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Agenda

Audit Committee Meeting

Committee Members: Josh Powell (Chair), Jeff Gee, Ray Mueller

September 4, 2024, 1:00 pm

San Mateo County Transit District

Bacciocco Auditorium, 2nd Floor
1250 San Carlos Ave., San Carlos, CA

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Each public comment is limited to two minutes or less. The Board and Committee Chairs have the discretion to manage the Public Comment process in a manner that achieves the purpose of public communication and assures the orderly conduct of the meeting.

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Wednesday, September 4, 2024

1:00 pm

1. Call to Order

Note: All items appearing on the agenda are subject to action by the Board. Staff recommendations are subject to change by the Board.

2. Roll Call

3. Public Comment

Comments by each individual speaker shall be limited to two (2) minutes. Items raised that require a response will be deferred for staff reply.

4. Approval of Minutes of Audit Committee Meeting of December 19, 2023 Motion

5. Transportation Development Act SamTrans Triennial Performance Audit Informational
Report for Fiscal Years 2021 through 2023

6. Adjourn

Information for the Public

If you have questions on the agenda, please contact the District Secretary at 650-551-6108. Agendas are available on the SamTrans website at: <https://www.samtrans.com/meetings>. Communications to the Board of Directors can be emailed to board@samtrans.com.

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Date and Time of Board and Citizens Advisory Committee Meetings

San Mateo County Transit District Committees and Board: First Wednesday of the month, 2:00 pm;
SamTrans Citizens Advisory Committee (CAC): Last Wednesday of the month, 6:30 pm. Date, time and location of meetings may be changed as necessary. Meeting schedules for the Board and CAC are available on the website.

Location of Meeting

This meeting will be held in-person at: San Mateo County Transit District, Bacciocco Auditorium, 2nd Floor, 1250 San Carlos Avenue, San Carlos, CA. Members of the public may attend in-person or participate remotely via Zoom as per the information provided at the top of the agenda.

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Public Comment

Members of the public may participate remotely or in person. Public comments may be submitted by comment card in person and given to the District Secretary. Prior to the meeting's call to order, public comments may be submitted to publiccomment@samtrans.com prior to the meeting's call to order so that they can be sent to the Board as soon as possible, while those received during or after an agenda item is heard will be included into the Board's weekly correspondence and posted online at: <https://www.samtrans.com/meetings>.

Public comments will also be accepted during the meeting through Zoom or the teleconference number listed above. Public comments on individual agenda items are limited to two minutes and one per person PER AGENDA ITEM. Each online commenter will be automatically notified when they are unmuted to speak. The Board Chair shall have the discretion to manage the Public Comment process in a manner that achieves the purpose of public communication and assures the orderly conduct of the meeting.

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Availability of Public Records

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**San Mateo County Transit District (District)
1250 San Carlos Avenue, San Carlos, California**

Minutes of Audit Committee Meeting

December 19, 2023

Members Present: J. Gee (Chair), R. Mueller (arrived at 3:49 pm), J. Powell
(Via Teleconference)

Members Absent: None

Other Board

Members Present: None

Staff Present: A. Chan, K. Jordan Steiner, A. To, D. Olmeda, J. Cassman, S. van Hoften,
J. Brook, M. Tseng

1. Call to Order

Committee Chair Jeff Gee called the meeting to order at 3:47 pm.

2. Roll Call

Deputy District Secretary Margaret Tseng confirmed that a quorum of the Committee was present.

3. Public Comment

There were no comments.

4. Approval of Minutes of the Audit Committee Meeting of October 26, 2022

Motion/Second: Powell/Gee

Ayes: Gee, Powell

Noes: None

Absent: Mueller

5. Acceptance of Annual Comprehensive Financial Report for the Fiscal Year Ended June 30, 2023

Kate Jordan Steiner, Chief Financial Officer, introduced the auditors who prepared the Annual Comprehensive Financial Report (ACFR): Ahmad Gharaibeh and Joe Escobar, Partners, Eide Bailly LLP.

Committee Member Ray Mueller arrived at 3:49 pm.

Mr. Escobar provided the presentation, which included an assessment of SamTrans' long-term fiscal health, the audit scope and results, and the auditor's opinions and communications.

Committee Member Ray Mueller noted regarding the required supplementary information regarding OPEB (other post-employment benefits) liability, that the auditor is not expressing an opinion or providing an assurance on the information because the limited procedures are not provided with sufficient evidence to express an opinion or provide any assurance. He asked if that is the standard for governmental agencies or if a different practice is applied, depending on the agency. Mr. Gharaibeh said that the audit contains estimates for a ten-year period ending in 2023. He explained that since his firm was not the auditor for that entire period, the audit standard says that they do not need to opine on all ten years and noted that the current year's estimates for OPEB and pension are fairly stated. Committee Member Mueller asked if there was a standard practice that was applied in that instance. Mr. Gharaibeh said all of the past ten years received a clean opinion and the net pension liability is estimated based on life expectancy.

Committee Chair Gee stated that the report noted that the net pension liability increased by \$60 million over a year. Mr. Gharaibeh confirmed that but said a few years ago, the net pension liability decreased substantially due to the Dow Jones impact on the investments with CalPERS (California Public Employees Retirement System). He explained that the number is not fixed but moves based on investment performance, which is a common occurrence for government agencies in the state of California.

Committee Chair Gee said SamTrans receives grant funds from many different grantors, and asked if the audit reviewed each grant to ensure the District is in compliance or if all the grants are reviewed in aggregate. Mr. Gharaibeh said the audit has two components to it: (1) the grants are accounted for separately and appropriately reported on the financial statements, and (2) the District is required to request an audit of a selection of the grants, which includes federal grants and some state grants.

Director Gee asked how many grants the District has. Ms. Jordan Steiner responded that she would follow up with that information.

Mr. Escobar added that the auditing team looked at the financial statements of a sample of grants in terms of materiality. He said regarding compliance audits, they are outside of the current scope of materiality.

Committee Chair Gee asked how the District checks that they are in full compliance with each grantor. April Chan, General Manager/CEO, said a major grantor for the District is the FTA, which conducts a separate audit of SamTrans every three years. She said this triennial audit ensures that the District has complied with all the federal regulations and FTA requirements so that the District can continue receiving FTA grants. She said another major grant source is the Transportation Development Act (TDA) funds and that MTC (Metropolitan Transportation Commission) conducts a triennial audit.

Committee Chair Gee asked if the Audit Committee reviews these triennial audits. Joan Cassman, Legal Counsel, said it is reasonable to expand the scope of the Audit Committee to include review of these triennial reports. Committee Chair Gee concurred there should be transparency for the Board, and Committee Members Josh Powell and Mueller agreed.

Ms. Chan said she and Ms. Jordan Steiner would confer about adding the reports to the Audit Committee's purview in the near future.

Committee Member Mueller noted that for Fiscal Year (FY) 2023, on page 9 of the report, it shows a summary of major capital expenditures adding up to approximately \$12 million but said the total amount appears to be missing. He noted that on the following page, there is a reference to "the \$188 million Capital Budget," and asked what the jump is from FY 2023 to FY 2024. Ms. Chan said capital budgets are not at similar levels year over year, and budgeted amounts are dependent on the capital needs and can be cyclical. She said the \$188 million resulted from the need to replace 108 buses and perform some major facility work. Mr. Gharaibeh said page 9 speaks to the amount expended in FY 2023, while page 10 speaks to upcoming budgets as to what the capital projects will be for FY 2024 and later. Committee Member Mueller asked if the \$12 million included all capital projects or just the major projects. Mr. Gharaibeh said that was the amount that was expended in FY 2023. Committee Member Mueller asked if, for FY 2024, it was the \$188 million plus what has been added since June 2023, which Mr. Gharaibeh confirmed. He said he did not know if the entire \$188 million would be expended in FY 2024 or would be expended later, but they would check that in preparing the ACFR for FY 2024.

Committee Chair Gee asked if SamTrans had a capital reserve policy, and Ms. Chan said they only had an informal policy. Committee Chair Gee said he supported the District having a formal policy, and Ms. Chan concurred. She also noted that staff is investigating upgrading their financial systems, which are over ten years old.

The Committee voted to accept the FY 2023 Annual Comprehensive Annual Financial Report.

Motion/Second: Mueller/Powell

Ayes: Gee, Mueller, Powell

Noes: None

Absent: None

6. Independent Auditor's Comments/Notes

There were no additional comments.

7. Adjourn

The meeting adjourned at 4:18 pm.

An audio/video recording of this meeting is available online at <https://www.samtrans.com/about-samtrans/video-board-directors-cac>. Questions may be referred to the District Secretary's office by phone at 650-551-6108 or by email to board@samtrans.com.

**San Mateo County Transit District
Staff Report**

To: Audit Committee
Through: April Chan, General Manager/CEO
From: Kate Jordan Steiner, Chief Financial Officer
Subject: **Transportation Development Act SamTrans Triennial Performance
Audit Report for Fiscal Years 2021 through 2023**

Action

Staff has attached the SamTrans Transportation Development Act (TDA) Triennial Performance Audit Report for Fiscal Years 2021 through 2023 to present to the Committee for information purposes only. No policy action is required.

Significance

In California, a performance audit must be conducted every three years of any transit operator receiving Transportation Development Act (TDA) Article 4 funds, to determine whether the operator is in compliance with certain statutory and regulatory requirements, and to assess the efficiency and effectiveness of the operator's services. The two service modes operated by SamTrans, bus and paratransit, were the focus of the Fiscal Years 2021-2023 performance audit. The performance audit covers Fiscal Years 2021, 2022, and 2023 (July 1, 2020 through June 30, 2023).

The performance audit was conducted for the Metropolitan Transportation Commission (MTC), and is a systematic review to determine the extent to which a transit operator has complied with pertinent laws, and regulations and conducted operations in an efficient and economical manner. Relative to system compliance testing, all findings are reported regardless of materiality.

The Triennial Performance Audit includes five elements:

- Compliance requirements
- Prior recommendations
- Analysis of program data reporting
- Performance
- Functional review

Test of Compliance

SamTrans is in compliance with each of the seven sections of the state public utility code (PUC) that were reviewed as part of the performance audit.

Status of Prior Recommendations

There were no recommendations made in SamTrans' prior performance audit.

Functional Performance Indicator Trends

A detailed set of systemwide and modal (bus service) functional area performance indicators was defined and reviewed.

Recommendations

Based on the results of the triennial performance audit, no recommendations were suggested by the auditor.

Budget Impact

There is no budget impact.

Prepared By:	Jeannie Chen	Manager, Budgets	650-508-6259
	Ladi Millard-Olmeda	Director, Budgets and Financial Analysis	650-508-7755

Triennial Performance Audit

of the

San Mateo County Transit District (SamTrans)

Fiscal Years 2020/21, 2021/22 and 2022/23

FINAL AUDIT REPORT

prepared for the



by



June 2024

NOTE:

*All exhibits in this report are presented at the end of the
associated discussion in each section.*

EXECUTIVE SUMMARY

This executive summary highlights the findings from the performance audit of San Mateo County Transit District (SamTrans). In California, a performance audit must be conducted every three years of any transit operator receiving Transportation Development Act (TDA) Article 4 funds, to determine whether the operator is in compliance with certain statutory and regulatory requirements, and to assess the efficiency and effectiveness of the operator's services. The two service modes operated by SamTrans, bus and paratransit, are the focus of this performance audit. The audit period is Fiscal Years 2021 through 2023 (from July 1, 2020 through June 30, 2023).

Performance Audit and Report Organization

The performance audit was conducted for MTC in accordance with its established procedures for performance audits. The final audit report consists of these sections:

- An assessment of data collection and reporting procedures;
- A review of performance trends in TDA-mandated indicators and component costs;
- A review of compliance with selected PUC requirements;
- An evaluation of SamTrans's actions to implement the recommendations from the last performance audit;
- An evaluation of functional performance indicator trends; and
- Findings, conclusions, and recommendations to further improve SamTrans's performance based on the results of the previous sections.

Comments received from SamTrans and MTC staff regarding the draft report have been incorporated into this final report. Highlights of the key activities are presented in this executive summary.

Results and Conclusions

Review of TDA Data Collection and Reporting Methods - The purpose of this review is to determine if SamTrans is compliant with the TDA requirements for data collection and reporting. The review is limited to the five data items needed to calculate the TDA-mandated performance indicators. This review has determined that SamTrans is compliant with the data collection and reporting requirements for all five TDA statistics. In addition, the statistics collected over the six-year review period appear to be consistent with the TDA definitions. Bus service hours and miles decreased in the first year but exhibited opposing trends in the second and the third year of the audit period. In the second-year bus service hours decreased but miles increased. In the third-year bus service hours increased but the miles decreased. Paratransit service levels for hours and miles trended consistently during the audit period.

Performance Indicators and Trends – SamTrans’s bus service performance trends for the five TDA-mandated indicators were analyzed. A six-year analysis period was used for all the indicators. In addition, component operating costs were analyzed.

- Bus Service – The following is a brief summary of the TDA performance trend highlights over the six-year period of FY2018 through FY2023:
 - There was an average annual increase in the operating cost per hour of 12.2 percent in actual dollars compared to 8.2 percent in FY2018 constant dollars. The average annual CPI during this period was 3.7 percent. The wage increases granted during this audit, as presented in Exhibit 1 System Overview, resulted in an increase in total

operating costs as well as unit costs per service hour.

- The cost per passenger increased by 13.6 percent in actual dollars and 9.6 percent in constant dollars over six years.
- The passengers per hour and mile declined over the six years, substantially declined in FY2020 and FY2021, and rebounded in FY2022 and FY2023.
- Employee productivity decreased an average of 6.3 percent per year, from 1,187 to 855 vehicle hours per FTE.

The following is a summary of the component operating costs trend highlights for the bus service between FY2018 through FY2023:

- The annual average rate of increase was 5.7 and 8.9 percent for labor costs vs fringe benefit costs, respectively. These two categories combined accounted for slightly over 58.4 percent of total bus operating costs in FY2023.
- Services costs increased by 6.7 percent on average per year and comprised between about 13.8 to 15.7 percent of total operating costs.
- Casualty/liability costs experienced the largest annual increase of 32.9 percent of all component categories in this audit. Most of the increase was in the last audit year of FY 2023.
- Paratransit – The following is a brief summary of the TDA performance trend highlights over the six-year period of FY2018 through FY2023:
 - Cost efficiency decreased, with an average annual increase in the operating cost per hour of 12.0 percent. This amounted to an average annual increase of 8.0 percent in inflation adjusted dollars.
 - Cost effectiveness was similarly impacted, with the operating cost per passenger increasing an average of 16.7 percent per year, or 12.5 percent annually when expressed as normalized FY2018 dollars.

- Passenger productivity, passengers per hour and passengers per mile, declined annually by 4.0 and 2.9 percent, respectively.

The following is a summary of the component operating costs trend highlights for paratransit between FY2018 through FY2023:

- Though labor and fringe benefits costs increased annually by 4.2 and 6.3 percent respectively, these two component categories combined accounted for 16.3 percent of the total paratransit costs in FY2023.
- Purchased transportation costs represented the largest portion of total paratransit operating costs, at about 68.4 percent in FY2023. Purchased transportation costs increased by 3.7 percent per year on average, the increase in FY2023 was 25.6 percent.

Compliance with Statutory Requirements – SamTrans is in compliance with the sections of the state PUC that were reviewed as part of this performance audit. The sections reviewed included requirements concerning CHP safety inspections, labor contracts, reduced fares, Welfare-to-Work, revenue sharing, and evaluation of passenger needs.

Status of Prior Audit Recommendations – There were no recommendations made in SamTrans’s prior performance audit.

Functional Performance Indicator Trends - To further assess SamTrans’s performance over the past three years, a detailed set of systemwide and modal (bus service) functional area performance indicators was defined and reviewed.

- Systemwide – The following is a brief summary of the systemwide functional trend highlights between FY2021 and FY2023:
 - The share of administrative cost to total operating cost remained about the same over this audit period, with a 7.9 percent decrease in

the intervening year of FY2022. Administrative cost per vehicle service hour increased 34 percent between FY2021 and FY2023.

- Marketing costs remained steady in the first two years compared to total administrative costs but increased in the last audit year. Marketing cost per passenger trip increased almost 22 percent overall.
- The systemwide farebox recovery ratio increased over 54 percent during the first two years of the audit period and remained at the same level of 5.8 percent in the last year.
- Bus Service – The following is a brief summary of the bus service functional trend highlights between FY2021 and FY2023:
 - Service Planning results showed operating cost per passenger mile decreased 42.2 percent from FY2021 and FY2023. Vehicle service miles and vehicle service hours compared total miles and hours varied less than 5 percent from FY2021 to FY2023. Farebox recovery increased 55.0 percent, from four percent in FY2021 to 6.3 percent in FY2022, and remained at that level in FY2023.
 - In Operations, vehicle operations costs per service hour increased 42.8 percent, while the vehicle operations cost as a percentage of total operating cost was almost unchanged overall. Operator absence rates decreased for both scheduled and unscheduled absences. On time performance declined 11.7 percent over the audit period. There was a 52.8 percent reduction in complaints per 100,000 unlinked passenger trips. The incidence of missed trips was 1.2 percent of total trips in FY2022 but was one-tenth of one percent in FY2023.
 - Maintenance results indicate that overall maintenance costs as a percentage of total costs decreased 7.2 percent, vehicle maintenance costs per service mile fluctuated but ended up 7.2 percent. Mechanic pay hours declined 48.5 percent compared to service hours. Maintenance employee scheduled and unscheduled absence rates increased by 24.8 percent and 14.3 percent respectively over the audit period. The spare ratio increased overall by 8.4 percent during the audit period. Mean distance between major and all failures

improved by 36.1 and 12.5 percent respectively during this audit period.

- The safety area showed an increased rate of preventable accidents. There were significant increases in the casualty/liability cost rates, 53.9 percent per vehicle service hour and 39.9 percent per vehicle service mile during the audit period.
- Paratransit Service – The following is a brief summary of the paratransit service functional trend highlights between FY2021 and FY2023:
 - Service Planning results showed the operating cost per passenger mile declined substantially, by 41.5 percent, between FY2021 and FY2023. The portion of vehicle miles and hours in service varied in a narrow range, of 85.6 to 88 percent for miles, and 83.1 to 89.8 percent for hours. Farebox recovery ratio improved from 1.6 to 2.5 percent, from FY2021 to FY2022, and remained at that level in FY2023.
 - Operations results indicate that vehicle operations costs per service hour increased 2.8 percent and by 6.1 percent compared to total operating cost during this audit period. On-time performance declined by 6.6 percent. Complaints per 10,000 passenger trips increased from 3.2 to 4.8. There were no ADA trip denials and no missed trips overall. The trip cancellations rate improved by 20.3 percent. Both the late cancellation rate and no-shows rate also improved.
 - Total maintenance costs declined compared to total operating costs by 13.8 percent and compared to vehicle service miles by 24.9 percent from FY2021 to FY2023. The spare vehicle ratio also decreased by 12.3 percent during the audit period. There was an improvement in the mean distance between major and all failures from the beginning to the end of the audit period, of 18.6 and 6.2 percent, respectively.
 - Safety results showed that the preventable accident rate went up in the second year but dropped in the last year of the audit. The casualty and liability costs increased per vehicle service hour but remained stable per vehicle service mile over the audit period.

