



Montebello Bus Lines

Triennial Performance Review of the Montebello Bus Lines FY 2016 to FY 2018

May 2019

FINAL REPORT

Submitted by
BCA Watson Rice, LLP
in association with
Altmayer Consulting, Inc.



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1. EXECUTIVE SUMMARY

This report presents the results of the triennial performance review of the City of Montebello's public transit program known as Montebello Bus Lines (MBL). The purpose of the review is to provide a tool for the City of Montebello, management and the California State Department of Transportation (Caltrans) to review performance trends, evaluate compliance with California's Transportation Development Act (TDA) and obtain a high-level review of key functional achievements and challenges during the review period. This triennial performance review was conducted in accordance with the Caltrans TDA Performance Audit Guidebook under California Public Utilities Code (PUC) Section 99246.

The three-year period reviewed encompasses the period from July 1, 2015 through June 30, 2018. The performance review included a review of the following:

- **Compliance with PUC** - ensuring compliance with applicable PUC requirements.
- **Data Collection and Reporting** - verification of TDA data collection and reporting procedures.
- **Prior Review Recommendations** - reporting on implementation of the prior triennial performance review recommendations.
- **Performance Trends** - summaries of performance indicators for the review period.
- **Functional Review** - high-level review of key functional areas surveyed as part of the process of conducting the review, resulting in suggestions for operational and management improvements.

ORGANIZATION OF REPORT

This report is organized into seven sections:

1. Executive Summary
2. Performance Approach and Methodology
3. Background, Challenges and Accomplishments
4. Compliance Review and Prior Review Recommendations



5. Operational Performance Trends
6. Functional Review Findings and Recommendations
7. Conclusion

Our findings and recommendations include the following:

COMPLIANCE WITH PUC

MBL met all compliance requirements with respect to the PUC Section 99246.

DATA COLLECTION AND REPORTING

MBL's data reporting throughout the review period had some inconsistencies in the areas of Full-Time Equivalents, but the vast majority of reporting was consistent.

PRIOR REVIEW RECOMMENDATIONS

MBL sufficiently addressed the prior review recommendations.

PERFORMANCE TRENDS

MBL experienced mixed performance trends during the review period. Overall, the system-wide ridership dropped by 24.3%, a common trend with municipal providers in Los Angeles County. On the positive side, MBL was able to contain costs during this period resulting in almost no rise in Operational Costs (0.7% increase). This containment of costs is especially notable giving the 14.2% rise in the CPI over the same period. Ultimately, the loss in ridership impacted the overall productivity of the Agency with a 33.1% increase in the cost of operating the system per passenger, although the Agency was able to minimize increases in the Operating Cost per Vehicle Service Hour (+0.3) and the Operating Cost per Vehicle Service Mile (+6.8%).

The mixed trends continued within MBL's fixed route system. Fixed route Operating Costs rose a minimal 1.4%, but once again productivity was impacted by a 24.1% decrease in Passengers. The result was a 33.6% increase in the Operating Cost per Passenger.

MBL did have more positive trends for its demand response system. Ridership during the period grew by 66.7% while Operating Expenses grew 63.3%. This resulted in



relatively positive productivity with the Operating Cost per Passenger falling 2.0% and the Operating Cost per Vehicle Service Mile only growing 7.0%.

FUNCTIONAL REVIEW

Our review of MBL's core functions revealed no significant issues or findings.



2. PERFORMANCE REVIEW APPROACH AND METHODOLOGY

PERFORMANCE REVIEW APPROACH

The State mandates that all recipients of Transportation Development Act (“TDA”) funding undergo a performance review every three years in order to remain eligible for future TDA funding. In August of 2018, the Los Angeles County Metropolitan Transportation Authority (“Metro”) retained BCA Watson Rice LLP (BCA) to conduct a Triennial Performance Review of the City of Montebello. The BCA Team conducted this Performance Review in accordance within the *Performance Audit Guidebook for Transit Operators and Regional Transportation Planning Entities* (“Guidebook”) produced by the California Department of Transportation.

The performance review was designed to include a review of the following:

- **Compliance with California Public Utilities Codes (“PUC”) Section 99246**
- ensuring compliance with applicable PUC requirements.
- **Data Collection and Reporting** - verification of TDA data collection and reporting procedures as well as consistency of data reporting between the following reports Transit Performance Management (“TPM”), National Transit Database (“NTD”) and State Controller.
- **Prior Review Recommendations** - reporting on implementation of any prior triennial performance review recommendations.
- **Performance Trends** - summaries of performance indicators for the review period related to specifically to ridership, operational efficiency and effectiveness, and maintenance.
- **Functional Review** - high-level review of key functional areas which were surveyed as part of the review process. Areas of review included general management, finance, administration, service planning, scheduling, dispatch, operations, maintenance, and marketing.

