



Kings County Association of Governments

Triennial Performance Audit of the City of Corcoran FY 2018/19 - FY 2020/21

FINAL REPORT
JUNE 2022





Table of Contents

Chapter 1 Executive Summary	1
Chapter 2 Audit Scope and Methodology	5
Chapter 3 Program Compliance	9
Chapter 4 Prior Recommendations	13
Chapter 5 Data Reporting Analysis	19
Chapter 6 Performance Analysis	21
Chapter 7 Functional Review.....	29
Chapter 8 Findings and Recommendations	35



This page intentionally blank.



Table of Exhibits

Exhibit 1.1 Summary of Audit Recommendations 3

Exhibit 3.1 Transit Development Act Compliance Requirements 11

Exhibit 5.1 Data Reporting Comparison..... 20

Exhibit 6.1 System Performance Indicators 24

Exhibit 6.2 System Ridership 25

Exhibit 6.3 System Operating Cost/VSH 25

Exhibit 6.4 System Operating Cost/VSM..... 25

Exhibit 6.5 System VSM/VSH..... 25

Exhibit 6.6 System Operating Cost/Passenger 26

Exhibit 6.7 System Passengers/VSH 26

Exhibit 6.8 System Passengers/VSM..... 26

Exhibit 6.9 System VSH/FTE 26

Exhibit 6.10 System Farebox Recovery 27

Exhibit 6.11 System Fare/Passenger..... 27

Exhibit 7.1 Fare Structure 29

Exhibit 7.2 Organizational Chart..... 30

Exhibit 7.3 Corcoran Area Transit’s Fleet..... 34

Exhibit 8.1 Audit Recommendations 39



This page intentionally blank.



Chapter 1 | Executive Summary

In 2021, the Kings County Association of Governments 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.

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 the City of Corcoran 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 funds.

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

- Fiscal Year 2018/19,
- Fiscal Year 2019/20, and
- Fiscal Year 2020/21.

The City of Corcoran operates Corcoran Area Transit, a Dial-A-Ride service. The service operates within the Corcoran city limits and fringe area as an origin to destination service. The City also owns and operates the Corcoran Depot, which opened in 1999 and houses all dispatching and office administration. While the Corcoran Depot is not an official Amtrak Depot, it is available to Amtrak passengers and Kings Area Rural Transit (KART) passengers along with Corcoran Area Transit (CAT) passengers.

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 its 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 City of Corcoran staff, analysis of program performance, and an audit of program compliance and function, the audit team presents one compliance finding:

1. TDA fiscal audits for FY 2018/19 and FY 2019/20 were submitted after the established deadline and allowable extension.

Status of Prior Recommendations

The prior audit – completed in May 2019 by Moore & Associates, Inc. for the three fiscal years ending June 30, 2018 – included eight recommendations:

1. Ensure the State Controller Report is submitted by January 31 following the end of the fiscal year.
Status: Implemented.
2. Work with the TDA fiscal auditor and the City’s auditor to ensure the TDA fiscal audit can be completed by 180 days past the end of the fiscal year or within a 90-day extension.
Status: Implemented.
3. Explore opportunities for additional local funds that can be used to supplement the farebox recovery ratio.
Status: No longer relevant.
4. Use the TDA definition of FTE for reporting to the State Controller.
Status: Implemented.
5. Work with the fiscal auditor and KCAG regarding what funds may be excluded from the operating costs for the farebox recovery ratio calculation and ensure all costs are identified and itemized in the TDA audit.
Status: Not implemented.
6. Develop and implement a transit marketing plan, including development of a service brochure.
Status: Implementation in progress.
7. Revise the City’s Transit webpage to more effectively present information.
Status: Implemented.
8. Develop strategy to provide effective coverage when regular drivers are unavailable.
Status: Implementation in progress.



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 finding for the City of Corcoran.

The audit team has also identified three functional findings. While these findings are not compliance related, the auditors believe they are significant enough to warrant inclusion herein:

1. While the City’s Transit website has been improved, there are still some minor issues that should be resolved.
2. The farebox recovery ratio calculation in the TDA fiscal audit does not itemize exclusions or exemptions.
3. The City continues to experience a shortage of qualified drivers, which can impact service delivery.

In completing this Triennial Performance Audit, the auditors submit the following recommendations for City of Corcoran’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	Continue to work with the City’s TDA fiscal auditors to ensure on-time completion by the extended deadline.	Medium	Ongoing
Functional Recommendations		Importance	Timeline
1	Continue to enhance the Transit webpage to improve usability and access to information.	Low	FY 2021/22
2	Work with the City’s TDA auditors to itemize costs that are excluded or exempted from operating cost, as well as revenues that are used to supplement fare revenues, in the farebox recovery ratio calculation.	High	FY 2021/22
3	Identify and implement strategies to recruit and retain qualified drivers.	High	Ongoing



This page intentionally blank.



Chapter 2 | Audit Scope and Methodology

The Triennial Performance Audit (TPA) of the City of Corcoran’s public transit program covers the three-year period ending June 30, 2021. 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 2021, the Kings County Association of Governments 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, 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 Corcoran 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 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 (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 Corcoran (Corcoran Area Transit) 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 the City of Corcoran included a thorough review of documents relevant to the scope of the audit, as well as information contained on the City's Transit 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.

Given impacts of the ongoing COVID-19 pandemic, the methodology for this audit included a virtual site visit with City of Corcoran representatives on November 16, 2021. The audit team met with Valerie Bega (Transit Coordinator) and Kevin Tromborg (Community Development Director/City Planner); 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.



This page intentionally blank.

Chapter 3 | Program Compliance

This section examines the City of Corcoran’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 City of Corcoran 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.

One compliance finding was identified for the City of Corcoran:

1. TDA fiscal audits for FY 2018/19 and FY 2019/20 were submitted after the established deadline and allowable extension.

Developments Occurring During the Audit Period

The second half of the audit period is markedly different from the first half. The impacts of the COVID-19 pandemic resulted in significant declines in ridership and revenue. In many instances, transit operators strove to retain operations staff despite adopting a reduced schedule, resulting in significant changes to many cost-related performance metrics. While infusions of funding through the CARES Act mitigated some of the lost revenues for federally funded programs, most transit operators have yet to return to pre-pandemic ridership and fare levels. As a result, the Triennial Performance Audits will provide an assessment not only of how the COVID-19 pandemic impacted each organization, but how they responded to the crisis.

In addition to the ongoing COVID-19 pandemic, recent and proposed changes to the TDA may result in audit reports that look somewhat different than in prior years. In the nearly 50 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 draft framework maintains the farebox recovery ratio requirement, but eliminates financial penalties and allows more flexibility with respect to individual operator targets. These changes have yet to be implemented.

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. While the ability to maintain state mandates and performance measures is important, AB 90 offered much-needed relief from these requirements for these years impacted by the COVID-19 pandemic while TDA reform continues to be discussed.

AB 90 included the following provisions specific to transit operator funding through the TDA:

1. It prohibited the imposition of the TDA revenue penalty on an operator that did not maintain the required ratio of fare revenues to operating cost during FY 2019/20 or FY 2020/21.
2. It required the Controller to calculate and publish the allocation of transit operator revenue-based funds made pursuant to the State Transit Assistance (STA) Program for FY 2020/21 and FY 2021/22 based on the same individual operator ratios published by the Controller in a specified transmittal memo, and authorized the Controller to revise that transmittal memo, as specified. It required the Controller to use specified data to calculate those individual operator ratios. Upon allocation of the transit operator revenue-based funds to local transportation agencies pursuant to this provision, the Controller would publish the amount of funding allocated to each operator.
3. It exempted an operator from having to meet either of the STA efficiency standards for FY 2020/21 and FY 2021/22 and authorized the operator to use those funds for operating or capital purposes during that period.
4. It required the Controller to allocate State of Good Repair (SOGR) program funding for FY 2020/21 and FY 2021/22 to recipient transit agencies pursuant to the individual operator ratios published in the above-described transmittal memo.
5. It required the Controller to allocate Low Carbon Transit Operations Program (LCTOP) funding for FY 2020/21 and FY 2021/22 to recipient transit agencies pursuant to the individual operator ratios published in the above-described transmittal memo.

