



San Joaquin Council of Governments

Triennial Performance Audit of
the City of Manteca for the period
FY 2021/22 - FY 2023/24



SAN JOAQUIN
COUNCIL OF GOVERNMENTS
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Table of Contents

Chapter 1 Executive Summary	1
Chapter 2 Audit Scope and Methodology	5
Chapter 3 Program Compliance	9
Chapter 4 Prior Recommendations	15
Chapter 5 Data Reporting Analysis	19
Chapter 6 Performance Analysis	21
Chapter 7 Functional Review.....	39
Chapter 8 Findings and Recommendations	47



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Table of Exhibits

Exhibit 1.1 Summary of Audit Recommendations	3
Exhibit 3.1 Transit Development Act Compliance Requirements	11
Exhibit 5.1 Data Reporting Comparison.....	20
Exhibit 6.1 System Performance Indicators	24
Exhibit 6.2 System Ridership	25
Exhibit 6.3 System Operating Cost/VSH	25
Exhibit 6.4 System Operating Cost/VSM.....	25
Exhibit 6.5 System VSM/VSH.....	25
Exhibit 6.6 System Operating Cost/Passenger	26
Exhibit 6.7 System Passengers/VSH	26
Exhibit 6.8 System Passengers/VSM.....	26
Exhibit 6.9 System VSH/FTE	26
Exhibit 6.10 System Farebox Recovery	27
Exhibit 6.11 System Fare/Passenger.....	27
Exhibit 6.12 Fixed-Route Performance Indicators.....	29
Exhibit 6.13 Fixed-Route Ridership.....	30
Exhibit 6.14 Fixed-Route Operating Cost/VSH	30
Exhibit 6.15 Fixed-Route Operating Cost/VSM	30
Exhibit 6.16 Fixed-Route VSM/VSH	30
Exhibit 6.17 Fixed-Route Operating Cost/Passenger.....	31
Exhibit 6.18 Fixed-Route Passengers/VSH	31
Exhibit 6.19 Fixed-Route Passengers/VSM	31
Exhibit 6.20 Fixed-Route VSH/FTE.....	31
Exhibit 6.21 Fixed-Route Farebox Recovery.....	32
Exhibit 6.22 Fixed-Route Fare/Passenger	32
Exhibit 6.23 Demand-Response Performance Indicators	34
Exhibit 6.24 Demand-Response Ridership	35
Exhibit 6.25 Demand-Response Operating Cost/VSH.....	35
Exhibit 6.26 Demand-Response Operating Cost/VSM.....	35
Exhibit 6.27 Demand-Response VSM/VSH.....	35
Exhibit 6.28 Demand-Response Operating Cost/Passenger	36
Exhibit 6.29 Demand-Response Passengers/VSH.....	36
Exhibit 6.30 Demand-Response Passengers/VSM.....	36
Exhibit 6.31 Demand-Response VSH/FTE	36
Exhibit 6.32 Demand-Response Farebox Recovery	37
Exhibit 6.33 Demand-Response Fare/Passenger.....	37



Exhibit 7.1 Fixed-Route Fare Structure 39

Exhibit 7.2 Demand-Response Fare Structure 40

Exhibit 7.3 Organizational Chart..... 41

Exhibit 7.4 City of Manteca Transit Fleet 46

Exhibit 8.1 Audit Recommendations 51

Chapter 1 | Executive Summary

In 2024, the San Joaquin Council of Governments (SJCOC) selected Moore & Associates, Inc., to prepare Triennial Performance Audits of itself as the RTPA and the seven 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.

As it receives no funding under Article 4, the City of Manteca is not statutorily required to undergo a Triennial Performance Audit, nor has it traditionally been held to the requirements of the TDA. However, the SJCOC, as the RTPA, includes the City in the Triennial Performance Audit process to provide a comprehensive and objective insight into program performance.

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

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

- Fiscal Year 2021/22,
- Fiscal Year 2022/23, and
- Fiscal Year 2023/24.

The City of Manteca provides bus and paratransit services within city boundaries. The City operates four fixed routes plus an ACE station shuttle. All routes operate Monday through Friday, while three of the routes provide service on Saturday. The fixed routes operate 6:00 a.m. to 7:00 p.m., while the ACE shuttle operates two round trips in the morning and three round trips in the afternoon. Saturday service runs between 9:00 a.m. and 4:00 p.m. Route 4 operates Monday through Friday between 6:00 a.m. and 7:00 p.m. only.

Manteca Transit also provides complementary ADA Paratransit service for persons age 62 and older, Medicare cardholders, and ADA-certified individuals. It is an origin to destination transportation service. The Dial-A-Ride (DAR) service is a similar door-to-door, shared ride demand response service for certified individuals. Service hours mirror the fixed-route hours. Saturday service is open to the general public. Trips can be scheduled within Manteca city limits as well as the Lathrop/Manteca ACE Station.

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 three compliance findings:

1. State Controller Reports were submitted after the January 31 deadline for FY 2021/22, FY 2022/23, and FY 2023/24.
2. TDA fiscal audits for FY 2021/22, FY 2022/23, and FY 2023/24 have yet to be completed.
3. Compliance with CCR 6634 could not be assessed because the City has yet to submit TDA fiscal audits for any year of the audit period.

Status of Prior Recommendations

The prior audit – completed in March 2022 by Moore & Associates, Inc. for the three fiscal years ending June 30, 2021 – included five recommendations:

1. Ensure responsibility for completing annual State Controller Reports is clearly designated and submittal deadlines are clearly communicated.
Status: Not implemented.
2. Work with the City's fiscal auditors and the SJCOG TDA auditors to complete outstanding prior audits and ensure on-time completion of future audits.
Status: Not implemented.
3. Once TDA audits have been completed, submit TDA claims for FY 2019/20 and FY 2020/21.
Status: Implemented.
4. Effectively document full-time equivalent (FTE) employees using the TDA definition for each year of the next audit period.
Status: Implemented.



5. Ensure full-time equivalent (FTE) employees calculated using the TDA definition are reported on the State Controller Reports.

Status: Implementation in progress.

Findings and Recommendations

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

1. State Controller Reports were submitted after the January 31 deadline for FY 2021/22, FY 2022/23, and FY 2023/24.
2. TDA fiscal audits for FY 2021/22, FY 2022/23, and FY 2023/24 have yet to be completed.
3. Compliance with CCR 6634 could not be assessed because the City has yet to submit TDA fiscal audits for any year of the audit period.

The audit team has identified one functional finding. While this finding is not a compliance findings, the audit team believes it warrants inclusion in this report:

1. The City would benefit from the addition of a Transit Finance position to assist with grants, reporting, and TDA claims.

In completing this Triennial Performance Audit, we submit the following recommendations for the City’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 auditors to ensure on-time submittal of the State Controller Reports.	High	FY 2024/25
2	Work with City and TDA auditors to ensure the TDA fiscal audits can be completed no later than March 31 of the year following the end of the fiscal year.	High	FY 2024/25
3	Ensure that TDA claims for FY 2022/23 and FY 2023/24 are based on actual operating costs so that the City only claims what it is eligible to receive for those years.	High	FY 2024/25
Functional Recommendations		Importance	Timeline
1	Include a new Transit Finance position in the budget for FY 2025/26.	Medium	FY 2025/26



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Chapter 2 | Audit Scope and Methodology

The Triennial Performance Audit (TPA) of the City of Manteca’s public transit program covers the three-year period ending June 30, 2021. 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 2024, the San Joaquin Council of Governments selected Moore & Associates, Inc., to prepare Triennial Performance Audits of itself as the RTPA and the seven 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 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 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 Manteca 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 review included a site visit to the Manteca Transit Center (220 Moffat Blvd., Manteca) on September 26, 2024. The audit team met with Juan Portillo (Transit Manager), Marlyn Pena (Accountant), Celine Reeder (Administrative Analyst), Christian Pereira (General Manager), and Frank Kemp (Operations/Safety Manager), 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 Manteca’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 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.

The City of Manteca does not use any TDA Article 4 funding for transit and therefore is not statutorily required to be audited, nor has it traditionally been held to the requirements of the TDA. However, the San Joaquin Council of Governments, as the RTPA, requested the City be audited to provide a support a comprehensive and objective review of program performance.

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

Three compliance items were identified for the City of Manteca:

1. State Controller Reports were submitted after the January 31 deadline for FY 2021/22, FY 2022/23, and FY 2023/24.
2. TDA fiscal audits for FY 2021/22, FY 2022/23, and FY 2023/24 have yet to be completed.
3. Compliance with CCR 6634 could not be assessed because the City has yet to submit TDA fiscal audits for any year of the audit period.

Developments Occurring During the Audit Period

For many operators, the FY 2021/22 – FY 2023/24 audit period reflected both the acute impacts of and recovery from the COVID-19 pandemic. By the end of the audit period – even earlier in some cases – most operators had exhausted federal relief funds, even though penalties for non-compliance with farebox recovery ratios continued to be waived. Many operators, even more than four years after the onset of the pandemic, still struggle with ridership that has yet to recover to pre-pandemic levels.

Given this is not the first Triennial Performance Audit to be conducted since the COVID-19 pandemic, this report will not focus on actions taken as a result of the health crisis. Instead, the compliance review, functional review, and resulting recommendations will focus on ensuring program sustainability once penalty waivers and other emergency legislation have ended.

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. Assembly Bill 149, signed into law on July 16, 2021, provided additional regulatory relief by extending the provisions of AB 90 through FY 2022/23 and adjusting definitions of eligible revenues and operating costs. Most recently, Senate Bill 125, signed into law on July 10, 2023, extended protections provided via earlier legislation through FY 2025/26. While this means the audit period covered by this audit is fully exempt from penalties for non-compliance with the farebox

recovery ratio, for example, it also means that transit operators will likely need to be in compliance by the last year of the next audit period.

While the ability to maintain state mandates and performance measures is important, these measures enable transit operators to adjust to the impacts of COVID while continuing to receive their full allocations of funding under the TDA.

Together, these three pieces of legislation include the following provisions specific to transit operator TDA funding under Article 4 and Article 8:

1. Prohibits the imposition of the TDA revenue penalty on an operator that did not maintain the required ratio of fare revenues to operating cost from FY 2019/20 through FY 2025/26.
2. Expands the definition of “local funds” to enable the use of federal funding to supplement fare revenues and allows operators to calculate free and reduced fares at their actual value.
3. Adjusts the definition of operating cost to exclude the cost of ADA paratransit services, demand-response and microtransit services designed to extend access to service, ticketing/payment systems, security, some pension costs, and some planning costs.
4. Allows operators to use STA funds as needed to keep transit service levels from being reduced or eliminated through FY 2025/26.

SB 125 calls for the establishment of the Transit Transformation Task Force to develop policy recommendations to grow transit ridership and improve the transit experience for all users. In the 50-plus years since introduction of the Transportation Development Act, there have been many changes to public transportation in California. Many operators have faced significant challenges in meeting the farebox recovery ratio requirement, calling into question whether it remains the best measure for TDA compliance. In 2018, the chairs of California’s state legislative transportation committees requested the California Transit Association spearhead a policy task force to examine the TDA, which resulted in a draft framework for TDA reform released in early 2020. The Transit Transformation Task Force is required to submit a report of its findings and policy recommendations to the State Legislature by October 31, 2025. This report is expected to include recommendations for TDA reform, which may impact the next Triennial Performance Audit period.



