

San Joaquin Council of Governments

Triennial Performance Audit for FY 2019 - FY 2021
City of Lodi

MARCH 2022
FINAL REPORT



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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 TDA funding.

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

As it receives no funding under Article 4, the City of Lodi is not statutorily required to undergo a Triennial Performance Audit, nor has it traditionally been held to the requirements of the TDA. However, the SJCOC, as the RTPA, includes the City in the Triennial Performance Audit process to provide a comprehensive and objective review to offer beneficial insights into program performance.

The Triennial Performance Audit is designed to be an independent and objective evaluation of the City of Lodi 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 City's public transit program for the period:

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

The City of Lodi's GrapeLine and VineLine programs provide public transit service to residents of and visitors to the city. The GrapeLine offers fixed-route and general public Dial-A-Ride service, while the VineLine provides ADA complementary paratransit service.

The GrapeLine fixed-route service consists of five regular routes and three express routes operating Monday through Friday, and four regular routes operating Saturday and Sunday. GrapeLine Dial-A-Ride operates within the city limits of Lodi as well as in surrounding unincorporated areas such as Woodbridge. VineLine ADA complementary paratransit is an eligibility-based service limited to ADA certified riders.

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 City staff, analysis of program performance, and an audit of program compliance and function, the audit team presents no compliance findings specific to Article 8.

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. The City should 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 City staff, analysis of program performance, and a review of program compliance and function, the audit team submits no compliance findings for the City of Lodi.

The audit team identified two functional findings, which would be compliance findings under Article 4 but are not required for compliance with Article 8:

1. The FY 2019/20 State Controller Report was submitted beyond the established deadline.
2. The FY 2018/19 TDA Fiscal Audit was submitted after the allowable deadline extension of March 31.

In completing this Triennial Performance Audit, we submit the following recommendations for the City’s public transit program. They have been divided into two categories: TDA Program compliance recommendations and functional recommendations. TDA program compliance recommendations are intended to assist in bringing the operator into compliance with the requirements and standards of the TDA, while Functional Recommendations address issues identified during the triennial audit that are not specific to TDA compliance.

Exhibit 1.1 Summary of Audit Recommendations

Functional Recommendations		Importance	Timeline
1	Ensure responsibility for completion and submittal of various reports is clearly assigned.	Low	N/A
2	Work with City and TDA auditors to ensure the TDA fiscal audit can be completed no later than March 31.	Low	N/A

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Chapter 2 | Audit Scope and Methodology

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

In 2021, the 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 City of Lodi 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 City of Lodi 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 the City of Lodi included thorough review of documents relevant to the scope of the audit, as well as information contained on the City'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 City representatives on August 24, 2021. The audit team met with Georgia Graham (Transportation Manager), Jessica Bozzie (Transportation Administrative Clerk), Julia Tyack (Senior Transportation Planner), Melissa Munoz (Accounting Manager), Harron Akbar (Accountant), and Frank Huang (Junior Transportation 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 City of Lodi’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. The City 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.

The City of Lodi does not use any TDA Article 4 funding for transit and therefore is not statutorily required to be audited, nor has it traditionally been held to the requirements of the TDA. However, the SJCOC, as the RTPA, requested the City be audited to support a comprehensive and objective review to provide beneficial insights into program performance.

Status of compliance items was determined through discussions with City 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.

Given the City does not receive Article 4 funding, no compliance findings were identified for the City of Lodi. However, two items generally considered to be compliance findings with respect to Article 4 will be addressed as functional findings:

1. The FY 2019/20 State Controller Report was submitted beyond the established deadline.
2. The FY 2018/19 TDA Fiscal Audit was submitted after the allowable deadline extension of March 31.

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 (SOGR) 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 22, 2020 FY 2019/20: February 17, 2021 FY 2020/21: January 6, 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: April 8, 2020 FY 2019/20: December 31, 2020 FY 2020/21: March 29, 2022
Operator’s terminal rated as satisfactory by CHP within the 13 months prior to each TDA claim.	PUC 99251 B	In compliance	January 10, 2018 January 24, 2019 January 23, 2020 January 14, 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	Not applicable	As an Article 8 operator, the City of Lodi is subject to alternative performance criteria.
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	The City of Lodi receives funding under Article 8(c), for which this limitation is 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	In compliance ⁺	In order to be judged compliant, the City of Lodi must meet at least two of three performance criteria and demonstrate at least 10 percent of its operating revenues are non-TDA. <ul style="list-style-type: none"> • Operating cost/revenue hour • Passengers/revenue hour • Subsidy/passenger <p>The City did not meet two out of three performance criteria in FY 2019. Penalties were waived in FY 2020 and FY 2021.</p> <p>See chart below (Exhibit 3.2).</p>

*Given the City of Lodi only receives funding under Article 8, it is not required to comply with the requirements of Article 4. Therefore, these items will be carried forward as functional findings rather than compliance findings as part of this audit.

⁺SJCOG’s Transit System Performance Objectives state that “claimants must meet two of the three objectives or be within a five percent margin at the end of the three-year span.” Since the City did not meet two of the three criteria during FY 2018/19, it still had the opportunity to meet the five percent margin requirement. However, with farebox penalties waived in FY 2019/20 and FY 2020/21, this opportunity was derailed. We are considering this requirement (as well as any resulting penalties) to be waived to be consistent with AB 149.

Compliance Element	Reference	Compliance	Comments
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: +8.06% FY 2019/20: +3.35% FY 2020/21: +17.63% <i>The greater-than 15 percent increase in FY 2021 was appropriately substantiated.</i>
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	As an Article 8 operator, the City of Lodi is subject to alternative performance criteria.
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	As an Article 8 operator, the City of Lodi is subject to alternative performance criteria.
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	Not applicable	As an Article 8 operator, the City of Lodi is subject to alternative performance criteria.
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	The City contracts out its transit operation. Retirement benefits for City staff are funded through CalPERS.
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	As a recipient of State Transit Assistance Funds, the City is making full use of federal funds available under the Urban Mass Transportation Act of 1964 as amended.
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	STA eligibility calculations are included as part of SJCOG's TDA claim form. As part of the claim review, SJCOG determines whether the operator is in compliance with either standard.

Compliance Element	Reference	Compliance	Comments
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.	CCR 6634	In compliance	

Exhibit 3.2 Alternative Performance Measures

	FY 2018/19	FY 2019/20	FY 2020/21*	Maximum/Minimum (+/-5%)
Operating cost per revenue hour				
<i>Standard (less than)</i>	\$103.70	\$106.63	\$109.73	\$115.22 (max)
<i>Actual</i>	\$108.00	\$128.34	Not reported	
Passengers per revenue hour				
<i>Standard (at least)</i>	8.8	8.9	9.0	8.6 (min)
<i>Actual</i>	8.4	8.3	Not reported	
Subsidy per passenger				
<i>Standard (less than)</i>	\$6.15	\$6.39	\$6.65	\$6.98 (max)
<i>Actual</i>	\$4.97	\$1.57	Not reported	

*Due to AB 90, the City of Lodi opted not to report this information.

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

Discussion: In the documentation provided by the City to the audit team, contractor hours were divided by 2,080 to calculate FTE, which was then added to City transit FTE. Those numbers were then rounded. No mechanic hours were included in the calculation. These hours may have been included in the data reported to the State Controller, as that number of employees was slightly higher than what appeared on the City’s documentation.

The auditor recommended when calculating FTE, the City should add together all hours worked by the contractor, all hours worked by administrative staff, and all hours worked by maintenance staff. This should include all hours worked (including overtime), but not hours for sick time, vacation, or leave (even though those hours might be paid out of the transit fund). Ideally, actual hours worked would be run for all dedicated City transit employees, though 2,000 hours could be counted for each full-time transit employee if necessary. Once the hours have been calculated, they can be split between fixed-route and demand-response using a percentage formula. The resulting hours should be divided by 2,000 and rounded to the nearest whole number for reporting to the State Controller.

Progress: The City appears to be using the proper definition of “full-time equivalent” when calculating employees for reporting to the State Controller.

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 City of Lodi both internally as well as to outside entities during the audit period.

Overall, data is reported consistently between all reporting entities. Additional comments specific to some metrics provided below.

- **Operating cost:** Minor variances in operating cost between the three reports (TDA fiscal audit, NTD report, and State Controller Report) are likely due to differences in what expenses are included in each and when each report is prepared.
- **Full-Time Equivalent (FTE) Employees:** This metric was consistent between the TDA definition and what was reported to the State Controller, with the sole exception of FY 2019/20. This variance may be attributed to the City rounding down on the State Controller Report.

Exhibit 5.1 Data Reporting Comparison

Performance Measure	System-Wide		
	FY 2018/19	FY 2019/20	FY 2020/21
Operating Cost (Actual \$)			
<i>TDA fiscal audit</i>	\$3,644,686	\$3,656,263	\$3,283,404
<i>National Transit Database</i>	\$3,708,084	\$3,539,602	\$3,458,291
<i>State Controller Report</i>	\$3,705,487	\$3,621,198	\$3,498,584
Fare Revenue (Actual \$)			
<i>TDA fiscal audit</i>	\$216,006	\$126,021	\$69,926
<i>National Transit Database</i>	\$216,006	\$126,021	\$69,926
<i>State Controller Report</i>	\$216,006	\$126,021	\$69,926
Vehicle Service Hours (VSH)			
<i>Monthly Performance Reports</i>	33,747	28,488	18,035
<i>National Transit Database</i>	33,747	28,488	18,035
<i>State Controller Report</i>	33,747	28,489	18,035
Vehicle Service Miles (VSM)			
<i>Monthly Performance Reports</i>	366,689	306,657	193,688
<i>National Transit Database</i>	366,689	306,929	193,688
<i>State Controller Report</i>	366,689	306,657	193,688
Passengers			
<i>Monthly Performance Reports</i>	284,269	235,757	93,052
<i>National Transit Database</i>	284,269	235,757	93,052
<i>State Controller Report</i>	284,269	235,757	93,052
Full-Time Equivalent Employees			
<i>State Controller Report</i>	30	29	19
<i>Per TDA methodology</i>	30	31	19

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 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 6667¹. 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 period²:

¹ 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.

² 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.³ 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 "dead-head" travel to the first scheduled pick-up, and will also exclude hours of "dead-head" 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.

³ 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 City of Lodi, the following sources were employed:

- Operating Cost was not independently calculated as part of this audit. Operating Cost data were obtained via TDA fiscal audits. Operating Cost from the audits was compared against that reported to the State Controller and NTD and was determined 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 TDA fiscal audits. Fare revenue from the reports is consistent with TDA guidelines.
- Vehicle Service Hours (VSH) data were obtained via State Controller Reports for each fiscal year covered by this audit. Data from these reports were then compared with information included within the City's monthly performance data summary reports. The City calculates VSH using schedule hours reconciled with dispatcher daily logs. The City's calculation methodology is consistent with PUC guidelines.
- Vehicle Service Miles (VSM) data were obtained via State Controller Reports for each fiscal year covered by this audit. Data from these reports were then compared with information included within the City's monthly performance data summary reports. The City calculates VSM based on vehicle odometer readings at the beginning and end of revenue service. This methodology is consistent with PUC guidelines.
- Unlinked trip data were obtained via State Controller reports for each fiscal year covered by this audit. Data from these reports were then compared with information included within the City's monthly performance data summary reports. The City's calculation methodology is 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-wide, operating cost experienced a net 1.0 percent decrease during the audit period. The prior audit period was characterized by year-over-year increases, however, which resulted in a net increase of 15.5 percent over the six-year period. Fare revenue exhibited a similar trend, increasing during the prior audit period and declining during the current audit period (with the greatest decreases occurring during the COVID-19 pandemic). This resulted in a 69.1 percent decrease during the audit period, and a net 66.8 percent decrease across the six-year period. It should be noted that fare revenue represented herein does not include local supplementation or fare-replacement funding (such as LCTOP).

