



U.S. Department
of Transportation
**Federal Transit
Administration**

REGION V
Illinois, Indiana,
Michigan, Minnesota,
Ohio, Wisconsin

200 West Adams Street
Suite 320
Chicago, IL 60606-5253
312-353-2789
312-886-0351 (fax)

October 4, 2016

Mayor Timothy M. Hanna
City of Appleton
100 North Appleton Street
Appleton, WI 54911

Re: FY 2016 Triennial Review – Final Report

Dear Mayor Hanna:

The enclosed final report documents the Federal Transit Administration's (FTA) Triennial Review of the City of Appleton, Wisconsin. This review is required by Chapter 53 of Title 49, United States Code, Section 5307. Although not an audit, the Triennial Review is the FTA's assessment of the City's compliance with federal requirements, determined by examining a sample of grant management and program implementation practices. As such, the Triennial Review is not intended as, nor does it constitute, a comprehensive and final review of compliance with grant requirements.

The Triennial Review focused on the City of Appleton's compliance in 17 areas. No deficiencies were found with the FTA requirements in 11 areas. Deficiencies were found in six areas: Financial Management and Capacity, Technical Capacity, Maintenance, Americans with Disabilities Act, Procurement, and Drug Free Workplace and Drug and Alcohol Program. The City had one repeat deficiency from the 2013 Triennial Review in the area of Financial Management and Capacity, although the deficiency was issued for a different reason than in the 2013 Triennial Review.

As part of this year's Triennial Review of the City of Appleton, FTA incorporated an Enhanced Review Module (ERM) in the Disadvantaged Business Enterprise (DBE) area. The purpose of an ERM is to conduct a more comprehensive review of underlying or contributing issues identified during the pre-assessment stage of the Triennial Review. No deficiencies were identified during the ERM.

Thank you for your cooperation and assistance during this Triennial Review. If you need any technical assistance or have any questions, please do not hesitate to contact Ms. Joiner at (312) 353-2791 or lisa.joiner@dot.gov.

If the City of Appleton requires additional time to complete the corrective actions, please contact Ms. Joiner via email before the due date and request a time extension, along with a written justification for review by FTA. If we do not receive a response by the due date, it will be considered late. Non-responses may jeopardize your agency's ability to receive future Federal funding. Please notify our office if there are extenuating circumstances for our consideration.

Sincerely,

A handwritten signature in black ink, appearing to read "Marisol R. Simón". The signature is fluid and cursive, with the first name "Marisol" and last name "Simón" clearly distinguishable.

Marisol R. Simón
Regional Administrator

Enclosure

cc: Ron McDonald, General Manager, Valley Transit
Debra Ebben, Administrative Services Manager, Valley Transit
Lisa Joiner, FTA, Transportation Program Specialist
Tarressa Carrell, FTA, Transportation Program Specialist
Sherre Ritenour, Reviewer, Qi Tech, LLC

FINAL REPORT

FY 2016 TRIENNIAL REVIEW

of the

City of Appleton

d/b/a

Valley Transit (VT)

Appleton, Wisconsin

Recipient ID: 2564

Performed for:

U.S. DEPARTMENT OF TRANSPORTATION

FEDERAL TRANSIT ADMINISTRATION

REGION V

Chicago, Illinois

Prepared by:

Qi Tech, LLC

Scoping Meeting Date: February 4, 2016

Site Visit Dates: August 9-10, 2016

Final Report Date: October 4, 2016

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I. Executive Summary

This report documents the Federal Transit Administration's (FTA) Triennial Review of the City of Appleton d/b/a Valley Transit (VT). The review was performed by Sherre Ritenour and Gwen Larson of Qi Tech, LLC. During the site visit, administrative and statutory requirements were discussed and documents were reviewed. The City's transit facilities were toured to provide an overview of activities related to FTA-funded projects.

The Triennial Review focused on the City of Appleton's compliance in 17 areas. As part of this year's Triennial Review of the City of Appleton, FTA incorporated an Enhanced Review Module (ERM) in the Disadvantaged Business Enterprise (DBE) area. The purpose of an ERM is to conduct a more comprehensive review of underlying or contributing issues identified during the pre-assessment stage of the Triennial Review. No deficiencies were identified during the ERM.

Deficiencies were found in the areas listed below.

