



BeST/Endless Mountains System Performance Review September 28, 2017

Performance Report

Endless Mountains Transportation Authority
d.b.a., BeST

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PUBLIC TRANSPORTATION SERVICE SNAPSHOT

Agency	Endless Mountains Transportation Authority (d.b.a., BeST, EMTA)		
Year Founded	1980		
Reporting Fiscal Year End (FYE)	FYE 2016		
Service Area (Square Miles)	2,734		
Service Area Population	110,690		
Annual Operating Statistics*	Fixed-Route	Paratransit (ADA + Shared Ride)	Total
Vehicles in Maximum Service (VOMS)	9	31	40
Operating Cost	\$1,409,601	\$2,740,988	\$4,150,589
Operating Revenues	\$146,368	\$2,718,530	\$2,874,284
Total (Actual) Vehicle Miles	487,091	1,774,725	2,261,816
Revenue Miles of Service (RVM)	448,874	N/A	N/A
Total Vehicle Hours	23,539	64,989	88,528
Revenue Vehicle Hours (RVH)	20,741	N/A	N/A
Total Passenger Trips	133,819	70,375	204,194
Senior Passenger (Lottery) Trips	12,913	31,167	44,080
Act 44 Performance Statistics			
Passengers / RVH	6.45	N/A	N/A
Operating Cost / RVH	\$67.96	N/A	N/A
Operating Revenue / RVH	\$7.06	N/A	N/A
Operating Cost / Passenger	\$10.53	\$33.95	\$20.33
Other Performance Statistics			
Operating Revenue / Operating Cost	10.38%	99.18%	69.25%
Operating Cost / Total Vehicle Hours	\$59.88	\$42.18	\$46.88
Operating Cost / Total Vehicle Miles	\$2.89	\$1.54	\$1.84
Total Passengers / Total Vehicle Hours	5.68	1.08	2.31
Operating Cost / RVM	\$3.14	N/A	N/A
RVM / Total Vehicle Miles	92.15%	N/A	N/A
RVH / Total Vehicle Hours	88.11%	N/A	N/A
Operating Subsidy / Passenger Trip	\$9.44	\$0.32	\$6.25

*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 Endless Mountains Transportation Authority (d.b.a. BeST, EMTA) in August 2011. Based on that review, PennDOT established five-year performance targets and agreed to BeST’s action plan to meet those targets. In May 2017, PennDOT conducted the five-year reassessment of BeST to determine if BeST 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 (2011) PERFORMANCE REVIEW

PennDOT conducted the initial review of Endless Mountains Transportation Authority (d.b.a. BeST, EMTA) in August 2011. Since the previous report was finalized, significant changes occurred that impact operations, finance and statistical reporting at BeST, as well as performance targets which were established in 2010. These changes should be considered when comparing the previous performance report and five-year performance trends presented in this report:

1. **Financial position-** After the passage of Act 44 (2007), BeST expanded service in a way that was fiscally unsustainable. By 2011, the agency was insolvent. Then, the management team resigned, leaving BeST in a precarious position (i.e., insolvent with no management). In response to the crisis, PennDOT and the BeST Board developed and executed a plan to preserve public transportation service in the region:
 - a. PennDOT provided a \$100,000 annual technical assistance grant to fund outside management to run BeST. River Valley Transit (RVT) of Williamsport, PA and Crawford Area Transportation Authority (CATA) of Meadville, PA agreed to assume that responsibility on a short-term basis. This immediately gave BeST an experienced management team that could get it back on solid financial footing.
 - b. RVT worked with the BeST Board to clear outstanding debt obligations and develop a sustainable fiscal strategy. As part of this strategy, management reassessed route-level performance, eliminating unproductive service in late FYE 2011 and FYE 2012 that contributed to BeST's unsustainable cost structure. The reduction in service decreased revenue hours by 18.5% from 2011 to 2012 and by 9.2% on average from FYE 2010 to FYE 2015.

The events leading up to the financial crisis and the agency's response provide context to understand Act 44 statistics reported in 2010 and the financial trends between 2010 and 2015. During the financial crisis, BeST's management used unsound business practices to reduce expenses, such as deferring normal maintenance and delaying payments to vendors. The RVT management team introduced sound financial and operating practices which produced an expense trend from 2010 to 2015, which appears abnormally high, but is understandable given the operating conditions management encountered. These effects are considered and accounted for in the interpretation of agency performance presented in this report.

2. **Contracted management-** The BeST Board has been pleased with the outcomes of outsourcing management functions to RVT. Route structure, including the number of runs, miles and hours were redesigned to appropriately match available resources. The agency rebranded from EMTA to BeST and began to rebuild cash reserves. The PennDOT technical assistance grant that temporarily funded the RVT management of BeST ended in June 2015. Since then, the Board has directly contracted with RVT for management services and has renewed the contract annually.
3. **Strategic plan-** In 2014, RVT developed and implemented a 2015-2018 Strategic Plan to help improve BeST's overall performance. As part of the 2017 onsite review, management indicated how actions from the Strategic Plan addressed many of the recommendations from the 2011 performance review. Some recommended actions, such as developing a service standard policy, did result from the Strategic Plan. Other recommended actions, such as developing and periodically updating a transit development plan (TDP), remain unfinished.

2011 PERFORMANCE REVIEW DETERMINATIONS AND FINDINGS

The 2011 performance review assessed BeST with a group of peer agencies based on the four performance criteria required by Act 44. BeST was found to be “In Compliance” for all performance criteria and “At Risk” for none.

Performance Criteria	FYE*	Determination	Peer Rank (of 12)	Relation to Peer Average	Value	Peer Average
Passengers / Revenue Vehicle Hour	2008	In Compliance	11	Worse	5.99	8.19
	Trend	In Compliance	7	Better	4.11%	2.71%
Operating Cost / Revenue Vehicle Hour	2008	In Compliance	4	Better	\$58.12	\$64.50
	Trend	In Compliance	11	Worse	14.4%	9.72%
Operating Revenue / Revenue Vehicle Hour	2008	In Compliance	8	Worse	\$7.61	\$9.48
	Trend	In Compliance	5	Better	4.20%	0.70%
Operating Cost / Passenger	2008	In Compliance	9	Worse	\$9.71	\$8.80
	Trend	In Compliance	10	Worse	9.88%	6.51%

*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.

Although the 2011 performance review reported that BeST’s costs were better contained than most of its peers, this was due to unsound management decisions, such as deferring maintenance, that put the organization in jeopardy. Ridership and revenue were low compared to the peer group. The following performance targets were established with BeST:

- Increase passengers per revenue vehicle hour by at least 6.14% per year
- Increase revenue per revenue vehicle hour by at least 6.14% per year
- Contain operating cost per revenue vehicle hour increases to no more than 5.00% per year
- Contain operating cost per passenger to no more than -1.07% per year¹

BeST developed an action plan to address opportunities for improvement identified in the 2011 performance review. Among the major steps BeST took to improve its performance were:

1. Developed and implemented a strategic plan to reassess the agency mission and vision – BeST assessed its current operating practices to identify strengths, weaknesses, opportunities and challenges. This effort led to the development of strategic initiatives designed to improve agency performance and principals to guide agency decisions.
2. Rebranding and increased focus on marketing – BeST reemphasized marketing to improve agency image and strengthen community presence. This ongoing effort allows BeST to continue to reinforce its new image and increase ridership through an awareness of service.

¹ After the passage of Act 44 in 2007, BeST significantly increased service. This increase caused an elevated cost structure that outpaced ridership growth. In May 2011, BeST terminated four low-productivity routes to enable BeST to continue to operate public transportation service.

The performance measures established in the 2011 performance report, presented in the table below, show that BeST successfully met three out of four 2015 performance targets:

Performance Criteria	2015 Target	2015 Actual	Met Target
Passengers / Revenue Vehicle Hour	4.85	7.41	Yes
Operating Cost / Revenue Vehicle Hour	\$51.10	\$72.20	No*
Operating Revenue / Revenue Vehicle Hour	\$5.75	\$7.93	Yes
Operating Cost / Passenger	\$10.54	\$9.74	Yes

*BeST did not meet the target for operating cost per revenue hour. This is attributable to two factors, a rise in operating costs and a reduction in revenue hours from 2011 to 2015:

1. Operating costs in 2010 were driven down by unsound business practices as the agency minimized routine spending while trying to avoid insolvency.
2. Revenue hours of service were unsustainably high. BeST eliminated four unproductive routes in FYE 2011 that decreased revenue hours by 18.5% from FYE 2011 to FYE 2012, contributing to an overall average decrease of 9.2% from FYE 2010 to FYE 2015.

The 2015 performance target was developed as a function of the 2010 reported operating cost / revenue vehicle hour. Because operating cost and revenue service were both unrealistic/unsustainable, the 2015 target was as well. The 2015 value of operating cost per revenue vehicle hour of \$72.20 is among the lowest in the Commonwealth.

2017 PERFORMANCE REVIEW DETERMINATIONS AND FINDINGS

The 2017 performance review assessed BeST with a group of peer agencies based on the four performance criteria outlined by law. The current review concluded that BeST's efforts to redesign service to appropriately match available resources brought it into compliance with all required Act 44 metrics.

Performance Criteria	FYE*	Determination	Peer Rank (of 10)	Relation to Peer Average	Value	Peer Average
Passengers / Revenue Vehicle Hour	2015	In Compliance	7	Worse	7.41	9.63
	Trend	In Compliance	1	Better	14.65%	3.66%
Operating Cost / Revenue Vehicle Hour	2015	In Compliance	5	Worse	\$72.20	\$70.67
	Trend	At Risk/Adjusted In Compliance ²	10	Worse	11.43%	3.82%
Operating Revenue / Revenue Vehicle Hour	2015	In Compliance	5	Worse	\$7.93	\$8.80
	Trend	In Compliance	3	Better	9.52%	-1.09%
Operating Cost / Passenger	2015	In Compliance	6	Worse	\$9.74	\$8.36
	Trend	In Compliance	4	Better	-2.81%	0.30%

*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. Therefore, these factors differ from those presented on the Agency Profile page, which uses 2016 data.

The 2017 performance review examined additional steps, beyond those specified in the 2011 action plan, that BeST has taken to improve performance. The most notable action is that BeST developed and implemented a strategic plan, which improved its financial standing and operational performance. The 2015-2018 Strategic Plan revised the agency mission statement, identified strategic goals and objectives, and listed action items to guide BeST in the coming years.

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

1. Establish succession plans for key management positions that delegate responsibility in the case of unexpected emergencies.
2. Explore opportunities for route guarantees with regional activity centers to build in cost recovery mechanisms.
3. Incorporate opportunities for improvement as identified in the 2017 performance review as part of future strategic planning efforts.

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 BeST's Board-approved action plan.

² The statistical analysis of this metric artificially results in an "At Risk" finding resulting from the events leading up to the BeST financial crisis of 2011. As a result, BeST is more accurately represented as "In Compliance" with this metric.

