



LATS Transit System Performance Review

March 3, 2021

Performance Report

Lower Anthracite Transit System d.b.a., LATS

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PREFACE

Pennsylvania law requires transit agency performance reviews and five-year performance targets to improve efficiency and effectiveness of service

COVID-19: Transit-dependent populations are bearing a heavy burden

Transit agencies are navigating new demands, plummeting ridership, and higher costs

PennDOT will reevaluate performance targets when long-term impacts of the pandemic are known

Act 44 of 2007 and Act 89 of 2013 increased funding for public transportation in Pennsylvania. The laws also required transit agencies to improve the efficiency and effectiveness of service delivery through increased ridership, revenue, and cost containment. PennDOT evaluates every fixed-route transit agency in the Commonwealth through a performance review at least once every five years to determine how well the agency satisfies these requirements. Act 44 also requires PennDOT to develop five-year performance targets for each agency as part of the performance review process.

Beginning in February 2020, COVID-19 caused significant social and economic disruptions as people sheltered in place to limit the spread of the disease. The adverse impacts throughout the Commonwealth of Pennsylvania were profound. The health and unemployment effects of COVID-19 disproportionately impacted senior, disabled, and low-income populations. These individuals also rely heavily on public transportation to meet their essential travel needs.

The impacts of COVID-19 on the public transportation industry were also numerous. Ridership decreased by more than 90 percent at some agencies during April 2020. Revenues dropped as agencies opted to waive fares to limit bus driver interactions and possible disease transmission from the handling of tickets and currency. Agencies increased the frequency and extent of bus cleaning, which increased operating costs. Some agencies furloughed drivers as they reduced service in response to plummeting passenger demand.

By late summer 2020 transit agencies had begun to stabilize from the initial impacts of COVID-19, however the pandemic is ongoing and the long-term effects on transit remain unknown. Social distancing guidelines could cause transit agencies to limit the number of passengers on buses and rail for years. Ridership, revenue, and operating cost trends used to develop this transit performance review report, including five-year performance targets, rely on information that predates the pandemic. PennDOT will continue to monitor the impacts of COVID-19 and reassess the transit agency's five-year performance targets when the long-term effects of the pandemic become known. If the performance targets are revised, they will be published as an addendum to this report.

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PUBLIC TRANSPORTATION SERVICE SUMMARY
Fiscal Year 2019-20

Agency	Lower Anthracite Transit System (d.b.a. LATS)
Year Founded	1982
Reporting Fiscal Year End (FYE)	2020
Service Area (square miles)	50
Service-Area Population	29,713
Annual Operating Statistics*	Fixed-Route
Vehicles in Maximum Service (VOMS)	3
Operating Cost	\$351,567
Operating Revenues	\$13,800
Operating Subsidies	\$337,767
Total (Actual) Vehicle-Miles	57,228
Revenue Miles of Service (RVM)	48,300
Total Vehicle-Hours	5,208
Revenue Vehicle-Hours (RVH)	4,584
Total Passenger Trips	26,800
Senior Passenger (Lottery) Trips	13,600
Act 44 Performance Statistics	
Passengers / RVH	5.85
Operating Cost / RVH	\$76.69
Operating Revenue / RVH	\$3.01
Operating Cost / Passenger	\$13.12
Other Performance Statistics	
Operating Revenue / Operating Cost	3.93%
Operating Cost / Total Vehicle-Hours	\$67.51
Operating Cost / Total Vehicle-Miles	\$6.14
Total Passengers / Total Vehicle-Hours	5.15
Operating Cost / RVM	\$7.28
RVM / Total Vehicle-Miles	84.40%
RVH / Total Vehicle-Hours	88.02%
Operating Subsidy / Passenger Trip	\$12.60

Source: unaudited dotGrants 2020 reporting

EXECUTIVE SUMMARY

Pennsylvania Act 44 of 2007 increased state funding for public transportation operations by about 50 percent, from \$535 million per year to \$800 million in the first year of the legislation. The funding addressed the dire financial needs of local public transportation organizations across Pennsylvania. The public transportation organizations on the verge of major service cuts and significant fare increases could maintain existing service and fares and, with a predictable and growing source of operating assistance, plan service changes.

Act 44 also ushered in requirements for accountability, performance improvement, and maximizing return on investment. It established a framework for PennDOT to work with local public transportation organizations to:

- Assess efficiency and effectiveness of service, financial stability, and general management/business practices;
- Agree to five-year targets for Act 44-mandated performance criteria;
- Develop an Action Plan for improvement and to achieve performance targets;
- Provide technical assistance to implement the plan at the request of the transportation organization; and
- Reassess each organization on a five-year cycle.

The reassessment at the end of each five-year cycle is to evaluate:

- Whether the organization met the agreed-upon performance targets; and,
- The sufficiency and effectiveness of the organization's actions to improve performance and management practices in its efforts to meet performance targets.

Act 44 regulations address PennDOT actions regarding performance reviews and the financial penalties for public transportation organizations that fail to meet performance targets. Section 427.12, Performance Reviews, states:

(E) The application of funding adjustment will be as follows:

1. Operating fund reductions in Section 1513(G) of the Act (relating to operating program) may be implemented for grantees subject to this section that are not satisfying the minimum performance standards, considering all other provisions of Section 1513. A funding reduction may be assessed in cases when a local transportation organization fails to report progress of, or fails to implement, the agreed-upon strategic Action Plan, or both.

PennDOT conducted a transit performance review for Lower Anthracite Transit System (LATS) in August 2015. Based on that review, PennDOT finalized a performance report in February 2016 that established five-year performance targets and agreed to LATS's Action Plan to meet those targets. In December 2020, PennDOT reassessed LATS to determine whether LATS met its targets and evaluated the actions taken to improve the agency's performance and management practices to maximize the return on investment of Commonwealth funding. This report summarizes PennDOT's findings.

IMPORTANT CHANGES SINCE THE 2015 PERFORMANCE REVIEW

PennDOT conducted the initial review of LATS in August 2015. Since finalizing the 2016 performance report, the following factors impacted LATS's operations and finances:

1. **Management turnover at the Borough of Mount Carmel** – The Borough has had two different Borough Managers within the last five years. The LATS Executive Director has split his time between LATS and other Borough responsibilities, which has reduced his time available to oversee LATS.
2. **Lack of operational oversight** – LATS has an Executive Director, but the Borough of Mount Carmel manages agency finances. A lack of internal controls for management and financial oversight contributed to several unaddressed audit findings and the previous contractor's misreported ridership. Without a Borough Manager, there is little independent oversight of LATS aside from the Borough Council. Furthermore, this lack of oversight has enabled the contractor to operate the service despite violating state and federal requirements that would otherwise make LATS eligible for federal funds.
3. **Lack of eligibility for 5311 federal funds** – Currently, LATS is ineligible for Section 5311 federal funds due to several unaddressed findings that have been documented over the years. For example, LATS does not offer ADA service despite operating a fixed-route bus service. As of 2018, the Borough did not hold the contractor accountable for drug and alcohol testing, maintenance, and Title VI. LATS has additional 5311 Compliance Review findings related to financial management, procurement and DBE participation, and maintenance.

2015 PERFORMANCE REVIEW DETERMINATIONS AND FINDINGS

The 2015 performance review compared LATS to six peer agencies based on the four performance criteria required by Act 44. The analysis determined that LATS was "In Compliance" for all eight metrics and "At Risk" for none.

Performance Criteria	FYE	Determination	Rank (of 7)	Relation to Peer Average	Value	Peer Average
Passengers / Revenue-Hour	2013	In Compliance	4	Worse	4.81	5.01
	Trend	In Compliance	1	Better	2.58%	-3.06%
Operating Cost / Revenue-Hour	2013	In Compliance	2	Better	\$51.85	\$65.15
	Trend	In Compliance	1	Better	-10.49%	0.43%
Operating Revenue / Revenue-Hour	2013	In Compliance	6	Worse	\$2.65	\$5.35
	Trend	In Compliance	2	Better	9.09%	3.60%
Operating Cost / Passenger	2013	In Compliance	3	Better	\$10.77	\$14.76
	Trend	In Compliance	1	Better	-12.75%	4.12%

* The single-year and trend peer comparisons are based on the most current National Transit Database (NTD) information available during the peer review.

LATS developed an Action Plan to address opportunities for improvement identified during the 2015 performance review and took the following steps to improve performance:

1. Developing a marketing strategy that targets local senior centers and high-rise apartment buildings and fostered a relationship with local human services agencies.
2. Re-bidding the service contract in early 2018.
3. Including a provision in the service contract to notify the Borough of any service interruptions.

LATS has several actions from the 2015 Action Plan that are incomplete. These actions are still relevant opportunities to improve ridership, increase revenue, and control operating costs. This performance review recommends that LATS address incomplete action items as part of its 2020 Action Plan.

PennDOT, in consultation with LATS management, established the following performance targets in 2015 that the agency was to attain before its next performance review:

- Increase passengers per revenue vehicle-hour annually by 2.0 percent;
- Contain yearly increases in operating costs per revenue vehicle-hour by 3.0 percent;
- Increase annual operating revenue per revenue vehicle-hour by 2.0 percent; and
- Contain operating cost per passenger trip increases to no more than 1.0 percent per year on average.

The performance targets established in 2015 used the most accurate data available at that time.

Performance Criteria	2019 Target	2019 Actual	Met Target
Passengers / Revenue Vehicle-Hour	6.25	5.56	No
Operating Cost / Revenue Vehicle-Hour	\$64.61	\$51.12	Yes
Operating Revenue / Revenue Vehicle-Hour	\$2.48	\$3.45	Yes
Operating Cost / Passenger	\$10.35	\$9.19	Yes

LATS successfully met three out of four performance targets, including operating cost per revenue vehicle-hour, operating revenue per revenue vehicle-hour, and operating cost per passenger. Although LATS did not meet its 2.0 percent annual target increase for passengers per revenue vehicle-hour, overall ridership has remained relatively stable since the 2015 performance review with no significant declines. Passengers per revenue vehicle-hour remained at about 5.7 between FYE 2014 and FYE 2019.

2020 PERFORMANCE REVIEW DETERMINATIONS AND FINDINGS

The 2020 performance review compared LATS with six peer agencies based on the four Act 44 performance criteria. LATS was "In Compliance" with all eight performance metrics.

