



# TDA Triennial Performance Audit FY 2018/19 - FY 2020/21

## City of Delano

Kern Council of Governments  
Final Report  
September 2023





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## Chapter 1 | Executive Summary

In Spring 2023, 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.

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 Delano 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 Delano's public transit program for the period:

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

The City of Delano's transit program is marketed as Delano Area Rapid Transit (DART), which provides public transit service on four fixed routes within Delano. The service operates Monday through Friday from 7:00 a.m. to 5:00 p.m., and Saturday from 8:30 a.m. to 4:30 p.m. Until April 2019, DART also operated a Bakersfield Express route serving Bakersfield College and Bakersfield's downtown transit center. This Express route operated three round trips Monday through Friday, from 6:45 a.m. to 3:00 p.m.

The City's Delano Area Dial-A-Ride (DADAR) service is available to seniors and persons with disabilities within the city limits of Delano and surrounding unincorporated areas of Kern County. DADAR is also available to general public residents who live more than three-quarters of a mile from a DART fixed-route alignment.

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 audit team concludes 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 staff, analysis of program performance, and an audit of program compliance and function, the audit team presents no compliance findings.

#### Status of Prior Recommendations

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

1. [Submit all future State Controller Reports on time.](#)  
**Status:** Implemented.
2. [Implement strategies to improve the farebox recovery ratio so that it meets or exceeds the 20 percent threshold for urbanized areas.](#)  
**Status:** Implemented.
3. [Ensure data reported to the State Controller is reported accurately and in the proper location on the form.](#)  
**Status:** Implemented.
4. [Use a single database for documenting performance data.](#)  
**Status:** Implemented.

#### Findings and Recommendations

Based on discussions with City staff, analysis of program performance, and a review of program compliance and function, the audit team submits no compliance findings for the City of Delano.

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

1. The TDA fiscal auditors do not calculate farebox recovery ratio by mode within the TDA fiscal audit.



2. There are some significant variances in the financial data reported internally and to various external entities.

In completing this Triennial Performance Audit, the audit team submits the following recommendations for the City of Delano’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*

Functional Recommendations		Importance	Timeline
1	Reflect any significant OPEB or pension plan adjustments as a separate line item in the TDA fiscal audit.	Medium	FY 2023/24
2	Ensure that any eligible contributions under GASB Statements No. 68 and 75 are excluded from both the farebox recovery ratio calculation and the STA efficiency tests.	High	FY 2023/24

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## Chapter 2 | Audit Scope and Methodology

The Triennial Performance Audit (TPA) of the City of Delano’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 Spring 2023, 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, 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 Delano 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 Delano 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 Delano included thorough review of documents relevant to the scope of the audit, as well as information contained on City's website. The documents reviewed included the following (spanning the full three-year period):

- Triennial Performance Audit report for the prior audit period;
- Most recent Short Range Transit Plan/Transit Development Plan;
- Monthly performance reports;
- State Controller Reports;
- NTD reports;
- Annual budgets;
- TDA fiscal audits;
- TDA claims;
- Transit marketing collateral;

- Fleet inventory;
- Preventive maintenance schedules and forms;
- California Highway Patrol Terminal Inspection Reports;
- Accident/road call logs;
- Customer complaint logs; and
- Organizational chart.

Given impacts of the ongoing COVID-19 pandemic, the methodology for this audit included a virtual site visit with City representatives on June 26, 2023. The audit team met with Viviana Zamora Alapisco (Transportation Manager) and Rosa Lara Rios (Finance Director), and reviewed materials germane to the triennial audit.

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

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

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## Chapter 3 | Program Compliance

This section examines the City of Delano’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 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.

No compliance issues were identified for the City of Delano.

### Developments Occurring During the Audit Period

The FY 2018/19 – FY 2020/21 audit period was significantly different than prior audit periods. The impacts of the COVID-19 pandemic resulted in significant declines in ridership and revenue, while changes to the TDA provided compliance waivers and amended existing legislation. 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, many transit operators have yet to return to pre-pandemic ridership and fare levels. As a result, this Triennial Performance Audit will provide an assessment not only of how COVID-19 impacted the organization, but how it responded to the crisis.

In the 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 due to the COVID-19 pandemic.

Assembly Bill 90, signed into law on June 29, 2020, provided temporary regulatory relief for transit operators required to conform with Transportation Development Act (TDA) farebox recovery ratio thresholds in FY 2019/20 and FY 2020/21. Assembly Bill 149, signed into law on July 16, 2021, provided additional regulatory relief by extending the provisions of AB 90 through FY 2022/23 and adjusting definitions of eligible revenues and operating costs. While the ability to maintain state mandates and performance measures is important, these measures enable transit operators to adjust to the impacts of COVID while continuing to receive their full allocations of funding under the TDA.

Together, these two pieces of legislation include the following provisions specific to transit operator TDA funding under Article 4 and Article 8. Only AB 90 was in effect during this audit period, though both assembly bills are detailed below.

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

1. It prohibits the imposition of the TDA revenue penalty on an operator that does not maintain the required ratio of fare revenues to operating cost during FY 2019/20 or FY 2020/21.
2. It requires 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 would authorize the Controller to revise that transmittal memo, as specified. It requires 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 will publish the amount of funding allocated to each operator.
3. It exempts an operator from having to meet either of the STA efficiency standards for FY 2020/21 and FY 2021/22 and authorizes the operator to use those funds for operating or capital purposes during that period.
4. It requires 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 requires 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 (and therefore not in effect during the audit period), provides additional regulatory relief with respect to Transportation Development Act (TDA) compliance. It extends the provisions of AB 90 through FY 2022/23 as well as provides 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 calls 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: January 28, 2020 FY 2019/20: February 1, 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	In compliance	FY 2018/19: February 19, 2020 FY 2019/20: March 29, 2021 FY 2020/21: March 24, 2022
Operator's terminal rated as satisfactory by CHP within the 13 months prior to each TDA claim.	PUC 99251 B	In compliance	December 4, 2018 December 4, 2019 December 16, 2020 December 8, 2021
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: +11.04% FY 2019/20: +7.11% FY 2020/21: +8.88%  <i>Source: State Controller Reports, FY 2018 – FY 2020</i>
The operator's definitions of performance measures are consistent with the Public Utilities Code Section 99247.	PUC 99247	In compliance	
The operator does not routinely staff with two or more persons a vehicle for public transportation purposes designed to be operated by one person.	PUC 99264	In compliance	Confirmed in TDA claim certifications.

Compliance Element	Reference	Compliance	Comments
If the operator serves an urbanized area, it has maintained a ratio of fare revenues to operating cost at least equal to one-fifth (20 percent).	PUC 99268.2, 99268.4, 99268.1	In compliance	FY 2018/19: 21.74% FY 2019/20: 11.33% (waived) FY 2020/21: 15.94% (waived)  Based on budget actuals provided by the City. FY 2018/19 farebox ratio does not include the Bakersfield route.
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 2018/19: 10.67% FY 2019/20: 8.08% (waived) FY 2020/21: 5.98% (waived)  Based on budget actuals provided by the City.
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 receive pension benefits through the City of Delano Employees Pension Plan.
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	

Compliance Element	Reference	Compliance	Comments
<p>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.</p>	<p>CCR 6634</p>	<p>In compliance</p>	

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## Chapter 4 | Prior Recommendations

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

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

1. [Submit all future State Controller Reports on time.](#)

**Discussion:** In FY 2016/17, the deadline for submittal was January 31, 2018. The City’s report was submitted on February 5, 2018. The prior auditor noted 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:** All State Controller Reports submitted during the audit period were submitted on time.

**Status:** Implemented.

2. [Implement strategies to improve the farebox recovery ratio so that it meets or exceeds the 20 percent threshold for urbanized areas.](#)

**Discussion:** In FY 2015/16, the City of Delano achieved a farebox recovery ratio of 6.68 percent. In FY 2016/17, that farebox recovery ratio rose slightly to 7.42 percent. In neither of those years was any local supplementation identified, and the TDA fiscal audits found the City to be out of compliance with the TDA. However, the long delays in the completion of these audits resulted in full TDA funding being allocated even if a penalty may have been warranted. In FY 2017/18, the State Controller Report showed a farebox recovery ratio of 7.52 percent. As such, the City has not made sufficient progress toward reaching the 20-percent threshold.

The City has a number of strategies that can be implemented in order to increase the farebox recovery ratio, should it be at risk at falling below 20 percent for any given year:

- Utilize locally generated funds to supplement farebox revenue so that it achieves the 20 percent threshold. The City may already be receiving supplemental revenues that can be applied to the farebox recovery ratio (such as advertising revenue, interest income, revenues from the sale of surplus vehicles, etc.). All local supplementation should be identified to TDA fiscal auditors so they can apply it to their compliance determination.
- Develop and implement a marketing plan, as recommended in the 2012 TDP.
- Identify further operational efficiencies to reduce operating costs.

**Progress:** Beginning in FY 2018/19, the City was responsible for meeting the 20 percent farebox recovery ratio requirement for urbanized areas. During the audit period, the City applied advertising revenues, investment income, revenues from CNG sales, and other eligible revenues to its farebox recovery ratio. In FY 2018/19, calculating fixed-route and Dial-A-Ride ratios separately resulted in a farebox recovery ratio greater than 20 percent for fixed-route service<sup>1</sup> and greater than 10 percent for Dial-A-Ride service. Penalties for FY 2019/20 and FY 2020/21 were waived under AB 90.

AB 149 extended the penalty waivers through FY 2022/23. Normally this would mean the City would need to meet the 20 percent threshold again beginning in FY 2023/24. However, effective October 2023 the City will be reclassified as a non-urbanized area given some changes in how population is calculated resulting from the 2020 census. As a result, beginning in FY 2023/24, the City will only need to meet a 10 percent farebox recovery ratio in future years.

**Status:** Implemented.

3. [Ensure data reported to the State Controller is reported accurately and in the proper location on the form.](#)

**Discussion:** In the prior audit, the City incorrectly reported vehicle service hours (VSH), instead reporting passenger data as vehicle service hours. This resulted in VSH being dramatically over-reported. For example, in FY 2015/16, VSH was reported to the State Controller as 155,161 rather than 19,268, as was reported on internal monthly reports and to the NTD. The prior auditor advised the City should carefully review the State Controller Report to ensure transit data was reported correctly. The recommendation noted all who are responsible for completing the form should also review the Transit Operators Financial Transactions Report Instructions, published by the State Controller's Office and updated in October 2018.

**Progress:** In all State Controller Reports completed during the audit period, all data was reported in the correct fields.

**Status:** Implemented.

4. [Use a single database for documenting performance data.](#)

**Discussion:** While the prior auditor did not determine the City to be using an improper definition for any performance measure except full-time equivalent, the data reported internally, to the State Controller, and to the NTD tended to vary. In some cases, the discrepancy was due to data being reported in error (such as passenger data being reported on the line for Total Vehicle Service Hours in the State Controller Report). In other cases, the reason for the discrepancy was unclear. Vehicle service miles and passenger data were largely consistent by FY 2016/17, but financial data varied greatly.

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<sup>1</sup> This was achieved by eliminating the Bakersfield route from the fixed-route calculation, which is discussed further in Chapter 8.

The prior auditor recommended the City use a single database for documenting performance data, and then use that data for completing required reports. A simple Excel database would be sufficient for this purpose. Any time data is changed, it should be marked with a note in the cell or a new tab should be created (labeled “revised” with the date). Any variances between the data as recorded in monthly performance reports and end-of-year summaries should be addressed and the cause identified. This documentation should be provided to the triennial performance auditors in 2021.

**Progress:** The City is using RouteMatch to document its data, and is looking at incorporating micro-transit information from Spare as well. RouteMatch has been sold a couple of times but the current version is much improved over prior versions.

