



BCTA System Performance Review

July 5, 2018

Performance Report

Beaver County Transit Authority d.b.a., BCTA

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PUBLIC TRANSPORTATION SERVICE SNAPSHOT

Agency	Beaver County Transit Authority (d.b.a. BCTA)		
Year Founded	1980		
Reporting Fiscal Year End (FYE)	2017		
Service Area (square miles)	440		
Service Area Population	170,539		
Annual Operating Statistics*	Fixed-Route	Paratransit (DAS + Shared Ride)	Total (Fixed-Route + Paratransit)
Vehicles in Maximum Service (VOMS)	20	18	38
Operating Cost	\$5,419,151	\$1,864,228	\$7,283,379
Operating Revenue	\$1,487,171	\$1,337,008	\$2,824,179
Total (Actual) Vehicle Miles	1,071,026	537,405	1,608,431
Revenue Miles of Service (RVM)	800,372	N/A	N/A
Total Vehicle Hours	53,822	33,609	87,431
Revenue Vehicle Hours (RVH)	46,628	N/A	N/A
Total Passenger Trips	851,517	79,227	930,744
Senior Passenger (Lottery) Trips	86,165	30,072	116,237
Act 44 Performance Statistics			
Passengers / RVH	18.26	N/A	N/A
Operating Cost / RVH	\$116.22	N/A	N/A
Operating Revenue / RVH	\$31.89	N/A	N/A
Operating Cost / Passenger	\$6.36	\$23.53	\$7.83
Other Performance Statistics			
Operating Revenue / Operating Cost	27.44%	71.72%	38.78%
Operating Cost / Total Vehicle Hours	\$100.69	\$55.47	\$83.30
Operating Cost / Total Vehicle Miles	\$5.06	\$3.47	\$4.53
Total Passengers / Total Vehicle Hours	15.82	2.36	10.65
Operating Cost / RVM	\$6.77	N/A	N/A
RVM / Total Vehicle Miles	74.73%	N/A	N/A
RVH / Total Vehicle Hours	86.63%	N/A	N/A
Operating Subsidy / Passenger Trip	\$4.62	\$6.65	\$4.79

*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 could maintain existing service and fares and, with a predictable and growing source of operating assistance, plan service changes.

At the same time Act 44 ushered in critical requirements for accountability, performance improvement, and maximum return on investment, it established a framework for PennDOT to work with local public transportation organizations to:

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

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

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

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 Beaver County Transit Authority (d.b.a. BCTA) in September 2011. Based on that review, PennDOT established five-year performance targets and agreed to BCTA’s action plan to meet those targets. In November 2017, PennDOT conducted the follow-up reassessment of BCTA to determine if BCTA 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 2011 PERFORMANCE REVIEW

PennDOT conducted the initial review of Beaver County Transit Authority (d.b.a. BCTA) in September 2011. Since the 2011 report was finalized, the following external forces should be considered when comparing the 2011 performance report and five-year performance trends presented in this report:

1. **Exceptionally high driver turnover** – BCTA experienced an increase driver turnover, with most turnover occurring for fixed-route drivers within their first two years. For example, the fixed-route driver turnover rate was approximately 26% in FY 13-14, which increased to approximately 38% in FY 14-15 and 69% in FY 15-16. As of FY 16-17, fixed-route driver turnover decreased slightly, but remained about 54%.
2. **High cost of fuel** – BCTA was previously locked into a fuel contract in 2014 when costs were at a record high, and was not able to take advantage of the sharp decline in price in subsequent years. Per the 2014 contract, BCTA paid about \$3.01 per gallon for diesel and \$3.14 per gallon for gasoline. In 2015, the market price of fuel dropped, but BCTA was contractually bound to pay an above market rate and reported approximately \$1 million in fuel related expenses for 2014 and 2015. BCTA renegotiated its fuel contract at the start of 2016 for a much lower rate at about \$1.47 for diesel and \$1.75 for gasoline, which reduced fuel related expenses to approximately \$790,000 for 2016 and \$550,000 for 2017.
3. **Decline in service area population** – Beaver County continues to follow a regional trend in population decline. From 2000 to 2010, the BCTA service area declined by approximately 6%. This trend continued from 2010 through 2016 with an additional 1.8% decline in population.

2011 PERFORMANCE REVIEW DETERMINATIONS AND FINDINGS

The 2011 performance review assessed BCTA with a group of peer agencies based on the four performance criteria required by Act 44. BCTA was found to be “In Compliance” for all eight performance criteria.

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

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

The 2011 performance review reported that BCTA costs per revenue hour and per passenger were the lowest amongst the peer group for the trend years. However, BCTA performed worse than the

peer group for the single year analysis. BCTA's ridership trend was better than the peer group, and revenues ranked 2nd for the single year analysis. The following performance targets were established with BCTA:

- Increase passengers per revenue vehicle hour by at least 2% per year on average
- Increase operating revenue per revenue vehicle hour by at least 3% per year on average
- Contain increases in operating cost per revenue vehicle hour within 3% per year on average
- Contain operating cost per passenger increases to no more than 1% per year on average

BCTA developed an action plan to address opportunities for improvement identified in the 2011 performance review, which included a detailed assessment of budget items to more accurately identify cost drivers. BCTA identified opportunities to control costs that resulted in the following actions:

1. **Reduced impact of rising health premiums** – BCTA took proactive measures to control health insurance costs. Management first addressed non-bargaining unit employees by switching from an AETNA HMO to the Delaware Valley Health Insurance Trust in 2015, which reduced insurance premiums by 16.1%. In the following year, management addressed bargaining unit employees by switching from an AETNA HMO to the Teamsters Trust, which reduced insurance premium by 30.8%. Overall healthcare costs dropped from approximately \$440,000 in 2015 to \$428,000 in 2016, and continued to drop to \$370,000 in 2017.
2. **Updated workers compensation procedures** –After experiencing a 3.3% average annual increase in fringe expenses, from approximately \$1.1 million in 2012 to \$1.4 million in 2015, management pursued a proactive approach toward controlling liability expenses. This included improvements to the investigatory process for workers compensation and pursuing a more proactive claims management process. As a result, the share of fringe expenses related to total operating expenses dropped 6.4% in 2016, and by an additional 1.0% in 2017.

The 2016 targets presented in the table below, were developed based on five-year projections benchmarked from 2011 dotGrants reported values:

Performance Criteria	2011 Actual	2016 Target	2016 Actual	2017 Actual	Met 2016 Target
Passengers / Revenue Vehicle Hour	18.23	20.13	19.21	18.26	No
Operating Cost / Revenue Vehicle Hour	\$86.60	\$100.40	\$114.05	\$116.22	No
Operating Revenue / Revenue Vehicle Hour	\$27.58	\$31.72	\$30.65	\$31.89	No
Operating Cost / Passenger	\$4.75	\$4.99	\$5.94	\$6.36	No

BCTA narrowly missed its 2016 ridership and revenue based targets, however operating costs grew beyond the 3% anticipated annual increase. Management coordinated with PennDOT and reported on progress related to the 2011 Action Plan. Despite these efforts, external forces impacted BCTA's actions targeting ridership, revenue and cost containment. Based on actions taken by management in the 2011 Action Plan, BCTA demonstrated a good faith effort to achieve its previously established targets.

2017 PERFORMANCE REVIEW DETERMINATIONS AND FINDINGS

The 2017 performance review assessed BCTA with a group of peer agencies based on the four performance criteria outlined by law. BCTA was found to be “In Compliance” for all eight performance criteria.

Performance Criteria	FYE	Determination	Rank (of 11)	Relation to Peer Average	Value	Peer Average
Passengers / Revenue Hour	2016	In Compliance	3	Better	19.21	16.51
	Trend	In Compliance	4	Better	1.20%	0.07%
Operating Cost / Revenue Hour	2016	In Compliance	9	Worse	\$114.05	\$100.18
	Trend	In Compliance	10	Worse	5.66%	2.77%
Operating Revenue / Revenue Hour	2016	In Compliance	3	Better	\$30.65	\$18.53
	Trend	In Compliance	3	Better	2.13%	-43.17%
Operating Cost / Passenger	2016	In Compliance	5	Better	\$5.94	\$6.64
	Trend	In Compliance	9	Worse	4.41%	2.67%

*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 FYE 2017 data.

The 2017 performance review examined additional steps, beyond those specified in the 2012 action plan, that BCTA has taken to improve performance. The most notable action is that BCTA is undergoing service adjustments to identify a more efficient route structure for its service area.

The 2017 performance review also identified actions that BCTA can take to improve overall agency performance including:

1. Continue to monitor operating costs, identify cost drivers and opportunities to reduce expenses, and take actions to control cost increases.
2. Identify and implement a long-term strategy to address exceptionally high driver turnover.
3. Continue to conduct employee exit interviews to identify the fundamental causes of driver turnover and take appropriate actions to address the causes.

Additional opportunities for improvement were also identified during the 2017 performance review. The complete list of opportunities for improvement will serve as the basis for BCTA’s Board-approved action plan.

2017 PERFORMANCE TARGETS

As required by Act 44, PennDOT and BCTA management have agreed to performance targets for FYE 2022 identified in the table below. BCTA should work to achieve these targets over the next five years to ensure continued eligibility for full Section 1513 funding. Performance targets are designed to be aggressive, yet achievable.

Performance Criteria	Fiscal Year End (FYE)			Target Annual Increase
	2016 Actual	2017 Actual	2022 Target	
Passengers / Revenue Vehicle Hour	19.21	18.26	19.19	1.0%
Operating Cost / Revenue Vehicle Hour	\$114.05	\$116.22	\$134.73	3.0%
Operating Revenue / Revenue Vehicle Hour	\$30.65	\$31.89	\$35.21	2.0%
Operating Cost / Passenger	\$5.94	\$6.36	\$7.03	2.0%

FINANCIAL REVIEW

BCTA currently has a balanced operating budget. Operating cash reserves have remained relatively stable since 2013. Noteworthy elements of BCTA's financial condition are:

- BCTA maintains 33.0% in total carryover subsidies to total annual operating cost as of FYE 2017
- BCTA maintains cash equivalent balance to 41.3% of total operating expenses as of FYE 2017
- Accounts payable and receivable amounts are negligible
- BCTA maintains two \$500,000 lines of credit
- There is no outstanding debt as of FYE 2017

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

NEXT STEPS

BCTA management and Board 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. BCTA'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, could maintain existing service and fares and, with a predictable and growing source of operating assistance, plan service changes.

