



FY 2007-2009 TRIENNIAL
PERFORMANCE AUDIT OF
THE FRESNO COUNTY
RURAL TRANSIT AGENCY

SUBMITTED TO

COUNCIL OF FRESNO COUNTY
GOVERNMENTS

SUBMITTED BY



August 2010

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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 Council of Fresno County Governments (Fresno COG) has engaged PMC to conduct a performance audit of the Fresno County Rural Transit Agency (FCRTA) covering the most recent triennial period, fiscal years (FYs) 2006-07 through 2008-09. The purpose of the performance audit is to evaluate FCRTA's effectiveness and efficiency in its use of TDA funds to provide public transit in its service area. This is required as a condition for continued receipt of these funds for public transportation purposes. In addition, the audit evaluates the FCRTA's compliance with the conditions specified in the California Public Utilities Code (PUC). This task involves ascertaining whether FCRTA is meeting the PUC's reporting requirements. Moreover, the audit includes calculations of transit service performance indicators and a detailed review of FCRTA's transit administrative functions. From the analysis that has been undertaken, a set of recommendations have been made for the agency which are 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 organization and its operations that otherwise might not be available. The methodology for the audit included in-person interviews with management, 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 in the development and conduct of the audit.

Overview of the Transit System

FCRTA is the primary provider of public transportation services for the rural incorporated cities and many unincorporated rural communities in Fresno County. Public transit services are available to the general public, elderly and disabled, and children riding with an adult. FCRTA is responsible for the overall administrative and financial supervision of the general public operations, consisting of twenty (20) subsystems by the last budget year of the performance audit period (FY 2008-09). FCRTA was established as a Joint Powers Agency (JPA) in September 1979 by the thirteen (13) rural incorporated cities and Fresno County.

System Characteristics

The FCRTA system is comprised of general public demand response and intercity deviated fixed route services. Four (4) of the subsystems operate with municipal staff including Coalinga Transit, Kerman Transit, Reedley Transit and Selma Transit (Monday through Friday). Three (3) of the subsystems operate under contract including Dinuba Transit (City of Dinuba/MV Transportation), Laton Transit (Kings Area Rural Transit), and Sanger Transit (Transportation Specialties). The remaining thirteen (13) subsystems operate under private non-profit contracts with the Fresno County Economic Opportunities Commission (FCEOC) as the co-designated Rural Consolidated Transportation Service Agency (Rural CTSA).

These subsystems include the following:

- Auberry Transit
- Coalinga Transit
- Del Rey Transit
- Dinuba Transit
- Firebaugh Transit
- Fowler Transit
- Huron Transit
- Kerman Transit
- Kingsburg Transit
- Laton Transit
- Mendota Transit
- Orange Cove Transit
- Parlier Transit
- Reedley Transit
- Sanger Transit
- San Joaquin Transit
- Selma Transit
- Southeast Transit
- South Sierra Transit
- Westside Transit

Dinuba Connection

Developed in conjunction with Dinuba Area Regional Transit (DART) and funded with Tulare County Measure “R” and Fresno County Measure “C” revenues, this route was implemented in 2008 to provide service between the cities of Dinuba and Reedley. Popular stops along this route include the Vocational Center, Sierra-Kings Hospital, Reedley College, Palm Village Retirement Community, and Wal-Mart.

The service operates Monday through Friday with a seasonally adjusted schedule and hourly headways. During the school year, the Dinuba Connection operates between 7:00 a.m. and 9:00 p.m. with service breaks from noon to 1:00 p.m. and from 5:00 p.m. to 6:00 p.m. The summer schedule operates between 9:00 a.m. and 5:00 p.m. with a service break from noon to 1:00 p.m.

A summary of FCRTA’s fixed route services is presented in Table I-1:

**Table I-1
FCRTA Services**

FCRTA Subsystem	Service Type	Frequency/Operation	Destinations/Timepoints
Auberry Transit <i>Inter-Community Service</i>	Demand Response	Monday thru Friday 8:00 a.m. to 3:00 p.m.	▪ Adler Springs; ▪ Auberry; ▪ New Auberry; ▪ Big Sandy Indian Rancheria; ▪ Burrough Valley; ▪ Cold Springs Indian Rancheria; ▪ Friant; ▪ Prather; and ▪ Tollhouse
<i>Inter-City Service</i>	24-Hour Prior Reservation Demand Response	Tuesday 8:00 a.m. to 5:00 p.m.	▪ Table Mountain Rancheria ▪ Fresno-Clovis Metropolitan Area
Coalinga Transit <i>Intra-City Service</i> <i>General Public</i> <i>Disabled</i>	Demand Response	Monday thru Friday 8:00 a.m. to 5:00 p.m.	▪ Coalinga Sphere of Influence
<i>Inter-City Service</i> <i>General Public/Disabled</i>	Fixed Route with Route Deviation	Monday thru Saturday One Bi-Directional Trip 8:00 a.m. to 6:00 p.m.	▪ Coalinga; ▪ Huron; ▪ Five Points; ▪ Lanare; ▪ Riverdale; ▪ Caruthers; ▪ Raisin City; ▪ Easton; and ▪ Fresno
Dinuba Transit (in conjunction with the City of Dinuba)	Inter-County Fixed Route	Monday thru Friday 7:00 a.m. and 9:00 p.m. (During the School Year) 9:00 a.m. and 5:00 p.m. (Summer Schedule)	▪ Dinuba ▪ Reedley
Del Rey Transit	Demand Response	Monday thru Friday 8:00 a.m. to 5:00 p.m.	▪ Del Rey; ▪ Sanger
Firebaugh Transit <i>Intra-City Service</i>	Demand Response	Monday thru Friday 7:00 a.m. to 5:30 p.m.	▪ Firebaugh Sphere of Influence
Fowler Transit <i>Intra-City Service</i>	Demand Response	Monday thru Friday 7:00 a.m. to 5:30 p.m.	▪ Fowler Sphere of Influence

FCRTA Subsystem	Service Type	Frequency/Operation	Destinations/Timepoints
Huron Transit <i>Intra-City Service</i>	Demand Response	Monday thru Friday 6:00 a.m. to 6:00 p.m.	▪ Huron Sphere of Influence
<i>Inter-City Service</i>	Fixed Route	Monday thru Friday 9:00 a.m. to 3:00 p.m.	▪ Huron ▪ Coalinga
Kerman Transit <i>Intra-City Service</i>	Demand Response	Monday thru Saturday 7:00 a.m. to 4:00 p.m.	▪ Kerman Sphere of Influence
Kingsburg Transit <i>Intra-City Service</i>	Demand Response	Monday thru Friday 7:00 a.m. to 5:30 p.m. Saturday 8:00 a.m. to 5:00 p.m.	▪ Kingsburg Sphere of Influence
Laton Transit (in conjunction with Kings Area Rural Transit) <i>Inter-City Service</i> <i>General Public</i>	Fixed Route	Monday thru Friday One Bi-Directional Trip 9:00 a.m. to 3:00 p.m.	▪ Laton; ▪ Hardwick; ▪ Grangeville; and ▪ Hanford
<i>Inter-City Service</i> <i>Fresno</i>	Fixed Route	Monday, Wednesday, Friday One Bi-Directional Trip 9:00 a.m. to 4:15 p.m.	▪ Hanford; ▪ Laton; ▪ Selma; and ▪ Fresno-Clovis
Mendota Transit <i>Intra-City Service</i>	Demand Response	Monday thru Friday 7:00 a.m. to 5:30 p.m.	▪ Mendota Sphere of Influence
Orange Cove Transit <i>Intra-City Service</i>	Demand Response	Monday thru Friday 7:00 a.m. to 5:30 p.m.	▪ Orange Cove Sphere of Influence
<i>Inter-City Service</i> <i>General Public/Disabled</i>	Fixed Route with Route Deviation	Monday thru Friday Two Bi-Directional Trips 7:00 a.m. to 5:30 p.m.	▪ Orange Cove; ▪ Reedley; ▪ Parlier; ▪ Sanger; and ▪ Fresno
Parlier Transit <i>Intra-City Service</i>	Demand Response	Monday thru Friday 7:00 a.m. to 4:00 p.m.	▪ Parlier Sphere of Influence
Reedley Transit <i>Intra-City Service</i>	Demand Response	Monday thru Friday 7:00 a.m. to 5:30 p.m. Saturday 8:00 a.m. to 5:00 p.m.	▪ Reedley Sphere of Influence
Sanger Transit <i>Intra-City Service</i>	Fixed Route with Route Deviation	Monday thru Friday 8:00 a.m. to 5:30 p.m.	▪ Sanger Sphere of Influence
<i>Intra-City Demand Response</i>	Demand Response	Monday thru Friday 7:00 a.m. to 5:30 p.m. Saturday 8:00 a.m. to 5:00 p.m.	▪ Sanger Sphere of Influence
San Joaquin Transit <i>Intra-City Service</i>	Demand Response	Monday thru Friday 8:00 a.m. to 5:00 p.m.	▪ San Joaquin Sphere of Influence