**Status:** Implemented.

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## Chapter 5 | Data Reporting Analysis

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

- **Operating cost:** In FY 2018/19 and FY 2019/20, there were small to moderate variances between the data sources (less than 10 percent). In FY 2020/21, this difference was significantly greater; the data reported in the TDA audit and to the State Controller was more than 37 percent higher than that reported to the NTD. (This was due to a large OPEB expenditure.) In FY 2019/20 and FY 2020/21, the data reported in the monthly performance report and to the NTD was in agreement, as was the data reported in the TDA fiscal audit and to the State Controller. This is due to data deadlines, as NTD data is submitted before the City's financial data for the year is finalized, and the State Controller Report is submitted after the City's Annual Comprehensive Financial Report (ACFR) is completed. This issue is discussed in greater detail in Chapter 8.
- **Fare Revenue:** Fare revenue was inconsistently reported to the various entities. NTD was typically the highest figure, which may indicate that revenues other than fare revenues were being reported in this category. In FY 2019/20 and FY 2020/21, the amounts reported to the State Controller Report were lower than the TDA fiscal audits, which is unusual given the consistency between those two reports with respect to operating cost. Based on an analysis of the general ledger actual revenues, the fare revenue reported to the State Controller included fares as well as revenue from the County in FY 2018/19, but only fare revenues in the other years. In addition, it appears that advertising revenues were reported as fare revenues in the TDA fiscal audit (rather than as a separate line item).
- **Vehicle Service Hours (VSH):** In FY 2018/19 and FY 2019/20, there were discrepancies between what was reported to the NTD and what was reported to the SCO and monthly performance reports. Fixed-route vehicle service hours reported to the NTD in FY 2018/19 was slightly lower, while that reported to the State Controller in FY 2019/20 was slightly higher.
- **Vehicle Service Miles (VSM):** In FY 2018/19 and FY 2019/20, there were discrepancies between what was reported to the NTD and what was reported to the SCO and monthly performance reports. Vehicle service miles reported to the NTD in FY 2018/19 and FY 2019/20 were considerably lower than that reported elsewhere (by 15,000 miles or 9.3 percent in FY 2018/19, and by 14,631 miles or 13 percent in FY 2019/20).
- **Passengers:** This metric was reported consistently on all reports.

- **Full-Time Equivalent (FTE) Employees:** This metric was reported consistently on all reports.

Exhibit 5.1 Data Reporting Comparison

Performance Measure	System-Wide		
	FY 2018/19	FY 2019/20	FY 2020/21
<b>Operating Cost (Actual \$)</b>			
<i>TDA fiscal audit</i>	\$1,928,804	\$1,961,948	\$2,571,508
<i>Monthly Performance Reports</i>	\$1,893,981	\$1,811,340	\$1,870,288
<i>National Transit Database</i>	\$1,943,522	\$1,811,339	\$1,870,288
<i>State Controller Report</i>	\$1,928,804	\$1,961,948	\$2,571,508
<b>Fare Revenue (Actual \$)</b>			
<i>TDA fiscal audit</i>	\$103,331	\$79,417	\$18,279
<i>Monthly Performance Reports</i>	\$101,926	\$74,836	\$53,582
<i>National Transit Database</i>	\$132,217	\$118,811	\$101,938
<i>State Controller Report</i>	\$132,666	\$74,836	\$11,359
<b>Vehicle Service Hours (VSH)</b>			
<i>Monthly Performance Reports</i>	18,180	15,031	12,606
<i>National Transit Database</i>	17,428	15,031	12,606
<i>State Controller Report</i>	18,181	15,322	12,607
<b>Vehicle Service Miles (VSM)</b>			
<i>Monthly Performance Reports</i>	206,177	145,894	116,450
<i>National Transit Database</i>	191,177	131,263	116,450
<i>State Controller Report</i>	206,177	145,924	116,450
<b>Passengers</b>			
<i>Monthly Performance Reports</i>	84,817	58,722	37,026
<i>National Transit Database</i>	84,817	58,722	37,026
<i>State Controller Report</i>	84,817	58,722	37,026
<b>Full-Time Equivalent Employees</b>			
<i>State Controller Report</i>	21	21	22
<i>Per City methodology</i>	21	21	22

## 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<sup>2</sup>. 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 period<sup>3</sup>:

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<sup>2</sup> 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.

<sup>3</sup> 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.<sup>4</sup> 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.

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<sup>4</sup> 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 Delano, the following sources were employed:

- Operating Cost was not independently calculated as part of this audit. Operating Cost data were obtained via State Controller Reports for each fiscal year covered by this audit. Operating Cost from the reports was compared against that reported in the City's audited financial reports and appeared to be consistent with TDA guidelines. In accordance with PUC Section 99247(a), the reported costs excluded depreciation and other allowable expenses.
- Fare Revenue was not independently calculated as part of this audit. Fare revenue data were obtained via State Controller Reports for each fiscal year covered by this audit. This appears to be consistent with TDA guidelines as well as the uniform system of accounts. Fare revenue data reported to the State Controller may not reflect other revenues reported as fare revenue to the NTD.
- Vehicle Service Hours (VSH) data were obtained via State Controller Reports for each fiscal year covered by this audit. The City calculates VSH using passenger data captured via onboard tablets. The City'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. The City calculates VSM by subtracting deadhead and out-of-service miles from total vehicle mileage (as noted on each vehicle's odometer). This methodology is consistent with PUC guidelines.
- Unlinked trip data were obtained via State Controller Reports for each fiscal year covered by this audit. 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 33.3 percent increase during the audit period and a 46.6 percent net increase across the six-year period. The overall increase was due primarily to a significant increase in operating cost in FY 2020/21. Fare revenue experienced a small increase in FY 2017/18 (2.7 percent) before decreasing significantly in FY 2019/20 and FY 2020/21. The decrease in FY 2019/20 is due in part to decreased ridership resulting from the COVID-19 pandemic and in part to the City including County revenues as fare revenue in FY 2018/19, which resulted in a significant decrease when it was not included as fare revenue in FY 2019/20. Overall, reported fare revenue decreased 91.4 percent during the audit period. This is due to the aforementioned reasons as well as the discontinuation of the Bakersfield Express in April 2019.

Vehicle Service Hours (VSH) experienced a pattern similar to fare revenue. VSH saw a net 34.6 percent decrease over the six-year period, though on a more modest scale, with most of that occurring in FY 2019/20 and FY 2020/21. A similar pattern was also observed with respect to Vehicle Service Miles (VSM), which had a net 55.8 percent decrease over the six-year period. Ridership decreased every year, though these declines were greatest during the audit period. Overall, ridership experienced a net decrease of 56.3 percent during the audit period, and 71.6 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. Operating cost per vehicle service hour, vehicle service mile, and passenger all increased significantly during the audit period, reflective of a decline in efficiency. Productivity also declined significantly, as passengers per VSH and VSM both decreased during the audit period. Neither change is surprising, given the impact of the 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
<b>Operating Cost (Actual \$)</b>	\$1,753,881	\$1,773,053	\$1,789,894	\$1,928,804	\$1,961,948	\$2,571,508
<i>Annual Change</i>		1.1%	0.9%	7.8%	1.7%	31.1%
<b>Fare Revenue (Actual \$)</b>	\$148,039	\$132,182	\$135,816	\$132,666	\$74,836	\$11,359
<i>Annual Change</i>		-10.7%	2.7%	-2.3%	-43.6%	-84.8%
<b>Vehicle Service Hours (VSH)</b>	19,266	18,879	17,876	18,181	15,322	12,607
<i>Annual Change</i>		-2.0%	-5.3%	1.7%	-15.7%	-17.7%
<b>Vehicle Service Miles (VSM)</b>	263,425	234,902	204,960	206,177	145,924	116,450
<i>Annual Change</i>		-10.8%	-12.7%	0.6%	-29.2%	-20.2%
<b>Passengers</b>	130,448	118,387	101,679	84,817	58,722	37,026
<i>Annual Change</i>		-9.2%	-14.1%	-16.6%	-30.8%	-36.9%
<b>Employees</b>	16	17	18	21	21	22
<i>Annual Change</i>		6.3%	5.9%	16.7%	0.0%	4.8%
<b>Performance Indicators</b>						
<b>Operating Cost/VSH (Actual \$)</b>	\$91.04	\$93.92	\$100.13	\$106.09	\$128.05	\$203.97
<i>Annual Change</i>		3.2%	6.6%	6.0%	20.7%	59.3%
<b>Operating Cost/Passenger (Actual \$)</b>	\$13.45	\$14.98	\$17.60	\$22.74	\$33.41	\$69.45
<i>Annual Change</i>		11.4%	17.5%	29.2%	46.9%	107.9%
<b>Passengers/VSH</b>	6.77	6.27	5.69	4.67	3.83	2.94
<i>Annual Change</i>		-7.4%	-9.3%	-18.0%	-17.8%	-23.4%
<b>Passengers/VSM</b>	0.50	0.50	0.50	0.41	0.40	0.32
<i>Annual Change</i>		1.8%	-1.6%	-17.1%	-2.2%	-21.0%
<b>Farebox Recovery</b>	8.4%	7.5%	7.6%	6.9%	3.8%	0.4%
<i>Annual Change</i>		-11.7%	1.8%	-9.4%	-44.5%	-88.4%
<b>Hours/Employee</b>	1,204.1	1,110.5	993.1	865.8	729.6	573.0
<i>Annual Change</i>		-7.8%	-10.6%	-12.8%	-15.7%	-21.5%
<b>TDA Non-Required Indicators</b>						
<b>Operating Cost/VSM</b>	\$6.66	\$7.55	\$8.73	\$9.36	\$13.44	\$22.08
<i>Annual Change</i>		13.4%	15.7%	7.1%	43.7%	64.2%
<b>VSM/VSH</b>	13.67	12.44	11.47	11.34	9.52	9.24
<i>Annual Change</i>		-9.0%	-7.9%	-1.1%	-16.0%	-3.0%
<b>Fare/Passenger</b>	\$1.13	\$1.12	\$1.34	\$1.56	\$1.27	\$0.31
<i>Annual Change</i>		-1.6%	19.6%	17.1%	-18.5%	-75.9%

*Sources: FY 2015/16 – FY 2017/18 data from prior Triennial Performance Audit.  
 FY 2018/19 – FY 2020/21 data from State Controller Reports.*