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AGENCY DESCRIPTION

The Beaver County Transit Authority (d.b.a., BCTA) was created by the County of Beaver in May 1980 under the Municipal Authorities Act of 1945. Public transportation in Beaver County historically was provided by Beaver Valley Motor Coach Company until operations ceased in 1979. During the brief interim period, Port Authority of Allegheny County (PAAC) provided public transportation on behalf of BCTA despite not having any facilities or fleet. In 1983, BCTA contracted with McCarter Transit, Inc. of Chippewa Township for fixed-route operations, which replaced PAAC as the primary service provider in Beaver County. In the same year, BCTA established Demand and Response Transit (DART), an on-demand shared-ride service. By 1984, BCTA assumed responsibility for the Medical Assistance Transportation Program (MATP) for Beaver County.

Following the closure of the Pittsburgh and Lake Erie (P&LE) commuter rail line in 1985, BCTA began operating express bus service into Pittsburgh. At the same time, BCTA began purchasing its own fixed-route buses, and by 1990, had acquired 36 vehicles, but continued to contract operations. From 1990 to 2003, BCTA expanded its footprint in Beaver County with the opening of the Rochester Transportation Center in Rochester, PA (1991) and Expressway Travel Center in Center Township (2001). In the following year, BCTA reorganized its fixed-route service to a pulse system at major transfer points (i.e., Rochester Transportation Center and Ambridge Park and Ride Lot) that minimized wait time for transfers. In 2003, the BCTA Board of Directors (Board) approved a self-operating plan and eliminated contracted service.

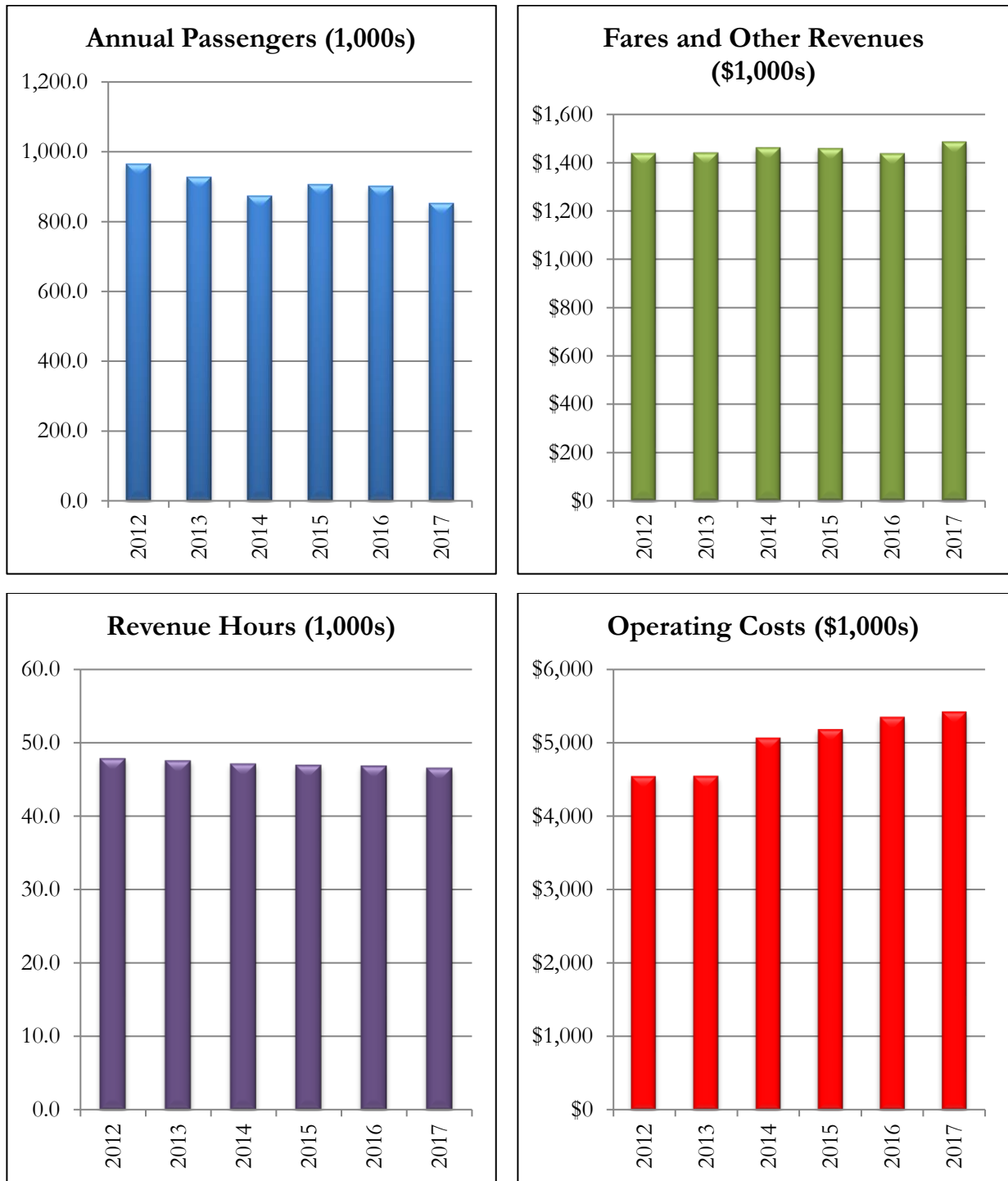
BCTA is governed by a nine-member Board. There are five Board committees (i.e., Executive, Finance, Service, Capital Improvements and Risk Management) that provide recommendations to help guide agency decision-making. Board members are appointed by the Beaver County Board of County Commissioners from candidates typically recommended by BCTA management and current Board members.

BCTA provided approximately 851,500 fixed-route passenger trips as of FYE 2017. BCTA has five fixed-routes served by a fleet of 20 buses. Two of the fixed-routes are express service to downtown Pittsburgh. BCTA maintains 18 paratransit vehicles, and provides urban shared-ride and Department Approved (DAS) paratransit service Monday through Saturday. Rural DAS paratransit service is available on Mondays, Wednesdays, and Fridays.

BCTA's administrative headquarters are located at the Rochester Transportation Center, one of BCTA's two transfer centers for fixed-route service. The maintenance garage is located at the Expressway Travel Center. Additional Park and Ride facilities are located at the Chippewa Central Square, Rochester Transportation Center, Expressway Travel Center, Northern Lights Shopping Center and the Ambridge Borough Municipal Complex.

Exhibit 1 presents BCTA's fixed-route system operating statistics derived from PennDOT dotGrants.

Exhibit 1: BCTA Fixed-Route Service Annual Performance Trends



Source: NTD and PennDOT Legacy Reporting System (dotGrants)

PERFORMANCE REVIEW PROCESS

In November 2017, PennDOT initiated an Act 44-mandated performance review for BCTA. The following outlines the review process:

1. Initial notification of performance review selection and transmission of document request:
 - a. Review available data and request additional information.
 - b. Peer selection: BCTA and PennDOT agree to a set of peer agencies that would be used for comparative analysis.
2. Conduct PennDOT-sponsored customer satisfaction survey (CSS).
3. Review of Act 44 variables including current performance, targets from the previous 2011 review, and action plan implementation.
4. Perform Act 44 performance criteria analysis.
5. Conduct on site review, interviews and supplementary data collection/reconciliation.
6. Evaluate performance, financial management and operations.
7. Report results and determine agency compliance with performance requirements.
8. Finalize performance review report.
9. Develop, implement and monitor five-year action plan.

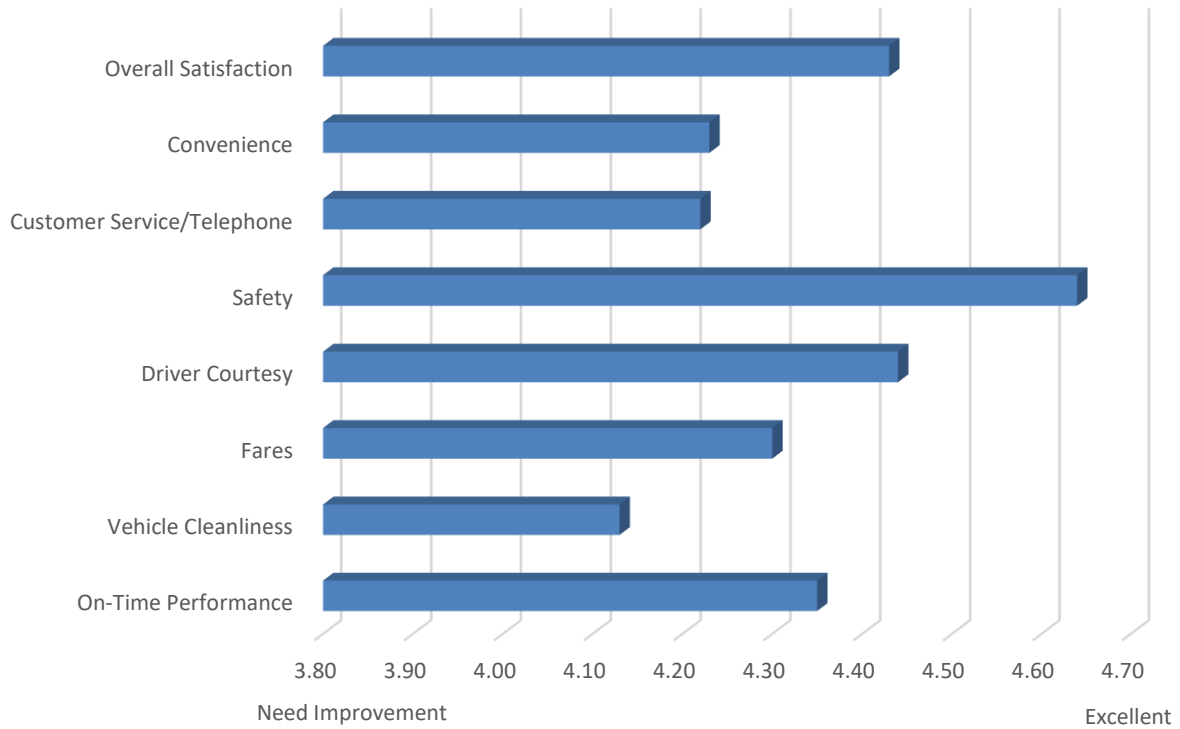
These steps in the performance review process help reviewers understand BCTA's unique challenges, changes that have occurred since the previous performance review, the accuracy and reliability of reported data, BCTA practices that have been implemented, additional opportunities for improvement, and realistic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

CUSTOMER SATISFACTION SURVEY

In 2016, BCTA conducted a fixed-route rider survey based on 13 questions that addressed customer satisfaction, rider characteristics and patterns in service usage. Each question corresponded to 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.).

