

Madera County Transportation Commission (MCTC)



Transportation
Development Act (TDA)
Triennial Performance Audit
of the City of Madera

Final Report
March 2024



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Chapter 1 | Executive Summary

In 2023, the Madera County Transportation Commission (MCTC) selected Moore & Associates, Inc., to prepare Triennial Performance Audits of itself as the RTPA and the three transit operators to which it allocates TDA funding.

The California Public Utilities Code requires all recipients of Transit Development Act (TDA) Article 4 funding to undergo an independent performance audit on a three-year cycle in order to maintain funding eligibility. Audits of Article 8 recipients are encouraged.

The Triennial Performance Audit is designed to be an independent and objective evaluation of the City of Madera as a public transit operator, providing operator management with information on the economy, efficiency, and effectiveness of its programs across the prior three fiscal years. In addition to assuring legislative and governing bodies (as well as the public) that resources are being economically and efficiently utilized, the Triennial Performance Audit fulfills the requirement of PUC Section 99246(a) that the RTPA designate an entity other than itself to conduct a performance audit of the activities of each operator to whom it allocates funds.

This chapter summarizes key findings and recommendations developed during the Triennial Performance Audit (TPA) of the City's public transit program for the period:

- Fiscal Year 2020/21,
- Fiscal Year 2021/22, and
- Fiscal Year 2022/23.

The City of Madera currently provides local fixed-route and general public demand-response service. During the audit period, fixed-route service, marketed as Madera Metro, consisted of three routes operating between 7:00 a.m. and 6:30 p.m. on weekdays and between 9:00 a.m. and 4:00 p.m. on Saturday. No service is provided on six designated holidays. A fourth route, operating on weekdays only, was added in January 2024 to provide connectivity to the Amtrak Station north of Madera.

General public Dial-A-Ride and ADA Paratransit service mirrors fixed-route service hours, but is also available on Sunday from 8:30 a.m. to 2:30 p.m. Certified ADA customers receive priority Dial-A-Ride service. Curb-to-curb service is provided within city limits as well as to areas of the county south to Avenue 12, east to Road 29½, north to Avenue 18/Avenue 19, and west to Road 23. Customers are advised to call at least one day in advance, but service is provided on a space-available basis for reservations made two hours prior to the requested pick-up time. A 30-minute pick-up window is provided, and drivers will wait no more than five minutes at the pick-up location. Subscription trips are also available.

This performance audit was conducted in accordance with generally accepted government auditing standards. Those standards require that the audit team plans and performs the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for its findings and conclusions based on the audit objectives. Moore & Associates believes the evidence obtained provides a reasonable basis for our findings and conclusions.

This audit was also conducted in accordance with the processes established by the California Department of Transportation (Caltrans), as outlined in the *Performance Audit Guidebook for Transit Operators and Regional Transportation Planning Entities*.

The Triennial Performance Audit includes five elements:

- Compliance requirements,
- Prior recommendations,
- Analysis of program data reporting,
- Performance Audit, and
- Functional review.

Test of Compliance

Based on discussions with the City of Madera staff, analysis of program performance, and an audit of program compliance and function, the audit team presents three compliance findings:

1. The City's Transit Operator Financial Transactions Reports for FY 2021/22 and FY 2022/23 were not submitted to the State Controller by the established deadline.
2. The City submitted its TDA fiscal audits for FY 2020/21 and FY 2021/22 after the extended deadline.
3. Use of the TDA definition of full-time equivalent (FTE) employee could not be confirmed.

Status of Prior Recommendations

The prior audit – completed in February 2021 by Moore & Associates, Inc. for the three fiscal years ending June 30, 2020 – included four recommendations:

1. [Work toward meeting the farebox recovery ratio requirement stipulated by the TDA.](#)
Status: Implementation in progress.
2. [Work with the City's Finance department to ensure the City's financial reporting is completed in a timely manner, thereby enabling the TDA fiscal audit to be completed within the established timeframe.](#)
Status: Implementation in progress.
3. [The City and the County should work together to ensure the County receives the Section 5307 funding to which it is entitled.](#)
Status: Implemented.
4. [Develop and utilize a process to ensure data is compiled and reported consistently.](#)
Status: Implementation in progress.

Findings and Recommendations

Based on discussions with City staff, analysis of program performance, and a review of program compliance and function, the audit team submits the aforementioned compliance findings for the City of Madera.

1. The City’s Transit Operator Financial Transactions Reports for FY 2021/22 and FY 2022/23 were not submitted to the State Controller by the established deadline.
2. The City submitted its TDA fiscal audits for FY 2020/21 and FY 2021/22 after the extended deadline.
3. Use of the TDA definition of full-time equivalent (FTE) employee could not be confirmed.

The audit team has identified two functional findings. While these findings are not compliance findings, we feel they are significant enough to be addressed within this audit:

1. The City continues to struggle with consistent reporting, especially with respect to operating cost.
2. The City’s contracted operator had two Unsatisfactory terminal inspection reports from CHP during the audit period.

In completing this Triennial Performance Audit, we submit the following recommendations for the City of Madera’s public transit program. They have been divided into two categories: TDA Program compliance recommendations and functional recommendations. TDA program compliance recommendations are intended to assist in bringing the operator into compliance with the requirements and standards of the TDA, while Functional Recommendations address issues identified during the triennial audit that are not specific to TDA compliance.

Exhibit 1.1 Summary of Audit Recommendations

TDA Compliance Recommendations		Importance	Timeline
1	Ensure Transit Operator Financial Transaction Reports are submitted to the State Controller on or before January 31 each year.	Medium	Ongoing
2	Work with the City’s auditor to ensure future TDA fiscal audits can be completed within the established timeframe.	Medium	FY 2023/24
3	Ensure the TDA definition of full-time equivalent (FTE) employee is used for reporting to the State Controller.	Medium	Ongoing
Functional Recommendations		Importance	Timeline
1	Continue to work toward ensuring data is reported as accurately as possible at the time it is submitted.	Medium	Ongoing
2	The contractor should ensure it continues to enroll all drivers in the DMV’s Employer Pull Notice Program as soon as they are employed for the operation of an eligible vehicle, as required by the program, as well as confirm each driver holds a valid transit certificate before operating a vehicle requiring that certification.	High	Ongoing

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Chapter 2 | Audit Scope and Methodology

The Triennial Performance Audit (TPA) of the City of Madera’s public transit program covers the three-year period ending June 30, 2023. The California Public Utilities Code requires all recipients of Transit Development Act (TDA) funding to complete an independent review on a three-year cycle in order to maintain funding eligibility.

In 2023, the Madera County Transportation Commission selected Moore & Associates, Inc., to prepare Triennial Performance Audits of itself as the RTPA and the three transit operators to which it allocates TDA funding. Moore & Associates is a consulting firm specializing in public transportation, including audits of non-TDA Article 4 recipients. Selection of Moore & Associates followed a competitive procurement process.

The Triennial Performance Audit is designed to be an independent and objective evaluation of the City of Madera as a public transit operator. Direct benefits of a Triennial Performance Audit include providing operator management with information on the economy, efficiency, and effectiveness of its programs across the prior three years; helpful insight for use in future planning; and assuring legislative and governing bodies (as well as the public) that resources are being economically and efficiently utilized. Finally, the Triennial Performance Audit fulfills the requirement of PUC Section 99246(a) that the RTPA designate an entity other than itself to conduct a performance audit of the activities of each operator to whom it allocates funds.

This performance audit was conducted in accordance with generally accepted government auditing standards. Those standards require that the audit team plans and performs the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for its findings and conclusions based on the audit objectives. The auditors believe the evidence obtained provides a reasonable basis for our findings and conclusions.

The audit was also conducted in accordance with the processes established by the California Department of Transportation (Caltrans), as outlined in the *Performance Audit Guidebook for Transit Operators and Regional Transportation Planning Entities*, as well as *Government Auditing Standards* published by the U.S. Comptroller General.

Objectives

A Triennial Performance Audit (TPA) has four primary objectives:

1. Assess compliance with TDA regulations;
2. Review improvements subsequently implemented as well as progress toward adopted goals;
3. Evaluate the efficiency and effectiveness of the transit operator; and
4. Provide sound, constructive recommendations for improving the efficiency and functionality of the transit operator.

Scope

The TPA is a systematic review of performance evaluating the efficiency, economy, and effectiveness of the transit operator. The audit of the City of Madera included five tasks:

1. A review of compliance with TDA requirements and regulations.
2. A review of the status of recommendations included in the prior Triennial Performance Audit.
3. A verification of the methodology for calculating performance indicators including the following activities:
 - Assessment of internal controls,
 - Test of data collection methods,
 - Calculation of performance indicators, and
 - Evaluation of performance.
4. Comparison of data reporting practices:
 - Internal reports,
 - State Controller Reports, and
 - National Transit Database.
5. Examination of the following functions:
 - General management and organization;
 - Service planning;
 - Scheduling, dispatching, and operations;
 - Personnel management and training;
 - Administration;
 - Marketing and public information; and
 - Fleet maintenance.
6. Conclusions and recommendations to address opportunities for improvement based upon analysis of the information collected and the audit of the transit operator's major functions.

Methodology

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

- Monthly performance reports;
- State Controller Reports;
- Annual budgets;
- TDA fiscal audits;
- Transit marketing collateral;
- TDA claims;
- Fleet inventory;
- Preventive maintenance schedules and forms;
- California Highway Patrol Terminal Inspection reports;
- National Transit Database reports;

- Accident/road call logs; and
- Organizational chart.

The methodology for this audit included a virtual site visit with City representatives on January 24, 2024. The audit team met with Xochitl Villasenor (Program Manager for Transit) and Marcela Zuniga (Grants Administrator), and reviewed materials germane to the triennial audit.

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

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

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Chapter 3 | Program Compliance

This section examines the City of Madera’s compliance with the Transportation Development Act as well as relevant sections of the California Code of Regulations. An annual certified fiscal audit confirms TDA funds were apportioned in conformance with applicable laws, rules, and regulations. The City of Madera considers full use of funds under California Code of Regulations (CCR) 6754(a) as referring to operating funds but not capital funds. The TPA findings and related comments are delineated in Exhibit 3.1.

Status of compliance items was determined through discussions with City staff as well as an inspection of relevant documents including the fiscal audits for each year of the triennium, State Controller annual filings, California Highway Patrol terminal inspections, National Transit Database reports, year-end performance reports, and other compliance-related documentation.

Three compliance issues were identified for the City of Madera:

1. The City’s Transit Operator Financial Transactions Reports for FY 2021/22 and FY 2022/23 were not submitted to the State Controller by the established deadline.
2. The City submitted its TDA fiscal audits for FY 2020/21 and FY 2021/22 after the extended deadline.
3. Use of the TDA definition of full-time equivalent (FTE) employee could not be confirmed.

Developments Occurring During the Audit Period

The FY 2020/21 – FY 2022/23 audit period was the first to occur entirely after the onset of the COVID-19 pandemic. The pandemic resulted in significant declines in ridership and fare revenue, and recovery from those impacts continues beyond FY 2022/23. Most transit programs have yet to return to pre-pandemic ridership and fare levels.

In California, two notable pieces of legislation were passed that impact compliance during the audit period. These bills were intended to provide emergency relief during the pandemic, thereby ensuring transit operators continue to receive TDA funding despite significant impacts to key performance measures. Assembly Bill 90, signed into law on June 29, 2020, provided temporary regulatory relief for transit operators required to conform with Transportation Development Act (TDA) farebox recovery ratio thresholds in FY 2019/20 and FY 2020/21. While the ability to maintain state mandates and performance measures is important, AB 90 offered much-needed relief from these requirements for these years initially impacted by the COVID-19 pandemic. AB 90 included provisions specific to transit operator funding through the TDA, including temporary farebox recovery ratio waivers, changes regarding the allocation of STA funds, and eligibility for using STA for operating purposes.

Assembly Bill 149, signed into law on July 16, 2021, provided additional regulatory relief with respect to Transportation Development Act (TDA) compliance. Recognizing the ongoing impact of the COVID-19 pandemic, it extended the provisions of AB 90 through FY 2022/23 as well as provided additional relief with respect to local funding, operating cost, and use of STA funds. Each year of the audit period took place while penalty waivers were in place, and FY 2023/24 is the first post-COVID year for which transit operators will face potential penalties for not meeting farebox recovery requirements.

