

RIVERSIDE TRANSIT AGENCY  
1825 Third Street  
Riverside, CA 92507

April 28, 2005

TO: BOARD OF DIRECTORS

THRU: Larry Rubio, Chief Executive Officer

FROM: Chris Gallanes, Chief Financial Officer  
Judylynn Gries, Administrative Services Manager

SUBJECT: Review and Adopt Position on Riverside County Transportation Commission's Productivity Improvement Program and Transit Policy Statement

Summary: On Friday, March 18, 2005, Agency staff received the agenda for the March 21, 2005 RCTC Transit Policy Committee (TPC) meeting, which included an action item to approve RCTC's Productivity Improvement Plan (PIP). Although staff was familiar with most of the performance indicator criteria being proposed to measure effectiveness and efficiencies of the County's public transit operators, the Agency did not have knowledge of the newly developed measurement values of the performance indicators or the impact they might have on existing operations.

On behalf of the Officers of the Board, Chairman Ayres attended the TPC meeting on March 21, 2005, and requested a continuance of this item. This request would allow Agency staff an opportunity to review, research, and analyze RCTC's proposed PIP criteria and to provide an opportunity for the Agency's Board Operations Committee to meet and consider staff's findings prior to the meeting at which RCTC was to consider adopting the PIP. With Chairman Ayres' concurrence, the TPC Committee moved the PIP agenda report to the April 13<sup>th</sup> Board of Commissioners meeting for consideration by the full Board of Commissioners.

On March 30, 2005, Agency staff completed their analysis of the PIP and presented their findings at a special meeting of the Board Operations Committee. Among the more significant findings presented were:

- Enforcement of the plan is subjective.
- The plan requires that performance audit recommendations be implemented regardless of the local governing Board's

- position (e.g.: bus exterior advertising). Failure to implement the audit recommendation would provide a basis for the withholding of future additional Transportation Development Act (TDA) allocations.
- The plan requires the use of first quarter performance data to project potential success or failure of productivity goals. This is not an accurate gauge to project year-end results since expenses are generally higher in this quarter.
- The plan ties productivity goals to population growth. Since Riverside County's development patterns do not match that of a highly urbanized region, this measurement value would not be appropriate for the transit system.
- The plan uses projected budget numbers in establishing a base measurement value rather than actual budget numbers that would result in a more meaningful measurement tool.
- The term "standard deviation" was used in the PIP to identify a range of values that were based on a variance formula. A policy set on a standard deviation formula would offer a substantial change in the range of measurement values. **RCTC staff have since agreed to modify this to the correct term.**
- Four additional performance indicators have been incorporated into the plan, but no guidance is provided to the public transit operator as to purpose or defining parameters for measurement. These four indicators are revenue miles between collisions, miles between road calls, percent on time, and complaints per 1,000 passengers.
- Additional TDA funding from the next fiscal year be withheld based on enforcement of the proposed measurement tools, and the Board's ability to establish service priorities could also be significantly limited. This could have broader implications by overlooking the necessity of fixed route and paratransit lifeline services and Title VI requirements regarding routes servicing minority and low-income populations.

These concerns were communicated to RCTC staff verbally and through written correspondence. At the request of Agency Board members and staff, RCTC continued the PIP item to their May 11<sup>th</sup>

meeting (PIP staff report attached.) This continuance will provide RCTC time to review the PIP measurement tools and values and consider modifications as identified by the Agency. Also included in these discussions was a commitment by RTA staff to include RCTC revised performance indicators in the Short Range Transit Plan (SRTP). The SRTP will be presented to the Board for consideration at a later date.

On April 19<sup>th</sup>, RCTC provided a written response (attached) to the Agency's concerns. The letter extended an invitation to the Agency to offer suggestions for alternative measurement tools and new methodologies for establishing base measurement values and to present these suggestions at the April 26<sup>th</sup> RCTC Quarterly Transit Operators meeting. At the time of this writing, staff is working on suggestions and recommendations to the PIP.

Staff has received a copy of a draft transit Policy Statement developed by RCTC (attached). The Policy Statement specifies that collaborative interaction will be required with Riverside County's public transit operators who may be directly affected by RCTC policy decisions. The Policy Statement also includes language ensuring the governing body of each transit operator will have an opportunity to review and comment on any proposed policy or policy modification that may affect its operations, and that it will be the transit agencies' responsibility to present the information to its policy board within a sixty-day period. Following this sixty-day period, RCTC will review and consider the comments and suggestions of the transit operators and will revise the proposed policy or policy modification as appropriate, prior to seeking board approval on the proposed policy or policy modification. The policy board members shall be provided with copies of all comments and suggestions approved by a transit agency's governing body. The draft Policy Statement will be discussed at the April 26<sup>th</sup> RCTC Quarterly Transit Operators' Meeting. Staff recommends the Board support the proposed Policy Statement.