BCTA received the highest ratings in safety, driver courtesy and overall satisfaction. BCTA received the lowest ratings for vehicle cleanliness, customer service/telephone and convenience. **Exhibit 2** provides a summary of the average customer satisfaction score by performance measure.

Exhibit 2: Average Customer Satisfaction Score by Performance Measure



2011 ACT 44 PERFORMANCE ASSESSMENT

PRIOR REVIEW DETERMINATIONS AND FINDINGS

The 2011 performance review assessed BCTA against a group of peer agencies based on the four performance criteria required by Act 44. BCTA was found to be “In Compliance” for all eight performance criteria.

Exhibit 3: Previous Performance Review Act 44 Comparison Summary

Performance Criteria	FYE*	Determination	Peer Rank (of 13)	Relation to Peer Average	Value	Peer Average
Passengers / Revenue Vehicle Hour	2009	In Compliance	8	Worse	15.69	18.19
	Trend	In Compliance	4	Better	4.71%	1.42%
Operating Cost / Revenue Vehicle Hour	2009	In Compliance	8	Worse	\$76.33	\$75.53
	Trend	In Compliance	1	Better	-0.11%	5.44%
Operating Revenue / Revenue Vehicle Hour	2009	In Compliance	2	Better	\$23.57	\$14.92
	Trend	In Compliance	9	Worse	6.06%	7.61%
Operating Cost / Passenger	2009	In Compliance	9	Worse	\$4.86	\$4.46
	Trend	In Compliance	1	Better	-4.60%	4.08%

*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.

ACTION PLAN AND PERFORMANCE TARGETS

The 2011 performance review reported that BCTA’s operating revenue per passenger ranked 2nd in its peer group and ridership gains grew at a faster rate than its peers. Management efforts to contain costs reduced the overall rate of increase, and BCTA was in compliance for all performance criteria. The following performance targets were established with BCTA:

- Increase passengers per revenue vehicle hour by at least 2% per year on average
- Increase operating revenue per revenue vehicle hour by at least 3% per year on average
- Contain operating cost per revenue vehicle hour increases to no more than 3% per year on average
- Contain operating cost per passenger increase to no more than 1% per year on average

BCTA developed an action plan to address opportunities for improvement identified in the 2011 performance review, which included a detailed assessment of budget items to more accurately identify cost drivers. BCTA identified opportunities to control costs that resulted in the following actions:

1. **Reduced impact of rising health premiums** – BCTA took proactive measures to control health insurance costs. Management first addressed non-bargaining unit employees by switching from an AETNA HMO to the Delaware Valley Health Insurance Trust in 2015, which reduced insurance premiums by 16.1%. In the following year, management addressed bargaining unit employees by switching from an AETNA HMO to the Teamsters Trust, which reduced insurance premium by 30.8%. Overall healthcare costs dropped from approximately \$440,000 in 2015 to \$428,000 in 2016, and continued to drop to \$370,000 in 2017.

2. **Updated workers compensation procedures** –After experiencing a 3.3% average annual increase in fringe expenses, from approximately \$1.1 million in 2012 to \$1.4 million in 2015, management pursued a proactive approach toward controlling liability expenses. This included improvements to the investigatory process for workers compensation and pursuing a more proactive claims management process. As a result, the share of fringe expenses related to total operating expenses dropped 6.4% in 2016, and by an additional 1.0% in 2017.

The complete list of BCTA’s previous Action Plan items and BCTA’s progress in addressing previously identified opportunities for improvement is provided in **Appendix A: 2011 Performance Review Action Plan Assessment**. As shown in **Exhibit 4**, BCTA was unable to meet its 2016 performance targets.

Exhibit 4: Previous Performance Targets

Performance Criteria	2011 Actual	2016 Target	2016 Actual	2017 Actual	Met 2016 Target
Passengers / Revenue Vehicle Hour	18.23	20.13	19.21	18.26	No
Operating Cost / Revenue Vehicle Hour	\$86.60	\$100.40	\$114.05	\$116.22	No
Operating Revenue / Revenue Vehicle Hour	\$27.58	\$31.72	\$30.65	\$31.89	No
Operating Cost / Passenger	\$4.75	\$4.99	\$5.94	\$6.36	No

BCTA reported progress to PennDOT on the implementation of the 2011 Action Plan. However, the following external forces impacted BCTA’s ability to meet its 2016 targets:

1. **Exceptionally high driver turnover** – BCTA experienced an increase driver turnover, with most turnover occurring for fixed-route drivers within their first two years. For example, the fixed-route driver turnover rate was approximately 26% in FY 13-14, which increased to approximately 38% in FY 14-15 and 69% in FY 15-16. As of FY 16-17, fixed-route driver turnover decreased slightly, but remained about 54%.
2. **High cost of fuel** – BCTA was previously locked into a fuel contract in 2014 when costs were at a record high, and was not able to take advantage of the sharp decline in price in subsequent years. Per the 2014 contract, BCTA paid about \$3.01 per gallon for diesel and \$3.14 per gallon for gasoline. In 2015, the market price of fuel dropped, but BCTA was contractually bound to pay an above market rate and reported approximately \$1 million in fuel related expenses for 2014 and 2015. BCTA renegotiated its fuel contract at the start of 2016 for a much lower rate at about \$1.47 for diesel and \$1.75 for gasoline, which reduced fuel related expenses to approximately \$790,000 for 2016 and \$550,000 for 2017.
3. **Decline in service area population** – Beaver County continues to follow a trend in population decline. From 2000 to 2010, the BCTA service area declined by approximately 6%. This trend continued from 2010 through 2016 with an additional 1.8% decline in population.

ASSESSMENT

BCTA narrowly missed its 2016 ridership and revenue based targets, however operating costs grew beyond the 3% anticipated annual increase. Management coordinated with PennDOT and reported on progress related to the 2011 Action Plan. Despite these efforts, external forces impacted BCTA's actions targeting ridership, revenue and cost containment. Based on actions taken by management in the 2011 Action Plan, BCTA demonstrated a good faith effort to achieve its previously established targets.

2017 ACT 44 PERFORMANCE ASSESSMENT

The 2017 performance review assessed BCTA against a group of peer agencies based on the four performance criteria required by Act 44.

PEER AGENCY COMPARISONS

Peer agencies were identified through a collaborative process between PennDOT and BCTA management using criteria defined in Act 44 and data from the most recently available National Transit Database (NTD), FYE 2016. The systems identified for peer comparisons include:

1. Housatonic Area Regional Transit (HARTransit), Danbury, CT
2. Southeast Area Transit (SEAT), Preston, CT
3. Lafayette Transit System (LTS), Lafayette, LA
4. The Tri-State Transit Authority (TTA), Huntington, WV
5. Montachusett Regional Transit Authority (MART), Fitchburg, MA
6. Topeka Metropolitan Transit Authority (TMTA), Topeka, KS
7. Cooperative Alliance for Seacoast Transportation (COAST), Dover, NH
8. Saginaw Transit Authority Regional Service (STARS), Saginaw, MI
9. Waccamaw Regional Transportation Authority (The Coast RTA), Conway, SC
10. New Castle Area Transit Authority (NCATA), New Castle, PA

Results of the current BCTA analysis and peer comparison are presented in **Exhibit 5**. BCTA was found to be “In Compliance” for all performance criteria. The detailed data used to develop the peer comparison summary is presented in **Appendix B: Peer Comparisons**.

Exhibit 5: Current Performance Review Act 44 Peer Comparison Summary

Performance Criteria	FYE	Determination	Rank (of 11)	Relation to Peer Average	Value	Peer Average
Passengers / Revenue Hour	2016	In Compliance	3	Better	19.21	16.51
	Trend	In Compliance	4	Better	1.20%	0.07%
Operating Cost / Revenue Hour	2016	In Compliance	9	Worse	\$114.05	\$100.18
	Trend	In Compliance	10	Worse	5.66%	2.77%
Operating Revenue / Revenue Hour	2016	In Compliance	3	Better	\$30.65	\$18.53
	Trend	In Compliance	3	Better	2.13%	-43.17%
Operating Cost / Passenger	2016	In Compliance	5	Better	\$5.94	\$6.64
	Trend	In Compliance	9	Worse	4.41%	2.67%

ASSESSMENT

BCTA had no “At Risk” findings. Management’s efforts in coming years should continue to focus on containing costs, increasing ridership, and improving farebox recovery.

2022 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 2017 performance review noted that while BCTA outperformed its peers on operating revenue per vehicle hour, BCTA should continue to implement cost control measures to contain operating cost per revenue vehicle hour, and operating cost per passenger.

The following performance targets (**Exhibit 6**) were established in consultation with BCTA:

- Increase passengers per revenue vehicle hour by at least 1% per year on average
- Contain operating cost per revenue vehicle hour increases to no more than 3% per year on average
- Increase revenue per revenue vehicle hour by at least 2% per year on average
- Contain operating cost per passenger trip increases to no more than 2% per year on average

Exhibit 6: FYE 2022 Act 44 Performance Targets

Performance Criteria	Fiscal Year End (FYE)			Target Annual Increase
	2016 Actual	2017 Actual	2022 Target	
Passengers / Revenue Vehicle Hour	19.21	18.26	19.19	1.0%
Operating Cost / Revenue Vehicle Hour	\$114.05	\$116.22	\$134.73	3.0%
Operating Revenue / Revenue Vehicle Hour	\$30.65	\$31.89	\$35.21	2.0%
Operating Cost / Passenger	\$5.94	\$6.36	\$7.03	2.0%

These performance targets represent the minimum performance level that BCTA should achieve for each Act 44 criterion during the next performance review cycle. Standards were extrapolated to FYE 2022 and are designed to be aggressive, yet achievable. PennDOT and BCTA have agreed to these performance targets.

FUNCTIONAL REVIEW

Functional reviews are used to investigate and explain the performance results found in the Act 44 comparisons, to catalog BCTA practices to share with other transit agencies, and to identify opportunities for improvement that should be addressed in the Action Plan (see **Appendix C: 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 either BCTA Practices or Elements to Address in the Action Plan. The former category contains exceptional current practices that are beneficial and should be continued or expanded. The latter includes 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 BCTA, Action Plan templates have been included in the **Appendix C: Action Plan Template** (see pg. 35). Some actions will be quickly implementable while others may take several discrete steps to achieve over a longer period. The template provides a simple-to-follow order of key findings of this report that should be addressed in the Action Plan.

