



Fresno Council of Governments

TDA Triennial Performance Audit
of the City of Fresno for
FY 2021/22 - FY 2023/24



Final Report | June 2025

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Chapter 1 | Executive Summary

In 2024, the Fresno Council of Governments (Fresno COG) selected Moore & Associates, Inc., to prepare Triennial Performance Audits of itself as the RTPA and the four transit operators to which it allocates TDA funding.

The California Public Utilities Code requires all recipients of Transit Development Act (TDA) Article 4 funding to undergo an independent performance audit on a three-year cycle in order to maintain funding eligibility. Audits of Article 8 recipients are encouraged.

The Triennial Performance Audit is designed to be an independent and objective evaluation of City of Fresno as a public transit operator, providing operator management with information on the economy, efficiency, and effectiveness of its programs across the prior three fiscal years. In addition to assuring legislative and governing bodies (as well as the public) that resources are being economically and efficiently utilized, the Triennial Performance Audit fulfills the requirement of PUC Section 99246(a) that the RTPA designate an entity other than itself to conduct a performance audit of the activities of each operator to which it allocates funds.

This chapter summarizes key findings and recommendations developed during the Triennial Performance Audit (TPA) of the City of Fresno's public transit program for the period:

- Fiscal Year 2021/22,
- Fiscal Year 2022/23, and
- Fiscal Year 2023/24.

The City of Fresno operates Fresno Area Express (FAX), which includes 18 fixed routes. The service operates within Fresno city limits. Service is available on weekdays from 5:30 a.m. through 10:00 p.m., and weekends from 6:30 a.m. through 7:00 p.m. The service does not operate on designated holidays. Fixed-route service is directly operated by the City.

The City also operates Q, a bus rapid transit service of approximately 16 miles along Blackstone Avenue, serving key shopping centers, hospitals, and other significant locations. Fare is the same price as FAX's fixed-route service.

Handy Ride is a curb-to-curb, ADA complementary paratransit service available to eligible persons with disabilities unable to use the traditional fixed-route bus service. Trips are provided on a first-come, first-served basis. Requests for service may be made one to two days in advance.

This performance audit was conducted in accordance with generally accepted government auditing standards. Those standards require that the audit team plans and performs the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for its findings and conclusions based on the audit objectives. Moore & Associates, Inc. believes the evidence obtained provides a reasonable basis for our findings and conclusions.

This audit was also conducted in accordance with the processes established by the California Department of Transportation (Caltrans), as outlined in the *Performance Audit Guidebook for Transit Operators and Regional Transportation Planning Entities*.

The Triennial Performance Audit includes five elements:

- Compliance requirements,
- Prior recommendations,
- Analysis of program data reporting,
- Performance Audit, and
- Functional review.

Test of Compliance

Based on discussions with the City of Fresno staff, analysis of program performance, and an audit of program compliance and function, the audit team presents two compliance findings:

1. The City's State Controller Reports were submitted after the January 31 deadline for FY 2022/23 and FY 2023/24.
2. The City's TDA fiscal audits were completed after the March 31 deadline for all three years of the audit period.

Status of Prior Recommendations

The prior audit – completed in May 2022 by Moore & Associates, Inc. for the three fiscal years ending June 30, 2021 – included three recommendations:

1. Work with the Fresno Council of Governments and the TDA fiscal auditor to ensure future audits can be completed within the extended deadline.
Status: Implementation in progress.
2. Prepare separate detailed farebox recovery ratio calculations for FAX and Handy Ride as part of the TDA fiscal audit.
Status: Not implemented/no longer relevant.
3. Ensure staff responsible for preparing the State Controller Report have a solid understanding of the TDA definition of full-time equivalent (FTE) employee and how to calculate it.
Status: Implemented.

Findings and Recommendations

Based on discussions with City staff, analysis of program performance, and a review of program compliance and function, the audit team submits the aforementioned compliance findings for the City of Fresno.

1. The City's State Controller Reports were submitted after the January 31 deadline for FY 2022/23 and FY 2023/24.

2. The City's TDA fiscal audits were completed after the March 31 deadline for all three years of the audit period.

The audit team has identified one functional finding. While this finding is not a compliance finding, the audit team believes it warrants inclusion in this report:

1. As the co-designated CTSA, the City should be recognizing the FEOC as a contractor rather than a transit operator.

In completing this Triennial Performance Audit, the audit submits the following recommendations for the City's public transit program. They have been divided into two categories: TDA Program compliance recommendations and functional recommendations. TDA program compliance recommendations are intended to assist in bringing the operator into compliance with the requirements and standards of the TDA, while Functional Recommendations address issues identified during the triennial audit that are not specific to TDA compliance.

Exhibit 1.1 Summary of Audit Recommendations

TDA Compliance Recommendations		Importance	Timeline
1	Ensure State Controller Reports are submitted on or before the January 31 deadline.	Medium	FY 2024/25
2	Work with City and TDA auditors to ensure the TDA fiscal audit can be completed no later than March 31.	High	FY 2024/25
Functional Recommendations		Importance	Timeline
1	With respect to TDA, FEOC should now be considered as a contractor to FAX and FCRTA rather than as a transit operator.	High	FY 2024/25

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Chapter 2 | Audit Scope and Methodology

The Triennial Performance Audit (TPA) of the City of Fresno’s public transit program covers the three-year period ending June 30, 2024. The California Public Utilities Code requires all recipients of Transit Development Act (TDA) funding to complete an independent review on a three-year cycle in order to maintain funding eligibility.

In 2024, the Fresno Council of Governments selected Moore & Associates, Inc., to prepare Triennial Performance Audits of itself as the RTPA and the four transit operators to which it allocates TDA funding. Moore & Associates, Inc. is a consulting firm specializing in public transportation, including audits of non-TDA Article 4 recipients. Selection of Moore & Associates, Inc. followed a competitive procurement process.

The Triennial Performance Audit is designed to be an independent and objective evaluation of the City of Fresno as a public transit operator. Direct benefits of a Triennial Performance Audit include providing operator management with information on the economy, efficiency, and effectiveness of its programs across the prior three years; helpful insight for use in future planning; and assuring legislative and governing bodies (as well as the public) that resources are being economically and efficiently utilized. Finally, the Triennial Performance Audit fulfills the requirement of PUC Section 99246(a) that the RTPA designate an entity other than itself to conduct a performance audit of the activities of each operator to whom it allocates funds.

This performance audit was conducted in accordance with generally accepted government auditing standards. Those standards require that the audit team plans and performs the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for its findings and conclusions based on the audit objectives. The auditors believe the evidence obtained provides a reasonable basis for its findings and conclusions.

The audit was also conducted in accordance with the processes established by the California Department of Transportation (Caltrans), as outlined in the *Performance Audit Guidebook for Transit Operators and Regional Transportation Planning Entities*, as well as *Government Audit Standards* published by the U.S. Comptroller General.

Objectives

A Triennial Performance Audit (TPA) has four primary objectives:

1. Assess compliance with TDA regulations;
2. Review improvements subsequently implemented as well as progress toward adopted goals;
3. Evaluate the efficiency and effectiveness of the transit operator; and
4. Provide sound, constructive recommendations for improving the efficiency and functionality of the transit operator.

Scope

The TPA is a systematic review of performance evaluating the efficiency, economy, and effectiveness of the transit operator. The audit of the City of Fresno included five tasks:

1. A review of compliance with TDA requirements and regulations.
2. A review of the status of recommendations included in the prior Triennial Performance Audit.
3. A verification of the methodology for calculating performance indicators including the following activities:
 - Assessment of internal controls,
 - Test of data collection methods,
 - Calculation of performance indicators, and
 - Evaluation of performance.
4. Comparison of data reporting practices:
 - Internal reports,
 - State Controller Reports, and
 - National Transit Database.
5. Examination of the following functions:
 - General management and organization;
 - Service planning;
 - Scheduling, dispatching, and operations;
 - Personnel management and training;
 - Administration;
 - Marketing and public information; and
 - Fleet maintenance.
6. Conclusions and recommendations to address opportunities for improvement based upon analysis of the information collected and the audit of the transit operator's major functions.

Methodology

The methodology for the Triennial Performance Audit of City of Fresno included thorough review of documents relevant to the scope of the audit, as well as information contained on City's website. The documents reviewed included the following (spanning the full three-year period):

- Monthly performance reports;
- State Controller Reports;
- Annual budgets;
- TDA fiscal audits;
- Transit marketing collateral;
- TDA claims;
- Fleet inventory;
- Preventive maintenance schedules and forms;
- California Highway Patrol Terminal Inspection reports;
- National Transit Database reports;

- Accident/road call logs; and
- Organizational chart.

The methodology for this audit included a virtual site visit with the City of Fresno representatives on February 20, 2025. The audit team met with Linda Taylor (Administrative Manager), Sharlee Flores (Senior Management Analyst), Drew Wilson (Planner Manager), Robert Hogg (Personnel Manager), Joe Vargas (Assistant Director of Transportation), Rene Rodriguez (Operations Manager), and Gregory Barfield (Director of Transportation) and reviewed materials germane to the triennial audit.

This report is comprised of eight chapters divided into three sections:

1. Executive Summary: A summary of the key findings and recommendations developed during the Triennial Performance Audit process.
2. TPA Scope and Methodology: Methodology of the review and pertinent background information.
3. TPA Results: In-depth discussion of findings surrounding each of the subsequent elements of the audit:
 - Compliance with statutory and regulatory requirements,
 - Status of prior recommendations,
 - Consistency among reported data,
 - Performance measures and trends,
 - Functional audit, and
 - Findings and recommendations.

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Chapter 3 | Program Compliance

This section examines the City of Fresno's (Fresno Area Express) compliance with the Transportation Development Act as well as relevant sections of the California Code of Regulations. An annual certified fiscal audit confirms TDA funds were apportioned in conformance with applicable laws, rules, and regulations. The City of Fresno considers full use of funds under California Code of Regulations (CCR) 6754(a) as referring to operating funds but not capital funds. The TPA findings and related comments are delineated in Exhibit 3.1.

Status of compliance items was determined through discussions with City staff as well as an inspection of relevant documents including the fiscal audits for each year of the triennium, State Controller annual filings, California Highway Patrol terminal inspections, National Transit Database reports, year-end performance reports, and other compliance-related documentation.

Two compliance issues were identified for the City of Fresno:

1. The City's State Controller Reports were submitted after the January 31 deadline for FY 2022/23 and FY 2023/24.
2. The City's TDA fiscal audits were completed after the March 31 deadline for all three years of the audit period.

Developments Occurring During the Audit Period

For many operators, the FY 2021/22 – FY 2023/24 audit period reflected both the acute impacts of and recovery from the COVID-19 pandemic. By the end of the audit period – even earlier in some cases – most operators had exhausted federal relief funds, even though penalties for non-compliance with farebox recovery ratios continued to be waived. Many operators, even more than five years after the onset of the pandemic, still struggle with ridership that has yet to recover to pre-pandemic levels.

Given this is not the first Triennial Performance Audit to be conducted since the COVID-19 pandemic, this report will not focus on actions taken as a result of the health crisis. Instead, the compliance review, functional review, and resulting recommendations will focus on ensuring program sustainability once penalty waivers and other emergency legislation have ended.

Assembly Bill 90, signed into law on June 29, 2020, provided temporary regulatory relief for transit operators required to conform with Transportation Development Act (TDA) farebox recovery ratio thresholds in FY 2019/20 and FY 2020/21. Assembly Bill 149, signed into law on July 16, 2021, provided additional regulatory relief by extending the provisions of AB 90 through FY 2022/23 and adjusting definitions of eligible revenues and operating costs. Most recently, Senate Bill 125, signed into law on July 10, 2023, extended protections provided via earlier legislation through FY 2025/26. While this means the audit period covered by this audit is fully exempt from penalties for non-compliance with the farebox recovery ratio, for example, it also means that transit operators will likely need to be in compliance by the last year of the next audit period.

While the ability to maintain state mandates and performance measures is important, these measures enable transit operators to adjust to the impacts of COVID while continuing to receive their full allocations of funding under the TDA.

Together, these three pieces of legislation include the following provisions specific to transit operator TDA funding under Article 4 and Article 8:

1. Prohibits the imposition of the TDA revenue penalty on an operator that did not maintain the required ratio of fare revenues to operating cost from FY 2019/20 through FY 2025/26.
2. Expands the definition of “local funds” to enable the use of federal funding to supplement fare revenues and allows operators to calculate free and reduced fares at their actual value.
3. Adjusts the definition of operating cost to exclude the cost of ADA paratransit services, demand-response and microtransit services designed to extend access to service, ticketing/payment systems, security, some pension costs, and some planning costs.
4. Allows operators to use STA funds as needed to keep transit service levels from being reduced or eliminated through FY 2025/26.

SB 125 calls for the establishment of the Transit Transformation Task Force to develop policy recommendations to grow transit ridership and improve the transit experience for all users. In the 50-plus years since introduction of the Transportation Development Act, there have been many changes to public transportation in California. Many operators have faced significant challenges in meeting the farebox recovery ratio requirement, calling into question whether it remains the best measure for TDA compliance. In 2018, the chairs of California’s state legislative transportation committees requested the California Transit Association spearhead a policy task force to examine the TDA, which resulted in a draft framework for TDA reform released in early 2020. The Transit Transformation Task Force is required to submit a report of its findings and policy recommendations to the State Legislature by October 31, 2025. This report is expected to include recommendations for TDA reform, which may impact the next Triennial Performance Audit period.

Exhibit 3.1 Transit Development Act Compliance Requirements

Compliance Element	Reference	Compliance	Comments
State Controller Reports submitted on time.	PUC 99243	Finding	FAX: FY 2021/22: January 31, 2023 FY 2022/23: February 7, 2024 FY 2023/24: February 4, 2025 Handy Ride/Specialized Services: FY 2021/22: January 31, 2023 FY 2022/23: February 7, 2024 FY 2023/24: February 13, 2025
Fiscal and compliance audits submitted within 180 days following the end of the fiscal year (or with up to 90-day extension).	PUC 99245	Finding	FY 2021/22: March 7, 2024 FY 2022/23: February 6, 2025 FY 2023/24: <i>Pending as of May 15, 2025</i>
Operator's terminal rated as satisfactory by CHP within the 13 months prior to each TDA claim.	PUC 99251 B	In compliance	G Street terminal: February 24, 2021 March 30, 2022 April 18, 2023 (Unsatisfactory) ¹ July 31, 2023 July 24, 2024 (Unsatisfactory) ² November 14, 2024 Blackstone terminal: October 11, 2022 (Unsatisfactory) ³ February 7, 2023 February 6, 2024
Operator's claim for TDA funds submitted in compliance with rules and regulations adopted by the RTPA.	PUC 99261	In compliance	
If 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.	PUC 99270.1	Not applicable	
Except as otherwise provided, the allocation for any purpose specified under Article 8 may in no year exceed 50% of the amount required to meet the total planning expenditures for that purpose.	PUC 99405	Not applicable	The City of Fresno does not claim Article 8 funds for transit.

¹ The April 2023 Unsatisfactory rating was related to late inspections as a result of high turnover in the maintenance department. The City subsequently hired a new Fleet Manager, and a reinspection resulted in a Satisfactory rating.

² The July 2024 Unsatisfactory rating was related to the Pull Notice Program, which was being managed by the Personnel Department. The Personnel Department had not consistently been checking to ensure all new employees were enrolled. This was addressed prior to the reinspection, which resulted in a Satisfactory rating.

³ The October 2022 Unsatisfactory rating was due to a failure to maintain records of the different types of vehicle and vehicle combinations each driver is capable of driving. A reinspection in February 2023 resulted in a Satisfactory rating.

