

FY 2014-2016 TRIENNIAL PERFORMANCE AUDIT OF HUMBOLDT TRANSIT AUTHORITY (HTA)



SUBMITTED TO
HUMBOLDT COUNTY ASSOCIATION OF GOVERNMENTS



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SUBMITTED BY

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INTERNATIONAL

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Section I

Introduction

California’s Transportation Development Act (TDA) requires that a triennial performance audit be conducted of public transit entities that receive TDA revenues. The performance audit serves to ensure accountability in the use of public transportation revenue.

The Humboldt County Association of Governments (HCAOG) engaged Michael Baker International to conduct the Transportation Development Act (TDA) triennial performance audit of the public transit operators under its jurisdiction in Humboldt County. This performance audit is conducted for the Humboldt Transit Authority (HTA) covering the most recent triennial period, fiscal years 2013–14 through 2015–16.

The purpose of the performance audit is to evaluate HTA’s effectiveness and efficiency in its use of TDA funds to provide public transportation in its service area. This evaluation is required as a condition for continued receipt of these funds for public transportation purposes. In addition, the audit evaluates HTA’s compliance with the conditions specified in the California Public Utilities Code (PUC). This task involves ascertaining whether HTA is meeting the PUC’s reporting requirements. Moreover, the audit includes calculations of transit service performance indicators and a detailed review of the transit administrative functions. From the analysis that has been undertaken, a set of recommendations has been made which is intended to improve the performance of transit operations.

In summary, this TDA audit affords the opportunity for an independent, constructive, and objective evaluation of the organization and its operations that otherwise might not be available. The methodology for the audit included in-person interviews with management, collection and review of agency documents, data analysis, and on-site observations. The *Performance Audit Guidebook for Transit Operators and Regional Transportation Planning Entities* published by the California Department of Transportation (Caltrans) was used to guide the development and conduct of the audit.

Overview of the Transit System

The Humboldt Transit Authority was established in 1975 under a joint powers agreement between the Cities of Arcata, Eureka, Fortuna, Rio Dell, and Trinidad and the County of Humboldt. HTA is the primary intercity public transit system in the county, providing regional fixed-route service along the US 101 Corridor as well as an extension to Willow Creek along State Route (SR) 299. HTA also provides both intercity and local deviated fixed-route service in southern Humboldt County. Under separate contracts, HTA provides operations and maintenance services for the Eureka Transit Service (ETS) and provides maintenance service to the Arcata & Mad River Transit System (A&MRTS). Demand-response services in Arcata, Eureka, and McKinleyville are administered by and coordinated through HTA. HTA’s administrative and operations facility is located in Eureka.

While outside the audit period, it is noted that effective July 1, 2016, upon designation by HCAOG, HTA became the Consolidated Transportation Services Agency (CTSA) for Humboldt County to provide an array of services including coordination of public transportation services and ensuring continual satisfactory compliance with applicable TDA regulations.

As the designated CTSA, HTA administers the system-wide Dial-a-Ride/Lift (DAR/L) contract, administers the DAR certification program, attends Social Service Transportation Advisory Council (SSTAC) and Service Coordination Committee (SCC) meetings, and coordinates with transit and social service transportation programs to eliminate duplications and cost of services, thus providing a more efficient and cost-effective transit service.

In addition, HTA identifies and implements efficiencies in community transportation operations, identifies opportunities to develop cooperative agreements between agencies to coordinate financial resources and capital assets, partners with other agencies to apply for grants, and provides assistance for grant applications.

A demographic snapshot of the cities and the county within the HTA service area is presented in Table I-1.

**Table I-1
HTA Service Area Demographics**

| City/Jurisdiction | 2010 US Census Population | Change from 2000 US Census | Population 65 Years & Older | 2016 DOF Population Estimate | Land Area (in square miles) |
|-----------------------|---------------------------|----------------------------|-----------------------------|------------------------------|-----------------------------|
| Arcata | 17,231 | +3.3% | 8.17% | 18,169 | 9.10 |
| Blue Lake | 1,253 | +10.4% | 10.14% | 1,287 | 0.59 |
| Eureka (county seat) | 27,191 | +4.1% | 11.82% | 26,765 | 9.38 |
| Ferndale | 1,371 | -0.8% | 22.47% | 1,434 | 1.03 |
| Fortuna | 11,926 | +13.6% | 17.32% | 11,848 | 4.85 |
| Rio Dell | 3,368 | +3.9% | 13.15% | 3,416 | 2.28 |
| Trinidad | 367 | +18.0% | 19.35% | 367 | 0.49 |
| Unincorporated Area | 71,916 | +7.1% | 14.03% | 71,830 | 3,544.78 |
| Total Humboldt County | 134,623 | +6.4% | 13.17% | 135,116 | 3,572.49 |

Source: 2010 US Census

Eureka is the county seat and the largest city in Humboldt County. The county and incorporated cities experienced modest growth between the 2000 and 2010 US Census. Trinidad saw the highest percentage increase in population, followed by Fortuna and Blue Lake. The senior citizen population, comprising residents aged 65 and over, is 13.17 percent countywide. The 2016 population for Humboldt County is estimated to be 135,116 as reported by the California Department of Finance.

Agriculture, fisheries, forestry, education, government services, and tourism are mainstays of the local economy. Major highways traversing Humboldt County include US Highway 101 (US 101) and State Routes (SR) 36, 96, 169, 200, 211, 254, 255, 271, 283, and 299. US 101 is the main north–south highway connecting Humboldt with Mendocino County to the south and Del Norte County to the north. Several HTA routes run along US 101, which links major cities and towns between Garberville and Trinidad. SR 299 runs east–west connecting US 101 in Arcata with the county’s interior communities and Redding in the upper Sacramento Valley. SR 36 also runs in an east–west direction connecting US 101 just south of Fortuna with Red Bluff in the Sacramento Valley.

System Characteristics

HTA comprises several branded fixed-route services that operate along the US 101 corridor, including Redwood Transit System (RTS) and the Southern Humboldt Transit System (SHTS). The largest of these branded services is RTS, which features a north–south commuter route along the US 101 corridor as well as a route along the SR 299 corridor between Arcata and Willow Creek called the Willow Creek System. Service to Tish Non Village in the Bear River Band of Rohnerville Rancheria was implemented in July 2015.

The Southern Humboldt Transit System comprises an intercity service connecting Eureka and Garberville as well as a local deviated fixed-route service. The City of Eureka contracts with HTA to operate ETS. The Arcata/McKinleyville & Corridor DAR/L and Eureka DAR/L are administered by HTA and contracted with City Ambulance of Eureka (CAE) for operations. ETS fixed-route and DAR/L operations are discussed separately in the audit report for the City of Eureka.

RTS Mainline: The RTS mainline service operates between Scotia and Trinidad. Headways range from 30 minutes in the heaviest traveled route sectors (between Humboldt State University and College of the Redwoods) to 2 hours. Destinations served include Scotia, Fortuna, Fernbridge, College of the Redwoods (CR), Fields Landing, King Salmon, Eureka, Arcata, Humboldt State University (HSU), McKinleyville, Arcata-Eureka Airport, and Trinidad. Hours of operation are between 6:00 a.m. and 10:00 p.m. Monday through Friday; between 8:30 a.m. and 8:31 p.m. on Saturdays; and between 8:30 a.m. and 7:13 p.m. on Sundays. RTS does not operate on the following major holidays: New Year’s Day, Independence Day, Thanksgiving, and Christmas. Service on other major holidays operates on the Saturday schedule.

RTS Willow Creek: RTS operates a lifeline commuter service between the community of Willow Creek and the Arcata Transit Center. Four westbound and three eastbound trips are operated between 6:30 a.m. and 7:40 p.m. Monday through Friday; and between 8:25 a.m. and 7:45 p.m. on Saturdays. Saturday service was implemented in July 2012. One eastbound trip originates in McKinleyville. Each trip between Arcata and Willow Creek averages 1 hour in duration. Once in Arcata, passengers can transfer onto local or regional buses at the transit center.

Southern Humboldt Transit System – Intercity: This service connects the southern Humboldt County communities of Garberville, Redway, Phillipsville, Miranda, Myers Flat, and Weott with

Eureka and provides connections to other HTA services. Five northbound and four southbound trips are operated Monday through Friday from 7:00 a.m. to 8:30 p.m.

Southern Humboldt Transit System – Local: This service operates between the southern Humboldt communities of Garberville, Redway, Phillipsville, and Miranda. In addition, there are several stops in Garberville and Redway, one stop in Phillipsville, and one stop in Miranda. Six northbound and six southbound local deviated trips are operated Monday through Friday from 7:20 a.m. to 8:30 p.m.

Tish Non Village: This route was implemented on July 6, 2015, in response to an unmet transit need request. The service operates as a deviated fixed route serving the Bear River Band of Rohnerville Rancheria with stops at the College of the Redwoods, Fernbridge, Fortuna, and Loleta. Four northbound and four southbound trips are operated Monday through Friday from 7:19 a.m. to 6:57 p.m.

Dial-a-Ride/Lift

HTA administers the demand-response service contract on behalf of the Cities of Arcata and Eureka and the County of Humboldt. Dial-a-Ride service is provided within the city limits of Eureka and Arcata, in the unincorporated community of McKinleyville, and along the US 101 corridor between Arcata and Eureka. DAR/L is available to seniors and disabled persons who are unable to use fixed-route bus transit services and live within three-quarters of a mile of a bus route. Rides are scheduled 24 hours in advance with real-time reservations accepted on a space available basis. Dial-a-Ride operates Monday through Friday between the hours of 6:00 a.m. and 7:00 p.m. and Saturday between 7:30 a.m. and 5:30 p.m. HTA is responsible for printing and verifying tickets, determining rider eligibility, marketing, and ticket sales. Dial-a-Ride tickets are available for \$3.00 each and \$18.00 for a strip of six tickets. Tickets are available for purchase at Eureka City Hall, Arcata Transit Center, HTA and HCAOG offices, and the Senior Resource Center.

Fares

HTA's fares are structured according to service type, passenger category, and fare media. Fares were previously structured based on a zonal system. New transit pass products are available as a result of new electronic fareboxes installed on the major fixed routes of the local transit operators. Pass products include monthly magnetic swipe passes and stored value cards good for RTS, Willow Creek, SHTS, ETS, and A&MRTS buses. \$10 or \$20 magnetic media cards allow passengers to ride the regional transit systems for a discounted rate. About 30 percent of all passengers continue to pay by cash fare. HTA implemented a fare increase effective January 2014.

Free transfers are provided between RTS buses to complete a single trip. Humboldt State University students ride the RTS fare-free as part of the JackPass program by swiping their current student identification card. Staff and faculty can buy into the JackPass program for \$60 per semester. A similar student pass agreement was implemented with the College of the

Redwoods, which allows for the purchase of passes at a 50 percent discount. The discount is subsidized by HTA offering a 20 percent pass discount, CR contributing 20 percent of the cost of the discount, and the Associated Students of CR chipping in an additional 10 percent. HTA implemented a fare increase during the audit period for all services shown in the following tables. The fare structure for the RTS Mainline is shown in Table I-2.

