

**Analysis of the
Managerial Capability and Financial Capacity of
Twelve Rural Transit Providers**

Report to



Final Report

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Prepared by

Wagner Associates
5528 24th Street North
Arlington, VA 22205-3113

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Analysis of the Managerial Capability and Financial Capacity of Twelve Rural Transit Providers

PURPOSE

The Vermont State Legislature commissioned this study in response to the recent failure of two rural transit providers, Wheels and Town and Village Bus. Both providers were nonprofit organizations. The purpose of the study is to analyze the managerial capability and financial capacity of the remaining rural transit providers to determine whether any of these systems are at risk of failing and to identify policy changes and technical assistance that should be provided to improve managerial capability and financial capacity. Further, in recognition of VTrans' responsibilities to the Federal Transit Administration (FTA) to monitor and oversee the State's grantees, the study reviewed compliance with FTA requirements.

PROCESS

The Vermont Agency of Transportation (VTrans) Public Transit Section, which is responsible for administering the state- and FTA-funded transit programs, worked with the consulting team of Wagner Associates to conduct reviews of the following 12 providers:

- Addison County Transit Resources (ACTR), Middlebury
- Advance Transit, Inc., Wilder
- American Red Cross Green Mountain Chapter, Bennington
- Town of Brattleboro
- Deerfield Valley Transit Association, West Dover
- Green Mountain Transit Agency, Berlin
- Marble Valley Regional Transit District, Rutland
- Northwest Vermont Public Transit Network (Network), St. Albans
- Rural Community Transportation (RCT), St. Johnsbury
- Special Services Transportation Agency (SSTA), Colchester (human services transportation only)
- Stagecoach Transportation Services, Inc., Randolph
- Town of Stowe

VTrans worked with the consultants to develop a 100-page questionnaire. Using the questionnaire, VTrans and the consultants implemented the following process:

- The reviewers conducted a **desk review** of each of the providers. The desk review involved a review of all the materials on file with VTrans to answer as

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many questions as possible and to identify issues for the providers to address. The reviewers sent the partially completed questionnaire to the providers.

- The providers conducted a **self-assessment** during which they completed, to the best of their abilities, the questionnaire and sent requested materials to the reviewers.
- The reviewers conducted a **site visit** to each of the providers. The site visit began with an entrance conference during which the reviewer team was introduced and the purpose of the review was discussed. The reviewers then discussed the answers to the questions, asked additional questions, followed up on issues previously identified, toured facilities, visually inspected buses, reviewed documents, and examined a sample of procurement and vehicle records. A two-person review team consisting of the VTrans transit coordinator and a consultant visited each provider. The reviewers worked with the transit manager and, at the discretion of the transit manager, the board, to analyze strengths, weaknesses, opportunities, and threats (**SWOT analysis**). The site visit ended with an exit conference during which the preliminary findings and SWOT analysis were presented.
- The reviewers documented all of the discussion and findings from the site visit in the workbook which was sent to the providers for **review and comment**. The providers submitted their comments to VTrans. This step is not yet complete.

The work does not end here. VTrans will follow up with the providers to finalize the review findings, to ensure that corrective actions are implemented, and to provide technical assistance as needed.

FINDINGS OF MANAGERIAL CAPABILITY AND FINANCIAL CAPACITY

As shown in Table 1, the review determined that six providers—ACTR, Advance Transit, Deerfield Valley, Green Mountain Transit, Marble Valley, and Stagecoach—have the managerial capability and the financial capacity to operate transit service. Two providers—SSTA and Network—have significant deficiencies in both managerial capability and financial capacity. The review found three providers—American Red Cross, Brattleboro, and Stowe—have significant deficiencies in managerial capability. One provider, RCT, has significant deficiencies in financial capacity.

Table 1: Findings of Managerial Capability and Financial Capacity

Provider	Managerial Capability		Financial Capacity	
	Minor or No Deficiencies	Significant Deficiencies	Minor or No Deficiencies	Significant Deficiencies
ACTR	✓		✓	
Advance Transit	✓		✓	
American Red Cross		✓	✓	
Brattleboro		✓	✓	
Deerfield Valley	✓		✓	
Green Mountain Transit	✓		✓	
Marble Valley	✓		✓	
Network		✓		✓
RCT	✓			✓
SSTA		✓		✓
Stagecoach	✓		✓	
Stowe		✓	✓	

American Red Cross Green Mountain Chapter

The American Red Cross Green Mountain Chapter directly operates fixed-route bus service and paratransit services for the elderly and persons with disabilities, and coordinates volunteer transportation services. The Chapter provides the strong framework of a well-organized and financially-established national organization. The Chapter board of directors provides leadership for a broad-based program of community services. The Chapter works diligently to establish financial stability, is an effective community fund-raiser, and provides adequate financial resources to the transit program.

The review determines that the Chapter lacks sufficient managerial capability for the public transit program for the following reasons:

- The provision of public transportation services is not mentioned in the organization’s charter and community mobility is not the central mission of the organization.
- Serious obstacles exist to providing public transit services that are eligible for public funding. Vehicle markings, public brochures, and telephone listings advertise the American Red Cross only, thereby creating the false impression that services are only available to Chapter clients.

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- The Chapter supports the transit program with staff that has multiple program responsibilities. The transit program requires more attention to ensure that internal operating procedures such as reservations, maintenance scheduling, procurement, and record-keeping are efficient.
- The Chapter's transportation programs are not integrated. Fixed route, paratransit, and volunteer services operate with different vehicles, different drivers, different work rules, and in different markets. All publicly-funded transportation programs and services should be efficient, based upon demand, and open to the general public.
- Publicly-funded transportation programs in the Bennington area need more coordination. Several agencies, in addition to the American Red Cross, maintain publicly funded vehicles and services. The rural public transit provider should be the focal point for coordinating services.

The review recommends several steps to deal with deficiencies and strengthen managerial capabilities:

- Change vehicle markings, brochures, and telephone procedures to establish a clear, separate identity for the public transportation program.
- Evaluate staffing needs, patterns, and procedures to ensure continuity of operations and effective processing of reservations, invoices, and maintenance data.
- Evaluate vehicles, job descriptions, work rules, and services to provide the most effective mix of services to the general public and partner agencies. Reduce barriers to the use of all services by the general public.
- Work with the transportation advisory committee to identify and reduce barriers to coordination among human service agency transportation programs and resources.

Town of Brattleboro

The Town of Brattleboro operates a single bus route and contracts for ADA complementary paratransit service with the local taxi operator. The town is strongly committed to its transit program. In the past, it contracted with Town and Village Bus to operate the town transit service, known as the Beeline. When Town and Village Bus ceased operations, VTrans and Brattleboro found a temporary contractor, Deerfield Valley, to operate the service. After that, the town took the service in-house. It contracted with a part-time transit operations specialist to oversee operations and to develop and institute operating procedures. The contract expires March 1. By then the town will decide to keep the service in-house or to contract with another provider. The decision will be affected by the success of Connecticut River Transit's start-up efforts. (Connecticut River Transit is the successor organization to Town and Village Bus.)

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The review determines that, under current circumstances, the town does not have sufficient managerial capability to excel as a transit provider for the following reasons:

- The town has no overall goals for the service. The service is in a holding pattern as the town decides whether to keep the service in-house or contract it out.
- Governance over the transit program is weak. The selectboard oversees the whole town budget and transit is only one of many town programs. The bus advisory committee, which nominally oversees transit operations, does not receive budget information. The town has a separate paratransit advisory committee whose sole function is to determine eligibility for ADA complementary paratransit.
- Grants management is weak. The town files reports and invoices to VTrans late.
- Budget reporting and control is weak. It appeared that no one except the town manager is responsible for overseeing the budget. The bus advisory committee receives no budget information. Complicating efforts to manage a budget, the town has postponed setting up a chart of accounts for the service until the decision on contracting is made.
- The town has no in-house transit management expertise. The town is relying on a part-time contractor until the decision on contracting is made.
- Transit operations are not in the appropriate town department. Currently, Planning is responsible for transit operations.
- The town has no marketing plan or program for the service.
- Buses are stored at a rented lot that does not provide office space for the transit manager. The Department of Public Works has made little effort to accommodate the transit program's need for access to town facilities.
- Screening for ADA complementary paratransit eligibility appears to be too lax.

The review recommends several steps to address the deficiencies and strengthen management capability:

- Combine the bus and paratransit advisory committees. Refocus the role of the committee on advising the selectboard on transit policy and budget matters. Develop an orientation program for the selectboard and the advisory committee on the transit program.
- Hire a full-time transit manager with responsibility for all aspects of the transit program, including budgeting, grant management and reporting, policy development, operations, planning, and marketing.
- Integrate the transit program into town operations. Move the transit program from Planning to Public Works. Set up an office for the transit manager in Public Works. Assign Public Works the responsibility for maintaining the bus fleet. Make the wash bays available to the transit program at the times requested.
- Develop a marketing program for the service. Assign the service a telephone number or extension and list the number in the phone book under "Beeline," the service name. Place the telephone number on schedules, bus stops, and buses.

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- Contract for ADA complementary paratransit eligibility determinations. Include a mobility test as part of the assessment. Limit the time for eligibility. Develop a plan for re-certifying current users.

Northwest Vermont Public Transit Network

Northwest Vermont Public Transit Network, the public transportation service provider for Franklin and Grand Isle counties, contracts for the operation of fixed-route and deviated fixed-route public transit service, directly operates paratransit service for the elderly and disabled, and administers a volunteer driver program for Medicaid. Network has a strong board, committed staff, written service policies, and no debt. The executive director leverages the expertise of board members to assist the organization. As part of its marketing efforts, Network participates in community events, increasing exposure in the community.

Despite these strengths, the review finds significant deficiencies with Network's managerial capability and financial capacity for the following reasons:

- Network consistently submits required reports to VTrans late. Reports that were due last October are still outstanding.
- Oversight of the service contractor is insufficient. Network does not require the contractor to comply with Network's service policies, does not oversee contractor maintenance of Network's vehicles, and has not reviewed the contractor's training and discipline program. The contractor's drug and alcohol policy does not meet FTA requirements.
- Network does not have written accounting policies and procedures. The lack of written procedures contribute to financial management difficulties.
- Network has six open findings from its audit for the year ending June 30, 2002. Five of the open findings relate to internal controls; one relates to past-due receivables.
- Both Network and its service contractor conduct preventive maintenance inspections late.
- The use of a pre- and post-inspection forms that were truncated because of over photocopying went undetected by management and staff.
- Network has not opened its Section 5310 or volunteer driver services to the general public and has not worked with Champlain Islanders Developing Essential Resources, Inc. (CIDER), the Section 5310 provider in Grand Isle county, to open its transportation services to the general public.

The review recommends several steps to address the deficiencies and strengthen managerial capability and financial capability:

- Develop procedures to submit required reports on time.
- Amend the contract with the service contractor to require compliance with Network's service policies. Develop procedures to ensure that the service

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contractor properly maintains Network's vehicles. Provide the required ADA training to service contractor drivers and include them in agency refresher training. Work with the service contractor to amend its drug and alcohol policy.

- Work with the auditor to address internal control issues and develop an accounting policy and procedures manual.
- Develop procedures to ensure that preventive maintenance inspections are performed on time. Develop a report to the board on maintenance effectiveness.
- Use copies of the full pre- and post trip inspection forms for the inspection program.
- Open Section 5310 and the volunteer driver network to the general public. Work with CIDER to open its transportation services to the general public.

Town of Stowe

The Town of Stowe provides weekly and seasonal fixed-route bus service. The town is committed to the service, which it sees as integral to its economy. The town and the Stowe Area Association stated that the bus service helps attract skiers, especially from Europe, and provides transportation to seasonal workers who do not have cars. The town contracts for the operation of its transit services. The town and the Stowe Area Association contribute money to the service.

Despite the town's strong commitment to the transit program, the review finds deficiencies in the town's managerial capability for the following reasons:

- Responsibility for the transit program has shifted between the town manager and the planning director, depending on who the town manager is. Currently, the planning director oversees the program. The planning director has no transit management experience and has not been trained by the town in transit management. It also appears that the planning director already has a "full plate."
- The selectboard, which is responsible for the whole town budget, is the transit governing board. The town does not have a transit advisory committee.
- The town appears to have outgrown its administrative systems.
- The town has not developed service policies.
- Oversight of the service contractor is insufficient.
- Until recently, the town, which is required to provide ADA complementary paratransit service, did not have an ADA complementary paratransit plan. The town has not promoted the service, has made no arrangements to provide the service, and has not received any applicants for the service.
- Grants management is weak. The town files reports and invoices to VTrans late.
- The town continues to fund a route that is losing ridership. The town offers a shoppers' run to Morrisville on Tuesdays and Thursdays to take local residents, mostly elderly, to the Ames Department store. The store closed several years ago, but the town continues to operate the service, despite declining ridership. RCT

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also operates service to Stowe from Morrisville and the town has made no efforts to coordinate or promote the service with RCT.

- The town uses FTA and state transit funds to support a guided bus tour of Stowe during the summer and early fall. The service is ineligible for FTA and state public transit assistance.
- The town's marketing efforts are focused on tourists, not local residents.

The town is considering giving up management of the service to one of the local regional transit providers, but is hesitant because of the potential loss of local control.

The review recommends several steps to address the deficiencies and strengthen managerial capability:

- Establish a transit advisory committee to develop policy and oversee the transit budget. Establish the committee regardless of whether the town continues to serve as the grantee.
- Develop procedures to actively monitor the performance of the transit contractor, including amending the contract to include performance criteria, developing a monthly performance reporting program, holding regular progress meetings with the contractor, and requiring the contractor to develop a written maintenance plan.
- With the assistance of the service contractor and the transit advisory committee, develop service policies.
- Implement an ADA complementary paratransit program.
- Revamp, reduce, or eliminate the Morrisville shopper shuttle. If continued, coordinate the delivery and the promotion of the service with RCT.
- Develop a marketing program to promote transit service to local residents. Add Mountain Road Shuttle service and schedule information to the Stowe Area Association website.

Rural Community Transit

RCT is the transportation provider for the Northeast Kingdom and Lamoille County. It directly operates fixed route and paratransit services and administers a volunteer driver network.

The review finds that RCT has a significant deficiency in financial capacity. As of June 30, 2003, RCT had \$179,068 in debt. RCT is taking steps to address its financial situation. The newly appointed executive director is working with the board on a three-year plan to pay off the debt. RCT has reviewed all its contracts and identified those contributing to the deficit. If negotiations to increase reimbursement rates to cover full costs fail, RCT will not renew those contracts. RCT also initiated fund-raising efforts and is working to secure funding from the towns it serves.

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The review recommends that RCT evaluate its Medicaid rate to ensure that the program pays its fair share of capital expenses and increase the contingency reserve in both its Medicare and 5310 rates to ensure that reimbursements cover unforeseen costs.

Special Services Transportation Agency

SSTA is the coordinated human service transportation provider for Chittenden County. It provides coordinated, demand-responsive service to Champlain Valley Agency on Aging; Champlain Seniors; Champlain Vocational Services; Visiting Nurse Association; Chittenden County Transportation Agency (CCTA) (Medicaid and ADA complementary paratransit); cities of Winooski and South Burlington; towns of Williston, Colchester, Richmond, and Huntington; and area nursing homes.

SSTA has several strengths. The agency is committed to its mission of providing human service transportation. Staff is loyal and turnover is low. The agency knows its clients, is responsive to them, and has credibility in the human services community. SSTA, which conducts its own maintenance, has a strong maintenance program.

Despite these strengths, the review finds that SSTA has significant deficiencies in managerial capability and financial capacity for the following reasons:

- Management does not leverage the board's management and financial skills effectively to assist in developing policy and procedures.
- SSTA does not have a capital budget or capital plan.
- SSTA lacks a written accounting policy and procedures manual, service policy manual, and personnel policy manual.
- SSTA lacks a formal employee performance evaluation program.
- Driver training is not documented and the agency lacks a formal refresher training program.
- SSTA lacks written contracts with agencies for which it provides service.
- SSTA does not have a financial officer on staff.
- As of December 2003, SSTA had borrowed \$105,000 against a line of credit of \$120,000. SSTA recently raised rates in an effort to stem operating losses.