Vehicle Service Hours (VSH) began decreasing in FY 2017/18, with the largest declines during the pandemic. VSH saw a net 46.7 percent decrease over the six-year period, with most of that occurring in FY 2019/20 and FY 2020/21. The same pattern was observed with respect to Vehicle Service Miles (VSM), which had a net 44.9 percent decrease over the six-year period.

Ridership also followed the same pattern as VSH and VSM, though with a much greater decrease in FY 2020/21. Overall, ridership experienced a net decrease of 69.2 percent during the audit period, and 67.0 percent across the six-year period.

Cost-related metrics typically provide an indicator of a system’s efficiency, while passenger-related metrics offer insight into its productivity. Improvements are characterized by increases in passenger-related metrics and decreases in cost-related metrics. With operating costs remaining fairly stable during the audit period, efficiency was impacted by significant decreases in other metrics, resulting in much higher costs per VSH, VSM, and passenger. Productivity declined as well, as passengers per VSH and VSM both decreased during the audit period. Neither change is surprising, given the impact of the COVID-19 pandemic on transit operations and 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
Operating Cost (Actual \$)	\$2,994,169	\$3,233,736	\$3,494,664	\$3,708,084	\$3,539,602	\$3,458,291
<i>Annual Change</i>		8.0%	8.1%	6.1%	-4.5%	-2.3%
Fare Revenue (Actual \$)	\$210,471	\$220,218	\$226,485	\$216,006	\$126,021	\$69,926
<i>Annual Change</i>		4.6%	2.8%	-4.6%	-41.7%	-44.5%
Vehicle Service Hours (VSH)	33,852	34,585	34,526	33,747	28,488	18,035
<i>Annual Change</i>		2.2%	-0.2%	-2.3%	-15.6%	-36.7%
Vehicle Service Miles (VSM)	351,403	372,440	369,464	366,689	306,929	193,688
<i>Annual Change</i>		6.0%	-0.8%	-0.8%	-16.3%	-36.9%
Passengers	281,866	305,475	301,666	284,269	235,757	93,052
<i>Annual Change</i>		8.4%	-1.2%	-5.8%	-17.1%	-60.5%
Employees	29	28	29	30	29	19
<i>Annual Change</i>		-3.4%	3.6%	3.4%	-3.3%	-34.5%
Performance Indicators						
Operating Cost/VSH (Actual \$)	\$88.45	\$93.50	\$101.22	\$109.88	\$124.25	\$191.75
<i>Annual Change</i>		5.7%	8.3%	8.6%	13.1%	54.3%
Operating Cost/Passenger (Actual \$)	\$10.62	\$10.59	\$11.58	\$13.04	\$15.01	\$37.17
<i>Annual Change</i>		-0.3%	9.4%	12.6%	15.1%	147.5%
Passengers/VSH	8.33	8.83	8.74	8.42	8.28	5.16
<i>Annual Change</i>		6.1%	-1.1%	-3.6%	-1.8%	-37.7%
Passengers/VSM	0.80	0.82	0.82	0.78	0.77	0.48
<i>Annual Change</i>		2.3%	-0.5%	-5.1%	-0.9%	-37.5%
Farebox Recovery	7.0%	6.8%	6.5%	5.8%	3.6%	2.0%
<i>Annual Change</i>		-3.1%	-4.8%	-10.1%	-38.9%	-43.2%
Hours/Employee	1167.3	1235.2	1190.6	1,124.9	982.3	949.2
<i>Annual Change</i>		5.8%	-3.6%	-5.5%	-12.7%	-3.4%
TDA Non-Required Indicators						
Operating Cost/VSM	\$8.52	\$8.68	\$9.46	\$10.11	\$11.53	\$17.85
<i>Annual Change</i>		1.9%	8.9%	6.9%	14.0%	54.8%
VSM/VSH	10.38	10.77	10.70	10.87	10.77	10.74
<i>Annual Change</i>		3.7%	-0.6%	1.5%	-0.8%	-0.3%
Fare/Passenger	\$0.75	\$0.72	\$0.75	\$0.76	\$0.53	\$0.75
<i>Annual Change</i>		-3.5%	4.1%	1.2%	-29.7%	40.6%