Assembly Bill 149, signed into law on July 16, 2021, provided additional regulatory relief with respect to Transportation Development Act (TDA) compliance. It extended the provisions of AB 90 through FY 2022/23 as well as provided additional regulatory relief including:

1. Waiving the annual productivity improvement requirement of Section 99244 through FY 2022/23.
2. Adding a temporary provision exempting operators from farebox recovery ratio requirements provided they expend at least the same amount of local funds as in FY 2018/19.
3. Expanding the definition of “local funds” to enable the use of federal funding, such as the CARES Act or CRRSAA, to supplement fare revenues and allows operators to calculate free and reduced fares at their actual value.
4. Adjusting the definition of operating cost to exclude the cost of ADA paratransit services, demand-response and micro-transit services designed to extend access to service, ticketing/payment systems, security, some pension costs, and some planning costs.
5. Allowing operators to use STA funds as needed to keep transit service levels from being reduced or eliminated through FY 2022/23.

AB 149 also called for an examination of the triennial performance audit process, to ensure the practice continues to be effective and beneficial.



Exhibit 3.1 Transit Development Act Compliance Requirements

Compliance Element	Reference	Compliance	Comments
State Controller Reports submitted on time.	PUC 99243	In compliance*	FY 2018/19: Not provided FY 2019/20: January 20, 2021 FY 2020/21: January 31, 2022
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 2018/19: April 13, 2020 FY 2019/20: June 16, 2021 FY 2020/21: March 31, 2022
Operator’s terminal rated as satisfactory by CHP within the 13 months prior to each TDA claim.	PUC 99251 B	In compliance	January 12, 2018 January 10, 2019 February 5, 2020 February 8, 2021 (Unsatisfactory) May 27, 2021 (Satisfactory)
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	
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 2018/19: -12.7% FY 2019/20: +3.73% FY 2020/21: -2.22% <i>Source: TDA Claims FY 2018 – FY 2021.</i>
The operator’s definitions of performance measures are consistent with the Public Utilities Code Section 99247.	PUC 99247	In compliance	
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	

*While the cover page for the Transit Operators Financial Transaction Report for FY 2018/19 was not submitted as part of this audit, submittal of the audit was confirmed through the State Controllers Office website.



Compliance Element	Reference	Compliance	Comments
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	In compliance	FY 2018/19: 15.00% FY 2019/20: 8.78% (waived) FY 2020/21: 6.82% (waived) <i>Penalties for FY 2019/20 and FY 2020/21 waived as a result of AB 90 and AB 149.</i>
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	City 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 City of Corcoran has made quantifiable progress toward improving both the efficiency and effectiveness of its public transit program.

The prior audit – completed in May 2019 by Moore & Associates, Inc. for the three fiscal years ending June 30, 2018 – included eight recommendations:

1. [Ensure the State Controller Report is submitted by January 31 following the end of the fiscal year.](#)

Discussion: In FY 2016/17, the deadline for submittal was January 31, 2018. The City’s report was submitted on May 4, 2018. In FY 2017/18, the report was submitted on time. The auditor noted the possibility that the issue was already resolved, given the timely submittal of the FY 2017/18 report. The auditor recommended all employees involved in the preparation of the State Controller Reports should be aware of the January 31 deadline and strive to complete and submit the report on time each year.

Progress: In FY 2019/20 and FY 2020/21, the State Controller Report was submitted on time. Compliance in FY 2018/19 could not be determined as the proper report was not provided. However, other City reports (Cities Financial Transaction Report and Annual Streets and Roads Report) for that year were submitted on time. The Transit report may have been submitted on time as well, but this could not be verified. Given both subsequent submittals were made on time, this recommendation is considered to be implemented.

Status: Implemented.

2. [Work with the TDA fiscal auditor and the City’s auditor to ensure the TDA fiscal audit can be completed by 180 days past the end of the fiscal year or within a 90-day extension.](#)

Discussion: In FY 2015/16 and FY 2016/17, the City’s TDA fiscal audit was not submitted until June, more than 90 days after the allowable submittal period. In FY 2017/18, the report had not been submitted at the time the prior audit was prepared. The auditor recommended transit staff work with the City’s auditor and Finance Department to determine if the single audit could be completed earlier, thereby allowing for earlier completion of the TDA audit. The auditor also recommended the TDA fiscal auditor should also be mindful of the December 31 and March 31 deadlines. The goal should be to complete the TDA audit by December 31, with the 90-day extension available if needed.

Progress: While there has been improvement, TDA fiscal audits were still submitted after the 90-day extension during FY 2018/19 and FY 2019/20. Per KCAG, the RTPA does not have the option to extend the deadline further, but does instruct the County Auditor to withhold TDA funds until the audits can be completed. The TDA audit for FY 2020/21 was submitted on March 31, 2022, within the extension period.

Status: Implemented.

3. Explore opportunities for additional local funds that can be used to supplement the farebox recovery ratio.

Discussion: In FY 2016/17, the City of Corcoran achieved a farebox recovery ratio of 9.55 percent, which did not meet the 10 percent TDA-required threshold. In FY 2017/18, the City achieved a farebox recovery ratio of 7.13 percent (per the State Controller Report, as the TDA fiscal audit was not available). The auditor recommended the City look to locally-generated funds to supplement its farebox recovery ratio.

The auditor suggested these funds could come from subsidies from a private partner, advertising revenues, sale of surplus vehicles, bus wash fees, depot lease rents, etc. Qualifying revenues were described further by the California Code of Regulation (CCR) §6722, “Revenue Basis for Allocations.” The auditor also recommended the City work with KCAG to determine if LCTOP funds may be used for farebox supplementation.

The auditor noted the City’s TDA fiscal audits included “miscellaneous” operating revenues as well as interest income. State Controller Reports identified “other operating revenues.” Depending on what these revenues were, the auditor suggested they may be able to be counted toward the farebox recovery ratio. Interest income may also be counted as local supplementation.

Progress: The City introduced a fare increase in FY 2018/19. This resulted in little change in ridership. It was difficult to evaluate overall impact of the fare increase as fares in FY 2019/20 were skewed by the impact of the COVID-19 pandemic on ridership.

This recommendation was largely rendered “no longer relevant” due to waivers from penalties for not meeting farebox recovery ratio thresholds arising from AB 90 and AB 149. This waiver is in place through FY 2022/23. However, given federal funds can now be applied to the farebox recovery ratio calculation, this is also not likely to be relevant once the waivers expire, provided the City continues to claim federal FTA Section 5311 funding.

Status: No longer relevant.

4. Use the TDA definition of FTE for reporting to the State Controller.

Discussion: The City continued to calculate the FTE using person-count rather than actual labor hours derived from payroll records or position allocations. This finding and recommendation were carried forward from the prior triennial performance audit. The auditor recommended using payroll records to document the total amount of time spent on transit by all employees, and use that figure (divided by 2,000) to calculate FTE for reporting to the State Controller. The calculation would include drivers and dispatchers as well as those who provide customer service, maintenance, reporting, grant preparation, administration, etc. The auditor noted if payroll data was not available, then the number of hours could be estimated based on percentage of a position

that is dedicated to transit. If necessary, City hours could be estimated based on the Transit FTE identified in the City's staffing plan

Progress: Documentation provided by the City demonstrated use of the TDA definition in calculating FTE for the State Controller Report.

Status: Implemented.

5. [Work with the fiscal auditor and KCAG regarding what funds may be excluded from the operating costs for the farebox recovery ratio calculation.](#)

Discussion: In reviewing the City's TDA claims, the auditor noted that it appeared costs for professional services and travel and training were excluded from the farebox recovery ratio calculation. The basis for excluding those funds were unclear, but they appeared to be excluded in the TDA fiscal audits as well (in the fiscal audit, the excluded funds are simply labeled "Exclusion/Exemptions"). In some years, the exclusion of these funds made the difference between compliance and non-compliance.

The auditor recommended the City work with its TDA fiscal auditor regarding the recommendation to ensure they were aware of it. In addition to correctly excluding funds from operating cost, the fiscal auditors should be sure to include any local funds that can be applied to the farebox recovery ratio pursuant to PUC 99268.19. All farebox supplementation and operating cost exclusions should be clearly identified and itemized in the fiscal audit (rather than grouped together simply as "Exclusions/Exemptions").