OPPORTUNITIES TO INCREASE FIXED-ROUTE RIDERSHIP

BEST PRACTICE

1. BCTA conducts in-house customer satisfaction surveys on an annual basis. This helps management stay informed, and increases agency responsiveness to passenger needs and concerns.

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

1. BCTA maintains service standards that are used to evaluate the performance of its fixed-route service. Current BCTA service standards do not consider route level on-time performance, a common service metric that can be used to gauge customer satisfaction. This service metric is helpful in addition to understanding standing time and peak passenger load factor when conducting a route evaluation from the customer's perspective (i.e., modal on-time performance goal vs. individual route performance). BCTA should **update service standards to incorporate on-time performance by route**. Furthermore, time points should be set at locations where there is dwell time along the route (e.g., park & ride facilities, commercial strip plazas, malls, etc.) to get an accurate measure of on-time performance for local routes that share the road with on-street traffic.
2. BCTA is undergoing service adjustments, and plans to launch a smart-card for fixed-route service. Once completed, BCTA will have an opportunity for rebranding and marketing activities. A defined marketing strategy would help BCTA with public outreach to raise awareness about the new service structure, changes in fare media and potential rebranding

efforts. BCTA should **consider developing a marketing plan that contains a budget, timelines, measurable goals and objectives.**

OPPORTUNITIES TO INCREASE FIXED-ROUTE REVENUES

BEST PRACTICE

1. None.

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

1. None.

OPPORTUNITIES TO CONTROL OPERATING COSTS

BEST PRACTICE

1. BCTA maintains a detailed cost allocation plan that is updated every two years. The allocation rate was developed using a time-study for a fair representation of the share of costs incurred by general administration activities. By updating the cost allocation plan every two years, management can reassess the allocation rate used to ensure costs are being reported accurately.

ELEMENTS TO ADDRESS IN PART 3 OF THE ACTION PLAN (P. 35)

1. BCTA has several cost drivers (e.g., health care, driver turnover, fleet and facility maintenance, etc.) that have contributed to a steep rate of cost increase. From FYE 2011 to FYE 2017, fixed-route operating costs increased 3.9% annually on average, contributing to a 2.3% average annual increase in total system operating expenses. Management should **continue to monitor costs by program (i.e., fixed-route, shared-ride and DAS) and department (e.g., operations, maintenance, administration, etc.), and implement cost control measures as identified.**

OTHER OPPORTUNITIES TO IMPROVE PERFORMANCE

BEST PRACTICES

1. BCTA developed a nine-month leadership training program (i.e., Emerging Leaders Program) that fosters in-house talent development by training staff on management responsibilities. This program serves as a pipeline for management by promoting growth from within the agency.
2. BCTA has a very robust Board orientation program that includes a three-hour orientation and a half-day work session. Board members receive a new member orientation handbook that contains regional transit data trends, the BCTA Strategic Plan, a list of agency funding sources and financial trends, a program of upcoming projects by fiscal year, and the latest audit and compliance review.

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

1. Driver turnover is a major issue for BCTA and typically occurs within the first two years. As of FYE 2017, BCTA has a 54% turnover rate for fixed-route drivers and a 26% turnover rate for paratransit drivers. Management has a robust Recruitment, Retention, and Recognition Program in place, however turnover continues to be an issue. BCTA should **continue to conduct exit reviews** to identify the root cause of driver attrition within the first two years. Furthermore, BCTA should **conduct a compensation analysis** to determine the agency's competitive position amongst competing businesses/agencies for drivers.

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

HIGH-LEVEL INDICATORS OF FINANCIAL HEALTH

As shown in **Exhibit 7**, BCTA has 33.0% in total carryover subsidies to total annual operating cost. These reserves account for available liquidity in case of unexpected cost increases. In FYE 2017, BCTA received \$615,000 from Beaver County as local match to 1513 state operating subsidy. BCTA has no accounts payable and receivable amounts over 90 days. BCTA maintains two \$500,000 lines of credit available for cash flow should it be needed. Currently, there is no outstanding debt.

TOTAL PUBLIC TRANSPORTATION OPERATIONAL EXPENDITURES AND FUNDING

BCTA public transportation increased from a \$6.8 million per year operation in FYE 2013 to a \$7.3 million per year operation in FYE 2017, a 1.7% average annual increase (**Exhibit 8**). Approximately 74.4% of BCTA's operational expenses are for fixed-route service. The remaining operational expenses (25.6%) are for demand response (i.e., shared-ride and department approved paratransit) service, as shown in **Exhibit 9**.

BCTA's operating funds comes from a variety of sources including state funds, federal funds, local funds and passenger fares. BCTA has used state, federal and local funds to finance both its fixed-route and paratransit operations (**Exhibit 10**). Combined, state and federal subsidies are the largest share of income for BCTA, accounting for 52.6% of total operating income. Passenger fares and other local funds are the remaining funding sources, representing approximately 47.4% of total operating income (**Exhibit 11**).

Exhibit 7: High-Level Financial Indicators

FYE 2017 Indicator	Value	Assessment Criteria / Rationale	Source
Total Carryover Subsidies / Total Annual Operating Cost	33.0%	Combined target 25%+. This provides liquidity to account for unexpected cost increases or service changes without the need to incur interest fees from loans.	FYE 2017 Audit
Credit available/ Annual Payroll	21.2%	Only necessary if combined carryover subsidies are less than 25% of annual. This insures the agency maintains sufficient cash flow / liquidity to pay all current bills.	FYE 2017 Audit and PennDOT dotGrants
Actual Local Match / Required Match	122.1%	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 2017
Accounts Payable (AP) 90+ days	0.0%	Target should be 0% over 90 days. Larger values indicate cash flow concerns.	BCTA reported value
Accounts Receivable (AR) 90+ days	0.0%	Target should be 0% over 90 days. Larger values can cause cash flow problems.	BCTA reported value
Debt / Annual Operating Cost	0.0%	Target should be 0%. Low debt amounts reduce borrowing costs.	FYE 2017 Audit

Exhibit 8: Public Transportation Operating Expense by Service Type

Service Type (In Millions)	FYE 2013	FYE 2014	FYE 2015	FYE 2016	FYE 2017
Fixed Route	\$4.5	\$5.1	\$5.2	\$5.3	\$5.4
Paratransit	\$2.3	\$2.4	\$2.1	\$2.0	\$1.9
Total*	\$6.8	\$7.5	\$7.3	\$7.4	\$7.3

* May not add due to rounding.

Exhibit 9: Public Transportation Operating Expense Trends by Service Type

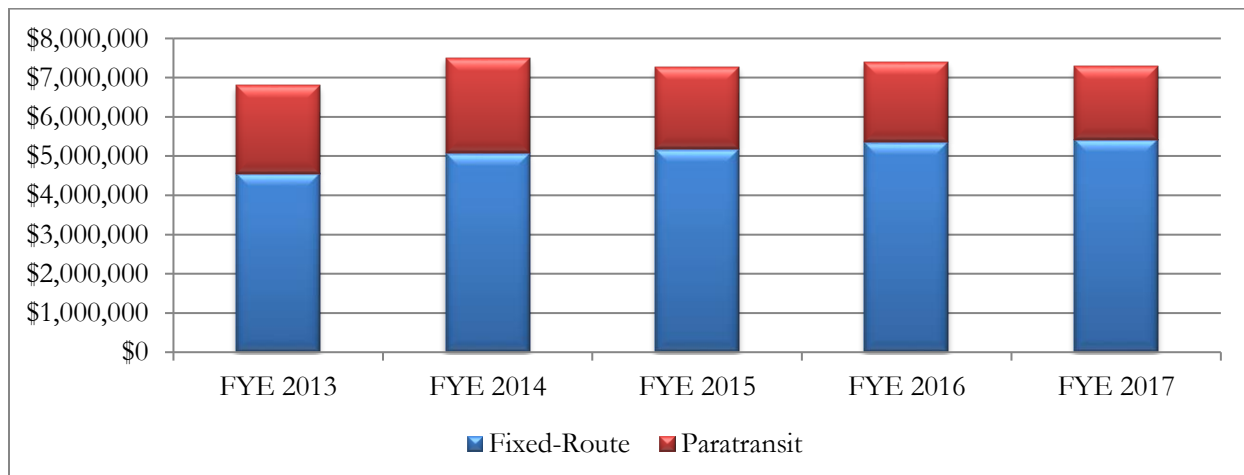
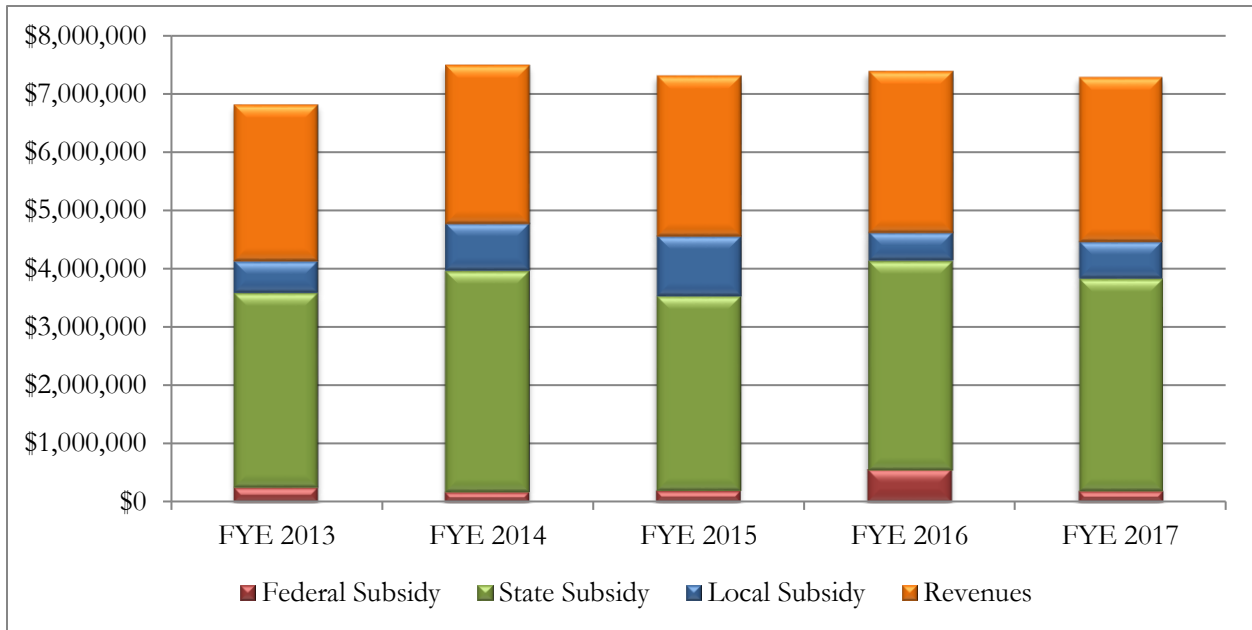


