Fresno Council of Governments

FAX FRESNO AREA EXPRESS

FYs 2012-13, 2013-14, and 2014-15 Triennial Performance Audit of Fresno Area Express

Submitted to
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INTERNATIONAL

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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 Fresno Council of Governments (Fresno COG) engaged Michael Baker International to conduct the TDA triennial performance audit of the public transit operators under its jurisdiction in Fresno County. This performance audit is conducted for the Fresno Area Express (FAX, department) covering the most recent triennial period, fiscal years 2012–13, 2013–14, and 2014–15.

The purpose of the performance audit is to evaluate FAX's effectiveness and efficiency in its use of TDA funds to provide public transportation in its service area. This evaluation is required as a condition for continued receipt of these funds for public transportation purposes. In addition, the audit evaluates FAX's compliance with the conditions specified in the California Public Utilities Code (PUC). This task involves ascertaining whether FAX is meeting the PUC's reporting requirements. Moreover, the audit includes calculations of transit service performance indicators and a detailed review of the transit administrative functions. From the analysis that has been undertaken, a set of recommendations has been made which is 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 the development and conduct of the audit.

Overview of the Transit System

The City of Fresno has been providing transit service since 1961, having taken over the privately run Fresno City Lines. The system was rebranded to Fresno Area Express (FAX) in 1989. FAX is the largest public transportation operator in Fresno County under the direction of the City of Fresno Department of Transportation. Administrative oversight is provided by the Fresno City Council, which serves as FAX's principal policy board.

FAX operates a general public fixed-route bus service and a paratransit service (Handy Ride) to persons eligible under the Americans with Disabilities Act (ADA) and unable to access the fixed-route services. FAX is the co-designated Consolidated Transportation Services Agency (CTSA) with the Fresno Economic Opportunities Commission (FEOC) for the urbanized area. In its

capacity, FAX provides coordinated efforts with FEOC in the provision of consolidated transportation for social service agencies and community programs.

Fresno is the county seat and largest city in Fresno County located at the junctions of State Routes (SR) 41, 99, 168, and 180. In addition, Fresno is the fifth largest city in California and the principal commercial hub of the San Joaquin Valley. The city has a total land area of approximately 114.2 square miles. The 2010 US Census data showed a population of 494,665, which grew 15.7 percent since the 2000 US Census. The senior citizen population, comprising residents aged 65 and older, is 9.32 percent. Based on the 2016 California Department of Finance estimate, Fresno's population grew to 520,453 residents.

While agriculture remains the primary industry (13.56 percent of jobs), Fresno's economy continues to diversify, reflecting its advantageous location and lower cost of living. Fresno is also known as the gateway to Yosemite National Park, located 94 miles to the north along SR 41, and Kings Canyon National Park, located 57 miles to the east along SR 180.

System Characteristics

The FAX service area comprises the city of Fresno, parts of Clovis, and adjacent areas of unincorporated Fresno and Madera counties. A portion of FAX Route 28 operates in Clovis and is subsidized by Clovis based on the number of service hours and miles provided in that city. Payments from Clovis include only direct fixed-route service costs. Separately, FAX Route 58E serves Valley Children's Hospital of Central California located just to the north in Madera County.

Fixed-route services operate Monday through Friday between 5:30 a.m. and 10:00 p.m., and Saturday and Sunday between 6:30 a.m. and 7:00 p.m. Service is not provided on Thanksgiving Day and Christmas Day. Weekend-level service is provided on New Year's Day, Martin Luther King Jr. Day, Presidents Day, Memorial Day, Independence Day, Labor Day, Veterans Day, the day after Thanksgiving, and the day before Christmas. FAX operates one service center where passengers can purchase passes, tickets, and tokens as well as obtain route maps and schedules. The service center is located at the Manchester Transit Center.

Fixed Route: FAX operates 16 fixed routes across the Fresno-Clovis metropolitan area. The majority of routes operate at 30-minute frequencies during the week and at 30- to 60-minute frequencies on weekends. Routes 28, 30, and 34 operate at 20-minute frequencies during peak hours Monday through Friday. A summary of FAX's fixed-route service is presented in Table I-1.

Table I-1
FAX Fixed-Route Services

Route Number	Description	Frequency/Operation	Destinations/Timepoints
9	Shields & Brawley/ Shaw Crosstown/Clovis	Every 30 minutes (Monday through Friday from 5:40 a.m. to 9:58 p.m.) Every 30 minutes	▪ Tioga Middle School ▪ Fresno State ▪ International English Institute

Route Number	Description	Frequency/Operation	Destinations/Timepoints
		(weekends from 6:35 a.m. to 7:24 p.m.)	▪ Fashion Fair Shopping Center ▪ Fig Garden Village ▪ Sierra Vista Mall
20	North Hughes/North Marks/Downtown	Every 30 minutes (Monday through Friday from 5:40 a.m. to 9:50 p.m.) Every 45 minutes (weekends from 6:45 a.m. to 6:32 p.m.)	▪ Fresno High School ▪ Cooper Middle School ▪ Fresno City College ▪ Fulton Mall ▪ Cesar E. Chavez Adult School ▪ County Library ▪ Fresno City Hall
22	North West Avenue/East Tulare Avenue	Every 30 minutes (Monday through Friday from 5:30 a.m. to 9:50 p.m.) Every 50 minutes (weekends from 6:30 a.m. to 7:11 p.m.)	▪ Roosevelt High School ▪ Kings Canyon Middle School ▪ Bullard West Shopping Center ▪ Fulton Mall ▪ City Hall ▪ State Building ▪ County Library ▪ Fresno City Personnel
26	North Palm/Peach Avenue	Every 30 minutes (Monday through Friday from 5:55 a.m. to 9:58 p.m.) Every 60 minutes (weekends from 7:15 a.m. to 7:30 p.m.)	▪ Bullard High School ▪ Kings Canyon Middle School ▪ Fig Garden Village ▪ River Park ▪ IRS ▪ Fresno High School ▪ Fresno Pacific University ▪ Fulton Mall ▪ Downtown Transfer Center ▪ Fresno Yosemite International Airport ▪ Sunnyside High School ▪ Kings Canyon Pavilion
28	CSUF/Manchester Center/ West Fresno	Every 20–25 minutes (Monday through Friday from 5:45 a.m. to 9:50 p.m.) Every 30 minutes (weekends from 6:40 a.m. to 7:32 p.m.)	▪ Fort Miller School ▪ Tioga Middle School ▪ Fresno State ▪ Fresno Pacific University ▪ Fashion Fair Shopping Center ▪ Manchester Shopping Center ▪ Fulton Mall ▪ IRS ▪ Sunnyside High School
30	River Park/North	Every 20–30 minutes	▪ DeWolf High School

Route Number	Description	Frequency/Operation	Destinations/Timepoints
	Blackstone/West Fresno	(Monday through Friday from 5:45 a.m. to 9:50 p.m.) Every 60 minutes (weekends from 6:35 a.m. to 7:19 p.m.)	▪ Opportunity Program School ▪ Manchester Shopping Center ▪ Cesar E. Chavez Adult School ▪ Fulton Mall ▪ City Hall ▪ Federal Building ▪ State Building ▪ County Library
32	River Park/Manchester Center/West Fresno	Every 30 minutes (Monday through Friday from 5:54 a.m. to 9:56 p.m.) Every 30 minutes (weekends from 6:30 a.m. to 7:05 p.m.)	▪ San Joaquin Memorial High ▪ DeWolf High School ▪ Fort Miller Middle School ▪ Eastgate Plaza ▪ Fashion Fair Shopping Center ▪ Kearney Palms Shopping Center ▪ Kaiser Hospital ▪ Manchester Center
33	Belmont Crosstown	Every 30 minutes (Monday through Friday from 6:00 a.m. to 7:55 p.m.) Every 60 minutes (weekends from 7:30 a.m. to 6:55 p.m.)	▪ Roeding Park ▪ Chaffee Zoo ▪ Tehipite Middle School
34	Northeast Fresno/North First/West Fresno	Every 20 minutes (Monday through Friday from 5:50 a.m. to 9:45 p.m.) Every 30 minutes (weekends from 6:45 a.m. to 7:35 p.m.)	▪ Tioga Middle School ▪ Kearney Palms Shopping Center ▪ Fashion Fair Shopping Center ▪ Fulton Mall ▪ Saint Agnes Medical Center
35	Olive Crosstown	Every 30 minutes (Monday through Friday from 5:45 a.m. to 9:57 p.m.) Every 45 minutes (weekends from 7:00 a.m. to 6:55 p.m.)	▪ The Tower District ▪ DMV ▪ Roeding Park ▪ Yosemite Middle School ▪ Social Security Office

Route Number	Description	Frequency/Operation	Destinations/Timepoints
38	Chukchansi Park/River Park/North Cedar/SW Fresno	Every 20 minutes (Monday through Friday from 5:45 a.m. to 9:46 p.m.) Every 30 minutes (weekends from 6:45 a.m. to 7:30 p.m.)	▪ Fresno State ▪ McLane High School ▪ Edison High School ▪ Duncan Polytechnical High School ▪ Roosevelt High School ▪ Sequoia Middle School ▪ Kearney Palms Shopping Center
39	Clinton Avenue Crosstown	Every 30 minutes (Monday through Friday from 5:30 a.m. to 9:58 p.m.) Every 60 minutes (weekends from 7:30 a.m. to 7:22 p.m.)	▪ McLane High School ▪ Manchester Mall ▪ Manchester Transfer Center ▪ Veterans Medical Center ▪ Fresno Art Museum ▪ Fresno Yosemite International Airport ▪ Fresno High School ▪ Social Security ▪ Fresno City College
41	Malaga/Shield/ Chestnut	Every 30 minutes (Monday through Friday from 5:40 a.m. to 9:35 p.m.) Every 50 minutes (weekends from 7:05 a.m. to 7:28 p.m.)	▪ Fort Miller Middle School ▪ Scandinavian Middle School ▪ California Christian College ▪ Fresno Pacific University ▪ Eastgate Shopping Center ▪ Manchester Mall
45	Herndon/Fruit/Ashlan/ Fowler	Every 60 minutes (Monday through Friday from 6:03 a.m. to 9:03 p.m.) Every 60 minutes (weekends from 9:40 a.m. to 6:30 p.m.)	▪ Fresno High School ▪ Fort Miller Middle School ▪ Fresno City College ▪ Ashlan Park Shopping Center ▪ Manchester Mall
58	Northeast Fresno	Every 60 minutes (Monday through Friday from 6:53 a.m. to 6:40 p.m.) Every 60 minutes (weekends from 11:00 a.m. to 6:25 p.m.)	▪ Clovis West High School ▪ Market Place ▪ US Post Office ▪ Shopping Centers

Route Number	Description	Frequency/Operation	Destinations/Timepoints
58E	Children's Hospital Express	Every 60 minutes (Monday through Friday from 6:20 a.m. to 6:10 p.m.) Every 60 minutes (weekends from 11:30 a.m. to 5:55 p.m.)	▪ Market Place (East El Paso Avenue) ▪ Valley Children's Hospital of Central California (Maulpin & Peck)

Source: FAX

Dial-a-Ride: The Handy Ride paratransit service is operated under a contract with a private transportation operator. Handy Ride provides curb-to-curb service during the same operating hours as the fixed route, and next-day reservations are allowed in compliance with ADA regulations. Same-day reservations may be made on a spot availability basis. The service area covered is the same as the fixed route and currently includes additional areas that extend beyond the ADA requirement of three-quarters of a mile from the FAX fixed routes. Trips originating in Fresno that end in Clovis are also returned on Handy Ride.

