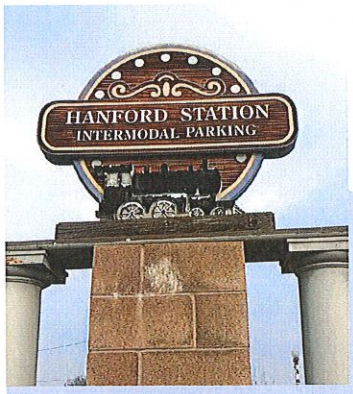
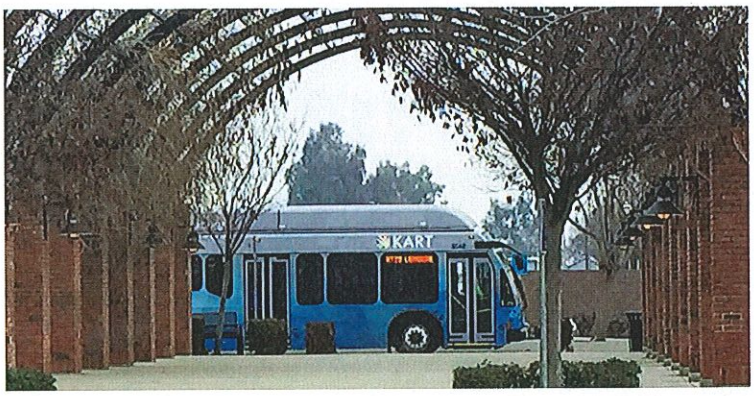
Attachment B

FINAL REPORT
APRIL 2019

Kings County Area Public Transit Agency

Triennial Performance Audits FY 15/16 - 17/18





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Chapter 1
Executive Summary

In 2018, the Kings County Association of Governments (KCAG) selected Moore & Associates, Inc., to prepare Triennial Performance Audits of itself as the RTPA and the two transit operators to which it allocates TDA funding. Moore & Associates is a consulting firm specializing in public transportation. Selection of the consultant followed a competitive procurement process.

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

The Triennial Performance Audit is designed to be an independent and objective evaluation of the Kings County Area Public Transit Agency (KCAPTA) 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 whom it allocates TDA funds.

This chapter summarizes key findings and recommendations developed during the Triennial Performance Audit (TPA) of KCAPTA's public transit program for the period Fiscal Year 2015/16 through Fiscal Year 2017/18.

KCAPTA operates Kings Area Rural Transit (KART), twelve local fixed routes and five out of town fixed routes. The service operates within Armona, Avenal, Corcoran, Grangeville, Hardwick, Hanford, Kettleman City, Laton, Lemoore, and Stratford. Service is available on weekdays from 6:30 a.m. through 10:00 p.m. and Saturdays from 9:30 a.m. through 5:00 p.m. The service does not operate on Sundays or designated holidays

KCAPTA also operates the KART Flex Route, an on demand service designed to pick up or drop off passengers at designated KART bus stops. Trips are provided Monday through Saturday on a first-come, first served basis. Requests for service require a minimum 30-minute advance notice prior to pick-up.

KCAPTA also operates KART Paratransit, a paratransit service operating the same days and hours as the local fixed routes. Request for service require a minimum one day of advance notice, same day reservations are not accepted.

This performance audit was conducted in accordance with generally accepted government auditing standards. Those standards require 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 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,
- Follow-up of prior report recommendations,
- Analysis of program data reporting,
- Performance Audit, and
- Functional review.

Test of Compliance

The Kings County Area Public Transit Agency met the test of compliance with respect to all Transportation Development Act (TDA) regulations.

Status of Prior Recommendations

1. Ensure performance standards are incorporated into KCAPTA's Annual Financial Reports beginning with the FY 2015/16 report.

   Status: Implemented.

Findings and Recommendations

Based on discussions with KCAPTA staff, analysis of program performance, and a review of program compliance and function, Moore & Associates submits no compliance findings for KCAPTA.

Moore & Associates has identified one functional finding. While this finding does not affect TDA compliance, we believe it warrants inclusion within this audit.

1. Some FTE data was missing from the FY 2016/17 State Controller Report.

Exhibit 1.1 Summary of Audit Recommendations

Functional Recommendations		Importance	Timeline
1	Ensure FTE is reported for all modes on the State Controller Report.	Medium	Ongoing

Chapter 2
Review Scope and Methodology

The Triennial Performance Audit (TPA) of the Kings County Area Public Transit Agency's public transit program covers the three-year period ending June 30, 2018. 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 TDA funding eligibility.

In 2018, the Kings County Association of Governments (KCAG) selected Moore & Associates, Inc., to prepare Triennial Performance Audits of itself as the RTPA and the two transit operators to which it allocates TDA funding. Moore & Associates is a consulting firm specializing in public transportation. Selection of the consultant followed a competitive procurement process.

The Triennial Performance Audit is designed to be an independent and objective evaluation of the Kings County Area Public Transit Agency 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 transit operator to which it allocates TDA funds.

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

1. Assess compliance with TDA regulations;
2. Review improvements subsequently implemented as well as progress toward adopted goals;
3. Review the accuracy of data reporting;
4. Evaluate the efficiency and effectiveness of the transit operator; and
5. 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 Kings County Area Public Transit Agency included five tasks:

1. A review of compliance with TDA requirements and regulations.
2. An assessment of the implementation of recommendations contained in prior performance audits.
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. 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.
5. 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 the Kings County Area Public Transit Agency included thorough review of documents relevant to the scope of the audit, as well as information contained on the Agency's website. The documents reviewed included the following (spanning the full three-year period):

- Triennial Performance Audit report for the prior audit period;
- Monthly performance reports;
- State Controller Reports;
- NTD reports;
- Annual budgets;
- TDA fiscal audits;
- Transit marketing collateral;
- Fleet inventory;
- Preventive maintenance schedules and forms;
- Accident/road call logs;
- Customer complaint logs;
- Short Range Transit Plan; and
- Organizational chart.

The methodology for this review included a site visit to KCAPTA's offices (610 West Seventh Street in Hanford) on January 28, 2019. The site visit included interviews with Angie Dow (Executive Director) and Jami Holloway (Transit Manager). The audit team also met with Craig Wilson (MV Transportation's General Manager) at KCAPTA's transit maintenance and operations facility at 692 West Davis Street in Hanford.

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,
    - Progress in implementing prior recommendations,
    - Data analysis,
    - Performance measures and trends,
    - Functional audit, and
    - Findings and recommendations.

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Chapter 3
Program Compliance

This section examines the Kings County Area Public Transit Agency's 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 Kings County Association of Governments 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.

Compliance was determined through discussions with Kings County Area Public Transit Agency staff as well as a physical inspection of relevant documents including the fiscal audits for each year of the triennium, TDA claim forms, State Controller annual filings, California Highway Patrol terminal inspections, year-end performance reports, and other compliance-related documentation.

The Kings County Area Public Transit Agency met the test of compliance with respect to all Transportation Development Act (TDA) regulations.

Recent Changes Regarding Compliance

Two changes specific to the TDA and TDA funding went into effect beginning July 1, 2016. The first change was an amendment to the Public Utilities Code specific to the definition of operating cost and what costs can be excluded. It should be noted that many of the exclusions pertain only to *changes* in certain costs, either over the prior year or beyond the change in the Consumer Price Index. They do not apply to *all* costs related to specified exclusion categories.

Senate Bill 508, dated October 9, 2015, amended Section 99268.17 to read as follows:

> ***99268.17*** *(a) Notwithstanding subdivision (a) of Section 99247, the following costs shall be excluded from the definition of "operating cost" for the purposes of calculating any required ratios of fare revenues to operating cost specified in this article:*
>
> *(1) The additional operating costs required to provide comparable complementary paratransit service as required by Section 37.121 of Title 49 of the Code of Federal Regulations, pursuant to the federal Americans with Disabilities Act of 1990 (42 U.S.C. Sec. 120101 et seq.), as identified in the operator's paratransit plan pursuant to Section 37.139 of Title 49 of the Code of Federal Regulations that exceed the operator's costs required to provide comparable paratransit service in the prior year as adjusted by the Consumer Price Index.*
>
> *(2) Cost increases beyond the change in the Consumer Price Index for all of the following:*
>
> *(A) Fuel.*
> *(B) Alternative fuel programs.*
> *(C) Power, including electricity.*

(D) Insurance premiums and payments in settlement of claims arising out of the operator's liability.
(E) State and federal mandates.

(3) Startup costs for new services for a period of not more than two years.

(b) The exclusion of costs from the definition of operating costs in subdivision (a) applies solely for the purpose of this article and does not authorize an operator to report an operating cost other than as defined in subdivision (a) of Section 99247 or a ratio of fare revenue to operating cost other than as that ratio is described elsewhere in this article, to any of the following entities:

(1) The Controller pursuant to Section 99243.
(2) The entity conducting the fiscal audit pursuant to Section 99245.
(3) The entity conducting the performance audit pursuant to Section 99246.

The second change, also contained within Senate Bill 508, related to the type of funds that can be used to supplement farebox revenue. Prior to this bill, "local funds" was defined as "revenues derived from taxed imposed by the operator or by a county transportation commission." Senate Bill 508 amended Section 99268.19 to read:

***99268.19** If fare revenues are insufficient to meet the applicable ratio of fare revenues to operating cost required by this article, an operator may satisfy that requirement by supplementing its fare revenues with local funds. As used in this section, "local funds" means any non-federal or non-state grant funds or other revenues generated by, earned by, or distributed to an operator.*

This expanded definition opens up new revenue sources that can be used to offset farebox shortfalls. Applicable revenues include funds received through advertising, interest income, sale of surplus vehicles, and other such sources. While these funds are no longer limited to those generated by local taxes, they cannot be state or federal funds.

Another change affected the submittal deadline for the State Controller's Transit Operators Financial Transaction Report. Beginning with Fiscal Year 2016/17, the submittal deadline was changed from 110 days following the end of the fiscal year (typically October 18-20) to seven months following the end of the fiscal year (January 31). The original submittal deadline was in force during reporting for FY 2015/16, while the new deadline was utilized for FY 2016/17 forward.

Exhibit 3.1 Transit Development Act Compliance Requirements

Compliance Element	Reference	Compliance	Comments
State Controller Reports submitted on time.	PUC 99243	In compliance	FY 2015/16: September 23, 2016 FY 2016/17: December 22, 2017 FY 2017/18: January 3, 2019
Fiscal and compliance audits submitted within 180 days following the end of the fiscal year (or with up to 90-day extension).	PUC 99245	In compliance	FY 2015/16: December 30, 2016 FY 2016/17: December 29, 2017 FY 2017/18: December 21, 2018
Operator's terminal rated as satisfactory by CHP within the 13 months prior to each TDA claim.	PUC 99251 B	In compliance	July 10, 2015 July 27, 2016 July 13, 2017 July 24, 2018
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	In compliance	KCAG has established the minimum farebox recovery ratio for KART as 15 percent. FY 2015/16: 17.23% FY 2016/17: 17.06% FY 2017/18: 15.56% *Source: Annual Financial Reports FY 2016 – FY 2018.*
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 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	FY 2015/16: -11.05% FY 2016/17: -5.84% FY 2017/18: -14.48% *Source: State Controller Reports, FY 2015 – FY 2018.*
The operator's definitions of performance measures are consistent with the Public Utilities Code Section 99247.	PUC 99247	In compliance	

Compliance Element	Reference	Compliance	Comments
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	Not applicable	
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	
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	Not applicable	
The current cost of the operator's retirement system is fully funded with respect to the officers and employees of its public transportation system, or the operator is implementing a plan approved by the RTPA, which will fully fund the retirement system for 40 years.	PUC 99271	In compliance	KCAPTA staff's retirement is funded through the California Public Employees Retirements System (CalPERS).
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	
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	

Chapter 4
Prior Recommendations

This section reviews and evaluates the implementation of prior Triennial Performance Audit recommendations. This objective assessment provides assurance the Kings County Area Public Transit Agency has made quantifiable progress toward improving both the efficiency and effectiveness of its public transit program.

The prior audit – completed in June 2016 by Moore & Associates, Inc. for the three fiscal years ending June 30, 2015 – included one recommendation:

1. Ensure performance standards are incorporated into KCAPTA's Annual Financial Reports beginning with the FY 2015/16 report.