Recommendations

No recommendations are suggested for SamTrans based on the results of this triennial performance audit.

It is noted here that many cost efficiency, cost effectiveness and functional indicators fluctuated by wide margins compared to their past trends. Such as, cost per vehicle service hour for motorbus increased over 12 percent per year from \$184.47 in FY 2018 to \$327.81 in FY2023, at a rate over 3 times the annual rate of change for the Bay Area CPI. Another example is a 13.6 percent per year increase in operating cost per passenger from \$10.51 in FY2018 to \$19.94 in FY2023, peaking at \$29.44 in FY2021. In the past TDA Audits, such increases in efficiency, effectiveness and functional indicators most likely resulted in one or more recommendations for follow-up investigations and development of corrective actions.

It is recognized here that during this audit period policy, planning and operational decisions were made under unusual conditions of local, regional, and national health pandemic. SamTrans, like other transit agencies in the Bay Area, faced issues related to employee availability and retention; deployment of vehicles based on declining demand due to remote working; forced reduction in acceptable vehicle occupancy due to social distancing guidelines. For these reasons, no recommendations are made to reexamine the past performance. Experience in FY2023 indicates that ridership, service levels and functional performance are improving. These trends will be examined again in the future TDA Audits.

Table of Contents

	<u>Page No.</u>
Executive Summary	i
Performance Audit and Report Organization	i
Results and Conclusions	ii
Recommendations.....	vii
I. Introduction	1
Performance Audit and Report Organization	2
II. Review of TDA Data Collection and Reporting Methods	10
Compliance with Requirements.....	11
Consistency of the Reported Statistics.....	11
III. TDA Performance Indicators and Trends	18
Bus Service Performance Trends.....	19
Bus Service Component Costs.....	27
Paratransit Performance Trends	31
Paratransit Component Costs	37
IV. Compliance with PUC Requirements.....	41
V. Status of Prior Audit Recommendations.....	45
VI. Functional Performance Indicator Trends	46
Systemwide.....	47
Bus Service	50
Paratransit	56
VII. Conclusions and Recommendations.....	61
Recommendations.....	66
Appendix A: Input Statistics for Functional Performance Measures	A-1
Functional Performance Inputs - Systemwide (All Modes)	A-2
Functional Performance Inputs – Bus Service.....	A-3
Functional Performance Inputs – Paratransit.....	A-4

List of Exhibits

Page No.

Exhibit 1: System Overview	3
Exhibit 2 : Organization Chart.....	9
Exhibit 3.1: Compliance with TDA Data Collection and Reporting Requirements.....	13
Exhibit 3.2: TDA Statistics – Bus Service.....	16
Exhibit 3.3: TDA Statistics – Paratransit.....	17
Exhibit 4: TDA Indicator Performance - Bus Service	22
Exhibit 4.1: Operating Cost per Vehicle Service Hour - Bus Service	23
Exhibit 4.2: Passengers per Hour and per Mile – Bus Service	24
Exhibit 4.3: Operating Cost per Passenger – Bus Service.....	25
Exhibit 4.4: Vehicle Service Hours per FTE – Bus Service	26
Exhibit 4.5: Component Cost Trends – Bus Service	29
Exhibit 4.6: Distribution of Component Costs – Bus Service	30
Exhibit 5: TDA Indicator Performance – Paratransit	33
Exhibit 5.1: Operating Cost per Vehicle Service Hour – Paratransit	34
Exhibit 5.2: Passengers per Hour and per Mile – Paratransit	35
Exhibit 5.3: Operating Cost per Passenger – Paratransit	36
Exhibit 5.4: Component Costs Trends – Paratransit.....	39
Exhibit 5.5: Distribution of Component Costs – Paratransit	40
Exhibit 6: Compliance with State PUC Requirements	42
Exhibit 7: Functional Performance Trends – Systemwide	49
Exhibit 8: Functional Performance Trends – Bus Service.....	54
Exhibit 9: Functional Performance Trends – Paratransit.....	59

I. INTRODUCTION

Public Utilities Code (PUC) Section 99246 requires that a performance audit be conducted every three years of each public transit operator in California. The audit requirement pertains to recipients of Transportation Development Act (TDA) funds and is intended to assure that the funds are being used efficiently. The substance and process of the performance audit is defined by the Regional Transportation Planning Agency (RTPA).

In the San Francisco Bay Area, the Metropolitan Transportation Commission (MTC) has been designated the RTPA and has this responsibility. By statute, the audit must be conducted in accordance with the U.S. Comptroller General's "Standards for Audit of Governmental Organizations, Programs, Activities, and Functions" (the "yellow book"). The performance audit is a systematic review to determine the extent to which a transit operator has complied with pertinent laws and regulations and conducted operations in an efficient and economical manner. Relative to system compliance testing, all findings are reported regardless of materiality.

This report has been prepared as part of the performance audit of the San Mateo County Transit District (SamTrans). The two modes operated by SamTrans, bus and paratransit, are the focus of this performance audit. The audit period is Fiscal Years 2021 through 2023 (from July 1, 2020 through June 30, 2023).

An overview of SamTrans is provided in Exhibit 1. This is followed by the recent organization chart in Exhibit 2 which reflects the basic organizational structure during the audit period.

Performance Audit and Report Organization

This performance audit of SamTrans was conducted for MTC in accordance with its established procedures for performance audits. The audit consisted of two discrete steps:

1. Compliance Audit - Activities in this phase include:
 - An overview of data collection and reporting procedures for the five TDA performance indicators;
 - Analysis of the TDA indicators; and
 - A review of compliance with selected state Public Utilities Code (PUC) requirements.

2. Functional Review - Activities in this phase include:
 - A review of actions to implement the recommendations from the prior performance audit;
 - Calculation and evaluation of functional performance indicator trends; and
 - Findings, conclusions, and the formulation of recommendations.

This final report presents the findings from both phases, Compliance Audit and Functional Review. Comments received from Sam Trans and MTC staff regarding the Compliance Audit Report were incorporated into this final report.

Exhibit 1: System Overview

Locations	1250 San Carlos Avenue, San Carlos, CA 94070-1306
Establishment	The San Mateo County Transit District (SamTrans) was created by voter referendum in 1974 and established in 1976 as a consolidation of 11 different local city bus systems in the county.
Board	The SamTrans nine-member Board of Directors consists of two members of the County Board of Supervisors; a transportation expert from the general public selected by the Board of Supervisors; three elected city officials (one from each judicial district in the county), and three additional members of the general public selected by the other six Board members. By legislation, one general public member must be from the Coastside of the county, while the other two must represent geographically diverse portions of the county.
Facilities	The SamTrans administrative offices are located in San Carlos, CA. Fixed-route maintenance and operations facilities are located in San Carlos (South Base) and South San Francisco (North Base). The central base of paratransit operations is located at the Brewster Depot in Redwood City. SamTrans operates six Park and Ride facilities within the county, and one underground parking garage at Sequoia Station in Redwood City.
Service Data	<p>SamTrans provides fixed-route bus service throughout San Mateo County and into San Francisco and Palo Alto. Service consists of more than 70 routes, including one express route between San Francisco and Foster City, and connecting services to BART stations, Caltrain rail stations and San Francisco International Airport.</p> <p>Service is provided seven days a week. The majority of the service is operated on weekdays between 6:00 a.m. and 7:30 p.m. SamTrans contracts with MV Transportation, Inc. to provide a portion of its fixed-route service, along with several Coastside and shuttle services. The remainder of the system is directly operated by SamTrans.</p> <p>The base fare is \$2.25 for local trips and \$4.50 for express route trips. Reduced youth fares are available for children ages 5-18 at \$1.10 per local trip, and two children (four years old or younger) per fare-paying adult ride for free. Seniors (age 65 and older), customers with disabilities and Medicare cardholders pay \$1.10 for local trips. SamTrans also offers discounted unlimited ride monthly transit passes and day passes and accepts inter-agency transfers in the form of transit passes from several connecting systems. SamTrans introduced free transfers on Clipper and the SamTrans Mobile App in January 2020. Passengers who pay a one-way fare using</p>

Clipper Card receive a ten percent discount. Approved ADA paratransit cardholders, as well as their personal care attendants, ride fixed-route service free at all times.

SamTrans has two Americans with Disabilities paratransit services, Redi-Wheels and RediCoast. Redi-Wheels is operated under contract (currently with TransDev, Inc.), and serves the Bayside of San Mateo County east of Highway 280, as well as the towns of Woodside and Portola Valley. RediCoast is also operated under contract (with MV Transportation, Inc.), and serves the Coastside communities. Paratransit services operate seven days a week from 12:30 a.m. to 12:29 a.m. Phone reservations can be made up to seven days in advance. The one-way fare is \$4.25 and \$1.75 for Lifeline participants.

SamTrans also is involved in several programs that support regional transportation efforts. These programs are not directly included in this audit:

- Managing agency of the San Mateo County Transportation Authority;
- Managing agency of the Peninsula Corridor Joint Powers Board (Caltrain);
- Managing agency of the San Mateo County Express Lanes Joint Powers Authority (SMCEL-JPA);
- Sponsor of employee shuttles between BART/Caltrain stations and employment sites;
- Operation and technical assistance provider for community shuttles sponsored by the City/County Association of Governments of San Mateo County; and
- Voting member of the Dumbarton Bridge Service Consortium, which provides bus service from Union City BART to Palo Alto.

Recent Changes

SamTrans completed a systemwide comprehensive operational analysis called Reimagine SamTrans in March 2022 and began implementation of fixed route service changes in summer 2022. SamTrans continues to strive to implement the new bus network redesign in full, which will represent an expansion of bus service delivery compared to 2019. This network includes expanded service hours, increased frequency, new routes to additional destinations, as well as implementation of a microtransit service called SamTrans Ride Plus. Ride Plus is an on-demand service available in two zones in San Mateo County and was launched in June 2023. Ride Plus is a brand-new service offering easy, affordable transportation for riders in Half Moon Bay, El Granada, East Palo Alto, and the Belle Haven neighborhood of Menlo Park. The service was provided with a free-fare introductory period. One can book online, use the mobile app 24/7 or reserve a trip with a phone call any time between 6:00 a.m. to 10:00 p.m.

This new on-demand, curb-to-curb public transit is available any day of the week for travel within the two respective bounded service areas including for connections to SamTrans services with two-hour free transfers.

- For East Palo Alto and Belle Haven, service is available between 6:00 a.m. and 10:00 p.m.
- For the service area of Half Moon Bay, rides are available between 8:00 a.m. and 5:00 p.m.

Once the introductory free-fare period expires during FY 2024, riders will pay a fixed route local or eligible discount fare.

Capital projects include replacing (135) 2009 clean-diesel buses that have reached or are reaching the end of their useful life, purchasing ten 40-foot battery-electric buses to replace ten 40-foot diesel buses, purchasing seven additional zero emission buses to expand the existing fleet, purchasing closed-circuit television and facility security systems, intelligent transportation systems network improvements, and North and South Base facility lighting improvements to reduce energy consumption.

SamTrans continues to advance projects recommended in the 2021 SamTrans Adaptation and Resilience Plan to ensure resiliency of SamTrans facilities in the context of climate change (sea level rise and high heat) impacts in San Mateo County.

El Camino Real SamTrans completed an El Camino Real Bus Speed and Reliability Study in 2022 which was adopted by the SamTrans Board of Directors. The Study conducted an analysis of the impact of traffic congestion on El Camino Real on SamTrans bus speed and reliability and recommended operational, infrastructure, and programmatic treatments and investments that will enhance the speed and reliability of service on SamTrans Route ECR.

SamTrans is undertaking several long-term planning initiatives aimed at improving the quality of life in the San Mateo County by ensuring an integrated approach to land use and transportation planning:

- San Mateo County Transit District Strategic Plan – The District Strategic Plan project launched in mid-2023 and will include development of an updated District Strategic Plan to guide organizational mission, vision, goals, and priorities for a 10-year period covering 2025-35. The Project will also include development of updated revenue forecasts, operational funding allocations and a 10-year capital improvement plan (CIP) aligned with the Strategic Plan

- SamTrans Bus Stop Improvement Plan – The Plan launched in 2022 and includes existing conditions documentation of the state of each SamTrans bus stop, public outreach, and development of updated bus stop design guidelines. The Plan will also recommend improvements to amenities to improve the customer experience at SamTrans bus stops. The plan is expected to be completed in early 2024.
- SamTrans has started to invest in zero-emission bus technology to advance California’s climate change and energy policy goals. In FY2022, SamTrans purchased 37 battery electric buses (BEB’s) and 10 fuel cell electric buses (FCEBs). Per the California Air Resource Board’s (CARB) Innovative Clean Transit (ICT) regulation, SamTrans submitted its initial ICT Rollout Plan in May 2021, and was approved by CARB. An updated ICT Plan is scheduled for mid FY 2024, that will include the addition of FCEBs and the elimination of diesel-powered bus purchases. The plan reflects the District’s commitment to accelerate compliance with the State’s regulation by replacing its entire fleet with zero-emission technology and providing zero emission transportation in advance of the State’s 2040 deadline. This plan may evolve with changes in technology, funding, and manufacturing opportunities, and as the District continues to learn how best to implement, operate, and maintain a new zero-emission fleet.

Wage Increases

Admin/Non-Representative

- All staff not in ATU or Teamsters/IBT

FY2022

- GWI – 3% 06/20/2021
- Lump Sum Payment October 2021 - \$2500
- GWI – 1% 01/30/2022
- Lump Sum Payment February 2022 - \$1000

FY2023

- GWI – 3.5% 06/19/2022
- Lump Sum Payment July 2022 - \$1000

ATU

- Operators (majority of represented employees); Mechanics A, B and C (next largest group to Bus Operators); Utility Workers; Storekeepers; and Customer Service Representatives 1 and 2

FY2022

- GWI – 4% 01/30/2022
- Lump Sum Payment February 2022 - \$3500

FY2023

- GWI – 3.5% 06/19/2022
- Lump Sum Payment February 2023 - \$1000

Teamsters/IBT

- Bus Contract Inspectors; Bus Transportation Supervisors; Dispatchers; Facilities Technicians; Maintenance Supervisors; Radio Controllers; Transit Instructors; and Utility Maintenance Supervisor

FY2022

- GWI – 3% - 09/26/2021
- Lump Sum Payment October 2021 - \$2500

- GWI – 1% 0 01/30/2022
- Lump Sum Payment February 2022 - \$1000

FY2023

- GWI – 3.5% 09/25/2022
- Lump Sum Payment October 2022 - \$1000

**Bus Physical
Modifications**

Upgraded filtration system for the bus. The entire fixed-route bus fleet climate control system filtration has been upgraded to MERV-7 filters.

Custom Plexiglass shield to separate the operator from passengers, that was developed and installed in-house was removed and stored for future use at the end of the pandemic (2021-2022). Mounting hardware for the shields remain affixed to each bus for easy reinstallation, if needed.

Use of spray foggers to clean vehicles daily. Full-bus disinfecting, using spray foggers with hospital grade disinfectants, continues three times per week.

**Service
Modification**

Post pandemic, service adjustments were made commencing in January 2021 and continued with every runbook throughout 2023 to restore services based on ridership review. Currently SamTrans is operating 82.19% of pre-COVID revenue hours.

Encouraging the use of contactless payment methods (Clipper and mobile app) on board. (Cash still accepted).

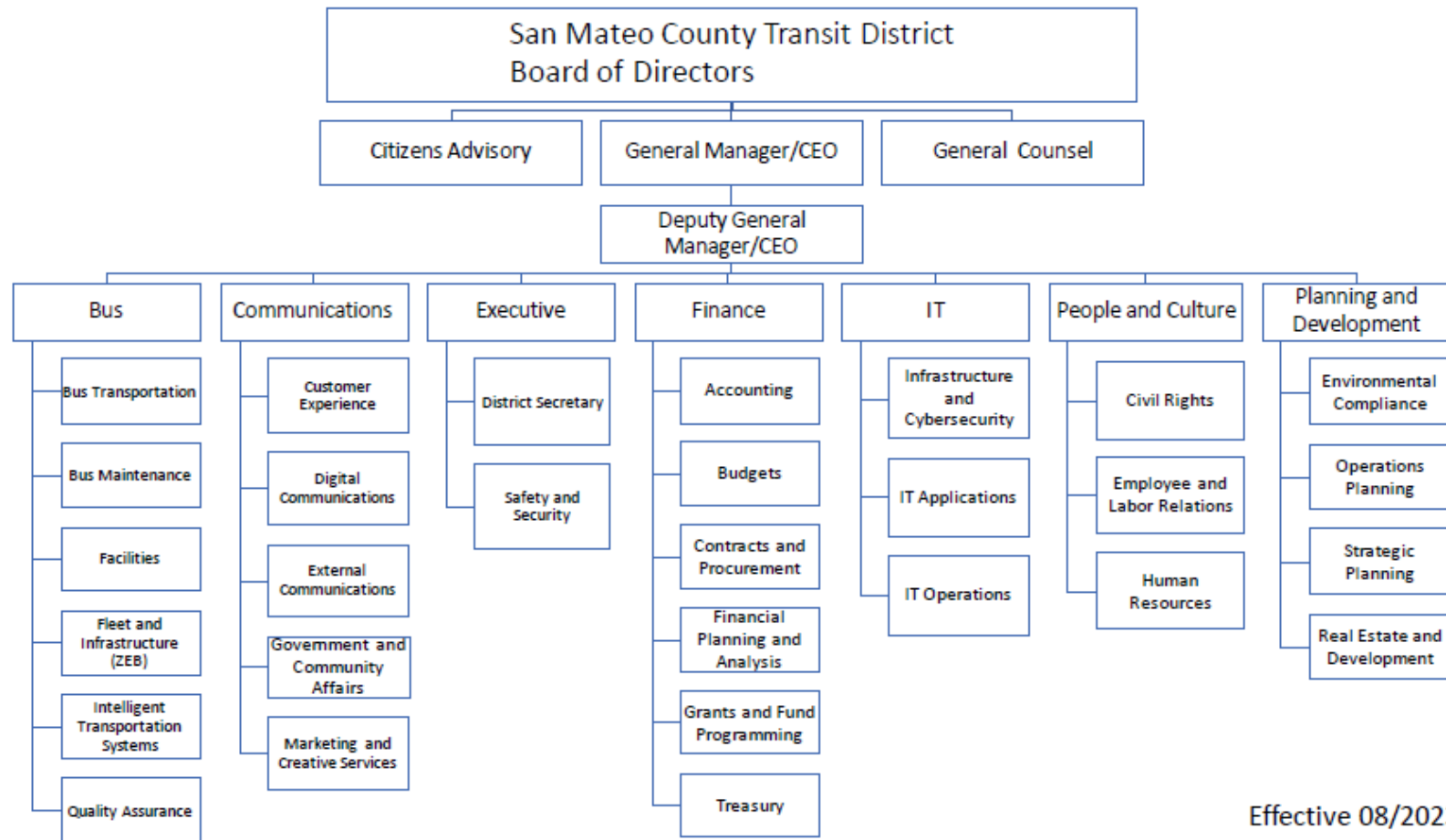
Planned Changes SamTrans is currently in the process of implementing the recommended service adjustments and increases approved in Reimagine SamTrans. Further service enhancements are anticipated to be implemented in 2024 and will be evaluated to ensure they are responsive to changing travel patterns.

