



WCTA System Performance Review

November 23, 2015

WCTA Transit Performance Review Report

This page is intentionally blank to allow for duplex printing.

TABLE OF CONTENTS

List of Exhibits	ii
Agency Public Transportation 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	5
Peer System Selection.....	5
Act 44 Fixed-Route Comparisons and Findings	6
Fixed-Route Bus Performance Comparisons	7
Five-Year Fixed-Route Performance Targets.....	16
Functional Review.....	19
Opportunities to Increase Fixed-Route Ridership.....	20
Opportunities to Increase Fixed-Route Revenues.....	21
Opportunities to Control Operating Costs.....	22
Other Findings that Impact Overall Agency Performance	23
Financial Review	26
High-Level Indicators of Financial Health	26
Total Public Transportation Operational Expenditures and Funding.....	28
Fixed-Route Funding	30
Paratransit Funding	31
Balance Sheet Findings	32
Financial Projections	33
Conclusions	33
Appendix A: Action Plan Improvement Strategies	34
Part 1- Act 44 Performance Metric Findings Templates	34
Part 2- Other Actions to Improve Overall Performance Template.....	37

LIST OF EXHIBITS

Exhibit 1: Fixed-Route Passengers and Revenues FYE 2008-2014.....	3
Exhibit 2: Fixed-Route Revenue Hours and Operating Costs FYE 2008-2014	4
Exhibit 3: Act 44 Compliance Summary	7
Exhibit 4: Fixed-Route Passengers / Revenue Vehicle Hour	8
Exhibit 5: Fixed-Route Operating Cost / Revenue Vehicle Hour.....	9
Exhibit 6: Fixed-Route Operating Revenue / Revenue Vehicle Hour.....	10
Exhibit 7: Fixed-Route Operating Cost / Passenger.....	11
Exhibit 8: Fixed-Route Passengers / Revenue Vehicle Hour Trend FYE 2008-2013.....	12
Exhibit 9: Fixed-Route Operating Cost / Revenue Vehicle Hour Trend FYE 2008-2013.....	13
Exhibit 10: Fixed-Route Operating Revenue / Revenue Vehicle Hour Trend FYE 2008-2013.....	14
Exhibit 11: Fixed-Route Operating Cost / Passenger Trend FYE 2008-2013	15
Exhibit 12: Fixed-Route Passengers / Revenue Hour Performance Targets	17
Exhibit 13: Fixed-Route Operating Cost / Revenue Vehicle Hour Performance Targets.....	17
Exhibit 14: Fixed-Route Operating Revenue / Revenue Vehicle Hour Performance Targets.....	18
Exhibit 15: Fixed-Route Operating Cost / Passenger Performance Targets	18
Exhibit 16: High-level Financial Indicators	27
Exhibit 17: Public Transportation Operating Expense by Service Type (FYE 2009-2014).....	28
Exhibit 18: Share of Public Transportation Operating Expenses by Service Type	28
Exhibit 19: Public Transportation Operational Funding by Source (FYE 2009 – FYE 2014).....	29
Exhibit 20: Public Transportation (Fixed-Route + ADA Paratransit) Operational Funding	29
Exhibit 21: Fixed-Route Funding.....	30
Exhibit 22: Paratransit Funding by Source	31
Exhibit 23: Balance Sheet Summary (FYE 2011 – FYE 2014).....	32
Exhibit 24: End-of-Year Cash Equivalent Balance (FYE 2011 – FYE 2014).....	32
Exhibit 25: Projected Operating Budget Summary (FYE 2014 - 2018)	33

AGENCY PUBLIC TRANSPORTATION PROFILE

Agency	Westmoreland County Transit Authority (d.b.a. WCTA)	
Year Founded	1978	
Reporting Fiscal Year End (FYE)	FYE 2014	
Service Area (square miles)	668	
Service Area Population	296,066	
Annual Operating Statistics*	Fixed-Route Bus	Paratransit (Shared Ride + ADA)
Vehicles in Maximum Service (VOMS)	31	48
Operating Cost	\$5,266,130	\$6,033,395
Operating Revenues	\$1,519,437	\$4,437,384
Total (Actual) Vehicle Miles	1,367,397	2,437,598
Revenue Miles of Service (RVM)	912,292	2,175,124
Total Vehicle Hours	61,257	158,973
Revenue Vehicle Hours (RVH)	45,142	147,266
Total Passenger Trips	547,671	235,057
Senior Passenger (Lottery) Trips	72,967	128,533
Act 44 Performance Statistics		
Passengers / RVH	12.13	1.60
Operating Cost / RVH	\$116.66	\$40.97
Operating Revenue / RVH	\$33.66	\$30.13
Operating Cost / Passenger	\$9.62	\$25.67
Other Performance Statistics		
Operating Revenue / Operating Cost	28.85%	73.55%
Operating Cost / Total Vehicle Hours	\$85.97	\$37.95
Operating Cost / Total Vehicle Miles	\$3.85	\$2.48
Total Passengers / Total Vehicle Hours	8.94	1.48
Operating Cost / RVM	\$5.77	\$2.77
RVM / Total Vehicle Miles	66.72%	89.23%
RVH / Total Vehicle Hours	73.69%	92.64%

* source: PennDOT dotGrants 2014 reporting

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 identifies best practices that can be shared with other transit agencies and makes transit agencies aware of improvement opportunities.

The Act 44 transit performance review of the Westmoreland County Transit Authority (d.b.a. WCTA) was conducted in March 2015. The performance review focused on fixed-route bus service. This report addresses the performance criteria that Act 44 established, specifically related to fixed-route bus service. Also addressed are, WCTA trends, and comparisons with WCTA peers, targets for future performance, and opportunities for improvement that should assist WCTA in meeting the future targets. This report also addresses the management, general efficiency and effectiveness of services.

On the basis of this performance report, WCTA will develop an action plan that identifies the steps WCTA will take to meet the agreed upon Act 44 performance criteria targets by FY 2019-20. 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 WCTA's management and its governing board.

A draft action plan is due to the Department within 90 days of receipt of this report. PennDOT will work with WCTA to agree on a plan which, when approved by the WCTA Board, will be submitted as the final action plan. At the very least, WCTA must report quarterly to the Board and PennDOT on the progress of the action plan, identifying actions taken to date, and actions to be implemented. WCTA's success will be measured, in part, on meeting performance targets established through this review.

ACT 44 PERFORMANCE DETERMINATION

Act 44 performance factors were analyzed to quantify WCTA's fixed-route bus performance in comparison to its peer agencies in Fiscal Year End (FYE) 2013 and over a five-year trend period from FYE 2008 to FYE 2013 (the most recent NTD data available at the time of the peer selection). Peers were selected through an analytical process and were agreed to in advance by WCTA.

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

If the agency falls outside of these prescribed boundaries, it is considered "At Risk" for that factor and must improve as agreed upon between PennDOT and the agency.

An analysis of the eight key criteria mandated by Act 44 was conducted and **it was determined that WCTA is “In Compliance” for seven 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 2013 passengers / revenue vehicle hour** ranks 8th out of the 13 transit agencies and is worse than the peer group average.
2. The **five-year trend of passengers / revenue vehicle hour** is better than the peer group average.
3. The **five-year trend for increase in operating cost / revenue vehicle hour** is much worse than the peer group average.
4. **FYE 2013 operating revenue / revenue vehicle hour** ranks 3rd out of the 13 transit agencies and is better than the peer group average.
5. The **five-year trend for operating revenue/ revenue vehicle hour** is better than the peer group average. This is due to an increase in commuter ridership following a rise in parking rates for the City of Pittsburgh.
6. **FYE 2013 operating cost / passenger** ranks 10th out of the 13 transit agencies and is worse than the peer group average.
7. The **five-year trend for operating cost / passenger** is better than the peer group average.

At Risk

1. **FYE 2013 operating cost / revenue vehicle hour** ranks 13th out of the 13 transit agencies and is worse than the peer group average. This is due, in part, to significant deadhead on returning commuter routes and increased costs from deferred maintenance for the fixed-route fleet.

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

Performance Criteria	FYE	Determination	Rank (of 13)	Relation to Peer Average	Value	Peer Average
Passengers / Revenue Hour	2013	In Compliance	8	Worse	12.53	12.65
	Trend	In Compliance	5	Better	4.85%	3.37%
Operating Cost / Revenue Hour	2013	At Risk	13	Worse	\$114.41	\$82.24
	Trend	In Compliance	8	Worse	3.46%	2.33%
Operating Revenue / Revenue Hour	2013	In Compliance	3	Better	\$30.33	\$20.72
	Trend	In Compliance	5	Better	8.55%	5.78%
Operating Cost / Passenger	2013	In Compliance	10	Worse	\$9.13	\$7.24
	Trend	In Compliance	7	Better	-1.32%	-0.62%

GENERAL FINDINGS

In accordance with Act 44, findings are indicated as “best practices” or “opportunities for improvement.” Best practices are current practices that enhance the efficiency, effectiveness, and/or quality of service of WCTA and may be shared with other agencies as techniques for improvement. Improvement opportunities identify tasks that may be undertaken to increase the efficiency, effectiveness, and /or quality of service of the agency.

BEST PRACTICES

1. Use of an Interoperability Agreement increases WCTA market presence in the Greater Pittsburgh area
2. Maintains open communication with the service contractor with weekly meetings that discuss service issues, review driver complaints, and conduct occasional maintenance walkthroughs
3. Administrative staff takes a proactive role in contractor oversight and reporting
4. WCTA fixed-route fleet is directly linked to local emergency services for an improved response time

OPPORTUNITIES FOR IMPROVEMENT

1. Strategize and determine how to tackle the significant deadhead from commuter routes.
2. Consider limiting ADA service to only $\frac{3}{4}$ mile of fixed-route service through Westmoreland County, and an expansion of PwD for certain trips outside the ADA service area
3. Explore ways to align shared-ride costs with shared-ride revenues
4. Develop a prioritized fixed-stop system that matches current service demands, inform passengers of transfer locations, and provide an accessible online system map
5. Develop online trip planning services
6. Expand WCTA range of service metrics to include transit variables for future performance monitoring of fixed-route service
7. Establish performance standards to measure and evaluate current practices
8. Update WCTA transit development plan to demonstrate agency responsiveness to service needs for transit in Westmoreland County
9. Develop a quality control program for outsourcing maintenance needs
10. Coordinate a partnership with PAAC for large-scale repairs and heavy maintenance needs
11. Utilize PennDOT provided PennTRAIN board training
12. Form standing Board Committees and meet quarterly
13. Create attendance requirements for Board participation
14. Establish a formal annual performance review process for the Executive Director
15. Develop formal succession plans for all key positions
16. Update WCTA strategic plan every five years

17. Develop a comprehensive marketing plan
18. Ensure drivers receive formal customer service training
19. Develop and implement a formal annual driver evaluation process
20. Revisit the transfer facility design and evaluate alternative departures scenarios
21. Look into vehicle refurbishment and corrective actions to correct rust damage and prevent further deterioration
22. Coordinate with the Southwestern Pennsylvania Commission (SPC) for transportation planning

FINANCIAL REVIEW

Westmoreland county and 32 Westmoreland municipalities¹ contribute monies for WCTA's local match funding requirements. Per PennDOT dotGrants, WCTA has a balanced operating budget. WCTA projections of service levels and budget indicate that WCTA plans to maintain a balanced budget over the next five years. WCTA had \$1,070,429 in state 1513 carryover funds and \$87,060 in local carryover funds at the end of FYE 2013. This amounts to state reserves equal to 33.1% of WCTA's annual operating cost. By the end of 2014, state and local carryover subsidies had increased to \$1,148,591 and \$86,102 respectively. Management should continue to take appropriate actions to control costs, achieve farebox recovery goals, and sustain cash reserves to maintain WCTA's overall 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 16. These performance targets are required to comply with Act 44 performance criteria and represent the minimum performance levels that WCTA should work to achieve 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 PennDOT dotGrants information available (FYE 2014). Standards were extrapolated to FYE 2020 and are designed to be aggressive, yet achievable. They are summarized as follows:

¹ Allegheny Township, Arnold, Avonmore Borough, Delmont Borough, Derry Borough, Derry Township, East Vandergrift Borough, Export Borough, Greensburg, Hempfield Township, Irwin Borough, Jeannette, Latrobe City, Ligonier Borough, Lower Burrell, Manor Borough, Mt Pleasant Borough, Mt Pleasant Township, Murrysville, New Florence Borough, New Kensington, New Stanton Borough, North Huntingdon Township, Penn Township, St. Clair Township, Scottdale Borough, Seward Borough, Sewickley Township, South Greensburg, Unity Township, Vandergrift Borough and Youngwood Borough

Performance Criteria	Fiscal Year End (FYE)				Target Annual Increase
	2012 Actual	2013 Actual	2014 Actual	2020 Target	
Passengers / Revenue Hour	12.37	12.53	12.13	12.88	1.0%
Operating Cost / Revenue Hour	\$111.27	\$114.41	\$116.66	\$139.29	3.0%
Operating Revenue / Revenue Hour	\$24.63	\$30.33	\$33.66	\$35.37	1.0%
Operating Cost / Passenger	\$9.00	\$9.13	\$9.62	\$10.83	2.0%

NEXT STEPS

Upon final transmission of the performance review report, Act 44 regulations stipulate that WCTA “...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 WCTA oversight board and management.