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

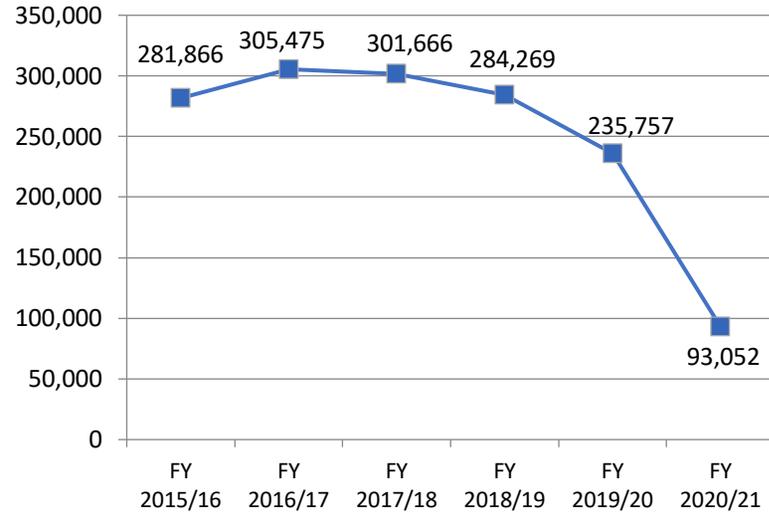


Exhibit 6.3 System Operating Cost/VSH

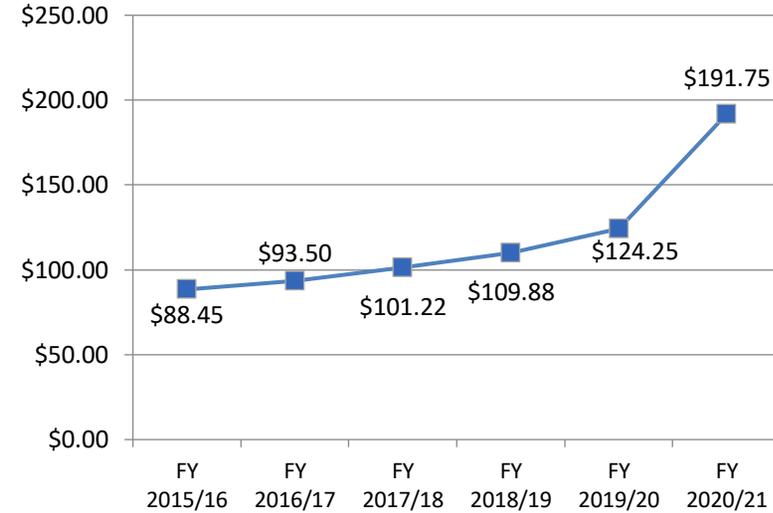


Exhibit 6.4 System Operating Cost/VSM

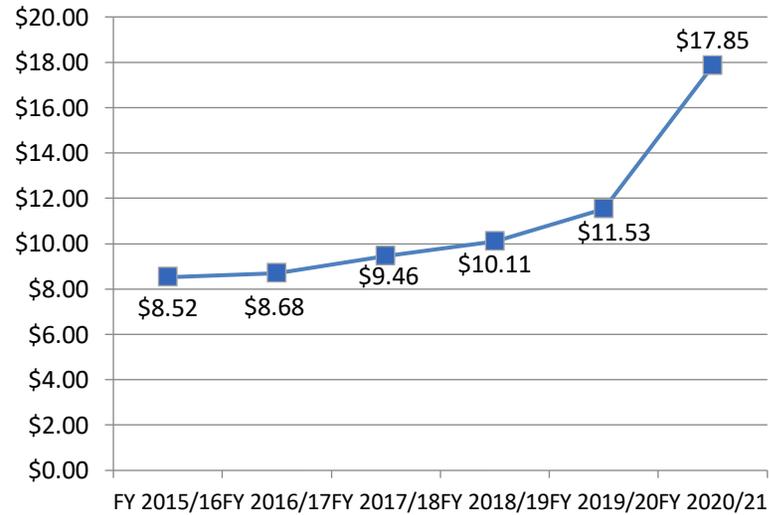


Exhibit 6.5 System VSM/VSH

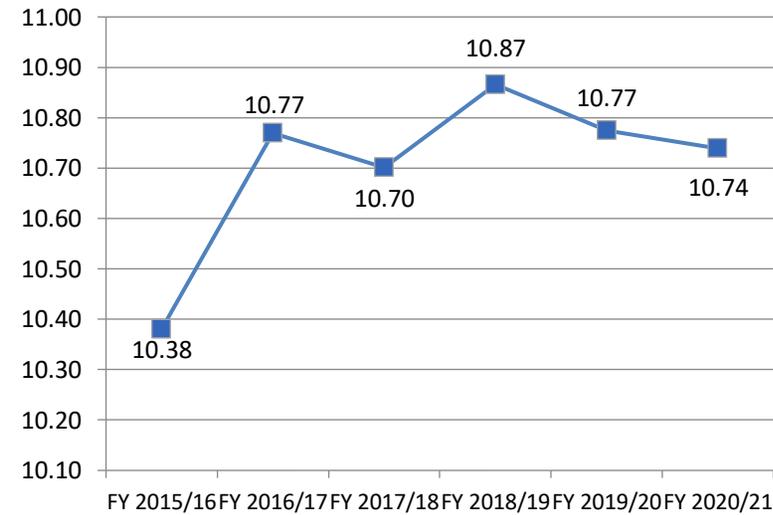


Exhibit 6.6 System Operating Cost/Passenger

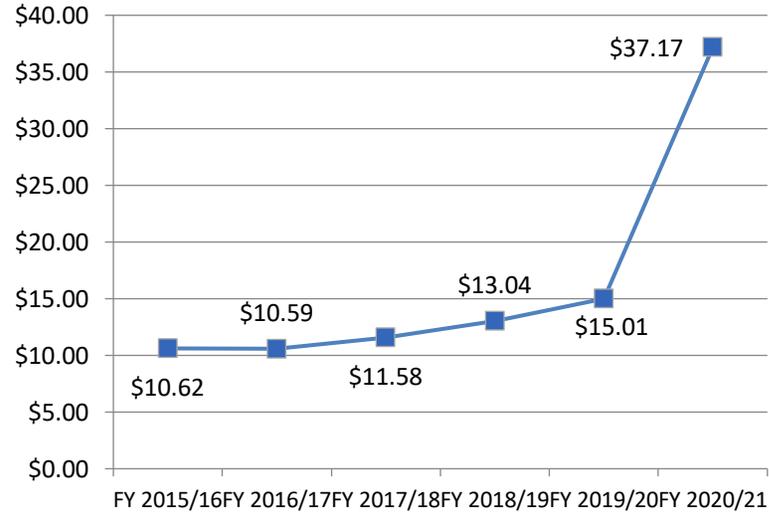


Exhibit 6.7 System Passengers/VSH

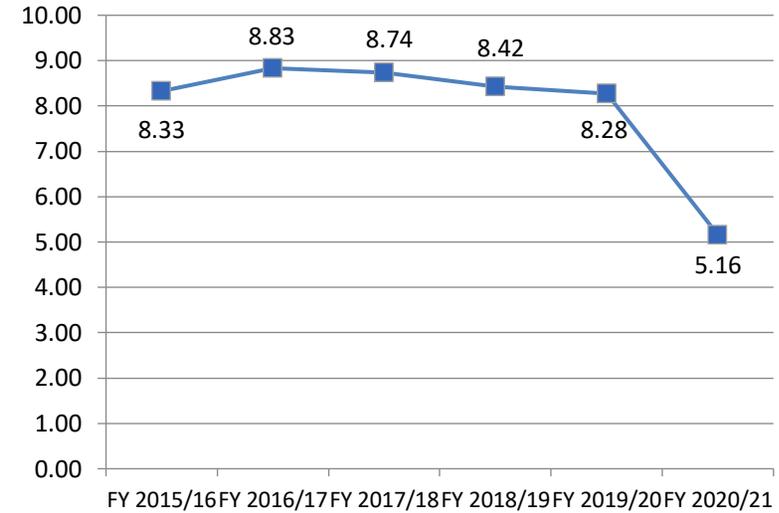


Exhibit 6.8 System Passengers/VSM

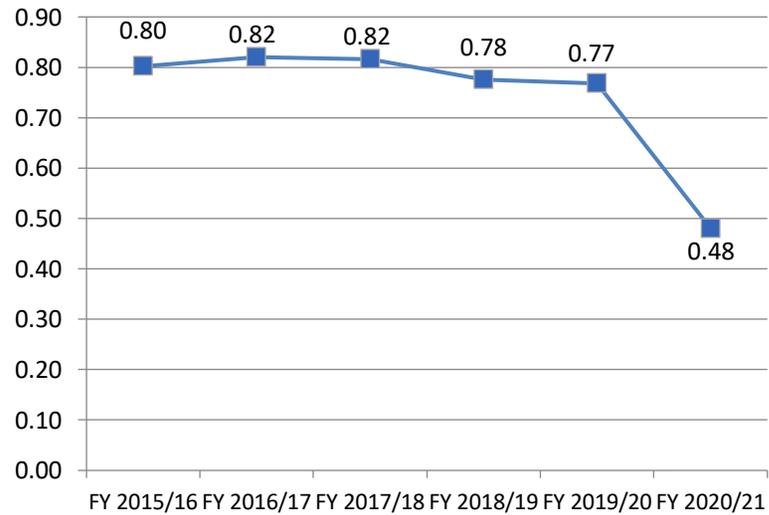


Exhibit 6.9 System VSH/FTE

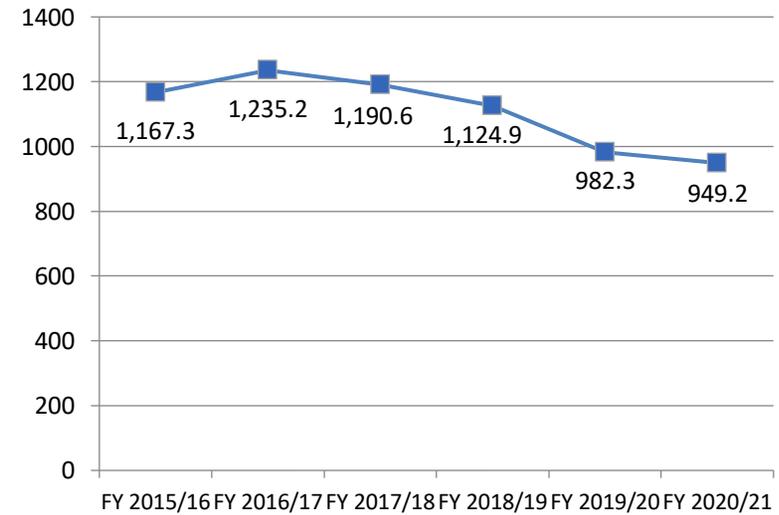


Exhibit 6.10 System Farebox Recovery

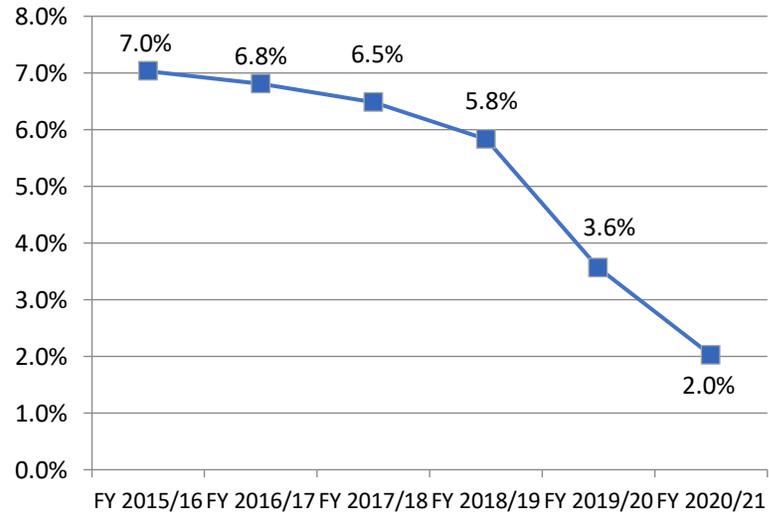
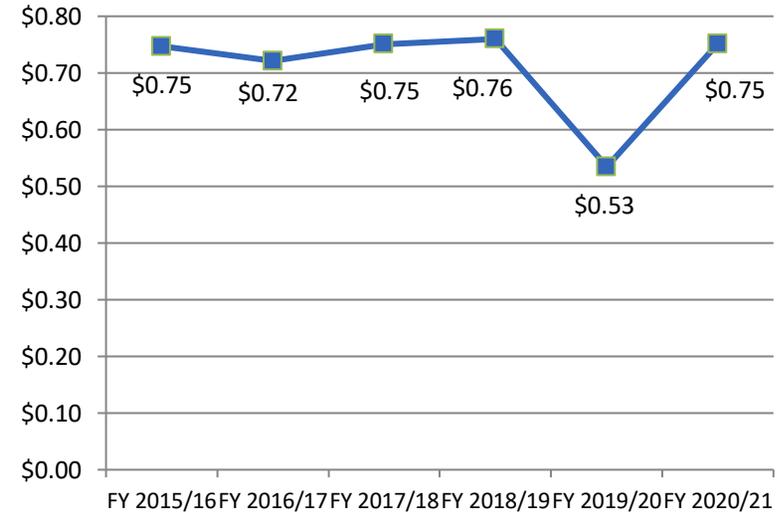


Exhibit 6.11 System Fare/Passenger



Fixed-Route Performance Trends

Fixed-route operating cost experienced a net 0.4 percent increase during the audit period. The prior audit period was characterized by year-over-year increases, however, which resulted in a net increase of 18.1 percent over the six-year period. Fare revenue also increased during the prior audit period and declined during the current audit period (with the greatest decreases occurring during the COVID-19 pandemic). This resulted in a 72.8 percent decrease during the audit period, and a net 70.6 percent decrease across the six-year period. It should be noted that fare revenue represented herein does not include local supplementation or fare-replacement funding (such as LCTOP).

Vehicle Service Hours (VSH) decreased throughout the audit period. VSH saw a net 41.3 percent decrease over the six-year period, with most of that occurring in FY 2019/20 and FY 2020/21. A similar pattern was observed with respect to Vehicle Service Miles (VSM), which had a net 36.8 percent decrease over the six-year period.

Ridership began declining in FY 2017/18, with the greatest decreases during the pandemic. Overall, ridership experienced a net decrease of 69.1 percent during the audit period, and 66.7 percent across the six-year period.

