



MCTA System Performance Review

September 14, 2017

Performance Report

Monroe County Transportation Authority d.b.a., MCTA, Pocono Pony

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PUBLIC TRANSPORTATION SERVICE SNAPSHOT

Agency	Monroe County Transportation Authority (d.b.a. MCTA)		
Year Founded	1979		
Reporting Fiscal Year End (FYE)	FYE 2015		
Service Area (square miles)	611		
Service Area Population	166,314		
Annual Operating Statistics*	Fixed-Route	Paratransit (ADA + Shared Ride)	Total
Vehicles in Maximum Service (VOMS)	11	26	37
Operating Cost	\$2,911,983	\$1,985,439	\$4,897,422
Operating Revenues	\$311,877	\$1,662,605	\$1,974,482
Total (Actual) Vehicle Miles	554,238	991,410	1,545,648
Revenue Miles of Service (RVM)	521,751	N/A	N/A
Total Vehicle Hours	35,274	42,983	78,257
Revenue Vehicle Hours (RVH)	33,157	N/A	N/A
Total Passenger Trips	241,555	70,370	311,925
Senior Passenger (Lottery) Trips	26,464	36,150	62,614
Act 44 Performance Statistics			
Passengers / RVH	7.29	N/A	N/A
Operating Cost / RVH	\$87.82	N/A	N/A
Operating Revenue / RVH	\$9.41	N/A	N/A
Operating Cost / Passenger	\$12.06	\$28.21	\$15.70
Other Performance Statistics			
Operating Revenue / Operating Cost	10.71%	83.74%	40.32%
Operating Cost / Total Vehicle Hours	\$82.55	\$46.19	\$62.58
Operating Cost / Total Vehicle Miles	\$5.25	\$2.00	\$3.17
Total Passengers / Total Vehicle Hours	6.85	1.64	3.99
Operating Cost / RVM	\$5.58	N/A	N/A
RVM / Total Vehicle Miles	94.14%	N/A	N/A
RVH / Total Vehicle Hours	94.00%	N/A	N/A
Operating Subsidy / Passenger Trip	\$10.76	\$4.59	\$9.37

Source: dotGrants reporting

EXECUTIVE SUMMARY

Act 44 of 2007 addressed the dire financial needs of local public transportation organizations across the Commonwealth by increasing state funding for public transportation operations by about 50%— from \$535 million annually to \$800 million in the first year of the legislation. Public transportation organizations which had been on the verge of major service cuts and/or significant fare increases were able to maintain existing service and fares and, with a predictable and growing source of operating assistance, plan service changes.

At the same time Act 44 ushered in critical requirements for accountability, performance improvement, and maximum 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
- Reassess each organization on a five-year cycle

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

- Whether the organization achieved its performance targets set in the previous review; and
- The sufficiency and effectiveness of actions taken by the organization to improve performance and management practices in its efforts to meet performance targets.

Section 421.12 Performance Reviews of the Act 44 regulations address PennDOT actions regarding performance reviews, failure to achieve performance targets and to determine if a financial penalty should be assessed if performance targets are not met.

“(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.”

In September 2016, PennDOT conducted the five-year reassessment of MCTA to determine if MCTA successfully met its targets and what actions were 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 PREVIOUS (2010) PERFORMANCE REVIEW

PennDOT conducted the initial review of Monroe County Transportation Authority (MCTA) d.b.a. (The Pocono Pony) in August 2010. Since the previous report was finalized, significant changes occurred that impact operations, finance and statistical reporting at MCTA, as well as performance targets which were established in 2010:

1. **MCTA discontinued the Route 611 Sanofi Shuttle in FYE 2011 due to charter regulations-** The service was a significant source of ridership and revenue and impacted MCTA's previously published performance statistics. To provide a more accurate comparison between 2010 and 2015 values presented in this report, 2010 statistics exclude expense, revenue, ridership, hours and miles associated with the Sanofi service. The adjusted 2010 statistics are the basis for the 2010 performance metrics in this report and differ from the 2010 performance metrics presented in the previous report.
2. **Portions of MCTA's service area became urbanized based on the 2010 Census-** This change has impacted MCTA in several ways. First, MCTA became eligible for urban and rural FTA funding. Second, and most importantly, MCTA now has additional reporting requirements associated with being a direct recipient of federal urbanized area funding. This has resulted in MCTA staff undergoing additional training and improved agency reporting practices.
3. **MCTA revised cost allocation methodologies-** For FYE 2014, MCTA used an updated cost allocation methodology to distribute costs between fixed-route and shared-ride services. Based on this current cost allocation methodology, a greater percentage of expenses are now charged to shared-ride service and a significantly lower percentage of expenses are charged to fixed route service than in previous years. We did not revise either 2010 finances, or 2015 targets related to cost per hour or cost per passenger trip for better comparability. While the 2015 targets related to cost are higher without the adjustment, in fairness to MCTA which worked to achieve the previously established targets, we retained the original targets.

2010 PERFORMANCE REVIEW DETERMINATIONS AND FINDINGS

The 2010 performance review assessed MCTA with a group of peer agencies based on the four performance criteria required by Act 44. MCTA was found to be "In Compliance" for all performance criteria and "At Risk" for none.

Performance Criteria	FYE*	Determination	Peer Rank (of 11)	Relation to Peer Average	Value	Peer Average
Passengers / Revenue Vehicle Hour	2014	In Compliance	10	Worse	6.59	11.51
	Trend	In Compliance	7	Worse	-0.11%	1.76%
Operating Cost / Revenue Vehicle Hour	2014	In Compliance	8	Better	\$76.63	\$78.01
	Trend	In Compliance	7	Worse	8.37%	5.63%
Operating Revenue / Revenue Vehicle Hour	2014	In Compliance	8	Worse	\$10.03	\$16.52
	Trend	In Compliance	9	Worse	1.62%	12.11%
Operating Cost / Passenger	2014	In Compliance	9	Worse	\$11.63	\$8.04
	Trend	In Compliance	9	Worse	8.49%	4.05%

*Note: The National Transit Database (NTD) information most current at the time of the peer review was used as the basis of the single year and trend peer comparisons.

The 2010 performance review noted that while MCTA's costs were within industry standards, ridership and revenue were low compared to its peer group. The following performance factors were used to develop performance targets in accordance with MCTA:

- Increase passengers per revenue vehicle hour by at least 2.86% per year
- Increase revenue per revenue vehicle hour by at least 2.86% per year
- Contain operating cost per revenue vehicle hour increases to no more than 5.00% per year
- Contain operating cost per passenger trip increases to no more than 2.86% per year

MCTA developed an action plan to address opportunities for improvement identified in the 2010 performance review. Among the steps MCTA took to improve its performance were:

1. **Incorporate monthly performance measures when reporting to the Board-** This allows management to inform the Board on the agency's progress each month towards achieving targets established as part of the previous review. By incorporating these measures in monthly briefings, the Board is able to make informed decisions on areas needing improvement.
2. **Develop a formal service standards policy** – MCTA developed a system-wide policy to standardize a basis for route recommendations and services. This policy establishes a framework for decision-making by the management team that includes service design, performance measurement, service evaluation.
3. **Develop and implement education opportunities for Board governance-** Key to an active and engaged Board are opportunities for Board training and application of that training to their transit authority responsibilities. MCTA has ongoing developmental activities that encourage the Board to be informed on their duties, roles and responsibilities.

Since the previous performance report was completed, MCTA became an urban system, which requires the agency to report data to the National Transit Database (NTD) consistent with NTD requirements. As a result, MCTA updated how they calculate revenue hours and developed revised estimates of prior year values.

As a result of the initial performance review, the following performance targets were established in consultation with MCTA. These performance targets were developed using the most accurate Act 44 performance variables available at that time.

Performance Criteria	2010 Actual*	2015 Target	2015 Actual	Met Target
Passengers / Revenue Vehicle Hour	6.61	7.10	7.29	Yes
Operating Cost / Revenue Vehicle Hour	\$87.50	\$111.67	\$87.82	Yes
Operating Revenue / Revenue Vehicle Hour	\$7.82	\$9.00	\$9.41	Yes
Operating Cost / Passenger	\$13.23	\$14.67	\$12.03	Yes

*Note: The values for 2010 Actual presented in this table reflect those used at the time of the previous performance review. They do not account for any changes in reporting methods and the exclusion of Sanofi (charter) service.

The 2010 statistics used in the above table include revenue, costs, passengers, miles and hours associated with the Sanofi service which was discontinued in 2011 as well as data which is not consistent with NTD requirements.

To present comparable information, the statistics in the following table exclude revenue, costs, passengers, miles and hours associated with the Sanofi service and use data consistent with NTD. The table below presents performance and targets based on this revised data.

Performance Criteria	2010 Adjusted*	2015 Target	2015 Actual	Met Target
Passengers / Revenue Vehicle Hour	8.28	9.14	7.29	No
Operating Cost / Revenue Vehicle Hour	\$92.41	\$107.13	\$87.82	Yes
Operating Revenue / Revenue Vehicle Hour	\$9.59	\$10.59	\$9.41	No
Operating Cost / Passenger	\$11.17	\$11.74	\$12.03	No

*Note: The values for the 2010 Adjusted presented in this table account for data adjustments, which are a result of a change in prior year reporting methods (statistics and expenses) and the exclusion of Sanofi service.

MCTA demonstrated a good faith effort to achieve the originally developed targets which remain the basis for evaluating MCTA's performance in the 2015 review. On that basis, MCTA achieved all targets.

However, recognizing the adjusted data for 2010 and comparable data for 2015, MCTA's passengers per revenue hour and revenue per hour decreased and cost per passenger exceeded the target. These are areas that MCTA must address in the next five years.

2016 PERFORMANCE REVIEW DETERMINATIONS AND FINDINGS

The 2016 performance review assessed MCTA with a group peer agencies based on the four criteria outlined by law. All transit agencies have unique qualities. MCTA is the only Pennsylvania transit agency to have its NTD designation changed from rural to urban in recent years. As such, the peer agency comparison exercise guides the tone of this report, but does not suggest that MCTA is directly comparable to any other transit agency.

Performance Criteria	FYE*	Determination	Peer Rank (of 12)	Relation to Peer Average	Value	Peer Average
Passengers / Revenue Vehicle Hour	2014	At Risk	12	Worse	8.06	12.85
	Trend	In Compliance	3	Better	2.51%	1.51%
Operating Cost / Revenue Vehicle Hour	2014	In Compliance	9	Worse	\$99.56	\$80.40
	Trend	In Compliance	3	Better	-0.16%	0.98%
Operating Revenue / Revenue Vehicle Hour	2014	In Compliance	8	Worse	\$9.57	\$12.69
	Trend	In Compliance	9	Worse	-0.43%	3.17%
Operating Cost / Passenger	2014	At Risk	12	Worse	\$12.35	\$6.51
	Trend	In Compliance	3	Better	-2.60%	0.05%

*Note: NTD information most current at the time of the peer review is used as the basis of the single year and trend peer comparisons. Therefore, these factors differ from those presented on the Agency Profile page, which uses 2016 data.

The 2016 performance review examined additional steps, beyond those specified in the 2010 action plan, that MCTA has taken to improve performance. The most notable practice is that MCTA has significantly improved the accuracy of data reporting, specifically through revised methodologies and IT investments.

The 2016 performance review also identified actions that MCTA can take to address findings related to low ridership per revenue hour including:

1. Develop defined marketing goals with supporting objectives, actions and measures of effectiveness that can be used to increase ridership in a cost-effective manner.
2. Develop a marketing budget that is tied to an implementation schedule for marketing campaigns and activities.
3. Use current IT investments (i.e., AVL and smart cards) to monitor the performance of marketing efforts and adjust resources accordingly.
4. Routinely evaluate existing service and adjust routes to best serve customer base.

Additional opportunities for improvement were also identified during the 2016 performance review. The complete list of opportunities for improvement serve as the basis for MCTA's Board-approved action plan.

2020 PERFORMANCE TARGETS

As required by Act 44, PennDOT and MCTA management have agreed to performance targets for 2020 identified in the table below. MCTA should work to achieve these targets over the next five years to ensure continued eligibility for full Section 1513 funding. Performance targets are designed to be aggressive, yet achievable.

Performance Criteria	Fiscal Year End (FYE)			Target Annual Increase
	2014 Actual	2015 Actual	2020 Target	
Passengers / Revenue Hour	8.06	7.29	8.45	3.00%
Operating Cost / Revenue Hour*	\$99.56	\$87.82	\$101.81	3.00%
Operating Revenue / Revenue Hour	\$9.57	\$9.41	\$10.90	3.00%
Operating Cost / Passenger	\$12.35	\$12.06	\$12.06	0.00%

*Note: The reduction in operating cost per hour in 2015 (vs. 2014) is largely due to an increase in revenue service (i.e., summer park service) and lower fuel costs.