2021 PERFORMANCE TARGETS

As required by Act 44, PennDOT and BeST management have agreed to performance targets for 2021 identified in the table below. BeST 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
	2015 Actual	2016 Actual	2021 Target	
Passengers / Revenue Vehicle Hour	7.41	6.45	7.12	2.00%
Operating Cost / Revenue Vehicle Hour	\$72.20	\$67.96	\$78.79	3.00%
Operating Revenue / Revenue Vehicle Hour	\$7.93	\$7.51	\$8.29	2.00%
Operating Cost / Passenger	\$9.74	\$10.53	\$11.07	1.00%

FINANCIAL REVIEW

BeST currently has a balanced operating budget. Operating cash reserves have steadily increased since 2012. Noteworthy elements of BeST's financial condition are:

- BeST has \$728,862 in carryover Section 1513 funds available in case of unexpected cost increases or service changes
- BeST maintained a local fund carryover balance of \$75,424 as of FYE 2016;
- BeST has a low operating subsidy per passenger trip for paratransit service, with operating revenue covering 99% of operating costs
- Accounts payable and receivable amounts are negligible
- BeST maintains a \$750,000 line of credit that has no outstanding balance

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

NEXT STEPS

BeST 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. BeST'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.

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:

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AGENCY DESCRIPTION

The Endless Mountains Transportation Authority (d.b.a. BeST, EMTA) was incorporated in June 1980 under the Municipal Authorities Act of 1945 by joint resolutions from Bradford, Wyoming, Sullivan, Tioga and Susquehanna counties to provide public transportation within a five-county area. Wyoming and Susquehanna counties withdrew from BeST in 1983. From 1980 to 2014, the authority operated as EMTA. In 2014, the authority rebranded itself as Bradford, Sullivan, Tioga Transit, or BeST.

As an authority jointly established by Bradford, Sullivan and Tioga counties, BeST is governed by a nine-member board of directors. Each county appoints two at-large members and selects one county commissioner from each respective county to serve. BeST is responsible for fixed-route and paratransit service within a three-county area and if needed, additional paratransit service coordinated with social service agencies in the surrounding area.

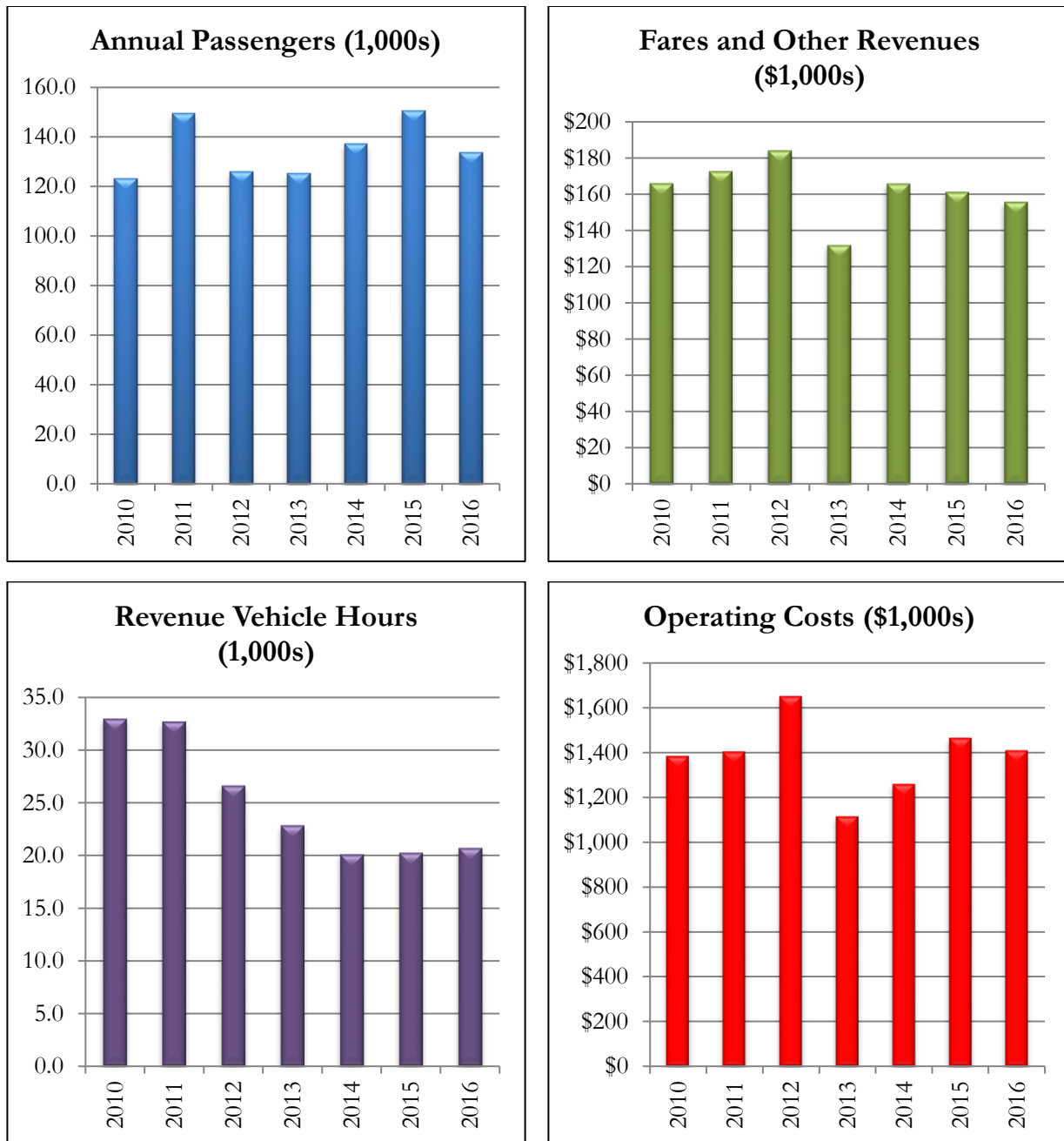
After the passage of Act 44, which included the distribution of some state funding based on miles and hours of service, BeST increased service levels dramatically. While Act 44 created a predictable, growing, dedicated state funding program for public transportation, the increase in BeST service outpaced available resources. Thus, the agency was spending more than it received in funding and providing service which attracted few passengers. In 2010 and 2011, the management team attempted to reduced spending to remain solvent, but did not fundamentally address the amount of service to available resources. Consequently, the agency became insolvent and the management team left the agency.

In response to the financial and management crisis of 2011, the BeST Board of Directors (Board) and PennDOT implemented a plan to preserve public transportation service. PennDOT provided a \$100,000 annual technical assistance grant for management services that would directly fund River Valley Transit (RVT) to provide management services (e.g., executive leadership, general administration, financial management, service delivery, etc.). RVT enlisted assistance from the executive director of the Crawford Area Transportation Authority (CATA) to oversee paratransit operations as RVT required additional expertise in this aspect of BeST's operation. This temporary arrangement preserved transit services and brought in management to address the issues that pushed BeST to the edge of bankruptcy. With RVT's leadership, service levels were adjusted to reflect available resources by eliminating extremely poor performing routes. BeST then developed and adopted a 2015-2018 Strategic Plan to institute management and operational practices that would guide the agency in the coming years. The BeST Board has been pleased with the outcome of outsourcing management functions to RVT. The annual PennDOT technical assistance grant that temporarily funded the RVT management of BeST ended in June 2015. Since then, the Board has directly contracted with RVT for management services and has renewed the contract annually.

Today, BeST serves Bradford, Sullivan and Tioga counties within the Endless Mountains region with a fleet of nine fixed-route buses and 31 paratransit vehicles. BeST provides fixed-route and circulator service for Mansfield University in Tioga County through a route guarantee. The agency headquarters and main maintenance garage are located at the Athens, PA facility in Bradford County. BeST maintains a small administrative office in Mansfield, PA in Tioga County with an on-site mechanic. BeST maintains ten bus shelters maintained in the three-county area.

Exhibit 1 presents BeST’s fixed-route system operating statistics derived from PennDOT dotGrants, as adjusted after the data review was complete. Data adjustments were necessary to account for reporting of other revenue (i.e., insurance reimbursements) that were removed from fixed-route revenues and credited against operating expenses, in addition to applying expenses covered by the technical assistance grant for contracted management. For a complete discussion of the adjustments to dotGrants reported data, see **Appendix A: Data Adjustments**.

Exhibit 1: BeST Fixed-Route Service Annual Performance Trends



Source: NTD and PennDOT Legacy Reporting System (dotGrants)

PERFORMANCE REVIEW PROCESS

In May 2017 PennDOT initiated an Act 44-mandated performance review for BeST. 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: BeST 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 review (2011), 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 BeST'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.

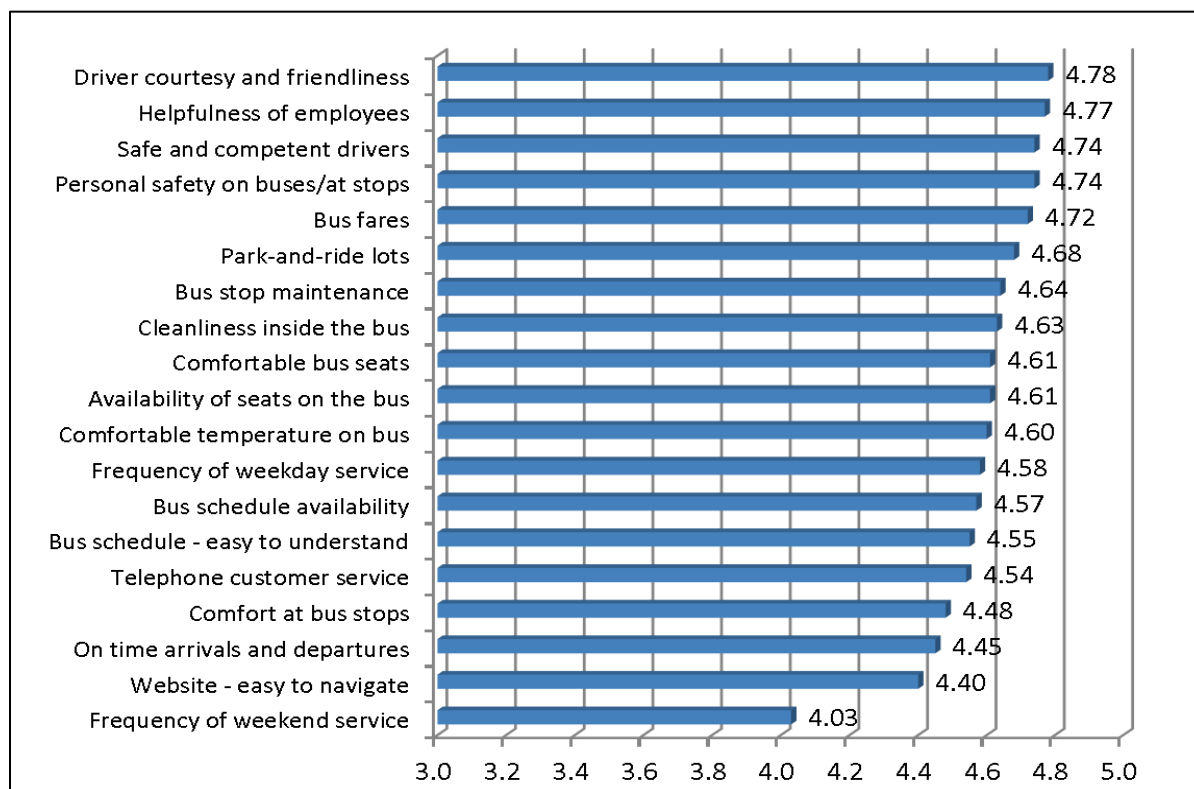
CUSTOMER SATISFACTION SURVEY

In 2016, PennDOT sponsored a fixed-route rider survey to be conducted for BeST based on 15 questions that addressed customer satisfaction, rider characteristics and patterns in service usage. Over a period from September 2016 to October 2016, BeST surveyed their fixed-route passengers and collected 354 completed surveys:

1. 98% of respondents were satisfied or very satisfied with the service.
2. 98% of respondents indicated they would continue using the service.
3. 97% of respondents said they would recommend the service to others.