Performance Criteria	FYE	Determination	Peer Rank (of 7)	Relation to Peer Average	Value	Peer Average
Passengers / Revenue-Hour	2018	In Compliance	4	Better	5.70	5.21
	Trend	In Compliance	2	Better	3.46%	-2.14%
Operating Cost / Revenue-Hour	2018	In Compliance	1	Better	\$49.84	\$71.65
	Trend	In Compliance	3	Better	-0.79%	1.35%
Operating Revenue / Revenue-Hour	2018	In Compliance	5	Worse	\$3.15	\$3.96
	Trend	In Compliance	4	Better	3.49%	1.21%
Operating Cost / Passenger	2018	In Compliance	2	Better	\$8.74	\$17.11
	Trend	In Compliance	1	Better	-4.11%	3.85%

LATS performed better than the peer group in all metrics except for the FYE 2018 single-year determination for operating revenue per revenue vehicle-hour. LATS had the lowest operating cost per revenue hour of the peer group. Despite not meeting the performance target for passengers per revenue vehicle-hour, LATS increased passengers per revenue-vehicle hour on average by 3.46 percent between FYE 2013 and FYE 2018, compared to the metric for the peer group, which declined 2.14 percent annually.

The 2020 performance review also identified steps that LATS could take to improve overall agency performance, including:

1. Participate in available Pennsylvania Public Transportation Association (PPTA) marketing committee meetings to identify applicable best practices and brainstorm marketing solutions;
2. Updating the vehicle maintenance policy to include adherence with recommended manufacturer specifications and on-time performance goals; and
3. Working with PennDOT to develop a plan to become compliant with FTA Section 5311 requirements so that it will be eligible to receive federal funding.

PennDOT also identified additional opportunities for improvement during the 2020 performance review. The complete list will serve as the basis for LATS's Borough Council-approved Action Plan.

2025 PERFORMANCE TARGETS

As required by Act 44, PennDOT and LATS management developed new five-year performance targets. PennDOT designs the performance targets to be aggressive yet achievable. PennDOT based LATS's performance targets on data from the most recent audited financial year before the impacts of the COVID-19 pandemic (FYE 2019). To ensure full Section 1513 funding, LATS should achieve the targets shown in the table below.

Performance Criteria	Fiscal Year End (FYE)			Target Annual Increase
	2019 Actual	2020 Unaudited	2025 Target	
Passengers / Revenue Vehicle-Hour	5.56	5.85	5.73	0.5%
Operating Cost / Revenue Vehicle-Hour	\$51.12	\$76.69	\$61.04	3.0%
Operating Revenue / Revenue Vehicle-Hour	\$3.45	\$3.01	\$4.12	3.0%
Operating Cost / Passenger	\$9.19	\$13.12	\$10.66	2.5%

FINANCIAL REVIEW

LATS currently has a balanced operating budget. Its net current cash equivalent balance has increased since 2015. Important elements of LATS's FYE 2019 financial condition are:

- LATS had \$316,608 in state funds and \$4,690 in local carryover funds.
- Combined carryover subsidies were equal to 106.5 percent of total operational funding.
- LATS had a cash balance equal to 102.8 percent of total annual operating expenses.
- Current liabilities exceeded current assets by \$22,090 since 2015. LATS should work with PennDOT to eliminate this liability from its books as part of the five-year action plan.
- LATS had no long-term debt and no credit line as of FYE 2019.

Management should continue taking appropriate actions to manage costs (i.e., containing annual operating cost increases to 3.0 percent or less), achieve farebox recovery goals, increase ridership, and maintain cash reserves to preserve LATS's overall financial health.

NEXT STEPS

LATS management and the Borough Council will develop an Action Plan in response to the complete list of "Opportunities for Improvement" identified in this performance review report. Some actions will be quickly implementable, while others may take several discrete steps to achieve over a more extended period. LATS management must report to the Borough Council and PennDOT quarterly on progress toward accomplishing the Action Plan and meeting its performance targets.

INTRODUCTION

PURPOSE

Act 44 of 2007 addressed the dire financial needs of local public transportation organizations across Pennsylvania by increasing state funding for public transportation operations by about 50 percent, from \$535 million per year to \$800 million in the first year of the legislation. Public transportation organizations that had been on the verge of significant service cuts and considerable fare increases could maintain existing service and fares and, with a predictable and growing source of operating assistance, plan service changes.

Act 44 also ushered in critical requirements for accountability, performance improvement, and maximizing return on investment. It established a framework for PennDOT to work with local public transportation organizations to:

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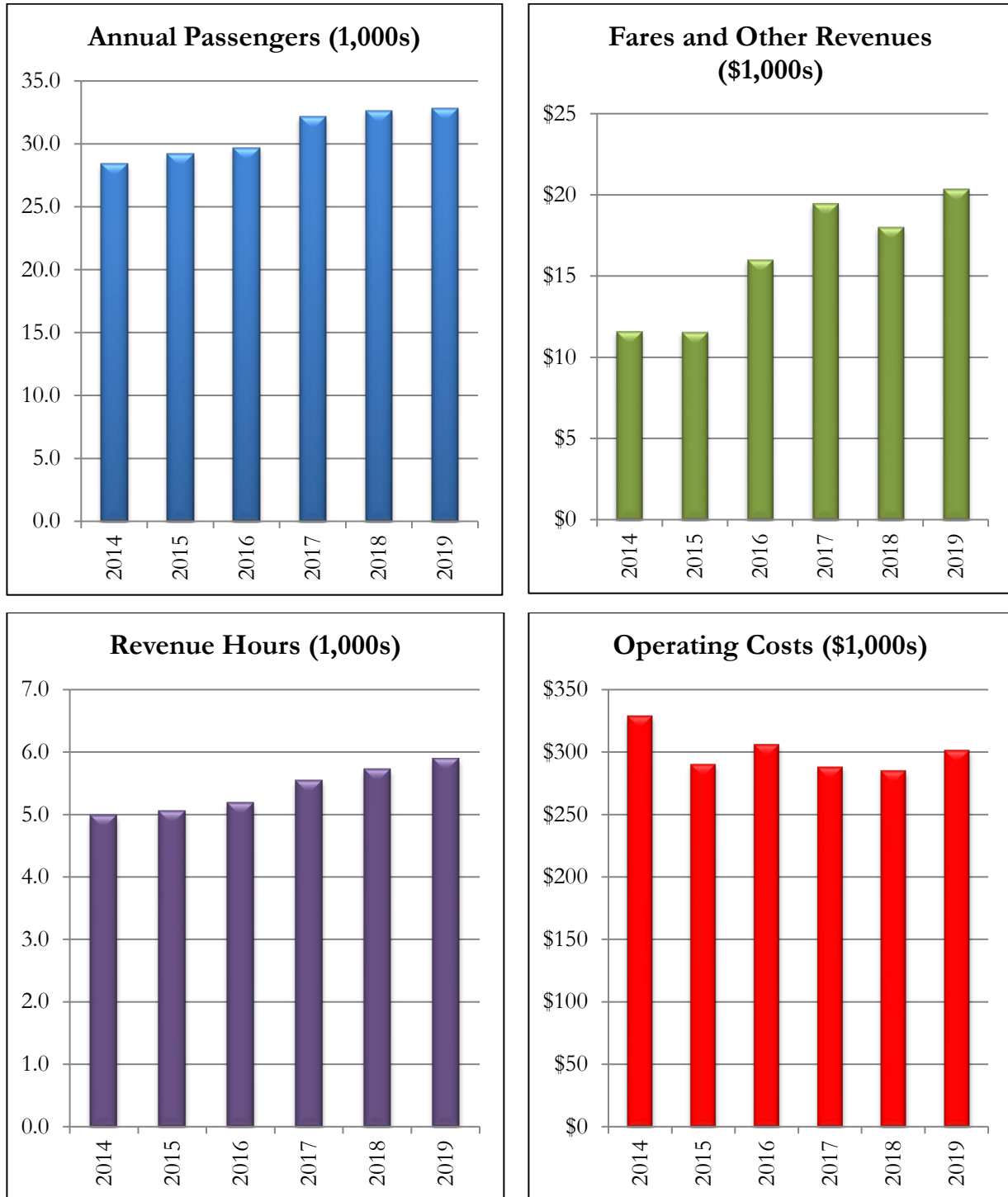
AGENCY DESCRIPTION

The Lower Anthracite Transit System (d.b.a. LATS) was created in 1982 in Northumberland County, Pennsylvania, as the Borough of Mount Carmel's fixed-route transportation system. LATS provides rural fixed-route bus service in the Borough of Mount Carmel, the City of Shamokin, and Coal Township. LATS also provides summer transportation to the Knoebels Amusement Resort. LATS is governed by the seven-member Borough Council and the Mayor of Mount Carmel.

LATS operates two regular fixed routes between 8:00 a.m. and 4:30 p.m. Mondays through Fridays. These routes operate on Saturdays with reduced hours. The summer service to Knoebels operates Mondays through Saturdays. LATS contracts with Catawese Coach Lines to operate and maintain fixed-route bus service. The Central Pennsylvania Transportation Authority (d.b.a. CPTA; rabbittransit) provides shared-ride service in Northumberland County. As of 2020, LATS offers no ADA service, which makes it ineligible for federal funding.

LATS provided 32,821 fixed-route passenger trips as of FYE 2019, with four vehicles operating in maximum service (VOMS). Senior citizens, who ride for free, represent a large portion of LATS's ridership, 13,920 passenger trips. **Exhibit 1** presents fixed-route bus statistics for LATS from FYE 2014 through FYE 2019.

Exhibit 1: LATS Fixed-Route Bus Service Annual Performance Trends (2014–2019)



Source: NTD and PennDOT legacy reporting system (dotGrants)

PERFORMANCE REVIEW PROCESS

In November 2020, PennDOT initiated an Act 44-mandated performance review for LATS. The following outlines the review process:

1. Notify LATS of performance review schedule and transmit a document request.
2. Review available data and request additional information.
3. Agree upon a set of peer agencies for comparison (LATS and PennDOT).
4. Review the most recent customer satisfaction survey.
5. Assess Act 44 variables, including current performance, targets from the 2015 review, and Action Plan implementation.
6. Perform Act 44 performance criteria analysis.
7. Conduct onsite review, interviews, and supplementary data collection/reconciliation.
8. Evaluate performance, financial condition, and operations.
9. Report results and determine agency compliance with performance requirements.
10. Finalize the performance review report.
11. Develop, implement, and monitor a five-year Action Plan (LATS).
12. Provide technical assistance, if required, to help meet five-year performance targets.

These steps assess LATS's unique challenges, changes since the previous performance review, the accuracy and reliability of reported data, implemented practices, additional opportunities for improvement, and realistic goals to attain before the next performance review.