   Discussion: The prior Triennial Performance Audit recommended KCAPTA begin incorporating on-time performance, roadcalls, accidents, and complaints into a periodic summary report. It recommended the resulting reports be shared with KART's major partners and stakeholders, including MV Transportation, the KCAPTA board, and KCAG.

   Performance standards are monitored by staff on a monthly basis, but as yet have not been incorporated into a summary report that is shared outside the agency. KCAPTA intends to include this information as part of its Annual Financial Reports. The first report to include this information is expected to be the FY 2015/16 report, which will be published in FY 2016/17.

   KCAPTA should ensure the performance standards are not only included in the Annual Financial Report, but that the report is shared with KART's major partners and stakeholders, as suggested by the prior Triennial Performance Audit.

   Progress: As of FY 2016, KCAPTA included goals and performance measures as part of the Statistical Section of its Comprehensive Annual Financial Report (CAFR). The report includes information regarding the Service Efficiency Goal and Service Effectiveness Goal broken down by mode, showing both the performance standard and current performance. Key performance indicators (KPIs) are also reported on a high level to the Board every quarter as a discussion items, presented in a graphic format.

   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 Kings County Area Public Transit Agency to the State Controller and Federal Transit Administration specific to the audit period. Submissions to these entities were included within the State Controller's Transit Operators Financial Transactions Report (TOR) and the National Transit Database (NTD) report, respectively.

Exhibit 5.1 provides a comparison between performance data reported within the TOR and NTD reports for the current audit period (ending FY 2015/16 through FY 2017/18) and the data reported via monthly performance reports and TDA fiscal audits.

Vehicle Service Hours and Vehicle Service Miles saw very slight variations between reports, none of which were of significant concern.

- **Operating Cost:** In FY 2015/16, operating cost reported in the monthly performance report and NTD report was highly consistent. The figures cited in KCAPTA's fiscal audit and State Controller Report were within one percent of this amount. In FY 2016/17, the data reported to all entities was slightly inconsistent, with a range of 4.1 percent between the highest figure and lowest figure reported. In FY 2017/18, data reported to all entities was highly consistent.
- **Passengers:** In FY 2016/17 and FY 2017/18, passengers as reported on the monthly performance reports was higher than that reported to other entities. In both years, the difference was less than one percent.
- **Full-time Equivalent (FTE) Employees:** In FY 2016/17, demand-response FTE was not reported to the State Controller. Methodology for determining the FTE calculation was not provided for FY 2015/16 and FY 2016/17. In FY 2017/18, it was determined that KCAPTA was using the proper definition of FTE and that data was reported accurately to the State Controller.

Exhibit 5.1 Data Reporting Consistency

Performance Measure	System-Wide		
	FY 2015/16	FY 2016/17	FY 2017/18
Operating Cost (Actual $)			
KCAPTA CAFR	$3,584,021	$3,994,116	$3,959,970
Monthly Performance Reports	$3,601,563	$4,028,757	$3,960,225
National Transit Database	$3,601,110	$3,968,902	$3,959,972
State Controller Report	$3,629,149	$3,870,149	$3,959,970
Fare Revenue (Actual $)			
KCAPTA CAFR	$617,405	$558,127	$616,013
Monthly Performance Reports	$617,405	$558,127	$616,012
National Transit Database	$617,404	$558,127	$616,012
State Controller Report	$617,405	$558,127	$616,013
Vehicle Service Hours (VSH)			
Monthly Performance Reports	49,778	54,922	52,150
National Transit Database	49,776	54,840	52,092
State Controller Report	49,738	54,912	52,092
Vehicle Service Miles (VSM)			
Monthly Performance Reports	752,398	832,822	824,868
National Transit Database	752,398	831,828	824,252
State Controller Report	752,398	832,912	824,252
Passengers			
Monthly Performance Reports	705,306	743,157	724,079
National Transit Database	704,744	738,148	719,223
State Controller Report	705,306	738,139	719,223
Full-Time Equivalent Employees			
State Controller Report	59	49	65
Per KCAPTA methodology	0	0	65
Per TDA methodology	0	0	65

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 6667[1]. 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) – excludes the following:

[1] 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.

- 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.[2] 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. (Fare revenue does not include additional local revenues that can be used to supplement the farebox recovery ratio.)

[2] 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 Kings County Area Public Transit Agency, the following sources were employed:

- Operating Cost was not independently calculated as part of this audit. Operating Cost data were obtained via TDA fiscal audits for each fiscal year covered by this audit. Operating Cost from the reports was compared against that reported to the State Controller and NTD and was determined 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 TDA fiscal audits for each fiscal year covered by this audit. Fare revenue from the reports is consistent with TDA guidelines.
- Vehicle Service Hours (VSH) data were obtained via State Controller Reports for each fiscal year covered by this audit. Data from these reports were then compared with information included within the City's monthly performance data summary reports. The Agency's calculation methodology is consistent with PUC guidelines.
- Vehicle Service Miles (VSM) data were obtained via State Controller Reports for each fiscal year covered by this audit. Data from these reports were then compared with information included within the City's monthly performance data summary reports. This methodology is consistent with PUC guidelines.
- Unlinked trip data were obtained via State Controller reports for each fiscal year covered by this audit. Data from these reports were then compared with information included within the City's monthly performance data summary reports. The Agency's calculation methodology is consistent with PUC guidelines.
- Full-Time Equivalent (FTE) methodology was provided by the Agency and is consistent with the TDA definition (hours worked divided by 2,000).

System Performance Trends

Operating cost saw modest annual increases during the audit period, following several years of slight decreases. Overall, operating cost saw a net increase of 10.9 percent between FY 2012/13 and FY 2017/18. Fare revenue experienced slight increases during the prior audit period, but decreased during the first two years of the current audit period. This ultimately resulted in a net decrease of 6.3 percent across the six-year period.

Vehicle Service Hours (VSH) decreased during the prior audit period, then increased during two of the three years of the current audit period. This led to a net decrease in VSH of 1.8 percent between FY 2012/13 and FY 2017/18, following a peak in FY 2016/17. Vehicle Service Miles (VSM) increased across the six-year period, with the greatest increase taking place in FY 2016/17. Overall, VSM saw a net 12.5 percent increase.

Passengers generally decreased throughout the six-year period, though some years saw ridership rebound. Overall, ridership saw a net 11.5 percent decrease between FY 2012/13 and FY 2017/18. Given the fluctuations in VSH, operating cost/VSH also fluctuated during the audit period, while operating cost/VSM steadily increased. Passenger-related metrics generally decreased during the audit period, though passengers/VSH saw a slight increase in FY 2017/18.

Unaided farebox recovery ratio decreased during the audit period, rebounding somewhat in FY 2017/18. Hours/Employee was generally stable, despite the apparent spike in FY 2016/17. This is due to demand response FTE not being reported on the State Controller Report that year.

Note: Some system-wide data may not be fully consistent with mode-specific data reported in the following sections. This is due to variances in reported data between the State Controller Report and NTD report, which is discussed in Chapter 5.

Exhibit 6.1 System Performance Indicators

Performance Measure	System-wide					
	FY 2012/13	FY 2013/14	FY 2014/15	FY 2015/16	FY 2016/17	FY 2017/18
Operating Cost (Actual $)	$3,571,402	$3,523,870	$3,475,124	$3,629,149	$3,870,149	$3,959,970
Annual Change		*-1.3%*	*-1.4%*	*4.4%*	*6.6%*	*2.3%*
Fare Revenue (Actual $)	$657,362	$662,327	$668,286	$617,404	$558,127	$616,013
Annual Change		*0.8%*	*0.9%*	*-7.6%*	*-9.6%*	*10.4%*
Vehicle Service Hours (VSH)	53,055	50,980	49,279	49,737	54,840	52,092
Annual Change		*-3.9%*	*-3.3%*	*0.9%*	*10.3%*	*-5.0%*
Vehicle Service Miles (VSM)	732,886	734,233	741,943	752,398	831,828	824,252
Annual Change		*0.2%*	*1.1%*	*1.4%*	*10.6%*	*-0.9%*
Passengers	812,523	794,795	804,765	704,744	738,148	719,223
Annual Change		*-2.2%*	*1.3%*	*-12.4%*	*4.7%*	*-2.6%*
Employees	60	60	59	59	49	65
Annual Change		*0.0%*	*-1.7%*	*0.0%*	*-16.9%*	*32.7%*
Performance Indicators						
Operating Cost/VSH (Actual $)	$67.32	$69.12	$70.52	$72.97	$70.57	$76.02
Annual Change		*2.7%*	*2.0%*	*3.5%*	*-3.3%*	*7.7%*
Operating Cost/Passenger (Actual	$4.40	$4.43	$4.32	$5.15	$5.24	$5.51
Annual Change		*0.9%*	*-2.6%*	*19.3%*	*1.8%*	*5.0%*
Passengers/VSH	15.31	15.59	16.33	14.17	13.46	13.81
Annual Change		*1.8%*	*4.7%*	*-13.2%*	*-5.0%*	*2.6%*
Passengers/VSM	1.11	1.08	1.08	0.94	0.89	0.87
Annual Change		*-2.4%*	*0.2%*	*-13.6%*	*-5.3%*	*-1.7%*
Farebox Recovery	18.4%	18.8%	19.2%	17.0%	14.4%	15.6%
Annual Change		*2.1%*	*2.3%*	*-11.5%*	*-15.2%*	*7.9%*
Hours/Employee	884.3	849.7	835.2	843.0	1,119.2	801.4
Annual Change		*-3.9%*	*-1.7%*	*0.9%*	*32.8%*	*-28.4%*
TDA Non-Required Indicators						
Operating Cost/VSM	$4.87	$4.80	$4.68	$4.82	$4.65	$4.80
Annual Change		*-1.5%*	*-2.4%*	*3.0%*	*-3.5%*	*3.3%*
VSM/VSH	13.81	14.40	15.06	15.13	15.17	15.82
Annual Change		*4.3%*	*4.5%*	*0.5%*	*0.3%*	*4.3%*
Fare/Passenger	$0.81	$0.83	$0.83	$0.88	$0.76	$0.86
Annual Change		*3.0%*	*-0.4%*	*5.5%*	*-13.7%*	*13.3%*

Sources: FY 2012/13 – FY 2014/15 data from prior Triennial Performance Audit.
FY 2015/16 – FY 2017/18 financial and FTE data from State Controller Reports.
FY 2015/16 – FY 2017/18 performance data from NTD reports.