Passengers were asked to rate 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.). In addition to total passengers, two subpopulations were analyzed separately and compared. The first subpopulation of riders were those who use fixed-route service within Bradford and Sullivan counties, and the second subpopulation were riders that use Tioga County routes. **Exhibit 2** provides a summary of the average customer satisfaction score by performance measure.

BeST received the highest ratings in driver courtesy and friendliness, helpfulness of employees, safe and competent drivers, personal safety on buses/at stops and bus fares. BeST received the lowest ratings for frequency of weekend service, website – easy to navigate, on time arrivals and departures, comfort at bus stops, and telephone customer service.

Exhibit 2: Average Customer Satisfaction Score by Performance Measure

Tioga County respondents gave lower ratings on average to availability of seats on the bus, compared to respondents from Bradford and Sullivan counties who gave lower ratings on average to frequency of weekend service.³ A comparison between subpopulations revealed that students make up a higher concentration of the Tioga ridership and seniors make up a much higher percentage of Bradford and Sullivan counties ridership. Tioga County riders were more likely to have alternate transportation options, internet access and a smart phone than riders in Bradford and Sullivan counties. Furthermore, Tioga County riders relied on BeST for access to higher education whereas riders in Bradford and Sullivan counties, who on average used service longer, relied on fixed-route service for access to medical and dental services.

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

1. Evaluate ways to improve the bus tracker application.
2. Assess the demand for additional weekend service, especially along the Mountie Route and Route 10, and determine whether there are feasible alternatives which could address this demand either in whole or in part.
3. Evaluate the bus stops along the Mountie Route for potential improvements.
4. Examine on-time performance on Routes 10, 30 and the Mountie Route.
5. Acknowledge BeST staff and drivers for the high ratings and favorable feedback they received on the survey.

³ BeST does not provide weekend fixed-route service in Bradford and Sullivan counties.

PREVIOUS (2011) ACT 44 PERFORMANCE ASSESSMENT

PRIOR REVIEW DETERMINATIONS AND FINDINGS

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

Exhibit 3: Previous Performance Review Act 44 Comparison Summary

Performance Criteria	FYE*	Determination	Peer Rank (of 12)	Relation to Peer Average	Value	Peer Average
Passengers / Revenue Vehicle Hour	2008	In Compliance	11	Worse	5.99	8.19
	Trend	In Compliance	7	Better	4.11%	2.71%
Operating Cost / Revenue Vehicle Hour	2008	In Compliance	4	Better	\$58.12	\$64.50
	Trend	In Compliance	11	Worse	14.4%	9.72%
Operating Revenue / Revenue Vehicle Hour	2008	In Compliance	8	Worse	\$7.61	\$9.48
	Trend	In Compliance	5	Better	4.20%	0.70%
Operating Cost / Passenger	2008	In Compliance	9	Worse	\$9.71	\$8.80
	Trend	In Compliance	10	Worse	9.88%	6.51%

*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 noted that BeST’s expenses were reduced through unsound business practices, causing BeST to appear less expensive than most of its peers. Ridership and revenue were also low compared to the group. The following performance targets were established with BeST⁴:

- Increase passengers per revenue vehicle hour by at least 6.14% per year on average
- Increase revenue per revenue vehicle hour by at least 6.14% per year on average
- Contain operating cost per revenue vehicle hour increases to no more than 5.00% per year on average
- Contain operating cost per passenger increases to no more than -1.07% per year on average

Due to the financial crisis and new management stepping in to avert a shutdown of service, the 2011 performance review and action plan were not integral to maintaining service and were not addressed by management or the Board. The previous action plan was not reviewed by management until 2016; however, RVT management identified areas where performance improved that aligned with the action plan. Among the major steps BeST took to improve its performance were:

1. Developed a strategic plan to reassess the agency mission and vision – BeST assessed its current operating practices to identify strengths, weaknesses, opportunities and challenges.

⁴ After the passage of Act 44 in 2007, BeST significantly increased service. This increase likely caused an elevated cost structure that outpaced ridership growth. In May of 2011, BeST terminated four routes with low-productivity to enable BeST to continue to operate public transportation service.

This effort led to the development of strategic initiatives designed to improve agency performance and principles to guide agency decisions.

2. Rebranding and increased focus on marketing – BeST reemphasized marketing to improve agency image and strengthen community presence. This ongoing effort allows BeST to continue to reinforce its new image and increase ridership through an awareness of service.

The complete list of BeST’s previous Action Plan items and BeST’s progress in addressing previously identified opportunities for improvement is provided in **Appendix C: 2011 Performance Review Action Plan**. As shown in **Exhibit 4**, BeST successfully met three out of four 2015 performance targets that were established during the 2011 performance review.

Exhibit 4: Previous Performance Targets

Performance Criteria	2015 Target	2015 Actual	Met Target
Passengers / Revenue Vehicle Hour	4.85	7.41	Yes
Operating Cost / Revenue Vehicle Hour	\$51.10	\$72.20	No*
Operating Revenue / Revenue Vehicle Hour	\$5.75	\$7.93	Yes
Operating Cost / Passenger	\$10.54	\$9.74	Yes

*BeST did not meet the target for operating cost per revenue hour. This is attributable to two factors, a rise in operating costs and a reduction in revenue hours from 2011 to 2015:

1. Operating costs in 2010 were reduced through unsound business practices as the agency avoided normal spending while trying to avoid insolvency.
2. Revenue hours of service were unsustainably high. BeST eliminated four unproductive routes in FYE 2011 (**Exhibit 1**) that decreased revenue hours by 18.5% from FYE 2011 to FYE 2012, contributing to an overall average decrease of 9.2% from FYE 2010 to FYE 2015.

The 2015 performance targets were developed as a function of the 2010 reported operating cost / revenue vehicle hour. Because operating cost and revenue service were both unrealistic/unsustainable, the 2015 target was as well. The 2015 value of operating cost per revenue vehicle hour of \$72.20 is among the lowest in the Commonwealth.

ASSESSMENT

In 2014, RVT developed and implemented a 2015-2018 Strategic Plan to help improve BeST’s overall performance. In June 2016, RVT discussed with PennDOT the current standing of the 2011 action plan and how the BeST Strategic Plan’s actions had satisfied the recommendations of the previous performance review. Some recommended actions, such as developing a service standard policy, did result from the Strategic Plan. Other recommended actions, such as developing and periodically updating a transit development plan (TDP), remain unfinished.

Given the fiscal and management crisis of 2011, BeST had to take immediate actions to ensure service was continued. Those efforts were successful. While the increase in operating cost per revenue hour is high as a percentage, the absolute cost in 2015 is low compared with most transit agencies in the Commonwealth. RVT management remains committed to continuously improving the efficiency and effectiveness of BeST’s service by advancing the 2011 action plan and the 2015-2018 Strategic Plan.

2017 ACT 44 PERFORMANCE ASSESSMENT

The 2017 performance review assessed BeST 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 BeST management using criteria defined in Act 44 and data from the most recently available National Transit Database (NTD), FYE 2015. The systems identified for peer comparisons include:

1. Area Transportation Authority (ATA), Johnsonburg, PA
2. Transit Authority of Warren County (TAWC), Warren, PA
3. Schuylkill Transportation System (STS), Pottsville, PA
4. Fayette Area Coordinated Transportation (FACT), Lemont Furnace, PA
5. Golden Crescent Regional Planning Commission (VICTORIA TRANSIT), Victoria, TX
6. Greater Glens Falls Transit System (GGFT), Queensbury, NY
7. Hall Area Transit (HAT), Gainesville, GA
8. Western Piedmont Regional Transit Authority (WPRTA), Conover, NC
9. Allegany County Transit (ACT), Cumberland, MD

Results of the current BeST analysis and peer comparison are presented in **Exhibit 5**. BeST’s efforts to redesign service to appropriately match available resources brought it into compliance. 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	Peer Rank (of 10)	Relation to Peer Average	Value	Peer Average
Passengers / Revenue Vehicle Hour	2015	In Compliance	7	Worse	7.41	9.63
	Trend	In Compliance	1	Better	14.65%	3.66%
Operating Cost / Revenue Vehicle Hour	2015	In Compliance	5	Worse	\$72.20	\$70.67
	Trend	At Risk/Adjusted In Compliance ⁵	10	Worse	11.43%	3.82%
Operating Revenue / Revenue Vehicle Hour	2015	In Compliance	5	Worse	\$7.93	\$8.80
	Trend	In Compliance	3	Better	9.52%	-1.09%
Operating Cost / Passenger	2015	In Compliance	6	Worse	\$9.74	\$8.36
	Trend	In Compliance	4	Better	-2.81%	0.30%

ASSESSMENT

Given the changes in operating costs, revenue service, and management since 2010, rates of trend changes should be viewed critically. BeST’s 2015 operating cost per revenue hour is better than the peer group average while ridership and revenue remain worse. Management’s efforts in coming years should continue to focus on containing costs, increasing ridership, and improving farebox recovery.

⁵ The statistical analysis of this metric artificially results in an “At Risk” finding resulting from the events leading up to the BeST financial crisis of 2011. As a result, BeST is more accurately represented as “In Compliance” with this metric.

2021 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 BeST’s costs increased, ridership and revenue were similar to the peer group. The following performance targets were established in consultation with BeST:

- 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 2021 Act 44 Performance Targets

Performance Criteria	Fiscal Year End (FYE)			Target Annual Increase
	2015 Actual	2016 Actual	2021 Target	
Passengers / Revenue Vehicle Hour	7.41	6.45	7.12	2.00%
Operating Cost / Revenue Vehicle Hour	\$72.20	\$67.96	\$78.79	3.00%
Operating Revenue / Revenue Vehicle Hour	\$7.93	\$7.51	\$8.29	2.00%
Operating Cost / Passenger	\$9.74	\$10.53	\$11.07	1.00%

These performance targets represent the minimum performance level that BeST should achieve for each Act 44 criterion during the next performance review cycle. Standards were extrapolated to FYE 2021 and are designed to be aggressive, yet achievable. PennDOT and BeST 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 BeST, Action Plan templates have been included in the **Appendix D: Action Plan Template** (see pg. 35). Some actions will be quickly implementable while others may take several discrete steps to achieve over a longer period. The template provides a simple-to-follow order of key findings of this report that should be addressed in the Action Plan.