FCRTA Subsystem	Service Type	Frequency/Operation	Destinations/Timepoints
Selma Transit <i>Intra-City Service</i>	Fixed Route with Route Deviation	Monday thru Friday 30 minute frequencies 8:00 a.m. to 5:00 p.m.	▪ Selma Sphere of Influence
<i>Intra-City Demand Response</i>	Demand Response	Monday thru Friday 7:00 a.m. to 5:30 p.m. Saturday 8:00 a.m. to 5:00 p.m.	▪ Selma Sphere of Influence
Southeast Transit <i>Inter-City Service</i>	Fixed Route with Route Deviation	Monday thru Friday Three Bi-Directional Trips 7:00 a.m. to 5:30 p.m.	▪ Kingsburg; ▪ Selma; ▪ Fowler; and ▪ Fresno
South Sierra Transit <i>Inter-Community Service (3-month Demonstration Service)</i>	Demand Response	Monday through Friday 8:00 a.m. to 5:00 p.m.	▪ Dunlap; ▪ Pinehurst; ▪ Miramonte; ▪ Squaw Valley; ▪ Orange Cove; ▪ Reedley; ▪ Parlier; ▪ Sanger; and ▪ Fresno-Clovis
Westside Transit <i>Inter-City Service General Public/Disabled</i>	Fixed Route with Route Deviation	Monday through Friday Two Bi-Directional Trips 7:00 a.m. to 5:30 p.m.	▪ Firebaugh; ▪ Mendota; ▪ Kerman; ▪ San Joaquin; ▪ Cantua Creek; ▪ El Porvenir; ▪ Half Way; ▪ Tranquility; ▪ Three Rocks; and ▪ Fresno

Fares

FCRTA's fares are structured according to subsystem, passenger category and fare media. Intra-city fares range from 35 and 50 cents for the disabled and accompanied children to 50 and 75 cents for the general public per one-way trip. Measure C funding allows seniors age 65 and older to ride free with identification. Inter-city fares are generally set at half the amount granted to common carriers by the California Public Utilities Commission (CPUC) and range from 75 cents to \$6.50 per one-way trip, depending on the distance traveled. Table I-2 summarizes fares for each subsystem:

**Table I-2
FCRTA Fare Schedule**

Subsystem	General Public Fare	Senior/Disabled/Child	Monthly Pass
Auberry Transit	\$0.50	Seniors Free/\$0.35	\$20.00
Coalinga Transit (<i>Intra-City</i>)	\$1.00	Seniors Free/\$0.50	\$30.00
Coalinga Transit (<i>Inter-City/Fresno</i>)	Varies	Varies	Varies
Dinuba Transit	\$1.50	\$1.25/\$0.50/Free	\$45.00/\$25.00
Firebaugh Transit	\$0.50	Seniors Free/\$0.35	\$20.00
Fowler Transit	\$0.75	Seniors Free/\$0.50	\$30.00
Huron Transit (<i>Intra-City</i>)	\$0.75	Seniors Free/\$0.50	\$30.00
Huron Transit (<i>Inter-City</i>)	Varies	Varies	Varies
Kerman Transit	\$0.50	Seniors Free/\$0.35	\$20.00
Kingsburg Transit	\$0.75	Seniors Free/\$0.50	\$30.00
Laton Transit	\$1.50	\$0.75	\$50.00
Mendota Transit	\$0.75	Seniors Free/\$0.50	\$30.00
Orange Cove Transit (<i>Intra-City</i>)	\$0.50	Seniors Free/\$0.35	\$20.00
Orange Cove Transit (<i>Inter-City</i>)	Varies	Varies	N/A
Parlier Transit	\$0.75	Seniors Free/\$0.50	\$30.00
Reedley Transit	\$0.75	Seniors Free/\$0.50	\$30.00
Sanger Transit	\$0.75	Seniors Free/\$0.50	\$30.00
San Joaquin Transit	\$0.50	Seniors Free/\$0.35	\$30.00
Selma Transit	\$0.75	Seniors Free/\$0.50	\$20.00
Southeast Transit	Varies	Varies	N/A
Westside Transit	Varies	Varies	N/A

Source: Fresno County Transportation Guide

Public hearings for the remaining subsystems have yet to be held in order to raise their fares to the recommended increases.

Fleet

FCRTA's fleet is comprised of seventy-one (71) vehicles plus thirty-five (35) replacement vehicles that are scheduled to be placed in service by FY 2010. A number of vehicles operate on alternative fuels, including twelve (12) that utilize propane, seventy-six (76) that use compressed natural gas (CNG) and two that operate on electric battery. The remaining sixteen (16) vehicles operate on gasoline only because no conversion kits were approved by the California Air Resources Board (CARB). All vehicles are lift equipped for compliance with Americans with Disabilities Act (ADA) requirements, and are owned by FCRTA. Table I-3 summarizes the composition of the system fleet:

**Table I-3
FCRTA Fleet Inventory**

Year	Make & Model	Quantity	Fuel type	Seating Capacity	Wheelchair Capacity
1992	Ford Van	11	Propane	14	1
1997	Cummins Bluebird	5	CNG	31	2
1997	Cummins Bluebird	2	CNG	24	2
1997	Ford Van	16	CNG	14	1
1997	Ford Van	3	Gasoline	22	2
1997	Specialty Vehicle Manufacturing Low-Floor	1	Electric	23	2
1997	Specialty Vehicle Manufacturing Trolley	1	Electric	19	2
1999	Ford Van	1	Propane	14	1
2001	Ford Van	5	Gasoline	22	2
2003	Ford Van	4	Gasoline	22	2
2004	Ford Van	14	CNG	22	2
2006	Ford Van	5	CNG	22	2
2006	John Deere Bluebird	3	CNG	37	2
2008	John Deere Bluebird	4	CNG	37	2
2009	Glaval-GMC	27	CNG	22	2
2009	Chevy	4	Gasoline	5	1
Total		106			

Source: Transit Productivity Evaluation FY 2008-09

With the addition of the thirty-five (35) replacement vehicles, thirty-six (36) vehicles from 1992 and 1997 are to be sold by December 31, 2010. In addition, the two (2) zero emission, electric battery powered vehicles have been removed from regular service due to prohibitive operating and maintenance costs.

Section II

Operator Compliance Requirements

This section of the audit report contains the analysis of FCRTA's ability 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"* which was developed by the Department of Transportation (Caltrans) to assess transit operators. The guidebook contains a checklist of eleven (11) measures taken from relevant sections of the Public Utilities Code and the California Code of Regulations. Each of these requirements is discussed in the table below, including a description of FCRTA's efforts to comply with the requirements. In addition, a discussion of the findings from the compliance review is described in the text following the table.

