

C O U N C I L C O M M U N I C A I . O N

TO : THE CITY COUNCIL
FROM: THE CITY MANAGER'S OFFICE

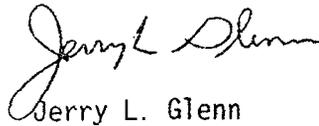
COUNCIL MEETING DATE
JULY 19, 1989

SUBJECT: PERFORMANCE AUDIT OF THE LODI TRANSIT SYSTEM

PREPARED BY: Assistant City Manager

RECOMMENDED ACTION: That the Council receive for filing the Performance
Audit of the Lodi Transit System for the years
1985-86 through 1987-88.

Respectfully submitted,



Jerry L. Glenn
Assistant City Manager

JLG: br

Attachment

COUNC598

JUL 05 '89

JKaplan & Associates

City Manager's Office

Transportation Studies and Analysis

Performance Audit of the Lodi Transit System

**Prepared for the
San Joaquin County Council of Governments**

**Prepared in association with
JLM Consulting**

June 1989

Interlana Executive Park

• 2775 Mitchell Drive, Suite 117 •
(415) 932-4524 • FAX (415) 945-7900

Walnut Creek, CA 94598

I. INTRODUCTION

A. BACKGROUND

This report presents the **findings** and recommendations of the 1989 performance audit of the City of Lodi Dial-a-Ride system. This system provides demand-responsive service to the elderly and handicapped and to the general public in the City of Lodi, and also to Woodbridge and the Arbor Mobile Home Park in the unincorporated area of San Joaquin County.

A TDA requirement that is in **effect** for this year requires each transit operator to participate in the California Highway Patrol "pull notice" program. A certification from the CHP showing that the operator is in compliance with the requirement must be submitted with the operator's TDA claim. The City of Lodi has obtained this certification. The City of Lodi is **also prepared** to meet the new regulations applicable to general **public paratransit vehicles**, including having the **vehicles** inspected by the CHP and undertaking an intensive **training course** for the drivers.

The system is administered by the City of Lodi with the service provided through a contract with a private City cab company, which **operates** the city-owned vehicles. The fleet consists of 5 full-size station wagons and two minivans. All vehicles are maintained by the city, and the contractor purchases fuel from the city. Fares are \$0.50 for elderly and handicapped and \$1.00 for the general public.

The dial-a-ride service operates on a **scrip** basis. The city sells rickets to users. The contractor submits the used **tickets** to the city, which pays the contractor \$2.75 for each fare inside Lodi, and \$3.25 for **mps** to Woodbridge and Acampo (unincorporated areas in the County). The contractor bears all labor costs for the service but the city has been paying for insurance since **FY** 1986/87. The County of San Joaquin **prints** 2nd sells **tickets** to county area residents and reimburse: the City of Lodi for the cost of all **mps** outside the city limits (to/from Acampo and Woodbridge). Service is available Monday through Friday from 7 A.M. to 7 P.M., and Saturdays from 9 A.M. to 5 P.M.

B. THE AUDIT

The audit was sponsored by the San Joaquin County Council of Governments (SJCCOG), in accordance with its responsibilities under Section 6664.5 of the California Administrative Code. The methods employed in this analysis were in accordance with the pre-audit guidelines defined in the Transit Performance Audit Guidebook prepared by the California Department of Transportation.

The two **major** purposes of the performance audit are:

1. To conduct an independent, objective evaluation of the efficiency and effectiveness of the public transit service provided by the City of Lodi.
2. To **provide** management and **policy** makers **with** constructive and practical recommendations for transit service improvements.

The performance audit is designed to serve as a **high** level management letter that **addresses** significant factors that **impact** the City of Lodi's ability to provide efficient and effective transit **service**. The letter is designed to **highlight areas** of good performance and to point out areas requiring improvement.

The **research** effort for the audit focussed **primarily** on the five TDA-required performance indicators and several additional ones, for the period covering Fiscal Years 1985/86 through 1987/88. These performance indicators were calculated and analyzed to assess historical trends in service. **As appropriate**, other significant areas of system performance were analyzed **during** the course of the audit. Data on the Lodi Did-a-Ride service were obtained from the **City of Lodi** and from the SJCCOG. During interviews with City of Lodi staff, significant issues relating to system performance were discussed.

