



# San Joaquin Council of Governments

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



**SAN JOAQUIN**  
COUNCIL OF GOVERNMENTS  
CALIFORNIA





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## 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.

The Triennial Performance Audit is designed to be an independent and objective evaluation of City of Escalon 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 City's public transit program for the period:

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

The City of Escalon provides public transit services within city limits and beyond via its eTrans bus program. eTrans offers one fixed route providing service within Escalon and to neighboring Modesto. Three round trips are offered each weekday. Dial-A-Ride service within Escalon, and with connections to Riverbank, operates between the round trips. Neither service operates on Saturday, Sunday, or designated holidays.

In December 2022, the City implemented eTrans on the go, an Uber subsidy program that will subsidize up to \$10.00 per ride for a \$2.00 upfront fare. Passengers can travel anywhere in Escalon, to Riverbank, Oakdale, or Modesto seven days a week between 5:00 a.m. and 10:00 p.m. Any amount beyond \$10.00 is the responsibility of the user.

In addition, in April 2024 eTrans added Míocar, a carsharing service originating at the Escalon Park and Ride. Members must be 21 years of age or older, have a valid driver's license, and a valid credit, debit, or prepaid card. Hourly rates start at \$4.00 or a daily rate of \$35.00.

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 one compliance finding:

1. TDA fiscal audits for each year of the audit period were submitted after the extended deadline of March 31 of the following fiscal year.

### 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 two recommendations:

1. **Ensure data is cited as accurately as possible on all reporting documents.**  
**Status:** Implemented.
2. **Ensure TDA fiscal audits are completed within the extended deadline.**  
**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 finding for the City of Escalon.

1. TDA fiscal audits for each year of the audit period were submitted after the extended deadline of March 31 of the following fiscal year.

The audit team has identified no functional findings.

In completing this Triennial Performance Audit, we submit the following recommendations for City of Escalon’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 City and TDA auditors to ensure the TDA fiscal audit can be completed no later than March 31 of the following fiscal year.	High	FY 2024/25



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## Chapter 2 | Audit Scope and Methodology

The Triennial Performance Audit (TPA) of the City of Escalon’s public transit program covers the three-year period ending June 30, 2024. 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 of Escalon 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 Escalon 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 City of Escalon City Hall (2060 McHenry Ave, Escalon) on September 26, 2024, with a follow up call via Zoom on October 11, 2024. The audit team met with Celinda Bickner (Finance Director) and John Andoh (Transit 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’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 Escalon 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 SJCOG, as the RTPA, requested the City be audited to support a comprehensive and objective review to provide beneficial insights into 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.

One compliance item was identified for the City of Escalon:

1. TDA fiscal audits for each year of the audit period were submitted after the extended deadline of March 31 of the following fiscal year.

### 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	In compliance	FY 2021/22: January 31, 2023 FY 2022/23: January 30, 2024 FY 2023/24: January 31, 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: January 31, 2024 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	July 22, 2020 July 21, 2021 September 1, 2022 August 9, 2023
Operator’s claim for TDA funds submitted in compliance with rules and regulations adopted by the RTPA.	PUC 99261	In compliance	TDA claims submitted by the City are complete and in compliance with SJCOC’s rules and regulations.
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 Escalon 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"> <li>• Operating cost/revenue hour</li> <li>• Passengers/revenue hour</li> <li>• Subsidy/passenger</li> </ul> Per AB 90, AB 149, and SB 125, penalties were waived for FY 2020 and FY 2021. As such, no standards were established for the audit period, nor included in the fiscal audits.
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	FY 2021/22: +9.63% FY 2022/23: +20.38% FY 2023/24: +79.14%  The increase in FY 2023 was due in part to the addition of the Uber program. FY 2024 saw a significant increase due to the new MTM contract and related costs. <i>Source: TDA Claims for FY 2022 – FY 2024.</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	
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	As an operator receiving funding under Article 8(c), the City is judge compliant based on performance criteria, not farebox recovery ratio.
For a claimant that provides only services to elderly and handicapped persons, the ratio of fare revenues to operating cost shall be at least 10 percent.	PUC 99268.5, CCR 6633.5	Not applicable	
The current cost of the operator’s retirement system is fully funded with respect to the officers and employees of its public transportation system, or the operator is implementing a plan approved by the RTPA, which will fully fund the retirement system for 40 years.	PUC 99271	In compliance	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>This requirement was waived through FY 2025/26 under AB 90, AB 149, and SB 125.</p>
<p>A transit claimant is precluded from receiving monies from the Local Transportation Fund and the State Transit and operating costs less the actual amount of fares received, the amount of local support required to meet the fare ratio, the amount of federal operating assistance, and the amount received during the year from a city or county to which the operator has provided services beyond its boundaries.</p>	<p>CCR 6634</p>	<p>In compliance</p>	



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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 Escalon 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, 2024 – included two recommendations:

1. [Ensure data is cited as accurately as possible on all reporting documents.](#)

**Discussion:** While fare revenue reported in FY 2018/19 was consistent among the three reports, it was not in FY 2019/20 and FY 2020/21. In FY 2019/20, there was a 15.8 percent variance between the lowest figure (reported to the State Controller) and the highest (reported in the TDA fiscal audit). In FY 2020/21, there was a 2.3 percent variance between what was reported to the State Controller and what was reported to the NTD (the TDA fiscal audit had not yet been completed at the time the prior audit report was prepared). The reason(s) for these variances could not be determined.

In FY 2020/21, 825 vehicle service hours (VSH) were reported on the State Controller and NTD reports. However, 1,868 VSH were reported on the monthly performance reports. This is concerning, as the two external reports appear to be significantly underreporting VSH. Given VSH is a performance measure used by SJCOC to determine compliance for the City of Escalon, such a large variation in what is reports could impact the City’s transit funding. In this case, the issue lies with the demand-response service, for which only 60 VSH were reported to the State Controller and NTD, but for which 1,104 VSH were recorded per the monthly performance report. Given the trends across the audit period, it would appear the 1,868 VSH is the correct figure.

The prior auditor recommended several steps that could be taken to ensure data is reported accurately, or that known variances are documented.

**Progress:** The Transit Manager reports data based off a master spreadsheet that shows data for the transit services offered by eTrans so that same data is reported across multiple platforms. This was implemented in FY 2021. While there was a mistake noted in the FY 2023/24 NTD reporting, overall the data is much more consistent.

**Status:** Implemented.

2. [Ensure TDA fiscal audits are completed within the extended deadline.](#)

**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, even if it might not affect the release of Article 8 funds. For FY 2020/21, the City's TDA fiscal audit had not been completed by the time the prior audit report was finalized on April 6, 2022.

The prior auditor recommended Escalon should work with City and TDA auditors to ensure the TDA fiscal audit can be completed no later than March 31.

The City of Escalon's longtime Finance Director (who was the City Manager) departed from the City during the prior audit period. The City hired an interim Finance Director who worked with the auditor to complete the overall City financial audit which was completed on March 31, 2022. The completion of that audit allowed for the TDA audit to be completed, which was anticipated to be within 30-60 days. This was an unusual circumstance for the City and was not expected to reoccur in the future.

**Progress:** The City has had changes in leadership between FY 2020/21 and FY 2023/24. This caused delays in completing the TDA fiscal audits in FY 2021/22 and FY 2022/23. In addition, the FY 2023/24 audit is expected to be delayed as well. The City is working to obtain a new auditing firm. The City is looking at engaging a new auditor that has more capacity to ensure its audits are completed on time in the future.

**Status:** Implementation in progress.



## 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 (such as the National Transit Database and State Controller) during the audit period.

