



YATA System Performance Review

August 21, 2015

Transit Performance Review Report York Adams Transit Authority (YATA)

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AGENCY PUBLIC TRANSPORTATION PROFILE

Agency	York Adams Transportation Authority (d.b.a. YATA, rabbittransit, <i>rabbitEXPRESS</i> , Freedom Transit)	
Year Founded	1974 ¹	
Reporting Fiscal Year End (FYE)	FYE 2014	
Service Area (square miles)	911	
Service Area Population	381,751	
Annual Operating Statistics*	Fixed-Route Bus	Paratransit (Shared Ride +ADA)
Vehicles in Maximum Service (VOMS)	50	72
Operating Cost	\$10,048,824	\$4,497,668
Operating Revenues	\$1,819,053	\$1,989,172
Total (Actual) Vehicle Miles	1,711,704	2,033,617
Revenue Miles of Service (RVM)	1,633,650	1,721,706
Total Vehicle Hours	136,676	114,044
Revenue Vehicle Hours (RVH)	125,626	100,025
Total Passenger Trips	1,684,176	237,009
Senior Passenger (Lottery) Trips	174,154	101,482
Act 44 Performance Statistics		
Passengers / RVH	13.41	2.37
Operating Cost / RVH	\$79.99	\$44.97
Operating Revenue / RVH	\$14.48	\$19.89
Operating Cost / Passenger	\$5.97	\$18.98
Other Performance Statistics		
Operating Revenue / Operating Cost	18.10%	44.23%
Operating Cost / Total Vehicle Hours	\$73.52	\$39.44
Operating Cost / Total Vehicle Miles	\$5.87	\$2.21
Total Passengers / Total Vehicle Hours	12.32	2.08
Operating Cost / RVM	\$6.15	\$2.61
RVM / Total Vehicle Miles	95.44%	84.66%
RVH / Total Vehicle Hours	91.92%	87.71%

* source: PennDOT dotGrants 2014 reporting

¹ YATA was originally founded in 1974 as York Area Transportation Authority. In 1990, it was renamed the York County Transportation Authority (YCTA). In 2011, YCTA merged with Adams County Transportation Authority to become the York Adams Transportation Authority.

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 York Adams Transportation Authority (d.b.a. YATA) was conducted in November 2014. 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 services – YATA trends and a comparison of YATA to peers, targets for future performance (performance reviews are conducted on a five-year cycle), and opportunities for improvement which should assist YATA in meeting the future targets. This report also addresses the management, general efficiency and effectiveness of services.

Once this performance review report is delivered, YATA will develop an action plan which identifies the steps YATA 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 YATA’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 YATA to agree on a plan which, when approved by the YATA Board, will be submitted as the final action plan. At the very least, YATA 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. YATA’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 YATA’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 YATA.

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 YATA 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. The **five-year trend of passengers / revenue hour** is worse than the peer group average. This is explained, in part, by recent expansions in commuter and rural transit service both of which typically have lower boardings per hour than urban systems.
2. **FYE 2013 operating cost / revenue vehicle hour** ranks 5th out of 15 transit agencies and is better than the peer group average.
3. The **five-year trend for increase in operating cost / revenue vehicle** is worse than the peer group average. However, it averaged only 3.16% per year, a sustainable value.
4. **FYE 2013 operating revenue / revenue vehicle hour** ranks 11th out of the 15 transit agencies and is worse than the peer group average.
5. The **five-year trend for operating revenue/ revenue vehicle hour** is worse than the peer group average.
6. **FYE 2013 operating cost / passenger** ranks 12th out of the 15 transit agencies and is worse than the peer group.
7. The **five-year trend for operating cost / passenger increase** is worse than the peer group average.

At Risk

1. **FYE 2013 passengers / revenue vehicle hour** ranks as the lowest of the transit agencies within the peer group. This is somewhat attributable to YATA providing rural fixed-route and commuter service, both of which have lower than average boardings / revenue hour than traditional urban fixed-route service.

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

Performance Criteria	FYE	Determination	Rank (of 15)	Relation to Peer Average	Value	Peer Average
Passengers / Revenue Hour	2013	At Risk	15	Worse	13.76	17.92
	Trend	In Compliance	12	Worse	-1.09%	0.11%
Operating Cost / Revenue Hour	2013	In Compliance	5	Better	\$78.81	\$91.68
	Trend	In Compliance	12	Worse	3.16%	1.37%
Operating Revenue / Revenue Hour	2013	In Compliance	11	Worse	\$14.64	\$18.96
	Trend	In Compliance	14	Worse	-0.25%	2.37%
Operating Cost / Passenger	2013	In Compliance	12	Worse	\$5.73	\$5.19
	Trend	In Compliance	12	Worse	4.30%	1.36%

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 YATA 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. Implementing an action plan to improve performance on “distressed routes,” based on empirical data that looks at on-time performance, safety, drivers/operators, congestion, start/stop times, vehicles and ridership
2. Performing quarterly ride checks to help management identify and address safety hazards along routes to reduce accidents
3. Using AVL to monitor the impact of adjusting schedules to improve on-time performance
4. Restructuring the collective bargaining agreement to eliminate all long-term liabilities
5. Using a callback feature on YATA’s phone system to manage peak period call volume
6. Updating the strategic plan every three years and conducting Board retreats every two years
7. Using sensitivity training to help drivers learn how to manage difficult customers
8. Developing a formal recruitment and selection guide for hiring drivers
9. Promoting an agency-wide culture of employee and customer safety

OPPORTUNITIES FOR IMPROVEMENT

1. Develop procedures to ensure that future capital project plans are accompanied by sustainable operating budgets
2. Submit applications and invoices for projects/grants in a timely manner
3. Identify a capital financing / cash flow management strategy during construction of the new Zarfoss facility
4. Develop strategies to minimize the use of federal funding to subsidize operating costs
5. Explore opportunities to improve on-time performance (OTP) through changes in schedules, routes or modification of dwell times
6. Develop mechanisms to track and report maintenance trends
7. Reevaluate organization of management team to establish clear job descriptions and lines of responsibility

8. Modify customer complaint handling procedures to automatically follow up with customers
9. Develop a strategic IT plan
10. Expand marketing plan to include metrics such as expected benefits, costs and a complete budget by marketing effort
11. Perform a benefit/cost analysis to assess the potential of installing registering fareboxes in vehicles stored at rural satellite locations
12. Continue to seek ways to ensure Board makeup reflects demographic makeup of the community
13. Find effective ways to ensure employees at satellite locations can provide feedback to management team
14. Develop formal protocols to conduct routine emergency response training with all employees at all satellite locations

FINANCIAL REVIEW

York County, Adams Counties, as well as the Wareheim and Gettysburg Foundations contribute monies to satisfy YATA's local match funding requirement. YATA currently has a balanced operating budget though it is heavily reliant on the use of federal funds for operations. YATA projections of service levels indicate that YATA plans to maintain a balanced budget through the use of carryover funds. YATA had \$2,305,939 available in state 1513 carryover funds and \$753,138 in local carryover funds at the end of FYE 2013. This amounts to state reserves equal to 17.2% of YATA's annual operating cost. By the end of FYE 2014, state carryover subsidies decreased to \$2,179,619 and local carryover subsidies increased to \$881,770 respectively. YATA's 5 year operating budget projection indicates that it will deplete all federal, state and local carryover funds by FYE 2019. Management should continue to take appropriate actions to control costs, achieve farebox recovery goals, and sustain cash reserves to maintain YATA'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. These performance targets are required to comply with Act 44 performance criteria and represent the minimum performance levels that YATA 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:

Performance Criteria	Fiscal Year End (FYE)				Target Annual Increase ²
	2012 Actual	2013 Actual	2014 Actual	2020 Target	
Passengers / Revenue Hour	13.07	13.76	13.41	14.23	1.0%
Operating Cost / Revenue Hour	\$75.14	\$78.81	\$79.99	\$101.56	3.0%
Operating Revenue / Revenue Hour	\$13.69	\$14.64	\$14.48	\$15.22	1.0%
Operating Cost / Passenger	\$5.75	\$5.73	\$5.97	\$6.93	2.0%

NEXT STEPS

Upon final transmission of the performance review report, Act 44 regulations stipulate that YATA “...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 YATA 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 YATA.

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 YATA 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 Performan*” 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. YATA must select, prioritize and schedule its intended actions using the template.

YATA 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 YATA’s management and the Department. The finalized Action Plan then must be approved by the YATA Board and formally submitted to PennDOT. YATA’s 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).

² A one-time jump in operating cost of 6.3% (3.3% additional cost in addition to the 3.0% annual increase) is assumed in 2016 due to the additional maintenance and utility costs associated with relocating to the Zarfoss location where all vehicles will be stored indoors. This modifies the operating cost per RVH and passenger values for FYE 2016 and beyond.

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 York Adams Transportation Authority (d.b.a. YATA).

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 late 2014, an Act 44 mandated performance review was initiated for YATA. 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 YATA 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 January 27 and January 28, 2015.
 - An interview guide customized for YATA’s service was used for the review.
 - Topics covered during the interview process included:
 - Governance
 - Management
 - Human/Labor Relations
 - Finance
 - Procurement
 - Operations and Scheduling
 - Maintenance
 - Safety and Security
 - Customer Service
 - Information Technology
 - Capital Planning
 - Marketing and Public Relations
 - Planning

