manager), Mike Thompson (Chief Administration and Innovation Officer), Eric Williams (Grants Manager), Manny Caluya (Procurement Contracts Senior Specialist), Merab Talamantes (Public Information Officer), Max Cao (Interim Supervisor of Marketing and Customer Engagement), and Keo Xanouvong (Lead Transportation Supervisor), Brad Menil (Maintenance Superintendent), John Coose (Facilities Superintendent), and Malika McGee (Human Resources Manager), and reviewed materials germane to the triennial audit.

This report is comprised of eight chapters divided into three sections:

1. Executive Summary: A summary of the key findings and recommendations developed during the Triennial Performance Audit process.
2. TPA Scope and Methodology: Methodology of the review and pertinent background information.
3. TPA Results: In-depth discussion of findings surrounding each of the subsequent elements of the audit:
  - Compliance with statutory and regulatory requirements,
  - Status of prior recommendations,
  - Consistency among reported data,
  - Performance measures and trends,
  - Functional audit, and
  - Findings and recommendations.

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## Chapter 3 | Program Compliance

This section examines the San Joaquin Regional Transit District's compliance with the Transportation Development Act as well as relevant sections of the California Code of Regulations. An annual certified fiscal audit confirms TDA funds were apportioned in conformance with applicable laws, rules, and regulations. RTD considers full use of funds under California Code of Regulations (CCR) 6754(a) as referring to operating funds but not capital funds. The TPA findings and related comments are delineated in Exhibit 3.1.

Status of compliance items was determined through discussions with RTD staff as well as an inspection of relevant documents including the fiscal audits for each year of the triennium, State Controller annual filings, California Highway Patrol terminal inspections, National Transit Database reports, year-end performance reports, and other compliance-related documentation.

No compliance issues were identified for the San Joaquin RTD.

### Developments Occurring During the Audit Period

The last half of the audit period is markedly different from the first half. The impacts of the COVID-19 pandemic resulted in significant declines in ridership and revenue. In many instances, transit operators strove to retain operations staff despite adopting a reduced schedule, resulting in significant changes to many cost-related performance metrics. While infusions of funding through the CARES Act mitigated some of the lost revenues for federally funded programs, most transit operators have yet to return to pre-pandemic ridership and fare levels. As a result, the Triennial Performance Audits will provide an assessment not only of how COVID-19 impacted each organization, but how they responded to the crisis.

In addition to the COVID-19 pandemic, recent and proposed changes to the TDA may result in audit reports that look somewhat different than in prior years. In the nearly 50 years since introduction of the Transportation Development Act, there have been many changes to public transportation in California. Many operators have faced significant challenges in meeting the farebox recovery ratio requirement, calling into question whether it remains the best measure for TDA compliance. In 2018, the chairs of California's state legislative transportation committees requested the California Transit Association spearhead a policy task force to examine the TDA, which resulted in a draft framework for TDA reform released in early 2020. The draft framework maintains the farebox recovery ratio requirement, but eliminates financial penalties and allows more flexibility with respect to individual operator targets. These changes have yet to be implemented.

Assembly Bill 90, signed into law on June 29, 2020, provided temporary regulatory relief for transit operators required to conform with Transportation Development Act (TDA) farebox recovery ratio thresholds in FY 2019/20 and FY 2020/21. While the ability to maintain state mandates and performance measures is important, AB 90 offered much-needed relief from these requirements for these years impacted by the COVID-19 pandemic while TDA reform continues to be discussed.

AB 90 included the following provisions specific to transit operator funding through the TDA:

1. It prohibited the imposition of the TDA revenue penalty on an operator that did not maintain the required ratio of fare revenues to operating cost during FY 2019/20 or FY 2020/21.
2. It required the Controller to calculate and publish the allocation of transit operator revenue-based funds made pursuant to the State Transit Assistance (STA) Program for FY 2020/21 and FY 2021/22 based on the same individual operator ratios published by the Controller in a specified transmittal memo, and authorized the Controller to revise that transmittal memo, as specified. It required the Controller to use specified data to calculate those individual operator ratios. Upon allocation of the transit operator revenue-based funds to local transportation agencies pursuant to this provision, the Controller would publish the amount of funding allocated to each operator.
3. It exempted an operator from having to meet either of the STA efficiency standards for FY 2020/21 and FY 2021/22 and authorized the operator to use those funds for operating or capital purposes during that period.
4. It required the Controller to allocate State of Good Repair (SOG) program funding for FY 2020/21 and FY 2021/22 to recipient transit agencies pursuant to the individual operator ratios published in the above-described transmittal memo.
5. It required the Controller to allocate Low Carbon Transit Operations Program (LCTOP) funding for FY 2020/21 and FY 2021/22 to recipient transit agencies pursuant to the individual operator ratios published in the above-described transmittal memo.

Assembly Bill 149, signed into law on July 16, 2021, provided additional regulatory relief with respect to Transportation Development Act (TDA) compliance. It extended the provisions of AB 90 through FY 2022/23 as well as provided additional regulatory relief including:

1. Waiving the annual productivity improvement requirement of Section 99244 through FY 2022/23.
2. Adding a temporary provision exempting operators from farebox recovery ratio requirements provided they expend at least the same amount of local funds as in FY 2018/19.
3. Expanding the definition of “local funds” to enable the use of federal funding, such as the CARES Act or CRRSAA, to supplement fare revenues and allows operators to calculate free and reduced fares at their actual value.
4. Adjusting the definition of operating cost to exclude the cost of ADA paratransit services, demand-response and micro-transit services designed to extend access to service, ticketing/payment systems, security, some pension costs, and some planning costs.
5. Allowing operators to use STA funds as needed to keep transit service levels from being reduced or eliminated through FY 2022/23.

AB 149 also called for an examination of the triennial performance audit process, to ensure the practice continues to be effective and beneficial.

Exhibit 3.1 Transit Development Act Compliance Requirements

Compliance Element	Reference	Compliance	Comments
State Controller Reports submitted on time.	PUC 99243	In compliance	FY 2018/19: January 30, 2020 FY 2019/20: January 28, 2021 FY 2020/21: January 27, 2022
Fiscal and compliance audits submitted within 180 days following the end of the fiscal year (or with up to 90-day extension).	PUC 99245	In compliance	FY 2018/19: February 28, 2020 FY 2019/20: March 31, 2021 FY 2020/21: March 4, 2022
Operator's terminal rated as satisfactory by CHP within the 13 months prior to each TDA claim.	PUC 99251 B	In compliance	March 7, 2018 April 10, 2019 April 21, 2020 May 24, 2021
Operator's claim for TDA funds submitted in compliance with rules and regulations adopted by the RTPA.	PUC 99261	In compliance	
If 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.	PUC 99270.1	In compliance	FY 2018/19: 20.30% FY 2019/20: 20.30% FY 2020/21: 20.30%  RTD is also required to meet a ratio of 32% for fare revenue and local support.  FY 2018/19: 32.28% FY 2019/20: 32.48% FY 2020/21: 32.00%  <i>Penalties for not meeting farebox recovery ratios were waived for FY 2020 and FY 2021 due to AB 90 and AB 149.</i>
Except as otherwise provided, the allocation for any purpose specified under Article 8 may in no year exceed 50% of the amount required to meet the total planning expenditures for that purpose.	PUC 99405	Not applicable	
An operator receiving allocations under Article 8(c) may be subject to regional, countywide, or subarea performance criteria, local match requirements, or fare recovery ratios adopted by resolution of the RTPA.	PUC 99405	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).	PUC 99266	In compliance	FY 2018/19: +10.8% FY 2019/20: +7.8% FY 2020/21: +2.2%

Compliance Element	Reference	Compliance	Comments
The operator's definitions of performance measures are consistent with the Public Utilities Code Section 99247.	PUC 99247	In compliance	
If the operator serves an urbanized area, it has maintained a ratio of fare revenues to operating cost at least equal to one-fifth (20 percent).	PUC 99268.2, 99268.4, 99268.1	Not applicable	
If the operator serves a rural area, it has maintained a ratio of fare revenues to operating cost at least equal to one-tenth (10 percent).	PUC 99268.2, 99268.4, 99268.5	Not applicable	
For a claimant that provides only services to elderly and handicapped persons, the ratio of fare revenues to operating cost shall be at least 10 percent.	PUC 99268.5, CCR 6633.5	In compliance	FY 2018/19: 10.00% FY 2019/20: 10.00% FY 2020/21: 10.00%  <i>Penalties for not meeting farebox recovery ratios were waived for FY 2020 and FY 2021 due to AB 90 and AB 149.</i>
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 for 40 years.	PUC 99271	In compliance	
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.	CCR 6754 (a) (3)	In compliance	
In order to use State Transit Assistance funds for operating assistance, the operator's total operating cost per revenue hour does not exceed the sum of the preceding year's total plus an amount equal to the product of the percentage change in the CPI for the same period multiplied by the preceding year's total operating cost per revenue hour. An operator may qualify based on the preceding year's operating cost per revenue hour or the average of the three prior years. If an operator does not meet these qualifying tests, the operator may only use STA funds for operating purposes according to a sliding scale.	PUC 99314.6	In compliance	

Compliance Element	Reference	Compliance	Comments
<p>A transit claimant is precluded from receiving monies from the Local Transportation Fund and the State Transit Assistance Fund in an amount which exceeds the claimant's capital and operating costs less the actual amount of fares received, the amount of local support required to meet the fare ratio, the amount of federal operating assistance, and the amount received during the year from a city or county to which the operator has provided services beyond its boundaries.</p>	<p>CCR 6634</p>	<p>In compliance</p>	<p>In FY 2020, the amount of LTF revenues claimed by the District under Article 4 exceeded the amount it was eligible to receive under CCR Section 6633.1. However, the District can be allocated additional funds if it maintains for the fiscal year, the ratio of fare revenues to operating costs, which it did.</p>

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## Chapter 4 | Prior Recommendations

This section reviews and evaluates the implementation of prior Triennial Performance Audit recommendations. This objective assessment provides assurance the San Joaquin RTD has made quantifiable progress toward improving both the efficiency and effectiveness of its public transit program.

The prior audit – completed in April 2019 by Moore & Associates, Inc. for the three fiscal years ending June 30, 2018 – included one recommendation:

1. The RTD should continue to use the proper definition of “full-time equivalent” (FTE) when calculating Employees for reporting to the State Controller.

**Discussion:** When asked to provide methodology for calculating full-time equivalent (FTE) employees, the RTD initially provided data used in its National Transit Database report. However, the NTD report only includes hours for employees in a directly operated service. This would account for all administrative, operations, and maintenance hours for the directly operated service. It would not include hours worked by contract employees in the provision of contracted services. TDA regulations require transit operators to account for the total amount of time spent on transit activities, which is then divided by 2,000 to calculate full-time equivalent (FTE). This calculated figure should be reported in the State Controller Report under Employees.

In FY 2015/16, calculations based on the NTD report (which reports actual hours as well as a person-count) resulted in 180 FTE, while 194 FTE were reported to the State Controller. Zero employees were reported with respect to Dial-A-Ride services. In FY 2016/17, 200 FTE was calculated based on the NTD report, while 197 FTE were reported to the State Controller. Again, zero employees were reported with respect to Dial-A-Ride services. While the calculation methodology is correct (dividing hours worked by 2,000), the hours do not appear to include contract employees.

In FY 2017/18, the State Controller Report both included employees for Dial-A-Ride and calculated FTE using the TDA definition. Given the RTD was using the TDA definition, this was considered a functional finding and not a compliance finding.

Given the RTD had already demonstrated it was using the TDA definition of full-time equivalent employee, the auditor noted the focus should be on continuing to calculate FTE correctly. Contractors need to provide the RTD with a record of hours worked during the fiscal year prior to the development of the State Controller report. These hours should be added to RTD hours for calculation of fixed-route and demand-response FTE for reporting to the State Controller.

**Progress:** The documentation provided by the RTD as part of this Triennial Performance Audit demonstrates use of the TDA definition. The State Controller Report appears to accurately reflect FTE employees under this definition.

**Status:** Implemented.

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## Chapter 5 | Data Reporting Analysis

An important aspect of the Triennial Performance Audit process is assessing how effectively and consistently the transit operator reports performance statistics to local, state, and federal agencies. Often as a condition of receipt of funding, an operator must collect, manage, and report data to different entities. Ensuring such data are consistent can be challenging given the differing definitions employed by different agencies as well as the varying reporting timeframes. This chapter examines the consistency of performance data reported by the San Joaquin RTD both internally as well as to outside entities during the audit period.

- **Operating cost:** Differences in operating cost between the four reports (TDA fiscal audit, State Controller Report, National Transit Database reports, and monthly performance reports) are likely due to differences in how expenses are calculated. FY 2019/20 had the highest level of consistency. In FY 2018/19, costs reported to the NTD and State Controller were higher than those included in the monthly performance reports and TDA fiscal audit. In FY 2020/21, the opposite was true.
- **Fare Revenue:** This metric was generally consistently reported in the State Controller Reports, NTD reports, and TDA fiscal audits, but in FY 2018/19 and FY 2019/20 differed from the data reported in the monthly reports. It is likely the data from the monthly performance reports reflects unaudited data, which resulted in the variance. In FY 2020/21, fare revenue data was reported consistently throughout.
- **Vehicle Service Hours (VSH):** Data reported to the State Controller were higher than that reported to the NTD and in monthly performance reports in FY 2018/19. However, in FY 2019/20 and FY 2020/21, data reported to the State Controller was consistent with the monthly performance reports, but higher than that reported to the NTD. Differences in the NTD reporting appear to originate with the MB-PT and DT-TX modes, for which data reported to the NTD is lower than that included in the monthly performance summary.
- **Vehicle Service Miles (VSM):** In all three years, data reported to the State Controller was consistent with the monthly performance reports, but higher than that reported to the NTD. Differences in the NTD reporting appear to originate with the MB-PT and DT-TX modes, for which data reported to the NTD is lower than that included in the monthly performance summary.
- **Passengers:** In all three years, data reported to the State Controller was consistent with the monthly performance reports, but higher than that reported to the NTD. Differences in the NTD reporting appear to originate with the MB-PT and DT-TX modes, for which data reported to the NTD is lower than that included in the monthly performance summary.
- **Full-Time Equivalent (FTE) Employees:** For FY 2018/19 and FY 2019/20, data provided by the RTD for comparison appeared to only include a portion of the employees reported on the State Controller Report, being consistent with FTE for fixed-route service only. Given the calculation

uses the TDA definition, this suggests the data reported on the State Controller Report is correct. In FY 2020/21, State Controller reporting was consistent with RTD’s calculations using the TDA methodology.

Exhibit 5.1 Data Reporting Comparison

Performance Measure	System-Wide		
	FY 2018/19	FY 2019/20	FY 2020/21
<b>Operating Cost (Actual \$)</b>			
<i>TDA fiscal audit</i>	\$38,795,660	\$38,894,740	\$40,275,178
<i>Monthly Performance Reports</i>	\$39,013,874	\$38,597,275	\$40,273,701
<i>National Transit Database</i>	\$40,626,771	\$38,894,734	\$34,874,705
<i>State Controller Report</i>	\$40,104,608	\$38,498,509	\$34,578,620
<b>Fare Revenue (Actual \$)</b>			
<i>TDA fiscal audit</i>	\$3,116,864	\$2,999,192	\$1,255,396
<i>Monthly Performance Reports</i>	\$3,267,538	\$2,293,262	\$1,255,397
<i>National Transit Database</i>	\$3,114,144	\$2,999,104	\$1,255,397
<i>State Controller Report</i>	\$3,116,865	\$2,999,194	\$1,255,396
<b>Vehicle Service Hours (VSH)</b>			
<i>Monthly Performance Reports</i>	224,363	216,324	154,680
<i>National Transit Database</i>	217,057	210,033	151,795
<i>State Controller Report</i>	241,185	216,177	154,681
<b>Vehicle Service Miles (VSM)</b>			
<i>Monthly Performance Reports</i>	3,282,466	3,249,789	2,183,451
<i>National Transit Database</i>	3,204,807	3,156,294	2,151,196
<i>State Controller Report</i>	3,282,461	3,246,767	2,182,968
<b>Passengers</b>			
<i>Monthly Performance Reports</i>	3,703,916	3,027,645	1,416,258
<i>National Transit Database</i>	3,664,728	2,997,202	1,402,927
<i>State Controller Report</i>	3,703,916	3,027,645	1,416,258
<b>Full-Time Equivalent Employees</b>			
<i>State Controller Report</i>	369	301	207
<i>Per TDA methodology</i>	313	256	207

\*NTD operating cost data includes reconciling items from form F-40.

