



Transit System Performance Review

May 2, 2014

## Area Transportation Authority of North Central Pennsylvania (ATA) Performance Review Report

**This page is intentionally blank to allow for duplex printing.**

# TABLE OF CONTENTS

LIST OF EXHIBITS.....	II
AGENCY PROFILE .....	III
EXECUTIVE SUMMARY.....	IV
Act 44 Performance Determination.....	iv
General Findings.....	vi
Financial Review .....	vii
Five-Year Performance Targets.....	vii
Next Steps.....	viii
INTRODUCTION.....	1
Purpose.....	1
Performance Review Process.....	1
Agency Description.....	2
ACT 44 PERFORMANCE ASSESSMENT .....	6
Peer System Selection.....	6
Act 44 Fixed-Route Comparisons and Findings.....	7
Fixed-Route Bus Performance Comparisons .....	8
Five-Year Fixed-Route Performance Targets.....	18
FUNCTIONAL REVIEW .....	21
Opportunities to Increase Fixed-Route Ridership.....	22
Opportunities to Increase Fixed-Route Revenues.....	23
Opportunities to Control Operating Costs.....	24
Other Findings that Impact Overall Agency Performance .....	25
FINANCIAL REVIEW.....	28
High-Level Indicators of Financial Health .....	28
Total Agency-wide Operational Expenditures and Funding.....	30
Fixed-Route Funding .....	32
Paratransit Funding .....	33
Balance Sheet Findings .....	33
Conclusions .....	36
APPENDIX A: ACTION PLAN IMPROVEMENT STRATEGIES .....	37
Part 1- Executive Summary Findings Template.....	37
Part 2- Act 44 Performance Metric Findings Templates.....	38
Part 3- Other Actions to Improve Overall Performance Template.....	41
APPENDIX B: DOCUMENTATION REQUESTS TO GENERAL MANAGER.....	42

## LIST OF EXHIBITS

Exhibit 1: ATA Fixed-Route Passengers and Revenues FYE 2007-2012.....	4
Exhibit 2: ATA Fixed-Route Revenue Hours of Service and Operating Costs FYE 2007-2012.....	5
Exhibit 3: Act 44 Compliance Summary .....	8
Exhibit 4: Fixed-Route Passengers / Revenue Vehicle Hour FYE 2011.....	10
Exhibit 5: Fixed-Route Operating Cost / Revenue Vehicle Hour FYE 2011.....	11
Exhibit 6: Fixed-Route Operating Revenue / Revenue Vehicle Hour FYE 2011 .....	12
Exhibit 7: Fixed-Route Operating Cost / Passenger FYE 2011 .....	13
Exhibit 8: Fixed-Route Passengers / Revenue Vehicle Hour Trend FYE 2006-2011 .....	14
Exhibit 9: Fixed-Route Operating Cost / Revenue Vehicle Hour Trend FYE 2006-2011.....	15
Exhibit 10: Fixed-Route Operating Revenue / Revenue Vehicle Hour Trend FYE 2006-2011.....	16
Exhibit 11: Fixed-Route Operating Cost / Passenger Trend FYE 2006-2011 .....	17
Exhibit 12: Fixed-Route Passengers / Revenue Hour Performance Targets .....	19
Exhibit 13: Fixed-Route Operating Cost / Revenue Vehicle Hour Performance Targets.....	19
Exhibit 14: Fixed-Route Operating Revenue / Revenue Vehicle Hour Performance Targets.....	20
Exhibit 15: Fixed-Route Operating Cost / Passenger Performance Targets .....	20
Exhibit 16: High-level Financial Indicators .....	29
Exhibit 17: ATA Total Operating Expense by Service Type (FYE 2007 – FYE 2012) .....	30
Exhibit 18: ATA Share of Agency-wide Public Transportation Operating Expenses by Mode .....	30
Exhibit 19: Agency-wide Public Transportation Operational Funding by Source (FYE 2008 – FYE 2012) .....	31
Exhibit 20: ATA Reported Agency-wide Public Transportation Operational Funding (FYE 2008 – FYE 2012).....	31
Exhibit 21: Fixed-Route Funding.....	32
Exhibit 22: Non-Fixed Route (Paratransit) Funding.....	33
Exhibit 23: ATA Public Transportation Balance Sheet Summary (FYE 2009 – FYE 2012).....	34
Exhibit 24: ATA Public Transportation End-of-Year Cash Equivalent Balance (FYE 2009 – FYE 2012) .....	34

## AGENCY PROFILE

<b>Agency Name</b>	<b>Area Transportation Authority of North Central Pennsylvania(d.b.a. ATA)</b>	
<b>Year Founded</b>	<b>1976</b>	
<b>Reporting Fiscal Year End (FYE)</b>	<b>2012</b>	
<b>Employees (full-time / part-time)</b>	<b>62 / 99</b>	
<b>Service Area (square miles)</b>	<b>5,091</b>	
<b>Service Area Population</b>	<b>234,416</b>	
<b>Type of Public Transportation Service Provided</b>	<b>Fixed-Route Bus</b>	<b>Shared Ride</b>
<b>Vehicles Operated in Maximum Service*</b>	30	31
<b>Annual Revenue Miles of Service*</b>	524,984	831,576
<b>Annual Revenue Hours of Service*</b>	32,473	70,002
<b>Annual Total Passenger Trips*</b>	149,522	178,071
<b>Annual Total Senior Lottery Trips*</b>	26,476	63,512
<b>Total Annual Operating Cost*</b>	\$2,226,795	\$3,465,604
<b>Total Annual Operating Revenues*</b>	\$249,160	\$873,849
<b>Total Annual Operating Revenue / Total Annual Operating Cost</b>	11.2%	25.2%
<b>Administrative Cost / Total Operating Cost</b>	24.9%	25.3%
<b>Operating Cost / Revenue Mile</b>	\$4.24	\$4.17
<b>Operating Cost / Revenue Hour</b>	\$68.57	\$49.51
<b>Passengers / Revenue Hour</b>	4.60	2.54
<b>Total Annual Operating Revenue / Revenue Hour</b>	\$7.67	\$12.48
<b>Operating Cost / Passenger</b>	\$14.89	\$19.46

\*Source: dotGrants fiscal year end (FYE) 2012

## EXECUTIVE SUMMARY

In July 2007 the Pennsylvania Legislature passed Act 44, establishing a framework for a PennDOT driven transit agency performance review process. The purpose of a review is to assess efficiency and effectiveness of service, financial stability, and general management/business practices. The assessment makes transit agencies aware of improvement opportunities and identifies best practices that can be shared with other transit agencies.

The Act 44 transit performance review of Area Transportation Authority of North Central Pennsylvania (d.b.a. ATA) was conducted in July 2013. This report addresses Act 44 established performance criteria specifically related to fixed-route bus services – ATA trends and a comparison of ATA to peers, targets for future performance (performance reviews are conducted on a five-year cycle), and opportunities for improvement which should assist ATA in meeting the future targets. This report also addresses the management and general efficiency and effectiveness of services.

After receipt of this performance review report, ATA will develop an action plan which will identify the steps ATA will take to meet the Act 44 performance targets by FY 2017-18. The general goals are to maximize efficiency and promote cost savings, improved service quality, and increased ridership and revenue. The action plan should focus on the most critical areas for the agency, as prioritized by ATA management and its governing board.

A draft action plan is due to the Department within 60 days of receipt of this report. PennDOT will work with ATA to agree on a plan which, when approved by ATA Board, will be submitted as the final action plan. ATA must report at least quarterly to the Board and PennDOT on the progress of the action plan, identifying actions taken to date, and actions to be implemented. ATA's success will be measured in part on meeting performance targets established through this review (see *Five-Year Performance Targets*, p. vii).

### ACT 44 PERFORMANCE DETERMINATION

Act 44 performance factors were analyzed to quantify ATA's fixed-route bus performance in comparison to its peer agencies in FY 2010-11 and over a five year trend period from FY 2005-06 to FY 2010-11 (the most recent NTD data available at the time of the peer selection). Peers were selected through an analytical process as required by Act 44. It should be noted that ATA is unusual compared to many transit systems in that it serves a very large geographic area (~5,100 sq. mi.) that is sparsely populated and is not commuter oriented to an adjacent urbanized area. These facts make ATA's peer selection particularly challenging and should be considered when interpreting peer comparison results.

A transit agency's performance can fall into two categories: "In Compliance" or "At Risk." The following criteria are used to make the "At Risk" determination:

- "At Risk" if more costly than one standard deviation **above** the peer group average in –
  - Single-year and five-year trend for Operating Cost / Revenue Vehicle Hour
  - Single-year and five-year trend for Operating Cost / Passenger
  
- "At Risk" if performing worse than one standard deviation **below** the peer average in –
  - Single-year and five-year trend for Passengers / Revenue Vehicle Hour
  - Single-year and five-year trend for Operating Revenue / Revenue Vehicle Hour

An analysis of the eight key criteria mandated by Act 44 was conducted and **it was determined that ATA is “In Compliance” for seven of the eight criteria and “At Risk” for one.** The peer comparison process as applied to Act 44 criteria (below, in bold typeface) revealed the following:

### ***In Compliance***

1. **FYE 2011 passengers / revenue vehicle hour** ranks as the second lowest of the transit agencies in the peer group.
2. The **five-year trend of passengers / revenue vehicle hour** shows declining performance over the last 5 years.
3. **FYE 2011 operating cost / revenue vehicle hour** ranks about in the middle of the transit agencies in the peer group and is less expensive than the peer group average.
4. The **five-year trend for operating cost / revenue vehicle hour** is slightly better than the peer group average.
5. **FYE 2011 operating revenue / revenue vehicle hour** is the second lowest of the peer group and is about half that of the peer group average.
6. The **five-year trend for operating revenue / revenue vehicle hour** ranks second best of the peers and is increasing at about eight times that of the peer group average.
7. The **five-year trend for operating cost / passenger** is about twice that of the peer group. This is largely attributable to increases in costs outpacing increases in ridership.

### ***At Risk***

1. **FYE 2011 operating cost / passenger** ranks as the most expensive of the peer group and is largely attributable to low ridership.

A summary of the specific Act 44 measures and their values are presented in the following table.

<b>Performance Criteria</b>	<b>Fiscal Year End</b>	<b>Determination</b>	<b>Rank (of 8)</b>	<b>Comparison to Peer Avg.</b>	<b>Value</b>	<b>Peer Average</b>
<b>Passengers / Revenue Hour</b>	2011	<b>In Compliance</b>	7	Worse	4.71	8.62
	Trend	<b>In Compliance</b>	6	Worse	-4.46%	-0.24%
<b>Operating Cost / Revenue Hour</b>	2011	<b>In Compliance</b>	5	Better	\$64.05	\$69.99
	Trend	<b>In Compliance</b>	5	Better	1.61%	2.46%
<b>Operating Revenue / Revenue Hour</b>	2011	<b>In Compliance</b>	7	Worse	\$6.54	\$12.37
	Trend	<b>In Compliance</b>	4	Better	1.24%	-1.84%
<b>Operating Cost / Passenger</b>	2011	<b>At Risk</b>	8	Worse	\$13.59	\$8.95
	Trend	<b>In Compliance</b>	6	Worse	6.13%	3.10%

## GENERAL FINDINGS

In accordance with Act 44, findings are indicated as “opportunities for improvement” or “best practices.” Improvement opportunities identify tasks that may be undertaken to increase the efficiency, effectiveness, and/or quality of service of the agency. Best practices are current practices that enhance the efficiency, effectiveness, and/or quality of service of ATA and may be shared with other agencies as techniques for improvement. Major themes are indicated below; detailed recommendations on how these and more detailed issues identified should be addressed are found in the body of the report.

### BEST PRACTICES

1. **Effective Policies to Recruit and Retain Good Drivers** - ATA has an effective program to recruit drivers by placing an emphasis on interpersonal people skills, rather than technical driving skills. For example, candidates with proven customer service skills may not be required to already possess a CDL because ATA is willing to provide CDL training for otherwise qualified candidates. This is a rare practice among transit agencies. Also ATA conducts formal annual job evaluations of all its drivers, which is not typical of most other transit agencies. Finally, ATA has a seven step salary progression so that drivers can qualify for up to seven annual pay increases. This helps to retain good drivers.
2. **Formally Documented Board Policies and Responsibilities** – ATA’s Board Guide is a document that formally delineates roles and responsibilities of Board members and senior management. It also provides a glossary of common terms used in the transit industry, a code of ethics and other materials new Board members would find useful. The ATA formally documents other policies for employees in a format consistent the Board’s policies. Having clearly documented, written policies, for Board members and employees helps clear up potential misperceptions and can lead to improved accountability.
3. **Strict Adherence to Preventative Maintenance Schedules** – ATA’s maintenance program has 100% adherence to preventative maintenance schedules. This practices reduces the number of potential road calls and extends the useful life of vehicles thereby saving both capital and operating costs.

### OPPORTUNITIES FOR IMPROVEMENT TO ADDRESS IN PART 1 OF THE ACTION PLAN (SEE P. 37)

1. **Improve Institutional Transparency** – Routine information commonly available for transit agencies is not readily available to the public at ATA. For example, information about Board meetings (i.e., agenda and minutes) is not put on ATA’s website and is not distributed to Board members until the day of the meeting. Furthermore, there is very little information available to the public as to what was or will be discussed at Board meetings.

ATA’s Board and management should evaluate what information can be made available to the public regarding agency finances and performance, and make it readily accessible to improve institutional transparency.

2. **Reevaluate Fixed-Route Service Productivity and Efficiency** – ATA utilizes a service evaluation committee to review and evaluate new and existing fixed-route service. While this is a good practice, service expansions since 2007 (increasing vehicle miles and revenue

hours) have resulted in higher ridership, but decreased productivity (i.e., ridership per revenue hour). Furthermore, it has continued to operate some of the new service even though it is relatively unproductive. One service in particular, a commuter bus service to State College, has continued to operate despite poor performance – averaging less than 2 riders per revenue hour.

ATA should update its TDP based on more current, post-recession, information and use its service evaluation committee to reevaluate the productivity of its existing service. The updated TDP should address how unproductive routes can be modified, or discontinued, as appropriate as fixed-route ridership is low and is the one variable that results in an “At Risk” finding in this report.

3. **Develop Performance Targets for All Key Agency Functions** - ATA’s Board should develop a formal set of performance targets (goals) and measure where current service is in relation to the targets. Then, if necessary, ATA should develop a performance enhancement strategy for all key agency functions.<sup>1</sup> Performance measures are objective indicators of different activities of the agency that can be used to strengthen management decision making, achieve results, and support accountability. Performance targets are stipulated under Act 44, and are intended to motivate the organization to improve performance. This recommendation is consistent with MAP-21 and general trends in the transit industry where performance-based evaluation is rapidly becoming the norm.

## FINANCIAL REVIEW

For the FYE 2008 to FYE 2012 period, the six county governments in the ATA service area (i.e., Cameron, Clearfield, Elk, Jefferson, McKean and Potter) have contributed to help cover ATA’s operational funding requirements. ATA has used most of those amounts in any given year to balance its budget and comply with state requirements. ATA has been able to maintain sufficient cash reserves to cover unexpected operational expenses and weather any funding irregularities. Additionally, ATA has a line of credit to help finance large capital expenditures. ATA should continue to take appropriate actions such as controlling costs and improving farebox recovery to continuously improve ATA’s financial health.

## FIVE-YEAR PERFORMANCE TARGETS

This transit agency performance report outlines areas where improvements may be made to enhance the overall quality, effectiveness, and efficiency of the transit system. As a result of the performance review, a set of “performance targets” has been established and detailed on page 18. These performance targets are required to comply with Act 44 and represent minimum performance levels that ATA should work to achieve for each Act 44 performance criteria during the next review cycle (i.e., five years from the date of this report). These performance targets were created using historical data analyzed during the five-year trend analysis as well as the most current audited “dotGrants” information available (FYE 2012). Standards were extrapolated to FYE 2018 and are designed to be aggressive, yet achievable. They are summarized as follows:

---

<sup>1</sup> See Page 19 for a list of key functional areas.

Performance Criteria	Fiscal Year End (FYE)				Target Annual Increase
	2010	2011	2012	2018* Target	
Passengers / Revenue Hour	4.84	4.71	4.60	5.50	3.0%
Operating Cost / Revenue Hour*	\$66.53	\$63.61	\$68.57	\$85.16	3.0%
Operating Revenue / Revenue Hour	\$5.05	\$6.54	\$7.67	\$9.16	3.0%
Operating Cost / Passenger*	\$13.73	\$13.50	\$14.89	\$15.49	0.0%

\* ATA's 2012 operating cost value is increased by 4.0% before the 3.0% annual compound rate is applied. This was done to account for changes in ATA's future year fixed-route costs that will result from updated cost allocation methodologies.

## NEXT STEPS

Upon final transmission of the performance review report, Act 44 regulations stipulate that ATA "...shall develop and submit to the Department within 90 days...a strategic action plan that focuses on continually improving the system to achieve the established minimum performance targets." The action plan should outline corrective action that will be taken to address "Opportunities for Improvement" – as prioritized by the ATA oversight board and management.

Functional area "opportunities for improvement" are areas in which improvement may result in cost savings, improved service quality, and ridership and/or revenue increases. Improvements in these areas will assist in the achievement of the performance targets by directly addressing areas that affect Act 44 performance criteria. It should be noted that many functional areas are interrelated, and the action plan should establish a comprehensive program that focuses on actions that address the larger issues within ATA.