Functional area “opportunities for improvement” are areas in which adjustments may result in cost savings, improved service quality, and ridership and/or revenue increases. Achieved improvements in these areas will assist in meeting 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 WCTA.

The template for the Action Plan has been provided as an appendix to this report. This template includes two parts:

- **Part 1- Act 44 Performance Metric Findings Templates** is where WCTA should address its proposed actions to address the “*Opportunities for Improvement*” findings that directly affect the Act 44 performance metrics.
- **Part 2- Other Actions to Improve Overall Performance Template** should be used to address the “*Other Findings that Impact Overall Agency Performance*” identified during the review.

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. WCTA must select, prioritize and schedule its intended actions using the template.

WCTA 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 WCTA’s management and the Department. The finalized Action Plan then must be approved by the WCTA Board and formally submitted to PennDOT. WCTA’s management must report 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 upcoming quarter(s).

INTRODUCTION

PURPOSE

In July 2007 the Pennsylvania Legislature passed Act 44, which established 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 the Westmoreland County Transit Authority (d.b.a. WCTA).

This performance review was conducted to emphasize the importance of good management, proactive planning, and efficient service, which maximizes 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 March 2015, an Act 44-mandated performance review was initiated for WCTA. 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
 - A set of peers, used for comparative analysis, was jointly agreed upon by WCTA and PennDOT.
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
 - An on-site review was conducted on March 24 through March 25, 2015.
 - An interview guide customized for WCTA’s service was used for the review.
 - Topics covered during the interview process included:
 - Governance
 - Management
 - Human/Labor Relations
 - Finance
 - Procurement
 - Contracted Service
 - Safety and Security
 - Customer Service
 - Information Technology
 - Capital Planning
 - Marketing and Public Relations
 - Planning

AGENCY DESCRIPTION

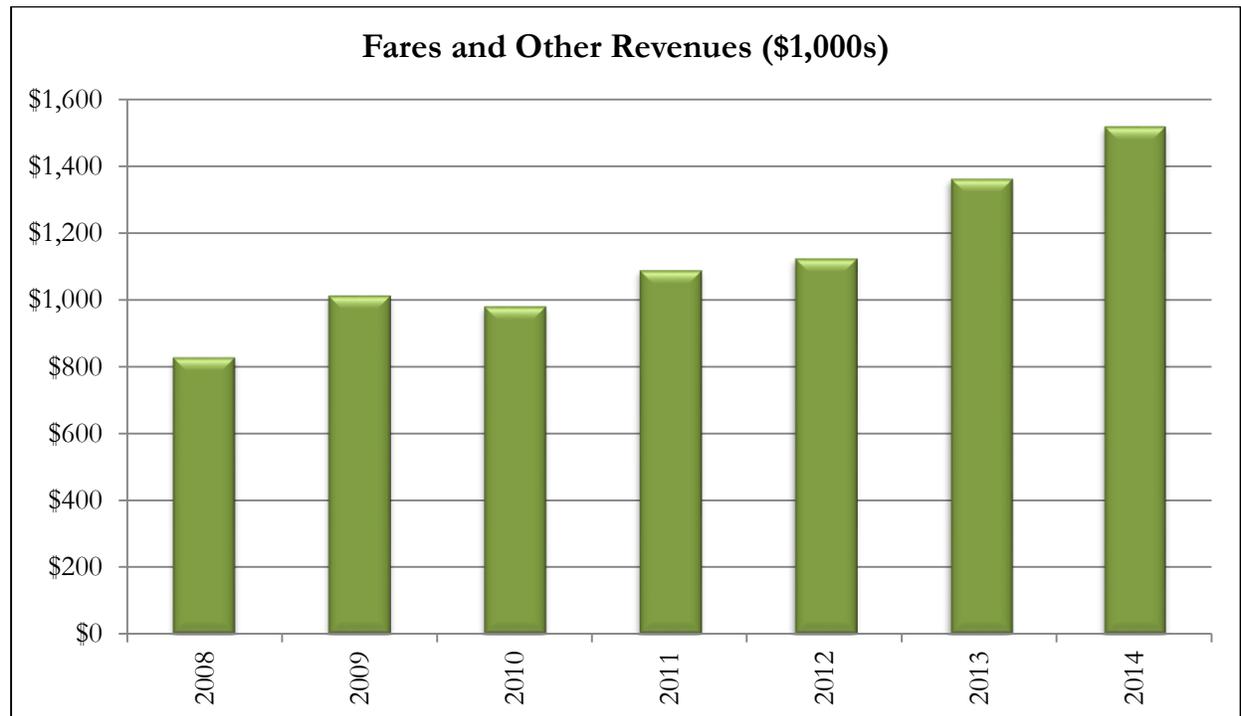
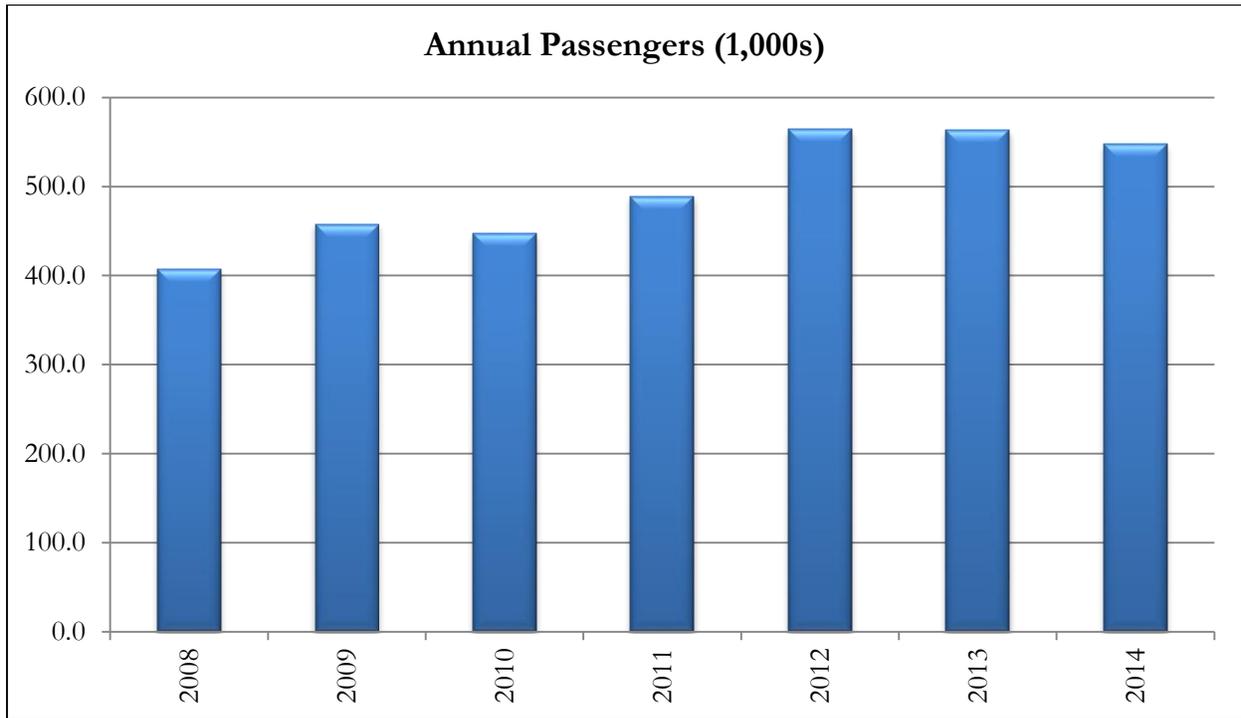
The Westmoreland County Transit Authority (d.b.a. WCTA) was created in 1978 in Westmoreland County, Pennsylvania. Based on the agency charter, WCTA is specifically prohibited from directly operating transit services. As a result, the authority has contracted National Express to provide transportation services. WCTA is overseen by a 7 member board appointed by the Westmoreland County Board of Commissioners

Currently, WCTA operates 18 weekday fixed-routes, typically operating between 5:00 a.m. and 8:30 p.m. On Saturdays, WCTA operates five routes. WCTA contracts all operations for fixed-route and shared-ride services. **Exhibit 1** and **Exhibit 2** present fixed-route bus statistics for WCTA derived from PennDOT dotGrants Legacy Reports.

Important observations evident from the trends in demand, revenues, and operating characteristics for the Legacy reporting period of Fiscal Year End (FYE) 2008 through 2014 for WCTA's fixed-route service are as follows:

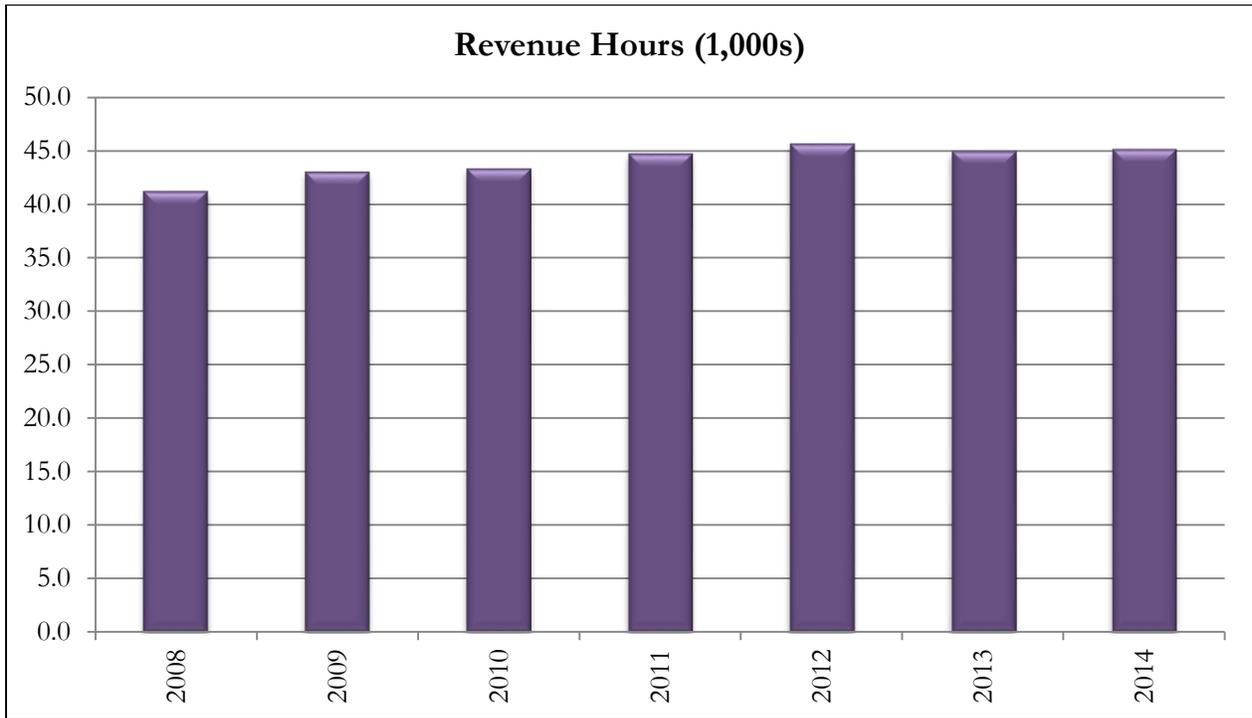
1. WCTA's annual fixed-route ridership has increased an average of almost 5% per year since 2008 and was about 547,000 passengers in FYE 2014. This is largely due to a rise in commuter ridership attributable to parking tax rates steadily increasing in the City of Pittsburgh.
2. WCTA's 2014 total operating revenue (including passenger fares, advertising and other local revenues) was \$1,519,400 in FYE 2014. WCTA's regular base fare is \$2.00 and transfers are free within one zone, but increase (up to \$6.00) \$2.00 per zone. Farebox revenue alone averages \$2.50 per passenger. This equates to a farebox recovery of 26% of total operating expenses.
3. Revenue hours of service increased by a net of 9% between 2008 and 2014. WCTA provided 45,100 revenue hours of service in FYE 2014 as compared to 41,200 in FYE 2008.
4. Total operating costs increased by about 32% between 2008 and 2014, going from about \$3,976,000 to \$5,266,100 annually. Operating costs have increased, in part, due to expanded commuter service to Pittsburgh.

