

FY 2019-2021

TRIENNIAL PERFORMANCE AUDIT OF DAVIS COMMUNITY TRANSIT

SUBMITTED TO



SACRAMENTO AREA COUNCIL
OF GOVERNMENTS



SUBMITTED BY

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INTERNATIONAL

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Executive Summary

The Sacramento Area Council of Governments (SACOG) engaged the Michael Baker International audit team (Michael Baker) to conduct the Transportation Development Act (TDA) triennial performance audit of the nine public transit operators under its jurisdiction. The performance audit serves to ensure accountability in the use of public transportation revenue. This performance audit is conducted for Davis Community Transit (DCT), covering the most recent triennial period, fiscal years 2018-19 through 2020-21.

The audit includes a review of the following areas:

- Compliance with TDA requirements
- Status of prior audit recommendations
- Transit system performance trends
- Functional review

From the review, recommendations were developed to improve the operational efficiency and effectiveness of DCT.

Compliance with TDA Requirements

Of the compliance requirements pertaining to DCT, the operator fully complied with seven of eight requirements. DCT was in partial compliance with the timely submittal of its annual fiscal and compliance audits to SACOG and the State Controller within 180 days following the end of the fiscal year (December 27) or receive the appropriate 90-day extension by the RTPA allowed by law. As of to date, the FY 2021 annual fiscal and compliance audit has not been submitted. Three additional compliance requirements did not apply to DCT (i.e., rural/urban farebox recovery ratios and use of federal funding).

Status of Prior Audit Recommendations

DCT fully implemented two of the three prior audit recommendations. The three recommendations pertained to the adoption of a policy for the management and retention of onboard video and audio; conducting an updated passenger survey to receive feedback for service improvements; and consideration of using a scheduling and dispatch software. The recommendation pertaining to software was taken into consideration by DCT but deemed unnecessary with the current scope of DCT services and costs.

Transit System Performance Trends

1. Operating costs increased by 6.2 percent using audited data from the FY 2018 base year to FY 2021. On an average annual basis, costs increased 2.3 percent, with the highest increase of 12.4 percent occurring in FY 2019. Operating costs largely fluctuated based on employee count and wages. While DCT suffered from labor shortage, those retained were paid higher wages to help retain staff, which increased overall wages.
2. Ridership decreased 59.2 percent from 18,197 trips during the FY 2018 base year to 7,420 trips during FY 2021. On an average annual basis, ridership decreased 24.2 percent, with the highest decrease of 42.6 percent occurring in FY 2021 and the lowest decrease of 4 percent occurring in FY 2019. The decrease seen in ridership can be attributed to the COVID-19 pandemic.
3. The provision of vehicle service hours and miles both exhibited substantial decreases from the FY 2018 base year to FY 2021. Vehicle service hours decreased 49 percent and vehicle service miles decreased 56.6 percent. These decreases can be attributed to the effects of the COVID-19 pandemic on service reduction to meet the decreased demand for rides. For comparison, vehicle service hours fell 0.1 percent and vehicle service hours fell 8.3 percent in FY 2019 while hours fell 37.6 percent and miles fell 37.7 percent in FY 2021.
4. Operating cost per passenger, an indicator of cost effectiveness, increased 160.5 percent from \$35.39 during the FY 2018 base year to \$92.21 during FY 2021. This trend reflects the dramatic drop in ridership experienced throughout the audit period due to the pandemic while operating costs remained steady with 6.2 percent growth.
5. Operating cost per hour, an indicator of cost efficiency, increased 108.2 percent from \$118.35 during the FY 2018 base year to \$246.39 during FY 2021. This trend also reflects the dramatic drop in ridership experienced throughout the audit period due to the pandemic, which in turn affected service hours as a demand service, while operating costs remained steady with 6.2 percent growth.
6. While DCT on its own did not attain the 10 percent farebox ratio standard, when combined with Unitrans under SACOG policy, it does exceed the 20 percent farebox ratio requirement for Davis. For the three-year audit period, the farebox recovery ratio was 5.45 percent in FY 2019; 4.21 percent in FY 2020; and 1.70 percent in FY 2021. Under ADA law, DCT's fare structure is indexed to Unitrans's fares in which the DCT fare cannot be more than twice the Unitrans one-way fare. With a relatively low Unitrans one-way fare, DCT is constrained in how much fare revenue can be collected, which impacts its farebox ratio. Additionally, the dramatic drop in ridership because of the pandemic affected farebox ratio, which is evident based on the FY 2021 ratio.

Functional Review

1. DCT hit a milestone during the audit period, celebrating its 50th anniversary of services. The service anniversary was recognized by the City Council with an official proclamation.
2. DCT works closely with Unitrans to assist in operational aspects outside the available scope of DCT. Unitrans assists in relaying information on grant funds available to DCT as well as grant reporting. Unitrans has also assisted in marketing efforts and has been a resource in providing drivers from its respective pool of UC Davis undergraduates. In August 2018, DCT implemented a fare increase to mirror the increase implemented by Unitrans.
3. Dispatching is conducted manually without computer-aided technology. Manifests are generated on an Excel spreadsheet. Drivers use two-way radios and City-issued mobile phones for confidential communication. Each vehicle has an atlas of the service area.
4. DCT conducted passenger surveys to receive valuable feedback from their riders on various changes made to service and to promote service improvements. The survey results were largely positive and reflected DCT's importance to its community of riders.
5. DCT met with City Council to submit an informational report on the use of its surveillance system and request that City Council hold a public hearing for use of the security cameras installed on the DCT paratransit vehicles. The information provided to City Council presented an explanation of the current system in place, its proposed purpose, and impacts on civil liberties, as well as fiscal costs of its operation. The use of these surveillance technologies was approved.
6. DCT personnel are City of Davis employees under the Parks and Community Services Department. There are three full-time employees: a paratransit supervisor and two paratransit coordinators. In addition, there are four part-time employees composed of drivers and dispatchers.
7. As DCT's fleet began to reach the end of its useful life, the fleet was replaced with Ford E-350 vehicles, which can be operated by drivers with Class C licenses and expanded the pool of available applicants. There are two starting wage scales for drivers either possessing a Class B or Class C license.
8. DCT vehicles are maintained by the City of Davis at the City's corporation yard located at 1818 5th Street. The facility is equipped with three service bays. Vehicles are fueled at the Public Works yard located at 1717 5th Street. The two mechanics on staff prioritize the transit vehicles for service, which are considered in the same category as emergency vehicles.

Recommendations

Performance Audit Recommendation	Background	Timeline
1. Consider replacing aging fleet with electric vehicles	It is expected that the time frame for the next vehicle in DCT's fleet to reach its useful end of life will be FY 2023-24. As other transit providers in the surrounding areas, including Unitrans, look to transition their fleets to electric, DCT could use this next audit period to review its options for electric vehicles. The City of Davis has submitted applications to Valley Clean Energy for grant funds to put toward charging infrastructure in Davis. Unitrans has also received grant funding to begin replacing its fleet with electric vehicles. It is recommended that DCT explore these potential grant opportunities to begin replacing its fleet once vehicles begin to reach end of useful life. DCT could look to Unitrans for guidance on grant opportunities given the interdependent relationship between the two agencies.	High Priority
2. Review staff scheduling procedures to improve employee retention	Prior to the pandemic, non-full-time employees were given weekly schedules independent of scheduled rides. As a result of the decreased demand during the pandemic, shifts were revised to match scheduled rides, which required flexibility from drivers to be able to fulfill service needs as they came up. This change was made in order to better match City resources with demand, i.e., not scheduling drivers and dispatchers at times of no requested service. While the changes made to driver and dispatcher scheduling was an appropriate response to reduce costs during a time of low ridership, requiring that level of flexibility from its part time employees may hinder DCT's ability to recruit and retain employees going forward. A 2022 APTA Transit Workforce Shortage study found that one of the largest factors leading to transit workers departing was related to scheduling. With a prospective pool largely tied to the UC Davis	High Priority

Performance Audit Recommendation	Background	Timeline
	student population, DCT should consider alternative scheduling methods that would better attract and retain employees whose schedule flexibility is limited. Potential options could include rotating shifts such as on weekends as well as having more consistent weekly schedules in which employees can plan around. More predictable scheduling could aid in reducing retention issues, keeping within the part time labor limits, and reducing resources spent on training staff that do not stay with DCT longer term.	

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 Sacramento Area Council of Governments (SACOG) engaged the Michael Baker International audit team (Michael Baker) to conduct the TDA triennial performance audit of the nine public transit operators under its jurisdiction. This performance audit is conducted for Davis Community Transit (DCT) covering the most recent triennial period, fiscal years 2018-19 through 2020-21.

The purpose of the performance audit is to evaluate DCT'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 DCT's compliance with the conditions specified in the California Public Utilities Code (PUC). This task involves ascertaining whether DCT 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 interviews via videoconference platform with management and staff, collection and review of agency documents, and data analysis.¹ The *Performance Audit Guidebook for Transit Operators and Regional Transportation Planning Entities*, published by the California Department of Transportation (Caltrans), was used to guide in the development and conduct of the audit.

Overview of the Transit System

DCT started operating demand-responsive paratransit service in 1971. Until the mid-1990's DCT was formerly known as "Davis Senior Transit" providing local transportation within the Davis city limits. "Davis Special Transit" was when DCT provided transportation to the Adult Day Health Center on weekdays and to medical appointments in Sacramento twice a month. The name change to DCT happened when the service was relocated from the Davis Senior Center to downtown Davis (the former Greyhound station from 1995 to 2002 and then the Amtrak depot

¹ For this engagement, videoconferencing was employed in lieu of on-site visitation as part of this audit's methodology.

from 2002 to 2010). With the move to the downtown area, the passage and implementation of the Americans with Disabilities Act (ADA) of 1990, and increased service demands, DCT discontinued trips to Woodland and Sacramento in the late 1990s and YoloBus became the intercity paratransit provider. DCT is administered and operated by the City of Davis Parks and Community Services Department. DCT celebrated its 50th anniversary of services during the audit period.