Exhibit 3.1 Transit Development Act Compliance Requirements

Compliance Element	Reference	Compliance	Comments
State Controller Reports submitted on time.	PUC 99243	Finding	FY 2020/21: January 31, 2022 FY 2021/22: February 24, 2023 FY 2022/23: March 7, 2024
Fiscal and compliance audits submitted within 180 days following the end of the fiscal year (or with up to 90-day extension).	PUC 99245	Finding	FY 2020/21: August 19, 2022 FY 2021/22: April 21, 2023 FY 2022/23: Pending
Operator’s terminal rated as satisfactory by CHP within the 13 months prior to each TDA claim.	PUC 99251 B	In compliance	March 28, 2019 March 24, 2020 March 9, 2021 (unsatisfactory) (pull notice violation) June 24, 2021 March 23, 2022 (unsatisfactory) (driver with expired certification) August 3, 2022 August 25, 2023
Operator’s claim for TDA funds submitted in compliance with rules and regulations adopted by the RTPA.	PUC 99261	In compliance	
If operator serves urbanized and non-urbanized areas, it has maintained a ratio of fare revenues to operating costs at least equal to the ratio determined by the rules and regulations adopted by the RTPA.	PUC 99270.1	In compliance	FY 2020/21: 0.00% (waived) FY 2021/22: 0.00% (waived) FY 2022/23: 0.10% (waived) <i>Madera Metro has been fare-free since early 2020, except for general public dial-a-ride fares reintroduced in January 2023. Penalties waived under AB 90 and AB 149. The City typically must meet a 15% farebox recovery ratio.</i>
Except as otherwise provided, the allocation for any purpose specified under Article 8 may in no year exceed 50% of the amount required to meet the total planning expenditures for that purpose.	PUC 99405	Not applicable	Claims under Article 8(c) are not subject to the 50% limitation.
An operator receiving allocations under Article 8(c) may be subject to regional, countywide, or subarea performance criteria, local match requirements, or fare recovery ratios adopted by resolution of the RTPA.	PUC 99405	Not applicable	The City is not subject to alternative performance criteria.
The operator’s operating budget has not increased by more than 15% over the preceding year, nor is there a substantial increase or decrease in the scope of operations or capital budget provisions for major new fixed facilities unless the operator has reasonably supported and substantiated the change(s).	PUC 99266	In compliance	FY 2020/21: +6.33% FY 2021/22: +12.01% FY 2022/23: +9.45% <i>Source: Transit budgets for FY 2020 – FY 2023.</i>

Compliance Element	Reference	Compliance	Comments
The operator’s definitions of performance measures are consistent with the Public Utilities Code Section 99247.	PUC 99247	Finding	Use of the TDA definition could not be confirmed.
If the operator serves an urbanized area, it has maintained a ratio of fare revenues to operating cost at least equal to one-fifth (20 percent).	PUC 99268.2, 99268.4, 99268.1	Not applicable	
If the operator serves a rural area, it has maintained a ratio of fare revenues to operating cost at least equal to one-tenth (10 percent).	PUC 99268.2, 99268.4, 99268.5	Not applicable	
For a claimant that provides only services to elderly and handicapped persons, the ratio of fare revenues to operating cost shall be at least 10 percent.	PUC 99268.5, CCR 6633.5	Not applicable	
The current cost of the operator’s retirement system is fully funded with respect to the officers and employees of its public transportation system, or the operator is implementing a plan approved by the RTPA, which will fully fund the retirement system for 40 years.	PUC 99271	In compliance	City staff are eligible for retirement benefits through CalPERS.
If the operator receives State Transit Assistance funds, the operator makes full use of funds available to it under the Urban Mass Transportation Act of 1964 before TDA claims are granted.	CCR 6754 (a) (3)	In compliance	
In order to use State Transit Assistance funds for operating assistance, the operator’s total operating cost per revenue hour does not exceed the sum of the preceding year’s total plus an amount equal to the product of the percentage change in the CPI for the same period multiplied by the preceding year’s total operating cost per revenue hour. An operator may qualify based on the preceding year’s operating cost per revenue hour or the average of the three prior years. If an operator does not meet these qualifying tests, the operator may only use STA funds for operating purposes according to a sliding scale.	PUC 99314.6	In compliance	<i>This requirement was waived under AB 90 and AB 149.</i>

Compliance Element	Reference	Compliance	Comments
<p>A transit claimant is precluded from receiving monies from the Local Transportation Fund and the State Transit Assistance Fund in an amount which exceeds the claimant's capital and operating costs less the actual amount of fares received, the amount of local support required to meet the fare ratio, the amount of federal operating assistance, and the amount received during the year from a city or county to which the operator has provided services beyond its boundaries.</p>	<p>CCR 6634</p>	<p>In compliance</p>	

Chapter 4 | Prior Recommendations

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

The prior audit – completed in February 2021 by Moore & Associates, Inc. for the three fiscal years ending June 30, 2020 – included four recommendations:

1. [Work toward meeting the farebox recovery ratio requirement stipulated by the TDA.](#)

Discussion: The prior auditor noted that this recommendation was complicated for a number of reasons, the first of which was the COVID-19 pandemic. It acknowledged the unknown effects of the pandemic, including how long ridership would be impacted and what supplemental funding sources might be available. It also referenced TDA reform efforts that had been launched prior to the pandemic.

Despite these challenges, the prior auditor recommended the City continue to work to improve its farebox recovery ratio to meet the TDA requirement during the next audit period by increasing fare revenues, identifying supplemental revenues that can be applied to the farebox recovery ratio calculation, and controlling operating expenses.

Progress: The City operated fare-free during the audit period as a result of the COVID-19 pandemic. While LCTOP funds were applied to the farebox recovery ratio calculation in FY 2021/22, along with interest income, the aggregate ratio was still less than 1.0 percent. However, penalties for not meeting the farebox recovery ratio was waived for each year of the audit period under AB 90 and AB 149.

During the audit period, the City was primarily in survival mode. In addition, it had several new Transit staff during that time. While there was no dedicated effort toward improving the farebox recovery ratio during this time, they have tried to keep expenses down. In January 2023, the City began reintroducing fares for general public riders on its demand-response service.

Under AB 149, federal funds can be used as local supplementation for the farebox recovery ratio calculation. While this was not necessary during the audit period, due to the penalty waiver under AB 149, the City would be able to apply those funds to its farebox recovery ratio calculation beginning in FY 2023/24. It should still continue to look for ways to reduce operating costs and increase fare revenue, but federal funding is expected to enable the City to meet the farebox recovery ratio requirement in future years. It should work with its fiscal auditor to ensure this metric is calculated appropriately in the annual TDA fiscal audit beginning with FY 2023/24.

Status: Implementation in progress.

2. Work with the City's Finance department to ensure the City's financial reporting is completed in a timely manner, thereby enabling the TDA fiscal audit to be completed within the established timeframe.

Discussion: The prior auditor noted it was not the City's responsibility to ensure on-time completion of the TDA fiscal audits when that auditor is contracted by the RTPA. However, once MCTC begins contractually holding its auditor to the TDA deadline, the City would need to ensure it could provide the required financial information to MCTC's auditor in a timely enough manner that the auditor is able to complete the TDA fiscal audit on time. The audit recommended Transit staff ensure City financial staff are aware of the time constraint specific to transit under the TDA. If the City's financial data would not be available if the MCTC auditor started the process earlier (in January, for example), then the issue would need to be addressed. If the City's financial data is already available by this time, then no additional action would need to be taken.

Progress: Beginning with FY 2022/23, MCTC turned over the responsibility for the TDA fiscal audits to the individual transit operators. The City is now using its current auditor to prepare the TDA fiscal audit. While the audit had not been completed at the time of this report, it was scheduled to be completed around the end of February 2024.

Status: Implementation in progress.

3. The City and the County should work together to ensure the County receives the Section 5307 funding to which it is entitled.

Discussion: As it provides service within the Madera Urbanized Area, the prior auditor noted the County of Madera was entitled to a share of the FTA 5307 (urbanized area) funding claimed by the City of Madera. Prior to FY 2019/20, the County had purchased transportation services from the City to provide demand-response service within the unincorporated areas surrounding the city of Madera. As a result, the County's share of Section 5307 funding could be retained by the City as payment for services. However, in FY 2019/20, the County consolidated its services under a single contract and no longer purchased services from the City. As a result, the City had not passed through to the County funding it was entitled to under FTA Section 5307.

According to the RTPA, initial guidance from the FTA was for the City to reimburse the County using local funds, thereby retaining the federal funds. This would be the simplest solution. A more complicated solution would entail the County becoming an official subrecipient to the City, which would result in significantly more reporting and compliance requirements for the County and added oversight responsibilities for the City. No action had been taken at the time of the prior audit.

The prior auditor recommended the City and County (and RTPA, if desired) work together to identify an appropriate split for the County's share of the funding. It recommended the City follow the FTA's guidance with respect to how the funding should be passed through to the County. As an FTA direct recipient, the City should work closely with the FTA to ensure all actions are in compliance with federal guidance.

Progress: The City and County of Madera worked with MCTC to allocate the federal Section 5307 funding, of which the County was entitled to approximately 20 percent. A Memorandum of Understanding was established and ratified by both governing bodies in 2021.

Status: Implemented.

4. **Develop and utilize a process to ensure data is compiled and reported consistently.**

Discussion: During the preparation of the prior audit, it was difficult to determine, based on the documents provided, accurate performance measures and cost figures for the City’s transit program. While the City appeared to be in compliance with the TDA definitions of the various performance indicators, the manner of reporting the data on the documents provided was inconsistent. The finding was carried forward from the prior audit as it remained relevant and had not been resolved.

The prior auditor recommended the City develop a process to support record-keeping regarding all performance data specific to National Transit Database, State Controller, and internal City reports (including TDA fiscal audits). The process would need to address all required TDA performance measures: Operating Cost, Fare Revenue, Vehicle Service Hours, Vehicle Service Miles, and Ridership.

Progress: At the time of this report, there continued to be some significant variances between the data reported internally and in various external reports. However, the City had not provided its FY 2022/23 TDA fiscal audit or State Controller Report, so progress during FY 2022/23 could not be assessed. However, operating data reported to the NTD in FY 2022/23 was consistent with that shown in the monthly performance reports, which was an improvement over prior years in the audit period.

Status: Implementation in progress.

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Chapter 5 | Data Reporting Analysis

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

- **Operating cost:** In FY 2020/21 and FY 2021/22, the operating cost reported to the NTD was considerably higher than that reported elsewhere. In FY 2020/21, it was 49.6 percent higher than that reported to the State Controller and 23.6 percent higher than that reported in the TDA fiscal audit. In FY 2021/22, it was 30.5 percent higher than that reported to the State Controller and 12 percent higher than that reported in the TDA fiscal audit. In FY 2022/23, the operating cost reported to the State Controller was 25 percent higher than that reported to the NTD. The reason appeared to be significant Interfund Charges reported under Other Operating Expenses.
- **Fare Revenue:** Fare revenue was generally consistently reported. However, in FY 2021/22, \$24,775 was reported to the State Controller as fare revenue, though this amount was not reported elsewhere. In FY 2022/23, \$29,644 was reported as fare revenue to the State Controller, though only \$904 was reported to the NTD.
- **Vehicle Service Hours (VSH):** Vehicle Service Hours were consistently reported in FY 2020/21. In FY 2021/22, there was variance of approximately eight percent between the fixed-route VSH reported in the monthly reports and to the State Controller and NTD. In FY 2022/23, the monthly reports and the NTD report were consistent with one another and mostly consistent with the State Controller Report. However, the demand-response VSH was 9.4 percent higher than that reported elsewhere. The reason for this is unknown.
- **Vehicle Service Miles (VSM):** In FY 2020/21 and FY 2021/22, there was also a modest variance between data reported with respect to fixed-route VSM. In FY 2020/21, the monthly reports and NTD report were consistent, but that figure was 6.6 percent lower than that reported to the State Controller. In FY 2021/22, the monthly reports were consistent with the State Controller Report, but those figures were 2.3 percent higher than the NTD report. In FY 2022/23, all three reports were consistent with one another.
- **Passengers:** Passengers were generally consistently reported, with one very minor variance in the fixed-route ridership reported to the State Controller in FY 2021/22.
- **Full-Time Equivalent (FTE) Employees:** In FY 2020/21 and FY 2021/22, the City reported 14 fixed-route employees and 14 demand-response employees. The FY 2022/23 State Controller Report reported 16 fixed-route and 16 demand-response employees. Data provided by the City appeared to indicate a total of 26 employees, split between fixed-route (17) and demand-response (9). This

calculation was based on payroll hours supplied by the City and its operations contractor. The City's calculation methodology and definition could not be confirmed.

Exhibit 5.1 Data Reporting Comparison

Performance Measure	System-Wide		
	FY 2020/21	FY 2021/22	FY 2022/23
Operating Cost (Actual \$)			
<i>TDA fiscal audit</i>	\$1,937,079	\$2,554,817	Not provided
<i>National Transit Database</i>	\$2,393,639	\$2,861,387	\$2,781,858
<i>State Controller Report</i>	\$1,600,526	\$2,191,901	\$3,476,119
Fare Revenue (Actual \$)			
<i>TDA fiscal audit</i>	\$0	\$0	Not provided
<i>National Transit Database</i>	\$0	\$0	\$904
<i>State Controller Report</i>	\$0	\$24,775	\$29,644
Vehicle Service Hours (VSH)			
<i>Monthly Performance Reports</i>	19,168	15,761	19,886
<i>National Transit Database</i>	19,167	16,007	19,886
<i>State Controller Report</i>	19,166	15,096	20,425
Vehicle Service Miles (VSM)			
<i>Monthly Performance Reports</i>	243,672	248,598	283,815
<i>National Transit Database</i>	243,672	244,495	283,815
<i>State Controller Report</i>	258,599	248,598	283,815
Passengers			
<i>Monthly Performance Reports</i>	60,079	52,164	75,934
<i>National Transit Database</i>	60,079	52,164	75,934
<i>State Controller Report</i>	60,079	52,364	75,934
Full-Time Equivalent Employees			
<i>State Controller Report</i>	28	28	32
<i>City-provided data</i>	Not provided	Not provided	26

Chapter 6 | Performance Analysis

Performance indicators are typically employed to quantify and assess the efficiency of a transit operator's activities. Such indicators provide insight into current operations as well as trend analysis of operator performance. Through a review of indicators, relative performance as well as possible inter-relationships between major functions is revealed.

The Transportation Development Act (TDA) requires recipients of TDA funding to track and report five performance indicators:

- Operating Cost/Passenger,
- Operating Cost/Vehicle Service Hour,
- Passengers/Vehicle Service Hour,
- Passengers/Vehicle Service Mile, and
- Vehicle Service Hours/Employee.

To assess the validity and use of performance indicators, the audit team performed the following activities:

- Assessed internal controls in place for the collection of performance-related information,
- Validated collection methods of key data,
- Calculated performance indicators, and
- Evaluated performance indicators.

The procedures used to calculate TDA-required performance measures for the current triennium were verified and compared with indicators included in similar reports to external entities (i.e., State Controller and Federal Transit Administration).