FINANCIAL REVIEW

MCTA currently has a balanced operating budget. Operating cash reserves have steadily increased since 2012. Internally developed projections of service levels and budgets indicate a plan to maintain a balanced budget over the next five years. Noteworthy elements of MCTA's financial condition are:

- MCTA has \$980,556 in carryover Section 1513 funds available in case of unexpected cost increases or service changes
- MCTA has no local fund carryover balance of FYE 2015
- Accounts payable and receivable amounts are negligible
- MCTA maintains a \$300,000 line of credit with a \$0 balance as of FYE 2015

Management should continue taking appropriate actions to manage costs, achieve farebox recovery goals, and to maintain cash reserves to preserve MCTA's overall financial health.

NEXT STEPS

MCTA will develop an Action Plan in response to the complete list of "Opportunities for Improvement" identified in the performance review report. Some actions will be quickly implementable while others may take several discrete steps to achieve over a longer period. MCTA's management must report to the Board and PennDOT quarterly on progress towards accomplishing the Action Plan and meeting its performance targets.

INTRODUCTION

PURPOSE

Act 44 of 2007 addressed the financial needs of local public transportation organizations across the Commonwealth by increasing state funding for public transportation operations by about 50%—from \$535 million annually to \$800 million in the first year of the legislation. Public transportation organizations which had been on the verge of major service cuts and/or significant fare increases were able to maintain existing service and fares and, with a predictable and growing source of operating assistance, plan service changes.

At the same time Act 44 ushered in critical requirements for accountability, performance improvement, and maximum 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
- 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
- The sufficiency and effectiveness of actions taken by the organization to improve performance and management practices in its efforts to meet performance targets

Section 421.12 Performance Reviews of the Act 44 regulations address PennDOT actions regarding performance reviews, failure to achieve performance targets and to determine if a financial penalty should be assessed if performance targets are not met.

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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 the initial review of Monroe County Transportation Authority (MCTA) d.b.a. (the Pocono Pony) in August 2010. Based on that review, PennDOT established five-year performance targets and agreed to MCTA’s action plan to meet those targets. Since the previous report, two significant changes occurred that impacted operations and finance for MCTA:

1. MCTA closed down the Route 611 Sanofi Shuttle in FYE 2011, which was a significant source of ridership and revenue; and

2. MCTA updated their cost allocation between fixed-route and shared-ride. In previous years, MCTA's cost allocation did not recognize sufficient costs associated with shared ride. The reallocation reduces fixed route costs and increases shared-ride costs.

In September 2016, PennDOT conducted the five-year reassessment of MCTA to determine if MCTA successfully met its targets and what actions were 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.

AGENCY DESCRIPTION

In October 1979 the Monroe County Commissioners used its power under the Municipal Authorities Act of 1945 to establish the Monroe County Transportation Authority (MCTA). MCTA was designated as the applicant for rural public transportation operating assistance for transit within Monroe County. From 1979 to 2014, MCTA operated as a rural transportation system providing fixed-route services; MCTA's paratransit services began in 1995. In this time, Monroe County became one of the fastest growing counties in Pennsylvania from population growth migrating from the Greater New York City area. In 2014, portions of MCTA's service area were officially redesignated as urbanized. Since then, MCTA has become a small urban transit system which reports to FTA's National Transit Database (NTD) as a Full-Reporter. The transition process from a rural to an urban system has presented challenges to MCTA, but the agency is actively learning and continues to address challenges as they arise.

As an authority established by Monroe County, MCTA is governed by a nine-member Board of Directors appointed by the Monroe County Commissioners. The Board oversees MCTA through several committees that meet on a monthly, and as needed, basis (i.e., finance, human resources, marketing, operations and compliance). Committee recommendations are brought before the full Board for a vote on action.

From 2002 through 2011, MCTA operated a hybrid open door /charter service route along Route 611 from MCTA's administrative office in Scotrun, PA to the Sanofi Pasteur Pharmaceuticals (Sanofi) campus in Swiftwater, PA. This service was open to the public, until reaching the Sanofi security gate. The route primarily served as a shuttle between Sanofi parking facilities and campus buildings. Once notified that this hybrid service could be considered charter service, MCTA followed FTA rules and solicited all FTA registered private operators to determine if any of those operators were interested willing and able to provide service. MCTA continued to operate the Sanofi shuttle until Easton Coach took over in 2011.

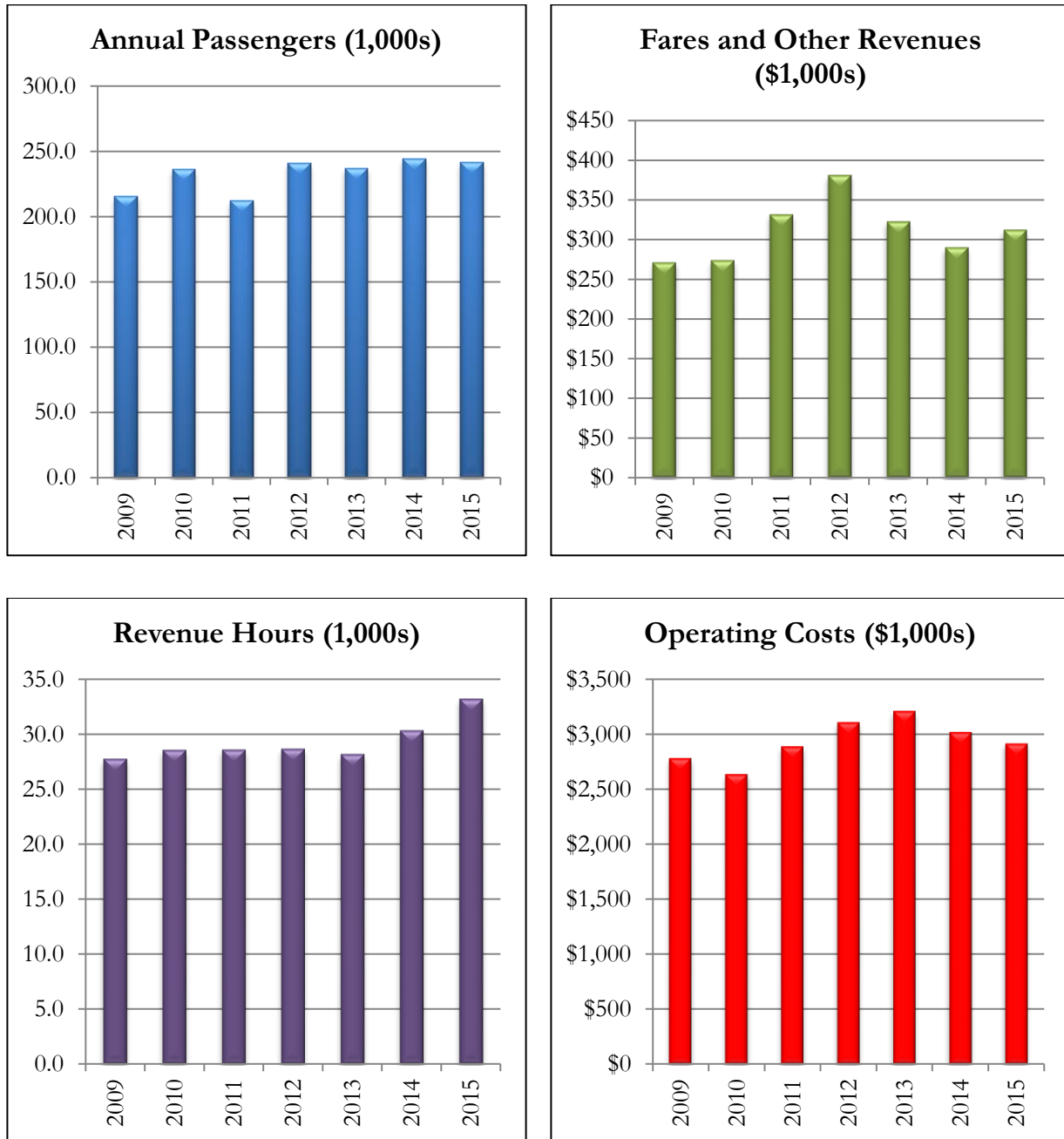
Today, MCTA provides public transportation for Monroe County and provides about 241,500 fixed-route passenger trips annually, with a fleet of 11 fixed-route buses and 26 paratransit vehicles. MCTA has one main facility located off Route 611 in Scotrun, PA. Passenger transfer locations are available in Bartonsville, Mount Pocono, Stroudsburg and East Stroudsburg.

In MCTA's previous review, the revenues, expenses and operating statistics related to the Sanofi shuttle were included when developing performance standards. Since MCTA no longer operates this route, several data adjustments were necessary to account for the elimination of Sanofi shuttle service. These adjustments were performed to give a more accurate portrayal of MCTA's service when determining a baseline and developing performance targets. However, it was not possible to make a similar adjustment for the change in cost allocation. The result is the appearance that fixed route costs decreased and performance with regard to cost efficiency improved when in reality the change is

associated with shifting fixed-route costs (appropriately) to shared-ride rather than actual cost containment. For a complete discussion of the adjustments to dotGrants reported data, see **Appendix A: Data Adjustments**.

Exhibit 1 presents MCTA’s fixed-route system operating statistics derived from PennDOT dotGrants, as adjusted after the data review was complete.

Exhibit 1: MCTA Fixed-Route Service Annual Performance Trends



Source: NTD and PennDOT Legacy Reporting System (dotGrants)

PERFORMANCE REVIEW PROCESS

In September 2016, PennDOT initiated an Act 44-mandated performance review for MCTA. The following outlines the review process:

1. Initial notification of performance review selection and transmission of document request
 - a. PennDOT requested and reviewed readily available data provided by MCTA.
 - b. Peer selection: MCTA and PennDOT agree to a set of peer agencies that would be used for comparative analysis.
2. PennDOT-sponsored customer satisfaction survey (CSS).
3. Review of Act 44 variables including current performance, targets from the previous review (2010), and action plan implementation.
4. Perform Act 44 performance criteria analysis
5. Conduct on site review, interviews and supplementary data collection/reconciliation.
6. Evaluate performance, financial management and operations.
7. Report results and determine agency compliance with performance requirements.
8. Develop, implement and monitor five-year action plan.

These steps in the performance review process help reviewers understand MCTA's unique challenges, changes that have occurred since the previous performance review, the accuracy and reliability of reported data, best practices that have been implemented, additional opportunities for improvement, and realistic goals for the next performance review.

IMPORTANT CHANGES SINCE THE PREVIOUS (2010) PERFORMANCE REVIEW

PennDOT conducted the initial review of MCTA in August 2010. Since the previous report was finalized, significant changes occurred that impact operations and finance at MCTA:

1. **MCTA discontinued charter-like service on the Route 611 Sanofi Shuttle in FYE 2011-** Ridership and revenue from this route significantly impacted MCTA's previously published performance statistics. To provide a more accurate comparison between 2010 and 2015 values presented in this report, statistics associated with Sanofi service (i.e., ridership, revenue and costs) have been eliminated and revised 2010 values recalculated.
2. **MCTA became a Small Urban transit system based on the 2010 Census-** This change has impacted MCTA in several ways. First, MCTA became eligible for urban and rural FTA funding. Second, and most importantly, MCTA now has additional reporting requirements associated with being a direct recipient of federal urbanized area funding. This has resulted in MCTA staff undergoing additional training and improved agency reporting practices.
3. **MCTA revised indirect cost allocation methodologies-** MCTA updated their indirect cost allocation between fixed-route and shared-ride services for FYE 2014. Shared-ride service now has a greater proportion of indirect costs, which lowered the reported cost of fixed-route service.

PREVIOUS (2010) ACT 44 PERFORMANCE ASSESSMENT

PRIOR REVIEW DETERMINATIONS AND FINDINGS

The 2010 performance review assessed MCTA against a group of peer agencies based on the four performance criteria required by Act 44. MCTA was found to be “In Compliance” for all performance criteria.

Performance Criteria	FYE*	Determination	Peer Rank (of 11)	Relation to Peer Average	Value	Peer Average
Passengers / Revenue Vehicle Hour	2014	In Compliance	10	Worse	6.59	11.51
	Trend	In Compliance	7	Worse	-0.11%	1.76%
Operating Cost / Revenue Vehicle Hour	2014	In Compliance	8	Better	\$76.63	\$78.01
	Trend	In Compliance	7	Worse	8.37%	5.63%
Operating Revenue / Revenue Vehicle Hour	2014	In Compliance	8	Worse	\$10.03	\$16.52
	Trend	In Compliance	9	Worse	1.62%	12.11%
Operating Cost / Passenger	2014	In Compliance	9	Worse	\$11.63	\$8.04
	Trend	In Compliance	9	Worse	8.49%	4.05%

*Note: NTD information most current at the time of the peer review was used as the basis of the single year and trend peer comparisons.