OPPORTUNITIES TO INCREASE FIXED-ROUTE RIDERSHIP

BEST PRACTICE

1. BeST drivers are provided with customer service cards to address any on-board passenger issues. This allows the issue to be documented from the customer's perspective and allows the driver to focus on providing service.

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

1. BeST has improved its marketing presence since the 2011 performance review through agency rebranding and outreach events. The 2017 BeST marketing plan lists objectives, strategies and action items. Management should **continue to refine the marketing plan by adding baseline metrics for each stated objective** (e.g., currently X % public awareness of BeST, etc.), **performance targets for each metric** (e.g., goal of Y% public awareness of BeST, etc.), **a proposed schedule for achieving the target, and a prioritized budget**. These refinements will help prioritize future activities and ensure the agency achieves its marketing objectives.
2. The 2011 PennDOT performance review and the 2015-2018 BeST Strategic Plan both called for the agency to develop a Transit Development Plan (TDP) to address medium and long term system plans. Between then and now, intervening events have caused the agency to postpone the development of the TDP until the agency was back on stable financial footing. Now that BeST's finances are in order, it should **proceed with the development of a TDP** that can be used to identify necessary medium and long-term improvements to the system.

OPPORTUNITIES TO INCREASE FIXED-ROUTE REVENUES

BEST PRACTICE

1. BeST provides fixed-route service to Mansfield University, a local state university in Tioga County. As part of the service agreement, BeST negotiated a built-in cost recovery mechanism that invoices the university for services provided in addition to collecting passenger fares. This allows BeST to receive a guaranteed flat rate for services that is independent of passenger fares in the case of unexpected changes in ridership.

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

1. BeST customers have expressed interest in adding fixed-route bus service into New York to entertainment centers like the Tioga Downs Casino. If BeST determines this service to be viable, management should **pursue route guarantees with major destinations** that could be used to recover a portion or all of the cost of providing such service.

OPPORTUNITIES TO CONTROL OPERATING COSTS

BEST PRACTICE

1. BeST conducts a mechanical pre-inspection on vehicles scheduled for long distance service trips prior to departure. By performing this type of procedure, BeST reduces potential service disruptions and the costs associated with long-distance road calls.

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

1. BeST increased shared-ride fares in July 2015 in response to financial losses. Management expects to request another fare increase to be implemented in 2018. Management should **explore options to reduce or fully recover the cost of paratransit trips** as part of an overall strategy for shared-ride cost containment.

OTHER OPPORTUNITIES TO IMPROVE PERFORMANCE

BEST PRACTICES

1. BeST management takes an active role in the Northern Tier Regional Planning & Development Commission (NTRPDC), the five-county regional planning organization (RPO) that handles federal transportation funding within the BeST service area. Although a non-voting member, BeST serves in an advisory capacity and advocates on behalf of the agency. These efforts have resulted in additional federal funding such as an annual \$50,000 in Metropolitan Planning Program funds from the Federal Transit Administration (FTA) for planning activities, and raised the profile of the agency in the region.

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

1. The 2011 performance review recommended BeST develop a formal service standards policy to help gauge service quality and inform decision-making. To date, no formal policy has been developed to track and report to the Board common service metrics (e.g., passengers per

revenue hour, operating cost per revenue hour, operating cost per passenger, cost recovery by route, complaints, etc.). BeST should **develop a policy that outlines specific service metrics that will be monitored and reported to the Board** monthly. Some agencies have found that a key performance indicator (KPI) scorecard is an effective means to concisely convey agency performance metrics both to the Board and to the public.

2. The 2011 performance review recommended BeST develop succession plans for key positions. To date, no formal succession plans have been established for BeST. Although BeST contracts most management functions to RVT, and therefore RVT's internal succession plans are important to BeST, **short-term succession plans for key management positions should be developed, formalized** and presented to the BeST Board. This will help the Board ensure that operations continue smoothly in the case of unexpected absences or departures.
3. BeST currently contracts with RVT to oversee daily management of operations. Executive level responsibilities like strategic plan implementation and Act 44 performance review action plan implementation are also carried out by RVT staff. Currently, there is no specific mechanism in place for the Board to assess the performance of contracted management. The BeST Board should **incorporate contractor performance standards in future management service agreements** that provide an ongoing reporting mechanism to assess how well management meets the Board's expectations for the arrangement.
4. The financial health of BeST improved significantly since the 2011 performance review. However, the FYE 2016 audit highlighted previously identified and unaddressed audit findings (e.g., not properly securing client records, record of revenue received from other governments, etc.). Management should immediately work to **resolve unaddressed audit findings**.
5. The financial crisis and sudden departure of the management team in 2011 resulted in BeST contracting for management services from RVT. The BeST Board has been pleased with the outcomes this arrangement. Service has changed to fit available resources, the agency has been rebranded from EMTA to BeST, and the agency has started to rebuild cash reserves. The annual PennDOT technical assistance grant that temporarily funded the RVT management of BeST ended in June 2015. Since then, the Board has directly contracted with RVT for management services and has renewed the contract annually.

This arrangement for management services was, and remains, a temporary solution. The BeST Board should **create a long-term management arrangement for the agency** that recognizes the benefits of the roles and responsibilities established by the current contract arrangement, eliminates the uncertainty of an annual renewal process, and satisfies FTA and PennDOT procurement requirements. Agencies that have confronted issues like those that required the outsourcing of BeST management functions have found a variety of ways to meet their long-term needs, such as:

- a. Merging with another agency (e.g., Crawford & Venango counties, etc.).
- b. Working with a neighboring transit agency to establish an independent management authority (e.g., Lancaster & Berks counties created the South-Central Transportation Authority, etc.).
- c. Competitively bidding a management contract that has a three to five-year term.

- d. Hiring a new, but experienced, management team.

Each of these solutions could be an effective long-term means to address the need for management expertise while remaining responsive to local oversight and meeting procurement requirements. It is up to the Board to determine the most appropriate strategy for BeST.

- 6. BeST adopted a three-year strategic plan to improve agency performance and address previously identified deficiencies that resulted from a lack of standard management practices. Management indicates there will likely be an update to the 2015-2018 Strategic Plan. As part of an update, BeST should consider the following to strengthen the framework:
 - a. **Establish performance measures** based on strategic plan actions including timelines that can be used to monitor progress.
 - b. To the extent feasible, **align strategic plan actions and measures with performance review action plan items** so that they complement one another and result in desired performance improvements.

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**, BeST is in line with most industry goals and targets for all high-level financial indicators. Available reserves, mostly attributable to state funds and available credit, have been below 25% of annual operating cost in recent years; however BeST maintains a \$750,000 line of credit available as needed to address any potential short-term cash flow issues. Local matching funds are received from Bradford, Sullivan and Tioga counties and BeST maintains about a year equivalent of local funds in reserve. In FYE 2016, BeST received 100% of the required local match to 1513 state operating subsidy. The result was BeST had \$75,424 in available carryover local funds in FYE 2016. As of FYE 2016, BeST had \$728,862 in carryover Section 1513 funding available.

Accounts payable and receivable amounts are negligible. There is no outstanding debt as of June 30, 2016.

TOTAL PUBLIC TRANSPORTATION OPERATIONAL EXPENDITURES AND FUNDING

BeST public transportation increased from a \$3.4 million per year operation in FYE 2012 to a \$4.2 million per year operation in FYE 2016, a 5.1% average annual increase. Approximately 66% of BeST's operational expenses are for demand response (i.e., paratransit) service. The remaining operational expenses (34%) are for fixed-route service, as shown in **Exhibit 9**.

BeST's operating funds comes from a variety of sources including state funds, federal funds, local funds and passenger fares. BeST 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 BeST, accounting for 70.5% of total operating income. Combined, state and federal operating subsidies are the remaining funding sources, representing approximately 29.5% of total operating income (**Exhibit 11**).

Exhibit 7: High-Level Financial Indicators

FYE 2016 Indicator	Value	Assessment Criteria / Rationale	Source
State Carryover 1513 Subsidies / Annual Operating Cost	17.6%	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 2016 Audit
Local Carryover Subsidies / Annual Operating Cost	1.8%		FYE 2016 Audit
Credit available/ Annual Payroll	23.6%	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 2016 Audit and PennDOT dotGrants
Actual Local Match / Required Match	100.0%	Target 100%+. Local match that exceeds required minimums gives a transit agency flexibility to change service, to accommodate unexpected cost changes and make capital investments.	PennDOT dotGrants 2016
Accounts Payable (AP) 90+ days	0.0%	Target should be 0% over 90 days. Larger values indicate cash flow concerns.	BeST reported value
Accounts Receivable (AR) 90+ days	0.0%	Target should be 0% over 90 days. Larger values can cause cash flow problems.	BeST reported value
Debt / Annual Operating Cost	0.0%	Target should be 0%. Low debt amounts reduce borrowing costs.	FYE 2016 Audit

Exhibit 8: Public Transportation Operating Expense by Service Type

Service Type (In Millions)	FYE 2012	FYE 2013	FYE 2014	FYE 2015	FYE 2016
Fixed Route	\$1.7	\$1.1	\$1.3	\$1.5	\$1.4
Paratransit	\$2.0	\$2.6	\$2.4	\$2.4	\$2.7
Total*	\$3.7	\$3.7	\$3.6	\$3.9	\$4.2

