



FINAL REPORT
MAY 2020

IVT MedTrans

Imperial County Transportation Commission

Triennial Performance Audit for FY 2017 - FY 2019

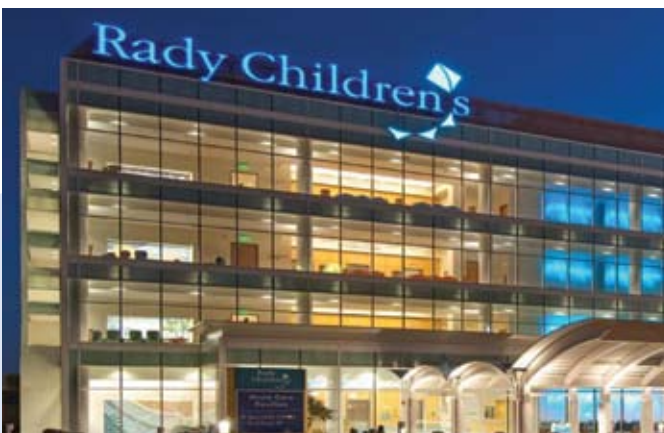


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Chapter 1

Executive Summary

In late 2019, the Imperial County Transportation Commission (ICTC) selected Moore & Associates, Inc. to prepare Triennial Performance Audits of itself as the RTPA and operator, and the five transit operators to which it allocates funding. As one of the six statutorily designated County Transportation Commissions in the SCAG region, ICTC also functions as the respective county RTPA.

The California Public Utilities Code requires all recipients of Transit Development Act (TDA) Article 4 funding to complete an independent audit on a three-year cycle in order to maintain funding eligibility. While Imperial County operators do not receive Article 4 funding, ICTC believes it is important to conduct Triennial Performance Audits of its TDA Article 8(c) recipients as a monitoring tool.

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

- Fiscal Year 2016/17
- Fiscal Year 2017/18, and
- Fiscal Year 2018/19.

IVT MedTrans provides non-emergency medical transportation (NEMT) service four days per week to medical facilities in San Diego. Service is provided Monday through Thursday and Tuesday through Friday on alternating weeks. Scheduling priority is given to the following (Category A riders):

- Infants/toddlers and children (up to age 21) with severe disabilities or medical conditions;
- Individuals who use wheelchairs or other mobility equipment and do not have an adaptive personal vehicle;
- Low-income persons without access to a personal vehicle;
- Persons with chronic conditions who are no longer permitted to drive;
- Veterans with disabilities or chronic medical conditions;
- Adults with life-threatening chronic or debilitating diseases;
- Persons with mental/cognitive impairment that affects their ability to drive a vehicle; and
- Other transit-dependent individuals.

Service is provided to riders who do not meet one of the above criteria (Category B riders) on a space-available basis.

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Buses depart from El Centro at approximately 7:00 a.m. and 10:00 a.m. Pick-up locations in the Imperial Valley are in Brawley, Calexico, El Centro, and Imperial. Return trips from San Diego depart at approximately 3:30 p.m. and 6:00 p.m. There is a set service area/corridor, which extends throughout the San Diego metropolitan area along Interstate 8. IVT MedTrans only stops at hospitals or medical clinics.

During the prior audit period, IVT MedTrans was operated as Med-Express. Med-Express was administered and subsidized by ICTC and operated under contract by ARC-Imperial Valley. Effective July 2016, Med-Express was rebranded as IVT MedTrans and operations were assumed by First Transit.

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,
- Follow-up of prior report recommendations,
- Analysis of program data reporting,
- Performance Audit, and
- Functional review.

Test of Compliance

With three exceptions, we conclude IVT MedTrans complies with the Transportation Development Act (TDA) regulations in an efficient and effective manner:

1. State Controller Reports for Specialized Services were submitted after the stipulated deadline during all three years of the audit period.
2. In FY 2017/18, ICTC's fiscal audit of its TDA fund was submitted after the 180-day deadline plus a 90-day extension. [Submittal of the FY 2018/19 fiscal audit is still pending.]
3. The farebox recovery ratio fell below the stipulated threshold during all three years of the audit period.

Status of Prior Recommendations

The prior audit – completed in 2017 by Michael Baker International for the three fiscal years ending June 30, 2016 – included two recommendations:

1. [Review opportunities for increasing local revenue to boost farebox recovery.](#)
Status: Not implemented.

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2. Conduct regular passenger surveys to gauge customer satisfaction and service needs.

Status: Not implemented.

Findings and Recommendations

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

1. State Controller Reports for Specialized Services were submitted after the stipulated deadline during all three years of the audit period.
2. In FY 2017/18, ICTC's fiscal audit of its TDA fund was submitted after the 180-day deadline plus a 90-day extension. [Submittal of the FY 2018/19 fiscal audit is still pending.]
3. The farebox recovery ratio fell below the required threshold during all three years of the audit period.

The audit team has also identified one functional finding. While this finding is not a compliance finding, the auditors believe it is significant enough to be addressed within this audit:

1. ICTC has yet to conduct a survey of current and potential IVT MedTrans customers.

Program Recommendations

In completing this Triennial Performance Audit, the auditors submit the following recommendations for the IVT MedTrans 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.

Exhibit 7.1 Summary of Audit Recommendations

TDA Compliance Recommendations		Importance	Timeline
1	Ensure State Controller Reports are submitted in a timely manner.	High	Ongoing
2	Ensure TDA fiscal audits of all IVT operations are completed no later than 270 days following the end of the fiscal year.	High	Ongoing
3	Identify marketing strategies to grow ridership and/or identify supplemental local revenues that will bring the farebox recovery ratio up to at least 10 percent.	High	FY 2019/20
Functional Recommendations		Importance	Timeline
1	Conduct a survey of IVT MedTrans customers, either as a stand-alone survey or as part of a larger, system-wide survey effort.	Medium	FY 2020/21

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Chapter 2

Audit Scope and Methodology

The Triennial Performance Audit (TPA) of IVT MedTrans' public transit program covers the three-year period ending June 30, 2019. 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 late 2019, the Imperial County Transportation Commission selected Moore & Associates, Inc. to prepare Triennial Performance Audits of itself as the RTPA and operator and the five transit operators to which it allocates funding. Moore & Associates is a consulting firm specializing in public transportation. Selection of the consultant followed a competitive procurement process.

The Triennial Performance Audit is designed to be an independent and objective evaluation of IVT MedTrans 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. We believe the evidence obtained provides a reasonable basis for our findings and conclusions.

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

Objectives

A Triennial Performance Audit has four primary objectives:

1. Assess compliance with TDA regulations;
2. Review 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.

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Scope

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

1. A review of compliance with TDA requirements and regulations.
2. An assessment of the implementation of recommendations contained in prior performance audits.
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. 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.
5. 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 IVT MedTrans included thorough review of documents relevant to the scope of the audit, as well as information contained on the operator's and ICTC websites. The documents reviewed included the following (spanning the full three-year period):

- Triennial Performance Audit report for the prior audit period;
- Monthly performance reports;
- State Controller Reports;
- Annual budgets;
- TDA fiscal audits;
- Transit marketing collateral;
- Fleet inventory;
- Preventive maintenance schedules and forms;
- California Highway Patrol Terminal Inspection reports;
- National Transit Database reports;
- Accident/road call logs;
- Customer complaint logs;
- Short Range Transit Plan; and
- Organizational chart.

