



CAT System Performance Review

August 27, 2018

Performance Report

Cumberland-Dauphin-Harrisburg Transit Authority d.b.a., Capital Area Transit (CAT)

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CONTENTS

List of Exhibits	ii
Public Transportation Service Snapshot	iii
Executive Summary	iv
Important Changes Since the 2010 Performance Review	v
2010 Performance Review Determinations and Findings	vi
2018 Performance Review Determinations and Findings	vii
2023 Performance Targets	ix
Financial Review	ix
Next Steps.....	ix
Introduction	1
Purpose.....	1
Agency Description	2
Performance Review Process.....	4
2010 Act 44 Performance Assessment	5
Prior Review Determinations and Findings.....	5
Action Plan and Performance Targets.....	5
Assessment	7
2018 Act 44 Performance Assessment	8
Peer Agency Comparisons	8
Assessment	9
2023 Performance Targets	10
Functional Review	11
Opportunities to Increase Fixed-Route Ridership.....	11
Opportunities to Increase Fixed-Route Revenues.....	12
Opportunities to Control Operating Costs.....	14
Other Opportunities to Improve Performance	16
Financial Review	19
High-Level Indicators of Financial Health	19
Total Public Transportation Operational Expenditures and Funding.....	19
Fixed-Route Funding	22
Paratransit Funding	23
Balance Sheet Findings	24
Assessment	25
Appendix A: Data Adjustments	26
Appendix B: 2012 Performance Review Action Plan Assessment	27
Appendix C: Peer Comparisons	61
Appendix D: Action Plan Template	68
Part 1- Actions to Increase Passengers / Revenue Hour	68
Part 2 - Actions to Increase Operating Revenue / Revenue Hour	69
Part 3 - Actions to Reduce or Contain Operating Cost / Revenue Hour	69
Part 4 - Other Actions to Improve Overall Performance	70

LIST OF EXHIBITS

Exhibit 1: CAT Fixed-Route Service Annual Performance Trends (FYE 2012-2017).....	3
Exhibit 2: Previous Performance Review Act 44 Comparison Summary	5
Exhibit 3: Previous Performance Targets	6
Exhibit 4: 2017 Extrapolated Performance Targets	6
Exhibit 5: Current Performance Review Act 44 Peer Comparison Summary	8
Exhibit 6: FYE 2023 Act 44 Performance Targets.....	10
Exhibit 7 CAT Shared-Ride Subsidies and Cumulative Losses FYE 2010-2017	13
Exhibit 8: CAT Fixed-Route Administrative Expenses (FYE 2010 -2017).....	15
Exhibit 9: CAT Fixed-Route Administrative Expenses / Total Operating Expenses (FYE 2010-2017)	15
Exhibit 10: 2016 Maintenance Cost / Bus Mile for NTD Reported Small to Medium Pennsylvania Urban Fixed-Route Transit Systems	17
Exhibit 11: High-Level Financial Indicators.....	20
Exhibit 12: Public Transportation Operating Expense by Service Type.....	20
Exhibit 13: Public Transportation Operating Expense Trends by Service Type	20
Exhibit 14: Percent of Total Public Transportation (Fixed-Route + Paratransit) Operating Budget by Funding Source	21
Exhibit 15: Total Public Transportation (Fixed-Route + Paratransit) Operating Budget by Funding Source	21
Exhibit 16: Fixed-Route Funding.....	22
Exhibit 17: Paratransit Funding by Source	23
Exhibit 18: Paratransit Operating Statistics (FYE 2013 – FYE 2017).....	24
Exhibit 19: Balance Sheet Summary (FYE 2013 – FYE 2017).....	24
Exhibit 20: End-of-Year Cash Balance (FYE 2013 – FYE 2017).....	25

PUBLIC TRANSPORTATION SERVICE SNAPSHOT

Agency	Cumberland-Dauphin-Harrisburg Transit Authority (d.b.a. Capital Area Transit, a.k.a. CAT)		
Year Founded	1973		
Reporting Fiscal Year End (FYE)	2017		
Service Area (square miles)	137		
Service Area Population	511,009		
Annual Operating Statistics*	Fixed-Route	Paratransit (ADA + Shared Ride)	Total (Fixed-Route + Paratransit)
Vehicles in Maximum Service (VOMS)	64	46	110
Operating Cost	\$15,642,353	\$4,831,549	\$20,473,902
Operating Revenues	\$3,084,268	\$3,543,248	\$6,627,516
Operating Subsidies	\$12,558,085	\$1,288,301	\$13,846,386
Total (Actual) Vehicle Miles	2,160,437	1,629,725	3,790,162
Revenue Miles of Service (RVM)	1,797,193	N/A	N/A
Total Vehicle Hours	151,923	96,403	248,326
Revenue Vehicle Hours (RVH)	127,813	N/A	N/A
Total Passenger Trips	2,126,504	209,870	2,336,374
Senior Passenger (Lottery) Trips	242,332	59,205	301,537
Act 44 Performance Statistics			
Passengers / RVH	16.64	N/A	N/A
Operating Cost / RVH	\$122.38	N/A	N/A
Operating Revenue / RVH	\$24.13	N/A	N/A
Operating Cost / Passenger	\$7.36	\$23.02	\$8.76
Other Performance Statistics			
Operating Revenue / Operating Cost	19.72%	73.34%	32.37%
Operating Cost / Total Vehicle Hours	\$102.96	\$50.12	\$82.45
Operating Cost / Total Vehicle Miles	\$7.24	\$2.96	\$5.40
Total Passengers / Total Vehicle Hours	14.00	2.18	9.41
Operating Cost / RVM	\$8.70	N/A	N/A
RVM / Total Vehicle Miles	83.19%	N/A	N/A
RVH / Total Vehicle Hours	84.13%	N/A	N/A
Operating Subsidy / Passenger Trip	\$5.91	\$6.14	\$5.93

*Source: dotGrants most recently available reporting (FYE 2017).

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 Cumberland Dauphin-Harrisburg Transit Authority (d.b.a. Capital Area Transit, a.k.a. CAT) in March 2010. CAT served as the initial pilot agency for transit performance reviews. Following the release of the 2010 report, PennDOT established five-year performance targets and agreed to an action plan developed by CAT to meet those targets. In June 2018, PennDOT conducted the follow-up reassessment of CAT to determine if CAT 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 2010 PERFORMANCE REVIEW

PennDOT conducted the initial review of CAT in January 2010. Since the 2010 report was finalized, the following factors should be considered when comparing the 2010 performance report and performance trends presented in this report:

1. **Change in management** – CAT has changed how the agency was managed three times (i.e., in-house general manager, consultant outsourced general manager and a general manager outsourced from Rabbittransit) and has had five different general managers since the 2010 performance review. Historically, CAT followed a traditional style of leadership with a manager who reported to the Board. The last in-house general manager led CAT from 2012 to early 2017. It was after the in-house general manager's departure that the Board decided to contract management from a private Texas-based consulting firm. The Board changed course again and selected Rabbittransit provide management services beginning in February 2018. The change in management and the departure of key senior management staff at CAT has adversely impacted institutional knowledge.
2. **Longstanding financial issues** – CAT continues to experience the impacts of financial management decisions made in past decades. For example, many high-cost provisions persist in labor agreements (e.g., overtime policies, call-off policies, etc.). Overtime costs are now approaching \$1 million per year. Shared-ride service losses amount to more than \$5.3 million since 2010. As a result, available subsidy (i.e. cash) reserves are at precariously low levels (i.e., 5% of annual operating costs, or enough to cover about two-weeks of operating expenses).

CAT uses federal funds to help subsidize annual operations and relies on a \$4 million line-of-credit to manage cash flow due to the agency having very little cash reserves. CAT management expects that available carryover reserves will be fully-depleted and available credit will be exhausted in the next one to two years. Additionally, management anticipates a major deficit in FYE 2019 if CAT is unable to make any significant changes to control operating losses.

3. **The transit industry has seen many adverse trends since 2010** – In 2010, the US was in the early steps of recovering from the recession of 2008. Since 2010, the economy has started to normalize, and the transit dependent population has declined. Alternatives to transit, such as Uber and Lyft, have emerged. As a result, ridership on most transit systems has declined. Additionally, fuel costs and fringe benefits (e.g., health insurance) have started to see higher rates of increase in the past few years. The 2008 recession also triggered additional liquidity requirements for defined benefit retirement systems such as CAT's. These trends are contrary to the interest and activities of management to contain costs, increase revenues and increase ridership.

2010 PERFORMANCE REVIEW DETERMINATIONS AND FINDINGS

The 2010 performance review compared CAT with a group of peer agencies based on the four performance criteria required by Act 44. CAT was found to be within one standard deviation of the peer average for all eight performance criteria. Thus, CAT was found to be “In Compliance” for all eight 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	7	Worse	18.48	21.59
	Trend	In Compliance	4	Better	2.7%	1.34%
Operating Cost / Revenue Vehicle Hour	2008	In Compliance	7	Worse	\$91.19	\$90.70
	Trend	In Compliance	8	Worse	5.30%	4.80%
Operating Revenue / Revenue Vehicle Hour	2008	In Compliance	3	Better	\$20.60	\$17.04
	Trend	In Compliance	7	Worse	4.1%	4.86%
Operating Cost / Passenger	2008	In Compliance	10	Worse	\$4.93	\$4.36
	Trend	In Compliance	5	Better	2.5%	3.44%

*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.

PennDOT developed 2015 performance targets for CAT in consultation with management. Those targets were to:

- Achieve at least 20.29 passengers per revenue vehicle hour
- Achieve at least \$27.29 in operating revenue per revenue vehicle hour
- Contain growth in operating costs to no more than \$127.94 per revenue vehicle hour
- Contain growth in operating costs to no more than \$5.87 per passenger

CAT developed an action plan to address opportunities for improvement identified in the 2010 performance review, which called for significant financial oversight. Among the major steps CAT took to improve its performance included the following:

1. **Consolidated administrative positions** – CAT revised all administrative job descriptions and instituted annual performance evaluations. Revised job descriptions were used to improve the efficiency of essential duties. CAT down-sized its administrative staff as well.
2. **Developed an initial strategic business plan** – In 2012, CAT developed its first strategic business plan to guide agency decision-making with short-term goals through 2015. As part of plan development, CAT adopted a new vision and mission statement, goals, objectives, and performance metrics. Actions were developed as part of the strategic plan, but CAT fell short on following through with targeted actions to guide the organization and manage the agency.
3. **Promoted advertising, route guarantees and other sources of revenue**- Through targeted outreach, CAT was able to grow its advertising revenue from \$71,000 in FYE 2011 to \$250,000 in FYE 2017. It also grew its route guarantee revenue from \$0 to \$131,000 over that same timeframe.

The 2015 targets presented in the table below, were developed based on five-year projections benchmarked from 2010 dotGrants reported values:

Performance Criteria	2015 Actual	2015 Target	Met Target
Passengers / Revenue Vehicle Hour	20.63	20.29	Yes
Operating Cost / Revenue Vehicle Hour	\$121.90	\$127.94	Yes
Operating Revenue / Revenue Vehicle Hour	\$27.55	\$27.29	Yes
Operating Cost / Passenger	\$5.91	\$5.87	No

CAT achieved three out of four 2015 performance targets but narrowly missed its operating cost per passenger target.

To evaluate CAT's performance in the between the previous target year and the current performance review, the 2015 targets were extrapolated two additional years to FYE 2017. As demonstrated in the table below, ridership and revenue decreased while the share of operating costs per passenger increased between 2015 and 2017:

Performance Criteria	2017 Actual	2017 Extrapolated Target
Passengers / Revenue Vehicle Hour	16.64	20.83
Operating Cost / Revenue Vehicle Hour	\$122.38	\$141.06
Operating Revenue / Revenue Vehicle Hour	\$24.13	\$29.57
Operating Cost / Passenger	\$7.36	\$6.17

CAT's greatest achievements during this review period were to diversify its revenue streams and contain costs between 2010 and 2015. **Despite the cost containment efforts of 2010-2015, costs have grown at an unsustainable pace since 2015.** Based on the efforts of 2010-2015, PennDOT concludes that CAT demonstrated a good faith effort to achieve its 2015 performance targets.

2018 PERFORMANCE REVIEW DETERMINATIONS AND FINDINGS

The 2018 performance review compared CAT with a group of peer agencies based on the four performance criteria outlined by law. CAT was found to be "In Compliance" for six performance measures and "At Risk" for two.

Performance Criteria	FYE	Determination	Rank (of 15)	Relation to Peer Average	Value	Peer Average
Passengers / Revenue Hour	2016	In Compliance	7	Better	18.88	18.50
	Trend	In Compliance	6	Better	-0.23%	-1.73%
Operating Cost / Revenue Hour	2016	At Risk	14	Worse	\$122.40	\$98.17
	Trend	At Risk	14	Worse	3.65%	1.40%
Operating Revenue / Revenue Hour	2016	In Compliance	2	Better	\$26.54	\$18.94
	Trend	In Compliance	7	Better	1.68%	0.67%
Operating Cost / Passenger	2016	In Compliance	12	Worse	\$6.48	\$5.46
	Trend	In Compliance	11	Worse	3.89%	3.29%

*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 2018 performance review also identified actions that CAT can take to improve overall agency performance including:

1. Develop a transit development plan (TDP) to set the long-term vision for a sustainable agency.
2. Set maintenance productivity standards to ensure that time spent is productive and cost efficient.
3. Improve system reliability by ensuring all bus trips / pull outs occur and that the system achieves a high measure of on-time performance.

Additional opportunities for improvement were also identified during the 2018 performance review. The complete list of opportunities for improvement will serve as the basis for CAT's Board-approved action plan.

2023 PERFORMANCE TARGETS

As required by Act 44, PennDOT and CAT management developed new five-year performance targets. Performance targets are designed to be aggressive, yet achievable. CAT should work to achieve these targets, shown in the following table, over the next five years to ensure continued eligibility for full Section 1513 funding.

Performance Criteria	Fiscal Year End (FYE)			Target Annual Increase
	2017 Actual	2018 Projected*	2023 Target	
Passengers / Revenue Vehicle Hour	16.64	17.22	19.01	2.0%
Operating Cost / Revenue Vehicle Hour	\$122.38	\$140.04	\$154.61	2.0%
Operating Revenue / Revenue Vehicle Hour	\$24.13	\$24.69	\$27.25	2.0%
Operating Cost / Passenger	\$7.36	\$8.13	\$8.13	1.0%

*Projected 2018 values were used to provide CAT with targets based off the most currently available data.

FINANCIAL REVIEW

In recent years, CAT has maintained a balanced operating budget only through the use of available carryover subsidies. Noteworthy elements of CAT's financial condition as of FYE 2017 are:

CAT had \$695,175 in carryover local funds and \$384,947 in carryover state funds

- Combined carryover subsidies amount to 5.3% of total operational funding
- CAT expends \$1.2 million / year to subsidize paratransit, \$600,000 of that for shared-ride
- CAT received 91.9% of required local matching funds to state operating subsidies
- CAT maintains a balance of cash and restricted cash equal to 5.5% of total operating expenses
- Current assets exceed current liabilities
- Accounts payable and receivable amounts are negligible
- Operating budget increased from \$18.9 million in FYE 2013 to \$20.4 million in FYE 2017
- CAT maintains a \$4,000,000 line of credit but had no outstanding debt as of FYE 2017

Since the 2010 performance review, CAT's financial health has worsened. Unaudited FYE 2018 financial reports indicate CAT's operating costs continue to increase. Fixed-route driver wages account for the greatest share of costs, going from \$4.7 million at the end of 2017 to \$5.1 million in 2018, an 8.5% annual increase. Management anticipates CAT will deplete available reserves and credit and post a \$600,000 loss for FYE 2018. CAT must take significant actions to manage costs and receive full local match if the agency is to become sustainable in the long-term. CAT management and the Board should identify additional opportunities for cost containment to be included within the Board-approved action plan.

NEXT STEPS

CAT 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. CAT'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:

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

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

- Whether the organization met the agreed upon performance targets
- The sufficiency and effectiveness of actions taken by the organization to improve performance and management practices in its efforts to meet performance targets

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PennDOT conducted the initial review of Cumberland Dauphin-Harrisburg Transit Authority (d.b.a. Capital Area Transit, CAT) in March 2010. CAT served as the initial pilot agency for Act 44 transit performance reviews. Following the 2010 review and report, PennDOT established five-year performance targets and agreed to CAT’s action plan to meet those targets. In June 2018, PennDOT conducted the follow-up reassessment of CAT to determine if CAT successfully met its targets and what actions were taken to improve the agency’s performance and management practices to maximize the return on investment of Commonwealth funding. This report summarizes PennDOT’s findings.