**Table I-2
RTS Fare Schedule**

| Categories | Fares (Prior to 1/1/2014) | | | Fares (Effective 1/1/2014) | | |
|---|---------------------------|---------------------------------|-----------------|----------------------------|---------------------------------|--------------|
| | Mainline RTS Service | | | | | |
| | One Ride | Multi-Ride/ Regional Pass | Monthly Pass | One Ride | Multi-Ride/ Regional Pass | Monthly Pass |
| Adult (ages 18 to 61) | \$2.75 | \$1.75 | \$55.00 | \$3.00 | \$1.90 | \$59.00 |
| Youth (ages 3 to 17) | \$2.50 | \$1.50 | \$50.00 | \$2.75 | \$1.65 | \$54.00 |
| Seniors (ages 62 and up) | \$2.50 | \$1.50 | \$50.00 | \$2.75 | \$1.65 | \$54.00 |
| Disabled (with valid Transit ID) | \$2.50 | \$1.50 | \$50.00 | \$2.75 | \$1.65 | \$54.00 |
| In-town (rides within one city) | \$1.75 | n/a | n/a | \$1.90 | n/a | n/a |
| Day Pass | n/a | \$4.50 | n/a | n/a | \$4.90 | n/a |

Source: HTA

The fare structures for RTS Willow Creek and Southern Humboldt services are shown in Table I-3.

**Table I-3
RTS Willow Creek & Southern Humboldt Fare Schedule**

| Categories | Fares (Prior to 1/1/2014) | | | Fares (Effective 1/1/2014) | | |
|---|-----------------------------|---------------------------------|-----------------|----------------------------|---------------------------------|--------------|
| | RTS Willow Creek | | | | | |
| | One Ride | Multi-Ride/ Regional Pass | Monthly Pass | One Ride | Multi-Ride/ Regional Pass | Monthly Pass |
| Adult (ages 18 to 61) | \$4.00 | \$3.50 | \$75.00 | \$4.35 | \$3.00 | \$82.00 |
| Youth (ages 3 to 17) | \$3.50 | \$2.75 | \$70.00 | \$3.85 | \$2.50 | \$77.00 |
| Seniors (ages 62 and up) | \$3.50 | \$2.75 | \$70.00 | \$3.85 | \$2.50 | \$77.00 |
| Disabled (with valid Transit ID) | \$3.50 | \$2.75 | \$70.00 | \$3.85 | \$2.50 | \$77.00 |
| | Southern Humboldt InterCity | | | | | |
| Adult (ages 18 to 61) | \$5.00 | \$3.50 | \$100.00 | \$5.50 | \$3.85 | \$108.00 |
| Youth (ages 3 to 17) | \$3.50 | \$3.00 | \$90.00 | \$5.00 | \$3.30 | \$97.00 |
| Seniors (ages 62 and up) | \$3.50 | \$3.00 | \$90.00 | \$5.00 | \$3.30 | \$97.00 |
| Disabled (with valid Transit ID) | \$3.50 | \$3.00 | \$90.00 | \$5.00 | \$3.30 | \$97.00 |

| | Southern Humboldt Local | | | | | |
|---|-------------------------|--------|-----|--------|--------|-----|
| Adult (ages 18 to 61) | \$1.50 | \$1.25 | n/a | \$1.65 | \$1.10 | n/a |
| Youth (ages 3 to 17) | \$1.10 | \$0.85 | n/a | \$1.40 | \$0.95 | n/a |
| Seniors (ages 62 and up) | \$1.10 | \$0.85 | n/a | \$1.40 | \$0.95 | n/a |
| Disabled (with valid Transit ID) | \$1.10 | \$0.85 | n/a | \$1.40 | \$0.95 | n/a |
| Route Deviation | n/a | n/a | n/a | \$1.75 | n/a | n/a |

Source: HTA

Fleet

There are 34 vehicles in the transit fleet for the RTS, Southern Humboldt (Intercity/Local), Tish Non Village, and Willow Creek services. HTA has been able to update its revenue fleet with replacement vehicles the past several years. Table I-4 shows the vehicle fleet and service type.

HTA vehicles are equipped with wheelchair lifts and tie downs, which conform to the requirements of the Americans with Disabilities Act (ADA) in regard to accessibility. Bicycle racks are available on most large buses.

**Table I-4
HTA Vehicle Fleet**

| Year | Make & Model | Quantity | Fuel Type | Service | Seating Capacity |
|--------------|------------------|-----------|------------------------|-------------------|------------------|
| 2002 | Freightliner | 2 | Diesel | Willow Creek | 29 |
| 2002 | Gillig Phantom | 1 | Diesel | RTS | 43 |
| 2002 | Ford Goshen | 1 | Diesel | Southern Humboldt | 20 |
| 2003 | Gillig Phantom | 1 | Diesel | RTS | 43 |
| 2004 | Gillig Phantom | 2 | Diesel | RTS | 43 |
| 2007 | Gillig Low Floor | 3 | Diesel-Electric Hybrid | RTS | 36 |
| 2009 | Chevy Aerolite | 2 | Diesel | Southern Humboldt | 29 |
| 2009 | Chevy Duramax | 2 | Diesel | Tish Non-Village | 28 |
| 2011 | Gillig | 2 | Diesel | RTS | 36 |
| 2012 | Gillig | 2 | Diesel | RTS | 36 |
| 2012 | Ford | 1 | Diesel | Southern Humboldt | 20 |
| 2013 | International | 1 | Diesel | Willow Creek | 29 |
| 2014 | Gillig | 5 | Diesel | RTS | 35 |
| 2015 | Gillig | 3 | Diesel | RTS | 35 |
| 2015 | Ford | 1 | Unleaded Gas | Southern Humboldt | 20 |
| 2015 | Freightliner | 5 | Diesel | Southern Humboldt | 29 |
| Total | | 34 | | | |

Source: HTA Fleet Inventory Printout

Section II

Operator Compliance Requirements

This section of the audit report contains the analysis of HTA’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* to assess transit operators. The guidebook contains a checklist of eleven measures taken from relevant sections of the Public Utilities Code and the California Code of Regulations. Each of these requirements is discussed in Table II-1, including a description of the system’s efforts to comply with the requirements. In addition, the findings from the compliance review are described in the text following the table.

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

| Operator Compliance Requirements | Reference | Compliance Efforts |
|--|---|---|
| <p>The transit operator submitted annual reports to the RTPA and to the State Controller based upon the Uniform System of Accounts and Records established by the State Controller. Report is due 90 days after end of fiscal year (Sept. 28/29), or 110 days (Oct. 19/20) if filed electronically (Internet).</p> | <p>Public Utilities Code, Section 99243</p> | <p>Completion/submittal dates:</p> <p>Fixed Route: FY 2014: October 20, 2014 FY 2015: November 5, 2015 FY 2016: January 5, 2017</p> <p>Specialized Service: FY 2014: October 22, 2014 FY 2015: November 5, 2015 FY 2016: January 5, 2017</p> <p>The FY 2015 and FY 2016 Transit Operator Financial Transactions Reports were submitted after the statutory deadline.</p> <p>Conclusion: Partial compliance</p> |
| <p>The operator has submitted annual fiscal and compliance audits to the RTPA and to the State Controller within 180 days following the end of the fiscal year (Dec. 27), or has received the appropriate 90-</p> | <p>Public Utilities Code, Section 99245</p> | <p>Completion/submittal dates:</p> <p>FY 2014: February 2, 2015 FY 2015: January 6, 2016 FY 2016: February 6, 2017</p> <p>A 90-day extension was granted</p> |

| Operator Compliance Requirements | Reference | Compliance Efforts |
|--|---|--|
| <p>day extension by the RTPA allowed by law.</p> | | <p>by HCAOG pursuant to the TDA statute.</p> <p>Conclusion: Complied</p> |
| <p>The CHP has, within the 13 months prior to each TDA claim submitted by an operator, certified the operator’s compliance with Vehicle Code Section 1808.1 following a CHP inspection of the operator’s terminal.</p> | <p>Public Utilities Code, Section 99251 B</p> | <p>HTA participates in the CHP Transit Operator Compliance Program in which the CHP has conducted inspections within the 13 months prior to each TDA claim.</p> <p>Inspections were conducted at HTA’s maintenance facility in Eureka.</p> <p>Transit Operator Compliance Certificates and inspection dates applicable to the audit period were September 18 & 23, 2013; September 16, 18 & 24, 2014; September 14 & 15, 2015; and September 1, 2016.</p> <p>Inspections were found to be satisfactory.</p> <p>Conclusion: Complied</p> |
| <p>The operator’s claim for TDA funds is submitted in compliance with rules and regulations adopted by the RTPA for such claims.</p> | <p>Public Utilities Code, Section 99261</p> | <p>HTA is not a direct claimant of TDA funds. Each local jurisdiction member of the JPA claims TDA for transit from their respective allocations on behalf of HTA. The local jurisdiction claims comply with the rules and regulations adopted by HCAOG.</p> <p>Conclusion: Complied</p> |

| Operator Compliance Requirements | Reference | Compliance Efforts |
|--|---|---|
| <p>If an operator serves urbanized and non-urbanized areas, it has maintained a ratio of fare revenues to operating costs at least equal to the ratio determined by the rules and regulations adopted by the RTPA.</p> | <p>Public Utilities Code, Section 99270.1</p> | <p>HTA is subject to farebox requirements as an older operator, but is not subject to this specific requirement.</p> <p>Conclusion: Not applicable</p> |
| <p>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).</p> | <p>Public Utilities Code, Section 99266</p> | <p>Percentage increase in the HTA operating budget:</p> <p>FY 2014: +3.3% FY 2015: +6.7% FY 2016: +6.0%</p> <p>Source: HTA Annual Budgets FYs 2013–2016</p> <p>Conclusion: Complied</p> |
| <p>The operator’s definitions of performance measures are consistent with Public Utilities Code Section 99247, including (a) operating cost, (b) operating cost per passenger, (c) operating cost per vehicle service hour, (d) passengers per vehicle service hour, (e) passengers per vehicle service mile, (f) total passengers, (g) transit vehicle, (h) vehicle service hours, (i) vehicle service miles, and (j) vehicle service hours per employee.</p> | <p>Public Utilities Code, Section 99247</p> | <p>A review of monthly reports from the operator during the audit period indicates that most performance data are collected correctly.</p> <p>A review of internal Dial-A-Ride compiled by the contract operator during the audit period indicates that performance data are not being properly collected and reported.</p> <p>Dial-a-Ride vehicle service mile data from January 2014 through October 2014 and for December 2014 were not reported by the contractor and subsequently were not reported in the Specialized Service (Dial-a-Ride) Transit Operators Financial</p> |

