

Madera County Transportation Commission (MCTC)



Transportation Development Act (TDA) Triennial Performance Audit of MCTC as the RTPA

Final Report
March 2024



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Chapter 1 | Executive Summary

The Triennial Performance Audit of the Madera County Transportation Commission (MCTC) covers a three-year period ending June 30, 2021. The California Public Utilities Code requires all Regional Transportation Planning Agencies conduct an independent Triennial Performance Audit in order to be eligible for Transportation Development Act (TDA) funding.

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. Selection of the consultant followed a competitive procurement process.

This chapter summarizes key findings and recommendations developed during the Triennial Performance Audit (TPA) of the MCTC’s programs for the period:

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

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our review objectives. We believe the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

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

The Triennial Performance Audit includes five elements:

1. Compliance requirements,
2. Follow-up of prior recommendations,
3. Analysis of internal goal setting and strategic planning efforts,
4. Review of the RTPA’s functions and activities, and
5. Findings and recommendations.

Test of Compliance

With two exceptions, MCTC adheres to Transportation Development Act (TDA) regulations in an efficient and effective manner:

1. Operator TDA fiscal audit reports continued to be submitted late in FY 2020/21 and FY 2021/22.
2. MCTC’s State Controller Report was submitted late in FY 2020/21.

Status of Prior Recommendations

The prior Triennial Performance Audit – completed in 2021 by Moore & Associates, Inc. for the three fiscal years ending June 30, 2020 – included the following recommendations:

1. Work with MCTC’s auditor to ensure deadlines enabling timely completion of operator TDA fiscal audits are included within the audit contract.
Status: Implemented.
2. For any operator using STA funds for operating purposes, MCTC should include the test against the two qualifying efficiency standards as part of the TDA claim process.
Status: Implemented.
3. MCTC should require its fiscal auditor to include farebox recovery ratio calculations within the transit operator TDA fiscal and compliance audits.
Status: Implemented.

Goal Setting and Strategic Planning

The primary planning document is the Regional Transportation Plan and Sustainable Communities Strategy (RTP/SCS). The RTP is a long-range (26-year) transportation plan providing a vision for regional transportation investments. The most recent update, which was completed in 2022, considers the role of transportation including economic factors, quality of life issues, and environmental factors. The Sustainable Communities Strategy (SCS) element, required under SB 375, demonstrates the integration of land use, transportation strategies, and transportation investments that will help Madera County meet regional greenhouse gas reduction targets.

MCTC’s annual Overall Work Program focuses on addressing State and Federal planning emphasis areas through a series of work elements. Each work element features clearly defined objectives, planned activities, and performance monitoring measures.

MCTC also prepares a Short Range Transit Plan (SRTP) for Madera County transit operators. The most recent SRTP was adopted in March 2022 and spans the period FY 2022/23 through FY 2026/27. It identifies county-wide goals and objectives, sets mode-specific performance standards, assesses recent transit system performance, makes recommendations based on a needs analysis, provides a financial plan, and identifies marketing strategies. The SRTP is the primary planning document for Madera County transit operators.

Findings and Recommendations

Based on the current review, we submit the aforementioned two TDA compliance findings:

1. Operator TDA fiscal audit reports continued to be submitted late in FY 2020/21 and FY 2021/22.
2. MCTC’s State Controller Report was submitted late in FY 2020/21.

The audit team identified no functional findings.

In completing this Triennial Performance Audit, we submit the following recommendations for the MCTC as the RTPA. 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 agency into compliance with the requirements and standards of the TDA, while Functional Recommendations address issues identified during the Triennial Performance Audit that are not specific to TDA compliance.

Exhibit 1.1 Summary of Audit Recommendations

	TDA Compliance Recommendations	Importance	Timeline
1	Work with operators to ensure future TDA fiscal audits are completed within the established timeframe.	Low*	Ongoing
2	Ensure the RTPA's State Controller Financial Transaction Reports are submitted prior to the stated deadline.	Low*	Ongoing

**Both recommendations are rated low priority as they likely have already been resolved.*

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Chapter 2 | Audit Scope and Methodology

The Triennial Performance Audit (TPA) of Madera County Transportation Commission covers the three-year period ending June 30, 2023. The California Public Utilities Code requires all Regional Transportation Planning Agencies conduct an independent Triennial Performance Audit in order to be eligible for Transportation Development Act (TDA) funding.

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 funding. Moore & Associates is a consulting firm specializing in public transportation. Selection of Moore & Associates followed a competitive procurement process.

The Triennial Performance Audit is designed to be an independent and objective evaluation of MCTC as the designated RTPA for Madera County. Direct benefits of a triennial performance audit include providing RTPA management with information on the economy, efficiency, and effectiveness of their 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 99246(a) that the RTPA designate an independent entity other than itself to conduct a performance audit of its activities as well as those of each operator to whom it allocates TDA funding.

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. We 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 has four primary objectives:

1. Assess compliance with TDA regulations,
2. Review actions taken by the RTPA to implement prior recommendations,
3. Evaluate the efficiency and effectiveness of the RTPA through a review of its functions, and
4. Provide sound, constructive recommendations for improving the efficiency and functionality of the RTPA.