With operating costs remaining fairly stable during the audit period, efficiency was impacted by significant decreases in other metrics, resulting in much higher costs per VSH, VSM, and passenger. Productivity declined as well, as passengers per VSH and VSM both decreased during the audit period. Neither change is surprising, given the impact of the COVID-19 pandemic on transit operations and ridership.

Exhibit 6.12 Fixed-Route Performance Indicators

Performance Measure	Fixed-Route					
	FY 2015/16	FY 2016/17	FY 2017/18	FY 2018/19	FY 2019/20	FY 2020/21
Operating Cost (Actual \$)	\$1,876,929	\$1,944,395	\$2,207,408	\$2,345,837	\$2,255,202	\$2,216,340
<i>Annual Change</i>		3.6%	13.5%	6.3%	-3.9%	-1.7%
Fare Revenue (Actual \$)	\$152,054	\$156,811	\$164,129	\$155,089	\$79,615	\$44,683
<i>Annual Change</i>		3.1%	4.7%	-5.5%	-48.7%	-43.9%
Vehicle Service Hours (VSH)	22,453	22,511	22,790	22,415	19,330	13,171
<i>Annual Change</i>		0.3%	1.2%	-1.6%	-13.8%	-31.9%
Vehicle Service Miles (VSM)	245,241	259,734	260,803	265,229	228,662	154,987
<i>Annual Change</i>		5.9%	0.4%	1.7%	-13.8%	-32.2%
Passengers	250,757	272,990	270,503	255,652	213,278	83,564
<i>Annual Change</i>		8.9%	-0.9%	-5.5%	-16.6%	-60.8%
Employees	19	18	19	19	19	13
<i>Annual Change</i>		-5.3%	5.6%	0.0%	0.0%	-31.6%
Performance Indicators						
Operating Cost/VSH (Actual \$)	\$83.59	\$86.38	\$96.86	\$104.65	\$116.67	\$168.27
<i>Annual Change</i>		3.3%	12.1%	8.0%	11.5%	44.2%
Operating Cost/Passenger (Actual \$)	\$7.49	\$7.12	\$8.16	\$9.18	\$10.57	\$26.52
<i>Annual Change</i>		-4.8%	14.6%	12.4%	15.2%	150.8%
Passengers/VSH	11.17	12.13	11.87	11.41	11.03	6.34
<i>Annual Change</i>		8.6%	-2.1%	-3.9%	-3.3%	-42.5%
Passengers/VSM	1.02	1.05	1.04	0.96	0.93	0.54
<i>Annual Change</i>		2.8%	-1.3%	-7.1%	-3.2%	-42.2%
Farebox Recovery	8.10%	8.06%	7.44%	6.61%	3.53%	2.02%
<i>Annual Change</i>		-0.4%	-7.8%	-11.1%	-46.6%	-42.9%
Hours/Employee	1181.7	1250.6	1199.5	1179.7	1017.4	1013.2
<i>Annual Change</i>		5.8%	-4.1%	-1.6%	-13.8%	-0.4%
TDA Non-Required Indicators						
Operating Cost/VSM	\$7.65	\$7.49	\$8.46	\$8.84	\$9.86	\$14.30
<i>Annual Change</i>		-2.2%	13.1%	4.5%	11.5%	45.0%
VSM/VSH	10.92	11.54	11.44	11.83	11.83	11.77
<i>Annual Change</i>		5.6%	-0.8%	3.4%	0.0%	-0.5%
Fare/Passenger	\$0.61	\$0.57	\$0.61	\$0.61	\$0.37	\$0.53
<i>Annual Change</i>		-5.3%	5.6%	0.0%	-38.5%	43.2%

