

MEMO:

TO: Tony Boren, Executive Director, Council of Fresno County Governments
FROM: Ronald Hughes, Executive Director, Kings County Area Public Transit Agency
DATE: January 29, 2010

RE: Response to Advisory Comments from January 2009 TTC/PAC Meeting

Would the proposed new agency compete with traditional transit funding?

The new agency would apply for local funding only with the approval of the COG having jurisdiction in the respective area. Any funding would be for the benefit of residents or business in the agency's specific jurisdiction in the support of vanpool activities.

KCAPTA does not want responsibility of the program and wants to shift it to others.

The KCAPTA Board has not expressed a concern that the structure of the vanpool operation has to be transferred to a new agency. However, it does agree with KCAPTA staff that doing so makes sense given the growth of the operations, the desire for equitable geographic representation, and for liability purposes.

Why can't the existing MOU arrangement between KCAPTA and COG be continued into the future?

The existing MOU worked well to allow for the initial startup and operation of the project. However, given the growth of the vanpool project, it does not allow for representation by agency members and it exposes members to direct liability should something happen.

If the project shuts down, does it expose members to unfunded liabilities?

The program has a positive cash flow and assets in excess of a million dollars. Under the worst case scenario, the organization would cease operating, sell its assets and divide up any proceeds resulting from the sale of assets.

Is the program sustainable or will it have to shut down once grant funding goes away?

The project recovers revenues in excess of cost for its conventional vanpool program. Two thirds of vanpools operated by farm workers generate enough revenue to cover operating costs. The remainder receives some support from existing grants for the purpose of expanding into areas where the program is being marketed. These outreach or expansion operations will be reduced or dropped as grant funding goes away. Future marketing and outreach will be matched to available grant funding.

Concern that the new agency will "take over everything."

The purpose of the new agency is to coordinate vanpool activities of its member agencies. There is not intent to do otherwise. The draft JPA is being modified to clearly state this. The governing board, not KCAPTA staff, will direct the future of the organization. Each agency has the ability to speak to the direction of the organization, and ultimately has the ability to withdraw should they disagree with the direction of the agency.

The existing COG's JPA may not allow for joining a JPA that operates a transit operation.

Some of the existing JPA agreements will need to be modified to allow for joining the new JPA. The direction from each agency has been that this is something they wish to do if necessary.