Operating Cost

The Transportation Development Act requires an operator to track and report transit-related costs reflective of the Uniform System of Accounts and Records developed by the State Controller and the California Department of Transportation. The most common method for ensuring this occurs is through a compliance audit report prepared by an independent auditor in accordance with California Code of Regulations Section 6667¹. The annual independent financial audit should confirm the use of the Uniform System of Accounts and Records. *Operating cost* – as defined by PUC Section 99247(a) – excluded the following during the audit period²:

- Cost in the depreciation and amortization expense object class adopted by the State Controller pursuant to PUC Section 99243,

¹ CCR Section 6667 outlines the minimum tasks which must be performed by an independent auditor in conducting the annual fiscal and compliance audit of the transit operator.

² Given the passage of AB 149, the list of excluded costs will be expanded beginning with FY 2021/22.

- Subsidies for commuter rail services operated under the jurisdiction of the Interstate Commerce Commission,
- Direct costs of providing charter service, and
- Vehicle lease costs.

Vehicle Service Hours and Miles

Vehicle Service Hours (VSH) and *Miles (VSM)* are defined as the time/distance during which a revenue vehicle is available to carry fare-paying passengers, and which includes only those times/miles between the time or scheduled time of the first passenger pickup and the time or scheduled time of the last passenger drop-off during a period of the vehicle's continuous availability.³ For example, demand-response service hours include those hours when a vehicle has dropped off a passenger and is traveling to pick up another passenger, but not those hours when the vehicle is unavailable for service due to driver breaks or lunch. For both demand-response and fixed-route services, service hours will exclude hours of "deadhead" travel to the first scheduled pick-up, and will also exclude hours of "deadhead" travel from the last scheduled drop-off back to the terminal. For fixed-route service, a vehicle is in service from first scheduled stop to last scheduled stop, whether or not passengers board or exit at those points (i.e., subtracting driver lunch and breaks but including scheduled layovers).

Passenger Counts

According to the Transportation Development Act, *total passengers* is equal to the total number of unlinked trips (i.e., those trips that are made by a passenger that involve a single boarding and departure), whether revenue-producing or not.

Employees

Employee hours is defined as the total number of hours (regular or overtime) which all employees have worked, and for which they have been paid a wage or salary. The hours must include transportation system-related hours worked by persons employed in connection with the system (whether or not the person is employed directly by the operator). Full-Time Equivalent (FTE) is calculated by dividing the number of person-hours by 2,000.

Fare Revenue

Fare revenue is defined by California Code of Regulations Section 6611.2 as revenue collected from the farebox plus sales of fare media.

³ A vehicle is considered to be in revenue service despite a no-show or late cancellation if the vehicle remains available for passenger use.

TDA Required Indicators

To calculate the TDA indicators for the City of Madera, the following sources were employed:

- Operating Cost was not independently calculated as part of this audit. Operating Cost data were obtained via National Transit Database (NTD) reports for each fiscal year covered by this audit. Operating Cost from the reports was compared against that reported in the City's audited financial reports and appeared to be consistent with TDA guidelines. In accordance with PUC Section 99247(a), the reported costs excluded depreciation and other allowable expenses.
- Fare Revenue was not independently calculated as part of this audit. Fare revenue data were obtained via NTD reports for each fiscal year covered by this audit. This appears to be consistent with TDA guidelines as well as the uniform system of accounts.
- Vehicle Service Hours (VSH) data were obtained via NTD reports submitted to the FTA for each fiscal year covered by this audit. The City calculates VSH using driver manifests and its dispatching software. The City's calculation methodology is consistent with PUC guidelines.
- Vehicle Service Miles (VSM) data were obtained via NTD reports submitted to the FTA for each fiscal year covered by this audit. The City calculates VSM by subtracting deadhead and out-of-service miles from total vehicle mileage (as noted on each vehicle's odometer). This methodology is consistent with PUC guidelines.
- Unlinked trip data were obtained via NTD reports submitted to the FTA for each fiscal year covered by this audit. The City's calculation methodology is consistent with PUC guidelines.
- Full-Time Equivalent (FTE) data were obtained from State Controller Reports for each fiscal year covered by this review. Use of the TDA definition regarding FTE calculation could not be confirmed.

System Performance Trends

System-wide, operating cost experienced a net 16.2 percent increase during the audit period and a 30.3 percent net increase across the six-year period. The most significant increase was in FY 2019/20, which was actually accompanied by a decrease in vehicle service hours. Fare revenue decreased 100 percent, as they system went fare-free. A small amount of fares was reported under demand-response in FY 2022/23, as the City began charging fares for general public rides in January 2023.

Vehicle Service Hours (VSH) generally declined throughout the six-year period, with a notable increase during the last year of the audit period. VSH saw a net 25.4 percent decrease over the six-year period. During the audit period, VSH experienced a net 3.8 percent increase. A similar pattern was also observed with respect to Vehicle Service Miles (VSM), though VSM experienced a net 19.8 percent decrease over the six-year period and a 16.5 percent increase during the audit period. Ridership decreased significantly from FY 2019/20 to FY 2021/22 before increasing in FY 2022/23. Overall, ridership experienced a net increase of 26.4 percent during the audit period, but a net decrease of 47.2 percent across the six-year period.

Cost-related metrics typically provide an indicator of a system's efficiency, while passenger-related metrics offer insight into its productivity. Improvements are characterized by increases in passenger-related metrics and decreases in cost-related metrics. Operating cost per vehicle service hour increased during the audit period, reflective of a decline in efficiency, though operating cost per vehicle service mile

and passenger decreased. However, productivity increased, as passengers per VSH and VSM both increased during the audit period.

Exhibit 6.1 System Performance Indicators

Performance Measure	System-wide					
	FY 2017/18	FY 2018/19	FY 2019/20	FY 2020/21	FY 2021/22	FY 2022/23
Operating Cost (Actual \$)	\$2,134,957	\$2,149,875	\$4,612,999	\$2,393,639	\$2,861,387	\$2,781,858
<i>Annual Change</i>		0.7%	114.6%	-48.1%	19.5%	-2.8%
Fare Revenue (Actual \$)	\$119,063	\$173,846	\$170,728	\$0	\$0	\$904
<i>Annual Change</i>		46.0%	-1.8%	-100.0%	0.0%	904.0%
Vehicle Service Hours (VSH)	26,674	29,432	25,823	19,167	16,007	19,886
<i>Annual Change</i>		10.3%	-12.3%	-25.8%	-16.5%	24.2%
Vehicle Service Miles (VSM)	353,873	344,227	313,930	243,672	244,495	283,815
<i>Annual Change</i>		-2.7%	-8.8%	-22.4%	0.3%	16.1%
Passengers	143,788	110,631	95,471	60,079	52,164	75,934
<i>Annual Change</i>		-23.1%	-13.7%	-37.1%	-13.2%	45.6%
Employees	23	23	28	28	28	26
<i>Annual Change</i>		0.0%	21.7%	0.0%	0.0%	-7.1%
Performance Indicators						
Operating Cost/VSH (Actual \$)	\$80.04	\$73.05	\$178.64	\$124.88	\$178.76	\$139.89
<i>Annual Change</i>		-8.7%	144.6%	-30.1%	43.1%	-21.7%
Operating Cost/Passenger (Actual)	\$14.85	\$19.43	\$48.32	\$39.84	\$54.85	\$36.64
<i>Annual Change</i>		30.9%	148.6%	-17.5%	37.7%	-33.2%
Passengers/VSH	5.39	3.76	3.70	3.13	3.26	3.82
<i>Annual Change</i>		-30.3%	-1.6%	-15.2%	4.0%	17.2%
Passengers/VSM	0.41	0.32	0.30	0.25	0.21	0.27
<i>Annual Change</i>		-20.9%	-5.4%	-18.9%	-13.5%	25.4%
Farebox Recovery	5.6%	8.1%	3.7%	0.0%	0.0%	0.0%
<i>Annual Change</i>		45.0%	-54.2%	-100.0%	0.0%	0.0%
Hours/Employee	1,159.7	1,279.7	922.3	684.5	571.7	764.8
<i>Annual Change</i>		10.3%	-27.9%	-25.8%	-16.5%	33.8%
TDA Non-Required Indicators						
Operating Cost/VSM	\$6.03	\$6.25	\$14.69	\$9.82	\$11.70	\$9.80
<i>Annual Change</i>		3.5%	135.3%	-33.1%	19.1%	-16.2%
VSM/VSH	13.27	11.70	12.16	12.71	15.27	14.27
<i>Annual Change</i>		-11.8%	3.9%	4.6%	20.1%	-6.6%
Fare/Passenger	\$0.83	\$1.57	\$1.79	\$0.00	\$0.00	\$0.01
<i>Annual Change</i>		89.8%	13.8%	-100.0%	0.0%	0.0%

Sources: FY 2017/18 – FY 2019/20 data from prior Triennial Performance Audit.
FY 2020/21 – FY 2022/23 data from National Transit Database (NTD) reports.
FY 2020/21 – FY 2021/22 FTE data from State Controller Reports.
FY 2022/23 FTE data from work hour reports provided by the City and contractor.