Fares

FAX's fares are structured according to service type, passenger category, and fare media. Senior and Special Rider (disabled) fares and passes require proper identification. Transfers are free with a full paid fare, which can be used to transfer to two additional buses to complete a one-way fare within a 90-minute period. The fare structure is shown in Table I-2.

Table I-2
FAX Fare Schedule

Fare Categories	Fare
Fixed Route	
General	$1.25
Seniors (age 65 years of age and older)	$0.60
Disabled	$0.60
Medicare Cardholder Fare	$0.60
Children (age 6 and under up to a maximum of 4)	Free
Tokens (singles)	$1.25
Roll of 20 Tokens	$22.50
Roll of 50 Tokens	$55.00
Handy Ride Paratransit	
ADA Eligible Individual per Ride Fare	$1.50
ADA Eligible Individual's Personal Care Attendant, Sighted Guide, Support Service Provider	Free
ADA Eligible Individual's Companion per Ride Fare	$1.50
Monthly Passes	
Seniors (age 65 and older)	$24.00
Special Rider	$24.00

Fare Categories	Fare
Handy Ride (60 one-way trips)	$48.00
Metro Pass (FAX & Clovis Transit)	$48.00

Source: FAX

Fleet

FAX's vehicle fleet comprises 167 vehicles. There are 100 vehicles in the fixed-route fleet and 67 vehicles utilized for Handy Ride. Most of the fixed-route fleet is powered by alternative fuels (such as compressed natural gas [CNG]) or electric hybrid technology. All vehicles, with the exception of Handy Ride sedans, are lift equipped and conform to ADA requirements in regard to wheelchair accessibility. Table I-3 summarizes the composition of the fixed-route fleet.

Table I-3
FAX Fixed-Route Fleet Inventory

Year	Make & Model	Quantity	Fuel Type	Seating Capacity	Wheelchair Capacity
1999	Gillig Phantom G18D102N	10	Diesel	45	2
2002	Orion 05.501	25	CNG	28	2
2005	New Flyer C40LF	10	CNG	45	2
2005	New Flyer C40LF	2	Hybrid (gas/electric)	45	2
2006	New Flyer C40LF	14	CNG	45	2
2009	New Flyer C40LF	16	CNG	45	2
2009	New Flyer GE40LF	1	Hybrid (gas/electric)	45	2
2011	Gillig Low Floor	1	CNG	37	2
2012	29-foot Gillig Low Floor	3	CNG	26	2
2012	Gillig Low Floor	8	CNG	37	2
2013	Gillig Low Floor	2	CNG	37	2
2014	Gillig Low Floor	8	CNG	37	2
Total		**100**			

Source: FAX

The Handy Ride fleet comprises smaller cutaway vehicles and sedans with gasoline and alternative fuel powered engines. Table I-4 summarizes the composition of the Handy Ride fleet.

Table I-4
Handy Ride Fleet Inventory

Year	Make & Model	Quantity	Fuel Type	Seating Capacity	Wheelchair Capacity
2004	Ford Cutaway E450	1	Gasoline	10	1
2005	Ford Aerotech E450	5	Gasoline	10	1
2005	Ford El Dorado E450	1	Gasoline	10	1
2005	New Flyer GE40LF	2	Hybrid (gas/electric)	12	2

Year	Make & Model	Quantity	Fuel Type	Seating Capacity	Wheelchair Capacity
2005	Ford Taurus Sedan	5	Gasoline	4	n/a
2006	Ford Cutaway E450	1	Gasoline	10	1
2006	Ford E350 Braun Van	1	Gasoline	12	2
2006	Chevy Impala Sedan	2	Gasoline	4	n/a
2007	Ford Aerotech E450	4	CNG	16	2
2008	Ford Aerotech E450	11	Gasoline	16	2
2011	Ford E450 El Dorado	2	Gasoline	16	2
2013	Ford E450 El Dorado	3	Gasoline	16	2
2014	Ford Starcraft Allstar E450	6	Gasoline	16	2
2014	Ford Taurus Sedan	2	Gasoline	4	n/a
2015	Ford Starcraft Allstar E450	21	Gasoline	16	2
Total		**67**			

Source: FAX

Section II

Operator Compliance Requirements

This section contains the analysis of FAX'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*, developed by the California Department of Transportation (Caltrans) to assess transit operators. The guidebook contains a checklist of 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 the system's efforts to comply with the requirements. In addition, the findings from the compliance review are described in the text following the table.

<table>
<tr><td colspan="3" align="center">TABLE II-1
Operator Compliance Requirements Matrix</td></tr>
<tr><td align="center">Operator Compliance Requirements</td><td align="center">Reference</td><td align="center">Compliance Efforts</td></tr>
<tr>
<td>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 90 days after end of fiscal year (Sept. 30), or 110 days (Oct. 20) if filed electronically (Internet).</td>
<td>Public Utilities Code, Section 99243</td>
<td>Completion/submittal dates (Internet filing):

FAX Fixed Route:

FY 2013: December 4, 2013
FY 2014: October 20, 2014
FY 2015: October 16, 2015

Specialized Service:

FY 2013: December 4, 2013
FY 2014: October 20, 2014
FY 2015: October 16, 2015

Conclusion: Partial compliance

The FY 2013 Transit Operators Financial Transactions Reports for both service modes were submitted after the Internet filing deadline.</td>
</tr>
<tr>
<td>The operator has submitted annual fiscal and compliance audits to the RTPA and to the State Controller within 180 days following the end of the fiscal year (Dec. 27), or has received</td>
<td>Public Utilities Code, Section 99245</td>
<td>Completion/submittal dates:

FY 2013: June 20, 2014
FY 2014: June 18, 2015
FY 2015: March 31, 2016</td>
</tr>
</table>

TABLE II-1		
Operator Compliance Requirements Matrix		
Operator Compliance Requirements	**Reference**	**Compliance Efforts**
the appropriate 90-day extension by the RTPA allowed by law.		**Conclusion: Partial compliance** **The FY 2013 and 2014 TDA Fiscal and Compliance Audits were not submitted within the 180-day time frame or the 90-day extension period.**
The CHP has, within the 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	FAX participates in the CHP Transit Operator Compliance Program in which the CHP has conducted inspections within the 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. Inspections were conducted at FAX's maintenance and operations facility. Inspection dates applicable to the audit period were November 15–16 and 30, 2012; January 10, 16–17, and 23–24, 2014; December 29–30, 2014; January 5, 2015; February 2 and 4, 2015; and June 12, 2015. Inspections were rated satisfactory by the CHP with the exception of the February 4, 2015, inspection, which was rated "unsatisfactory" due to two driver record violations. The violations involved an expired Verification of Transit Training (VTT) certification and failure to retain a current DMV Employer Pull Notice (EPN) enrollment. Said violations were corrected and a satisfactory rating was issued June 12, 2015. **Conclusion: Complied**
The operator's claim for TDA	Public Utilities Code, Section	As a condition of approval, FAX's

TABLE II-1		
Operator Compliance Requirements Matrix		
Operator Compliance Requirements	**Reference**	**Compliance Efforts**
funds is submitted in compliance with rules and regulations adopted by the RTPA for such claims.	99261	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 to the agency in completing the claim. **Conclusion: Complied**
If an operator service 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	FAX serves the Fresno-Clovis Urbanized Area and is not subject to this requirement. **Conclusion: Not applicable**
The operator's operating budget has not increased by more than 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 FAX operating budget: FY 2013: +7.9% FY 2014: -7.5% FY 2015: +9.9% Source: FAX Operating Budget Summary, 2016–2020 Short-Range Transit Plan **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	Public Utilities Code, Section 99247	FAX's definition of performance measures is consistent with Public Utilities Code, Section 99247. **Conclusion: Complied**

TABLE II-1		
Operator Compliance Requirements Matrix		
Operator Compliance Requirements	**Reference**	**Compliance Efforts**
hours per employee.		
If the operator serves an urbanized area, it has maintained a ratio of fare revenues to operating costs at least equal to one-fifth (20 percent), unless it is in a county with a population of less than 500,000, in which case it must maintain a ratio of fare revenues to operating costs of at least equal to three-twentieths (15 percent), if so determined by the RTPA.	Public Utilities Code, Sections 99268.2, 99268.3, 99268.12, 99270.1	The system's fare revenues are as follows: FY 2013: 20.00% FY 2014: 20.00% FY 2015: 20.00% Source: Financial Statements with Independent Auditors' Report and Compliance Reports for FYs 2013–2015 **Conclusion: Complied**
If the operator serves a rural area, it has maintained a ratio of fare revenues to operating costs at least equal to one-tenth (10 percent).	Public Utilities Code, Sections 99268.2, 99268.4, & 99268.5	The FAX service area does not extend into rural areas and is subject to the urbanized area farebox ratio requirement. **Conclusion: Not Applicable**
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 40 years.	Public Utilities Code, Section 99271	To be eligible for TDA funds, the annual TDA claims form requires a sign-off from the transit claimant to comply with standard assurances, one of which is that the City of Fresno retirement system is funded. The City of Fresno has a self-funded retirement system: the City of Fresno Retirement Systems (CFRS). **Conclusion: Complied**
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, the City of Fresno is making full use of federal funds available under the Federal Transit Administration. FY 2013: $10,806,088 (capital) $363,234 (operations)

TABLE II-1 Operator Compliance Requirements Matrix		
Operator Compliance Requirements	**Reference**	**Compliance Efforts**

		FY 2014: $10,850,687 (capital)
		          $2,847,675 (operations)
		 FY 2015: $17,350,488 (capital)
		          $107,652 (operations)
		
		 Source: City of Fresno Single Audit Reports FYs 2013–2015
		
		 Conclusion: Complied

Findings and Observations from Operator Compliance Requirements Matrix

1. Of the compliance areas pertaining to FAX, the operator fully complied with seven of nine applicable requirements. Two additional compliance requirements are not applicable to FAX (i.e., intermediate farebox recovery ratio and rural area farebox recovery). The operator was in partial compliance with the timely submittal of its Transit Operators Financial Transactions Report to the State Controller for FY 2013 and the Annual Fiscal and Compliance Audits for FYs 2013 and 2014.

