



FACT System Performance Review

June 2017

Performance Review Fayette Area Coordinated Transportation

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PUBLIC TRANSPORTATION SNAPSHOT

Agency	Fayette Area Coordinated Transportation (d.b.a. FACT)		
Year Founded	1996		
Reporting Fiscal Year End (FYE)	FYE 2015		
Service Area (square miles)	812		
Service Area Population	148,644		
Annual Operating Statistics*	Fixed-Route	Paratransit (ADA) + Shared Ride)	Total
Vehicles in Maximum Service (VOMS)	10	44	54
Operating Cost	\$1,764,952	\$1,790,850	\$3,555,802
Operating Revenues	\$167,346	\$1,540,169	\$1,707,515
Total (Actual) Vehicle Miles	553,726	834,179	1,387,905
Revenue Miles of Service (RVM)	534,632	N/A	N/A
Total Vehicle Hours	29,506	41,916	71,422
Revenue Vehicle Hours (RVH)	27,811	N/A	N/A
Total Passenger Trips	139,497	104,331	243,828
Senior Passenger (Lottery) Trips	21,684	35,268	56,952
Act 44 Performance Statistics			
Passengers / RVH	5.02	N/A	N/A
Operating Cost / RVH	\$63.46	N/A	N/A
Operating Revenue / RVH	\$6.02	N/A	N/A
Operating Cost / Passenger	\$12.65	\$17.17	\$14.58
Other Performance Statistics			
Operating Revenue / Operating Cost	9.48%	86.00%	48.02%
Operating Cost / Total Vehicle Hours	\$59.82	\$42.72	\$49.79
Operating Cost / Total Vehicle Miles	\$3.19	\$2.15	\$2.56
Total Passengers / Total Vehicle Hours	4.73	2.49	3.41
Operating Cost / RVM	\$3.30	N/A	N/A
RVM / Total Vehicle Miles	96.55%	N/A	N/A
RVH / Total Vehicle Hours	94.26%	N/A	N/A
Operating Subsidy / Passenger Trip	\$11.45	\$2.40	\$7.58

*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; 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 actions taken by the organization to improve performance and management practices in its efforts to meet performance targets.

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 in §427.12. Performance Reviews.

“(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 the initial review of Fayette Area Coordinated Transportation (FACT) in August 2010. Based on that review, PennDOT established five-year performance targets and agreed to FACT’s action plan to meet those targets. In June 2016, PennDOT conducted the five-year reassessment of FACT to determine if FACT 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 Fayette Area Coordinated Transportation (FACT) in August 2010. Since the previous report was finalized, some changes occurred that impact operations, finance and statistical reporting at FACT, as well as performance targets which were established in 2010. These changes should be considered when comparing the previous performance report and trends:

- **Reporting of interlining passengers** – FACT introduced the practice of counting passengers that remained onboard as an interlined vehicle changed routes as transfer passengers. This practice increased passenger trip totals by artificially boosting transfer passenger totals, and thus, impacted Act 44 metrics that rely on ridership to determine performance (i.e., passengers per revenue hour and operating cost per passenger). Ridership totals were adjusted to account for the removal of interlined passengers counted as transfers passengers.
- **Reduction in reported other revenue** – In previous years FACT relied on three contractors to provide fixed-route service. FACT has since reduced purchased transportation to a single contractor for the rural Brownsville routes. As a result of this change, FACT no longer receives revenue from fuel and maintenance services sold to each contractor. Therefore, performance targets based on revenue (i.e., operating revenue per revenue hour) would be impacted by this loss of revenue. To help determine a more accurate target for 2020, revenue from fuel and maintenance services sold in previous years were removed from fixed-route statistics.

2010 PERFORMANCE REVIEW DETERMINATIONS AND FINDINGS

The 2010 performance review assessed FACT with a group of peer agencies based on four performance criteria outlined by law. FACT was “At Risk” for passengers per revenue hour for the single year and trend period analyses, operating revenue per revenue hour and operating cost per passenger single year analyses in 2010.

Performance Criteria	FYE	Determination	Peer Rank (of 14)	Relation to Peer Average	Value	Peer Average
Passengers / Revenue Hour	2008	At Risk	14	Worse	3.36	13.80
	Trend	At Risk	13	Worse	-8.16%	3.30%
Operating Cost / Revenue Hour	2008	In Compliance	3	Better	\$46.61	\$64.18
	Trend	In Compliance	1	Better	-2.65%	11.24%
Operating Revenue / Revenue Hour	2008	At Risk	12	Worse	\$7.71	\$13.64
	Trend	In Compliance	3	Better	20.94%	11.91%
Operating Cost / Passenger	2008	At Risk	14	Worse	\$13.86	\$5.61
	Trend	In Compliance	8	Better	6.00%	7.57%

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

The 2010 performance review noted that while FACT’s costs were low, ridership and revenue were very low compared to its peer group. The following performance targets were established with FACT:

- Increase passengers per revenue hour by at least 3.0% per year on average

- Increase revenue per revenue hour by at least 3.0% per year on average
- Contain operating cost per revenue hour increases to no more than 3% per year on average
- Do not increase the total operating cost per passenger trip

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

1. Completing construction of a transfer center- This allows customers to transfer between FACT's routes in a climate-controlled environment and to make transit service more attractive to riders.
2. Retaining higher-quality contractors to deliver service- FACT selected new contractors and enforced existing contract provisions to improve the quality of service delivery.
3. Adjusting routes to increase efficiency- This allows a greater number of passengers to make a one-seat trip to their destination thereby increasing the attractiveness of the service.
4. Developing a Board-approved strategic plan- FACT developed a strategic plan with the input from two advisory committees (i.e., the Transportation Coalition and the Transportation Executive Committee), local human service agencies, and current FACT riders. The plan identified strengths, weaknesses and opportunities that could be addressed to improve the effectiveness of FACT's service. Some recommended actions, such as better tracking of customer complaints, have been completed. Other actions, such as maximizing the use of technology, have not been fully implemented.

Since the previous performance report was completed, data reported to the NTD and dotGrants were revised to account for one-time anomalies. This meant that the 2010 performance indicators and 2015 performance targets had to be recalculated as well. The updated performance measures, presented in the table below, show that FACT has been able to successfully meet its 2015 performance targets:

Performance Criteria	2010 Actual	2015 Target	2015 Actual	Met Target
Passengers / Revenue Hour	3.88	4.37	5.02	Yes
Operating Cost / Revenue Hour	\$56.85	\$63.98	\$63.46	Yes
Operating Revenue / Revenue Hour	\$4.73	\$5.32	\$6.02	Yes
Operating Cost / Passenger	\$14.63	\$14.63	\$12.65	Yes

Operating cost per revenue hour cost increases have been modest. This is attributable to aggressive cost containment practices by the County Commission. Ridership and revenues have increased, yet remain below industry averages. These findings established a framework that was used to guide the 2016 performance review.

2016 PERFORMANCE REVIEW DETERMINATIONS AND FINDINGS

As required by Act 44, the current performance review began with an assessment of FACT and a group of peer agencies with respect to the four performance criteria outlined by law.

Performance Criteria	FYE	Determination	Peer Rank (of 13)	Relation to Peer Average	Value	Peer Average
Passengers / Revenue Hour	2014	At Risk	13	Worse	5.57	11.53
	Trend	In Compliance	5	Better	4.98%	2.73%
Operating Cost / Revenue Hour	2014	In Compliance	6	Better	\$69.06	\$76.18
	Trend	In Compliance	10	Worse	6.11%	2.87%
Operating Revenue / Revenue Hour	2014	In Compliance	10	Worse	\$8.30	\$12.23
	Trend	In Compliance	5	Better	8.91%	-0.55%
Operating Cost / Passenger	2014	At Risk	11	Worse	\$12.40	\$7.51
	Trend	In Compliance	7	Worse	1.07%	0.75%

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 2015 data.

In the 2010 performance review, FACT had four “At Risk” findings. The current review found that FACT has two “At Risk” findings. Both findings from the current performance review were also “At Risk” in the previous review, passengers per revenue hour and operating cost per passenger.

The current performance review examined additional steps, beyond those specified in the 2010 action plan, that FACT has taken to improve performance. The most notable practice is that FACT has partnered with a local business to provide transportation of workers from housing to the job site.

The performance review also identified actions that FACT can take to address the “At Risk” findings related to low ridership per revenue hour including:

1. Implementing a process to track route metrics, evaluate routes for efficiency based on those metrics and potentially make changes in routes to improve efficiency
2. Developing a marketing plan, tied to FACT’s current marketing budget, that clearly defines goals, strategies and measures of effectiveness that can be used to increase ridership in a cost-effective manner
3. Reviewing options to decrease revenue service, and associated operating cost, into downtown Pittsburgh by coordinating a transfer with the Port Authority of Allegheny County

Additional opportunities for improvement were also identified during the performance review. The complete list of opportunities for improvement serve as the basis of FACT’s action plan to be developed by FACT, and approved by the County Commissioners, in response to this report.

2020 PERFORMANCE TARGETS

As required by Act 44, PennDOT and FACT management have agreed to performance targets for 2020 identified in the table below. FACT should work to achieve by the next performance review 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	5.57	5.02	5.54	2.00%
Operating Cost / Revenue Hour	\$69.06	\$63.46	\$73.57	3.00%
Operating Revenue / Revenue Hour	\$8.30	\$6.02	\$6.64	2.00%
Operating Cost / Passenger	\$12.40	\$12.65	\$13.30	1.00%

FINANCIAL REVIEW

FACT currently has a balanced operating budget. Operating cash reserves have steadily decreased 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 FACT's financial condition are:

- FACT has no carryover Section 1513 funds available in case of unexpected cost increases or service changes.
- FACT maintained a local fund carryover balance of \$516,112 as of FYE 2015.
- State and federal subsidies used to cover losses in paratransit operations have increased substantially over the last several years. Recently enacted shared-ride fare increases should help to reduce the amount of fixed-route funding used to subsidize paratransit.
- Accounts payable and receivable amounts are negligible.
- FACT does not maintain a line of credit.

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

NEXT STEPS

FACT 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. FACT'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 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.

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AGENCY DESCRIPTION

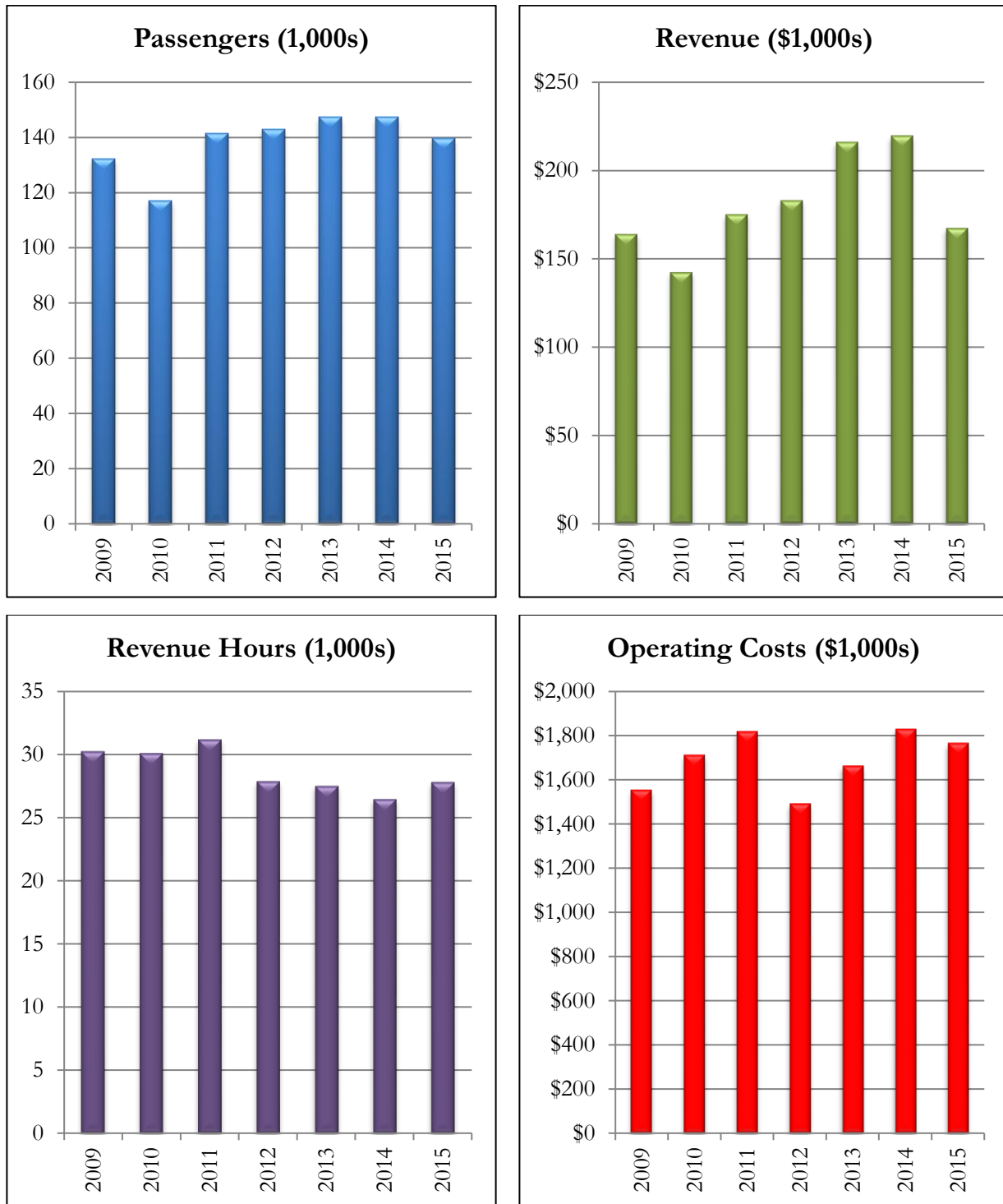
In December of 1995, the Fayette County Transit Study Final Report and Action Plan was endorsed by the Fayette County Board of County Commissioners. Originally founded as a human services transportation provider, FACT carried out the Medical Assistance Transportation Program and the Shared Ride Program for Older Adults in Fayette County. FACT became a successful recipient of federal transportation funding in 1999, and designated a Welfare-to-Work Program eligible for federal and state funding. In 2000, FACT received grant assistance from PennDOT to begin fixed-route service as a rural transportation operation. Based on census updates FACT became an urban transit system in 2003. In 2007, FACT added the Persons with Disabilities Program to its services.