Table I-1 presents a summary of recommendations for the Lodi Dial-a-Ride. Chapter II contains the performance indicator analysis. The five **TDA-required** indicators as well as a number of other performance-related indicators are shown for the three-year audit period. Chapter III presents the audit team's evaluation of the City of Lodi's performance during the three-year audit period, and provides specific recommendations to improve the productivity of the service. In addition, it reviews the City of Lodi's responses to recommendations from

the last performance audit prepared by Deloitte, Haskins & Sells.

Table I-1
SUMMARY OF RECOMMENDATIONS

Recommendation	Responsibility	Implementation Period
1. Report complaints by type and frequency, quarterly or annually.	City of Lodi	Within 6 months
2. Report accidents and roadcalls on a quarterly basis .	City of Lodi	Within 6 months
3. Institute wheelchair accessible service using a lift-equipped van .	City of Lodi	As soon as practical

II. PERFORMANCE INDICATOR ANALYSIS

A. TDA PERFORMANCE INDICATORS

TDA regulations require that transit systems which are recipient of TDA funding report five performance indicators for each mode of operation (PUC Code 99246). One function of the triennial performance audit is to verify the five performance indicators. The indicators are shown on Table II-1, for the period covering Fiscal Years 1985/86 through 1987/88.

Table II-1
TRANSPORTATION DEVELOPMENT ACT
REQUIRED SYSTEMWIDE PERFORMANCE INDICATORS

City of Lodi			
	FY 1985-86	FY 1986-87	FY 1987-88
Total Operating Cost Per Passenger	53.26	\$3.46	\$3.42
Total Operating Cost Per Vehicle Service Hour	\$25.80	\$22.90	\$21.77
Total Passengers Per Vehicle Service Mile	0.7	0.5	0.6
Total Passengers Per Vehicle Service Hour	7.9	0.6	6.4
Vehicle Service Hours Per Employee	1292	1,412	1,488

Source: From State Controllers Report, Financial Audits, Operator Records, and SJCCOG Records

B. TRANSIT INDICATOR ANALYSIS

In addition to the *required* indicators, we have calculated some additional indicators that are frequently used in the transit industry. These indicators measure trends in the efficiency and effectiveness of the City of Lodi's transit operation.

Efficiency is the relationship between cost or resource usage and the level of service provided. Major costs or resources include operator labor, maintenance labor, vehicle parts, and fuel.

Effectiveness is concerned with consumed output of the system's operations, measured

in terms of:

- o accessibility of area residents to the system
- o degree to which the service is **used**, and
- o degree to which the transit system meets community transit needs and goals.

The base operating and financial statistics for the City of Lodi's operations over the audit period are provided in Tables II-2 and II-3. **These** statistics outline the size and scope of the transit system. Performance indicators that show the efficiency of the City of Lodi's operations are shown in Table II-4. Effectiveness indicators are presented in Table II-5.

1. Efficiency Indicators

Table II-4 shows the efficiency indicators for the City of Lodi.

Both the **operating** cost per vehicle service hour and per vehicle service mile decreased (15.6% and 16.7%, respectively) Over the **audit period**, due to better utilization of labor and **dispatching**. This is an excellent trend; the City of Lodi should be commended for keeping operating costs reasonable. In other words, hours of **service being supplier: increased** at a higher rate **than** the **cost** to provide the service, **due** to increased productivity.

Actual operating expenditures as a percentage of budgeted operating expenditures show significant variations. In FY 1986/87 actual operating expenditures exceeded the budgeted expenses by **24.6%**. However, this is explained by the substantial increase in insurance costs experienced by the system **between** FY 1985/86 and FY 1986/87. Moreover, actual expenditures for FY 1987/88 were below the budget figure by close to 8%. This indicates that the budgeting process is reasonable.