Staff The District was organized into eight divisions with 945 employees. In fiscal year 2023, SamTrans has 692 full time equivalents (FTEs) as shown below:

Administration	55
Executive Office	4
Finance	56
Communications	27
Planning and Development	17
Bus	528
Rail	5
TOTAL	<u>692</u>

Included in the Bus Division are approximately 323 full-time bus operators and 90 support workers (mechanics, utility workers, and storekeeper).

Exhibit 2: Organization Chart



Effective 08/2023

II. REVIEW OF TDA DATA COLLECTION AND REPORTING METHODS

This section focuses on the five performance indicators required by TDA law. These indicators have been defined by the state PUC to evaluate the transit operator's efficiency, effectiveness, and economy. The purpose of this review is to determine if SamTrans is in compliance with the data collection and reporting requirements necessary to calculate the TDA performance indicators. The review is limited to the data items needed to calculate the indicators:

- Operating costs
- Vehicle service hours
- Vehicle service miles
- Unlinked passengers
- Employees (full-time equivalents)

The TDA indicator analysis is based on these operating and financial statistics in the National Transit Database (NTD) reports submitted annually to the Federal Transit Administration (FTA). The information reported by SamTrans covering the audit period has been reviewed. SamTrans' NTD reports include its bus and paratransit services. However, consistent with FTA reporting requirements, SamTrans does not submit employee hour information for purchased transportation service to the NTD.

Compliance with Requirements

To support this review, SamTrans staff confirmed that the data collection and reporting procedures remain mostly unchanged from those described in the prior performance audit.

Based on the information provided, as shown in Exhibit 3.1, SamTrans is in compliance with the data collection and reporting requirements for all five TDA statistics.

Consistency of the Reported Statistics

The resulting TDA statistics for Sam Trans's transit services are presented as follows:

- Bus Service: Motor Bus Directly Operated (MB DO) and Motor Bus Purchased Transportation (MB PT) in Exhibit 3.2, and
- Paratransit: Demand Response Purchased Transportation (DR PT) and Demand Response Taxi (DR TX) in Exhibit 3.3.

Included are statistics covering each fiscal year of the three-year audit period, plus the immediately preceding three fiscal years, resulting in a six-year trend. The statistics collected over the current audit period appear to be consistent with the TDA definitions. Service hours for bus decreased in the first two years of this audit period and then increased slightly in the last year. Bus service miles fluctuated from year to year, decreased in the first and the last year, but increased in the second year. Though the opposing trends were not significant, bus service hours decreased, and miles increased in the second year. In the third-year bus service hours increased but miles decreased. Paratransit service hours and miles decreased and increased consistently during the three

years. Both bus and paratransit experienced a significant decrease in unlinked passengers through FY2021 and increases in the following two years of this audit period. Both bus and paratransit operating costs increased in the last year of the audit, bus more so than paratransit. This is due to the wage increases approved by Sam Trans and presented in Exhibit 1.

Exhibit 3.1: Compliance with TDA Data Collection and Reporting Requirements

TDA Statistic	TDA Definition	Compliance Finding	Verification Information
Operating Cost	<p>“Operating cost” means all costs in the operating expense object classes exclusive of the costs in the depreciation and amortization expense object class of the uniform system of accounts and records adopted by the Controller pursuant to Section 99243. Also excluded are all subsidies for commuter rail services operated on railroad lines under the jurisdiction of the Federal Railroad Administration, all direct costs for providing charter services, all vehicle lease costs, and principal and interest payments on capital projects funded with certificates of participation.</p>	In Compliance	<ul style="list-style-type: none"> • Defined as costs incurred in order to conduct business, excluding expenses related to financing and other non-district related subsidies. • Captured on accrual basis and monitored by cost center managers; monthly report prepared for key personnel. • NTD reporting guidelines followed; directly operated services reported by object class within several broad categories; contracted services reported in aggregate by each contractor. • Annual totals audited by external auditors.
Vehicle Service Hours	<p>“Vehicle service hours” means the total number of hours that each transit vehicle is in revenue service, including layover time.</p>	In Compliance	<ul style="list-style-type: none"> • Directly operated hours based on total scheduled service hours generated by run-cutting software; missed trips subtracted and special additional service added for actual total. • Based on schedule information from Operations Planning (reporting number of days per month and type of service operated each day) and exceptions per operators’ day cards. • Similar approach by operating contractors.

TDA Statistic	TDA Definition	Compliance Finding	Verification Information
Vehicle Service Miles	“Vehicle service miles” means the total number of miles that each transit vehicle is in revenue service.	In Compliance	<ul style="list-style-type: none"> • Directly operated miles based on total scheduled miles generated by run-cutting software; missed trips subtracted and special additional service added for actual total. • Based on schedule information from Operations Planning (reporting number of days per month and type of service operated each day) and exceptions per operators’ day cards. • Similar approach by operating contractors.
Unlinked Passengers	“Unlinked passengers” means the number of boarding passengers, whether revenue producing or not, carried by the public transportation system.	In Compliance	<ul style="list-style-type: none"> • Ridership data entered by bus operators directly into ACS (Advanced Communication System) database. • Operating contractors use similar methods. • Bus operators count passengers using MDT (Mobile Data Terminal located near the farebox). • Counts by fare category. • Ridership collected and reported daily by ACS. • Radio Control prepares report for missed data. • Detailed and summary passenger count reports generated by ACS are periodically reviewed by Service Planning staff. • Clipper data received from MTC is allocated across the system based on operator reported usage on MDT.

TDA Statistic	TDA Definition	Compliance Finding	Verification Information
Employee Full-Time Equivalents	2,000 person-hours of work in one year constitute one employee.	In Compliance	<ul style="list-style-type: none"> • District follows NTD rules for reporting employee work hours. • Based on actual number of full and part-time employees. • Actual work hours also reported by function; bus operator hours gathered bi-weekly, conforming to the pay period.

Exhibit 3.2: TDA Statistics – Bus Service

TDA Statistic	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023
Operating Cost (Actual \$)	\$120,476,488	\$136,313,712	\$145,417,294	\$132,750,304	\$135,299,674	\$170,811,253
<i>Annual Change</i>	- -	13.1%	6.7%	-8.7%	1.9%	26.2%
Vehicle Service Hours	653,107	669,457	659,640	575,225	516,030	521,069
<i>Annual Change</i>	- -	2.5%	-1.5%	-12.8%	-10.3%	1.0%
Vehicle Service Miles	6,787,803	7,009,966	6,891,457	5,866,691	6,068,298	5,844,688
<i>Annual Change</i>	- -	3.3%	-1.7%	-14.9%	3.4%	-3.7%
Unlinked Passengers	11,457,737	10,997,736	8,953,687	4,508,903	6,954,249	8,568,085
<i>Annual Change</i>	- -	-4.0%	-18.6%	-49.6%	54.2%	23.2%
Employee Full-Time Equivalent	550.1	583.0	593.8	551.8	577.8	609.1
<i>Annual Change</i>	- -	6.0%	1.9%	-7.1%	4.7%	5.4%

Sources: FY2018-FY2020 Prior Audit Reports
FY2021-FY2023 NTD Reports

Exhibit 3.3: TDA Statistics – Paratransit

TDA Statistic	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023
Operating Cost (Actual \$)	\$17,718,245	\$18,410,711	\$16,846,205	\$15,691,178	\$17,648,920	\$21,588,881
<i>Annual Change</i>	- -	3.9%	-8.5%	-6.9%	12.5%	22.3%
Vehicle Service Hours	187,636	176,864	140,423	91,477	111,960	130,770
<i>Annual Change</i>	- -	-5.7%	-20.6%	-34.9%	22.4%	16.8%
Vehicle Service Miles	2,959,214	2,780,055	2,154,811	1,229,443	1,624,180	1,949,010
<i>Annual Change</i>	- -	-6.1%	-22.5%	-42.9%	32.1%	20.0%
Unlinked Passengers	362,251	344,596	273,568	123,297	173,825	205,760
<i>Annual Change</i>	- -	-4.9%	-20.6%	-54.9%	41.0%	18.4%
Employee Full-Time Equivalent	(a)	(a)	(a)	(a)	(a)	(a)
<i>Annual Change</i>	- -	- -	- -	- -	- -	- -

Sources: FY2018-FY2020 Prior Audit Reports
 FY2021-FY2023 NTD Reports
 (a) Contracted service - FTEs not applicable

III. TDA PERFORMANCE INDICATORS AND TRENDS

The performance trends for SamTrans' bus and paratransit service modes are presented in this section. Performance is discussed for each of the five TDA-mandated performance indicators:

- operating cost per vehicle service hour
- passengers per vehicle service hour
- passengers per vehicle service mile
- operating cost per passenger
- vehicle service hours per full-time equivalent employee (FTE)

The performance results in these indicators were primarily developed from the information in the NTD reports filed with the FTA for the three years of the audit period. SamTrans' NTD reports were the source of all operating and financial statistics.

In addition to presenting performance for the three years of the audit period (FY2021 through FY2023), this analysis features two enhancements:

- Six-Year Time Period – While the performance audit focuses on the three fiscal years of the audit period, six-year trend lines have been constructed for SamTrans' service to provide a longer perspective on performance and to clearly present the direction and magnitude of the performance trends. In this analysis, the FY2021 to FY2023 trend lines have been combined with those from the prior audit period (FY2018 through FY2020) to define a six-year period of performance.
- Normalized Cost Indicators for Inflation – Two financial performance indicators (cost per hour and cost per passenger) are presented in both constant and current dollars to illustrate the impact of inflation in the Bay Area. The inflation adjustment relies on the All-Urban Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) for the San

Francisco Metropolitan Area. The average CPI-W percent change for each fiscal year has been calculated based on the bi-monthly results reported on the U.S. Department of Labor – Bureau of Labor Statistics website. The CPI-W is used since labor is the largest component of operating cost in transit. Since labor costs are typically controlled through labor contracts, changes in normalized costs largely reflect those factors that are within the day-to-day control of the transit system.

The following discussion is organized to present an overview of SamTrans' performance trends in each of the five TDA performance indicators. The discussion is organized by service mode -- bus service is discussed first, followed by paratransit. The analysis is also expanded to include a breakdown of the various component costs that contributed to the total and hourly operating costs during the last six years.

Bus Service Performance Trends

This section provides an overview of the performance of SamTrans' bus service over the past six years. The trends in the TDA indicators and input statistics are presented in Exhibit 4. The six-year trends are illustrated in Exhibits 4.1 through 4.4.

- Operating Cost Per Vehicle Service Hour (Exhibit 4.1)
 - An indicator of cost efficiency, the cost per hour of bus service increased an average of 12.2 percent annually during the six-year review period.
 - The cost per hour ranged from \$184.47 in FY2018 to \$327.81 in FY2023. Operating cost per hour increased each year, much more so in FY2023, 25.0 percent, compared to other years. The wage increases granted during this audit, as presented in Exhibit 1 System Overview, resulted in an increase in total operating costs as well as unit costs per service hour.
 - In FY2018 constant dollars, cost per hour increased at an annual average of 8.2 percent, compared to the annual change in CPI of 3.7 percent.

- Passengers per Vehicle Service Hour (Exhibit 4.2)
 - An indicator of passenger productivity, passengers per hour decreased an average of 1.3 percent annually during the six-year period.
 - Ridership declined in each year from FY2019 to FY2021, but rebounded substantially in FY2022, and continued an upward trend in FY2023.

- Passengers per Vehicle Service Mile (Exhibit 4.2)
 - Similar to passengers per hour, passengers per mile decreased overall, by 2.8 percent annually on average.
 - Performance in passengers per mile was essentially identical as that of passengers per hour, decline between FY2019 to FY2021, and an upward trend in FY2022 and FY2023.

- Operating Cost per Passenger (Exhibit 4.3)
 - A measure of cost effectiveness, the cost per passenger increased from \$10.51 in FY2018 to \$19.94 in FY2023.
 - A substantial decrease in ridership in FY2021, 49.6 percent, resulted in an 81.3 percent increase in the cost per passenger for the year.
 - Overall, cost per passenger increased an average of 13.6 percent annually. With the impact of inflation removed from the cost side (normalization), cost per passenger exhibited an average annual increase of 9.6 percent per year, compared to the annual CPI increase of 3.7 percent.

- Vehicle Service Hours per Employee (FTE) (Exhibit 4.4)
 - A measure of employee productivity, this indicator decreased by an average of 6.3 percent per year over the six years.
 - Hours per FTE decreased every year from 1187 in FY2018 to 855 in FY2023.

* * * * *

The following is a summary of the bus service TDA performance trend highlight over the six-year period of FY2018 through FY2023:

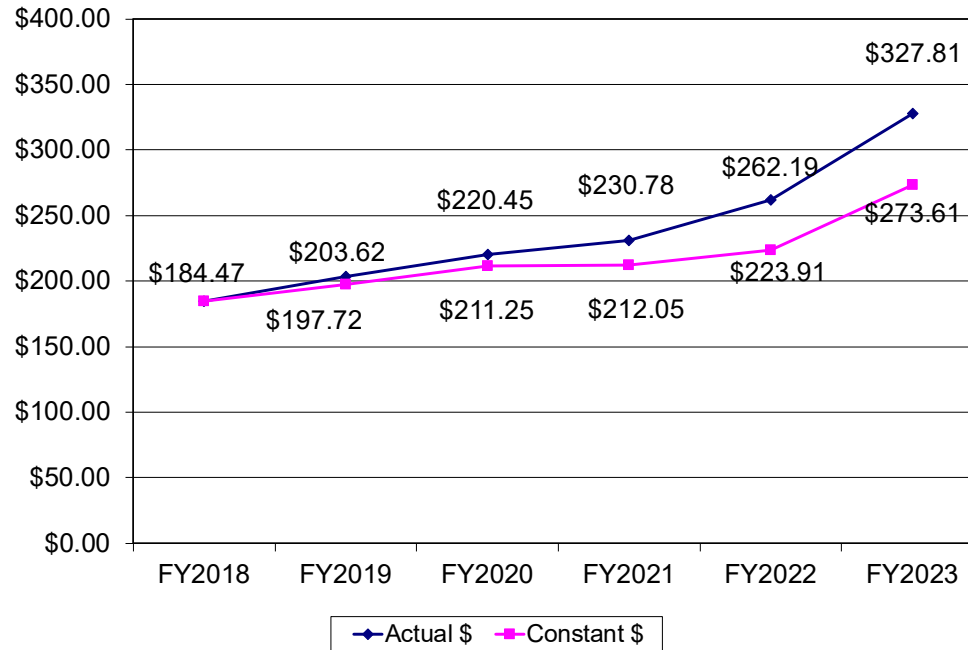
- There was an average annual increase in the operating cost per hour of 12.2 percent in actual dollars compared to 8.2 percent in FY2018 constant dollars. The average annual CPI during this period was 3.7 percent. The wage increases granted during this audit, as presented in Exhibit 1 System Overview, resulted in an increase in total operating costs as well as unit costs per service hour.
- The cost per passenger increased by 13.6 percent in actual dollars and 9.6 percent in constant dollars over six years.
- The passengers per hour and mile declined over the six years, substantially declined in FY2020 and FY2021, and rebounded in FY2022 and FY2023.
- Employee productivity decreased an average of 6.3 percent per year, from 1,187 to 855 vehicle hours per FTE.