Exhibit 3.1 Transit Development Act Compliance Requirements

Compliance Element	Reference	Compliance	Comments
State Controller Reports submitted on time.	PUC 99243	Finding	FY 2021/22: April 11, 2023 FY 2022/23: March 20, 2024 FY 2023/24: March 6, 2025
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 2021/22: <i>Pending</i> FY 2022/23: <i>Pending</i> FY 2023/24: <i>Pending</i>
Operator’s terminal rated as satisfactory by CHP within the 13 months prior to each TDA claim.	PUC 99251 B	In compliance	November 30, 2020 November 29, 2021 December 15, 2022 December 12, 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	
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	Does not apply to contracted operations subject to performance criteria.
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	In compliance	In order to be judged compliant, the City of Manteca must meet at least two of three performance criteria and demonstrate at least 10 percent of its operating revenues are non-TDA. <ul style="list-style-type: none"> • Operating cost/revenue hour • Passengers/revenue hour • Subsidy/passenger <p>The City did not calculate standards for performance criteria during the audit period due to penalty waivers provided under AB 90, AB 149, and SB 125.</p>
The operator’s definitions of performance measures are consistent with the Public Utilities Code Section 99247.	PUC 99247	In compliance	
The operator does not routinely staff with two or more persons a vehicle for public transportation purposes designed to be operated by one person.	PUC 99264	In compliance	



Compliance Element	Reference	Compliance	Comments
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	System: FY 2021/22: +9.98 FY 2022/23: +21.81% FY 2023/24: +53.61% In FY 2023, the largest increase was for utilities. In FY 2024, there was a significant increase due to the new operations contract and an anticipated increase in insurance costs. <i>Source: FY 2022 TDA claim, FY 2022-FY 2023 Budget vs Actual, FY 2023 State Controller Report.</i>
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	As an operator receiving funding under Article 8(c), the City of Manteca is judged compliant based on performance criteria, not farebox recovery ratio.
If the operator serves a rural area, it has maintained a ratio of fare revenues to operating cost at least equal to one-tenth (10 percent).	PUC 99268.2, 99268.4, 99268.5	Not applicable	
For a claimant that provides only services to elderly and handicapped persons, the ratio of fare revenues to operating cost shall be at least 10 percent.	PUC 99268.5, CCR 6633.5	Not applicable	As an operator receiving funding under Article 8(c), the City of Manteca is judged compliant based on performance criteria, not farebox recovery ratio.
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	The City contracts out its transit operation. Retirement benefits for City staff are funded 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	



Compliance Element	Reference	Compliance	Comments
<p>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.</p>	<p>PUC 99314.6</p>	<p>Not applicable</p>	<p>STA eligibility calculations are included as part of SJCOG’s TDA claim form. As part of the claim review, SJCOG determines whether the operator is in compliance with either standard.</p> <p>This requirement was waived through FY 2025/26 under AB 90, AB 149, and SB 125.</p> <p>The City does not typically use STA funds for operating purposes.</p>
<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>Compliance could not be determined at this time</p>	<p>The City is behind on both its audits and TDA claims. As such, compliance could not be assessed.</p>



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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 Manteca has made quantifiable progress toward improving both the efficiency and effectiveness of its public transit program.

The prior audit – completed in March 2022 by Moore & Associates, Inc. for the three fiscal years ending June 30, 2021 – included five recommendations:

1. [Ensure responsibility for completing annual State Controller Reports is clearly designated and submittal deadlines are clearly communicated.](#)

Discussion: PUC 99243 requires operators receiving funding under Article 4 to submit its Financial Transaction Report to the State Controller within seven months of the end of the fiscal year. While Article 8 recipients submit this form as well, compliance with the deadline is not stated as a condition of compliance with Article 8. However, since the deadline is established by the State Controller’s Office, it should be treated as a hard deadline and complied with. The prior auditor noted that in FY 2019/20, the City’s State Controller Report was not submitted until March 11, 2021.

Responsibility for preparing and submitting the State Controller’s Transit Operator Financial Transaction Report should be clearly designated, whether in the Finance or Transit department. Given the submittal deadline does not change from year to year, it should be clearly documented in a location accessible to appropriate personnel. If Finance is responsible for completing the form, the prior auditor recommended the Transit Supervisor be provided with the opportunity to review it prior to its submittal.

Progress: The City’s State Controller Reports continued to be submitted after the January 31 deadline in both FY 2021/22 and FY 2022/23.

Status: Not implemented.

2. [Work with the City's fiscal auditors and the SJCOG TDA auditors to complete outstanding prior audits and ensure on-time completion of future audits.](#)

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

At the time of the prior audit, the City had yet to complete any of the TDA fiscal audits for any year of the audit period. While the City appropriately requested extensions and did not claim any



TDA funds during this period, at the time two of the three audits were well outside the allowable extension period proscribed in the TDA legislation.

Staff did not identify the exact cause of the late audit completion. However, during the prior audit period, the City was put on a “do not fund” list by Caltrans due to issues with deficiencies appearing in audits for more than one year. While this was not specific to TDA funds, it may have impacted the completion of the TDA audits. The City has since been taken off the “do not fund” list and is resolving its auditing issues.

The prior auditor recommended the City work with its auditors to resolve the backlog of audits and “catch up” to the current year. Future audits should be completed on-time (or within the 90-day extension allowed under the TDA).

Progress: Fiscal audits continue to be delayed beyond the extended deadline. At the time of this report, no audits for the current audit period had been completed.

Status: Not implemented.

3. [Once TDA audits have been completed, submit TDA claims for FY 2019/20 and FY 2020/21.](#)

Discussion: At the time of prior audit, the City had yet to complete any of its TDA fiscal audits for any year of the audit period. The City appropriately requested extensions and did not claim any TDA funds during this period. The prior auditor recommended, once it is eligible to do so, the City complete and submit claims for TDA funds for FY 2019/20 and FY 2020/21. Future claims should be submitted in a timely manner provided audits have been completed on time.

Progress: At the time of this audit, the City had submitted TDA claims through FY 2021/22. This claim would have been submitted upon completion of the FY 2019/20 TDA fiscal audit. It is unclear why TDA fiscal audits have yet to be completed given the City’s ACFRs have been completed through FY 2022/23.

Status: Implemented.

4. [Effectively document full-time equivalent \(FTE\) employees using the TDA definition for each year of the next audit period.](#)

Discussion: 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 hours worked divided by 2,000.

The prior auditor recommended the City work with its contractor and Transit staff to document all hours worked related to transit beginning with FY 2021/22. Hours should be allocated between fixed route (general operations) and demand-response (specialized services) based on either actual work performed or a formula based on vehicle service hours by mode. FTE employees



should be calculated by dividing the number of hours worked by 2,000. The City should ensure the individual(s) completing the reports are aware of how to calculate this data using the TDA definition.

Progress: The City provided documentation for how they it calculates FTE, which is consistent with the TDA definition.

Status: Implemented.

5. [Ensure full-time equivalent \(FTE\) employees calculated using the TDA definition are reported on the State Controller Reports.](#)

Discussion: The prior auditor noted that, while the City did appropriately allocate work hours between the two modes, what was reported on each year's State Controller Report was significantly higher than that represented by the work hours in the documentation provided by the City.

For future State Controller Reports, the prior auditor recommended the reports accurately reflect the correctly calculated FTE data. The City should ensure hours are allocated between general operations and specialized services, and that full (system-wide) data is not used for each mode individually. This data (including calculations) should then be provided as part of the next triennial performance audit.

Progress: In FY 2021/22 and FY 2022/23, the State Controller Reports reflected the calculated fixed-route FTE for both the fixed-route and demand-response modes. This was corrected in the FY 2023/24 report.

Status: Implemented.



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Chapter 5 | Data Reporting Analysis

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

Note: No TDA fiscal audits were available for review at the time of the draft report, and therefore could not be considered as part of the data comparison for financial data.

- **Operating cost:** In FY 2022/23 and FY 2023/24, there was a relatively modest variance (3.3 percent and 2.2 percent, respectively) between the operating cost on the NTD reports and State Controller Reports. In FY 2021/22, this variance was more significant, with the operating cost reported to the NTD 46 percent higher than that reported to the State Controller. The cause of this variance is unknown.
- **Fare Revenue:** While there were minor variances between the fare revenues reported in the NTD report and State Controller Report in FY 2021/22 and FY 2022/23, this data was reported consistently in FY 2023/24.
- **Vehicle Service Hours (VSH):** In FY 2021/22 and FY 2022/23, the VSH reported to all three entities were largely consistent, though that reported to the NTD in FY 2021/22 and to the State Controller in FY 2022/23 was slightly higher than that reported elsewhere. In FY 2023/24, there were significant variances in reporting. It appears that the VSH reported in FY 2023/24 was actually the VSH data from FY 2022/23. It is unclear why the internal monthly report is significantly lower than the NTD report.
- **Vehicle Service Miles (VSM):** This metric was reported consistently between the NTD report and State Controller report. Data reported on the monthly performance reports varied from the other reports each fiscal year. These variances were modest until FY 2023/24, which calls into question the accuracy of the monthly reports.
- **Passengers:** This metric was reported consistently between the NTD report and State Controller report. Data reported on the monthly performance reports varied from the other reports each fiscal year. These variances were slight until FY 2023/24, which calls into question the accuracy of the monthly reports.
- **Full-Time Equivalent (FTE) Employees:** It was determined that the FTE reported to the State Controller was not calculated using the TDA definition. The City included all hours worked, vacation, and sick time into their calculations. Additionally, FTE was being reported the same for



both MB and Specialized Services. This was resolved in FY 2023/24 reporting, which utilized the TDA definition and allocated FTE between modes.

Exhibit 5.1 Data Reporting Comparison

Performance Measure	System-Wide		
	FY 2021/22	FY 2022/23	FY 2023/24
Operating Cost (Actual \$)			
<i>TDA fiscal audit</i>			
<i>National Transit Database</i>	\$2,309,024	\$2,608,612	\$3,552,450
<i>State Controller Report</i>	\$1,581,996	\$2,525,655	\$3,629,973
Fare Revenue (Actual \$)			
<i>TDA fiscal audit</i>			
<i>National Transit Database</i>	\$34,147	\$47,803	\$54,468
<i>State Controller Report</i>	\$35,713	\$47,523	\$54,468
Vehicle Service Hours (VSH)			
<i>Monthly Performance Reports</i>	16,638	16,310	10,516
<i>National Transit Database</i>	16,664	16,306	19,914
<i>State Controller Report</i>	16,637	16,717	16,717
Vehicle Service Miles (VSM)			
<i>Monthly Performance Reports</i>	205,394	210,281	121,316
<i>National Transit Database</i>	209,294	210,410	237,474
<i>State Controller Report</i>	209,294	210,410	237,474
Passengers			
<i>Monthly Performance Reports</i>	39,859	56,116	40,662
<i>National Transit Database</i>	39,484	56,501	78,783
<i>State Controller Report</i>	39,484	56,501	78,783
Full-Time Equivalent Employees			
<i>State Controller Report</i>	30	30	25
<i>Per City methodology</i>	18	19	26
<i>Per TDA methodology</i>	18	19	25

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 Manteca, 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 NTD reports submitted to the FTA for each fiscal year covered by this audit. The City calculates VSH using driver trip sheets. The City's calculation methodology is consistent with PUC guidelines.
- Vehicle Service Miles (VSM) data were obtained via NTD reports submitted to the FTA for each fiscal year covered by this audit. The City calculates VSM by subtracting deadhead and out-of-service miles from total vehicle mileage (as noted on each vehicle's odometer). This methodology is consistent with PUC guidelines.
- Unlinked trip data were obtained via NTD reports submitted to the FTA for each fiscal year covered by this audit. The City's calculation methodology is consistent with PUC guidelines.
- Full-Time Equivalent (FTE) data were obtained from State Controller Reports for each fiscal year covered by this review. Use of the TDA definition regarding FTE calculation was confirmed.

System Performance Trends

Systemwide, operating cost increased steadily throughout the audit period. The most significant increase occurred in FY 2023/24, which experienced a 36.2 percent increase. Fare revenues, however, increased by double digits year over year during the audit period. This resulted in a 59.5 percent net increase. Fare revenues in FY 2023/24 were largely equal to those collected in FY 2018/19.

Vehicle service hours (VSH) saw little change between FY 2021/22 and FY 2022/23, before experiencing a significant increase in FY 2023/24. This resulted in a 19.5 percent net increase for the audit period. Vehicle service miles (VSM) steadily increased between FY 2018/19 and FY 2023/24. VSM experienced a 26.9 percent net increase across the six-year period and a 13.5 percent net increase across the audit period.

Ridership declined during the prior audit period but increased every year of the current audit period. Overall, ridership increased by 99.5 percent during the audit period, and a net 24.9 percent across the six-year period. Double-digit percentage ridership increases in every year of the current audit period led to this significant improvement.

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 operating cost per vehicle service mile both increased throughout the audit period, while operating cost



per passenger declined. Passenger-related metrics also rose, with passengers per VSH and passengers per VSM each increasing by 67 percent and 75.9 percent, respectively, during the audit period.

