Golden Empire Transit District
Triennial Performance Audit FY 15/16 - 17/18
Kern Council of Governments

Triennial Performance Audit, FY 2015/16 – FY 2017/18

Golden Empire Transit District

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Chapter 1

Executive Summary

In 2018, the Kern Council of Governments (Kern COG) selected Moore & Associates, Inc., to prepare Triennial Performance Audits of itself as the RTPA and the twelve 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 Golden Empire Transit 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 the Golden Empire Transit District’s public transit program for the period Fiscal Year 2015/16 through Fiscal Year 2017/18.

Bakersfield is the largest city in, and county seat of, Kern County. The Golden Empire Transit District administers and operates fixed-route and demand-response public transit services within the Bakersfield Metropolitan Area. The fixed-route service is branded under the name of Golden Empire Transit or GET. Fixed-route service is seven days a week excluding designated holidays. Service hours vary by route but extend from 6 a.m. to 11 p.m.

The demand-response paratransit service is branded under the name GET-A-Lift. GET-A-Lift operates Monday through Friday from 7:00 a.m. to 10:00 p.m. and weekends from 7:00 a.m. to 7:30 p.m. The service is year-round. GET-A-Lift passengers must undergo an eligibility process to qualify for trips on GET-A-Lift based on one of three criteria contained in the ADA. Reservations can be scheduled between the hours of 8:00 a.m. and 5:00 p.m., seven days a week for trips such as medical appointments, shopping or recreation. Trips may be scheduled between one and 14 days in advance, and a subscription service is available for passengers traveling regularly to the same destination.

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 Golden Empire Transit District met the test of compliance with respect to all Transportation Development Act (TDA) regulations:

**Status of Prior Recommendations**

1. Identify strategies for increasing fare revenue and decreasing operating cost so as to be in compliance with the 20-percent TDA farebox recovery ratio.

   **Status:** Implemented.


   **Status:** Not implemented.

3. Develop a formal succession planning strategy.

   **Status:** Implementation in progress.

**Findings and Recommendations**

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

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

1. GET continues to report its Full-Time Equivalent Employee data incorrectly on its State Controller Report.

**Exhibit 1.1  Summary of Audit Recommendations**

<table>
<thead>
<tr>
<th>Functional Recommendations</th>
<th>Importance</th>
<th>Timeline</th>
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<tbody>
<tr>
<td>1</td>
<td>Report FTE properly on the State Controller Report.</td>
<td>High</td>
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Chapter 2

Audit Scope and Methodology

The Triennial Performance Audit (TPA) of the Golden Empire Transit District’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 Kern Council of Governments selected Moore & Associates, Inc., to prepare Triennial Performance Audits of itself as the RTPA and the twelve 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 Golden Empire Transit District 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 Golden Empire Transit District 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 Golden Empire Transit District included thorough review of documents relevant to the scope of the audit, as well as information contained on the District’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.
Golden Empire Transit District  
Triennial Performance Audit, FY 2015/16 - FY 2017/18  
Final Report

The methodology for this review included a site visit to the District’s headquarters (1830 Golden State Avenue, Bakersfield) on October 17, 2018. The site visit included interviews with Karen King (CEO/Executive Director), Steve Barnes (Chief Financial Officer), and Candra Cheers (Operations Manager).

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.
Chapter 3

Program Compliance

This section examines the Golden Empire Transit District’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 Kern Council 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 GET 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 Golden Empire Transit District 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 taxes 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

<table>
<thead>
<tr>
<th>Compliance Element</th>
<th>Reference</th>
<th>Compliance</th>
<th>Comments</th>
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</table>
| State Controller Reports submitted on time.                                      | PUC 99243   | In compliance | FY 2015/16: October 10, 2016  
                            FY 2016/17: November 16, 2017  
                            FY 2017/18: January 18, 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 6, 2016  
                            FY 2016/17: November 20, 2017  
                            FY 2017/18: December 31, 2018 |
| Operator’s terminal rated as satisfactory by CHP within the 13 months prior to each TDA claim. | PUC 99251 B | In compliance | April 24, 2015  
                            May 27, 2016  
                            May 26, 2017  
                            June 1, 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 | 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 2015/16: +14.69%  
                            FY 2016/17: +11.69%  
                            FY 2017/18: +11.85%  
<p>| The operator’s definitions of performance measures are consistent with the Public Utilities Code Section 99247. | PUC 99247   | In compliance | |</p>
<table>
<thead>
<tr>
<th>Compliance Element</th>
<th>Reference</th>
<th>Compliance</th>
<th>Comments</th>
</tr>
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</table>
| If the operator serves an urbanized area, it has maintained a ratio of fare revenues to operating cost at least equal to one-fifth (20 percent). | PUC 99268.2, 99268.4, 99268.1 | In compliance | FY 2015/16: 23.67%  
                                 |                                 |              | FY 2016/17: 20.54%  
                                 |                                 |              | FY 2017/18: 22.44%  |
| 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        | In compliance | FY 2015/16: 11.71%  
                                 |                                 |              | FY 2016/17: 10.51%  
                                 |                                 |              | FY 2017/18: 10.65%  |
| 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 | GET provides for its employees’ retirement under a self-administered, trustee profit-sharing plan established under Internal Revenue Code, Sections 401 through 417 and Section 501. The plan is subject to the Employee Retirement Income Security Act of 1974 (ERISA). |
| 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 | As a recipient of State Transit Assistance Funds, GET is making full use of federal funds available under the Urban Mass Transportation Act of 1964 as amended.  
                                 |                                 |              | FY 2016: $5,247,689 (Operating) $377,036 (Capital)  
                                 |                                 |              | FY 2017: $5,428,507 (Operating) $1,723,966 (Capital)  
                                 |                                 |              | FY 2018: $5,851,129 (Operating) $605,140 (Capital)  
                                 |                                 |              | Source: National Transit Database and FY 2018 TDA fiscal audit. |
| 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 capital purposes. | PUC 99314.6                    | In compliance | |