As a municipal department of Fayette County, FACT is governed by the Fayette County Board of County Commissioners. Each of the three Commissioners serve as a Board member for FACT and has exclusive signing, hiring and contract enforcement authority for the agency. The Board is advised by the Fayette County Transportation Executive Committee (TEC), a seven-member advisory committee with four members appointed by the Board and three members elected by the Fayette County Transportation Coalition, a local transportation consumer advisory group.

Today, FACT serves Fayette County with a fleet of 10 fixed-route buses and 44 paratransit vehicles. FACT provides commuter service to the City of Pittsburgh. It has two transfer centers in Fayette County—the FACT Transit Center, located in Lemont Furnace, PA that also serves as the administrative headquarters, and the FACT Transfer Center in Uniontown, PA.

Exhibit 1 presents FACT’s fixed-route system operating statistics derived from PennDOT dotGrants, as adjusted after the data review was complete. Several data adjustments were necessary to account for reporting of interlined passenger trips, fuel revenues and fuel expenses. For a complete discussion of the adjustments to dotGrants reported data, see ***Appendix A: Data Adjustments***.

Exhibit 1: FACT Fixed-Route Service Annual Performance Trends



Source: NTD and PennDOT Legacy Reporting System (dotGrants)

PERFORMANCE REVIEW PROCESS

In June 2016, an Act 44-mandated performance review was initiated for FACT. The following outlines the review process:

1. Initial notification of performance review selection and transmission of document request
 - A review of available data and requests for what should be “off-the-shelf” information that may not be publicly available was transmitted.
 - Peer selection: FACT 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. Act 44 performance criteria analysis
5. 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. Finalize performance review report
9. Develop, implement and monitor five-year action plan

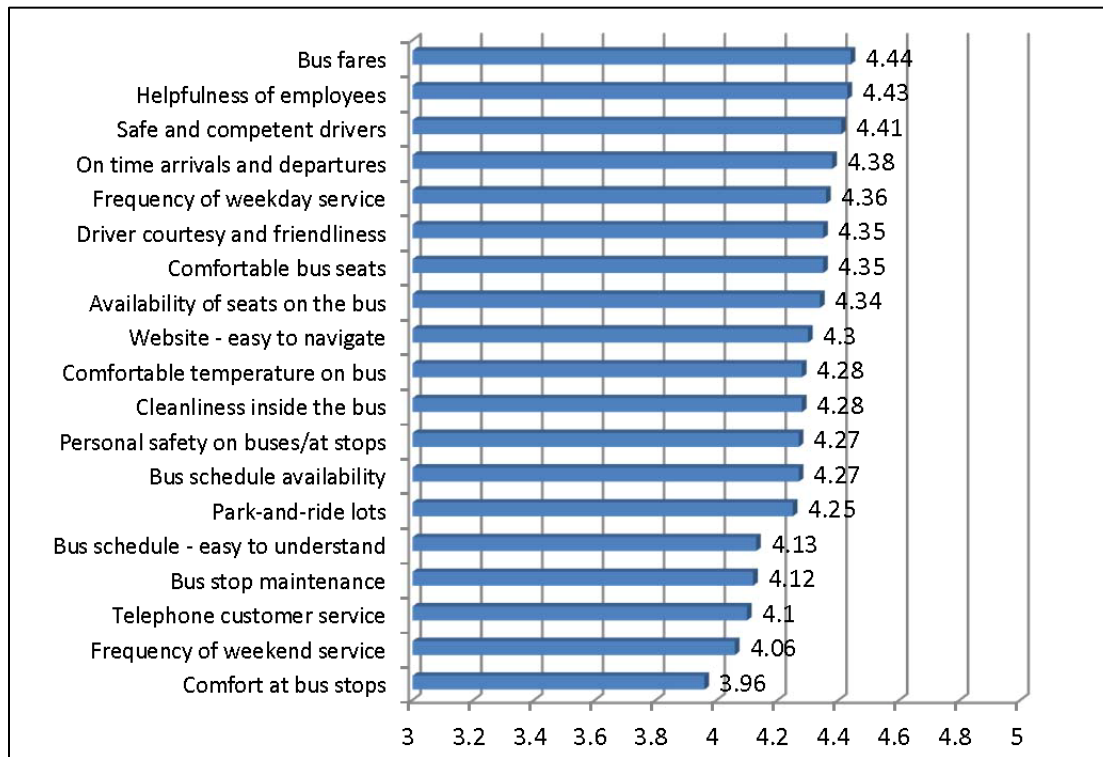
These steps in the performance review process help reviewers develop an understanding of FACT’s unique challenges, changes that have occurred since the previous performance review, the accuracy and reliability of reported data, best practices that have been implemented, additional opportunities for improvement,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

CUSTOMER SATISFACTION SURVEY

In 2016, PennDOT sponsored a fixed-route riders survey to be conducted for FACT base on 15 questions that addressed customer satisfaction, rider characteristics and patterns in service usage. Over an eight-day period in April 2016, FACT surveyed their fixed-route passengers and collected 347 completed surveys:

1. 96% of respondents were satisfied or very satisfied with the service
2. 92% of respondents indicated they would continue using the service
3. 87% of respondents said they would recommend the service to others
4. 40% of respondents identified as loyal riders and were unlikely to switch to another mode of transportation should one become available

Passengers were asked a total of 19 performance measures related to public transportation from the user experience (e.g., driver and staff performance, capacity, frequency of service, schedule adherence, clarity of bus schedules, etc.). **Exhibit 2** provides a summary of the average customer satisfaction score by performance measure.

Exhibit 2: Average Customer Satisfaction Score by Performance Measure

FACT received the highest ratings for bus fares, helpfulness of employees, safe and competent drivers, on time arrivals and departures, frequency of weekday service, driver courtesy and friendliness and comfortable bus seats. FACT received the lowest ratings for comfort at bus stops, frequency of weekend service, telephone customer service, bus stop maintenance and easy to understand bus schedules.

The customer satisfaction survey identified several opportunities to improve the customer service experience that FACT should consider when developing performance standards to improve fixed-route ridership as part of its action plan:

1. Assess conditions of bus stops for needed improvements
2. Assess driver performance and determine if additional training or corrective action is warranted
3. Assess demand along Pittsburgh and Uniontown A routes and determine if additional trips or larger buses are warranted
4. Consider extending customer service hours of live telephone coverage
5. Solicit additional feedback to identify specific features of bus schedules that riders find confusing

2010 ACT 44 PERFORMANCE ASSESSMENT

PRIOR REVIEW DETERMINATIONS AND FINDINGS

The 2010 performance review assessed FACT with a group of peer agencies based on the four performance criteria outlined by law. FACT was “At Risk” for passengers per revenue hour for the single year and trend period analyses, operating revenue per revenue hour and operating cost per passenger single year analyses in 2010.

Exhibit 3: 2010 Performance Review Act 44 Peer Comparison Summary

Performance Criteria	FYE	Determination	Peer Rank (of 14)	Relation to Peer Average	Value	Peer Average
Passengers / Revenue Hour	2008	At Risk	14	Worse	3.36	13.80
	Trend	At Risk	13	Worse	-8.16%	3.30%
Operating Cost / Revenue Hour	2008	In Compliance	3	Better	\$46.61	\$64.18
	Trend	In Compliance	1	Better	-2.65%	11.24%
Operating Revenue / Revenue Hour	2008	At Risk	12	Worse	\$7.71	\$13.64
	Trend	In Compliance	3	Better	20.94%	11.91%
Operating Cost / Passenger	2008	At Risk	14	Worse	\$13.86	\$5.61
	Trend	In Compliance	8	Better	6.00%	7.57%

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

ACTION PLAN AND PERFORMANCE TARGETS

The 2010 performance review noted that while FACT’s operating costs were low, ridership and revenue were very low compared to its peer group. To improve the effectiveness of the service, the following performance targets were established with FACT:

- Increase passengers per revenue hour by at least 3.0% per year on average
- Increase revenue per revenue hour by at least 3.0% per year on average
- Contain operating cost per revenue hour increases to no more than 3% per year on average
- Do not increase the total operating cost per passenger trip

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

1. Completing construction of a transfer center- This allows customers to transfer between FACT’s routes in a climate-controlled environment and to make transit service more attractive to riders.
2. Retaining higher-quality contractors to deliver service- FACT selected new contractors and enforced existing contract provisions to improve the quality of service delivery.
3. Adjusting routes to increase efficiency- This allows a greater number of passengers to make a one-seat trip to their destination thereby increasing the attractiveness of the service.
4. Developing a Board-approved strategic plan- FACT developed a strategic plan with the input from two advisory committees (i.e., the Transportation Coalition and the Transportation

Executive Committee), local human service agencies, and current FACT riders. The plan identified strengths, weaknesses and opportunities that could be addressed to improve the effectiveness of FACT's service. Some recommended actions, such as better tracking of customer complaints, have been completed. Other actions, such as maximizing the use of technology, have not been fully implemented.

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

As shown in **Exhibit 4**, FACT successfully met its 2015 performance targets that were established during the 2010 performance review.

Exhibit 4: 2015 Performance Targets

Performance Criteria	2010 Actual	2015 Target	2015 Actual	Met Target
Passengers / Revenue Hour	3.88	4.37	5.02	Yes
Operating Cost / Revenue Hour	\$56.85	\$63.98	\$63.46	Yes
Operating Revenue / Revenue Hour	\$4.73	\$5.32	\$6.02	Yes
Operating Cost / Passenger	\$14.63	\$14.63	\$12.65	Yes

ASSESSMENT

FACT 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

As required by Act 44, the current performance review began with an assessment of FACT 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 FACT management using criteria defined in Act 44 and data from the most recently available National Transit Database (NTD), FYE 2014. The systems identified for peer comparisons include:

1. Fayette Area Coordinated Transportation (FACT), Lemont Furnace, PA
2. County of Lebanon Transit Authority (Lebanon Transit) Lebanon, PA
3. Town of Cary (CTRAN) Cary, NC
4. City of Jackson Transportation Authority (JTA) Jackson, MI
5. Metropolitan Transit Authority of Black Hawk County (MET Transit) Waterloo, IA
6. Simi Valley Transit (SVT) Simi Valley, CA
7. CityLink Transit (CityLink) Abilene, TX
8. City of Huntsville, Alabama – Public Transportation Division (Shuttle) Huntsville, AL
9. City of Pocatello – Pocatello Regional Transit (PRT) Pocatello, ID
10. Colden Crescent Regional Planning Commission (VICTORIA TRANSIT) Victoria, TX
11. Huntington Area Rapid Transit (HART) Huntington Station, NY
12. Lake County Board of County Commissioners (LCBOCC) Tavares, FL
13. Pee Dee Regional Transportation Authority (PDRTA) Florence, SC

Results of the current FACT analysis and peer comparison are presented in **Exhibit 5**. FACT’s fixed-route bus improved, and was found “**In Compliance**” for six measures and “**At Risk**” for two, both of which are a result of FACT’s low ridership. The detailed data used to develop the peer comparison summary is presented in **Appendix B: Peer Comparisons**.

Exhibit 5: 2016 Performance Review Act 44 Peer Comparison Summary

Performance Criteria	FYE	Determination	Peer Rank (of 13)	Relation to Peer Average	Value	Peer Average
Passengers / Revenue Hour	2014	At Risk	13	Worse	5.57	11.53
	Trend	In Compliance	5	Better	4.98%	2.73%
Operating Cost / Revenue Hour	2014	In Compliance	6	Better	\$69.06	\$76.18
	Trend	In Compliance	10	Worse	6.11%	2.87%
Operating Revenue / Revenue Hour	2014	In Compliance	10	Worse	\$8.30	\$12.23
	Trend	In Compliance	5	Better	8.91%	-0.55%
Operating Cost / Passenger	2014	At Risk	11	Worse	\$12.40	\$7.51
	Trend	In Compliance	7	Worse	1.07%	0.75%

ASSESSMENT

While FACT has improved ridership and revenue statistics, 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” from which 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 FACT’s costs remain low, ridership and revenue are very low compared to its peer group. The following performance targets were established for FACT to improve the effectiveness of service:

- Increase passengers per revenue hour by at least 2.0% per year on average
- Contain operating cost per revenue hour increases to no more than 3% per year on average
- Increase revenue per revenue hour by at least 2.0% per year on average
- Contain operating cost per passenger trip increases to no more than 1% per year on average

Exhibit 6: FYE 2020 Act 44 Performance Targets

Performance Criteria	Fiscal Year End (FYE)			Target Annual Increase
	2014 Actual	2015 Actual	2020 Target	
Passengers / Revenue Hour	5.57	5.02	5.54	2.00%
Operating Cost / Revenue Hour	\$69.06	\$63.46	\$73.57	3.00%
Operating Revenue / Revenue Hour	\$8.30	\$6.02	\$6.64	2.00%
Operating Cost / Passenger	\$12.40	\$12.65	\$13.30	1.00%

These performance targets represent the minimum performance level that FACT 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 FACT 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 FACT, Action Plan templates have been included in the **Appendix D: Action Plan Template** (see pg. 46). 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. FACT partnered with the Nemaquin Resort for transportation service to the housing location for their international workers. This partnership helped FACT grow a market of daily riders that use FACT for access to the resort. The Nemaquin/Uniontown B is now FACT’s second busiest route.

