



**FY 2019-2021
Triennial Performance Audit of the
Santa Cruz County Transit Operators**

Final

**Submitted to
Santa Cruz County
Regional Transportation Commission**

August 2022

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Section I

Introduction

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

The Santa Cruz County Regional Transportation Commission (SCCRTC) engaged Michael Baker International to conduct the TDA triennial performance audit of the public transit operators under its jurisdiction in Santa Cruz County. This performance audit is conducted for the Santa Cruz Metropolitan Transit District (Santa Cruz METRO, METRO), Community Bridges, and the Volunteer Center, covering the most recent triennial period, fiscal years 2018–19 through 2020–21.

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

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

Overview of the Transit System

Santa Cruz Metropolitan Transit District (Santa Cruz METRO)

Santa Cruz METRO was created in 1968 by the Santa Cruz Metropolitan District Act of 1967, a special district with taxing authority pursuant to Part 5 of the California PUC. Santa Cruz METRO initially provided public transit services to Santa Cruz, Capitola, and Live Oak. Service was eventually expanded to the San Lorenzo Valley, Scotts Valley, and Watsonville in 1974. In 1979, Santa Cruz County voters approved a measure that changed the district’s local financing structure from a property tax to a one-half-cent sales tax. The 1989 Loma Prieta earthquake, which resulted in the closure of State Route (SR) 17, prompted Santa Cruz METRO to provide an

emergency bus bridge between Santa Cruz, Scotts Valley, and San José. This service eventually evolved into the Highway 17 Express-Amtrak Thruway bus service in partnership with Amtrak California, the Capitol Corridor Joint Powers Authority, the San Joaquin Joint Powers Authority, and the Santa Clara Valley Transportation Authority (VTA). Santa Cruz METRO is governed by an 11-member Board of Directors comprising representatives of the Cities of Watsonville, Santa Cruz, Capitola, and Scotts Valley, and from the unincorporated areas of the county. In addition, there are two ex officio members representing the University of California, Santa Cruz (UCSC) and Cabrillo College.

Community Bridges

Community Bridges, the designated Consolidated Transportation Services Agency (CTSA) for Santa Cruz County, operates several specialized transportation services under the Lift Line program. The organization was founded in 1977 and offers a variety of human services programs encompassing family resources, nutrition, youth outreach, and transportation. Since 1982, Community Bridges has been offering transportation services through Lift Line as well as from taxi vehicles through the taxi scrip program. In November 2017, Community Bridges administration relocated from Aptos to Watsonville which, among other changes, enables transit administrative staff to be closer to the drivers and the operations facility located in Watsonville. A permanent operations/maintenance facility has since been developed in Watsonville, located at 545 Ohlone Parkway.

Volunteer Center

The Santa Cruz Volunteer Center offers a variety of community-based programs targeted to seniors, persons with disabilities, families, and youth. The agency also serves as a resource for businesses, nonprofits, schools, government, and faith-based agencies that want to make a difference through effective, meaningful volunteer initiatives. The Volunteer Center Transportation Program provides free rides to ambulatory seniors, aged 60 and older, and disabled persons throughout the county. The program matches drivers with riders for essential trips to access medical appointments, banking, pharmacies, and grocery shopping.

Transit Service Area

Santa Cruz County is located in the Central Coast region of California and forms the northern portion of Monterey Bay. The county is bordered by Santa Clara County to the east and northeast, Monterey County to the south, San Benito County to the southeast, and San Mateo County to the north. Established in 1850, the county was one of the original counties in California; the county's name means "holy cross" in Spanish. It has the second smallest geographic area of any county in California after the City and County of San Francisco. Agriculture, education, government services, health care, and tourism are mainstays of the local economy. Major highways traversing Santa Cruz County include SR 1, 9, 17, 35, 129, 152, and 236. SR 1 is the main coastal highway connecting the Cities of Capitola, Santa Cruz, and Watsonville. SR 17 is the main north-south highway connecting Santa Cruz and Scotts Valley

with San José and the Santa Clara Valley. A demographic snapshot of key cities and the county is presented in Table I-1.

Table I-1
Santa Cruz County Demographics

City/Jurisdiction	2020 US Census Population	Change from 2010 US Census (percentage)	Population 65 Years & Older (percentage)	2022 California DOF Estimates	Land Area (in square miles)
Capitola	9,938	+0.2%	23.9%	9,794	1.59
Santa Cruz	62,956	+5.0%	12.3%	64,075	12.74
Scotts Valley	12,224	+5.6%	17.0%	12,049	4.60
Watsonville	52,590	+2.7%	10.2%	50,669	6.69
Unincorporated Area	133,153	+2.6%	22.0%	129,977	419.55
Total Santa Cruz County	270,861	+3.2%	17.3%	266,564	445.17

Source: 2020 US Census; California Department of Finance 2022 Population Estimates

The City of Santa Cruz is the county seat and the largest city in the county. The county and its four incorporated cities saw modest growth between 2010 and 2020, as recorded in the US Census for each of those years. Scotts Valley had the highest percentage increase in population. The senior citizen population, comprising residents aged 65 and over, is 17.3 percent countywide. The 2022 population for Santa Cruz County is estimated to be 266,564, as reported by the California Department of Finance.

Transit System Characteristics

Santa Cruz METRO

Santa Cruz METRO operates fixed-route and Americans with Disabilities Act (ADA) compliant paratransit service within Santa Cruz County as well as commuter service to Santa Clara County along the SR 17 corridor. Santa Cruz METRO operates four transit centers, which provide connections between routes and other transit services. The main transit center is the Santa Cruz METRO Center (Pacific Station) located at 920 Pacific Avenue in Santa Cruz. The other three transit centers are Capitola Mall, Cavallaro (Scotts Valley), and Watsonville.

Transit services operate seven days a week with varying service hours based on the mode. Certain routes operate only during the school terms for the San Lorenzo Valley Unified School District, UCSC, and Cabrillo College. Local fixed route does not operate on New Year's Day, Independence Day, Labor Day, Thanksgiving Day, and Christmas Day, but operates on the weekend schedule on the day after Thanksgiving, Christmas Eve, and New Year's Eve. The Highway 17 Express operates the weekend schedule on the aforementioned holidays. The METRO ParaCruz operates most holidays except on New Year's Day, Independence Day, Labor Day, Thanksgiving Day, and Christmas Day.

Santa Cruz METRO operates 25 fixed routes, including the Highway 17 Express commuter route and the Watsonville Circulator. Headways range from 30 minutes to 60 minutes depending on the route, time of day, and day of the week. Certain routes operate during peak periods to serve students attending UCSC and Cabrillo College as well as local middle and secondary schools. It is noted that the service provided during the audit period underwent schedule adjustments due to the COVID-19 pandemic.

Fares

Santa Cruz METRO fare media comprise cash and several pass options based on the number of days and rides. All Santa Cruz METRO day passes are good for unlimited rides in Santa Cruz County, excluding the Highway 17 Express route. All Highway 17 Express passes are good for unlimited rides on all Santa Cruz METRO and VTA local routes. Santa Cruz METRO also offers a cash card with no expiration date that is available in denominations of \$10, \$20, \$30, and \$50. Electronic plastic smart cards, including the METRO CRUZ pass and CRUZ Cash cards, are reloadable and are read by tapping the GFI Odyssey electronic fareboxes on the Santa Cruz METRO buses. In addition to the CRUZ cards, METRO implemented mobile ticketing during the audit period with the Splash Pass. The riders can purchase tickets through the Splash Pass app, which can be downloaded using their Apple or Android smartphones (<https://scmttd.apps>). Transfers to Monterey Salinas Transit buses are available for passengers from certain Santa Cruz METRO routes at the Watsonville Transit Center and the Pacific Station. The current fare structure for Santa Cruz METRO and the Highway 17 Express is summarized in Table I-2.

Table I-2
Santa Cruz METRO and Amtrak Highway 17 Express Fare Schedule

Fare Category	Regular Santa Cruz METRO Service						Highway 17 Express			
	Cash	Day Pass	3-Day Pass	7-Day Pass	31-Day Pass	15-Ride Pass	Cash	Day Pass	31-Day Pass	15-Ride Pass
Adult (Age 18+)	\$2	\$6	\$15	\$32	\$65	\$27	\$7	\$14	\$145	\$94.50
Youth (Through Age 17)	\$2	\$6	\$15	\$32	\$48	\$27	\$7	\$14	\$145	\$94.50
Discount Fare	\$1	\$3	\$7.50	\$16	\$32	\$13.50	\$3.50	\$14	\$145	\$94.50
Child (Under 46" Tall)	Free, limit of three children with a fare-paying adult (Height is marked at bus entrance)									

Source: Santa Cruz METRO, <https://www.scmttd.com/en/>

Note: Beginning November 1, 2019, customers who are legally blind may ride the Santa Cruz METRO fixed-route bus system for free as a way to resolve some concerns raised by visually impaired riders who had difficulty using the ticket vending machines.

Santa Cruz METRO discount fares and passes are available to eligible seniors and persons with disabilities by presenting the following forms of identification:

- A METRO Discount photo ID card
- A METRO ParaCruz ID card

- A Discount photo ID card/Paratransit ID card issued by another transit agency
- A senior citizen ID card
- A Medicare ID card
- Current state driver's license or current state ID card
- Government-issued ID that displays date of birth
- A valid ID card for California disabled person parking placard
- A disabled veteran's ID card

METRO ParaCruz Paratransit

Through its ParaCruz service, Santa Cruz METRO provides door-to-door paratransit service to any destination within Santa Cruz County that is within 0.75 miles of an operating fixed route. Eligibility for this complementary ADA paratransit service is determined through an in-person interview. METRO ParaCruz operates on days and hours that reflect the local fixed-route bus service in the same area. ParaCruz does not operate on New Year's Day, Independence Day, Labor Day, Thanksgiving, or Christmas Day. Rides must be reserved at least one day in advance between the hours of 8:00 a.m. and 5:00 p.m. The ParaCruz fare is \$4.00 per one-way trip equivalent to a single fixed-route bus fare, and \$6.00 maximum per one-way trip if equivalent to two or more fixed-route bus fares. Premium fares are charged for will-call returns (\$8.00) and for a re-dispatched vehicle (\$16.00). A personal care attendant accompanying a fare-paying passenger rides free if an attendant is determined necessary during the transit evaluation interview.

METRO Cruz On-Demand

In April 2021, METRO launched an on-demand transit pilot program branded as Cruz On-Demand. This program allows for increased service coverage in Santa Cruz County, which extends 0.75 miles from any of METRO's fixed routes excluding the Highway 17 Route and the UCSC campus. Cruz On-Demand is a shared-ride service that utilizes smaller vans operated by ParaCruz operators. Cruz On-Demand fares are \$4.00 for trips up to 2 miles and \$6.00 for trips from 2 to 3 miles. Rides can be scheduled through METRO's Ecolane mobile app.

Santa Cruz METRO Fleet

There were 93 vehicles in the Santa Cruz METRO fixed-route active fleet during the audit period. Older vehicles are diesel-powered, whereas later-model vehicles are powered by compressed natural gas (CNG). A number of older vehicles were replaced, which was an initiative for the agency to reduce costs. All vehicles are wheelchair accessible with tie-downs in compliance with the ADA. Table I-3 shows the active vehicle fleet information.

Table I-3
Santa Cruz METRO Transit Fleet

Year	Make/Model	Quantity	Seating Capacity	Fuel Type
1998	New Flyer D35LF	8	30 (2 W/C)	Diesel
1998	New Flyer D40LF	3	39 (2 W/C)	Diesel
2002	New Flyer D60LF	4	57 (2 W/C)	Diesel
2003	New Flyer D35LFC	11	30 (2 W/C)	CNG
2003	New Flyer D40LFC	9	39 (2 W/C)	CNG
2006	New Flyer C40LF	2	39 (2 W/C)	CNG
2008	New Flyer C40LF	8	39 (2 W/C)	CNG
2008	New Flyer C40LF	5	36 (2 W/C)	CNG
2010	New Flyer C40LFR	5	39 (2 W/C)	CNG
2011	New Flyer C40LFR	11	39 (2 W/C)	CNG
2013	New Flyer XN35	6	28 (2 W/C)	CNG
2014	Gillig Low Floor	10	39 (2 W/C)	Diesel Hybrid
2016	New Flyer XN40	3	40 (2 W/C)	CNG
2019	Gillig Low Floor	5	38 (2 W/C)	CNG
2020	Gillig Low Floor	1	38 (2 W/C)	CNG
2020	Proterra ZX5 Max	2	38 (2 W/C)	Battery Electric
Total		93		

Source: Santa Cruz METRO Revenue Vehicle Listing. W/C-Wheelchair

ParaCruz operates a fleet of 32 unleaded gasoline-powered vehicles. The fleet varies in type and passenger capacity. All vehicles are wheelchair accessible with tie-downs in compliance with the ADA. Table I-4 summarizes the ParaCruz fleet.

Table I-4
ParaCruz Fleet

Year	Make/Model	Quantity	Seating Capacity	Fuel Type
2003	Ford Goshen GCII	2	17 (2 W/C)	Gas
2011	Ford E350 - Versa Shuttle	3	4 (1 W/C)	Gas
2011	Ford E350 – Versa Shuttle	4	5 (1 W/C)	Gas
2011	Dodge Amerivans	2	2 (1 W/C)	Gas
2011	Dodge Amerivans	1	4 (1 W/C)	Gas
2015	Dodge Amerivans	2	4 (1 W/C)	Gas
2015	Ford/EIDorado-F550 Aeroelite 270	1	22 or 7 W/C	Gas
2017	Ford E350-Starlite 20	1	8 (1 W/C)	Gas
2018	Ford/Starcraft-T350 Starlite	11	10 (1 W/C)	Gas
2018	Ford/Starcraft-E450Allstar	2	14 (2 W/C)	Gas
2019	Ford/Starcraft-T350 Starlite	3	10 (1 W/C)	Gas
Total		32		

Source: Santa Cruz METRO Revenue Vehicle Listing. W/C-Wheelchair

Community Bridges – Lift Line

Community Bridges’ Lift Line offers a variety of demand-responsive transit services for disabled, frail, and elderly persons throughout Santa Cruz County as well as to the adjacent counties of Monterey, San Mateo, San Benito, San Francisco, and Santa Clara. Lift Line services during the audit period included:

- Countywide medical transportation
- Out-of-county medical transportation
- Veterans’ medical transportation
- Taxi scrip
- Elderday Adult Health Care transportation
- Senior dining center transportation (Meals on Wheels)
- Same day medical transportation

The medical transportation program provides transportation for Santa Cruz County residents who meet age, disability, and/or income criteria. Eligible riders are able to access dental, medical, and prescription appointments free of charge. This service operates Monday through Friday except holidays. Lift Line is currently using the ADA paratransit system pickup window lasting up to 30 minutes, with a pickup no sooner than 10 minutes before the scheduled pickup time and not less than 20 after the scheduled pickup time. The pickup window for outside contracts varies depending on the agreement between Lift Line (contractor) and outside agency (contractee). Trips are prioritized on a first-come, first-served basis.

The out-of-county medical transportation service provides transportation from Santa Cruz County to a number of facilities including the Stanford Medical Center in Palo Alto, the Veterans Hospital, VA Monterey Bay/Fort Ord, Lucile Packard Children’s Hospital, as well as others located in San Jose, Santa Clara, Menlo Park, San Francisco, and Gilroy. The service operates Monday through Friday excluding holidays and is available free of charge to Santa Cruz County residents who meet age, disability, and/or income criteria. Due to budget reductions, out-of-county areas are served certain days of the week. Locations closer to Santa Cruz County such as Monterey, Salinas, and San Benito are served Monday, Wednesday, and Friday, while northern locations including San Jose, Santa Clara, and San Francisco are served Tuesday and Thursday.

The veteran’s medical transportation program provided transport free of charge to veterans who met residency, income, age, and/or disability criteria. This program provided service to the Veterans Building in Santa Cruz and to the VA Hospital Monterey Bay/Fort Ord. The veteran’s transportation was combined with the out-of-county medical transportation for days of service until 2017 when the Federal Transit Administration (FTA) 5310 grant revenue ended, and the veterans service was discontinued.

The taxi scrip program offers discounted coupons or “scrip” to use for taxi fares. This program receives federal and local support through the TDA. An eligible person purchases scrip from Lift Line at a discounted rate for use on any one of three designated taxi carriers in Santa Cruz. The

participating taxi companies included Santa Cruz Yellow Cab, Deluxe Cab Company, and Courtesy Cab Company of Watsonville. Rides are arranged directly with the taxi companies. The growth of transportation network companies (TNCs) has impacted the taxi industry, disrupting taxi service in the county, particularly in northern Santa Cruz.

Elderday transportation provides rides to and from Elderday twice a day using seven set routes. The senior dining center transportation program provides coordinated transportation to Meals on Wheels congregate dining centers in Santa Cruz County. Community Bridges also offers bus charter services for outside contracts/private events to help support its free and reduced programming using competitive flat rates.

Fleet

Community Bridges’ Lift Line service operates a fleet of 21 unleaded gasoline-powered vehicles and 3 electric vehicles. The new electric vehicles are targeted for service in disadvantaged communities in Watsonville. Funding for the electric vehicles also provides two Level 2 charging stations at the Lift Line fleet facility in Watsonville. Newer vehicles have on-board cameras installed for safety. The fleet varies in type and passenger capacity, with many older vehicles replaced during the audit period. Most vehicles are wheelchair accessible with tie-downs in compliance with the ADA. Table I-5 summarizes the Lift Line fleet.

**Table I-5
Lift Line Fleet**

Year	Make/Model	Quantity	Seating Capacity	Wheelchair Capacity
2006	Chevy Uplander	1	3	1
2006	Chevy Uplander	1	5/3	0/1
2007	Ford E350	1	8	2
2008	Chevy Uplander	1	3	0/1
2013	Dodge Grand Caravan	1	5/3	0/1
2013	Ford E450	1	16	2
2013	Ford E450	2	13/11	1/2
2013	Ford E450	1	17/13/11	1/2
2013	Ford E450	1	17/13/11	0/1/2
2013	Ford E-450	1	15/13/11	0/1/2
2016	Dodge Grand Caravan	2	5/3	0/1
2019	Dodge Grand Caravan	3	5/3	0/1
2019	Ford E-350	1	6	2
2019	Ford E-450	3	17/13/11	0/1/2
2019	Ford E-450	1	15	2
2019	Ford E-450 EV	2	15	2
2019	Ford E-450 EV	1	6	2
Total		24		

Source: Lift Line/Community Bridges Vehicle List

Volunteer Center

The Santa Cruz Volunteer Center’s volunteer driver transportation program addresses the needs of ambulatory seniors and disabled people by offering free rides throughout the county. Wheelchair riders cannot be accommodated. The program matches drivers with seniors aged 60 years and older and disabled persons for essential trips to medical appointments, grocery shopping, banking, and pharmacies. Two rides per week are available for eligible persons to meet basic needs or get to needed appointments. Rides are provided throughout Santa Cruz County including Watsonville, San Lorenzo Valley, Scotts Valley, and Santa Cruz. Drivers are required to have a good driving record, a reliable automobile, and insurance. The Volunteer Center offers drivers supplemental insurance. During the audit period, the Volunteer Center launched a Grocery Shopper Program and medication delivery services in response to the COVID-19 pandemic. This program serves the same specialized population served by the Volunteer Center’s Transportation Program.