Scope

The TPA is a systematic review of performance evaluating the efficiency, economy, and effectiveness of the regional transportation planning agency. The audit of MCTC included five tasks:

1. Review of compliance with TDA requirements and regulations.
2. Assessment of the implementation status of recommendations included in the prior Triennial Performance Audit.
3. Analysis of MCTC’s internal goal setting and strategic planning functions.
4. Examination of the following functions:
 - Administration and Management,
 - Transportation Planning and Regional Coordination,
 - Claimant Relationships and Oversight,
 - Marketing and Transportation Alternatives, and
 - Grant Applications and Management.
5. Recommendations to address opportunities for improvement based on analysis of the information collected and the review of the RTPA’s core functions.

Methodology

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

- Triennial Performance Audit reports for the prior review period;
- Annual budgets;
- Audited financial statements;
- State Controller Reports;
- Agency organizational chart;
- Board meeting minutes and agendas;
- Policies and procedures manuals;
- Regional planning documents;
- Overall work plans;
- Article 8 Unmet Transit Needs documentation;
- TDA claims manual; and
- TDA and transit funding allocations to operators.

The methodology for this audit included a virtual site visit with MCTC representatives on January 25, 2024. The audit team met with Troy McNeil (Deputy Director/Fiscal Supervisor), Natalia Austin (Senior Regional Planner), and Evelyn Espinosa (Senior Regional Planner), and reviewed materials germane to the triennial audit.

The report is comprised of seven 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 audit 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,
 - Progress in implementing prior recommendations,
 - Goal setting and strategic planning,
 - Functional review, and
 - Findings and recommendations.

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Chapter 3 | Overview of MCTC

The Madera County Transportation Commission (MCTC) is a state-designated regional transportation planning agency and federally recognized metropolitan planning organization created to address regional transportation issues. Its member agencies include the City of Chowchilla, City of Madera, and County of Madera.

MCTC's role as the RTPA is to foster intergovernmental coordination, undertake comprehensive regional planning with an emphasis on transportation issues, provide a forum for citizen input into the planning process, and provide technical services to its member agencies. MCTC is also responsible for administering Transportation Development Act (TDA) funds, including both State Transit Assistance (STA) funds and Local Transportation Funds (LTF).

Roles

MCTC serves as the Regional Transportation Planning Agency (RTPA), Metropolitan Planning Organization (MPO), and Local Transportation Commission (LTC) for Madera County. As the RTPA, MCTC is responsible for adopting a regional transportation plan and a regional transportation improvement program. As the federally designated Metropolitan Planning Organization (MPO), MCTC receives state and federal transportation funds for regional activities detailed in its Overall Work Program (OWP).

MCTC is also a party to a number of cooperative agreements with State, local, and regional agencies as part of its commitment to a continuing, cooperative, and comprehensive transportation planning program:

- Caltrans and Madera County Transportation Commission MOU (comprehensive transportation planning);
- San Joaquin Valley Transportation Planning Agencies, Caltrans, and the San Joaquin Valley Air Pollution Control District, Altamont Corridor Express/San Joaquin Joint Powers Authority MOU (cooperative agreement between agencies located within non-attainment boundaries);
- Madera County Transportation Commission and Member Agency Working Agreements;
- CalVans Joint Powers Agreement (California Vanpool Authority);
- San Joaquin Valley 511 MOU (traveler information); and
- San Joaquin Joint Powers Authority MOU (San Joaquin Rail Service).

Organization

The MCTC Board of Directors is comprised of three members from the Madera County Board of Supervisors, one member from the City of Chowchilla city council, and two members from the City of Madera city council. There is at least one alternate designated by each member agency. Members of the MCTC Board of Directors (and alternates) serving during the audit period included:

- Waseem Ahmed, City of Chowchilla (2020-2021, 2023; 2022 alternate)
- Ray Barragan, City of Chowchilla (2020 alternate)
- Brett Frazier, County Board of Supervisors (2020-2022)

- Cecelia Gallegos, City of Madera (2021-2023)
- Santos Garcia, City of Madera (2021-2023 alternate)
- Leticia Gonzales, County Board of Supervisors (2023; 2021-2022 alternate)
- Donald Holley, City of Madera (2020 alternate)
- Andrew Medellin, City of Madera (2020)
- Diana Palmer, City of Chowchilla (2022; 2021 alternate)
- Robert Poythress, County Board of Supervisors (2021-2023; 2020 alternate)
- Max Rodriguez, County Board of Supervisors (2020)
- Jose Rodriguez, City of Madera (2020-2023)
- David Rogers, County Board of Supervisors (2023; 2020-2022 alternate)
- Jeff Troost, City of Chowchilla (2023 alternate)
- Jordan Wamhoff, County Board of Supervisors (2023 alternate)
- Tom Wheeler, County Board of Supervisors (2020-2022)

MCTC Board members participate in, or receive guidance from, the following committees:

Policy Advisory Committee

The Policy Advisory Committee (PAC) reviews transportation plans and programs prior to action by the commission. The PAC is comprised of the full MCTC Board plus one member representing the Caltrans District 6 Director. The PAC meets on an as-needed basis.