Exhibit 6.1 System Performance Indicators

Performance Measure	System-wide					
	FY 2018/19	FY 2019/20	FY 2020/21	FY 2021/22	FY 2022/23	FY 2023/24
Operating Cost (Actual \$)	\$2,130,857	\$2,245,893	\$2,012,121	\$2,309,024	\$2,608,612	\$3,552,450
<i>Annual Change</i>		5.4%	-10.4%	14.8%	13.0%	36.2%
Fare Revenue (Actual \$)	\$54,452	\$38,161	\$19,832	\$34,147	\$47,803	\$54,468
<i>Annual Change</i>		-29.9%	-48.0%	72.2%	40.0%	13.9%
Vehicle Service Hours (VSH)	15,346	15,717	15,642	16,664	16,306	19,914
<i>Annual Change</i>		2.4%	-0.5%	6.5%	-2.1%	22.1%
Vehicle Service Miles (VSM)	187,207	193,115	198,174	209,294	210,410	237,474
<i>Annual Change</i>		3.2%	2.6%	5.6%	0.5%	12.9%
Passengers	63,078	50,789	25,351	39,484	56,501	78,783
<i>Annual Change</i>		-19.5%	-50.1%	55.7%	43.1%	39.4%
Employees	16	16	Not reported	18	19	25
<i>Annual Change</i>		0.0%			5.6%	31.6%
Performance Indicators						
Operating Cost/VSH (Actual \$)	\$138.85	\$142.90	\$128.64	\$138.56	\$159.98	\$178.39
<i>Annual Change</i>		2.9%	-10.0%	7.7%	15.5%	11.5%
Operating Cost/Passenger (Actual \$)	\$33.78	\$44.22	\$79.37	\$58.48	\$46.17	\$45.09
<i>Annual Change</i>		30.9%	79.5%	-26.3%	-21.1%	-2.3%
Passengers/VSH	4.11	3.23	1.62	2.37	3.47	3.96
<i>Annual Change</i>		-21.4%	-49.8%	46.2%	46.2%	14.2%
Passengers/VSM	0.34	0.26	0.13	0.19	0.27	0.33
<i>Annual Change</i>		-21.9%	-51.4%	47.5%	42.3%	23.5%
Farebox Recovery	2.6%	1.7%	1.0%	1.5%	1.8%	1.5%
<i>Annual Change</i>		-33.5%	-42.0%	50.0%	23.9%	-16.3%
Hours/Employee	959.1	982.3		925.8	858.2	796.6
<i>Annual Change</i>		2.4%			-7.3%	-7.2%
TDA Non-Required Indicators						
Operating Cost/VSM	\$11.38	\$11.63	\$10.15	\$11.03	\$12.40	\$14.96
<i>Annual Change</i>		2.2%	-12.7%	8.7%	12.4%	20.7%
VSM/VSH	12.20	12.29	12.67	12.56	12.90	11.92
<i>Annual Change</i>		0.7%	3.1%	-0.9%	2.7%	-7.6%
Fare/Passenger	\$0.86	\$0.75	\$0.78	\$0.86	\$0.85	\$0.69
<i>Annual Change</i>		-13.0%	4.1%	10.6%	-2.2%	-18.3%

Sources: FY 2018/19 – FY 2020/21 data taken from prior Triennial Performance Audit.

FY 2021/22 – FY 2023/24 data taken from NTD reports.

FY 2021/22 – FY 2022/23 FTE data from City calculations and State Controller reports.