Exhibit 1: Fixed-Route Passengers and Revenues FYE 2008-2014



Source: NTD and PennDOT Legacy Reporting System (dotGrants)

Exhibit 2: Fixed-Route Revenue Hours and Operating Costs FYE 2008-2014



Source: NTD and 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...”*²

The law sets forth the following performance criteria to be used to satisfy its objectives³:

- 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: ⁴

- Revenue vehicle hours;
- Revenue vehicle miles;
- 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 WCTA’s management for review and comment. After discussions were complete, the following 12 peer systems, in addition to WCTA, were included in subsequent analyses for peer comparison purposes:

1. MetroWest Regional Transit Authority (MWRTA) Framingham, MA
2. Dutchess County Division of Mass Transportation (Loop Bus) Poughkeepsie, NY
3. City of Appleton – Department of Valley Transit (Valley Transit) Appleton, WI
4. The Tri-State Transit Authority (TTA) Huntington, WV
5. City of Jackson Transit System (JATRAN) Jackson, MS
6. Beaver County Transit Authority (BCTA) Rochester, PA
7. Montachusett Regional Transit Authority (MART) Fitchburg, MA
8. Ulster County Area Transit (UCAT) Kingston, NY
9. Waccamaw Regional Transportation Authority (The Coast RTA) Conway, SC

² Title 74 Pa. C.S.A. §1513 (e)

³ Title 74 Pa. C.S.A. §1513 (f)

⁴ 67 Pa Code Chapter 427, Annex A . §427.12(d)(1)(i), Jan 2011.

10. Housatonic Area Regional Transit (HARTransit) Danbury, CT
11. Tri-County Council for the Lower Eastern Shore of Maryland (Shore Transit) Salisbury, MD
12. Mid Mon Valley Transit Authority (MMVTA) Charleroi, PA

ACT 44 FIXED-ROUTE COMPARISONS AND FINDINGS

Comparison of WCTA with the selected peer systems was completed using NTD-reported data and PennDOT dotGrants Legacy statistics. Due to its consistency and availability⁵ for comparable systems, the NTD FYE 2013 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
- *Average*: Un-weighted linear average of all values being measured across all peer transit agencies, including WCTA
- *Standard Deviation*: Standard deviation of all values being measured across all peer transit agencies, including WCTA

Act 44 stipulates that metrics fall into two categories: “In Compliance” and “At Risk.” The following criteria are used to make the determination:

- “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 within these limits, it is considered “In Compliance.” However, if an agency is “At Risk” for any given criterion, it must very closely monitor the effectiveness of remedial strategies identified in the action plan to achieve “Compliance” prior to the next performance review⁶.

⁵ 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) 2013.

⁶ 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.

Detailed results of the WCTA 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	Single Year	Five-Year Trend
Passengers / Revenue Hour	In Compliance	In Compliance
Operating Cost / Revenue Hour	At Risk	In Compliance
Operating Revenue / Revenue Hour	In Compliance	In Compliance
Operating Cost / Passenger	In Compliance	In Compliance

FIXED-ROUTE BUS PERFORMANCE COMPARISONS

For the 12 peer systems plus WCTA, NTD and PennDOT dotGrants 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 “1st” consistently indicates that the agency scores best amongst its peers and a ranking of “13th” indicates that it performs the poorest on any given metric.

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

1. WCTA’s FYE 2013 passengers / revenue hour ranks 8th out of the 13 transit agencies in the peer group and is above the peer group average. The Passengers / revenue hour trend has been increasing at about 4.85% per year. A rise in commuter passengers has contributed to this increase.
2. WCTA’s FYE 2013 operating cost / revenue vehicle hour is the most costly of all the agencies in the peer group. This is due, in large part, to the amount of deadhead (non-revenue) miles and hours spent on returning from commuter trips to/from Pittsburgh. Operating cost / revenue hour has increased at a rate slightly higher than the peer group average.
3. WCTA’s 2013 operating revenue / revenue vehicle hour ranks as the 3rd best of the peers. The trend between FYE 2008 and FYE 2013 indicates that operating revenue / revenue vehicle hour is increasing at a rate greater than passengers / revenue hour. This is due, in part, to increases in ridership on commuter routes which have higher than average fares.
4. WCTA’s operating cost / passenger is above the peer group average for FYE 2013 and ranks 10th. The trend of annual cost / passenger decrease (-1.3%) is better than the peer group average (-0.6%). This is due to ridership increasing at a higher rate than operating cost increases.

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

Passengers / Revenue Hour (MB)					
System	FYE 2013 Single Year		5 Year Change Since FYE 2008		
	Value	Rank	2008 Value	Annual Rate	Rank
MetroWest Regional Transit Authority	8.16	10	11.84	-7.18%	13
Dutchess County Division of Mass Transportation	10.38	9	12.62	-3.84%	12
City of Appleton - Valley Transit	16.74	2	16.47	0.33%	9
The Tri-State Transit Authority	14.86	5	14.12	1.03%	6
City of Jackson Transit System	14.20	7	9.33	8.76%	3
Beaver County Transit Authority	19.48	1	14.61	5.92%	4
Montachusett Regional Transit Authority	16.62	3	8.99	13.08%	2
Ulster County Area Transit	6.80	12	6.68	0.38%	8
Waccamaw Regional Transportation Authority	16.60	4	6.10	22.18%	1
Housatonic Area Regional Transit	14.52	6	16.59	-2.63%	11
The Tri--County Council for the Lower Eastern Shore of Maryland	6.52	13	6.47	0.16%	10
Mid Mon Valley Transit Authority	6.98	11	6.70	0.82%	7
Westmoreland County Transit Authority	12.53	8	9.89	4.85%	5
<i>Average</i>	12.65		10.80	3.37%	
<i>Standard Deviation</i>	4.42		3.84	7.77%	
<i>Average – 1 Standard Deviation</i>	8.22		6.96	-4.40%	
<i>Average + 1 Standard Deviation</i>	17.07		14.64	11.15%	
Act 44 Compliance Determination	In Compliance		In Compliance		
Compared to the Peer Group Average	Worse		Better		

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

Operating Cost / Revenue Hour (MB)					
System	FYE 2013 Single Year		5 Year Change Since FYE 2008		
	Value	Rank	2008 Value	Annual Rate	Rank
MetroWest Regional Transit Authority	\$53.91	1	\$51.31	0.99%	5
Dutchess County Division of Mass Transportation	\$90.46	9	\$70.53	5.10%	11
City of Appleton - Valley Transit	\$76.53	5	\$79.83	-0.84%	4
The Tri-State Transit Authority	\$95.82	11	\$82.96	2.92%	6
City of Jackson Transit System	\$62.99	3	\$83.53	-5.49%	1
Beaver County Transit Authority	\$95.54	10	\$76.69	4.49%	10
Montachusett Regional Transit Authority	\$109.46	12	\$92.02	3.53%	9
Ulster County Area Transit	\$76.68	6	\$92.51	-3.68%	2
Waccamaw Regional Transportation Authority	\$59.89	2	\$34.99	11.35%	13
Housatonic Area Regional Transit	\$83.13	7	\$71.02	3.20%	7
The Tri--County Council for the Lower Eastern Shore of Maryland	\$64.48	4	\$69.56	-1.51%	3
Mid Mon Valley Transit Authority	\$85.81	8	\$61.88	6.76%	12
Westmoreland County Transit Authority	\$114.41	13	\$96.50	3.46%	8
<i>Average</i>	\$82.24		\$74.10	2.33%	
<i>Standard Deviation</i>	\$18.86		\$17.34	4.48%	
<i>Average – 1 Standard Deviation</i>	\$63.38		\$56.76	-2.15%	
<i>Average + 1 Standard Deviation</i>	\$101.10		\$91.45	6.81%	
Act 44 Compliance Determination	At Risk		In Compliance		
Compared to the Peer Group Average	Worse		Worse		

Exhibit 6: Fixed-Route Operating Revenue / Revenue Vehicle Hour

Operating Revenue / Revenue Hour (MB)					
System	FYE 2013 Single Year		5 Year Change Since FYE 2008		
	Value	Rank	2008 Value	Annual Rate	Rank
MetroWest Regional Transit Authority	\$8.69	12	\$23.31	-17.92%	13
Dutchess County Division of Mass Transportation	\$15.84	7	\$11.74	6.18%	8
City of Appleton - Valley Transit	\$15.05	8	\$13.08	2.84%	9
The Tri-State Transit Authority	\$42.76	1	\$28.40	8.53%	6
City of Jackson Transit System	\$12.21	11	\$5.93	15.53%	2
Beaver County Transit Authority	\$30.31	4	\$21.95	6.67%	7
Montachusett Regional Transit Authority	\$38.61	2	\$22.72	11.19%	4
Ulster County Area Transit	\$8.42	13	\$8.64	-0.51%	11
Waccamaw Regional Transportation Authority	\$19.09	6	\$7.17	21.63%	1
Housatonic Area Regional Transit	\$14.06	10	\$14.89	-1.14%	12
The Tri--County Council for the Lower Eastern Shore of Maryland	\$19.67	5	\$10.29	13.83%	3
Mid Mon Valley Transit Authority	\$14.29	9	\$14.50	-0.30%	10
Westmoreland County Transit Authority	\$30.33	3	\$20.12	8.55%	5
<i>Average</i>	\$20.72		\$15.60	5.78%	
<i>Standard Deviation</i>	\$11.19		\$7.06	9.79%	
<i>Average – 1 Standard Deviation</i>	\$9.52		\$8.53	-4.02%	
<i>Average + 1 Standard Deviation</i>	\$31.91		\$22.66	15.57%	
Act 44 Compliance Determination	In Compliance		In Compliance		
Compared to the Peer Group Average	Better		Better		

Exhibit 7: Fixed-Route Operating Cost / Passenger

Operating Cost / Passenger (MB)					
System	FYE 2013 Single Year		5 Year Change Since FYE 2008		
	Value	Rank	2008 Value	Annual Rate	Rank
MetroWest Regional Transit Authority	\$6.61	8	\$4.33	8.80%	12
Dutchess County Division of Mass Transportation	\$8.71	9	\$5.59	9.30%	13
City of Appleton - Valley Transit	\$4.57	3	\$4.85	-1.16%	8
The Tri-State Transit Authority	\$6.45	6	\$5.88	1.87%	9
City of Jackson Transit System	\$4.44	2	\$8.95	-13.10%	1
Beaver County Transit Authority	\$4.90	4	\$5.25	-1.35%	6
Montachusett Regional Transit Authority	\$6.59	7	\$10.24	-8.44%	3
Ulster County Area Transit	\$11.27	12	\$13.86	-4.05%	4
Waccamaw Regional Transportation Authority	\$3.61	1	\$5.74	-8.87%	2
Housatonic Area Regional Transit	\$5.72	5	\$4.28	5.98%	11
The Tri--County Council for the Lower Eastern Shore of Maryland	\$9.89	11	\$10.76	-1.67%	5
Mid Mon Valley Transit Authority	\$12.29	13	\$9.23	5.89%	10
Westmoreland County Transit Authority	\$9.13	10	\$9.76	-1.32%	7
<i>Average</i>	\$7.24		\$7.59	-0.62%	
<i>Standard Deviation</i>	\$2.77		\$3.03	6.94%	
<i>Average – 1 Standard Deviation</i>	\$4.48		\$4.56	-7.57%	
<i>Average + 1 Standard Deviation</i>	\$10.01		\$10.63	6.32%	
Act 44 Compliance Determination	In Compliance		In Compliance		
Compared to the Peer Group Average	Worse		Better		