CUSTOMER SATISFACTION SURVEY

LATS conducted a customer satisfaction survey (CSS) between November 18, 2019, and November 26, 2019. The CSS consisted of 15 questions addressing customer satisfaction, rider characteristics, and patterns in service usage. LATS collected 179 responses. Based on survey results, LATS has between 179 and 250 unique passengers. The survey's margin of error is less than 3.0 percent. Results from the survey show:

1. Ninety-nine (99) indicated they were "satisfied" or "very satisfied" with LATS service.
2. Ninety-nine (99) percent of respondents indicated they would continue to ride LATS.
3. Ninety-nine (99) percent of respondents indicated they would recommend LATS to others.

Riders rated a total of 19 performance measures addressing topics such as driver and staff performance, safety, capacity, frequency of service, schedule adherence, and clarity of bus schedules (**Exhibit 2**). The top-rated measures were:

1. Driver courtesy and friendliness;
2. Safe and competent drivers;
3. Helpfulness of employees;
4. Bus fares; and,
5. Personal safety on buses/at stops.

Measures that received the lowest average scores were:

1. Frequency of weekend service;
2. Comfort at bus stops;
3. On-time arrivals and departures;

4. Website – easy to navigate¹; and,
5. Bus schedule – easy to understand.

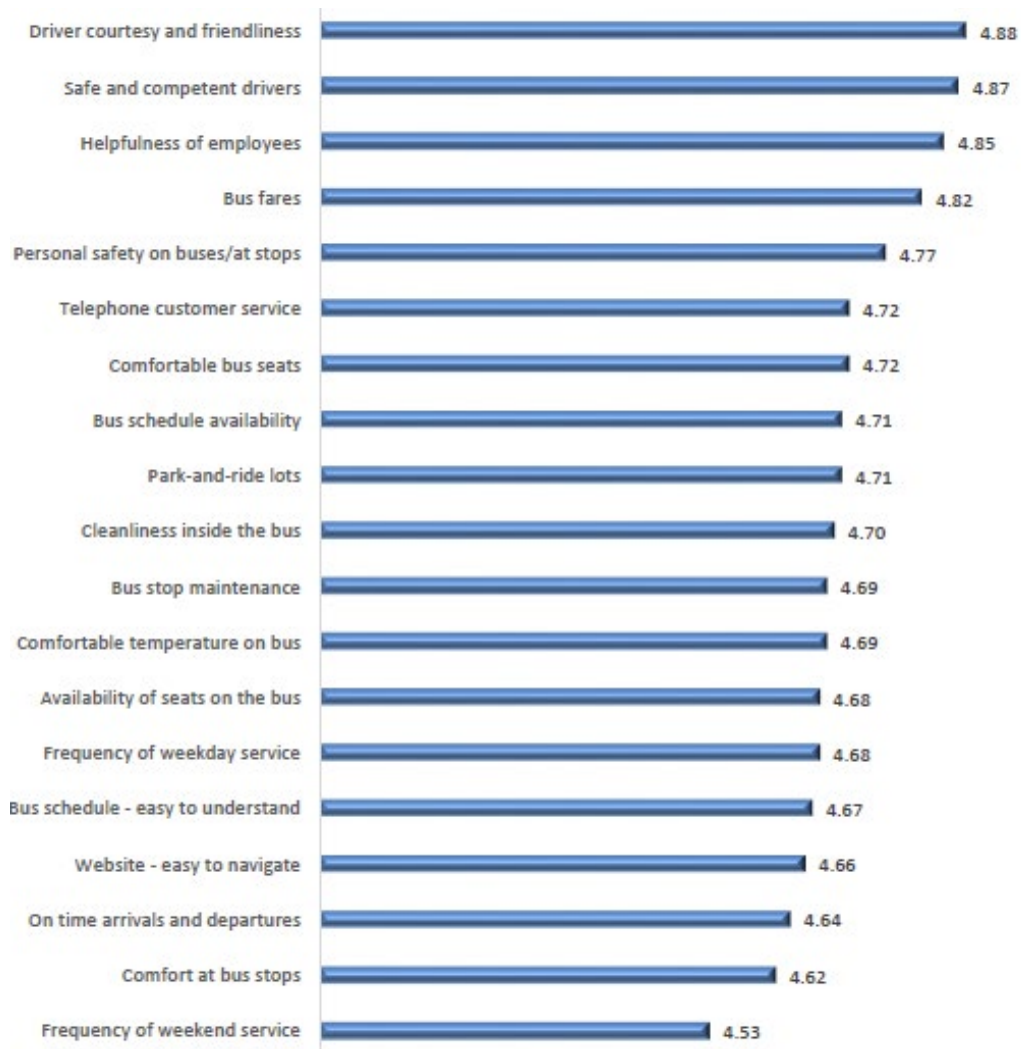
A total of 84 respondents (47 percent) provided open-ended feedback. Favorable feedback included:

1. Compliments of LATS drivers and staff; and,
2. Compliments of LATS service.

Requests to improve service and concerns included:

1. Additional or modified routes, some specifically asked for Sunbury service;
2. A desire for evening service;
3. A need for weekend service;
4. More frequent service; and,
5. Bus stop enhancements.

Exhibit 2: Average Customer Satisfaction Score by Performance Measure



¹ LATS has no website as of the 2020 performance review. The authority has an active social media account.

2015 ACT 44 PERFORMANCE ASSESSMENT

PRIOR REVIEW DETERMINATIONS AND FINDINGS

The 2015 performance review compared LATS to six peer agencies based on the performance criteria required by Act 44. The analysis determined that LATS was "In Compliance" for all eight metrics (**Exhibit 3**). LATS performed better than the peer group in six of the eight and worse than the peer group for two metrics- single-year FYE 2013 passengers per revenue hour and operating revenue per revenue hour.

Exhibit 3: Previous LATS Performance Review Act 44 Comparison Summary

Performance Criteria	FYE	Determination	Rank (of 7)	Relation to Peer Average	Value	Peer Average
Passengers / Revenue-Hour	2013	In Compliance	4	Worse	4.81	5.01
	Trend	In Compliance	1	Better	2.58%	-3.06%
Operating Cost / Revenue-Hour	2013	In Compliance	2	Better	\$51.85	\$65.15
	Trend	In Compliance	1	Better	-10.49%	0.43%
Operating Revenue / Revenue-Hour	2013	In Compliance	6	Worse	\$2.65	\$5.35
	Trend	In Compliance	2	Better	9.09%	3.60%
Operating Cost / Passenger	2013	In Compliance	3	Better	\$10.77	\$14.76
	Trend	In Compliance	1	Better	-12.75%	4.12%

* The single-year and trend peer comparisons were based on the most current National Transit Database (NTD) information available at the peer review time.

ACTION PLAN AND PERFORMANCE TARGETS

LATS developed an Action Plan to address opportunities for improvement identified during the 2015 performance review and took the following steps to improve performance:

1. Developing a marketing strategy that targets local senior centers and high-rise apartment buildings and fostered a relationship with local human services agencies;
2. Rebidding the service contract in early 2018; and,
3. Including a provision in the service contract to notify the Borough of any service interruptions.

Appendix A: 2015 Performance Review Action Plan Assessment (p. 20) provides the complete list of LATS's previous Action Plan items and progress in addressing the identified opportunities for improvement. LATS has several actions from the 2015 Action Plan that are incomplete. These actions are still relevant opportunities to improve ridership, increase revenue, and control operating costs. This performance review requires that LATS address incomplete action items as part of the 2020 Action Plan.

PennDOT and LATS established the following five-year performance targets in 2015:

- Increase passengers per revenue vehicle-hour annually by 2.0 percent;
- Contain yearly increases in operating costs per revenue vehicle-hour by 3.0 percent;
- Increase annual operating revenue per revenue vehicle-hour by 2.0 percent; and
- Contain operating cost per passenger trip increases to no more than 1.0 percent per year on average.

As established during the 2015 performance review, LATS met the performance targets for operating cost per revenue vehicle-hour, operating revenue per revenue vehicle-hour, and operating cost per passenger. However, LATS did not meet its passengers per revenue vehicle-hour target (**Exhibit 4**).

Exhibit 4: 2019 LATS Performance Targets

Performance Criteria	2019 Target	2019 Actual	Met Target
Passengers / Revenue Vehicle-Hour	6.25	5.56	No
Operating Cost / Revenue Vehicle-Hour	\$64.61	\$51.12	Yes
Operating Revenue / Revenue Vehicle-Hour	\$2.48	\$3.45	Yes
Operating Cost / Passenger	\$10.35	\$9.19	Yes

ASSESSMENT

The following factors impacted LATS's operations and finances since the 2016 report was finalized:

1. **Management turnover at the Borough of Mount Carmel** – The Borough has had two different Borough Managers within the last five years. The LATS Executive Director has split his time between LATS and other Borough responsibilities, which has reduced his time available to oversee LATS.
2. **Lack of operational oversight** – LATS has an Executive Director, but the Borough of Mount Carmel manages agency finances. A lack of internal controls for management and financial oversight contributed to several unaddressed audit findings and the previous contractor's misreported ridership. Without a Borough Manager, there is little independent oversight of LATS aside from the Borough Council. Furthermore, this lack of oversight has enabled the contractor to operate the service despite violating state and federal requirements that would otherwise make LATS eligible for federal funds.
3. **Lack of eligibility for 5311 federal funds** – Currently, LATS is ineligible for Section 5311 federal funds due to several unaddressed findings that have been documented over the years. For example, LATS does not offer ADA service despite operating fixed-route bus service. As of 2018, the Borough did not hold the contractor accountable for drug and alcohol testing, maintenance, and Title VI. LATS has additional 5311 Compliance Review findings related to financial management, procurement and DBE participation, and maintenance.

Despite not meeting its 2.0 percent annual target increase for passengers per revenue vehicle-hour, LATS ridership has remained relatively stable since the 2015 performance review with no material decreases. Passengers per revenue vehicle-hour remained at about 5.7 between FYE 2014 and FYE 2019. Management credited the decision to cut the unproductive 4:00 p.m. Knoebels run with improving the LATS' passengers per revenue vehicle-hour metric. Compared to other Pennsylvania transit systems, LATS performed well in meeting its Act 44 targets.

2020 ACT 44 PERFORMANCE ASSESSMENT

The 2020 performance review compared LATS to six peer agencies based on the performance criteria required by Act 44.