Review Area	Deficiencies	
	Code	Description
Financial Management and Capacity	D-106	Insufficient tracking of grant balances
	D-142*	ECHO documentation deficient
Technical Capacity	D-781	Associated transit improvement commitments not met
Maintenance	D-48	Vehicle maintenance plan incomplete or out of date
	D-88	Late vehicle preventive maintenance
	D-117	Facility/equipment maintenance program lacking or inadequate
ADA	D-109	Limits or capacity constraints on complementary paratransit service
Procurement	D-271	Lacking required cost/price analysis
	D-290	Lacking required justification and documentation for non-competitive award
Drug-Free Workplace/ Drug and Alcohol Program	D-28	Drug and alcohol policy lacking required elements
	D-157	Drug and Alcohol contractors, subrecipients, and/or lessees not properly monitored for D&A program
	D-173	Drug and/or alcohol program vendors not properly monitored

* Denotes repeat deficiency

II. Review Background and Process

1. Background

The United States Code, Chapter 53 of Title 49 (49 U.S.C. 5307(f) (2)) requires that “At least once every three years, the Secretary shall review and evaluate completely the performance of a grantee in carrying out its program, specifically referring to compliance with statutory and administrative requirements.” This Triennial Review was performed in accordance with FTA procedures (published in FTA Order 9010.1B, April 5, 1993).

The Triennial Review includes a review of the grantee’s compliance in 17 areas. The basic requirements for each of these areas are summarized in Section IV.

This report presents the findings from the Triennial Review of the City of Appleton. The review concentrated on procedures and practices employed during the past three years; however, coverage was extended to earlier periods as needed to assess the policies in place and the management of grants. The specific documents reviewed are referenced in this report and are available at FTA’s regional office or the grantee’s office.

2. Process

The Triennial Review process includes a pre-review assessment, a review scoping meeting with the FTA regional office, and an on-site visit to the grantee’s location. The review scoping meeting was conducted with the Region V Office on February 4, 2016. Necessary files retained by the regional office were sent to the reviewer electronically. A grantee information request and review package was sent to the City of Appleton advising it of the site visit and indicating information that would be needed and issues that would be discussed. The site visit to the City of Appleton occurred on August 9-10, 2016.

The onsite portion of the review began with an entrance conference, at which the purpose of the Triennial Review and the review process were discussed. The remaining time was spent discussing administrative and statutory requirements and reviewing documents. The reviewers toured the City of Appleton’s transit administration and maintenance to provide an overview of activities related to FTA-funded projects. The reviewers examined a sample of maintenance records for FTA-funded vehicles and equipment. Upon completion of the review, FTA and the reviewers provided a summary of preliminary findings to the City of Appleton at an exit conference. Section VI of this report lists the individuals participating in the review.

3. Metrics

The metrics used to evaluate whether a grantee is meeting the requirements for each of the areas reviewed are:

- Not Deficient: An area is considered not deficient if, during the review, no findings were noted with the grantee's implementation of the requirements.
- Deficient: An area is considered deficient if any of the requirements within the area reviewed were not met.
- Not Applicable: An area can be deemed not applicable if, after an initial assessment, the grantee does not conduct activities for which the requirements of the respective area would be applicable.

III. Grantee Description

1. Organization

The City of Appleton, Wisconsin operates Valley Transit (VT) within the Fox Cities urbanized area including the Counties of Calumet, Outagamie, and Winnebago. A Transit Commission, consisting of 15 members appointed by the Mayor and confirmed by the City Council, governs VT's policies and procedures. The Fox Cities service area population is approximately 216,200. VT's general manager, appointed by the Mayor, is directly responsible for the day-to-day operations of the transit system. All VT staff are employees of the City of Appleton.

VT directly operates 18 fixed routes with a fleet of 29 FTA-funded buses. Fixed-route service operates between the hours of 5:30 a.m. and 10:30 p.m. on weekdays. Saturday service is provided between 7:30 a.m. and 10:30 p.m. There is no fixed-route service on Sundays. The basic adult cash fare is \$2.00. Half fare of \$1.00 is available for senior citizens, 65 years of age or older, persons with disabilities, and Medicare cardholders during all hours and days of service.

Complementary paratransit service for persons with disabilities eligible under the Americans with Disabilities Act (ADA) is provided within three-quarter miles of the fixed routes through a contract with Running, Inc. This paratransit service, known as Valley Transit II, operates during the same days and hours as the fixed-route service. The service is also available between the hours of 7:30 a.m. and 2.00 p.m. on Sundays for persons with disabilities and senior citizens. The contractor owns and maintains the paratransit vehicles.