## Chapter 6 | Performance Analysis

Performance indicators are typically employed to quantify and assess the efficiency of a transit operator's activities. Such indicators provide insight into current operations as well as trend analysis of operator performance. Through a review of indicators, relative performance as well as possible inter-relationships between major functions is revealed.

The Transportation Development Act (TDA) requires recipients of State of California TDA funding to track and report five performance indicators:

- Operating Cost/Passenger,
- Operating Cost/Vehicle Service Hour,
- Passengers/Vehicle Service Hour,
- Passengers/Vehicle Service Mile, and
- Vehicle Service Hours/Employee.

To assess the validity and use of performance indicators, the audit team performed the following activities:

- Assessed internal controls in place for the collection of performance-related information,
- Validated collection methods of key data,
- Calculated performance indicators, and
- Evaluated performance indicators.

The procedures used to calculate TDA-required performance measures for the current triennium were verified and compared with indicators included in similar reports to external entities (i.e., State Controller and Federal Transit Administration).

### Operating Cost

The Transportation Development Act requires an operator to track and report transit-related costs reflective of the Uniform System of Accounts and Records developed by the State Controller and the California Department of Transportation. The most common method for ensuring this occurs is through a compliance audit report prepared by an independent auditor in accordance with California Code of Regulations Section 6667<sup>1</sup>. The annual independent financial audit should confirm the use of the Uniform System of Accounts and Records. *Operating cost* – as defined by PUC Section 99247(a) – excluded the following during the audit period<sup>2</sup>:

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<sup>1</sup> CCR Section 6667 outlines the minimum tasks which must be performed by an independent auditor in conducting the annual fiscal and compliance audit of the transit operator.

<sup>2</sup> Given the passage of AB 149, the list of excluded costs will be expanded beginning with FY 2021/22.

- Cost in the depreciation and amortization expense object class adopted by the State Controller pursuant to PUC Section 99243,
- Subsidies for commuter rail services operated under the jurisdiction of the Interstate Commerce Commission,
- Direct costs of providing charter service, and
- Vehicle lease costs.

#### Vehicle Service Hours and Miles

*Vehicle Service Hours* (VSH) and *Miles* (VSM) are defined as the time/distance during which a revenue vehicle is available to carry fare-paying passengers, and which includes only those times/miles between the time or scheduled time of the first passenger pickup and the time or scheduled time of the last passenger drop-off during a period of the vehicle's continuous availability.<sup>3</sup> For example, demand-response service hours include those hours when a vehicle has dropped off a passenger and is traveling to pick up another passenger, but not those hours when the vehicle is unavailable for service due to driver breaks or lunch. For both demand-response and fixed-route services, service hours will exclude hours of "deadhead" travel to the first scheduled pick-up, and will also exclude hours of "deadhead" travel from the last scheduled drop-off back to the terminal. For fixed-route service, a vehicle is in service from first scheduled stop to last scheduled stop, whether or not passengers board or exit at those points (i.e., subtracting driver lunch and breaks but including scheduled layovers).

#### Passenger Counts

According to the Transportation Development Act, *total passengers* is equal to the total number of unlinked trips (i.e., those trips that are made by a passenger that involve a single boarding and departure), whether revenue-producing or not.

#### Employees

*Employee hours* is defined as the total number of hours (regular or overtime) which all employees have worked, and for which they have been paid a wage or salary. The hours must include transportation system-related hours worked by persons employed in connection with the system (whether or not the person is employed directly by the operator). Full-Time Equivalent (FTE) is calculated by dividing the number of person-hours by 2,000.

#### Fare Revenue

*Fare revenue* is defined by California Code of Regulations Section 6611.2 as revenue collected from the farebox plus sales of fare media.

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<sup>3</sup> A vehicle is considered to be in revenue service despite a no-show or late cancellation if the vehicle remains available for passenger use.

### TDA Required Indicators

To calculate the TDA indicators for the San Joaquin Regional Transit District, the following sources were employed:

- Operating Cost was not independently calculated as part of this audit. Operating Cost data were obtained via NTD reports for each fiscal year covered by this audit. Operating Cost from the reports was compared against that reported in the RTD's audited financial reports and appeared to be consistent with TDA guidelines. In accordance with PUC Section 99247(a), the reported costs excluded depreciation and other allowable expenses.
- Fare Revenue was not independently calculated as part of this audit. Fare revenue data were obtained via NTD reports for each fiscal year covered by this audit. This appears to be consistent with TDA guidelines as well as the uniform system of accounts.
- Vehicle Service Hours (VSH) data were obtained via NTD reports submitted to the FTA for each fiscal year covered by this audit. The RTD's calculation methodology appears to be consistent with PUC guidelines.
- Vehicle Service Miles (VSM) data were obtained via NTD reports submitted to the FTA for each fiscal year covered by this audit. The RTD's calculation methodology appears to be consistent with PUC guidelines.
- Unlinked trip data were obtained via NTD reports submitted to the FTA for each fiscal year covered by this audit. The RTD's calculation methodology appears to be consistent with PUC guidelines.
- Full-Time Equivalent (FTE) data were obtained from State Controller Reports for each fiscal year covered by this review. Use of the TDA definition regarding FTE calculation was confirmed.

### System Performance Trends

System operating cost generally rose through the first four years of the six-year period, but declined in the last two (due to the COVID-19 pandemic). Across the audit period, operating cost decreased a net 14.2 percent, though experienced a net increase of 8.3 percent over six years. Fare revenue, however, steadily decreased across the six-year period, resulting in a decrease of 59.7 percent during the audit period and 69.9 percent across six years.

*(Note: System operating cost includes several reconciling items identified in the NTD reports. As a result, system operating cost as shown in Exhibit 6.1 is slightly higher than the sum of fixed-route and demand-response operating costs shown in Exhibits 6.12 and 6.35.)*

Vehicle service hours (VSH) saw a modest decrease in FY 2016/17 then saw increases until the first year of the COVID-19 pandemic. This resulted in a 30.1 percent net decrease during the audit period and a 27.7 percent decrease over the six-year period. Vehicle service miles (VSM) experienced the same pattern, which resulted in a 32.9 percent net decrease during the audit period and a 29.2 percent decrease over the six-year period. Ridership experienced a small (5.5 percent) increase in FY 2018/19, but decreased every other year. Not surprisingly, ridership dropped more than 53 percent in FY 2020/21. This led to a 61.7 percent decrease during the audit period, and a 65.6 percent decrease across the six-year period.

Operating cost-related metrics are typically used to assess program efficiency, with declining costs indicating improved efficiency. Passenger-related metrics are typically used to assess productivity, with increasing metrics signifying improved productivity. Operating cost per VSH, operating cost per VSM, and operating cost per passenger all saw net increases during the audit period. Operating cost per passenger was the most significantly impacted, given ridership saw greater declines than VSH and VSM. Passengers per VSH and passengers per VSM both decreased significantly during the audit period, again due to the dramatic decrease in ridership.

Exhibit 6.1 System Performance Indicators

Performance Measure	System-wide					
	FY 2015/16	FY 2016/17	FY 2017/18	FY 2018/19	FY 2019/20	FY 2020/21
<b>Operating Cost (Actual \$)</b>	\$32,196,539	\$31,984,579	\$34,399,786	\$40,626,771	\$38,894,734	\$34,874,705
Annual Change		-0.7%	7.6%	18.1%	-4.3%	-10.3%
<b>Fare Revenue (Actual \$)</b>	\$4,166,504	\$3,703,383	\$3,383,304	\$3,114,144	\$2,999,104	\$1,255,397
Annual Change		-11.1%	-8.6%	-8.0%	-3.7%	-58.1%
<b>Vehicle Service Hours (VSH)</b>	209,858	201,216	205,530	217,057	210,033	151,795
Annual Change		-4.1%	2.1%	5.6%	-3.2%	-27.7%
<b>Vehicle Service Miles (VSM)</b>	3,036,822	2,989,104	3,262,725	3,204,807	3,156,294	2,151,196
Annual Change		-1.6%	9.2%	-1.8%	-1.5%	-31.8%
<b>Passengers</b>	4,081,292	3,595,637	3,473,628	3,664,728	2,997,202	1,402,927
Annual Change		-11.9%	-3.4%	5.5%	-18.2%	-53.2%
<b>Employees</b>	194	197	308	369	301	207
Annual Change		1.5%	56.3%	19.8%	-18.4%	-31.2%
<b>Performance Indicators</b>						
<b>Operating Cost/VSH (Actual \$)</b>	\$153.42	\$158.96	\$167.37	\$187.17	\$185.18	\$229.75
Annual Change		3.6%	5.3%	11.8%	-1.1%	24.1%
<b>Operating Cost/Passenger (Actual \$)</b>	\$7.89	\$8.90	\$9.90	\$11.09	\$12.98	\$24.86
Annual Change		12.8%	11.3%	11.9%	17.1%	91.6%
<b>Passengers/VSH</b>	19.45	17.87	16.90	16.88	14.27	9.24
Annual Change		-8.1%	-5.4%	-0.1%	-15.5%	-35.2%
<b>Passengers/VSM</b>	1.34	1.20	1.06	1.14	0.95	0.65
Annual Change		-10.5%	-11.5%	7.4%	-17.0%	-31.3%
<b>Farebox Recovery</b>	12.9%	11.6%	9.8%	7.7%	7.7%	3.6%
Annual Change		-10.5%	-15.1%	-22.1%	0.6%	-53.3%
<b>Hours/Employee</b>	1081.7	1021.4	667.3	588.2	697.8	733.3
Annual Change		-5.6%	-34.7%	-11.8%	18.6%	5.1%
<b>TDA Non-Required Indicators</b>						
<b>Operating Cost/VSM</b>	\$10.60	\$10.70	\$10.54	\$12.68	\$12.32	\$16.21
Annual Change		0.9%	-1.5%	20.2%	-2.8%	31.6%
<b>VSM/VSH</b>	14.47	14.86	15.87	14.76	15.03	14.17
Annual Change		2.7%	6.9%	-7.0%	1.8%	-5.7%
<b>Fare/Passenger</b>	\$1.02	\$1.03	\$0.97	\$0.85	\$1.00	\$0.89
Annual Change		0.9%	-5.4%	-12.8%	17.8%	-10.6%

Sources: FY 2015/16 – FY 2017/18 data from prior Triennial Performance Audit.

FY 2018/19 – FY 2020/21 data from NTD reports.

FY 2018/19 – FY 2020/21 FTE data from State Controller Reports.