AGENCY DESCRIPTION

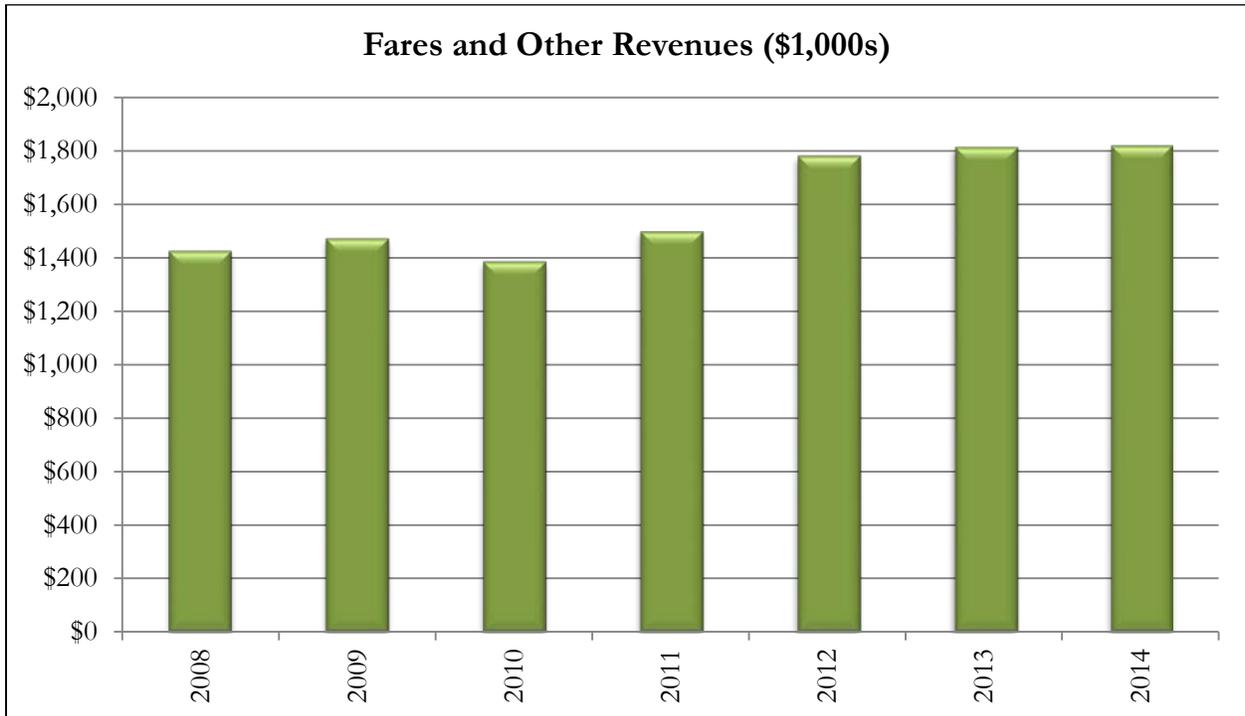
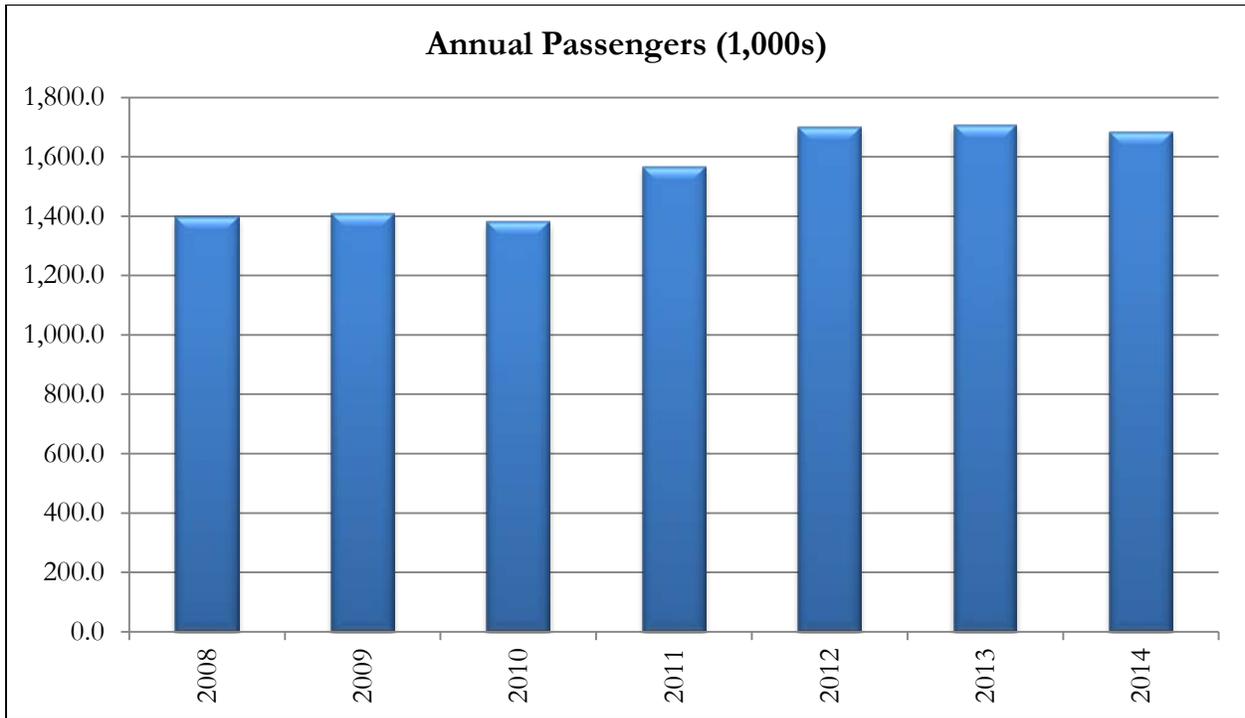
The York Adams Transportation Authority (d.b.a. YATA) was created in 2011 by the merger of the Adams County Transit Authority (ACTA) and the York County Transportation Authority (YCTA). YATA provides fixed-route service to residents in York and Adams counties as well as shared-ride service in Northumberland County, and, commuter service to Harrisburg and the Baltimore areas. Depending on the geographic area served, YATA operates under different brands such a rabbittransit in York County, rabbitEXPRESS for commuter service, and Freedom Transit in Gettysburg.

Currently, YATA operates 17 regular rabbittransit fixed-routes, 4 regular and seasonal Freedom Transit routes and 3 rabbitEXPRESS routes. It also acts as the coordinator for Northumberland County shared-ride services. **Exhibit 1** and **Exhibit 2** present fixed-route bus statistics for YATA derived from PennDOT dotGrants Legacy Reports.

Listed below are observations from trends in demand, revenues, and operating characteristics for the Legacy reporting period of Fiscal Year End (FYE) 2008 through 2014. It should be noted that rabbittransit provided shuttle service to York Memorial Hospital during the analysis timeframe. Because that service was only a short-term service intended to relieve parking constraints during construction, the passengers, revenues and costs associated with the shuttle service have been excluded from the statistics presented in this report so as not to introduce biases that could impact the interpretation of trends. From the adjusted dotGrants and NTD statistics, observations are as follows:

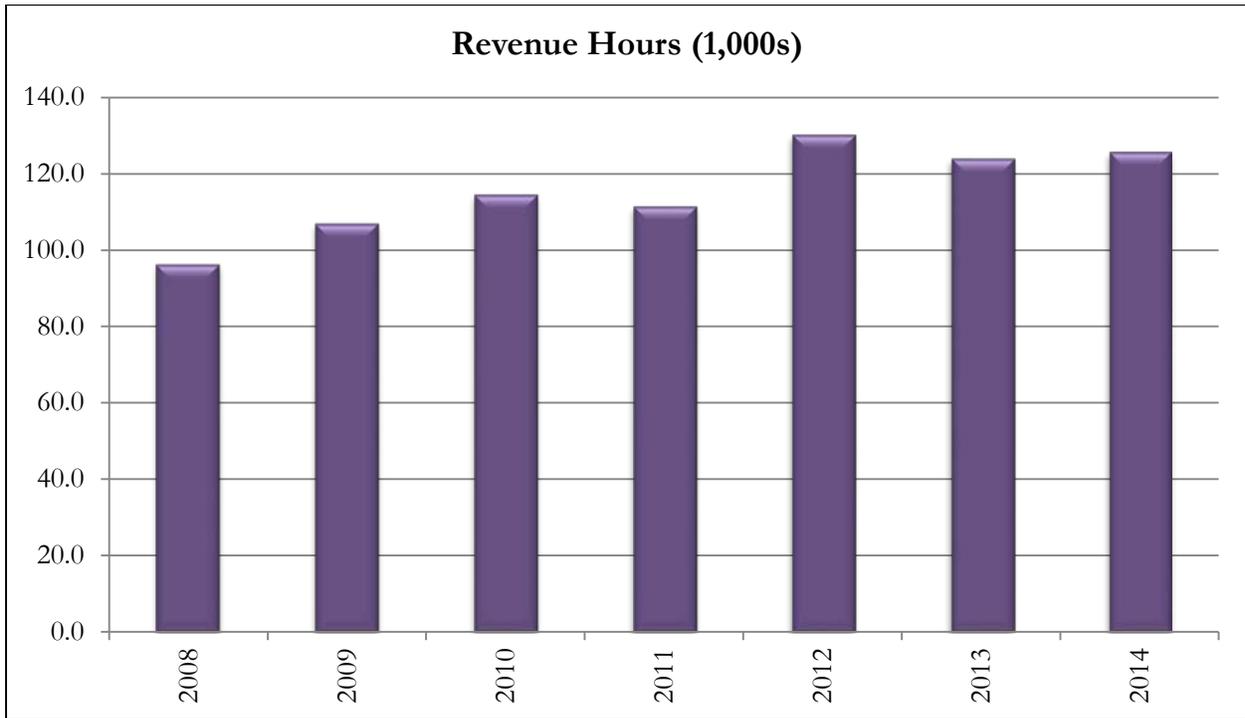
1. YATA's annual fixed-route ridership has increased 20.4% since 2008 and was about 1,684,200 passengers per year in 2014.
2. YATA's 2014 total operating revenue (including passenger fares and advertising) was \$1.08 per passenger trip in FYE 2014. YATA's regular base fare for rabbittransit is \$1.60 and transfers are free. Freedom Transit has a base fare of \$1.00. Freedom transit does not charge for transfers and Gettysburg College students ride for free. rabbitEXPRESS fares range from \$31 to \$50 for an 11 ride pass. Overall farebox recovery, passenger fares / operating cost, is about 17.7%.
3. Revenue hours of service increased by a net of 30.6% between 2008 and 2014. YATA provided 125,600 revenue hours of service in FYE 2014. Most of the increase in revenue hours is attributable to the addition of Freedom Transit and rabbitEXPRESS service.
4. Total operating costs increased in total by about 54.8% between 2008 and 2014. Much of the increase in operating costs is attributable to the addition of Freedom Transit and rabbitEXPRESS service.

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...”³

The law sets forth the following performance criteria to be used to satisfy its objectives⁴:

- 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:⁵

- 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 YATA’s management for review and comment. After discussions were complete, the following 14 peer systems, in addition to YATA, were included in subsequent analyses for peer comparison purposes:

1. Valley Regional Transit (VRT) Meridian, ID
2. Merrimack Valley Regional Transit Authority (MVRTA) Haverhill, MA
3. Red Rose Transit Authority (RRTA) Lancaster, PA
4. Escambia County Area Transit (ECAT) Pensacola, FL
5. Wichita Transit (WT) Wichita, KS
6. Jefferson Parish Department of Transit Administration (Jet) Gretna, LA
7. Rockford Mass Transit District (RMTD) Rockford, IL
8. Berks Area Reading Transportation Authority (BARTA) Reading, PA
9. Victor Valley Transit Authority (VVTa) Hesperia, CA

³ Title 74 Pa. C.S.A. §1513 (e)

⁴ Title 74 Pa. C.S.A. §1513 (f)

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

10. Fort Wayne Public Transportation Corporation (Citilink) Fort Wayne, IN
11. Western Reserve Transit Authority (WRTA) Youngstown, OH
12. Sonoma County Transit (SCT) Santa Rosa, CA
13. Manatee County Area Transit (MCAT) Bradenton, FL
14. City of Appleton - Valley Transit, Appleton, WI

ACT 44 FIXED-ROUTE COMPARISONS AND FINDINGS

Comparison of YATA with the selected peer systems was completed using NTD-reported data and PennDOT dotGrants Legacy statistics. Due to its consistency and availability⁶ 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 YATA
- *Standard Deviation*: Standard deviation of all values being measured across all peer transit agencies, including YATA

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

⁶ 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.

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 review⁷.