Exhibit 4: TDA Indicator Performance - Bus Service

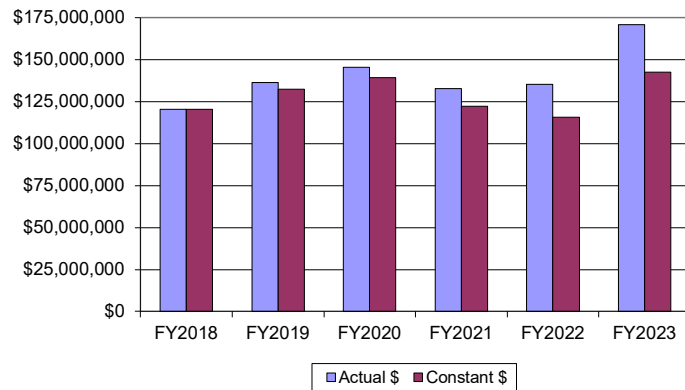
	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	Av. Ann. Chg.
Performance Indicators							
Op. Cost per Vehicle Svc. Hour (Actual \$)	\$184.47	\$203.62	\$220.45	\$230.78	\$262.19	\$327.81	- -
<i>Annual Change</i>	- -	10.4%	8.3%	4.7%	13.6%	25.0%	12.2%
Op. Cost per Vehicle Svc. Hour (Constant \$)	\$184.47	\$197.72	\$211.25	\$212.05	\$223.91	\$273.61	- -
<i>Annual Change</i>	- -	7.2%	6.8%	0.4%	5.6%	22.2%	8.2%
Passengers per Vehicle Service Hour	17.5	16.4	13.6	7.8	13.5	16.4	- -
<i>Annual Change</i>	- -	-6.4%	-17.4%	-42.3%	71.9%	22.0%	-1.3%
Passengers per Vehicle Service Mile	1.69	1.57	1.30	0.77	1.15	1.47	- -
<i>Annual Change</i>	- -	-7.1%	-17.2%	-40.8%	49.1%	27.9%	-2.8%
Op. Cost per Passenger (Actual \$)	\$10.51	\$12.39	\$16.24	\$29.44	\$19.46	\$19.94	- -
<i>Annual Change</i>	- -	17.9%	31.0%	81.3%	-33.9%	2.5%	13.6%
Op. Cost per Passenger (Constant \$)	\$10.51	\$12.04	\$15.56	\$27.05	\$16.61	\$16.64	- -
<i>Annual Change</i>	- -	14.5%	29.3%	73.8%	-38.6%	0.2%	9.6%
Vehicle Service Hours per FTE	1,187	1,148	1,111	1,042	893	855	- -
<i>Annual Change</i>	- -	-3.3%	-3.3%	-6.2%	-14.3%	-4.2%	-6.3%
Input Data							
Operating Cost (Actual \$)	\$120,476,488	\$136,313,712	\$145,417,294	\$132,750,304	\$135,299,674	\$170,811,253	- -
<i>Annual Change</i>	- -	13.1%	6.7%	-8.7%	1.9%	26.2%	7.2%
Operating Cost (Constant \$)	\$120,476,488	\$132,363,850	\$139,349,869	\$121,976,048	\$115,541,799	\$142,570,731	- -
<i>Annual Change</i>	- -	9.9%	5.3%	-12.5%	-5.3%	23.4%	3.4%
Vehicle Service Hours	653,107	669,457	659,640	575,225	516,030	521,069	- -
<i>Annual Change</i>	- -	2.5%	-1.5%	-12.8%	-10.3%	1.0%	-4.4%
Vehicle Service Miles	6,787,803	7,009,966	6,891,457	5,866,691	6,068,298	5,844,688	- -
<i>Annual Change</i>	- -	3.3%	-1.7%	-14.9%	3.4%	-3.7%	-2.9%
Unlinked Passengers	11,457,737	10,997,736	8,953,687	4,508,903	6,954,249	8,568,085	- -
<i>Annual Change</i>	- -	-4.0%	-18.6%	-49.6%	54.2%	23.2%	-5.6%
Employee Full-Time Equivalents	550.1	583.0	593.8	551.8	577.8	609.1	- -
<i>Annual Change</i>	- -	6.0%	1.9%	-7.1%	4.7%	5.4%	2.1%
Bay Area CPI - Annual Change	- -	3.0%	1.3%	4.3%	7.6%	2.3%	
- Cumulative Change	- -	3.0%	4.4%	8.8%	17.1%	19.8%	3.7%

Sources: FY2018-FY2020 Prior Audit Reports
FY 2021-FY2023 NTD Reports
CPI Data - U.S. Department of Labor, Bureau of Labor Statistics

Exhibit 4.1: Operating Cost per Vehicle Service Hour - Bus Service



Operating Cost



Vehicle Service Hours

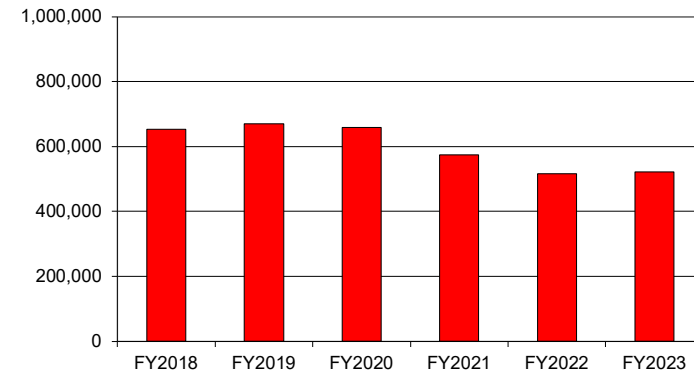
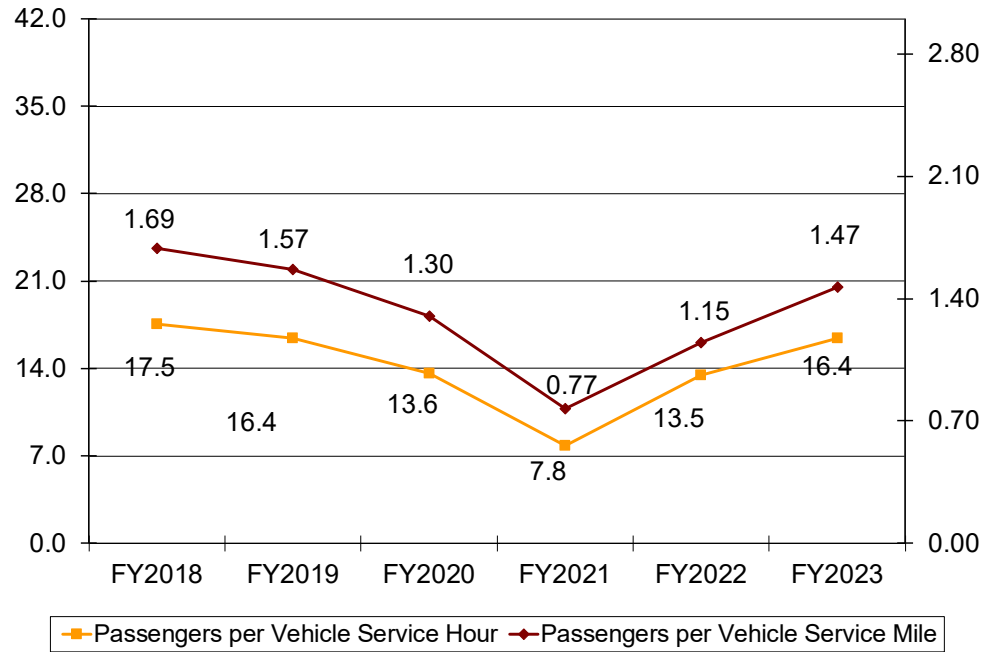
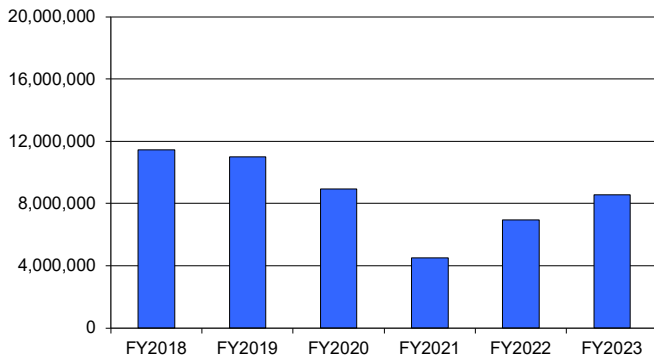


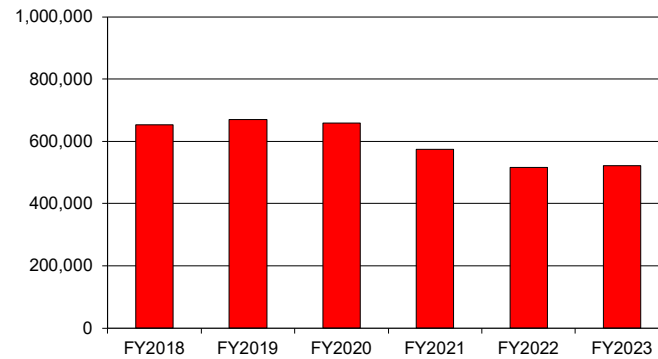
Exhibit 4.2: Passengers per Hour and per Mile – Bus Service



Unlinked Passengers



Vehicle Service Hours



Vehicle Service Miles

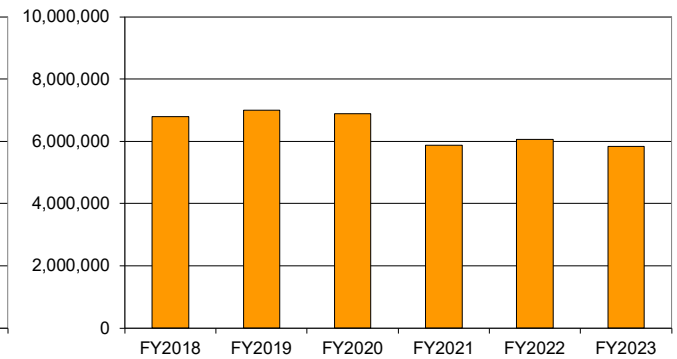
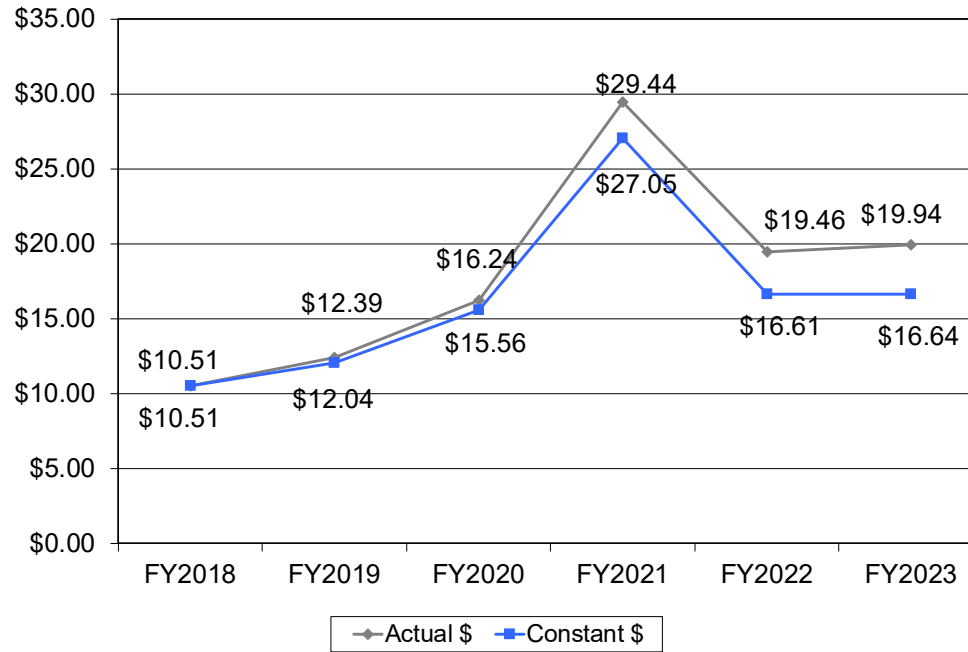
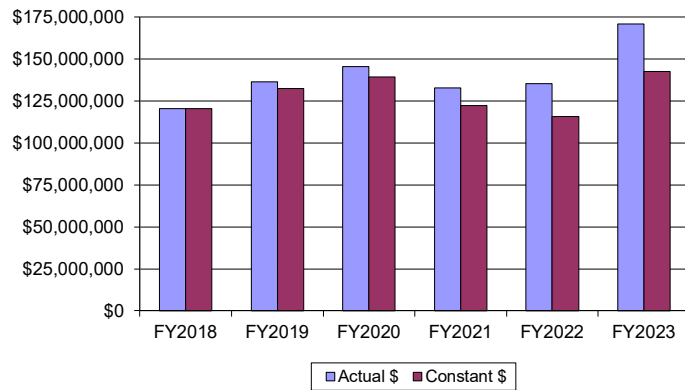


Exhibit 4.3: Operating Cost per Passenger – Bus Service



Operating Cost



Unlinked Passengers

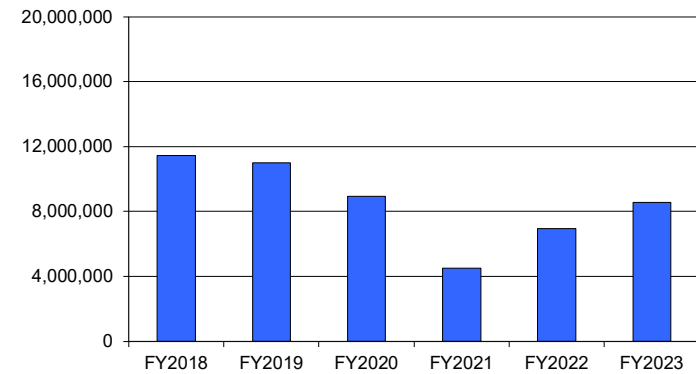
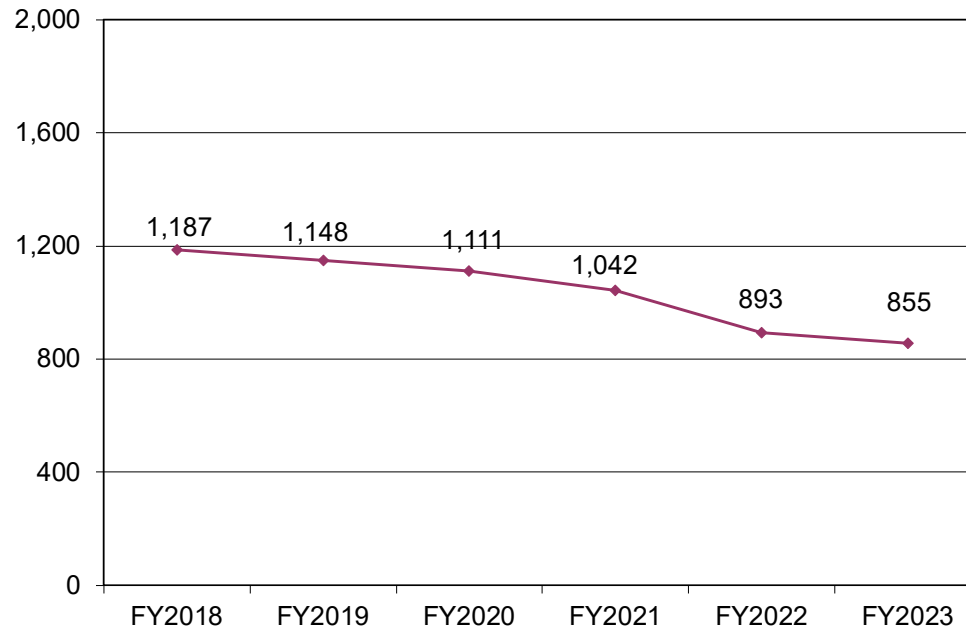
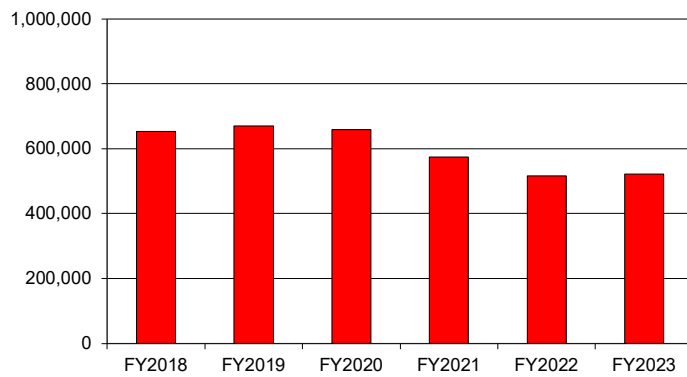


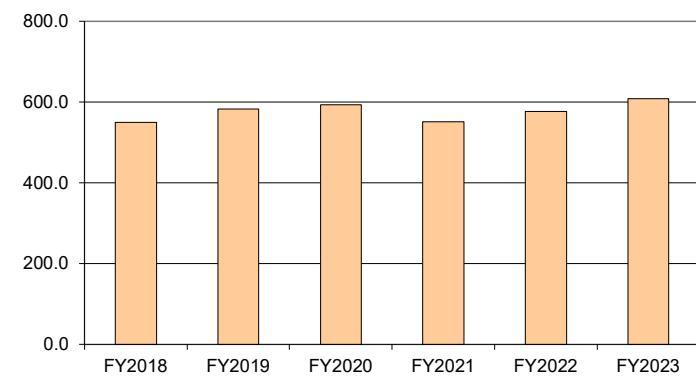
Exhibit 4.4: Vehicle Service Hours per FTE – Bus Service



Vehicle Service Hours



Full-time Equivalents



Bus Service Component Costs

Year-to-year changes in selected operating cost categories over the past six years are presented in Exhibit 4.5. Examining components of operating costs (e.g., labor, fringes, fuel, and casualty/liability) may determine what particular components had the most significant impacts on the operating costs. Exhibit 4.5 also shows the concurrent changes in vehicle service hours. Exhibit 4.6 illustrates the portion of the cost per bus service hour that can be attributed to each included cost component.

- In-house labor costs increased at an annual average of 5.7 percent over the six-year period, with the largest increase of 13.5 percent occurring in FY2022.
- Year to year fringe benefits costs exhibit an erratic trend, increase in FY2019 and FY2020, decreases of 14.8 and 3.3 percent in FY2021 and FY2022 respectively, and a 53.2 percent increase in FY2023.
- Services costs increased by 6.7 percent on average per year.
- Purchased transportation costs increased an annual average of 0.6 percent per year.
- Materials/supplies costs (including fuel and lubricants) increased 12.5 percent per year. These costs declined in FY2020 and FY2021, and increased substantially, 42.7 and 27.7 percentage in FY2022 and FY2023, respectively.
- Casualty/liability costs showed the highest increase of 32.9 percent annually of all component costs displayed in this exhibit. These costs increase in FYs 2019 and 2020, declined in the next two FYs, and increased substantially in FY2023.
- Miscellaneous other expenses increased an average of 3.4 percent per year.

* * * * *

The following is a summary of the bus service component operating costs trend highlights between FY2018 and FY2023:

- The annual average rate of increase was 5.7 and 8.9 percent for labor costs vs fringe benefit costs, respectively. These two categories combined accounted for slightly over 58.4 percent of total bus operating costs in FY2023.
- Services costs increased by 6.7 percent on average per year and comprised between about 13.8 to 15.7 percent of total operating costs.
- Casualty/liability costs experienced the largest annual increase of 32.9 percent of all component categories in this audit. Most of the increase was in the last audit year of FY 2023.