Exhibit 6.2 System Ridership

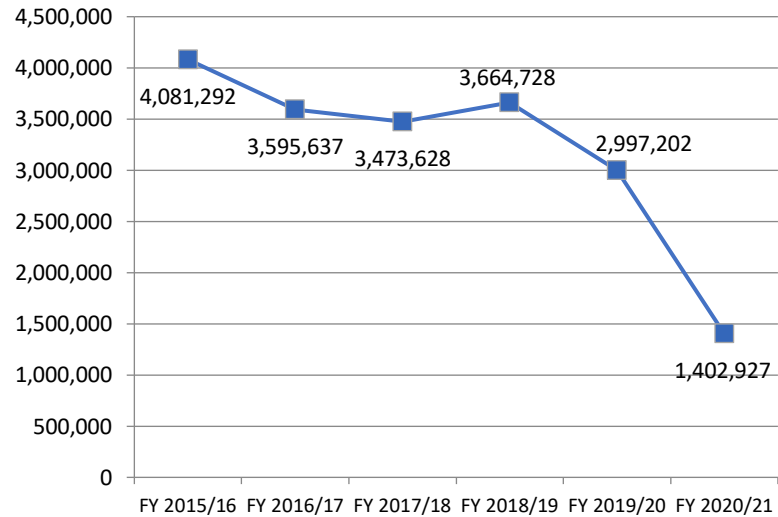


Exhibit 6.3 System Operating Cost/VSH

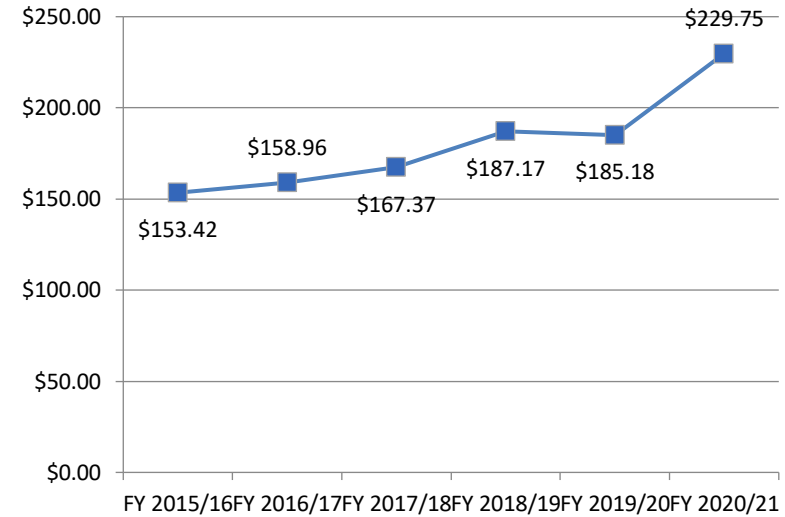


Exhibit 6.4 System Operating Cost/VSM

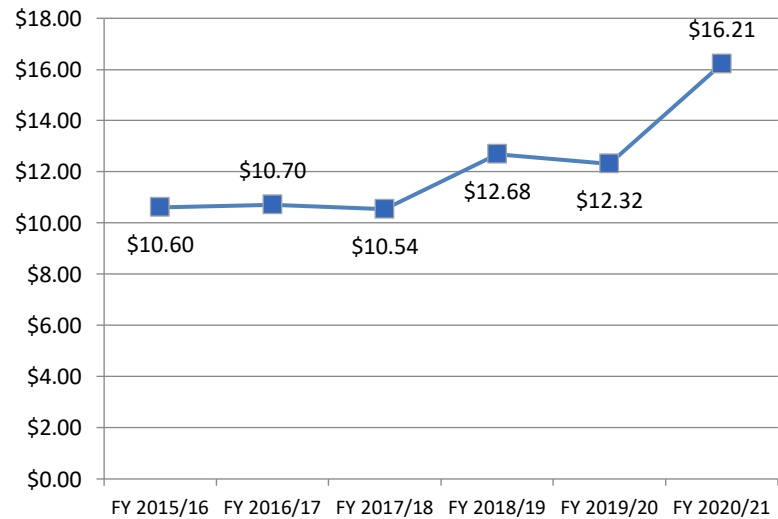


Exhibit 6.5 System VSM/VSH

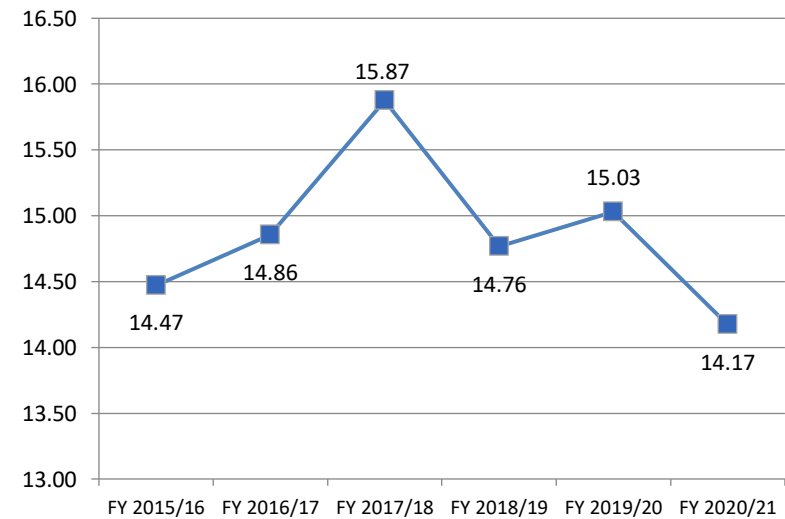


Exhibit 6.6 System Operating Cost/Passenger

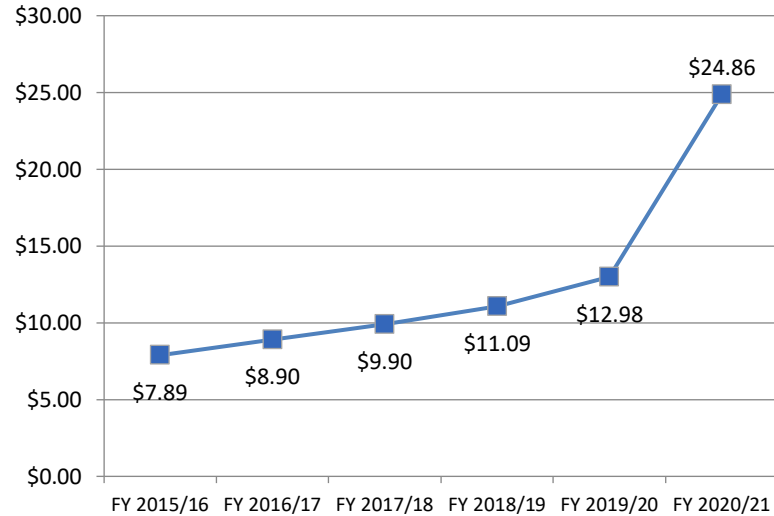


Exhibit 6.7 System Passengers/VSH

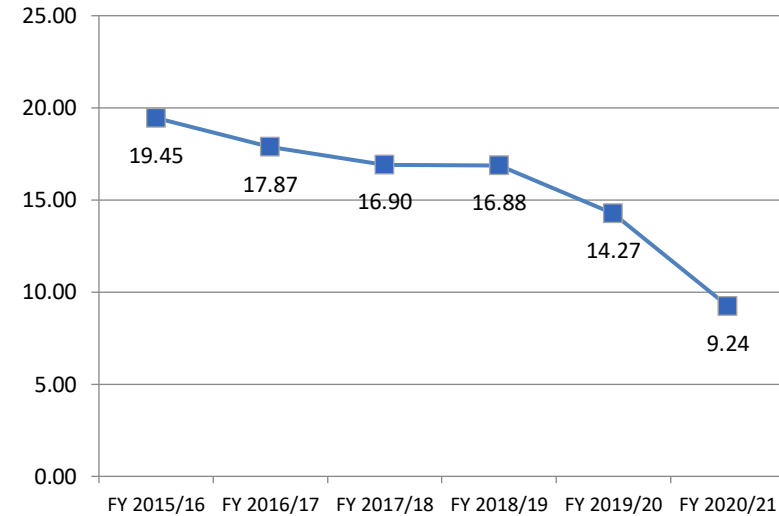


Exhibit 6.8 System Passengers/VSM

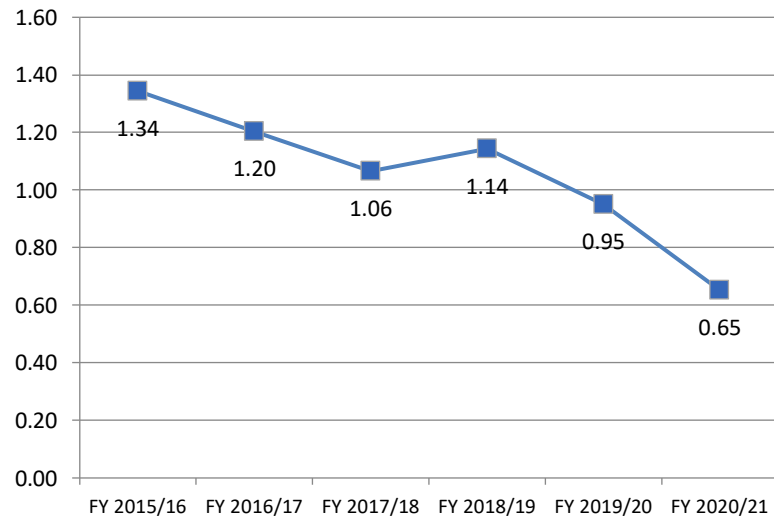


Exhibit 6.9 System VSH/FTE

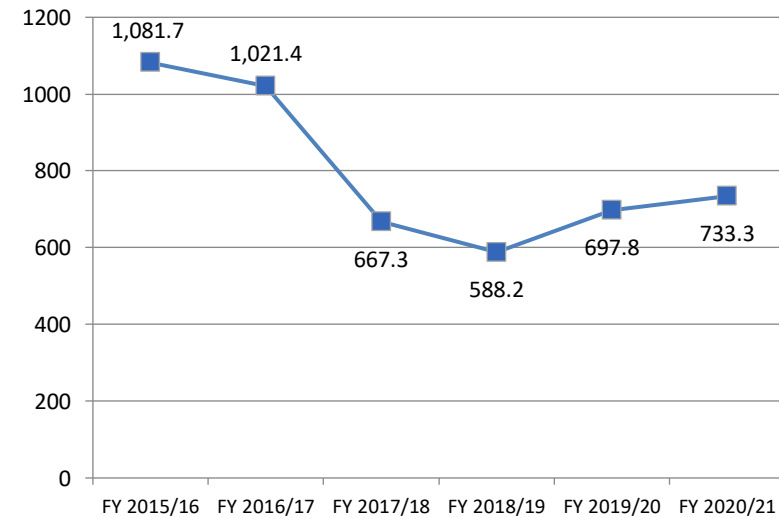


Exhibit 6.10 System Farebox Recovery

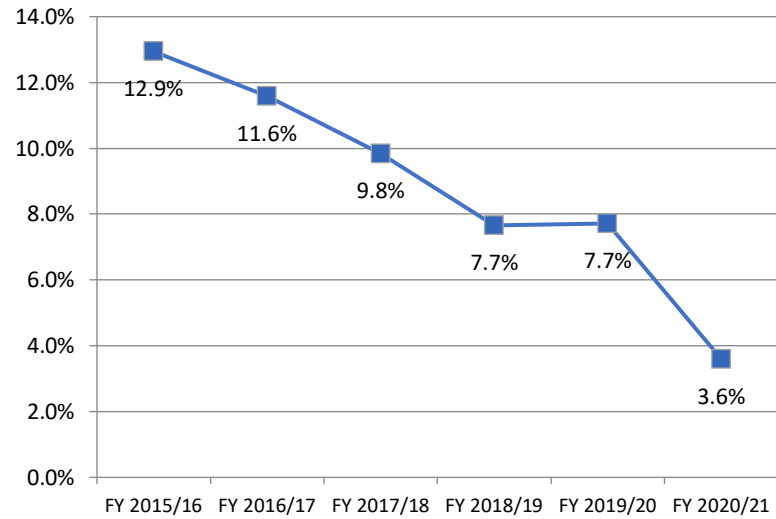
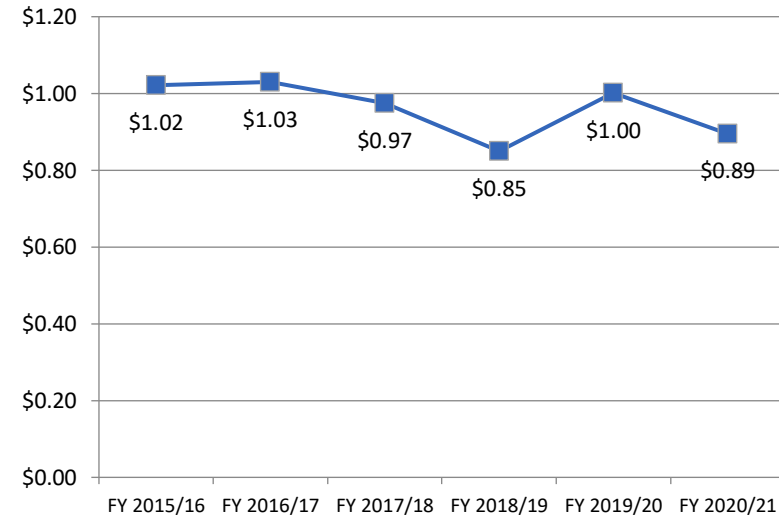


Exhibit 6.11 System Fare/Passenger



### Fixed-Route Performance Trends

Fixed-route operating cost generally rose through the first four years of the six-year period, but fell in the last two (due to the COVID-19 pandemic). Across the audit period, operating cost decreased a net 7.9 percent, though experienced a net increase of 4.6 percent over six years. Fare revenue, however, steadily decreased across the six-year period, resulting in a decrease of 63.6 percent during the audit period and 73.8 percent across six years.

Vehicle service hours (VSH) saw a modest increase in FY 2018/19 but decreased every other year. This resulted in a 26.2 percent net decrease during the audit period and a 26.5 percent decrease over the six-year period. Vehicle service miles (VSM) experienced the same pattern, which resulted in a 29.4 percent net decrease during the audit period and a 31.4 percent decrease over the six-year period. Ridership experienced a modest (7.0 percent) increase in FY 2018/19, but decreased every other year. Not surprisingly, ridership dropped nearly 53 percent in FY 2020/21. This led to a 62 percent decrease during the audit period, and a 65.9 percent decrease across the six-year period.

Fixed-route operating cost per VSH, operating cost per VSM, and operating cost per passenger all saw net increases during the audit period. Operating cost per passenger was the most significantly impacted, given ridership saw greater declines than VSH and VSM. Passengers per VSH and passengers per VSM both decreased significantly during the audit period, again due to the dramatic decrease in ridership.

Exhibit 6.12 includes performance metrics for all fixed-route services combined, so as to be consistent with the prior triennium and offer a trend analysis. Exhibits 6.23, 6.24, and 6.25 provide metrics for the individual fixed-route modes across the past six years, while Exhibits 6.26 through 6.34 compare individual performance measures among the three modes.

## Exhibit 6.12 Fixed-Route Performance Indicators

Performance Measure	Fixed-Route (combined)					
	FY 2015/16	FY 2016/17	FY 2017/18	FY 2018/19	FY 2019/20	FY 2020/21
<b>Operating Cost (Actual \$)</b>	\$29,604,888	\$29,432,639	\$33,137,309	\$33,593,843	\$31,189,656	\$30,950,753
Annual Change		-0.6%	12.6%	1.4%	-7.2%	-0.8%
<b>Fare Revenue (Actual \$)</b>	\$3,965,908	\$3,516,648	\$3,204,063	\$2,856,281	\$2,615,810	\$1,038,497
Annual Change		-11.3%	-8.9%	-10.9%	-8.4%	-60.3%
<b>Vehicle Service Hours (VSH)</b>	185,459	181,622	173,856	184,599	157,470	136,309
Annual Change		-2.1%	-4.3%	6.2%	-14.7%	-13.4%
<b>Vehicle Service Miles (VSM)</b>	2,676,335	2,646,657	2,522,186	2,601,253	2,218,766	1,835,359
Annual Change		-1.1%	-4.7%	3.1%	-14.7%	-17.3%
<b>Passengers</b>	3,992,509	3,519,919	3,349,380	3,583,078	2,879,437	1,362,788
Annual Change		-11.8%	-4.8%	7.0%	-19.6%	-52.7%
<b>Employees</b>	194	197	260	314	256	188
Annual Change		1.5%	32.0%	20.8%	-18.5%	-26.6%
<b>Performance Indicators</b>						
<b>Operating Cost/VSH (Actual \$)</b>	\$159.63	\$162.05	\$190.60	\$181.98	\$198.07	\$227.06
Annual Change		1.5%	17.6%	-4.5%	8.8%	14.6%
<b>Operating Cost/Passenger (Actual \$)</b>	\$7.42	\$8.36	\$9.89	\$9.38	\$10.83	\$22.71
Annual Change		12.8%	18.3%	-5.2%	15.5%	109.7%
<b>Passengers/VSH</b>	21.53	19.38	19.27	19.41	18.29	10.00
Annual Change		-10.0%	-0.6%	0.8%	-5.8%	-45.3%
<b>Passengers/VSM</b>	1.49	1.33	1.33	1.38	1.30	0.74
Annual Change		-10.8%	-0.1%	3.7%	-5.8%	-42.8%
<b>Farebox Recovery</b>	13.4%	11.9%	9.7%	8.5%	8.4%	3.4%
Annual Change		-10.8%	-19.1%	-12.1%	-1.4%	-60.0%
<b>Hours/Employee</b>	956.0	921.9	668.7	587.9	615.1	725.0
Annual Change		-3.6%	-27.5%	-12.1%	4.6%	17.9%
<b>TDA Non-Required Indicators</b>						
<b>Operating Cost/VSM</b>	\$11.06	\$11.12	\$13.14	\$12.91	\$14.06	\$16.86
Annual Change		0.5%	18.1%	-1.7%	8.8%	20.0%
<b>VSM/VSH</b>	14.43	14.57	14.51	14.09	14.09	13.46
Annual Change		1.0%	-0.4%	-2.9%	0.0%	-4.4%
<b>Fare/Passenger</b>	\$0.99	\$1.00	\$0.96	\$0.80	\$0.91	\$0.76
Annual Change		0.6%	-4.2%	-16.7%	14.0%	-16.1%

Sources: FY 2015/16 – FY 2017/18 data from prior Triennial Performance Audit.

FY 2018/19 – FY 2020/21 data from NTD reports.

FY 2018/19 – FY 2020/21 FTE data from State Controller Reports.