Fiscal Impact:

Unknown at this time.

Committee Recommendation:

The Board Operations Committee reviewed the PIP on March 30, 2005, and made the following recommendations:

- Request that RCTC suspend the process of implementing the Productivity Improvement Plan (PIP) until all transit operators are in concurrence of such plan.
- Request that RCTC involve all transit operators in the preparation of the PIP and performance measurements.

- Request that all transit operators create scenarios that would show the impact the PIP would have using measurements being imposed by RCTC.
- Staff to create talking points for Board members to be discussed with RCTC Commissioners who represent their respective cities.

Since the Board Operations Committee meeting on March 30<sup>th</sup>, RCTC staff have revised the measurement values for the PIP's Performance Indicators. Due to time constraints, however, this matter did not have sufficient time to be presented again to the Board Operations Committee where a position would typically be developed for later consideration by the whole Board of Directors.

Recommendation:

- Review and adopt a position on Riverside County Transportation Commission's Productivity Improvement Program.
- Support the adoption of the transit Policy Statement being considered by the Riverside County Transportation Commission.

**RCTC'S REVISED  
PRODUCTIVITY  
IMPROVEMENT PLAN STAFF  
REPORT**

**APRIL 13, 2005, MEETING**

***RIVERSIDE COUNTY TRANSPORTATION COMMISSION***

<b>DATE:</b>	April 13, 2005
<b>TO:</b>	Riverside County Transportation Commission
<b>FROM:</b>	Transit Policy "Committee as a Whole" Tanya Love, Program Manager
<b>THROUGH:</b>	Eric Haley, Executive Director
<b>SUBJECT:</b>	Productivity Improvement Program

**TRANSIT POLICY "COMMITTEE AS A WHOLE" AND STAFF RECOMMENDATION:**

This item is for the Commission to:

- 1) Review and reaffirm the Productivity Improvement Program (PIP); and,
- 2) Revise the PIP to include Ridership and Passenger Miles per Revenue Car Mile as performance indicators for the Commuter Rail Program.

**BACKGROUND INFORMATION:**

Public Utilities Code (PUC) Section 99244 requires the Commission annually identify, analyze, and recommend potential productivity improvements for transit operations (*public bus and commuter rail*) through the Short Range Transit Plan (S RTP) process. This process requires the transit operators to address recommendations made through the performance audit process. Additionally, as part of the review process, compliance with State PUC requirements for State-mandated fare box recovery and cost efficiency is considered. This item was reviewed by the Transit Policy Committee at its March 21, 2005 Committee meeting. At that time, the Riverside Transit Agency (RTA) Chairman Jim Ayers requested continuance of the item but after discussion, it was agreed that the item should be forwarded to the April 13, 2005 Commission meeting. RTA's Chairman Ayres concurred with this action.

The Commission approved a Productivity Improvement Program (PIP) in 1998 to assist with the review process. The PIP was designed to meet State PUC requirements and included the establishment of objective criteria for assessing productivity improvement opportunities. Further, the PIP is based on the philosophy that transportation principals in Riverside County are interested in providing high quality public transit services as efficiently as possible, recognizing that there are diverse factors affecting service demand and performance results.

While the PIP established criteria and tasks to monitor the performance of each transit operator, not all of the criteria were fully implemented. *(Operating Cost per Revenue Hour is one example of criteria which was not fully implemented/monitored)*. Given that the PIP was adopted several years ago as well as staffing changes *(both at RCTC and at many of the transit properties)*, Commission staff reviewed the program with the transit operators to determine whether the program was still relevant. Also discussed was whether there were other productivity criteria that should be considered. Overall consensus from the transit operators was that the PIP is still valid, although minor adjustments were recommended.

The intent of this agenda item is to memorialize the PIP criteria including the recommended changes and obtain reaffirmation of the PIP. Once approved, all elements of the PIP will be implemented and the outcome will be presented to the Commission at least annually. The intent behind the PIP is that the transit operators use it as a tool to review their services to ensure compliance with the State-mandated fare box recovery ratio while providing cost effective transit services.