Davis is the largest of the four incorporated cities in Yolo County and is the home to the University of California, Davis. The city lies at the junction of Interstate 80 and State Route (SR) 113 and is located 12 miles west of Sacramento and 8 miles south of Woodland, the county seat. The city has a total land area of 9.89 square miles. Founded in 1868 as a depot for the Southern Pacific Railroad, Davis was incorporated in 1917 and has a council-manager form of government. Based on the 2020 US Census, the city's population was 66,850. Based on the 2019 ACS 5-Year Estimate Data, 7,745 or 11.3 percent of the city population was age 65 or older. The 2022 population is estimated to be 64,869 as reported by the California Department of Finance.

System Characteristics

DCT is the complementary paratransit operator within the City of Davis for the fixed-route transit providers, Unitrans and YoloBus. Riders must be ADA-certified. Disabled customers may be accompanied by a personal attendant at no extra charge when required. A prospective customer is required to submit an application detailing a qualifying health-related condition or disability that prevents the applicant from accessing fixed-route public transit. One-way trips may be reserved up to 14 days in advance; trips must be reserved by at least 5:00 p.m. the day before travel to guarantee the ride. Following ADA law, all trips requested by 5:00 p.m. the previous day are guaranteed. Rides are not prioritized by destination or type of appointment. Same-day rides are only given if time and space permit.

Core service hours run congruently with YoloBus and Unitrans, Monday through Friday. However, service is available from 6:00 a.m. all the way to 10:00 p.m. upon request. Weekend hours operate between 7:30 a.m. and 10:30 p.m. DCT's service area is within one mile of active, regular fixed route bus service. When fixed route services are reduced, DCT's service area is also reduced. Prior to the COVID-19 pandemic, a shopping shuttle service operated on Saturday. Hours are subject to change based on staffing resources.

Fares

DCT's fares are structured according to the service provided and fare media. One unregistered companion may accompany a certified customer and must pay the regular one-way fare. In August 2018, DCT implemented a fare increase to mirror the increase implemented by Unitrans. The fare structure is shown in Table I-1.

Table I-1
DCT Fare Schedule

Fare Categories	Audit Period
Regular Fare (one-way trip)	\$2.50
Premium Fare	\$4.50
Same-day Trip (additional surcharge to one-way trip)	\$2.50

Source: DCT

When Unitrans is not in operation but when Yolobus is operating in the City of Davis, DCT charges a premium fare in areas within 1 mile of a local Yolobus route. In addition to the cash fares summarized in the table, DCT offers punch card tickets that can be purchased from the driver. Tickets come in denominations of \$10.00, \$25.00 and \$50.00 and can be purchased in cash or by check. Old tickets are accepted with an additional \$0.50 for each ride to complete the fare increase. Tickets can be requested to be kept in the office with dispatch notifying when the rider uses one of the punches on their card. This is in response to COVID-19 to reduce contact between drivers and riders. DCT was fare free from April 2020 through October 2020.

Fleet

DCT has a fleet of four gasoline-powered vehicles, equipped with wheelchair lifts in conformance with the ADA, with three being in service during peak weekday service. DCT also utilizes a department-shared vehicle, which is a non-wheelchair-accessible Dodge Grand Caravan. Table I-2 summarizes the vehicle fleet and characteristics. It is noted that the newest smaller E-350 model vehicle can be driven by a Class C licensed driver. DCT retired a 2016 Ford E-350 during the audit period and added a 2020 Ford E-350 to its fleet. FY 2023-FY 2024 is the next time period in which DCT estimates its next vehicle will reach end of life. At this time DCT will begin discussing electric vehicle usage.

Table I-2
Vehicle Fleet

Year	Make	Model	Quantity	Fuel Type	Seating Capacity
2014	Dodge	Grand Caravan	1	Gasoline	7
2018	Ford	E-350	1	Gasoline	6/1 WC
2019	Ford	E-350	2	Gasoline	6/1 WC
2020	Ford	E-350	1	Gasoline	6/1 WC
Total			5		

Source: DCT 2021 Fleet Inventory

Section II

Operator Compliance Requirements

This section of the audit report contains the analysis of DCT's ability to comply with state requirements for continued receipt of TDA funds. The evaluation uses Caltrans's *Performance Audit Guidebook* to assess transit operators. The guidebook contains a checklist of 11 measures taken from relevant sections of the PUC and the California Code of Regulations (CCR). Each requirement is discussed in the table below, 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
The transit operator submitted annual reports to the RTPA based upon the Uniform System of Accounts and Records established by the State Controller. Report is due within seven (7) months after the end of the fiscal year (on or before January 31). The report shall contain underlying data from audited financial statements prepared in accordance with generally accepted accounting principles, if this data is available.	Public Utilities Code, Section 99243	Completion/submittal dates: <i>For Specialized Service:</i> FY 2019: January 30, 2020 FY 2020: February 8, 2021 FY 2021: January 31, 2022 Conclusion: Complied.
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-day extension by the RTPA allowed by law.	Public Utilities Code, Section 99245	Completion/submittal dates: FY 2019: February 28, 2020 FY 2020: December 30, 2020 FY 2021: N/A The annual fiscal and compliance audits were submitted within the 90-day extension period granted by SACOG as allowed by law. The FY 2021 annual fiscal

Table II-1 Operator Compliance Requirements Matrix		
Operator Compliance Requirements	Reference	Compliance Efforts
		and compliance audit was not completed as of this report, which is outside of the 90-day extension period. Conclusion: Partial Compliance.
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.	Public Utilities Code, Section 99251 B	The City of Davis participates in the California Highway Patrol (CHP) Transit Operator Compliance Program, in which the CHP conducted inspections within the 13 months prior to each TDA claim. Inspections took place at the Davis Fleet Services facility located at 1818 5th Street in Davis. Inspection dates applicable to the audit period were June 19, 2018; July 9, 2019; and July 30, 2020. Inspections were found to be satisfactory. Conclusion: Complied.
The operator's claim for TDA funds is submitted in compliance with rules and regulations adopted by the RTPA for such claims.	Public Utilities Code, Section 99261	As a condition of approval, the City of Davis's annual claims for Local Transportation Funds are submitted in compliance with the rules and regulations adopted by SACOG. Conclusion: Complied.
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.	Public Utilities Code, Section 99270.1	This requirement is not applicable, as DCT provides specialized transportation services to the elderly and disabled. Conclusion: Not Applicable.

Table II-1 Operator Compliance Requirements Matrix		
Operator Compliance Requirements	Reference	Compliance Efforts
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).	Public Utilities Code, Section 99266	Percentage change in DCT's operating budget: FY 2019: -0.9% FY 2020: +13.9% FY 2021: +1.5% <i>Source: Transit Operators' Financial Transactions Reports</i> Conclusion: Complied.
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.	Public Utilities Code, Section 99247	A review of internal performance data reports and State Controller Reports indicates overall compliance. Conclusion: Complied.
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-	Public Utilities Code, Sections 99268.2, 99268.3, 99268.12, 99270.1	This requirement is not applicable, as DCT provides specialized transportation services to the elderly and disabled. Conclusion: Not Applicable.

Table II-1 Operator Compliance Requirements Matrix														
Operator Compliance Requirements	Reference	Compliance Efforts												
twentieths (15 percent), if so determined by the RTPA.														
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).	Public Utilities Code, Sections 99268.2, 99268.4, 99268.5	Pursuant to the TDA, SACOG has established a consolidated 20 percent farebox ratio for Unitrans and DCT in the City of Davis as a condition of TDA eligibility. While the SACOG TDA Guidelines also specify a 10 percent farebox recovery ratio for DCT as a stand-alone service, farebox compliance for TDA funding is the consolidated ratio. DCT's operating ratios using audited data were as follows: <table border="1"> <tr> <th>Fiscal Year</th><th>DCT Only</th><th>DCT & Unitrans</th></tr> <tr> <td>FY 2019</td><td>5.45%</td><td>44.48%</td></tr> <tr> <td>FY 2020</td><td>4.21%</td><td>53.42%</td></tr> <tr> <td>FY 2021</td><td>1.70%</td><td>62.42%</td></tr> </table> While DCT did not attain the 10 percent farebox ratio as a stand-alone service, when combined with Unitrans under SACOG policy, it does exceed the 20 percent farebox ratio requirement for City of Davis. <i>Source: Unitrans Audited Financial Statements</i> Conclusion: Complied.	Fiscal Year	DCT Only	DCT & Unitrans	FY 2019	5.45%	44.48%	FY 2020	4.21%	53.42%	FY 2021	1.70%	62.42%
Fiscal Year	DCT Only	DCT & Unitrans												
FY 2019	5.45%	44.48%												
FY 2020	4.21%	53.42%												
FY 2021	1.70%	62.42%												
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	Public Utilities Code, Section 99271	The City of Davis contributes to its employees' retirement through the California Public Employees Retirement System (CalPERS). To be eligible for TDA funds, the annual TDA claims form requires a sign-off from the transit												

Table II-1 Operator Compliance Requirements Matrix		
Operator Compliance Requirements	Reference	Compliance Efforts
plan approved by the RTPA which will fully fund the retirement system within 40 years.		claimant to comply with standard assurances, one of which is that the agency's retirement system is funded. Conclusion: Complied.
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.	California Code of Regulations, Section 6754(a)(3)	The City of Davis is a recipient of State Transit Assistance funds, which are provided to another transit provider of service within the city limits (Yolobus). DCT does not utilize Federal Transit Administration funds. Conclusion: Not Applicable.