The template for the Action Plan has been provided as an Appendix to this report (pp. 37-41). This template includes three parts:

- **Part 1- Executive Summary Findings Template** (p. 37) is where ATA should address its proposed actions to address the "*Opportunities for Improvement*" findings in the Executive Summary (pp. vi-vii).
- **Part 2- Act 44 Performance Metric Findings Templates** (pp. 38-40) is where ATA should address its proposed actions to address the "*Opportunities for Improvement*" findings that directly affect the Act 44 performance metrics (pp.21-25).
- **Part 3- Other Actions to Improve Overall Performance Template** (p. 41) should be used to address the "*Other Findings that Impact Overall Agency Performance*" identified starting on p. 26. Management should use the format provided in Appendix A to develop its proposed draft Action Plan.

It should be noted that specific actions identified may partially address the broadly noted opportunities for improvement found in the "**General Findings**" (pp. vi-vii). Some actions will be quickly implementable while others may take several discrete steps to achieve over a longer period of time. The template provides a simple-to-follow order of key findings. ATA must select, prioritize and schedule its intended actions using the template.

ATA must submit the proposed draft Action Plan using the format provided in **Appendix A: Action Plan Improvement Strategies** to the Department for comment. The proposed draft Action Plan may then be revised based on consultation between ATA management and the Department. The finalized Action Plan then must be approved by the ATA Board and formally submitted to PennDOT. Subsequently, ATA management must report at least quarterly to the Board and the Department on progress towards accomplishing the Action Plan including actions taken in the previous quarter and actions planned for coming quarter(s).

# INTRODUCTION

## PURPOSE

In July 2007 the Pennsylvania Legislature passed Act 44, establishing a framework for a performance review process for all public transportation agencies receiving state financial assistance. This report documents the findings and observations of the public transportation agency performance review for Area Transportation Authority of North Central Pennsylvania (d.b.a. ATA).

Performance reviews are conducted to emphasize the importance of good management, proactive planning, and efficient service, which maximize the effectiveness of federal, state, and local funding. In addition, other important goals of the review process and this document are to:

- Find, document, and publicize best practices that contribute to efficient, high-quality public transit service delivery, encouraging other Pennsylvania transit agencies to apply them as appropriate.
- Provide guidance to transit agencies on cost-effective ways to improve efficiency, effectiveness, and quality of service.
- Identify and document legal, institutional, or other barriers beyond the control of the transit agency that may impede efficiency in service delivery and management.

## PERFORMANCE REVIEW PROCESS

In July 2013, an Act 44 mandated performance review was initiated for ATA. PennDOT, with consultant assistance, conducted the review according to the steps outlined below:

1. Initial notification of performance review selection and transmission of document request
  - A review of available data and requests for what should be “off-the-shelf” information that may not be publicly available was transmitted.
2. Peer selection
  - Peers were selected through an analytical process as required by Act 44.
3. Act 44 performance criteria analysis
  - Performance criteria mandated by Act 44 were analyzed for the peer group.
  - Additional performance criteria were calculated for informative purposes to help guide the on-site review.
4. On-site review
  - The on-site review was conducted on July 22 and July 23, 2013.
  - An interview guide customized for ATA’s service was used for the review.
  - Topics covered during the interview process included the following:
    - Governance
    - Contracted Service
    - Management
    - Human/Labor Relations
    - Finance
    - Procurement
    - Operations and Scheduling
    - Maintenance
    - Safety and Security
    - Customer Service
    - Information Technology
    - Capital Programming
    - Marketing and Public Relations
    - Planning

## AGENCY DESCRIPTION

In 1972, Governor Shapp asked the North Central Pennsylvania Regional Planning and Development Commission (NCPRPDC) to respond to a series of questions regarding the social and economic conditions of the Cameron, Clearfield, Elk, Jefferson, McKean and Potter counties. The NCPRPDC ultimately recommended a rural public transportation demonstration project that would be coordinated with the Appalachian Regional Commission (ARC) to test the feasibility of providing transit services in the area. Ultimately, all six counties in the demonstration project agreed to participate in the authority which was created on May 19, 1976. ATA became the first rural regional transit authority formed in Pennsylvania.

Today, ATA provides fixed-route, deviated fixed-route and paratransit service in the six-county area as well as commuter service to State College. Most fixed-route services are operated Monday through Saturday though some services are offered only on specific days of the week or month.

**Exhibit 1** and **Exhibit 2** present fixed-route bus statistics for ATA derived from PennDOT dotGrants Legacy Reports. Fixed-route bus service includes fixed-route and commuter service.

Important observations evident from the trends in demand, revenues, and operating characteristics for the Legacy reporting period of Fiscal Year End (FYE) 2007 through 2012 are as follows:

1. ATA's annual fixed-route ridership hovers between 120,000 and 150,000 passengers per year. In 2012, ridership increased from previous highs by about 12,000 passengers per year (9.0%) due, in part, to service expansions.
2. Revenue hours of fixed-route service increased by more than 44% between 2007 and 2012. Most of this change occurred between 2010 and 2012 when ATA entered into route guarantee arrangements and converted some demand response service to fixed-route. When route guarantees and route conversions are factored out of reported growth, the regular fixed-route service growth between FY 2008 and FY 2012 was less than 10%.
3. ATA's operating revenue is relatively high given its relatively low ridership. This is because ATA receives revenues from route guarantees with Indiana University of Pennsylvania (Punxsutawney) and University of Pittsburgh Bradford<sup>2</sup> and recently started receiving insurance rebates. Approximately 54% of ATA's fixed-route revenue came from passenger fares in 2012 with the remainder coming from route guarantees and insurance refunds.
4. Fixed-route operating costs increased by about 63% between 2007 and 2012 going from about \$1.4 million to \$2.2 million annually. The increase is attributed to multiple factors, but mostly due to a substantial shift in the allocation of indirect administrative costs from paratransit services to fixed-route. Until recently, administrative costs for ATA's public and non-public transportation programs were divided between transportation services according to each service's share of the total vehicle miles operated.

Between 2007 and 2012, funding cuts to the Department of Public Welfare's Medical Assistance Transportation Program (MATP) caused a major reduction in miles operated for ATA's non-public services. The decrease in MATP service, coupled with increases to the

---

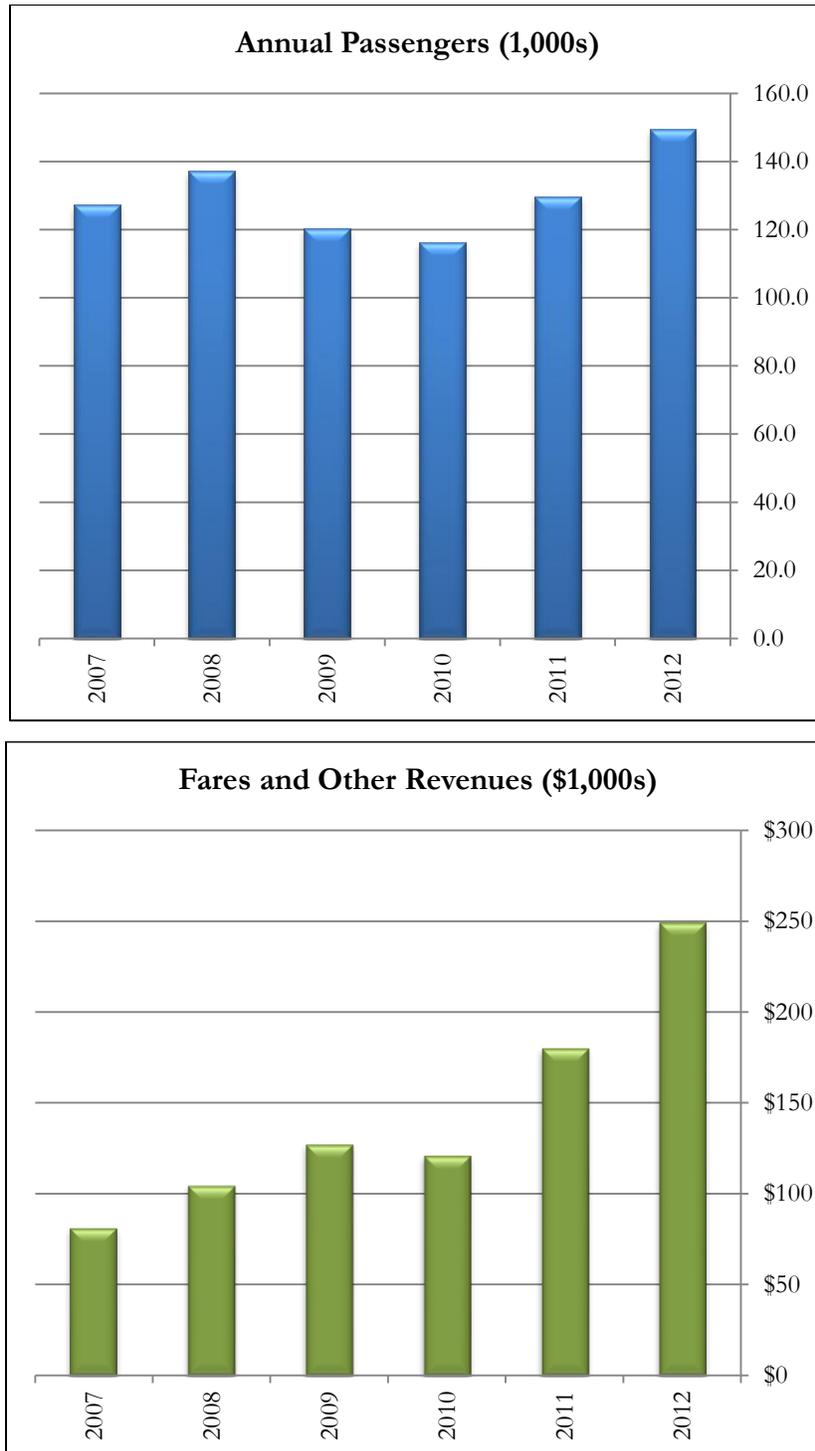
<sup>2</sup> ATA reported \$90,616 in revenues from route guarantees in FYE 2012.

public fixed route services, resulted in a significant shift in cost from MATP services to the fixed-route program. Since then, the Department has assisted ATA in developing a new cost allocation methodology that will prevent dramatic shifts in the future. The ATA total system cost, the cost of fixed-route, shared-ride and non-public transportation services combined, increased by approximately 3% per year between 2007 and 2012.

The conclusions that can be drawn from the combination of Exhibit 1 and Exhibit 2 are that:

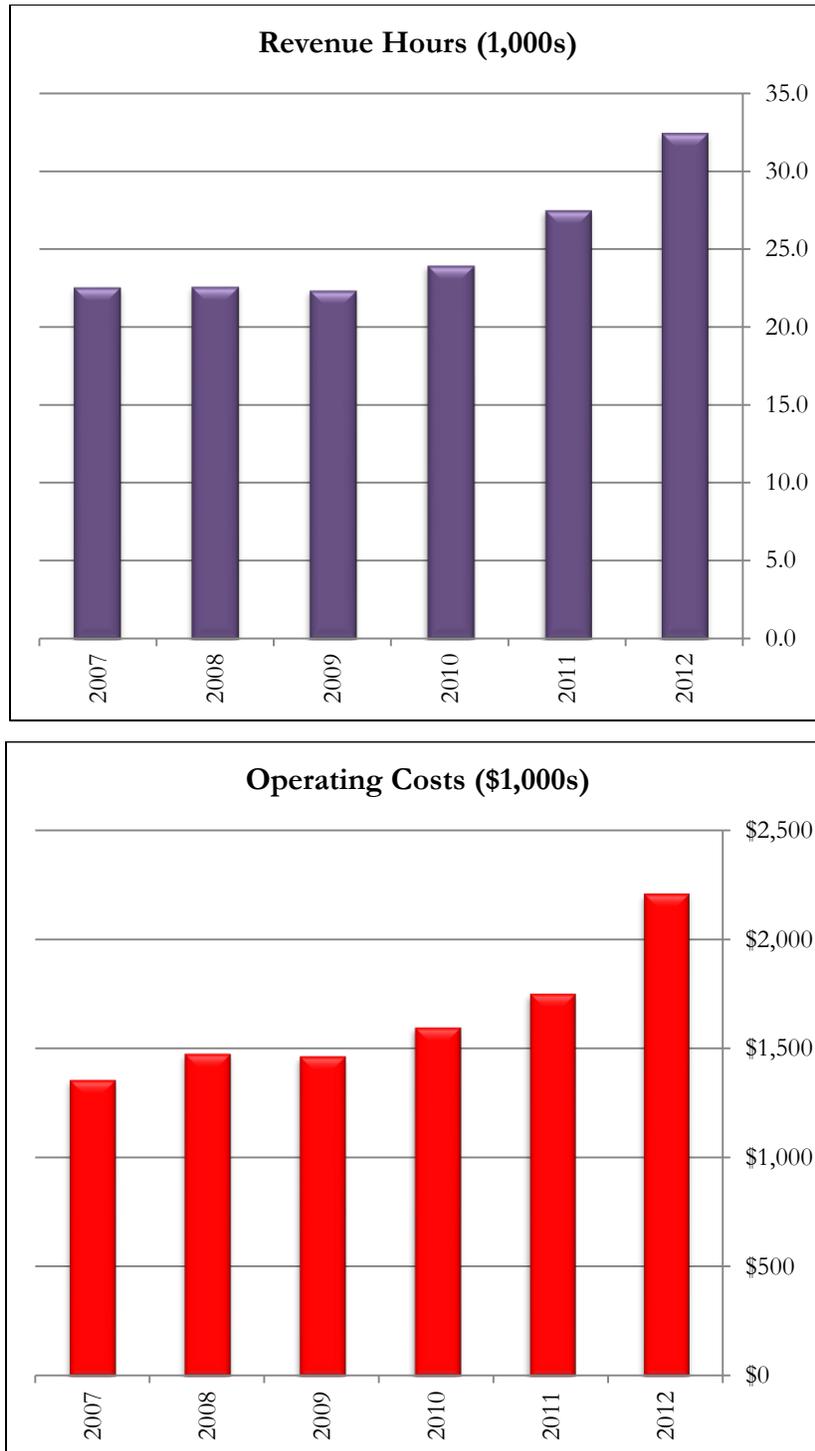
- Farebox and revenue recovery is increasing.
- Additional fixed-route service resulted in ridership increases for ATA through fiscal year end 2012.
- Fixed Route operating costs have increased substantially mostly due to a significant shift in the allocation of shared costs and the increase of fixed-route service.

Exhibit 1: ATA Fixed-Route Passengers and Revenues FYE 2007-2012



Source: PennDOT Legacy Reporting System (dotGrants)

Exhibit 2: ATA Fixed-Route Revenue Hours of Service and Operating Costs FYE 2007-2012



Source: PennDOT Legacy Reporting System (dotGrants)

## ACT 44 PERFORMANCE ASSESSMENT

Act 44 establishes the framework for a performance review process as follows:

*“The Department may conduct performance reviews of an award recipient under this section to determine the effectiveness of the financial assistance. Reviews shall be conducted at regular intervals as established by the Department in consultation with the management of the award recipient. After completion of a review, the Department shall issue a report that: highlights exceptional performance and identifies any problems that need to be resolved; assesses performance, efficiency, and effectiveness of the use of the financial assistance; makes recommendations on follow-up actions required to remedy any problem identified...”<sup>3</sup>*

The law sets forth the following performance criteria to be used to satisfy its objectives<sup>4</sup>:

- Passengers / revenue vehicle hour;
- Operating cost / revenue vehicle hour;
- Operating revenue / revenue vehicle hour;
- Operating cost / passenger; and,
- Other items as the Department may establish.

Performance criteria are to be compared for both the system being reviewed and for a group of five or more peers by mode, determined by considering the following:<sup>5</sup>

- Revenue vehicle hours (car hours for rail and fixed guideway);
- Revenue vehicle miles (car miles for rail and fixed guideway);
- Number of peak vehicles; and,
- Service area population.

The law further instructs PennDOT to prepare a five-year trend analysis for the local transportation organization under review and the peer systems by performance criteria and by mode, and make a determination of “In Compliance” or “At Risk” status based on findings.

### PEER SYSTEM SELECTION

A list of tentative peers was submitted to ATA management for review and comment. Management noted that ATA is unusual compared to many transit systems in that it serves a very large geographic area (~5,100 sq. mi.) that is sparsely populated and is not commuter oriented to an adjacent urbanized area. These facts make ATA’s peer selection particularly challenging and should be considered when interpreting peer comparison results.

After discussions were complete, the following 7 peer systems, in addition to ATA, were included in subsequent analyses for peer comparison purposes:

1. Endless Mountains Transportation Authority (Athens, PA)
2. Link Transit (Wenatchee, WA)

---

<sup>3</sup> Title 74 Pa. C.S.A. §1513 (e)

<sup>4</sup> Title 74 Pa. C.S.A. §1513 (f)

<sup>5</sup> 67 Pa Code Chapter 427, Annex A . §427.12(d)(1)(i), Jan 2011.

3. Texoma Area Paratransit System, Inc. (Sherman, TX)
4. Pee Dee Regional Transportation Authority (Florence, SC)
5. Santee Wateree Regional Transportation Authority (Sumter, SC)
6. Fairbanks North Star Borough Transit (Fairbanks, AK)
7. Hill Country Transit District (San Saba, TX)

## ACT 44 FIXED-ROUTE COMPARISONS AND FINDINGS

Comparison of ATA with the selected peer systems was completed using NTD-reported data and dotGrants Legacy statistics.