As stated before, the Commission is responsible for administering a productivity improvement program as required by PUC Section 99244. It should also be noted that route productivity was one of the seven policy issues identified at the May 6, 2004 Commissioner Workshop held in Palm Desert.

The following information outlines the PIP for transit operators in Riverside County.

### **PRODUCTIVITY IMPROVEMENT PROGRAM PROCESS**

The PIP includes the following three tasks:

#### **Task 1: Issue SRTP Instructions**

With implementation of the PIP, RCTC staff will provide SRTP instructions to the transit operators consisting of the following items:

- 1) Funding estimates;
- 2) Schedule for SRTP submittal, review and approval;
- 3) Required SRTP forms and informational sections;

- 4) Performance audit recommendations which will require transit operators to report implementation progress. The SRTP submitted by transit operators will include a discussion of actions taken and results relative to these recommendations. RCTC staff will review these activities and make a recommendation to the Commission as to whether or not transit operator progress to date represents a "reasonable effort". The Commission would then adopt a finding that the transit operator has made a "reasonable effort", or would defer the finding until a later date. This finding is required prior to approving TDA funding increases above the prior year level. A finding may be made at any time prior to distribution of funding increases.
  
- 5) Performance targets that transit operators would strive to meet in development of the SRTP service and financial plan. System wide performance targets by operator will be developed for eight performance indicators according to the following guidelines:

<b>Performance Indicator</b>	<b>Method for Establishing Performance Targets</b>
1) Operating Cost per Revenue Hour	Increases no more than CPI
2) Fare Box Recovery Ratio	Per RCTC Policy and PUC Requirements
3) Subsidy per Passenger	Increases no more than CPI
4) Subsidy per Passenger Mile	Increases no more than CPI
5) Subsidy per Revenue Hour	Increases no more than CPI
6) Subsidy per Revenue Mile	Increases no more than CPI
7) Passengers per Revenue Hour	Percentage increase consistent with population growth or national average, whichever is greater
8) Passengers per Revenue Mile	Percentage increase consistent with population growth or national average, whichever is greater

These targets (identified on Attachment 2) are to be used by transit operators as they prepare their SRTPs. The first two performance targets (*Operating Cost per Revenue Hour and Fare Box Recovery Ratio*) are mandatory per PUC requirements. Transit operators will prepare the SRTP to meet a minimum of three of the remaining six performance indicators. Note: Attachment 2 - Performance Indicators/Targets has been revised due to an error. For ease of review, the incorrect information is shown with "strike through" and the revised information is italicized.

Through the review process, RCTC Commuter Rail staff requested that the following two additional performance indicators be established for the rail program:

- a) **Ridership** is most often a function of total capacity provided and frequency of service. Consequently, it is not possible to establish a minimum absolute ridership number per commuter rail route since the RCTC Metrolink routes all differ in total capacity provided and frequency of service. As a result, staff recommends a general goal of a minimum of 2% per year ridership growth; and,
- b) **Passenger Miles per Revenue Car Mile** measures how many riders are on an individual commuter rail car. As a target goal, staff recommends a goal of 30 passengers per revenue car mile.

If approved by the Commission, staff will update the Performance Indicator list to include the new criteria for the Commuter Rail program. Future updates of performance standards will be considered annually based on audited prior year information and other long range productivity improvement considerations; and,

- 6) Additional productivity improvement recommendations warranted by current and prior year performance results. RCTC staff will use first quarter performance results compared to the planned results presented in the SRTP and PIP targets to identify additional PIP recommendations. RCTC would confer with individual transit operators prior to making these recommendations to the Commission.

## **Task 2: Review and Approve SRTPs**

Transit operators will prepare SRTPs in accordance with RCTC instructions. Draft SRTPs will be approved by transit operator policy boards and then reviewed by RCTC staff to ensure conformity to guidelines. Key questions to be addressed in this review process include:

- 1) Is there planning to do better in future?
- 2) Will minimum PIP standards be met with SRTP implementation?
- 3) Is planned performance achievable given past results?
- 4) Is service growth keeping pace with population growth?

- 5) Is there equity in service coverage and allocation of resources?
- 6) Have reasonable efforts been made to implement audit recommendations?; and,
- 7) Have reasonable efforts been made to implement PIP recommendations?

Failure to achieve performance standards or develop a plan for future attainment of desired performance results could trigger additional PIP recommendations. Any new PIP recommendation would require Commission approval.