Exhibit 10: Percent of Total Public Transportation (Fixed-Route + Paratransit) Operating Budget by Funding Source

Funding Source	FYE 2013	FYE 2014	FYE 2015	FYE 2016	FYE 2017
Federal Subsidy	3.6%	2.3%	2.6%	7.3%	2.5%
State Subsidy	49.1%	50.6%	45.7%	48.6%	50.1%
Local Subsidy	8.0%	10.8%	14.0%	6.5%	8.6%
Revenues	39.4%	36.3%	37.7%	37.5%	38.8%
Total Funding	100.0%	100.0%	100.0%	100.0%	100.0%
Local Subsidy / State Subsidy	16.3%	21.4%	30.7%	13.4%	17.2%

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



FIXED-ROUTE FUNDING

BCTA's fixed-route funding comes from general revenues and government subsidies. Direct passenger fares represent between 27.4% and 31.4% of total operating funding (**Exhibit 12**). Based on the FYE 2013 to FYE 2017 dotGrants reporting, BCTA operated using current year funding with \$30,311 in state funds being carried over at the end of 2017. BCTA had \$2,371,752 in carryover local funds available as of FYE 2017.

Exhibit 12: Fixed-Route Funding

Funding Source	FYE 2013	FYE 2014	FYE 2015	FYE 2016	FYE 2017
Revenues					
Passenger Fares	\$1,429,714	\$1,406,684	\$1,457,503	\$1,434,933	\$1,485,836
Advertising	\$0	\$0	\$0	\$0	\$0
Charter	\$9,120	\$6,600	\$0	\$0	\$0
Route Guarantees	\$0	\$0	\$0	\$0	\$0
Other- (Vending/Phone Commissions)	\$2,697	\$49,076	\$2,332	\$2,366	\$1,335
Subtotal	\$1,441,531	\$1,462,360	\$1,459,835	\$1,437,299	\$1,487,171
Subsidies					
Federal Operating Grant	\$13,062	\$13,851	\$45,965	\$54,848	\$40,035
Act 44 (1513) State Prior	\$721,058	\$639,366	\$0	\$0	\$0
Act 44 (1513) State Current	\$1,854,195	\$2,446,927	\$2,847,803	\$3,192,529	\$3,384,791
Municipal Prior	\$0	\$0	\$0	\$0	\$0
Municipal Current	\$305,122	\$471,207	\$825,239	\$304,448	\$466,212
Special- (Federal)	\$76,160	\$0	\$0	\$359,058	\$40,942
Special- (State)	\$137,458	\$32,850	\$0	\$0	\$0
Special- (Local)	\$0	\$0	\$0	\$0	\$0
Subtotal	\$3,107,055	\$3,604,201	\$3,719,007	\$3,910,883	\$3,931,980
Total Funding	\$4,548,586	\$5,066,561	\$5,178,842	\$5,348,182	\$5,419,151
Passenger Fares/ Total Funding	31.4%	27.8%	28.1%	26.8%	27.4%

Source: PennDOT dotGrants Reporting System.

PARATRANSIT FUNDING

Paratransit funding accounts for about 25.6% of BCTA's public transportation operation and consists of shared-ride and DAS. Local, state and federal subsidies as well as passenger fares are used to finance paratransit operating costs (**Exhibit 13**). The paratransit budget decreased from \$2,264,755 in FYE 2013 to \$1,864,228 as of FYE 2017. Total paratransit ridership remained relatively stable from FYE 2013 to FYE 2017 (**Exhibit 14**).

Exhibit 13: Paratransit Funding by Source

Category	FYE 2013	FYE 2014	FYE 2015	FYE 2016	FYE 2017
Revenues					
Passenger Fares	\$100,377	\$123,632	\$114,120	\$112,589	\$111,539
Advertising	\$0	\$0	\$0	\$0	\$0
Lottery	\$525,306	\$491,551	\$532,092	\$528,107	\$535,361
PwD Reimbursement	\$0	\$0	\$0	\$0	\$0
PwD Passenger Fares	\$12,606	\$0	\$0	\$0	\$0
AAA	\$0	\$0	\$0	\$0	\$0
MH/MR	\$73,728	\$86,795	\$97,616	\$99,543	\$94,416
W2W	\$106,869	\$110,185	\$126,239	\$131,262	\$123,994
MATP	\$394,145	\$390,188	\$389,603	\$434,197	\$440,201
Other- (Foster Grandparents)	\$14,758	\$10,465	\$1,339	\$0	\$0
Other- (County of Beaver/Aurora)	\$11,599	\$21,766	\$25,650	\$25,984	\$31,021
Other- (Phone/Vending/Dividend)	\$1,637	\$23,806	\$7,779	\$1,161	\$476
Subtotal	\$1,241,025	\$1,258,388	\$1,294,438	\$1,332,843	\$1,337,008
Subsidies					
Federal Operating Grant	\$155,052	\$156,149	\$143,590	\$126,097	\$102,380
Act 44 (1513) State Prior	\$120,953	\$0	\$0	\$0	\$0
Act 44 (1513) State Current	\$509,479	\$669,584	\$492,417	\$399,075	\$262,473
Municipal Prior	\$0	\$0	\$0	\$0	\$0
Municipal Current	\$111,125	\$337,945	\$199,734	\$178,124	\$162,367
Special- (Local)	\$127,121	\$0	\$0	\$0	\$0
Subtotal	\$1,023,730	\$1,163,678	\$835,741	\$703,296	\$527,220
Total Funding	\$2,264,755	\$2,422,066	\$2,130,179	\$2,036,139	\$1,864,228

Source: PennDOT dotGrants Reporting System.

Exhibit 14: Paratransit Operating Statistics

Operating Category	FYE 2013	FYE 2014	FYE 2015	FYE 2016	FYE 2017
Paratransit Operating Statistics					
Senior Trips	31,000	29,252	29,331	30,895	30,072
Total Paratransit Trips	79,047	77,894	76,168	79,978	79,227
Total Miles	640,819	633,095	551,086	514,516	537,405
Total Hours	34,938	35,450	37,475	33,791	33,609
VOMS	18	18	18	18	18

*Source: dotGrants reporting

BALANCE SHEET FINDINGS

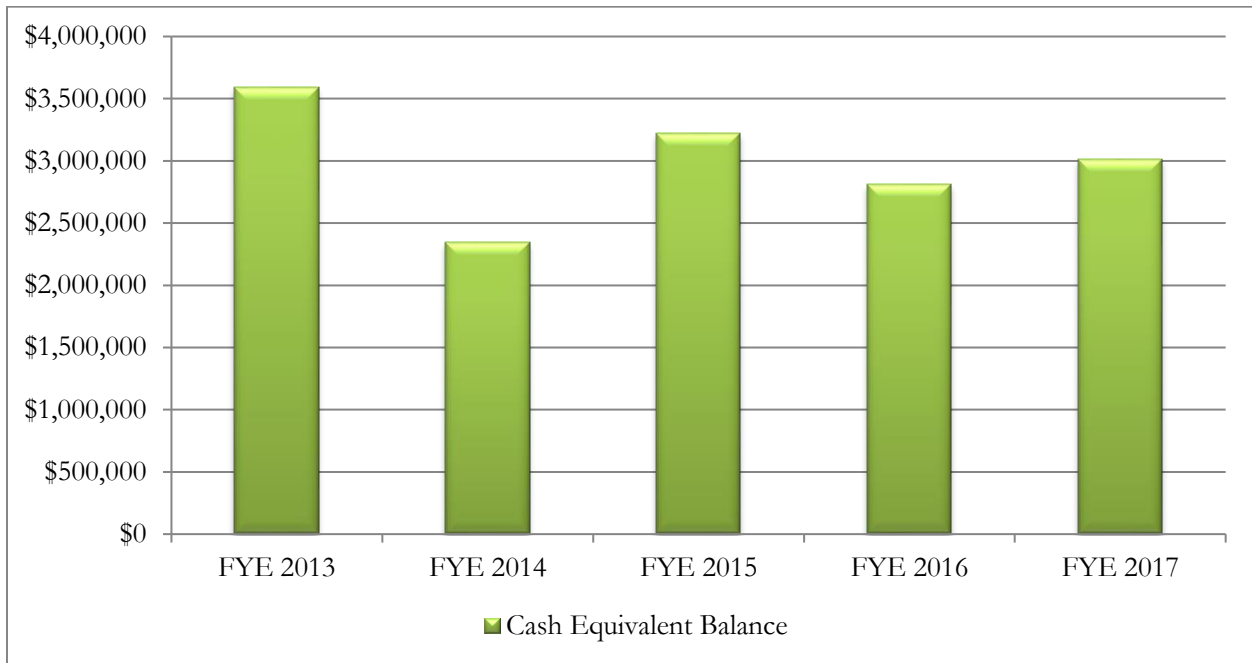
Review of balance sheets from BCTA shows that since FYE 2013, the agency available cash on hand decreased (**Exhibit 15** and **Exhibit 16**). Net current cash equivalent balance reported as of FYE 2017 was about \$3,011,269. BCTA reported no restricted cash as of FYE 2017. BCTA maintains a cash equivalent to 41.3% of total operating expenses as of FYE 2017. The margin between current assets and liabilities is similar to other transit agencies in the Commonwealth. Accounts payable have increased from \$191,646 in FYE 2013 to \$382,179 as of FYE 2017. BCTA maintains two \$500,000 lines of credit as of FYE 2017.