Exhibit 6.2 System Ridership

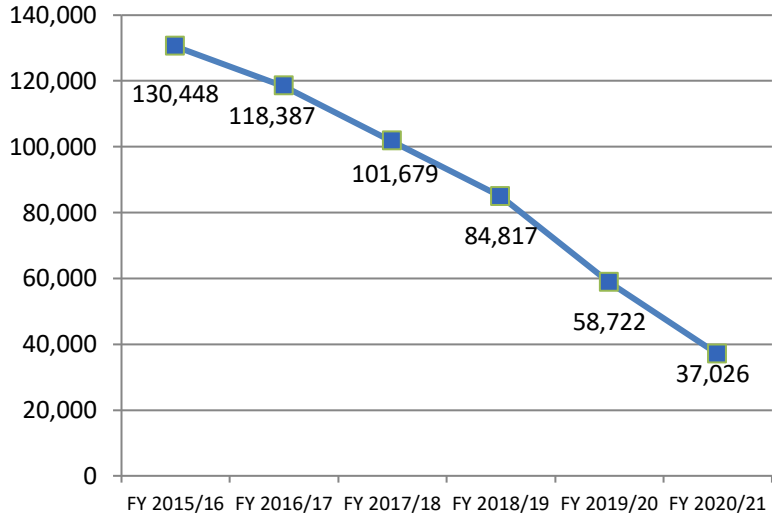


Exhibit 6.3 System Operating Cost/VSH

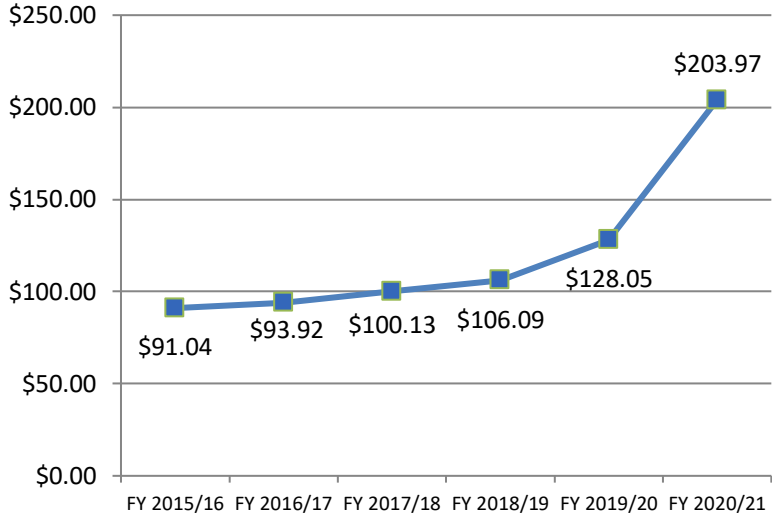


Exhibit 6.4 System Operating Cost/VSM

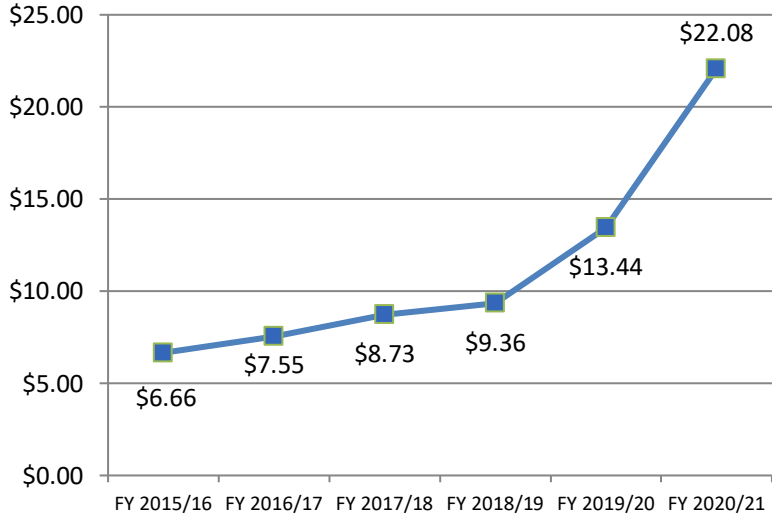


Exhibit 6.5 System VSM/VSH

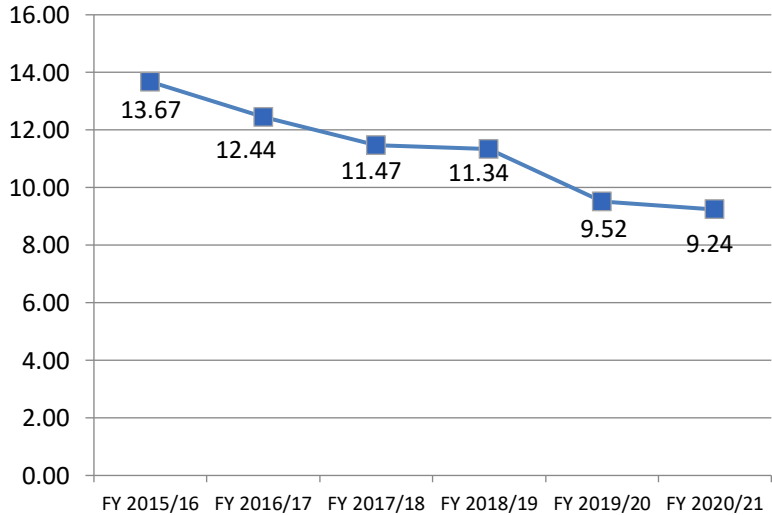


Exhibit 6.6 System Operating Cost/Passenger

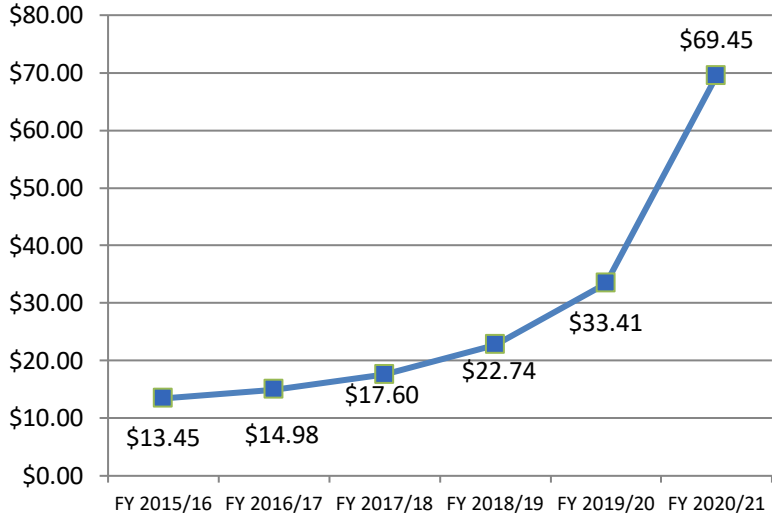


Exhibit 6.7 System Passengers/VSH

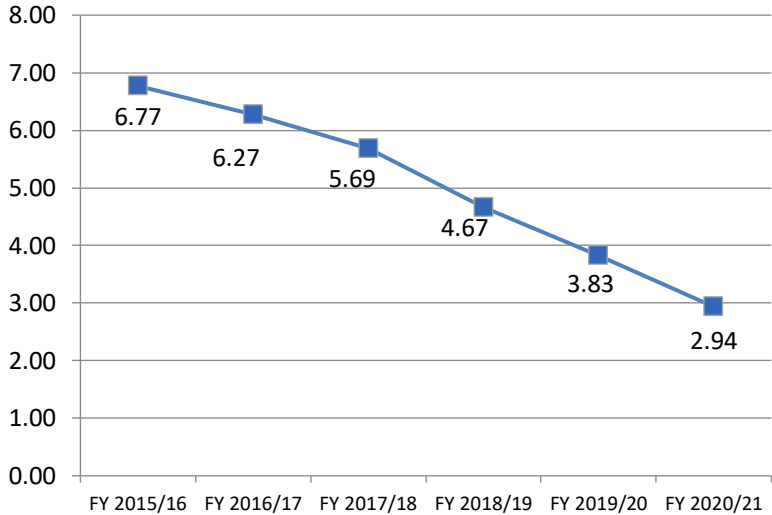


Exhibit 6.8 System Passengers/VSM

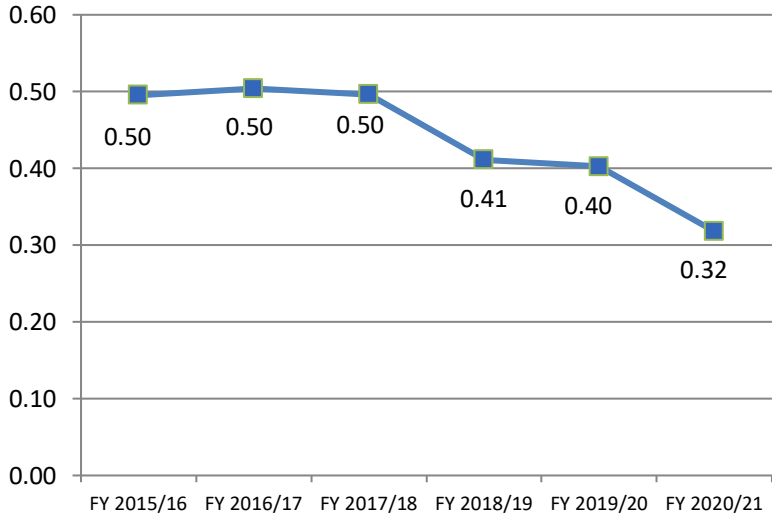


Exhibit 6.9 System VSH/FTE

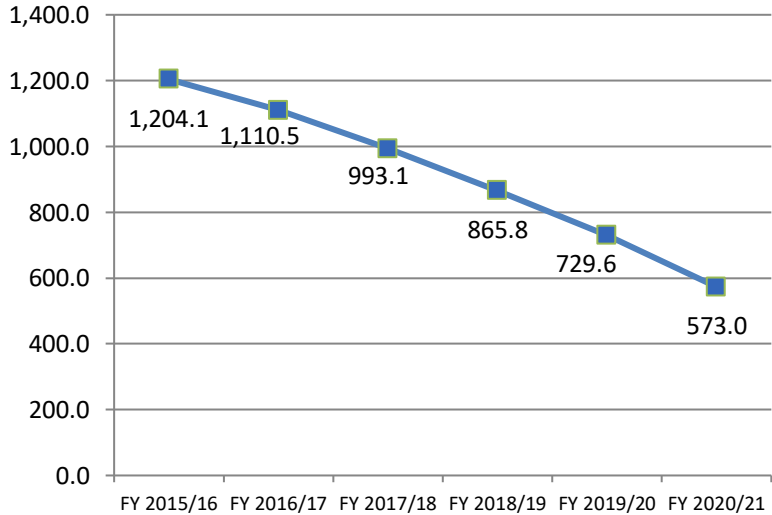




Exhibit 6.10 System Farebox Recovery

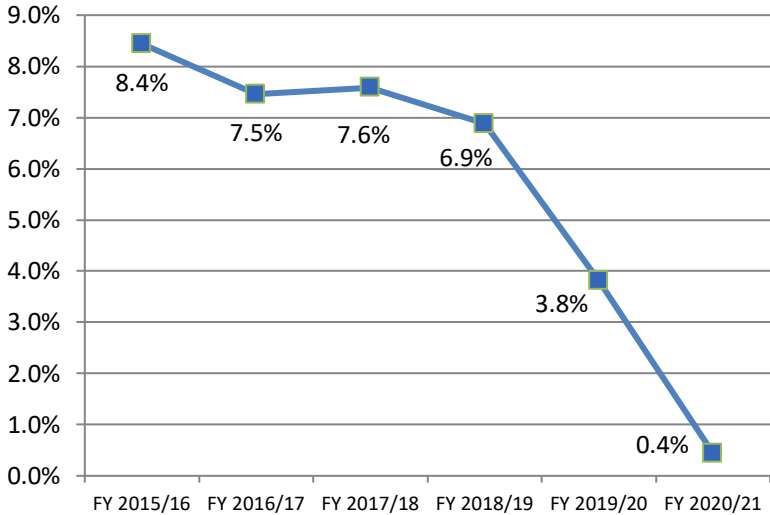
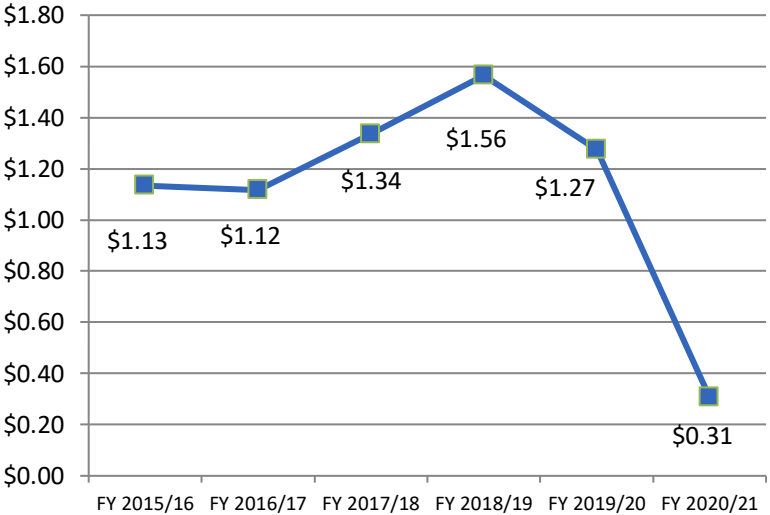


Exhibit 6.11 System Fare/Passenger



#### Fixed-Route Performance Trends

Fixed-route operating cost experienced a net 20.6 percent decrease during the audit period, and an 18 percent net increase across the last six years. Fare revenue, however, steadily decreased during the six-year period, with the greatest decline occurring in FY 2019/20. This resulted in a net 38.9 percent decrease during the audit period and a net 53 percent decrease over six years.