ACTION PLAN AND PERFORMANCE TARGETS

The 2010 performance review suggested that MCTA should identify ways to increase ridership while containing costs. To improve the effectiveness of the service, the following performance factors were used to develop performance targets in accordance with MCTA:

- Increase passengers per revenue hour by at least 2.86% per year
- Increase revenue per revenue hour by at least 2.86% per year
- Contain operating cost per revenue hour increases to no more than 5.00% per year
- Contain operating cost per passenger trip to no more than 2.09% per year

MCTA developed an action plan to address opportunities for improvement identified in the 2010 performance review. Among the major steps MCTA took to improve its performance were:

1. **Incorporated monthly performance measures when reporting to the Board-** This gives management the opportunity to inform the Board on the agency’s progress each month and assists the Board in making informed decisions on areas in need of improvement.
2. **Developed a formal service standards policy –** MCTA developed a system-wide policy to standardize route recommendations and services. This policy gives management a framework to make informed decisions related to service design, performance measurement and service evaluation.
3. **Developed and implemented education opportunities for Board governance-** Key to an active and engaged Board are opportunities for Board training. MCTA has a variety of ongoing training for the Board to be informed on their duties, roles and responsibilities.

The complete list of MCTA's previous Action Plan items and MCTA's progress in addressing previously identified opportunities for improvement is provided in **Appendix C: 2010 Performance Review Action Plan**.

As a result of the initial performance review, a set of "performance standards" were established in consultation with MCTA. These performance standards were developed using the most accurate Act 44 performance variables available at that time; however, the 2010 statistics reported to dotGrants also include revenue and operating costs from Sanofi charter service. This means that the 2010 performance indicators that were used to develop targets in the previous review did not account for data adjustments (i.e., the removal of statistics associated with charter service) presented in this report.

The values presented in the table below (**Exhibit 2**) demonstrate how MCTA's targets would have changed if data adjustments were applied to MCTA's operating statistics during the initial performance review.

Exhibit 2: Non-Adjusted Base Year Performance Review Targets

Performance Criteria	2010 Actual*	2015 Target	2015 Actual	Met Target
Passengers / Revenue Vehicle Hour	8.28	9.14	7.29	No
Operating Cost / Revenue Vehicle Hour	\$92.41	\$107.13	\$87.82	No
Operating Revenue / Revenue Vehicle Hour	\$9.59	\$10.59	\$9.41	Yes
Operating Cost / Passenger	\$11.17	\$11.74	\$12.03	No

*The values for the 2010 Actual presented in this table account for data adjustments, which are a result of a change in prior year reporting methods and the exclusion of Sanofi (charter) service.

Since MCTA worked in a good faith effort to achieve the targets developed in the 2010 review, the targets presented in the 2011 MCTA Transit Performance Review Report stand as the performance measures that MCTA is evaluated against in this report. As shown in **Exhibit 3**, MCTA successfully met its 2015 performance targets that were established during the 2010 performance review.

Exhibit 3: Adjusted Base Year Performance Targets

Performance Criteria	2010 Adjusted*	2015 Target	2015 Actual	Met Target
Passengers / Revenue Vehicle Hour	6.61	7.10	7.29	Yes
Operating Cost / Revenue Vehicle Hour	\$87.50	\$111.67	\$87.82	Yes
Operating Revenue / Revenue Vehicle Hour	\$7.82	\$9.00	\$9.41	Yes
Operating Cost / Passenger	\$13.23	\$14.67	\$12.03	Yes

*The values for 2010 Adjusted presented in this table reflect those used at the time of the previous performance review. They do not account for any changes in reporting methods and the exclusion of Sanofi service presented as adjustments in this review.

ASSESSMENT

MCTA developed an action plan, made a good-faith effort to implement the plan, and satisfied all four of its 2015 Act 44 performance targets.

2016 ACT 44 PERFORMANCE ASSESSMENT

The 2016 performance review assessed MCTA against a group of peer agencies based on the four performance criteria required by Act 44. All transit agencies have unique qualities. MCTA is the only Pennsylvania transit agency to have its NTD designation changed from rural to urban in recent years. As such, the peer agency comparison exercise guides the tone of this report, but does not suggest that MCTA is directly comparable to any other transit agency. The 2016 performance review began with an assessment of MCTA and a group of peer agencies with respect to the four performance criteria outlined by law.

PEER AGENCY COMPARISONS

Peer agencies were identified through a collaborative process between PennDOT and MCTA management using criteria defined in Act 44 and the most recently available NTD data, FYE 2014. The systems identified for peer comparisons include:

1. County of Lebanon Transit Authority (Lebanon Transit) Lebanon, PA
2. Indiana County Transit Authority (IndiGO) Indiana, PA
3. Manchester Transit Authority (MTA) Manchester, NH
4. Janesville Transit System (JTS) Janesville, WI
5. City of Jackson Transportation Authority (JTA) Jackson, MI
6. Battle Creek Transit (BCT) Battle Creek, M
7. Town of Cary (CTRAN) Cary, NC
8. Michiana Area Council of Governments (MACOG) South Bend, Indiana
9. Harford Transit (HT) Abingdon, MD
10. Centro of Cayuga, Inc. (Centro of Cayuga) Syracuse, NY
11. City of Pocatello – Pocatello Regional Transit (PRT) Pocatello, ID

Results of the current MCTA analysis and peer comparison are presented in **Exhibit 4**. MCTA was found “**In Compliance**” for six measures and “**At Risk**” for two, both of which are a result of MCTA’s low ridership. The detailed data used to develop the peer comparison summary is presented in **Appendix B: Peer Comparisons**. The most current NTD information most current at the time of the peer review is used as the basis of the single year and trend peer comparisons.

Exhibit 4: Current Performance Review Act 44 Peer Comparison Summary

Performance Criteria	FYE*	Determination	Peer Rank (of 12)	Relation to Peer Average	Value	Peer Average
Passengers / Revenue Vehicle Hour	2014	At Risk	12	Worse	8.06	12.85
	Trend	In Compliance	4	Worse	0.75%	1.36%
Operating Cost / Revenue Vehicle Hour	2014	In Compliance	9	Worse	\$99.56	\$80.40
	Trend	In Compliance	3	Better	-0.16%	0.98%
Operating Revenue / Revenue Vehicle Hour	2014	In Compliance	8	Worse	\$9.57	\$12.69
	Trend	In Compliance	9	Worse	-0.43%	3.17%
Operating Cost / Passenger	2014	At Risk	12	Worse	\$12.35	\$6.51
	Trend	In Compliance	3	Better	-0.90%	0.19%

ASSESSMENT

Since MCTA is “at risk” for two ridership-based performance metrics, management’s efforts in coming years should focus on improving passengers per revenue hour performance.

2020 PERFORMANCE TARGETS

Act 44 requires that PennDOT and transit agencies 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 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 as the baseline to develop the targets. Five-year targets are then developed based on realistic and achievable expectations of improvement.

The 2016 performance review noted that while MCTA’s costs remain low, ridership and revenue are low compared to its peer group. To improve the efficiency of the service, the following performance factors were used to develop performance targets (**Exhibit 5**) in accordance with MCTA:

- Increase passengers per revenue hour by at least 3% per year
- Contain operating cost per revenue hour increases to no more than 3% per year
- Increase revenue per revenue hour by at least 3% per year
- Contain operating cost per passenger trip increases to no more than 0% per year

Exhibit 5: FYE 2020 Act 44 Performance Targets

Performance Criteria	Fiscal Year End (FYE)			Target Annual Increase
	2014 Actual	2015 Actual	2020 Target	
Passengers / Revenue Vehicle Hour	8.06	7.29	8.45	3.00%
Operating Cost / Revenue Vehicle Hour*	\$99.56	\$87.82	\$101.81	3.00%
Operating Revenue / Revenue Vehicle Hour	\$9.57	\$9.41	\$10.90	3.00%
Operating Cost / Passenger	\$12.35	\$12.06	\$12.06	0.00%

*note: The reduction in operating cost per hour in 2015 (vs. 2014) is largely due to an increase in revenue service (i.e., summer park service) and lower fuel costs.

These performance targets represent the minimum performance level that MCTA should achieve for each Act 44 criterion during the next performance review cycle. Standards were extrapolated to FYE 2020 and are designed to be aggressive, yet achievable. PennDOT and MCTA have agreed to these performance targets.

FUNCTIONAL REVIEW

Functional reviews are used to determine the reasons behind performance results found in the Act 44 comparisons, to catalog “best practices” to share with other transit agencies, and to identify opportunities for improvement that should be addressed in the Action Plan (see **Appendix D: Action Plan Template**). Functional review findings are organized by a brief description of the Act 44 variables guiding the performance review: passengers, revenues, and operating costs.

The following sections summarize ways to deliver service more efficiently and effectively. It is important that service is both sensitive and responsive to the community’s needs, while being able to maximize productivity, control operating costs, maximize revenue recovery and achieve optimum service levels. The observations recorded during the review process are categorized as *Best Practices* or *Elements to Address in the Action Plan*. *Best Practices* are those exceptional current practices that are beneficial and should be continued or expanded.

Elements to Address in the Action Plan are recommendations which have the potential to maximize productivity, to control operating costs, and to achieve optimum revenue levels which will enhance the system’s future performance for one or more of the Act 44 fixed-route performance factors. For the convenience of MCTA, Action Plan templates have been included in the **Appendix D: Action Plan Template** (see pg. 35). Some actions will be quickly implementable while others may take several discrete steps to achieve over a longer period. The template provides a simple-to-follow order of key findings of this report that should be addressed in the Action Plan.

OPPORTUNITIES TO INCREASE FIXED-ROUTE RIDERSHIP

BEST PRACTICES

1. MCTA has a strong marketing program that focuses on business development (i.e., agency image and branding) and community outreach. MCTA has successfully promoted events that target fixed-route and shared ride audiences (e.g., MoGo card launch, a major service change during a construction-related bridge closure in 2016, tripper service, etc.) and actively engages the community (e.g., annual West End Fair, speaking engagements, public input sessions, etc.) throughout Monroe County.
2. MCTA has a very thorough customer service process that follows through on each complaint with a video review when applicable, and if valid, management addresses the complaint with the driver in question. MCTA resolves each complaint with the passenger following management review. MCTA also maintains a record of all complaints/compliments and reports this information to the Board.

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

1. **Monitor the efficiency of marketing activities and adjust resources accordingly** - MCTA was found to be at risk for both passenger-related Act 44 metrics (i.e., passengers per revenue hour and operating cost per passenger) in the FYE 2014 single year Act 44 Determination. MCTA has a robust marketing program; however, there is little in place to monitor the return on investment of marketing campaigns. Furthermore, the current marketing plan has no defined goals or budget associated with an implementation schedule. MCTA should improve current marketing efforts with the following:

- a. Develop defined marketing goals with supporting objectives, actions and performance metrics to monitor marketing activities.
- b. Develop a marketing budget that is tied to an implementation schedule for marketing campaigns and activities.
- c. Use current IT investments (i.e., AVL and smart cards) to monitor marketing efforts and adjust resources accordingly.

For example, MCTA can track ridership (e.g., total riders, fare category subgroups, etc.) by time (i.e., peak and off-peak) and location to link market segments to actual system use. AVL data can be used to determine the general service environment (i.e., reliability of service). In addition, through MoGo cards, MCTA can relate data (i.e., fare paying categories) to specific customer groups.

2. **Coordinate with Monroe County to address limitations on system access** – The MCTA service area is predominately rural and features limited sidewalk access that is only available within small townships and boroughs. MCTA has a good working relationship with the Monroe County Planning Commission. The Assistant Executive Director at MCTA sits as the current Chairman of the Planning Commission, and many Board members are active within the community advocating on behalf of the agency for local support. MCTA should work with Monroe County to address limitations on access to the system (i.e., sidewalk infrastructure and bus shelters) where it is feasible to do so.
3. **Routinely evaluate existing service for opportunities for improvement** – Since the previous performance review, Monroe County has increasingly urbanized within MCTA's existing service area and has grown in population. Although primarily rural, there are urbanized areas throughout, which are linked via Route 611, U.S. 209 and Route 196. In recent years, MCTA has acquired tools to help evaluate the efficiency of existing service and has begun using these IT investments to identify opportunities to improve ridership. MCTA should continue to evaluate its current service on a routine basis and adjust routes to best serve its customer base.

OPPORTUNITIES TO INCREASE FIXED-ROUTE REVENUES

BEST PRACTICES

1. MCTA conducted an extensive fare media search prior to the introduction of the MoGo smart card. MCTA set up an ad hoc fare committee to evaluate the fare media of Pennsylvania systems in addition to transit systems nationwide. The committee developed a group of peers and reviewed comparable fare media (e.g., rates, transfers, specials, etc.) and presented five recommendations to the Board, which resulted in a dynamic fare structure and the launch of the MoGo smart card.