The Guidebook details an approach to conducting the performance review which consists of three key review strategies: 1) review of key financial, administrative and operational documents, 2) interviews with key management staff, and 3) a site visit.



DOCUMENTS REVIEWED PURSUANT TO THIS REVIEW

- National Transit Database reports for FY16 through FY18
- State Controller Reports for FY16 through FY18
- Transit Performance Management Reports for FY16 through FY18
- Prior Triennial Performance Review and written responses to the recommendations
- Comprehensive Annual Financial Reports FY15 through FY17
- Annual Budget FY16 through FY18
- Hours Analysis Reports FY16 through FY18
- Organizational charts
- Service Route Maps and Schedules
- Short Range Transit Plan FY16 through FY18
- MBL 2015 Line by Line Transfer Analysis Data
- 2015 Line Level Ridership report
- California Highway Patrol Inspection Reports for FY16 through FY18

INTERVIEWS WITH KEY MANAGEMENT

- Tom Barrio, Director of Transportation
- Jose Medrano, Interim Vehicle Maintenance Manager
- Jose Melendez, Maintenance Supervisor
- Robert Portillo, Transit Administration Manager
- Eric Yan, Transit Grants and Project Administrator
- Kristina Zendzhiryan, Senior Management Analyst

SITE VISIT

- City of Montebello Transportation Facility



3. BACKGROUND, CHALLENGES AND ACCOMPLISHMENTS

The City of Montebello, Montebello Bus Lines (“MBL”) began service in 1910. In 1922, the City of Montebello was incorporated and initiated a municipal bus service. MBL currently provides transportation services to the residents of the City of Montebello and neighboring cities. MBL is the third largest municipal bus system in the County with a fleet of 66 buses serving almost 6 million passengers a year throughout the communities of Alhambra, Bell Gardens, Boyle Heights, Commerce, Downtown Los Angeles, East Los Angeles, La Mirada, Montebello, Monterey Park, Pico Rivera, Rosemead, South Gate and Whittier..

SYSTEM PROFILE

MBL has three main modes of transportation:

- *Fixed Route* – MBL operates a fixed route services beginning at 5:30 a.m. to 9:30 p.m. The service includes seven (7) fixed route lines, one of which is a Sunday only line focusing on Church and Shopping routes and one that includes a shuttle service to and from the 26th Street Metrolink Station. Service varies by line, but overall service begins at 3:30 a.m. and continues to 11:30 p.m. on weekdays. Fares for fixed route services are \$1.10 each way with a \$3.00 day pass. Discounted passes are offered for students, seniors and the disabled. Interagency transfers are \$0.25. Currently MBL is proposing a fare hike from \$.1.10 to \$1.25.
- *Metrolink Shuttle* – MBL contracts with Parking Company of America to provide shuttle service to Metrolink stations through five feeder lines entitled Montebello Link. The shuttle is a reservation-based system and takes workers from the Metrolink station to their work sites. A return trip is provided in the afternoon. Fares for this service are \$1.30 each way. Currently MBL is proposing a fare hike from \$1.30 to \$1.75.
- *Demand Response* – Dial contracts for its Dial-A-Taxi service. This reservation-based service provides rides within the City of Montebello. Medical trips outside the City are allowed within a specified geographical range. Riders must be City residents 62 years old or older, disabled or Medicare Card holders. Residents must apply for an ID-Card to ride the system. Dial-A-Taxi



is available 24 hours a day, 7 days a week including holidays. Fares are \$1.00 each way.

KEY CHALLENGES DURING THE REVIEW PERIOD

The following is a summary of some of the key challenges addressed by MBL during the course of the review period:

- Overall ridership declined over 24% from FY15 through FY18. This decrease occurred due as part of an overall decrease in fixed route ridership in the County. MBL believes, among other things, the key drivers to the loss of riders includes stable gas prices, micro transit alternatives and increased vehicle ownership.
- MBL has not had a fare increase since 2009. With decreasing ridership, fare revenues have correspondingly gone down. MBL is currently proposing a fare increase for its fixed route and shuttle service in FY19, but this has not yet been approved.
- Recruiting qualified candidates as bus operators has been difficult and exacerbated by the fact that turnover remains an issue. Many operators are hired without a commercial license and must be trained over a longer period of time. Currently, training for an operator is approximately 7 weeks. In the past, recruitments used to occur one to two times a year. Now recruitments are on-going throughout the year.
- In the next two years, approximately 26 new buses will need to be replaced. Their aging fleet has caused the Agency to focus on maintenance to ensure reliability.
- A portion of the fleet will become electric requiring the facility to upgrade to allow for charging stations.