*(Note: Financial data for the modal analysis was taken from the NTD reports and may not include all of the operating costs shown in the SCO reports, which were used for the financial data in the System analysis. As such, the sum of the modal costs will not equal the operating cost shown in the System analysis.)*

Vehicle service hours (VSH) decreased every year with the exception of FY 2018/19. This resulted in a net 23.3 percent decrease during the audit period and a net 26.9 percent decrease during the six-year period. Vehicle service miles (VSM) declined every year of the six-year period. This resulted in a net 39.8 percent decrease during the audit period and a net 53 percent decrease during the six-year period. Ridership followed a similar pattern to VSM, though the significant declines did not occur until the audit period. This led to a 53.6 percent net decrease during the audit period and a 69.8 percent net decrease across the six-year period.

Despite the decreased operating cost in FY 2019/20, fixed-route cost-related metrics increased during the audit period. Operating cost per passenger was impacted the most, given the 53.6 percent decrease in ridership during the audit period. Passenger-related metrics fell during the audit period, with passengers per VSH decreasing by 39.5 percent and passengers per VSM decreasing by 23 percent.

Exhibit 6.12 Fixed-Route Performance Indicators

Performance Measure	Fixed-Route					
	FY 2015/16	FY 2016/17	FY 2017/18	FY 2018/19	FY 2019/20	FY 2020/21
<b>Operating Cost (Actual \$)</b>	\$1,139,973	\$1,084,650	\$1,100,785	\$1,178,012	\$905,669	\$935,144
<i>Annual Change</i>		-4.9%	1.5%	7.0%	-23.1%	3.3%
<b>Fare Revenue (Actual \$)</b>	\$92,498	\$84,979	\$72,411	\$62,015	\$45,640	\$37,905
<i>Annual Change</i>		-8.1%	-14.8%	-14.4%	-26.4%	-16.9%
<b>Vehicle Service Hours (VSH)</b>	12,525	12,271	11,736	11,945	10,200	9,156
<i>Annual Change</i>		-2.0%	-4.4%	1.8%	-14.6%	-10.2%
<b>Vehicle Service Miles (VSM)</b>	207,311	185,209	162,708	161,712	112,447	97,348
<i>Annual Change</i>		-10.7%	-12.1%	-0.6%	-30.5%	-13.4%
<b>Passengers</b>	111,001	103,885	90,308	72,289	48,818	33,524
<i>Annual Change</i>		-6.4%	-13.1%	-20.0%	-32.5%	-31.3%
<b>Employees</b>	12	13	11	13	11	11
<i>Annual Change</i>		8.3%	-15.4%	18.2%	-15.4%	0.0%
<b>Performance Indicators</b>						
<b>Operating Cost/VSH (Actual \$)</b>	\$91.02	\$88.39	\$93.80	\$98.62	\$88.79	\$102.13
<i>Annual Change</i>		-2.9%	6.1%	5.1%	-10.0%	15.0%
<b>Operating Cost/Passenger (Actual \$)</b>	\$10.27	\$10.44	\$12.19	\$16.30	\$18.55	\$27.89
<i>Annual Change</i>		1.7%	16.7%	33.7%	13.8%	50.4%
<b>Passengers/VSH</b>	8.86	8.47	7.69	6.05	4.79	3.66
<i>Annual Change</i>		-4.5%	-9.1%	-21.4%	-20.9%	-23.5%
<b>Passengers/VSM</b>	0.54	0.56	0.56	0.45	0.43	0.34
<i>Annual Change</i>		4.8%	-1.0%	-19.5%	-2.9%	-20.7%
<b>Farebox Recovery</b>	8.11%	7.83%	6.58%	5.26%	5.04%	4.05%
<i>Annual Change</i>		-3.4%	-16.0%	-20.0%	-4.3%	-19.6%
<b>Hours/Employee</b>	1,043.8	943.9	1,066.9	918.8	927.3	832.4
<i>Annual Change</i>		-9.6%	13.0%	-13.9%	0.9%	-10.2%
<b>TDA Non-Required Indicators</b>						
<b>Operating Cost/VSM</b>	\$5.50	\$5.86	\$6.77	\$7.28	\$8.05	\$9.61
<i>Annual Change</i>		6.5%	15.5%	7.7%	10.6%	19.3%
<b>VSM/VSH</b>	16.55	15.09	13.86	13.54	11.02	10.63
<i>Annual Change</i>		-8.8%	-8.1%	-2.4%	-18.6%	-3.6%
<b>Fare/Passenger</b>	\$0.83	\$0.82	\$0.80	\$0.86	\$0.93	\$1.13
<i>Annual Change</i>		-1.8%	-2.0%	7.0%	9.0%	20.9%

*Sources: FY 2015/16 – FY 2017/18 data from prior Triennial Performance Audit.  
 FY 2018/19 – FY 2020/21 financial data from NTD Reports.  
 FY 2018/19 – FY 2020/21 operational data from State Controller Reports.*