*Note: TDA fiscal audits for FY 2022/23 and FY 2023/24 had not been completed at the time of this report. As such, they are not included in the data comparison.*

- **Operating cost:** In FY 2021/22, the operating cost reported to the NTD was lower than that reported elsewhere. In subsequent years, the costs reported to the NTD and State Controller were consistent.
- **Fare Revenue:** This metric was reported consistently on the NTD report and to the State Controller, though a higher figure was reported in the TDA audit in FY 2021/22. Fare revenue in FY 2022/23 and FY 2023/24 represents fares paid under the Uber subsidy program, as other services operated fare-free.
- **Vehicle Service Miles (VSM):** This metric was reported consistently, with the exception of a slight variance between the monthly performance reports and other reports in FY 2021/22. In the FY 2023/24 NTD report, fixed-route Passengers was reported as VSM, resulting in a significant underreporting of service miles. (This may be corrected in a subsequent submittal, as the final/accepted NTD report was unavailable.)
- **Passengers:** In the FY 2023/24 NTD report, fixed-route Vehicle Service Miles was reported as Passengers, resulting in a significant overreporting of ridership. (This may be corrected in a subsequent submittal, as draft NTD figures were utilized for this analysis.) In addition, the City failed to report ridership for the Uber subsidy program to the NTD, though it reported vehicle service miles and hours appropriately.
- **Full-Time Equivalent (FTE) Employees:** Even though the City is using the TDA definition of full-time equivalent employee, this metric is overreported to the State Controller since the Financial Transaction Report only allows whole numbers to be reported. As a result, in FY 2022/23 and FY 2023/24, the City reported one FTE each for fixed-route, demand-response service, and TNC, for a total of three. This is correct, even though it results in overreporting.



Exhibit 5.1 Data Reporting Comparison

Performance Measure	System-Wide		
	FY 2021/22	FY 2022/23	FY 2023/24
<b>Operating Cost (Actual \$)</b>			
<i>TDA fiscal audit</i>	\$231,200	Not provided	Not provided
<i>National Transit Database</i>	\$183,183	\$232,804	\$310,274
<i>State Controller Report</i>	\$231,196	\$232,805	\$310,274
<b>Fare Revenue (Actual \$)</b>			
<i>TDA fiscal audit</i>	\$1,217	Not provided	Not provided
<i>National Transit Database</i>	\$1,035	\$363	\$140
<i>State Controller Report</i>	\$1,035	\$363	\$140
<b>Vehicle Service Hours (VSH)</b>			
<i>Monthly Performance Reports</i>	865	790	965
<i>National Transit Database</i>	863	790	965
<i>State Controller Report</i>	863	791	965
<b>Vehicle Service Miles (VSM)</b>			
<i>Monthly Performance Reports</i>	19,964	17,090	18,284
<i>National Transit Database</i>	20,084	17,090	1,919
<i>State Controller Report</i>	20,084	17,090	18,284
<b>Passengers</b>			
<i>Monthly Performance Reports</i>	1,801	1,242	1,279
<i>National Transit Database</i>	1,801	1,242	17,574
<i>State Controller Report</i>	1,801	1,242	1,279
<b>Full-Time Equivalent Employees</b>			
<i>State Controller Report</i>	2	3	3
<i>Per City methodology</i>	2	2	2
<i>Per TDA methodology</i>	2	2	2



## Chapter 6 | Performance Analysis

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

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

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

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

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

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

### Operating Cost

The Transportation Development Act requires an operator to track and report transit-related costs reflective of the Uniform System of Accounts and Records developed by the State Controller and the California Department of Transportation. The most common method for ensuring this occurs is through a compliance audit report prepared by an independent auditor in accordance with California Code of Regulations Section 6667<sup>1</sup>. 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 period<sup>2</sup>:

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<sup>1</sup> 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.

<sup>2</sup> 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.<sup>3</sup> 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.

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<sup>3</sup> 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 Escalon, 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 rose year over year throughout the six-year period. Between FY 2018/19 and FY 2023/24, there was a net 157.2 percent increase in operating cost. The most significant increase occurred in FY 2021/22, which experienced a 45.2 percent increase. Fare revenues, however, decreased every year. Fare revenues experienced a 94.8 percent net decrease over the six-year span due to the fare-free policy.

Vehicle service hours (VSH) experienced a net 42.1 percent decrease across the six-year span and a net 11.8 increase during the audit period. Vehicle service miles (VSM) were varied, resulting in a 17.1 percent net decrease across six years and 9.0 percent net decrease during the audit period.

Ridership declined four out of the six years. Overall, ridership decreased by 29 percent during the audit period and a net 44.8 percent across the six-year period.

Cost-related metrics typically provide an indicator of a system's efficiency, while passenger-related metrics offer insight into its productivity. Improvements are characterized by increases in passenger-related metrics and decreases in cost-related metrics. All operating cost metrics increased during the audit period. Passenger-related metrics fell, with passengers per VSH decreasing by 36.5 percent and passengers per VSM decreasing by 22 percent during the audit period.



Note: The farebox recovery ratio shown in Exhibits 6.1 and 6.10 only reflects actual fare revenues and does not reflect any local supplementation, federal funds, or other revenues applied to the calculation. For the compliance assessment regarding the farebox recovery ratio, refer to Exhibit 3.1 in Chapter 3.

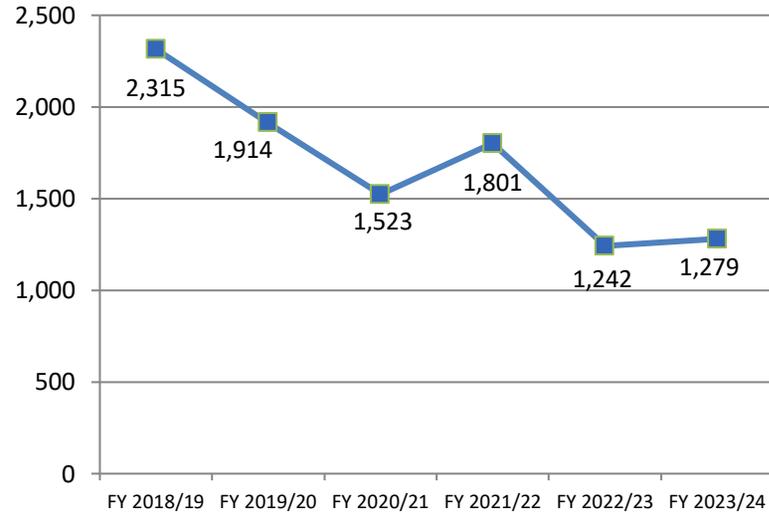
Exhibit 6.1 System Performance Indicators

Performance Measure	System-wide					
	FY 2018/19	FY 2019/20	FY 2020/21	FY 2021/22	FY 2022/23	FY 2023/24
<b>Operating Cost (Actual \$)</b>	\$120,644	\$129,659	\$159,233	\$231,196	\$232,805	\$310,274
Annual Change		7.5%	22.8%	45.2%	0.7%	33.3%
<b>Fare Revenue (Actual \$)</b>	\$2,693	\$1,756	\$1,730	\$1,035	\$363	\$140
Annual Change		-34.8%	-1.5%	-40.2%	-64.9%	-61.4%
<b>Vehicle Service Hours (VSH)</b>	1,666	1,519	825	863	791	965
Annual Change		-8.8%	-45.7%	4.6%	-8.3%	22.0%
<b>Vehicle Service Miles (VSM)</b>	22,045	20,566	20,067	20,084	17,090	18,284
Annual Change		-6.7%	-2.4%	0.1%	-14.9%	7.0%
<b>Passengers</b>	2,315	1,914	1,523	1,801	1,242	1,279
Annual Change		-17.3%	-20.4%	18.3%	-31.0%	3.0%
<b>Employees</b>	2	2	2	2	3	3
Annual Change		0.0%	0.0%	0.0%	50.0%	0.0%
<b>Performance Indicators</b>						
<b>Operating Cost/VSH (Actual \$)</b>	\$72.42	\$85.36	\$193.01	\$267.90	\$294.32	\$321.53
Annual Change		17.9%	126.1%	38.8%	9.9%	9.2%
<b>Operating Cost/Passenger (Actual \$)</b>	\$52.11	\$67.74	\$104.55	\$128.37	\$187.44	\$242.59
Annual Change		30.0%	54.3%	22.8%	46.0%	29.4%
<b>Passengers/VSH</b>	1.39	1.26	1.85	2.09	1.57	1.33
Annual Change		-9.3%	46.5%	13.0%	-24.8%	-15.6%
<b>Passengers/VSM</b>	0.11	0.09	0.08	0.09	0.07	0.07
Annual Change		-11.4%	-18.4%	18.2%	-19.0%	-3.7%
<b>Farebox Recovery</b>	2.2%	1.4%	1.1%	0.4%	0.2%	0.0%
Annual Change		-39.3%	-19.8%	-58.8%	-65.2%	-71.1%
<b>Hours/Employee</b>	833.0	759.5	412.5	431.5	263.7	321.7
Annual Change		-8.8%	-45.7%	4.6%	-38.9%	22.0%
<b>TDA Non-Required Indicators</b>						
<b>Operating Cost/VSM</b>	\$5.47	\$6.30	\$7.94	\$11.51	\$13.62	\$16.97
Annual Change		15.2%	25.9%	45.1%	18.3%	24.6%
<b>VSM/VSH</b>	13.23	13.54	24.32	23.27	21.61	18.95
Annual Change		2.3%	79.7%	-4.3%	-7.2%	-12.3%
<b>Fare/Passenger</b>	\$1.16	\$0.92	\$1.14	\$0.57	\$0.29	\$0.11
Annual Change		-21.1%	23.8%	-49.4%	-49.1%	-62.5%