Preliminary results from this review are to be shared with transit operators and used in developing recommendations for Commission “reasonable effort” findings, and SRTP and funding approvals. Commission action would be scheduled for June of each year.

The “reasonable effort” finding would be based on transit operator actions to implement prior audit recommendations and any additional PIP recommendations approved by the Commission. A positive finding of “reasonable effort” is required prior to Commission approval of TDA funding increases over the prior year. This finding may be made at any time, although in most cases this would be with approval of the SRTP. The worst case scenario would be if an operator refused to take any action to improve performance relative to a specific PIP recommendation and performance continued to decline or remained well below that of similar services. In such instance, the Commission may determine that a “reasonable effort” was not made. If this should occur, TDA funding increases would be set aside until such time as the operator took some action deemed “reasonable” by the Commission.

### **Task 3: Collect Performance Information Quarterly from Transit Operators**

Transit operators will report performance information on a quarterly basis to RCTC. In December of each year, RCTC staff will prepare a report to the full Commission which compares:

- 1) Prior year audited performance results;
- 2) Current year first quarter results;
- 3) Performance standards, as defined in individual transit operator SRTPs; and,
- 4) Performance standards (*issued with SRTP instructions*).

Performance issues likely to result in PIP recommendations in the upcoming year would begin to be identified at this point in the process. As stated previously, the PIP is based on the philosophy that transportation principals in Riverside County are interested in providing high quality public transit services as efficiently as possible, recognizing that there are diverse factors affecting service demand and performance results.

Attachments:

- 1) Performance Indicators
- 2) PIP Targets for FY 2005-06 SRTP Development
- 3) Data Definitions

## PERFORMANCE INDICATORS

Transit operators will develop SRTPs consistent with the following eight performance standards. Transit operators must meet five of the eight standards, including the system wide fare box recovery and system wide cost efficiency standards. The remaining three standards are at the operator's discretion.

Two separate performance targets will be used for system wide performance indicators (*excluding new service exemptions*):

- 1) Fare Box Recovery Ratio requirement using existing RCTC policy and State PUC requirements; and,
- 2) Growth in the Operating Cost per Revenue Hour shall not exceed the estimated growth in the Consumer Price Index - All Urban Consumers (CPI-U) for the Los Angeles-Riverside-Orange Co., CA area.

Six separate performance indicators will be used to establish performance targets by service type using a standard deviation of 15%. This standard will be reset on a yearly basis. Performance goals will be added to the quarterly transit operator report and operators will identify whether they are within the 15% +/- range. When updating the SRTP, transit operators must project that they will meet a minimum of three of the performance targets established for the indicators shown below:

- 1) Subsidy per Passenger
- 2) Subsidy per Passenger Mile
- 3) Subsidy per Revenue Hour
- 4) Subsidy per Revenue Mile
- 5) Passengers per Revenue Hour
- 6) Passengers per Revenue Mile

Operators who fail to achieve these targets would be subject to additional PIP recommendations. *Note: This list will be updated if the two new standards (Ridership and Passenger Miles per Revenue Car Mile) are approved for the Commuter Rail Program.*

The following four service quality indicators will be used by the transit operators to review performance by service type. The intent behind this analysis is for the transit operators to compare data between years for the following four indicators:

- 1) Revenue miles between collision accidents;
- 2) Percentage on-time;
- 3) Complaints per 1,000 passengers; and
- 4) Total miles between road calls.

Because data definitions for some of these items will vary by transit operator, comparisons between operators may not be valid.

**PRODUCTIVITY IMPROVEMENT PROGRAM**  
**PERFORMANCE TARGETS FOR FY 2005-2006 SRTP DEVELOPMENT**

**System Wide Farebox Recovery** (*measured by farebox revenues divided by operating costs*): Minimum State PUC requirements, as defined by current RCTC process. Minimum requirements for FY 2004-05 are shown below as well as proposed requirements for FY 2005-06:

<b>Transit Agency</b>	<b>FY 2004-05 Farebox Recovery Requirement</b>	<b>FY 2005-06 Proposed Requirement</b>
Banning	10%	10%
Beaumont	10%	10%
Corona	20%	20%
PVVTA	10%	10%
Riverside Special Services	10%	10%
Riverside Transit Agency	17.68% ( <i>blended</i> ) *	TBD ( <i>blended</i> ) *
RCTC Commuter Rail	20%	40%
SunLine Transit Agency	17.23% ( <i>blended</i> ) *	TBD ( <i>blended</i> ) *

*\*proposed blended fare box ratios for FY 2005-06 are due to RCTC by April 25, 2005.*

**System Wide Cost Efficiency** (*measured by operating costs per revenue vehicle service hour*): Year-to-year cost per hour increases shall not exceed the annual average growth in the Consumer Price Index (CPI). Preliminary targets for FY 2005-06, using an estimated CPI of 4% annual increase over FY 2004-05 projected results are shown below. Exemptions would be considered case-by-case if an agency were below projection. Likewise, operators who are above the projection would be expected to work towards an improvement in cost efficiency (i.e., reduction of costs per hour).