2. FAX participates in the CHP Transit Operator Compliance Program as required by TDA. The CHP inspection reports submitted for review were found to be satisfactory with the exception of the February 4, 2015, inspection, which was rated "unsatisfactory" due to two driver record violations. The violations involved an expired VTT certification and failure to retain a current DMV EPN enrollment. Said violations were corrected and a satisfactory rating was issued June 12, 2015.

3. The operating budget exhibited moderate fluctuations during the audit period. The FAX operating budget increased in FYs 2013 and FY 2015 by 7.9 and 9.9 percent, respectively. In FY 2014, the operating budget decreased by 7.5 percent. The increase in the FY 2015 operating budget is attributed to the utilization and reimbursement of police services, federal paratransit review, maintenance and parts inventory appropriations, and contracted paratransit services.

4. Based on the available data from the Annual Fiscal and Compliance Audits, the agency's farebox recovery ratio remained at the required 20 percent standard during the review period.

5. FAX continues to utilize federal grant funding in addition to TDA revenues. Funding for operations and capital varied from $11.2 million in FY 2013 to $17.5 million in FY 2015 based on the City's Single Audit Reports.

Section III

Prior Triennial Performance Recommendations

FAX'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

Report paratransit contract employees in the State Controller's Report.

Actions taken by FAX

Background: State law requires that transit operators provide the count of full-time employee (FTE) equivalents in the annual State Controller's Report for both directly employed and contracted employees. An FTE is derived by dividing total employee work hours by 2,000. FAX should include the count of contracted employees (e.g., drivers, supervisors, and administrative managers) for Handy Ride in the annual report. It was suggested that the Support Services Division work more closely with the contract operator in ensuring that FTEs are calculated based on the criteria stipulated in the TDA statute. FAX administrative staff did provide a breakdown of FTEs for the Handy Ride paratransit service to the auditor during the site visit. However, the Transit Operators Financial Transaction Reports submitted to the State Controller for the Handy Ride service during the audit period still omit the FTEs in the Operating Data section of the report. The recent change in contract operator affords FAX the opportunity to have this data reported in a consistent manner.

Action: Preparation of the Transit Operators Financial Transactions Report has become more automated. The City Finance Department created an Access database application that allows data to be pulled directly from PeopleSoft. The Finance Department completes the report to the State Controller, with FAX performing a final review before submittal. However, FTE data in the Transit Operators Financial Transactions Reports for both fixed-route and specialized service are omitted for the three-year audit period. Changes in FAX staff plus the shifting of responsibility for this data reporting from the Support Services Division to the Administration Division created delays. There was also a change in service contractor during the same period. It is suggested that FAX's administration continue to work closely with its Support Services Division, the Handy Ride contract operator, and the Finance Department to ensure that the FTE data in the State Controller's Report are compiled and verified for insertion in the report.

Conclusion

This recommendation has not been implemented.

Prior Recommendation 2

Perform "final" review of State Controller's Report for consistency with the Fresno COG Transit Productivity Evaluation Report.

Actions taken by FAX

Background: The prior audit found that the performance indicator data contained in the annual State Controller Transit Operators Financial Transaction Report and the Fresno COG Transit Productivity Evaluation Report have not been consistent, although both reports are completed concurrently. It was suggested that the Support Services Division institute better monitoring verification procedures that would result in consistency among the various reports. Other data discrepancies were slight but noticeable. It was recommended that Department of Transportation staff continue to collaborate closely with the Finance Department to ensure more accurate data reporting.

Action: Data consistency between the Transit Operators Financial Transaction Report and the Fresno COG Transit Productivity Evaluation Report has been improved and tied to the automation of the National Transit Database reporting procedures. There has also been better coordination between FAX and the Finance Department, resulting in greater consistency. The FY 2013 Transit Operators Financial Transaction Report saw a number of revisions, and subsequent improvements were reflected in the reports for FYs 2014 and 2015. Automation has allowed for streamlining of data to be pulled from the Transit Productivity Evaluation Reports. In addition, the recent installation of the automated passenger counters has been helpful in improving the accuracy and consistency of data being reported.

Conclusion

This recommendation has been implemented.

Prior Recommendation 3

Record accidents in the statistical summary report based on the metric utilized in the Short-Range Transit Plan (SRTP).

Actions taken by FAX

Background: As a carryover from the prior triennial audit, it was recommended that FAX record accidents in its monthly statistical summary reports based on the metric used in the SRTP, which is which is the number of accidents per 100,000 miles. The inclusion of this information in the summary reports provides an indication of operator ability and whether FAX is meeting the SRTP performance goals. However, the statistical summary report for FY 2012 did not reflect this methodology for fixed-route collisions. It was suggested that FAX continue efforts to implement the recommendation while compiling the monthly report.

Action: In response to this recommendation, FAX changed the methodology used to report accidents and incidents in the statistical summary report that conforms to that used in the SRTP. The change in the metric was made during FY 2015.

Conclusion

This recommendation has been implemented.

Prior Recommendation 4

Focus management priorities on BRT implementation and ITS application.

Actions taken by FAX

Background: With FAX progressing toward Bus Rapid Transit (BRT) implementation along with rollout of new Intelligent Transportation Systems (ITS) architecture, it was suggested that management place an emphasis on ensuring the success of this new service, which is anticipated to significantly improve transit delivery. The prior audit cited turnover in the administration such as the retirement of the FAX Director for BRT management to be transferred to new transit leadership. In addition to succession planning and high level recruitment, department divisions as a whole would need to be prepared for advancements in data collection and reporting, customer service and operations support, and technology savvy that accompany BRT systems and ITS components.

Action: In spite of being beset by scheduling delays, FAX is scheduled to implement BRT by July 2017. As part of its overall BRT implementation strategy, FAX's administration hired a BRT project manager and a BRT quality control manager. Other project stakeholders have also been consulted as part of this effort. FAX has ramped up its information technology and programming capabilities by hiring a programmer. In addition, the City has budgeted construction and compliance positions and National Transit Institute training courses. The agency has also retained a procurement consultant as well as other consultants to assist with Disadvantaged Business Enterprise compliance and project oversight.

Conclusion

This recommendation has been implemented.

Section IV

TDA Performance Indicators

This section reviews FAX's performance in providing transit service in an efficient and effective manner. TDA requires that at least five specific performance indicators be reported, which are contained in the following tables. Farebox is not one of the five 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.

Tables IV-1 through IV-3 provide the performance indicators for FAX system-wide, fixed route, and Handy Ride Dial-a-Ride. The charts that follow depict the trends in the indicators. It is noted that the system-wide operating costs and fare revenues are based on audited figures from the financial statements along with unaudited data for comparison. The annual fiscal audits do not provide a modal breakdown.

Table IV-1
FAX System-wide Performance Indicators

Performance Data and Indicators	FY 2012	FY 2013	FY 2014	FY 2015	*% Change FY 2012-2015*
		Audit Period			
Operating Cost (Audited)	$45,240,352	$45,158,891	$42,211,089	$41,267,394	*-8.8%*
Operating Cost (Unaudited)	$45,383,734	$46,324,867	$42,995,209	$42,905,840	*-5.5%*
Total Passengers	14,513,695	12,646,247	12,266,372	11,573,862	*-20.3%*
Vehicle Service Hours	425,288	420,972	424,927	429,036	*0.9%*
Vehicle Service Miles	5,004,479	4,956,175	4,959,487	5,017,673	*0.3%*
Employee FTE's	422	331	382	385	*-8.8%*
Passenger Fares (Audited)	$9,951,095	$9,031,778	$8,442,218	$8,253,479	*-17.1%*
Passenger Fares (Unaudited)	$9,951,095	$9,861,676	$9,052,442	$8,800,100	*-11.6%*
Operating Cost per Passenger (Audited)	$3.12	$3.57	$3.44	$3.57	*14.4%*
Operating Cost per Passenger (Unaudited)	$3.13	$3.66	$3.51	$3.71	*18.6%*
Operating Cost per Vehicle Service Hour (Audited)	$106.38	$107.27	$99.34	$96.19	*-9.6%*
Operating Cost per Vehicle Service Hour (Unaudited)	$106.71	$110.04	$101.18	$100.01	*-6.3%*
Operating Cost per Vehicle Service Mile (Audited)	$9.04	$9.11	$8.51	$8.22	*-9.0%*
Operating Cost per Vehicle Service Mile (Unaudited)	$9.07	$9.35	$8.67	$8.55	*-5.7%*
Passengers per Vehicle Service Hour	34.1	30.0	28.9	27.0	*-21.0%*
Passengers per Vehicle Service Mile	2.90	2.55	2.47	2.31	*-20.5%*
Vehicle Service Hours per Employee	1,007.8	1,271.8	1,112.4	1,114.4	*10.6%*
Average Fare per Passenger	$0.69	$0.71	$0.69	$0.71	*4.0%*
Fare Recovery Ratio (Audited)	22.00%	20.00%	20.00%	20.00%	*-9.1%*
Fare Recovery Ratio (Unaudited)	21.93%	21.29%	21.05%	20.51%	*-6.5%*

Source: Annual Fiscal & Compliance Audits; State Controller's Reports; Annual Productivity Evaluation; Keolis Transportation

Table IV-2
FAX Fixed-Route Performance Indicators

Performance Data and Indicators	FY 2012	FY 2013	FY 2014	FY 2015	% Change FY 2012–2015
			Audit Period		
Operating Cost	$39,368,424	$40,237,044	$37,102,165	$35,917,527	*-8.8%*
Total Passengers	14,304,222	12,442,248	12,059,050	11,364,431	*-20.6%*
Vehicle Service Hours	331,184	328,312	328,846	329,090	*-0.6%*
Vehicle Service Miles	3,881,078	3,861,958	3,867,515	3,869,787	*-0.3%*
Employee FTEs	341	304	298	297	*-12.9%*
Passenger Fares	$9,683,538	$9,590,617	$8,777,903	$8,501,278	*-12.2%*
Operating Cost per Passenger	$2.75	$3.23	$3.08	$3.16	*14.8%*
Operating Cost per Vehicle Service Hour	$118.87	$122.56	$112.83	$109.14	*-8.2%*
Operating Cost per Vehicle Service Mile	$10.14	$10.42	$9.59	$9.28	*-8.5%*
Passengers per Vehicle Service Hour	43.2	37.9	36.7	34.5	*-20.0%*
Passengers per Vehicle Service Mile	3.69	3.22	3.12	2.94	*-20.3%*
Vehicle Service Hours per Employee	971.2	1,080.0	1,103.5	1,108.0	*14.1%*
Average Fare per Passenger	$0.68	$0.77	$0.73	$0.75	*10.5%*
Fare Recovery Ratio	24.60%	23.84%	23.66%	23.67%	*-3.8%*