Exhibit 8: Fixed-Route Passengers / Revenue Vehicle Hour Trend FYE 2008-2013

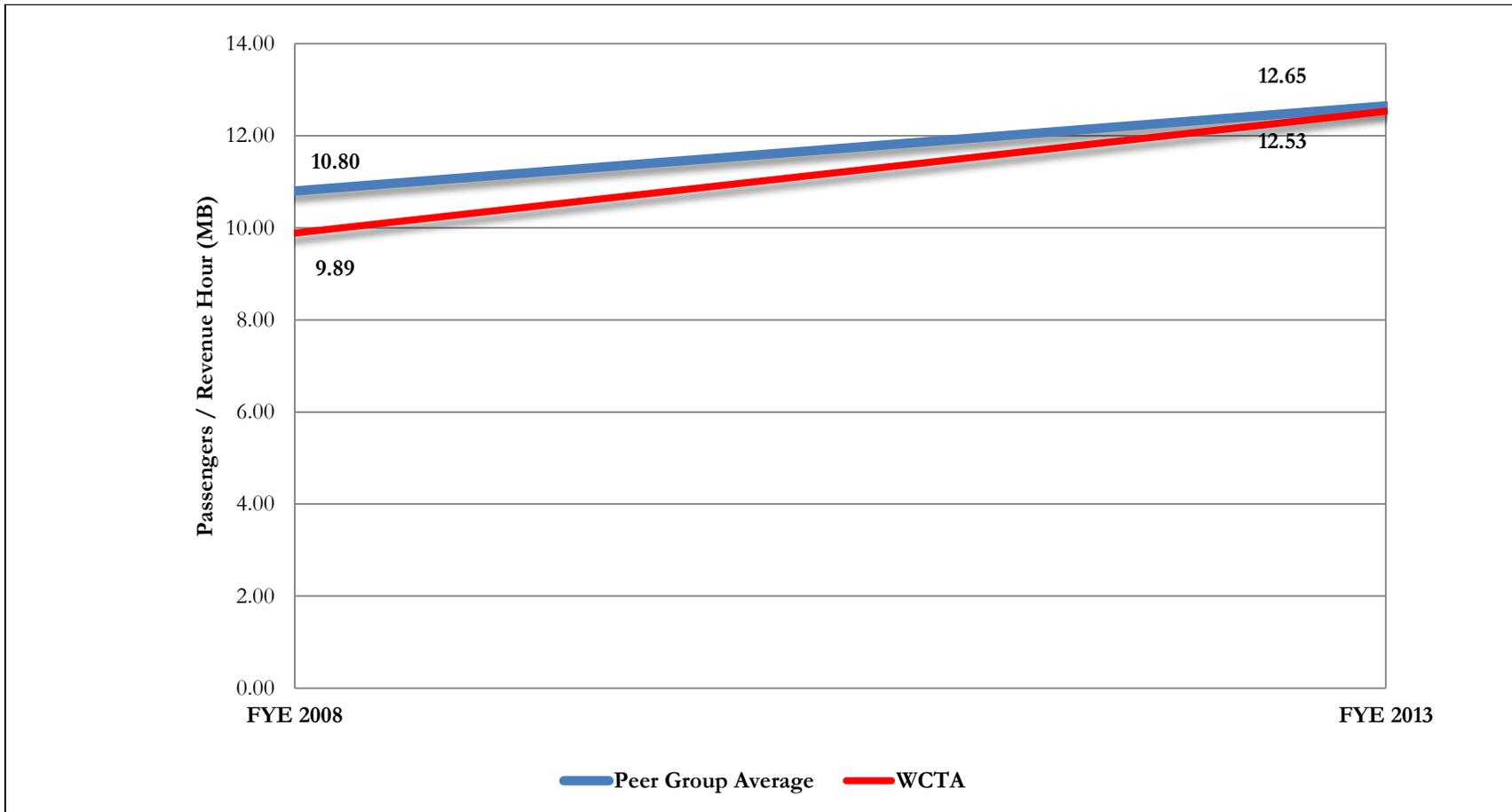


Exhibit 9: Fixed-Route Operating Cost / Revenue Vehicle Hour Trend FYE 2008-2013

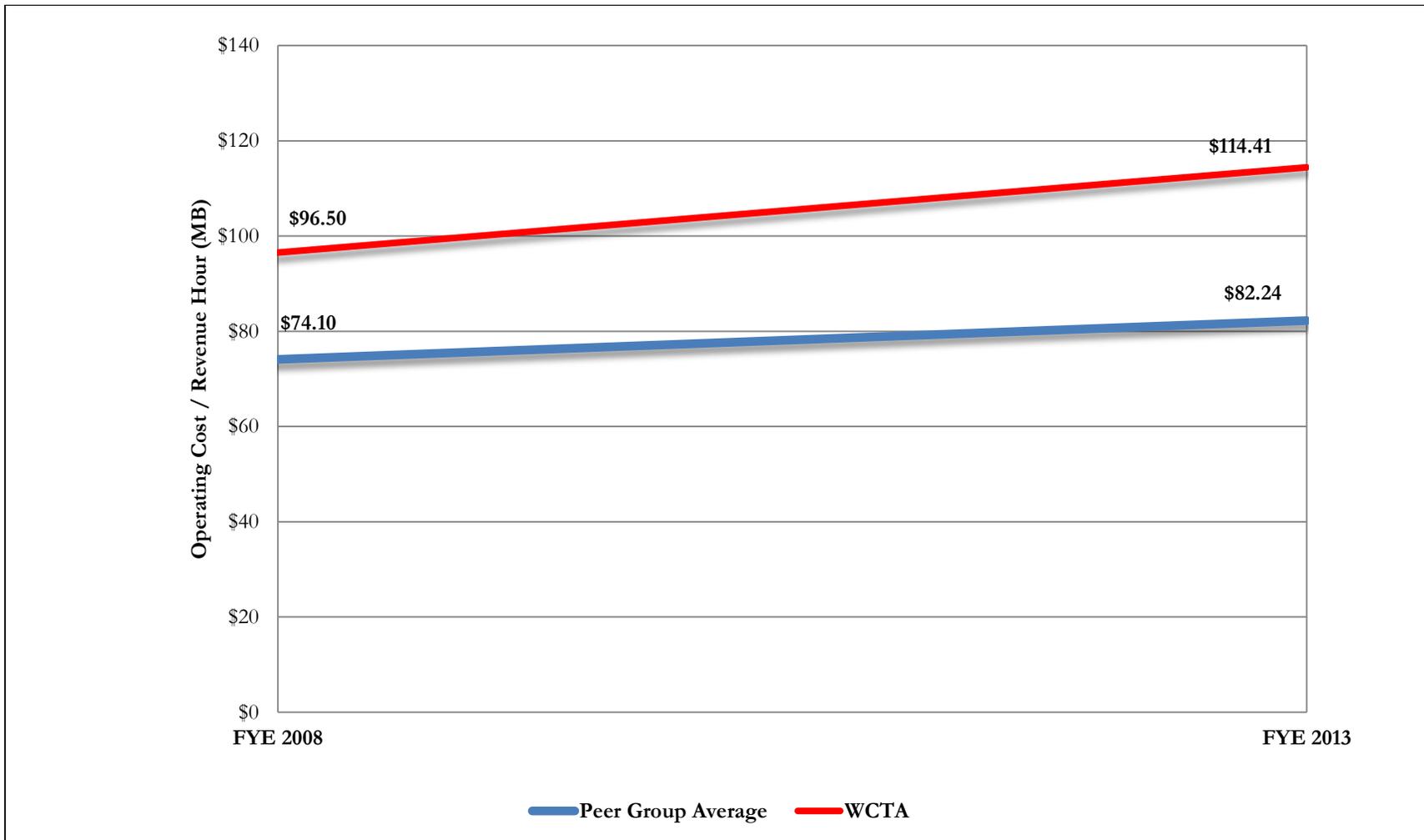


Exhibit 10: Fixed-Route Operating Revenue / Revenue Vehicle Hour Trend FYE 2008-2013

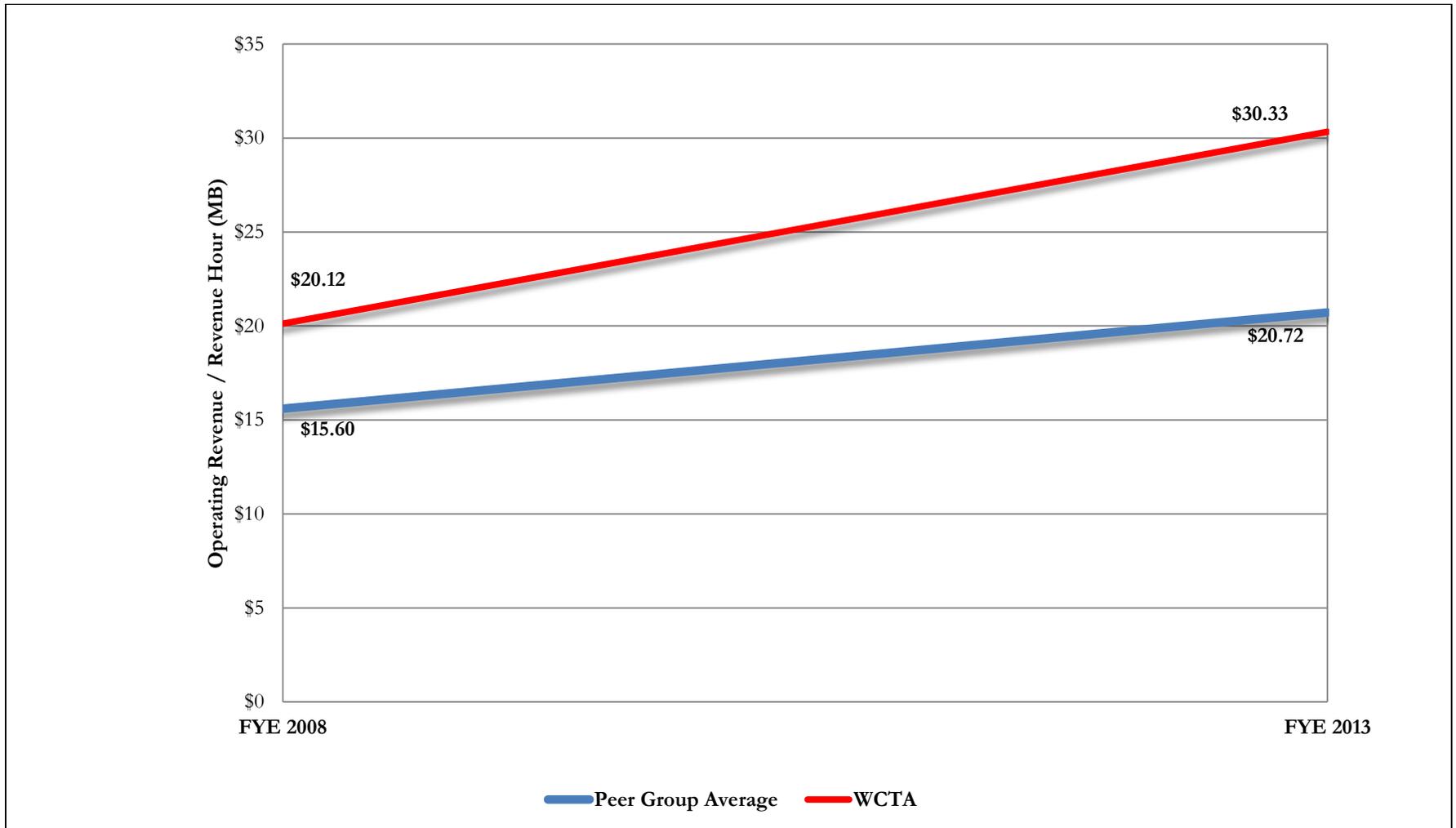
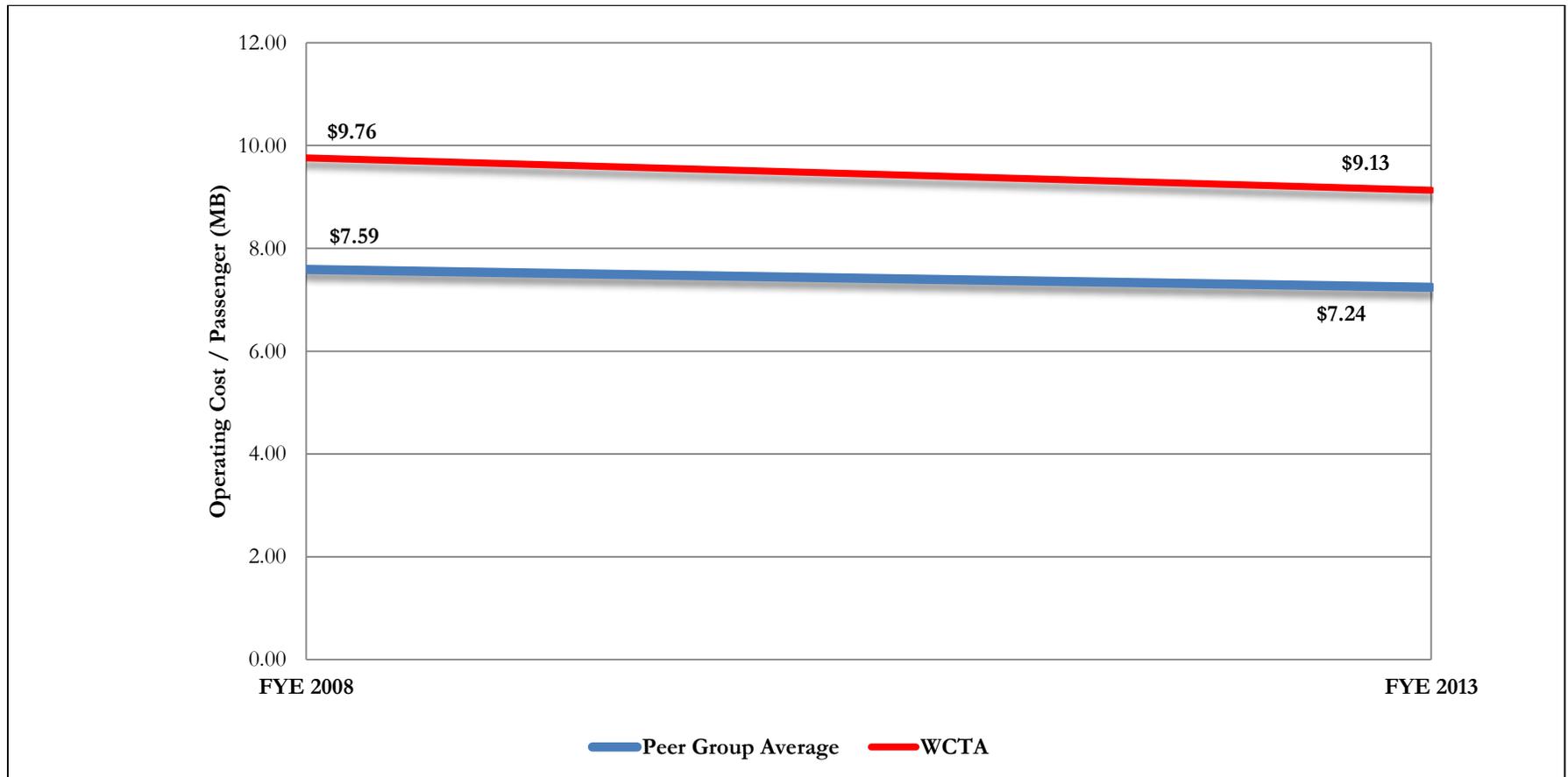