KEY ACCOMPLISHMENTS DURING THE REVIEW PERIOD

The following is a summary of some of the key accomplishments achieved by MBL during the course of the review period:

- MBL implemented a new scheduling software and hired a management analyst to review routes on an on-going basis to improve productivity.



- MBL has grown ridership in its demand response system by 66.7% during the audit period while maintaining its productivity levels.
- Despite an aging fleet and a reduced spare ratio, MBL has been able to reduce road calls and keep its Maintenance Costs per Vehicle Service Hour stable during the review period.
- MBL participated in the Regional Ridership Improvement Task Force which included the development of a Ridership Grown Action Plan. MBL submitted four years of route-level ridership data for review and analysis and a line-by-line analysis was completed in August of 2018. As a result of this and other analyses, route service changes will be implemented on four of its routes (20,30, 50 and 70)



4. COMPLIANCE REVIEW

AREAS OF REQUIRED COMPLIANCE

The objective of this section is to detail MBL's compliance with the State's requirements for transit operations and regional planning, the recommendations set forth in the prior triennial performance review and maintaining a consistent reporting of performance statistics to local, state and federal agencies.

COMPLIANCE WITH THE STATE PUC REGULATION

MBL must comply with TDA requirements that are specified in PUC Regulations and the California Code of Regulations as noted below in the Compliance Matrix on the following page. The Compliance Matrix provides the degree to which funds allocated to the claimant pursuant to TDA requirements were expended in conformance with applicable laws and rules and regulations.

Exhibit 1 on the following page details MBL's compliance with TDA requirements. MBL was found to be in compliance with all of the required elements



Exhibit 1: MBL'S Compliance with PUC Requirements		
Code Reference	Operator Compliance Requirements	Compliance Finding
PUC Section 99243	Submit annual reports to the State Controller, based on the Uniform System of Accounts and Records established by the State Controller, within seven months after the end of the fiscal year.	In Compliance
PUC Section 99245	Submit annual fiscal and compliance reviews to RTPe and State Controller within 180 days of the end of the fiscal year, or receive 90 day extension.	In Compliance
PUC Section 99251	CHP has certified operator's compliance with Vehicle Code 1808.1 within 13 months prior to TDA claim submittal.	In Compliance
PUC Section 99261	Claims for TDA funds are submitted in compliance with RTPe's rules and regulations.	In Compliance
PUC Section 99264	Public transportation vehicles designed to be operated by one person are not routinely staffed with two or more persons.	In Compliance
PUC Section 99266	Operating budget has not increased by more than 15% over preceding year unless reasonable justification has been provided.	In Compliance
PUC Section 99247	The operator's definitions of performance measures are consistent with the PUC.	In Compliance



Exhibit 1: MBL'S Compliance with PUC Requirements		
Code Reference	Operator Compliance Requirements	Compliance Finding
PUC Sections 99268.2 99268.3	Operator has maintained a ratio of fare revenues to operating costs at least equal to or exceeding 20% for the general public service in urban areas.	In Compliance
PUC Section 99271	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 an RTPE-approved plan to fully fund the retirement system within 40 years.	In Compliance
CA Code of Regs	Available federal funds are used prior to claiming STA Funds	In Compliance



CONSISTENCY OF DATA REPORTING

Operators are expected to consistently report performance statistics to local, state and federal agencies. Exhibit 2 on the following page provides a summary of key statistics provided to the following agencies:

- **LA Metro** – LA Metro annually requires the submission of a Transit Performance Measurement (TPM) form detailing key operating statistics.
- **State Controller's Office (SCO)** – The State Controller's Office requires that all agencies submit an annual summary of financial statistics.
- **National Transit Database** – The Federal Transit Administration requires that transit agencies that receive FTA grants annually submit financial and operating data in uniform categories.