Compliance Element	Reference	Compliance	Comments
An operator receiving allocations under Article 8(c) may be subject to regional, countywide, or subarea performance criteria, local match requirements, or fare recovery ratios adopted by resolution of the RTPA.	PUC 99405	Not applicable	The City of Fresno does not claim Article 8 funds for transit.
The operator's definitions of performance measures are consistent with the Public Utilities Code Section 99247.	PUC 99247	In compliance	
The operator does not routinely staff with two or more persons a vehicle for public transportation purposes designed to be operated by one person.	PUC 99264	In compliance	
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).	PUC 99266	In compliance	General: FY 2021/22: +0.05% FY 2022/23: +2.62% FY 2023/24: +29.92% CTSA: FY 2022/23: +10.31% FY 2023/24: +24.26% <i>Source:</i> <i>Increases over 15% due to wage and contract increases and service restoration/expansion.</i>
If the operator serves an urbanized area, it has maintained a ratio of fare revenues to operating cost at least equal to one-fifth (20 percent).	PUC 99268.2, 99268.4, 99268.1	In compliance	System: FY 2021/22: 28.5% FY 2022/23: 20.2% FY 2023/24: Pending <i>Source: TDA fiscal audits (includes local assistance).</i> Fixed-route: FY 2021/22: 6.81% FY 2022/23: 4.53% FY 2023/24: 6.38% <i>Source: State Controller Reports, FY 2022 – FY 2024. Does not include local supplementation. Penalties for failure to meet the farebox requirement were waived during the audit period under AB 90, AB 149, and SB 125.</i>
If the operator serves a rural area, it has maintained a ratio of fare revenues to operating cost at least equal to one-tenth (10 percent).	PUC 99268.2, 99268.4, 99268.5	Not applicable	

Compliance Element	Reference	Compliance	Comments
For a claimant that provides only services to elderly and handicapped persons, the ratio of fare revenues to operating cost shall be at least 10 percent.	PUC 99268.5, CCR 6633.5	In compliance	FY 2021/22: 1.92% FY 2022/23: 2.45% FY 2023/24: 2.32% <i>Source: State Controller Reports, FY 2022 – FY 2024. Does not include local supplementation. Penalties for failure to meet the farebox requirement were waived during the audit period under AB 90, AB 149, and SB 125.</i>
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 for 40 years.	PUC 99271	In compliance	
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.	CCR 6754 (a) (3)	In compliance	
In order to use State Transit Assistance funds for operating assistance, the operator's total operating cost per revenue hour does not exceed the sum of the preceding year's total plus an amount equal to the product of the percentage change in the CPI for the same period multiplied by the preceding year's total operating cost per revenue hour. An operator may qualify based on the preceding year's operating cost per revenue hour or the average of the three prior years. If an operator does not meet these qualifying tests, the operator may only use STA funds for operating purposes according to a sliding scale.	PUC 99314.6	In compliance	This requirement was waived during the audit period under AB 90, AB 149, and SB 125.
A transit claimant is precluded from receiving monies from the Local Transportation Fund and the State Transit Assistance Fund in an amount which exceeds the claimant's capital and operating costs less the actual amount of fares received, the amount of local support required to meet the fare ratio, the amount of federal operating assistance, and the amount received during the year from a city or county to which the operator has provided services beyond its boundaries.	CCR 6634	In compliance	

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Chapter 4 | Prior Recommendations

This section reviews and evaluates the implementation of prior Triennial Performance Audit recommendations. This objective assessment provides assurance the City of Fresno has made quantifiable progress toward improving both the efficiency and effectiveness of its public transit program.

The prior audit – completed in May 2022 by Moore & Associates, Inc. for the three fiscal years ending June 30, 2021 – included three recommendations:

1. [Work with the Fresno Council of Governments and the TDA fiscal auditor to ensure future audits can be completed within the extended deadline.](#)

Discussion: In FY 2018/19, the City’s TDA fiscal audit was completed on April 20, 2020. This was nearly three weeks after the deadline established under PUC 99245. The FY 2019/20 audit was submitted on January 20, 2022, more than a year after the original deadline. City staff noted there was a significant amount of turnover in the auditor’s office, which delayed both audits. The audit contract for the TDA fiscal audits is managed by the RTPA.

When delays are caused by issues internal to the auditing firm, there may be little the City can do to ensure timely completion of its audits. Consequently, the prior auditor recommended working with both Fresno COG and the auditor toward on-time completion. Depending upon when the audit contract is up for renewal, Fresno COG may be able to include additional language regarding guaranteeing completion deadlines.

At the time of the prior audit, the City indicated it had not been contacted by the TDA fiscal auditor regarding the FY 2019/20 audit until May 2021. It committed to seeking greater collaboration with Fresno COG regarding future audits.

Progress: During the current audit period, the TDA fiscal audits for FY 2021/22 and FY 2022/23 were completed late, and the audit for FY 2023/24 was still pending as of May 15, 2025. City staff believe this is largely due to the City changing its financial management software system between FY 2021/22 and FY 2022/23.

Status: Implementation in progress.

2. [Prepare separate detailed farebox recovery ratio calculations for FAX and Handy Ride as part of the TDA fiscal audit.](#)

Discussion: City’s annual TDA fiscal audit includes a summary of its farebox recovery ratio, including local assistance and excluding capital assets additions. The “local assistance” line items do not identify what is included therein. In addition, the “farebox revenues” line item is significantly higher than the fare revenues reported elsewhere in the fiscal audit, suggesting other revenues were included in that figure.

The TDA fiscal audit does not include a separate farebox recovery ratio for the Handy Ride program. Handy Ride, as a specialized transit service, has a different farebox recovery ratio threshold (10 percent) than FAX (20 percent). Therefore, it is beneficial to break out the two modes in addition to the system as a whole.

The auditor recommended the City work with the fiscal auditor to incorporate separate detailed farebox recovery ratio calculations for both FAX and Handy Ride into the annual fiscal audit. The auditor should be familiar with TDA legislation regarding allowable exclusions and the calculation of operating cost as well as allowable local revenue supplementation (including, but not limited to, PUC 99268.4, 99268.5, 99268.8, 99268.9, 99268.17, and 99268.19; AB 90; and AB 149).

At the time of the prior audit, the City noted that all backup documentation for how the farebox recovery ratio is calculated is provided to the auditors as part of the TDA fiscal audit. While the local supplementation amount is separately identified in the fiscal audit, the TDA Claim form does not allow for the breakdown to be presented. The City indicated it would only be able to split out the different revenues if Fresno COG amends its TDA claim form.

Progress: While it is true that the Fresno COG TDA claim form does not break out different types of supplemental revenues, it is unclear as to why the fiscal auditor would not be able to do this given the figure must be calculated for the audit. As of the FY 2022/23 TDA fiscal audit, “local assistance” is still cited as a lump sum. As such, we could not verify what revenues were being counted toward local supplementation. However, since Fresno COG manages the contract for the TDA fiscal auditor, we are electing to transfer this recommendation to the RTPA and not continue it into the City’s current audit.

Status: Not implemented/no longer relevant.

3. [Ensure staff responsible for preparing the State Controller Report have a solid understanding of the TDA definition of full-time equivalent \(FTE\) employee and how to calculate it.](#)

Discussion: While the City demonstrated a clear understanding of the TDA definition of full-time equivalent (FTE) employee with respect to its Handy Ride data, the fixed-route FTE data is not so clear-cut. In its documentation for this audit, the City provided its employee data as reported to the National Transit Database (NTD) as well as the employee data provided to the State Controller.

Anyone that participates in the preparation of the annual State Controller Report should be provided with the above example and instructions on how to calculate Employees based on the TDA definition. This should be passed along to new staff should responsibility for the report change hands mid-year.

During the prior audit, the City noted it provides the same base data to the FTA and State Controller’s Office (SCO), but the calculation methodologies differ slightly. The State Controller, for its Transit Operator Financial Transaction Report, utilizes the TDA definition of full-time equivalent (FTE) employee for the reporting of employees. The NTD form R-10 utilizes actual employee counts as of June 30 of each year.

Progress: City staff responsible for preparing the State Controller Report do have a solid understanding of the TDA definition of full-time equivalent (FTE) employee and how to calculate it. The City worked with its auditor to update the calculation method for the FY 2021/22 State Controller Report and have been calculating the FTE employees consistently since then.

Status: Implemented.

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Chapter 5 | Data Reporting Analysis

An important aspect of the Triennial Performance Audit process is assessing how effectively and consistently the transit operator reports performance statistics to local, state, and federal agencies. Often as a condition of receipt of funding, an operator must collect, manage, and report data to different entities. Ensuring such data are consistent can be challenging given the differing definitions employed by different agencies as well as the varying reporting timeframes. This chapter examines the consistency of performance data reported by the City of Fresno both internally as well as to outside entities during the audit period.

Note: The FY 2023/24 TDA fiscal audit was not available at the time of this report. As such, it is excluded from this analysis.

Vehicle Service Hours, Vehicle Service Miles, and Passengers were reported consistently among the various reports throughout the audit period.

- **Operating cost:** In FY 2021/22, the amounts of operating cost reported among the three reports was generally consistent. In FY 2022/23, there was a difference of 18.5 percent between the highest and lowest figures. In FY 2023/24, there was a difference of 8.7 percent between the NTD report and the State Controller Report. According to the City, data in the State Controller Report is for the entire City of Fresno Department of Transportation, including financial transactions incurred by our department that are not reportable to NTD as public transit expenses. Examples include funds paid out for non-public transit (Veterans' Home shuttle, Fresno City College mechanics training program, CTSA pass-thru to FEOC).
- **Fare Revenue:** During each year of the audit period, there were differences in the amount of fare revenue reported. There was a variance of 21.7 percent between the highest and lowest figures in FY 2021/22 and a variance of 5.1 percent between the highest and lowest figures in FY 2022/23. In FY 2021/22 and FY 2022/23, the variance was primarily due to differences in FAX fare revenues, as the Handy Ride fare revenues reported to the NTD and State Controller were consistent. In FY 2023/24, the overall variance of 3.8 percent was due to differences in both FAX and Handy Ride fare revenue.

According to the City, this is likely due to the timing of accruals and City of Fresno closeout activities. FY 2021/22 was the last year for the City to use its old financial management software system (PeopleSoft) and FY 2022/23 was the live launch of the new Tyler Munis software. Implementation of this change caused many end-of-year processes to be delayed, including bank reconciliations, interest accruals, and accrual of some transactions. The NTD report is due in October and was filed with the most complete data available at that time. The city-wide audit process (ACFR), State Controller Report, and subsequent TDA fiscal audit all take place after filing the NTD report, which may have allowed more time for transactions to be accrued into FY2021/22 that were too late to be included in the NTD report. This process has significantly improved since implementation of the new software system.

- **Full-Time Equivalent (FTE) Employees:** FTE looked to be reported correctly in FY 2021/22. However, in FY 2022/23 and FY 2023/24, it appears that either the total number of employees or the number of fixed-route employees was reported on the Specialized Services report. The State Controller Report showed the number of Handy Ride employees increasing from 70 to 440 in FY 2022/23 and FY 2023/24.

Exhibit 5.1 Data Reporting Comparison

Performance Measure	System-Wide		
	FY 2021/22	FY 2022/23	FY 2023/24
Operating Cost (Actual \$)			
<i>TDA fiscal audit</i>	\$62,026,000	\$81,362,000	
<i>National Transit Database</i>	\$62,126,316	\$71,245,077	\$77,117,356
<i>State Controller Report</i>	\$62,717,811	\$84,446,091	\$83,805,622
Fare Revenue (Actual \$)			
<i>TDA fiscal audit</i>	\$3,207,000	\$3,755,000	
<i>National Transit Database</i>	\$3,482,194	\$3,842,978	\$4,812,495
<i>State Controller Report</i>	\$3,902,144	\$3,656,147	\$4,994,444
Vehicle Service Hours (VSH)			
<i>Monthly Performance Reports</i>	489,529	497,538	542,661
<i>National Transit Database</i>	489,529	497,545	542,661
<i>State Controller Report</i>	488,307	497,787	542,661
Vehicle Service Miles (VSM)			
<i>Monthly Performance Reports</i>	5,587,684	5,670,400	6,268,644
<i>National Transit Database</i>	5,587,684	5,670,396	6,268,644
<i>State Controller Report</i>	5,587,684	5,670,396	6,268,644
Passengers			
<i>Monthly Performance Reports</i>	7,120,507	8,324,070	9,760,432
<i>National Transit Database</i>	7,120,507	8,324,054	9,760,432
<i>State Controller Report</i>	7,120,507	8,324,054	9,760,432
Full-Time Equivalent Employees			
<i>State Controller Report</i>	466	880	900

Chapter 6 | Performance Analysis

Performance indicators are typically employed to quantify and assess the efficiency of a transit operator's activities. Such indicators provide insight into current operations as well as trend analysis of operator performance. Through a review of indicators, relative performance as well as possible inter-relationships between major functions is revealed.

The Transportation Development Act (TDA) requires recipients of TDA funding to track and report five performance indicators:

- Operating Cost/Passenger,
- Operating Cost/Vehicle Service Hour,
- Passengers/Vehicle Service Hour,
- Passengers/Vehicle Service Mile, and
- Vehicle Service Hours/Employee.

To assess the validity and use of performance indicators, the audit team performed the following activities:

- Assessed internal controls in place for the collection of performance-related information,
- Validated collection methods of key data,
- Calculated performance indicators, and
- Evaluated performance indicators.

The procedures used to calculate TDA-required performance measures for the current triennium were verified and compared with indicators included in similar reports to external entities (i.e., State Controller and Federal Transit Administration).

Operating Cost

The Transportation Development Act requires an operator to track and report transit-related costs reflective of the Uniform System of Accounts and Records developed by the State Controller and the California Department of Transportation. The most common method for ensuring this occurs is through a compliance audit report prepared by an independent auditor in accordance with California Code of Regulations Section 6667⁴. The annual independent financial audit should confirm the use of the Uniform System of Accounts and Records. *Operating cost* – as defined by PUC Section 99247(a) – excluded the following during the audit period⁵:

⁴ CCR Section 6667 outlines the minimum tasks which must be performed by an independent auditor in conducting the annual fiscal and compliance audit of the transit operator.

⁵ Given the passage of AB 149, the list of excluded costs will be expanded beginning with FY 2021/22.

- Cost in the depreciation and amortization expense object class adopted by the State Controller pursuant to PUC Section 99243,
- Subsidies for commuter rail services operated under the jurisdiction of the Interstate Commerce Commission,
- Direct costs of providing charter service, and
- Vehicle lease costs.

Vehicle Service Hours and Miles

Vehicle Service Hours (VSH) and *Miles* (VSM) are defined as the time/distance during which a revenue vehicle is available to carry fare-paying passengers, and which includes only those times/miles between the time or scheduled time of the first passenger pickup and the time or scheduled time of the last passenger drop-off during a period of the vehicle's continuous availability.⁶ For example, demand-response service hours include those hours when a vehicle has dropped off a passenger and is traveling to pick up another passenger, but not those hours when the vehicle is unavailable for service due to driver breaks or lunch. For both demand-response and fixed-route services, service hours will exclude hours of "deadhead" travel to the first scheduled pick-up, and will also exclude hours of "deadhead" travel from the last scheduled drop-off back to the terminal. For fixed-route service, a vehicle is in service from first scheduled stop to last scheduled stop, whether or not passengers board or exit at those points (i.e., subtracting driver lunch and breaks but including scheduled layovers).

Passenger Counts

According to the Transportation Development Act, *total passengers* is equal to the total number of unlinked trips (i.e., those trips that are made by a passenger that involve a single boarding and departure), whether revenue-producing or not.

Employees

Employee hours is defined as the total number of hours (regular or overtime) which all employees have worked, and for which they have been paid a wage or salary. The hours must include transportation system-related hours worked by persons employed in connection with the system (whether or not the person is employed directly by the operator). Full-Time Equivalent (FTE) is calculated by dividing the number of person-hours by 2,000.

Fare Revenue

Fare revenue is defined by California Code of Regulations Section 6611.2 as revenue collected from the farebox plus sales of fare media.

⁶ A vehicle is considered to be in revenue service despite a no-show or late cancellation if the vehicle remains available for passenger use.

TDA Required Indicators

To calculate the TDA indicators for the City of Fresno, the following sources were employed:

- Operating Cost was not independently calculated as part of this audit. Operating Cost data were obtained via State Controller Reports for each fiscal year covered by this audit. Operating Cost from the reports was compared against that reported in NTD reports and the City's audited financial reports and appeared to be consistent with TDA guidelines. In accordance with PUC Section 99247(a), the reported costs excluded depreciation and other allowable expenses.
- Fare Revenue was not independently calculated as part of this audit. Fare revenue data were obtained via State Controller Reports for each fiscal year covered by this audit. This appears to be consistent with TDA guidelines as well as the uniform system of accounts.
- Vehicle Service Hours (VSH) data were obtained via State Controller Reports for each fiscal year covered by this audit. For FAX, service hours are captured by onboard hardware and calculated by the software system. For Handy Ride, the City utilizes Trapeze reports to document time in and out of service. These methodologies are consistent with PUC guidelines.
- Vehicle Service Miles (VSM) data were obtained via State Controller Reports for each fiscal year covered by this audit. For FAX, service miles are captured by onboard hardware and calculated by the software system. For Handy Ride, the City utilizes Trapeze reports to document miles traveled in service. These methodologies are consistent with PUC guidelines.
- Unlinked trip data were obtained via State Controller Reports for each fiscal year covered by this audit. For FAX, the City utilizes an FTA-certified automatic passenger counter (APC) system using software-assisted upscaling in line with FTA guidance calculation. For Handy Ride, the City utilizes Trapeze reports. These methodologies are consistent with PUC guidelines.
- Full-Time Equivalent (FTE) data were obtained from State Controller Reports for each fiscal year covered by this review. Use of the TDA definition regarding FTE calculation was confirmed.

System Performance Trends

Systemwide, operating cost experienced a net increase of 33.6 percent between FY 2021/22 and FY 2023/24, and a net increase of 58 percent since FY 2018/19. Fare revenue generally fluctuated throughout the six-year period, with the most significant decrease occurring in FY 2020/21 and the most significant increase occurring in FY 2021/22. This is not surprising, given the impact of the COVID-19 pandemic. This resulted in a 24.7 percent net decrease in fare revenue across the six-year period and a 28 percent increase during the audit period.