ELEMENTS TO ADDRESS IN PART 2 OF THE ACTION PLAN (P. 35)

1. **Pursue development of route guarantees with local colleges and major employment centers** – In previous years, the Route 611 Corridor Shuttle was a source of steady fixed-route revenue for MCTA. However, this route was discontinued in FYE 2011. Since the discontinuance of the shuttle, MCTA has marketed directly to local community colleges and

opened a seasonal national park service route. Today, MCTA cites one in five riders as a college student. MCTA should target marketing efforts and pursue opportunities to develop route guarantees with local colleges and major employment centers.

OPPORTUNITIES TO CONTROL OPERATING COSTS

BEST PRACTICES

1. MCTA has robust maintenance program that has helped management contain operating costs. Although expenses related to the rise and fall of fuel costs are to be expected, MCTA actively monitors and reports on trends in overall maintenance costs. MCTA does not have a vehicle overhaul program; however, the maintenance department ensures preventative maintenance is carried out, vehicle recalls are actively addressed and parts are kept within warranty. This attention to detail in maintenance practices has helped MCTA retire vehicles well after their useful life is reached.

ELEMENTS TO ADDRESS IN PART 3 OF THE ACTION PLAN (P. 36)

1. **Expand draft IT plan to identify new opportunities, current deficiencies and the cost of potential investments** – MCTA has developed a draft strategic IT plan. Previously, the On the Bus Technology Plan targeted fixed-route vehicle upgrades (i.e., farebox system, AVL and automated voice announcements) from 2011 through 2016 and all recommendations were implemented. However, the current draft IT plan only covers existing technologies. MCTA has plans for future improvements (i.e., smart phone compatibility with the MoGo card), but the current draft plan needs to cover future cost elements and establish an implementation schedule to support these investments and budget accordingly. MCTA should improve its draft IT plan to identify potential risks, opportunities for growth and improvement, and tie future investments to a schedule and budget.

OTHER OPPORTUNITIES TO IMPROVE PERFORMANCE

BEST PRACTICES

1. MCTA provides the Board with a monthly Executive Director's report that lists MCTA performance for fixed-route and shared-ride operations based on service metrics (e.g., expenses per hour, farebox revenue per hour, complaints, compliments, on-time performance, etc.). The report lists MCTA's progress on monthly goals for each metric and is a helpful tool in keeping the Board informed.
2. MCTA provides valuable information to the Board on a timely basis and the Board understands its roles and responsibilities.
3. The Board organized a compliance committee to guide MCTA in the transition process from a 5311-rural reporting system to a dual 5311/5307 reporting system. The committee provides recommendations and direction as needed to ensure MCTA maintains compliance with federal and state regulations.
4. MCTA reevaluates cost allocation between fixed-route and shared-ride service on an annual basis. This allows MCTA to appropriately allocate indirect costs (i.e., administrative time and

utilities) accurately between each service. In addition, MCTA can track trends in operating costs between each service and identify opportunities for improvement should costs unexpectedly rise.

5. MCTA has invested in several IT upgrades (e.g., AVL, smart card technology, transit planning software, etc.) since the last performance review. These investments have significantly improved the accuracy of data reporting and affords MCTA the ability to conduct secondary data verification for passenger counts and farebox reconciliation.

ELEMENTS TO ADDRESS IN PART 4 OF THE ACTION PLAN (P. 36)

1. **Develop actions for implementation and measures of effectiveness for the Strategic Plan update** – MCTA conducted a strategic planning session in 2013 that resulted in a three-year strategic plan. Management plans to conduct a follow-up session in 2017 to update the strategic plan. The initial plan developed a vision for the agency with supporting goals and objectives. Although the plan organized objectives into four categories (i.e., resources, internal operations, partners and stakeholders and riders), the plan lacked specific actions and performance metrics to monitor the plan’s progress. MCTA should identify actions to carry out each objective and assign performance measures to monitor implementation of the strategic plan.
2. **Develop an official succession plan for essential management functions** – Current succession planning efforts at MCTA are limited. Although there is no official plan in place, management participated in a succession planning exercise that identified specific procedures (e.g., monthly allocation process, snow management, weekly payroll, video review, etc.) and assigned managers to shadow roles and complete related tasks. In the case of unexpected vacancies, MCTA should develop and adopt an official succession plan that identifies and assigns responsibilities for essential management functions.
3. **Develop strategies to address unique challenges of transitioning from rural to urban status** – Operating as a dual rural/urban transit system provides unique challenges and opportunities for MCTA. For example, new sources of capital and operating funds are now available. With additional funding comes additional oversight or requirements, reporting and quality control challenges. As the Stroudsburg area develops, ensuring new development provides access to the transit system becomes increasingly important. MCTA should continue to identify the unique challenges urbanization presents to each aspect of its organization and implement a proactive strategy to ensure it aligns its resources with current and future needs. Part of this strategy should be to work with partnering agencies (e.g., MPO, Monroe County, municipalities, PennDOT, developers, etc.) to leverage its resources in the most efficient way possible.
4. **Develop an actionable development plan for the parcel adjacent to MCTA’s headquarters** – In 2009, MCTA purchased a parcel of land immediately adjacent to its main headquarters. Many ideas have been considered, but no development plan has been created and the property remains unused. MCTA should develop a site development plan for implementation. This will require coordination with PennDOT, local municipalities and the MPO to secure adequate funding and development approvals.

FINANCIAL REVIEW

This financial review focuses on a high-level snapshot and trend indicators to determine if additional follow up by PennDOT is warranted through the review of audit reports, other financial reports, and budgets. The review assesses the financial status based on:

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

HIGH-LEVEL INDICATORS OF FINANCIAL HEALTH

As shown in **Exhibit 6**, MCTA is in line with most industry goals and targets for all high-level financial indicators. Available reserves, mostly attributable to state funds, have been below 25% of annual operating cost in most years. MCTA receives local matching funds from Monroe County. MCTA develops and submits a proposed budget for local matching fund contributions to the County, pending approval from the Monroe County Commissioners. Once approved, MCTA receives quarterly installments of local matching funds. In FYE 2015, MCTA received 100.0% of the required local match to 1513 state operating subsidy. As of FYE 2015, MCTA had about \$980,556 in Section 1513 carryover funds available.

Accounts payable and receivable amounts are negligible. MCTA maintains a \$300,000 revolving line of credit available as needed to address any potential short-term cash flow issues. There is a \$0 balance as of June 30, 2015.

TOTAL PUBLIC TRANSPORTATION OPERATIONAL EXPENDITURES AND FUNDING

MCTA public transportation increased from a \$4.2 million per year operation in FYE 2011 to a \$4.9 million per year operation in FYE 2015, a 3.7% average annual increase (**Exhibit 7**). Approximately 59.5% of MCTA's operational expenses are for fixed-route service. The remaining operational expenses (40.5%) are for ADA complementary and shared-ride paratransit service, as shown in **Exhibit 8**.

MCTA's operational funding comes from a variety of sources including state funds, federal funds, local funds and passenger fares. MCTA has used state, federal and local funds to finance both its fixed-route and paratransit operations (**Exhibit 9**). Combined, state and federal operating subsidies are the largest funding source, representing approximately 57.6% of total operating income. Passenger fares and local funds represent the remaining (43.2%) of total operating income. (**Exhibit 10**).

Exhibit 6: High-Level Financial Indicators

FYE 2015 Indicator	Value	Assessment Criteria / Rationale	Source
State Carryover 1513 Subsidies / Annual Operating Cost	20.3%	The combined target should be 25%+. This provides flexibility to account for unexpected cost increases or service changes without the need to incur interest fees from loans.	FYE 2015 Audit and PennDOT dotGrants
Local Carryover Subsidies / Annual Operating Cost	0.0%		
Credit available/ Annual Payroll	8.2%		
Actual Local Match / Required Match	100.0%	Target 100%+. Local match that exceeds required minimums gives a transit agency flexibility to change service, to accommodate unexpected cost changes and make capital investments.	PennDOT dotGrants 2015
Accounts Payable (AP) 90+ days	0.0%	Target should be 0% over 90 days. Larger values indicate cash flow concerns.	MCTA reported value
Accounts Receivable (AR) 90+ days	0.0%	Target should be 0% over 90 days. Larger values can cause cash flow problems.	MCTA reported value
Debt / Annual Operating Cost	0.0%	Target should be 0%. Low debt amounts reduce borrowing costs.	FYE 2015 Audit

Exhibit 7: Public Transportation Operating Expense by Service Type

Service Type (In Millions)	FYE 2011	FYE 2012	FYE 2013	FYE 2014	FYE 2015
Fixed Route	\$2.9	\$3.1	\$3.2	\$3.0	\$2.9
Paratransit	\$1.3	\$1.5	\$1.6	\$1.9	\$2.0
Total*	\$4.2	\$4.6	\$4.8	\$4.9	\$4.9

* May not add due to rounding. Some other revenues (e.g., fuel sales, maintenance, etc.) offset expenses reported in dotGrants and NTD to arrive at estimated MCTA operating expenses.

Exhibit 8: Public Transportation Operating Expense Trends by Service Type

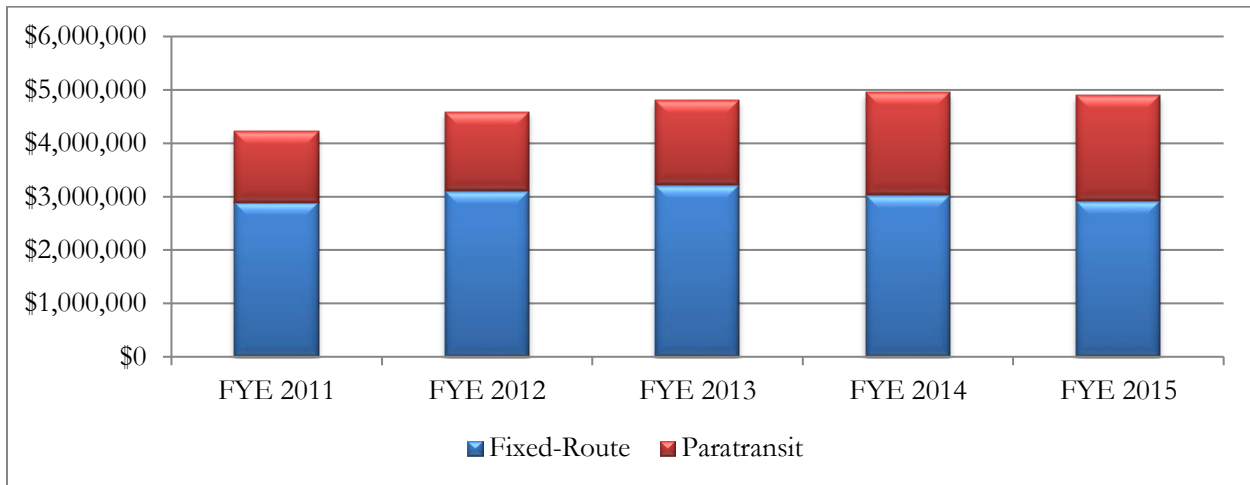
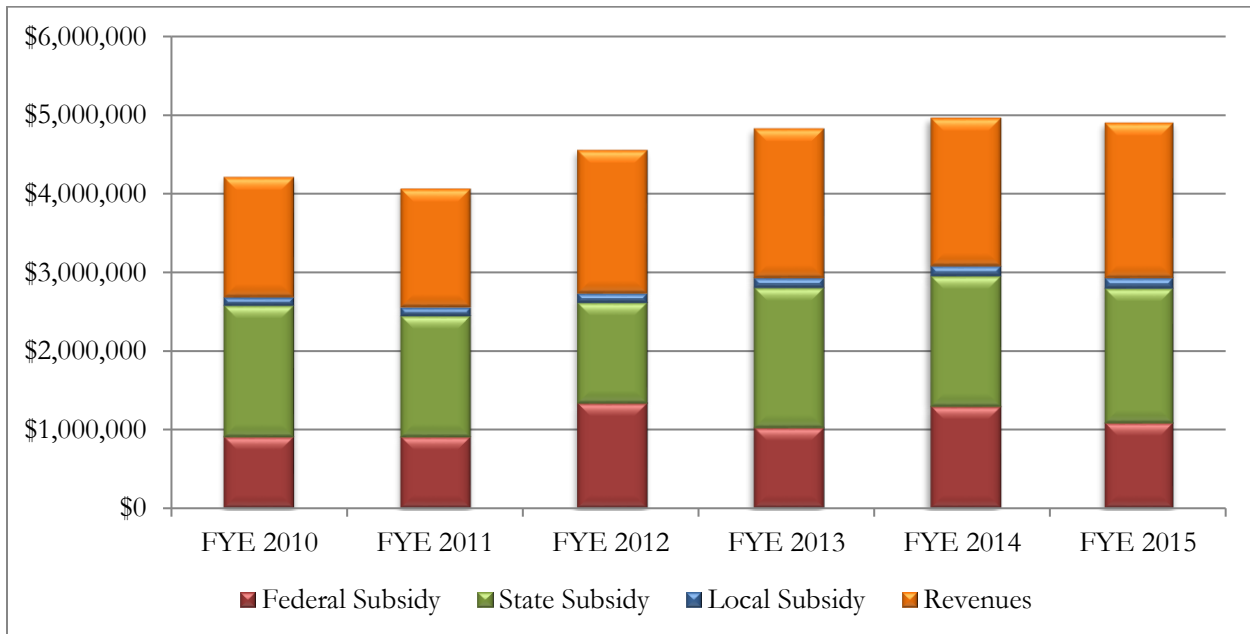


Exhibit 9: Percent of Total Public Transportation (Fixed-Route + Paratransit) Operating Budget by Funding Source

Funding Source*	FYE 2011	FYE 2012	FYE 2013	FYE 2014	FYE 2015
Federal Subsidy	22.3%	29.2%	21.2%	26.0%	22.06%
State Subsidy	37.7%	28.1%	36.8%	33.3%	34.78%
Local Subsidy	2.9%	2.7%	2.6%	2.7%	2.88%
Revenues	37.1%	40.0%	39.4%	38.0%	40.28%
Local Subsidy / State Subsidy	7.6%	9.5%	7.2%	8.1%	8.3%

* May not add due to rounding.