Findings and Observations from Operator Compliance Requirements Matrix

1. Of the compliance requirements pertaining to DCT, the operator fully complied with seven of eight requirements. DCT was in partial compliance with the timely submittal of its annual fiscal and compliance audits to SACOG and the State Controller within 180 days following the end of the fiscal year (December 27) or receive the appropriate 90-day extension by the RTPA allowed by law. As of to date, the FY 2021 annual fiscal and compliance audit has not been submitted. Three additional compliance requirements did not apply to DCT (i.e., rural/urban farebox recovery ratios and use of federal funding).
2. Pursuant to the TDA, SACOG has established a consolidated 20 percent farebox ratio for Unitrans and DCT in the City of Davis as a condition of TDA eligibility. While the SACOG TDA Guidelines also specify a 10 percent farebox recovery ratio for DCT as a stand-alone service, farebox compliance for TDA funding is the consolidated ratio. For the three-year audit period, the farebox recovery ratio for DCT was 5.45 percent in FY 2019; 4.21 percent in FY 2020; and 1.70 percent in FY 2021. Fare rates for DCT are based upon the general public single ride price for Unitrans which, during the audit period, was drastically low due to the effects of COVID-19. This in turn kept DCT fare rates low, exacerbated by the fare-free period that occurred from April 2020 to October 2020. While DCT did not attain the 10 percent farebox ratio, when combined with Unitrans under SACOG policy, it does exceed the 20 percent farebox ratio requirement for the City of Davis.
3. The City of Davis 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. During the audit period, DCT's fleet were all reclassified as Class C vehicles with less than 10 passengers and as such will no longer require CHP inspections.
4. The operating budget initially decreased in the first year of the audit period before increasing modestly for the remaining two years. There was a decrease of 0.9 percent in FY 2019 followed by a 13.9 percent increase in FY 2020 and a 1.5 percent increase in FY 2021. Increases are attributed to higher employee wages with two new coordinator positions added as well as paying "COVID rates" to drivers, which were similar to holiday pay in an effort to retain as well as recruit drivers.

Section III

Prior Triennial Performance Recommendations

DCT'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 DCT'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

Implement a reasonable policy for the management and retention of onboard video and audio output and commence using the system. (High priority)

Background: This recommendation was carried over from the prior 2016 audit. DCT installed video and audio surveillance systems to its fleet but had not put them into operation due to City requirements that the video be retained for an indefinite period. Each bus was equipped with a removable one terabyte (1 TB) hard drive which can be set up to record at different levels of definition to allow varying filming durations before filling the hard drive. It would hold approximately 1,000 hours of video or about 40 days. DCT staff reported that the Audio/Video Record Retention Policy on Transit Vehicles was still in development. The policy was scheduled to go before the Davis City Council for adoption in March 2019. However, a review of the City Council meeting minutes and summaries through May 2019 showed that no action had taken place. It was recommended that DCT staff continue to work with City's legal counsel on finalizing the draft policy for adoption by the Council and commence using the onboard video and audio equipment, which increases safety and reduces risk on the vehicle.

Actions taken by DCT

On June 18, 2019, DCT met with City Council to submit an informational report on the use of its surveillance system and request that City Council hold a public hearing for use of the security cameras installed on the DCT paratransit vehicles. The information provided to City Council presented an explanation of the current system in place, its proposed purpose, and impacts on civil liberties, as well as fiscal costs of its operation. It was also presented that Council must adopt a surveillance use policy at a regularly scheduled City Council meeting for use of the surveillance technology that at a minimum specifies the following:

- Purpose: The specific purpose(s) that the surveillance technology item is intended to advance.
- Authorized Use: The uses that are authorized, and the rules and processes required prior to such use.

- Data Collection: The information that can be collected by the surveillance technology, including “open source” data.
- Data Access: The category of individual who can access or use the collected information, and the rules and processes required prior to access or use of the information.
- Data Protection: The general safeguards that protect information from unauthorized access, including encryption and access control mechanisms.
- Data Retention: The time period, if any, for which information collected by the surveillance technology will be routinely retained, the reason such retention period is appropriate to further the purpose(s), the process by which the information is regularly deleted after that period lapses, and the specific conditions that must be met to retain information beyond that period.
- Public Access: How collected information can be accessed or used by members of the public, including criminal defendants.
- Third Party Data Sharing: If and how other City or non-City entities can access or use the information, including any required justification or legal standard necessary to do so and any obligations imposed on the recipient of the information.
- Training: The training required for any individual authorized to use the surveillance technology or to access information collected by the surveillance technology.
- Auditing and Oversight: The mechanisms to ensure that the Surveillance Use Policy is followed, including internal personnel assigned to ensure compliance with the policy, internal record keeping of the use of the technology or access to information collected by the technology, technical measures to monitor for misuse, any independent person or entity with oversight authority, and the legally enforceable sanctions for violations of the policy.

The public hearing on the surveillance technologies aboard the DCT vehicles was held and it was determined that continued use of the surveillance technologies have been balanced with the need to investigate and prevent crimes; protect crime victims and society from those who commit crimes; protect civil rights and civil liberties, and costs to the city. The use of these surveillance technologies was thus approved.

Conclusion

This recommendation has been implemented.

Prior Recommendation 2

Conduct an updated passenger survey. (High priority)

Background: DCT made adjustments to service that improved key efficiencies. These included scheduling round trips in advance and eliminating wait times at pick-up locations, which increased scheduling efficiencies and the number of multiple riders on vehicles. A smaller Class C vehicle was also introduced to the DCT fleet that allowed for better flexibility and

adaptability. While DCT implemented a fare increase in August 2018 from \$2.00 to \$2.50, ridership continued to grow. Given these changes and trends, administration of a rider survey was recommended as a useful tool for DCT to receive valuable feedback from its customer base on what changes have worked in growing ridership, and what other amenities would help. The survey could be a simple written questionnaire conducted on-board or administered by phone using the rider database. Survey results would provide primary data to further the process of continuous service improvement.

Actions taken by DCT

DCT conducted a customer service survey in August-September 2019. The survey was created by DCT employees in collaboration with the City of Davis Senior Community Services supervisor. The survey was conducted by an outside employee that does not work for DCT as a driver or dispatcher and asked participants to detail their personal experiences with DCT staff and the services provided. The survey included the following questions:

- Sex & Age
- How important is this service in your daily life? (Not Important-Very Important)
- How often do you use this service? (Almost Never-Every Day)
- How would you rate the safety of your drivers? (1 being lowest, 4 being highest)
- How would you rate the attitude/patience/helpfulness of your driver? (1 being lowest, 4 being highest)
- How would you rate the punctuality of DCT? (1 being lowest, 4 being highest)
- How would you rate your experience/convenience in reserving a ride from DCT? (1 being lowest, 4 being highest)
- If applicable, how would you rate your driver's ability to operate the wheelchair lift and secure your wheelchair? (1 being lowest, 4 being highest)
- Do you carry a cell phone with you? (Yes/No)
- How comfortable are you in using your internet-connected devices or email? (Yes/No)
- DCT has camera on their busses to ensure safety and for training purposes:
 - Are you comfortable with DCT using video recording devices on the bus? (Yes/No)
 - Are you comfortable with DCT using audio recording devices on the bus? (Yes/No)

A total of 150 riders participated in the survey, with a total of 519 DCT clients contacted. The results found an overwhelming positive experience with DCT staff and service. The survey also found that the majority of riders are comfortable using cell phones and the majority of riders are comfortable with DCT's use of surveillance devices per the previous prior audit recommendation.

Conclusion

This recommendation has been implemented.

Prior Recommendation 3

Consider utilization of scheduling and dispatch software. (Medium Priority)

Background: DCT experienced notable growth in passenger demand during the previous audit period. The ADA database had more than 700 total registered clients and 10 new clients registering monthly. The system was averaging more than 90 rides daily. Dispatching is conducted manually with the manifest downloaded onto an Excel spreadsheet. Drivers use two-way radios with dispatch while on their runs. With overall demand and the number of multiple rides increasing, it was recommended that the City consider scalable dispatching and scheduling technology software that can assist in the growing complexity of efficient trip coordination. As trip requests are often made last minute the day prior, scheduling software could help develop the trip manifest. The trip manifests could be downloaded to a mobile display terminal or tablet for ease of access by the driver, which reduces manual data entry required of the driver and enables more focus on vehicle operations and customer service. The growth of such off-the-shelf technology offers choices and options that could be scaled to meet DCT's needs and budget. City staff could apply for grants in working with SACOG and budget capital funds for the project.

Actions taken by DCT

DCT has reviewed this recommendation and determined that an investment into this software may be overly costly for a transit operator as small as DCT. With ridership heavily impacted by the pandemic and not yet returning to pre-pandemic levels, dispatching remains manageable with current systems in place. DCT also has Unitrans and their IT department as a resource for any technological needs.

Conclusion

This recommendation has not been implemented and is no longer applicable at this time.

Section IV

TDA Performance Indicators

This section reviews DCT's performance in providing transit service to the community 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 recovery ratio is not one of the five specific indicators but is a requirement for continued TDA funding. Therefore, farebox calculation is also included. Two additional performance indicators, operating cost per mile and average fare per passenger, are included as well. Findings from the analysis are contained in the section following the tables.