TABLE II-1 Operator Compliance Requirements Matrix		
Operator Compliance Requirements	Reference	Compliance Efforts
The transit operator submitted annual reports to the RTPA based upon the Uniform System of Accounts and Records established by the State Controller. Report is due ninety (90) days after end of fiscal year (Sept. 30), or one-hundred eleven (110) days (Oct. 20) if filed electronically (internet).	Public Utilities Code, Section 99243	Completion/submittal dates (internet filing): FY 2007: October 12, 2007 FY 2008: November 21, 2008 FY 2009: October 15, 2009 Conclusion: Partial Compliance The FY 2008 State Controller Report was submitted after the designated filing deadlines.
The operator has submitted annual fiscal and compliance audits to the RTPA and to the State Controller within one-hundred eighty (180) days following the end of the fiscal year (Dec. 27), or has received the appropriate ninety (90) day extension by the RTPA allowed by law.	Public Utilities Code, Section 99245	Completion/submittal dates: FY 2007: December 28, 2007 FY 2008: January 28, 2009 FY 2009: June 30, 2010 Conclusion: Partial Compliance The FY 2009 Fiscal and Compliance Audit was not

TABLE II-1 Operator Compliance Requirements Matrix		
Operator Compliance Requirements	Reference	Compliance Efforts
		submitted within the 180 day timeframe and exceeded the 90 day extension period.
The CHP has, within the thirteen (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	FCRTA participates in the CHP Transit Operator Compliance Program in which the CHP has conducted inspections within the thirteen (13) months prior to each TDA claim. Copies of certificates are attached to TDA claims. Copies of certificates were also submitted to the auditor for review. Inspection dates applicable to the audit period are as follows: FY 2007: February 9, 13, 15, 23; March 8, 23 & April 12, 2007 FY 2008: March 10, 11, 12 & 13, 2008 FY 2009: April 22, 24 & May 7, 12, 2009 Conclusion: Complied
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	As a condition of approval, FCRTA's annual claims for Local Transportation Funds and State Transit Assistance are submitted in compliance with rules and regulations adopted by Fresno COG. COG staff provides assistance as necessary to the agency in completing the claim.

TABLE II-1 Operator Compliance Requirements Matrix		
Operator Compliance Requirements	Reference	Compliance Efforts
		Conclusion: Complied
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	FCRTA only serves non-urbanized areas and is not subject to this requirement. Conclusion: Not Applicable
The operator's operating budget has not increased by more than fifteen (15%) over the preceding year, nor is there a 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).	Public Utilities Code, Sections 99266	Percentage increase in the FCRTA's operating budget: FY 2007: 11.59% FY 2008: 9.73% FY 2009: 9.89% Source: FY 2007-2009 FCRTA Budgets. Conclusion: Complied
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	FCRTA's definition of performance measures is consistent with Public Utilities Code, Section 99247. Conclusion: Complied
If the operator serves an	Public Utilities Code, Sections	This measure is not applicable

TABLE II-1 Operator Compliance Requirements Matrix		
Operator Compliance Requirements	Reference	Compliance Efforts
urbanized area, it has maintained a ratio of fare revenues to operating costs at least equal to one-fifth or twenty percent (20 %), unless it is in a county with a population of less than five hundred thousand (500,000), in which case it must maintain a ratio of fare revenues to operating costs of at least equal to three-twentieths or fifteen percent (15 %), if so determined by the RTPA.	99268.2, 99268.3, 99268.12, 99270.1.	to FCRTA, as it does not serve an urbanized area. Conclusion: Not Applicable
If the operator serves a rural area, it has maintained a ratio of fare revenues to operating costs at least equal to one-tenth or ten percent (10 %).	Public Utilities Code, Sections 99268.2, 99268.4, & 99268.5	The system's fare ratios using audited data are as follows: FY 2007: 12.51% FY 2008: 12.67% FY 2009: 12.70% Source: Annual Fiscal and Compliance Audits. Conclusion: Complied
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 forty (40) years.	Public Utilities Code, Section 99271	FCRTA has an interagency agreement with Fresno COG to participate in the COG's retirement program which is fully funded. Conclusion: Complied

TABLE II-1 Operator Compliance Requirements Matrix		
Operator Compliance Requirements	Reference	Compliance Efforts
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 are granted.	California Code of Regulations, Section 6754(a)(3)	As a recipient of State Transit Assistance Funds, FCRTA is making full use of federal funds available under the Urban Mass Transportation Act of 1964 as amended. FY 2007: \$ 430,221 FY 2008: \$1,196,124 FY 2009: N/A Source: State Controller Reports Conclusion: Complied

Findings and Observations from Operator Compliance Requirements Matrix

1. FCRTA has fully complied with seven of the eleven (11) TDA compliance requirements. Two (2) compliance requirements were not applicable to FCRTA. The transit agency was in partial compliance with regard to the submittal of the State Controller Operator Report during FY 2008 and the Annual Fiscal and Compliance Audit. The FY 2009 Fiscal Audit was submitted well beyond the ninety (90) day extension period.
2. FCRTA participates in the CHP Transit Operator Compliance Program in which the CHP has conducted inspections within the thirteen (13) months prior to each TDA claim. The CHP inspection reports submitted for review were found to be satisfactory.
3. The operating budget saw moderate growth during the audit period. The highest increase occurred in FY 2007 by about eleven and six-tenths percent (11.6 %). Budget increases for subsequent years during the audit period were just under ten percent (10 %).
4. Based on the available data from the Annual Fiscal and Compliance Audits, the agency's farebox recovery ratio remained above the required ten percent (10 %) during the review period. The average farebox during the triennial period was twelve and sixty-three hundredths percent (12.63 %).
5. FCRTA continues to utilize federal grant funding in addition to TDA revenues. Funding for operations under the FTA Section 5311 grant program has ranged from \$430,221 in FY 2007 to \$1,196,124 in FY 2008.

Section III

Prior Triennial Performance Recommendations

FCRTA's 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 Agency's efforts to implement the recommendation. Conclusions concerning the extent to which the recommendations have been adopted by the Agency are then presented.

Prior Recommendation 1

Consider steps for succession planning.

Actions taken by FCRTA:

This recommendation was prompted by the longevity of the current General Manager who has managed FCRTA more than thirty (30) years and the lack of a designated deputy or successor. FCRTA has taken steps to identify at least three (3) qualified and experienced individuals with backgrounds in Fresno County transit implementation that could be considered to assume the role of General Manager. In addition, in the event that transit consolidation should take place, it could render this process unnecessary.

Conclusion: This recommendation has been implemented.

Prior Recommendation 2

Review the effectiveness of marketing expenditures.

Actions taken by FCRTA:

FCRTA does acknowledge that an excessive portion of its marketing budget has been going towards community White Page listings and Yellow Page advertisements. The General Manager indicated that such advertising is expected by the public. The agency advertises in fourteen (14) phone books including two (2) Spanish language publications. Moreover, the number of new community phone books continues to multiply and their associated annual costs versus usage by actual riders are immeasurable. The advertising ranges from \$60 to \$600 monthly. FCRTA is examining other options for its marketing outreach approach that would better link cost effectiveness with ridership increases.

Conclusion: This recommendation has been partially implemented.

Section IV

TDA Performance Indicators

This section reviews FCRTA's performance in providing transit service in an efficient and effective manner. TDA requires that at least five (5) specific performance indicators be reported, which are contained in the following tables. Farebox is not one of the five (5) specific indicators, but is a requirement for continued TDA funding. Therefore, farebox calculation is also included for each mode. Findings from the analysis are contained in the section following the Tables and graphs, followed by the analysis.

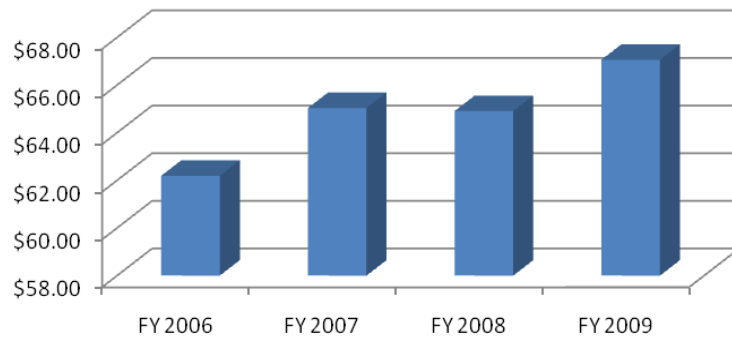
Table IV-1
FCRTA Systemwide Performance Indicators