ELEMENTS TO ADDRESS IN PART 1 OF THE ACTION PLAN (P. 46)

1. **Develop service standards and track service metrics for individual routes-** FACT received an “At Risk” finding for the single year Act 44 determination for passengers per revenue hour for both the current and previous Transit Performance Reviews. Although management addressed low performing routes (i.e., combination of the Uniontown B route with the Nemaquin route), FACT does not use service metrics (e.g., on-time performance, ridership, revenue per revenue hour, etc.) to assess routes on a routine basis. FACT should develop service standards and track service metrics for individual routes to inform potential service or schedule changes in order to optimize service levels to eliminate future Act 44 “At Risk” findings.
2. **Reinstate AVL on the fixed-route fleet, track on-time performance, and relay real-time bus location information to passengers-** FACT currently does not track on-time performance, a common customer service metric for operational efficiency. Following FACT’s previous performance review, management introduced a fleet management software (i.e., Automated Vehicle Location, AVL) to track fixed-route vehicles. However, FACT

discontinued the use of AVL in 2014 due to upkeep costs. The most recent customer service satisfaction survey (CSS) indicates that on-time performance is one area that FACT can improve upon. FACT should reinstate AVL on the fixed-route fleet and track on-time performance, a key indicator of system reliability. FACT should also relay real-time bus location information to passengers. These actions will increase the likelihood that customers will use FACT because they will be aware of where the bus is at all times, and can plan their trip accordingly.

OPPORTUNITIES TO INCREASE FIXED-ROUTE REVENUES

BEST PRACTICES

None.

ELEMENTS TO ADDRESS IN PART 2 OF THE ACTION PLAN (P. 46)

1. **Develop a marketing plan that defines marketing goals and strategies to achieve them-** FACT has an annual marketing budget of about \$80,000. However, FACT has no active marketing plan in place to guide its marketing investment decisions. A strong marketing plan will help FACT focus how the annual budget is spent to reach potential new riders and expand existing rider markets. Management should develop a marketing plan tied to its budget that outlines marketing goals and strategies to achieve them. Then, FACT should measure results against goals to guide future marketing efforts. Similar sized agencies with similar marketing budgets have found it cost-effective to outsource the development and implementation of a marketing plan rather than managing marketing efforts with in-house staff.

OPPORTUNITIES TO CONTROL OPERATING COSTS

BEST PRACTICES

1. FACT directly operates part of its service and contracts part of it as well. The decision to outsource service in more remote parts of its service area was determined to be a cost-effective way to reduce deadhead hours and miles thereby reducing the overall cost of service.

ELEMENTS TO ADDRESS IN PART 3 OF THE ACTION PLAN (P. 46)

1. **Develop a preventative maintenance (PM) policy that establishes a goal and monitors PM performance-** FACT does not track or report on-time preventative maintenance (PM) performance. On-time PM is critical to maintaining the health of the fleet and minimizing larger and more expensive repairs. Management should develop a PM policy that establishes a goal of 100% on-time PM within +/- 10% of manufacturers' specifications and report actual performance at least quarterly.
2. **Establish and monitor targets for unscheduled driver and maintenance staff overtime-** FACT has no target or measures in place to track and monitor unscheduled overtime. Unscheduled overtime can increase overall operating costs if it is not balanced against the total cost of a new hire including fringe benefits. FACT should establish and monitor targets for unscheduled driver and maintenance staff overtime to determine optimal staffing levels.

3. **Review alternative strategies to provide commuter service to Pittsburgh such as a transfer connection to PAAC** - FACT has three routes that provide service into downtown Pittsburgh. FACT does not use the Port Authority of Allegheny County's (PAAC) busway due to the high cost for use and insurance. As a result, FACT commuter routes must follow longer, and often congested, roads into downtown Pittsburgh. FACT should explore the potential of coordinating a transfer to PAAC's busway within Allegheny County that would reduce FACT's deadhead and increase travel time reliability for passengers.

OTHER OPPORTUNITIES TO IMPROVE PERFORMANCE

BEST PRACTICES

None.

ELEMENTS TO ADDRESS IN PART 4 OF THE ACTION PLAN (P. 47)

1. **Update the strategic IT plan to identify and prioritize short-term and long-term IT and data management needs** - FACT has received federal and state grant funding to make several major IT investments (e.g., ConnectCard readers on fixed-route buses, fleet tracking AVL software, GFI fareboxes, Scheidt and Bachmann card readers, fleet management software, etc.). However, some of these investments (e.g., fleet tracking AVL software, farebox upgrades) are either not in operation or were not completely functional. FACT maintains an IT plan; however, it is limited in scope and does not have a budget or schedule to assist FACT in implementation rollout. Since FACT has several new IT systems in place, and the need for reliable and consistent data, FACT should update the IT plan to identify and prioritize short-term and long-term IT and data management needs from both the customer and agency perspectives. It should also address IT investments that are not fully implemented to maximize return on investment. Among the specific items that should be addressed are:
 - a. Use of AVL technology to provide real-time information to customers and on-time performance monitoring for management;
 - b. Full use of farebox technology to provide automated reporting and analysis of ridership trends and patterns;
 - c. Full use of fuel and fleet management software to provide parts inventory management, tracking of maintenance performance as well as maintenance costs by vehicle; and,
 - d. Interoperability of the following systems:
 - i. GFI farebox data management and Scheidt and Bachmann ConnectCard card readers to fully automate farebox data collection
 - ii. GFI farebox and AVL systems to yield data that will assist in demand analysis and service planning
 - iii. Finance and fleet management software to optimize parts levels and to automate parts ordering
 - iv. Fleet management and fueling stations to allow tracking of consumables by vehicle

By determining what data FACT and customers need, assessing its current IT state, then developing and implementing an IT plan to optimize IT investments, management will be able to develop cost effective solutions to address shortcomings in the flow and quality of information it needs for day-to-day decision making.

2. **Find an appropriate mechanism to ensure the BOCC completes PennTRAIN Board Training** - FACT is governed by the Fayette County Board of County Commissioners (BOCC). However, the BOCC has not received formal training on the roles and responsibilities of the Board as it relates the governance and oversight of FACT. Board training will help the BOCC focus on agency oversight and governance issues unique to a transit agency making it more efficient and effective in those roles. Management should work with the BOCC to find an appropriate mechanism to ensure the BOCC completes PennTRAIN Board Training. For example, FACT management could encourage the BOCC to incorporate 15 minute PennTRAIN Board Training modules into monthly Board meeting agendas.
3. **Develop a one-page performance scorecard to report key performance metrics and provide it in monthly Board packets** - As a fourth-class county, the Fayette BOCC is responsible for decisions, including hiring and wage setting, that are often the purview of management in more populous counties. These are in addition to their other oversight responsibilities (e.g., county budget, police oversight, etc.). This type of governance requires the Board to be concisely informed on key agency performance indicators (e.g., ridership, operating cost per revenue vehicle mile, customer service, etc.). To assist the Board, FACT management should develop a one-page performance scorecard of key performance metrics and provide it in monthly Board packets. The scorecard could help FACT management demonstrate progress and gain Board support for its operational strategies.
4. **Find a mechanism to formalize two-way communication between the TEC and the BOCC** - The BOCC appoints the Fayette County Transportation Executive Committee (TEC), a seven-member advisory committee on transportation issues in Fayette County, including public transportation. Currently, the TEC does not provide formal reports or briefings to the Board. FACT should find a mechanism to formalize two-way communication between the TEC and the BOCC to insure Board members are fully informed regarding the direction their appointees provide to FACT management.
5. **Develop an in-house safety committee and safety program oriented to the unique needs of public transportation providers** - FACT relies exclusively on Fayette County safety programs and committees (e.g., drug and alcohol training, new driver training, etc.) to address safety training needs. However, there are safety issues that are specific to providing public transit service (e.g., blood-borne pathogens, sleep apnea awareness, etc.) that should be addressed. To ensure that industry-specific safety concerns are fully addressed, FACT should develop an in-house safety committee and safety program oriented to the unique needs of public transportation providers, which will cost-effectively complement Fayette County's programs.
6. **Work with local universities to see if there are opportunities to develop a marketing internship program** - FACT lacks any dedicated marketing staff. Marketing activities are the purview of the Executive Director who has many other responsibilities. Similar-sized transit

agencies have met their marketing staffing needs by partnering with local universities to develop an internship program. These programs provide interns with valuable experience and the agency with low-cost talent. FACT should work with local universities to develop a marketing internship program that could be mutually beneficial.

7. **Determine if vehicle subleasing contract provisions violate FTA regulations for charter service** - Under FACT's current contract for purchased transportation, there is a provision that allows vehicle subleasing for charter services. FACT should determine if vehicle subleasing contract provisions violate FTA regulations for charter service, and should consider removing this provision as part of the next contract negotiation so as to reduce any potential penalty assessment from FTA.

FINANCIAL REVIEW

This financial review focuses on “high-level” snapshot and trend indicators to determine if additional follow up by PennDOT is warranted through the review of audit reports, other financial reports, and budgets. The review assesses the financial status 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 7**, FACT is in line with most industry goals and targets for all high-level financial indicators. Available reserves, mostly attributable to local funds, have been below 25% of annual operating cost in most years. FACT receives local matching funds from Fayette County. In FYE 2015, FACT received about 240.7% of the required local match to 1513 state operating subsidy. The result was FACT had \$516,112 in available carryover local funds in FYE 2015. It is expected that Fayette County will not continue to provide additional local funds until FACT has used up some of these local carryover funds. As of FYE 2015, FACT had no carryover Section 1513 funding available.

Accounts payable and receivable amounts are negligible. FACT does not maintain a line of credit as of FYE 2015.

TOTAL PUBLIC TRANSPORTATION OPERATIONAL EXPENDITURES AND FUNDING

FACT public transportation decreased slightly from a \$3.64 million per year operation in FYE 2011 to a \$3.56 million per year operation in FYE 2015, a 0.6% average annual decrease. Approximately 49.6% of FACT’s operational expenses are for fixed-route service. The remaining operational expenses (50.4%) are for ADA complementary and shared-ride paratransit service, as shown in **Exhibit 9**.

FACT’s operational funding comes from a variety of sources including state funds, federal funds, local funds and passenger fares. FACT has used state, federal and local funds to finance both its fixed-route and paratransit operations (**Exhibit 10**). Passenger fares and other local funds are the largest share of income for FACT, accounting for 53.7% of total operating income. Combined, state and federal operating subsidies are the second largest funding source, representing approximately 46.3% of total operating income (**Exhibit 11**).

Exhibit 7: High-level Financial Indicators

FYE 2015 Indicator	Value	Assessment Criteria / Rationale	Source
State Carryover 1513 Subsidies / Annual Operating Cost	0.0%	The combined target should be 25%+. This provides flexibility to account for unexpected cost increases or service changes.	FYE 2015 Audit and PennDOT dotGrants
Local Carryover Subsidies / Annual Operating Cost	14.5%		
Credit available/ Annual Payroll	0.0%		
Actual Local Match / Required Match	240.7%	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.	FACT reported value
Accounts Receivable (AR) 90+ days	0.0%	Target should be 0% over 90 days. Larger values can cause cash flow problems.	FACT reported value
Debt / Annual Operating Cost	0.0%	Target should be 0%. Low debt amounts reduce borrowing costs.	FYE 2015 Audit

Exhibit 8: Public Transportation Operating Expense by Service Type (\$millions)

Service Type	FYE 2011	FYE 2012	FYE 2013	FYE 2014	FYE 2015
Fixed Route	\$1.82	\$1.49	\$1.66	\$1.83	\$1.76
Paratransit	\$1.82	\$1.92	\$1.85	\$1.66	\$1.79
Total*	\$3.64	\$3.41	\$3.51	\$3.49	\$3.56

* 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 FACT operating expenses.