AGENCY DESCRIPTION

The Cumberland Dauphin-Harrisburg Transit Authority (d.b.a. Capital Area Transit, a.k.a. CAT) was incorporated in 1973 under the Municipal Authorities Act of 1945 as the public transportation provider for the Greater Harrisburg Area. CAT was formed by Cumberland County, Dauphin County, and the City of Harrisburg in response to the dissolution of the Harrisburg Railways Company in 1973.

CAT is an urban and rural fixed-route transportation provider in the Greater Harrisburg Area. Currently, there are 33 total fixed-routes extending from the City of Harrisburg to Dauphin and Cumberland counties. There are six commuter routes, with service to Millersburg, Shippensburg, Carlisle, and Hershey (seasonal service). Additionally, CAT contracts a localized service with Wolf's Bus Lines in Shippensburg as a cooperative effort between CAT, Shippensburg University, the Borough of Shippensburg, the Township of Shippensburg, and Cumberland County.

CAT is governed by a seven-member Board of Directors (Board). The founding member governments appoint Board members. Cumberland County appoints two representatives, Dauphin County appoints three representatives, and the City of Harrisburg appoints two representatives. CAT is currently contracting management services from Rabbitransit out of York, PA. CAT has contracted management since the departure of the previous General Manager in early 2017. For almost a year, CAT was managed by a Texas-based consulting firm, until the Board put out a new Request for Proposals (RFP) for management services in late 2017. Rabbitransit was selected in February 2018 to provide management services for a two-year period.

The agency headquarters, bus storage, and maintenance garage are near downtown Harrisburg. The maintenance garage is housed within the historic 100-year old Harrisburg Trolley Barn. The main transfer facility is in downtown Harrisburg. CAT has 20 park and ride facilities available that are provided by Commuter Services of Pennsylvania and offers express service during peak commuter periods at most locations.

CAT had its initial performance review in 2010 and served as the pilot agency for transit performance reviews. Performance targets were set for CAT in September 2010, and an action plan was developed in 2012. A second performance review was initiated for CAT in June 2018.

As of FYE 2017, CAT provided approximately 2.1 million fixed-route passenger trips annually, down from a high of 2.7 million passenger trips in FYE 2012 (**Exhibit 1**). CAT maintains 33 fixed-routes using 64 busses serving the greater Harrisburg area. CAT operates express and commuter service into Harrisburg, and seasonal service in Hershey. CAT contracts local fixed-route service in Shippensburg. Transportation services operate Monday through Friday from 5:00 a.m. until 10:10 p.m. Saturday service operates from 7:00 a.m. until 10:10 p.m.

Exhibit 1 shows the trend in annual passengers, fares and other revenues, operating costs and revenue hours for fixed-route service from FYE 2012 through FYE 2017.¹ CAT lost ridership and experienced a decline in revenue during this period. Ridership dropped approximately 5.0% per year, with revenue declining 2.5% on average from 2012 to 2017. Total operating costs increased 1.7% annually.

¹ Data adjustments were performed to NTD reported information for the removal of the “Carlisle Circulator”—a pilot fixed-route service that operated from 2014 through 2016. These adjustments, in addition to other changes from minor discrepancies in NTD reported data, were performed to reconcile NTD information with dotGrants reported data. A detailed explanation of adjustments can be found in **Appendix A: Data Adjustments** (p. 25).

Exhibit 1: CAT Fixed-Route Service Annual Performance Trends (FYE 2012-2017)



Source: NTD and PennDOT Legacy Reporting System (dotGrants)

PERFORMANCE REVIEW PROCESS

In June 2018, PennDOT initiated an Act 44-mandated performance review for CAT. 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: CAT and PennDOT agree to a set of peer agencies that would be used for comparative analysis.
2. Review of Act 44 variables including current performance, targets from the previous 2010 review, and action plan implementation.
3. Perform Act 44 performance criteria analysis.
4. Conduct on site review, interviews and supplementary data collection/reconciliation.
5. Evaluate performance, financial management and operations.
6. Report results and determine agency compliance with performance requirements.
7. Finalize performance review report.
8. Develop, implement and monitor five-year action plan.

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

2010 ACT 44 PERFORMANCE ASSESSMENT

PRIOR REVIEW DETERMINATIONS AND FINDINGS

The 2010 performance review assessed CAT against a group of peer agencies based on the four performance criteria required by Act 44. CAT was found to be “In Compliance” for all eight performance criteria (**Exhibit 2**) and “At Risk” for none.

Exhibit 2: Previous Performance Review Act 44 Comparison Summary

Performance Criteria	FYE	Determination	Peer Rank (of 12)	Relation to Peer Average	Value	Peer Average
Passengers / Revenue Hour	2008	In Compliance	7	Worse	18.48	21.59
	Trend	In Compliance	4	Better	2.7%	1.34%
Operating Cost / Revenue Hour	2008	In Compliance	7	Worse	\$91.19	\$90.70
	Trend	In Compliance	8	Worse	5.30%	4.80%
Operating Revenue / Revenue Hour	2008	In Compliance	3	Better	\$20.60	\$17.04
	Trend	In Compliance	7	Worse	4.1%	4.86%
Operating Cost / Passenger	2008	In Compliance	10	Worse	\$4.93	\$4.36
	Trend	In Compliance	5	Better	2.5%	3.44%

*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

Using the four criteria, CAT’s fixed-route service performance was analyzed for FYE 2008 and over a five-year period from FYE 2003 to FYE 2008. CAT was determined to be “In Compliance” for all eight criteria and “At Risk” for none. Although “In Compliance” for each measure, CAT performed worse than its peers’ average for passengers, cost and revenue per revenue vehicle hour in the five-year trend. CAT did perform better in the five-year trend for cost per passenger.

Performance targets and an action plan were developed for CAT in consultation with management. The following 2015 performance targets were established with CAT:

- Achieve at least 20.29 passengers per revenue vehicle hour
- Achieve least \$27.29 in operating revenue per revenue vehicle hour
- Contain growth in operating costs to no more than \$127.94 per revenue vehicle hour
- Contain growth in operating costs to no more than \$5.87 per passenger

CAT developed an action plan to address opportunities for improvement identified in the 2010 performance review, which called for aggressive cost containment. Among the major steps CAT took to improve its performance included the following:

1. **Consolidated administrative positions** – CAT revised all administrative job descriptions and instituted annual performance evaluations. Revised job descriptions were used to improve the efficiency of essential duties. CAT down-sized its administrative staff as well.
2. **Developed an initial strategic business plan** – In 2012, CAT developed its first strategic business plan to guide agency decision-making with short-term goals through 2015. As part of plan development, CAT adopted a new vision and mission statement, goals, objectives, and

performance metrics. Actions were developed as part of the strategic plan, but CAT fell short on following through with targeted actions to guide the organization and manage the agency.

3. **Promoted advertising, route guarantees and other sources of revenue-** Through targeted outreach, CAT was able to grow its advertising revenue from \$71,000 in FYE 2011 to \$250,000 in FYE 2017. It also grew its route guarantee revenue from \$0 to \$131,000 over that same timeframe.

The complete list of CAT's previous Action Plan items and CAT's progress in addressing previously identified opportunities for improvement is provided in **Appendix B: 2012 Performance Review Action Plan Assessment**. As shown in **Exhibit 3**, CAT successfully met three out of four performance targets.

Exhibit 3: Previous Performance Targets

Performance Criteria	2015 Actual	2015 Target	Met Target
Passengers / Revenue Vehicle Hour	20.63	20.29	Yes
Operating Cost / Revenue Vehicle Hour	\$121.90	\$127.94	Yes
Operating Revenue / Revenue Vehicle Hour	\$27.55	\$27.29	Yes
Operating Cost / Passenger	\$5.91	\$5.87	No

Targets were extrapolated an additional two years from FYE 2015 to FYE 2017 to show CAT's progress toward increasing ridership and revenue, and managing operating costs based on the most recently available fiscal year end audited information. As demonstrated in **Exhibit 4**, ridership and revenue decreased while the share of operating costs per passenger increased between 2015 and 2017:

Exhibit 4: 2017 Extrapolated Performance Targets

Performance Criteria	2017 Actual	2017 Extrapolated Target
Passengers / Revenue Vehicle Hour	16.64	20.83
Operating Cost / Revenue Vehicle Hour	\$122.38	\$141.06
Operating Revenue / Revenue Vehicle Hour	\$24.13	\$29.57
Operating Cost / Passenger	\$7.36	\$6.17

CAT reported progress to PennDOT on the implementation of the 2012 Action Plan. During the 2018 performance review several factors were noted that should be considered when evaluating CAT's ability to meet its performance targets:

1. **Change in management** – CAT has changed how the agency was managed three times (i.e., in-house general manager, consultant outsourced general manager and a general manager outsourced from Rabbittransit) and has had five different general managers since the 2010 performance review. Historically, CAT followed a traditional style of leadership with a manager who reported to the Board. The last in-house general manager led CAT from 2012 to early 2017. It was after the in-house general manager's departure that the Board decided to contract management from a private Texas-based consulting firm. The Board changed course again and selected Rabbittransit provide management services beginning in February 2018. The change in management and the departure of key senior management staff at CAT has adversely impacted institutional knowledge.
2. **Longstanding financial issues** – CAT continues to experience the impacts of financial management decisions made in past decades. For example, many high-cost provisions persist

in labor agreements (e.g., overtime policies, call-off policies, etc.). Overtime costs are now approaching \$1 million per year. Shared-ride service losses amount to more than \$5.3 million since 2010. As a result, available subsidy (i.e. cash) reserves are at precariously low levels (i.e., 5% of annual operating costs, or enough to cover about two-weeks of operating expenses).

CAT uses federal funds to help subsidize annual operations and relies on a \$4 million line-of-credit to manage cash flow due to the agency having very little cash reserves. CAT management expects that available carryover reserves will be fully-depleted and available credit will be exhausted in the next one to two years. Additionally, management anticipates a major deficit in FYE 2019 if CAT is unable to make any significant changes to control operating losses.

3. **The transit industry has seen many adverse trends since 2010** – In 2010, the US was in the early steps of recovering from the recession of 2008. Since 2010, the economy has started to normalize, and the transit dependent population has declined. Alternatives to transit, such as Uber and Lyft, have emerged. As a result, ridership on most transit systems has declined. Additionally, fuel costs and fringe benefits (e.g., health insurance) have started to see higher rates of increase in the past few years. The 2008 recession also triggered additional liquidity requirements for defined benefit retirement systems such as CAT's. These trends are contrary to the interest and activities of management to contain costs, increase revenues and increase ridership.

ASSESSMENT

CAT achieved three of the four 2015 performance targets. CAT narrowly missed its operating cost per passenger target. CAT's greatest achievements during this review period were to diversify its revenue streams and contain costs between 2010 and 2015. **Despite the cost containment efforts of 2010-2015, costs have grown at an unsustainable pace since 2015.** Based on the efforts of 2010-2015, PennDOT concludes that CAT demonstrated a good faith effort to achieve its 2015 performance targets.

2018 ACT 44 PERFORMANCE ASSESSMENT

The 2018 performance review assessed CAT 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 CAT 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. Erie Metropolitan Transit Authority, Erie, PA
2. York County Transportation Authority, York, PA
3. Berks Area Regional Transportation Authority, Reading, PA
4. Red Rose Transit Authority, Lancaster, PA
5. Worcester Regional Transit Authority, Worcester, MA
6. The Eastern Contra Costa Transit Authority, Antioch, CA
7. Lexington Transit Authority, Lexington, KY
8. Rock Island County Metropolitan Mass Transit District, Moline, IL
9. Salem Area Mass Transit District, Salem, OR
10. Livermore/Amador Valley Transit Authority, Livermore, CA
11. Mountain Metropolitan Transit, Colorado Springs, CO
12. StarTran, Lincoln, NE
13. Central Midlands Transit, Columbia, SC
14. Valley Regional Transit, Meridian, ID

Results of the current CAT analysis and peer comparison are presented in **Exhibit 5**. CAT was found to be “In Compliance” for six measures and “At Risk” for two. The detailed data used to develop the peer comparison summary is presented in **Appendix C: Peer Comparisons**.

Exhibit 5: Current Performance Review Act 44 Peer Comparison Summary

Performance Criteria	FYE	Determination	Rank (of 15)	Relation to Peer Average	Value	Peer Average
Passengers / Revenue Hour	2016	In Compliance	7	Better	18.88	18.50
	Trend	In Compliance	6	Better	-0.23%	-1.73%
Operating Cost / Revenue Hour	2016	At Risk	14	Worse	\$122.40	\$98.17
	Trend	At Risk	14	Worse	3.65%	1.40%
Operating Revenue / Revenue Hour	2016	In Compliance	2	Better	\$26.54	\$18.94
	Trend	In Compliance	7	Better	1.68%	0.67%
Operating Cost / Passenger	2016	In Compliance	12	Worse	\$6.48	\$5.46
	Trend	In Compliance	11	Worse	3.89%	3.29%

CAT was found to be “At Risk” for the FYE 2016 single year determination and five-year trend analysis for operating cost per revenue hour. However, operating costs per passenger were found to be “In Compliance,” but CAT performed worse than the peer group for all cost measures.

ASSESSMENT

CAT was “In Compliance” for all passenger and revenue-based metrics and performed better than the peer average for the FYE 2016 single year determination and five-year trend period. CAT was “At Risk” for the FYE 2016 single year determination and five-year trend period for operating cost per revenue vehicle hour. Rates of trend changes for cost-based variables indicate that cost control measures should be implemented at CAT if the agency is to become sustainable in the long-term. Management’s efforts in coming years should continue to focus on containing costs, increasing ridership, and improving farebox recovery.

2023 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 targets and reevaluating performance are intended to give management the information needed to monitor 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 2018 performance review noted that CAT outperformed its peers on passenger and revenue-based criteria but was “At Risk” for operating cost for the FYE 2016 single year and five-year trend period. CAT should continue to work toward achieving its FYE 2023 targets, especially targeting efforts to contain operating costs.

The following performance targets were established in consultation with CAT:

- Increase passengers per revenue vehicle hour by at least 2% per year on average
- Contain operating cost per revenue vehicle hour increases to no more than 2% per year on average
- Increase operating revenue per revenue vehicle hour by at least 2% per year on average
- Contain operating cost per passenger trip increases to no more than 0% per year on average

Future year targets are based on the most recently available fiscal year end data (i.e., FYE 2018). Although unaudited at the time of this report, CAT has confidence in these projected values and requested that targets be based on the most current data available. CAT should work to achieve these targets, shown in **Exhibit 6**, over the next five years to ensure continued eligibility for full Section 1513 funding.

Exhibit 6: FYE 2023 Act 44 Performance Targets

Performance Criteria	Fiscal Year End (FYE)			Target Annual Increase
	2017 Actual	2018 Projected*	2023 Target	
Passengers / Revenue Vehicle Hour	16.64	17.22	19.01	2.0%
Operating Cost / Revenue Vehicle Hour	\$122.38	\$140.04	\$154.61	2.0%
Operating Revenue / Revenue Vehicle Hour	\$24.13	\$24.69	\$27.25	2.0%
Operating Cost / Passenger	\$7.36	\$8.13	\$8.13	0.0%

*Projected 2018 values were used to provide CAT with targets based off the most currently available data.

FUNCTIONAL REVIEW

Functional reviews are used to determine the reasons for performance results found in the Act 44 comparisons, to catalog CAT 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 CAT, Action Plan templates have been included in the **Appendix D: Action Plan Template** (see pg.63). 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. CAT has taken steps in recent years to better accommodate fixed-route demand. For example, it purchased a used articulated bus from SEPTA to better accommodate seasonal demand for Hershey Park service. It also introduced and marketed service to large new employers such as Chewy, Inc. in Mechanicsburg. Proactively meeting demand helps CAT maximize ridership in new and growing markets.

ELEMENTS TO ADDRESS IN PART 1 OF THE ACTION PLAN (P. 68)

1. CAT is developing a transit development plan (TDP). The TDP should serve to guide short-term decision-making to set CAT on the path to becoming a sustainable agency. At a minimum, the new **TDP should include:**
 - a. An affirmation of the agency's vision, mission, and goals for sustainability;
 - b. An assessment of how well transit serves the community and where service adjustments are warranted;
 - c. A program of potential service changes that would help the agency better serve its community;
 - d. A financial plan that guarantees long-term financial stability;
 - e. Performance metrics tied to the agency's goals (i.e., sustainability and Act 44 compliance);
 - f. A monitoring program to track and report on progress; and,
 - g. A contingency plan to address unanticipated changes in ridership, revenue, and costs.

