



## BCTA System Performance Review

February 14, 2011

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## EXECUTIVE SUMMARY

In July 2007 the Pennsylvania Legislature passed Act 44, establishing a framework for a transit agency performance review process. The purpose of a review is to assess performance and make transit agencies aware of improvement opportunities. The transit review process is an intense, short-duration effort intended to assess a transit system's efficiency, effectiveness, and best practices.

In September 2011, an Act 44 transit performance review was initiated for Beaver County Transit Authority (doing business as BCTA). The performance review considered fixed-route service only. This document conveys the results of that performance review and identifies areas where improvements may be made, as well as best practices that may be shared with similar agencies throughout the Commonwealth of Pennsylvania.

### Agency Profile

<b>Agency Name</b>	Beaver County Transit Authority (dba BCTA)	
<b>Year Founded</b>	1980	
<b>National Transit Database Reporting Year</b>	2009	
<b>Service Area (square miles)</b>	440	
<b>Service Area Population</b>	174,000	
<b>Type of Service Provided</b>	Fixed-Route Bus	ADA Demand Response
<b>Vehicles Operated in Maximum Service</b>	20	19
<b>Annual Revenue Miles of Service</b>	945,000	459,000
<b>Annual Revenue Hours of Service</b>	52,000	32,000
<b>Annual Passenger Trips</b>	809,000	95,000
<b>Employees (full-time/part-time)</b>	58/5	35/1
<b>Annual Operating Budget</b>	\$3.9 million	\$2.1 million
<b>Annual Fare + Misc. Revenues</b>	\$1.2 million	\$840,000
<b>Farebox + Misc. Revenues / Total Operating Cost</b>	31%	41%
<b>Administrative Cost / Total Operating Cost</b>	21%	27%
<b>Operating Cost / Revenue Mile</b>	\$4.12	\$4.57
<b>Operating Cost / Revenue Hour*</b>	\$76.33	\$65.63
<b>Passengers / Revenue Hour*</b>	15.69	2.97
<b>Farebox+Misc. Revenues / Revenue Hour*</b>	\$23.57	\$26.25
<b>Operating Cost / Passenger*</b>	\$4.86	\$22.10

*\*Denotes Act 44 Performance Metric for Fixed-Route Bus Service*

## ACT 44 PERFORMANCE DETERMINATION

Available documentation and Act 44 metrics were reviewed to quantify BCTA's fixed-route performance with respect to itself over the period of 2004-2009 and to a set of its peers. Peers were selected through an analytical process with interagency coordination between the Pennsylvania Department of Transportation (PennDOT) staff and BCTA.

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

- In Compliance if less 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
- In Compliance if greater than one standard deviation **below** the peer group 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 any of the boundaries, it is considered "At Risk" for that criteria and must create an action plan to bring the criteria into compliance prior to the next performance review.

An analysis of the eight key criteria mandated by Act 44 was conducted and ***it was determined that BCTA is "In Compliance" for all eight criteria.*** The peer comparison process as applied to Act 44 criteria (below, in bold typeface) revealed that:

### *In Compliance*

- **2009 passengers per revenue vehicle hour** ranks eighth out of the 12 transit agencies in the peer group and is lower than the peer group average.
- The **five-year trend of passengers per revenue vehicle hour** ranks fourth out of 12 and is better than the peer group average.
- **2009 operating cost per revenue vehicle hour** ranks eighth out of 12 and is just above the peer group average.
- The **five-year trend for operating cost per revenue vehicle hour** is the best in the peer group.
- **2009 operating revenue per revenue vehicle hour** ranks second out of 12 and is much better than the peer group average.
- The **five-year trend for operating revenue per revenue vehicle hour** ranks ninth out of 12 and is lower than the peer group average.
- **2009 operating cost per passenger** ranks ninth of 12 and is slightly worse than the peer group average.
- The **five-year trend for operating cost per passenger** is the best of the peer group.

### *At Risk*

- None.

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

Performance Criteria		Determination	Rank (of 12)	Comparison to Peer Avg.	Value	Peer Average
Passengers / Revenue Hour	2009	In Compliance	8	Worse	15.69	18.19
	Trend	In Compliance	4	Better	4.71%	1.42%
Operating Cost / Revenue Hour	2009	In Compliance	8	Worse	\$76.33	\$75.53
	Trend	In Compliance	1	Better	-0.11%	5.44%
Operating Revenue / Revenue Hour	2009	In Compliance	2	Better	\$23.57	\$14.92
	Trend	In Compliance	9	Worse	6.06%	7.61%
Operating Cost / Passenger	2009	In Compliance	9	Worse	\$4.86	\$4.46
	Trend	In Compliance	1	Better	-4.60%	4.08%

### FUNCTIONAL REVIEW FINDINGS

In addition to the macro-level evaluation of BCTA with regard to the eight Act 44 measures, a functional evaluation of the system was performed to provide more insight into the system. The performance evaluation consisted of additional document reviews, on-site review, and interviews with key staff.

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

#### ***Best Practices***

- BCTA has **amongst the highest farebox recovery ratios in the Commonwealth.** Historically, increases in farebox revenues due to ridership increases and regular fare increases have outpaced increases in operating costs helping to maintain the agency’s financial health. BCTA’s Board and management **should continue to regularly review and improve the agency’s farebox recovery ratio** to guarantee BCTA’s long-term financial health. (p. 22)
- BCTA performs light duty maintenance on revenue vehicles, non-revenue vehicles and facilities and has a **100% “on-time”** report card. For vehicles, maintenance is considered “on-time” if it is within +/- 500 miles of the manufacturers’ specifications with daily reports generated by Fleet-Net®. **Having, monitoring and adhering to strict standards for maintenance reduces operating cost, improves vehicle reliability and extends the useful life of vehicles.** This is evidenced by BCTA’s relatively low maintenance cost per mile and low rate of mechanical breakdowns resulting in service disruptions. (p. 23)

- The Board **routinely monitors financial health, expenditures and route-level ridership along with other performance statistics** on paratransit ridership, missed transfers, passenger complaints, phone wait times, risk management, insurance claims (vehicle and workers compensation), maintenance, employee performance reviews conducted “on-time”, etc. (p. 28)

### ***Opportunities for Improvement***

- Given a budgeted 16.2% and 12.3% increase in total operating cost per revenue hour of service delivered from FY 10/11 through FY 11/12 (an Act 44 metric), **BCTA management should continue to actively monitor specific line items in the budget that were expected to grow much more quickly than revenue miles of service** as state funding and local subsidies would not keep pace with such high rates of cost increase and this is one of the four primary Act 44 performance metrics. However, early indicators are that the programmed fuel cost increases should not be realized in this fiscal year. (p. 24)
- **BCTA lacks a strategic plan and prioritized needs assessment that would implement the strategy.** While BCTA has proactive capital programming, it is good practice to first identify strategic needs then determine the resources necessary to accomplish them. Once those resources are quantified, projects in the strategic plan should be prioritized and matched against expected or available funding. These steps are commonly referred to as needs assessment. Capital programming then implements prioritized needs based on available funding. BCTA lacks a strategic plan and prioritized needs assessment approach, making the capital programming process appear without a long-term goal or strategy. **The General Manager should involve the Board and senior staff in the development of a formally-documented strategic plan, prioritized needs assessment that serves as the basis of the staged capital program.** This should include a long-term plan for service changes and changes to fleet needs that may result from service changes. (p. 28)

## **FIVE-YEAR PERFORMANCE STANDARDS**

This transit agency performance report outlines critical 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 standards” have been established and detailed on page 16. These performance standards are required to comply with Act 44 and represent minimum performance level that BCTA should achieve for each Act 44 performance criteria during the next review cycle, 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 “dotGrants” information available (FY 2010/2011). Standards were extrapolated to FY 2016 and are designed to be aggressive, yet achievable. They are summarized as follows:

<b>Performance Criteria</b>	<b>FY 09/10 Value</b>	<b>FY 10/11 Value</b>	<b>FY 15/16 Standard</b>	<b>Annual Increase</b>
Passengers / Revenue Hour	15.44	18.23	20.13	2.0%
Operating Cost / Revenue Hour	\$74.50	\$86.60	\$100.40	3.0%
Operating Revenue / Revenue Hour	\$22.89	\$27.36	\$31.72	3.0%
Operating Cost / Passenger	\$4.82	\$4.75	\$4.99	1.0%

## **FINANCIAL REVIEW**

For the FY 06/07 to FY 11/12 period, Beaver County has contributed between \$810,000 and \$850,000 to help cover BCTA's operational cost. BCTA has used less than half of that amount in any given year to balance its budget allowing the agency to build its cash reserves from 20.2% of its annual operating budget to 62.0% of its annual operating budget. This put BCTA in a very strong cash position through the end of FY 10/11. This large fund can be used for emergency purposes and to fund BCTA's "lumpy" fleet replacement needs.

In the FY 11/12 budget the programmed fiscal trajectory was set to change. BCTA programmed almost its entire local subsidy. Added to this is the uncertainty in MATP funding. Since carryover funds will eventually be depleted, the budget levels programmed for FY 11/12 would not be sustainable unless alternate sources of revenue could be found. Fortunately BCTA is coming in under budget this fiscal year which should allow them to continue to build cash reserves.

Over the FY 11/12 time period it appears BCTA will remain solvent and in a strong cash position. In subsequent years, if the large programmed cost increases in the FY 11/12 budget were to become a reality and permanent, BCTA would find itself in a position that state and local carryover funds are exhausted unless alternate sources of funding are found. However, early indicators are that the actual FY 11/12 cost increases will be more in line with historic increases than those programmed in the FY 11/12 budget.

## **NEXT STEPS**

Upon final transmission of the performance review report, Act 44 regulations stipulate that BCTA "...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 standards." The action plan should outline corrective action that will be taken to address "Opportunities for Improvement" – as prioritized by the BCTA Board and management.

Functional area "opportunities for improvement" are areas in which improvement may result in cost savings, improved service quality, and ridership and/or revenue increases. Improvements in these areas will assist in the achievement of the performance standards 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 BCTA.

BCTA will submit the action plan to the BCTA governing body for approval, and subsequently submit the final approved strategic action plan to PennDOT. BCTA must report at least quarterly to the governing body and PennDOT on the progress of the strategic action plan, actions taken, and actions soon to be implemented. Reporting may occur on a more frequent basis, to be determined jointly by PennDOT, BCTA, and the governing body.

# INTRODUCTION

## PURPOSE

In July 2007 the Pennsylvania Legislature passed Act 44, establishing a framework for a performance review process for all public transportation agencies receiving state financial assistance. This report documents the findings and observations of the public transportation agency performance review for Beaver County Transit Authority (BCTA).

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

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

## PERFORMANCE REVIEW PROCESS

In September 2011, a transit agency performance review was initiated for BCTA. The performance review proceeded following the steps outlined below:

1. Initial notification of performance review selection and transmission of document request
  - Review of available data and requests for what should be “off-the-shelf” information that may not be publicly available.
2. Peer selection
  - A set of peers used for comparative analysis was jointly agreed upon by BCTA 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
  - On-site review was conducted on September 26 and September 27, 2011.
  - An interview guide customized for BCTA’s service characteristics was used for the review.
  - Topics covered during the interview process included:

▪ Governance	▪ Maintenance
▪ Advisory Committees	▪ Safety and Security
▪ Management	▪ Customer Service
▪ Human/Labor Relations	▪ Information Technology
▪ Finance	▪ Capital Programming
▪ Procurement	▪ Marketing and Public Relations
▪ Operations and Scheduling	▪ Planning

## AGENCY DESCRIPTION

The Beaver County Transit Authority (BCTA) was created by the County of Beaver in May, 1980 under the Municipal Authorities Act of 1945. A planning study conducted that year concluded that service would be less costly to local government if a county-wide agency were created to replace the Port Authority Transit (PAT) fixed route services provided in Beaver County. This study initially recommended a non-operating authority; however the charter for the new agency provided flexibility if BCTA chose to become an operating authority at a later time. Other milestone events include:

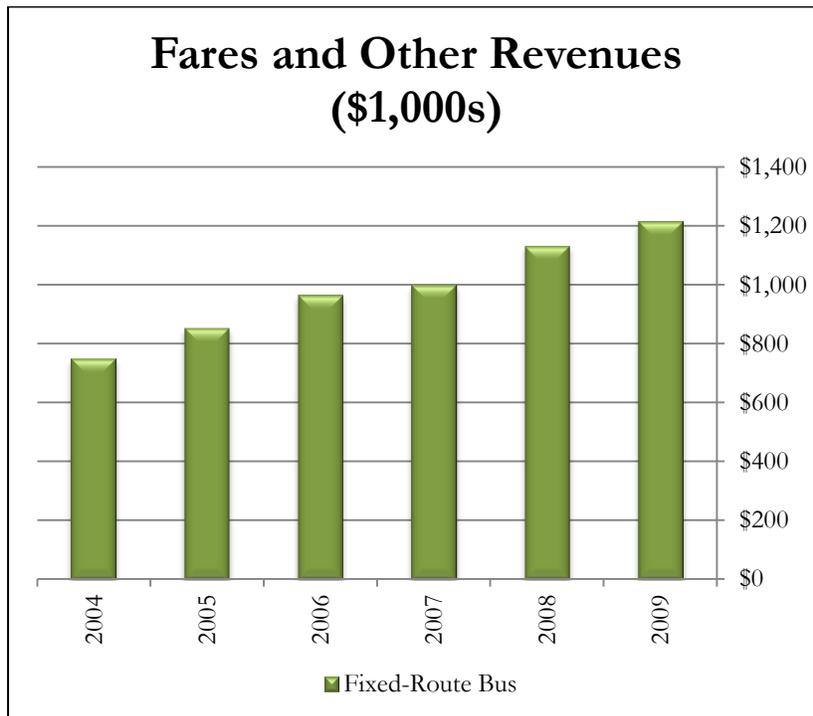
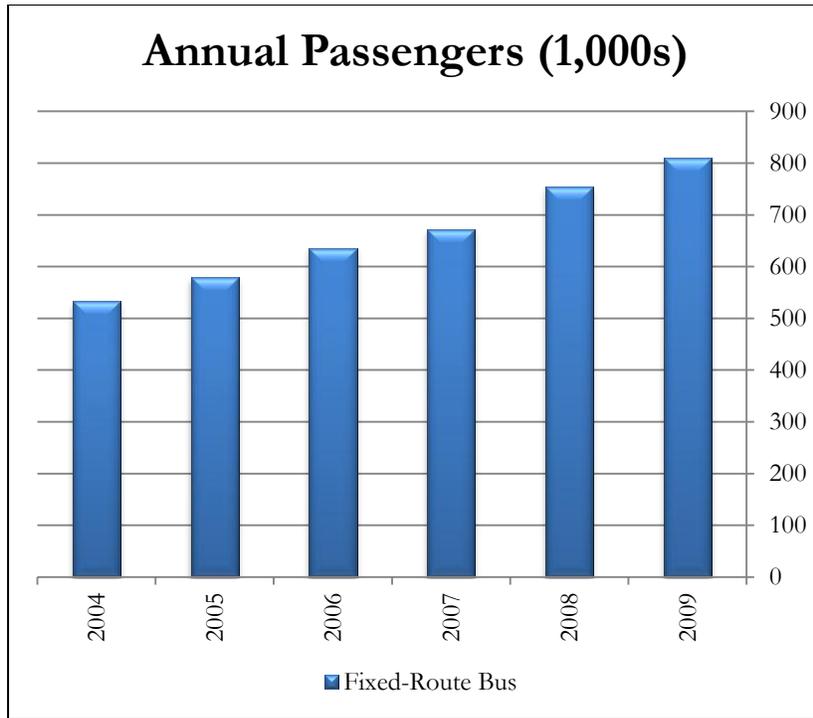
- BCTA restructures fixed route operations in November, 2002 creating a pulse based system with a simplified route and fare structure and added fare media.
- BCTA becomes a self-operating Authority in May, 2003.
- BCTA is again named the best small transit system in North American in 2006 by the American Public Transportation Association (APTA).
- BCTA attains nine (9) consecutive record ridership years by June 30, 2011 with a near 100% gain in ridership over that 9-year time period.

BCTA's fixed-route system consists of 6 bus routes serving Beaver County 2 of which provide commuter service into Pittsburgh's Busway. **Exhibit 1** and **Exhibit 2** present fixed-route bus statistics for BCTA derived from PennDOT Legacy Reports (DotGrants) and the National Transit Database (NTD). Consistent with the previous five-year analysis requirements of Act 44, findings are presented for Fiscal Year 2004-2009 data. In developing the performance targets with a 2016 horizon, Fiscal Year 2010 data from DotGrants was used (comparable information is unavailable for the peer group).