Technical Advisory Committee

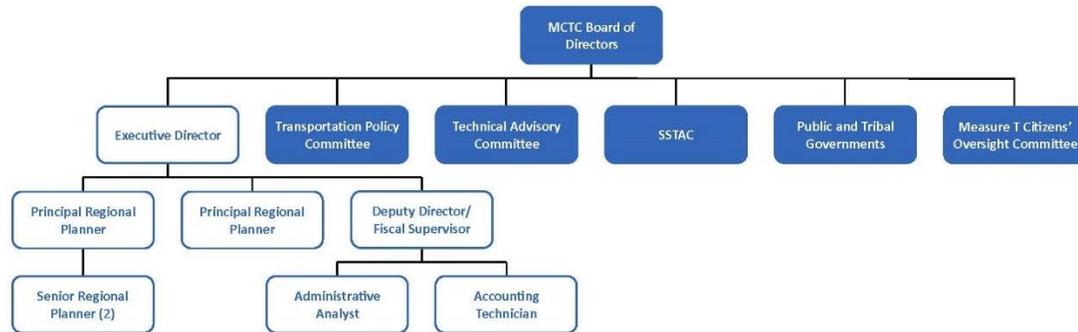
The Technical Advisory Committee (TAC) reviews staff work with respect to the Overall Work Program, advises the Board on transportation issues, and makes recommendations regarding planning and programming actions. The TAC is comprised of representatives from the County of Madera, City of Madera, City of Chowchilla, Tribal Governments, and one representative from Caltrans District 6. Representatives from the North Fork Rancheria of Mono Indians of California and the Picayune Rancheria of Chukchansi Indians of California, as well as representatives of other local tribes, are also invited to attend. The TAC meets monthly on the second Monday at 1:30 pm.

Social Services Transportation Advisory Council

The Social Services Transportation Advisory Council (SSTAC) addresses the needs of the transit-dependent, including the elderly, disabled, and low-income individuals. The SSTAC is comprised of citizens and meets two to three times annually, with the first meeting taking place in March prior to the annual unmet transit needs hearing and the second following the unmet transit needs hearing. The SSTAC works with staff to develop recommendations regarding unmet transit needs.

Reporting directly to the MCTC board is the Executive Director, who oversees a staff of seven. An organizational chart is presented in Exhibit 3.1.

Exhibit 3.1 Organizational chart (FY 2023/24)



Goal setting and strategic planning

The primary planning document is the Regional Transportation Plan and Sustainable Communities Strategy (RTP/SCS). The RTP is a long-range (26-year) transportation plan providing a vision for regional transportation investments. The most recent update, which was completed in 2022, considers the role of transportation including economic factors, quality of life issues, and environmental factors. The Sustainable Communities Strategy (SCS) element, required under SB 375, demonstrates the integration of land use, transportation strategies, and transportation investments that will help Madera County meet regional greenhouse gas reduction targets.

The 2022 RTP identified four key goals intended to help MCTC achieve its vision for Madera County. Those four goals are:

1. **Improve quality of life** through the integration of transportation systems that promote access to affordable housing, education, jobs, and recreation.
2. **Raise economic prosperity** via enhanced economic viability through access to education and new job opportunities.
3. **Cultural diversity** through a range of transportation modes and housing choices reflective of the region's cultures and subcultures.
4. **Promote public health and a cleaner environment** by giving preference to new development and economic prosperity in ways that support citizen health, enhance cultural and economic resources, and enhance the region's financial stability over time.

The RTP identifies eight objectives to support these goals. It further identifies 50 strategies designed to help MCTC achieve the objectives of the RTP/SCS. The 50 strategies cover a wide range of activities intended to support the above objectives. These strategies (detailed in Chapter 2 of the RTP/SCS) are specific and measurable.

The RTP/SCS objectives are:

1. Provide equitable access to transportation options for all, regardless of race, income, national origin, age, location, physical ability, or any other factor.
2. Develop a transportation network able to support the safe and efficient movement of people and goods and increase economic vitality.

3. Improve environmental conditions through integrated planning of transportation and land uses and achieve state and federal air quality improvement mandates.
4. Foster a secure, safe, and reliable transportation system.
5. Support the development and implementation of innovative and emerging transportation technologies.
6. Improve mobility for all travelers through a variety of accessible modal options.
7. Foster growth with a mix of land use types able to facilitate mixed uses, infill and compact development, and preserve agricultural land and natural resources.
8. Develop funding and financing strategies to implement the projects and strategies in the RTP/SCS.

According to its FY 2023/24 Overall Work Program, MCTC's role is to foster intergovernmental coordination; undertake comprehensive regional planning with an emphasis on transportation issues; provide a forum for citizen input into the planning process; and to provide technical services to its member agencies. In all these activities MCTC works to develop a consensus among its members with regards to multi-jurisdictional transportation issues.

MCTC's annual Overall Work Program focuses on addressing State and Federal planning emphasis areas through a series of work elements. Each work element features clearly defined objectives, planned activities, and performance monitoring measures.

MCTC also prepares a Short Range Transit Plan (SRTP) for Madera County transit operators. The most recent SRTP was adopted in March 2022 and spans the period FY 2022/23 through FY 2026/27. It identifies county-wide goals and objectives, sets mode-specific performance standards, assesses recent transit system performance, makes recommendations based on a needs analysis, provides a financial plan, and identifies marketing strategies. The SRTP is the primary planning document for Madera County transit operators.

The SRTP sets forth five goals for transit programs county-wide. Each goal is supported by multiple objectives.

Goal 1: Provide safe, reliable, high quality, and economical public transportation.

Objectives:

1. Provide safe transit.
2. Provide reliable transit.
3. Provide service when and where it is needed.
4. Operate transit efficiently and economically.
5. Coordinate transit services with other regional transit operations.
6. Increase the level of public information about transit services.

Goal 2: Operate an efficient and effective system that maximizes service and minimizes cost impacts.

Objectives:

1. Provide productive transit service.
2. Maximize operating and capital funding.

3. Maximize farebox recovery.
4. Maximize available State, federal, and local transit funding.

Goal 3: Evaluate, monitor, and improve transit systems on an ongoing basis.