Exhibit 10: Total Public Transportation (Fixed-Route + Paratransit) Operating Budget by Funding Source



FIXED-ROUTE FUNDING

MCTA's fixed-route funding consists of general revenues and government subsidies. Direct passenger fares, tickets and passes sold represent between 6.6% and 8.3% of total operating funding (**Exhibit 11**). Based on the FYE 2011 to FYE 2015 dotGrants reporting, MCTA operated using current year funding with \$980,556 state funds being "carried over" at the end of 2015. MCTA had no local operating funds carried over at the end of 2015.

Exhibit 11: Fixed-Route Funding

Funding Source	FYE 2011	FYE 2012	FYE 2013	FYE 2014	FYE 2015
Revenues					
Passenger Fares, Tickets, Passes Sold	\$189,802	\$213,754	\$213,739	\$214,077	\$241,292
Advertising	\$9,141	\$8,016	\$8,528	\$18,929	\$8,849
Charter	\$0	\$0	\$0	\$0	\$0
Route Guarantees	\$0	\$0	\$0	\$0	\$0
Other – (Billed)	\$361	\$1,876	\$0	\$0	\$840
Other – Interest Earned)	\$212	\$58	\$37	\$26	\$167
Other – (Misc)	\$131,936	\$157,359	\$100,375	\$56,816	\$60,729
Subtotal	\$331,452	\$381,063	\$322,679	\$289,848	\$311,877
Subsidies					
Federal Operating Grant	\$908,394	\$1,331,205	\$1,021,330	\$1,290,236	\$1,081,549
Act 44 (1513) State Prior	\$0	\$0	\$0	\$0	\$0
Act 44 (1513) State Current	\$1,532,243	\$1,271,181	\$1,735,436	\$1,312,461	\$1,382,243
Municipal Prior	\$0	\$0	\$0	\$0	\$0
Municipal Current	\$115,961	\$121,759	\$127,848	\$134,239	\$140,951
Subtotal	\$2,556,598	\$2,724,145	\$2,884,614	\$2,736,936	\$2,604,743
Total Funding	\$2,888,050	\$3,105,208	\$3,207,293	\$3,026,784	\$2,916,621
Passenger Fares/ Total Funding	6.6%	6.9%	6.7%	7.1%	8.3%

Source: PennDOT dotGrants Reporting System.

PARATRANSIT FUNDING

Paratransit funding is about 40.5% of MCTA's public transportation operation and consists of ADA complementary, shared-ride (Lottery) and other service. State subsidies and passenger fares are used to finance paratransit operating costs (**Exhibit 12**). The paratransit program has increased from \$1,177,919 in FYE 2011 to \$1,985,349 in FYE 2015.

Since FYE 2014, MCTA has significantly increased the amount of state subsidy it uses to support paratransit service operating losses. These funds are intended, and would otherwise be available, for fixed-route operations.

From FYE 2011 to FYE 2015, senior passenger trips increased annually by 4.2%, which contributed to an annual average increase of 3.7% in total paratransit passenger trips. State subsidies accounted for about \$4.59 per passenger trip as of FYE 2015 (**Exhibit 13**).

Exhibit 12: Paratransit Funding by Source

Category	FYE 2011	FYE 2012	FYE 2013	FYE 2014	FYE 2015
Revenues					
Passenger Fares	\$64,034	\$79,165	\$83,440	\$103,660	\$67,578
Advertising	\$3,742	\$2,981	\$3,142	\$7,001	\$4,358
Lottery	\$484,267	\$576,734	\$605,520	\$630,310	\$749,542
PwD Reimbursement	\$140,260	\$177,780	\$159,483	\$186,291	\$201,869
PwD Passenger Fares	\$0	\$0	\$0	\$0	\$37,706
AAA	\$46,628	\$57,127	\$59,171	\$61,532	\$64,472
MH/MR	\$0	\$0	\$0	\$82,580	\$4,394
W2W	\$0	\$3,197	\$7,166	\$813	\$0
MATP	\$431,248	\$466,412	\$517,178	\$516,086	\$515,967
Other- (Salisbury Health/Misc)	\$0	\$77,111	\$141,998	\$0	\$0
Other- (Gold. Liv/Allied/CIL)	\$0	\$0	\$0	\$2,958	\$628
Other- (Travelers Auto)	\$0	\$0	\$0	\$2,615	\$12,019
Other- (Interest Income)	\$546	\$0	\$400	\$0	\$0
Other – (Investment Income)	\$0	\$610	\$0	\$91	\$58
Other- (Misc)	\$7,194	\$437	\$0	\$2,615	\$4,014
Subtotal	\$1,177,919	\$1,441,554	\$1,577,498	\$1,596,552	\$1,662,605
Subsidies					
Federal Operating Grant	\$0	\$0	\$0	\$0	\$0
Act 44 (1513) State Prior	\$0	\$0	\$0	\$0	\$0
Act 44 (1513) State Current	\$0	\$8,333	\$40,336	\$339,120	\$322,834
Municipal Prior	\$0	\$0	\$0	\$0	\$0
Municipal Current	\$0	\$0	\$0	\$0	\$0
Subtotal	\$0	\$8,333	\$40,336	\$339,120	\$322,834
Total Funding	\$1,177,919	\$1,449,887	\$1,617,834	\$1,935,672	\$1,985,439

Source: PennDOT dotGrants Reporting System.

Exhibit 13: Paratransit Operating Statistics

Operating Category	FYE 2011	FYE 2012	FYE 2013	FYE 2014 ¹	FYE 2015
Paratransit Operating Statistics					
Senior Trips	30,709	33,875	35,884	37,241	36,150
Total Paratransit Trips	60,911	69,734	76,154	78,242	70,370
Total Miles	712,019	914,642	1,006,022	1,094,405	991,410
Total Hours	35,157	41,074	45,133	50,914	42,983
VOMS	20	44	21	24	26
Operating Subsidy / Passenger Trip	\$2.70	\$0.63	\$0.21	\$4.30	\$4.59

BALANCE SHEET FINDINGS

Review of balance sheets from MCTA shows that since FYE 2011, the agency has an increasing cash equivalent balance on hand (**Exhibit 14** and **Exhibit 15**). Net current cash on hand reported as of FYE 2015 was \$551,780. The margin between current assets and liabilities is similar to what other transit agencies in the Commonwealth experience. Accounts payable decreased from \$187,092 in FYE 2011 to \$68,547 in FYE 2015. MCTA maintains a \$300,000 revolving line of credit with a \$0 balance as of June 30, 2015.

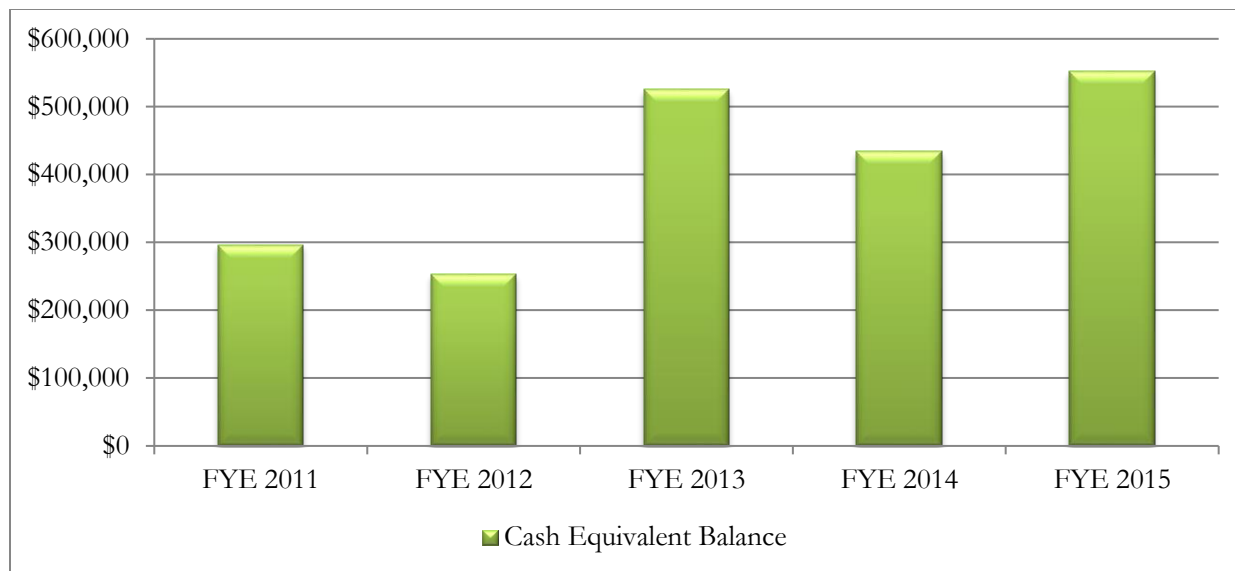
Exhibit 14: Balance Sheet Summary (FYE 2011 – FYE 2015)

Balance Sheet Report	FYE 2011	FYE 2012	FYE 2013	FYE 2014	FYE 2015
Current Assets					
Cash Equivalent Balance	\$296,298	\$253,163	\$525,723	\$433,800	\$551,779
Investments	\$138,153	\$0	\$0	\$0	\$0
Grant Receivable (incl. capital)	\$345,493	\$424,944	\$272,531	\$354,881	\$447,752
Other Accounts Receivable	\$95,150	\$80,961	\$7,938	\$32,351	\$18,958
Restricted Assets: Cash	\$708,124	\$1,065,943	\$913,623	\$980,794	\$898,566
Inventory Value	\$119,132	\$184,376	\$135,759	\$128,427	\$113,310
Pre-paid Expenses	\$76,550	\$88,701	\$68,741	\$54,467	\$14,598
Current Liabilities					
Accounts Payable	\$187,092	\$160,247	\$83,318	\$88,798	\$68,547
Accrued Expenses	\$159,196	\$180,160	\$193,232	\$243,490	\$258,995
Deferred Revenue	\$764,300	\$1,125,024	\$976,127	\$980,794	\$1,045,783
Total Operating Expense	\$4,230,235	\$4,590,750	\$4,800,595	\$4,949,486	\$4,897,422
Cash Eqv. Bal/Total Operating Exp.	7.0%	5.5%	11.0%	8.8%	11.3%
Line of Credit/Annual Payroll	9.6%	9.3%	9.0%	8.7%	8.2%
Current Assets	\$1,778,900	\$2,098,088	\$1,924,315	\$1,984,720	\$2,044,963
Current Liabilities	\$1,110,588	\$1,465,431	\$1,252,677	\$1,313,082	\$1,373,325
Net Current Assets	\$668,312	\$632,657	\$671,638	\$671,638	\$671,638

¹ In FYE 2014, MCTA no longer provided behavioral health trips that were previously permitted by MATP. This accounts for the drop in total passenger trips, miles and hours in FYE 2015. In addition, the operating subsidy per passenger increased following the change in cost allocation method between fixed-route and shared-ride, which saw a more accurate cost for shared-ride indirect expenses than in previous years.

Source: Annual Audit Reports and dotGrants

Exhibit 15: End-of-Year Cash Balance (FYE 2011 – FYE 2015)



FINANCIAL PROJECTIONS

All transit agencies in the Commonwealth that receive Section 1513 operating subsidies have been asked by PennDOT to develop a five-year projection of their operating and capital budgets. The purpose is to assess the relationship of planned service levels to operating budget projections, capital needs and available resources—federal and state subsidies which are expected to increase by no more than 3% per year. Projections are completed entirely by MCTA based on their assumptions of future service levels as well as available operating and capital funding. Financial projections are reported from FYE 2016 through FYE 2020.