Vehicle service hours (VSH) and vehicle service miles (VSM) increased each year except for FY 2019/20 and FY 2020/21. This resulted in a net 11.1 percent increase in VSH and net 12.2 percent increase in VSM during the audit period, and a net increase of 7.4 percent and 6.5 percent, respectively, across the six-year period. While ridership decreased during the prior audit period, ridership increased every year of the current audit period. The system ended the audit period with ridership 9.4 percent lower than prior to the COVID-19 pandemic.

Cost-related metrics typically provide an indicator of a system's efficiency, while passenger-related metrics offer insight into its productivity. Improvements are characterized by increases in passenger-related metrics and decreases in cost-related metrics. Operating cost per vehicle service hour and operating cost per vehicle service mile both saw moderate net increases during the audit period (20.2 percent and 19.1 percent, respectively). Operating cost per passenger experienced a 2.5 percent decrease during the audit period. Passengers per vehicle service hour and passenger per vehicle service mile experienced steady increases during the audit period, totaling 23.3 percent and 22.2 percent, respectively.

It should be noted that the apparent over-reporting of full-time equivalent employees for Handy Ride in FY 2022/23 and FY 2023/24 resulted in skewed data for the VSH per FTE Employee metric.

Exhibit 6.1 System Performance Indicators

Performance Measure	System-wide					
	FY 2018/19	FY 2019/20	FY 2020/21	FY 2021/22	FY 2022/23	FY 2023/24
Operating Cost (Actual \$)	\$53,057,730	\$56,766,659	\$60,132,341	\$62,717,811	\$84,446,091	\$83,805,622
<i>Annual Change</i>		7.0%	5.9%	4.3%	34.6%	-0.8%
Fare Revenue (Actual \$)	\$6,634,083	\$5,380,014	\$1,834,606	\$3,902,144	\$3,656,147	\$4,994,444
<i>Annual Change</i>		-18.9%	-65.9%	112.7%	-6.3%	36.6%
Vehicle Service Hours (VSH)	505,318	496,132	469,838	488,307	497,787	542,661
<i>Annual Change</i>		-1.8%	-5.3%	3.9%	1.9%	9.0%
Vehicle Service Miles (VSM)	5,884,197	5,630,023	5,316,131	5,587,684	5,670,396	6,268,644
<i>Annual Change</i>		-4.3%	-5.6%	5.1%	1.5%	10.6%
Passengers	10,770,494	9,229,088	5,701,256	7,120,507	8,324,054	9,760,432
<i>Annual Change</i>		-14.3%	-38.2%	24.9%	16.9%	17.3%
Employees	439	446	448	466	880	900
<i>Annual Change</i>		1.6%	0.4%	4.0%	88.8%	2.3%
Performance Indicators						
Operating Cost/VSH (Actual \$)	\$105.00	\$114.42	\$127.99	\$128.44	\$169.64	\$154.43
<i>Annual Change</i>		9.0%	11.9%	0.4%	32.1%	-9.0%
Operating Cost/Passenger (Actual \$)	\$4.93	\$6.15	\$10.55	\$8.81	\$10.14	\$8.59
<i>Annual Change</i>		24.9%	71.5%	-16.5%	15.2%	-15.4%
Passengers/VSH	21.31	18.60	12.13	14.58	16.72	17.99
<i>Annual Change</i>		-12.7%	-34.8%	20.2%	14.7%	7.6%
Passengers/VSM	1.83	1.64	1.07	1.27	1.47	1.56
<i>Annual Change</i>		-10.4%	-34.6%	18.8%	15.2%	6.1%
Farebox Recovery	12.5%	9.5%	3.1%	6.2%	4.3%	6.0%
<i>Annual Change</i>		-24.2%	-67.8%	103.9%	-30.4%	37.6%
Hours/Employee	1,151.1	1,112.4	1,048.7	1,047.9	565.7	603.0
<i>Annual Change</i>		-3.4%	-5.7%	-0.1%	-46.0%	6.6%
TDA Non-Required Indicators						
Operating Cost/VSM	\$9.02	\$10.08	\$11.31	\$11.22	\$14.89	\$13.37
<i>Annual Change</i>		11.8%	12.2%	-0.8%	32.7%	-10.2%
VSM/VSH	11.64	11.35	11.31	11.44	11.39	11.55
<i>Annual Change</i>		-2.5%	-0.3%	1.1%	-0.5%	1.4%
Fare/Passenger	\$0.62	\$0.58	\$0.32	\$0.55	\$0.44	\$0.51
<i>Annual Change</i>		-5.4%	-44.8%	70.3%	-19.9%	16.5%

Sources: FY 2018/19 – FY 2020/21 data taken from prior Triennial Performance audit.

FY 2021/22 – FY 2023/24 data taken from State Controller reports.

Exhibit 6.2 System Ridership

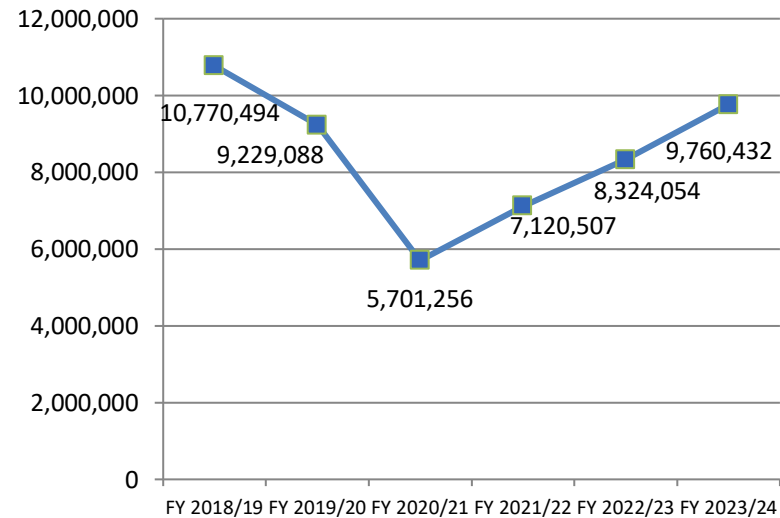


Exhibit 6.3 System Operating Cost/VSH

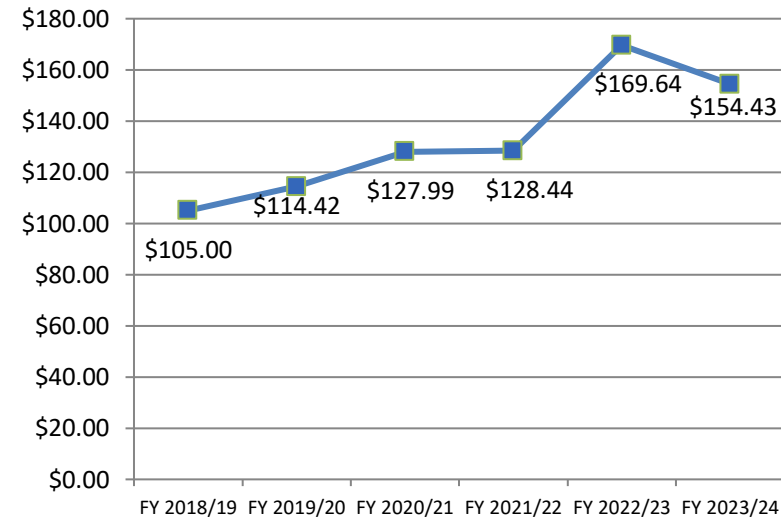


Exhibit 6.4 System Operating Cost/VSM

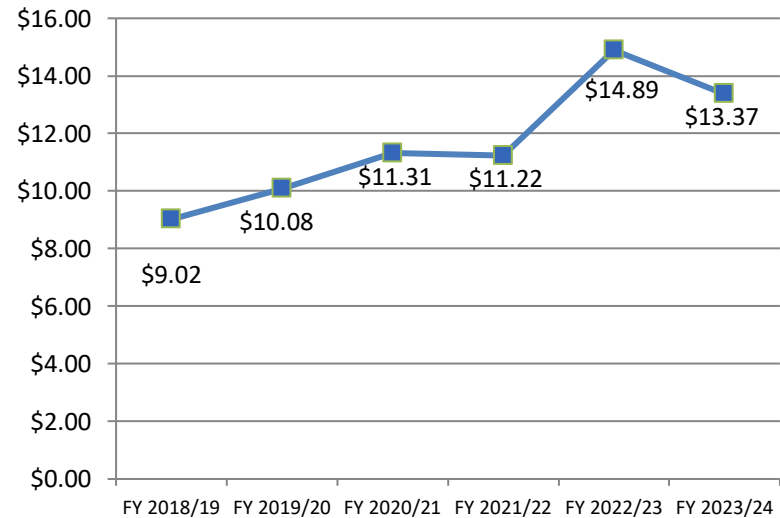


Exhibit 6.5 System VSM/VSH

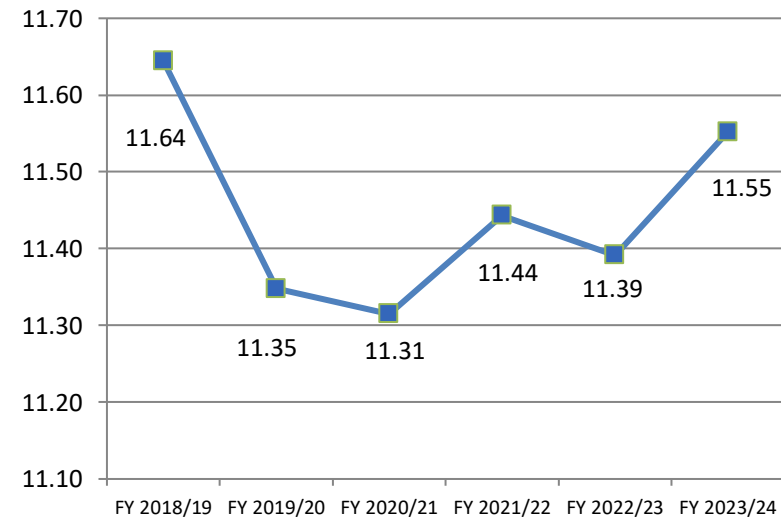


Exhibit 6.6 System Operating Cost/Passenger

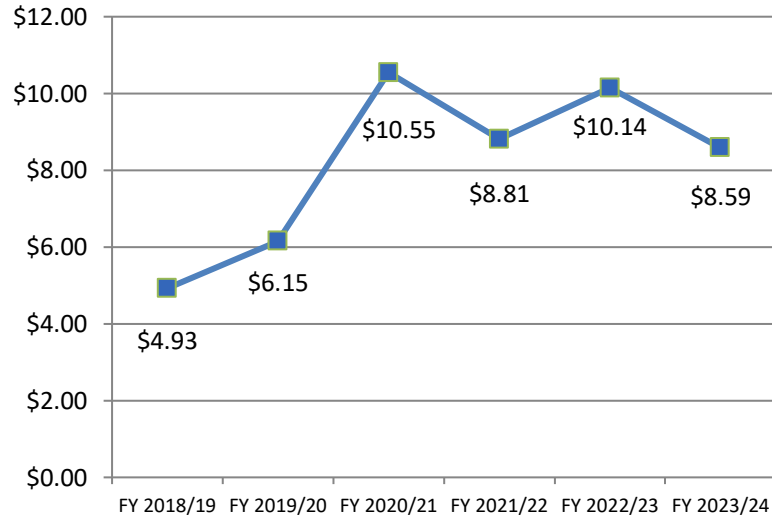


Exhibit 6.7 System Passengers/VSH

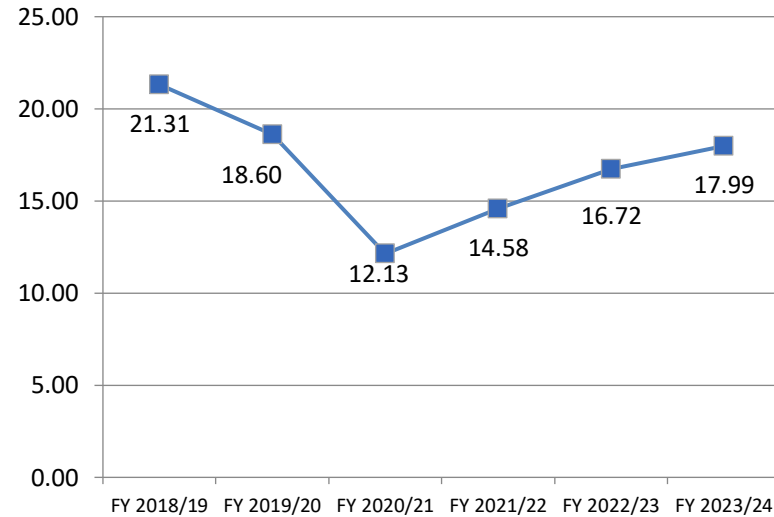


Exhibit 6.8 System Passengers/VSM

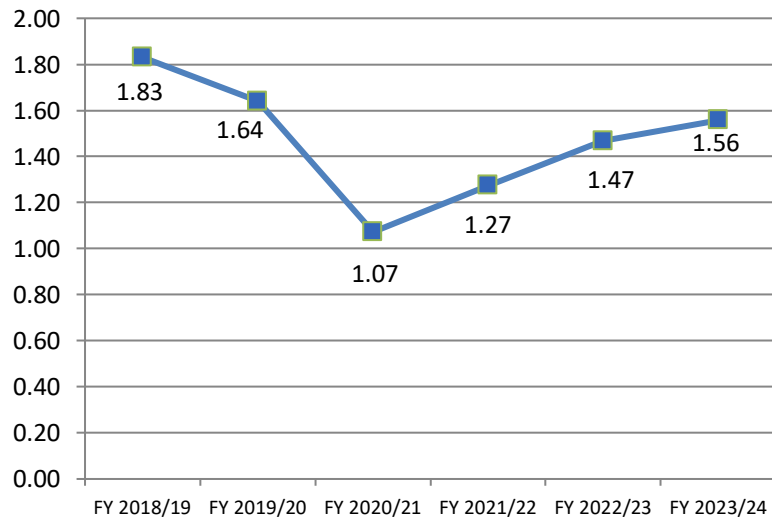


Exhibit 6.9 System VSH/FTE

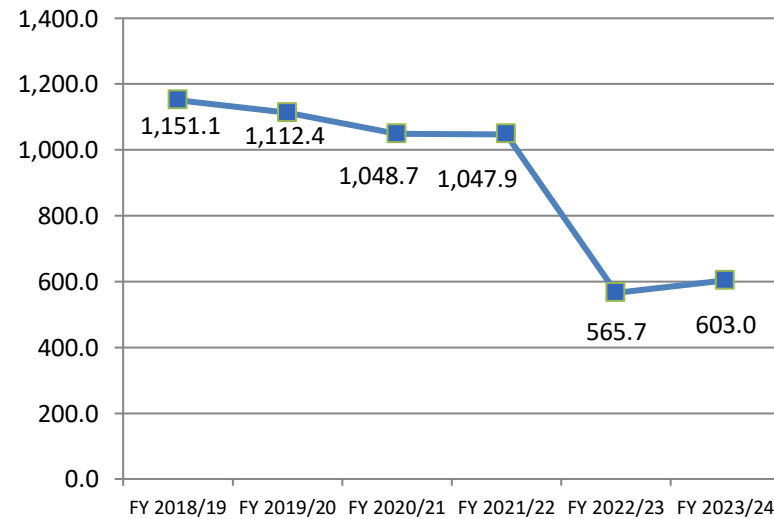


Exhibit 6.10 System Farebox Recovery

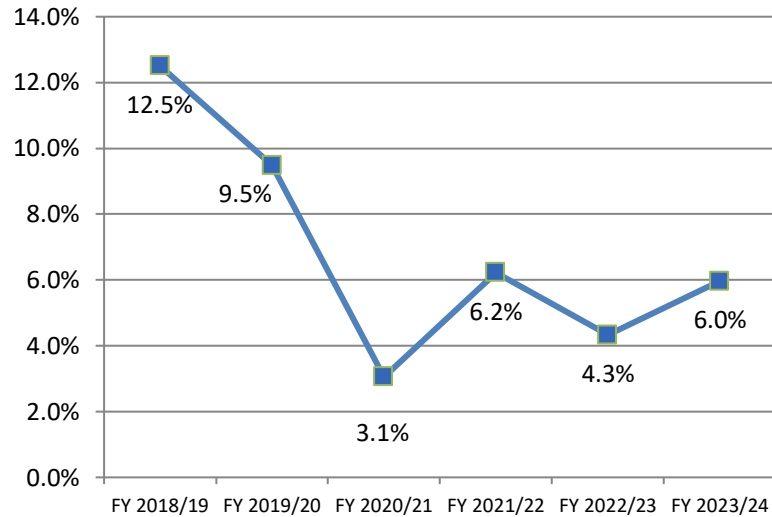
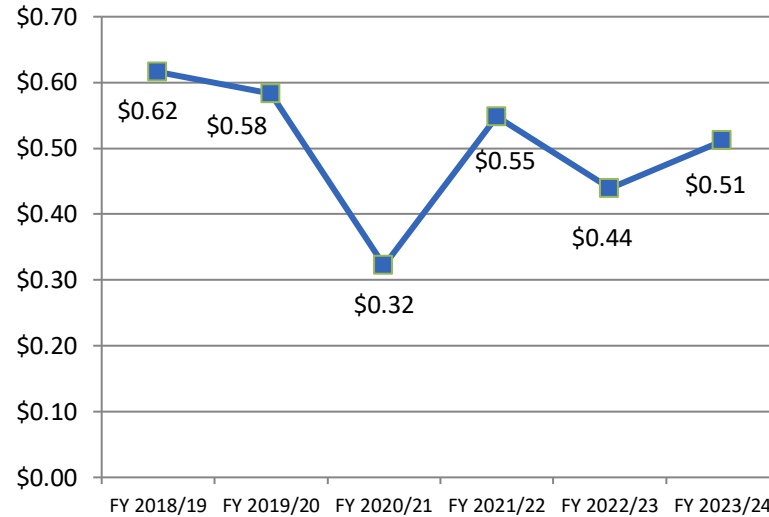


Exhibit 6.11 System Fare/Passenger



Fixed-Route Performance Trends

The City's fixed-route service (FAX) increased operating costs a net 36.2 percent during the audit period, with a 64.9 percent net increase over the six-year period. Fare revenue fluctuated during the six-year period, resulting in a net 27.6 percent increase during the audit period but a net 24 percent decrease over the six-year period.