Detailed results of the YATA 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	At Risk	In Compliance
Operating Cost / Revenue Hour	In Compliance	In Compliance
Operating Revenue / Revenue Hour	In Compliance	In Compliance
Operating Cost / Passenger	In Compliance	In Compliance

FIXED-ROUTE BUS PERFORMANCE COMPARISONS

For the 14 peer systems plus YATA, 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 “15th” indicates that it performs the poorest on any given metric.

The findings presented in the exhibits, representing rabbittransit, *rabbitEXPRESS*, and Freedom Transit combined, can be summarized as follows:

1. YATA’s FYE 2013 passengers / revenue hour ranks as the lowest of the 15 transit agencies in the peer group. Passengers / revenue hour have decreased at about 1.09% per year. This is attributable to the addition of Freedom Transit (rural) and expansion of *rabbitEXPRESS* commuter service, both of which have lower boardings / revenue hour than urban service.
2. YATA’s FYE 2013 operating cost / revenue vehicle ranks 5th out of the peer group. Operating cost / revenue hour has increased 3.16% annually giving YATA the 12th ranking of the 15 peer agencies for this measure.
3. YATA’s 2013 operating revenue / revenue vehicle hour ranks as the 11th out of its peers. The trend between FYE 2008 and FYE 2013 indicates that operating revenue / revenue vehicle hour is decreasing at a rate less than the decline in passengers / revenue hour.
4. YATA’s operating cost / passenger is ranked 12th out of peer group average for FYE 2013. The trend of annual cost / passenger increase (4.3%) is high at about three times that of the peer group average (1.3%). This is attributable to the combination of declining ridership per hour and increasing costs per hour.

⁷ 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.

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 of 15	2008 Value	Annual Rate	Rank of 15
Valley Regional Transit	16.34	12	13.75	3.52%	2
Merrimack Valley Regional Transit Authority	17.69	8	17.64	0.06%	9
Red Rose Transit Authority	17.34	9	18.27	-1.04%	11
Escambia County Area Transit	14.25	14	12.51	2.63%	4
Wichita Transit	18.73	5	21.68	-2.89%	14
Jefferson Parish Department of Transit Administration	21.89	2	23.56	-1.46%	13
Rockford Mass Transit District	18.76	4	17.71	1.16%	5
Berks Area Reading Transportation Authority	23.94	1	23.03	0.77%	6
Victor Valley Transit Authority	16.66	11	12.01	6.76%	1
Fort Wayne Public Transportation Corporation	18.63	6	18.72	-0.10%	10
Western Reserve Transit Authority	17.82	7	30.43	-10.15%	15
Sonoma County Transit	15.62	13	15.31	0.41%	7
Manatee County Area Transit	20.67	3	17.99	2.82%	3
City of Appleton - Valley Transit	16.74	10	16.47	0.33%	8
York Adams Transportation Authority	13.76	15	14.54	-1.09%	12
<i>Average</i>	<i>17.92</i>		<i>18.24</i>	<i>0.11%</i>	
<i>Standard Deviation</i>	<i>2.72</i>		<i>4.85</i>	<i>3.69%</i>	
<i>Average – 1 Standard Deviation</i>	<i>15.21</i>		<i>13.39</i>	<i>-3.58%</i>	
<i>Average + 1 Standard Deviation</i>	<i>20.64</i>		<i>23.10</i>	<i>3.81%</i>	
Act 44 Compliance Determination	At Risk		In Compliance		
Compared to the Peer Group Average	Worse		Worse		

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 of 15	2008 Value	Annual Rate	Rank of 15
Valley Regional Transit	\$81.28	6	\$82.33	-0.26%	5
Merrimack Valley Regional Transit Authority	\$104.40	12	\$80.35	5.38%	15
Red Rose Transit Authority	\$86.78	7	\$70.56	4.23%	14
Escambia County Area Transit	\$75.66	2	\$78.23	-0.67%	3
Wichita Transit	\$90.96	9	\$92.71	-0.38%	4
Jefferson Parish Department of Transit Administration	\$110.10	13	\$108.19	0.35%	6
Rockford Mass Transit District	\$121.03	14	\$104.13	3.05%	11
Berks Area Reading Transportation Authority	\$78.09	4	\$71.34	1.82%	9
Victor Valley Transit Authority	\$67.12	1	\$65.10	0.61%	7
Fort Wayne Public Transportation Corporation	\$94.15	10	\$84.70	2.14%	10
Western Reserve Transit Authority	\$97.46	11	\$110.99	-2.56%	1
Sonoma County Transit	\$122.46	15	\$114.54	1.35%	8
Manatee County Area Transit	\$90.33	8	\$77.21	3.19%	13
City of Appleton - Valley Transit	\$76.53	3	\$79.83	-0.84%	2
York Adams Transportation Authority	\$78.81	5	\$67.47	3.16%	12
<i>Average</i>	<i>\$91.68</i>		<i>\$85.84</i>	<i>1.37%</i>	
<i>Standard Deviation</i>	<i>\$16.74</i>		<i>\$16.39</i>	<i>2.17%</i>	
<i>Average – 1 Standard Deviation</i>	<i>\$74.94</i>		<i>\$69.45</i>	<i>-0.80%</i>	
<i>Average + 1 Standard Deviation</i>	<i>\$108.42</i>		<i>\$102.24</i>	<i>3.55%</i>	
Act 44 Compliance Determination	In Compliance		In Compliance		
Compared to the Peer Group Average	Better		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 of 15	2008 Value	Annual Rate	Rank of 15
Valley Regional Transit	\$10.77	15	\$10.87	-0.18%	13
Merrimack Valley Regional Transit Authority	\$19.87	5	\$13.38	8.23%	1
Red Rose Transit Authority	\$25.87	2	\$21.96	3.33%	5
Escambia County Area Transit	\$17.14	8	\$14.30	3.70%	4
Wichita Transit	\$19.42	6	\$17.46	2.15%	10
Jefferson Parish Department of Transit Administration	\$36.12	1	\$33.42	1.56%	11
Rockford Mass Transit District	\$14.33	12	\$12.26	3.16%	6
Berks Area Reading Transportation Authority	\$25.67	3	\$22.85	2.35%	9
Victor Valley Transit Authority	\$17.14	9	\$12.73	6.13%	3
Fort Wayne Public Transportation Corporation	\$18.49	7	\$13.35	6.73%	2
Western Reserve Transit Authority	\$14.29	13	\$20.97	-7.39%	15
Sonoma County Transit	\$24.16	4	\$20.86	2.99%	7
Manatee County Area Transit	\$11.46	14	\$11.34	0.21%	12
City of Appleton - Valley Transit	\$15.05	10	\$13.08	2.84%	8
York Adams Transportation Authority	\$14.64	11	\$14.82	-0.25%	14
<i>Average</i>	\$18.96		\$16.91	2.37%	
<i>Standard Deviation</i>	\$6.67		\$6.11	3.64%	
<i>Average – 1 Standard Deviation</i>	\$12.29		\$10.80	-1.27%	
<i>Average + 1 Standard Deviation</i>	\$25.63		\$23.03	6.01%	
Act 44 Compliance Determination	In Compliance		In Compliance		
Compared to the Peer Group Average	Worse		Worse		

Exhibit 7: Fixed-Route Operating Cost / Passenger

Operating Cost / Passenger (MB)					
System	FYE 2013 Single Year		5 Year Change Since FYE 2008		
	Value	Rank of 15	2008 Value	Annual Rate	Rank of 15
Valley Regional Transit	\$4.97	6	\$5.99	-3.65%	2
Merrimack Valley Regional Transit Authority	\$5.90	13	\$4.56	5.32%	13
Red Rose Transit Authority	\$5.01	7	\$3.86	5.33%	14
Escambia County Area Transit	\$5.31	10	\$6.25	-3.22%	3
Wichita Transit	\$4.86	5	\$4.28	2.58%	11
Jefferson Parish Department of Transit Administration	\$5.03	8	\$4.59	1.84%	8
Rockford Mass Transit District	\$6.45	14	\$5.88	1.87%	9
Berks Area Reading Transportation Authority	\$3.26	1	\$3.10	1.04%	7
Victor Valley Transit Authority	\$4.03	2	\$5.42	-5.75%	1
Fort Wayne Public Transportation Corporation	\$5.05	9	\$4.52	2.24%	10
Western Reserve Transit Authority	\$5.47	11	\$3.65	8.44%	15
Sonoma County Transit	\$7.84	15	\$7.48	0.93%	6
Manatee County Area Transit	\$4.37	3	\$4.29	0.36%	5
City of Appleton - Valley Transit	\$4.57	4	\$4.85	-1.16%	4
York Adams Transportation Authority	\$5.73	12	\$4.64	4.30%	12
<i>Average</i>	\$5.19		\$4.89	1.36%	
<i>Standard Deviation</i>	\$1.06		\$1.13	3.75%	
<i>Average - 1 Standard Deviation</i>	\$4.13		\$3.76	-2.39%	
<i>Average + 1 Standard Deviation</i>	\$6.25		\$6.02	5.12%	
Act 44 Compliance Determination	In Compliance		In Compliance		
Compared to the Peer Group Average	Worse		Worse		