Objectives:

1. Implement a sound data collection process.
2. Undertake onboard ridership surveys on a regular basis.
3. Develop up-to-date management information.
4. Undertake regular monitoring of system data and management information.
5. Undertake ongoing performance evaluation.
6. Initiate service improvements as warranted.

Goal 4: Undertake effective marketing, outreach, and public participation.

Objectives:

1. Implement proactive marketing, outreach, and public participation strategies.
2. Coordinate with other regional transit systems, social service agencies, and other interested parties to ensure wide dissemination of transit information.
3. Present information directly to existing and potential riders through public presentations and participation at special community events, and social media.

Goal 5: Coordinate transit system development with community planning and development efforts and land use policy.

Objectives:

1. Encourage new facilities that promote bicycle and pedestrian access and enhance the community.
2. Coordinate with appropriate jurisdictions to accommodate public transit, including provision for bus turnouts and other passenger amenities.
3. Encourage transit usage to reduce vehicle trips, particulate matter, and greenhouse gas emissions.

While the MCTC does have internal goals for itself as an agency, there is no formalized internal goal-setting process. Informal goal setting occurs at the department level. The Fiscal Supervisor works with the two administrative staff he supervises to develop goals, while the Regional Planning department meets on a weekly basis. These weekly meetings include discussion of goals and what they want to accomplish. Many of these goals are reflected in the annual Overall Work Program, though some smaller agency goals (such as updating the website) may not be included.

Goals for regional coordination are established as part of the Coordinated Public Transit Human Services Transportation Plan and agreements with the FTA and tribal governments, as well as through the preparation of the Overall Work Program. Goals are established on an annual basis with the Technical Advisory Committee (TAC), and addressed on a monthly basis with local agencies (through agenda items).

The MCTC manages a call for projects for funds under the CMAQ and Congestion Reduction Program. It creates a call for projects document, which is posted to the MCTC website, that lays out the rules for the funding source as well as the application process. Typically, the MCTC does not apply for discretionary grants, though it may occasionally apply for regional funding (such as a competitive SB 1 grant). The MCTC does offer grant application support to its member agencies, either by providing direct technical assistance (such as review, mapping, or modeling) or by hiring a consultant to do so.

The MCTC also conducts goal-setting as part of its Regional Active Transportation Plan (ATP). The most recent ATP was prepared in 2018, and an update is expected in FY 2024/25. The update will create a prioritized list of project as well as adapt the ATP to reflect changes to state goals. A renewal of Madera County’s transportation sales tax measure, if approved, is expected to include dedicated funding for ATP projects.

Chapter 4 | Program Compliance

This section examines the MCTC’s compliance with the State of California’s Transportation Development Act as well as relevant sections of California’s Public Utilities Commission code. An annual certified fiscal audit confirms TDA funds were apportioned in conformance with applicable laws, rules, and regulations. Although compliance verification is not a Triennial Performance Audit function, several specific requirements concern issues relevant to the performance audit. The Triennial Performance Audit findings and related comments are delineated in Exhibit 3.1.

Compliance was determined through discussions with MCTC staff as well as an inspection of relevant documents, including the fiscal audits for each year of the triennium. Also reviewed were planning documents, Board actions, and other related documentation.

With two exceptions, MCTC adheres to Transportation Development Act (TDA) regulations in an efficient and effective manner:

1. Operator TDA fiscal audit reports continued to be submitted late in FY 2020/21 and FY 2021/22.
2. MCTC’s State Controller Report was submitted late in FY 2020/21.

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 4.1 Transit Development Act Compliance Requirements

Compliance Element	Reference	Compliance	Comments
All transportation operators and city or county governments which have responsibility for serving a given area, in total, claim no more than those Local Transportation Fund monies apportioned to that area.	PUC 99231	In compliance	
The RTPA has adopted rules and regulations delineating procedures for the submission of claims for facilities provided for the exclusive use of pedestrians and bicycles (Article 3).	PUC 99233, 99234	In compliance	Included in the MCTC Transportation Development Act Guidebook.
The RTPA has established a social services transportation advisory council. The RTPA must ensure that there is a citizen participation process that includes at least an annual public hearing.	PUC 99238, 99238.5	In compliance	MCTC's SSTAC meets at least annually, including an annual unmet transit needs hearing. Public hearings: May 20, 2020 (virtual) April 21, 2021 (virtual) April 20, 2022 (hybrid) April 19, 2023 (hybrid)
The RTPA has annually identified, analyzed, and recommended potential productivity improvements which could lower operating cost of those operators, which operate at least 50 percent of their vehicle service miles within the RTPA's jurisdiction. Recommendations include, but are not being limited to, those made in the performance audit. <ul style="list-style-type: none"> A committee for the purpose of providing advice on productivity improvements may be formed. The operator has made a reasonable effort to implement improvements recommended by the RTPA as determined by the RTPA, or else the operator has not received an allocation that exceeds its prior year allocation. 	PUC 99244	In compliance	MCTC details its Productivity Improvement Program (PIP) within Chapter 9 of its Transportation Development Act Guidebook. MCTC requires operators to submit a Productivity Improvement Progress Report with its annual TDA application form.
The RTPA has ensured that all claimants to whom it allocated TDA funds submit to it and to the state controller an annual certified fiscal and compliance audit within 180 days after the end of the fiscal year.	PUC 99245	Finding	Audit reports were submitted late in FY 2021 and FY 2022. FY 2023 is pending. (see table below)
The RTPA has submitted to the state controller an annual certified fiscal audit within 12 months of the end of the fiscal year.	CCR 6662	In compliance	FY 2020/21: March 31, 2022 FY 2021/22: March 15, 2023 FY 2022/23: Pending
The RTPA has submitted within 90 days after the end of the fiscal year an annual financial transactions report to the state controller.	CCR 6660	Finding	FY 2020/21: March 17, 2022 FY 2021/22: February 1, 2023 FY 2022/23: January 31, 2024