VT also purchases demand-response and route-deviation services from seven local transportation providers, in certain low-density areas, beyond the fixed-route service area. The following are the names and service areas provided by the contractors:

- Running Inc. – provides demand-response service to Fox Cities' residents who work second or third shift schedules, or who need to travel throughout the community beyond Valley Transit's service area. The service extends regular bus routes beyond standard boundaries and hours. It connects passengers from a location outside of the bus route to one of six transfer points and is available 20 hours a day, six days a week.
- Kobussen Buses LTD – provides specialized employment transportation service in Outagamie County and specialized demand-response services for seniors, aged 60 and over, who live in the Fox Cities' portion of Calumet and Outagamie Counties. Service is provided from 9:00 a.m. to 5:00 p.m. weekdays. Service is not available on weekends or holidays.
- Lamers Inc. – provides downtown trolley service in the summer months in the City of Appleton.
- Kidz Kab – provides service in the City of Appleton, Town of Harrison, and Town of Buchanan.
- Calumet Van Service - provides demand-response service in Calumet County for seniors, aged 60 and over.

- New Hope Center – provides specialized employment transportation service for Calumet County.
- Fox Valley Cab – provides demand-response service in the cities of Neenah, Menasha, and the Town of Menasha for seniors, aged 60 and over.

VT's operations and administration facility is located at 801 South Whitman Avenue in Appleton. VT also operates two transit centers, one in Appleton and one in Neenah, which function as hubs for fixed-route services in these areas.

The City's National Transit Database Report for fiscal year 2015 provided the following financial and operating statistics for its fixed-route and paratransit service:

Operating Statistic	Fixed-Route Service	Paratransit Service	Demand-Response Service
Unlinked Passengers	1,055,544	37,366	156,892
Revenue Hours	59,320	9,773	38,359
Operating Expenses	\$5,083,295	\$404,678	\$2,031,373

2. Grant and Project Activity

Below is a list of the City's open grants at the time of the review.

Grant Number	Grant Amount	Year Executed	Description
WI-90-X796-00	\$8,966,865	2015	FY15 5307 Operating & Capital
WI-16-X007-00	\$358,626	2015	FY13 5310 Enhanced Mobility LAPSING
WI-34-0007-00	\$709,697	2014	FY13 & FY14 5339 Bus Replacement
WI-90-X631-00	\$6,597,440	2011	2011 Operating Assistance

During the review period, the City completed the following noteworthy projects:

- Purchased a maintenance truck (replacement)
- Replaced the camera system and cameras at the Transit Center and Administration/Maintenance building
- Replaced and upgraded DVRs and cameras on fixed-route fleet.

The City is currently implementing the following noteworthy projects:

- Replacing three fixed-route buses
- Replacing roof on the Transit Center.

The City plans to pursue the following noteworthy projects in the next three to five years:

- Replace two to three buses per year for the next five years, as funding allows
- Purchase and install four ADA-accessible bus shelters
- Update/repair air ventilation in the administrative/maintenance building
- Replace bus washer
- Replace three support vehicles
- Update the Transportation Development Plan in 2017.

IV. Results of the Review

1. Financial Management and Capacity

Basic Requirement: The grantee must demonstrate the ability to match and manage FTA grant funds, cover cost increases and operating deficits, cover maintenance and operational costs for FTA-funded facilities and equipment, and conduct and respond to applicable audits.

Finding: During this Triennial Review of the City of Appleton, deficiencies were found with the FTA requirements for Financial Management and Capacity.

Insufficient tracking of grant balances (106)

The City of Appleton is a newly designated urban system of over 200,000 in population. The financial processes and procedures requirements under the new designation have been challenging for VT staff to navigate, particularly with the recent loss of three key positions, of which only one has been filled. Finance department personnel have not been tracking expenditures by Activity Line Items (ALIs) in accordance with the FTA-required financial/grant management requirements specified in FTA C. 5010.1D, Chapter II, Section 3.

Corrective Actions and Schedule: By January 12, 2017, the City of Appleton shall submit to the FTA Regional Office updated financial management procedures that incorporate a process for tracking grant budgets by Activity Line Items (ALIs). The City of Appleton shall submit to the Regional Office documentation that staff have received training and demonstrates that the procedures have been implemented. The City of Appleton shall also submit a plan for reconciling the differences between the grant balances in TrAMS and its accounting system.

ECHO documentation deficient (142)

The grantee's records must support ECHO draw requests. The information should be traced back to an invoice for goods or services or timesheets, and be supported by information from the grantee's accounting system. Of the six ECHO draws examined, only one had supporting documents and it was to correct a previous draw. None of the files examined had invoices, timesheets, and copies of checks distributed or other supporting documents.

It is noted that this is a repeat finding from the 2013 Triennial Review. However, in the 2013 Triennial Review, the finding was issued because the City of Appleton's authorizing official was not approving the ECHO draws before FTA funds were drawn down. The City rectified this deficiency immediately after the 2013 site visit, and this finding was closed upon issuance of the 2013 Triennial Review final report.