Exhibit 6.13 Fixed-Route Ridership

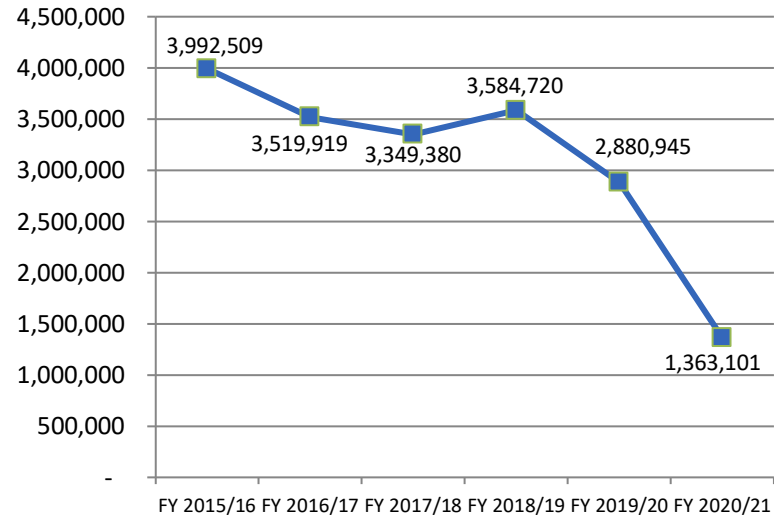


Exhibit 6.14 Fixed-Route Operating Cost/VSH

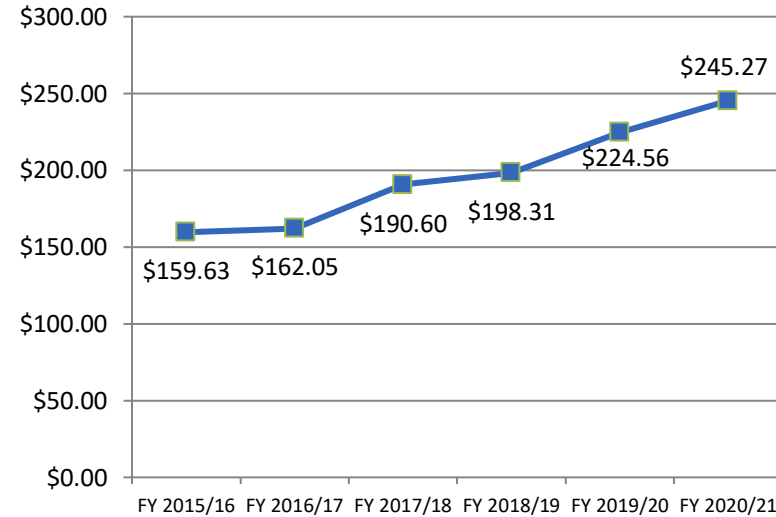


Exhibit 6.15 Fixed-Route Operating Cost/VSM

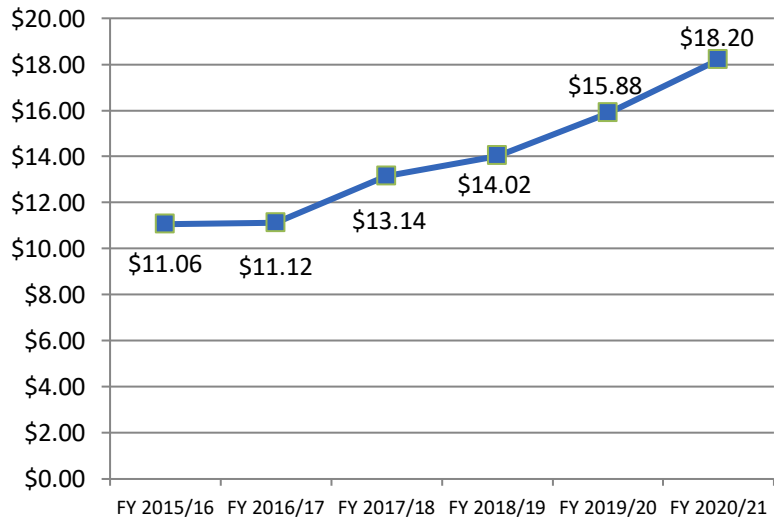


Exhibit 6.16 Fixed-Route VSM/VSH

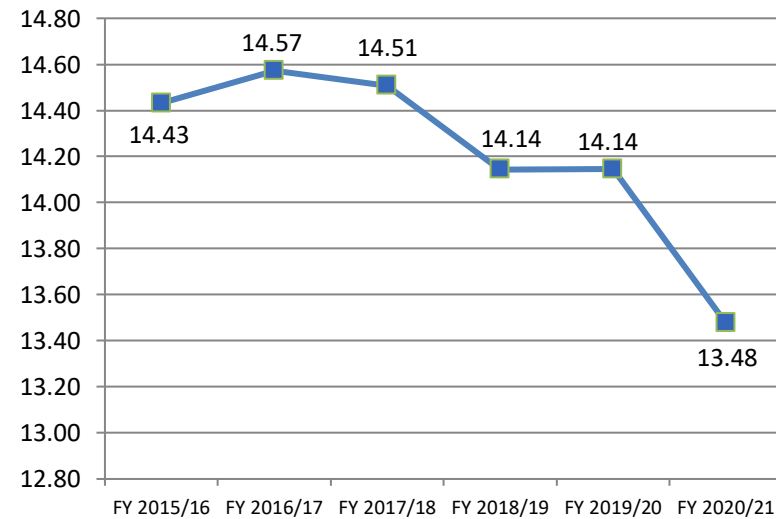


Exhibit 6.17 Fixed-Route Operating Cost/Passenger

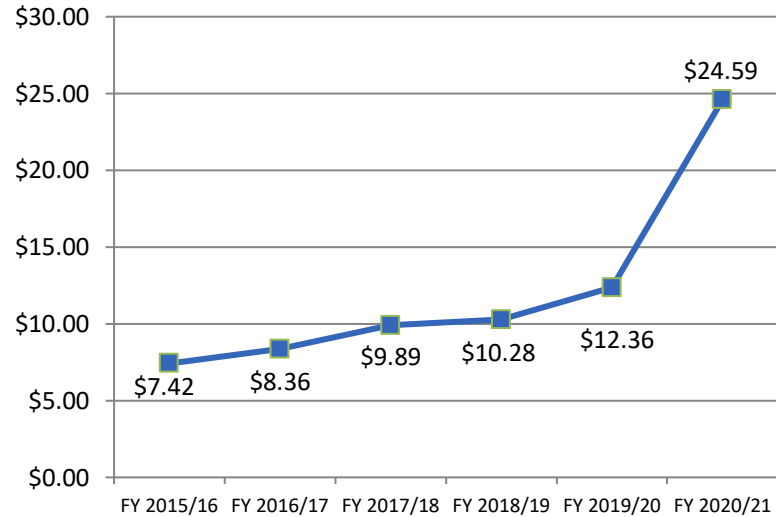


Exhibit 6.18 Fixed-Route Passengers/VSH

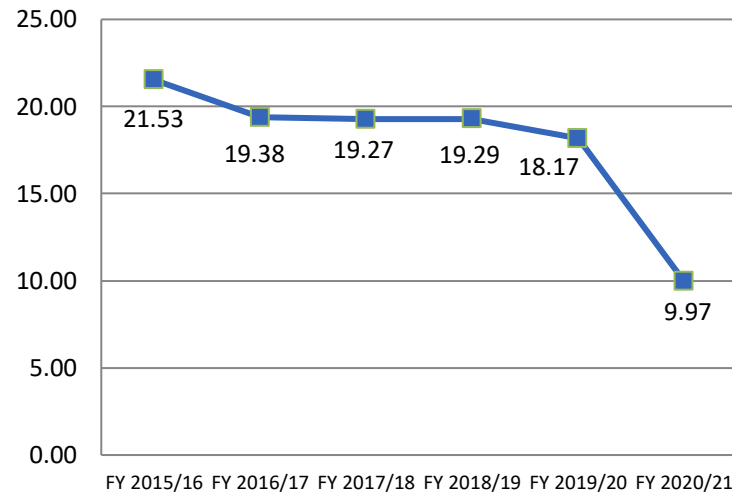


Exhibit 6.19 Fixed-Route Passengers/VSM

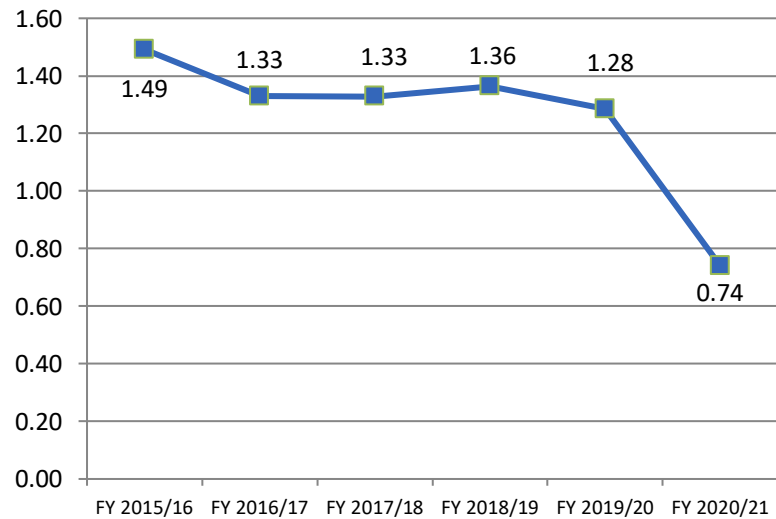


Exhibit 6.20 Fixed-Route VSH/FTE

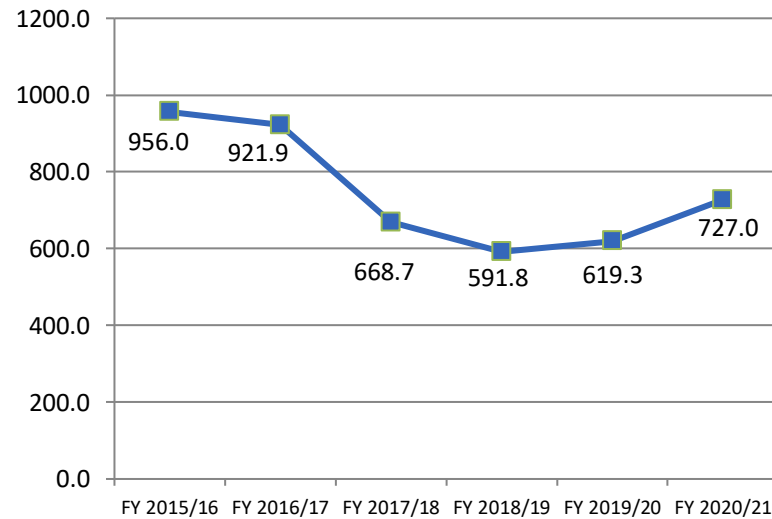


Exhibit 6.21 Fixed-Route Farebox Recovery

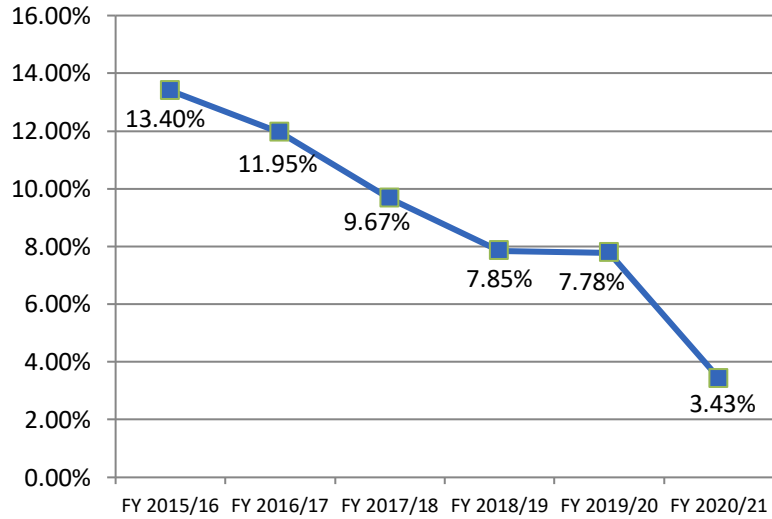
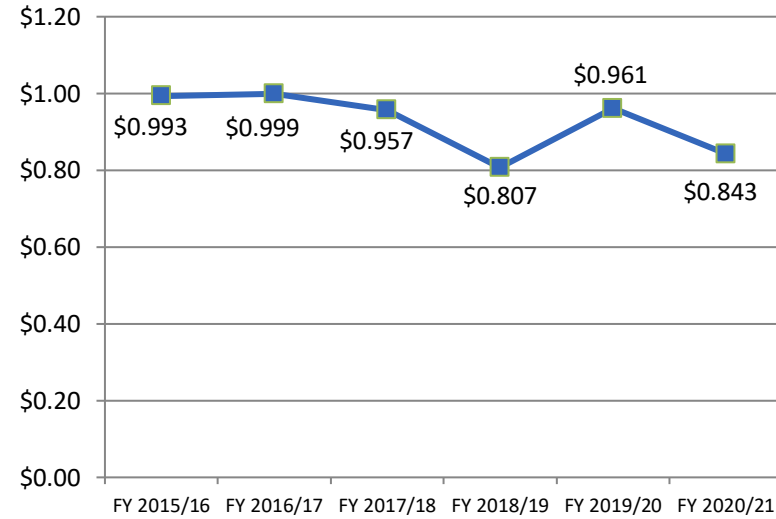


Exhibit 6.22 Fixed-Route Fare/Passenger





## Exhibit 6.23 Fixed-Route (Directly Operated) Performance Indicators

Performance Measure	Fixed-Route (Directly Operated)					
	FY 2015/16	FY 2016/17	FY 2017/18	FY 2018/19	FY 2019/20	FY 2020/21
<b>Operating Cost (Actual \$)</b>	\$19,952,289	\$20,653,045	\$21,877,523	\$25,052,019	\$23,996,933	\$23,436,516
<i>Annual Change</i>		3.5%	5.9%	14.5%	-4.2%	-2.3%
<b>Fare Revenue (Actual \$)</b>	\$2,697,927	\$2,424,815	\$2,123,633	\$1,819,994	\$1,865,855	\$800,659
<i>Annual Change</i>		-10.1%	-12.4%	-14.3%	2.5%	-57.1%
<b>Vehicle Service Hours (VSH)</b>	116,823	116,155	111,207	119,207	100,908	91,298
<i>Annual Change</i>		-0.6%	-4.3%	7.2%	-15.4%	-9.5%
<b>Vehicle Service Miles (VSM)</b>	1,352,561	1,342,274	1,316,670	1,349,645	1,125,095	1,006,878
<i>Annual Change</i>		-0.8%	-1.9%	2.5%	-16.6%	-10.5%
<b>Passengers</b>	3,383,981	2,970,088	2,803,917	3,024,223	2,379,561	1,220,045
<i>Annual Change</i>		-12.2%	-5.6%	7.9%	-21.3%	-48.7%
<b>Performance Indicators</b>						
<b>Operating Cost/VSH (Actual \$)</b>	\$170.79	\$177.81	\$196.73	\$210.16	\$237.81	\$256.70
<i>Annual Change</i>		4.1%	10.6%	6.8%	13.2%	7.9%
<b>Operating Cost/Passenger (Actual \$)</b>	\$5.90	\$6.95	\$7.80	\$8.28	\$10.08	\$19.21
<i>Annual Change</i>		17.9%	12.2%	6.2%	21.7%	90.5%
<b>Passengers/VSH</b>	28.97	25.57	25.21	25.37	23.58	13.36
<i>Annual Change</i>		-11.7%	-1.4%	0.6%	-7.0%	-43.3%
<b>Passengers/VSM</b>	2.50	2.21	2.13	2.24	2.11	1.21
<i>Annual Change</i>		-11.6%	-3.8%	5.2%	-5.6%	-42.7%
<b>Farebox Recovery</b>	13.52%	11.74%	9.71%	7.26%	7.78%	3.42%
<i>Annual Change</i>		-13.2%	-17.3%	-25.2%	7.0%	-56.1%
<b>TDA Non-Required Indicators</b>						
<b>Operating Cost/VSM</b>	\$14.75	\$15.39	\$16.62	\$18.56	\$21.33	\$23.28
<i>Annual Change</i>		4.3%	8.0%	11.7%	14.9%	9.1%
<b>VSM/VSH</b>	11.58	11.56	11.84	11.32	11.15	11.03
<i>Annual Change</i>		-0.2%	2.5%	-4.4%	-1.5%	-1.1%
<b>Fare/Passenger</b>	\$0.80	\$0.82	\$0.76	\$0.60	\$0.78	\$0.66
<i>Annual Change</i>		2.4%	-7.2%	-20.5%	30.3%	-16.3%

Sources: FY 2015/16 – FY 2017/18 data from prior Triennial Performance Audit.  
 FY 2018/19 – FY 2020/21 data from NTD reports.

## Exhibit 6.24 Fixed-Route (Contracted) Performance Indicators

Performance Measure	Fixed-Route (Contracted)					
	FY 2015/16	FY 2016/17	FY 2017/18	FY 2018/19	FY 2019/20	FY 2020/21
<b>Operating Cost (Actual \$)</b>	\$6,629,492	\$6,068,925	\$6,599,632	\$6,461,309	\$5,280,581	\$5,701,622
<i>Annual Change</i>		-8.5%	8.7%	-2.1%	-18.3%	8.0%
<b>Fare Revenue (Actual \$)</b>	\$331,604	\$306,343	\$292,694	\$246,866	\$209,639	\$64,798
<i>Annual Change</i>		-7.6%	-4.5%	-15.7%	-15.1%	-69.1%
<b>Vehicle Service Hours (VSH)</b>	50,229	48,529	47,447	50,534	42,928	35,113
<i>Annual Change</i>		-3.4%	-2.2%	6.5%	-15.1%	-18.2%
<b>Vehicle Service Miles (VSM)</b>	749,511	731,370	720,162	758,869	667,730	521,580
<i>Annual Change</i>		-2.4%	-1.5%	5.4%	-12.0%	-21.9%
<b>Passengers</b>	420,367	373,191	387,639	404,007	386,036	110,118
<i>Annual Change</i>		-11.2%	3.9%	4.2%	-4.4%	-71.5%
<b>Performance Indicators</b>						
<b>Operating Cost/VSH (Actual \$)</b>	\$131.99	\$125.06	\$139.09	\$127.86	\$123.01	\$162.38
<i>Annual Change</i>		-5.2%	11.2%	-8.1%	-3.8%	32.0%
<b>Operating Cost/Passenger (Actual \$)</b>	\$15.77	\$16.26	\$17.03	\$15.99	\$13.68	\$51.78
<i>Annual Change</i>		3.1%	4.7%	-6.1%	-14.5%	278.5%
<b>Passengers/VSH</b>	8.37	7.69	8.17	7.99	8.99	3.14
<i>Annual Change</i>		-8.1%	6.2%	-2.1%	12.5%	-65.1%
<b>Passengers/VSM</b>	0.56	0.51	0.54	0.53	0.58	0.21
<i>Annual Change</i>		-9.0%	5.5%	-1.1%	8.6%	-63.5%
<b>Farebox Recovery</b>	5.0%	5.0%	4.4%	3.8%	4.0%	1.1%
<i>Annual Change</i>		0.9%	-12.1%	-13.9%	3.9%	-71.4%
<b>TDA Non-Required Indicators</b>						
<b>Operating Cost/VSM</b>	\$8.85	\$8.30	\$9.16	\$8.51	\$7.91	\$10.93
<i>Annual Change</i>		-6.2%	10.4%	-7.1%	-7.1%	38.2%
<b>VSM/VSH</b>	14.92	15.07	15.18	15.02	15.55	14.85
<i>Annual Change</i>		1.0%	0.7%	-1.1%	3.6%	-4.5%
<b>Fare/Passenger</b>	\$0.79	\$0.82	\$0.76	\$0.61	\$0.54	\$0.59
<i>Annual Change</i>		4.1%	-8.0%	-19.1%	-11.1%	8.4%

Sources: FY 2015/16 – FY 2017/18 data from prior Triennial Performance Audit.  
 FY 2018/19 – FY 2020/21 data from NTD reports.