Important observations evident from the trends in demand, revenues, and operating characteristics for the NTD reporting period of 2004 through 2009 are:

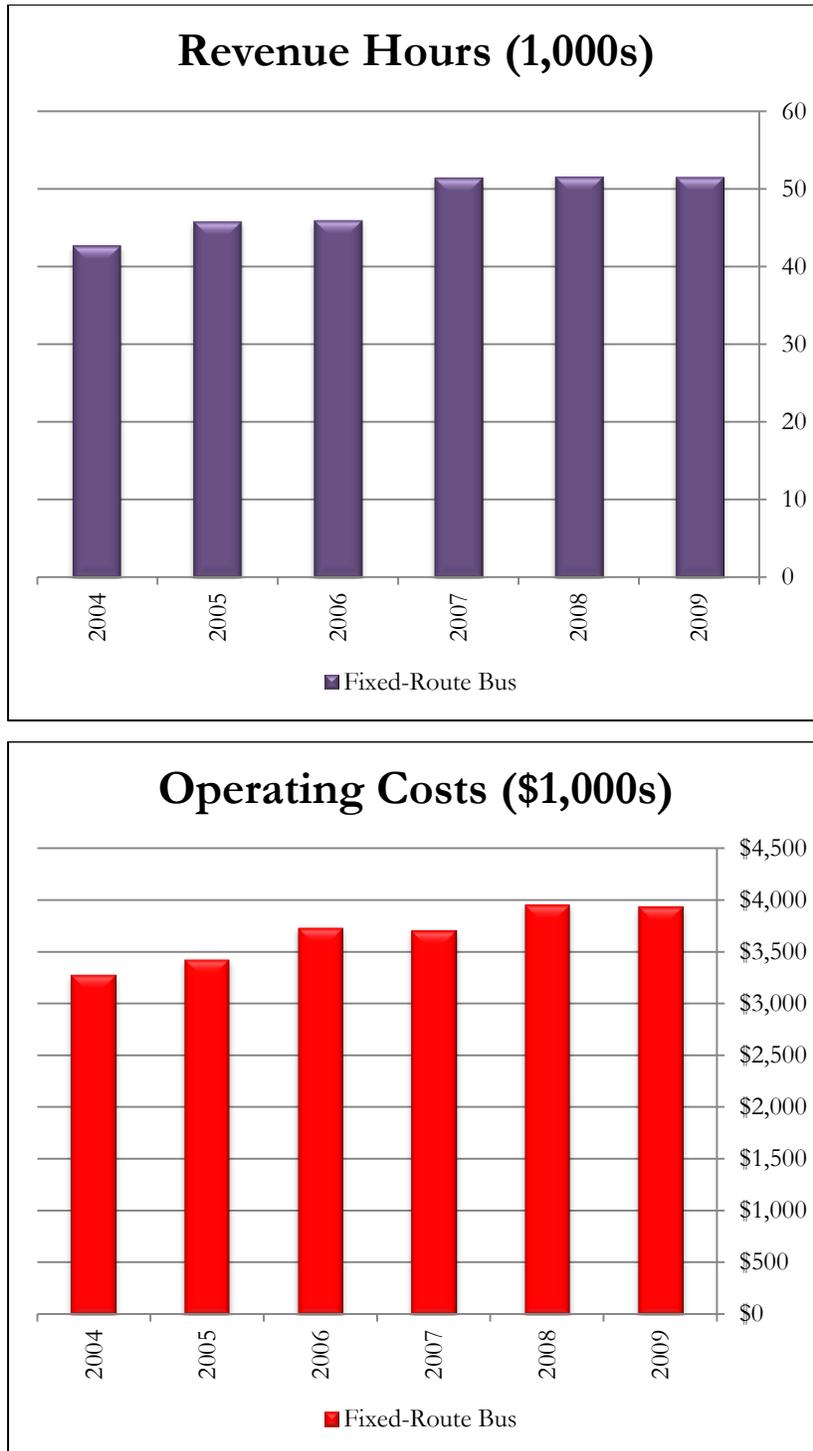
- BCTA's fixed-route ridership has been steadily increasing.
- BCTA's costs remained relatively flat per revenue hour of service.
- BCTA's farebox recovery ratio on fixed-route service is very high for an agency of this size (31%).
- Service levels and fleet requirements remained fairly constant.

Exhibit 1: BCTA Fixed-Route Passenger and Revenues 2004-2009



Source: National Transit Database 2004-2009

Exhibit 2: BCTA Fixed-Route Revenue Hours of Service and Operating Costs 2004-2009



Source: National Transit Database 2004-2009

## ACT 44 PERFORMANCE ASSESSMENT

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

*“The Department may conduct performance reviews of an award recipient under this section to determine the effectiveness of the financial assistance. Reviews shall be conducted at regular intervals as established by the Department in consultation with the management of the award recipient. After completion of a review, the Department shall issue a report that: highlights exceptional performance and identifies any problems that need to be resolved; assesses performance, efficiency, and effectiveness of the use of the financial assistance; makes recommendations on follow-up actions required to remedy any problem identified...”<sup>1</sup>*

The law sets forth performance criteria to be used to satisfy its objectives<sup>2</sup>:

- Passengers per revenue vehicle hour,
- Operating cost per revenue vehicle hour,
- Operating revenue per revenue vehicle hour,
- Operating cost per 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:<sup>3</sup>

- Revenue vehicle hours (car hours for rail and fixed guideway)
- Revenue vehicle miles (car miles for rail and fixed guideway)
- Number of peak vehicles
- 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

The following list was submitted to BCTA management for review and comment. All 12 peer systems, in addition to BCTA, were included in subsequent analyses for peer comparison purposes:

- Fayetteville Area System of Transit (Fayetteville, NC)
- Housatonic Area Regional Transit (Danbury, CT)
- Yuba-Sutter Transit Authority (Marysville, CA)
- Laketran (Grand River, OH)
- Polk County Transit Services Division (Lakeland, FL)
- Lorain County Transit (Elyria, OH)
- Santa Maria Area Transit (Santa Maria, CA)

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<sup>1</sup> Title 74 Pa. C.S.A. §1513 (e)

<sup>2</sup> Title 74 Pa. C.S.A. §1513 (f)

<sup>3</sup> 67 Pa Code Chapter 427, Annex A . §427.12(d)(1)(i), Jan 2011.

- Su Tran LLC, DBA: Sioux Falls Transit (Sioux Falls, SD)
- Clarksville Transit System (Clarksville, TN)
- Yakima Transit (Yakima, WA)
- Lafayette Transit System (Lafayette, LA)
- Williamsport Bureau of Transportation (Williamsport, PA)

## ACT 44 FIXED-ROUTE COMPARISONS AND FINDINGS

Comparison of BCTA with the selected peer systems was completed using NTD-reported data and statistics. NTD data was selected as the source of data to use in the calculation of the following Act 44 metrics due to consistency and availability<sup>4</sup> for comparable systems for the five-year trend analysis window:

- Passengers per revenue vehicle hour
- Operating cost per revenue vehicle hour
- Operating revenue per revenue vehicle hour
- Operating cost per 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: Unweighted linear average of all values being measured across all peer transit agencies, including BCTA.
- Standard Deviation: Standard deviation of all values being measured across all peer transit agencies, including BCTA.

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

- In Compliance if greater 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
- In Compliance if **below** one standard deviation from 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

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<sup>4</sup> NTD data is available for almost every urbanized area transit system in the United States. The latest data available at the time of this review was for 2009.

If the agency falls outside of any of the boundaries, it is considered “At Risk” for that criteria and must create an action plan to bring the criteria into compliance prior to the next performance review.

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

### Exhibit 3: Act 44 Compliance Summary

Metric	2009 Single Year	Five-Year Trend
Passengers / Revenue Hour	In Compliance	In Compliance
Operating Cost / Revenue Hour	In Compliance	In Compliance
Operating Revenue / Revenue Hour	In Compliance	In Compliance
Operating Cost / Passenger Boarding	In Compliance	In Compliance

### FIXED-ROUTE BUS PERFORMANCE COMPARISONS

For the 12 peer systems plus BCTA, NTD data were extracted and summarized for each of the required Act 44 metrics. Measures were put into histograms and tables for visual inspection, statistical analyses, and ordinal ranking purposes. The single-year results of these analyses are presented in **Exhibit 4, Exhibit 5, Exhibit 6, and Exhibit 7**. Five-year trend analyses are presented in **Exhibit 8, Exhibit 9, Exhibit 10, and Exhibit 11**.

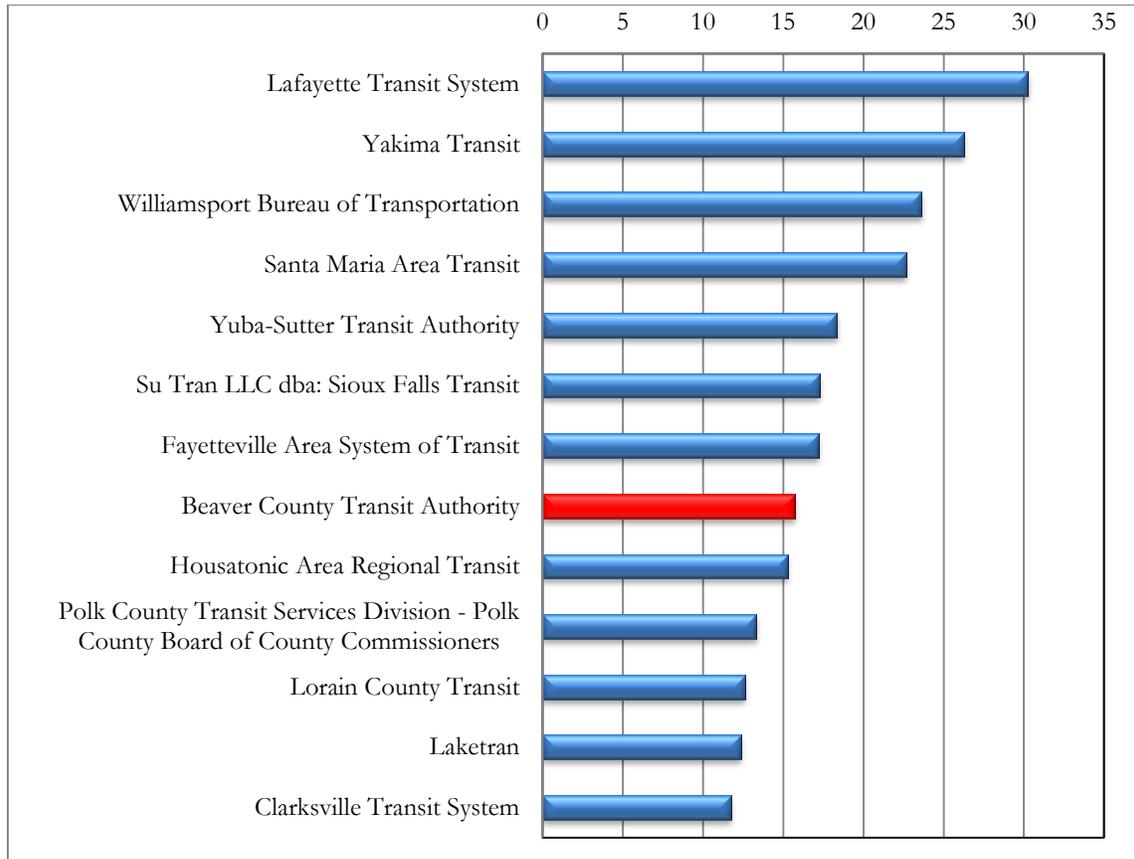
For measures relating to passengers or operating revenue, ordinal rankings are based on a highest-to-lowest system. For measures relating to operating cost, ordinal rankings are based on a lowest-to-highest system. Thus a ranking of “1<sup>st</sup>” consistently indicates that the agency scores best amongst its peers and a ranking of “13<sup>th</sup>” indicates that it performs the poorest on any given metric.

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

- BCTA’s 2009 passengers per revenue hour figure ranks 8<sup>th</sup> out of the 13 transit agencies in the peer group. Passengers per revenue hour have been growing at a quicker rate than the peer systems’ average.
- BCTA’s 2009 operating cost per revenue vehicle hour is slightly above the peer group average, ranking 8<sup>th</sup> (the 5<sup>th</sup> most costly of the 13 peers), but actually declined between 2004 and 2009 giving it the slowest rate of increase amongst the peers (the lowest/best rate of cost increase of 13 peers).
- BCTA’s 2009 operating revenue per revenue vehicle hour ranks 2<sup>nd</sup> out of 13 and is better than the peer group average. The trend between 2004 and 2009 indicates that revenue per revenue vehicle hour increased at a slower (worse) rate than the peer group.
- BCTA performs the 9<sup>th</sup> best of the 13 peers based on 2009 operating cost per passenger, however the trend is declining- much better performance than that of the peer group. The improving passengers per revenue hour of service and stable cost per revenue hour of service combine to yield this result.

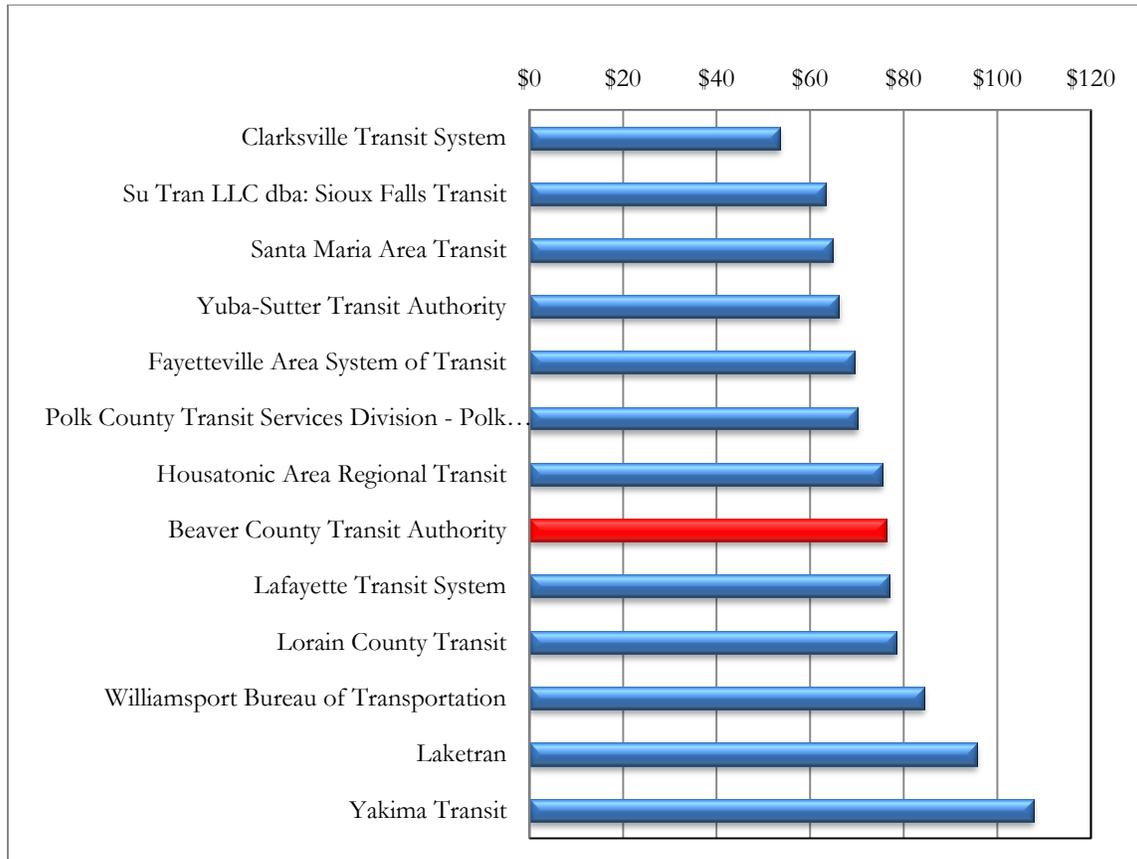
These findings provided a basis for further investigation during the on-site interviews and functional area reviews. Those findings are presented in the next section of the report.