| Operator Compliance Requirements | Reference | Compliance Efforts |
|--|--|--|
| | | <p>Transactions Report submitted to the State Controller.</p> <p>Conclusion: Partial compliance</p> |
| <p>If the operator serves an urbanized area, it has maintained a ratio of fare revenues to operating costs at least equal to one-fifth (20 percent), unless it is in a county with a population of less than 500,000, in which case it must maintain a ratio of fare revenues to operating costs of at least equal to three-twentieths (15 percent), if so determined by the RTPA.</p> | <p>Public Utilities Code, Sections 99268.2, 99268.3, 99268.12, 99270.1</p> | <p>HTA is subject to farebox requirements as an older operator, but is not subject to this specific requirement.</p> <p>Conclusion: Not applicable</p> |
| <p>If the operator serves a rural area, or provides exclusive services to elderly and disabled persons, it has maintained a ratio of fare revenues to operating costs at least equal to one-tenth (10 percent).</p> | <p>Public Utilities Code, Sections 99268.2, 99268.4, 99268.5</p> | <p>As an older operator, HTA’s farebox recovery ratio for RTS fixed-route service is set at the ratio it had in FY 1978–79, which is 26.4 percent.</p> <p>The RTS farebox recovery ratios based on audited data are as follows:</p> <p>FY 2014: 40.14% FY 2015: 36.05% FY 2016: 35.95%</p> <p>For rural and specialized service, the required fare ratios are 10 percent. The following ratios were calculated using audited data:</p> <p>Arcata DAR/L: FY 2014: 19.30% FY 2015: 16.23%</p> |

| Operator Compliance Requirements | Reference | Compliance Efforts |
|--|---|--|
| | | <p>FY 2016: 10.49%</p> <p>Southern Humboldt Intercity: FY 2014: 15.12% FY 2015: 17.46% FY 2016: 17.25%</p> <p>Southern Humboldt Local: FY 2014: 11.49% FY 2015: 11.60% FY 2016: 10.97%</p> <p>Willow Creek: FY 2014: 16.04% FY 2015: 16.36% FY 2016: 15.56%</p> <p>Source: Annual Fiscal and Compliance Audits</p> <p>Conclusion: Complied</p> |
| <p>The current cost of the operator’s retirement system is fully funded with respect to the officers and employees of its public transportation system, or the operator is implementing a plan approved by the RTPA which will fully fund the retirement system within 40 years.</p> | <p>Public Utilities Code, Section 99271</p> | <p>HTA contributes to its employees’ retirement through the California Public Employees’ Retirement System (CalPERS). Participants are required to contribute 7 percent of their annual covered salary, which HTA pays on their behalf.</p> <p>On January 1, 2013, the Public Employees’ Pension Reform Act of 2013 (PEPRA) took effect, resulting in a shift of new members from existing pools. PEPRA requires new employees pay at least 50 percent of the total annual normal cost.</p> <p>Conclusion: Complied</p> |

| Operator Compliance Requirements | Reference | Compliance Efforts |
|---|---|--|
| <p>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.</p> | <p>California Code of Regulations, Section 6754(a)(3)</p> | <p>As a recipient of State Transit Assistance Funds, HTA is making full use of available federal funds.</p> <p>FY 2014: \$241,601 (Operations) \$680,000 (Capital)</p> <p>FY 2015: \$225,266 (Operations) \$530,000 (Capital)</p> <p>FY 2016: \$225,266 (Operations) \$991,000 (Capital)</p> <p>Source: HCAOG Program of Projects Resolutions</p> <p>Conclusion: Complied</p> |

Findings and Observations from Operator Compliance Requirements Matrix

1. Of the compliance requirements pertaining to HTA, the operator fully complied with seven out of nine applicable requirements. The Authority was in partial compliance with regard to the timely submittal of the annual Transit Operators Financial Transactions Report to the State Controller and the accurate reporting of performance data and indicators for DAR/L. Two compliance requirements did not apply to HTA (blended and urbanized farebox recovery ratios).
2. Based on the Annual Fiscal and Compliance Audits, the RTS services met their respective TDA farebox ratio in each year of the audit period. As an older operator, HTA’s farebox recovery ratio for RTS Redwood Transit fixed-route service is set at the ratio it had in FY 1978–79, which is 26.4 percent. The Willow Creek and Southern Humboldt (Intercity & Local) and the Arcata and Corridor DAR/L systems also met their respective farebox ratios. The TDA statute established the required farebox ratio at 10 percent in non-urbanized areas, with exception for an operator such as HTA that exceeded the percentage in the 1978–79 fiscal year. During the audit period, the operator is required to maintain the higher farebox ratio to remain eligible for TDA funding. The recent change in the TDA statute with passage of Senate Bill 508 eliminates the requirement for transit operators to maintain higher farebox requirements based on the 1978–79 fiscal year. Beginning in FY 2016–17, HTA is subject to a 10 percent farebox recovery ratio for the fixed route.
3. HTA participates in the CHP Transit Operator Compliance Program and received vehicle inspections within the 13 months prior to each TDA claim. Satisfactory ratings were made for all inspections conducted during the audit period.

4. The HTA operating budget exhibited modest increases during the audit period. The budget increased 3.3 percent in FY 2014, 6.7 percent in FY 2015, and 6.0 percent in FY 2016. New service and increases in salaries, benefits, supplies, vehicle parts, tires, and fuel costs were factors in the budget increases.

Section III

Prior Triennial Performance Recommendations

HTA's efforts to implement the recommendations made in the prior triennial audit are examined in this section of the report. For this purpose, each prior recommendation for the agency is described, followed by a discussion of HTA's efforts to implement the recommendation. Conclusions concerning the extent to which the recommendations have been adopted by the agency are then presented.

Prior Recommendation 1

Request and include additional operations data such as number of trip cancellations, trip denials, missed trips, and no-shows in the monthly DAR summary reports.

Background: The prior audit suggested that the provision of additional operating characteristics in the summary reports submitted by CAE to the City of Eureka could enhance the level of analysis with regard to DAR service. CAE does provide an annual report, generated by Trapeze, categorized by passenger name of the number of cancellations, trip denials, and no-shows. However, a review of the monthly Comparative Performance Activity Reports compiled by HTA and CAE shows primarily operational performance data and not qualitative service data such as complaints, compliments, road calls, trip denials, missed trips, and ridership by route. The suggestion of including these performance measures in the summary report follows industry standard information to help gauge operating performance. With the implementation of Trapeze, the collection and presentation of this data could be included as part of regular reporting. Patterns and trends from these measures would be synthesized with other data that is already being provided such as ridership, service hours and miles, and farebox recovery.

Actions Taken by HTA

There continue to be inconsistencies with how the data are formatted and reported by the DAR/L contractor, CAE. The performance data are compiled on Excel spreadsheets and divided between Dial-a-Ride and Dial-a-Lift. The aggregate trip totals at the bottom of the spreadsheet do not reflect the sum of the passengers carried on the two service modes. Dial-a-Ride/Lift vehicle service mile data from January 2014 through October 2014 and for December 2014 were not reported. In addition, year-to-date data and prior year comparisons are not reported for analysis. Qualitative service data such as complaints, compliments, road calls, trip denials, missed trips, and ridership by route are not shown on the reports.

Effective FY 2017, DAR/L services were placed under HTA administration as part of an overall consolidation effort and the designation by HCAOG of the Authority as the Consolidated Transportation Services Agency for Humboldt County. As part of the new contract provision, CAE and HTA will implement RouteMatch dispatching and scheduling software. The software can be

configured to generate productivity reports as well as track cancellations and no-shows, schedule adherence, and on-time performance. It is anticipated that the accuracy and consistency of performance data reporting will improve with the implementation of the new software in the summer of 2017.

Conclusion

This recommendation has been partially implemented.

Prior Recommendation 2

Include operational performance indicators such as road calls and customer comments in the fixed-route Comparative Performance Activity Report.

Background: The Comparative Performance Activity Reports provide quantitative data reporting of key performance indicators. However, qualitative service data such as on-time performance, vehicle breakdowns and road calls, and number of customer comments (complaints/compliments), while collected by HTA, were not being included in the Comparative Performance Activity Reports. The inclusion of such data measures is useful from an operational standpoint, and could be reviewed alongside existing financial performance indicators such as farebox recovery and operating costs in the Comparative Performance Activity Report. The inclusion of operational data by service (RTS, WC, and SHTS) in the report creates a wider snapshot of service productivity within one report and could further explain performance patterns and trends. It was suggested that HTA consolidate both quantitative and qualitative performance data in its Comparative Performance Activity Reports.

Actions Taken by HTA

Comparative Performance Activity Reports compiled during the audit period continue to provide quantitative performance data and indicators such as passenger trips, vehicle service miles, vehicle service hours, days of operations, fare revenue breakdown, operating costs, and farebox recovery calculations. However, qualitative data has yet to be incorporated into the report, although HTA provided such data to the auditor under separate cover. To aid in data collection and analysis, HTA will implement the RouteMatch dispatching and scheduling software in the summer of 2017. The software can be configured to generate productivity reports as well as track various performance data including those described here. It is anticipated that the accuracy and consistency of performance data reporting will improve with the implementation of the new software in the summer of 2017.

Conclusion

This recommendation has been partially implemented.

Prior Recommendation 3

Calculate Full-Time Equivalents in the Transit Operators Financial Transactions Report according to the TDA definition.

Background: Full-Time Equivalents (FTEs) are required to be reported in the annual Transit Operators Financial Transactions Report submitted to the State Controller. The prior audit found that State Controller Reports compiled for HTA’s fixed-route and specialized demand-response services did not properly calculate FTEs. FTE data appeared to reflect a head count based on recent State Controller data submitted by HTA, rather than the methodology of total number of labor hours divided by 2,000. FTEs are inclusive of all staff who contribute their time to the respective transit services, including operations and administration.

Actions Taken by HTA

The FTE data reported in the annual Transit Operators Financial Transactions Report submitted during the audit period appear to reflect the correct methodology pursuant to the TDA. The FY 2016 State Controller Report showed a much higher FTE figure than in prior years. HTA indicated that the annual Transit Operators Financial Reports are prepared by the Authority’s fiscal auditor. During the site visit for this audit, HTA’s Finance Manager worked with the fiscal auditor to confirm the correct methodology and provided the correct FTE figure for FY 2016. It is suggested that HTA continue to verify that the correct operating data including FTEs are being reported in the State Controller Report prior to submittal.

Conclusion

This recommendation has been implemented.

Section IV

TDA Performance Indicators

This section reviews HTA’s performance in providing transit service in an efficient and effective manner. TDA requires that at least five specific performance indicators be reported, which are contained in the following tables. Farebox is not one of the five specific indicators, but is a requirement for continued TDA funding. Therefore, farebox calculation is also included for each mode. Graphs and findings from the analysis are contained in the section following the tables.

Tables IV-1 through IV-3 provide the performance indicators for HTA system-wide and fixed-route and Dial-a-Ride services. Charts are also included to depict the trends in the indicators. It is noted that both system-wide and modal operating costs and fare revenues are based on audited data.