## Exhibit 6.25 Commuter Bus Performance Indicators

Performance Measure	Commuter Bus					
	FY 2015/16	FY 2016/17	FY 2017/18	FY 2018/19	FY 2019/20	FY 2020/21
<b>Operating Cost (Actual \$)</b>	\$2,271,420	\$1,973,684	\$2,227,361	\$2,080,515	\$1,912,142	\$1,812,615
<i>Annual Change</i>		-13.1%	12.9%	-6.6%	-8.1%	-5.2%
<b>Fare Revenue (Actual \$)</b>	\$823,649	\$770,980	\$771,718	\$789,421	\$540,316	\$173,040
<i>Annual Change</i>		-6.4%	0.1%	2.3%	-31.6%	-68.0%
<b>Vehicle Service Hours (VSH)</b>	15,835	14,528	14,018	14,858	13,634	9,898
<i>Annual Change</i>		-8.3%	-3.5%	6.0%	-8.2%	-27.4%
<b>Vehicle Service Miles (VSM)</b>	544,073	509,883	459,908	492,739	425,941	306,901
<i>Annual Change</i>		-6.3%	-9.8%	7.1%	-13.6%	-27.9%
<b>Passengers</b>	184,432	173,300	155,996	154,848	113,840	32,625
<i>Annual Change</i>		-6.0%	-10.0%	-0.7%	-26.5%	-71.3%
<b>Performance Indicators</b>						
<b>Operating Cost/VSH (Actual \$)</b>	\$143.44	\$135.85	\$158.89	\$140.03	\$140.25	\$183.13
<i>Annual Change</i>		-5.3%	17.0%	-11.9%	0.2%	30.6%
<b>Operating Cost/Passenger (Actual \$)</b>	\$12.32	\$11.39	\$14.28	\$13.44	\$16.80	\$55.56
<i>Annual Change</i>		-7.5%	25.4%	-5.9%	25.0%	230.8%
<b>Passengers/VSH</b>	11.65	11.93	11.13	10.42	8.35	3.30
<i>Annual Change</i>		2.4%	-6.7%	-6.3%	-19.9%	-60.5%
<b>Passengers/VSM</b>	0.34	0.34	0.34	0.31	0.27	0.11
<i>Annual Change</i>		0.3%	-0.2%	-7.3%	-15.0%	-60.2%
<b>Farebox Recovery</b>	36.3%	39.1%	34.6%	37.9%	28.3%	9.5%
<i>Annual Change</i>		7.7%	-11.3%	9.5%	-25.5%	-66.2%
<b>TDA Non-Required Indicators</b>						
<b>Operating Cost/VSM</b>	\$4.17	\$3.87	\$4.84	\$4.22	\$4.49	\$5.91
<i>Annual Change</i>		-7.3%	25.1%	-12.8%	6.3%	31.6%
<b>VSM/VSH</b>	34.36	35.10	32.81	33.16	31.24	31.01
<i>Annual Change</i>		2.1%	-6.5%	1.1%	-5.8%	-0.8%
<b>Fare/Passenger</b>	\$4.47	\$4.45	\$4.95	\$5.10	\$4.75	\$5.30
<i>Annual Change</i>		-0.4%	11.2%	3.1%	-6.9%	11.7%

Sources: FY 2015/16 – FY 2017/18 data from prior Triennial Performance Audit.  
 FY 2018/19 – FY 2020/21 data from NTD reports.

Exhibit 6.26 Fixed-Route Ridership by Mode

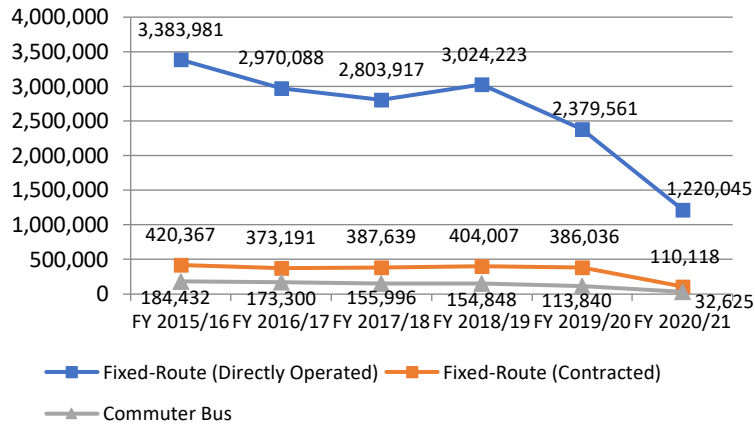


Exhibit 6.27 Fixed-Route Operating Cost/VSH by Mode

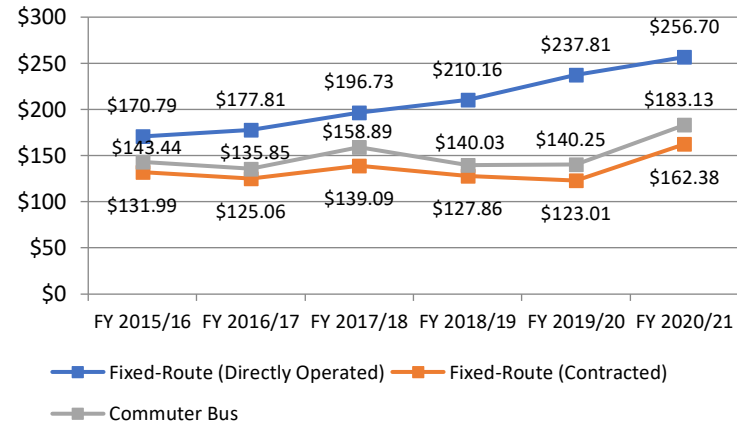


Exhibit 6.28 Fixed-Route Operating Cost/VSM by Mode

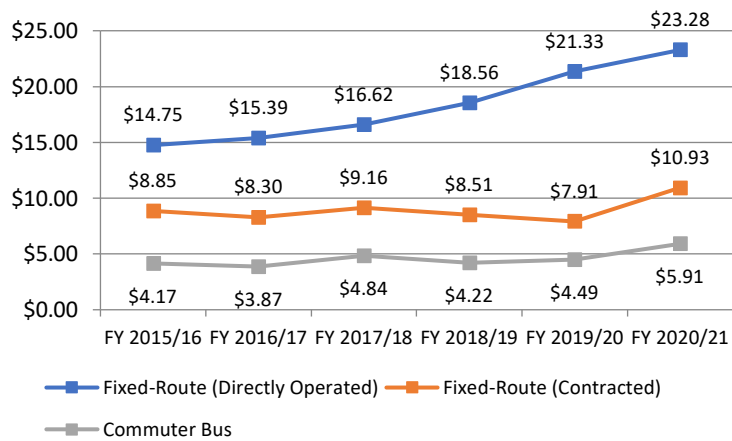


Exhibit 6.29 Fixed-Route VSM/VSH by Mode

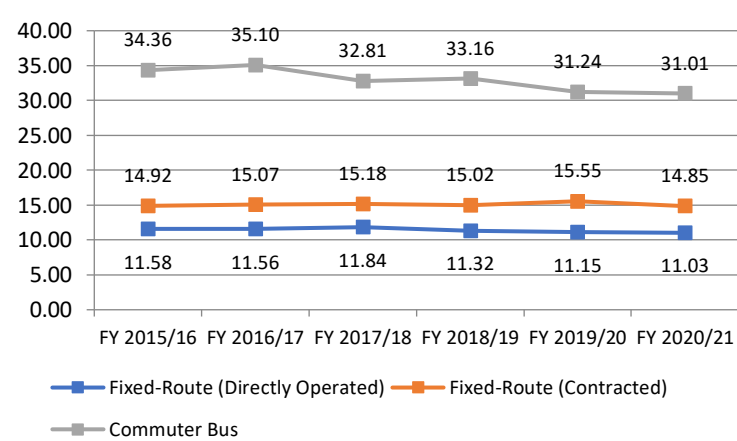


Exhibit 6.30 Fixed-Route Operating Cost/Passenger by Mode

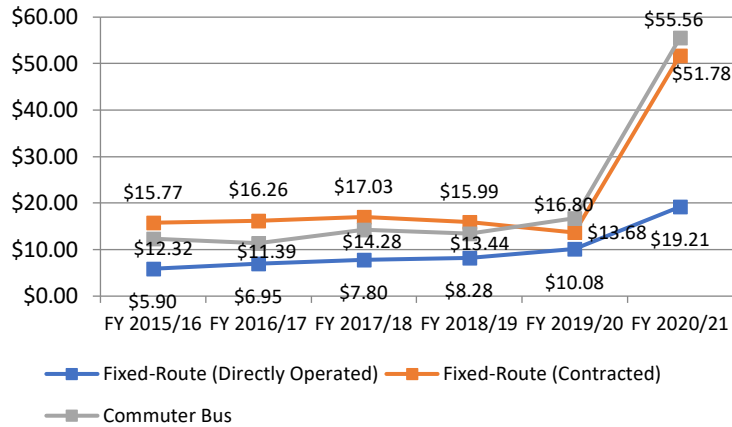


Exhibit 6.31 Fixed-Route Passengers/VSH by Mode

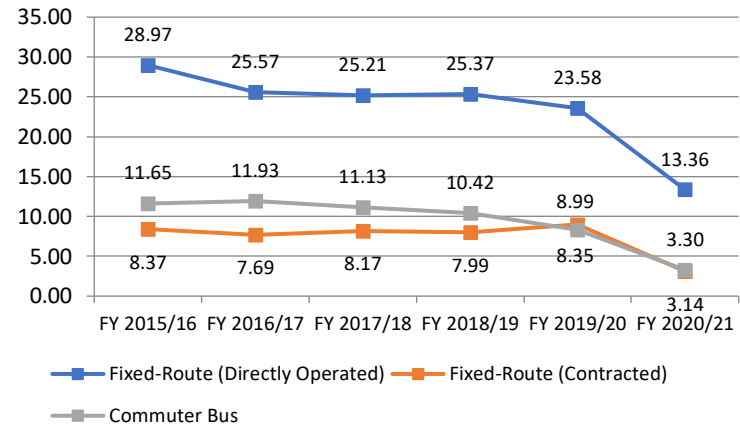


Exhibit 6.32 Fixed-Route Passengers/VSM by Mode

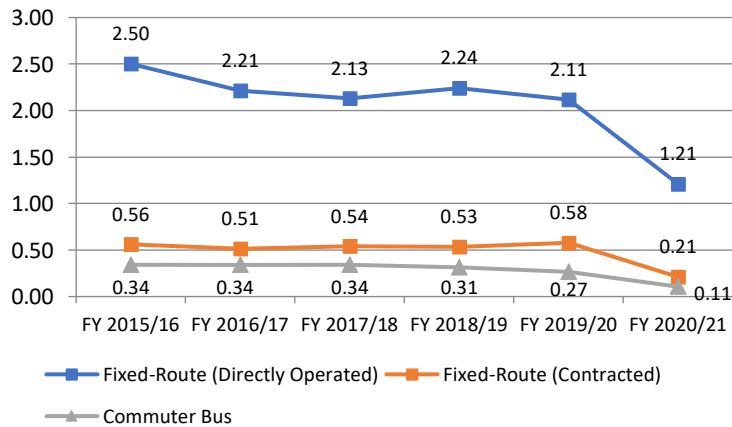


Exhibit 6.33 Fixed-Route Farebox Recovery by Mode

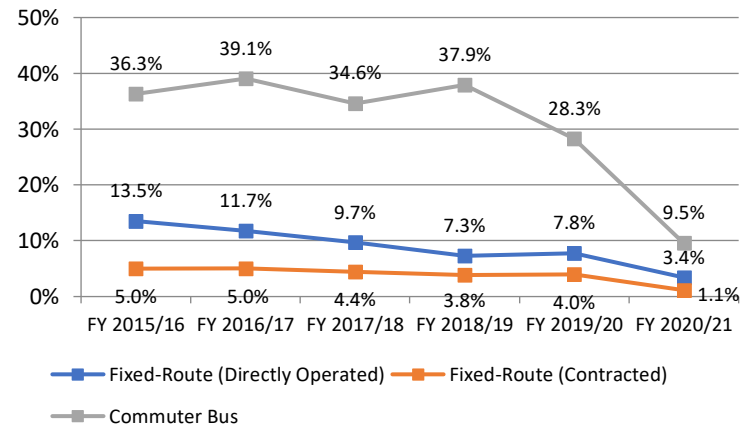
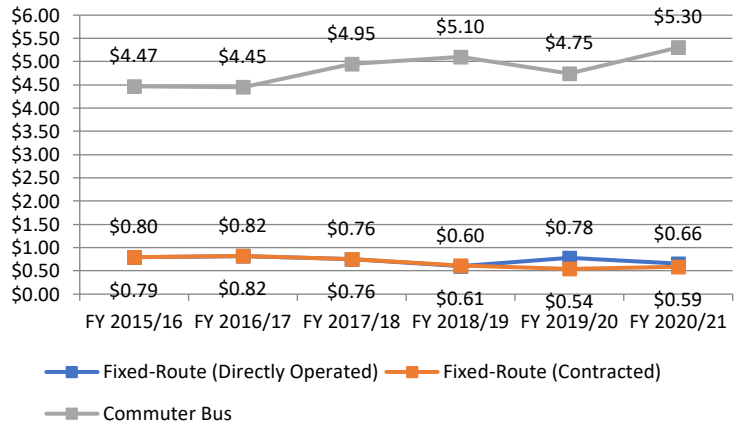


Exhibit 6.34 Fixed-Route Fare/Passenger by Mode



### Demand-Response Performance Trends

Demand-response operating cost increased significantly during the first five years of the six-year period, but experienced a significant decrease in FY 2020/21 due to COVID-19. The significant increases in FY 2018/19 and FY 2019/20 are most likely due to the introduction of the Van Go! service in mid-FY 2018/19. Despite this, the significant decrease in FY 2020/21 resulted in a net decrease of 35.8 percent during the audit period and a net 8.4 percent decrease across six years. Fare revenue followed much of the same pattern, resulting in a 15.9 percent net decrease during the audit period but a net 8.1 percent increase across six years.

Vehicle service hours (VSH) saw significant increases between FY 2017/18 and FY 2019/20 but experienced a sharp decrease in FY 2020/21. This resulted in a 52.3 percent net decrease during the audit period and a 36.5 percent net decrease over the six-year period. Vehicle service miles (VSM) fluctuated from year to year, resulting in a 47.7 percent net decrease during the audit period and a 12.4 percent decrease over the six-year period. Ridership experienced significant increases in FY 2017/18 (64.1 percent) and again in FY 2019/20 (44.2 percent). However, ridership dropped by more than 65 percent in FY 2020/21. This led to a net 50.8 percent decrease during the audit period and a net 54.8 percent decrease across the six-year period.

Demand-response operating cost per VSH, operating cost per VSM, and operating cost per passenger all saw net increases during the audit period, though cost/VSH and cost/VSM did show some modest improvement in FY 2019/20. Passengers per VSH increased a net 3.0 percent during the audit period, while passengers per VSM decreased by 6.1 percent.