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

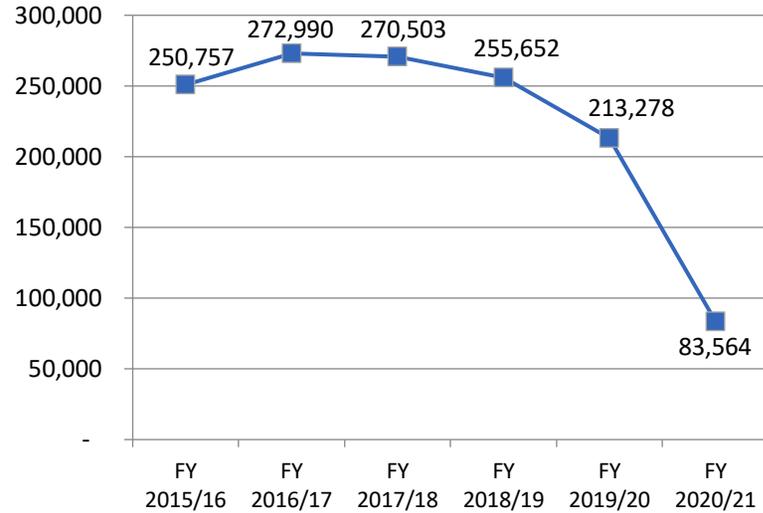


Exhibit 6.14 Fixed-Route Operating Cost/VSH

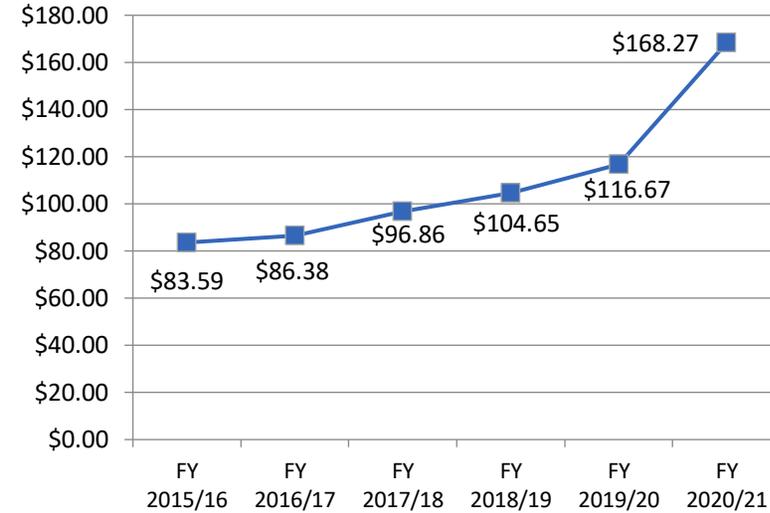


Exhibit 6.15 Fixed-Route Operating Cost/VSM

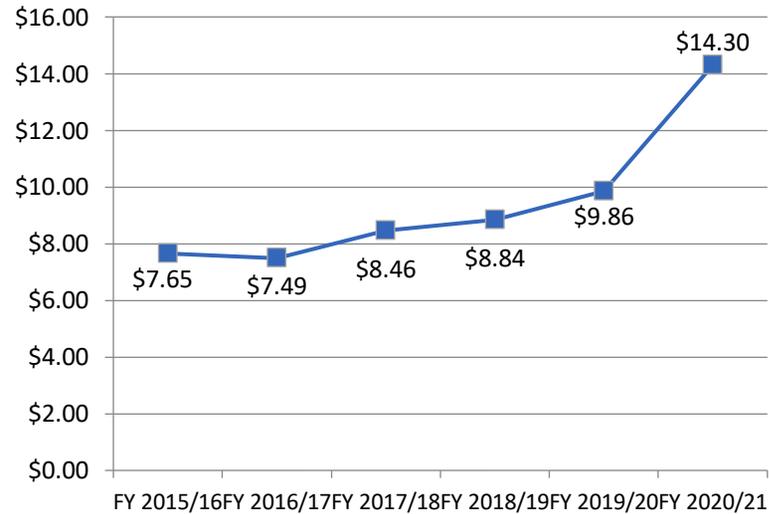


Exhibit 6.16 Fixed-Route VSM/VSH

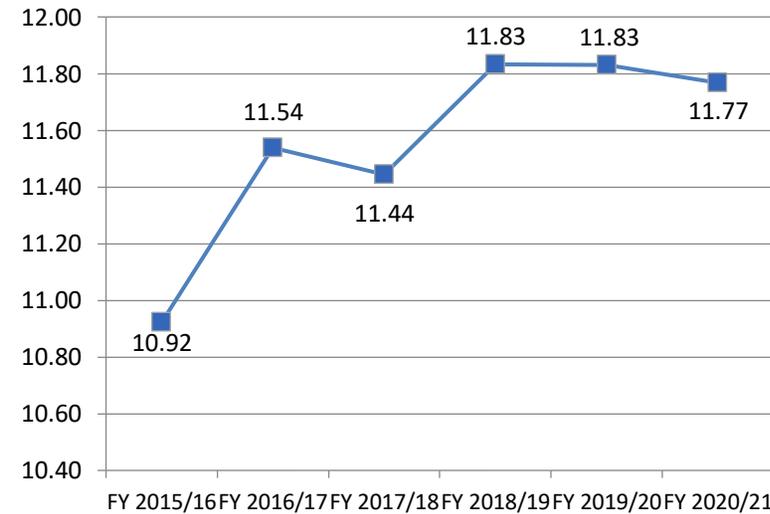


Exhibit 6.17 Fixed-Route Operating Cost/Passenger

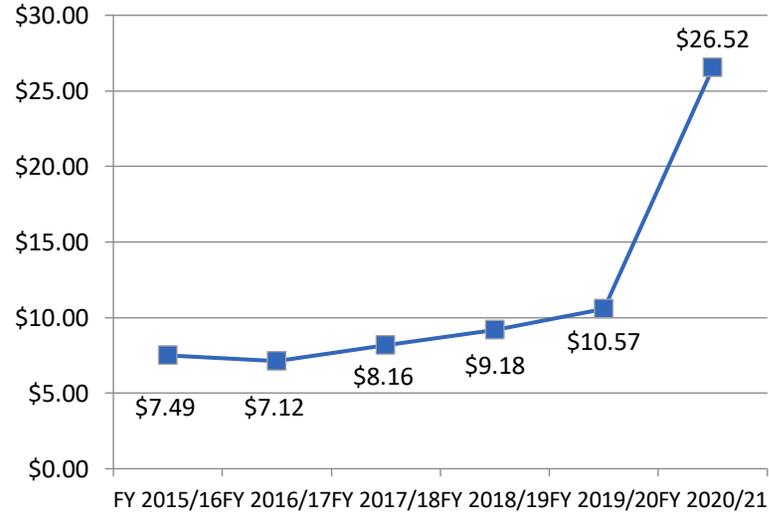


Exhibit 6.18 Fixed-Route Passengers/VSH

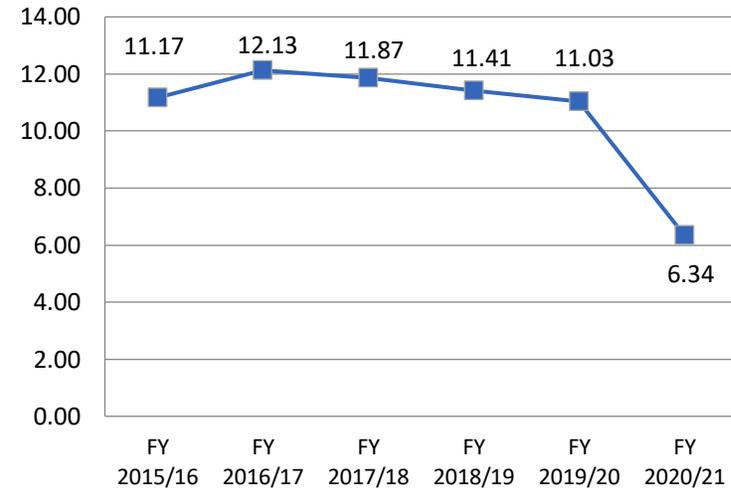


Exhibit 6.19 Fixed-Route Passengers/VSM

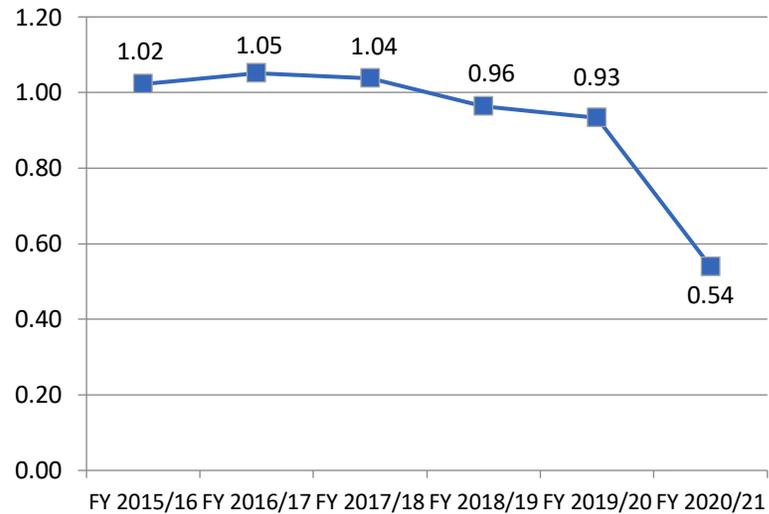


Exhibit 6.20 Fixed-Route VSH/FTE

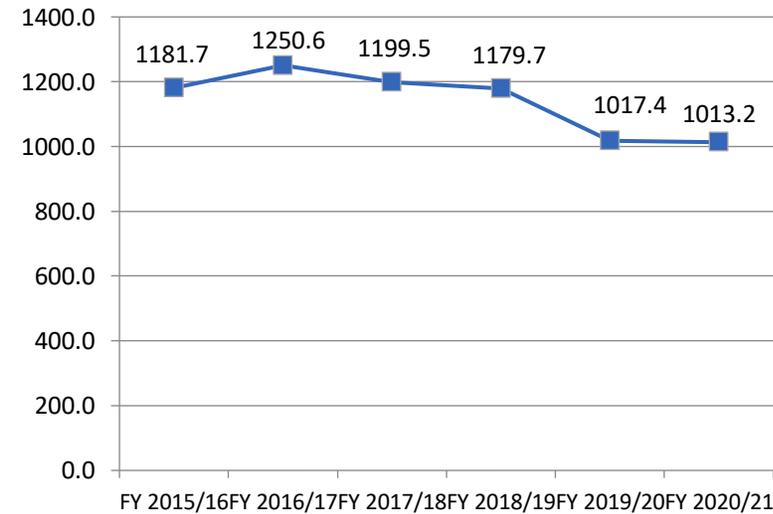


Exhibit 6.21 Fixed-Route Farebox Recovery

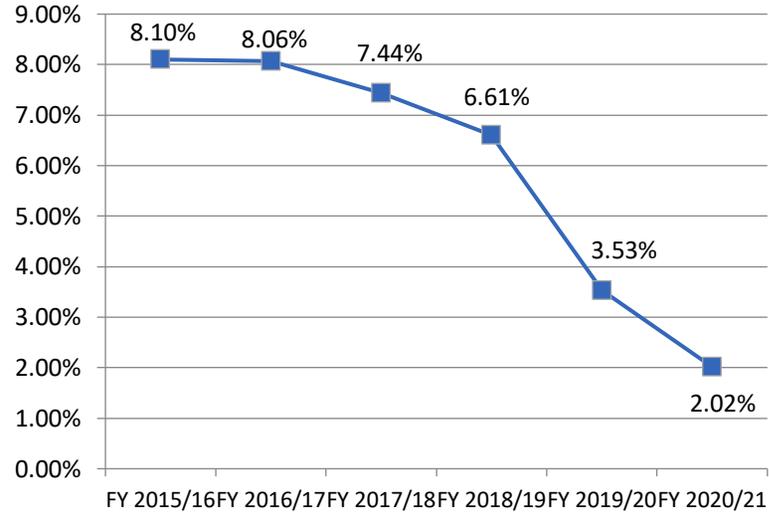
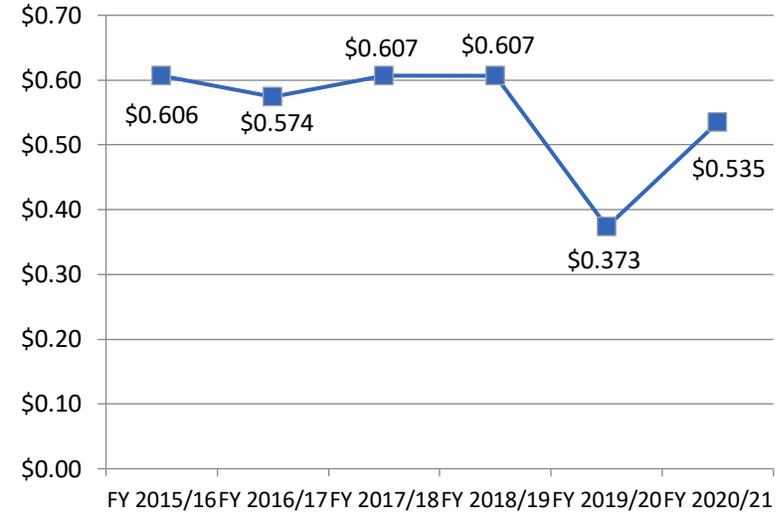


Exhibit 6.22 Fixed-Route Fare/Passenger



Demand-Response Performance Trends

Demand-response operating cost experienced a net 3.5 percent decrease during the audit period. Increases in operating cost in FY 2016/17 and FY 2018/19 resulted in a net 11.2 percent increase across the six-year period. Fare revenue increased during FY 2016/17 but declined in the following years (with the greatest decreases occurring during the COVID-19 pandemic). This resulted in a 59.5 percent decrease during the audit period and a net 56.8 percent decrease across the six-year period. It should be noted that fare revenue represented herein does not include local supplementation or fare-replacement funding (such as LCTOP).

Vehicle Service Hours (VSH) decreased throughout the audit period. VSH saw a net 57.3 percent decrease over the six-year period, with most of that occurring in FY 2019/20 and FY 2020/21. The same pattern was observed with respect to Vehicle Service Miles (VSM), which had a net 63.6 percent decrease over the six-year period.

Ridership began declining in FY 2017/18, with the greatest decreases during the pandemic. Overall, ridership experienced a net decrease of 69.6 percent during the audit period, and 69.5 percent across the six-year period.

With operating costs remaining fairly stable during the audit period, efficiency was impacted by significant decreases in other metrics, resulting in much higher costs per VSH, VSM, and passenger. Productivity declined as well, as passengers per VSH and VSM both decreased during the audit period. Neither change is surprising, given the impact of the COVID-19 pandemic on transit operations and ridership.

Exhibit 6.23 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
Operating Cost (Actual \$)	\$1,117,240	\$1,289,341	\$1,287,256	\$1,362,247	\$1,284,400	\$1,241,951
<i>Annual Change</i>		15.4%	-0.2%	5.8%	-5.7%	-3.3%
Fare Revenue (Actual \$)	\$58,417	\$63,407	\$62,356	\$60,917	\$46,406	\$25,243
<i>Annual Change</i>		8.5%	-1.7%	-2.3%	-23.8%	-45.6%
Vehicle Service Hours (VSH)	11,399	12,074	11,736	11,332	9,158	4,864
<i>Annual Change</i>		5.9%	-2.8%	-3.4%	-19.2%	-46.9%
Vehicle Service Miles (VSM)	106,162	112,706	108,661	101,460	78,267	38,701
<i>Annual Change</i>		6.2%	-3.6%	-6.6%	-22.9%	-50.6%
Passengers	31,109	32,485	31,163	28,617	22,479	9,488
<i>Annual Change</i>		4.4%	-4.1%	-8.2%	-21.4%	-57.8%
Employees	10	10	10	11	10	6
<i>Annual Change</i>		0.0%	0.0%	10.0%	-9.1%	-40.0%
Performance Indicators						
Operating Cost/VSH (Actual \$)	\$98.01	\$106.79	\$109.68	\$120.21	\$140.25	\$255.34
<i>Annual Change</i>		9.0%	2.7%	9.6%	16.7%	82.1%
Operating Cost/Passenger (Actual \$)	\$35.91	\$39.69	\$41.31	\$47.60	\$57.14	\$130.90
<i>Annual Change</i>		10.5%	4.1%	15.2%	20.0%	129.1%
Passengers/VSH	2.73	2.69	2.66	2.53	2.45	1.95
<i>Annual Change</i>		-1.4%	-1.3%	-4.9%	-2.8%	-20.5%
Passengers/VSM	0.29	0.29	0.29	0.28	0.29	0.25
<i>Annual Change</i>		-1.6%	-0.5%	-1.7%	1.8%	-14.6%
Farebox Recovery	5.2%	4.9%	4.8%	4.5%	3.6%	2.0%
<i>Annual Change</i>		-5.9%	-1.5%	-7.7%	-19.2%	-43.7%
Hours/Employee	1139.9	1207.4	1173.6	1030.2	915.8	810.7
<i>Annual Change</i>		5.9%	-2.8%	-12.2%	-11.1%	-11.5%
TDA Non-Required Indicators						
Operating Cost/VSM	\$10.52	\$11.44	\$11.85	\$13.43	\$16.41	\$32.09
<i>Annual Change</i>		8.7%	3.6%	13.3%	22.2%	95.6%
VSM/VSH	9.31	9.33	9.26	8.95	8.55	7.96
<i>Annual Change</i>		0.2%	-0.8%	-3.3%	-4.5%	-6.9%
Fare/Passenger	\$1.88	\$1.95	\$2.00	\$2.13	\$2.06	\$2.66
<i>Annual Change</i>		3.9%	2.5%	6.4%	-3.0%	28.9%

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 6.24 Demand-Response Ridership