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

Exhibit 9: Public Transportation Operating Expense Trends by Service Type

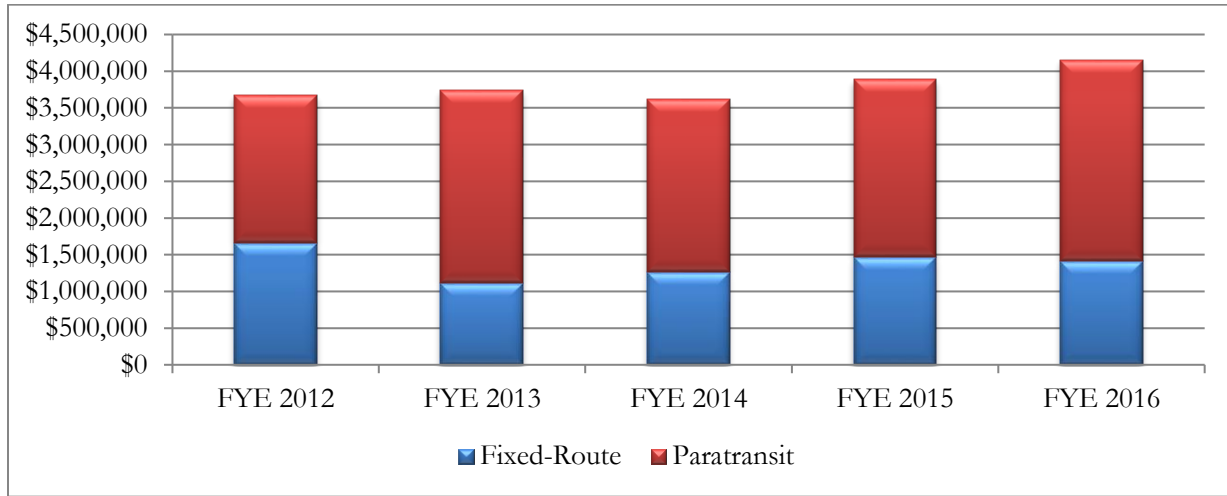
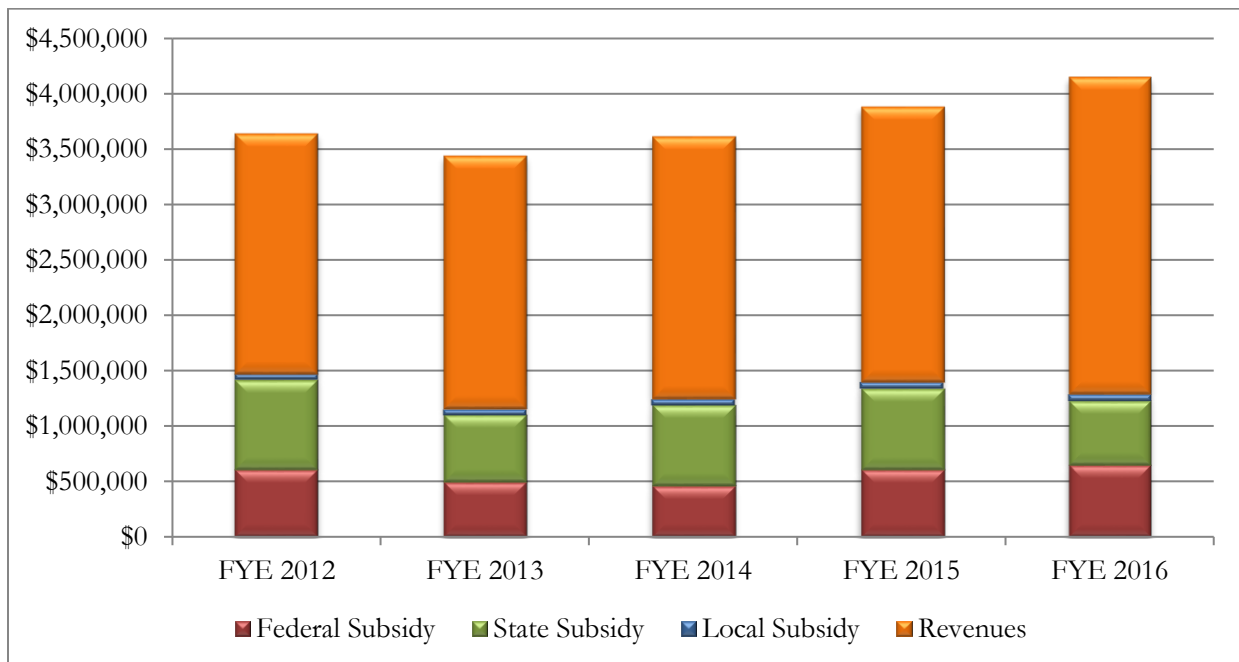


Exhibit 10: Percent of Total Public Transportation (Fixed-Route + Paratransit) Operating Budget by Funding Source

Funding Source	FYE 2012	FYE 2013	FYE 2014	FYE 2015	FYE 2016
Federal Subsidy	16.6%	14.3%	12.7%	15.5%	15.5%
State Subsidy	22.3%	17.7%	20.2%	18.9%	14.0%
Local Subsidy	1.5%	1.5%	1.5%	1.5%	1.4%
Revenues	59.7%	66.5%	65.6%	64.1%	69.0%
Local Subsidy / State Subsidy	6.7%	8.5%	7.4%	7.8%	10.3%

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



FIXED-ROUTE FUNDING

BeST's fixed-route funding comes from general revenues and government subsidies. Direct passenger fares represent between 5.4% and 6.8% of total operating funding (**Exhibit 12**). Based on the FYE 2012 to FYE 2016 dotGrants reporting, BeST operated using current year funding with \$728,862 in state funds being carried over at the end of 2016. BeST had \$75,424 in carryover local funds available at the end of 2016.

Exhibit 12: Fixed-Route Funding

Funding Source	FYE 2012	FYE 2013	FYE 2014	FYE 2015	FYE 2016
Revenues					
Passenger Fares	\$100,073	\$71,889	\$85,475	\$81,611	\$75,585
Advertising	\$5,975	\$4,150	\$3,461	\$4,770	\$3,475
Charter	\$0	\$0	\$0	\$0	\$0
Route Guarantees	\$57,284	\$55,945	\$76,430	\$74,315	\$66,615
Other- (Contracts)	\$19,686	\$0	\$0	\$0	\$0
Other- (Donations)	\$600	\$0	\$400	\$350	\$693
Other- (Interest)	\$332	\$0	\$0	\$0	\$0
Subtotal	\$183,950	\$131,984	\$165,766	\$161,046	\$146,368
Subsidies					
Federal Operating Grant	\$602,631	\$492,526	\$457,938	\$602,558	\$308,524
Act 44 (1513) State Prior	\$0	\$0	\$6,218	\$0	\$0
Act 44 (1513) State Current	\$548,504	\$453,890	\$397,964	\$545,489	\$571,695
Municipal Prior	\$0	\$0	\$0	\$0	\$0
Municipal Current	\$54,127	\$38,636	\$54,351	\$57,069	\$59,922
Special- (Federal) General Carryover	\$0	\$0	\$0	\$0	\$323,092
Special- (State) Technical Asst. Grant	\$262,000	\$0	\$178,000	\$100,000	\$0
Subtotal	\$1,467,262	\$985,052	\$1,094,471	\$1,305,116	\$1,263,233
Total Funding	\$1,651,212	\$1,117,036	\$1,260,237	\$1,466,162	\$1,409,601
Passenger Fares/ Total Funding	6.1%	6.4%	6.8%	5.6%	5.4%

Source: PennDOT dotGrants Reporting System. Other revenues from insurance reimbursements are credited against operating expenses from FYE 2012 through FYE 2016.

PARATRANSIT FUNDING

Paratransit funding is about 66.0% of BeST'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 increased from \$1,989,602 as of FYE 2012 to \$2,740,988 as of FYE 2016. BeST's paratransit budget is much larger than the fixed-route budget. Paratransit revenues cover 99.2% of operating costs.

From FYE 2012 to FYE 2016, total paratransit passenger trips increased at an annual rate of 1.39%. Senior passenger trips increased at an annual rate of 0.54%.

Exhibit 13: Paratransit Funding by Source

Category	FYE 2012	FYE 2013	FYE 2014	FYE 2015	FYE 2016
Revenues					
Passenger Fares	\$65,037	\$58,682	\$65,080	\$30,473	\$31,370
Advertising	\$6,825	\$850	\$0	\$1,220	\$1,175
Lottery	\$743,363	\$762,949	\$760,846	\$796,007	\$855,917
PwD Reimbursement	\$175,695	\$164,922	\$175,782	\$176,229	\$189,530
PwD Passenger Fares	\$0	\$0	\$0	\$31,192	\$33,743
AAA	\$113,117	\$108,564	\$108,642	\$108,687	\$104,051
MH/MR	\$183,393	\$163,703	\$161,879	\$186,036	\$202,208
W2W	\$304	\$0	\$0	\$0	\$0
MATP	\$598,771	\$627,040	\$666,743	\$682,180	\$907,057
Other- (MATP Admin. Reimb.)	\$62,632	\$187,044	\$203,753	\$253,458	\$318,538
Other- (3 rd Party Sponsors)	\$0	\$0	\$0	\$0	\$71,396
Other- (United Way/Donations)	\$0	\$510	\$3,178	\$2,500	\$3,545
Other- (Agency Contracts)	\$40,465	\$79,641	\$59,232	\$59,408	\$0
Subtotal	\$1,989,602	\$2,153,905	\$2,205,135	\$2,327,390	\$2,718,530
Subsidies					
Federal Operating Grant	\$0	\$0	\$0	\$0	\$11,229
Act 44 (1513) State Prior	\$0	\$0	\$0	\$0	\$0
Act 44 (1513) State Current	\$0	\$155,048	\$148,913	\$88,779	\$11,229
Municipal Prior	\$0	\$0	\$0	\$0	\$0
Municipal Current	\$0	\$13,127	\$0	\$0	\$0
Subtotal	\$0	\$168,175	\$148,913	\$88,779	\$22,458
Total Funding	\$1,989,602	\$2,322,080	\$2,354,048	\$2,416,169	\$2,740,988

Source: PennDOT dotGrants Reporting System. Other revenues from insurance reimbursements are credited against operating expenses from FYE 2012 through FYE 2016

Exhibit 14: Paratransit Operating Statistics

Operating Category	FYE 2012	FYE 2013	FYE 2014	FYE 2015	FYE 2016
Paratransit Operating Statistics					
Senior Trips	30,501	29,344	28,864	30,611	31,167
PwD Trips	7,072	6,591	7,398	7,438	6,889
Total Paratransit Trips	66,606	63,978	64,863	67,559	70,375
Total Miles	1,241,865	1,298,340	1,307,934	1,587,986	1,774,725
Total Hours	52,549	58,185	55,955	64,590	64,989
VOMS	40	32	32	31	31

BALANCE SHEET FINDINGS

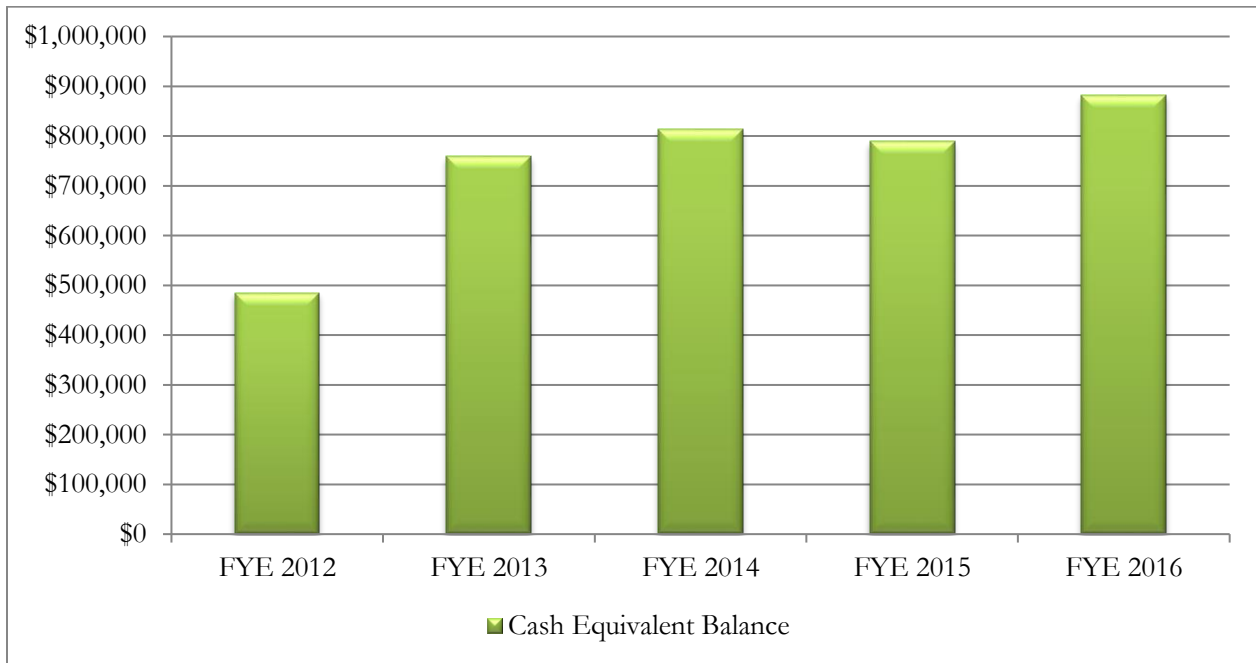
Review of balance sheets from BeST shows that since FYE 2012, the agency increased available cash on hand (**Exhibit 15** and **Exhibit 16**). Net current cash equivalent balance reported as of FYE 2016 was about \$881,516. The margin between current assets and liabilities is similar to other transit agencies in the Commonwealth. Accounts payable have decreased from a high of \$700,392 in FYE 2013 to \$205,836 as of FYE 2016. BeST maintains a \$750,000 line of credit with no outstanding debt as of FYE 2016.