Performance Data and Indicators	FY 2006	Audit Period			% Change FY 2006-2009
		FY 2007	FY 2008	FY 2009	
Operating Cost	\$3,418,317	\$3,721,259	\$4,073,583	\$4,509,598	31.9%
Total Passengers	400,649	402,456	460,839	446,406	11.4%
Vehicle Service Hours	54,967	57,221	62,759	67,248	22.3%
Vehicle Service Miles	776,620	824,976	850,828	924,876	19.1%
Employee FTE's	42	46	46	46	9.5%
Passenger Fares	\$438,578	\$465,474	\$516,257	\$572,893	30.6%
Operating Cost per Passenger	\$8.53	\$9.25	\$8.84	\$10.10	18.4%
Operating Cost per Vehicle Service Hour	\$62.19	\$65.03	\$64.91	\$67.06	7.8%
Operating Cost per Vehicle Service Mile	\$4.40	\$4.51	\$4.79	\$4.88	10.8%
Passengers per Vehicle Service Hour	7.3	7.0	7.3	6.6	-8.9%
Passengers per Vehicle Service Mile	0.52	0.49	0.54	0.48	-6.4%
Vehicle Service Hours per Employee	1,309	1,244	1,364	1,462	11.7%
Average Fare per Passenger	\$1.09	\$1.16	\$1.12	\$1.28	17.2%
Fare Recovery Ratio	12.83%	12.51%	12.67%	12.70%	-1.0%

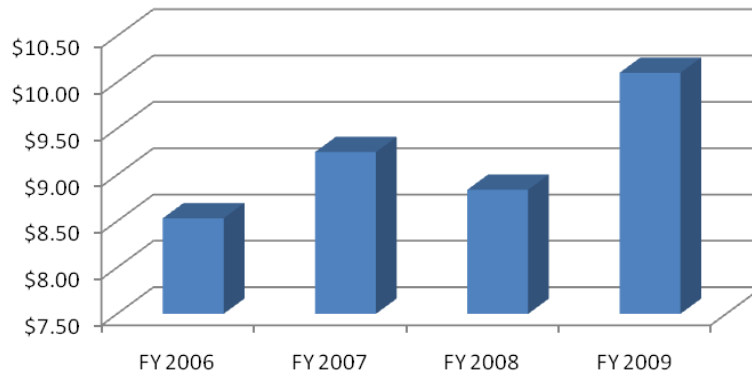
Source: Fiscal Audit, Internal Performance Documents, State Controller Operator's Reports

*Systemwide Operating Costs & Passenger Fares are audited data

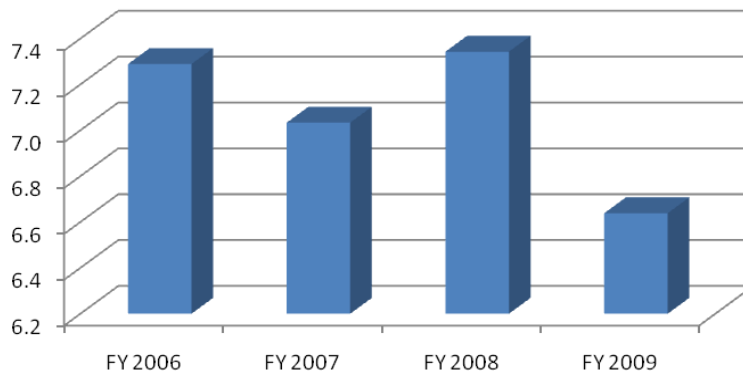
Operating Cost per Vehicle Service Hour



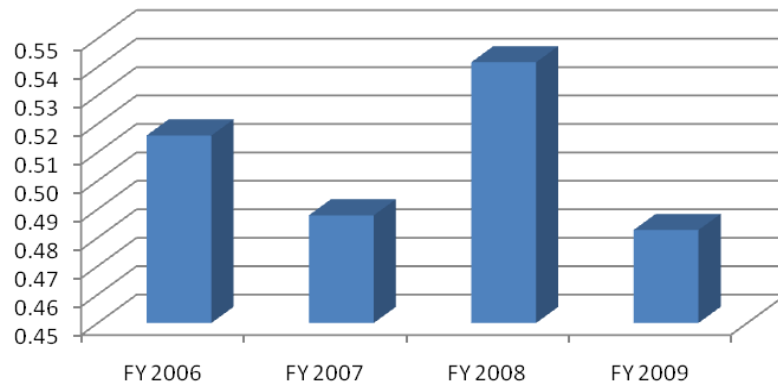
Operating Cost per Passenger



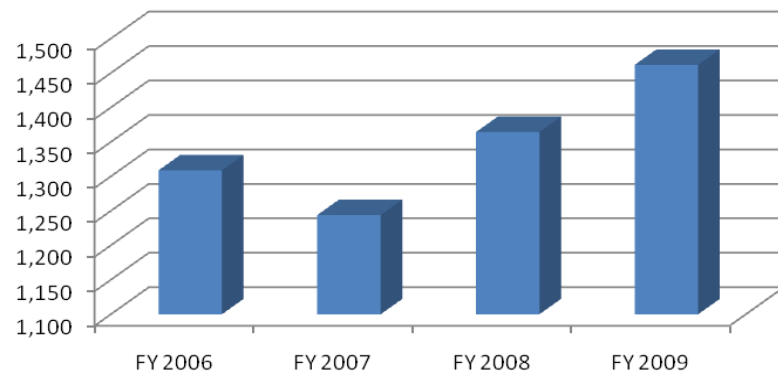
Passengers per Vehicle Service Hour



Passengers per Vehicle Service Mile



Vehicle Service Hours per Employee



Fare Recovery Ratio

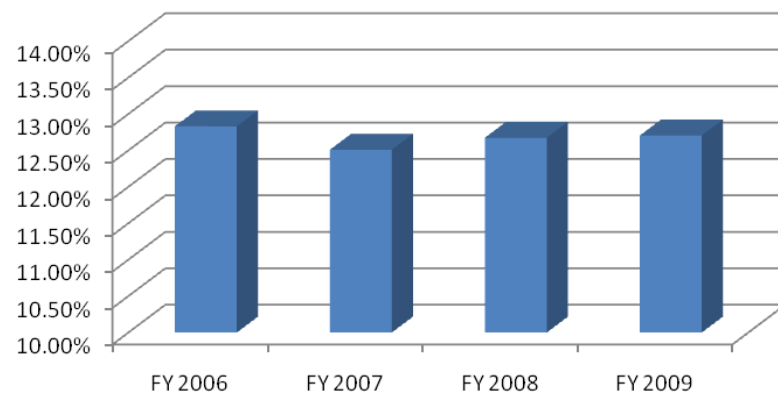
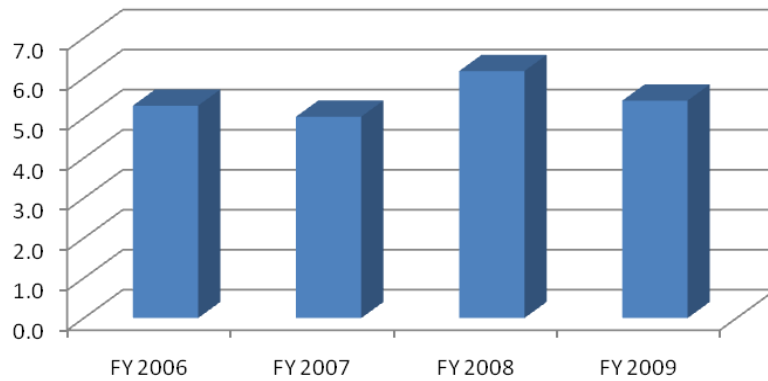


**Table IV-2
FCRTA Fixed Route Performance Indicators**

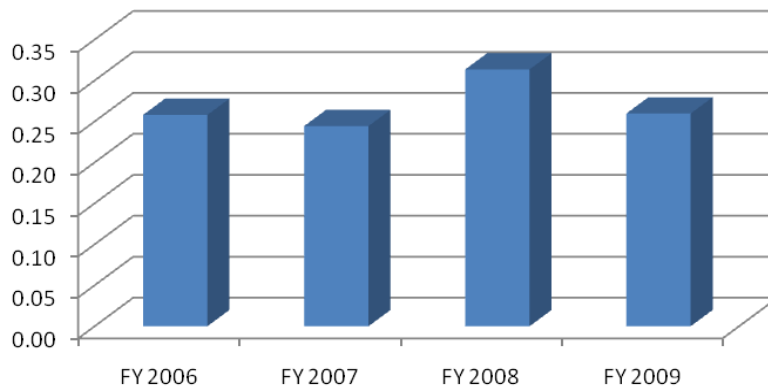
Performance Data and Indicators	FY 2006	Audit Period			% Change FY 2006-2009
		FY 2007	FY 2008	FY 2009	
Total Passengers	71,517	78,223	94,738	67,983	-4.9%
Vehicle Service Hours	13,472	15,541	15,345	12,508	-7.2%
Vehicle Service Miles	277,272	320,192	302,208	261,862	-5.6%
Employee FTE's	9	11	11	7	-22.2%
Passengers per Vehicle Service Hour	5.3	5.0	6.2	5.4	2.4%
Passengers per Vehicle Service Mile	0.26	0.24	0.31	0.26	0.7%
Vehicle Service Hours per Employee	1,497	1,413	1,395	1,787	19.4%

