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STANISLAUS
COUNCIL OF
GOVERNMENTS
– CITY OF
TURLOCK

FINAL TRIENNIAL PERFORMANCE AUDIT OF THE
CITY OF TURLOCK

*Triennial Performance Audit of
the City of Turlock Transit
Services*

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EXECUTIVE SUMMARY

Why the Review was Conducted

This is the Performance Audit report for the City of Turlock Transit, covering Fiscal Years 2006-07, 2007-08 and 2008-09. An audit is required triennially of every transit operator in the state of California to be eligible for Transportation Development Act (TDA) funding. This audit was commissioned by the Stanislaus Council of Governments (StanCOG) and was conducted in accordance with the audit process established by the California Department of Transportation.

What the Review Found

During the course of our performance audit we assessed the status of prior audit recommendations and examined compliance with applicable laws, rules and regulations as prescribed by the Transportation Development Act. We also examined key performance measures of operational efficiency and effectiveness as well as performed a high level functional review of key operational areas.

We found that while the City of Turlock implemented two of three prior audit recommendations to create a bilingual (Spanish/English) transit brochure and to increase fares revenues, the City did not implement a third recommendation. The prior audit recommended development of a targeted marketing plan to help increase ridership, but it was determined to be cost-prohibitive and the City, having undergone staffing reductions, would not have the resources to implement it.

We found that the City of Turlock continued to maintain full compliance with the nine applicable TDA regulations even while experiencing a decline in operational efficiency and effectiveness due to a significant decline in ridership and an increase in operating costs over the audit period. System-wide ridership decreased by 45 percent over the audit period. With this decline, there was an associated decrease in the number of passengers carried per vehicle service mile and passengers per service hour. Despite the downfall in ridership, Turlock's well-timed fare increases caused fare revenues to increase 14 percent over the audit period. Due to increases in operating costs on a system-wide basis, the farebox recovery ratios, though climbing in FY 2008 to 17 percent, remained constant at around 11 and 12 percent for FY 2007 and 2009 respectively.

Functionally, we found that Turlock's transit administration and operation activities are conducted by experienced staff at the City and the contractor, First Transit. Proper oversight by the City of the contractor exists, and the contractor conducts operations with strong controls and managerial oversight of operations, personnel and training. The City tracks performance on a monthly basis, by route.

INTRODUCTION

This report of the Performance Audit for the City of Turlock covers a three-year period ending June 30, 2009. The California Public Utilities Code requires all public transit agencies to conduct a Triennial Performance Audit in order to be eligible for Transportation Development Act (TDA) funding. The performance audit is intended to be a high-level review to evaluate the efficiency, effectiveness and economy of transit operations, while ensuring compliance with the Transportation Development Act.

OBJECTIVES

The audit is designed to be an independent and objective evaluation of the City of Turlock, as a transit operator. The examination addressed three areas:

- (1) Compliance with TDA regulations,
- (2) Progress at implementing prior audit recommendations, and
- (3) Efficiency and effectiveness of operations. This report also includes strategies for improving the efficiency and functionality of transit operations.

SCOPE & METHODOLOGY

Our approach to the audit included:

- In-person interviews with City of Turlock's Development Services management, administrative staff, maintenance technicians and account supervisors and clerks.
- Analysis of transit operations documents, financial information, Transportation Operators Financial Transactions reports submitted to the California State Controller, bus driver training records, maintenance records and short-range transit plans.
- Verification of performance indicators by conducting trend analyses on performance.
- On-site physical observation of operations.
- Verification of the accuracy of passenger and mileage data.

MCG used the *Performance Audit Guidebook for Transit Operators and Regional Transportation Planning Entities (2009)*, published by the California Department of Transportation, as a guide to develop and conduct the performance audit.

DESCRIPTION OF THE TRANSIT SYSTEM

The Development Services Division within the City of Turlock is responsible for management of public transit services within the urbanized area. Turlock has contracted with First Transit, Inc. (previously called Laidlaw Transit Services, Inc.) since 1998 to operate its bus and paratransit services. The Bus Line Service of Turlock (BLAST) is a fixed route service and the paratransit service is a demand response reservation and subscription service called the Dial-A-Ride Turlock (DART) program.