**Table IV-1
HTA System-Wide Performance Indicators**

| Performance Data and Indicators | Audit Period | | | | % Change FY 2013–2016 |
|---|--------------|-------------|-------------|-------------|--------------------------|
| | FY 2013 | FY 2014 | FY 2015 | FY 2016 | |
| Operating Cost | \$3,923,217 | \$3,962,773 | \$4,340,828 | \$4,657,933 | 18.7% |
| Total Passengers | 649,594 | 664,015 | 669,660 | 669,878 | 3.1% |
| Vehicle Service Hours | 46,651 | 47,945 | 48,537 | 51,001 | 9.3% |
| Vehicle Service Miles | 904,833 | 1,092,076 | 1,096,402 | 1,167,629 | 29.0% |
| Employee FTEs | 46 | 51 | 54 | 53 | 15.2% |
| Passenger Fares | \$1,236,138 | \$1,320,556 | \$1,353,221 | \$1,406,884 | 13.8% |
| Operating Cost per Passenger | \$6.04 | \$5.97 | \$6.48 | \$6.95 | 15.1% |
| Operating Cost per Vehicle Service Hour | \$84.10 | \$82.65 | \$89.43 | \$91.33 | 8.6% |
| Operating Cost per Vehicle Service Mile | \$4.34 | \$3.63 | \$3.96 | \$3.99 | -8.0% |
| Passengers per Vehicle Service Hour | 13.9 | 13.8 | 13.8 | 13.1 | -5.7% |
| Passengers per Vehicle Service Mile | 0.72 | 0.61 | 0.61 | 0.57 | -20.1% |
| Vehicle Service Hours per Employee | 1,014.2 | 940.1 | 898.8 | 962.3 | -5.1% |
| Average Fare per Passenger | \$1.90 | \$1.99 | \$2.02 | \$2.10 | 10.4% |
| Fare Recovery Ratio | 31.51% | 33.32% | 31.17% | 30.20% | -4.1% |

Source: Annual Fiscal & Compliance Audits, Comparative Performance Activity Reports, State Controller’s Reports

**Table IV-2
RTS, Southern Humboldt (Intercity/Local), Willow Creek & Tish Non Village Fixed Route
Performance Indicators**

| Performance Data and Indicators | Audit Period | | | | % Change FY 2013–2016 |
|---|--------------|-------------|-------------|-------------|--------------------------|
| | FY 2013 | FY 2014 | FY 2015 | FY 2016 | |
| Operating Cost | \$3,747,984 | \$3,758,418 | \$4,160,252 | \$4,433,949 | 18.3% |
| Total Passengers | 638,812 | 657,671 | 663,133 | 665,665 | 4.2% |
| Vehicle Service Hours | 39,793 | 43,635 | 44,057 | 46,408 | 16.6% |
| Vehicle Service Miles | 869,149 | 1,057,420 | 1,058,933 | 1,129,629 | 30.0% |
| Employee FTEs | 32 | 34 | 37 | 36 | 12.5% |
| Passenger Fares | \$1,207,157 | \$1,276,142 | \$1,317,159 | \$1,363,436 | 12.9% |
| Operating Cost per Passenger | \$5.87 | \$5.71 | \$6.27 | \$6.66 | 13.5% |
| Operating Cost per Vehicle Service Hour | \$94.19 | \$86.13 | \$94.43 | \$95.54 | 1.4% |
| Operating Cost per Vehicle Service Mile | \$4.31 | \$3.55 | \$3.93 | \$3.93 | -9.0% |
| Passengers per Vehicle Service Hour | 16.1 | 15.1 | 15.1 | 14.3 | -10.6% |
| Passengers per Vehicle Service Mile | 0.73 | 0.62 | 0.63 | 0.59 | -19.8% |
| Vehicle Service Hours per Employee | 1,243.5 | 1,283.4 | 1,190.7 | 1,289.1 | 3.7% |
| Average Fare per Passenger | \$1.89 | \$1.94 | \$1.99 | \$2.05 | 8.4% |
| Fare Recovery Ratio | 32.21% | 33.95% | 31.66% | 30.75% | -4.5% |

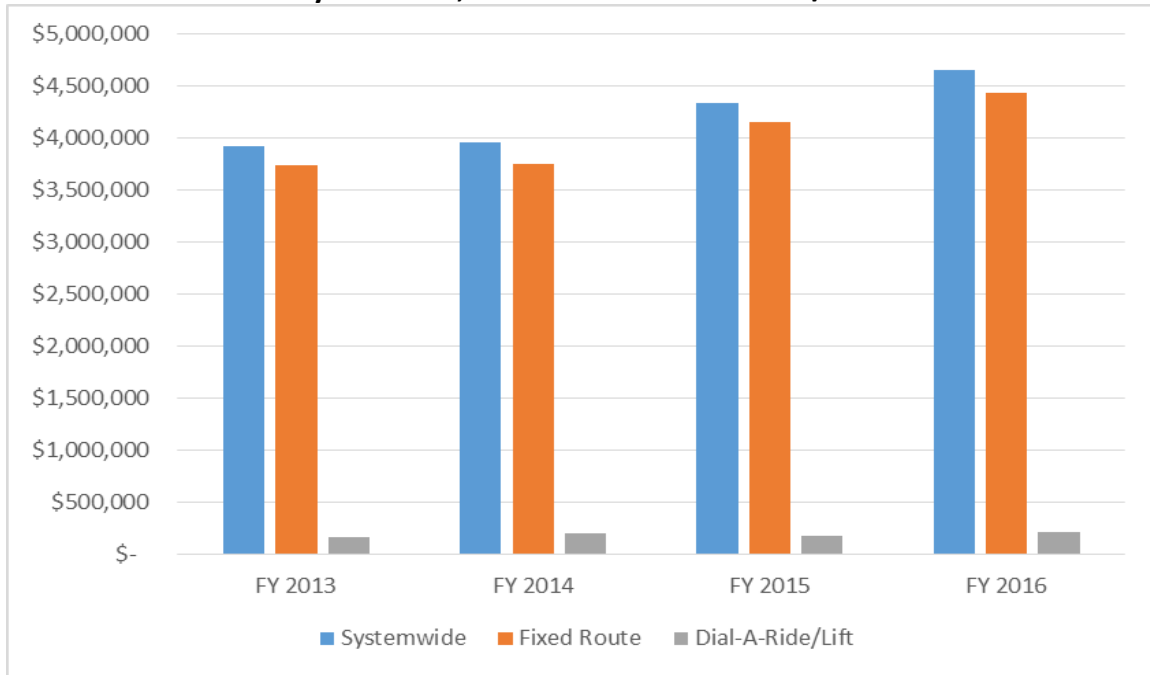
Source: Annual Fiscal & Compliance Audits, Comparative Performance Activity Reports, State Controller's Reports

**Table IV-3
Arcata and Corridor Dial-a-Ride/Lift Performance Indicators**

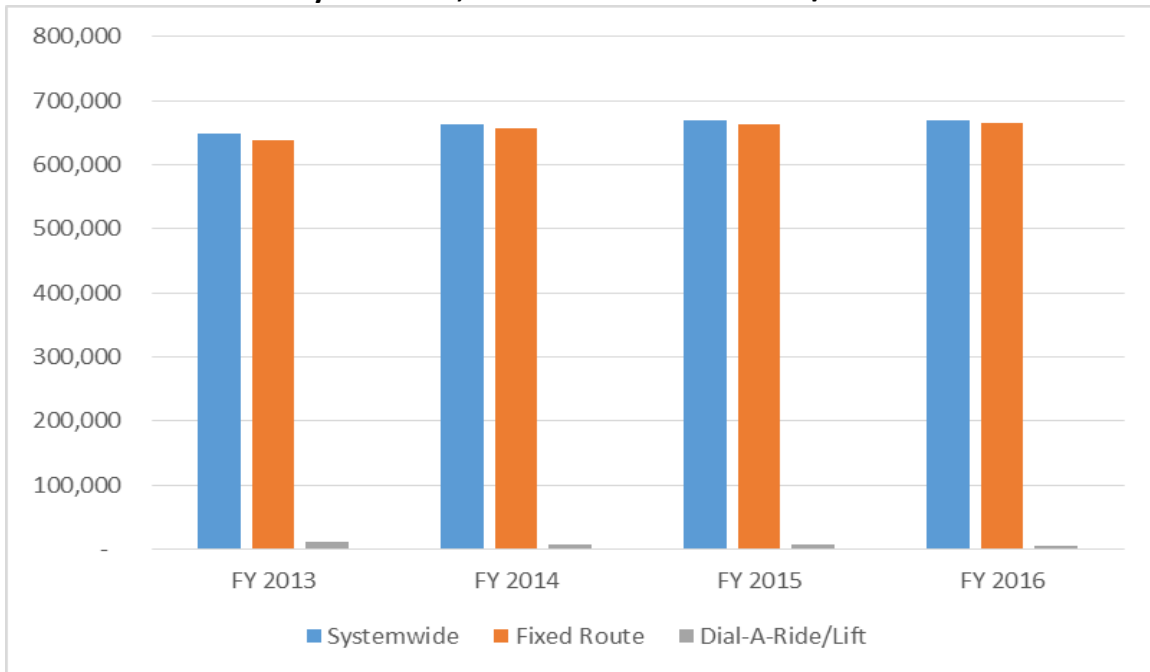
| Performance Data and Indicators | Audit Period | | | | % Change FY 2013– 2016 |
|---|--------------|-----------|-----------|-----------|------------------------------|
| | FY 2013 | FY 2014 | FY 2015 | FY 2016 | |
| Operating Cost | \$175,233 | \$204,355 | \$180,576 | \$223,984 | 27.8% |
| Total Passengers | 10,782 | 6,344 | 6,527 | 4,213 | -60.9% |
| Vehicle Service Hours | 6,858 | 4,310 | 4,480 | 4,593 | -33.0% |
| Vehicle Service Miles | 35,684 | 34,656 | 37,469 | 38,000 | 6.5% |
| Employee FTEs | 14 | 17 | 17 | 17 | 21.4% |
| Passenger Fares | \$28,981 | \$44,414 | \$36,062 | \$43,448 | 49.9% |
| Operating Cost per Passenger | \$16.25 | \$32.21 | \$27.67 | \$53.16 | 227.1% |
| Operating Cost per Vehicle Service Hour | \$25.55 | \$47.41 | \$40.31 | \$48.77 | 90.9% |
| Operating Cost per Vehicle Service Mile | \$4.91 | \$5.90 | \$4.82 | \$5.89 | 20.0% |
| Passengers per Vehicle Service Hour | 1.6 | 1.5 | 1.5 | 0.9 | -41.7% |
| Passengers per Vehicle Service Mile | 0.30 | 0.18 | 0.17 | 0.11 | -63.3% |
| Vehicle Service Hours per Employee | 489.9 | 253.5 | 263.5 | 270.2 | -44.8% |
| Average Fare per Passenger | \$2.69 | \$7.00 | \$5.53 | \$10.31 | 283.7% |
| Fare Recovery Ratio | 16.54% | 21.73% | 19.97% | 19.40% | 17.3% |