Section II

Operator Compliance Requirements

This section of the audit report contains the analysis of the Santa Cruz County transit operators' abilities to comply with state requirements for continued receipt of TDA funds. The evaluation uses the guidebook, *Performance Audit Guidebook for Transit Operators and Regional Transportation Planning Agencies*, September 2008 (third edition), developed by Caltrans to assess transit operators. The guidebook contains a checklist of 11 measures taken from relevant sections of the PUC and the California Code of Regulations. Each of these requirements is discussed in the table below, including a description of the systems' efforts to comply with the requirements. In addition, the findings from the compliance review are described in the text following the table.

Table II-1 Operator Compliance Requirements Matrix		
Operator Compliance Requirements	Reference	Compliance Efforts
The transit operator has submitted annual reports to the RTPA based upon the Uniform System of Accounts and Records established by the State Controller. Report is due within seven (7) months after the end of the fiscal year (on or before January 31). The report shall contain underlying data from audited financial statements prepared in accordance with generally accepted accounting principles, if this data is available.	Public Utilities Code, Section 99243	<p>Completion/submittal dates:</p> <p><i>For Santa Cruz METRO:</i></p> <p>FY 2019: January 31, 2020 FY 2020: February 1, 2021 FY 2021: January 31, 2022</p> <p><i>For Santa Cruz METRO-ParaCruz: (specialized service)</i></p> <p>FY 2019: January 31, 2020 FY 2020: February 1, 2021 FY 2021: January 31, 2022</p> <p>Reports were filed electronically.</p> <p>Conclusion: Complied.</p>
The operator has submitted annual fiscal and compliance audits to the RTPA and to the State Controller within 180 days following the end of the fiscal year, or has received the	Public Utilities Code, Section 99245	<p>Completion/submittal dates:</p> <p><i>For Santa Cruz METRO:</i></p> <p>FY 2019: December 23, 2019 FY 2020: December 11, 2020</p>

Table II-1 Operator Compliance Requirements Matrix		
Operator Compliance Requirements	Reference	Compliance Efforts
appropriate 90-day extension by the RTPA allowed by law.		<p>FY 2021: December 13, 2021</p> <p><i>For Community Bridges:</i></p> <p>FY 2019: December 10, 2019 FY 2020: February 12, 2021 FY 2021: December 10, 2021</p> <p>Conclusion: Complied.</p>
The CHP has, within the 13 months prior to each TDA claim submitted by an operator, certified the operator's compliance with Vehicle Code Section 1808.1 following a CHP inspection of the operator's terminal.	Public Utilities Code, Section 99251 B	<p>Santa Cruz METRO and Community Bridges participate in the California Highway Patrol (CHP) Transit Operator Compliance Program in which the CHP has conducted inspections within the 13 months prior to each TDA claim.</p> <p><i>For Santa Cruz METRO:</i></p> <p>Inspections were conducted at the Santa Cruz METRO facility located at 138 Golf Club Drive in Santa Cruz (for METRO fixed route) and 2880 Research Park Drive #160 in Soquel (for ParaCruz).</p> <p>Inspection dates applicable to the audit period were August 1-2 and 7-8, 2018; September 20, 2018; August 15-16, 22-23, and 27-28, 2019; August 29, September 17 and 19-20, 2019; October 20-21 and 27-29, 2020; and November 2-5 and 12, 2020.</p> <p>Inspections were found to be satisfactory.</p>

Table II-1 Operator Compliance Requirements Matrix		
Operator Compliance Requirements	Reference	Compliance Efforts
		<p><i>For Community Bridges:</i></p> <p>Inspections were conducted at the Community Bridges facilities located at 240 Ford Street and 545 Ohlone Parkway in Watsonville.</p> <p>Inspection dates applicable to the audit period were March 27 and April 2-3, 2019; May 5-6, 2020; and June 28 and July 1, 2021.</p> <p>Inspections were found to be satisfactory.</p> <p>Conclusion: Complied.</p>
The operator's claim for TDA funds is submitted in compliance with rules and regulations adopted by the RTPA for such claims.	Public Utilities Code, Section 99261	<p>As a condition of approval, the Santa Cruz County transit operators' annual claims for Local Transportation Funds (LTF) and State Transit Assistance funds are submitted in compliance with the rules and regulations adopted by the SCCRTC.</p> <p>Conclusion: Complied.</p>
If an operator serves urbanized and non-urbanized areas, it has maintained a ratio of fare revenues to operating costs at least equal to the ratio determined by the rules and regulations adopted by the RTPA.	Public Utilities Code, Section 99270.1	<p>According to the SCCRTC 2017 <i>Rules & Regulations</i> manual, Santa Cruz METRO is subject to farebox recovery ratios as set forth by state law. Beginning in FY 2016-17, state law sets urban farebox at 20 percent and rural farebox at 10 percent. SCCRTC local policy continues to require METRO to show different ratios for urban and rural service.</p>

Table II-1 Operator Compliance Requirements Matrix														
Operator Compliance Requirements	Reference	Compliance Efforts												
		<p>In the annual claims forms, Santa Cruz METRO separately reports its urban and rural farebox recovery ratios. Both sets of ratios exceeded the respective thresholds each year and are shown below.</p> <table border="1"> <thead> <tr> <th></th><th>Urban</th><th>Rural</th></tr> </thead> <tbody> <tr> <td>FY 2019</td><td>20.7%</td><td>20.7%</td></tr> <tr> <td>FY 2020</td><td>20.3%</td><td>20.3%</td></tr> <tr> <td>FY 2021</td><td>18.8%</td><td>21.0%</td></tr> </tbody> </table> <p><i>Santa Cruz METRO TDA Claims</i></p> <p>In addition to farebox recovery, the annual financial audit for METRO indicates that the agency meets the 50 percent expenditure limitation under the TDA (PUC 99268.1) in lieu of meeting the farebox recovery requirement (see Table IV-6 for the 50 percent expenditure calculation).</p> <p>Which requirement applies to METRO, either farebox recovery or 50 percent expenditure limitation, for LTF eligibility should be clarified between METRO and SCCRTC. TDA law indicates only one of these two requirements applies (PUC 99268.2) if METRO's claim for LTF remains below 50 percent of its operating costs.</p> <p>Conclusion: Complied.</p>		Urban	Rural	FY 2019	20.7%	20.7%	FY 2020	20.3%	20.3%	FY 2021	18.8%	21.0%
	Urban	Rural												
FY 2019	20.7%	20.7%												
FY 2020	20.3%	20.3%												
FY 2021	18.8%	21.0%												
The operator's operating budget has not increased by more than 15% over the preceding year, nor is there a	Public Utilities Code, Section 99266	Percentage increase in the Santa Cruz County transit operators' operating budgets:												

Table II-1 Operator Compliance Requirements Matrix		
Operator Compliance Requirements	Reference	Compliance Efforts
substantial increase or decrease in the scope of operations or capital budget provisions for major new fixed facilities unless the operator has reasonably supported and substantiated the change(s).		<p><i>For Santa Cruz METRO:</i></p> <p>FY 2019: +3.7%</p> <p>FY 2020: +3.7%</p> <p>FY 2021: +6.3%</p> <p><i>For Community Bridges:</i></p> <p>FY 2019: +4.0%</p> <p>FY 2020: +6.5%</p> <p>FY 2021: +1.3%</p> <p><i>For Volunteer Center:</i></p> <p>FY 2019: +4.7%</p> <p>FY 2020: +6.5%</p> <p>FY 2021: +8.1%</p> <p><i>Source: Santa Cruz County transit operators' budgets for FYs 2018–2021</i></p> <p>Conclusion: Complied.</p>
The operator's definitions of performance measures are consistent with Public Utilities Code Section 99247, including (a) operating cost, (b) operating cost per passenger, (c) operating cost per vehicle service hour, (d) passengers per vehicle service hour, (e) passengers per vehicle service mile, (f) total passengers, (g) transit vehicle, (h) vehicle service hours, (i) vehicle service miles, and (j) vehicle service hours per employee.	Public Utilities Code, Section 99247	<p>The Santa Cruz County transit operators' definition of performance is consistent with PUC Section 99247, based on data collection methods and reporting.</p> <p>Conclusion: Complied.</p>

Table II-1 Operator Compliance Requirements Matrix		
Operator Compliance Requirements	Reference	Compliance Efforts
If the operator serves an urbanized area, it has maintained a ratio of fare revenues to operating costs at least equal to one-fifth (20 percent), unless it is in a county with a population of less than 500,000, in which case it must maintain a ratio of fare revenues to operating costs of at least equal to three-twentieths (15 percent), if so determined by the RTPA.	Public Utilities Code, Sections 99268.2, 99268.3, 99268.12	<p>SCCRTC updated its <i>Rules & Regulations</i> manual in 2017 with new language that Santa Cruz METRO is subject to farebox recovery ratios as set forth by state law. Beginning in FY 2016-17, state law sets urban farebox at 20 percent. As shown above, METRO exceeded the urban farebox threshold. SCCRTC local policy continues to require METRO to show different ratios for urban and rural service.</p> <p>Conclusion: Complied.</p>
If the operator serves a rural area, or provides exclusive services to elderly and disabled persons, it has maintained a ratio of fare revenues to operating costs at least equal to one-tenth (10 percent).	Public Utilities Code, Sections 99268.2, 99268.4, 99268.5	<p>SCCRTC updated its <i>Rules & Regulations</i> manual in 2017 with new language that Santa Cruz METRO is subject to farebox recovery ratios as set forth by state law. Beginning in FY 2016-17, state law sets rural farebox at 10 percent. As shown above, METRO exceeded the rural farebox ratio. SCCRTC local policy continues to require METRO to show different ratios for urban and rural service.</p> <p>Community Bridges and Volunteer Center are subject to a 10 percent local match requirement established by the SCCRTC. The TDA claim forms attest to at least a 10 percent local match to TDA allocations. However, the budget for Volunteer Center transportation shows less than a 10 percent local match through donations. With the shortfall in local match, an alternative</p>

Table II-1 Operator Compliance Requirements Matrix		
Operator Compliance Requirements	Reference	Compliance Efforts
		<p>performance measure should be discussed between the SCCRTC and Volunteer Center as to which is allowable under PUC 99400(c) claims. Pursuant to a prior audit recommendation, in lieu of the 10 percent local match, the Volunteer Center, in concert with the SCCRTC, came up with a minimum number of riders of 1,000 per quarter metric.</p> <p>Conclusion: Complied.</p>
The current cost of the operator's retirement system is fully funded with respect to the officers and employees of its public transportation system, or the operator is implementing a plan approved by the RTPA which will fully fund the retirement system within 40 years.	Public Utilities Code, Section 99271	<p>Santa Cruz METRO contributes toward its employees' defined benefit pension plan, the Miscellaneous Plan for the Santa Cruz Metropolitan Transit District. The plan is part of the California Public Employees' Retirement System (CalPERS). Santa Cruz METRO also offers a deferred compensation plan under IRS Section 457.</p> <p>Community Bridges offers a deferred compensation plan for full-time employees, as described in the memorandum of understanding (MOU) with SMART Local 23.</p> <p>Conclusion: Complied.</p>
If the operator receives state transit assistance funds, the operator makes full use of funds available to it under the Urban Mass Transportation Act of 1964 before TDA claims	California Code of Regulations, Section 6754(a)(3)	Santa Cruz METRO receives State Transit Assistance funds in addition to federal funds that are available to the district as reported in the federal NTD reports:

Table II-1 Operator Compliance Requirements Matrix		
Operator Compliance Requirements	Reference	Compliance Efforts
are granted.		FY 2019: \$7,019,419 (Operations) \$1,231,017 (Capital) FY 2020: \$26,590,422 (Operations) \$2,531,116 (Capital) FY 2021: \$16,666,376 (Operations) \$977,997 (Capital) Conclusion: Complied.

Findings and Observations from Operator Compliance Requirements Matrix

1. The Santa Cruz County transit operators complied with each of the 11 compliance requirements. The 10 percent local match for LTF funding by Volunteer Center has historically been met through donations. In lieu of the 10 percent local match, Volunteer Center in concert with the SCCRTC, came up with a minimum number of riders of 1,000 per quarter metric.
2. Santa Cruz METRO attained farebox ratios for both urban and rural services that exceeded the standard. The agency also meets the 50 percent expenditure limitation under the TDA in lieu of meeting the farebox recovery requirement.
3. The Santa Cruz County transit operators (Santa Cruz METRO and Community Bridges' Lift Line) participate in the CHP Transit Operator Compliance Program and received vehicle inspections within the 13 months prior to each TDA claim. Satisfactory ratings were made for all inspections conducted during the audit period for both agencies. For the Santa Cruz METRO inspection, no vehicles were placed out of service during the review period. No violations were noted for the Community Bridges' CHP inspections.
4. The operating budgets for the operators exhibited modest fluctuations during the audit period. The increases in operating budgets during the audit period reflect higher personnel wages and benefit costs associated with collective bargaining agreements as well as costs associated with the procurement of personal protective equipment and service adaptations associated with the COVID-19 pandemic.

Section III

Prior Triennial Performance Recommendations

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

Prior Recommendation 1

METRO and SCCRTC should clarify the performance eligibility criteria for TDA-Local Transportation Funds.

Background: Article 4 of the TDA statute provides alternatives for Santa Cruz METRO to be eligible for TDA-Local Transportation Funds. One is for METRO to meet the farebox recovery ratio. The other is to meet the 50 percent expenditure rule as an older operator, defined as service starting prior to 1974. Currently, METRO meets both requirements but the documentation stating eligibility is not consistent. For example, the TDA claims form and resolution state that METRO's eligibility to receive LTF is from farebox compliance. However, the METRO audited financial statements state METRO meets the 50 percent expenditure limitation and does not use the alternative farebox recovery ratio. Historically, the amount of LTF allocated to METRO has not exceeded 50 percent of operating expenditures; hence, either criterion applies. Farebox recovery is an important performance measure that gauges transit operational efficiency and effectiveness.

It was suggested that METRO and SCCRTC discuss the applicability of each criterion and agree on which of the two meets compliance with rules and regulations for LTF. Currently, the adopting resolution allocating LTF from the SCCRTC to METRO shows farebox recovery. Should the 50 percent expenditure criteria be applied instead, the TDA claims form and resolution should be adjusted. Should farebox remain the criteria, the METRO audited financial statements should be modified to show audited farebox recovery rather than the 50 percent expenditure rule. This clarity will provide consistency in reporting of performance measures for LTF eligibility.

Actions taken by Santa Cruz METRO

The TDA claims submitted to the SCCRTC by METRO provide a breakdown of the farebox recovery ratio split out between urbanized service versus non-urban service farebox ratios for the prior year and year-to-date. The claim includes a table showing the projected urban versus rural farebox recovery ratio for the claim year. The allocation of fare revenue between rural and urban service is from the actual fare revenue/total revenue from two years prior and the budgeted claim year fare revenue. However, the resolutions submitted with recent TDA claims

cite PUC Sections 99268.1 and 99268.2b, under which Santa Cruz METRO is classified as an older operator subject to the 50 percent expenditure limitation (PUC Section 99268.1) or the farebox recovery ratio (PUC Section 99268.2). Pursuant to the TDA, Santa Cruz METRO meets the 50 percent expenditure limitation and does not use the alternative revenue ratio to determine eligibility for TDA funds. Santa Cruz METRO and SCCRTC should discuss the applicability of each criterion and agree on which of the two meets compliance with rules and regulations for LTF. This clarity will provide consistency in reporting of performance measures for LTF eligibility.

METRO has since clarified that the agency and SCCRTC have discussed and agreed to use only the 50 percent expenditure limitation rather than farebox recovery on the TDA claims form to be consistent with METRO's audited financial statements for the FY 2022 TDA Claims.

However, METRO's inability to implement this prior recommendation was attributed to the prior triennial audit draft report being completed in February 2020 and the final report being completed in April 2020. On March 29, 2020, METRO had already submitted its FY 2021 draft and final TDA claim materials to SCCRTC, as per SCCRTC's FY 2020-21 TDA Funding Cycle Calendar. Therefore, there was no time for METRO and SCCRTC to discuss the applicability of each criterion and agree on which of the two criteria meets compliance with rules and regulations for the LTF allocation.

Conclusion

This recommendation is in the process of implementation with the submittal of the ensuing TDA claims and is being forward in this audit for full implementation. However, it is suggested that subsequent TDA claim guidelines continue to clarify the proper eligibility criteria.

Prior Recommendation 2

METRO should ensure the alignment of data analytics training for staff with deployment of new technology.

Background: Santa Cruz METRO has placed a priority on replacing aging equipment and upgrading its communication infrastructure. For example, METRO had been working on implementation of the Syncromatics intelligent transportation systems infrastructure, which includes real-time tracking via an automatic vehicle locator (AVL) system, automated passenger counters (APC), and voice annunciators. As this deployment occurs and is being tested along with integration of other existing technology investments, including a fare collection system, the technology will provide a wealth of new data as transit operators gravitate toward data-driven analysis for service improvement and cost efficiency. The amount of data that is generated is bountiful and provides new defensible methods of evaluating routes, ridership, operations, and customer service.

METRO budgets annually for staff training to increase competencies with new computer systems. Emphasis should be placed on training and readying key staff for these data-driven operational systems that will have a significant impact on how transit service is evaluated and

prioritized. METRO departments, including information technology, finance, and human resources, should coordinate training for staff on these new systems, such as mining data and conducting data analysis to form trends and patterns that could further METRO operations, customer service, and planning. Creating an environment where real-time data is heavily used with performance criteria to develop dashboard metrics involves training personnel to appropriately interpret and apply the information. One of the strategic priorities in the METRO strategic plan is to develop advanced technology systems which in turn generates sizable data output.

Actions taken by Santa Cruz METRO

METRO has been in the process of procuring a new enterprise resource planning (ERP) system. The first phase will replace legacy finance and purchasing systems that are not interconnected. An ERP will provide METRO with the tools to expediently make informed business decisions and realize efficiencies in the staff workflow. In addition, as part of the ERP project, METRO will be evaluating its existing systems and their viability within the ERP ecosystem. System examples under consideration include and are not limited to its Human Resources Information System, Enterprise Asset Management, and Payroll solutions.