Fixed-route vehicle service hours increased every year with the exception of FY 2020/21. This resulted in a net 15.5 percent increase across the six-year period and a net 10.4 percent increase during the audit period. Vehicle service miles experienced a similar pattern, increasing 15 percent during the six-year period and a net 12 percent during the audit period. Ridership decreased during the prior audit period before increasing every year of the current audit period. This ultimately resulted in a net 37.5 percent increase during the audit period, but a net 8.9 percent decrease compared to FY 2018/19.

Operating cost per vehicle service hour and operating cost per vehicle service mile increased, while operating cost per passenger decreased slightly. Passenger-related productivity metrics (passengers per vehicle service hour and passengers per vehicle service mile) saw increases of 24.5 percent and 22.8 percent, respectively, during the audit period.

Exhibit 6.12 Fixed-Route Performance Indicators

Performance Measure	FY 2018/19	FY 2019/20	FY 2020/21	FY 2021/22	FY 2022/23	FY 2023/24
Operating Cost (Actual \$)	\$45,590,279	\$49,466,067	\$54,214,252	\$55,186,730	\$76,383,802	\$75,178,260
<i>Annual Change</i>		8.5%	9.6%	1.8%	38.4%	-1.6%
Fare Revenue (Actual \$)	\$6,308,067	\$5,098,988	\$1,716,892	\$3,757,310	\$3,458,890	\$4,794,374
<i>Annual Change</i>		-19.2%	-66.3%	118.8%	-7.9%	38.6%
Vehicle Service Hours (VSH)	402,813	410,510	409,748	421,405	427,335	465,434
<i>Annual Change</i>		1.9%	-0.2%	2.8%	1.4%	8.9%
Vehicle Service Miles (VSM)	4,663,994	4,701,969	4,693,498	4,788,756	4,833,579	5,361,880
<i>Annual Change</i>		0.8%	-0.2%	2.0%	0.9%	10.9%
Passengers	10,550,143	9,058,367	5,604,778	6,985,740	8,184,511	9,606,251
<i>Annual Change</i>		-14.1%	-38.1%	24.6%	17.2%	17.4%
Employees	349	375	377	396	440	460
<i>Annual Change</i>		7.4%	0.5%	5.0%	11.1%	4.5%
Performance Indicators						
Operating Cost/VSH (Actual \$)	\$113.18	\$120.50	\$132.31	\$130.96	\$178.74	\$161.52
<i>Annual Change</i>		6.5%	9.8%	-1.0%	36.5%	-9.6%
Operating Cost/Passenger (Actual \$)	\$4.32	\$5.46	\$9.67	\$7.90	\$9.33	\$7.83
<i>Annual Change</i>		26.4%	77.1%	-18.3%	18.1%	-16.1%
Passengers/VSH	26.19	22.07	13.68	16.58	19.15	20.64
<i>Annual Change</i>		-15.7%	-38.0%	21.2%	15.5%	7.8%
Passengers/VSM	2.26	1.93	1.19	1.46	1.69	1.79
<i>Annual Change</i>		-14.8%	-38.0%	22.2%	16.1%	5.8%
Farebox Recovery	13.84%	10.31%	3.17%	6.81%	4.53%	6.38%
<i>Annual Change</i>		-25.5%	-69.3%	115.0%	-33.5%	40.8%
Hours/Employee	1,154.2	1,094.7	1,086.9	1,064.2	971.2	1,011.8
<i>Annual Change</i>		-5.2%	-0.7%	-2.1%	-8.7%	4.2%
TDA Non-Required Indicators						
Operating Cost/VSM	\$9.77	\$10.52	\$11.55	\$11.52	\$15.80	\$14.02
<i>Annual Change</i>		7.6%	9.8%	-0.2%	37.1%	-11.3%
VSM/VSH	11.58	11.45	11.45	11.36	11.31	11.52
<i>Annual Change</i>		-1.1%	0.0%	-0.8%	-0.5%	1.8%
Fare/Passenger	\$0.60	\$0.56	\$0.31	\$0.54	\$0.42	\$0.50
<i>Annual Change</i>		-5.9%	-45.6%	75.6%	-21.4%	18.1%

Sources: FY 2018/19 – FY 2020/21 data taken from prior Triennial Performance audit.

FY 2021/22 – FY 2023/24 data taken from State Controller reports.

Exhibit 6.13 Fixed-Route Ridership

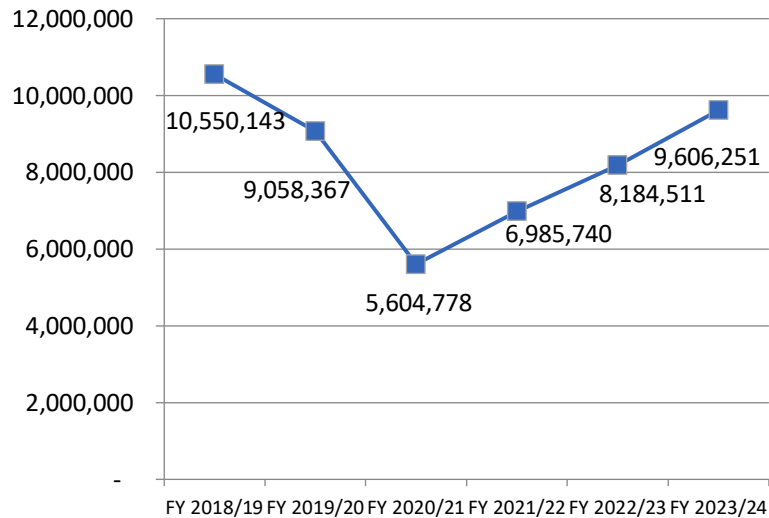


Exhibit 6.14 Fixed-Route Operating Cost/VSH



Exhibit 6.15 Fixed-Route Operating Cost/VSM

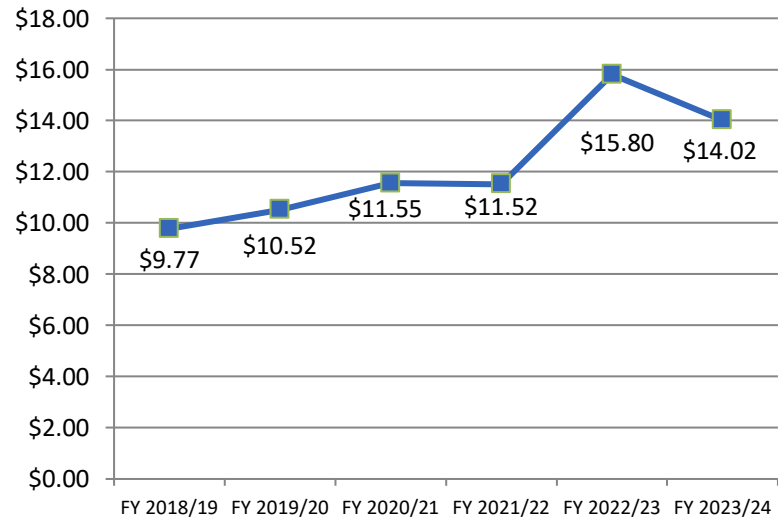


Exhibit 6.16 Fixed-Route VSM/VSH

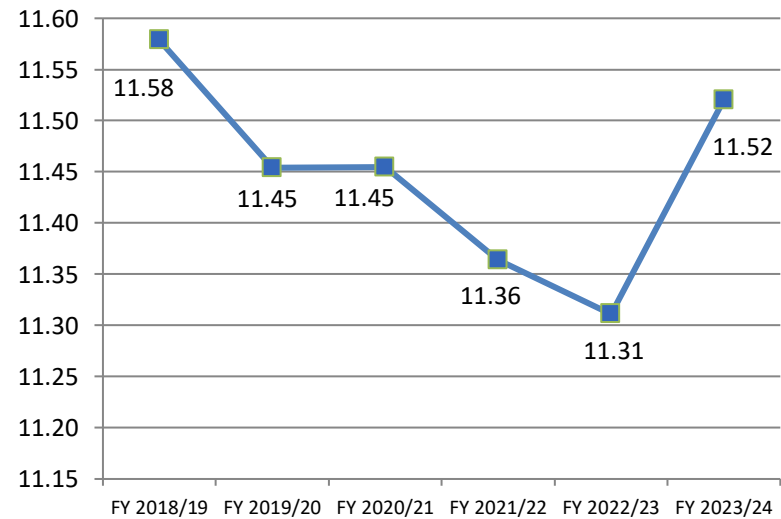


Exhibit 6.17 Fixed-Route Operating Cost/Passenger

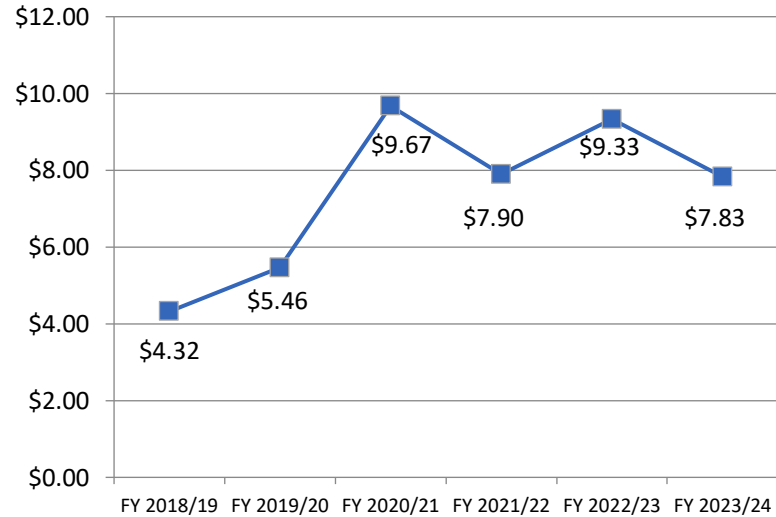


Exhibit 6.18 Fixed-Route Passengers/VSH

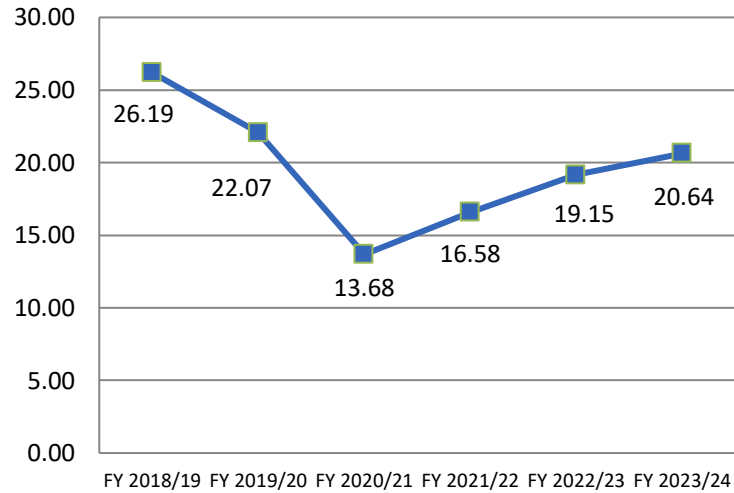


Exhibit 6.19 Fixed-Route Passengers/VSM

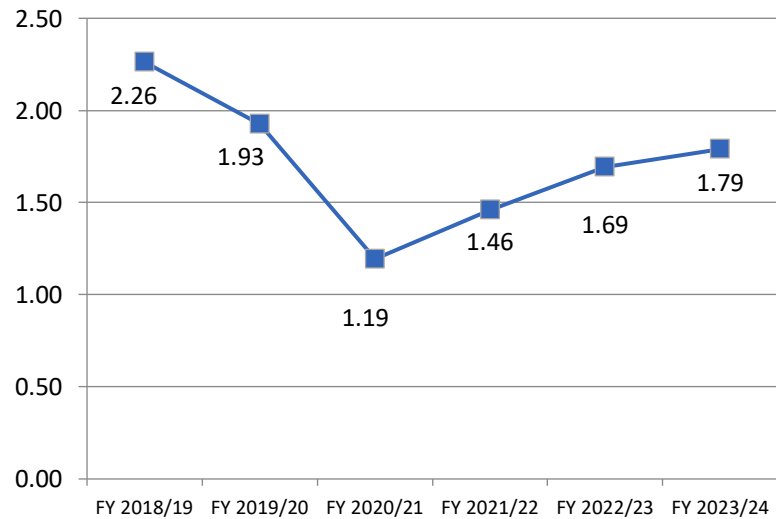


Exhibit 6.20 Fixed-Route VSH/FTE

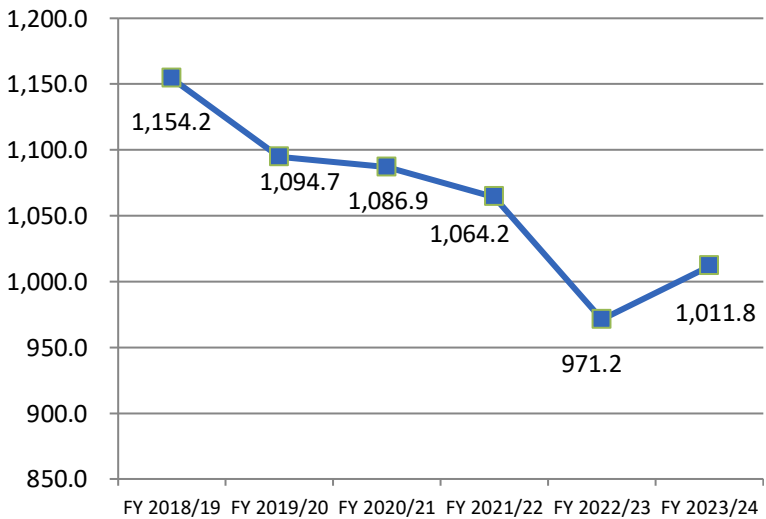


Exhibit 6.21 Fixed-Route Farebox Recovery

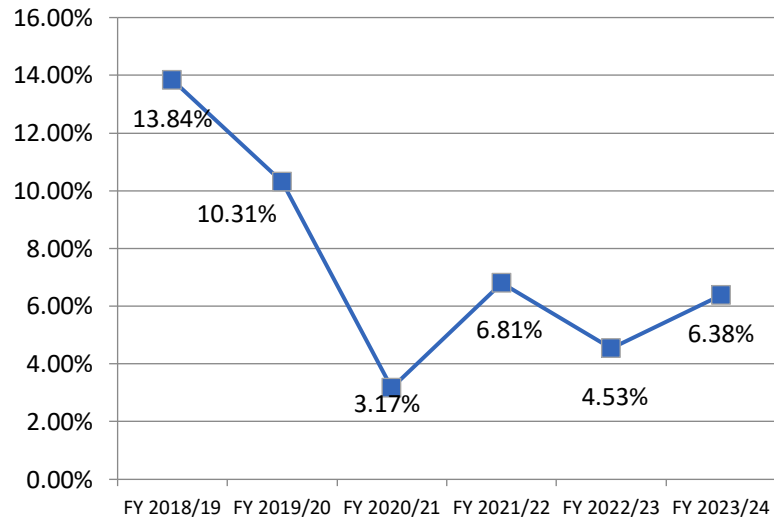
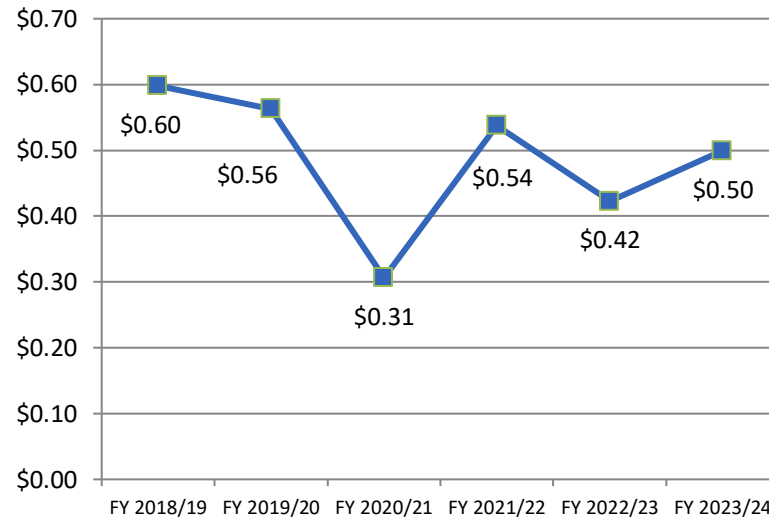


Exhibit 6.22 Fixed-Route Fare/Passenger



Demand-Response Performance Trends

The City's demand-response service (Handy Ride) experienced increases in operating cost each year of the audit period. This resulted in a net 14.6 percent increase during the audit period, and a net 15.5 percent increase over the six-year period. Fare revenue decreased until FY 2020/21, resulting in a net 38.1 percent increase during the audit period, but a net 38.6 percent decrease across the six-year period.