Source: State Controller's Reports; Annual Productivity Evaluation

Table IV-3
Handy Ride Demand-Response Performance Indicators

Performance Data and Indicators		FY 2012	Audit Period			*% Change FY 2012–2015*
			FY 2013	FY 2014	FY 2015	
Operating Cost		$6,015,310	$6,087,823	$5,893,044	$6,988,313	*16.2%*
Total Passengers		209,473	203,999	207,322	209,431	*0.0%*
Vehicle Service Hours		94,104	92,660	96,081	99,946	*6.2%*
Vehicle Service Miles		1,123,401	1,094,217	1,091,972	1,147,886	*2.2%*
Employee FTEs *		81	27	84	88	*8.6%*
Passenger Fares		$267,557	$271,059	$274,539	$298,822	*11.7%*
Operating Cost per Passenger		$28.72	$29.84	$28.42	$33.37	*16.2%*
Operating Cost per Vehicle Service Hour		$63.92	$65.70	$61.33	$69.92	*9.4%*
Operating Cost per Vehicle Service Mile		$5.35	$5.56	$5.40	$6.09	*13.7%*
Passengers per Vehicle Service Hour		2.2	2.2	2.2	2.1	*-5.9%*
Passengers per Vehicle Service Mile		0.19	0.19	0.19	0.18	*-2.2%*
Vehicle Service Hours per Employee		1,161.8	3,431.9	1,143.8	1,135.8	*-2.2%*
Average Fare per Passenger		$1.28	$1.33	$1.32	$1.43	*11.7%*
Fare Recovery Ratio		4.45%	4.45%	4.66%	4.28%	*-3.9%*

Source: State Controller's Reports; Annual Productivity Evaluation; Keolis Transportation
*FY 2013 FTEs are based on total labor hours from March 2013 through June 2013. Keolis assumed Handy Ride operations in February 2013.

Graph IV-1
Operating Costs
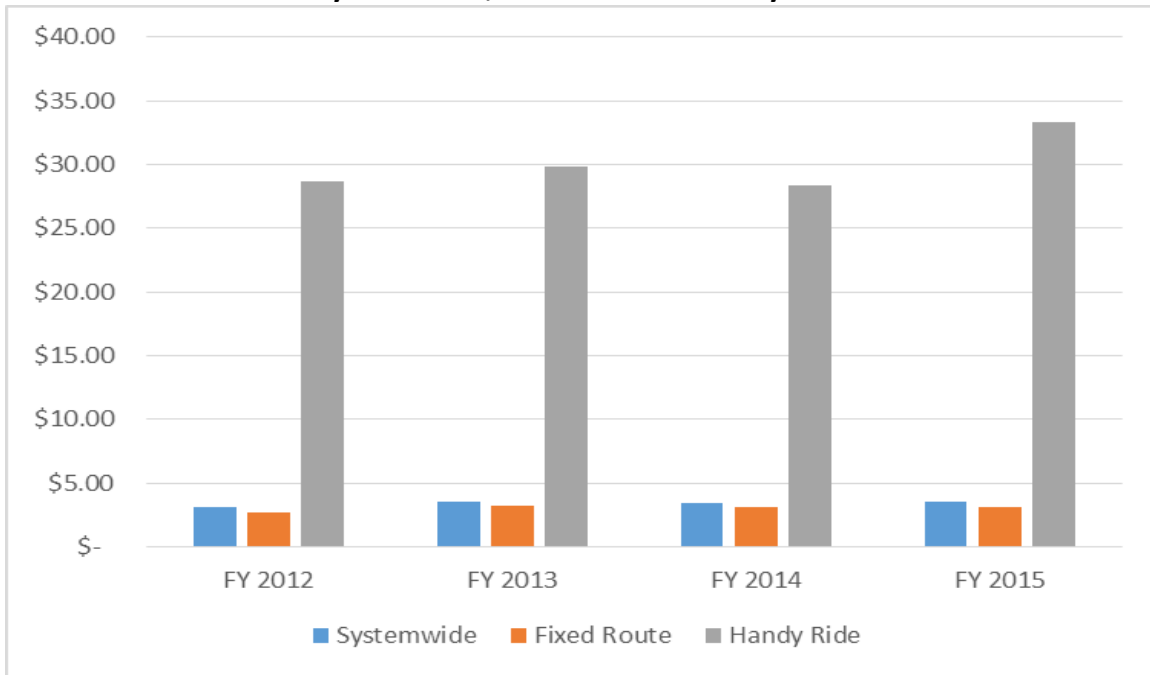**System-wide, Fixed Route & Handy Ride**
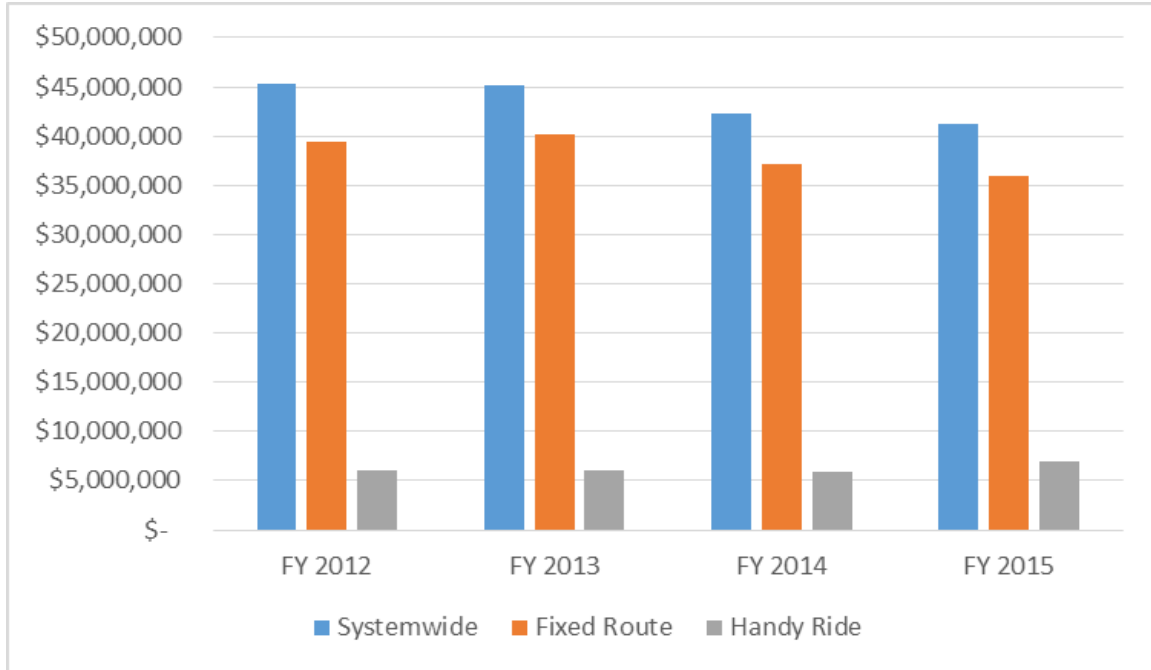
Note: System-wide costs are audited while modal costs are unaudited.

Graph IV-2
Ridership
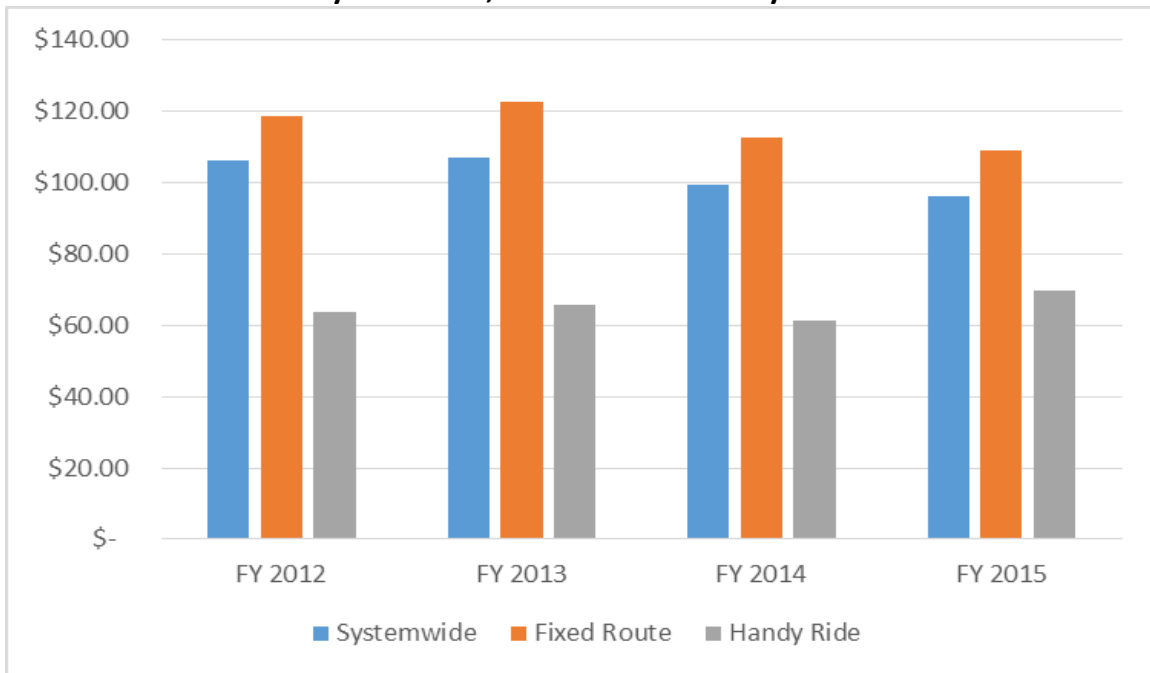**System-wide, Fixed-Route & Handy Ride**
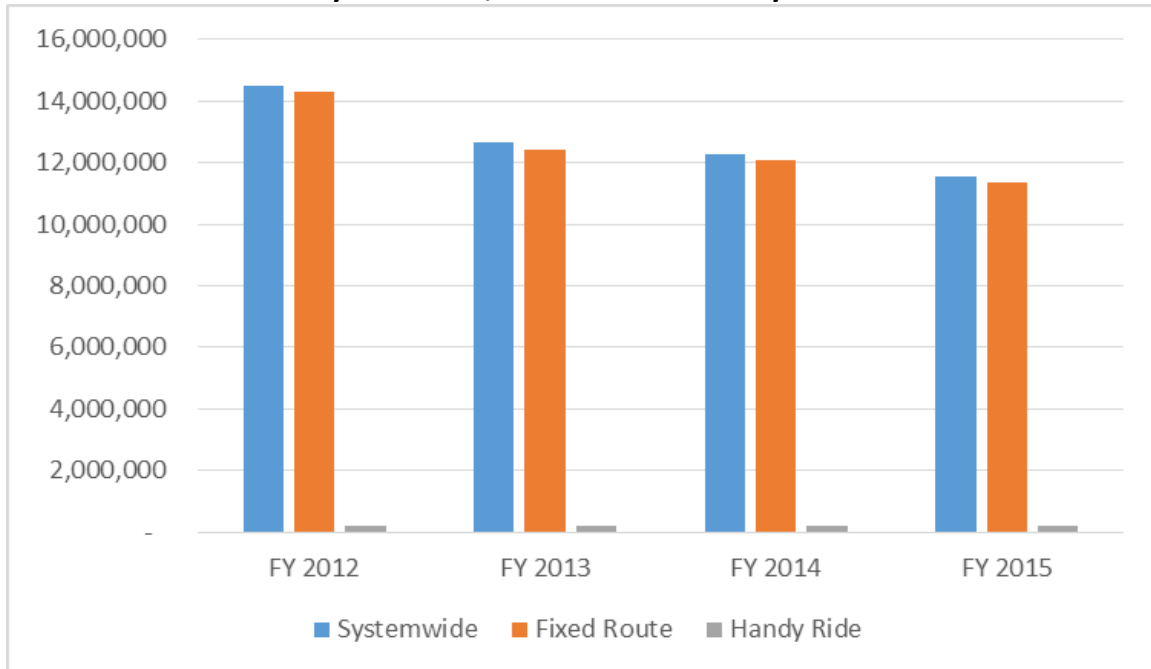
Graph IV-3
Operating Cost per Passenger
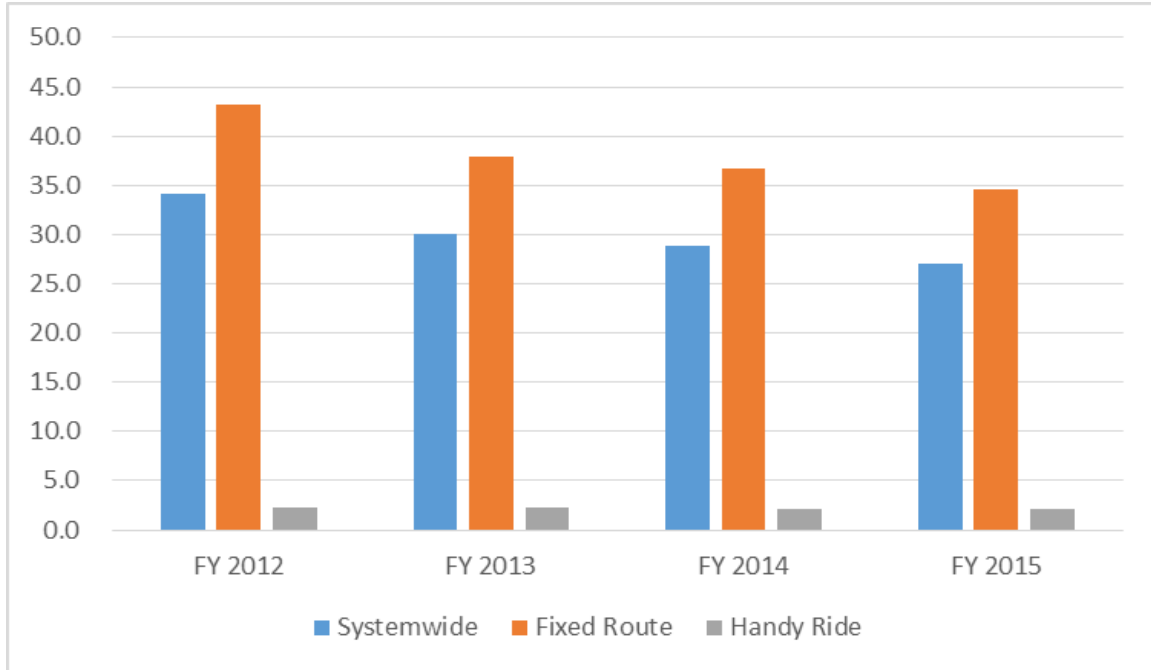**System-wide, Fixed Route & Handy Ride**