Exhibit 15: Balance Sheet Summary (FYE 2012 – FYE 2016)

Balance Sheet Report	FYE 2012	FYE 2013	FYE 2014	FYE 2015	FYE 2016
Current Assets					
Cash Equivalent Balance	\$484,579	\$758,358	\$813,577	\$789,209	\$881,516
Restricted Assets: Cash	\$0	\$0	\$0	\$0	\$0
Grant Receivable (incl. capital)	\$315,514	\$701,377	\$314,052	\$328,638	\$525,797
Other Accounts Receivable	\$112,534	\$176,291	\$91,781	\$72,625	\$65,272
Inventory Value	\$0	\$0	\$0	\$0	\$0
Pre-paid Expenses	\$31,279	\$63,341	\$127,618	\$148,024	\$198,963
Current Liabilities					
Accounts Payable	\$113,061	\$700,392	\$279,604	\$65,586	\$205,836
Accrued Expenses	\$319,324	\$439,536	\$213,578	\$277,765	\$370,952
Deferred Revenue	\$431,698	\$445,212	\$737,037	\$962,903	\$1,024,803
Line of Credit	\$0	\$0	\$0	\$0	\$0
Total Operating Expense	\$3,668,466	\$3,736,116	\$3,614,285	\$3,882,331	\$4,150,589
Cash Eqv. Bal/Total Operating Exp.	13.2%	20.3%	22.5%	20.3%	21.2%
Line of Credit/Annual Payroll	0.0%	0.0%	0.0%	0.0%	23.6%
Current Assets	\$943,906	\$1,699,367	\$1,347,028	\$1,338,496	\$1,671,548
Current Liabilities	\$864,083	\$1,585,140	\$1,230,219	\$1,306,254	\$1,601,591
Net Current Assets	\$79,823	\$114,227	\$116,809	\$32,242	\$69,957

Source: Annual Audit Reports and dotGrants

Exhibit 16: End-of-Year Cash Balance (FYE 2012 – FYE 2016)



ASSESSMENT

BeST currently has a balanced operating budget. Operating cash reserves have steadily increased since 2012. Noteworthy elements of BeST’s financial condition are:

- BeST has \$728,862 in carryover Section 1513 funds available in case of unexpected cost increases or service changes
- BeST maintained a local fund carryover balance of \$75,424 as of FYE 2016;
- BeST has a low operating subsidy per passenger trip for paratransit service, with operating revenue covering 99% of operating costs
- Accounts payable and receivable amounts are negligible
- BeST maintains a \$750,000 line of credit that has no outstanding balance

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

APPENDIX A: DATA ADJUSTMENTS

In FYE 2014 and FYE 2015, BeST reported other revenue (i.e., SAFTI dividend) to dotGrants. These types of other revenue (e.g., insurance rebates, medical dividends, etc.) are typically not considered a source of revenue when assessing agency performance and developing future targets. To better understand trends and develop five-year performance targets, insurance revenue was excluded and/or offset (i.e., netted out) from BeST's reported revenue and operating costs. Additionally, the technical assistance grant (TAG) was applied to operating costs as BeST received this subsidy in FYE 2012, FYE 2014 and FYE 2015 to cover expenses related to contracted management. The results of these adjustments are listed in the table below:

Fares and Other Revenue	FYE 2010	FYE 2011	FYE 2012	FYE 2013	FYE 2014	FYE 2015
dotGrants Reported Total Revenue	\$165,832	\$172,526	\$183,950	\$131,984	\$195,261	\$173,996
SAFTI Adjustments	\$0	\$0	\$0	\$0	(\$29,495)	(\$12,920)
Adjusted Total Revenue	\$165,832	\$172,526	\$183,950	\$131,984	\$165,766	\$164,076
Fixed-Route Operating Costs						
dotGrants Reported Operating Costs	\$1,384,759	\$1,405,374	\$1,389,212	\$1,117,036	\$1,111,732	\$1,379,082
SAFTI Adjustments	\$0	\$0	\$0	\$0	(\$29,495)	(\$12,920)
TAG Adjustments	\$0	\$0	\$262,000	\$0	\$178,000	\$100,000
Adjusted Total Operating Costs	\$1,384,759	\$1,405,374	\$1,651,212	\$1,117,036	\$1,260,237	\$1,466,162

In FYE 2015, BeST began reporting fixed-route and demand-response statistics to NTD. To reconcile NTD information with dotGrants, any adjustments performed to dotGrants data were carried over to NTD. The results of this reconciliation are listed in the table below:

Fares and Other Revenue	FYE 2010	FYE 2011	FYE 2012	FYE 2013	FYE 2014	FYE 2015
NTD Reported Total Revenue	-	-	-	-	-	\$155,926
SAFTI Adjustments	-	-	-	-	-	\$5,120
Adjusted Total Revenue	-	-	-	-	-	\$161,046
Fixed-Route Operating Costs						
NTD Reported Operating Costs	-	-	-	-	-	\$1,379,082
SAFTI Adjustments	-	-	-	-	-	(\$12,920)
TAG Adjustments	-	-	-	-	-	\$100,000
Adjusted Total Operating Costs	-	-	-	-	-	\$1,466,162

Based on adjustments to fixed-route operating revenue and operating costs, BeST's Act 44 performance metrics are listed in the table below:

Final Adjusted Metrics	FYE 2010	FYE 2011	FYE 2012	FYE 2013	FYE 2014	FYE 2015	FYE 2016
Passenger/RVH	3.74	4.57	4.72	5.48	6.82	7.41	6.45
Operating Revenue/RVH	\$5.03	\$5.28	\$6.90	\$5.77	\$8.23	\$7.93	\$7.51
Operating Cost/RVH	\$42.02	\$42.99	\$61.98	\$48.81	\$62.59	\$72.20	\$67.96
Operating Cost/Passenger	\$11.23	\$9.40	\$13.13	\$8.91	\$9.18	\$9.74	\$10.53

*Source: NTD and dotGrants reporting

APPENDIX B: PEER COMPARISONS

Comparison of BeST 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 2015 Single Year		5 Year Change Since FYE 2010		
	Value	Rank of 10	2010 Value	Annual Rate	Rank of 10
Area Transportation Authority	6.92	8	4.84	7.39%	3
Transit Authority of Warren County	6.20	9	5.64	1.92%	8
Schuylkill Transportation System	11.98	3	9.71	4.30%	5
Fayette Area Coordinated Transportation	5.02	10	3.88	5.24%	4
Golden Crescent Regional Planning Commission	8.51	5	7.45	2.69%	7
Greater Glens Falls Transit System	20.08	1	17.41	2.89%	6
Hall Area Transit	7.87	6	11.89	-7.92%	10
Western Piedmont Regional Transit Authority	8.92	4	9.84	-1.94%	9
Allegany County Transit	13.37	2	9.36	7.40%	2
Endless Mountains Transportation Authority	7.41	7	3.74	14.65%	1
Average	9.63		8.38	3.66%	
Standard Deviation	4.46		4.23	5.98%	
Average – 1 Standard Deviation	5.17		4.14	-2.31%	
Average + 1 Standard Deviation	14.08		12.61	9.64%	
Act 44 Compliance Determination	In Compliance		In Compliance		
Compared to the Peer Group Average	Worse		Better		

Operating Cost / Revenue Vehicle Hour

Operating Cost / Revenue Hour (MB)					
System	FYE 2015 Single Year		5 Year Change Since FYE 2010		
	Value	Rank of 10	2010 Value	Annual Rate	Rank of 10
Area Transportation Authority	\$73.38	6	\$66.53	1.98%	3
Transit Authority of Warren County	\$78.99	8	\$60.72	5.40%	6
Schuykill Transportation System	\$98.49	10	\$73.53	6.02%	7
Fayette Area Coordinated Transportation	\$63.46	3	\$56.85	2.23%	4
Golden Crescent Regional Planning Commission	\$53.06	2	\$33.97	9.33%	9
Greater Glens Falls Transit System	\$75.91	7	\$64.48	3.32%	5
Hall Area Transit	\$38.99	1	\$62.96	-9.14%	1
Western Piedmont Regional Transit Authority	\$88.23	9	\$56.72	9.24%	8
Allegany County Transit	\$63.98	4	\$69.24	-1.57%	2
Endless Mountains Transportation Authority	\$72.20	5	\$42.02	11.43%	10
Average	\$70.67		\$58.70	3.82%	
Standard Deviation	\$16.99		\$12.22	6.04%	
Average – 1 Standard Deviation	\$53.68		\$46.48	-2.21%	
Average + 1 Standard Deviation	\$87.66		\$70.93	9.86%	
Act 44 Compliance Determination	In Compliance		At Risk/Adjusted In Compliance⁶		
Compared to the Peer Group Average	Worse		Worse		

⁶ The statistical analysis of this metric artificially results in an “At Risk” finding resulting from the events leading up to the BeST financial crisis of 2011. As a result, BeST is more accurately represented as “In Compliance” with this metric.

