

Madera County Transportation Commission (MCTC)



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

Final Report
March 2024



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Chapter 1 | Executive Summary

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.

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 Chowchilla 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 of Chowchilla’s public transit program for the period:

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

The City of Chowchilla currently operates a general public curb-to-curb demand-response service branded as Chowchilla Area Transit (CATX). The service operates Monday through Friday between 7:30 a.m. and 3:30 p.m. The service operates within Chowchilla city limits, with some service to limited destinations outside city limits via the Chowchilla Gold Line, which is also a general public demand-response service. There is a higher fare for Gold Line trips. Discounted multi-ride passes are available for persons age 60 and older, ADA-eligible customers, and students of any age.

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 City staff, analysis of program performance, and an audit of program compliance and function, the audit team presents two compliance findings:

1. The City did not submit its TDA fiscal audits within the established time period in FY 2020/21 or FY 2021/22.
2. The City did not use the TDA definition of full-time equivalent (FTE) employee during the audit period.

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 three recommendations:

1. [Work toward meeting the 10 percent farebox recovery ratio requirement stipulated by the TDA.](#)
Status: Implementation in progress.
2. [Once MCTC has addressed the late submittal of the audits with its auditor, the City should ensure its 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. [Verify with MCTC that one or both efficiency standards are met before claiming the full allocation of STA funding for operations.](#)
Status: Implemented.

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 Chowchilla.

1. The City did not submit its TDA fiscal audits within the established time period in FY 2020/21 or FY 2021/22.
2. The City did not use the TDA definition of full-time equivalent (FTE) employee during the audit period.

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 Transit department is currently understaffed due to an unfilled part-time driver position.
2. There needs to be better communication between Transit and Finance staff regarding audits, fund transfers, etc.

In completing this Triennial Performance Audit, we submit the following recommendations for the City of Chowchilla’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	Work with the City’s auditor to ensure future TDA fiscal audits can be completed within the established timeframe.	High	FY 2023/24
2	Calculate full-time equivalent (FTE) employees using the TDA definition.	Medium	Ongoing
Functional Recommendations		Importance	Timeline
1	The City should consider converting one of its part-time driver positions to a full-time position and resume active recruitment efforts.	High	FY 2024/25
2	Ensure the Transit Supervisor is informed about and has an opportunity to review transit-related activities and documents.	Medium	Ongoing

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Chapter 2 | Audit Scope and Methodology

The Triennial Performance Audit (TPA) of the City of Chowchilla’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 Chowchilla 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 Chowchilla 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 Chowchilla 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 Robin Roman (Transit Supervisor), Abigail Zurita (Fiscal Manager), and Joann McClendon (City Clerk), 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 Chowchilla’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 Chowchilla 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.

Two compliance items were identified for the City of Chowchilla:

1. The City did not submit its TDA fiscal audits within the established time period in FY 2020/21 or FY 2021/22.
2. The City did not use the TDA definition of full-time equivalent (FTE) employee during the audit period.

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	In compliance	FY 2020/21: January 31, 2022 FY 2021/22: January 31, 2023 FY 2022/23: January 30, 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: June 28, 2022 FY 2021/22: June 1, 2022 FY 2022/23: Not provided
Operator's terminal rated as satisfactory by CHP within the 13 months prior to each TDA claim.	PUC 99251 B	In compliance	July 12, 2019 August 18, 2020 August 25, 2021 October 25, 2022 October 5, 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	Not applicable	The transit program operates only in a non-urbanized area.
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	The City does not use Article 8 funds for transit.
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 does not use Article 8 funds for transit.
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: +12.76% FY 2021/22: +10.78% FY 2022/23: +20.75% <i>Increase in FY 2023 due to increase in salary increases.</i>
The operator's definitions of performance measures are consistent with the Public Utilities Code Section 99247.	PUC 99247	Finding	The City did not use the TDA definition during the audit period.
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	The transit program operates only in a non-urbanized area.

Compliance Element	Reference	Compliance	Comments
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	In compliance	FY 2020/21: 6.38% (waived) FY 2021/22: 4.23% (waived) FY 2022/23: 4.28% (waived) <i>FY 2023 calculated using State Controller Report data. Penalties for not meeting the 10% requirement waived under AB 90 and AB 149.</i>
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 City operates a general public demand-response service.
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	Not applicable	This requirement was waived for each year of this audit period under AB 149.

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 Chowchilla 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 three recommendations:

1. [Work toward meeting the 10 percent 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: Fare revenue has increased during the audit period, and the City is utilizing some local revenues to supplement the farebox recovery ratio. However, operating costs have also risen, which has minimized the impact of the increase in fare revenue. The City has been working on making its operations lean. It recently cut its maintenance costs by 90 percent by outsourcing to a local vendor rather than relying on City maintenance. The City is still having trouble finding enough drivers.

Under AB 149, federal funds can be used as local supplementation for the farebox recovery 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. Once MCTC has addressed the late submittal of the audits with its auditor, the City should ensure its 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, there is still time for it to be completed prior to the deadline of March 31, 2024.

Status: Implementation in progress.

3. Verify with MCTC that one or both efficiency standards are met before claiming the full allocation of STA funding for operations.

Discussion: The prior auditor recommended MCTC conduct the STA efficiency tests as part of its annual TDA claims process. The recommendation noted the City should be aware of this requirement and confirm with MCTC that it meets one or both STA efficiency standards before claiming its full allocation of STA funding for operating purposes. If the City does not meet either standard, then the balance would need to be used for capital purposes only.