Corrective Actions and Schedule: By January 12, 2017, the City of Appleton shall submit to the FTA Regional Office procedures for documenting ECHO draws, staff training, and evidence that the procedures have been implemented.

Beginning with the quarter ending September 30, 2016, the City of Appleton shall submit to the FTA Regional Office a quarterly report that lists the following information:

- **All ECHO draws made that quarter**
- **The grant number and program for each draw**
- **The ALI code(s) for each draw**
- **The date the draw was disbursed**
- **Supporting documentation for each draw (invoices, checks, payroll records, ledger reports, etc.).**

The City of Appleton shall submit this report on a quarterly basis for four consecutive quarters, no later than 30 days after the quarter ends, and shall satisfy the requirements of this corrective action by July 28, 2017.

2. Technical Capacity

Basic Requirement: The grantee must be able to implement FTA-funded projects in accordance with the grant application, FTA Master Agreement, and all applicable laws and regulations, using sound management practices.

Finding: During this Triennial Review of the City of Appleton, deficiencies were found with the FTA requirements for Technical Capacity.

Associated transit improvement commitments not met (781)

The City of Appleton has not been expending one percent of each fiscal year's 5307 apportionment on associated transit improvements, as is required in FTA Circular 9030.1E, Chapters IV and V.

Corrective Action and Schedule: By January 12, 2017, the City of Appleton shall submit to the FTA Regional Office a plan for meeting its associated transit improvement commitments.

3. Maintenance

Basic Requirement: Grantees and subrecipients must keep federally funded vehicles, equipment and facilities in good operating condition. Grantees and subrecipients must keep Americans with Disabilities Act (ADA) accessibility features on all vehicles, equipment and facilities in good operating order.

Finding: During this Triennial Review of the City of Appleton, deficiencies were found with the FTA requirements for Maintenance.

Vehicle maintenance plan incomplete or out of date (48)

The City of Appleton's vehicle maintenance plan, last updated in 2012, did not include objectives or on-board security systems information, as required in FTA C. 9030.1E, Chapter VI.

Corrective Action and Schedule: By January 12, 2017, the City of Appleton shall submit to the FTA Regional Office a revised vehicle maintenance plan that incorporates objectives and addresses requirements for maintenance of on-board security systems.

Late vehicle preventive maintenance (88)

During the site visit, preventive maintenance (PM) records on four FTA-funded fixed-route vehicles were chosen for review. Paratransit vehicles are owned and maintained by the contractor, therefore no paratransit vehicle records were reviewed. Records on all selected vehicles were incomplete and confusing, due to incorrect mileage numbers recorded in the PM logs. Of the 16 intervals that were verifiable as accurate, 10 of them were beyond the allowable stated interval period of 6,000 miles (+10% variance) for preventive maintenance inspections, resulting in a 37.5 percent on-time performance. In implementing FTA C. 5010.1D, Chapter V, FTA has determined that grantees must complete at least 80 percent of its preventive maintenance inspections on time.

Corrective Actions and Schedule: By March 13, 2017, the City of Appleton shall submit to the FTA Regional Office procedures for completing its fixed-route bus preventive maintenance inspections on time. The City of Appleton shall submit to the FTA Regional Office a monthly report signed by the General Manager or other senior management designee on its preventive maintenance results until the data demonstrate it has conducted at least 80 percent of its preventive maintenance on time for three consecutive months. For each vehicle that received a preventive maintenance inspection during the month, the City of Appleton shall include with the submittal to the FTA Regional Office, a report that lists the vehicle number, date of the inspection, mileage of the current inspection, mileage of the previous inspection, and the mileage interval between the two inspections. The City of Appleton shall also list the percentage of the inspections performed on time. The City of Appleton shall submit to the FTA Regional Office back-up documentation for each bus (e.g., copy of work order, printout from the maintenance management system) documenting the date and mileage of the inspection.

Facility/equipment maintenance program lacking or inadequate (117)

Valley Transit has a vehicle maintenance plan that includes a minor mention of facilities and equipment. This section does not address mission critical items or security equipment, as FTA has required per its implementation of FTA C. 5010.1D, Chapters II and IV.

Corrective Action and Schedule: By January 12, 2017, the City of Appleton shall submit to the FTA Regional Office a revised facility/equipment maintenance plan that incorporates mission critical items and security equipment.

4. Americans with Disabilities Act

Basic Requirement: Titles II and III of the ADA of 1990 provide that no entity shall discriminate against an individual with a disability in connection with the provision of transportation service. The law sets forth specific requirements for vehicle and facility accessibility and the provision of service, including complementary paratransit service.