Exhibit 6.13 Fixed-Route Ridership

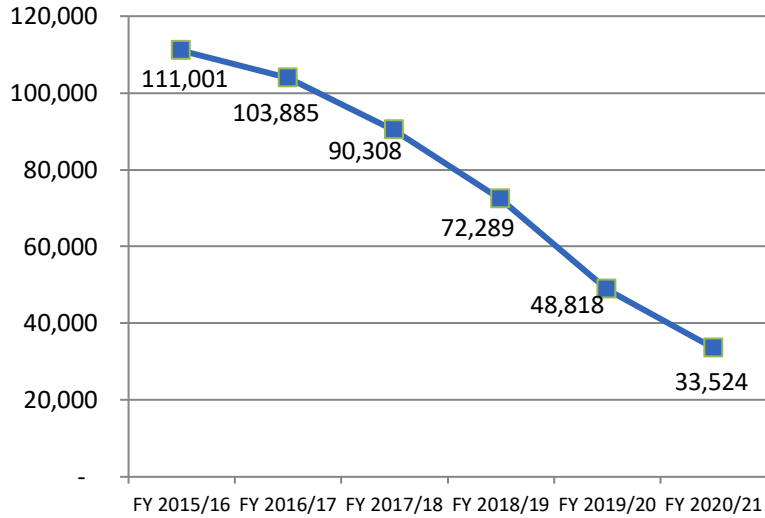


Exhibit 6.14 Fixed-Route Operating Cost/VSH

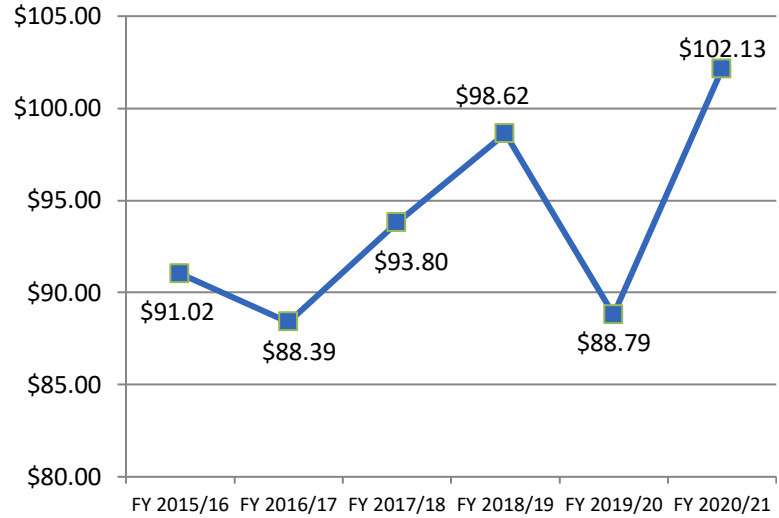


Exhibit 6.15 Fixed-Route Operating Cost/VSM

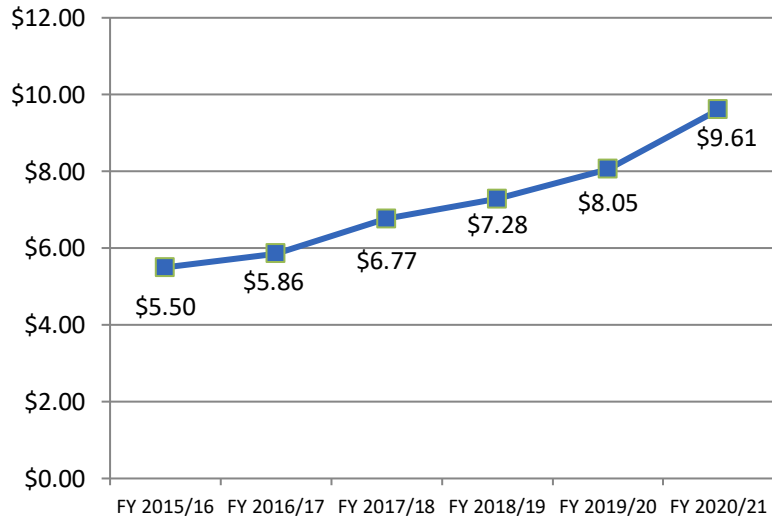


Exhibit 6.16 Fixed-Route VSM/VSH

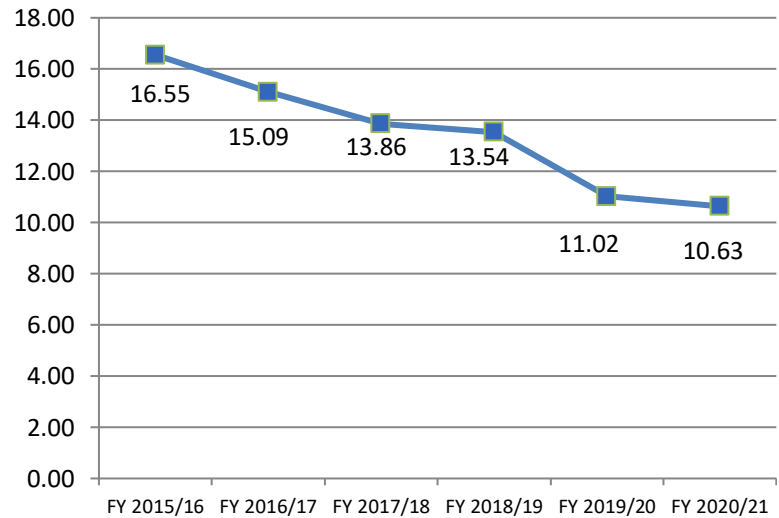


Exhibit 6.17 Fixed-Route Operating Cost/Passenger

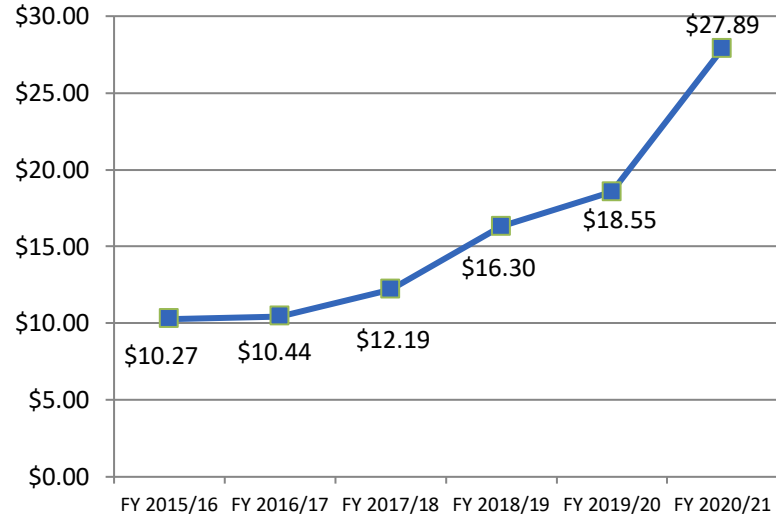


Exhibit 6.18 Fixed-Route Passengers/VSH

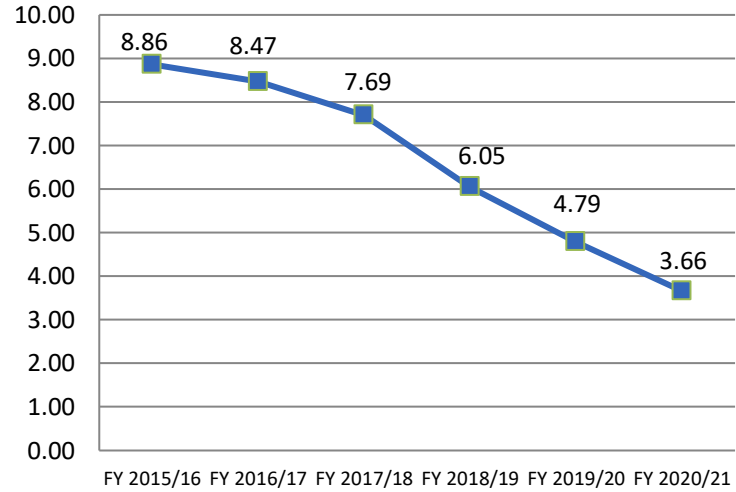


Exhibit 6.19 Fixed-Route Passengers/VSM

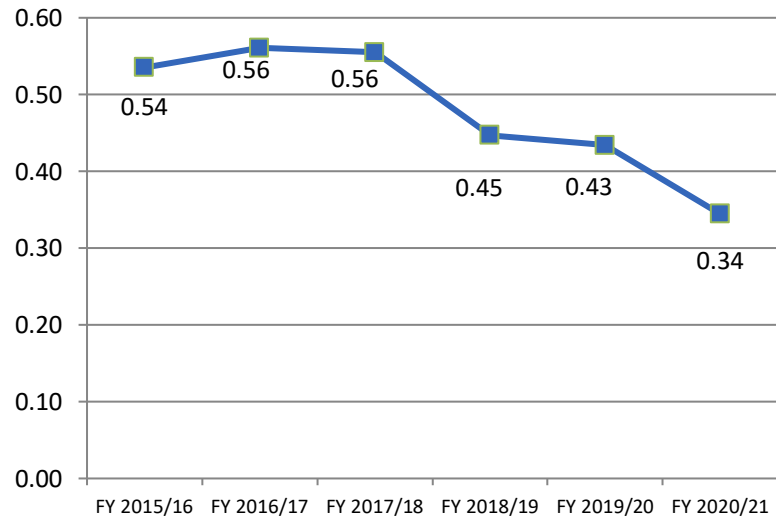


Exhibit 6.20 Fixed-Route VSH/FTE

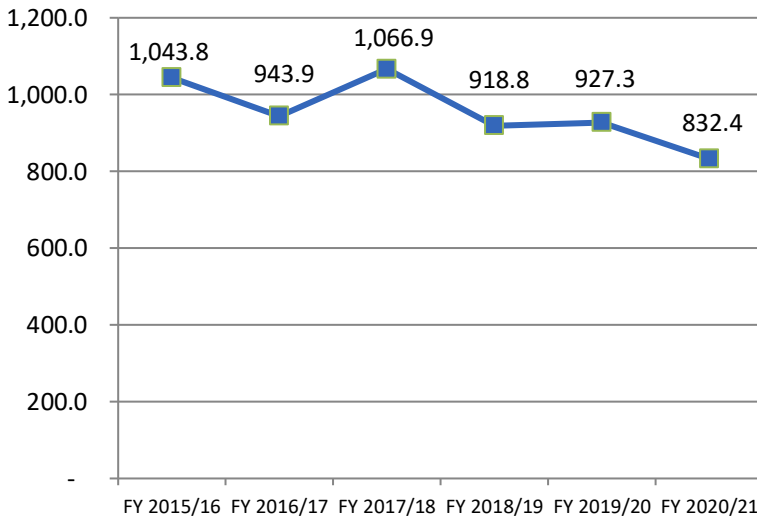


Exhibit 6.21 Fixed-Route Farebox Recovery

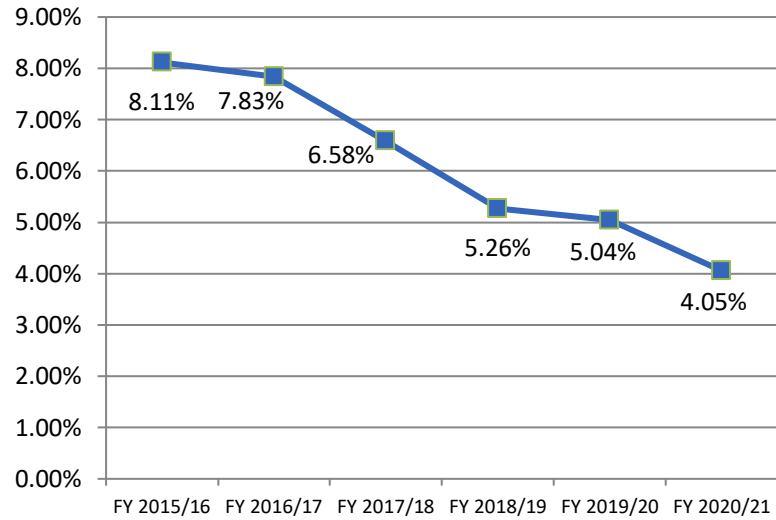
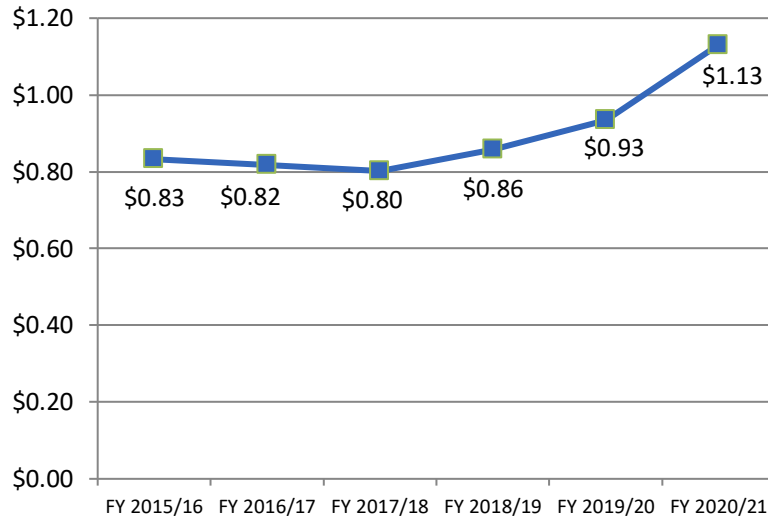


Exhibit 6.22 Fixed-Route Fare/Passenger



### Demand-Response Performance Trends

Demand-response operating cost experienced a net 22.2 percent increase during the audit period, and a net 52.3 percent decrease across the last six years. Fare revenue increased four years of the six-year period. This resulted in a net 8.8 percent decrease during the audit period, but a net 15.3 percent increase over six years.

*(Note: Financial data for the modal analysis was taken from the NTD reports and may not include all of the operating costs shown in the SCO reports, which were used for the financial data in the System analysis. As such, the sum of the modal costs will not equal the operating cost shown in the System analysis.)*

Vehicle service hours (VSH) decreased each year of the six-year period with the exception of FY 2018/19. This resulted in a net 44.7 percent decrease during the audit period and a net 48.8 percent decrease during the six-year period. Vehicle service miles (VSM) experienced the same pattern. This resulted in a net 57 percent decrease during the audit period and a net 66 percent decrease during the six-year period. Ridership declined during five years of the six-year period, though the most significant declines did not occur until FY 2019/20 and FY 2020/21 in response to the COVID-19 pandemic. This led to a 72 percent net decrease during the audit period and an 82 percent net decrease across the six-year period.

Demand-response cost-related metrics increased significantly during the audit period. Operating cost per passenger was impacted the most, given the 72 percent decrease in ridership during the audit period. Passenger-related metrics fell during the audit period, with passengers per VSH decreasing by 49.5 percent and passengers per VSM decreasing by 34.9 percent.

Exhibit 6.23 Demand-Response Performance Indicators

Performance Measure	Demand-Response					
	FY 2015/16	FY 2016/17	FY 2017/18	FY 2018/19	FY 2019/20	FY 2020/21
<b>Operating Cost (Actual \$)</b>	\$613,908	\$688,403	\$689,109	\$765,510	\$905,670	\$935,144
<i>Annual Change</i>		12.1%	0.1%	11.1%	18.3%	3.3%
<b>Fare Revenue (Actual \$)</b>	\$55,541	\$47,203	\$63,405	\$70,202	\$73,171	\$64,033
<i>Annual Change</i>		-15.0%	34.3%	10.7%	4.2%	-12.5%
<b>Vehicle Service Hours (VSH)</b>	6,741	6,608	6,140	6,236	5,122	3,451
<i>Annual Change</i>		-2.0%	-7.1%	1.6%	-17.9%	-32.6%
<b>Vehicle Service Miles (VSM)</b>	56,114	49,693	42,252	44,465	33,477	19,102
<i>Annual Change</i>		-11.4%	-15.0%	5.2%	-24.7%	-42.9%
<b>Passengers</b>	19,447	14,502	11,371	12,528	9,904	3,502
<i>Annual Change</i>		-25.4%	-21.6%	10.2%	-20.9%	-64.6%
<b>Employees</b>	4	4	7	8	10	11
<i>Annual Change</i>		0.0%	75.0%	14.3%	25.0%	10.0%
<b>Performance Indicators</b>						
<b>Operating Cost/VSH (Actual \$)</b>	\$91.07	\$104.18	\$112.23	\$122.76	\$176.82	\$270.98
<i>Annual Change</i>		14.4%	7.7%	9.4%	44.0%	53.3%
<b>Operating Cost/Passenger (Actual \$)</b>	\$31.57	\$47.47	\$60.60	\$61.10	\$91.44	\$267.03
<i>Annual Change</i>		50.4%	27.7%	0.8%	49.7%	192.0%
<b>Passengers/VSH</b>	2.88	2.19	1.85	2.01	1.93	1.01
<i>Annual Change</i>		-23.9%	-15.6%	8.5%	-3.8%	-47.5%
<b>Passengers/VSM</b>	0.35	0.29	0.27	0.28	0.30	0.18
<i>Annual Change</i>		-15.8%	-7.8%	4.7%	5.0%	-38.0%
<b>Farebox Recovery</b>	9.0%	6.9%	9.2%	9.2%	8.1%	6.8%
<i>Annual Change</i>		-24.2%	34.2%	-0.3%	-11.9%	-15.2%
<b>Hours/Employee</b>	1,685.3	1,652.0	877.1	779.5	512.2	313.7
<i>Annual Change</i>		-2.0%	-46.9%	-11.1%	-34.3%	-38.7%
<b>TDA Non-Required Indicators</b>						
<b>Operating Cost/VSM</b>	\$10.94	\$13.85	\$16.31	\$17.22	\$27.05	\$48.96
<i>Annual Change</i>		26.6%	17.7%	5.6%	57.1%	81.0%
<b>VSM/VSH</b>	8.32	7.52	6.88	7.13	6.54	5.54
<i>Annual Change</i>		-9.7%	-8.5%	3.6%	-8.3%	-15.3%
<b>Fare/Passenger</b>	\$2.86	\$3.25	\$5.58	\$5.60	\$7.39	\$18.28
<i>Annual Change</i>		14.0%	71.3%	0.5%	31.8%	147.5%

*Sources: FY 2015/16 – FY 2017/18 data from prior Triennial Performance Audit.  
FY 2018/19 – FY 2020/21 financial data from NTD Reports.  
FY 2018/19 – FY 2020/21 operational data from State Controller Reports.*