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

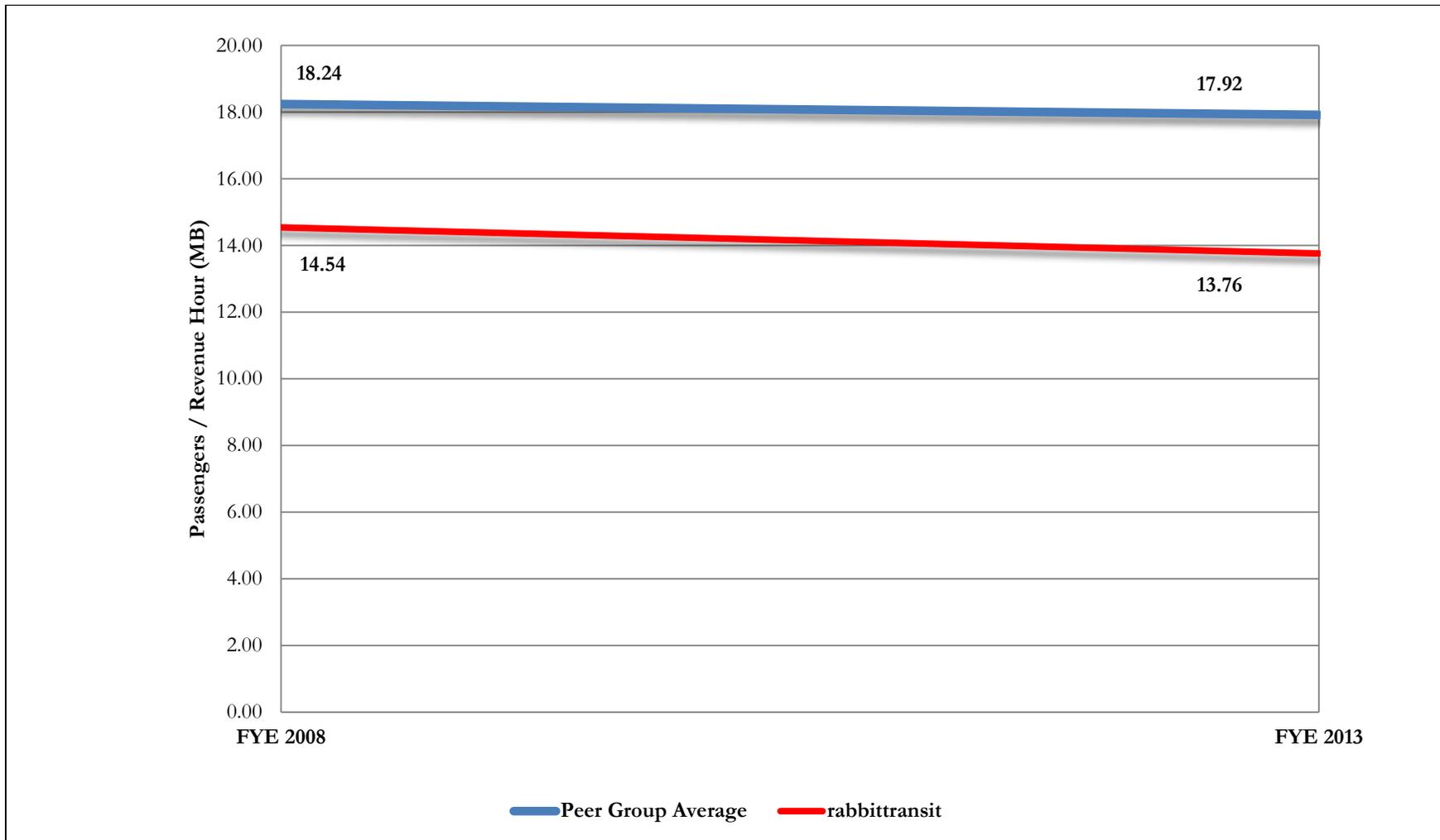


Exhibit 9: Fixed-Route Operating Cost / Revenue Vehicle Hour Trend FYE 2008-2013

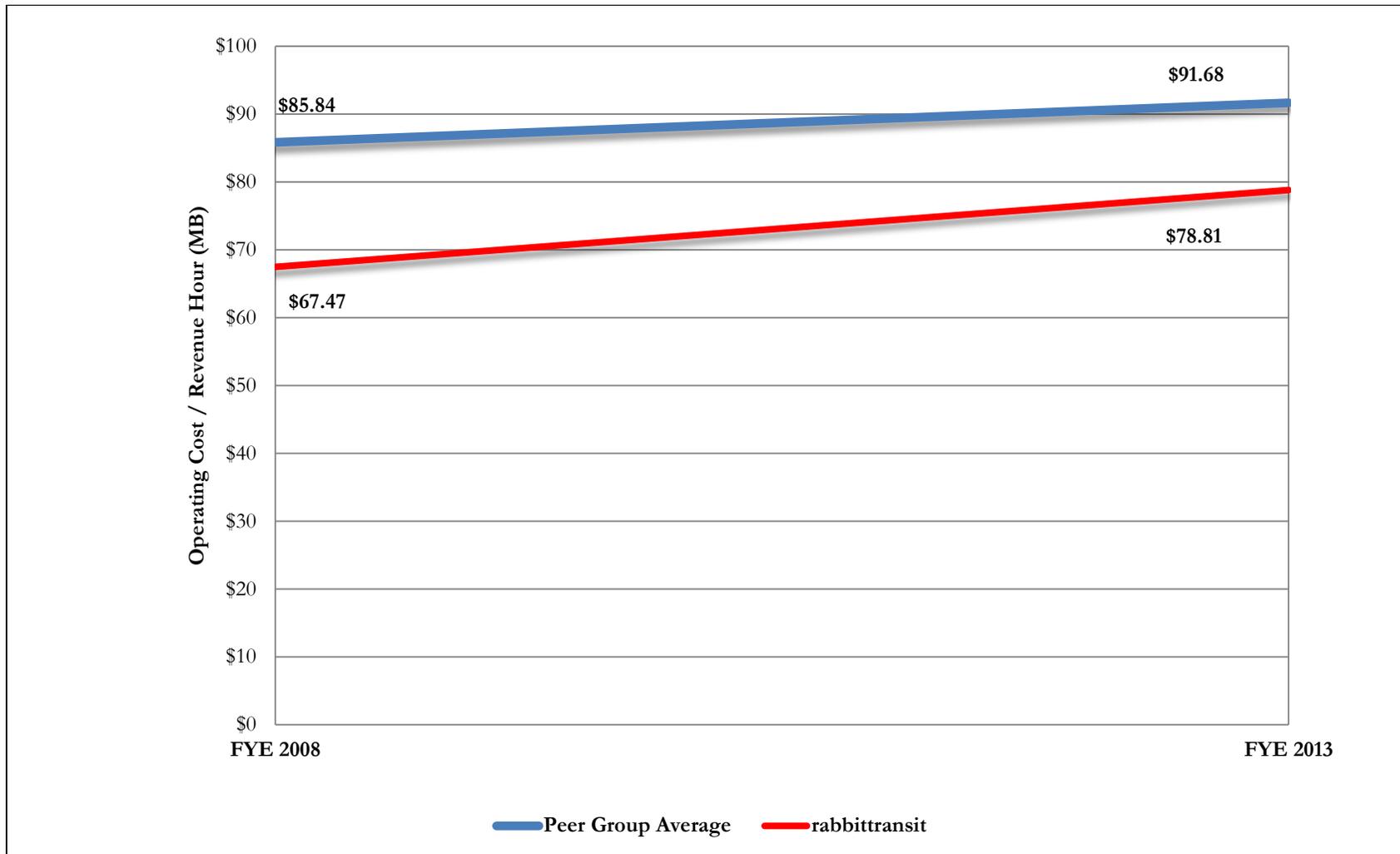


Exhibit 10: Fixed-Route Operating Revenue / Revenue Vehicle Hour Trend FYE 2008-2013

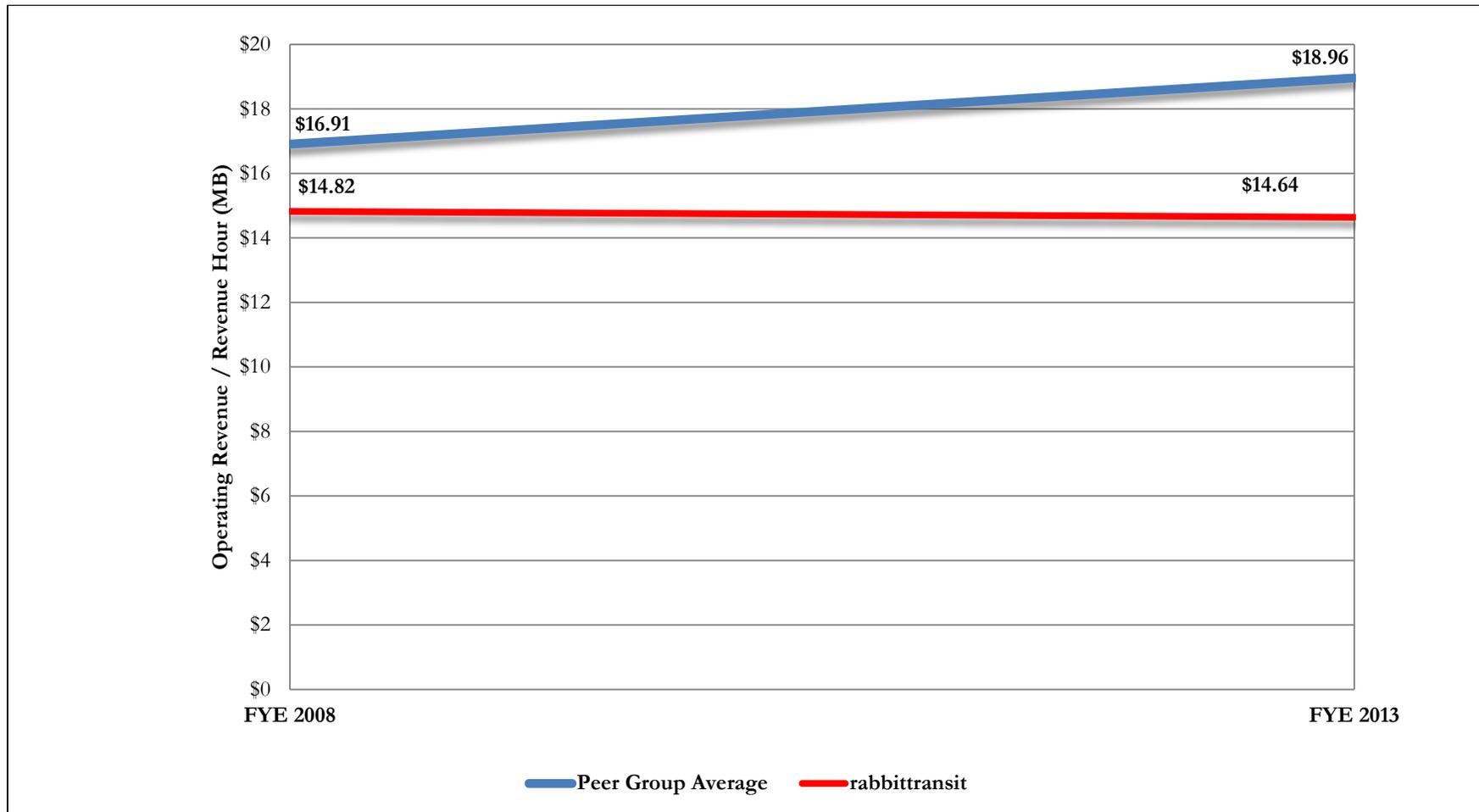
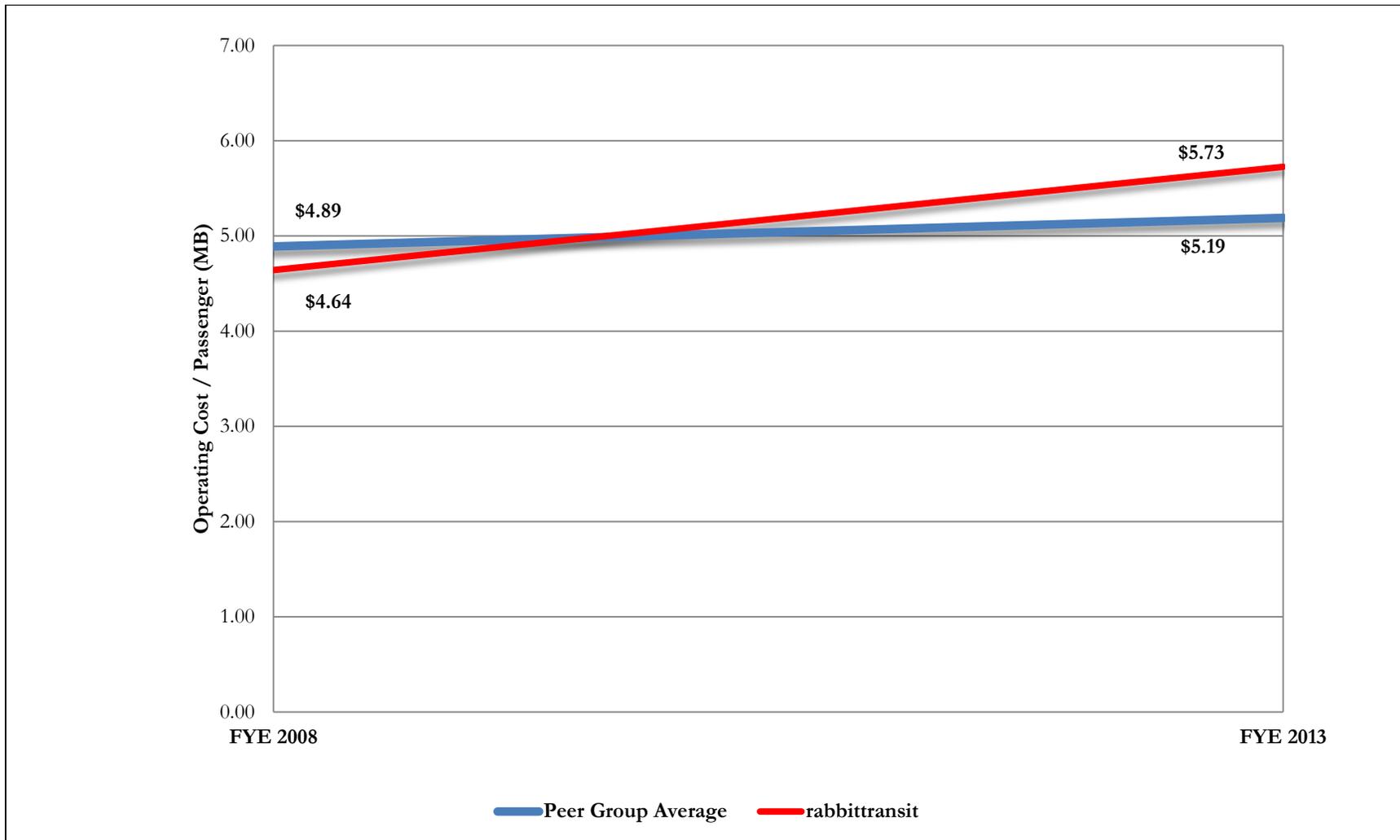