Exhibit 9: Public Transportation Operating Expense Trends by Service Type

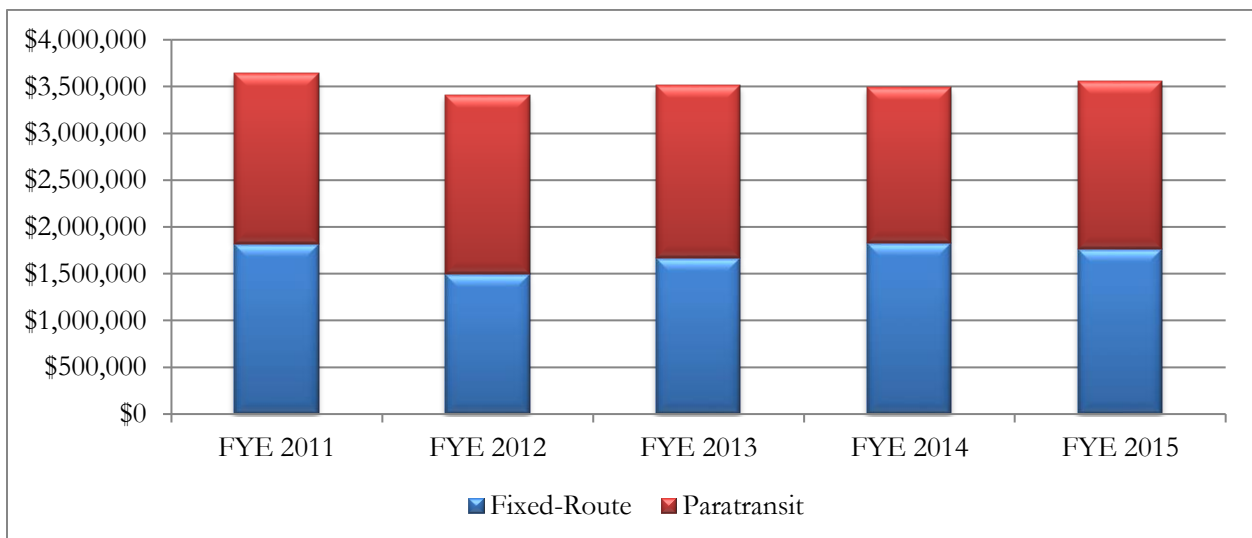
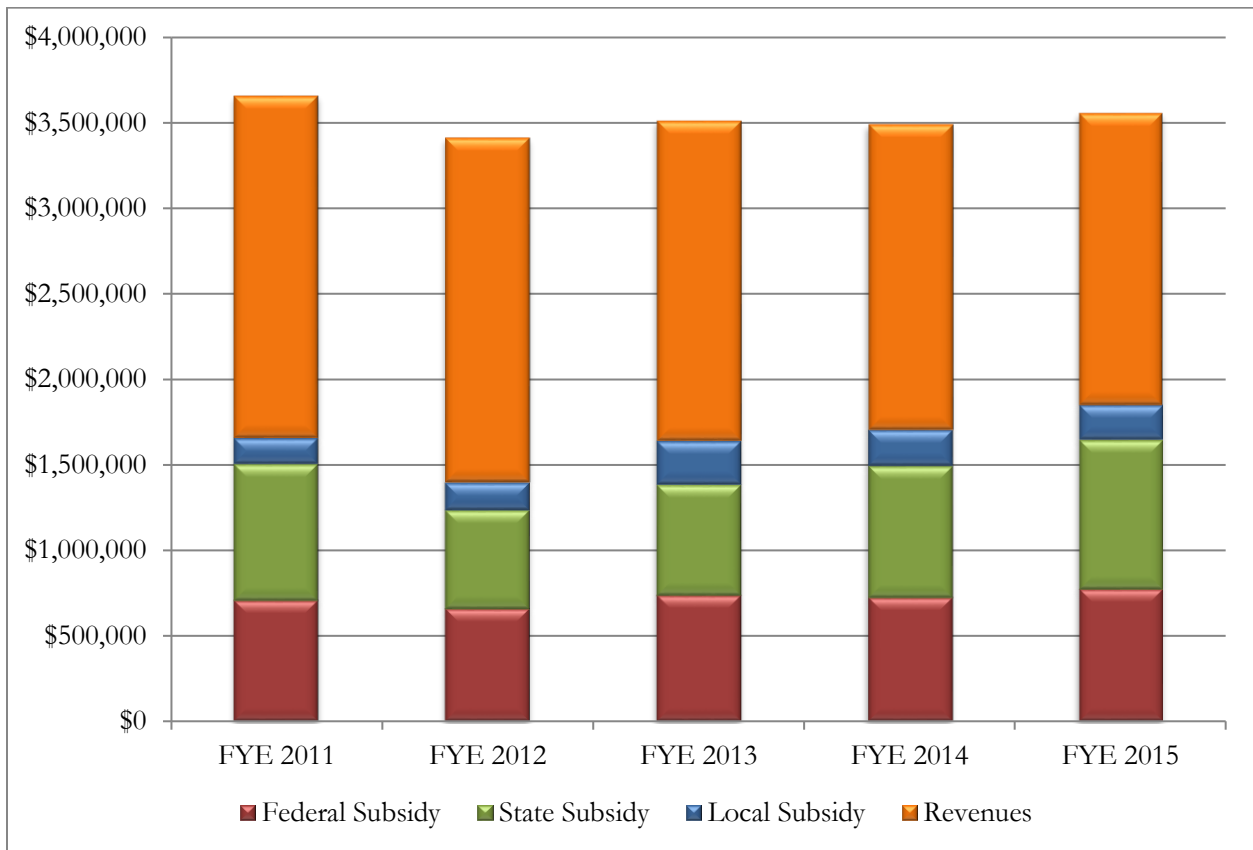


Exhibit 10: Percent of Total Public Transportation (Fixed-Route + Paratransit) Operating Budget by Funding Source

Funding Source	FYE 2011	FYE 2012	FYE 2013	FYE 2014	FYE 2015
Federal Subsidy	19.4%	19.4%	21.0%	20.7%	21.7%
State Subsidy	21.8%	17.0%	18.5%	22.0%	24.6%
Local Subsidy	4.2%	4.7%	7.2%	6.0%	5.7%
Revenues	54.6%	59.0%	53.3%	51.2%	48.0%
Local Subsidy / State Subsidy	19.0%	27.7%	39.2%	27.2%	23.1%

Exhibit 11: Total Public Transportation (Fixed-Route + Paratransit) Operating Budget by Funding Source



FIXED-ROUTE FUNDING

FACT's fixed-route funding comes from general revenues and government subsidies. Direct passenger fares represent between 9.4% and 11.8% of total operating funding (**Exhibit 12**). FACT has increased its use federal subsidies in recent years to cover operating losses. This decreases federal funds otherwise available for capital needs.

Based on the FYE 2011 to FYE 2015 dotGrants reporting, FACT operated using current year funding with no excess state funds being "carried over" at the end of 2015. FACT had \$516,112 in carryover local operating funds available at the end of 2015.

Exhibit 12: Fixed-Route Funding

Funding Source	FYE 2011	FYE 2012	FYE 2013	FYE 2014	FYE 2015
Revenues					
Passenger Fares	\$172,090	\$174,615	\$196,706	\$198,447	\$165,031
Advertising	\$2,969	\$7,746	\$19,345	\$21,180	\$2,315
Charter	\$0	\$0	\$0	\$0	\$0
Route Guarantees	\$0	\$0	\$0	\$0	\$0
Other- (Misc)	\$0	\$615	\$0	\$0	\$0
Subtotal	\$175,059	\$182,976	\$216,051	\$219,627	\$167,346
Subsidies					
Federal Operating Grant	\$654,035	\$654,519	\$722,398	\$722,310	\$759,063
Act 44 (1513) State Prior	\$556,796	\$0	\$0	\$0	\$0
Act 44 (1513) State Current	\$235,014	\$496,493	\$472,142	\$677,772	\$641,692
Municipal Prior	\$148,599	\$0	\$51,572	\$0	\$0
Municipal Current	\$0	\$158,025	\$199,622	\$207,593	\$196,851
Special- (Federal) JARC	\$47,399	\$0	\$0	\$0	\$0
Subtotal	\$1,641,843	\$1,309,037	\$1,445,734	\$1,607,675	\$1,597,606
Total Funding	\$1,816,902	\$1,492,013	\$1,661,785	\$1,827,302	\$1,764,952
Passenger Fares/ Total Funding	9.5%	11.7%	11.8%	10.9%	9.4%

Source: PennDOT dotGrants Reporting System. Other revenues from fuels sales and maintenance are credited against operating expenses from FYE 2011 through FYE 2015, as FACT does not anticipate to receive these sources of revenue starting in FYE 2016.

PARATRANSIT FUNDING

Paratransit funding is about 50.4% of FACT's public transportation operation and consists of ADA complementary, shared-ride (Lottery) and other service. Local, state and federal subsidies as well as passenger fares are used to finance paratransit operating costs (**Exhibit 13**). The paratransit program has decreased slightly from \$1,874,564 as of FYE 2011 to \$1,790,850 as of FYE 2015. FACT's paratransit budget is slightly larger than the fixed-route budget.

Since FYE 2011, FACT has significantly increased the amount of state and federal subsidy it uses to support paratransit service operating losses. These funds are intended, and would otherwise be available, for capital needs and fixed-route operations.

From FYE 2011 to FYE 2015, senior passenger trips decreased annually by 1.3%, which contributed to an annual average decrease of 5.0% in total paratransit passenger trips. FACT subsidized about \$2.40 per passenger trip as of FYE 2015 (**Exhibit 14**).

Exhibit 13: Paratransit Funding by Source

Category	FYE 2011	FYE 2012	FYE 2013	FYE 2014	FYE 2015
Revenues					
Passenger Fares	\$54,959	\$56,801	\$51,249	\$63,735	\$54,763
Advertising	\$0	\$0	\$0	\$0	\$0
Lottery	\$433,535	\$436,204	\$359,138	\$344,583	\$440,326
PwD Reimbursement	\$140,601	\$147,157	\$128,614	\$114,832	\$69,653
PwD Admin	\$0	\$0	\$0	\$0	\$10,467
AAA	\$66,102	\$65,310	\$61,063	\$59,722	\$52,351
MATP	\$1,038,749	\$1,080,070	\$1,034,403	\$963,902	\$899,882
Other- Chestnut Ridge	\$20,147	\$14,763	\$8,056	\$7,480	\$10,277
Other- St. Therese/Blind	\$2,218	\$1,210	\$0	\$1,183	\$43
Other- (ARC/VoTech/OVR)	\$14,198	\$3,711	\$0	\$0	\$0
Other- Interest Income	\$0	\$961	\$0	\$1,453	\$0
Subtotal	\$1,827,347	\$1,831,038	\$1,655,475	\$1,569,493	\$1,540,169
Subsidies					
Federal Operating Grant	\$7,064	\$5,124	\$14,805	\$2,089	\$13,336
Act 44 (1513) State Prior	\$0	\$0	\$0	\$0	\$0
Act 44 (1513) State Current	\$4,328	\$81,761	\$176,374	\$91,488	\$232,055
Municipal Prior	\$0	\$0	\$0	\$0	\$0
Municipal Current	\$2,825	\$2,054	\$2,961	\$1,365	\$5,290
Subtotal	\$14,217	\$88,939	\$194,140	\$94,942	\$250,681
Total Funding	\$1,841,564	\$1,919,977	\$1,849,615	\$1,664,435	\$1,790,850

Source: PennDOT dotGrants Reporting System. Other revenues from fuels sales and maintenance are credited against operating expenses from FYE 2011 through FYE 2015, as FACT does not anticipate to receive these sources of revenue starting in FYE 2016.

Exhibit 14: Paratransit Operating Statistics

Operating Category	FYE 2011	FYE 2012	FYE 2013	FYE 2014	FYE 2015
Paratransit Operating Statistics					
Senior Trips	37,129	37,174	30,292	28,867	35,268
Total Paratransit Trips	128,116	129,833	111,354	109,579	104,331
Total Miles	967,082	906,019	804,111	768,628	834,179
Total Hours	59,069	48,081	44,027	37,838	41,916
VOMS	42	46	38	40	44
Operating Subsidy / Passenger Trip	-\$0.03	\$0.69	\$1.74	\$0.87	\$2.40

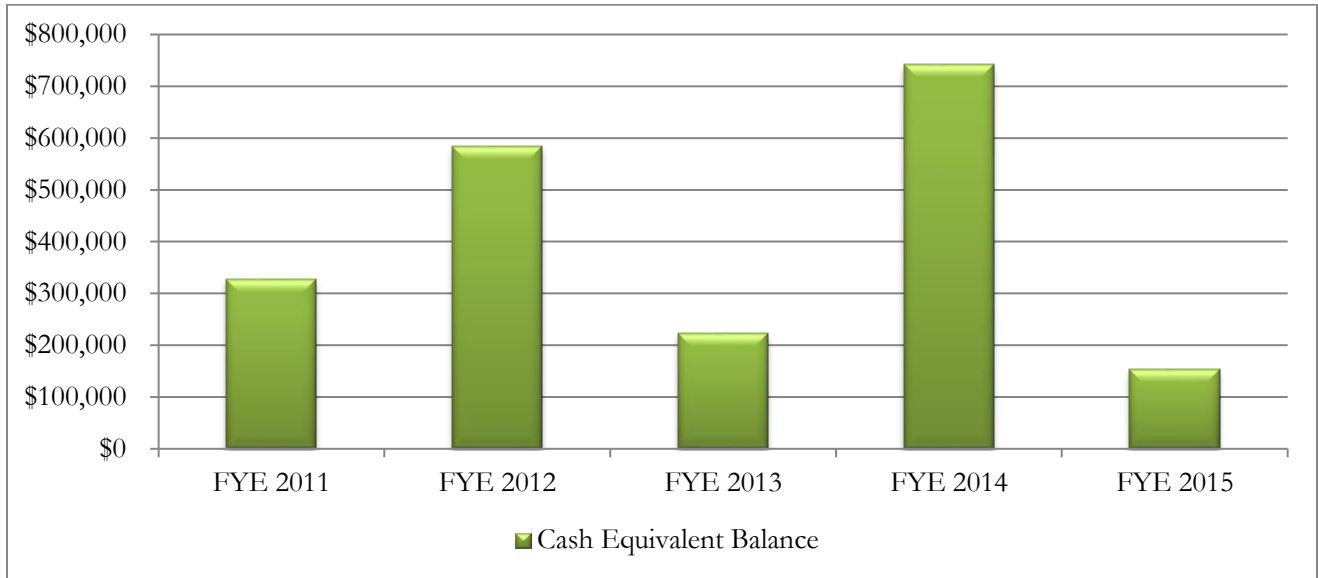
BALANCE SHEET FINDINGS

Review of balance sheets from FACT shows that since FYE 2011, the agency has experienced a reduced cash equivalent balance on hand (**Exhibit 15** and **Exhibit 16**). Net current cash on hand reported as of FYE 2015 was about \$154,000. The margin between current assets and liabilities is similar to that seen in many other transit agencies in the Commonwealth. Accounts payable have decreased from a high of \$636,362 in FYE 2012 to \$350,152 as of FYE 2015. FACT has no line of credit as of FYE 2015.

