



City of Ceres • City of Hughson • City of Modesto • City of Newman • City of Oakdale • City of Patterson  
City of Riverbank • City of Turlock • City of Waterford • County of Stanislaus

September 21, 2015

Honorable Marie Sovey Silveira, Presiding Judge  
P.O. Box 3488  
Modesto, CA 95353

Re: Stanislaus Council of Governments Response to Civil Grand Jury Final Report

Honorable Marie Sovey Silveira, Presiding Judge:

Stanislaus Council of Governments (“StanCOG”) has reviewed the Stanislaus County Civil Grand Jury Final Report (“Report”) on Stanislaus County Public Transit Systems and by way of this letter responding to findings FL, F2, F3 and recommendations R1, R2, and R3 in accordance with California Penal Code Section 933 and Section 933.05. StanCOG is also taking this opportunity to clarify statements made in the “background” and “discussion” sections of the Report.

**COMMENTS ON BACKGROUND**

While there are four public transit operators within Stanislaus County, each transit operator provides more than one type of service, and some actually provide more than two types of services, as follows:

1. Ceres
  - a. Ceres Area Transit (CAT) – fixed route service within the City of Ceres.
  - b. Ceres Dial-a-Ride – general public Dial-a-Ride that serves the City of Ceres as well as portions of unincorporated Stanislaus County surrounding the City of Ceres.
  
2. Modesto
  - a. Modesto Area Express (MAX) – operates on a fixed route serving the City of Modesto, portions of the City of Ceres, Salida, Empire, and other unincorporated areas of Stanislaus County. Additionally, MAX provides weekday morning commuter routes to, and evening routes from, the Dublin/Pleasanton Bay Area Rapid Transit (BART) Station and Manteca/Lathrop Altamont Commuter Express (ACE) train station.

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- b. Modesto Area Dial-a-Ride (MADAR) – services the MAX service area for persons with disabilities, and people 65 and older, with priority given to ADA certified riders. The general public may also ride MADAR during specified hours.
3. Stanislaus County - Stanislaus Regional Transit (StaRT)
- a. Fixed Route – fixed route service between communities and cities in the Stanislaus region.
  - b. Runabout – operates on a deviated fixed route which provides Dial-a-Ride services along the fixed route area.
  - c. Shuttle – Dial-a-Ride service between communities and cities in Stanislaus County.
  - d. Medivan – provides non-emergency medical transportation to Bay Area medical facilities.
  - e. Paratransit – a service StaRT will soon begin providing which will provide paratransit service in select cities.
4. Turlock
- a. Bus Line Service of Turlock (BLST) – fixed route service within the City of Turlock.
  - b. Dial-a-Ride Turlock (DART) – a Dial-a-Ride serving the City of Turlock and the unincorporated community of Denair. Within the BLST service area, DART operates primarily as an elderly/disabled paratransit service. In addition, DART provides service outside the BLST area to the general public.

Funding for public transportation is generated by a combination of passenger fares, tax dollars from the Federal Transit Authority (FTA), State of California Transit Development Act (TDA), and advertising sales. However, California State funds now also include Greenhouse Gas Reduction Fund (Cap and Trade) dollars. Additionally, other local sources of funding can include transportation impact fees and local sales tax measures.

Although StanCOG does distribute some funds to the four transit operators, not all funds are dispersed through StanCOG. Modesto, Stanislaus County, and Turlock receive FTA Section 5307 funds directly from FTA, and Stanislaus County receives Section FTA 5311 directly from the State. StanCOG works with the transit operators to ensure proper programming of these funds, and StanCOG is responsible for the distribution of TDA Local Transportation Funds.

In accordance with Senate Bill 344, Section 99233.11(d) of the California Public Utilities Code establishes the authority for StanCOG to implement the Transit Cost Sharing Procedures for the distribution of TDA funds to the region. Local Transportation Funds (LTF) not used for public transit services are distributed using a formula to the local jurisdictions for the use “other purposes,” and is often for road maintenance.

Although public transit operators are in competition for limited funds, public transit operators in Stanislaus County are aware that the need for public transit services will always outweigh the available resources. Additionally, transit operators in Stanislaus County have to be constantly conscious of their productivity, which is measured by their farebox recovery ratio.



## COMMENTS ON DISCUSSION

The “discussion” section in the Report stated that each transportation authority receives both FTA and TDA funds. However, Ceres does not receive any FTA funding. Also, as mentioned previously, Modesto, Stanislaus County, and Turlock receive some funds directly from FTA and the State, although StanCOG works with the agencies to ensure proper programming.

Additionally, the Report again stated that all four transit authorities operate both a fixed route and Dial-a-Ride service. However, there are four public transit authorities in Stanislaus County, and each transit operator provides more than one type of service, and in some cases, more than two types of service as identified above.

Each of the four transit authorities in Stanislaus County represent four separate government agencies, with each having different management personnel and policies. Additionally, there are differences in the amount of management personnel per public transit operator. For example, Ceres only has one staff member working part time on transit management. Although each agency has its own separate operational costs, at times the public transit operators have prepared joint Requests for Proposals (RFPs) to encourage economies of scale.