Exhibit 6.2 System Ridership

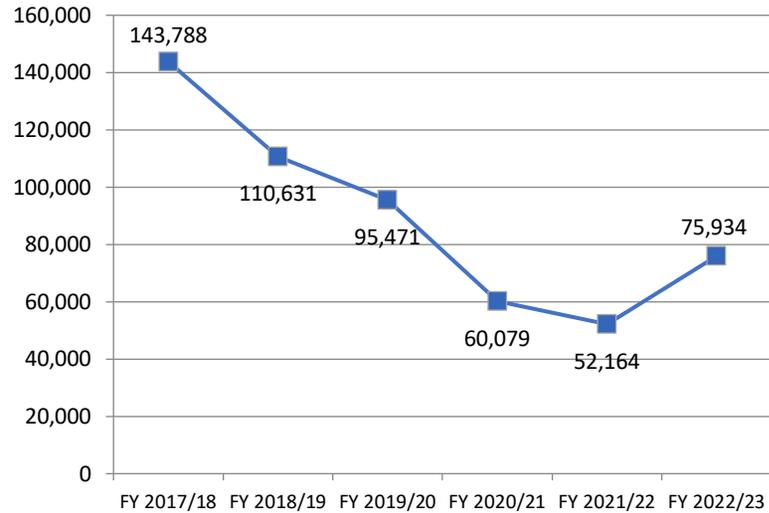


Exhibit 6.3 System Operating Cost/VSH

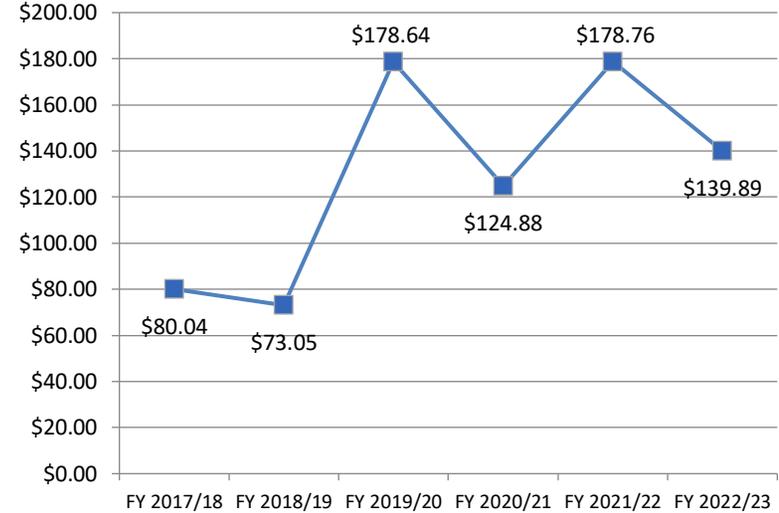


Exhibit 6.4 System Operating Cost/VSM

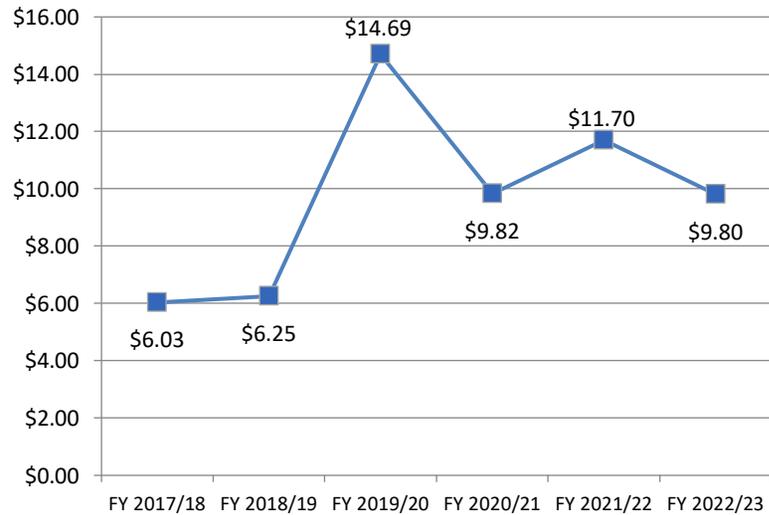


Exhibit 6.5 System VSM/VSH

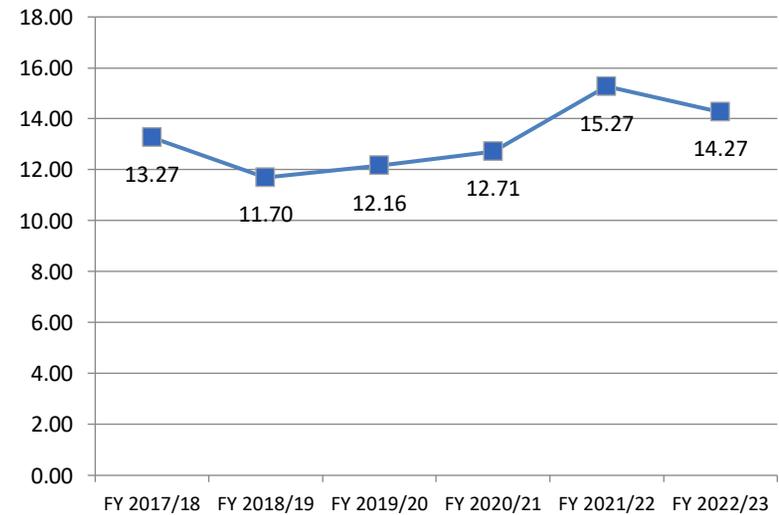


Exhibit 6.6 System Operating Cost/Passenger

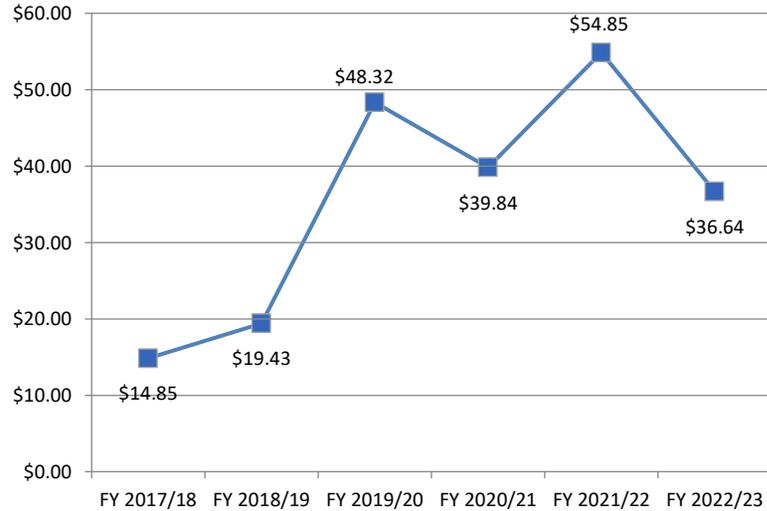


Exhibit 6.7 System Passengers/VSH

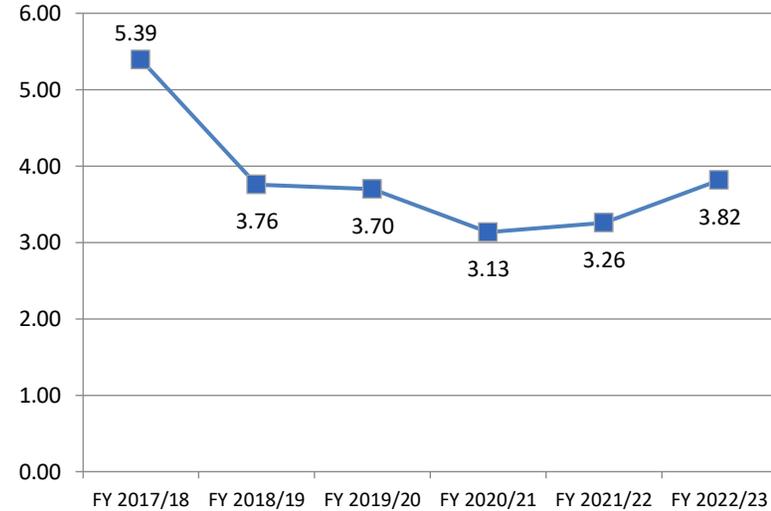


Exhibit 6.8 System Passengers/VSM

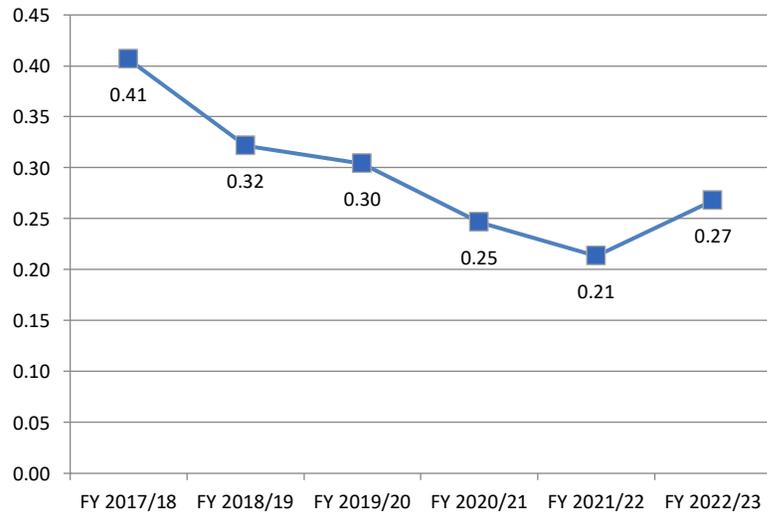


Exhibit 6.9 System VSH/FTE

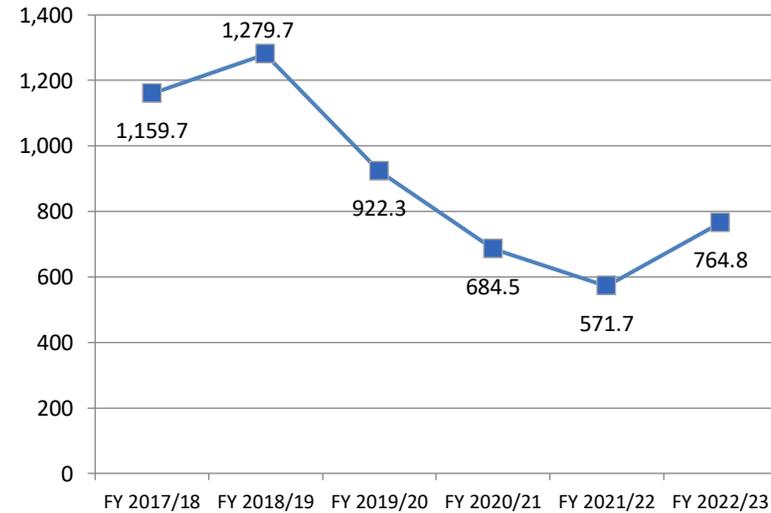


Exhibit 6.10 System Farebox Recovery

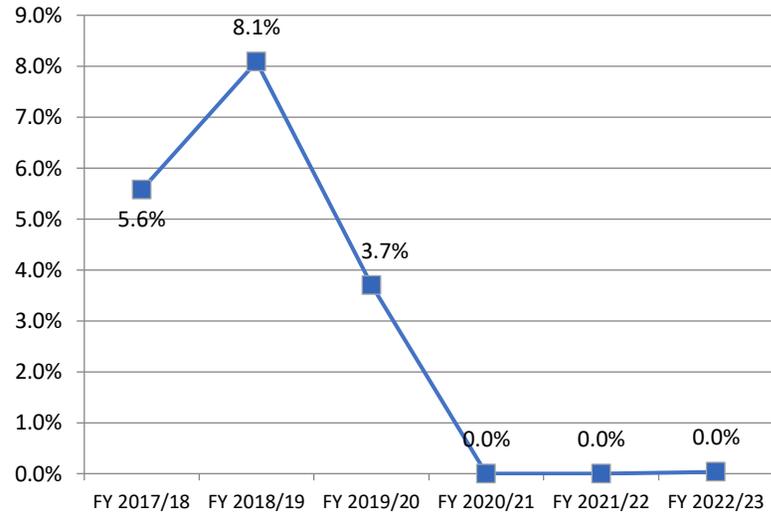
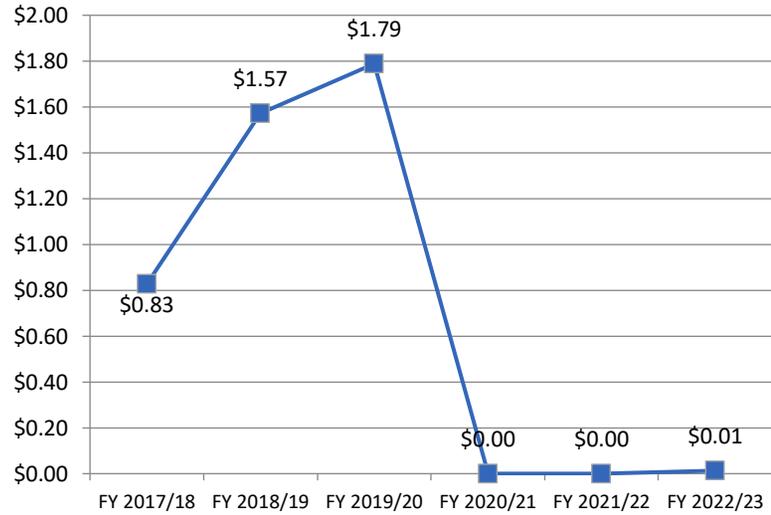


Exhibit 6.11 System Fare/Passenger



Fixed-Route Performance Trends

Fixed-route operating cost experienced a net 15 percent increase during the audit period and a 48.3 percent net increase across the six-year period. The most significant increase was in FY 2019/20, which was actually accompanied by a decrease in vehicle service hours. Fare revenue decreased 100 percent, as they system went fare-free.

Vehicle Service Hours (VSH) generally declined throughout the six-year period, with a notable increase during the last year of the audit period. VSH saw a net 8.8 percent decrease over the six-year period. During the audit period, VSH experienced a net 12.6 percent decrease. A similar pattern was also observed with respect to Vehicle Service Miles (VSM), though VSM experienced a net 0.6 percent decrease over the six-year period and a 4.5 percent net decrease during the audit period. Ridership decreased significantly from FY 2019/20 to FY 2021/22 before increasing in FY 2022/23. Overall, ridership experienced a net increase of 12.6 percent during the audit period, but a net decrease of 43.7 percent across the six-year period.

Fixed-route operating cost per vehicle service hour, vehicle service mile, and passenger increased during the audit period, reflective of a decline in efficiency. However, productivity improved, as passengers per VSH and VSM both increased during the audit period.

Exhibit 6.12 Fixed-Route Performance Indicators

Performance Measure	Fixed-Route					
	FY 2017/18	FY 2018/19	FY 2019/20	FY 2020/21	FY 2021/22	FY 2022/23
Operating Cost (Actual \$)	\$1,067,811	\$1,067,697	\$2,826,999	\$1,377,788	\$1,681,016	\$1,584,061
<i>Annual Change</i>		0.0%	164.8%	-51.3%	22.0%	-5.8%
Fare Revenue (Actual \$)	\$97,935	\$126,876	\$126,868	\$0	\$0	\$0
<i>Annual Change</i>		29.6%	0.0%	-100.0%	0.0%	0.0%
Vehicle Service Hours (VSH)	15,495	19,119	17,776	16,171	11,824	14,126
<i>Annual Change</i>		23.4%	-7.0%	-9.0%	-26.9%	19.5%
Vehicle Service Miles (VSM)	204,726	242,305	241,800	212,951	182,317	203,428
<i>Annual Change</i>		18.4%	-0.2%	-11.9%	-14.4%	11.6%
Passengers	111,564	89,650	82,716	55,734	45,912	62,770
<i>Annual Change</i>		-19.6%	-7.7%	-32.6%	-17.6%	36.7%
Employees	11	11	14	14	14	17
<i>Annual Change</i>		0.0%	27.3%	0.0%	0.0%	21.4%
Performance Indicators						
Operating Cost/VSH (Actual \$)	\$68.91	\$55.84	\$159.03	\$85.20	\$142.17	\$112.14
<i>Annual Change</i>		-0.189636187	184.8%	-46.4%	66.9%	-21.1%
Operating Cost/Passenger (Actual \$)	\$9.57	\$11.91	\$34.18	\$24.72	\$36.61	\$25.24
<i>Annual Change</i>		24.4%	187.0%	-27.7%	48.1%	-31.1%
Passengers/VSH	7.20	4.69	4.65	3.45	3.88	4.44
<i>Annual Change</i>		-34.9%	-0.8%	-25.9%	12.7%	14.4%
Passengers/VSM	0.54	0.37	0.34	0.26	0.25	0.31
<i>Annual Change</i>		-32.1%	-7.5%	-23.5%	-3.8%	22.5%
Farebox Recovery	9.17%	11.88%	4.49%	0.00%	0.00%	0.00%
<i>Annual Change</i>		29.6%	-62.2%	-100.0%	0.0%	0.0%
Hours/Employee	1,408.6	1,738.1	1,269.7	1,155.1	844.6	830.9
<i>Annual Change</i>		23.4%	-26.9%	-9.0%	-26.9%	-1.6%
TDA Non-Required Indicators						
Operating Cost/VSM	\$5.22	\$4.41	\$11.69	\$6.47	\$9.22	\$7.79
<i>Annual Change</i>		-15.5%	165.3%	-44.7%	42.5%	-15.5%
VSM/VSH	13.21	12.67	13.60	13.17	15.42	14.40
<i>Annual Change</i>		-4.1%	7.3%	-3.2%	17.1%	-6.6%
Fare/Passenger	\$0.88	\$1.42	\$1.53	\$0.00	\$0.00	\$0.00
<i>Annual Change</i>		61.2%	8.4%	-100.0%	0.0%	0.0%

Sources: FY 2017/18 – FY 2019/20 data from prior Triennial Performance Audit.
 FY 2020/21 – FY 2022/23 data from National Transit Database (NTD) reports.
 FY 2020/21 – FY 2021/22 FTE data from State Controller Reports.
 FY 2022/23 FTE data from work hour reports provided by the City and contractor.