Exhibit 2: System-Wide Performance Measures				
Source	Base Year	Review Period		
	FY15	FY16	FY17	FY18
Operating Costs				
FTA National Transit Database	\$25,170,536	\$24,643,930	\$24,700,383	\$25,345,143
State Controller's Report	\$25,091,952	\$24,743,562	\$23,915,463	\$29,765,075
MTA TPM Program	\$25,189,000	\$24,644,000	\$24,702,857	\$26,435,135
Farebox Revenues				
FTA National Transit Database	\$5,668,905	\$5,162,470	\$4,744,970	\$4,303,782
State Controller's Report	5,668,905	\$5,262,888	\$4,744,972	\$4,303,782
MTA TPM Program	\$5,669,000	\$5,162,000	\$4,744,970	\$4,303,782
Local Subsidies & Auxiliary Revenues				
FTA National Transit Database	\$160,906	\$146,986	\$161,203	\$151,713
State Controller's Report	\$145,221	\$146,986	\$356,707	\$151,713
MTA TPM Program	\$148,000	\$147,000	\$95,251	\$151,713
Unlinked Passengers				
FTA National Transit Database	7,634,876	7,089,608	6,239,176	5,776,558
State Controller's Report	7,634,876	6,988,130	6,239,176	5,776,558
MTA TPM Program	7,635,000	7,090,000	6,239,176	5,776,558
Vehicle Service Hours				
FTA National Transit Database	238,521	247,026	240,294	239,440
State Controller's Report	238,522	235,017	240,297	239,440
MTA TPM Program	239,000	247,000	240,294	239,440
Vehicle Service Miles				
FTA National Transit Database	2,547,607	2,459,061	2,405,560	2,401,176
State Controller's Report	2,547,606	2,467,619	2,405,561	2,401,176
MTA TPM Program	2,548,000	2,459,000	2,405,560	2,401,176
Employee Full-Time Equivalents				
FTA National Transit Database	179	175	159	138
State Controller's Report	205	201	242	246
MTA TPM Program	213	211	Not Reported	Not Reported
Total Vehicle Hours				
FTA National Transit Database	241,647	250,212	242,655	241,199
State Controller's Report	Not Reported	Not Reported	Not Reported	Not Reported
MTA TPM Program	245,000	254,000	248,071	247,034
Total Vehicle Miles				
FTA National Transit Database	2,582,222	2,473,639	2,413,835	2,403,646
State Controller's Report	Not Reported	Not Reported	Not Reported	Not Reported
MTA TPM Program	2,642,000	2,541,000	2,506,294	2,500,853
Peak Vehicles				
FTA National Transit Database	102	107	107	107
State Controller's Report	105	107	104	107
MTA TPM Program	102	107	107	107



MBL was mostly consistent in its reporting to the various agencies. The only notable inconsistency related to the reporting of FTEs. The Agency is reviewing the process with the City's Human Resources function to correct the issue.

PRIOR REVIEW RECOMMENDATIONS

TDA Audit Guidelines requires a follow-up as to whether recommendations from the prior period's review have been implemented. MBL has addressed the prior triennial performance review recommendations, as detailed in the matrix below:

Exhibit 3: PRIOR REVIEW RECOMMENDATIONS AND FINDINGS		
#	Prior Review Recommendations	Finding
1	Address declining productivity and farebox recovery before unsubsidized productivity declines below the 20% threshold	In compliance
2	Address understaffing at the management level by taking steps to fill vacant staff positions with permanent replacements as soon as possible.	In compliance. In an effort to control costs, not all vacancies have been filled, but efforts proceed to ensure the ability to provide effective management.



5. OPERATIONAL PERFORMANCE TRENDS

OVERVIEW

In this section, we present the results of our analyses of performance statistics for the three-year review period for bus services operated by MBL. California PUC Section 99246 mandates that a triennial performance review and analyze an operator's performance of five key performance indicators:

1. Operating cost per passenger
2. Operating cost per vehicle service hour
3. Passengers per vehicle service mile
4. Passengers per vehicle service hour
5. Vehicle service hours per employee

Data for the analysis of these indicators were compiled using data from the National Transit Database (NTD) prepared by MBL and the State Controller's reports. The performance trends cover the period from FY 2016 through FY 2018, with FY 2015 used as a base year to provide a point of reference for the analyses. The review is designed to assess efficiency and effectiveness trends system-wide. All percentage changes are based on the change from the base year of FY15 through FY18.

Overall, MBL has experienced mixed trends in its overall system-wide efficiency. The following section examines these costs and trends both system-wide and in greater detail and by mode.