Compliance Element	Reference	Compliance	Comments
The RTPA has designated an independent entity to conduct a performance audit of operators and itself (for the current and previous triennia). For operators, the audit was made and calculated the required performance indicators, and the audit report was transmitted to the entity that allocates the operator's TDA money, and to the RTPA within 12 months after the end of the triennium. If an operator's audit was not transmitted by the start of the second fiscal year following the last fiscal year of the triennium, TDA funds were not allocated to that operator for that or subsequent fiscal years until the audit was transmitted.	PUC 99246, 99248	In compliance	Moore & Associates, Inc. was retained to prepare the FY 2018-2020 TDA Triennial Performance Audits. RTPA and operator audits were completed in February 2021. Moore & Associates, Inc. was retained in 2023 to prepare the FY 2021-FY 2023 TDA Triennial Performance Audits.
The RTPA has submitted a copy of its performance audit to the Director of the California Department of Transportation. In addition, the RTPA has certified in writing to the Director that the performance audits of operators located in the area under its jurisdiction have been completed.	PUC 99246(c)	In compliance	MCTC provided a letter to Caltrans dated March 18, 2021.
For Article 8(c) claimants, the RTPA may adopt performance criteria, local match requirements, or fare recovery ratios. In such cases, the rules and regulations of the RTPA will apply.	PUC 99405	Not applicable	No alternative criteria have been adopted for Article 8(c) funding recipients.
The performance audit of the operator providing public transportation services shall include a verification of the operator's cost per passenger, operating cost per vehicle service hour, passenger per vehicle service mile, and vehicle service hours per employee, as defined in Section 99247. The performance audit shall include consideration of the needs and types of passengers being served and the employment of part-time drivers and the contracting with common carriers of persons operating under a franchise or license to provide services during peak hours, as defined in subdivision (a) of section 99260.2.	PUC 99246(d)	In compliance	
The RTPA has established rules and regulations regarding revenue ratios for transportation operators providing services in urbanized and newly urbanized areas.	PUC 99270.1, 99270.2	In compliance	
The RTPA has adopted criteria, rules, and regulations for the evaluation of claims filed under Article 4.5 of the TDA and the determination of the cost effectiveness of the proposed community transit services.	PUC 99275.5	Not applicable	There are no designated Article 4.5 claimants in Madera County.
State transit assistance funds received by the RTPA are allocated only for transportation planning and mass transportation purposes.	PUC 99310.5, 99313.3, Proposition 116	In compliance	

Compliance Element	Reference	Compliance	Comments
Transit operators must meet one of two efficiency standards in order to use their full allocation of state transit assistance funds for operating purposes. If an operator does not meet either efficiency standard, the portion of the allocation that the operator may use for operations shall be the total allocation to the operator reduced by the lowest percentage by which the operator’s total operating cost per revenue vehicle hour exceeded the target amount necessary to meet the applicable efficiency standard. The remaining portion of the operator’s allocation shall be used only for capital purposes.	PUC 99314.6	In compliance	This requirement was waived during the audit period under AB 149. MCTC has incorporated the eligibility tests into its annual TDA claim form.
The amount received pursuant to the Public Utilities Code, Section 99314.3, by each RTPA for state transit assistance is allocated to the operators in the area of its jurisdiction as allocated by the State Controller’s Office.	PUC 99314.3	In compliance	
<p>If TDA funds are allocated to purposes not directly related to public or specialized transportation services, or facilities for exclusive use of pedestrians and bicycles, the transit planning agency has annually:</p> <ul style="list-style-type: none"> • Consulted with the Social Services Transportation Advisory Council (SSTAC) established pursuant to PUC Section 99238; • Identified transit needs, including: <ul style="list-style-type: none"> ▪ Groups that are transit-dependent or transit-disadvantaged; ▪ Adequacy of existing transit services to meet the needs of groups identified; and ▪ Analysis of potential alternatives to provide transportation alternatives; • Adopted or reaffirmed definitions of “unmet transit needs” and “reasonable to meet”; • Identified the unmet transit needs and those needs that are reasonable to meet; and • Adopted a finding that there are no unmet transit needs, that there are no unmet transit needs that are reasonable to meet, or that there are unmet transit needs including needs that are reasonable to meet. <p>If a finding is adopted that there are unmet transit needs, these needs must have been funded before an allocation was made for streets and roads.</p>	PUC 99401.5	In compliance	<p>MCTC conducted its Unmet Transit Needs process</p> <p>Unmet Transit Needs public hearings were held on: May 20, 2020 (virtual) April 21, 2021 (virtual) April 20, 2022 (hybrid) April 19, 2023 (hybrid)</p>

Exhibit 4.2 Operator fiscal audit submittal dates

	FY 2020/21	FY 2021/22	FY 2022/23
City of Chowchilla	June 28, 2022	June 1, 2023	Pending
City of Madera	August 19, 2022	April 21, 2023	Pending
County of Madera	July 13, 2022	November 22, 2023	Pending

Chapter 5 | Prior Recommendations

This section reviews and evaluates the implementation of prior Triennial Performance Audit recommendations. This objective assessment provides assurance the Madera County Transportation Commission has made quantifiable progress toward improving both the efficiency and effectiveness of its programs.