2. Effectiveness Indicators

Several effectiveness indicators *are* identified on Table II-5. The farebox recovery ratio remained high throughout the audit period, with an average value greater than 18%.

As a result of increased insurance costs, operating expenses went up 11% between FY

1985/86 and FY 1987/88, while ridership only increased by 6%. Operating cost per passenger for the three year period increased from \$3.26 to \$3.42, or only 4.9% over the three year period, well below the comparable CPI (Consumer Price Index) for the same period.

Between FY 1985/86 and FY 1987/88, the average fare per passenger held fairly steady at about \$0.60, pointing to the larger amount of elderly and handicapped residents using the service. (It is estimated that 90% of the system users are seniors).

Service utilization, measured in passengers per vehicle service mile and per vehicle service hour, decreased over the audit period. This reflects the increased use of the service by residents living outside the city limits of Lodi. Travel times and distances are longer for the County residents, impacting overall system productivity.

**TABLE II-2
CITY OF LODI**

	FY 1985-86	FY 1986-87	FY 1987-88
Total Passengers:	71,599	74,771	75,840
Vehicles:	6	6	6
Revenue Vehicle Miles:	107,971	136,490'	144,175
Revenue Vehicle Hours:	9,042	11,299	11,905
Fulltime Employee Equivalent:	varies	varies	varies

TABLE II-3
CITY OF LODI

Base Statistics - Financial

	FY 1985-86	FY 1986-87	FY 1987-88
REVENUES			
Operating Revenues			
Passenger Fares	\$44,405	\$46,467	\$48,250
Special Transit Fares	\$0	\$0	\$0
Total Farebox Revenues	\$44,405	\$46,467	\$48,250
Non-Operating Revenues			
UMTA Section 9 and 18	\$0	\$0	\$0
TDA Funding	\$40,000	\$197,435	\$202,129
State Transit Assistance	\$161,909	\$20,724	\$566
Other (local funding, etc.)	\$271	\$220	\$2,192
Total Non-Operating Revenue	\$202,180	\$218,379	\$204,887
TOTAL REVENUE	\$246,585	\$264,846	\$253,137
EXPENSES			
Operating Expenses	\$233,336	\$258,723	\$259,185
Depreciation	\$0	\$0	\$0
Total Operating Expenses & Depreciation	\$233,336	\$258,723	\$259,185
Budgeted Operating Expenses	N/A	\$207,563	\$280,371

Source: State Controller's Reports, SJCCOG Records, Operator Records

**TABLE II-4
CITY OF LODI**

Performance Indicators - Efficiency

	FY 85-86	FY 86-87	FY 87-88	Percent Annual Change			Service Standard
				FY 86 to FY 87	FY 87 to FY 88	FY 86 to FY 88*	
Cost of Service Supplied							
Total Operating Cost per Vehicle Service Hour	\$25.80	\$22.90	\$21.77	-11.2%	-4.9%	- 5.6%	None
Total Operating Cost per Vehicle Service Mile	\$2.16	\$1.90	\$1.80	-12.0%	-5.3%	- 6.7%	None
Actual Expenditures as % of Budgeted Expenditures	N/A	124.6%	92.4%			-	None
Labor Productivity							
Revenue Vehicle Hours per Full Time Employee	1,292	1,412	1,488				

*2 year comparison

TABLE II-5
CITY OF LODI

Performance Indicators - Effectiveness

	FY 85-86	FY 86-87	FY 87-88	Percent Annual Change			Service Standard
				FY 86 to FY 87	FY 87 to FY 88	FY 86 to FY 88*	
Cost Per Unit of Services Consumed							
Farebox Recovery Ratio	19.0%	18.0%	18.6%	-5.3%	3.3%	-2.1%	10%
Operating Cost per Passenger	\$3.26	\$3.46	\$3.42	6.1%	-1.2%	4.9%	None
Average Fare per Passenger	\$0.65	\$0.64	\$0.64	-1.5%	0.0%	-1.5%	None
Service Utilization							
Passengers per Vehicle Service Mile	0.7	0.5	0.6	-24.3%	13.2%	-14.3%	None
Passengers per Vehicle Service Hour	7.9	6.6	6.4	-16.5%	-3.0%	-19.0%	None
Service Reliability							
Accidents per Mile	N/A	N/A	N/A	-	-	-	None
Roadcalls per Mile	N/A	N/A	N/A	-	-	-	None
Average Complaints per Passenger	N/A	N/A	N/A	-	-	-	None

Note: Total Operating expense does not include depreciation.