2. System reliability is a critical factor in building and maintaining transit rider loyalty. Reliability is defined as keeping the contract a transit agency makes with the public through its published schedules- the bus will arrive when the schedule says it will and will get a customer to their destination at the published time. A review of CAT's Twitter feed for three months (May 18, 2018 – August 23, 2018) showed 140 bus trips were cancelled and 121 were reported as running significantly behind schedule. System reliability must be proactively managed to keep existing passengers and attract new ones. Management should take the following steps to address CAT's reliability:
 - a. **Build a schedule with published timepoints that allow drivers to achieve high on-time performance** – identify stop locations where the schedule has built in dwell time that permits an operator to wait safely out of traffic and depart on-time to get back on schedule if the bus is running late or early.
 - b. **Eliminate missed-trips and pullouts** – driver shortages have caused CAT to miss trips many passengers rely on to get to work or for other life sustaining activities. Management should aggressively work to eliminate the causes of missed trips and pull outs.
 - c. **Reduce number of route variations** – many CAT routes take different alignments depending on the start time. This is confusing to passengers who do not know which alignment a bus is on.

Additionally, management should develop appropriate measures and **report on system reliability to the Board** to provide insight and additional perspective on the customer's experience.

OPPORTUNITIES TO INCREASE FIXED-ROUTE REVENUES

BEST PRACTICE

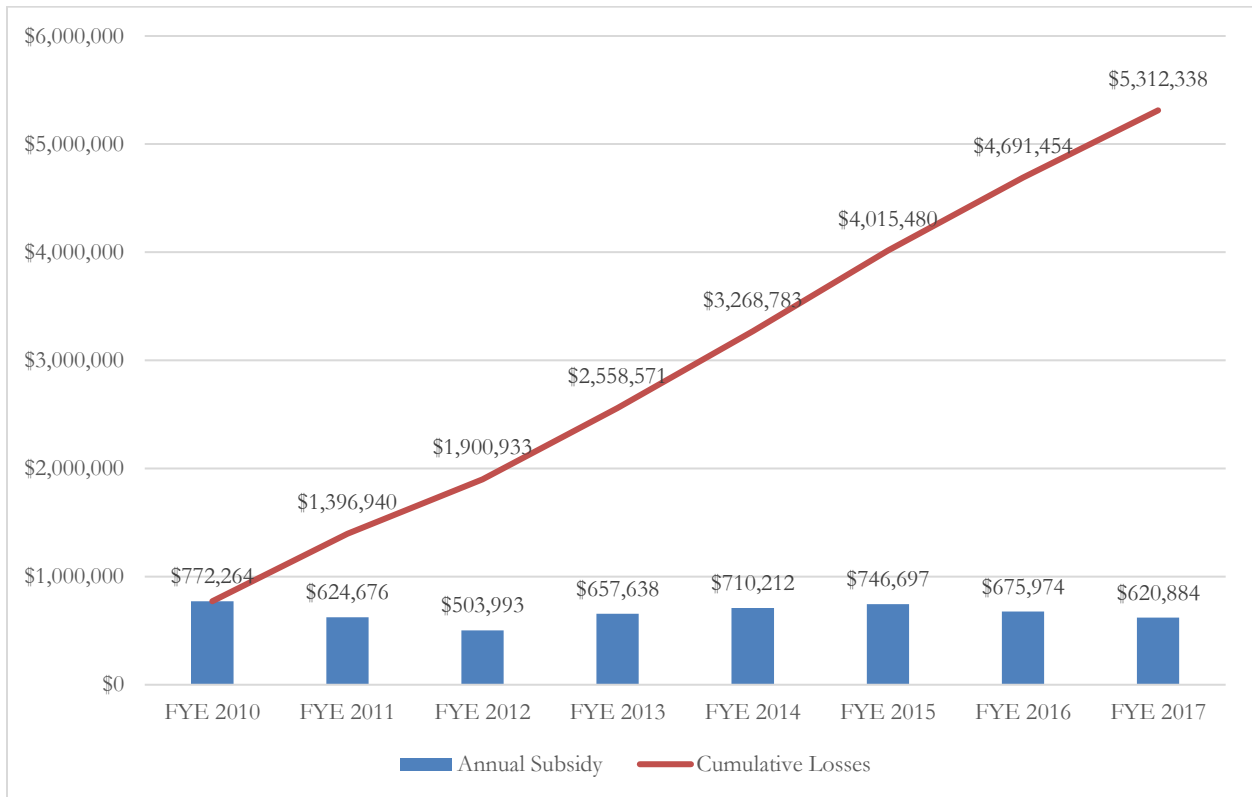
1. Through targeted outreach, CAT was able to grow its revenue from advertising from \$71,000 in FYE 2011 to \$250,000 in FYE 2017. It also grew its revenue from route guarantees from \$0 to \$131,000 over that same timeframe.

ELEMENTS TO ADDRESS IN PART 2 OF THE ACTION PLAN (P. 69)

1. The goal of Pennsylvania's shared-ride program is for shared-ride revenues to equal shared-ride expenses resulting in no need for shared-ride subsidies. Though not considered revenue, fixed-route subsidies that are redirected to subsidize shared-ride losses limit the amount of funding available to finance fixed-route service. As shown in **Exhibit 7**, CAT's shared-ride program has cost \$5.3 million more than it generated in revenues between FYE 2010 and 2017. The last time shared-ride fares were increased was February 1, 2011. Saying it differently, if CAT's shared-ride service fully recovered its cost since 2010, CAT would be \$5.3 million dollars better off than it is today. This is an opportunity to increase funding available for fixed-route service.

Shared-ride fares should more closely align with the cost of service. Management should **better align shared-ride fares and costs to reduce or eliminate the need for shared-ride subsidies**. Proposed fare increases must be balanced carefully against adverse impacts on ridership and the availability of revenues from funding agencies.

Exhibit 7 CAT Shared-Ride Subsidies and Cumulative Losses FYE 2010-2017



OPPORTUNITIES TO CONTROL OPERATING COSTS

BEST PRACTICE

1. Since the 2010 PennDOT Performance Review, the steps CAT's management took to contain administrative costs have been successful. As shown in **Exhibit 8**, administrative costs were about the same in FYE 2017 as they were in FYE 2010. Administrative salary costs were lower in FYE 2017 than they were in FYE 2010. Administrative expense as a share of total operating expense declined over that timeframe (see **Exhibit 9**). Nationally, administrative expense represents 15% to 18% of total operating expense for transit agencies like CAT. CAT's administrative expense was at 12.9% in FYE 2017.

ELEMENTS TO ADDRESS IN PART 3 OF THE ACTION PLAN (P. 69)

1. According to management, CAT is experiencing a fixed-route operator shortage of about 15 full-time drivers. This has required unscheduled operator overtime, and associated costs, just to meet pullout requirements. The financial impact of unscheduled overtime is particularly great on CAT because of the fixed-route operator overtime provisions in the collective bargaining agreement (i.e., CBA) that defines overtime as anything beyond an 8-hour day (vs. 40-hour week). Management has started to address this operator shortage through greater use of part-time drivers. Management should continue to **implement strategies to reduce unscheduled overtime** to promote CAT's long-term financial sustainability. Immediate actions management should consider include:
 - a. Identify optimal scheduled and unscheduled overtime targets;
 - b. Adjust service delivery (i.e., span of service, types of service (e.g., commuter vs. local) and amount of service) to better match available driver resources;
 - c. Use paratransit drivers with CDL licenses to fill in for fixed-route drivers in the short-term; and/or,
 - d. Maximize use of part-time and seasonal drivers to limit the amount of unscheduled overtime.

Management should also **identify and advance initiatives that promote driver retention and attract new drivers.**

Exhibit 8: CAT Fixed-Route Administrative Expenses (FYE 2010 -2017)

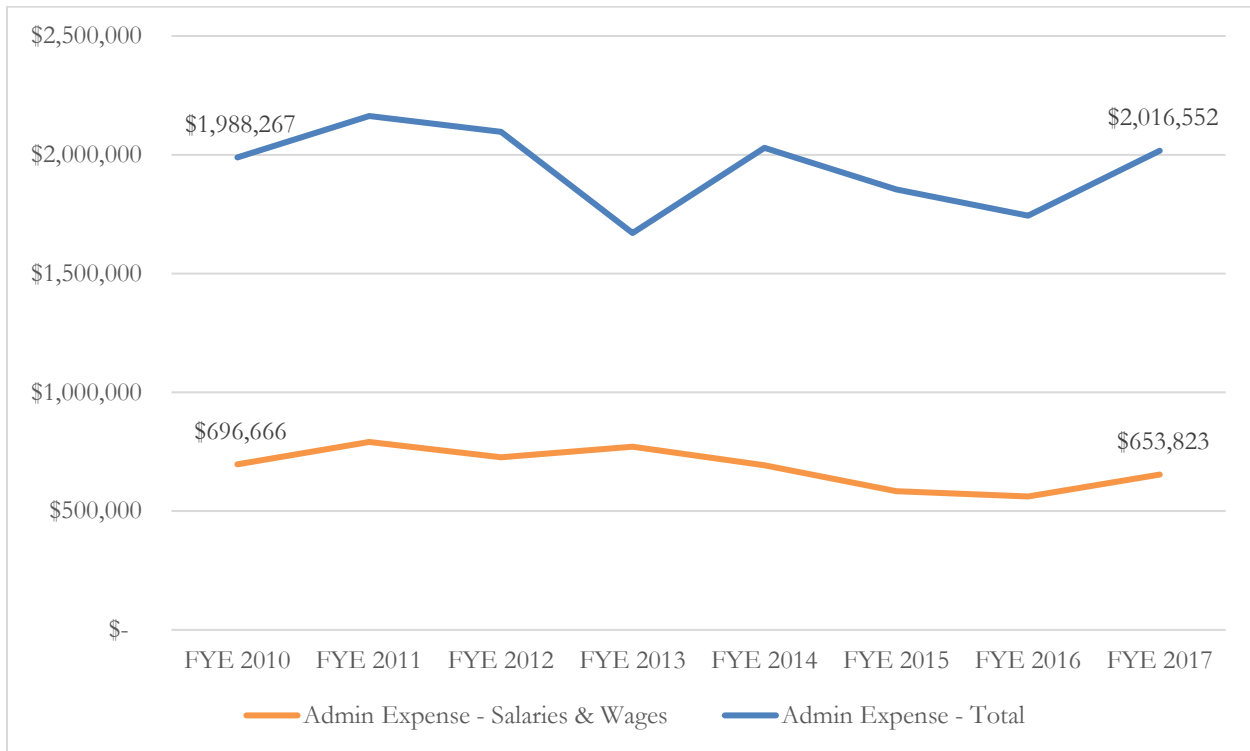
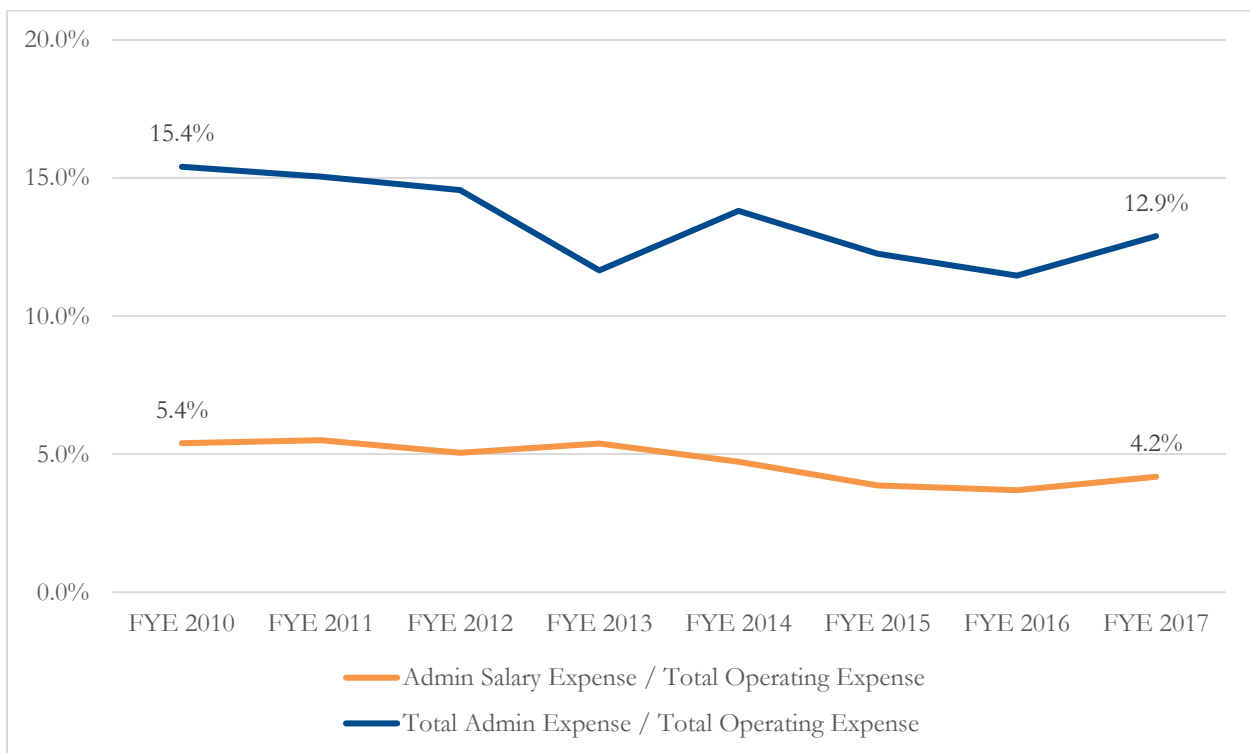


Exhibit 9: CAT Fixed-Route Administrative Expenses / Total Operating Expenses (FYE 2010-2017)



2. As shown in **Exhibit 10**, CAT's maintenance cost per bus mile is higher than many other urban transit systems in Pennsylvania. Examples of variables that can impact maintenance cost per mile include labor rates and fringe benefit costs, workforce productivity, crash damage repair, average fleet age and wear on vehicles due to potholes, weather, etc. Proactively managing maintenance costs and maintenance productivity should be one element of CAT's long-term sustainability strategy.

CAT's Management and Board recently executed a contract with First Transit to review maintenance costs and effectiveness. Coming from this assessment should be productivity standards that will help management assess how efficient the maintenance department performs work and maintains a quality fleet. By quantifying maintenance productivity, management can make informed decisions regarding maintenance staffing needs and future capital investments that could minimize total operating costs.

Traditional productivity standards look at repair time, but there are additional metrics that can be tied to cost through mileage and time spent like road calls, making pullouts, and component rebuilds. CAT should **develop maintenance productivity standards** to ensure maintenance time spent is productive and effective. Management should routinely monitor, and improve where it is practical to do so, some or all of the following maintenance productivity metrics:

- a. Road calls/bus switch-outs;
- b. Farebox repairs/probe repairs;
- c. Missed pullouts/pull-ins;
- d. Repair time;
- e. Repeat failures, frequency of repair/rebuild;
- f. Vehicle and facility preventative maintenance schedule adherence; and,
- g. Other miscellaneous maintenance work where mileage and costs can be tracked.

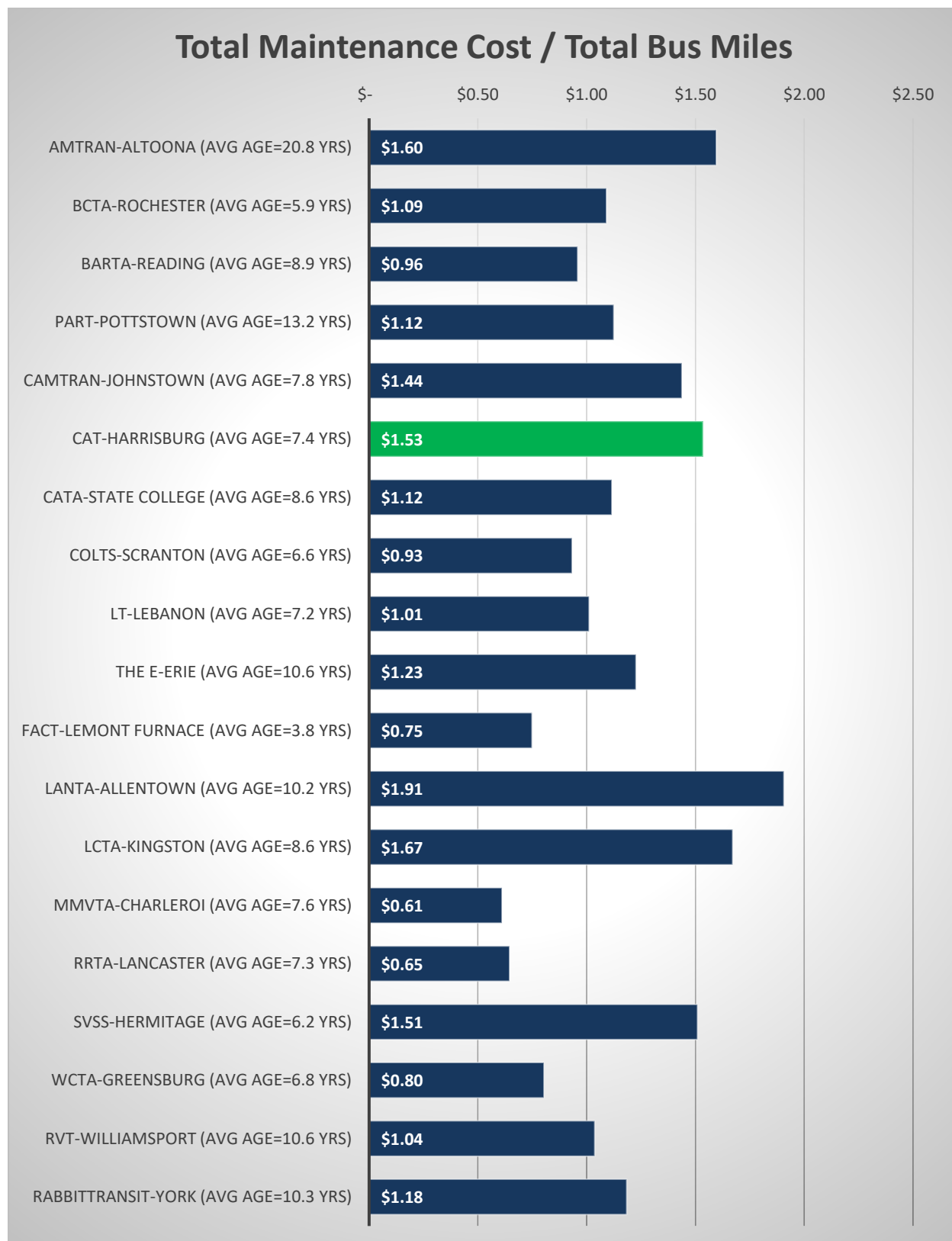
Once First Transit completes the maintenance review, CAT management should implement **a maintenance productivity improvement program** that achieves appropriate performance goals for the maintenance department.