**Exhibit 4: Fixed-Route Passengers per Revenue Vehicle Hour 2009**



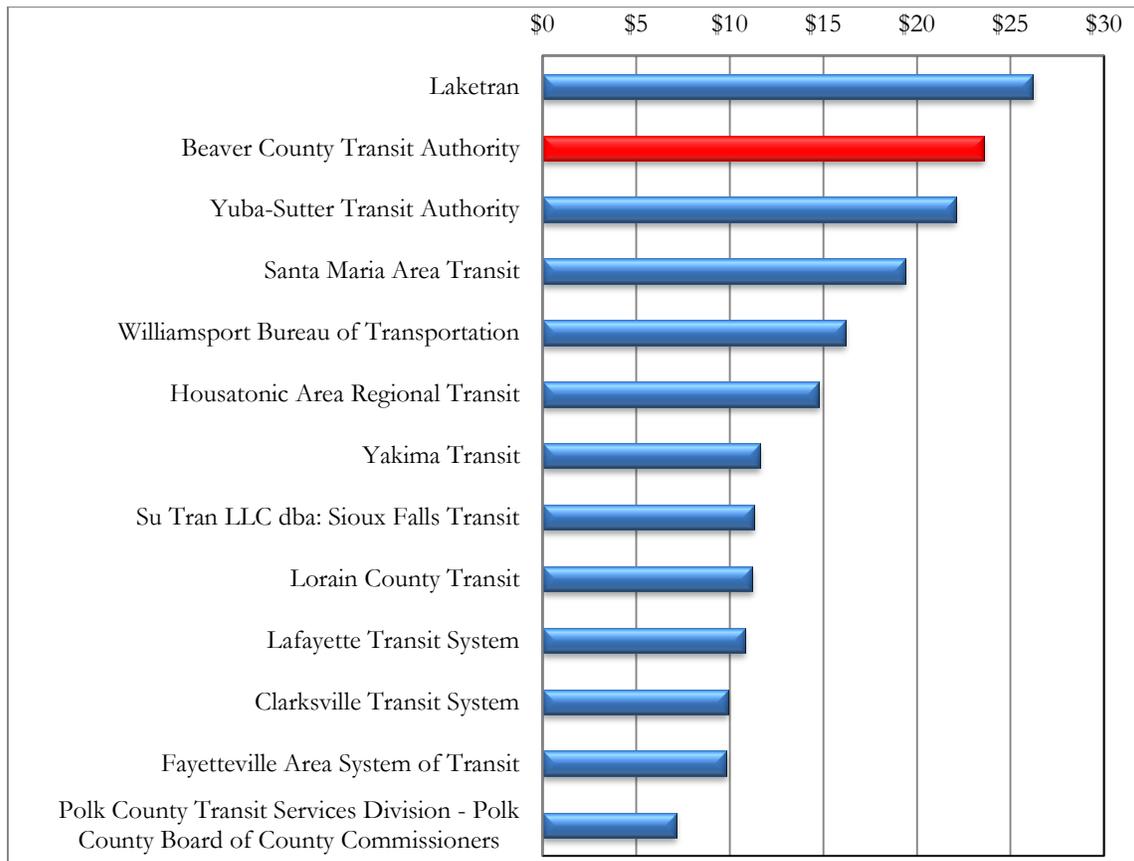
Passengers / Revenue Vehicle Hour		
System	Value	Rank
Lafayette Transit System	30.25	1
Yakima Transit	26.23	2
Williamsport Bureau of Transportation	23.62	3
Santa Maria Area Transit	22.65	4
Yuba-Sutter Transit Authority	18.34	5
Su Tran LLC dba: Sioux Falls Transit	17.25	6
Fayetteville Area System of Transit	17.18	7
<b>Beaver County Transit Authority</b>	<b>15.69</b>	<b>8</b>
Housatonic Area Regional Transit	15.28	9
Polk County Transit Services Division	13.32	10
Lorain County Transit	12.62	11
Laketran	12.34	12
Clarksville Transit System	11.75	13
<i>Average</i>	<i>18.19</i>	
<i>Standard Deviation</i>	<i>5.82</i>	
<i>Average - 1 Standard Deviation</i>	<i>12.37</i>	
<i>Average + 1 Standard Deviation</i>	<i>24.02</i>	
<b>In Compliance with Act 44 Standard Deviation Requirements</b>	<b>Yes</b>	
<b>Better or Worse Than Peer Group Average</b>	<b>Worse</b>	

**Exhibit 5: Fixed-Route Operating Cost per Revenue Vehicle Hour 2009**



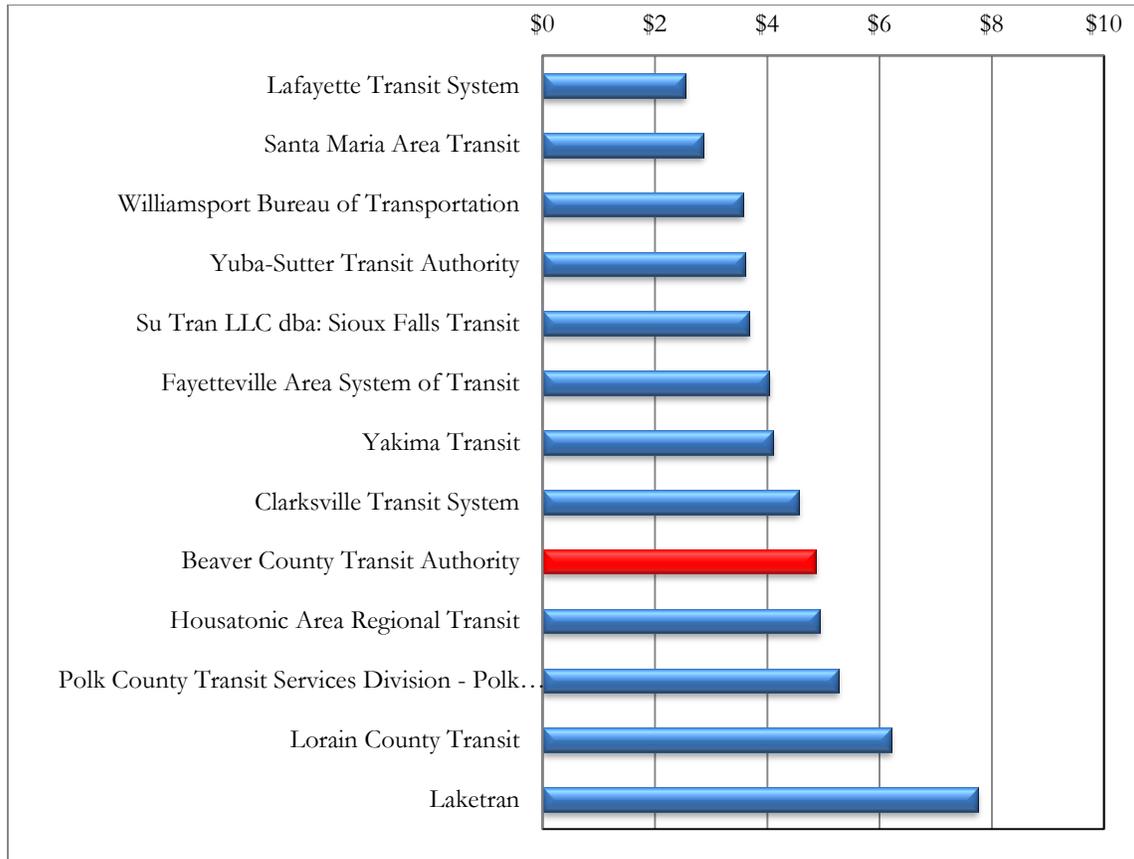
Operating Cost / Revenue Vehicle Hour		
System	Value	Rank
Clarksville Transit System	\$53.54	1
Su Tran LLC dba: Sioux Falls Transit	\$63.36	2
Santa Maria Area Transit	\$64.82	3
Yuba-Sutter Transit Authority	\$66.15	4
Fayetteville Area System of Transit	\$69.39	5
Polk County Transit Services Division	\$70.11	6
Housatonic Area Regional Transit	\$75.34	7
<b>Beaver County Transit Authority</b>	<b>\$76.33</b>	<b>8</b>
Lafayette Transit System	\$76.90	9
Lorain County Transit	\$78.38	10
Williamsport Bureau of Transportation	\$84.28	11
Laketrans	\$95.55	12
Yakima Transit	\$107.74	13
<i>Average</i>	<i>\$75.53</i>	
<i>Standard Deviation</i>	<i>\$14.60</i>	
<i>Average - 1 Standard Deviation</i>	<i>\$60.93</i>	
<i>Average + 1 Standard Deviation</i>	<i>\$90.13</i>	
<b>In Compliance with Act 44 Standard Deviation Requirements</b>	<b>Yes</b>	
<b>Better or Worse Than Peer Group Average</b>	<b>Worse</b>	

**Exhibit 6: Fixed-Route Operating Revenue per Revenue Vehicle Hour 2009**



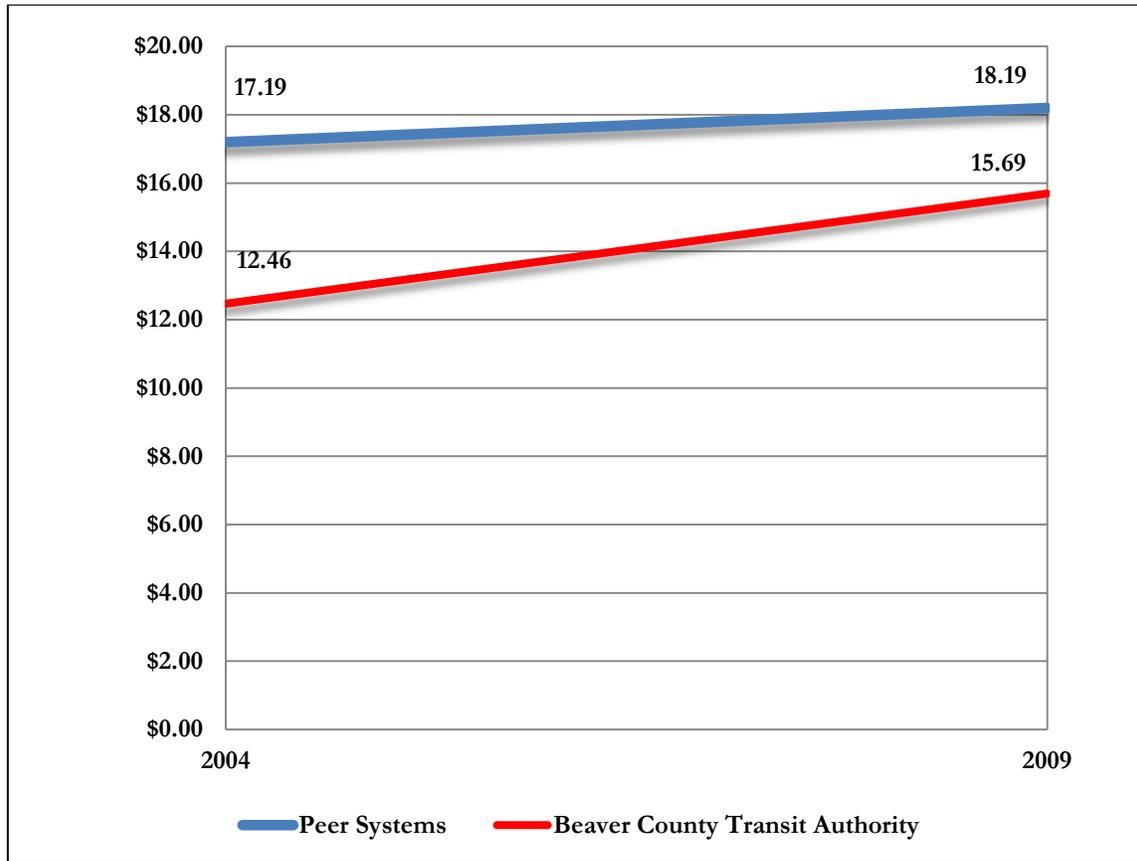
Operating Revenue / Revenue Vehicle Hour		
System	Value	Rank
Laketrans	\$26.21	1
<b>Beaver County Transit Authority</b>	<b>\$23.57</b>	<b>2</b>
Yuba-Sutter Transit Authority	\$22.08	3
Santa Maria Area Transit	\$19.38	4
Williamsport Bureau of Transportation	\$16.16	5
Housatonic Area Regional Transit	\$14.77	6
Yakima Transit	\$11.63	7
Su Tran LLC dba: Sioux Falls Transit	\$11.29	8
Lorain County Transit	\$11.21	9
Lafayette Transit System	\$10.82	10
Clarksville Transit System	\$9.88	11
Fayetteville Area System of Transit	\$9.82	12
Polk County Transit Services Division	\$7.12	13
<i>Average</i>	<i>\$14.92</i>	
<i>Standard Deviation</i>	<i>\$6.33</i>	
<i>Average - 1 Standard Deviation</i>	<i>\$8.59</i>	
<i>Average + 1 Standard Deviation</i>	<i>\$21.24</i>	
<b>In Compliance with Act 44 Standard Deviation Requirements</b>	<b>Yes</b>	
<b>Better or Worse Than Peer Group Average</b>	<b>Better</b>	

**Exhibit 7: Fixed-Route Operating Cost per Passenger 2009**



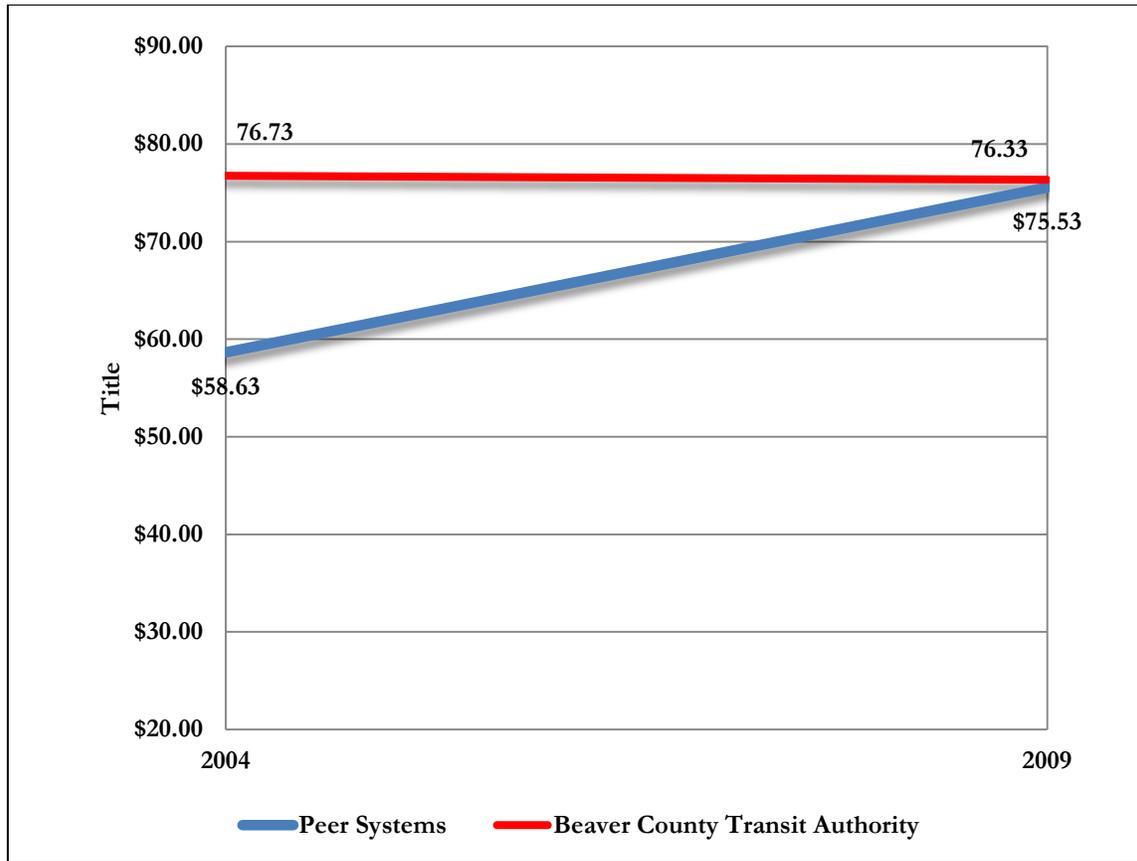
Operating Cost / Passenger		
System	Value	Rank
Lafayette Transit System	\$2.54	1
Santa Maria Area Transit	\$2.86	2
Williamsport Bureau of Transportation	\$3.57	3
Yuba-Sutter Transit Authority	\$3.61	4
Su Tran LLC dba: Sioux Falls Transit	\$3.67	5
Fayetteville Area System of Transit	\$4.04	6
Yakima Transit	\$4.11	7
Clarksville Transit System	\$4.56	8
<b>Beaver County Transit Authority</b>	<b>\$4.86</b>	<b>9</b>
Housatonic Area Regional Transit	\$4.93	10
Polk County Transit Services	\$5.26	11
Lorain County Transit	\$6.21	12
Laketran	\$7.75	13
<i>Average</i>	<i>\$4.46</i>	
<i>Standard Deviation</i>	<i>\$1.44</i>	
<i>Average – 1 Standard Deviation</i>	<i>\$3.02</i>	
<i>Average + 1 Standard Deviation</i>	<i>\$5.90</i>	
<b>In Compliance with Act 44 Standard Deviation Requirements</b>	<b>Yes</b>	
<b>Better or Worse Than Peer Group Average</b>	<b>Worse</b>	