Progress: As of the FY 2020/21 TDA fiscal audit, any exclusions from operating cost beyond depreciation were identified in the farebox recovery ratio calculation under a single line item labeled "Exclusion/Exemptions." No further detail was provided. It remains unclear exactly what costs were excluded from this calculation.¹

Status: Not implemented.

6. [Develop and implement a transit marketing plan, including development of a service brochure.](#)

Discussion: This recommendation is one carried forward from the 2016 Triennial Performance Audit. The auditor noted the City utilizes periodic flyers/handouts and newspaper advertising as its primary form of marketing. Transit information was not easily located on the City's website, however the auditor noted that some links were broken and there were organizational issues. There were no service brochures, which typically served as a key information resource that could be distributed in locations throughout the community. In Corcoran, such a brochure could have included information about the Dial-A-Ride service as well as subsidized Amtrak and KART passes

¹ It should be noted that, while the FY 2020/21 fiscal auditor found the City to be out of compliance with the 10 percent farebox recovery ratio requirement, penalties for non-compliance were waived for FY 2019/20 and FY 2020/21 as a result of AB 90 and AB 149 as part of the COVID-19 pandemic relief measures. Therefore, no penalties should be levied for non-compliance for those years.

and KART Route 13. The brochure would have provided a concise resource for transit information that could have been displayed at City Hall, Corcoran Depot, schools, the RAC, local hotels/motels, the library, and healthcare facilities.

The auditor recommended the City develop a marketing plan to guide its marketing and outreach activities. The auditor mentioned the plan does not need to be long or complicated, but should include an overview of the community and target rider markets, key marketing activities, and a budget. The auditor suggested one of the key marketing activities should be a service brochure. The service brochure can be simple, able to be reproduced on an office printer rather than requiring a formal print run. It should include essential information about the Dial-A-Ride service (hours of operation, service area, fares, and policies) as well as information about Amtrak and KART subsidies and the KART Route 13 service.

Progress: The City currently has service brochures and was working on implementing more marketing before efforts were derailed by the pandemic. It was exploring options for marketing on buses, at bus stops, and other locations. Both the 2020 Fixed-Route Study and the 2021 Transit Development Plan included marketing recommendations, including for the proposed deviated fixed-route service.

Status: Implementation in progress.

7. [Revise the City's Transit webpage to more effectively present information.](#)

Discussion: A web presence is critical for the success of a transit program, as it provides access to service information any time of day and from any location. Information that is difficult to locate or navigate can deter potential customers from using the service.

Transit information was not easily located on the City's website. The Transit webpage was provided on the City's website at www.cityofcorcoran.com/cityhall/pw/transit. There were a number of organizational issues which made locating transit information difficult. However, transit information was contained on multiple pages, some of which did not link to the main transit page at all. In addition, Transit was linked and located under Public Works (rather than Community Development), which does not reflect the current City reporting hierarchy.

The auditor recommended the City's website should have a single transit webpage that contains pertinent (and up-to-date) transit information. This way the public can easily access all transit information from a single location, rather than through numerous links and pop-up menus. Other locations on the City's website should link to this page. Files for download (such as the Title VI documents or Policies and Procedures) should appear as links on this page as well. An improved webpage can be utilized as an effective marketing tool. Revisions to the transit webpage should be planned as part of a unified effort, not just making changes here and there to fix issues.

Progress: The Transit webpage is provided on the City's website at www.cityofcorcoran.com/departments/public_works/transit. While the City has updated its website and placed a

Corcoran Area Transit (CAT) icon as part of the revolving links below the main site header, the site only shows four icons at a time, and CAT is the fifth icon. As a result, it does not appear until the icons start revolving. Transit is clearly displayed in the drop-down Departmental menu, and correctly links to the Transit page. While Transit is no longer under Public Works, the Transit webpage is still nested under Public Works on the website, though it does not appear on the Public Works drop-down menu. Transit is listed under the Community Services drop-down menu, but that nested page is blank. Overall, access to transit information is much improved, though there are still actions that can be taken to minimize confusion and enhance accessibility.

Status: Implemented.

8. [Develop a strategy to provide effective coverage when regular drivers are unavailable.](#)

Discussion: Currently, a driver absence (whether due to illness or vacation) results in reduced service delivery. This affects service availability on days when a driver is unavailable, or when a driver position remains unfilled.

Prior audits have recommended the City compare the costs of in-house operations versus contracted operations. The one important advantage a contracted operation has over an in-house operation is the ability to bring in back-up drivers from another property when a regular driver calls out. Therefore, we have revised this recommendation to focus on solving the problem of having sufficient back-up drivers. One solution may be for the City to consider contracting out for its operations, but others may include cross-training an existing (non-transit) employee or recruiting part-time drivers, among others.

Progress: The City has had challenges over the year in recruiting qualified drivers, in part because the pay is less than in some surrounding areas. The City is working on solutions, which could include increasing compensation, hiring part-time drivers, or contracting drivers. The driver shortage became a significant issue during the COVID-19 pandemic, which resulted in only one driver being available some days. The City is continuing its recruit for qualified drivers.

Status: Implementation in progress.



This page intentionally blank.

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 Corcoran internally as well as to outside entities during the audit period.

- **Operating cost:** Operating cost reported on the TDA fiscal audit and the State Controller Report was somewhat consistent. However, it was significantly higher than that reported to the National Transit Database (NTD). The cause of this is unclear.
- **Fare Revenue:** Fare revenue was generally reported consistently across all three documents. However, in FY 2018/19, the NTD report was much higher than what was reported to the State Controller and on the TDA audit. This resulted in a 27 percent variance.
- **Vehicle Service Hours (VSH):** Vehicle service hours were generally reported consistently across all three reports, with slight discrepancies in FY 2019/20. This is due to a higher VSH being reported to State Controller than appears on the monthly performance reports and the NTD reports.
- **Vehicle Service Miles (VSM):** Vehicle service miles were generally reported consistently across all three reports, with a variance in FY 2019/20. This is due to a higher VSM being reported to State Controller than appears on the monthly performance reports and the NTD reports. This resulted in a variance of 22 percent.
- **Passengers:** This metric was reported consistently in FY 2018/19 and FY 2020/21, however none of the reports in FY 2019/20 could agree on one number. The cause of the variance was unclear. However, it resulted in a variance of approximately 34 to 36 percent.
- **Full-Time Equivalent (FTE) Employees:** The City demonstrated use of the TDA definition in calculating FTE employees for the State Controller Report. Minor differences can be attributed to rounding.



Exhibit 5.1 Data Reporting Comparison

Performance Measure	System-Wide		
	FY 2018/19	FY 2019/20	FY 2020/21
Operating Cost (Actual \$)			
<i>TDA fiscal audit</i>	\$709,934	\$916,170	\$937,743
<i>National Transit Database</i>	\$875,921	\$856,448	\$844,854
<i>State Controller Report</i>	\$718,240	\$922,939	Not provided
Fare Revenue (Actual \$)			
<i>TDA fiscal audit</i>	\$67,331	\$54,884	\$22,015
<i>National Transit Database</i>	\$85,820	\$54,883	\$25,094
<i>State Controller Report</i>	\$67,331	\$54,884	Not provided
Vehicle Service Hours (VSH)			
<i>Monthly Performance Reports</i>	4,215	3,733	2,473
<i>National Transit Database</i>	4,215	3,733	2,473
<i>State Controller Report</i>	5,232	4,289	Not provided
Vehicle Service Miles (VSM)			
<i>Monthly Performance Reports</i>	44,751	35,205	22,070
<i>National Transit Database</i>	44,751	35,205	22,070
<i>State Controller Report</i>	4,215	43,105	Not provided
Passengers			
<i>Monthly Performance Reports</i>	32,529	23,949	12,058
<i>National Transit Database</i>	32,529	23,576	12,058
<i>State Controller Report</i>	32,529	32,145	Not provided
Full-Time Equivalent Employees			
<i>State Controller Report</i>	6	6	Not provided
<i>Per TDA methodology</i>	5	7	6

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 6667². 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 period³:

² 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.

³ 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.⁴ 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.