In addition, METRO has already adopted some elements that comprise an ITS such as an audio/visual annunciation system in 2002 and, more recently, an on-board surveillance system for its fixed-route and ParaCruz paratransit fleets. METRO has had the need to incorporate additional ITS technologies through the implementation of the Syncromatics ITS infrastructure, most specifically AVL, which includes real-time passenger applications and options such as APC systems to maximize operational efficiency and customer amenities.

METRO released a Request for Proposals (RFP) in December 2021 from qualified providers of SaaS ERP software for public agencies. The new ERP software implementation would encompass accounting/general ledger functions, procurement, capital management, and payroll. The goal was to have the new ERP software implemented by the summer of 2022.

Conclusion

This recommendation is in the process of implementation and is being forward in this audit for full implementation.

Prior Recommendation 3

City of Santa Cruz, Volunteer Center, and SCCRTC should discuss an alternative performance measure for TDA-Local Transportation Fund eligibility.

Background: LTF are allocated to Volunteer Center under a performance standard that a 10 percent local match be provided by Volunteer Center. Budgets for the volunteer driver program show that a local match would be provided by donations from riders, which are not enough for the 10 percent match. As the LTF revenue is claimed by the City of Santa Cruz on behalf of

Volunteer Center through the TDA Article 8 program, the law provides latitude on the performance standard. In lieu of a local match, SCCRTC, the City, and Volunteer Center should discuss an alternative measure for LTF eligibility. The possibilities include using goals set in the TDA claim form such as minimum ridership levels and number of unduplicated clients. Other data that is reported by Volunteer Center to the SCCRTC for which a performance standard could be created include minimum number of ride requests unable to fill, and maintenance of driver availability for clients in each of the three travel areas of Santa Cruz, San Lorenzo Valley/Scotts Valley, and Watsonville. Given that the current standard for local match cannot be met, another performance standard that is attainable yet provides a measure of service efficiency and effectiveness should be considered by the involved agencies.

Actions taken by Santa Cruz Operators (Volunteer Center)

In response to this recommendation, Volunteer Center, in concert with the SCCRTC, came up with a minimum number of riders of 1,000 per quarter metric. In addition, it was recommended that volunteer drivers track actual time spent on trip with participants. Volunteer Center will continue to encourage volunteers to track time in addition to mileage each month. In addition, the SCCRTC has allowed Volunteer Center a certain degree of flexibility during the COVID-19 pandemic and wildfire response.

Conclusion

This recommendation has been implemented.

Prior Recommendation 4

Volunteer Center should capture client and driver stories in its reporting on the volunteer driver program.

Background: In its effort to promote the volunteer driver program, the prior audit suggested that Volunteer Center personnel consider additional means to show the importance of the program in the community. With this service filling a needed travel gap that cannot be provided efficiently by other transit or transportation alternatives, there is opportunity for Volunteer Center to capture the human component of the program by demonstrating the benefits received from the riders. From interviews or other ways to collect information, passenger stories could express how the program has helped them retain livelihoods and build relationships. The same can be told by volunteer drivers who are empathetic and also cultivate relationships with riders. With data showing that many drivers do not seek mileage reimbursement, the human element should be captured from the program. These stories could be featured in Volunteer Center literature and/or its website, as well as in presentations and other communication channels about the volunteer driver program.

Actions taken by Santa Cruz Operators (Volunteer Center)

In consideration of this recommendation, Volunteer Center has taken steps to better highlight how its programs benefit various individuals in the community. On the Volunteer Center website, the “Our Stories” drop-down box contains links to volunteer stories, videos, and blog posts. The video content highlights the volunteer response to the recent wildfires, 2020 Be the Difference Awards, Grocery Shopper Program, the COVID-19 pandemic response, and food relief program. Another example of how Volunteer Center has been promoting its activities involves recorded audio testimonials of seniors who use the program to access medical appointments and shopping. Volunteer Center has also been featured in the “Young at Heart” section of the *Santa Cruz Sentinel* newspaper.

Conclusion

This recommendation has been implemented.

Prior Recommendation 5

Community Bridges should conduct a survey of taxi scrip riders to determine service needs.

Background: The taxi scrip program offered by Community Bridges, where residents can purchase discounted coupons to supplement the price of a taxi ride, originated from meeting an SCCRTC unmet transit need. With the changing landscape to the ridesharing environment, including the presence of ride-hailing companies (TNCs) in Santa Cruz, the local taxi industry has been impacted. Lift Line management stated that taxi service has been poor and unreliable in the City of Santa Cruz, which affects the scrip program, although taxi service has continued to function satisfactorily in the City of Watsonville.

With uncertainty in the taxi industry and concerns about service, it was suggested that Community Bridges conduct a survey of scrip participants to determine whether the taxi scrip program is an essential service relative to other transportation services available. The survey should determine whether the scrip program, which serves a limited market, is a mere convenience for the customer versus offering a lifeline service, and whether trips can be adjusted to enable riders to access other transportation services at other times. For example, a question could ask whether the trip purpose of using taxi scrip could be moved to another time or day that have other transportation options. If responses show the scrip program remains a lifeline service, Community Bridges would consider alternative ways to continue the service, such as having a nonprofit agency operate the service using a loaner vehicle from Lift Line.

Actions taken by Santa Cruz Operators (Community Bridges)

In response to this recommendation, Community Bridges developed and disseminated a survey of its enrolled taxi script clients in 2020 to assess service needs. There are two service providers that participate in the taxi script program: Watsonville Courtesy Cab and Santa Cruz Yellow Cab. The survey is composed of 11 questions in English and Spanish.

Conclusion

This recommendation has been implemented.

Prior Recommendation 6

Community Bridges should report on-time performance in the TDA Quarterly Performance Report.

Background: The prior audit noted that vehicle on-time arrival to pick up a passenger at the scheduled time was an important measure of operational effectiveness and customer service. The Lift Line on-time performance window for pickup has been 20 minutes (plus/minus 10 minutes from pickup time). The time of pickup is documented by drivers; however, Lift Line management noted that this effort is tedious for drivers in light of their primary driver and customer service responsibilities. The TDA claims submitted by Community Bridges described the investment in AVL technology and mobile data computers that enable more automation in the tracking of vehicle movement. The technology serves multiple benefits including for safety and operational efficiencies. The technology also allows the collection of accurate data, such as on-time performance. With implementation of this technology, it was recommended that Community Bridges report on-time performance in the quarterly reports as another key indicator of operational effectiveness and customer service. The SCCRTC would need to update the TDA claim form to include this measure on the list of performance metrics to include in the quarterly report.

Actions taken by Santa Cruz Operators (Community Bridges)

Community Bridges – Lift Line contends that on-time performance is more closely associated with METRO fixed-route services where there are regularly scheduled timepoints at designated bus stops. The agency feels that it's not a good fit for paratransit as the rides are often grouped together with up to 14 passengers and tracking the pickup times would be challenging. Lift Line has instituted a 30-minute pickup window in accordance with ADA guidelines. In addition, Lift Line has been in talks with the SCCRTC as how to proceed and beginning in FY 2020-21 Lift Line was no longer be required to report on-time performance. Furthermore, the SCCRTC has committed to work with Lift Line on a solution or response concerning on-time performance metrics. Lift Line anticipates using the 30-minute pickup window as a benchmark for this measure.

Conclusion

This recommendation has not been implemented; however, Community Bridges – Lift Line is encouraged to work closely with the SCCRTC to develop an appropriate performance metric in lieu of on-time performance.

Section IV

TDA Performance Indicators

This section reviews the Santa Cruz County transit operators' performance in providing transit service to the community in an efficient and effective manner. The TDA requires that at least five specific performance indicators be reported, which are contained in the following tables. Farebox recovery ratio is not one of the five specific indicators but is a requirement for continued TDA funding. Therefore, farebox calculation is also included. Two additional performance indicators, operating cost per mile and average fare per passenger, are included as well. Findings from the analysis are contained in the section following the tables.

Tables IV-1 through IV-5 provide the performance indicators for the Santa Cruz METRO system-wide, fixed route, and paratransit, as well as for Community Bridges/Lift Line and Volunteer Center. Graphs are also included to depict the trends in the indicators. It is noted that the system-wide operating costs and fare revenues are based on audited figures drawn from the financial statements, while modal costs and fare revenues for fixed-route and paratransit costs are unaudited and drawn from the federal National Transit Database (NTD). The annual fiscal audits do not provide a modal breakdown.¹ Also, only operations costs for Community Bridges are audited figures for the small operators, as the fiscal audits do not separate transportation costs and revenues from all programs provided by the nonprofit entities.

¹ The sum of operating expenses by mode reported in the NTD does not equal the audited total operating costs. The NTD operating costs by mode only reflect costs allocated by Santa Cruz METRO to that particular mode in following NTD guidelines. Additional operating costs are classified as other reconciling items in the NTD and are not separated by mode.

Table IV-1
Santa Cruz METRO TDA Performance Indicators
System-wide

Performance Data and Indicators	FY 2018	Audit Period			% Change FY 2018-2021
		FY 2019	FY 2020	FY 2021	
Operating Cost	\$53,527,521	\$53,160,536	\$60,099,282	\$56,125,285	4.9%
Total Passengers	5,120,721	5,119,469	3,606,088	946,114	-81.5%
Vehicle Service Hours	251,643	252,152	213,317	175,253	-30.4%
Vehicle Service Miles	3,312,817	3,332,706	2,824,711	2,365,482	-28.6%
Employee FTEs	311	343	311	291	-6.4%
Passenger Fares	\$10,280,559	\$10,238,963	\$7,733,701	\$4,898,901	-52.3%
Operating Cost per Passenger	\$10.45	\$10.38	\$16.67	\$59.32	467.5%
Operating Cost per Vehicle Service Hour	\$212.71	\$210.83	\$281.74	\$320.25	50.6%
Operating Cost per Vehicle Service Mile	\$16.16	\$15.95	\$21.28	\$23.73	46.8%
Passengers per Vehicle Service Hour	20.3	20.3	16.9	5.4	-73.5%
Passengers per Vehicle Service Mile	1.55	1.54	1.28	0.40	-74.1%
Vehicle Service Hours per Employee	809.1	735.1	685.9	602.2	-25.6%
Average Fare per Passenger	\$2.01	\$2.00	\$2.14	\$5.18	157.9%
Fare Recovery Ratio	19.21%	19.26%	12.87%	8.73%	-54.6%

Source: SCMTD Financial Statements (Audited), National Transit Database, Transit Operators Financial Transactions Reports

Table IV-2
Santa Cruz METRO TDA Performance Indicators
Fixed Route

Performance Data and Indicators	FY 2018	Audit Period			% Change FY 2018-2021
		FY 2019	FY 2020	FY 2021	
Operating Cost	\$37,343,719	\$40,459,619	\$42,337,285	\$40,048,905	7.2%
Total Passengers	5,048,512	5,045,972	3,544,457	907,140	-82.0%
Vehicle Service Hours	207,680	207,348	178,136	150,220	-27.7%
Vehicle Service Miles	2,858,408	2,867,890	2,467,836	2,130,718	-25.5%
Employee FTEs	265	304	271	254	-4.2%
Passenger Fares	\$9,469,559	\$9,426,691	\$6,981,126	\$4,251,755	-55.1%
Operating Cost per Passenger	\$7.40	\$8.02	\$11.94	\$44.15	496.8%
Operating Cost per Vehicle Service Hour	\$179.81	\$195.13	\$237.67	\$266.60	48.3%
Operating Cost per Vehicle Service Mile	\$13.06	\$14.11	\$17.16	\$18.80	43.9%
Passengers per Vehicle Service Hour	24.3	24.3	19.9	6.0	-75.2%
Passengers per Vehicle Service Mile	1.77	1.76	1.44	0.43	-75.9%
Vehicle Service Hours per Employee	783.7	682.1	657.3	591.4	-24.5%
Average Fare per Passenger	\$1.88	\$1.87	\$1.97	\$4.69	149.9%
Fare Recovery Ratio	25.36%	23.30%	16.49%	10.62%	-58.1%

Source: National Transit Database, Transit Operators Financial Transactions Reports

Table IV-3
ParaCruz TDA Performance Indicators
Paratransit

Performance Data and Indicators	FY 2018	Audit Period			% Change FY 2018-2021
		FY 2019	FY 2020	FY 2021	
Operating Cost	\$5,269,932	\$5,150,526	\$5,375,211	\$5,013,166	-4.9%
Total Passengers	72,209	73,497	61,631	38,974	-46.0%
Vehicle Service Hours	43,963	44,804	35,181	25,033	-43.1%
Vehicle Service Miles	454,409	464,816	356,875	234,764	-48.3%
Employee FTEs	46	39	40	37	-19.6%
Passenger Fares	\$287,363	\$285,841	\$217,664	\$114,807	-60.0%
Operating Cost per Passenger	\$72.98	\$70.08	\$87.22	\$128.63	76.2%
Operating Cost per Vehicle Service Hour	\$119.87	\$114.96	\$152.79	\$200.26	67.1%
Operating Cost per Vehicle Service Mile	\$11.60	\$11.08	\$15.06	\$21.35	84.1%
Passengers per Vehicle Service Hour	1.6	1.6	1.8	1.6	-5.2%
Passengers per Vehicle Service Mile	0.16	0.16	0.17	0.17	4.5%
Vehicle Service Hours per Employee	955.7	1,148.8	879.5	676.6	-29.2%
Average Fare per Passenger	\$3.98	\$3.89	\$3.53	\$2.95	-26.0%
Fare Recovery Ratio	5.45%	5.55%	4.05%	2.29%	-58.0%

Source: National Transit Database, Transit Operators Financial Transactions Reports

Table IV-4
Community Bridges’ Lift Line TDA Performance Indicators

Performance Data and Indicators	FY 2018	Audit Period			% Change FY 2018-2021
		FY 2019	FY 2020	FY 2021	
Operating Cost	\$1,458,267	\$1,697,513	\$1,990,963	\$1,567,508	7.5%
Total Passengers	54,387	50,352	40,132	20,970	-61.4%
Vehicle Service Hours	26,439	43,838	45,656	35,304	33.5%
Vehicle Service Miles	252,305	279,974	255,014	159,119	-36.9%
Employee FTEs	23	20	23	20	-13.0%
Passenger Fares (donations)	\$3,865	\$2,930	\$2,521	\$2,144	-44.5%
Operating Cost per Passenger	\$26.81	\$33.71	\$49.61	\$74.75	178.8%
Operating Cost per Vehicle Service Hour	\$55.16	\$38.72	\$43.61	\$44.40	-19.5%
Operating Cost per Vehicle Service Mile	\$5.78	\$6.06	\$7.81	\$9.85	70.4%
Passengers per Vehicle Service Hour	2.1	1.1	0.9	0.6	-71.1%
Passengers per Vehicle Service Mile	0.22	0.18	0.16	0.13	-38.9%
Vehicle Service Hours per Employee	1,149.5	2,191.9	1,985.1	1,765.2	53.6%
Average Fare per Passenger	\$0.07	\$0.06	\$0.06	\$0.10	43.9%
Fare Recovery Ratio	0.27%	0.17%	0.13%	0.14%	-48.4%

Source: Community Bridges Annual Financial Reports (audited) for operations costs; Community Bridges TDA Annual Reports.

Table IV-5
Volunteer Center TDA Performance Indicators

Performance Data and Indicators	FY 2018	Audit Period			% Change FY 2018-2021
		FY 2019	FY 2020	FY 2021	
Operating Cost	\$59,613	\$65,766	\$76,937	\$92,698	55.5%
Total Passengers	4,609	5,710	3,044	3,895	-15.5%
Vehicle Service Miles	96,052	78,545	35,645	19,906	-79.3%
Operating Cost per Passenger	\$12.93	\$11.52	\$25.28	\$23.80	84.0%
Operating Cost per Vehicle Service Mile	\$0.62	\$0.84	\$2.16	\$4.66	650.3%
Passengers per Vehicle Service Mile	0.05	0.07	0.09	0.20	307.8%

Source: Volunteer Center Quarterly Reports FYs 2018-2021

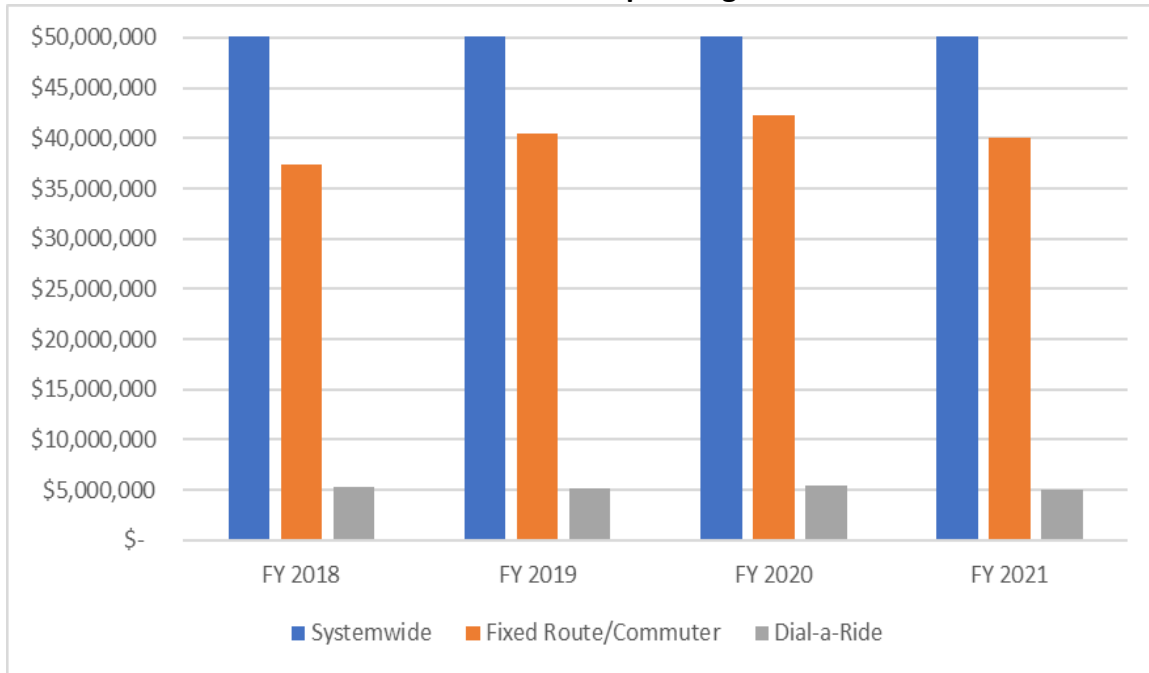
Santa Cruz METRO is defined in the TDA as an older operator, having started service prior to July 1, 1974. Older operators may qualify for the TDA under the 50 percent expenditure limitation (PUC Section 99268.1) or the farebox recovery ratio (PUC Section 99268.2). As described in Santa Cruz METRO’s financial compliance audit, the operator has met the 50 percent expenditure limitation. The calculation below by the performance auditor in Table IV-6 shows the compliance.