Exhibit 4.5: Component Cost Trends – Bus Service

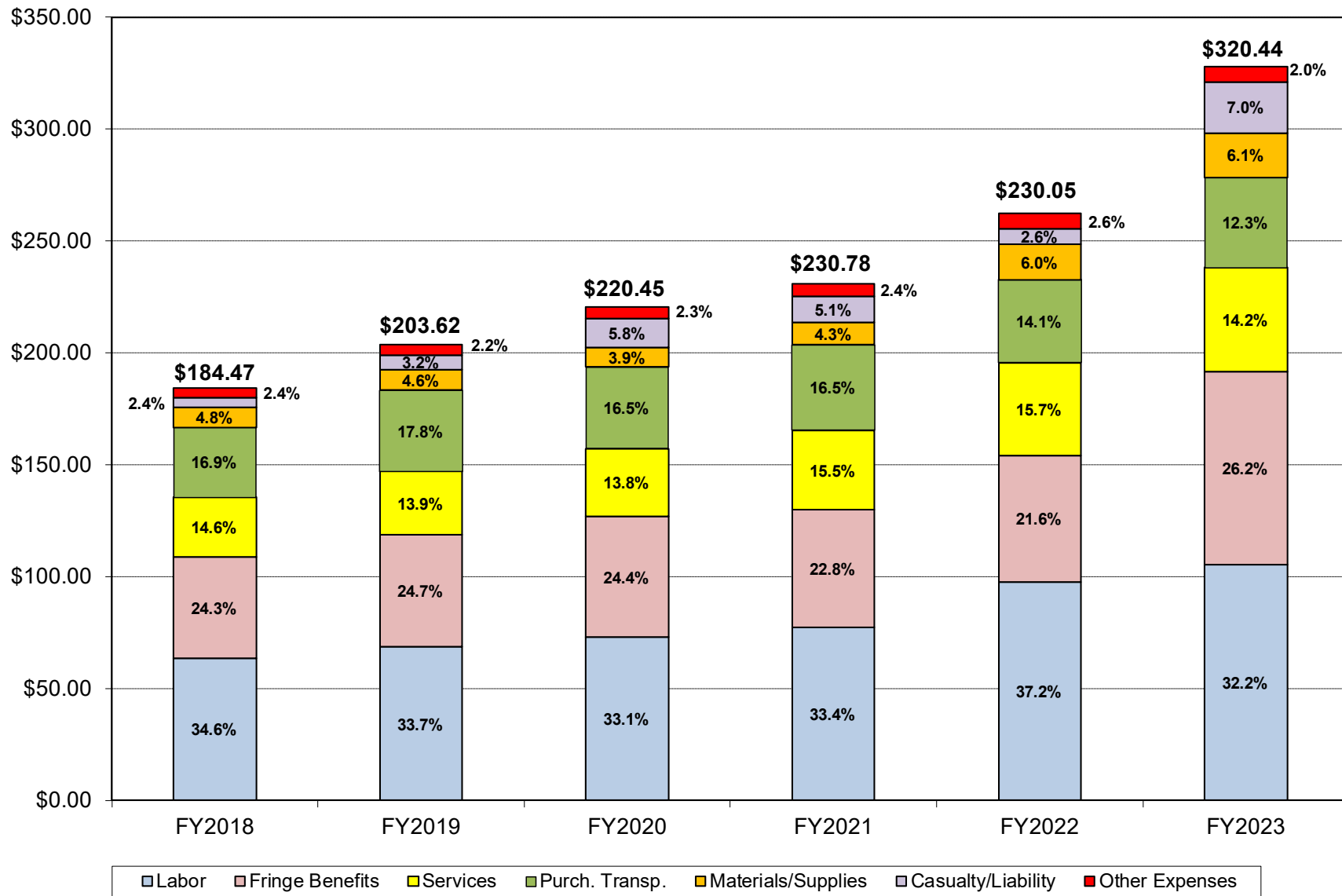
	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	Av. Ann. Chg.
COST CATEGORIES							
Labor (Salaries/Wages)	\$41,624,857	\$45,880,221	\$48,119,184	\$44,388,317	\$50,368,153	\$54,932,086	--
<i>Annual Change</i>	--	10.2%	4.9%	-7.8%	13.5%	9.1%	5.7%
Fringe Benefits (a)	\$29,328,861	\$33,606,106	\$35,514,929	\$30,247,646	\$29,254,673	\$44,830,495	--
<i>Annual Change</i>	--	14.6%	5.7%	-14.8%	-3.3%	53.2%	8.9%
Services	\$17,572,874	\$18,916,057	\$20,109,707	\$20,514,579	\$21,307,249	\$24,253,970	--
<i>Annual Change</i>	--	7.6%	6.3%	2.0%	3.9%	13.8%	6.7%
Purchased Transportation	\$20,381,247	\$24,303,690	\$24,057,853	\$21,962,084	\$19,113,743	\$21,041,508	--
<i>Annual Change</i>	--	19.2%	-1.0%	-8.7%	-13.0%	10.1%	0.6%
Materials/Supplies (b)	\$5,763,265	\$6,260,100	\$5,742,373	\$5,709,634	\$8,149,818	\$10,403,397	--
<i>Annual Change</i>	--	8.6%	-8.3%	-0.6%	42.7%	27.7%	12.5%
Casualty/Liability	\$2,868,255	\$4,324,119	\$8,497,431	\$6,731,970	\$3,535,352	\$11,879,198	--
<i>Annual Change</i>	--	50.8%	96.5%	-20.8%	-47.5%	236.0%	32.9%
Other Expenses (c)	\$2,937,129	\$3,023,419	\$3,375,817	\$3,196,074	\$3,570,686	\$3,470,599	--
<i>Annual Change</i>	--	2.9%	11.7%	-5.3%	11.7%	-2.8%	3.4%
Total	\$120,476,488	\$136,313,712	\$145,417,294	\$132,750,304	\$135,299,674	\$170,811,253	--
<i>Annual Change</i>	--	13.1%	6.7%	-8.7%	1.9%	26.2%	7.2%
OPERATING STATISTICS							
Vehicle Service Hours	653,107	669,457	659,640	575,225	516,030	521,069	--
<i>Annual Change</i>	--	2.5%	-1.5%	-12.8%	-10.3%	1.0%	-4.4%

(a) Includes paid absences

(b) Includes tires/tubes, fuels/lubricants, and other materials/supplies

(c) Includes utilities, taxes, and miscellaneous expenses

Exhibit 4.6: Distribution of Component Costs – Bus Service
Operating Cost per Vehicle Service Hour



Paratransit Performance Trends

This section provides an overview of the performance of SamTrans' paratransit service over the six-year analysis period. The trends in the TDA indicators and input data are presented in Exhibit 5. The six-year trends are illustrated in Exhibits 5.1 through 5.4.

- Operating Cost per Vehicle Service Hour (Exhibit 5.1)
 - Paratransit cost per hour increased in every year except FY2022, from \$94.43 in FY2018 to \$166.22 in FY2023.
 - Overall, the cost per hour increased an average of 12.0 percent per year over the six years.
 - With the effects of inflation removed, cost per hour exhibited an average annual increase of 8.0 percent, compared to an annual increase in CPI of 3.7 percent.
- Passengers per Vehicle Service Hour (Exhibit 5.2)
 - Passengers per vehicle service hour declined 4.0 percent per year over the six years. Most of the decline, 30.8 percent, was experienced in FY2021.
 - Total unlinked passengers declined by almost 66 percent from FY2018 to FY2021. Though the passenger levels have rebounded, particularly in FY2022, the levels continue to be substantially below that were in FY2018.
- Passengers per Vehicle Service Mile (Exhibit 5.2)
 - Performance in passengers per vehicle service mile also was similar to the previous indicator, decline of 2.9 percent per year. Most of the decline, 21.0 percent, was experienced in FY2021.

- Paratransit service carried between 0.10 and 0.13 passengers per mile during the review period.
- Operating Cost per Passenger (Exhibit 5.3)

The cost per passenger rose 16.7 percent per year on average through the review period, from \$48.91 in FY2018 to \$105.64 in FY2023. It peaked in FY2021 at \$127.26 due to the substantial decline in unlinked passengers discussed above.

- With the impact of inflation removed, there was an average annual increase in the cost per passenger of 12.5 percent, compared to the annual CPI of 3.7 percent.

* * * * *

The following is a summary of the paratransit TDA performance trend highlights over the six-year period of FY2018 through FY2023:

- Cost efficiency decreased, with an average annual increase in the operating cost per hour of 12.0 percent. This amounted to an average annual increase of 8.0 percent in inflation adjusted dollars.
- Cost effectiveness was similarly impacted, with the operating cost per passenger increasing an average of 16.7 percent per year, or 12.5 percent annually when expressed as normalized FY2018 dollars.
- Passenger productivity, passengers per hour and passengers per mile, declined annually by 4.0 and 2.9 percent, respectively.

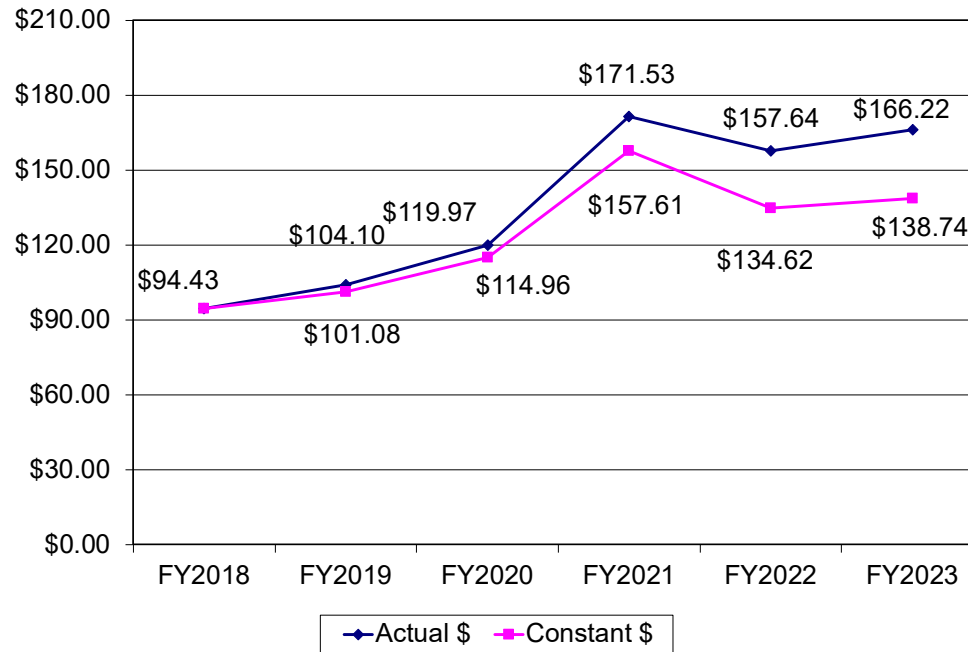
Exhibit 5: TDA Indicator Performance – Paratransit

	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	Av. Ann. Chg.
Performance Indicators							
Op. Cost per Vehicle Svc. Hour (Actual \$)	\$94.43	\$104.10	\$119.97	\$171.53	\$157.64	\$166.22	- -
Annual Change	- -	10.2%	15.2%	43.0%	-8.1%	5.4%	12.0%
Op. Cost per Vehicle Svc. Hour (Constant \$)	\$94.43	\$101.08	\$114.96	\$157.61	\$134.62	\$138.74	- -
Annual Change	- -	7.0%	13.7%	37.1%	-14.6%	3.1%	8.0%
Passengers per Vehicle Service Hour	1.9	1.9	1.9	1.3	1.6	1.6	- -
Annual Change	- -	0.9%	0.0%	-30.8%	15.2%	1.3%	-4.0%
Passengers per Vehicle Service Mile	0.12	0.12	0.13	0.10	0.11	0.11	- -
Annual Change	- -	1.3%	2.4%	-21.0%	6.7%	-1.4%	-2.9%
Op. Cost per Passenger (Actual \$)	\$48.91	\$53.43	\$61.58	\$127.26	\$101.53	\$105.64	- -
Annual Change	- -	9.2%	15.3%	106.7%	-20.2%	4.0%	16.7%
Op. Cost per Passenger (Constant \$)	\$48.91	\$51.88	\$59.01	\$116.93	\$86.71	\$88.18	- -
Annual Change	- -	6.1%	13.7%	98.2%	-25.9%	1.7%	12.5%
Vehicle Service Hours per FTE	(a)	(a)	(a)	(a)	(a)	(a)	- -
Annual Change	- -	- -	- -	- -	- -	- -	- -
Input Data							
Operating Cost (Actual \$)	\$17,718,245	\$18,410,711	\$16,846,205	\$15,691,178	\$17,648,920	\$21,736,881	- -
Annual Change	- -	3.9%	-8.5%	-6.9%	12.5%	23.2%	4.2%
Operating Cost (Constant \$)	\$17,718,245	\$17,877,237	\$16,143,310	\$14,417,654	\$15,071,640	\$18,143,085	- -
Annual Change	- -	0.9%	-9.7%	-10.7%	4.5%	20.4%	0.5%
Vehicle Service Hours	187,636	176,864	140,423	91,477	111,960	130,770	- -
Annual Change	- -	-5.7%	-20.6%	-34.9%	22.4%	16.8%	-7.0%
Vehicle Service Miles	2,959,214	2,780,055	2,154,811	1,229,443	1,624,180	1,949,010	- -
Annual Change	- -	-6.1%	-22.5%	-42.9%	32.1%	20.0%	-8.0%
Unlinked Passengers	362,251	344,596	273,568	123,297	173,825	205,760	- -
Annual Change	- -	-4.9%	-20.6%	-54.9%	41.0%	18.4%	-10.7%
Employee Full-Time Equivalents	(a)	(a)	(a)	(a)	(a)	(a)	- -
Annual Change	- -	- -	- -	- -	- -	- -	- -
Bay Area CPI - Annual Change	- -	3.0%	1.3%	4.3%	7.6%	2.3%	- -
- Cumulative Change	- -	3.0%	4.4%	8.8%	17.1%	19.8%	3.7%

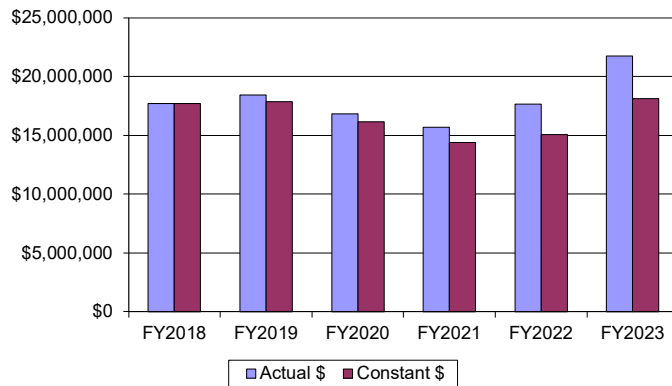
Sources: FY2018-FY2020 Prior Audit Reports
FY2021-FY2023 NTD Reports
CPI Data - U.S. Department of Labor, Bureau of Labor Statistics

(a) Contracted service - FTEs not applicable

Exhibit 5.1: Operating Cost per Vehicle Service Hour – Paratransit



Operating Costs



Vehicle Service Hours

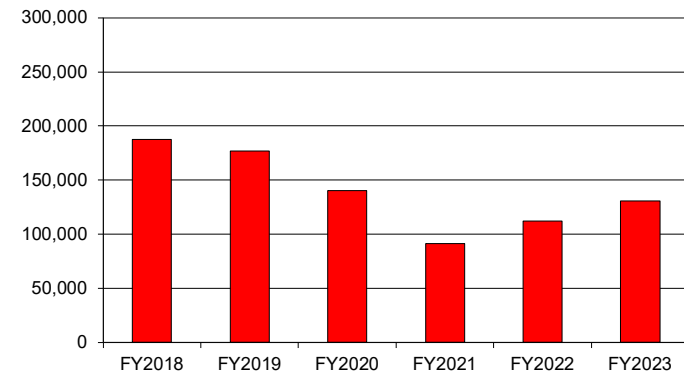
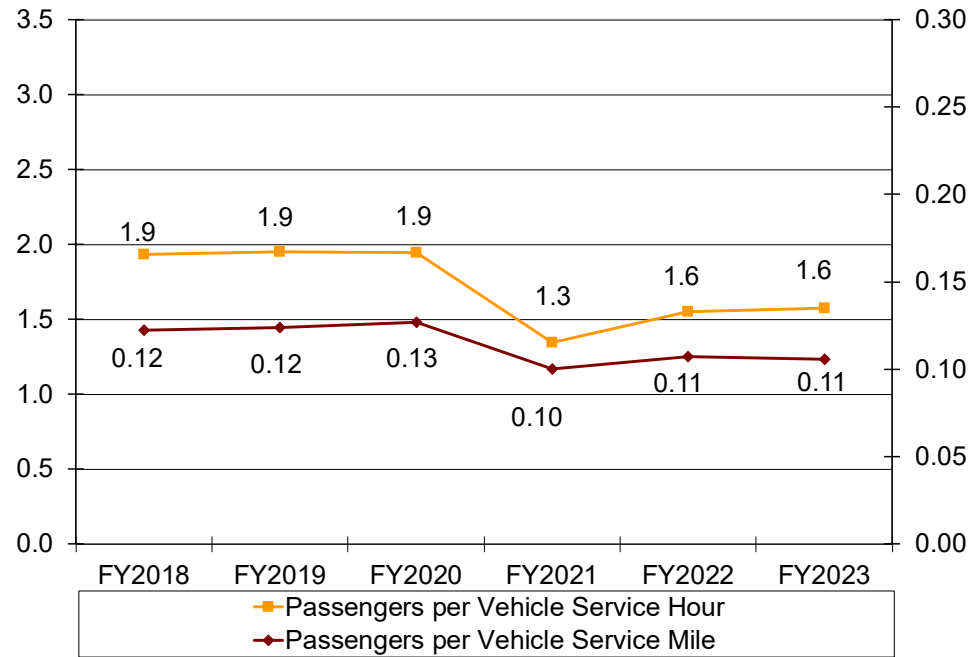
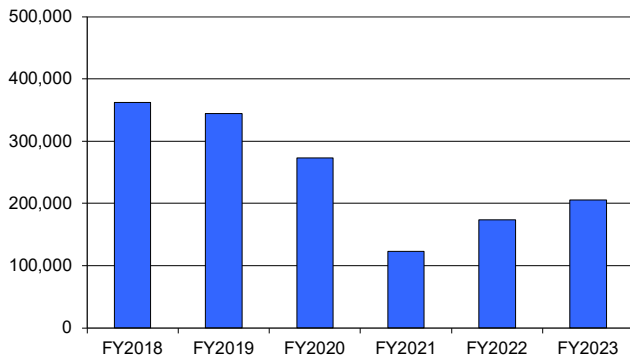


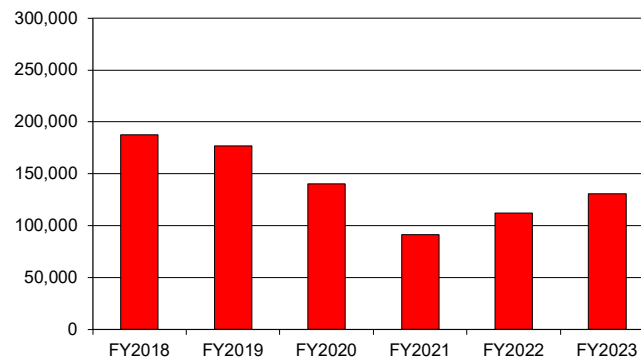
Exhibit 5.2: Passengers per Hour and per Mile – Paratransit