Finding: During this Triennial Review of the City of Appleton, deficiencies were found with the U.S. Department of Transportation (US DOT) requirements for ADA.

Limits or capacity constraints on complementary paratransit service (109)

Grantees must track service for ADA trips separately from non-ADA trips. The City of Appleton does not have a process in place for reviewing its contractor, Running Inc.'s, performance data. The City of Appleton must be able to demonstrate that trip denials, as well as missed trips, late pickups, trips of excessive length, etc., are not an operational pattern or practice that significantly limits the availability of ADA paratransit service, as explained in 49 CFR 37.131. The City of Appleton also does not monitor the service delivery of its Section 5310-funded demand-response service provided by six contracted providers. The City of Appleton does not track ADA and non-ADA paratransit service separately for all of its contracted services.

Corrective Actions and Schedule: By January 12, 2017, the City of Appleton shall submit to the FTA Regional Civil Rights Officer (RCRO) procedures for monitoring its ADA complementary paratransit service for patterns or practices of capacity constraints, and for monitoring and tracking ADA and non-ADA paratransit service separately. Also, the City of Appleton must submit evidence that the required oversight procedures have been implemented.

5. Title VI

Basic Requirement: The grantee must ensure that no person shall, on the grounds of race, color, or national origin, be excluded from participating in, or be denied the benefits of, or be subject to discrimination under any program or activity receiving Federal financial assistance without regard to whether specific projects or services are federally funded. The grantee must ensure that federally supported transit services and related benefits are distributed in an equitable manner.

Note: The fiscal year 2016 Triennial Review covers a three-year period in which the FTA issued a revised circular for Title VI, which provided more information on how to comply and changed requirements for some grantees with populations over 200,000. FTA Circular 4702.1B became effective October 1, 2012. Title VI programs submitted to FTA after this date must comply with the requirements of this circular. The Triennial Review will look at compliance with the requirement of FTA Circular 4702.1A for the period prior to October 1, 2012, and compliance with the revised circular for activities after this date.

Finding: During this Triennial Review of the City of Appleton, no deficiencies were found with the FTA requirements for Title VI.

6. Procurement

Basic Requirement: Grantees use their own procurement procedures that reflect applicable state and local laws and regulations, provided that the process ensures competitive procurement and the procedures conform to applicable Federal law, including 49 CFR Part 18, (repealed effective

December 26, 2014), 2 CFR Part 1201, incorporating 2 CFR Part 200 (specifically Sections 200.317-200.326), and FTA Circular 4220.1F, “Third Party Contracting Guidance.”

Finding: During this Triennial Review of the City of Appleton, deficiencies were found with the FTA requirements for Procurement.

The review team examined four FTA-funded procurements:

Goods/ Services Procured	Date	Method	Type	Amount	Comments
Fare Tickets	5/16/2014	Sole source	Supplies	\$10,800	Missing cost/price analysis
Paratransit Services	7/18/2014	RFP	Management and Operational Services	\$2,146,387	Missing cost/price analysis
ADA Certification Services	9/11/2015	RFP	Professional Services	\$40,000	Missing cost/price analysis/single bid award justification
Ancillary Paratransit Service	4/13/2015	RFP	Management and Operational Services	\$48,329	Missing cost/price analysis

Lacking required cost/price analysis (271)

The City of Appleton utilizes the majority of its grant money to fund operations and maintenance activities. Therefore, it had limited procurement activities during the Triennial Review period. Four procurements/solicitations were available for review; all four files were missing cost/price analyses, which are required per FTA C. 4220.1F, Chapter VI, Section 6.

Corrective Actions and Schedule: By January 12, 2017, the City of Appleton shall provide to the FTA Regional Office documentation that it has updated its procurement process and provided staff training to include performing a cost or price analysis for every procurement action including contract modifications. For its next procurement, the City of Appleton shall submit to the FTA Regional Office documentation that the required cost or price analysis was implemented.

Lacking required justification and documentation for non-competitive award (290)

The City of Appleton solicited proposals for ADA paratransit certification services during the Triennial Review period and received only one proposal. The City of Appleton awarded a contract to the single bidder, but did not document the reason why that award was justified, as is required in FTA C. 4220, Chapter VI, Section 3.

Corrective Action and Schedule: By January 12, 2017, the City of Appleton shall submit to the FTA Regional Office a revised Procurement Policy that includes a process for documenting sole source/single bid awards to ensure that future single bid contract awards are properly documented. For its next sole source or single bid procurement action, the

City of Appleton shall provide the FTA Regional Office evidence that the required justification has been documented.