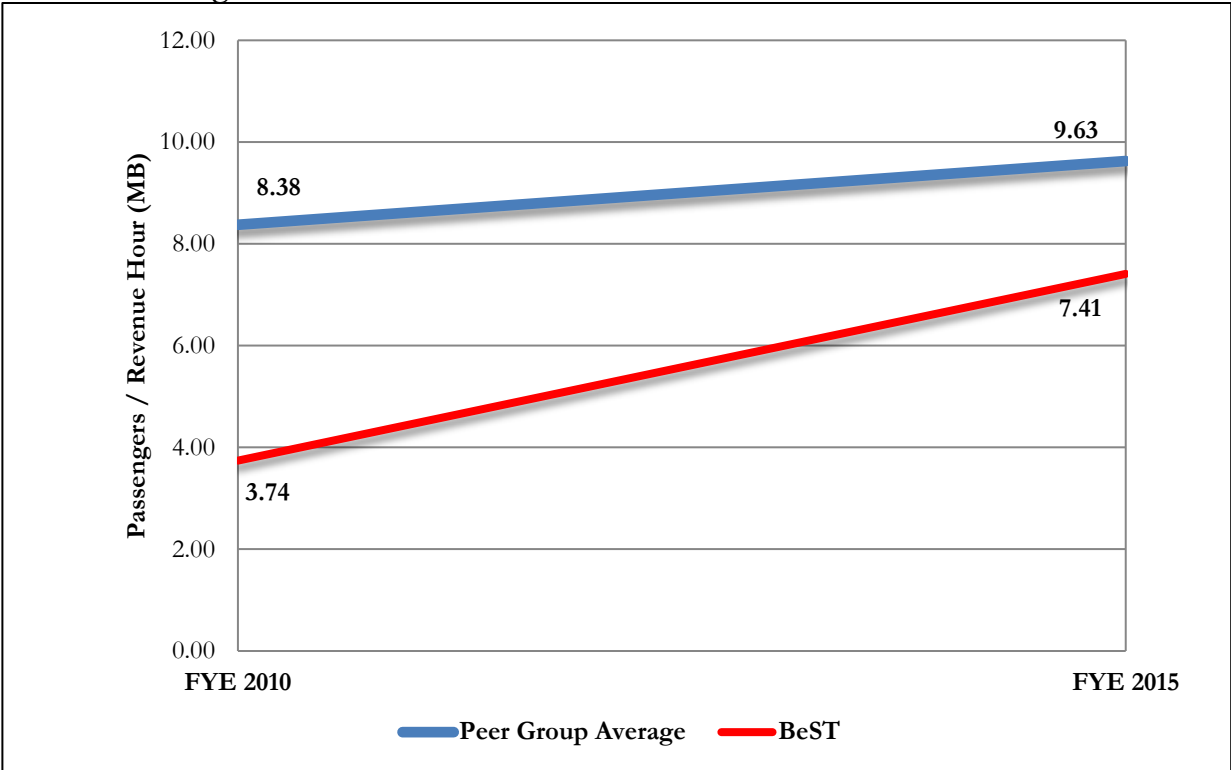
Operating Revenue / Revenue Vehicle Hour

Operating Revenue / Revenue Hour (MB)					
System	FYE 2015 Single Year		5 Year Change Since FYE 2010		
	Value	Rank of 10	2010 Value	Annual Rate	Rank of 10
Area Transportation Authority	\$9.51	4	\$5.05	13.48%	1
Transit Authority of Warren County	\$4.15	9	\$3.01	6.61%	5
Schuylkill Transportation System	\$10.22	3	\$5.88	11.71%	2
Fayette Area Coordinated Transportation	\$6.02	7	\$4.73	4.93%	6
Golden Crescent Regional Planning Commission	\$4.97	8	\$28.94	-29.71%	9
Greater Glens Falls Transit System	\$16.99	2	\$15.23	2.21%	7
Hall Area Transit	\$4.12	10	\$25.60	-30.61%	10
Western Piedmont Regional Transit Authority	\$6.15	6	\$9.26	-7.85%	8
Allegany County Transit	\$17.98	1	\$11.81	8.78%	4
Endless Mountains Transportation Authority	\$7.93	5	\$5.03	9.52%	3
Average	\$8.80		\$11.45	-1.09%	
Standard Deviation	\$5.03		\$9.16	16.43%	
Average – 1 Standard Deviation	\$3.77		\$2.30	-17.52%	
Average + 1 Standard Deviation	\$13.83		\$20.61	15.34%	
Act 44 Compliance Determination	In Compliance		In Compliance		
Compared to the Peer Group Average	Worse		Better		

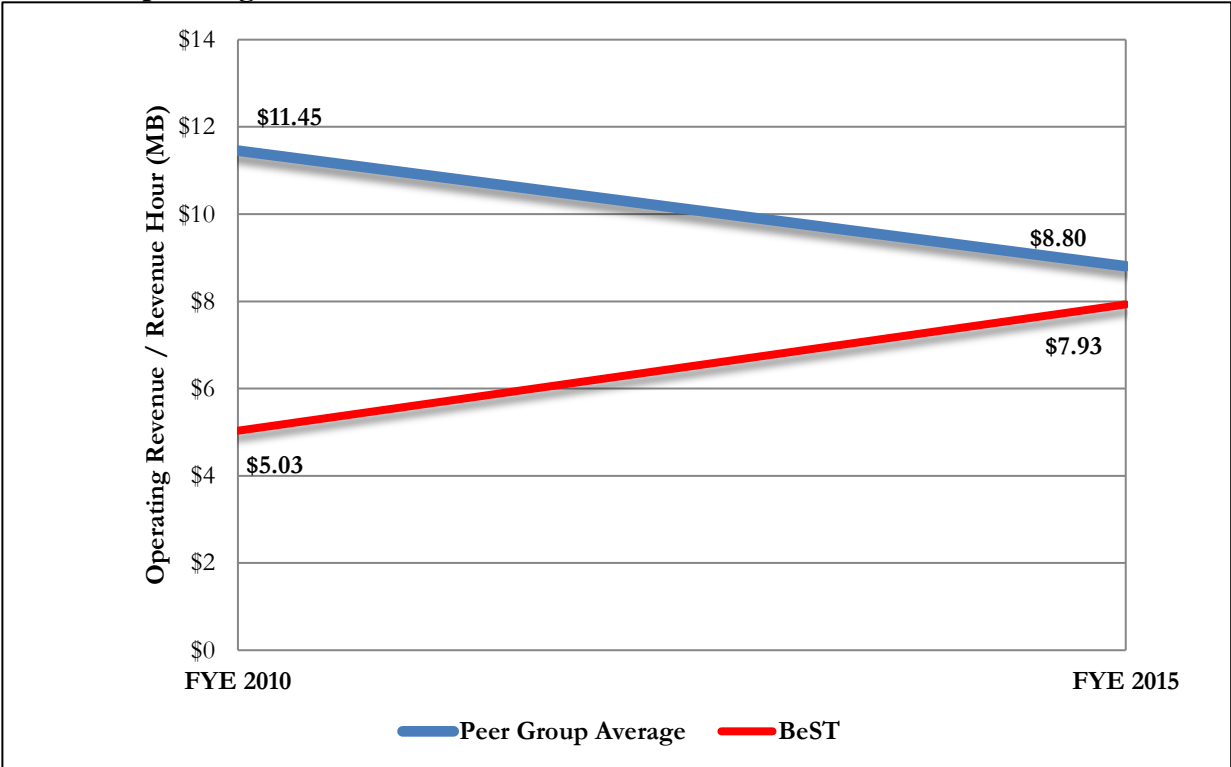
Operating Cost / Passenger

Operating Cost / Passenger (MB)					
System	FYE 2015 Single Year		5 Year Change Since FYE 2010		
	Value	Rank of 10	2010 Value	Annual Rate	Rank of 10
Area Transportation Authority	\$10.60	8	\$13.73	-5.04%	2
Transit Authority of Warren County	\$12.74	10	\$10.77	3.41%	8
Schuykill Transportation System	\$8.22	5	\$7.57	1.65%	7
Fayette Area Coordinated Transportation	\$12.65	9	\$14.63	-2.87%	3
Golden Crescent Regional Planning Commission	\$6.24	4	\$4.56	6.46%	9
Greater Glens Falls Transit System	\$3.78	1	\$3.70	0.42%	6
Hall Area Transit	\$4.95	3	\$5.29	-1.32%	5
Western Piedmont Regional Transit Authority	\$9.89	7	\$5.76	11.40%	10
Allegany County Transit	\$4.79	2	\$7.40	-8.35%	1
Endless Mountains Transportation Authority	\$9.74	6	\$11.23	-2.81%	4
Average	\$8.36		\$8.47	0.30%	
Standard Deviation	\$3.28		\$3.89	5.76%	
Average – 1 Standard Deviation	\$5.08		\$4.58	-5.46%	
Average + 1 Standard Deviation	\$11.64		\$12.35	6.05%	
Act 44 Compliance Determination	In Compliance		In Compliance		
Compared to the Peer Group Average	Worse		Better		

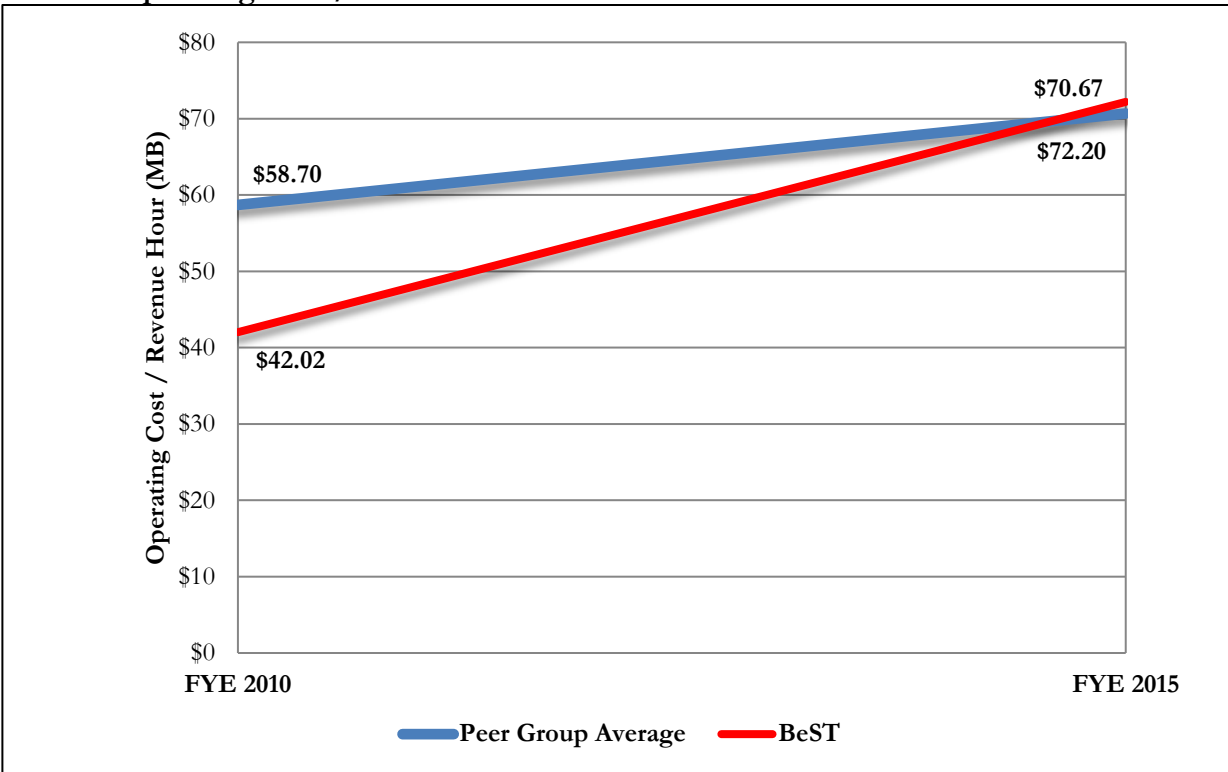
Trend – Passengers / Revenue Vehicle Hour