Source: State Controller Operator's Reports

Passengers per Vehicle Service Hour



Passengers per Vehicle Service Mile



Vehicle Service Hours per Employee

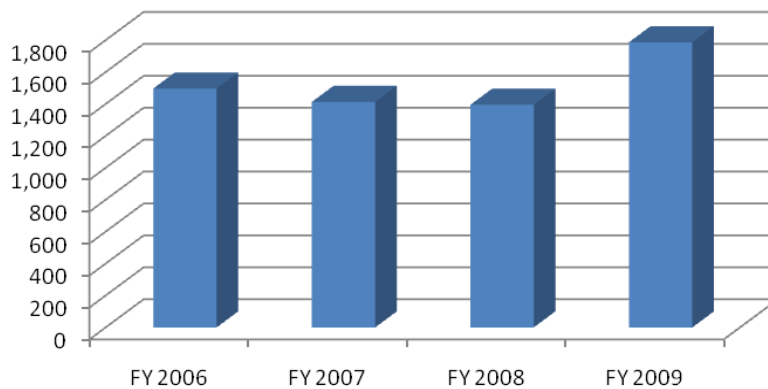
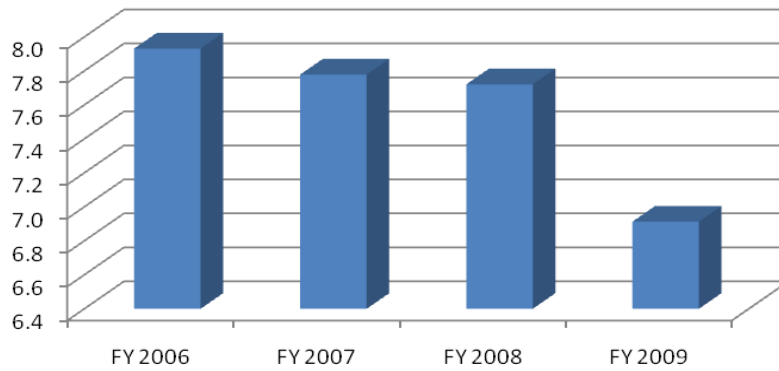


**Table IV-3
FCRTA Demand Response Performance Indicators**

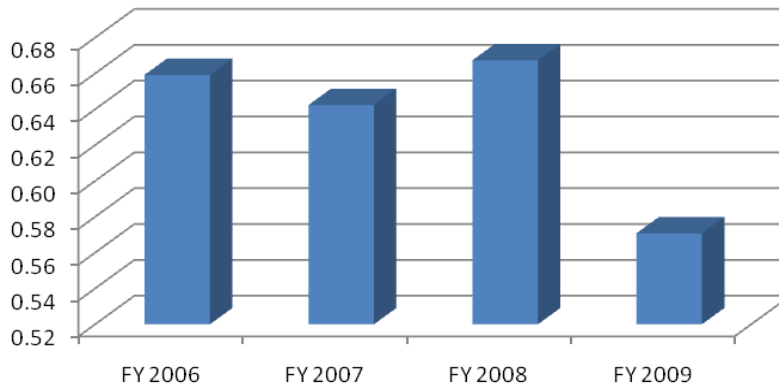
Performance Data and Indicators	FY 2006	Audit Period			% Change FY 2006- 2009
		FY 2007	FY 2008	FY 2009	
Total Passengers	329,132	324,233	366,101	378,423	15.0%
Vehicle Service Hours	41,495	41,680	47,414	54,740	31.9%
Vehicle Service Miles	499,348	504,784	548,620	663,014	32.8%
Employee FTE's	33	35	35	39	18.2%
Passengers per Vehicle Service Hour	7.9	7.8	7.7	6.9	-12.8%
Passengers per Vehicle Service Mile	0.66	0.64	0.67	0.57	-13.4%
Vehicle Service Hours per Employee	1,257	1,191	1,355	1,404	11.6%

Source: State Controller Operator's Reports

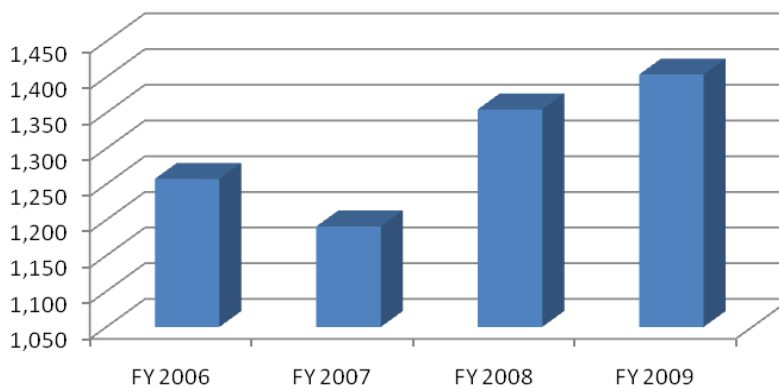
Passengers per Vehicle Service Hour



Passengers per Vehicle Service Mile



Vehicle Service Hours per Employee



Findings from Verification of TDA Performance Indicators

1. **Operating cost per vehicle service hour**, an indicator of cost efficiency, increased seven and eight-tenths percent (7.8 %) systemwide from \$62.19 in FY 2006 to \$67.09 in FY 2009. Operating costs on the whole increased nearly thirty-two percent (32 %) systemwide during the triennial period with operating hours exhibiting an increase of twenty-two and three-tenths percent (22.3 %).
2. **Operating cost per passenger**, an indicator of cost effectiveness, increased eighteen and four-tenths percent (18.4 %) systemwide from \$8.53 in FY 2006 to \$10.10 in FY 2009. Ridership systemwide increased eleven and four-tenths percent (11.4 %) during the period from 400,649 passengers in FY 2006 to 446,406 passengers in FY 2009. However, operating costs increased thirty-two percent (32 %) systemwide.
3. **Passengers per vehicle service hour**, which measures the effectiveness of the service delivered, declined eight and nine-tenths percent (8.9 %) percent systemwide from seven and three-tenths (7.3) passengers per hour in FY 2006 to six and six-tenths (6.6) passengers per hour in FY 2009. In contrast, fixed route services exhibited modest increase of two and four-tenths percent (2.4 %)percent over the same period from five and three-tenths (5.3) to five and four-tenths (5.4) passengers per hour, peaking at six and two-tenths (6.2) passengers per hour in FY 2008. Demand response operations saw a decline from seven and nine-tenths (7.9) to six and nine-tenths (6.9), which amounts to a twelve and eight-tenths percent (12.8 %) decline. Ridership for fixed route services declined by nearly five percent (5 %), while demand response ridership increased fifteen (15 %), a trend that supports the decrease in passengers per hour on a systemwide level.
4. **Passengers per vehicle service mile**, another indicator of service effectiveness, declined six and four-tenths (6.4 %) from fifty-two hundreds (0.52) in FY 2006 to forty-eight hundreds (0.48) passengers in FY 2009. Total vehicle service miles increased nineteen and one tenth percent (19.1 %) systemwide while ridership increased eleven percent (11 %) over the three year period. For fixed route operations, the number of passengers per service mile exhibited a slight increase of seven-tenths percent (0.7 %), remaining fairly constant at twenty-six hundreds (0.26) passengers. Demand response services exhibited a decline of thirteen and four-tenths percent (13.4 %) from sixty-six hundreds (0.66) to fifty-seven hundreds (0.57) passengers per mile.
5. **Vehicle service hours per employee** increased eleven and seven-tenths percent (11.7 %) systemwide between FY 2006 and FY 2009 from 1,309 to 1,462 hours, respectively. Fixed route operations exhibited a higher increase of nineteen and four-tenths percent (19.4 %) from 1,497 to 1,787 hours. In contrast, demand response operations exhibited an increase of eleven and six-tenths percent (11.6 %) percent from 1,257 hours in FY 2006 to 1,404 hours in FY 2009. This measure is based on the number of employee Full-Time Equivalents (FTE) using employee pay hours from the State Controller's Report and dividing by 2,000 hours per employee.