The review recommends several steps to address the deficiencies and strengthen management capability and financial capacity:

- Leverage the financial management and other skills of board members.
- Develop an annual three-year capital budget.
- Develop a written accounting policy and procedures manual, service policy manual, and personnel policy manual.
- Implement a formal annual employee evaluation program.

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- Develop a training checklist to document training of drivers and dispatchers. Consider setting up separate training files for each operator and dispatcher. Develop a formal refresher training program.
- Enter into written contracts with client agencies and include a clause that allows SSTA to raise or lower rates based on actual experience.
- Prepare a plan for paying down the operating deficit.

STRENGTHS, WEAKNESSES, OPPORTUNITIES, AND THREATS

The review analyzed the strengths, weaknesses, opportunities, and threats (SWOT analysis) of each provider. Table 2 presents the common strengths, weaknesses, opportunities, and threats.

Table 2: Common Strengths, Weaknesses, Opportunities, and Threats

Strengths	Weaknesses
Strong and committed boards	Insufficient governance/oversight of transit policy and performance
Broad and appropriate board representation	Inability to attract board members
Committed, experienced staff	Lack of key community representatives, particularly from towns that provide local funding, on boards
Strong financial management	Insufficient documentation of procedures
Local financial support	Late filing of reports to VTrans
Documentation of policies and procedures	Lack of separation of duties, due to small staff size
Comprehensive and well documented training programs	Lack of local financial support
Local decision-making/control	Lack of understanding of federal requirements
Appropriate fare structures	Inadequate fleet maintenance plans
	Failure to comply with ADA
	Inappropriate vehicle sizes and mix
	Inadequate training programs
	Lack of coordinated service delivery
	Poor transit system image/marketing program
	Lack of or inappropriate fare structures
	No cash reserves

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Opportunities	Threats
Cooperative service and funding arrangements with local ski areas and institutions of higher education Regional service provider takeover of service Institution of fares Local fund-raising/increased local town financial support Higher reimbursements from Medicaid and other contracts New maintenance or administrative facilities Coordinated maintenance with other operators or with towns Coordination of training programs with other providers Coordination of service with adjacent providers Additional services/routes Coordinated/blended service delivery Improved image/marketing programs Population growth and aging	Staff turnover of key personnel with institutional knowledge Uncertainty of capital and operating funding Low ridership/ridership stagnation Perceived threat to local control of regional coordination Current level of funding/static funding means slow deterioration of service High insurance costs Weak local economy Debt Potential loss of contracts if true costs are charged Rapid increase in fuel costs

FINDINGS BY REVIEW AREA

The review examined the providers' performance in 29 areas. Table 3 presents a summary of findings by review area for each provider. The table identifies review areas where significant or minor deficiencies were observed. *Significant deficiencies* represent material weaknesses in program management, a shortcoming in an essential or basic function, major issues of compliance with Federal or state requirements, or a pattern of smaller deficiencies that, when viewed together, suggest a material weakness in program management. *Minor deficiencies* represent specific weaknesses that are relatively easy to correct or are already being addressed, lack of a best practice, or a deficiency in a non-essential requirement.

Below we provide an overview of what the review addressed in each area and discuss the major findings by provider. The last section of the report presents the SWOT analyses and the draft findings and corrective actions for the providers.

Table 3: Summary of Findings by Provider

Review Area	ACTR	Advance Transit	ARC	Brattleboro	Deerfield Valley	GMTA	Marble Valley	Network	RCT	SSTA	Stagecoach	Stowe
<input checked="" type="radio"/> Significant deficiency(ies) <input type="radio"/> Minor deficiency(ies)												
Administration and Management												
Governance	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input checked="" type="radio"/>		<input type="radio"/>	<input checked="" type="radio"/>	<input checked="" type="radio"/>	<input checked="" type="radio"/>
Organization and Staffing	<input type="radio"/>		<input checked="" type="radio"/>	<input checked="" type="radio"/>							<input type="radio"/>	
Managerial Capability	<input type="radio"/>			<input checked="" type="radio"/>			<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
Budgeting				<input checked="" type="radio"/>						<input checked="" type="radio"/>		
Financial Capacity/ Financial Management	<input type="radio"/>	<input type="radio"/>		<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input checked="" type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
Risk Management	<input type="radio"/>		<input type="radio"/>	<input type="radio"/>				<input type="radio"/>	<input type="radio"/>	<input type="radio"/>		
Technology and Information Systems		<input type="radio"/>	<input type="radio"/>		<input type="radio"/>			<input type="radio"/>	<input type="radio"/>	<input type="radio"/>		<input type="radio"/>
Satisfactory Continuing Control				<input type="radio"/>						<input checked="" type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
Procurement	<input checked="" type="radio"/>	<input checked="" type="radio"/>	<input checked="" type="radio"/>	<input checked="" type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input checked="" type="radio"/>	<input checked="" type="radio"/>	<input checked="" type="radio"/>	<input checked="" type="radio"/>
Bus Procurements/ Construction Management/ Buy America	<input type="radio"/>			<input type="radio"/>					<input type="radio"/>		<input type="radio"/>	<input checked="" type="radio"/>

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Review Area	ACTR	Advance Transit	ARC	Brattleboro	Deerfield Valley	GMTA	Marble Valley	Network	RCT	SSTA	Stagecoach	Stowe
● Significant deficiency(ies) ○ Minor deficiency(ies)												
Disadvantaged Business Enterprise												
Personnel		○	○					○		●		○
Equal Employment Opportunity	○									○		○
Operations and Service Provision												
Transportation Operations	●	○		●				○		●	○	●
Fares and Contracts				●				●	●	●		●
Fleet and Vehicle Management										○		
Maintenance	●	○	●	●		○		●	●	○	○	●
Training	●	○						○	○	●		●
Safety and Security	●	○	○	●	○	○	○	○	○	○	○	○
ADA	●	●	●	●	●	○	●	○		○	○	●
Drug and Alcohol Program	○			●		○	●	○	○	○		●
Charter Bus											●	

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Review Area	ACTR	Advance Transit	ARC	Brattleboro	Deerfield Valley	GMTA	Marble Valley	Network	RCT	SSTA	Stagecoach	Stowe
<input checked="" type="radio"/> Significant deficiency(ies) <input type="radio"/> Minor deficiency(ies)												
School Bus												
Planning and Marketing												
Planning				<input type="radio"/>								
Service Eligibility			<input checked="" type="radio"/>				<input type="radio"/>			<input type="radio"/>		<input checked="" type="radio"/>
Title VI												
Coordination	<input checked="" type="radio"/>		<input checked="" type="radio"/>		<input checked="" type="radio"/>		<input checked="" type="radio"/>	<input checked="" type="radio"/>	<input checked="" type="radio"/>			
Public Involvement												
Marketing			<input type="radio"/>	<input checked="" type="radio"/>		<input type="radio"/>		<input type="radio"/>	<input checked="" type="radio"/>		<input type="radio"/>	<input checked="" type="radio"/>

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Governance

The review looked to ensure that the boards have written bylaws that addressed fundamental board responsibilities; contain members that represent the community, stakeholders, and funders and provide the skills from which the organizations can draw; set goals, objectives, and policy for the transit service; provide adequate financial oversight, and regularly receive performance data .

Most providers have strong, committed boards and have difficulty recruiting board members. Some providers, such as ACTR and RCT, have fewer members than the minimum called for in their bylaws. Most providers have too few elected town officials on their boards.

The review found that the bylaws for ACTR, RCT, and Stowe do not address key provisions. The charters for Brattleboro, American Red Cross, and Stowe do not mention the provision or coordination of public transit service. The governance structure for GMTA remains under development and lacks formal local representation on the board.

The selectboards of the two towns, Brattleboro and Stowe, serve as the boards for the town's transit services. As the selectboards concern themselves with the budget and operations for the towns as a whole, the reviewers recommend that Stowe establish a transit advisory committee and that Brattleboro enhance the role of its transit advisory committee.

Many boards do not have a formal, annual process for setting goals and objectives and reviewing performance in relation to approved goals and objectives. In many cases, orientation and training for current and new board members is minimal. Many, but not all, boards receive adequate budget and other financial information, including revenue and expense to budget comparisons, the status of loans, investments, and receivables, and the adequacy of contract reimbursement rates. Most boards receive ridership reports, but do not review the key performance measures of economy, efficiency, and effectiveness.

In order to ensure that service planning occurs regularly at the local level and that the services are continually reviewed and revised for efficiency, effectiveness, and economy, transit boards need to review the performance data VTrans currently requires the systems to submit monthly. This local review should prove more effective than state-level reviews, which can then be performed with less frequency.

Organization and Staffing

The review looked to ensure that the providers have an up-to-date organization chart, have an organizational structure that provides the transit manager with complete and balanced span of control, make decisions at the appropriate level, and have a corporate culture that promotes a sense of mission and success.

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Most systems operate with small administrative staffs. As a result, the temporary or permanent loss of key individuals can result in the short-term failure of critical management functions.

The Town of Brattleboro worked diligently to ensure continuation of transit services after the failure of Town and Village Bus and recently took operations in house. The town dedicates insufficient staff resources to the transit program. Transit operations should be transferred from the Department of Planning to the Department of Public Works. It appears that the Town of Stowe dedicates insufficient staff resources to the transit program, too.

Administrative services at American Red Cross address all functions of the organization, not solely providing transit services. Additional office support for transit is necessary, especially to monitor maintenance activities.

Managerial Capability

Managerial capability, as discussed above, addresses all areas of administration and management, operations, and planning and marketing. Deficiencies in multiple review areas led to deficiencies in managerial capability. Managerial capability was also a more targeted review area. The review looked to ensure that transit managers have adequate training and experience and that providers have documented procedures, file accurate reports to the state timely, have systematic procedures for determining the size and mix of the fleet, provide adequate oversight of service contractors, and post the FTA-required labor warranty.

All the transit managers are qualified for their positions. However, several could benefit from additional training.

General findings of managerial capability are discussed above. Specific findings of managerial capability deal with late reports, failure to post the labor protection warranty, and lack of documentation of procedures. Neither Network nor Stowe adequately oversees transit services contractors.

Budgeting

The review looked to ensure that providers have procedures for managing, forecasting, and reporting on operating, capital, and project budgets.

Most providers have adequate procedures for managing budgets. Two providers, Brattleboro and SSTA have findings in this area.

Brattleboro lacks adequate procedures for managing their transit budget. The transit program is a line item in the town budget and the selectboard does not receive a separate, full transit budget. This was sufficient when the town contracted for service, but is inadequate now that the town delivers the service itself. The town has not set up a chart of accounts for transit, complicating the task of managing a budget. The reviewers

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recommend that the transit manager report detailed budget information to the transit advisory committee, which would, in turn, report significant budget issues to the board.

SSTA does not have a three-year capital budget. Several providers have capital budgets, but no clear plans for funding the local share.

Financial Capacity/Financial Management

The review looked to ensure that providers have financial management systems that accurately account for expenses and revenues, have independent audits conducted and resolve audit findings, have indirect cost plans on file with the state, have written accounting policies and procedures, and have basic internal controls over receipts and disbursements.

Several providers, including ACTR, Network, SSTA, and Stowe, do not have written accounting policies and procedures. Stagecoach is updating its accounting manual as directed by the independent auditor. Due to the small size of administrative staffs, the review identified potential internal control issues at most agencies and directed the providers to seek an opinion on these issues from their auditors. Two providers, Network and Stagecoach, have open audit findings.

Three providers, Deerfield Valley, RCT, and SSTA have line-of-credit debt. Deerfield Valley's debt is due to cash flow issues stemming from the temporary operation of transit services in the Connecticut River area and is being repaid as reimbursements are received. As of June 30, 2003, RCT had \$179,068 in debt. RCT is developing a three-year plan to pay off the loan. As of December 2003, SSTA had borrowed \$105,000 against a line of credit of \$120,000.

ACTR, Advance Transit, Marble Valley, and Network have access to lines of credit, but have no outstanding balances. Advance Transit, Deerfield Valley, and Stagecoach have long-term capital debt at favorable interest rates with good repayment histories. Advance Transit, American Red Cross, and Stagecoach have significant reserves which are properly invested in secure instruments.

Some cost allocation plans rely upon unusual bases for allocating indirect costs (e.g. ridership and service miles). Deerfield Valley adjusts the cost allocation rates each week rather than yearly. A reasonable explanation for the careful monitoring and adjustment of rates is to ensure that costs are not charged to the 5310 program in excess of agreed upon reimbursement rates. This results in excessive management effort and significant differences in resultant costs per hour between 5311 and 5310 services even though the fundamental cost structures are usually the same. For example, Deerfield Valley charges \$50 per hour for 5311 services and \$35 per hour for 5310 services. Advance Transit allocates indirect costs and administrative costs based upon a 1993 agreement between the states of Vermont and New Hampshire, resulting in higher hourly costs for the Vermont service.

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Risk Management

The review looked to ensure that providers carry required insurance coverages, list VTrans as additional insured on all policies, and have a workers' compensation management system.

All providers have the required insurance coverages or have received a waiver from VTrans. Neither ACTR nor RCT have documented workers' compensation management systems. Brattleboro and American Red Cross have not listed VTrans as an additional insured on its insurance policies.

Technology and Information Systems

The review looked to ensure that computer applications are current and appropriate to needs, adequate technical support is available, network security is adequate, and written policies are in place governing personal use of computers and access to the Internet.

Most providers have current and appropriate computer applications and networks. GMTA is in the process of establishing systems in Berlin, but currently supports operations from Burlington. Advance Transit and American Red Cross are now automating maintenance records. SSTA has a computer-based maintenance management system. Several providers, including RCT, SSTA, and Stowe, do not have written policies in place governing personal use of computers and access to the Internet.

Satisfactory Continuing Control

The review looked to ensure that providers have reasonable vehicle spare ratios, follow state procedures for disposing of vehicles, maintain an asset inventory, list VTrans on the deeds to all properties, and have procedures to prevent loss, damage, or theft of property and inventory.

Several providers have high spare ratios. RCT had two excess buses that it recently transferred to another provider. Stowe has two replica trolleys that are underutilized and are used in ineligible service. SSTA is unable to provide documentation that supports the size of its fleet. Stagecoach has 15 vehicles to support a peak operation of 10 vehicles. Transit providers that serve major ski areas—Deerfield Valley, Marble Valley, and Stowe—have large fleets that are used to the maximum only during ski season. ACTR and American Red Cross have no spare vehicles. GMTA is securing used equipment to address the lack of spare vehicles.

This finding has implications for future capital requirements. It appears that fleet projections in the short-range transit development plans for some providers may overestimate the need for additional buses. At the same time, the continued need for funding of replacement buses as the fleets age is significant and growing.

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Procurement

The review looked to ensure that providers have written procurement procedures that reflect current practice, comply with FTA requirements, provide for free and open competition, and provide for documentation of procurement history.

All the providers appear to work to obtain quality services and goods at competitive prices. All the smaller providers buy buses off the New York State contract, thereby obtaining vehicles at a competitive price. Providers are purchasing tires off a state contract and at least one, ACTR, purchases telephone services off a state contract.

All but two of the providers adopted or are in the process of adapting CCTA's procurement policy. None of the providers have adapted it enough to address actual procedures and items that are most frequently procured. Also, CCTA's policy does not adequately address procedures for purchasing services less than the federal small purchase threshold of \$100,000 and documentation of the procurement process.

Two providers, Brattleboro and Stowe, did not adopt CCTA's procurement policy. Brattleboro does not have written procurement procedures and Stowe's policy lacks procedures governing sole source procurements and written protest procedures. Stowe's policy included a local preference clause. Federal regulations prohibit the use of local preferences when procuring with federal assistance.

Many providers purchase maintenance services and fuel. As each purchase is small, the providers have not signed formal contracts with the vendors. Even though the individual purchases are small, they become large when accumulated over a year. For example, RCT spends over \$100,000 on maintenance yearly. All providers that contract for maintenance stated that they have researched prices and qualifications and use garages that provide quality service at a competitive price. However, none of the systems documented the selection process, so the statements cannot be confirmed. The providers also did not document the process for selecting fuel vendors.

Several providers, including Advance Transit, ACTR, Deerfield Valley, Marble Valley, Network, and Stagecoach do not have contracts with their auditors or have extended the contracts beyond the original terms of the contracts. For other providers, agreements with insurance agents or brokers similarly continue for years without adequate competition.

Bus Procurement/Construction Management/Buy America

The review looked to ensure that providers have adequate procedures for developing bus specifications, comply with FTA requirements when buying buses, and provide adequate oversight of construction projects.