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The methodology for this review included a site visit to the First Transit administrative offices (1103 Industry Way, El Centro) on February 11, 2020. The audit team met with Cesar Sanchez (General Manager), Jose Guillen (IVT MedTrans Operations Manager), Rogelio Hernandez (Maintenance Manager), and Mike Cortez (Safety and Training Manager); reviewed materials germane to the triennial review; and toured the First Transit operations and maintenance facility (792 E. Ross Avenue, El Centro).

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

1. Executive Summary: A summary of the key findings and recommendations developed during the Triennial Performance Audit process.
2. TPA Scope and Methodology: Methodology of the 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,
 - Progress in implementing prior recommendations,
 - Performance measures and trends,
 - Functional audit, and
 - Findings and recommendations.

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Chapter 3

Program Compliance

This section examines IVT MedTrans' 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 Imperial County Transportation Commission 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.

Compliance was determined through discussions with IVT MedTrans staff as well as an inspection of relevant documents including the fiscal audits for each year of the triennium, TDA claim forms, State Controller annual filings, California Highway Patrol terminal inspections, year-end performance reports, and other compliance-related documentation.

With three exceptions, IVT MedTrans met the test of compliance with respect to Transportation Development Act (TDA) regulations:

1. State Controller Reports for Specialized Services were submitted by ICTC after the stipulated deadline during all three years of the audit period.
2. In FY 2017/18, ICTC's fiscal audit of its TDA fund was submitted after the 180-day deadline plus a 90-day extension. [Submittal of the FY 2018/19 fiscal audit is still pending.]
3. The farebox recovery ratio fell below the stipulated threshold during all three years of the audit period.

Recent Changes Regarding Compliance

Two changes specific to the TDA and TDA funding went into effect beginning July 1, 2016. The first was an amendment to the Public Utilities Code specific to the definition of operating cost and what costs can be excluded. It should be noted that many of the exclusions pertain only to *changes* in certain costs, either over the prior year or beyond the change in the Consumer Price Index. They do not apply to *all* costs related to specified exclusion categories.

Senate Bill 508, dated October 9, 2015, amended Section 99268.17 to read as follows:

99268.17 (a) *Notwithstanding subdivision (a) of Section 99247, the following costs shall be excluded from the definition of "operating cost" for the purposes of calculating any required ratios of fare revenues to operating cost specified in this article:*

- (1) *The additional operating costs required to provide comparable complementary paratransit service as required by Section 37.121 of Title 49 of the Code of Federal Regulations, pursuant to the federal Americans with Disabilities Act of 1990 (42 U.S.C. Sec. 120101 et seq.), as identified in the operator's paratransit plan pursuant to Section 37.139 of Title 49 of the Code of Federal Regulations that exceed the operator's costs required to provide comparable paratransit service in the prior year as adjusted by the Consumer Price Index.*

(2) Cost increases beyond the change in the Consumer Price Index for all of the following:

- (A) Fuel.*
- (B) Alternative fuel programs.*
- (C) Power, including electricity.*
- (D) Insurance premiums and payments in settlement of claims arising out of the operator's liability.*
- (E) State and federal mandates.*

(3) Startup costs for new services for a period of not more than two years.

(b) The exclusion of costs from the definition of operating costs in subdivision (a) applies solely for the purpose of this article and does not authorize an operator to report an operating cost other than as defined in subdivision (a) of Section 99247 or a ratio of fare revenue to operating cost other than as that ratio is described elsewhere in this article, to any of the following entities:

- (1) The Controller pursuant to Section 99243.*
- (2) The entity conducting the fiscal audit pursuant to Section 99245.*
- (3) The entity conducting the performance audit pursuant to Section 99246.*

The reporting forms for the State Controller used in FY 2016/17 were not yet updated to reflect these exclusions. While revised forms were used in FY 2017/18 and FY 2018/19, it is also important for agencies to ensure any exclusions from operating cost are clearly itemized within TDA audits or other farebox revenue ratio calculations so that compliance can be clearly assessed.

The second change, also contained within Senate Bill 508, related to the type of funds that can be used to supplement farebox revenue. Prior to this bill, "local funds" was defined as "revenues derived from taxes imposed by the operator or by a county transportation commission." S.B. 508 amended Section 99268.19 to read:

99268.19 *If fare revenues are insufficient to meet the applicable ratio of fare revenues to operating cost required by this article, an operator may satisfy that requirement by supplementing its fare revenues with local funds. As used in this section, "local funds" means any nonfederal or nonstate grant funds or other revenues generated by, earned by, or distributed to an operator.*

This expanded definition opens up new revenue sources that can be used to offset farebox shortfalls. Applicable revenues include funds received through advertising, interest income, sale of surplus vehicles, and other such sources. While these funds are no longer limited to those generated by local taxes, they cannot be state or federal funds.

The Future of the Transportation Development Act¹

In the nearly 50 years since the introduction of the Transportation Development Act, there have been many changes to public transportation in California. Many operators face significant challenges in meeting the farebox recovery ratio requirement, and it calls into question whether that 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.

Numerous meetings were conducted with the TDA task force across a full year. Other efforts included input from state-level stakeholders as well as transit agencies. It also reviewed the results of two research projects requested by legislative leaders and conducted by the UCLA Institute of Transportation Studies. Two particularly important conclusions are:

- The state's goals for transit have changed and broadened considerably since 1971 when the TDA became law and 1978 when the farebox recovery requirement was added; and
- A survey of California transit and regional agency professionals reveals the current TDA requirements appear to influence agency management decisions in ways that do not align with the state's current goals for transit.

The task force then set forth a draft framework for TDA reform that maintained the farebox recovery requirement but significantly changed how it would be applied. The draft framework:

1. Retains TDA's current farebox recovery requirements as an important data set for policymakers at all levels. The ratios would be targets that all transit agencies should try to hit.
2. Removes financial penalties associated with missing farebox recovery requirements for all agencies.
3. Requires agencies that miss their required farebox recovery for three years in a row be given the option in year four to either 1) develop and submit an action plan to the RTPA that details the steps it will take to meet its farebox recovery requirement; or 2) develop new targets, in collaboration with the RTPA, that monitor the transit agency's contribution to local, community, regional, or statewide goals.
4. Adjusts some aspects of the farebox recovery ratio definitions for the numerator and denominator, and lower the basic targets, to better reflect current goals and objectives for public transit, and to more realistically accommodate today's most pressing transit challenges and unfunded mandates.

While these proposed changes to the TDA legislation have yet to be finalized and enacted, it is very likely the TDA will undergo significant revisions during the next audit period. As a result, the test of compliance may look quite different in subsequent triennial performance audits.

¹ Letter from Rick Ramacier, State Legislative Committee Chair, California Transit Association, and Joshua W. Shaw, Executive Director, California Transit Association to California Transit Association members, RTPAs, and other public transit systems. Subject: Transportation Development Act Reform – A Draft Framework (inclusive of Attachment 1, Draft Framework). Dated January 8, 2020.