Public transportation organizations are organized into two different categories based largely on service area characteristics as determined by the U.S. Census: urban and rural. Urban transportation organizations receive funding directly from the Federal Transit Administration (FTA), and as a condition of funding must report operating statistics to the National Transit Database (NTD) if qualified by FTA regulations. Conversely, rural transportation providers such as ATA do not submit information directly to NTD. As a result, there is a significant lack of reliable operating statistics for rural systems.

Rural transportation organizations vary widely in service characteristics based on local transportation demands. In Pennsylvania alone, the smallest rural transit agency operates 1 fixed route vehicle in maximum operations, while the largest operates 26 vehicles. This wide variance in transportation provided means that there are few comparable Pennsylvania rural peers. It is for this reason, the Act 44 peer analysis of ATA supplements rural peers with urban transit systems that most closely match ATA's characteristics.

Due to its consistency and availability<sup>6</sup> for comparable systems, the NTD FYE 2011 Reporting Year database was selected as the primary data source used in the calculation of the five-year trend Act 44 metrics:

- Passengers / revenue vehicle hour
- Operating cost / revenue vehicle hour
- Operating revenue / revenue vehicle hour
- Operating cost / passenger

The definition of the variables used in the calculations is as follows:

- *Passengers:* Annual unlinked passenger boardings by mode for both directly-operated and purchased transportation
- *Operating Costs:* Annual operating cost of services provided (excluding capital costs) by mode for both directly-operated and purchased transportation
- *Operating Revenue:* Total annual operating revenue generated from farebox and other non-state, non-federal sources by mode for both directly-operated and purchased transportation
- *Revenue Vehicle Hours:* The total annual number of "in-service" hours of service provided by mode for both directly-operated and purchased transportation

---

<sup>6</sup> NTD data is available for almost every urbanized area transit system in the United States. The latest data available at the time of the Peer Selection was for Fiscal Year End (FYE) 2011.

- *Average*: Un-weighted linear average of all values being measured across all peer transit agencies, including ATA
- *Standard Deviation*: Standard deviation of all values being measured across all peer transit agencies, including ATA

Act 44 stipulates that metrics fall into two categories: “In Compliance” and “At Risk.” An agency is considered “In Compliance” of a measure unless one of the following is true:

- “At Risk” if more costly than one standard deviation **above** the peer average in:
  - The single-year or five-year trend for Operating Cost / Revenue Vehicle Hour
  - The single-year or five-year trend for Operating Cost / Passenger
- “At Risk” if performing worse than one standard deviation **below** the peer group average in:
  - The single-year or five-year trend for Passengers / Revenue Vehicle Hour
  - The single-year or five-year trend for Operating Revenue / Revenue Vehicle Hour

If an agency is determined “At Risk” for any given criterion, it must very closely monitor the effectiveness of remedial strategies identified in the action plan so as to achieve “Compliance” prior to the next performance review<sup>7</sup>.

Detailed results of the ATA analysis and peer comparison are presented in the **Fixed-Route Bus Performance Comparisons** section below and can be summarized as follows:

### Exhibit 3: Act 44 Compliance Summary

Metric	FYE 2011 Single Year	Five-Year Trend
Passengers / Revenue Hour	In Compliance	In Compliance
Operating Cost / Revenue Hour	In Compliance	In Compliance
Operating Revenue / Revenue Hour	In Compliance	In Compliance
Operating Cost / Passenger	<b>At Risk</b>	In Compliance

### FIXED-ROUTE BUS PERFORMANCE COMPARISONS

For the 7 peer systems plus ATA, NTD data were extracted and summarized for each of the required Act 44 metrics. Measures were put into histograms and tables for visual inspection, statistical analyses, and ordinal ranking purposes. The single-year results of these analyses are presented in **Exhibit 4, Exhibit 5, Exhibit 6, and Exhibit 7**. Five-year trend analyses are presented in **Exhibit 8, Exhibit 9, Exhibit 10, and Exhibit 11**.

For measures relating to passengers or operating revenue, ordinal rankings are based on a highest-to-lowest system. For measures relating to operating cost, ordinal rankings are based on a lowest-to-highest system. Thus a ranking of “1<sup>st</sup>” consistently indicates that the agency scores best amongst its peers and a ranking of “8<sup>th</sup>” indicates that it performs the poorest on any given metric.

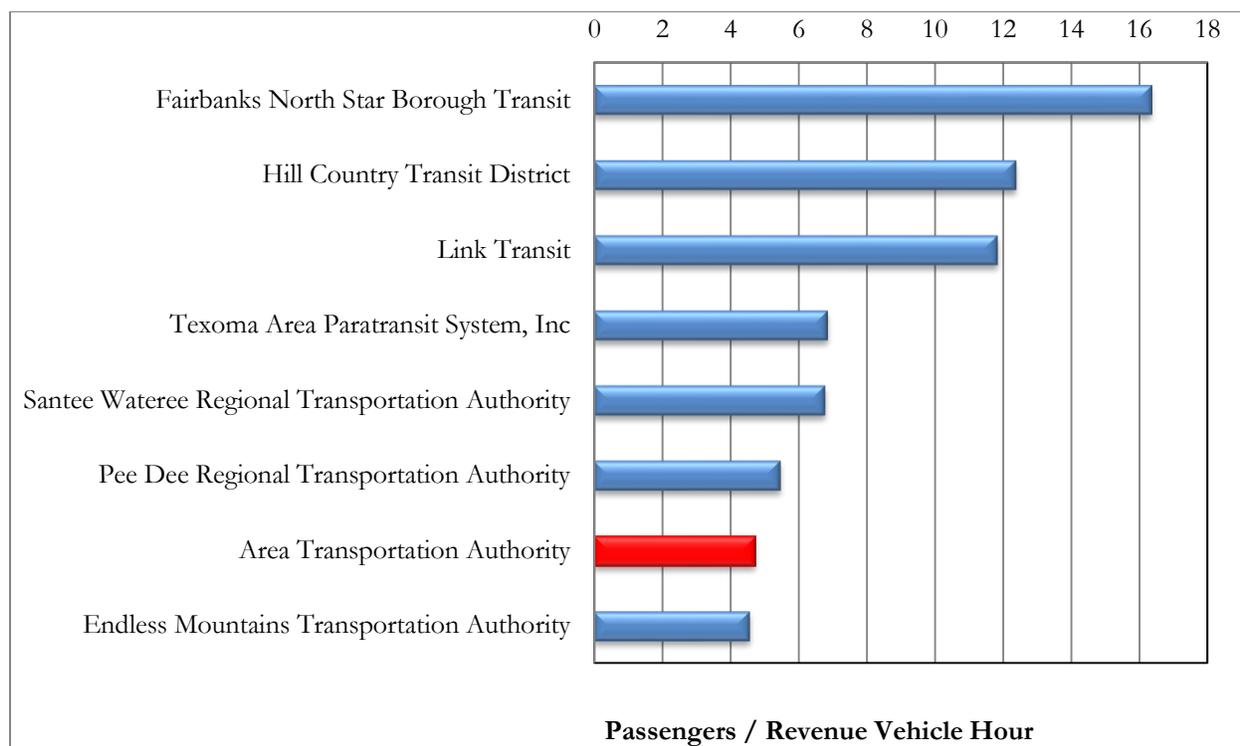
The findings presented in the exhibits can be summarized as follows:

<sup>7</sup> Act 44 identifies potential financial penalties for agencies determined “At Risk” during the review process that are not subsequently determined “In Compliance” within 5 years of the original “At Risk” finding.

1. ATA's FYE 2011 passengers / revenue hour figure is the second lowest of the transit agencies in the peer group. Passengers / revenue hour have been declining at a significant rate and are approaching, on average, the point where fixed-route services are not typically considered viable. Management's efforts should focus on reversing this trend.
2. ATA's FYE 2011 operating cost / revenue vehicle hour is better than the peer group average. Operating cost / revenue hour has increased at a rate slightly lower than the peer group.
3. Like passengers, ATA's FYE 2011 operating revenue / revenue vehicle hour ranks as the second lowest of the peer group. On the positive side, the trend between FYE 2006 and FYE 2011 indicates that operating revenue / revenue vehicle hour is increasing while that of the peers is actually decreasing.
4. ATA has the highest FYE 2011 operating cost / passenger of the peer group. The trend of cost / passenger is about twice that of the peer group average. The high operating cost per passenger is largely due to low ridership as operating costs are comparable to the peer group.

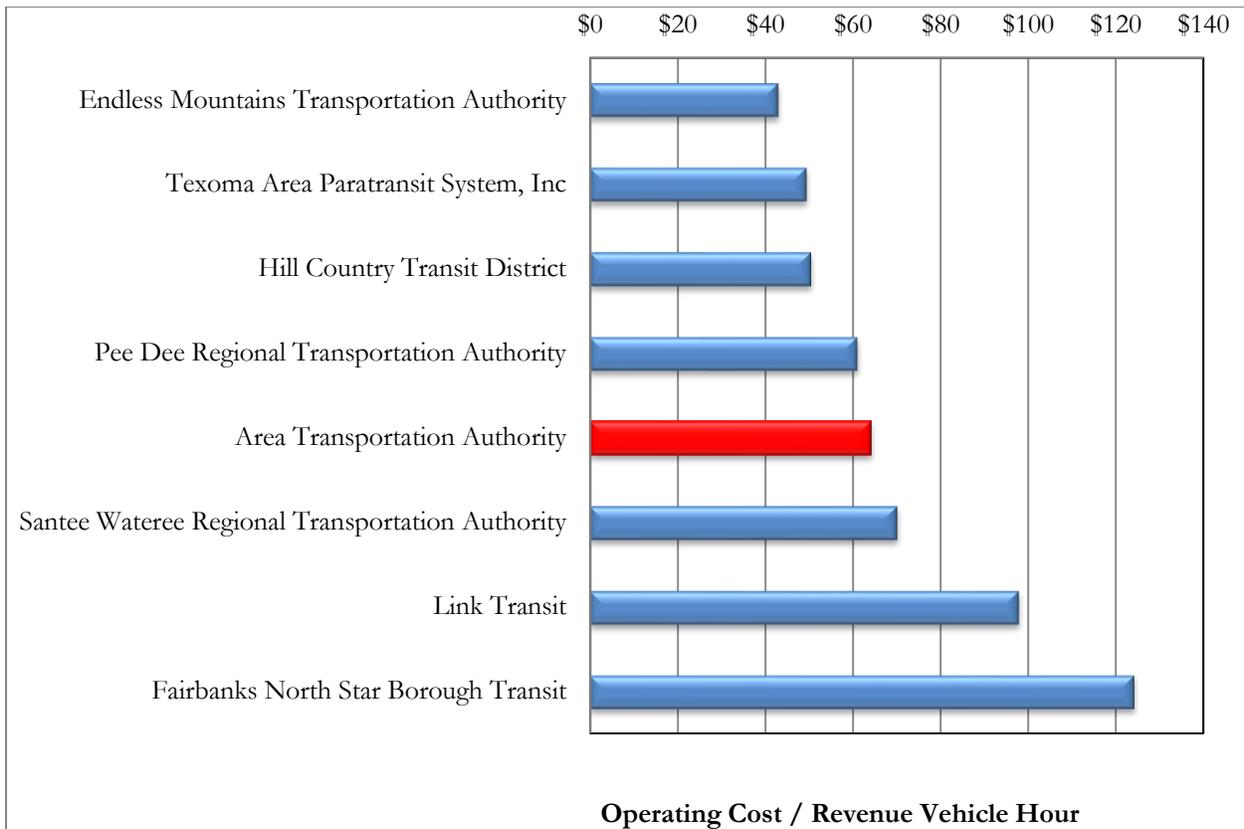
These findings provided a basis for further investigation during the on-site interviews and functional area reviews. Those findings are presented in the next section of the report.

**Exhibit 4: Fixed-Route Passengers / Revenue Vehicle Hour FYE 2011**



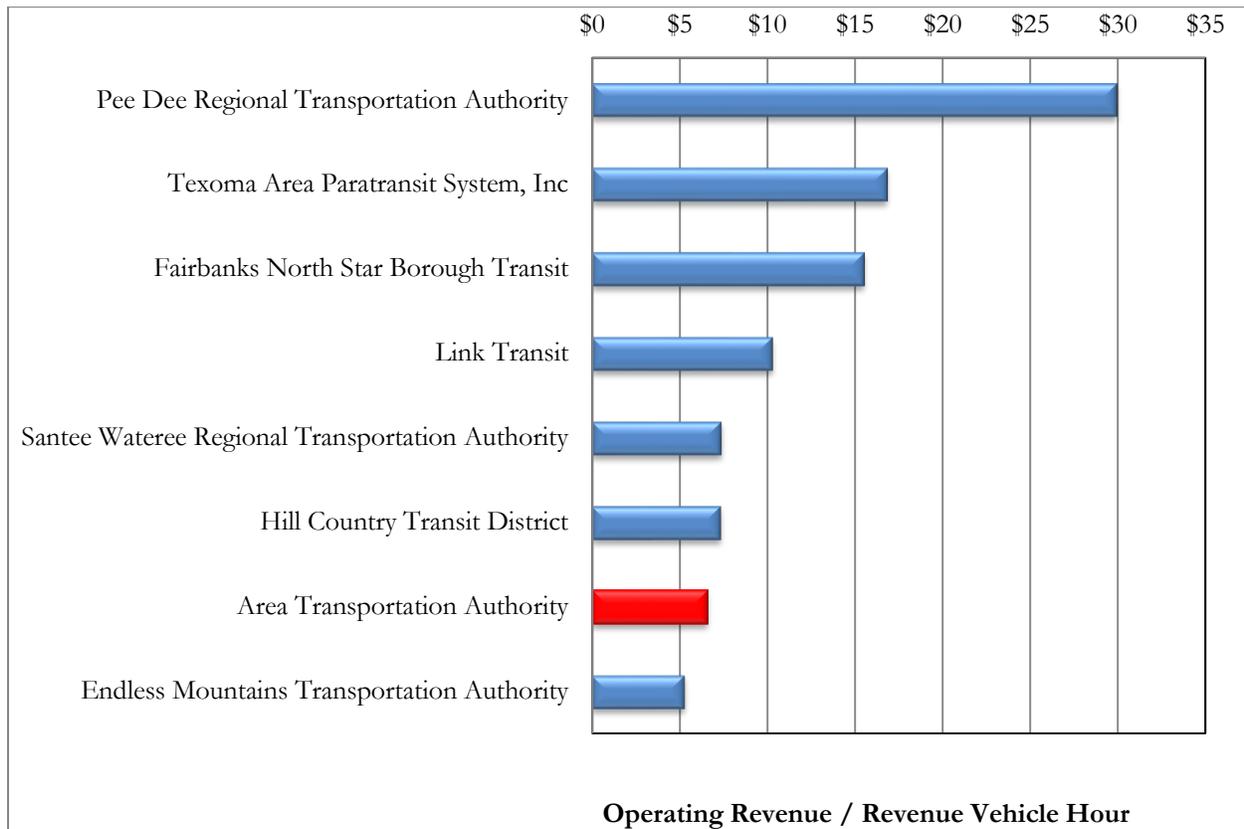
Passengers / Revenue Vehicle Hour		
System	Value	Rank
Fairbanks North Star Borough Transit	16.34	1
Hill Country Transit District	12.36	2
Link Transit	11.83	3
Texoma Area Paratransit System, Inc	6.86	4
Santee Wateree Regional Transportation Authority	6.78	5
Pee Dee Regional Transportation Authority	5.47	6
<b>Area Transportation Authority</b>	<b>4.71</b>	<b>7</b>
Endless Mountains Transportation Authority	4.57	8
<i>Average</i>	8.62	
<i>Standard Deviation</i>	4.34	
<i>Average – 1 Standard Deviation</i>	4.27	
<i>Average + 1 Standard Deviation</i>	12.96	
<b>Act 44 Compliance Determination</b>	<b>In Compliance</b>	
<b>Better or Worse Than Peer Group Average</b>	<b>Worse</b>	