PERFORMANCE INDICATOR TABLES – SYSTEM-WIDE

As set forth in more detail below, system-wide indicators show mixed trends for the total system. The system showed only small increases in the key cost efficiency metrics of cost per hour and cost per mile (0.3% and 6.8%, respectively). The system, however, did experience a significant loss in productivity for its cost per passenger measure which rose 33.1%. This loss in efficiency was a function of both a 24.3% decrease in ridership. This loss could have been significantly more, but MBL was able to contain its overall Operating Costs to a 0.7% increase over the three-year period. Compared with a 14.2% change in projected CPI for the period, the minimal Operating Cost increase is a positive



trend.¹ Below is a summary of high-level trends within key operational indicators followed by Exhibit 4, which provides detailed reporting by fiscal year:

- **Operating Cost Per Vehicle Service Hour** – This key cost indicator increased by 0.3% during the review period representing a positive trend for the Agency compared to inflation. Both Operating Costs and Vehicle Service Hours remained stable during the period with both rising less than 1%.
- **Operating Cost Per Passenger** – The operating cost per passenger, however, increased by 33.1% based on the overall ridership decrease of 24.4%. This is an area of concern moving forward.
- **Passengers Per Vehicle Service Hour** – Passengers per Vehicle Service Hour decreased by 24.6%. This decrease is attributable to a loss in ridership. The loss of ridership was not universally attributed to one source, but rather attributed a series of factors including stable fuel costs, increased car ownership and increased use of micro-transit alternatives.
- **Operating Cost Per Vehicle Service Mile** – Operating Cost per Vehicle Service Mile increased by 13.2%. This is a relatively positive trend in comparison to the inflation rate.
- **Vehicle Service Hours Per Employee** – Vehicle Service Hours per Employee increased 30.2% during the review period, representing a significant decrease in workforce productivity. This was due, in part, to a 22.9.% decrease in FTEs.

¹ CPI data is based on the CPI for California from calendar year 2015 through 2018 (projected) based on statistics obtained from the California Department of Finance, http://www.dof.ca.gov/HTML/FS_DATA/LatestEconData/FS_Price.htm



Exhibit 4: System-Wide Performance					
	Base Year	Review Period			
Performance Measure	FY15	FY16	FY17	FY18	Percent Change from Base Year to FY18
Key Base Measures					
Operating Costs	\$25,170,536	\$24,643,930	\$24,700,383	\$25,345,143	0.69%
Fare Revenue	\$ 5,668,905	\$ 5,162,470	\$ 4,744,970	\$ 4,303,782	-24.08%
Vehicle Service Hours	238,521	247,026	240,294	239,440	0.39%
Vehicle Service Miles	2,547,607	2,459,061	2,405,560	2,401,176	-5.75%
Unlinked Passengers	7,634,876	7,089,608	6,239,176	5,776,558	-24.34%
Full Time Equivalents	179.00	175.00	159.00	138.00	-22.91%
Efficiency Measures					
Operating Cost per VSH	\$ 105.53	\$ 99.76	\$ 102.79	\$ 105.85	0.31%
Operating Cost per VSM	\$ 9.88	\$ 10.02	\$ 10.27	\$ 10.56	6.83%
Operating Cost per Passenger	\$ 3.30	\$ 3.48	\$ 3.96	\$ 4.39	33.09%
Passengers per VSH	32.01	28.70	25.96	24.13	-24.63%
Farebox Recovery Ratio	22.52%	20.95%	19.21%	16.98%	-24.60%
VSH per FTE	1,332.52	1,411.58	1,511.28	1,735.07	30.21%
CPI - All Index	1.97%	1.85%	1.75%	2.25%	14.21%



Performance Indicator Tables – Fixed Route

As set forth in more detail below, fixed route indicators exhibit mixed overall trends. In its key cost efficiency metrics, the Operating Cost per Vehicle Service Hour remained stable with less than 1% increase. The Operating Cost per Passenger, however, rose 33.6%. This loss in efficiency in this latter measure was propelled by a 24.1% decrease in ridership. Below is a summary of high-level trends within key operational indicators followed by Exhibit 5, which provides detailed reporting by fiscal year:

- **Operating Cost Per Vehicle Service Hour** – This key cost indicator remained almost constant with a 0.1% increase during the review period representing a positive trend for the Agency compared to inflation. Both Operating Costs and Vehicle Service hours were flat over the period.
- **Operating Cost Per Passenger** – The operating cost per passenger rose by 33.6% during the review period, representing a difficult trend. This inefficiency was the cause of a 24.1% decrease in Passengers. This is an area of concern moving forward for the Agency.
- **Passengers Per Vehicle Service Hour** – Passengers per Vehicle Service Hour decreased by 32.5%. This decrease is attributable to the losses in ridership which, while being experienced by much of the region, needs to be addressed by the Agency in future years.