AB 90, in addition to waiving the penalty for noncompliance with the farebox recovery ratio for two years, also waived the STA qualifying test for FY 2020/21 and FY 2021/22. The prior audit noted this recommendation would not be relevant until 2022/23. However, AB 149 extended the waiver for the qualifying test through FY 2022/23, meaning no action would need to be taken until FY 2023/24.

Progress: Beginning in FY 2023/24, MCTC added the STA efficiency test worksheet to its TDA claim form. The City acknowledged that it has had some STA funds withheld one year and is aware of its responsibility to meet at least one of the efficiency standards to claim its full allocation for operating purpose.

Status: Implemented.

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 Chowchilla both internally as well as to outside entities during the audit period.

Fare revenue, vehicle service hours, vehicle service miles, and ridership were all consistently reported in all three reports reviewed for all three fiscal years. Variances in operating cost are discussed below.

- **Operating cost:** While the operating costs reported in the various reports was similar, there was typically some variance. In FY 2020/21, the amounts reported to the NTD and the State Controller were consistent, but both were less than that reported in the fiscal audit. In FY 2021/22, the amount reported to the State Controller was 1.9 percent lower than that reported to the NTD and 0.6 percent lower than that reported in the fiscal audit. In FY 2022/23, the fiscal audit was not yet available, but the amount reported to the NTD was 13.9 percent lower than that reported to the State Controller.

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>	\$363,541	\$464,336	Not provided
<i>National Transit Database</i>	\$354,434	\$470,475	\$518,952
<i>State Controller Report</i>	\$354,534	\$461,360	\$602,774
Fare Revenue (Actual \$)			
<i>TDA fiscal audit</i>	\$14,193	\$21,645	Not provided
<i>National Transit Database</i>	\$14,192	\$21,645	\$25,827
<i>State Controller Report</i>	\$14,192	\$21,645	\$25,827
Vehicle Service Hours (VSH)			
<i>Monthly Performance Reports</i>	1,434	1,965	2,050
<i>National Transit Database</i>	1,434	1,965	2,050
<i>State Controller Report</i>	1,434	1,965	2,050
Vehicle Service Miles (VSM)			
<i>Monthly Performance Reports</i>	12,563	18,331	19,554
<i>National Transit Database</i>	12,563	18,331	19,554
<i>State Controller Report</i>	12,563	18,331	19,554
Passengers			
<i>Monthly Performance Reports</i>	7,563	11,697	12,742
<i>National Transit Database</i>	7,563	11,697	12,742
<i>State Controller Report</i>	7,563	11,697	12,742
Full-Time Equivalent Employees			
<i>State Controller Report</i>	2	2	2

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:

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.

- Cost in the depreciation and amortization expense object class adopted by the State Controller pursuant to PUC Section 99243,
- 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 Chowchilla, the following sources were employed:

- Operating Cost was not independently calculated as part of this audit. Operating Cost data were obtained via State Controller 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 State Controller 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 State Controller Reports for each fiscal year covered by this audit. The City calculates VSH using driver manifests. The City’s calculation methodology is consistent with PUC guidelines.
- Vehicle Service Miles (VSM) data were obtained via State Controller Reports 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 State Controller Reports 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. The City is not using the TDA definition.

System Performance Trends

System-wide, operating cost experienced a net 65.8 percent increase during the audit period and a 43.2 percent net increase across the six-year period. The net increase over the six-year period was impacted by a significant drop in operating cost during FY 2019/20 and FY 2020/21, the early days of the COVID-19 pandemic. Fare revenue experienced a significant decrease in FY 2020/21, though recovered during the last two years of the audit period. Overall, reported fare revenue increased 82 percent during the audit period.

Vehicle Service Hours (VSH) decreased through FY 2020/21 before increasing in the last two years of the audit period. VSH saw a net 15.4 percent decrease over the six-year period, with most of that occurring during FY 2020/21. During the audit period, VSH experienced a 43 percent increase. A similar pattern was also observed with respect to Vehicle Service Miles (VSM), which had a net 16.9 percent decrease over the six-year period and a 55.6 percent increase during the audit period. Ridership decreased significantly at during FY 2019/20 and FY 2020/21 before increasing in FY 2021/22 and FY 2022/23. Overall, ridership experienced a net increase of 68.5 percent during the audit period, but a decrease of 16.9 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 and vehicle service mile increased during the audit period, reflective of a decline in efficiency, though operating cost