Turlock operates four fixed routes on the Bus Line Services of Turlock (BLAST). BLAST routes A, B, C and D have access to connections with Stanislaus Regional Transit and Merced County Transit System. Service is available Monday through Friday between 6:00 a.m. and 7:00 p.m. while Saturday service is available between 9:00 a.m. and 4:00 p.m. BLAST fares range from free for small children to \$45.00 for unlimited bus passes, as shown in Table 1.0 below.

Table 1.0: BLAST Fares

Rider Type	Cost
0 to three (3) years (limit of two (2) per adult)	Free
General \$ 1.25 Discount (65 years and older/ Disabled/ Medicare Card Holder)	.60
	.25
BLAST Transfer (valid only at transfer hub)	
StaRT Transfer (between City /Stanislaus County bus systems)	.25
All-Day BLAST Pass (unlimited rides on day of purchase)	\$3.00
Discount All-Day BLAST Pass	\$1.50
Monthly BLAST Pass (unlimited rides- purchased from the 1st – 15th)	\$45.00
Monthly BLAST Pass (purchased after the 15th)	\$22.50
Discount Monthly BLAST Pass	\$22.50
Discount Monthly BLAST Pass (purchased after the 15th)	\$11.25
Student Monthly BLAST Pass \$ 40.00	\$40.00
Student BLAST Pass (purchased after the 15th)	\$20.00
Field Trips per Student (Pre-arranged Elementary and Jr. High only)	.50

Source: City of Turlock BLAST Brochure

Inside the BLAST service area, DART service is limited to seniors and passengers with disabilities. For the areas outside the BLAST service area, but inside Turlock’s city limits, DART service is available to everyone at \$2.50 per trip. Outside the City of Turlock’s boundaries, DART service is available to everyone at \$3.50 per trip, as shown below in Table 2.0.

Table 2.0: DART Fares

Location	Eligible Riders	Fare
Outside City limits	General Public	\$3.50
Inside City limits but outside BLAST service area	General Public	\$2.50
Inside BLAST service area	Seniors and disabled only	\$2.50
Within City limits	Elementary School	\$30.00
	Students – Weekly pass	

Source: City of Turlock DART Brochure

SIGNIFICANT CHANGES THAT OCCURRED DURING THE AUDIT PERIOD

Several service changes have occurred during the audit period. The City has

- Overhauled the fixed route system, increasing frequencies to 30-minute headways (Change made in August 2007);
- Relocated the central transfer hub;
- Reduced Saturday service with only two buses serving the same four routes;
- Increased BLAST fares from \$.075 to \$1.25 for regular passengers and \$0.35 to \$0.60 for discounted passengers (change made in September 2007);
- Increased DART fares increased from \$1.70/\$1.15 to \$2.50;
- Offered monthly and all-day unlimited BLAST passes;
- Changed BLAST route frequencies to 35-minute headways; and
- Since September 2008, shifted BLAST and DART service hours to start 30 minutes later in morning and run 30 minutes later in the evening.

CHAPTER 1: AUDIT RESULTS

This section of the report contains the required components of the performance audit including compliance, prior audit recommendation implementation, TDA performance measures and a functional review of the transit operator.

COMPLIANCE RESULTS

This section of the audit report contains the analysis of Turlock’s ability to comply with state requirements for continued receipt of TDA funds. The evaluation uses the guidebook, *Performance Audit Guidebook for Transit Operators and Regional Transportation Planning Agencies*, which was developed by the Department of Transportation (Caltrans) to assess transit operators. The guidebook contains a checklist of 11 measures taken from relevant sections of the Public Utilities Code and the California Code of Regulations. Each of these requirements is discussed in the following tables below, including a description of Turlock’s efforts to comply with the requirements.

The City of Turlock generally maintained compliance with TDA rules and regulations for the audit period with no exceptions. Turlock is in full compliance with the nine applicable PUC requirements, as shown in Figure 1.0. Turlock completed its reporting and certifications in a timely manner, including fiscal audits, Operator Reports to the State Controller’s Office and to the RTPE, and CHP certifications. Also, Turlock’s operating budget did not increase over 15 percent within the audit period, and Turlock utilized UTMA funds before TDA claims were granted.