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Exhibit 3.1 Transit Development Act Compliance Requirements

Compliance Element	Reference	Compliance	Comments
State Controller Reports submitted on time.	PUC 99243	Finding	FY 2016/17: March 16, 2018 FY 2017/18: March 27, 2019 FY 2018/19: February 14, 2020
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 2016/17: March 31, 2018 FY 2017/18: July 2, 2019 FY 2018/19: Pending
Operator's terminal rated as satisfactory by CHP within the 13 months prior to each TDA claim.	PUC 99251 B	In compliance	November 10, 2015 November 3, 2016 November 21, 2017 October 9, 2018 October 2, 2019
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	
An operator receiving allocations under Article 8(c) may be subject to regional, countywide, or subarea performance criteria, local match requirements, or fare recovery ratios adopted by resolution of the RTPA.	PUC 99405	Not applicable	
The 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 2016/17: Not applicable* FY 2017/18: -1.30% FY 2018/19: +3.20% <i>*Given FY 2017 was the first year of operation of IVT MedTrans, operating costs were not compared to the prior year.</i>
The operator's definitions of performance measures are consistent with the Public Utilities Code Section 99247.	PUC 99247	In compliance	
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	

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Compliance Element	Reference	Compliance	Comments
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	Finding	FY 2016/17: 7.74% FY 2017/18: 8.79% FY 2018/19: 9.49% <i>Source: Monthly performance reports, FY 2017-FY 2019.</i>
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	ICTC contracts with a private provider for operations, while ICTC employees are covered under the Imperial County Employees' Retirement System (ICERS) pursuant to the County Employees Retirement Law of 1937.
If the operator receives State Transit Assistance funds, the operator makes full use of funds available to it under the Urban Mass Transportation Act of 1964 before TDA claims are granted.	CCR 6754 (a) (3)	In compliance	
In order to use State Transit Assistance funds for operating assistance, the operator's total operating cost per revenue hour does not exceed the sum of the preceding year's total plus an amount equal to the product of the percentage change in the CPI for the same period multiplied by the preceding year's total operating cost per revenue hour. An operator may qualify based on the preceding year's operating cost per revenue hour or the average of the three prior years. If an operator does not meet these qualifying tests, the operator may only use STA funds for operating purposes on a sliding scale.	PUC 99314.6	In compliance	
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.	CCR 6634	In compliance	

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

The prior audit – completed in 2017 by Michael Baker International for the three fiscal years ending June 30, 2016 – included two recommendations:

1. [Review opportunities for increasing local revenue to boost farebox recovery.](#)

Discussion: State Senate Bill (SB) 508, passed in October 2015, made changes to how farebox recovery was calculated. This allowed transit systems to boost their farebox recovery through inclusion of local revenues generated by the transit service. Historically, the County and ICTC have been reluctant to raise fares due to the unique mission of the service in providing non-emergency medical transport to the San Diego region.

Given the rebranded IVT MedTrans service was subject to a 15 percent minimum farebox recovery standard, the prior audit noted supplemental local revenues could improve farebox without an immediate need to raise fares. In addition to local transportation sales tax revenue, examples of local fund revenues include advertisement on buses and bus shelters, gains on the sale of capital assets, lease revenues generated by transit-owned property, and fare revenue agreements in lieu of individual fare payment with entities that have regular riders. Both revenues and operating costs are modified in deriving the farebox ratio for TDA eligibility purposes, and the audit recommended ICTC work with the fiscal auditor to accurately reflect the farebox ratio allowed under new state law.

Progress: No supplemental revenues were identified during the current audit period, and the farebox recovery ratio continued to remain under 15 percent each year. While the farebox recovery ratio was reduced to 10 percent in FY 2018/19, MedTrans still failed to meet the goal.

Status: Not implemented.

2. [Conduct regular passenger surveys to gauge customer satisfaction and service needs.](#)

Discussion: light of the recent service rebranding, additional pick up/drop off locations, and the addition of an afternoon trip, the prior audit recommended conducting a passenger survey to assist ICTC in better gauging the needs of its passengers. A survey conducted annually or biannually would allow ICTC to gauge passenger needs and sentiments with regard to the transit service. The survey could capture valuable demographic information on riders as well as trip patterns, thoughts on bus amenities, new service areas, and marketing feedback. The survey should also gauge public perceptions regarding IVT MedTrans in the community. Such a survey could be coordinated with other transit planning initiatives commissioned by ICTC.

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Progress: IVT MedTrans staff are supportive of this recommendation, but have been advised that any survey needs to be conducted by ICTC. No surveys have been conducted.

Status: Not implemented.

Chapter 5

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 6667². 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) – excludes the following:

² 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.

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- 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.

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TDA Required Indicators

To calculate the TDA indicators for IVT MedTrans, the following sources were employed:

- Operating Cost was not independently calculated as part of this audit. Operating Cost data were obtained via monthly performance data summary reports for each fiscal year covered by this audit. Operating Cost was determined to be consistent with TDA guidelines and accurately reflects the costs for IVT MedTrans transit services. However, the reported costs excluded depreciation (as allowed per PUC Section 99247(a).
- Fare Revenue was not independently calculated as part of this audit. Fare Revenue data were obtained via monthly performance data summary reports for each fiscal year covered by this audit. Fare revenue from the reports is consistent with TDA guidelines.
- Vehicle Service Hours (VSH) data were obtained via monthly performance data summary reports for each fiscal year covered by this audit. IVT MedTrans calculates VSH using schedule hours reconciled with dispatcher daily logs. IVT MedTrans calculation methodology is consistent with PUC guidelines.
- Vehicle Service Miles (VSM) data were obtained via monthly performance data summary reports for each fiscal year covered by this audit. IVT MedTrans calculates VSM by base mileage for all routes and multiplying base mileage by the number of trips, then adjusts for changes to service. This methodology is consistent with PUC guidelines.
 - Unlinked trip data were obtained via monthly performance data summary reports for each fiscal year covered by this review. IVT MedTrans' calculation methodology is consistent with PUC guidelines.
 - Full-Time Equivalent (FTE) methodology was provided by IVT MedTrans and is consistent with the TDA definition.

System Performance Trends

Performance trends for the IVT MedTrans public transit program were analyzed for the three years covered by this Triennial Performance Audit. Indicators were calculated using the methodologies described in the previous section.

In July 2016, the first month of the current audit period, the former Med-Express service was rebranded as IVT MedTrans. At that time, operation was taken over by First Transit. In addition, local pick-up points expanded from three to five, and service effectively doubled as a second round trip was added each day. As a result, operating cost more than doubled between the end of the prior audit period and the beginning of the current audit period. During the current audit period, operating cost remained largely static, experiencing a net decrease of 5.8 percent between FY 2016/17 and FY 2018/19.

In FY 2016/17, fare revenue saw an increase consistent with the increase in passengers. A fare increase in FY 2018/19 resulted another increase, even though ridership declined. During the current audit period, fare revenue saw an increase of 15.5 percent.

Vehicle service hours more than doubled in FY 2016/17 as the number of round trips each service day increased from one to two and the number of pick-up points increased. The slight decrease (3.7 percent) during the current audit period is likely due to the cancellation of some trips for which no reservations were received. Vehicle service miles doubled in FY 2016/17 with the increased number of

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trips. A decrease of 3.5 percent during the current audit period is likely also related to the cancellation of some trips.

Ridership experienced a 15.8 percent increase in FY 2016/17, but declined during subsequent years. Across the six-year period, ridership has experienced a net increase of less than one percent. While the introduction of a second round trip undoubtedly provided more convenience for riders, it has not resulted in significantly higher ridership on an annual basis.