⁴ 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 Corcoran the following sources were employed:

- Operating Cost was not independently calculated as part of this audit. Operating Cost data were obtained via National Transit Database (NTD) reports for each fiscal year covered by this audit. Operating Cost from the reports was compared against that reported in 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. However, the significant variance between reports called into question which one accurately reflects the costs for the City's transit services.
- Fare Revenue was not independently calculated as part of this audit. Fare revenue data were obtained via NTD 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 NTD reports submitted to the FTA for each fiscal year covered by this audit and compared against monthly performance summary reports. The City's calculation methodology is consistent with PUC guidelines.
- Vehicle Service Miles (VSM) data were obtained via NTD reports submitted to the FTA for each fiscal year covered by this audit and compared against monthly performance summary reports. The City's calculation methodology is consistent with PUC guidelines.
- Unlinked trip data were obtained via NTD reports submitted to the FTA for each fiscal year covered by this audit and compared against monthly performance summary reports. The City's calculation methodology is 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

System-wide, operating cost experienced a net 3.5 percent decrease during the audit period. The prior audit period was characterized by year-over-year increases, however, which resulted in a net increase of 3.6 percent over the six-year period. Fare revenue decreased every year with the exception of an 18.8 percent increase in FY 2018/19. This resulted in a 70.8 percent decrease during the audit period, and a net 68.6 percent decrease across the six-year period.

Vehicle Service Hours (VSH) decreased every year. VSH saw a net 62.0 percent decrease over the six-year period, with most of that occurring in FY 2018/19 and FY 2020/21. A similar pattern was observed with respect to Vehicle Service Miles (VSM), which had a net 60.7 percent decrease over the six-year period.

Ridership also followed the same pattern as VSH and VSM, though with a much greater decrease in FY 2020/21. Overall, ridership experienced a net decrease of 62.9 percent during the audit period, and 71.8 percent across the six-year period.

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. With operating costs remaining fairly stable during the audit period, efficiency was impacted by significant decreases in other metrics, resulting in much



higher costs per VSH, VSM, and passenger. Productivity declined as well, as passengers per VSH and VSM both decreased during the audit period. Neither change is surprising, given the impact of the ongoing COVID-19 pandemic on transit operations and ridership.

Exhibit 6.1 System Performance Indicators

Performance Measure	System-wide					
	FY 2015/16	FY 2016/17	FY 2017/18	FY 2018/19	FY 2019/20	FY 2020/21
Operating Cost (Actual \$)	\$815,336	\$803,532	\$1,182,439	\$875,921	\$856,448	\$844,854
<i>Annual Change</i>		-1.4%	47.2%	-25.9%	-2.2%	-1.4%
Fare Revenue (Actual \$)	\$79,944	\$79,878	\$72,217	\$85,820	\$54,883	\$25,094
<i>Annual Change</i>		-0.1%	-9.6%	18.8%	-36.0%	-54.3%
Vehicle Service Hours (VSH)	6,515	5,562	5,532	4,215	3,733	2,473
<i>Annual Change</i>		-14.6%	-0.5%	-23.8%	-11.4%	-33.8%
Vehicle Service Miles (VSM)	56,150	48,498	55,394	44,751	35,205	22,070
<i>Annual Change</i>		-13.6%	14.2%	-19.2%	-21.3%	-37.3%
Passengers	42,797	34,997	34,151	32,529	23,576	12,058
<i>Annual Change</i>		-18.2%	-2.4%	-4.7%	-27.5%	-48.9%
Employees	7	7	6	5	6	6
<i>Annual Change</i>		0.0%	-14.3%	-16.7%	20.0%	-8.3%
Performance Indicators						
Operating Cost/VSH (Actual \$)	\$125.15	\$144.47	\$213.75	\$207.81	\$229.43	\$341.63
<i>Annual Change</i>		15.4%	48.0%	-2.8%	10.4%	48.9%
Operating Cost/Passenger (Actual \$)	\$19.05	\$22.96	\$34.62	\$26.93	\$36.33	\$70.07
<i>Annual Change</i>		20.5%	50.8%	-22.2%	34.9%	92.9%
Passengers/VSH	6.57	6.29	6.17	7.72	6.32	4.88
<i>Annual Change</i>		-4.2%	-1.9%	25.0%	-18.2%	-22.8%
Passengers/VSM	0.76	0.72	0.62	0.73	0.67	0.55
<i>Annual Change</i>		-5.3%	-14.6%	17.9%	-7.9%	-18.4%
Farebox Recovery	9.8%	9.9%	6.1%	9.8%	6.4%	3.0%
<i>Annual Change</i>		1.4%	-38.6%	60.4%	-34.6%	-53.6%
Hours/Employee	930.7	794.6	922.0	843.0	622.2	449.6
<i>Annual Change</i>		-14.6%	16.0%	-8.6%	-26.2%	-27.7%
TDA Non-Required Indicators						
Operating Cost/VSM	\$14.52	\$16.57	\$21.35	\$19.57	\$24.33	\$38.28
<i>Annual Change</i>		14.1%	28.8%	-8.3%	24.3%	57.4%
VSM/VSH	8.62	8.72	10.01	10.62	9.43	8.92
<i>Annual Change</i>		1.2%	14.8%	6.0%	-11.2%	-5.4%
Fare/Passenger	\$1.87	\$2.28	\$2.11	\$2.64	\$2.33	\$2.08
<i>Annual Change</i>		22.2%	-7.4%	24.8%	-11.8%	-10.6%

Sources: FY 2015/16 – FY 2017/18 data from prior Triennial Performance Audit.

FY 2018/19 - FY 2020/21 data from NTD reports.

FY 2018/19 - FY 2020/21 FTE data from FTE report.