Most of the providers purchase buses off the New York State contract so procedures to develop specifications are not an issue.

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None of the providers that purchased buses and vans in the past several years complied with FTA pre-award and post-delivery review requirements. American Red Cross did not comply with FTA bus testing requirements.

Disadvantaged Business Enterprise (DBE)

The review looked to ensure that FTA requirements to ensure that disadvantaged business enterprises have maximum opportunity to compete for and perform contracts were met.

All providers follow required procedures, but only Advance Transit has actually contracted with certified DBEs. All providers are encouraged to expand their efforts to identify and consider purchases from qualified DBEs.

Personnel

The review looked to ensure that providers have written, board-approved personnel policies that address fundamental issues, have written and current job descriptions, maintain time and attendance records, and have adequate hiring and screening practices.

Most providers have written personnel policies that have been adopted by the board. Of the twelve providers reviewed, only SSTA does not have written personnel procedures. SSTA also has no formal annual performance evaluation program for employees. Advance Transit is designing an employee evaluation process. SSTA supervisors do not sign timesheets. Advance Transit, SSTA, and Network do not conduct criminal background checks on applicants.

Equal Employment Opportunity

The review looked to ensure that providers comply with equal employment opportunity (EEO) requirements.

All 12 providers have an EEO policy and post a notification of federal EEO law in the workplace. ACTR and SSTA do not include an EEO statement on employment notices, job applications, or job postings. Neither Network nor Stowe passes through EEO requirements to their transit service contractors.

Transportation Operations

The review looked to ensure that providers monitor daily operations, have a written operator's manual, have adequate scheduling procedures for fixed-route service, have adequate reservation, scheduling, and dispatching procedures for demand-responsive service, actively manage no-shows, late trips, and missed trips for demand-responsive service, and have adequate complaint processing procedures.

ACTR, Stowe, and SSTA have no written driver handbooks that document policies and rules. This lack of documentation complicates efforts to inform drivers of policies and rules, including those required by ADA, and to hold drivers accountable for following policies and rules. Network has a detailed driver handbook, but has not required its

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service contractor to comply with the policies. There should be no difference in policies between service provided by staff and that provided by contractors.

Brattleboro is temporarily parking its buses at a rented private lot. This complicates efforts of the contracted transit manager to oversee operations. The reviewers recommend that, along with the transfer of the transit program to the Department of Public Works, the town store the buses at the public works facility and provide the transit manager with an office at the facility. Brattleboro also has no procedures for monitoring the operations of its paratransit contractor.

Fares and Contracts

The review looked to ensure that providers have adequate systems for controlling fare collection, have entered into written contracts with human service agencies, and have rates that cover the costs of providing service.

Ten of the 12 providers charge fares for at least a portion of the services. All services at ACTR and Deerfield Valley are free. Advance Transit recently instituted a fare for service in the Town of Hartland when the town discontinued its annual contribution to the Advance Transit operating budget; service in towns that contribute is free. Controls over fare collection and handling need improvement in Brattleboro, Network, and Stowe.

Accurate costing and pricing is important to the continued financial health of the transit providers. Failure to charge what it costs to deliver services led to the failure of Town and Village Bus. Green Mountain Transit found that Wheels underestimated the costs of providing service and expects to reduce service to stave off a forecasted budget deficit.

Providers undercharge Medicaid and the 5310 program for transportation services. Providers do not include a depreciation allowance in charges to Medicaid. Depreciation allowances are necessary to provide the local share for vehicle purchases. Neither Medicaid nor 5310 charges include a sufficient contingency reserve. Providers are reluctant to charge actual costs as they are concerned that they will lose contracts, see it as their mission to provide the service regardless of reimbursement rates, or both.

Fleet and Vehicle Management

The review looked to ensure that providers use vehicles that are appropriate for the type of service and ridership volume, have a fleet replacement plan, and have appropriate procedures for estimating vehicle requirements.

Most providers rely on the short-range transit planning process to develop fleet replacement plans. Because of excess spare ratio findings, some plans need to be revised. SSTA, which did not participate in the short-range transit planning process because it is not a direct public transit service provider, does not have a fleet replacement plan.

Advance Transit, Deerfield Valley, and Marble Valley purchased medium-duty buses which have more capacity and a longer useful life than body-on-chassis vehicles. Each of these providers has excessive maintenance and repair costs on these vehicles because

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of their operating environments and types of service. These ten-year-rated vehicles are unlikely to complete their useful life. Advance Transit ordered heavy-duty, 12-year buses to begin replacing the medium-duty, ten-year vehicles. Although the initial capital cost of heavy-duty buses is \$250,000 versus \$100,000, and they need greater maintenance skills, the life-cycle cost of heavy-duty buses should be less.

Maintenance

The review looked to ensure that providers have a written maintenance plan that addresses key issues, including maintenance of accessibility features as required by ADA; conduct preventive maintenance inspections timely; have complete maintenance records; have a pre-trip inspection program that addresses safety, cleanliness, fluid levels, and accessibility features; clean buses regularly; pursue warranty claims; oversee maintenance contractors; and monitor the effectiveness of maintenance operations.

All providers, except Deerfield Valley, have findings in maintenance. Five providers have no vehicle maintenance plan or have outdated plans, inaccurate plans or incomplete plans. Two providers, ACTR and Stowe, have no preventive maintenance program for wheelchair lifts.

American Red Cross, Network, RCT, and Stowe do not perform preventive maintenance inspections on time.

Most providers have adequate maintenance records. Stowe's contractor's maintenance records were incomplete.

All providers clean buses regularly. A visual inspection of a bus in Brattleboro found the bus interior to be dirty.

All providers actively pursue warranty claims.

Of the seven that contract for maintenance, American Red Cross, Network, and Stowe have inadequate procedures for monitoring the performance of maintenance contractors.

All providers have a pre-trip inspection program. The reviews found shortcomings in the pre-trip inspection programs of Advance Transit, ACTR, Brattleboro, Marble Valley, Network, RCT, SSTA, and Stowe. Most shortcomings pertain to failure to address ADA accessibility features.

Advance Transit, GMTA, Marble Valley, SSTA, Stagecoach, and Stowe have FTA- and state-funded facilities. Stagecoach has no facility maintenance plan. SSTA's facility maintenance plan is out of date. Advance Transit, Marble Valley, and Stowe have facility maintenance plans, but do not document the maintenance performed.

Finally, no provider collects or reports data on the effectiveness of their maintenance program to their board.

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Training

The review looked to ensure that providers have a written training program for drivers, dispatchers, and mechanics and they document training provided.

All providers have a training program for drivers. The review found shortcomings with six providers' programs. ACTR does not have a written driver training program. Network, RCT, and SSTA do not adequately document training. Advance Transit does not provide first aid and CPR training. Neither Network nor Stowe provide sufficient oversight of transit service contractor's training programs.

Safety and Security

The review looked to ensure that providers have written safety and security policies and plans, ensure that drivers meet minimum safety standards, address safety responsibilities in position descriptions, outfit vehicles with safety kits, have accident and incident investigation procedures, report accidents to VTrans, follow up with drivers that have unsafe driving records, and have driver and passenger safety policies.

ACTR is the only provider without written safety procedures.

All providers ensure that drivers have safe driving records, have valid driver's licenses, and pass background checks.

Brattleboro, Network, and RCT do not address safety responsibilities in position descriptions.

All vehicles have safety kits. ACTR, Brattleboro, Marble Valley, SSTA, and Stowe do not have specific safety equipment on board vehicles, are missing on-board emergency instructions, or are past due in fire extinguisher checks.

All providers have accident and incident investigation procedures. Several providers do not have procedures to report accidents to VTrans.

Network gave an old vehicle to the local fire department which used the vehicle to practice rescues.

All providers understand their role in the state's emergency response plan.

Americans with Disabilities Act (ADA)

The review looked to ensure that providers have accessible vehicles, comply with ADA service provisions, and, if applicable, provide and comply with complementary ADA paratransit service requirements.

All providers, except RCT and SSTA, have findings in ADA.

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All providers operate accessible vehicles. Deerfield Valley has one non-accessible vehicle.

Only RCT lists a TTD or relay number for the deaf and hard of hearing on vehicles, brochures, and schedules.

Ten providers do not fully comply with ADA service requirements. The most common finding was not announcing stops for fixed-route operations.

Brattleboro, Marble Valley, and Stowe are required to provide ADA complementary paratransit service. The review found deficiencies with all three programs. Brattleboro's procedures for determining eligibility for the program may be too lax. Brattleboro does not accept reservations during normal business hours on all days prior to days of service. Marble Valley's ADA client information does not indicate service rules. Stowe has not implemented complementary paratransit service.

Drug and Alcohol Program

The review looked to ensure that providers have an FTA-required drug and alcohol testing program, have a board-adopted drug and alcohol policy that contains the required elements, include safety-sensitive positions in the testing pool, properly maintain drug and alcohol testing records, conduct the required types of drug and alcohol tests, test for the required substances, and provide required training to employees and supervisors.

All providers participate in the drug and alcohol testing consortium administered by the Vermont Public Transit Association. None of the transit service contractors participate in the consortium.

Policies of half the providers and the policies of Network's and Stowe's transit service contractors are deficient.

Brattleboro contracts with a local taxi company for ADA complementary paratransit service. The taxi company does not have a drug and alcohol testing program.

Marble Valley does not have a policy to terminate drivers having a positive drug or alcohol test after an accident.

Charter Bus

The review looked to ensure that providers comply with FTA charter bus prohibitions. The regulations restrict the provision of charter service with FTA-funded equipment and from FTA-funded facilities to prevent unfair competition with private charter bus operators.

Stagecoach is the only provider that provides charter bus services. Procedural deficiencies exist in the procedure to qualify the charter service under an allowable FTA exemption.

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School Bus

The review looked to ensure that providers comply with FTA school bus prohibitions. The regulations prohibit the provision of school bus service with FTA-funded equipment and from FTA-funded facilities to prevent unfair competition with private school bus operators. All providers comply.

Planning

The review looked to ensure that providers have a short-range planning process, participate in the regional planning process, and have a mechanism for obtaining rider and non-rider feedback.

All providers participate in the transportation advisory committees of their regional planning commissions. The committees offer representation to all area transportation providers and to human service agencies that purchase transportation services from the public transit provider. The committees provides a forum for negotiations leading to the annual capital and operating plan for 5310 and 5311 funding.

All providers, except SSTA, rely on the state's short-range planning process. As a human service, not public transit, provider, SSTA does not participate in the short-range planning process.

As a new system, Brattleboro does not have a mechanism in place yet to obtain regular feedback from its riders.

Service Eligibility

The review looked to ensure that the public transit service provided is eligible for FTA assistance and is promoted to the general public, and that incidental service, such as meal delivery, does not interfere with public transit service.

Stowe purchased replica trolleys with FTA assistance and uses them to provide guided tours during the summer and early fall. The service does not qualify as public transit services under FTA regulations and, therefore, FTA funds and FTA-funded equipment cannot be used.

American Red Cross does not adequately promote their service to the general public. Vehicle markings do not clearly represent the service as available to the general public. Their telephone is answered for the Red Cross and not the trade name of the service (Green Mountain Express). The telephone number is not listed in the local directory under bus services or transportation.

Title VI – Nondiscrimination in the Provision of Service

The review looked to ensure that providers offer the same quality and quantity of service to areas with minority populations as to areas without minority populations, have a

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procedure for investigating Title VI complaints, and promote service to minority populations.

Vermont has a small minority population and there are no rural areas in the state with large concentrations of minorities. Areas in which minorities live receive the same quality and quantity of service as areas in which no minorities live. All of the providers have procedures in place to investigate Title VI and other complaints. Providers promote the service to all populations.

Coordination

The review looked to ensure that the providers operate coordinated service, coordinate service delivery with local human service providers, and explore additional opportunities for coordination.

Providers do not coordinate the services across funding programs. Providers operate separate service for each funding program: fixed-route service for the general public and JARC, demand-responsive service for 5310 service, and volunteer services to carry most Medicaid trips. The operators have adopted a fixed-route service model for public transit that is better suited to urban areas than to rural areas, prevents coordinated service delivery, and raises costs.

Only SSTA and Stagecoach operate truly blended services. SSTA, which only provides demand-responsive service, transports clients from multiple funding sources on the same trip. Stagecoach operates flexible route and demand responsive services, while transporting human service clients from multiple funding sources as well as general public riders.

VTrans continues to award 5310 vehicles to human service agencies that provide transportation in areas that are also served by public transit providers. Only in limited circumstances do the human service agencies and the public transit providers coordinate service. Having multiple service providers in the same area may unnecessarily increase vehicle requirements and operating costs as vehicles are not used as effectively as they could be.

Coordinated transfers of passengers occur on a limited basis. Network operates a route that offers a coordinated transfer to CCTA service. Marble Valley and American Red Cross provide connecting service to Manchester. Stagecoach provides connecting services to Advance Transit. As services are added or changed, there may be more opportunities for coordinated transfers.

Coordinated purchase of vehicles occurs. Most providers purchase buses off the New York State contract. Coordinated purchase of insurance either through the state or through VPTA was mentioned by many providers as an effort that should be pursued. Opportunities also exist for coordinating driver training and marketing.

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Public Involvement

The review looked to ensure that providers offer opportunities for public comment on the annual proposed transit program and on fare increases and service changes and have other mechanisms for obtaining public comment. All providers offer opportunities for public hearings and have other public involvement procedures.

Marketing

The review looked to ensure that providers have a written marketing plan, promote the service through advertising and other means, participate in community events, use feedback from riders and non-riders to develop marketing programs, print and distribute quality schedules and brochures, and have a website with ride and schedule information.

Several providers have aggressive marketing programs. For example, ACTR has a written marketing plan, makes a concerted effort to receive weekly coverage on the radio and in newspapers, and has installed new, attractive bus stop signs. ACTR prints ads in its schedule brochure. The ads more than paid for the cost of designing and printing the brochure.

Stowe relies on the Stowe Area Association to promote its bus services. The association is partially successful in promoting the bus services targeted to tourists but does little to promote the services targeted to local residents. Stowe does not distribute a schedule for its Morrisville shopper, its service that is targeted to residents only.

Only four providers have websites with schedule and ride information. ACTR and GMTA are in the process of developing a website. Despite the statement that the bus service is a big draw for skiers, especially from Europe, the Stowe Area Association does not mention the Mountain Road Shuttle nor post the schedule on its website.

Few providers have written marketing plans. Brattleboro, Network, and RCT have limited distribution of schedules. Two providers, Brattleboro and Network, distribute photocopied schedules. Neither American Red Cross nor Brattleboro have a direct telephone number for the transit service.

RECOMMENDATIONS

The State of Vermont has funded and fostered the development of a network of transportation service providers throughout the state that has much strength:

- Most operators have dedicated boards of directors and professional staffs.
- Collectively operators offer a range of mobility services including fixed route bus services, flexible fixed routes, demand response paratransit, human service agency transportation, volunteer transportation, purchase of taxi rides, user side subsidies (Ticket to Ride), shuttles to major destinations such as ski areas and hospitals, and rideshare services.

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- FTA funds for rural and special transportation services (5310, 5311, and JARC), have been augmented with discretionary FTA transit capital funds, other federal transportation funds (CMAQ and STP), and with state general funds.
- Many operators have developed partnerships with local town governments, major employers, and human service agencies, to secure additional funds for the purchase of transportation services and to support the core transportation program.

At the same time, Vermont's network of transportation providers exhibits weaknesses:

- Two operators ceased operations in the last year amidst mounting operating debt. It is possible that each agency was unaware that some services had inadequate revenue streams to support and sustain them.
- Most operators run small businesses with small staffs. The loss of key staff members and the lack of written management policies and procedures have the potential to quickly send an agency into a tail spin.
- Annually, the providers must apply for the various state grants without assurance of success, particularly for the 5310 program. Local funding partners must be courted annually to continue contributions to the transit program. During the current economic downturn this task has proven daunting. Often transit providers begin the fiscal year with an operating budget that contains revenue estimates which have not been committed.
- Many operators wrongly believe that the services they operate are only for segregated markets. Rural public transit (5311) is commonly perceived as under-used fixed route service. Human service agency transportation (5310) is thought of as exclusive service for clients of specific partner agencies. Volunteer transportation is thought to be solely for transporting Medicaid clients.
- In certain instances, multiple agencies in the same region receive transportation grants and operate what can be competing services.
- State transit administrators require extensive monthly written reports from the providers to ensure that operators are accountable for federal and state funds. The providers devote significant effort to preparing the reports. The number of reports increases with the number of grant agreements each operator has with the state.