Table IV-1 provides the performance indicators for DCT. Operating costs and passenger fares, which determine the farebox recovery ratio calculation, are derived from audited financial data. Graphs are also provided to depict the trends in the indicators.

Table IV-1
DCT TDA Performance Indicators

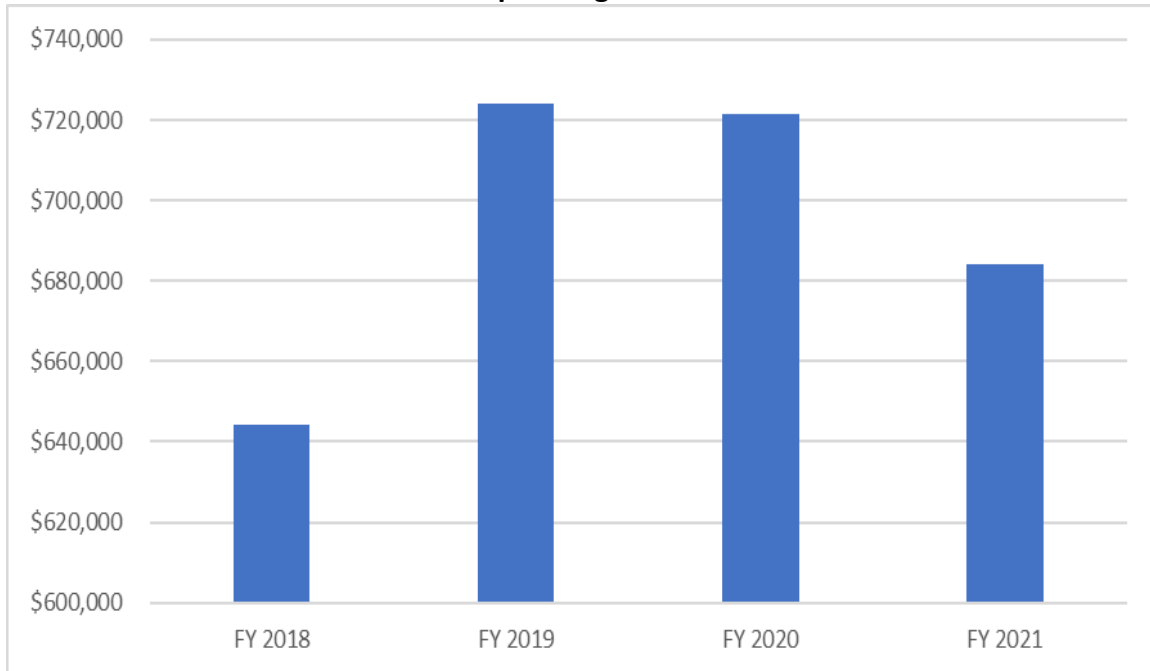
Performance Data and Indicators	FY 2018 Base Year	Audit Period			% Change FY 2018-2021 ²
		FY 2019	FY 2020	FY 2021	
Operating Cost ¹	\$644,055	\$723,985	\$721,469	\$684,228	6.2%
Total Passengers	18,197	17,474	12,927	7,420	-59.2%
Vehicle Service Hours	5,442	5,439	4,449	2,777	-49.0%
Vehicle Service Miles	71,032	65,148	49,478	30,836	-56.6%
Employee FTEs	8	11	8	6	-25.0%
Passenger Fares	\$33,531	\$39,433	\$30,339	\$11,654	-65.2%
Operating Cost per Passenger	\$35.39	\$41.43	\$55.81	\$92.21	160.5%
Operating Cost per Vehicle Service Hour	\$118.35	\$133.11	\$162.16	\$246.39	108.2%
Operating Cost per Vehicle Service Mile	\$9.07	\$11.11	\$14.58	\$22.19	144.7%
Passengers per Vehicle Service Hour	3.3	3.2	2.9	2.7	-20.1%
Passengers per Vehicle Service Mile	0.26	0.27	0.26	0.24	-6.1%
Vehicle Service Hours per Employee	680.3	494.5	556.1	462.8	-32.0%
Average Fare per Passenger	\$1.84	\$2.26	\$2.35	\$1.57	-14.8%
Fare Recovery Ratio	5.21%	5.45%	4.21%	1.70%	-67.3%
Consumer Price Index - (CPI-CA)	3.3%	3.0%	1.7%	4.3%	9.1%

Source: University Transport System of UC Davis - Audited Financial Statements & Compliance Reports; City of Davis Public Transit Fund - Audited Financial Statements & Compliance Reports; Transit Operators' Financial Transactions Reports

¹Operating Cost minus depreciation

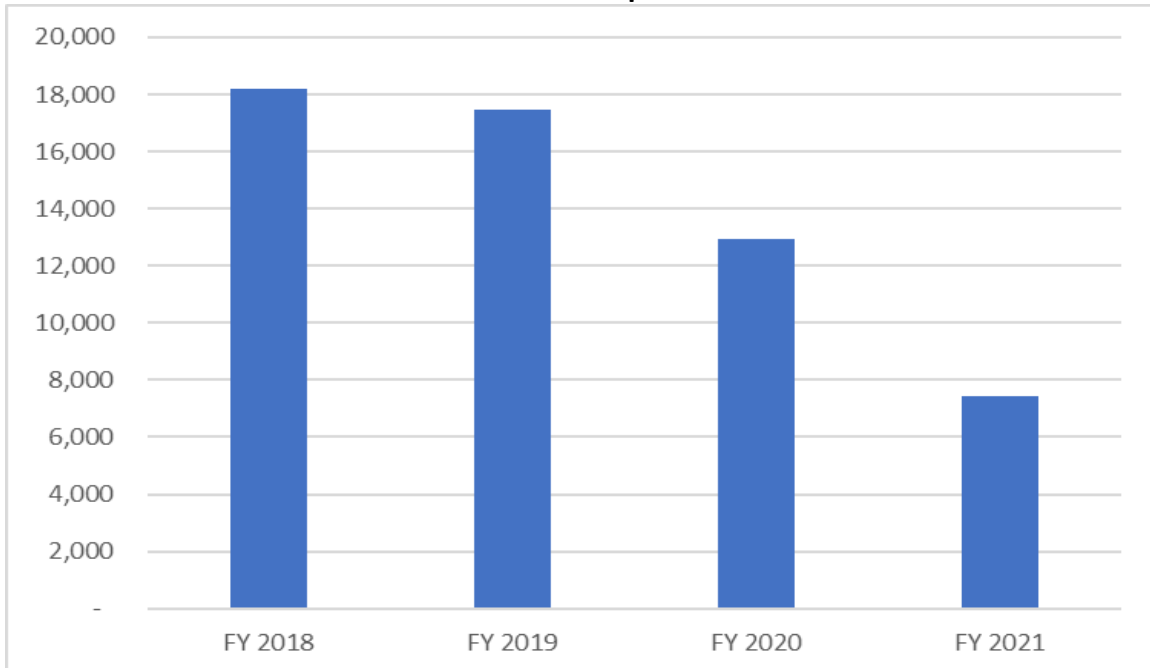
²Percentages are based on the data inputs in the table and do not reflect the rounding of the performance indicators