Some cost-related performance indicators (operating cost per vehicle service hours and operating cost per vehicle service miles) saw modest net improvements during the current audit period, while operating cost per passenger experienced a net increase of 9.3 percent (indicating decreased cost-effectiveness). Average fare per passenger, however, increased even in years where there was no fare increase. This could be the result of an increase in Category B riders (who pay a higher fare). Productivity-related performance indicators declined during the current audit period, indicating a decrease in productivity.

The farebox recovery ratio decreased by a net 43.1 percent across the six-year period, yet increased 22.6 percent during the current audit period. However, at no point during the current audit period was the farebox recovery ratio above 10 percent.

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Exhibit 5.1 System Performance Indicators

Performance Measure	IVT MedTrans					
	FY 2013/14	FY 2014/15	FY 2015/16	FY 2016/17	FY 2017/18	FY 2018/19
Operating Cost (Actual \$)	\$192,821	\$211,934	\$199,499	\$498,289	\$466,485	\$469,314
<i>Annual Change</i>		9.9%	-5.9%	149.8%	-6.4%	0.6%
Fare Revenue (Actual \$)	\$32,191	\$33,642	\$32,825	\$38,590	\$41,001	\$44,554
<i>Annual Change</i>		4.5%	-2.4%	17.6%	6.2%	8.7%
Vehicle Service Hours (VSH)	1,548	1,544	1,497	3,482	3,446	3,353
<i>Annual Change</i>		-0.3%	-3.0%	132.6%	-1.0%	-2.7%
Vehicle Service Miles (VSM)	57,969	58,965	57,276	115,680	112,633	111,598
<i>Annual Change</i>		1.7%	-2.9%	102.0%	-2.6%	-0.9%
Passengers	5,225	5,416	5,243	6,069	5,460	5,232
<i>Annual Change</i>		3.7%	-3.2%	15.8%	-10.0%	-4.2%
Employees	4	4	4	8	8	8
<i>Annual Change</i>		0.0%	0.0%	100.0%	0.0%	0.0%
Performance Indicators						
Operating Cost/VSH (Actual \$)	\$124.56	\$137.26	\$133.27	\$143.10	\$135.37	\$139.97
<i>Annual Change</i>		10.2%	-2.9%	7.4%	-5.4%	3.4%
Operating Cost/Passenger (Actual \$)	\$36.90	\$39.13	\$38.05	\$82.10	\$85.44	\$89.70
<i>Annual Change</i>		6.0%	-2.8%	115.8%	4.1%	5.0%
Passengers/VSH	3.38	3.51	3.50	1.74	1.58	1.56
<i>Annual Change</i>		3.9%	-0.2%	-50.2%	-9.1%	-1.5%
Passengers/VSM	0.09	0.09	0.09	0.05	0.05	0.05
<i>Annual Change</i>		1.9%	-0.3%	-42.7%	-7.6%	-3.3%
Farebox Recovery	16.7%	15.9%	16.5%	7.7%	8.8%	9.5%
<i>Annual Change</i>		-4.9%	3.7%	-52.9%	13.5%	8.0%
Hours/Employee	387.0	386.0	374.3	435.3	430.8	419.1
<i>Annual Change</i>		-0.3%	-3.0%	16.3%	-1.0%	-2.7%
TDA Non-Required Indicators						
Operating Cost/VSM	\$3.33	\$3.59	\$3.48	\$4.31	\$4.14	\$4.21
<i>Annual Change</i>		8.1%	-3.1%	23.7%	-3.9%	1.5%
VSM/VSH	37.45	38.19	38.26	33.22	32.69	33.28
<i>Annual Change</i>		2.0%	0.2%	-13.2%	-1.6%	1.8%
Fare/Passenger	\$6.16	\$6.21	\$6.26	\$6.36	\$7.51	\$8.52
<i>Annual Change</i>		0.8%	0.8%	1.6%	18.1%	13.4%

Sources: FY 2013/14 – FY 2015/16 data from prior Triennial Performance Audit.
FY 2016/17 – FY 2018/19 data from operator monthly summaries.

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Exhibit 5.2 System Ridership