Source: National Transit Database and FY 2018 TDA fiscal audit.
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.

<table>
<thead>
<tr>
<th>Compliance Element</th>
<th>Reference</th>
<th>Compliance</th>
<th>Comments</th>
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</thead>
<tbody>
<tr>
<td>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.</td>
<td>CCR 6634</td>
<td>In compliance</td>
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Chapter 4

Prior Recommendations

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

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

1. Identify strategies for increasing fare revenue and decreasing operating cost so as to be in compliance with the 20-percent TDA farebox recovery ratio.

**Discussion:** PUC Section 99268 establishes a 20 percent farebox recovery minimum for urbanized transit systems in order to remain compliant with TDA. While other locally generated funds may be used to subsidize farebox recovery, the standard is also used as a measure of efficiency and productivity.

While GET’s farebox recovery ratio was above the 20 percent threshold in FY 2012/13, it dropped during the second and third years of the audit period to a low of 18.1 percent. Given the significant decrease in ridership following the 2012 service change, this is not surprising. The work stoppage in 2014 was also a contributing factor, though the lack of ridership (and corresponding fare revenue) was somewhat offset by the fact that buses were not operating during that period. However, while contract staff was involved in the work stoppage, administration of the program continued throughout the labor dispute.

During the prior audit, GET staff indicated during the interview that it would like to use alternative fuels tax credits from its production of CNG to supplement its farebox, but that the State Controller would not allow it. GET sees this as an offset of its operating costs, while the State Controller classifies the revenue as “Other Transit Income” and will not accept it as a dedicated revenue source. Given the State Controller’s Uniform System of Accounts does not specify this type of a revenue source under any of the public transit operating or non-operating revenues, ultimately it is the decision of the State Controller as to whether these credits are a viable source of farebox subsidy.

A fare change that went into effect in August 2015 (following the end of the prior audit period) is expected to help GET recover with respect to the farebox recovery ratio. The fare adjustment increased the base fixed-route and GET-A-Lift fares by 20 percent and added a 15-day pass. In addition, the price of the Route X92 fare (Bakersfield to Tejon Ranch) increased from $1.50 to $3.00. GET also increased its marketing efforts in an effort to increase ridership.
Should the fare adjustment result in a 20 percent increase in fare revenue with no corresponding increase in operating cost, this would be sufficient to bring GET above the 20 percent threshold. However, it is unlikely that a fare increase alone will address this issue in the long-term.

The prior audit team recommended that GET monitor the effect of its fare increase for FY 2015/16 on a quarterly basis to determine if it was likely to result in a farebox recovery ratio at or above 20 percent. In addition, it recommended GET also seek to identify other cost-control or operating strategies to improve efficiency and productivity in conjunction with the fare increase.

**Progress:** Despite the fare increase, GET still struggled to achieve the 20 percent farebox recovery ratio. Beginning in FY 2016/17, Senate Bill 508 expanded the types of funds that could be used for local supplementation to include any non-state and non-federal grant funds or other revenue generated by, earned by, or distributed to an operator. Through the use of supplemental revenue, GET was able to achieve a farebox recovery ratio that rounds to 20 percent.

**Status:** Implemented.

2. **Report FTE properly on the State Controller Report.**

**Discussion:** The Transit Operators Financial Transaction Report Instructions published by the State Controller state the following with respect to the reporting of Total Employees – Public and Contract:

> Report the number of employee equivalents. Public Utilities Code section 99247(jj) defines "Vehicle service hours per employee" as the vehicle service hours divided by the number of employees employed in connection with the public transportation system. Use the assumption that 2,000 person-hours of work in one year constitutes one employee. The number of employees shall also include those individuals employed by the operator which provide services to the agency of the operator responsible for the operation of the public transportation system even though not employed in that agency.¹

While GET has demonstrated proper calculation of Full-Time Equivalent per the TDA definition (work hours divided by 2,000), it does not report this data accurately on the State Controller Report.

The prior audit team recommended GET begin verifying the FTE data it reports on the State Controller Report is accurate and consistent with its own internal work hour summaries.

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¹ Transit Operators Financial Transactions Report Instructions, California State Controller’s Office, page 22.
Progress: While GET demonstrated use of a proper definition of FTE in calculations submitted as part of this audit, these calculations did not match the information submitted to the State Controller.

Status: Not implemented.