Exhibit 15: Balance Sheet Summary (FYE 2013 – FYE 2017)

Balance Sheet Report	FYE 2013	FYE 2014	FYE 2015	FYE 2016	FYE 2017
Current Assets					
Cash Equivalent Balance	\$3,589,660	\$2,346,448	\$3,220,369	\$2,810,051	\$3,011,269
Investments	\$0	\$0	\$0	\$0	\$0
Grant Receivable (incl. capital)	\$5,316,728	\$3,393,611	\$5,129,712	\$4,284,973	\$8,669,540
Other Accounts Receivable	\$39,696	\$33,387	\$37,815	\$26,890	\$58,541
Restricted Assets: Cash	\$0	\$0	\$0	\$0	\$0
Inventory Value	\$276,011	\$302,179	\$316,573	\$334,539	\$314,782
Pre-paid Expenses	\$238,771	\$231,726	\$63,078	\$98,346	\$109,998
Current Liabilities					
Accounts Payable	\$191,646	\$214,132	\$148,421	\$193,001	\$382,179
Accrued Expenses	\$338,515	\$354,489	\$372,087	\$376,829	\$295,126
Deferred Revenue	\$7,784,353	\$4,487,501	\$7,080,367	\$5,771,287	\$10,279,146
Line of Credit	\$0	\$0	\$0	\$0	\$0
Total Operating Expense					
Cash Equivalent Balance/Total Operating Expenses	52.8%	31.3%	44.3%	38.0%	41.3%
Line of Credit/Annual Payroll	24.1%	0.0%	22.6%	21.7%	21.2%
Current Assets	\$9,460,866	\$6,307,351	\$8,767,547	\$7,554,799	\$12,164,130
Current Liabilities	\$8,314,514	\$5,056,122	\$7,600,875	\$6,341,117	\$10,956,451
Net Current Assets	\$1,146,352	\$4,113,696	\$1,166,672	\$1,213,682	\$1,207,679

Source: Annual Audit Reports and dotGrants

Exhibit 16: End-of-Year Cash Balance (FYE 2013 – FYE 2017)



ASSESSMENT

BCTA currently has a balanced operating budget. Operating cash reserves have remained relatively stable since 2013. Noteworthy elements of BCTA’s financial condition are:

- BCTA maintains 33.0% in total carryover subsidies to total annual operating cost as of FYE 2017
- BCTA maintains cash equivalent balance to 41.3% of total operating expenses as of FYE 2017
- Accounts payable and receivable amounts are negligible
- BCTA maintains two \$500,000 lines of credit
- There is no outstanding debt as of FYE 2017

Management should continue taking appropriate actions to manage costs, implement cost containment measures, achieve farebox recovery goals, and to maintain cash reserves to preserve BCTA’s overall financial health.

APPENDIX A: 2011 PERFORMANCE REVIEW ACTION PLAN ASSESSMENT

Category	Suggested Action	Corrective Action	Observation
1. Ridership	BCTA Management and the Board should introduce formal mechanisms that provide regular feedback on topics that are of concern to customers via a standing citizens' advisory committee.	BCTA will continue to obtain customer feedback in 3 highly effective methods; a formalized customer complaints process, on-board customer satisfaction surveys conducted every 12-18 months, and on-board observations. We believe our approach to be more comprehensive, statistically valid and reliable in decision making. With limited staff resources, we need to ensure that we choose options which provide the best and broadest feedback.	BCTA made a formal complaints process and on-board road observations a permanent business practice. This item should be considered closed.
1. Ridership	Use in-vehicle cameras as a primary tool for investigating customer complaints and other safety issues (such as unauthorized cellular phone usage by drivers) by having them record all events when a vehicle is in operation.	BCTA recently priced the PADOT recommended camera system with the existing G-Force capability of the current system. A cost estimate provided by Transmark, Inc. is \$118,000; a figure significantly higher than the current system. Based on that cost estimate, the limited number of complaints, and the additional staff time required to monitor activity, BCTA will most likely stay with the more limited camera system but with the capability of monitoring driver performance in the area of safety.	BCTA awarded a contract for a vehicle surveillance system on 10.20.15. The award includes interior and exterior cameras and DVR's to record events as they happen. The project will be completed within the next 5-6 months. This item should be considered closed.

Category	Suggested Action	Corrective Action	Observation
1. Ridership	Develop a marketing program and materials with a dedicated budget that target current and new riders and help to build “brand recognition” in a way that augments current efforts. BCTA should meet with and negotiate agreements with large employers, local universities and other major traffic generators to sponsor all or part of a specific service.	BCTA will formalize its marketing efforts into a marketing plan in FYE 2013. We have already exhausted efforts to work with universities and employers in our area, including an unsuccessful “pilot” program for student passes, several “subscription” services with employers in Beaver County, Cranberry and the airport corridor. We also surveyed 22 employers in the Beaver County mall/commercial area and developed evening JARC funded service around employer needs. If any further opportunities arise, we will evaluate them.	Action Item closed.
1. Ridership	Put an easy-to-read system map on the Web site that highlights where transfer opportunities exist.		Complete. This action item is closed.
1. Ridership	Apply the transfer rate for passengers who pay cash to riders who use passes to get a more accurate estimate of continuing trips – or survey passengers to understand transfer patterns on a route-by-route basis.	Riders currently have the convenience of free transfers. This would be a step “backwards”. The “pulse system” is continuing to exceed our expectations; both in terms of ridership and customer satisfaction.	Action Item closed.
1. Ridership	Consider increasing the number of shelters at the more heavily used bus stops that currently do not have shelters to improve customer convenience.		The planning study is complete, the ICE and IFB are complete, community agreements are in place. The shelters will be in place in the Spring, 2016. This item should be considered closed.

Category	Suggested Action	Corrective Action	Observation
1. Ridership	Periodically re-evaluate its decision to not participate in the regional “Smartcard” as the technology becomes more understood and proven.	BCTA will re-evaluate the smart card project when it has been successfully implemented at the regional level and provides the necessary interface to other BCTA-ITS technologies.	BCTA will not participate in the smart card in the foreseeable future. This action item should be considered closed.
2. Revenue	Assess the potential of on-vehicle advertising as one means to increase fixed-route revenues.	BCTA’s staff and Board evaluated a bus advertising program and decided to keep the buses free of advertising. We still believe the appearance of the buses to be an excellent marketing tool.	Action Item closed.
2. Revenue	Continue to track farebox cash discrepancy on a regular basis and set thresholds for the system as a whole. If cash receipts are found to be outside of an acceptable range on a regular basis, management should count cash receipts by individual vehicle vault to isolate the cause(s) of those discrepancies.	We cannot separate cash box receipts by route on a daily basis. This would be an extremely labor intensive and a very expensive practice. BCTA will conduct, at a minimum, one audit per fiscal year.	The bank counts and deposits our fixed route fare revenue from electronic fare boxes. The bank report is reconciled monthly against the GFI fare box report. This item should be considered closed.
3. Operating Cost	Continue to actively monitor specific line items in the budget that were expected to grow much more quickly than revenue miles of service.	We can continue this practice; however, our experience indicates that major cost savings occur throughout a given year as data is evaluated and new projects are undertaken. Employee departures may also provide opportunities for cost savings through re-structuring.	The Finance Committee met in the Spring, 2015 and reviewed the budget.

Category	Suggested Action	Corrective Action	Observation
3. Operating Cost	Management and all staff responsible for procurement should receive regular training and become familiar with these tools to help reduce the workload associated with satisfying federal and state procurement rules.	Our goal is to train two employees; the Accounting Supervisor, the Maintenance Manager and/or the Transportation Manager. We plan to use NTI training.	Action Item closed.
3. Operating Cost	Explore ways to alter the mix of salary, full-time and part-time (casual) drivers in a way that results in a net cost savings to BCTA yet encourages hiring and retention of qualified drivers.	BCTA's past attempts to recruit part time drivers have been unsuccessful. We never accomplished a full roster of part time drivers. Please note that our April job fair attracted 25 applicants and none were receptive to part time employment. Even if part time drivers were available, the current retention issue, while improved over the last 12 months, would still necessitate the use of full time drivers.	Action Item closed.
3. Operating Cost	Continue to train its staff to make needed incremental changes to their "pulse system" so they do not have to incur the cost of an outside consultant to do this ongoing activity.	No additional training is needed. BCTA staff planned numerous routes/changes. More recent activities include: restructuring and reducing JARC fixed route services in the pulse system; restructuring the Midland flex route; adjusting Express 4 schedules; expanding Express 4 service to address capacity issues; and planning and implementing the new temporary Ambridge – Aliquippa Bridge shuttle placed in the pulse system. BCTA continues to utilize consultants when there are numerous priorities and it is in our best interest to advance multiple projects in an expeditious manner. We	No Action Item.

Category	Suggested Action	Corrective Action	Observation
		<p>have identified, organized, and time lined up to 103 tasks associated with a large scale service planning project to ensure that service changes are implemented efficiently and quality is maintained.</p>	
<p>3. Operating Cost</p>	<p>Explore options and alternatives to automate schedule development so that alternatives can be developed and so that management can understand the cost implications of schedule alternatives.</p>	<p>The industry standard for run cut software is 100 buses. BCTA only has 6 routes and 18 peak hour buses. Our scheduling process must continue to be built around several goals related to employee retention and the 3-R Program.</p>	<p>No Action Item.</p>
<p>3. Operating Cost</p>	<p>Consider entering into a contract to guarantee the future cost of fuel.</p>	<p>BCTA's Finance Committee reviewed the recommendation in May 2012, considered the risks, and elected to stay with the current procedure of selecting the lowest price per gallon among several vendors who provide daily prices to BCTA.</p>	<p>BCTA bid gasoline and diesel fuel in partnership with WCTA and MMVTA. The contract expires in Dec. 2015. BCTA's Board of Directors extended the contracts with the diesel and gasoline suppliers for the 18-month period beginning January 1, 2016. The current price for gasoline fuel is \$3.1365 and the new price is \$1.7539. The current price for diesel fuel is 3.008 and the new price is \$1.4720 per gallon. Action Item closed.</p>

Category	Suggested Action	Corrective Action	Observation
3. Operating Cost	Continue outreach to other transit agencies in the Commonwealth to learn from their experiences of using CNG fueled vehicles before committing to any given technology.	CNG facility is constructed.	Action Item closed.
4. Other	Introduce additional mechanisms to measure employee satisfaction including periodic/annual employee satisfaction surveys. Management should also introduce employee performance reviews for all positions.	BCTA is continuing to emphasize driver/team meetings and the continuance of the 3-R program.	Action Item closed.
4. Other	The General Manager should involve the Board and senior staff in the development of a formally-documented strategic plan, prioritized needs assessment that serves as the basis of the staged capital program.	BCTA's adopted strategic imperatives are still relevant and continue to drive our business plan process. BCTA updates its long term (10 year) operating and capital plan each year. The current document reflects all future projects that BCTA would like to undertake. It is a flexible financial planning model which allows management to analyze various funding scenarios, fare increases, service changes, and changes in capital programming.	Action Item closed.
4. Other	Engage PennDOT's DBE outreach program with the goal of identifying and expanding DBE participation in the local area.	BCTA already utilizes the PADOT program.	Action Item closed.