Exhibit 6.2 System Ridership

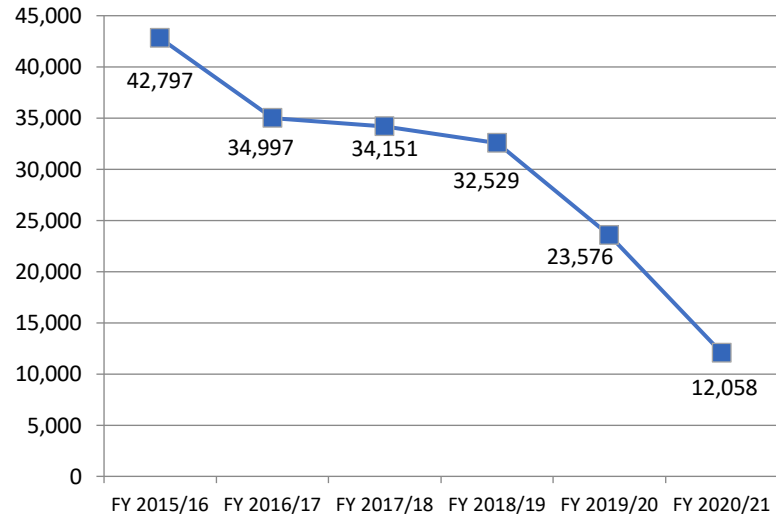


Exhibit 6.3 System Operating Cost/VSH

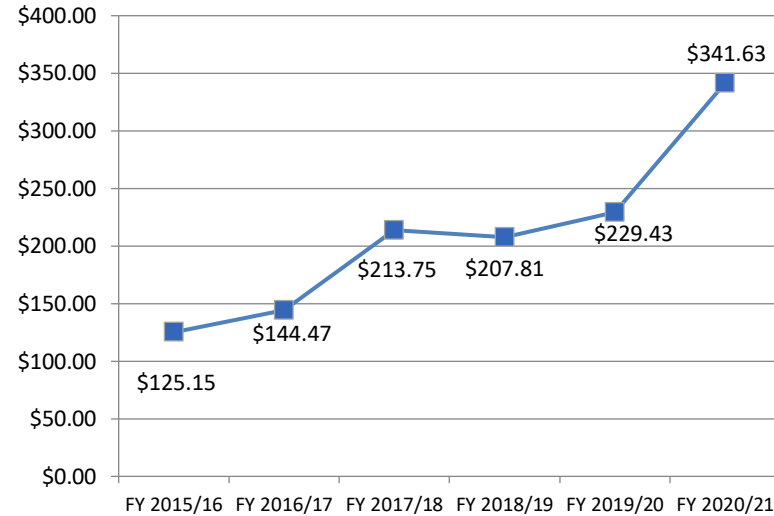


Exhibit 6.4 System Operating Cost/VSM

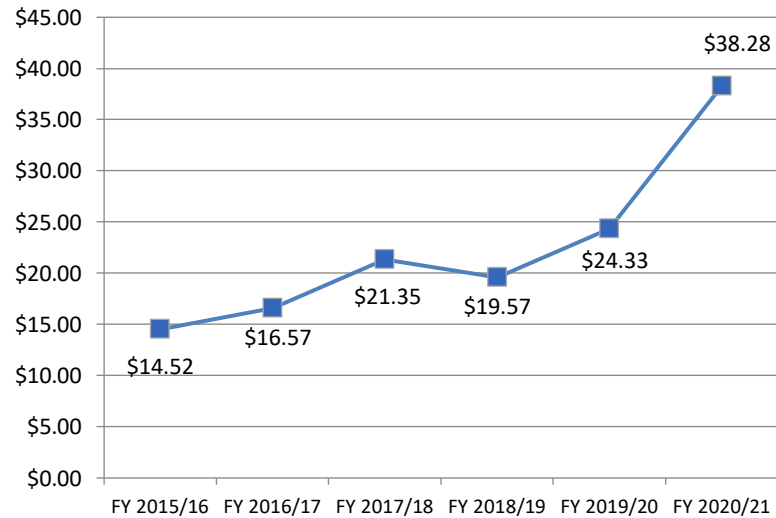


Exhibit 6.5 System VSM/VSH

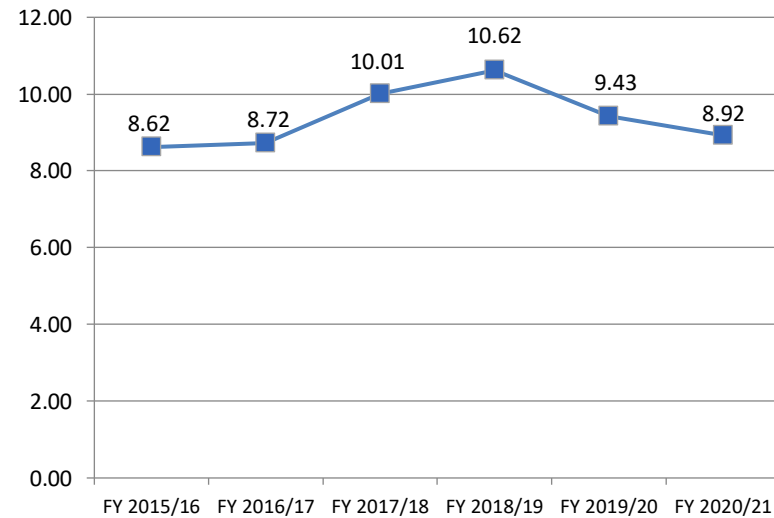




Exhibit 6.6 System Operating Cost/Passenger

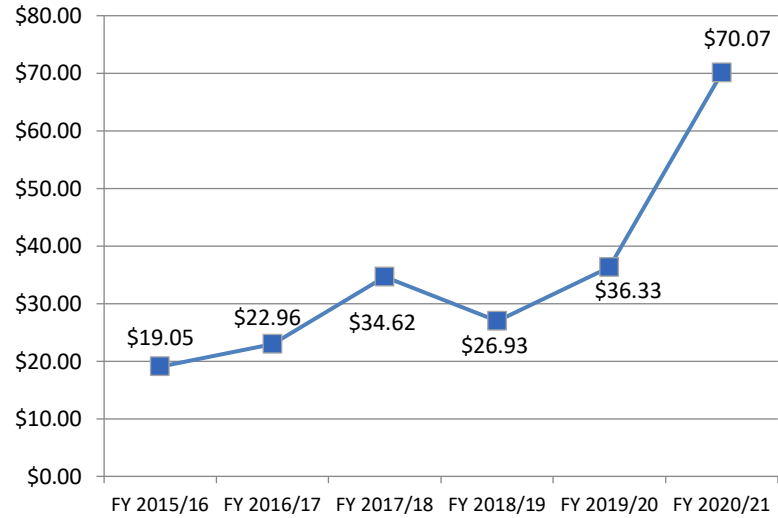


Exhibit 6.7 System Passengers/VSH

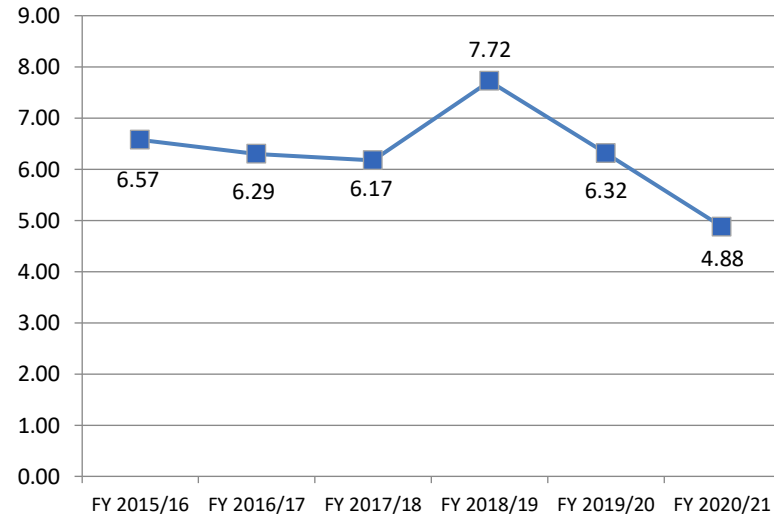


Exhibit 6.8 System Passengers/VSM

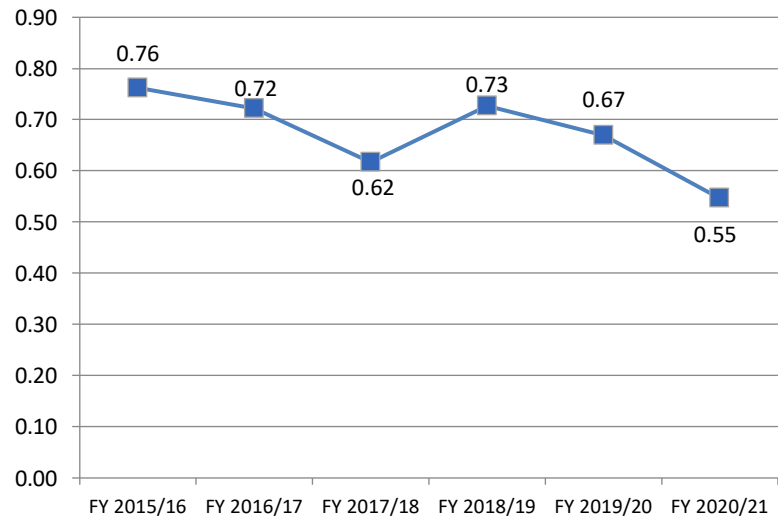


Exhibit 6.9 System VSH/FTE

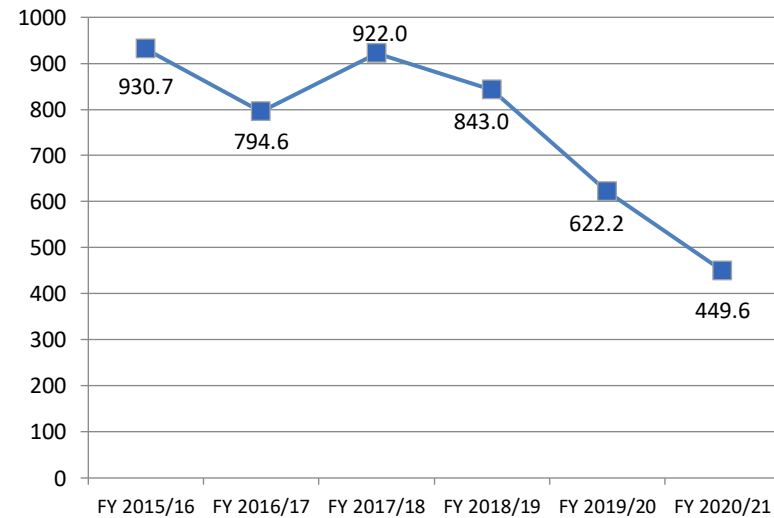




Exhibit 6.10 System Farebox Recovery

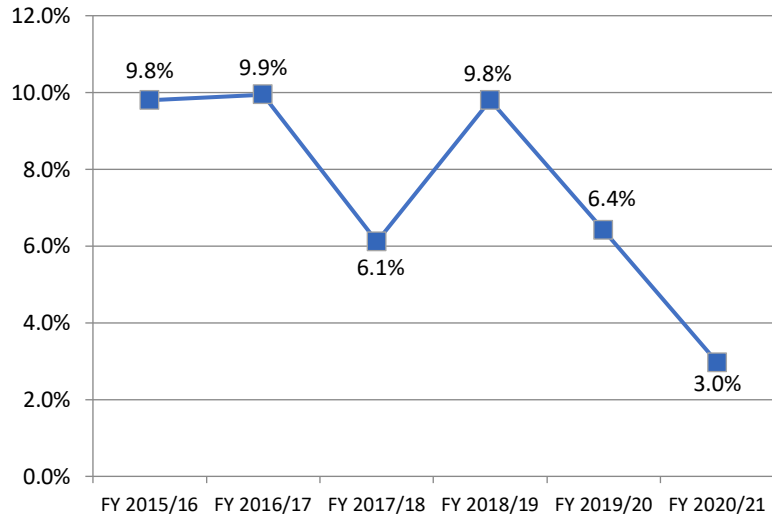
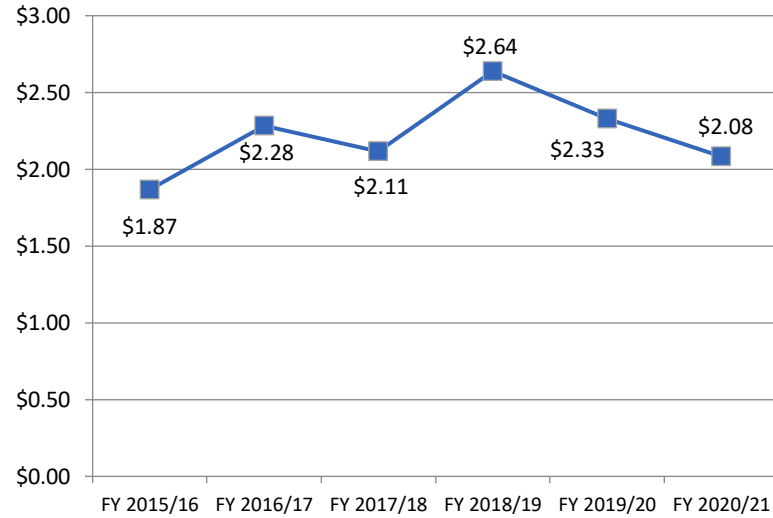


Exhibit 6.11 System Fare/Passenger





This page intentionally blank.

Chapter 7 | Functional Review

A functional review of the City of Corcoran’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 Corcoran 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 City of Corcoran operates Corcoran Area Transit (CAT) , a Dial-A-Ride service. The service operates within the Corcoran city limits and fringe area as an origin to destination service. Service is available on weekdays from 7:15 a.m. through 4:00 p.m. The service does not operate on the weekends or designated holidays

The City also owns and operates the Corcoran Depot, which opened in 1999 and houses all dispatching and office administration. While the Corcoran Depot is not an official Amtrak Depot, it is available to Amtrak passengers and KART passengers along with Corcoran Area Transit passengers.

Trips are provided on a first-come, first served basis. Requests for service require a minimum 60-minute advance notice prior to pick-up. If a customer needs a pick up between 7:15 a.m. and 8:00 a.m., they must call the day before to check for availability and schedule a pick-up.

Exhibit 7.1 Fare Structure

Category	City Limits	Fringe Area	Cemetery	State Prisons
General	\$1.50	\$3.50	\$4.00	\$5.00
Senior (60+)	\$0.75	\$1.75	\$2.00	\$2.50
Handicap/ADA	\$0.75	\$1.75	\$2.00	\$2.50
Children (0-8 years accompanied by adult)	\$1.00	\$2.50	\$3.50	\$4.50

Five-dollar and ten-dollar tokens are available for purchase at the Corcoran Depot or onboard the vehicle. To qualify for the disabled/ADA reduced fare, riders must submit a valid DMV disabled persons placard identification card and receipt every two years or complete a General Handicap Form (signed by a physician).

In addition to the bus service, the City of Corcoran offers a subsidized Amtrak ticket program for rail service between the Corcoran and Hanford. Under this program, residents may purchase round-trip tickets at the Depot or City Hall for \$9.00 and one-way tickets for \$4.50. Discounted KART passes are also available.

Response to COVID-19 pandemic