PEER AGENCY COMPARISONS

Six peer agencies were identified through a collaborative process between PennDOT and LATS using criteria defined in Act 44 and data from the most recently available National Transit Database (NTD)—FYE 2018. The systems identified for peer comparisons were:

1. Bristol Virginia Transit (Bristol, VA)
2. Liberty Transit (Hinesville, GA)
3. Mid-County Transit Authority* (Kittanning, PA)
4. Warren County Transit Authority* (Warren, PA)
5. County of Carbon* (Jim Thorpe, PA)
6. Shenango Valley Shuttle Service (Hermitage, PA)

* Denotes an agency that was also a peer in the previous performance review.

Exhibit 5 presents the results of the 2020 LATS analysis and peer comparison. LATS is "In Compliance" for all measures. **Appendix B: Peer Comparisons** (p. 23) presents the detailed data used to develop the peer comparison summary.

Exhibit 5: Current Performance Review Act 44 Peer Comparison Summary

Performance Criteria	FYE*	Determination	Peer Rank (of 7)	Relation to Peer Average	Value	Peer Average
Passengers / Revenue-Hour	2018	In Compliance	4	Better	5.70	5.21
	Trend	In Compliance	2	Better	3.46%	-2.14%
Operating Cost / Revenue-Hour	2018	In Compliance	1	Better	\$49.84	\$71.65
	Trend	In Compliance	3	Better	-0.79%	1.35%
Operating Revenue / Revenue-Hour	2018	In Compliance	5	Worse	\$3.15	\$3.96
	Trend	In Compliance	4	Better	3.49%	1.21%
Operating Cost / Passenger	2018	In Compliance	2	Better	\$8.74	\$17.11
	Trend	In Compliance	1	Better	-4.11%	3.85%

ASSESSMENT

The 2020 review found LATS to be "In Compliance" for all eight metrics. LATS performed better than the peer group in all metrics except for the FYE 2018 single-year determination for operating revenue per revenue vehicle-hour. Under state transit legislation, senior citizens ride fare-free, which draws many seniors to use LATS' service and constitutes a large portion of total ridership. Unlike other states, in Pennsylvania, seniors do not pay fares, contributing to this finding.

LATS has the lowest operating cost per passenger of the peer group. The Executive Director actively represents LATS in the communities it serves, targeting senior centers, high-rise buildings, and human services agencies to promote the service. Furthermore, seasonal service to Knoebels Amusement Resort provides LATS with steady ridership in the summer months from workforce transportation to the park.

2025 PERFORMANCE TARGETS

Act 44 of 2007 requires PennDOT, in consultation with agency management, to establish five-year performance targets for each of the four Act 44 metrics for fixed-route service. Setting performance targets for these metrics and regularly reevaluating performance are practices intended to improve service delivery effectiveness and efficiency. Furthermore, Act 89 of 2013 requires agencies to maintain a policy to adjust fares for inflation to keep pace with increases in operating costs. PennDOT uses the most recent audited and agency-verified pre-COVID-19 values for passengers, operating costs, and operating revenues as the baseline for developing performance targets. Five-year targets reflect aggressive yet achievable expectations of improvement.

The 2020 performance review noted that LATS's performance was relatively stable over the last five years, outperforming the state and national trends of declining transit ridership and rising operating costs. Management credited the decision to cut the unproductive 4:00 p.m. Knoebles run with improving the LATS' passengers per revenue vehicle-hour metric. Management should take steps to achieve the FYE 2025 performance targets, focusing on activities that increase ridership and contain operating costs.

PennDOT established the following performance targets in consultation with LATS:

- Increase passengers per revenue vehicle-hour by at least 0.5 percent per year on average.
- Contain operating cost per revenue vehicle-hour increases to no more than 3.0 percent per year on average.
- Increase revenue per revenue vehicle-hour by at least 3.0 percent per year on average.
- Contain operating cost per passenger trip increases to no more than 2.5 percent per year on average.

PennDOT based LATS's performance targets on data from the most recent audited financial year before the impacts of the COVID-19 pandemic (FYE 2019). LATS must achieve the targets listed in **Exhibit 6** to ensure continued eligibility for full Section 1513 funding.

Exhibit 6: FYE 2025 Act 44 Performance Targets

Performance Criteria	Fiscal Year End (FYE)			Target Annual Increase
	2019 Actual	2020 Unaudited	2025 Target	
Passengers / Revenue Vehicle-Hour	5.56	5.85	5.73	0.5%
Operating Cost / Revenue Vehicle-Hour	\$51.12	\$76.69	\$61.04	3.0%
Operating Revenue / Revenue Vehicle-Hour	\$3.45	\$3.01	\$4.12	3.0%
Operating Cost / Passenger	\$9.19	\$13.12	\$10.66	2.5%

FUNCTIONAL REVIEW

PennDOT uses functional reviews to determine the reasons behind performance results, document best practices to share with other transit agencies, and identify opportunities for improvement to address in the Action Plan (see [Appendix C: Action Plan Template](#)). This report organizes functional review findings by the variables guiding the performance review: passengers, revenue, and operating costs.

The following sections summarize ways for LATS to deliver service more efficiently and effectively. Service must be responsive to the community's needs to achieve optimum service levels. Best Practices are those exceptional current practices that are beneficial and should be continued or expanded. Elements to Address in the Action Plan are recommendations that have the potential to maximize productivity, control operating costs, and achieve optimum revenue levels, which will enhance the system's future performance for one or more of Act 44's fixed-route performance factors.

[Appendix D: Action Plan Template](#) (p. 30) provides Action Plan templates for LATS's convenience. Some actions will be quickly implementable, while others may take several incremental steps to achieve over the five years leading up to the next performance review. The template provides a simple-to-follow order of findings of this report that the Action Plan should address.

OPPORTUNITIES TO INCREASE FIXED-ROUTE RIDERSHIP

BEST PRACTICE

1. LATS maintains a loyal seasonal rider base by providing transportation to Knoebels Amusement Resort during the summer months.
2. The Executive Director and the Borough Council President regularly ride LATS's buses to engage customers and identify ways to improve service.

ELEMENTS TO ADDRESS IN PART 1 OF THE ACTION PLAN

1. LATS has a simple marketing approach that consists of public outreach by the Executive Director to local senior centers and human services agencies and riding the bus to talk with customers. PPTA's marketing committee can serve as an excellent resource to help identify cost-effective marketing approaches and applicable best practices. LATS should **participate in PPTA marketing committee roundtable meetings as an opportunity to brainstorm solutions for common marketing issues and implement best practices appropriate for the LATS service area.**
2. The online presence for LATS consists of a Facebook page run by an employee of the contractor. LATS should **ensure that all official communication, including social media messaging, originates from Borough of Mount Carmel employees.**
3. LATS lacks online public information materials to assist and inform potential customers. Respondents to the 2019 Customer Satisfaction Survey indicated dissatisfaction with the current state of LATS' online web presence, which consists of scanned images of bus schedules posted to a social media account. LATS should **develop a website that includes:**
 - a. A system map;
 - b. Route schedules and fares;

- c. **How-to-ride instructional information** (i.e., a rider guide);
- d. **How to apply for a senior pass;**
- e. **A link to rabbittransit for scheduling shared-ride trips;**
- f. **Contact information for LATS customer service and the Borough;**
- g. **Service announcements** (e.g., weather disruptions, route changes, safety and security alerts, COVID-19 protocols, etc.);
- h. **ADA passenger eligibility requirements and trip scheduling procedures** (i.e., when LATS begins offering ADA service); and,
- i. **A notice of nondiscrimination** that informs the public of their rights under Title VI and ADA regulations, including how to file a complaint, the location of the complaint form, and information how to request Title VI and ADA in another language if required.

OPPORTUNITIES TO INCREASE FIXED-ROUTE REVENUES

BEST PRACTICES

1. None.

ELEMENTS TO ADDRESS IN PART 2 OF THE ACTION PLAN

1. LATS provides seasonal service to the Knoebels Amusement Resort. The 2015 performance review recommended that LATS evaluate the potential of securing a route guarantee to increase funding and promote greater service use. LATS should **continue pursuing a revenue agreement with Knoebels Amusement Resort to support the service.**

OPPORTUNITIES TO CONTROL OPERATING COSTS

BEST PRACTICE

1. LATS negotiated provisions in its contracted service agreement to include liquidated damages if the contractor fails to adhere to the preventative maintenance schedule or misses operating data reporting requirements. LATS also can pursue liquidated damages if the contractor fails to notify the Borough regarding service interruptions, improper driver conduct, and poor vehicle appearance.

ELEMENTS TO ADDRESS IN PART 3 OF THE ACTION PLAN

1. The current preventative maintenance (PM) policy provides for PM service every 3,000 miles, which is more frequent than the manufacturer's recommendation of 5,000 miles. Maintenance records indicate that the contractor performs maintenance at about 4,000 miles. LATS should **update its vehicle maintenance policy to include the following:**
 - a. **Require the contractor to adhere to vehicle manufacturer's PM schedules for each engine type**, unless more frequent service is justified in writing;
 - b. **Establish an on-time performance goal for routine preventative maintenance** (e.g., 100% of vehicles +/- 10% of PM interval); and,
 - c. **An ongoing process** (e.g., monthly) **to review contractor compliance with the PM policy** that incorporates protocols to pursue liquidated damages when the contractor repeatedly violates the policy.