7. Disadvantaged Business Enterprise

Basic Requirement: The grantee must comply with 49 CFR Part 26 to ensure nondiscrimination in the award and administration of US DOT-assisted contracts. Grantees also must create a level playing field on which DBEs can compete fairly for US DOT-assisted contracts.

Enhanced Review Module (ERM): During this Triennial Review of the City of Appleton, an ERM was conducted in the DBE area. The following subject matters within DBE were reviewed extensively:

- DBE Program Management
- Project Specific Goals
- Overconcentration
- Goal Setting and Reporting
- Race Neutral Measures
- Good Faith Efforts
- Required Contract Provisions
- Record Keeping, Monitoring, and Enforcement.

No deficiencies were found as a result of the DBE ERM.

Finding: During this Triennial Review of the City of Appleton, no deficiencies were found with the US DOT requirements for DBE.

8. Legal

Basic Requirement: The grantee must be eligible and authorized under state and local law to request, receive, and dispense FTA funds and to execute and administer FTA-funded projects. Grantees must comply with Restrictions on Lobbying requirements.

Finding: During this Triennial Review of the City of Appleton, no deficiencies were found with the FTA requirements for Legal.

9. Satisfactory Continuing Control

Basic Requirement: The grantee must ensure that FTA-funded property will remain available to be used for its originally authorized purpose throughout its useful life until disposition.

Finding: During this Triennial Review of the City of Appleton, no deficiencies were found with the FTA requirements for Satisfactory Continuing Control.

10. Planning/Program of Projects

Basic Requirement: The grantee must participate in the transportation planning process in accordance with FTA, Moving Ahead for Progress in the 21st Century, and the metropolitan and statewide planning regulations. Each recipient of a Section 5307 grant shall develop, publish, afford an opportunity for a public hearing on, and submit for approval, a program of projects (POP).

Finding: During this Triennial Review of the City of Appleton, no deficiencies were found with the FTA requirements for Planning/POP.

11. Public Comment on Fare Increases and Major Service Reductions

Basic Requirement: Section 5307 grantees are expected to have a written, locally developed process for soliciting and considering public comment before raising a fare or carrying out a major transportation service reduction.

Finding: During this Triennial Review of the City of Appleton, no deficiencies were found with the FTA requirements for Public Comment on Fare Increases and Major Service Reductions.

12. Half Fare

Basic Requirement: For fixed-route service supported with Section 5307 assistance, fares charged seniors, persons with disabilities, or an individual presenting a Medicare card during off peak hours will not be more than one half the peak hour fares.

Finding: During this Triennial Review of the City of Appleton, no deficiencies were found with the FTA requirements for Half Fare.

13. Charter Bus

Basic Requirement: Grantees are prohibited from using federally funded equipment and facilities to provide charter service if a registered private charter operator expresses interest in providing the service. Grantees are allowed to operate community based charter services excepted under the regulations.

Finding: During this Triennial Review of the City of Appleton, no deficiencies were found with the FTA requirements for Charter Bus.

14. School Bus

Basic Requirement: Grantees are prohibited from providing exclusive school bus service unless the service qualifies and is approved by the FTA Administrator under an allowable exemption. Federally funded equipment or facilities cannot be used to provide exclusive school bus service.

School tripper service that operates and looks like all other regular service is allowed.

Finding: During this Triennial Review of the City of Appleton, no deficiencies were found with the FTA requirements for School Bus.

15. Security

Basic Requirement: As recipients of Section 5307 funds, grantees must annually certify that they are spending at least one percent of such funds for transit security projects or that such expenditures for security systems are not necessary.

Finding: During this Triennial Review of the City of Appleton, no deficiencies were found with the FTA requirements for Security.

16. Drug Free Workplace and Drug and Alcohol Program

Basic Requirement: Grantees are required to maintain a drug-free workplace for all grant-related employees and to have an ongoing drug-free awareness program. Grantees receiving Section 5307, 5309, 5311 or 5339 funds that have safety-sensitive employees must have a drug and alcohol testing program in place for such employees.

Finding: During this Triennial Review of the City of Appleton, deficiencies were found with the FTA requirements for Drug-Free Workplace and Drug and Alcohol Program.

Drug and alcohol policy lacking required elements (28)

Grantees and subrecipients, contractors, subcontractors, and lessees covered by 49 CFR Part 655 must have a drug and alcohol testing policy detailing the provisions of their drug and alcohol programs. The City of Appleton's Drug and Alcohol policy is missing some required elements: 1) some of the behaviors and circumstances that constitute a refusal to take a drug test, and 2) although the City of Appleton lists sub-categories under the amphetamines and opiates in its drug and alcohol policy, the list does not agree exactly with 49 CFR 40.87, as required.