**Graph IV-1
Operating Costs**

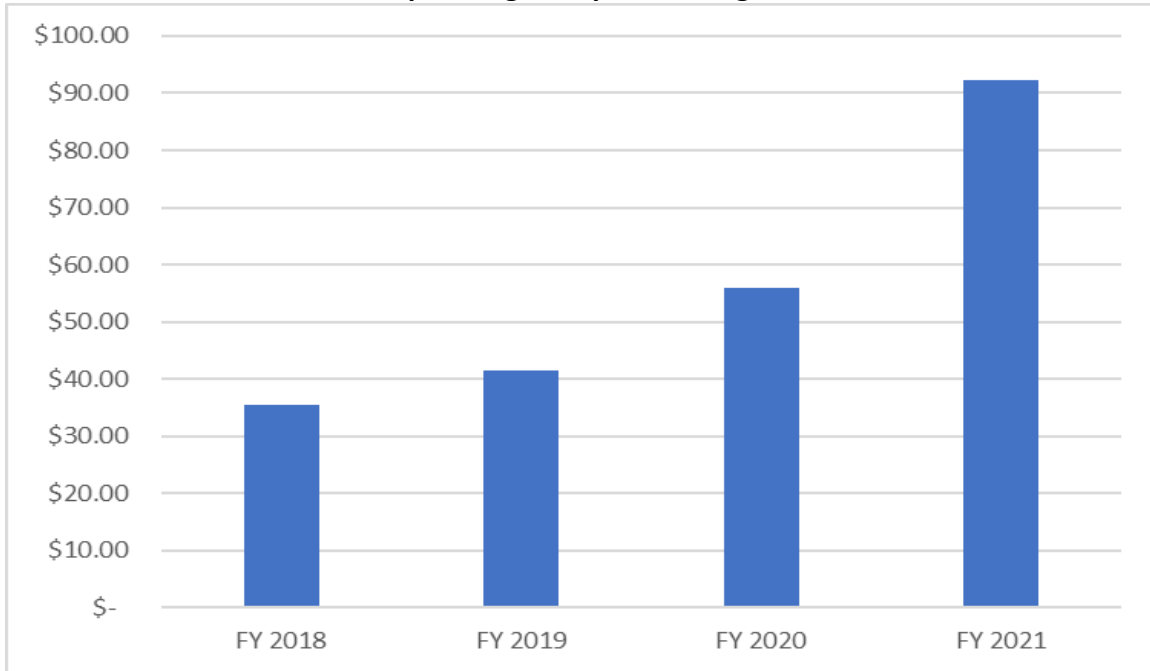


Note: Operating cost is audited data

**Graph IV-2
Ridership**

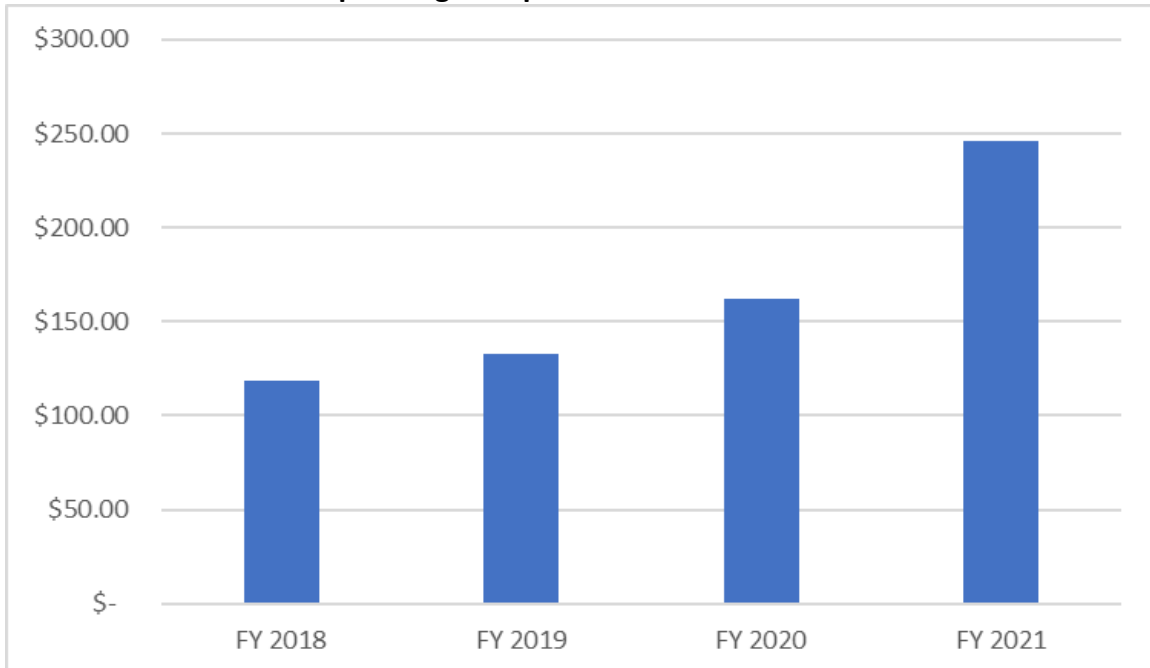


Graph IV-3
Operating Cost per Passenger



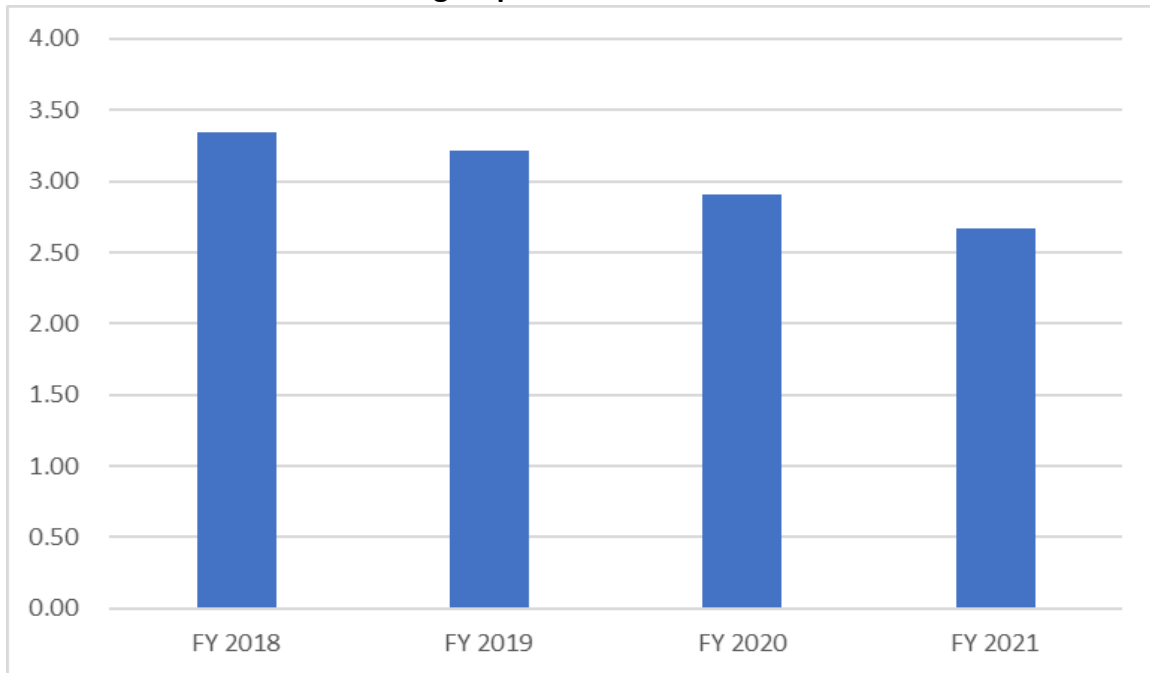
Note: Operating cost is audited data

Graph IV-4
Operating Cost per Vehicle Service Hour

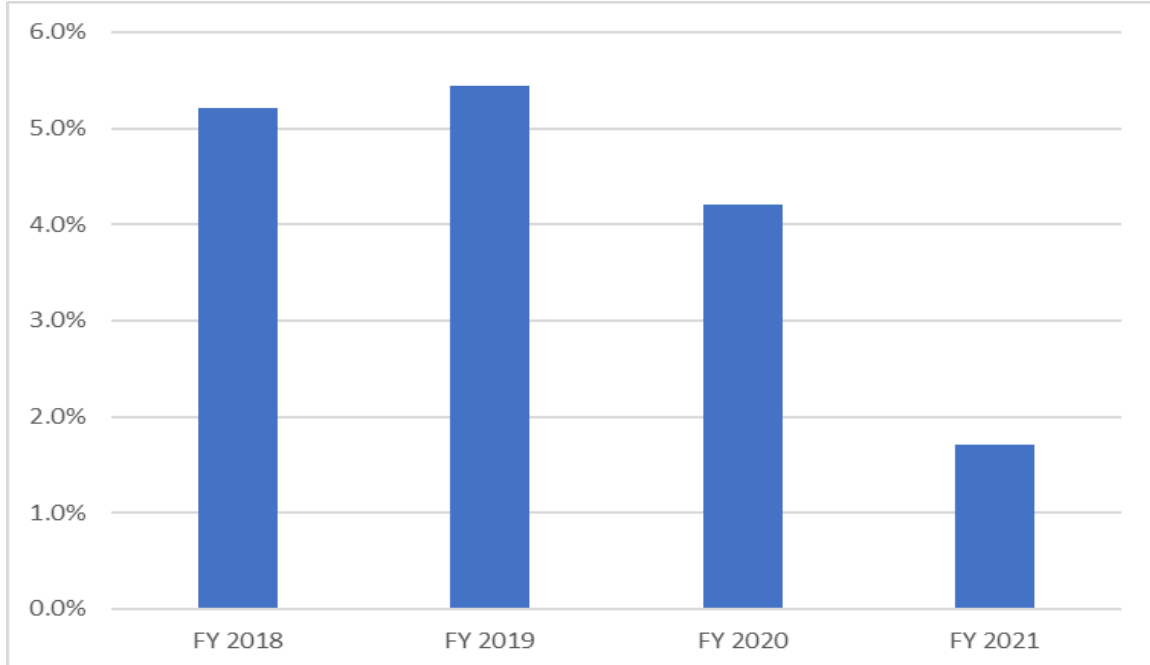


Note: Operating cost is audited data

Graph IV-5
Passengers per Vehicle Service Hour



Graph IV-6
Fare Recovery Ratio



Note: Operating cost and fare revenue are audited data

Findings from Verification of TDA Performance Indicators

1. Operating costs increased by 6.2 percent using audited data from the FY 2018 base year to FY 2021. On an average annual basis, costs increased 2.3 percent, with the highest increase of 12.4 percent occurring in FY 2019. Operating costs largely fluctuated based on employee count and wages. While DCT suffered from labor shortage, those retained were paid higher wages to help retain staff, which increased overall wages.
2. Ridership decreased 59.2 percent from 18,197 trips during the FY 2018 base year to 7,420 trips during FY 2021. On an average annual basis, ridership decreased 24.2 percent, with the highest decrease of 42.6 percent occurring in FY 2021 and the lowest decrease of 4 percent occurring in FY 2019. The decrease seen in ridership can be attributed to the COVID-19 pandemic.
3. The provision of vehicle service hours and miles both exhibited substantial decreases from the FY 2018 base year to FY 2021. Vehicle service hours decreased 49 percent and vehicle service miles decreased 56.6 percent. These decreases can be attributed to the effects of the COVID-19 pandemic on service reduction to meet the decreased demand for rides. For comparison, vehicle service hours fell 0.1 percent and vehicle service hours fell 8.3 percent in FY 2019 while hours fell 37.6 percent and miles fell 37.7 percent in FY 2021.
4. Operating cost per passenger, an indicator of cost effectiveness, increased 160.5 percent from \$35.39 during the FY 2018 base year to \$92.21 during FY 2021. This trend reflects the dramatic drop in ridership experienced throughout the audit period due to the pandemic while operating costs remained steady with 6.2 percent growth.
5. Operating cost per hour, an indicator of cost efficiency, increased 108.2 percent from \$118.35 during the FY 2018 base year to \$246.39 during FY 2021. This trend also reflects the dramatic drop in ridership experienced throughout the audit period due to the pandemic, which in turn affected service hours as a demand service, while operating costs remained steady with 6.2 percent growth .
6. Passengers per hour, which measures the effectiveness of the service delivered, decreased by 20.1 percent from 3.3 passengers during the FY 2018 base year to 2.7 passengers per hour during FY 2021. The indicator is reflective of the 59.2 percent decrease in passenger trips outpacing the 49 percent decrease in vehicle service hours.
7. Vehicle hours per full-time equivalent (FTE) employee, which measures labor productivity, decreased by 32 percent from the FY 2018 base year to FY 2021. This measure is based on the number of employee FTEs using employee pay hours from the State Controller Report and dividing by 2,000 hours per employee. DCT's employee count rose to 11 in FY 2019 before returning to 8 in FY 2020 and decreasing to 6 in FY 2021.