OTHER OPPORTUNITIES TO IMPROVE PERFORMANCE

BEST PRACTICES

1. None.

ELEMENTS TO ADDRESS IN PART 4 OF THE ACTION PLAN

1. The 2015 performance review recommended that LATS develop and present a concise monthly report for the Borough Council to inform council members on ridership, farebox recovery, operating cost, and customer service trends. According to the service agreement, the contractor is responsible for providing operating statistics to LATS. The Executive Director should **work with the contractor to develop a concise Borough Council report that includes the following information:**
 - a. **Monthly ridership trends;**
 - b. **Farebox recovery;**
 - c. **Summary of maintenance expenses, including major repairs;**
 - d. **Scheduled preventative maintenance adherence;**
 - e. **Act 44 performance metrics and targets; and**
 - f. **Customer complaints and compliments.**
2. Currently, LATS is ineligible for FTA Section 5311 rural formula federal funds due to several unaddressed 5311 compliance findings documented over the years. For example, LATS provides no ADA service despite operating fixed-route bus service. As of 2018, LATS was not in compliance with drug and alcohol testing, maintenance, and Title VI. LATS has additional findings related to financial management, procurement, DBE participation, and maintenance. LATS should **work with PennDOT to develop and execute a plan to become 5311-compliant.** When it meets FTA's requirements, LATS will be eligible to receive federal funding, including CARES Act grants.
3. LATS has unaddressed findings reported in its FYE 2019 certified financial audit. LATS should **address the following prior audit findings:**
 - a. **Address incomplete and inaccurate accounting records** by reviewing and approving detailed reports of costs charged to the system; and,
 - b. **Review the amount of unencumbered Section 1513 funds at the end of each fiscal year and transfer this amount into a separate interest-bearing account** to ensure compliance with requirements set forth by the grant agreement.
4. LATS has limited staff and resources for transit planning activities such as studying service-area demographics and analyzing route performance. Given the lack of planning staff at the Borough of Mount Carmel, it may be cost-effective to collaborate with SEDA-COG. As recommended from the 2015 performance review, LATS should **reach out to SEDA-COG for technical assistance to support necessary transit planning activities**, such as creating a system map, demographic analyses, and service development.
5. LATS has reported a negative net current asset value of \$22,090 on its balance sheet since 2015. The basis for this amount is not documented in its audit reports. The value could be attributed to uncollected local match or an overstatement of restricted cash assets. LATS should **work with PennDOT to identify the reason for the negative \$22,090 net current asset amount and identify the appropriate means to clear it from its balance sheet.**

FINANCIAL REVIEW

The performance report's financial review presents high-level snapshot data and trend indicators to determine whether additional follow-up by PennDOT is warranted. The findings result from the examination of audit reports, other financial reports, and budgets and assess the agency based on:

- High-level indicators of financial health;
- Total public transportation operational expenditures and funding;
- Fixed-route funding; and,
- Balance sheet findings.

HIGH-LEVEL INDICATORS OF FINANCIAL HEALTH

As shown in **Exhibit 7**, LATS has carryover subsidies (i.e., cash reserves) equal to 106.5 percent of total annual operating costs, which provide liquidity in case of unexpected cost increases. LATS had \$321,298 in total carryover subsidies available for Fiscal Year 2019-20. LATS does not maintain a credit line.

LATS receives local matching funds from Northumberland County, the Borough of Kulpmont, the Borough of Marion Heights, the Borough of Mount Carmel, the City of Shamokin, and Coal Township. As a small contracted system, the Borough Council approves contractor payments. LATS did not provide any accounts payable or accounts receivable aging reports for an assessment of cash flow.

PUBLIC TRANSPORTATION OPERATIONAL EXPENDITURES AND FUNDING

LATS's total operating budget increased from \$306,105 in FYE 2016 to \$351,657 in FYE 2020 (**Exhibit 8**). A 16.6% year-on-year cost increase between FYE 2019 and FYE 2020 is attributable to renegotiating the service contract terms with Catawese and reducing revenue hours from 5,900 to 4,584. However, the cost per revenue hour remains low compared to many transit systems (i.e., \$76.69 FYE 2020 unaudited).

LATS does not provide ADA complementary, nor shared-ride paratransit service. Thus, 100 percent of LATS's operating expenses were for fixed-route service as of FYE 2020 (**Exhibit 9**).

LATS's operating funds come from various sources, including passenger fares, local matching funds, and state 1513 funds. State subsidies are the largest share of income for LATS, accounting for 87.7 percent of total operating income. Revenues and local subsidies constitute the remaining 12.3 percent of operating income, as shown in **Exhibit 10** and **Exhibit 11**. Currently, LATS is ineligible to receive FTA Section 5311 rural formula funds due to outstanding and unaddressed non-compliance findings. Over the last five years, LATS has received the required local match to its Section 1513 state operating subsidy.

Exhibit 7: High-Level Financial Indicators

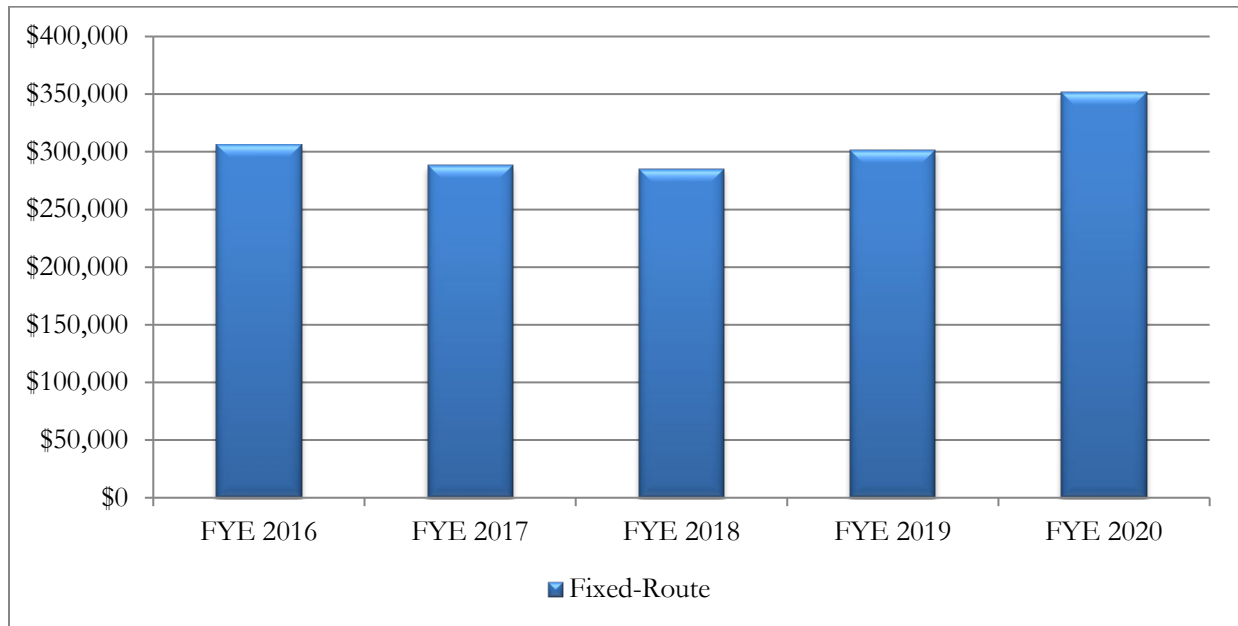
FYE 2019 Indicator	Value	Assessment Criteria / Rationale	Source
Total Carryover Subsidies / Annual Operating Cost	106.5%	Combined target \geq 25%. This provides liquidity to cover unexpected cost increases or service changes without incurring interest fees from loans.	FYE 2019 Audit
Available Credit/ Annual Payroll	0.0%	Only necessary if combined carryover subsidies are less than 25% of annual operating costs. This ensures that the agency maintains sufficient cash flow and liquidity to pay all current bills.	FYE 2019 Audit and PennDOT dotGrants
Actual Local Match / Required Match	100.0%	Target \geq 100%. Local match that exceeds required minimums gives a transit agency flexibility to change service, accommodate unexpected cost changes, and make capital investments.	PennDOT dotGrants 2019
Accounts Payable (AP) 90+ days	N/A	Target is 0% over 90 days. Larger values indicate cash flow concerns.	LATS-reported value
Accounts Receivable (AR) 90+ days	N/A	Target is 0% over 90 days. Larger values can cause cash flow problems.	LATS-reported value
Debt / Annual Operating Cost	0.0%	Target is 0%. Low debt amounts reduce interest costs.	FYE 2019 Audit

Exhibit 8: Public Transportation Operating Expense by Service Type (In Thousands)

Service Type	FYE 2016	FYE 2017	FYE 2018	FYE 2019	FYE 2020
Fixed-Route Total	\$306.1	\$288.2	\$285.3	\$301.6	\$351.6

Note: FYE 2020 data was unaudited at the time of this report.

Exhibit 9: Public Transportation Operating Expense Trends by Service Type



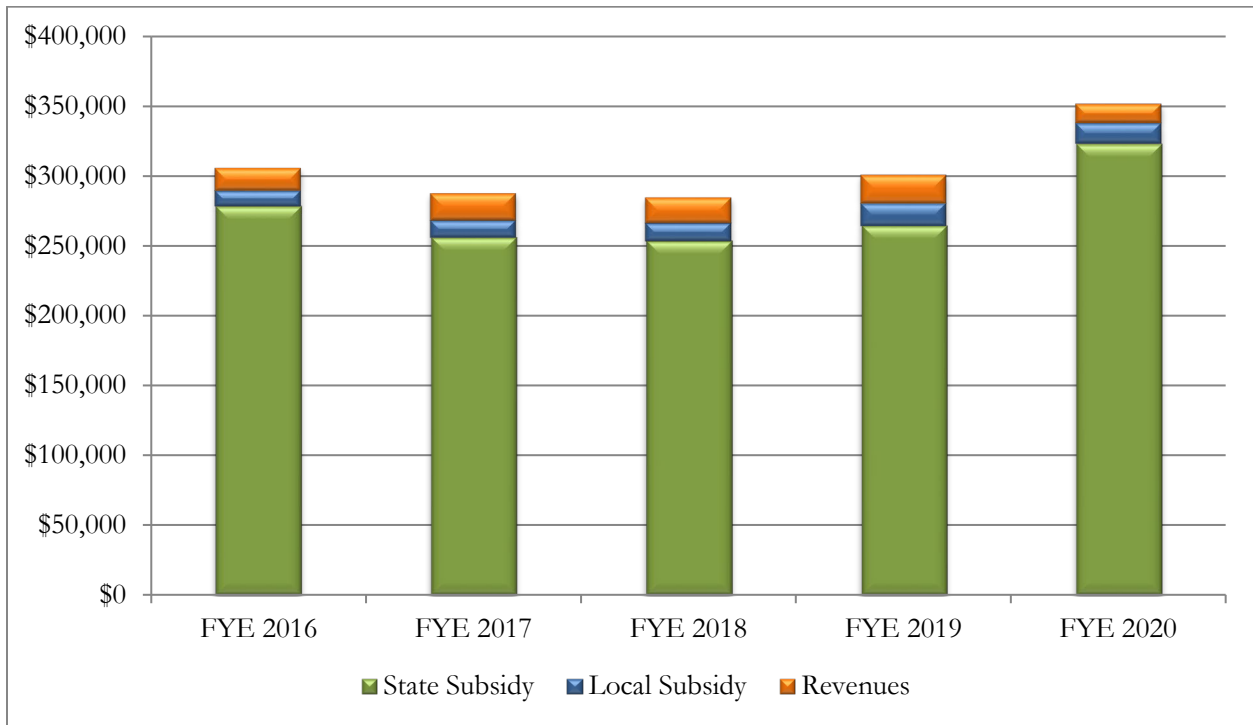
Note: FYE 2020 data was unaudited at the time of this report.