As shown in **Exhibit 16**, MCTA's projected operating budget forecasts an average increase of 5.6% from FYE 2016 to FYE 2020, as compared to 0.2% from FYE 2011 to FYE 2015. It also forecasts \$933,582 in 1513 reserves by FYE 2020. As an urbanized area currently identified within the Northeastern Pennsylvania Alliance (NEPA), the Metropolitan Planning Organization (MPO) for Carbon, Monroe, Pike and Schuylkill counties, MCTA receives FTA 5307 funds for transit capital and operating assistance.

Internally developed projections for budgets (FYE 2016 through FYE 2020) assume software upgrades, preventative maintenance and vehicle replacement for fixed-route buses and paratransit vehicles. MCTA anticipates a 3% wage increase in FYE 2016 following the end of the current CBA and a 0.5% increase in fringe benefits. By FYE 2018, MCTA will be in the second year of the new CBA and expects a 4% increase in expenses.

MCTA expects to replace three fixed-route buses and 13 shared-ride vehicles by FYE 2020. Additional capital investments include upgrades to the wash bay, non-revenue vehicle replacement and ITS improvements expected by FYE 2020. MCTA reevaluates costs between the fixed-route and shared-ride program on an annual basis and has used fixed-route funds to address losses in the shared-ride program. MCTA expects to introduce a fare increase for fixed-route and shared-ride in the near future and projects a balanced budget to continue in future years (**Exhibit 17**).

Exhibit 16: Projected Fixed-Route Operating Budget Summary (FYE 2016-2020)

Operating Budget	FYE 2016	FYE 2017	FYE 2018	FYE 2019	FYE 2020
Total Operating Expenses	\$2,907,819	\$3,123,104	\$3,279,259	\$3,543,222	\$3,615,383
Total Operating Revenues	\$303,564	\$332,103	\$348,708	\$366,143	\$384,451
Total Operating Deficit	\$2,604,255	\$2,791,001	\$2,930,551	\$3,177,079	\$3,230,932
Federal Subsidy (5307)	\$464,592	\$489,715	\$523,805	\$530,201	\$494,959
Federal Subsidy (5311)	\$195,597	\$713,246	\$499,343	\$309,408	\$321,628
State Subsidy	\$1,796,067	\$1,672,200	\$1,744,234	\$1,800,000	\$1,850,000
Local Subsidy	\$147,999	\$155,399	\$163,169	\$171,327	\$179,894
Total Funding	\$2,907,819	\$3,362,663	\$3,279,259	\$3,177,079	\$3,230,932
1513 Reserves	\$829,652	\$830,000	\$826,521	\$867,045	\$933,582
5307 Annual Allocation	\$1,735,765	\$1,752,087	\$700,000	\$700,000	\$700,000
5307 Available for Capital	\$1,735,765	\$3,487,852	\$3,688,509	\$4,079,101	\$4,457,473
Operating Costs Change from Previous Year	-0.1%	7.4%	5.0%	8.0%	2.0%

Exhibit 17: Projected Paratransit Operating Budget Summary (FYE 2016-2020)

Operating Budget Item	FYE 2016	FYE 2017	FYE 2018	FYE 2019	FYE 2020
Operating Expense	\$2,169,544	\$2,290,268	\$2,381,879	\$2,390,753	\$2,420,918
Passenger Revenue	\$170,161	\$181,500	\$197,835	\$207,727	\$220,111
Lottery/PWD/WTW	\$994,365	\$1,032,300	\$1,124,544	\$1,169,526	\$1,216,307
MATP	\$765,562	\$802,688	\$800,000	\$804,000	\$800,000
Interest / Advertising	\$2,926	\$3,780	\$9,500	\$9,500	\$9,500
Act 44 + TA Grant (State)	\$236,530	\$270,000	\$250,000	\$200,000	\$175,000
Total Operating Revenues	\$2,169,544	\$2,290,268	\$2,381,879	\$2,390,753	\$2,420,918
Excess Revenue/Deficit	\$0	\$0	\$0	\$0	\$0

ASSESSMENT

MCTA currently has a balanced operating budget. Operating cash reserves have steadily increased since 2012. Internally developed projections of service levels and budgets indicate a plan to maintain a balanced budget over the next five years. Noteworthy elements of MCTA's financial condition are:

- MCTA has \$980,556 in carryover Section 1513 funds available in case of unexpected cost increases or service changes
- MCTA has no local fund carryover balance of FYE 2015
- Accounts payable and receivable amounts are negligible
- MCTA maintains a \$300,000 line of credit with a \$0 balance as of FYE 2015

Management should continue taking appropriate actions to manage costs, achieve farebox recovery goals, and to maintain cash reserves to preserve MCTA's overall financial health.

APPENDIX A: DATA ADJUSTMENTS

In FYE 2014, MCTA became an urban reporting system to NTD. This change required MCTA to more rigorously scrutinize the accuracy in reporting data. In previous years, there were revisions in how MCTA reported fixed-route operating statistics (i.e., revenue hours, miles and passengers) to dotGrants:

1. From FYE 2009 through FYE 2011, MCTA operated a charter service route (i.e., Route 611 Corridor Shuttle). However, this closed-door route was discontinued in FYE 2011. Following the previous performance review, MCTA was instructed by PennDOT not to report this charter service within fixed-route operating statistics. As a result, adjustments were made from FYE 2009 through FYE 2010 to account for the removal of passengers, hours, miles, revenues and operating costs associated with the Route 611 Corridor Shuttle. The following is a list of these changes by FYE:
 - a. FYE 2009 – charter passengers, hours and miles were removed from MCTA’s fixed-route operating statistics. Associated revenues were removed and operating costs were adjusted to offset the loss in revenue.
 - b. FYE 2010 – charter passengers were not reported to dotGrants; however, adjustments were necessary to account for the removal of hours and miles. Associated revenues were removed and operating costs were adjusted to offset the loss in revenue.
 - c. FYE 2011 – charter passengers, hours and miles were not reported to dotGrants; however, adjustments were necessary to account for the removal of associated revenues and operating costs were reduced to offset the loss in revenue.
2. From FYE 2009 through FYE 2013, MCTA was inconsistent in how revenue hours and miles were calculated:
 - a. For FYE 2009 and FYE 2010, MCTA reported total hours as revenue hours to dotGrants. For FYE 2011 and FYE 2012, MCTA reported revenue hours as 90% of total driver hours. In FYE 2013, MCTA reported revenue hours as 94% of total driver hours.
 - b. For FYE 2009 through FYE 2011, MCTA reported total miles as revenue miles. In FYE 2012, MCTA reported revenue miles as 90% of total miles. For FYE 2013 and FYE 2014, MCTA reported revenue miles as 94% of total miles. In FYE 2015, MCTA reported revenue miles as 96% of total miles.

In FYE 2014 as MCTA improved the accuracy of its data reporting and management recalculated what revenue hours and miles should have been for years when total hours and miles were used (i.e., FYE 2009, FYE 2010 and FYE 2011). To revise revenue hours, MCTA multiplied total hours by 90% of total driver hours. A similar approach was applied to revise revenue miles by multiplying them by 90%. Adjustments to revenue hours and miles are based on the reconciliation between revised values developed by MCTA and what was originally reported to dotGrants.

3. In FYE 2015, MCTA reported 18,442 revenue miles belonging to the National Park Service Route (NPS), a seasonal fixed-route that uses shared-ride vehicles to the shared-ride program. In previous years, MCTA reported NPS with fixed-route. Since MCTA uses shared-ride vehicles for the NPS route, NTD requires revenue service to be reported by the asset; and as a result, MCTA reported

revenue miles for the NPS route to shared-ride for FYE 2015. MCTA was instructed by PennDOT to report revenue service by program; and as a result, MCTA resumed reporting the NPS revenue miles in fixed-route as of FYE 2016.

To better understand trends and develop five-year performance targets, revenues, expenditures, hours and passengers were excluded and/or offset from MCTA’s dotGrants reported values to account for the removal the charter service route and to address revisions to prior year reporting. Revenue collected from charter service was used to offset operating costs. The results of these adjustments are listed below.

dotGrants Reported Values*	FYE 2009	FYE 2010	FYE 2011	FYE 2012	FYE 2013	FYE 2014	FYE 2015
Revenue	\$672,229	\$314,750	\$635,361	\$381,062	\$322,679	\$279,493	\$307,240
Operating Costs	\$3,182,186	\$2,998,764	\$3,191,958	\$3,105,207	\$3,207,293	\$3,016,429	\$2,911,983
Revenue Hours	37,167	31,700	28,540	28,630	30,780	30,298	33,157
Revenue Miles	537,790	508,231	515,278	471,187	509,094	507,610	503,349
Passengers	347,095	263,087	212,163	240,806	236,802	244,259	241,555
Adjustments to Reconcile dotGrants Reported Values Against Internally Revised Values							
Revenue	(\$401,403)	(\$41,076)	(\$303,909)	-	-	\$10,355	\$4,637
Operating Costs	(\$401,403)	(\$362,339)	(\$303,909)	-	-	-	-
Revenue Hours	(9,456)	(3,170)	-	1	(2,648)	-	-
Revenue Miles	(53,779)	(50,823)	(51,528)	-	19,689	-	18,442
Passengers	(131,889)	-	-	-	-	-	-
Final Revised Values							
Revenue	\$270,826	\$273,674	\$331,452	\$381,062	\$322,679	\$289,848	\$311,877
Operating Costs	\$2,780,782	\$2,636,425	\$2,888,050	\$3,105,207	\$3,207,293	\$3,207,293	\$2,911,983
Revenue Hours	27,711	28,530	28,540	28,631	28,132	30,298	33,157
Revenue Miles	484,011	457,408	463,750	471,187	528,783	507,610	521,751
Passengers	215,206	236,087	212,163	240,806	236,802	244,259	241,555

Note: Unlike FYE 2009 and FYE 2011, MCTA did not report Route 611 Corridor Shuttle revenues in FYE 2010. However, to remain consistent with other reported years that reduced operating expenses by the revenue amount for the Route 611 Corridor Shuttle in those years, operating expenses for FYE 2010 were reduced by Route 611 Corridor Shuttle revenue for FYE 2010.

*Source: dotGrants reporting.

MCTA’s Act 44 performance metrics are listed in the table below with adjustments to fixed-route operating revenue, operating costs, revenue hours and total passengers.

Final Adjusted Metrics*	FYE 2009	FYE 2010	FYE 2011	FYE 2012	FYE 2013	FYE 2014	FYE 2015
Passenger/RVH	7.77	8.28	7.43	8.41	8.42	8.06	7.29
Operating Revenue/RVH	\$9.77	\$9.59	\$11.61	\$13.31	\$11.47	\$9.57	\$9.41
Operating Cost/RVH	\$100.35	\$92.41	\$101.19	\$108.46	\$114.01	\$99.56	\$87.82
Operating Cost/Passenger	\$12.92	\$11.17	\$13.61	\$12.90	\$13.54	\$12.35	\$12.06
Non-Adjusted Metrics							
Passenger/RVH	9.34	7.46	7.43	8.41	7.50	8.06	7.29
Operating Revenue/RVH	\$18.09	\$20.09	\$22.26	\$13.31	\$10.22	\$9.57	\$9.41
Operating Cost/RVH	\$85.62	\$94.71	\$111.84	\$108.46	\$101.54	\$99.56	\$87.82
Operating Cost/Passenger	\$9.17	\$12.70	\$15.04	\$12.90	\$13.54	\$12.35	\$12.06

*Source: dotGrants reporting

APPENDIX B: PEER COMPARISONS

Comparison of MCTA 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 2014 Reporting Year database was selected as the primary data source used in the calculation of the five-year trend Act 44 metrics:

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

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

- *Passengers*: Annual unlinked passenger boardings by mode for both directly-operated and purchased transportation
- *Operating Costs*: Annual operating cost of services provided (excluding capital costs) by mode for both directly-operated and purchased transportation
- *Operating Revenue*: Total annual operating revenue generated from farebox and other non-state, non-federal sources by mode for both directly-operated and purchased transportation
- *Revenue Vehicle Hours*: The total annual number of “in-service” hours of service provided by mode for both directly-operated and purchased transportation
- *Average*: Un-weighted linear average of all values being measured across all peer transit agencies
- *Standard Deviation*: Standard deviation of all values being measured across all peer transit agencies