To take advantage of transit provider strengths and to reduce barriers that contribute to weaknesses, we recommend adopting the following policies:

- Work intensively with existing recipients of federal and state transportation grant funds who lack sufficient managerial capability to help correct deficiencies. Should the current organization not improve, cease funding them directly. Should they have the capacity and desire to provide some services, permit them to receive grant assistance by subcontracting with a qualified grantee.
- To provide more certainty to the annual grant and budget development process, designate one agency in each region to be the grant recipient for all federal and state transportation funds (5310, 5311, 5309, Medicaid, Ride Share, and state

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funds). The single grantee should be the 5311 rural transit operator. Require the annual program of projects to be developed and approved through a regional transportation advisory committee. The single grant application (with consolidated reporting requirements) may provide funds for several agencies and private operators that execute written contracts with the single grantee. Titles to all vehicles and facilities would rest with the single grantee, but the equipment may be leased at little or no charge to the subcontractors. Consider distributing 5310 and 5311 funds to regions annually based on factors such as rural population and the concentration of elderly and persons with disabilities.

- Emphasize that all transportation services supported with federal or state funds must be open to the general public. Services may be designed primarily to meet the needs of special markets and funding partners, but must also be open to the general public, at least on a seat-available basis. Opening all services to the general public will expand public transit service to the whole state at little cost. Savings from improved coordination may pay the cost of providing services statewide.
- Clearly state that the type or mode of service operated (fixed route, flexible route, paratransit, volunteer, cab, etc.) will be decided by the board of the single regional grantee in consultation with the regional transportation advisory committee. All services should be open to the general public. In fact, a single vehicle and driver could perform different service types during the same tour of duty. The efficiency and effectiveness of all services should be determined by the 5311 board of directors and justified at least annually to VTrans. Savings resulting from eliminating unproductive service can be used to provide service using other modes in areas that are not served now or are underserved.
- To help the 5311 operator assume the responsibilities of a single grantee, the state should provide administrative support funds and underwrite the cost of strategic organizational development activities.
- To provide technical assistance to the grantees, the state should continue to work with transit providers and encourage peer support to expand the implementation of best or exemplary practices. Critical needs include technical assistance and best practice deployment in areas of common deficiencies such as accounting, procurement, maintenance, ADA compliance, safety and security, and marketing.
- To address the growing capital needs of the transit network, the state should develop a five-year capital improvement program to guide annual appropriations. The program should recognize the need for adequate spare vehicles and reasonable useful life determinations based on age, miles, and duty cycles.
- Evaluate requiring a consistent cost allocation plan for use by all grantees, rather than permitting each agency to develop its own. Require indirect cost allocation rates be developed annually, based on the prior year's actual experience.

Implementing the coordinated service model will let the state to expand public transportation services, which are now concentrated in cities and towns, to all areas of the state for little or no additional cost.

FINDINGS BY PROVIDER

The tables on the following pages present the SWOT analyses and draft findings and recommendations by provider. Because of the tight timeframe for the study, the findings and recommendations are in draft. The providers have not commented on the findings.

Table 4: Addison County Transit Resources SWOT Analysis

Strengths	Weaknesses
<p>Strong board of directors</p> <p>Financial management</p> <p>Maintenance program</p> <p>Strategic planning/self assessment</p> <p>Marketing program</p> <p>Recognition of importance of documentation</p> <p>Ability to identify potential funding sources</p> <p>Positive image in community</p> <p>Ridership growth/trends</p> <p>Facility (low overhead and co-located with agencies with which to coordinate)</p> <p>Desire to learn/do it right</p>	<p>Vehicle logo/look detracts from image</p> <p>Insufficient documentation of procedures/procurements</p> <p>Insufficient understanding of FTA requirements</p> <p>Lack of a facility</p> <p>Training program</p>
Opportunities	Threats
<p>Middlebury College for ridership and funding</p> <p>Increased ridership</p> <p>Leveraging of positive image</p> <p>Route 7 corridor service expansion</p> <p>Opening 5310 service to the general public</p> <p>Coordination of purchases and training</p> <p>Leveraging of financial skills to assist other state transit system</p> <p>Coordinated/blended service delivery model</p> <p>Fares to provide additional revenue</p>	<p>Potential for key staff turnover before procedures are documented</p> <p>Uncertainty of JARC funds</p> <p>Uncertainty of state and local capital funding</p>

Table 5: Addison County Transit Resources Draft Findings and Corrective Actions

Finding	Corrective Action
Governance	
Bylaws missing key provisions	Amend the bylaws to address the procedure for appointing the executive director and for avoiding conflict of interest in selection of board members, employment, and doing business with the agency. Submit a copy of the amended bylaws to VTrans.
No transit advisory committee	We recommend that ACTR establish a transit advisory committee composed of riders and representatives of the disabled community to advise on rider policy.
Insufficient reporting on service effectiveness and efficiency	Report selected effectiveness and efficiency measures to the board on a regular basis. Submit a copy to VTrans.
Managerial Capability	
No board policy manual	We recommend that ACTR provide each board member with a manual that includes all board-approved policies.
Labor warranty not posted	Post the special protection labor warranty. Notify VTrans when warranty is posted.
Financial Capacity/Financial Management	
Lack of accounting policy and procedures manual	Develop accounting and procedures manual. Submit to VTrans.
Internal control of checks may be lacking	Ask the agency auditor whether two signatures, one from management and one from the board, should be required on checks over a designated threshold. Ask auditor whether employees who are responsible for signing checks, handling cash, and performing other accounting functions should be bonded. Submit auditor's answers and ACTR response to VTrans.
Risk Management	
Lack of documented workers' compensation management system	Develop and document a workers' compensation management system. Send copy to VTrans.

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Finding	Corrective Action
Procurement	
Procurement procedures missing elements	Revise procurement manual to address procedures for procuring services between \$2,500 and \$100,000. Ensure that the procedures provide for free and open competition. Submit a copy of the revised procedures to VTrans.
Procurement files lack documentation of evaluation criteria and evaluation	Develop procedures to document evaluation criteria and bid evaluations in procurement files. Include procedures in the procurement manual. Submit a copy of the manual to VTrans.
Lack of documentation of fair and reasonable price and free and open competition for maintenance services	Develop evaluation criteria and solicit quotes from maintenance vendors and document selection of vendor. Send to VTrans.
No contract for auditing services	Bid for audit services. Include terms for contract extensions in the contract. Submit a copy of the contract to VTrans.
Bus Procurements/Buy America	
Bus procurement missing required FTA elements	Develop procedures to comply with DBE and pre-award and post-delivery requirements when procuring buses with FTA assistance. Document procedures in the procurement manual. Submit the revised manual to VTrans.
Equal Employment Opportunity	
Lack EEO statement on job postings, job applications, and employment notices	Include an EEO statement on job postings, job applications, and employment notices. Submit samples to VTrans.
Transportation Operations	
No written service policy or operator's manual	Develop a written operator's manual. Submit to VTrans.
Overgrown trees along routes	Develop procedures to identify overgrown trees along works and work with town to trim them. Notify VTrans of procedures.
Maintenance	
Written plan missing required elements	Add discussions on oversight of contracted maintenance, bus washing procedures, warranty recovery procedures, and vehicle service life to the maintenance plan. Submit the plan to VTrans.

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Finding	Corrective Action
No preventive maintenance program for wheelchair lifts	Develop a preventive maintenance program for wheelchair lifts. Include program in maintenance plan. Submit the plan to VTrans.
Pre-trip does not address tie downs	Add tie-downs to pre-trip inspection. Send copy to VTrans.
No reporting on effectiveness of vehicle maintenance	Compile and report on maintenance effectiveness using selected measures. Submit a sample report to VTrans.
Training	
No written training program	Develop a written training program for operators and dispatchers. Submit the program to VTrans.
Safety	
Unsafe bus transfers	Improve safety of downtown bus transfers, especially for school children. Notify VTrans of the solution.
No written safety plan	Develop a written safety plan. Submit to VTrans.
Missing safety equipment	Carry a blood-borne pathogens kit on vehicles. Notify VTrans when placed on vehicles.
Missing safety equipment	Carry web cutters on vehicles. Notify VTrans when placed on vehicles.
No pictures of accidents	We recommend that ACTR take pictures of all damage to vehicles for all accidents.
ADA	
Public materials missing TDD number	Include state TDD number on public materials. Submit copies to VTrans.
No written ADA service policies	Include ADA service policies in operator's manual. Submit to VTrans.
Stops not announced/ insufficient number of announced stops	Develop procedures to ensure that drivers announce stops. Work with representatives of the disabled community to identify stops that should be announced. Submit procedures and list of stops to be announced to VTrans.
Drug and Alcohol Program	
Policy includes erroneous elements	Revise drug and alcohol policy to eliminate discussion of return-to-duty and follow-up testing. Submit revised policy to board for approval. Distribute revised policy to all employees in safety-sensitive positions. Submit revised policy to VTrans.

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Finding	Corrective Action
Required training not provided	Provide the required 60 minutes of drug and alcohol training employees to employees who have not received the training. Notify VTrans when training is complete.
Coordination	
Segregated transit services provided	Develop new coordinated service model that opens the volunteer driver and 5310 service networks to the general public and that places riders on the most cost-effective service.

Table 6: Advance Transit SWOT Analysis

Strengths	Weaknesses
<p>Professional administration of complex bi-state transit company. Ridership has grown in the 7 town service area.</p> <p>Board discussions are sharply focused on the provision of quality, fixed route transit service. Board reflects municipal and institutional transit partners. The Board gives strong business, financial, and personnel advice within a multi-year, policy context</p> <p>Policy and procedure documents are developed and implemented with careful attention to detail.</p> <p>Procurement procedures foster competition and DBE participation</p> <p>Strong financial management and reporting skills and working relationship with CPA, independent auditor, and consultants.</p> <p>AT has established credibility with the two state governments and peers in the transit industry</p> <p>Capital program is well developed. The 5 year capital finance forecast guides the accumulation of local matching funds</p> <p>AT has an unrestricted reserve fund to support contingencies, local share, and program needs. Line of credit established with a zero balance.</p> <p>Maintenance program is well conceived and executed in a cost effective manner to standards that exceed vehicle manufacturer recommendations</p>	<p>Board does not include representation of the disability community and ADA fixed route requirements are not met. While AT is attentive to the needs of passengers with special needs, AT is not in compliance with ADA requirements for fixed route services in the areas of public brochures (telephone numbers for hearing impaired) and bus stop announcements</p> <p>AT is developing, but has not achieved, well documented policies and procedures for procurement, safety, and security.</p> <p>The fleet of medium-duty buses is difficult and costly to maintain. This fleet still has several years of useful life remaining.</p>

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Opportunities	Threats
<p>The potential determination that non-profit transit agencies must comply with ADA complementary paratransit services would be a catalyst to increased coordination among transit providers in the region.</p> <p>Community development with the opportunity for additional impact fees and parking funds</p> <p>Fare/fee for service</p> <p>NH gas tax for transit?</p> <p>Fund raising</p> <p>Accelerated capital financing potential</p>	<p>The potential determination that non-profit transit agencies must comply with ADA complementary paratransit requirements could impose significant financial burden</p> <p>Level funding could result in staff reductions and reduced management coverage during all service hours</p> <p>Reduction in or loss of local government funding</p> <p>Local share of capital projects could exhaust or exceed local reserve funds</p> <p>More complex facility and vehicles present new challenges</p>

Table 7: Advance Transit Draft Findings and Corrective Actions

Finding	Corrective Action
Governance	
The Board of Directors does not include representation of the disabled community	Consider recruiting an individual with disabilities or in service to the disabled community when appointing vacancies on the Board of Directors.
Board receives monthly ridership report. Transit performance measures not reported to the Board	Develop and implement reports measuring transit service economy, efficiency, and effectiveness to the Board on a monthly or quarterly basis.
The Board does not formally review the performance of the Executive Director at least annually	Develop a formal process and schedule for Board review of the Executive Director at least annually.
Financial Capacity/Financial Management	
<p>AT charges operating and administrative costs to the Section 5311 programs of VT and NH in accordance with a 1993 memorandum of agreement between the states. The VT program is responsible for revenue miles of service operated in VT at the system operating cost per mile. The VT program is responsible for 30 percent of the system's administrative costs.</p> <p>AT's FY2003 audit notes a deficit in the Vermont Section 5311 program for the year of \$178,840. This amount is the equivalent to a local share of 10% of capital expenses, 20% of administrative expenses, and 84% of operations and maintenance expenses.</p>	Work with VTrans to evaluate the continued validity of the 1993 bi-state cost allocation agreement after 10 years of experience. Submit to VTrans an analysis of total Section 5311 operating and administrative costs for the 1 st quarter of FY 04, total revenue hours and miles of service operated for the period, and the allocation of costs, revenue hours, and revenue miles to the states of Vermont and New Hampshire.
Accounting manual does not address records retention and reporting requirements	Revise accounting manual to include records retention and reporting requirements
Checks and key source documents are not stored in a fire-proof lockable cabinet.	Discuss with auditor the costs and benefits of storing checks and source documents in a fire-proof lockable cabinet.

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Finding	Corrective Action
Technology and Information Systems	
Maintenance management software not in use	Provide training and clerical support to implement the maintenance management software system
Procurement	
Procurement manual in draft format	Complete the procurement manual with particular attention to procedures for file documentation, adequate competition, and small purchases
Personnel	
Employees are not formally appraised at least annually	Develop and implement formal appraisal process and forms
Criminal background checks are not conducted as part of the screening and hiring process	Develop and implement criminal background checks during the screening and hiring process
Transportation Operations	
Memos define operating policies. No operators manual.	Develop and distribute an operations manual
Maintenance	
Pre-trip inspection form does not address wheelchair inspection	Revise the pre-trip inspection form to include wheelchair lift inspections
Facility maintenance plan lacks assignment of responsibilities	Implement the facility maintenance plan with checklists and assignment of responsibilities
Training	
AT does not provide first aid and CPR training	Evaluate the inclusion of first aid and CPR training for drivers and mechanics
Safety and Security	
No written safety or security plans	Develop and implement safety and security plans that address in-vehicle, facility, and community, safety and security procedures. Consider a safety awards/ recognition program and emergency management procedures

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Finding	Corrective Action
ADA	
TDD or relay telephone number does not appear where voice telephone numbers appear in public materials	Display TDD or Relay numbers in public documents where voice numbers appear.
No policy or program for bus stop announcements on the fixed route system	Develop and implement procedures for announcing bus stops on the fixed route system

Table 8: American Red Cross Green Mountain Chapter SWOT Analysis

Strengths	Weaknesses
<p>Green Mountain Express is an integral part of the local chapter of the American Red Cross, a financially sound, community service organization with long standing in the community and high management expectations from the national organization.</p> <p>GMCARC successfully raises community funds and provides local share funding to the transit program from these contributions. Budgeting and financial management procedures are good.</p> <p>Red Cross chapter board is engaged and representative of community interests</p> <p>GMCARC operates a fleet of locally owned cars to supplement the 5311 and 5310 services.</p> <p>Maintenance costs have been contained with the delivery of new vehicles and improved maintenance. As a result, overall cost performance measures have improved.</p> <p>The Executive Director takes an active interest and role in the provision and development of transit services. Managers of other key departments cooperate well with operations department where transit services are housed.</p>	<p>Transit services do not have a distinct image (vehicle markings, phone system, and brochures) separate from the Red Cross and is not perceived as the general public transit</p> <p>Agency charter and bylaws do not mention public transit</p> <p>Local governments do not contribute financially to the transit program</p> <p>Rural public transit services are operated separately from specialized elderly and disabled transportation. Marketing not designed to attract additional general public ridership.</p> <p>Services operated without the operational and security benefits of a vehicle storage and maintenance facility. Contract vehicle maintenance needs more oversight control.</p> <p>The Executive Director is responsible for the delivery of all agency programs. The Operations Manager supervises a staff that also has non-transit responsibilities.</p> <p>Transit program needs additional, trained transit support services (e.g. maintenance management).</p>

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Opportunities	Threats
<p>Develop vehicle maintenance and storage facility</p> <p>Until a transit facility is developed, explore shared maintenance arrangements with local town and state agencies</p> <p>Gain efficiencies by blending fixed route and paratransit services for the general public</p> <p>Pursue additional coordination of agency transportation demand and funds</p> <p>Explore additional markets such as college students</p>	<p>Transit service is grant-dependent. Potential loss of rideshare program</p> <p>Policy barriers and reporting burdens of multiple grant funding programs</p> <p>Several human service agencies operate transportation services separate from the public transit system</p> <p>Low community perception of public transportation</p>

Table 9: American Red Cross Green Mountain Chapter Draft Findings and Corrective Actions

Finding	Corrective Action
Governance	
Board reviews transit services at least annually and transit finances monthly. The Board does not review transit system performance measures	Report transit system performance statistics to the Board at least quarterly.
Organization and Staffing	
Operations Department needs additional office support to ensure continuous operation in the absence of key personnel	Evaluate staffing and training needs in the Operations Department to ensure continuity of service and maintenance
Managerial Capability	
GMCARC certified compliance with national labor protection warranty, but has not posted the warranty clearly for all employees to see.	Obtain a copy of the Section 5333(b) warranty and post it in a common employee location.
Risk Management	
State is not listed as additional insured on all pertinent national Red Cross policies	Work with the national chapter to list the state as an additional named insured on insurance policies
Unable to determine if GMCARC maintains the asset record system with all required elements	Review the asset management records to ensure that all required data elements are tracked.
Technology	
Maintenance management software needs to be fully implemented	Develop a schedule for the full implementation of the maintenance management application
Procurement	
Procurement policies and procedures manual is under development	Develop and implement a procurement policy and procedures manual that complies with Circular 4220.1E
Bus testing report not obtained prior to expenditure of federal funds for vehicle	Obtain bus testing report for new vehicles from Advance Transit. Revise procurement procedures to ensure that bus testing report is obtained before paying for buses.