Source: Annual Fiscal & Compliance Audits, State Controller’s Reports

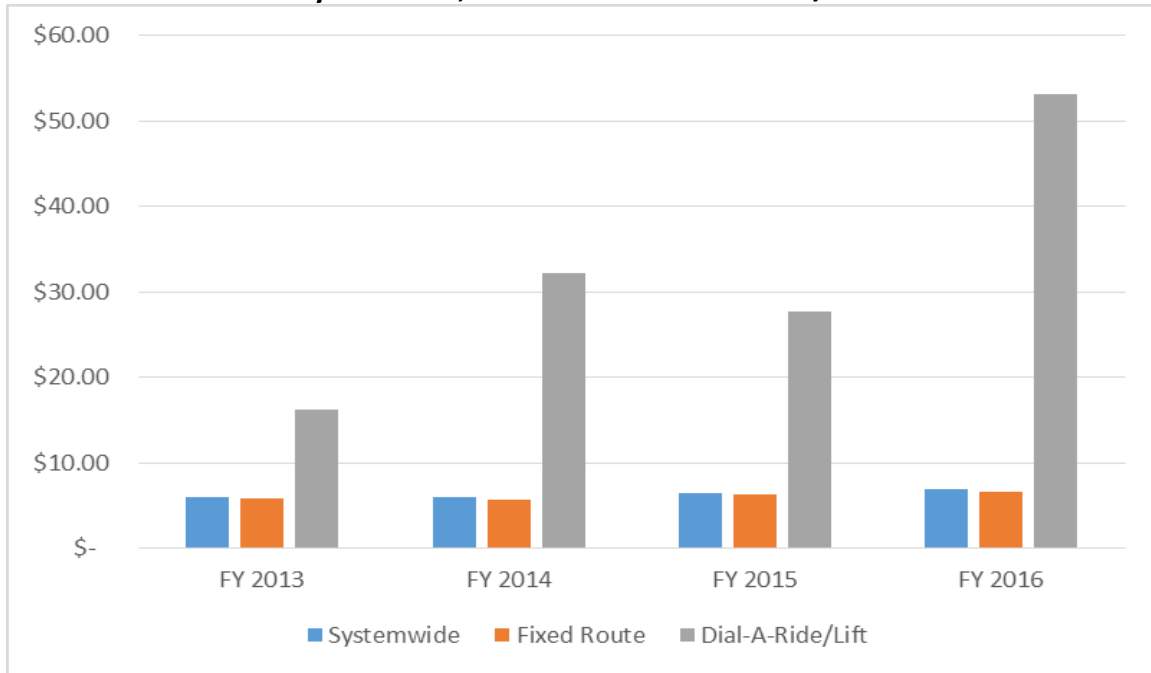
**Graph IV-1
Operating Costs
Systemwide, Fixed Route & Dial-a-Ride/Lift**



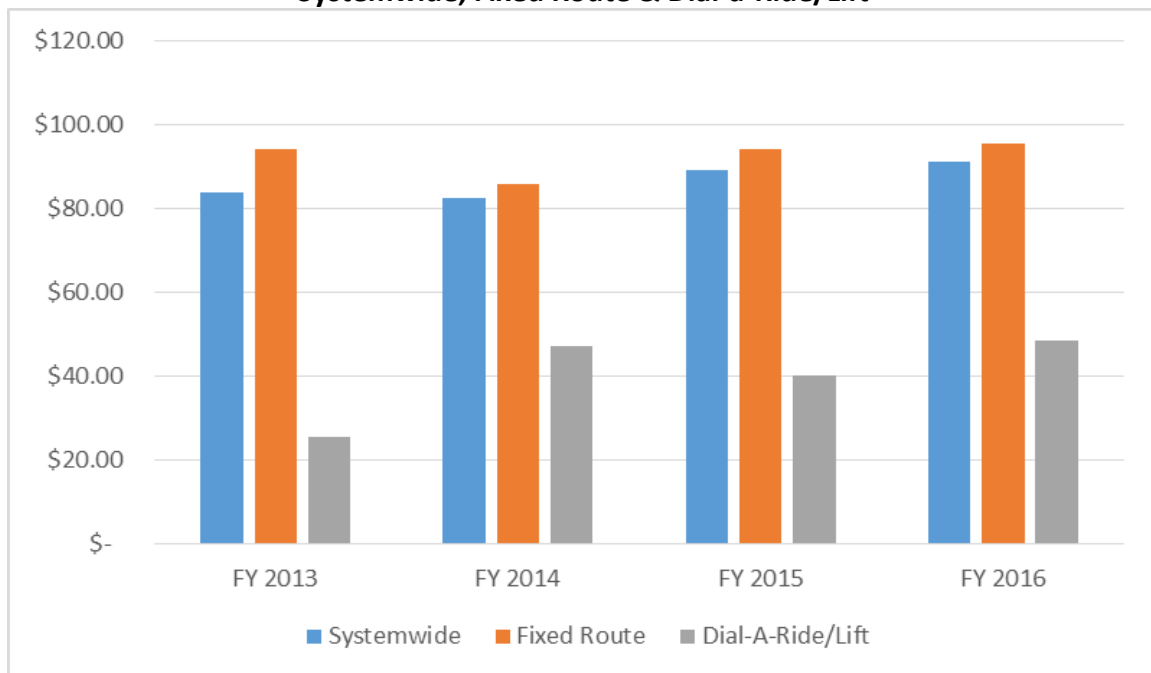
**Graph IV-2
Ridership
Systemwide, Fixed Route & Dial-a-Ride/Lift**



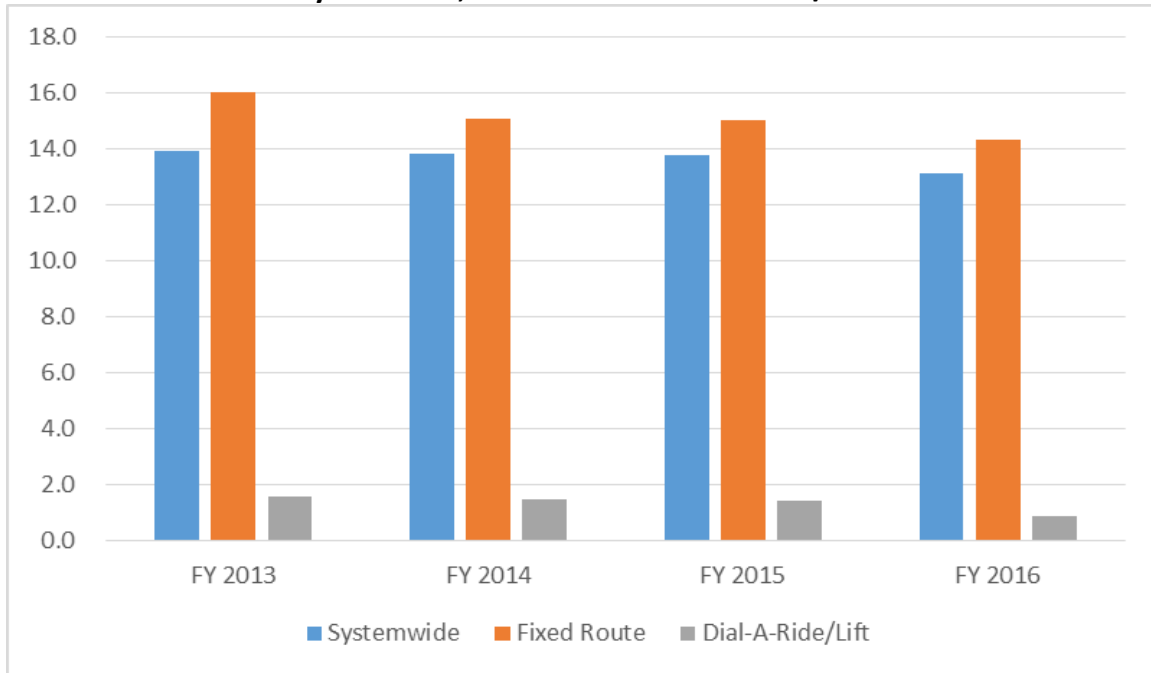
Graph IV-3
Operating Cost per Passenger
Systemwide, Fixed Route & Dial-a-Ride/Lift



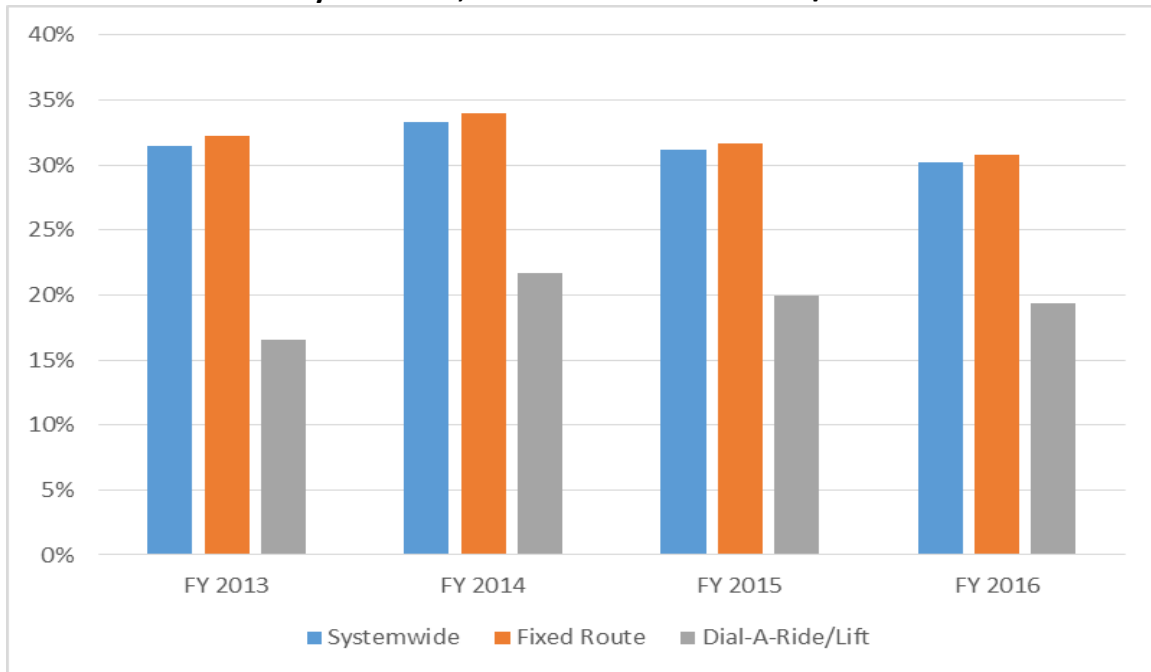
Graph IV-4
Operating Cost per Vehicle Service Hour
Systemwide, Fixed Route & Dial-a-Ride/Lift



Graph IV-5
Passengers per Vehicle Service Hour
Systemwide, Fixed Route & Dial-a-Ride/Lift