Unlinked Passengers



Vehicle Service Hours



Vehicle Service Miles

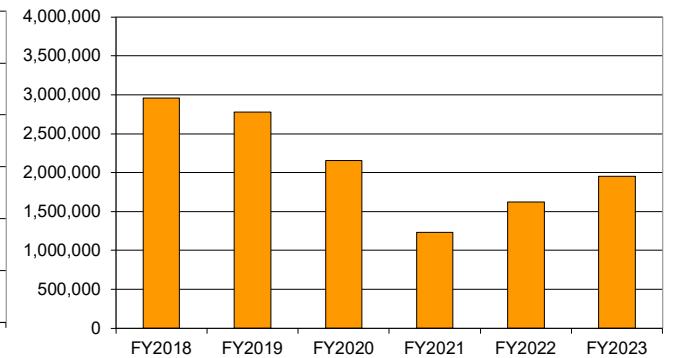
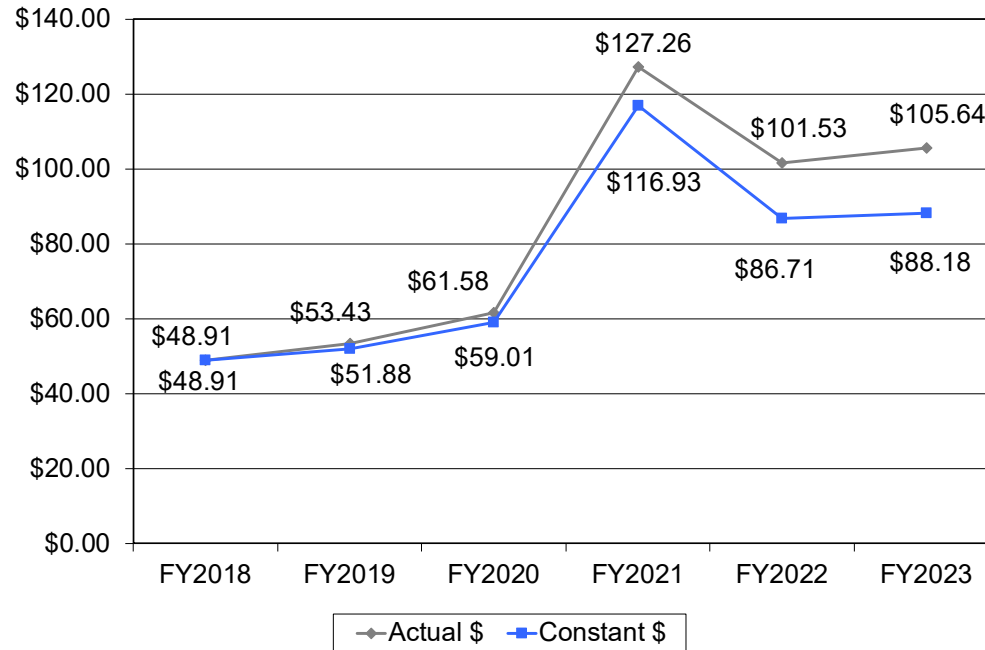
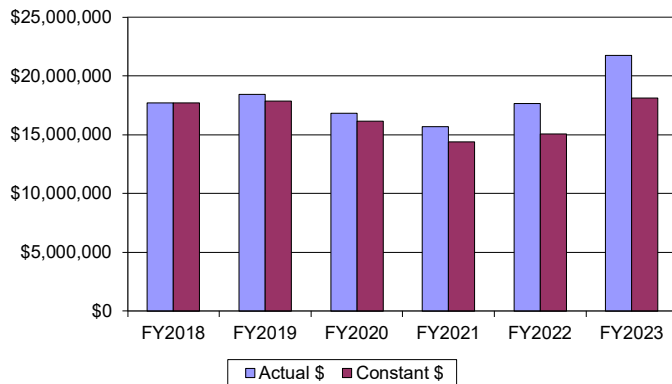


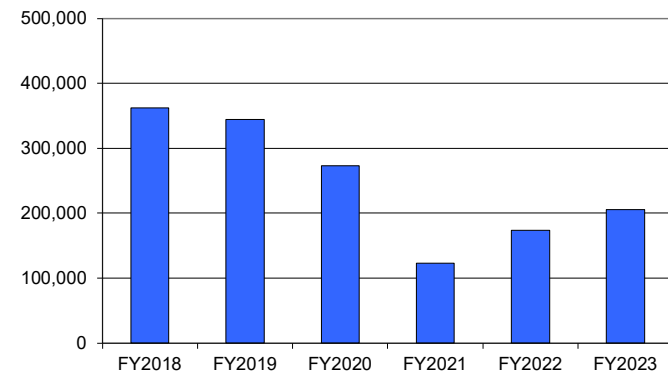
Exhibit 5.3: Operating Cost per Passenger – Paratransit



Operating Costs



Unlinked Passengers



Paratransit Component Costs

The year-to-year changes in selected operating cost categories are presented in Exhibit 5.4, along with the concurrent changes in vehicle service hours. The portions of the cost per vehicle service hour that can be attributed to each included cost component are shown in Exhibit 5.5.

- In-house labor costs increased an annual average of 4.2 percent over the six-year period.
- Fringe benefits costs increased an annual average of 6.3 percent. These costs declined in FY2021 and FY2022 and increased substantially in FY2023.
- Costs for services decreased an average of 2.8 percent annually.
- Purchased transportation, which is the largest component of paratransit costs, increased by 3.7 percent per year on average. Purchased transportation costs were 68.4 percent of total paratransit operating costs and increased by 25.6 percent in FY2023.
- Costs for materials/supplies, including fuels/lubricants, increased 6.7 percent on average, per year.
- Casualty/liability costs increased 11.3 percent annually. Year to year performance was impacted by a substantial drop in FY2020 which skewed the percentage increase in the following year.

* * * * *

The following is a summary of the paratransit component operating costs trend highlights between FY2018 and FY2023:

- Though labor and fringe benefits costs increased annually by 4.2 and 6.3 percent respectively, these two component categories combined accounted for 16.3 percent of the total paratransit costs in FY2023.
- Purchased transportation costs represented the largest portion of total paratransit operating costs, at about 68.4 percent in FY2023. Purchased transportation costs increased by 3.7 percent per year on average, the increase in FY2023 was 25.6 percent.

Exhibit 5.4: Component Costs Trends – Paratransit

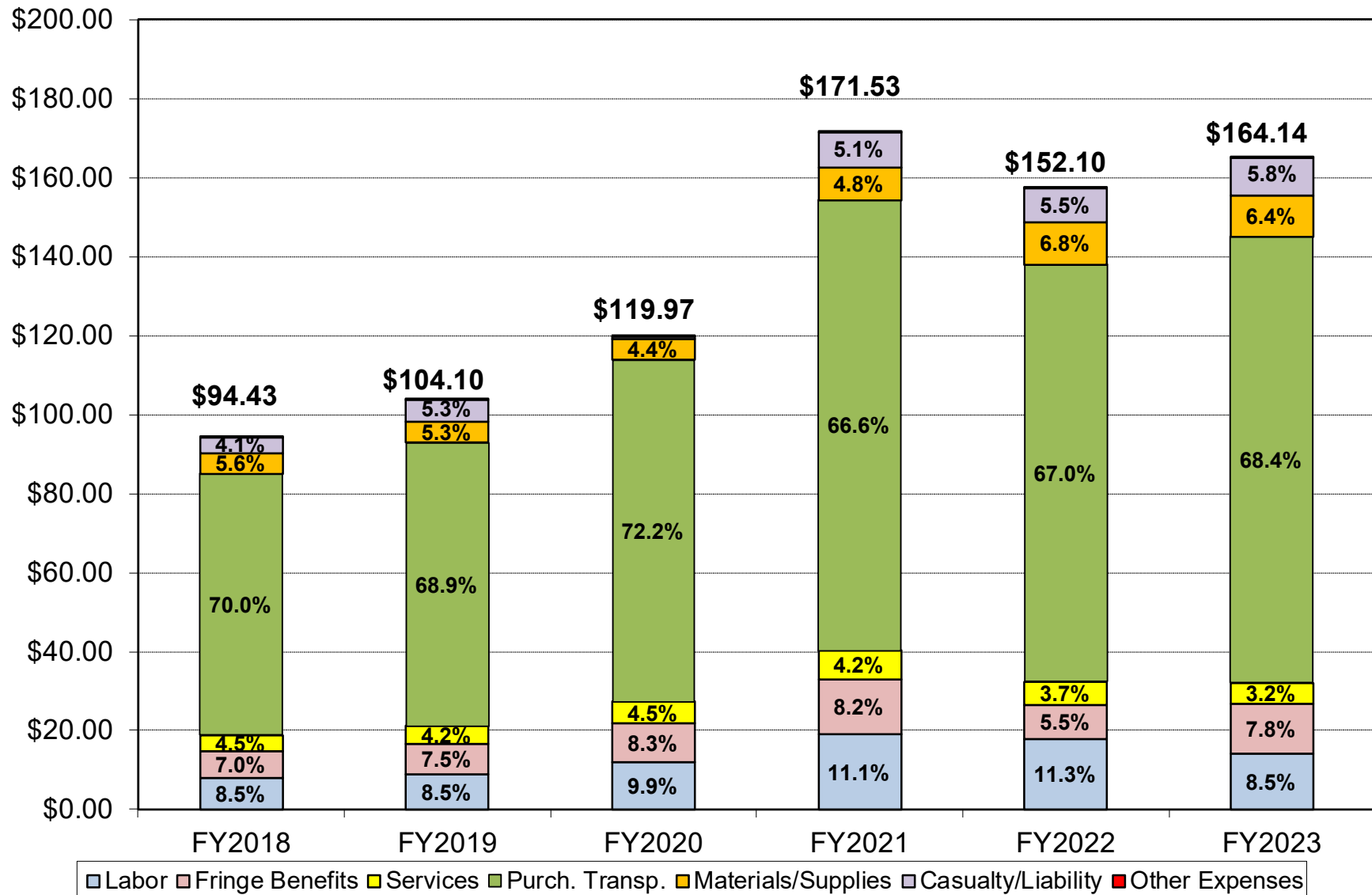
	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	Av. Ann. Chg.
COST CATEGORIES							
Labor (Salaries/Wages)	\$1,501,230	\$1,569,686	\$1,670,243	\$1,736,518	\$1,999,872	\$1,840,743	--
<i>Annual Change</i>	--	4.6%	6.4%	4.0%	15.2%	-8.0%	4.2%
Fringe Benefits (a)	\$1,242,649	\$1,381,330	\$1,391,916	\$1,287,879	\$974,827	\$1,686,433	--
<i>Annual Change</i>	--	11.2%	0.8%	-7.5%	-24.3%	73.0%	6.3%
Services	\$794,962	\$781,856	\$762,176	\$653,031	\$644,999	\$689,442	--
<i>Annual Change</i>	--	-1.6%	-2.5%	-14.3%	-1.2%	6.9%	-2.8%
Purchased Transportation	\$12,409,984	\$12,682,330	\$12,162,149	\$10,443,417	\$11,831,756	\$14,865,209	--
<i>Annual Change</i>	--	2.2%	-4.1%	-14.1%	13.3%	25.6%	3.7%
Materials/Supplies (b)	\$1,000,246	\$975,302	\$747,902	\$751,408	\$1,205,800	\$1,383,542	--
<i>Annual Change</i>	--	-2.5%	-23.3%	0.5%	60.5%	14.7%	6.7%
Casualty/Liability	\$734,464	\$981,775	\$77,352	\$807,182	\$972,129	\$1,255,268	--
<i>Annual Change</i>	--	33.7%	-92.1%	943.5%	20.4%	29.1%	11.3%
Other Expenses (c)	\$34,705	\$38,432	\$34,467	\$11,743	\$19,537	\$16,244	--
<i>Annual Change</i>	--	10.7%	-10.3%	-65.9%	66.4%	-16.9%	-14.1%
Total	\$17,718,240	\$18,410,711	\$16,846,205	\$15,691,178	\$17,648,920	\$21,736,881	--
<i>Annual Change</i>	--	3.9%	-8.5%	-6.9%	12.5%	23.2%	4.2%
OPERATING STATISTICS							
Vehicle Service Hours	187,636	176,864	140,423	91,477	111,960	131,524	--
<i>Annual Change</i>	--	-5.7%	-20.6%	-34.9%	22.4%	17.5%	-6.9%

(a) Includes paid absences

(b) Includes tires/tubes, fuels/lubricants, and other materials/supplies

(c) Includes utilities, taxes, and miscellaneous expenses

Exhibit 5.5: Distribution of Component Costs – Paratransit
Operating Cost per Vehicle Service Hour



IV. COMPLIANCE WITH PUC REQUIREMENTS

An assessment of SamTrans' compliance with selected sections of the state Public Utilities Code (PUC) has been performed. The compliance areas included in this review are those that MTC has identified for inclusion in the triennial performance audit. Other statutory and regulatory compliance requirements are reviewed by MTC in conjunction with its annual review of SamTrans' TDA-STA claim application.

The results from this review are detailed by individual requirement in Exhibit 6. SamTrans is in compliance with each of the seven sections of the state PUC that were reviewed as part of this performance audit. These sections included requirements concerning CHP terminal safety inspections, labor contracts, reduced fares, Welfare-to-Work, revenue sharing, and evaluating passenger needs.

Exhibit 6: Compliance with State PUC Requirements

Code Reference	Operator Compliance Requirements	Compliance Finding	Verification Information
PUC99251	<u>CHP Certification</u> - 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 following a CHP inspection of the operator's terminal	In Compliance	Satisfactory Inspections: <ul style="list-style-type: none"> 2021: North Base - 04/08/2021 South Base - 01/22/2021 2022: North Base - 04/21/2022 South Base - 03/22/2022 2023: North Base - 04/13/2023 South Base - 03/10/2023
PUC99264	<u>Operator-to-Vehicle Staffing</u> - The operator does not routinely staff with two or more persons public transportation vehicles designed to be operated by one person	In Compliance	No provision for excess staffing in Agreement between SamTrans and ATU Local 1574, effective 02/02/2022.
PUC99314.5 (e)(1)(2)	<u>Part Time Drivers and Contracting</u> - Operators receiving STA funds are not precluded by contract from employing part-time drivers or from contracting with common carriers	In Compliance	<ul style="list-style-type: none"> <u>Part Time Drivers</u> – Article 14 (Part-Time Employees) of Agreement with ATU Local 1574, effective 02/02/2022. <u>Contracting</u> - SamTrans contracts with MV Transportation, Inc. to provide Contracted Urban Bus (CUB), along with several Coastside and shuttle services. SamTrans also operates the Redi-Wheels paratransit service under contract, currently with First Transit, Inc.

Code Reference	Operator Compliance Requirements	Compliance Finding	Verification Information
PUC99155	<p><u>Reduced Fare Eligibility</u> - For any operator who received TDA Article 4 funds, if the operator offers reduced fares to senior citizens and disabled persons, applicant will honor the federal Medicare identification card, the California Department of Motor Vehicles disability ID card, the Regional Transit Connection Discount Card, or any other current identification card issued by another transit operator that is valid for the type of transportation service or discount requested; and if the operator offers reduced fares to senior citizens, it also offers the same reduced fare to disabled patrons.</p>	<p>In Compliance</p>	<p>Fare eligibility and identification card information available in public information materials:</p> <ul style="list-style-type: none"> • Bus Route Maps and Schedules • Farebox Decals • SamTrans Website
PUC99155.1 (a)(1)(2)	<p><u>Welfare to Work Coordination</u> - Operators must coordinates with county welfare departments in order to ensure that transportation moneys available for purposes of assisting recipients of aid are expended efficiently for the benefit of that population; if a recipient of CalWORKs program funds by the county, the operator shall give priority to the enhancement of public transportation services for welfare-to-work purposes and to the enhancement of transportation alternatives, such as, but not limited to, subsidies or vouchers, van pools, and contract paratransit operations, in order to promote welfare-to-work purposes</p>	<p>In Compliance</p>	<ul style="list-style-type: none"> • SamTrans coordinates with the City/County Association of Governments of San Mateo County (C/CAG), and several community partners to assist low-income workers with transportation options. • SamTrans participates in the Lifeline Transportation Program (LTP), which provides funding for projects benefiting people of low income. • SamTrans works through the Coastside Transportation Committee (CTC), to evaluate service statistics and discusses potential ways to make the Coastside service more attune to residents' needs. • SamTrans passes LTP funding to other agencies for their own projects supporting people with low incomes, such as the San Mateo County Human Services Agency, and the Cities of Menlo Park and Daly City. • SamTrans coordinates with the Bay Area Air Quality Management District

Code Reference	Operator Compliance Requirements	Compliance Finding	Verification Information
			<p>to provide funding for private bus operators to operate shuttles from Caltrain stations to employment centers.</p> <ul style="list-style-type: none"> • SamTrans coordinated with MTC to distribute Job Access and Reverse Commute (JARC) funds that provide job access to low-income riders.
<p>PUC99314.7, Govt Code 66516, MTC Res. Nos. 3837, 4073</p>	<p><u>Joint Revenue Sharing Agreement</u> - The operator has current joint fare revenue sharing agreements in place with transit operators in the MTC region with which its service connects, and submitted copies of agreements to MTC</p>	<p>In Compliance</p>	<ul style="list-style-type: none"> • Signatory participant in Amended and Restated Clipper® Memorandum of Understanding (October 2022). Agreement also includes MTC and the other transit operators participating in the Clipper® program.
<p>PUC99246(d)</p>	<p><u>Process for Evaluation of Passenger Needs</u> - The operator has an established process in place for evaluating the needs and types of passengers being served</p>	<p>In Compliance</p>	<ul style="list-style-type: none"> • Reimagine SamTrans Title VI Program, February 2022 • SamTrans Title VI Program, including public participation and language assistance plans, December 2022 • Title VI Equity Analysis, Youth Unlimited Fare, July 2022 • FY2023-2028 SRTP – Sections 2 and 3: Pre and Pandemic Service Impacts, December 2022

V. STATUS OF PRIOR AUDIT RECOMMENDATIONS

SamTrans's prior performance audit was completed in June 2021. Generally, MTC has used the audit recommendations as the basis for developing the Productivity Improvement Program (PIP) projects the operator is required to complete. MTC tracks PIP project implementation as part of its annual review of the operator's TDA-STA claim application. This section provides an assessment of actions taken by TDA-STA recipients toward implementing the recommendations advanced in the prior audit. This assessment provides continuity between the current and prior audits, which allows MTC to fulfill its obligations where the recommendations were advanced as PIP projects.

There were no recommendations made in SamTrans's prior audit.

VI. FUNCTIONAL PERFORMANCE INDICATOR TRENDS

To further assess SamTrans's performance over the past three years, a detailed set of functional area performance indicators was defined. This assessment consists of a three-year trend analysis of the functions in each of the following areas:

- Management, Administration and Marketing
- Service Planning
- Operations
- Maintenance
- Safety

The indicators selected for this analysis were primarily those that were tracked regularly by SamTrans or for which input data were maintained by SamTrans on an on-going basis, such as performance reports, contractor reports, annual financial reports and NTD reports. As such, there may be some overlap with the TDA indicators examined earlier in the audit process, but most indicators will be different. Some indicators were selected from the California Department of Transportation's Performance Audit Guidebook for Transit Operators and Regional Transportation Planning Entities as being appropriate for this evaluation. The input statistics for the indicators, along with their sources, are contained in Appendix A at the end of this report.