Exhibit 8: Fixed-Route Passengers per Revenue Vehicle Hour Trend 2004-2009



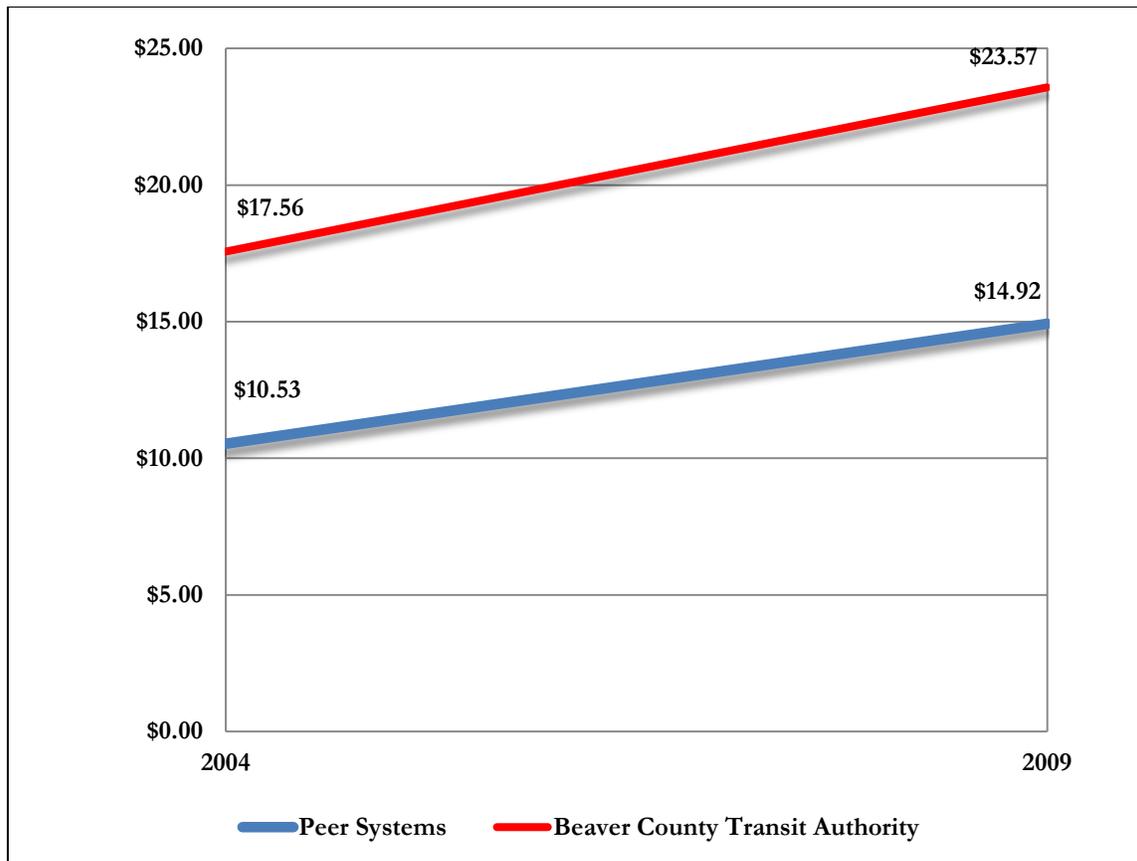
Passengers / Revenue Vehicle Hour		
System	Value	Rank
Yuba-Sutter Transit Authority	6.78%	1
Su Tran LLC dba: Sioux Falls Transit	5.20%	2
Polk County Transit Services Division	5.10%	3
<b>Beaver County Transit Authority</b>	<b>4.71%</b>	<b>4</b>
Yakima Transit	3.99%	5
Housatonic Area Regional Transit	1.28%	6
Lorain County Transit	1.19%	7
Lafayette Transit System	1.18%	8
Santa Maria Area Transit	-0.49%	9
Laketran	-1.03%	10
Williamsport Bureau of Transportation	-1.60%	11
Clarksville Transit System	-2.59%	12
Fayetteville Area System of Transit	-5.29%	13
<i>Average</i>	<i>1.42%</i>	
<i>Standard Deviation</i>	<i>3.58%</i>	
<i>Average - 1 Standard Deviation</i>	<i>-2.16%</i>	
<i>Average + 1 Standard Deviation</i>	<i>5.00%</i>	
<b>In Compliance with Act 44 Standard Deviation Requirements</b>	<b>Yes</b>	
<b>Better or Worse Than Peer Group Average</b>	<b>Better</b>	

**Exhibit 9: Fixed-Route Operating Cost per Revenue Vehicle Hour Trend 2004-2009**



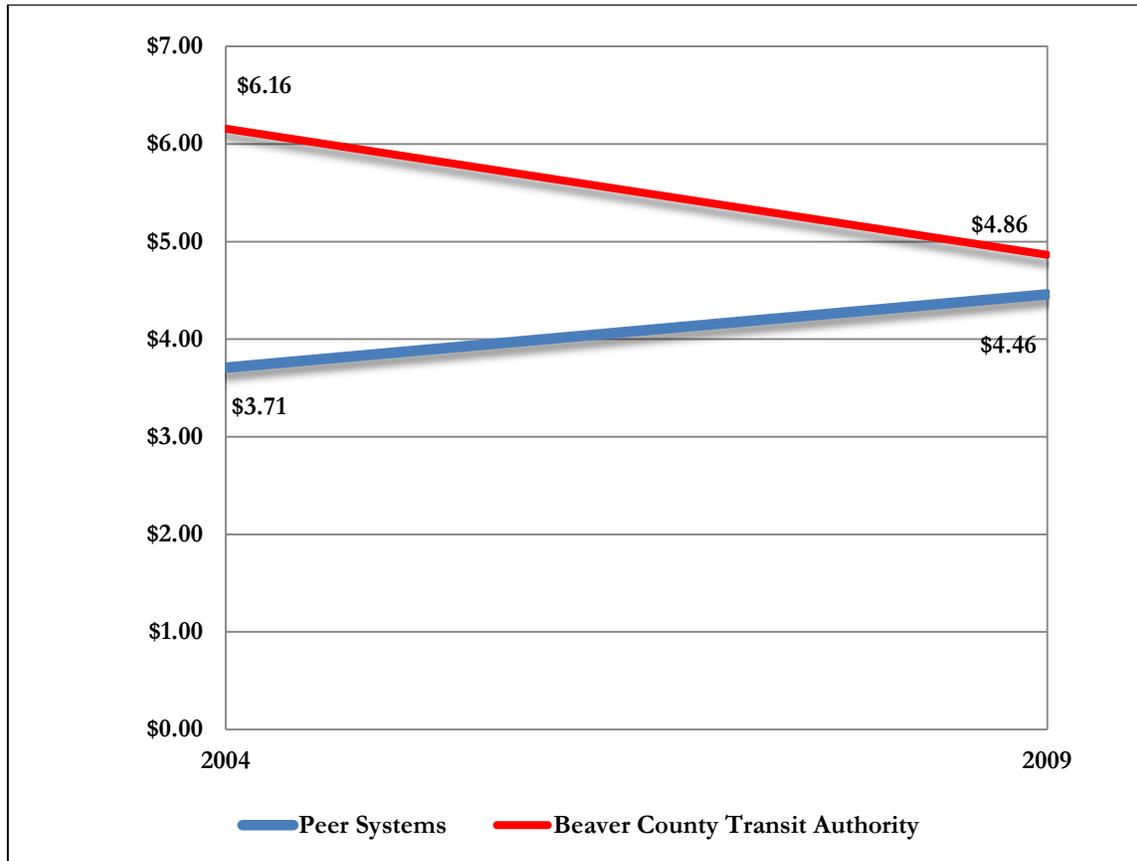
Operating Cost / Revenue Vehicle Hour		
System	Value	Rank
<b>Beaver County Transit Authority</b>	<b>-0.11%</b>	<b>1</b>
Santa Maria Area Transit	1.26%	2
Yakima Transit	3.69%	3
Su Tran LLC dba: Sioux Falls Transit	3.87%	4
Clarksville Transit System	3.89%	5
Lafayette Transit System	5.00%	6
Laketrans	5.24%	7
Housatonic Area Regional Transit	6.70%	8
Fayetteville Area System of Transit	7.06%	9
Williamsport Bureau of Transportation	7.12%	10
Yuba-Sutter Transit Authority	7.59%	11
Lorain County Transit	7.80%	12
Polk County Transit Services Division	11.58%	13
<i>Average</i>	<i>5.44%</i>	
<i>Standard Deviation</i>	<i>3.14%</i>	
<i>Average - 1 Standard Deviation</i>	<i>2.30%</i>	
<i>Average + 1 Standard Deviation</i>	<i>8.58%</i>	
<b>In Compliance with Act 44 Standard Deviation Requirements</b>	<b>Yes</b>	
<b>Better or Worse Than Peer Group Average</b>	<b>Better</b>	

Exhibit 10: Fixed-Route Operating Revenue per Revenue Vehicle Hour Trend 2004-2009



Operating Revenue / Revenue Vehicle Hour		
System	Value	Rank
Santa Maria Area Transit	11.57%	1
Yakima Transit	11.45%	2
Lafayette Transit System	10.96%	3
Polk County Transit Services Division	9.81%	4
Yuba-Sutter Transit Authority	8.31%	5
Lorain County Transit	8.05%	6
Housatonic Area Regional Transit	7.88%	7
Su Tran LLC dba: Sioux Falls Transit	6.97%	8
<b>Beaver County Transit Authority</b>	<b>6.06%</b>	<b>9</b>
Laketrans	5.53%	10
Fayetteville Area System of Transit	5.19%	11
Clarksville Transit System	4.80%	12
Williamsport Bureau of Transportation	2.34%	13
<i>Average</i>	7.61%	
<i>Standard Deviation</i>	2.45%	
<i>Average - 1 Standard Deviation</i>	5.16%	
<i>Average + 1 Standard Deviation</i>	10.06%	
<b>In Compliance with Act 44 Standard Deviation Requirements</b>	<b>Yes</b>	
<b>Better or Worse Than Peer Group Average</b>	<b>Worse</b>	

Exhibit 11: Fixed-Route Operating Costs per Passenger Trend 2004-2009



Operating Cost / Passenger		
System	Value	Rank
<b>Beaver County Transit Authority</b>	<b>-4.60%</b>	<b>1</b>
Su Tran LLC dba: Sioux Falls Transit	-1.27%	2
Yakima Transit	-0.28%	3
Yuba-Sutter Transit Authority	0.76%	4
Santa Maria Area Transit	1.75%	5
Lafayette Transit System	3.78%	6
Housatonic Area Regional Transit	5.35%	7
Polk County Transit Services Division	6.16%	8
Laketran	6.33%	9
Lorain County Transit	6.54%	10
Clarksville Transit System	6.65%	11
Williamsport Bureau of Transportation	8.86%	12
Fayetteville Area System of Transit	13.04%	13
<i>Average</i>	4.08%	
<i>Standard Deviation</i>	4.69%	
<i>Average - 1 Standard Deviation</i>	-0.60%	
<i>Average + 1 Standard Deviation</i>	8.77%	
<b>In Compliance with Act 44 Standard Deviation Requirements</b>	<b>Yes</b>	
<b>Better or Worse Than Peer Group Average</b>	<b>Better</b>	

## FIVE-YEAR FIXED-ROUTE PERFORMANCE STANDARDS

Act 44 requires that PennDOT and local transit agencies establish five (5) year performance targets for each of the four core metrics defined by the law:

- 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 per 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 as a) it is consistent with historic trends statewide, b) is achievable, and, c) it encourages agencies to better match service delivery with customer needs.

***Operating Cost / Revenue Hour*** quantifies the efficiency of service delivery. To some extent, costs are 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. The target is established based on average expected inflation levels.

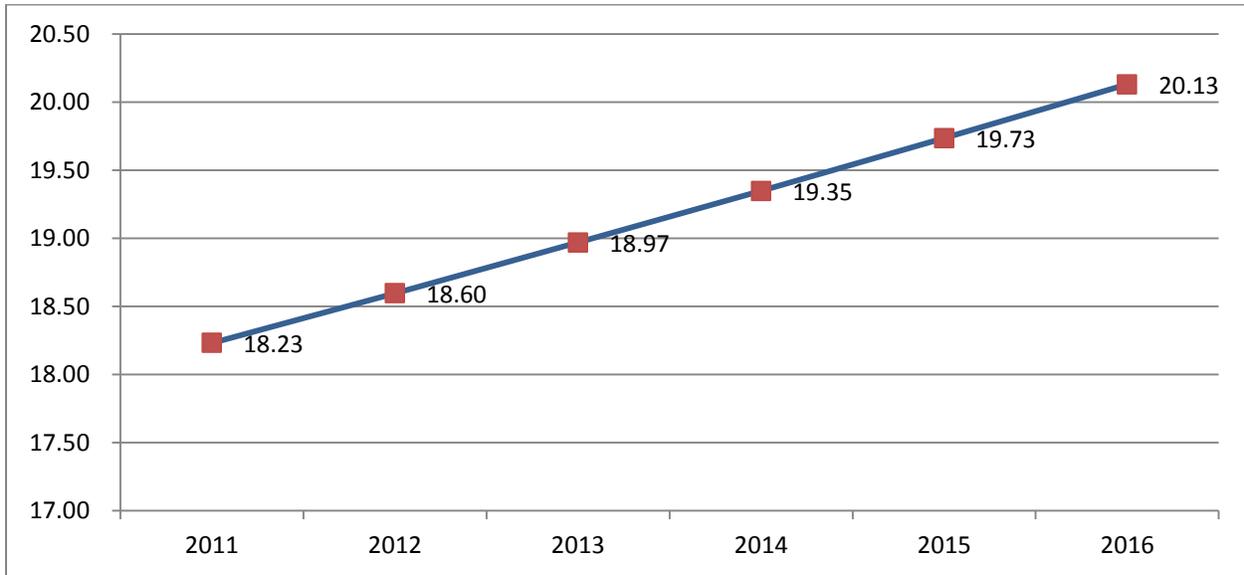
***Operating Revenue / Revenue Hour***, like operating cost / revenue hour, tries to insure an agency remains financially solvent in the long run. Operating revenue is composed of fares and other non-subsidy revenues. The target is set to be the same as operating cost / revenue hour (3%) to make sure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

The maximum ***Operating Cost / Passenger*** target is established as the difference between maximum operating cost / passenger increase (3%) less the minimum passengers / revenue hour goal (2%), or 1%.

These performance standards represent the minimum performance level that BCTA should achieve for each Act 44 criteria during the next performance review cycle, five years from the date of this report. The suggested set of 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 FY 2016 and are designed to be aggressive, yet achievable. Performance Standards should be mutually agreed upon by PennDOT and BCTA so that expected anomalies are accounted for when setting the goals. The PennDOT suggested five-year performance standards for BCTA’s Act 44 metrics are presented in **Exhibit 12, Exhibit 13, Exhibit 14, and Exhibit 15.**

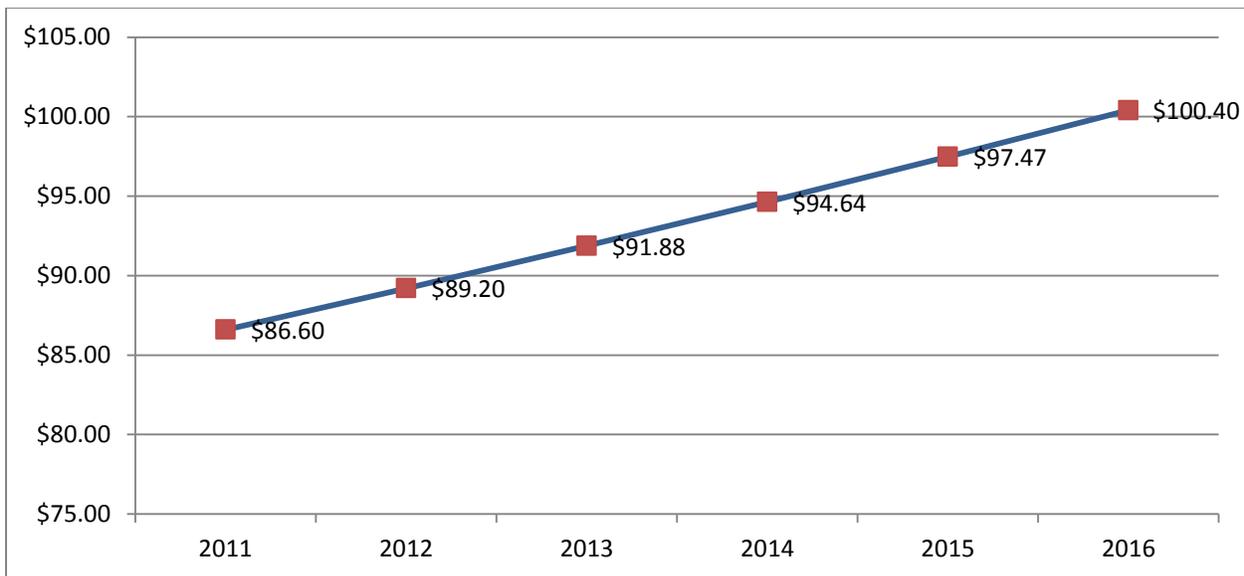
**Exhibit 12: Fixed-Route Passengers per Revenue Hour Performance Targets**

Year 2016 Target.....**20.13**  
 Interim Year Targets ..... **Annual increase of at least 2.0%**