Exhibit 6.2 System Ridership

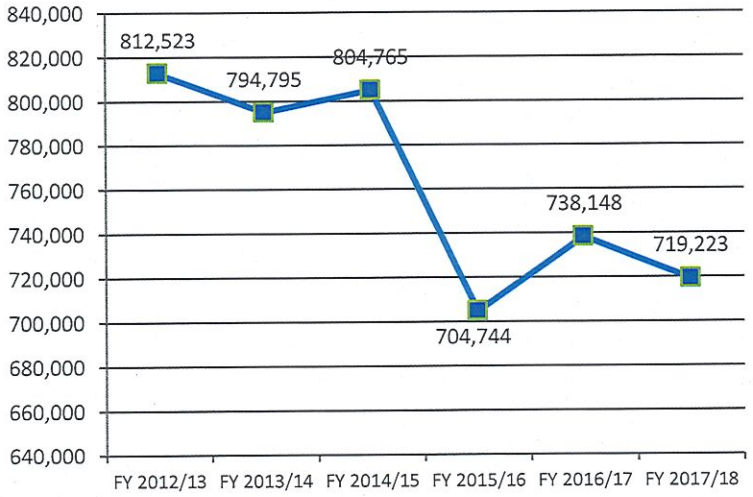


Exhibit 6.3 System Operating Cost/VSH

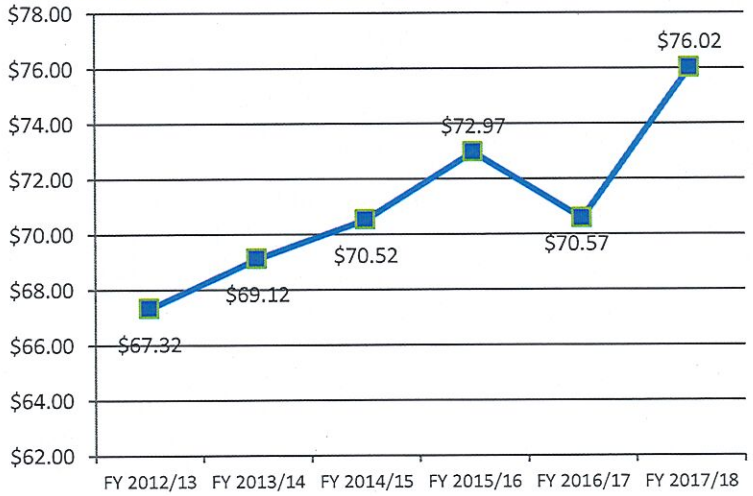


Exhibit 6.4 System Operating Cost/VSM

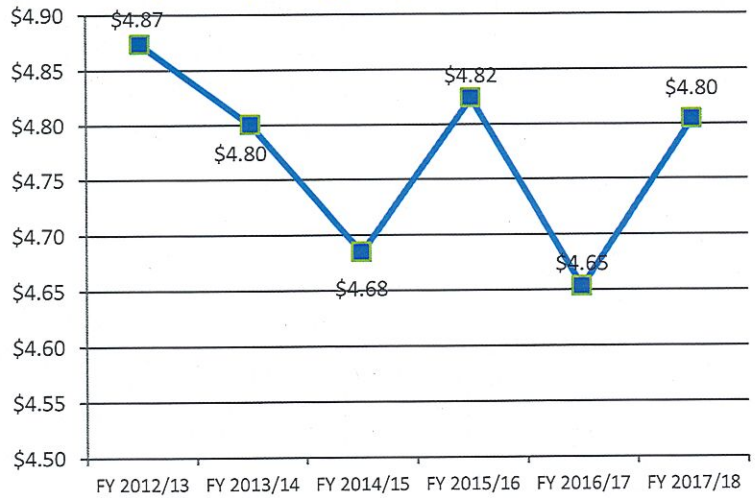


Exhibit 6.5 System VSM/VSH

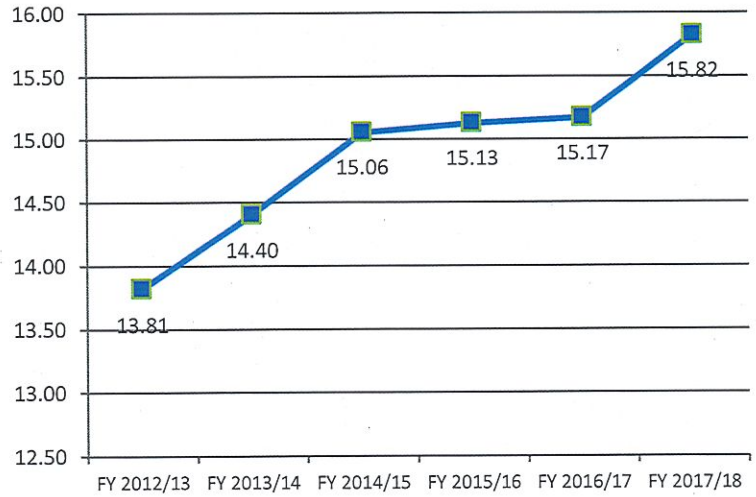


Exhibit 6.6 System Operating Cost/Passenger

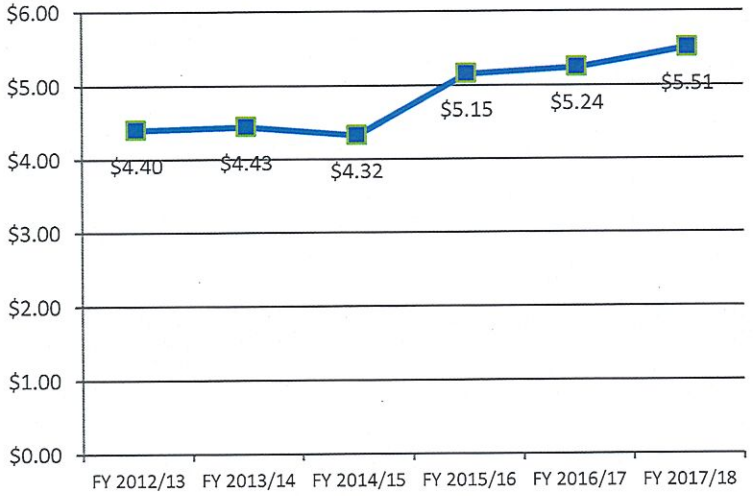


Exhibit 6.7 System Passengers/VSH

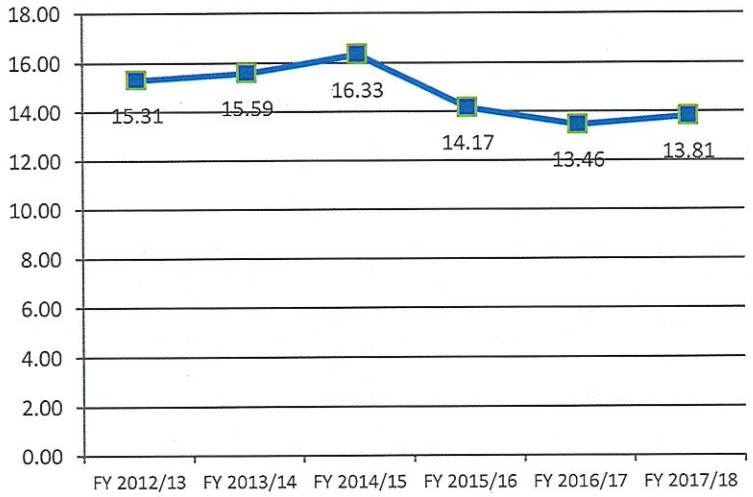


Exhibit 6.8 System Passengers/VSM

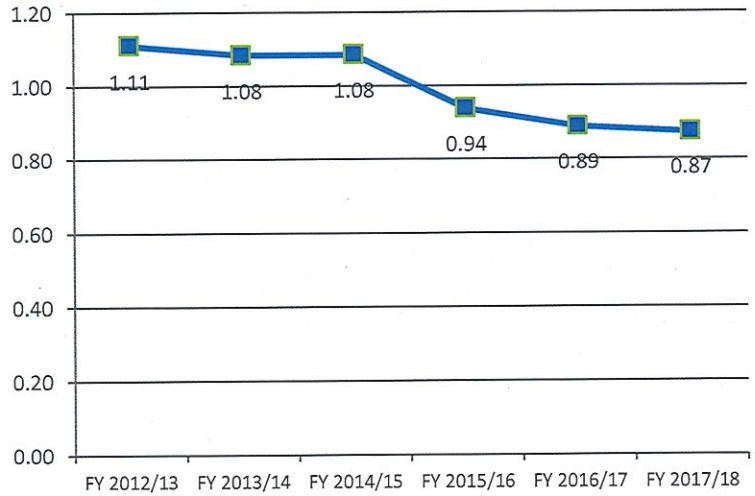


Exhibit 6.9 System VSH/FTE

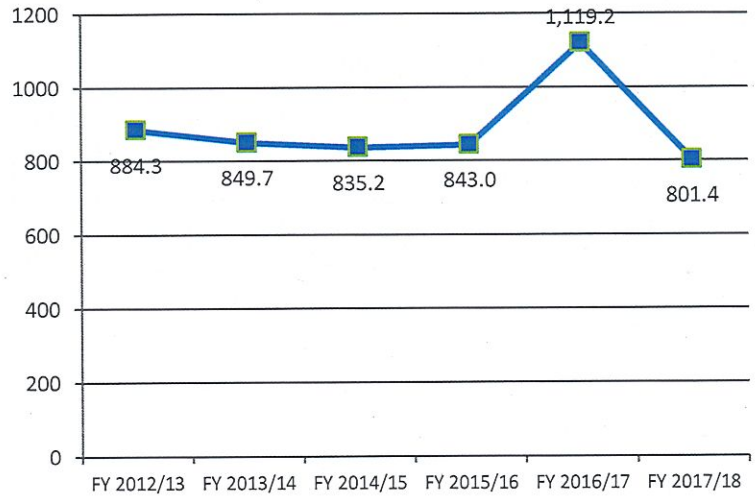


Exhibit 6.10 System Farebox Recovery

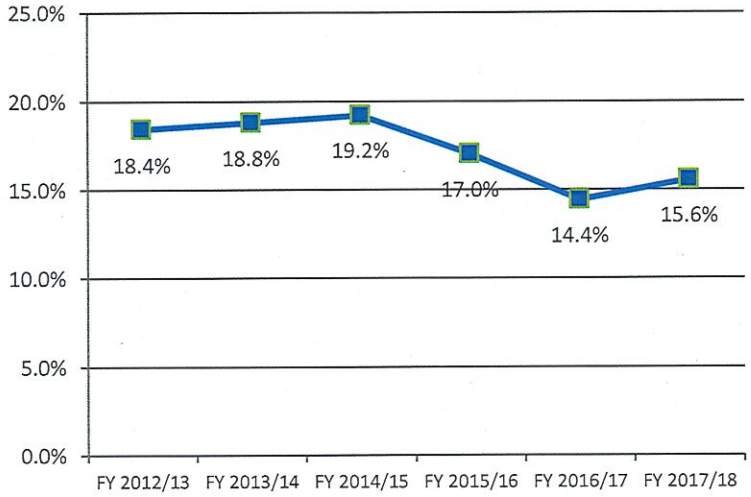
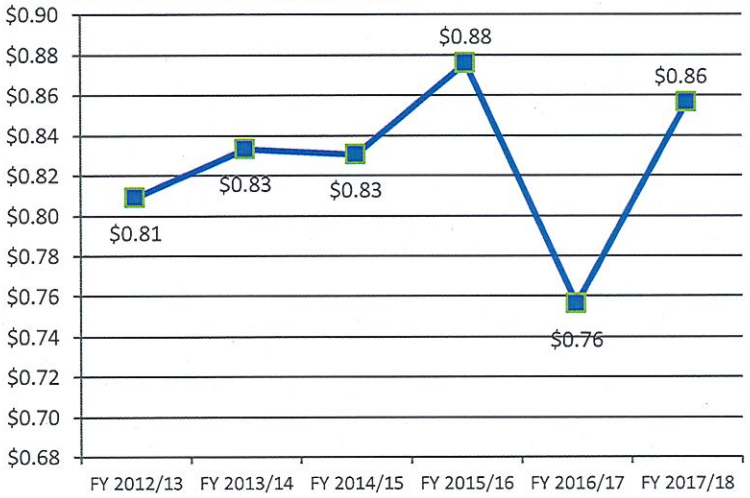


Exhibit 6.11 System Fare/Passenger



Fixed-Route Service

Fixed-route performance is generally reflective of that of the system as a whole, as the KART fixed-route service comprises more than 90 percent of the total Vehicle Service Hours (VSH).

Fixed-route operating cost increased throughout the six-year period between FY 2012/13 and FY 2017/18, with a net increase of 35.2 percent. The greatest increases occurred during the current audit period, which saw an increase of 27.7 percent. Fare revenue decreased during the first two years of the audit period, but rebounded in FY 2017/18. Overall, fare revenue saw a net decrease of 5.2 percent across the six-year period, reaching its peak in FY 2014/15.

VSH increased steadily through FY 2016/17, then decreased in FY 2017/18. This resulted in a net increase in VSH of 23.3 percent between FY 2012/13 and FY 2017/18. Vehicle Service Miles (VSM) increased 21.2 percent across the six-year period, with the greatest increase taking place in FY 2016/17. Ridership was characterized by several fluctuations, reaching its lowest point in FY 2015/16. Ultimately, ridership saw a net decrease of 9.6 percent between FY 2012/13 and FY 2017/18.

Cost-related performance indicators increased during the audit period, while passenger-related metrics declined. Unaided farebox recovery ratio saw a significant decrease in FY 2016/17, as a nearly 13 percent increase in operating cost was matched by a more than 10 percent decrease in fare revenue.