Exhibit 6.24 Demand-Response Ridership

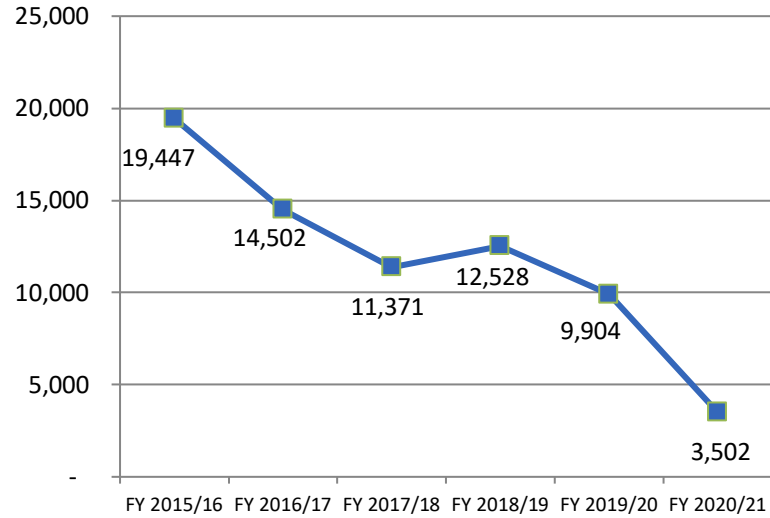


Exhibit 6.25 Demand-Response Operating Cost/VSH

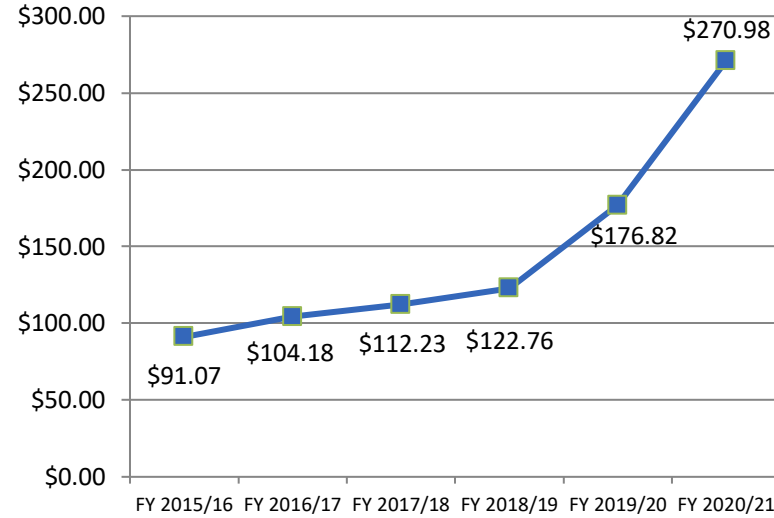


Exhibit 6.26 Demand-Response Operating Cost/VSM

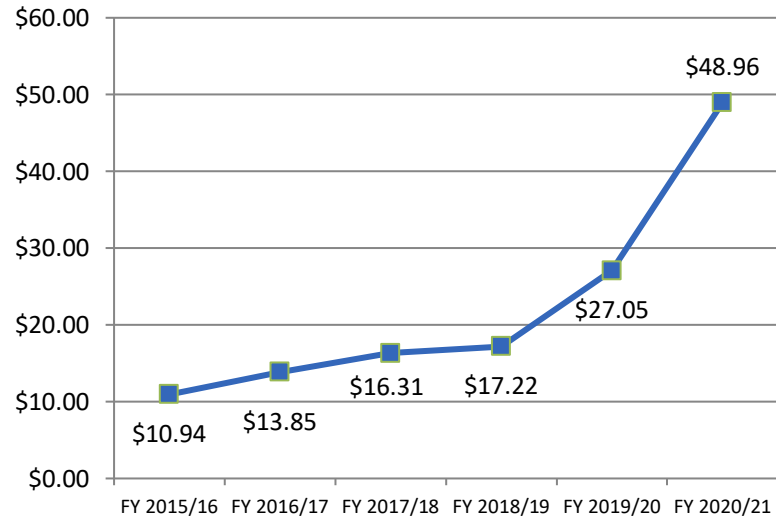


Exhibit 6.27 Demand-Response VSM/VSH

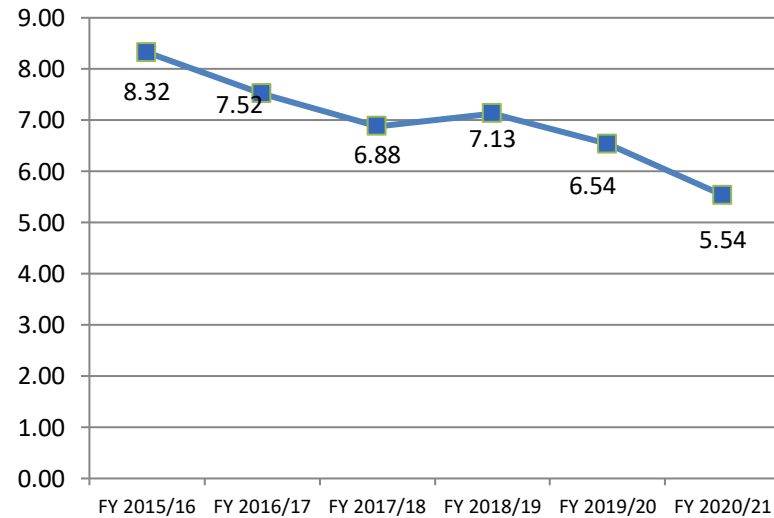


Exhibit 6.28 Demand-Response Operating Cost/Passenger

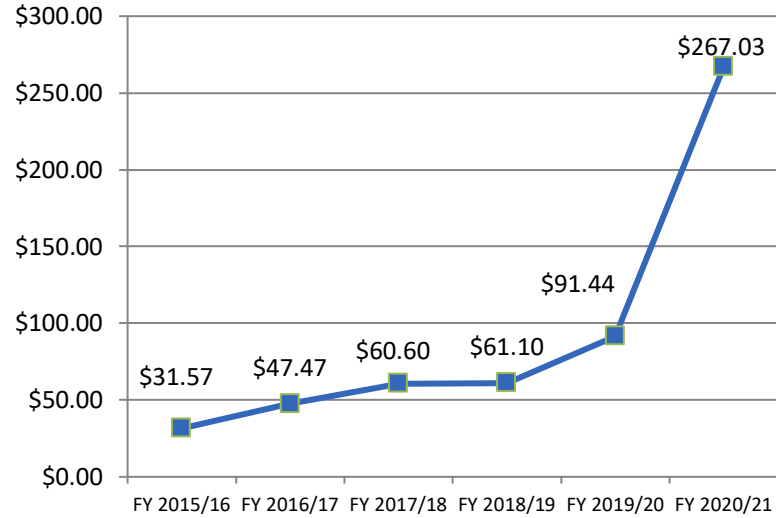


Exhibit 6.29 Demand-Response Passengers/VSH

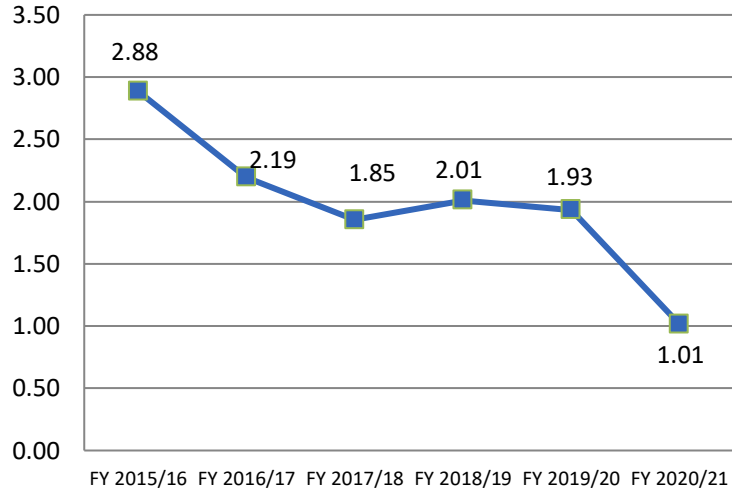


Exhibit 6.30 Demand-Response Passengers/VSM

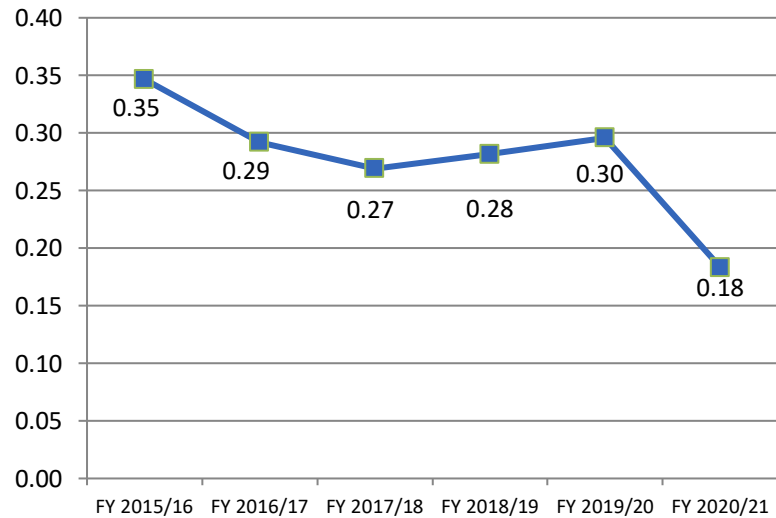


Exhibit 6.31 Demand-Response VSH/FTE

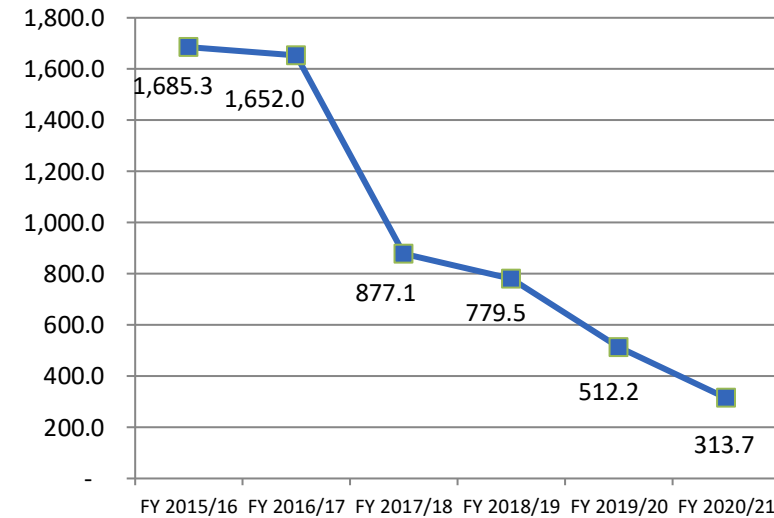


Exhibit 6.32 Demand-Response Farebox Recovery

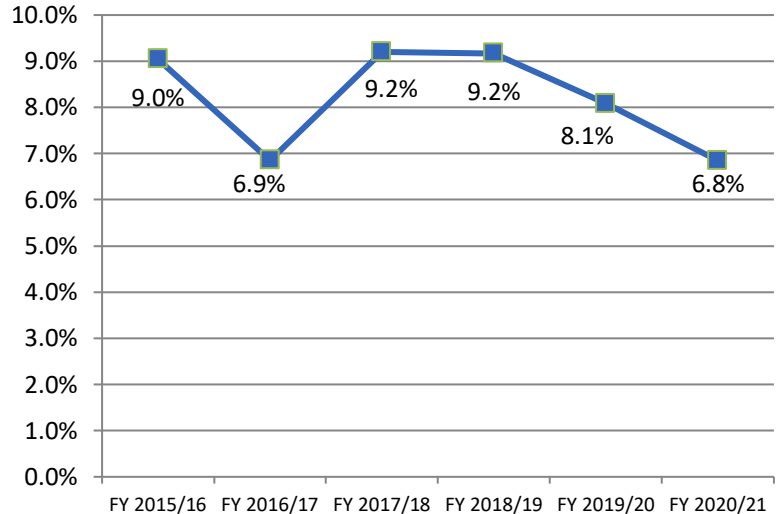
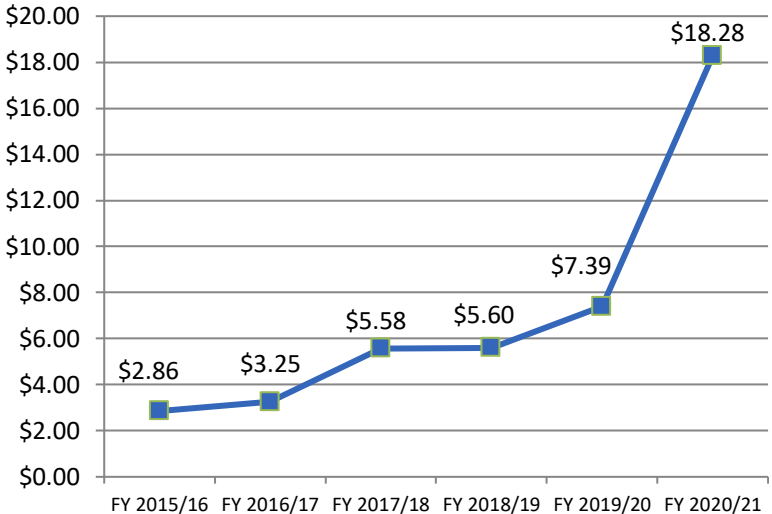


Exhibit 6.33 Demand-Response Fare/Passenger



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## Chapter 7 | Functional Review

A functional review of the City of Delano’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 Delano through its transit program:

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



### Service Overview

The City of Delano’s transit program is marketed as Delano Area Rapid Transit (DART), which provides public transit service on four fixed routes within Delano. The service operates Monday through Friday from 7:00 a.m. to 5:00 p.m., and Saturday from 8:30 a.m. to 4:30 p.m. Until April 2019, DART also operated a Bakersfield Express route serving Bakersfield College and Bakersfield’s downtown transit center. This Express route operated three round trips Monday through Friday, from 6:45 a.m. to 3:00 p.m.