Graph IV-6
Fare Recovery Ratio
Systemwide, Fixed Route & Dial-a-Ride/Lift



Findings from Verification of TDA Performance Indicators

1. **Operating cost per vehicle service hour**, an indicator of cost efficiency, increased 28.5 percent during the period for fixed-route operations (RTS, Southern Humboldt, Willow Creek) from \$94.19 in FY 2013 to \$95.54 in FY 2016. Operating costs for fixed-route services increased 18.3 percent during the audit period compared with a 4.2 percent increase in operating hours. Dial-a-Ride/Lift (DAR/L) cost per service hour increased 90.9 percent from \$25.55 in FY 2013 to \$48.77 in FY 2016. Operating costs for Dial-a-Ride increased 27.8 percent during the audit period, while there was a 33.0 percent decrease in vehicle service hours. System-wide, operating cost per service hour increased 8.6 percent.
2. **Operating cost per passenger**, an indicator of cost effectiveness, increased 13.5 percent for fixed-route services from \$5.87 in FY 2013 to \$6.66 in FY 2016. Trailing the growth in costs and service hours, fixed-route ridership increased 4.2 percent during the audit period from 638,812 passenger trips in FY 2013 to 665,665 passenger trips in FY 2016. DAR/L service saw its operating cost per passenger trend increase by 227.1 percent from \$16.25 in FY 2013 to \$53.16 in FY 2016. DAR/L ridership decreased 60.9 percent as more ambulatory riders transitioned to the fixed-route services due to ADA recertification efforts by HTA. System-wide cost per passenger increased 15.1 percent.
3. **Passengers per vehicle service hour**, which measures the effectiveness of the service delivered, decreased 5.7 percent system-wide between the FY 2013 base year and FY 2016 from 13.9 passengers per hour to 13.1 passengers per hour. Fixed-route operations saw a decrease of 10.6 percent over the same period from 16.1 to 14.3 passengers per hour. DAR/L operations saw a larger decrease in passengers per hour of 41.7 percent from 1.6 to 0.9 passengers per hour. As was mentioned previously, DAR/L ridership decreased 60.9 percent as more ambulatory riders transitioned to the fixed-route services due to ADA recertification efforts.
4. **Passengers per vehicle service mile**, another indicator of service effectiveness, decreased 20.1 percent system-wide from 0.72 in FY 2013 to 0.57 in FY 2016. For fixed-route services, passengers per service mile decreased 19.8 percent from 0.73 to 0.59 passengers. DAR/L services saw a 63.3 percent decrease from 0.30 to 0.11 passengers per mile. System-wide, vehicle service miles increased 29.0 percent from FY 2013 through FY 2016 whereas passenger trips increased 3.1 percent.
5. **Vehicle service hours per employee**, using State Controller data, showed a decrease of 5.1 percent system-wide during the audit period from 1,014 hours to 962 hours. The data showed that the number of FTEs increased from 46 to 53 between 2013 and 2016, which is a 15.2 percent increase. For fixed-route services, there was a 3.7 percent increase in service hours per employee from 1,244 to 1,289. Likewise, the FTEs increased from 32 in FY 2013 to 36 in FY 2016. There was a more significant change for DAR/L from 490 to 270

hours amounting to a 44.8 percent decrease. The FTEs reported between FY 2013 and FY 2016 increased from 14 to 17 FTEs.

6. **Farebox recovery** exhibited relatively positive trends, as all services exceeded their minimum farebox recovery standards. Although the system-wide farebox recovery ratio decreased at a rate of 4.1 percent, the actual ratio remained above 30 percent. Likewise using audited data, fixed-route services encompassing RTS, Willow Creek, and the Southern Humboldt services saw a modest 4.5 percent decrease in farebox recovery but as a whole exceeded 30 percent. For DAR/L services, there was a 17.3 percent increase in farebox recovery, which remained far above the 10 percent minimum farebox standard.

Conclusion from the Verification of TDA Performance Indicators

HTA's performance indicators over the audit period reflect a fairly stable transit system even as the growth in passenger trips has slowed. Operating costs increased 18.7 percent from FY 2013 to FY 2016 attributed to implementation of new services and some increases in personnel compensation. As a result, performance measures including cost per passenger and cost per hour increased. In addition, service effectiveness measures such as passengers per hour and per mile decreased over the audit period. Due to the fare increase implemented in January 2014, the average fare per passenger increased 10.4 percent, which led to a 13.8 percent increase in fare revenues. The modest growth in passenger trips on the fixed-route services is attributed to lower consumer fuel costs. Because RTS is geared as a commuter service along a major highway corridor in Humboldt County, productivity measures such as farebox recovery tend to be higher than regular fixed-route service. This is the case with RTS, which has achieved a relatively high farebox ratio and has continued to meet its higher TDA farebox requirement than a traditional rural-type service.

Section V

Review of Operator Functions

This section provides an in-depth review of various functions within HTA. The review highlights accomplishments, issues, and/or challenges that were determined during the audit period. The following functions were reviewed with management staff at HTA’s headquarters in Eureka and with the HTA General Manager by teleconference:

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

Within some departments are sub-functions that also require review, such as Grants Administration that falls under General Administration.

Operations

Ridership on the Redwood Transit System (RTS) continued to grow but at a slower pace, presumably due to lower retail fuel prices. The shorter 30-minute headways between the College of the Redwoods (CR) and Humboldt State University (HSU) have made running times more predictable and consistent for riders with bus arrivals becoming more regular. HTA is seeking to implement 15-minute service during peak times but has found it challenging to grow the RTS service from a financial perspective.

The Southern Humboldt Intercity and Local services, which provide a lifeline to communities such as Garberville and Redway in the southernmost part of the county, have continued to improve from a financial and productivity perspective compared to when the respective services commenced. The Southern Humboldt Local service operates as a deviated fixed route available to all riders including ADA disabled passengers within a 0.75-mile radius of the alignment. Demand on the Southern Humboldt and Willow Creek routes saw a steady increase, anecdotally, due to a boom in the local alternative economy including cannabis. In response to the demand, HTA is considering service expansion on the weekend along with slight adjustments to the Southern Humboldt Local service.

During the FY 2014 unmet transit needs process, the HCAOG Board found that service to Tish Non Village and Old Arcata Road were unmet needs reasonable to meet. HTA was informed by the Humboldt County Public Works Department that there were only enough Local Transportation Funds to support one new service. HTA implemented the Tish Non Village route on July 6, 2015

which operates as a deviated fixed route serving the Bear River Band of Rohnerville Rancheria with stops at the College of the Redwoods, Fernbridge, Fortuna, and Loleta. In addition, RTS implemented later service on Saturday evenings in January 2017 in response to another unmet transit need request. Before commencement of these new services, a fare increase was implemented for most fare categories effective January 1, 2014. Fares were raised between \$0.25 and \$0.50 for one-way trips and \$4.00 for monthly passes.

RTS allowed flag stops to pick up and drop off passengers along its main route. Flag stops are not established bus stops and were allowed as long as it was safe to pull over and if time permitted in the schedule. While this practice may have been convenient for riders, HTA found it increasingly difficult to monitor on-time performance and adjust schedules. RTS has 46 northbound and 47 southbound bus stops between Trinidad and Scotia plus and additional 25 or more flag stops in both directions. In July 2014, HTA initiated the process of converting these flag stops into established stops and eliminating the practice of flag stops altogether.

In addition to the service adjustments, HTA implemented several technology upgrades. HTA initiated an upgrade of its dispatching and scheduling software to RouteMatch. RouteMatch would enable HTA to better monitor service trends and gauge ridership demand in a cloud-based platform. The Authority utilized Trapeze for a number of years. Another technology enhancement involves the implementation of Swiftly, which is a mobile platform that will allow for ticket purchases and real-time bus tracking capabilities. Using Swiftly's app and GPS trackers on all HTA buses, riders can generate real-time information on the location of a bus and its estimated arrival time and details on delays. The Swiftly mobile application is available for download from the Apple App Store for iOS and from Google Play for Android.

Several new bus procurements took place during the audit period. About 14 new vehicles were added to the fleet. In addition, HTA has purchased an all-electric public bus that will be the only one of its kind on the North Coast. The bus costs about \$800,000 and is being paid for by state and federal grants. The electric bus has a driving range of about 180 miles per charge and will be run on the RTS route between HSU and CR.

Since 2008, HTA has been under contract to provide transportation services for Humboldt State University students, faculty, and staff members under the JackPass program. The JackPass enables HSU students to ride free using their student identification card, which is paid for through a mandatory fee with each student's registration, securing a steady fare revenue source for the transit system. Due to the constant change in ridership, the terms of the contract are renewed annually. HTA is required to record ridership and present a monthly report to HSU detailing ridership and statistical data. A similar student-pass agreement was implemented with CR, which allows for the purchase of passes at a discount.

Drivers complete a trip sheet for each run operated; the sheet has sufficient space to record trip data for up to three runs. The trip sheet includes the driver's name, date, and day of the week at the top. Other data include the run number, start time, end time, hours, bus number, ending miles, beginning miles, total miles, and nonrevenue miles. A computer-generated paddle sheet

shows all driver run assignments for the day and includes the check-in and check-out times, assigned bus number, and hours worked. Drivers are cross-trained on all HTA-operated services.

HTA compiles trip data on monthly comparative performance activity reports, which contain basic operational data such as passenger trips, vehicle service miles, vehicle service hours, days of operation, a breakdown of revenues, wheelchair trips, fare revenues, operating costs, and farebox recovery calculations. The bottom portion of the report contains performance indicator data. The data are categorized by the current month, the same month one year ago, and year-to-date statistics for both the current and prior year.

Farebox revenue handling and reconciliation involve electronic and manual procedures. At the end of the run, locked cash vaults are removed from the vehicles daily and the contents are counted and recorded. The fares collected are retained by HTA, which prepares a monthly reports by the tenth of each month for contracted services such as ETS. The report contains the following information for each operating day of the month: route, cash fares collected, ticket sales, and pass sales, as well as any other type of fare collected.

Dial-a-Ride/Lift Operations

Dial-a-Ride/Lift operates as a complementary ADA paratransit service within three-quarters of a mile of the fixed-route transit service. Dial-a-Ride/Lift services have been operated under contract by City Ambulance of Eureka with five City of Eureka–owned vehicles and one City of Arcata–owned vehicle leased to CAE. Subscription rides are limited to 50 percent of rides scheduled. Supplemental DAR/L services operated by the Humboldt Community Access and Resource Center were discontinued as of January 2016, and operations were assumed by CAE under the administration of HTA.

In July 2016, HTA released a Request for Proposals for a countywide Dial-a-Ride/Lift contractor that would include operation of Eureka Dial-a-Ride/Lift services. Because no formal proposals were submitted, the City extended its contract temporarily with CAE for continued service through June 2017 until a consolidated effort is implemented. Effective July 2017, administration of Dial-a-Ride/Lift will fall under HTA as part of its role as the designated Consolidated Transportation Services Agency for Humboldt County.

CAE has been utilizing the Trapeze NOVUS dispatching and scheduling software program, which allows for vehicle location. Mobile display terminals are installed in the Dial-a-Ride/Lift vehicles. The on-time performance standard is 95 percent within 5 minutes of the scheduled pickup. There is a 30-minute pickup window. Due to recent changes in software and tracking of this data by CAE, limited performance information is available for the audit period.

CAE will implement RouteMatch dispatching and scheduling software. It is anticipated that the accuracy and consistency of performance data reporting will improve with the implementation of the new software, which will also have geocoding capabilities to differentiate between services provided.

CAE assigns dedicated drivers to operate Dial-a-Ride/Lift services. During the audit period, there was less cross-utilization between CAE's private taxi services and its Dial-a-Ride/Lift contract services even though Dial-a-Ride/Lift drivers are also qualified taxi drivers for the City of Eureka. The dedicated DAR/L operations helped with distinguishing between private and public transportation and how the performance data is captured.