Exhibit 10: Percentage of Public Transportation Operating Budget by Funding Source and Fiscal Year

Funding Source	FYE 2016	FYE 2017	FYE 2018	FYE 2019	FYE 2020
Federal Subsidy	0.0%	0.0%	0.0%	0.0%	0.0%
State Subsidy	90.9%	88.8%	88.9%	87.7%	91.9%
Local Subsidy	3.8%	4.4%	4.7%	5.5%	4.2%
Revenues	5.3%	6.8%	6.4%	6.8%	3.9%
Local Subsidy / State Subsidy	4.2%	4.9%	5.3%	6.3%	4.6%

Note: FYE 2020 data was unaudited at the time of this report.

Exhibit 11: Total Public Transportation (Fixed-Route) Operating Budget and Funding Sources by Fiscal Year



Note: FYE 2020 data was unaudited at the time of this report.

FIXED-ROUTE FUNDING

Between 2016 and 2020, direct passenger fares represented 3.9 percent to 6.8 percent of LATS's total operating funding (**Exhibit 12**). Based on the FYE 2016 to FYE 2019 dotGrants reporting, LATS operated using current-year funding, with \$316,608 in state funds and \$4,690 in local funds carried over to Fiscal Year 2019-20. LATS experienced a drop in passenger fare revenue in FYE 2020 due to ridership losses attributable to the COVID-19 pandemic.

Exhibit 12: Fixed-Route Funding

Funding Source	FYE 2016	FYE 2017	FYE 2018	FYE 2019	FYE 2020
Revenues					
Passenger Fares	\$16,018	\$19,472	\$18,015	\$20,358	\$13,800
Organization-Paid Fares	\$0	\$0	\$0	\$0	\$0
Advertising	\$0	\$0	\$0	\$0	\$0
Total Recoveries	\$0	\$0	\$262	\$0	\$0
Other – Interest Income	\$138	\$0	\$0	\$0	\$0
Subtotal	\$16,156	\$19,472	\$18,277	\$20,358	\$13,800
Subsidies					
Federal Operating Grant ²	\$0	\$0	\$0	\$0	\$0
State – Section 1513 (Prior Years)	\$278,344	\$256,054	\$204,202	\$260,028	\$322,956
State – Section 1513 (Current)	\$0	\$0	\$49,457	\$4,374	\$0
Local – Section 1513 (Current)	\$11,605	\$12,667	\$13,379	\$16,596	\$14,811
Subtotal	\$289,949	\$268,721	\$267,038	\$280,998	\$337,767
Total Funding	\$306,105	\$288,193	\$285,315	\$301,356	\$351,567
Passenger Fares / Total Fixed-Route Funding	5.2%	6.8%	6.3%	6.8%	3.9%

Note: FYE 2020 data was unaudited at the time of this report.

Source: PennDOT dotGrants Reporting System

² Currently, LATS is not in federal compliance and thus ineligible for 5311 rural formula funds.

BALANCE SHEET FINDINGS

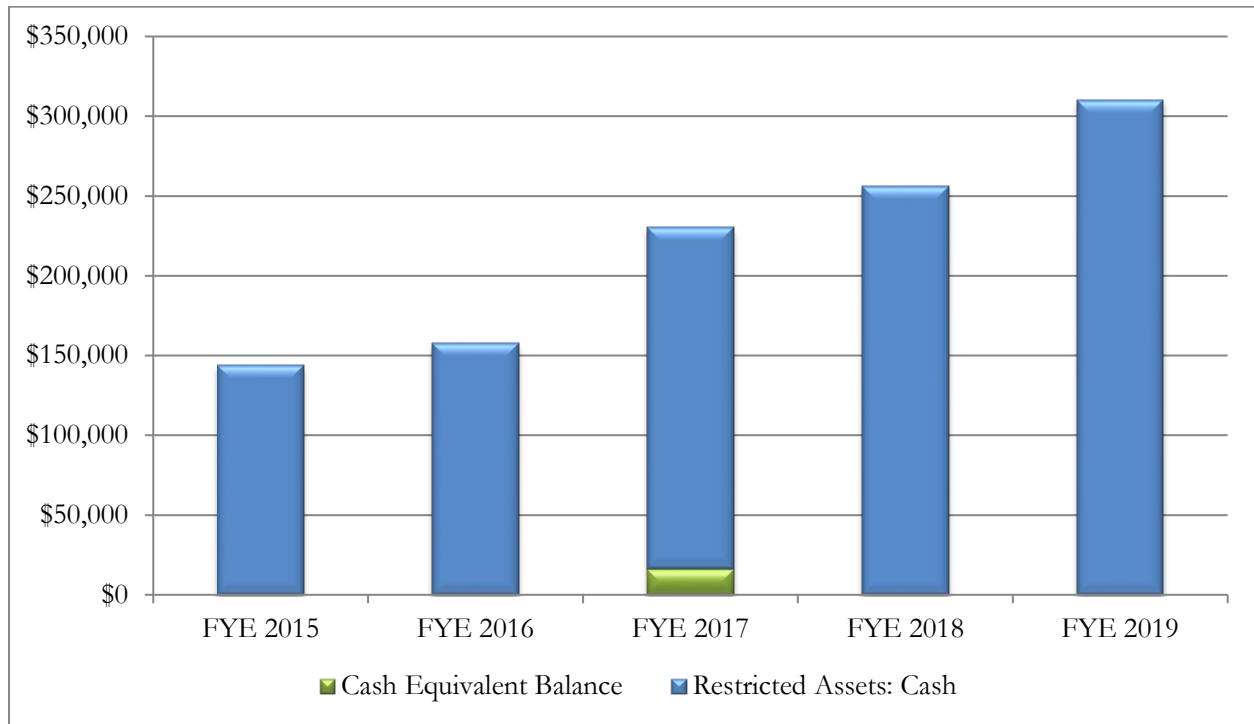
A review of balance sheets shows that LATS increased available cash on hand between FYE 2015 and FYE 2019 (**Exhibit 13** and **Exhibit 14**). In FYE 2019, the net current cash equivalent balance reported was \$0, and restricted cash was \$310,103. As of FYE 2019, LATS reached a balance of restricted cash equal to 102.8 percent of total annual operating expenses. Current liabilities exceeded current assets by \$22,090 since 2015. As of FYE 2019, LATS had no long-term debt and no credit line.

Exhibit 13: Balance Sheet Summary (FYE 2015–FYE 2019)

Balance Sheet Report	FYE 2015	FYE 2016	FYE 2017	FYE 2018	FYE 2019
Current Assets					
Cash Equivalent Balance	\$0	\$0	\$16,175	\$0	\$0
Grants Receivable (incl. capital)	\$0	\$0	\$0	\$7,106	\$0
Other Accounts Receivable	\$11,318	\$11,358	\$5,844	\$5,844	\$5,844
Restricted Assets: Cash	\$143,889	\$157,508	\$214,206	\$256,025	\$310,103
Pre-paid Expenses	\$0	\$0	\$0	\$0	\$0
Current Liabilities					
Accounts Payable	\$23,261	\$18,212	\$43,106	\$21,224	\$15,039
Accrued Expenses	\$0	\$0	\$0	\$0	\$0
Deferred Revenue	\$154,036	\$172,744	\$214,206	\$268,841	\$321,298
Line of Credit	\$0	\$0	\$0	\$0	\$0
Current Maturities of Long-term Debt	\$0	\$0	\$0	\$0	\$0
Total Operating Expense	\$290,371	\$306,105	\$288,193	\$285,315	\$301,631
Cash Eqv. Bal + Restricted Cash / Total Operating Expense	49.6%	51.5%	79.9%	89.7%	102.8%
Line of Credit/Annual Payroll	0.0%	0.0%	0.0%	0.0%	0.0%
Current Assets	\$155,207	\$168,866	\$236,225	\$268,975	\$315,947
Current Liabilities	\$177,297	\$190,956	\$257,312	\$290,065	\$336,337
Net Current Assets	-\$22,090	-\$22,090	-\$22,090	-\$22,090	-\$22,090

Source: Annual Audit Reports and dotGrants

Exhibit 14: End-of-Year Cash Balance (FYE 2015–FYE 2019)



ASSESSMENT

LATS currently has a balanced operating budget. Its net current cash equivalent balance has increased since 2015. Important elements of LATS's FYE 2019 financial condition are:

- LATS had \$316,608 in state funds and \$4,690 in local carryover funds.
- Combined carryover subsidies were equal to 106.5 percent of total operational funding.
- LATS had a cash balance equal to 102.8 percent of total annual operating expenses.
- Current liabilities exceeded current assets by \$22,090 since 2015. LATS should work with PennDOT to eliminate this liability from its books as part of the five-year action plan.
- LATS had no long-term debt and no credit line as of FYE 2019.

Management should continue taking appropriate actions to manage costs (i.e., containing annual operating cost increases to 3.0 percent or less), achieve farebox recovery goals, increase ridership, and maintain cash reserves to preserve LATS's overall financial health.