Exhibit 11: Fixed-Route Operating Cost / Passenger Trend FYE 2008-2013



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. YATA’s target has been set to 1% growth per year to reverse recent trends in declining passengers / revenue hour attributable to expansions of rural (Freedom Transit) and commuter (*rabbitEXPRESS*) service, both of which have fewer boardings per hour compared to urban (*rabbittransit*) services.

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. YATA’s target has been set to rate of 3% per year due to a need to make sure future costs and future state subsidies are aligned. However, a one-time allowance of an additional 3.3%, in addition to the base 3% annual rate, has been added in FYE 2016 to account for higher maintenance costs associated with YATA’s relocation to the new Zarfoss location where all vehicles will be stored indoors.

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 YATA 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 YATA before they are finalized so that expected anomalies are reflected in the standards. The suggested performance targets for YATA’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.....14.23
 Interim Year TargetsAnnual increase of at least 1.0%

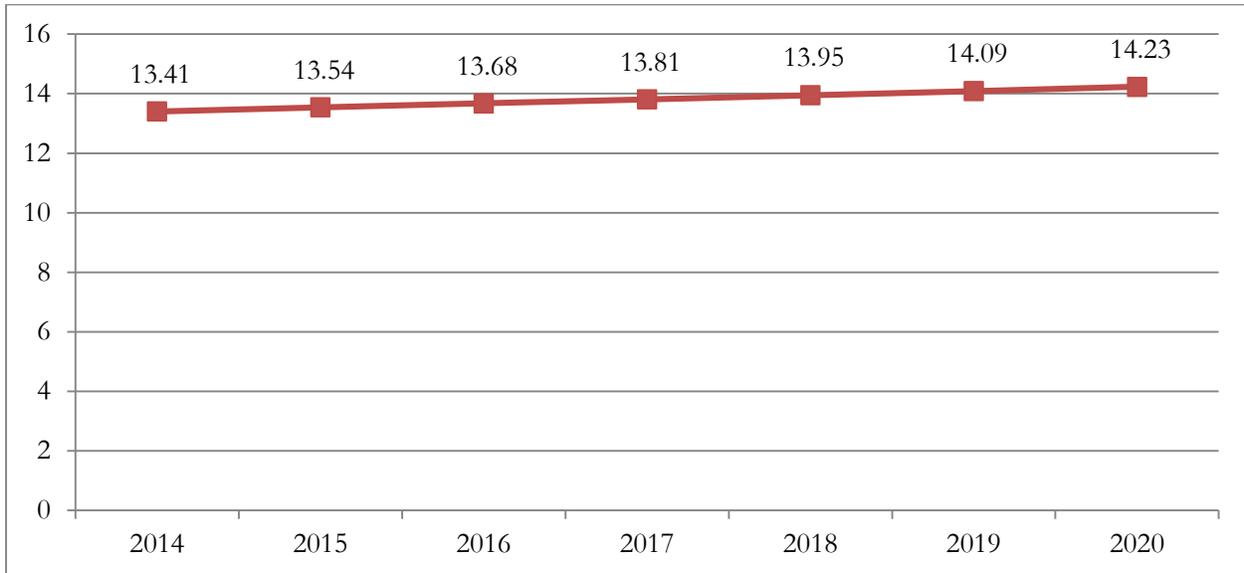


Exhibit 13: Fixed-Route Operating Cost / Revenue Vehicle Hour Performance Targets

FYE 2020 Target.....\$98.61
 Interim Year Targets⁸.....Annual increase of no more than 3.0%



⁸ A one-time jump in operating cost of 6.3% (3.3% additional cost in addition to the 3.0% annual increase) is assumed in 2016 due to the additional maintenance and utility costs associated with relocating to the Zarfoss location where all vehicles will be stored indoors. This modifies the operating cost per RVH and passenger values for FYE 2016 and beyond.

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

FYE 2020 Target.....\$15.37
 Interim Year TargetsAnnual increase of at least 1.0%

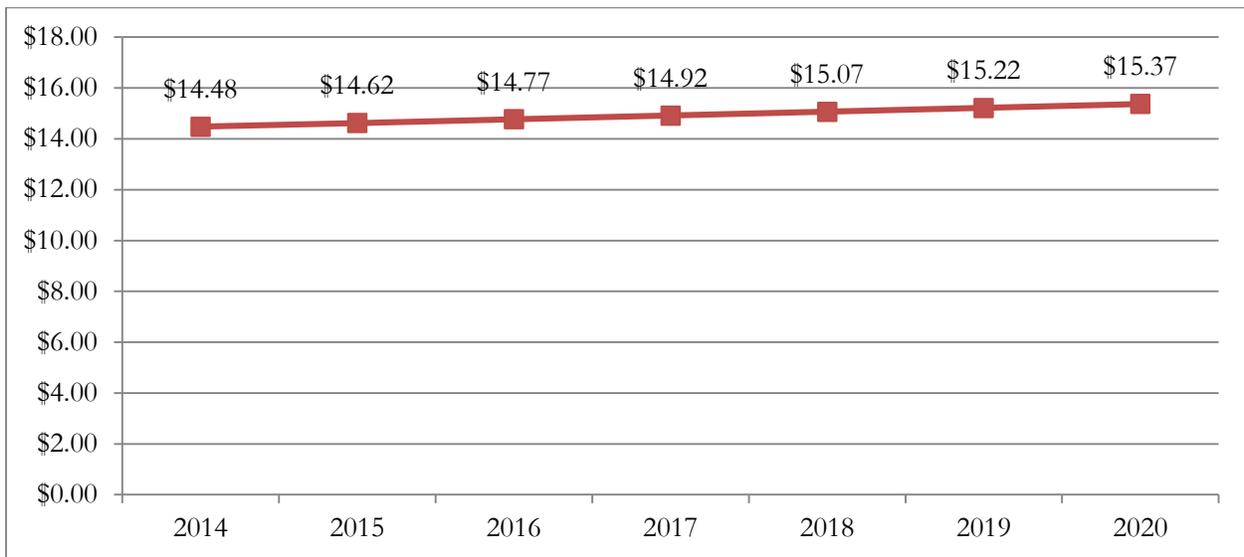
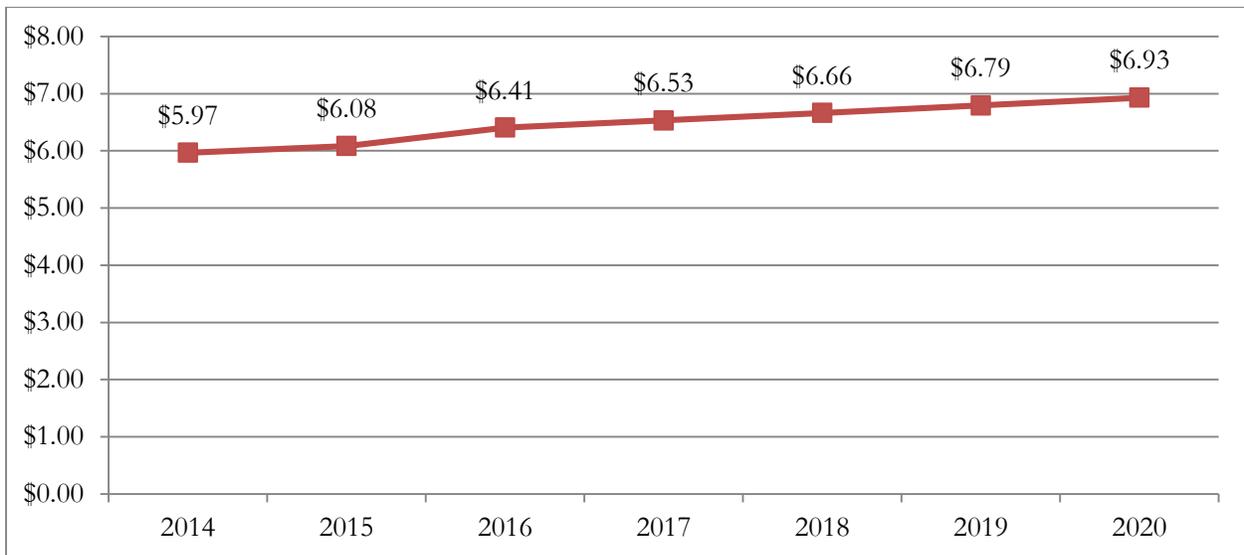


Exhibit 15: Fixed-Route Operating Cost / Passenger Performance Targets

FYE 2020 Target..... \$6.93
 Interim Year Targets⁹..... Annual increase of no more than 2.0%



⁹ A one-time jump in operating cost of 6.3% (3.3% additional cost in addition to the 3.0% annual increase) is assumed in 2016 due to the additional maintenance and utility costs associated with relocating to the Zarfoss location where all vehicles will be stored indoors. This modifies the operating cost per RVH and passenger values for FYE 2016 and beyond.