Note: System-wide costs are audited while modal costs are unaudited.

Graph IV-4
Operating Cost per Vehicle Service Hour
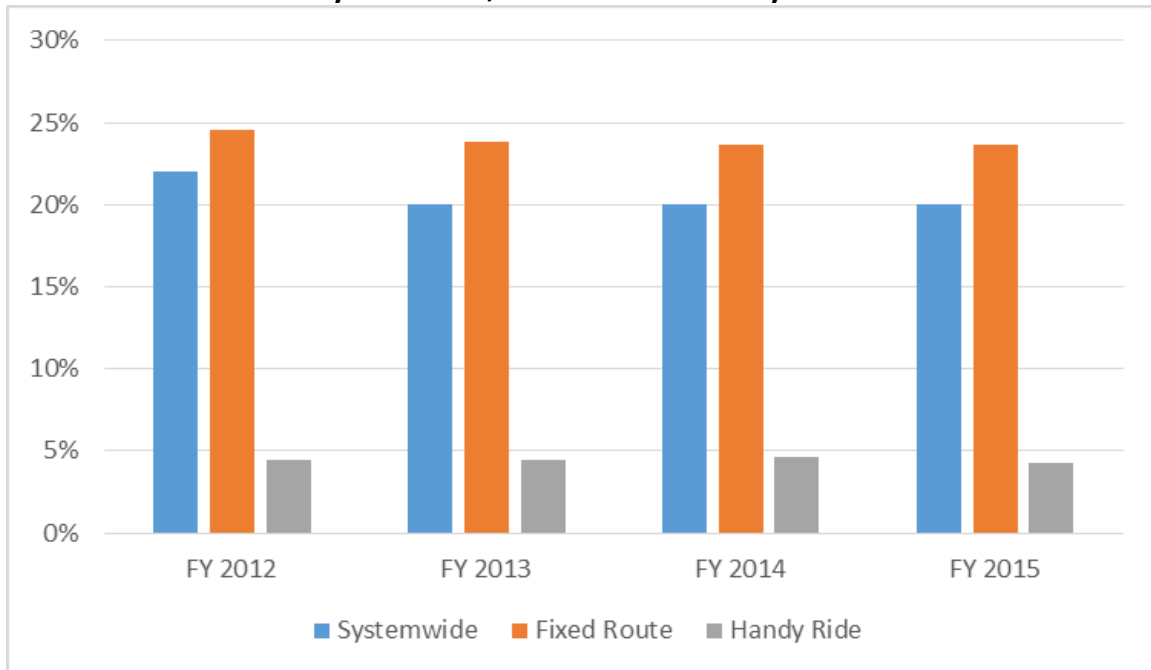**System-wide, Fixed Route & Handy Ride**

Note: System-wide costs are audited while modal costs are unaudited.

Graph IV-5
Passengers per Vehicle Service Hour
System-wide, Fixed Route & Handy Ride

Graph IV-6
Fare Recovery Ratio
System-wide, Fixed Route & Handy Ride

Findings from Verification of TDA Performance Indicators

1. Operating costs system-wide decreased 8.8 percent based on audited data (a 5.5 percent decrease based on unaudited data) from the FY 2012 base year through FY 2015. Using unaudited data, fixed-route operating costs decreased by 8.8 percent for the same time period. In contrast, Dial-A-Ride operating costs increased 16.2 percent.

2. Ridership decreased 20.3 percent system-wide during the audit period. Fixed-route ridership decreased by a comparable 20.6 percent, while Dial-a-Ride ridership remained relatively unchanged. System-wide ridership exhibited its largest decline in FY 2013, which amounted to 12.9 percent. Fixed-route ridership trends were responsible for the system-wide decrease. Dial-A-Ride saw more negligible increases in ridership with a 1.6 percent increase in FY 2014 and a 1.0 percent increase in FY 2015.

3. Vehicle service hours and miles exhibited modest fluctuations system-wide during the audit period as well as for all modes. Fixed-route service hours and miles decreased 0.6 and 0.3 percent, respectively, while Dial-A-Ride service hours increased 6.2 percent and revenue miles increased slightly by 2.2 percent. System-wide, vehicle service hours increased 0.9 percent and vehicle service miles increased 0.3 percent. The trends in revenue hours and miles reflect the system stabilization during the audit period.

4. Operating cost per passenger, an indicator of cost effectiveness, increased 14.4 percent system-wide based on audited data (an 18.6 percent increase based on unaudited data). Cost per passenger increased by a comparable 14.8 percent on fixed route, with a 16.2 percent increase on Dial-A-Ride. The trend for this indicator reflects a larger percentage decrease in passenger trips when compared to the decrease in operating costs.

5. Operating cost per vehicle service hour, an indicator of cost efficiency, decreased 9.6 percent system-wide (a 6.3 percent decrease based on unaudited data). Cost per passenger decreased by 8.2 percent on fixed route, but exhibited a 9.4 percent increase on Dial-A-Ride. The trend for this indicator reflects a larger percentage decrease in operating costs when compared to the slight increase in vehicle service hours.

6. Passengers per vehicle service hour, which measures the effectiveness of the service delivered, decreased 21 percent system-wide. The rate of decrease in this indicator was about the same for fixed route, which saw passengers per hour decrease by 20 percent. Passengers per hour on Dial-A-Ride decreased 5.9 percent. System-wide, the number of passengers per service hour decreased from 34.1 passengers in FY 2012 to 27.0 passengers in FY 2015.

7. The fare recovery ratio during the audit period decreased 9.1 percent system-wide, decreasing from 22 percent to 20 percent based on audited data (a 6.5 percent decrease based on unaudited data). At the modal level, farebox recovery for fixed route slightly decreased by 3.8 percent, while on Dial-A-Ride farebox recovery decreased by a

comparable 3.9 percent. For fixed route, passenger fare revenues decreased 12.2 percent whereas for Dial-A-Ride fare revenue increased 11.7 percent. Despite these fluctuations and the decline in passenger trips, FAX has been able to continue meeting the required 20 percent farebox recovery standard.

Section V

Review of Operator Functions

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

- Operations

- Maintenance

- Planning

- Marketing

- General Administration and Management

Within some departments are sub-functions that require review as well, such as Grants Administration that falls under General Administration.

Operations

FAX is the largest urban transit operator in the Fresno-Clovis metropolitan area. During the audit period, FAX underwent a change in leadership as a new Director of Transportation was hired in May 2014, replacing the previous director who had been with FAX for eight years until retiring in 2013. The new director has taken measures to sustain core transit services while looking to implement Bus Rapid Transit (BRT) by November 2017 and improve operational processes.

FAX service comprises 16 fixed routes with three major hubs located at the Downtown Transfer Center, Manchester Transit Center, and the River Park shopping center in north Fresno. The FAX and Handy Ride Mission Statements adopted in 1997 and restated in the Short-Range Transit Plan set the strategic direction and framework for policy and service planning:

> *The mission of Fresno Area Express is to provide a comprehensive transportation system that improves the quality of life in our community.*

> *Handy Ride provides transportation comparable to the FAX City fixed-route bus system to meet the needs of American with Disabilities Act (ADA) eligible persons who cannot functionally use the FAX City fixed-route bus system.*

In an effort to sustain core services, FAX reinstated late evening end-of-the-line services on Routes 30, 32, and 34. The system has been better able to assess passenger demand and trends with the implementation of new technology and infrastructure. With the procurement and installation of automated passenger counters (APCs) and new fareboxes in 2014, the accuracy of passenger trip data collection has increased significantly.