OTHER OPPORTUNITIES TO IMPROVE PERFORMANCE

BEST PRACTICES

1. Shared-ride vehicles feature hardwired, permanent mounts for Ecolane tablets. This improves functionality of the device for drivers with a hands-free mount and eliminates damage to charging ports from repeated plugging and unplugging.

Exhibit 10: 2016 Maintenance Cost / Bus Mile for NTD Reported Small to Medium Pennsylvania Urban Fixed-Route Transit Systems



ELEMENTS TO ADDRESS IN PART 4 OF THE ACTION PLAN (P. 70)

1. CAT is developing a new strategic plan to help redefine the agency's mission and vision and set new short-term goals. **Sustainability should be a central theme for CAT's strategic plan.** It will serve as a framework to the Board and endorse management-driven solutions to balance costs with a sustainable level of service. CAT should consider customer needs in addition to organizational needs during goal development since many strategic plans are inward facing. Management should **consider the following steps as part of the strategic planning process:**
 - a. The long-term vision of a sustainable agency (in line with TDP and mission statement);
 - b. Success markers (i.e., goals) for sustainability;
 - c. Actionable steps (i.e., objectives) to achieve sustainability; and,
 - d. Measurable actions (i.e., performance measure scorecard) to monitor progress.

2. A Board education program reinforces key themes Board members should be familiar with for effective agency stewardship. This includes procedures for onboarding of new members and opportunities for refresher training periodically throughout the year. CAT should **develop a Board education program that clearly defines Board member roles and responsibilities** such as:
 - a. Primary functions (e.g., sets policy, approves budget, agency oversight, voting, etc.);
 - b. Secondary functions (e.g., signatory duties, advocates on behalf of the agency, etc.);
 - c. Governance sub-committee structure, membership, and official duties; and,
 - d. Meeting attendance requirements.

The Board education program should outline the onboarding process for new members and include the following:

- Human resources-led training session on roles and responsibilities of Board members
- Management-led training session on strategic plan initiatives, Act 44 performance requirements, budget development, and other relevant agency initiatives
- Operations-led tour of agency facilities including a ride-along on a fixed-route bus

Additionally, the Board should **incorporate PennTRAIN Board Training 101 modules as part of monthly Board meetings for ongoing refresher training.**

3. CAT has changed how the agency was managed three times (i.e., in-house general manager, consultant outsourced general manager and a general manager outsourced from Rabbittransit) and has had five different general managers within the past two years. Historically, CAT followed a traditional style of leadership with a manager who reported to the Board. The previous in-house general manager led CAT from 2008 to early 2017. It was after the in-house general manager's departure that the Board decided to contract management from a private Texas-based consulting firm. The Board changed course again and selected Rabbittransit in February 2018 to provide management services.

The Board should **consider developing metrics to evaluate management performance.** Potential metrics should be developed from the strategic plan (i.e., goal achievement) and include short-term benchmarks (i.e., year one, year two) set by the Board during the contract period.

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 11**, CAT has 5.3% in total carryover subsidies (i.e., state and local reserves) to total annual operating cost. This is well below PennDOT's suggested value of 25%+. These reserves provide liquidity in case of unexpected cost increases. In FYE 2017, CAT received 91.9% of their required local match to 1513 state operating subsidy and had to rely on local carryover funds to cover the remaining balance. These issues are only expected to become worse in FYE 2018 because projections show CAT's operating budget is expected to end up with more than a \$600,000 shortfall. Immediate actions are required to address CAT's financial position and reverse the trend of dwindling carryover reserves.

As of April 30, 2018, CAT had no accounts payable and few receivable amounts over 90 days. CAT maintains a \$4,000,000 line of credit to help balance short-term cash flow while awaiting federal or state grant payments. Currently there is no outstanding debt. However, CAT management should carefully manage interest cost expenses resulting from future use of the line of credit. CAT is above the 25% goal for liquidity only because of the revolving line of credit. Without it, the agency would not be able to make payroll or pay its bills at various points throughout the year.

TOTAL PUBLIC TRANSPORTATION OPERATIONAL EXPENDITURES AND FUNDING

CAT's operating budget increased from \$18.9 million in FYE 2013 to approximately \$20.5 million in FYE 2017 (**Exhibit 12**). Approximately 76.4% of CAT's operational expenses are for fixed-route services. The remaining operational expenses (23.6%) are for paratransit services, as shown in **Exhibit 13**.

Agency-wide operating funds come from a variety of sources including state funds, federal funds, local funds, and passenger fares. CAT used state, federal and local funds to finance both fixed-route and paratransit operations (**Exhibit 14**). Combined, state and federal subsidies are the largest share of income for CAT, accounting for 63.1% of total operating income. Passenger fares and other local funds are the remaining funding sources, representing approximately 36.9% of total operating income (**Exhibit 15**).

Exhibit 11: High-Level Financial Indicators

FYE 2017 Indicator	Value	Assessment Criteria / Rationale	Source
Total Carryover Subsidies / Annual Operating Cost	5.3%	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	26.9%	Only necessary if combined carryover subsidies are less than 25% of annual. This ensures that the agency maintains sufficient cash flow / liquidity to pay all current bills.	FYE 2017 Audit and PennDOT dotGrants
Actual Local Match / Required Match	91.9%	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.	CAT reported value
Accounts Receivable (AR) 90+ days	0.0%	Target should be 0% over 90 days. Larger values can cause cash flow problems.	CAT reported value
Debt / Annual Operating Cost	0.0%	Target should be 0%. Low debt amounts reduce borrowing costs.	FYE 2017 Audit

Exhibit 12: Public Transportation Operating Expense by Service Type

Service Type (In Millions)	FYE 2013	FYE 2014	FYE 2015	FYE 2016	FYE 2017
Fixed Route	\$14.3	\$14.7	\$15.1	\$15.2	\$15.6
Paratransit	\$4.6	\$4.9	\$4.8	\$4.7	\$4.8
Total*	\$18.9	\$19.6	\$19.9	\$19.9	\$20.5

* May not add due to rounding.

Exhibit 13: Public Transportation Operating Expense Trends by Service Type

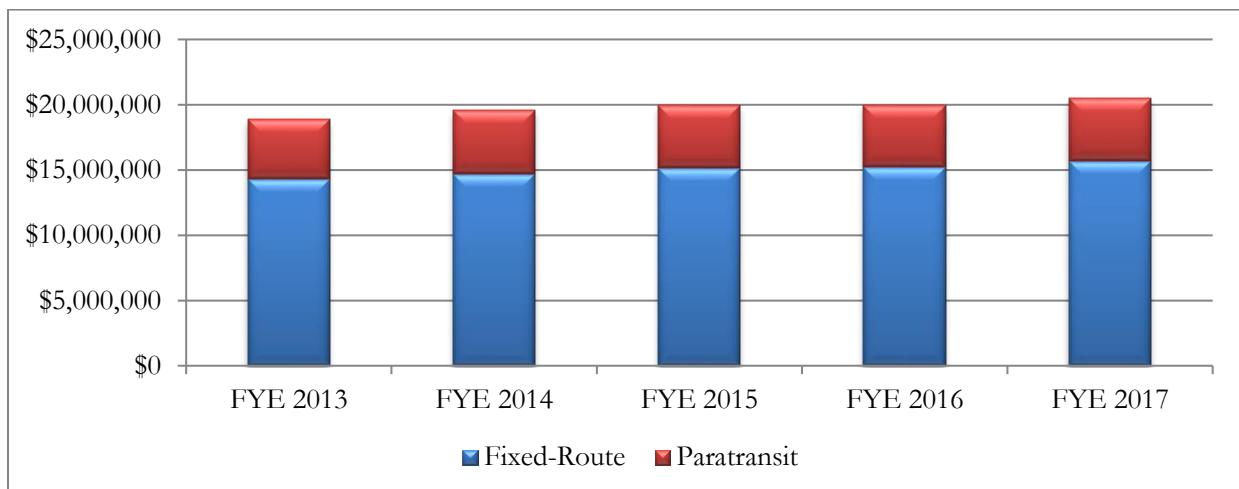
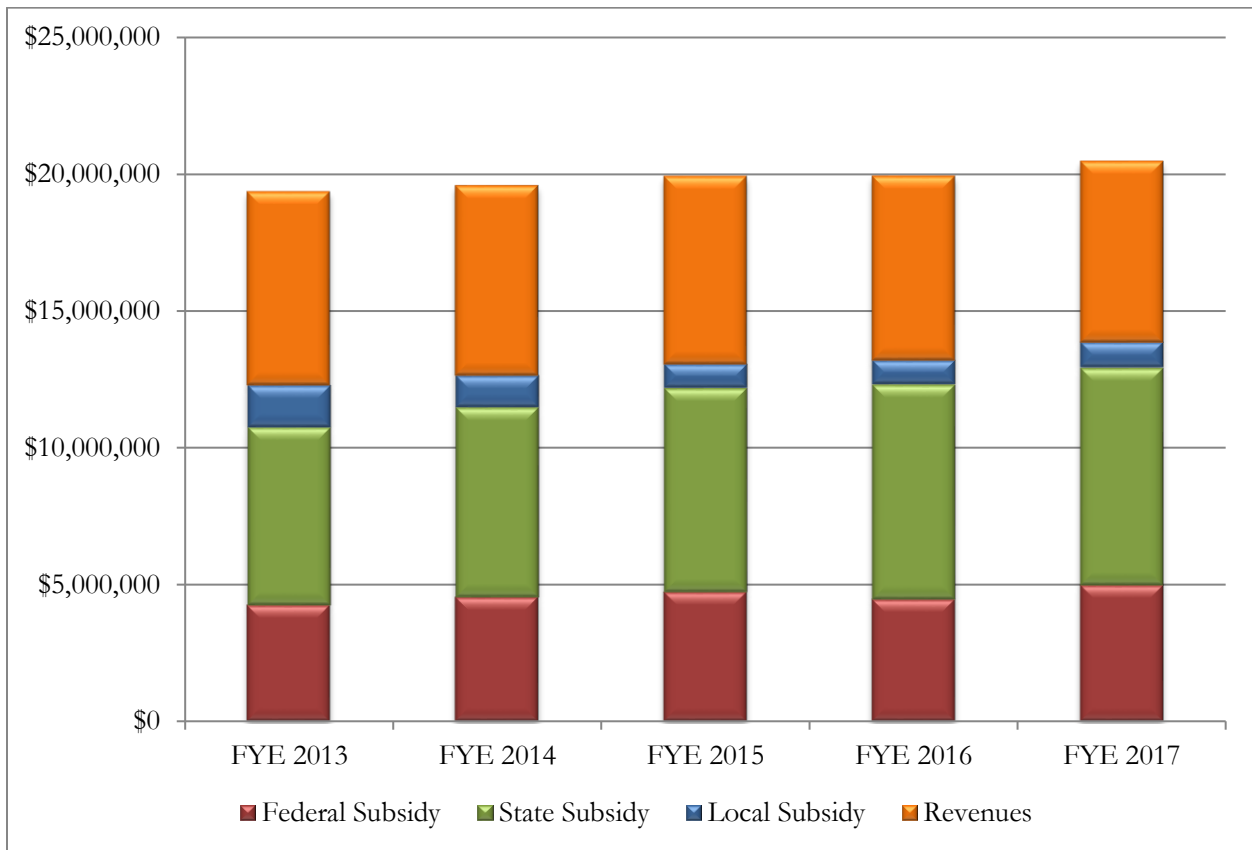


Exhibit 14: Percent of Total Public Transportation (Fixed-Route + Paratransit) Operating Budget by Funding Source

Funding Source	FYE 2013	FYE 2014	FYE 2015	FYE 2016	FYE 2017
Federal Subsidy	21.9%	23.1%	23.7%	22.3%	24.2%
State Subsidy	33.7%	35.2%	37.4%	39.4%	38.9%
Local Subsidy	7.9%	6.2%	4.3%	4.4%	4.5%
Revenues	36.5%	35.5%	34.5%	33.8%	32.4%
Local Subsidy / State Subsidy	23.5%	17.6%	11.6%	11.3%	11.6%

Exhibit 15: Total Public Transportation (Fixed-Route + Paratransit) Operating Budget by Funding Source



FIXED-ROUTE FUNDING

CAT's fixed-route funding comes from general revenues and government subsidies. Direct passenger fares in relation to overall funding have decreased from 21.4% in 2013 to 16.6% in 2018, respectively (**Exhibit 16**). Based on FYE 2017 dotGrants reporting, CAT operated using current year funding with \$384,947 in Act 44 (1513) state carryover funds available. CAT had \$695,175 in local carryover funds available.

Exhibit 16: Fixed-Route Funding

Funding Source	FYE 2013	FYE 2014	FYE 2015	FYE 2016	FYE 2017
Revenues					
Passenger Fares	\$3,103,772	\$3,081,973	\$3,013,428	\$2,835,298	\$2,597,276
Advertising	\$161,355	\$89,023	\$161,353	\$223,578	\$250,016
Charter	\$0	\$0	\$0	\$0	\$0
Route Guarantees	\$118,436	\$121,399	\$124,431	\$127,543	\$130,732
Other- (Non-Transit Revenue)	\$7,624	\$7,495	\$3,928	\$2,529	\$4,562
Other- (MATP)	\$123,277	\$125,147	\$115,790	\$108,454	\$101,682
Subtotal	\$3,514,464	\$3,425,037	\$3,418,930	\$3,297,402	\$3,084,268
Subsidies					
Federal Operating Grant	\$41,000	\$56,016	\$43,425	\$21,397	\$47,947
Act 44 (1513) State Prior	\$0	\$0	\$0	\$0	\$0
Act 44 (1513) State Current	\$6,503,345	\$6,844,600	\$7,421,148	\$7,855,178	\$7,960,804
Municipal Prior	\$0	\$0	\$0	\$0	\$0
Municipal Current	\$730,105	\$707,682	\$804,941	\$845,188	\$889,259
Special (Federal) ²	\$3,189,200	\$3,208,732	\$3,337,207	\$3,145,249	\$3,621,769
Special (State)	\$11,456	\$25,093	\$39,771	\$940	\$2,975
Special (Local)	\$531,219	\$428,804	\$59,664	\$38,937	\$35,331
Subtotal	\$11,006,325	\$11,270,927	\$11,706,156	\$11,906,889	\$12,558,085
Total Funding	\$14,520,789	\$14,695,964	\$15,125,086	\$15,204,291	\$15,642,353
Passenger Fares/ Total Funding	21.4%	21.0%	19.9%	18.6%	16.6%

Source: PennDOT dotGrants Reporting System.

² Additional federal funds were provided through Congestion Mitigation and the Air Quality Improvement Program (CMAQ) and 5311 formula grants for rural areas.

PARATRANSIT FUNDING

Paratransit funding is about 23.6% of CAT's operating budget and consists solely of urban shared-ride and ADA service. The paratransit funding mainly relies on general revenues, such as MATP and senior passenger (lottery) fare reimbursement. (**Exhibit 17**). From FYE 2013 to FYE 2017, total funding has remained consistent.

Total paratransit passenger trips increased from 191,350 trips in FYE 2013 to 209,870 trips in FYE 2017 (**Exhibit 18**).