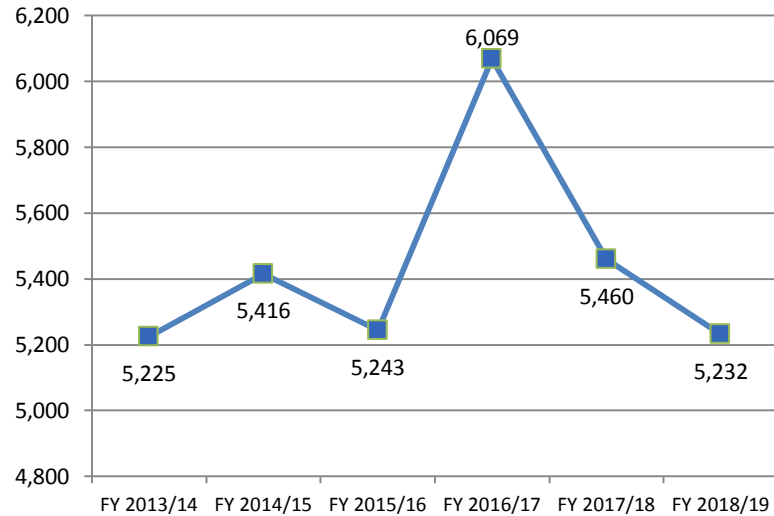


Exhibit 5.3 System Operating Cost/VSH

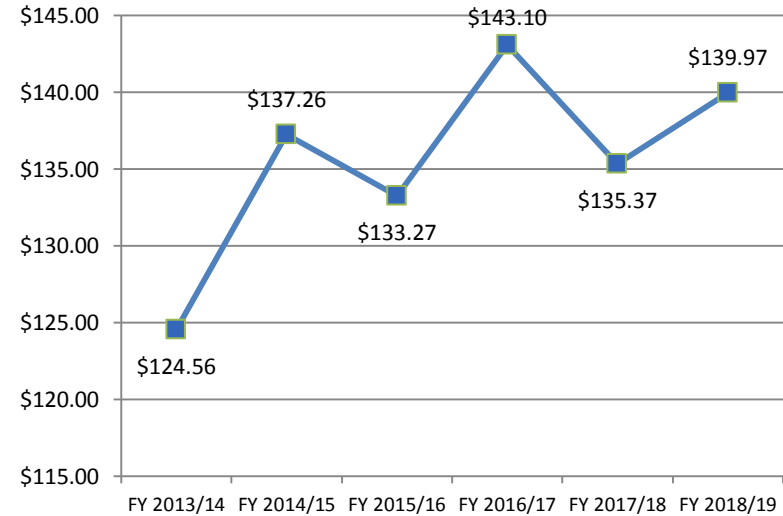


Exhibit 5.4 System Operating Cost/VSM

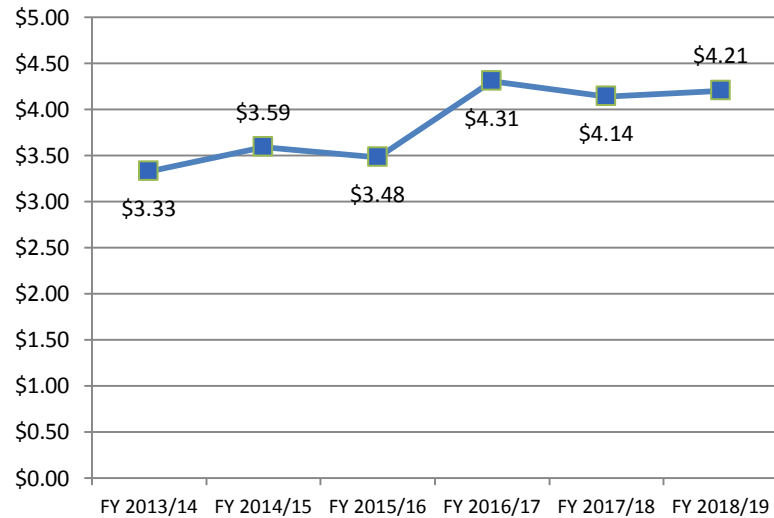
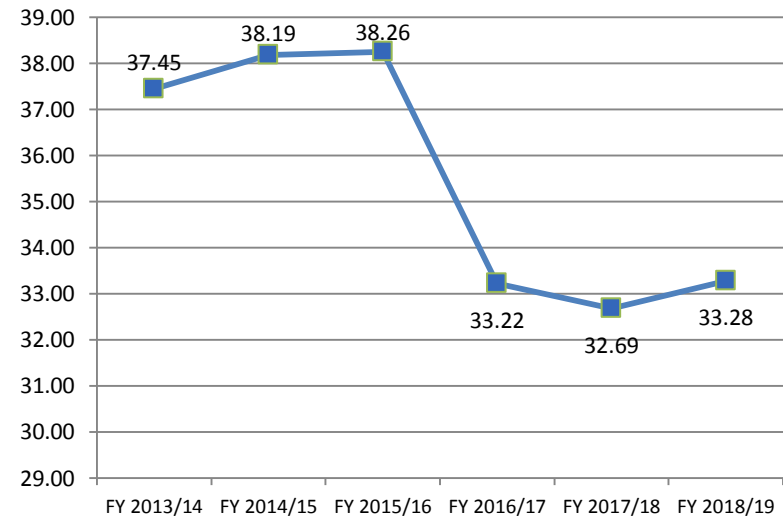


Exhibit 5.5 System VSM/VSH



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Exhibit 5.6 System Operating Cost/Passenger

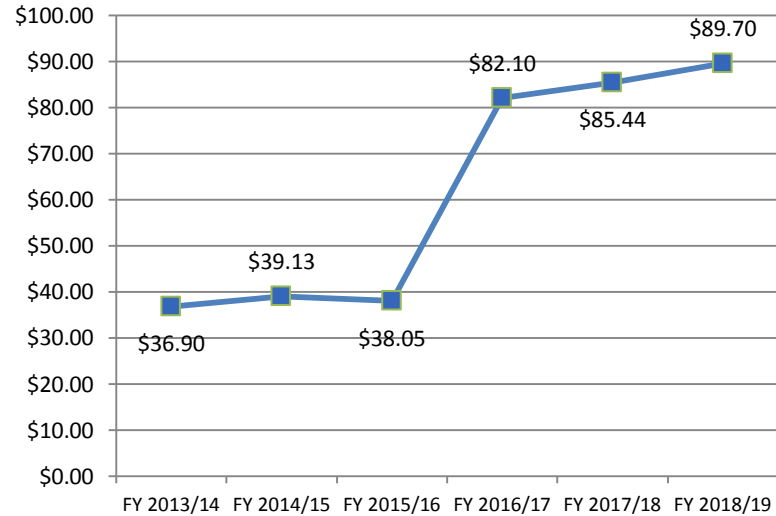


Exhibit 5.7 System Passengers/VSH

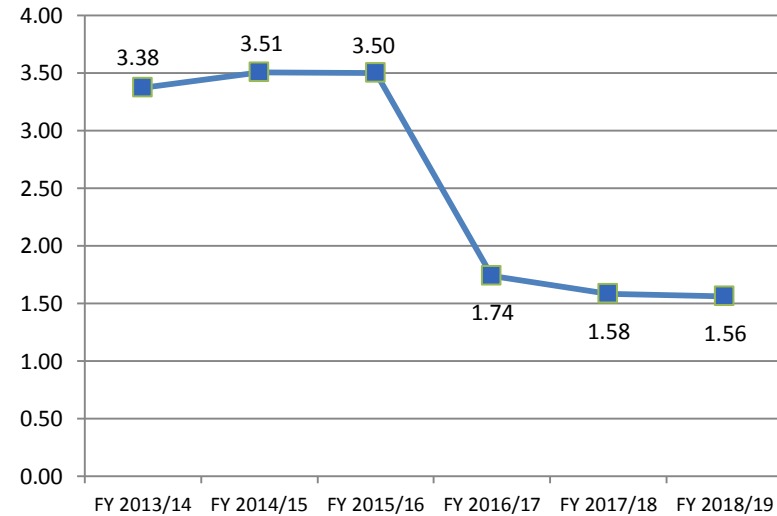


Exhibit 5.8 System Passengers/VSM

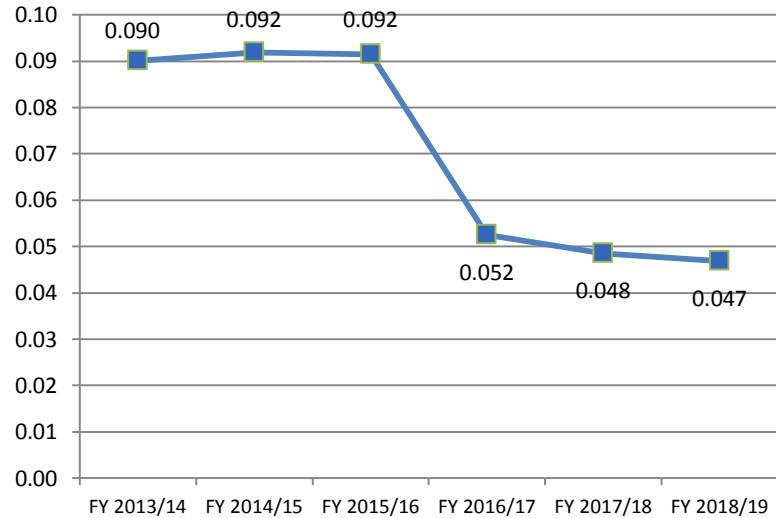
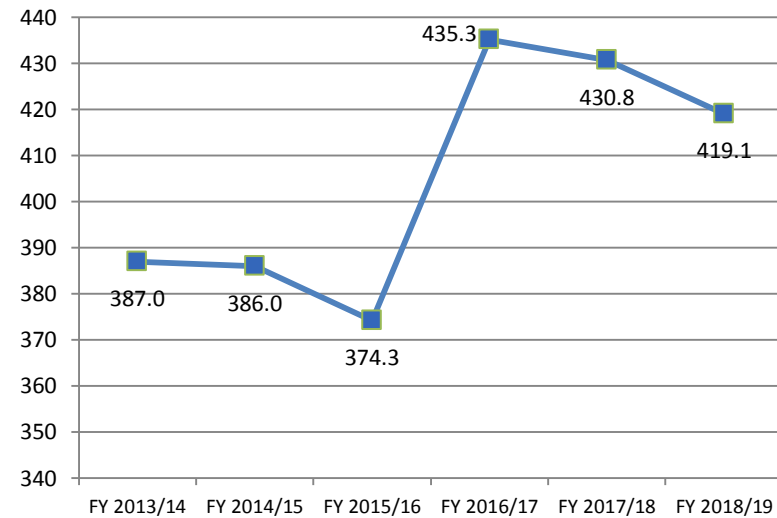