Exhibit 5: Fixed Route Performance					
	Base Year	Review Period			
Performance Measure	FY15	FY16	FY17	FY18	Percent Change from Base Year to FY18
Key Base Measures					
Operating Costs	\$24,109,913	\$23,924,064	\$23,869,845	\$24,435,585	1.35%
Fare Revenue	\$ 5,452,272	\$ 5,058,818	\$ 4,629,021	\$ 4,202,524	-22.92%
Vehicle Service Hours	227,445	239,409	231,417	230,237	1.23%
Vehicle Service Miles	2,375,156	2,355,285	2,277,523	2,267,269	-4.54%
Unlinked Passengers	7,419,582	6,952,349	6,085,965	5,629,770	-24.12%
Efficiency Measures					
Operating Cost per VSH	\$ 106.00	\$ 99.93	\$ 103.15	\$ 106.13	0.12%
Operating Cost per Passenger	\$ 3.25	\$ 3.44	\$ 3.92	\$ 4.34	33.57%
Passengers per VSH	32.62	29.04	26.30	24.45	-25.04%
CPI -- All Index	1.97%	1.85%	1.75%	2.25%	14.21%



PERFORMANCE INDICATOR TABLES – DEMAND RESPONSE

As set forth in more detail below, the indicators show relatively positive trends for the demand response system. The demand response grew significantly in both ridership (66.7%) and costs (6.3%) during the review period, but kept its key cost efficiency metrics below the rate of inflation. The Operating Cost per Vehicle Service Hour rose 7.0% and the Operating Cost per Passenger decreased by 2.0%. The increase in demand response services was driven by a number of factors including a change in taxi providers, a change in how fares are collected and increased outreach efforts to eligible residents. Below is a summary of high-level trends within key operational indicators followed by Exhibit 5, which provides detailed reporting by fiscal year:

- **Operating Cost Per Vehicle Service Hour** – This key cost indicator rose by 7.0% during the review period representing a positive trend for the agency compared to the CPI. The system experienced significant rise in vehicle hours (52.3% which were matched by increased in Operating Costs (63.3%). As a result, productivity suffered only minimally.
- **Operating Cost Per Passenger** – The Operating Cost per Passenger decreased by 2.0%, a notable achievement. The 66.8% increase in Passengers offset the 63.3% increase Operating Costs.
- **Passengers Per Vehicle Service Hour** – Passengers per Vehicle Service Hour rose by 9.3%, another positive trend.



Exhibit 6: Demand Reponse Performance					
	Base Year	Review Period			
Performance Measure	FY15	FY16	FY17	FY18	Percent Change from Base Year to FY18
Key Base Measures					
Operating Costs	\$ 293,295	\$ 314,693	\$ 370,124	\$ 479,060	63.34%
Fare Revenue	\$ 15,531	\$ 18,053.00	\$ 22,023.00	\$ 24,657.00	N/A
Vehicle Service Hours	3,824	4,191	5,416	5,835	52.59%
Vehicle Service Miles	59,444	67,381	92,459	97,207	63.53%
Unlinked Passengers	46,270	52,829	74,709	77,152	66.74%
Efficiency Measures					
Operating Cost per VSH	\$ 76.70	\$ 75.09	\$ 68.34	\$ 82.10	7.04%
Operating Cost per Passenger	\$ 6.34	\$ 5.96	\$ 4.95	\$ 6.21	-2.04%
Passengers per VSH	12.10	12.61	13.79	13.22	9.28%
CPI All Index	1.97%	1.85%	1.75%	2.25%	14.21%



6. FUNCTIONAL REVIEW FINDINGS AND RECOMMENDATIONS

In this section, we summarize specific operational activities related to the core functions of MBL: Operations, Maintenance, and Administration. Within each area, we recognize accomplishments, identify challenges and, where appropriate, recommend improvement opportunities.

SCHEDULING, DISPATCH AND OPERATIONS

As referenced in Section V above, operational performance over the review period was generally mixed with decreased operational efficiency and significant loss of ridership within the fixed routes system, but improved number for the demand response system. See Exhibits 5 and 6 above for specific performance metrics associated with System-wide Operations.