Exhibit 6.2 System Ridership

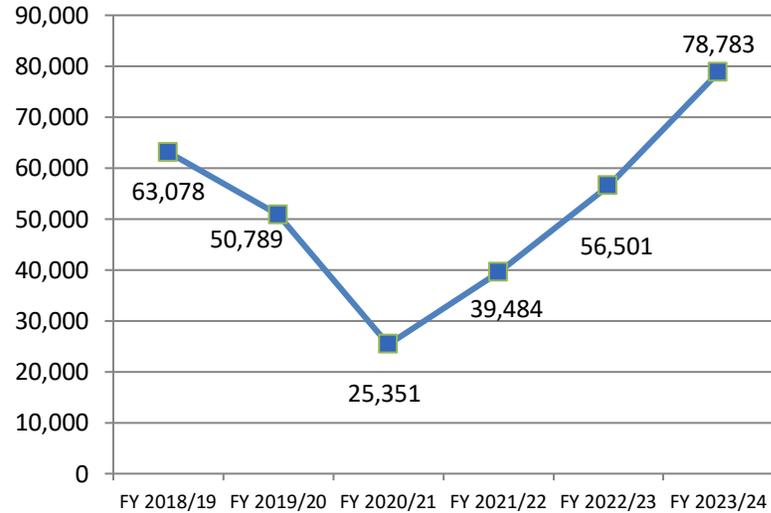


Exhibit 6.3 System Operating Cost/VSH

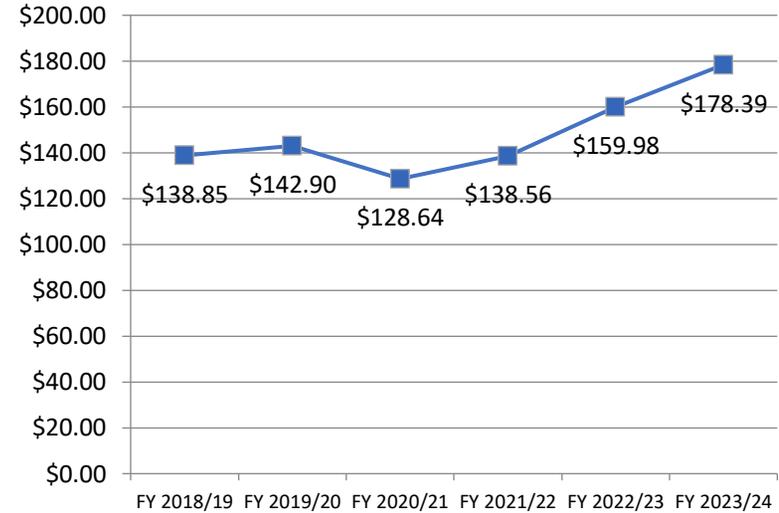


Exhibit 6.4 System Operating Cost/VSM

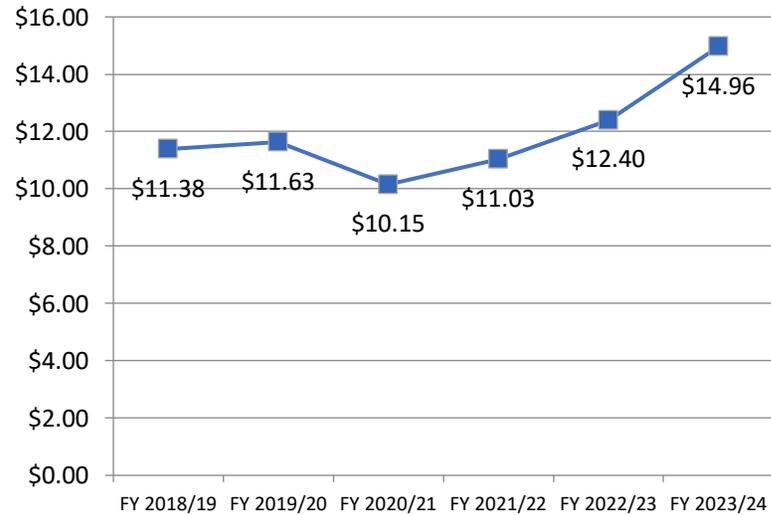


Exhibit 6.5 System VSM/VSH

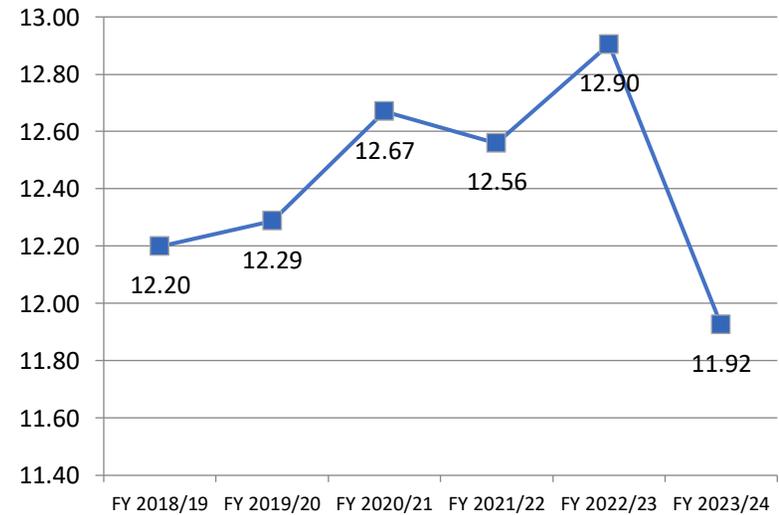




Exhibit 6.6 System Operating Cost/Passenger

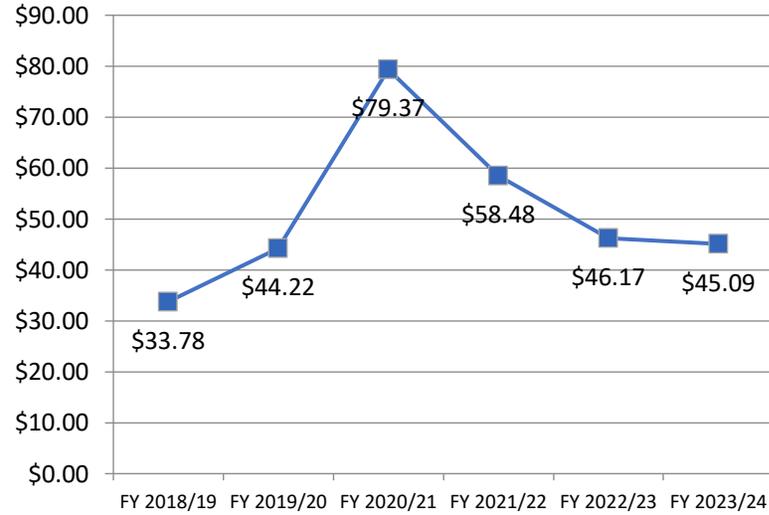


Exhibit 6.7 System Passengers/VSH

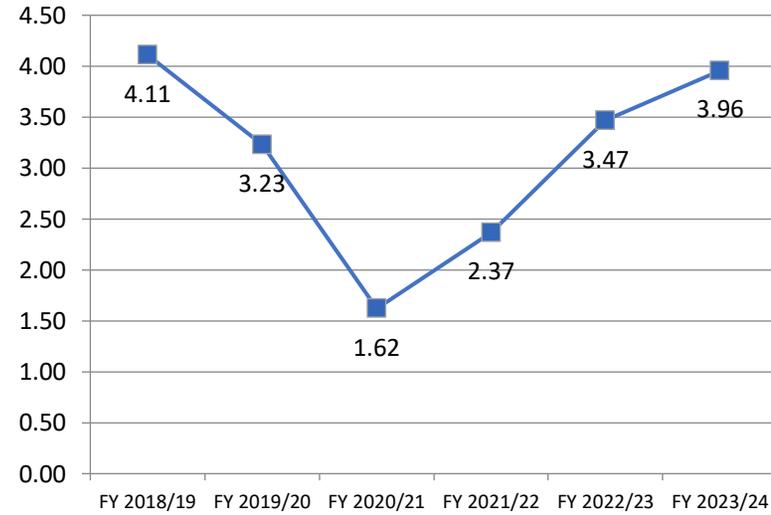


Exhibit 6.8 System Passengers/VSM

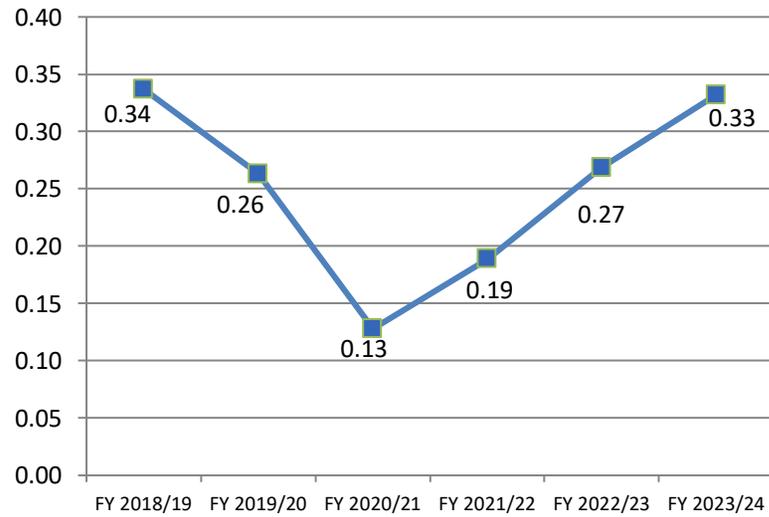


Exhibit 6.9 System VSH/FTE

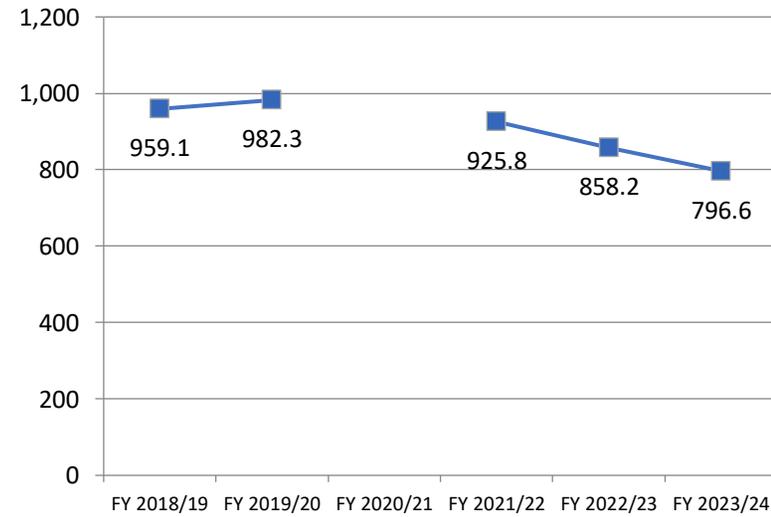




Exhibit 6.10 System Farebox Recovery

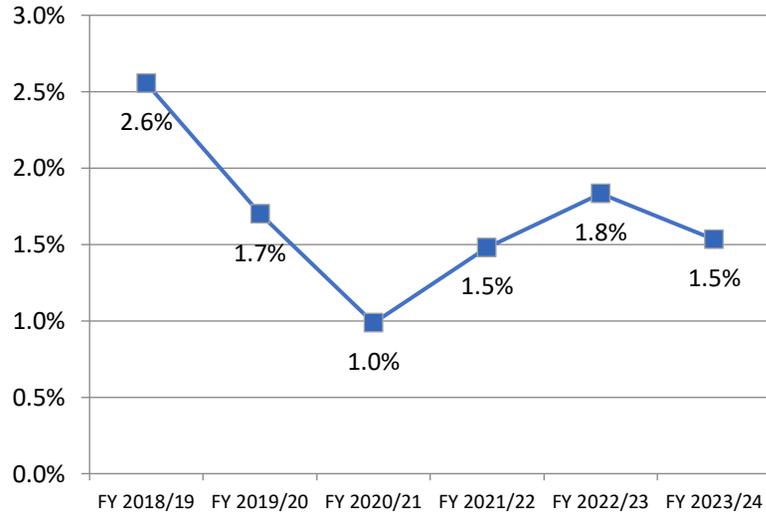
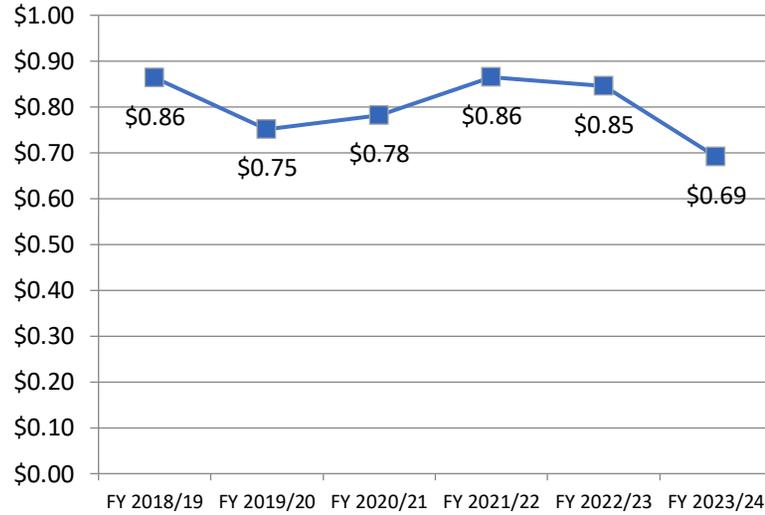


Exhibit 6.11 System Fare/Passenger





Fixed-Route Performance Trends

Fixed-route operating cost generally reflects the same pattern observed for the system as a whole. Between FY 2018/19 and FY 2023/24, there was a net 68.9 percent increase in operating cost. The most significant increase occurred in FY 2023/24, which experienced a 31 percent increase. Fare revenues increased year to year during the audit period, after decreasing each year of the prior audit period. Fare revenues experienced a 77.2 percent net increase during the audit period and a 26.8 percent net increase over the six-year span. Fixed-route fare revenue ended higher in FY 2023/24 than it had been in FY 2018/19.

Vehicle service hours (VSH) increased most years across the six-year period, the exception being a 5.2 percent decrease in FY 2022/23. This resulted in a net increase of 11.3 percent during the audit period and a net 33.6 percent increase over the past six years. Vehicle service miles (VSM) experienced a similar pattern resulting in a net increase of 7.1 percent during the audit period, and a net increase of 34.7 percent since FY 2018/19.

Ridership declined each year of the prior audit period, before increasing year to year in the current audit period. Overall, fixed-route ridership increased by 110.1 percent during the audit period, and 35.5 percent over the six-year period.

Operating cost per VSH and operating cost per VSM increased 29.7 percent and 34.8 percent, respectively, during the audit period. Operating cost per passenger experienced a 31.3 percent decrease across the three years of the audit period. Passenger-related metrics rose, with passengers per VSH and passengers per VSM increasing by 88.9 percent and 96.2 percent, respectively, during the audit period.



Exhibit 6.12 Fixed-Route Performance Indicators

Performance Measure	Fixed-Route					
	FY 2018/19	FY 2019/20	FY 2020/21	FY 2021/22	FY 2022/23	FY 2023/24
Operating Cost (Actual \$)	\$1,598,143	\$1,796,714	\$1,710,532	\$1,870,309	\$2,060,803	\$2,699,862
<i>Annual Change</i>		12.4%	-4.8%	9.3%	10.2%	31.0%
Fare Revenue (Actual \$)	\$31,181	\$26,439	\$11,348	\$22,311	\$31,933	\$39,539
<i>Annual Change</i>		-15.2%	-57.1%	96.6%	43.1%	23.8%
Vehicle Service Hours (VSH)	11,275	12,617	13,313	13,537	12,834	15,061
<i>Annual Change</i>		11.9%	5.5%	1.7%	-5.2%	17.4%
Vehicle Service Miles (VSM)	143,554	164,470	176,496	180,568	177,990	193,376
<i>Annual Change</i>		14.6%	7.3%	2.3%	-1.4%	8.6%
Passengers	51,197	43,249	20,776	33,018	49,131	69,384
<i>Annual Change</i>		-15.5%	-52.0%	58.9%	48.8%	41.2%
Employees	13	13	Not reported	15	15	19
<i>Annual Change</i>		0.0%	-100.0%		0.0%	26.7%
Performance Indicators						
Operating Cost/VSH (Actual \$)	\$141.74	\$142.40	\$128.49	\$138.16	\$160.57	\$179.26
<i>Annual Change</i>		0.5%	-9.8%	7.5%	16.2%	11.6%
Operating Cost/Passenger (Actual \$)	\$31.22	\$41.54	\$82.33	\$56.65	\$41.95	\$38.91
<i>Annual Change</i>		33.1%	98.2%	-31.2%	-26.0%	-7.2%
Passengers/VSH	4.54	3.43	1.56	2.44	3.83	4.61
<i>Annual Change</i>		-24.5%	-54.5%	56.3%	57.0%	20.3%
Passengers/VSM	0.36	0.26	0.12	0.18	0.28	0.36
<i>Annual Change</i>		-26.3%	-55.2%	55.3%	51.0%	30.0%
Farebox Recovery	1.95%	1.47%	0.66%	1.19%	1.55%	1.46%
<i>Annual Change</i>		-24.6%	-54.9%	79.8%	29.9%	-5.5%
Hours/Employee	867.3	970.5		902.5	855.6	792.7
<i>Annual Change</i>		11.9%			-5.2%	-7.4%
TDA Non-Required Indicators						
Operating Cost/VSM	\$11.13	\$10.92	\$9.69	\$10.36	\$11.58	\$13.96
<i>Annual Change</i>		-1.9%	-11.3%	6.9%	11.8%	20.6%
VSM/VSH	12.73	13.04	13.26	13.34	13.87	12.84
<i>Annual Change</i>		2.4%	1.7%	0.6%	4.0%	-7.4%
Fare/Passenger	\$0.61	\$0.61	\$0.55	\$0.68	\$0.65	\$0.57
<i>Annual Change</i>		0.4%	-10.7%	23.7%	-3.8%	-12.3%

Sources: FY 2018/19 – FY 2020/21 data taken from prior Triennial Performance Audit.

FY 2021/22 – FY 2023/24 data taken from NTD reports.

FY 2021/22 – FY 2022/23 FTE data from City calculations and State Controller reports.