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Finding	Corrective Action
No procedures for ensuring that procurement and contract requirements have been met by agencies directly procuring vehicles through which GMCARC obtains vehicles.	Develop and implement procedures to ensure that the procurements conducted by other agencies, through which GMCARC purchases vehicles, meet the requirements of 4220.1E
No procedures for conducting pre-award and post-delivery reviews of Buy America, FMVSS, and purchaser's requirements when buying rolling stock	Develop procedures for conducting the required reviews, particularly for post-delivery reviews when purchasing vehicles through a piggyback arrangement.
Personnel	
Personnel policy manual is under review	Advise VTrans of any substantive revisions to the personnel policy manual
GMCARC has two categories of bus driver with separate licensing requirements, work rules, and pay scales	Evaluate the costs and benefits of requiring all drivers to obtain CDL licenses to gain the flexibility of mixing bus and van services.
Maintenance	
No written maintenance plan	Develop a written maintenance plan that identifies procedures for the scheduling and conduct of preventive maintenance, pre-trip inspections, servicing, washing, defect reporting, mechanical failures, warranty recovery, vehicle service life, as well as records, forms, and computer systems
Preventive maintenance is not performed in accordance with the schedule recommended by the vehicle manufacturer. In one case a vehicle received two inspections within a one week period of time.	Develop and implement revised procedures to ensure that scheduled preventive maintenance is performed on time, that the records properly reflect the inspections, and ensure that unnecessary inspections are not conducted.
GMCARC reports that it is difficult to schedule preventive maintenance when the small fleet has a number of vehicles down for repairs and transit service schedules must be met.	Obtain an independent assessment of the condition of the fleet and the quality of contract maintenance services. Evaluate the deployment of vans and buses in fixed route and paratransit service.
GMCARC does not test engine oil samples.	Address the testing of engine oil samples in the new maintenance plan.

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Finding	Corrective Action
Wheelchair lifts are inspected daily by drivers during the pre-trip inspection. Wheelchair lifts are not addressed during the preventive maintenance inspection.	Include inspection of the wheelchair lifts in the new preventive maintenance inspection checklist.
Service Eligibility	
Federally funded vehicles are not clearly identified as general public transit service. Vehicles do not identify the phone number to call for a ride. The Red Cross markings suggest that the service is for the use of a Red Cross clientele only.	Develop a vehicle marking scheme for all federally funded vehicles that clearly identifies the service as general public transportation and lists the phone number to call for a ride or obtain public transit information. Develop an implementation schedule
The transit telephone number is the general number for the Red Cross; is answered for the Red Cross; and is not listed in the telephone directory as public transportation or bus service.	Develop a plan and schedule for implementing a separate public transit telephone number and list the number in the transportation section of the phone book.
Safety and Security	
GMCARC has many policies and procedures to address safety and security concerns. GMCARC does not have a written safety or security plan	Develop and implement a written safety and security plan that addresses all required and recommended elements. Consider a safety awards or recognition program.
ADA	
TDD/Relay number is not included on vehicles or brochures, wherever the transit telephone number appears,	Include the 711 relay telephone number wherever the transit information number appears
The international accessibility symbol does not appear on the outside of all federally-funded accessible vehicles.	Place the international accessibility symbol on the outside of all program vehicles.
GMCARC drivers announce bus stops upon request. Drivers do not announce major bus stops and transfer points at all times along fixed routes as required by ADA regulations	Develop and implement a program to announce major bus stops and transfer points on the fixed route system.

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Finding	Corrective Action
Marketing	
Except during the short range transit plan process, GMCARC does not survey non-riders to determine transit needs and perceptions	Work with the Regional Planning Commission to survey the transit needs and perceptions of non-riders
Coordination	
Segregated transit services provided	Develop new coordinated service model that opens the volunteer driver and 5310 service networks to the general public and that places riders on the most cost-effective service.

Table 10: Town of Brattleboro SWOT Analysis

Strengths	Weaknesses
<p>Strong town commitment</p> <p>Maintenance, taxi, and operations contractors</p> <p>Documentation of service operating procedures</p> <p>Bus logo</p> <p>Fares</p>	<p>Governance</p> <p>Grant management/management capability</p> <p>Budget reporting and control</p> <p>Marketing</p> <p>Unwillingness of DPW to accommodate buses</p> <p>90-minute headways/frequency of service</p>
Opportunities	Threats
<p>Continue as a direct service provider</p> <p>Contract with a regional service provider</p> <p>New transportation center/coordination with regional service</p> <p>Colleges for additional service and funding</p> <p>New coordinated/blended service delivery model</p>	<p>No overall plan and goals for the service/ rudderless</p> <p>No town staff transit expertise</p> <p>Lack of regional focus/perspective</p> <p>Ridership stagnation</p>

Table 11: Town of Brattleboro Draft Findings and Corrective Actions

Finding	Corrective Action
Governance	
No board/bus and paratransit committee orientation program	Develop an orientation program for the select board and bus and paratransit advisory committees that provides an overview of the transit program. Submit a copy of the transit program orientation material to VTrans.
No goals, objectives, or targets for the transit service	Develop goals, objectives, and targets for the public transit service as part of the annual budget process. Submit a copy of the goals for the service to VTrans.
Insufficient board oversight of transit budget	Develop and submit periodic budget and performance reports regarding the transit service to the select board. Submit a sample report to VTrans.
Limited role of bus and paratransit advisory committees	Combine the bus and paratransit advisory committees. Provide performance and budget information to the committee. Develop a transit policy manual for the committee. Involve the committee in setting goals, objectives, and targets for the service. Have the committee chair submit periodic reports to the select board. Have the committee approve all service policies. Limit the board's ADA eligibility role to deciding appeals. Submit revised committee guidelines and sample performance and budget reports to VTrans.
No performance reporting to board or advisory committees	Report transit service performance indicators to the select board and the advisory committee. Submit sample reports to VTrans. Report performance data separately for fixed route and paratransit
Organization and Staffing	
Inadequate staff resources dedicated to the transit program	Hire a full-time transit manager with responsibilities for managing all aspects of the service, including budget, grants, operations, planning, and marketing. Notify VTrans when position is funded and filled.
Transit missing from town organization chart	Add transit to the town organizational chart. Submit a copy of the new chart to VTrans.
Transit located in wrong department	Move transit to Public Works. Assign Public Works the responsibility for bus maintenance. Set up an office for the transit manager in Public Works. Notify VTrans of decision.

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Finding	Corrective Action
Managerial Capability	
October 15 reports not filed	Submit a detailed budget projection, financial plan, and management and operating plan for the current fiscal year and a summary projected budgets and financial plans for the next 5 years to VTrans. Submit certification of accuracy of financial and service reports to VTrans. Develop procedures to submit annual reports by the October 15 deadline. Submit a copy of the procedures to VTrans.
Monthly reports/invoices not filed/quarterly reports submitted late	Submit monthly reports for July, August, and September. Develop procedures to submit monthly and quarterly reports in a timely manner. Submit procedure to VTrans.
Labor protection warranty not posted in workplace	Post the labor protection warranty in the workplace. Submit a copy of the warranty and the locations posted to VTrans.
Budgeting	
Insufficient budgeting procedures	Develop procedures to use goals, objectives, and targets to guide the development of the transit budget. Discuss long-range financial needs during the annual budget process. Submit a copy of the procedures to VTrans.
Actual expenditures not compared to budgeted expenditures	Compare actual to budgeted expenditures for the transit service as least monthly. Submit a copy of the report to the select board and advisory committee. Submit a sample report to VTrans.
Financial Capacity/Financial Management	
No calendar of report deadlines	Develop a calendar of report deadlines for VTrans reports. Submit a copy of the calendar to VTrans.
No chart of accounts for transit	Set up a chart of accounts for transit. Submit chart of accounts to VTrans.
Risk Management	
VTrans not listed as additional insured on liability insurance	List VTrans as additional insured on liability policy. Submit certification of insurance to VTrans.

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Finding	Corrective Action
Satisfactory Continuing Control	
Transit asset inventory missing required elements	Develop an asset inventory for FTA-funded equipment that includes all required elements. Add major repairs, upgrades, and additions to the value and useful life of the asset. Develop procedures to conduct an annual physical inventory of FTA-funded assets and to reconcile the physical inventory with the asset inventory. Submit copy of revised inventory and procedures to VTrans.
Procurement	
Procurement policy does not comply with federal requirements	Develop and adopt written procurement procedures that comply with FTA Circular 4220.1E. Submit a copy of the procedures to VTrans.
Bus Procurements	
Failure to comply with pre-award and post-delivery requirements	Develop procedures to comply with pre-award and post-delivery review requirements. Submit procedures to VTrans.
Transportation Operations	
Unproductive service provided	Consider elimination of Friday evening and Sunday service. Notify VTrans of decision.
Inadequate operating facility	Move transit operations and vehicle storage to the Department of Public Works garage. Make the vehicle washer available to transit between 12 noon and 2 pm. Notify VTrans when the move has been completed.
Lenient passenger no-show policy	Revise the passenger no-show policy to better discourage no shows. Submit a copy of the revised policy to VTrans.
Inadequate monitoring of paratransit operations	Develop procedures to monitor and report on paratransit operations. Submit a copy of the proposed report to VTrans.
Fares and Contracts	
Insufficient controls over fares	Develop procedures to improve control over fares. Submit a copy of the plan to VTrans.
Limited outlets for sale of tokens	Expand the number of outlets that sell tokens. Approach grocery stores and other businesses and offices that are major destinations. Submit a list of outlets to VTrans.

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Finding	Corrective Action
Maintenance	
Outdated written maintenance plan	Update the maintenance plan to document current procedures. Discuss the preventive maintenance program for wheelchair lifts, the procedures for monitoring the maintenance contractor, the warranty recovery procedures, and preventive maintenance checklists. Submit a copy of the revised plan to VTrans.
Missing/incomplete maintenance records/files	Obtain maintenance records kept by Town and Village Bus. Pull maintenance records from grant files and file in new maintenance files. Notify VTrans when records are obtained.
Maintenance plan not followed	Develop and implement procedures to ensure that preventive maintenance inspections are completed on time.
Pre-trip missing ADA elements	Address tie-downs during the pre-trip inspection. Submit a copy of the revised procedures or form to VTrans.
Dirty bus interior/slashed seats	Ensure that buses are swept out daily as required. Replace slashed seats. Notify VTrans of procedures and when seats have been replaced.
Inadequate monitoring of maintenance	Develop procedures to report on the effectiveness of the maintenance programs. Submit a copy of the proposed report to VTrans.
Safety	
Position descriptions do not discuss safety responsibilities	Revise the position descriptions for the operations manager and drivers to address safety responsibilities. Submit revised position descriptions to VTrans.
On-board fire extinguishers not inspected	Inspect fire extinguishers to ensure that they are in date. Notify VTrans when extinguishers have been inspected.
No on-board accident and medical emergency procedures	Place accident and medical emergency procedures on board the buses. Provide VTrans with a copy of the procedures.
ADA	
TDD number not on schedule or paratransit brochure	Revised schedule and paratransit brochure to include the state TDD number. Submit a copy of the revised brochure to VTrans.
No stop announcements	Work with the advisory committee to identify major stops to be announced. Require drivers to announce the stops. Submit a list of stops to VTrans.

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Finding	Corrective Action
Insufficient complementary paratransit screening procedures	Contract for ADA complementary paratransit eligibility determinations. Include a mobility test as part of the assessment. Limit the time for eligibility. Develop a plan for re-certifying current users. Submit plan to VTrans.
Potential complementary paratransit violations	Submit an explanation of geographic constraints along Route 30 to VTrans.
ADA reservation violations	Develop procedures to accept reservations during normal business hours on all days prior to days of service. Submit procedures to VTrans.
Drug and Alcohol Program	
Policy contains erroneous elements	Amend the drug and alcohol policy to state that return-to-duty and follow-up testing is only available to self-identified abusers. Amend the policy to eliminate the references to mechanics and mechanics-assistants. Submit a copy of the board-approved amended policy to VTrans.
Taxi contractor does not have a drug and alcohol program	Require the taxi subcontractor to implement a drug and alcohol testing program. Notify VTrans when the taxi operator has implemented a program.
Planning	
No mechanism for rider feedback	Implement a regular program to obtain feedback from riders. Submit a description of the program to VTrans.
No separate reporting of ridership by mode	Provide VTrans with separate fixed-route and paratransit ridership information for the years 2000 through 2003.
Marketing	
No written marketing plan	Develop a written marketing plan. Submit a copy to the plan to VTrans.
No direct phone number for transit	Install a telephone number for the transit service. List the service in the phone book. Notify VTrans when the number has been established.
Cheap and unreadable schedules	Print more polished and professional looking marketing materials. Submit copies to VTrans.
Limited schedule and brochure distribution	Expand distribution of schedules and brochures. Place a rack in the main public area of the municipal building with transit and other brochures. Submit a list of distribution sites to VTrans.