Exhibit 5.9 System VSH/FTE



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Exhibit 5.10 System Farebox Recovery

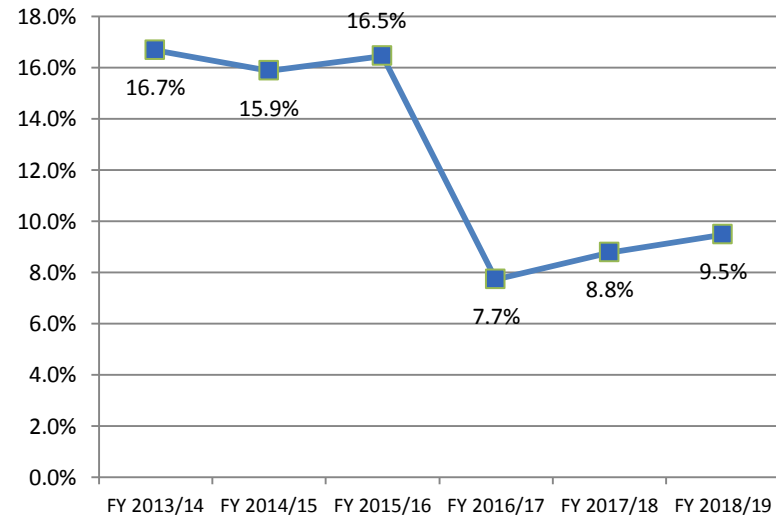
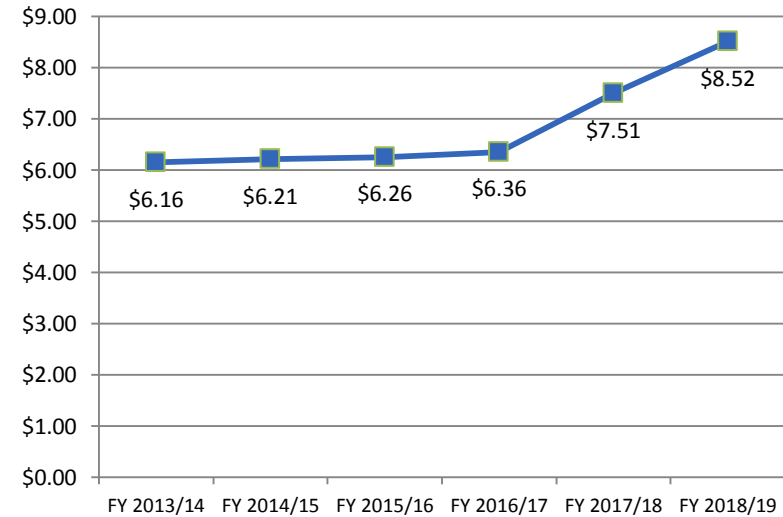


Exhibit 5.11 System Fare/Passenger



Chapter 6

Functional Review

A functional review of the IVT MedTrans public transit program is intended to assess the effectiveness and efficiency of the operator. Following a general summary of the operator'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 IVT MedTrans through its transit program:

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

Service Overview

IVT MedTrans provides non-emergency medical transportation (NEMT) service four days per week to medical facilities in San Diego. Service is provided Monday through Thursday and Tuesday through Friday on alternating weeks. Scheduling priority is given to the following (Category A riders):

- Infants/toddlers and children (up to age 21) with severe disabilities or medical conditions;
- Individuals who use wheelchairs or other mobility equipment and do not have an adaptive personal vehicle;
- Low-income persons without access to a personal vehicle;
- Persons with chronic conditions who are no longer permitted to drive;
- Veterans with disabilities or chronic medical conditions;
- Adults with life-threatening chronic or debilitating diseases;
- Persons with mental/cognitive impairment that affects their ability to drive a vehicle; and
- Other transit-dependent individuals.

Service is provided to riders who do not meet one of the above criteria (Category B riders) on a space-available basis.

Buses depart from El Centro at approximately 7:00 a.m. and 10:00 a.m. Pick-up locations in the Imperial Valley are located in Brawley, Calexico, El Centro, and Imperial. Return trips from San Diego depart at approximately 3:30 p.m. and 6:00 p.m. There is a set service area/corridor, which extends throughout the San Diego metropolitan area along Interstate 8. The bus only stops at hospitals or medical clinics. MedTrans drivers have a two-hour lunch break in San Diego.



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During the prior audit period, IVT MedTrans was operated as Med-Express. Med-Express was administered and subsidized by ICTC and operated under contract by ARC-Imperial Valley. Effective July 2016, Med-Express was rebranded as IVT MedTrans and operations were assumed by First Transit.

Fare Structure

IVT MedTrans fares are based on rider type. Fares must be paid 48 hours before the scheduled trip to confirm the reservation. MedTrans recently underwent two fare increases which increased the Category A one-way fare from \$15.00 to \$18.50 in January 2019, and from \$18.50 to \$22.50 in January 2020. MedTrans does occasionally provide one-way eastbound trips, which are mostly individuals returning home following release from a hospital.

Exhibit 6.1 MedTrans Fare Structure

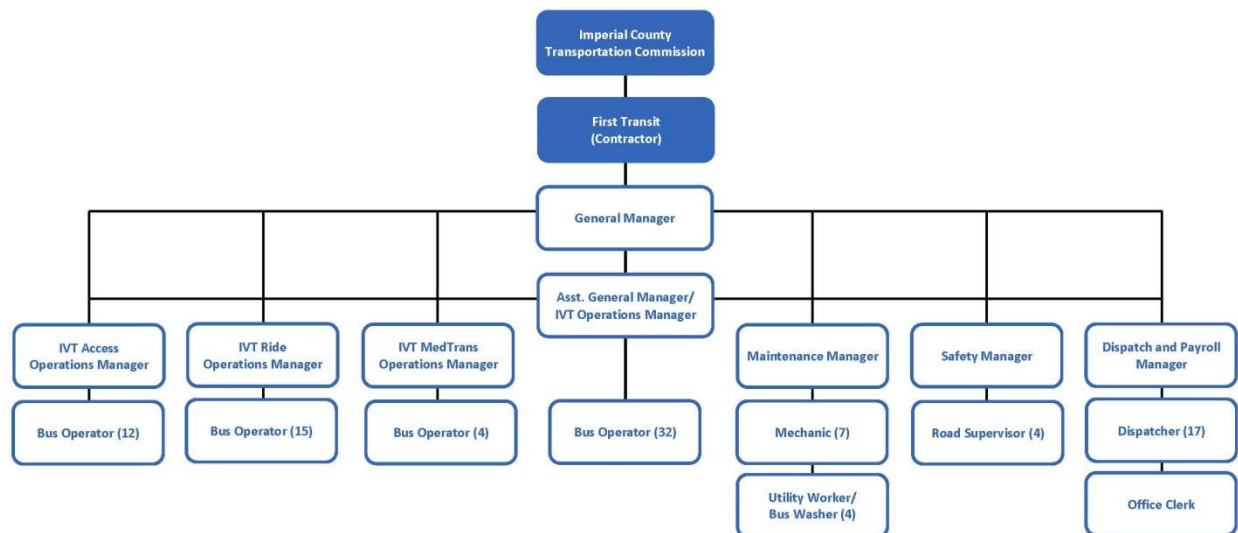
Fare Category	One-Way	Round Trip
Category A rider	\$11.25	\$22.50
Attendant	\$5.25	\$10.50
Category B rider	\$22.50	\$45.00

All fares are pre-paid; there are no fareboxes on the vehicles. In some cases, the hospital or clinic pays for the trip and/or provides vouchers. Vouchers are set up with agencies such as Rady Children's Hospital, San Diego Medical Center, the Department of Disabilities, and Children's Care Services.