Exhibit 6.13 Fixed-Route Ridership

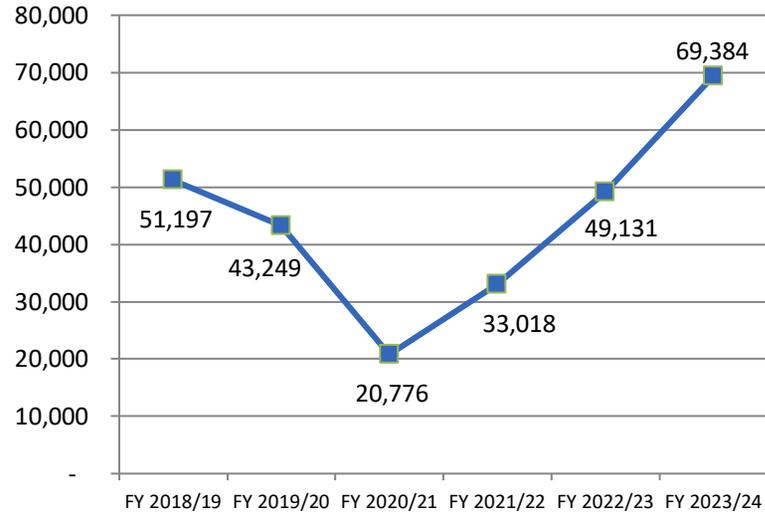


Exhibit 6.14 Fixed-Route Operating Cost/VSH

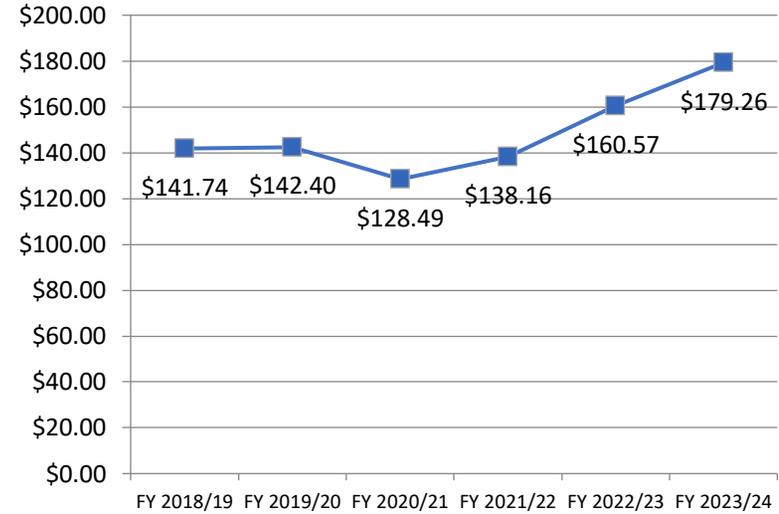


Exhibit 6.15 Fixed-Route Operating Cost/VSM

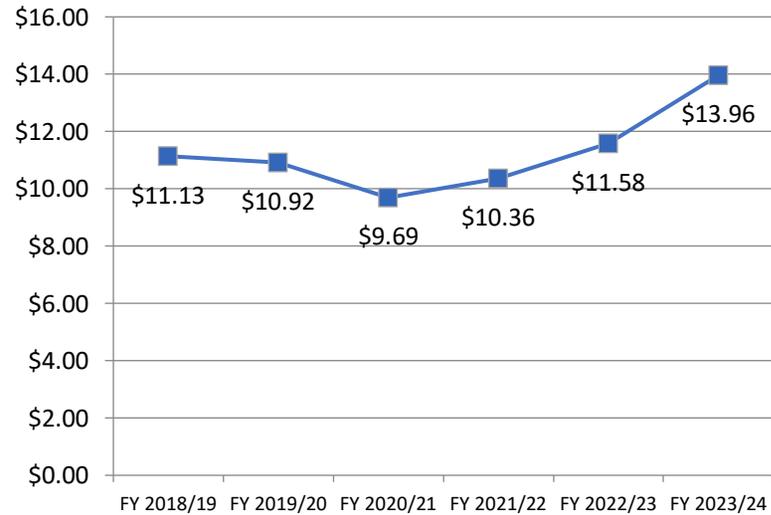


Exhibit 6.16 Fixed-Route VSM/VSH

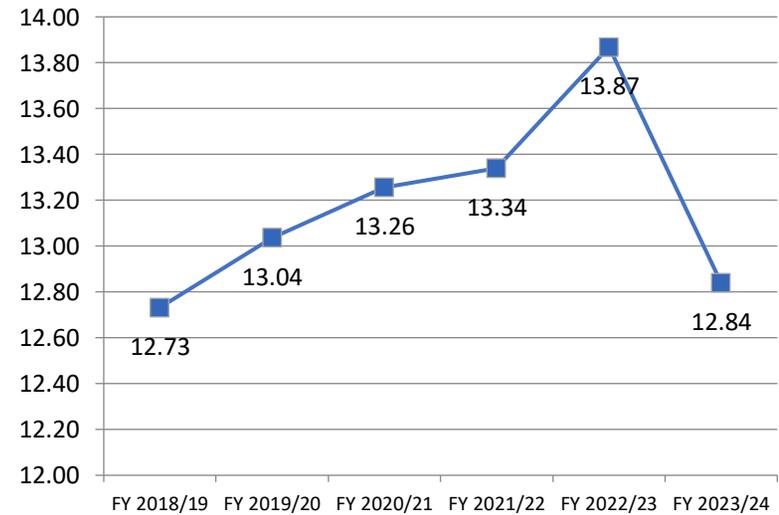




Exhibit 6.17 Fixed-Route Operating Cost/Passenger

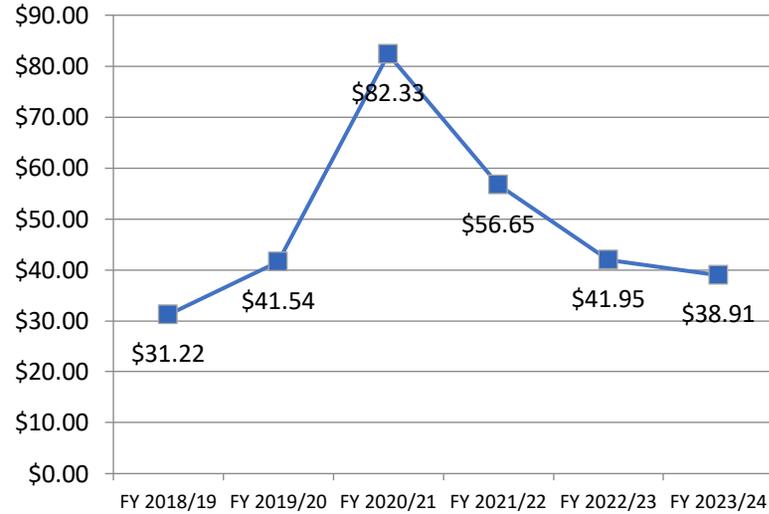


Exhibit 6.18 Fixed-Route Passengers/VSH

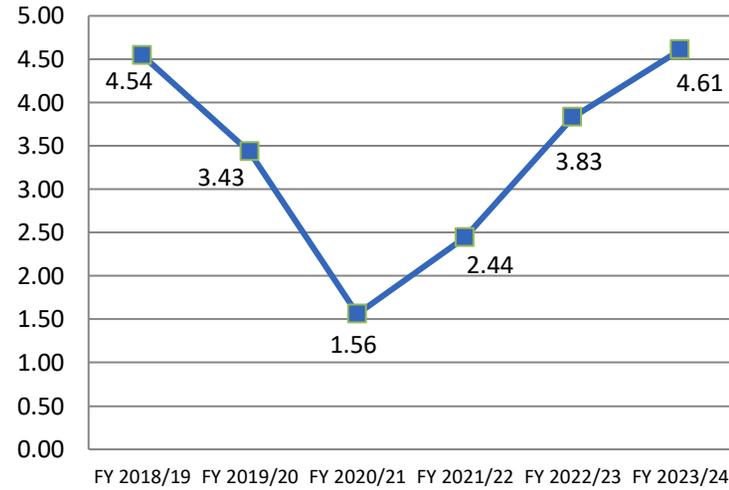


Exhibit 6.19 Fixed-Route Passengers/VSM

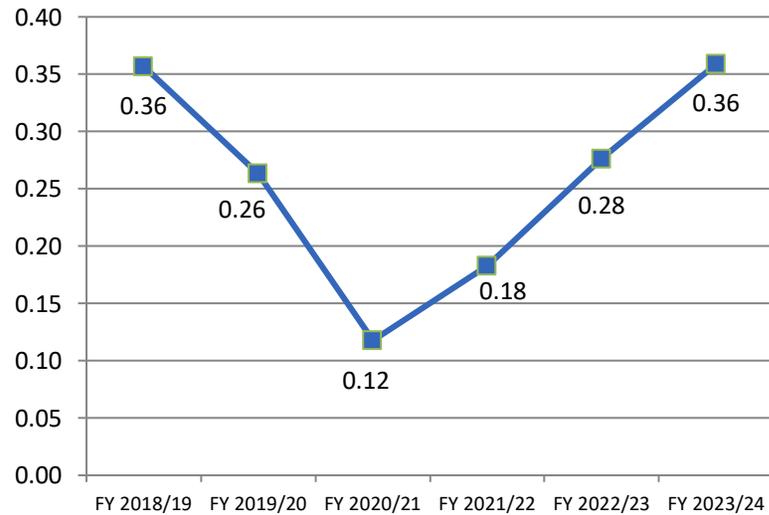


Exhibit 6.20 Fixed-Route VSH/FTE

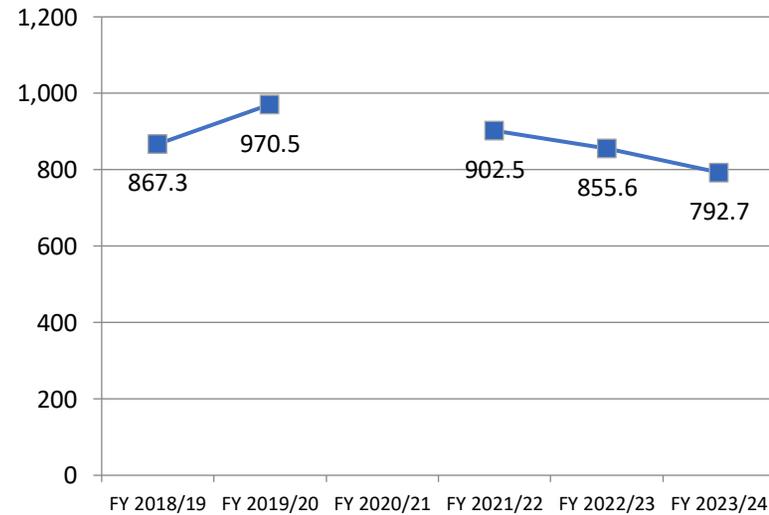




Exhibit 6.21 Fixed-Route Farebox Recovery

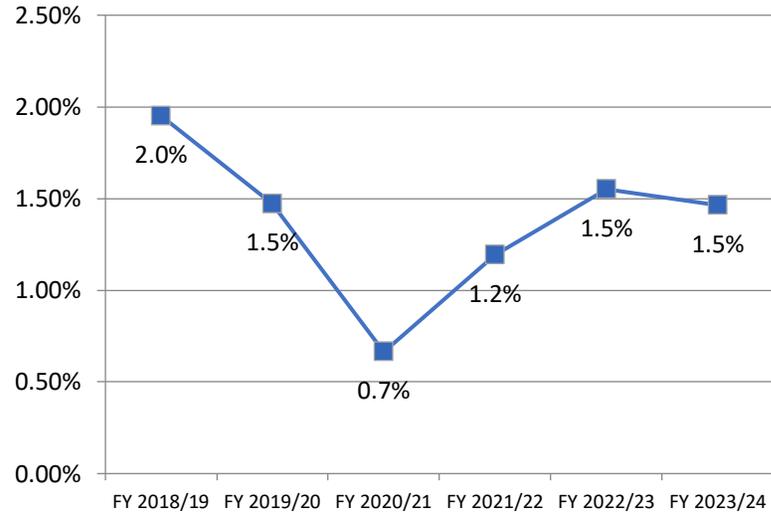
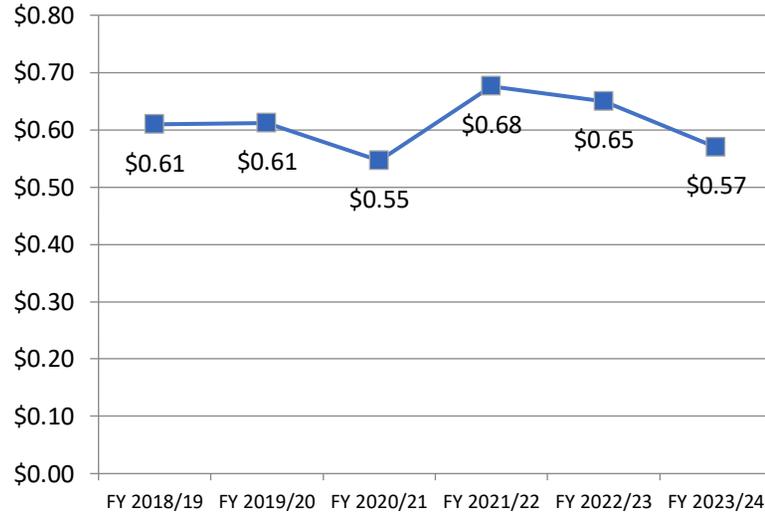


Exhibit 6.22 Fixed-Route Fare/Passenger





Demand-Response Performance Trends

Demand-response operating cost increased every year of the audit period. Between FY 2018/19 and FY 2023/24, there was a net 60 percent increase in operating cost. The most significant increase occurred in FY 2023/24, which experienced a 55.6 percent increase. This resulted in a net increase of 94.3 percent during the audit period. Fare revenues, however, fluctuated across the six-year span. This resulted in a net 35.8 percent decrease across the six years and 26.1 percent increase during the audit period.

Vehicle service hours (VSH) varied throughout the six-year period, for an increase of 55.2 percent during the audit period and a 19.2 percent increase over the past six years. Vehicle service miles (VSM) increased every year of the audit period. This resulted in an increase of 53.5 percent during the audit period, but a net increase of just 1.0 percent since FY 2018/19.

Ridership declined throughout the prior audit period, before experiencing steady increases. Overall, demand-response ridership increased by 45.4 percent during the audit period, but decreased 20.9 percent over the six-year period.

Cost-related metrics generally increased over the audit period. Passenger-related metrics declined, with passengers per VSH and passengers per VSM decreasing by 6.3 percent and 5.3 percent, respectively, during the audit period.



Exhibit 6.23 Demand-Response Performance Indicators

Performance Measure	Demand-Response					
	FY 2018/19	FY 2019/20	FY 2020/21	FY 2021/22	FY 2022/23	FY 2023/24
Operating Cost (Actual \$)	\$532,714	\$449,179	\$301,589	\$438,715	\$547,809	\$852,588
<i>Annual Change</i>		-15.7%	-32.9%	45.5%	24.9%	55.6%
Fare Revenue (Actual \$)	\$23,271	\$11,722	\$8,484	\$11,836	\$15,870	\$14,929
<i>Annual Change</i>		-49.6%	-27.6%	39.5%	34.1%	-5.9%
Vehicle Service Hours (VSH)	4,071	3,100	2,329	3,127	3,472	4,853
<i>Annual Change</i>		-23.9%	-24.9%	34.3%	11.0%	39.8%
Vehicle Service Miles (VSM)	43,653	28,645	21,678	28,726	32,420	44,098
<i>Annual Change</i>		-34.4%	-24.3%	32.5%	12.9%	36.0%
Passengers	11,881	7,540	4,575	6,466	7,370	9,399
<i>Annual Change</i>		-36.5%	-39.3%	41.3%	14.0%	27.5%
Employees	3	3	Not reported	3	4	6
<i>Annual Change</i>		-100.0%			33.3%	50.0%
Performance Indicators						
Operating Cost/VSH (Actual \$)	\$130.86	\$144.90	\$129.49	\$140.30	\$157.78	\$175.68
<i>Annual Change</i>		10.7%	-10.6%	8.3%	12.5%	11.3%
Operating Cost/Passenger (Actual \$)	\$44.84	\$59.57	\$65.92	\$67.85	\$74.33	\$90.71
<i>Annual Change</i>		32.9%	10.7%	2.9%	9.6%	22.0%
Passengers/VSH	2.92	2.43	1.96	2.07	2.12	1.94
<i>Annual Change</i>		-16.7%	-19.2%	5.3%	2.7%	-8.8%
Passengers/VSM	0.27	0.26	0.21	0.23	0.23	0.21
<i>Annual Change</i>		-3.3%	-19.8%	6.7%	1.0%	-6.2%
Farebox Recovery	4.4%	2.6%	2.8%	2.7%	2.9%	1.8%
<i>Annual Change</i>		-40.3%	7.8%	-4.1%	7.4%	-39.6%
Hours/Employee	1,357.0	1,033.3		1,042.3	868.0	808.8
<i>Annual Change</i>		-23.9%			-16.7%	-6.8%
TDA Non-Required Indicators						
Operating Cost/VSM	\$12.20	\$15.68	\$13.91	\$15.27	\$16.90	\$19.33
<i>Annual Change</i>		28.5%	-11.3%	9.8%	10.6%	14.4%
VSM/VSH	10.72	9.24	9.31	9.19	9.34	9.09
<i>Annual Change</i>		-13.8%	0.7%	-1.3%	1.6%	-2.7%
Fare/Passenger	\$1.96	\$1.55	\$1.85	\$1.83	\$2.15	\$1.59
<i>Annual Change</i>		-20.6%	19.3%	-1.3%	17.6%	-26.2%

Sources: FY 2018/19 – FY 2020/21 data taken from prior Triennial Performance Audit.