Exhibit 6.35 Demand-Response Performance Indicators

Performance Measure	Demand-Response					
	FY 2015/16	FY 2016/17	FY 2017/18	FY 2018/19	FY 2019/20	FY 2020/21
<b>Operating Cost (Actual \$)</b>	\$2,591,651	\$2,551,940	\$2,572,793	\$3,700,483	\$5,519,552	\$2,375,357
<i>Annual Change</i>		-1.5%	0.8%	43.8%	49.2%	-57.0%
<b>Fare Revenue (Actual \$)</b>	\$200,596	\$186,735	\$179,241	\$257,863	\$383,294	\$216,900
<i>Annual Change</i>		-6.9%	-4.0%	43.9%	48.6%	-43.4%
<b>Vehicle Service Hours (VSH)</b>	24,399	19,594	31,674	32,458	52,563	15,486
<i>Annual Change</i>		-19.7%	61.7%	2.5%	61.9%	-70.5%
<b>Vehicle Service Miles (VSM)</b>	360,487	342,447	740,539	603,554	937,528	315,837
<i>Annual Change</i>		-5.0%	116.2%	-18.5%	55.3%	-66.3%
<b>Passengers</b>	88,783	75,718	124,248	81,650	117,765	40,139
<i>Annual Change</i>		-14.7%	64.1%	-34.3%	44.2%	-65.9%
<b>Employees</b>			48	55	45	19
<i>Annual Change</i>				14.6%	-18.2%	-57.8%
<b>Performance Indicators</b>						
<b>Operating Cost/VSH (Actual \$)</b>	\$106.22	\$130.24	\$81.23	\$114.01	\$105.01	\$153.39
<i>Annual Change</i>		22.6%	-37.6%	40.4%	-7.9%	46.1%
<b>Operating Cost/Passenger (Actual \$)</b>	\$29.19	\$33.70	\$20.71	\$45.32	\$46.87	\$59.18
<i>Annual Change</i>		15.5%	-38.6%	118.9%	3.4%	26.3%
<b>Passengers/VSH</b>	3.64	3.86	3.92	2.52	2.24	2.59
<i>Annual Change</i>		6.2%	1.5%	-35.9%	-10.9%	15.7%
<b>Passengers/VSM</b>	0.25	0.22	0.17	0.14	0.13	0.13
<i>Annual Change</i>		-10.2%	-24.1%	-19.4%	-7.1%	1.2%
<b>Farebox Recovery</b>	7.7%	7.3%	7.0%	7.0%	6.9%	9.1%
<i>Annual Change</i>		-5.5%	-4.8%	0.0%	-0.3%	31.5%
<b>Hours/Employee</b>			659.9	590.1	1168.1	815.1
<i>Annual Change</i>				-10.6%	97.9%	-30.2%
<b>TDA Non-Required Indicators</b>						
<b>Operating Cost/VSM</b>	\$7.19	\$7.45	\$3.47	\$6.13	\$5.89	\$7.52
<i>Annual Change</i>		3.7%	-53.4%	76.5%	-4.0%	27.7%
<b>VSM/VSH</b>	14.77	17.48	23.38	18.59	17.84	20.40
<i>Annual Change</i>		18.3%	33.8%	-20.5%	-4.1%	14.3%
<b>Fare/Passenger</b>	\$2.26	\$2.47	\$1.44	\$3.16	\$3.25	\$5.40
<i>Annual Change</i>		9.2%	-41.5%	118.9%	3.1%	66.0%

Sources: FY 2015/16 – FY 2017/18 data from prior Triennial Performance Audit.

FY 2018/19 – FY 2020/21 data from NTD reports.

FY 2018/19 – FY 2020/21 FTE data from State Controller Reports.



Exhibit 6.36 Demand-Response Ridership

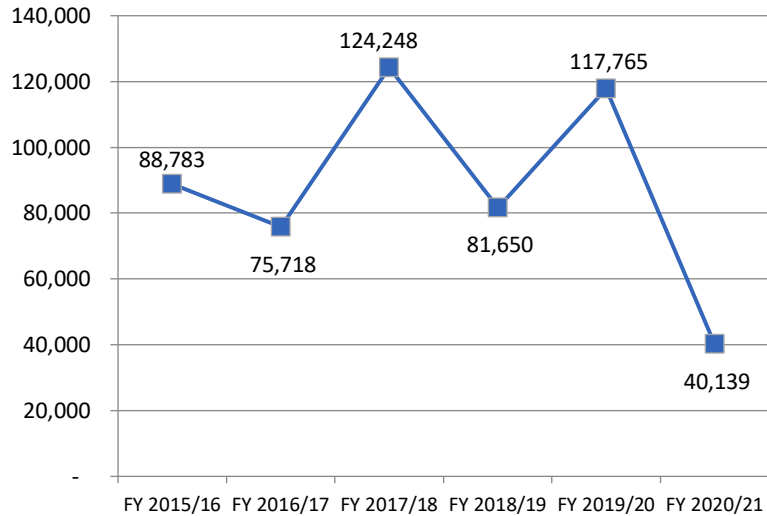


Exhibit 6.37 Demand-Response Operating Cost/VSH

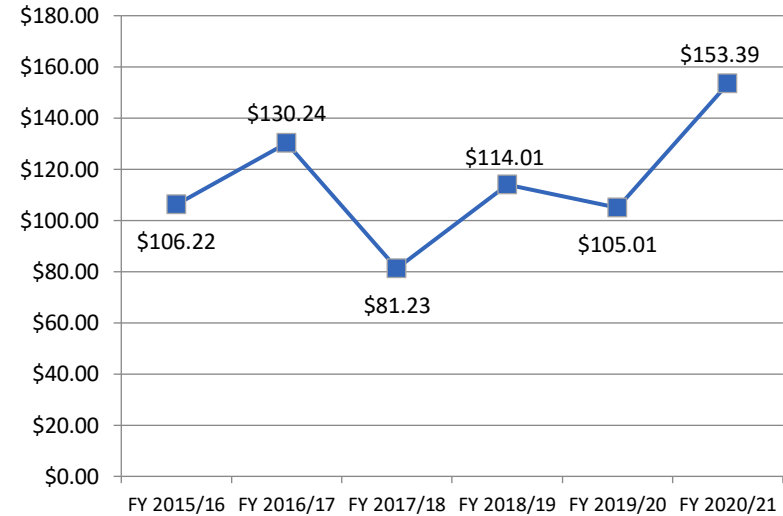


Exhibit 6.38 Demand-Response Operating Cost/VSM

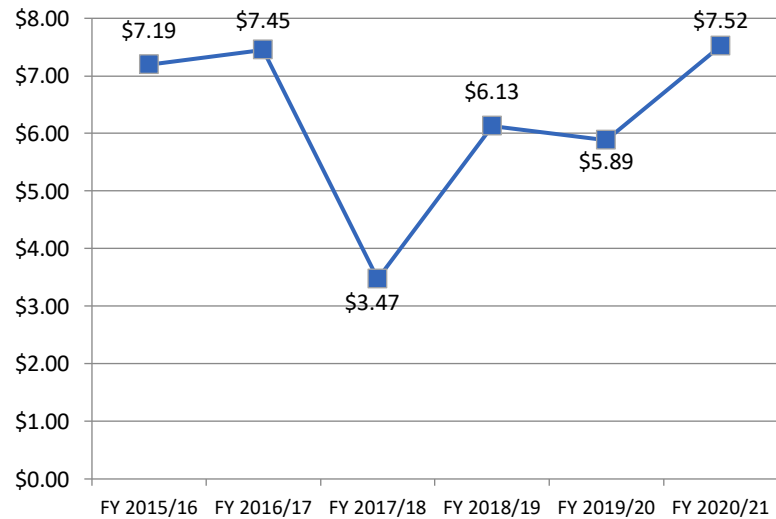


Exhibit 6.39 Demand-Response VSM/VSH

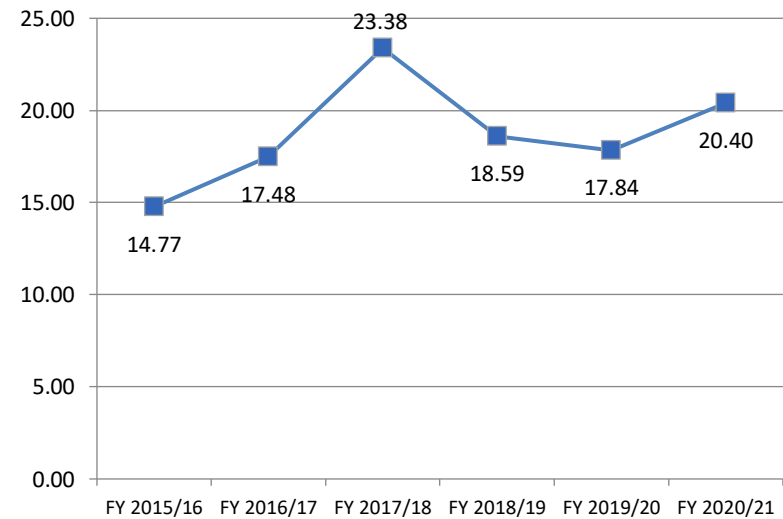


Exhibit 6.40 Demand-Response Operating Cost/Passenger

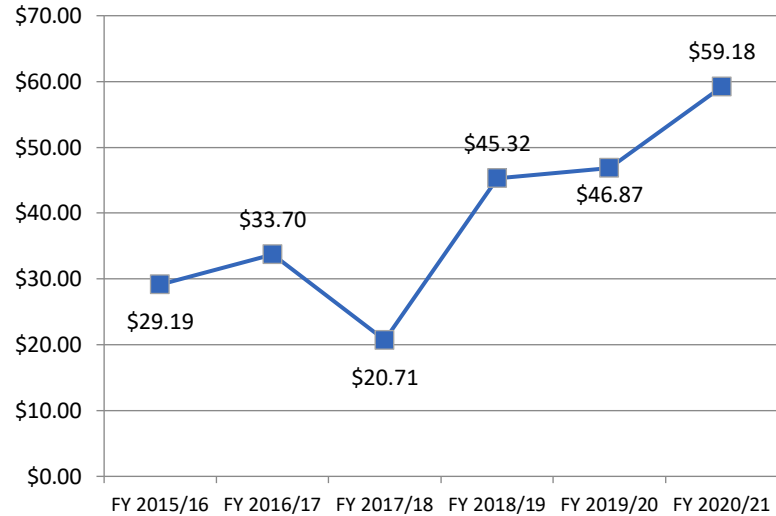


Exhibit 6.41 Demand-Response Passengers/VSH

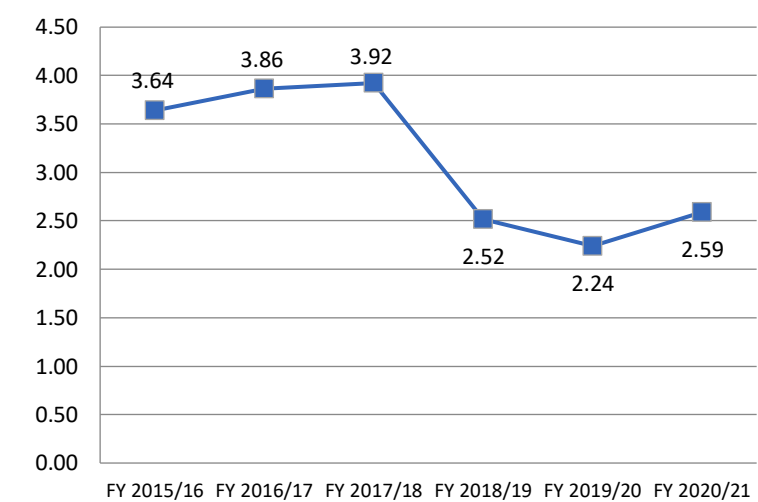


Exhibit 6.42 Demand-Response Passengers/VSM

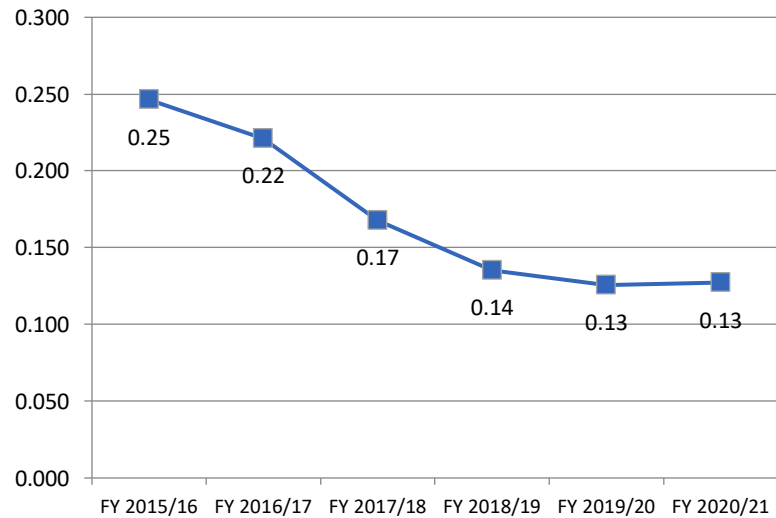


Exhibit 6.43 Demand-Response VSH/FTE

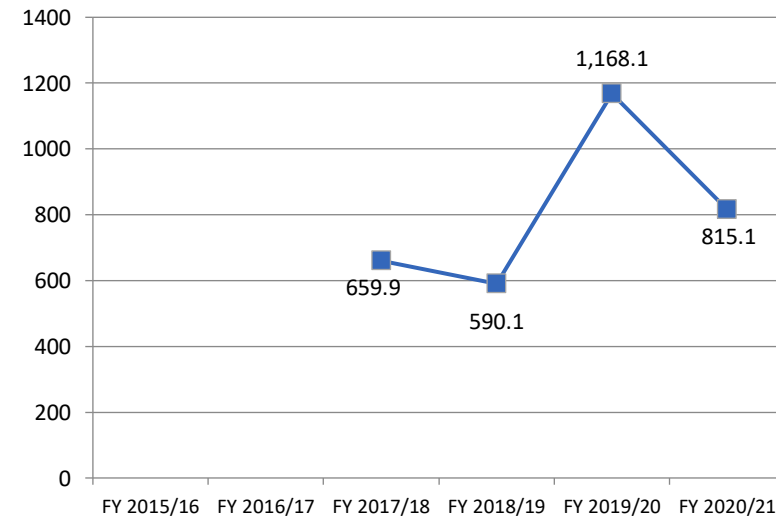


Exhibit 6.44 Demand-Response Farebox Recovery

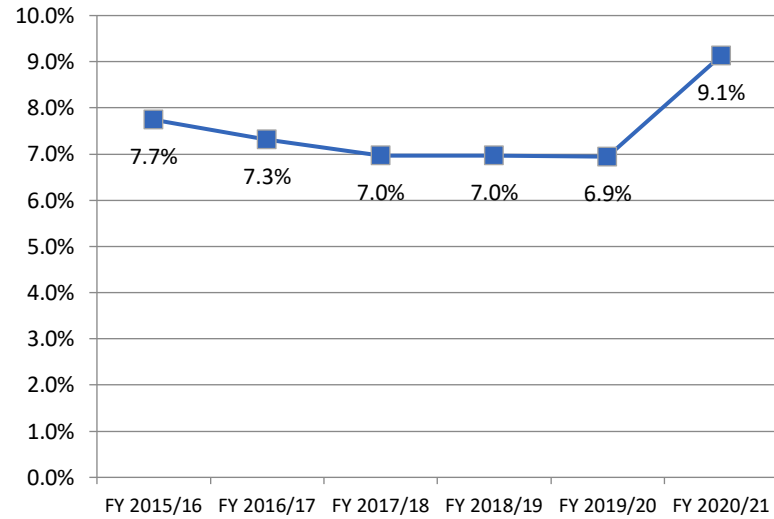
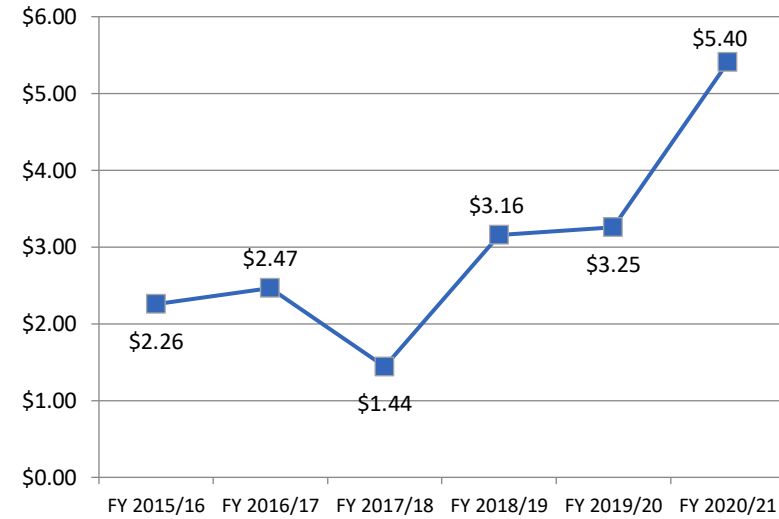


Exhibit 6.45 Demand-Response Fare/Passenger



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## Chapter 7 | Functional Review

A functional review of the San Joaquin Regional Transit District’s public transit program is intended to assess the effectiveness and efficiency of the operator. Following a general summary of the District’s transit services, this chapter addresses seven functional areas. The list, taken from Section III of the *Performance Audit Guidebook* published by Caltrans, reflects those transit services provided by the RTD through its transit program:

- General management and organization;
- Service planning;
- Scheduling, dispatch, and operations;
- Personnel management and training;
- Administration;
- Marketing and public information; and
- Fleet maintenance.