3. Develop a formal succession planning strategy.

Discussion: General Management and Organization is a functional area reviewed during the Triennial Performance Audit. Succession planning falls within that functional area. This recommendation was carried forward from the prior audit.

The prior audit recommended that GET continue to utilize the means and steps for executive leadership training of management staff. Cross-training of roles and responsibilities, leadership guidance, and provision of critical development experiences were all noted as possible methods of building additional leadership qualities on GET’s staff. At the time of the prior review, GET indicated that there was some staff cross-training to enhance the knowledge of these individuals, including periods of cross-training with other transit properties.

The prior review also recommended that management protocols and documented procedures for managing the transit system in a fiscally responsible manner should be reviewed on a regular basis and updated as necessary to reflect current and anticipated operating conditions, which would contribute to retaining a solid staff leadership foundation during times of transition.

While GET continues to cross-train staff members and provide opportunities for career advancement, and progress has been made, this recommendation has not yet been fully implemented. In FY 2016/17, GET plans to work with a business analyst to further optimize its organizational structure.

The prior audit team recommended GET move forward with its planned business analysis in FY 2016/17 as well as other activities that support succession planning that are already in place.

Progress: In preparation for developing the District’s Succession Plan, GET identified the necessity to conduct a training needs analysis for each department to determine the opportunities available for career growth and upward mobility that will ensure organization viability and growth.

GET created a Scope of Work plan to hire an Internal Training Consultant to conduct the crucial analysis needed. However, after a thorough review of the Draft plan, we have determined that there are some paramount components that need to be incorporated that require further research by management staff.
The CEO and the HR Manager met on July 20, 2018 to discuss and finalize the essential components that need to be added to the Scope of Work to help ensure the success of the District goals and Succession Planning.

**Status:** Implementation in progress.
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 Golden Empire Transit District 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. System performance data was very consistently reported among all sources. There was greater variance among fiscal data.

- **Operating Cost:** Operating cost was reported differently among two internal and two external reports. In FY 2015/16, the variance between the smallest and greatest amounts was 5.4 percent, while it was 4.0 percent in FY 2016/17. In FY 2017/18, the total variance is 3.9 percent. The cause of these variances is unclear.

- **Fare revenue:** In FY 2015/16 and FY 2016/17, fare revenue was consistently reported between the NTD and State Controller reports, but differed slightly from GET’s CAFRs and monthly performance reports. In FY 2017/18, the GET fiscal audit and NTD report were largely consistent, but differed from the monthly performance reports and State Controller Report.

- **Full-Time Equivalent Employees:** FTE for GET’s fixed-route service was not reported on the TOR in FY 2016/17. While GET provided FTE calculations that are consistent with the TDA methodology as part of this audit, those figures did not match what was reported to the State Controller during any year of the audit period.
## Exhibit 5.1 Data Reporting Consistency

<table>
<thead>
<tr>
<th>Performance Measure</th>
<th>System-Wide</th>
<th>FY 2015/16</th>
<th>FY 2016/17</th>
<th>FY 2017/18</th>
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<tbody>
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<td>24,680,656</td>
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<td>State Controller Report</td>
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<td>Vehicle Service Hours (VSH)</td>
<td>Monthly Performance Reports</td>
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<td>345,730</td>
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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. 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:

---

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.
• 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. 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.)

3 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 Golden Empire Transit, the following sources were employed:

- Operating Cost was not independently calculated as part of this audit. Operating Cost data were obtained via State Controller Reports for each fiscal year covered by this audit. Operating Cost from the reports was compared against that reported internally and to the 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 State Controller Reports 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 District’s monthly performance data summary reports. The District’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 District’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 District’s monthly performance data summary reports. The District’s calculation methodology is consistent with PUC guidelines.

- Full-Time Equivalent (FTE) methodology was provided by the District and is consistent with the TDA definition (hours worked divided by 2,000).

System Performance Trends
Operating cost saw a net increase of 25.9 percent between FY 2012/13 and FY 2017/18. Fare revenue saw a net 9.5 percent decrease across the same period. This has led to a decrease in the unaided farebox recovery ratio. Vehicle service hours saw a net increase of 5.3 percent across the six-year period, while vehicle service miles remained relatively stable (a net increase of just 0.08 percent). Ridership has declined steadily during most of the six-year period, dropping 16.2 percent between FY 2012/13 and FY 2016/17. However, a significant increase in fixed-route ridership in FY 2017/18 resulted in a net increase of 3.3 percent across the six-year period. The fare increase in FY 2015/16 resulted in a temporary increase in fare revenue for that year. Both fare revenue and ridership declined again the following year, though ridership increased and fare revenue stabilized in FY 2017/18. Other metrics saw an improvement in FY 2015/16 as well, though costs rose and productivity decreased again in FY 2016/17.