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

1. [Work with MCTC’s auditor to ensure deadlines enabling timely completion of operator TDA fiscal audits are included within the audit contract.](#)

Discussion: The prior auditor found MCTC to be in compliance with submittal of its own annual fiscal audit throughout the audit period. However, MCTC also contracted for the single-year TDA fiscal audits for all transit operators. During the prior audit period, none of the operator audits were completed or submitted within the allowable 270-day period. This is due primarily to the late start of the auditors, who for FY 2019/20 had not started the audits at the time the prior audit report was prepared.

Ultimately, under PUC 99245, it is the RTPA’s responsibility to ensure on-time completion of the TDA fiscal audits of the transit operators, whether contracted by the RTPA or the individual entities. However, the RTPA does not have control over when the individual operators close out their books for the fiscal year. The prior auditor noted it is important that both parties commit to timely completion of the TDA fiscal audits – the operators by ensuring financial data is available well before the submittal deadline, and the RTPA by ensuring the contracted auditor is held to that deadline to the greatest extent possible. The auditor also recommended the RTPA document any extensions it grants beyond the 180-day deadline and ensure those are communicated to the State Controller’s Office.

Progress: Beginning with FY 2022/23, operators were asked to incorporate the annual TDA fiscal audits into the contracts with their City/County auditors, giving them more control over the process. While all audits for FY 2020/21 and FY 2021/22 were submitted late, MCTC hopes that turning this responsibility back to the operators will result in on-time audit submittals. As of the site visits in January 2024, all operators indicated their audits were in progress and anticipated an on-time completion.

Status: Implemented.

2. For any operator using STA funds for operating purposes, MCTC should include the test against the two qualifying efficiency standards as part of the TDA claim process.

Discussion: Despite this requirement being in place since FY 2016/17, the prior auditor found no evidence MCTC conducted the qualifying tests prior to allocating STA funding. As a result, all operators were considered free to use their full STA allocation for operating purposes as desired.

The auditor recommended the STA worksheet provided as part of the prior audit be utilized as part of the TDA claims process for operators receiving STA for operating purposes. If an operator does not meet either standard, the allocation should be reduced by the smallest percentage by which the standard is not met. That amount is then only eligible for capital uses.

Under AB 90 and AB 149, use of the qualifying tests was waived through FY 2022/23.

Progress: Beginning with FY 2023/24, MCTC is now including the STA worksheet in its TDA claims process.

Status: Implemented.

3. MCTC should require its fiscal auditor to include farebox recovery ratio calculations within the transit operator TDA fiscal and compliance audits.

Discussion: During the prior audit, it was observed that none of the transit operator fiscal audits include farebox recovery ratio calculations, and only one included mention of the farebox recovery ratio at all.

The prior auditor recommended MCTC's auditor include a farebox recovery ratio calculation and compliance assessment as part of the TDA fiscal and compliance audits, beginning with operator audits for FY 2019/20 (which were still in progress at that time). Calculations should be included for the current and prior fiscal years.

Progress: Farebox recovery ratio calculations are included in all TDA fiscal audits reviewed as part of this triennial performance audit.

Status: Implemented.

Chapter 6 | Functional Review

A functional review of the Madera County Transportation Commission determines the extent and efficiency of the following functional activities:

- Administration and Management;
- Transportation Planning and Regional Coordination;
- Claimant Relationships and Oversight;
- Marketing and Transportation Alternatives; and
- Grant Applications and Management; and

Administration and Management

A full description of the organization and member agencies of the MCTC is provided in Chapter 3.

The RTPA strives to process TDA claims in a timely manner. In the past, documents might sit on the Fiscal Supervisor’s desk until he could get to him. During the audit period, the MCTC hired an Accounting Technician who is being trained on processing TDA claims. The MCTC expects this to improve the timeliness of the process.

The progress and financial status of ongoing programs is monitored primarily through the regular reports and invoices required by federal and state grants. The Senior Regional Planners monitor the transit operators, conducting quarterly meetings with them, getting reports on updates and changes, and overseeing the unmet transit needs process. The MCTC feels the transit operators are generally satisfied with its efficiency and effectiveness regarding any questions they may have or support they may need.

The MCTC is not the implementing agency for roads or construction projects. It monitors these projects through monthly or quarterly progress reports from the implementing agencies. Staff have a standing quarterly meeting with Caltrans where the list of projects is reviewed. Internal projects (such as the development of a TDA Guidebook and updating GIS and mapping capabilities) are monitored through project meetings and the establishment of internal deadlines and task lists.

The MCTC feels it is able to accomplish a lot of progress toward its goals and objectives, especially for a small agency with the budget it has. However, staff feel the agency is one or two people short of being able to accomplish more, and this is constrained by the current budget and available funding.

There is little turnover in the MCTC staff. Most are long-term employees. One of the Senior Regional Planners is the newest hire; she had been on staff for approximately five months at the time of the site visit. She replaced a prior employee who left to go back to graduate school. Each new hire is provided with expectations and areas of responsibility and meets weekly with their supervisor. All employees receive an annual review. The MCTC tries to accommodate employee interests regarding training to the greatest extent possible.

MCTC employees are eligible for a full range of benefits, including a flexible schedule; telecommuting option; health, vision, and life insurance; and retirement benefits. There are no other staff incentives in place, though they occasionally bring in food.