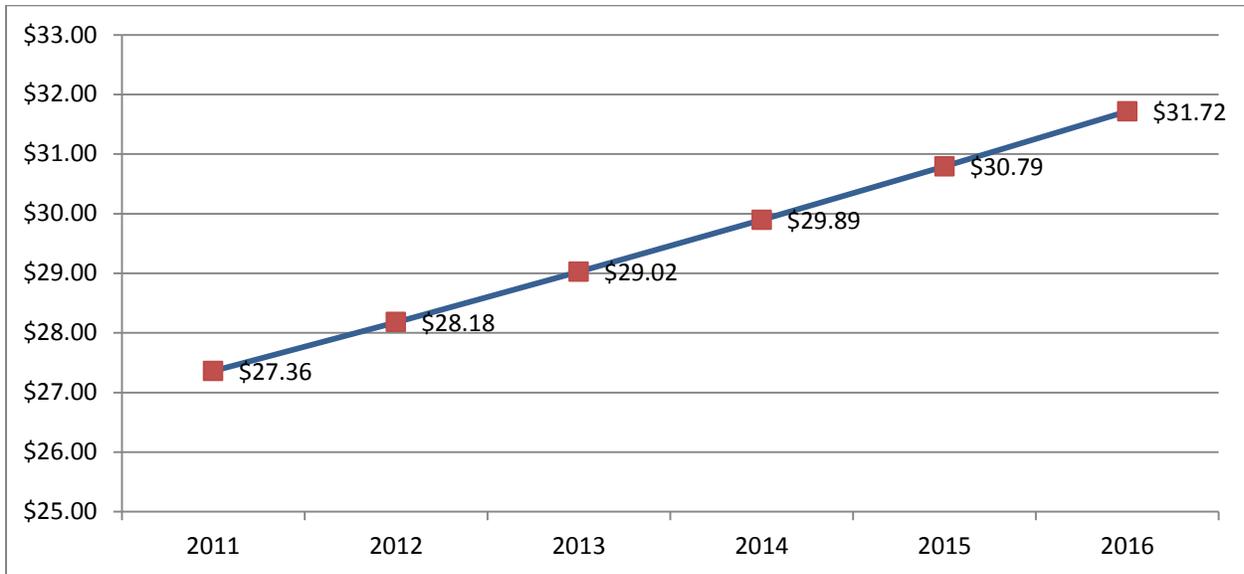
**Exhibit 13: Fixed-Route Operating Cost per Revenue Vehicle Hour Performance Targets**

Year 2016 Target..... **\$100.40**  
 Interim Year Targets ..... **Annual increase of no more than 3.0%**



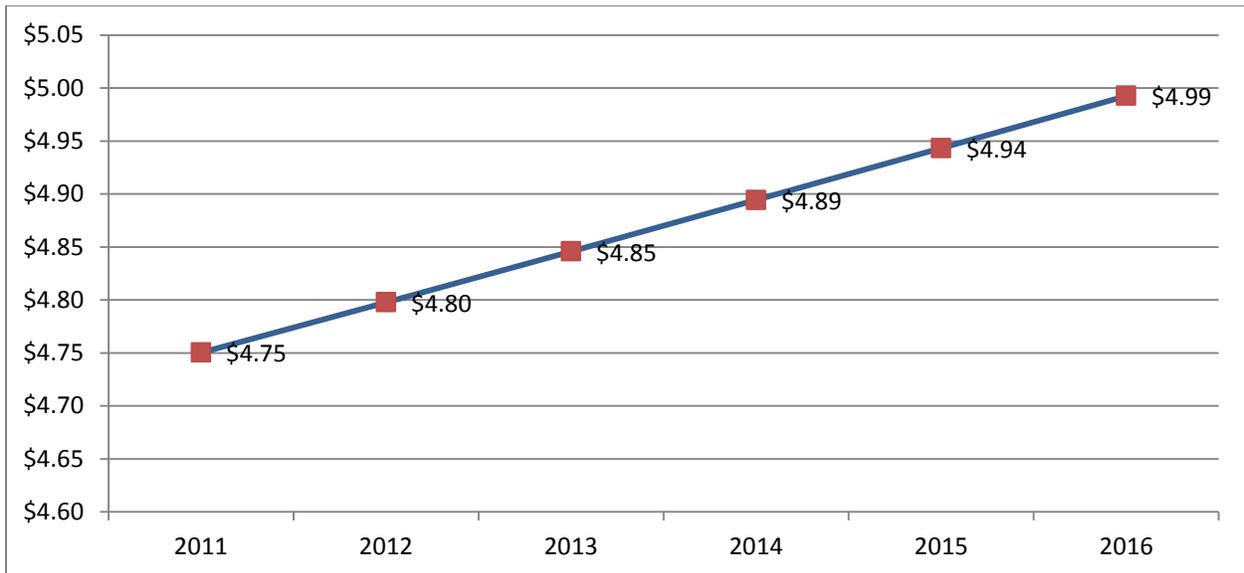
**Exhibit 14: Fixed-Route Operating Revenue per Revenue Vehicle Hour Performance Targets**

Year 2016 Target.....\$31.72  
 Interim Year Targets ..... Annual increase of at least 3.0%



**Exhibit 15: Fixed-Route Operating Cost per Passenger Performance Targets**

Year 2016 Target..... \$4.99  
 Interim Year Targets ..... Annual increase of no more than 1.0%



## FUNCTIONAL REVIEW

Functional reviews are used to determine the reasons behind performance results found in the Act 44 comparisons, to find “best practices” to share with other transit agencies, and to identify opportunities for improvement. A total of 15 functional areas were reviewed through documents received from the agency (see **Appendix A: Documentation Request to General Manager**) and interviews conducted on-site. The functional areas are:

- **Governing Body** – 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.
- **Advisory Committees** – Typically provide review and input to the Governing Body and agency staff in specific topic areas ranging from a public perspective to technical reviews.
- **General 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.
- **Human Resources** – Responsible for employee retention, recruitment, training, performance reviews, grievance procedures, employee benefits, and labor relations.
- **Finance** – Functional area includes budgeting, accounting, cash flow management, revenue handling, and insurance.
- **Procurement** – Includes acquisition of rolling stock, vehicle parts, non-revenue capital items (i.e., office equipment) and other operations-related items.
- **Operations** – Includes management of daily service operations, on-street supervision and control, dispatching, and general route management.
- **Maintenance** – Includes vehicle and non-vehicle maintenance management, procedures, and performance.
- **Scheduling** – Includes route and driver scheduling and decision-making, pay premium considerations, general management, procedures, and performance.
- **Safety and Security** – Functional area includes vehicle and passenger safety, facility security, and emergency preparedness.
- **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.
- **Information Technology** – Functional area includes automated mechanisms for in-house and customer service communication including future plans for new technology.
- **Capital Programming** – Includes assessing and programming current and future capital needs reflecting both funded and unfunded projects. Includes the Transportation Improvement Plan (TIP), 12-Year Plan, and Long-Range Transit Plan.
- **Marketing and Public Relations** – Includes maximizing current markets and expanding into new markets. Includes managing the perception of the agency by the public at-large to encourage current and future ridership.
- **Planning** – Includes analysis of information to effectively plan for changes to the system in the short-, medium-, and long-term horizons, to help ensure the continued viability and success of the agency.

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. A complete list of specific items reviewed—organized by functional area, topic reviewed, an assessment of its current state, observed trends or planned changes, and suggested actions if any—is summarized in **Appendix B: Summary of Functional Findings, Trends, and Suggested Actions**. These 15 areas work together to effectively meet the needs of passengers, to deliver high-quality service in a cost-effective manner, and to provide the resources that will adapt to changing needs and values.

The following sections summarize the ways which service can be delivered more efficiently and effectively in ways that are sensitive and responsive to the community’s needs, maximize productivity, direct service hours effectively, control operating costs, and achieve optimum revenue hours. The observations garnered during the review process are categorized as *Best Practices* or *Items to Address in the Action Plan*. Best Practices are those exceptional current practices that are beneficial and should be continued or expanded. Items to Address in the Action Plan are recommendations which have the potential to maximize productivity, to direct service hours effectively, to control operating costs, and to achieve optimum revenue levels which will enhance the system’s future performance overall for one or more of the Act 44 fixed-route performance factors.

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

“Passengers,” as defined by Act 44, are 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**

- BCTA puts a **high premium on customer service and return on technology investments** including AVL, APC and farebox media. **Monitoring and responding to customer concerns through the appropriate use of technology and staff training improves the perception of BCTA service to existing and potential clients** which results in higher ridership on BCTA buses.
- BCTA **proactively monitors and responds to customer complaints or concerns**. A recent example was that clients informed BCTA that busses were arriving early at some stops. BCTA began a driver re-training program and set out a process to update their AVL system which has become dated and provides “spotty” coverage. BCTA used salaried employees to conduct the survey so that they can learn first-hand about the service and respond to questions/complaints. This approach saved costs, familiarized office staff with the system and customer concerns, resulted in an action plan and helped refocus all staff on customer service. **Approaches such as this both save cost and improve the perception of BCTA in the community** resulting in improved ridership.
- All customer complaints are to be addressed within 2 working days and BCTA has established a 0.19 target for total passenger complaints / 1,000 passenger trips with a zero rate for safety, early, late, courtesy and “pass up”. While BCTA does not achieve the zero goals, **monitoring of the number of passenger complaints on a quarterly basis will improve the quality of service over time** by allowing management to identify issues when

complaints exceed expectations or simply increase. **Rigorous monitoring and quality control of customer service standards improves the public’s perception of an agency leading to increased ridership potential.**

- All BCTA staff members have been sensitized to **seating capacity** and **standing customers**. If a customer must stand, drivers are required to call that into dispatch and planning is made aware of the condition so that corrective action can be taken. Notices posted around the facility reinforce this policy. Management sees this as both a **customer service and safety issue**. This is **exceptional customer service** and has added safety benefits which result in cost savings in terms of liability insurance.
- BCTA has **bus stop signs at all of its fixed route bus stops**. This increases brand recognition and simplifies use of the system for customers.
- The agency has a **“transit 101”** program to **train new riders on how to use the system**. This increases brand recognition and simplifies use of the system for customers.

#### ELEMENTS TO ADDRESS IN THE ACTION PLAN

- Except for periodic customer satisfaction surveys, BCTA currently lacks formal, routine, and proactive ways to incorporate customer feedback into the fixed-route service delivery decision-making process. Such feedback can better inform both the community and BCTA so that passenger needs and service are optimized with respect to one another. **BCTA Management and the Board should introduce** formal mechanisms that provide regular feedback on topics that are of concern to customers via **a standing citizens’ advisory committee**.

The committee can advise BCTA from a passenger’s perspective on a variety of topics including service changes, fare changes, branding, community outreach, outreach to employers, and customer satisfaction. The committee should also serve as a means of outreach to the disability community. BCTA’s routinely scheduled customer satisfaction surveys as well as **non-rider surveys** should be used to monitor and augment these efforts.

- BCTA’s in-vehicle cameras are only activated by G-force or by the driver manually activating the system. However, many agencies with similar technology maximize the user of the cameras by having them operate 24/7 as a way to verify or dismiss customer complaints. **Management should use in-vehicle cameras as a primary tool for investigating customer complaints and other safety issues (such as unauthorized cellular phone usage by drivers)** by having them record all events when a vehicle is in operation.
- An agency the size of BCTA typically has a dedicated marketing budget and program that can be used to improve the visibility of the agency or target specific demographics/markets. **Management should develop a marketing program and materials with a dedicated budget that target current and new riders and help to build “brand recognition”** in a way that augments current efforts. **BCTA should meet with and negotiate agreements**

with large employers, local universities and other major traffic generators to sponsor all or part of a specific service.

- While BCTA coordinates with neighboring transit providers (PAAC), its Web site lacks a system map that could show passengers where transfer opportunities exist both within the BCTA service area and to other systems in the region. **BCTA should put an easy-to-read system map on its Web site that highlights where transfer opportunities exist.** BCTA’s participation in a “regional trip scheduler” project will mitigate but not completely negate this need as some clients have web access while others do not.
- BCTA’s reported number of transfers only includes the use of transfers by passengers who pay cash and does not include transfers made by riders who use passes. Since the system is a “pulse system”, and many riders use passes, **transfers are significantly under reported.** This makes it difficult to know the likely effects of any necessary service changes. It is recommended that BCTA **apply the transfer rate for passengers who pay cash** to riders who use passes to get a more accurate estimate of continuing trips –or– **survey passengers to understand transfer patterns** on a route-by-route basis.
- BCTA does not have a program to install additional bus shelters to accommodate their increasing ridership. The few shelters in the system are relatively old and are not owned or maintained by the BCTA. It is recommended that **BCTA consider increasing the number of shelters at the more heavily used bus stops that currently do not have shelters** to improve customer convenience. Also it is recommended that BCTA consider engaging private advertising companies to provide more shelters. In return for permission to advertise, some of these companies are willing to **provide bus shelters at little or no cost to the agency.**
- BCTA has elected **not to participate in a regional “smart card”** project underway at the Port Authority due to undocumented costs. Since the agency significantly interfaces with PAAC, this **may create a hardship for many of its customers.** It is recommended that the agency **periodically reevaluate its decision to not participate in the regional “Smartcard”** as the technology becomes more understood and proven.

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

“Revenues,” as defined by Act 44, encompasses all non-subsidy revenues generated to help fund the operation of a transit system. The largest contributors to this are farebox revenues, interest on accounts, and advertising revenues.

### **BEST PRACTICES**

- BCTA has **amongst the highest farebox recovery ratios in the Commonwealth.** Historically, increases in farebox revenues due to ridership increases and regular fare increases have outpaced increases in operating costs helping to maintain the agency’s financial health. BCTA’s Board and management **should continue to regularly review and improve the agency’s farebox recovery ratio** to guarantee BCTA’s long-term financial health.

## ELEMENTS TO ADDRESS IN THE ACTION PLAN

- BCTA **does not pursue advertising** as a revenue source. While advertising is not typically a large revenue generator for an agency of this size, it can increase revenues for fixed-route service. Management should **assess the potential of on-vehicle advertising** as one means to increase fixed-route revenues.
- Cash receipts from each vehicle’s vault are mixed prior to counting. This prohibits the possibility of identifying the source of discrepancies between what is reported by GFI farebox probe expected totals and actual receipts. For example, some passengers do not have exact change (for example, the base fare is \$2.75 for a 2 zone trip but the passenger may only have three one-dollar bills. Since the farebox does not make change, fares collected should be equal to or greater than what is registered at the farebox. However, a farebox might have an “issue” where it does not register correctly or perhaps the driver pushes the wrong key (he accidentally hit the full-fare key where he should have hit the discount fare key). In that event, the farebox would be short compared to what was registered. Such issues occur occasionally and should appear as “random” small amounts. However, a driver may, for example, always push the “full fare” key no matter the actual amount paid. In that event, BCTA would show a shortage when in fact there is no money missing. Discrepancy may simply mean that the driver needs to be retrained. If the contents of all fareboxes are mixed before counting, management cannot determine the causes of discrepancies. To provide robust oversight, **management should continue to track farebox cash discrepancy on a regular basis and set thresholds for the system as a whole. If cash receipts are found to outside of an acceptable range on a regular basis, management should count cash receipts by individual vehicle vault to isolate the cause(s) of those discrepancies.**

## **OPPORTUNITIES TO CONTROL OPERATING COSTS**

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

## **BEST PRACTICES**

- BCTA uses Fleet-Net® to manage everything from accounting to parts inventory to vehicle maintenance records and reporting. They make full use of this system and regularly provide reports to monitor many aspects of the agency’s performance including inventory management, vehicle maintenance, procurement and accounting. **Having, using and understanding an integrated information system in this manner saves costs** by minimizing staff training time as well as the time it takes to move information amongst various systems.
- BCTA performs light duty maintenance on revenue vehicles, non-revenue vehicles and facilities and has a **100% “on-time”** report card. For vehicles, maintenance is considered “on-time” if it is within +/- 500 miles of the manufacturers’ specifications with daily reports generated by Fleet-Net®. **Having, monitoring and adhering to strict standards for**

**maintenance reduces operating cost, improves vehicle reliability and extends the useful life of vehicles.** This is evidenced by BCTA’s relatively low maintenance cost per mile and low rate of mechanical breakdowns resulting in service disruptions.

- BCTA management recognizes that the agency has a very high rate of driver turnover and indicates this is due, in part, to below-average wages for fixed-route drivers. The Board and management recognize this problem and have taken actions to correct it. **BCTA worked with a local college to develop a class project to find solutions to the problem** by having several groups of students propose approaches to address the problem. BCTA selected the best of these but also adopted the best ideas from all resulting in what is called the **3R project** (recruitment, retention and recognition). While the implementation is still in its early stages, the outreach to the community and **proactive approach to addressing the problem should reduce the costs associated with hiring and training new drivers** and have the fringe benefit of increasing knowledge of the “BCTA brand” in the community.
- BCTA’s **commitment to safety** was evident throughout the review. This was independently verified during a recent safety audit, conducted by the Statewide Safety Pool’s consultant, in which **BCTA was determined to consistently maintain the highest score on the Safety Pool’s comprehensive fleet and workplace safety audits.** Maintaining stringent safety standards reinforced with appropriate training will help **contain expenditures on insurance premiums.**

#### ELEMENTS TO ADDRESS IN THE ACTION PLAN

- BCTA maintained very effective cost control for the 2004-2009 trend analysis timeframe. However, as shown in **Exhibit 16**, FY 10/11 and FY 11/12 operating costs per revenue hour (an Act 44 metric) were budgeted to increase at the unsustainable rate of 16.2% and 12.3% per year respectively. **Exhibit 17** provides details of each major category in BCTA’s annual budget for FY 09/10 through FY 11/12. It is clear that fuel represents one category of expenses that is growing or planned to grow much more quickly than other categories.

Given a budgeted 16.2% and 12.3% increase in total operating cost per revenue hour of service delivered from FY 10/11 through FY 11/12 (an Act 44 metric), **BCTA management should continue to actively monitor specific line items in the budget that were expected to grow much more quickly than revenue miles of service** as state funding and local subsidies would not keep pace with such high rates of cost increase and this is one of the four primary Act 44 performance metrics. However, early indicators are that the programmed fuel cost increases should not be realized in this fiscal year.