Exhibit 6.13 Fixed-Route Ridership

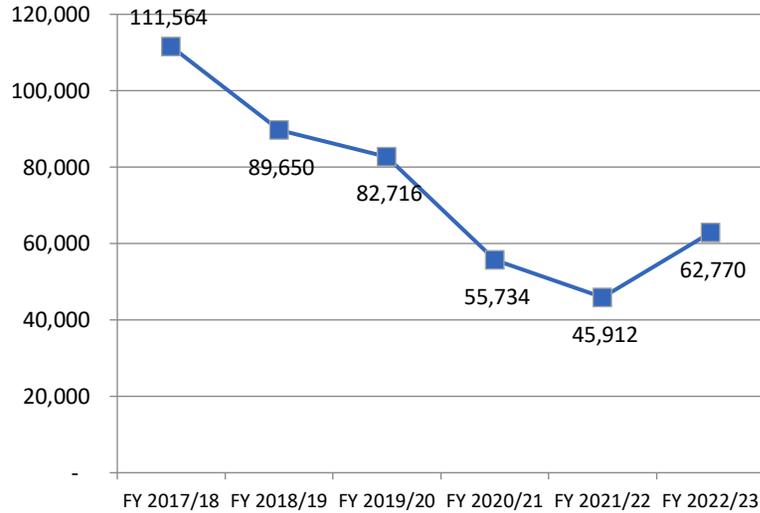


Exhibit 6.14 Fixed-Route Operating Cost/VSH

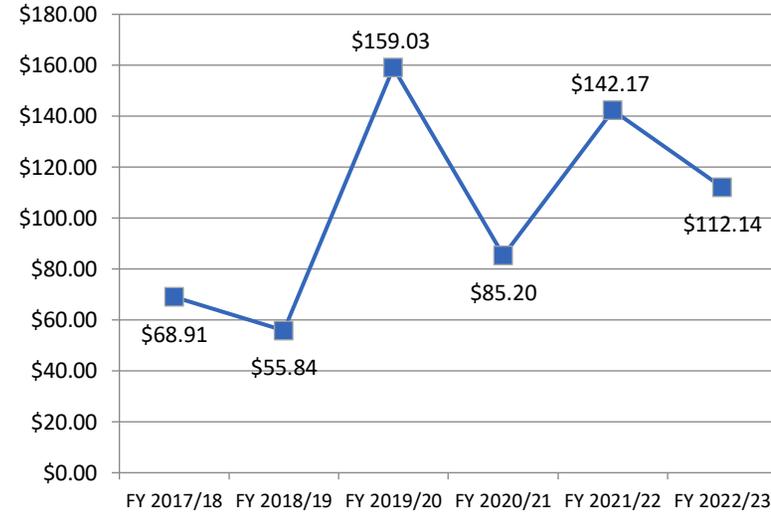


Exhibit 6.15 Fixed-Route Operating Cost/VSM

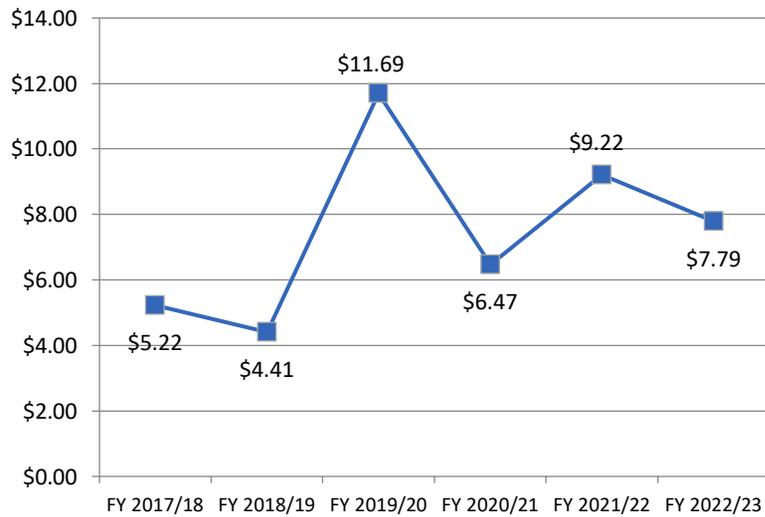


Exhibit 6.16 Fixed-Route VSM/VSH

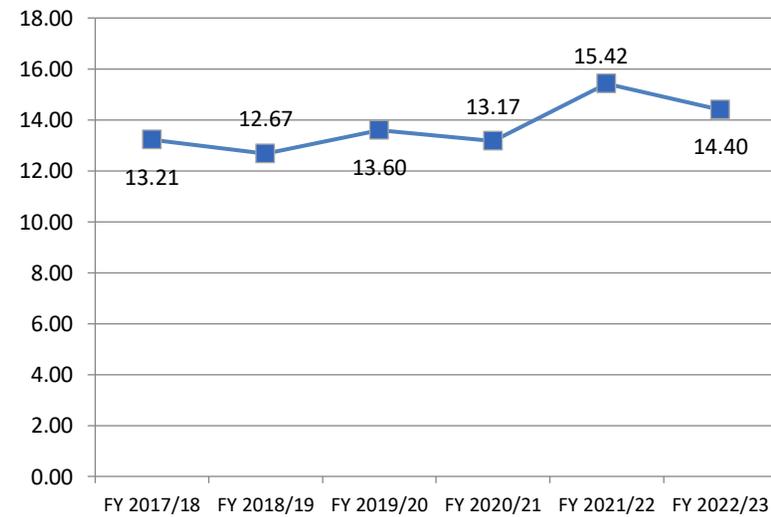


Exhibit 6.17 Fixed-Route Operating Cost/Passenger

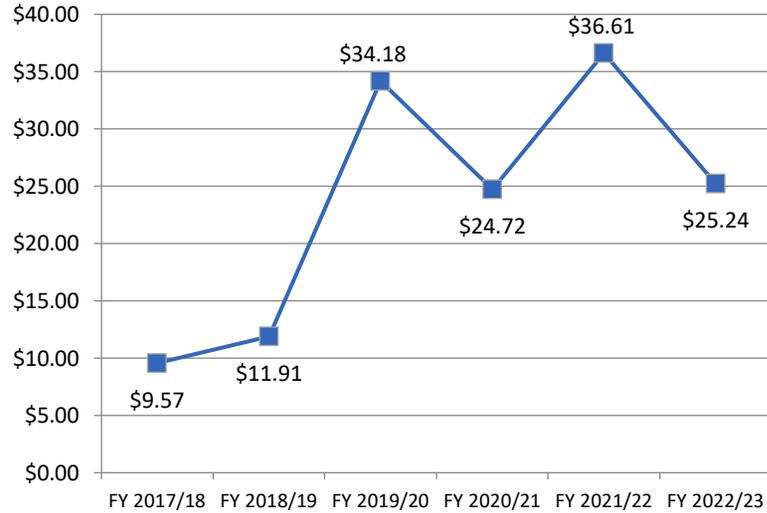


Exhibit 6.18 Fixed-Route Passengers/VSH

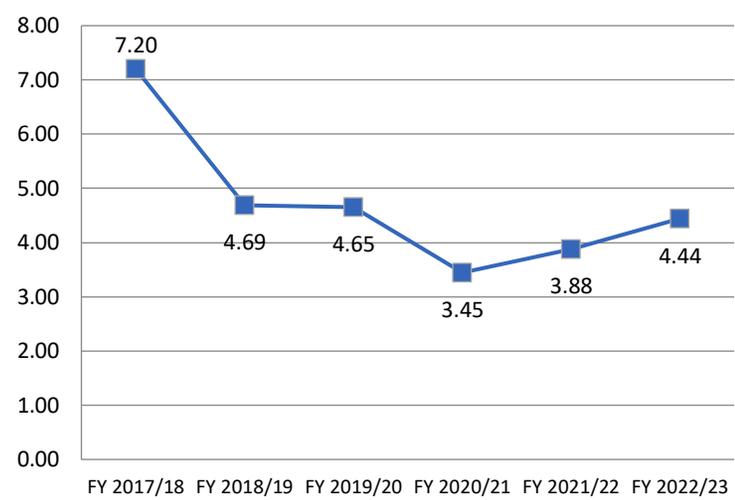


Exhibit 6.19 Fixed-Route Passengers/VSM

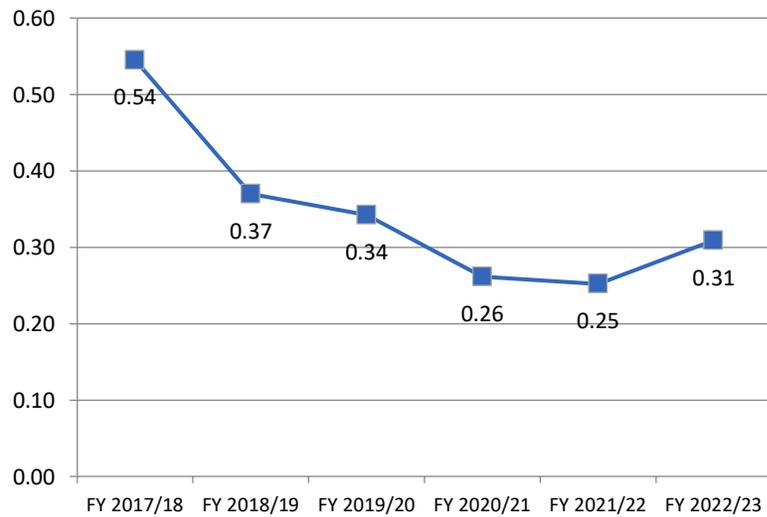


Exhibit 6.20 Fixed-Route VSH/FTE

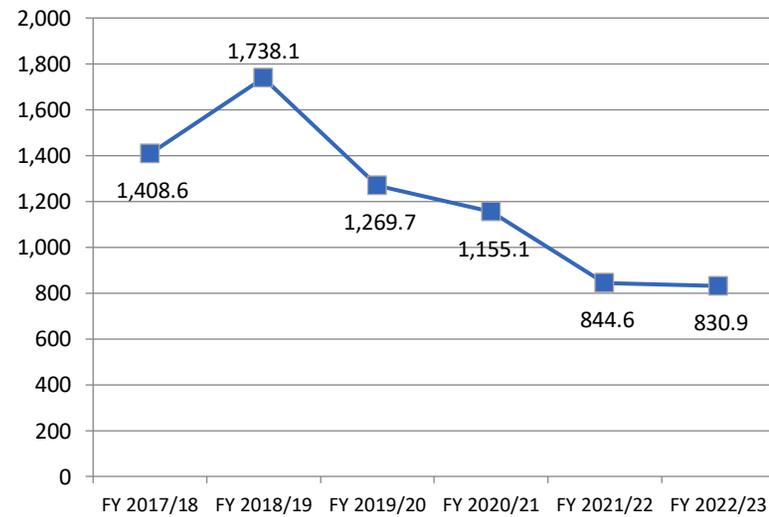


Exhibit 6.21 Fixed-Route Farebox Recovery

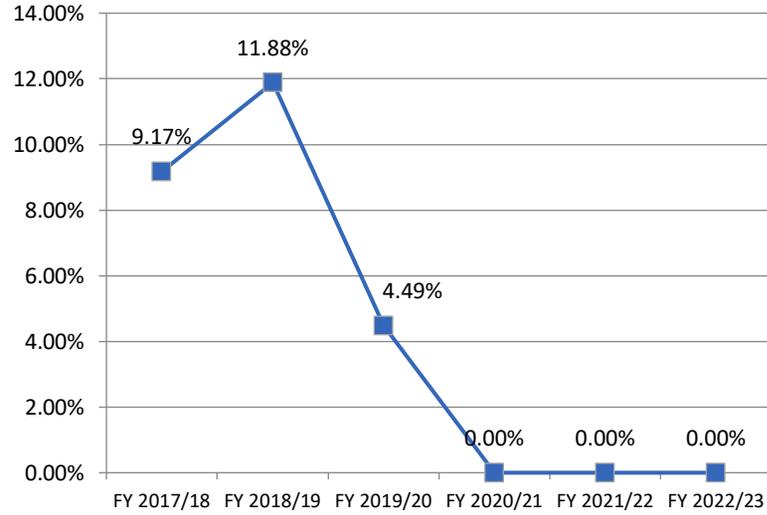
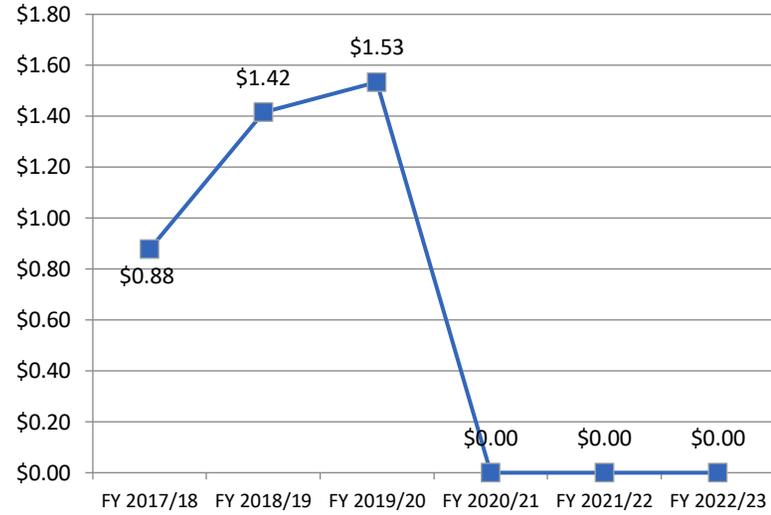


Exhibit 6.22 Fixed-Route Fare/Passenger



Demand-Response Performance Trends

Demand-response operating cost experienced a net 17.9 percent increase during the audit period and a 12.2 percent net increase across the six-year period. The most significant increase was in FY 2019/20, which was actually accompanied by a decrease in vehicle service hours. Fare revenue decreased 100 percent, as the system went fare-free. A small amount of fares was reported in FY 2022/23, as the City began charging fares for general public demand-response rides in January 2023.

Vehicle Service Hours (VSH) generally declined throughout the six-year period, with a notable increase during the last two years of the audit period. VSH saw a net 48.5 percent decrease over the six-year period. During the audit period, VSH experienced a net 92.3 percent increase. A similar pattern was also observed with respect to Vehicle Service Miles (VSM), with a net 46.1 percent decrease over the six-year period and a 161.7 percent net increase during the audit period. Ridership decreased significantly from FY 2019/20 to FY 2020/21 before increasing during the last two years of the audit period. Overall, ridership experienced a net increase of 203 percent during the audit period, but a net decrease of 59.1 percent across the six-year period.