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

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

Passengers / Revenue Vehicle Hour: Bus

Passengers / Revenue Hour					
System	FYE 2014 Single Year		5 Year Change Since FYE 2009		
	Value	Rank of 12	2009 Value	Annual Rate	Rank of 12
County of Lebanon Transit Authority	10.06	10	11.44	-2.55%	11
Indiana County Transit Authority	14.25	3	14.83	-0.80%	6
Manchester Transit Authority	12.32	8	12.40	-0.14%	5
Janesville Transit System	13.68	5	15.27	-2.18%	9
City of Jackson Transportation Authority	17.70	1	19.45	-1.87%	8
Battle Creek Transit	17.53	2	19.70	-2.31%	10
Town of Cary	9.22	11	3.97	18.34%	1
Michiana Area Council of Governments	14.10	4	6.87	15.46%	2
Harford Transit	12.45	7	11.17	2.19%	3
Centro of Cayuga, Inc.	13.42	6	14.09	-0.98%	7
City of Pocatello - Pocatello Regional Transit	11.44	9	18.92	-9.58%	12
Monroe County Transportation Authority	8.06	12	7.77	0.75%	4
<i>Average</i>		<i>12.85</i>	<i>12.99</i>	<i>1.36%</i>	
<i>Standard Deviation</i>		<i>2.96</i>	<i>5.08</i>	<i>7.82%</i>	
<i>Average – 1 Standard Deviation</i>		<i>9.89</i>	<i>7.91</i>	<i>-6.45%</i>	
<i>Average + 1 Standard Deviation</i>		<i>15.81</i>	<i>18.07</i>	<i>9.18%</i>	
Act 44 Compliance Determination		At Risk		In Compliance	
Compared to the Peer Group Average		Worse		Worse	

Operating Cost / Revenue Vehicle Hour: Bus

Operating Cost / Revenue Hour					
System	FYE 2014 Single Year		5 Year Change Since FYE 2009		
	Value	Rank of 12	2009 Value	Annual Rate	Rank of 12
County of Lebanon Transit Authority	\$81.27	6	\$93.05	-2.67%	2
Indiana County Transit Authority	\$64.78	4	\$64.56	0.07%	5
Manchester Transit Authority	\$79.62	5	\$70.07	2.59%	9
Janesville Transit System	\$109.35	12	\$91.25	3.69%	12
City of Jackson Transportation Authority	\$86.96	7	\$73.38	3.45%	11
Battle Creek Transit	\$101.06	10	\$100.96	0.02%	4
Town of Cary	\$47.17	2	\$57.50	-3.88%	1
Michiana Area Council of Governments	\$54.57	3	\$51.62	1.12%	6
Harford Transit	\$87.13	8	\$77.92	2.26%	8
Centro of Cayuga, Inc.	\$106.89	11	\$90.37	3.42%	10
City of Pocatello - Pocatello Regional Transit	\$46.42	1	\$42.37	1.84%	7
Monroe County Transportation Authority	\$99.56	9	\$100.35	-0.16%	3
<i>Average</i>	\$80.40		\$76.12	0.98%	
<i>Standard Deviation</i>	\$22.55		\$19.52	2.42%	
<i>Average – 1 Standard Deviation</i>	\$57.85		\$56.60	-1.44%	
<i>Average + 1 Standard Deviation</i>	\$102.95		\$95.63	3.40%	
Act 44 Compliance Determination	In Compliance		In Compliance		
Compared to the Peer Group Average	Worse		Better		

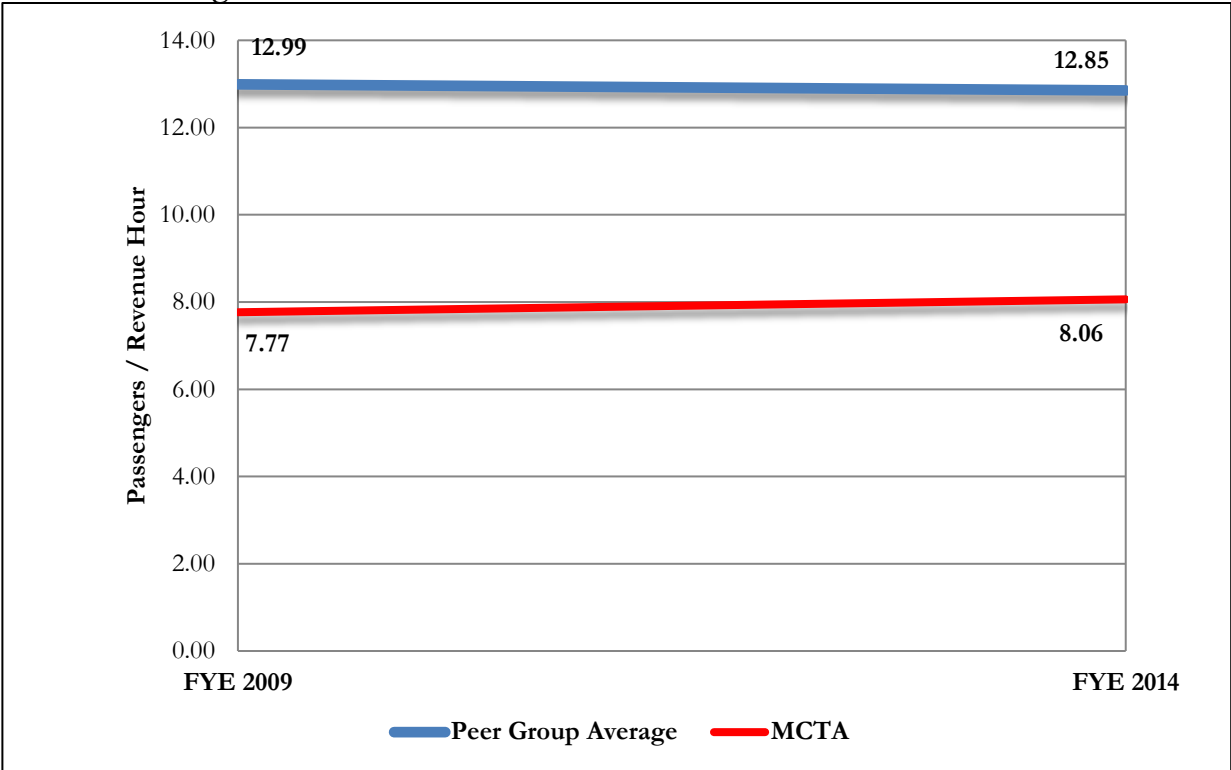
Operating Revenue / Revenue Vehicle Hour: Bus

Operating Revenue / Revenue Hour					
System	FYE 2014 Single Year		5 Year Change Since FYE 2009		
	Value	Rank of 12	2009 Value	Annual Rate	Rank of 12
County of Lebanon Transit Authority	\$12.14	7	\$14.11	-2.96%	11
Indiana County Transit Authority	\$19.53	2	\$17.74	1.94%	7
Manchester Transit Authority	\$17.64	4	\$13.63	5.28%	4
Janesville Transit System	\$22.10	1	\$14.52	8.76%	3
City of Jackson Transportation Authority	\$19.21	3	\$25.83	-5.75%	12
Battle Creek Transit	\$12.32	6	\$13.51	-1.83%	10
Town of Cary	\$5.29	11	\$2.80	13.58%	1
Michiana Area Council of Governments	\$8.96	9	\$5.32	10.98%	2
Harford Transit	\$8.62	10	\$8.03	1.44%	8
Centro of Cayuga, Inc.	\$13.50	5	\$10.56	5.04%	5
City of Pocatello - Pocatello Regional Transit	\$3.46	12	\$3.13	2.03%	6
Monroe County Transportation Authority	\$9.57	8	\$9.77	-0.43%	9
<i>Average</i>	\$12.69		\$11.58	3.17%	
<i>Standard Deviation</i>	\$5.91		\$6.53	5.80%	
<i>Average – 1 Standard Deviation</i>	\$6.79		\$5.05	-2.62%	
<i>Average + 1 Standard Deviation</i>	\$18.60		\$18.11	8.97%	
Act 44 Compliance Determination	In Compliance		In Compliance		
Compared to the Peer Group Average	Worse		Worse		

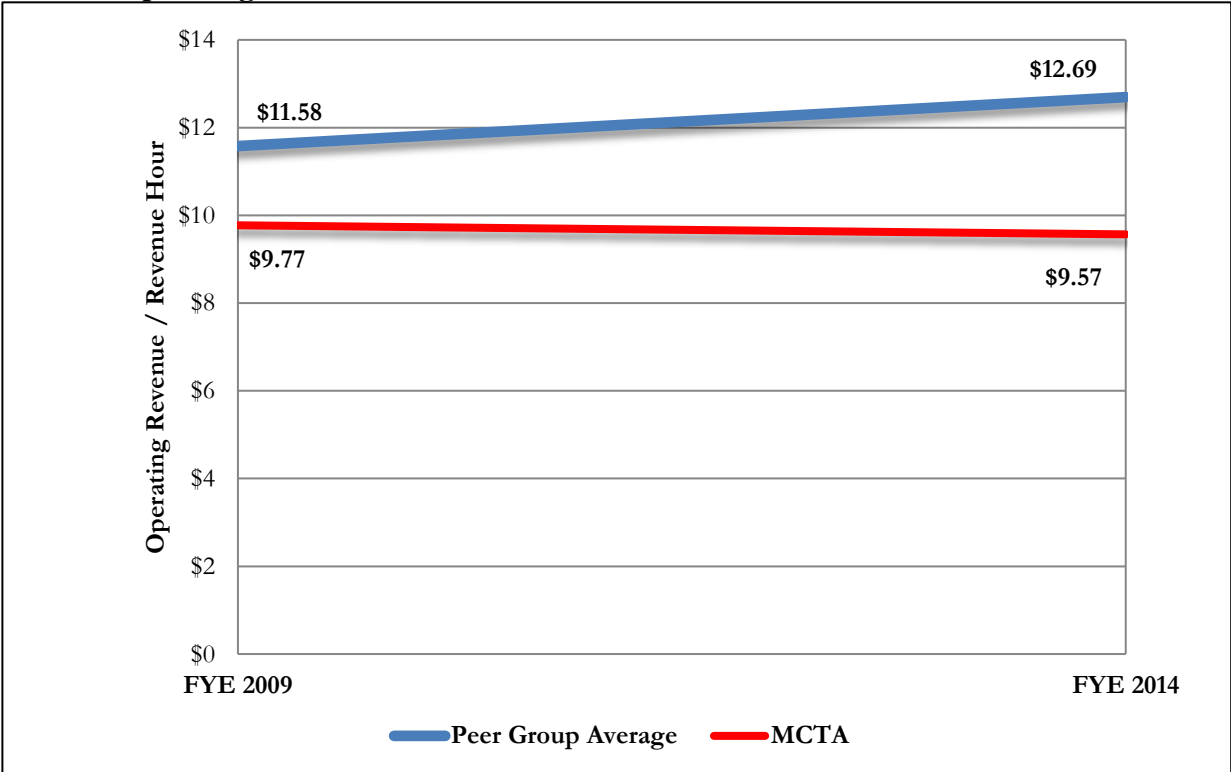
Operating Cost / Passenger: Bus

Operating Cost / Passenger					
System	FYE 2014 Single Year		5 Year Change Since FYE 2009		
	Value	Rank of 12	2009 Value	Annual Rate	Rank of 12
County of Lebanon Transit Authority	\$8.08	11	\$8.13	-0.12%	4
Indiana County Transit Authority	\$4.55	3	\$4.35	0.87%	6
Manchester Transit Authority	\$6.47	7	\$5.65	2.74%	8
Janesville Transit System	\$7.99	10	\$5.97	5.99%	11
City of Jackson Transportation Authority	\$4.91	4	\$3.77	5.42%	10
Battle Creek Transit	\$5.77	6	\$5.12	2.39%	7
Town of Cary	\$5.11	5	\$14.47	-18.78%	1
Michiana Area Council of Governments	\$3.87	1	\$7.51	-12.42%	2
Harford Transit	\$7.00	8	\$6.98	0.06%	5
Centro of Cayuga, Inc.	\$7.97	9	\$6.41	4.43%	9
City of Pocatello - Pocatello Regional Transit	\$4.06	2	\$2.24	12.64%	12
Monroe County Transportation Authority	\$12.35	12	\$12.92	-0.90%	3
<i>Average</i>	\$6.51		\$6.96	0.19%	
<i>Standard Deviation</i>	\$2.39		\$3.56	8.34%	
<i>Average – 1 Standard Deviation</i>	\$4.12		\$3.40	-8.15%	
<i>Average + 1 Standard Deviation</i>	\$8.90		\$10.52	8.54%	
Act 44 Compliance Determination	At Risk		In Compliance		
Compared to the Peer Group Average	Worse		Better		