Exhibit 17: Paratransit Funding by Source

Category	FYE 2013	FYE 2014	FYE 2015	FYE 2016	FYE 2017
Revenues					
Passenger Fares	\$196,606	\$183,267	\$158,503	\$162,566	\$175,938
Advertising	\$0	\$0	\$0	\$0	\$0
Lottery	\$682,529	\$649,795	\$873,068	\$785,039	\$816,744
PwD Reimbursement	\$139,201	\$163,420	\$176,186	\$170,725	\$155,571
PwD Passenger Fares	\$0	\$0	\$37,752	\$35,962	\$32,364
AAA	\$44,547	\$41,515	\$48,017	\$45,057	\$46,322
MH/MR	\$747,630	\$599,460	\$538,215	\$450,350	\$409,709
W2W	\$0	\$0	\$0	\$0	\$0
MATP	\$1,518,860	\$1,633,677	\$1,510,181	\$1,767,149	\$1,832,500
Other (Mills, RSVP, Manor, Millersburg)	\$10,547	\$13,039	\$10,925	\$0	\$0
Other (MATP No Shows)	\$52,208	\$63,778	\$12,090	\$0	\$0
Other (Residential Facilities)	\$166,820	\$170,060	\$99,665	\$28,907	\$74,075
Other (Interest)	\$0	\$8,755	\$14	\$17	\$25
Subtotal	\$3,558,948	\$3,526,766	\$3,464,616	\$3,455,772	\$3,543,248
Subsidies					
Federal Operating Grant	\$0	\$0	\$0	\$0	\$0
Act 44 (1513) State Prior	\$0	\$0	\$0	\$0	\$0
Act 44 (1513) State Current	\$0	\$58,928	\$0	\$0	\$0
Municipal Prior	\$0	\$0	\$0	\$0	\$0
Municipal Current	\$0	\$16,194	\$0	\$0	\$0
Special (Federal)	\$1,008,899	\$1,258,023	\$1,335,592	\$1,282,036	\$1,288,301
Special (State)	\$0	\$26,222	\$0	\$0	\$0
Special (Local)	\$270,006	\$0	\$0	\$0	\$0
Subtotal	\$1,278,905	\$1,359,367	\$1,335,592	\$1,282,036	\$1,288,301
Total Funding	\$4,837,853	\$4,886,133	\$4,800,208	\$4,727,808	\$4,831,549

Source: PennDOT dotGrants Reporting System.

Exhibit 18: Paratransit Operating Statistics (FYE 2013 – FYE 2017)

Operating Category	FYE 2013	FYE 2014	FYE 2015	FYE 2016	FYE 2017
Paratransit Operating Statistics					
Senior (Lottery) Trips	40,578	41,555	59,696	54,053	59,205
ADA Trips	30,859	29,594	33,212	34,423	36,465
PwD Trips	7,284	9,321	10,524	11,532	9,325
Other Trips	112,629	113,815	97,616	103,049	104,875
Total Paratransit Trips	191,350	194,285	201,048	203,057	209,870
Total Miles	1,563,635	1,555,406	1,549,795	1,572,344	1,629,725
Total Hours	89,524	91,670	90,896	92,447	96,403
VOMS	44	46	46	46	46

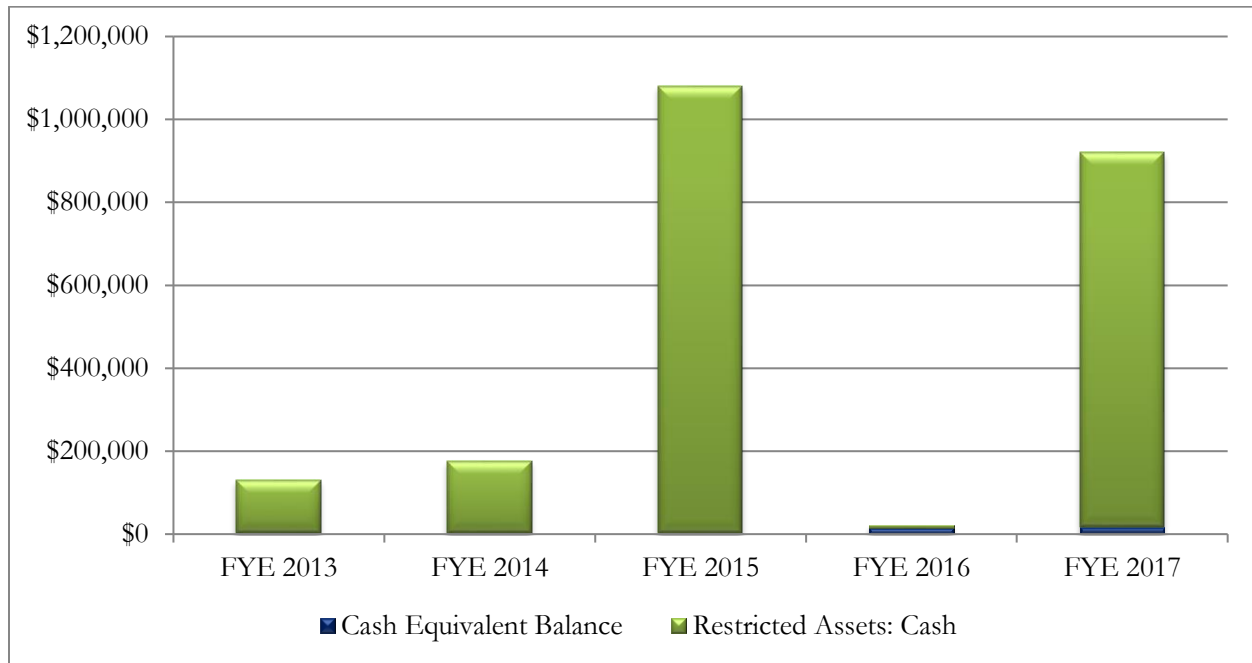
BALANCE SHEET FINDINGS

Review of balance sheets from CAT shows that since FYE 2013, the agency increased available cash on hand (**Exhibit 19** and **Exhibit 20**) by eliminating investments. Net current cash equivalent balance reported as of FYE 2017 was about \$15,633. CAT maintains a balance of cash and restricted cash to 4.5% of total operating expenses as of FYE 2017. In FYE 2016, a delayed federal grant was not approved until July 2016 and CAT relied on available cash reserves and local funds in the short-term. Accounts payable have decreased from a high of \$1,109,806 in FYE 2014 to a low of \$371,097 in FYE 2017. CAT maintains a \$4,000,000 line of credit but has no outstanding debt as of FYE 2017.

Exhibit 19: 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	\$1,203	\$1,182	\$1,182	\$15,549	\$15,633
Investments	\$14,330	\$14,341	\$14,348	\$0	\$0
Grant Receivable (incl. capital)	\$1,975,664	\$2,134,964	\$482,335	\$4,574,020	\$1,300,337
Other Accounts Receivable	\$604,182	\$778,623	\$721,334	\$873,630	\$828,563
Restricted Assets: Cash	\$129,059	\$174,665	\$1,079,353	\$5,446	\$904,646
Inventory Value	\$278,090	\$324,589	\$345,311	\$328,900	\$390,318
Pre-paid Expenses	\$361,951	\$486,945	\$422,114	\$412,838	\$313,713
Current Liabilities					
Accounts Payable	\$395,310	\$1,109,806	\$442,661	\$876,899	\$371,097
Accrued Expenses	\$1,220,673	\$1,115,823	\$747,500	\$1,161,837	\$1,286,073
Deferred Revenue	\$1,274,985	\$1,282,486	\$1,459,299	\$1,610,276	\$1,747,128
Line of Credit	\$0	\$0	\$0	\$2,167,825	\$0
Current Maturities Long-term Debt	\$0	\$0	\$0	\$0	\$0
Total Operating Expense					
(Cash & Rest. Cash)/Total Op. Exp.	0.7%	0.9%	5.4%	0.1%	4.5%
Line of Credit/Annual Payroll	34.1%	33.1%	32.2%	28.1%	26.9%
Current Assets	\$3,364,479	\$3,915,309	\$3,065,977	\$6,210,383	\$3,753,210
Current Liabilities	\$2,890,968	\$3,508,115	\$2,649,460	\$5,816,837	\$3,404,298
Net Current Assets	\$473,511	\$407,194	\$416,517	\$393,546	\$348,912

Source: Annual Audit Reports and dotGrants

Exhibit 20: End-of-Year Cash Balance (FYE 2013 – FYE 2017)**ASSESSMENT**

In recent years, CAT has maintained a balanced operating budget only through the use of available carryover subsidies. Noteworthy elements of CAT's financial condition as of FYE 2017 are:

- CAT had \$695,175 in carryover local funds and \$384,947 in carryover state funds
- Combined carryover subsidies amount to 5.3% of total operational funding
- CAT expends \$1.2 million / year to subsidize paratransit, \$600,000 of that for shared-ride
- CAT received 91.9% of required local matching funds to state operating subsidies
- CAT maintains a balance of cash and restricted cash equal to 5.5% of total operating expenses
- Current assets exceed current liabilities
- Accounts payable and receivable amounts are negligible
- Operating budget increased from \$18.9 million in FYE 2013 to \$20.4 million in FYE 2017
- CAT maintains a \$4,000,000 line of credit but had no outstanding debt as of FYE 2017

Since the 2010 performance review, CAT's financial health has worsened. Unaudited FYE 2018 financial reports indicate CAT's operating costs continue to increase. Fixed-route driver wages account for the greatest share of costs, going from \$4.7 million at the end of 2017 to \$5.1 million in 2018, an 8.5% annual increase. Management anticipates CAT will deplete available reserves and credit and post a \$600,000 loss for FYE 2018. CAT must take significant actions to manage costs and receive full local match if the agency is to become sustainable in the long-term. CAT management and the Board should identify additional opportunities for cost containment to be included within the Board-approved action plan.

APPENDIX A: DATA ADJUSTMENTS

From FYE 2014 to FYE 2016, CAT operated a circulator fixed-route known as the “Carlisle Circulator.” This route is no longer in service and ridership, operating costs and revenues were adjusted from NTD reported information to reconcile with dotGrants reported values. These adjustments were made to develop more accurate performance targets for CAT based on current fixed-route service.

Additional minor discrepancies were identified from FYE 2011 through FYE 2013 in NTD reported data that was adjusted to reconcile with dotGrants reported values. The following adjustments were made to better understand trends and develop five-year performance targets:

Fixed-Route Ridership	FYE 2011	FYE 2012	FYE 2013	FYE 2014	FYE 2015	FYE 2016
dotGrants Reported Total Fixed-Route Ridership	2,682,644	2,746,894	2,674,422	2,667,066	2,559,638	2,345,640
NTD Reported Total Fixed-Route Ridership	2,681,430	2,746,894	2,674,422	2,668,027	2,574,738	2,371,469
Adjustments to Total Fixed-Route Ridership	1,214	-	-	-961	-15,100	-25,829
Adjusted Total Fixed-Route Ridership	2,682,644	2,746,894	2,674,422	2,667,066	2,559,638	2,345,640
Fixed-Route Operating Costs						
dotGrants Reported Total Fixed-Route Operating Costs	\$14,370,449	\$14,390,622	\$14,325,824	\$14,695,964	\$15,125,086	\$15,204,291
NTD Reported Total Fixed-Route Operating Costs	\$14,325,429	\$14,302,903	\$14,248,907	\$14,741,763	\$15,383,610	\$15,509,221
Adjustments to Total Fixed-Route Operating Costs	\$45,020	\$87,719	\$76,917	-\$45,799	-\$258,524	-\$304,930
Adjusted Total Fixed-Route Operating Costs	\$14,370,449	\$14,390,622	\$14,325,824	\$14,695,964	\$15,125,086	\$15,204,291
Fixed-Route Revenue						
dotGrants Reported Total Fixed-Route Revenue	\$3,429,883	\$3,498,813	\$3,514,464	\$3,425,037	\$3,418,930	\$3,297,402
NTD Reported Total Fixed-Route Revenue	\$3,314,511	\$3,369,994	\$3,514,452	\$3,440,975	\$3,444,527	\$3,311,369
Adjustments to Total Fixed-Route Revenue	\$115,372	\$128,819	\$12	-\$15,938	-\$25,597	-\$13,967
Adjusted Total Fixed-Route Revenue	\$3,429,883	\$3,498,813	\$3,514,464	\$3,425,037	\$3,418,930	\$3,297,402

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

Final Adjusted Metrics	FYE 2011	FYE 2012	FYE 2013	FYE 2014	FYE 2015	FYE 2016
Passenger/RVH	19.10	21.00	21.35	21.54	20.63	18.88
Operating Revenue/RVH	\$24.42	\$26.75	\$28.05	\$27.66	\$27.55	\$26.54
Operating Cost/RVH	\$102.32	\$110.00	\$114.34	\$118.68	\$121.90	\$122.40
Operating Cost/Passenger	\$5.36	\$5.24	\$5.36	\$5.51	\$5.91	\$6.48

Source: NTD and dotGrants reporting

APPENDIX B: 2012 PERFORMANCE REVIEW ACTION PLAN ASSESSMENT

Last Updated May 13, 2016

Item Number	Recommended Action for Improvement	Action Plan	Corrective Action	Progress
Governance	Accelerate management actions to resolve outstanding administrative issues and ensure ongoing and timely compliance with state and federal requirements.	Starting in August of 2011 when the first of major administrative changes were made and then with technical assistance from both PennDOT and FTA, CAT staff has been working diligently to resolve outstanding issues and establish policies and procedures to ensure that the issues are not repeated.	This project involves all CAT staff, started in August of 2011 and will be an ongoing process to ensure that CAT processes are up to date.	In 2011, the new Management Team began the process of analyzing all areas of deficiency and concentrated upper management oversight on those areas. Strategic Plan development helped guide the management staff on agency priorities. During 2012 CAT implemented a new organizational structure with corresponding revised responsibilities, filled key management positions and began instituting revised policies and procedures. The result has been four Annual Audits since the FY 2011-2012 audit, with no findings, along with FTA Triennial Review and FMO, with the corresponding issues being resolved prior to established deadlines. It must be said that this is a continuous ongoing process.
Governance	Authority members need to fill vacant Board seats, make appointments for expired Board terms,	The one open Board seat for the City of Harrisburg was filled in the Spring of 2011 and currently all CAT Board seats are filled.	This is an ongoing process which is the responsibility of the Board.	On Friday, March 22, 2016 Harrisburg representative to the CAT Board Kathy Possinger submitted her resignation to Mayor Papenfuse. Immediately General Manager Bill Jones began discussions with

Item Number	Recommended Action for Improvement	Action Plan	Corrective Action	Progress
	and maintain full Board membership.			Chairman Eric Bugaile and the other Harrisburg representative, Lenora Smith, to identify a possible replacement for recommendation to the Mayor and on Tuesday, Bill Jones met with Mayor Papenfuse to discuss the issue. There are no vacancies as of 2018.
Governance	Provide/update Mission and Vision Statements for CAT, with commensurate goals and objectives.	A strategic plan for Board will be adopted at the March 29, 2012 meeting, with commensurate goals and objectives; implement with appropriate performance metrics, which will be reviewed by the Board with management on a monthly or quarterly basis as appropriate.	Take Board through Strategic Business Plan process during 2012. The plan is schedule to be adopted at the March 2012 Board Meeting.	In April of 2012, the CAT Board of Directors adopted the FY 2012-2015 Strategic Plan which included updated Mission and Vision Statements with goals and measures. This plan is updated annually with the last update being in February of 2015.
Governance	Refine existing and adopt additional performance standards and associated metrics for key functional areas of CAT. Proactively monitor metrics on a periodic basis.	A strategic plan for Board will be adopted at the March 29, 2012 meeting, with commensurate goals and objectives; implemented with appropriate performance metrics,	Take Board through Strategic Business Plan process during 2012. The plan is schedule to be adopted at the March 2012 Board Meeting.	Since 2012 the CAT Board of Directors has annually updated their Strategic Plan which includes performance standards and metrics. This plan will again be review and updated in early 2016.

Item Number	Recommended Action for Improvement	Action Plan	Corrective Action	Progress
		which will be reviewed by the Board with management on a monthly or quarterly basis as appropriate.		
Governance	Provide additional strategic direction to CAT management.	A strategic plan for Board will be adopted at the March 29, 2012 meeting, with commensurate goals and objectives; implemented with appropriate performance metrics, which will be reviewed by the Board with management on a monthly or quarterly basis as appropriate.	Take Board through Strategic Business Plan process during 2012. The plan is schedule to be adopted at the March 2012 Board Meeting.	Since 2012 the CAT Board of Directors has annually updated their Strategic Plan which includes performance standards and metrics. This plan will again be review and updated in early 2016.
Advisory Committees	Continue to broaden Citizen Advisory Committee to proactively address fixed route services in addition to providing input on demand response services.	A Marketing Plan will be developed which brings the Customer wants and needs to the forefront. The Citizen Advisory Committee should cover all modes of public transportation.	In conjunction with the CAT Board's new Marketing Committee, this project will be addressed in FY 2012-2013.	CAT's Director of Customer Service has been aggressively working with the Center for Independent Living to reenergize and reorganize the People with Disabilities Advisory Committee.