Table 12: Deerfield Valley Transit Association SWOT Analysis

Strengths	Weaknesses
<p>Board and staff are committed to program, have long-standing with the program, and are well informed.</p> <p>General Manager is obtaining CTAA certification; office staff is cross-trained; internal controls are well documented. Management has the capacity to run a larger system.</p> <p>Local businesses and associations make significant financial contributions to the transit program, have representation on the board, and have a stake in the design and frequency of the service.</p> <p>Local bank extends capital loans and operating line of credit. DVTA has met terms of repayment.</p> <p>Procurement policy addresses all requirements.</p> <p>DVTA tailors the labor force to meet seasonal peaking requirements through extensive reliance on part-time drivers.</p> <p>Vehicle fleet is adequately maintained to protect useful life and meet current service requirements.</p> <p>DVTA has realized nearly all opportunities to consolidate transportation demands in the region for which funding is available.</p>	<p>Small staff lacks desirable separation of financial duties.</p> <p>Cost per hour of service is higher than peers as overhead is spread over fewer service hours.</p> <p>DVTA does not use key performance measures to monitor and guide service efficiency, economy, and effectiveness.</p> <p>Local governments make no direct contribution (money or services) to transit program.</p> <p>Procurement files lack documentation and justification, especially for non-competitive fuel and auditing contracts.</p> <p>Fixed route services do not comply with ADA requirements for accessible vehicles and stop announcements.</p> <p>Vehicle fleet is underutilized due to significant seasonal peaking of service.</p> <p>Section 5310 services are restricted to the elderly and persons with disabilities, although capacity may be available to accommodate the general public. (State restriction?)</p>

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Opportunities	Threats
<p>Reduce barriers to use of all services by a broader spectrum of the general public.</p> <p>Explore the provision of charter services consistent with FTA exceptions.</p> <p>Consider charging fares and fully allocated costs in contracts. (State penalty for raising local operating income must be removed.)</p> <p>Consider coordination of maintenance functions with local state and town operations.</p>	<p>Level public funding over an extended period of time results in the slow deterioration of service quality.</p> <p>Voluntary local private contributions can fluctuate annually.</p> <p>DVTA's capital needs are growing (replacement buses, maintenance, storage, and terminal facility), while the sources of local share funding are not apparent. (No local commitments or capital reserves).</p> <p>Continuation of capital and operating (cash flow) loans are critical to financial health and must be repaid on a timely basis.</p> <p>Regional coordination with neighboring transit systems perceived as threat to local decision-making, control, and funding.</p>

Table 13: Deerfield Valley Transit Association Draft Findings and Corrective Actions

Finding	Corrective Action
Governance	
Management submits income and expense statement to the Board on a monthly basis, but not a balance sheet.	Distribute the balance sheet or status report on major assets and liabilities to the board monthly.
Management submits a ridership report by route to the Board on a monthly basis.	Expand ridership report to include performance measures (economy, efficiency, and effectiveness) and distribute to Board monthly.
	Develop a monthly maintenance performance report for the board that tracks the total fleet, active vehicles, PM inspections, breakdowns, and lift failures.
Financial Capacity/Financial Management	
DVTA allocates indirect administrative costs to transit programs based on ridership. DVTA updates the cost allocation rate monthly.	Submit a revised plan that allocates indirect administrative costs based on resources dedicated to the programs.
DVTA has small staff and one person is responsible for accounts payable, accounts receivable, check preparation, and bank deposits; same person is involved in inventory and purchasing. This person is not bonded.	Develop procedures for General Manager oversight of financial transactions
Payroll is prepared by the same person who keeps time and distributes payroll checks	Develop procedures for General Manager oversight of payroll process
Payroll is not paid from a separate payroll account	Discuss plan to pay payroll checks from a separate account with auditor and proceed accordingly.
Reimbursements to petty cash fund are approved by the custodian and payments are not documented by pre-numbered forms signed by the custodian and recipient	Discuss petty cash procedures with auditor and proceed accordingly.
DVTA has two outstanding loans: one for capital and a revolving operating line of credit.	Report the status of outstanding loans monthly to VTrans with the invoice.

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Finding	Corrective Action
Technology and Information Systems	
DVRTA does not have a policy regarding the personal use of computers and the Internet	Develop a policy regarding personal use of computers and the Internet
Procurement	
DVRTA does not follow its procurement policy with respect to documentation of each procurement's history (over \$2,500), especially in the case of non-competitive procurements	Create a procurement file for each purchase over \$2,500. Include full documentation of the procurement history in the file. Fully document non-competitive awards, including efforts made to stimulate competition, justification of the sole source or single bid award, and the evaluation of price/cost reasonableness.
2 of 3 procurements considered were awarded on without adequately documented competition.	Open contracts for fuel and auditing services to competition. Submit procurement history to VTrans.
Safety and Security	
DVRTA is preparing written safety and security plans. Draft plans do not include emergency management procedures, storage of key source personnel and accounting records, and facility inspections.	Complete preparation of safety and security plans. Include missing elements.
ADA	
DVRTA purchased one bus for fixed route service that is not wheelchair accessible	Adopt policy to purchase only accessible buses for fixed route service.
	Develop procedures to assign only accessible vehicles to fixed route service.
DVRTA does not require drivers to announce major destinations and transfer points.	Establish procedures for driver stop announcements consistent with ADA requirements, train drivers, and monitor driver compliance.
DVRTA does not list TDD/Relay phone access numbers in its public brochures	Include TDD/Relay phone number(s) in service brochures.
DVRTA requires drivers to cycle lifts daily as part of the pre-trip inspection. Wheelchair lifts do not appear to be cycled daily.	Develop procedures to ensure that wheelchair lifts on active vehicles are cycled daily.

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Finding	Corrective Action
Coordination	
Segregated transit services provided	Develop new coordinated service model that opens the volunteer driver and 5310 service networks to the general public and that places riders on the most cost-effective service.

Table 14: Green Mountain Transit Agency SWOT Analysis

Strengths	Weaknesses
<p>Professional staff supported by experienced transit management and organization</p> <p>Resumed transit services in short time period amidst controversy despite lack of vehicles and facilities</p> <p>Well documented procedures for financial management, procurement, operations and maintenance, and federal compliance</p> <p>Strong service evaluation and field supervision, and customer service skills</p> <p>Good working relationship with VTrans, especially during transition and start-up</p> <p>Public involvement through the 45-member, advisory committee, known as the Central Vermont Public Transportation Board</p>	<p>Interim governance structure lacks local representation, particularly of those who contribute funds to GMTA</p> <p>Labor agreements are unresolved</p> <p>Short term lack of spare vehicles</p> <p>Need to tailor some documents and procedures to specifically address GMTA, once the governance structure is finalized.</p>
Opportunities	Threats
<p>Regional transit authority</p> <p>Montpelier to Mad River Valley route</p> <p>Capital Shuttle in Montpelier</p>	<p>Lack of local funds to support operating and capital needs</p> <p>Initial service plan is not sustainable within the framework of existing operating grants</p>

Table 15: Green Mountain Transit Agency Draft Findings and Corrective Actions

Finding	Corrective Action
Governance	
<p>GMTA services are provided by CCTA through an interim governance structure, a committee of CCTA board members and executive staff. GMTA is a trademark of CCTA and is incorporated as a not-for-profit Vermont corporation. 501(c)(3) status is pending.</p>	<p>Continue to work with VTrans to develop a GMTA governance structure representative of the service area</p>
Financial Capacity/Financial Management	
<p>CCTA’s accounting manual is being revised to reflect new software requirements and separate GMTA revenue and expense accounts.</p>	<p>Update the accounting manual to reflect new procedures, separate GMTA accounts, and include audit and record retention procedures.</p>
Procurement	
<p>Insurance broker services not subjected to competition for several years</p>	<p>Solicit and evaluate proposals for insurance broker services</p>
Maintenance	
<p>GMTA uses the CCTA vehicle maintenance plan and maintenance management system. GMTA does not have its own maintenance plan. GMTA is about to hire a mechanic .</p>	<p>Update the vehicle maintenance plan to specifically address GMTA vehicles</p>
<p>GMTA moved into Berlin facility during the site visit. GMTA has not developed a facility maintenance plan</p>	<p>Develop and implement a Berlin facility maintenance plan</p>
Safety and Security	
<p>Safety and security plans are underdevelopment</p>	<p>Develop safety and security plans including in-vehicle, facility, and community/emergency preparedness elements. Address policies and procedures for volunteer drivers. Evaluate inclusion of First Aid, CPR, and Blood Borne Pathogens training.</p>

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Finding	Corrective Action
ADA	
GMATA does not list TDD or relay numbers wherever voice telephone number appears	List TDD or relay numbers in service brochures and other locations where voice telephone numbers appear
GMATA has adopted ADA service provisions and includes them in the driver manual. GMATA does not communicate all ADA service provisions to passengers	Communicate ADA service provisions through a new brochure or revisions to existing public documents.
Drug and Alcohol Testing Program	
Not all safety sensitive employees have received the required 60 minutes of training	Provide 60 minutes of drug and alcohol program training for all safety sensitive employees
Marketing and Planning	
Marketing activities are of high quality, but are incremental as services are initiated. No rider or community surveys.	As service plan matures, develop and implement a comprehensive marketing plan including rider information, rider surveys, and community surveys.

Table 16: Marble Valley Transit District SWOT Analysis

Strengths	Weaknesses
<p>Professional Organization</p> <p>Board represents public and private partners</p> <p>Good working relationship with and transit services provided to ski area(s)</p> <p>Good credit history</p> <p>Strong ridership growth due to free fare service</p> <p>Full service maintenance department operates 24/7 during peak season ensures reliable service</p> <p>Claims costs reduced significantly in last 2 years</p> <p>Good community relations program</p> <p>Good cost allocation plan and careful to recover full costs under contracts; all services open to the general public</p> <p>Developed good procurement policies and procedures following FTA financial review</p> <p>Significant use of volunteer drivers for Medicaid. Good volunteer driver policy.</p> <p>Directly purchase buses. Steady improvement to facilities.</p> <p>Good use of media trade opportunities to market transit services.</p>	<p>Lack of fare structure for most fixed route and ADA paratransit services, yet no funds to expand service.</p> <p>Board does not formally review Administrator performance annually.</p> <p>Board does not have a code of ethics policy statement in bylaws</p> <p>Monthly financial report to board does not include balance sheet or status of loans and receivables</p> <p>Maintenance costs may be high due to full staffing in peak season and maintenance standards that exceed manufacturer and peer standards.</p> <p>No reserves for cash flow, claims, or capital. Operating loans/line of credit in place and needed to manage cash flow</p> <p>Monthly ridership report to board does not address performance measures (economy, efficiency, and effectiveness)</p> <p>Two-strike drug and alcohol testing policy</p>

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Opportunities	Threats
<p>Section 5310 service to the elderly provided by another contractor and not coordinated with general public transit service</p> <p>MVRTD has identified several service expansions in the short range transit plan including:</p> <ul style="list-style-type: none"> ▪ Continue to develop and expand service to ski areas and related developments ▪ Services to Regional Medical Center ▪ Expand in-city fixed route system ▪ JARC route to Fair Haven ▪ Park-ride using 175 spaces at the transit center in Rutland. 	<p>Some Rutland city routes at capacity. Expansion funding not evident.</p> <p>MVRTD begins each fiscal year with an operating budget based upon local revenue sources that are voluntary and not committed.</p> <p>Heavy capital needs for vehicle replacements and facility improvements without a capital funding plan (federal, state, or local). Low vehicle spare factor and heavy duty cycle (high engine hours)</p> <p>Insurance costs high with significant increases</p>

Table 17: Marble Valley Transit District Draft Findings and Corrective Actions

Finding	Corrective Action
Governance	
Board bylaws are outdated and do not contain code of ethics	Update bylaws to reflect current practices and include a code of ethics policy
Monthly financial reports do not address loans and receivables	Develop and distribute to the board monthly balance sheet or financial status report that addresses outstanding loan balances and significant receivables
Monthly ridership reports do not address performance measures	Develop and distribute to the board monthly performance report that addresses important measures of economy, efficiency, and effectiveness
Board does not formally review the performance of the Administrator at least annually	Develop and implement a board procedure to annual review the Administrator's performance at least annually
Managerial Capability	
Reports and invoices to VTrans have occasionally been delayed during the absence of key senior management	Develop procedures to ensure that the organization can meet reporting and billing deadlines even during the absence of some key staff.
Financial Capacity/Financial Management	
Capital reserves are inadequate to support the local share of capital grants to fund the short range transit plan	Develop a five year plan and strategy to fund the local share of planned capital investments
There are no policies governing board member business travel	Develop travel reimbursement policies for board members
Key financial documents, checks, and unpaid invoices are not stored in secure, fire-rated cabinets	Develop procedures to ensure that key financial documents and instruments are stored in a secure, fire-rated location
Payroll is not paid from a separate payroll account	Discuss with auditor the benefits of establishing a separate payroll account and disbursing payroll checks from this account

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Finding	Corrective Action
Payroll is manually computed and paid with manually signed checks	Evaluate the cost-effectiveness of automating payroll, electronic transfers, and purchase of payroll services. Implement effective procedures
Procurement	
Insurance procurement lacks consistency and significant competition	Develop and implement a strategy for purchasing insurances that ensures cost-effective coverages, maximum competition and lowest possible premiums
No success in awarding contracts to DBEs	Investigate new opportunities to solicit DBE participation in contracting opportunities
Maintenance	
New preventive maintenance checklist does not address wheelchair lift inspections	Revise vehicle PM checklist to include wheelchair lift procedures
New facilities maintenance and inspection process does not assign responsibilities or provide checklist	Create facilities maintenance checklist and assign inspection responsibilities
Safety and security	
Safety and security plans in development	Complete safety and security plans including a safety recognition program and an emergency management plan
Americans with Disabilities Act (ADA)	
VT relay telephone number is not printed on all public materials where the voice telephone number appears	Include 711 relay number on vehicles and brochures where voice telephone number appears
No program for driver stop announcements on the fixed route system and compliance monitoring	Develop and implement program to announce stops on the fixed route system consistent with ADA guidelines and a program to monitor driver compliance
ADA client information does not indicate service rules (companion, visitor, reservations, or days/hours when reservations can be made).	Provide ADA clients with a service brochure or customer communication indicating the ADA complementary paratransit service rules. State the days and hours during which ADA paratransit reservations may be made..

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Finding	Corrective Action
MVRTD does not track all required ADA service performance measures to document and ensure non-discrimination.	Develop and implement a formal tracking system for ADA complementary paratransit operations
Drug and Alcohol Testing Program	
MVRTD permits safety-sensitive employees to return to work under controlled circumstances following a positive drug or alcohol test.	Re-evaluate two strike policy, especially for post-accident positive drug and alcohol tests
Service Eligibility	
Occasional Medicaid trips are provided out of the MVRTS service area using Section 5311 vehicles	Monitor the use of program vehicles to serve Medicaid trips to ensure that the use does not interfere with the provision of 5311 service and that fully allocated costs are recovered, including depreciation.
Coordination	
DA&D contracts with another carrier to provide Section 5310 services in MVRTD's service area.	Work with DA&D, VTrans, and the other carrier to coordinate the provision of general public transit trips on 5310 and 5311 services.
Segregated transit services provided	Develop new coordinated service model that opens the volunteer driver and 5310 service networks to the general public and that places riders on the most cost-effective service.

Table 18: Northwest Vermont Public Transit Network SWOT Analysis

Strengths	Weaknesses
Active and committed board Committed staff Local town financial contributions Fares Training program Driver's manual No debt Marketing program Service evaluation and revision Effective use of auditor's services	Overly manual systems Oversight of transit contractor Late reports Limited staff resources Follow through by board Level of support from regional planning commission Corporate image Internal controls
Opportunities	Threats
New service models New/improved system logo/image Public transit service in Grand Isle county Increased town contributions Higher Medicare reimbursements SSTA maintenance Increased use of state contracts Ferry service connections Service to Williston/Burlington	Low ridership Uncertainty of funding Regional economy

Table 19: Northwest Vermont Public Transit Network Draft Findings and Corrective Actions

Finding	Corrective Action
Managerial Capability	
Late reports	Submit the following late reports to VTrans: IRS Form 990, indirect cost plan for current fiscal year, and summary of management and operating expenses for the next 5 years. Develop procedures to submit reports in a timely manner.
Labor warranty not posted	Post the special labor protection warranty. Notify VTrans when posted.
Financial Capacity/Financial Management	
Open audit findings	Resolve open audit findings. Provide explanation of corrective action to VTrans.
No written accounting policy and procedures manual	Develop an accounting policy and procedures manual. Submit a copy to VTrans.
Internal controls may be lacking	<p>Ask the auditor to review the following potential internal control issues:</p> <ol style="list-style-type: none"> 1. Cash handling by bookkeeper (Q. 52) 2. Disbursement, purchasing, receiving, inventory, and general ledger maintenance (Q. 54) 3. Payroll preparation and check delivery (Q. 55) 4. Lack of a separate payroll account (Q. 56) 5. No bonding for employees who are responsible for signing checks, handling cash, and performing other accounting activities (Q. 59) <p>Submit auditor's answers and Network's response to VTrans.</p>
Insufficient control over petty cash	Require the custodian and payee to sign a form that petty cash funds have been received. Submit a copy of the form to VTrans.
Risk Management	
No documented workers' compensation management system	Document the worker's compensation management system in the accounting policy and procedures manual. Submit a copy of the manual to VTrans

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Finding	Corrective Action
Technology and Information Systems	
No written policy regarding personal use of computers and Internet	Develop a policy governing personal use of Network computers and access to the Internet at work. Submit a copy of the policy to VTrans.
No schedules on website	We recommend that Network develop a website that includes bus schedule, ride share, and other information. Include links on town and chamber of commerce websites to Network's website
Procurement	
Procurement procedures missing elements	Revise procurement manual to address procedures for procuring services between \$2,500 and \$100,000. Ensure that the procedures provide for free and open competition. Submit a copy of the revised procedures to VTrans.
Procurement files lack documentation of evaluation criteria and evaluation	Develop procedures to document evaluation criteria and bid evaluations in procurement files. Include procedures in the procurement manual. Submit a copy of the manual to VTrans.
Lack of documentation of fair and reasonable price and free and open competition for maintenance services	Develop evaluation criteria and solicit quotes from maintenance vendors and document selection of vendor. Send copy of criteria and quotes to VTrans.
No contract for auditing services	Bid for audit services. Include terms for contract extensions in the contract. Submit a copy of the contract to VTrans.
Contracts missing federally-required clauses	Amend the contract with Mountain Transit to include federally-required clauses. Submit a copy of the contract to VTrans.
Personnel	
No criminal background checks of applicants	Conduct criminal background checks of applicants. Notify VTrans when procedures are in place.
Transportation Operations	
Contractor not required to follow Network service policies	Require contractor to comply with written service policies. Provide copy of notification letter to VTrans.