### Service Overview

The San Joaquin Regional Transit District provides bus and paratransit services within the Stockton metropolitan area, as well as between Stockton and surrounding communities and Sacramento. The RTD’s service includes 25 local Metro routes, five Metro BRT Express routes, seven Metro Hopper routes, six Weekend routes, two Commuter routes, and five County Hopper routes. Metro and County Hopper routes operate as deviated fixed routes, providing deviations of up to one mile from the route to accommodate ADA-certified customers. County Hopper routes do not provide deviations in Lodi and Tracy, yet provide connections to local transit services in those communities.

Metro service (local and BRT Express) operates from approximately 5:15 a.m. through 9:55 p.m. on weekdays and from approximately 8:00 a.m. through 7:00 p.m. on weekends. Commuter routes may have limited trips each weekday, departing as early as 4:00 a.m. and ending service as late as 7:20 p.m. Reservations are recommended for Commuter riders to ensure a seat is available. Metro Hopper routes generally operate between 6:00 a.m. and 6:30 p.m. County Hopper routes start as early as 6:00 a.m. and run until 5:30 p.m.

The RTD provides a variety of mobility services, including the Stockton Metro Area Dial-A-Ride. Dial-A-Ride is a curb-to-curb service available to ADA-certified individuals seven days per week, generally mirroring the Metro local and BRT Express hours. Reservations must be made one to two days in advance.

The RTD launched its VanGo! ridesharing program in FY 2018/19. Passengers can travel anywhere within San Joaquin county. Trips can be booked up to two days in advance. Customers can pay online, through the Van Go! app, or with cash upon pick-up. Van Go! currently operates seven days a week from 8:00 a.m. to 5:00 p.m.

**Exhibit 7.1 BRT Express, Local, Intercity, and Hopper Fare Structure**

	1-Ride (Base Fare)	1-Day Pass	31-Day Pass
Regular (full) fare	\$1.50	\$4.00	\$65.00
Discounted fare*	\$0.75	\$2.00	\$30.00
Student fare**	\$1.50	\$4.00	\$40.00
Children age 4 and under***	Free	N/A	N/A

\* Discounted fare valid for seniors age 60+, persons with disabilities, Medicare cardholders, and other eligible passengers with a valid Discount Fare Card (DFC).

\*\* Student fare valid for students age 5 to 17 and college students with a valid student ID.

\*\*\* Up to three children under five ride free with a fare-paying adult. Full fare is required for each additional child.

Hopper deviations are free for ADA-certified passengers with Access Pass. Access Pass holders may also ride most fixed-route services in San Joaquin county free of charge.

**Exhibit 7.2 Commuter Fare Structure**

	One-way	Monthly Pass
Route 150 – Stockton	\$7.00	\$191.00
Route 150 – Lathrop	\$7.00	\$175.00
Route 150 – Tracy	\$7.00	\$158.00
Route 163 – Stockton	\$7.00	\$176.00
Route 163 – Lodi	\$7.00	\$167.00

**Exhibit 7.3 Demand-Response Fare Structure**

	Base fare	Discount Fare Card
Dial-A-Ride (ADA paratransit)		
One-way fare	\$3.00	N/A
Personal Care Attendant (PCA)	Free	N/A
Companion	\$3.00	N/A
Van Go! (General public)		
First five miles (one-way trip)	\$4.00 per person	\$3.00 per person
After five miles (per mile)	\$0.50 per person	\$0.50 per person

Passes may be purchased at GFI fare vending machines, VenTek fare vending machines, online, or via mobile device (Token Transit, Vamos, and Mobile2Go). The 1-Ride Metro Express Pass is only valid on Metro Express routes. Other passes are valid on any of RTD’s Metro and Hopper routes. Commuter passes may be purchased via the Mobile2Go app. Dial-A-Ride one-ride passes may be purchased online. Van Go! fares may be purchased using the Van Go! mobile app.

**Response to COVID-19 pandemic**

During the COVID-19 pandemic, the District’s leadership worked together to provide a rapid and effective response. Prior to the pandemic, RTD leadership had been cohesive and responsive to a variety of types of changes. In facing the challenges of the pandemic, RTD’s response was successful. RTD sought to increase its preparedness for potential pandemic exposure for front-line workers. This required creative and innovative ways to secure protective gear and provide direction and guidance on how to be safe.

Directives from the county, state, and federal governments did not always agree, yet RTD strove to remain compliant.

In mid-March 2020, the RTD suspended all weekday fixed-route service and all commuter weekday service, except routes 120 and 163 due to the COVID-19 pandemic. Effective March 23, the RTD began operating weekend service seven days a week. Commuter Route 163 service was limited to two morning and two afternoon trips. Beginning August 16, 2020, most routes returned with modified service levels, although some routes were fully restored to pre-pandemic service levels. The Van Go! service was also redesigned to eliminate zones and zone transfers. The RTD also provided free service to several vaccination sites. Details regarding service changes were communicated primarily through the virtual environment, including enhanced social media.

The RTD formed an interdisciplinary team to prepare its response to the pandemic, from the initial response in the first months through the launch of modified service. Extensive outreach was conducted prior to the modified service launch, including workshops and reaching out through community partners.

The RTD initially went fare-free from March to July 2020 (excluding Commuter and Van Go! services) to limit contact with drivers, then suspended fares through August 30, 2020, as the modified service changes were introduced. Face masks were required to comply with FTA directives, and social distancing onboard vehicles (including blocking off seats) was instituted. Rear-door boarding was utilized to minimize contact, and plexiglass and clear curtain barriers were installed to further protect drivers. Enhanced daily cleaning procedures were implemented, including onboard vehicles and bus shelters, benches, fare vending machines, and other high-touch areas. Board and Committee meetings were held virtually.

Ridership decreased significantly due to the pandemic, dropping to approximately 40 percent of its pre-pandemic level. The RTD concludes ridership did not decrease further given the area's high transit-dependent population.

#### General Management and Organization

Management monitors program performance through the development and implementation of the annual strategic plan goals, objectives, and deliverables. Meetings with executives and managers are held weekly and provide clear direction to subordinates on program performance and project delivery. The RTD also uses project management tools such as Monday.com.

Management regularly oversees program performance and acts appropriately upon performance and financial information. Managers regularly meet with and provide clear direction to subordinates. The RTD recently underwent organizational changes such as a new CEO and Interim COO. (The Deputy CEO position is currently vacant.) The transition was smooth and the impact was positive. Other organizational changes were made based on current needs and staffing levels, reduced service levels, and redirection of resources to streamline efforts, which resulted in some layoffs or terminations. The information was shared with the Board. During the COVID-19 pandemic, the RTD implemented weekly updates to stay on top of any changes that may occur.

Service changes taking place during the audit period are noted below:

- FY 2018/2019:
  - Resumed regular service on routes 340, 360, 380, and 390 in July (seasonal routes).
  - Introduced a new Express route, Metro Express Route 49, that travels on the MLK Corridor.
  - Remodified Route 715.
  - Provided service to the new Union Transfer Station.
  - Introduced schedule adjustments to improve service reliability, allow charging time for electric buses, and improve connectivity.
  - Suspended seasonal Routes 340, 360, 380, and 390 during the summer months.
- FY 2019/2020:
  - Resumed regular service on Routes 340, 360, 380, and 390 in July (seasonal routes).
  - Suspended Routes 570 and 577 (stops integrated into Metro Hopper Routes 3 and 9)
  - Converted Route 535 to a limited-service route, keeping trips with highest daily average boarding.
  - Modified Route 43 to improve service reliability and connectivity.
  - Extended one morning and one afternoon trip on Route 49 to better serve customers.
  - Modified Route 560 to better serve customers.
  - Responded to COVID-19 pandemic with service modifications.
- FY 2020/2021
  - Restored service on the 40s, 500s, Metro Hopper, County Hopper, and Commuter Routes. Some routes restored to limited service levels.
  - Discontinued low performing routes, including Route 365, Route 560, Metro Hopper 8, and Metro Hopper 9.

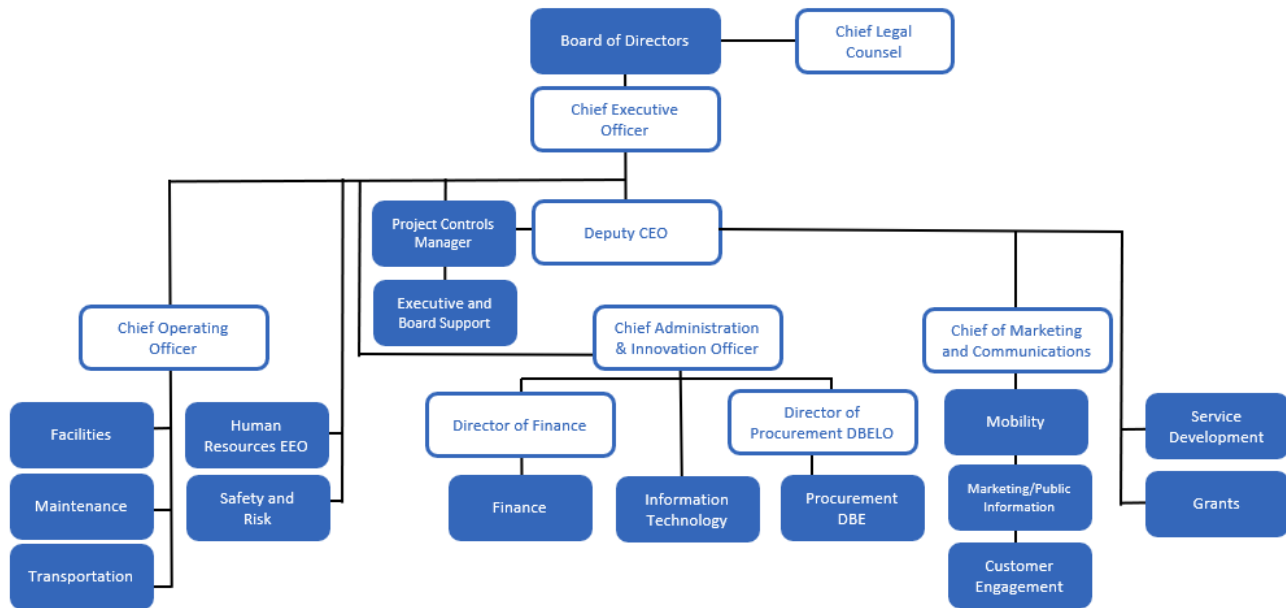
In FY 2018/19, ridership experienced an increase of 7.7 percent. Prior to the pandemic, FY 2019/20 was on track for a continued increase in ridership. However, this was reversed due to schools closing, employees working remotely, businesses closing, etc. Performance is being carefully monitored, including the impact of recent service changes. The agency launched a System Redesign Study in FY 2021/22 intended to identify new goals and objectives in light of the effects of the pandemic.

The San Joaquin RTD Board of Directors consists of five members. Two are appointed by the Stockton City Council, two are appointed by the San Joaquin County Board of Supervisors, and one member is appointed jointly by the San Joaquin County Board of Supervisors and Stockton City Council. Each Director serves a four-year term. The Board meets on the third Friday of the month at 10 am at RTD's administrative offices, located at 421 E. Weber Avenue in Stockton. Given the administrative offices are co-located with the Downtown Transit Center, all meetings are accessible by public transit.

The CEO serves as the primary inter-governmental liaison. Multiple RTD staff interact with the San Joaquin COG on a regular basis and are members of SJCOC's Transit and Technical Advisory Committees as well as the Social Service Transportation Advisory Council (SSTAC). There are fairly frequent interactions with the SJCOC (given the COG office's proximity to the RTD headquarters.) RTD staff always attend SJCOC meetings. As the Consolidated Transportation Services Agency (CTSA) for the entire county, RTD has close partnerships with the jurisdictions providing services for seniors and individuals with disabilities. The RTD has worked closely with the SJCOC in estimating the impact of the pandemic on RTD's revenues.



Exhibit 7.4 Organizational Chart



### Service Planning

The most recent Short Range Transit Plan (SRTP) was developed within the context of the regional planning process, which will implement the San Joaquin Council of Governments’ Regional Transportation Plan & Sustainable Communities Strategy (RTP/SCS) and the Regional Transit Systems Plan. The SRTP was prepared in-house with the assistance of a consultant and the plan is constantly monitored. Goals are stated and defined in the Five-Year SRTP. The Plan is updated every five years, and is reviewed and updated for the local MPO in the third year of each report cycle. Comprehensive operational analyses are prepared by consultants every few years as operations funding, ridership, or community demographics changes warrant. In early 2021, RTD launched its Next Gen System Redesign Study, with completion slated for March 2022.

The RTD regularly tracks its performance goals, which increasing ridership and fare revenue, improving efficiency and reliability, and reducing operating costs. In doing so, it monitors key performance indicators such as passengers per revenue hour, on-time performance, farebox recovery ratio, and operating cost per revenue hour.

In order to achieve its goals, the RTD conducts KPI Executive Review Meetings regularly and performance measures are monitored towards achieving system-wide goals. Due to the current environment and ongoing COVID-19 pandemic, the RTD implemented a dynamic planning process between March 2020 and August 2020. This included establishing an interdisciplinary team to prepare and launch plan for modified service in August 2020. The Plan resulted in modified service levels, extraordinary customer service, safe buses and facilities, compliant work and effective grant administration, and impactful and effective communications and marketing campaign.

To identify new development areas that may require transportation, the RTD works closely with the SJCOC as the RTPA and as the local MPO. It is part of advisory committees and participates actively in the Regional

Transportation Plan process that also includes other stakeholders. RTD staff participates in meetings with San Joaquin County Public Works, City of Stockton, and social services agencies and ensures the participation of different stakeholders within the Coordinated Transportation Plan.

The RTD has a variety of services to support special transportation needs. The RTD developed the Coordinated Public Transit-Human Services Transportation Plan (Coordinated Plan) in conjunction with local human services agencies and other community stakeholders. This Plan identifies the transportation needs of individuals with disabilities, seniors, and people with low incomes; provides strategies for meeting those local needs; and prioritizes transportation services and projects for funding and implementation.

Public Meetings are conducted every month (Board of Directors meetings) wherein the public has an opportunity to express comments. The RTD also participates in annual TDA Article 8 “unmet transit needs” (UTN) public hearings conducted by the SJCOG. In addition, any major service change or fare change requires public participation under the RTD’s Title VI policies. Customer comments are accepted 24/7 by email, phone, mail, Twitter, Facebook, and in-person at the Customer Service Center. Public outreach is conducted for all SRTP, Title VI, and Regional Transportation Plan updates or reports.

The RTD conducted a Passenger and Potential Riders Survey in March 2021 as part of its Next Gen Study. The next phase of public outreach will include ten stakeholder virtual workshops and three public hearings to present service scenarios and gather input from the public.

#### Administration

The RTD has a zero-based operating budget. The budgeting process involves all internal stakeholders at the RTD. A meeting with management reviews what is planned for the next year and a strategic plan is formulated. It starts with the submittal of department heads’ operating expense proposals between February and April, which are examined for reasonability, compliance, and completeness. Pertinent budget assumptions are used for calculations. Operating expenses are then matched with projected revenues. Budget deliberation meetings are conducted to balance the budget, budget cost allocation to services is performed for service cost review, and calculations are performed for funding subsidy compliance. Plans, budget assumptions, and budget details are presented for the CEO’s review and then the Board’s review. The budget is presented for adoption at a regular Board Meeting. The adopted operating and capital budgets are distributed to stakeholders. Budgeted and actual revenues and expenses are review monthly.

For the capital projects budget, department heads submit their capital budget and prioritization proposals, then projected capital revenues are matched with approved capital project proposals. Revenues are assigned to projects based on funding eligibility and project prioritization. After the CEO’s review, the capital budget is presented for review and adoption by the RTD Board.

The Director of Financial Planning is responsible for the development of, control of, and monitoring of adherence to the budget. Budgeted and actual expenses are reported to the RTD’s Board on a monthly basis.