Exhibit 6.12 Fixed-Route Performance Indicators

Performance Measure	Fixed-Route					
	FY 2012/13	FY 2013/14	FY 2014/15	FY 2015/16	FY 2016/17	FY 2017/18
Operating Cost (Actual $)	$2,654,168	$2,734,008	$2,808,885	$3,105,206	$3,503,105	$3,587,391
Annual Change		*3.0%*	*2.7%*	*10.5%*	*12.8%*	*2.4%*
Fare Revenue (Actual $)	$612,264	$622,865	$630,087	$583,484	$522,938	$580,579
Annual Change		*1.7%*	*1.2%*	*-7.4%*	*-10.4%*	*11.0%*
Vehicle Service Hours (VSH)	38,733	39,405	39,809	43,256	48,917	47,771
Annual Change		*1.7%*	*1.0%*	*8.7%*	*13.1%*	*-2.3%*
Vehicle Service Miles (VSM)	630,445	637,489	663,345	690,179	763,282	764,241
Annual Change		*1.1%*	*4.1%*	*4.0%*	*10.6%*	*0.1%*
Passengers	780,139	765,179	777,908	685,981	719,793	704,929
Annual Change		*-1.9%*	*1.7%*	*-11.8%*	*4.9%*	*-2.1%*
Employees	49	49	49	49	49	60
Annual Change		*0.0%*	*0.0%*	*0.0%*	*0.0%*	*22.4%*
Performance Indicators						
Operating Cost/VSH (Actual $)	$68.52	$69.38	$70.56	$71.79	$71.61	$75.10
Annual Change		*1.3%*	*1.7%*	*1.7%*	*-0.2%*	*4.9%*
Operating Cost/Passenger (Actual $)	$3.40	$3.57	$3.61	$4.53	$4.87	$5.09
Annual Change		*5.0%*	*1.1%*	*25.4%*	*7.5%*	*4.6%*
Passengers/VSH	20.14	19.42	19.54	15.86	14.71	14.76
Annual Change		*-3.6%*	*0.6%*	*-18.8%*	*-7.2%*	*0.3%*
Passengers/VSM	1.24	1.20	1.17	0.99	0.94	0.92
Annual Change		*-3.0%*	*-2.3%*	*-15.2%*	*-5.1%*	*-2.2%*
Farebox Recovery	23.1%	22.8%	22.4%	18.8%	14.9%	16.2%
Annual Change		*-1.2%*	*-1.5%*	*-16.2%*	*-20.6%*	*8.4%*
Hours/Employee	790.5	804.2	812.4	882.8	998.3	796.2
Annual Change		*1.7%*	*1.0%*	*8.7%*	*13.1%*	*-20.2%*
TDA Non-Required Indicators						
Operating Cost/VSM	$4.21	$4.29	$4.23	$4.50	$4.59	$4.69
Annual Change		*1.9%*	*-1.3%*	*6.3%*	*2.0%*	*2.3%*
VSM/VSH	16.28	16.18	16.66	15.96	15.60	16.00
Annual Change		*-0.6%*	*3.0%*	*-4.2%*	*-2.2%*	*2.5%*
Fare/Passenger	$0.78	$0.81	$0.81	$0.85	$0.73	$0.82
Annual Change		*3.7%*	*-0.5%*	*5.0%*	*-14.6%*	*13.4%*

Sources: FY 2012/13 – FY 2014/15 data from prior Triennial Performance Audit.
FY 2015/16 – FY 2017/18 FTE data from State Controller Reports.
FY 2015/16 – FY 2017/18 financial and performance data from NTD reports.