Note: Fare revenue shown in this section does not reflect local supplementation.
### Exhibit 6.1  System Performance Indicators

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Sources:  FY 2012/13 – FY 2014/15 data from prior Triennial Performance Audit.  
FY 2015/16 – FY 2017/18 data from State Controller Reports.  
FTE data for FY 2015/16 – FY 2017/18 from District-provided calculations.
Golden Empire Transit District
Triennial Performance Audit, FY 2015/16 – FY 2017/18
Final 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
Golden Empire Transit District
Triennial Performance Audit, FY 2015/16 – FY 2017/18
Final Report

Exhibit 6.10  System Farebox Recovery

Exhibit 6.11  System Fare/Passenger


Exhibit 6.10  System Farebox Recovery

Exhibit 6.11  System Fare/Passenger

Fixed-Route Service
Because fixed-route service comprises the bulk of GET’s operations, fixed-route trends largely mirror those of the system as a whole. Operating cost saw a net increase of 24.9 percent between FY 2012/13 and FY 2017/18. Fare revenue saw a net 10.3 percent decrease across the same period. Vehicle service hours saw a net increase of 4.6 percent across the six-year period, while vehicle service miles remained relatively stable (a net decrease of just 1.1 percent). Ridership declined steadily, dropping 16.5 percent between FY 2012/13 and FY 2016/17, but increasing 23.6 percent in FY 2017/18. The fare increase in FY 2015/16 resulted in a temporary increase in fare revenue for that year, but both fare revenue and ridership declined again the following year. Other metrics saw an improvement in FY 2015/16 as well, though costs rose and productivity decreased again in FY 2016/17.

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<td>$0.76</td>
<td>$0.75</td>
<td>$0.86</td>
<td>$0.84</td>
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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
Golden Empire Transit District
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Exhibit 6.21 Fixed-Route Farebox Recovery

Exhibit 6.22 Fixed-Route Fare/Passenger
Demand-Response Service

Because GET-A-Lift service comprises the minority of GET’s operations, demand-response trends are significantly different than those of the system as a whole. Operating cost saw a net increase of 42.5 percent between FY 2012/13 and FY 2017/18. Fare revenue saw a net 23.3 percent increase across the same period, though it peaked in FY 2016/17. As a result, unaided farebox recovery increased in FY 2015/16 and FY 2016/17 before declining again in FY 2017/18. Vehicle service hours saw a net increase of 12.7 percent across the six-year period, while vehicle service miles experienced a net increase of 8.8 percent. Ridership saw its greatest increase in FY 2015/16 and declined in the following years, ultimately resulting in a net increase of 6.2 percent between FY 2012/13 and FY 2017/18. This is consistent with increases in VSH and VSM.

Exhibit 6.23  Demand-Response Performance Indicators

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<tr>
<td>Operating Cost (Actual $)</td>
<td>$1,384,296</td>
<td>$1,510,762</td>
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<td>Fare Revenue (Actual $)</td>
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<td>Vehicle Service Hours (VSH)</td>
<td>28,894</td>
<td>30,695</td>
<td>31,650</td>
<td>34,004</td>
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<td>Vehicle Service Miles (VSM)</td>
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<td>458,625</td>
<td>443,721</td>
<td>481,389</td>
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<td>Annual Change</td>
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<td>Passengers</td>
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<td>54,856</td>
<td>62,600</td>
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<tr>
<td>Employees</td>
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<td>23</td>
<td>19</td>
<td>28</td>
<td>31</td>
<td>27</td>
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<td>Annual Change</td>
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Performance Indicators

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<td>Operating Cost/VSH (Actual $)</td>
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<td>$49.22</td>
<td>$47.66</td>
<td>$48.29</td>
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<td>Operating Cost/Passenger (Actual $)</td>
<td>$25.23</td>
<td>$26.47</td>
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<td>16.7%</td>
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<td>1.73</td>
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<td>0.12</td>
<td>0.13</td>
<td>0.13</td>
<td>0.12</td>
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<td>5.2%</td>
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<tr>
<td>Farebox Recovery</td>
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<td>8.5%</td>
<td>8.1%</td>
<td>9.6%</td>
<td>9.3%</td>
<td>7.9%</td>
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<tr>
<td>Annual Change</td>
<td>-7.2%</td>
<td>-4.4%</td>
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<td>Hours/Employee</td>
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<td>1334.6</td>
<td>1665.8</td>
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<td>Annual Change</td>
<td>-16.9%</td>
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<td>-7.9%</td>
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TDA Non-Required Indicators

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<tbody>
<tr>
<td>Operating Cost/VSM</td>
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<td>$3.29</td>
<td>$3.40</td>
<td>$3.41</td>
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<td>VSM/VSH</td>
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<td>-3.6%</td>
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<tr>
<td>Fare/Passenger</td>
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<td>$2.23</td>
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<td>$2.68</td>
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<tr>
<td>Annual Change</td>
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<td>-0.7%</td>
<td>13.1%</td>
<td>6.6%</td>
<td>-0.4%</td>
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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 6.32 Demand-Response Farebox Recovery

Exhibit 6.33 Demand-Response Fare/Passenger
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Chapter 7
Functional Review

A functional review of the Golden Empire Transit District’s public transit program is intended to assess the effectiveness and efficiency of the operator. Following a general summary of the District’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 GET through its transit programs:

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

Service Overview
Bakersfield is the largest city in, and county seat of, Kern County. The Golden Empire Transit District administers and operates fixed-route and demand-response transit services within the Bakersfield Metropolitan Area. The fixed-route service is branded under the name of Golden Empire Transit (GET). Fixed-route service operates seven days a week including holidays with the exception of Thanksgiving and Christmas. Routes 47, 81, 82, 83, 84 and X92 also do not operate on New Year’s Day, Easter, Memorial Day, Independence Day, and Labor Day. Service hours extend from as early as 3:50 a.m. to as late as 11:40 p.m. (on the X92 Tejon Ranch Commerce Center Express), though most routes operate between 6:00 a.m. and 11:00 p.m.