Exhibit 15: 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	\$328,242	\$584,030	\$222,483	\$742,592	\$153,964
Restricted Assets: Cash	\$0	\$0	\$0	\$0	\$0
Grant Receivable (incl. capital)	\$0	\$0	\$0	\$0	\$0
Other Accounts Receivable	\$353,766	\$637,070	\$486,453	\$478,817	\$871,195
Inventory Value	\$0	\$0	\$0	\$0	\$0
Pre-paid Expenses	\$50,200	\$49,000	\$47,800	\$46,600	\$45,400
Current Liabilities					
Accounts Payable	\$399,036	\$636,362	\$462,071	\$539,104	\$350,152
Accrued Expenses	\$38,772	\$0	\$0	\$79,685	\$0
Deferred Revenue	\$279,532	\$598,080	\$263,808	\$615,487	\$681,700
Line of Credit	\$0	\$0	\$0	\$0	\$0
Total Operating Expense	\$3,640,476	\$3,411,990	\$3,511,400	\$3,491,737	\$3,555,802
Cash Eqv. Bal / Total Operating Exp.	9.0%	17.1%	6.3%	21.3%	4.3%
Line of Credit / Annual Payroll	0.00%	0.00%	0.00%	0.00%	0.00%
Current Assets	\$732,208	\$1,270,100	\$756,736	\$1,268,009	\$1,070,559
Current Liabilities	\$717,340	\$1,234,442	\$725,879	\$1,234,276	\$1,031,852
Net Current Assets	\$14,868	\$35,658	\$30,857	\$33,733	\$38,707

Source: Annual Audit Reports and dotGrants

Exhibit 16: 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 FACT based on their own assumptions of future service levels as well as available operating and capital funding. Financial projections are reported from FYE 2016 through FYE 2019.

As shown in **Exhibit 17**, FACT's projected operating budget assumes an average increase of 2% from FYE 2016 to FYE 2019, as compared to 5.8% from FYE 2012 to FYE 2015. It also assumes no 1513 reserves. As an urbanized area under direction of the Southwestern Pennsylvania Commission (SPC), the Metropolitan Planning Organization (MPO) for the 10-county Pittsburgh area, FACT receives FTA 5307 funds for transit capital and operating assistance.

Internally developed projections for budgets (FYE 2016 through FYE 2019) assume software upgrades, preventative maintenance, facility upgrades to accommodate CNG vehicles and vehicle replacement for fixed-route buses and paratransit vehicles.

FACT will replace six buses, and either retrofit or replace an additional four buses as part of a new vehicle overhaul program (VOH) by FYE 2020. FACT recently passed a shared-ride fare increase beginning in FY 16-17. There are also plans to replace two to three paratransit buses per year, either gasoline or CNG models by FY 19-20. Additional capital investments in parking lot upgrades and a storage garage are expected by FY 19-20.

As opposed to FYE 2015 where it heavily subsidized its shared ride operation, FACT expects its shared-ride operating budget to have some small losses in coming years (**Exhibit 18**). FACT's shared-ride operating budget assumed successful fare increases in 2015 and 2018. However, the fare increase budgeted for FYE 2015 did not occur until late in FYE 2016. FACT's budget projections show no buildup of 1513 reserves that could accommodate unexpected cost increases or revenue shortfalls.

Exhibit 17: Projected Fixed-Route Operating Budget Summary (FYE 2016-2019)

Operating Budget	FYE 2016	FYE 2017	FYE 2018	FYE 2019
Total Operating Expenses	\$1,819,680	\$1,856,074	\$1,893,195	\$1,931,059
Total Operating Revenues	\$271,114	\$276,536	\$282,067	\$287,708
Total Operating Deficit	\$1,548,566	\$1,579,538	\$1,611,128	\$1,643,351
Federal Subsidy	\$774,283	\$789,769	\$805,564	\$821,646
State Subsidy	\$570,937	\$582,356	\$594,003	\$605,883
Local Subsidy	\$203,346	\$207,413	\$211,561	\$215,793
Total Funding	\$1,548,566	\$1,579,538	\$1,611,128	\$1,643,351
1513 Reserves	\$0	\$0	\$0	\$0
5307 Annual Allocation	\$993,691	\$1,015,760	\$1,036,074	\$1,056,797
5307 Available for Capital	\$219,408	\$225,991	\$230,510	\$235,121
Operating Costs Change from Previous Year	-3.1%	2.0%	2.0%	2.0%

* May not add due to rounding

Exhibit 18: Projected Shared-Ride Operating Budget Summary (FYE 2016-2019)

Operating Budget Item	FYE 2016	FYE 2017	FYE 2018	FYE 2019
Operating Expense	\$1,691,218	\$1,725,042	\$1,759,543	\$1,794,734
Passenger Revenue	\$50,040	\$50,541	\$51,046	\$51,556
Lottery/PWD	\$451,747	\$456,264	\$460,826	\$470,043
MATP	\$1,083,185	\$1,104,448	\$1,126,137	\$1,148,260
WTW	\$14,611	\$13,880	\$13,186	\$12,527
Other (Identify)	\$91,635	\$99,909	\$100,348	\$101,351
Total Operating Revenues	\$1,691,218	\$1,725,042	\$1,751,543	\$1,783,737
Excess Revenue/Deficit	\$0	\$0	(\$8,000)	(\$10,997)

ASSESSMENT

FACT currently has a balanced operating budget. Operating cash reserves have steadily decreased 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 FACT's financial condition are:

- FACT has no carryover Section 1513 funds available in case of unexpected cost increases or service changes.
- FACT maintained a local fund carryover balance of \$516,112 as of FYE 2015.
- State and federal subsidies used to cover losses in paratransit operations have increased substantially over the last several years. Recently enacted shared-ride fare increases should help to reduce the amount of fixed-route funding used to subsidize paratransit.
- Accounts payable and receivable amounts are negligible.
- FACT does not maintain a line of credit.

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

APPENDIX A: DATA ADJUSTMENTS

From FYE 2009 through FYE 2015, FACT reported revenue and costs from the sale of fuel and maintenance services to its contractors to NTD. FACT also reported other one-time sources of revenue. FACT does not anticipate receiving these types of revenues and expenditures in future years.

To better understand trends and develop five-year performance targets, these sources of revenues and expenditures were excluded and/or offset (i.e., netted out) from FACT's NTD reported revenue and operating costs. Because dotGrants has a detailed breakdown of revenue sources, the total revenue reported in NTD was adjusted to reconcile with routinely collected revenue reported in dotGrants (i.e., passenger fares, advertising and interest). Revenue collected from fuel and maintenance sales to contractors was used to offset operating costs. The results of these adjustments are listed in the table below.

Fares and Other Revenue	FYE 2009	FYE 2010	FYE 2011	FYE 2012	FYE 2013	FYE 2014	FYE 2015*
NTD Reported Total Revenue	\$549,194	\$375,305	\$458,539	\$440,015	\$453,999	\$366,446	\$251,183
Adjustments	(\$385,322)	(\$232,916)	(\$283,480)	(\$257,039)	(\$237,948)	(\$146,819)	(\$83,837)
Adjusted Total Revenue	\$163,872	\$142,389	\$175,059	\$182,976	\$216,051	\$219,627	\$167,346
Fixed-Route Operating Costs							
NTD Reported Operating Costs	\$1,784,198	\$1,771,027	\$1,899,248	\$1,582,231	\$1,739,311	\$1,892,919	\$1,848,789
Adjustments	(\$230,712)	(\$59,732)	(\$82,346)	(\$90,218)	(\$77,526)	(\$65,617)	(\$83,837)
Adjusted Total Operating Costs	\$1,553,486	\$1,711,295	\$1,816,902	\$1,492,013	\$1,661,785	\$1,827,302	\$1,764,952

*Source: dotGrants reporting

Interlining is the continual use of one vehicle on more than one route or run. In FYE 2011, FACT introduced the practice of counting passengers that remained onboard as an interlined vehicle changed routes as transfer passengers. This practice is inconsistent with the NTD Policy Manual¹ that states “If a transit vehicle changes routes while passengers are onboard (interlining), transit agencies should not recount the passengers.” FACT conducts this practice on several of its routes (i.e., Uniontown A, Uniontown B and the Uniontown Shuttle). Total ridership reported in the NTD (i.e., unlinked passenger trips) from FYE 2011 through FYE 2015 includes interlined passenger counts in the unlinked passenger trip totals. It is expected that FACT will discontinue the practice of reporting interlined passenger trips to NTD and dotGrants.

To better understand ridership trends and develop five-year performance targets, estimates of interlined passenger trips that were reported as transfer trips to NTD and dotGrants were removed from NTD passenger count totals to calculate adjusted total unlinked passenger trips. Analysis of reported route-level statistics indicated that 70.5% of reported transfer trips in FYE 2015 and 76.3% in FYE 2014, were from interlined passengers. Additionally, there were several minor formula errors in FACT’s ridership reporting spreadsheets identified and corrected as part of a separate Act 44 data review. The results of the analysis were as follows:

Variable	FYE 2014	FYE 2015
Originating Passenger Trips from corrected FACT spreadsheets	131,119	120,443
Total Transfers	68,741	64,575
Shuttle Transfers	23,626	27,642
Interlined Non-Shuttle Transfers	45,115	36,933
Total Ridership	199,860	185,018
Less Interlined Non-Shuttle Transfers	(45,115)	(36,933)
Subtotal	154,745	148,085
Shuttle Transfers	23,626	27,642
% Interlined Shuttle Based on Video Review	31.1%	31.1%
Subtotal Less Video Observed Share of Shuttle Interlined Trips 1-(71/103)	(7,340)	(8,588)
Actual Ridership	147,405	139,497
Actual Ridership / Reported Ridership	73.8%	75.4%
Overall Ridership Reduction	26.2%	24.6%
Originating Passenger Trips from corrected FACT spreadsheets	131,119	120,443
Revised Shuttle Actual Transfers	16,286	19,054
Interlined Non-Shuttle Transfers	-	-
Transfers attributable to interlining	76.3%	70.5%
"revised transfers" / total transfers reported	23.7%	29.5%
Total Actual Unlinked Passenger Trips (ridership)	147,405	139,497

¹ <https://www.transit.dot.gov/ntd/manuals>

Based on the results of the analysis of interlined passenger trips reported in the unlinked passenger trip totals, FYE 2011 through FYE 2014 reported transfers were reduced by 76.3% to account for interlined trips. There is also a discrepancy between the ridership values reported in NTD (32,165) and dotGrants (130,507) for FYE 2009. The NTD value (32,165) is used for this analysis. Adjustments made to NTD reported values are summarized in the table below.

dotGrants Reported Values*							
Ridership	FYE 2009	FYE 2010	FYE 2011	FYE 2012	FYE 2013	FYE 2014	FYE 2015
Originating Trips	130,507	116,953	132,888	129,618	131,425	135,836	120,316
Transfer Trips	-	-	36,535	55,760	67,160	65,189	64,575
Total	130,507	116,953	169,423	185,378	198,585	201,025	184,891
Revised Values by Eliminating Interlined Passenger Trips from Reported Transfer Trips							
Originating Trips	130,507	116,953	132,888	129,618	131,425	131,119	120,443
Original Transfer Trips	-	-	36,535	55,760	67,160	68,741	64,575
Interlined Trip Share of Transfer Trips	0.0%	0.0%	76.3%	76.3%	76.3%	76.3%	70.5%
Reduce by Interlined Transfer Share	-	-	(27,879)	(42,550)	(51,249)	(52,455)	(45,521)
Revised Transfers	-	-	8,656	13,210	15,911	16,286	19,054
Revised Total	130,507	116,953	141,544	142,828	147,336	147,405	139,497
Adjustments							
NTD Unlinked Passenger Trips	132,165	116,953	169,423	185,378	198,585	201,025	-
NTD Adjustment	-	-	(27,879)	(42,550)	(51,249)	(53,620)	139,497
NTD Revised Unlinked Passenger Trips	132,165	116,953	141,544	142,828	147,336	147,405	139,497

*Source: dotGrants reporting

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

Final Adjusted Metrics	FYE 2009	FYE 2010	FYE 2011	FYE 2012	FYE 2013	FYE 2014	FYE 2015*
Passenger/RVH	4.37	3.88	4.54	5.12	5.36	5.57	5.02
Operating Revenue/RVH	\$5.42	\$4.73	\$5.61	\$6.56	\$7.86	\$8.30	\$6.02
Operating Cost/RVH	\$51.34	\$56.85	\$58.25	\$53.50	\$60.42	\$69.06	\$63.46
Operating Cost/Passenger	\$11.75	\$14.63	\$12.84	\$10.45	\$11.28	\$12.40	\$12.65