Exhibit 6.13 Fixed-Route Ridership

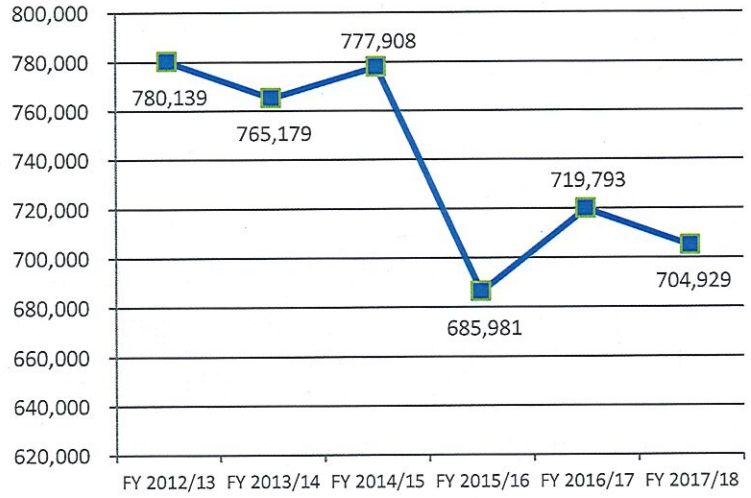


Exhibit 6.14 Fixed-Route Operating Cost/VSH

Exhibit 6.15 Fixed-Route Operating Cost/VSM

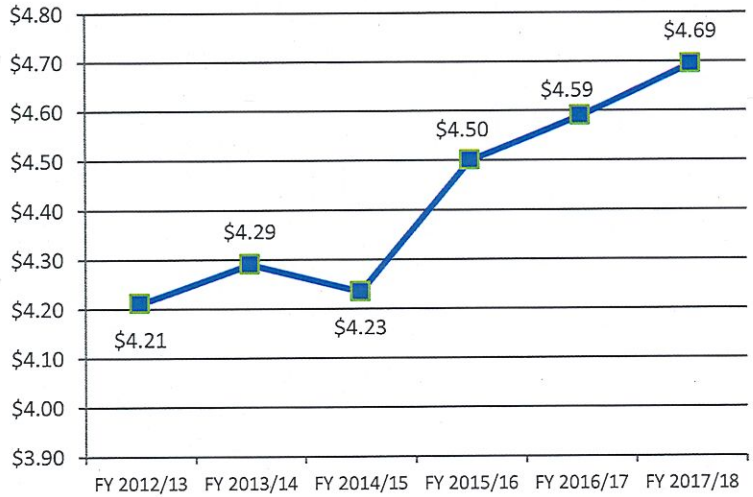


Exhibit 6.16 Fixed-Route VSM/VSH

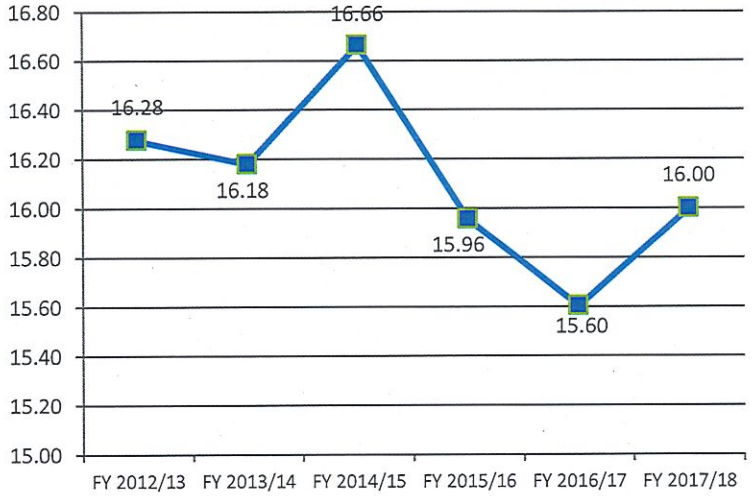


Exhibit 6.17 Fixed-Route Operating Cost/Passenger

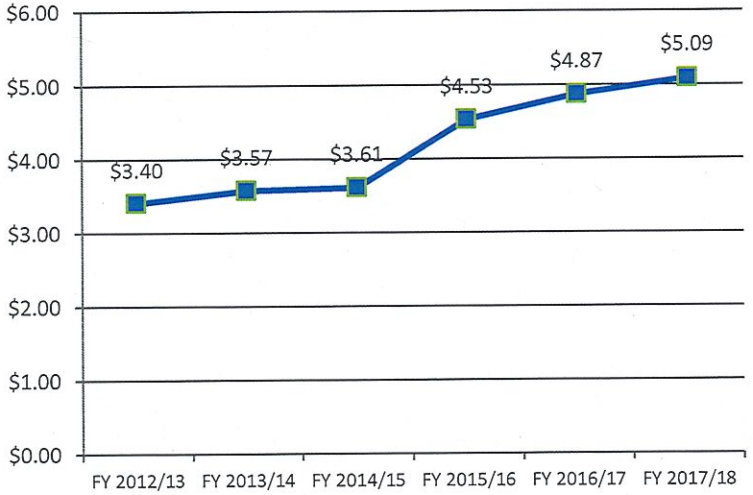


Exhibit 6.18 Fixed-Route Passengers/VSH

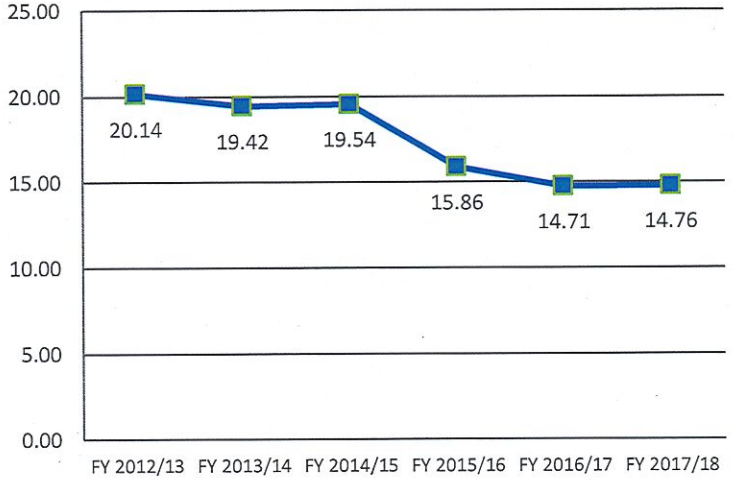


Exhibit 6.19 Fixed-Route Passengers/VSM

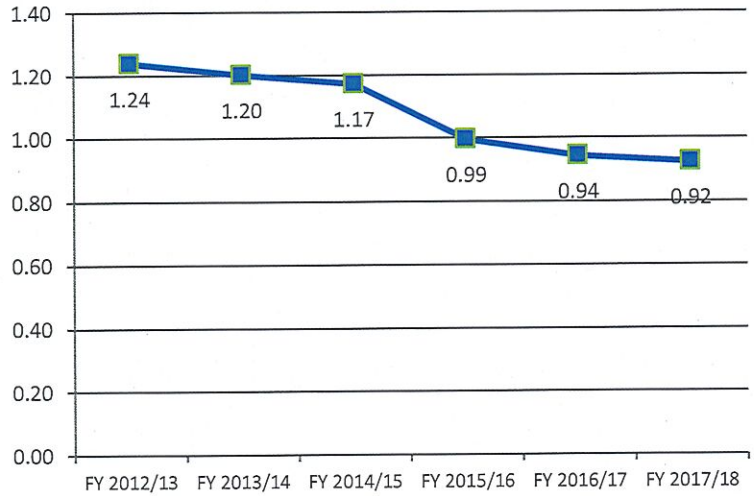


Exhibit 6.20 Fixed-Route VSH/FTE

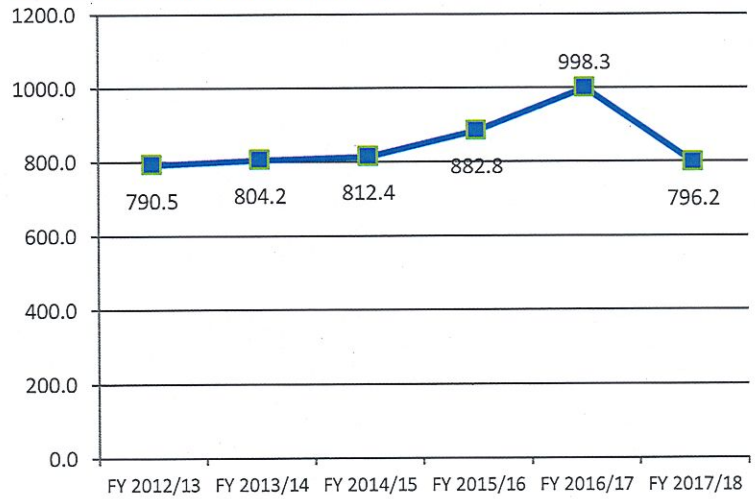


Exhibit 6.21 Fixed-Route Farebox Recovery

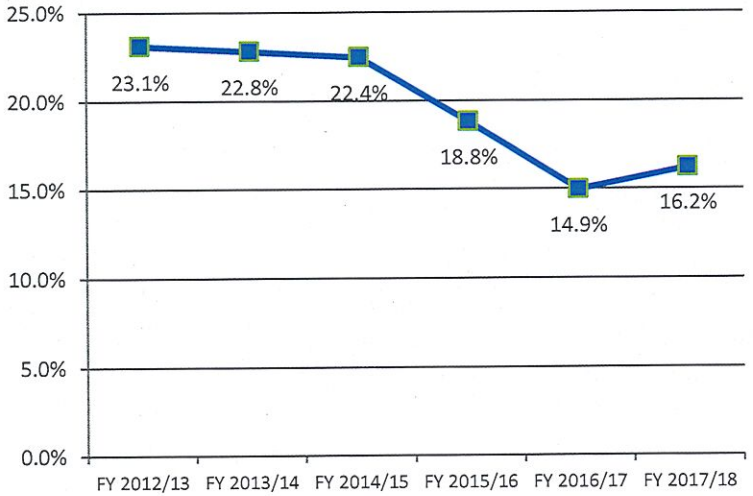
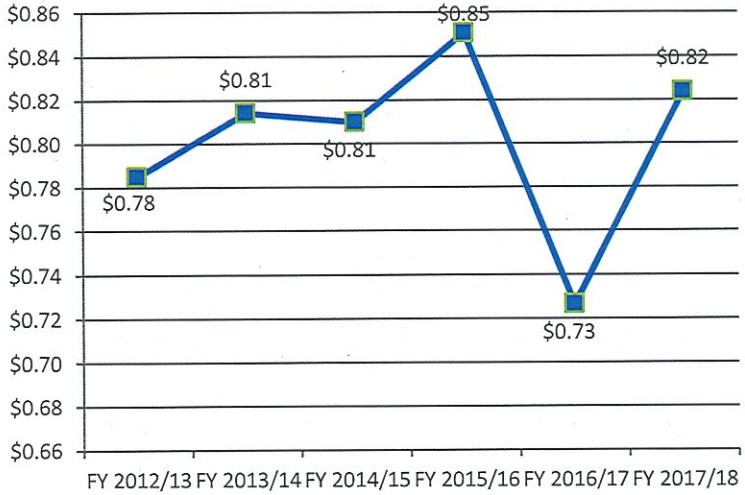


Exhibit 6.22 Fixed-Route Fare/Passenger



Demand-Response Service

Demand-response (Dial-A-Ride) operating cost decreased from FY 2012/13 to FY 2017/18, with the greatest decreases occurring in FY 2015/16 and FY 2017/18. Overall, operating cost saw a net decrease of 65.1 percent across the six-year period. While fare revenue decreased throughout the prior audit period, it saw modest increases in FY 2016/17 and FY 2017/18. Overall, fare revenue saw a net decrease of 21.4 percent across the six-year period.

Vehicle service hours (VSH) decreased across the six-year period, generally aligning with decreases in operating cost. The net decrease between FY 2012/13 and FY 2017/18 was 69.8 percent. Vehicle service miles (VSM) experienced a similar pattern, though not quite as great, with a net decrease of 41.4 percent over the six-year period. A corresponding decrease in ridership took place as well, resulting in a decrease of 55.9 percent between FY 2012/13 and FY 2017/18.

Operating cost/VSH increased between FY 2015/16 and FY 2016/17 before decreasing again, while operating cost/passenger and operating cost/VSM both decreased. Passengers/VSH increased, while passengers/VSM decreased. Unaided farebox recovery ratio increased during the audit period due to the disproportionate rate of increase in fare revenue and rate of decrease in operating cost.

Exhibit 6.23 Demand-Response Performance Indicators

Performance Measure	Demand-Response					
	FY 2012/13	FY 2013/14	FY 2014/15	FY 2015/16	FY 2016/17	FY 2017/18
Operating Cost (Actual $)	$917,234	$789,862	$666,239	$495,904	$465,797	$320,119
Annual Change		*-13.9%*	*-15.7%*	*-25.6%*	*-6.1%*	*-31.3%*
Fare Revenue (Actual $)	$45,098	$39,462	$38,199	$33,920	$35,189	$35,433
Annual Change		*-12.5%*	*-3.2%*	*-11.2%*	*3.7%*	*0.7%*
Vehicle Service Hours (VSH)	14,322	11,575	9,470	6,481	5,923	4,321
Annual Change		*-19.2%*	*-18.2%*	*-31.6%*	*-8.6%*	*-27.0%*
Vehicle Service Miles (VSM)	102,441	96,744	78,598	62,219	68,546	60,011
Annual Change		*-5.6%*	*-18.8%*	*-20.8%*	*10.2%*	*-12.5%*
Passengers	32,384	29,616	26,857	18,763	18,355	14,294
Annual Change		*-8.5%*	*-9.3%*	*-30.1%*	*-2.2%*	*-22.1%*
Employees	11	11	10	10		5
Annual Change		*0.0%*	*-9.1%*	*0.0%*		
Performance Indicators						
Operating Cost/VSH (Actual $)	$64.04	$68.24	$70.35	$76.52	$78.64	$74.08
Annual Change		*6.6%*	*3.1%*	*8.8%*	*2.8%*	*-5.8%*
Operating Cost/Passenger (Actual $)	$28.32	$26.67	$24.81	$26.43	$25.38	$22.40
Annual Change		*-5.8%*	*-7.0%*	*6.5%*	*-4.0%*	*-11.7%*
Passengers/VSH	2.26	2.56	2.84	2.90	3.10	3.31
Annual Change		*13.2%*	*10.8%*	*2.1%*	*7.0%*	*6.7%*
Passengers/VSM	0.32	0.31	0.34	0.30	0.27	0.24
Annual Change		*-3.2%*	*11.6%*	*-11.7%*	*-11.2%*	*-11.0%*
Farebox Recovery	4.9%	5.0%	5.7%	6.8%	7.6%	11.1%
Annual Change		*1.6%*	*14.8%*	*19.3%*	*10.4%*	*46.5%*
Hours/Employee	1302.0	1052.3	947.0	648.1		864.2
Annual Change		*-19.2%*	*-10.0%*	*-31.6%*		
TDA Non-Required Indicators						
Operating Cost/VSM	$8.95	$8.16	$8.48	$7.97	$6.80	$5.33
Annual Change		*-8.8%*	*3.8%*	*-6.0%*	*-14.7%*	*-21.5%*
VSM/VSH	7.15	8.36	8.30	9.60	11.57	13.89
Annual Change		*16.9%*	*-0.7%*	*15.7%*	*20.5%*	*20.0%*
Fare/Passenger	$1.39	$1.33	$1.42	$1.81	$1.92	$2.48
Annual Change		*-4.3%*	*6.7%*	*27.1%*	*6.0%*	*29.3%*

Sources: FY 2012/13 – FY 2014/15 data from prior Triennial Performance Audit.
FY 2015/16 – FY 2017/18 FTE data from State Controller Reports.
FY 2015/16 – FY 2017/18 financial and performance data from NTD reports.