The City’s Delano Area Dial-A-Ride (DADAR) service is available to seniors and persons with disabilities within the city limits of Delano and surrounding unincorporated areas of Kern County. DADAR is also available to general public residents who live more than three-quarters of a mile from a DART fixed-route alignment. DADAR operates during the same hours as the fixed-route service. Reservations may be made up to seven days in advance.

Exhibit 7.1 Local Service Fare Structure

Fare Category	Fare
Adults age 6-60 (general)	\$1.50
Children 5 and under (first child)	No charge
Each additional child (accompanied by paying adult)	\$0.50
Seniors 61 and over/ADA/Medicare	\$0.75
10-ride book, general	\$15.00
10-ride book, Seniors/ADA/Medicare	\$7.50
Monthly unlimited pass	\$40.00
Monthly unlimited youth pass (ages 6-18 years old)	\$30.00
Day pass, general	\$6.00

Exhibit 7.2 Dial-A-Ride Fare Structure

Fare Category	Fare
Seniors 61 and over/ADA/Medicare	\$3.00
Personal care attendant (PCA)	No charge
Children 5 and under (first child)	No charge
Each additional child (accompanied by paying adult)	\$0.75
General public	\$4.00
10-ride book, Seniors/ADA/Medicare	\$30.00

Seniors age 61 years and older may ride Delano Area Dial-A-Ride for free between their home and the senior lunch programs at Jefferson and Ellington Senior Centers. Passes may be purchased at City Hall, Delano Station, and Delano Municipal Airport.

In July 2022, the City introduced DART On-Demand, a micro-transit service operating on Saturday. The service comingles micro-transit and paratransit trips using the Spare micro-transit platform. This service was expanded to serve new areas on weekdays in April 2023.

**Response to COVID-19 pandemic**

The transit program was received funding through LCTOP, which allowed the City to offer a free-ride period. Safety barriers were installed to separate the driver and passengers. Updated safety measures were implemented, including having hand sanitizer onboard, sanitizing the vehicles three times a day, and sanitizing vehicles after Dial-A-Ride trips.

All staff got sick at some point, but there was no apparent transmission through work. Once the safety protocols were in place and everyone knew what to do, it was easier to handle staff illnesses. The service did shut down for two days because multiple drivers were sick, with the rationale it was better to miss two days than risk others getting sick and missing more days.

Saturday service was suspended from August 2020 to April 2022. Overall, City staff appreciates the importance of safety and protecting its passengers.

**General Management and Organization**

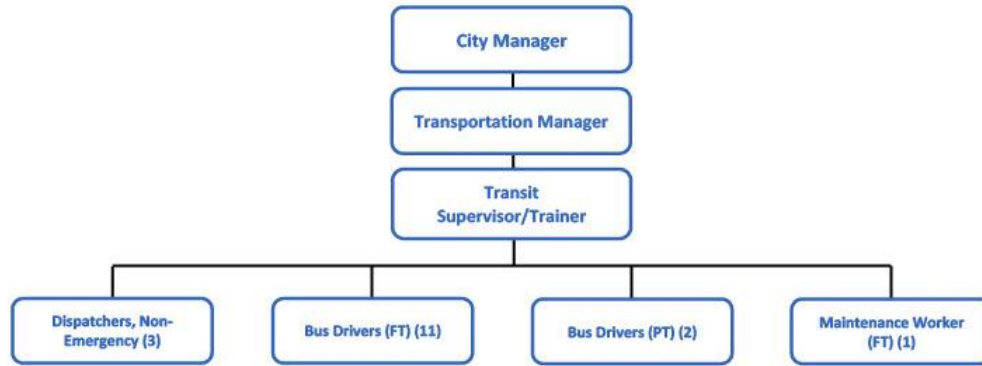
The City of Delano’s public transit program is administered within the City’s Transportation Services Department. The Transportation Manager oversees the management of daily operations. All bus drivers, dispatchers, and maintenance personnel are City employees. The City’s transit program is staffed effectively and appropriately.

The Delano City Council is the governing body for the City’s Transportation Services Department. Council meetings are held at City Hall (1015 Eleventh Avenue) on the first and third Monday of each month at 5:30 pm. This location is served by DART Route 1. The City does not have a citizen’s advisory committee. The City Council has not expressed interest in any particular area related to transit.

The Transportation Manager reports directly to the City Manager. The City also participates in quarterly Central Valley Transit Managers meetings, which include discussions about current transit issues and provide support. Staff also attend occasional CalACT conferences. The Transportation Manager, who is the primarily liaison with other governmental organizations, works closely with the FTA Program Manager

for resources regarding the grant system as well as with program staff at Caltrans. The Public Works Director also meets on a monthly basis with Kern COG.

Exhibit 7.3 Organizational Chart



System performance is monitored on an ongoing basis using RouteMatch. Performance metrics (such as revenue hours and service hours) are tracked when the driver logs on and off on the tablet. Spending is also compared to revenue on a regular basis. Accidents and incidents are reported to Kern COG on a monthly basis.

A recent change to the City’s program include discontinuing the Bakersfield Express in April 2019 due to ongoing low ridership.

### Service Planning

Prior to the audit period, the City’s most current planning document was a Long-Range Transit Plan (LRTP) prepared in cooperation with Kern COG. Outreach to current riders for this Plan included interviews with approximately three dozen individuals conducted at the Delano Transit Center. The Plan built upon the 2012 Transit Development Plan.

Following the end of the audit period, this document was updated in 2022, which reflected both changes arising from the COVID-19 pandemic, changes in the transit environment, and several new recommendations, including micro-transit, the transition to zero-emission vehicles, and conversion of the former Delano Modified Community Correction Facility (MCCF). Public engagement included a fixed-route rider survey which provided 95 valid responses, a Dial-A-Ride riders survey which resulted in 19 responses, and a stakeholder survey that garnered 11 responses. The updated plan was adopted in November 2022.

Additionally, the City compiles customer complaints to respond to in a timely manner and has introduced sensitivity training for City staff.

At the time of the site visit, staff had yet to conduct a full assessment of the impact of the micro-transit service (DART On-Demand). For the Saturday service, the micro-transit service was providing better

service with one on-demand vehicle than with two vehicles. At a minimum, the City is saving eight vehicle service hours every Saturday. The weekday micro-transit service got off to a slow start in April 2023, though the City was slower to promote it because they were understaffed. The Spare app is working great, and the City is looking at opportunities to participate in outreach events, provide training for riders new to the program, and creating “virtual stops” that will be a lower cost than door-to-door service.

#### Administration

The Transportation Manager and Finance Director currently handle development of the annual budget. The Finance department prepares expenses for salaries and benefits, while the Transportation department budgets for other expenditures. Finance staff have access to SmartGov software for budgets and requests. Actual expenses and revenues are compared to budgeted expenses and revenues on a monthly basis. This information is reported to the City Council at its regular meetings.

The City uses MOM software to manage its financial data. Transfers of funds between budget categories and requests for additional funding over \$35,000 requires City Council approval.

The Transportation Manager writes all the grants, including FTA Sections 5307 and 5339, PTMISEA, LCTOP, and State of Good Repair (SGR). She also handles NTD reporting and all reporting necessary for the grants identified above.

The Human Resources Department handles risk management and has a process in place for injury and accident claims. The City is part of the Central San Joaquin Valley Risk Management Authority (CJSVRMA). The City has a Public Transportation Agency Safety Plan (PTASP) in place, as well as an emergency operations center at the police department. Delano has a mutual aid agreement with Kern County and all department heads have EOC training. Transit participates when called upon for emergencies and evacuations.

The Transportation department manages one contract, for Transit Advertising. Oversight includes reviewing monthly statements from the vendor. The Transportation Manager provides facility management for the transit office, transit center, and bus stops.

Payroll is done by Finance online through ADP. Staff clock in and out using ADP. The drivers sign timecards and the Transportation Manager reviews them to ensure any vacation/sick leave is reflected and that all shifts clock out. All employees utilize direct deposit.

Finance staff and an Accounting Technician are responsible for accounts payable and accounts receivable. Staff verify goods and services have been received before authorizing payment of invoices. Procurement is guided by a procurement policy. Any purchases \$35,000 and greater must be approved by City Council. Those under \$35,000 can be approved by the City Manager. Vehicles and items of major expense are procured competitively. Fuel is available to all City fleets at the City yard.

Both the City Manager and Finance Department are easily accessible in providing support for the transit program. Public Works assists with construction procurement projects and maintains all transit vehicles.



### Marketing and Public Information

Transit information in English and Spanish is available on the City website. A rider's guide is available at the transit station, online, and onboard the vehicles. The City has an advertising contract with Rethought Reborn media for advertising space on the interior and exterior of the vehicles, as well as advertisements at the bus shelters. Dispatchers also function as Customer Service Representatives (CSRs) and are bilingual (Spanish). Staff attend all City events to promote the transit program.

Surveys are done at outreach events in English and Spanish. On-board customer surveys were conducted as part of the LRTP process to capture origin/destination and customer satisfaction data.

The City only logs calls when they result in a complaint being filed. Complaints are documented on a form, investigated, and tracked. The complaint form captures the nature of the complaint, the caller's name and contact information, and the resolution. Complaints are reviewed using onboard cameras and AVL as warranted. The timeframe for resolving complaints is one to five days, depending on whether a review of video is needed. This process is appropriate to a community the size of Delano. Overall, public perception of the transit service is very positive.

### Scheduling, Dispatch, and Operations

Drivers are assigned to routes based on a bid selection every six months if fully staffed, or annually if not fully staffed. Driver bid order is based on seniority. Drivers are rotated between routes periodically. However, during COVID drivers were assigned vehicles (contingent on vehicle availability) to avoid contamination of the driver's compartment, which helped with sanitizing and cleaning the vehicles.

All fixed-route drivers are required to have a Verified Transit Training (VTT) Certificate. All drivers who operate Dial-A-Ride or On-Demand are required to have a General Public Paratransit Vehicles (GPPV) Certificate. The workforce is represented by the Delano City Employees Association.

The transit program is shorted staff with 10 full-time drivers and one part-time driver. Ideally, the program would have 11 full-time drivers and two part-time drivers. The City has been actively recruiting for a part-time driver. The Transportation Manager and Transit Supervisor are both licensed to drive. Part-time drivers cover drivers who are sick, on vacation, or other coverage as needed. The current part-time driver prefers a part-time schedule and has no interest in converting to full-time. Part-time positions tend to be harder to fill; at the time of the site visit, staff had been actively recruiting for the second part-time driver since December 2022.

At the end of each day, drivers notify the supervisor if the vehicle they have been using has been written up for service (through the daily vehicle inspection form). The supervisor will then place that vehicle out of service. Maintenance notifies the supervisor by phone when a vehicle is back in service and ready to be assigned.

Absences are covered by the lead driver, if available, or another driver is brought in for overtime. Unplanned absences require a two-hour notice prior to the assigned shift.