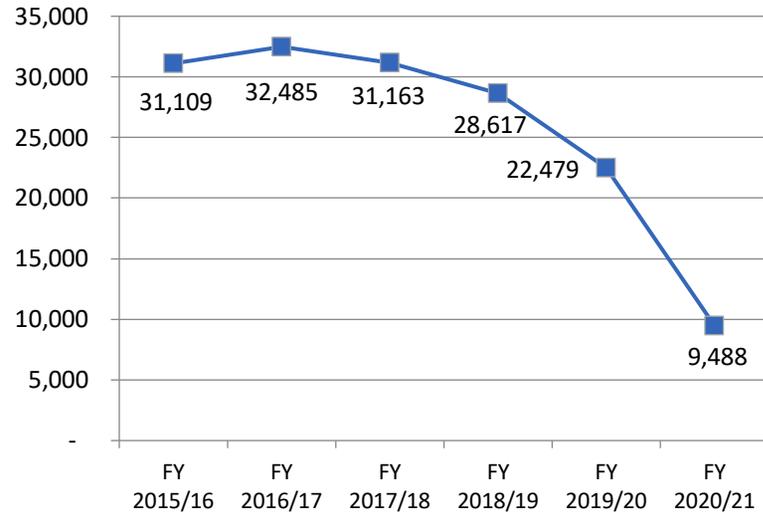


Exhibit 6.25 Demand-Response Operating Cost/VSH

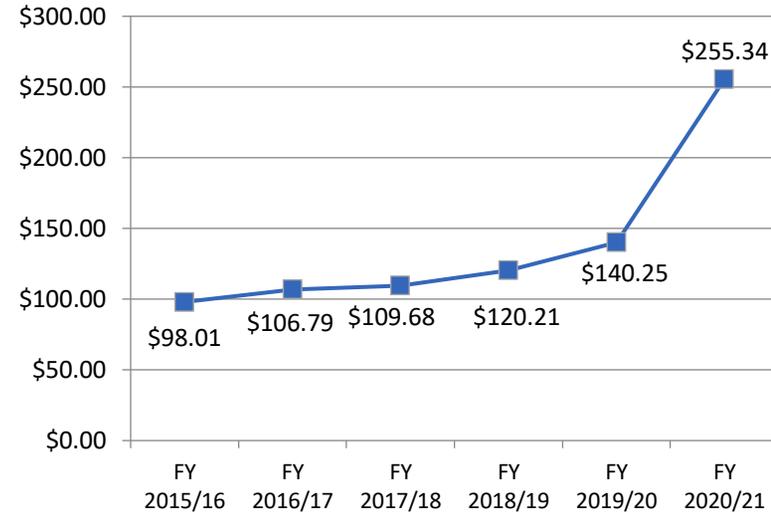


Exhibit 6.26 Demand-Response Operating Cost/VSM

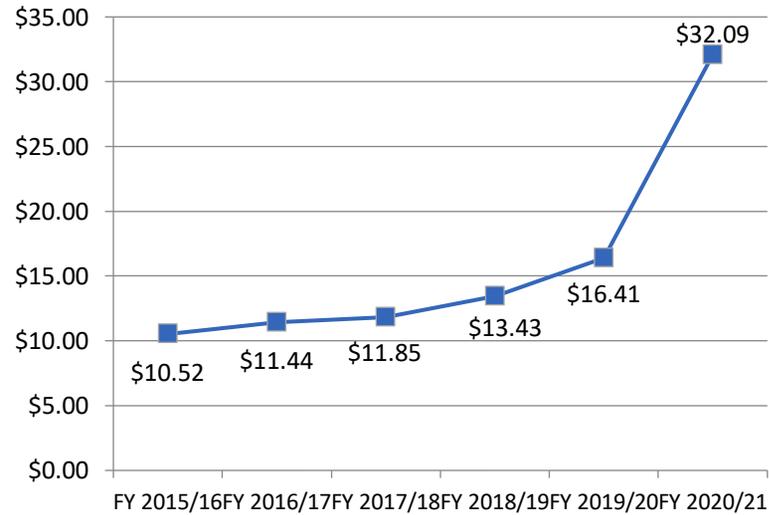


Exhibit 6.27 Demand-Response VSM/VSH

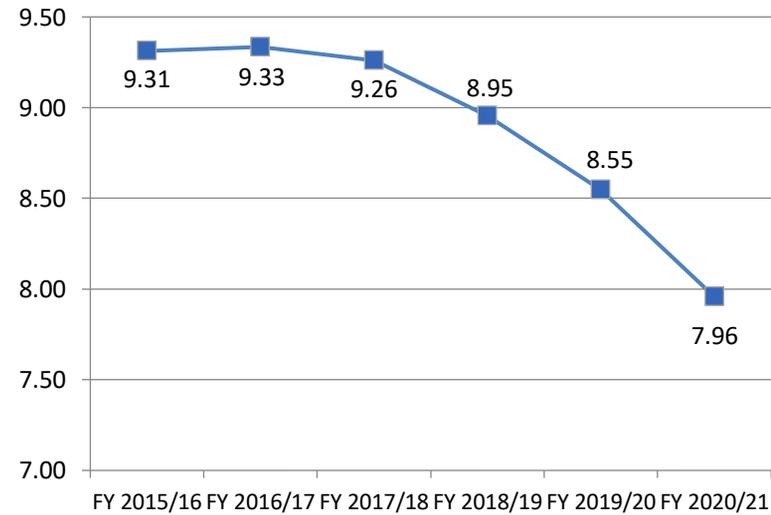


Exhibit 6.28 Demand-Response Operating Cost/Passenger

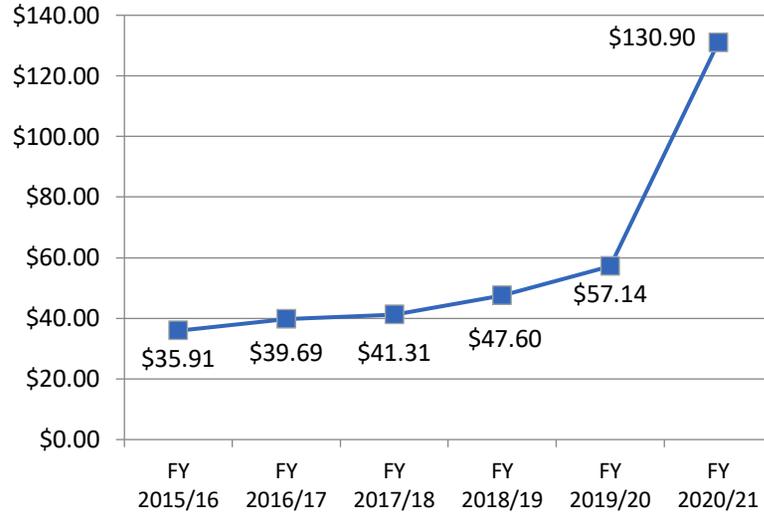


Exhibit 6.29 Demand-Response Passengers/VSH

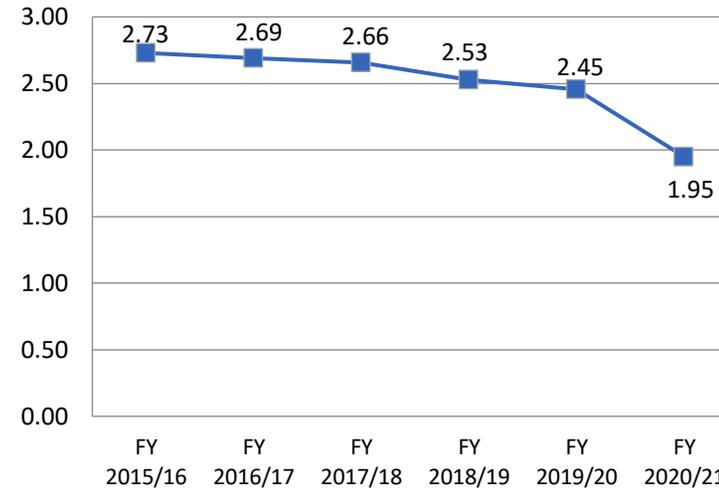


Exhibit 6.30 Demand-Response Passengers/VSM

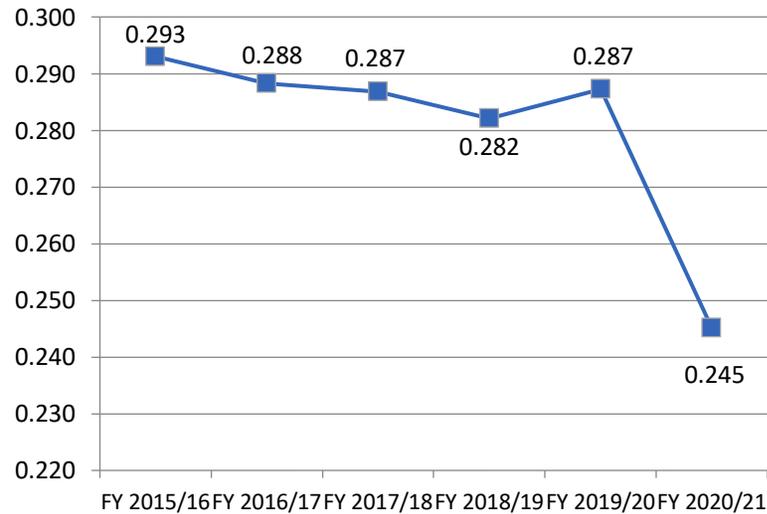


Exhibit 6.31 Demand-Response VSH/FTE

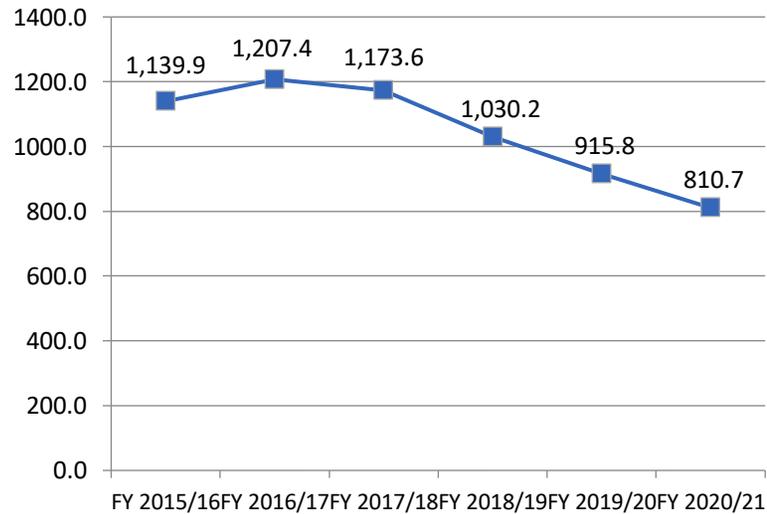


Exhibit 6.32 Demand-Response Farebox Recovery

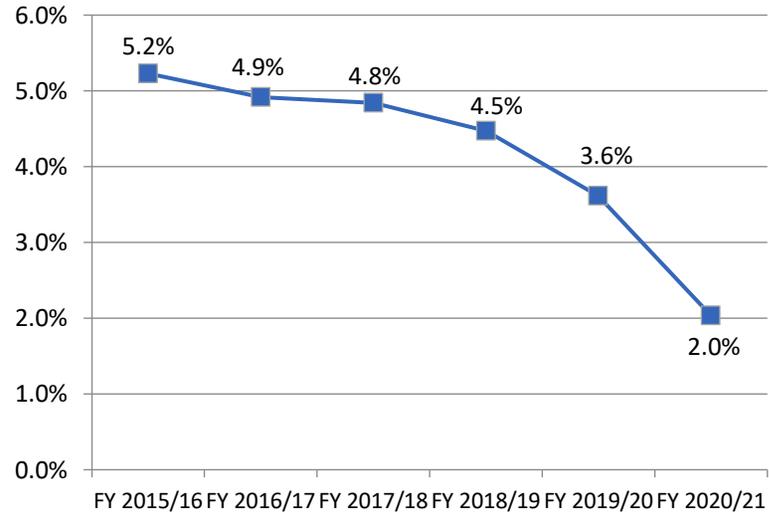
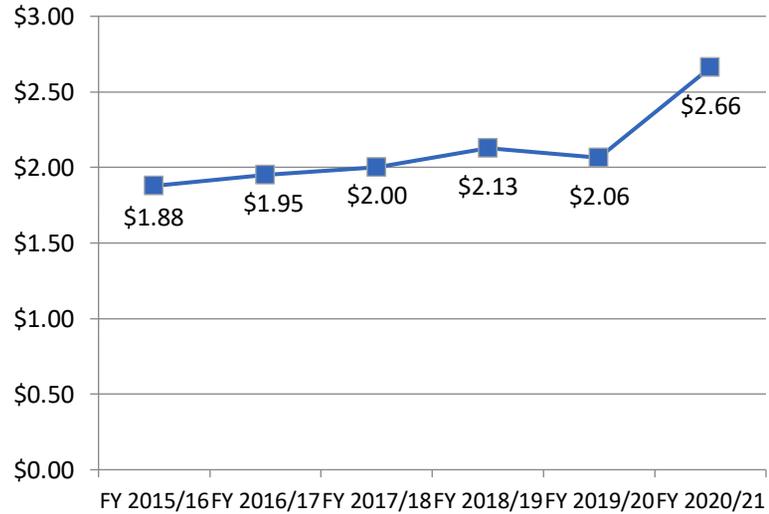


Exhibit 6.33 Demand-Response Fare/Passenger



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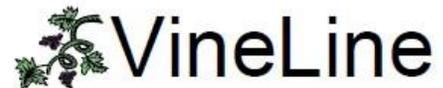
Chapter 7 | Functional Review

A functional review of the City of Lodi’s public transit program is intended to assess the effectiveness and efficiency of the operator. Following a general summary of the City’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 City 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 City of Lodi’s Grapeline and VineLine programs provide public transit service to residents of and visitors to the city. The Grapeline offers fixed-route and general public Dial-A-Ride service, while the VineLine provides ADA complementary paratransit service.



The Grapeline fixed-route service consists of five regular routes and three express routes operating Monday through Friday, and four regular routes operating Saturday and Sunday. Grapeline Dial-A-Ride operates within the city limits of Lodi as well as in surrounding unincorporated areas such as Woodbridge. VineLine ADA complementary paratransit is an eligibility-based service limited to ADA certified riders. Dial-A-Ride reservations can be made from one day to two weeks in advance, though same-day reservations can be made on a space-available basis for double fare.

Prior to the COVID-19 pandemic, fixed-route transit service in Lodi operated eight weekday routes from approximately 6:10 a.m. to 7:30 p.m. Monday through Friday, and four weekend routes from 7:30 a.m. to 9:30 p.m. on Saturday and from 8:30 a.m. to 4:30 p.m. on Sunday. The Dial-A-Ride and ADA Paratransit services mirrored these hours. As of January 2022, the fixed-route and demand-response services operated from 6:30 a.m. to 7:30 p.m. Monday through Friday and from 7:30 a.m. to 6:30 p.m. on Saturday. Only Dial-A-Ride and ADA Paratransit operated on Sunday, from 7:30 a.m. to 3:30 p.m.