**Exhibit 5: Fixed-Route Operating Cost / Revenue Vehicle Hour FYE 2011**



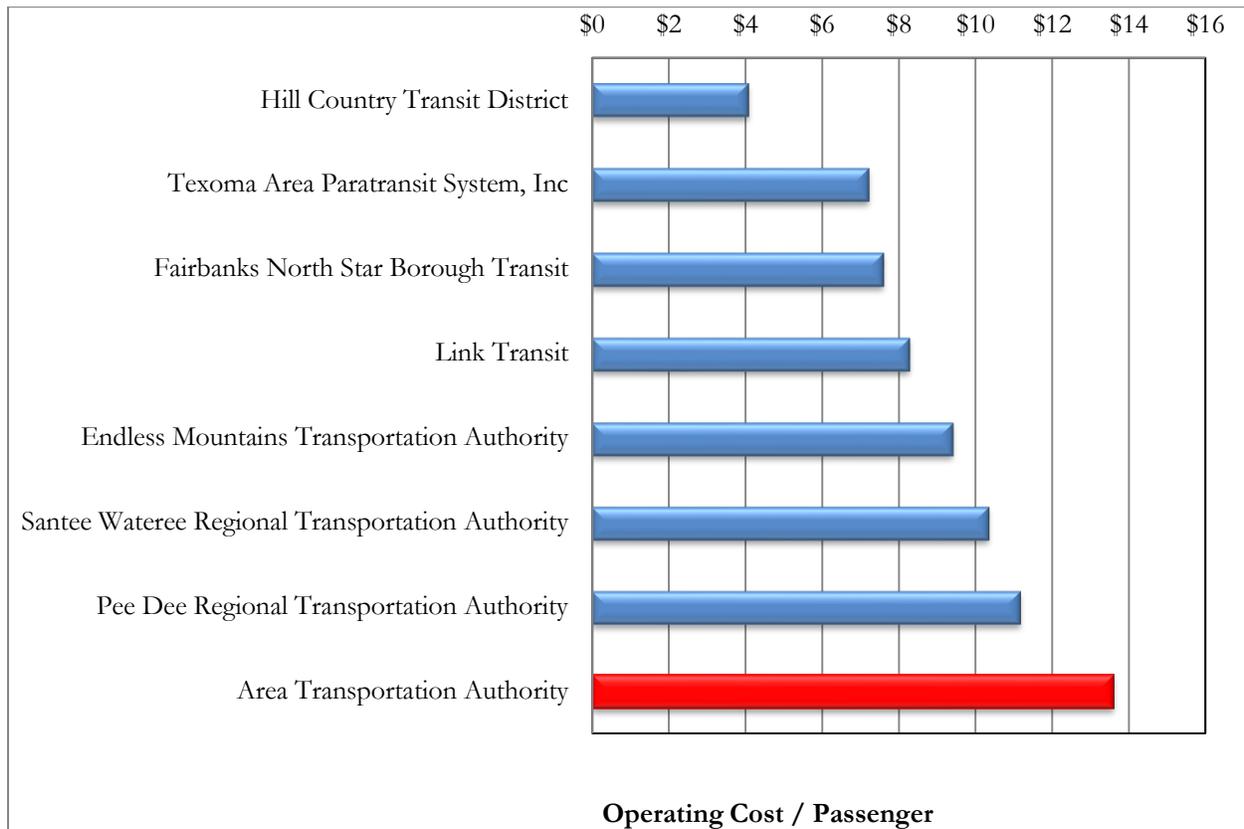
Operating Cost / Revenue Vehicle Hour		
System	Value	Rank
Endless Mountains Transportation Authority	\$42.99	1
Texoma Area Paratransit System, Inc	\$49.43	2
Hill Country Transit District	\$50.46	3
Pee Dee Regional Transportation Authority	\$61.04	4
<b>Area Transportation Authority</b>	<b>\$64.05</b>	<b>5</b>
Santee Wateree Regional Transportation Authority	\$70.10	6
Link Transit	\$97.80	7
Fairbanks North Star Borough Transit	\$124.07	8
<i>Average</i>	\$69.99	
<i>Standard Deviation</i>	\$27.64	
<i>Average – 1 Standard Deviation</i>	\$42.36	
<i>Average + 1 Standard Deviation</i>	\$97.63	
<b>Act 44 Compliance Determination</b>	<b>In Compliance</b>	
<b>Better or Worse Than Peer Group Average</b>	<b>Better</b>	

## Exhibit 6: Fixed-Route Operating Revenue / Revenue Vehicle Hour FYE 2011



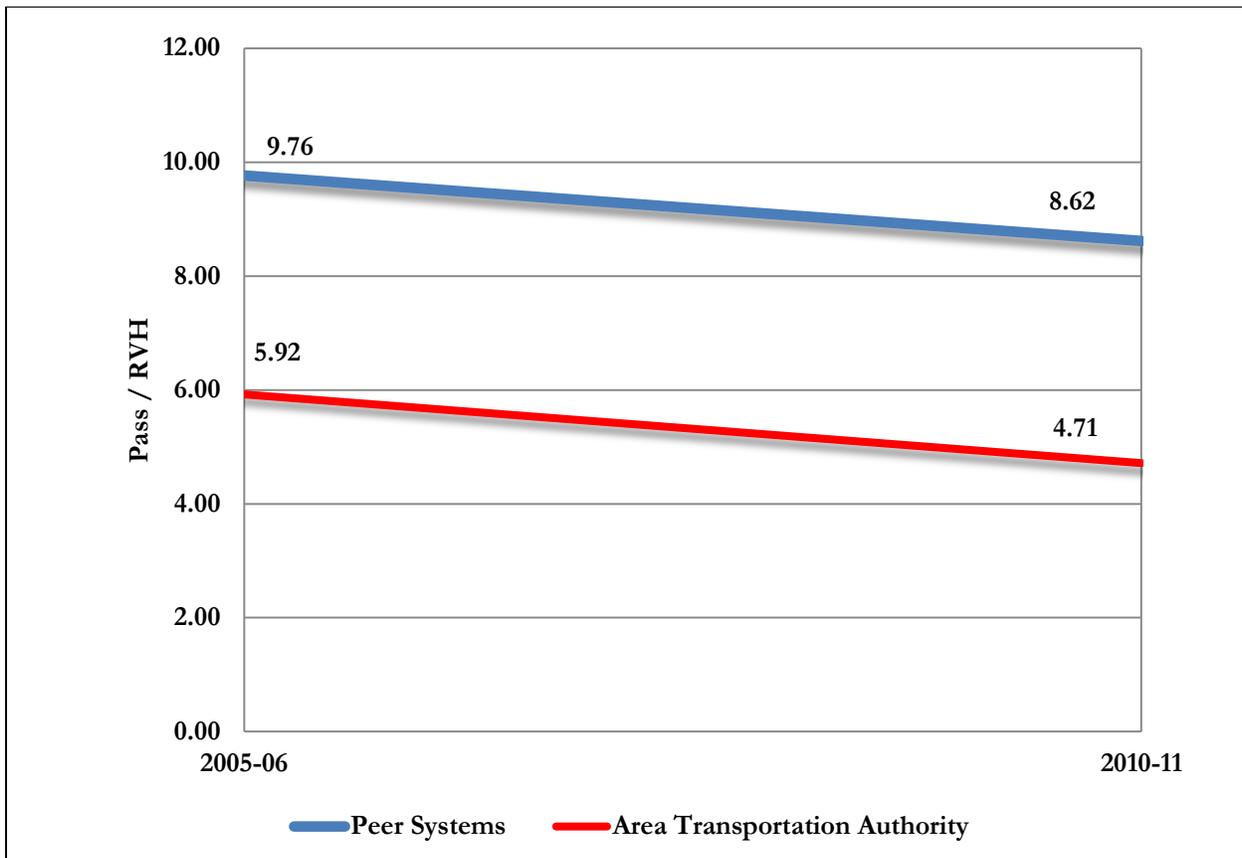
Operating Revenue / Revenue Vehicle Hour		
System	Value	Rank
Pee Dee Regional Transportation Authority	\$29.89	1
Texoma Area Paratransit System, Inc	\$16.80	2
Fairbanks North Star Borough Transit	\$15.49	3
Link Transit	\$10.28	4
Santee Wateree Regional Transportation Authority	\$7.37	5
Hill Country Transit District	\$7.33	6
<b>Area Transportation Authority</b>	<b>\$6.54</b>	<b>7</b>
Endless Mountains Transportation Authority	\$5.28	8
<i>Average</i>	<i>\$12.37</i>	
<i>Standard Deviation</i>	<i>\$8.24</i>	
<i>Average – 1 Standard Deviation</i>	<i>\$4.13</i>	
<i>Average + 1 Standard Deviation</i>	<i>\$20.61</i>	
<b>Act 44 Compliance Determination</b>	<b>In Compliance</b>	
<b>Better or Worse Than Peer Group Average</b>	<b>Worse</b>	

## Exhibit 7: Fixed-Route Operating Cost / Passenger FYE 2011



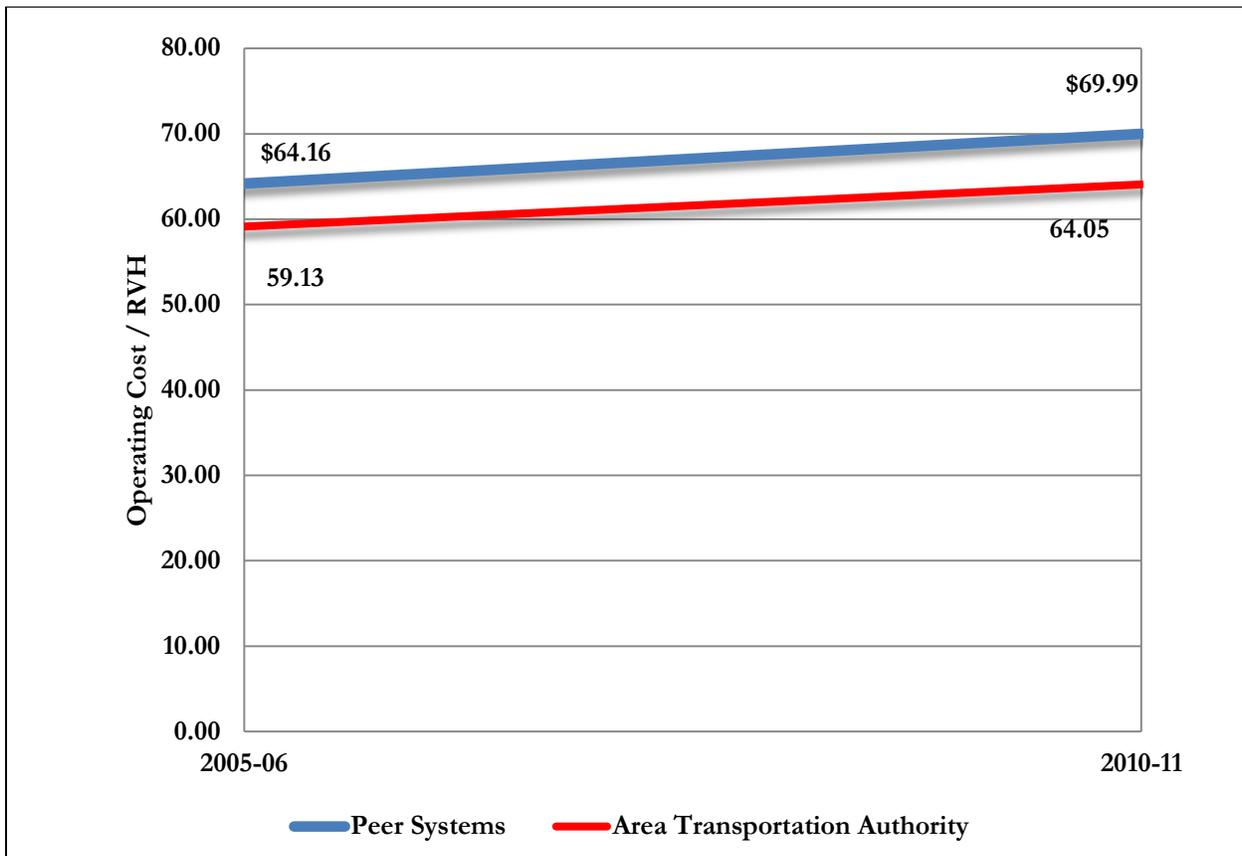
Operating Cost / Passenger		
System	Value	Rank
Hill Country Transit District	\$4.08	1
Texoma Area Paratransit System, Inc	\$7.21	2
Fairbanks North Star Borough Transit	\$7.59	3
Link Transit	\$8.27	4
Endless Mountains Transportation Authority	\$9.40	5
Santee Wateree Regional Transportation Authority	\$10.34	6
Pee Dee Regional Transportation Authority	\$11.16	7
<b>Area Transportation Authority</b>	<b>\$13.59</b>	<b>8</b>
<i>Average</i>	\$8.95	
<i>Standard Deviation</i>	\$2.87	
<i>Average – 1 Standard Deviation</i>	\$6.09	
<i>Average + 1 Standard Deviation</i>	\$11.82	
<b>Act 44 Compliance Determination</b>	<b>At Risk</b>	
<b>Better or Worse Than Peer Group Average</b>	<b>Worse</b>	

Exhibit 8: Fixed-Route Passengers / Revenue Vehicle Hour Trend FYE 2006-2011



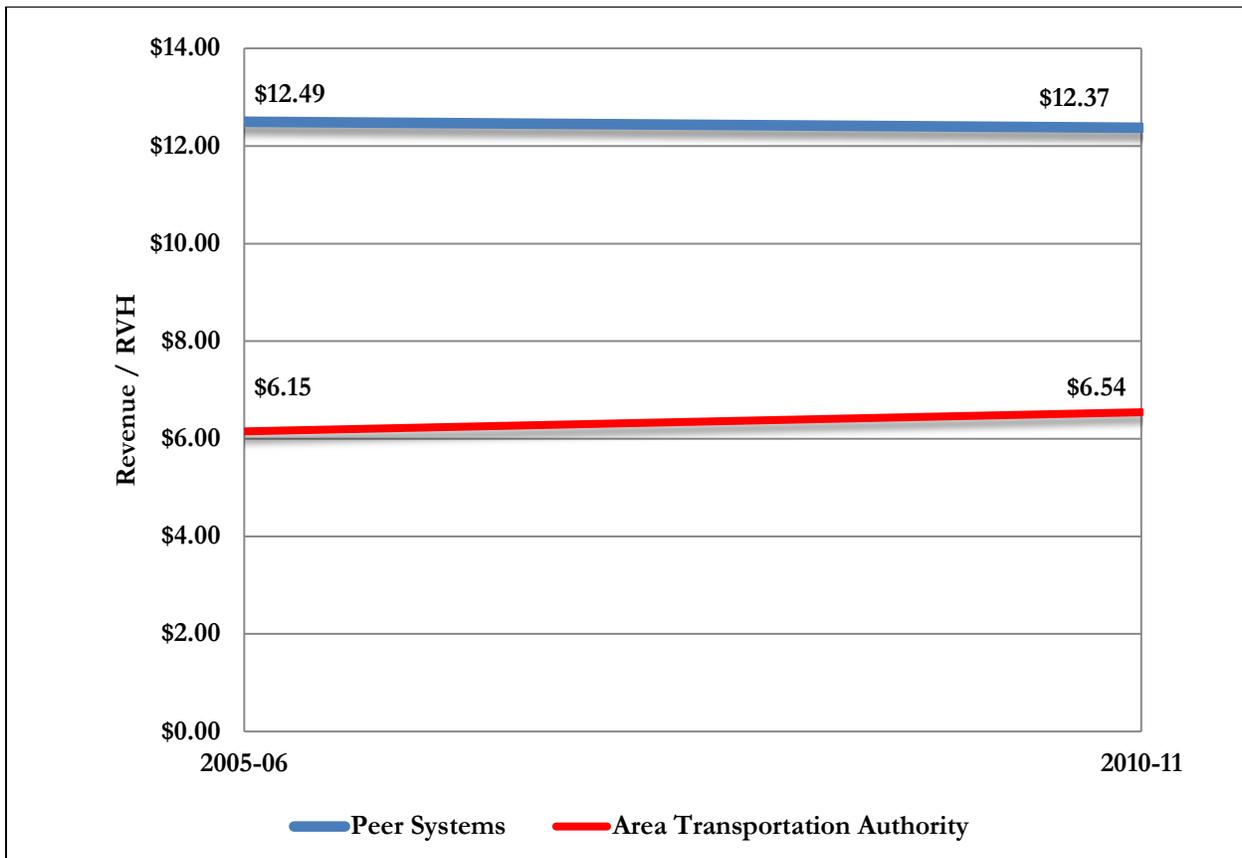
Passengers / Revenue Vehicle Hour		
System	Value	Rank
Texoma Area Paratransit System, Inc	8.82%	1
Pee Dee Regional Transportation Authority	5.08%	2
Hill Country Transit District	2.45%	3
Link Transit	0.53%	4
Endless Mountains Transportation Authority	-3.21%	5
<b>Area Transportation Authority</b>	<b>-4.46%</b>	<b>6</b>
Fairbanks North Star Borough Transit	-4.80%	7
Santee Wateree Regional Transportation Authority	-6.30%	8
<i>Average</i>	-0.24%	
<i>Standard Deviation</i>	5.38%	
<i>Average - 1 Standard Deviation</i>	-5.61%	
<i>Average + 1 Standard Deviation</i>	5.14%	
<b>Act 44 Compliance Determination</b>	<b>In Compliance</b>	
<b>Better or Worse Than Peer Group Average</b>	<b>Worse</b>	