Demand-response operating cost per vehicle service hour, vehicle service mile, and passenger increased during the audit period, reflective of a decline in efficiency. However, productivity improved, as passengers per VSH and VSM both increased during the audit period.

Exhibit 6.23 Demand-Response Performance Indicators

Performance Measure	Demand-Response					
	FY 2017/18	FY 2018/19	FY 2019/20	FY 2020/21	FY 2021/22	FY 2022/23
Operating Cost (Actual \$)	\$1,067,146	\$1,082,178	\$1,786,000	\$1,015,851	\$1,180,371	\$1,197,797
<i>Annual Change</i>		1.4%	65.0%	-43.1%	16.2%	1.5%
Fare Revenue (Actual \$)	\$21,128	\$46,970	\$43,860	\$0	\$0	\$904
<i>Annual Change</i>		122.3%	-6.6%	-100.0%	0.0%	904.0%
Vehicle Service Hours (VSH)	11,179	10,313	8,047	2,996	4,183	5,760
<i>Annual Change</i>		-7.7%	-22.0%	-62.8%	39.6%	37.7%
Vehicle Service Miles (VSM)	149,147	101,922	72,130	30,721	62,178	80,387
<i>Annual Change</i>		-31.7%	-29.2%	-57.4%	102.4%	29.3%
Passengers	32,224	20,981	12,755	4,345	6,252	13,164
<i>Annual Change</i>		-34.9%	-39.2%	-65.9%	43.9%	110.6%
Employees	12	12	14	14	14	9
<i>Annual Change</i>		0.0%	16.7%	0.0%	0.0%	-35.7%
Performance Indicators						
Operating Cost/VSH (Actual \$)	\$95.46	\$104.93	\$221.95	\$339.07	\$282.18	\$207.95
<i>Annual Change</i>		9.9%	111.5%	52.8%	-16.8%	-26.3%
Operating Cost/Passenger (Actual \$)	\$33.12	\$51.58	\$140.02	\$233.80	\$188.80	\$90.99
<i>Annual Change</i>		55.8%	171.5%	67.0%	-19.2%	-51.8%
Passengers/VSH	2.88	2.03	1.59	1.45	1.49	2.29
<i>Annual Change</i>		-29.4%	-22.1%	-8.5%	3.1%	52.9%
Passengers/VSM	0.22	0.21	0.18	0.14	0.10	0.16
<i>Annual Change</i>		-4.7%	-14.1%	-20.0%	-28.9%	62.9%
Farebox Recovery	2.0%	4.3%	2.5%	0.0%	0.0%	0.1%
<i>Annual Change</i>		119.2%	-43.4%	-100.0%	0.0%	100.0%
Hours/Employee	931.6	859.4	574.8	214.0	298.8	640.0
<i>Annual Change</i>		-7.7%	-33.1%	-62.8%	39.6%	114.2%
TDA Non-Required Indicators						
Operating Cost/VSM	\$7.15	\$10.62	\$24.76	\$33.07	\$18.98	\$14.90
<i>Annual Change</i>		48.4%	133.2%	33.5%	-42.6%	-21.5%
VSM/VSH	13.34	9.88	8.96	10.25	14.86	13.96
<i>Annual Change</i>		-25.9%	-9.3%	14.4%	45.0%	-6.1%
Fare/Passenger	\$0.66	\$2.24	\$3.44	\$0.00	\$0.00	\$0.07
<i>Annual Change</i>		241.4%	53.6%	-100.0%	0.0%	700.0%

Sources: FY 2017/18 – FY 2019/20 data from prior Triennial Performance Audit.
FY 2020/21 – FY 2022/23 data from National Transit Database (NTD) reports.
FY 2020/21 – FY 2021/22 FTE data from State Controller Reports.
FY 2022/23 FTE data from work hour reports provided by the City and contractor.