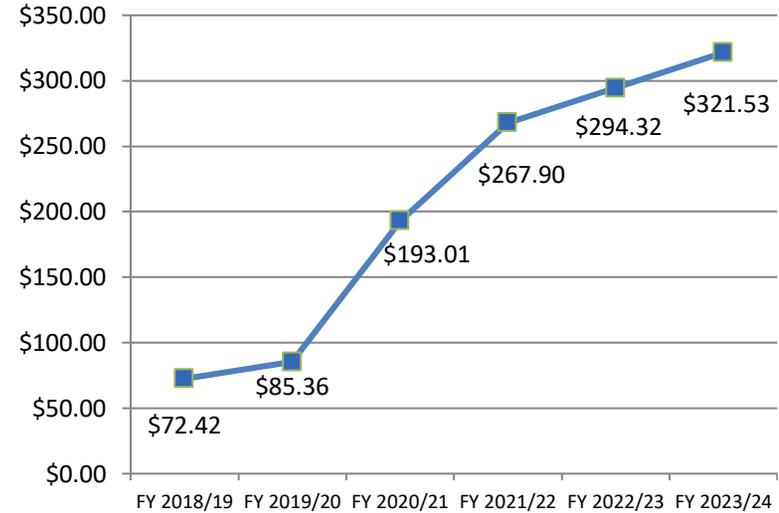
Sources: FY 2018/19 – FY 2020/21 data taken from prior Triennial Performance Audit.  
FY 2021/22 – FY 2023/24 data taken from State Controller reports.



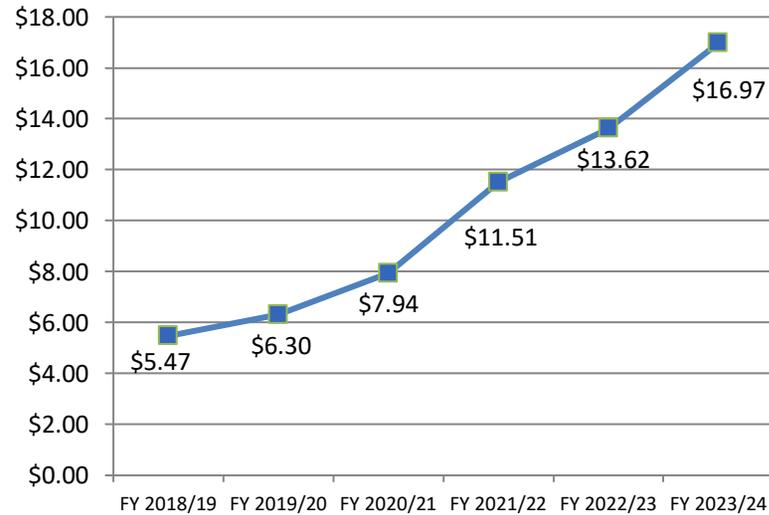
**Exhibit 6.2 System Ridership**



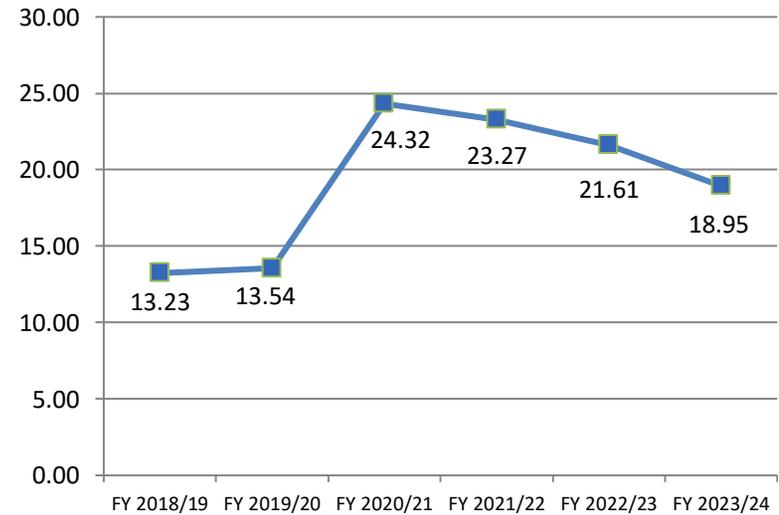
**Exhibit 6.3 System Operating Cost/VSH**



**Exhibit 6.4 System Operating Cost/VSM**

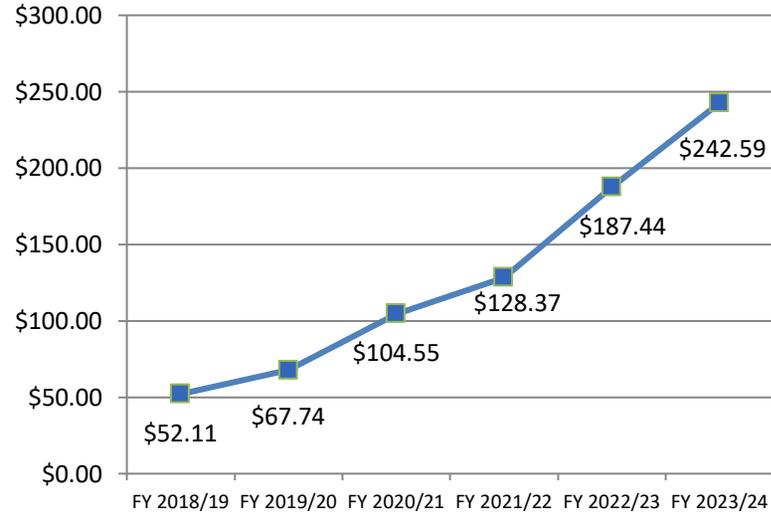


**Exhibit 6.5 System VSM/VSH**

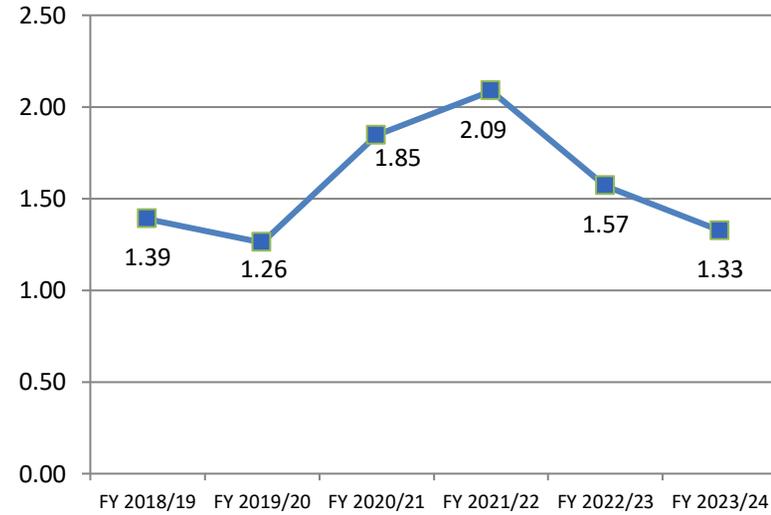




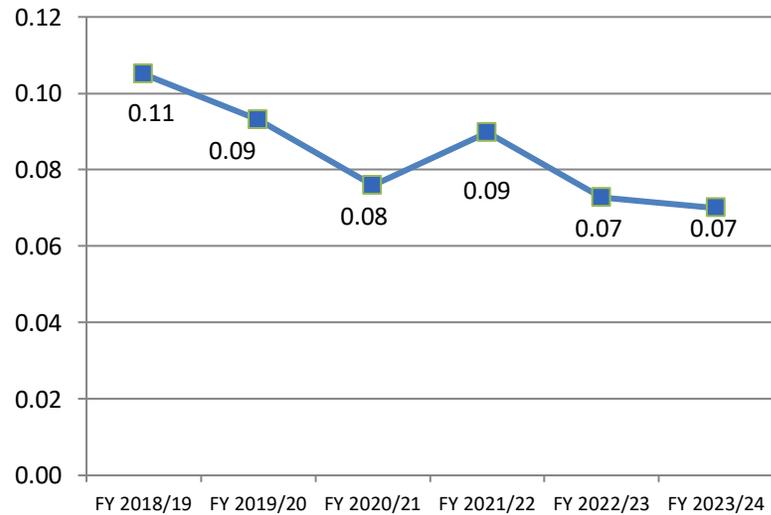
**Exhibit 6.6 System Operating Cost/Passenger**