The first eight to nine months of the pandemic saw a 60 to 70 percent decrease in ridership. Early in the pandemic, the transit system was forced to suspend service so that drivers and riders could isolate to minimize exposure. While the system did not have any subsequent shut-downs, there were a number of times capacity was reduced due to only having one driver available. This was further complicated by the reduced capacity on the vehicle due to social distancing. Buses are cleaned every two hours. Ridership is still down. The City hopes to recover and increase ridership when it moved to a deviated fixed-route service delivery format.

General Management and Organization

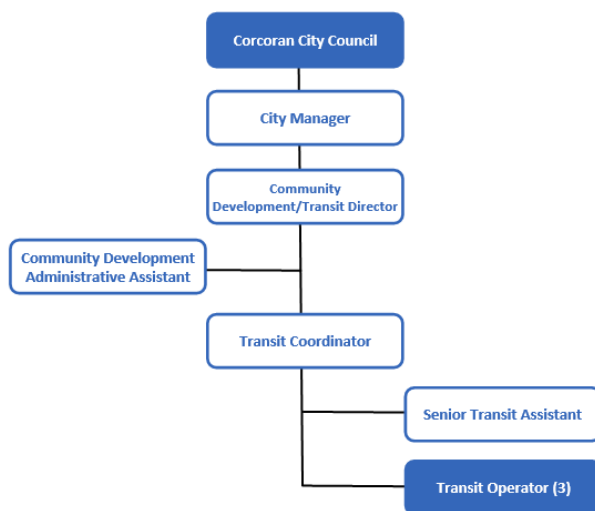
Corcoran Area Transit (CAT) is operated in-house by the City of Corcoran. The Transit Coordinator provides day-to-day oversight of the transit program. The Transit Coordinator reports to the Community Development Director. Both the Transit Coordinator and the Community Development Director interact with the RTPA and KCAG’s Social Services Transportation Advisory Council (SSTAC) with respect to transit. The Community Development Director also represents engineering and planning on behalf of the City.

The program is staffed by four full-time drivers and a Transit Assistant. The Transit Assistant also assists in staffing the front counter at the Corcoran Depot, dispatches vehicles, answers incoming calls, responds to general inquiries regarding the City’s transit services, sells tickets, and collects fees.

The Corcoran City Council provides oversight of the City’s transit program. The City Council meets in the Corcoran City Council Chambers (1015 Chittenden Avenue, Corcoran) on the second and fourth Tuesday of each month at 5:30 p.m. The City Council generally has a lot of praise for the transit program with its updates, which are provided quarterly. Transit has been part of Community Development for the past five years. The SSTAC is the City’s only citizen advisory board.

Exhibit 7.3 illustrates the department’s organizational structure at the end of the period covered by this Triennial Performance Audit.

Exhibit 7.2 Organizational Chart





Service Planning

The Kings County Association of Governments (KCAG) provides service planning for both operators in Kings County. In 2021, KCAG sponsored development of the Kings County Transit Development Plan (TDP), which included the City of Corcoran. Surveys of riders and non-riders were included in this planning effort.

The prior TDP, completed in 2015, recommended the introduction of local fixed-route service for the City of Corcoran, offering an improved level of convenience for riders who do not have to call for a ride and can board at any location during service hours. The City completed a Fixed-Route Study (funded through KCAG) in 2020. Implementation has been hampered by the COVID-19 pandemic, which started as the project entered its final stages. The city council has been very receptive to the study, however, and staff intends to bring it back to them for implementation in Spring 2022.

A fare increase took effect January 2019. No service changes have occurred during the audit period, except all staff now take their lunch break between 11 a.m. and 12 p.m. No calls are taken or trips provided during that time. This change has been in place for approximately three years.