The MCTC Board meets monthly on the third Wednesday at 3:00 p.m. Meetings typically take place in the MCTC Board Room at the MCTC offices (2001 Howard Road, Suite 201, Madera), which is served by Madera Metro Routes 2 and 3. Most Board members attend most meetings. During the audit period, areas of specific interest to the Board were unmet transit needs and the sales tax measure.

During the COVID-19 pandemic, Board meetings were conducted virtually. Now meetings have a hybrid format, where the Board members must be present in-person but others can participate virtually via Zoom. This also enables the MCTC to record the meetings and post the recordings to its website.

Impact of COVID-19 pandemic

The most notable impact of the COVID-19 pandemic for the MCTC was the shift to telecommuting. All staff worked from home initially, then transitioned to a hybrid schedule. This required the MCTC to ensure all staff had the necessary equipment to work remotely. At the time of the site visit, all employees were working in the office at some point. Some come in every day, while the planners typically come in approximately two days per week.

Another significant change was the transition to virtual meetings, both for Board meetings and public outreach activities. The MCTC undertook an upgrade of its audio-visual system (camera and speakers), which helped accommodate this transition. One of the unexpected benefits of the use of virtual meetings was the increased attendance at meetings and outreach activities due to having more options for participation.

The most significant lesson learned from the COVID-19 pandemic was that the MCTC could still function effectively even if all staff were not in the office.

Transportation Planning and Regional Coordination

The MCTC is responsible for the preparation of the Regional Transportation Plan/Sustainable Communities Strategy (RTP/SCS). The most recent update to the plan was completed in 2022 and adopted on August 31, 2022. The MCTC conducted most of this process in-house. Staff started with creating a task timeline and assigning responsibility for those tasks. One change for this update was making the actual plan more concise and utilizing appendices to provide detail and refer to other plans. Much of the update was done during the pandemic, which necessitated a lot of virtual outreach. As mentioned above, this actually resulted in greater participation than ever. The MCTC expects to begin working on the 2026 update soon.

Most of the work the MCTC does feeds into the RTP/SCS. Then the updated plan helps to drive the agency's activities through the commitments made in the plan. For example, the completed Zero Emission Vehicle (ZEV) Readiness and Implementation Plan will feed into the 2026 update. The RTP/SCS also creates the transportation project list and helps to inform future planning and decisions. For example, when the MCTC was looking at potential projects for SB 125 funding, it looked at the RTP/SCS for projects

that had already been vetted by the community. It helped to identify projects that are a good fit with regional goals.

The MCTC's Public Participation Plan, completed in 2020, was used to guide public engagement for the RTP/SCS. Initial outreach activities included development of a project logo, website, social media content, and a Frequently Asked Questions (FAQ) document. Other activities included a bilingual survey, coordination and promotion of community meetings and presentations, stakeholder outreach, and outreach for the Social Pinpoint mapping tool.

Seven community meetings were held throughout the RTP development process, including both virtual and in-person options. These were followed by an informational presentation to the MCTC Board.

- October 25, 2021 (virtual)
- December 1, 2021 (in person; La Viña community)
- December 2, 2021 (in person; Fairmead community)
- March 24, 2022 (virtual)
- April 8, 2022 (virtual)
- April 8, 2022 (in person; MCTC conference room, Madera)
- April 12, 2022 (in person; Chowchilla Library)
- April 20, 2022 (MCTC Board presentation)

Community engagement also included outreach to specific organizations, including Centro Binacional, Madera Coalition for Community Justice, Oakhurst Community College Center, Sierra Club, California Rural Legal Assistance, Leadership Counsel for Justice and Accountability, Fairmead Community and Friends, Madera Oversight Coalition, First 5 Madera County, Cultiva La Salud, Chowchilla Senior Center, Central California Hispanic Chamber of Commerce, Cedar Creek Senior Living, and Ahwahnee Hills Regional Park/Community Council. In addition, a total of 113 stakeholders were contacted regarding the Social Pinpoint mapping tool, including several local tribal governments.

Goals and objectives contained within the RTP/SCS are discussed in Chapter 3.

The MCTC, through a consultant, prepared the Madera County Travel Demand Model. The most recent version is from 2019, with a base year of 2018. While the model is constantly updated, there will be a demographic growth forecast update in FY 2023/24 with a major update in approximately 10 years.

The MCTC shares data with other entities, including the California Air Resources Board and local jurisdictions which may need modeling or GIS data for grant applications. The MCTC's philosophy is that the data they generate is not just for them. In fact, the agency recently upgraded its GIS capabilities so as to be able to provide more data to the public.

Claimant Relationships and Oversight

The MCTC does not have a formal productivity committee, though the quarterly meetings with the transit operators can function as such. These meetings include all Madera County operators as well as Yosemite Area Regional Transportation System (YARTS). The MCTC includes a productivity improvement form as part of its TDA claims packet. During SSTAC meetings, transit operators provide updates as to their

recommendations and findings. Such updates are also provided during meetings of the operators' governing bodies.

The RTPA makes technical assistance available to the operators. This includes county-wide transit planning through the SRTP as well as assistance in grant and other reporting and support for grant applications. If the MCTC cannot provide the assistance needed, it refers operators to another agency (such as the state).

The MCTC conducts an unmet transit needs process annually. In recent years there have been a couple of unmet needs identified, and those are being addressed by the local agencies. A recent Grand Jury identified a number of things, but many of them were not under the jurisdiction of either the transit agencies or the MCTC (such as potholes, sidewalks, etc.). While there is never enough money for streets and roads, public works staff are well aware that transit needs must be addressed before LTF monies can be used for non-transit purposes.