**Exhibit 6.7 System Passengers/VSH**



**Exhibit 6.8 System Passengers/VSM**



**Exhibit 6.9 System VSH/FTE**

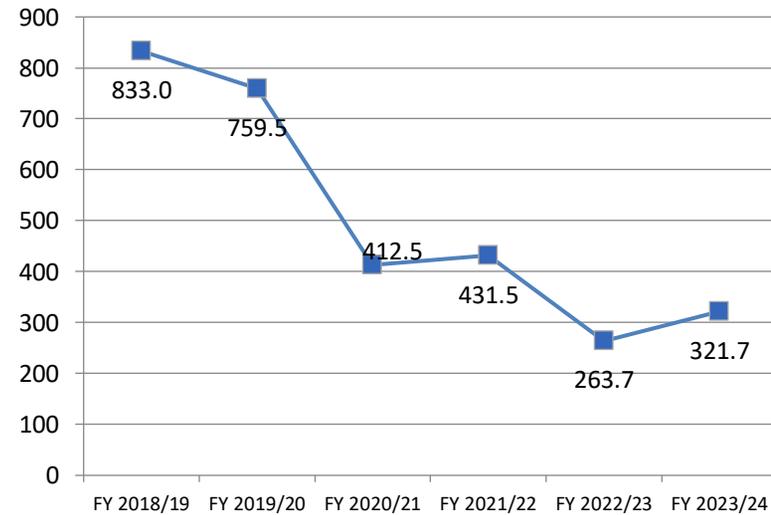




Exhibit 6.10 System Farebox Recovery

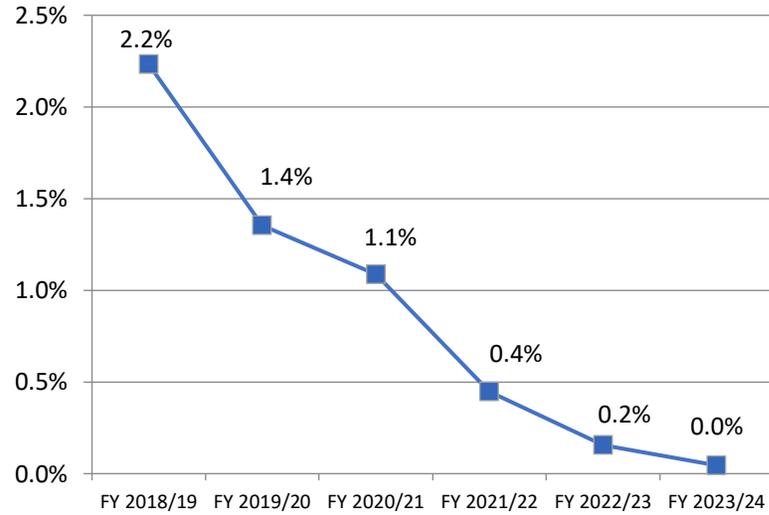
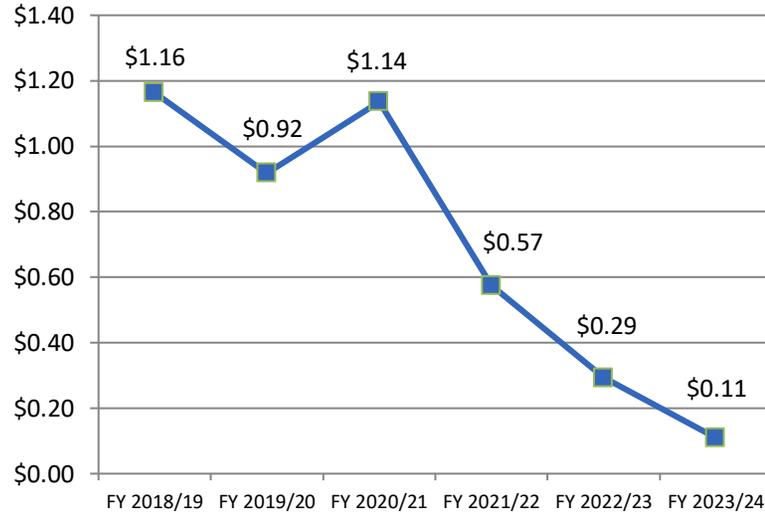


Exhibit 6.11 System Fare/Passenger





### Fixed-Route Performance Trends

Fixed-Route vehicle service hours (VSH) fluctuated throughout the six-year period. This resulted in a net increase of 12.1 percent during the audit period and a net 11.1 percent increase over the past six years. Vehicle service miles (VSM) experienced a similar pattern, resulting in a net decrease of 7.5 percent during the audit period, and a net decrease of 8.2 percent since FY 2018/19.

Ridership rose each year of the prior audit period, with the exception of a 26.5 percent decrease in FY 2022/23. Overall, fixed-route ridership decreased by 4.3 percent during the audit period, but increased by 30.3 percent over the six-year period.

Passenger-related metrics varied, with passengers per VSH experiencing a decrease of 14.6 percent while passengers per VSM increased by 3.4 percent 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
<b>Vehicle Service Hours (VSH)</b>	778	772	765	771	691	864
<i>Annual Change</i>		-0.8%	-0.9%	0.8%	-10.4%	25.0%
<b>Vehicle Service Miles (VSM)</b>	18,844	18,236	19,120	18,696	15,565	17,299
<i>Annual Change</i>		-3.2%	4.8%	-2.2%	-16.7%	11.1%
<b>Passengers</b>	717	719	874	976	717	934
<i>Annual Change</i>		0.3%	21.6%	11.7%	-26.5%	30.3%
<b>Employees</b>	1	1	1	1	1	1
<i>Annual Change</i>		0.0%	0.0%	0.0%	0.0%	0.0%
<b>Performance Indicators</b>						
<b>Passengers/VSH</b>	0.92	0.93	1.14	1.27	1.04	1.08
<i>Annual Change</i>		1.1%	22.7%	10.8%	-18.0%	4.2%
<b>Passengers/VSM</b>	0.04	0.04	0.05	0.05	0.05	0.05
<i>Annual Change</i>		3.6%	15.9%	14.2%	-11.8%	17.2%
<b>Hours/Employee</b>	778.0	772.0	765.0	771.0	691.0	864.0
<i>Annual Change</i>		-0.8%	-0.9%	0.8%	-10.4%	25.0%
<b>TDA Non-Required Indicators</b>						
<b>VSM/VSH</b>	24.22	23.62	24.99	24.25	22.53	20.02
<i>Annual Change</i>		-2.5%	5.8%	-3.0%	-7.1%	-11.1%

Sources: FY 2018/19 – FY 2020/21 data taken from prior Triennial Performance Audit.  
FY 2021/22 – FY 2023/24 data taken from State Controller reports.