Pursuant to FTA Circular 4802.1B, HTA updated the ADA eligibility screening process and implemented a recertification process based on federal Department of Transportation and Department of Justice guidelines. HTA also revised its ADA application and no-show policy. Eligibility is determined on a case-by-case basis according to the following three categories:

1. Individual cannot independently use accessible fixed-route transit due to a disability either some or all of the time.
2. The fixed-route vehicles the passenger needs to use are not accessible and/or the lift cannot be deployed at needed stops.
3. Individual's specific impairment or related condition prevents him/her from getting to or from the fixed-route transit system.

The rider database is approximately 3,200, which HTA has been purging under the new program. The updated database is composed of 80 percent recertified riders and 20 percent new clients. Prior to this change, HTA had been automatically recertifying seniors aged 72 years and older. Automatic recertification was eliminated as part of the new screening process. With the implementation of RouteMatch, HTA will have the ability to download all clients into the eligibility database, which will be accessible by the City of Eureka and CAE. CAE reported a proportionate increase in the number of wheelchair passengers as more ambulatory passengers are successfully transitioned to regular fixed-route services.

Personnel

HTA operations are staffed by 34 full-time and 3 part-time drivers. Driver extra board consists of drivers on standby for duty if needed. Three full-time positions are extra board to cover drivers on sick and vacation leave. Thirty drivers bid for routes and times based on the seniority system. The Operations Manager serves in a supervisory role for ground-level operations and field monitoring in addition to being responsible for administrative management duties.

Drivers, mechanics, and service workers are represented by the American Federation of State, County and Municipal Employees (AFSCME) Local 1684 Humboldt County Public Employees Association. The most recent Memorandum of Understanding (MOU) between HTA and Local 1684 was adopted for a three-year period effective July 1, 2015, through June 30, 2018. Changes in the MOU address raises, uniform distribution, the elimination of sick day incentives, and full insurance coverage for the dependents of retirees. In addition, employees pay their retirement contribution.

The HTA Classification Plan was amended in April 2014 and July 2014. The position of Shop Supervisor was reclassified to a represented position due to the skilled maintenance tasks involved and the immediate supervision of maintenance staff. HTA also consolidated the job duties of the Administrative Assistant I, Administrative Assistant II, and Bookkeeper into the Administrative & Finance Clerk. Table V-1 lists the positions outlined in the HTA Classification Plan.

Table V-1
HTA Classification Plan – Amended July 2014

| Position | Plan Allocation | Represented |
|-------------------------------------|-----------------|-------------|
| General Manager | 1 | No |
| Administrative & Finance Manager | 1 | No |
| ADA Specialist/Title VI Coordinator | 1 | No |
| Administrative & Finance Clerk | 2 | No |
| Receptionists (part-time) | 2 | No |
| Operations Manager | 1 | No |
| Transportation Supervisor | 1 | No |
| Equipment & Facilities Manager | 1 | No |
| Shop Supervisor (Lead Mechanic) | 1 | Yes |
| Drivers | 30 | Yes |
| Extra Board Drivers | 12 | Yes |
| Mechanic I | 1 | Yes |
| Mechanic II | 1 | Yes |
| Technician I | 1 | Yes |
| Technician II | 2 | Yes |
| Vehicle Service Worker | 1 | Yes |
| Cleaner/Janitor | 1 | Yes |
| Cleaner/Janitor (part-time) | 1 | Yes |

Source: HTA Classification Plan, amended July 2014

There have been several driver retirements, but overall turnover has been minimal. HTA has hired 10 additional drivers over the past five years. HTA provides driver training and safety courses to meet state and federal requirements, including 26 hours in the classroom and 16 hours behind-the-wheel training. Trainees also meet with the maintenance technicians to learn basic mechanical operations of the vehicles. Drivers are recruited through the HTA website, Craigslist, job fairs, flyers posted at CR, and word of mouth.

Three certified trainers are on staff to conduct evaluations and pre-trip inspection training. A safety meeting is held over the course of a day in which three separate classes are offered to allow all drivers to attend one of them based on their driving schedule in the morning, afternoon, or late evening. Drivers are evaluated annually on wheelchair securement, pre-trip inspections, behind the wheel, and video simulations. Alcohol and drug testing is conducted quarterly off-site through a consortium. Safety awards are offered as incentives, including pins and gift certificates. HTA is reviewing other means of driver incentives as the system evolves.

CAE drivers are required to have a Class B license with a passenger endorsement. Drivers undergo periodic sensitivity, wheelchair lift, and first aid/CPR training. As an incentive, drivers who pass the Class B licensing test with a score of 85 percent or higher receive a \$0.50 an hour pay incentive. Drivers attend bimonthly safety meetings and undergo periodic sensitivity, wheelchair lift, and first aid/CPR training. In addition, drivers receive safety bonuses for zero accidents.

Maintenance

Fleet maintenance is staffed by the HTA Equipment and Facilities Manager and three mechanics (including lead supervising mechanic), three equipment technicians, two detailers, and two fuelers. The maintenance shop operates seven days a week from 4:30 a.m. to midnight. Maintenance generally occurs during the hours of 4:30 a.m. and 7:30 p.m., with fueling taking place until midnight. During fueling, the GFI boxes are probed for electronic mileage reading, passenger counts, fare recording, and other downloaded data. Preventive maintenance inspections for Gillig vehicles are conducted every 4,000 and 8,000 miles based on oil sampling. This procedure allows HTA to extend the inspection intervals.

The maintenance facility is equipped with four mechanic bays, two in-ground lifts, two portable lifts, and a wash bay. The limited size of the facility has necessitated a few reconfigurations. The former parts room was converted to a drivers break room. One of the mechanic bays was then converted into a parts room, while HTA is considering the conversion of the wash bay into a mechanic bay. Most parts can be procured within one day and are tracked via barcodes, which keeps on-hand inventories low. The barcodes feed into the fleet maintenance software provided by Ron Turley and Associates. The Equipment and Facilities Manager indicated that the software is quite adequate for HTA's purpose and that the vendor provides good support.

Inventory cycle counts are conducted at fiscal year-end each June for reporting, and then a full parts count is conducted each January. An order form is generated as necessary for the out of area manufacturer, Gillig, for special parts. The Ron Turley software is capable of creating an automated email to the parts vendor to order parts based on selected inventory levels by the user. HTA will use grant funds to stock up on parts to avoid shortages. Tires are recapped and not leased.

HTA constructed a new diesel fueling station on the north side of its facility in 2016. The fueling station is equipped with four pumps and one satellite pump. Unleaded gasoline fueling is conducted at Renner Petroleum through a card lock system. HTA has plans to install unleaded gasoline fuel pumps. HTA vehicles undergo annual inspections as part of the CHP Transit Operator Compliance Program. All inspections conducted during the audit period were rated satisfactory.

Minor vehicle road calls are typically identified and handled without compromising service by the mechanic's coordination to address the problem. Road calls are recorded onto a vehicle repair history report maintained for each vehicle, which also serves as a work order for the maintenance

department. The vehicle repair history reports are categorized according to transit service. Table V-2 provides a breakdown of road calls reported during the audit period.

Table V-2
HTA System Road Calls

| | FY 2013 | FY 2014 | FY 2015 | FY 2016 |
|---------------------------|-----------|-----------|-----------|-----------|
| RTS – Mainline | 33 | 27 | 45 | 47 |
| RTS – Willow Creek | 3 | 8 | 2 | 1 |
| Southern Humboldt | 5 | 3 | 2 | 6 |
| Tish Non Village | n/a | 4 | 4 | 9 |
| Total | 41 | 42 | 53 | 63 |

Source: HTA

HTA maintains not only its own fleet but also the buses for ETS and A&MRTS. Mechanics also maintained three Dial-Ride vehicles for CAE while the vehicles were under ownership by HTA. These vehicles have since been signed over to CAE. In the past, HTA contracted with the Humboldt Fire District to maintain five of the district’s vehicles during a one-year trial period. HTA also has a contract with the Humboldt County Office of Education to maintain its fleet of vehicles. With its designation as a CTSA, HTA is currently exploring its maintenance capacity to accommodate additional vehicles from social service partners including the Humboldt Senior Resource Center, CAE, and Adult Day Health Care.

Planning

Transit planning and oversight are engaged through various approaches in a coordinated effort between HTA and HCAOG, including the annual unmet transit needs process. Transit planning has involved in-depth analysis and monitoring of ridership trends over a multiyear period. The FY 2011/12–2015/16 Transit Development Plan (TDP) update for Humboldt County Transit Systems, adopted in May 2012, covered a five-year planning horizon and contained a series of operational recommendations for HTA.

HTA service recommendations focused primarily on improving on-time performance and schedule adherence as well as providing additional capacity within its core service area between HSU and CR. The TDP recommendations included the reduction of southbound and northbound bus stops along the 4th and 5th Street corridors in Eureka; the reduction of local RTS stops in Fortuna and the adjustment of routing focus to Redwood Village Shopping Center and Redwood Memorial Hospital on Redwood Way, and the park-and-ride site at Kenmar and Atterberry; formalizing bus stops at HSU Library Circle; and the reduction of local RTS bus stops in Arcata.

In November 2016, HCAOG released a Request for Proposals for a TDP update. The Five-Year TDP and Transit Marketing Plan will cover FY 2017–18 through FY 2021–22 and encompass the five transit operators/nine transit services, including HTA-administered services. The TDP update’s goals are to reconfirm or redevelop shared goals and policies, relevant data, and useful short-term plans for capital investment, financing, and operational changes. The Transit Marketing Plan component would identify concepts and implementation steps for building a unified regional

transit brand (from nine distinct existing service brands) and analyze the feasibility of upgrading to a regional transit website.

Marketing

HTA uses a combination of printed collateral and electronic methods in marketing its services to the public. One of the primary marketing tools is the Internet. The HTA website (<http://www.hta.org/>) provides links to all of the transit services that it administers and operates, including RTS. The website also provides real-time information through GPS on bus location, arrival times, and transit alerts. General information links for HTA's administration are also accessible. Further, HTA maintains an active Facebook site and engages in communications among its social media members about everyday happenings of the transit service and staff. The site currently registers 5 likes and 34 visits.

RTS has its own dedicated website (<http://www.redwoodtransit.org/>) with access to route, fare, and schedule information. Riders have the ability to purchase passes and Dial-a-Ride tickets online with a credit card. The RTS website is similar in format and functionality to that of the A&MRTS and Eureka Transit Service websites, including Google trip planning capabilities. These electronic formats are developed by the same private firm, Trillium Solutions, and are further evidence of the level of collaboration between the agencies in delivering public transit.

Regional transit information is also provided in the publication *Humboldt County Transportation Services Guide*. The guide was developed by HTA and printed in January 2010 for public transit and human service transportation. The large newspaper-style guide includes maps and bus schedules for all public transportation operations in the county including for both the fixed-route and demand-response systems. The guide continues to be available online. HTA released a foldout map and schedule publication in January 2014 that provides the latest schedule and route information for all services operated by HTA.