Exhibit 9: Fixed-Route Operating Cost / Revenue Vehicle Hour Trend FYE 2006-2011



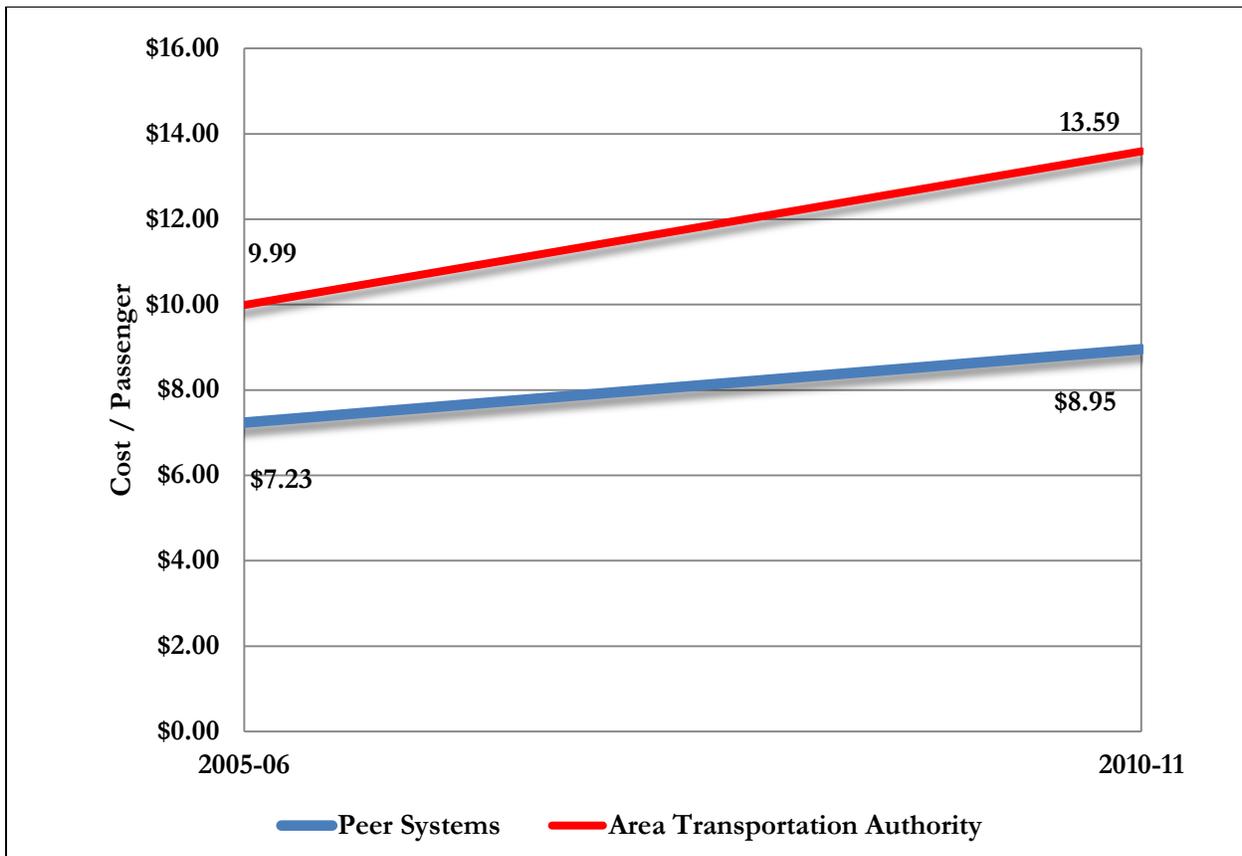
Operating Cost / Revenue Vehicle Hour		
System	Value	Rank
Hill Country Transit District	-1.17%	1
Santee Wateree Regional Transportation Authority	0.41%	2
Endless Mountains Transportation Authority	0.47%	3
Texoma Area Paratransit System, Inc	0.62%	4
<b>Area Transportation Authority</b>	<b>1.61%</b>	<b>5</b>
Link Transit	3.09%	6
Fairbanks North Star Borough Transit	3.09%	7
Pee Dee Regional Transportation Authority	11.59%	8
<i>Average</i>	<i>2.46%</i>	
<i>Standard Deviation</i>	<i>3.96%</i>	
<i>Average - 1 Standard Deviation</i>	<i>-1.49%</i>	
<i>Average + 1 Standard Deviation</i>	<i>6.42%</i>	
<b>Act 44 Compliance Determination</b>	<b>In Compliance</b>	
<b>Better or Worse Than Peer Group Average</b>	<b>Better</b>	

Exhibit 10: Fixed-Route Operating Revenue / Revenue Vehicle Hour Trend FYE 2006-2011



Operating Revenue / Revenue Vehicle Hour		
System	Value	Rank
Fairbanks North Star Borough Transit	10.60%	1
Hill Country Transit District	7.37%	2
Link Transit	3.32%	3
<b>Area Transportation Authority</b>	<b>1.24%</b>	<b>4</b>
Santee Wateree Regional Transportation Authority	-3.62%	5
Pee Dee Regional Transportation Authority	-5.71%	6
Endless Mountains Transportation Authority	-10.33%	7
Texoma Area Paratransit System, Inc	-17.57%	8
<i>Average</i>	-1.84%	
<i>Standard Deviation</i>	9.36%	
<i>Average – 1 Standard Deviation</i>	-11.20%	
<i>Average + 1 Standard Deviation</i>	7.52%	
<b>Act 44 Compliance Determination</b>	<b>In Compliance</b>	
<b>Better or Worse Than Peer Group Average</b>	<b>Better</b>	

Exhibit 11: Fixed-Route Operating Cost / Passenger Trend FYE 2006-2011



Operating Cost / Passenger		
5 Year Trend Average Annual Rate of Change		
System	Value	Rank
Hill Country Transit District	-5.62%	1
Link Transit	0.00%	2
Fairbanks North Star Borough Transit	0.22%	3
Texoma Area Paratransit System, Inc	1.57%	4
Endless Mountains Transportation Authority	4.05%	5
<b>Area Transportation Authority</b>	<b>6.13%</b>	<b>6</b>
Santee Wateree Regional Transportation Authority	6.60%	7
Pee Dee Regional Transportation Authority	11.84%	8
<i>Average</i>	<i>3.10%</i>	
<i>Standard Deviation</i>	<i>5.28%</i>	
<i>Average - 1 Standard Deviation</i>	<i>-2.18%</i>	
<i>Average + 1 Standard Deviation</i>	<i>8.38%</i>	
<b>Act 44 Compliance Determination</b>	<b>In Compliance</b>	
<b>Better or Worse Than Peer Group Average</b>	<b>Worse</b>	

## FIVE-YEAR FIXED-ROUTE PERFORMANCE TARGETS

Act 44 requires that PennDOT and all local transit agencies establish five-year performance targets for each of the following four core metrics:

- Passengers / Revenue Hour
- Operating Cost / Revenue Hour
- Operating Revenue / Revenue Hour
- Operating Cost / Passenger

These metrics are intended to improve both the effectiveness and efficiency of service delivery. PennDOT uses the most recent audited and agency-verified values for passengers, operating costs and operating revenues by mode as the “baseline” from which to develop the targets. Five-year targets are then developed based on realistic and achievable expectations of improvement. Upon written request of the transit agency, performance targets may be adjusted to account for conditions that adversely affect performance, which are beyond the agency’s control.

***Passengers / Revenue Hour*** is a measure of effectiveness of transit service. All else equal, passengers may increase due to successful marketing, customer service, improved route planning and natural growth. Declines in passengers / revenue hour can occur in spite of overall ridership increases due to the introduction of relatively inefficient service. Substantial improvements can be realized through the reduction of relatively inefficient services.

Typically PennDOT suggests a minimum targeted increase of 2% per year in passengers / revenue hour of service. This target is recommended because: it is consistent with statewide historic trends; it is achievable; and, it encourages agencies to better match service delivery with customer needs. However, because ATA starts with low ridership, a more aggressive target of 3% growth per year has been established.

***Operating Cost / Revenue Hour*** quantifies the efficiency of service delivery. To some extent, costs can be / should be managed through good governance, proactive management and effective cost containment. PennDOT suggests a target of no more than 3% per year increase in operating cost / revenue hour of service. ATA’s target has been set to the suggested rate of no more than 3% per year.

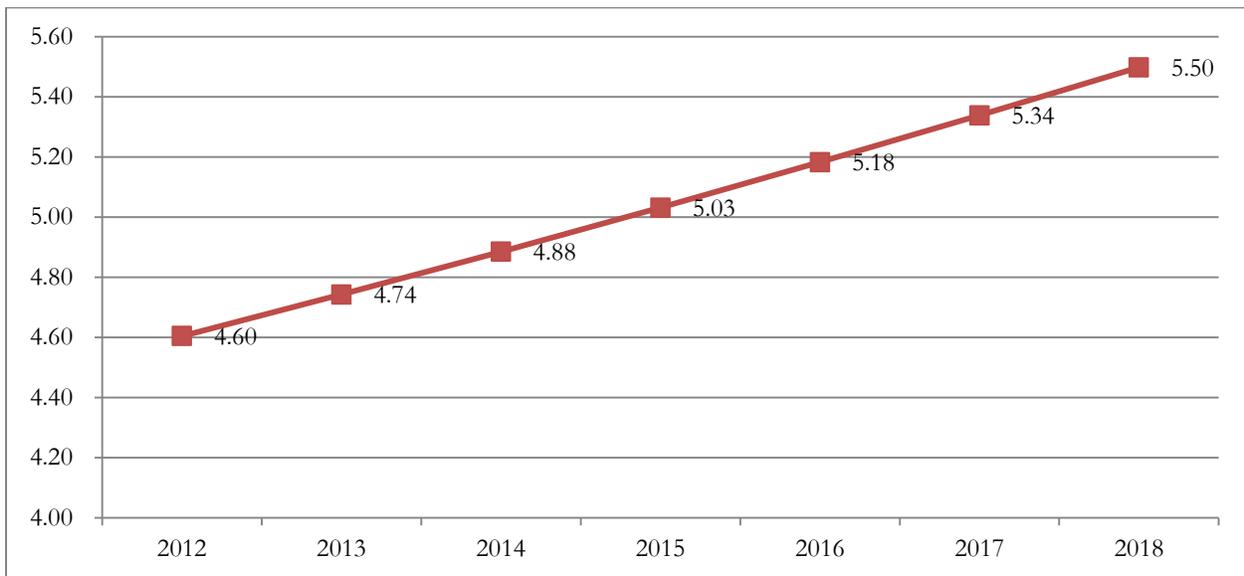
***Operating Revenue / Revenue Hour***, like operating cost / revenue hour, tries to ensure an agency remains financially solvent in the long run. Operating revenue is composed of fares and other non-subsidy revenues. The target is set to be the same as passenger / revenue hour (3%) to make sure that revenue increases keep pace or exceed cost increases.

***Operating Cost / Passenger*** captures both the efficiency and effectiveness of transit service delivery. The target is set to be equal to the difference between maximum operating cost / revenue hour increase (3%) less the minimum passengers / revenue hour goal (3%), or no change.

These performance targets represent the minimum performance level that ATA should achieve for each Act 44 criterion during the next performance review cycle, i.e., five years from the date of this report. The performance targets were created using historical data analyzed during the five-year trend analysis as well as the most current certified audit information available. Standards were extrapolated to FYE 2018 and are designed to be aggressive, yet achievable. Performance targets are agreed to between PennDOT and ATA before they are finalized. The performance targets for ATA’s Act 44 metrics are presented in **Exhibit 12**, **Exhibit 13**, **Exhibit 14**, and **Exhibit 15**.

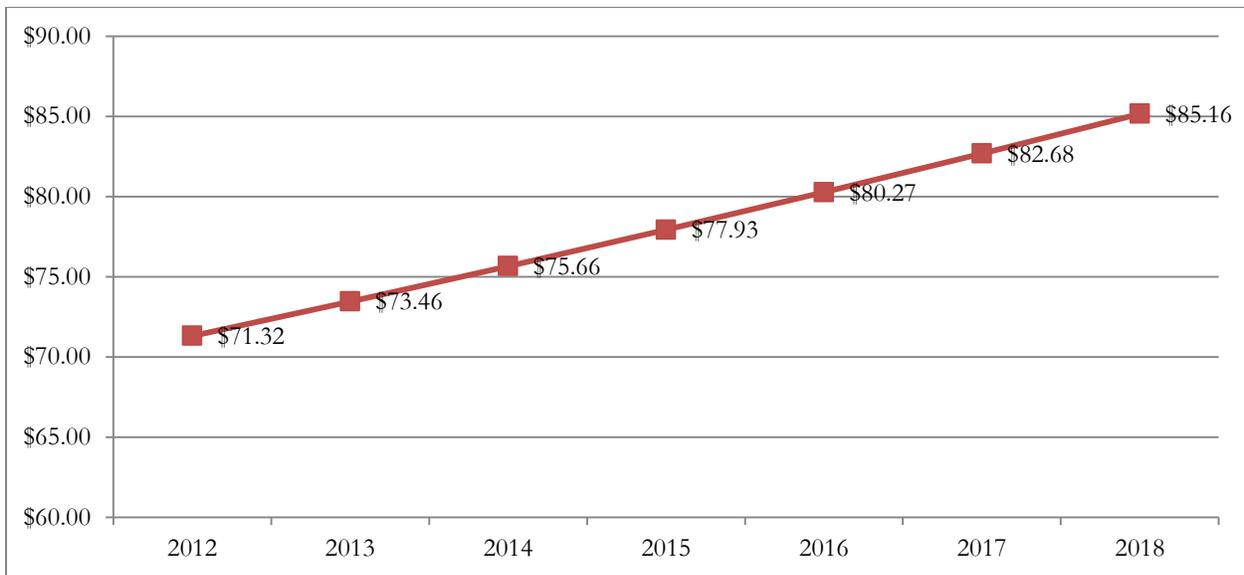
**Exhibit 12: Fixed-Route Passengers / Revenue Hour Performance Targets**

FYE 2018 Target..... **5.50**  
 Interim Year Targets ..... **Annual increase of at least 3.0%**



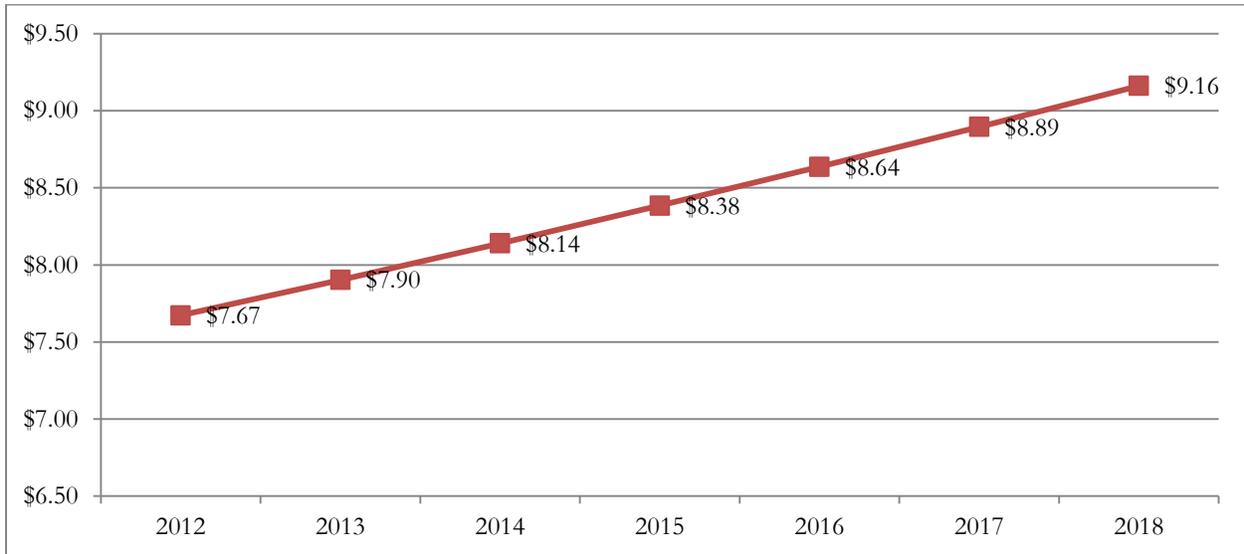
**Exhibit 13: Fixed-Route Operating Cost / Revenue Vehicle Hour Performance Targets**

FYE 2018 Target..... **\$85.16**  
 Interim Year Targets<sup>8</sup> ..... **Annual increase of no more than 3.0%**

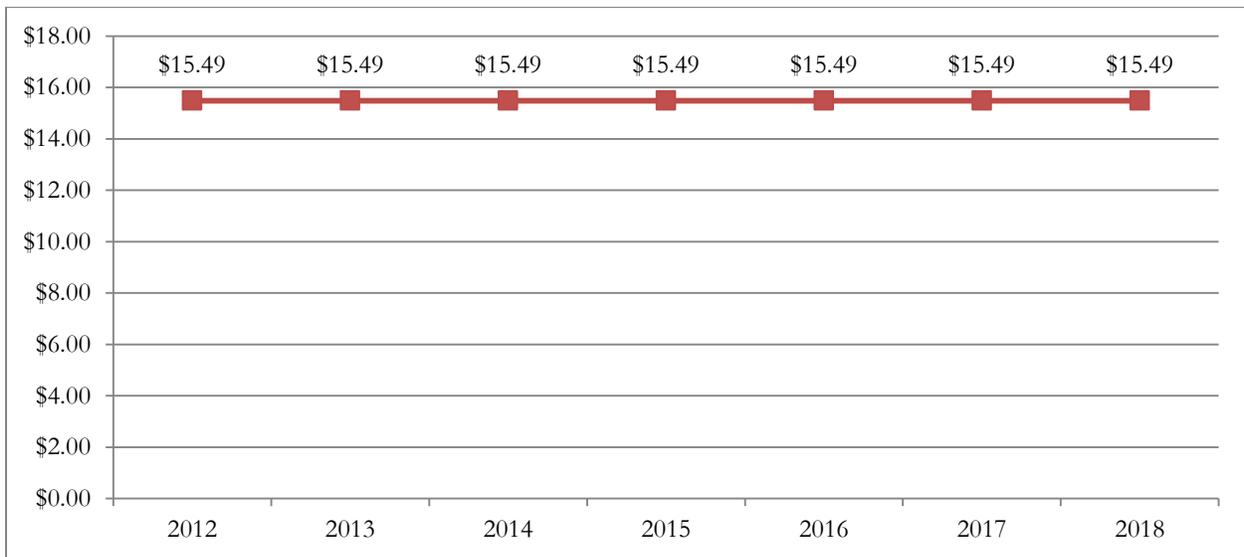


<sup>8</sup> ATA's 2012 operating cost value is increased by 4.0% before the 3.0% annual compound rate is applied. This was done to account for changes in ATA's future year fixed-route costs that will result from updated cost allocation methodologies.