- Because BCTA uses a distributed procurement approach with each department responsible for its procurement, it is critical that all staff involved in procurement **receive training on the use of tools** offered by PennDOT that **assist with procurement** such as “Procurement Pro” available under the Rural Technical Assistance Program (RTAP). **Management and all staff responsible for procurement should receive regular training and become familiar with these tools to help reduce the workload** associated with satisfying federal and state procurement rules.

- The agency appears **to incur higher salary costs than necessary**. For example, it appears a number of “runs” **include overtime** to accommodate driver desires for extra compensation. To better control costs, it is recommended that the agency minimize overtime expenses. One potential strategy would make greater use of part-time drivers to handle “pieces of work” that are now assigned to full-time drivers at an overtime rate.

Even within the terms of the current CBA, BCTA has the flexibility to make greater use of part-time drivers. This could reduce overtime costs and the fringe benefits paid. **Management should explore ways to alter the mix of salary, full-time and part-time (casual) drivers in a way that results in a net cost savings to BCTA yet encourages hiring and retention of qualified drivers.**

- The agency’s “pulse system” was developed by a consultant almost 10 years ago and is recognized as both innovative and effective. The agency still depends on this same consultant, to a degree, to make changes to this system. In most transit systems of this size, **incremental service adjustments are handled by in-house staff**. It is recommended that the agency **continue to train its staff to make needed incremental changes to their “pulse system”**, so they do not have to incur the **cost of an outside consultant** to do this ongoing activity.

Exhibit 16 BCTA Fixed-Route Operating Cost / Revenue Hour (FY 2003-2012)

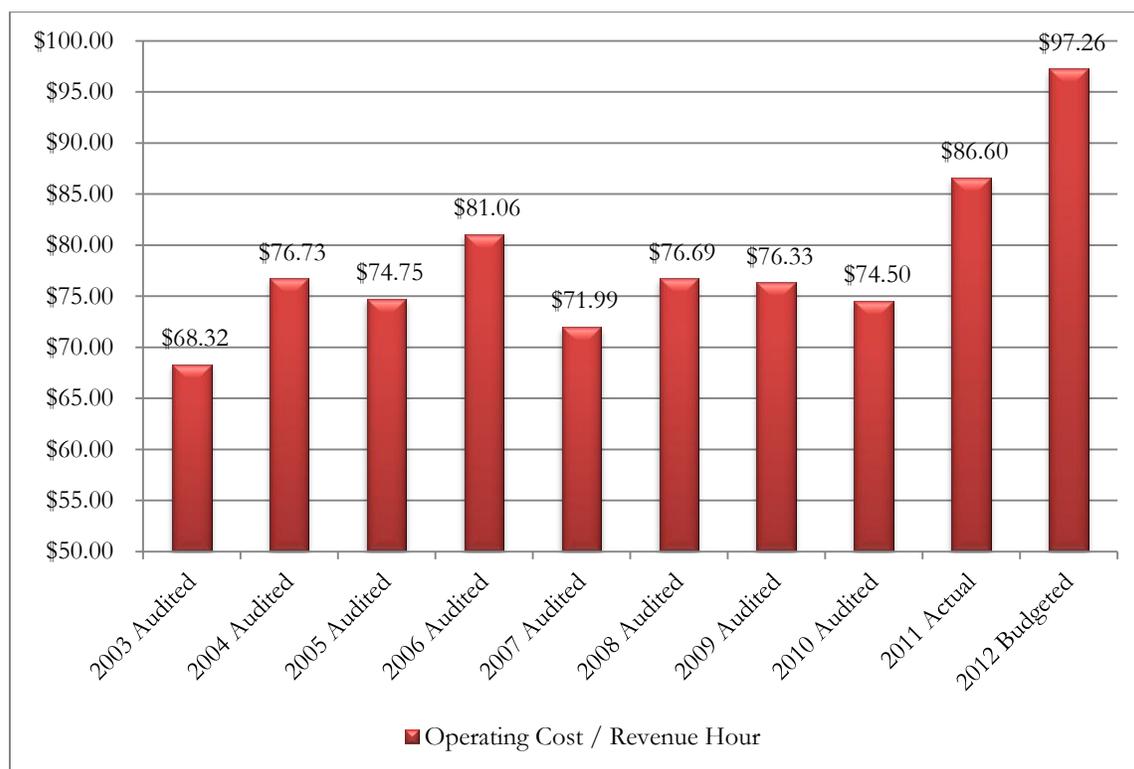


Exhibit 17 BCTA Budget Fixed-Route Service Line Items (FY 09/10 - FY 11/12)

Legacy Budget Line Item	FY 09/10 (a)	FY 10/11 (b)	FY 11/12 (c)	Year on Year Change (b-a)/a	(c-b)/b
Operators Salaries & Wages	\$981,385	\$920,052	\$963,353	-6.25%	4.71%
Other Salaries & Wages	\$757,461	\$829,202	\$874,486	9.47%	5.46%
Fringe Benefits	\$743,278	\$776,614	\$856,214	4.48%	10.25%
Services	\$339,204	\$389,709	\$379,351	14.89%	-2.66%
Fuel & Lubricants	\$547,633	\$671,603	\$1,050,248	22.64%	56.38%
Tires & Tubes	\$82,601	\$68,710	\$85,272	-16.82%	24.10%
Other Materials & Supplies	\$285,404	\$319,687	\$336,298	12.01%	5.20%
Utilities	\$174,396	\$173,382	\$180,248	-0.58%	3.96%
Casualty & Liability Costs	\$110,683	\$101,147	\$91,966	-8.62%	-9.08%
Taxes	\$1,197	\$1,234	\$1,289	3.09%	4.46%
Purchased Transportation	\$0	\$0	\$0	0.00%	0.00%
Miscellaneous Expenses	\$64,788	\$59,144	\$68,566	-8.71%	15.93%
Expense Transfers	\$0	\$0	\$0	0.00%	0.00%
<b>Total Fixed-Route Cost</b>	<b>\$4,088,030</b>	<b>\$4,310,484</b>	<b>\$4,887,291</b>	<b>5.44%</b>	<b>13.38%</b>
Fixed-Route Revenue Hours	54,872	49,772	50,250	-9.29%	0.96%
<b>Fixed-Route Operating Cost / Revenue Hour</b>	<b>\$74.50</b>	<b>\$86.60</b>	<b>\$97.26</b>	<b>16.25%</b>	<b>12.30%</b>

- **Schedule development is performed manually** in a spreadsheet. This **prohibits the ability to answer questions about the relative merits of different schedules** that satisfy goals/policies and **prohibits using scheduling as a tool in negotiating labor agreements**. It is recommended that BCTA **explore options and alternatives to automate schedule development** so that alternatives can be developed and **so that management can understand the cost implications of schedule alternatives**. This could be accomplished either through outsourcing or the development of in-house capacity.

Additionally, BCTA should **add schedule performance metrics** to the scheduling process such as “pay-to-platform”, schedule adherence, dead-head and other measures. These measures will allow management to **optimize scheduling** with respect to **service delivery goals** and **costs**.

- Although BCTA has done an excellent job of controlling annual operating costs on the past, the agency initially projected more than a 13% increase in operating cost/revenue hour (an Act 44 metric) in FY 2011/12. Review of the BCTA budget indicates that this was largely due to anticipated **increases in fuel costs that fortunately have not been realized to date**. To potentially control the future cost of fuel, it is recommended that BCTA **consider entering into a contract to guarantee the future cost of fuel**, rather than be captive to volatile day-to-day market prices. This would have the added benefit of **reducing the administrative burden** (and associated costs) of going through a procurement process every time the agency needs to refill the fuel tanks.
- BCTA has indicated a desire to **investigate the potential for introducing CNG fueled vehicles to their fleet**. This has been stated as one option to avoid rising and fluctuating gasoline/diesel costs. While seeking ways to address volatile fuel prices is a good idea, **experience with CNG fueled vehicles** throughout the Commonwealth **has varied success**. BCTA management **should continue outreach to other transit agencies** in the Commonwealth **to learn from their experiences** to better inform their decision-making process before committing to any given technology.

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

“Other Findings” is a collection of findings from the functional review that may, if addressed, improve the current or future operations of BCTA. 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**

- Board members interviewed **demonstrate a “text book” understanding and approach** to the **role of Governance** in a transit agency’s operation by appropriately delegating authority to management, providing oversight, routinely monitoring performance of key agency functions, taking appropriate roles in community / political advocacy and strong fiscal oversight. Additionally, the **number and use of Board committees is streamlined** for efficiency.

- The Board **routinely monitors financial health, expenditures and route-level ridership along with other performance statistics** on paratransit ridership, missed transfers, passenger complaints, phone wait times, risk management, insurance claims (vehicle and workers compensation), maintenance, employee performance reviews conducted “on-time”, etc. Supporting these efforts is a **full-time transportation planner on-staff that reviews performance statistics weekly**. The Board and management demonstrate a clear understanding of performance monitoring.

#### ELEMENTS TO ADDRESS IN THE ACTION PLAN

- Employee feedback provides ways to improve employee satisfaction, advance customer service, and fine-tune service delivery. Currently, drivers participate in entrance interviews, 90 day interviews and exit interviews. These have been found to be useful to improve work conditions and employee morale. **Management should introduce additional mechanisms to measure employee satisfaction** including periodic /annual employee satisfaction surveys. Management should also **introduce employee performance reviews for all positions** to raise awareness of customer and peer perceptions.
- **BCTA lacks a strategic plan and prioritized needs assessment that would implement the strategy.** While BCTA has proactive capital programming, it is good practice to first identify strategic needs then determine the resources necessary to accomplish them. Once those resources are quantified, projects in the strategic plan should be prioritized and matched against expected or available funding. These steps are commonly referred to as needs assessment. Capital programming then implements prioritized needs based on available funding. BCTA lacks a strategic plan and prioritized needs assessment approach, making the capital programming process appear without a long-term goal or strategy. **The General Manager should involve the Board and senior staff in the development of a formally-documented strategic plan, prioritized needs assessment that serves as the basis of the staged capital program.** This should include a long-term plan for service changes and changes to fleet needs that may result from service changes.
- BCTA has a Disadvantaged Business Enterprise (DBE) goal of 2.5 percent that proves difficult to meet except during years with ongoing construction. **Management should engage PennDOT’s DBE outreach program with the goal of identifying and expanding DBE participation in the local area.**
- **Enhancing management reporting to include route-level fare recovery ratios and scheduling performance** would provide **additional information** that could be used to direct future service changes and inform labor negotiations.
- BCTA currently operates a “pulse” system where local routes converge on the Rochester Transfer Center (RTC) hourly. This approach enables rigorous monitoring of schedule adherence at least at the RTC. However, the **pulse system makes it difficult to adjust headways** to better accommodate demand since transfers are at the heart of the system. BCTA staff should **review the transfer pattern of travelers at the RTC to see where it**

may be possible to adjust headways for select routes that are over/under utilized without significantly impacting the positive effects of “the pulse”.

- BCTA currently **does not report any revenue vehicle miles, or hours, for Rural Fixed Route service** but does report both operating expenses and total passengers for this service. To be consistent, it is recommended that the agency **report both revenue vehicle miles and hours for the portion of the demand response service for which it reports total passengers and operating expenses** (e.g. the flexible portion of the demand response service that deviates to serve selected riders).
- BCTA has taken an atypical role for a transit agency in that they recently constructed a traffic circle and has taken a **strong role in certain local economic development initiatives**. Their ability to take on these types of projects has received **strong support from both PennDOT and local officials**. However, left unchecked, the time spent on these activities *potentially* could detract from the agency’s primary mission of putting high-quality transit service on the street and make BCTA’s operating costs appear artificially high. If these types of projects come up in the future, **management should continue to monitor the amount of staff time spent on these activities** to insure that they do not detract from the agency’s primary function and that resources expended to these types of projects are appropriately charged against those budgets.

## FINANCIAL REVIEW

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

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

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

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

### HIGH-LEVEL INDICATORS OF FINANCIAL HEALTH

Several high-level indicators of financial health and sustainability have been examined relative to determine BCTA’s current state. In almost every indicator, BCTA performs well. As shown in **Exhibit 18**, BCTA is in line with industry goals and targets. BCTA was particularly strong on Cash Reserves as of the last certified audit report. The only area where BCTA falls a bit short of targets is on carryover state reserves in the most recent budget. This is due to a desire to use carryover state funds before local funds as local funds offer BCTA a greater degree of flexibility to meet future needs.

One indicator, paratransit cross-subsidy, would seem at face value to be problematic. It has been observed in some transit agencies in the Commonwealth that heavy cross-subsidies are a harbinger of financial problems in coming years. This is not true in BCTA’s case. Because BCTA does not report ADA costs and revenues separate from other paratransit operations, the amount of subsidy going to paratransit from fixed route cannot be interpreted as a sign of coming financial problems but rather as an anomaly of historic reporting practices.

In short, there is nothing in the high-level indicators that implies immediate concerns.

## Exhibit 18 High-level Financial Indicators

Indicator	BCTA Value	Assessment Criteria / Rationale	Source
Cash Reserves / Annual Operating Cost	62.0%	Target should be 25%+ of the annual operating cost.	FY 2009/2010 Audit Report
Accounts Payable (AP) 90+ days	0.0%	Target should be 0% over 90 days. Larger values indicate cash flow concerns.	Interview Nov 2011
Accounts Receivable (AR) 90+ days	0.0%	Target should be 0% over 90 days. Larger values can cause cash flow problems.	Interview Nov 2011
Operating Debt / Annual Operating Cost	0.0%	Target should be 0%. Low debt amounts reduce borrowing costs.	Interview Nov 2011
Credit available/ Annual Payroll	14.0%	Target should be 15%+. This gives the ability to cover payroll due to unexpected delays in accounts receivable.	FY 2011/2012 Budget
State Carryover Subsidies / Annual Operating Cost	20.9%	Target should be 25%+. This provides flexibility to account for unexpected cost increases or service changes.	FY 2011/2012 Budget
Actual Local Match / Required Match	225.1%	Target 100%+. Local match that exceeds required minimums gives a transit agency flexibility to change service and to accommodate unexpected cost changes.	FY 2010/2011 Budget

## TOTAL AGENCY-WIDE OPERATIONAL EXPENDITURES AND FUNDING

As shown in **Exhibit 19**, BCTA has grown from a \$5.6 million per year operation in FY 06/07 to a \$6.4 million per year operation in FY 10/11. In the current budget, total expenditures are shown to grow to \$7.1 million in FY 11/12. Mid-year reports suggest that the agency will come in well under this budgeted amount. Approximately two-thirds of BCTA’s operational expenses are for fixed-route service. The remaining one-third is for paratransit service though that share has been declining modestly in recent years (**Exhibit 20**).

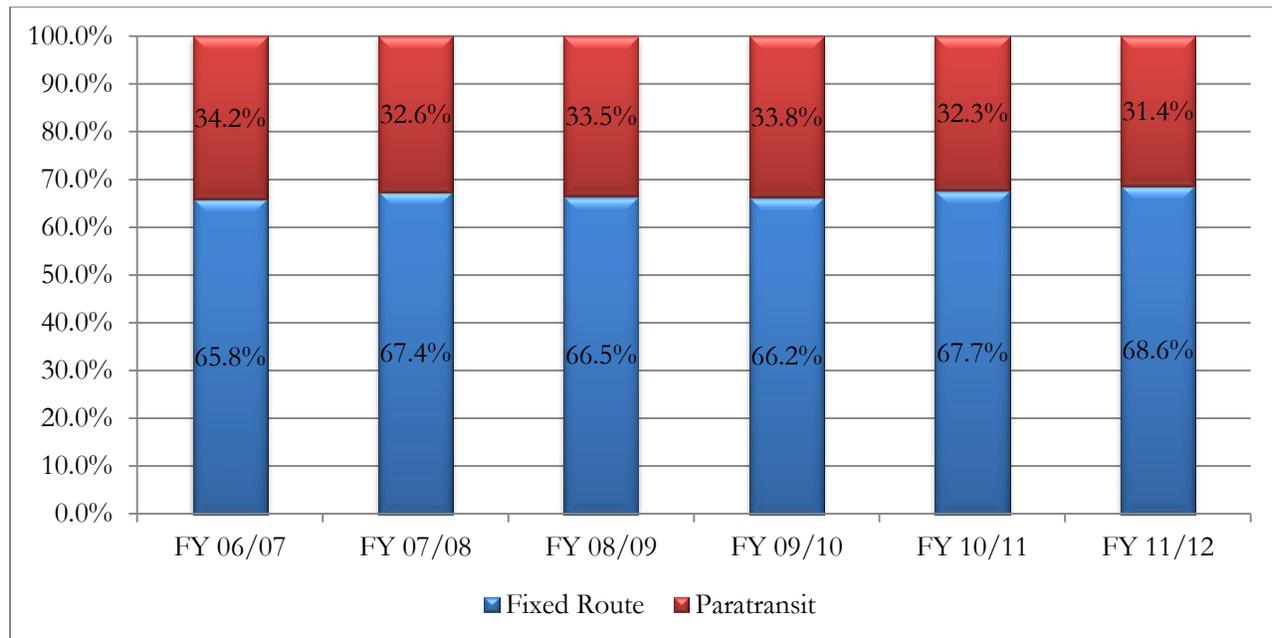
BCTA’s operational funding comes from a variety of sources including federal subsidies, state funds, lottery funds, local funds and passenger fares. Since FY 07/08, federal funds used to finance operations have been declining steadily (**Exhibit 21**). This has been compensated for by increases in state funding such as Act 44, lottery, MATP and MHMR. Local funding has been growing steadily since FY 08/09 as has the share of expenses funded through passenger fares. Nevertheless, state funding remains the largest single funding source for BCTA (**Exhibit 22**).