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 14 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. **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 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).
13. **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.
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. 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 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 for one or more of the Act 44 fixed-route performance factors. For the convenience of YATA, Action Plan templates have been included in **Appendix A: Action Plan Improvement Strategies** (pp. 33-36). 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. YATA has adopted an innovative process to correct route-level deficiencies that identifies “distressed routes” by looking at empirical data on a variety of metrics including: on-time performance trends; safety; drivers/operators; congestion; start/stop times; vehicles; and, ridership. An action plan is then developed and management has discussions and a ride along with drivers where these distressed routes are found. This proactive approach to operations oversight should yield continuous improvements to route performance.
2. As part of their safety oversight efforts, YATA performs quarterly ride checks with drivers using a safety oversight manager. By conducting frequent ride checks, YATA is able to identify and address hazards along routes before they result in an accident.
3. YATA actively uses AVL to monitor on-time performance, on-time departures and adjust schedules. By monitoring each vehicle in real time, management can work with each driver to address on-time performance (OTP) issues. While OTP remains an issue for YATA, using technology to actively monitor it is an important step towards improving system reliability.
4. YATA coordinates with and jointly markets service connections with AMTRAK, Red Rose (RRTA), Lebanon (LT) and Capital Area Transit (CAT). For example, the Adams County route 15N shows CAT connections to Harrisburg Airport. By jointly marketing transit service, YATA is able to extend the reach of its network in a cost-effective manner allowing it to serve more passengers.

ELEMENTS TO ADDRESS IN PART 1-A OF THE ACTION PLAN (SEE P. 33)

1. On-time performance (OTP) is an area where YATA reports less than 80% performance. This is due, in part, to additional time needed for loading and unloading wheelchairs. Management actively monitors OTP using AVL and is making progress towards improving it. YATA **should continue to explore opportunities for OTP improvements** such as changes in schedules, changes in routes or modified dwell times to improve OTP to 90% or greater.
2. YATA lacks proactive customer complaint follow up procedures, following up with customers only as requested. In order to promote better customer relations, YATA should **modify its customer complaint handling procedures to automatically follow up with customers**, unless they specifically request no follow up, to ensure customers are aware of complaint resolutions.
3. YATA has a marketing plan that lays out specific objectives and tasks to be undertaken in any given fiscal year. To be more comprehensive, the **marketing plan should be expanded to 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, and advertising revenues.

BEST PRACTICES

1. Freedom Transit marketing in Gettysburg with the 150th anniversary is considered an agency success. Initiatives such as the targeting riders with an aggressive social media campaign can prove successful at increasing revenue when expertly executed. Reaching patrons through social applications on their smart phones, in addition to social media accounts spread the message of the agency, and in many instances increase awareness of YATA routes and services.

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

1. YATA’s facilities, apart from York, do not have registering fareboxes or probes. Registering fareboxes provide timely information on ridership and revenues that can be used to inform service planning and pass pricing. YATA should **perform a benefit/cost analysis to determine if registering fareboxes can be installed at the rural Gettysburg and Hanover satellite locations** in a cost-effective manner.

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. YATA restructured their collective bargaining agreement in 2007 to safeguard the agency's long-term financial health by eliminating all long-term liabilities. Proactively addressing long-term liabilities before they impede the ability to deliver service demonstrates good management and governance.
2. YATA's phone system has a call back feature to prevent long wait times. This approach towards managing call volume allows more equal spreading of peak loads resulting in time savings for both YATA and customers.
3. YATA has a small, tightly managed extraboard that can flex between fixed-route and shared-ride service. Furthermore, supervisors and dispatchers have CDL-P licenses, route training, and can fill in when there is a driver shortage. By having an extraboard that can drive either type of vehicle, YATA minimizes the required size of the extraboard and the cost associated with maintaining a larger pool of drivers.

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

1. With recent expansions, YATA has technical issues with communications between its facilities in Northumberland and Gettysburg. Additionally, YATA is constructing a new facility in York. To support its new main facility and satellite locations, **YATA should develop a strategic IT plan** that documents its goals, needs and funding requirements.
2. YATA plans to construct and relocate to a new fully-enclosed operating facility located on the Zarfoss site. It is expected that the cost to operate the facility will be significantly higher than the current facility where all vehicles are stored outdoors. It is expected that the cost to maintain and operate the site will add 3.3% to overall fixed-route operating cost and a similar amount to its paratransit operating cost. However, this has not been accounted for in YATA's five-year capital and operating budget projections. YATA should **develop procedures to ensure that future capital project plans are accompanied by sustainable operating cost budgets** and make sure that adequate funding is in place to support those operations.
3. YATA lacks formal protocols to regularly analyze and report on maintenance trends. As YATA's fleet ages and assets are used beyond their estimated useful life, it is important that management **develop mechanisms to track and report maintenance trends** to inform maintenance staffing needs as well as operating and capital budget development.
4. YATA uses more than \$3 million each year in federal funds to subsidize operations and preventative maintenance leaving little capital funding available for fleet replacement. As a result, YATA keeps vehicles well beyond their useful life. These older vehicles have a higher cost of maintenance and operation than new vehicles. **YATA should develop strategies to minimize the use of federal funds expended on operations** to free up federal funds needed to meet its long-term fleet replacement needs.

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. Current strategic plans are fundamental to vision setting and identifying strategic goals and objectives that can be used by management to direct day-to-day decision-making. YATA updates its strategic plan every 3 years and conducts Board retreats every year or two. This commitment by the Board demonstrates an active role in the leadership and future of YATA. It also provides management clear and current direction as changes in Board membership and priorities occur over time.
2. YATA places a strong emphasis on safety. For example, YATA conducts quarterly ride checks with drivers specifically looking for safety hazards along routes, it coordinates closely with first responders, and has created a new COO position that oversees safety needs on all fixed-route and shared-ride service. YATA has a safety-based organizational culture that is evident in all aspects of the organization.
3. YATA provides sensitivity training to help drivers learn how to manage difficult customers. By teaching skills beyond those necessary to safely operate a vehicle, YATA gives drivers the tools they need to manage difficult customers and to increase overall customer satisfaction.
4. YATA has a formal recruitment and selection guide for hiring. On their website, YATA provides a detailed overview of the hiring process, and what information is required by an applicant to apply. This systematic and transparent approach towards hiring helps YATA identify the best talent to fit their organizational culture.
5. All YATA management and administrative staff receive annual performance evaluations. Performance evaluations are a useful tool to promote communication, to identify challenges that arise, and promote a culture of responsibility and ownership.

ELEMENTS TO ADDRESS IN PART 2 OF THE ACTION PLAN (SEE P. 36)

1. In the last several years, YATA has expanded its service area to include the management responsibility for Northumberland County and, in 2015, Cumberland County. In response, management has increased staffing levels by introducing several key positions including a human resources (HR) director. However, the overall organizational structure has not changed to keep pace with YATA’s expansion. Management should **reevaluate the organization of the YATA management team to establish clear job descriptions and lines of responsibility** that reflect the current needs of the agency.
2. YATA has difficulties submitting grant applications and invoices to funding partners in a timely manner. This results in delayed payments. Management should **take steps to ensure grant applications and invoices are submitted in a timely manner.**

3. Given the changing demographics in the YATA service area, the current Board makeup does not fully reflect the diversity of the community it serves. As Board positions are appointed, **management should continue to make concerted efforts to ensure the Board makeup reflects the demographic makeup of the community.**
4. YATA is poised to construct a new operations and maintenance facility. As part of the management of the project, YATA will have considerable monthly expenditures. However, timely capital invoicing is an area where YATA has had difficulties in the past. Management should **work closely with its funding partners to identify a capital financing strategy** that promotes timely payment of contractor invoices without impeding YATA's day-to-day cash flow needs.
5. YATA has expanded its operation to provide service in Adams and Northumberland counties. Outreach to employees, especially those not in York, via an employee survey or similar approach may be warranted to help identify employee challenges. The management team should **evaluate the tools at their disposal to insure employees at remote locations can provide regular feedback to the York-based management team** on the challenges that they routinely confront.
6. YATA operates out of satellite locations, some with significant employee turnover. To proactively mitigate risk, management should **develop formal protocols to conduct routine emergency response training with all of its employees** at each location.

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 focus is on:

- 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**, YATA is currently in line with most industry goals and targets for all high-level financial indicators. Available reserves, mostly attributable to state funds, has been above 25% of annual operating costs in most years and, remain at acceptable levels. YATA has about \$2,180,000 in carryover section 1513 funds and \$882,000 in carryover local funds separately identified in PennDOT dotGrants. However, the new Zarfoss facility will increase overall operations and maintenance expense due to the larger size of the facility and moving all vehicles into indoor, climate controlled storage. As a result, YATA will need to closely monitor operating expenses to maintain adequate 1513 reserves in future years.

Accounts payable and receivable amounts are negligible. YATA has an \$800,000 line of credit available with Metro Bank that remains unused.

Local matching funds contributed by York County, Adams County, as well as the Wareheim and Gettysburg Foundations, subsidize 3.4% of YATA’s total operating costs (FYE 2014). These local matching funds represent an 8% 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 contributing a sufficient local match remains a challenge for Adams County.

Exhibit 16: High-level Financial Indicators

Indicator	YATA Value¹⁰	Assessment Criteria / Rationale	Source
State Carryover 1513 Subsidies / Annual Operating Cost	17.2%	A combined target of 25% provides flexibility to account for unexpected cost increases or service changes.	FYE 2014 Audit and dotGrants
Local Carryover Subsidies / Annual Operating Cost	7.0%		
Credit available/ Annual Payroll	8.3%		
Actual Local Match / Required 1513 Match	100.0%	Target 100%. Local match that exceeds required minimums gives a transit agency flexibility to build local carry over reserves that can be used change service, to accommodate unexpected cost changes and match federal and state capital awards.	dotGrants 2014
Accounts Payable (AP) 90+ days	0.0%	Target should be 0% over 90 days. Larger values indicate cash flow concerns.	dotGrants 2014
Accounts Receivable (AR) 90+ days	0.0%	Target should be 0% over 90 days. Larger values can cause cash flow problems.	dotGrants 2014
Operating Debt / Annual Operating Cost	0.0%	Target should be 0%. Low debt amounts reduce borrowing costs.	FYE 2014 Audit

¹⁰ Values reported as end of reporting period balances.

TOTAL PUBLIC TRANSPORTATION OPERATIONAL EXPENDITURES AND FUNDING

As shown in **Exhibit 17**, YATA public transportation has grown from a \$10.2 million per year operation in FYE 2009 to a \$14.5 million per year operation in FYE 2014, a 42.2% increase. Approximately 69.1% of YATA’s operational expenses are for fixed-route service. The remaining operational expenses are for ADA complementary paratransit service (30.9%), as shown in **Exhibit 18**. Expansions in commuter and paratransit service are largely behind the increases in operating costs.