Exhibit 6.13 Fixed-Route Ridership

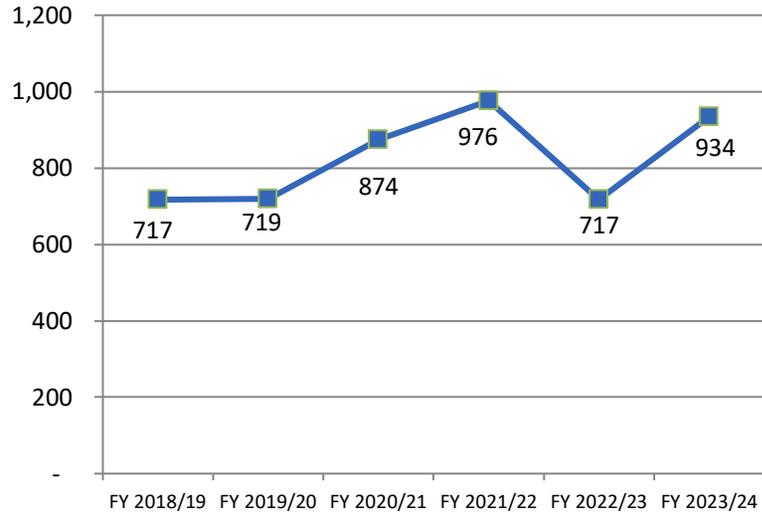


Exhibit 6.14 Fixed-Route VSM/VSH

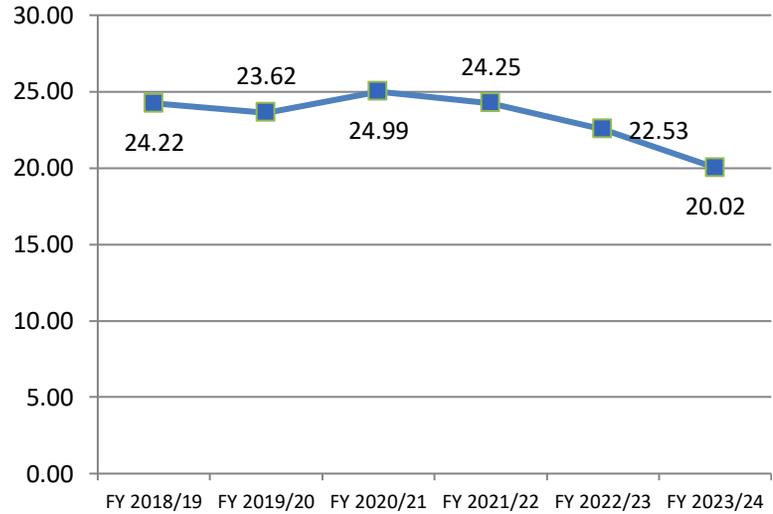


Exhibit 6.15 Fixed-Route Passengers/VSH

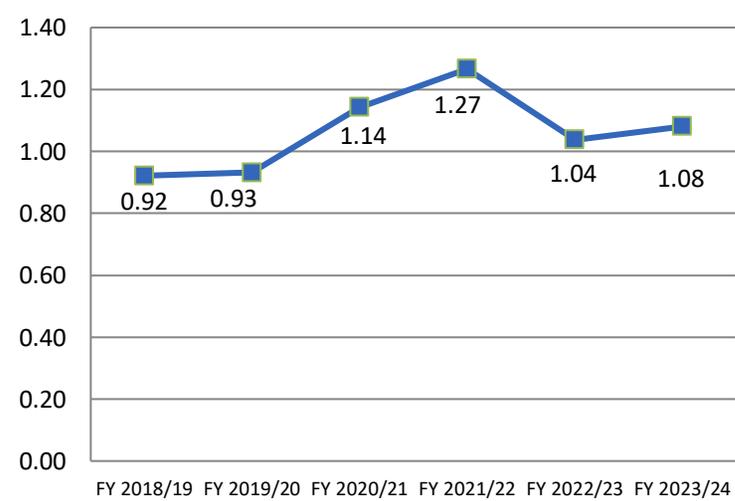


Exhibit 6.16 Fixed-Route Passengers/VSM

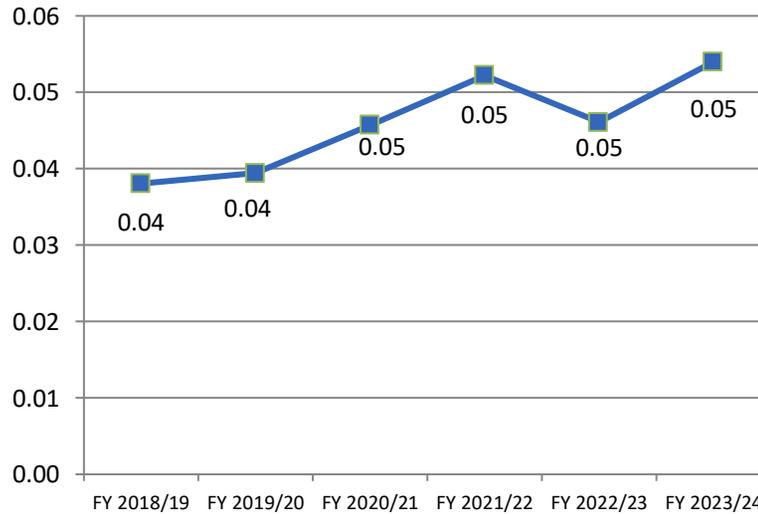
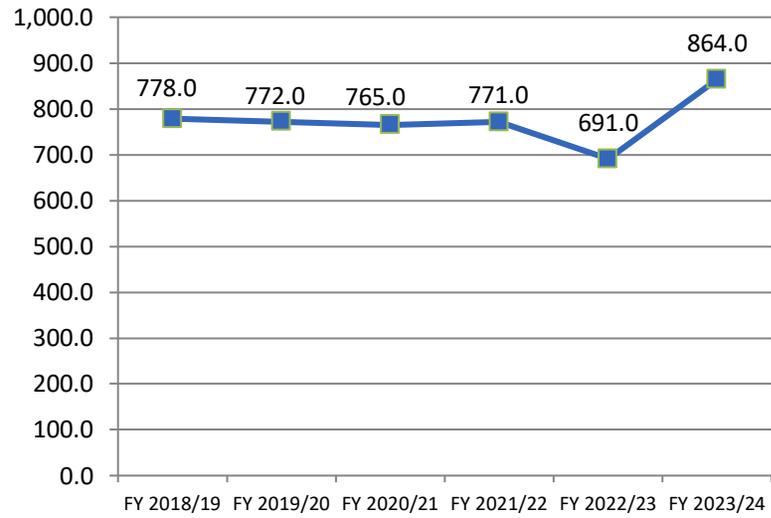




Exhibit 6.17 Fixed-Route VSH/FTE





### Demand-Response Performance Trends

Note: The demand-response analysis also includes metrics from the City’s Uber subsidy program.

Demand-response vehicle service hours (VSH) increased year over year throughout the audit period, for an increase of 9.8 percent during the audit period. Vehicle service miles (VSM) fluctuated throughout the six-years, resulting in a decrease of 29 percent during the audit period, and a decrease of 69.2 percent since FY 2018/19.

Ridership declined every year with the exception of a 27.1 percent increase in FY 2021/22. Overall, demand-response ridership decreased by 58.2 percent during the audit period and a net 78.4 percent over the six-year period.

Passenger-related metrics fell, with passengers per VSH and passengers per VSM decreasing by 61.9 percent and 41.1 percent, respectively, during the audit period.