Item Number	Recommended Action for Improvement	Action Plan	Corrective Action	Progress
Management and Administration	Provide ongoing training and cross-training among management personnel to help ensure continuity for short or long-term absences, and personnel departures.	As part of a Strategic Business Plan to address the CAT Board's Strategic Plan, the organizational structure will be addressed, which includes, training, cross-training and performance metrics for every position.	The Board's Strategic Plan process was scheduled to be adopted at the March 2012 Board Meeting and the management lead by the GM will begin the process of developing a Business Plan to address the Goals and Objectives outlined in said plan.	CAT still has critical openings in Human Resources and Shared Ride Operations Manager which as mission critical. While most positions are filled and cross training has been accomplished, it is still on ongoing process.
Management and Administration	Draft a strategic plan for Board review and adoption, with commensurate goals and objectives; implement with appropriate performance metrics, which will be reviewed by management and the Board on a monthly or quarterly basis as appropriate.	A strategic plan for Board will be adopted at the March 29, 2012 meeting, with commensurate goals and objectives; implement with appropriate performance metrics, which will be reviewed by the Board with management on a monthly or quarterly basis as appropriate.	Take Board through Strategic Business Plan process during 2012. The plan is schedule to be adopted at the March 2012 Board Meeting.	Since 2012 the CAT Board of Directors has annually updated the Strategic Plan which includes performance standards and metrics. This plan will again be review and updated in 2016.
Management and Administration	Obtain assistance to resolve outstanding federal and state compliance and grant accounting issues.	Starting in August of 2011 when the first of major administrative changes were made and then with the assistance	This project involves all CAT staff, started in August of 2011 and will be an ongoing process to ensure that CAT	With technical assistance from both FTA and PennDOT, CAT instituted revised policies and procedures. The result has been a four Annual Audits since the FY 2011-2012 audit with no

Item Number	Recommended Action for Improvement	Action Plan	Corrective Action	Progress
		of technical assistance from both PennDOT and FTA, CAT staffs have been working diligently to resolve outstanding issues and establish policies and procedures to ensure that the issues do not happen again.	processes are up to date.	findings, along with FTA Triennial Review and FMO with the corresponding issues being resolved prior to established deadlines. It must be said that this is a continuous ongoing process.
Management and Administration	Create and implement internal management procedures and systems that monitor all federal and state requirements, required revisions to existing items, new requirements, submittal dates, and other relevant factors and implement a quality control system to ensure ongoing compliance.	Starting in August of 2011 when the first of major administrative changes were made and then with technical assistance from both PennDOT and FTA, CAT staffs have been working diligently to resolve outstanding issues and establish policies and procedures to ensure that the issues do not arise again.	This project involves CAT staff, started in August of 2011 and will be an ongoing to ensure that CAT processes are up to date.	With the above mentioned technical assistance, CAT staff has developed and implemented internal policies, procedures and systems to comply with all federal, state and local requirements. These policies, procedures and systems are continually reviewed and updated.
Management and Administration	Create and actively use performance metrics for all major management functions. Monitor and report periodically to staff and Board.	A strategic plan for Board will be adopted at the March 29, 2012 meeting, with commensurate goals and objectives; implement with	Take Board through Strategic Business Plan process during 2012. The plan is schedule to be adopted at the March 2012 Board Meeting.	In response the above mentioned Strategic Plan, the CAT personnel developed and obtained board approval or fixed route Service Standards. In addition, the management team is in the process of developing a Business Plan which

Item Number	Recommended Action for Improvement	Action Plan	Corrective Action	Progress
		appropriate performance metrics, which will be reviewed by the Board with management on a monthly or quarterly basis as appropriate.		includes and associated metrics for all areas of the business. In conjunction with the FY 2013-2014 Budget process, CAT Management developed a Business Plan that included comprehensive goals and metrics operations, maintenance and planning.
Human Resources	Support quick establishment of a human resources function managed by a professional.	CAT filled the position of HR Manager in 2010, but the individual did not meet expectations and has since been replaced.	This position has been filled twice, 2010 and 2012.	On Monday, May 16, 2016 I will be working with a team to assess the proper skills necessary for the HR Manager and then develop a proper job description. From there, the recruitment process will begin.
Human Resources	Allow recruiting and hiring for a position to begin when the incumbent formally announces his or her departure.	With the hiring of the current HR Manager, protocols for the prompt recruitment is started in a timely manner have been established.	MR Manager is 2012.	During 2012 the process of beginning the recruiting process well before the current staff member leaves was instituted.
Human Resources	Reinstitute performance reviews for non-union personnel regardless of budgeted salary increases.	Performance reviews where reinstated in 2010. As part of the Strategic Business Plan, personnel performance goals will be tied to the plan and individuals held accountable to that standard.	During FY 2012-2013 CAT will transition performance evaluations which are tied to the Strategic Business Plan.	CAT has rewritten all job descriptions. Additional a performance evaluation process has been instituted and is the process of being completed which will be tied to the development of goals during the upcoming budget process which should be complete by May 31, 2016.

Item Number	Recommended Action for Improvement	Action Plan	Corrective Action	Progress
Human Resources	Develop an Operations Manual for bus operators and Handbook for maintenance employees.	Both the Operations Manual and the Maintenance Employees Handbook are a part of a larger project involved Standard Operating Procedures (SOP) which must be document and staff trained to the standard.	This will be an ongoing process that began in 2012.	Currently CAT has a Shared Ride Operators Manual and the Operations Staff has been tasked with the completion of a Fixed Route Operators Manual which should be complete prior to June 30, 2016. The Maintenance Department has undergone a major restructuring with the hiring of new Vehicle Maintenance Manager, Assistant Maintenance Manager and Maintenance Supervisor. The Maintenance Operations Manual should be completed by the end of 2016.
Human Resources	Address the issue of mark-offs and continue the more proactive approach to labor relations.	As part of the new labor agreement between the ATU and CAT, an Attendance Policy was established.	Labor Agreement between the ATU and CAT, effective July 2010.	As previously stated, an attendance policy and incentive have been negotiated with the ATU which have had very positive results. CAT management meets monthly with the union leadership in an attempt to proactively address issues and the Union leadership has become very proactive in dealing with this issue. During the last labor negotiations Interest Based Bargaining was used and resulted in significant change to the labor agreement.

Item Number	Recommended Action for Improvement	Action Plan	Corrective Action	Progress
<p>Human Resources</p>	<p>Consider addressing the issue of hiring protocols in the maintenance department.</p>	<p>As part of an ongoing process to educate the ATU to the changing conditions both at CAT and in the transit industry, the union has been agreeable to updating hiring protocols in the maintenance department.</p>	<p>This is a process that started in 2011 by the Union and Management.</p>	<p>As part of the restructuring of the Maintenance Department hiring protocols have been reviewed and updated to ensure that the positions are being filled by competent individuals that best meet the needs of the Authority. Job descriptions have been created for all positions and individuals being considered for hire/promotion must possess the necessary education, skill and certifications before being considered.</p>
<p>Finance</p>	<p>Bank Recs not appropriately reviewed.</p>	<p>Starting in August of 2011 when the first of major administrative changes and then with technical assistance from both PennDOT and FTA, CAT staff, along with acquired private contract assistance, have been working diligently to resolve outstanding issues and establish policies and procedures to ensure that the issue do not happen again.</p>	<p>This project involves at CAT staff, started in August of 2011 and will be an ongoing process to ensure that CAT process are up to date.</p>	<p>Addressed previously</p>

Item Number	Recommended Action for Improvement	Action Plan	Corrective Action	Progress
Finance	CL Accounts not reconciled to sub-ledgers	See above	See above	Addressed previously
Finance	CL Accounts not reconciled to sub-ledgers	See above	See above	Addressed previously
Finance	Inadequate journal entries	See above	See above	Addressed previously
Finance	No GAAP	See above	See above	Addressed previously
Finance	Audit reports not submitted on time	See above	See above	Addressed previously
Finance	Internal systems outdated not integrated (e. g. Open systems).	CAT is in the process of acquiring new accounting software to replace Open Systems.	During FY 2012-2013 this project should take place lead by the new Finance Director.	During 2013 the Bureau of Public Transportation funded a technical assistant grant which has assisted CAT with new accounting software

Item Number	Recommended Action for Improvement	Action Plan	Corrective Action	Progress
				from SAGE/MAS. This project is complete.
Finance	Expenditures involving PennDOT grants are not consistent with PennDOT records.	The Assistant GM has been working with PennDOT staff to reconcile the records.	This project should be completed in April of 2012.	All records, projects, and grant balances have been reconciled - Final invoices and being collected for grant invoicing and closing of the projects. This project is complete.
Finance	Daily revenue bagging is done in the operator's day room.	This recommendation references the money collected by the paratransit drivers and is necessary part of reconciling monies actually collected again the drivers manifest. After the driver count the money, a reconciliation process is conducted along with a Management person.	No action necessary, until such time that an advance fare collection program is instituted.	Addressed previously.
Finance	Better integration between the Open Systems accounting system and the Fleet-Net maintenance system.	CAT is in the process of acquiring new accounting software to replace Open Systems. With the installation of the new software, it is	During FY 2012-2013 this project should take place lead by the new Finance Director.	During 2012 the Bureau of Public Transportation funded a technical assistant grant which has assisted CAT with new accounting software from SAGE/MAS. As part of CAT's FY 2013-2014 Capital Grant process,

Item Number	Recommended Action for Improvement	Action Plan	Corrective Action	Progress
		planned to build bridges to connect various software.		funding was included for new maintenance software which will replace Fleet-Net. When the maintenance software is installed, it will be integrated with SAGE/MAS.
Finance	Reassign the primary responsibility for developing the annual budget to the Assistant Executive Director of Administration.	As mentioned before, CAT made major staff changes and the position of Assistant Executive Director was eliminated. CAT is currently in the process of hiring a new Finance Director who will be responsible for the Budget Process.	The GM is overseeing this project along with technical assistance and the position will be filled in the Spring of 2012.	When CAT hired a new Director of Finance in July 2012, he assumed control and responsibility of the development of the Annual Budget.
Finance	Develop an action plan with PennDOT to resolve the grant administration problems with older PennDOT grants. Outside assistance should be considered to expedite resolution.	The Assistant GM has been working with PennDOT staff to reconcile the records.	This project should be completed in April of 2012.	This project was completed in 2012.
Finance	Conduct a systems integration study to determine the best way to integrate accounting and financial	CAT is in the process of acquiring new accounting software to replace Open Systems. With the installation of	During FY 2012-2013 this project should take place lead by the new Finance Director.	CAT has acquired new software for accounting, payroll, paratransit scheduling, fixed route scheduling, and AVL/GPS/Passenger Information. The one major missing

Item Number	Recommended Action for Improvement	Action Plan	Corrective Action	Progress
	management software with other systems in CAT.	the new software, it is planned to build bridges to connect various software.		piece, maintenance software is currently out for bid. Now the process getting these various systems to integrate where available has begun.
Finance	Hire a qualified statistician (required by NTD) to develop a sampling plan for estimating passenger mile data for NTD reporting using farebox data.	As part of the CAT reorganization plan, a staff position within the Customer Service Department will be created/designated to collect data not only NTD, but for adjusting CAT service to meet and exceed the needs and expectations of our customers.	This reorganization should be completed during FY 2012-2013.	This position is part of the Planning Department which has been reorganized in part due to change in staffing but also because of the implementation of the new various software packages. The planning department is in the process of transitioning from old manual process to collect data to utilizing the new software packages. Once this has been completed, the required skills needed to assessed and appropriate person can be hired.
Finance	Continue efforts to obtain better terms for short - term cash loans.	CAT is working internally to develop a Cash Management Plan that includes obtaining better terms on loans.	The cash management plan is in process, but eventually the new Finance Director who will be hired in the spring of 2012, will be tasked with this project.	CAT has acquired new cash loans/lines of credit with better terms that tied to a cash sweep account of all bank accounts making the best use of cash on hand.
Procurement	Despite the use of parts recordkeeping software, the parts inventory function still relies heavily on manual analysis and the	The current software program used by the Maintenance Department Fleet-Net is outdated and lacks the necessary functions	This project will be led by the Maintenance Manager during FY 2012-2013.	Currently CAT is in the process of acquiring new Maintenance Software and should be completed by December 31, 2016.

Item Number	Recommended Action for Improvement	Action Plan	Corrective Action	Progress
	knowledge of specific employees. CAT should investigate the report generation capabilities of Fleet - Net® to determine if more automated analyses could be performed.	and reports. CAT will begin the process of exploring other options after the Capital Plan which include the necessary funding has been developed.		
Procurement	Pursue more automated procedures for determining if mechanics have scanned parts out of inventory.	The current software program used by the Maintenance Department Fleet-Net is outdated and lacks the necessary functions and reports. CAT will begin the process of exploring other options after the Capital Plan which include the necessary funding has been developed.	This project will be led by the Maintenance Manager during FY 2012-2013.	Tied to previous answer.
Procurement	Establish performance metrics for the parts inventory function and develop procedures for collecting and reporting the data needed to determine performance. CAT can refer to the Transportation	In conjunction with a project within the Maintenance Department and lead by Jim Brock of Dering Consulting, and the process of collecting the necessary data has begun.	Maintenance manager began collecting performance metrics in Aug 2011; present metrics to GM by 2/2011 with plan on how to report performance during 2012.	Tied to previous answer.

Item Number	Recommended Action for Improvement	Action Plan	Corrective Action	Progress
	Research Board's publication Inventory Management in a Maintenance Environment for guidance on applicable metrics and methodologies for determining performance.			
Procurement	Increase the threshold at which a bid process is required to the maximum allowed under state and federal regulations.	The bidding threshold was increase in 2010 to much higher levels, but still not to the maximum allowed under state and federal regulations.	During FY 2012-2013 in conjunction with the General Manger and the Board of Directors these levels will be reviewed and adjust accordingly.	Levels are reviewed annually and adjusted accordingly.
Operations	Pursue greater use of technology in the Operations function to automate tasks such as daily manpower management and payroll.	As part of the Strategic Plan adopted the CAT Board of Directors in March 2012, a commitment to developing a technology plan was made.	The Technology Plan will be developed during FY 2012-2013 by the CAT Management Team lead by the GM.	As previously stated CAT has acquired new Fixed Route Scheduling and AVL/Passenger Information systems which are being installed and eventually integrated with the new payroll system.
Operations	Pursue automated data collection and incorporate data into Operations decision making (e.g., Supervisor staffing and	As part of the CAT reorganization plan, a staff position within the Customer Service Department will be created/designated to	This reorganization should be completed during FY 2012-2013.	This position is part of the Planning Department which has been reorganized in part due to change in staffing but also because of the implementation of the new various software packages. The planning

Item Number	Recommended Action for Improvement	Action Plan	Corrective Action	Progress
	assignments, schedules, line management, etc.).	collect data not only NTD, but for adjusting CAT service to meet and exceed the needs and expectations of our customers.		department is in the process of transitioning from old manual process to collect data to utilizing the new software packages. Once this has been completed, the required skills needed to collect and maintain all operation data will be identified and appropriate person can be hired.
Operations	Establish targets and proportional metrics for key cost drivers, such as unscheduled overtime pay, and develop response strategies for when performance is outside of acceptable parameters.	A strategic plan for Board will be adopted at the March 29, 2012 meeting, with commensurate goals and objectives; implement with appropriate performance metrics, which will be reviewed by the Board with management on a monthly or quarterly basis as appropriate.	Take Board through Strategic Business Plan process during 2012. The plan is schedule to be adopted at the March 2012 Board Meeting.	In response the above mentioned Strategic Plan, the CAT personnel developed and obtained board approval or fixed route Service Standards. In addition, they are in the process of developing a Business Plan which includes and associated metrics for all areas of the business. In conjunction with the FY 2013-2014 Budget process, CAT Management developed a Business Plan that included comprehensive goals and metrics operations, maintenance and planning. CAT is using the legislative Act 44 Service Standards. Targets were set for Overtime not to exceed 3% of an FTE regular hour for all departments and/or division.