Exhibit 6.24 Demand-Response Ridership

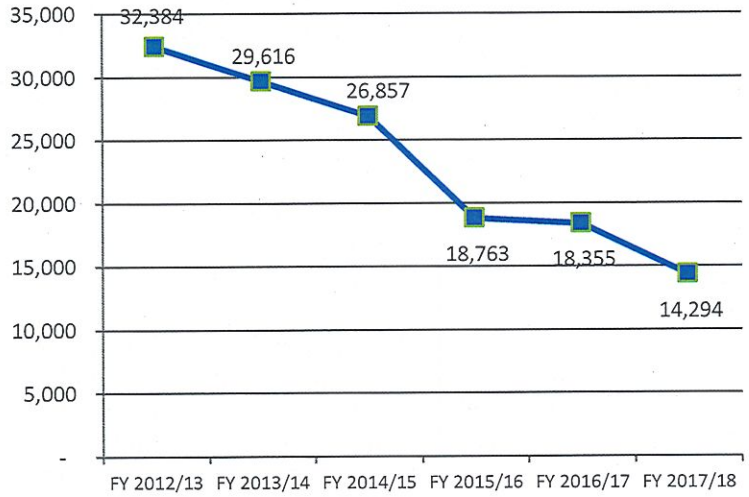


Exhibit 6.25 Demand-Response Operating Cost/VSH

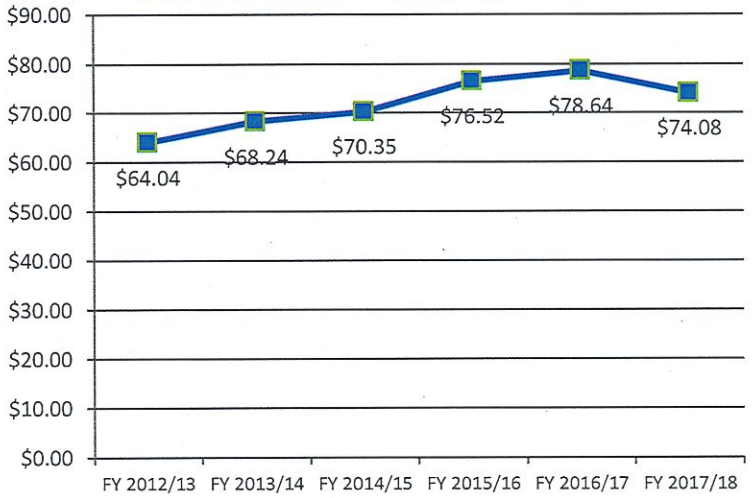


Exhibit 6.26 Demand-Response Operating Cost/VSM

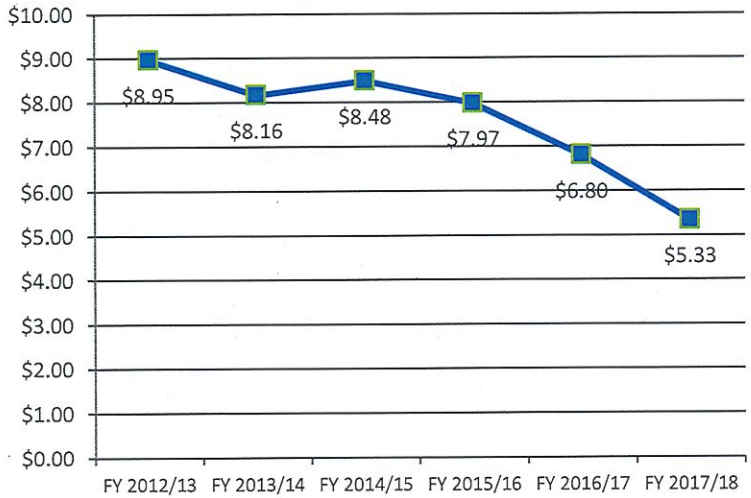


Exhibit 6.27 Demand-Response VSM/VSH

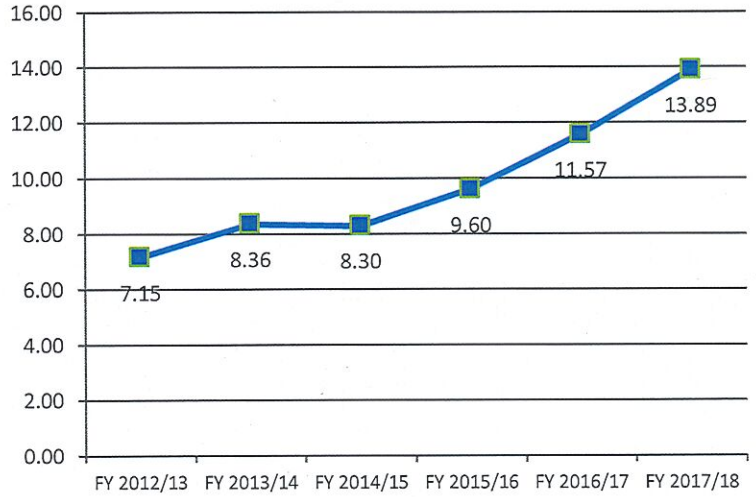


Exhibit 6.28 Demand-Response Operating Cost/Passenger

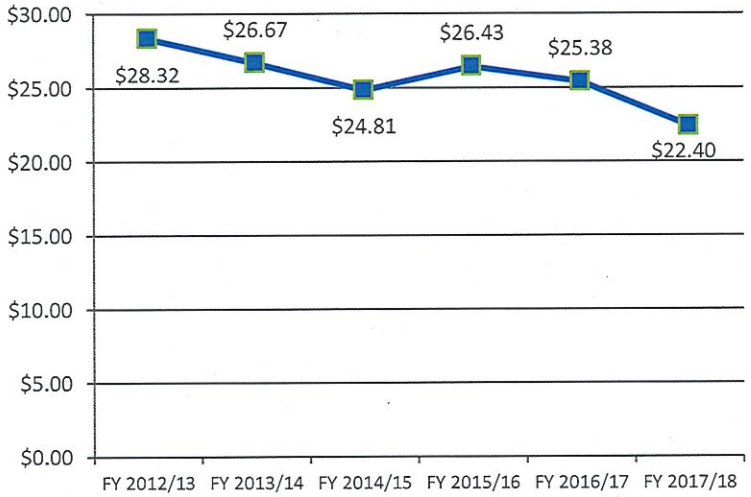


Exhibit 6.29 Demand-Response Passengers/VSH

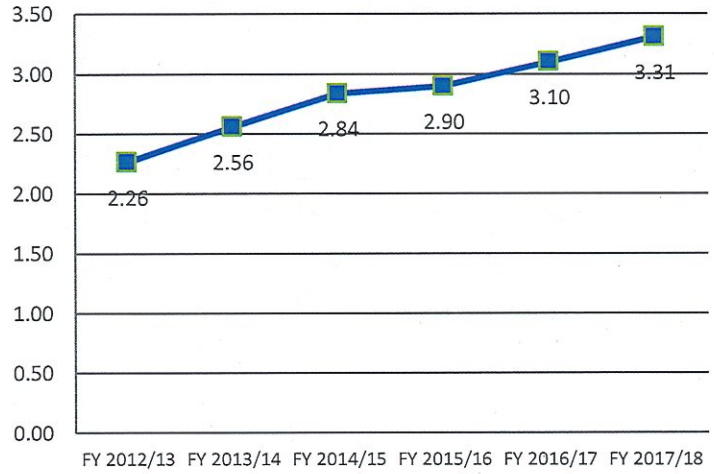


Exhibit 6.30 Demand-Response Passengers/VSM

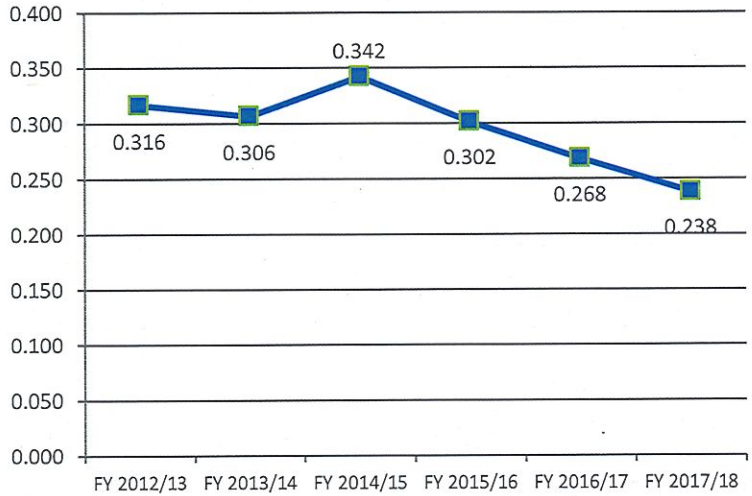


Exhibit 6.31 Demand-Response VSH/FTE

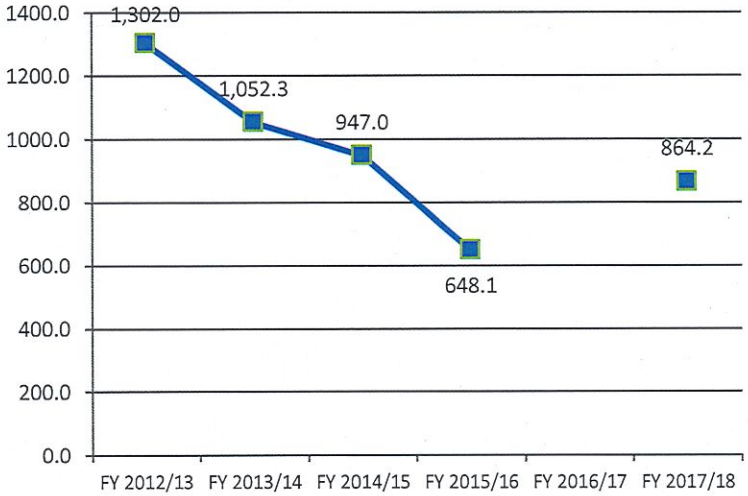


Exhibit 6.32 Demand-Response Farebox Recovery

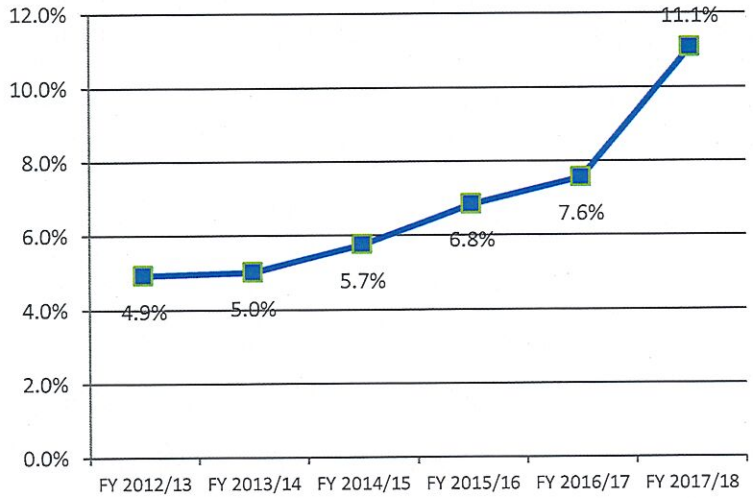
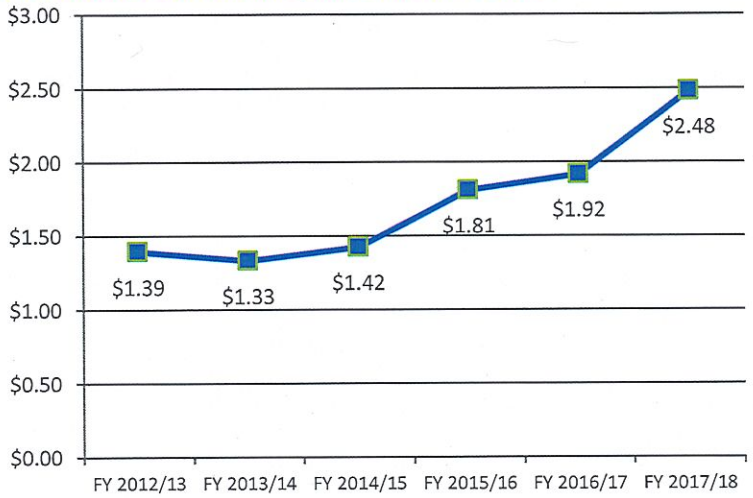


Exhibit 6.33 Demand-Response Fare/Passenger



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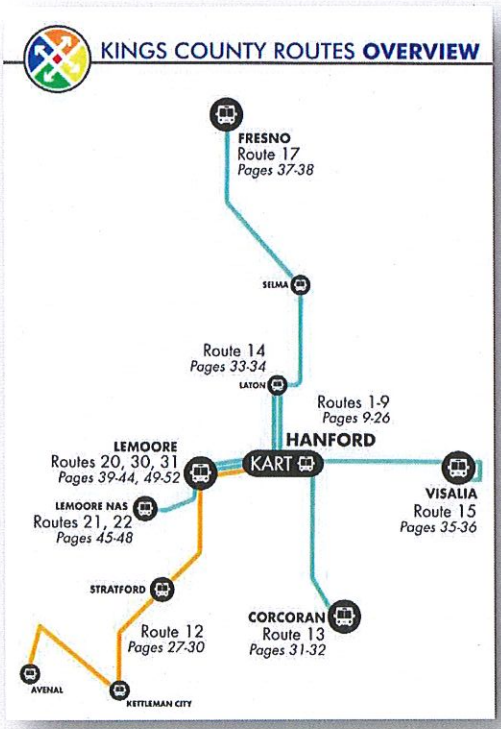
Chapter 7
Functional Review

A functional review of the Kings County Area Public Transit Agency's public transit program is intended to assess the effectiveness and efficiency of the operator. Following a general summary of the Agency'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 Kings County Area Public Transit Agency through its transit program:

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

Service Overview

The Kings County Area Public Transit Authority (KCAPTA) is a joint powers agency comprised of the County of Kings and the cities of Hanford, Lemoore, and Avenal. KCAPTA operates Kings Area Rural Transit (KART). KART offers fixed-route and paratransit services in and around the cities of Hanford and Lemoore, California. Routes operating within Hanford, Lemoore, and the Naval Air Station are considered local. Routes serving Avenal, Corcoran, Visalia, Laton, and Fresno are considered out-of-town.



Service is available on weekdays from 6:30 a.m. through 10:00 p.m. with limited service on Saturdays. The service does not operate on Sundays or designated holidays.

KCAPTA also operates the KART Flex Route, an on-demand service designed to pick up or drop off passengers at designated KART bus stops. Trips are provided Monday through Saturday on a first-come, first served basis. Requests for service require a minimum 30-minute advance notice prior to pick-up.

KCAPTA also operates KART Paratransit. Paratransit service is available to ADA-certified individuals. Paratransit service hours mirror those of the fixed-route service. Request for service require a minimum one day of advance notice, same day reservations are not accepted.

Exhibit 7.1 Current KART Fares

	Local Routes	Out-of-Town Routes
Base fare, single trip	$1.25	$1.75
Discounted fare, single trip	$0.60	$0.85
Day pass	$4.00	$5.50
10-trip card	$10.00	$14.00
30-day pass	$50.00	$60.00
30-day pass, discounted	$40.00	$50.00
Children 6 and under	Free	Free
Transfers	Free	Free

The fixed-route local routes base fare applies to the Flex route as well. There are no discounted fares for the Flex route. General fare discounts are available to seniors (65 and older), persons with disabilities, and Medicare cardholders. Monthly pass discounts are also available to students, active duty military, and veterans.

Exhibit 7.2 Current Paratransit Fares

	Fare
Single ride	$2.50
Singe ride, premium fare	$5.00
10-trip card	$25.00
Companion	$2.50
Children	$2.50
Personal Care Attendant (PCA)	Free

Day passes, 10-trip cards, and 30-day passes are available for purchase at the transit center in Hanford, KART administration office in Hanford, and City of Lemoore finance department. The paratransit premium fare applies to paratransit qualified individuals who live outside of the ¾-mile service area, but are no further than 1½ miles from the service area.

General Management and Organization

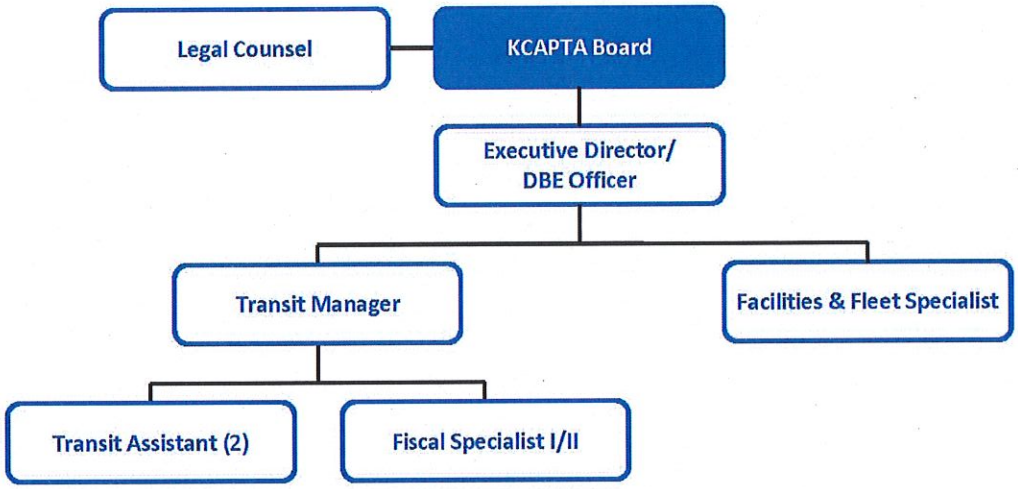
KCAPTA management holds weekly in-person meetings with its operations contractor, MV Transportation. The current MV general manager is new to the position, but has served as a KART driver and in operations. MV is generally responsive; KCAPTA feels like they have a good team in place. MV is currently in a five-year contract, which will go back out to bid upon its completion.