YATA’s operational funding comes from a variety of sources including state funds, federal funds, local funds and passenger fares. YATA has used state and federal funds to finance both its fixed-route and ADA paratransit operations (**Exhibit 19**). Passenger fares and other revenues represent approximately 39.4% of total operating income. Combined state and federal operating subsidies remain the largest funding source for YATA (**Exhibit 20**) accounting for about 57.7% 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	\$7.8	\$7.7	\$8.7	\$9.3	\$9.0	\$10.0
Paratransit (ADA+Shared Ride)	\$2.4	\$2.1	\$2.1	\$2.6	\$2.2	\$4.5
Total (\$ millions)*	\$10.2	\$9.8	\$10.8	\$11.9	\$11.1	\$14.5

* May not add due to rounding

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

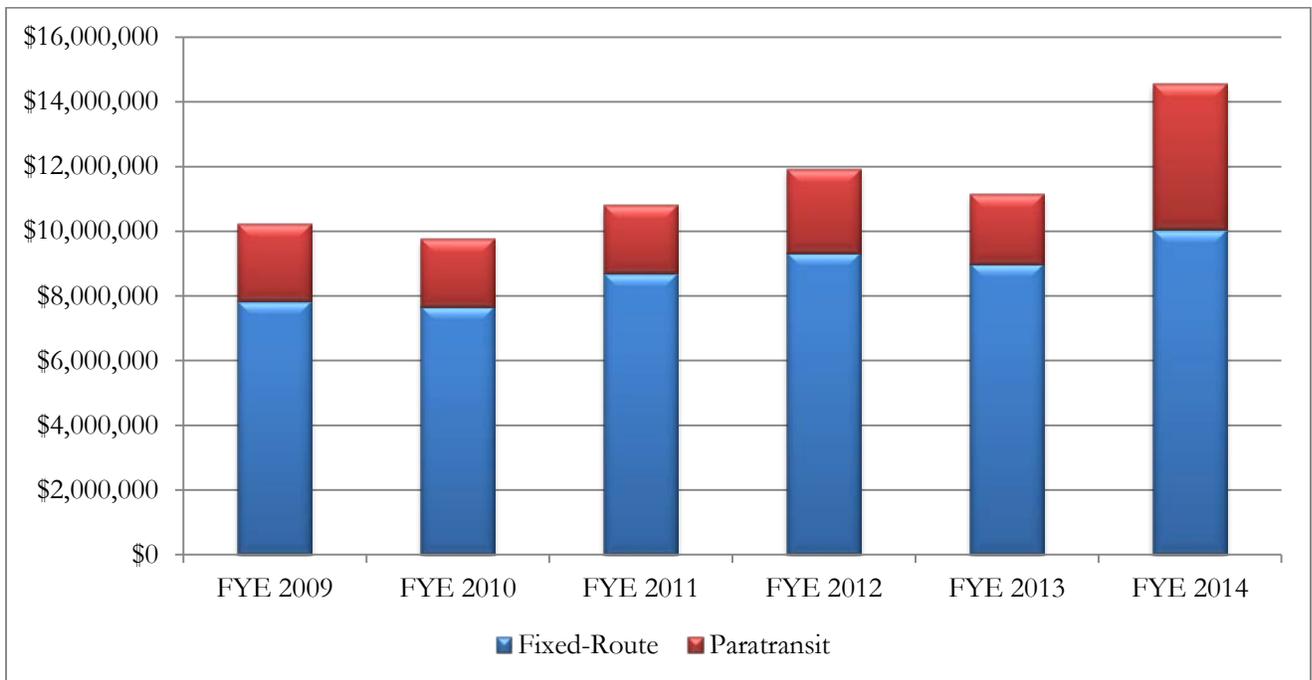
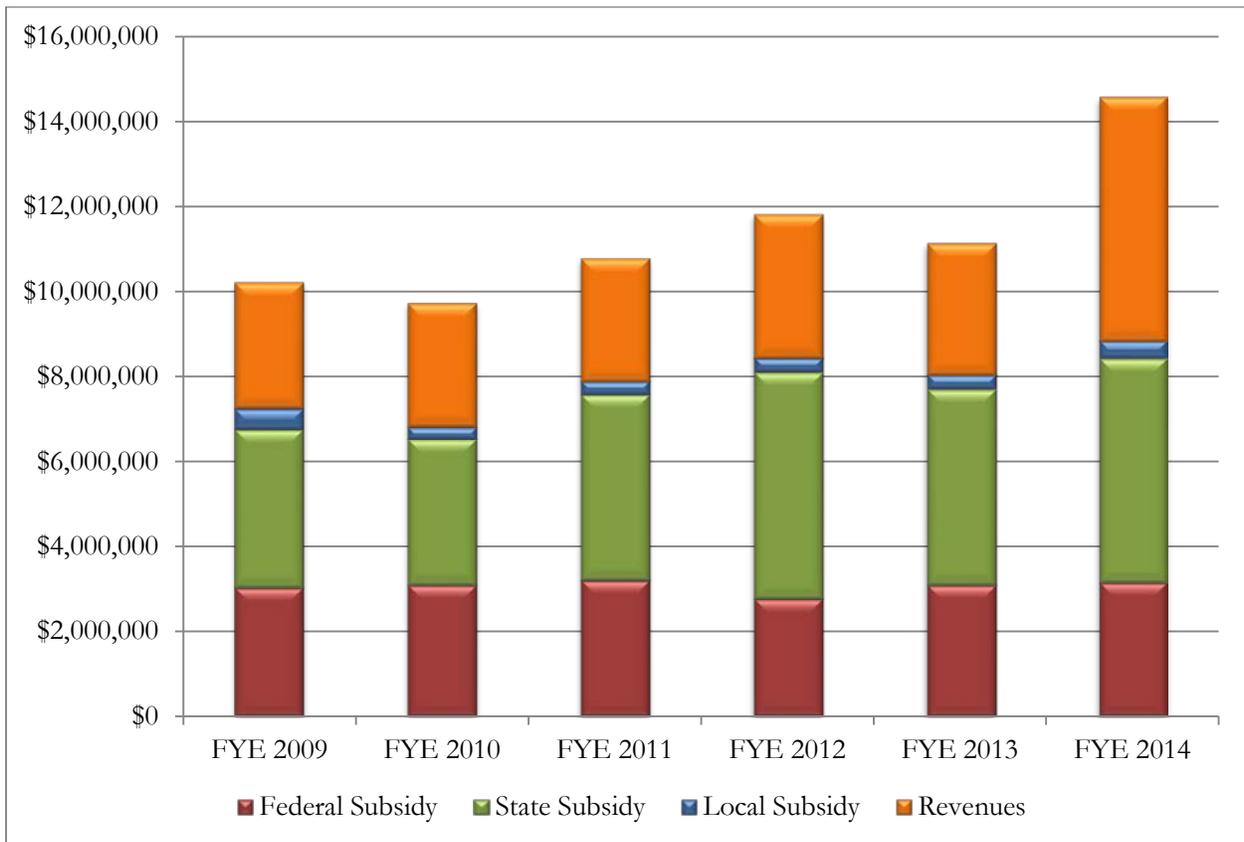


Exhibit 19: Public Transportation Operational Funding by Source (FYE 2009 –2014)

Share of Funding	2009	2010	2011	2012	2013	2014
Federal Subsidy	29.7%	31.9%	29.8%	23.6%	27.9%	21.7%
State Subsidy	36.3%	35.1%	40.4%	44.9%	41.2%	36.0%
Local Subsidy	4.9%	3.1%	2.9%	2.9%	3.1%	2.9%
Revenues (Non-Subsidy)	29.1%	29.9%	26.9%	28.6%	27.9%	39.4%
Local Subsidy / State Subsidy	13.5%	8.7%	7.3%	6.5%	7.5%	8.0%

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



FIXED-ROUTE FUNDING

YATA's fixed-route funding is derived from general revenues and government subsidies. Direct Passenger fares have covered between 17.7% and 19.5% of total operating revenues (**Exhibit 21**). YATA uses an unusually large amount of federal funding, typically used for capital expenditures, to subsidize urban fixed-route operations.

Based on the FYE 2009 to FYE 2014 dotGrants reporting, YATA operated using current year funding with \$2,179,619 state funding being "carried over" at the end of 2014. YATA also had \$881,770 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	\$1,489,875	\$1,613,186	\$1,813,047	\$1,737,979	\$1,778,641
Advertising	\$33,905	\$24,081	\$32,062	\$46,153	\$39,152
Charter	\$0	\$0	\$0	\$0	\$0
Route Guarantee	\$0	\$0	\$0	\$0	\$0
Other (Vending & Misc)	\$6,139	\$1,518	\$889	\$1,485	\$1,260
Other (SAFTI)	\$0	\$0	\$0	\$28,268	\$0
Other (MATP)	\$0	\$5,476	\$0	\$0	\$0
Other (Interest)	\$0	\$5,351	\$1,416	\$0	\$0
Subtotal	\$1,529,919	\$1,649,612	\$1,847,414	\$1,813,885	\$1,819,053
Subsidies					
Federal Operating Grant	\$2,901,489	\$3,173,727	\$2,666,436	\$2,980,974	\$3,031,856
Act44 (1513) State Prior	\$0	\$0	\$480,607	\$320,213	\$0
Act44 (1513) State Current	\$2,815,287	\$3,356,471	\$3,899,699	\$3,525,514	\$4,405,252
Municipal Prior	\$0	\$0	\$0	\$0	\$0
Municipal Current	\$108,162	\$312,556	\$328,184	\$344,593	\$361,822
Act 44 (1513) Advertising	\$0	\$0	\$0	\$0	\$0
Act 44 (1513) Private	\$0	\$0	\$0	\$0	\$0
Act3 ASG Grant (State)	\$0	\$0	\$0	\$0	\$0
Act3 ASG Grant (Local)	\$0	\$0	\$0	\$0	\$0
Act 3 BSG Grant (State)	\$0	\$0	\$0	\$0	\$0
Act 3 BSG Grant (Local)	\$0	\$0	\$0	\$0	\$0
Special-(Federal)	\$194,553	\$44,880	\$0	\$0	\$0
Special-(State) 1516/JARC	\$109,512	\$149,819	\$96,740	\$0	\$374,082
Special (Local) 1516 match	\$187	\$5,174	\$15,498	\$0	\$55,908
Subtotal	\$6,129,550	\$7,042,627	\$7,487,164	\$7,171,294	\$8,228,920
Total Funding	\$7,659,469	\$8,629,239	\$9,334,578	\$8,985,179	\$10,047,973
Passenger Fares/ Total Funding	19.5%	18.6%	19.4%	19.3%	17.7%

Source: PennDOT dotGrants Reporting System

PARATRANSIT FUNDING

Paratransit funding is about 30.9% of YATA'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 from \$2,085,149 in FYE 2010 to \$4,514,309 in FYE 2014 largely due to the addition of Northumberland County paratransit to YATA's dotGrants reporting.