6. **Farebox recovery** exhibited an average annual decline of three-tenths percent (0.3 %) and an overall slight decline of one percent (1 %) between FY 2006 and 2009 systemwide. FCRTA farebox revenues are inclusive of Measure C revenues. In contrast, systemwide fare revenues increased thirty and six-tenths percent (30.6 %). Operating costs during the same period mirrored a comparable increase of nearly thirty-two percent (32 %), which kept the farebox recovery ratio between twelve percent (12 %) and thirteen percent (13 %).

Conclusion from the Verification of TDA Performance Indicators

FCRTA's performance indicators reflect a stable system with a balanced ratio of operating costs to fare revenues. Systemwide operating costs and fare revenues grew thirty-two percent (32 %) and thirty percent (30 %) respectively during the triennial period. Costs exhibited an average annual increase of about ten percent (10 %) whereas fare revenues saw an average annual increase of just over nine percent (9 %). The increase in operational costs is attributed primarily to maintenance expenditures. Vehicle service hours and miles were higher systemwide and also for demand response operations. Fixed route services exhibited modest declines in service hours and miles. Passenger trips were also down for fixed route, which counters the systemwide and demand response trends during the period. The decline in fixed-route ridership appeared to mirror the economic decline. Passengers are grouping fewer trips and riding less. Systemwide ridership grew eleven and four-tenths (11.4 %) but the fixed route services experienced a five percent (5 %) decline.

Section V

Review of Operator Functions

This section provides an in-depth review of various functions within FCRTA. The review highlights accomplishments, issues and/or challenges that were determined during the audit period. The following departments and functions were reviewed at FCRTA:

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

Operations and Planning

The triennial audit period was characterized by service adjustments and technology upgrades. FCRTA initiated several demonstration routes in response to Unmet Transit Needs requests.

A demonstration route to the Fresno County Juvenile Justice Campus on American Avenue and State Route (SR)-99 South of Fresno was initiated in August 2006. The purpose of the route was to provide transit between the Downtown Fresno Transit Center and the Juvenile Justice Campus Wednesday through Saturday. Service was planned to run over a three (3)-month trial period although it was budgeted for a full year. The service was discontinued due to low passenger loads and poor farebox recovery. The average farebox recovery was one and thirty-nine hundredths percent (1.39 %). According to FCRTA's General Manager, the \$1.00 fare charged on the route would have had to be increased to \$8.00 in order to meet the ten percent (10 %) minimum farebox requirement.

Another service was initiated to the unincorporated community of Biola, located six (6) miles west of Fresno along the West Shaw Avenue corridor. Biola Transit was initiated in October 2006 as an eight (8) hour, five (5) day a week service. Due to poor ridership, the service was reduced to one (1) day per week as a general public demand response service but later discontinued. Ridership for Biola Transit during the trial period totaled 948 passengers encompassing 169 seniors, 27 disabled passengers and 752 general public passengers. The average farebox recovery ratio was only two and eighty-four hundredths percent (2.84 %).

FCRTA also operated a three (3)-month demonstration service in the Sierra foothill communities East of Fresno along the SR-180 corridor. South Sierra Transit was comprised of an intra-community demand responsive service in Dunlap, Miramonte, Pinehurst, and Squaw Valley. Inter-city service was also provided to Orange Cove, Reedley, Parlier, Sanger, and the Fresno-Clovis Metropolitan Area. The South Sierra Transit service was discontinued in November 2009.

after only transporting 195 passengers and attaining a two percent (2 %) farebox recovery during the three month demonstration period.

The most successful service implemented has been the Dinuba Connection, which commenced service in August 2008. The service is operated in conjunction with Dinuba Transit as result of an unmet transit need. Supported by Tulare County Measure R and Fresno County Measure C funds, the Dinuba Connection was introduced to provide service between Dinuba and Reedley, in particular to meet the needs of students attending Reedley College and the job training program for nursing students at Sierra-Kings Hospital. Popular stops along this route include Sierra-Kings Hospital, Reedley College, Palm Village Retirement Community, and Wal-Mart. Since the implementation of service, the Dinuba Connection has been close to meeting a ten percent (10 %) farebox. The service is operated weekdays on two (2) seasonal schedules: one (1) during the school year and one (1) during the summer months.

Under the Measure's Regional Public Transit Program, the FCRTA has programmed priority service improvements categorized under a Primary and Secondary program. Primary programs are those that are anticipated to be reasonably funded by the extension of Measure C. Secondary programs are improvements that will be funded after the Primary Programs are fulfilled and provided that funding is available. Table V-1 outlines the service improvements planned in the Primary and Secondary Programs:

Table V-1
FCRTA Regional Public Transit Program

Primary Program	Secondary Program
Install and integrate a regional automated farebox system to enhance transit coordination and seamless passenger travel between transit systems	FCRTA's phased implementation will accomplish all the Primary Programs within the twenty (20) year time frame of available funding sources.
Expand intra-city services to improve demand responsive paratransit service frequencies to the elderly, disabled, low-income, and youth of rural Fresno County	
Complete fleet conversion to low emission buses	
Deploy other operational and infrastructure improvements such as construction of a dispatch terminal, utilizing intelligent transportation system technology such as safety surveillance cameras and global positioning systems to provide better services within and between the rural incorporated cities and unincorporated communities	
Expand inter-city service to improve scheduled fixed-route service frequencies to address	

Primary Program	Secondary Program
trips for employment	
Implement an unincorporated County area shuttle program	
Implement escort medical transit service program	
Expand transit services to the Eastside and Westside of Fresno County	
Implement sub-regional Eastside and Westside transit terminal facilities with compressed natural gas and hydrogen fueling stations	

Source: 2006 Measure "C" Extension Expenditure Plan

As an additional component of the Regional Public Transit Program, Fresno COG commissioned a transit consolidation study, which examines the feasibility of combining the three (3) public transit agencies in Fresno County under one (1) agency. The *Public Transportation Regional Agency Formation Study* (Nelson/Nygaard, June 2007), presents several short-term coordination efforts as well as a longer-term strategy that could result in a countywide consolidated transit system. Short-term coordination efforts would include a centralized call center, regional fare coordination (including coordination farebox procurement and revenue sharing), and coordinated marketing efforts. FCRTA has expressed concern about consolidation, noting that the Agency already enjoys the benefits of fourteen (14) entities working together under a JPA. It has further mentioned that Fresno Area Express (FAX) and Clovis transit employees are represented by unions; the FCRTA staffs are not. If consolidation were to occur, all of its employees could probably be represented by unions. The salaries and benefits that FCRTA employees would receive could significantly double, utilizing all available rural TDA funds with no change in service. There may no remaining funds for additional service modifications or expansion to address the future rural population base.

In conjunction with Fresno COG's planning efforts, FCRTA developed and adopted its *Short Range Transit Plan (S RTP) for the Rural Fresno County Area, FY 2009-2014* in June 2009. The S RTP serves as a bi-annual update to the Agency's operating plan and capital program. It also outlines its policy direction and strategic plan for transit. The strategic plan contains four (4) goals, each with specific performance measures. The goals address: (1) service levels, (2) service quality, (3) service productivity, and (4) system image. The S RTP also features a productivity evaluation analysis for each subsystem that examines ridership, fares, service miles and hours, operating costs and farebox recovery.

Service quality and reliability standards contained in the S RTP provide a measurement tool to gauge the effectiveness and success of the transit service. However, the Agency has adopted performance standards for each subsystem, which are analyzed in the annual Transit Productivity Evaluation. Table V-2 outlines the performance standards adopted by FCRTA for each subsystem:

**Table V-2
FCRTA Performance Standards**

Performance Indicator	Goal
Operating Cost per Passenger	\$17.64
Operating Cost per Vehicle Service Hour	\$88.20
Operating Cost per Vehicle Service Mile	\$6.06
Passengers per Vehicle Service Hour	3.00
Passengers per Vehicle Service Mile	0.30

Source: Transit Productivity Evaluation, FY 2008-09, Fresno COG

For FY 2007, FCRTA reported that eight (8) subsystems met FCRTA system standards for all performance indicators. These subsystems are Firebaugh, Fowler, Huron, Mendota, Orange Cove, Reedley, Sanger and Selma. One (1) or more of the other subsystems' performance indicators were inconsistent with the system standards. In FY 2008, seven (7) subsystems met systemwide standards for all performance indicators, which include Firebaugh, Fowler, Mendota, Orange Cove, Reedley, Sanger and Selma. For FY 2009, Firebaugh, Fowler, Mendota, Orange Cove, Reedley, Sanger and Selma subsystems met the standard. FCRTA does acknowledge the reasonable effort made by subsystems that operate in remote or sparsely populated communities to meet the standards, such as Auberry Transit and San Joaquin Transit.