8. As a stand-alone service, DCT is subject to a 10 percent farebox recovery ratio. There was a 67.3 percent decrease in the farebox recovery ratio from 5.21 percent in the FY 2018 base year to 1.70 percent in FY 2021. Fare rates for DCT are based upon the general public single ride price for Unitrans which, during the audit period, was drastically low due to the effects of COVID-19. This in turn kept DCT fare rates low, exacerbated by the fare free period that occurred from April 2020 to October 2020. While DCT on its own did not attain the 10 percent farebox ratio standard, when combined with Unitrans under SACOG policy, it does exceed the 20 percent farebox ratio requirement for Davis. Farebox ratios are derived from audited data in the annual fiscal and compliance audits.

Section V

Review of Operator Functions

This section provides an in-depth review of various functions within DCT. The review highlights accomplishments, issues, and/or challenges that were determined during the audit period. The following functions were reviewed via videoconferencing with DCT staff from the City of Davis:

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

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

Operations

DCT's ADA complementary paratransit service is provided by City of Davis staff under the direction of the City's Parks and Community Services Department. Management of the paratransit program is provided out of a shared office facility at the City's Corporation Yard. DCT has been guided by its mission statement:

The goal of DCT is to provide a safe and courteous service to individuals who depend on paratransit to meet their personal and professional transportation needs, allowing them to maintain independence in their lives.

DCT has experienced challenges in regard to demand for its services during the audit period, most of which can be attributed to the effects of COVID-19. Prior to the pandemic in August 2018, DCT implemented a fare increase from \$2.00 to \$2.50, reflecting the increase in Unitrans fare at this time. This increase, along with general downward trends in ridership seen across the transit industry, can explain the slight decrease in ridership experienced from FY 2018 to FY 2019. DCT operations experienced major decreases in demand with the onset of the COVID-19 pandemic. While there are no subscription riders, DCT does serve the True Connections program, a direct service provider to the clients of the Alta Regional Center, which provides an adult day program for persons with developmental disabilities. The Alta Regional Center has remained closed since the pandemic, which has greatly affected DCT's ridership.

Prior to this audit period, before the pandemic greatly impacted ridership, DCT was experiencing growth in ridership. DCT had taken steps to address this growth and maintain service efficiency. DCT reduced wait times by the driver at the pickup location from five minutes to three, which improved overall scheduling. Return trips were requested to be scheduled in advance to provide more opportunities for optimizing vehicle trips and pickups. DCT staff had also taken a firmer stance with explaining rider policies.

Reservations are input and driver manifests are generated on an Excel spreadsheet. Drivers use two-way radios and City-issued mobile phones for confidential communication. Each vehicle has an atlas of the service area.

Performance data are compiled daily and reported monthly with annual summaries. In addition to revenue service hours and mileage, DCT reports total trips requested, scheduled, and provided. Within these categories, no-shows and cancellations are tracked. Passenger categories are noted for ADA-eligible riders, seniors, attendants, companions, and wheelchairs. Average wait times and on-time performance (OTP) are also reported. A summary of DCT's OTP is presented in Table V-1.

Table V-1
On-time Performance

	FY 2019	FY 2020	FY 2021
On-time Performance	84.40%	88.90%	84.63%

Source: DCT

Overall OTP improved from FY 2019 to FY 2020 before returning to FY 2019 levels in FY 2021. The increase seen in FY 2020 can be attributed to the reduction in demand at the onset of the pandemic, where OTP averaged 93.91 percent from March 2020 to June 2020. OTP performance returned to pre-pandemic levels in FY 2021, which can be attributed to demand service beginning to recover as well as driver shortages experienced industry-wide during the COVID-19 pandemic. One approach DCT is using to address driver shortages is to expand their hiring pool to include drivers with Class C licenses.

DCT has developed a thorough farebox handling and reconciliation policy. Buses are equipped with locked fare vaults. The vaults are dropped by the dispatcher. DCT staff (coordinator, dispatcher, or supervisor) is tasked with reconciling all the fares collected from the fareboxes in the presence of a driver. This involves counting the fare collected, documenting the tickets sold, and entering this information onto a worksheet in the 'Deposit' Excel workbook. On a weekly basis, the amount of cash fares collected are checked against the remaining amount of money in the bag after deducting all ticket purchases. The data are entered into RecTrac, the accounting system utilized by the City's Parks and Community Services Department. The deposit is given to the front desk staff at DCT at 1818 5th Street to verify and enter the ticket sales in RecTrac. That same day, the deposit will be taken to city hall and given to an

administrative operations supervisor who will sign the ‘Revenue Summary’ sheet when they receive it.

DCT No-Show and Cancellation Policy

DCT enforces a no-show policy to enhance productivity and accountability of the clients using the service. Reservations are required at least a day in advance. Missing a requested ride or cancelling a ride after the end of business (5:00 p.m.) the previous day will result in a no-show. A customer who accumulates an excessive number of no-shows over a 45-day period may be subject to having their service suspended. The wait time by the driver at the rider’s designated pickup is three minutes before the trip is considered a no-show. A late cancellation is failure to notify DCT at least 30 minutes prior to the scheduled pickup time and is considered a no show.

No-shows and cancellations are reported on the performance data summary spreadsheet. Occurrences of no-shows and cancellations are summarized in Table V-2.

Table V-2
No-shows and Cancellations

	FY 2019	FY 2020	FY 2021
No-shows			
Number	284	216	91
% of Total Trips	1.59%	1.70%	1.37%
Cancellations			
Number	2,433	2,224	1,321
% of Total Trips	11.81%	14.72%	16.45%

Source: DCT Operations Data

The percentage of total trips resulting in a no-show during the audit period reflects an initial upward trend before experiencing a downward trend at the end of the audit period. While the total number of no-shows peaked in FY 2019 at 284, the percentage of total trips resulting in no-shows peaked in FY 2020 at 1.70 percent. This can be attributed to the response to the pandemic as no-shows were at their highest in April 2020, peaking to 3.21 percent of total rides that month as riders responded to the changes in transportation needs and safety measures during the initial lockdown. DCT provides courtesy calls to remind riders of their upcoming trips to reduce the number of no shows.

While the number of cancellations decreased from 2,433 in FY 2018 to 1,321 in FY 2021, the percentage of total trips resulting in cancellation increased from 11.81 percent in FY 2018 to 16.45 percent in FY 2021. This increase can also be attributed to the effects of the pandemic, with cancellations peaking in March 2020 at 28.36 percent and remaining high in FY 2021 as outbreaks continued to impact ridership. While not as harmful as a no-show in terms of service efficiency, cancellations prevent better scheduling and additional trips from being made. This

metric should decline in years following the audit period as the effects of COVID-19 become less impactful.

Customer service is another metric used to monitor performance. DCT tracks the number of complaints, suggestions, and compliments received from its ridership. Table V-3 summarizes the customer service metrics for the three categories for the period.

Table V-3
Complaints, Compliments, and Suggestions

Fiscal Year	Complaints	Compliments	Suggestions
2019	22	2	0
2020	12	8	2
2021	7	9	0

Source: DCT

The customer service metrics show a decrease in the number of overall complaints. FY 2019 saw the highest number of complaints with 22 followed by 12 in FY 2020 and 7 in FY 2021. By contrast, there was an increase in compliments seen during the audit period, from 2 received in FY 2019 to 9 in FY 2021. There were also two suggestions received in FY 2020. Complaints are typically received from the same riders.

Regarding vehicle safety, DCT tracks the number of accidents categorized as “preventable.” According to the Federal Motor Carrier Safety Administration, a preventable accident is one which occurs because the driver fails to act in a reasonably expected manner to prevent it. The number of preventable accidents is summarized in Table V-4:

Table V-4
Preventable Accidents

	FY 2019	FY 2020	FY 2021
Accidents	2	0	0

Source: DCT

The number of accidents reported declined, with 2 in FY 2019 and no accidents reported in FY 2020 and FY 2021.

COVID-19 Pandemic Impacts

As impacts from the novel coronavirus (COVID-19) started to be realized in California, a state of emergency was declared on March 4, 2020. The first confirmed COVID-19 case in Yolo County was reported in early March 2020. In response to the order and pursuant to Centers for Disease Control and Prevention protocols, DCT enacted many new protocols.