*2 year comparison

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JKaplan & Associates

III. FINDINGS AND RECOMMENDATIONS/TDA COMPLIANCE

A. FINDINGS

The City of Lodi is providing effective **dial-a-ride** service to residents in the community of Lodi and to Woodbridge and the Arbor Mobile Home **Park**. It is maintaining and operating its vehicles in a very efficient manner.

The **farebox** recovery ratio has remained steady throughout the audit **period**. Costs per service mile and service hour have actually **decreased** slightly, indicating an improvement in system productivity during the audit **period**.

Regarding the system performance for response times, the City no longer maintains a spreadsheet **model**, which was **found to be too time-consuming**. Instead, a full-day sampling of response time **records is performed once a month**. The contractor provides complete records regarding response-time performance for every trip taken in the system.

It was found that the City currently does not operate lift equipped vehicles. This results in substandard service to wheelchair-bound passengers, **who have to be transferred** from their wheelchairs to a seat in the van or station wagon. The wheelchairs **are stored** in the back of the vehicle. This **exposes the users and the operators** to potential **safety** hazards. In addition, handicapped users of larger non-collapsible wheelchairs are virtually precluded from using the service. The City is now in the **process of acquiring** a lift-equipped vehicle.

B. RECOMMENDATIONS

1. Report Complaints by Type and Frequency.

Currently, all complaints are handled directly over the telephone by City of Lodi staff, but no records are kept. We recommend that the City **keep a log of complaints** and produce a quarterly or yearly tabulation of complaints by type (e.g., late **pick-up**, problem with driver, problem with wheelchair, uncomfortable ride, etc.) and frequency. This will help focus management's efforts in improving the service. Any complaints received by the cab company are informally provided to the City. These should be incorporated into the recommended log.

2. Report Accidents and Roadcalls on a Quarterly Basis

Currently, information on accidents and roadcalls is kept as part of the maintenance records but **there is** no reporting as to frequency of occurrences. A log should be kept in the city maintenance department to record accidents and roadcalls as they happen. The city should report accidents and roadcalls on a quarterly basis. **Any** negative trends in either indicator will alert the transit administration that potential problems exist. Remedial actions such as increased driver training and/or more frequent preventive maintenance may be called for.

3. Institute Wheelchair-Accessible Service

As mentioned in Section B, the City of Lodi does not operate any wheelchair-accessible transit vehicles. To meet the needs of wheelchair-bound users, the audit team recommends *that* the City acquire a lift-equipped vehicle as soon as practical. The vehicle and lift should be able to accommodate non-collapsible wheelchairs without danger to the users or operators.

C. TDA COMPLIANCE

State regulations require that transit systems respond to and/or implement the recommendations made by prior performance audits.

As a result of the recommendations of the previous performance audit, the City of Lodi has adopted procedures for evaluating results of the Unmet Needs hearing, prior to implementing service or policy changes. As evidenced by the documents provided to the auditors by the City of Lodi and SJCCOG, the City should be commended for having made a concerted effort to analyze and evaluate all potential unmet transit needs for the Lodi area.

CITY COUNCIL

JOHN K. (Candy) SNIDER, Mayor

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Mayor Pro Tempore

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July 26, 1989

Mr. Peter VerDoorn
Executive Director
San Joaquin Council of Governments
1860 E. Hazelton
Stockton, CA 95201

Dear Mr. VerDoorn:

Please be advised that the Lodi City Council at its meeting of July 19, 1989 received for filing the Performance Audit of the Lodi Transit System as prepared by J. Kaplan and Associates.

Should you have any questions regarding this matter, please do not hesitate to call this office.

Very truly yours, .



Alice M. Reimche
City Clerk

AMR/jmr