<b>Transit Agency</b>	<b>FY 2004-05 Projected Cost per Revenue Hour</b>	<b>FY 2005-06 Maximum Cost per Revenue Hour</b>
Banning	\$62.49	\$64.99
Beaumont	\$44.01	\$45.77
Corona	\$47.04	\$48.92
PVVTA	\$62.85	\$65.36
Riverside Special Services	\$55.13	\$57.34
Riverside Transit Agency	\$61.99	\$64.47
RCTC Commuter Rail	\$458.50	\$476.84
SunLine Transit Agency	\$88.76	\$92.31

In addition to the System Wide Fare Box Recovery Ratio and System Wide Cost Efficiency criteria, transit operators would be required to meet performance targets for three of the six indicators shown on the attached worksheet.

REVISED

Riverside County Transportation Commission  
 Productivity Improvement Program  
**TRANSIT AGENCIES' PERFORMANCE INDICATORS/TARGETS**

Standard Deviation = 15%

Agency	SUBSIDY PER PASSENGER				SUBSIDY PER PASSENGER MILE				SUBSIDY PER REVENUE HOUR			
	FY04-05 Projected	Deviation Value	FY05-06 Target (Low End-High End)		FY04-05 Projected	Deviation Value	FY05-06 Target (Low End-High End)		FY04-05 Projected	Deviation Value	FY05-06 Target (Low End-High End)	
Banning	\$ 3.67	\$ 0.55	\$ 3.12	\$ 4.22	\$ -	\$ -	\$ -	\$ -	\$ 55.41	\$ 8.31	\$ 47.10	\$ 63.72
Beaumont	\$ 6.29	\$ 0.94	\$ 5.35	\$ 7.23	\$ 3.13	\$ 0.47	\$ 2.66	\$ 3.60	\$ 39.61	\$ 5.94	\$ 33.67	\$ 45.55
Corona	\$ 5.48	\$ 0.82	\$ 4.66	\$ 6.30	\$ 1.70	\$ 0.26	\$ 1.45	\$ 1.96	\$ 40.65	\$ 6.10	\$ 34.55	\$ 46.75
PVVTA	\$ 17.58	\$ 2.64	\$ 14.94	\$ 20.22	\$ 3.95	\$ 0.59	\$ 3.36	\$ 4.54	\$ 59.00	\$ 8.85	\$ 50.15	\$ 67.85
Riverside Special Services	\$ 12.08	\$ 1.81	\$ 10.27	\$ 13.89	\$ 2.88	\$ 0.43	\$ 2.45	\$ 3.31	\$ 49.61	\$ 7.44	\$ 42.17	\$ 57.05
Riverside Transit Agency	<del>\$ 3.45</del> \$ 4.26	<del>\$ 0.52</del> \$ 0.64	<del>\$ 2.93</del> \$ 3.62	<del>\$ 3.97</del> \$ 4.90	<del>\$ 0.64</del> \$ 0.72	<del>\$ 0.10</del> \$ 0.11	<del>\$ 0.54</del> \$ 0.61	<del>\$ 0.74</del> \$ 0.83	<del>\$ 62.28</del> \$ 52.47	<del>\$ 9.34</del> \$ 7.87	<del>\$ 52.94</del> \$ 44.60	<del>\$ 71.62</del> \$ 60.34
RCTC Commuter Rail	\$ 3.95	\$ 0.59	\$ 3.36	\$ 4.54	\$ 0.12	\$ 0.02	\$ 0.10	\$ 0.14	\$ 199.42	\$ 29.91	\$ 169.51	\$ 229.33
SunLine Transit Agency	\$ 4.04	\$ 0.61	\$ 3.43	\$ 4.65	\$ 0.48	\$ 0.07	\$ 0.41	\$ 0.55	\$ 74.63	\$ 11.19	\$ 63.44	\$ 85.82