The trends in performance are presented over the three-year audit period to give an indication of which direction performance is moving for these indicators. The remainder of this section presents the findings from this review. The discussion presents

the highlights of systemwide and modal (bus service and paratransit) performance, each followed by an exhibit illustrating the indicators by function as applicable.

Systemwide

For the purposes of this review, SamTrans's functional indicators relating to Management, Administration and Marketing have been included generally on a systemwide basis. Audit period performance is discussed below and presented in Exhibit 7.

- Administrative costs varied from 36.4 to 39.9 percent of total operating costs in FYs 2022 and 2023, respectively.
- Administrative costs ranged between \$88.00 to \$117.96 per vehicle service hour in FY2021 and FY2023 respectively, consistent with the increase in cost per service hour in FY2023 discussed earlier.
- The portion of administrative costs attributed to marketing activities remained at 0.5 percent in the first two years, increasing to just under one percent in FY2023.
- In terms of passenger trips, marketing expenditures ranged from 4 to 8 cents per trip during this audit period.
- The systemwide farebox recovery ratio was 3.8 percent in FY2021. It increased to and remained at 5.8 percent in the last two years of the audit.

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The following is a summary of the systemwide functional trend highlights between FY2021 and FY2023:

- The share of administrative cost to total operating cost remained about the same at the beginning and end of this audit period, with a 7.9 percent

decrease in the intervening year of FY2022. Administrative cost per vehicle service hour increased 34 percent between FY2021 and FY2023.

- Marketing costs remained steady in the first two years compared to total administrative costs but increased in the last audit year. Marketing cost per passenger trip increased almost 22 percent overall.
- The systemwide farebox recovery ratio increased over 54 percent during the first two years of the audit period and remained at the same level of 5.8 percent in the last year.

Exhibit 7: Functional Performance Trends – Systemwide

FUNCTION/Indicator	Actual Performance		
	FY2021	FY2022	FY2023
MANAGEMENT, ADMINISTRATION & MARKETING			
Administrative Cost/Total Operating Cost	39.5%	36.4%	39.9%
<i>Annual Percent Change</i>	--	-7.9%	9.8%
<i>Three Year Percent Change</i>	--	--	1.0%
Administrative Cost/Vehicle Service Hour	\$88.00	\$88.61	\$117.96
<i>Annual Percent Change</i>	--	0.7%	33.1%
<i>Three Year Percent Change</i>	--	--	34.0%
Marketing Cost/Total Administrative Cost	0.5%	0.5%	0.9%
<i>Annual Percent Change</i>	--	-6.6%	88.8%
<i>Three Year Percent Change</i>	--	--	76.2%
Marketing Cost/Unlinked Passenger Trip	\$0.06	\$0.04	\$0.08
<i>Annual Percent Change</i>	--	-42.5%	111.9%
<i>Three Year Percent Change</i>	--	--	21.9%
Farebox Revenue/Operating Cost	3.8%	5.8%	5.8%
<i>Annual Percent Change</i>	--	54.1%	0.0%
<i>Three Year Percent Change</i>	--	--	54.1%

Bus Service

SamTrans's bus service functional area trends represent areas of cost efficiency, safety, productivity, and service reliability. Audit period performance is discussed below and presented in Exhibit 8.

- Service Planning
 - Operating costs per passenger mile decreased 33.3 percent, from \$7.44 in FY2021 to \$4.96 in FY2022, ending at \$4.30 in FY2023.
 - The variance of vehicle service miles and hours per total miles and hours remained steady, at about five percent for both indicators over three years. Vehicle service miles ranged from a low of 78.1 percent in FY 2021 to 83.4 percent in FY 2022. Vehicle service hours ranged from a low of 81.0 percent in FY 2023 to 86.1 percent in FY 2021.
 - The farebox recovery ratio was at four percent in FY2021, increasing by 55.0 percent to 6.3 percent in FY2022 and remained at that level in FY2023.

- Operations
 - Vehicle operations cost as a percent of total operating cost increased seven percent from 41.7 percent in FY2021 to 44.6 percent in FY2022 and declined by almost the same percentage to 41.9 percent during FY2023.
 - Vehicle operations cost per service hour increased 42.8 percent, from \$96.18 in FY2021 to \$137.38 in FY 2023, consistent with the increases in total costs discussed earlier.
 - Operator scheduled absences compared to hours worked declined 4.1 percent, while unscheduled absences decreased 20.6 percent, from 25.3 to 20.1 percent between FY2020 and FY2023.

- Schedule adherence worsened from 87.2 percent in FY2021 to 77.0 percent in FY2023.
- The rate of complaints per 100,000 trips declined by 52.8 percent, from 5.28 in FY2021 to 2.49 in FY2023.
- The incidence of missed trips was the highest in FY2022 at 1.2 percent but was one-tenth of one percent in the last year.
- Maintenance
 - Total maintenance costs compared to total operating costs decreased during the audit period, from 17.8 percent in FY2021 to 16.5 percent in FY2023.
 - Vehicle maintenance costs per service mile declined from \$2.70 to \$2.53 from FY2021 to FY2022 but increased to \$2.89 in FY2023. Overall, there was an increase of 7.2 percent during this audit period.
 - Maintenance pay hours compared to vehicle service hours declined during the audit period, from 4.5 percent in FY2021 to 2.3 percent in FY2023.
 - Maintenance employee scheduled and unscheduled absences increased during the audit period. Scheduled absences increased from 7.9 percent in FY2021 to 9.8 percent in FY2023. Unscheduled absences increased from 9.9 percent in FY2021 to 11.3 percent in FY2023.
 - The vehicle spare ratio declined from 28.9 percent in FY2021 to 26.1 percent in FY2022 but increased to 31.3 percent in FY2023.
 - Both mean distance between major failures and all failures increased during this audit period. Mean distance between major failures increased 36.1 percent while mean distance between all failures increased 12.5 percent.
- Safety
 - The rate of preventable accidents per 100,000 vehicle miles increased from 1.57 in FY2021 to 2.06 in FY2023.

- Casualty/liability costs per service hour and service mile increased by 53.9 percent 39.9 percent respectively from FY2021 to FY2023. It is noted that costs for both these indicators declined from FY2021 to FY2022 and then increased in FY2023, resulting in an overall increase mentioned above.

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The following is a summary of the bus service functional trend highlights between FY2021 and FY2023:

- Service Planning results showed operating cost per passenger mile decreased 42.2 percent from FY2021 and FY2023. Vehicle service miles and vehicle service hours compared to total miles and hours varied less than 5 percent from FY2021 to FY2023. Farebox recovery increased 55.0 percent, from four percent in FY2021 to 6.3 percent in FY2022, and remained at that level in FY2023.
- In Operations, vehicle operations costs per service hour increased 42.8 percent, while the vehicle operations cost as a percentage of total operating cost was almost unchanged overall. Operator absence rates decreased for both scheduled and unscheduled absences. On time performance declined 11.7 percent over the audit period. There was a 52.8 percent reduction in complaints per 100,000 unlinked passenger trips. The incidence of missed trips was 1.2 percent of total trips in FY2022 but was one-tenth of one percent in FY2023.
- Maintenance results indicate that overall maintenance costs as a percentage of total costs decreased 7.2 percent, vehicle maintenance costs per service mile fluctuated but ended up 7.2 percent. Mechanic pay hours declined 48.5 percent compared to service hours. Maintenance employee scheduled and unscheduled absence rates increased by 24.8 percent and 14.3 percent respectively over the audit period. The spare ratio increased overall by 8.4 percent during the audit period. Mean distance between major and all failures improved by 36.1 and 12.5 percent respectively during this audit period.

- The safety area showed an increased rate of preventable accidents. There were significant increases in the casualty/liability cost rates, 53.9 percent per vehicle service hour and 39.9 percent per vehicle service mile during the audit period.

Exhibit 8: Functional Performance Trends – Bus Service

FUNCTION/Indicator	Actual Performance		
	FY2021	FY2022	FY2023
SERVICE PLANNING			
Total Operating Cost/Passenger Mile	\$7.44	\$4.96	\$4.30
<i>Annual Percent Change</i>	--	-33.3%	-13.3%
<i>Three Year Percent Change</i>	--	--	-42.2%
Vehicle Service Miles/Total Miles	78.1%	83.4%	81.0%
<i>Annual Percent Change</i>	--	6.8%	-2.8%
<i>Three Year Percent Change</i>	--	--	3.8%
Vehicle Service Hours/Total Hours	86.1%	83.4%	81.0%
<i>Annual Percent Change</i>	--	-3.2%	-2.8%
<i>Three Year Percent Change</i>	--	--	-5.9%
Farebox Recovery Ratio (Farebox Rev./Oper. Cost)	4.0%	6.3%	6.3%
<i>Annual Percent Change</i>	--	55.0%	-0.1%
<i>Three Year Percent Change</i>	--	--	54.9%
OPERATIONS			
Vehicle Operations Cost/Total Operating Cost	41.7%	44.6%	41.9%
<i>Annual Percent Change</i>	--	7.0%	-6.1%
<i>Three Year Percent Change</i>	--	--	0.6%
Vehicle Operations Cost/Vehicle Service Hour	\$96.18	\$116.97	\$137.38
<i>Annual Percent Change</i>	--	21.6%	17.5%
<i>Three Year Percent Change</i>	--	--	42.8%
Operator Sched. Absences/Total Hours Worked	7.8%	7.4%	7.5%
<i>Annual Percent Change</i>	--	-5.9%	1.9%
<i>Three Year Percent Change</i>	--	--	-4.1%
Operator Unsched. Absences/Total Hours Worked	25.3%	22.3%	20.1%
<i>Annual Percent Change</i>	--	-12.1%	-9.7%
<i>Three Year Percent Change</i>	--	--	-20.6%
Trips On-Time/Total Trips	87.2%	81.6%	77.0%
<i>Annual Percent Change</i>	--	-6.4%	-5.6%
<i>Three Year Percent Change</i>	--	--	-11.7%
Complaints/100,000 Unlinked Passenger Trip	5.28	4.81	2.49
<i>Annual Percent Change</i>	--	-8.9%	-48.1%
<i>Three Year Percent Change</i>	--	--	-52.8%
Missed Trips/Total Trips	0.0%	1.2%	0.1%
<i>Annual Percent Change</i>	--	--	-94.3%
<i>Three Year Percent Change</i>	--	--	172.5%

FUNCTION/Indicator	Actual Performance		
	FY2021	FY2022	FY2023
MAINTENANCE			
Vehicle + Non-Veh. Maint. Cost/Total Operating Cost	17.8%	17.8%	16.5%
<i>Annual Percent Change</i>	--	0.3%	-7.5%
<i>Three Year Percent Change</i>	--	--	-7.2%
Vehicle Maintenance Cost/Vehicle Service Mile	\$2.70	\$2.53	\$2.89
<i>Annual Percent Change</i>	--	-6.5%	14.6%
<i>Three Year Percent Change</i>	--	--	7.2%
Maintenance Pay Hours/Vehicle Service Hours	4.5%	3.0%	2.3%
<i>Annual Percent Change</i>	--	-33.4%	-22.7%
<i>Three Year Percent Change</i>	--	--	-48.5%
Maintenance Employee Scheduled Absences	7.9%	7.9%	9.8%
<i>Annual Percent Change</i>	--	0	24.8%
<i>Three Year Percent Change</i>	--	--	24.8%
Maintenance Employee Unscheduled Absences	9.9%	9.9%	11.3%
<i>Annual Percent Change</i>	--	0	14.3%
<i>Three Year Percent Change</i>	--	--	14.3%
Spare Vehicles/Total Vehicles	28.9%	26.1%	31.3%
<i>Annual Percent Change</i>	--	-9.5%	19.8%
<i>Three Year Percent Change</i>	--	--	8.4%
Mean Distance between Major Failures (Miles)	29,245	35,065	39,811
<i>Annual Percent Change</i>	--	19.9%	13.5%
<i>Three Year Percent Change</i>	--	--	36.1%
Mean Distance between All Failures (Miles)	24,805	31,095	27,895
<i>Annual Percent Change</i>	--	25.4%	-10.3%
<i>Three Year Percent Change</i>	--	--	12.5%
SAFETY			
Preventable Accidents/100,000 Vehicle Miles	1.57	1.35	2.06
<i>Annual Percent Change</i>	--	-14.2%	53.0%
<i>Three Year Percent Change</i>	--	--	31.3%
Casualty & Liability Cost/Vehicle Service Hour	\$11.70	\$6.85	\$18.01
<i>Annual Percent Change</i>	--	-41.5%	162.9%
<i>Three Year Percent Change</i>	--	--	53.9%
Casualty & Liability Cost/Vehicle Service Mile	\$1.15	\$0.58	\$1.61
<i>Annual Percent Change</i>	--	-49.2%	175.6%
<i>Three Year Percent Change</i>	--	--	39.9%

Paratransit

SamTrans' paratransit functional area trends represent mostly similar areas to the bus service. Audit period performance is discussed below and presented in Exhibit 9.

- Service Planning
 - Operating costs per passenger mile decreased significantly, by 41.5 percent, from \$14.11 in the first year to \$8.25 in FY2023.
 - The percentage of vehicle service miles compared total miles ranged between 86.6 To 88 percent during the audit period. The portion of vehicle service hours ranged between 83.1 to 89.8 percent.
 - The farebox recovery ratio improved from 1.6 percent in FY2021 to 2.5 percent in FY2022, an increase of 54.9 percent, and remained at the same level in FY2023.

- Operations
 - Vehicle operations costs as a percentage of total operating costs increased from 52.3 percent in FY2021 to 55.5 percent in FY2023.
 - Vehicle operations cost per service hour declined slightly from FY2021 to FY2022, but increased by 5.7 percent, from \$87.26 to \$92.23 in FY2023.
 - On time trips declined by 6.6 percent throughout the audit period.
 - The rate of complaints remained stable in the first two years but increased to 4.8 complaints per 10,000 passenger trips in FY2023.
 - There were no missed trips or ADA trip denials reported in any year of the audit period.
 - The trip cancellation rate declined by 20.3 percent, from 22.5 percent in FY2021 to 17.9 percent of total ADA trips in FY2023. Late trip cancellations remained stable throughout the audit period.

- The passenger no-show rate was also relatively stable between 1.3 percent and 1.6 percent throughout the audit period.

- Maintenance
 - Total maintenance costs decreased in each year, from 16.7 percent of total operating costs in the first year to 14.4 percent in FY2023.
 - Vehicle maintenance costs per service mile also decreased steadily, from \$2.09 to \$1.57, a decrease of 24.9 percent from FY2021 to FY2023.
 - The vehicle spare ratio also decreased from 16.5 percent in FY2021 to 14.5 percent in FY2023.
 - The mean distance between both major failures and all failures improved 18.6 and 6.2 percent respectively during the audit period.

- Safety
 - The rate of preventable accidents increased in the second year but declined in the last audit year.
 - Casualty and liability costs per service hour increased but remained relatively stable per service mile during the audit period.

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The following is a summary of the paratransit functional trend highlights between FY2021 and FY2023:

- Service Planning results showed the operating cost per passenger mile declined substantially, by 41.5 percent between FY2021 and FY2023. The portion of vehicle miles and hours in service varied in a narrow range, of 85.6 to 88 percent for miles, and 83.1 to 89.8 percent for hours. Farebox

recovery ratio improved from 1.6 to 2.5 percent, from FY2021 to FY2022, and remained at that level in FY2023.

- Operations results indicate that vehicle operations costs per service hour increased 2.8 percent and by 6.1 percent compared to total operating cost during this audit period. On-time performance declined by 6.6 percent. Complaints per 10,000 passenger trips increased from 3.2 to 4.8. There were no ADA trip denials and no missed trips overall. The trip cancellations rate improved by 20.3 percent. Both the late cancellation rate and no-shows rate also improved.
- Total maintenance costs declined compared to total operating costs by 13.8 percent and compared to vehicle service miles by 24.9 percent from FY2021 to FY2023. The spare vehicle ratio also decreased by 12.3 percent during the audit period. There was an improvement in the mean distance between major and all failures from the beginning to the end of the audit period, of 18.6 and 6.2 percent, respectively.
- Safety results showed that the preventable accident rate went up in the second year but dropped in the last year of the audit. The casualty and liability costs increased per vehicle service hour but declined slightly per vehicle service mile over the audit period.

