

AUDIT REPORT TRACKING SYSTEM (ARTS)

SECTION I: SUMMARY INFORMATION			
Audit Title:	Public Private Partnership: KC Streetcar	Audit Release Date:	10/29/2015
Department:	City Manager	Last Report Date:	First ARTS Report
Department Director:	Troy Schulte	This Report Date:	02/05/2018
Contact Person/Phone:	Sherri McIntyre/513-6590	Expected Presentation Date:	02/22/2018
SECTION II: RECORD OF IMPLEMENTED RECOMMENDATIONS			
1. Implemented – 04/27/2017		4. Implemented – 04/27/2017	
2. Implemented – 01/23/2018		5. Implemented – 05/31/2017	
3. Implemented – 04/27/2017			
SECTION III: SUMMARY OF IMPLEMENTATION EFFORTS			
Recommendation 1: The city manager should propose an amendment to the KC Streetcar tri-party agreement provisions related to revenue contracts or use of revenues as necessary to protect the city’s interest in KC Streetcar.			
<i>Status of Recommendation: Implemented</i>			
The Second Amended and Restated Streetcar Agreement was executed on April 27, 2017. The agreement requires that all contracts be structured in light of the Federal Transit Administration’s (FTA) Master Agreement and 49 USC Chapter 53. The revised agreement requires any ancillary revenue from these sources be deposited directly into the City’s Streetcar Fund where it becomes part of the waterfall and its use is governed by the provisions of the agreement.			
Recommendation 2: The city manager should create a process to periodically and systematically assess the selected governance structure for KC Streetcar’s operations.			
<i>Status of Recommendation: Implemented</i>			
The City Manager is continuing coordination with the Downtown Streetcar TDD and the Kansas City Streetcar Authority, and amendments to the Tri-Party agreement have been made from time to time to reflect agreed upon changes to the governance structure, as necessary. In addition, KC Streetcar is subject to a triennial review by FTA, the federal agency responsible for oversight. The most recent review (2017) provided a productive forum for evaluating overall system compliance, areas of needed improvement, and a process for tracking resolution of related findings. The City Manager will use this triennial review process as a guide for performing a review of the governance structure of the KC Streetcar.			
Recommendation 3: The city manager should present the total budget submitted by KCSA (including debt service) as a discrete program within the city’s annual budget document.			
<i>Status of Recommendation: Implemented</i>			
The City began presenting the KCSA budget as a separate program within Public Works beginning with the FY2016-17 Adopted Budget. Subsequently, the Second Amended and Restated Streetcar Agreement was executed on April 27, 2017. Section 6-2 states, in part: “City shall present the Authority’s proposed budget to the City Council as a distinct program within the Public Works department. The Authority’s proposed line item budget will be incorporated into the City’s submitted budget and will require substantive approval by the City Council prior to becoming effective for the fiscal year beginning May 1 of each year.”			
Recommendation 4: The city manager should propose an amendment to the KC Streetcar tri-party agreement to require that sponsorship, advertising, and fare revenue be deposited directly into city accounts.			
<i>Status of Recommendation: Implemented</i>			
The Second Amended and Restated Streetcar Agreement was executed on April 27, 2017. The revised agreement reflects that any revenue derived from the operation and use of the federally funded assets be deposited into the City’s Streetcar Fund as does any advertising and sponsorship revenue (Section 5-1, I).			
Recommendation 5: The city manager should propose an amendment to include key performance indicators in the KC Streetcar tri-party agreement that measure the objectives and goals in the strategic plan.			
<i>Status of Recommendation: Implemented</i>			
Underlying the tri-party agreement is an Operations and Maintenance Agreement to which the City is also a party. This agreement includes performance measures related to operation of the downtown streetcar system. The following performance indicators are currently being measured and reported: 1) Ridership – reported monthly; 2) Safety and Operations Reliability – reported monthly; 3) Citizen Satisfaction – measured quarterly by the City through its Citizen Satisfaction Survey.			
SECTION IV: ADDITIONAL OUTCOMES			