**Exhibit 14: Fixed-Route Operating Revenue / Revenue Vehicle Hour Performance Targets**  
 FYE 2018 Target.....\$9.16  
 Interim Year Targets ..... Annual increase of at least 3.0%



**Exhibit 15: Fixed-Route Operating Cost / Passenger Performance Targets**  
 FYE 2018 Target.....\$15.49  
 Interim Year Targets<sup>9</sup> ..... Annual increase of no more than 0.0%



<sup>9</sup> ATA's 2012 operating cost value is increased by 4.0% before the 3.0% annual compound rate is applied. This was done to account for changes in ATA's future year fixed-route costs that will result from updated cost allocation methodologies.

## FUNCTIONAL REVIEW

Functional reviews are used to determine the reasons behind performance results found in the Act 44 comparisons, to find “best practices” to share with other transit agencies, and to identify opportunities for improvement that should be addressed in the Action Plan (see **Appendix A: Action Plan Improvement Strategies**). A total of 14 functional areas were reviewed through documents received from the agency (see **Appendix B: Documentation Requests to General Manager**) and interviews conducted on-site. The functional areas are as follows:

1. **Governance** – Responsibilities include setting vision, mission, goals, and objectives; management oversight; recruiting and retaining top management personnel; and advocacy for the agency’s needs and positions.
2. **Management** – Responsible for the day-to-day operations of the agency. Manage, monitor, analyze, direct, and plan for the future with regard to all functional areas. Inform and report to the Governing Body, and implement governing body direction.
3. **Human Resources** – Responsible for employee retention, recruitment, training, performance reviews, grievance procedures, employee benefits, and labor relations.
4. **Finance** – Includes budgeting, accounting, cash flow management, revenue handling, and insurance.
5. **Procurement** – Includes acquisition of rolling stock, vehicle parts, non-revenue capital items (i.e., office equipment) and other operations-related items.
6. **Operations** – Includes management of daily service operations, on-street supervision and control, dispatching, and general route management.
7. **Maintenance** – Includes vehicle and facilities maintenance management, procedures, and performance.
8. **Scheduling** – Includes route and driver scheduling and decision-making, pay premium considerations, general management, procedures, and performance.
9. **Safety and Security** – Includes vehicle and passenger safety, facility security, and emergency preparedness.
10. **Customer Service** – Includes management, procedures, and performance related to current and future customers of the fixed-route system and other topics such as service information and complaint handling processes.
11. **Information Technology** – Includes automated mechanisms for in-house and customer service communication including future plans for new technology.
12. **Capital Programming** – Includes assessing and programming current and future capital needs reflecting both funded and unfunded projects. Includes the Transportation Improvement Plan (TIP), 12-Year Capital Plan, 20-Year Long-Range Transportation Plan (LRTP), and Transit Development Plan (TDP).
13. **Marketing and Public Relations** – Includes maximizing current markets and expanding into new markets. Includes managing the perception of the agency by the public at-large to encourage current and future ridership.
14. **Planning** – Includes analysis of information to effectively plan for changes to the system in the short-, medium-, and long-term horizons, to help ensure continued success.

The functional review findings are organized by a brief description of the Act 44 variables guiding the performance review: passengers, fare and other non-subsidy revenues, and operating costs.

These 14 areas work together to effectively meet the needs of passengers, to deliver high-quality service in a cost-effective manner and to provide resources that will adapt to changing needs.

The following sections summarize the ways which service can be delivered more efficiently and effectively in ways that are sensitive and responsive to the community's needs, maximize productivity, direct service hours effectively, control operating costs, and achieve optimum revenue hours. The observations garnered during the review process are categorized as *Best Practices* or *Items to Address in the Action Plan*. Best Practices are those exceptional current practices that are beneficial and should be continued or expanded.

*Items to Address in the Action Plan* are recommendations which have the potential to maximize productivity, to direct service hours effectively, to control operating costs, and to achieve optimum revenue levels which will enhance the system's future performance overall for one or more of the Act 44 fixed-route performance factors. For the convenience of ATA, Action Plan templates have been included in this document (pp. 37-41). It should be noted that specific actions may partially address the broadly noted opportunities for improvement found in the "**General Findings**" (pp. vi-vii). Some actions will be quickly implementable while others may take several discrete steps to achieve over a longer period of time. The template does, however, provide a simple-to-follow order of key findings of this report that should be addressed in the Action Plan.

## **OPPORTUNITIES TO INCREASE FIXED-ROUTE RIDERSHIP**

Act 44 defines "passengers" as unlinked passenger trips (i.e., passenger boardings) across all routes in the fixed-route transit system. Increases in ridership directly represent how effectively management has matched service levels to current demand for service.

### **BEST PRACTICES**

1. Google Analytics has been added to the ATA website (<http://www.rideata.com>) as of March 2013. Putting low-cost tools in place to measure website performance allows ATA to monitor utilization and to quantify the impacts of design changes on customer perception. ATA management will be able to use the information collected by Google Analytics to refine both the website and website marketing.

### **ELEMENTS TO ADDRESS IN PART 2-A OF THE ACTION PLAN (SEE P. 38)**

1. ATA currently lacks formal, routine, and proactive ways to incorporate customer feedback into the fixed-route service delivery decision-making process. ATA currently tracks customer complaints. However, that approach is a reactive metric. A proactive metric will provide ATA with a much better sense of customer satisfaction. Such feedback can better inform both the community and ATA so that passenger needs and service are optimized with respect to one another. **ATA's management and the Board should introduce formal mechanisms** that provide regular feedback on topics that are of concern to customers via a **standing citizens' advisory committee or other routinely conducted engagement methods**. The committee should advise ATA from a passenger's perspective on a variety of topics including service changes, fare changes, branding, community outreach, outreach to employers, and customer satisfaction.
2. ATA conducts somewhat regular customer surveys (3 out of 5 years). These recent surveys have not been directed specifically to the needs of fixed-route service planning. While

regularly conducting surveys of its paratransit ridership is a good practice, **ATA should develop a fixed-route specific survey instrument, method and sampling methodology so that results from future surveys can be effectively used for fixed-route service planning.** There may be an opportunity to leverage PennDOT efforts to develop a standardized survey instrument for fixed-route services in the Commonwealth.

3. ATA has a stated goal of 95% on-time performance and currently tracks the performance with its scheduling and dispatching software. While this is a positive practice, technical limitations within the software make it necessary for the data to be reconciled before it can be tracked for trends or reported to management or the Board. **ATA should look for a more efficient and automated method to track missed trips and monitor on-time performance** as these are considered two of the most important variables in customer satisfaction.
4. ATA has a marketing plan with defined goals. **However, the marketing plan should be expanded to track performance against those stated goals and include mechanisms to report marketing performance** to the Board and the public.
5. ATA operates fixed route service to DuBois, but does not provide information on how to connect with DuFAST Transit. **ATA should continue to work closely with DuFast to coordinate transfer opportunities** and provide more information on how to smoothly make those regional connections to its riders via published schedules, the ATA website, etc.
6. ATA does not conduct non-rider surveys. Non-rider surveys can provide insights as to potential new markets so that ATA can attract new riders. **ATA should develop, conduct and apply a non-rider survey.** The analysis and results of the survey should then be used by management to broaden ATA's passenger base by developing services and amenities that will attract new riders.

## **OPPORTUNITIES TO INCREASE FIXED-ROUTE REVENUES**

Act 44 defines "revenues" as all non-subsidy revenues generated to help fund the operation of a transit system. The largest contributors to this are typically farebox revenues, route guarantees, interest on accounts, and advertising revenues.

### **BEST PRACTICES**

1. ATA is a member of the State's Safety Pool, SAFTI, and as a result of its excellent safety record last year, qualified for a significant payment refund (\$57,641) in fiscal year 2011/2012.

### **ELEMENTS TO ADDRESS IN PART 2-B OF THE ACTION PLAN (SEE P. 39)**

1. ATA has a descriptive board policy on the initiation, operation and cessation of fixed route services – a best practice for a rural transit system. While the policy details minimum operating criteria for fixed route services, including cost recovery goals, reviews of route performance documents indicate that some of ATA's services are not achieving minimum performance standards, in particular the commuter service to State College. **ATA, through its service evaluation committee, should hold its services to the standards outlined in its board policies.**

2. The ATA Johnsonburg location has a CNG station but it has been mothballed. Some systems in the Commonwealth have found that by selling CNG fuel to other agencies, they can generate additional revenues. **ATA should evaluate the revenue potential of either selling the CNG equipment or reviving it for use by both ATA and other potential fuel purchasers.**
3. ATA has established route guarantees with universities. This is commendable given the rural nature of the service area. Route guarantees can be an excellent tool to improve revenues and ridership. However, ATA should continue to periodically reexamine the cost of service for university services and attempt to recover as much of the cost of providing service as is practical. To undertake this, **ATA should conduct an annual or periodic financial analysis of each special service it currently offers or plans to offer** to determine how much route guarantee revenue needs to be obtained to cover the **total cost** of providing the service.

## **OPPORTUNITIES TO CONTROL OPERATING COSTS**

Act 44 defines “operating costs” as the non-capital costs incurred in the day-to-day operations of a transit system. Labor, maintenance, and operating costs such as fuel, tires and lubricants contribute to this measure in significant ways. Many transit agencies have noted cost increases much higher than the general rate of inflation. Compounding this is the reality that operating subsidies are not likely to increase at a comparable rate. Controlling operating cost increases is one key to maintaining current service levels.

### **BEST PRACTICES**

1. ATA practices piggyback purchasing with CamTran and Red Rose. ATA also uses COSTARS and State contracts where possible. Recent IT purchases, sprinkler systems, and access control systems were all purchased off state contracts. Additionally, there is only one purchasing department for all three of ATA’s facilities. By combining purchases and taking advantage of state contracts, ATA realizes the benefits of “economies of scale” and purchasing power not typically found at a rural transit agency.
2. Overtime is not permitted unless approved by ATA management in advance. ATA also has a standard to limit overtime to 1.5% of overall hours. Aggressively managing overtime costs is important to ATA’s overall financial health as labor costs constitute one of the largest single line items in ATA’s annual budget.

### **ELEMENTS TO ADDRESS IN PART 2-C OF THE ACTION PLAN (SEE P. 40)**

1. There are no long-term contracts in place at ATA for items that are predictably consumed providing transit service. Tires are purchased rather than leased and fuel is procured on the open market through commercial gas stations. Given the mix of vehicles and distance between vehicle storage locations, this approach is the most cost-effective today. However, **ATA should continue to periodically evaluate and formally document the potential cost savings of leasing vs. purchasing tires and negotiating long-term contracts for other predictable consumables such as fuel** especially at times when it replaces vehicles or changes its mix of public transportation offerings.

2. New service expansions need to have an empirical basis, current analysis and thresholds for acceptable performance (service standards) after implementation. Such standards are described in the “*ATA/DuFast Route Evaluation and System Coordination Study Standards and Adequacy Report*”<sup>10</sup> (2007) and also included as part of several board policies. ATA currently uses these standards to determine the affordability of potential service changes and to monitor existing services. **ATA should expand this process to establish specific goals and to add a timeline for achieving those goals to help management and the Board determine the success or failure of any new or existing service.**
  
3. Although approved by the FTA, ATA’s spare vehicle ratio (34% of the revenue fleet) is higher than the industry standard<sup>11</sup>. This is due to a policy to store spare vehicles in outlying areas to minimize the time for vehicle swaps (30 min. policy). A higher than normal spare ratio results in additional maintenance costs. However, ATA reports that running repairs only occur every 29,000 revenue miles. With such infrequent running repairs, it seems that the 34% spare ratio may cost more than it benefits ATA. **ATA should evaluate the cost of the 30 minute policy, its experience with running repairs and perform a benefit/cost assessment of the policy and its effects to determine an optimal spare ratio policy.**

## **OTHER FINDINGS THAT IMPACT OVERALL AGENCY PERFORMANCE**

“Other Findings” is a collection of findings from the functional review that may, if addressed, improve current or future operations. While not directly tied to Act 44 measures, actions to address these findings will result in a more seamless operation and greater operational efficiencies.

### **BEST PRACTICES**

1. ATA drivers receive annual performance evaluations. Such evaluations provide a forum where drivers and management can identify and address issues that are important to both ATA and its customers.
  
2. ATA has set their pre- and post-trip inspections as “safety” and “maintenance” checks. If a maintenance issue is spotted by the driver during the inspection, it is entered into the vehicle’s on-board computer and is automatically fed into a maintenance system where it is seen by the maintenance supervisor. Timely maintenance reduces overall maintenance costs and improves fleet safety.
  
3. ATA annually hosts a meeting/retreat to educate selected individuals on its current, and planned future activities. This meeting typically includes federal, state and local government officials, legislators and legislative aides, transit managers from other systems and the agency’s staff and Board members. The broad participation by all these different groups that work with ATA provides a unique opportunity for these individuals to share information and learn more about the agency.

---

<sup>10</sup> Abrams-Cherwony & Associates as subconsultant to Gannett Fleming, Inc. Prepared for the North Central Pennsylvania Regional Planning and Development Commission (December, 2007).

<sup>11</sup> The industry (FTA) standard for spare vehicles is that it should not exceed 20% of the number of vehicles operating in maximum service.

**ELEMENTS TO ADDRESS IN PART 3 OF THE ACTION PLAN (SEE P. 41)**

1. Only the budget committee of ATA's Board is involved in the development of the budget and those members take a "hands on" approach to its development. Other Board members are only informed of the proposed budget on the day it is to be adopted. **Proposed budgets should be distributed to all Board members at least 15 days in advance of the proposed adoption meeting. The proposed budgets should include details on the assumptions that went into the budget and should provide comparisons to the previous fiscal year.**
2. ATA's Board conducts its regular meetings quarterly (per ATA's bylaws). Board packets at ATA are distributed the same day as the Board meeting. This can create a challenge for some Board members to be fully aware of the agency's performance and the issues it confronts. It also gives Board members limited opportunity to provide guidance to management. Web-based technologies may offer a low-cost way to convene a quorum without members having to travel from the far reaches of ATA's vast service area. Additionally, **complete Board packets should be distributed to all Board members via e-mail at least one week in advance of all scheduled meetings** so that Board members have sufficient time to review materials and develop any questions they might have regarding what is to be presented or voted on at the meeting.
3. **PPTA Board training should be routinely scheduled every two to three years for ATA Board members.** In addition to ATA specific orientation, PPTA Board training helps inform new Board members of their roles and keeps current Board members informed of current rules, regulations and policies as they apply to the Board and its oversight role. The PPTA board training includes a web-based and on-site component, making it more conducive for board members to attend.
4. ATA has had its current solicitor (attorney) for many years and has not rebid the contract for more than five years. Like all professional services contracts, **the solicitor contract should be competitively bid at least once every five years** in order to ensure the Board that it is getting the best value from this contracted professional services function.
5. The ATA Board is deferring most aspects of its Executive Director succession planning to the current Executive Director. This is an atypical arrangement as the Board, not the current Executive Director, is responsible for the agency's transition and smooth operation after the current Executive Director departs either expectedly or unexpectedly. **The ATA Board should review and update the succession plan for the Executive Director position,** as it was last updated in 1986. Furthermore, the Board should verify that the **Executive Director has current and formal succession plans for all key management positions.** Cross training of important functions should be one element of any succession plan so that unexpected or long-term absences do not cause disruptions in key agency functions.
6. ATA lacks any sort of employee satisfaction survey. Employee satisfaction surveys can be used to promote a dialog of ways to improve the efficiency and effectiveness of an organization. **ATA should conduct an annual employee satisfaction survey** to proactively address issues important to all employees and departments in the agency.

7. Currently, ATA's fixed-route vehicles have video recording capacity but not audio recording capacity. **ATA should evaluate the potential benefits of adding audio capability** when implementing video on new vehicles as many agencies have found audio recording to be a useful tool when evaluating customer complaints, incidents and conducting quality control.
8. Currently, ATA does not conduct first responder training on how to enter and disable ATA vehicles. **ATA should conduct local first responder training on how to enter and disable ATA vehicles** in the event of an emergency or other incident.
9. ATA has a series of emergency procedures regarding after-hours incidents. However, a formal emergency preparedness plan for both vehicles and facilities was not provided for review. **ATA should develop a formal emergency preparedness plan that is periodically updated and incorporates its current policies and further addresses all aspects of the agency's various facilities, vehicle types and services.**
10. ATA's website has a calendar function. However, not all meetings are announced on the calendar. **The website calendar should be expanded to announce all public meetings** (including regular Board meetings, special Board meetings and Subcommittee meetings). The calendar should make the same information available to officials in those meetings available for download by the public including meeting agendas, presentations, exhibits, minutes, audits and budgets. This finding is consistent with good practice and will improve agency transparency to the public and its stakeholders.
11. ATA busses have manual fareboxes. Management reports that this is due to maintenance issues with registering fareboxes, high initial capital cost and the duplicate technology with MDCs on-board all buses. **As ATA will be looking to update its MDC technology to be compatible with upgraded radios in the near future, it should reconsider the benefits and costs to use fully registering fareboxes.** Registering farebox technology provides management quality control capabilities that are far superior to that of manual fareboxes.
12. Based on a review of Board meeting minutes, the Executive Director and Finance Director are the only employees that routinely present to the Board. ATA's Executive Director should **consider having administrative staff present to the Board at least quarterly** on subjects ranging from customer service to maintenance. This would help promote greater "buy in" of the staff and the opportunity for the Board and management staff members to learn from each other's perspectives.

## FINANCIAL REVIEW

In an era of increasing costs and limited funding opportunities, many transit agencies are entering a difficult period. Many are pressed to reduce service while increasing fares just to make ends meet. It is in the interest of the Commonwealth to monitor the financial health of transit agencies before manageable financial problems become much larger challenges. With almost 40 transit agencies in the Commonwealth funded by Act 44, PennDOT needs information to assess where financial difficulties can be predicted so that a corrective course of action can be taken before financial challenges seriously impede the ability of local transit agencies to deliver service.