Exhibit 11: Fixed-Route Operating Cost / Passenger Trend FYE 2008-2013



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.

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. WCTA’s target has been set to 1% growth per year to help WCTA maintain compliance on ridership, and improve revenues, for the next performance review.

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. WCTA’s target has been set to a rate of 3% per year due to a need to make sure future costs and future state subsidies are aligned.

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 (1%) 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 (3.0%) less the minimum passengers / revenue hour goal (1.0%), or 2.0%.

These performance targets represent the minimum performance level that WCTA should achieve for each Act 44 criteria during the next performance review cycle – 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 2020 and are designed to be aggressive, yet achievable. Performance targets will be agreed to between PennDOT and WCTA before they are finalized so that expected anomalies are reflected in the standards. The suggested performance targets for WCTA’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 2020 Target.....**12.88**
 Interim Year Targets**Annual increase of at least 1.0%**

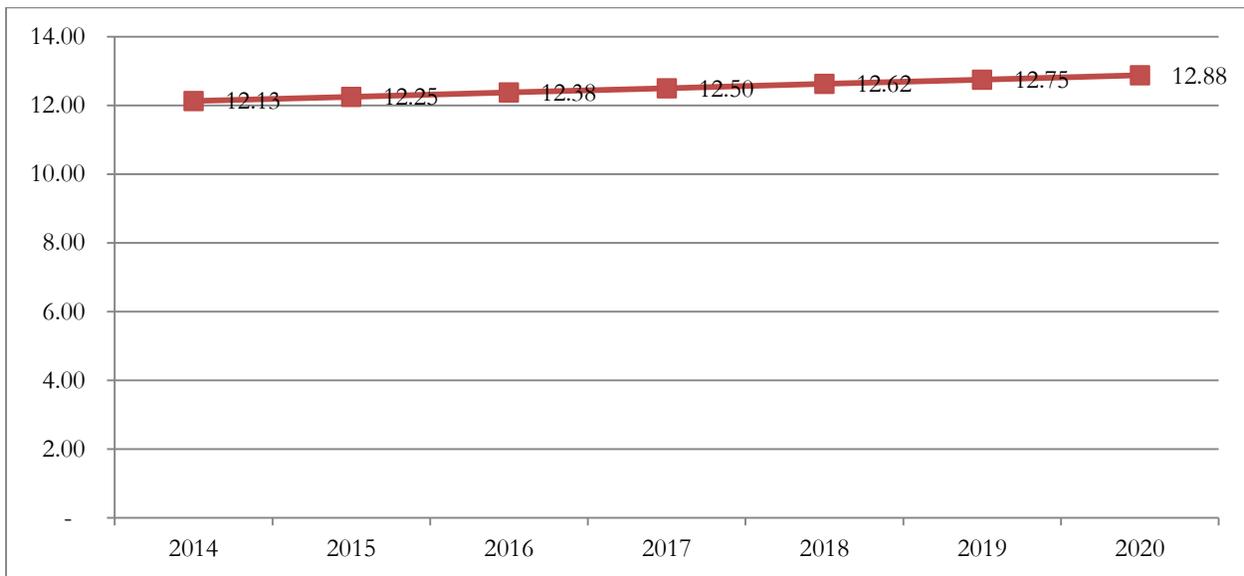


Exhibit 13: Fixed-Route Operating Cost / Revenue Vehicle Hour Performance Targets

FYE 2020 Target.....**\$139.29**
 Interim Year Targets**Annual increase of no more than 3.0%**

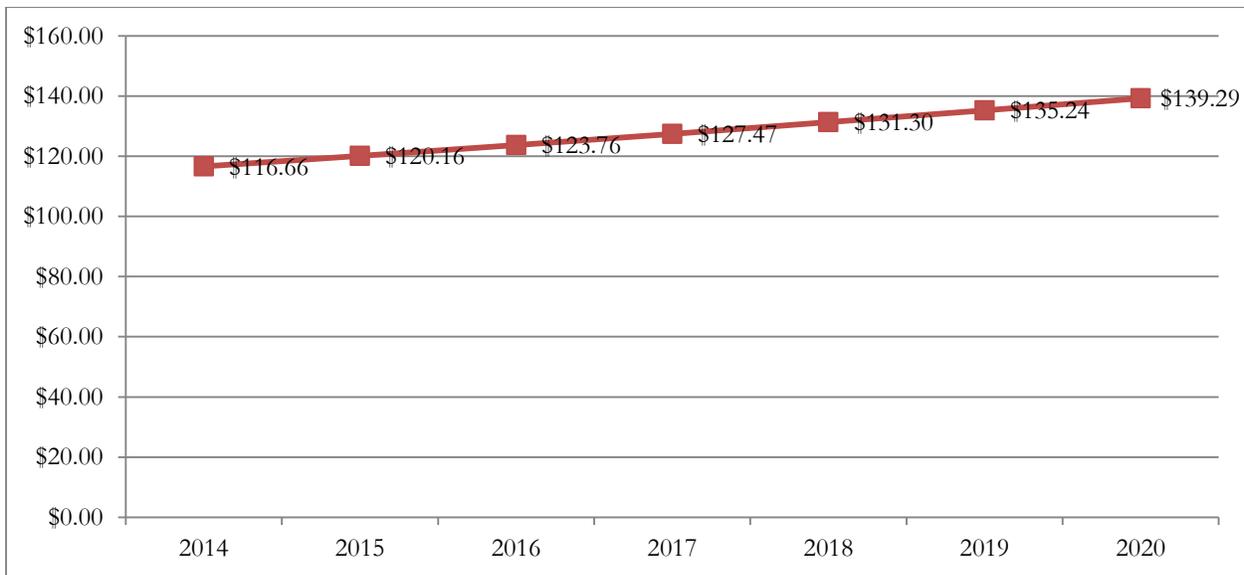


Exhibit 14: Fixed-Route Operating Revenue / Revenue Vehicle Hour Performance Targets

FYE 2020 Target..... **\$35.73**
 Interim Year Targets **Annual increase of at least 1.0%**

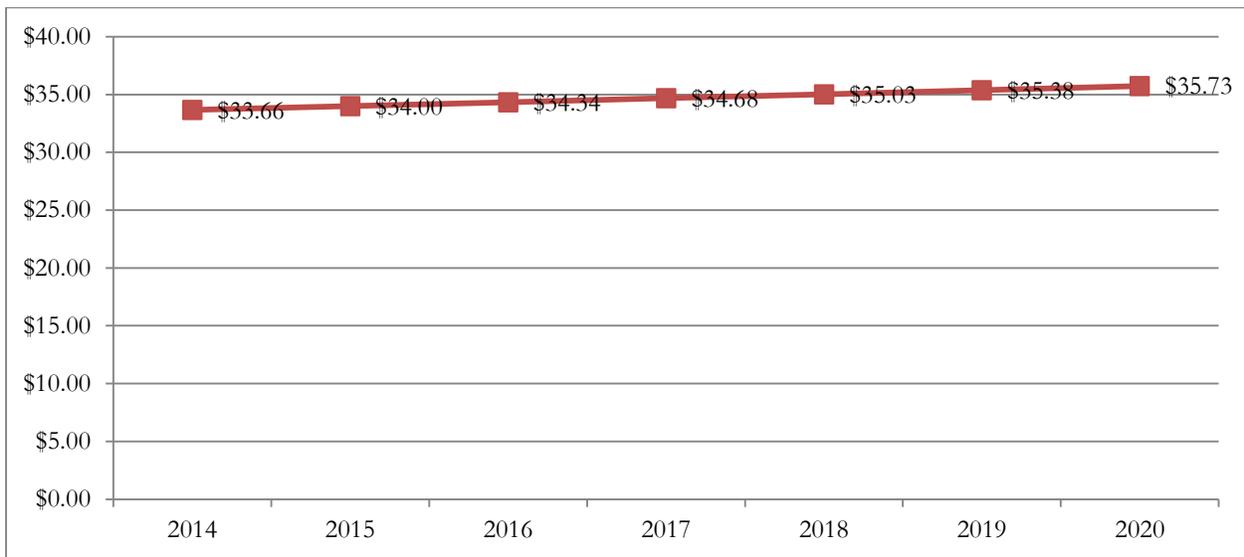
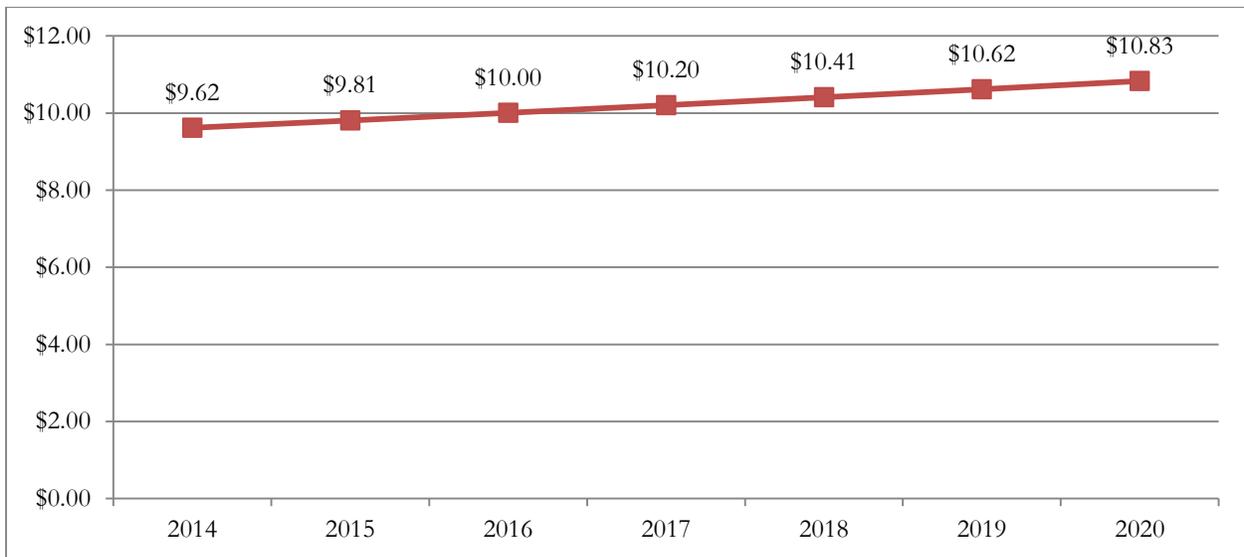


Exhibit 15: Fixed-Route Operating Cost / Passenger Performance Targets

FYE 2020 Target..... **\$10.83**
 Interim Year Targets **Annual increase of no more than 2.0%**



FUNCTIONAL REVIEW

Functional reviews are used to determine the reasons behind performance results found in the Act 44 comparisons, to catalog “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 13 functional areas were reviewed through documents received from the agency 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. **Contracted Service** – Includes operations, on-street supervision and control, dispatching, general route management, vehicle and facilities maintenance management, procedures, and performance.
7. **Scheduling** – Includes route and driver scheduling and decision-making, pay premium considerations, general management, procedures, and performance.
8. **Safety and Security** – Includes vehicle and passenger safety, facility security, and emergency preparedness.
9. **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.
10. **Information Technology** – Includes automated mechanisms for in-house and customer service communication including future plans for new technology.
11. **Capital Planning** – 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).
12. **Marketing** – 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.
13. **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 13 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 that service can be delivered more efficiently and effectively. It is important that service is both sensitive and responsive to the community's needs, while being able to maximize productivity, direct service hours effectively, control operating costs, and achieve optimum revenue hours. The observations that were recorded during the review process are categorized as *Best Practices* or *Elements 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 that have the potential to maximize productivity, to direct service hours effectively, to control operating costs, and to achieve optimum revenue levels that will enhance the system's future performance overall for one or more of the Act 44 fixed-route performance factors. For the convenience of WCTA, Action Plan templates have been included in **Appendix A: Action Plan Improvement Strategies** (pp. 34-37). 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, or 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. WCTA has an agreement with the Port Authority of Allegheny County (PAAC) to use the east busway. By sharing the busway with PAAC, WCTA reduces vehicle running time and provides customers additional transfer opportunities thereby increasing ridership potential.