General Management and Organization

All Imperial Valley Transit operations are contracted to First Transit under four separate contracts. Contract management is provided by Imperial County Transit Commission. First Transit operates the IVT programs with a great deal of autonomy. A general manager oversees the entire IVT operation, while separate operations managers manage each service. First Transit's Imperial Valley Transit organizational chart is illustrated in Exhibit 6.2.

Exhibit 6.2 Organizational Chart



Source: First Transit.

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Service Planning

All service planning is undertaken by the Imperial County Transportation Commission. The most recent Short Range Transit Plan for Imperial County was completed in November 2018. The SRTP included no significant changes for MedTrans, though it did propose changes for the IVT fixed-route system as well as IVT Ride and IVT Access.

Scheduling, Dispatch, and Operations

Drivers are shared among all IVT services. Some drivers may not have an air brake endorsement, which limits the type of bus they can drive. Employees are represented by Teamsters Local 542, though there are different collective bargaining agreements (CBAs) for drivers, dispatchers, etc. Bids are seniority-based and take place twice each year, typically in August and February. Drivers are cross-trained for the different routes and services. There is no extra board. Vehicles are assigned based on service, as all services are separately branded.

There are two dispatchers who book and confirm the reservations. Given MedTrans picks up from different locations in the Imperial Valley, the service utilizes two regular drivers (who make the trip to San Diego) and two “sweepers” which transport riders from Calexico, Brawley, and Imperial to Imperial Valley Mall, where they transfer to the bus to San Diego.

Dispatchers call riders with a reminder a couple of days before the scheduled trip. They also remind riders about the border checkpoint and changes in climate, as well as to wear comfortable clothes. Buses are wifi equipped, and each bus stops for a restroom break in Buckman Springs.

If only one passenger is booked on the second bus, a dispatcher will contact the rider and see if they wish to ride on the first bus. Doing so saves money and resources if MedTrans does not have to send the second bus.

Demand-response dispatchers bid on the specific service they want, but are trained on all services. This provides back-up coverage in case of illness or vacations.

Personnel Management and Training

First Transit currently employs 62 drivers, 52 of whom are full-time. The goal is to have 65 total drivers with 52 full-time drivers. Some part-time drivers prefer part-time employment, as many have another job. Turnover is typically about four to five employees per year. Drivers tend to stay longer. In 2019, First Transit lost two full-time drivers; however, both stayed on as part-time drivers. Occasionally drivers are terminated or leave for other employment.

First Transit uses standard recruiting practices for hiring employees. It can take recruits through the entire training and licensing process using a TSI trainer. The only thing not provided is DMV testing. New recruits have a mixture of experience. Some come in with their Class B license, but all receive the full training.

Various activities are used to motivate employees, including employee of the month (which features a reserved parking space), bringing in donuts and coffee, and the Safe Driver Award (based on DriveCam reviews).

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Administration

The Imperial County Transportation Commission handles all budgeting. They review anticipated state and federal revenues and break down expenses, anticipated planning, contingencies, and vehicle needs for the year, then start building the budget. They coordinate with other ICTC staff for the total budget.

First Transit provides insurance and handles all claims. Imperial County provides legal services and internal auditing.

First Transit handles its own payroll through an outside service (e.g., ADP). Most vendor checks related to transit service are issued by First Transit. Other vendor checks are issued by ICTC, depending on the purchase.

All procurement practices conform with FTA and state requirements. IVT utilizes the CalACT bid to procure vehicles.

Marketing and Public Information

Marketing of all IVT services has been a shared responsibility of both ICTC and First Transit. First Transit typically orders and pays for the rider guide and fare media and is reimbursed by ICTC. Within the last year, ICTC started handling service marketing.

First Transit staff have expressed interest in conducting a survey, to ensure the service continues to travel where riders need to go. In the past, they have been told that any survey must be conducted by ICTC. MedTrans staff is in favor of conducting a customer survey.

All customer service calls are logged and a monthly report is provided to ICTC. Valid complaints are forwarded to the operations manager of the individual service for investigation, and can be escalated to the general manager if necessary. A form is completed by the dispatcher or customer service representative for all complaints.

Maintenance

First Transit's preventive maintenance program for all IVT services conforms with manufacturer specifications. The current facility is a little cramped and the shop is a bit small. The fleet is growing, but more buses are being served by the same facility (though there has been no growth in the past three years). First Transit would like an extra maintenance bay.

The operations and maintenance facility features a bus wash with a water clarifier. The bus wash is serviced every six months.

Access to the parts room is restricted. All parts are tagged. First Transit maintains a sufficient inventory of commonly used parts.

First Transit employs seven mechanics, five utility/service workers, and one maintenance manager. One utility worker reports in the morning and cleans the shop, terminals, and offices. Two utility workers come in at 3:00 p.m. and do all bus washing. First Transit is not responsible for maintaining bus stops.

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Certain types of work are sent out, including engine overhauls, transmission overhauls, and windshields. Everything else is done in house. Sometimes vendors are hired to come on-site to do specific repairs. The only backlog of repairs is due to waiting for specialized parts.

Maintenance is notified promptly of breakdowns. A board in the dispatch office lists the out-of-service vehicles as well as the reason they are out of service. The board is updated when a vehicle is back in services.

All of IVT's cutaways and minivans are gasoline-fueled, while buses are diesel-fueled. Fueling is contracted and is done off-site. Drivers fuel vehicles before they bring buses back to the yard.

Exhibit 6.3 IVT MedTrans Fleet

Year	Make	Model	Quantity	PAX + WC
2016	Starcraft	Ford E450	2	15 or 11+2
2016	Starcraft	Ford E450	1	15 or 13+1
2016	Starcraft	Ford E450	1	11 or 9+1
2016	Braun	MV1	1	5+2

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Chapter 7

Findings and Recommendations

Conclusions

With three exceptions, the audit team finds IVT MedTrans to be in compliance with the requirements of the Transportation Development Act.

Findings and Recommendations

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

1. State Controller Reports for Specialized Services were submitted after the stipulated deadline during all three years of the audit period.
2. In FY 2017/18, ICTC's fiscal audit of its TDA fund was submitted after the 180-day deadline plus a 90-day extension. [Submittal of the FY 2018/19 fiscal audit is still pending.]
3. The farebox recovery ratio fell below the stipulated threshold during all three years of the audit period.