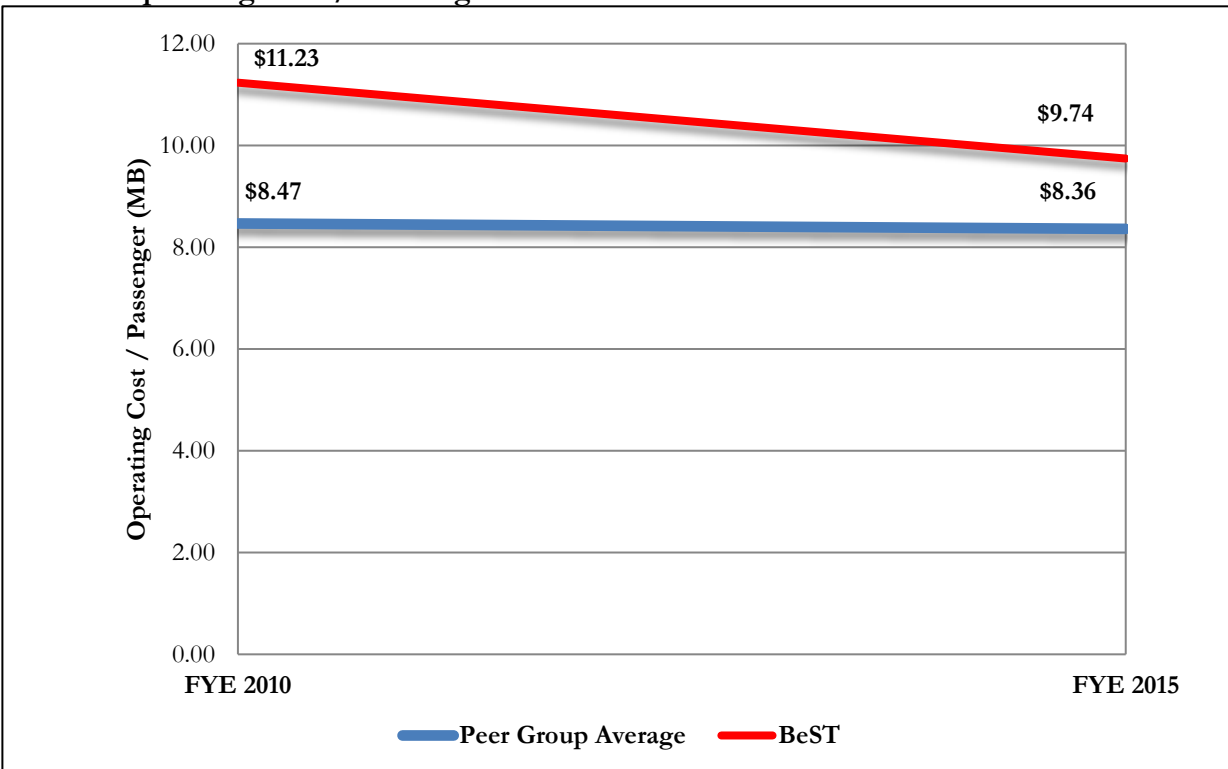
Trend – Operating Revenue / Revenue Vehicle Hour



Trend – Operating Cost / Revenue Vehicle Hour



Trend – Operating Cost / Passenger



APPENDIX C: 2011 PERFORMANCE REVIEW ACTION PLAN ASSESSMENT

Last Updated July 7, 2016

Category	Suggested Action	Corrective Action	Observation
1. Ridership	Establish a methodology for tracking customer complaints and regularly provide reports to the Board and BeST staff.	BeST now keeps a log of customer complaints including name, address, phone number, date and the complaint. It's then turned over to the Operations Dept. for review and to take any action.	Completed.
1. Ridership	Develop a formal service standards policy to gauge service quality and assist decision-makers in adjust routes, schedules, fares, etc.	BeST has adopted a Fixed-Route Fare Adjustment Policy to maintain compliance with PA Act 89 of 2013 which is part of BeST's annual COA submission. The basic principles for the adjustment is to have the fare growth meet the rate of inflation. Also, as part of BeST's 2015-2018 Strategic Plan – Goals 2.1-2.5, BeST plans to conduct three fixed-route rider surveys (Boarding and Alighting, Origin and Destination, and Community Survey) during this time period.	Incomplete.
1. Ridership	Develop an easy-to-read system map and place it on their website.	A fixed-route system map has been designed and available on its website.	Completed.

Category	Suggested Action	Corrective Action	Observation
2. Revenue	Work to ensure that service costs are properly calculated and future contracts have cost escalation clauses that allow for full allocation of costs to contracted service.	Service contracts have been reviewed prior to award.	Completed.
3. Operating Cost	Attempt to limit fringe benefits to part-time employees in future union negotiations.	Benefits are prorated for part-time employees. Ongoing contract negotiations to reduce overtime related to vacation, holidays and personal days. Sick leave no longer counts towards overtime with the collective bargaining agreement effective 07/01/2013.	Completed.
3. Operating Cost	Work to find ways to keep experienced drivers through the development of innovative solutions to maintain the driver pool. In the interim, BeST should maximize the use of part-time and casual drivers to decrease overtime compensation.	BeST has adopted an Employee Recruitment and Retention Plan (ERRP) that will save considerable money related to hiring, training, liability insurance, and system performance by retaining current employees. Wages are comparable to similar systems in the state. Makes employment more attractive to long-term placement.	Completed.
3. Operating Cost	Explore better integration between TRAVERSE 10.5 accounting software and CFA Win 8.1 software systems to yield potential cost savings.	All finance operations have been incorporated into RVT's finance department. Integration between Finance and Maintenance has not been addressed. However, a clear line of communication has been developed between Finance and Maintenance.	Integration of finance software was not completed; however, all finance operations are now handled by RVT.

Category	Suggested Action	Corrective Action	Observation
3. Operating Cost	Investigate incorporating warranty information into fleet management software to ensure that warranty work is not being completed at a cost to the agency.	Warrantied repairs are in fact entered into BeST's CFA Win maintenance software and are completed at no cost to the agency.	Completed.
3. Operating Cost	Establish targets and goals for key cost drivers and develop response strategies for when performance is outside of acceptable parameters.	BeST has been able to address unscheduled overtime pay and other extra pay issues in the three-year FY 2014-2016 union contract.	No target for unscheduled overtime was established. BeST addressed unscheduled overtime for key drivers through the previous collective bargaining agreement.
3. Operating Cost	Develop a facility master plan to meet the current and future needs of the system, particularly in meeting the need for indoor/covered storage.	BeST's property footprint does not currently allow for indoor storage. BeST is exploring purchasing additional property adjacent to the Athens facility.	Ongoing effort.
3. Operating Cost	Any subsequent investments in technology should be driven by the findings and recommendations of a prioritized technology investment program that includes plans for the use of the technology and documented benefits to the system.	When the RVT team became engaged in 2011, a technology plan has been developed and implemented based on available fund. BeST will continue to replace IT equipment based on established useful life guidelines and staff needs. Selection and procurement of technologies is based off the required benefits of the affected systems. This place is evaluated annually as part of the CCA program.	BeST addresses IT needs as part of the infrastructure focus area of the 2015-2018 Strategic Plan, which calls for an assessment of IT existing IT needs and greater integration with RVT systems.

Category	Suggested Action	Corrective Action	Observation
3. Operating Cost	Evaluate appropriate automation of scheduling through contracts or software acquisition, and at a minimum utilize computer spreadsheets. In addition, metrics and targets should be developed specifically related to the scheduling process.	BeST has begun initial discussions to implement Ecolane with anticipated completion in 2017.	Pending.
4. Other	The Board should work with the Executive Director to develop and implement education programs to stay up to date and provide tools for effective governance.	Beginning in April 2016, the Board begun receiving board training prior to the Board meeting. The Board reviewed the first three modules. Board training is anticipated to be completed by the end of 2016.	Ongoing.
4. Other	The Board and Management should work together to periodically update a BeST strategic plan to meet the vision and mission statements.	BeSt staff and the Board went through a strategic planning process in 2014 and in February 2015 adopted a 2015-2018 Strategic Plan, which has a mission statement, vision, strategic issues and strategic goals for the next three years.	Completed.
4. Other	Develop and implement formal non-represented employee evaluations.	As part of BeST's 2015-2018 Strategic Plan – Goals 5.2-5.4, BeST plans to conduct an analysis of staff, training needs and reorganize work processes and operational systems.	Incomplete.
4. Other	Document robust short-term succession plans for key agency positions that include cross-training to assure continuously smooth service in the event of staffing changes.	As part of BeST's 2015-2018 Strategic Plan – Goals 5.2-5.4, BeSt plans to conduct an analysis of staff, straining needs and reorganize work processes and operations systems.	Incomplete.

Category	Suggested Action	Corrective Action	Observation
4. Other	Involve the Board and all senior staff in the development of a formally-documented prioritized capital needs plan.	BeST has developed a four TIP that was reviewed by the Board and was presented and adopted by the Northern Tier Rural Planning Organization in 2014. Currently, the 2017-2020 TIP is out for public review and comment until June 30, 2016.	Completed.
4. Other	Develop a methodology to track and record road calls.	BeST adopted a road call process in FY 2015-2016	Completed.
4. Other	Continuously monitor staff training needs and work with PPTA and local technical colleges to develop necessary courses and curriculum.	BeST employees attend training through PPTA and SAFIT for all level of employees.	Ongoing.
4. Other	Investigate options to decrease washing cycle and evaluate the addition of an automatic bus washer.	Being evaluated for upcoming capital projects as part of BeST's future CCAs.	Ongoing.
4. Other	A detailed cost-benefit analysis should be completed to fully understand costs associated with CNG conversion (facilities, maintenance, equipment).	BeST received a DEP AFIG grant and partnered with Williams Oil to build a CNG fueling station in Athens and purchase a CNG transit vehicle with these funds in 2013.	Completed.
4. Other	Develop and regularly update a service planning document such as a Transit Development Plan.	As part of BeST's 2015-2018 Strategic Plan, the objective of the 3-year strategic plan is to develop an Annual Performance Report and Plan Update which will include a Transit Development Plan.	Incomplete.

APPENDIX D: ACTION PLAN TEMPLATE

PART 1- ACTIONS TO INCREASE PASSENGERS / REVENUE HOUR

Recommendation From narrative starting on page 10	BeST Action	Estimated Initiation Date	Estimated Completion Date
1. Refine marketing plan to include baseline metrics for each stated objective, performance targets for each metric, a proposed schedule for achieving the target, and a prioritized budget.			
2. Pursue development of a Transit Development Plan.			

PART 2 - ACTIONS TO INCREASE OPERATING REVENUE / REVENUE HOUR

Recommendation From narrative starting on page 11	BeST Action	Estimated Initiation Date	Estimated Completion Date
1. Pursue development of route guarantees with major service destinations.			

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

Recommendation From narrative starting on page 11	BeST Action	Estimated Initiation Date	Estimated Completion Date
1. Explore options to reduce or fully recover the cost of paratransit trips.			

PART 4 - OTHER ACTIONS TO IMPROVE OVERALL PERFORMANCE

Recommendation From narrative starting on page 11	BeST Action	Estimated Initiation Date	Estimated Completion Date
1. Develop a policy that outlines specific service metrics that will be monitored and reported to the Board.			
2. Develop and formalize short-term succession plans for key management positions.			
3. Incorporate contractor performance standards in future management service agreements.			
4. Resolve unaddressed audit findings.			
5. Create a long-term management arrangement for the agency.			
6.a. Establish performance measures for the strategic plan update.			
6.b To the extent feasible, align strategic actions and measures with performance review action items.			