MAINTENANCE

MBL experienced mostly positive trends in its maintenance performance indicators. Key productivity indicators were mostly positive while at the same time the Agency was able to reduce overall Maintenance Costs during the review period. Exhibit 7 below provides a more detailed reporting of maintenance performance indicators by fiscal year during our review period:

- **Vehicle Maintenance Costs Per Vehicle Service Mile** – This key cost indicator increased by only 1.1% during the review period. This was largely due MBL reducing overall Maintenance Costs by 4.7%.
- **Total Vehicle Miles Between Road Calls** – MBL showed a slightly negative trend related to miles between road calls for its vehicles. During the review period, MBL's annual road calls decreased by 4.0%. That decrease, however was associated with a 9% decrease in Total Vehicle Miles, resulting in a 3.0% loss in miles between road calls.



Performance Measure	Base Year	Review Period			Percent Change from Base Year to FY18
	FY15	FY16	FY17	FY18	
Key Base Measures					
Maintenance Costs	\$ 4,199,013	\$ 3,980,554	\$ 3,820,445	\$ 4,001,580	-4.70%
Vehicle Service Miles	2,547,607	2,459,061	2,405,560	2,401,176	-5.75%
Peak Vehicles	102	107	107	107	4.90%
Total Vehicle Miles	2,582,222	2,473,639	2,413,835	2,403,646	-6.92%
Road Calls	198	217	188	190	-4.04%
Active Vehicles	169	111	118	118	-30.18%
Efficiency Measures					
Maintenance Cost per VSM	\$ 1.65	\$ 1.62	\$ 1.59	\$ 1.67	1.11%
Total Miles Between Road Calls	13,042	11,399	12,840	12,651	-3.00%
Spare Ratio	12.75%	N/A	N/A	N/A	N/A
CPI -- All Index	1.97%	1.85%	1.75%	2.25%	14.21%



MANAGEMENT AND ADMINISTRATION

MBL's General Administrative costs have decreased by 5.4% over the course of the review period. Set forth below is a highlight of key performance indicators followed by a more detailed listing within Exhibit 8.

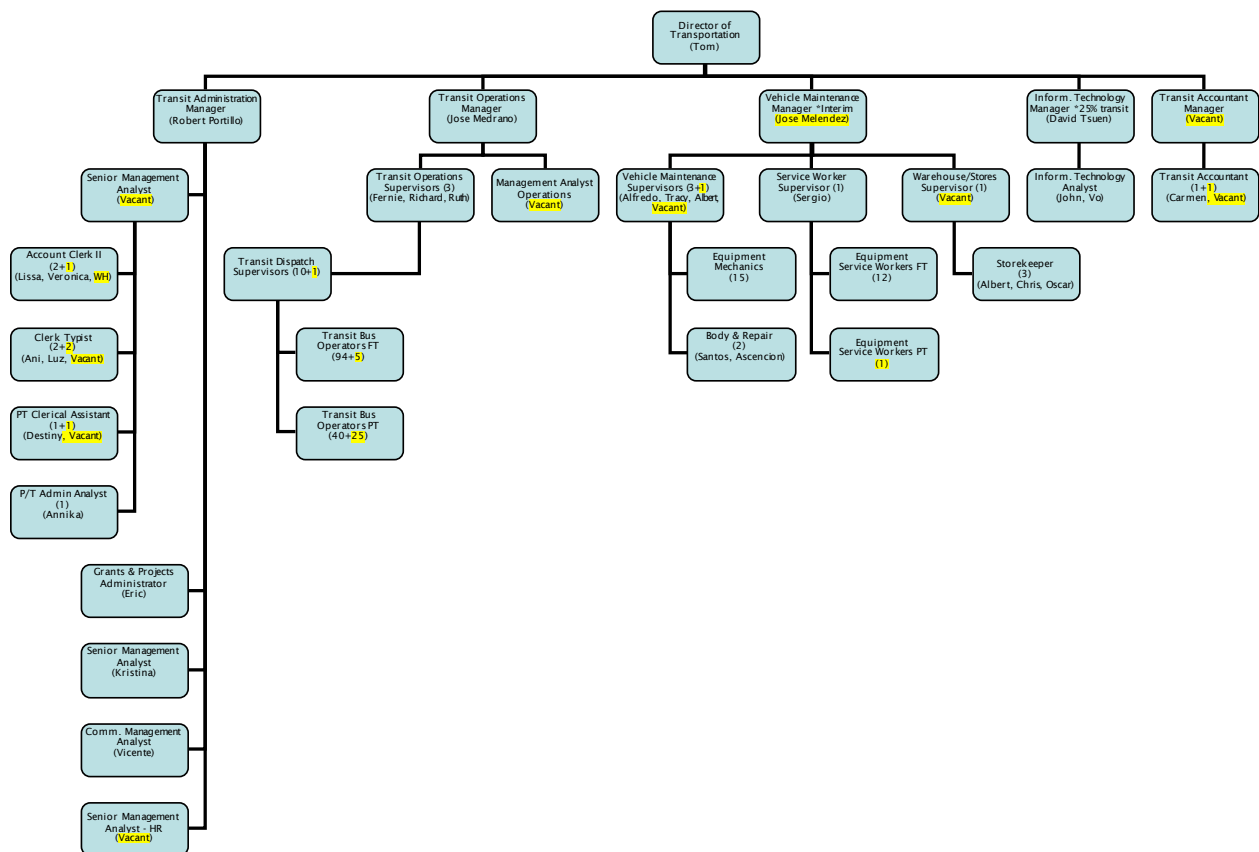
- **Administrative Cost Per Vehicle Service Hours** – Administrative costs per service hour decreased by 9.5% over the review period, due mostly to a 5.4% decrease in overall administrative costs and a 4.5% increase in vehicle service hours.
- **Administrative Cost Per Peak Vehicle** -- Administrative efficiency standards were mostly positive during the review period with the Administrative Cost per Peak Vehicles declining by 9.8%.