*Source: NTD and dotGrants reporting

APPENDIX B: PEER COMPARISONS

Comparison of FACT 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

Passengers / Revenue Hour (MB)					
System	FYE 2014 Single Year		5 Year Change Since FYE 2009		
	Value	Rank of 13	2009 Value	Annual Rate	Rank of 13
County of Lebanon Transit Authority	10.06	8	11.44	-2.55%	11
Town of Cary	9.22	9	3.97	18.34%	1
City of Jackson Transportation Authority	17.70	1	19.45	-1.87%	10
Metropolitan Transit Authority of Black Hawk County	13.04	6	13.29	-0.37%	8
Simi Valley Transit	14.98	3	15.32	-0.45%	9
CityLink Transit	16.73	2	15.43	1.63%	6
City of Huntsville, Alabama - Public Transportation Division	14.79	4	8.62	11.42%	4
City of Pocatello - Pocatello Regional Transit	11.44	7	18.92	-9.58%	12
Golden Crescent Regional Planning Commission	8.90	10	9.04	-0.30%	7
Huntington Area Rapid Transit	6.31	12	11.09	-10.67%	13
Lake County Board of County Commissioners	13.73	5	7.54	12.74%	2
Pee Dee Regional Transportation Authority	7.48	11	4.20	12.22%	3
Fayette Area Coordinated Transportation	5.57	13	4.37	4.98%	5
<i>Average</i>	<i>11.53</i>		<i>10.97</i>	<i>2.73%</i>	
<i>Standard Deviation</i>	<i>3.96</i>		<i>5.31</i>	<i>8.78%</i>	
<i>Average – 1 Standard Deviation</i>	<i>7.57</i>		<i>5.66</i>	<i>-6.04%</i>	
<i>Average + 1 Standard Deviation</i>	<i>15.50</i>		<i>16.29</i>	<i>11.51%</i>	
Act 44 Compliance Determination	At Risk		In Compliance		
Compared to the Peer Group Average	Worse		Better		

Operating Cost / Revenue Vehicle Hour

Operating Cost / Revenue Hour (MB)					
System	FYE 2014 Single Year		5 Year Change Since FYE 2009		
	Value	Rank of 13	2009 Value	Annual Rate	Rank of 13
County of Lebanon Transit Authority	\$83.72	7	\$94.33	-2.36%	3
Town of Cary	\$47.17	2	\$57.50	-3.88%	1
City of Jackson Transportation Authority	\$86.96	8	\$73.38	3.45%	7
Metropolitan Transit Authority of Black Hawk County	\$93.53	10	\$63.60	8.02%	12
Simi Valley Transit	\$111.69	13	\$117.93	-1.08%	4
CityLink Transit	\$55.28	4	\$35.26	9.41%	13
City of Huntsville, Alabama - Public Transportation Division	\$61.02	5	\$46.91	5.40%	8
City of Pocatello - Pocatello Regional Transit	\$46.42	1	\$42.37	1.84%	6
Golden Crescent Regional Planning Commission	\$47.32	3	\$36.29	5.45%	9
Huntington Area Rapid Transit	\$100.10	12	\$120.40	-3.63%	2
Lake County Board of County Commissioners	\$91.17	9	\$85.66	1.25%	5
Pee Dee Regional Transportation Authority	\$96.93	11	\$68.00	7.35%	11
Fayette Area Coordinated Transportation	\$69.06	6	\$51.34	6.11%	10
<i>Average</i>	\$76.18		\$68.69	2.87%	
<i>Standard Deviation</i>	\$22.80		\$28.66	4.54%	
<i>Average – 1 Standard Deviation</i>	\$53.38		\$40.03	-1.67%	
<i>Average + 1 Standard Deviation</i>	\$98.99		\$97.35	7.41%	
Act 44 Compliance Determination	In Compliance		In Compliance		

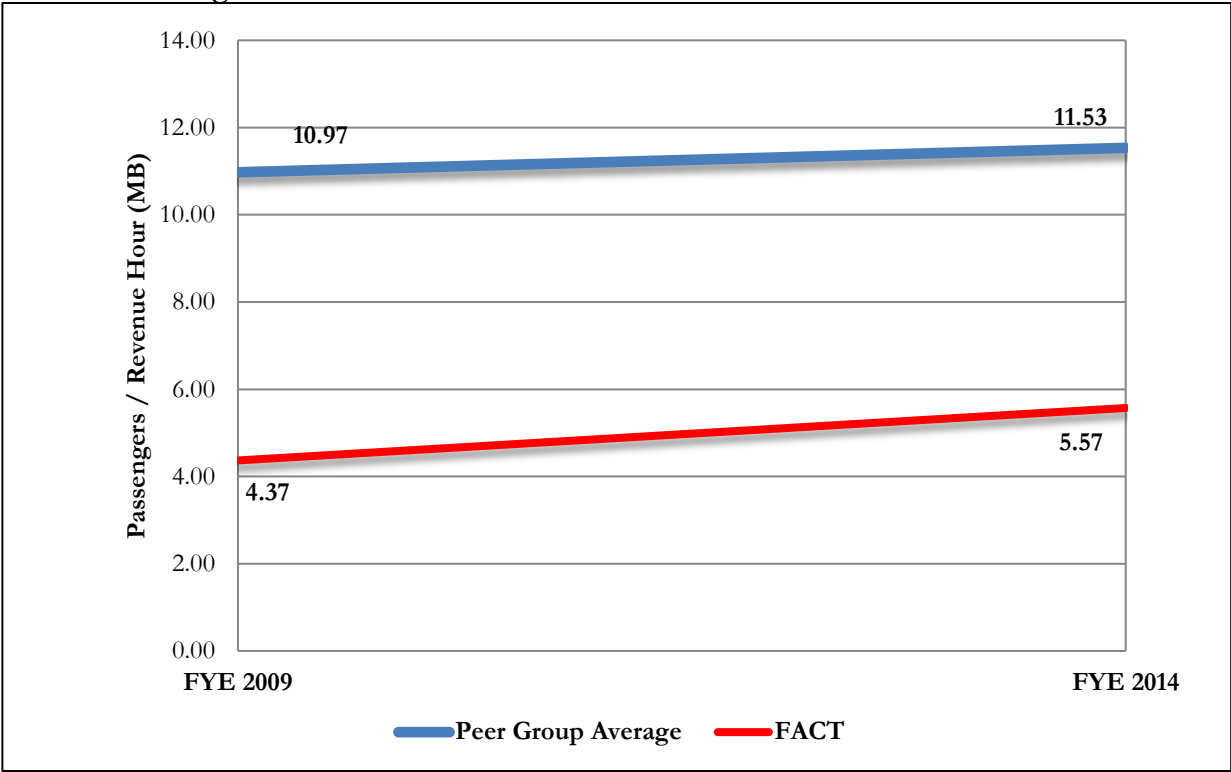
Operating Revenue / Revenue Vehicle Hour

Operating Revenue / Revenue Hour (MB)					
System	FYE 2014 Single Year		5 Year Change Since FYE 2009		
	Value	Rank of 13	2009 Value	Annual Rate	Rank of 13
County of Lebanon Transit Authority	\$14.07	6	\$17.51	-4.27%	9
Town of Cary	\$5.29	12	\$2.80	13.58%	2
City of Jackson Transportation Authority	\$19.21	2	\$25.83	-5.75%	11
Metropolitan Transit Authority of Black Hawk County	\$12.61	7	\$16.59	-5.34%	10
Simi Valley Transit	\$19.73	1	\$15.41	5.07%	5
CityLink Transit	\$16.03	4	\$12.33	5.39%	4
City of Huntsville, Alabama - Public Transportation Division	\$14.45	5	\$6.57	17.08%	1
City of Pocatello - Pocatello Regional Transit	\$3.46	13	\$3.13	2.03%	7
Golden Crescent Regional Planning Commission	\$6.39	11	\$32.96	-27.97%	13
Huntington Area Rapid Transit	\$11.86	8	\$10.59	2.29%	6
Lake County Board of County Commissioners	\$9.63	9	\$9.32	0.65%	8
Pee Dee Regional Transportation Authority	\$17.95	3	\$50.99	-18.85%	12
Fayette Area Coordinated Transportation	\$8.30	10	\$5.42	8.91%	3
<i>Average</i>		<i>\$12.23</i>	<i>\$16.11</i>	<i>-0.55%</i>	
<i>Standard Deviation</i>		<i>\$5.34</i>	<i>\$13.66</i>	<i>12.36%</i>	
<i>Average – 1 Standard Deviation</i>		<i>\$6.89</i>	<i>\$2.45</i>	<i>-12.91%</i>	
<i>Average + 1 Standard Deviation</i>		<i>\$17.57</i>	<i>\$29.77</i>	<i>11.81%</i>	
Act 44 Compliance Determination		In Compliance	In Compliance		
Compared to the Peer Group Average		Worse	Better		

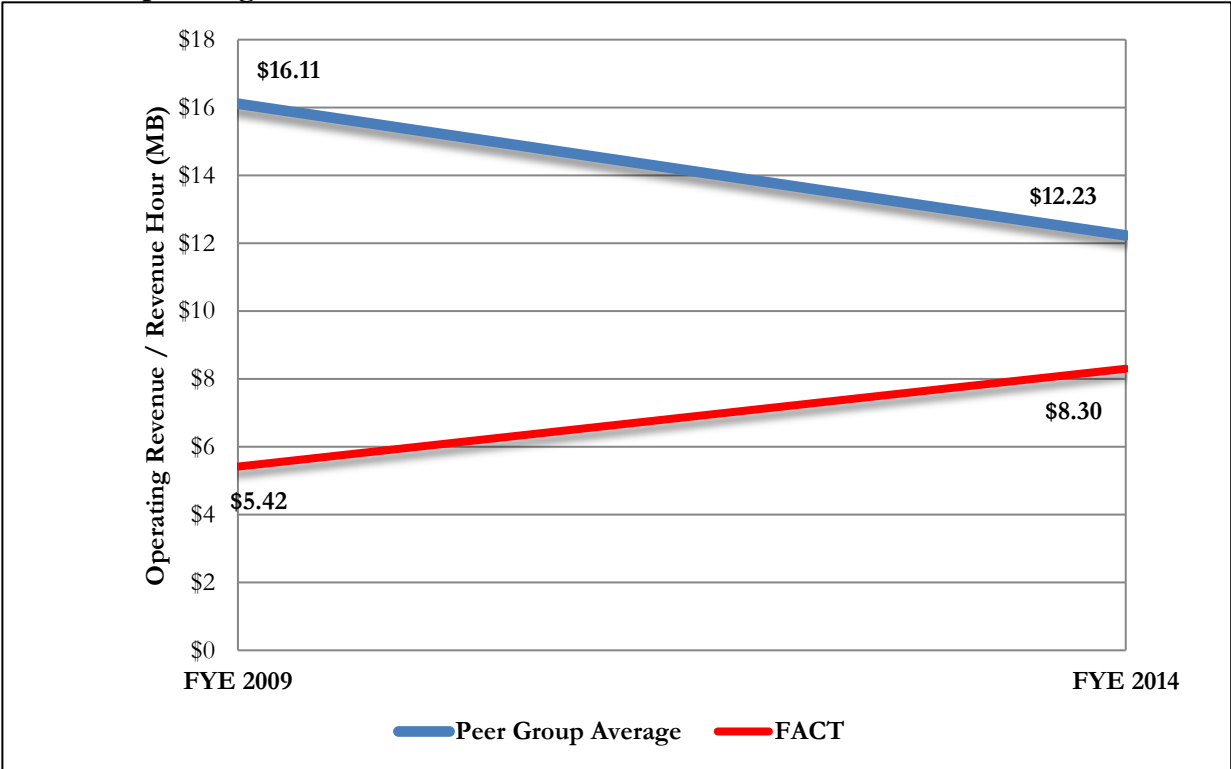
Operating Cost / Passenger

Operating Cost / Passenger (MB)					
System	FYE 2014 Single Year		5 Year Change Since FYE 2009		
	Value	Rank of 13	2009 Value	Annual Rate	Rank of 13
County of Lebanon Transit Authority	\$8.32	10	\$8.24	0.20%	6
Town of Cary	\$5.11	5	\$14.47	-18.78%	1
City of Jackson Transportation Authority	\$4.91	4	\$3.77	5.42%	8
Metropolitan Transit Authority of Black Hawk County	\$7.17	8	\$4.79	8.42%	12
Simi Valley Transit	\$7.46	9	\$7.70	-0.64%	5
CityLink Transit	\$3.30	1	\$2.29	7.66%	10
City of Huntsville, Alabama - Public Transportation Division	\$4.13	3	\$5.45	-5.40%	3
City of Pocatello - Pocatello Regional Transit	\$4.06	2	\$2.24	12.64%	13
Golden Crescent Regional Planning Commission	\$5.31	6	\$4.02	5.77%	9
Huntington Area Rapid Transit	\$15.87	13	\$10.86	7.88%	11
Lake County Board of County Commissioners	\$6.64	7	\$11.37	-10.19%	2
Pee Dee Regional Transportation Authority	\$12.95	12	\$16.17	-4.34%	4
Fayette Area Coordinated Transportation	\$12.40	11	\$11.75	1.07%	7
<i>Average</i>		<i>\$7.51</i>	<i>\$7.93</i>	<i>0.75%</i>	
<i>Standard Deviation</i>		<i>\$3.91</i>	<i>\$4.64</i>	<i>8.72%</i>	
<i>Average – 1 Standard Deviation</i>		<i>\$3.60</i>	<i>\$3.29</i>	<i>-7.98%</i>	
<i>Average + 1 Standard Deviation</i>		<i>\$11.42</i>	<i>\$12.58</i>	<i>9.47%</i>	
Act 44 Compliance Determination		At Risk	In Compliance		
Compared to the Peer Group Average		Worse	Worse		