Corrective Action and Schedule: By January 12, 2017, the City of Appleton shall submit to the FTA Regional Office an amended drug and alcohol policy that has been adopted by the governing board and recommunicated to all affected employees.

Drug and Alcohol contractors, subrecipients, and/or lessees not properly monitored for D&A program (157)

The City of Appleton has not been monitoring its Section 5307 subrecipient Running, Inc.'s, drug and alcohol programs; it has also not been monitoring the drug and alcohol programs of its paratransit and specialized transportation service contractors, as is required in 49 CFR 655.81.

Corrective Action and Schedule: By January 12, 2017, the City of Appleton shall submit to the FTA Regional Office a drug and alcohol oversight plan with at least quarterly monitoring of its contractors, to include at a minimum: verification of random testing selections; review of custody and control forms (employer and medical review officer copy), vendor certifications, and calibration logs; and random inspections of records and collection sites.

Drug and/or alcohol program vendors not properly monitored (173)

Grantees must show evidence that they are monitoring drug and alcohol testing agents/vendors to ensure they are compliant with 49 CFR Part 40. The City of Appleton had no documentation that it has been monitoring is drug and alcohol testing vendor.

Corrective Actions and Schedule: By January 12, 2017, the City of Appleton shall submit to the FTA Regional Office evidence of drug and alcohol vendor monitoring procedures, along with evidence of implementation.

17. Equal Employment Opportunity

Basic Requirement: The grantee must ensure that no person in the United States shall on the grounds of race, color, religion, national origin, sex, age, or disability be excluded from participating in, or denied the benefits of, or be subject to discrimination in employment under any project, program, or activity receiving Federal financial assistance under the Federal transit laws. (Note: Equal Employment Opportunity Commission's regulation only identifies/recognizes religion and not creed as one of the protected groups.)

Finding: During this Triennial Review of the City of Appleton, no deficiencies were found with the FTA requirements for Equal Employment Opportunity (EEO).

V. Summary of Findings

Review Area	Finding	Deficiency	Corrective Action	Response Date	Date Closed
1. Financial Management and Capacity	D-106	Insufficient tracking of grant balances	The City of Appleton shall submit to the FTA Regional Office updated financial management procedures that incorporate a process for tracking grant budgets by Activity Line Items (ALIs). The City of Appleton shall submit to the FTA Regional Office documentation that demonstrates that the procedures have been implemented. The City of Appleton shall also submit a plan for reconciling the differences between the grant balances in TrAMS and its accounting system.	1/12/2017	
	D-142*	ECHO documentation deficient	The City of Appleton shall submit to the FTA Regional Office procedures for documenting ECHO draws, staff training, and evidence that the procedures have been implemented.	1/12/2017	
			Beginning with the quarter ending September 30, 2016, the City of Appleton shall submit to the FTA Regional Office a quarterly report that lists the following information: <ul style="list-style-type: none"> • All ECHO draws made that quarter • The grant number and program for each draw • The ALI code(s) for each draw • The date the draw was disbursed • Supporting documentation for each draw (invoices, checks, payroll records, ledger reports, etc.). The City of Appleton shall submit this report on a quarterly basis for four consecutive quarters, no later than 30 days after the quarter ends.	7/28/2017	
2. Technical Capacity	D-781	Associated transit improvement commitments not met	The City of Appleton shall submit to the FTA Regional Office a plan for meeting its associated transit improvement commitments.	1/12/2017	
3. Maintenance	D-48	Vehicle maintenance plan incomplete or out of date	The City of Appleton shall submit to the FTA Regional Office a revised vehicle maintenance plan that incorporates on-board security systems.	1/12/2017	
	D-88	Late vehicle preventive maintenance	The City of Appleton shall submit to the FTA Regional Office procedures for completing its fixed-route bus preventive maintenance inspections on time. The City of Appleton shall submit to the FTA Regional Office a monthly report signed by the General Manager or other senior management designee on its preventive maintenance results until the data demonstrate it has conducted at	3/13/2017	