Agency	SUBSIDY PER REVENUE MILE				PASSENGERS PER REVENUE HOUR				PASSENGERS PER REVENUE MILE			
	FY04-05 Projected	Deviation Value	FY05-06 Target (Low End-High End)		FY04-05 Projected	Deviation Value	FY05-06 Target (Low End-High End)		FY04-05 Projected	Deviation Value	FY05-06 Target (Low End-High End)	
Banning	\$ 3.54	\$ 0.53	\$ 3.01	\$ 4.07	15.11	2.27	12.84	17.38	0.97	0.15	0.82	1.12
Beaumont	\$ 3.13	\$ 0.47	\$ 2.66	\$ 3.60	6.30	0.95	5.36	7.25	0.50	0.08	0.43	0.58
Corona	\$ 2.89	\$ 0.43	\$ 2.46	\$ 3.32	7.42	1.11	6.31	8.53	0.53	0.08	0.45	0.61
PVVTA	\$ 3.95	\$ 0.59	\$ 3.36	\$ 4.54	3.36	0.50	2.86	3.86	0.23	0.03	0.20	0.26
Riverside Special Services	\$ 2.88	\$ 0.43	\$ 2.45	\$ 3.31	4.11	0.62	3.49	4.73	0.24	0.04	0.20	0.28
Riverside Transit Agency	<del>\$ 6.07</del> \$ 3.17	<del>\$ 0.91</del> \$ 0.48	<del>\$ 5.16</del> \$ 2.69	<del>\$ 6.98</del> \$ 3.65	<del>18.08</del> 12.31	<del>2.74</del> 1.85	<del>15.37</del> 10.46	<del>20.79</del> 14.16	<del>1.76</del> 0.74	<del>0.26</del> 0.11	<del>1.50</del> 0.63	<del>2.02</del> 0.85
RCTC Commuter Rail	\$ 4.78	\$ 0.72	\$ 4.06	\$ 5.50	49.81	7.47	42.34	57.28	1.19	0.18	1.01	1.37
SunLine Transit Agency	\$ 4.77	\$ 0.72	\$ 4.05	\$ 5.49	18.46	2.77	15.69	21.23	1.23	0.18	1.05	1.41

## DATA DEFINITIONS

Data definitions for the Riverside County Transit Operator PIP are taken from the Federal Transit Administration's National Transit Database (NTD) program and the State Public Utilities Code (PUC) as noted.

- **Unlinked Passenger Trips** (NTD Definition): The number of passengers who board public transportation vehicles. A passenger is counted each time he/she boards a vehicle even though he/she may be on the same journey from origin to destination. Short Title: Passengers. PUC reference: Passengers.
- **Passenger Miles** (NTD Definition): The cumulative sum of the distances ridden by each passenger.
- **Collecting Passenger Mile Data:** Sampling for passenger mile data must meet the FTA's requirements for minimum levels of confidence (95%) and precision (10%) for annual figures by mode. Because the Riverside County Transit Operator PIP uses service types by quarter, data will be less accurate than FTA prescribed levels.
- **FTA Suggested Techniques:** FTA has developed several suggested techniques to assist transit agencies. If you use any of these techniques you must follow it exactly. Do not change the prescribed number of trips in the sample. The techniques are designed in two circulars that provide definitions, sampling procedures, data recording procedures, annual report compilation, and sample selection information:
  - *FTA C 2710.1A Sampling Techniques for Obtaining Fixed Route Bus Operating Data Required under the Section 15 Reporting System;*
  - *FTA C 2710.2A Sampling Procedures for Obtaining Demand Responsive Bus System Operating Data Required under the Section 15 Reporting System.*
- **Total Actual Vehicle Revenue Miles/Hours** (NTD Definition): The miles/hours a vehicle travels while in revenue service. A transit vehicle is in revenue service only when the vehicle is available to the public and there is a reasonable expectation of carrying passengers that either directly pay fares, are subsidized by public policy, or provide payment through some contractual arrangement. This does not imply that a cash fare must be paid. Vehicles operated in free fare service are considered in revenue service. Vehicle revenue miles/hours include layover/recovery, but excludes travel to and

from storage facilities, training operators prior to revenue service, road tests and deadhead travel, as well as school bus and charter services. Short Title: Revenue Miles/Hours. PUC Reference: Vehicle Service miles/Hours or Revenue Vehicle Miles/Hours.