In December 2007, the City of Selma expressed its intent to withdraw from the FCRTA effective July 1, 2008. The City wanted to explore the direct administration of its own transit service under a private contract operator as a cost saving measure. Issues pertaining to this option were discussed in March 2008, including the option of contracting Selma Transit through the FCEOC as the Rural CTSA. At a City Council meeting in May 2008, the Council reviewed a proposal submitted by MV Transportation. They were troubled by the details of the proposal. MV wanted the City to pay them a fee for the privilege of receiving their services. The Council also recognized that the proposal did not include fuel costs. They concluded that any potential cost savings were questionable. Therefore, the City Council requested that FCRTA submit its option for providing the service. In June 2008, the City Council approved a resolution that rescinded the prior resolution to withdraw from FCRTA. They expressed the desire to maintain the status quo with regards to the JPA, and its current service arrangements.

Dispatching and driver training are performed primarily by FCEOC. Dispatch logs show the time a call for service is made, assigned vehicle, pick up location and notes. Daily logs filled out by drivers in the field include trip pickup and drop off locations, type of passenger and fare collected. However, there is currently no space on the trip sheet for the driver to record the actual time of pick up or drop off, which provides a measure of service efficiency and effectiveness when compared to the dispatch call in times. Fare revenues are reconciled by the transit administrative staff and determine whether there is a difference between fares charged on the daily log and cash turned in by the drivers. An overage/underage is calculated with a section for an explanation in the office farebox reconciliation log.

The subsystems operating in Coalinga, Kerman, Reedley and Selma use their own municipal staffs comprised of drivers, dispatchers, supervisors and accountants. The cities complete monthly revenue and expenditure reports to FCRTA for reimbursement. Detailed backup information for expenses and monthly performance data, such as, ridership by type, fares, miles and hours, are included with the invoices.

Free senior rides are recorded on the daily driver logs and summarized by subsystem each month. A cost per senior ride is multiplied by the number of eligible passengers to arrive at a total cost that is reimbursed by FCRTA Measure C funds. For FY 2008-09, a total of 96,158 seniors received free rides systemwide, representing over twenty percent (20 %) of total passengers. This equated to about \$49,000 in Measure C reimbursement and recorded as fare revenue for purposes of the farebox recovery ratio.

FCRTA is in the process of installing Global Positioning System (GPS) technology on each fleet vehicle that is monitored by computers that will allow dispatchers to locate the vehicle in real-time to assist in grouping passenger pick-ups and relate with patterns that anticipate the vehicle's arrival to pick them up. FCRTA underwent a security audit by the Federal Transit Administration (FTA), and with available Proposition 1B State Homeland Security grant funding, installed an audio/video surveillance system on sixty (60) buses. There are six (6) cameras mounted on the larger buses, four (4) on the cutaway vans and two (2) on the mini-vans. The camera and microphones monitor the entry steps, the farebox, the vehicle's interior seating, and the wheelchair lift usage. The video recording system contains a five-hundred (500) Gigabyte (GB) hard drive with a continuous record feature that tracks location, time and speed. The video remains activated forty-five (45) minutes after the vehicle is turned off. If an issue is realized, the driver may push a button that will electronically mark the recording to assist in the later review of the reported situation.

Maintenance

Vehicle maintenance is performed on a 3,000 mile or forty-five (45) day inspection schedule in accordance with the State's General Public Paratransit Vehicle (GPPV) regulations. The California Highway Patrol (CHP) is responsible for certifying FCRTA's maintenance facilities and for inspecting vehicles on an annual basis. Maintenance is contracted with a private vendor, Transportation Specialties, located in Clovis. Because FCRTA vehicles operate and generally layover in their respective service areas throughout the County, the maintenance contractor shuttles recently maintained vehicles from Clovis out to the field and replaces the existing vehicle. Spare vehicles are also maintained in the field when other vehicles are switched out for maintenance. In addition to its facility in Clovis, FCRTA maintains a second bus barn in Sanger, which contains spare parts, batteries, transformers and spare CNG pumps. FCRTA also uses the City of Selma's public works facility.

The Agency's inter-city vehicles are refueled at five (5) existing CNG fast-refueling facilities located throughout the County. FCRTA generally utilizes FuelMaker slow-fill CNG equipment to refuel its fleet of intra-city CNG vehicles overnight in remote locations. There are forty-five (45) of these units currently installed. A FuelMaker combines natural gas compression with controls,

electronics, and software into a simple compact package that can be installed anywhere that has residential natural gas service. The FuelMaker company filed for bankruptcy in March 2009 and was purchased by an Italian company which has not been responsive to FCRTA purchase requests. This was the only company in North America to manufacture and service such devices. The FCRTA staff and maintenance contractor searched worldwide for a similar device to meet the Agency's needs. A product was identified in China that had been utilized for the previous ten (10) years. The FCRTA contacted a Chinese company to procure sixty (60) new pumps for about \$600,000. FCRTA encountered weather protection issues with the pumps' stainless steel covers and had a U.S.-based inspector examine and certify the units for use in the United States. The cost to convert a vehicle to CNG is approximately \$30,000.

Marketing

FCRTA markets its services through a variety of media. The Agency maintains a Web site, <http://www.ruraltransit.org/>, which offers a synopsis of each local subsystem, including fares, hours of operations and schedules. Information about FCRTA is also contained in the Fresno County Transportation Guide published by Fresno COG as well as through the Fresno COG Web site. The transportation guide is published in a bilingual (English/Spanish) format and was last updated in Spring 2007. Fresno COG is changing the format of the Fresno County Transportation Guide from a booklet to a folded pocket guide. The pocket guide will continue to be bilingual and feature basic information about transit services contact phone numbers, and Web site links.

FCRTA also uses one-page informational flyers to market its services by identifying the specifics of an individual transit subsystem. The Agency has a marketing budget of about \$44,000 annually. A significant portion of that budget is allocated towards advertisements in fourteen (14) community telephone books, including two (2) Hispanic publications. The monthly cost of such advertisements ranges from \$60 to \$600 monthly. The rationale given for this expenditure is due to public expectation and known widespread print distribution.

General Administration and Management

As a JPA, FCRTA is comprised of Fresno County and thirteen (13) rural incorporated cities. The Agency's governing Board is comprised of fourteen (14) members. Each City has a member (represented by a mayor or councilmember) who receives one vote while the County has one member from the Board of Supervisors who receives six (6) votes. Nine (9) votes are required for a quorum. By the mutual agreement of its members, the FCRTA is administered by its designated General Manager. FCRTA contracts with Fresno COG to provide administrative and fiscal management services.

FCRTA's budget is organized based upon each subsystem service area's Sphere of Influence (SOI) and population. The budget details the service hours of each subsystem and provides a narrative status of each subsystem, including any changes and the reasons for the change. Within financial constraints, the Agency tailors transit services to the unique needs of each jurisdiction to meet trip demand, whether from fixed route or demand response, or both. The Cities of Coalinga, Kerman, Reedley and Selma utilize their own personnel (drivers, dispatchers, supervisors, and

accountants) to staff the transit service under FCRTA's direction in their respective cities. In the Spring of 2009, the City of Selma, in an expressed effort to economize in the face of significant budget reductions, accepted an offer to contract through the FCRTA with the FCEOC as the Rural Consolidated Transportation Services Agency (CTSA) to retain their driver and dispatcher personnel to assure dependable transit service to their community.

It should be noted that the General Manager has been managing the system since its inception thirty (30) years ago. One (1) of the prior audit recommendations suggested that FCRTA undertake succession planning scenarios to ensure the Agency continues to operate efficiently and effectively well into the future. FCRTA has since taken steps to identify at least three (3) qualified and experienced individuals with backgrounds in Fresno County transit implementation that could be considered to assume the role of General Manager.