Review Area	Finding	Deficiency	Corrective Action	Response Date	Date Closed
			least 80 percent of its preventive maintenance on time for three consecutive months. For each vehicle that received a preventive maintenance inspection during the month, the City of Appleton shall include with the submittal to the FTA Regional Office, a report that lists the vehicle number, date of the inspection, mileage of the current inspection, mileage of the previous inspection, and the mileage interval between the two inspections. The City of Appleton shall also list the percentage of the inspections performed on time. The City of Appleton shall submit to the FTA Regional Office back-up documentation for each bus (e.g., copy of work order, printout from the maintenance management system) documenting the date and mileage of the inspection.		
	D-117	Facility/equipment maintenance program lacking or inadequate	The City of Appleton shall submit to the FTA Regional Office a revised facility/equipment maintenance plan that incorporates mission critical items and security equipment.	1/12/2017	
4. ADA	D-109	Limits or capacity constraints on complementary paratransit service.	The City of Appleton shall submit to the FTA Regional Civil Rights Officer (RCRO) procedures for monitoring and tracking ADA and non-ADA paratransit service separately, and for monitoring its ADA complementary paratransit service for patterns or practices of capacity constraints. Also, the City of Appleton must submit evidence that the required oversight procedures have been implemented.	1/12/2017	
5. Title VI	ND				
6. Procurement	D-271	Lacking required cost/price analysis	The City of Appleton shall provide to the FTA Regional Office documentation that it has updated its procurement process and provided staff training to include performing a cost or price analysis for every procurement action including contract modifications.	1/12/2017	
			For its next procurement, the City of Appleton shall submit to FTA Regional Office documentation that the required cost or price analysis was implemented.	1/12/2017	
	D-290	Lacking required justification and documentation for non-competitive award	The City of Appleton shall submit to the FTA Regional Office a revised Procurement Policy that includes a process for documenting sole source/single bid awards to ensure that future single bid procurements are properly documented.	1/12/2017	

Review Area	Finding	Deficiency	Corrective Action	Response Date	Date Closed
			For its next sole source or single bid procurement action, the City of Appleton shall provide the FTA Regional Office evidence that the required justification has been documented.	1/12/2017	
7. DBE	ND				
8. Legal	ND				
9. Satisfactory Continuing Control	ND				
10. Planning/ POP	ND				
11. Public Comment on Fare Increases and Major Service Reductions	ND				
12. Half Fare	ND				
13. Charter Bus	ND				
14. School Bus	ND				
15. Security	ND				
16. Drug-Free Workplace/ Drug and Alcohol Program	D-28	Drug and alcohol policy lacking required elements	The City of Appleton shall submit to the FTA Regional Office an amended drug and alcohol policy that has been adopted by the governing board and recommunicated to all affected employees.	1/12/2017	
	D-157	Drug and Alcohol contractors, subrecipients, and/or lessees not properly monitored for D&A program	The City of Appleton shall submit to the FTA Regional Office a drug and alcohol oversight plan with at least quarterly monitoring of its contractors, to include at a minimum: verification of random testing selections; review of custody and control forms (employer and medical review officer copy), vendor certifications, and calibration logs; and random inspections of records and collection sites.	1/12/2017	
	D-173	Drug and/or alcohol program vendors not properly monitored	The City of Appleton shall submit to the FTA Regional Office evidence of drug and alcohol vendor monitoring procedures, along with evidence of implementation.	1/12/2017	
17. EEO	ND				

* Denotes repeat deficiency

VI. Attendees

Name	Title	Phone Number	E-mail Address
<i>City of Appleton</i>			
Debra Ebben	Administrative Services Manager	920-832-2292	debra.ebben@appleton.org
Daniel Sandemeier	Assistant General Manager	920-832-2294	daniel.sandmeier@appleton.org
Nikki Voelzke	Community Relations Specialist	920-832-2293	nicole.voelzke@appleton.org
Amy Erickson	Paratransit Operations Supervisor	920-832-2295	amy.erickson@appleton.org
Steven Schrange	Project Manager	920-832-5972	steve.schrange@appleton.org
Cameron Green	Facilities Manager	920-832-5906	cameron.green@appleton.org
Jeff Pelligrini	Lead Mechanic	920-832-5800	NA
Debbie VanDenBogurt	Deputy Director, HR	920-832-6427	debra.vandenbogurt@appleton.org
<i>FTA Region V</i>			
Kelley Brookins	Deputy Regional Administrator	312-353-1654	kelley.brookins@dot.gov
Marisa Appleton	Regional Civil Rights Officer	312-705-1270	marisa.appleton@dot.gov
Vanessa Adams	Acting Director, Program Management and Oversight	312-886-0309	vanessa.adams@dot.gov
Tarressa Carrell	Transportation Program Specialist	312-866-1624	tarressa.carrell@dot.gov
<i>Reviewers</i>			
Sherre Ritenour	Qi Tech, LLC	719-648-6424	sherre_ritenour@qtechllc.com
Gwen Larson	Qi Tech, LLC	920-365-6450	gwen_larson@qitechllc.com

VII. Appendices

No appendices included in this report.