FY 2021/22 – FY 2023/24 data taken from NTD reports.

FY 2021/22 – FY 2022/23 FTE data from City calculations and State Controller reports.



Exhibit 6.24 Demand-Response Ridership

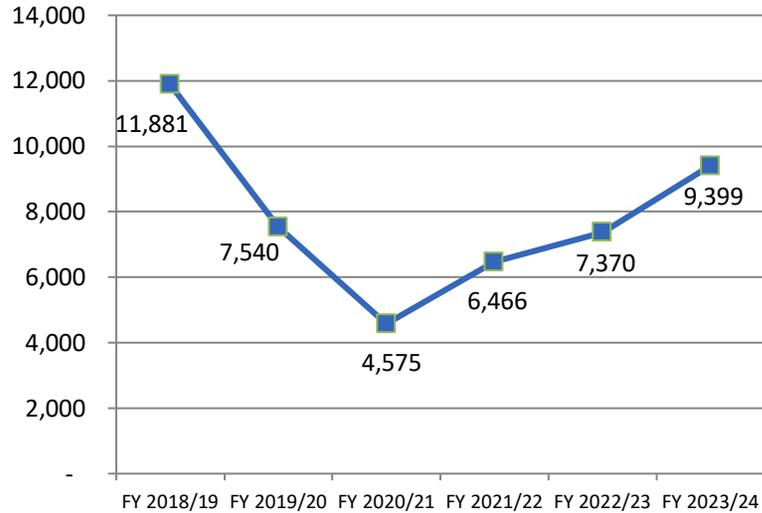


Exhibit 6.25 Demand-Response Operating Cost/VSH

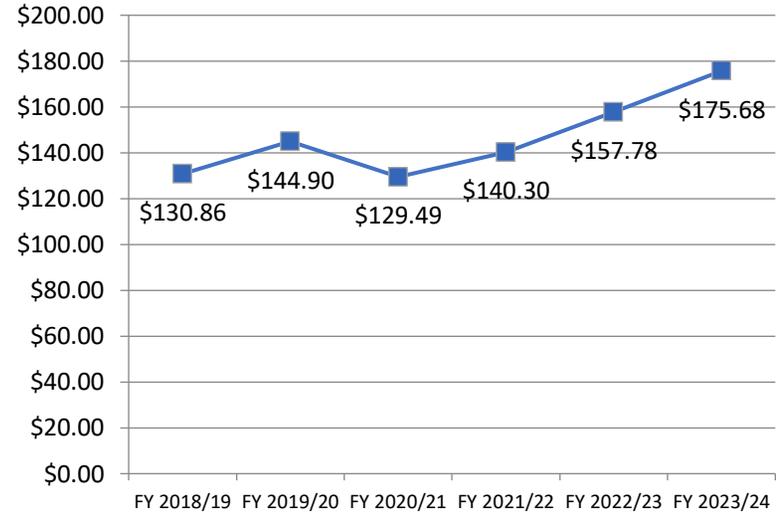


Exhibit 6.26 Demand-Response Operating Cost/VSM

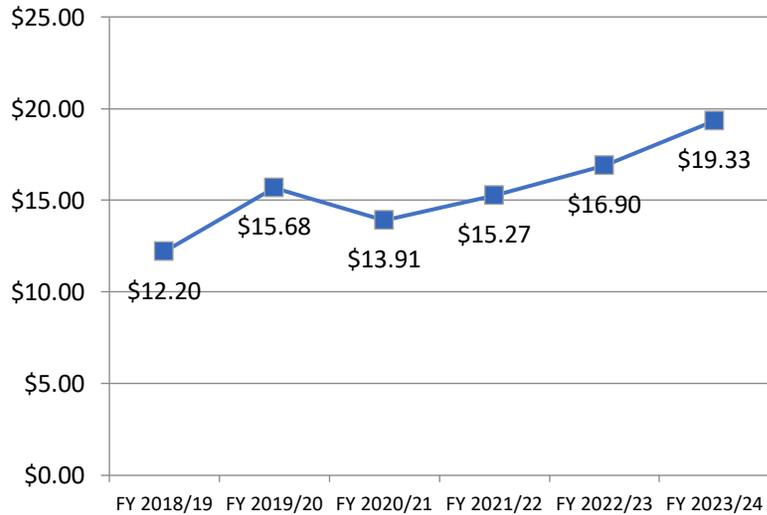


Exhibit 6.27 Demand-Response VSM/VSH

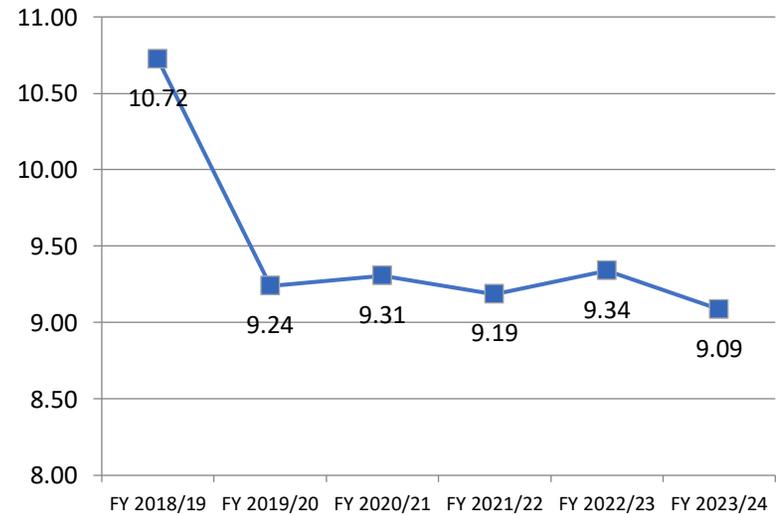




Exhibit 6.28 Demand-Response Operating Cost/Passenger

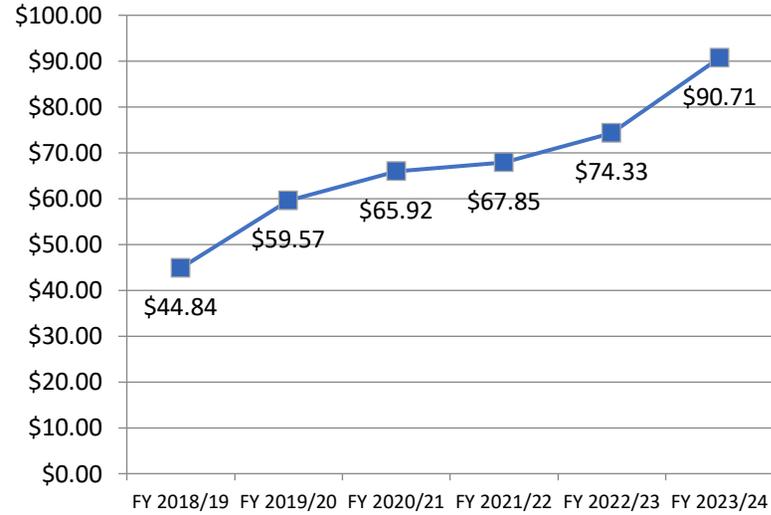


Exhibit 6.29 Demand-Response Passengers/VSH

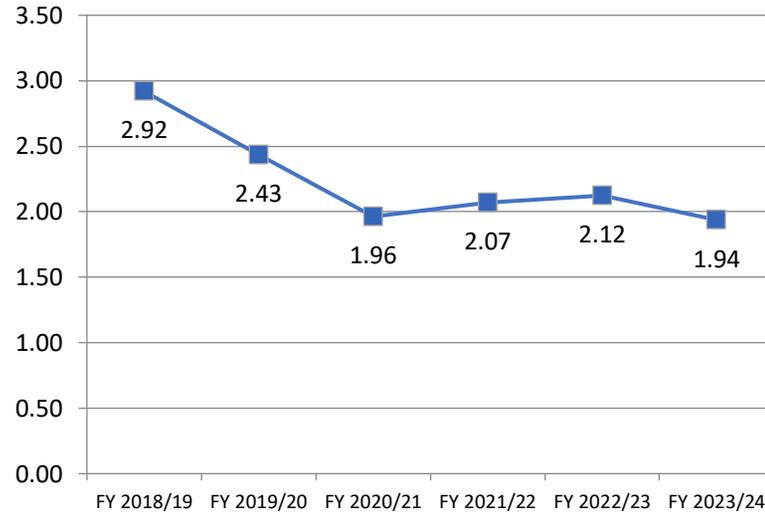


Exhibit 6.30 Demand-Response Passengers/VSM

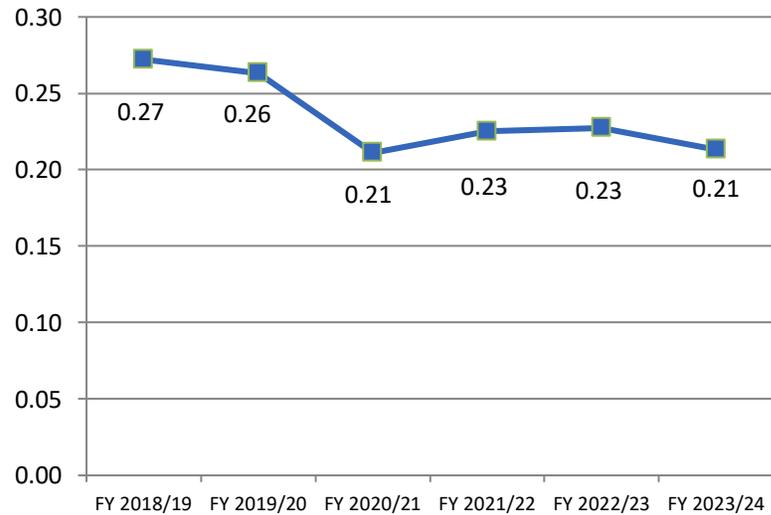


Exhibit 6.31 Demand-Response VSH/FTE

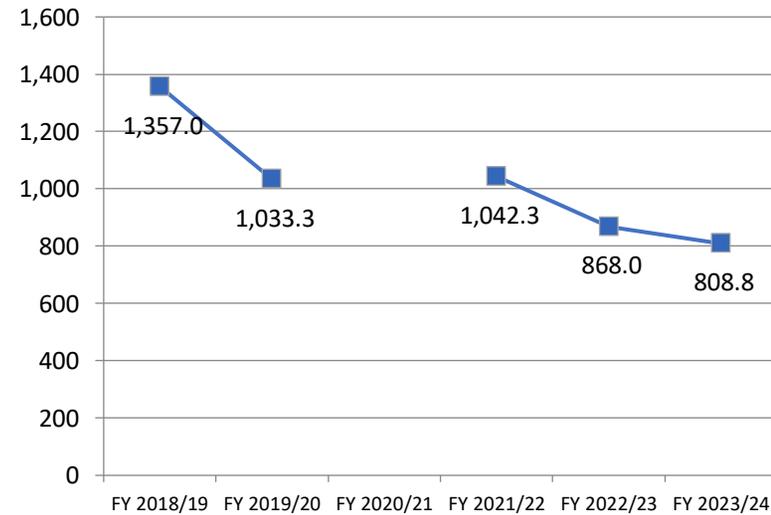




Exhibit 6.32 Demand-Response Farebox Recovery

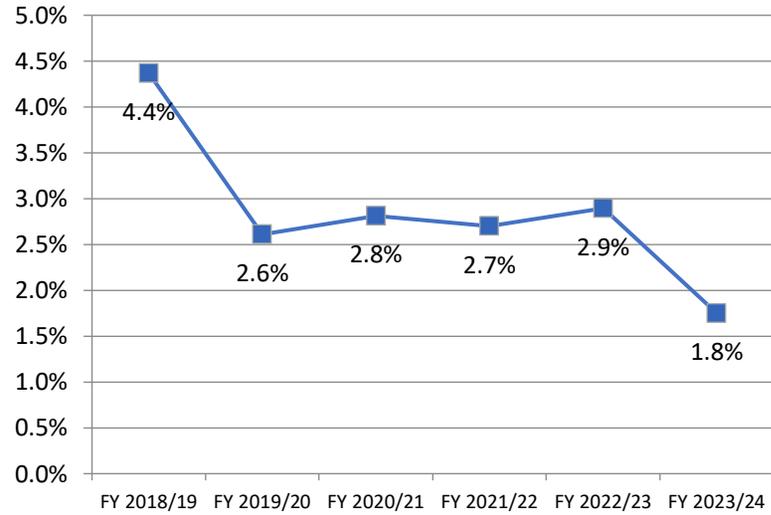
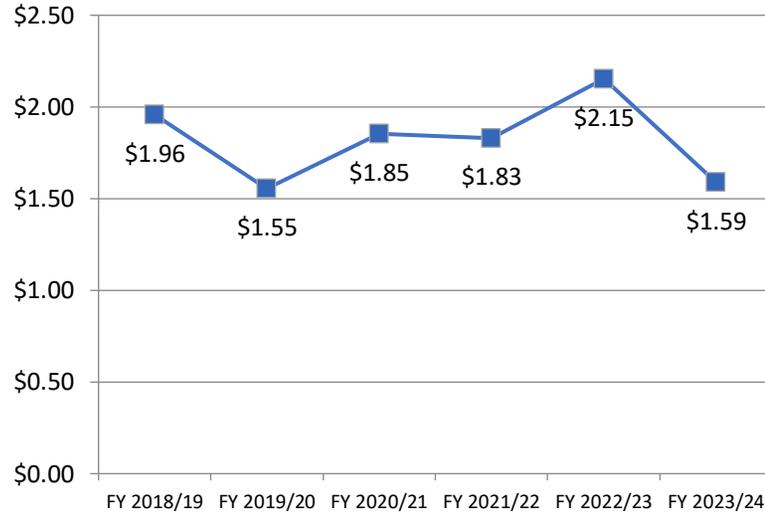