Table IV-6
50 Percent Expenditure Limitation

Line#	Description	FY 2019		FY 2020		FY 2021	
		\$ Amount	\$ Subtotal	\$ Amount	\$ Subtotal	\$ Amount	\$ Subtotal
1	Total Operating Cost	\$53,160,536		\$60,099,282		\$56,125,285	
2	Total Depreciation	\$5,286,802		\$5,514,288		\$5,307,687	
3	Total Capital Outlay	\$3,028,472		\$7,044,717		\$5,485,327	
4	Total Lines 1, 2 & 3		\$61,475,810		\$72,658,287		\$66,918,299
5a	Less Federal Ops Grants Received	\$6,969,093		\$25,752,598		\$16,404,147	
5b	Less Federal Capital Grants Received	\$1,231,017		\$2,531,116		\$977,997	
6	Less LTF Capital Intensive	\$0		\$0		\$0	
7	Less STAF Received	\$4,253,929		\$4,346,687		\$3,425,215	
8	Total Lines 5, 6 & 7		\$12,454,039		\$32,630,401		\$20,807,359
9	Total Line 4 Less Line 8		\$49,021,771		\$40,027,886		\$46,110,940
10	50% of Line 9	\$24,510,886		\$20,013,943		\$23,055,470	
11	Add Amount of LTF Claimed in Excess of Line 10 for Match to Federal Operating Grant	\$1,742,273		\$6,438,150		\$4,101,037	
12	Add LTF Capital Intensive	\$0		\$0		\$0	
13	Total Permissible LTF Expenditure		\$26,253,159		\$26,452,093		\$27,156,507
14	Total LTF Applied to Operations		\$7,288,209		\$7,930,060		\$7,096,904

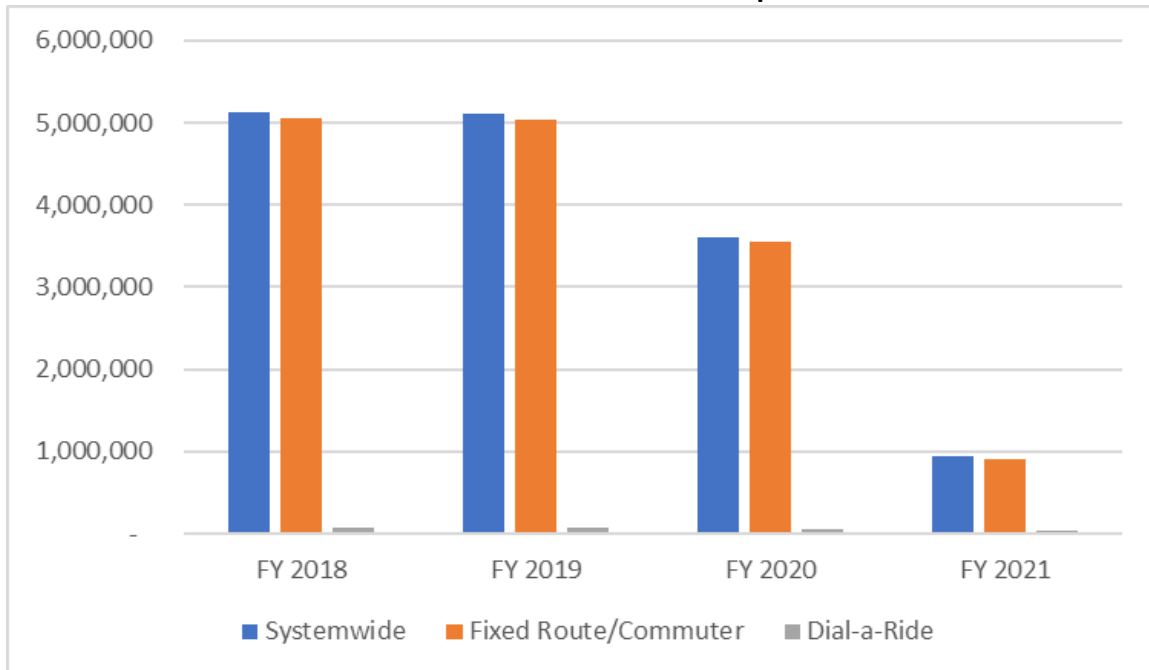
Source: SCMTD Financial Statements (Audited); Michael Baker International

Graph IV-1
Santa Cruz METRO Operating Costs

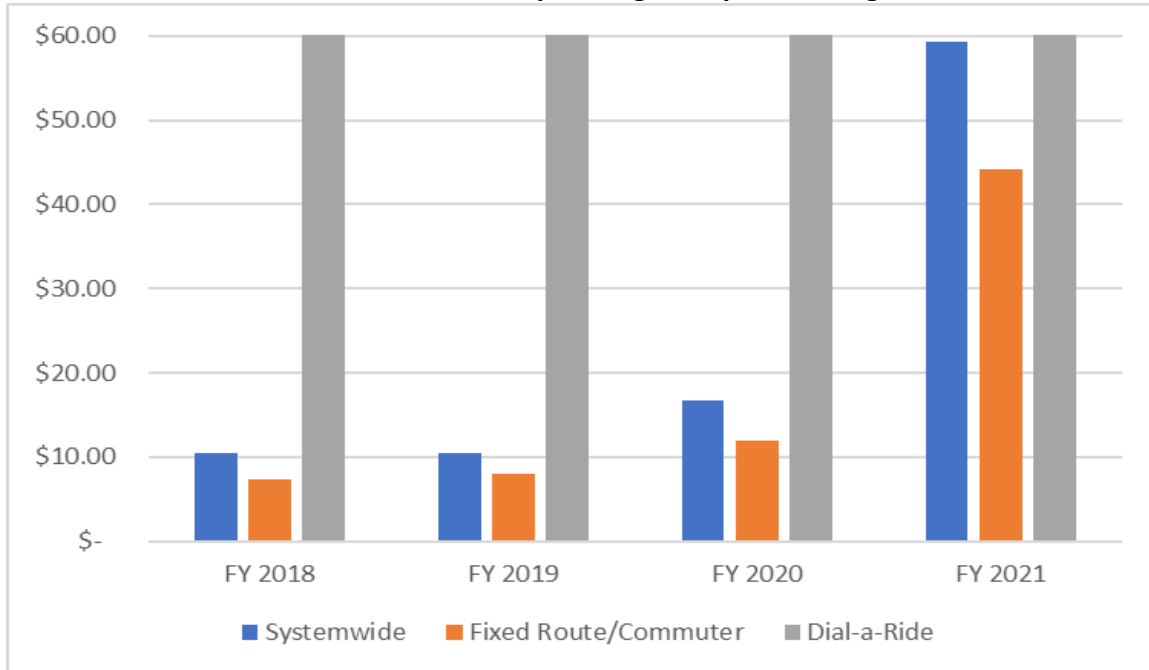


Note: System-wide operating costs are drawn from audited data, while data by mode are unaudited using NTD data.

Graph IV-2
Santa Cruz METRO Ridership

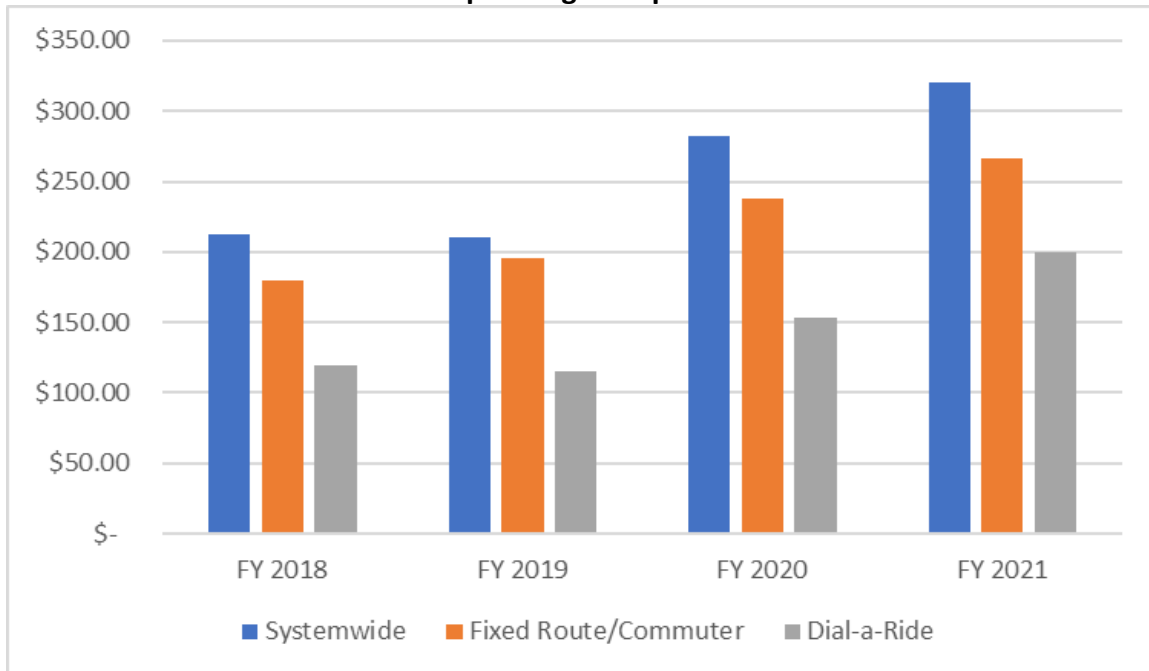


Graph IV-3
Santa Cruz METRO Operating Cost per Passenger



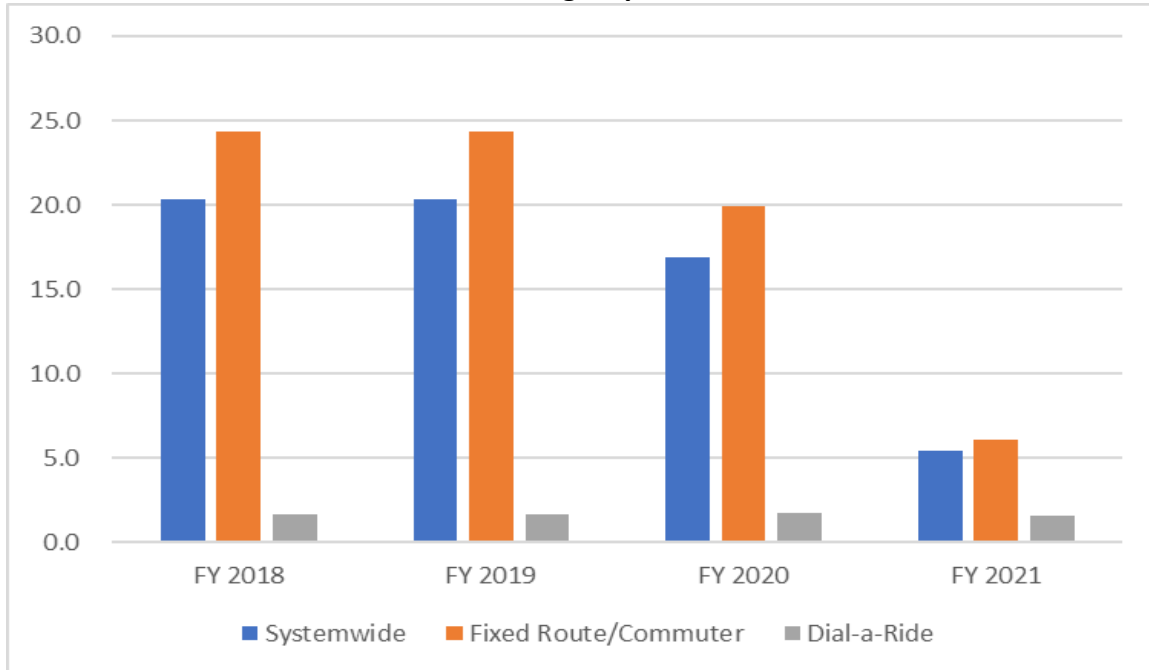
Note: System-wide operating costs are drawn from audited data, while data by mode are unaudited using NTD data.

Graph IV-4
Santa Cruz METRO Operating Cost per Vehicle Service Hour

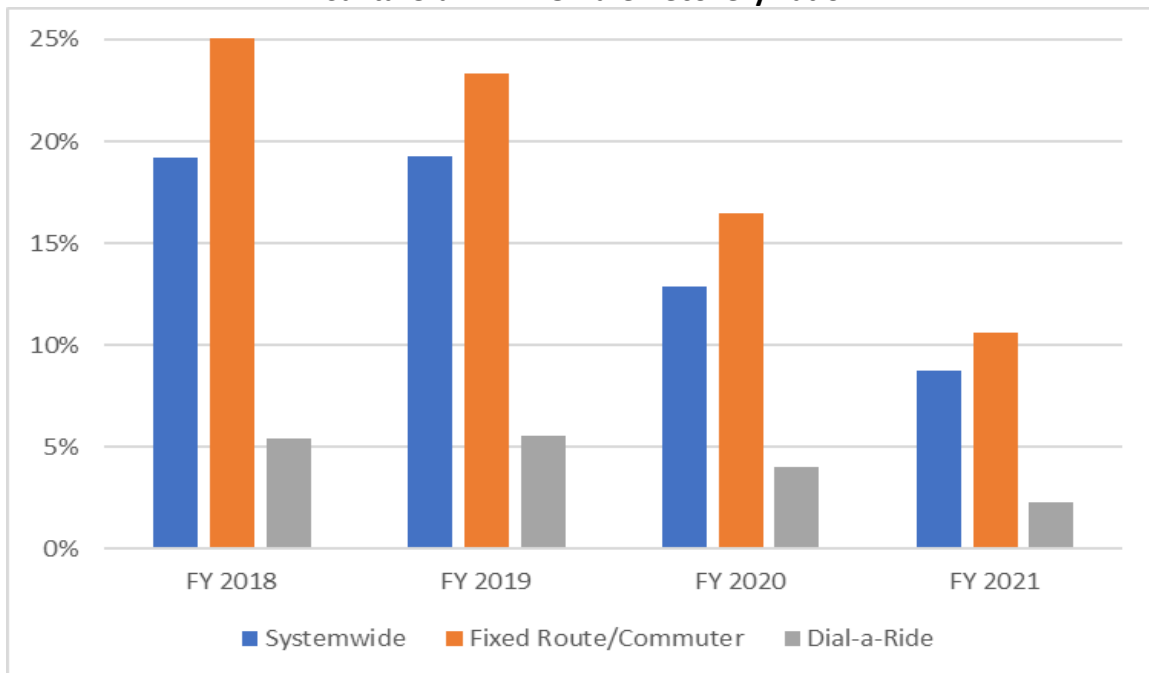


Note: System-wide operating costs are drawn from audited data, while data by mode are unaudited using NTD data.

Graph IV-5
Santa Cruz METRO Passengers per Vehicle Service Hour



Graph IV-6
Santa Cruz METRO Fare Recovery Ratio



Note: System-wide operating costs are drawn from audited data, while data by mode are unaudited using NTD data.

Findings from Verification of TDA Performance Indicators

It is noted that adverse impacts on transit service from the COVID-19 pandemic and statewide shelter-in-place order are reflected in various performance measure trends described below. The operators' responses during this period are contained in the functional review section of this audit.

1. Santa Cruz METRO operating costs increased 4.9 percent system-wide over the period based on audited data from the FY 2018 base year through FY 2021. System-wide operating costs reflect all costs and exclude depreciation costs. Using unaudited modal operating cost data drawn from the NTD, operating costs increased by 7.2 percent for fixed route and decreased by 4.9 percent for ParaCruz.² According to the annual financial audit, the trend in system-wide operating cost increases was due to increases in personnel expenses related to wage increases and contractual obligations pursuant to labor agreements negotiated during the audit period. Community Bridges' Lift Line operating costs increased by a modest 7.5 percent. Volunteer Center transportation costs increased by 55.5 percent for the audit period. In FY 2021, Volunteer Center incurred increased costs attributed to the design, development, and implementation of the new Grocery Shopper Program.
2. Ridership on Santa Cruz METRO decreased by 81.5 percent system-wide during the audit period. Fixed-route ridership decreased by approximately the same percentage, decreasing from 5.05 million to 907,140 passengers between the FY 2018 base year and FY 2021. ParaCruz ridership decreased by 46 percent, from 72,209 to 38,974 riders over the same period. Lift Line ridership decreased 61.4 percent during the audit period by about 33,000 passengers. Volunteer Center transportation ridership decreased significantly by more than 15 percent for the period, from 4,600 to 3,900 passengers. The trend in this indicator reflects the larger decrease in passengers resulting from the COVID-19 pandemic.
3. The provision of revenue hours and miles by Santa Cruz METRO decreased system-wide during the audit period, 30.4 percent and 28.6 percent, respectively. Fixed-route revenue hours and miles decreased 27.7 and 25.5 percent, respectively. ParaCruz revenue hours and miles also decreased by 43.1 and 48.3 percent, respectively. Vehicle hours significantly increased for Lift Line during the audit period by 33.5 percent, while miles decreased 36.9 percent. Volunteer Services vehicle miles also decreased significantly, from 96,052 in FY 2018 to 19,906 in FY 2021.
4. Operating cost per passenger, an indicator of cost effectiveness, increased by 467.5 percent system-wide for Santa Cruz METRO using audited data. On a modal basis using NTD data, cost per passenger for fixed route and ParaCruz increased by 496.8 percent

² The sum of operating expenses by mode reported in the NTD do not equal the audited total operating costs. The NTD operating costs by mode only reflect costs allocated by Santa Cruz METRO to that particular mode in following NTD guidelines. Additional operating costs are classified as other reconciling items in the NTD and not separated by mode.

and 76.2 percent, respectively. The trends for these indicators using audited costs reflect growth in operating costs as ridership decreased. Operating cost per passenger for Lift Line increased by 178.8 percent as ridership decreased significantly and operations cost increased.