ELEMENTS TO ADDRESS IN PART 1-A OF THE ACTION PLAN (SEE P. 34)

1. WCTA tracks the performance of routes by passengers per hour, and uses this metric in decision making. While ridership is an important metric, WCTA **should expand its route service metrics to include additional measures** such as on-time performance, farebox recovery and customer satisfaction so as to better inform service planning and decision making.
2. WCTA operates a flag stop system for fixed-route service. A fixed-stop system with designated stops could increase WCTA's visibility in the community and potentially attract new riders. WCTA should **assess the potential benefits and costs of moving from a flag-stop to a designated stop system.**
3. WCTA provides local and commuter service that connects riders with PAAC and Cambria County Transit Authority (CamTran). However, WCTA does not have a system map that shows riders how to transfer within its own routes or to those of the other transit agencies with which it shares connections. WCTA should **develop a system map** that shows passengers which routes and opportunities there are to complete a trip on the WCTA system.
4. WCTA last completed a Transit Development Plan (TDP) in 2000. Current planning efforts revolve around maintaining existing assets. WCTA should **update its TDP, at least every**

five years, to ensure the services it provides evolve to meet the needs of the community in the most cost-effective way possible.

5. WCTA does not provide trip planning services for customers on their website. Given that WCTA has 18 fixed-routes and operates a three tier zone-based service, trip planning services would assist riders in scheduling trips and determining total fares beforehand. WCTA **should assess the potential of adding trip planning services to their website.**
6. WCTA lacks a comprehensive marketing plan to promote its services. As a result, it lacks an all-inclusive strategy and dedicated marketing budget that can guide marketing decisions on investments such as website upgrades, social media promotion, bus stop signage, etc. WCTA should **develop a comprehensive marketing plan.** To be comprehensive, the marketing plan should include metrics such as expected benefits, costs and a complete budget by marketing effort.

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. WCTA has joined other transit agencies in the greater Pittsburgh area to develop an Interoperability Agreement. This agreement allows passengers, by way of SmartCards, to use one medium to pay fares on many local transit providers, including PAAC.
2. WCTA has explored ways to expand ridership by coordinating with the PAAC to allow WCTA passes to be sold at PAAC facilities. This type of partnership supplements the growing commuter ridership into the City of Pittsburgh by giving riders an opportunity to purchase WCTA passes outside of Westmoreland County.
3. WCTA developed a comprehensive fare policy that will be used to evaluate potential fare increases. WCTA’s fare increase evaluation is conducted annually, in conjunction with the budgeting process, and considers:
 - The average percent change of the past three-year’s annual fixed-route operating costs;
 - The average of the past three years increase to the CPI;
 - The average percent change in Commonwealth fixed-route operating funding provided WCTA over the past three years;
 - The average percent change in total passenger revenue over the past three years;
 - The one-time cost of the implementation of an increase in fares;
 - The impact of a fare rate increase on ridership and the actual fare revenues collected;
 - The ability to easily collect and account for fares for both WCTA and its customers; and,
 - Compliance with federal Environmental Justice and Title VI rules and regulations.

ELEMENTS TO ADDRESS IN PART 1-B OF THE ACTION PLAN (SEE P. 35)

1. None.

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. Consequently, controlling operating cost increases is one key to maintaining current service levels.

BEST PRACTICES

1. WCTA works closely with National Express and maintains strong communications. Communications tools used include daily ridership reporting, weekly meetings to discuss issues, review of driver complaints and periodic walkthroughs of the maintenance facility.
2. The contract between WCTA and National Express outlines specific performance terms the contractor must uphold and provides for liquidated damages if the contractor is found in violation of performance terms. Furthermore, WCTA strictly enforces the contract terms.

ELEMENTS TO ADDRESS IN PART 1-C OF THE ACTION PLAN (SEE P. 36)

1. WCTA coordinates maintenance procurement with their contractor and is financially responsible for all outsourced maintenance. However there is no clear delineation of what types of repairs will be outsourced defined in the contracted service agreement. As a result, WCTA may be financing outsourced maintenance that should be performed by National Express. WCTA should, in future contracts, **clearly identify the types of repairs that should be covered by contract service agreements and exceptional repairs that will be directly sponsored** by WCTA.
2. WCTA currently lacks the facilities and technical capacity to perform major mechanical repairs. As a result, these repairs are often outsourced. Some agencies have found it cost-effective to outsource repairs to nearby transit agencies that have available capacity. WCTA should **explore the potential benefits and costs of outsourcing major repairs to PAAC** as it has this in-house capacity and may provide a cost effective way to conduct such repairs.
3. WCTA’s ADA service area extends to any municipality that provides local match, not just within $\frac{3}{4}$ mile of a WCTA fixed-route. This approach causes WCTA to use fixed-route funding to support ADA service that is not required. These funds could otherwise be used to support fixed-route service. Furthermore, many of those clients outside the $\frac{3}{4}$ mile buffer could be eligible for lottery sponsored shared-ride, PwD or other programs. WCTA should **consider the potential benefits and costs of limiting ADA trip eligibility to the required minimum $\frac{3}{4}$ mile corridor of fixed-route service through Westmoreland County** and determine if there are ways to serve clients outside that buffer with other paratransit programs that have a greater cost recovery.

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. WCTA staff take a strong and proactive role in fixed-route contractor oversight and reporting. Examples of this oversight include weekly coordination meetings, thorough review of contractor invoices, strict oversight of procurement, and daily review of ridership reporting. This level of communication between an agency and its contractor improves organizational oversight and fosters a healthy working relationship.
2. WCTA buses are linked to local emergency services. They have an emergency button directly connected to the police, an additional button marked “Call Police,” on the overhead sign. By integrating emergency services within WCTA vehicles, the police may have a faster response time to a bus when needed for an emergency.

ELEMENTS TO ADDRESS IN PART 2 OF THE ACTION PLAN (SEE P. 37)

1. The WCTA Board has not recently received comprehensive Board training. Board training is used to help a Board understand current issues in public transportation and to develop a better understanding of ways to effectively oversee an agency. Board training is now available as a series of 15 minute online modules that can be completed during Board meetings or at the convenience of individual Board members. The WCTA Board **should develop a plan for members to complete the PennTRAIN Board training** online course.
2. WCTA last completed a strategic plan in 2000. A strategic plan is used to develop goals, objectives and strategies that can be used by management to provide direction to an agency and to inform decision-making. Because conditions change, a strategic plan should be routinely updated to reflect current circumstances. WCTA **should update its strategic plan** to reflect current policies, opportunities and constraints that have evolved over the last 15 years.
3. The WCTA Board does not have clearly defined committees and committee rosters. Committees are important to governance as there are number of important function that require a detailed understanding that cannot easily be achieved during regularly scheduled Board meetings. Active **standing committees of the Board, that meet at least quarterly, should be formed** to oversee major aspects of the organization including human resources, budget/finance, customer service and service delivery.
4. In FYE 2014, WCTA used \$795,918 in federal funding to subsidize shared-ride service delivery. However, it is the goal of shared-ride service that expenses are fully recovered through fares. Rather than subsidize shared-ride operations, these federal funds could be used to build WCTA’s reserves or to provide additional commuter service to Pittsburgh, which is described as “at capacity.” WCTA **should explore ways to align shared-ride costs with shared-ride revenues** so that federal funds can be used to support fixed-route needs.

5. WCTA often has low Board attendance at its regularly scheduled meetings. A fully-engaged Board is important to an agency's success as it provides oversight and guidance to management in ways that improve the overall efficiency and effectiveness of service delivery. For example, absence of a Board member from three consecutive meetings without a valid excuse may be considered as a resignation. The WCTA **should examine the potential benefits of requiring a minimum level of Board Meeting attendance** so as to increase member participation.
6. While WCTA collects valuable information on its service delivery, it lacks service standards. Service standards are used to determine how to optimize service delivery. For example, an on-time performance standard can be used as a basis to adjust schedules thereby improving system reliability. Similarly, passenger load information can be used to adjust headways, select vehicles and modify service levels. WCTA **should establish service standards** that can be used to better inform Board and management decision-making.
7. The WCTA Board does not regularly conduct a structured, well-documented annual review of the Executive Director. Formal annual reviews help management understand the Board's vision and help management prioritize among what are often competing goals. WCTA's Board should **establish a formal annual performance review process for the Executive Director** that includes specific actions and measurable goals consistent with its strategic vision for the agency.
8. While there is cross-training among staff, WCTA lacks a formal succession plan for key positions. Succession plans can be used to smooth the transition when longstanding employees leave an organization and when staff members step into new roles or assume additional responsibilities. Succession plans include the written documentation of the processes as well as alternate personnel assignments. Management should **develop a formal succession plan for all key positions**.
9. The layout of the WCTA transfer facility requires some buses to back up before departures. Because passengers traverse the facility and because there are often blind spots on large vehicles such as buses, it is generally considered good practice to avoid backing up buses, especially where there are passengers. WCTA **should reexamine the vehicle flow of the transfer facility to determine if there are alternative configurations that would allow buses to depart without backing up**.
10. WCTA has body on chassis (BOC) vehicles that have body rust and appear in poor condition relative to their age. WCTA has identified that the rust damage is the result of how a particular body seam is constructed. Before the deterioration becomes too great, management **should look into refurbishment to correct rust damage and prevent further deterioration**.
11. WCTA staff are responsible for customer service and receive appropriate training in that regard. However, drivers have the largest interaction with customers and do not receive customer service training. According to the National Express contract, drivers are to receive training in passenger relations. WCTA **should work with their contractors to ensure drivers also receive formal customer service training**.

12. Driver evaluation is based on complaints as opposed to part of an annual performance evaluation. WCTA should work with its contractors to **develop and implement a formal annual driver evaluation process** where drivers are evaluated and provided feedback on important aspects of their duties such as customer service, safety, etc.

FINANCIAL REVIEW

Assessing the financial health and trajectory of transit agencies is an effort that relies on accurate data from certified audit reports, accounts payable, accounts receivable, PennDOT dotGrants, and interviews with management and financial staff. This financial review focuses on “high-level” snapshot and trend indicators to determine if additional follow up by PennDOT is warranted through the review of audit reports, other financial reports, and budgets. The review assesses the financial status through a review of the following:

- High-Level Indicators of Financial Health
- Total Public Transportation Operational Expenditures and Funding
- Fixed-Route Funding
- Paratransit Funding
- Balance Sheet Findings
- Financial Projections

HIGH-LEVEL INDICATORS OF FINANCIAL HEALTH

As shown in **Exhibit 16**, WCTA is partially in line with most industry goals for all high-level financial indicators. Available reserves, mostly attributable to state funds, has been below 25% of annual operating costs in most years, and under normal circumstances this would raise concern. However for WCTA, fixed-route and shared-ride services are contracted, resulting in costs that are largely known. WCTA has about \$1.1 million in carryover section 1513 funds and \$86,000 in carryover local funds separately identified in PennDOT dotGrants. WCTA will need to control future costs to maintain adequate 1513 reserves.

Accounts payable and receivable amounts are negligible. WCTA has no available line of credit. Currently, WCTA has a long-term debt to the Parking Authority of the City of Greensburg for an amount of \$70,400, this debt will reach maturity by December 2016.

Local matching funds contributed by Westmoreland County and 32 of its municipalities,⁷ subsidize 2.5% of WCTA’s total operating costs (FYE 2014). These local matching funds represent an 8.9% match of local to state funds. In coming years, in accordance with Act 44 requirements, local contribution amounts will increase by 5% each fiscal year. At the time of this review, management reports municipalities with little or no ridership have eliminated their local match.