Exhibit 6.24 Demand-Response Ridership

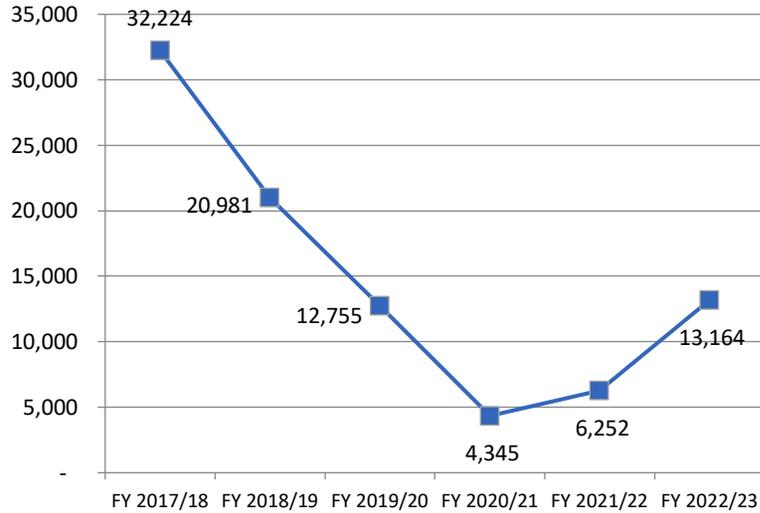


Exhibit 6.25 Demand-Response Operating Cost/VSH

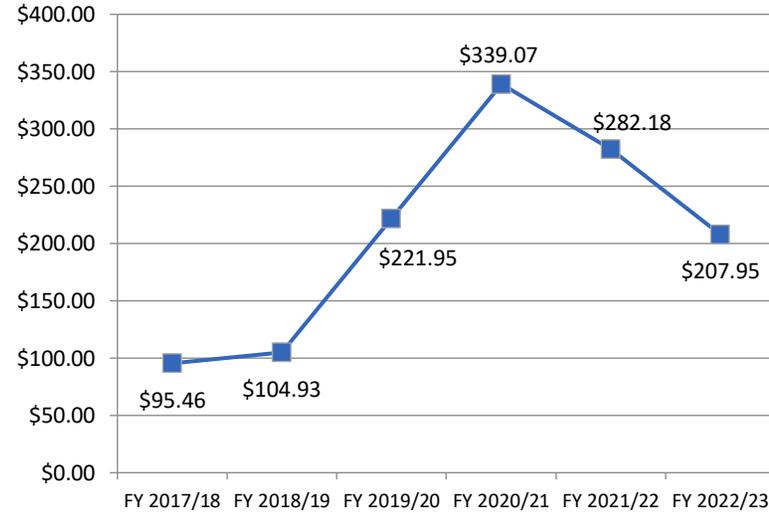


Exhibit 6.26 Demand-Response Operating Cost/VSM

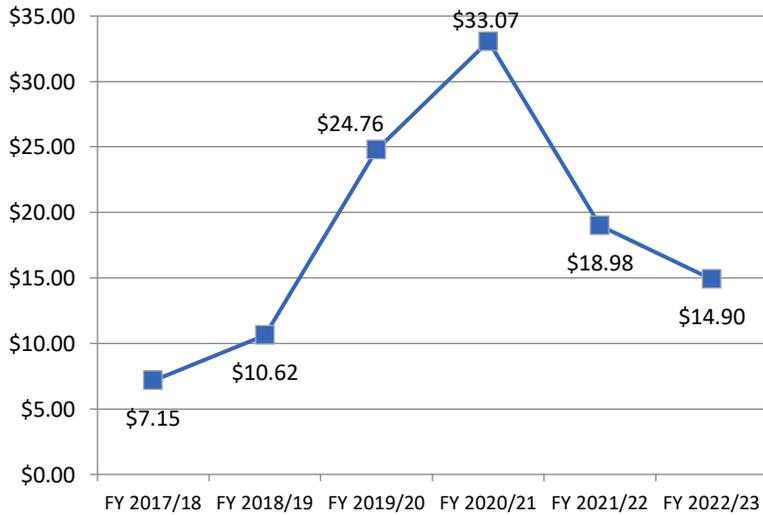


Exhibit 6.27 Demand-Response VSM/VSH

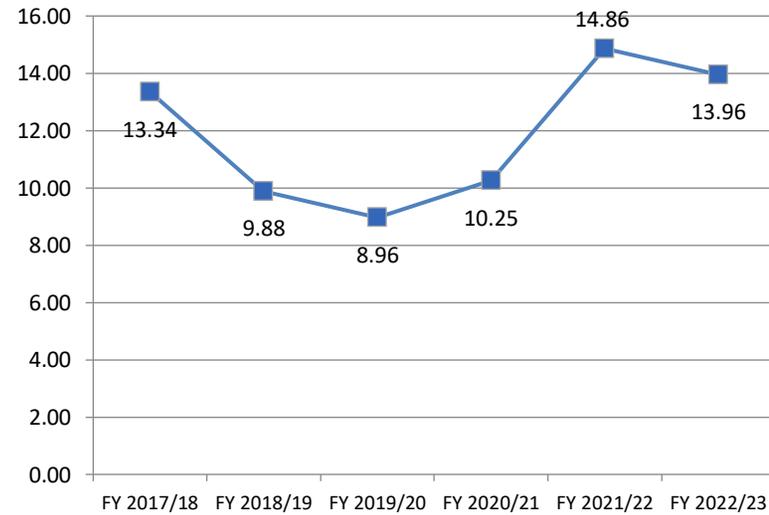


Exhibit 6.28 Demand-Response Operating Cost/Passenger

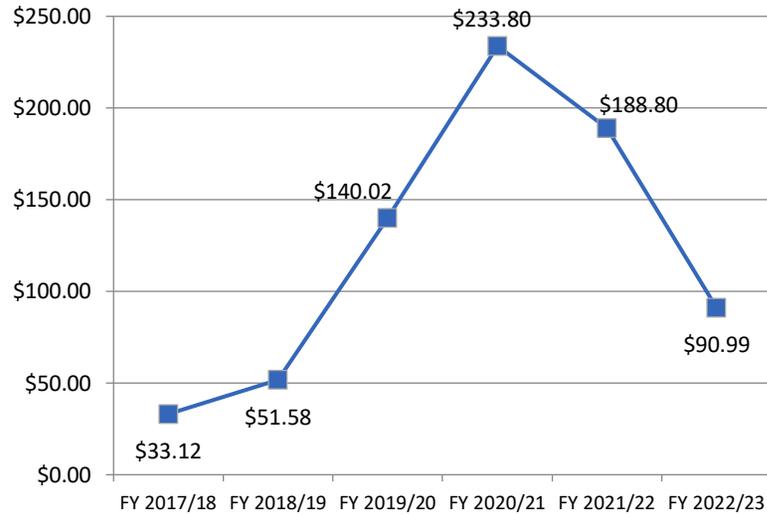


Exhibit 6.29 Demand-Response Passengers/VSH

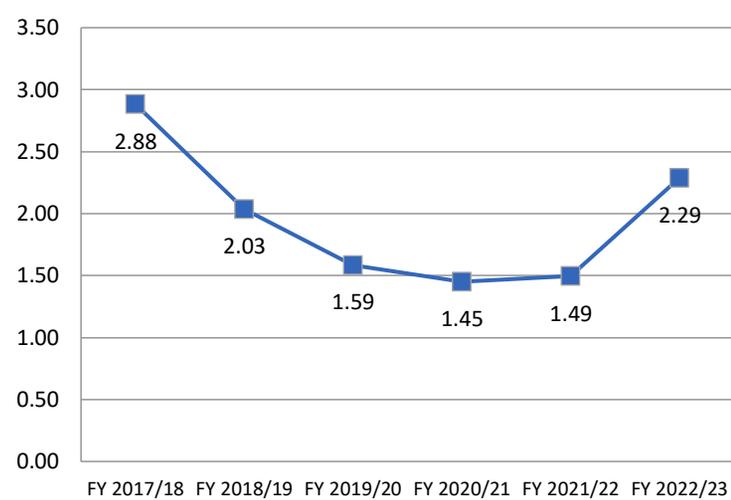


Exhibit 6.30 Demand-Response Passengers/VSM

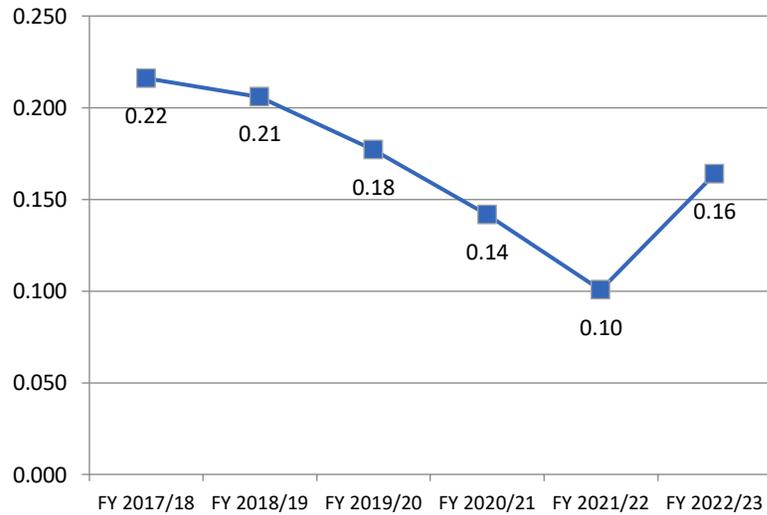


Exhibit 6.31 Demand-Response VSH/FTE

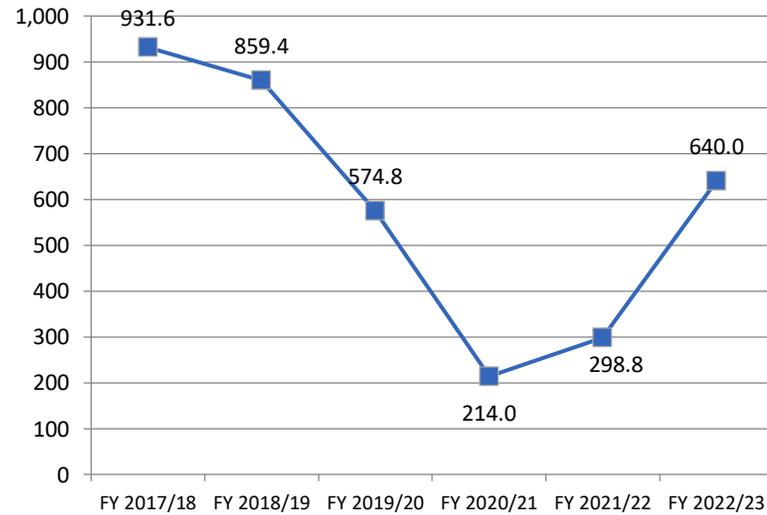


Exhibit 6.32 Demand-Response Farebox Recovery

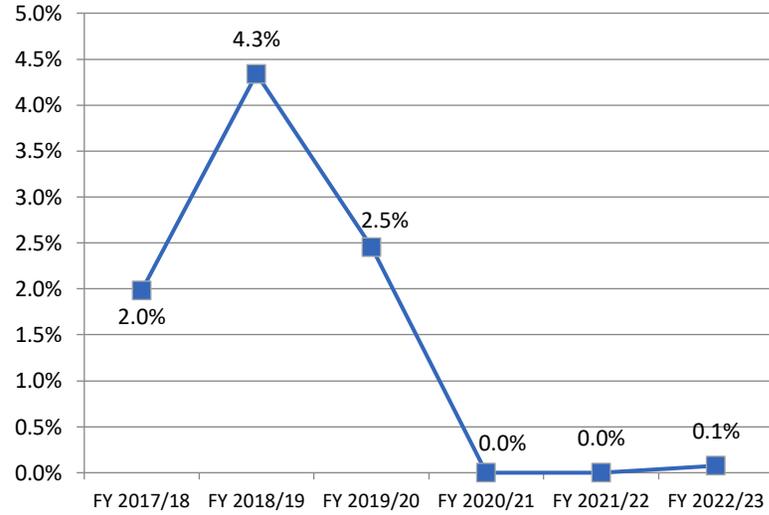


Exhibit 6.33 Demand-Response Fare/Passenger



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Chapter 7 | Functional Review

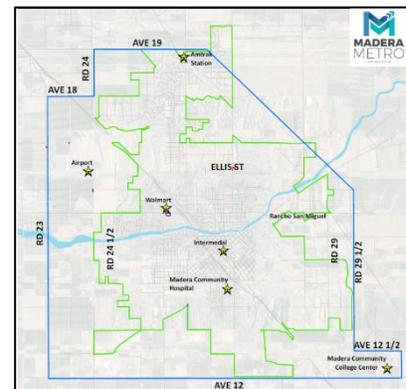
A functional review of the City of Madera’s public transit program is intended to assess the effectiveness and efficiency of the operator. Following a general summary of the City’s transit services, this chapter addresses seven functional areas. The list, taken from Section III of the *Performance Audit Guidebook* published by Caltrans, reflects those transit services provided by the City through its transit program:

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

Service Overview

The City of Madera currently provides local fixed-route and general public demand-response service. During the audit period, fixed-route service, marketed as Madera Metro, consisted of three routes operating between 7:00 a.m. and 6:30 p.m. on weekdays and between 9:00 a.m. and 4:00 p.m. on Saturday. No service is provided on six designated holidays. A fourth route, operating on weekdays only, was added in January 2024 to provide connectivity to the Amtrak Station north of Madera.

General public Dial-A-Ride and ADA Paratransit service mirrors fixed-route service hours, but is also available on Sunday from 8:30 a.m. to 2:30 p.m. Certified ADA customers receive priority Dial-A-Ride service. Curb-to-curb service is provided within city limits as well as to areas of the county south to Avenue 12, east to Road 29½, north to Avenue 18/Avenue 19, and west to Road 23. Customers are advised to call at least one day in advance, but service is provided on a space-available basis for reservations made two hours prior to the requested pick-up time. A 30-minute pick-up window is provided, and drivers will wait no more than five minutes at the pick-up location. Subscription trips are also available.



Madera Metro has been operating fare-free since the COVID-19 pandemic. On January 1, 2023, it began charging a fare of \$3.00 for general public rides on its Dial-A-Ride service. All other fares remained free.

Response to COVID-19 pandemic

The City went fare-free in response to the COVID-19 pandemic. It began bringing fares back gradually with the reinstatement of general public Dial-A-Ride fares in January 2023. Other actions taken in response to the pandemic were the installation of driver barriers, the use of personal protective equipment (PPE) and sanitizing supplies, and capacity restrictions. Passengers were required to wear masks. The barriers have remained in place, though the other precautions are no longer being used.

One of the most significant lessons learned from the pandemic was to always have a back-up plan. In February 2022, the service had to shift to general public Dial-A-Ride for a short period because so many drivers were out sick. There was also a big emphasis on making riders feel safe onboard the vehicles during the pandemic.

General Management and Organization

Management monitors performance by reviewing monthly reports from the operations contractor. It evaluates financial activity as well as whether the program is meeting goals by looking at ridership numbers and trends and milestones for different funding sources. The City has been going through a reassessment of some of its outstanding awards, assessing what its money is allocated and ensuring it remains within appropriations.

The City does not use software to track its transit performance, which has historically been one of its challenges. It hopes to implement such software in the future.

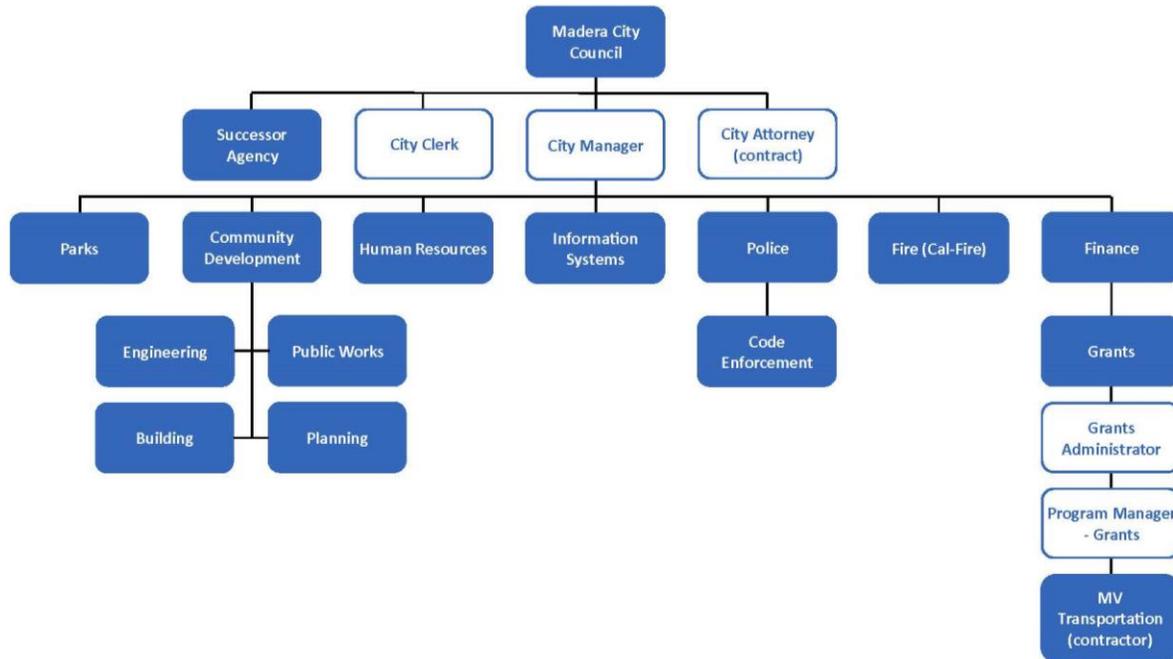
One of the primary issues facing the City during the audit period has been staffing. On the administrative side, the City has had several new staff members. In 2022 there seemed to be a lot of turnover of drivers, some of whom left for higher-paying jobs, but that seems to have plateaued. They are still down drivers, but are starting to rebuild with several in training at the time of the site visit.

The Madera City Council is the governing body for the City's transit program. City Council meetings take place on the first and third Wednesday of the month at 6:00 p.m. at Madera City Hall. The Madera Intermodal Transit Center is located approximately one-quarter mile from City Hall, but the last fixed-route service to that location is at 6:48 p.m. Dial-A-Ride service, which is also available to the general public, ends at 6:30 p.m. on weekdays.

The City also has a Transit Advisory Board (TAB), which meets quarterly on the last Tuesday of the month at 5:30 p.m. in July, October, January, and April. The TAB is comprised of seven members, all appointed by members of the City Council, who serve four-year terms. The TAB is intended to represent a cross-section of the community, including general public, youth, seniors, persons with disabilities, students, social service agencies, and minorities). It serves in an advisory capacity to the City Council and staff with respect to transit planning and other transit matters. As of February 2024, two of the TAB positions were vacant.

Transit is managed through the Grants department within the City's department of Finance. Operation of the service is contracted to MV Transportation.

Exhibit 7.1 Organizational Chart



The City has a good working relationships with MCTC as the RTPA. The City also meets with the County of Madera and City of Chowchilla quarterly. The relationship with the FTA is good, and the City is appreciative of the assistance it has received from them. The Program Manager for Transit and Grants Administrator both serve as liaisons with other governmental organizations. The City is a member of CalACT.

Service Planning

The RTPA is primarily responsible for short range planning for the City of Madera. City staff provide requested information to MCTC for inclusion in the Madera County Short Range Transit Plan (SRTP). The current SRTP was adopted in March 2022 and has a planning horizon through FY 2026/27. The City has not yet adopted any recommendations from that plan. Most of the planning activities undertaken by the City has been observational, such as secret rider surveys to gather information about current operations.

The City has completed its Zero-Emission Bus Rollout Plan, which was submitted to CARB. It has not yet begun implementing that plan. It purchased a few buses in the last year, but was required to purchase CNG buses. The City is looking at the plan again to determine how it should move forward.

Administration

The Grants Administrator is primarily responsible for budgeting. The City had no Finance Director when the Grants Administrator was hired, so she worked with the Finance Manager based on prior budgets. There are now monthly and quarterly budget discussion, and they have worked as a team to improve the budget process. The City tries to avoid mid-year adjustments. Financial information is reported to the City Council on an as-needed basis.

The City uses Tyler Munis software for its financial data management. Moving funds between budget categories requires the completion of a budget transfer form, which is submitted to the Director of

Financial Services and reviewed by the City Manager. Requests for additional funds must be approved by the City Council.

Most of the grants the City applies for are federal funding. It has not had to apply for many grants during the audit period because it is still using CARES Act funding and has other grant sources that still need to be drawn down. The Grants Administrator is responsible for managing grants. There is sufficient staffing to meet all reporting requirements (with the Grants Administrator, Program Manager, and an administrative assistant that supports both, though that position was vacant at the time of the site visit).

The Human Resources department handles risk management for the City. There is a process in place to process accident and injury claims. The operations contractor is responsible for providing its own insurance as well. The City has an active Safety Committee that meets monthly.

Contracts managed through Transit include the operations contract, the facility lease agreement with the operations contractor, and a lease with a taxicab company. Contracts are monitored frequently to ensure they all stay in compliance. The contractor includes certain items in its monthly reports so the City can ensure they are occurring. The City is responsible for maintaining the transit facility and bus stops.

City employees submit timesheets for payroll. They are submitted to the Grants Administrator for review, then to the Finance Director for approval. Personal information and payroll data is securely managed. Most employees use direct deposit.

Transit staff work with the City's Procurement Manager to ensure procurement policies are in line with FTA requirements, using information from FTA Circulars and FTA representatives. Purchases over \$60,000 must be approved by the City Council. The City has a contract with local vendors for fuel, including the school district. It uses the CalACT bid to purchase vehicles.

Marketing and Public Information

The City utilizes brochures, its website, and social media as its primary marketing tools. At the time of the site visit, it was in the process of updating its brochures to reflect the fourth route added in January 2024. The City conducted outreach in advance of the service change, including getting feedback for the changes and stops that would be closed and marketing the existing routes. Brochures are available on the buses, at City Hall, and at key local partner locations. The City and Madera Metro have separate social media accounts. The City does not use an app to provide service information.

The City does not have a current marketing plan. The only campaign it has utilized is regarding the fourth route cited above. It also contracted with a local theater to run advertisements before movie showings.

Customer calls come in through the operations contractor, who is required to log all complaints. Complaints are communicated to the City on a monthly basis as part of the contractor's progress report.

While the current Transit staff is relatively new, their perception is that the public is overall satisfied with the City's transit program. Relatively few customers reached out with concerns during the promotion of the fourth route.

Scheduling, Dispatch, and Operations

Operation of Madera Metro is currently contracted to MV Transportation. The City's transit drivers are represented by Amalgamated Transit Union (ATU) Local #1027. At the time of the site visit, MV had 16 full-time drivers and another three in training. It expected to be fully staffed with 19 full-time drivers by February 2024. MV does not utilize part-time drivers. The Road Supervisor is also licensed to drive.

Drivers bid on routes or shifts every three and six months based on seniority. Vehicles are assigned based on route and service. All drivers are qualified to drive all vehicles. All absences are covered by an extra board. Drivers must call out one hour before the start of their shift.

The Dispatcher collects fares from the vehicles. Fares are counted and stored in the vault room at the transit facility. The Road Supervisor and General Manager have access to the vault room. There are no cameras, but it is secured. The Dispatcher verifies the count, and the Road Supervisor delivers the cash to the City.

Personnel Management and Training

Currently, MV Transportation is recruiting enough drivers to meet its needs. Recruits are not required to have a commercial license, as MV provides training. Jobs are posted on Indeed, Career Builder, and the MV website. MV does not offer referral or retention bonuses. Employees are motivated through safe driving awards, lunches, and driver recognition.