APPENDIX A: 2015 PERFORMANCE REVIEW ACTION PLAN ASSESSMENT

Last updated in the second quarter of calendar year 2017

Category	Suggested Action	Progress	Status
1. Ridership	Develop a public outreach and marketing plan.	LATS developed a simple marketing strategy to promote fixed-route service through local media outlets, social media (i.e., Facebook), outreach to community living centers, and printed information. Outreach is also spreading to Northumberland County.	Ongoing
1. Ridership	Develop a website that includes a system map, fares, route, and schedule information.	LATS is working with SEDA-Council of Governments and Bucknell University to modernize its website.	Incomplete
1. Ridership	Track, report, and notify the public about any service disruptions.	LATS is currently using its Facebook page to report service disruptions to the public. The new website, when completed, will report service disruptions.	Ongoing
2. Revenue	Evaluate the potential of securing a route guarantee or other financial arrangement with Knoebel's.	LATS plans to meet with Knoebel's Amusement Resort management regarding a potential route guarantee.	Incomplete

Category	Suggested Action	Progress	Status
3. Operating Cost	Start rebidding process for contracted service well before current contract is set to expire.	LATS's fixed-route contract expires June 30, 2018. Borough will begin rebidding process in January 2018.	Complete
3. Operating Cost	Improve oversight of contractor PM practices.	LATS developed a PM policy. The Director visits Catawesse Coach once a month to monitor PM.	Complete
4. Other	Complete PennTRAIN Board training.	LATS plans to work with the Borough Council President to coordinate the PennTRAIN Board training.	Complete
4. Other	Develop and provide monthly LATS status reports to the Borough Council.	LATS currently provides monthly status reports to the Borough Council but not a concise report detailing performance.	Completed; Implementing regularly
4. Other	Improve the security of fare handling.	LATS is working with the contractor to improve the security of fare handling, including a secure counting area.	Complete
4. Other	Develop a program to test and evaluate TDP recommendations.	Incomplete	Incomplete

Category	Suggested Action	Progress	Status
4. Other	Coordinate with PennDOT to implement ADA complementary service.	Last update indicated talks with rabbittransit in 2017. No update as of 2020.	Incomplete.
4. Other	Coordinate with the Borough of Mount Carmel to develop a succession plan.	LATS indicated a Borough official would step in for the short term in case of an unexpected absence by the LATS Executive Director.	Ongoing
4. Other	Explore technical resource-sharing opportunities with SEDA-COG.	LATS plans to contact SEDA-Council of Governments to explore technical resources available to the Borough.	Planned

APPENDIX B: PEER COMPARISONS

Comparison of LATS with the selected peer systems was completed using NTD-reported data and PennDOT dotGrants legacy statistics. Due to its consistency and availability for comparable systems, the NTD FYE 2018 reporting year database was selected as the primary data source used in calculating the five-year trend Act 44 metrics:

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

The variables used in the calculations are defined 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 by mode for both directly operated and purchased transportation
- Average – Un-weighted linear average of all values being measured across all peer transit agencies
- Standard Deviation – Standard deviation of all values being measured across all peer transit agencies

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

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

Passengers / Revenue Vehicle-Hour (Fixed Route Bus, MB)

Passengers / Revenue Hour (MB)					
System	FYE 2018 Single-Year		Five-Year Change Since FYE 2013		
	Value	Rank of 7	2013 Value	Annual Rate	Rank of 7
County of Carbon	3.51	6	3.43	0.49%	3
Mid-County Transit Authority	4.68	5	4.63	0.18%	4
Warren County Transit Authority	6.20	3	7.14	-2.78%	5
Shenango Valley Shuttle Service	6.73	2	12.37	-11.48%	7
Bristol Virginia Transit	7.53	1	13.12	-10.51%	6
Liberty Transit	2.12	7	1.61	5.64%	1
Lower Anthracite Transit System	5.70	4	4.81	3.46%	2
<i>Average</i>	5.21		6.73	-2.14%	
<i>Standard Deviation</i>	1.90		4.43	6.61%	
<i>Average – 1 Standard Deviation</i>	3.31		2.30	-8.75%	
<i>Average + 1 Standard Deviation</i>	7.11		11.17	4.46%	
Act 44 Compliance Determination	In Compliance		In Compliance		
Compared to the Peer Group Average	Better		Better		

Operating Cost / Revenue Vehicle-Hour (Fixed Route Bus, MB)

Operating Cost / Revenue Hour (MB)					
System	FYE 2018 Single-Year		Five-Year Change Since FYE 2013		
	Value	Rank of 7	2013 Value	Annual Rate	Rank of 7
County of Carbon	\$93.78	7	\$57.16	10.41%	7
Mid-County Transit Authority	\$73.73	4	\$60.03	4.20%	6
Warren County Transit Authority	\$72.51	3	\$77.78	-1.39%	2
Shenango Valley Shuttle Service	\$76.75	5	\$100.24	-5.20%	1
Bristol Virginia Transit	\$53.45	2	\$51.56	0.72%	4
Liberty Transit	\$81.48	6	\$75.60	1.51%	5
Lower Anthracite Transit System	\$49.84	1	\$51.85	-0.79%	3
<i>Average</i>	\$71.65		\$67.75	1.35%	
<i>Standard Deviation</i>	\$15.41		\$17.82	4.93%	
<i>Average – 1 Standard Deviation</i>	\$56.24		\$49.93	-3.58%	
<i>Average + 1 Standard Deviation</i>	\$87.06		\$85.56	6.28%	
Act 44 Compliance Determination	In Compliance		In Compliance		
Compared to the Peer Group Average	Better		Better		

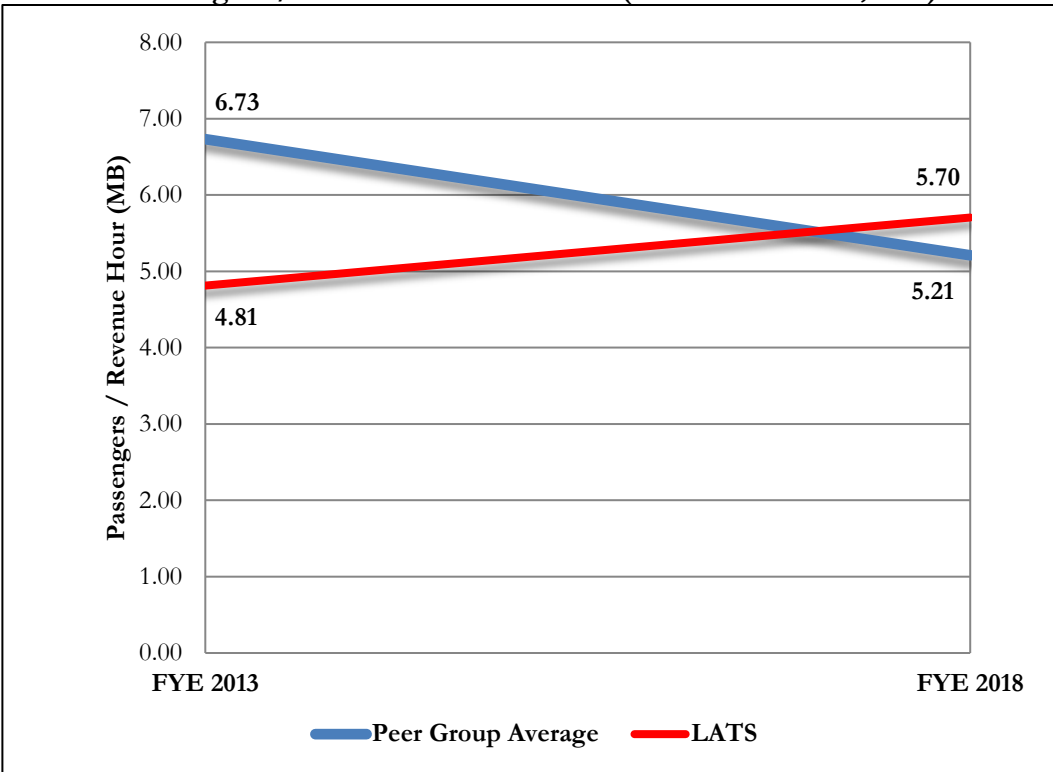
Operating Revenue / Revenue Vehicle-Hour (Fixed Route Bus, MB)

Operating Revenue / Revenue Hour (MB)					
System	FYE 2018 Single-Year		Five-Year Change Since FYE 2013		
	Value	Rank of 7	2013 Value	Annual Rate	Rank of 7
County of Carbon	\$1.64	7	\$0.78	15.88%	2
Mid-County Transit Authority	\$4.68	3	\$3.80	4.28%	3
Warren County Transit Authority	\$4.94	2	\$5.15	-0.83%	5
Shenango Valley Shuttle Service	\$4.03	4	\$5.80	-7.00%	6
Bristol Virginia Transit	\$7.52	1	\$3.43	17.01%	1
Liberty Transit	\$1.76	6	\$7.12	-24.38%	7
Lower Anthracite Transit System	\$3.15	5	\$2.65	3.49%	4
<i>Average</i>	\$3.96		\$4.10	1.21%	
<i>Standard Deviation</i>	\$2.04		\$2.11	14.18%	
<i>Average – 1 Standard Deviation</i>	\$1.92		\$1.99	-12.97%	
<i>Average + 1 Standard Deviation</i>	\$6.00		\$6.22	15.38%	
Act 44 Compliance Determination	In Compliance		In Compliance		
Compared to the Peer Group Average	Worse		Better		

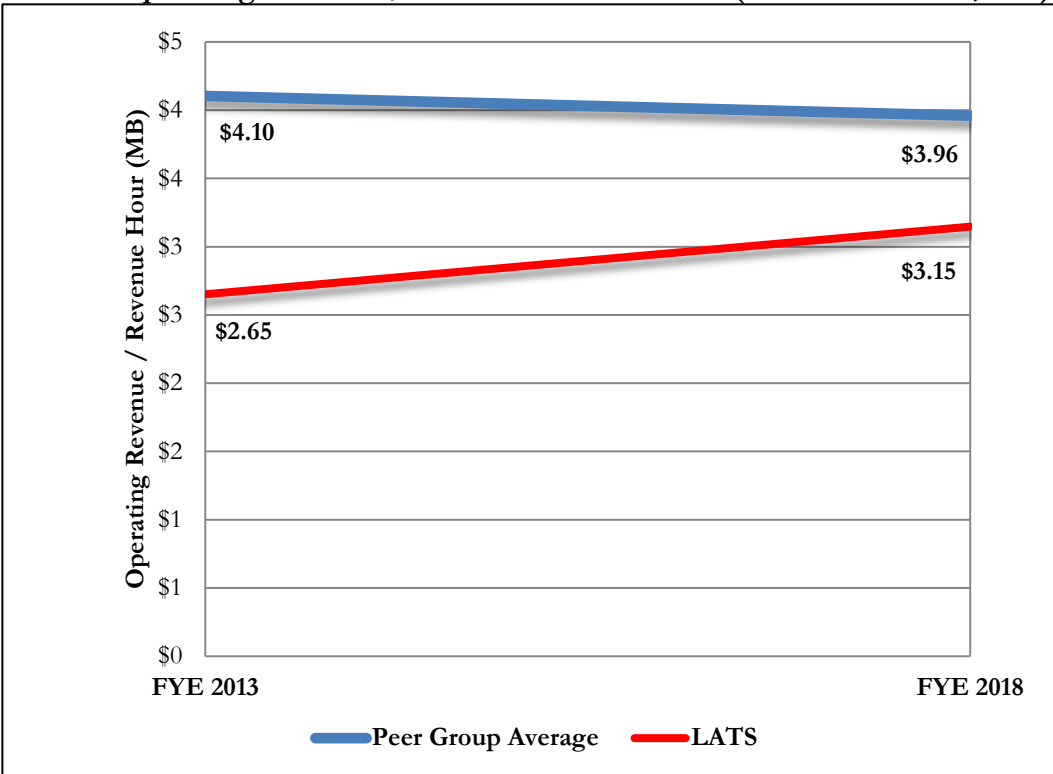
Operating Cost / Passenger (Fixed Route Bus, MB)