The three main transit hubs are the Downtown Transit Center located on 22nd Street between Chester Avenue and Eye Street, Bakersfield College in northeast Bakersfield, and the Southwest Transit Center located at the Valley Plaza Shopping Center. In addition to interline connectivity, passengers can transfer to Kern Transit for travel throughout Kern County.

The demand-response paratransit service is branded under the name GET-A-Lift. GET-A-Lift operates Monday through Friday from 7:00 a.m. to 10:00 p.m. and weekends from 7:00 a.m. to 7:30 p.m. The service is year-round. GET-A-Lift passengers must undergo an eligibility process to qualify for trips on GET-A-Lift based on one of three criteria contained in the ADA. Reservations can be scheduled between the hours of 8:00 a.m. and 5:00 p.m., seven days a week for trips such as medical appointments, shopping or recreation. Trips may be scheduled between one and 14 days in advance, and a subscription service is available for passengers traveling regularly to the same destination.

A single-ride fare is good for a one-way trip without a transfer. Reduced fares are available for seniors aged 65 years and older, Medicare cardholders and persons with qualified disabilities provided the passenger can supply a GET identification card, Medicare card, or a California identity card as proof of age. Children aged 5 years or younger ride free when accompanied by a fare paying passenger, with a
maximum of three children per passenger. Passengers six years of age and older pay the regular single ride fare. The system also offers a Summer Youth Pass, GET-A-LIFT Passes, and premium fares to the Tejon Industrial Complex.

<table>
<thead>
<tr>
<th>Type</th>
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<td>Day Pass</td>
<td>$3.30</td>
</tr>
<tr>
<td>31-Day Pass</td>
<td>$42.00</td>
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<tr>
<td>X92 Single-Ride</td>
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<td>X92 Day Pass</td>
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</tr>
<tr>
<td>X92 31-Day Pass</td>
<td>$57.00</td>
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*Rows 1-4 apply to Senior and Disabled passengers only

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<tr>
<td>15-Day Pass</td>
<td>$13.00</td>
</tr>
<tr>
<td>Summer Youth Pass</td>
<td>$20.00</td>
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General Management and Organization
GET is governed by a five-member Board of Directors comprised of two representatives appointed by the Bakersfield city council, two representatives appointed by the Kern County Board of Supervisors, and one at-large representative. GET Board meetings are held the third Wednesday of each month at 5:30 p.m. Meetings are held at the GET offices at 1830 Golden State Avenue. This location is served by GET Route 42.

GET also has a Community Advisory Committee (CAC), which is comprised of twenty (20) community representatives, ten (10) selected by individual members of the Board of Directors and ten (10) from a slate of candidates who apply and are reviewed by an ad hoc Screening Committee, consisting of two or more GET staff members, and one or more Directors, based on the criteria set out in qualifications section of the bylaws. The Committee advises the Board of Directors and GET staff on transit issues, makes suggestions for improvements in transit service, and advocates for greater funding for public transportation. Members serve for a three-year term. The CAC meets quarterly. The Chief Financial Officer attends Kern COG TTAC meetings.

Management utilizes routine financial and operational reporting to make ongoing tactical and strategic business decisions to continuously improve the District’s performance. Management is currently
implementing a data warehousing program that will allow the integration of operating data from disparate systems to produce enhanced dashboard and KPI reporting to management to further GET’s ability to analyze and adapt to its operational and financial conditions.

Management, in concert with the Board of Directors, has established a set of strategic initiatives that directly reflect the major issues facing the District. Each of these initiatives has been assigned to members of the executive team that have the responsibility for reporting progress to the Board on a quarterly basis. The issues of biggest concern to the Board of Directors are declining ridership, driver recruitment and retention, succession planning, and declining farebox recovery ratio.

GET management has identified four challenges it currently faces. The first pertains to the GET facility, which is in the path of high speed rail. GET anticipates its current property will be acquired. In addition, GET’s facility needs to be updated to support fleet electrification, which must be completed by 2040. (GET expects to begin implementing an electric fleet in 2022.) Some updates, including a new maintenance bay, a new roof, and solar panels have recently been completed.

Second is the declining farebox recovery, which has eroded due to rising operating costs and declining ridership. Third is recent turnover in GET’s Board. The Board had remained fairly static, with Board members serving for 20 years. In the last four years, the foundation of the Board has been changing, and it can be a challenge to bring new Board members up to the same level of understanding as long-time members.

Finally, the fourth current challenge is succession planning, which was a recommendation from the prior audit. While GET has begun to cross-train existing staff, there is not much opportunity to promote from within. As a result, recruitment will need to take place from outside the organization. Updating GET’s succession plan is a Board priority. The current CEO has four years left on her contract, and the Transit Planner will retire in three years. Five other staff members will soon also be eligible for retirement.