Exhibit 9: Functional Performance Trends – Paratransit

FUNCTION/Indicator	Actual Performance		
	FY2021	FY2022	FY2023
SERVICE PLANNING			
Total Operating Cost/Passenger Mile	\$14.11	\$8.07	\$8.25
<i>Annual Percent Change</i>	--	-42.8%	2.3%
<i>Three Year Percent Change</i>	--	--	-41.5%
Vehicle Service Miles/Total Miles	85.6%	86.8%	88.0%
<i>Annual Percent Change</i>	--	1.4%	1.4%
<i>Three Year Percent Change</i>	--	--	2.9%
Vehicle Service Hours/Total Hours	83.1%	88.8%	89.8%
<i>Annual Percent Change</i>	--	6.8%	1.1%
<i>Three Year Percent Change</i>	--	--	8.0%
Farebox Revenue/Operating Cost	1.6%	2.5%	2.5%
<i>Annual Percent Change</i>	--	54.9%	-0.7%
<i>Three Year Percent Change</i>	--	--	53.8%
OPERATIONS			
Vehicle Operations Cost/Total Operating Cost	52.3%	55.4%	55.5%
<i>Annual Percent Change</i>	--	5.8%	0.2%
<i>Three Year Percent Change</i>	--	--	6.1%
Vehicle Operations Cost/Vehicle Service Hour	\$89.74	\$87.26	\$92.23
<i>Annual Percent Change</i>	--	-2.8%	5.7%
<i>Three Year Percent Change</i>	--	--	2.8%
Trips On-Time/Total Trips	97.2%	94.8%	90.8%
<i>Annual Percent Change</i>	--	-2.5%	-4.2%
<i>Three Year Percent Change</i>	--	--	-6.6%
Complaints/10,000 Unlinked Passenger Trips	3.2	3.3	4.8
<i>Annual Percent Change</i>	--	1.1%	45.2%
<i>Three Year Percent Change</i>	--	--	46.8%
Missed Trips/Total Trips	0.0	0.0	0.0
<i>Annual Percent Change</i>	--	--	--
<i>Three Year Percent Change</i>	--	--	--
ADA Trip Denials/Total ADA Trips	0.0%	0.0%	0.0%
<i>Annual Percent Change</i>	--	--	--
<i>Three Year Percent Change</i>	--	--	--
Trip Cancellations/Total ADA Trips	22.5%	17.9%	17.9%
<i>Annual Percent Change</i>	--	-20.5%	0.2%
<i>Three Year Percent Change</i>	--	--	-20.3%
Late Trip Cancellations/Total ADA Trips	2.68%	2.68%	2.65%
<i>Annual Percent Change</i>	--	-0.1%	-1.2%
<i>Three Year Percent Change</i>	--	--	-1.4%
No-Shows/Total ADA Trips	1.4%	1.6%	1.3%
<i>Annual Percent Change</i>	--	11.8%	-18.3%
<i>Three Year Percent Change</i>	--	--	-8.6%

FUNCTION/Indicator	Actual Performance		
	FY2021	FY2022	FY2023
MAINTENANCE			
Vehicle + Non-Veh. Maint. Cost/Total Operating Cost	16.7%	15.3%	14.4%
<i>Annual Percent Change</i>	--	-8.4%	-5.9%
<i>Three Year Percent Change</i>	--	--	-13.8%
Vehicle Maintenance Cost/Vehicle Service Mile	\$2.09	\$1.61	\$1.57
<i>Annual Percent Change</i>	--	-22.7%	-2.9%
<i>Three Year Percent Change</i>	--	--	-24.9%
Spare Vehicles/Total Vehicles	16.5%	17.1%	14.5%
<i>Annual Percent Change</i>	--	3.5%	-15.2%
<i>Three Year Percent Change</i>	--	--	-12.3%
Mean Dist. betw. Major Failures (Miles)	47,893	43,513	56,782
<i>Annual Percent Change</i>	--	-9.1%	30.5%
<i>Three Year Percent Change</i>	--	--	18.6%
Mean Dist. betw. All Failures (Miles)	46,348	40,675	49,211
<i>Annual Percent Change</i>	--	-12.2%	21.0%
<i>Three Year Percent Change</i>	--	--	6.2%
SAFETY			
Preventable Accidents/100,000 Vehicle Miles	0.90	1.60	0.90
<i>Annual Percent Change</i>	--	77.2%	-43.7%
<i>Three Year Percent Change</i>	--	--	-0.2%
Casualty & Liability Cost/Vehicle Service Hour	\$8.82	\$8.68	\$9.60
<i>Annual Percent Change</i>	--	-1.6%	10.6%
<i>Three Year Percent Change</i>	--	--	8.8%
Casualty & Liability Cost/Vehicle Service Mile	\$0.66	\$0.60	\$0.64
<i>Annual Percent Change</i>	--	-8.8%	7.6%
<i>Three Year Percent Change</i>	--	--	-1.9%

VII. CONCLUSIONS AND RECOMMENDATIONS

This report has presented the findings of the compliance audit portion of the performance audit of SamTrans' transit service. The primary focus was the three-year audit period of FY2021 through FY2023 (July 1, 2020 through June 30, 2023). It focused on TDA compliance issues including trends in TDA-mandated performance indicators and compliance with selected sections of the state Public Utilities Code (PUC). It also provides the findings from an overview of SamTrans' data collection activities to support the TDA indicators. Performance results from the previous three years have also been included as applicable to provide a longer perspective on performance.

The key findings and conclusions from the individual sections of this performance audit are summarized below:

- Data Collection – SamTrans is compliant with the data collection and reporting requirements for all five TDA statistics. In addition, the statistics collected over the six-year review period appear to be consistent with the TDA definitions. Bus service hours and miles decreased in the first year but exhibited opposing trends in the second and the third year of the audit period. In the second-year bus service hours decreased but miles increased. In the third-year bus service hours increased but the miles decreased. Paratransit service levels for hours and miles trended consistently during the audit period.

- TDA Performance Trends

SamTrans' performance trends for the five TDA-mandated indicators were analyzed by mode. A six-year analysis period was used for all the indicators. In addition, component operating costs were analyzed.

Bus Service – The following is a brief summary of the TDA performance trend highlights over the six-year period of FY2018 through FY2023:

- There was an average annual increase in the operating cost per hour of 12.2 percent in actual dollars compared to 8.2 percent in FY2018 constant dollars. The average annual CPI during this period was 3.7 percent. The wage increases granted during this audit, as presented in Exhibit 1 System Overview, resulted in an increase in total operating costs as well as unit costs per service hour.
- The cost per passenger increased by 13.6 percent in actual dollars and 9.6 percent in constant dollars over six years.
- The passengers per hour and mile declined over the six years, substantially declined in FY2020 and FY2021, and rebounded in FY2022 and FY2023.
- Employee productivity decreased an average of 6.3 percent per year, from 1,187 to 855 vehicle hours per FTE.

The following is a summary of the component operating costs trend highlights for bus service between FY2018 and FY2023:

- The annual average rate of increase was 5.7 and 8.9 percent for labor costs vs fringe benefit costs, respectively. These two categories combined accounted for slightly over 58.4 percent of total bus operating costs in FY2023.
- Services costs increased by 6.7 percent on average per year and comprised between about 13.8 to 15.7 percent of total operating costs.
- Casualty/liability costs experienced the largest annual increase of 32.9 percent of all component categories in this audit. Most of the increase was in the last audit year of FY 2023.

Paratransit – The following is a brief summary of the TDA performance trend highlights over the six-year period of FY2018 through FY2023:

- Cost efficiency decreased, with an average annual increase in the operating cost per hour of 12.0 percent. This amounted to an average annual increase of 8.0 percent in inflation adjusted dollars.
- Cost effectiveness was similarly impacted, with the operating cost per passenger increasing an average of 16.7 percent per year, or 12.5 percent annually when expressed as normalized FY2018 dollars.
- Passenger productivity, passengers per hour and passengers per mile, declined annually by 4.0 and 2.9 percent, respectively.

The following is a summary of the component operating costs trend highlights for paratransit between FY2018 and FY2023:

- Though labor and fringe benefits costs increased annually by 4.2 and 6.3 percent respectively, these two component categories combined accounted for 16.3 percent of the total paratransit costs in FY2023.
 - Purchased transportation costs represented the largest portion of total paratransit operating costs, at about 68.4 percent in FY2023. Purchased transportation costs increased by 3.7 percent per year on average, the increase in FY2023 was 25.6 percent.
- PUC Compliance – SamTrans is in compliance with each of the seven sections of the state PUC that were reviewed as part of this performance audit. These sections included requirements concerning CHP terminal safety inspections, labor contracts, reduced fares, Welfare-to-Work, revenue sharing, and evaluating passenger needs.
 - Status of Prior Audit Recommendations – There were no recommendations made in SamTrans’s prior audit.
 - Functional Performance Indicator Trends
To further assess SamTrans’s performance over the past three years, a detailed set of systemwide and modal functional area performance indicators was defined and reviewed.

Systemwide – The following is a summary of the systemwide functional trend highlights between FY2021 and FY2023:

- The share of administrative cost to total operating cost remained about the same over this audit period, with a 7.9 percent decrease in the intervening year of FY2022. Administrative cost per vehicle service hour increased 34 percent between FY2021 and FY2023.
- Marketing costs remained steady in the first two years compared to total administrative costs but increased in the last audit year. Marketing cost per passenger trip increased almost 22 percent overall.
- The systemwide farebox recovery ratio increased over 54 percent during the first two years of the audit period and remained at the same level of 5.8 percent in the last year.

Bus Service – The following is a summary of the bus service functional trend highlights between FY2021 and FY2023:

- Service Planning results showed operating cost per passenger mile decreased 42.2 percent from FY2021 and FY2023. Vehicle service miles and vehicle service hours compared to total miles and hours varied less than 5 percent from FY2021 to FY2023. Farebox recovery increased 55.0 percent, from four percent in FY2021 to 6.3 percent in FY2022, and remained at that level in FY2023.
- In Operations, vehicle operations costs per service hour increased 42.8 percent, while the vehicle operations cost as a percentage of total operating cost was almost unchanged overall. Operator absence rates decreased for both scheduled and unscheduled absences. On time performance declined 11.7 percent over the audit period. There was a 52.8 percent reduction in complaints per 100,000 unlinked passenger trips. The incidence of missed trips was 1.2 percent of total trips in FY2022 but was one-tenth of one percent in FY2023.
- Maintenance results indicate that overall maintenance costs as a percentage of total costs decreased 7.2 percent, vehicle maintenance costs per service mile fluctuated but ended up 7.2 percent. Mechanic pay hours declined 48.5 percent compared to service hours. Maintenance employee scheduled and unscheduled absence rates increased by 24.8 percent and 14.3 percent respectively over the audit period. The spare ratio increased overall by 8.4 percent during

the audit period. Mean distance between major and all failures improved by 36.1 and 12.5 percent respectively during this audit period.

- The safety area showed an increased rate of preventable accidents. There were significant increases in the casualty/liability cost rates, 53.9 percent per vehicle service hour and 39.9 percent per vehicle service mile during the audit period.

Paratransit – The following is a summary of the paratransit functional trend highlights between FY2021 and FY2023:

- Service Planning results showed the operating cost per passenger mile declined substantially, by 41.5 percent, between FY2021 and FY2023. The portion of vehicle miles and hours in service varied in a narrow range, of 85.6 to 88 percent for miles, and 83.1 to 89.8 percent for hours. Farebox recovery ratio improved from 1.6 to 2.5 percent, from FY2021 to FY2022, and remained at that level in FY2023.
- Operations results indicate that vehicle operations costs per service hour increased 2.8 percent and by 6.1 percent compared to total operating cost during this audit period. On-time performance declined by 6.6 percent. Complaints per 10,000 passenger trips increased from 3.2 to 4.8. There were no ADA trip denials and no missed trips overall. The trip cancellations rate improved by 20.3 percent. Both the late cancellation rate and no-shows rate also improved.
- Total maintenance costs declined compared to total operating costs by 13.8 percent and compared to vehicle service miles by 24.9 percent from FY2021 to FY2023. The spare vehicle ratio also decreased by 12.3 percent during the audit period. There was an improvement in the mean distance between major and all failures from the beginning to the end of the audit period, of 18.6 and 6.2 percent, respectively.
- Safety results showed that the preventable accident rate went up in the second year but dropped in the last year of the audit. The

casualty and liability costs increased per vehicle service hour but remained stable per vehicle service mile over the audit period.

Recommendations

No recommendations are suggested for SamTrans based on the results of this triennial performance audit.

It is noted here that many cost efficiency, cost effectiveness and functional indicators fluctuated by wide margins compared to their past trends. Such as, cost per vehicle service hour for motorbus increased over 12 percent per year from \$184.47 in FY 2018 to \$327.81 in FY2023, at a rate over 3 times the annual rate of change for the Bay Area CPI. Another example is a 13.6 percent per year increase in operating cost per passenger from \$10.51 in FY2018 to \$19.94 in FY2023, peaking at \$29.44 in FY2021. In the past TDA Audits, such increases in efficiency, effectiveness and functional indicators most likely resulted in one or more recommendations for follow-up investigations and development of corrective actions.

It is recognized here that during this audit period policy, planning and operational decisions were made under unusual conditions of local, regional, and national health pandemic. SamTrans, like other transit agencies in the Bay Area, faced issues related to employee availability and retention; deployment of vehicles based on declining demand due to remote working; forced reduction in acceptable vehicle occupancy due to social distancing guidelines. For these reasons, no recommendations are made to reexamine the past performance. Experience in FY2023 indicates that ridership, service levels and functional performance are improving. These trends will be examined again in the future TDA Audits.

**APPENDIX A:
INPUT STATISTICS FOR
FUNCTIONAL PERFORMANCE MEASURES**

Functional Performance Inputs - Systemwide (All Modes)

Data Item	FY2021	FY2022	FY202023	Source
Total Operating Costs	\$148,441,482	\$152,948,594	\$192,548,134	NTD F-40
Administrative Costs	\$58,670,896	\$55,647,915	\$76,888,952	NTD F-40
Vehicle Service Hours	666,702	627,990	651,839	NTD S-10
Marketing Costs	293,683	260,080	678,292	SamTrans Staff
Unlinked Passenger Trips	4,632,200	7,128,074	8,773,955	NTD S-10
Farebox Revenue (All Modes)	\$5,614,716	\$8,913,332	\$11,225,628	NTD F-10

Functional Performance Inputs – Bus Service

Data Item	FY2021	FY2022	FY2023	Source
Vehicle Service Miles	5,866,691	6,068,298	5,844,688	NTD S-10
Total Vehicle Miles	7,515,894	8,240,263	8,201,091	NTD S-10
Vehicle Service Hours	575,225	516,030	521,069	NTD S-10
Total Vehicle Hours	667,898	618,821	643,159	NTD S-10
Unlinked Passenger Trips	4,508,903	6,954,249	8,568,085	NTD S-10
Farebox Revenue	\$5,363,517	\$8,475,726	\$10,690,578	NTD F-10
Total Operating Costs	\$132,750,304	\$135,299,674	\$170,811,253	NTD F-30
Passenger Miles	17,853,226	27,299,360	39,762,693	NTD S-10
Vehicle Operations Costs	\$55,322,924	\$60,359,180	\$71,586,008	NTD F-30
Local Support (a)	\$127,576,786	\$105,637,975	\$134,301,740	SCO - Operating Cost Exclusions and SCO - Operating Cost Exclusions and
TDA Oper. Cost Exclusions - PUC 99247 (b)	\$0	\$0	\$0	SCO - Operating Cost Exclusions and
TDA Oper. Cost Exclusions - PUC 99268.17 (c)	\$0	\$0	\$0	SCO - Operating Cost Exclusions and
Total Operator Work Hours	553,498	587,145	615,679	Payroll Records
Operator Scheduled Absences (Hours)	43,267	43,175	46,143	Payroll Records
Operator Unscheduled Absences (Hours)	140,150	130,751	123,835	Payroll Records
Trips On-Time	360,342	370,738	342,618	Year-End Summary Report
Total Trips (Scheduled)	413,236	454,336	444,958	Year-End Summary Report
Complaints	943	1313	992	Year-End Summary Report
Missed Trips	107	5643	314	Year-End Summary Report
Maintenance Pay Hours	240,027	252,773	246,451	Payroll Records
Total Maintenance Employee Work Hours	210,764	210,764	209,248	Payroll Records
Maint. Employee Scheduled Absences (Hours)	16,551	16,551	20,502	Payroll Records
Maint. Employee Unscheduled Absences (Hours)	20,868	20,868	23,689	Payroll Records
Vehicle Maintenance Costs	\$20,301,279	\$20,811,769	\$23,737,523	NTD F-30
Non-Vehicle/Facility Maintenance Costs	\$3,311,318	\$3,327,284	\$4,465,709	NTD F-30
Spare Vehicles (Total less Maximum Service)	84	76	97	NTD S-10
Total Vehicles	291	291	310	NTD S-10
Revenue Vehicle Mechanical System Failures - Total	303	265	294	NTD R-20
Revenue Vehicle Mechanical System Failures - Major	257	235	206	NTD R-20
Preventable Accidents (Chargeable Collisions)	118	111	169	Directly Operated + Contract Operated
Casualty/Liability Costs	6,731,970	3,535,352	9,383,936	NTD F-30

(a) Local Support includes the following (USOA revenue class in parentheses):

- Auxiliary transportation revenue (406)
- Taxes directly levied (408)
- Local cash grants and reimbursements (409)
- Local special fare assistance (410)
- Subsidy from other sectors of operation (440)
- Other non-federal/non-state grant funds or other revenues

(b) Operating expense object classes exclusive of the following pursuant to PUC Section 99247:

- depreciation and amortization expenses
- subsidies for commuter rail services operated on railroad lines under the jurisdiction of the Federal Railroad Administration
- costs for providing charter services
- vehicle lease costs
- principal and interest payments on capital projects funded with certificates of participation

(c) Operating expense object class exclusions pursuant to PUC Section 99268.17:

- additional operating costs for federally required ADA paratransit service that exceed prior year costs (CPI adjusted)
- cost increases beyond the CPI change for: fuel; alternative fuel programs; power (including electricity); insurance premiums/liability claims payouts; state and federal mandates
- start-up costs for new services (not more than two years)

Functional Performance Inputs – Paratransit

Data Item	FY2021	FY2022	FY2023	Source
Vehicle Service Miles	1,229,443	1,624,180	1,949,010	NTD S-10
Total Vehicle Miles	1,436,795	1,871,069	2,214,512	NTD S-10
Vehicle Service Hours	91,477	111,960	130,770	NTD S-10
Total Vehicle Hours	110,020	126,034	145,580	NTD S-10
Unlinked Passenger Trips	123,297	173,825	205,760	NTD S-10
Farebox Revenue	\$251,199	\$437,606	\$535,050	NTD F-10
Total Operating Costs	\$15,691,178	\$17,648,920	\$21,736,881	NTD F-30
Passenger Miles	1,111,966	2,187,747	2,634,070	NTD S-10
Vehicle Operations Costs	\$8,208,924	\$9,769,491	\$12,061,271	NTD F-30
Local Support (a)	\$12,085,986	\$12,760,380	\$16,987,645	SCO - Operating Cost Exclusions and Exemptions
TDA Oper. Cost Exclusions - PUC 99247 (b)	\$0	\$0	\$0	SCO - Operating Cost Exclusions and Exemptions
TDA Oper. Cost Exclusions - PUC 99268.17 (c)	\$0	\$0	\$0	SCO - Operating Cost Exclusions and Exemptions
Trips On-Time (within 30 minute window)	119,845	164,786	186,332	Contractor reports
Total Trips	123,297	173,825	205,211	Contractor reports
Complaints	40	57	98	Customer Service records
Missed Trips	0	2	3	Customer Service records
Total ADA Trips	121,380	171,130	202,425	Contractor reports
ADA Trip Denials	0	0	0	Records
Trip Cancellations	27,270	30,578	36,226	Records
Late Trip Cancellations	3256	4584	5355	Records
No Shows	1,745	2,750	2,659	Records
Vehicle Maintenance Costs	\$2,567,560	\$2,622,703	\$3,056,155	NTD F-30
Non-Vehicle/Facility Maintenance Costs	\$58,581	\$81,564	\$79,524	NTD F-30
Spare Vehicles (Total less Maximum Service)	19	20	20	NTD S-10
Total Vehicles	115	117	138	NTD S-10
Revenue Vehicle Mechanical System Failures - Total	31	46	45	NTD R-20
Revenue Vehicle Mechanical System Failures - Major	30	43	39	NTD R-20
Preventable (Chargeable) Accidents	13	30	20	Contractor reports
Casualty/Liability Costs	\$807,182	\$972,129	\$1,255,268	NTD F-30

(a) Local Support includes the following (USOA revenue class in parentheses):

- Auxiliary transportation revenue (406)
- Taxes directly levied (408)
- Local cash grants and reimbursements (409)
- Local special fare assistance (410)
- Subsidy from other sectors of operation (440)
- Other non-federal/non-state grant funds or other revenues

(b) Operating expense object classes exclusive of the following pursuant to PUC Section 99247:

- depreciation and amortization expenses
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- additional operating costs for federally required ADA paratransit service that exceed prior year costs (CPI adjusted)
- cost increases beyond the CPI change for: fuel; alternative fuel programs; power (including electricity); insurance premiums/liability claims payouts; state and federal mandates
- start-up costs for new services (not more than two years)