During the audit period, the City obtained grant funding for an automated comprehensive transit data tracking program. All buses are equipped with Surface Pros which serve as mobile data terminals. For Dial-A-Ride, the address of each reservation is displayed on the computer, and the driver can add travel time, pick up time, and drop off time. The system also monitors fuel consumption and actual employee hours on and off the bus. While it took two years to get the program up and running, it has improved the dispatching process and greatly improved overall efficiency. The City used the same individual who has written custom software programs for its Public Works Department. The program is set up for future expansion as the City moves toward a fixed-route program.

The City believes the RTPA does a good job and is a good resource when staff have questions. The KCAG sponsors transit-related studies when it has funding available and assists Corcoran with both federal and state grants. Staff acknowledge that the City is not as aggressive as it could be when pursuing funding. The City works well with KCAPTA's Executive Director and benefits from her shared knowledge about transit.

On an annual basis, City transit staff prepares an Unmet Transit Needs report with the City Council. Following this, an Unmet Transit Needs public hearing is held as part of a pre-determined regular City Council meeting. KCAG's SSTAC also provides input into service planning. Surveys are done as part of the Transit Development Plan and unmet transit needs process. For the 2021 TDP, a transit rider survey was conducted in October 2020. Additional surveys were collected as part of the Fixed-Route Study prior to onset of the COVID-19 pandemic.

Administration

The Community Development Director prepares the annual budget, with the assistance of the Transit Coordinator. The Transit Coordinator handles grants (including CalOES, PTMISEA, LCTOP, etc.). The City is willing to apply for any grant it finds, but is not always aggressive in doing so.

Risk management is handled by the City's Human Resources department. The City is self-insured through the San Joaquin Valley Risk Management Authority (SJVMA).



The City utilizes Diamond manual drop-vault fareboxes. Drivers must get the key from transit to bring in the vault. After hours, the vault stays in the vehicle in the City yard overnight. The City yard is monitored by multiple cameras. Dispatch reconciles fares with driver logs. The fares are entered into Accounting and taken over to Finance at the end of each week.

Payroll is run every two weeks using handwritten timesheets. Timesheets are signed by the Transit Coordinator and Community Development Director, then reviewed by Finance before they are approved. Most employees utilize direct deposit.

Procurement activities are primarily related to vehicles. The City typically utilizes the CalACT bid process. The Transit Coordinator prepares the procurement, with oversight from the Community Development Director.

Scheduling, Dispatch, and Operations

Shifts are rotated every pay period (every two weeks). Drivers are represented by the International Union of Operating Engineers (IUOE) Stationary Engineers Local 39. There are currently three drivers filling five shifts. One driver returned from medical leave and needs to renew their license. Trip scheduling is based on location. Reservations for trips between the hours of 7:15 a.m. and 8:00 a.m. must be made the day before. Standing reservations or subscription trips are accepted based on space availability. Patrons may cancel or reschedule their appointments within one hour of their scheduled pick-up time. Patrons who fail to comply with this cancellation policy may be subject to service restrictions or other penalties.

Vehicle assignments are based on a combination of driver preference and rotation. Drivers prefer the large buses with ADA lifts, as they do not have to get off the bus to board wheelchairs. The larger buses are also used in the afternoon for student travel. Primary ridership on CAT is seniors and persons with disabilities. Students also represent a large portion of the CAT ridership.

Surface Pros have been implemented on all buses. The dispatcher compiles the reported times at the end of each day using the driver manifests. City staffers track trip cancellations and no-shows. This information is used to compute revenue hours and miles (defined as hours and miles that transit vehicles operate in revenue service), which are then summarized in monthly spreadsheets, which also include average travel and wait times, average and total passengers by fare type, and average and total walk-ons and wheelchair lifts. This information is used to plan service changes and improve efficiencies.

Personnel Management and Training

The City is always seeking to recruit new drivers. Recruiting methods include advertising on websites, the City's social media pages, and in the local papers such as the *Corcoran Journal*, *Hanford Sentinel*, and *Visalia Times-Delta*. An obstacle for recruitment is the hourly rate is three to four dollars less than what other agencies are offering. The City is currently in process of raising the hourly rate to be more competitive. It can be challenging to recruit experienced drivers when necessary. If six or seven people apply for the position, there may be one applicant with a license. Drivers maintain a valid California Class B Commercial Driver's License with passenger endorsement and a General Public Paratransit Vehicle (GPPV) certification. Drivers are eligible for the standard City benefits package. Drivers are also subject to the City's disciplinary policy.



Currently all drivers are dedicated to transit, and one of the down sides of operating the system in-house is the lack of back up drivers. Vacations and other absences affect passenger capacity through the reduction of available buses for the public. The City is open to utilizing part-time drivers, but has not done so in many years.

The City holds safety meetings on a monthly basis. There have been a number of minor injuries in the last few years. The City is trying to alleviate these injuries by reviewing what causes them as part of safety meetings. When there is an incident, it is reviewed as part of the safety discussion. Training is usually done in-house using online resources. The City is looking for GPPV trainers due to the last trainer retiring.

The Transit Coordinator trains and monitors personnel to ensure compliance with departmental policies, procedures, and regulations. This compliance includes ensuring bus drivers maintain appropriate licenses and certifications. The Coordinator performs analytical duties such as reviewing driver logs, monitoring passenger rider ship and average travel times, and inputting collected transit data into the departmental computer system in order to improve services and efficiencies.

Marketing and Public Information

The Transit Coordinator provides information on CAT, furthering this goal through the production and distribution of transit service notices and flyers regarding changes in service and/or ticket prices. The City has a service brochure available.

The Transit webpage is provided on the City's website at www.cityofcorcoran.com/departments/public_works/transit. While the City has updated its website and placed a Corcoran Area Transit icon as part of the revolving links below the main site header, the site only shows four icons at a time, and CAT is the fifth icon. As a result, it does not appear until the icons start revolving. Transit is clearly displayed in the drop-down Departmental menu, and correctly links to the Transit page. While Transit is no longer under Public Works, the Transit webpage is still nested under Public Works on the website, though it does not appear on the Public Works drop-down menu. Transit is listed under the Community Services drop-down menu, but that nested page is blank. Files for download (such as the Title VI documents or Policies and Procedures) appear on the Transit page.

Both the Fixed-Route Study and 2021 Transit Development Plan included marketing recommendations. While those included in the Fixed-Route Study primarily focused on marketing activities prior to, during, and following the introduction of the fixed-route service, both offered valuable direction for the City's limited marketing resources.

Maintenance

The City's Maintenance department provides maintenance for the City's transit program, including all preventive maintenance work. Mechanics are not dedicated to transit. Maintenance lets the dispatcher know when a vehicle is ready. Some parts are kept on hand, and most others can be obtained within a day. The local parts store tries to keep frequently needed bus parts in stock. The facility is adequate and the transit bay is shared with other departments. All work for transit is logged separately.

Preventive maintenance is conducted on a 45-day schedule. Maintenance procedures conform to CHP and manufacturer standards. Mechanics are notified before the maintenance is due. Parts inventory and



maintenance scheduling is sufficient to minimize down-time. Many repairs can be done on-site, but transmission, airbags, wheelchair lifts, and other such repairs require off-site work.

Drivers inspect their vehicles at the beginning of each shift, following a checklist and noting findings on a Daily Vehicle Inspection form. Driver manifests include a field for noting the date of the vehicle’s next scheduled maintenance. Inspection and maintenance of vehicles by the driver includes checking vehicle gauges, lights, tires, and brakes, as well as monitoring vehicle fuel and fluid levels. Mechanical issues are reported to the Assistant Transit Coordinator and Transit Coordinator. The Transit Coordinator maintains a log of all roadcalls with their respective vehicle records.

The City of Corcoran owns all the transit vehicles. The fleet currently consists of six vehicles: three buses and three cutaways. All vehicles are wheelchair accessible and all but one includes a bike rack. A full fleet inventory is presented in Exhibit 7.3.