GET has recently added some staff, but is currently recruiting for a Chief Operating Officer with a transit background. GET had 20 applicants for this position, and has conducted six phone interviews and four face-to-face interviews. Additional administrative requirements (such as Tier I Transit Asset Management Plan and Transit Safety Plan) have been burdensome, requiring more program management and increasing costs. GET continues to struggle to recruit and retain bus operators, as competing with Amazon’s new facility is expected to be a challenge.

Future priorities are expected to include the farebox recovery ratio, a microtransit project, a new facility, recruitment, succession planning, and an RFP for alternative fuel service. The microtransit pilot program (through TransLoc) is expected to be implemented in April 2019. The CEO sees microtransit as a supplement to GET’s existing service model.

While no new or expanded service has been initiated in the audit period there have been two fare increases and another is scheduled for October 2019.

The Transit Planner primarily handles communication with Kern COG, while the Chief Financial Officer is GET’s TTAC representative.
Service Planning

In 2011 GET completed a 25-year Long Range Transit Plan. Each year subsequent to that, GET has updated the goals and objectives of that Plan through the Short Range Transit Planning (SRTP) process. The SRTP process has four steps:

- A review of GET’s mission statement and core values;
- Board develops key initiatives for the upcoming year;
- Staff develops goals for achieving those initiatives; and
- The Plan is returned to the Board for adoption.

While GET has not made substantial progress toward achieving the goals of the Long Range Transit Plan, which were contingent on securing a new revenue source, they have been successful in achieving goals set out in the SRTPs as well as those set by the Board’s annual initiatives.

In April 2018, GET completed a study of best practices regarding alternatives to traditional fixed-route transit service. The study provided case studies of mobility alternatives from other operators as well as guidance regarding risks, legal considerations, implementation strategies and recommendations, and policy recommendations.

GET works closely with the Kern Council of Governments on the development of the RTP to ensure both its Long Range and Short Range Transit Plans conform with and are consistent with the RTP.
GET conducts bilingual Customer and Community Satisfaction Surveys every two years to obtain opinions about the value and quality of GET’s services. The last survey was completed in 2017.

**Scheduling, Dispatch, and Operations**
Paratransit dispatch is conducted through the StrataGen Adept software that provides routing, scheduling, dispatching and reporting platforms. The StrataGen software records no-shows, on-time performance, trip denials, average ride time, and passengers per hour.

Buses are equipped with secured GFI fareboxes. Once fares have been deposited, the driver no longer has access. At the end of each day the sealed fare box is removed from the bus and inserted directly into the vault. The money is sorted and counted by BARC and then verified by two Finance Department staff members. A deposit slip form is completed and Garda Armored Services picks up the deposits. Bank deposits are reconciled to the GFI reports. Passes are locked and tracked by pass numbers, cash sales are reviewed daily and reconciled monthly.

Performance data is gathered electronically through a number of separate systems (Connections for fixed-route, FleetNet for maintenance, and StrataGen for Dial-A-Ride). GET is currently installing TransTrak; training began on November 12, 2018.

Maintenance provides a list of vehicle in good repair, and available for assignment, to dispatch each morning. Ten dispatchers are responsible for assigning vehicles and drivers. All fixed routes are operated with 40-foot buses.

**Personnel Management and Training**
GET operates with approximately 250 drivers, 10 dispatchers, six supervisors, and two superintendents. Fifty-seven percent of drivers are part-time (flex). All full-time drivers receive medical, dental, and vision insurance as well as paid time off and retirement. Flex drivers receive the same benefits but are not eligible for retirement. They may elect to participate in a deferred compensation plan. Benefits are communicated in offer letters, upon hire, in the employee policy handbook, and through meetings when changes occur. Drivers and maintenance staff are unionized, though dispatchers are not.

Driver recruitment takes place on a continual basis. GET test, hires, and trains new drivers monthly. A variety of recruiting methods are used including advertisements in local papers, recruitment events and job fairs, and posting on online job sites. Occasionally recruits will already possess a Class A or B CDL, but the majority require full training and licensing. A $50 referral fee is given to all employees who refer an applicant who is subsequently hired. A $200 bonus is provided if the new employee stays for a full year. GET has an effective affirmative action program that has resulted in a good mixture of diversity throughout the District.

GET offers a variety of programs and events designed to motivate employees. These include the employee referral program, free flu shots, Annual Picnic at the Fair (for employees and families), Annual Health and Wellness Fair, employee appreciation events, EAP program, job training and mentoring, promotional opportunities, and an education reimbursement program. In 2018, GET’s turnover rate as of October was 11.01 percent, a slight improvement over 2017. This includes all categories of departures, including retirements as well as terminations and voluntary resignations. “Work-life
“balance” is the reason most frequently cited in exit interviews. Job performance evaluations are completed regularly for all operator staff, except for represented maintenance employees.

Drivers are assigned to routes based on a quarterly bid selection. Drivers bid order is based on seniority. Before drivers can be assigned to paratransit buses they are required to complete twenty paratransit training modules as well as forty hours of in-service driving with a paratransit driver. Drivers for fixed-route and GET-A-Lift tend to stay within their respective modes. GET also employs daily standby drivers who are available to cover absences.