Exhibit 6.18 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
<b>Vehicle Service Hours (VSH)</b>	888	747	60	92	100	101
Annual Change		-15.9%	-92.0%	53.3%	8.7%	1.0%
<b>Vehicle Service Miles (VSM)</b>	3,201	2,330	947	1,388	1,525	985
Annual Change		-27.2%	-59.4%	46.6%	9.9%	-35.4%
<b>Passengers</b>	1,598	1,195	649	825	525	345
Annual Change		-25.2%	-45.7%	27.1%	-36.4%	-34.3%
<b>Employees</b>	1	1	1	1	2	2
Annual Change		0.0%	0.0%	0.0%	100.0%	0.0%
<b>Performance Indicators</b>						
<b>Passengers/VSH</b>	1.80	1.60	10.82	8.97	5.25	3.42
Annual Change		-11.1%	576.2%	-17.1%	-41.5%	-34.9%
<b>Passengers/VSM</b>	0.50	0.51	0.69	0.59	0.34	0.35
Annual Change		2.7%	33.6%	-13.3%	-42.1%	1.7%
<b>Hours/Employee</b>	888.0	747.0	60.0	92.0	50.0	50.5
Annual Change		-15.9%	-92.0%	53.3%	-45.7%	1.0%
<b>TDA Non-Required Indicators</b>						
<b>VSM/VSH</b>	3.60	3.12	15.78	15.09	15.25	9.75
Annual Change		-13.5%	406.0%	-4.4%	1.1%	-36.0%

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

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



Exhibit 6.19 Demand-Response Ridership

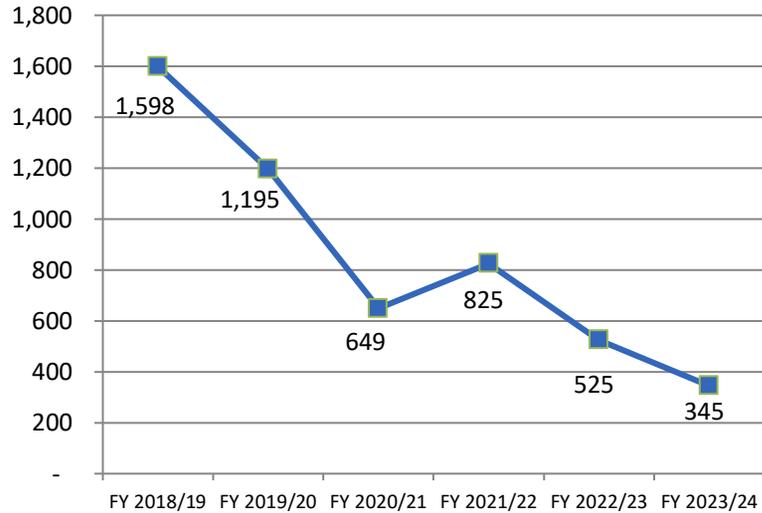


Exhibit 6.20 Demand-Response VSM/VSH

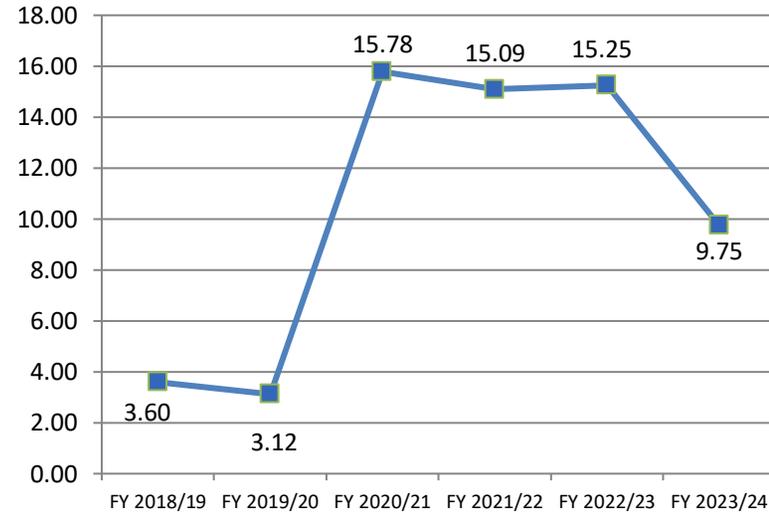


Exhibit 6.21 Demand-Response Passengers/VSH

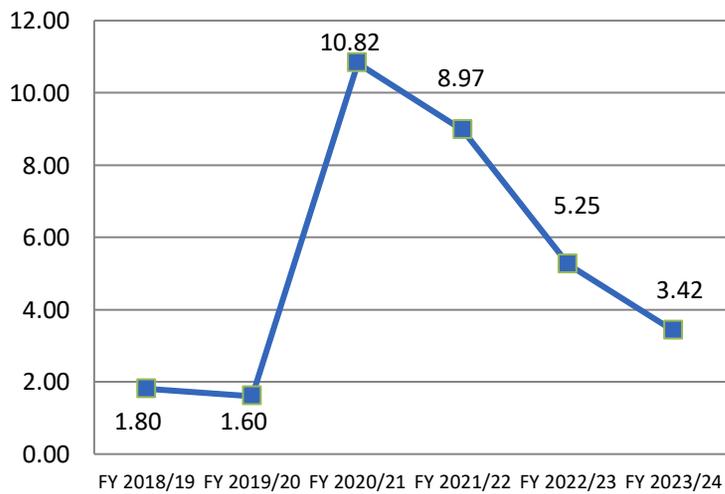


Exhibit 6.22 Demand-Response Passengers/VSM

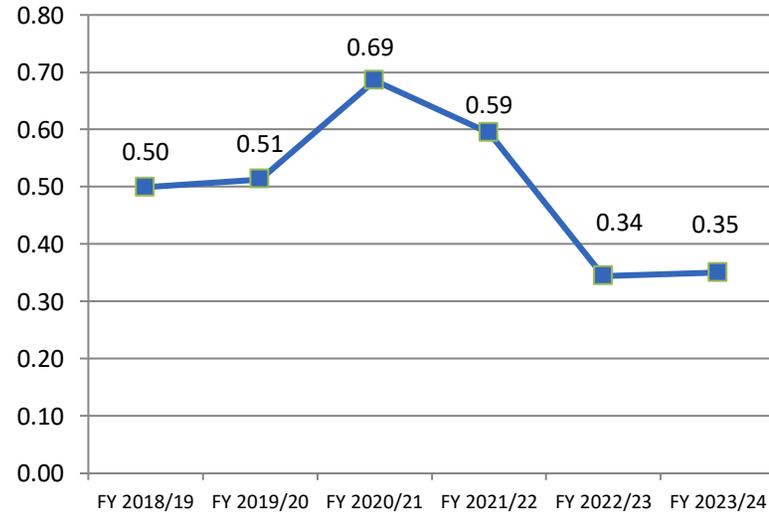
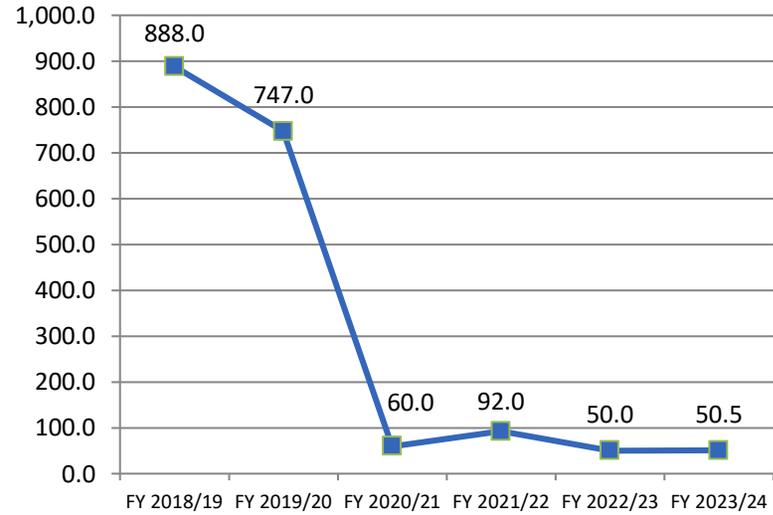




Exhibit 6.23 Demand-Response VSH/FTE





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## Chapter 7 | Functional Review

A functional review of the City of Escalon’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:

- 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 Escalon provides public transit services within city limits and beyond via its eTrans bus program. eTrans offers one fixed route (Route 35) providing service within Escalon and to neighboring Modesto. Three round trips are offered each weekday, departing Escalon at 8:12 a.m., 1:12 p.m., and 4:12 p.m. Dial-A-Ride service within Escalon, and with connections to Riverbank, operates between the round trips (9:12 a.m. to 11:32 a.m., 12:32 p.m. to 1:12 p.m., and 2:12 p.m. to 3:32 p.m.). Neither service operates on Saturday, Sunday, or designated holidays.