5. Operating cost per hour, an indicator of cost efficiency, system-wide increased 50.6 percent using audited data for Santa Cruz METRO as operating costs grew and vehicle hours decreased during the audit period. On a modal basis using NTD costs, the performance trend also showed an increase for both fixed-route and ParaCruz of 48.3 percent and 67.1 percent, respectively. As noted in this section, the NTD costs by mode do not show all operations costs compared to the system-wide audited figures. Lift Line operating cost per hour declined by 19.5 percent as the number of vehicle hours increased substantially faster than costs.
6. Passengers per vehicle service hour, which measures the effectiveness of the service delivered, exhibited a significant decline on Santa Cruz METRO system-wide, from 20.3 to 5.4 passengers per hour. The trend in this indicator for fixed route was comparable as the number of passengers per vehicle hour decreased from 24.3 passenger to 6 passengers per hour. For ParaCruz, passengers per hour remained fairly stable at 1.6 passengers per hour. For Lift Line, with a much smaller rider base, this performance indicator showed a decline of 71.1 percent with the number of passengers decreasing from 2.1 to 0.6 passengers per hour during the audit period. In addition to several key services no longer being offered through Lift Line, the impacts of the COVID-19 pandemic affected passenger capacity.
7. The fare recovery ratio remained relatively strong over the audit period for Santa Cruz METRO. For the three-year period, the system-wide farebox averaged 13.62 percent. Separately, fixed route farebox averaged 16.80 percent for the three years, while ParaCruz averaged 3.96 percent. In the TDA claims, Santa Cruz METRO further separates its farebox recovery between urban and non-urbanized services. Both urban and rural ratios exceeded the 15 percent TDA minimum for the audit period.

Section V

Review of Operator Functions

This section provides an in-depth review of various functions within each of the Santa Cruz County transit operators. The review highlights accomplishments, issues, and/or challenges that were determined during the audit period. The following functions were reviewed at the Santa Cruz METRO's and Volunteer Center's offices in Santa Cruz and the Community Bridges – Lift Line offices in Watsonville:

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

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

Operations

Santa Cruz METRO moved forward with a number of bold service initiatives aimed at improving the customer experience and upgrading infrastructure. Although the COVID-19 pandemic resulted in a significant downturn in ridership, Santa Cruz METRO continued to maintain a forward and innovative outlook in keeping with its mission statement:

To provide a public transportation service that enhances personal mobility and creates a sustainable transportation option in Santa Cruz County through a cost-effective, reliable, accessible, safe, clean, and courteous transit service.

The majority of Santa Cruz METRO's ridership is considered transit dependent. Discretionary riders are attracted to the Highway 17 Express route, which offers a viable alternative to commuters traveling to the Santa Clara Valley and other Bay Area destinations. The Highway 17 Express route was extended to San José State University. Students attending UCSC comprise the largest rider group, with many routes designed to accommodate student schedules. Approximately 60 percent of service was to UCSC. Given the travel demand generated by the university, METRO added articulated buses, which proved very popular amongst the ridership and resulted in fewer pass-ups. The agency leased the four vehicles from the Santa Clara VTA.

On-campus parking at UCSC has been priced at prohibitively high levels, which, coupled with UCSC's ingress-egress cap that limits the number of single-occupant vehicles accessing the campus, encourages alternative modes of travel. Parking permits and employee bus passes are

issued through the UCSC Transportation and Parking Services (TAPS). Santa Cruz METRO service for students is funded through the Student Transit Fee. By showing a valid UCSC student ID card, a student rider has access to unlimited rides on Santa Cruz METRO buses with no additional fare required, with the exception of the Highway 17 Express. UCSC faculty and staff can purchase a subsidized Santa Cruz METRO bus pass (at a fraction of the regular cost) through the TAPS sales office. Toward the end of the audit period, the contract for the payment arrangement to Santa Cruz METRO was changed from a per ride basis to a lump sum based on the prior year's enrollment growth. UCSC is also subsidizing a new service, Route 22, including the cost of a new operator, which amounts to \$130,000 annually.

Santa Cruz METRO has had a comparable service contract arrangement with Cabrillo College, a local public community college in Aptos since September 2016. Cabrillo College students pay a mandatory transportation fee of \$40 per student per semester. The fee provides each student with a bus pass valid seven days a week. Students simply show their Cabrillo College ID card with a current semester sticker to ride the bus. Santa Cruz METRO will provide transit services with number of trips and routes specified in the agreement. The agreement runs for two years and may be renewed for successive periods upon written amendment of both parties. The college reimburses METRO based on the cost of providing coach operators and the per mile cost to run the service. Cross-marketing of each other's programs is also part of the agreement.

Santa Cruz METRO has placed a priority on replacing aging equipment and upgrading its communication infrastructure. Santa Cruz METRO has been working on implementation of the Syncromatics intelligent transportation systems infrastructure, which includes real-time tracking via an AVL system, APCs, and voice annunciators.

The AVL and APC installation commenced in January 2019 and was completed in the fall of 2020. Installation delays were attributed to technology integration issues experienced because of METRO's diverse fleet of aging buses. The AVL system will integrate the Predictive Arrival & Departure System (PADS). PADS is a smartphone app that provides real-time data to customers on the predictive arrival of the bus. Implementation of the APCs has been placed on hold according to METRO management.

In September 2020, METRO implemented mobile ticketing. The Santa Cruz METRO "Splash Pass" allows customers to purchase METRO fare products using a smartphone. Splash Pass mobile ticketing was extended to all downtown Santa Cruz employees in April 2021 through a partnership with the City of Santa Cruz. During the same time, Santa Cruz METRO completed the installation of electronic validators on all Highway 17 buses for more accurate and efficient validation of tickets.

METRO has been working with the Center for Transportation and the Environment (CTE) in the study and implementation of zero-emission vehicle infrastructure. The CTE is a member-supported 501(c)(3) nonprofit organization that develops, promotes, and implements advanced transportation technologies, vehicles, and fuels that reduce environmental pollution and fossil fuel dependency. METRO is working towards meeting the California Air Resources Board (CARB) mandate requiring that transit agencies transition their fleet to zero-emission vehicles. The first

phase of Santa Cruz METRO's first electric vehicle charging station was completed in the fall of 2020 at the Judy K. Souza (JKS) Operations Facility. Four electric vehicle chargers have been installed initially on the site, with three additional charging pedestals planned in the future.

Four Proterra zero-emission buses were delivered in spring of 2021, the first electric buses in METRO's fleet. Two of the buses are in service in the South County, which are operated on the Watsonville Circulator. Implementation of the route provides more frequent service that connects the downtown transit center with primary retail and medical destinations in Watsonville. The Watsonville Circulator operates between noon and 7:45 p.m. daily.

During the prior audit period, surveillance cameras were installed on the buses. All new buses have camera systems installed. Each bus is equipped with 13 cameras, which are utilized to monitor driver performance and customer complaints. Footage captured by the cameras is also used in law enforcement investigations. Policies and protocols have been established for the use of the camera footage. Santa Cruz METRO was able to secure grant funding to procure other security equipment for use on buses and surveillance equipment at facilities, including upgraded radios and an alert button on the bus that signals dispatch, as well as cameras, videos, and other devices for the transit centers. Automated ticketing feedback systems were also implemented during the period.

Santa Cruz METRO has invested in the security of facilities and its personnel through the hiring of an assistant safety and training coordinator to actively work with police departments and emergency service agencies to coordinate the safety of riders and increase driver training in these areas. The safety and training coordinator provides security training tailored for the transit environment on the bus and at transit facilities. Drivers also receive training on how to handle security situations on the bus. Unarmed contracted employees are a presence at the transit facilities.

Schedule adherence and on-time performance for several bus routes have been challenging for a variety of reasons, including construction, narrow travel corridors, and congestion. Santa Cruz METRO's definition of "on-time" departures from timepoints is not early and no more than 5 minutes late. Its system-wide on-time goal is 72 percent of all departures, according to the Short-Range Transit Plan (SRTP).

ParaCruz serves ADA-certified riders and its operating hours mirror those of the fixed route. With changes to the taxi industry resulting from the influx of ride-hailing companies such as TNCs, local taxi services have limited means to provide reliable backup for ParaCruz.

The use of larger wheelchairs by customers has heightened challenges given the limited space on the vehicle, weight of the wheelchairs, and security restraint system. To address these challenges, half of the ParaCruz fleet consists of newer vehicles with rear lift capacity and Q'Straint wheelchair securement systems.

On-time performance for ParaCruz was consistently in the 90 percent range or better for the audit period. The goal has ranged between 90 and 92 percent. According to ParaCruz operations

status reports, on-time performance for the vehicle arriving within the ready window averaged 84.87 percent in FY 2019, 95.80 percent in FY 2020, and 99.90 percent in FY 2021. Other performance factors for ParaCruz, such as the percentage of passenger no-shows, remained at or slightly above the goal of less than 3 percent of trips requested, which meets general industry standard. Also, there were no denied rides. ParaCruz has a no-show policy that is not typically enforced due to the low number of no-shows. The policy when enforced involves sending a letter to those with an excessive number of no-shows. If a customer takes 24 rides or more within a 12-month period without being assessed a “No-Show”, he/she shall be allowed one round-trip ride free of charge.

Chargeable occurrences, or preventable accidents/incidents, are tracked; however, NTD data for incidents was not available. Santa Cruz METRO has an accident review committee that reviews preventable accidents/incidents for the month. The committee is overseen by the assistant safety and training coordinator.

Dispatching and bus scheduling is conducted using the Hastus software system for fixed route and Ecolane for ParaCruz. Santa Cruz METRO completed its transition from Trapeze to Ecolane, which was implemented in January 2020. Key elements of Ecolane include a real-time mapping feature as well as the ability to batch rides automatically, improved on-time performance monitoring, and NTD reporting. The automated features are able to create a more productive schedule for the ParaCruz driver. The driver is able to override the system manually. Staff are cross trained in both systems to enable flexibility in staffing and ample shift coverage. ParaCruz reservations can be booked directly into the Ecolane system. Paratransit vans have mobility safety devices to improve ergonomics and safety for both the passenger and the driver.

Customer complaints, compliments, inquiries, and suggestions are managed by Santa Cruz METRO through RSTickets Pro software, which creates a customer service ticket summary report. Complaints have varied and relate to operations such as wireless Internet issues, driver rudeness, and unsafe driving. The customer service supervisor handles most entries and receives support from other staff if the issue cannot be readily addressed.

In April 2021, METRO launched a Mobility on Demand (MoD) pilot service called Cruz On-Demand. This was the agency’s first endeavor into MoD, which would allow for greater service coverage in Santa Cruz County. Cruz On-Demand is a shared ride service utilizing smaller vans operated by ParaCruz drivers. The service area is 0.75 miles of any Santa Cruz METRO fixed route excluding the Highway 17 route and the UCSC campus. Trips can be booked up to 24 hours in advance through the Ecolane app scheduling feature.

In response to the CZU Lightning Complex fire that burned through the Santa Cruz Mountains during August and September 2020, METRO evacuated its buses from the JKS Operations Facility to the park and ride lots along Highway 1. ParaCruz operations assisted in the evacuation of residents from the San Lorenzo Valley to Scotts Valley.

COVID-19 Pandemic Impacts – Santa Cruz METRO

As impacts from the novel coronavirus (COVID-19) started to be realized in California, a state of emergency was declared on March 4, 2020. The first COVID-19 case in Santa Cruz County was reported on March 7. A mandatory statewide shelter-in-place order was implemented on March 19. In response to the order and pursuant to Centers for Disease Control and Prevention (CDC) protocols, Santa Cruz METRO enacted many new protocols. Nearly all departments within the agency were affected in some way by the impacts of COVID-19; the operations department was impacted most directly.

METRO staff ramped up quickly in anticipation of the virus reaching Santa Cruz County. In early February 2020, METRO started investigating disinfecting products that could be utilized against the virus each night when buses were cleaned. By March 2, METRO vehicle service workers were disinfecting buses each night. Vehicles were also fogged as part of the sanitizing process. In early March 2020, the METRO Purchasing Division started ordering large quantities of hand sanitizer and Clorox disinfecting wipes and started sourcing face masks. The department ordered as many personal protective equipment supplies as possible and started providing masks to the coach operators and riders. METRO was able to procure 5,000 free face masks through the FTA.

The Maintenance department began creating curtains and barriers to shield the coach operators as well as blocking off the front seats on the vehicles. Moreover, passenger barriers between seats were made and installed. In METRO office facilities, HEPA air purification filters were installed as well as curtains and shields between cubicles. Higher cubicle walls and barriers were eventually installed to mitigate virus transmission. METRO's administrative office and the Pacific and Scotts Valley Transit Centers were closed to the general public. The administrative office reopened to the public in September 2021.

The impacts of the shelter-in-place order were immediate. METRO experienced a 90 percent decline in ridership mainly due to UCSC, Cabrillo College, and other schools adopting remote learning in lieu of in-person instruction. Ridership on the Highway 17 Express was diminished due to the implementation of telecommuting by many employers. On March 23, 2020, METRO reduced service on the fixed route to weekend levels of service seven days a week, and then on April 30 service was restored to approximately 50 percent of normal levels pre-pandemic. METRO instituted free fares from March 2020 through September 2020 as well as rear-door boarding. ParaCruz managed to maintain the same service hours. Dialysis appointments constituted the majority of ParaCruz trips.

During a virus outbreak in November 2020, METRO responded by securing testing for its employees, who underwent weekly testing. The outbreak abated towards the end of January 2021. The Human Resources Department also conducted contract tracing. METRO provided free rides to those going to vaccination appointments through a partnership with Sutter Health and the City of Watsonville.

Positively speaking, the pandemic resulted in higher levels of cooperation and cohesion among the various departments. METRO also engaged in more interagency cooperation through the COVID-19 Safety Consortium with other transit agencies in the region such as VTA, San Mateo County Transit District (SamTrans), and Golden Gate Transit. The METRO Board has been very supportive of the measures taken by the executive leadership and management. Board meetings and other staff communications were conducted over the Zoom videoconferencing platform. There were no reported outbreaks of COVID-19 among METRO personnel while on duty nor were there any outbreaks among the ridership.

Community Bridges

Specialized transportation programs offered by Community Bridges' Lift Line went through changes during the audit period, which affected ridership. The agency has encountered challenges balancing capital investment with employee compensation and retention. The Interfaith Satellite Shelter Program contract also ended for Community Bridges in the middle of FY 2018–19, when the Salvation Army expanded its services, including taking over this program and using its own vehicle to provide transportation. The ending of the Interfaith Satellite Shelter Program has reduced ridership totals for Lift Line.

Elderday Adult Day health center transportation remains Lift Line's largest program. Passengers from Lift Line's programs may share vehicles; however, Lift Line works to efficiently dedicate trips for each program. Community Bridges is also a participant in the City of Santa Cruz emergency resource program list of organizations that can assist during an emergency. As the CTSA for Santa Cruz County, Community Bridges coordinates transportation with social service agencies and participates through the SCCRTC Elderly and Disabled Transportation Advisory Group to identify and discuss program issues and needs in addition to providing justification for the TDA claim.

The taxi scrip program has run into challenges as local taxi companies continue to feel the impact from the influx of ride-hailing companies (i.e., TNCs). As a result of the increasing business pressure on taxis, service quality provided to scrip riders has declined such as rides being unreliable and poor, according to Lift Line transit management. Much of the service decline has occurred in the north county area. However, the taxi service in Watsonville remains a viable option. To fill trip requests that go unserved, Lift Line works with Volunteer Center for transport and vice versa. There are two service providers that participate in the taxi script program: Watsonville Courtesy Cab and Santa Cruz Yellow Cab.

Pursuant to a prior audit recommendation, Community Bridges developed and disseminated a survey of its enrolled taxi script clients in 2020 to assess service needs. The survey was composed of 11 questions in English and Spanish. The purpose of the survey was to discern the time and days when the service is offered, and whether the service is for rider necessity or convenience to determine whether demand for the program can be shifted where other transportation alternatives at different times are available to better meet the needs of this limited market.

Community Bridges has been considering the implementation of a complementary Mobility on Demand pay per ride taxi service. Community Bridges already has an existing business plan for a taxi service. Furthermore, procurement of smaller, electric-powered vehicles would make the implementation of such a service more feasible.

The reasons cited by riders for using Lift Line have expanded as Community Bridges increases its visibility in the community. Trips are provided to more than just social events but also for outpatient medical services such as physical therapy and counseling. The diversity of reasons for taking Lift Line aligns with County policy to address senior living and reduce isolation. In addition to receiving TDA funds and donations, Community Bridges has separate contracts with the local jurisdictions that support the transportation services. Contracts are in place with the Cities of Capitola, Santa Cruz, Scotts Valley, and Watsonville and the County for services such as transportation for senior and low-income residents to medical appointments and dining centers within their respective jurisdictions.

A no-show policy reduces inefficiencies caused by passengers' failures to meet their assigned trip. The policy defines no-shows and identifies ways that passengers can avoid this issue. A suspension penalty could occur for a pattern of this behavior. Community Bridges tracks no-shows for three programs—Medical, Meals on Wheels, and Elderday. The no-show rate compared to total trips for these programs was 3.3 percent in FY 2019, 5.1 percent in FY 2020, and 3.6 percent in FY 2021. The industry standard rate is generally below 5 percent.

The CTSA transitioned its dispatching and scheduling software program from Trapeze to Ecolane during the audit period. The new Ecolane dispatching software has made it more efficient to combine rides and searches for the most accessible driver for trip requests. It also has a self-booking feature that is poised to be implemented in mid-2022. In addition, the software has an AVL feature tied to Google Maps. The automated scheduling is integrated with mobile data terminals (MDTs) in the vehicles, which allows for changes to be made en-route and track rides. The MDTs allow the drivers to communicate with dispatch. As rides are completed, the MDTs tag completed rides with real-time pick up and drop off data and highlight these times in blue, making it easier for the dispatchers to monitor all rides. Likewise, uncompleted, or unassigned rides are highlighted in red to inform the dispatcher of the priority of pending trips. Lift Line's dispatch and scheduling system still maintains some manual components, to be used in the event of a power loss or technical difficulties.

Complaints collected by Community Bridges were consistent for the last several years, ranging between 0 and 2 per year. The number of accidents reported in the TDA quarterly report show 3 in FY 2019, 4 in FY 2020, and 1 in FY 2021. The number of incidents, which could be any reported activity by Lift Line during operations, show 19 in FY 2019, 11 in FY 2020, and 3 in FY 2021. The on-time performance is a 30-minute pickup window, with the pickup no sooner than 10 minutes before the scheduled pickup time and not less than 20 minutes after the scheduled pickup time. The time of pickup is documented by drivers and tracked by the MDTs and AVL system; however, this effort for drivers to record for each pickup and drop-off is tedious.

Community Bridges' response to the COVID-19 pandemic involved maintaining essential transportation services while protecting riders and employees. Lift Line instituted cleaning protocols of its vehicles and facilities. Face masks were required of riders and drivers were equipped with face masks and shields. Capacity limits were instituted on the vehicles in order to maintain six feet of social distancing.