⁷ Allegheny Township, Arnold, Avonmore Borough, Delmont Borough, Derry Borough, Derry Township, East Vandergrift Borough, Export Borough, Greensburg, Hempfield Township, Irwin Borough, Jeannette, Latrobe City, Ligonier Borough, Lower Burrell, Manor Borough, Mt Pleasant Borough, Mt Pleasant Township, Murrysville, New Florence Borough, New Kensington, New Stanton Borough, North Huntingdon Township, Penn Township, St. Clair Township, Scottdale Borough, Seward Borough, Sewickley Township, South Greensburg, Unity Township, Vandergrift Borough and Youngwood Borough

Exhibit 16: High-level Financial Indicators

Indicator	WCTA Value ⁸	Assessment Criteria / Rationale	Source
State Carryover 1513 Subsidies / Annual Operating Cost	10.2%	A combined reserve of 25% provides flexibility to account for unexpected cost increases or service changes.	FYE 2014 Audit and dotGrants
Local Carryover Subsidies / Annual Operating Cost	0.8%		
Credit available/ Annual Payroll	0.0%		
Actual Local Match / Required Match	100%	100%+. Local match that exceeds required minimums gives a transit agency flexibility to change service, to accommodate unexpected cost changes and make capital investments.	dotGrants 2014
Accounts Payable (AP) 90+ days	0.0%	Should be 0% over 90 days. Larger values indicate cash flow concerns.	WCTA reported value
Accounts Receivable (AR) 90+ days	0.0%	Should be 0% over 90 days. Larger values can cause cash flow problems.	WCTA reported value
Debt / Annual Operating Cost	0.0%	Should be 0%. Low debt amounts reduce borrowing costs.	FYE 2014 Audit

⁸ Values reported as end of reporting period balances.

TOTAL PUBLIC TRANSPORTATION OPERATIONAL EXPENDITURES AND FUNDING

As shown in **Exhibit 17**, WCTA public transportation has grown from a \$4.5 million per year operation in FYE 2009 to \$11.3 million per year operation in FYE 2014, a 151% increase. Approximately 46.6% of WCTA’s operational expenses are for fixed-route service. The remaining operational expenses are for ADA complementary and shared-ride paratransit service (53.4%), as shown in **Exhibit 18**. Up until FYE 2011, WCTA paratransit service was limited to ADA Complementary service. Since then, WCTA has assumed responsibility for all shared-ride service in Westmoreland County, which accounts for \$5.7 million, 84% of the total increase.

WCTA’s operational funding comes from a variety of sources including state funds, federal funds, local funds and passenger fares. WCTA has used state and federal funds to finance both its fixed-route and ADA paratransit operations (**Exhibit 19**). Combined state and federal operating subsidies are an important share, representing approximately 44.8% of total operating income. Passenger fares and other revenues remain the largest source of operating income for WCTA (**Exhibit 20**) accounting for 52.7% of total operating income. Local funding is in line with Act 44 requirements.

Exhibit 17: Public Transportation Operating Expense by Service Type (FYE 2009-2014)

Expense by Service Type	FYE 2009	FYE 2010	FYE 2011	FYE 2012	FYE 2013	FYE 2014
Fixed-Route	\$4.2	\$4.2	\$4.7	\$5.2	\$5.2	\$5.3
ADA and Shared-Ride Paratransit	\$0.3	\$0.3	\$0.4	\$2.9	\$3.0	\$6.0
Total (\$ millions)*	\$4.5	\$4.4	\$5.1	\$8.0	\$8.2	\$11.3

* May not add due to rounding

Exhibit 18: Share of Public Transportation Operating Expenses by Service Type

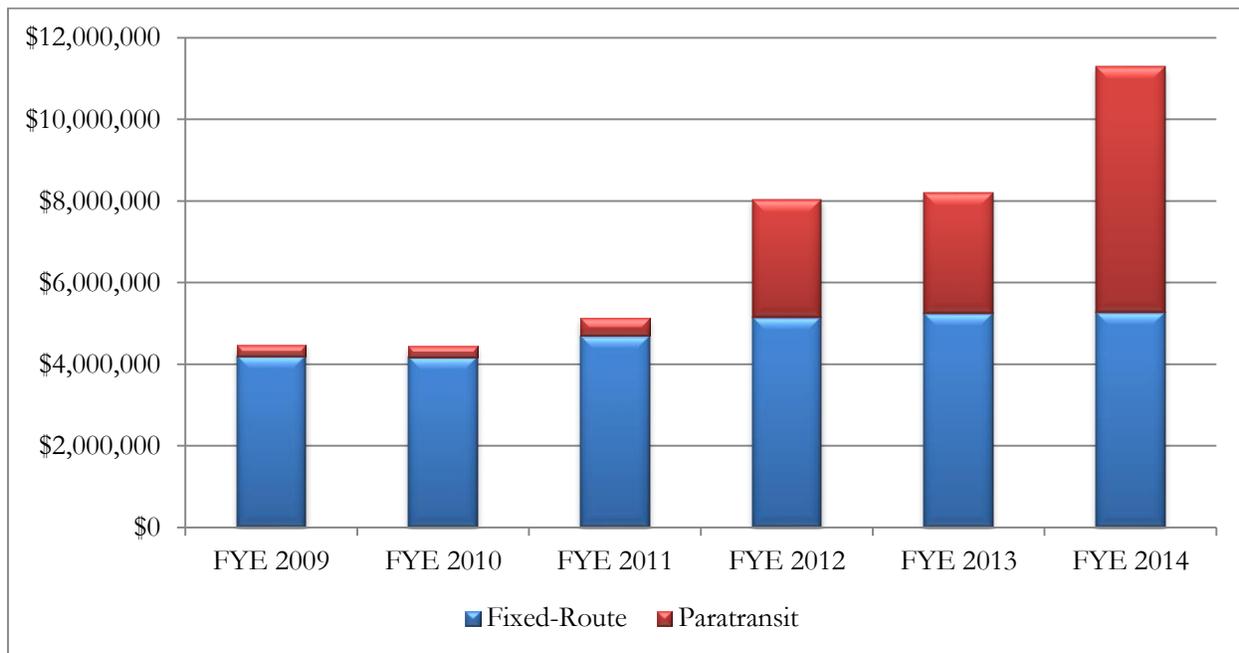
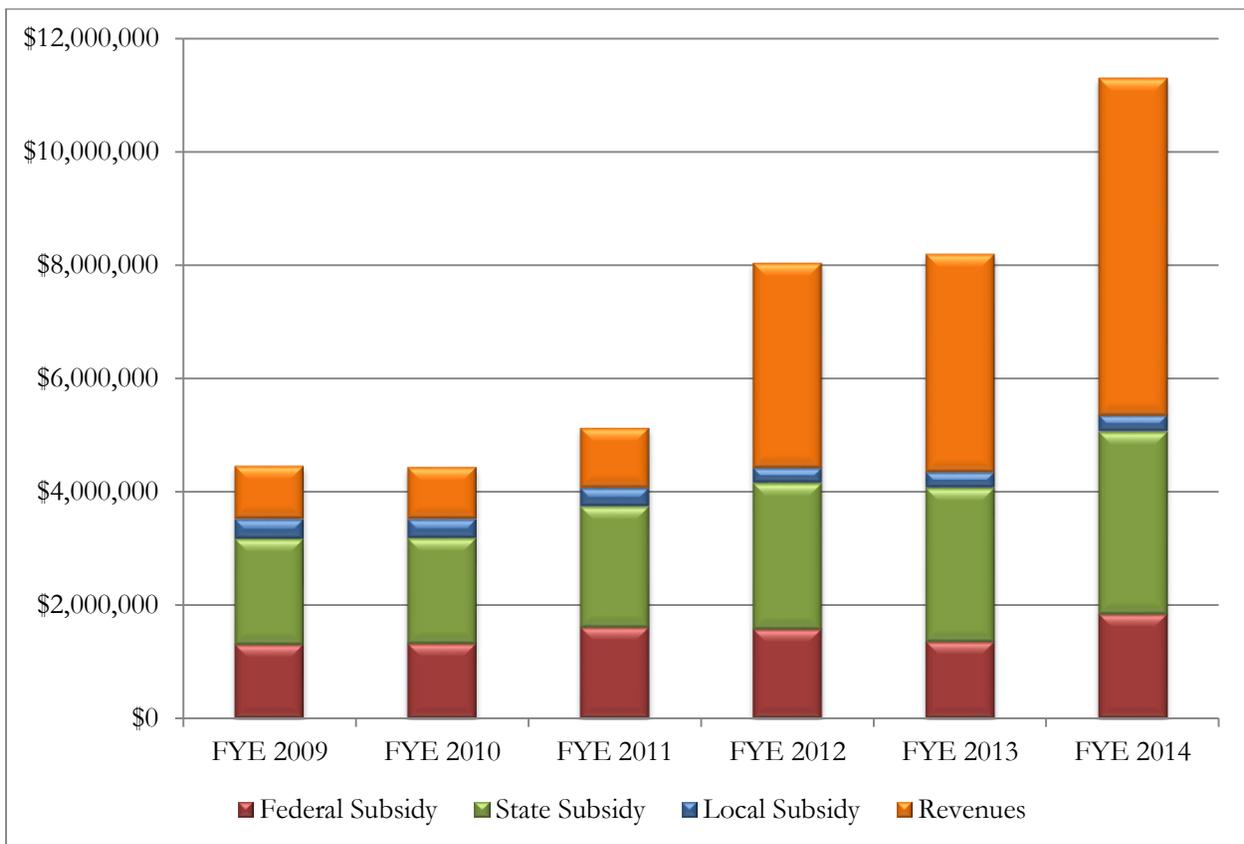


Exhibit 19: Public Transportation Operational Funding by Source (FYE 2009 – FYE 2014)

Share of Funding	2009	2010	2011	2012	2013	2014
Federal Subsidy	29.3%	29.8%	31.4%	19.6%	16.6%	16.3%
State Subsidy	41.9%	42.1%	41.5%	32.1%	33.1%	28.4%
Local Subsidy	7.8%	7.6%	6.4%	3.2%	3.4%	2.5%
Revenues (Non-Subsidy)	21.0%	20.5%	20.6%	45.0%	47.0%	52.7%
Local Subsidy / State Subsidy	18.7%	18.0%	15.4%	10.0%	10.1%	8.9%

Exhibit 20: Public Transportation (Fixed-Route + ADA Paratransit) Operational Funding



FIXED-ROUTE FUNDING

WCTA's fixed-route funding is derived from general revenues and government subsidies. Direct Passenger fares have covered between 19.7% and 26% of total operating revenues (**Exhibit 21**). Other revenues have consistently represented the largest source of revenue behind passenger fares since 2011.

Based on the FYE 2010 to FYE 2014 dotGrants reporting, WCTA operated using current year funding with \$1,148,951 state funds being "carried over" at the end of 2014. WCTA also had \$86,102 in carryover local funds available at the end of 2014.

Exhibit 21: Fixed-Route Funding

Funding Category	FYE 2010	FYE 2011	FYE 2012	FYE 2013	FYE 2014
Revenues					
Passenger Fares	\$824,211	\$871,098	\$1,016,252	\$1,226,732	\$1,370,644
Advertising	\$13,501	\$13,500	\$14,541	\$20,408	\$8,920
Charter	\$42,420	\$0	\$0	\$0	\$0
Route Guarantee	\$0	\$0	\$0	\$0	\$0
Other	\$0	\$123,609	\$6,000	\$6,000	\$6,132
Other (Misc)	\$0	\$0	\$63,261	\$97,551	\$127,528
Other (Rental)	\$0	\$0	\$24,276	\$12,570	\$6,213
Subtotal	\$880,132	\$1,008,207	\$1,124,330	\$1,363,261	\$1,519,437
Subsidies					
Federal Operating Grant	\$555,042	\$624,659	\$1,239,093	\$1,020,000	\$1,046,945
Act44 (1513) State Prior	\$714,386	\$933,434	\$961,456	\$852,129	\$771,144
Act44 (1513) State Current	\$1,133,864	\$1,165,636	\$1,570,880	\$1,631,647	\$1,643,097
Municipal Prior	\$0	\$0	\$0	\$0	\$0
Municipal Current	\$234,888	\$246,632	\$258,964	\$271,912	\$285,507
Act 44 (1513) Advertising	\$0	\$0	\$0	\$0	\$0
Act 44 (1513) Private	\$0	\$0	\$0	\$0	\$0
Act3 BSG Grant (State)	\$0	\$0	\$0	\$0	\$0
Act3 BSG Grant (Local)	\$0	\$0	\$0	\$0	\$0
Act 3 BSG Grant (State)	\$0	\$0	\$0	\$96,008	\$0
Act 3 BSG Grant (Local)	\$0	\$0	\$0	\$3,311	\$0
Special-(Federal)	\$563,916	\$646,293	\$0	\$0	\$0
Special-(State)	\$0	\$0	\$0	\$0	\$0
Special (Local)	\$101,331	\$81,030	\$0	\$0	\$0
Subtotal	\$3,303,427	\$3,697,684	\$4,030,393	\$3,875,007	\$3,746,693
Total Funding	\$4,183,559	\$4,705,891	\$5,154,723	\$5,238,268	\$5,266,130
Passenger Fares/ Total Funding	19.7%	18.5%	19.7%	23.4%	26.0%

Source: PennDOT dotGrants Reporting System

PARATRANSIT FUNDING

Paratransit funding is about 53.4% of WCTA's public transportation operation and consists of ADA complementary and shared-ride services. Local, state and federal subsidies as well as passenger fares are used to finance paratransit operating costs (**Exhibit 22**). The paratransit program has increased significantly from \$258,309 in FYE 2010 to \$6,033,395 in FYE 2014. The paratransit budget has grown from 5.8% to 53.4% of the overall WCTA service budget from FYE 2010 to FYE 2014, surpassing the fixed-route budget as the greater share in FYE 2014. Prior to FYE 2012, shared-ride service was managed by several local taxi operators with no local oversight. Since FYE 2012, WCTA has assumed responsibility for all shared-ride service in Westmoreland County.