per 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 \$)	\$420,917	\$967,414	\$345,978	\$363,541	\$464,336	\$602,774
<i>Annual Change</i>		129.8%	-64.2%	5.1%	27.7%	29.8%
Fare Revenue (Actual \$)	\$20,489	\$26,332	\$25,578	\$14,193	\$21,645	\$25,827
<i>Annual Change</i>		28.5%	-2.9%	-44.5%	52.5%	19.3%
Vehicle Service Hours (VSH)	2,422	2,143	1,939	1,434	1,965	2,050
<i>Annual Change</i>		-11.5%	-9.5%	-26.0%	37.0%	4.3%
Vehicle Service Miles (VSM)	23,524	22,797	16,022	12,563	18,331	19,554
<i>Annual Change</i>		-3.1%	-29.7%	-21.6%	45.9%	6.7%
Passengers	15,337	17,027	12,079	7,563	11,697	12,742
<i>Annual Change</i>		11.0%	-29.1%	-37.4%	54.7%	8.9%
Employees	4	4	4	2	2	2
<i>Annual Change</i>		0.0%	0.0%	-50.0%	0.0%	0.0%
Performance Indicators						
Operating Cost/VSH (Actual \$)	\$173.79	\$451.43	\$178.43	\$253.52	\$236.30	\$294.04
<i>Annual Change</i>		159.8%	-60.5%	42.1%	-6.8%	24.4%
Operating Cost/Passenger (Actual \$)	\$27.44	\$56.82	\$28.64	\$48.07	\$39.70	\$47.31
<i>Annual Change</i>		107.0%	-49.6%	67.8%	-17.4%	19.2%
Passengers/VSH	6.33	7.95	6.23	5.27	5.95	6.22
<i>Annual Change</i>		25.5%	-21.6%	-15.3%	12.9%	4.4%
Passengers/VSM	0.65	0.75	0.75	0.60	0.64	0.65
<i>Annual Change</i>		14.6%	0.9%	-20.1%	6.0%	2.1%
Farebox Recovery	4.9%	2.7%	7.4%	3.9%	4.7%	4.3%
<i>Annual Change</i>		-44.1%	171.6%	-47.2%	19.4%	-8.1%
Hours/Employee	605.5	535.8	484.8	717.0	982.5	1025.0
<i>Annual Change</i>		-11.5%	-9.5%	47.9%	37.0%	4.3%
TDA Non-Required Indicators						
Operating Cost/VSM	\$17.89	\$42.44	\$21.59	\$28.94	\$25.33	\$30.83
<i>Annual Change</i>		137.2%	-49.1%	34.0%	-12.5%	21.7%
VSM/VSH	9.71	10.64	8.26	8.76	9.33	9.54
<i>Annual Change</i>		9.5%	-22.3%	6.0%	6.5%	2.2%
Fare/Passenger	\$1.34	\$1.55	\$2.12	\$1.88	\$1.85	\$2.03
<i>Annual Change</i>		15.8%	36.9%	-11.4%	-1.4%	9.5%

Sources: FY 2017/18 – FY 2019/20 data from prior Triennial Performance Audit report.
FY 2020/21 – FY 2022/23 data from State Controller Reports.