Exhibit 6.33 Demand-Response Fare/Passenger





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Chapter 7 | Functional Review

A functional review of the City’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 of Manteca:

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

Service Overview

The City of Manteca provides bus and paratransit services within city boundaries. The City operates four fixed routes plus an ACE station shuttle. All routes operate Monday through Friday, while three of the routes provide service on Saturday. The fixed routes operate 6:00 a.m. to 7:00 p.m., while the ACE shuttle operates two round trips in the morning and three round trips in the afternoon. Saturday service runs between 9:00 a.m. and 4:00 p.m. Route 4 operates Monday through Friday between 6:00 a.m. and 7:00 p.m. only.



Manteca Transit also provides ADA complementary Paratransit service for persons age 62 and older, Medicare cardholders, and ADA-certified individuals. It is an origin-to-destination transportation service. The Dial-A-Ride (DAR) service is a similar door-to-door, shared-ride demand-response service for certified individuals. Service hours mirror the fixed-route hours. Saturday service is open to the general public. Trips can be scheduled within Manteca city limits as well as the Lathrop/Manteca ACE Station.

The ADA service serves a ¼-mile radius from the fixed routes. Only persons certified by Manteca Transit as meeting the requirements are eligible to use the paratransit service. Reservations for the Dial-A-Ride and ADA Paratransit services may be made up to 14 days in advance.

Exhibit 7.1 Fixed-Route Fare Structure

Fare category	Adult (18 -61)	Youth (5-18)	Seniors (62+), Persons with disabilities, & Medicare Cardholders
One-way fare	\$1.00	\$0.75	\$0.50
10-Ride Pass	\$9.00	\$7.00	\$4.50
Monthly Pass	\$35.00	\$28.00	\$28.00



Exhibit 7.2 Demand-Response Fare Structure

Fare category	General Public (Saturday Only)	Companion	Seniors (62+), persons with disabilities, & Medicare Cardholders
One-way fare	\$2.00	\$2.00	\$2.00
10-Ride Pass			\$20.00
Monthly Pass			\$60.00

Transfers between fixed routes are free and valid for up to one hour. Up to two children under two ride free with each fare-paying adult. Children under six must be accompanied by a rider age 12 or older. One Personal Care Attendant (PCA) rides free with an ADA customer. All other companions pay the appropriate fare.

The City’s transit program is based out of the Manteca Transit Center, located at 220 Moffat Boulevard. Passes may be purchased at the Manteca Transit Office or the Manteca Parks and Recreation Office (252 Magnolia Avenue). Transit passes may also be purchased electronically through the regional EZHub program via the Vamos app.

General Management and Organization

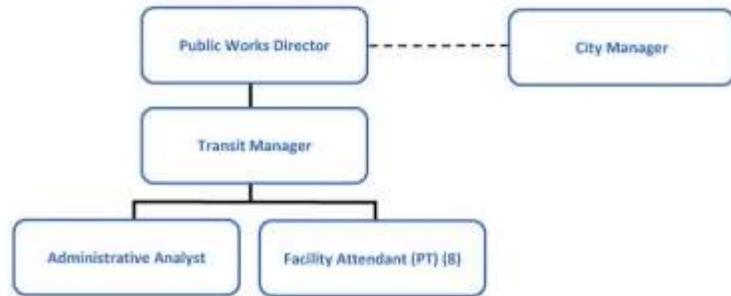
Operations are provided under contract by MTM Transit, LLC. Transit management meets with contractor management weekly, reviews monthly reports, conducts safety checks and ride checks, and utilizes mystery riders to monitor program performance. Transit management regularly receives performance information and takes appropriate action to address problems or issues faced by the contractor. The City tracks performance using the ETA Spot platform for the fixed-route service and Reveal for demand-response services.

Transit staff believe the program is structured and staffed appropriately. However, an additional finance position dedicated to Transit would be beneficial. During the audit period, significant changes within the City included a new Public Works Director and a new contract with MTM Transit (which replaced National Express).

The Manteca City Council is the governing body for Manteca Transit. The council meets formally on the first and third Tuesday of each month at 6:00 p.m. at the City’s Council Chambers, located at 1001 W. Center Street in Manteca. This location is served by Manteca Transit. The City does not have any transit-related committee or citizens’ advisory board. The City Council has expressed interest in service expansion to newly developed areas and expanded service to connect to the new ACE train in Manteca. Overall, the City Council is very engaged with respect to transit.



Exhibit 7.3 Organizational Chart



The City has a good working relationship with SJCOG and the other transit operators in San Joaquin County, as well as an effective relationship with the FTA and Caltrans. The Transit Manager, Program Manager and Regional Planner act as an intergovernmental liaisons. The City is a member of CalACT and CTA.

Service Planning

The City conducts its own short-range planning. The City’s most recent Short Range Transit Plan (SRTP), completed in 2019, included program goals and objectives, which conform to the RTPA’s goals and objectives. The City is in the process of updating its SRTP in-house, which is expected to be completed in 2025. This SRTP will go beyond the SJCOG minimum requirements to include looking at individuals routes. The City actively works to identify residential and commercial developments that may require transportation.

The City works collaboratively with agencies serving persons with disabilities and meets all federal and state requirements regarding serving persons with disabilities. The City provides outreach and education to different agencies that work seniors and persons with disabilities. Through this outreach, feedback is collected and assessed for implementation. Special fixed-route fares are offered to youth, seniors, Medicare card holders, and persons with disabilities. All vehicles are wheelchair-accessible.

During the audit period the Administrative Analyst, Transit Manger, and Director of Public Works developed a comprehensive strategic plan to set clear goals for the fiscal year, identify enhancements/improvements to the operations and the transit center, and update plans such as Title VI and the SRTP. These proactive measures were designed to strengthen the City’s overall performance and ensure sustained success.

The City conducts public workshops/events in support of its planning activities. It also conducts surveys of riders and non-riders to support transit planning. The most recent survey was conducted as part of the Title VI update and a survey is available in preparation of the SRTP.

During the audit period, the City’s primary capital project has been the procurement of rolling stock. The City has a Zero-Emission Bus Rollout Plan in place and has ordered its first electric van to support the Dial-A-Ride services.

Administration

In January of each year, the City begins its annual budget process. Preliminary departmental budgets are completed in February and finalized in March. The Transit Manager and Administrative Analyst analyze the prior fiscal year and project revenues and operating expenses for the next fiscal year, then submit their draft budget to the Public Works Director for review and recommendations. The Public Works Director submits the finalized budget to City Manager and budget team for further processing. The preliminary City budget is released to the Council in May and finalized and adopted in June.

City staff compare budgeted expectations for the transit program with actual revenue and expenses monthly. The City uses New World (Tyler Technologies) software. Financials are reported to the governing body semi-annually.

Grant application and compliance responsibilities are clearly defined within the City. Decisions to apply for grants are based on the planning process and the availability of specific grants. The City would like to apply for competitive grants for street enhancements along bus routes, but are unable to do so due to lack of staffing. The addition of a dedicated Transit Finance staffer would give the City the ability to apply for more grants; the position would ideally handle grants, preparation of external reports, and TDA claims.

Risk management is handled by the Human Resources and Risk department. Procedures for processing accident and injury claims are defined. The City is part of the Municipal Pooling Authority (MPA) self-insurance pool. MTM's General Manager, Operations/Safety Manager, and Road Supervisor are responsible for proactive safety/loss prevention initiatives, including a period review of safety practices. The City has an emergency response plan; Transit's role within that plan is the provision of emergency transportation when needed.

The City manages its operations contract, as well as contracts for transit bus shelter advertising, consultants, janitorial services, landscaping, and security services. Contracts have a limited and defined term, clearly specified scope of work, and explicit price for goods or services. Contracts are managed through a contract tracking sheet, and staff monitor performance through regular sampling of specific activities.

Managers review and approve timesheets for full-time employees through Executime. The Administrative Analyst reviews part-time hourly employees' timesheets, then submits them to the Transit Manager for approval. Part-time employee timecards are emailed to payroll for further processing. Nearly all employees utilize direct deposit.

The Administrative Analyst and the Transit Manager are responsible for accounts receivable and accounts payable. Invoice terms, quantities, and prices are verified against purchase orders, and receipt of goods or services is verified before invoices are paid.

The City maintains a Transit Procurement Policy as well as a City Purchasing Policy. The Transit Procurement Policy is in compliance with FTA requirements, including FTA standard terms and conditions. All purchasing and procurement policies and procedures are well defined and appropriate.

The City went out to bid on its transit operations and maintenance contract during the audit period after exhausting the base year and all options years of the prior contract (with National Express). The City received three bids. The new contract with MTM Transit began on July 1, 2023, and has a term of three years plus two one-year optional extensions. The new contract includes more road supervisors, dispatchers, and support staff than the program previously had.

Marketing and Public Information

The City's transit marketing efforts are focused on engaging the community and effectively promoting its services. Its primary service information is a rider guide, which is available at the Transit Center, onboard the vehicles, and on the website. Offering free fares serves as a compelling incentive to attract new riders while encouraging additional use among existing riders. Participation in community events such as the Pumpkin Festival, Street Faire, etc., provide educational and informational opportunities, fostering a deeper connection with passengers and addressing their needs proactively.

Surveys are conducted through SurveyMonkey and posted via social media platforms to gather feedback, enabling continuous improvement based on real-time insights. These platforms not only amplify outreach efforts but also cultivate a responsive dialogue, ensuring that transit services evolve in alignment with community preferences and expectations. Survey and performance data is used to develop marketing goals and targets.

The City has a Marketing Plan in place. The City's most successful campaign was to provide free fares for students (through an LCTOP grant). The City conducted outreach to Manteca high schools, prepared marketing materials to raise awareness throughout the community, and created a video for use in the local movie theaters to increase student ridership. City staff hosted a booth at Manteca High School and at the Pumpkin Festival to speak to youth and their parents. Due to these efforts, Manteca Transit has seen an increase in youth ridership. Prior to the COVID-19 pandemic, youth ridership was in the hundreds. As of August 2024, youth ridership was 2,500.

The City uses social media to promote transit, including Facebook, LinkedIn, and Instagram. It uses two mobile apps: ETA Spot, which provide automatic vehicle location and estimated time of arrival, and Vamos, which offers trip planning and contactless fare payment.

The City does not log all customer calls, but records ADA and non-ADA complaints and compliments, concerns, and accident/incident claims. A database documents the date and time of the complaint, the complainant's name and contact information, a description of the complaint (including driver, route, and vehicle information as applicable), and whether the complaint is related to ADA or Title VI. When possible, concerns are addressed immediately. For those that cannot be resolved immediately, the Transit Supervisor will respond within 24 hours. The public perception of the program is positive.

Scheduling, Dispatch, and Operations

Manteca Transit is operated by MTM Transit. The transit program is fully staffed with 14 full-time bus operators. Drivers are assigned to routes through the bidding process based on seniority. Drivers are not formally rotated through routes, but may do so as the bid allows. The bidding process is defined by the union agreement with the Teamsters Local No. 439.