Among the authorities, three different contractors are used and all four authorities outsource drivers and dispatchers, along with their mandated training and licensing. Vehicle maintenance does vary from in house to outside vendor contracts or a combination of the two, however to clarify, vehicle maintenance can be included in operational contracts.

The report stated that bus ownership varies from authority to authority with outside vendors providing a majority of the service, however there are two ways vehicle ownership can be addressed in operational contracts as follows:

1. A “turn-key” contract where the vendor owns the vehicles and their use is part of the operational costs, or;
2. The public transit operator owns the vehicles and the vendor is authorized to use the vehicles to provide the service.

Additionally, many, but not all service vehicles are owned by the four public transit operators in Stanislaus County.

Although technology such as automated fare boxes, auto-announce, Wi-Fi, GPS tracking, and phone app schedules are currently unavailable on all or most buses countywide, all four public transit operators are aware of the value of the new technologies and have plans to implement them as soon as the funding opportunities become available.

Currently differences exist among the basic services such as fare rates, transfer rates, payment options, hours of operation, Dial-a-Ride qualifications, and website access among all four transit authorities, however management for all four of the operators are aware of these differences and regularly work to streamline the transfer from one operator to the other for the riders. For example, a study is currently being conducted to analyze the varying Dial-a-Ride qualifications

of the four public transit operators and recommending possible ways to standardize the qualifications within Stanislaus County.

There is a certain amount of overlap that exists among the route and service areas of the four operators. However, some route and service area overlap is desirable to allow riders an opportunity to transfer between public transit operators.

As previously noted, although farebox recovery ratio is generally the revenue generated by passenger fares, the TDA also allows local funds such as tax and advertisement revenue to be incorporated into the farebox calculation. Additionally, the Report stated that the TDA establishes funding amounts based upon a 20% farebox recovery ratio threshold under most demographic profiles. However, according to TDA requirements, public transit operators within urbanized areas are required to achieve a farebox ratio of 20% and non-urbanized operators at least 10%. Also, for services provided only to senior and disabled persons, the farebox ratio must be at least 10%. TDA allows Regional Transportation Planning Agencies such as StanCOG, to set the farebox ratio of urbanized areas at 15% if the region's total population is under 500,000. However, in the 2010 census Stanislaus County's population exceeded 500,000 and therefore StanCOG is no longer able to lower the farebox ratio below 20% for urbanized public transit operators. Due to Stanislaus County's population exceeding 500,000 in the 2010 census, there will be changes to the farebox ratio requirements effective no later than calendar year 2016 (five years from July 1 of the year following the year of the census). As described in the 2014 StanCOG RTP/SCS Technical Appendices, below are the new farebox ratios required by the four public transit operators:

1. Ceres – CAT 20%, CDAR 20%
2. Modesto – MAX and MADAR combined 20%
3. Stanislaus County – StaRT 15%
4. Turlock BLST 20%, DART 10%

Finally, the “discussion” section of the Report also made the statement that consolidation can avoid duplication of services and minimize technological implementation costs. However, this statement about the value of consolidation needs to be validated and confirmed during the StanCOG Transit Systems Study to be conducted soon.

## **FINDINGS**

### **Finding F1:**

While the four transit authorities have differing policies, the statement that the differences have negative impacts on ridership would need to be validated and confirmed during the StanCOG Transit Systems Study to be conducted soon.

### **Finding F2:**

While the idea of consolidation has come up amongst the transit authorities in Stanislaus County, there have only been preliminary discussions regarding partial or total consolidation of the public transit services.



**Finding F3:**

While most vehicles operated by the four transit authorities lack current technological services, all four public transit operators are aware of the value of technological services and have plans to implement them as soon as funding opportunities become available.

**RECOMMENDATIONS****Recommendation R1:**

The StanCOG Policy Board governs the activities of StanCOG staff. The StanCOG Policy Board is a 16 person board composed of elected representatives of 10 jurisdictions in the region which includes: the Cities of Ceres, Hughson, Modesto, Newman, Oakdale, Patterson, Riverbank, Turlock and Waterford, and the County of Stanislaus. All five Stanislaus Board of Supervisors are members of the StanCOG Policy Board.

StanCOG staff has been directed by the Policy Board to release a Request for Proposals (RFP) to hire a consultant to prepare a Transit System Study to:

1. Prepare a comprehensive assessment of the current public transit systems;
2. Make recommendations to achieve farebox recovery and improve overall efficiency and effectiveness;
3. Examine alternative methods for determining system efficiency; and
4. Complete an analysis of potential governance structures.

Staff anticipates the release of the RFP within the next few months.

**Recommendation R2:**

These comments will be taken into consideration during the preparation of the RFP for the StanCOG Transit Systems Study.

**Recommendation R3:**

As previously noted, all four public transit operators are aware of the value of these technologies and have plans to implement them as soon as funding opportunities become available.

Thank you for the opportunity to respond to the Report.

Respectfully Submitted,



ROSA DE LEÓN PARK, Executive Director  
Stanislaus Council of Governments

cc: Rod A. Attebery, Neumiller & Beardslee  
General Counsel, Stanislaus Council of Governments