Statistical information is reviewed monthly by the Executive Director. Billed hours and miles are compared to a typical day to validate data and billing. MV's billing includes a monthly management fee as well as costs for actual revenue hours and revenue miles.

The program is structured and staffed appropriately. KCAPTA staff includes the Executive Director, two Transit Assistants, Fleet and Facilities Specialist, and Fiscal Specialist. Management staff are cross-trained to provide flexibility.

KCAPTA Board Meetings are held on the fourth Wednesday of the month at 3:30 pm in the Board of Supervisors Chambers at the Kings County Government Center (1400 W. Lacey Blvd., Hanford). This location is served by KART routes 6, 7, 12, and 14.

Exhibit 7.3 Organizational Chart



Service changes were implemented each year. In December 2015, Hanford Route 3 was expanded and bus stops were added, Hanford Routes 6 and 7 were modified, and Hanford Route 9 was added. In March 2016, paratransit service between Hanford and Lemoore was added with a new fare structure. In June 2016, Lemoore routes 30 and 31 were added. In July 2017, Lemoore Route 31, Corcoran Route 13, Visalia Route 15, and Route 14 were modified and a fare increase was implemented. Since the end of the audit period, Visalia Route 15 and Fresno Route 17 were modified (July 2018) and Lemoore Routes 30 and 31 were replaced by a flex route pilot project (November 2018).

Lemoore Routes 30 and 31 were started as the result of the 2015 Transit Development Plan (TDP). Despite modifications based on ridership and performance standards, the routes were not successful, and KCAPTA explored eliminating them. Instead, these routes were replaced with a flex route. There are approximately 30 regular users in Lemoore, with West Hills College one of the primary trip generators. KCAPTA intends to adjust the operating hours in 2019. The Flex route currently uses TransLoc software, which does not fit KCAPTA's needs. Pantonium Cloud-Based On-Demand Transit Software will be deployed in Spring 2019.

KCAPTA closely reviews all routes and stops on an annual basis, including on-time performance, the distance between stops, and whether stops are too close together. One current focus area is productivity (ons and offs) at the bus stop level. Some adjustments were made last year to help clean

up the system, and this analysis continues at present to make sure the stops on a route are actually being used.

KCAG provides funding and support for planning, but no additional funding. Both agencies (KCAG and KCAPTA) have small staffs, so KCAPTA is happy to let KCAG's planners take the lead on planning documents.

The Executive Director is the primary communicator with both KCAG and the FTA.

Subsequent to the audit period, KCAPTA completed a Transit Asset Management Plan for KART. One of KCAPTA's biggest challenges with respect to assets is its Bluebird buses, which have been problematic. Three are no longer running; KCAPTA just replaced them through the CalACT bid. When the new bid is awarded they will replace three others. Replaced vehicles are kept for parts so as to keep those that are still in service running; some of the replacement parts are no longer available. After the next group of vehicles is replaced, KCAPTA will be on a regular replacement schedule. Staff feels the current TAM Plan does not address unusual situations well.

The goal of the Executive Director for the next five years is to focus on grant writing. The agency is in the process of hiring an Auditor-Controller to handle the financial side of things so the Executive Director can focus on grants and growth, making sure KCAPTA has the assets needed to operate and achieve its goals, which include the new transit center and eventual half-hour service in Hanford.

Service Planning

KCAG handles most major service planning for KCAPTA. During the audit period, KCAG completed a Market Assessment and Marketing Plan (2016), ADA Transit Design Standards Manual (2018), and KART Transit Station Site Selection Study (2018) on behalf of KCAPTA. A Regional Transit Asset Management Plan is currently underway.

The 2015 Kings County Transit Development Plan included recommendations for KART. The 2015 TDP recommended a moderate expansion of services based on needs of the community and the goals of the service program.

Public input for service planning includes the annual unmet transit needs hearings and the KCAG Social Service Transportation Advisory Council (SSTAC) citizens' advisory board. Two unmet transit needs public hearings are held each year. In 2018, this effort utilized SurveyMonkey and gave away promotional items to encourage participation. The survey included many rider experience and usage questions as well. Such activities provide additional ways for persons in remote areas to participate. Public meetings are also held any time a service change or fare increase is proposed.

Surveys of riders and non-riders were included in the TDP. Less formal SurveyMonkey surveys are conducted on an annual basis.

Scheduling, Dispatch, and Operations

Scheduling and dispatch are handled by staff at the Hanford administrative facility. In 2013, KCAPTA implemented its Intelligent Bus System, a satellite-based communications system which tracks buses and enables monitoring of performance data.

Driver assignments are based on seniority. Bids are conducted twice a year or at the time of a major service change. KCAPTA tries to do all its major service changes once a year. Dispatchers and drivers are represented by Amalgamated Transit Union (ATU) Local 1027, based in Fresno.

Fixed-route drivers are required to have an air brake endorsement, while Dial-A-Ride drivers are required to have a GPPV certification. Not all drivers can drive every vehicle.
Dial-A-Ride drivers are not assigned to a specific geographic area. Instead, they go to whatever locations are listed on their manifest. All Dial-A-Ride routes are optimized through use of KCAPTA's transit intelligence system, which was purchased in 2013. MV uses the software, and KCAPTA has the ability to review everything.

KART requires paratransit customers to schedule pickups at least one day ahead of the requested ride, before 5 p.m. However, KART offers "will-call" service to accommodate customers whose doctor appointments run late, ending outside of the designated reservation window. When the customer is ready to be picked up, he/she calls dispatch and is given a pick-up window for the trip.

All paratransit customers are expected to provide at least two hours' notice of cancellation for a scheduled trip. Failure to cancel a ride prior to that time results in the trip being classified as a "No-Show." Failure to provide notice on a repeated basis may result in the loss of temporary riding privileges. Repeated "No-Shows" within a six-month period can result in bus service being denied.

MV utilizes part-time drivers. When there are unexpected absences, MV has a standby driver who is contacted first, then part-time drivers are contacted. Road supervisors and operations supervisors may also be called to fill unexpected absences.

Bluebird buses are assigned only to Hanford routes because of the proximity to maintenance facilities, given the issues that plague the Bluebird fleet. The rest of the buses are rotated through routes. New buses are used on Avenal and Fresno routes due to the distances they have to cover. The goal is to even out the mileage on the fleet. KCAPTA receives a monthly mileage report regarding the Dial-A-Ride mileage to ensure vehicles are being rotated adequately.

KART uses GFI secured fareboxes. A driver keyboard is used to classify cash fares. Passes are automatically classified. At the end of the day, the driver pulls up to the probe, pulls the locked vault, dumps it into the drop vault (without access to the cash), and puts the empty vault back into the bus. MV does not have a key to the drop vault. At the beginning of each morning, KCAPTA staff goes to the operations facility and collects money from the drop vaults.

Fares are counted in a locked room at the KCAPTA offices. The building is not unlocked for public access until they are done counting. KCAPTA's cash handling policy requires two people to be present; often they use more to get the count completed quickly. The Fiscal Specialist is responsible for the count and preparing the deposit, which is then taken over to the County. If they County is closed, fares are placed in a fireproof safe for which the transit manager has a key until they can be taken to the County. KART takes in between $900 and $1,200 in cash each day. Security is appropriate for this amount of cash.

Fares are deposited by KCAPTA (rather than deducted from the operator's invoice). The Executive Director runs a monthly report, in which she reconciles fares back to the general ledger and statistically distributes fares through different routes based on ridership.

Personnel Management and Training

As is common throughout the industry, there is a driver shortage. Given the recent unionization of the drivers, wages are not an issue. However, other conditions tend to preclude a potential driver from completing training (e.g., background check, drug test, etc.). Those who do complete training are not always a good fit for the job once in the field.

Driver recruitment is continuous. All recruitment and training is done locally. MV's trainers can take inexperienced new hires through classroom and behind-the-wheel training, cadetting, and licensing. MV is currently getting its Safety Manager certified to be a DMV tester, but she is on a waiting list. The Safety Manager has an office at the transit center and does all training and classroom instruction.

KART currently has approximately 31 full-time drivers (with one on light duty) and four part-time drivers. Part-time drivers are part-time employees by choice; they drive partial routes, work shorter days, and/or provide lunch relief. There are two dedicated dispatchers, plus another dispatcher that can also serve as a driver. Dispatcher is a separate position from driver.

As mentioned previously, drivers and dispatchers are represented by the ATU. Maintenance and utility workers are represented by the Teamsters.

MV provides a General Manager who is dedicated to the KART operation.

Monthly safety meetings are conducted by MV's Safety Manager. MV's corporate office provides materials regarding key safety topics, while the meetings also address any topics that arise through the course of the month. Some topics include driving conditions, weather, safe vehicle operation, and wheelchair securement. MV has a safe driver bonus sponsored through its corporate office; it rewards drivers who are accident-free for one year with a monetary bonus.

All discipline is detailed in the Collective Bargaining Agreement (CBA) and employee handbook. The discipline policy includes guidelines for progressive discipline and serious infractions. The employee handbook includes an attendance policy and safety and incident policies.

Part-time drivers are eligible for sick time only. Full-time employees are eligible for MV's full benefit package, which includes health, dental, and vision coverage. Employees may also contribute to a 401(k) retirement plan.

Administration

KCAPTA's budgeting process begins in January or February each year. Staff submit requests regarding anticipated expenses. Contracts are reviewed and upcoming changes in service evaluated. A "wish list" is created. The Executive Director checks this wish list against historical data and reviews revenues, and the final budget is created. Microsoft Excel is used to create the draft budget, then goes through the County (e-Finance) to manage expenditures. In July 2019, the County is going to a new financial software.

Key revenue sources include FTA (Section 5307) and TDA (LTF and STA funds). LTF is the last place KCAPTA typically goes for operating funds. KCAPTA amends its LTF claims to reflect budget savings from the prior year. Toll credits are used as a local match for federal funds, which frees up LTF money. This leaves plenty of the County's LTF money for streets and roads. KCAPTA has also gotten a lot of capital funding from Proposition 1B, LCTOP, and Section 5339.

The Executive Director has been working since 2008 to build a capital and operating reserve. This will allow KCAPTA to remain operational for up to a year for either a federal or state shutdown (though not both).

The Executive Director handles grant applications. KCAPTA has not lost any grants, but it has not been able to pursue competitive grants because of staffing. The Executive Director plans to focus more on competitive grants with the addition of a financial person to the agency's staff.

Risk management is handled in-house. KCAPTA is not self-insured; it uses a broker to provide insurance for the system as a whole. This is re-evaluated every year to look at risk potential, the number of bus stops, workers' compensation, and umbrella coverage. MV Transportation maintains insurance on the vehicles. The County has a disaster preparedness plan that includes KART. KCAPTA required MV to come up with a work stoppage plan as part of its contract negotiations.

KCAPTA monitors contract performance for all contracts. Contracts are approved by the KCAPTA Board and are compliant with state and federal requirements. In addition to the operations contract, KCAPTA contracts with the non-profit Kings Rehabilitation Center for bus stop maintenance.

KCAPTA payroll utilizes handwritten timesheets signed by the Executive Director. Payroll is processed through ADP. Direct deposit is required for all employees.

The Executive Director handles large procurements, and she is training other staff regarding procurements as well. The Facilities and Fleet Specialist recently finished leading a procurement for cameras. He wrote the RFP, which was reviewed by the Executive Director, and managed the procurement. The Executive Director is training the Fiscal Specialist to make sure all procurement requirements are met. KCAPTA just updated its procurement policy. KCAPTA procures security, legal services, audit services, marketing, maintenance, operations, and CNG maintenance. Whether or not to do a full solicitation depends on the type of procurement; many are classified as micro-purchases. KCAPTA tries to avoid sole source procurements.

KCAPTA reviews recent internal audit reports and determines if action was taken on recommendations.

Marketing and Public Relations

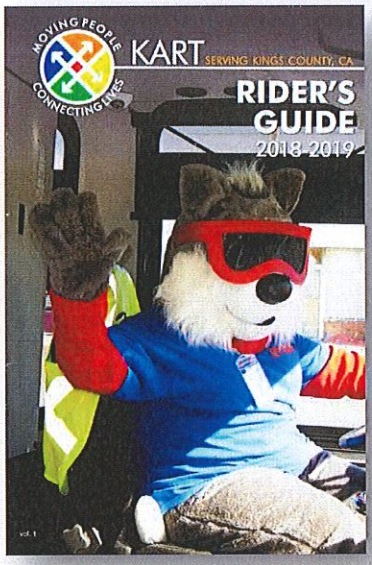
KCAPTA has conducted a wide range of activities to advertise both fixed-route and paratransit services. Staff has conducted outreach to educate the public about transit offerings, which includes community meetings, giveaways, and trainings, and staff members have also attended community meetings and college orientations to discuss local travel needs and share information about existing services.