Vehicles are equipped with Diamond SV fareboxes and monitored through RouteMatch. At present, the City is billing its LCTOP grant for the fares, as part of a free-fare program. When fares are being collected,

at the end of the shift, the fareboxes are pulled at dispatch. Two staff members count, reconcile, and lock the farebox in a vault in the money room, with does not have cameras but is limited-access. The next morning a second dispatcher recounts the vault and documents the amount. A car delivers the money to Finance and Finance makes the final deposit via armored car.

### Personnel Management and Training

As noted above, the City is actively in the process of hiring a part-time driver. All potential drivers are required to have commercial Class B driver's license with a passenger endorsement. Recruitment is done through the City's Human Resources department. New hire training includes behind-the-wheel as well as cadetting. The City uses the DMV office in Bakersfield or Fresno for commercial license testing.

The Transportation department has been described as having a "team" or "family" environment, and this is borne out by the apparent satisfaction of employees. There has been very little turnover. As City employees, staff receive stability, good benefits, time off, health insurance, and retirement benefits. Most live in Delano, which makes for an easy commute. In addition, the City offers a 4/10s work schedule, and those with seniority get to choose the days they work. This provides additional work/life balance for many employees. The one employee that left went to a new position that provided a higher salary. This individual was also commuting in from Bakersfield.

Full-time employees receive sick leave, vacation leave, insurance benefits, holiday benefits and retirement benefits. Part-time drivers are able to accumulate sick pay but not vacation pay. Information about benefits is provided to all employees as part of the onboarding process.

Human Resources oversees the City's safety program. The Transit Manger and the Lead driver hold certifications in TSI Instructors Course for Transit Trainers. The Transit Supervisor holds certifications in TSI Instructors Course for Transit Trainers and is an FMCSA certified instructor. A driver handbook has been created and bus evacuation training is conducted on a periodic basis. All vehicles are equipped with first aid kits and fire extinguishers. Dial-A-Ride vehicles are equipped with securement belts for wheelchairs. The City holds monthly safety meetings, which also include discussions of compliments and complaints received. Training topics include wheelchair securement, sensitivity training, and defensive driving.

The City Personnel Rules and Regulations handbook, provided upon employment, outlines the City's progressive discipline policy and policy regarding absences and tardiness. The City complies with all drug and alcohol testing requirements and federal DAMIS reporting.

### Maintenance

Maintenance services are provided by City employees at the City yard (located at 725 South Lexington). Staff follow the manufacturers' preventive maintenance schedules as required by the FTA, and monitoring is done using an Excel spreadsheet. Vehicle maintenance is scheduled the day prior so that vehicles can be pulled out of service without impacting regular use. When a vehicle is written up, it is red-tagged so other drivers know it is unavailable. Mechanics are the only ones who can place a vehicle back in service once it has been written up.

Warranty work is identified and is typically sent out to authorized vendors or the manufacturer. The City also sends out work that maintenance staff is unable to do in-house.

The City’s maintenance facility is shared by all City fleets. Transit does not have a dedicated space. In addition, there is an insufficient number of bays and lifts overall, as well as insufficient administrative space. Transit has a storage room for record storage. The City has identified a location for a new dedicated transit maintenance and operations facility, which would ensure ample space for transit vehicle maintenance in the new location as well as free up space within the City yard for other City fleets. The biggest challenges have been the insufficient facility and being short-staffed in the Maintenance department (mechanics).

The City maintains an inventory of tires and brakes, but generally orders parts only when they are needed. The City has not been significantly impacted by supply chain issues. There is no backlog of repairs.

The Transportation department maintains a good relationships with both Maintenance and other City departments. This cooperation helps to prioritize repairs so the most critical ones are addressed first. Supervisors communicate with each other and with Maintenance to facilitate this.

The City’s transit fleet includes seven paratransit vehicles and nine fixed-route vehicles. The fleet size is sufficient and is in overall good condition with varying vehicle and fuel types. Big buses use diesel, mini vans require gas, and small cutaways are CNG. The City has its own CNG station. The City uses its Transit Asset Management Plan as its vehicle replacement plan. The City also has completed its Zero-Emission Bus Rollout Plan, which is compliant with both California Air Resources Board (CARB) and FTA requirements.

A complete fleet inventory is provided in Exhibit 7.4.

Exhibit 7.4 Delano’s Active Transit Fleet

Vehicle #	Year	Make	Model	Passenger Capacity	Fuel	Mileage
3509	2010	Dodge	Minivan	3 and 1 W/C, or 6 Passengers	Gas	29,543
3510	2010	Dodge	Minivan	3 and 1 W/C, or 6 Passengers	Gas	55,239
3511	2010	Dodge	Minivan	3 and 1 W/C, or 6 Passengers	Gas	67,404
3515	2011	Toyota	4-Door	4 Passengers	Gas	
3517	2013	Ford	550 Cutaway	24 and 2 WC, or 30 passengers	Diesel	177,518
3518	2013	Ford	550 Cutaway	24 and 2 WC, or 30 passengers	Diesel	159,759
3519	2013	Ford	550 Cutaway	24 and 2 WC, or 30 passengers	Diesel	164,229
3520	2013	Ford	550 Cutaway	24 and 2 WC, or 30 passengers	Diesel	168,079
3522	2015	Ford	550 Cutaway	24 and 2 WC, or 30 passengers	Diesel	111,829
3523	2015	Ford	5500 Cutaway	24 and 2 WC, or 30 passengers	Diesel	117,132
3524	2015	Ford	5500 Cutaway	24 and 2 WC, or 30 passengers	Diesel	103,590
3527	2015	Dodge	Minivan	3 and 1 W/C, or 6 Passengers	Gas	53,227

Vehicle #	Year	Make	Model	Passenger Capacity	Fuel	Mileage
3528	2015	Dodge	Minivan	3 and 1 W/C, or 6 Passengers	Gas	54,187
3529	2015	Dodge	Minivan	3 and 1 W/C, or 6 Passengers	Gas	44,934
3530	2017	Ford	Cutaway	12 and 2 W/C	CNG	38,578
3533	2018	Ford	Truck	5 Passengers	Gas	
3534	2018	Trailer Plus			N/A	
3535	2017	Ford	Cutaway	20 and 2 WC, or 24 passengers	CNG	25,520
3536	2019	Ford	Cutaway	12 and 2 W/C	CNG	3,497
3537	2021	Ford	Cutaway	20 and 2 WC, or 24 passengers	CNG	2,801

## Chapter 8 | Findings and Recommendations

### Conclusions

Moore & Associates, Inc. finds the City of Delano 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 Delano staff, analysis of program performance, and an audit of program compliance and function, the audit team presents no compliance findings.

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

1. The TDA fiscal auditors do not calculate farebox recovery ratio by mode within the TDA fiscal audit.
2. There are some significant variances in the financial data reported internally and to various external entities.

### Program Recommendations

In completing this Triennial Performance Audit, the auditors submit the following recommendations for the City of Delano'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.

Given there are no compliance findings, only functional findings and recommendations are presented below.

#### Functional Finding 1: The TDA fiscal auditors do not calculate farebox recovery ratio by mode within the TDA fiscal audit.

**Criteria:** During the audit period, the City received Section 5307 urbanized area funding. This resulted in different farebox recovery ratios for the fixed-route (20 percent) and ADA Paratransit (10 percent) services.

**Condition:** None of the TDA fiscal audits included a calculation of the farebox recovery ratio by mode. Instead, it calculated a blended rate, which resulted in the City apparently not meeting its required threshold. Additional data provided by the City broke out the farebox recovery ratio by mode, the result of which was considerably different from the blended rate.

**Cause:** Failing to include a mode-specific calculation called into question the City’s compliance with the TDA.

**Effect:** This initially gave the appearance that the City was out of compliance with the TDA and subject to a penalty in FY 2018/19.

**Recommendation:** None.

**Recommended Action:** The penalty waivers of AB 90 and AB 149 expire after FY 2022/23. The City has been reclassified as a non-urbanized operator effective October 2023, at which time the farebox recovery ratio threshold will revert to 10 percent regardless of mode. While the recommendation would ordinarily be to begin including a mode-specific farebox recovery ratio calculation in the TDA fiscal audit beginning with FY 2022/23, it is moot in this case given the reclassification. Beginning in FY 2023/24, the City will be required to meet a system-wide threshold of 10 percent.

The City has been able to meet at least a 10 percent farebox recovery ratio threshold through the use of local supplementation such as interest income, revenues from CNG sales, and advertising revenue. Should this supplementation be insufficient to meet the 10 percent threshold, under AB 149 the City may also apply federal grant funding as local supplementation in an amount sufficient to meet the 10 percent requirement.

**Timeline:** N/A

**Anticipated Cost:** None.

**Functional Finding 2: There are some significant variances in the financial data reported internally and to various external entities.**

**Criteria:** This audit included a comparison of the data reported to different entities. While some variances are common, especially with respect to financial data, they are typically reflective of differences in accounting methods and reporting deadlines.

**Condition:** In FY 2018/19 and FY 2019/20, there were variances of less than 10 percent between the highest and lowest operating costs reported. The monthly performance reports and NTD report, which are completed first before the City’s financials are closed out for the year, tend to be consistent. The State Controller Report and TDA fiscal audit may be different from the earlier reports but typically reflect the same amounts as one another. This is due to both the State Controller Report and the TDA fiscal audit drawing on data from the City’s annual audited financials.

While the variances of less than 10 percent in FY 2018/19 and FY 2019/20 are understandable, the reason for the more than 37 percent variance in FY 2020/21 should be addressed. In analyzing the actual expenses recorded in the monthly performance reports against the actual expenses in the General Ledger, it appears there was a significant OPEB expense that accounted for much of the 37 percent difference. In fact, absent that expense, the variance would have been just 2.1 percent.

**Cause:** The reason for such a significant variance was not readily identified in any of the documents reviewed for this audit.

**Effect:** This resulted in the appearance that there was a problem with how the data was reported, rather than a single expense that was included in some reports but not others.

**Recommendation #1:** Reflect any significant OPEB or pension plan adjustments as a separate line item in the TDA fiscal audit.

**Recommended Action:** While expenses such as the OPEB expenditure cannot always be identified in time to include in preliminary reports (such as the NTD), it would be helpful to identify them as a separate line item within the fiscal audit (rather than just as part of the Operations cost) so that the reason for the difference in operating cost is clear. While the TDA audit includes mention of the Pension category in the audit Notes, it simply refers the reader back to the City’s Annual Comprehensive Financial Report, which does not provide detail specific to Transit. Including this information as a line item, either in the “Statement of Revenues, Expenditures, and Changes in Fund Balance” report or within the farebox recovery ratio calculation, would clarify the cause of this difference in reporting.

**Timeline:** Beginning with the FY 2022/23 TDA fiscal audit.

**Anticipated Cost:** None.

**Recommendation #2:** Ensure that any eligible contributions under GASB Statements No. 68 and 75 are excluded from both the farebox recovery ratio calculation and the STA efficiency tests.

**Recommended Action:** Under PUC 99268.17 (as amended in AB 149), transit operators may exclude from operating cost for the purposes of calculating the required farebox recovery ratio “any expense greater than the actuarially determine contribution associated with pensions and other post-employment benefits as required by GASB Statement Number 68 and 75.” This helps to “level the playing field” by excluding such adjustments from operating costs, which returns the farebox recovery ratio to expected levels given the actual and budgeted operating expenses.

The actual operating cost (inclusive of the adjustment) should be reflected on all reports and audits. The exclusion of the adjustment should only be reflected in the farebox recovery ratio calculation in the TDA fiscal audit.

The City should also be mindful of other allowable exclusions detailed in PUC 99268.17, as amended in AB 149. PUC 99314.6 (also amended in AB 149) also references these same exclusions when addressing STA eligibility standards.

**Timeline:** Beginning with the FY 2022/23 TDA fiscal audit.

**Anticipated Cost:** None.

Exhibit 8.1 Audit Recommendations

1	Functional Recommendations	Importance	Timeline
1	Reflect any significant OPEB or pension plan adjustments as a separate line item in the TDA fiscal audit.	Medium	FY 2023/24
2	Ensure that any eligible contributions under GASB Statements No. 68 and 75 are excluded from both the farebox recovery ratio calculation and the STA efficiency tests.	High	FY 2023/24