Exhibit 6.2 System Ridership

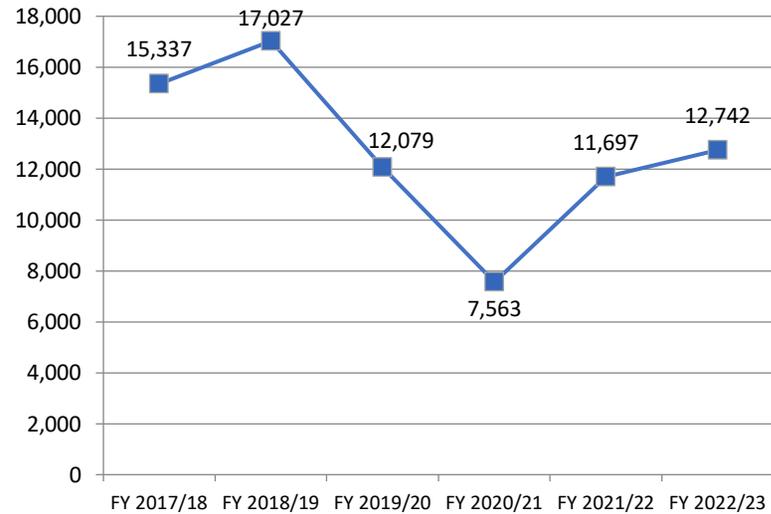


Exhibit 6.3 System Operating Cost/VSH

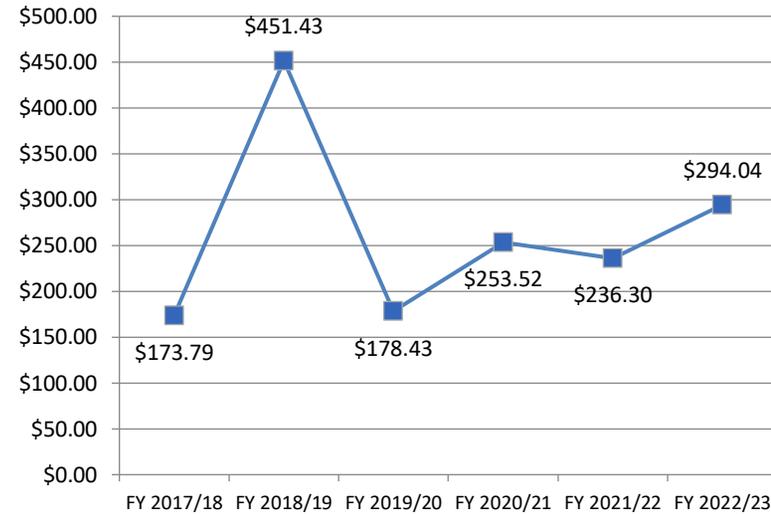


Exhibit 6.4 System Operating Cost/VSM

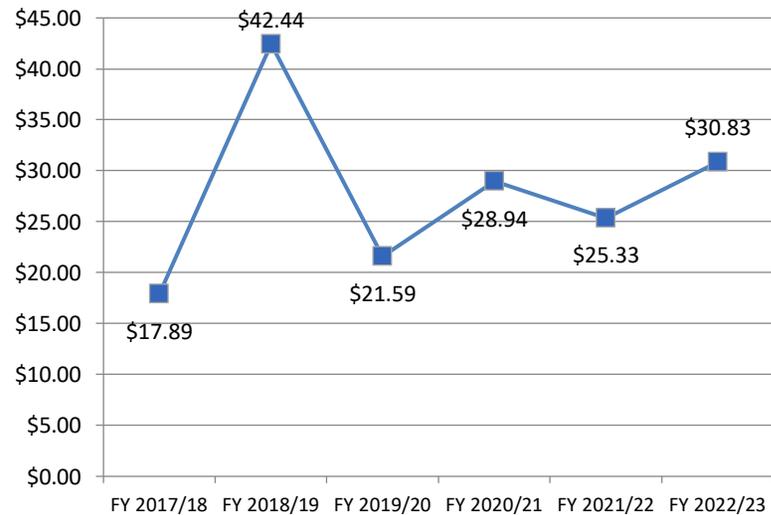


Exhibit 6.5 System VSM/VSH

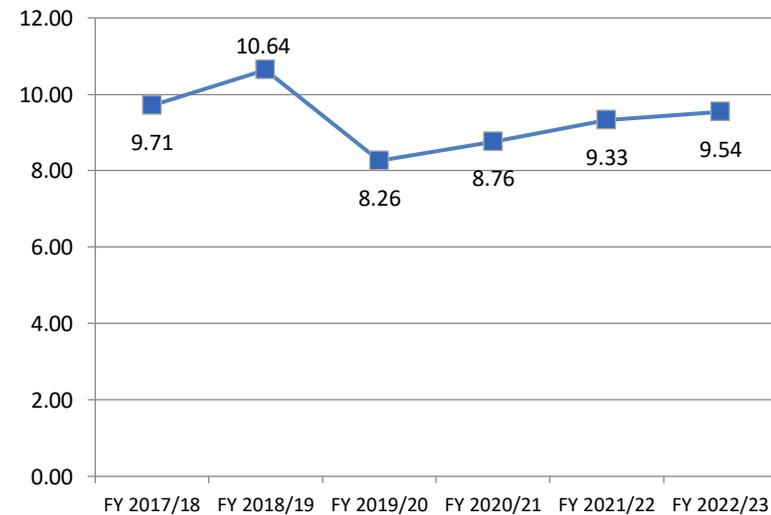


Exhibit 6.6 System Operating Cost/Passenger

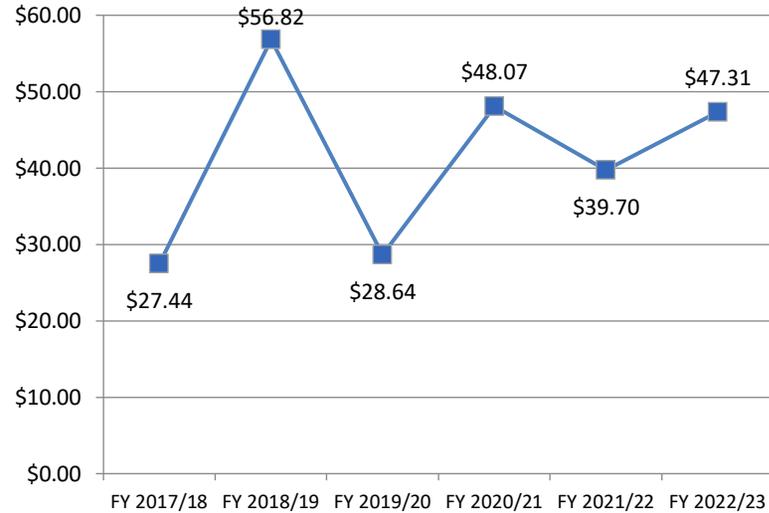


Exhibit 6.7 System Passengers/VSH

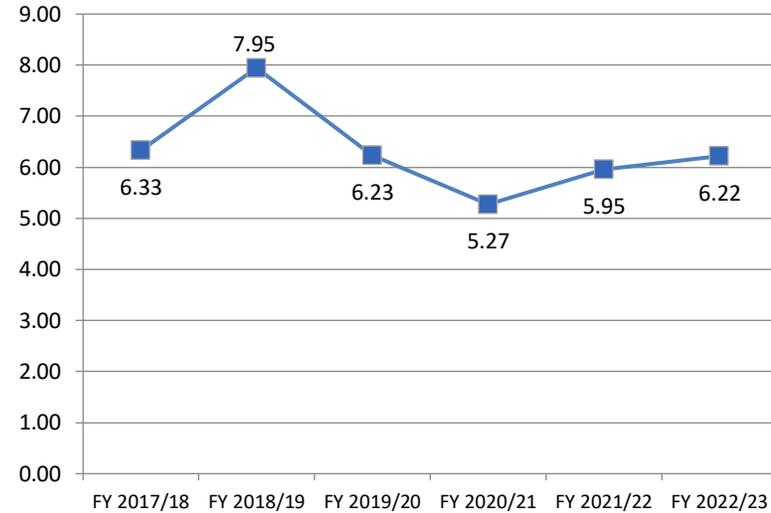


Exhibit 6.8 System Passengers/VSM

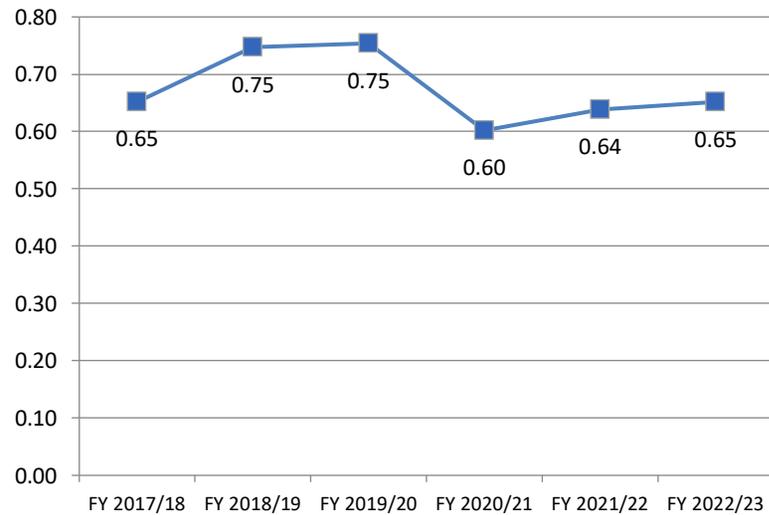


Exhibit 6.9 System VSH/FTE

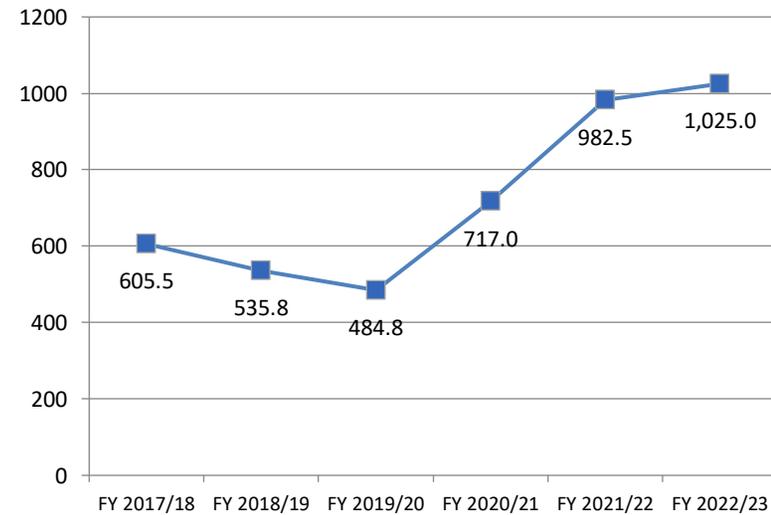


Exhibit 6.10 System Farebox Recovery

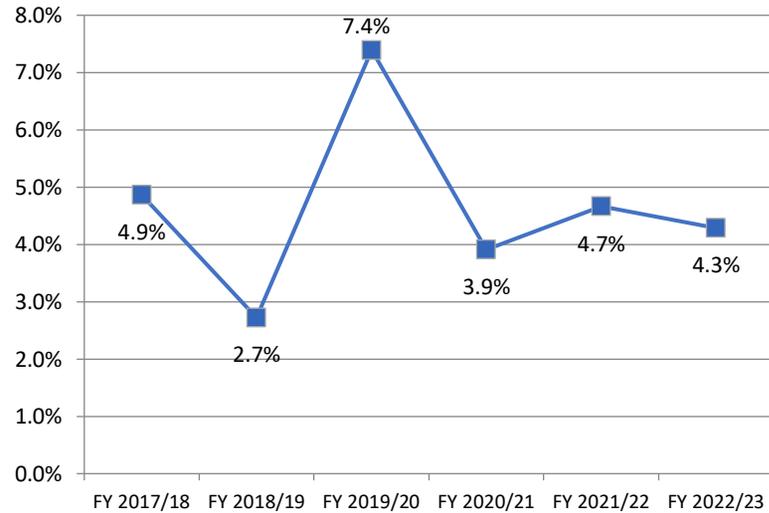
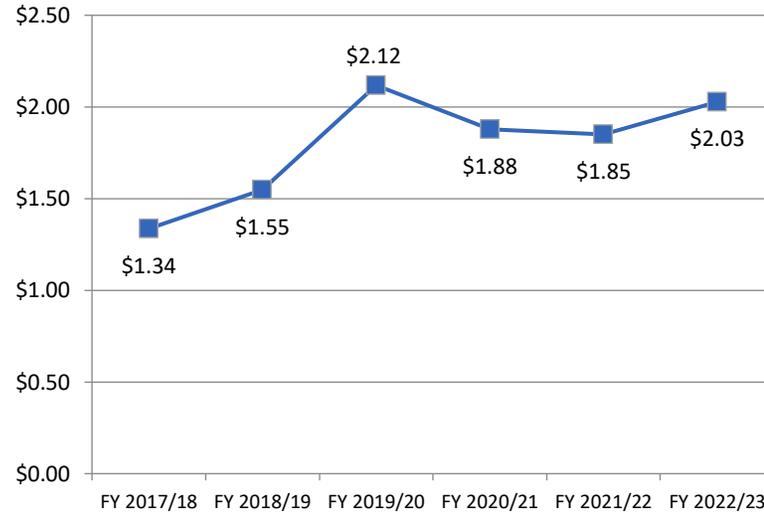


Exhibit 6.11 System Fare/Passenger



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Chapter 7 | Functional Review

A functional review of the City of Chowchilla’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 Chowchilla currently operates a general public curb-to-curb demand-response service branded as Chowchilla Area Transit (CATX). The service operates Monday through Friday between 7:30 a.m. and 3:30 p.m. The service operates within Chowchilla city limits, with some service to limited destinations outside city limits via the Chowchilla Gold Line, which is also a general public demand-response service. There is a higher fare for Gold Line trips. Discounted multi-ride passes are available for persons age 60 and older, ADA-eligible customers, and students of any age.

Exhibit 7.1 Chowchilla Area Transit Fare Structure

Fare Type	Price
General public cash (within city limits)	\$2.00
General public ticket (within city limits)	\$2.00
Chowchilla Gold Line (outside city limits)	\$3.00
Children 3 years and younger	Free
10-ride general public pass	\$20.00
10-ride senior (60+)/ADA pass	\$15.00
20-ride student pass	\$34.00

Response to COVID-19 pandemic

The City did not make any changes to its service or fares during the COVID-19 pandemic. It did implement safety measures including the installation of driver shields; use of sanitizing spray, gloves, and masks; and reduced capacity onboard the buses. Once such measures were no longer mandated, the City kept the driver enclosures and sanitizing practices, but no longer restricts capacity. Some individuals still choose to wear masks and gloves, but they are not required.