- **Total Actual Vehicles Miles** (NTD Definition): The miles a vehicle travels while in revenue service (actual vehicle revenue miles) plus deadhead miles. For rail vehicles, vehicle miles refer to passenger car miles. Actual vehicle miles exclude miles and hours for charter services, school bus service, operator training and maintenance testing. Short Title: Total Miles.
- **Collisions** (NTD Definition): Collisions involving transit agency vehicles with any other vehicles, with objects (e.g. buildings, shopping carts), and with people if they result in a fatality, injury, or transit property damage greater than \$1,000.
- **Major Revenue Vehicle System Failures** (NTD Definition): A failure of some major mechanical element of the revenue vehicle that requires: 1) assistance from someone other than the revenue vehicle operator or crew to restore the vehicle to operating condition and 2) prevents the vehicle from continuing in revenue service because actual movement is limited or because of safety concerns. Short Title: Road calls.
- **Total Passenger Complaints**: Passenger complaints that are documented through a letter, comment card, or over the telephone. For a complaint to be counted, the person must provide a name and contact reference (i.e., either telephone number or address). Transit operators who report complaints to their policy board should use the same definition when reporting to the RCTC. Short Title: Complaints.
- **Total Revenue Vehicle Trips Scheduled**: For demand response service, this refers to each scheduled pick-up, regardless of the number of people to board at each pick-up location. For fixed route bus and commuter rail services, this refers to each one-way shown on published time-schedules.
- **Total Actual On-Time Revenue Vehicle Trips**: For fixed route bus service, revenue vehicles that depart published time-point locations within 0-minutes early to 5-minutes late time period are considered on-time. For demand responsive service, revenue vehicles that arrive at a pick-up location within a 30 minute window are considered on-time. Short Title: % On-Time Trips or Trips On-Time.

- **Total Operating Expenses (PUC Definition):** All costs in the operating expense object classes exclusive of the costs in the depreciation and amortization expense object class of the uniform system of accounts and records and exclusive of all direct costs for providing charter services, and exclusive of all vehicle lease costs. Operating cost also includes the amount of fare revenues that are received by the entity providing the services and not transferred to the claimant. Short Title: Operating Costs: PUC Reference: Operating Cost.
- **Total Passenger Fare Revenues (PUC Definition):** All revenues in the account classes of the uniform system of accounts, including: 401 Passenger Fares for Transit Services; 402 Special Transit Fares; and 403 School Bus Service Revenues. Fare revenues also include the amount of fare revenues that are: 1) received by the entity providing the services and not transferred to the claimant; 2) earned under contractual arrangement with public or private entities either for transit fares for a specified group of employees, members, or clients, or to guarantee a minimum revenue on a line operating especially for the benefit of the paying entity (e.g., an employer, shopping center, university); and 3) cash donations made by individual passengers in lieu of a prescribed fare. Short Title: Fare Box Revenue. PUC Reference: Fare Revenues.
- **Net Operating Expenses (calculation based on PUC defined variables):** Total Operating Expenses less Total Passenger Fare Revenues. Short Title: Subsidy.

**RCTC'S WRITTEN RESPONSE  
TO RTA'S CONCERNS**

**DATED APRIL 19, 2005**



**Riverside County  
Transportation Commission**

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April 19, 2005

RECEIVED

APR 20 2005

RIVERSIDE TRANSIT AGENCY

Larry Rubio  
Chief Executive Officer  
Riverside Transit Agency  
1825 Third Street  
Riverside, CA 92507

Re: Protocol Statement and Productivity Improvement Program

Dear Larry:

This letter is in follow-up to your April 8, 2005 letter regarding the draft policy statement implementing a 60 day protocol to review substantive transit policy agenda items and the Productivity Improvement Program (PIP).

As discussed with RTA staff, the revised Protocol Statement will be introduced by Tanya Love at the regularly scheduled RCTC Quarterly Transit Operators' meeting scheduled for Tuesday, April 26, 2005. It would be helpful if a representative from RTA could be present at the meeting to discuss the protocol. (Attached is a copy of the draft agenda for that meeting).

It is anticipated that the PIP will be presented at the May 11<sup>th</sup> 2005 Commission meeting. In order to consider RTA's proposed changes, all of which have merit, please provide written comments on RTA's recommendations no later than April 29, 2005:

- 1) RTA's statement: "The PIP requires that performance audit recommendations be implemented regardless of the local Governing Board's position (e.g.: bus exterior advertising).