Exhibit 22: ADA Paratransit Funding by Source

Category	FYE 2010	FYE 2011	FYE 2012	FYE 2013	FYE 2014
Revenues					
1 Passenger Fares	\$203,097	\$191,654	\$206,794	\$167,669	\$237,130
2 Advertising	\$0	\$0	\$0	\$0	\$0
3 Lottery	\$950,587	\$876,076	\$1,029,225	\$855,486	\$1,403,609
4 PwD Reimbursement	\$125,735	\$121,282	\$179,348	\$177,693	\$297,472
9 AAA	\$55,014	\$54,875	\$112,860	\$86,236	\$151,446
10 MH/MR	\$0	\$0	\$0	\$0	\$896,471
11 W2W	\$0	\$0	\$0	\$0	\$0
12 MATP	\$0	\$0	\$0	\$4,030	\$527,244
13 Other (Foster Grandparent, etc.)	\$0	\$0	\$629	\$0	\$16,022
14 Other (Hope Ent., etc.)	\$0	\$0	\$0	\$0	\$319,377
15 MATP Admin	\$0	\$0	\$0	\$0	\$0
16 Other MATP	\$0	\$0	\$0	\$0	\$38,309
17 Other- HSDF	\$1,486	\$5,019	\$8,090	\$0	\$0
18 Other Revenue Interest	\$51,179	\$0	\$0	\$0	\$0
19 Other-MATP Mileage Reimbursement	\$0	\$0	\$0	\$0	\$27,893
Subtotal	\$1,387,098	\$1,248,906	\$1,536,946	\$1,291,114	\$3,914,973
Subsidies					
1 Federal Operating Grant	\$8,176	\$0	\$117,973	\$122,967	\$131,394
2 Act 44 (1513) State Prior	\$500,363	\$0	\$594,065	\$0	\$352,359
3 Act 44 (1513) State Current	\$0	\$848,227	\$232,704	\$744,509	\$115,583
4 Municipal Prior	\$0	\$0	\$0	\$0	\$0
5 Municipal Current	\$189,512	\$0	\$0	\$0	\$0
Subtotal	\$698,051	\$848,227	\$944,742	\$867,476	\$599,336
Total Funding	\$2,085,149	\$2,097,133	\$2,481,688	\$2,158,590	\$4,514,309

Source: PennDOT dotGrants Reporting System

BALANCE SHEET FINDINGS

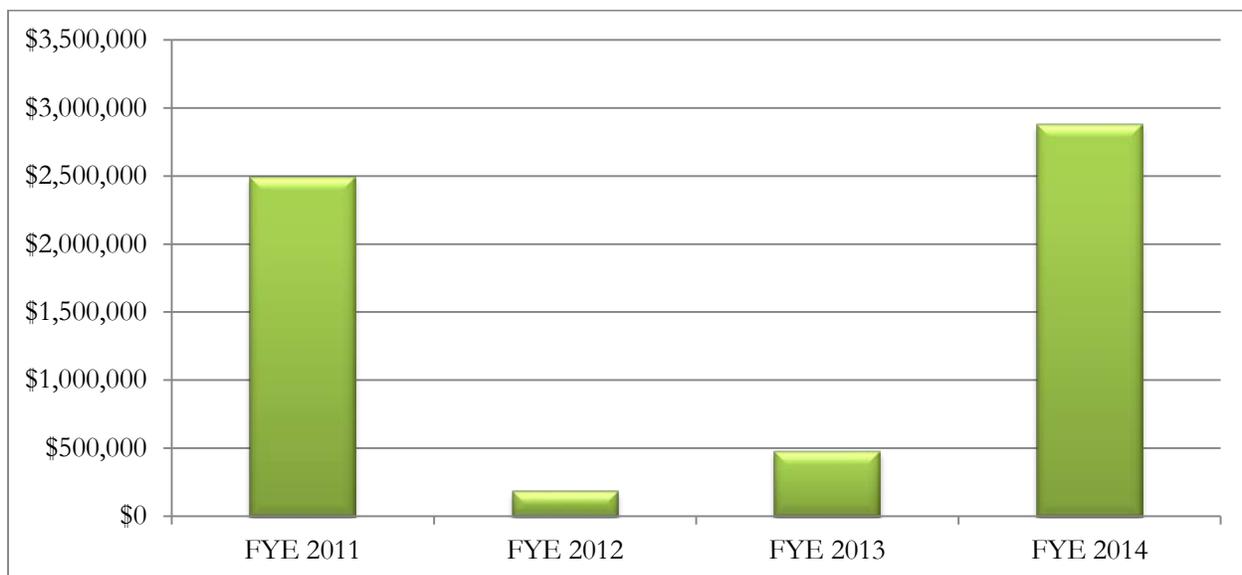
Review of balance sheets from YATA shows that the agency regularly maintains adequate cash on hand (**Exhibit 23** and **Exhibit 24**). The margin between current assets and liabilities is similar to that seen in many other transit agencies in the Commonwealth, but it has decreased and rebounded over time. Accounts payable remains at low levels. YATA maintains an \$800,000, unused, line of credit that could be used to cover capital or operating expenses.

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

Balance Sheet Report	FYE 2011	FYE 2012	FYE 2013	FYE 2014
Cash Equivalent Balance	\$2,487,927	\$180,696	\$475,336	\$2,878,513
Investments	\$1,364,956	\$0	\$0	\$0
Grants Receivable (including capital)	\$1,563,903	\$708,312	\$2,278,958	\$2,050,396
Other Accounts Receivable	\$867,677	\$3,250,942	\$2,119,227	\$1,349,393
Inventory Value	\$280,107	\$280,595	\$380,299	\$390,325
Prepaid Expenses	\$336,957	\$367,632	\$415,025	\$265,606
Accounts Payable (including capital)	\$731,489	\$1,658,943	\$967,203	\$1,247,509
Accrued Expenses	\$516,953	\$753,843	\$642,733	\$638,960
Line of Credit	\$300,000	\$300,000	\$800,000	\$800,000
Total Operating Expense	\$10,798,513	\$11,906,812	\$11,144,699	\$14,546,492
Cash Eqv. Bal / Total Operating Exp.	23.0%	1.5%	4.3%	19.8%
Line of Credit / Annual Payroll	4.5%	4.3%	10.8%	8.3%
Current Assets	\$6,901,527	\$6,881,278	\$6,436,285	\$7,499,772
Current Liabilities	\$6,847,186	\$7,071,272	\$6,302,452	\$6,905,929
Net Current Assets	\$54,341	-\$189,994	\$133,833	\$593,843

Source: Annual Audit Reports and dotGrants

Exhibit 24: End-of-Year Cash Equivalent Balance (FYE 2011 –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 YATA based on their own assumptions of future available operating and capital funding.

As shown in **Exhibit 25**, YATA's projected operating budget assumes an average increase of less than 7% per year starting in FYE 2016. YATA also projects decreasing 1513 reserves, completely depleting 1513 reserves by 2018, and depleting all reserves by 2019.

Exhibit 25: Projected Operating Budget Summary (FYE 2015 - 2019)

Operating Budget	FYE 2015	FYE 2016	FYE 2017	FYE 2018	FYE 2019
Total Operating Expenses	\$17,038,011	\$17,839,975	\$18,731,907	\$19,668,503	\$21,045,298
Total Operating Revenue	\$5,580,275	\$6,267,135	\$6,455,148	\$6,648,804	\$6,986,273
Total Operating Deficit	\$11,457,736	\$11,572,840	\$12,276,759	\$13,019,699	\$14,059,025
1513 Subsidy Provided	\$5,844,543	\$6,224,438	\$6,535,660	\$6,862,443	\$7,205,565
1513 Reserves Used	\$6,803,055	\$6,789,607	\$7,344,392	\$7,932,460	\$8,782,391
<i>1513 Carryover Balance</i>	<i>\$1,383,375</i>	<i>\$818,206</i>	<i>\$9,474</i>	<i>-\$1,060,544</i>	<i>-\$2,637,371</i>
<i>Local Match Carryover Balance</i>	<i>\$914,712</i>	<i>\$940,160</i>	<i>\$941,287</i>	<i>\$916,873</i>	<i>\$863,530</i>
<i>5307/TA Carryover Balance</i>	<i>\$496,906</i>	<i>\$583,131</i>	<i>\$632,210</i>	<i>\$656,438</i>	<i>\$627,525</i>
Total Carryover Balance	\$2,794,993	\$2,341,497	\$1,582,971	\$512,767	-\$1,146,316
Operating Cost Change from Previous Year	22.5%	4.7%	5.0%	5.0%	7.0%

YATA's 5 year capital budget assumes the installation of CNG and the replacement of diesel-fueled vehicles with CNG vehicles beginning in the spring of 2016. Short-term, YATA plans to purchase used buses to replace vehicles already beyond their useful life. Other capital projects include the new main facility in York (Zarfoss) as well as miscellaneous transit enhancement and repair projects. None of YATA's new facilities, including the Zarfoss main facility, include operating plans and budgets as part of the capital program.

CONCLUSIONS

York County, Adams Counties, as well as the Wareheim and Gettysburg Foundations contribute monies to satisfy YATA's local match funding requirement. YATA currently has a balanced operating budget though it is heavily reliant on the use of federal funds for operations. YATA projections of service levels indicate that YATA plans to maintain a balanced budget through the use of carryover funds. YATA had \$2,305,939 available in state 1513 carryover funds and \$753,138 in local carryover funds at the end of FYE 2013. This amounts to state reserves equal to 17.2% of YATA's annual operating cost. By the end of FYE 2014, state carryover subsidies decreased to \$2,179,619 and local carryover subsidies increased to \$881,770 respectively. YATA's 5 year operating budget projection indicates that it will deplete all federal, state and local carryover funds by FYE 2019. Management should continue to take appropriate actions to control costs, achieve farebox recovery goals, and sustain cash reserves to maintain YATA'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)	YATA Action	Estimated Initiation Date	Estimated Completion Date
Continue to explore opportunities to improve on-time performance (OTP) (p. 21)			
Modify customer complaint handling procedures to automatically follow up with customers (p. 21)			
Expand marketing plan to include metrics such as expected benefits, costs and a complete budget by marketing effort (p. 21)			

B. ACTIONS TO INCREASE OPERATING REVENUE / REVENUE HOUR TEMPLATE

Recommendation (page)	YATA Action	Estimated Initiation Date	Estimated Completion Date
Perform a benefit/cost analysis to determine if registering fareboxes can be installed at satellite locations in a cost-effective manner (p. 21).			

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

Recommendation (page)	YATA Action	Estimated Initiation Date	Estimated Completion Date
Develop a strategic IT plan (p. 22)			
Develop procedures to ensure that future capital project plans are accompanied by realistic operating cost budgets (p. 22)			
Develop mechanisms to track and report maintenance trends (p. 22)			
Develop strategies to minimize the use of federal funds used to subsidize operating costs (p. 22)			

PART 2- OTHER ACTIONS TO IMPROVE OVERALL PERFORMANCE TEMPLATE

Recommendation (page)	YATA Action	Estimated Initiation Date	Estimated Completion Date
Reevaluate the organization of the YATA management team to establish clear job descriptions and lines of responsibility (p. 23)			
Ensure grant applications and invoices are submitted in a timely manner (p. 23)			
Continue to make concerted efforts to ensure the Board makeup reflects the demographic makeup of the community (p. 24)			
Develop a capital financing strategy to permit timely payment of contractor invoices without significantly impacting day-to-day cash flow (p. 24)			
Identify ways to ensure employees at satellite locations can provide regular feedback to management (p. 24)			
Develop protocols to conduct routine emergency response training with all employees in all locations (p. 24)			

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