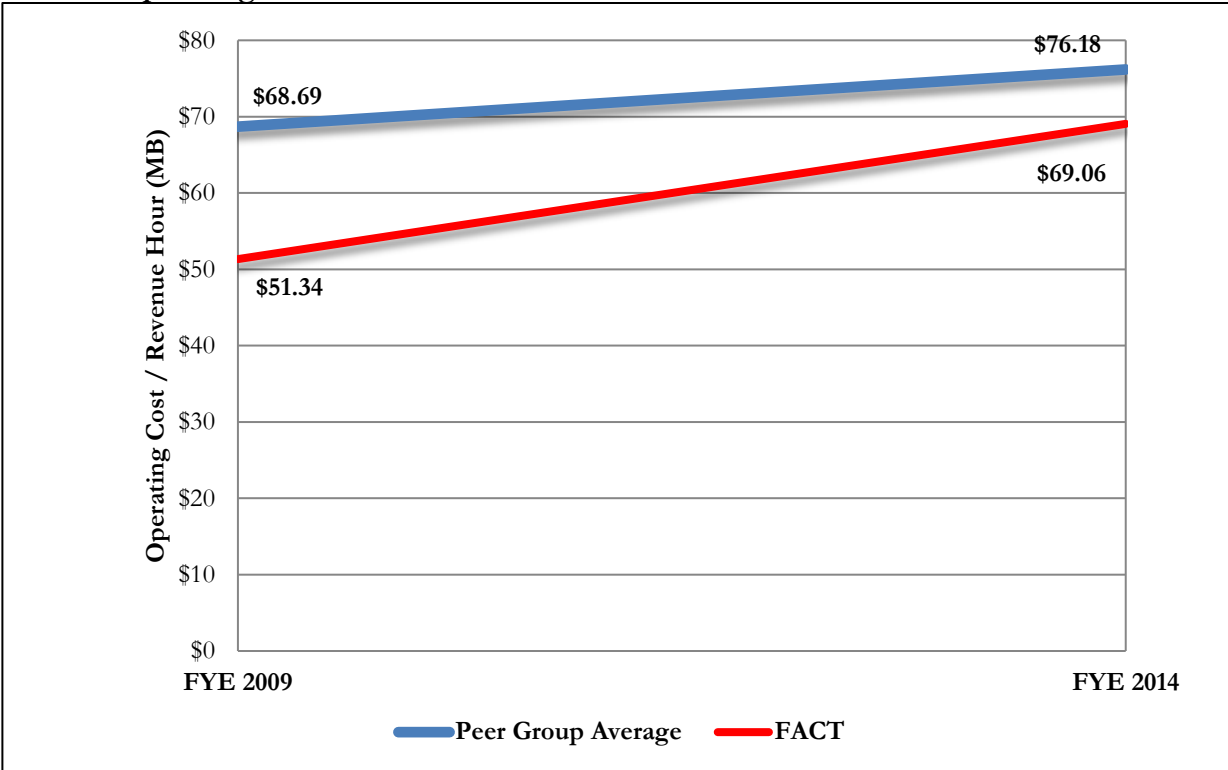
Trend – Passengers / Revenue Vehicle Hour



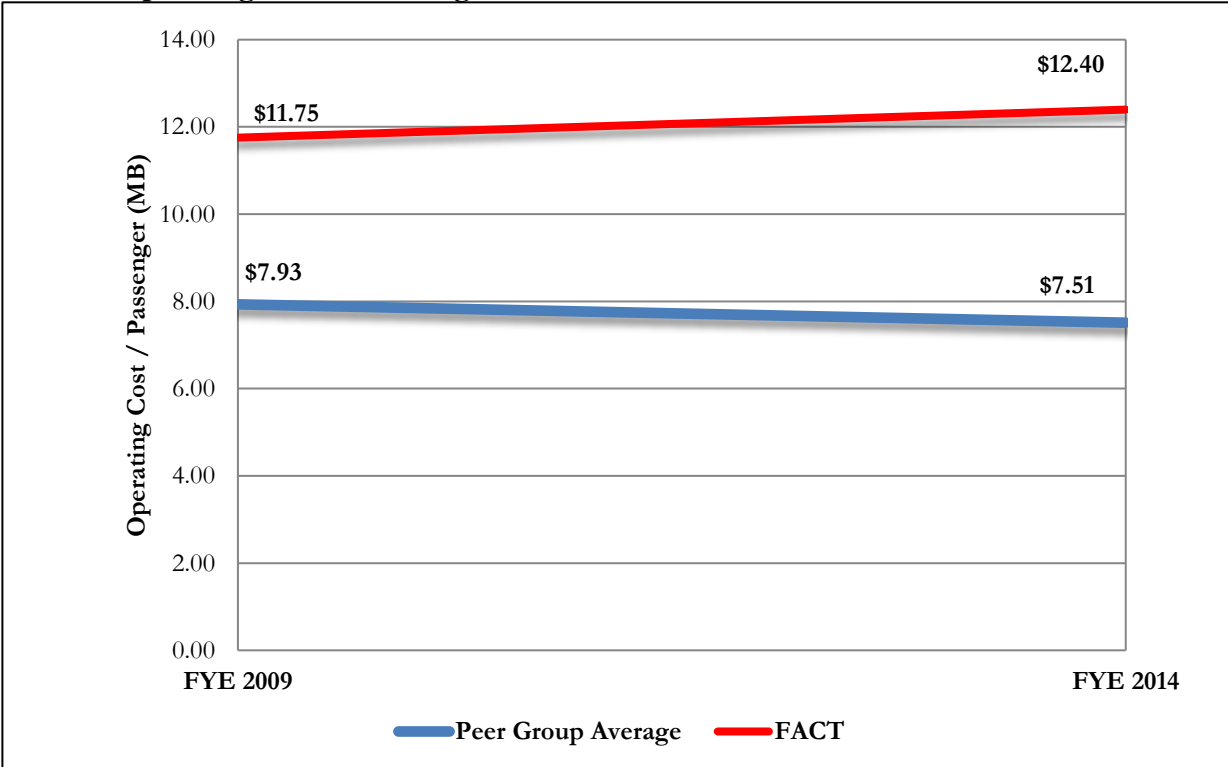
Trend – Operating Revenue / Revenue Vehicle Hour



Trend – Operating Cost / Revenue Vehicle Hour



Trend – Operating Cost / Passenger



APPENDIX C: 2010 PERFORMANCE REVIEW ACTION PLAN ASSESSMENT

Last Updated April 4, 2014

Act 44 Performance Criteria	Corrective Actions Taken
Passengers/Revenue Hour	The Operations Manager and Director have been analyzing schedules for low performance, duplication of service, excessive service, etc. For the FY 11-12, we have made schedule changes that will increase passengers per hour. The biggest change was combining the Uniontown B route with the Nemaquin route which will be a savings of 9 revenue hours per day, 6 days per week. This schedule combination will still service the same areas but fewer times per day. Daily ridership per hour reports were reviewed to determine which times of the day, at which locations were low producing. Other changes that will be effective on July 1, 2011 including a reduction of 4.5 hours per weekday, 17 hours per Saturday and 3 hours per Sunday; again all changes made are based on ridership data. All of these changes will have a positive impact on the passengers/revenue hour.
Operating Revenue/Revenue Hour	All of the changes mentioned above will decrease nonproductive revenue hours. Since the service area is not being affected, we do not expect a decrease in passengers or revenue from the routes. If this holds true, operating revenue per revenue hour will increase.
Operating Cost/Passenger	The savings of combining the Uniontown B and Nemaquin routes will be \$10,584 per month (assuming same subcontractor rates as FY 10-11). Other schedule cuts mentioned will be a savings of approximately \$5,000 per month. With these savings and hopes that passenger numbers will not decrease, the operating cost per passenger should decrease.

Category	Suggested Action	Corrective Action	Observation
1. Ridership	Develop and implement a public involvement plan that solicits input on public transportation issues	The Transportation Coalition meetings are open to any public to ask questions, report a complaint, etc. The members of the coalition represent a variety of local human service, social services, disabilities, aging of the county. Will begin to publicize these meetings more through use of bus signage and website. Target completion: July 2011	Completed
1. Ridership	Develop and implement a reliable tracking methodology for on-time performance	FACT has upgraded the Route Match software which now has the capability to track fixed route vehicles through the AVL.	Implemented but did not budget for maintenance. Equipment has since failed with no plan/budget to maintain.
1. Ridership	Tabulate service-related customer service feedback by category to measure performance trends	FACT currently tracks customer service feedback through onboard surveys. Will work on systematic way to compile feedback to analyze trends. Target Completion: December 2011	Completed
1. Ridership	Consider coordinating schedules to reduce transfer times especially when the new Transfer Center is opened	Operations Manager has modified the schedules to be more coordinated.	Completed
1. Ridership	Develop and implement procedures to track complaints and identify trends and needed improvements	FACT uses an Excel spreadsheet to track complaints. All complaints are reviewed at Transportation Coalition and Executive Committee meetings. Will make complaints a part of the weekly management meetings to identify trends and discuss needed improvements. Target completion: immediately	Completed

Category	Suggested Action	Corrective Action	Observation
1. Ridership	Regularly conduct analysis of ridership patterns and market segments in a cost-effective manner	Ridership data is currently being compiled into a spreadsheet. Ridership data will become a topic at weekly director/management meetings. Target completion: immediately	Partially completed. No analysis of market segments and ridership patterns noted.
1. Ridership	Implement processes to measure the effectiveness of marketing efforts and report findings at least quarterly to the Board	Since FACT just did customer survey's this spring for the strategic plan, no additional surveys were completed this summer. Target date changed to 2013. 198 surveys were completed at Fayette County Fun Fest on June 15, 2013. Results of this survey were similar to past surveys. In general, the public is satisfied with FACT service. 2 questions were added to survey pertaining to public awareness and media where FACT ads have been seen/heard; these questions were helpful in selecting advertising sources for FY 13-14.	Partially completed. Not reported to Board and did not use results to develop a formal marketing plan.
1. Ridership	Develop maps for each route to be part of existing timetables and create a high-quality system-level route map. Investigate procurement and implementation of route signs, bus shelters, etc., to increase visibility in the community	All bus shelters are installed. All schedule signs are installed in shelters. Other bus stop signs have not been installed yet. Maps for routes are in progress with 3 maps completed to date. Have decided to use Round Trip Graphics to complete route maps. Target completion: August 2012. Route maps are now completed.	Completed

Category	Suggested Action	Corrective Action	Observation
2. Revenue	Establish formal standards that would trigger an audit when cash receipts and GFI registering farebox collections are inconsistent. Explore and make full use of the GFI registering fareboxes and associated data to assist in other key functions	Flex funds put into the 11-12 CCA and were added to the TIP. Funds have not been put under federal application yet. Expect to have federal grant approved by August 2012 and farebox probe purchased by December 31, 2012. At this point, FACT is waiting for the FTA to approve the flex funding and add to an existing open grant. Emailed Katherine Berrillo on June 7 and still waiting on a response. No action by FTA yet, however, internally we are exploring using Smart Card technology to capture all of our reporting needs rather than GFI. TEAM application is in review. Will be purchasing smart card equipment through Scheidt & Bachmann rather than Genfare. Project is complete, all smart card equipment has been received and installed. The public has been using ConnectCards since January 2013.	Not completed. No audit procedures developed.
2. Revenue	Expand on current route-level evaluation to include financial measures	Performance measures will be part of the strategic planning process. Target completion: June 2012	Not completed.
3. Operating Cost	Document and report to the Board the benefits and costs of using contracted services and the benefits or using three different contracts vs. one contract to purchase fixed-route service delivery	A service plan was presented to the board of commissioners in April 2011 for FY 11-12 detailing the cost of subcontractors versus directly operating. New 2 year agreements were signed with Central Cab Co and Brownsville Bus Lines effective 7/1/13-6/30/15.	Completed
3. Operating Cost	Investigate and address cause of high employee turnover rate for all functional areas	It has been determined that the cause of most employee turnover was wages. Nearly everyone leaving a position at FACT was due to obtaining a higher paying job or a full-time job. Wage rate is set by the Salary board and approved by the commissioners.	Completed

Category	Suggested Action	Corrective Action	Observation
<p>3. Operating Cost</p>	<p>Pursue appropriate and cost-effective integration of accounting and financial management software with other systems</p>	<p>Fiscal staff has been trained on the daily fuel and mileage input into the maintenance software. Further training will continue. FACT had a maintenance intern in February/March 2012 who setup all parts inventory into Fleet Management software. Technician A and Director are trained on parts controller module. Fiscal staff will be trained on the parts inventory module of Fleet by December 31, 2013. Accountant II and Technician A have been working in Fleet software. They have recommended to the Operations Manager that a more up-to-date software be purchased. New software will be researched, deadline December 31, 2014.</p>	<p>Not completed. Interoperability not addressed.</p>
<p>3. Operating Cost</p>	<p>Investigate the report generation capabilities of Fleet Management and accounting software to determine whether more automated analyses could be performed</p>	<p>Train maintenance and fiscal staff on the inventory module of Fleet Management. Target completion: December 2011</p>	<p>Completed.</p>
<p>3. Operating Cost</p>	<p>Pursue automated procedures for determining whether mechanics have taken parts out of inventory</p>	<p>Fiscal staff has been trained on the daily fuel and mileage input into the maintenance software. Further training will continue. FACT had a maintenance intern in February/March 2012 who setup all parts inventory into Fleet Management software. Technician A and Director are trained on parts controller module. Fiscal staff will be trained on the parts inventory module of Fleet by December 31, 2012. Deadline has been extended until 12/30/13. Accountant II and Technician A have been working in Fleet software. They have recommended to the Operations Manager that a more up-to-date software be purchased. New software will be researched, but not a major priority at this time.</p>	<p>Partially completed. Procedures are not yet fully automated.</p>