Operating Cost / Passenger (MB)					
System	FYE 2018 Single-Year		Five-Year Change Since FYE 2013		
	Value	Rank of 7	2013 Value	Annual Rate	Rank of 7
County of Carbon	\$26.70	6	\$16.68	9.87%	6
Mid-County Transit Authority	\$15.77	5	\$12.95	4.01%	4
Warren County Transit Authority	\$11.69	4	\$10.89	1.43%	3
Shenango Valley Shuttle Service	\$11.41	3	\$8.10	7.09%	5
Bristol Virginia Transit	\$7.10	1	\$3.93	12.55%	7
Liberty Transit	\$38.39	7	\$46.87	-3.91%	2
Lower Anthracite Transit System	\$8.74	2	\$10.77	-4.11%	1
<i>Average</i>	\$17.11		\$15.74	3.85%	
<i>Standard Deviation</i>	\$11.39		\$14.28	6.48%	
<i>Average – 1 Standard Deviation</i>	\$5.72		\$1.46	-2.63%	
<i>Average + 1 Standard Deviation</i>	\$28.51		\$30.02	10.33%	
Act 44 Compliance Determination	In Compliance		In Compliance		
Compared to the Peer Group Average	Better		Better		

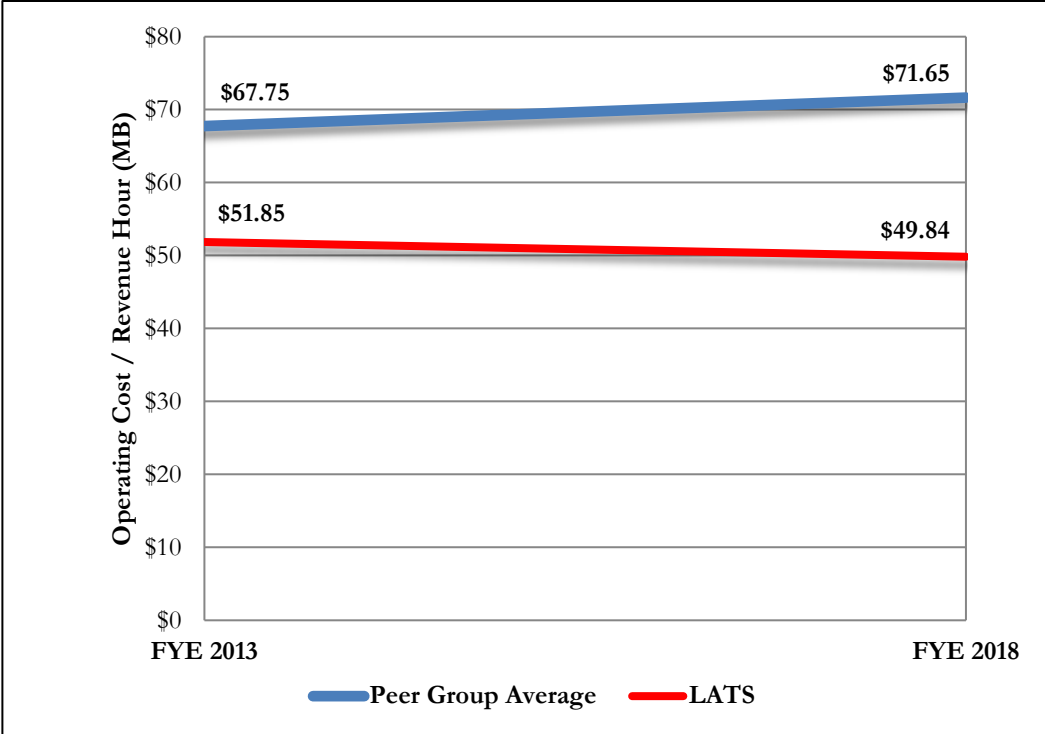
Trend – Passengers / Revenue Vehicle-Hour (Fixed Route Bus, MB)



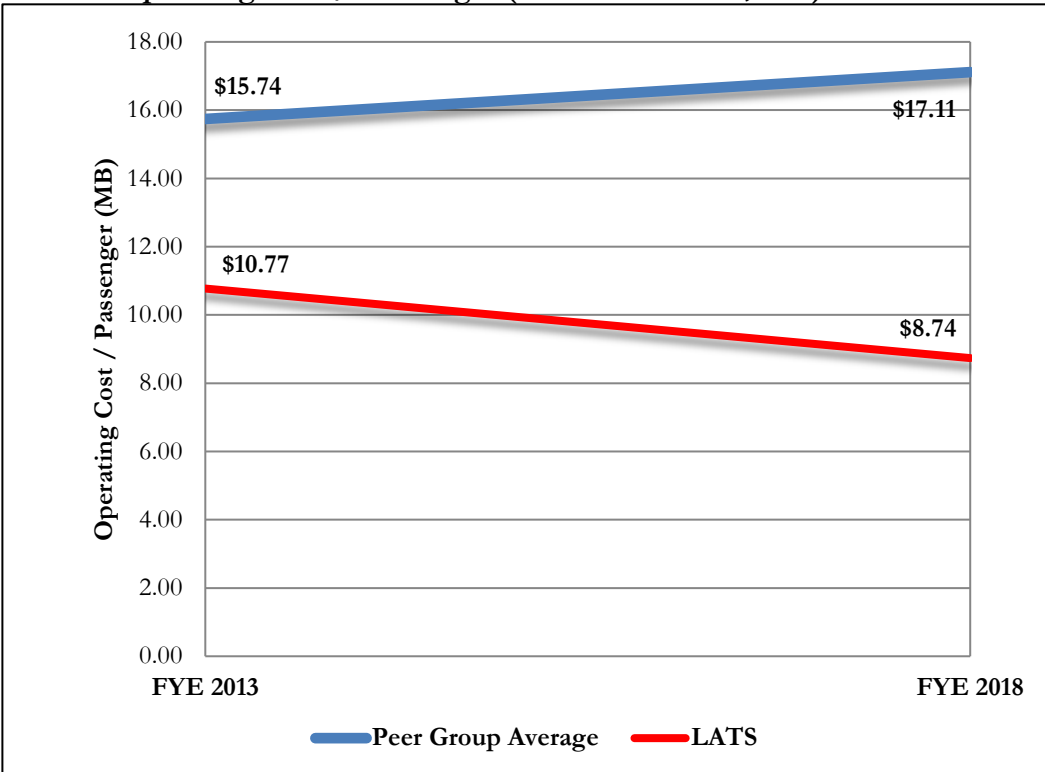
Trend – Operating Revenue / Revenue Vehicle-Hour (Fixed Route Bus, MB)



Trend – Operating Cost / Revenue Vehicle-Hour (Fixed Route Bus, MB)



Trend – Operating Cost / Passenger (Fixed Route Bus, MB)



APPENDIX C: ACTION PLAN TEMPLATE

PART 1 – ACTIONS TO INCREASE PASSENGERS / REVENUE-HOUR

Recommendation From the narrative starting on page 10	LATS Action	Estimated Initiation Date	Estimated Completion Date
<p>1. Participate in PPTA marketing committee roundtable meetings as an opportunity to brainstorm solutions for common marketing issues and implement best practices appropriate for the LATS service area.</p>			
<p>2. Ensure that all official LATS communication emerges from the Borough of Mount Carmel and not employees of the contractor, including social media accounts.</p>			
<p>3. Develop a website that includes:</p> <ul style="list-style-type: none"> a. A system map; b. Route schedules and passenger fares; c. How-to-ride instructional information; d. How to apply for a senior pass; e. A link to rabbittransit for scheduling shared-ride trips; f. Contact information for LATS customer service and the Borough; g. Service announcements (e.g., weather disruptions, route changes, safety and security alerts, COVID-19 protocols, etc.); and h. How to qualify for ADA trips (when LATS begins offering ADA service). i. A notice of nondiscrimination that informs the public of their rights under Title VI and ADA regulations, including how to file a 			

complaint, the location of the complaint form, and information how to request Title VI and ADA in another language if required.			
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PART 2 – ACTIONS TO INCREASE OPERATING REVENUE / REVENUE-HOUR

Recommendation From the narrative starting on page 10	LATS Action	Estimated Initiation Date	Estimated Completion Date
1. Continue pursuing a revenue agreement with Knoebels Amusement Resort to support the service.			

PART 3 – ACTIONS TO REDUCE OR CONTAIN OPERATING COST / REVENUE-HOUR

Recommendation From the narrative starting on page 11	LATS Action	Estimated Initiation Date	Estimated Completion Date
1. Update its vehicle maintenance policy to include the following: <ul style="list-style-type: none"> a. Require the contractor to adhere to vehicle manufacturer's PM schedules for each engine type, unless more frequent service is justified in writing; b. Establish an on-time performance goal for routine preventative maintenance (e.g., 100% of vehicles +/- 10% of PM interval); and, c. An ongoing process (e.g., monthly) to review contractor compliance with the PM policy that incorporates protocols to pursue liquidated damages when the contractor repeatedly violates the policy. 			

PART 4 – OTHER ACTIONS TO IMPROVE OVERALL PERFORMANCE

Recommendation From the narrative starting on page 12	LATS Action	Estimated Initiation Date	Estimated Completion Date
1. Work with the contractor to develop a concise Borough Council report that includes the following information: <ul style="list-style-type: none"> a. Monthly ridership trends; b. Farebox recovery; c. Summary of maintenance expenses, including major repairs and preventative maintenance schedule adherence; d. Act 44 performance metrics; and e. Customer service complaints and compliments. 			
2. Work with PennDOT to develop a plan to become compliant with FTA Section 5311 requirements.			
3. Address the following prior audit findings: <ul style="list-style-type: none"> a. Address incomplete and inaccurate accounting records by reviewing and approving detailed reports of costs charged to the system. b. Review the amount of unencumbered Section 1513 funds at the end of each fiscal year and transfer this amount into a separate interest-bearing account to ensure compliance with requirements set forth by the grant agreement. 			
4. Reach out to SEDA-COG for technical assistance on activities such as system map development, demographic analyses, and service planning.			
5. Work with PennDOT to identify the reason for the negative \$22,090 net current asset amount on LATS's			

Recommendation From the narrative starting on page 12	LATS Action	Estimated Initiation Date	Estimated Completion Date
balance sheet and identify the appropriate means to clear it (i.e., bring it to \$0).			