The audit team has also identified one functional finding. While this finding is not a compliance finding, the auditors believe it is significant enough to be addressed within this audit:

1. ICTC has yet to conduct a survey of current and potential IVT MedTrans customers.

Program Recommendations

In completing this Triennial Performance Audit, the auditors submit the following recommendations for the IVT MedTrans 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.

Compliance Finding 1: State Controller Reports for Specialized Services were submitted after the stipulated deadline during all three years of the audit period.

Criteria: Public Utilities Code Section 99243 requires transit operators in receipt of TDA funds to submit annual reports to the State Controller within 90 days following the end of the fiscal year (110 days if filing electronically). Beginning FY 2016/17, this submittal deadline was amended to January 31 following the end of the fiscal year. Beginning with the online reporting for FY 2017/18, the cover sheet is timestamped with the submittal date and time upon its generation. This makes it easier to determine when the report was actually submitted.

Condition: Submittal of the State Controller Report is the responsibility of ICTC. In FY 2016/17, the report was submitted on March 16, 2018, approximately six weeks following the deadline. In FY 2017/18, the report was submitted on March 27, 2019, approximately eight weeks following the

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deadline. In FY 2018/19, the timeliness had improved, though the report was still submitted on February 14, 2020, two weeks following the deadline.

Cause: Several challenges can result in reports being submitted late, including the unavailability of final data and lack of awareness regarding submittal deadlines.

Effect: Late submittals can place an operator out of compliance with the TDA.

Recommendation: Ensure State Controller Reports are submitted in a timely manner.

Recommended Action(s): ICTC should take whatever actions are necessary to ensure an on-time submittal of the State Controller Reports. This may require working with other entities to adjust other submittal deadlines to ensure audited data is available.

Timeline: Ongoing.

Anticipated Cost: Negligible.

Compliance Finding 2: In FY 2017/18, ICTC's fiscal audit of its TDA fund was submitted after the 180-day deadline plus a 90-day extension. [Submittal of the FY 2018/19 fiscal audit is still pending.]

Criteria: PUC Section 99245 requires all claimants in receipt of TDA funds submit to the RTPA and to the State Controller an annual certified fiscal and compliance audit within 180 days after the end of the fiscal year (or 270 days if a 90-day extension is granted).

Condition: ICTC includes all TDA funds (RTPA and operator) in a combined fiscal audit. ICTC's FY 2017/18 TDA fiscal audit was submitted in July 2019, approximately three months after the allowable 90-day extension. As of the writing of this draft, completion of the FY 2018/19 TDA fiscal audit was still pending.

Cause: The TDA (CCR 6662) requires that an RTPA submit its fiscal audit within 12 months of the end of the fiscal year. However, the deadline for transit operators is considerably sooner (180 days following the end of the fiscal year, or 270 days if a 90-day extension is granted). This difference in submittal deadlines is a potential contributor to the late submittal of the ICTC TDA fiscal audit.

Effect: When TDA fiscal audits are submitted beyond the established deadline, entities are out of compliance with the TDA. TDA funds should not be allocated to any claimant for which a TDA fiscal audit has not been submitted.

Recommendation: Ensure TDA fiscal audits of all IVT operations are completed no later than 270 days following the end of the fiscal year.

Recommended Action(s): ICTC should work with its TDA fiscal auditor to ensure the operator audits for which it is responsible (IVT, IVT Ride, IVT Access, and IVT MedTrans) are completed no later than 270 days following the end of the fiscal year.

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Timeline: Ongoing.

Anticipated Cost: Negligible.

Compliance Finding 3: The farebox recovery ratio fell below the stipulated threshold during all three years of the audit period.

Criteria: PUC 99268 requires operators to maintain a minimum farebox recovery ratio in order to receive their full allocation of TDA funding. Fare revenues can be supplemented by locally generated funds if fare revenues are not sufficient to meet the stipulated requirement.

Condition: In FY 2016/17 and FY 2017/18, IVT MedTrans was required to meet a farebox recovery ratio threshold of 15 percent. However, actual farebox recovery ratios achieved were 7.74 percent and 8.79 percent, respectively. In FY 2018/19, the farebox recovery ratio threshold was reduced to 10 percent. While IVT MedTrans was much closer to meeting that standard (due in part to a fare increase) with a farebox recovery ratio of 9.49 percent, it still fell short.

This recommendation also carries over from the prior audit, which recommended IVT MedTrans review opportunities for increasing local revenue to boost farebox recovery.

Cause: Despite the recent fare increase, fare revenues still fall below the 10 percent threshold.

Effect: Failing to meet the minimum farebox recovery ratio places the operator out of compliance with the TDA and can affect its funding.

Recommendation: Identify marketing strategies to grow ridership and/or identify supplemental local revenues that will bring the farebox recovery ratio up to at least 10 percent.

Recommended Action(s): Since a fare increase has already been undertaken, two options remain: to decrease operating cost or increase farebox revenues. Given the modest increase in operating cost during the current audit period, it is unlikely IVT MedTrans will be able to reduce its costs significantly enough to substantially increase the farebox recovery ratio. Therefore, it is vital ICTC and IVT MedTrans increase fare revenues by increasing ridership and/or identify local revenue sources that can be used to supplement the farebox recovery ratio.

Timeline: FY 2019/20.

Anticipated Cost: Varies depending upon strategies used and/or the amount of supplementation required.

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Functional Finding 1: ICTC has yet to conduct a survey of current and potential IVT MedTrans customers.

Criteria: Surveys of riders and non-riders are included as under the Service Planning functional area, as defined in the *Performance Audit Guidebook for Transit Operators and Regional Transportation Planning Entities*.

Condition: The prior audit recommended a survey of IVT MedTrans riders be conducted to ensure the service is providing access to the San Diego healthcare facilities patronized by Imperial Valley residents. No customer surveys were conducted during the current audit period.

Cause: There may be a desire to conduct a survey of IVT MedTrans customers as part of a larger, system-wide survey.

Effect: Lack of solid data about where customers want to travel (especially potential customers who do not currently ride) can negatively impact ridership.

Recommendation: Conduct a survey of IVT MedTrans customers, either as a stand-alone survey or as part of a larger, system-wide survey effort.

Recommended Action(s): While a stand-alone survey of IVT MedTrans customers is valuable, also including questions about IVT MedTrans as part of a system-wide survey would be more valuable, as it would provide those who do not currently use IVT MedTrans with an opportunity to comment on schedules and service destinations. A stand-alone survey could utilize a driver-distributed paper instrument or an online survey, while a system-wide survey would require a more robust effort.

Timeline: FY 2020/21.

Anticipated Cost: Varies depending upon methodology used.

Exhibit 7.1 Summary of Audit Recommendations

TDA Compliance Recommendations		Importance	Timeline
1	Ensure State Controller Reports are submitted in a timely manner.	High	Ongoing
2	Ensure TDA fiscal audits of all IVT operations are completed no later than 270 days following the end of the fiscal year.	High	Ongoing
3	Identify marketing strategies to grow ridership and/or identify supplemental local revenues that will bring the farebox recovery ratio up to at least 10 percent.	High	FY 2019/20
Functional Recommendations		Importance	Timeline
1	Conduct a survey of IVT MedTrans customers, either as a stand-alone survey or as part of a larger, system-wide survey effort.	Medium	FY 2020/21