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Finding	Corrective Action
Fares and Contracts	
Medicaid not paying its share of capital costs	Revise the Medicaid rate to include Medicaid's share of capital costs. Provide VTrans with the revised rate.
Contingency not included in 5310 rate	Include a contingency in the rate charged the Section 5130 program. Notify VTrans of new rate.
Maintenance	
Late preventive maintenance inspections	Develop and implement procedures to ensure that preventive maintenance inspections are performed in a timely manner. Provide a copy of the procedures to VTrans.
Insufficient oversight of Mountain Transit	Develop and implement procedures to ensure that Mountain Transit properly maintains FTA-funded equipment. Submit a copy of the procedures to VTrans.
Mountain Transit pre-trip inspection does not address lifts	Require Mountain Transit to cycle and inspect lifts as part of the pre-trip inspection. Provide a copy of the notification to VTrans.
No reporting on effectiveness of vehicle maintenance	Compile and report on maintenance effectiveness using selected measures. Submit a sample report to VTrans.
Truncated pre-trip inspection form	Use full pre-trip inspection form for inspection program. Submit a copy of the form to VTrans.
Training	
Insufficient oversight of contractor training program	Provide ADA-required training in passenger sensitivity and assistance to Mountain Transit drivers. Include Mountain transit drivers in refresher training. Notify VTrans when ADA training is completed and provide VTrans with policy regarding providing training to Mountain Transit drivers.
Undocumented final ride check	Develop a checklist for the final pass ride for new drivers. Require the trainer and the trainee to certify that the trainee is ready to be put in revenue service unsupervised. Submit a copy of the checklist to VTrans.
Insufficient documentation of driver training	Develop a checklist or file documenting the training that drivers have received and when refresher training is due. Provide a copy of the checklist or procedures to VTrans.
Safety	
Position descriptions missing safety responsibilities	Revise the position descriptions for drivers and dispatchers to include safety responsibilities. Provide revised position descriptions to employees. Submit copies of the position descriptions to VTrans.

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Finding	Corrective Action
ADA	
Public materials missing TDD number	Include state TDD number on public materials. Submit copies to VTrans.
No stop announcements	Develop a list of stops on the fixed routes that must be announced by drivers. Require drivers to announce the stops. Provide a list of the stops and copies of all driver bulletins to VTrans.
Accessible buses missing accessibility symbol	Require Mountain Transit to paste an accessibility decal on the lift-equipped buses used for Network service. Notify VTrans when decals have been attached.
Drug and Alcohol Program	
Policy contains erroneous elements	Amend the drug and alcohol policy to reduce the allowed breath alcohol level to 0.02 (Section 5.3) and to eliminate the phrase “before returning to work” from section 7.0. Submit the amended policy to VTrans.
Inadequate contractor policy	<p>Require Mountain Transit to amend its drug and alcohol policy to:</p> <ol style="list-style-type: none"> 1. Delete references to certifying compliance. 2. Eliminate references to return-to-duty and follow-up testing. 3. Delete reference to FMCSA exemption. 4. Discuss categories of employees subject to testing. 5. Address the behavior and circumstances that constitute a refusal to take a drug and/or alcohol test. 6. Discuss testing procedures. 7. Include executive officer approval. <p>Submit copy of revised policy to VTrans.</p>
Marketing	
Limited distribution of schedules	Increase the number of sites where schedules are displayed. Replenish stocks on a regular schedule.
Unprofessional looking schedules	Consider printing more polished and professional looking schedules. Submit copies to VTrans.

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Finding	Corrective Action
Coordination	
Segregated transit services provided	Develop new coordinated service model that opens the volunteer driver and 5310 service networks to the general public and that places riders on the most cost-effective service. Work with CIDER to open its service to the general public.

Table 20: Rural Community Transportation SWOT Analysis

Strengths	Weaknesses
Organizational and financial skills Level of documentation of procedures Coordination activities Constant efforts to do better, faster, cheaper Staff communication Training program Skills and abilities of management team Computer applications	Difficulty in recruiting board members Fund-raising/financial support of towns Fleet maintenance plan Documentation of procurements Marketing Image Logo
Opportunities	Threats
Image Alternative service arrangements to reduce costs and blend service Coordination of service in Lamoille County Expansion of client-pay program Pricing Purchases off state contract	Outstanding debt The western half of Lamoille County is westward focused Insurance cost

Table 21: Rural Community Transportation Draft Findings and Corrective Actions

Finding	Corrective Action
Governance	
By-laws missing procedures	Amend the by-laws to include the procedure for appointing and evaluating the executive director and to discuss the committee structure. Submit a copy of the amended by-laws to VTrans.
Managerial Capability	
Policies not assembled into one document	Assemble the administrative and operating policies into one document. Place the date the board approved each policy on the policy. Paginate the policies. Provide a copy of the assembled documents to each board member. Provide a copy to VTrans.
Labor warranty not posted	Post the special labor protection warranty. Notify VTrans when posted.
Financial Capacity/Financial Management	
Large debt	Develop a plan for paying down the debt. Submit the plan to VTrans.
Potential internal control issue	Check with the auditor regarding RCT's policy of requiring only one signature for checks. Report on auditor's determination to VTrans.
Risk Management	
No documented workers' compensation management system	Document the worker's compensation management system in the accounting policy and procedures manual. Submit a copy of the procedures to VTrans.
Technology and Information Systems	
No written policy regarding personal use of computers	Adopt a written policy regarding personal use of agency computers, including access to the Internet. Submit a copy of the policy to VTrans.
No website	We recommend that RCT develop a website that includes bus, ride share, and other information.
Procurement	
Procurement procedures missing elements	Revise the procurement manual to address procedures for procuring services between \$2,500 and \$100,000. Ensure that the procedures provide for free and open competition. Submit a copy of the revised procedures to VTrans.

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Finding	Corrective Action
Procurement files lack documentation of evaluation criteria and evaluation	Develop procedures to document evaluation criteria and bid evaluations in procurement files. Include procedures in the procurement manual. Submit a copy of the manual to VTrans.
Lack of documentation of fair and reasonable price and free and open competition for maintenance services and fuel purchases	Develop evaluation criteria and solicit quotes from maintenance vendors and fuel vendors and document selection of vendor. Send copy of evaluation and selection to VTrans.
Bus Procurements	
Failure to comply with pre-award and post-delivery requirements	Develop procedures to comply with pre-award and post-delivery review requirements. Submit procedures to VTrans.
Fares and Contracts	
Medicaid not paying its share of capital costs	Revise the Medicaid rate to include Medicaid's share of capital costs. Provide VTrans with the revised rate and an explanation of how the rate was developed. Establish a vehicle replacement fund with the depreciation charges.
Insufficient contingency/ depreciation included in 5310 rate	Revise the 5310 rate to exclude depreciation and include a contingency. Provide VTrans with the new rate and an explanation of how the rate was developed.
Maintenance	
Incomplete and outdated maintenance plan	Update the maintenance plan to include the schedule for washing and cleaning the buses and vans, procedures for warranty recovery, procedures for overseeing contracted maintenance, preventive maintenance procedures for wheelchair lifts, and preventive maintenance procedures for the International and Oshkosh buses. Include copies of all forms used. Submit a copy of the updated plan to VTrans.
Late preventive maintenance inspections	Develop and implement procedures to ensure that preventive maintenance inspections are performed in a timely manner. Submit copy of procedures to VTrans.
Lost historical records	Retrieve maintenance records from the old computer. Notify VTrans when completed.
Pre-trip missing wheelchair lifts	Update the pre- and post-trip inspection forms to address wheelchair lifts. Submit a copy of a completed form to VTrans.

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Finding	Corrective Action
Potential for unnecessary vehicle downtime	Hold non-safety-related defects for repair until preventive maintenance inspections. Submit documentation of procedure to VTrans.
No reporting on effectiveness of vehicle maintenance	Compile and report data on maintenance effectiveness to the board. Submit a sample report to VTrans.
Training	
Ride check not documented	Document the ride check for new drivers. Have the program manager conduct all final ride checks. Require the program manager and the trainee to certify that the trainee is ready to be placed in revenue service. Submit a copy of the checklist to VTrans.
Safety	
Position descriptions missing safety responsibilities	Revise position descriptions to include safety responsibilities. Provide revised position descriptions to employees. Submit copies of the position descriptions to VTrans.
Drug and Alcohol Program	
Policy contains unclear and outdated statements	<p>Amend the drug and alcohol policy to:</p> <ol style="list-style-type: none"> 1. Define “a quantifiable presence of a prohibited substance in the body” (Section 5.3). 2. Eliminate references to “disciplinary action up to and including termination” and replace with “will be terminated” (Sections 5.3 and 5.6). 3. Delete random testing rates for 2001. Include a statement that random testing will be conducted at the rates set annually by the Federal Transit Administration (Section 6.5). <p>Submit the amended policy to VTrans.</p>
Coordination	
No coordination of promotion of Morrisville-Stowe service with Town of Stowe	Include the Morrisville shopper shuttle runs on the Morrisville-Stowe service. Coordinate promotion of the service, including distribution of schedules, with Stowe.
Marketing	
No written marketing plan	Develop a written marketing plan. Submit the plan to VTrans.

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Finding	Corrective Action
No formal schedule or mechanism for replenishing racks with schedules	Develop a more formal mechanism for replenishing supplies of schedules. Submit procedures to VTrans.
Coordination	
Segregated transit services provided	Develop new coordinated service model that opens the 5310 service network to the general public. Open the volunteer driver network to 5311 riders.

Table 22: Special Services Transportation Agency SWOT Analysis

Strengths	Weaknesses
Commitment to mission Longevity and loyalty of staff Teamwork Responsiveness to clients Credibility in community served Facility, including maintenance facility Strong in-house maintenance program	Lack of financial resources/financial constraints Lack of general public awareness Lack of procedures and policies Potential loss of institutional memory Out-dated by-laws Fund-raising/development Dependence on outside funding/no independent financing Shortage of drivers
Opportunities	Threats
Expanded board membership Access to local colleges for technical assistance/class projects Fund-raising Demographic trends Regional maintenance center	Loss of contracts External variables that cannot be controlled such as cost of fuel Funding constraints Potential loss of institutional knowledge Potential to become too bureaucratic Peer performance Increasing demand

Table 23: Special Services Transportation Agency Draft Findings and Corrective Actions

Finding	Corrective Action
Governance	
Bylaws do not address conflict of interest of board members	Amend by laws to prohibit conflict of interest in selection of board members, purchasing and doing business with SSTA, and employment. Submit copy of amended by-laws to state.
No public sector representation on board	Include representation of elected officials providing funding on board. Send new board member list after appointments.
No policy that requires board to pre-approve budget changes	Develop policy that requires board to pre-approve significant budget changes. The policy should define what the board considers a significant budget change. Submit copy of policy to VTrans.
Board does not set goals, objectives, and targets	Develop procedures to set goals, objectives, and targets annually as part of the budget process. Submit procedures to VTrans.
No tracking and reporting of basic transit performance indicators	Track and report basic performance measures and use in developing policy and evaluating performance. Key performance indicators for SSTA include cost per hour, passengers per hour, and revenue per hour. The report should compare year-to-date totals with budgeted numbers. Submit copy of planned performance report to VTrans.
Budgeting	
No capital budget or planning	Develop a 3-year capital budget and submit to VTrans.
Financial Capacity/Financial Management	
A-133 audit not required	Conduct an independent financial audit, not an independent A-133 audit.
No person on staff with accounting background	Hire a person with an accounting or financial background to manage the agency's finances.
No accounting manual	Develop an accounting manual and submit to VTrans.
No written travel procedures	Develop written travel procedures and submit to VTrans.
Recipient does not sign petty cash reimbursement form	Require custodian and person receiving petty cash funds to sign receipt. Submit copy of policy to VTrans.

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Finding	Corrective Action
Payroll processed in-house	Examine costs and benefits of contracting for payroll. Submit copy of analysis to VTrans. Consider paying employees every 2 weeks instead of weekly to save administrative costs. Direct deposit payroll checks.
Employees responsible for signing checks, handling cash, and performing accounting functions are not bonded	Determine cost-effectiveness of bonding. Submit analysis to VTrans.
Lack of internal control on checks	Require two signatures on checks, one from staff and one from the board, for checks over a board-established limit. Submit copy of board-approved policy to VTrans.
\$105,000 debt	Prepare a plan for paying down the outstanding debt. Submit the plan to VTrans.
Technology and Information Systems	
No policy on use of PCs	Adopt a policy on staff use of PCs and the Internet. Submit a copy of the policy to VTrans.
Satisfactory Continuing Control	
VTrans not listed on the deed for the FTA-funded facilities	List VTrans on the deed for the FTA-funded facilities. Submit copy of deed to VTrans.
Procurement	
Procurement procedures do not address required signatures on contracts	Revise procurement procedures to address required signatures. Submit new procedures to VTrans.
Cost/price analysis not conducted	Conduct and document cost and/or price analyses for procurements. Include in procurement file. Submit copy of procedures to VTrans.
Undocumented award to other-than-low bidder	Develop procedures to fully document awards, including to other-than-low bidder. Include evaluation criteria in the file. Submit copy of procedures to VTrans.
Incomplete procurement files	Develop procedures to maintain full documentation of procurement history. Submit copy of procedures to VTrans.
Personnel	
No written personnel policies	Develop written personnel policies and submit to board for approval. Submit copy of policies to VTrans.

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Finding	Corrective Action
Supervisors do not sign timesheets	Require supervisors to review and sign timesheets. Submit copy of policy to VTrans.
No annual evaluations for employees	Implement formal annual employee evaluation program. Submit copy of program to VTrans.
No criminal background checks on applicants	Conduct criminal background checks on applicants. Notify VTrans when policy has been adopted.
Equal Employment Opportunity	
No EEO statement on employment notices	Include EEO statement on employment notices. Submit sample notice to VTrans.
No adopted EEO policy	Adopt an EEO policy and include in personnel procedures. Submit copy of manual to VTrans.
Transportation Operations	
No written service or operators' manual	Develop a board-approved written service or operators' manual. Submit copy to VTrans.
Fares and Contracts	
No written contracts with selected agencies	Enter into contracts with the hospital, Champlain Vocational Services, and nursing homes for transportation services provided by SSTA. Submit copy of contracts to VTrans. Include an escalation clause that allows SSTA to raise rates if revenues do not cover costs
Fleet and Vehicle Characteristics	
No fleet replacement plan	Develop fleet replacement plan. Document peak fleet requirements in plan. Submit plan to VTrans.
Maintenance	
Pre-trip inspections not documented	Develop program to document pre-trip inspections. Submit copy of program to VTrans.
Facility maintenance plan not current	Update facility maintenance plan to include inspection checklists for buildings and equipment. Submit copy of updated plan to VTrans.
No performance reporting for maintenance	Develop a maintenance performance report for management and the board that addresses preventive maintenance inspections, break downs, and lift failures. Submit copy of report to VTrans.