Category	Suggested Action	Corrective Action	Observation
3. Operating Cost	Establish performance metrics for the parts inventory function and develop procedures for collecting and reporting the data needed to determine performance. FACT can refer to the Transportation Research Board's publication, Inventory management in a Maintenance Environment, for guidance on applicable metrics and methodologies for determining performance.	Train maintenance and fiscal staff on the inventory module of Fleet Management. Target completion: December 2011	Not completed
3. Operating Cost	Conduct financial and operations analysis to develop quantifiable benefits of either contracting a service out or completing more in-house	Procedures are in place to include all warranty work going to outside garage; all preventative maintenance work and tires done at FACT garage; breakdowns will be assessed as they occur.	Completed
3. Operating Cost	Consider consolidating contracts to increase competition and attract different service providers	RFQs were advertised in June 2011. New contracts were entered into in July 2011. New 2 year agreements were entered into with Central Cab Co and Brownsville Bus Lines effective 7/1/13-6/30/15. These were the only 2 bid received. The rates increased \$1.35 (CCC) and \$3 (BBL).	Completed

Category	Suggested Action	Corrective Action	Observation
<p>3. Operating Cost</p>	<p>Establish targets for key cost drivers such as unscheduled overtime pay and develop response strategies for when performance is outside of acceptable parameters.</p>	<p>Overtime schedule has been developed and posted in accordance to union policy. FY 11-12 budget was created to reflect scheduled overtime. Overtime will continue to be tracked and budgeted by accounting manager basically at 2 hours per day per driver. For the first 9 months of 12/13 overtime is under budget by 1,584 hours. Actual overtime is tracked through daily time entry software. Overtime hours worked for FY 12/13 were 8,504 and overtime hours worked through December in Fy 13/14 are 6,561; the increased overtime hours this FY is due to directly operating more service (GW's areas).</p>	<p>Completed</p>
<p>3. Operating Cost</p>	<p>Pursue procedures for direct use of maintenance tracking software system by all mechanics and service line employees</p>	<p>Maintenance Supervisor (Technician A) has been trained on the use of all modules in Fleet Management. The most recent training was the Parts inventory module in March 2012. In addition, the Technician B is trained to use Fleet in the absence of the Technician A.</p>	<p>Completed</p>
<p>3. Operating Cost</p>	<p>Investigate the report generation capabilities of Fleet Management to determine whether more automated analyses could be performed. Pursue greater use of technology to automate such tasks as recording fuel and fluids consumption data. Enter warranty information into maintenance software and pursue automated notifications</p>	<p>All maintenance staff will be trained on the use of Fleet Management. This software has been investigated and does have reporting capabilities. Target completion: December 2011</p>	<p>Partially completed. Various systems are not yet fully automated</p>

Category	Suggested Action	Corrective Action	Observation
3. Operating Cost	Adopt target rates for miles per major road call and make more extensive use of trend analyses to identify strategies to improve performance	Target mileage between road calls has been set at between 8,000-12,000 miles. It is projected that a vehicle will have a mechanical failure between 2 or 3 preventative maintenance checks performed. Actual average miles between road calls for FY 12/13 were 12,866.	Complete
3. Operating Cost	Specify and monitor metrics, such as pay/platform ratio, to gauge the adequacy and success of the scheduling process for directly-operated fixed-route service	Performance measures will be part of the strategic planning process. Target completion: June 2012	Not completed
3. Operating Cost	Develop a master IT plan that incorporates changes in on-vehicle technology and Web-based customer service	FACT is part of regional IT plan through SPC. FACT will work with our IT vendor (Vitalink) to develop an IT plan specific to FACT. This plan will include future plans of web-based, cellphone-based customer service. Revised target completion: Dec 2013	Completed but inadequate. It does not address interoperability, data, communications and most important aspects of IT.
4. Other	Consider establishing a separate or expanded FACT Governing Board	FACT's governing board will remain the Board of Commissioners. There are already two advisory committees in place; one of these committees has commissioner appointed representation.	Completed. Considered and rejected.

Category	Suggested Action	Corrective Action	Observation
4. Other	Use FACT's mission statement to develop a vision statement with commensurate goals, objectives, and performance measures. Draft a strategic plan for Board review and adoption, with commensurate goals, objectives, and metrics. Implement and monitor achievements toward strategic goals and provide reports to the Board on a monthly or quarterly basis as appropriate	Meeting was held with Director of FACT and chairpersons from TEC and Coalition. At this meeting, committee members were divided into 3 areas for strategic planning. The 3 areas are Mission/Vision; Service Delivery Enhancement; and Support Services. First meeting of the committees was held. Each of the committees met monthly. Wrap up meeting was held with a lot of good suggestions made by committees. A new mission statement was developed, a vision statement written and goals. In addition to the committee's input, we surveyed employees and customers. Strategic plan is complete and was approved at the April 17, 2012 commissioner meeting.	Completed. Developed a strategic plan with input from the community
4. Other	Encourage management to provide detailed reporting on all key aspects affecting costs, ridership, and quality of service including route-specific statistics. Refine existing and adopt additional performance standards and associated metrics for key functional areas. Proactively monitor metrics on a monthly basis.	Currently have weekly Director/management meetings at which time management updates group on happenings in each department. Will work with management to incorporate aspects affecting cost, ridership and service to these meetings.	Partially completed. Metrics such as on-time performance should be added to route reporting.
4. Other	Develop and implement an education program for advisory board members	The Transportation 101 presentation that we use for training/outreach for human service agencies, senior centers, etc. will be presented to the Transportation Coalition and Transportation Executive Committees. Target completion: May 2012	Completed

Category	Suggested Action	Corrective Action	Observation
4. Other	Increase focus on fixed-route system or consider creating a separate committee for fixed route only issues	Fixed route is always discussed at executive committee meetings regarding passengers, miles, complaints; will continue to ensure fixed route is part of the meeting agendas. Target completion: immediately	Completed
4. Other	Create and actively use performance metrics for all major management functions, including grants management. Monitor and report periodically to staff and Board	FACT will begin to track, analyze and report the four performance criteria from ACT 44 to our advisory committees and board of commissioners. Target completion: July 2011, revised to January 2012	Partially completed. Four metrics were only part of the recommendation.
4. Other	Capitalize on grant training programs offered by outside entities	Management staff attends trainings held by FTA, APTA, PPTA, and NTI as well as participates in any webinars and conference calls that pertain. Target completion: in past and continuing in future	Completed
4. Other	Develop and implement quality control procedures for all key management functions	All sections of the operations manual have been reviewed and updated.	Completed
4. Other	Continue to provide ongoing training and cross-training among management personnel to help ensure continuity for short-or long-term absences and personnel departures	Will continue to provide ongoing training and cross training as recommended. Target completion: ongoing	Completed
4. Other	Incorporate progressive penalties for breach of all requirements of the service provider contracts	Working with solicitor to add additional penalties to transportation contracts for new contracts effective July 1, 2011. Brownsville Bus Lines has been issued penalties for 1st, 2nd and 3rd offenses of non-route compliance for FY 13-14. Continuing to work with Brownsville and county solicitor to resolve issues.	Completed

Category	Suggested Action	Corrective Action	Observation
4. Other	Rectify insurance, workplace and vehicle storage issues with Budget Charters within 30 days or use current contract provisions to terminate the contract as soon as it is practical to do so	Contract expired June 2011, Budget Charters is no longer a subcontractor for FACT.	Completed
4. Other	Develop and implement regular oversight reviews of contractors.	Currently FACT does quarterly monitoring visits with subcontractors and has quarterly carrier meetings. Target completion: in past and continuing in future	Completed
4. Other	Explore expediting the county government hiring process; compare hiring requirements to similar agencies	Human Resources has been posting jobs as soon as vacated and allowing the interviewing and background screening to begin immediately in order to have a recommendation ready to submit to the board of commissioners at the end of the 10-day posting. There has been success expediting the hiring process with the latest hire of 3 part-time drivers and currently working on hiring a dispatcher. Dispatcher was hired, no vacancies at this time. This quarter a 2 nd dispatcher was hired, 4 full time and 4 part-time drivers. Additional staff was needed due to loss of shared ride subcontractor (Goodwill).	Completed
4. Other	Investigate root cause and implement improvements to meet goals, especially in operating purchases	FACT will continue to seek DBE vendors to use. There only 7 vendors in Fayette County. Target completion: in past and continuing in future	Ongoing
4. Other	Contract language should be adopted that clearly spells out acceptable standards and includes enforced progressive penalties for lack of compliance, up to and including contract termination for all contracted service	Working with solicitor to add additional penalties to transportation contracts. Additional penalties were added. New contracts in effect as of July 1, 2011.	Completed

Category	Suggested Action	Corrective Action	Observation
4. Other	Complete automated data collection and archiving efforts and incorporate data into operations decision-making	FACT has upgraded the Route Match software which now has the capability to track fixed route vehicles through the AVL.	Not completed. This is only one aspect of data collection and reporting.
4. Other	Evaluate and refine reporting mechanisms in each major IT software package used for agency operations	Fiscal staff has been trained on the daily fuel and mileage input into the maintenance software. Further training will continue. FACT had a maintenance intern in February/March 2012 who setup all parts inventory into Fleet Management software. Technician A and Director are trained on parts controller module. Fiscal staff will be trained on the parts inventory module of Fleet by December 31, 2012. Deadline has been extended until 12/30/13. Accountant II and Technician A have been working in Fleet software. They have recommended to the Operations Manager that a more up-to-date software be purchased. New software will be researched, but not a major priority at this time.	Not completed. Action only addressed one software system.
4. Other	Acquire a farebox probe and train operations staff on its proper usage including the development of management reporting	Have applied for Flex funds to purchase the farebox probe. Target completion: June 2012	Not completed
4. Other	Develop a Master Plan for the maintenance facility to meet the current and future needs of the system, considering directly-operated versus contracted operational needs	There are currently no storage issues. All vehicles that are directly operated as being stored inside garages. With the loss of a subcontractor and the acquisition of 9 additional buses, inside storage has become an issue. Funding for an additional storage garage to be located at the edge of the park & ride lot is in the 5307 application that is now in development and waiting on FTA to okay submission. Should be submitted and approved by May 31, 2014.	Not completed. No master plan has been developed

Category	Suggested Action	Corrective Action	Observation
4. Other	Develop a plan for the transfer facility as part of a larger system plan and facilities master plan	Operations Manager will add transfer center facility to facility maintenance plan. Target completion: June 2013	Not completed
4. Other	Assemble a master list of projects (i.e., needs) ranked by priority. Distinguish projects on the basis of available funding and identify those projects that could move forward with additional funding	Director and Accounting Manager will meet with Operations and Maintenance to determine their future capital needs; determine available funding and future funding needs; develop timeline according to priority & funding. Target completion: December 2011	Not completed
4. Other	Update a TDP that addresses issues facing FACT over the next several years	Planning will be part of strategic planning process scheduled to begin in September. Target completion: June 2012	Not completed
4. Other	Develop formal service standards for planning functions	Planning will be part of strategic planning process scheduled to begin in September. Target completion: June 2012	Not completed
4. Other	Develop a data management plan that utilizes technology investments (i.e., AVL) and staff resources to obtain ridership and running time information	With the Route Match upgrade, the AVL technology is able to capture running time information. With the purchase of the farebox probe, ridership information will be obtained electronically. Target completion: June 2012	Not completed
4. Other	Develop and implement a written planning process	Planning will be part of strategic planning process scheduled to begin in September. Target completion: June 2012	Not completed

APPENDIX D: ACTION PLAN TEMPLATE

PART 1- ACTIONS TO INCREASE PASSENGERS / REVENUE HOUR

Recommendation From narrative starting on page 10	FACT Action	Estimated Initiation Date	Estimated Completion Date
1. Develop and track route-level service metrics to evaluate route efficiency.			
2. Reinstate AVL amongst the fixed-route fleet and relate this real-time information to passengers.			

PART 2 - ACTIONS TO INCREASE OPERATING REVENUE / REVENUE HOUR

Recommendation From narrative starting on page 11	FACT Action	Estimated Initiation Date	Estimated Completion Date
1. Develop a marketing plan that is tied to a budget and a schedule that outlines marketing goals and strategies to achieve them.			

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

Recommendation From narrative starting on page 11	FACT Action	Estimated Initiation Date	Estimated Completion Date
1. Develop a PM policy that establishes a goal and measures current PM performance.			
2. Establish and monitor targets for unscheduled driver and maintenance staff overtime.			
3. Review alternative strategies to provide commuter service to Pittsburgh that might include a transfer connection to PAAC.			

PART 4 - OTHER ACTIONS TO IMPROVE OVERALL PERFORMANCE

Recommendation From narrative starting on page 12	FACT Action	Estimated Initiation Date	Estimated Completion Date
1. Update the IT plan to identify and prioritize short-term and long-term IT and data management needs.			
2. Find an appropriate mechanism to ensure the BOCC completes PennTRAIN Board Training.			
3. Develop a one-page performance scorecard to report key performance metrics and provide it in monthly Board packets.			
4. Find a mechanism to formalize two-way communication between the TEC and the BOCC.			
5. Develop an in-house safety committee and safety program oriented to the unique needs of public transportation providers.			
6. Work with local universities to see if there are opportunities to develop a marketing internship program.			
7. Determine if vehicle subleasing contract provisions violate FTA regulations for charter service.			