KCAPTA contracts with an outside marketing consultant. KCAPTA receives 40 percent of advertising revenues (working against commission), but recently lost a major advertiser and is currently redoing its

advertising program. KCAPTA hopes to open up advertising on vehicle interiors, shelters, and bus benches.

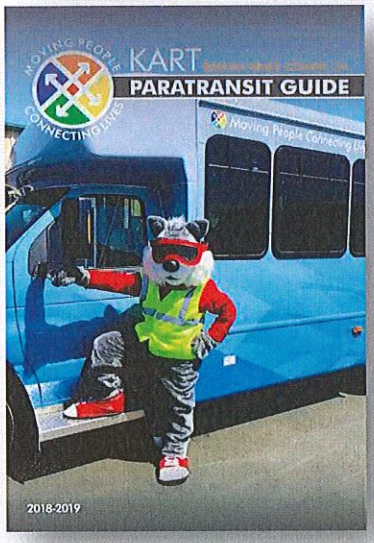
Giveaway items are purchased based on bids from vendors. KCAPTA also sells concessions (water and snacks) at the transit center. KCAPTA gives away promotional items, but sells them as well, which puts more of a value on what they are giving away. All revenues are applied toward farebox revenue.

KCAPTA produces a well-designed Rider Guide containing route maps, route schedules, general service information, paratransit information, policy information, and contact information for KART and other neighboring transit services. The Rider Guide includes both English and Spanish content in a single document. KCAPTA also publishes a Paratransit Guide (English only) that goes into greater detail about the paratransit program. The Paratransit guide was recently updated and is printed in-house on an as-needed basis. A large volume of these guides is not necessary. The fixed-route guide is professionally printed by an outside printer, as a larger print run is needed.



The KART website was recently updated (KARTbus.org). This website features basic information, contact numbers, fares, routes, and paratransit. It also includes real-time arrival information as well as links to book trips on Flex route or paratransit services. The site is well-organized and features a contemporary design as well a bilingual interface.

Customer calls go to both KCAPTA and MV. The Adept system has a process for complaint resolution, including both MV's response and KCAPTA's response. KCAPTA has access and can review how the contractor handled each complaint.



In 2016, KCAG sponsored a Market Assessment and Marketing Plan for KCAPTA that was separate from the recently completed TDP. KCAPTA is satisfied with the quality of the Plan it received.

Maintenance

KART owns its operations and maintenance facility located on Davis Street in Hanford, although it leases a portion of the facility to the incumbent operations contractor (MV Transportation). The facility has a maintenance bay with storage for spare parts, an administrative space, a bus wash, and room for some paint and body work. There are four full-time mechanics as well as two full-time and two part-time utility workers.

Vehicles are inspected daily. Preventive maintenance is based on both mileage and time, depending on which comes first. All warranty work is tracked. Some warranty work is done in-house and KART gets

credit for a parts exchange. The current facility is sufficient for the work that is conducted there. Major engine overhauls and replacements are sent out, as is some paint and body work. Other paint and body work is done at the facility using a mobile provider who comes in. Tires are leased. There is no significant maintenance backlog. The parts room is well stocked, and additional parts can easily be obtained in Fresno. Parts use is documented; mechanics are required to sign out parts used.

Trapeze is used to track maintenance activities. Out of service buses are parked on the outside of the lot so they are not utilized.

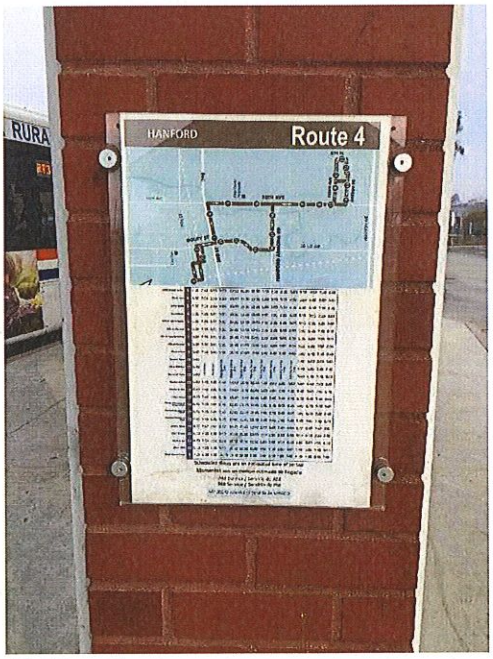
Exhibit 7.4 KCAPTA Fleet Inventory

Vehicle #	Model Year	Make	Description	2018 Mileage
2002	2008	Ford E350	10-passenger	111,443
2003	2008	Ford E350	10-passenger	81,088
2004	2008	Ford E350	10-passenger	122,301
2005	2008	Ford E350	10-passenger	107,477
2006	2008	Ford E350	10-passenger	110,109
2008	2010	Ford E350	10-passenger	104,260
2009	2010	Ford E350	10-passenger	95,668
2010	2010	Ford E350	10-passenger	109,943
2011	2010	Dodge Caravan	3+1 paratransit	7,029
2012	2010	Dodge Caravan	3+1 paratransit	9,980
2301	2018	Ford E450	Allstar Starcraft 10/3	364
2302	2018	Ford E450	Allstar Starcraft 10/3	366
2303	2018	Ford E450	Allstar Starcraft 10/3	364
2304	2018	Ford E450	Allstar Starcraft 10/3	2,598
2305	2018	Ford E450	Allstar Starcraft 10/3	407
2306	2018	Ford E450	Allstar Starcraft 10/3	399
2307	2018	Ford E450	Allstar Starcraft 10/3	355
2601	2016	Champion LF	13+3 Paratransit Cutaway	10,807
2602	2016	Champion LF	13+3 Paratransit Cutaway	19,678
3515	2007	Bluebird	35' Ultra LF 30-passenger	272,487
3516	2007	Bluebird	35' Ultra LF 30-passenger	274,926
3517	2007	Bluebird	35' Ultra LF 30-passenger	253,656
3518	2007	Bluebird	35' Ultra LF 30-passenger	237,559
3519	2007	Bluebird	35' Ultra LF 30-passenger	257,079
3520	2007	Bluebird	35' Ultra LF 30-passenger	196,639
3521	2007	Bluebird	35' Ultra LF 30-passenger	299,181
3522	2007	Bluebird	35' Ultra LF 30-passenger	189,910
3523	2009	Bluebird	35' Ultra LF 30-passenger	185,536
3524	2010	New Flyer	35' CLF Low Floor 30-passenger	340,277
3525	2010	New Flyer	35' CLF Low Floor 30-passenger	387,437
3526	2010	New Flyer	35' CLF Low Floor 30-passenger	333,973

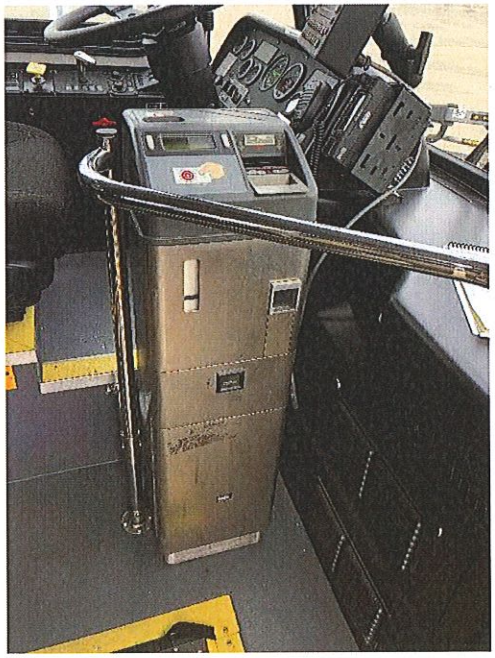
Vehicle #	Model Year	Make	Description	2018 Mileage
3527	2010	New Flyer	35' CLF Low Floor 30-passenger	388,950
3528	2010	New Flyer	35' CLF Low Floor 30-passenger	370,564
3529	2010	Glaval Entourage	24-passenger	192,404
3530	2010	Glaval Entourage	24-passenger	181,045
3531	2012	New Flyer	35' CLF Low Floor 30-passenger	241,449
3532	2012	New Flyer	35' CLF Low Floor 30-passenger	308,629
3533	2013	New Flyer	35' CLF Low Floor 30-passenger	250,757
3534	2013	New Flyer	35' CLF Low Floor 30-passenger	282,602
3535	2013	New Flyer	35' CLF Low Floor 30-passenger	166,421
3536	2016	El Dorado	35' Low Floor 32-passenger	91,466
3537	2016	El Dorado	35' Low Floor 32-passenger	101,036
3538	2016	El Dorado	35' Low Floor 32-passenger	96,279
3539	2016	El Dorado	35' Low Floor 32-passenger	135,532
3540	2016	El Dorado	35' Low Floor 32-passenger	40,130

KART bus stop.

KART bus stop sign.



KART route map.



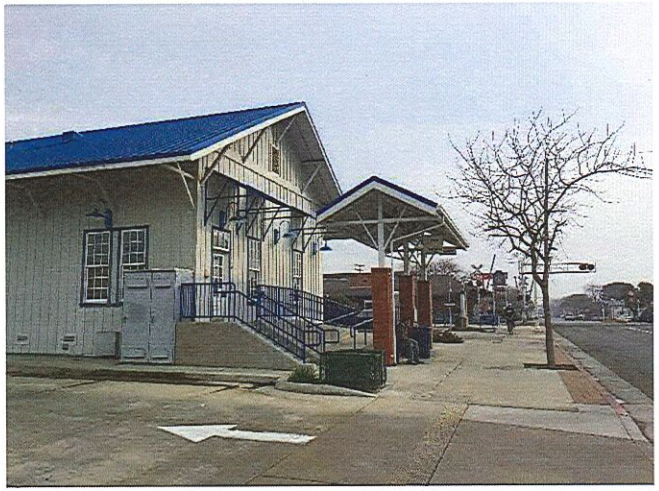
KART fare box.

KART vehicle.

KART vehicle with new branding.

KART paratransit vehicle with new branding.

Hanford Station bus bays.



Hanford Station.

Bus yard.

Maintenance facility.

Maintenance facility.

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Chapter 8
Findings and Recommendations

Conclusions

Moore & Associates finds the Kings County Area Public Transit Agency 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 and Recommendations

Based on discussions with KCAPTA staff, analysis of program performance, and an audit of program compliance and function, the audit team presents no compliance findings.

Moore & Associates has identified one functional finding. While this finding does not affect TDA compliance, we believe it warrants inclusion within this audit.

2. Some FTE data was missing from the FY 2016/17 State Controller Report.

Program Recommendations

In completing this Triennial Performance Audit, Moore & Associates submits the following recommendations for KCAPTA. 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.

Given there are no compliance findings, only Functional Recommendations are provided.

Functional Finding 1: Some FTE data was missing from the FY 2016/17 State Controller Report.

Criteria: PUC 99247 provides a definition of full-time equivalent (FTE) employees, which is used to calculate the Vehicle Service Hours per Employee performance indicator as well as reported on the State Controller Report.

Condition: While KCAPTA demonstrated use of the TDA definition of FTE employee as part of this audit, in FY 2016/17, the State Controller Report did not include Employee data for Dial-A-Ride.

Cause: It is likely this was an oversight on the part of the individuals preparing the report.

Effect: The State Controller Report is not fully complete when operating data is omitted. Also, given the State Controller Report is the only place FTE is reported, it may be difficult to confirm usage of the proper calculation methodology as there is nothing to compare against.

Recommendation: Ensure FTE is reported for all modes on the State Controller Report.

Recommended Action(s): KCAPTA should ensure it continues to report FTE for all modes on the State Controller Report.

Timeline: Ongoing.

Anticipated Cost: None.

Exhibit 8.1 Summary of Audit Recommendations

Functional Recommendations		Importance	Timeline
1	Ensure FTE is reported for all modes on the State Controller Report.	Medium	Ongoing