Item Number	Recommended Action for Improvement	Action Plan	Corrective Action	Progress
Operations	Complete and adopt the “Operating Procedures Manual”.	Both the Operations Manual and the Maintenance Employees Handbook are a part of a larger project involved Standard Operating Procedures (SOP) which must be document and staff trained to the standard.	This will be an ongoing process that began in 2012.	Currently CAT has a Shared Ride Operators Manual and the Operations Staff has been tasked with the completion of a Fixed Route Operators Manual which should be complete prior to June 30, 2016. The Maintenance Department has undergone a major restructuring with the hiring of new Vehicle Maintenance Manager, Assistant Maintenance Manager and Maintenance Supervisor. The Maintenance Operations Manual should be completed by June 30, 2016.
Operations	Investigate and develop strategies to improve performance in terms of annual revenue hours per transportation employee.	A strategic plan for Board will be adopted at the March 29, 2012 meeting, with commensurate goals and objectives; implement with appropriate performance metrics, which will be reviewed by the Board with management on a monthly or quarterly basis as appropriate.	Take Board through Strategic Business Plan process during 2012. The plan is schedule to be adopted at the March 2012 Board Meeting.	In response the above mentioned Strategic Plan, the CAT personnel developed and obtained board approval or fixed route Service Standards. In addition, they are in the process of developing a Business Plan which includes and associated metrics for all areas of the business. In conjunction with the FY 2013-2014 Budget process, CAT Management developed a Business Plan that included comprehensive goals and metrics operations, maintenance and planning. To aggressively address this issue, as stated above we are attempting to

Item Number	Recommended Action for Improvement	Action Plan	Corrective Action	Progress
				tighten attendance policies. Also, the planning process is addressing the issue of reducing unproductive hours (dead, spread time, pad time).
Operations	In subsequent labor negotiations, pursue a provision to allow more Operators to take vacation during the summer months in exchange for the ability to hire more part - time seasonal Operators to address Hershey Park service and vacation peaks.	As part of the new labor agreement between the ATU and CAT, an Attendance Policy was established. Additionally, due to adjustments made during the negotiating process, allowances were made to allow more drivers to be on approved leave time during the summer months. In subsequent negotiations, it is CAT's intention to work with the union on alternative staffing arrangements	Labor Agreement between the ATU and CAT, effective July 2010 and to be updated during future negotiations.	While this issue was addressed in previous labor negotiations, we currently working with the union to allow the hiring of school bus drivers during the summer months in turn we would allow more drivers vacation time in the summer. During the summer of 2016 we will be instituting this practice.
Operations	Conduct a cost/benefit analysis of supervisor compensation to attract the most qualified candidates.	As part of the new Strategic Plan, a new organizational structure has been developed that must include proper job descriptions based not only on historical information, but on job	As part of the reorganization process in FY 2012-2013 this task will be addressed.	A plan to initiate this process began in 2012. While progress has been made in this area. Management staff wage increases have not kept pace with represented employees.

Item Number	Recommended Action for Improvement	Action Plan	Corrective Action	Progress
		analysis within the industry.		
Operations	Address the “dead spots” issue with the radio system (also see IT section).	CAT has begun the process of exploring other options after the Capital Plan which includes a technology plan, which include the necessary funding is in the process of being developed.	This project will be led by the GM during FY 2012-2013.	While issue of dead spots has not be directly address with the radio system, with the signing of contacts to install AVL for all vehicles that includes MDT's that are be capable of two way communication.
Operations	Establish standards consistent with industry practice for on - time performance.	A strategic plan for Board will be adopted at the March 29, 2012 meeting, with commensurate goals and objectives; implement with appropriate performance metrics, which will be reviewed by the Board with management on a monthly or quarterly basis as appropriate.	Take Board through Strategic Business Plan process during 2012. The plan is schedule to be adopted at the March 2012 Board Meeting.	In response the above mentioned Strategic Plan, the CAT personnel developed and obtained board approval or fixed route Service Standards. In addition, they are in the process of developing a Business Plan which includes and associated metrics for all areas of the business. In conjunction with the FY 2013-2014 Budget process, CAT Management developed a Business Plan that included comprehensive goals and metrics operations, maintenance and planning. The adopted Service Standards for on-time performance are 0-4 minutes late is considered on-time.

Item Number	Recommended Action for Improvement	Action Plan	Corrective Action	Progress
Maintenance	Continue to monitor staff training needs and work with PPTA and local technical colleges to develop necessary courses and curricula.	Evaluate position descriptions with labor management and design advancement path. Revise number of position classifications with HR function and design necessary training.	Maintenance manager and supervisors to complete this effort during 2012, with interim status reports.	CAT has been reaching out to PPTA, various technical schools, HACC and other training institutions to enhance our training program beyond what we do in-house.
Maintenance	Pursue greater use of technology in the maintenance function to automate such tasks as the recording of fuel and fluids consumption data.	The current software program used by the Maintenance Department Fleet-Net is outdated and lacks the necessary functions and reports. CAT will begin the process of exploring other options after the Capital Plan which include the necessary funding has been developed.	This project will be led by the Maintenance Manager during FY 2012-2013.	Currently an automated Fluid and Fuel Consumption project has been installed and operational for fixed route buses. Staff continues to work with the company to resolve issues with the paratransit fleet. Staff training was completed in July 2013. While this project should have been complete by December 31, 2013, we are still having several issues.
Maintenance	Pursue procedures for direct use of Fleet - Net® by mechanics and service line employees.	The current software program used by the Maintenance Department Fleet-Net is outdated and lacks the necessary functions and reports. CAT will begin the process of exploring other options	This project will be led by the Maintenance Manager during FY 2012-2013.	Currently CAT has an RFP on the street to acquire new maintenance software that can be used by front line employees. This project should be complete by December 31, 2016.

Item Number	Recommended Action for Improvement	Action Plan	Corrective Action	Progress
		after the Capital Plan which include the necessary funding has been developed.		
Maintenance	Investigate the report generation capabilities of Fleet - Net® to determine if more automated analyses could be performed. Despite the use of maintenance recordkeeping software, the maintenance function still relies heavily on manual analysis and the knowledge of long term employees.	The current software program used by the Maintenance Department Fleet-Net is outdated and lacks the necessary functions and reports. CAT will begin the process of exploring other options after the Capital Plan which include the necessary funding has been developed.	This project will be led by the Maintenance Manager during FY 2012-2013.	Currently CAT has an RFP on the street to acquire new maintenance software that can be used by front line employees. This project should be complete by December 31, 2016.
Maintenance	Enter warranty information into Fleet - Net® and pursue automated notifications. CAT currently relies on Maintenance management to identify warranty eligible maintenance work.	The current software program used by the Maintenance Department Fleet-Net is outdated and lacks the necessary functions and reports. CAT will begin the process of exploring other options after the Capital Plan which include the	This project will be led by the Maintenance Manager during FY 2012-2013.	Options are currently being analyzed to replace Fleet-Net with a much more comprehensive and user-friendly software package and is included in our current year capital budget. This project will be completed in 2014 and is being led by our new Assist Maintenance Manager and Maintenance Supervisor. Additionally, the warranty claims issues were noted

Item Number	Recommended Action for Improvement	Action Plan	Corrective Action	Progress
		necessary funding has been developed.		during the Triennial Review and a manual process to address this issue has been developed and implemented.
Maintenance	Adopt updated target rates for miles per major road call and make more extensive use of trend analyses to identify strategies to improve performance.	Maintenance performance has remained flat over the past five years in terms of miles per major road call even as the age of the fleet has become younger; adopt updated targets for miles per major road call and make more extensive use of trend analyses to identify strategies to improve performance.	Maintenance manager began collecting performance metrics in Aug 2011; present metrics to GM by 2/2011 with plan on how to report performance during 2012.	In response the above mentioned Strategic Plan, the CAT personnel developed and obtained board approval or fixed route Service Standards. In addition, they are in the process of developing a Business Plan which includes and associated metrics for all areas of the business. In conjunction with the FY 2013-2014 Budget process, CAT Management developed a Business Plan that included comprehensive goals and metrics operations, maintenance and planning.
Maintenance	Develop a Master Plan for the maintenance facility to meet the current and future needs of the system.	In conjunction with a project within the Maintenance Department and lead by Jim Brock of Dering Consulting, a short-term plan to insure the best use of the current facility has been developed until a comprehensive Master Plan which would	Staff recommended modifications to facilities to improve throughput of bus repairs - additional lifts, expand doors, etc. Should be funded by 2/2012, mods complete during 2012.	The Bureau of Public Transportation has agreed to conduct a comprehensive Facility Study to address this issue. This project should begin shortly.

Item Number	Recommended Action for Improvement	Action Plan	Corrective Action	Progress
		include replacing the current facility is developed.		
Scheduling	Continue efforts to train another individual in scheduling.	As part of the new Strategic Plan, a new organizational structure has been developed that must include the cross training of staff members.	As part of the reorganization process in FY 2012-2013 this task will be addressed	This project was completed in 2012.
Scheduling	In conjunction with planning, develop a data management plan that utilizes technology (i.e., APC and AVL) to obtain ridership and running time information.	As part of the CAT reorganization plan, a staff position within the Customer Service Department will be created/designated to collect data not only NTD, but for adjusting CAT service to meet and exceed the needs and expectations of our customers.	This reorganization should be completed during FY 2012-2013.	In December of 2013 CAT signed contracts to provide and install both fixed route scheduling software and a robust AVL system. Installation of these projects began in January 2014 and should be completed by the end of 2016.
Scheduling	Automate the schedule process, with near term action being use of spreadsheets to manipulate and summarize scheduling data and output, with a	CAT has developed an RFP to purchased Automated Scheduling Software.	This project will be implemented during FY 2012-2013 lead by the Assistant GM.	In December of 2013 CAT signed contracts to provide and install both fixed route scheduling software and a robust AVL system. Installation of these projects began in January 2014 and should be completed by the end of the year.

Item Number	Recommended Action for Improvement	Action Plan	Corrective Action	Progress
	subsequent purchase of schedule software.			
Scheduling	Specify metrics, such as Pay/Platform Ratio to gauge the adequacy and success of the scheduling process.	A strategic plan for Board will be adopted at the March 29, 2012 meeting, with commensurate goals and objectives; implement with appropriate performance metrics, which will be reviewed by the Board with management on a monthly or quarterly basis as appropriate.	Take Board through Strategic Business Plan process during 2012. The plan is schedule to be adopted at the March 2012 Board Meeting.	In response the above mentioned Strategic Plan, the CAT personnel developed and obtained board approval or fixed route Service Standards. In addition, they are in the process of developing a Business Plan which includes and associated metrics for all areas of the business. In conjunction with the FY 2013-2014 Budget process, CAT Management developed a Business Plan that included comprehensive goals and metrics operations, maintenance and planning.
Scheduling	Utilize spreadsheet or specific transit scheduling software to evaluate different scheduling strategies (e.g., use of part - time operators and extent of open work) and terms of the collective bargaining agreement	CAT has developed an RFP to purchased Automated Scheduling Software.	This project will be implemented during FY 2012-2013 lead by the Assistant GM.	In December of 2013 CAT signed contracts to provide and install both fixed route scheduling software and a robust AVL system. Installation of these projects began in January 2014 and CAT is currently learning how to best utilize the capabilities of the system.

Item Number	Recommended Action for Improvement	Action Plan	Corrective Action	Progress
	with a “what if” approach.			
Scheduling	Involve scheduler in labor negotiations so his or her perspective can inform process.	In addition to the scheduler, all parties which includes drivers must work together to obtain maximum performance.	This is an ongoing process that just does not rely upon the formal negotiating process.	Previously addressed.
Scheduling	Continue role of schedule maker in establishing the Extra Board size, with greater reliance on a statistical approach that balances paid guarantee and unscheduled overtime to minimize costs associated with drivers’ compensation.	In addition to the scheduler, all parties which includes drivers must work together to obtain maximum performance.	This is an ongoing process that just does not rely upon the formal negotiating process.	Previously addressed.
Safety and Security	Pursue program of providing tailored refresher training for all operators.	As part of the Business Plan based upon the CAT Board’s Strategic Plan a training plan will be developed.	Will be addressed by AGM in 2012.	In 2015 the Assistant General Manager led an initiative to provide defensive driving, ADA and passenger assistance training to all employees. While the initial round of training should be completed by the end of 2016, the process will become continually ongoing.

Item Number	Recommended Action for Improvement	Action Plan	Corrective Action	Progress
Safety and Security	Address the apparent poor reporting to the National Transit Database of passenger slips and falls.	As part of the Business Plan based upon the CAT Board's Strategic Plan a data collection process will be examined and updated.	Will be addressed by AGM in 2012.	This process has been reviewed is currently be examined by the General Manager and Fixed Route Operations Manager with resolution to be completed by Mid-2016.
Safety and Security	Increase efforts to coordinate with local emergency responders in the greater Harrisburg area.	Coordination with the numerous local emergency responders in the greater Harrisburg area will be part of an Emergency Preparedness Plan.	Will be addressed by AGM in 2012.	Will be addressed by GM in 2016. At this time, we unable to supply a date for completion until more information is collect and CAT will provide an update on the next report.
Safety and Security	Examine and revise, as appropriate, vehicle operating procedures within operating facility with emphasis on accident reduction.	As part of the Business Plan based upon the CAT Board's Strategic Plan a training/standard operating procedure will be developed.	Will be addressed by AGM in 2012.	This process is currently be examined by the Fixed Route Operations Manager and Driver Trainer to teach safety of schedule with all training.
Customer Service	Track and report monthly complaints/compliments to the General Manager.	2011-12 approved capital budget includes funds for new scheduling software which will become the core for remainder of advanced systems and data collection implementation.	GM reorganizing to put an emphasis on customer service as an integral part of the operating structure. Reestablishing the operating philosophy of customer first. Will include roles, responsibilities, policies,	While this process was previously addressed, there is still more work to be done to implement a complaint/comment process. Currently CAT is evaluating various software tools to assist with this issue.

Item Number	Recommended Action for Improvement	Action Plan	Corrective Action	Progress
			performance targets and measures.	
Customer Service	Examine and revise, as appropriate, vehicle operating procedures within operating facility with emphasis on accident reduction.	As part of the Business Plan based upon the CAT Board's Strategic Plan a training/standard operating procedure will be developed.	Will be addressed by AGM in 2012.	This process is currently be examined by the Vehicle Maintenance Manager, Fixed Route Operations Manager and Driver Trainer to teach safety of schedule with all training.
Information Technology	Varying age of existing technologies used by CAT.	CAT has begun the process of exploring other options after the Capital Plan which includes a technology plan, which include the necessary funding is in the process of being developed.	This project will be led by the GM during FY 2012-2013.	Over the past several years CAT has replaced most technologies with the major exception of Maintenance/ Inventory software which is currently out to bid.
Information Technology	Communication system that does not function well in certain areas of the region.	CAT has begun the process of exploring other options after the Capital Plan which includes a technology plan, which include the necessary funding is in the process of being developed.	This project will be led by the GM during FY 2012-2013.	In December of 2013 CAT signed contracts to provide and install both fixed route scheduling software and a robust AVL system. Installation of these projects began in January 2014 and should be completed by the end of 2016.

Item Number	Recommended Action for Improvement	Action Plan	Corrective Action	Progress
Information Technology	Begin development of a master IT plan that incorporates changes in on - vehicle technology and web - based customer service as well as resolves communication difficulties.	CAT has begun the process of exploring other options after the Capital Plan which includes a technology plan, which include the necessary funding is in the process of being developed.	This project will be led by the GM during FY 2012-2013.	In December of 2013 CAT signed contracts to provide and install both fixed route scheduling software and a robust AVL system. Installation of these projects began in January 2014 and should be completed by the end 2016.
Information Technology	Acquire an inventory management system suitable for capital (non - rolling stock) assets.	CAT is in the process of acquiring new accounting software to replace Open Systems. With the installation of the new software, it is planned to build bridges to connect various software.	During FY 2012-2013 this project should take place lead by the new Finance Director.	While part of the answer to this issue will be address with the new Maintenance/Inventory software, CAT is also using the Bureau' new Capital Planning tool.
Information Technology	Continue pursuit of cost effective interim adjustments (i.e., to farebox software) pending completion of a full IT plan.	CAT has been working diligently to capitalize on interim adjustments to maximize current situations until the full IT Plan has been developed.	This is an ongoing process.	This is an ongoing process.
Service Enhancement	Continue efforts to increase visibility of CAT as a commuter option.	As part of the Business Plan based upon the CAT Board's Strategic Plan a Marketing Plan will be developed.	CAT is in the process of hiring a Customer Experience Manager whose duties will include marketing and	CAT's Director of Customer Experience has been issuing weekly press releases to raise the public awareness of CAT.