The challenge in assessing the “financial health” and trajectory of transit agencies without first-hand knowledge of day-to-day operations is that much of the information regarding financial indicators is often dated and relies on “end of year” indicators. Furthermore, costs, such as fuel, can vary widely year-to-year or even week-to-week. Funding sources, while more predictable, can change depending on the availability of federal funds, tax collections or funding formulae.

This financial review focuses on “high-level” snapshot and trend indicators to determine if additional scrutiny is warranted by reviewing audited information where available, other financial reports and budgets. The review assesses the following:

- High-Level Indicators of Financial Health
- Total Agency-wide Operational Expenditures and Funding
- Fixed-Route Funding
- Paratransit Funding
- Balance Sheet Findings

### HIGH-LEVEL INDICATORS OF FINANCIAL HEALTH

Several high-level indicators of financial health and stability have been examined to determine ATA’s current state. As shown in **Exhibit 16**, ATA is in line with industry goals and targets for all high-level financial indicators.

ATA receives local contributions that amount to 4.6% of operating costs which equates to a 7.5% match of local funds to state funds (FYE 2012). Historically, much of the local matching amount was sponsored by the local counties in ATA’s service area. In coming years, due to Act 44 requirements, local contribution amounts will steadily increase. Management reported during the onsite review that there were no concerns with finding sufficient local match. However, in late 2013, Clearfield County, ATA’s largest local contributor, threatened to withhold local match funds for FYE 2015 due to concerns regarding a perceived lack of transparency at the agency. Once that issue is successfully resolved, ATA will have no reported issues regarding local matching funds.

**Exhibit 16: High-level Financial Indicators**

<b>Indicator</b>	<b>ATA Value<sup>12</sup></b>	<b>Assessment Criteria / Rationale</b>	<b>Source</b>
Cash Reserves / Annual Operating Cost	75.6%	The combined target should be 25%+. This provides flexibility to account for unexpected cost increases or service changes.	FYE 2012 Audit and dotGrants
State Carryover Subsidies / Annual Operating Cost	28.8%		
Actual Local Match / Required Match	100.0%	Target 100%+. Local match that exceeds required minimums gives a transit agency flexibility to change service and to accommodate unexpected cost changes.	dotGrants
Accounts Payable (AP) 90+ days	0.0%	Target should be 0% over 90 days. Larger values indicate cash flow concerns.	Aged trial balance 6/14/13
Accounts Receivable (AR) 90+ days	0.5%	Target should be 0% over 90 days. Larger values can cause cash flow problems.	Aged trial balance 6/14/13
Operating Debt / Annual Operating Cost	0.0%	Target should be 0%. Low debt amounts reduce borrowing costs.	FYE 2012 Audit
Credit available/ Annual Payroll	6.7%	Target should be 15%+ if other cash reserves are low. This gives the ability to cover payroll due to unexpected delays in accounts receivable.	FYE 2012 Audit

---

<sup>12</sup> Values reported as end of reporting period balances.

### TOTAL AGENCY-WIDE OPERATIONAL EXPENDITURES AND FUNDING

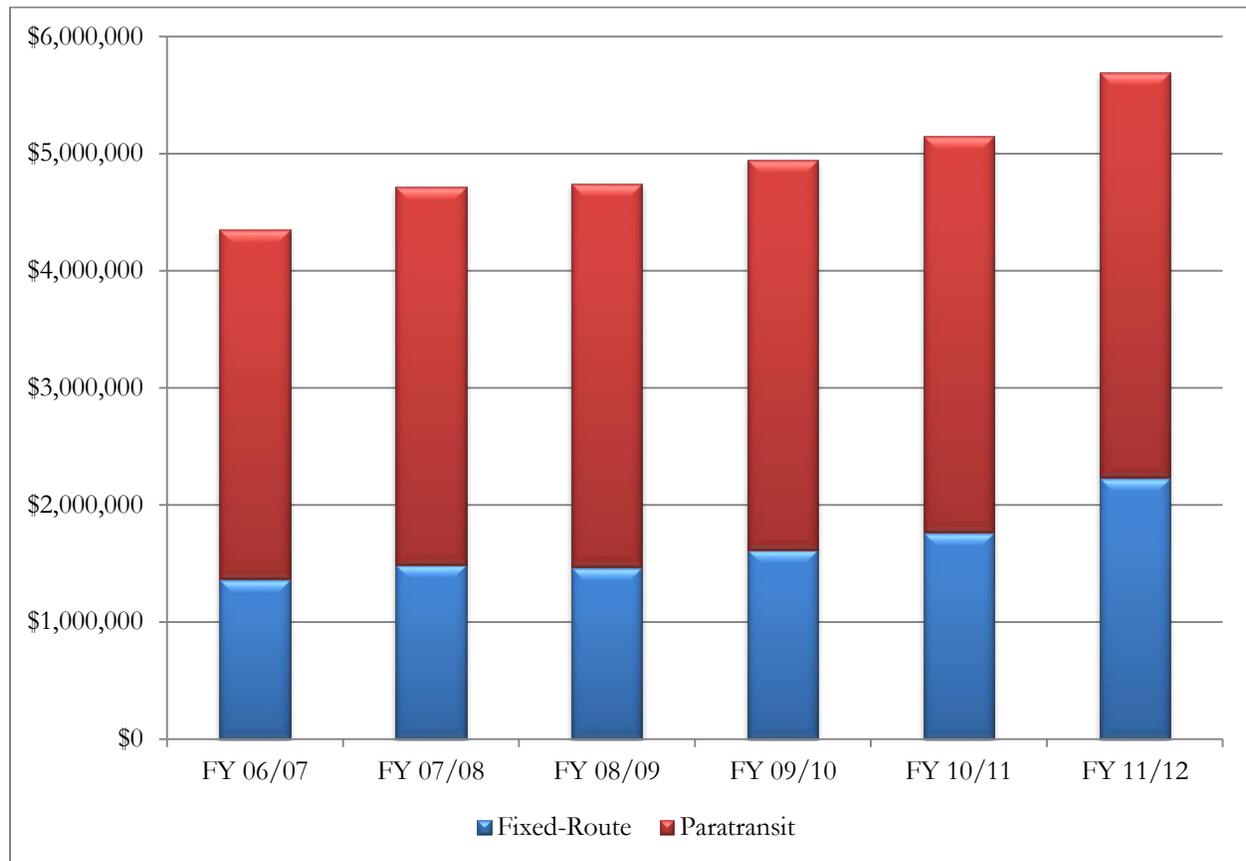
As shown in **Exhibit 17**, ATA has grown from a \$4.4 million per year operation in FYE 2007 to a \$5.7 million per year operation in FYE 2012. Approximately 39.1% of ATA’s operational expenses are for fixed-route service. The remaining operational expenses are for paratransit service (60.9%) as shown in **Exhibit 18**.

ATA’s operational funding comes from a variety of sources including state funds, lottery funds, local funds and passenger fares. Local funds are in line with Act 44 requirements and account for about 4% of ATA’s total operating income (**Exhibit 19**). Passenger fares have remained a stable share of total income, accounting for approximately 20% of operating income. State funding remains the largest funding source for ATA (**Exhibit 20**) accounting for 60% of total operating income.

**Exhibit 17: ATA Total Operating Expense by Service Type (FYE 2007 – FYE 2012)**

Expense by Service Type	FYE 2007	FYE 2008	FYE 2009	FYE 2010	FYE 2011	FYE 2012
Fixed Route	\$1.4	\$1.5	\$1.5	\$1.6	\$1.8	\$2.2
Paratransit	\$3.0	\$3.2	\$3.3	\$3.3	\$3.4	\$3.5
<b>Total (\$ millions)</b>	<b>\$4.4</b>	<b>\$4.7</b>	<b>\$4.7</b>	<b>\$4.9</b>	<b>\$5.1</b>	<b>\$5.7</b>

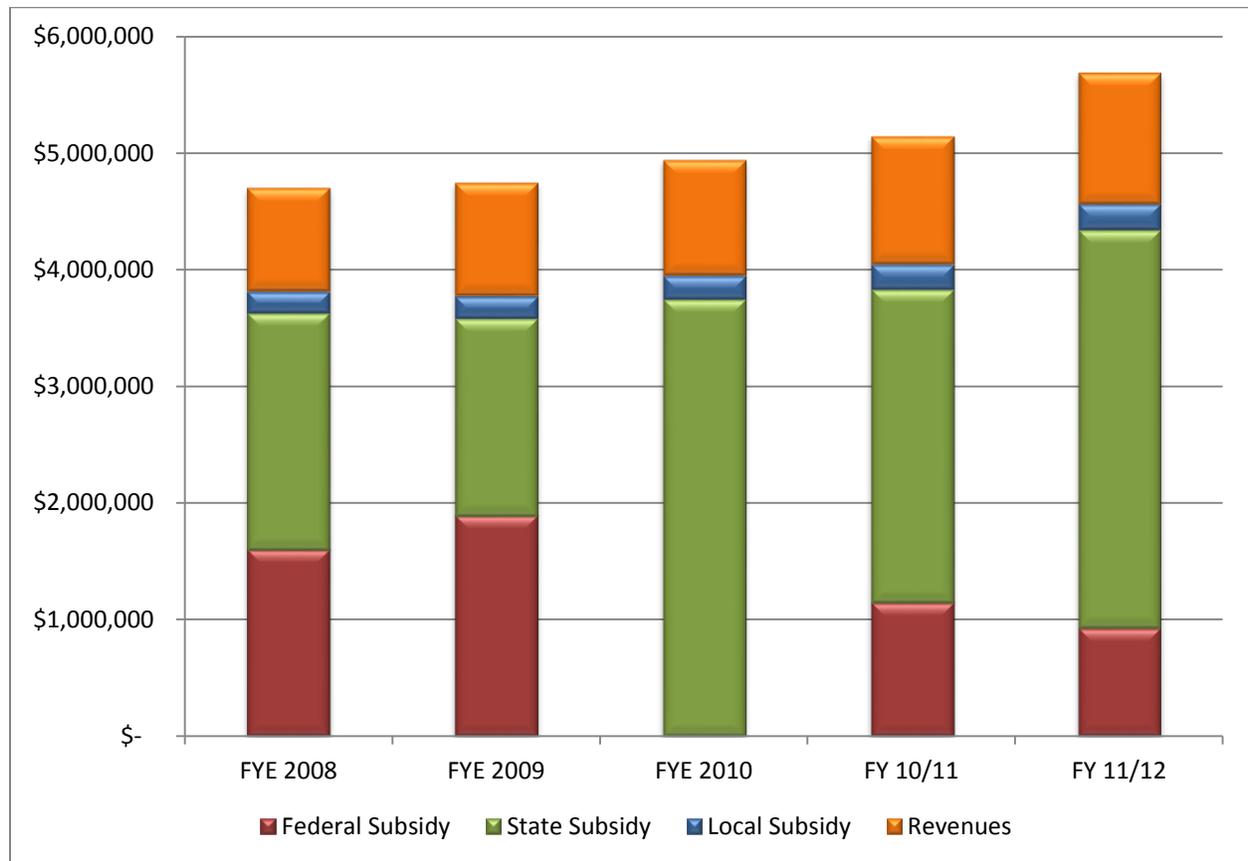
**Exhibit 18: ATA Share of Agency-wide Public Transportation Operating Expenses by Mode**



**Exhibit 19: Agency-wide Public Transportation Operational Funding by Source (FYE 2008 – FYE 2012)**

Share of Funding	FYE 2008	FYE 2009	FYE 2010	FYE 2011	FYE 2012
Federal Subsidy	34.0%	39.8%	0.0%	22.3%	16.4%
State Subsidy	43.2%	35.7%	75.8%	52.2%	60.0%
Local Subsidy	3.9%	4.1%	4.1%	4.2%	4.0%
Revenues (Non-Subsidy)	18.9%	20.4%	20.0%	21.3%	19.7%
Local Subsidy / State Subsidy	9.1%	11.5%	5.5%	8.0%	6.6%

**Exhibit 20: ATA Reported Agency-wide Public Transportation Operational Funding (FYE 2008 – FYE 2012)**



## FIXED-ROUTE FUNDING

ATA's historic and proposed fixed-route funding is derived from general revenues and government subsidies. Direct Passenger fares have accounted for between 3.7% and 6.0% of total operating income (**Exhibit 21**). The total local carryover match available at the end of FYE 2012 was \$381,458. Section 1513 carryover has increased from \$1,482,156 in FYE 2010 to \$1,640,887 in FYE 2012.

### Exhibit 21: Fixed-Route Funding

Funding Category	FYE 2008	FYE 2009	FYE 2010	FYE 2011	FYE 2012
<b>Revenues</b>					
Passenger Fares	\$54,809	\$58,684	\$63,054	\$98,547	\$133,675
Advertising	\$0	\$0	\$0	\$0	\$0
Charter	\$0	\$0	\$0	\$0	\$0
Route Guarantee	\$50,106	\$68,644	\$43,864	\$67,135	\$90,616
Other Misc.	\$0	\$0	\$14,364	\$14,432	\$24,869
<b>Subtotal</b>	<b>\$104,915</b>	<b>\$127,328</b>	<b>\$121,282</b>	<b>\$180,114</b>	<b>\$249,160</b>
<b>Subsidies</b>					
Federal Operating Grant	\$486,517	\$675,369	\$0	\$383,314	\$360,236
Act44 (1513) State Prior	\$0	\$0	\$683,272	\$494,508	\$725,601
Act44 (1513) Current	\$707,533	\$483,039	\$744,233	\$633,659	\$804,331
Municipal Prior	\$0	\$0	\$0	\$0	\$0
Municipal Current	\$56,517	\$72,662	\$65,104	\$71,817	\$87,467
Act3 BSG Grant (State)	\$0	\$0	\$0	\$0	\$0
Act3 BSG Grant (Local)	\$0	\$0	\$0	\$0	\$0
Special-(Federal)	\$0	\$0	\$0	\$0	\$0
Special-(State)	\$131,089	\$119,668	\$0	\$0	\$0
Special (Local)	\$0	\$0	\$0	\$0	\$0
<b>Subtotal</b>	<b>\$1,381,656</b>	<b>\$1,350,738</b>	<b>\$1,492,609</b>	<b>\$1,583,298</b>	<b>\$1,977,635</b>
<b>Total Funding</b>	<b>\$1,486,571</b>	<b>\$1,478,066</b>	<b>\$1,613,891</b>	<b>\$1,763,412</b>	<b>\$2,226,795</b>
<b>Passenger Fares/ Total Funding</b>	<b>3.7%</b>	<b>4.0%</b>	<b>3.9%</b>	<b>5.6%</b>	<b>6.0%</b>

Source: PennDOT dotGrants Reporting System

## PARATRANSIT FUNDING

Paratransit funding is the largest part of ATA's operation and is a combination of shared ride, persons with disabilities (PwD) and other "department approved services" (DAS). State and federal operating subsidies represent the largest contribution towards paratransit operating costs (**Exhibit 22**) covering 70.8% of expenses in FYE 2012. The total paratransit program has grown from \$3,223,657 in FYE 2008 to \$3,465,604 in FYE 2012. Local funding covers approximately 2.4% of total paratransit costs while farebox revenues approximately 3.2%.