When drivers take vacation or call out sick, standby drivers are used to cover the routes. If no standby driver is available, any available driver may cover. Standby drivers are used for call-offs, lunch relief, etc. The labor agreement includes a clear and communicated policy on absences and sick leave requiring prior notice.

Vehicles are assigned to routes based on availability and size. The 35-foot CNG bus is typically assigned to Route 2 because of its higher ridership. Smaller vehicles operate better in downtown Manteca on higher-ridership routes. Three vehicles are typically assigned to Dial-A-Ride because they have more wheelchair positions.

Fares are collected onboard the buses using drop vaults. At the end of the day, the dispatcher removes the fareboxes from the vehicles and secures them in a locked cabinet. The money is counted twice the next morning, once by the morning dispatcher and again by the Operations Supervisor in a room equipped with cameras. Amounts are entered into a spreadsheet and compared to passenger count. Fares are transported by the contractor's General Manager to the City, which makes a daily deposit via armored car pickup.

Drivers and dispatchers sell passes and the money is either dropped into the farebox or received with receipt in the transit office. Mobile ticketing is available through the Vamos app and processed by the vendor into the City's designated account.

Personnel Management and Training

The City's contractor is recruiting a sufficient number of drivers to meet the program's needs. Recruits are required to have a Class B commercial license with air brake and passenger endorsements. MTM has a dedicated recruiter. Jobs are posted on the MTM website and Indeed. Employee referrals have been particularly effective. Several retirements are coming up, so MTM anticipates doing more recruiting, though not until at least 2025.

Management motivates employees through an Employee of the Month program, quarterly safety bonuses, and weekly engagement sessions. MTM also offers advancement opportunities. Employees receive job performance evaluations annually and when needed to respond to an issue that may require remedial training. Employee turnover is relatively low, with most departures due to attendance.

The Operations/Safety Manager is responsible for training new and existing drivers. They hold the following certifications: NTI Train the Trainer Certifications in Assault Awareness and Violence in the Transit Workplace; TSI certifications in Instructor Course in Bus Operator Training, Transit Bus Nomenclature, Curbing Transit Employee Distracted Driving, Fatigue and Sleep Apnea Awareness; SMS Safety Assurance; SMS Awareness; CAT Eye Certified; DISA Global Solutions for Reasonable Suspicion; and Easter Seals Project Action (ADA and Beyond). MTM currently uses the DMV for testing, though the Operations/Safety Manager has been a certified tester in the past and is in the process of getting recertified.

Monthly safety meetings, which meet the state requirement for training, address locally identified issues as well as company safety standards. All drivers are trained prior to starting in-service and retrained as

needed. Safety practices and procedures are clearly defined, as well as all vehicles are appropriately equipped with safety equipment.

MTM addresses rule enforcement through Attendance and Safety points as part of a progressive discipline policy. Accumulation of six Safety points or eight Attendance points will result in termination. The employee handbook includes a clear policy regarding absences and tardiness. MTM's drug and alcohol policy is compliant with state and federal requirements.

MTM full-time employees are offered medical insurance, dental insurance, and vision insurance. Employees also receive basic life insurance, disability coverage, retirement, union benefits, and an employee assistance program (EAP). Benefits are communicated through MTM's Workday platform.

Maintenance

MTM provides maintenance for the City's transit fleet through subcontracts with local vendors. Preventive maintenance is conducted every 5,000 miles or 45 days, whichever is sooner. This schedule conforms with the manufacturer's recommended schedule. Compliance with the preventive maintenance schedule is tracked in MTM's monthly report spreadsheet. MTM uses the Assetworks platform to manage fleet maintenance.

Vehicles are inspected each day prior to pull-out. If safety concerns are found, the vehicle is not put into service but is scheduled for repair. All revenue vehicles are very similar and can be swapped out if one must be taken out of service. The availability of parts due to supply chain issues has impacted local vendors' ability to make some repairs quickly, but the City's spare ratio is high enough that it can cover its service needs.

When breakdowns occur, dispatch notifies maintenance directly and promptly. Maintenance schedules are communicated to dispatch. A lock-out, tag-out procedure is used to prevent unsafe vehicles from being put into service. The dispatcher is notified via Microsoft Teams when a vehicle that was out of service is available for use.

The City operates its services using a fleet of nine vehicles. Vehicles are equipped with ETA Spot ITS system, mobile data terminals, iDrive, and Hanover destination signs. Digital signs were installed for every route at the Transit that includes next bus arrival. The City's first electric van has been ordered but had not yet been delivered at the time of this report; it will be used for Dial-A-Ride service. Charging infrastructure will be installed at the Transit Center. The City is working on a designated transit yard as part of its SRTP 10-year horizon. Once the City has a transit yard, it can begin pursuing more vehicle purchases.



Exhibit 7.4 City of Manteca Transit Fleet

Vehicle #	Year	Make	Model	Type	PAX	WC Positions	Service
1174	2018	Champion	LF270FP	Cutaway Vehicle	14	3	ADA
1175	2018	Champion	LF270FP	Cutaway Vehicle	14	3	ADA
1176	2018	Champion	LF270FP	Cutaway Vehicle	14	3	ADA
1177	2018	Champion	LF270FP	Cutaway Vehicle	17	2	Fixed-Route
1178	2018	Champion	LF270FP	Cutaway Vehicle	17	2	Fixed-Route
1179	2018	Champion	LF270FP	Cutaway Vehicle	17	2	Fixed-Route
1180	2018	Champion	LF270FP	Cutaway Vehicle	17	2	Fixed-Route
1181	2018	Champion	LF270FP	Cutaway Vehicle	17	2	Fixed-Route
1182	2021	GILLIG	Low Floor	Gillig Low Floor Bus	31	2	Fixed-Route

Chapter 8 | Findings and Recommendations

Conclusions

The City of Manteca does not receive any TDA Article 4 funds for transit and has not traditionally been required to be in compliance with the requirements of the Transportation Development Act. Three findings that would normally be considered a compliance finding during a Triennial Performance Audit has been identified, along with one finding considered a functional finding. Recommendations intended to improve the effectiveness and efficiency of the operator are detailed below.

Findings

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

1. State Controller Reports were submitted after the January 31 deadline for FY 2021/22, FY 2022/23, and FY 2023/24.
2. TDA fiscal audits for FY 2021/22, FY 2022/23, and FY 2023/24 have yet to be completed.
3. Compliance with CCR 6634 could not be assessed because the City has yet to submit TDA fiscal audits for any year of the audit period.

The audit team has identified one functional finding. While this finding is not a compliance finding, the audit team believes it warrants inclusion in this report:

1. The City would benefit from the addition of a Transit Finance position to assist with grants, reporting, and TDA claims.

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: State Controller Reports were submitted after the January 31 deadline for FY 2021/22, FY 2022/23, and FY 2023/24.

Criteria: PUC 99243 requires operators receiving funding under Article 4 to submit their Financial Transaction Report to the State Controller within seven months of the end of the fiscal year. While Article 8 recipients submit this form as well, compliance with the deadline is not stated as a condition of compliance with Article 8. However, since the deadline is established by the State Controller's Office, it should be treated as a hard deadline and complied with.



Condition: The FY 2021/22 State Controller Reports were submitted on April 11, 2023, approximately nine weeks after the January 31 deadline. The FY 2022/23 State Controller Reports were submitted on March 20, 2024, approximately seven weeks after the deadline. The FY 2023/24 State Controller Reports were submitted on March 6, 2025, approximately five weeks after the deadline.

Cause: The State Controller Reports are prepared by the City’s auditor. The precise cause of the delay is unknown.

Effect: The deadlines were missed and the reports were submitted late.

Recommendation: Work with the City’s auditors to ensure on-time submittal of the State Controller Reports.

Recommended Action: Transit staff should work with the City’s auditors to ensure State Controller Reports can be submitted no later than January 31 of the year following the end of the fiscal year.

Timeline: FY 2024/25.

Anticipated Cost: Negligible.

Management Response: Annual financial audits and reporting has been behind due to staff turnover and shortages, both in the Finance Department and at the senior leadership level. With the Senior Leadership Team positions being mostly staffed and Finance Department vacancies currently filled, City staff anticipates the State Controller Reports to be submitted on time moving forward.

Compliance Finding 2: TDA fiscal audits for FY 2021/22, FY 2022/23, and FY 2023/24 have yet to be completed.

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

Condition: The FY 2020/21 TDA fiscal audit was completed on May 8, 2024, more than two years after the March 31, 2022 deadline. Audits for FY 2021/22 and FY 2022/23 have yet to be completed and are considered late. The FY 2023/24 audit will also be completed after the extended deadline. The City reported that the fieldwork for the FY 2021/22 audit was expected to begin in December 2024.

Cause: The City has had some changes in staffing during the audit period, including a new Finance Director. This likely had an impact on the completion of City audits.

Effect: The delays in completing the audits has impacted the City’s ability to claim its TDA funds.

Recommendation: Work with City and TDA auditors to ensure the TDA fiscal audits can be completed no later than March 31 of the year following the end of the fiscal year.

Recommended Action: One of the goals of the City Council is to get audits and reports submitted on time. The new Finance Director has put new procedures and policies in place to ensure these items are completed in a timely manner.

Timeline: FY 2024/25.

Anticipated Cost: Negligible.

Management Response: Annual financial audits and reporting has been behind due to staff turnover and shortages, both in the Finance Department and at the senior leadership level. With the Senior Leadership Team positions being mostly staffed and Finance Department vacancies currently filled, staff anticipates the TDA Audits to be submitted on time moving forward. The TDA FY 2021/22 audit is scheduled for April 21, 2025.

Compliance Finding 3: Compliance with CCR 6634 could not be assessed because the City has yet to submit TDA fiscal audits for any year of the audit period.

Criteria: CCR 6634 states that no operator is eligible to receive LTF and STA funds in an amount that exceeds its annual operating costs less fare revenues, federal operating assistance, any local support needed to meet its minimum farebox recovery ratio, and contributions from a city or county to which the operator provides service. In order to make this determination, both TDA claims and audited financials must be available for review.

Condition: The City has submitted one TDA claim during the audit period (FY 2021/22) but has not completed a fiscal audit for any year. As a result, the data needed to determine whether the City has claimed more than it is eligible to receive in a given year is not available and compliance with this item could not be assessed.

Cause: The cause of this situation is the City's delays in completing its TDA fiscal audits and filing for claims.

Effect: Compliance with this section cannot be determined.

Recommendation: Ensure that TDA claims for FY 2022/23 and FY 2023/24 are based on actual operating costs so that the City only claims what it is eligible to receive for those years.

Recommended Action: Since the City will be claiming its TDA funds in arrears, it should use actual operating costs and revenues for each claim year to determine its eligibility to receive funds. An assessment of FY 2021/22 should also be conducted once the TDA fiscal audit for that year is completed to determine if the City received more funding than it was eligible to receive. If so, an adjustment will need to be factored into a future claim.

Timeline: FY 2024/25.

Anticipated Cost: Negligible.

Management Response: Annual financial audits and reporting has been behind due to staff turnover and shortages, both in the Finance Department and at the senior leadership level. With the Senior Leadership Team positions being mostly staffed and Finance Department vacancies currently filled, staff anticipates the TDA Audits to be submitted on time moving forward. The TDA FY 2021/22 audit is scheduled for April 21, 2025.

Functional Finding 1: The City would benefit from the addition of a Transit Finance position to assist with grants, reporting, and TDA claims.

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. 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.

Condition: The City has expressed a need to expand transit staffing to enable it to pursue additional competitive grant funding as well as bring completion of the State Controller Reports back in-house (these are currently prepared by the City’s auditor).

Cause: Growth of the transit program and a need to apply for and manage additional grants in the future have necessitated additional staffing.

Effect: Failure to staff this position would result in missed opportunities for funding and/or overloading existing staff.

Recommendation: Include a new Transit Finance position in the budget for FY 2025/26.

Recommended Action: Staff should request the addition of a Transit Finance position in the FY 2025/26 budget and begin recruitment.

Timeline: FY 2025/26.

Anticipated Cost: Equivalent to the City’s salary and benefits for the position, plus any costs related to recruitment.



Exhibit 8.1 Audit Recommendations

TDA Compliance Recommendations		Importance	Timeline
1	Work with the City’s auditors to ensure on-time submittal of the State Controller Reports.	High	FY 2024/25
2	Work with City and TDA auditors to ensure the TDA fiscal audits can be completed no later than March 31 of the year following the end of the fiscal year.	High	FY 2024/25
3	Ensure that TDA claims for FY 2022/23 and FY 2023/24 are based on actual operating costs so that the City only claims what it is eligible to receive for those years.	High	FY 2024/25
Functional Recommendations		Importance	Timeline
1	Include a new Transit Finance position in the budget for FY 2025/26.	Medium	FY 2025/26