Volunteer Center

Volunteer Center underwent an expansion in its service provision to the community. While it continued to provide rides to the community through the volunteer driver program, it expanded into grocery shopping and medication delivery services. New clients fill out a registration form and are contacted by the dispatcher to confirm their eligibility through age (60+) or disability. Trips are prioritized by Volunteer Center in order of 1) medical, 2) shopping, and 3) social, and could include multiple stops during the trip. Each rider is limited to two trips per week with medical appointments taking priority. The primary ridership is seniors who are ambulatory; drivers and their passengers generally stay together and form a bond. Reservations are made between 5 and 7 days in advance to secure a driver. Volunteer Center will send a letter to riders who fall into a habit of not following general ride guidelines, including canceling their trips or not showing. Drivers will also conduct welfare checks on their passengers.

A significant activity undertaken by Volunteer Center was the transition from a manual method of dispatch and data collection to an in-house developed software program. The software went live in 2019. Through The Hub platform, staff and drivers are able to leave notes for the dispatchers. The platform is integrated with Google Voice, which allows volunteers to notify of their availability from home. The Hub also provides integrated matching through Google Maps. The software has reduced the time spent coordinating individual rides and has increased the quality of service to clients by standardizing the coordination process between dispatcher volunteers; eliminating time-consuming handwritten dispatch processes; enabling the auto-tracking of drivers through Google Maps; automating repetitive tasks like driver check-ins, email composition, and ride matching; and quickly generating program reports and statics. Overall, the software has streamlined the program's administration and simplified complex, volunteer-run processes, enabling existing resources to be used more efficiently.

Client profiles are created in the software to capture data for creating successful trips. Data are stored on the "Firestore" Google Cloud Platform product, which reduces physical storage needs. Dispatchers send emails to the drivers with a list of ride needs and drivers select the trips to make. Dashboard summaries are available that show pertinent trip data. Alerts are also made when drivers need to renew their license, thus keeping Volunteer Center and drivers aware of important actions. The software is able to capture key data such as trip distance and time through the Google map system, which visually shows the direction of the trip from point to point.

As a check of the software information and summed in the quarterly transportation reports, Volunteer Center tracks mileage driven through the monthly reports submitted by drivers, whether for mileage reimbursement or not. Typical trips are between 16- and 23-miles round

trip, based on the quarterly reports during the audit period. Volunteer Center does not track the time spent by drivers to transport their clients, as there is a value to the time spent by the volunteer to provide the trip; staff supplied an anecdotal value of \$21 per hour shown in the TDA claim. With the new dispatch software, there is opportunity to begin tracking both trip time and distance.

Personnel

Santa Cruz METRO

Nonexempt employees are represented by two unions: Service Employees International Union (SEIU) Local 521 and the International Association of Sheet Metal, Air, Rail and Transportation Workers (SMART) Local 23. The SEIU represents Santa Cruz METRO employees, including the Professional Supervisors Association, Salaried Employees Association, and Vehicle Maintenance Unit. The SMART represents employees for the ParaCruz operation. Labor agreements in place during the audit period went into effect during the audit period. Santa Cruz METRO reported a change in the SMART union leadership during the audit period. Communication between the agency and the union has been described as being good and collaborative.

The current MOU between Santa Cruz METRO and SEIU Local 521 went into effect for three-year period from July 1, 2019, through June 30, 2022. The MOU incorporates pay increases and payout bonuses to employees covered under the MOU. Two separate labor agreements between Santa Cruz METRO and SMART Local 23 were also approved during the audit period for a three-year term from August 6, 2022, through June 30, 2022, and from August 25, 2019, through June 30, 2022. The pay rate schedule and paid leave provisions were modified.

Base wage rates were increased by 2 percent per year until the union agreed to defer this increase until 2020 to help the agency address the structural deficit and maintain its union workforce. A new wage scale for ParaCruz consolidates the pay rates for represented classes. Upon commencement of the labor agreement, employees were placed on the new wage scale but were not disadvantaged by a reduction in base wage rate after the wage consolidation. Santa Cruz METRO pays medical premiums depending on bargaining union contract requirements. Union leadership fosters a cooperative relationship between Santa Cruz METRO and the unions as evidenced by the union agreement to defer the cost-of-living adjustment, which has maintained the number of drivers. A summary of employees for both Santa Cruz METRO and ParaCruz during the period is presented in Table V-1:

Table V-1
Santa Cruz METRO Employee Count

	FY 2019	FY 2020	FY 2021
Santa Cruz METRO Bus/All Other	263	271	254
ParaCruz DAR	40	40	37
Total Employees	303	311	291

Source: Santa Cruz METRO

Fixed-route operations have been down 22 bus operators and ParaCruz has been down 3 operators, according to METRO management and data contained in budgets adopted during the audit period. The agency saw a number of separations and retirements due the COVID-19 pandemic. Historically, Santa Cruz METRO has had a low turnover rate. Employees undergo three- and six-month evaluations as well as an annual evaluation, which is tied to a step increase. Supervisors are reminded to conduct employee evaluations based on the schedule.

The hiring of a safety and training coordinator and an assistant safety and training coordinator has improved the training status of the operators and streamlining the licensing and permitting process. Training protocols have sped up to retain new drivers while improving the quality of training and customer service. This has some improvement on morale.

The agency has used the Employment Development Department, veteran centers, churches, movie ads, and radio spots on I-Heart Radio. Human resources have also recruited candidates through job fairs and local colleges. Open houses are held at the transit center and feature applications and interest sheets. Santa Cruz METRO's focus has been to draw from Santa Cruz County as well as from neighboring Monterey and Santa Clara Counties. In spite of these efforts, there was a lull in the number of qualified candidates due to the improving economy and other job prospects. Santa Cruz METRO receives an average of 20 applicants at any given time. The agency has also started utilizing social media platforms, such as LinkedIn, for recruitment.

Santa Cruz METRO implemented several new methods of recruitment during the period. The agency implemented a hiring bonus of up to \$4,000 for new operators. The \$4,000 hiring bonus is paid out as follows:

- \$500 after training.
- \$1,500 after probation; and
- \$2,000 one year after probation (approximately 2,080 hours worked).

The new employee interview panel involves four to five employees encompassing management personnel, supervisors, and union representatives. To screen prospective candidates, Santa Cruz METRO uses Ergometrics, a behavioral-based approach that encompasses video simulation tests designed to assess applicant abilities in important, hard-to-test areas, such as situational judgment, human relations, teamwork, listening and communications skills, dealing with difficult and stressful situations, multitasking, problem solving, and safety orientation. Testing also encompasses knowledge of the rules of the road. The new coach operator's handbook was updated in 2019.

Training is generally conducted in-house and in-person. Operations has been working with Human Resources to obtain online training courses. Operators undergo eight hours of recurring Verification of Transit Training annually. In addition, each operator is required to attend eight hours of annual safety training. With the addition of the new articulated buses, the training protocol has been expanded. DMV pull notices are monitored daily. Employees also undergo trainings regarding sexual harassment and violence in the workplace every three years as

required by Santa Cruz METRO's Sexual and Gender Discrimination, Harassment and Retaliation Prevention Policy. Additional training topics include verbal defense/de-escalation tactics, human trafficking, social distancing, and ADA protocols.

A management classification and compensation study was commissioned in FY 2019, which involved an update of job specifications. Under the most recent MOU with the SEIU (FY 2020), four positions can be reclassified two times annually. Santa Cruz METRO provides health insurance coverage through CalPERS that is 95 to 100 percent paid. There are five HMO and three PPO plans offered. There are PPO dental and vision plans that are 100 percent paid by Santa Cruz METRO. The defined benefit retirement plan is offered through CalPERS. Santa Cruz METRO utilizes Epicor ERP software for payroll and benefit processing.

Community Bridges

Based on the organizational chart of the CTSA, Life Line employed 21 personnel, which includes the division director, 4 management and supervisory staff, 3 dispatcher/schedulers, one executive assistant, one data analyst, one mechanic and 10 drivers (7 full and 2 part-time drivers, and one on-call driver). Drivers and the mechanic are represented by the same union as METRO personnel, SMART Local 23. The labor agreement in effect during the audit period was approved for a three-year term from July 10, 2019, through December 1, 2022. The agreement allows Community Bridges to track patterns of sick-outs while remaining within labor laws. The SMART union representing Community Bridges employees disbanded in March 2021. Lift Line has been in the process of updating its employee policies and procedures manual.

Community Bridges utilizes several methods of recruiting new drivers and personnel. The CTSA has used Indeed, the Employment Development Department, Craigslist, local classified advertising, flyers, and the Community Bridges website. New full-time drivers have Class B licenses and go through the requisite orientation and training, including drive-alongs, safety training, and general proficiency with the routes. On-call drivers do not need to have a Class B license upon joining but must work toward getting the license. The vehicle fleet includes minivans, which require a Class C license and can be driven for service during the time the driver is training for the Class B license. Lift Line management indicated challenges in recruiting drivers and retaining personnel due to similar reasons affecting the transit industry, such as other job opportunities.

The hiring of a driver trainer has improved the in-house training program, although DMV certifications are conducted remotely and take long to schedule testing with more strict rules for certification. Driver meetings are held once a month to review safety and operational procedures and include the use of a driver simulator supplied by the insurance carrier. The CTSA has been working on the development of customer service-oriented training with an emphasis on palliative care and conflict resolution skills with individuals who have complex medical issues.

All Lift Line personnel, including administration, operations management, maintenance, and drivers, are located in Watsonville, a significant and positive change during the audit period. The operations and maintenance staff are housed in a permanent facility using Measure D funds and

are located near the Community Bridges administrative building. Quarterly meetings are held for different purposes, including one for all staff, another for safety training, and another for drivers to discuss other issues.

Volunteer Center

The onset of the COVID-19 pandemic impacted the pool of volunteer drivers. Many volunteers were aged 65 and older, thus falling into the high-risk category for contracting the virus. Therefore, the Volunteer Center had to recruit new volunteer drivers under the age of 65. The program was able to recruit nearly 340 volunteers since March 2020. The Volunteer Center also partnered with Ecology Action in supporting the Grocery Shopper Program, which involved the deployment of bicycles in the delivery of groceries and medications. In addition to the Grocery Shopper Program, the Volunteer Center launched a friendly caller program to check in on seniors shut in due to the pandemic. Between 45 and 75 participants were recruited for this initiative.

The number of volunteer drivers fluctuates among each of the three service areas of Santa Cruz, San Lorenzo Valley, and Watsonville; Volunteer Center indicates the total number of drivers holds relatively steady at 55. Santa Cruz typically has the most drivers, followed by San Lorenzo Valley and Watsonville; generally, more available drivers means more rides provided in each of the service areas. Volunteer Center staff expend resources conducting screens of volunteer drivers, including criminal background checks and their ability to provide frequent service over at least a 6-month commitment. Volunteer Center has been active over the past year in grouping rides using the new dispatch software.

Volunteer driver turnover is relatively frequent, as shown by national rates of 50 percent retention, with driver numbers declining mainly during the summer. Drivers have the option of requesting reimbursement on a mileage basis at \$0.31 per mile. While newer drivers tend to request the reimbursement, many drivers provide the service without requesting reimbursement. Volunteer Center personnel indicated that drivers can be selective and give preferences for the rides they want to provide. The new dispatch software builds profiles of riders which can better match with driver preferences. Volunteer Center tracks unfilled ride requests, which range between 2 and 6 percent of total rides. Trips filled by other providers are also recorded, which helps alleviate unfilled requests.

Drivers are required to complete a volunteer registration form, vehicle insurance form, and an authorization for Volunteer Center to do a background check. Volunteer Center staff also conduct screenings and interviews. Driver background checks are conducted through Sterling background screening services and incur a nominal cost to the agency. Volunteer Center provides excess general liability and medical insurance above the driver's own insurance coverage. During the pandemic, a vaccine attestation was required for drivers.

Maintenance

Santa Cruz METRO's maintenance facility was completed in 2009 and features 11 bays, 5 in-ground lifts, 8 portable lifts, and one set of 6 posts for the newer articulated buses. The facility is

open daily with the following hours: Monday through Friday, 24 hours, and Saturday and Sunday from 6:30 a.m. to 2:30 p.m. The facility opens at 10:45 p.m. Sunday to begin the week. Energy-efficient LED lighting was installed during the audit period.

There are 19 mechanics on staff, including three maintenance supervisors, assigned over three weekday and two weekend shifts. There were some promotions and turnover in the Maintenance department. The current maintenance manager was hired in 2017, having previously served in the maintenance department of the City of Santa Monica's transit agency. New mechanics undergo a three-month training process and training is tracked for each mechanic. Training is conducted through the manufacturer or coordinated with other transit agencies such as SamTrans and the Southern California Regional Transit Training Consortium. METRO has budgeted additional resources for maintenance training as the agency prepares for introduction of electric buses to the fleet.

About half of the mechanics were hired in the past five to seven years; they work in three shifts on weekdays and one to two on weekends. Mechanics obtain Automotive Service Excellence (ASE) certification for specific technical tasks. Santa Cruz METRO is looking to incentivize ASE certification, which would require amending the MOU with the SEIU. The maintenance manager is reviewing the maintenance staff schedules to improve efficiency and has identified the need to hire an in-house trainer. Safety concerns are discussed during "toolbox" meetings.

The Maintenance department utilizes MaintStar asset management software to track repairs and parts inventory. The department is interested in integrating mobile tablets and modules with the MaintStar program. Repairs are coded and categorized. Labor time and vehicle mileage are also tracked. The lead mechanic reviews repairs, which are followed up by the supervisor who approves the work order. Defect cards are obtained from operations for review by the lead mechanic before being assigned and tracked in MaintStar.

Part requisitions have to be approved prior to use. Parts are barcoded but not used in the module. Safety issues and operations were addressed involving engine in frames, staffing levels, and vehicle spare ratio levels. Warranties on new vehicle procurements have been negotiated, which resulted in a five-year warranty on engines and a two-year warranty on transmissions. Body and paint work are outsourced. Santa Cruz METRO is generally able to receive parts the next day. Every part issued is entered onto a work order for both fleet and facility maintenance. Santa Cruz METRO keeps brake kits in stock so as to allow mechanics to perform a full brake job. Group cycle counts are conducted weekly.

A Fleet Maintenance Resource Work Plan was developed in December 2015 that revamped the policies and procedures guiding preventive maintenance inspections (PMIs) and other servicing work. Santa Cruz METRO has expressed the intention to update the work plan to include the servicing of newer vehicles in the fleet. All vehicle maintenance for both fixed-route and ParaCruz services is conducted in-house as a cost-saving measure, with only certain major overflow issues and body work contracted out. PMIs are performed per manufacturer's requirements, including in 6,000-mile increments and within a 10 percent mileage window. Santa Cruz METRO performs a safety inspection midway through the 6,000-mile PMI cycle for all

fixed-route and commuter-revenue vehicles, not to exceed 3,500 miles. ParaCruz vehicles require PMIs to be performed in 5,000-mile increments within a 10 percent mileage window. Extended warranties are leveraged.

Pre- and post-vehicle inspection reports were revised and include placing a sticker on the bus wheel indicating maintenance attention. Quality control/quality assurance requirements are documented in the work plan, as are 10 key performance indicators to measure maintenance quality and compliance. These indicators are included in the monthly fleet service summary worksheet. Road calls are tracked and summarized in the following table:

Table V-2
Santa Cruz METRO Road Calls

	FY 2019	FY 2020	FY 2021
Santa Cruz METRO Bus	256	198	171
ParaCruz Paratransit	13	9	7
Total Road Calls	269	207	178

Source: National Transit Database - Form R-20

Road calls steadily during the audit period from 269 in FY 2019 to 207 in FY 2018 to 178 in FY 2021. The decline in road calls is attributed to the implementation of newer fleets and the reduction in vehicle service hours and miles. The implementation of the new protocols outlined in the Fleet Maintenance Work Plan have also assisted in reducing the number of road calls. Annual CHP terminal inspections conducted during the period have been satisfactory.

METRO has been laying the groundwork for zero-emission vehicle infrastructure and enhanced training. The agency procured four Proterra zero-emission buses (ZEBs), which underwent feasibility testing before being placed into service in the fall of 2021. Before committing to future procurements, METRO wants to ensure that the battery energy capacity of the ZEBs is sufficient for the end-of-life range or about 300-mile daily range on an overnight charge. Pursuant to the Innovative Clean Transit regulation that was adopted by CARB in 2018, METRO must purchase ZEBs for 25 percent of all bus purchases beginning in 2026 and 100 percent of all bus purchases in 2029. The agency is maximizing the use of ViriCiti to capture and analyze ZEB data. ViriCiti is a telematics platform that monitors the efficiencies of new fleet propulsion technologies.

Community Bridges

The permanent operations and maintenance facility funded by Measure D is on 2 acres of land located at 545 Ohlone Parkway in Watsonville. The facility features two bays and two lifts, and a 3,000-square-foot maintenance shop. A form is created to track mileage at time of service and mechanic charges for the vehicle. A Microsoft Access database is used to manage the maintenance program and is based on mileage and days. Management is reviewing a new maintenance program. As a gauge of maintenance, the number of mechanical failures (including lift failure) reported by Community Bridges in the TDA quarterly report ranged between 3 and 6 annually during the audit period, with the higher number of failures occurring at the end of the period. A wheelchair malfunction resulted in a passenger incident. With delivery of two new

electric vehicles and battery chargers, Lift Line staff are learning the operations and maintenance of the new vehicle technology.

Planning

Santa Cruz METRO planning staff combine ridership data, on-board survey data, and countywide demographic data to analyze the productivity of transit corridors in the county and design service accordingly. Additionally, Santa Cruz METRO partners with SCCRTC, the Association of Monterey Bay Area Governments (AMBAG), UCSC TAPS, and the Santa Clara VTA, as well as other county and local municipalities, in overall transportation improvement planning. The mixture of rural and urban areas, geography, topographical landscape, and the diverse needs of the community all provide challenges that Santa Cruz METRO faces when planning transit service.

The SRTP had an objective to create policies directed at identifying service metrics that guide the decision-making for identifying productive service. This would include specifying service performance targets, designing appropriate bus stop spacing, and maintaining a fiscally sustainable service. A stop-by-stop level of data gathering has been a challenge for Santa Cruz METRO staff to conduct more in-depth planning; although the agency's adopted budget included a half-time surveyor position, the position had not been filled for some time. The busy Soquel corridor has been a focus of planning, but significant service adjustments are difficult without in-depth data.

A new planning and development manager and scheduler were hired in November 2015 to support efforts in the planning and restructuring of service. The agency had limited planning staff and only limited funding for hiring outside contractors to collect data upon which to base planning and scheduling decisions. The planning manager reports to the Board of Directors on service trends quarterly as well as conducting an annual board presentation on the state of service planning.