Demand-response vehicle service hours experienced a 15.4 percent net increase during the audit period, and a 24.7 percent net decrease across the six-year period. Vehicle service miles saw a net increase of 13.5 percent during the audit period and 25.7 percent decrease across the six-year period. Ridership also increased by a net 14.4 percent during the audit period, though was down 30 percent from FY 2018/19.

Operating cost per vehicle service hour decreased slightly by 0.8 percent, while operating cost per vehicle service mile and operating cost per passenger increased by 0.1 percent and 0.9 percent. Passenger-related productivity metrics varied; passengers per vehicle service hour decreased 0.9 percent during the audit period, and passengers per vehicle service mile had a net increase of 0.8 percent. Overall, there was little change in efficiency or productivity during the audit period.

It should be noted that the apparent over-reporting of full-time equivalent employees for Handy Ride in FY 2022/23 and FY 2023/24 resulted in skewed data for the VSH per FTE Employee metric. The wrong figure was entered on the State Controller Report.

Exhibit 6.23 Demand-Response Performance Indicators

Performance Measure	Demand-Response					
	FY 2018/19	FY 2019/20	FY 2020/21	FY 2021/22	FY 2022/23	FY 2023/24
Operating Cost (Actual \$)	\$7,467,451	\$7,300,592	\$5,918,089	\$7,531,081	\$8,062,289	\$8,627,362
Annual Change		-2.2%	-18.9%	27.3%	7.1%	7.0%
Fare Revenue (Actual \$)	\$326,016	\$281,026	\$117,714	\$144,834	\$197,257	\$200,070
Annual Change		-13.8%	-58.1%	23.0%	36.2%	1.4%
Vehicle Service Hours (VSH)	102,505	85,622	60,090	66,902	70,452	77,227
Annual Change		-16.5%	-29.8%	11.3%	5.3%	9.6%
Vehicle Service Miles (VSM)	1,220,203	928,054	622,633	798,928	836,817	906,764
Annual Change		-23.9%	-32.9%	28.3%	4.7%	8.4%
Passengers	220,351	170,721	96,478	134,767	139,543	154,181
Annual Change		-22.5%	-43.5%	39.7%	3.5%	10.5%
Employees	90	71	71	70	440	440
Annual Change		-21.1%	0.0%	-1.4%	528.6%	0.0%
Performance Indicators						
Operating Cost/VSH (Actual \$)	\$72.85	\$85.27	\$98.49	\$112.57	\$114.44	\$111.71
Annual Change		17.0%	15.5%	14.3%	1.7%	-2.4%
Operating Cost/Passenger (Actual \$)	\$33.89	\$42.76	\$61.34	\$55.88	\$57.78	\$55.96
Annual Change		26.2%	43.4%	-8.9%	3.4%	-3.2%
Passengers/VSH	2.15	1.99	1.61	2.01	1.98	2.00
Annual Change		-7.2%	-19.5%	25.5%	-1.7%	0.8%
Passengers/VSM	0.18	0.18	0.15	0.17	0.17	0.17
Annual Change		1.9%	-15.8%	8.9%	-1.1%	2.0%
Farebox Recovery	4.4%	3.8%	2.0%	1.9%	2.4%	2.3%
Annual Change		-11.8%	-48.3%	-3.3%	27.2%	-5.2%
Hours/Employee	1,138.9	1,205.9	846.3	955.7	160.1	175.5
Annual Change		5.9%	-29.8%	12.9%	-83.2%	9.6%
TDA Non-Required Indicators						
Operating Cost/VSM	\$6.12	\$7.87	\$9.50	\$9.43	\$9.63	\$9.51
Annual Change		28.5%	20.8%	-0.8%	2.2%	-1.2%
VSM/VSH	11.90	10.84	10.36	11.94	11.88	11.74
Annual Change		-8.9%	-4.4%	15.2%	-0.5%	-1.1%
Fare/Passenger	\$1.48	\$1.65	\$1.22	\$1.07	\$1.41	\$1.30
Annual Change		11.3%	-25.9%	-11.9%	31.5%	-8.2%

Sources: FY 2018/19 – FY 2020/21 data taken from prior Triennial Performance audit.

FY 2021/22 – FY 2023/24 data taken from State Controller reports.

Exhibit 6.24 Demand-Response Ridership

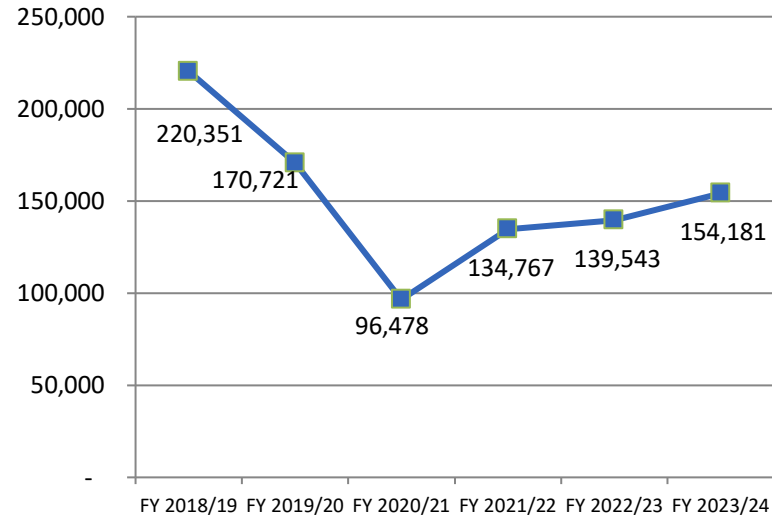


Exhibit 6.25 Demand-Response Operating Cost/VSH

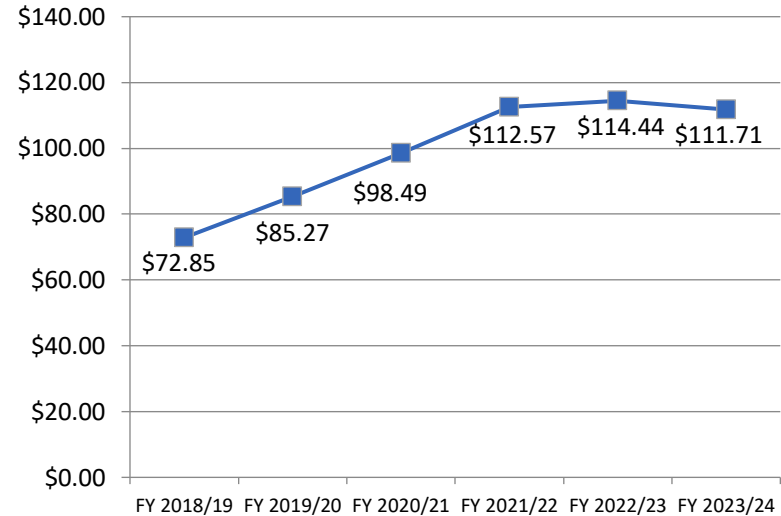


Exhibit 6.26 Demand-Response Operating Cost/VSM

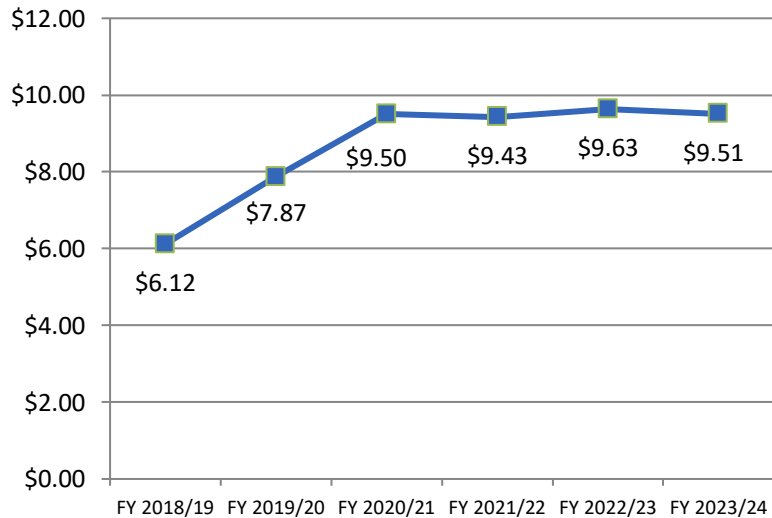


Exhibit 6.27 Demand-Response VSM/VSH

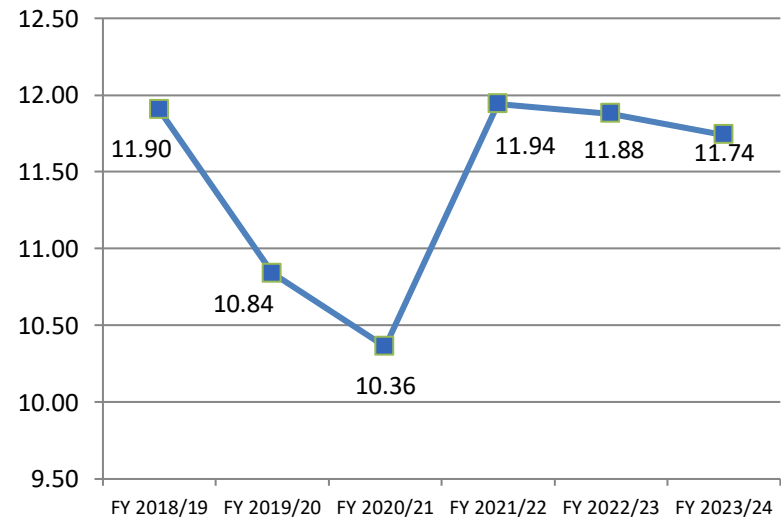


Exhibit 6.28 Demand-Response Operating Cost/Passenger

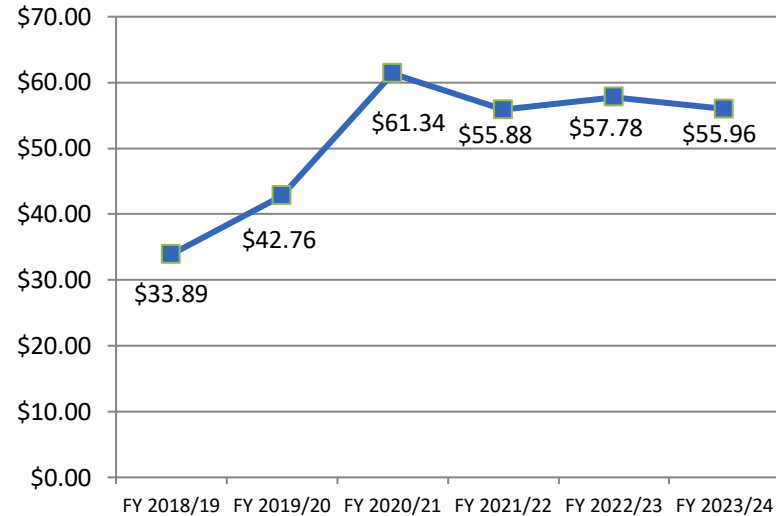


Exhibit 6.29 Demand-Response Passengers/VSH

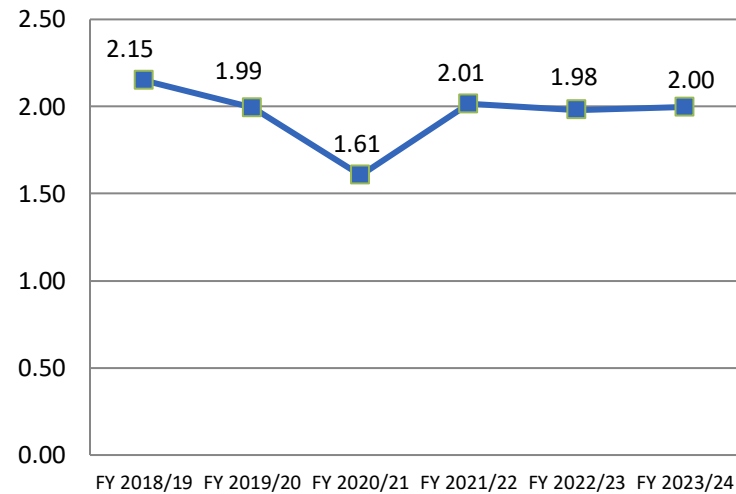


Exhibit 6.30 Demand-Response Passengers/VSM

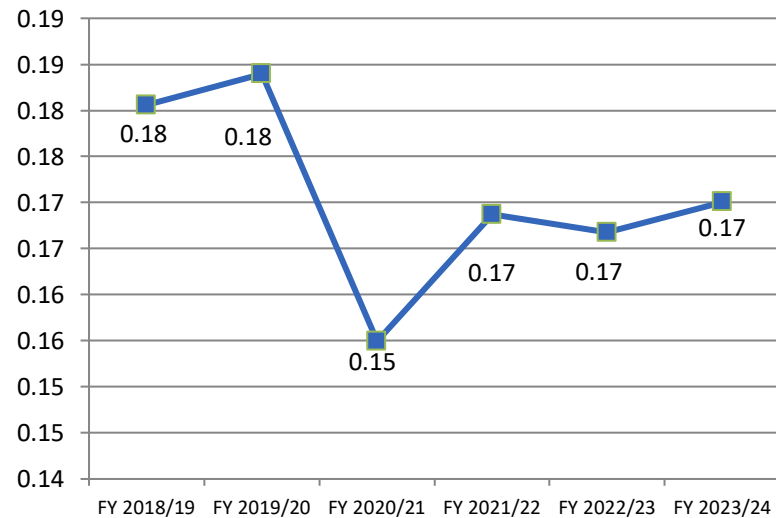


Exhibit 6.31 Demand-Response VSH/FTE

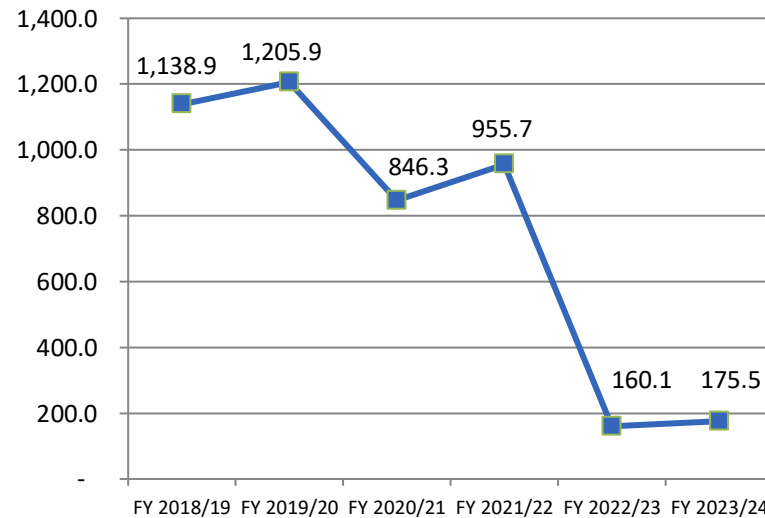


Exhibit 6.32 Demand-Response Farebox Recovery

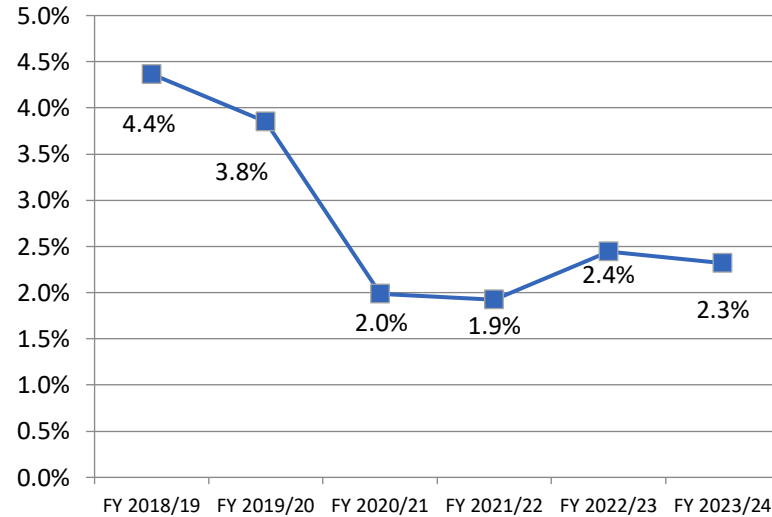
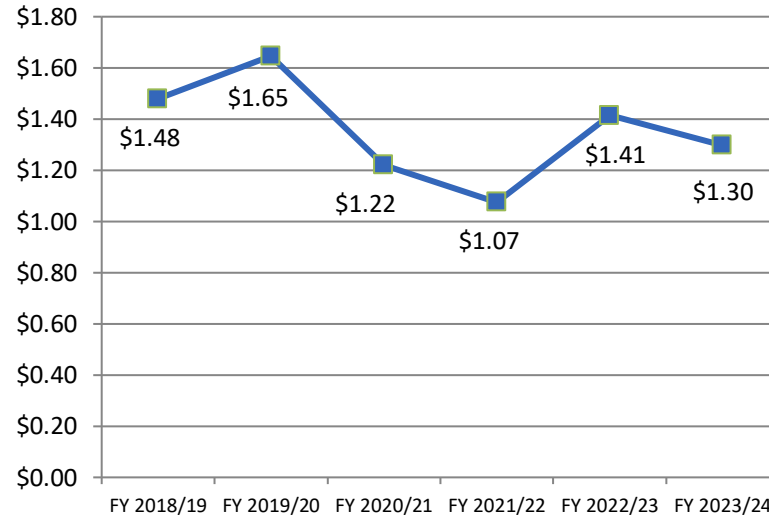