In addition to the APCs and fareboxes, FAX implemented automated dispatching of driver assignments. In December 2015, the agency implemented the Trapeze Operations software program, which keeps track of work hours, resulting in increased time savings and accuracy. FAX is seeking to configure the software to include labor rules. Prior to implementation of this program, work hours and assignments were calculated manually, a process that was prone to errors.

Operational data are tracked on the Statistical Summary Report, which provides monthly, yearly, and prior year's performance tracking. The report provides information about customer service trends, revenue and ridership, and employee services statistics. One of the key operational indices measured by FAX is on-time performance, which is summarized in Table V-1.

Table V-1
FAX Fixed Route On-Time Performance Data

	2012	2013	2014	2015
On-Time Performance	81.32%	83.01%	82.58%	82.83%

Source: FAX Statistical Summary Reports

On-time performance is gauged through the Trapeze dispatching software with Global Positioning System (GPS) technology. FAX recently received state Proposition 1B Public Transportation Modernization, Improvement and Service Enhancement Account (PTMISEA) funding toward the upgrade of its GPS infrastructure. The on-time performance standard for the FAX fixed-route is 92 percent of departures occurring within 5 minutes of the schedule. The average on-time performance during the audit period was measured at 82.8 percent, which is below standard. FAX indicates that its on-time performance measure has been skewed toward the buses running too late.

Customer service duties have been placed under the purview of FAX's Administration Division. Complaints are handled by customer service personnel based on an established protocol that has combined classifications of inquiries and complaints. The Director of Transportation has instituted a 10-day resolution policy. Customers can file a comment through several means such as contacting the FAX customer service number (621-RIDE), email, or through the FresGO mobile application.

The FresGO application allows users to submit, track, and view nearby service requests through their smartphones as well as online. Users can also use the in-app widgets to find information about events, public facilities, trash pickup, and other municipal services. The mobile app is part of an overall program for the City to improve resident communications and service delivery as well as allow FAX to track customer complaints.

The complaint form is reviewed with the driver and used as a tool for discipline and added training. The drivers' union has raised some issues with this approach based on the provisions in the Memorandum of Understanding (MOU) between the union and the City. Customer feedback is categorized and included in FAX's monthly statistical report. A synopsis of customer

satisfaction data including the number of complaints and compliments received for FAX fixed-route services is presented in Table V-2.

Table V-2
FAX Customer Service Performance Data

Year/Metric	FY 2012	FY 2013	FY 2014	FY 2015
Complaints/Inquiries Received	967	n/a	1,205	1,391
Compliments Received	44	n/a	67	48

Source: FAX Statistical Summary Reports

The number of complaints has increased over the last few years while the number of compliments has fluctuated over the same period. Customer feedback is gauged on a number of categories such as driver attitude, bus pass-ups, late buses, and wheelchair lift issues. Customer service data for FY 2013 were unavailable.

In regard to safety, FAX also tracks the number of accidents and incidents. The standard for accidents is a minimum of 100,000 miles between preventable collision accidents and 20,000 miles between all types of accidents. According to the Federal Motor Carrier Safety Administration, a preventable accident is one which occurs because the driver fails to act in a reasonably expected manner to prevent it. Table V-3 summarizes vehicle collisions and passenger injuries recorded during the audit period.

Table V-3
FAX Safety Performance Data

Year/Metric	FY 2013	FY 2014	FY 2015
Total Accidents/Incidents	n/a	880	853
Preventable Accidents/Incidents per 100,000 Miles	n/a	1.34	1.40
All Accidents/Incidents per 20,000 Miles	n/a	4.55	4.41

Source: FAX Statistical Summary Reports

The number of accidents and incidents has remained fairly stable during the audit period but shows FAX is not meeting the standards. Accidents and incidents are gauged based on several categories such as passenger behavior, system operation, and crimes against staff. Accident and incident data for FY 2013 were unavailable. Exterior and interior surveillance cameras have proven helpful in accident investigations and resolving complaints. Each bus is equipped with eight cameras, which can be used to determine red light violations and for data verification.

Other safety and security enhancements implemented during the audit period have included new fencing around the perimeter of the FAX operations facility, new lighting, video surveillance equipment, and the hiring of four additional police cadet officers. FAX reimburses the Fresno Police Department for the use of these officers to patrol the Manchester Center and Courthouse Park Transit Centers on foot. The additional staff increases the number of officers to eight total.

Handy Ride Paratransit

Handy Ride demand-response paratransit is administered by FAX's Support Services Division and operated under contract by Los Angeles–based Keolis Transit America. A change in contract operator took place during the audit period. Handy Ride had been operated by MV Transportation since 2005, and the most recent contract extension included a 4 percent unit price increase from July 1, 2011, through December 17, 2012. Prior contract addendums have emphasized enhanced performance benchmarks resulting in fewer no-shows and overall increased passenger satisfaction. An intervention program aimed at addressing no-shows was implemented.

In August 2012, the City released a Request for Proposals for the provision of paratransit services. The City awarded the contract for a three-year term to Keolis, which assumed operation of Handy Ride In February 2013. Keolis' cost per vehicle service hour proposed for the triennial period was $32.37 for the first year, $33.72 for the second year, and $34.96 for the third year based on 100,000 annual service hours.

The Handy Ride Center located at 4488 North Blackstone in central Fresno opened in January 2012. The center is located at the site of a former automotive sales lot. The City Department of Transportation purchased the property, thus alleviating the need to pay rent and resulting in operations savings of $85,000 annually. The Handy Ride Center is staffed with up to five employees and has a fueling station and maintenance facility on-site.

FAX offers coaching for paratransit passengers, which is guided by a sight-impaired employee. A disabled employee is involved in sensitivity training of drivers. The City's Disability Advisory Commission has a Transportation Task Force that reviews Handy Ride policies, operations, and statistical data and provides recommendations to improve the ride experience for those with a disability. The commission voted to create a transportation subcommittee in May 2013 to address ADA issues. FAX staff make presentations to the commission regarding disability issues while reporting back on the status of implementing recommendations.

Customer service performance data for Handy Ride for the triennial period are compiled by the contract operator detailing on-time performance, no–shows, and complaints. A synopsis of paratransit performance including the number of complaints received for Handy Ride is presented in Table V-4.

Table V-4
Handy Ride Customer Service Performance Data

Year/Metric	2012	2013*	2014	2015
On-Time Performance	92.8%	89.4%	85.8%	89.5%
No-Shows	n/a	4,038	4,422	5,818
Total Late Trips	10,748	7,843	19,732	12,308
Complaints	36	53	49	30

Source: FAX Statistical Summary Reports; Handy Ride Vehicle Operations Data

FY 2013 data are from February 2013 to the end of the fiscal year.

Based on the aforementioned data, Handy Ride has shown mixed performance across all metrics. On-time performance has averaged 88 percent of trips. This trend is reflected in the total number of late trips, which increased during the triennial period from 10,748 in FY 2012 to 19,732 in FY 2014 and then decreased to 12,308 in FY 2015. Data for FY 2013 are reported from February 2013 through the end of the fiscal year, which reflects when Keolis started operating the service.

Maintenance

Vehicle maintenance falls under the purview of the Transportation Department's Maintenance Division. The Maintenance Division operates out of a dedicated maintenance facility located at 2223 G Street. The maintenance facility encompasses 49,000 square feet and can accommodate up to 150 buses. In addition to standard bus maintenance, other specialized work such as body work, painting, welding, machine tooling, and air conditioning servicing is conducted on-site. The 11 maintenance service bays on-site are organized by function:

- One tire shop bay

- Three body shop bays

- One air conditioning service bay

- Seven shop floor bays

- One open bay, which also serves as a steam chamber

In addition to the service bays, there is one bus wash facility with two lanes. Vehicles are washed once weekly. FAX is in the process of upgrading its maintenance facilities to accommodate the proposed BRT service, which will use 44-foot buses. The facilities and equipment undergoing upgrades include the bus vacuum system, steam facility, lifts, and bus wash.

During the audit period, FAX retained a consultant to conduct a facilities and management assessment. The assessment recommended replacing the bus wash and fueling facility as well as the vault dispensary. The department has set aside $5.2 million for facility improvements. In addition, a compressor is being added to the CNG fueling facility.

The Maintenance Division has been beset by staffing shortages amounting to 10 vacant positions out of 41 budgeted. The vacancies are attributed to a number of retirements, transfers, and workplace injuries. Another reason cited for the staffing shortage has been the lack of bus mechanic training programs in the Fresno area as well as lower starting pay. One remedy has been to train and recruit from within the division. Mechanics are Automotive Service Excellence (ASE) certified, and the City offers a premium bonus incentive of $200 monthly for ASE certification, plus a $500 bonus annually with 75 percent employee involvement.

Preventive maintenance inspections are scheduled at regular intervals using Fleet Focus maintenance software. Maintenance schedules are monitored daily and parts are pulled in accordance with the schedule. Performance maintenance inspections (PMIs) for the vehicles vary by mileage ranges depending upon warranty and manufacturer's specifications. Records are kept in both electronic (Fleet Anywhere) and paper formats based on mileage. Table V-5 summarizes FAX's maintenance schedule.

Table V-5
FAX Maintenance Schedule

PMI Type	Inspection	Cycle	Within
Minor/Safety	A	6,000/7,000 miles	±400 miles
Intermediate	B	12,000/14,000 miles	+1,000/-400 miles
Intermediate	C	18,000/21,000 miles	+1,000/-400 miles
Major	D	24,000/28,000 miles	+1,000/-400 miles
Special Service	Winter	Seasonal	
	Summer	Seasonal	

Source: Short-Range Transit Plan

FAX has the ability to outsource certain repairs but has decided to keep engine overhauls in-house. One measure of vehicle maintenance is the number of vehicle breakdowns during revenue service. Road calls pertain to mechanical and other operational failures while the transit vehicles are in service. Table V-6 summarizes the road call incidents on the FAX fixed route.

Table V-6
FAX Road Calls

	FY 2013	FY 2014	FY 2015
Major Mechanical	n/a	468	506
Minor Mechanical	n/a	178	156
Non-Mechanical	n/a	380	456
Total Road Calls	n/a	1,026	1,118
Average Miles Between Road Calls	n/a	3,774	3,461

Source: FAX Statistical Summary Reports

The number of road calls reported for a two-year period exhibited an upward trend. Major mechanical and non-mechanical incidents increased between FY 2014 and FY 2015. The delivery of new alternative-fueled vehicles and the future delivery of additional vehicles should create a downward trend in mechanical failures. Road call data for FY 2013 were not available.