**Exhibit 19 BCTA Total Operating Expense by Service Type (FY 06/07 - FY 11/12)**

Expense by Service Type	FY 06/07	FY 07/08	FY 08/09	FY 09/10	FY 10/11	FY 11/12*
Fixed Route	\$3.7	\$4.0	\$3.9	\$4.1	\$4.3	\$4.9
Paratransit	\$1.9	\$1.9	\$2.1	\$2.1	\$2.1	\$2.2
<b>Total (\$ millions)</b>	<b>\$5.6</b>	<b>\$5.9</b>	<b>\$6.0</b>	<b>\$6.2</b>	<b>\$6.4</b>	<b>\$7.1</b>

\*FY 11/12 Budget. Mid-year indicators suggest BCTA’s total operating expense will come in under the budgeted amount.

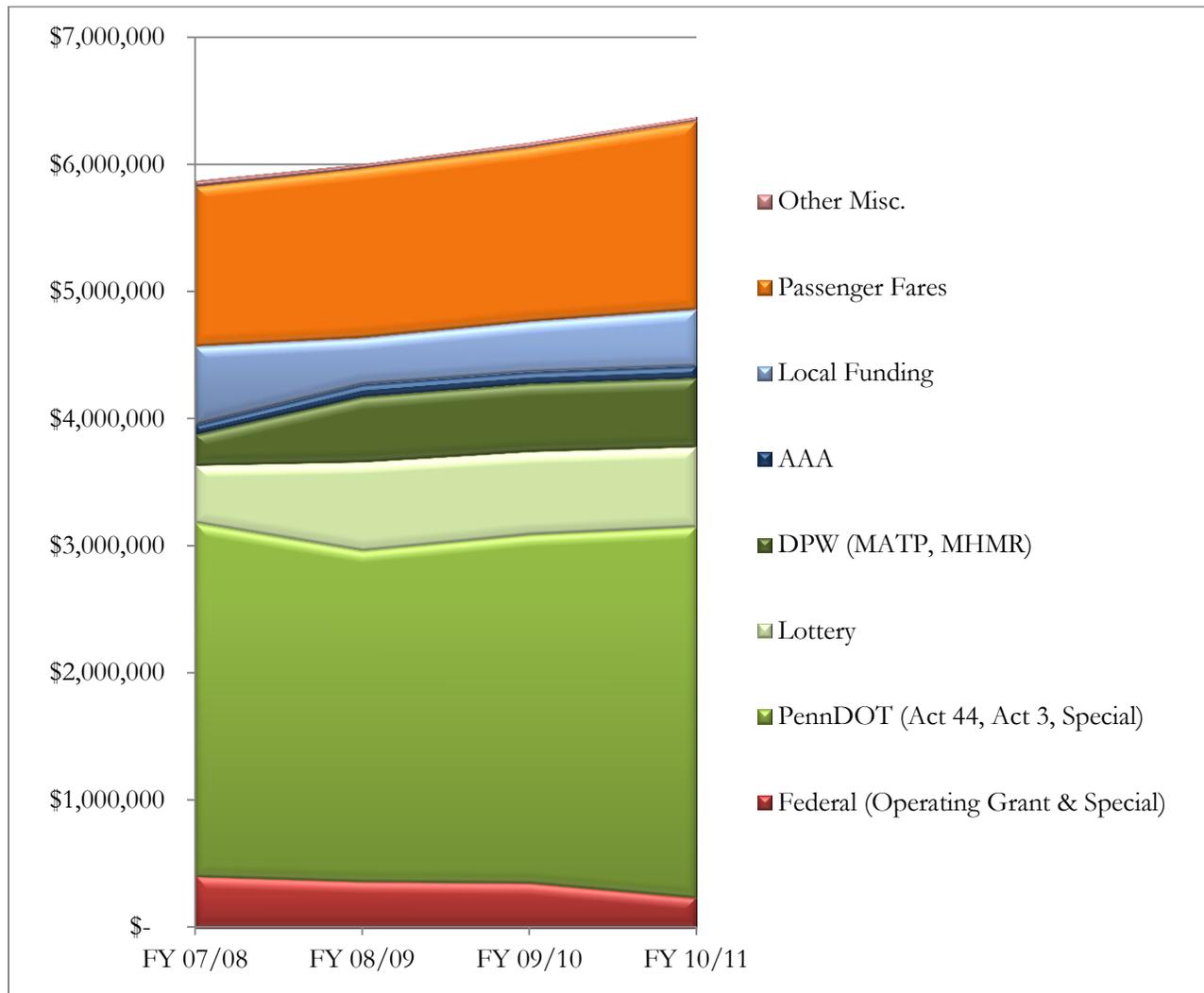
**Exhibit 20 BCTA Share of Agency-wide Operating Expenses by Mode**



**Exhibit 21 Agency-wide Audited Operational Funding by Source (FY 06/07 - FY 10/11)**

Share of Funding	FY 06/07	FY 07/08	FY 08/09	FY 09/10	FY 10/11
Federal	27.6%	6.9%	6.1%	5.7%	3.7%
State (PennDOT+Lottery+DPW)	39.6%	59.1%	63.4%	63.6%	64.1%
Local	8.5%	10.5%	6.1%	6.4%	7.0%
Other (AAA + misc.)	4.5%	2.1%	2.2%	2.1%	2.0%
Passenger Fares	19.9%	21.4%	22.2%	22.2%	23.2%

**Exhibit 22 BCTA Agency-wide Operational Funding Since Act 44's Passage**



## FIXED-ROUTE FUNDING

BCTA's historic and proposed fixed-route funding results from general revenues and government subsidies. Passenger fares have covered between 26.9% and 31.5% of total operating revenues (**Exhibit 23**). Based on the FY 07/08 to FY 10/11 dotGrants reporting, BCTA operated using current year funding with excess local and state funding being "carried over". BCTA has programmed \$242,000 in carryover funds from Act 44 and an additional \$93,000 from local contributions to balance the budget- in line with their strategy to first use state funds then local. The local component is consistent with historic Beaver County funding levels.

### Exhibit 23 Fixed-Route Funding

Funding Category	FY 06/07	FY 07/08	FY 08/09	FY 09/10	FY 10/11	FY 11/12
<b>Revenues</b>						
Passenger Fares	\$997,298	\$1,138,068	\$1,219,131	\$1,254,519	\$1,359,595	\$1,322,919
Charter	\$0	\$0	\$0	\$12,593	\$11,025	\$11,000
Other (vending)	\$112,898	\$1,281	\$1,786	\$1,413	\$2,068	\$2,300
<b>Subtotal</b>	<b>\$1,110,196</b>	<b>\$1,139,349</b>	<b>\$1,220,917</b>	<b>\$1,268,525</b>	<b>\$1,372,688</b>	<b>\$1,336,219</b>
<b>Subsidies</b>						
Federal Operating Grant	\$0	\$0	\$22,616	\$16,954	\$13,569	\$15,154
Act 44 Prior (State)	\$637,299	\$0	\$0	\$0	\$0	\$242,244
Act 44 Current (State)	\$0	\$1,904,846	\$2,068,295	\$2,148,247	\$2,441,733	\$2,747,668
Municipal Prior	\$260,935	\$468,501	\$0	\$0	\$0	\$0
Municipal Current	\$0	\$0	\$244,448	\$254,362	\$289,344	\$382,415
Act 3 BSG Grant (State)	\$320,838	\$0	\$0	\$0	\$0	\$0
Act 3 BSG Grant (Local)	\$11,063	\$0	\$0	\$0	\$0	\$0
Special- (Federal)	\$1,367,306	\$227,306	\$216,563	\$199,971	\$96,575	\$81,796
Special- (State)	\$0	\$227,307	\$216,563	\$199,971	\$96,575	\$81,796
<b>Subtotal</b>	<b>\$2,597,441</b>	<b>\$2,827,960</b>	<b>\$2,768,485</b>	<b>\$2,819,505</b>	<b>\$2,937,796</b>	<b>\$3,551,072</b>
<b>Total Funding</b>	<b>\$3,707,637</b>	<b>\$3,967,309</b>	<b>\$3,989,402</b>	<b>\$4,088,030</b>	<b>\$4,310,484</b>	<b>\$4,887,291</b>
<b>Passenger Fares/ Total Funding</b>	<b>26.9%</b>	<b>28.7%</b>	<b>30.6%</b>	<b>30.7%</b>	<b>31.5%</b>	<b>27.1%</b>

Source: PennDOT dotGrants Reporting System

## PARATRANSIT FUNDING

BCTA's paratransit funding since the passage of Act 44 has had its largest increases due to MH/MR (DD) funding and MATP (**Exhibit 24**). The total paratransit program has grown modestly from \$1.9 million in FY 06/07 to \$2.1 million in FY 10/11. Like fixed-route funding, the large increase in budget for FY 11/12 was proposed to be financed through carryover funds and increased local contribution.

Mid-year budget estimates from BCTA indicate that like fixed-route, paratransit expenditures are coming in under the initial budget estimate likely making the actual total expenditure on paratransit in FY 2011/2012 more in line with "reasonable" cost increases.

## Exhibit 24 Non-Fixed Route Funding

Category	FY 06/07	FY 07/08	FY 08/09	FY 09/10	FY 10/11	FY 11/12*
<b>Revenues</b>						
Passenger Fares	\$121,951	\$117,949	\$114,347	\$113,540	\$118,101	\$114,386
Advertising	\$0	\$0	\$0	\$0	\$0	\$0
Lottery	\$486,266	\$452,264	\$697,434	\$652,980	\$629,066	\$609,279
PwD Reimbursement	\$5,160	\$5,800	\$13,707	\$12,176	\$1,920	\$1,860
AAA	\$91,875	\$75,877	\$100,935	\$93,548	\$98,869	\$95,759
MH/MR	\$87,066	\$60,912	\$158,339	\$116,708	\$110,956	\$107,466
W2W	\$4,684	\$0	\$0	\$0	\$0	\$0
MATP	\$155,678	\$166,360	\$350,123	\$414,629	\$425,822	\$412,428
Foster Grandparents	\$8,071	\$7,424	\$14,873	\$10,857	\$14,414	\$13,961
Beaver County	\$55,457	\$0	\$1,248	\$1,128	\$3,351	\$3,246
MATP Admin	\$12,927	\$14,466	\$0	\$0	\$0	\$0
Vending	\$988	\$1,405	\$1,018	\$806	\$1,171	\$1,134
Other	\$29,391	\$31,812	\$0	\$0	\$0	\$0
<b>Subtotal</b>	<b>\$1,059,514</b>	<b>\$934,269</b>	<b>\$1,452,024</b>	<b>\$1,416,372</b>	<b>\$1,403,670</b>	<b>\$1,359,518</b>
<b>Subsidies</b>						
Federal Operating Grant	\$185,329	\$177,032	\$124,212	\$136,617	\$126,926	\$13,062
Act 44 Prior (State)	\$449,448	\$0	\$0	\$0	\$0	\$139,563
Act 44 Current (State)	\$0	\$648,281	\$317,953	\$389,339	\$377,562	\$227,153
Municipal Prior	\$149,233	\$0	\$0	\$0	\$0	\$0
Municipal Current	\$0	\$148,171	\$119,860	\$140,661	\$151,264	\$358,297
Act 3 BSG Grant (State)	\$44,794	\$0	\$0	\$0	\$0	\$0
Act 3 BSG Grant (Local)	\$1,545	\$0	\$0	\$0	\$0	\$0
Special- (Federal)	\$0	\$0	\$0	\$0	\$0	\$34,564
Special- (State)	\$33,039	\$0	\$0	\$0	\$0	\$105,357
Special (Local)	\$1,139	\$0	\$0	\$0	\$0	\$0
<b>Subtotal</b>	<b>\$864,527</b>	<b>\$973,484</b>	<b>\$562,025</b>	<b>\$666,617</b>	<b>\$655,752</b>	<b>\$877,996</b>
<b>Total Funding</b>	<b>\$1,924,041</b>	<b>\$1,907,753</b>	<b>\$2,014,049</b>	<b>\$2,082,989</b>	<b>\$2,059,422</b>	<b>\$2,237,514</b>

Source: PennDOT dotGrants Reporting System

\*FY 11/12 Revenues are estimated based on the share of revenues by source observed in FY 10/11 \* (budgeted operating cost less budgeted subsidies).

## BALANCE SHEET FINDINGS

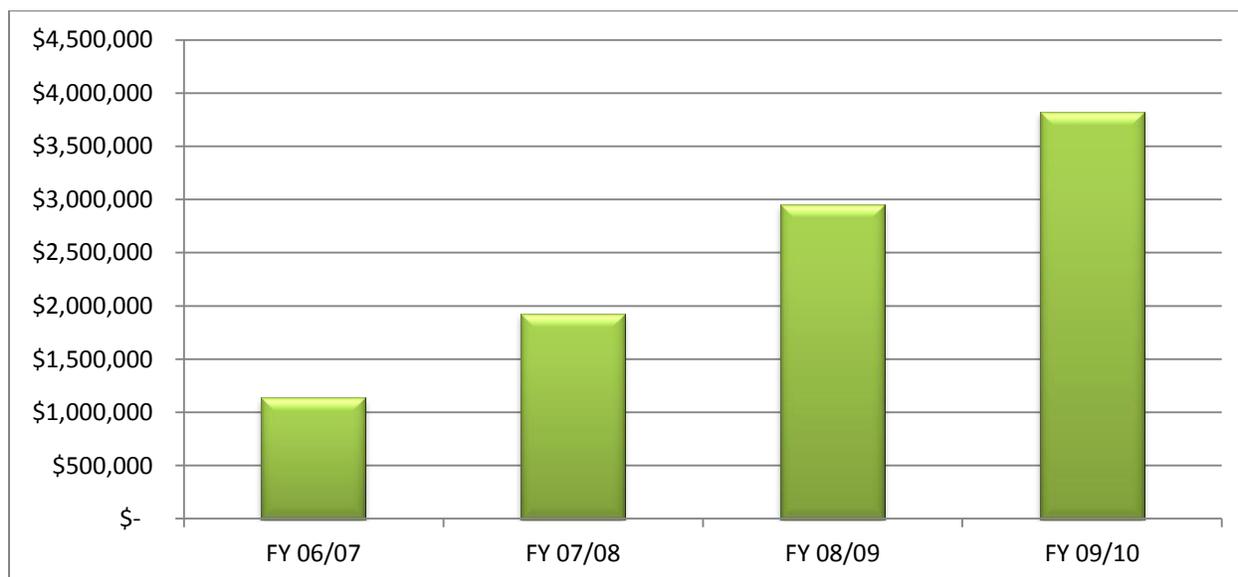
Review of balance sheets from BCTA and Beaver County certified audit reports shows that BCTA has been steadily building its available cash for day-to-day operations from \$1.1 million in FY 06/07 to \$3.8 million in FY 09/10 (**Exhibit 25** and **Exhibit 26**). The increase has averaged \$675,000 per year for the four years. This brought cash reserves up from 20.2% of annual operating costs up to more than 60% of annual operating costs. While BCTA has maintained a \$500,000 general line of credit since 2002, it has not been used. Combining the line of credit and cash equivalent balances,

BCTA has increased its available cash from less than 30% of annual expenditures to more than 70% since 2007. Furthermore, there is another unused \$500,000 line of credit introduced in FY 10/11 intended to cover potentially late MATP payments from DPW.

#### Exhibit 25 BCTA Balance Sheet Summary (FY 06/07 - FY 09/10)

Balance Sheet Report	FY 06/07	FY 07/08	FY 08/09	FY 09/10
Cash Equivalent Balance	\$1,135,472	\$1,927,497	\$2,951,141	\$3,825,967
Inventory Value	\$249,156	\$262,761	\$249,728	\$280,722
Pre-paid Expenses	\$116,201	\$85,049	\$88,802	\$143,780
Accounts Payable	\$166,097	\$239,627	\$216,261	\$304,467
Accumulated Absences	unknown	unknown	\$98,531	\$92,917
Line of Credit	\$500,000	\$500,000	\$500,000	\$500,000
Credit Used	\$0	\$0	\$0	\$0
Total Operating Expense	\$5,631,678	\$5,875,062	\$6,003,451	\$6,171,019
Cash Eqv. Bal / Total Operating Exp.	20.2%	32.8%	49.2%	62.0%
Line of Credit / Total Operating Exp.	8.9%	8.5%	8.3%	8.1%
Cash Eqv+PrepaidExp-AcctPayable	\$1,085,576	\$1,772,919	\$2,823,682	\$3,665,280

#### Exhibit 26 BCTA End-of-Year Cash Equivalent Balance (FY 06/07 - FY 09/10)



## CONCLUSIONS

For the FY 06/07 to FY 11/12 period, Beaver County has contributed between \$810,000 and \$850,000 to help cover BCTA's operational cost. BCTA has used less than half of that amount in any given year to balance its budget allowing the agency to build its cash reserves from 20.2% of its annual operating budget to 62.0% of its annual operating budget. This put BCTA in a very strong

cash position through the end of FY 10/11. This large fund can be used for emergency purposes and to fund BCTA's "lumpy" fleet replacement needs.