Rules, infractions, and discipline are enforced as outlined in the employee handbook and Bargaining Union Contract. This includes clear policies regarding absences, tardiness, and drugs and alcohol. There is a defined progressive disciplinary policy that conforms with labor agreements.

Administration

Budgets are developed on an annual basis. The operating budget process seeks input from departmental managers relative to their anticipated costs for the budget year in their areas of functional responsibility. These costs are estimated based on historic operations, anticipated or scheduled changes in operation, and inflation. Revenues are budgeted based on historic operational data and trend analysis as well as anticipated service or fare changes. Non-fare revenue is estimated from GET’s estimated allocation of TDA funding and its budgeted reimbursable maintenance costs. A capital budget is also developed based on assessed needs (primarily due to end of life consideration for assets) and funding sources are identified based on available grants or District reserves. Both the capital budget and the operating budget are developed with the oversight of the Finance Department and approved by the Chief Executive Officer. The budget is presented in detail to the Finance and Administration Committee of the Board and with their endorsement is presented to the Board of Directors for approval.

Each month’s financial performance is compared to a measured against the budget. Budget versus actual is part of the financial analysis presented to the Board each month. Any significant variances are presented for Board consideration and discussion.

Risk management is effected through an integrated system of safety management and program of comprehensive and continuous maintenance and inspection of District assets. GET is committed to developing, implementing, maintaining, and constantly improving processes to ensure that all transit delivery activities take place under a balanced allocation of organizational resources, aimed at achieving the highest level of safety performance and meeting established standards. GET’s procedure for processing accident and injury claims is initiated at the point of incident through driver/dispatch reporting, track and processed by a dedicated claims administration employee, and ultimate reporting to its insurance agent/claims administrator. The District is a participant in the California Transit Indemnity Pool (CalTIP), a self-insurance pool. GET maintains an appropriate level of liability coverage. GET maintains a current disaster preparedness and response plan.

GET’s grant management process reflects established policies and regulations designed to ensure that grants serve the taxpayers through well-managed grant programs. The process ensures that grants are properly planned, proposed budgets are carefully scrutinized, grant awards are structured to protect the interest of the government, and award grants are carefully monitored. GET has not lost any grants due to failing to file the required forms or data or neglecting grant opportunities. Grant writing falls under
the Chief Financial Officer. GET is looking to purchase a grants module under FleetNet to more effectively track reporting.

Contract management is provided by the Maintenance Manager, who provides scope of work development, ensures contract adherence, and conducts prevailing wage reviews and product verification. Performance is monitored regularly (in terms of both quality and quantity). Performance is not linked to progress payments. The Board must approve any contract over $100,000. All contracts have a limited and defined term, a clearly specified scope of work, and an explicit price for goods or services. Controls over changes in scope are adequate, as there are procedures written into the contract for both parties to follow if there are any changes to the contract. GET also contracts out some janitorial and facility maintenance.

There are different purchasing authorization thresholds for supervisors and managers. In cases of large purchases, two managers’ signatures may be required. Procurement practices conform with state and federal requirements. Purchasing policies regarding competitive bids, quotes, and contracting are well-defined and appropriate. GET uses a competitive process for the purchase of fuel, vehicles, and other major expenses.

Employee timesheets are used as the basis for payroll. Any changes to payroll master records require a signed blue slip by a Department Supervisor/Manager. All Supervisors/Managers review the employees’ time and forward to payroll. Operator time is sent to payroll daily. Accounting Clerks review all time sent for accuracy. All time is then reviewed by the Accounting Supervisor. Employee payroll data is securely stored in FleetNet. Direct deposit is used by the majority of GET employees.

The accounts receivable function is separate from the purchasing authorization function and the disbursement authorization function. Invoice terms, quantities, and prices are verified against approved purchase orders. GET verifies goods and services have been received before an invoice is paid.

Marketing and Public Relations
The goal of GET’s marketing program is to create a positive message about transit. It does so by using consistent branding with cohesive color, design, and messaging; engaging the community through social media; engaging youth riders and non-riders to promote public transportation; organizing and attending promotional events; and meeting with elected officials to provide transit system updates. Bus books are distributed to customers onboard the bus, at the Downtown Transit Center, and at GET’s administrative offices. Bus books are also delivered to agencies whose clients use GET’s services. Customer service representatives (CSRs) are equipped with real-time information and Google Maps to provide effective responses to service inquiries.

GET’s marketing strategies for the past three years identify goals for improving upon GET’s already strong transit program. Running a sustainable system and creating a positive message about transit are key to maintaining GET’s role in the region. Performance and survey information is used to craft goals and identify target markets. Marketing activities conducted during the audit period include the following:

- Customer survey,
- Targeted direct mail,
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- Targeted eblasts,
- Employee survey (of those employed within the Bakersfield community),
- Participation in local events,
- Kiosk posters,
- Promotional items,
- Rider appreciation events,
- Social media, and
- Sponsorship of local events or groups.

In recent years, GET launched a successful testimonial campaign focusing on customers who use GET to better their lives through employment, education, and independence. The GETWorks campaign is currently in its second year. GET also has a successful Summer Youth Pass program that helps maintain ridership during the summer months.