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Finding	Corrective Action
Training	
Defensive driving offered once a year	Provide defensive driving and training in SSTA policies before being placed in service. Submit proposed training schedule to VTrans.
Lack of documentation of training	Develop training checklist to document training received. Consider setting up separate training files for each operator and dispatcher. Submit copy of training checklist to VTrans.
Lack of formal refresher training program	Develop formal refresher training program. Submit copy of program to VTrans.
Safety	
No web cutters on vehicles	Equip vans with web cutters. Notify VTrans when web cutters have been placed on vehicles.
Do not report accidents to VTrans	Report accidents to VTrans as they occur. Submit copy of procedure to VTrans.
ADA	
Brochures lack TDD number	List TDD number on all brochures and other public information.
Drug and Alcohol Program	
Policy includes outdated CFR references, contains incorrect effective date, and does not include dates approvals by board and executive director are not dated	Update drug and alcohol program. Submit copy of revised and approved program.

Table 24: Stagecoach Transportation Services SWOT Analysis

Strengths	Weaknesses
<p>501(c) (3) status provides for local decision-making and accountability</p> <p>Long standing commitment of board and staff to respond to community transportation needs, achieve consensus with diversity, foster board-staff communication</p> <p>Administrative staff exhibits team approach and a strong understanding of management systems and program requirements</p> <p>Restricted capital reserve fund (endowment annuity). No borrowing for cash flow. Good credit repayment history on capital loan.</p> <p>STSI has achieved full coordination of all social service transportation demand in the service area while keeping all services open to the general public</p> <p>STSI has clean and attractive vehicles and facilities</p> <p>Excellent safety and claims record</p>	<p>Need to recruit future board members and keep local governments informed of the transit program</p> <p>Need for public involvement, community outreach, and community understanding on how to use public transit services</p> <p>Policy and procedure manuals for accounting, purchasing, and operations are out of date.</p> <p>Public image as social service transportation provider and status quo marketing program</p> <p>Excessive management time spent on administrative requirements diverts attention from program improvement initiatives (training, marketing, safety, and service development)</p> <p>Purchased maintenance oversight systems poorly documented.</p> <p>Spare vehicle ratio is 50% of peak vehicle requirements</p>
Opportunities	Threats
<p>Commuter travel to major employment, health care facilities, and new development in Randolph area</p> <p>Fund-raising capacity</p> <p>Expand service coordination with adjacent 5311 transit systems (GMTA, MVRTD, Advance)</p> <p>Opportunity to expand use of computer and internet technology in maintenance and marketing (website)</p>	<p>Dependent on grant funding</p> <p>Small staff exposed to potential loss of key players</p> <p>Funding streams may present barriers to coordinated transportation system</p>

Table 25: Stagecoach Transportation Services Draft Findings and Corrective Actions

Finding	Corrective Action
Governance	
Board Bylaws does not contain a code of ethics statement	Revise the bylaws to include a code of ethical conduct including procedures for disclosure and recusal
The Board does not formally review the performance of the Executive Director at least annually	Develop procedures to formally evaluate the Executive Director’s performance and a schedule for conducting the evaluation
The Board has requested that the quarterly financial statement of income and expenses include a comparison to the adopted budget. The Board does not receive a balance sheet or statement of financial status (condition of major assets, liabilities, and receivables)	Revise the quarterly financial statement to include a comparison of income and expense to budget and a balance sheet or financial status report
The Board reviews transit ridership and performance annually during the budget process. The Board does not regularly receive reports documenting the system’s performance measures (economy, efficiency, and effectiveness)	Develop and present to the Board a quarterly or monthly report of the system ridership, cost, and service levels and related performance measures.
Organization and Staffing	
Organization chart is out of date	Revise the organization chart to reflect current job titles and responsibilities
Managerial Capability	
Written policies lacking for passenger complaint resolution procedures, no shows, and cancellations	Develop written policies governing passenger complaints, no shows, and cancellations
Required annual reports on pending or active legal, collective bargaining, or labor relations issues, equipment and building inventory, and building maintenance plan not submitted	Develop procedures to file reports by January 15, 2004 and every January 15 th thereafter.
Monthly financial and performance reports not submitted on time when state reimbursement is not requested or available	Develop procedures to submit all required reports on time.

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Finding	Corrective Action
Financial Capacity/Financial Management	
FY 2002 audit required updated accounting manual. Update still in progress. Draft does not address records retention, billing requirements and schedules, and audit requirements and schedules	Complete the revision of the Accounting Manual and address missing elements.
STSI has undocumented travel policies for board and staff. The Executive Director approves all travel and reimbursement follows GSA standards	Develop a written travel policy for board and staff that addresses travel approval and reimbursement procedures.
Key source documents and checks stored in secure but not fire-proof cabinet	Discuss with independent auditor the costs and benefits of storing key source documents and checks in a fire-proof cabinet.
Satisfactory Continuing Control	
STSI currently has a spare vehicle percentage of 50% which is excessive. STSI plans to expand the fleet with the delivery of 4 vehicles in 2004.	Evaluate the short range capital program schedule of vehicle acquisitions to reduce the spare bus ratio to 30% or less.
Asset records do not contain the grant number under which the asset was purchased or the percentage of federal participation.	Expand and update the asset records to include all required information.
Buy America	
STSI plans to directly purchase vehicles in 2004. STSI does not have procedures to properly conduct pre-award and post-delivery reviews.	Develop and implement procedures to conduct pre-award and post-delivery reviews of Buy America, FMVSS, and purchaser's requirements, and to certify vendor compliance with these requirements.
Procurement	
STSI does not have a procurement procedures manual that addresses a code of conduct, small purchase thresholds, documentation, and minimum requirements	Create a procurement manual based upon Circular 4220.1E and the FTA Best Practices Procurement Manual that addresses all required elements, including code of conduct, small purchase thresholds and procedures, documentation requirements, and minimum acceptable levels of competition

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Finding	Corrective Action
STSI has not exposed insurance and audit contracts to competition in several years	Expose insurance and audit contracts to competition and establish a regular schedule for procuring these services in the future.
Despite good faith efforts, STSI has not identified DBE vendors that supply goods and services that STSI needs	In light of recent DBE procurements in the state, evaluate STSI contracting opportunities and solicit DBE participation as warranted
Transportation Operations	
Sections of the Operations Manual are out of date.	Revise Operations Manual to reflect current practices and recommended items.
STSI does not have written policies addressing passenger rules and expectations.	Develop and distribute passenger policies and procedures addressing reservations, no shows, cancellations, and ADA service provisions.
Maintenance	
STSI relies upon invoices from maintenance vendors to document preventive maintenance inspections. These invoices do not address the inspection of wheelchair lifts	Develop a checklist for use by maintenance vendors to document the conduct of preventive maintenance including wheelchair lifts. Evaluate use of maintenance management information software to track maintenance activity.
Operations Supervisor is responsible for facility maintenance and performs weekly and annual inspections. STSI does not have a written facility maintenance plan and checklist.	Develop a written facility maintenance plan and checklist to ensure that facilities are maintained in accordance with established standards.
Safety and Security	
Safety plan is not fully implemented at present. No security plan.	Update the safety plan to include procedures for vehicle and facility security, and transit role in the community's emergency management plan. Provide a schedule for implementing the revised safety and security plan.

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Finding	Corrective Action
ADA	
Most passengers must contact Stagecoach by telephone to obtain service. STSI does not include Vermont Relay telephone numbers on vehicles and printed brochures where voice telephone numbers appear.	Include the Relay 711 number wherever voice telephone information appears.
Charter Bus	
STSI provides limited, incidental charter service under FTA exception 1. STSI published an annual notice soliciting willing and able private operators, established a charter tariff reflecting fully allocated costs including depreciation, and has procedures to track charter hours by vehicle. STSI does not currently send the public notice to all known local private operators and 2 national bus industry associations. STSI has received no response to the public notice.	Revise annual procedures for soliciting willing and able private operators when advertising the intent to directly operate incidental charter services to include direct notices to local private operators and two national bus associations.
STSI does not track charter miles by vehicle.	Develop procedures to record charter miles by vehicle to track the extent to which charter service consumes the useful life of grant funded vehicles.
Marketing	
STSI does not conduct period surveys of passenger and non-rider transit needs.	Explore the potential for regular rider and community surveys in cooperation with the regional planning commission.
STSI has not developed an internet website that provides information on how to plan trips and use the transit system.	Explore the costs and benefits of developing and maintaining an internet website.

Table 26: Town of Stowe SWOT Analysis

Strengths	Weaknesses
<p>Access to town financial resources Local control/focus Strong financial support of business community Town image and draw Marketing to tourists Needed service</p>	<p>No formal goals, objectives, and targets for transit service No transit board/advisory committee Programs has outgrown town's management systems Reactive Local, not regional focus No grants manager/no training in grants No procurement officer Incomplete procurement files No transit planning Inability to prepare and submit required reports in a timely manner Oversight of transit contractor Trolleys Marketing for locals</p>
Opportunities	Threats
<p>New transit nonprofit corporation (more regional approach, run by transit professionals, integrate into regional service) Expanded marketing Regional/connector routes/commuter service Continued area growth Contracted service with taxi operator and other operators</p>	<p>New transit nonprofit corporation (potential loss of local control/support) Lack of transit experience of town staff/ lack of management capability Insufficient staff time available for transit Lack of written procedures Lack of institutional memory because of staff turnover ADA deficiencies</p>

Table 27: Town of Stowe Draft Findings and Corrective Actions

Finding	Corrective Action
Governance	
No formal goals, objectives, or targets for transit program	Set annual goals, objectives, and targets for the transit program as part of the budget process. Submit goals to VTrans.
No transit advisory committee	We recommend that Stowe establish a transit advisory committee representing transit program stakeholders, including the Stowe Area Association, selected innkeepers, select board members, and Stowe Mountain Resort, and users. Submit the membership list to VTrans.
Managerial Capability	
Late reports	Develop procedures to submit required reports to VTrans on time. Submit the procedures to VTrans.
Labor protection warranty not posted	Require LVTT to post labor protection warranty. Notify VTrans when LVTT has posted the warranty.
Insufficient oversight of operations contractor	Develop procedures to more aggressively monitor the performance of the transit contractor. Submit the procedures to VTrans.
Performance Reporting Procedures	
No performance reporting to board	Develop performance report to be presented to the board either monthly or quarterly. The report should include ridership, financial, and operating data. Submit proposed report to VTrans.
Financial Capacity/Financial Management	
Ineligible local match	Classify Stowe Area Association sales of tokens and passes as fares, not as donations. Revise budget to reflect change. Submit revised budget to VTrans.
Open audit findings	Report to VTrans the resolution of open audit findings that affect the transit program.
No written accounting policies and procedures manual	Develop written accounting policies and procedures manual. Submit a copy to VTrans.
Allocation program not submitted to state	Submit for VTrans approval the justification for the administrative allocation to the transit program.

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Finding	Corrective Action
Technology and Information Systems	
No policy on personal use of town computers	We recommend that the town develop a policy governing personal use of town computers by staff. Submit a copy of the policy to VTrans.
Satisfactory Continuing Control	
Spare ratio issue/insufficient use of FTA-funded assets	Submit plan to increase use or dispose of trolleys.
No asset inventory of FTA-funded equipment	Develop an inventory of FTA-funded assets that tracks the required elements. Develop procedures to ensure that major repairs, upgrades, and additions are added to the value of the asset. Submit a copy of the inventory to VTrans.
No inventory of FTA-funded assets	Develop procedures to conduct a periodic inventory of FTA-funded assets and to reconcile the inventory to the asset records. Submit procedures to VTrans.
Procurement	
Operating contract incomplete	Amend operating contract to include hourly rate and federal requirements. Include performance measures and reporting in future contract. Submit a copy to VTrans.
No written procedures governing sole source procurements	Amend purchasing policy to include procedures for sole-source procurements. Submit a copy of the amended policy to VTrans.
No written protest procedures	Amend purchasing policy to include protest procedures. Submit a copy of the amended policy to VTrans.
Local preference policy	Amend purchasing policy to eliminate local preference for federally-funded procurements. Submit a copy of the amended policy to VTrans.
Bus Procurement	
Inadequate procedures for specifications development and quality control	Improve procedures for specification development and quality control of bus procurements. Submit the procedures to VTrans.
Personnel	
Salaried employees do not complete timesheets	Check with auditor to see if timesheets are needed for salaried employees to charge time to grant programs. Notify VTrans of auditor response.

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Finding	Corrective Action
Position descriptions do not include transit management responsibilities	Include administration of the Stowe Trolley in the position description of the person to whom it is assigned. Submit a copy of the description to VTrans.
EEO	
EEO requirements not passed through to LVTT	Ensure that LVTT posts an EEO statement in the workplace and includes an EEO statement on job postings, job applications, and employment notices. Notify VTrans when LVTT has complied with the requirement.
Transportation Operations	
No written driver's handbook	We recommend that Stowe require its next contractor to have a written driver's handbook.
Fares and Contracts	
Low season pass cost	We recommend that Stowe raise the price of the season pass to at least \$40 (\$10 a month).
Inadequate controls for fares	Develop improved controls for handling fares. Submit a copy of the procedures to VTrans.
Maintenance	
Maintenance plan missing required elements	Revise maintenance plan to include warranty recovery and vehicle useful life.
Contractor does not have a written maintenance plan	Require next contractor to develop and submit for town approval a written maintenance plan or develop a written maintenance plan and require contractor to follow it. The plan should address preparation of buses for the winter peak season. Submit RFP or contract documenting requirement to VTrans.
No preventive maintenance program for lifts	Require contractor to develop and implement a preventive maintenance program for wheelchair lifts. Submit a copy of the program to VTrans.
Pre-trip missing ADA items	Require contractor to cycle lifts as part of pre-trip inspection and to check for tie downs. The pre-trip inspection form should be modified to include tie downs. Submit copy of revised pre-trip inspection form to VTrans.
Maintenance files incomplete	Require contractor to record mileage on all work orders and to include completed checklists in maintenance files. Submit copy of letter to VTrans.

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Finding	Corrective Action
Late preventive maintenance inspections	Require contractor to complete preventive maintenance inspections as planned. Set a standard and require contractor to report against the standard. Provide copy of the requirements and a sample report to VTrans.
Inadequate monitoring of maintenance	Develop procedures to monitor the performance of the maintenance contractor. Submit the procedures to VTrans.
Maintenance of facilities not documented	Develop procedures to document maintenance of the trolley barn. Amend the facility maintenance plan to include the procedures and submit a copy of the procedures to VTrans.
Training	
Inadequate driver training	Require contractor to provide training in passenger assistance and safety, passenger sensitivity, and blood borne pathogens. Document training received. Require contractor to complete and contractor and driver to sign a checklist for check rides. Improve training in use of lifts and wheelchair securement.
Safety	
No blood-borne pathogens kits on board buses	Require LVTT to place blood-borne pathogens kits on buses.
ADA	
No TDD number on brochures	Include central state TDD number on brochures. Send a copy of the brochures to VTrans.
Missing accessibility symbol on buses	Place accessibility symbol on trolleys and Thomas buses. Send VTrans pictures of buses showing the symbol.
No stop announcements	Work with contractor to develop a plan for announcing stops as major stops along routes. Submit the plan to VTrans.
No ADA-required training	Require contractor to provide ADA-required training in passenger sensitivity. Submit contractor's response to VTrans.
Inadequate ADA complementary paratransit program	Develop plan for implementing ADA complementary paratransit service, including contracting with a provider for the service and developing a plan for informing public of ADA complementary paratransit service.
Drug and Alcohol Program	
Safety sensitive employees not tested	Require contractor to include mechanics and dispatchers in the drug and alcohol testing program.

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Finding	Corrective Action
Tests not random	Require contractor to conduct random tests during all hours and days of service.
Post-accident tests not properly documented	Require contractor to properly document post-accident tests.
No pre-employment drug tests	Require contractor to conduct pre-employment drug tests for safety-sensitive positions that support the public transit program.
Required training not provided	Provide required training to all safety sensitive employees and supervisors. Provide documentation to VTrans that training has been conducted.
Service Eligibility	
Provide ineligible service	Discontinue Stowe Trolley tours. Work with VTrans to develop plan to dispose of trolleys or use in public transit service.
Planning	
No planning for the Morrisville shopper shuttle	Review options for the Morrisville shopper shuttle, including elimination, reduction of service, or contracting of service to RCT. Coordinate the planning with RCT.
Marketing	
No schedule for Morrisville shopper	Coordinate promotion of the service with RCT. Include the service on the RCT schedule for its Morrisville to Stowe service.
Bus schedule not on Stowe Area Association website	Place the Mountain Road bus schedule on the Stowe Area Association website.