Category	Suggested Action	Corrective Action	Observation
4. Other	Enhance management reporting to include route-level fare recovery ratios and scheduling performance.	BCTA maintains a data base of ridership by route and run. Based on 10 years of consecutive ridership records for each route, as well as adherence to established BCTA performance standards, there is no need for further analysis at this time.	No Action Item.
4. Other	Review the transfer pattern of travelers at the RTC to see where it may be possible to adjust headways for select routes that are over/under utilized without significantly impacting the positive effects of “the pulse”.	The service cannot operate effectively with more than 1 hour headways and the schedules are built to maximize the efficiency of resources (operators and vehicles) available. In addition, it is important to note that all routes/runs have shown significant rider increases and all routes exceed BCTA established performance standards. Record ridership has been attained 10 consecutive years across all routes including a projected 7% gain in FY 2011-12.	Action Item closed.
4. Other	Report both revenue vehicle miles and hours for the portion of the demand response service for which it reports total passengers and operating expenses.	BCTA has been reporting this information since the beginning of FY 2011-12.	Action Item closed.
4. Other	Continue to monitor the amount of staff time spent on local economic development initiatives.	BCTA’s program of projects are developed and prioritized according to BCTA’s defined strategic imperatives with consideration given to the level of benefit to BCTA and the resources required to undertake a given project.	No Action Item.

APPENDIX B: PEER COMPARISONS

Comparison of BCTA 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 2016 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 2016 Single Year		5 Year Change Since FYE 2011		
	Value	Rank of 11	2010 Value	Annual Rate	Rank of 11
Housatonic Area Regional Transit	12.93	8	12.99	-0.10%	7
Southeast Area Transit	17.28	4	17.52	-0.28%	9
Lafayette Transit System	30.08	1	30.39	-0.20%	8
The Tri-State Transit Authority	15.07	7	13.05	2.92%	2
Montachusett Regional Transit Authority	15.53	6	14.84	0.91%	5
Topeka Metropolitan Transit Authority	20.77	2	19.46	1.31%	3
Cooperative Alliance for Seacoast Transportation	10.80	11	10.54	0.48%	6
Saginaw Transit Authority Regional Service	16.67	5	24.02	-7.04%	11
Waccamaw Regional Transportation Authority	12.34	9	10.54	3.21%	1
New Castle Area Transit Authority	10.96	10	11.93	-1.67%	10
Beaver County Transit Authority	19.21	3	18.23	1.04%	4
<i>Average</i>	<i>16.51</i>		<i>16.68</i>	<i>0.05%</i>	
<i>Standard Deviation</i>	<i>5.54</i>		<i>6.17</i>	<i>2.74%</i>	
<i>Average – 1 Standard Deviation</i>	<i>10.97</i>		<i>10.51</i>	<i>-2.69%</i>	
<i>Average + 1 Standard Deviation</i>	<i>22.05</i>		<i>22.85</i>	<i>2.80%</i>	
Act 44 Compliance Determination	In Compliance		In Compliance		
Compared to the Peer Group Average	Better		Better		

Operating Cost / Revenue Vehicle Hour

Operating Cost / Revenue Hour (MB)					
System	FYE 2016 Single Year		5 Year Change Since FYE 2011		
	Value	Rank of 11	2010 Value	Annual Rate	Rank of 11
Housatonic Area Regional Transit	\$86.00	2	\$99.94	-2.96%	2
Southeast Area Transit	\$94.82	5	\$80.90	3.23%	7
Lafayette Transit System	\$80.14	1	\$90.22	-2.34%	3
The Tri-State Transit Authority	\$88.34	4	\$89.45	-0.25%	5
Montachusett Regional Transit Authority	\$121.04	11	\$100.23	3.84%	8
Topeka Metropolitan Transit Authority	\$97.20	6	\$85.64	2.56%	6
Cooperative Alliance for Seacoast Transportation	\$87.53	3	\$66.66	5.60%	9
Saginaw Transit Authority Regional Service	\$107.79	8	\$141.43	-5.29%	1
Waccamaw Regional Transportation Authority	\$106.71	7	\$40.34	21.48%	11
New Castle Area Transit Authority	\$118.32	10	\$124.53	-1.02%	4
Beaver County Transit Authority	\$114.05	9	\$86.60	5.66%	10
<i>Average</i>	<i>\$100.18</i>		<i>\$91.45</i>	<i>2.77%</i>	
<i>Standard Deviation</i>	<i>\$14.13</i>		<i>\$26.73</i>	<i>7.18%</i>	
<i>Average – 1 Standard Deviation</i>	<i>\$86.04</i>		<i>\$64.72</i>	<i>-4.40%</i>	
<i>Average + 1 Standard Deviation</i>	<i>\$114.31</i>		<i>\$118.17</i>	<i>9.95%</i>	
Act 44 Compliance Determination	In Compliance		In Compliance		
Compared to the Peer Group Average	Worse		Worse		

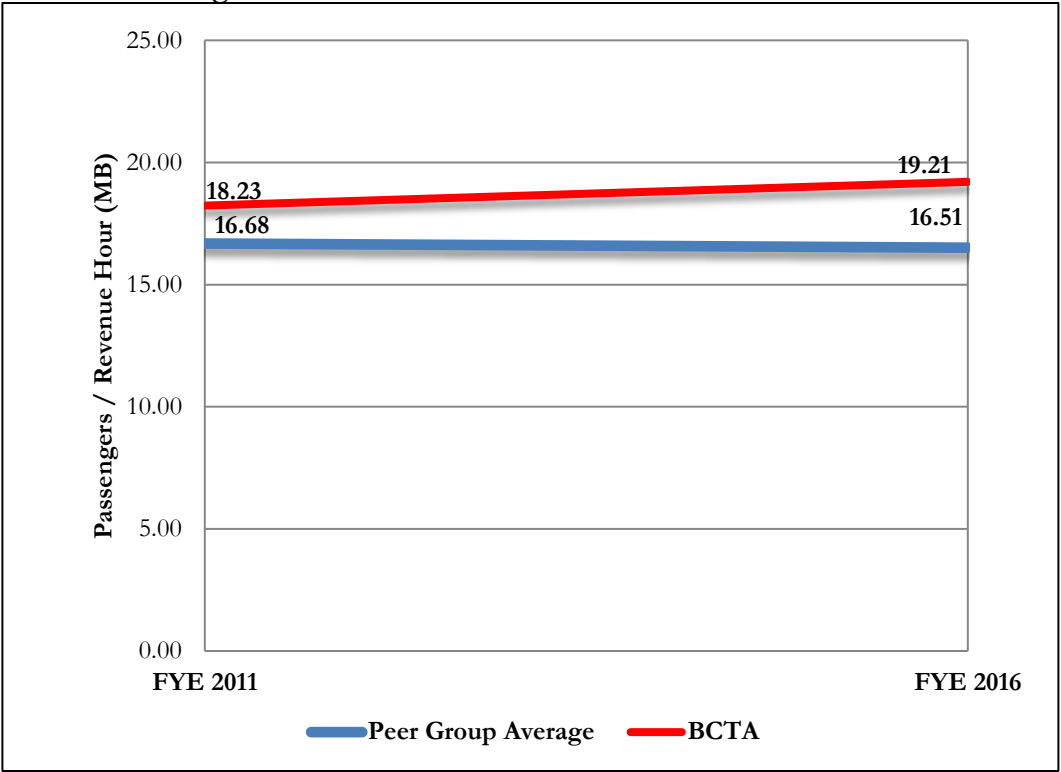
Operating Revenue / Revenue Vehicle Hour

Operating Revenue / Revenue Hour (MB)					
System	FYE 2016 Single Year		5 Year Change Since FYE 2011		
	Value	Rank of 10	2010 Value	Annual Rate	Rank of 11
Housatonic Area Regional Transit	\$17.77	7	\$15.48	2.80%	2
Southeast Area Transit	\$19.54	6	\$18.31	1.31%	5
Lafayette Transit System	\$11.24	9	\$12.69	-2.39%	7
The Tri-State Transit Authority	\$34.51	1	\$31.68	1.73%	4
Montachusett Regional Transit Authority	\$33.76	2	\$35.40	-0.94%	6
Topeka Metropolitan Transit Authority	\$21.99	4	-\$1.24	-277.82%	11
Cooperative Alliance for Seacoast Transportation	\$21.91	5	\$14.44	8.69%	1
Saginaw Transit Authority Regional Service	\$12.45	8	\$21.57	-10.41%	8
Waccamaw Regional Transportation Authority	\$0.00	10	\$14.67	-100.00%	9
New Castle Area Transit Authority	\$0.00	10	\$19.03	-100.00%	9
Beaver County Transit Authority	\$30.65	3	\$27.58	2.13%	3
<i>Average</i>	<i>\$18.53</i>		<i>\$19.06</i>	<i>-43.17%</i>	
<i>Standard Deviation</i>	<i>\$11.98</i>		<i>\$10.06</i>	<i>87.69%</i>	
<i>Average – 1 Standard Deviation</i>	<i>\$6.55</i>		<i>\$9.00</i>	<i>-130.86%</i>	
<i>Average + 1 Standard Deviation</i>	<i>\$30.51</i>		<i>\$29.11</i>	<i>44.51%</i>	
Act 44 Compliance Determination	In Compliance		In Compliance		
Compared to the Peer Group Average	Better		Better		