MV indicated an average amount of driver turnover. Most leave due to safety violations. All operations staff receive an annual performance evaluation.

The General Manager and Road Supervisor are responsible for training new and existing drivers. They hold TSI certification, and the General Manager is behind-the-wheel certified. MV also has an in-house DMV tester for commercial license testing.

MV's General Manager oversees the City's safety program. MV conducts a Safety Blitz and safety meetings once per month.

MV has a defined progressive discipline policy, which is communicated verbally and in the employee handbook. The policy regarding absences and tardiness is communicated the same way. MV complies with all drug and alcohol testing and DAMIS reporting requirements. Employee benefits are communicated to employees after completing the first 60 days of employment. MV offers medical, dental, and vision insurance as well as a 401(k) retirement plan.

Maintenance

Maintenance for transit vehicles is provided by the City's Fleet Maintenance department. The City's Tyler Munis software is used to manage the maintenance program. System-generated work order reports help staff judge compliance with the preventive maintenance schedule. Maintenance work is coordinated with the operations contractor and does not conflict with regular vehicle use.

The City effectively identifies repairs covered by a manufacturer's warranty. Other repairs that are sent out include body work, alignments, and glass work, as the City does not have the tools, equipment, or

skills to do the work in-house. It utilizes local vendors including Madera Glass and Body, Schoettler Tire, and All Star Glass.

The City has two dedicated repair bays for transit, with shared office space, supply rooms, and specialized tools. Two mechanics are dedicated to transit. The number of bays and lifts is sufficient for the number of vehicles served, and there is sufficient office space and room for records storage. If staff could make one change to its maintenance facility, it would be addition of a dedicated training/break room. Parts availability has been one of the most significant challenges in maintaining the transit fleet during the audit period. This occasionally causes a backlog of repairs.

Unsafe vehicles are held at the maintenance facility and noted on the work order and daily maintenance spreadsheet. Repairs are prioritized through coordination between the Fleet Manager, Mechanic, and Transit Manager or Dispatch. When a vehicle is released back into service, maintenance contacts Transit Dispatch by phone.

The City's parts room is secured. Only authorized Public Works staff have access. Parts are tracked through the City's Tyler Munis software. Targeted inventory and reorder levels have been established for common and high-use items. The inventory is sufficient to minimize vehicle downtime. Difficulty in obtaining some parts has increased vehicles downtime and mechanic availability due to increased time spent sourcing and prioritizing parts orders.

The City's transit fleet is detailed in Exhibit 7.2.

Exhibit 7.2 City of Madera's Transit Fleet

Bus #	Year	Make	Model	PAX + WC	FY 2022/23 MILEAGE
38	2012	Ford E-450	Elkhart	18 + 2	17,297
39	2012	Ford E-450	Elkhart	18 + 2	16,841
40	2012	Ford E-450	Elkhart	18 + 2	20,338
41	2012	Ford E-450	Elkhart	18 + 2	7,448
43	2013	Ford E-450	Starcraft	18 + 2	16,773
44	2013	Ford E-450	Starcraft	18 + 2	16,704
45	2013	Ford E-450	Starcraft	18 + 2	17,832
46	2013	Ford E-450	Starcraft	18 + 2	17,645
47	2019	Ford E-450	Starcraft	17	28,199
48	2019	Ford E-450	Starcraft	17	25,847
49	2019	Chevy 4500	Arboc	17	27,067
50	2019	Chevy 4500	Arboc	17	23,244
51	2019	Chevy 4500	Arboc	17	22,073
52	2020	International	Starcraft	27	18,862
53	2020	International	Starcraft	27	15,231
54	2019	Aero Elite 320	EIDorado	27	15,958
55	2019	Ford F-550	EIDorado	27	12,848

Chapter 8 | Findings and Recommendations

Conclusions

With three exceptions, Moore & Associates finds the City to be in compliance with the requirements of the Transportation Development Act. In addition, the entity generally functions in an efficient, effective, and economical manner.

Findings

Based on discussions with City staff, analysis of program performance, and an audit of program compliance and function, the audit team presents three compliance findings:

1. The City's Transit Operator Financial Transactions Reports for FY 2021/22 and FY 2022/23 were not submitted to the State Controller by the established deadline.
2. The City submitted its TDA fiscal audits for FY 2020/21 and FY 2021/22 after the extended deadline.
3. Use of the TDA definition of full-time equivalent (FTE) employee could not be confirmed.

The audit team has identified two functional findings. While these findings are not compliance findings, we feel they are significant enough to be addressed within this audit:

1. The City continues to struggle with consistent reporting, especially with respect to operating cost.
2. The City's contracted operator had two Unsatisfactory terminal inspection reports from CHP during the audit period.

Program Recommendations

In completing this Triennial Performance Audit, the auditors submit the following recommendations for the City of Madera's public transit program. They are divided into two categories: TDA Program Compliance Recommendations and Functional Recommendations. TDA Program Compliance Recommendations are intended to assist in bringing the operator into compliance with the requirements and standards of the TDA, while Functional Recommendations address issues identified during the audit that are not specific to TDA compliance. Each finding is presented with the elements identified within the 2011 *Government Auditing Standards* as well as one or more recommendations.

Compliance Finding 1: The City's Transit Operator Financial Transactions Reports for FY 2021/22 and FY 2022/23 were not submitted to the State Controller by the established deadline.

Criteria: PUC 99243 requires operators receiving funding under Article 4 to submit their Financial Transaction Report to the State Controller within seven months of the end of the fiscal year. The day and time of the report submittal is timestamped on the cover page generated by the State Controller's online system when the report is submitted.

Condition: In FY 2020/21, the Financial Transaction Report was submitted on time. In FY 2021/22, the report was submitted on February 24, 2023, more than three weeks after the deadline of January 31. In FY 2022/23, the report was submitted on March 7, 2024, more than two months after the deadline.

Cause: In FY 2022/23, the City indicated the late submittal might be related to the City’s financial audit not being complete. Other contributors are unknown.

Effect: This places the City out of compliance with the TDA.

Recommendation: Ensure Transit Operator Financial Transaction Reports are submitted to the State Controller on or before January 31 each year.

Recommended Action: The City should ensure its State Controller Reports are submitted on time. If it is waiting on audited data, it should review its annual audit timeline is sufficient to make that data available prior to the deadline of January 31.

Timeline: Ongoing.

Anticipated Cost: None.

Compliance Finding 2: The City submitted its TDA fiscal audits for FY 2020/21 and FY 2021/22 after the extended deadline.

Criteria: PUC 99245 requires all Article 4 recipients to submit an annual fiscal audit to the State Controller within 180 days of the end of the fiscal year. The RTPA has the authority to extend the deadline for another 90 days, typically to March 31. While Article 8 recipients submit TDA fiscal audits as well, compliance with the deadline is not a condition of compliance with TDA Article 8. However, since the RTPA cannot release Article 4 funds until the audit is submitted, it is helpful to have all transit operator audits submitted according to the same deadline, even if it might not affect the release of Article 8 funds.

Condition: In FY 2020/21, the County’s TDA fiscal audit was completed on August 19, 2022. This was more than four months after the deadline established under PUC 99245. In FY 2021/22, the audit was completed on April 21, 2023, three weeks after the deadline.

Cause: In FY 2020/21, responsibility for the fiscal audit was with MCTC. In FY 2021/22, the City utilized its own auditor.

Effect: In FY 2021/22, the audit was much closer to being on time. This impacted compliance with the TDA.

Recommendation: Work with the City’s auditor to ensure future TDA fiscal audits can be completed within the established timeframe.

Recommended Action: Ensure that all parties – the auditor, transit program staff, and City financial staff – are fully aware of the audit deadlines, as well as how they compare with other City audit deadlines, so that on-time submittal can be achieved.

Timeline: FY 2023/24.

Anticipated Cost: None (should already be included within fiscal audit contract).

Compliance Finding 3: Use of the TDA definition of full-time equivalent (FTE) employee could not be confirmed.

Criteria: The State Controller, for its Transit Operator Financial Transaction Report, utilizes the TDA definition of full-time equivalent (FTE) employee for the reporting of employees. This definition, included as part of PUC 99247, calls for a definition of “employee” as total work hours divided by 2,000.

Condition: The City’s State Controller Reports for FY 2020/21 and FY 2021/22 showed 14 employees each for the fixed-route and demand-response services. Work hour data provided for FY 2022/23 resulted in the calculation of 17 employees for fixed-route and nine for demand-response, though the State Controller Report cited 16 employees for each service. As such, use of the TDA definition could not be confirmed.

Cause: A general lack of understanding of this requirement of the State Controller Report is the most frequent cause of this findings.

Effect: The operator is out of compliance with the TDA when it fails to use the TDA definition for this metric.

Recommendation: Ensure the TDA definition of full-time equivalent (FTE) employee is used for reporting to the State Controller.

Recommended Action: Ensure both City staff and the contractor document all hours worked related to transit beginning for each fiscal year. Administrative hours may need to be allocated between fixed-route and demand-response based on either actual work performed or a formula based on vehicle service hours by mode. Ensure the individual(s) completing the reports are aware of how to calculate this data using the TDA definition.

Timeline: Ongoing.

Anticipated Cost: None.

Functional Finding 1: The City continues to struggle with consistent reporting, especially with respect to operating cost.

Criteria: It is the responsibility of the transit operator to ensure data is accurately recorded and reported to external agencies. PUC 99247 offers definitions of key performance measures.

Condition: In FY 2020/21 and FY 2021/22, the operating cost reported to the NTD was considerably higher than that reported elsewhere. In FY 2020/21, it was 49.6 percent higher than that reported to the State Controller and 23.6 percent higher than that reported in the TDA fiscal audit. In FY 2021/22, it was 30.5 percent higher than that reported to the State Controller and 12 percent higher than that reported in the TDA fiscal audit.

Cause: One of the common causes of inconsistent financial data is the timeframe during which the various reports are completed. Initial NTD reports are due in the fall, with State Controller Reports due at the end

of January. TDA fiscal audits are due at the end of December, though may be extended to the end of March. As a result, audited data is not typically available for completion of the NTD reports, and may not be available for preparation of the State Controller Reports.

Effect: Varying data can affect the accuracy of the data used to determine compliance with several established performance measures.

Recommendation: Continue to work toward ensuring data is reported as accurately as possible at the time it is submitted.

Recommended Action: One of the City’s challenges during the audit period was a high volume of new staff. There is a learning curve, especially with respect to reporting. If subsequent audited data is significantly different than data reported to the NTD or State Controller, it would be helpful to document the reason for that variance at the time of the audit, so that the differences are easier to explain during the next Triennial Performance Audit.

Timeline: Ongoing.

Anticipated Cost: Negligible.

Functional Finding 2: The City’s contracted operator had two Unsatisfactory terminal inspection reports from CHP during the audit period.

Criteria: PUC 99251 requires operators to receive a Satisfactory terminal rating from the California Highway Patrol (CHP) within 13 months prior to their TDA claim.

Condition: CHP inspections of the City’s transit terminal conducted on March 9, 2021 and March 23, 2022 resulted in Unsatisfactory ratings. Subsequent inspections conducted within 120 days following the Unsatisfactory ratings resulted in a Satisfactory rating. Given no claims were paid before the City received a Satisfactory terminal inspection report, this is not a compliance finding. However, as there were two Unsatisfactory ratings in two consecutive years, it is worth addressing within this audit report.

Cause: The violation contributing to the 2021 Unsatisfactory rating was as follows:

- “Carrier is not participating in the DMV’s Employer Pull Notice System.” The driver in question was hired in 2018 and was not enrolled in the program.

The violation contributing to the 2022 Unsatisfactory rating was as follows:

- “Carrier employed, hired, knowingly permitted or authorized a driver to drive a motor vehicle owned by him/her or under his/her control upon the highways without the valid license for the appropriate class of vehicle to be driven.” The driver in question had a transit certificate that expired more than a year prior to the incident.

All violations had been resolved by the time the re-inspections took place.

Effect: While it is not uncommon for an operator to receive an occasional Unsatisfactory rating, multiple occurrences can indicate problems with the contractor’s procedures. The Pull Notice Program and recertifications are key elements of the state’s monitoring to ensure public safety. Failure to comply with such programs, thereby resulting in an Unsatisfactory rating, can impact the City’s ability to claim its TDA funds.

Recommendation: The contractor should ensure it continues to enroll all drivers in the DMV’s Employer Pull Notice Program as soon as they are employed for the operation of an eligible vehicle, as required by the program, as well as confirm each driver holds a valid transit certificate before operating a vehicle requiring that certification.

Recommended Action(s): Both violations are potentially serious, but both had been resolved prior to a subsequent inspection by the California Highway Patrol within 120 days. MV Transportation should remain vigilant about ensuring anyone who operates a transit vehicle is qualified and currently certified to operate the vehicle in question. Assuming MV continues to receive Satisfactory terminal ratings, no further action is needed.

Timeline: Ongoing.

Anticipated Cost: Negligible.

Exhibit 8.1 Audit Recommendations

TDA Compliance Recommendations		Importance	Timeline
1	Ensure Transit Operator Financial Transaction Reports are submitted to the State Controller on or before January 31 each year.	Medium	Ongoing
2	Work with the City’s auditor to ensure future TDA fiscal audits can be completed within the established timeframe.	Medium	FY 2023/24
3	Ensure the TDA definition of full-time equivalent (FTE) employee is used for reporting to the State Controller.	Medium	Ongoing
Functional Recommendations		Importance	Timeline
1	Continue to work toward ensuring data is reported as accurately as possible at the time it is submitted.	Medium	Ongoing
2	The contractor should ensure it continues to enroll all drivers in the DMV’s Employer Pull Notice Program as soon as they are employed for the operation of an eligible vehicle, as required by the program, as well as confirm each driver holds a valid transit certificate before operating a vehicle requiring that certification.	High	Ongoing