A comprehensive operations analysis (COA) was conducted in 2016 to lay the foundation for overall service restructuring. Entitled *Metro Forward: Transit for Tomorrow*, the COA was adopted in May 2016 and reviews the broader network structure as well as individual route performance to provide Santa Cruz METRO with a comprehensive understanding of market conditions and service performance. A set of recommendations and service scenarios were provided to build upon the network's market opportunities and performance strengths, minimize ridership loss, ensure adequate coverage throughout the county, and maximize financial sustainability.

Implementation of the COA recommendations resulted in the elimination of 19 percent of daily trips and an 8 percent decrease in ridership. A summary of the proposed changes in the COA included the elimination of Route 30 in the San Lorenzo Valley; Routes 8 and 12 in Santa Cruz; Routes 54 and 56 in the Live Oak/Capitola/Aptos area; and Routes 74 and 77 in Watsonville. Santa Cruz METRO also eliminated Route 33 and 34, which were school tripper services operating in a rural area. Route 35 in the San Lorenzo Valley continues to operate as a lifeline

service. Route 71, an intercity route, is the most productive outside of the routes serving UCSC. Ridership on the Highway 17 Express with its 30 daily trips has been static during the period.

A metric of 10 to 15 passengers per hour triggers service monitoring. Santa Cruz METRO has realized that service standards can be too aspirational. The agency is pursuing more flexible and cost-effective ways to serve areas of low ridership with micro transit and collaborative arrangements with TNCs such as Uber and Lyft. ParaCruz is available as a backup service mode for ADA service requests.

In April 2019, METRO conducted an on-board survey and ridecheck, its first since 2012, to enhance its understanding of riders, demographics, travel patterns, satisfaction with METRO services, and preferences in the use of various technologies including fare payment methods.

On June 26, 2020, the METRO Board of Directors approved and officially adopted METRO’s Public Transit Agency Safety Plan (PTASP). The plan, which is required by the FTA for all urbanized transit providers, must detail the processes and procedures transit providers utilize to implement safety management systems as well as establishing safety performance targets. The PTASP final rule became effective in July 2019 with plan enforcement beginning in July 2021. Plan updates and agency self-certification confirming compliance is required annually. The FTA will formally review METRO’s PTASP in the next federal triennial review.

Transit Performance Monitoring

Each of the transit systems provides performance measures to the SCCRTC on a quarterly and annual basis. The list of performance metrics differs slightly between the transit systems to reflect their system size and service modes. As several commissioners also serve on Santa Cruz METRO’s board, the performance of Santa Cruz METRO is shared as needed with the SCCRTC. Documentation supplied by the transit systems shows their commitment to provide the information to the SCCRTC as a condition of their receipt of TDA funds. The performance metrics for Santa Cruz METRO are listed in the TDA claims form and include those listed in Table V-3.

Table V-3
Santa Cruz METRO Performance Measures

1.	Annual passengers	15.	Number of FTE employees (all employees, not just drivers)
2.	Rides/passenger trips provided by type (student, senior, adult, pass holders, etc., or however stats are kept) and amount of TDA funds used for each type of ride	16.	Vehicle service hours/employee*
3.	Annual service hours	17.	Number of routes
4.	Passengers per vehicle service hour*	18.	Average route length
5.	Annual service miles	19.	Average travel times/rider
6.	Number of fixed-route miles	20.	Number of bus stops
7.	Service area – square miles	21.	Number of vehicles in operation

8.	Service area population	22.	Number of monthly bus passes in circulation
9.	Passengers per vehicle service mile*	23.	Maximum vehicles in service at any time
10.	Average passengers per weekday	24.	Hours of service
11.	Total operating costs in budget	25.	Approximate number of unduplicated passengers
12.	Operating cost per vehicle service hour*	26.	Cost per unit of service plus text about long range plans to make/keep this low
13.	Total operating cost per passenger*	27.	Funds and percentage spent on administration/overhead/grantee allocation/etc.
14.	Average farebox revenue per passenger (describe what is included)	28.	Actual financials compared with budget
29.	Actual number of rides provided compared with goal and text about whether goal was met and why/why not		

* Denotes TDA indicator

The performance indicators submitted by Community Bridges are shown in Table V-4.

Table V-4
Community Bridges Performance Measures

1.	Unduplicated passengers per month	8.	Cancellations per month
2.	Total passenger trips (units of service) per month	9.	Donations per month
3.	Incidents per month	10.	Total operating cost per passenger*
4.	Accidents per month	11.	Total operating cost per vehicle service hour*
5.	Mechanical failures (including lift failure) per month	12.	Total passengers per vehicle service hour*
6.	No-shows per month	13.	Total passengers per vehicle service mile*
7.	Turndowns or referrals per month	14.	Van mileage per program

* Denotes TDA indicator

The performance indicators submitted by the Volunteer Center are shown in Table V-5.

Table V-5
Volunteer Center Performance Measures

1.	Number of rides/deliveries provided	6.	Number of unduplicated passengers
2.	Trip destinations	7.	Number of requests for service
3.	Mileage claimed	8.	Number of turndowns
4.	Estimated total mileage	9.	Reason for turndowns

5.	Average length of trip	10.	Number of active volunteers
11.	Geographic distribution of clients		

Community Bridges and METRO have invested in AVL technology that enables more automation in the tracking of vehicle movements. The technology serves multiple benefits including for safety and operational efficiencies. The AVL feature, when combined with dispatch/scheduling and other communications technology, can provide accurate performance measures such as on-time performance for the different vehicle modes as the technology becomes more available on the vehicle fleet. Given this technology integration for the transit systems, reporting on-time performance in the quarterly reports should be added as another key indicator of operational effectiveness and customer service.

Marketing

Marketing and communications are conducted by customer service staff in the operations division. The Santa Cruz METRO website (<https://www.scmttd.com/en/>) was redesigned with an upgraded content management system. This has resulted in better functionality. The website contains a Google Transit trip planner, service calendar, and a Spanish version (<https://www.scmttd.com/es/>). Several Santa Cruz METRO departments, including IT, planning, and operations, collaborated on a pilot project called Schedule by Stop to provide the day's bus schedule for each stop using Google Transit data collected for trip planning. The page displays the approximate time of all routes serving that location all day long, as well as optional trip detail showing all stops that each bus makes along the route. The planning pages were also redesigned.

METRO updated its COVID-19 messaging on the vehicles, website, printed collateral, and eBlasts. Santa Cruz METRO's Headways bus rider's guide is revised several times a year to reflect the route changes, which are described in the front section of the guide. Usage of the Headways publication is dropping due to the growing use of electronic and mobile sources of transit information. There has also been an emphasis on service-specific marketing campaigns, such as for the launch of the Watsonville Circulator.

Social media platforms such as Facebook and Twitter have been used for communicating service alerts and driving users to the website. The agency saw more engagement on Facebook, which has proven to be a more effective medium with a seven-fold increase in post reach. METRO's Twitter account has been relatively inactive with only 38 followers. The agency is looking to add content on Instagram. Text messaging is a larger communications venue where riders subscribe to Stay Connected text messaging with the schedule on demand at any location of interest; riders receive real-time subscriber alerts whenever schedules are impacted on the routes they ride. Rider alerts on service changes or current issues are also placed on the Santa Cruz METRO website in a news bulletin feature.

Santa Cruz METRO has an online store where customers can purchase bus passes online using a credit card. Santa Cruz METRO completed the installation of electronic validators on all Highway 17 buses during the audit period. Santa Cruz METRO has retained the fare media platform

Masabi to implement the pilot. Masabi's JustRide mobile ticketing platform is already being utilized by Sonoma-Marin Rail Transit and the Altamont Corridor Express.

The Watsonville Transit Center has been open for the past three years and is open weekdays from 8:00 a.m. to 5:00 p.m. Santa Cruz METRO reports a low volume of ticket sales at the Watsonville Center, ranging from \$150 to \$200 in daily sales. Ticket vending machines have been installed. The downtown Santa Cruz transit center handles ticketing and all other customer service requests. The Watsonville facility currently contains a local grocer that occupies space and promotes a sense of customer well-being. Santa Cruz METRO is working with the SEIU to emphasize outreach as an integral part of operations, including more face-to-face interaction with the public. An accessibility coordinator who provides travel training is located at the downtown Santa Cruz transit center and is a central figure for this interaction. Bilingual outreach and interpretation are provided in-house in English and Spanish, with Santa Cruz METRO staff attending community events such as the county fair and interactive activities.

Customer service is the front line for handling complaints and following the procedures described on the Santa Cruz METRO website. The customer service coordinator investigates complaints that are logged with red flags. Other department staff are involved to further investigate and resolve the complaint prior to closing the file. All managers are able to receive and review customer comments and complaints. Valid complaints are kept in the employee's file for one year, which is acceptable to the union.

Prior to the development of the SRTP, there was no marketing plan for Santa Cruz METRO. The agency hired a marketing director in May 2019 and is developing a marketing plan based on the on-board survey conducted in June 2019. The recent bus pass program secured with Cabrillo College and UCSC's contribution to new services add momentum for proactive marketing and better service to the student population. Marketing strategies proposed by the SRTP include electronic informational tools, printed materials, branding of the system, fare media, bus stop signage and facilities, and coordinated marketing. Santa Cruz METRO also revised its logo.

Pursuant to the federal Civil Rights Act of 1964, a Title VI Program has been developed and adopted by the agency. Title VI of the Civil Rights Act of 1964 requires that no person in the United States, on the grounds of race, color, or national origin, be excluded from, be denied the benefits of, or be subjected to discrimination under any program or activity receiving federal financial assistance. The Title VI Program was updated on February 22, 2019. Program compliance includes Title VI notices and complaint forms published in English and Spanish that are posted on the transit website and vehicles. METRO's Title VI Policy document is posted on the website (http://www.scmtd.com/images/department/legal/policies/title_vi_policy_2019).

Community Bridges conducts more outreach compared to past years and has hired an extra position for this. As described earlier in the operations function, more types of trips are being made for different appointments such as for medical, physical therapy, and counseling. The expanded outreach aligns with County policy to address senior living and reduce loneliness and isolation. Community Bridges developed a brochure for its services and tailored flyers for specific services. The brochure is provided in both English and Spanish and contains detailed information

about Lift Line services and eligibility. The Community Bridges website includes information about Lift Line on its main program site as well as a dedicated site for Lift Line services and detailed information. Advertising space on the back of the vehicles is also available for businesses that see value in Lift Line’s visibility around the community.

Volunteer Center also produces a community brochure for distribution and markets an ongoing need for volunteer drivers to maintain a qualified pool. By filling a transportation need that other transit modes cannot efficiently provide, Volunteer Center is serving a different rider market and is developing a means to share its clients’ stories. For growth in the program and recruitment of both drivers and passengers, the Volunteer Center has taken steps to better highlight how its programs benefit various individuals in the community.

On the Volunteer Center website, the “Our Stories” drop-down box contains links to volunteer stories, videos, and blog posts. The video content highlights the volunteer response to the recent wildfires, 2020 Be the Difference Awards, Grocery Shopper Program, the COVID-19 pandemic response, and food relief program. Another example of how Volunteer Center has been promoting its activities involves recorded audio testimonials of seniors who use the program to access medical appointments and shopping. Volunteer Center has also been featured in the “Young at Heart” section of the *Santa Cruz Sentinel* newspaper.

General Administration and Management

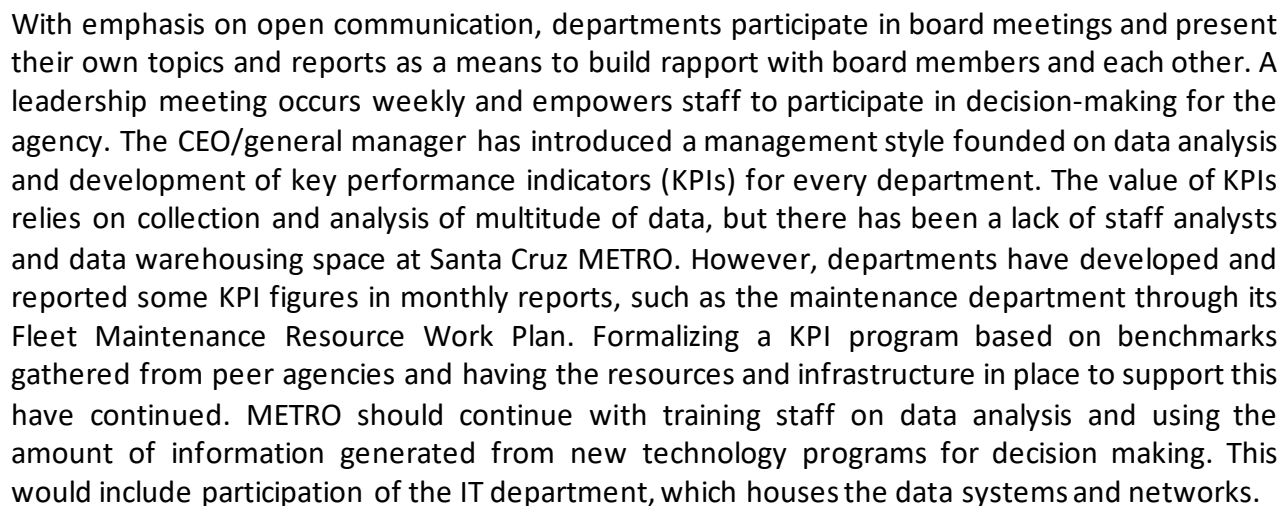
The Santa Cruz METRO is governed by an 11-member Board of Directors, plus two ex officio members from UCSC and Cabrillo College. A number of members on the board serve as commissioners on the SCCRTC. A few board members also serve on the AMBAG board.

The METRO Advisory Committee advises Santa Cruz METRO’s Board of Directors on matters of policy and operations referred to by the board or the CEO/general manager. The Advisory Committee may also address issues regarding the quality and quantity of transportation services provided by Santa Cruz METRO. Membership comprises anyone from Santa Cruz County who applies and is appointed by a Santa Cruz METRO board member.

Administrative departments are located at the Administration Facility at 110 Vernon Street. The CEO/general manager was focused on addressing the agency’s structural deficit while ensuring vehicle replacement was occurring and developing strategic priorities moving forward. Major contributing factors to the structural deficit included too many consecutive years in which Santa Cruz METRO experienced an increase in the recurring costs of personnel, goods, and services without the same growth in recurring revenues, and uncontrollable outside forces contributing to the structural deficit, such as a sluggish economic recovery.

METRO saw turnover in its executive leadership during the audit period. The agency hired a new chief operations officer (COO) in June 2020. The new COO was formerly the director of bus transportation at SamTrans. In addition, the agency added an assistant safety and training coordinator.

Figure V-1
Santa Cruz METRO Organization Chart



In June 2019, the METRO board approved a 10-Year Strategic Business Plan that sets key tactical initiatives in support of the strategic priorities. The priorities are:

1. Safety First Culture
2. Financial Responsibility, Stability, Stewardship, Accountability
3. Service Quality and Delivery
4. Internal and External Technology
5. Employee Engagement: Attract, Retain, Develop
6. State of Good Repair
7. Strategic Alliances and Community Outreach

The strategic priorities and key tactical initiatives are intended to prioritize the use of METRO's financial and staff resources in the coming years. Beginning in October 2018, the METRO board undertook an initial work session in which the board and management team established a preliminary set of strategic priorities. Through the ensuing months leading up to the approval of the plan, the board adopted the strategic priorities and key initiatives, the management team developed a five-year implementation plan, and the Capital Projects Standing Committee provided comments to the strategic plan. The strategic plan identifies the METRO department responsible for implementing the initiatives and estimating costs for procurement of proposed capital projects.

Santa Cruz METRO adopts a budget annually with a two-year horizon. The finance department conducts regular budget meetings with each department manager. Operator overtime has resulted in budget overruns, in part contributed by the number of drivers at any time who are absent or on leave. According to the audited financial statements, overtime comprises about 15 percent of direct labor costs, and salary and fringe benefits comprise 80 percent of the total operating budget. Reserves are not tapped for budget overruns and are maintained for critical needs such as local match for operations and capital grants, operations sustainability, and bus replacement. Revenue from Measure D and from Senate Bill 1 through the State Transit Assistance and State of Good Repair Program provide needed infusion of new funds for both operating and capital match. METRO has budgeted \$800,000 toward the procurement of an enterprise resource planning (ERP) software program for FY 2020 to enhance administrative management and financial control.

Santa Cruz METRO adopted a procurement policy manual in 2016, which was reviewed and approved by the agency's legal counsel. The agency utilizes Puridium/Bravo Advantage procurement software, which tracks each department's budget. Requests can be inputted, and research conducted through the program. Purchases and requisitions are processed online through the software.

The agency's most recent FTA triennial review was conducted on June 12, 2019 (scoping meeting) with site visits on September 25-26, 2019. A draft report was completed November 13, 2019. No deficiencies were found in 20 of the 21 areas of FTA requirements reviewed. Only one

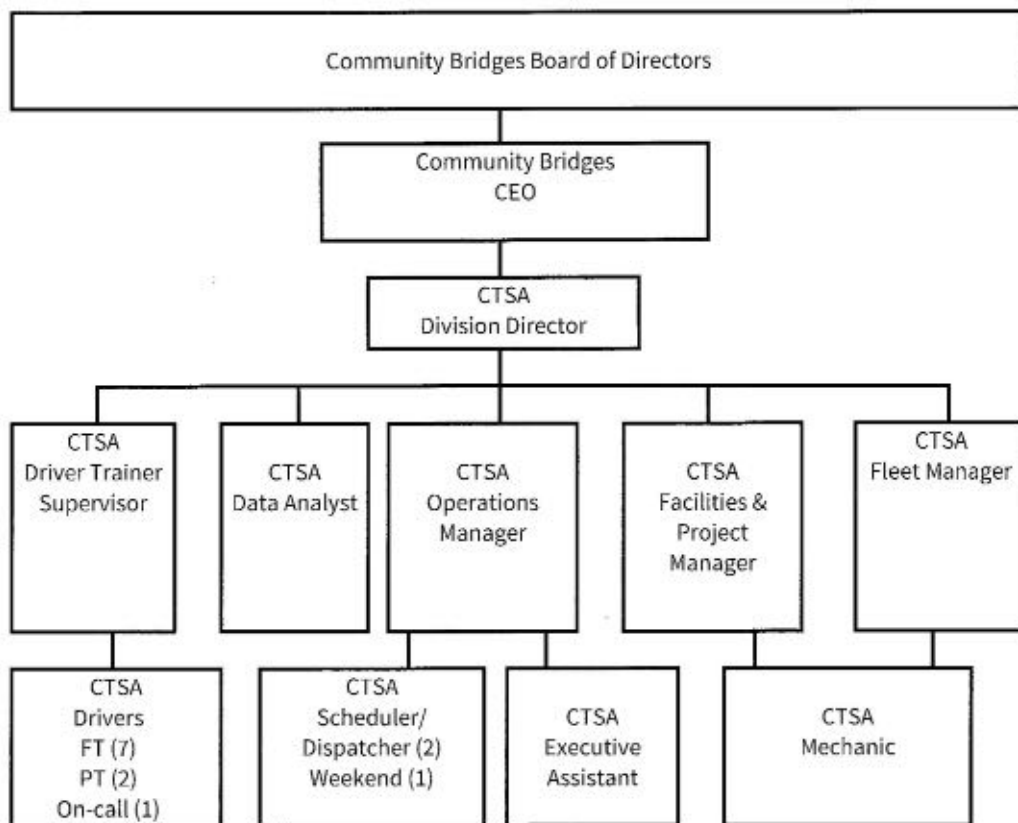
deficiency was cited in the maintenance review area. The maintenance deficiency found that METRO had no system of periodic inspections and preventive maintenance identified in facility and/or equipment maintenance plans as well as late facility/equipment preventive maintenance procedures. Santa Cruz METRO responded to this deficiency, which was closed out. The agency received its triennial review closeout letter in response to the Summary of Findings and Corrective Actions on January 13, 2021.