Marketing and Transportation Alternatives

Transit operators in Madera County are responsible for their own program marketing. The MCTC does not do much marketing of itself, but promotes the transit operators through its own website, by providing brochures in its lobby, and sharing information on social media.

The marketing the MCTC does is primarily through social media. This includes any marketing of active transportation, unmet transit needs, and public hearings. The MCTC is always trying to grow its presence on social media. It does periodic paid Facebook advertising as well.

The RTPA does not typically get involved in local projects, but will offer input into planning, zoning, or development projects at the request of the local jurisdiction.

Grant Applications and Management

The MCTC does not write grant applications on behalf of local jurisdictions, but will review them and provide technical feedback. It also provides data to support applications, such as for the greenhouse gas tools required for LCTOP applications.

When opportunities for regional funding arise, the MCTC works with the jurisdictions to determine which entity should take the lead. For example, for a recent Safe Routes to Schools application, the MCTC participated and supported the efforts, but ultimately Madera County was best positioned to take the lead. The MCTC may apply for grants to support programs for all operators (such as SB 125).

Chapter 7 | Findings and Recommendations

Conclusions

With two exceptions, we find the MCTC, functioning as the RTPA, 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. The compliance finding and the recommendation for its resolution, as well as modest recommendations intended to improve the effectiveness of the organization as the RTPA, are detailed below.

Findings and Recommendations

Based on the current review, we submit the following TDA compliance findings:

1. Operator TDA fiscal audit reports continued to be submitted late in FY 2020/21 and FY 2021/22.
2. MCTC's State Controller Report was submitted late in FY 2020/21.

The audit team has identified no functional findings.

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

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

Compliance Finding 1: Operator TDA fiscal audit reports continued to be submitted late in FY 2020/21 and FY 2021/22.

Criteria: PUC 99245 requires recipients of TDA funds to submit an annual fiscal audit within 180 days of the end of the fiscal year, or with a 90-day extension which may be granted by the RTPA. With the extension, fiscal audits are due by March 31 following the end of the fiscal year.

Condition: During FY 2020/21 and FY 2021/22, all operator TDA fiscal audits were still being contracted by the MCTC, and all were completed beyond the March 31 deadline. For FY 2022/23, MCTC shifted responsibility for these audits to the individual operators so that they would have more control over and could better integrate the TDA audit process with each entity's other fiscal audits. This issue was carried over from the prior triennial performance audit.

Cause: The prior auditor identified the primary cause of the late audits as being the fiscal auditors starting the audits late. However, the reason for this late start could be attributed to either the data not being available in a timely manner or staffing availability on the part of the auditor.

Effect: When TDA fiscal audits are submitted beyond the established deadline, the operator is out of compliance with the TDA. This can impact an operator’s ability to claim TDA funds.

Recommendation: Work with operators to ensure future TDA fiscal audits are completed within the established timeframe.

Recommended Action: Given the MCTC has already taken steps to resolve this issue, no further action is recommended provided operators are able to successfully manage their own auditor relationships effectively and the audits are submitted on time. Even with the operators managing their own audit contracts, it is still the responsibility of the RTPA under PUC 99245 to ensure no TDA claims are paid until an entity’s audit is submitted if it is not submitted on time.

Timeline: Ongoing.

Anticipated Cost: None.

Management Response: Staff have worked closely with the local agencies to improve the timeliness of the completion of the audits. More responsibility has been placed on the local agency, which should help make the audits completed earlier

Compliance Finding 2: MCTC’s State Controller Report was submitted late in FY 2020/21.

Criteria: CCR 6660 requires RTPAs to submit an annual transactions report to the State Controller within seven months following the end of the fiscal year (typically January 31). These reports are submitted electronically, and submittal automatically generates a cover page that is time-stamped with the date and time the report was submitted.

Condition: The RTPA’s Financial Transaction Report for FY 2020/21 was submitted on March 17, 2022, 45 days after the January 31 deadline. The FY 2021/22 report was submitted on February 1, 2023 (which, while one day late, would not be likely to trigger a finding). The FY 2022/23 report was submitted on time.

Cause: Late submittals may be the result of miscommunications (e.g., if the letters from the State Controller are not addressed to the correct person), extenuating circumstances (such as the responsible party being on leave), or the required data not being available (e.g., waiting for a completed audit). MCTC staff could not identify a specific cause for the late submittal.

Effect: Failure to submit the report on time can result in the RTPA being out of compliance with the TDA.

Recommendation: Ensure the RTPA’s State Controller Financial Transaction Reports are submitted prior to the stated deadline.

Recommended Action: The MCTC should ensure the Financial Transaction Reports are submitted on time. Since two subsequent reports have been submitted largely on time, it is likely this issue has been resolved. As such, no further action is recommended at this time.

Timeline: Ongoing.

Anticipated Cost: None.

Management response: This was an isolated incident. Reports after this date were submitted on time. Staff will continue to ensure that reports are submitted by the required deadlines.

Exhibit 7.1 Audit Recommendations

	TDA Compliance Recommendations	Importance	Timeline
1	Work with operators to ensure future TDA fiscal audits are completed within the established timeframe.	Low*	Ongoing
2	Ensure the RTPA's State Controller Financial Transaction Reports are submitted prior to the stated deadline.	Low*	Ongoing

**Both recommendations are rated low priority as they likely have already been resolved.*

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