Exhibit 6.33 Demand-Response Fare/Passenger



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Chapter 7 | Functional Review

A functional review of the City of Fresno’s public transit program is intended to assess the effectiveness and efficiency of the operator. Following a general summary of the City’s transit services, this chapter addresses seven functional areas. The list, taken from Section III of the *Performance Audit Guidebook* published by Caltrans, reflects those transit services provided by the City of Fresno:

- General management and organization;
- Service planning;
- Scheduling, dispatch, and operations;
- Personnel management and training;
- Administration;
- Marketing and public information; and
- Maintenance.

Service Overview

The City of Fresno operates Fresno Area Express, which includes 18 fixed routes. The service operates within Fresno city limits. Service is available on weekdays from 5:30 a.m. through 10:00 p.m., and weekends from 6:30 a.m. through 7:00 p.m. The service does not operate on designated holidays. Fixed-route service is directly operated by the City. A listing of FAX fixed routes is provided in Exhibit 7.1.

The City also operates Q, a bus rapid transit service of approximately 16 miles along Blackstone Avenue, serving key shopping centers, hospitals, and other significant locations. Fare is the same price as FAX’s fixed-route service.

Handy Ride is a curb-to-curb, ADA complementary paratransit service available to eligible persons with disabilities unable to use the traditional fixed-route bus service. Trips are provided on a first-come, first-served basis. Requests for service may be made one to two days in advance.

Fixed-route service is operated in-house by the City of Fresno. Handy Ride ADA paratransit service is contracted to National Express Transit Corporation (NEXT), while CTSA services in the urbanized area are provided under contract to the Fresno Economic Opportunities Commission (FEOC)⁷.

⁷ The Fresno Economic Opportunities Commission (FEOC) is being audited separately for the FY 2021/22 through FY 2023/24 triennial period.

Exhibit 7.1 FAX Fixed Routes

Route #	Route Name	Description	Service Days	Service Hours
1	FAX Q (BRT)	Blackstone, Manchester Transit Center, Downtown Transit Center, Ventura/Kings Canyon	Weekdays Saturday Sunday	5:25 a.m. - 12:17 a.m. 6:27 a.m. - 12:17 a.m. 6:27 a.m. - 7:28 p.m.
3	Herndon	Rio Vista MS, Herndon, Willow, Clovis	Weekdays Saturday-Sunday	5:32 a.m. - 10:25 p.m. 5:45 a.m. - 7:21 p.m.
9	Shaw	Sunnyside, Fresno State, Shaw, Fig Garden, Brawley	Weekdays Saturday Sunday	5:52 a.m. - 11:51 p.m. 6:35 a.m. - 11:51 p.m. 6:35 a.m. - 7:03 p.m.
12	Brawley/Inspiration Park	Brawley, Shaw, Inspiration Park, Cornelia, Central HS, Ashlan, Brawley, Shields	Weekdays Saturday-Sunday	5:53 a.m. - 10:09 p.m. 6:54 a.m. - 7:27 p.m.
20	Hughes/McKinley	Herndon, Rio Vista MS, Fig Garden, Hughes, McKinley, Fresno HS, Fresno City College, VA Medical Center	Weekdays Saturday-Sunday	5:17 a.m. - 10:28 p.m. 6:17 a.m. - 7:00 p.m.
22	West Avenue/Tulare	Fig Garden, West, Olive, Wills Community Center, Downtown Transit Center, Tulare, Clovis/Kings Canyon	Weekdays Saturday-Sunday	5:55 a.m. - 9:39 p.m. 6:45 a.m. - 6:39 p.m.
26	Palm/Butler	Blackstone, Palm, Bullard HS, Fresno HS, Tower District, Downtown Transit Center, Butler, Fresno Pacific University, Peach, Fresno Yosemite Airport	Weekdays Saturday-Sunday	5:55 a.m. - 10:09 p.m. 7:13 a.m. - 7:30 p.m.
28	DSS/Manchester/ West Fresno	Chandler Airport, FAX, Downtown Transit Center, Van Ness, Fulton, Fresno HS, Fresno City College, Manchester Transit Center, Duncan HS, DSS, Fresno Yosemite Airport	Weekdays Saturday Sunday	5:37 a.m. - 11:56 p.m. 6:40 a.m. - 8:00 p.m. 6:40 a.m. - 11:55 p.m.
32	Fresno Street	River Park, Fresno, Manchester Transit Center, VA Medical Center, San Joaquin Memorial HS, Downtown Transit Center, Brown Community Center	Weekdays Saturday Sunday	5:45 a.m. - 11:29 p.m. 6:20 a.m. - 7:26 p.m. 6:20 a.m. - 11:29 p.m.
33	Belmont	Franklin, Roeding Park, Belmont, Wills Community Center, Maple, Butler	Weekdays Saturday-Sunday	5:57 a.m. - 7:52 p.m. 7:30 a.m. - 6:55 p.m.
34	First Street	River Park, N St, Hoover HS, Downtown Transit Center, C St, Cherry, DMV, Amazon, Ulta	Weekdays Saturday-Sunday	5:34 a.m. - 10:59 p.m. 6:24 a.m. - 7:42 p.m.
35	Olive	Shields, Brawley Park, DMV, Olive, Social Security Office, Clovis/Belmont	Weekdays Saturday-Sunday	5:43 a.m. - 10:10 p.m. 6:49 a.m. - 7:10 p.m.
38	Cedar	River Park, Nees, Cedar, Fresno State, Granite Park, Duncan HS, McLane HS, Roosevelt HS, Jensen, Edison HS, Fresno, Downtown Transit Center	Weekdays Saturday Sunday	5:35 a.m. - 11:56 p.m. 6:38 a.m. - 7:22 p.m. 6:38 a.m. - 11:56 p.m.
39	FYI/Clinton	Brawley/Shields, Clinton, Fresno HS, Fresno City College, VA Medical Center, McLane HS, Alliant University, Fresno Yosemite Airport	Weekdays Saturday-Sunday	5:30 a.m. - 9:54 p.m. 7:32 a.m. - 7:18 p.m.
41	Malaga/Shields/ Chestnut	Shaw, Marks, Shields, Manchester Transit Center, Duncan HS, McLane HS, California Christian College, Fresno Pacific College, Mosqueda Community Center, Maple, Chestnut	Weekdays Saturday-Sunday	5:40 a.m. - 9:25 p.m. 7:05 a.m. - 7:28 p.m.
45	Ashlan	Garza HS, Central HS East, Ashlan, Clovis, Princeton/Fowler	Weekdays Saturday-Sunday	5:27 a.m. - 9:31 p.m. 6:04 a.m. - 6:55 p.m.
58	NE Fresno	River Park, Fresno, Nees, Clovis West HS, Champlain	Weekdays Saturday-Sunday	6:53 a.m. - 6:40 p.m. 11:00 a.m. - 6:25 p.m.
58E	Children's Hospital	River Park, Valley Children's Hospital	Weekdays Saturday-Sunday	6:20 a.m. - 6:10 p.m. 11:30 a.m. - 5:55 p.m.

During the audit period, the base fixed-route one-way fare was \$1.25 and the base Handy Ride one-way fare was \$1.50. A fare change in September 2021 reduced the fixed-route one-way fare to one dollar and the Handy Ride one-way fare to \$1.25. In addition, free fare was expanded to children 12 and under riding with a fare-paying family member (rather than children under age six). The cost of multi-ride or multi-day passes was also reduced accordingly. An additional fare change in November 2022 introduced student fare pricing at \$0.75 for a one-way trip and \$22.00 for a 31-day pass. Seniors, Medicare cardholders, and

persons with disabilities (the “reduced fare” category) ride the fixed-route service for free through a grant from Kaise Permanente Fresno.

Reloadable ride cards and monthly passes are available for purchase at seven pass outlets throughout Fresno (including the Manchester Transit Center and Fresno City College) and at ticket vending machines (TVMs) located along the Q route (Route 1) and outside city hall. All passes and ride cards may also be purchased by mail.

A summary of fare information is provided in Exhibits 7.2 and 7.3.

Exhibit 7.2 FAX Fixed-Route Fare Structure

Fare Category	Cost
Regular cash fare	\$1.00
Student cash fare	\$0.75
Reduced cash fare (seniors 65+, persons with disabilities, Medicare cardholders)	Free
Children age 12 and under (with fare-paying family member)	Free
Active Military and Veterans with ID	Free
Transfers (valid for 90 minutes on all routes in any direction)	Free
Regular 31-day pass	\$36.00
Reduced 31-day pass	Free
Student 31-day pass	\$22.00

Exhibit 7.3 Handy Ride Fare Structure

Fare Category	Cost
ADA-eligible, single trip	\$1.25
Companion, single trip	\$1.25
Personal Care Attendant (PCA)	Free
Monthly pass (up to 60 rides for a single individual)	\$36.00

The City is proud of its resilience during and since the COVID-19 pandemic. It was a challenging period for everyone, but riders still needed to get where they needed to go. As of 2025, ridership is now back to pre-pandemic levels. FAX expanded its service and frequency when other agencies were cutting service. The City has been a good steward of the dollars it received, especially emergency relief funding. The core purposes of the agency – moving people – is the most important thing.

General Management and Organization

The City utilizes a suite of software tools—Trapeze, Vontas, Tyler Munis, Access, and Genfare—to monitor and manage its fixed-route program programs. Each month, FAX generates comprehensive reports that capture key performance metrics, including fixed-route operations, ridership levels, on-time performance, staffing data, driver productivity, operating expenses, revenues, social media engagement, and maintenance activities. The City manages and monitors its contracted paratransit operation through regular review of contract deliverables and using software systems to review data trends no less than monthly. CTSA operations are monitored through review of the proposed Operational Plan and Budget annually and monthly and quarterly review of contractor invoices.

The City has not experienced any major problems with its service since the beginning of the audit period, though it continues to recover from the COVID-19 pandemic, especially with respect to on-time performance and ridership. The City expects full system recovery within the next year.

The City's transit program is appropriately structured and staffed to support its operations. The City has requested three new positions: two Senior Analysts and one Analyst. These roles will focus on key responsibilities such as grant writing, management, accounting, and compliance. With the recent success in securing additional funding, the City recognizes that expanding its administrative team is essential to maintaining compliance and effectively managing its growing portfolio of grants. Additionally, leadership changes during the audit period have contributed to improved efficiency across FAX operations. The City also transitioned to a new financial management system (Tyler Munis) during the audit period, which resulted in an initial period of adjustment but impacts to accounting were quickly overcome.

The Fresno City Council is the governing body for the City's transit program. It meets regularly at 9:00 a.m. at Fresno City Hall (2600 Fresno Street, Fresno). Each councilmember represents one of seven geographic districts. Meetings are open to the public and broadcast on Comcast Channel 96 and AT&T Channel 99 as well as YouTube, Facebook, and the Community Media Access Collaborative website. Current and archived meetings are also available on the City's website. City hall is served directly by Fresno Area Express Route 22 and 32, with additional routes serving the Courthouse Park approximately one-quarter mile away.

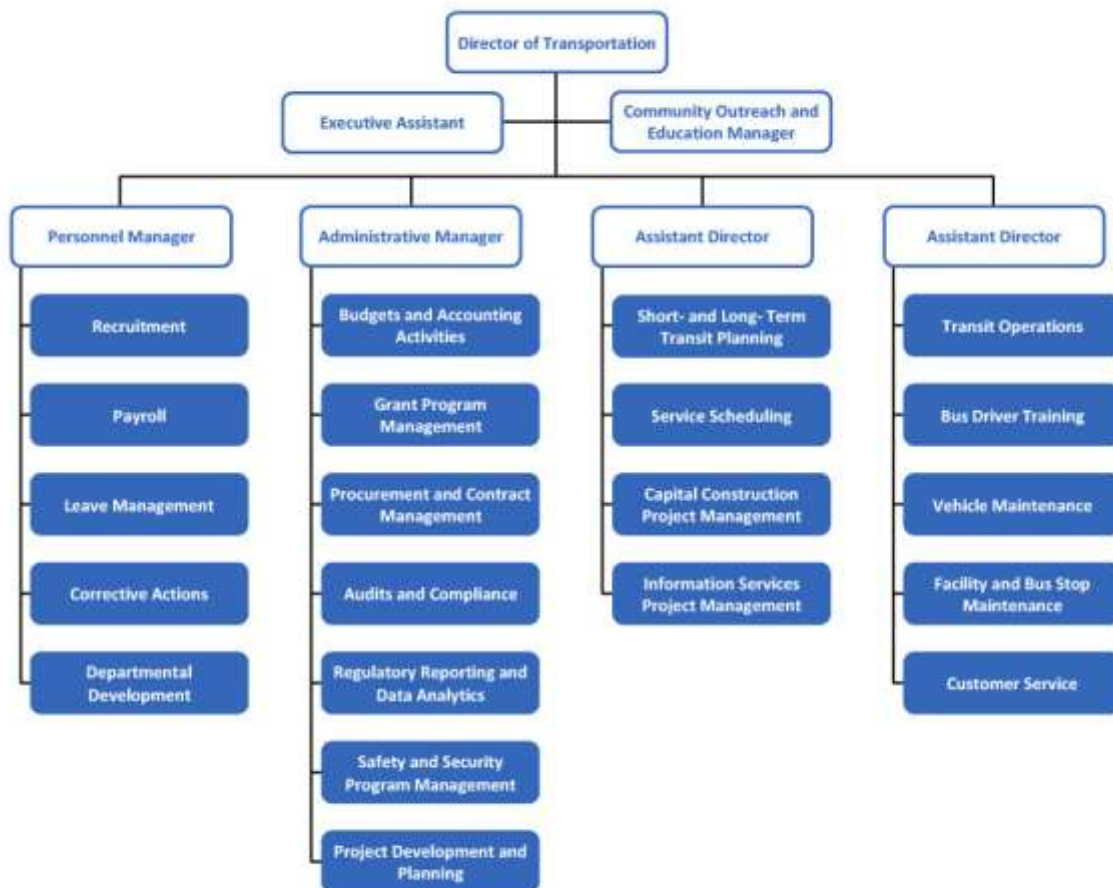
The City Council is generally satisfied with the performance of the City's transit service. Council members have emphasized the importance of keeping fares low and prioritizing the safety of transit workers. Fare levels are reviewed and reported annually as part of the City's budget process. The department has also made significant progress in expanding student rider programs, which are funded through partnerships with local educational districts and institutions.

Transit safety and security have been a key focus area. Recent efforts include the development of an updated Rider Code of Conduct, the formal adoption of a federally required Public Transit Agency Safety Plan (PTASP), and the submission of mitigation plans to address identified risks. Additionally, the department has taken steps to enhance the safety of transit properties and bus facilities by installing more surveillance cameras and implementing badge-only access systems.