The most significant lesson learned from the COVID-19 response was to not wait to take action. If they had waited to order personal protective equipment (PPE) and other supplies, they would not have been able to get them in a timely manner. The City also made a concerted effort to show transit drivers they were being protected and that their health and safety was a priority. Because the City was taking things

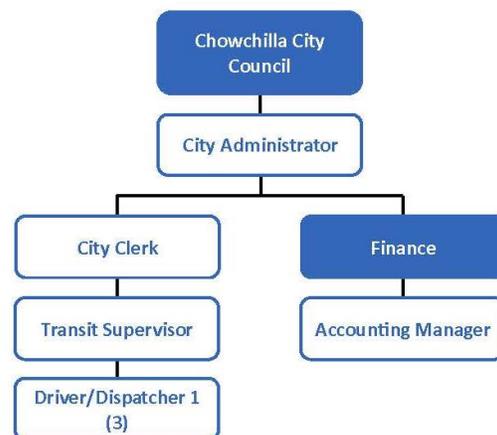
seriously and providing protective equipment, the drivers’ morale was higher. The City continues to maintain a supply of protective equipment in case there is a future need for it. The pandemic also helped the City to learn to collaborate with other agencies that had more resources.

General Management and Organization

The City’s transit program is operated in-house by City staff. Management monitors program performance by reviewing reports, conducting ride-alongs with drivers, and taking customer phone calls. Management tries to monitor the “pulse” of the city as well to anticipate challenges and issues. The City uses Mobilitat software to track performance. Staff is pleased with the product and utilizes an annual subscription to receive assistance with report generation.

The primary challenge during the audit period has been staffing. Management believes its could use an additional 0.5 FTE, which could be accomplished by making one of the part-time driver positions a full-time position. Current staffing is shown in Exhibit 7.2. The three driver/dispatchers include two full-time drivers and one part-time driver position, which was unfilled at the time of the site visit.

Exhibit 7.2 Organizational Chart



The Chowchilla City Council is the governing body for the City’s transit program. The City Council meets on the second and fourth Tuesday of the month at 4:00 p.m. There is no transit service available to City Council meetings, as the service ends its daily operation with its last scheduled trip at 3:30 p.m. During the audit period, members of the council have expressed an interest in grant funding, especially for vehicle replacement and electrification.

The City has a good working relationships with MCTC as the RTPA, other transit operators in the region, and Caltrans. MCTC has been especially supportive. The Transit Supervisor attends the Central Valley Transit Managers’ group meetings. The City is also is a member of CalACT. It considered joining the American Public Transit Association (APTA) or another industry organization prior to the COVID-19 pandemic, but never did.

Service Planning

The RTPA is primarily responsible for short range planning for the City of Chowchilla. 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. While the SRTP does contain goals, objectives, and performance standards, the City does not regularly compare its performance against them, instead trying to perform the best it can. Most of the recommendations for the City contained within the current SRTP are not significant changes, and the City has not implemented them. Instead, the City focuses on keeping its buses in a regular rotation and all maintenance and repairs up to date.

The City has completed its Zero-Emission Bus Rollout Plan, which was accepted by CARB. SB 125 funds available through MCTC are expected to provide the City with two charging stations and a couple of electric buses.

Administration

The Transit Supervisor, City Clerk, and Fiscal Manager work together to develop the annual transit budget. The Finance Director takes the budget to the City Administrator, and then it goes to the City Council. Finance takes care of all aspects not directly related to a grant or project (such as benefits, salaries, etc.). Actuals are compared to budgeted amounts throughout the year. A formal review is conducted mid-year. Amendments are made throughout the year on an as-needed basis. This information is taken to the City Council prior to adoption, at the time of adoption, and at the mid-year review. All grants also go to Council for a resolution before applications are submitted.

The City uses Tyler ERP Pro to manage its financial data. Funds can be moved between line items through a budget amendment, which is reviewed by Finance and approved by the City Administrator. The same process is used if new funds must be added.

While the City does not apply for many competitive grants, it does maintain a list of projects it would like to accomplish. Staff attend CalACT conferences, research grants, and use information provided by MCTC. The City looks at its needs and sees what it can get. It is using a consultant to assist with its SB 125 application. There are some grants the City would like to apply for, but does not have the staff, time, or knowledge to pursue them. The Transit Supervisor is responsible for managing grants.

The Human Resources Manager is responsible for handling risk management. The City as a defined procedure for processing accident and injury claims. The City is a member of the Central San Joaquin Valley Risk Management Authority (CSJVRMA). Risk management is also responsible for reviewing the City's safety practices. The City participates in the County of Madera's Emergency Operations Plan, though it also has an informal plan for internal use. There is no formal role for transit in the plan, but may be called upon to provide transportation for evacuations.

The maintenance vendor contract is the only contract managed by Transit. The County is primarily responsible for cleaning the two shelters in Chowchilla because they are on its route, though the City's Public Works department will provide maintenance if necessary. The Transit facility is shared with Public Works.

Employees submit timesheets for payroll. Timesheets are submitted electronically through the Tyler ERP Pro system. The Transit Supervisor approves driver timesheets, and the City Clerk approves the Transit Supervisor's timesheet. All timesheets go to Finance for payroll processing. Personal information and payroll data are securely managed. All transit employees use direct deposit, as do most other City employees.