In the FY 11/12 budget the programmed fiscal trajectory was set to change. BCTA programed almost its entire local subsidy. Added to this is the uncertainty in MATP funding. Since carryover funds will eventually be depleted, the budget levels programmed for FY 11/12 would not be sustainable unless alternate sources of revenue could be found. Fortunately BCTA is coming in under budget this fiscal year which should allow them to continue to build cash reserves.

Over the FY 11/12 time period it appears BCTA will remain solvent and in a strong cash position. In subsequent years, if the large programmed cost increases in the FY 11/12 budget were to become a reality and permanent, BCTA would find itself in a position that state and local carryover funds are exhausted unless alternate sources of funding are found. However, early indicators are that the actual FY 11/12 cost increases will be more in line with historic increases than those programmed in the FY 11/12 budget.

PennDOT and BCTA management should actively monitor BCTA's end-of-year cash position and carryover funds for changes in BCTA's fiscal health and address any changes in trajectory. No immediate action is necessary to address BCTA's financial health due to the agency's substantial cash reserve position resulting from state and local carryover funds.

# APPENDIX A: DOCUMENTATION REQUEST TO GENERAL MANAGER

2010 Transit Performance Review  
Data Request  
Pennsylvania Department of Transportation  
Bureau of Public Transportation



**DOCUMENT REQUEST**

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

\*\*Denotes information requested from contractors in addition to Agency. **BCTA has no contractors**

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

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

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

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	Electronic	Paper Mail	Not Available	Not Applicable
62. **Number of vehicles and sites with security monitoring (i.e., camera, patrols).	X			
63. Records of safety meetings for past 2 years.	X			
<b>CUSTOMER SERVICE</b>				
64. **Fixed route ADA compliance reports for the most recent year.				X
65. Two most recent customer service surveys reports and any actions taken to address known issues.	X			
66. **Complaint procedures manual/policy and 2 most recent reports.	X			
67. Other customer service metrics maintained by the agency.	X			
<b>INFORMATION TECHNOLOGY</b>				
68. **Computer disaster recovery plan.	X			
69. Computer security procedures now in use.	X			
70. **Data collection technology/programs (i.e., APCs, AVL, scheduling software, financial management software, maintenance software).	X			
<b>CAPITAL PROGRAMMING</b>				
71. Short and Long-term capital programs or plans including: <ul style="list-style-type: none"> <li>• Transit TIP</li> <li>• Agency Specific Plans (additional to TIP): <ul style="list-style-type: none"> <li>○ Fleet expansion needs/plans for revenue and non-revenue vehicles (if in addition to TIP)</li> <li>○ State-of-good-repair facility projects for next 5 years (new roof, vehicle overhaul, etc.)</li> <li>○ New/Expanded facilities projects for next 5 years</li> <li>○ Replacement/expansion needs/plans for all other capital assets for next 5 years</li> </ul> </li> </ul>	X			
72. Contact information for any assets owned, operated, or maintained by others.				X
73. Listing of real estate fixed assets (i.e., facilities, transfer locations, etc.) identifying any asset currently not directly used in transit operations and plans for same.	X			
74. Listing of Real estate plans (purchases, sales, or lease changes) including current or planned construction projects, documenting cost to complete and projected completion date planned for next 5 years	X			
<b>MARKETING AND PUBLIC RELATIONS</b>				

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	<b>Electronic</b>	<b>Paper Mail</b>	<b>Not Available</b>	<b>Not Applicable</b>
75. Service area demographics, customer profiles, and market research documents (as available).	X			
76. Local news clippings from past 5 years.			X	
77. Copy of current year marketing program and policies.	X			
78. Public involvement plan, and notices and attendance rosters from events from most recent 2 years.	X			
79. Reports, input, recommendations, etc. from ridership committees and/or advocacy groups for the past 2 years.				X

## APPENDIX B: SUMMARY OF FUNCTIONAL FINDINGS, TRENDS, AND SUGGESTED ACTIONS

The following notations are used to summarize findings on areas evaluated during the performance review.

<b>+</b>	Above Average	Actions/conditions are notably more/better than those observed in similar agencies.
✓	Average	Actions/conditions are comparable to those observed in similar agencies.
<b>-</b>	Below Average	Actions/conditions are notably less/worse than those observed in similar agencies.

In an effort to recognize where commitments or actions are already under way to change the current state of a particular metric, a column labeled *Trend* has been added to the *Summary* sections. *Trends* are categorized as follows:

↗	Improving	A commitment or actionable plan is under way to improve upon the current practice/conditions.
⇒	Little net change	No commitment or actionable plan has been noted that improves upon the current practice/conditions.
↘	Worsening	No commitment or plan has been made to improve upon the current practice/conditions <i>and</i> conditions are expected to degrade unless the topic is addressed.

Taken together, the *Findings* and *Trends* are intended to identify best practices and help prioritize the areas where addressing a finding can help improve the efficiency, effectiveness, and/or quality of service provided:

Finding	Trend	Action/Interpretation
+	↗	Continue current actions and policies – Potential Best Practice
+	⇒	Continue current actions and policies
+	↘	Corrective action may be desirable
✓	↗	Continue current actions and policies
✓	⇒	Continue current actions and policies
✓	↘	Corrective action desirable
-	↗	Continue current actions but closely monitor progress
-	⇒	Corrective action desirable
-	↘	Corrective action necessary

<b>Governance Observations</b>	<b>Finding</b>	<b>Trend</b>	<b>Suggested Actions</b>
Full Governing Body membership	✓	⇒	None.
Governance and structure meet changing needs and equitably represent agency's customers	✓	⇒	None.
Sets and achieves strategic goals	✓	⇒	None.
Meets community public transit needs	✓	⇒	Continue to expand business and college outreach to build ridership. Establish advisory committees to provide proactive and routine customer feedback.
Public opinion of Board and transit system	✓	⇒	None.
Working relationship among Board members	✓	⇒	None.
Working relationship between General Manager and other agency staff	✓	⇒	None.
<b>Advisory Committee Observations</b>	<b>Finding</b>	<b>Trend</b>	<b>Suggested Actions</b>
Advisory committees provide opportunity for citizen input	-	⇒	Create and use a citizen's advisory committee.
Advisory committees provide opportunity for technical input	-	⇒	Create and use a citizen's advisory committee.
The number and types of advisory boards are appropriate for an agency of this size	-	⇒	Create and use a citizen's advisory committee.
<b>General Management Observations</b>	<b>Finding</b>	<b>Trend</b>	<b>Suggested Actions</b>
Relationship with Governing Body	+	⇒	None.
Organizational structure appropriate for size of agency	✓	⇒	None.
Provides regular performance reporting to oversight Board	✓	⇒	Expand performance monitoring to include scheduling and route-based cost and farebox recovery.
All key management positions currently filled	✓	⇒	None.
Employs strategic policies, goals, and objectives	✓	⇒	None.

Employs, monitors, and uses written performance standards for all major agency functions	+		Expand performance monitoring to include scheduling and route-based cost and farebox recovery as well as Act 44 performance measures.
Actively promotes and achieves interagency coordination	✓		Continue advancing regional efforts and coordinating service arrangements with adjacent operators. Periodically reevaluate participation in the “regional smart card” project to see if there is a way to address BCTA’s cost concerns without completely withdrawing from the project.
Timely satisfaction of all federal and state reporting requirements	✓		None.
Has and follows a written quality control plan for key functions	✓		None.
Has a succession plan in place for all key positions	✓		Continue to provide ongoing training and cross-training among management personnel to help ensure continuity for short- or long-term absences, and personnel departures.
Has cross-training and responsibility practices to ensure that functions can operate smoothly in the event of absenteeism, retirement, etc.	✓		Continue to use quality control as an impetus to cross-train staff and to minimize potential impacts of staff turnover.
Percent of Total Operating Costs Attributable to General & Administrative	✓		Continue administrative cost containment practices.
<b>Human Resource Observations</b>	<b>Finding</b>	<b>Trend</b>	<b>Suggested Actions</b>
Retain stable work force	-		Continue 3-R program and monitor its effectiveness in driver retention.
Recruit qualified employees promptly as vacancies occur	✓		None.
Provide training focused on job performance	✓		None.
Manage the cost of employee benefits	✓		Continue to find creative ways to contain the cost of employee health care benefits.
Manage labor relations effectively	✓		None.

Finance Observations	Finding	Trend	Suggested Actions
Provides realistic annual budgets	-		BCTA's last two budgets have shown very high rates of growth in cost / revenue hour of service (an Act 44 metric) due in part to high fuel costs that have not been realized making the budget less than realistic. Management should conduct a detailed assessment of each item in the agency's budget as to the causes of errors in the budget forecast.
Accurately records and reports financial transactions	✓		None.
Manages state/federal grants efficiently to meet government requirements	✓		None.
Analyzes and manages cash flow	✓		None.
Uses reasonable approach for handling passenger revenues	✓		Review the practice of mixing cash box receipts by bus before reconciling against GFI probe data if discrepancies are found.
Procurement Observations	Finding	Trend	Suggested Actions
Use of computerized parts management system	✓		None.
Automated analysis and identification of procurement needs	✓		None.
Established procedures for verifying inventory figures	✓		None.
Record and measure inventory function performance	✓		None.
Has and achieves Disadvantaged Business Enterprise (DBE)/Minority-owned Business Enterprise (MBE)/Women-owned Business Enterprise (WBE) goals	✓		Work with PennDOT to recruit additional DBE firms in the local area.
Appropriate use of technology in parts inventory control	✓		None.

<b>Operations Observations</b>	<b>Finding</b>	<b>Trend</b>	<b>Suggested Actions</b>
Service is operated in accordance with published schedules	✓	↗	Use new AVL technology as it becomes available to monitor and report on route-level schedule adherence. Adjust scheduling as appropriate.
Track key cost drivers such as unscheduled overtime pay and other premium pay categories	-	→	Establish targets and proportional metrics for key cost drivers, such as unscheduled overtime pay, and develop response strategies for when performance is outside of acceptable ranges.
Track and report on-time performance	✓	↗	Use new AVL technology as it becomes available to monitor and report on route-level schedule adherence.
Track and analyze service-related customer feedback by category	✓	→	None.
<b>Maintenance Observations</b>	<b>Finding</b>	<b>Trend</b>	<b>Suggested Actions</b>
Use of computerized fleet maintenance recordkeeping	✓	→	None.
Automated analysis and identification of trends, performance, and maintenance issues	+	→	Continue daily monitoring of maintenance requirements and trends.
Adopted vehicle maintenance plan and preventive maintenance schedules/checklists	✓	→	None.
Maintenance performance in terms of miles per major road call	✓	→	None.
Preventive maintenance on-time performance	+	↗	Maintain 100% on-time PM record.
Adequacy of maintenance facilities	✓	→	None.
<b>Scheduling Observations</b>	<b>Finding</b>	<b>Trend</b>	<b>Suggested Actions</b>
Understanding of scheduling process	-	→	Develop understanding of scheduling as a tool in cost containment and the relative merit of different scheduling options.
Production of vehicle and driver assignments in a timely manner	✓	→	None.
Input from operating personnel	✓	→	None.

Appropriate use of computers	-	⇒	Implement computerized scheduling to assess the efficiency of the scheduling process either in-house or by contracting the service out.
Scheduling as an analytical tool	-	⇒	Develop schedule performance metrics and assess various scheduling alternatives against goals and policies.
Existing service standard policy	✓	⇒	None.
Performance measures to gauge output of schedule process	-	⇒	Establish performance measures to gauge output of schedule process and the financial impacts of CBA terms and alternatives.
<b>Safety &amp; Security Observations</b>			
	<b>Finding</b>	<b>Trend</b>	<b>Suggested Actions</b>
Provide comprehensive new operator and refresher training	+	⇒	None.
Require operators to use consistent and comprehensive procedures for reporting accidents/incidents	✓	⇒	None.
Track and report accidents by type	✓	⇒	None.
Develop and maintain System Security and Emergency Preparedness Plan	✓	⇒	None.
<b>Customer Service Observations</b>			
	<b>Finding</b>	<b>Trend</b>	<b>Suggested Actions</b>
Number of staff responsible for customer service	✓	⇒	None.
Understanding of staff roles in customer service	✓	⇒	None.
Clear customer service protocols (tracking, response, timeliness, satisfaction)	✓	⇒	None.
Customer Service Quality Improvement Plan	+	⇒	None.
Regular monitoring of customer service satisfaction	✓	⇒	None.
Personal follow-up protocols for complaints and compliments	✓	⇒	Make greater use of in-vehicle cameras to verify/follow up on customer complaints.
Automated follow-up protocols for complaints and compliments	✓	⇒	None.

<b>Information Technology Observations</b>	<b>Finding</b>	<b>Trend</b>	<b>Suggested Actions</b>
Number of staff responsible for Information Technology	✓	⇒	None.
Appropriate use of outsourcing for IT needs	✓	⇒	None.
Adequacy of in-house network and computer technology	✓	⇒	None.
Adequacy of radio and communications systems	✓	↗	None.
Full use of registering fareboxes	✓	⇒	None.
AVL technology	✓	↗	Establish/monitor on-time performance standards as next generation of AVL technology becomes available. Explore Web-based customer information capabilities.
Disaster Recovery Plan	✓	⇒	None.
Strategic IT Plan	✓	⇒	None.
<b>Capital Programming Observations</b>	<b>Finding</b>	<b>Trend</b>	<b>Suggested Actions</b>
Relationships with other agencies in the region	✓	⇒	Continue advancing regional efforts and coordinating service arrangements with adjacent operators. Periodically reevaluate participation in the “regional smart card” project to see if there is a way to address cost concerns without completely withdrawing from the project.
Adequate staff to lead capital programming	✓	⇒	None.
TIP as initial list of all capital needs (fiscally constrained)	✓	⇒	Continue to explore ways to “spread out” the need for a large number of simultaneous vehicle replacements.
Relationship and coordination with external agencies	✓	⇒	None.

Unconstrained, prioritized capital needs strategic plan	-	⇒	Develop a long-term capital plan reflecting all capital needs beyond those in a 12-year capital budget via a strategic plan by assembling a master list of projects ranked by priority and distinguish projects on the basis of available funding. Identify those projects that could move forward with additional funding including additional shelters as one element.
<b>Marketing and Public Relations Observations</b>	<b>Finding</b>	<b>Trend</b>	<b>Suggested Actions</b>
Thorough understanding of current customer base	✓	⇒	Continue to regularly conduct analysis of ridership patterns and market segments in a cost-effective manner.
Effective use of targeted marketing and educational materials for special populations such as the disability community, non-English-speaking populations, etc.	-	⇒	Quantify the magnitude of and develop (as appropriate) marketing materials that target specific populations in the community. Set aside a dedicated marketing budget to advance BCTA's goals.
Effective use of marketing approaches to expand market share with current clientele	-	⇒	Develop, implement, and monitor the effectiveness of plans to increase share of the current customer base including colleges / universities. Implement processes to measure the effectiveness of marketing efforts and report findings at least quarterly to the Board.
Clear procedures to identify and assess potential (new) markets	-	⇒	Identify innovative ways to increase market share in areas where BCTA competes well against other transportation modes. Conduct a non-rider survey as the prior survey is now more than 10 years old.
Visibility in the community	✓	⇒	None.
Positive image with local community and elected officials	✓	⇒	None.
Positive image with state and federal review agencies	✓	⇒	None.
Awards and accolades	✓	⇒	None.

Planning Observations	Finding	Trend	Suggested Action
Proactive approach to short-range planning	✓	➡	None.
Proactive approach to mid-range planning	✓	➡	Develop a Transit Development Plan (TDP) that addresses issues facing BCTA over the next several years.
Proactive approach to long-range planning	-	➡	Expand 12 year capital plan to include an unconstrained assessment and prioritization of needs and evaluate a variety of alternatives that could meet those needs.
Possesses adequate staff capabilities in planning	✓	➡	None.
Uses empirical data used to support planning functions	✓	➡	Expand on current route-level evaluation to include additional financial performance measures with respect to ridership (e.g., revenue and cost per rider). Collect additional data on transfer patterns.
Demonstrates strong staff leadership in planning functions	✓	➡	Work to develop a comprehensive planning process that builds from prioritized needs to implementation for all planning horizons.
Provides opportunities for planning input from operating personnel	✓	➡	None.
Relationships and coordination with other local planning agencies	✓	➡	None.
Positive vision for what transit could be	✓	➡	None.
Uses performance measures to assess route performance	+	➡	Continue to monitor formal service standards to guide planning functions. Expand the number of performance measures to include all Act 44 metrics.