Exhibit 22: Paratransit Funding by Source

Category	FYE 2010	FYE 2011	FYE 2012	FYE 2013	FYE 2014
Revenues					
1 Passenger Fares	\$31,208	\$51,802	\$311,393	\$328,275	\$306,680
2 Advertising	\$0	\$0	\$0	\$0	\$0
3 Lottery	\$0	\$0	\$2,022,254	\$1,953,179	\$2,041,178
4 PwD Reimbursement	\$0	\$0	\$21,560	\$68,899	\$91,249
5 AAA	\$0	\$0	\$142,919	\$140,321	\$179,154
6 MH/MR	\$0	\$0	\$0	\$0	\$0
7 W2W	\$0	\$0	\$0	\$0	\$0
8 MATP	\$0	\$0	\$0	\$0	\$1,808,492
9 Other	\$0	\$0	\$0	\$0	\$10,631
Subtotal	\$31,208	\$51,802	\$2,498,126	\$2,490,674	\$4,437,384
Subsidies					
1 Federal Operating Grant	\$0	\$0	\$340,000	\$340,000	\$795,918
2 Act 44 (1513) State Prior	\$6,264	\$10,318	\$30,825	\$32,688	\$84,728
3 Act 44 (1513) State Current	\$14,190	\$23,758	\$18,309	\$49,385	\$191,365
4 Special- (Federal)	\$206,647	\$343,512	\$0	\$0	\$0
5 Special- (State)	\$0	\$0	\$0	\$49,898	\$524,000
Subtotal	\$227,101	\$377,588	\$389,134	\$471,971	\$1,596,011
Total Funding	\$258,309	\$429,390	\$2,887,260	\$2,962,645	\$6,033,395

Source: PennDOT dotGrants Reporting System

BALANCE SHEET FINDINGS

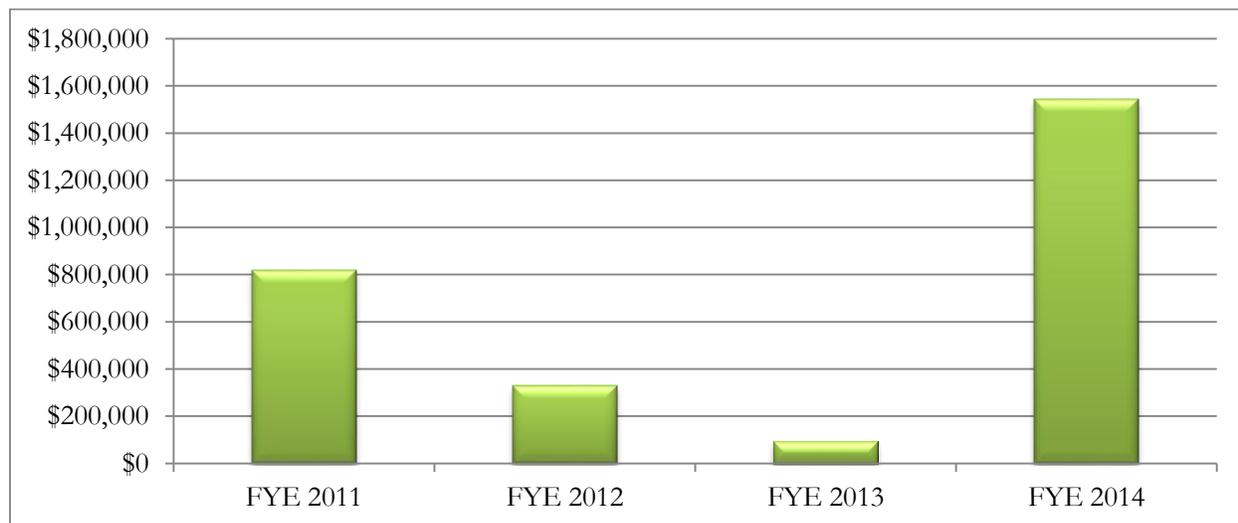
Review of balance sheets from WCTA shows that the agency regularly maintains adequate cash on hand (**Exhibit 23** and **Exhibit 24**). The margin between current assets and liabilities is similar to that seen in many other transit agencies in the Commonwealth, but has decreased and rebounded over time. Accounts payable remains at low levels. WCTA maintains a strong cash flow, but no line of credit.

Exhibit 23: Balance Sheet Summary (FYE 2011 – FYE 2014)

Balance Sheet Report	FYE 2011	FYE 2012	FYE 2013	FYE 2014
Cash Equivalent Balance	\$817,642	\$327,994	\$92,722	\$1,542,695
Grants Receivable (including capital)	\$1,270,494	\$1,377,677	\$951,919	\$1,827,566
Other Accounts Receivable	\$17,002	\$12,720	\$32,863	\$191,384
Restricted Assets: Cash	\$2,392,140	\$2,815,687	\$2,452,785	\$337,718
Inventory Value	\$122,984	\$134,983	\$195,985	\$271,071
Prepaid Expenses	\$25,357	\$34,404	\$33,807	\$26,083
Accounts Payable (including capital)	\$462,988	\$1,264,548	\$695,702	\$1,422,217
Accrued Expenses	\$836	\$3,273	\$4,248	\$5,604
Deferred Revenue	\$653,951	\$49,568	\$51,100	\$48,123
Line of Credit	\$0	\$0	\$0	\$0
Total Operating Expense	\$5,135,284	\$8,041,983	\$8,200,874	\$11,299,525
Cash Eqv. Bal / Total Operating Exp.	15.9%	4.1%	1.1%	13.7%
Line of Credit / Annual Payroll	0.0%	0.0%	0.0%	0.0%
Current Assets	\$4,645,619	\$4,703,465	\$3,760,081	\$4,196,517
Current Liabilities	\$1,117,775	\$1,341,389	\$751,050	\$1,475,944
Net Current Assets	\$3,527,844	\$3,362,076	\$3,009,031	\$2,720,573

Source: Annual Audit Reports and dotGrants

Exhibit 24: End-of-Year Cash Equivalent Balance (FYE 2011 – FYE 2014)



FINANCIAL PROJECTIONS

All transit agencies in the Commonwealth that receive 1513 operating subsidies have been asked by PennDOT to develop a five-year projection of their operating and capital budgets. The purpose is to assess the relationship of planned service levels to operating budget projections, capital needs and available resources—federal and state subsidies which are expected to increase by no more than 3% per year. Projections are completed entirely by WCTA based on their assumptions of future service levels as well as available operating and capital funding.

As shown in **Exhibit 25**, WCTA's projected operating budget assumes an average increase of less than 2.6% in FYE 2016. WCTA expects to maintain 1513 reserves.

Exhibit 25: Projected Operating Budget Summary (FYE 2014 - 2018)

Operating Budget	FYE 2014	FYE 2015	FYE 2016	FYE 2017	FYE 2018
Total Operating Expense	\$5,266,130	\$5,769,528	\$5,822,962	\$5,980,455	\$6,142,243
Total Operating Revenue	\$1,519,437	\$1,663,099	\$1,667,500	\$1,666,500	\$1,666,500
Total Operating Deficit	\$3,746,693	\$4,106,884	\$4,156,462	\$4,313,955	\$4,475,743
Federal Subsidies	\$1,046,945	\$1,035,358	\$1,030,000	\$1,080,000	\$1,080,000
State Subsidies	\$2,414,241	\$2,771,744	\$2,811,691	\$2,903,446	\$3,048,708
Local Subsidies	\$285,507	\$299,782	\$314,771	\$330,509	\$347,035
Total Funding	\$3,746,693	\$4,106,884	\$4,156,462	\$4,313,955	\$4,475,743
1513 Reserves	\$1,148,591	\$1,066,474	\$1,148,434	\$1,291,800	\$1,446,547
Operating Cost Change from Previous Year	0.5%	8.7%	0.9%	2.6%	2.6%

Currently, WCTA has no CNG vehicles, but plans to convert to CNG within the next five years. WCTA hopes to see CNG installation beginning in 2016 and will need to update the capital budget to include capital, operations and maintenance costs of CNG for budgeting purposes. Short-term, WCTA plans to purchase 45' buses to replace 40' buses that are beyond their useful life. Other capital projects include transit center renovations as well as miscellaneous transit enhancement and repair projects.

CONCLUSIONS

Westmoreland County and 32 municipalities contribute monies for WCTA's local match funding requirements. Per PennDOT dotGrants, WCTA has a balanced operating budget. WCTA projections of service levels and budget indicate that WCTA plans to maintain a balanced budget over the next five years. WCTA had \$1,070,429 in state 1513 carryover funds and \$87,060 in local carryover funds at the end of FYE 2013. This amounted to state reserves equal to 20.4% of WCTA's annual fixed-route operating cost or 13.1% of total operating cost. By the end of 2014, state carryover subsidies increased to \$1,148,591 and local matching subsidies decreased to \$86,102. Management should continue to take appropriate accounts to control costs, achieve farebox recovery goals, and maintain cash reserves to sustain WCTA's overall financial health.

APPENDIX A: ACTION PLAN IMPROVEMENT STRATEGIES

PART 1- ACT 44 PERFORMANCE METRIC FINDINGS TEMPLATES

A. ACTIONS TO INCREASE PASSENGERS / REVENUE HOUR TEMPLATE

Recommendation (page)	WCTA Action	Estimated Initiation Date	Estimated Completion Date
Expand WCTA range of service metrics to include additional transit variables for future performance monitoring of fixed-route service (p. 20)			
Assess the potential benefits and costs of moving from a flag-stop to a designated stop system (p. 20)			
Develop a system map (p. 20)			
Provide web-based trip planning (p. 21)			
Develop a comprehensive marketing plan (p. 21)			

B. ACTIONS TO INCREASE OPERATING REVENUE / REVENUE HOUR TEMPLATE

Recommendation (page)	WCTA Action	Estimated Initiation Date	Estimated Completion Date
None.			

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

Recommendation (page)	WCTA Action	Estimated Initiation Date	Estimated Completion Date
Identify the types of repairs that should be covered by contract service agreements and exceptional repairs that will be directly sponsored by WCTA (p.22)			
Explore the potential benefits and costs of outsourcing major repairs to PAAC (p. 22)			
Consider limiting ADA service to only ¼ mile of fixed-route through Westmoreland County, and an expansion of PwD for certain trips outside of ADA service area (p. 22)			

PART 2- OTHER ACTIONS TO IMPROVE OVERALL PERFORMANCE TEMPLATE

Recommendation (page)	WCTA Action	Estimated Initiation Date	Estimated Completion Date
Complete PennTRAIN board training (p. 23)			
Update WCTA strategic plan (p. 23)			
Create attendance requirements for Board participation (p. 23)			
Form standing Board committees that meet at least quarterly (p. 23)			
Explore ways to align shared-ride costs with shared-ride expenses (p. 22)			
Establish service standards that can be used to inform service planning decision-making (p. 24)			
Establish a formal annual performance review process for the Executive Director (p. 23)			
Develop formal succession plans for all key positions (p. 24)			
Examine the transfer facility configuration to identify alternate traffic flow configurations (p. 24)			
Look into vehicle refurbishment and actions to correct rust damage and prevent further deterioration (p. 24)			
Ensure drivers receive formal customer service training (p. 24)			
Develop and implement a formal annual driver evaluation process (p. 25)			