RCTC's response: The reference made to exterior bus advertising is found under Triennial Audit Recommendations No. 2: "*Explore potential alternative operating revenues, including advertising and contributions from unique beneficiaries of the service.*" At the time that the results of RTA's triennial performance audit were presented to the Commission, the item was pulled as a result of the bus graphic

recommendation. At that time, Commission staff reported that the triennial performance audit findings are separated into two sections: compliance and value added suggestions which are designed to assist operators in meeting the state mandated compliance areas. In large part, the results of RTA's audit were concerned with flat ridership and declining farebox revenues. Advertising was seen as a potential revenue source to assist RTA in meeting the state mandated farebox requirement. As a result, the recommendation to explore alternatives was merely a suggestion and not a finding. **The PIP does not require that recommendations be implemented.**

- 2) RTA's statement: Measurement of first quarter performance is not an accurate gauge to project year-end results since expenses are generally higher in this quarter.

RCTC's response: Agree that first quarter performance does not present a full picture of expenses. However, planning for the following fiscal year begins in late December/early January and operators do not have the second quarter statistics available until later in the year. We are open to an alternative approach, what other alternative does RTA recommend?

- 3) RTA's statement: Since Riverside County development patterns do not match that of a highly urbanized region, population growth as a measurement value, may not be a fair measurement goal to set for the transit system.

RCTC's response: As previously reported, the current trend is that operators are requesting operating and capital funding exceeding current year revenue projections. If that trend continues, allocating funds based on population may be one of several approaches that the Commission may have to consider when allocating western Riverside County bus funds. Does RTA have an alternative recommendation?

- 4) RTA's statement: Establishing a base measurement value from actual results rather than projected budget numbers could provide more meaningful measurement tools. However RCTC's current recommendation does just the opposite.

Larry Rubio  
Riverside Transit Agency  
April 19, 2005  
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RCTC's response: Given that actual audited numbers may not be available until March and planning begins in late December/early January, can RTA provide an alternative recommendation?

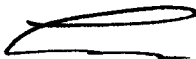
- 5) RTA's statement: Within the PIP, the term "standard deviation" should actually read "variance" since the actual numbers in the PIP's matrix is based on a variance formula.

RCTC's response: Noted – we support the change.

I look forward to RTA's written clarifications on the PIP. In addition, if an RTA staff representative could make a presentation at the April 26<sup>th</sup> Quarterly Transit Operators' meeting on your proposed changes, it would be helpful and very much appreciated.

If you have any questions, please contact either myself or Tanya Love at (951) 787-7141.

Sincerely,



Eric A. Haley,  
Executive Director

EAH:TL:sg

Copy: Jim Ayres, Chairman, RTA  
Frank Hall, RCTC & RTA Board Member  
Robin Lowe, Chairperson, RCTC  
Ameal Moore, RCTC & RTA Board Member

# RCTC'S DRAFT POLICY STATEMENT

APRIL 2005

Policy Statement: Protocol to Review Substantive Transit Policy Agenda Items

The Commission's most recent state-mandated triennial performance audit covered FY 2000/01 through FY 2002/03 and resulted in two significant recommendations:

- 1) Create a vision of transit service for Riverside County; and
- 2) Establish a transit committee to provide policy direction.

At the May 6, 2004 Commissioners' workshop, a ten member Transit Policy Committee (TPC) was created to:

- 1) Guide the preparation of a transit vision;
- 2) Monitor transit implementation;
- 3) Review performance of operators; and
- 4) Bring a regional perspective to transit.

Technical input to the TPC requires collaborative interaction from our transit operators who may be directly affected by RCTC policy decisions. As a result, in order to provide the governing body of each transit operator an opportunity to review and comment on any proposed policy or policy modification that may affect its operation, a draft copy of the proposed policy will be transmitted to the transit agencies at least 60 days prior to being formally presented to the TPC and/or Commission. It will be the transit agencies' responsibility to present the information to its policy board within the 60 day period. After 60 days, RCTC will review and consider the comments and suggestions of transit operators, and will revise the proposed policy or policy modification as appropriate prior to seeking policy board approval on the proposed policy or policy modification. The policy board members shall be provided with copies of all comments and suggestions approved by a transit agency's governing body.

In order to ensure clear lines of communication, RCTC will be notified of all public bus agencies' Committee and Board meetings.

If a substantive policy matter arises that is deemed unforeseeable and critical to continuing operations, such matters would be exempted from the 60 day period. In this instance, the Chair of the Commission in consideration with the Chair of the Transit Policy Board(s) will make a determination on the appropriate presentation/time line to review the substantive issue.