Staff responsible for vehicle parts storage and management adhere to a set of control procedures. The four major areas of control include (1) inventory control; (2) maintenance of inventory levels; (3) maintenance of shop tools; and (4) a review of the first three methods. There is limited access to the parts storage room, which is accessed only by the storekeeper or supervisor on duty. The room is tended five days a week for all shifts. However, management of inventory is more limited on weekends, as a parts supervisor is not on shift. Additional access to the parts room on weekends is given to the lead worker and maintenance supervisor.

Parts are bar-coded and tracked by Fleet Focus software. The value of parts on hand will fluctuate based on demand. Parts for the New Flyer buses are procured from a regional parts facility in Fresno, thus reducing the need to stock certain inventory. Obsolete parts are returned to the manufacturers, auctioned, passed on to other agencies, or recycled.

An inventory cycle count is performed once monthly for a selected parts section. The cycle count involves reconciling physical inventory against the counts in the computer. The monthly cycle count report compares the expected quantity on the computer with the actual hand-counted total and the value of the discrepancy. Both shorts and overages are recorded, with the net difference calculated as well as total discrepancy. A full inventory is performed at the end of the fiscal year.

The vault room is staffed from 3:30 p.m. to midnight. As buses come in from their routes, the GFI fareboxes are probed for trip data and the fare vaults are secured and dropped off. Mileage is recorded by a GPS system manufactured by Siemens.

Handy Ride vehicles are maintained and serviced by the paratransit contractor, Keolis. The PMI schedule involves the regular tune-up of vehicles to ensure maximum performance and fuel efficiency. Gasoline vehicle tune-ups are performed at 12-month or 15,000-mile intervals. Additional vehicle components such as brakes and oil filters are changed at various intervals according to Keolis' certified inspection protocol and procedures maintenance plan. The Handy Ride contract operator tracks the number of road calls incurred. Table V-7 summarizes the road call incidents for paratransit.

Table V-7
Handy Ride Road Calls

	FY 2013*	FY 2014	FY 2015
Road Calls	97	196	162

* FY 2013 data are from February 2013 to the end of the fiscal year
Source: Handy Ride Vehicle Operations Data

Planning

Transit service planning and analysis have been a coordinated effort between the City and Fresno COG. The most recent transit study conducted during the audit period is the Fresno Area Express Short-Range Transit Plan (SRTP), FY 2016–2020, adopted in June 2015. The SRTP is updated every two years and is the basis for FAX's funding and operational goals over a five-year period. The document also addresses the Handy Ride program and the City of Clovis Transportation systems.

The SRTP update evaluates existing service at the route level and allows FAX to identify underperforming routes. The latest document places an emphasis on more frequent service in conjunction with the planned BRT service. The SRTP also takes into account other service plans such as the Bus Rapid Transit Master Plan, the City of Fresno General Plan, and the Public Transportation Infrastructure Study (PTIS). The SRTP also drew from the findings contained in

the Fresno-Clovis Metropolitan Area Public Transportation Strategic Service Evaluation commissioned by Fresno COG in May 2014.

The City's General Plan was adopted in December 2014 and supports transit-oriented development. The plan prioritizes balanced development with an appropriate proportion of its growth and reinvestment focused in the central core, downtown, established neighborhoods, and along BRT corridors. In May 2013, the City hosted a peer review exchange on BRT best practices in coordination with and sponsored by the Transportation Planning Capacity Building (TPCB) Peer Program and five other transit agencies. The TPCB Peer Program is jointly funded by the Federal Highway Administration (FHWA) and the Federal Transit Administration (FTA) and developed with assistance by the National Rapid Transit Institute.

The City also commissioned the Fresno County Public Transportation Gap Analysis and Service Coordination Plan (Gap Analysis), which was adopted in December 2013. The Gap Analysis qualitatively and quantitatively defined where mobility gaps exist between public transportation and human service agency transportation and developed specific coordination strategies to address the existing mobility gaps.

FAX has started to rely more on technology for service planning such as the data derived from APCs recently installed on its vehicles. The Remix planning software tool is an online resource that provides demographic profiles of the service area, route planning, and travel assessments. Remix is used by more than 130 transit agencies in nine countries. AirSage is another tool that uses population analytics to determine the travel patterns of mobile phone users.

Marketing

The Department of Transportation uses a variety of methods and media to market FAX services to the community and region. The primary marketing tool has been the Schedule Guide, which contains fare information, rider etiquette information, and a destination guide in addition to schedules and route maps for both FAX and Clovis Transit. The Schedule Guide is published primarily in English with Spanish-language translation. FAX distributes about 3,000 to 4,000 copies monthly. With American Recovery and Reinvestment Act of 2009 (ARRA) funding, the department was able to purchase a printer that allows the production of route maps and marketing collateral in-house.

Information about FAX is also accessible on the City of Fresno website (http://www.fresno.gov/DiscoverFresno/PublicTransportation/default.htm), which contains links to route schedules and maps, fares, compliment and complaint forms, a user guide, planning documents, the ADA Advisory Committee, and a trip planner. The bilingual online trip planner was developed in conjunction with Google Transit. The trip planner features scheduled bus information tied to a specific bus stop number. There is also a service alerts tab on the website. A mobile application for smartphones featuring FAX transit data was developed by the local technology firm ScholarDev Apps.

Information about FAX is also contained in the Fresno County Transportation Guide published by Fresno COG and accessed through the Fresno COG website. The guide is published in a bilingual (English/Spanish) format and summarizes public transit services in the county. Fresno COG recently changed the format of the Fresno County Transportation Guide into a folded pocket guide. The pocket guide includes basic information about transit services, contact phone numbers, and website links.

FAX operates a service center located at 3590 North Blackstone Avenue at the corner of Blackstone Avenue and Shields Avenue adjacent to the Manchester Mall. The Manchester Transit Center is open Monday through Friday from 8:00 a.m. to 5:00 p.m. and offers a full complement of services including ticket/pass sales, route information, lost and found, and the issuance of FAX ID cards. FAX participates with Clovis Transit in the Metro Pass program, which offers unlimited monthly rides on both systems. Metro Passes are sold at the Manchester Transit Center in Fresno and at Clovis City Hall. The Cities of Fresno and Clovis have been in discussions regarding the continued use of the Metro Pass and the fare revenue distribution between the two transit systems.

The City secured a grant for travel training with an emphasis on assisting wheelchair users with lift access and maneuvers on the fixed-route buses. FAX also works with the Center for Independent Living in providing travel training resources. Other outreach activities have included Disability Awareness Day at Fresno City College, the Fresno County Health Fair, and new student orientation at Fresno State University. During these events, FAX gives away pens and other promotional items featuring the FAX logo. With the introduction of new fareboxes, FAX launched a promotional campaign that included bilingual door hangers and an instructional video.

Pursuant to the federal Civil Rights Act of 1964, FAX has an adopted Title VI Program. Title VI of the Civil Rights Act requires that no person in the United States, on the grounds of race, color, or national origin, be excluded from, be denied the benefits of, or be subjected to discrimination under any program or activity receiving federal financial assistance. Program compliance includes access to the Title VI policy and complaint form on the Department of Transportation website. However, the auditor could not locate Title VI information and complaint forms in Spanish. It is suggested that the City provide Title VI documentation in Spanish.

General Administration and Management

Fresno is a full-service charter city operating under a mayor-council form of government. The Fresno City Council consists of seven members elected from seven districts in Fresno and is the policymaking board for FAX. The City Council is responsible for setting operating policy and annually adopting the budget. The Mayor is elected at large and does not serve on the council, but has veto power over certain actions taken by council. The City Manager, who is appointed by the Mayor, is responsible for appointing all other department heads in 13 different departments such as the Department of Transportation.

FAX is administered by the City's Department of Transportation. Day-to-day operations are overseen by the Director of Transportation, who reports directly to the City Manager. The audit period saw the retirement of the FAX Director in 2013 after serving for eight years in the position. The City Manager served as interim director until a permanent replacement was vetted and hired. A new director was hired in May 2014. The number of authorized positions by FAX operating division is presented in Table V-8. The position count is a reduction from prior years.

Table V-8
FAX Divisions & Authorized Positions

Division	Number of Authorized Positions
Administration	15
Fleet Equipment Acquisition	10
Fleet Management	61
Maintenance	64
Operations	260
Planning	3
Support Services	9
Total Authorized Positions	**422**

Source: 2014–2015 Adopted Budget, City of Fresno

At the end of FY 2015, FAX had 238 bus operators and 135 FAX and fleet maintenance employees. FAX employees are represented by multiple bargaining units. The drivers are represented by the Amalgamated Transit Union (ATU), Local 1027, and mechanics are represented by the International Union of Operating Engineers (IUOE), Local 39. Management employees are represented by the City of Fresno Management Employees Association, Unit 14, and the City of Fresno Professional Employees Association, Inc. Non-supervisory white collar personnel are represented by the Fresno City Employees Association, Inc.

The department has requested 15 additional part-time driver positions and eight dispatcher positions. FAX has increased the training pay rate from $9.00 to $14.00 an hour, including benefits. The training period has been shortened from an 8- to 10-week time frame to 6 weeks. There are now three driver trainers and supervisors involved in the behind-the-wheel training. With the implementation of these measures, the retention of new drivers has increased to 95 percent. Overall driver turnover has averaged about five drivers every six weeks.

Supervisors are now more engaged with drivers and customers in the field, whereas in the past they were focused mainly on administrative tasks. There has been a renewed emphasis on having supervisors mentor drivers and follow up on accidents and incidents. Leadership Academy training is available for supervisors. FAX was able to reinstate Supervisor II positions that were phased out during the economic recession.

Drivers receive 8 hours of annual training and retraining for accident prevention and customer complaints. Training is also provided to drivers operating new buses and handling new fareboxes. FAX offers employee safety awards to maintain and enhance morale. In recognition of superlative performance, drivers are honored through the Gold Standard program. The FAX Gold Standard program was developed by the Director of Transportation in conjunction with

employee groups to acknowledge drivers who excelled in their vocation. The key performance measures of the program include reliability (2,000 hours worked), safety (no preventable accidents), and customer relation skills (no complaints, etc.). Drivers recognized under this program receive distinctive gold-colored polo shirts to signify their excellent performance.

FAX has established a Transit Rates and Services Committee that oversees transit issues such as fare structure and service efficiencies and holds public forums to involve the community. The Rates and Services Committee was engaged in the procurement of the new farebox system and has been instrumental in partnering with local colleges on bus fare media. Committee findings and recommendations are submitted to the Mayor and the Fresno City Council for review and further consideration.

FAX provides transit data that feed into the City's Stat Track reporting program consisting of a matrix of noteworthy statistics from each City department. The statistics are followed by a series of bar graphs showing notable trends for each department. FAX uses Stat Track to report key performance indicators such as ridership and operating revenues.