An organizational chart of the City's Department of Transportation is provided in Exhibit 7.4.

The City has a good relationship with the Fresno Council of Governments and other Fresno County transit operators. The City's Transportation Director and Assistant Director(s) serve as liaisons with other governmental organizations. The City is a member of CalACT, the Alliance for Renewable Clean Hydrogen Energy Systems (ARCHES), the California Transit Association (CTA), and the American Public Transportation Association (APTA).

Exhibit 7.4 Organizational Chart



Service Planning

The City of Fresno undertook a number of service planning and improvement efforts during the audit period:

- January 2022: Extended Route 3 alignment to Clovis Community College.
- January 2022: Updated Handy Ride boundary to capture additional service area resulting from extension of Route 3 to Clovis Community College.
- January 2022: Route 58 was technically split into 2 separate routes, with Route 58 serving NE Fresno and Route 58E serving Valley Children's Hospital. Routes are interlined and operate the same as before.
- July 2022: FEOC started operating a new shuttle service for Veterans, Three Palms, and West Park residents to Walmart, Vallarta, CHP, MTC, El Paseo, and Fashion Fair.
- August 2023: Increased frequencies from 45 minutes to 30 minutes on Routes 3 and 20.
- August 2023: Extended Route 45 west to Justin Garza High School and increased frequencies from 45 minutes to 30 minutes.

- August 2023: Extended Route 34 south to North Pointe Business Park (Amazon and Ulta) and increased frequencies from 20 minutes to 15 minutes.
- March 2024: Shifted EOL time from Maple and Butler to Belmont and Delno.

The impact of service changes is assessed by comparing current performance with historical data on a monthly, annual, and biennial basis. Tools used for these assessments are Monthly Statistical Reports, Annual Productivity Evaluations, and the Short Range Transit Plan. Overall, the changes cited above have been positive, with performance improvements across the systems. Outcomes have consistently met or exceeded expectations.

The Planning Manager and the Senior Regional Planner are typically responsible for the City's short-range planning. The most recent Short Range Transit Plan (SRTP) for the Fresno-Clovis Metropolitan Area was adopted in June 2023. An update of that plan is scheduled to begin in June 2025. The City is responsible for reviewing and updating its performance measures as part of the SRTP process. Recommendations from the prior SRTP that have been implemented include several of the service changes cited above as well as:

- Evaluation of microtransit service;
- Enhancing transfer locations on the Shaw-Cedar corridors;
- Improving passenger amenities with more ADA-compliant stops;
- Partnering with Fresno COG on a Mobility Hub Feasibility Study;
- Updating the FAX bus stop standards;
- Continuing the transition to zero-emission buses;
- Purchasing replacement fixed-route, paratransit, and relief vehicles;
- Replacing the end-of-life radio system; and
- Updating FAX facilities including a new building for fare collection staff and bus maintenance personnel, as well as a parking lot redesign.

During the audit period, the City took on multiple planning and funding efforts including: 2022 Title VI Program Update, 2022 and 2026 Regional Transportation Plan-Sustainable Communities Strategies (in conjunction with Fresno COG), 2024 Unmet Transit Needs, 2022 Customer Satisfaction Survey, 2024 Customer Satisfaction Survey, City Specific Plans, and City development proposals. Staff also participated in the development of the City's Climate Adaptation Plan, Environmental Justice Plan, and its Vehicles Miles Traveled (VMT) Reduction Program. The City also secured several grants including a STEP Grant (improve access to transit facilities), AHSC Grant (Dakota Project), and the Reconnecting Communities Grant (Bus Connection Analysis for improved service to Roeding Park and a new pedestrian bridge).

During the audit period, the City undertook a range of capital projects to support modernization, safety, and the transition to zero-emission vehicles (ZEVs). Key initiatives included:

- **Hydrogen Fuel Transition:** The City advanced its preferred alternative fuel path by laying the groundwork for hydrogen bus procurements and initiating the process to develop a hydrogen fueling station. Current maintenance facilities are being retrofitted to support two existing hydrogen buses. A feasibility study is underway to assess relocating all or part of operations to better support future fueling and fleet needs.

- **Bus Stop and Facility Improvements:** Ongoing improvements were made to bus stops to enhance ADA accessibility and rider safety. Substantial rehabilitation work was also completed at the Handy Ride facility, including roof and HVAC upgrades and added security features.
- **Fueling Infrastructure:** Design work is in progress for rehabilitation of the CNG fueling station, last updated in 2016. Given that the majority of the fleet will remain CNG-powered through 2040, this is a critical investment.
- **Vehicle Charging Infrastructure:** Electric vehicle (EV) charging infrastructure was expanded with the installation of 46 heavy-duty and 30 light-duty equipment chargers. However, eight out of nine Proterra electric buses have failed, with only one remaining in service.
- **Bus Wash and Security Enhancements:** The original bus wash was upgraded, including the addition of vacuum systems (pending permanent power connection for final sign-off). The City also completed Phase 3 of its security camera installation project across Handy Ride and FAX facilities and the transit center. Additional security features, such as license plate readers, were installed at the main gate.

As part of its Innovative Clean Transit ZEV Roll-Out Plan, the City has purchased nine battery-electric vehicles and two hydrogen fuel cell electric buses (FCEB). The City established a contract with H2B2 in Kerman for fueling its existing FCEBs ordered four additional FCEBs in 2025. ARCHES (the state's initiative to accelerate hydrogen projects) is providing some level of funding for up to 22 FCEBs.

FAX encourages public participation in service planning by conducting pop up events, attending employer sponsored resource fairs, participating in community events, placing informational signage inside transit vehicles and stations, making presentations at affordable housing complexes, and community meetings. Other strategies include web postings, newsletters, media releases, newspaper advertisements, social media, and customer satisfaction surveys.

Administration

The budget is drafted within the Department of Transportation and is reviewed by the City's Budget and Management Studies Department (BMSD). It is then approved by the City Manager's Office and the Office of the Mayor, and then adopted by Fresno City Council annually, no later than June 30. The FAX Department Budget Officer (DBO) is the Administrative Manager. Analysis of budgeted-to-actual revenues takes place monthly. Projections from the annual budget are revised based on actuals as part of the mid-year budget review (in January). Financial data is managed using Tyler Munis software.

In the wake of the COVID-19 pandemic, the City pursued any grant that looked good. Now, it uses SMART goal to determine which grants to apply for, looking for funding that feeds into recommendations from short and long range transit plans. The City is working on funding for several items it was not able to fund during COVID, such as contactless payment and a mobile app. FAX also partners with other departments, such as Public Works and Housing, for some projects and funding. The Administrative Manager and the Senior Management Analyst are responsible for managing grants, and – while challenging – the City is able to handle the grants it currently has been awarded. FAX has requested three additional staff to enable the City to pursue additional grant opportunities.

Risk Management is handled by the Risk Management division within the Human Resources Department. Procedures are in place for processing accident and injury claims, including formalized injury reporting

procedures, safety policy/injury and illness prevention policy, heat illness prevention plan, basic emergency procedures for transit, and discrimination and harassment policy and complaint procedures. The City is self-insured with \$5 million liability coverage and several excess policies providing ample coverage.

The City completed a Public Transit Agency Safety Plan (PTASP) during the audit period. A *See Something Say Something* campaign was launched to encourage the public to inform the City of safety and security concerns. All safety concerns are investigated within 72 hours. All City staff undergo annual training for workplace violence prevention and participate in periodic fire drills and the annual Great American Shake Out. Employees participate in monthly safety meetings, safety huddles, and informal meetings. FAX is part of the City's Emergency Preparedness Plan for continued operations. It also has a formal MOU in place to provide buses and drivers for disasters and evacuations as part of the County of Fresno Emergency Operations Plan.

The City contracts with National Express Transit Corporation (NEXT) for Handy Ride operations and maintenance and the Fresno Economic Opportunities Commission (FEOC) for the CTSA's urban social services transit. Contract management responsibilities are clearly assigned. Office and facility maintenance for the fixed-route service (including bus stop maintenance) is done by City staff. For ADA paratransit, the City and NEXT share responsibility for facility maintenance. FEOC is responsible for maintaining its own offices and facility.

Two principal account clerks review all biweekly timesheets for FAX staff. Staff submit electronic timesheets except for temporary employee staff, who use physical timesheets. Direct deposit is mandatory for all employees.

Accounts payable is overseen by the Administrative Manager and is a function of the Department of Transportation and the City. Finance controls the disbursement authorization. Invoice terms, quantities, and prices are verified twice against approved purchase orders, first by the project manager or supervising manager and then by a Senior Account Clerk.

Procurement is also a Department and City function. Any purchases over \$10,000 must be approved by the City's Purchasing Manager. Anything over the formal threshold of \$172,000 must be approved by City Council, and some purchases over \$100,000 require such approval. These procurement practices conform to FTA and state requirements. City purchasing policies and procedures are defined within the Purchasing Division's Procurement Handbook. Additional staff have been hired and trained to provide additional review and approval of procurements (in addition to the Contract Compliance Team). FAX competitively procures any item over \$10,000 unless there is a justification for a sole source. Where possible, the City coordinates with other agencies to piggyback purchase items or create cooperative purchasing agreements.

An internal audit function exists as a two-person team (principal internal auditor and internal auditor) under the Finance department which meets with departments annually. They prepare a risk assessment and an annual plan. FAX was the subject of an internal audit on the topic of grants management during the prior audit period.

Marketing and Public Information

FAX's marketing efforts include interior signage, audio announcements, social media campaigns, sponsorships with local universities and service agencies, special promotions, and pop-up promotional booths. FAX uses rider satisfaction survey data to create advertising that is relatable to its current and potential riders. FAX maintains a transit webpage on the City's website. A printed rider guide with schedules, route maps, fare information, rider protocols, and accessibility information are available onboard the vehicles and at transit hubs. Service changes, route enhancements, and new routes are posted onboard and disseminated on the website and through social media, email newsletters, public outreach fairs, large posters, and newspaper advertisements.

FAX launched an "I Choose FAX" campaign to reach potential riders. The 14-week campaign involved using 10 short videos, across three social media platforms, to showcase everyday people giving their reasons for using FAX. FAX experienced a moderate increase in ridership during the campaign. FAX is in the process of putting out a Mobility as a Service (MaaS) Request for Proposals which includes a mobile app for payment and trip planning. It has relationships with local schools and employers to provide student fare sponsorships and incorporate employer needs assessments into planning efforts.

Complaints, inquiries, and compliments are logged in the Complaints Database. FAX and NEXT staff utilize the Cisco system to handle customer service and paratransit reservation calls. These calls are tracked to monitor number of calls, length of calls, and other performance metrics. Any information provided as part of a complaint is documented. While FAX does not have a formal timeline for resolving complaints, staff are typically able to resolve simple issues within approximately two business days. If the issue requires larger investigation, this timeline may require additional time.

The most recent customer satisfaction survey revealed 73 percent of respondents are satisfied with FAX services. Driver performance and on-time performance received high ratings.

Given the fixed-route and paratransit services are operated separately, the discussion of operations and maintenance functions will be presented separately as well. Within this section, FAX refers to the fixed-route service operated in-house while Handy Ride refers to the ADA paratransit service contracted to NEXT. CTSA services are discussed in a separate audit of the Fresno Economic Opportunities Commission.

Scheduling, Dispatch, and Operations

FAX

The fixed-route service (FAX) is directly operated by the City. The workforce is represented by several unions:

- Bus Drivers: Amalgamated Transit Union (ATU) Local 1027.
- Transit Supervisors and Management Analysts: City of Fresno Professional Employees Association (CFPEA).
- Senior Administrative Clerk and Staff Assistant: Fresno City Employees Association (FCEA).

At the time of the site visit, FAX had 315 full-time drivers and 14 part-time drivers. Ideally, the City would like to have 333 full-time drivers and 25 part-time drivers to be considered fully staffed. All

drivers are cross-trained to drive all routes. Part-time drivers are used to cover gaps in the service schedule and reduce the number of split shifts for full-time drivers. Current part-time drivers work a part-time schedule because they wish to do so, though they have priority for filling open full-time positions.

Transit Supervisors, Equipment Supervisors, Equipment Service Workers, and Bus Mechanics hold a Commercial Driver's License (CDL) as part of their minimum job qualifications, but do not regularly drive a commercial vehicle. The Transit Operations Manager also holds a CDL, but does not regularly drive a commercial vehicle.

Driver bids are awarded based on seniority, with new bids five times per year. Longer planned absences (e.g., a full work week) are posted for bidding on by Extra Board drivers on a seniority basis. Shorter planned absences are assigned to Extra Board drivers on a day-to-day rotational basis. Unplanned absences are covered by Standby drivers or regular drivers working on their days off. Current staffing levels require asking for volunteers to cover absences, though there are a sufficient number of drivers who want to work overtime.

Vehicles are assigned as part of the creation of the schedule and then managed through Vontas. Maintenance uses Vontas to update vehicle availability. Maintenance delivers a bus availability sheet at the beginning of the service day and updates the Operation Division via phone throughout the day.

FAX vehicles use GFI GenFare *Odyssey* fareboxes which accept cash or ticket fare media and record each rider by type of fare received or entered by the driver. When buses arrive back at the yard, Maintenance staff probe the fareboxes, remove the cash boxes, drop the cash into one of two vaults (one for weekday and the other for weekend drops), and return the empty cash box. Neither the driver nor the Maintenance worker has access to the cash. The Administrative Division Account Clerks count the fares in the unlock the vaults and pull the cash bins into the cash counting room where they are opened and counted. The cash counting room has a camera and limited (key card) access. An armored car service makes daily pick-ups.

The Bus Rapid Transit and Route 1 stations are equipped with Genfare Ticket Vending Machines (TVMs). Bulk passes are sold by Senior Account Clerks at the FAX Administration offices. Non-cash fare media are also sold at the Manchester Transit Center, which also sells Senior Taxi Scrip and replacement identification cards. When the office is closed for the day, sales reports are prepared and deposits readied for pick-up the following morning.

Handy Ride

The NEXT workforce is represented by the Amalgamated Transit Union (ATU) Local 1027. At the time of the site visit, it employed 66 full-time drivers. It was short two drivers from being considered fully staffed. NEXT does not employ any part-time drivers. Work assignments are based on collective bargaining agreement (CBA) guidelines. Handy Ride drivers bid on assignments based on seniority three times a year. Not all drivers have the same qualifications and certifications; sedan drivers are not required to have a commercial drivers license (CDL). Vehicles are assigned to routes based on the needs of the assigned clients (ambulatory versus wheelchairs). Extra Board drivers are used to cover shifts for planned absences. For unplanned absences, trips from that shift are added to other routes.

Drop vault fareboxes are used to collect fares. Utility staff remove the fareboxes and bring them into the Operations Manager's office. The fares are counted by payroll administration and a manager in a secured room, then stored in a safe. Amounts are checked against the vault log and fare log. An armored car service retrieves the funds for deposit once a week. Fares are deducted from NEXT's monthly invoice to the City. FAX sells non-cash fare media.

Personnel Management and Training

FAX

FAX is currently recruiting sufficient drivers to meet its needs. The City offers approximately four trainee classes per year, with up to 16 drivers per class. Each class runs for eight to ten weeks. Recruiting tactics involve posting to social media, on job board websites, in trade magazines, and at job fairs. Recruits are not required to have a commercial license but are required to have their commercial permit. FAX provides classroom and behind-the-wheel training for licensing. The City has DMV-certified instructors for commercial license testing. Motivational activities include words of affirmation, developmental training, departmental engagement events, longevity salary range steps, and performance management.

Turnover stands at approximately one to two employees for month. Drivers leave for a variety of reasons, including the job not being a good fit, demanding work schedules, promotions, and disciplinary reasons. Most drivers stay at least 18 to 24 months. The City is looking into opportunities for a mentorship program for new hires. Operations staff receive quarterly performance evaluations the first year and then annually thereafter.

Transit Supervisors who are certified by the Transit Safety Institute (TSI) and hold a CDL with all required endorsements make up the training team. All new hires receive the same training regardless of experience. The first week goes over the CDL handbook. The second week goes over the TSI handbook which covers vehicle operations, emergency management, and customer service. Skill training can then start in the yard. Training starts very basic, especially for new drivers, then slowly progresses. Recruits learn right and left turns, how to set up tight turns, driving on the freeway, pulling in to bus stops (with cones), and then begin to learn the routes. Drivers go through every route on every series of bus. Airbrake testing and DMV requirements are both covered. A minimum of 20 hours of behind-the-wheel training is required for Verification of Transit Training (VTT); recruits typically spend five to ten days training with platform instructors who have received special training. DMV testing begins seven to eight weeks after hire. The final two days of classroom training covers bidding, extra board, log book, etc.

FAX's Safety and Security Team, which includes a Training Officer and Safety and Security Specialist, develops and updates all safety policies and procedures as needed for the Department, works with City-wide Personnel Services Department (PSD) on safety and security measures such as fire drills, evacuation drills, and natural disaster drills such as the Great American Shake Out. FAX's team also provides information and training for safety tailgates and other trainings as needed at the Department level.