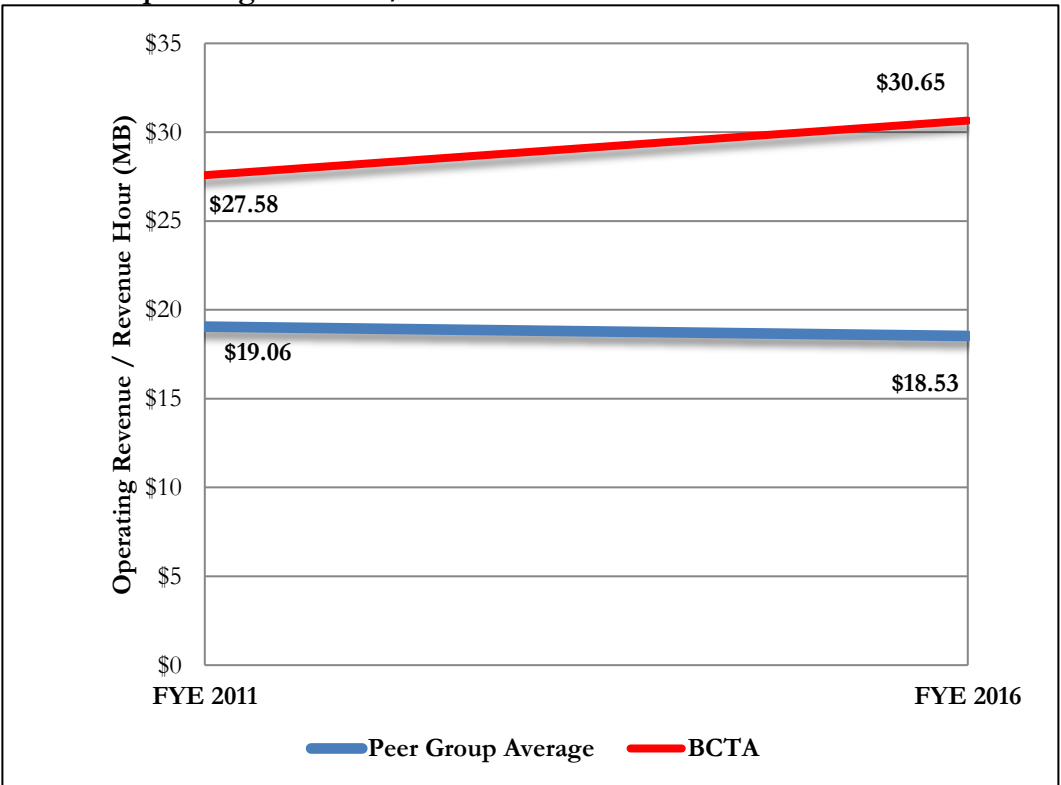
Operating Cost / Passenger

Operating Cost / Passenger (MB)					
System	FYE 2016 Single Year		5 Year Change Since FYE 2011		
	Value	Rank of 11	2010 Value	Annual Rate	Rank of 11
Housatonic Area Regional Transit	\$6.65	7	\$7.69	-2.86%	2
Southeast Area Transit	\$5.49	3	\$4.62	3.51%	8
Lafayette Transit System	\$2.66	1	\$2.97	-2.14%	3
The Tri-State Transit Authority	\$5.86	4	\$6.86	-3.08%	1
Montachusett Regional Transit Authority	\$7.80	8	\$6.76	2.91%	7
Topeka Metropolitan Transit Authority	\$4.68	2	\$4.40	1.24%	5
Cooperative Alliance for Seacoast Transportation	\$8.11	9	\$6.32	5.09%	10
Saginaw Transit Authority Regional Service	\$6.47	6	\$5.89	1.89%	6
Waccamaw Regional Transportation Authority	\$8.65	10	\$3.83	17.70%	11
New Castle Area Transit Authority	\$10.80	11	\$10.44	0.67%	4
Beaver County Transit Authority	\$5.94	5	\$4.75	4.57%	9
<i>Average</i>	\$6.64		\$5.87	2.68%	
<i>Standard Deviation</i>	\$2.17		\$2.09	5.74%	
<i>Average – 1 Standard Deviation</i>	\$4.48		\$3.77	-3.06%	
<i>Average + 1 Standard Deviation</i>	\$8.81		\$7.96	8.42%	
Act 44 Compliance Determination	In Compliance		In Compliance		
Compared to the Peer Group Average	Better		Worse		

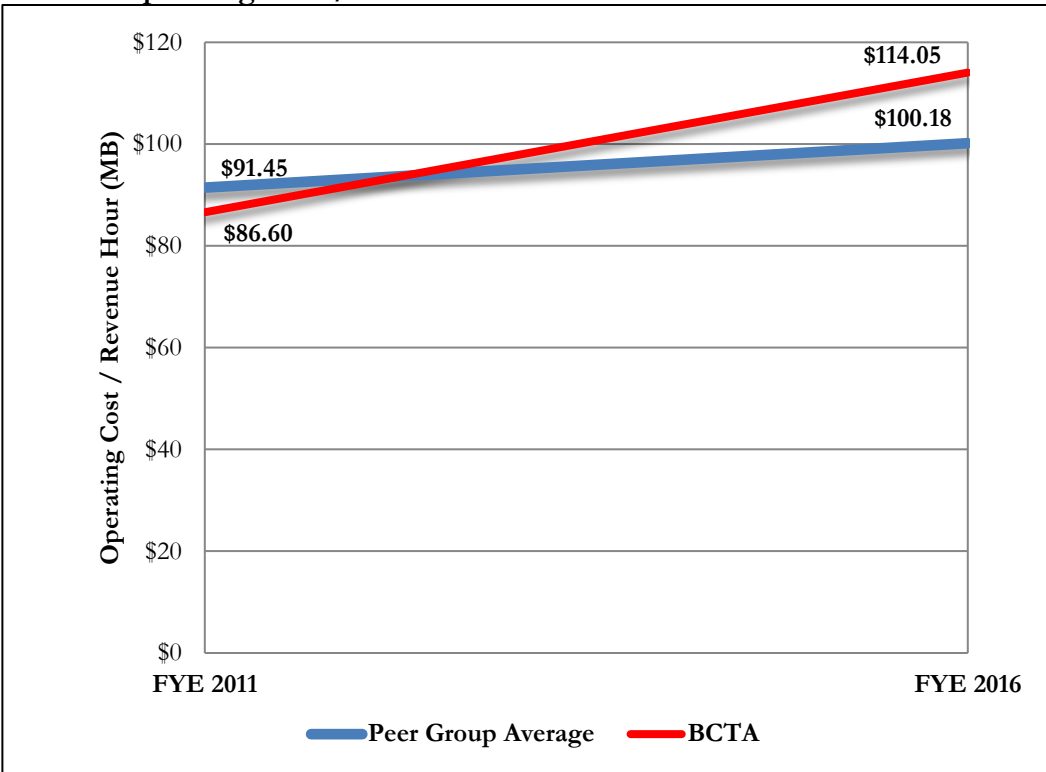
Trend – Passengers / Revenue Vehicle Hour



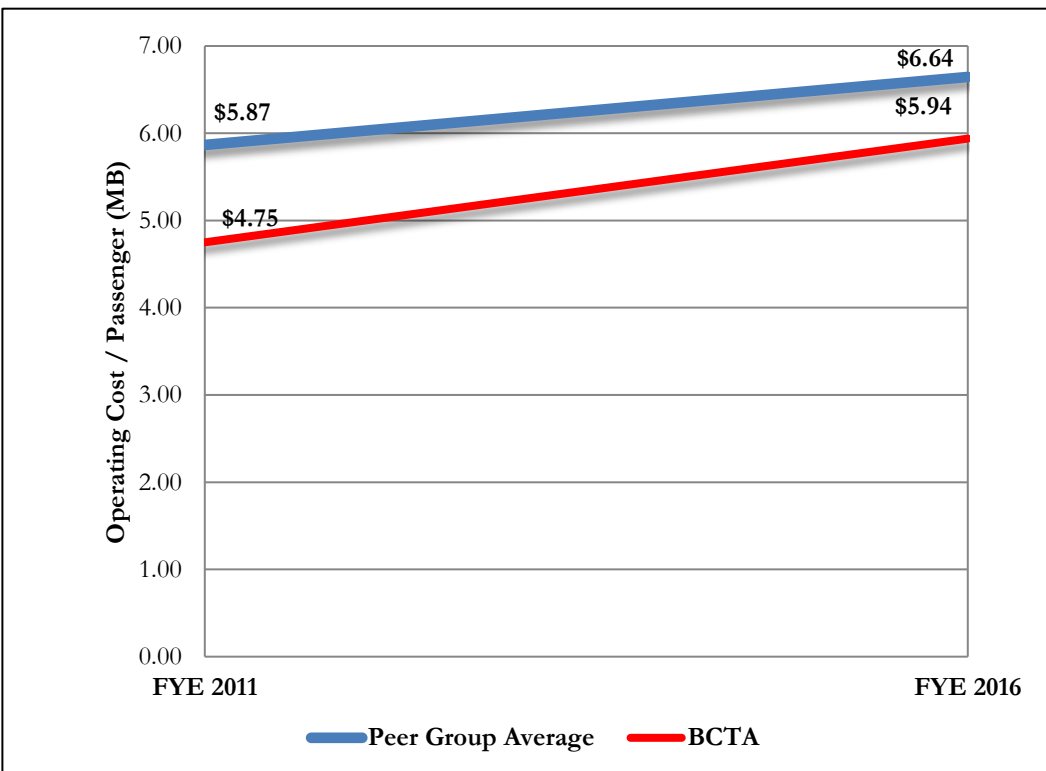
Trend – Operating Revenue / Revenue Vehicle Hour



Trend – Operating Cost / Revenue Vehicle Hour



Trend – Operating Cost / Passenger



APPENDIX C: ACTION PLAN TEMPLATE

PART 1- ACTIONS TO INCREASE PASSENGERS / REVENUE HOUR

Recommendation From narrative starting on page 11	BCTA Action	Estimated Initiation Date	Estimated Completion Date
1. Update service standards to incorporate on-time performance by route.			
2. Develop a marketing plan that contains a budget, timelines, measurable goals and objectives.			

PART 2 - ACTIONS TO INCREASE OPERATING REVENUE / REVENUE HOUR

Recommendation From narrative starting on page 12	BCTA Action	Estimated Initiation Date	Estimated Completion Date
1. None.			

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

Recommendation From narrative starting on page 12	BCTA Action	Estimated Initiation Date	Estimated Completion Date
1. Continue to monitor costs by department and implement cost control measures as identified.			

PART 4 - OTHER ACTIONS TO IMPROVE OVERALL PERFORMANCE

Recommendation From narrative starting on page 12	BCTA Action	Estimated Initiation Date	Estimated Completion Date
1. Continue to conduct exit reviews for employee feedback.			
2. Conduct a compensation analysis to determine BCTA's competitive position amongst competing businesses/agencies for drivers.			
3. Identify a long-term strategy to address driver turnover.			

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