### Exhibit 22: Non-Fixed Route (Paratransit) Funding

Category	FYE 2008	FYE 2009	FYE 2010	FYE 2011	FYE 2012
<b>Revenues</b>					
1 Passenger Fares	\$87,465	\$88,204	\$96,442	\$117,878	\$111,114
3 Lottery	\$290,814	\$296,010	\$304,754	\$306,725	\$296,813
4 PwD Reimbursement	\$103,774	\$97,519	\$125,663	\$146,135	\$164,643
12 MATP	\$0	\$98,256	\$98,209	\$61,298	\$39,543
13 Other Various Agencies	\$303,168	\$229,140	\$228,910	\$256,422	\$224,256
14 Other SAFTI Refund	\$0	\$35,787	\$16,821	\$28,824	\$34,594
18 Other Revenue	\$0	\$0	\$0	\$0	\$2,886
<b>Subtotal</b>	<b>\$785,221</b>	<b>\$844,916</b>	<b>\$870,799</b>	<b>\$917,282</b>	<b>\$873,849</b>
<b>Subsidies</b>					
1 Federal Operating Grant	\$1,114,139	\$1,215,930	\$0	\$765,568	\$570,614
2 Act 44 (1513) State Prior	\$0	\$0	\$1,468,243	\$987,648	\$1,149,354
3 Act 44 (1513) State Current	\$894,669	\$814,860	\$855,755	\$571,539	\$733,239
5 Municipal Current	\$129,425	\$122,578	\$139,898	\$143,435	\$138,548
13 Special- (State)	\$300,203	\$278,493	\$0	\$0	\$0
<b>Subtotal</b>	<b>\$2,438,436</b>	<b>\$2,431,861</b>	<b>\$2,463,896</b>	<b>\$2,468,190</b>	<b>\$2,591,755</b>
<b>Total Funding</b>	<b>\$3,223,657</b>	<b>\$3,276,777</b>	<b>\$3,334,695</b>	<b>\$3,385,472</b>	<b>\$3,465,604</b>

Source: PennDOT dotGrants Reporting System

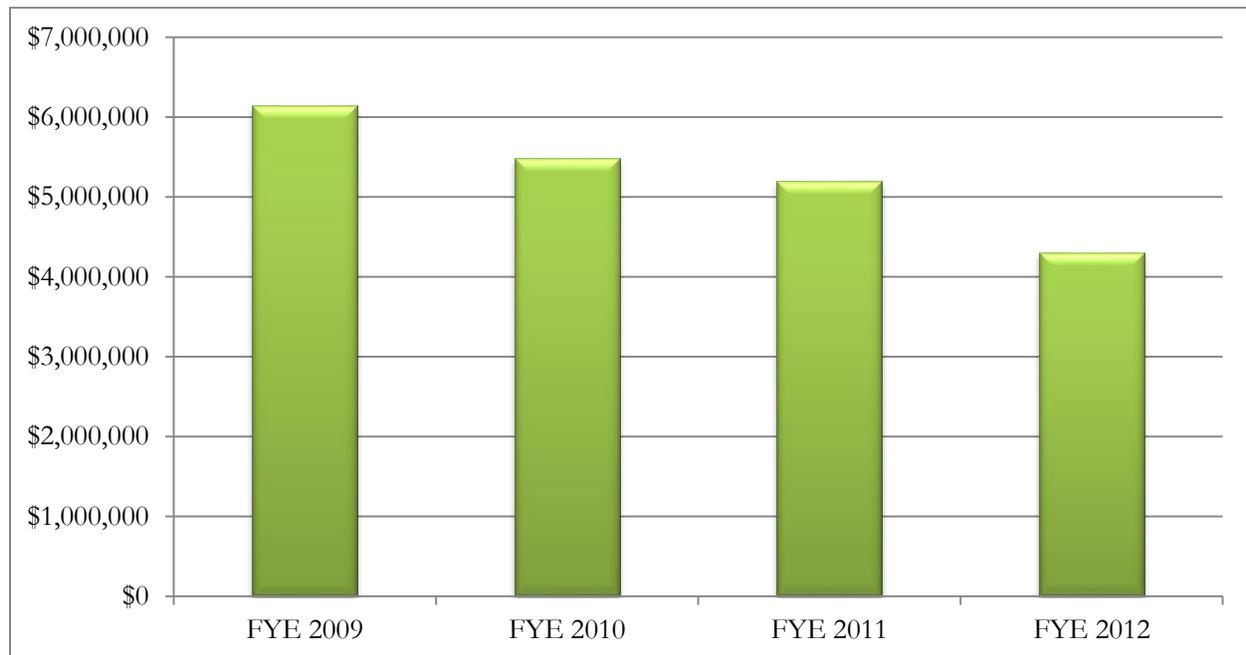
## BALANCE SHEET FINDINGS

Review of balance sheets from ATA shows that the agency maintains sufficient cash reserves (**Exhibit 23** and **Exhibit 24**) amounting to 75.6% of annual operational expenses in FYE 2012. This margin between current assets and liabilities is larger than seen in many other transit agencies in the Commonwealth though it has been decreasing since FYE 2009 largely due to one-time capital expenses. The \$3,335,387 in grants receivable amount in FYE 2012 represents capital grants that were yet to be paid at the time of the audit. ATA does carry a \$1.3 million line of credit to cover capital expenses while awaiting receipt of capital grants so as to avoid having to use operating funds to cover this liability in the short-term.

**Exhibit 23: ATA Public Transportation Balance Sheet Summary (FYE 2009 – FYE 2012)**

<b>Balance Sheet Report</b>	<b>FYE 2009</b>	<b>FYE 2010</b>	<b>FYE 2011</b>	<b>FYE 2012</b>
Cash Equivalent Balance	\$6,145,486	\$5,481,198	\$5,196,152	\$4,301,909
Grants Receivable (including capital)	\$1,278,700	\$792,281	\$1,880,812	\$3,335,387
Other Accounts Receivable	\$0	\$0	\$0	\$0
Inventory Value	\$0	\$0	\$451,625	\$611,858
Cash Value of Insurance	\$207,282	\$245,625	\$310,560	\$104,123
Pre-paid Expenses	\$283,302	\$353,446	\$77,656	\$161,131
Accounts Payable (including capital)	\$31,808	\$261,626	\$198,653	\$422,354
Accumulated Absences/Payroll <sup>13</sup>	\$500,395	\$583,875	\$547,185	\$503,188
Line of Credit (capital)	\$0	\$0	\$0	\$1,307,030
Credit Used	\$0	\$0	\$0	\$1,044,687
Total Operating Expense	\$4,741,513	\$4,948,586	\$5,148,884	\$5,690,647
Cash Eqv. Bal / Total Operating Exp.	129.6%	110.8%	100.9%	75.6%
Line of Credit / Total Operating Exp.	0.0%	0.0%	0.0%	23.0%
Current Assets	\$7,914,770	\$6,872,550	\$7,916,805	\$8,514,408
Current Liabilities	\$3,490,226	\$3,841,643	\$4,499,686	\$5,326,103
<b>Net Current Assets</b>	<b>\$4,424,544</b>	<b>\$3,030,907</b>	<b>\$3,417,119</b>	<b>\$3,188,305</b>

Source: Annual Audit Reports and dotGrants reporting of Public Transportation Operating Expenses

**Exhibit 24: ATA Public Transportation End-of-Year Cash Equivalent Balance (FYE 2009 – FYE 2012)**

<sup>13</sup> For consistency with other performance review reports, accumulated payroll is included as current liabilities in this table.



## **CONCLUSIONS**

For the FYE 2008 to FYE 2012 period, the six county governments in the ATA service area (i.e., Cameron, Clearfield, Elk, Jefferson, McKean and Potter) have contributed to help cover ATA's operational funding requirements. ATA has used most of those amounts in any given year to balance its budget and comply with state requirements. ATA has been able to maintain sufficient cash reserves to cover unexpected operational expenses and weather any funding irregularities. Additionally, ATA has a line of credit to help finance large capital expenditures. ATA should continue to take appropriate actions such as controlling costs and improving farebox recovery to continuously improve ATA's financial health.

## APPENDIX A: ACTION PLAN IMPROVEMENT STRATEGIES

### PART 1- EXECUTIVE SUMMARY FINDINGS TEMPLATE

IMPROVEMENT OPPORTUNITY	ATA Actions	Estimated Initiation Date	Estimated Completion Date
Improve institutional transparency (p. vi)			
Reevaluate fixed-route service productivity and efficiency (p. vi)			
Develop performance targets for all key agency functions (p. vii)			

*Note: Include additional pages as necessary.*

**PART 2- ACT 44 PERFORMANCE METRIC FINDINGS TEMPLATES**

**A. ACTIONS TO INCREASE PASSENGERS / REVENUE HOUR TEMPLATE**

Recommendation (page)	ATA Action	Estimated Initiation Date	Estimated Completion Date
Establish a citizens' advisory committee (p. 22)			
Redesign ATA's passenger survey to be better suited to fixed-route service planning (p. 22)			
Measure, track and report on-time performance trends (p. 22)			
Measure performance of marketing plan vs. stated goals (p. 23)			
Continue to work with DuFast to coordinate and publicize transfer opportunities (p. 23)			
Conduct a non-rider survey (p. 23)			

**B. ACTIONS TO INCREASE OPERATING REVENUE / REVENUE HOUR TEMPLATE**

Recommendation (page)	ATA Action	Estimated Initiation Date	Estimated Completion Date
Hold services to performance standards outlined in Board policies (p. 23)			
Evaluate possible reuse of CNG equipment (p. 24)			
Conduct periodic financial analysis of special service offerings (p. 24)			

**C. ACTIONS TO REDUCE OR CONTAIN OPERATING COST / REVENUE HOUR TEMPLATE**

Recommendation (page)	ATA Action	Estimated Initiation Date	Estimated Completion Date
Periodically reevaluate potential cost savings of leasing tires (p. 24)			
Refine financial, capital and market assessment for any new service expansions to include specific goals and a timeline that can be used to determine the success or failure of the service (p. 25)			
Conduct a benefit/cost analysis to determine optimal number of spare vehicles (p. 25)			

**PART 3- OTHER ACTIONS TO IMPROVE OVERALL PERFORMANCE TEMPLATE**

Recommendation (page)	ATA Action	Estimated Initiation Date	Estimated Completion Date
Provide proposed budget development and supporting documents to Board in advance of adoption meeting (p. 26)			
Examine potential of web-based Board meetings and distribute materials at least one week in advance of meeting (p. 26)			
Periodically schedule PPTA Board training (p. 26)			
Competitively bid Solicitor contract (p. 26)			
Review and update as appropriate succession plans for Executive Director position (p. 26)			
Conduct an annual employee satisfaction survey (p. 26)			
Evaluate the potential of on-vehicle audio recording capability (p. 27)			
Conduct first responder training on how to enter and disable ATA vehicles (p. 27)			
Develop a formal emergency preparedness plan (p. 27)			
Announce all ATA meetings on website calendar (p. 27)			
Reevaluate registering farebox potential (p. 27)			
Consider having all senior staff periodically present to Board quarterly (p. 27)			

## APPENDIX B: DOCUMENTATION REQUESTS TO GENERAL MANAGER

**2013 Transit Performance Review  
Data Request  
Pennsylvania Department of Transportation  
Bureau of Public Transportation**



**DOCUMENT REQUEST**

Please provide the following documents and label as shown for **fixed route service only**. Information is strongly preferred in electronic format. Please indicate on the below checklist as to the status and availability of the information.

\*\*Denotes information requested from contractors in addition to Agency.

Requested Item	Mark Form in which Data to Be Provided			
	Electronic	Paper Mail	Not Available	Not Applicable
<b>BACKGROUND</b>				
1. Enabling legislation, ordinances, compacts or charter.	X			
2. Brief history of the agency, including its current and any prior official names, any present nicknames or monikers, and identify any predecessor entities, service days/hours and any other general agency information.	X			
3. Business or Strategic Plans, including adopted Mission and Vision statements.	X			
4. Describe any unique circumstances that have adversely or positively affected the agency (ridership, finances, other).	X			
<b>GOVERNANCE/GENERAL MANAGEMENT</b>				
5. List of current governing body members, with terms and tenure of each member and contact information for each.	X			
6. Governing body minutes and agenda from the last 12 months.	X			
7. Biography, contract terms, and tenure of General Manager / Executive Director.	X			
8. <b>**</b> Organization chart delineating decision authority by roles.	X			
9. Succession plan or equivalent.	X			
10. Any documentation not provided above which delineates the respective roles and responsibilities of management and governing body members.	X			
<b>OVERSIGHT AND REVIEWS</b>				
11. Two most recent annual reports from chief executive officer to governing board.	X			
12. Financial Management Oversight (FMO) reviews, Triennial Reviews, and any other recent outside audits or evaluations in any administrative areas such as: Executive Management, Human Resources, Finance, Legal, Information Management, Resource Management, Internal Audit, Marketing, etc. Include all correspondence between the agency, PennDOT, FTA, auditors, etc.	X			
<b>HUMAN RESOURCES</b>				
13. All collective bargaining agreements as well as any related documents (e.g., letters or memoranda of understanding, letter agreements, side letters that clarify or modify the collective				X

**2013 Transit Performance Review  
Data Request  
Pennsylvania Department of Transportation  
Bureau of Public Transportation**

Requested Item	Mark Form in which Data to Be Provided			
	Electronic	Paper Mail	Not Available	Not Applicable
bargaining agreements, etc.)				
14. Any strikes or work stoppages over the past 6 years.				X
15. Any reports filed with the state or federal government regarding union operations, funds management, etc.	X			
16. Cost of benefits (health care, pension/retirement, etc.) broken down by major category for the last year and projected for the next 5 years.	X			
17. Turnover rate by position for each of the last 5 years.	X			
18. **Operator hiring and performance review procedures.	X			
<b>FINANCE</b>				
19. Operating and Capital Budgets for the current fiscal year (provide separately if not in the Annual Report).	X			
20. Official Bond Statements for the most recent issuances.				X
21. Audited Financial Statement for the previous five fiscal years.	X			
22. Profit/Loss/Cash Flow statements for each of the past 12 months.	X			
23. Yearend cash position for the last two fiscal years.	X			
24. Operating revenues and expense detail by account for each of the last 2 years. Please provide in as frequent intervals as possible (i.e. monthly, quarterly)	X			
25. Accounts Receivable (AR) and Accounts Payable (AP) aging Report	X			
<b>PROCUREMENT</b>				
26. Procurement policy and procedures.	X			
<b>CONTRACTING</b>				
27. Contracts involving purchased transportation.	X			
28. Contracts for the provision of services or special operations agreements to specific agencies, localities, colleges, universities, or other entities.	X			
29. **Contracts for tire services, management services, and professional services over \$25,000 in value.	X			
30. Contract management plan.			X	
<b>OPERATIONS</b>				
31. **Operations Manual.			X	
32. **Operators Manual.	X			
33. **Emergency and inclement weather (snow, flood, etc.) operational plans and procedures.	X			
34. **Dispatch procedures	X			
35. **On-street supervision procedures (incl. AVL, if equipped).	X			
36. **Service standards for existing and new or newly restructured services. Provide description or example of how used in periodic service evaluations and service planning.			X	
37. Significant seasonal variations in service supplied (including school alterations, special routes, etc.)	X			

**2013 Transit Performance Review  
Data Request  
Pennsylvania Department of Transportation  
Bureau of Public Transportation**

Requested Item	Mark Form in which Data to Be Provided			
	Electronic	Paper Mail	Not Available	Not Applicable
38. Identify and provide relevant documents regarding any present & future operational challenges.	X			
<b>FARES AND FARE SECURITY</b>				
39. Listing of fares by type and media (pass, token, cash, etc.)	X			
40. Plans for changes in fare media (e.g. electronic).	X			
41. **Monthly fare revenue by category, and by patron type.	X			
42. **Fare handling policy & procedures (from on-board vehicle to deposit at bank).	X			
43. Commuter choice program description, synopsis of participants, marketing activities, and total revenues derived from program (if applicable).				X
<b>MAINTENANCE</b>				
44. **Maintenance plan, programs and procedures manual.	X			
45. **Fleet roster for fixed route revenue and non-revenue vehicles	X			
46. End of year parts inventory value (\$) for each of past 5 years.	X			
47. Building condition appraisals.			X	
48. Ongoing asset maintenance programs.			X	
<b>OPERATIONAL SCHEDULING/PLANNING</b>				
49. **Scheduling Manual.	X - DR			
50. Maps and schedules (system wide and route specific).	X			
51. Revenue miles, revenue hours & fares from any charter services provided in each of the last 6 years.	X			
52. Short range transit operational plan (i.e., TDP - transit development plan).	X			
53. Long range transit plan.			X	
<b>SAFETY AND SECURITY</b>				
54. Summary of Worker Compensation Claims, by year, for each of last 5 years.	X			
55. **Description of accident/incident policy and definitions, including how they are recorded and monitored (separated by employee and patron).	X			
56. **Property collisions and other reportable incidents for each of the past 6 years.	X			
57. **Personal injuries and fatalities for each of the past 6 years.	X			
58. **On-board criminal activities for each of the past 6 years				X
59. **Property criminal activities for each of the past 6 years				X
60. **Safety training and Collision reduction plan(s).			X	
61. **Emergency Preparedness / Operations Continuity Plan.			X	
62. **List of any safety or security issues and/or concerns.	X			
63. **Number of vehicles and sites with security monitoring (i.e., camera, patrols).	X			
64. Records of safety meetings for past 2 years.	X			

**2013 Transit Performance Review  
Data Request  
Pennsylvania Department of Transportation  
Bureau of Public Transportation**

Requested Item	Mark Form in which Data to Be Provided			
	Electronic	Paper Mail	Not Available	Not Applicable
<b>CUSTOMER SERVICE</b>				
65. **Fixed route ADA compliance reports for the most recent year.				X
66. Two most recent customer service surveys reports and any actions taken to address known issues.	X			
67. **Complaint procedures manual/policy and 2 most recent reports.	X			
68. Other customer service metrics maintained by the agency.			X	
<b>INFORMATION TECHNOLOGY</b>				
69. **Computer disaster recovery plan.	X			
70. Computer security procedures now in use.	X			
71. **Data collection technology/programs (i.e., APCs, AVL, scheduling software, financial management software, maintenance software).	X			
<b>CAPITAL PROGRAMMING</b>				
72. Short and Long-term capital programs or plans including: <ul style="list-style-type: none"> <li>• Transit TIP</li> <li>• Agency Specific Plans (additional to TIP): <ul style="list-style-type: none"> <li>○ Fleet expansion needs/plans for revenue and non-revenue vehicles (if in addition to TIP)</li> <li>○ State-of-good-repair facility projects for next 5 years (new roof, vehicle overhaul, etc.)</li> <li>○ New/Expanded facilities projects for next 5 years</li> <li>○ Replacement/expansion needs/plans for all other capital assets for next 5 years</li> </ul> </li> </ul>	X			
73. Contact information for any assets owned, operated, or maintained by others.	X			
74. Listing of real estate fixed assets (i.e., facilities, transfer locations, etc.) identifying any asset currently not directly used in transit operations and plans for same.			X	
75. Listing of Real estate plans (purchases, sales, or lease changes) including current or planned construction projects, documenting cost to complete and projected completion date planned for next 5 years	X			
<b>MARKETING AND PUBLIC RELATIONS</b>				
76. Service area demographics, customer profiles, and market research documents (as available).	X			
77. Local news clippings from past 5 years.	X			
78. Copy of current year marketing program and policies.	X			
79. Public involvement plan, and notices and attendance rosters from events from most recent 2 years.			X	
80. Reports, input, recommendations, etc. from ridership committees and/or advocacy groups for the past 2 years.	X			

**This page is intentionally blank to allow for duplex printing.**