The City has a procurement handbook. The Transit Supervisor verifies that goods and services that are received are what is invoiced, then submits the invoices for payment. The City adheres to FTA guidelines for procurement to ensure federally funded projects are in compliance with grant sources. All purchases over \$50,000 must be approved by the City Council. The City uses the CalACT bid to purchase vehicles.

Marketing and Public Information

The City of Chowchilla markets its transit program through brochures, the City's transit website, and the MCTC website. Staff have not done as much outreach during this audit period due to being short staffed. They normally take flyers to schools, social service offices, etc. The Transit Supervisor would like to get back to doing that. The City does not have a current marketing plan and does not conduct advertising or promotional campaigns beyond basic service information.

Transit information is posted on the City's Facebook page. Transit does not currently use an app to provide service information or fare payment, but would like to implement one using SB 125 funding.

The Mobilitat software tracks all denials, no shows, and cancellations. The City tries to log all transit calls it receives. Most complaints are resolved right away, and others by the next business day. There have not been any major issues.

The public's overall perception of the transit program is very positive. It is especially popular with seniors, who say they "don't know what they would do without it." There are still a lot of people in town who do not know the service is for the general public and think it is just for seniors and persons with disabilities.

Scheduling, Dispatch, and Operations

Drivers are represented by the Chowchilla Office Employees Association. The City currently employs two full-time drivers and a Transit Supervisor. One part-time driver position was vacant as of the time of the site visit, and has been for nearly two years. The Transit Supervisor would like to make the part-time position into a full-time position, both to make it easier to fill the position and to provide additional administrative support.

The Transit Supervisor possesses a commercial license but does not drive. Currently one driver drives while the other dispatches. If there is demand for a second vehicle, the second driver goes out to drive and the Transit Supervisor dispatches. Typically the Lead Driver does the dispatching, as the second driver prefers to drive. The second driver is only licensed to drive the vans, while the Lead Driver can drive any of the vehicles. Drivers choose which vehicle to take out each day, depending on what is available (not signed out by the mechanic). If one driver calls out, the Transit Supervisor dispatches all day.

Vehicles are equipped with Diamond drop fareboxes. Once a week, at the end of the shift, the drivers come into the Transit office and get the key to take out the farebox. The Transit Supervisor counts the

money in her office, then takes it to Finance. Finance does a second count and checks fares against the ridership. The Transit Supervisor has a safe in her office if the money cannot be counted right away.

Finance sells non-cash fare media and processes the revenue. Passes can be purchased over the phone or in person. The City does not yet offer mobile ticketing.

Personnel Management and Training

The City is in the process of changing its requirements for drivers due to the challenge in recruiting individuals who already have a commercial license. It will be taking candidates that have a regular Class C license for an entry-level position. Drivers will, however, need to obtain a commercial license in order to be eligible for promotion. The City will provide assistance with the commercial licensing process, including paying behind-the-wheel hours during training. The City currently recruits through a CalOps posting, the City website, and social media. Employment applications are also available in the lobby of the Transit office.

Management motivates employees by letting them know they are valuable. They strive to share with employees that they understand what it is like to be out there driving by themselves. They also reassure drivers that they are continuing to look for another driver.

There is little turnover among the full-time drivers – both have been in their positions approximately seven years. There is high turnover in the part-time position, and little to no interest at present. Operations staff receive annual job performance evaluations.

The Transit Supervisor is responsible for driver training. The City uses the RTAP manual, website resources, and videos. She also attends trainings and passes information on to drivers. They also discuss issues specific to the Chowchilla transit service. Safety meetings are informal but frequent, with constant communications. The Transit Supervisor would like to send the drivers to trainings, but is unable to because they are both needed to drive and dispatch.

Maintenance

The City began using a contracted mechanic for transit vehicle maintenance about five or six years ago. Other vendors are used for repairs as needed. The City uses an A/B preventive maintenance (PM) schedule. This is not required for the vans, but it is still used for them. Preventive maintenance is conducted every 45 days. PM dates are listed on a board in the transit office so that everyone is aware of when the next one is due. Drivers do a pre-trip inspection before each shift, and the mechanic comes in to do the PMs when they are due. If a vehicle breaks down, the driver notifies the Transit Supervisor by radio, and she calls the mechanic and a tow truck if necessary. If there are passengers on board, the Transit Supervisor will bring out a replacement bus, then wait with the downed bus for the mechanic.

The City has four active vehicles, which is sufficient to accommodate maintenance. Warranty repairs are effectively identified. Maintenance records are stored in the transit operations office. Vehicles are equipped with mobile data terminals (tablets).

Exhibit 7.3 City of Chowchilla’s Transit Fleet

Bus #	Year	Make & Model	Pax + WC	FY 2022/23 Mileage	Status
29-08	2008	Ford El Dorado Cutaway	16 + 2	95,554	Retired
20-11	2010	Ford Star Trans	16 + 2	83,495	Retired
22-12	2011	Ford F350 Star Trans	16 + 2	75,077	Active
21-17	2017	Ford Transit 350 HD Van	8 + 1	42,298	Active
29-17	2017	Ford E450 Glaval Cutaway	12 + 2	43,858	Active
13023	2022	Ford Transit 350 EL Van	8 + 2	665	Active

Chapter 8 | Findings and Recommendations

Conclusions

With two exceptions, Moore & Associates finds the City of Chowchilla 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 two compliance findings:

1. The City did not submit its TDA fiscal audits within the established time period in FY 2020/21 or FY 2021/22.
2. The City did not use the TDA definition of full-time equivalent (FTE) employee during the audit period.