With the demographic of DCT's riders being considered high risk, protecting riders during the initial and subsequent outbreaks were of high importance. The City of Davis assisted and reviewed DCT's system and how vehicles could continue to operate safely. Personal protective equipment supplies such as masks and gloves were purchased and supplied to all drivers for themselves as well as passengers who required them. Capacity on vehicles was reduced to ensure adequate spacing and buses were cleaned and disinfected between trips as well as driver changes. Vehicles were also fogged once a week. These precautions were well met by riders and DCT did not experience any pushback on initiatives such as requiring face coverings. DCT only had one experience with a contact tracing case during the audit period. DCT services were also fare free from April 4, 2020, through October 1, 2020, and continued to follow YoloBus and Unitrans scheduling changes in response to the pandemic.

While DCT remained operational throughout the entirety of the pandemic, scheduling was eventually affected, and weekend service was temporarily dropped in response to no requests for service. April 2020 was the worst month for ridership with a total of 247 rides reported that month. By comparison, April 2019 showed a total of 1,567 rides according to DCT's internal data collection. Starting in April 2020, DCT began offering fare-free service to its riders and continued to do so until October 2020 to combat the drop in ridership. While ridership did slowly improve as time went on, DCT has not yet returned to pre-pandemic levels. DCT could expect anywhere from 65-85 rides a day pre-pandemic. Following the audit period, DCT is now only averaging 35-55 rides a day. With the relatively recent re-opening of the Senior Center and meal services due to COVID, it is anticipated ridership will continue to increase.

Following the outbreak of the pandemic, DCT experienced issues with driver supply. Like Unitrans, DCT relied heavily on the UC Davis student population for its available driver pool. At the start of the pandemic, DCT lost 3 drivers and continued to lose drivers throughout the audit period, going from 11 FTEs in FY 2019 to 6 FTEs in FY 2021. DCT began paying its drivers "COVID rates," which were comparable to its holiday pay rate as a method of keeping drivers happy. These rates were paid up until summer of 2021. Scheduling of shifts also changed in response to the pandemic's effect on ridership. In an effort to better conserve resources, full shifts were no longer being assigned as there might not have been any requested trips during that time frame. Drivers needed to remain flexible as driver assignments were scheduled each week based on ride requests and were subject to change based on any cancellations. Drivers would provide their schedule constraints and would receive compensation for the time spent completing scheduled rides compared to being paid for an entire shift in which rides may not have been requested.

Personnel

DCT personnel are City of Davis employees under the Parks and Community Services Department. There are three full-time employees: a paratransit supervisor and two paratransit coordinators. At the start of the audit period, there were 16 temporary employees composed of drivers and dispatchers. Immediately upon the start of the pandemic, DCT lost 3 temporary employees and continued to have difficulty with staffing throughout FY 2021.

Prior to the audit period, the majority of DCT's drivers came from Unitrans and had a Class B commercial license. As DCT's fleet began to reach the end of its useful life, the fleet was replaced with Ford E-350 vehicles, which can be operated by drivers with Class C licenses and expanded the pool of available applicants. Job applicants register through the City of Davis NEOGOV online employment portal (<https://www.governmentjobs.com/careers/davis>). Most of the driver staff are in their 20s and generally move on to other opportunities; however, during the audit period, DCT saw a rise in older applicants as the typical available drivers enrolled at UC Davis were no longer on campus.

There are two starting wage scales for drivers. Prior to the audit period in January 2018, the City implemented a wage increase from \$11.00 to \$12.00 for Class C drivers. The starting wage for Class B drivers was \$14.00, which is a bit above the Unitrans starting wage. The wage increases by \$1 for holiday work. In response to the driver shortage experienced due to COVID-19, DCT began to offer "COVID rates," which were similar to holiday pay as a way to entice drivers to stay. These COVID rates were paid to drivers until the summer of 2021.

Maintenance

DCT vehicles are maintained by the City of Davis at the City's corporation yard located at 1818 5th Street. The facility is equipped with three service bays. Vehicles are fueled at the Public Works yard located at 1717 5th Street. The two mechanics on staff prioritize the transit vehicles for service, which are considered in the same category as emergency vehicles. DCT has been at the corporation yard since 2010. Vehicles are parked in the front of the building in a gated perimeter with improved lighting. The City had been working on the installation of an electronic gate as an extra security measure.

Vehicles are brought to the Fleet Services maintenance facility for periodically scheduled preventative maintenance and safety inspections. The preventative maintenance occurs at intervals on an 84-day or 5,000-mile parameter, whichever occurs first. The schedule may vary by five days from month to month to account for bus operating schedules, which are controlled by DCT, but buses are not to exceed 90 days between full service/safety inspections. DCT is notified that a bus requires a safety inspection or preventative maintenance through the monthly Fleet Services Preventative Maintenance Schedule, which is distributed to all citywide vehicle users and generated monthly by Fleet Services.

All mechanic labor and parts required to complete inspections and preventative maintenance work are recorded on a computer-generated hard copy, sequentially numbered job order. All inspection and preventative maintenance procedures are documented on the appropriate inspection documents. Hard copies of the job order, inspection documents and bus preventative maintenance agreement are maintained for the life of the vehicle in individual vehicle files for each bus. The hard copy files are maintained in the Fleet Services shop office. The job order with mechanics labor, parts, and additional notes are also maintained in the city's computer-based Fleet Management history files.

Due to the fleet now being Class C and under 10 passengers, the DCT vehicles no longer require CHP inspection. The Ford E-350 vehicles are equipped with the BraunAbility wheelchair lift. The maintenance for these lifts is outsourced.

DCT expects FY 2023-FY 2024 to be the time frame in which its oldest vehicle will reach its end of useful life. At this time, DCT will begin conversation on the replacement of the current fleet with electric vehicles.

A measure of maintenance performance is the number of recorded incidents that are related to equipment breakdown. Road calls are listed on the monthly and annual performance data reports. Based on the performance data reported for the audit period, DCT had two road calls in FY 2019, one road call in FY 2020, and no road calls in FY 2022.

Planning

The current City of Davis Short Range Transit Plan (SRTP) for FYs 2014-15 to 2020-21 was adopted in September 2014. The SRTP was prepared by SACOG in coordination with the City of Davis and the Associated Students, University of California, Davis/Unitrans. The aim of the SRTP update was to evaluate potential operational efficiencies, including conditional eligibility and alternatives for providing evening trips such as a taxi voucher program. A new SRTP is being developed following the audit period by Unitrans and the City of Davis.

The SRTP is composed of an introduction; planning context; fixed-route service analysis; demand-response service analysis; staffing/marketing; fleet and facilities plan; and financial analysis. A series of operations, marketing, and financial plan recommendations were included for implementation which emphasized scheduling efficiencies, the revision and adoption of performance objectives, standards, and measures, and a closer working relationship with Unitrans to communicate funding needs for DCT.

Other service planning initiatives have included a quarterly oversight meeting with Unitrans, emergency procedures discussions with YoloBus, and feedback from the annual unmet transit needs process held each fall. DCT staff attend the Unitrans Advisory Committee meetings. In FY 2018, the committee meeting schedule was changed from annual to quarterly. The change has helped provide more timely information to the public and better dialogue with community and stakeholders. These meetings are held via Zoom following the initial outbreak of the pandemic.

Marketing

DCT is marketed through various collateral and media developed in-house and maintained by the City. The DCT Rider's Guide provides information about the service including rider eligibility requirements, service area, reservation protocol, fares, and customer and staff expectations. The Rider's Guide is updated annually and is available in Spanish. In addition, information about DCT is featured in the seasonal Davis Recreation Guide.

DCT has a dedicated web page on the City of Davis website (<https://cityofdavis.org/city-hall/parks-and-community-services/davis-community-transit>), which features information on who may use the service, the eligibility process, reservations, pickups and drop-offs, return trips, cancellation and no-show policies, fares, and Title VI information. The web page also has downloadable links to the Rider's Guide in English and Spanish as well as a three-minute video presentation on how to ride DCT. The website was updated during the audit period per DCT's request to City of Davis. The website was updated regularly during the pandemic to keep riders informed on service changes. These service changes were also kept up to date on the voicemail system. Further outreach to the community includes travel training and presentations before senior and disabled advocacy groups. A marketing video was recorded during the audit period by students at UC Davis. DCT plans to follow up to receive the edited version to promote its services. A large number of DCT riders are referred to the service by doctors or family members.

Pursuant to the federal Civil Rights Act of 1964, the City has an adopted Title VI Program in conjunction with Unitrans. 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. During the audit period, the Title VI program was updated in August 2020 following the expiration of the 2017 Title VI Program. There were no significant changes proposed in the update. The City of Davis/Unitrans 2020 Title VI Program & Language Assistance Plan compliance includes a Title VI notice posted on the website, in all transit vehicles, and at the DCT office. DCT and Unitrans have provided this notice in English, Spanish, and Chinese. Complaint forms are available on the website.

General Administration and Management

Davis is a general law city incorporated on March 28, 1917, and functions under a council-manager form of government. The Davis City Council serves as the City's main legislative body and policy board for the transit system with five elected representatives including the mayor and mayor pro tempore. City councilmembers are elected at-large for a four-year term (two members at one election and three members at the following election). After each council election, the councilmember receiving the highest number of votes in the previous election is appointed to serve as mayor. The City Council adopts a legislative calendar by resolution on an annual basis. "Regular Meeting" dates may be cancelled, or "On Call" meeting dates may be changed to a "Regular Meeting" upon the request of the City Council. "Special Meeting" dates may be scheduled on an as-needed basis. The City Council meets in the Community Chambers at the Davis City Hall located at 23 Russell Boulevard.

DCT's ADA complementary paratransit service is provided by City of Davis staff under the direction of the City's Parks and Community Services Department. Management of the paratransit program is conducted out of a shared office facility at the City's corporation yard. Performance data are reported to the City Council on a quarterly and annual basis. The full-time staff have a long tenure with the City. DCT is overseen by a paratransit supervisor with over 30

years of experience with the City, who is assisted by two paratransit coordinators. A senior community services supervisor located at City Hall helps advocate on behalf of DCT and enhances intercity communications.