Both services are open to the general public. As of January 1, 2022, eTrans is fare-free and plans to continue this program. This was done due to a lack of fare revenue being generated. As a result of the COVID-19 pandemic, StanRTA (the previous contractor for eTrans) allowed riders to utilize all fixed routes, including eTrans, for free between October 2021 to December 2021. Farebox revenue would be replaced by Federal Transit Administration (FTA) Section 5311 funds and LCTOP funds, allowing eTrans to remain free when StanRTA resumed fare collection. The City also participates in the Vamos Mobility app with EZHub for trip planning and eventual fare payment.

In December 2022, the City implemented eTrans on the Go!, an Uber subsidy program that will subsidize up to \$10.00 per ride for a \$2.00 upfront fare. Passengers can travel anywhere in Escalon, to Riverbank, Oakdale, or Modesto seven days a week between 5:00 a.m. and 10:00 p.m. Any amount beyond \$10.00 is the responsibility of the user.

In addition, in April 2024 eTrans added Míocar, a carsharing service originating at the Escalon Park and Ride. Members must be 21 years of age or older, have a valid driver’s license, and a valid credit, debit, or prepaid card. Hourly rates start at \$4.00 or a daily rate of \$35.00.

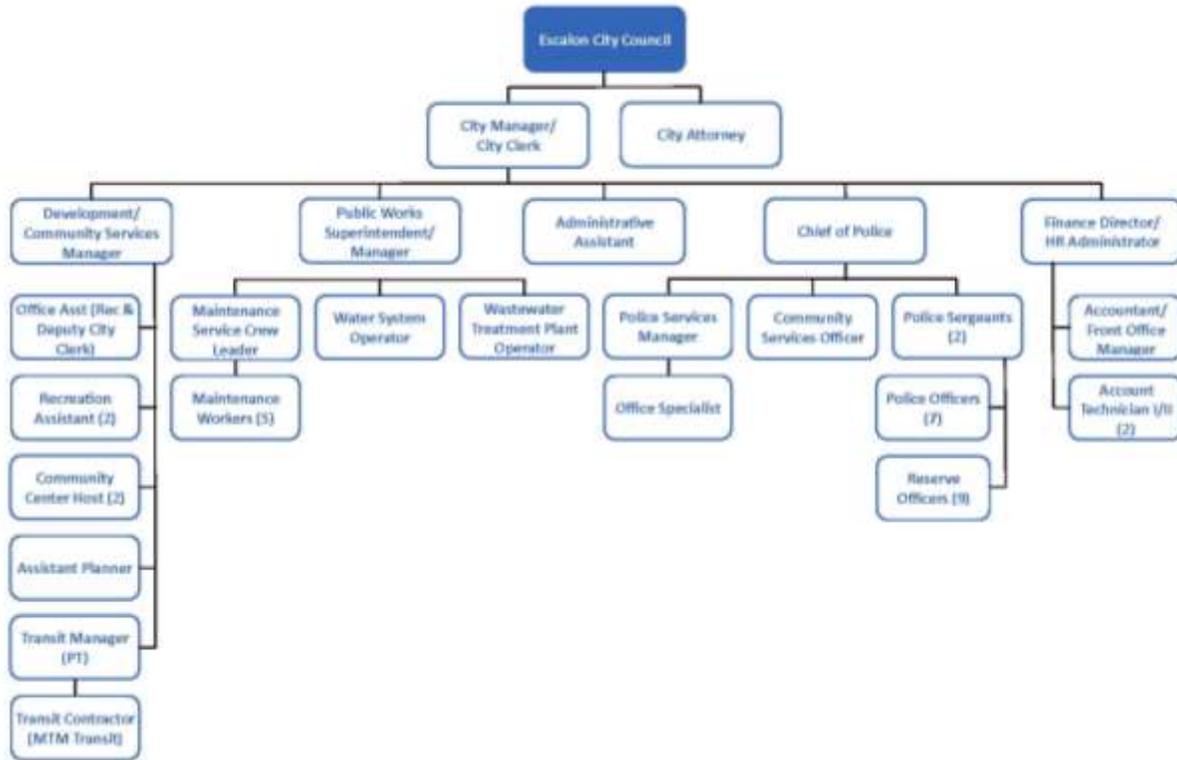
### General Management and Organization

The City’s Transit Manager is a part-time position reporting to the City Manager. The Transit Manager is the only transit position, with operations and maintenance contracted to MTM Transit, LLC, piggybacked



onto MTM’s contract with the City of Tracy. This staffing level is appropriate and effective given the scope of the program.

Exhibit 7.3 Organizational Chart



The Escalon City Council is the policy-making body for eTrans. The council meets formally on the first and third Monday of each month at 7:00 p.m. at the City’s Council Chambers, located at 2060 McHenry Ave. in Escalon. Meetings are open to the public and accessible through the eTrans on the Go! Uber subsidy program. Meetings are available for viewing on YouTube and the public may join virtually or call in via access code.

The Transit Manager monitors program performance by reviewing monthly reports, performing quality assurance checks, and meeting with contractor management. One of the challenges during the audit period was the transition in operations contractors, from StanRTA to MTM. StanRTA no longer wished to operate service outside of Stanislaus County. The City of Escalon currently has a one-year agreement with MTM as a piggyback to the City of Tracy’s contract. This aligns with the end of the City of Tracy’s contract on June 30, 2025. There have been discussions with the City of Tracy about including Escalon as a work piece of its new contract when it goes out to bid later in FY 2024/25.

The City has good relationships with neighboring transit organizations, including the cities of Tracy, Manteca, Ripon, and Lodi. As a sub-recipient, the City’s relationship with the FTA is through Caltrans. The Transit Manager serves as the City’s inter-governmental liaison and is a member of CALACT, APTA, and CTAA.



### Service Planning

The City's last Short Range Transit Plan was completed in February 2018. Preparation of an SRTTP is the responsibility of the Transit Manager through a third-party consultant. An update is currently underway.

The City actively works to identify residential and commercial developments that may require transportation, as well as identifies and projects future service needs based on current utilization. The Transit Manager regularly communicates with the City's Community Development Department with respect to upcoming development projects.

The City recently partnered with Míocar, a carsharing service originating at the Escalon Park and Ride Lot. At the time of the site visit, there were approximately 12 individuals registered with the program, making about three trips per month. The program currently features one car but the contract with Míocar allows for two vehicles. The City plans to maintain the program until 2026, then evaluate if it is worth continuing. At present, renting a car through an agency requires travel to Modesto or Manteca.

Additionally, the City is proud of its eTrans on the Go! subsidy program with Uber, which was launched in 2022. The program provides service for riders where and when traditional public transit cannot and encourages non-traditional riders to take advantage of the program. This type of program is less common in rural areas.

The City works collaboratively with organizations serving persons with disabilities and meets all federal and state requirements regarding serving persons with disabilities. All vehicles are wheelchair-accessible. The City also participates in the Access San Joaquin program available through RTD acting as the CTSA. The program conducts ADA assessments and provides travel training, discount fare cards, and the "My Ride" reimbursement program for transportation provided by friends and family.

SJCOG's annual TDA Article 8 "Unmet Transit Needs" public hearings are one of the City's primary public participation opportunities. The City also conducts public meetings/presentations, surveys, and other outreach as part of its planning efforts, including the Short Range Transit Plan update. The most recent surveys were conducted in August 2024.

During the audit period, one replacement cutaway was purchased with Public Transportation Modernization, Improvement, and Service Enhancement Account Program (PTMISEA) funds. It also added one rural car for the Míocar program, upgraded to the Umo platform, and purchased new handheld radios. The City has completed its Zero-Emission Bus Rollout Plan and is currently seeking funding to start replacement of two of the three vehicles, the first of which will be eligible for replacement after 2026. At this point, it anticipates installing charging infrastructure at its park and ride lot.

### Administration

In March of each year, the City's Finance Department distributes budget worksheets to individual City departments. These are completed in April and returned to Finance. From these worksheets, the City develops its overall budget, which is presented to the City Council for approval and adoption in June. The City regularly compares its budgeted expectations with actual revenue and expenses. The City Manager approves any substantial increases over budgeted expenses. The Transit budget is primarily the



responsibility of the Transit Manager, who reviews the prior year's expenses and available grants and revenues, then drafts a budget for review. Budget versus actual is reviewed on a monthly basis and reported to the City Council annually. Financial data is tracked using Tyler Incode software and Power BI.