Additionally, FAX has partnered with the Transportation Security Administration (TSA) to conduct unattended and/or suspicious package assessments. For this exercise, TSA places suspicious packages on our buses to audit drivers' ability to identify and report suspicious packages.

FAX also administers at least 8 hours of VTT to all drivers annually. This training consists of topics such as critical incident de-escalation, intersection management, ADA mobility device loading/unloading and securement, and Alcohol and Substance Abuse. The Accident Review Committee (ARC) reviews accidents and rates them as preventable or non-preventable. Bus Drivers that have had accidents deemed preventable are assigned remedial training to mitigate any future accidents.

All permanent full-time employees are eligible for City benefits, including accrued vacation and sick leave; paid holidays; and health, dental, and vision benefits as well as the City's Employees Retirement System, short-term disability, deferred compensation program, uniform allowance, and free bus passes. Permanent part-time employees are offered the same benefits but accrual rates are different. Temporary part-time employees are eligible for paid sick leave as well as any other benefits mandated under state and federal law.

Handy Ride

NEXT employs 66 full-time drivers. It prefers not to utilize part-time positions as they are harder to fill. Recruitment is handled through a company recruiter, which primarily utilizes Indeed and flyers. Employees are motivated through employee appreciation lunches and food truck recognition. Turnover is very low, though most drivers leave due to money. Drivers do not receive performance evaluations due to the Collective Bargaining Agreement (CBA), but are coached or disciplined appropriately. Raises occur automatically unless disciplinary action takes place.

NEXT's Safety Manager and Driver Supervisor handle all new and existing driver training, which includes classroom as well as behind-the-wheel training. They hold TSI certifications as well as certification through the company's training program. Corporate safety personnel oversee the safety program.

Handy Ride personnel are subject to a progressive discipline process as defined in the CBA, with disciplinary actions ranging from a verbal warning to dismissal from employment. Discipline and attendance policies are communicated through the employee handbook and CBA. Employees are eligible to receive a full slate of benefits, including medical, dental, vision, and life insurance.

Maintenance

FAX

Maintenance is performed at the FAX facility on G Street. It is a full-service shop with body and fender capability and a paint shop. The City uses Trapeze Enterprise Asset Management (EAM) software to manage its maintenance program. Adherence with the manufacturer's recommended maintenance schedule can be easily verified. FAX monitors average miles per hour as well as any changes to the manufacturer's specifications. Preventive maintenance rarely conflicts with regular use due to the ability to assign vehicles to shorter routes when they are close to preventive maintenance intervals.

Mileage and time warranties are programmed into the asset management software, which automatically identifies work that is covered under warranty. The Fleet Operations Specialist reviews each warranty claim prior to a request being sent out, and a Supervisor verifies the accuracy of the reimbursement upon completion. Gillig and New Flyer tend to handle warranty work in a timely manner. Warranty claims and work for Proterra buses have been inconsistent due to the manufacturer's bankruptcy. At present, the only items being sent out for repairs are Proterra and New Flyer FCEB warranty repairs and fleet-wide transmission rebuilds, which are sent to the vehicle or component manufacturers.

The FAX facility is capable of accommodating the type of repairs which are not sent out. It has six pull-in bays, including a preventive maintenance (PM) bay, and three body and fender bays. The department has purchased portable lift units to utilize more working space in the shop for the anticipated increase in fleet size. The City is in the process of adding hydrogen detection, new roll-up doors, and an upgraded HVAC system to the facility.

Recruiting and retaining qualified maintenance personnel has been the greatest challenge during the audit period. Fewer people are pursuing the field. The new technology of hydrogen and electric buses has created a gap in the talent pool. Recruitment is ongoing, though few applicants are realized for each opening. One of the challenges is the City winds up competing against itself – other municipal departments only operate one or two shifts, so new technicians train with FAX, then go to another City job that is a day job. FAX lost approximately five maintenance workers to this between Fall 2024 and early 2025. The City is working on a partnership with Fresno City College's Southwest Campus to establish an apprenticeship program.

Access to the parts room is limited to parts personnel, lead workers, and supervisors. Parts are tracked electronically through Trapeze EAM as well as through quarterly hand counts. Inventory and reorder levels are constantly documented via an email regarding any parts on order. Supervisors provide input regarding the quantity on hand and reorder points. If an increase in inventory is needed due to delays in parts of manufacturing, adjustments can be made during budget planning. Specific challenges with respect to part during the audit period have included catalytic converters as well as parts for the Proterra buses. Staff feel that several of the Proterra buses could be operational if they could get the necessary parts. Supervisors have been tasked with exploring other opportunities to locate parts. Tires are leased.

A "down list" is updated daily and managed in Transit Master. Three shifts exist across all seven days of the week. Mechanics are on duty at pullout. Road calls are minimal and in-field work is limited due to safety. Maintenance is notified immediately about breakdowns. Vehicles that are returned to service are communicated to dispatch through Vontas or by a phone call.

Weekly inspections are performed on all vehicles, including steering, foundation brakes, and emergency exists. Vehicles placed in service are monitored through driver inspection reports to ensure all issues are addressed. Drivers are unable to log into downed buses to ensure they are not put into service. Maintenance supervisors and lead workers are responsible for assigning work, thereby ensuring the most crucial items are prioritized.

All fixed-route vehicles are equipped with GPS, automated passenger counters, mobile data terminals (MDTs), and public wi-fi. Approximately 43 fixed-route vehicles have traffic signal priority onboard and all have surveillance cameras. While FAX is generally satisfied with the various data software, the APC software has experienced issues with calculating projected miles. FAX continues to work with the vendor to resolve the issue. The underlying data is solid, but the formula is incorrect. Management uses work-arounds to get the project miles data needed in the meantime.

Handy Ride

Handy Ride vehicles are owned by the City and maintained by NEXT at the Blackstone facility, which is dedicated to the Handy Ride program. Maximo software and Zonar software are used to track maintenance work. Compliance with the preventive maintenance schedule can be judged by tracking mileage and days when it is due. There are times when maintenance may conflict with regular vehicle use, especially if a vehicle must stay out of service for some time.

Warranty work is effectively identified. Repairs such as CNG fuel failures are typically sent out for repairs due to the program not being certified for fuel repairs. Maintaining high mileage vehicles has been one of the biggest challenges during the audit period. The City is responsible for vehicle replacement and has a vehicle replacement plan in place.

Parts are stored securely in a locked parts room. All parts are tagged for inventory and are tracked digitally as well as through a physical count. Only maintenance staff and mechanics have access to the parts room. Utility workers are responsible for washing the vehicles and maintaining the facility. Drivers are responsible for fueling the vehicles upon their return to the yard. No maintenance work other than that provided for Handy Ride is performed at the facility.

Handy Ride drivers conduct pre- and post-trip inspections using a combination of physical and electronic (Zonar) documentation. All vehicles are equipped with GPS and Drive Cams. When a vehicle is found to be unsafe, a lock-out tag is placed on the steering wheel. A geofence prevents unsafe vehicles from leaving the property. Mechanics review driver inspection reports to determine priority. A monitor in the dispatch office displays the status of repairs, with information communicated via radio as well.

Exhibit 7.4 Fresno Area Express and Handy Ride Fleet

Quantity	Year	Make	Model	Type	PAX	WC Positions	Service
3	2005	New Flyer	C40LF	40' CNG Low Floor Bus	29-36	2	Fixed-Route
14	2006	New Flyer	C40LF	40' CNG Low Floor Bus	29-36	2	Fixed-Route
16	2009	New Flyer	C40LF	40' CNG Bus	29-36	2	Fixed-Route
1	2011	Gillig	Low Floor CNG	2011 Low Floor CNG 40'	29-36	2	Fixed-Route
8	2012	Gillig	Low Floor CNG	2012 Low Floor CNG 40'	29-36	2	Fixed-Route
3	2012	Gillig	29' Low FLR CNG	2012 Low Floor CNG 29'	21	2	Fixed-Route
2	2013	Gillig	Low Floor CNG	2013 Low Floor CNG 40'	29-36	2	Fixed-Route
8	2014	Gillig	Low Floor CNG	2014 Low Floor CNG 40'	29-36	2	Fixed-Route
11	2016	Gillig	LF CNG BRT+	2016 Gillig LF CNG 40' BRT+ (FAX15)	29-36	2	Fixed-Route
6	2016	Gillig	Low Floor CNG	2016 Gillig LF CNG 40'	29-36	2	Fixed-Route
26	2017	Gillig	LF CNG BRT+	2017 Gillig LF CNG 40' BRT+ (FAX15)	29-36	2	Fixed-Route
1	2018	Gillig	Low Floor CNG	2018 Gillig LF CNG 40' BRT+	29-36	2	Fixed-Route
2	2019	Gillig	Low Floor CNG	2019 Gillig LF CNG 40' BRT+	29-36	2	Fixed-Route
8	2020	Gillig	Low Floor CNG	2020 Gillig LF CNG 40' BRT+	29-32	2	Fixed-Route
2	2021	Proterra	ZX5	2021 ZX5 Electric Bus	29-32	2	Fixed-Route
6	2021	Gillig	Low Floor CNG	2021 Gillig LF CNG 40' BRT+	29-32	2	Fixed-Route
7	2022	Proterra	ZX5	2022 ZX5 Electric Bus	29-32	2	Fixed-Route
2	2024	New Flyer	XHE40	2024 New Flyer XHE40 Hydrogen	29-32	2	Fixed-Route
12	2024	Gillig	Low Floor CNG	2024 Gillig LF CNG 40'	29-32	2	Fixed-Route
3	2014	Ford	E-450 Cutaway	14 Ford E450 Starcraft Allstar	12	3	Handy Ride
10	2015	Ford	E-450 Cutaway	15 Ford E450 Starcraft Allstar	12	3	Handy Ride
1	2015	Ford	E-450 Cutaway	15 Ford E450 Starcraft Allstar	6	3	Handy Ride
6	2015	Ford	E-450 Cutaway	15 Ford E450 Starcraft Allstar	12	1	Handy Ride
2	2015	Ford	E-450 Cutaway	18 Ford E450 Starcraft Allstar	6	3	Handy Ride
5	2017	Ford	Taurus	2017 Ford Taurus Sedan (7905)	2	0	Handy Ride
9	2018	Ford	E-450 Cutaway	18 Ford E450 Starcraft Allstar	12	3	Handy Ride
2	2018	Ford	E-450 Cutaway	20 Passenger Glaval Transit Bus	12	3	Handy Ride
3	2023	Ford	E-450 Cutaway	23 Ford E450 Cutaway	12	2	Handy Ride
14	2024	Ford	E-450 Cutaway	24 Ford E450 Starcraft Allstar	12	1	Handy Ride

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Chapter 8 | Findings and Recommendations

Conclusions

With two exceptions, Moore & Associates finds the City of Fresno to be in compliance with the requirements of the Transportation Development Act. In addition, the entity generally functions in an efficient, effective, and economical manner.

Findings

Based on discussions with City staff, analysis of program performance, and an audit of program compliance and function, the audit team presents two compliance findings:

1. The City's State Controller Reports were submitted after the January 31 deadline for FY 2022/23 and FY 2023/24.
2. The City's TDA fiscal audits were completed after the March 31 deadline for all three years of the audit period.

The audit team has identified one functional finding. While this finding is not a compliance finding, the audit team believes it warrants inclusion in this report:

1. As the co-designated CTSA, the City should be recognizing the FEOC as a contractor rather than a transit operator.

Program Recommendations

In completing this Triennial Performance Audit, the auditors submit the following recommendations for the City's public transit program. They are divided into two categories: TDA Program Compliance Recommendations and Functional Recommendations. TDA Program Compliance Recommendations are intended to assist in bringing the operator into compliance with the requirements and standards of the TDA, while Functional Recommendations address issues identified during the audit that are not specific to TDA compliance. Each finding is presented with the elements identified within the 2011 *Government Auditing Standards* as well as one or more recommendations.

Compliance Finding 1: The City's State Controller Reports were submitted after the January 31 deadline for FY 2022/23 and FY 2023/24.

Criteria: PUC 99243 requires operators receiving funding under Article 4 to submit their Financial Transaction Report to the State Controller within seven months of the end of the fiscal year. The State Controller's Office does not typically grant extensions beyond the January 31 deadline.

Condition: In FY 2022/23, the City's State Controller Reports were not submitted until February 7, 2024. In FY 2023/24, the FAX report was submitted on February 4, 2025, while the Handy Ride report was submitted on February 13, 2025.

Cause: The cause of the late submittal of the FY 2022/23 reports was unknown. For the FY 2023/24 reports, the City reported an issue with the State Controller's Office's LGRS Online system, that was not accepting final submissions. It began trying to submit the reports on January 31, 2025, but was not able to get them submitted by the deadline due to website issues.

Effect: As a result, the deadline was missed and the report was submitted late.

Recommendation: Ensure State Controller Reports are submitted on or before the January 31 deadline.

Recommended Action: Acknowledging that the late submittals for FY 2023/24 were not the fault of the City, it should still work to ensure on-time submittal of the State Controller Reports. The City may wish to schedule completion of the State Controller Reports and their submittal several days ahead of the deadline to accommodate any unexpected challenges or issues with the website.

Timeline: State Controller reporting for FY 2024/25.

Anticipated Cost: None.

Compliance Finding 2: The City's TDA fiscal audits were completed after the March 31 deadline for all three years of the audit period.

Criteria: PUC 99245 requires all Article 4 recipients to submit an annual fiscal audit to the State Controller within 180 days of the end of the fiscal year. The RTPA has the authority to extend the deadline for another 90 days, typically to March 31.

Condition: For FY 2021/22, the City's TDA fiscal audit was completed on March 7, 2024. This was nearly a year after the deadline established under PUC 99245. The FY 2022/23 TDA fiscal audit was completed on February 6, 2025, more than ten months after the deadline. At the time of this report (May 15, 2025), the FY 2023/24 had yet to be completed.

Cause: The transition by the City to a new financial software system between FY 2021/22 and FY 2022/23 was the most likely cause of the delayed audits.

Effect: TDA claims cannot be paid out until the TDA fiscal audit for the claim year minus two is completed.

Recommendation: Work with City and TDA auditors to ensure the TDA fiscal audit can be completed no later than March 31.

Recommended Action: FAX should work with the City's Finance Department to ensure the TDA fiscal audits are completed in a timely manner. All efforts should be made to be back on track for on-time completion of the FY 2024/25 TDA fiscal audit by March 31, 2026.

Timeline: TDA fiscal audits for FY 2024/25.

Anticipated Cost: None.

Functional Finding 1: As the co-designated CTSA, the City should be recognizing the FEOC as a contractor rather than a transit operator.⁸

Criteria: There are three definitions in the Public Utilities Code that are relevant to this finding:

- Claimant – an operator, city, county, or consolidated transportation service agency. (PUC 99203)
- Consolidated Transportation Service Agency (CTSA) – an agency designated pursuant to subdivision (1) of Section 15975 of the Government Code. (PUC 99204.5)
- Operator – any transit district, included transit district, municipal operator, included municipal operator, or any transit development board. (PUC 99210)

Historically, FEOC has been treated as an operator under the TDA given it was a co-designated CTSA and direct TDA claimant.

Condition: Beginning in FY 2021/22, FEOC is neither a TDA claimant nor one of the co-designated CTSA providers. It also does not meet the TDA definition of an operator given it is not a public entity. Currently FEOC serves as a contracted service provider for both FAX and FCRTA, which purchase services from FEOC on a cost per revenue hour basis using TDA Article 4.5 (CTSA) funds claimed directly by them.

Cause: A change in the CTSA designation and the relationship between FEOC and FAX/FCRTA is the cause of this finding.

Effect: FEOC should no longer be considered an operator or claimant under the TDA.

Recommendation: With respect to TDA, FEOC should now be considered as a contractor to FAX and FCRTA rather than as a transit operator.

Recommended Action: In redesignating FEOC as a contractor, it is no longer responsible for demonstrating compliance with the TDA requirements for claimants except as they may be included within their contracts with transit operators for which they provide services. This means FEOC no longer should undergo a Triennial Performance Audit. It also means that FAX and FCRTA should be reporting CTSA performance data where appropriate and included CTSA funds as part of their TDA fiscal audits.

Timeline: FY 2024/25.

Anticipated Cost: None.

⁸ A similar finding and recommendation are also included in the Triennial Performance Audits for the City of Fresno, Fresno County Rural Transit Agency, and Fresno Council of Governments.

Exhibit 8.1 Audit Recommendations

TDA Compliance Recommendations		Importance	Timeline
1	Ensure State Controller Reports are submitted on or before the January 31 deadline.	Medium	FY 2024/25
2	Work with City and TDA auditors to ensure the TDA fiscal audit can be completed no later than March 31.	High	FY 2024/25
Functional Recommendations		Importance	Timeline
1	With respect to TDA, FEOC should now be considered as a contractor to FAX and FCRTA rather than as a transit operator.	High	FY 2024/25