Exhibit 7.3 Corcoran Area Transit’s Fleet

Year	Vehicle #	Make & Model	Fuel	PAX + WC
2002	#167	Ford E450	Diesel	15 + 2
2003	#169	Ford Eldorado	Diesel	22 + 2
2003	#170	Ford Eldorado	Diesel	22 + 2
2010	#215	Ford E450	Gas	15 + 2
2010	#216	Ford E450	Gas	15 + 2
2015	#238	Ford	Diesel	22 + 2

Chapter 8 | Findings and Recommendations

Conclusions

With one exception, Moore & Associates, Inc. finds the City of Corcoran 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 of Corcoran staff, analysis of program performance, and an audit of program compliance and function, the audit team presents one compliance finding:

1. TDA fiscal audits for FY 2018/19 and FY 2019/20 were submitted after the established deadline and allowable extension.

The audit team has identified three functional findings. While these finding are not compliance findings, the audit team believes they warrant inclusion in this report:

1. While the Transit website has been improved, there are still some minor issues that should be resolved.
2. The farebox recovery ratio calculation in the TDA fiscal audit does not itemize exclusions or exemptions.
3. The City continues to suffer from a lack of qualified drivers, which can impact service delivery.

Program Recommendations

In completing this Triennial Performance Audit, the auditors submit the following recommendations for the City of Corcoran'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: TDA fiscal audits for FY 2018/19 and FY 2019/20 were submitted after the established deadline and allowable extension.

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. The RTPA cannot release Article 4 funds until the audit is submitted.

Condition: In FY 2018/19 and FY 2019/20, the TDA fiscal audit was submitted after March 31. While completion of the FY 2018/19 audit on April 13, 2020, showed significant improvement, the FY 2019/20 audit was not submitted until June 16, 2021. However, the FY 2020/21 audit was submitted on time on March 31, 2022, putting the City in compliance for that fiscal year.

Cause: The City must complete its annual City audit before its TDA fiscal audit so all of the necessary data is available for the TDA audit. The current City auditor contract typically results in completion of the City audit by the end of March, which is consistent with the State Controller’s requirement for City audits (nine months after the end of the fiscal year).⁵ The Finance department does not have the staffing to prepare the schedules needed to complete these audits any earlier.

Effect: As a result, the TDA fiscal audit may not be completed until after the March 31 TDA deadline. Late submittal of the TDA fiscal audit can cause delays in the City receiving TDA funds.

Recommendation: Continue to work with the City’s TDA fiscal auditors to ensure on-time completion by the extended deadline.

Recommended Action: It is the City’s responsibility to ensure its auditors are aware of the competing deadline for the TDA fiscal audit, and to strive to complete both on time. The circumstances of the on-time completion of the FY 2020/21 audit should be reviewed to ensure whatever was changed (which resulted in the City being in compliance) can be replicated in future years.

Timeline: Ongoing.

Anticipated Cost: Negligible.

Functional Finding 1: While the Transit website has been improved, there are still some minor issues that should be resolved.

Criteria: The prior audit called for improvements to the City’s Transit webpage as part of the marketing and public information functional area.

Condition: While improvements were made and the Transit webpage is much easier to use, there are still a couple of issues that need to be resolved to ensure maximum usability and accessibility. First, in the structure of the website, the Transit page is nested under Public Works. Given it is primarily accessed via a direct link (and is not part of the Public Works drop-down menu), this would not normally be a problem. However, a Transit page is also nested under Community Development, and that page is accessible from the drop-down menu. That Transit page is blank.

The second item is regarding the General Handicap qualifications. The webpage indicates an individual must have a DMV placard to qualify for the General Handicap fare., which would appear to exclude those that do not have access to a vehicle (and therefore have no need for a placard). However, the CAT Policy and Procedures document indicates riders may also pick up a General Handicap Form to be completed by their physician. This information is buried in a document on the webpage.

Cause: Recent changes to the website likely resulted in the page nesting issue. The alternative to the DMV placard is a simple omission.

⁵ As a result of the COVID-19 pandemic, the deadline for submittal of the FY 2020/21 audit was extended an additional six months to September 30, 2022.

Effect: Resolving these issues will make the Transit webpage more usable and provide more comprehensive information.

Recommendation: Continue to modify the Transit webpage to improve usability and access to information.

Recommended Action: The current Transit page should either be moved so that it is under Community Development, or the Transit page under Community Development should redirect to the existing page under Public Works. The text at the bottom of the main page should be amended to read:

To qualify as a general handicap one the following must be submitted every two years:

- *DMV - Disabled persons placard identification card/receipt including a valid identification card*
- *City of Corcoran General Handicap Form to be completed by the passenger and their physician (available at the Depot)*

Timeline: FY 2021/22.

Anticipated Cost: Minimal.

Functional Finding 2: The farebox recovery ratio calculation in the TDA fiscal audit does not itemize exclusions or exemptions.

Criteria: The prior audit recommended the City's auditor itemize exclusions and exemptions as part of the farebox recovery ratio calculation in the TDA fiscal audit.

Condition: All fiscal audits reviewed during this audit cycle included only line items for depreciation and exclusion/exemptions as part of the farebox recovery ratio. They did not itemize what those exclusions or exemptions were or add any allowable revenues to the fare revenue.

Cause: The cause of this omission is unclear.

Effect: It can be difficult to determine what revenues and costs were included or excluded from the farebox recovery ratio calculation, which is a compliance criteria.

Recommendation: Work with the City's TDA auditors to itemize costs that are excluded or exempted from operating cost, as well as revenues that are used to supplement fare revenues, in the farebox recovery ratio calculation.

Recommended Action: With the new exclusions and sources of fare revenue supplementation allowed under AB 149 (PUC 99268.17 and PUC 99268.19), it will become essential for the City to include an itemized calculation for its farebox recovery ratio. In addition, with the planned transition to a deviated fixed-route service, the City will be exempted from penalties for not meeting the farebox recovery ratio for two years following the implementation year. Assuming implementation sometime during FY 2022/23, the City would be exempt from this requirement for FY 2023/24 and FY 2024/25. During that time, however, the auditor should continue to calculate the farebox recovery ratio so that the City will know

where it stands with respect to meeting the requirement when it is again responsible for meeting it in FY 2025/26.

Timeline: FY 2021/22.

Anticipated Cost: Negligible.

Functional Finding 3: The City continues to suffer from a lack of qualified drivers, which can impact service delivery.

Criteria: The prior audit included a recommendation that the City develop a strategy to provide effective coverage when regular drivers are unavailable.

Condition: While the City has made inroads at hiring drivers so as to mitigate this issue, successful recruitment has been problematic. One of the biggest challenges is the pay rate, which is lower than other agencies in the region. To that end, the City is looking at its options, including increasing the pay rate, hiring part-time drivers, or potentially contracting out the operation. During the peak of the COVID-19 pandemic, capacity was significantly impacted by a lack of available drivers due to illness or quarantine. The pandemic has also caused a nationwide driver shortage, which further impacts the availability of qualified candidates.

Cause: The City has struggled with a lack of drivers for a number of years. Medical leaves of absence have a significant impact on the small pool of drivers, as those positions are not vacant and therefore cannot be replaced. Vacant positions suffer from a lack of qualified candidates.

Effect: Service levels/capacity can be impacted when there are not enough drivers.

Recommendation: Identify and implement strategies to recruit and retain qualified drivers.

Recommended Action: As a demand-response service, reduced availability of drivers translates to fewer CAT buses in service and fewer seats available. Once the City transitions to a deviated fixed-route service, reduced availability of drivers could mean one of the routes does not run for part of the day. Therefore, it is essential the City have a sufficient staff of drivers prior to implementing the fixed-route service. All of the options cited above should be further explored and selected strategies implemented.

Timeline: Ongoing.

Anticipated Cost: Varies depending upon solution(s) identified.



Exhibit 8.1 Audit Recommendations

TDA Compliance Recommendations		Importance	Timeline
1	Continue to work with the City's TDA fiscal auditors to ensure on-time completion by the extended deadline.	Medium	Ongoing
Functional Recommendations		Importance	Timeline
1	Continue to modify the Transit webpage to improve usability and access to information.	Low	FY 2021/22
2	Work with the City's TDA auditors to itemize costs that are excluded or exempted from operating cost, as well as revenues that are used to supplement fare revenues, in the farebox recovery ratio calculation.	High	FY 2021/22
3	Identify and implement strategies to recruit and retain qualified drivers.	High	Ongoing



This page intentionally left blank.