Pursuant to the TDA, the City receives Local Transportation Fund (LTF) proceeds and State Transportation Assistance funds for public transit, which are divided among services provided within the City including YoloBus, Unitrans, and DCT. Based on annual financial audit data, LTF revenues received by the City during the audit period were \$2,683,221 in FY 2019; \$2,809,286 in FY 2020; and \$3,730,334 in FY 2021. According to the TDA claims, DCT receives LTF as a provider under Article 4.5, and of the total claimed by the City, DCT received \$632,283 in FY 2019; \$642,318 in FY 2020; and \$669,260 in FY 2021.

Grants Administration

Grant management for Unitrans/DCT is administered by Unitrans in coordination with the City of Davis Finance Department and DCT staff. The Memorandum of Understanding between Unitrans and the City specifies for Unitrans to administer transit grant funding while the City provides the paratransit service. DCT does not receive federal funding and has relied on State grant programs to fund capital purchases. DCT did not receive any CARES funding that the City of Davis was given as the needs of YoloBus and Unitrans were considered more critical. For the City's paratransit program, other than the TDA, grant funds have been through the Proposition 1B Public Transportation Modernization, Improvement & Service Enhancement Account (PTMISEA) program. The City was awarded \$42,000 in FY 2019 from the PTMISEA program for the purchase of a paratransit vehicle.

Section VI

Findings

The following summarizes the findings obtained from this triennial audit covering fiscal years 2019 through 2021. A set of recommendations is then provided.

Triennial Audit Findings

1. Of the compliance requirements pertaining to DCT, the operator fully complied with seven of eight requirements. DCT was in partial compliance with the timely submittal of its annual fiscal and compliance audits to SACOG and the State Controller within 180 days following the end of the fiscal year (December 27) or receive the appropriate 90-day extension by the RTPA allowed by law. As of to date, the FY 2021 annual fiscal and compliance audit has not been submitted. Three additional compliance requirements did not apply to DCT (i.e., rural/urban farebox recovery ratios and use of federal funding).
2. Pursuant to the TDA, SACOG has established a consolidated 20 percent farebox ratio for Unitrans and DCT in the City of Davis for TDA eligibility. As a stand-alone service, DCT is subject to a 10 percent farebox recovery ratio. For the three-year audit period, the farebox recovery ratio was 5.45 percent in FY 2019; 4.21 percent in FY 2020; and 1.70 percent in FY 2021. Under ADA law, DCT's fare structure is indexed to Unitrans's fares in which the DCT fare cannot be more than twice the Unitrans one-way fare. With a relatively low Unitrans one-way fare, DCT is constrained in how much fare revenue can be collected, which impacts its farebox ratio. Additionally, the dramatic drop in ridership because of the pandemic affected farebox ratio, which is evident based on the FY 2021 ratio. While DCT on its own did not attain the 10 percent farebox ratio standard, when combined with Unitrans under SACOG policy, it does exceed the 20 percent farebox ratio requirement for Davis.
3. The City of Davis 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. During the audit period, DCT's fleet were all reclassified as Class C vehicles with less than 10 passengers and as such will no longer require CHP inspections.
4. The operating budget initially decreased in the first year of the audit period before increasing modestly for the remaining two years. There was a decrease of 0.9 percent in FY 2019 followed by a 13.9 percent increase in FY 2020 and a 1.5 percent increase in FY 2021. Increases are attributed to higher employee wages with two new coordinator positions added as well as paying "COVID rates" to drivers, which were similar to holiday pay in an effort to retain as well as recruit drivers.

5. DCT fully implemented two of the three prior audit recommendations. The three recommendations pertained to the adoption of a policy for the management and retention of onboard video and audio; conducting an updated passenger survey to receive feedback for service improvements; and consideration of using a scheduling and dispatch software. The recommendation pertaining to software was taken into consideration by DCT but deemed unnecessary with the current scope of DCT services and costs.
6. Operating costs increased by 6.2 percent using audited data from the FY 2018 base year to FY 2021. On an average annual basis, costs increased 2.3 percent, with the highest increase of 12.4 percent occurring in FY 2019. Operating costs largely fluctuated based on employee count and wages. While DCT suffered from labor shortage, those retained were paid higher wages to help retain staff, which increased overall wages.
7. Ridership decreased 59.2 percent from 18,197 trips during the FY 2018 base year to 7,420 trips during FY 2021. On an average annual basis, ridership decreased 24.2 percent, with the highest decrease of 42.6 percent occurring in FY 2021 and the lowest decrease of 4 percent occurring in FY 2019. The decrease seen in ridership can be attributed to the COVID-19 pandemic.
8. The provision of vehicle service hours and miles both exhibited substantial decreases from the FY 2018 base year to FY 2021. Vehicle service hours decreased 49 percent and vehicle service miles decreased 56.6 percent. These decreases can be attributed to the effects of the COVID-19 pandemic on service. For comparison, vehicle service hours fell 0.1 percent and vehicle service hours fell 8.3 percent in FY 2019 while hours fell 37.6 percent and miles fell 37.7 percent in FY 2021.
9. Operating cost per passenger, an indicator of cost effectiveness, increased 160.5 percent from \$35.39 during the FY 2018 base year to \$92.21 during FY 2021. This trend reflects the dramatic drop in ridership experienced throughout the audit period due to the pandemic while operating costs remained steady with 6.2 percent growth.
10. Operating cost per hour, an indicator of cost efficiency, increased 108.2 percent from \$118.35 during the FY 2018 base year to \$246.39 during FY 2021. This trend also reflects the dramatic drop in ridership experienced throughout the audit period due to the pandemic, which in turn affected service hours as a demand service, while operating costs remained steady with 6.2 percent growth.
11. DCT hit a milestone during the audit period, celebrating its 50th anniversary of services. The service anniversary was recognized by the City Council with an official proclamation.
12. DCT works closely with Unitrans to assist in operational aspects outside the available scope of DCT. Unitrans assists in relaying information on grant funds available to DCT as well as grant reporting. Unitrans has also assisted in marketing efforts and has been a resource in

providing drivers from its respective pool of UC Davis undergraduates. In August 2018, DCT implemented a fare increase to mirror the increase implemented by Unitrans.

13. Dispatching is conducted manually without computer-aided technology. Manifests are generated on an Excel spreadsheet. Drivers use two-way radios and City-issued mobile phones for confidential communication. Each vehicle has an atlas of the service area.
14. DCT conducted passenger surveys to receive valuable feedback from their riders on various changes made to service and to promote service improvements. The survey results were largely positive and reflected DCT's importance to its community of riders.
15. DCT met with City Council to submit an informational report on the use of its surveillance system and request that City Council hold a public hearing for use of the security cameras installed on the DCT paratransit vehicles. The information provided to City Council presented an explanation of the current system in place, its proposed purpose, and impacts on civil liberties, as well as fiscal costs of its operation. The use of these surveillance technologies was approved.
16. DCT personnel are City of Davis employees under the Parks and Community Services Department. There are three full-time employees: a paratransit supervisor and two paratransit coordinators. In addition, there are four part-time employees composed of drivers and dispatchers.
17. As DCT's fleet began to reach the end of its useful life, the fleet was replaced with Ford E-350 vehicles, which can be operated by drivers with Class C licenses and expanded the pool of available applicants. There are two starting wage scales for drivers either possessing a Class B or Class C license.
18. DCT vehicles are maintained by the City of Davis at the City's corporation yard located at 1818 5th Street. The facility is equipped with three service bays. Vehicles are fueled at the Public Works yard located at 1717 5th Street. The two mechanics on staff prioritize the transit vehicles for service, which are considered in the same category as emergency vehicles.

Recommendations

1. Consider replacing aging fleet with electric vehicles. (High Priority)

It is expected that the time frame for the next vehicle in DCT's fleet to reach its useful end of life will be FY 2023-24. As other transit providers in the surrounding areas, including Unitrans, look to transition their fleets to electric, DCT could use this next audit period to review its options for electric vehicles. The City of Davis has submitted applications to Valley Clean Energy for grant funds to put toward charging infrastructure in Davis. Unitrans has also received grant funding to begin replacing its fleet with electric vehicles. It is recommended that DCT explore these potential grant opportunities to begin replacing its fleet once vehicles begin to reach end of useful life. DCT could look to Unitrans for guidance on grant opportunities given the interdependent relationship between the two agencies.

2. Review staff scheduling procedures to improve employee retention. (High Priority)

Prior to the pandemic, non-full-time employees were given weekly schedules independent of scheduled rides. As a result of the decreased demand during the pandemic, shifts were revised to match scheduled rides, which required flexibility from drivers to be able to fulfill service needs as they came up. This change was made to better match City resources with demand, i.e., not scheduling drivers and dispatchers at times of no requested service.

While the changes made to driver and dispatcher scheduling was an appropriate response to reduce costs during a time of low ridership, requiring that level of flexibility from its part time employees may hinder DCT's ability to recruit and retain employees going forward. A 2022 APTA Transit Workforce Shortage study found that one of the largest factors leading to transit workers departing was related to scheduling. With a prospective pool largely tied to the UC Davis student population, DCT should consider alternative scheduling methods that would better attract and retain employees whose schedule flexibility is limited. Potential options could include rotating shifts such as on weekends as well as having more consistent weekly schedules in which employees can plan around. More predictable scheduling could aid in reducing retention issues, keeping within the part time labor limits, and reducing resources spent on training staff that do not stay with DCT longer term.