Exhibit 8: Administrative Performance					
	Base Year	Review Period			
Performance Measure	FY15	FY16	FY17	FY18	Percent Change from Base Year to FY18
Key Base Measures					
Administrative Costs	\$ 5,666,336	\$ 5,978,537	\$ 5,447,422	\$ 5,359,180	-5.42%
Vehicle Service Hours	145,221	146,986	356,707	151,713	4.47%
Peak Vehicles	102	107	107	107	4.90%
Efficiency Measures					
Admin Costs per VSH	\$ 39.02	\$ 40.67	\$ 15.27	\$ 35.32	-9.47%
Admin Costs per Peak Vehicle	\$ 55,552	\$ 55,874	\$ 50,910	\$ 50,086	-9.84%
CPI -- All Index	1.97%	1.85%	1.75%	2.25%	14.21%



MBL is a department within the City of Montebello and, therefore, the governing body is the City Council. The Transportation Department manages the operations of MBL and is responsible for most aspects of the organization from Scheduling, Dispatch, Marketing, Maintenance and Operations. The Director of Transportation reports directly to the City Manager. MBL has four working divisions: the Administrative Division with approximately 19 employees, the Maintenance Division with approximately 50 employees, the Operations Division with approximately 185 employees and the Security Division with 2 employees (MBL utilizes the City of Montebello police force for its security). The following is the FY18 organizational chart:





SERVICE PLANNING

Management and staff regularly review routes and services to evaluate existing services. Additionally, in 2015, MBL developed a comprehensive Short Range Transit Plan for FY16-18. The SRTP provided a line-by-line analysis of each of the seven fixed routes.

In addition, MBL participated in the Regional Ridership Improvement Task Force which included the development of a Ridership Grown Action Plan. MBL submitted four years of route-level ridership data for review and analysis and a line-by-line analysis was completed in August of 2018.

PERSONNEL MANAGEMENT AND TRAINING

MBL utilizes the City to conduct its human resources functions, including all hiring of administrative, operational and maintenance staff. City staff also is responsible for developing policies and procedures around discipline, performance reviews, substance abuse and salaries.

The City offers employees medical, dental, vision and life insurance as well other benefits. Bus operators are offered incentive pay programs for completing training, minimizing missed work and other performance-based standards such as on-time performance. Incentives are also offered for maintenance staff.

Operations and maintenance training is conducted by the Operation's Manager within the Department. New drivers must attend 7 weeks of basic training prior to being certified to drive the public.

MARKETING AND PUBLIC INFORMATION

MBL has a website (www.ridembl.com) which provides maps and schedules, rider alerts, fare information and other information about the Agency. MBL also provides a mobile passenger information system that includes rider alerts, and the tracking of individual buses on its routes.

MBL also has a telephone line dedicated to providing information as well as receiving customer feedback. All customer feedback is logged and investigated promptly.



7. CONCLUSION

We find MBL to be in full compliance with the requirements of the Transportation Development Act and had mostly consistent financial and operational data among different agencies. Moreover, our functional review did not reveal any significant issues that would warrant individual findings and recommendations. It is important to note, as with most of the other municipal bus operators within the County of Los Angeles, MBL has experienced negative ridership trends in its fixed route system. However, its participation in the Regional Ridership Improvement Task Force and its containment of overall costs shows that the Agency is attempting to address the current ridership trends in a proactive manner.