Each year, the Transit Manager applies for State, TDA, and FTA Section 5311 funds. The Transit Manager is also responsible for managing all transit-related grants.

Risk management is handled by the operations contractor. The City is part of the Central San Joaquin Valley Risk Management Authority (CSJVRMA). MTM is responsible for providing its own insurance. The Transit Manager periodically reviews the safety of transit operations through monthly meetings, while the Escalon Police Department and City Manager review the safety of other components of City operations. The City has a current disaster response plan, which includes a role for transit in supporting evacuations and for mutual aid assistance.

The transit operations contract is monitored by the Transit Manager through random vehicle checks, telephone checks, monthly reports, review of customer comments, and meetings with the contractor. The Transit Manager also manages contracts with Mfocar, Uber, and Cubic through regular review of contract requirements.

City employees submit timesheets in person to the Accountant. After review, the timesheets are signed by the City Manager and the Finance Director. Approximately 75 percent of employees utilize direct deposit.

Accounts payable and accounts receivable functions are handled by the Accountant and Accounting Assistant. 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 Purchasing Policy, which is compliant with FTA requirements. All purchasing and procurement policies and procedures are well defined and appropriate. Purchases over \$25,000 must be approved by the City Council. The City competitively procures fuel, vehicles, and other items of major expense, and may piggyback on other contracts when appropriate, depending on the item.

### Marketing and Public Information

The City's marketing efforts consist primarily of community presentations, brochures, website, social media (the City's Facebook page), and newspaper advertisements. Outreach activities include participation in community events. The most successful campaigns during the audit period were Stuff the Bus with Escalon CARE and the Holiday Tour d'Lights. A Ride Guide provides information in English and Spanish and is available in print format at locations within Escalon, Riverbank, and Modesto as well as onboard the vehicles, and digitally online.

The City does not have a current marketing plan. It follows a general marketing outline developed in 2014.

The City does not log all customer calls, only complaints. It maintains a database of complaints inclusive of the nature of the complaint, complainant's name, contact information, and resolution. Complaints are typically resolved within a week. The public perception of the program is generally positive.



### Scheduling, Dispatch, and Operations

eTrans is operated using a single full-time driver provided by MTM. If coverage is needed, drivers on the extra board for the City of Tracy contract will assist. No part-time drivers are used and the driver in Escalon is not represented by a union.

Vehicles are rotated to even out miles. GPPV certification is needed to operate dial-a-ride service.

When the system is not operating fare-free, fares are collected onboard the buses using SPX Genfare *Odyssey* fareboxes. A probe and spare farebox are kept in the City's Finance Department. During City Hall business hours, the driver obtains the probe and farebox, downloads information, removes the farebox with fares from the vehicle, and replaces it with the empty farebox. The probe and farebox with fares are returned to the Finance Department. Finance Department staff removes and counts the money from the farebox. A receipt is provided to the driver the next service day. Cash receipts for passes are reconciled back to the number of passes issued. Revenues received through the mobile ticketing platform are processed by Masabi and sent to the City on a monthly basis.

### Personnel Management and Training

The City of Escalon contracts with MTM Transit through the City of Tracy contract to operate its transit program. MTM uses a single designated driver to operate the eTrans route. Extra board drivers from the City of Tracy are available to cover absences. MTM's contract manager for the City of Tracy also serves as the manager for the City of Escalon.

MTM is currently recruiting enough drivers to meet its needs for both contracts, though it is always hiring. MTM uses Indeed, word of mouth, job fairs, and its internal recruiting department to identify candidates. Indeed and the recruiting department tend to be the most successful methods. It will accept candidates that already have a commercial license as well as those who require full training through licensing depending on how many candidates are available and how well a candidate interviews. Existing employees can earn referral bonuses for recommending driver candidates.

The MTM Safety Training Supervisor provides training for new and existing drivers. They hold TAPCO Trainer, Behind-the-Wheel Trainer, and Drug and Alcohol Reasonable Suspicion certifications. Testing for commercial licenses is provided through the DMV in Stockton. MTM's training program meets state requirements and is inclusive of 120 hours: 40 hours of classroom training, 40 hours of behind-the-wheel training, and 40 hours of cadetting (or more if needed). The MTM Director of Safety and Regional Vice President of Safety oversee safety activities. The contractor holds periodic safety blitzes.

Contractor employees receive benefits according to the collective bargaining agreement. Full-time employees are eligible for medical, dental, and vision insurance; short- and long-term disability; retirement plan; life insurance, legal and aid. Drivers are subject to an absentee/sick leave policy as well as a progressive discipline policy. Benefits and attendance and discipline policies are addressed during onboarding as well as in the company handbook. Benefits are also communicated through the Workday app.



### Maintenance

MTM provides maintenance of the City-owned fleet at a facility primarily used to service the City of Tracy contract. It uses Assetworks/Track-It to manage the maintenance program. Preventive maintenance (PM) is conducted every 45 days or 3,000 miles, and warranty work is identified. Compliance with this schedule can be easily judged through Assetworks, which creates work orders and identifies when the next PM service is needed. Maintenance does not typically conflict with regular vehicle use. If there is something MTM cannot repair, the work will be contracted out. This generally includes warranty repairs, body work, and graphics or wraps. MTM does not have the facility, equipment, or skill set to provide body work.

MTM provides maintenance services at a dedicated facility that is staffed by three mechanics and can accommodate multiple vehicles. The facility has a sufficient number of bays and one portable lift, as well as an administrative/office space. Records and replacement glass are stored above the office space. Work is segregated between the two transit operations through work orders.

Recent challenges in maintaining the transit fleet have been modest. Sometimes it can take a while for body work to be completed and some repairs are delayed by part availability. MTM owns its own parts inventory, and the stock is sufficient that there is no backlog for repairs with common parts. Inventory of some parts was increased to ensure availability. Parts are stored in a cage, but technicians pull their own parts. Parts are entered on a work order so they can be billed out. Parts are tracked through an inventory software system and physical inventory is checked quarterly.

Exhibit 7.4 City of Escalon Transit Fleet

Bus #	Make/Model	Year	Length	PAX + WC	Fuel
103	Dodge Caravan	2016	18 ft	5 + 2	Gasoline
104	Glaval Titan II	2019	26 ft	19 + 2	Gasoline
105	Arboc Sprit of Mobility	2022	23 ft	16 + 2	Gasoline



## Chapter 8 | Findings and Recommendations

### Conclusions

The City of Escalon 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. One finding that would normally be considered a compliance finding during a Triennial Performance Audit has been identified. 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 one compliance finding:

1. TDA fiscal audits for each year of the audit period were submitted after the extended deadline of March 31 of the following fiscal year.

The audit team has identified no functional findings.

### 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.

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

### Compliance Finding 1: TDA fiscal audits for each year of the audit period were submitted after the extended deadline of March 31 of the following fiscal year.

**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 2021/22 TDA fiscal audit was completed on January 31, 2024, ten months after the March 31, 2023 extended deadline. The City completed its city-wide audit for FY 2022/23 in October 2024 and anticipated beginning the FY 2022/23 TDA fiscal audit in November. The FY 2023/24 TDA fiscal audit was also delayed past the March 31 deadline.



**Cause:** The delay in the completion of the city-wide audits, which subsequently delays the completion of the TDA fiscal audits, can be attributed to two factors. First, the instability within the Finance department, which resulted in three Finance Directors during the audit period, left the City without consistent fiscal guidance. Second, apparent capacity issues related to the external auditor impacted the firm’s ability to complete the audits in a timely manner.

**Effect:** Audits were well beyond the established March 31 extended deadline.

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

**Recommended Action:** Given the City’s staffing in its Finance department has stabilized, and it will be seeking a new audit firm to prepare its City audits, this issue is likely to be resolved during the next audit period. However, Transit should work closely with the Finance Department to ensure the appropriate deadlines are built into the new contract to enable on-time completion of the annual TDA fiscal audit.

**Timeline:** FY 2024/25.

**Anticipated Cost:** Negligible.

Exhibit 8.1 Audit Recommendations

TDA Compliance Recommendations		Importance	Timeline
1	Work with City and TDA auditors to ensure the TDA fiscal audit can be completed no later than March 31 of the following fiscal year.	High	FY 2024/25