Community Bridges

General management of Lift Line was largely unchanged during the audit period following changes to the organization in the prior period. The management layer supports the director including an operations manager who oversees daily operations and management of drivers. With both administration and operations located in Watsonville, communications and interaction occurs more frequently among management and drivers. Operations and maintenance were separated to allow each manager to focus on their primary duties.

The organization chart of Lift Line is shown below.

**Figure V-2
Community Bridges Lift Line Organization Chart**



Because Lift Line is one program within Community Bridges, the transportation program is allocated joint administrative costs, including administrative and fiscal personnel and other agency-wide operating expenses. A documented cost allocation policy is regularly updated and specifies the method used for allocation of indirect costs, which is required for grant funding. Community Bridges uses a fixed percentage indirect cost rate that is universally applied to all of its programs. The joint cost rate is determined by taking the pooled joint administrative costs as a percentage of total program direct operating costs. Direct operating costs are total program costs less capital expenditures for major equipment, leasehold improvements, in-kind expenses, and amounts passed through to other agencies. Documentation provided by Community Bridges shows an indirect cost rate of 17.1 percent applied to direct program costs, such as Lift Line expenditures. Since the joint cost rate is based on expenses incurred, each Lift Line transportation program is assessed proportional to the expenses incurred for that particular program.

Volunteer Center

Goals for the program are reviewed each year and compared to actual data in the reports submitted to the City of Santa Cruz and the SCCRTC as conditions of receiving TDA funds. The number of senior clients served measures performance. Clients register with the program and individual records are kept on each client with their personal information, emergency contacts and rides and deliveries received. The number of groceries delivered is evaluated through reports compiled on each service provided that details client, date, and time of ride and/or groceries delivered, destination and volunteer providing the ride or delivery. Another metric involves the number of people to be served or the anticipated number of users of the program.

The Volunteer Center's goal is to serve 150 seniors with the Grocery Shopper Program. Participants are limited to one delivery per week due to the availability and number of drivers and shoppers. Participants are requested to give two to three days advance notice for shopping requests to be filled.

It is anticipated that when the Transportation Program resumes normal operations, the Volunteer Center can provide and integrate those program goals with those of the Grocery Shopper Program.

Grants Management

Santa Cruz METRO historically relies on a variety of grants and other funding mechanisms, including local sales tax revenues, to support its transit system. The grants/legislative analyst evaluates the feasibility of obtaining funding for proposed projects, writes grant applications, and ensures agency compliance with federal, state, and local regulations and funding source requirements. The analyst also monitors and analyzes the impact of legislative and regulatory issues and develops a coordinated strategy for responding to these issues as they impact METRO's transportation services.

The analyst closely monitors and reports on grant activity and prepares and presents a quarterly status report of grant applications and active grants to the METRO Board. On a monthly basis, the analyst meets with the executive and management team to review pending grant awards, upcoming and current grant solicitations, active grants, and a review of capital needs.

The agency has developed a bus replacement sheet that outlines capital procurement goals and priorities. The aim is to access grant opportunities that would allow for reducing the average age of the revenue fleet, refurbishment of vehicles in the interim, and the consideration of lease-to-own options.

Santa Cruz METRO has \$200 million in unfunded capital needs. New revenues from local Measure D and Senate Bill 1 funding have helped attain financial sustainability. A bus replacement fund was created into which \$3 million annually is set aside using funding from Local Measure D, Senate Bill 1/State of Good Repair program, and State Transit Assistance. There is a rolling 10-year bus replacement program tied to METRO's Transit Asset Management program. The METRO strategic plan also contains a five-year implementation schedule related to capital procurement.

In November 2016, Santa Cruz County voters approved Local Measure D, a one-half-cent sales tax to be used for transportation-related expenditures within the county. Santa Cruz METRO receives a portion of these proceeds to support ParaCruz operations and transit capital needs. Based on audited financial data, Santa Cruz METRO received \$2.47 million in Local Measure D funding in FY 2021. Of that amount, about \$1.41 million was expended on operations and \$1.06 million was expended on capital.

Santa Cruz METRO relies on both formula and discretionary grant revenue to support its operating and capital budgets. Capital funding sources that METRO applies for include the FTA (5339 Bus and Bus Facilities; 5309 Capital Investment Grant; 5307 Urbanized; FTA 5311 Rural; and 5310 Specialized) Federal Surface Transportation Program; State of California (Proposition 1B-PTMISEA and TSSSDRA - now sunset; State Transit Assistance; Low Carbon Transit Operations Program; CALSTART Zero Emission; Transit and Intercity Rail Capital Program; Local Partnership Program; and State Transportation Improvement Program); Monterey Bay Unified Air Pollution Control District AB 2766 Motor Vehicle Emissions Reduction Program; and cash reserves.

Under the Coronavirus Aid, Relief, and Economic Security Act, Santa Cruz METRO received \$18,511,226 in pandemic relief to cover operating expenditures in FY 2020 and \$2,633,868 in FY 2021. Under the subsequent Coronavirus Response and Relief Supplemental Appropriations Act, Santa Cruz METRO received \$6,297,033 in FY 2021 toward operating expenditures.

In addition, METRO has been a recipient of Low Carbon Transit Operations Program (LCTOP) funds for operating assistance for the ZEV-powered Watsonville Circulator Project. The agency was awarded \$489,213 in LCTOP funding toward the operation of electric Proterra buses for use on the Watsonville Circulator in 2020.

Community Bridges receives FTA Section 5310 Elderly and Disabled Specialized Transit Program funds for vehicle and capital equipment purchases and submits its semi-annual reports to Caltrans certifying use and condition of the equipment. Community Bridges also receives grant funding from contracts with various government entities, including the Area Agency on Aging and each of the four cities and the County for services such as Meals on Wheels, as well as outside contracts for specific programs like the Elderday program.

Section VI

Findings

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

Triennial Audit Findings

1. The Santa Cruz County transit operators complied with each of the 11 compliance requirements. The 10 percent local match for LTF funding by Volunteer Center has historically been met through donations. In lieu of the 10 percent local match, the Volunteer Center in concert with the SCCRTC, came up with a minimum number of riders of 1,000 per quarter metric.
2. Santa Cruz METRO attained farebox ratios for both urban and rural services that exceeded the standard. The agency also meets the 50 percent expenditure limitation under the TDA in lieu of meeting the farebox recovery requirement.
3. The Santa Cruz County transit operators (Santa Cruz METRO and Community Bridges' Lift Line) participate in the CHP Transit Operator Compliance Program and received vehicle inspections within the 13 months prior to each TDA claim. Satisfactory ratings were made for all inspections conducted during the audit period for both agencies. For the Santa Cruz METRO inspection, no vehicles were placed out of service during the review period. No violations were noted for the Community Bridges' CHP inspections.
4. The operating budgets for the operators exhibited modest fluctuations during the audit period. The increases in operating budgets during the audit period reflect higher personnel wages and benefit costs associated with collective bargaining agreements as well as costs associated with the procurement of personal protective equipment and service adaptations associated with the COVID-19 pandemic.
5. Of the prior six performance audit recommendations, the Santa Cruz County operators implemented three recommendations and partially implemented one. The partially implemented recommendation pertained to Santa Cruz METRO's of data analytics training with new technologies. The two recommendations not implemented pertain to the need for Santa Cruz METRO's to clarify its performance eligibility criteria for LTF and for Community Bridges to report on-time performance in the TDA Quarterly Performance Report. The recommendations pertaining to data analytics training and the performance eligibility criteria have been forwarded in this audit for full implementation.
6. Santa Cruz METRO operating costs increased 4.9 percent system-wide over the period based on audited data from the FY 2018 base year through FY 2021. System-wide operating costs

reflect all costs and exclude depreciation costs. Using unaudited modal operating cost data drawn from the NTD, operating costs increased by 7.2 percent for fixed route and decreased by 4.9 percent for ParaCruz.³ According to the annual financial audit, the trend in system-wide operating cost increases was due to increases in personnel expenses related to wage increases and contractual obligations pursuant to labor agreements negotiated during the audit period. Community Bridges' Lift Line operating costs increased by a modest 7.5 percent. Volunteer Center transportation costs increased by 55.5 percent for the audit period. In FY 2021, Volunteer Center incurred increased costs attributed to the design, development, and implementation of the new Grocery Shopper Program.

7. Ridership on Santa Cruz METRO decreased by 81.5 percent system-wide during the audit period. Fixed-route ridership decreased by approximately the same percentage, decreasing from 5.05 million to 907,140 passengers between the FY 2018 base year and FY 2021. ParaCruz ridership decreased by 46 percent, from 72,209 to 38,974 riders over the same period. Lift Line ridership decreased 61.4 percent during the audit period by about 33,000 passengers. Volunteer Center transportation ridership decreased significantly by more than 15 percent for the period, from 4,600 to 3,900 passengers. The trend in this indicator reflects the larger decrease in passengers resulting from the COVID-19 pandemic.
8. From a combination of performance data trends, TDA performance indicators for Santa Cruz METRO showed increases in costs on a per unit basis, including per hour and per passenger. The trends for these indicators using audited costs reflect marginal growth in operating cost paired with declines in ridership and service hours.
9. Santa Cruz METRO has been working on implementation of the Syncromatics intelligent transportation systems infrastructure, which includes real-time tracking via an automatic vehicle locator (AVL) system, automated passenger counters (APCs), and voice annunciators. The AVL and APC installation commenced in January 2019 and was completed in the fall of 2020. The AVL system will integrate the Predictive Arrival & Departure System, which is a smartphone app that provides real-time data to customers on the predictive arrival of the bus.
10. In September 2020, METRO implemented mobile ticketing. The Santa Cruz METRO "Splash Pass" allows customers to purchase METRO fare products using a smartphone. Splash Pass mobile ticketing was extended to all downtown Santa Cruz employees in April 2021 through a partnership with the City of Santa Cruz. Santa Cruz METRO also completed the installation of electronic validators on all Highway 17 buses.
11. Dispatching and bus scheduling is conducted using the Hastus software system for METRO fixed route and Ecolane for ParaCruz. Santa Cruz METRO completed its transition from Trapeze to Ecolane, which was implemented in January 2020. Key elements of Ecolane

³ The sum of operating expenses by mode reported in the NTD do not equal the audited total operating costs. The NTD operating costs by mode only reflect costs allocated by Santa Cruz METRO to that particular mode in following NTD guidelines. Additional operating costs are classified as other reconciling items in the NTD and not separated by mode.

include a real-time mapping feature as well as the ability to batch rides automatically, improved on-time performance monitoring, and NTD reporting.

12. METRO has been working with the Center for Transportation and the Environment in the study and implementation of zero-emission vehicle infrastructure. The first phase of Santa Cruz METRO's first electric vehicle charging station was completed in the fall of 2020 at the Judy K. Souza Operations Facility. In addition, four Proterra zero-emission buses were delivered in spring of 2021, the first electric buses in METRO's fleet, which have been deployed on the Watsonville Circulator.
13. METRO's most recent FTA triennial review was conducted on June 12, 2019 (scoping meeting) with site visits on September 25-26, 2019. A draft report was completed November 13, 2019. No deficiencies were found in 20 of the 21 areas of FTA requirements reviewed. Only one deficiency was cited in the maintenance review area. Santa Cruz METRO responded to this deficiency, which was closed out.
14. In June 2020, the METRO Board of Directors approved and officially adopted METRO's Public Transit Agency Safety Plan. The plan, which is required by the FTA for all urbanized transit providers, must detail the processes and procedures used by transit providers to implement safety management systems as well as establishing safety performance targets.
15. Community Bridges implemented several capital upgrades such as the deployment of three electric vehicles, a charging station, and the implementation of Ecolane dispatching software. The integration of the Ecolane dispatching software program has created possibilities for the development of Mobility on Demand service options.
16. A significant activity undertaken by Volunteer Center was the implementation of a senior grocery shopper program in 2020. In response to the COVID-19 pandemic, the program provides grocery and medication delivery services to members of the Santa Cruz community most at risk of contracting the virus. A friendly caller program was also implemented to reach out to shut-in seniors.

Recommendations

1. Continue to ensure the clarity of the performance eligibility criteria for TDA-Local Transportation Funds. (Santa Cruz METRO)

Article 4 of the TDA statute provides alternatives for Santa Cruz METRO to be eligible for TDA-Local Transportation Funds. One is for Santa Cruz METRO to meet the farebox recovery ratio. The other is to meet the 50 percent expenditure rule as an older operator, defined as service starting prior to 1974. Currently, Santa Cruz METRO meets both requirements but the documentation stating eligibility has not been consistent. For example, the TDA claims submitted to the SCCRTC by Santa Cruz METRO provide a breakdown of the farebox recovery ratio split out between urbanized service versus non-urban service farebox ratios for the prior year and year-to-date.

The claim includes a table showing the projected urban versus rural farebox recovery ratio for the claim year. The allocation of fare revenue between rural and urban service is from the actual fare revenue/total revenue from two years prior and the budgeted claim year fare revenue. However, the resolutions submitted with recent TDA claims cite PUC Sections 99268.1 and 99268.2b, under which Santa Cruz METRO is classified as an older operator subject to the 50 percent expenditure limitation (PUC Section 99268.1) or the farebox recovery ratio (PUC Section 99268.2). Pursuant to the TDA, Santa Cruz METRO meets the 50 percent expenditure limitation and does not use the alternative revenue ratio to determine eligibility for TDA funds. Santa Cruz METRO and SCCRTC should discuss the applicability of each criterion and agree on which of the two meets compliance with rules and regulations for LTF.

METRO has since clarified that the agency and SCCRTC have discussed and agreed to use only the 50 percent expenditure limitation rather than farebox recovery on the TDA claims form to be consistent with METRO's audited financial statements for the FY 2022 TDA Claims.

However, METRO's inability to implement this prior recommendation was attributed to the prior triennial audit draft report being completed in February 2020 and the final report being completed in April 2020. On March 29, 2020, METRO had already submitted its FY 2021 draft and final TDA claim materials to SCCRTC, as per SCCRTC's FY 2020-21 TDA Funding Cycle Calendar. Therefore, there was no time for METRO and SCCRTC to discuss the applicability of each criterion and agree on which of the two criteria meets compliance with rules and regulations for the LTF allocation. This recommendation has been implemented with the submittal of the ensuing TDA claims; however, it is suggested that subsequent TDA claim guidelines clarify the proper criteria. This clarity will provide consistency in reporting of performance measures for LTF eligibility.

2. Update aging website infrastructure. (Santa Cruz METRO)

The Santa Cruz METRO website was redesigned with an upgraded content management system. This has resulted in better functionality. The website features METRO's refreshed logo, a Google Transit trip planner, and service calendar, as well as a Spanish version of the site. Website maintenance and coding are conducted in-house by the IT department. Even though the website continues to function well and supports METRO's efforts to inform and engage the community, the underlying infrastructure is 12 to 13 years old. This has inhibited further upgrades such as adding headers to the webpages. In addition, METRO's efforts in recent years to procure and implement CAD-AVL and mobile ticketing as well as the Cruz On-Demand pilot necessitate improvements to the website in order to integrate effectively with these recent developments. The new infrastructure could also provide better interface with social media platforms and enhance accessibility.

3. Continue to ensure the alignment of data analytics training for staff with the deployment of new technology. (Santa Cruz METRO)

Santa Cruz METRO has placed a priority on replacing aging equipment and upgrading its communication infrastructure. Santa Cruz METRO has been in the process of implementing components of its intelligent transportation systems platform, which includes CAD-AVL, APCs, voice annunciators, and mobile ticketing apps. The agency is also seeking to procure a new ERP system as well as laying the groundwork for the integration of zero-emission vehicle infrastructure. The agency has placed an emphasis on KPIs as an essential performance monitoring tool. The deployment of these technologies requires that staff be kept abreast on how to analyze and integrate the performance data from these new systems. Therefore, it is suggested that METRO ensure continued data analytics training for staff as these technologies are implemented.

4. Consider development of Mobility as a Service (MaaS) option that would complement existing service modes. (Community Bridges – Lift Line)

The recent integration of the Ecolane software program has given the Lift Line transportation service more tools with which to develop and implement a Mobility as a Service (MaaS) option. Community Bridges has been considering the implementation of a complementary Mobility on Demand pay per ride taxi service. Community Bridges already has an existing business plan for a taxi service. The new Ecolane dispatching software has made it more efficient to combine rides and searches for the most accessible driver for trip requests. It also has a self-booking feature that is poised to be implemented in mid-2022. In addition, the software has an AVL feature tied to Google Maps. Furthermore, procurement of smaller, electric-powered vehicles would make the implementation of such a service more feasible.

5. Integrate the Transportation Program goals with those of the Grocery Shopper Program. (City of Santa Cruz – Volunteer Center)

As part of its annual TDA claim submittal, the City of Santa Cruz on behalf of the Volunteer Program, provides a series of performance goals for its key programs. That has been generally for Transportation Program. Goals for the program are reviewed each year and compared to actual data in the reports submitted to the City of Santa Cruz and the SCCRTC as conditions of receiving TDA funds. However, due to the COVID-19 pandemic, the Volunteer Center shifted focus and created the Seniors Grocery Shopper Program, which provides grocery and medication delivery services to its client base. The number of senior clients served measures performance. The Volunteer Center's goal is to serve 150 seniors with the Grocery Shopper Program. It is suggested as the Transportation Program resumes normal operations that the Volunteer Center can provide and integrate those program goals with those of the Grocery Shopper Program in its annual TDA claim.