Exhibit 7.1 Grapeline Fixed-Route Fare Structure

Fare Category	General	Reduced fare*
One-way fare	\$1.25	\$0.60
Day pass	\$3.00	\$1.50
31-day pass	\$44.00	\$22.00
10-ride ticket	\$12.50	\$6.00

*Reduced fares are available for seniors (65+), persons with disabilities, and Medicare card holders.

Up to two children age four and under ride the Grapeline’s fixed-route service for free with a fare-paying passenger. Students in grades kindergarten through 12th grade also ride free thanks to the City’s K-12 Free Ride Program.

Exhibit 7.2 GrapeLine Dial-A-Ride Fare Structure

Fare Category	General	Reduced fare*
Single ride ticket	\$7.00	\$2.00
10-ride ticket	\$66.50	\$16.00
Surcharge for trips outside city limits	\$1.50	\$1.50
10-ride ticket (outside city limits)		\$31.00
Same-day reservations	\$14.00	\$4.00

*Reduced fares are available for seniors (65+), persons with disabilities, and Medicare card holders.

Exhibit 7.3 VineLine ADA Paratransit Fare Structure

Fare Category	ADA-certified
Single ride ticket	\$2.00
10-ride ticket	\$16.00

Personal care attendants (PCAs) may accompany a disabled VineLine rider for free. Up to one companion may travel for the \$2.00 single-ride fare.

Identification is required to use a reduced fare. Riders can obtain an application form for a GrapeLine Discount Fare ID Card on the vehicle, online, at the Lodi Transit Station, or from the City Hall Public Works Department (221 W. Pine Street).

Passes and multi-ride tickets are sold at the City of Lodi’s Finance Department (310 W. Elm Street) and the Lodi Transit Station (24 S. Sacramento Street). Tickets and passes may also be purchased online through EZHub mobile ticketing using the Vamos Mobility app.

Response to COVID-19 pandemic

The City took measures to buy equipment to sanitize vehicles throughout the day, installed moveable driver barriers, and conducted extensive interior detailing of each vehicle every night. Masks were required and social distancing in the transit lobby and on vehicles was put in place.

The transit lobby was closed to public access in line with other City buildings and employees worked remotely. The City networked with other transit operators to share best practices and took each issue as it occurred. Drivers have denied passengers for not wearing masks.

The City found it necessary to cut back service. Sunday service was temporarily eliminated, and service was reduced on Saturday. Service went to a normal business-hour operation for both fixed-route and Dial-A-Ride. The City is also providing free rides to and from vaccination sites in Lodi.

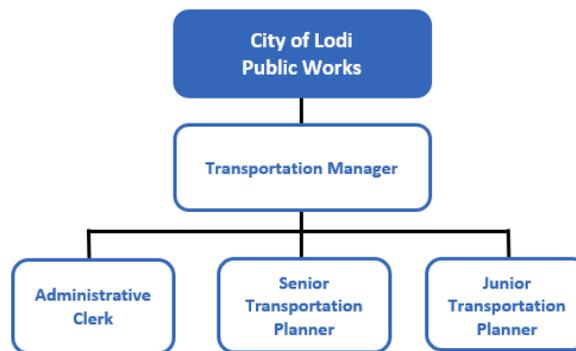
As the City received requests for more service, it carefully monitored conditions to get back to full service. In October 2020, the City began increasing hours. As of July 1, 2021, the transit program was almost back to pre-COVID hours. As of January 2021, only Dial-A-Ride and ADA Paratransit services were operating on

Sunday, and some weekday fixed routes were still suspended. The public has been generally receptive and transit is starting to see a slight increase in ridership returning.

General Management and Organization

Management monitors program performance through weekly meetings, email communications, and review of monthly reports from the contractor. Management regularly reviews and acts appropriately on performance information. With the hiring of additional staff, the City’s transit program is structured and staffed appropriately, with a Transportation Manager, two Planners, and an Administrative Clerk. Lines of reporting are clearly defined and appropriate.

Exhibit 7.4 Organizational Chart



Service changes during the audit period consisted of adjustments in response to COVID-19. Unlike planned service changes, there were no baseline comparisons, no goals and objectives, or anticipated results to measure against. The main priority was to continue providing essential services. Staff has reviewed the impact to ridership on a monthly basis.

The Lodi City Council is the governing body for the City’s transit program. The City Council meets the first and third Wednesday of each month at 7:00 p.m. at Carnegie Forum, located at 305 W. Pine Street in Lodi. The Council also holds informal informational (shirtsleeve) sessions every Tuesday at 7:00 a.m. in the same location. This location is served by GrapeLine Routes 1 and 3; however, service on these routes ends at approximately 7:15 p.m., limiting its usefulness in accessing City Council meetings. In addition, the nearest bus stop is approximately two blocks away, in front of the library.

The City’s relationship with other transit operators is largely collaborative, inclusive of professional networking and the sharing of mutually beneficial information. The City has an effective and positive relationship with the FTA, and provides information and/or cooperation requested by other organizations.

Administration

The budgeting process begins with review and analysis of each line item of expenses, revenue, and capital projects before the end of each fiscal year to project the next fiscal year’s budget. Budget estimates are prepared by the Transportation Manager, reviewed by the Director of Public Works, and then approved by the City Manager and Finance Manager before being adopted by the City Council. The City regularly

compares budgeted expectations with actual revenue and expenses. Responsibility for grant application and compliance is clearly defined.

Contract management responsibilities are assigned to key administrative staff, with oversight by the Transportation Manager. Contracts are approved by the City Council and have a defined term, clearly specified scope of work, and explicit price. The City of Lodi Facilities Department is responsible for facility management of transit offices, while bus stops are maintained by a third-party contract.

City employees complete timesheets which are verified and signed by the department head, followed by submission to the payroll division of the Finance Department for processing payment to the employee. Payroll checks are approved and signed by someone other than the person preparing them. The City maintains a secure database of employee records, pay rates, benefit selections, and other key data.

The City's receiving function is separate from the purchasing authorization and disbursement authorization functions. Invoice terms, quantities, and prices are verified against approved purchase orders. A review process ensures goods or services have been received before an invoice is paid.

Procurement practices, policies, and procedures are detailed in the City's Purchasing Policy. Procurement practices conform with FTA and state requirements. Policies and procedures regarding competitive bids, quotes, and contracting are well-defined and appropriate. The City competitively procures fuel, vehicles, and other items of major expense and cooperates in joint procurements. The City transitioned to a new transit operations contractor (Transdev) for a five-year base period effective July 1, 2021. During the audit period, transit operations was contracted to MV Transportation.

The City does not have an internal audit function. Management is responsible for engaging the auditor for the annual audit and reviewing the reports for recommendations and determining the correct actions for recommendations.

Service Planning

The City's primary transit planning document is its Short Range Transit Plan. All service planning takes place through SRTP development and the annual unmet transit needs process. Through these mechanisms the City analyzes and projects future service needs based on existing use and community input. Transit also communicates regularly with planning and zoning departments to identify needs and opportunities for transit. The most recent SRTP was completed in 2019.

The annual unmet transit needs process takes place in November, with a public hearing held before the City Council to take comments and inputs from customers and the community. Public hearings are also held prior to any significant route or service hour changes. On behalf of the City, SJCOG conducted surveying efforts as part of the year-round TDA Article 8 "Unmet Transit Needs" process.

The SRTP and unmet transit needs process also provide the majority of planning for special transportation needs. The City's transit service meets federal requirements under the ADA, and offers half-fares on the fixed-route service for seniors, persons with disabilities, and Medicare cardholders. All revenue vehicles are wheelchair-accessible.

Scheduling, Dispatch, and Operations

Transdev is the current operations contractor. Drivers are assigned to routes according to bids. Bids are held twice a year, or more often if there are changes in service. General Public Paratransit Vehicle (GPPV) certification is required for Dial-A-Ride. Nearly all drivers hold a GPPV certification, even if they typically only drive for the fixed-route service. Drivers are represented by Amalgamated Transit Union (ATU) Local 256.

Part-time shifts are included in the bid process. As of August 1, 2021, there were 17 full-time employees and five part-time employees. The operator also maintains a cover/extra board list and has standby drivers who report to work but are not assigned to a route. There are three standby drivers and two on-call drivers. Vacation time is scheduled in advance, and there is a clear and communicated policy on absences and sick leave. Part-time drivers are not eligible for vacation.

Larger vehicles are assigned to the higher ridership routes. Vehicles are entered in the tracking system and updates are made whenever there are changes to a vehicle's status. Dispatch communicates with maintenance to ensure all routes have been assigned vehicles in good repair.

The City utilizes Genfare vault fareboxes. Drivers do not have access to fares, only the person who removes the fares from the vehicles and deposits them into the vault in the office. Transit station security guards supervise the unloading of cash from the fareboxes, and all areas are under 24/7 camera surveillance. Deposits are transportation via Loomis armored car service. Counting is always done with two people present. Cash received from sales of non-cash fare media is kept in a secure drawer, then counted and added into farebox cash for deposit at the end of the day. Cash receipts for pass sales are reconciled back to the number of passes issued. Deposits are reconciled to bank statements. Security is appropriate for the amount of fares collected.

Mobile ticketing is provided through a collaboration with other transit operators in San Joaquin County using EZHub mobile ticketing through the Vamos Mobility app. The money from the mobile ticketing is processed through the Stripe payment platform.

Personnel Management and Training

Enough drivers are being recruited to meet transit needs. Recruitment of drivers is not typically a problem. The contractor posts all job requisitions to Indeed, Monster, LinkedIn, Glassdoor and other online job boards. Other methods for recruiting include, sponsoring a requisition and posting to Google and Facebook and hosting a job fair at a local career center. Many recruits require comprehensive training.

Safety has been a significant motivator for drivers, who can receive an extra 60 cents per revenue hour under the collective bargaining agreement (CBA) if they have no safety issues. For full-time employees, this can be an additional \$90 to \$100 per month. Transdev is also transitioning the break room to a quiet room with new recliners, and installing a filtered water cooler and popcorn machine.

Retention is generally high for Lodi drivers, although turnover was higher in FY 2020/21 due to the COVID pandemic and attrition due to retirements. Most employees have been with the program at least a decade, and five employees (including two drivers) have been there more than 20 years. Full-time employees receive life, health, dental, and vision insurance as well as vacation, sick, and holiday leave. Part-time employees receive holiday and sick leave. Benefits are communicated through the CBA.

Ongoing training includes monthly safety meetings and a four-hour refresher training on the basics every two years. The training team includes the Safety/Training manager, road supervisors, and behind-the-wheel trainers. Transdev recently installed Lytx dashboard cameras on vehicles and will soon be installing MobilEye devices, which are used for collision avoidance.

The CBA includes a progressive discipline policy to enforce rules and punish infractions. It also includes a clear, communicated policy regarding absences and tardiness. The operator maintains and enforces a drug and alcohol policy that complies with FTA requirements.