The RTD uses the One Solution Financial System with a budget block setup wherein expenses over the budget are blocked at the object code and requisition level. Approval of expenses is based on Delegation of Authority as identified in the RTD's Procurement Policy.

Grant application and compliance responsibility is clearly defined within the organization. The Grants Manager starts with the budget process, which defines what money is needed, and seeks to identify funding for unfunded projects as well as opportunities for projects not budgeted. Grant applications are prepared and submitted according to a notice of funding availability. Once awarded, the Grants Manager holds a kickoff meeting with Finance and the project manager about the grant. This meeting covers the grant agreement, requirements, scope, schedule, cost, and reporting requirements. Finance handles post-award functions and sets up account codes in the One Solution system. The project manager works with procurement for bidding out the project. Information about the progress of grants is maintained using spreadsheets.

The RTD is self-insured in excess insurance. Other policies include Commercial Property, Excess Liability, Physical Damage (Business Auto), Excess Workers Compensation, Public Officials Liability, Crime Bond, License and Permit Bond, Fiduciary Bond, UST Storage Tank, Cyber Liability, and Difference in Conditions. Risk management is located within Human Resources. Policies are in place for reviewing claims. The RTD also has an accident and incident investigation plan that encompasses all aspects of such claims.

Payroll is run in-house every other week using direct deposit. Bus operators' timekeeping is through Trapeze, while all other staff use KRONOS, which features Touch ID finger scan verification. All reporting is electronic. Employee hours are based on time clock punches. Operator hours are calculated in the Trapeze system based on their work hours bid, with exceptions entered by supervisors. All employee records and data are entered into the One Solution financial system that only HR and payroll staff have access to. All hard copy employee records are secured in the Human Resources office.

Fares are collected using removable GFI farebox vaults. Utility Workers stand by the revenue vault during the daily servicing and fueling of each bus. An electronic farebox probe is held against the electronic farebox, which unlocks the vault from the electronic farebox and downloads any transaction information recorded by the electronic farebox. Fareboxes are then emptied into the revenue vault. The revenue collection accountant has access to the cash fares. All counting is done by two accountants in the secure money room. Money counters wear overalls without pockets and all counting is monitored by multiple cameras. Once counted, the cash is stored in the safe located in the same room. The deposits are picked up by Loomis armored car services and taken to the RTD's bank. Bank deposits are reconciled with farebox reports by the cash receipts accountant. Revenues obtained through mobile ticketing platforms are deposited directly into the RTD's bank account.

All contracts are managed through a centralized procurement department. Each Project Manager (PM) is responsible for ensuring the scope of services are delivered or performed as indicated in the contract. He/she is also responsible for the review and approval of invoices consistent with the contract compensation language as stated in the contract.

The Contracts Administrator (CA) develops and manages the terms and conditions of the contracts. He/she makes sure that all documents related to the contract comply with Federal, State, and local requirements and are on file and up to date. This includes assuring that contractor is not debarred from

engaging in any government contracts, insurance certificates are up to date, contract has not expired, etc. The Board of Directors or the CEO, depending upon the amount of the contract, decides whether to award the contract to the selected vendor. Any contract that exceeds \$250,000 requires Board approval. Once awarded, the CA will issue a notice-to-proceed in consultation with the PM.

All solicitations and contracts are uploaded in the Procurement procurement system by the CA. This system ensures that all contracts and all required documentation to support the contract are available for all stakeholders to view. The RTD recently began accepting electronic submittals through the system.

The CA is responsible for contracts closeout and will coordinate with the contractor to make sure that all invoices are paid as well as with the Project Manager for confirmation that all goods and services were received to the RTD's satisfaction.

Procurements are processed through requisitions. The requisition workflow approval process includes executive approvals, funding approval, and procurement approval. The Procurement Department is responsible for processing contracts, issuing purchase orders, and administering contracts.

Materials procurement for bus parts and supplies is managed by a designated CA in the bus facility. This involves the use of an Enterprise Asset Management (EAM) system which tracks materials usage and determines parts replenishment based on demand from a specific work order or from the stock inventory meeting a specified minimum number of units to be kept in stock. EAM dictates the needed parts and supplies which allows the Contract Administrator to develop a Request for Quote to submit to prospective vendors. The EAM interacts with RTD's One Solution platform to produce purchase order for the vendor who provided the best value to the RTD. The RTD is currently in the process of updating its procurement handbook and should be completed and to the Board by the end of the calendar year.

The RTD currently has two contract/procurement senior specialists as well as a contract analyst. A third procurement senior specialist is assigned to the maintenance facility.

### Marketing and Public Information

The RTD's marketing activities are extensive and encompass nearly every kind of media and agency-initiated outreach depending on the targeted demographics. Schedule and service information are available on the RTD website and printed schedules are available upon request at the Customer Service window.

The RTD employs the Sugar CRM customer management software program. Complaints used to be primarily submitted in person or by phone. Now more are coming in via social media, email, and through bus drivers and transit ambassadors. Social media complaints are addressed on a daily basis through the Customer Engagement Department. All complaints get logged into Sugar CRM. The system develops tickets that the Customer Engagement Manager sends to the appropriate department. These tickets are followed up on to ensure issues are addressed. The CEO and managers have access to Sugar reports.

The Marketing Department conducts regular surveys of riders and non-riders (community). The major one, which typically occur every three years, is a community survey. This survey was last undertaken in 2019. The survey is distributed in a variety of ways, including through transit ambassadors and social media and in four Title VI languages (English, Spanish, Vietnamese, and Tagalog).

A marketing plan has been created in line with the RTD's Strategic Plan. The RTD has developed assets to support mobile ticketing, on-demand services, partnership programs, pilot programs, career recruitment, and other innovations and initiatives. The RTD conducts outreach at various high schools and colleges during orientation week and with current and potential employers along existing and future routes. However, due to the pandemic, much in-person outreach with senior centers and other community partners had to be curtailed. The RTD leveraged digital and online media to facilitate communications. During the pandemic, increases in community engagement were seen in social media, website traffic, and Zoom workshop participation.

Public perception of the RTD is generally positive. Opinions are based on customer comments documented on Sugar CRM, social media, email, and in-person interactions.

### Scheduling, Dispatch, and Operations

Effective July 18, 2021, through mutual agreement, the RTD absorbed all County services from National Express Transit (NEXT), which was the service contract provider operating County services (i.e., Hoppers and Commuters) throughout the audit period. The RTD previously operated all Stockton Metro services in-house while contracting out the County services. All operations are now provided in-house.

Operators, facilities maintenance, and fleet maintenance employees are represented by Amalgamated Transit Union (ATU) Local 256. Drivers are assigned to routes based on seniority and as governed by a collective bargaining agreement (CBA) three times each year (January, June, and August). Drivers are only rotated between routes as based on the bid. All coach operators are trained to the same standard and must hold a Class B license. Van Go! operators are only trained to operate the Van Go! vans and must hold a Class C license. As of August 2021, the Metro Division employed 74 full-time and one part-time employees. The County Division had 12 coach operators, eight full-time Van Go! operators, and one part-time Van Go! operator. While the RTD is open to part-time positions, seniority bidding restrictions make it difficult to accommodate part-time drivers who are in need of a set schedule due to other obligations.

Vacation time is scheduled in advance. The operators select their vacation week(s) during the first run bid conducted in January of each year. When an operator is on vacation, the open run is posted on the Wednesday of the week before, and extra board operators bid in seniority order. If no extra board operator is available, then it is assigned to an extra work volunteer operator. The CBA requires know absences or time-off requests to be submitted at least three days in advance. Sick leave/call-offs must be reported no less than one hour before an operator's report time. These absences are assigned to the next available extra board operator or an extra work volunteer.

Vehicles are assigned by the morning supervisor each day. They are assigned based on location, so that the vehicles in front pull out first and no one is blocked in. Vehicle stalls are marked but not assigned, so maps identifying the location of available and out-of-service vehicles are prepared for morning and afternoon pullout. With the exception of Van Go! drivers, all operators are cross-trained and certified to operate all vehicles.

### Personnel Management and Training

As of August 2021, there was a shortage of qualified bus operators locally (reflective of the nation-wide trend). Recruiting practices have had to shift to more online platforms versus holding recruitment events.

Methods include advertising locally, regionally, and on social media through NEOGOV, on the RTD careers website, Facebook, and Twitter. New recruits are generally a mix of those with experience and those requiring comprehensive training and licensing.

Executive and manager positions are also posted on industry platforms such as CalACT, California Transit Association, *Passenger Transport*, Transit Talent, *Mass Transit*, and *TransitNews*.

The RTD's practice of motivating employees is to seek and promote within. The District awards an Employee of the Month and Employee of the Year. Eligible employees are nominated by the management team monthly and managers cast their votes to select an Employee of the Month. Towards the end of the year these individuals are put in a pool and one employee is selected by the management team as the Employee of the Year. All selected employees are recognized during the monthly Board meetings. Employees are presented with a certificate and a Visa gift card.

The annual turnover rate for employees for FY 2020/21 was 20 percent; and for bus operators it was 13 percent. One of the main causes for turnover is the amount of the mandatory contribution to the defined benefit plan, which affects represented employees. For non-represented employees there is a combination of reasons which include voluntary separation for better opportunities or pay, retirement, involuntary separation, and probationary release. While the RTD made the decision to lay off a group of employees due to COVID-19, the pandemic did not trigger a high number of voluntary departures. Many employees were thankful they had the opportunity to keep their jobs. This did lead to a slowdown in recruitment while some positions were consolidated.

The RTD provides comprehensive operator training, certification, and licensing. Operator training consists of classroom and behind-the-wheel training that meets all state and federal requirements. Commercial license testing is provided through the DMV. All operators complete at least eight hours of training annually.

Administrative employees are also provided with training opportunities, including the Training Competency Model and the University of the Pacific Paratransit Training Program. Training for all employees includes sexual harassment prevention training, human trafficking awareness training, COVID-19 training, and drug and alcohol-free workplace training. In addition, each department assigns department-based training as needed.

The collective bargaining agreement specifies progressive discipline for accidents. Other consequences depend on the issue. The CBA also provides a full benefits package for full-time drivers; part-time drivers are eligible for sick leave only.

RTD employee benefits include medical, dental, vision, basic life (\$20,000), and accidental death and dismemberment. Managers and above are eligible for Long-Term Disability. RTD also offers a defined benefit plan or a defined contribution plan for retirement, vacation hours, sick hours, floating hours, bereavement hours, AFLAC, flexible spending, and 457 (b) which are optional for all employees. Per the CBA, part-time represented employees are eligible for benefits after one year of employment. This includes eligibility for medical insurance for the employee only and basic life (\$10,000) and accidental death and dismemberment. Non-represented administrative part-time employees receive 0.034 sick leave accrual per each hour worked and do not qualify for health benefits.

## Maintenance

The RTD has an extensive scheduled preventive maintenance program, and vehicles are serviced and maintained by maintenance staff or contracted vendors in accordance with the preventive maintenance inspection checklist. Regular maintenance is performed to ensure that all RTD assets are in optimal operating condition. Inspections routinely evaluate the condition of RTD assets. Deficiencies found during the inspections are corrected immediately or scheduled for repair based on the nature of the task being performed. Employees perform those tasks that are within the RTD's resources and its personnel's scope of training. All other scheduled preventive maintenance is contracted with professionals with specialized training and/or equipment.

As new vehicles are acquired, a review of the manufacturer's recommended schedule is incorporated into the preventive maintenance inspection (PMI) checklist. The checklist provides the date and mileage of the PMI, while monthly reports calculate the date and mileage between each PMI. PMIs are performed on the graveyard shift to minimize impact on service. Warranty periods are input into the RTD's electronic maintenance management system and supervisors are flagged of potential warranty review and claims on the work order.

RTD's operations and maintenance facility features 19 bus bays (six with in-ground lifts and 12 portable lifts) as well as two fleet service/support vehicle/automotive bays. The facility also features a steam bay, wash bay, and revenue and non-revenue fuel islands. Painting, major component overhauls, and body work, and rebuilds are sent out. Tires are leased through a contract with Goodyear. The RTD also provides maintenance for vehicles belonging to the local chapter of the United Cerebral Palsy organization.

Parts are stored in a secure parts room controlled by an ID badge lock system. Storekeepers, buyers, supervisors, and facilities technicians have access. Parts are tracked through the Infor EAM system. A Fastenal vending machine allows mechanics to use their badges to access commonly needed supplies.

The RTD's facility can accommodate up to 250 buses and has good office space for administration and records. A recordkeeping clerk maintains active files downstairs, with older files archived for the life of the vehicle.

Maintenance staffing is a little short as the RTD transitions to battery-electric buses that require additional attention and different types of knowledge. The knowledge required is moving away from heavy technical toward software and technology. The RTD may add one or two positions as it transitions to battery-electric vehicles.

Mechanics are in high demand at present, and there are many openings industry-wide. As a result, there is a lot of competition for quality mechanics. The RTD has started an apprenticeship program to grow internally and bring in less experienced mechanics to train journeyman mechanics for the future.

The RTD's offices, facilities, and bus stops are managed by the Facilities Superintendent. Facilities technicians and porters are part of ATU 256, though administrative staff are not represented. All facilities are adequate to their intended purpose.

The average age of the RTD's vehicles is seven years with an average mileage of 205,480. The RTD also has a contingency fleet comprised of twenty Year 2006 Gillig Hybrids.

The RTD procured its first two battery-electric buses in 2013, another ten in 2016, and five more in 2018. The first two were prototype buses with typical “new technology” issues. The 2016 buses had a higher battery capacity and could be assigned to longer routes. The 2018 buses had even bigger batteries and can be charged once a day. The RTD currently has nine battery-electric Gillig coaches on order (which will replace some of its diesel hybrids). The RTD is evaluating whether to continue with battery-electric buses or transition to fuel-cell electric buses to keep the electrical infrastructure from being an issue. The RTD has eight depot chargers on order to support the nine new Gilligs.

Exhibit 7.5 San Joaquin Regional Transit District’s Transit Fleet

Quantity	Year	Make	Model	Seating + WC seating
2	2001	El Dorado	High Top Van	10 or 2 WC
2	2001	MCI	D4500	55 + 1
1	2003	Ford	F550	5
1	2005	Ford	F350	5
1	2006	Dodge	RAM 1500	5
1	2006	El Dorado	Type II Cutaway	5 + 5
2	2006	El Dorado	High Top Van	5 + 2
4	2006	Gillig	Hybrid	40 + 2
2	2006	Gillig	Hybrid	31 + 2
1	2007	Chrysler	Sebring	5
1	2008	Ford	F350	5
1	2008	MCI	D4500	55 + 1
1	2009	Ford	Ranger	5
3	2009	Gillig	Hybrid	40 + 2
2	2010	Gillig	Hybrid	40 + 2
5	2010	Gillig	Hybrid	37 + 2
2	2011	Gillig	Hybrid	37 + 2
1	2011	Ford	F350	5
2	2012	Proterra	Electric	33 + 2
6	2012	Gillig	Hybrid	38 + 2
20	2013	Gillig	Hybrid	40 + 2
2	2013	Ford	F150	5
1	2013	Ford	Transit Connect	5
2	2013	MCI	J4800	55 + 1
3	2014	Nissan	Pathfinder/Hybrid	5
7	2014	Ford	C-Max/Hybrid	5
2	2014	Ford	F250	5
6	2014	Nova	Hybrid	62 + 2
10	2016	Proterra	Electric	40 + 2
6	2016	Starcraft	Transit 350 HD	9 + 2
22	2017	Glaval	Titan II Cutaway	19 + 2
1	2017	Dodge	Grand Caravan	5



Quantity	Year	Make	Model	Seating + WC seating
2	2017	Ford	Escape	5
6	2017	Ford	Focus	5
1	2017	Ford	T350	12
5	2018	Proterra	Catalyst BE-40	40 + 2
12	2018	Gillig	Hybrid	39
14	2019	Glaval	Transit 350 HD	9 + 2

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## Chapter 8 | Findings and Recommendations

### Conclusions

Moore & Associates, Inc. finds the San Joaquin Regional Transit District to be in compliance with the requirements of the Transportation Development Act. In addition, the RTD generally functions in an efficient, effective, and economical manner.

### Findings

Based on discussions with RTD staff, analysis of program performance, and an audit of program compliance and function, the audit team presents no findings or recommendations with respect to the current audit cycle.

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