GET has a customer comment policy in place. CSRs receive complaints from the public in person, on the phone, via email, and through the mail. Each CSR has access to software where comments are entered and then forwarded to the appropriate department based on the nature of the comment. The responding department is responsible for investigation of the comment. GET response to customers as soon as possible and uses feedback and complaints to discipline drivers, consider new routes or stops, etc.

Overall, the public’s perception of GET is generally positive. GET receives approximately five complaints per year against customer service, and survey data from 2017 indicated 95.6 percent of respondents believed public transit was important to the community’s quality of life.

Maintenance

GET has a program in place for preventive maintenance with established mileage interval. This maintenance schedule conforms with the manufacturers’ recommended schedules. Compliance with the schedule can easily be judged and does not conflict with regular vehicle use. GET identified repairs that are covered by a manufacturer’s warranty.

GET’s maintenance facility is capable of accommodating repairs that are not sent out, but the number of bays and lifts is not sufficient for the number of vehicles. The current Maintenance Facility is too small and there are plans to expand. There is also an office area for administration staff and records.

The average age of the bus fleet is 8.7 years, with an average mileage of approximately 360,000 miles. The average age of the paratransit fleet is 4.8 years with an average mileage of approximately 79,000 miles. GET has a vehicle replacement program in place.

Out-of-service buses are parked in a specific area of the yard and are turned in the opposite way so that they are not used for pullout. There is a small backlog of repairs. Ninety percent of preventive maintenance inspections are conducted on time.

Parts inventories are sufficient to minimize vehicle downtime. GET has a secure parts room.
Maintenance is notified promptly of vehicle breakdowns. Maintenance schedules vehicles for preventive maintenance or repairs and communicates this schedule to the dispatcher. The dispatcher is also notified when repair of a vehicle is complete.

Exhibit 7.5  Fleet Inventory

<table>
<thead>
<tr>
<th>Quantity</th>
<th>Year</th>
<th>Make</th>
<th>Model</th>
<th>Fuel</th>
<th>Mode</th>
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<tbody>
<tr>
<td>24</td>
<td>2005</td>
<td>New Flyer</td>
<td>C40LF</td>
<td>CNG</td>
<td>Fixed-route</td>
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<tr>
<td>1</td>
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<td>CNG</td>
<td>Fixed-route</td>
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<tr>
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<td>CNG</td>
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</tr>
<tr>
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<td>New Flyer</td>
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<td>CNG</td>
<td>Fixed-route</td>
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<tr>
<td>2</td>
<td>2017</td>
<td>MCI</td>
<td>D4500</td>
<td>CNG</td>
<td>Fixed-route</td>
</tr>
<tr>
<td>9</td>
<td>2013</td>
<td>ELK</td>
<td>ECII</td>
<td>CNG</td>
<td>DAR</td>
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<tr>
<td>5</td>
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<td>CNG</td>
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<tr>
<td>2</td>
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<tr>
<td>5</td>
<td>2016</td>
<td>Startrans</td>
<td>Senator</td>
<td>CNG</td>
<td>DAR</td>
</tr>
</tbody>
</table>
Golden Empire Transit District
Triennial Performance Audit, FY 2015/16 – FY 2017/18
Final Report

GET fixed-route bus.

GET-A-Lift paratransit bus.

GET bus in maintenance bay.

GET Maintenance Facility.
Conclusions
Moore & Associates finds the Golden Empire Transit District 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 GET 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:

1. GET continues to report its Full-Time Equivalent Employee data incorrectly on its State Controller Report.

Program Recommendations
In completing this Triennial Performance Audit, Moore & Associates submits the following recommendations for the Golden Empire Transit District. 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.

Since there are no compliance findings, only functional findings and recommendations are provided below.

Functional Finding 1: GET continues to report its Full-Time Equivalent Employee data incorrectly on its State Controller Report.

Criteria: The Transit Operators Financial Transaction Report Instructions published by the State Controller state the following with respect to the reporting of Total Employees – Public and Contract:

Report the number of employee equivalents. Public Utilities Code section 99247(j) defines "Vehicle service hours per employee" as the vehicle service hours divided by the number of employees employed in connection with the public transportation system. Use the assumption that 2,000 person-hours of work in one year constitutes one employee. The number of employees shall also include those individuals employed by the operator which provide services to the agency of the operator responsible for the operation of the public transportation system even though not employed in that agency.⁴

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Condition: GET has demonstrated use of the proper calculation methodology (using the TDA definition) in documents submitted as part of this audit. However, this data does not match what is reported to the State Controller.

Cause: The cause of this discrepancy is unclear.

Effect: Data reported on the State Controller Report does not accurately reflect GET’s FTE requirement.


Recommended Action(s): Use the data developed through use of the TDA methodology to calculate FTE for reporting on the State Controller Report.

Timeline: FY 2018/19.

Anticipated Cost: Negligible.

<table>
<thead>
<tr>
<th>Functional Recommendations</th>
<th>Importance</th>
<th>Timeline</th>
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<td>1 Report FTE properly on the State Controller Report.</td>
<td>High</td>
<td>FY 2018/19</td>
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