Marketing and Public Information

Marketing consists of rider alerts, general service advertisements, and special campaigns through a variety of mediums: physical print flyers/posters, online, and social media. The City analyzes survey and performance data to develop goals and identify target markets. Before onset of the COVID-19 pandemic, campaigns to promote the transit service included Stuff the Bus, Summer Youth Bus Pass, Dump the Pump, special farmer's market and holiday service, and a promotional campaign for the mobile app (Vamos). City transit staff regularly communicates with Lodi Unified School District's Transportation Director, Superintendent's Office, and their Public Information Officer to promote transit services.

The City has an ongoing focus on marketing, with a goal of getting as much information out into the community using as many different platforms as possible. It is currently trying to balance the community's transition back to using transit without being overwhelming.

The City has a system for accepting, responding to, and summarizing complaints. The City maintains an online complaint form that gathers and saves submittals. Telephone inquiries are responded to as quickly as possible, with a general time frame for resolution within 24 hours. The community's perception of the City's transit program is generally positive.

Maintenance

All maintenance is provided by City maintenance staff. Preventive maintenance schedules are based on OEM-recommended days and mileage intervals and are tracked and scheduled through vehicle maintenance software. Compliance with the PM schedule can easily be assessed. Fleet administrative staff send a monthly PM list to Transit administrative staff and the transit operations contractor to coordinated maintenance. The City has a sufficient number of spare vehicles so as not impact service if a vehicle must be out of service for maintenance or repair.

Warranty repairs are identified and appropriate adjustments are made. Fleet staff coordinate all warranty repairs through the respective manufacturer. If a manufacturer is too far to take the vehicle for a warranty repair, City maintenance staff will typically perform the repair and be reimbursed by the manufacturer.

The City's maintenance facility is capable of accommodating repairs that are not sent out, with a sufficient number of bays and lifts. Repairs that are typically sent out include Transmission Control Modules (TCMs), transmissions (replacement), engine overhauls, front end alignments, windshield replacements, and air conditioning on large buses. All work that can be handled by City staff is taken care of in-house. The facility also includes an area for administration and records.

The maintenance facility is not dedicated to transit, but it does have one bay that is used by transit almost exclusively. No mechanics are dedicated to transit, though one is trained to work on fareboxes.

The average age of the vehicles in the fleet is five years. As of June 30, 2021, the average mileage of the revenue vehicle fleet is 94,485 miles. The City has a vehicle replacement program in effect.

Maintenance is notified promptly of breakdowns. Maintenance notifies the dispatcher regarding vehicles that are down for maintenance and repair, as well as when a vehicle can be placed back in service. The City has a procedure to ensure unsafe buses are not used and that the most critically needed types of vehicles are repaired first. The vehicle is brought to the shop and the repairs are performed. The Daily Vehicle Inspection (DVI) is signed off by the technician and the vehicle is placed back into service. The backlog of repairs is small.

The Fleet Superintendent, Parts Clerk, and technicians have access to the secure parts room. The Fleet Division has a computer program in place that the Parts Clerk physically checks the inventory levels and communicates with technicians for reorders. The City contracts out with respect to OEM-specific equipment. Contracts are awarded based on several criteria – best value, downtime, OEM training, and insurance requirements. The City Clerk’s office monitors all contracts.

Exhibit 7.5 City of Lodi’s Transit Fleet

Vehicle #	Year	Make	Model	Type	Length	Fuel	PAX + WC	Service	Mileage as of 6/30/21
10-030	2012	El Dorado	EZ Rider	2	32'	ISLG250	24 + 2	Fixed Route	214,363
10-031	2012	El Dorado	EZ Rider	2	32'	ISLG250	24 + 2	Fixed Route	225,525
10-032	2012	El Dorado	EZ Rider	2	32'	ISLG250	24 + 2	Fixed Route	205,848
10-033	2012	El Dorado	EZ Rider	2	32'	ISLG250	24 + 2	Fixed Route	191,493
10-034	2012	El Dorado	EZ Rider	2	32'	ISLG250	24 + 2	Fixed Route	256,045
10-035	2012	El Dorado	EZ Rider	2	32'	ISLG250	24 + 2	Fixed Route	123,229
10-051	2014	Chevrolet	ARBOC Spirit of Mobility	G4500	26'	6.0L	13 + 1	DAR/Fixed Route	97,172
10-052	2014	Chevrolet	ARBOC Spirit of Mobility	G4500	26'	6.0L	13 + 1	DAR/Fixed Route	83,513
10-053	2014	Chevrolet	ARBOC Spirit of Mobility	G4500	26'	6.0L	13 + 1	DAR/Fixed Route	87,719
10-054	2014	Chevrolet	ARBOC Spirit of Mobility	G4500	26'	6.0L	13 + 1	DAR/Fixed Route	78,910
10-055	2014	Chevrolet	ARBOC Spirit of Mobility	G4500	26'	6.0L	13 + 1	DAR/Fixed Route	80,107
10-056	2014	Chevrolet	ARBOC Spirit of Mobility	G4500	26'	6.0L	13 + 1	DAR/Fixed Route	94,112
10-057	2014	Chevrolet	ARBOC Spirit of Mobility	G4500	26'	6.0L	13 + 1	DAR/Fixed Route	84,964
10-058	2014	Chevrolet	ARBOC Spirit of Mobility	G4500	26'	6.0L	13 + 1	DAR/Fixed Route	81,917
10-059	2014	Chevrolet	ARBOC Spirit of Mobility	G4500	26'	6.0L	13 + 1	DAR/Fixed Route	79,577
10-060	2014	Chevrolet	ARBOC Spirit of Mobility	G4500	26'	6.0L	13 + 1	DAR/Fixed Route	82,455
10-061	2014	Chevrolet	ARBOC Spirit of Mobility	G4500	26'	6.0L	13 + 1	DAR/Fixed Route	57,861
10-062	2014	Chevrolet	ARBOC Spirit of Mobility	G4500	26'	6.0L	13 + 1	DAR/Fixed Route	78,395
10-063	2014	Chevrolet	ARBOC Spirit of Mobility	G4500	26'	6.0L	13 + 1	DAR/Fixed Route	71,154
10-064	2018	Chevrolet	GLAVAL Titan II	G4500	26'	6.0L	15 + 1	DAR/Fixed Route	16,304
10-065	2018	Chevrolet	GLAVAL Titan II	G4500	26'	6.0L	15 + 1	DAR/Fixed Route	18,300
10-066	2018	Chevrolet	GLAVAL Titan II	G4500	26'	6.0L	15 + 1	DAR/Fixed Route	11,623
10-067	2018	Chevrolet	GLAVAL Titan II	G4500	26'	6.0L	15 + 1	DAR/Fixed Route	19,856
10-068	2018	Chevrolet	GLAVAL Titan II	G4500	26'	6.0L	15 + 1	DAR/Fixed Route	15,467
10-050	2018	Gillig	Low Floor Trolley		35'	L9N	34 + 2	Fixed Route	6216

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Chapter 8 | Findings and Recommendations

Conclusions

Moore & Associates, Inc. finds the City of Lodi to be in compliance with the requirements of the Transportation Development Act. In addition, the transit program functions in an efficient, effective, and economical manner.

The City of Lodi does not receive any TDA Article 4 funds for transit and is not traditionally required to be in compliance with the requirements of that article of the Transportation Development Act. Two findings that would normally be considered compliance findings during an Article 4 Triennial Performance Audit have been identified. However, since Article 8 recipients are not subject to the same level of compliance as Article 4 recipients, they are presented as functional findings. Recommendations intended to improve the effectiveness and efficiency of the operator are detailed below.

Findings

The audit team has identified two functional findings, which would be compliance findings under Article 4 but are not required for compliance with Article 8. Those findings are:

1. The FY 2019/20 State Controller Report was submitted beyond the established deadline.
2. The FY 2018/19 TDA Fiscal Audit was submitted after the allowable deadline extension of March 31.

Program Recommendations

In completing this Triennial Performance Audit, the auditors submit the following recommendations for the City of Lodi's public transit program. They are divided into two categories: TDA Program Compliance Recommendations and Functional Recommendations. TDA Program Compliance Recommendations are intended to assist in bringing the operator into compliance with the requirements and standards of the TDA, while Functional Recommendations address issues identified during the audit that are not specific to TDA compliance. Each finding is presented with the elements identified within the 2011 *Government Auditing Standards* as well as one or more recommendations.

Given there were no compliance findings, only functional findings and recommendations are provided.

Functional Finding 1: The FY 2019/20 State Controller Report was submitted beyond the established deadline.

Criteria: PUC 99243 requires operators receiving funding under Article 4 to submit its Financial Transaction Report to the State Controller within seven months of the end of the fiscal year. While Article 8 recipients submit this form as well, compliance with the deadline is not stated as a condition of compliance with Article 8. However, since the deadline is established by the State Controller's Office, it should be treated as a hard deadline and complied with.

Condition: In FY 2019/20, the City's State Controller Report was not submitted until February 17, 2021.

Cause: Staff identified the cause of the late submittal as due to a miscommunication as to who had responsibility for completing and filing the report.

Effect: As a result, the deadline was missed and the report was submitted late.

Recommendation: Ensure responsibility for completion and submittal of various reports is clearly assigned.

Recommended Action: During the site visit, staff noted that the cause of the missed deadline was a one-time issue that has already been addressed. Given the State Controller's Report was submitted ahead of the deadline for FY 2020/21, the audit team concurs with this assessment. As a result, no further action needs to be taken.

Timeline: Already addressed/not applicable.

Anticipated Cost: None.

Functional Finding 2: The FY 2018/19 TDA Fiscal Audit was submitted after the allowable deadline extension of March 31.

Criteria: PUC 99245 requires all Article 4 recipients to submit an annual fiscal audit to the State Controller within 180 days of the end of the fiscal year. The RTPA has the authority to extend the deadline for another 90 days, typically to March 31. While Article 8 recipients submit TDA fiscal audits as well, compliance with the deadline is not a condition of compliance with TDA Article 8. However, since the RTPA cannot release Article 4 funds until the audit is submitted, it is helpful to have all transit operator audits submitted according to the same deadline, even if it might not affect the release of Article 8 funds.

Condition: In FY 2018/19, the City's TDA fiscal audit was completed on April 8, 2020. This was more than a week after the deadline established under PUC 99245. Subsequent audits have been submitted on time, and the FY 2019/20 audit did not require an extension.

Cause: Staff could not identify the exact cause of the late audit completion.

Effect: While the audit was submitted late, it was submitted close enough to the deadline that it had no impact on the release of TDA funds for the next fiscal year.

Recommendation: Work with City and TDA auditors to ensure the TDA fiscal audit can be completed no later than March 31.

Recommended Action: Given the TDA audits for the two years subsequent to the late submittal have been submitted on time, no further action is required. Staff should continue to be mindful of the timeframe for submittal and monitor the auditor's progress.

Timeline: Already addressed/not applicable.

Anticipated Cost: None.

Exhibit 8.1 Audit Recommendations

Functional Recommendations		Importance	Timeline
1	Ensure responsibility for completion and submittal of various reports is clearly assigned.	Low	N/A
2	Work with City and TDA auditors to ensure the TDA fiscal audit can be completed no later than March 31.	Low	N/A

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