As an added passenger amenity, RTS, Willow Creek, and Southern Humboldt buses are now all equipped with free Wi-Fi. Through State Transit Assistance funding, HTA offers this mobile Wi-Fi hotspot service free of charge and enables riders to surf the Internet to download email, work, shop, and read the latest news from their seat on the longer-haul bus trips.

Pursuant to the federal Civil Rights Act of 1964, HTA has an adopted Title VI Program. Title VI of the Civil Rights Act of 1964 requires that no person in the United States, on the grounds of race, color, or national origin be excluded from, be denied the benefits of, or be subjected to discrimination under any program or activity receiving federal financial assistance. Program compliance includes Title VI notices and complaint procedures are found on the HTA website (http://www.hta.org/title_vi/). The webpage contains a Google Translate widget for a number of foreign languages. HTA has been in the process of updating the Title VI plan, which would include a public participation component and a four-factor analysis for engaging those with limited English-language proficiency.

General Administration and Management

HTA is governed by a seven-member Board of Directors comprising one representative each from the five incorporated cities and two representatives from the County of Humboldt. The Authority is administered by a General Manager, who is supported by an Operations Manager, Equipment and Facilities Manager, Administration and Finance Manager, Administrative Assistant, and Receptionist/ADA Specialist. The Board is reported to be very supportive of staff and of the transit system.

As a result of additional federal requirements to operate transit service, HTA support staff has become more involved in preparing documents related to Title VI equity analysis and a Limited English Proficiency (LEP) program to ensure there is no discrimination in the provision of service.

HTA continues to work diligently to improve the ridership experience for disabled riders. In concert with the creation of the ADA Specialist position, in 2015 a committee named the HTA Riders Group was established to collaborate and address the needs of the disabled and senior transit rider populations. The group serves in an advisory capacity to HTA and recommends transit improvements. Members include HTA's ADA Specialist, HTA staff, a representative from the Humboldt Council of the Blind, a representative from Tri-County Independent Living in Eureka, and a transit advocate representing the disabled community.

To date the group has implemented the following improvements: a Responsibility of Drivers/Riders Guide to improve conduct on buses and at shelters; a service animal policy using ADA and Federal Transit Administration guidelines and local input; a weekly report entitled Monitoring of Transit Service for the Blind and Visually Impaired, which is completed weekly by a committee member with input from transit users as they use the system; a complaint form available online, or complaint filed by placing a telephone call; and a transit schedule with enlarged print containing more information for the visually impaired. The committee meets regularly to continue their collaborative efforts for further improvements.

While outside the audit period, it is noted that effective July 1, 2016, upon designation by HCAOG, HTA became the Consolidated Transportation Services Agency (CTSA) for Humboldt County to provide an array of services including coordination of public transportation services and ensuring continual satisfactory compliance with applicable TDA regulations. As the designated CTSA, HTA administers the system-wide DAR/L contract, administers the DAR/L certification program, attends Social Service Transportation Advisory Council (SSTAC) and Service Coordination Committee (SCC) meetings, and coordinates with transit and social service transportation programs to eliminate duplications and cost of services, thus providing a more efficient and cost-effective transit service.

Pursuant to TDA, the Authority receives Local Transportation Fund (LTF) proceeds and State Transit Assistance (STA) funds. TDA funding is used for both operating and capital expenses. LTF revenues claimed by the member agencies for HTA transit services during the audit period were

\$2,190,552 in FY 2014; \$2,245,062 in FY 2015; and \$2,355,451 in FY 2016. The STA funds allocated to HTA were \$195,638 in FY 2014; \$384,535 in FY 2015; and \$925,485 in FY 2016.

Grants Management

HTA, through its member agencies, relies on a variety of grants and other funding mechanisms to support its transit systems. These grant sources are derived from state and federal programs. During the audit period, HTA applied for and received funding through the State Proposition 1B Public Transportation Modernization, Improvement & Service Enhancement Account (PTMISEA) to purchase new transit vehicles, technology upgrades, fueling island, and bus stop amenities. At the end of FY 2016, there were no unexpended PTMISEA funds.

Grants awarded by the Federal Transit Administration (FTA) have been derived from the FTA Sections 5311 and 5311(f) programs for operations and capital. Based on HCAOG's annual Program of Projects resolutions, HTA was awarded \$730,000 for two 40-foot buses in Federal Fiscal Year (FFY) 2014; \$419,500 for two vehicles in FFY 2015; and \$478,761 for three vehicles in FFY 2016. Under FTA Section 5311(f), HTA received about \$225,000 annually toward operations.

Section VI

Findings

The following summarizes the major findings obtained from this triennial audit covering fiscal years 2014 through 2016. A set of recommendations is then provided.

Triennial Audit Findings

1. Of the compliance requirements pertaining to HTA, the operator fully complied with seven out of nine applicable requirements. The Authority was in partial compliance with regard to the timely submittal of the annual Transit Operators Financial Transactions Report to the State Controller and the accurate reporting of performance data and indicators for DAR/L. Two compliance requirements did not apply to HTA (blended and urbanized farebox recovery ratios).
2. Based on the Annual Fiscal and Compliance Audits, RTS services met their respective TDA farebox ratio in each year of the audit period. As an older operator, HTA's farebox recovery ratio for RTS Redwood Transit fixed-route service is set at the ratio it had in FY 1978–79, which is 26.4 percent. The Willow Creek and Southern Humboldt (Intercity & Local) and the Arcata and Corridor DAR/L systems have also met their respective farebox ratios. Note that the minimum required farebox ratio is reduced to 10 percent beginning in FY 2016–17 from passage of Senate Bill 508.
3. HTA participates in the CHP Transit Operator Compliance Program and received vehicle inspections within the 13 months prior to each TDA claim. Satisfactory ratings were made for all inspections conducted during the audit period.
4. HTA partially implemented two out of the three prior audit recommendations. Those recommendations partially implemented pertained to the reporting of qualitative metrics data on monthly performance reports. HTA implemented the recommendation on the proper reporting of FTEs.
5. Operating cost per vehicle service hour, an indicator of cost efficiency, increased 28.5 percent during the period for fixed-route operations (RTS, Southern Humboldt, Willow Creek), while Dial-A-Ride/Lift (DAR/L) cost per service hour increased 90.9 percent due to operating costs increasing 27.8 percent and vehicle service hours decreasing 33.0 percent.
6. Operating cost per passenger, an indicator of cost effectiveness, increased 13.5 percent for fixed-route services for the audit period, while DAR/L service saw its operating cost per passenger increase more than twofold as DAR/L ridership decreased 60.9 percent as more ambulatory riders transitioned to the fixed-route services due to ADA recertification efforts.

7. Passengers per vehicle service hour, which measures the effectiveness of the service delivered, decreased 5.7 percent system-wide between the FY 2013 base year and FY 2016. Fixed-route operations saw a decrease of 10.6 percent over the same period from 16.1 to 14.3 passengers per hour. DAR/L operations saw a larger decrease in passengers per hour of 41.7 percent due to the transition of ambulatory riders to the fixed-route services.
8. In conjunction with the Bear River Band of Rohnerville Rancheria, HTA implemented the Tish Non Village route on July 6, 2015, in response to an unmet transit need request. The service operates as a deviated fixed route serving the Bear River Band of Rohnerville Rancheria with stops at the College of the Redwoods, Fernbridge, Fortuna, and Loleta.
9. In July 2014, HTA initiated the process of converting flag stops along the RTS route between Trinidad and Scotia into established stops and eliminating the practice of flag stops altogether.
10. HTA initiated an upgrade of its dispatching and scheduling software to RouteMatch that would enable HTA to better monitor service trends and gauge ridership demand in a cloud-based platform. Another technology enhancement involves the implementation of Swiftly, which is a mobile platform that will allow for ticket purchases and real-time bus tracking capabilities.
11. HTA updated the ADA eligibility screening process and implemented a recertification process based on federal Department of Transportation and Department of Justice guidelines. HTA also revised its ADA application and no-show policy. Eligibility is determined on a case-by-case basis according to three categories.
12. The most recent Memorandum of Understanding between HTA and the American Federation of State, County and Municipal Employees Local 1684 representing drivers, mechanics, and service workers was adopted for a three-year period effective July 1, 2015, through June 30, 2018.
13. HTA constructed a new diesel fueling station on the north side of its facility in 2016. The fueling station is equipped with four pumps and one satellite pump. HTA has plans to install unleaded gasoline fuel pumps.
14. While outside the audit period, it is noted that effective July 1, 2016, upon designation by HCAOG, HTA became the Consolidated Transportation Services Agency (CTSA) for Humboldt County to provide an array of services including coordination of public transportation services and ensuring continual satisfactory compliance with applicable TDA regulations.

Recommendations

1. Ensure that the TDA fiscal audit reflects farebox recovery standard changes, and include additional locally generated revenue in the farebox recovery pursuant to Senate Bill (SB) 508.

HTA's services have sustained an adequate farebox recovery ratio that meets the revised state TDA farebox standard under state SB 508 passed in October 2015. HTA was previously required to meet a higher standard under old rules based on the 1978–79 fiscal year, but now has a lower 10 percent farebox standard to meet. As an internal goal, however, HTA will strive to meet its higher farebox standard as a measure of good practice and operational control.

In addition, SB 508 allows for other locally generated revenues in the farebox ratio. Examples of possible other local support revenues may include gains on the sale of capital assets, lease revenues generated by transit-owned property, and advertising revenues. Although the system-wide farebox recovery ratio for RTS exceeds the new 10 percent minimum standard, supplemental revenues would serve in providing a local match for state and federal grants to fund transit expansion. Both revenues and operating costs are modified under the new law in deriving the farebox ratio for TDA eligibility purposes, and HTA should work with the fiscal auditor to accurately reflect the updated farebox ratio.

2. Enhance performance monitoring with RouteMatch implementation.

During the audit period, there were inconsistencies with how the data was formatted and reported by the DAR/L contractor. In addition, HTA has yet to incorporate qualitative metrics into the Comparative Performance Activity Reports per findings from the status of implementing prior audit recommendations. Effective FY 2017, DAR/L services were placed under HTA administration as part of an overall consolidation effort and the designation by HCAOG of the Authority as the Consolidated Transportation Services Agency for Humboldt County. As part of the new contract provision, CAE and HTA will implement RouteMatch dispatching and scheduling software that has capabilities to generate productivity reports and track cancellations and no-shows, schedule adherence, complaints, and on-time performance. HTA should improve the accuracy and expand its reporting of performance data using the new software, including these key DAR/L metrics.

3. Continue planning for HTA facility expansion.

HTA has nearly outgrown its current facility size as shown by its modifications including conversion of a parts room into a drivers break room and conversion of a mechanics bay into a parts room. HTA managers also currently share an office. With new technology vehicles coming on board along with a positive history of conducting transit vehicle maintenance for other partner agencies and organizations, HTA will need to expand its facility. This need is combined with new responsibilities to be defined as a CTSA, which may include additional

administrative, operational, and maintenance services for county social service providers. HTA has been working on facility improvements, including installation of fueling pumps, and should continue with making facility expansion plans, both for administration and operations/maintenance, to enable additional space for its growing countywide service offerings.