FAX has been able to draw upon other administrative and technical support resources from other departments within the City such as the City Attorney's Office and the Public Works and Personnel departments. The Transportation Department is constantly assessing the resources it needs to operate efficiently. The addition of administrative analysts has helped in tracking data and performance metrics for continuous improvements.

The TDA claims process is a collaborative efforts involving Fresno COG as well as the City of Clovis and the County of Fresno, as the City claims part of the other local jurisdictions' respective TDA allocations. The City's TDA claim is submitted to Fresno COG in the fall. As allowed by Fresno COG in the filing of TDA claims, the City of Fresno uses a continuing resolution by the City Council for the submission of the annual claim. There were no amendments filed during the audit period. FAX is seeking to automate the process by pulling data directly from the budget and creating a template. The City's PeopleSoft budgeting software allows for the creation of "trees" where extra ledgers can be loaded.

Pursuant to the TDA, the City receives Local Transportation Fund (LTF) proceeds and State Transportation Assistance (STA) funds. TDA revenues are used primarily for operating expenses with some STA allocated toward capital. Based on the data provided in the City's Transit Operators Financial Transactions Reports, LTF revenues received were $22,356,415 in FY 2013; $22,420,989 in FY 2014; and $25,118,312 in FY 2015. STA funds received were $4,109,214 in FY 2013; $4,113,689 in FY 2014; and $3,597,884 in FY 2015.

FAX's most recent FTA triennial review was conducted in 2015 that involved site visits on April 28 and 29, 2015. The review examined compliance in 17 areas. No deficiencies were found with FTA requirements in five areas, while two areas were found to be non-applicable. FAX was found deficient in 10 areas pertaining to technical capacity, maintenance, ADA, procurement, Disadvantaged Business Enterprise, satisfactory continuing control, planning/program of projects, public comment, drug-free workplace and drug and alcohol program, and Equal

Employment Opportunity. Each deficiency was addressed and corrections were made by November 2015.

Grants Management

The City of Fresno receives and uses a variety of grant programs to support its transit services. Such grants have been derived from local, state, and federal sources. FAX staff track and monitor grants on a capital projects financial status report spreadsheet as well as on individual grant spreadsheets. The capital projects spreadsheet includes categories and line items for the project type and name, fund code, project number, project manager, labor charges, funding type, budget amount, funds expended, scheduled completion date, and space to include notes and project status.

The principal source of local funding has been the Measure C Extension, the countywide one-half cent sales tax reauthorized by voters in November 2006. About 24 percent 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 support existing services, increase service levels, leverage grant dollars, and complete minor capital projects.

Based on the Measure C Extension Expenditure Plan Regional Public Transit program, FAX is programmed to receive on average $11.75 million in multimodal funding annually or $235 million over the 20-year life of the measure. Measure C Extension funds have been used to support night and weekend service, 15- to 20-minute bus headways, and bus shelter improvements. However, given the shortfall in sales tax revenues due to the recent economic downturn, Measure C Extension funds allocated toward FAX for operations have ranged from $8.75 million in FY 2013 to $9.07 million in FY 2015.

FAX received state Public Transportation Modernization, Improvement and Service Enhancement Account (PTMISEA) funds as a part of the Proposition 1B bond act. PTMISEA funds have been applied toward capital projects such as vehicle procurement and facility upgrades. Based on annual audited financial statements, PTMISEA funding received was $5,195,457 in FY 2013; $1,945,200 in FY 2014; and $1,000,000 in FY 2015. Another component of the Proposition 1B program is the California Transit Security Grant Program, California Transit Assistance Fund (CTSGP-CTAF) administered by the Governor's Office of Emergency Services. CTSGP-CTAF grant funds awarded to the City averaged just under $600,000 for FY 2013 and FY 2014, respectively. Proposition 1B funds are tracked on separate spreadsheets that contain worksheets for specific projects and interest accruals on fund balances.

Most transit-related federal grants are derived from several funding formulas. FTA Section 5307 funds are used to support operations such as preventive maintenance, passenger amenities, and a portion of the Handy Ride contract. FAX is programming use of the oldest of these grants first, which date back to 2004 for a CNG compressor. The next oldest 5307 grant dates back to 2011. The City received federal pass-through funding from Caltrans and Fresno COG under FTA Sections 5310, 5316, and 5317. FTA Section 5310 funding has been received for the replacement

of paratransit vehicles. FAX received FTA Section 5309 small starts funding toward BRT. Toll credits have been used as a local match for some federal grants.

Section VI

Findings

The following summarizes the major findings obtained from this triennial audit covering fiscal years 2013 through 2015. A set of recommendations is then provided.

<u>Triennial Audit Findings</u>

1. Of the compliance areas pertaining to FAX, the operator fully complied with seven of nine applicable requirements. Two additional compliance requirements are not applicable to FAX (i.e., intermediate farebox recovery ratio and rural area farebox recovery). The operator was in partial compliance with the timely submittal of its Transit Operators Financial Transactions Report to the State Controller for FY 2013 and the Annual Fiscal and Compliance Audits for FYs 2013 and 2014.

2. FAX participates in the CHP Transit Operator Compliance Program as required by TDA. The CHP inspection reports submitted for review were found to be satisfactory with the exception of the February 4, 2015, inspection, which was rated "unsatisfactory" due to two driver record violations. The violations involved an expired VTT certification and failure to retain a current DMV EPN enrollment. Said violations were corrected and a satisfactory rating was issued June 12, 2015.

3. The operating budget exhibited moderate fluctuations during the audit period. The FAX operating budget increased in FYs 2013 and FY 2015 by 7.9 and 9.9 percent, respectively. In FY 2014, the operating budget decreased by 7.5 percent. The increase in the FY 2015 operating budget is attributed to the utilization and reimbursement of police services, federal paratransit review, maintenance and parts inventory appropriations, and contracted paratransit services.

4. Based on the available data from the Annual Fiscal and Compliance Audits, the agency's farebox recovery ratio remained at the required 20 percent standard during the review period.

5. FAX continues to utilize federal grant funding in addition to TDA revenues. Funding for operations and capital varied from $11.2 million in FY 2013 to $17.5 million in FY 2015 based on the City's Single Audit Reports.

6. Of the four prior audit recommendations, FAX satisfactorily implemented three recommendations. One recommendation not implemented pertained to reporting of paratransit FTE data in the State Controller's Report. That recommendation has been carried forward for full implementation.

7. Operating costs system-wide decreased 8.8 percent based on audited data (a 5.5 percent decrease based on unaudited data) from the FY 2012 base year through FY 2015. Using

unaudited data, fixed-route operating costs decreased by 8.8 percent for the same time period. In contrast, Dial-A-Ride operating costs increased 16.2 percent.

8. Ridership decreased 20.3 percent system-wide during the audit period. Fixed-route ridership decreased by a comparable 20.6 percent, while Dial-a-Ride ridership remained relatively unchanged. System-wide ridership exhibited its largest decline in FY 2013, which amounted to 12.9 percent. Fixed-route ridership trends were responsible for the system-wide decrease. Dial-A-Ride saw more negligible increases in ridership with a 1.6 percent increase in FY 2014 and a 1.0 percent increase in FY 2015.

9. Operating cost per passenger, an indicator of cost effectiveness, increased 14.4 percent system-wide based on audited data (an 18.6 percent increase based on unaudited data). Cost per passenger increased by a comparable 14.8 percent on fixed route, with a 16.2 percent increase on Dial-A-Ride. The trend for this indicator reflects a larger percentage decrease in passenger trips when compared to the decrease in operating costs.

10. In an effort to sustain core services, FAX reinstated late evening end of the line services on Routes 30, 32, and 34. The system has been better able to assess passenger demand and trends with the implementation of new technology and infrastructure. With the procurement and installation of automated passenger counters (APCs) and new fareboxes in 2014, the accuracy of passenger trip data collection has increased significantly.

11. FAX implemented automated dispatching of driver assignments. In December 2015, the agency implemented the Trapeze Operations software program, which keeps track of work hours resulting in increased time savings and accuracy. FAX is seeking to configure the software to include labor rules.

12. Handy Ride demand-response paratransit is administered by FAX's Support Services Division and operated under contract by Los Angeles–based Keolis Transit America. In August 2012, the City released a Request for Proposals for the provision of paratransit services. The City awarded the contract for a three-year term to Keolis, which assumed operation of Handy Ride In February 2013.

13. FAX retained a consultant to conduct a facilities and management assessment. The assessment recommended replacing the bus wash and fueling facility as well as the vault dispensary. The department has set aside $5.2 million for facility improvements. In addition, a compressor is being added to the CNG fueling facility.

14. The audit period saw the retirement of the FAX Director in 2013 after serving for eight years in the position. The City Manager served as interim director until a permanent replacement was vetted and hired. A new director was hired in May 2014.

15. At the end of FY 2015, FAX had 238 bus operators and 135 FAX and fleet maintenance employees. FAX employees are represented by multiple bargaining units. The department has requested additional part-time driver and dispatcher positions. FAX has increased the

training pay rate from $9.00 to $14.00 an hour, including benefits. The driver training period has been shortened from the 8- to 10-week time frame to 6 weeks.

Recommendations

1. **Ensure that FTE data for Handy Ride paratransit are reported in the State Controller's Report.**

   This recommendation is carried forward from the prior audit. The audit acknowledges the enhanced procedures FAX has developed in tracking and reporting FTEs for its paratransit operations. An FTE is derived by dividing total employee work hours by 2,000. FAX should include the count of contracted employees (e.g., drivers, supervisors, and administrative managers). Preparation of the Transit Operators Financial Transactions Report has become more automated. The Finance Department created an Access database application that allows data to be pulled directly from PeopleSoft. The Finance Department completes the State Controller's Report, with FAX performing a final review before submittal. However, FTE data in the Transit Operators Financial Transactions Reports for fixed-route and specialized service continued to be omitted. It is suggested that FAX's administration work closely with its Support Services Division, the Handy Ride contract operator, and the Finance Department to ensure that the data are compiled and verified for insertion in the report.

2. **Provide Title VI Policy documentation in Spanish.**

   Pursuant to the federal Civil Rights Act of 1964, the City adopted a Title VI Program for FAX. Title VI of the Civil Rights Act requires that no person in the United States, on the grounds of race, color, or national origin, be excluded from, be denied the benefits of, or be subjected to discrimination under any program or activity receiving federal financial assistance. Program compliance includes Title VI notices and complaint forms posted on the transit website. However, the auditor could not find Title VI information and complaint forms provided in Spanish.

   Title VI provisions include a Limited English Proficiency (LEP) Plan to help identify reasonable steps to provide language assistance for LEP persons seeking meaningful access to FAX services as required by Executive Order 13166. Based on the latest US Census data, approximately 42.4 percent of Fresno residents age 5 years and older speak a language other than English at home. More specifically, approximately 29 percent of Fresno residents age 5 years and older are Spanish-speaking. Therefore, it is recommended that the City make available the Title VI Plan, procedures, and complaint form in Spanish.