Grant Administration and Funding

Grant funding allocated towards supporting transit services have been derived from local, state and federal sources. The principal source of local funding has been TDA. The secondary source is now the extension of Measure C, the County-wide, one-half (1/2) cent sales tax overwhelmingly reauthorized by a seventy-seven percent (77 %) voter margin in November 2006. About twenty-four percent (24 %) of the expected Measure C funds are allocated to Regional Public Transit, in an effort to expand mass transit programs that have a demonstrated ability to get people to use alternative transportation and improve air quality. Measure C funds are budgeted to be utilized to expand existing services, increase service levels, leverage grant dollars, and complete minor capital projects. The FCRTA receives four (4) percent of total annual Measure C revenues through 2027.

Based on the Measure C Extension Expenditure Plan Regional Public Transit program, FCRTA is programmed to receive on average \$3.42 million annually or \$68.4 million over the twenty (20)-year life of the measure in multi modal funding. Measure C Extension funds have been used to support new service enhancements such as the Dinuba Connection, additional service expansion vehicles for Firebaugh Transit, Fowler Transit, Kingsburg Transit, and Reedley Transit, and demonstration services such as South Sierra Transit.

State funding has consisted of TDA and Proposition 1B allocations. The Agency's TDA apportionment has ranged between \$2.3 and \$2.5 million during the audit period. The agency received \$1,696,542 in Proposition 1B Public Transportation Modernization, Improvement & Service Enhancement (PTMISEA) funds during the FY 2007-08 cycle and had earned \$7,726 in interest on those funds. At the end of FY 2008, the Agency spent \$32,845 on capital projects. The funds were used towards the procurement and installation of vehicle GPS systems.

Most transit-related federal grants are derived from several funding sources. FCRTA receives the majority of its federal funding through the FTA Section 5311 program for capital and operating assistance. Funding under this formula has ranged from \$430,221 to nearly \$1.2 million. The Agency has applied for FTA Section 5316 Job Access/Reverse Commute (JARC) funds for vehicle procurement to offer additional home to work services, passenger information, and trip planning

software on countywide basis to further enhance the potential for seamless transit services by all transit agencies. Another source of federal funds has been Section 5317 New Freedom grant program towards the procurement of larger vehicles with lifts able to meet the weight capacity in excess of the ADA standards to address the travel needs of morbidly obese individuals in motorized wheelchairs. In addition, FCRTA received \$1.7 million in American Recovery and Reinvestment Act (ARRA) funding for vehicle procurement.

Section VI

Findings and Recommendations

The following material summarizes the major findings obtained from this Triennial Audit covering FY's 2006-07, 2007-08 and 2008-09. A set of recommendations is then provided.

Triennial Audit Findings

1. FCRTA has fully complied with seven (7) of out of the eleven (11) TDA compliance requirements. Two (2) compliance requirements were not applicable to FCRTA. The Rural Transit Agency was in partial compliance with regard to the submittal of the State Controller Operator Report during FY 2008 and the Annual Fiscal and Compliance Audit. The FY 2009 Fiscal Audit was submitted well beyond the ninety (90) day extension period.
2. FCRTA participates in the CHP Transit Operator Compliance Program in which the CHP has conducted inspections within the thirteen (13) months prior to each TDA Claim. The CHP inspection reports concluded that each vehicle was maintained within factory specifications. In addition, the records, pull notices and the drug and alcohol program reviewed were found to be satisfactory.
3. The operating budget saw moderate growth during the audit period. The highest increase occurred in FY 2007 by about eleven and six-tenths percent (11.6 %). Budget increases for subsequent years during the audit period were just under ten percent (10 %).
4. Based on the available data from the Annual Fiscal and Compliance Audits, the Agency's farebox recovery ratio remained above the required ten percent (10 %) during the review period. The average farebox during the triennial period was twelve and sixty-three hundredths percent (12.63 %).
5. FCRTA continues to utilize federal grant funding in addition to TDA revenues. Funding for operations under the FTA Section 5311 grant program has ranged from \$430,221 in FY 2007 to \$1,196,124 in FY 2008.
6. FCRTA's performance indicators reflect a stable system with a balanced ratio of operating costs to fare revenues. Systemwide operating costs and fare revenues grew thirty-two percent (32 %) and thirty percent (30 %) respectively during the triennial period. Costs exhibited an average annual increase of about ten percent (10 %) whereas fare revenues saw an average annual increase of just over nine percent (9 %).
7. Of the two prior audit recommendations, FCRTA implemented the first (1st) recommendation and partially implemented the second (2nd) recommendation.
8. FCRTA initiated several demonstration routes serving the Juvenile Justice Campus, Biola and the South Sierra foothill communities East of Fresno in response to Unmet Transit Needs

requests. Due to low ridership and farebox recovery ratios, each of these demonstration routes was discontinued.

9. The most successful service implementation has been the Dinuba Connection, which commenced service in August 2008 and is operated in conjunction with Dinuba Transit. Since the implementation of service, the Dinuba Connection has been close to meeting a ten percent (10 %) farebox.
10. The City of Selma expressed its intent to leave FCRTA in December 2007 effective July 1, 2008. The City wanted to explore the direct administration of its own transit service under a private contract operator as a cost saving measure. After much consideration, the City Council approved a resolution that rescinded the prior resolution to withdraw from FCRTA in June 2008. The Council expressed the desire to maintain the status quo with regards to the JPA and its current level of service.
11. In conjunction with Fresno COG's planning efforts, FCRTA developed and adopted its *Short Range Transit Plan (SRTP) for the Rural Fresno County Area, FY 2009-2014* in June 2009. The SRTP serves as a bi-annual update to the Agency's operating plan and capital program. It also outlines its policy direction and strategic plan for transit.
12. One (1) of the prior audit recommendations suggested that FCRTA undertake succession planning scenarios to ensure the Agency continues to operate efficiently and effectively well into the future. FCRTA has since taken steps to identify at least three (3) qualified and experienced individuals with backgrounds in Fresno County transit implementation that could be considered to assume the role of General Manager.
13. Based on the Measure C Extension Expenditure Plan Regional Public Transit program, FCRTA is programmed to receive on average \$3.42 million annually or \$68.4 million over the twenty (20) year life of the Measure in multi-modal funding. Measure C Extension funds have been used to support new service enhancements such as the Dinuba Connection, additional service expansion vehicles for Firebaugh Transit, Fowler Transit, Kingsburg Transit, and Reedley Transit, and demonstration services such as South Sierra Transit.

Triennial Audit Recommendations

1. Consider using an advertising co-op for placement of telephone book listings.

FCRTA spends a significant portion of its marketing budget on telephone book listings. The Agency is listed in fourteen (14) community telephone books, including two (2) Spanish-language publications. The monthly cost of these listings ranges from \$60 to \$600 monthly. While it is understood that these listings provide the Agency with the exposure that the public has come to expect, it would be prudent to consider other more cost-effective approaches. To obtain greater value for its expenditures, it is suggested that the Agency utilize an advertising co-op or Certified Marketing Representative (CMR) for the placement of telephone book listings. Participation in an advertising co-op would enable FCRTA to leverage its marketing dollars by having its phone listings and service information disseminated in bulk. A CMR is approved by the Yellow Pages Publishers Association (YPPA) who could take care of all of FCRTA's placements in Yellow Pages, White Pages and online directories, deal with all the publishers of directories in the Fresno Metropolitan Area, and negotiate the best prices.

2. Format driver daily log to enable the recording of actual time of pickup and drop off.

The demand response systems within FCRTA should maintain actual pickup and drop off information for each trip provided. The daily logs should include columns next to the trip description to allow for recording actual pick-up and drop-off times. The information provides a measure of service efficiency and effectiveness when compared to the dispatch call in times. It also could provide additional assurance against customer comments about their pick-up time and ride time.

3. Ensure Annual Fiscal Audits and State Controller Reports are submitted on time.

The submittal of the State Controller Reports and the annual fiscal audits has, overall, been timely. However, the FY 2008 State Controller Report was submitted past the designated filing deadline. Likewise, the FY 2009 fiscal audit was submitted beyond the ninety (90)-day extension period. It is suggested that FCRTA coordinate with Fresno COG as part of enhanced oversight procedures to ensure that both the State Controller Report and the annual fiscal audit are submitted within their statutory timelines and allowable extensions.