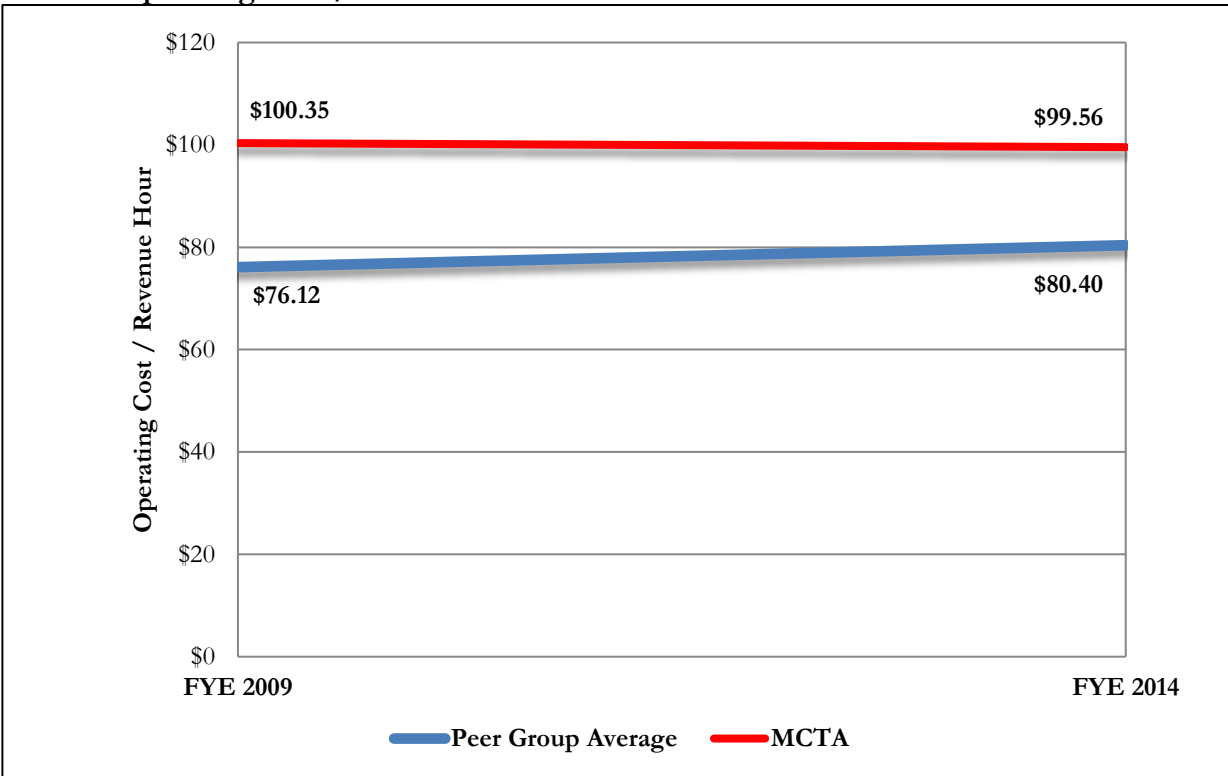
Trend – Passengers / Revenue Vehicle Hour: Bus



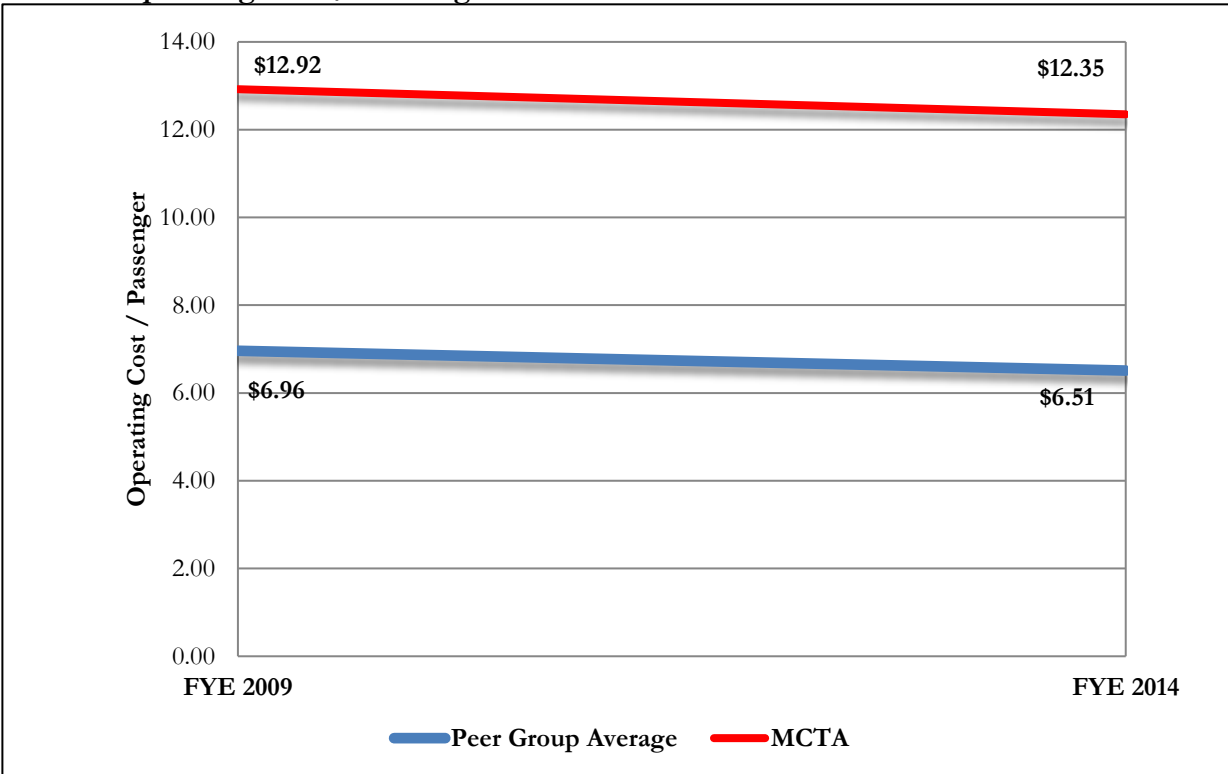
Trend – Operating Revenue / Revenue Vehicle Hour: Bus



Trend – Operating Cost / Revenue Vehicle Hour: Bus



Trend – Operating Cost / Passenger: Bus



APPENDIX C: 2010 PERFORMANCE REVIEW ACTION PLAN ASSESSMENT

Last Updated June 30, 2016

Category	Suggested Action	Corrective Action	Observation
1. Ridership	Focus on existing citizens advisory committee to provide regular feedback on fixed-route topics in addition to shared-ride issues; if this is not possible, develop a separate citizens committee focused solely on fixed-route.	MCTA enhanced the activities of the current local advisory committee (LAC) by adding fixed-route topics to the quarterly agenda and reviewing customer satisfaction surveys for both fixed-route and shared-ride. MCTA established regular meeting dates for the LAC on the last Tuesday of each quarter.	LAC meets on a quarterly basis.
1. Ridership	Incorporate monthly performance measures from the Executive Director's Report when reporting to the Board.	Monthly preparation of the Executive Director's Report is completed and made available to Board members one week prior to Board meetings for review. Management staff meets on the second Thursday and fourth Wednesday of each month to discuss performance measures and other agenda items. The management team reviews trends and discusses opportunities for improvement.	Reoccurring.
1. Ridership	Develop a formal Service Standards Policy.	MCTA developed a draft formal Service Standards Policy in 2013 and was in review until MCTA transitioned into an urban system. In February 2016, the management team and Operations Committee reviewed the MCTA System-wide Service Standards Policy. It received Board approval in March of 2016.	Policy finalized with Board adoption on March 31, 2016.
1. Ridership	Update MCTA's Strategic Plan.	MCTA's Strategic Plan was updated in April, 2017.	The next update to the Strategic Plan is targeted for 2020.

Category	Suggested Action	Corrective Action	Observation
1. Ridership	Develop and monitor route level data to include cost and farebox recovery.	MCTA began developing a methodology to determine costs and farebox recovery by route by mile in early 2014. MCTA has finalized the report form for monthly, quarterly and annual monitoring as of May 2016. MCTA compiled data by month from July 2015 to July 2016 and incorporated the findings as part of the monthly Manager’s Review as of July 2016.	Development of in-house report is completed.
1. Ridership	Develop an easy-to-read system map and place it on the website to highlight where transfer opportunities exist.	MCTA’s website was upgraded to include Google Maps-based system map. At the top of the screen, passengers may enter their origin, destination and time of day. Once a passenger selects their origin and destination stops, the results display route times, route location and available transfer points. MCTA also developed route-level timetable maps available for download on the website.	Periodic updates are made based on service changes. The last update was completed in June of 2016.
2. Revenue	Evaluate current and future service contracts to ensure actual costs are billed.	MCTA reached out to other Commonwealth transit systems to observe how they structure route guarantees. In addition, MCTA will be looking to identify specific costs by route and consider these findings as part of an assessment of existing contracted service (i.e., National Park Service route). MCTA looks forward to its seventh successful project year with the NPS in 2017.	Budget and timetables have been finalized and distributed. The cooperative agreement will be finalized shortly and task agreement will follow for 2017.

Category	Suggested Action	Corrective Action	Observation
3. Operating Cost	Develop an approach for managing parts inventory.	The MCTA maintenance manager reduced excess inventory of outdated parts and began a monthly randomized parts audit with the CFO. The maintenance assistant received fleet management training and began developing customizable reports to more accurately analyze parts inventory. MCTA began using the warranty module of RTA Fleet Maintenance software and has downloaded the TCRP on Inventory Management for review by the end of 2016. MCTA plans to advance these efforts into a policy by the end of 2016.	Outdated inventory was removed; monthly random inventory checks are performed and sample policies have been developed for review.
3. Operating Cost	Explore better integration between maintenance and accounting software.	MCTA's accounting and maintenance departments work closely on a daily basis. Due to time and cost constraints, MCTA will look into integration software in the coming years.	Not Applicable.
4. Other	Develop and implement a SSEPP which will include crisis and disaster planning.	MCTA gathered data, which included: monthly fleet performance statistics, five years of W/C and PPL claims, five years of road call history and reviewed the existing Safety Plan, trends from aforementioned items and current MCTA policies. MCTA also attended the SSEPP Plan Development Workshop. MCTA's HR/Safety Manager contacted NEPA's Counter Terrorism Task Force Director (Emergency Management Services of Monroe County) to assist in conducting a live shooter drill/training in the fall of 2015, however, this was pushed back till summer/fall 2016 due to budget constraints. Best practices learned from the exercise will be incorporated into MCTA training for drivers and staff and the SSEPP will be revised as needed.	MCTA Board adopted the Plan document in January of 2013, which include activities like developing department COOPs. The HR/Safety Manager is involved with rescheduling the emergency services event with fellow public services organization for late 2016.

Category	Suggested Action	Corrective Action	Observation
<p>4. Other</p>	<p>Develop and implement educational opportunities for Board governance.</p>	<p>Training on Board Governance was conducted in late 2012/early 2013. The Board has completed the PPTA online Board Training series in September of 2015. Additionally, the Board has received information on board Self-Assessments, Roberts Rules of Order, the Sunshine Law updates and a Board Profile worksheet intended to guide future recommendations for new Board members. Furthermore, MCTA continues to be an active member in attending PPTA and APTA conferences. Efforts to continue Board development are ongoing. A Board Self-Assessment Matrix was conducted on behalf of MCTA’s HR Committee in February of 2016. The results were compiled by the HR/Safety Manager and shared with the Board at the March 2016 meeting. This exercise helped identify Board strengths, weaknesses and was intended to help assess desired expertise for future Board candidates.</p>	<p>Efforts to continue Board development are ongoing.</p>

APPENDIX D: ACTION PLAN TEMPLATE

PART 1- ACTIONS TO INCREASE PASSENGERS / REVENUE HOUR

Recommendation From narrative starting on page 9	MCTA Action	Estimated Initiation Date	Estimated Completion Date
1. Develop defined marketing goals with supporting objectives, actions and performance metrics to monitor marketing activities			
2. Develop a marketing budget that is tied to an implementation schedule for marketing campaigns and activities			
3. Use current IT investments (i.e., AVL and smart cards) to monitor marketing efforts and adjust resources accordingly			
4. Coordinate with Monroe County to address limitations on access to the system (i.e., sidewalk infrastructure and bus shelters)			
5. Routinely evaluate existing service for opportunities for improvement			

PART 2 - ACTIONS TO INCREASE OPERATING REVENUE / REVENUE HOUR

Recommendation From narrative starting on page 10	MCTA Action	Estimated Initiation Date	Estimated Completion Date
1. Pursue development of route guarantees with local colleges and major employment centers			

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

Recommendation From narrative starting on page 11	MCTA Action	Estimated Initiation Date	Estimated Completion Date
1. Improve draft IT plan to identify risks, opportunities for improvement and tie future investments to a schedule and budget			

PART 4 - OTHER ACTIONS TO IMPROVE OVERALL PERFORMANCE

Recommendation From narrative starting on page 11	MCTA Action	Estimated Initiation Date	Estimated Completion Date
1. Develop actions to carry out each objective and assign performance measures to monitor the implementation of the strategic plan			
2. Develop and adopt an official succession plan that identifies and assigns responsibilities for essential management functions			
3. Develop strategies to address unique challenges of transitioning from rural to urban status			
4. Develop an actionable development plan for the parcel adjacent to MCTA’s headquarters			