The audit team has identified two functional findings. While these finding are not compliance findings, the audit team believes they warrant inclusion in this report:

1. The Transit department is currently understaffed due to an unfilled part-time driver position.
2. There needs to be better communication between Transit and Finance staff regarding audits, fund transfers, etc.

Program Recommendations

In completing this Triennial Performance Audit, the auditors submit the following recommendations for the City'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 did not submit its TDA fiscal audits within the established time period in FY 2020/21 or FY 2021/22.

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.

Condition: In FY 2020/21, the City's TDA fiscal audit was completed on June 28, 2022. This was nearly three months after the deadline established under PUC 99245. In FY 2021/22, the audit was completed on June 1, 2023, more than two months after the deadline.

Cause: In FY 2020/21 and FY 2021/22, responsibility for the fiscal audit was with MCTC. As such, the City had little control over the timing of the audit.

Effect: 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 2: The City did not use the TDA definition of full-time equivalent (FTE) employee during the audit period.

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: According to the information provided by the City, the FTE calculation divides the total number of hours by 2,080 rather than 2,000. This is not consistent with the TDA definition.

From the definition cited above, an "employee" is defined as 2,000 work hours. Since it specifies work hours, this does not include paid time off, sick time, or other non-work time. A full-time employee who gets a standard two weeks of time off can be assumed to work 2,000 hours, which is why the TDA uses the 2,000 hours figure. The focus is on the number of hours worked, not how many hours are paid.

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 by failing to use the TDA definition for this metric.

Recommendation: Calculate full-time equivalent (FTE) employees using the TDA definition.

Recommended Action: Utilize the TDA definition of full-time equivalent employee (e.g., divide total hours worked by 2,000) when calculating full-time equivalent (FTE) employees for the State Controller Report.

Timeline: Ongoing.

Anticipated Cost: None.

Management Response: The City acknowledged the need to use the TDA definition for calculating Employees on its State Controller Report, and said it would ensure that definition is used for reporting beginning with the FY 2023/24 report.

Functional Finding 1: The Transit department is currently understaffed due to an unfilled part-time driver position.

Criteria: One of the components evaluated under the General Management and Organization functional area is whether the operator’s internal organizational structure is effective given the operator’s size and functions performed.

Condition: During the site visit and discussions with the operator, the audit team determined the organization could benefit from the addition of another full-time employee. The program is currently staffed with a Transit Supervisor and two full-time drivers. There is also a vacant position for a part-time driver, which has been vacant for nearly two years. The Transit department could use an additional 0.5 FTE to assist with program administration. With the part-time driver position, there is essentially a gap of 1.0 FTE at present.

With no part-time driver/dispatcher, the Transit Supervisor must fill in as a dispatcher any time one of the drivers calls out, or if demand is such that both drivers must be driving. This impacts the Transit Supervisor’s ability to cover administrative duties.

Cause: The part-time position is difficult to fill. Without the additional support of a part-time driver/dispatcher, this makes the need for administrative support even more critical.

Effect: This causes the City to be chronically understaffed.

Recommendation: The City should consider converting one of its part-time driver positions to a full-time position and resume active recruitment efforts.

Recommended Action: Filling the part-time position would provide sufficient dispatch or driving coverage for these situations. Making that position full-time would not only solve the coverage issue, but also provide additional administrative support for the Transit Supervisor. Given the part-time position is very difficult to staff, making the position full-time is likely to attract more interest.

Timeline: FY 2024/25.

Anticipated Cost: The City would need to expand the budget for this position from part-time to full-time, inclusive of salary and benefits, and conduct recruitment activities.

Functional Finding 2: There needs to be better communication between Transit and Finance staff regarding audits, fund transfers, etc.

Criteria: One of the components evaluated under the General Management and Organization functional area is whether the operator’s management regularly receives, reviews, and acts appropriately upon financial information.

Condition: At present, many of the financial components of the City’s Transit program are handled within the Finance department. Communication of financial matters with the Transit Supervisor is inconsistent. As a result, the Transit Supervisor is not always aware of, and often does not have an opportunity to review, transit-related documents and reports.

Cause: Given the City of Chowchilla is a small municipal operator, various functions are assigned to different City departments.

Effect: As such, there may not be optimal communication regarding matters managed by a department other than Transit.

Recommendation: Ensure the Transit Supervisor is informed about and has an opportunity to review transit-related activities and documents.

Recommended Action: This recommendation should not be construed as recommending Finance seek the Transit Supervisor’s approval on items such as TDA fiscal audits, Transit Operator Financial Transaction Reports, and the like. Rather, such reports should be provided to the Transit Supervisor for review prior to their submittal for her review. This will provide “another set of eyes” on the documents, which can be especially important when a report contains performance data as well. Auditors and Finance staff may not catch typographical errors in performance data, for example, while the Transit Supervisor would. With respect to other activities (such as reimbursements, the status of audits, etc.), informing the Transit Supervisor as a courtesy can help keep her better informed about the program she is managing.

Timeline: Ongoing.

Anticipated Cost: None.

Exhibit 8.1 Audit Recommendations

TDA Compliance Recommendations		Importance	Timeline
1	Work with the City’s auditor to ensure future TDA fiscal audits can be completed within the established timeframe.	High	FY 2023/24
2	Calculate full-time equivalent (FTE) employees using the TDA definition.	Medium	Ongoing
Functional Recommendations		Importance	Timeline
1	The City should consider converting one of its part-time driver positions to a full-time position and resume active recruitment efforts.	High	FY 2024/25
2	Ensure the Transit Supervisor is informed about and has an opportunity to review transit-related activities and documents.	Medium	Ongoing

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