Item Number	Recommended Action for Improvement	Action Plan	Corrective Action	Progress
			will lead the development of a Market Plan in conjunction with the Board and Executive Team.	
<p align="center">Service Enhancement</p>	<p>Continue pursuit of U - Pass and other tailored marketing arrangements to regionally significant potential customer - bases, consistent with recommendations of Fare Study.</p>	<p>As part of the Business Plan based upon the CAT Board's Strategic Plan a Marketing Plan will be developed.</p>	<p>CAT is in the process of hiring a Customer Experience Manager whose duties will include marketing and will lead the development of a Market Plan in conjunction with the Board and Executive Team.</p>	<p>CAT has been waiting on SEPTA's new Advanced Fare Collection system which would be key to addressing this issue.</p>
<p align="center">Service Enhancement</p>	<p>Continue to pursue inter - county marketing opportunities and service provision.</p>	<p>As part of the Business Plan based upon the CAT Board's Strategic Plan a Marketing Plan will be developed.</p>	<p>CAT is in the process of hiring a Customer Experience Manager whose duties will include marketing and will lead the development of a Market Plan in conjunction with the Board and Executive Team.</p>	<p>CAT continues to reach out to neighboring transit systems to explore opportunities to enhance both fixed route and shared ride transportation. This process is ongoing.</p>

Item Number	Recommended Action for Improvement	Action Plan	Corrective Action	Progress
<p>Service Enhancement</p>	<p>Regularly conduct analysis of ridership patterns and market segments in a cost - effective manner.</p>	<p>As part of the Business Plan based upon the CAT Board's Strategic Plan a Marketing Plan will be developed.</p>	<p>CAT is in the process of hiring a Customer Experience Manager whose duties will include marketing and will lead the development of a Market Plan in conjunction with the Board and Executive Team.</p>	<p>CAT continues to reach out to neighboring transit systems to explore opportunities to enhance both fixed route and shared ride transportation. This process is ongoing.</p>
<p>Service Enhancement</p>	<p>Develop, implement and monitor the effectiveness of plans to increase CAT's share of its current customer base.</p>	<p>As part of the Business Plan based upon the CAT Board's Strategic Plan a Marketing Plan will be developed.</p>	<p>CAT is in the process of hiring a Customer Experience Manager whose duties will include marketing and will lead the development of a Market Plan in conjunction with the Board and Executive Team.</p>	<p>CAT continues to reach out to neighboring transit systems to explore opportunities to enhance both fixed route and shared ride transportation. This process is ongoing.</p>
<p>Service Enhancement</p>	<p>Develop materials to promote services and to educate special customer markets (disabled, non - English speaking, etc.).</p>	<p>As part of the Business Plan based upon the CAT Board's Strategic Plan a Marketing Plan will be developed.</p>	<p>CAT is in the process of hiring a Customer Experience Manager whose duties will include marketing and will lead the development of a Market Plan in conjunction with the</p>	<p>This project is being addressed in an ongoing process.</p>

Item Number	Recommended Action for Improvement	Action Plan	Corrective Action	Progress
			Board and Executive Team.	
Service Enhancement	Identify innovative ways to increase market share in areas where CAT competes well against other transportation modes.	As part of the Business Plan based upon the CAT Board's Strategic Plan a Marketing Plan will be developed.	CAT is in the process of hiring a Customer Experience Manager whose duties will include marketing and will lead the development of a Market Plan in conjunction with the Board and Executive Team.	This project is being addressed in an ongoing process.
Service Enhancement	Implement processes to measure the effectiveness of marketing expenditures and report findings at least quarterly to management.	As part of the Business Plan based upon the CAT Board's Strategic Plan a Marketing Plan will be developed.	CAT is in the process of hiring a Customer Experience Manager whose duties will include marketing and will lead the development of a Market Plan in conjunction with the Board and Executive Team.	This project is being addressed in an ongoing process.
Service Enhancement	Establish an aggressive protocol to regularly monitor and/or improve public relations	As part of the Business Plan based upon the CAT Board's Strategic	CAT is in the process of hiring a Customer Experience Manager whose duties will	This project is being addressed in an ongoing process.

Item Number	Recommended Action for Improvement	Action Plan	Corrective Action	Progress
	with local officials, the public and oversight/funding agencies.	Plan a Marketing Plan will be developed.	include marketing and will lead the development of a Market Plan in conjunction with the Board and Executive Team.	
Service Enhancement	Provide opportunities for training and exchange of “best practice” marketing approaches to marketing and management staff.	As part of the Business Plan based upon the CAT Board's Strategic Plan a Marketing Plan will be developed.	CAT is in the process of hiring a Customer Experience Manager whose duties will include marketing and will lead the development of a Market Plan in conjunction with the Board and Executive Team.	This project is being addressed in an ongoing process.
Service Enhancement	Pursue opportunities for industry recognition of CAT “best practices” that can result in awards and accolades to be advertised in marketing and public relations campaigns.	As part of the Business Plan based upon the CAT Board's Strategic Plan a Marketing Plan will be developed.	CAT is in the process of hiring a Customer Experience Manager whose duties will include marketing and will lead the development of a Market Plan in conjunction with the Board and Executive Team.	CAT goal is currently to better connect with our customers before trying to receive awards.

Item Number	Recommended Action for Improvement	Action Plan	Corrective Action	Progress
Service Enhancement	Insufficient ridership and survey information to support planning function.	As part of the Business Plan based upon the CAT Board's Strategic Plan a Marketing Plan will be developed. The Marketing Plan must include components that originate from the customer needs and wants.	CAT is in the process of hiring a Customer Experience Manager whose duties will include marketing and will lead the development of a Market Plan in conjunction with the Board and Executive Team.	As previously messages, CAT is installing onboard technologies to better record passenger information. Additionally, a regular process of conducting passenger surveys is being developed.
Service Enhancement	Capacity constraints of the current downtown terminal due to vehicle-type changes.	CAT is currently working with PennDOT on a possible opportunity to create an enhanced downtown terminal.	This project is ongoing, led by the GM.	On January 21, 2015 PennDOT announce a TOD study surrounding the Harrisburg Transportation Center which could include a new Transfer Center. Additionally, the City of Harrisburg's comprehensive plan has highlighted the need for a new facility.
Service Enhancement	Restore the position of Planning Director and create a service development committee.	As part of the CAT reorganization plan, a staff position within the Customer Service Department will be created/designated to the Planning function.	This reorganization should be completed during FY 2012-2013.	In late 2015 the Planning Department was placed under the Assistant GM for better coordination with the Operations Department. Additionally, a new Planner has been hired with the whole department be analyzed for proper staffing.
Service Enhancement	Develop formal service standards for planning functions.	A strategic plan for Board will be adopted at the March 29, 2012 meeting, with commensurate goals	Take Board through Strategic Business Plan process during 2012. The plan is schedule to be adopted at the	In 2013 Service Standards were adopted and is currently being review and updated in 2016.

Item Number	Recommended Action for Improvement	Action Plan	Corrective Action	Progress
		and objectives; implement with appropriate performance metrics, which will be reviewed by the Board with management on a monthly or quarterly basis as appropriate.	March 2012 Board Meeting.	
Service Enhancement	In conjunction with scheduling, develop a data management plan that utilizes technology (i.e., AVL and APC) to obtain ridership and running time information.	As part of the Strategic Plan adopted the CAT Board of Directors in March 2012, a commitment to developing a technology plan was made.	The Technology Plan will be developed during FY 2012-2013 by the CAT Management Team lead by the GM.	The Planning Department is currently reviewing how CAT currently collects and reports data. Additionally, with the installation of the new onboard technologies and the data that they now make available, how can we transition to a new system of collecting and reporting of data that better meets the needs of the system?
Service Enhancement	Expand on current route level evaluation to include financial measures.	A strategic plan for Board will be adopted at the March 29, 2012 meeting, with commensurate goals and objectives; implement with appropriate performance metrics, which will be reviewed by the Board with management on a	Take Board through Strategic Business Plan process during 2012. The plan is schedule to be adopted at the March 2012 Board Meeting.	The Bureau of Public Transportation has agreed to provide CAT with technical assistance to develop a comprehensive TDP. This project should begin shortly.

Item Number	Recommended Action for Improvement	Action Plan	Corrective Action	Progress
		monthly or quarterly basis as appropriate.		
Service Enhancement	Prepare a TDP that addresses issues facing CAT over the next several years and establishes a proactive vision of what transit can be in the region.	At the March 2012 the CAT Board of Directors adopted a Strategic Plan which will be the base of a Business Plan to be developed by CAT staff.	This process started in January 2012 and is ongoing lead by the GM.	The Bureau of Public Transportation has agreed to provide CAT with technical assistance to develop a comprehensive TDP. This project should begin shortly.
Service Enhancement	Continue participation in long range planning activities and assure testing of different levels of transit service and investment.	At the March 2012 the CAT Board of Directors adopted a Strategic Plan which will be the base of a Business Plan to be developed by CAT staff.	This process started in January 2012 and is ongoing lead by the GM.	The Bureau of Public Transportation has agreed to provide CAT with technical assistance to develop a comprehensive TDP. This project should begin shortly.

APPENDIX C: PEER COMPARISONS

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

Passengers / Revenue Vehicle Hour

Passengers / Revenue Hour (MB)					
System	FYE 2016 Single Year		5 Year Change Since FYE 2011		
	Value	Rank of 15	2011 Value	Annual Rate	Rank of 15
Erie Metropolitan Transit Authority	18.95	6	20.59	-1.64%	10
York County Transportation Authority	15.04	12	13.32	2.46%	2
Berks Area Regional Transportation Authority	23.58	1	23.61	-0.02%	4
Red Rose Transit Authority	17.67	11	17.45	0.25%	3
Worcester Regional Transit Authority	23.54	2	25.49	-1.58%	9
The Eastern Contra Costa Transit Authority	17.80	10	15.12	3.32%	1
Lexington Transit Authority	21.21	4	30.39	-6.94%	15
Rock Island County Metropolitan Mass Transit District	22.21	3	22.97	-0.67%	7
Salem Area Mass Transit District	18.83	8	26.72	-6.76%	14
Livermore / Amador Valley Transit Authority	13.13	15	16.32	-4.26%	12
Mountain Metropolitan Transit	20.75	5	21.52	-0.73%	8
StarTran	18.31	9	18.38	-0.07%	5
Central Midlands Transit	13.73	14	16.07	-3.09%	11
Valley Regional Transit	13.89	13	18.85	-5.92%	13
Cumberland Dauphin-Harrisburg Transit Authority	18.88	7	19.10	-0.23%	6
<i>Average</i>	18.50		20.39	-1.73%	
<i>Standard Deviation</i>	3.42		4.74	3.11%	
<i>Average – 1 Standard Deviation</i>	15.08		15.66	-4.84%	
<i>Average + 1 Standard Deviation</i>	21.92		25.13	1.38%	
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 15	2011 Value	Annual Rate	Rank of 15
Erie Metropolitan Transit Authority	\$91.70	7	\$84.84	1.57%	9
York County Transportation Authority	\$85.15	5	\$76.52	2.16%	11
Berks Area Regional Transportation Authority	\$81.34	2	\$70.56	2.89%	12
Red Rose Transit Authority	\$83.35	4	\$79.67	0.91%	5
Worcester Regional Transit Authority	\$111.32	13	\$114.35	-0.53%	3
The Eastern Contra Costa Transit Authority	\$106.54	10	\$98.81	1.52%	8
Lexington Transit Authority	\$98.97	9	\$90.59	1.79%	10
Rock Island County Metropolitan Mass Transit District	\$106.72	11	\$99.16	1.48%	7
Salem Area Mass Transit District	\$136.23	15	\$117.46	3.01%	13
Livermore / Amador Valley Transit Authority	\$107.92	12	\$103.51	0.84%	4
Mountain Metropolitan Transit	\$87.07	6	\$90.10	-0.68%	2
StarTran	\$81.57	3	\$76.55	1.28%	6
Central Midlands Transit	\$75.03	1	\$86.00	-2.69%	1
Valley Regional Transit	\$97.22	8	\$80.53	3.84%	15
Cumberland Dauphin-Harrisburg Transit Authority	\$122.40	14	\$102.32	3.65%	14
<i>Average</i>	<i>\$98.17</i>		<i>\$91.40</i>	<i>1.40%</i>	
<i>Standard Deviation</i>	<i>\$17.11</i>		<i>\$14.13</i>	<i>1.73%</i>	
<i>Average – 1 Standard Deviation</i>	<i>\$81.06</i>		<i>\$77.27</i>	<i>-0.33%</i>	
<i>Average + 1 Standard Deviation</i>	<i>\$115.27</i>		<i>\$105.52</i>	<i>3.13%</i>	
Act 44 Compliance Determination	At Risk		At Risk		
Compared to the Peer Group Average	Worse		Worse		

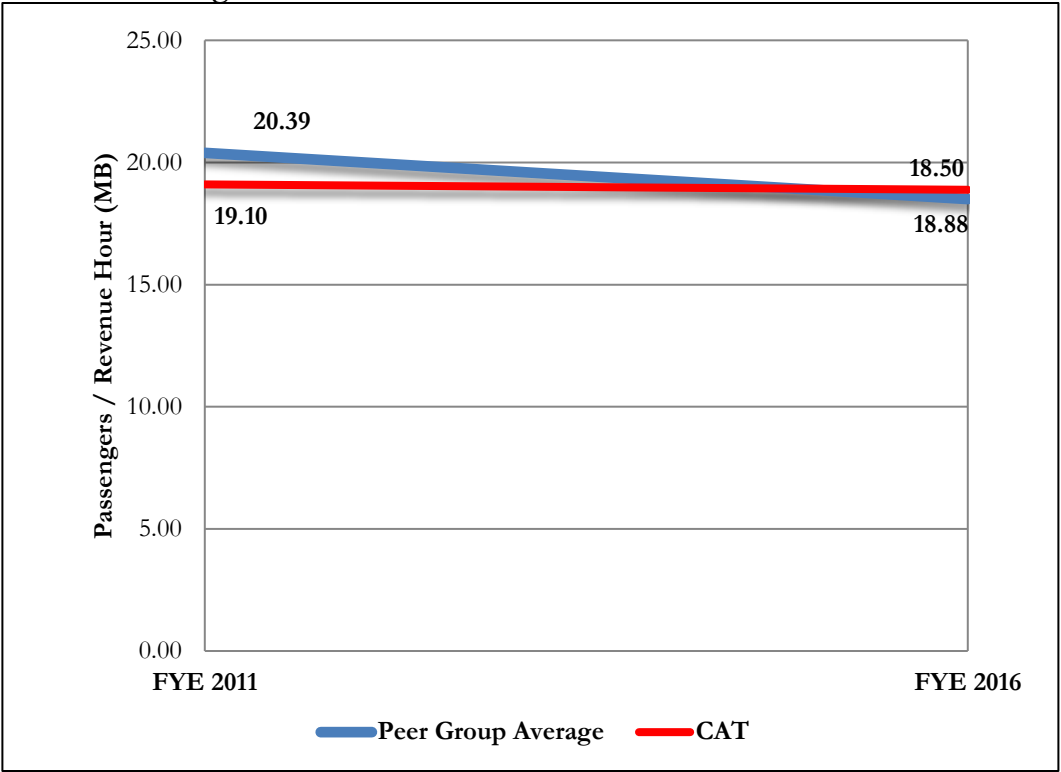
Operating Revenue / Revenue Vehicle Hour

Operating Revenue / Revenue Hour (MB)					
System	FYE 2016 Single Year		5 Year Change Since FYE 2011		
	Value	Rank of 15	2011 Value	Annual Rate	Rank of 15
Erie Metropolitan Transit Authority	\$20.39	7	\$17.16	3.50%	3
York County Transportation Authority	\$15.14	12	\$14.52	0.84%	8
Berks Area Regional Transportation Authority	\$25.26	3	\$22.80	2.07%	6
Red Rose Transit Authority	\$28.11	1	\$21.79	5.23%	2
Worcester Regional Transit Authority	\$20.54	6	\$22.44	-1.76%	12
The Eastern Contra Costa Transit Authority	\$20.34	8	\$17.27	3.32%	4
Lexington Transit Authority	\$16.18	11	\$14.46	2.28%	5
Rock Island County Metropolitan Mass Transit District	\$8.57	15	\$8.92	-0.80%	11
Salem Area Mass Transit District	\$17.72	10	\$17.17	0.63%	9
Livermore / Amador Valley Transit Authority	\$18.42	9	\$21.75	-3.26%	13
Mountain Metropolitan Transit	\$21.49	5	\$26.04	-3.76%	14
StarTran	\$23.50	4	\$14.90	9.55%	1
Central Midlands Transit	\$10.81	14	\$17.77	-9.45%	15
Valley Regional Transit	\$11.12	13	\$11.12	0.00%	10
Cumberland Dauphin-Harrisburg Transit Authority	\$26.54	2	\$24.42	1.68%	7
<i>Average</i>	\$18.94		\$18.17	0.67%	
<i>Standard Deviation</i>	\$5.82		\$4.95	4.36%	
<i>Average – 1 Standard Deviation</i>	\$13.12		\$13.22	-3.69%	
<i>Average + 1 Standard Deviation</i>	\$24.76		\$23.12	5.03%	
Act 44 Compliance Determination	In Compliance		In Compliance		
Compared to the Peer Group Average	Better		Better		

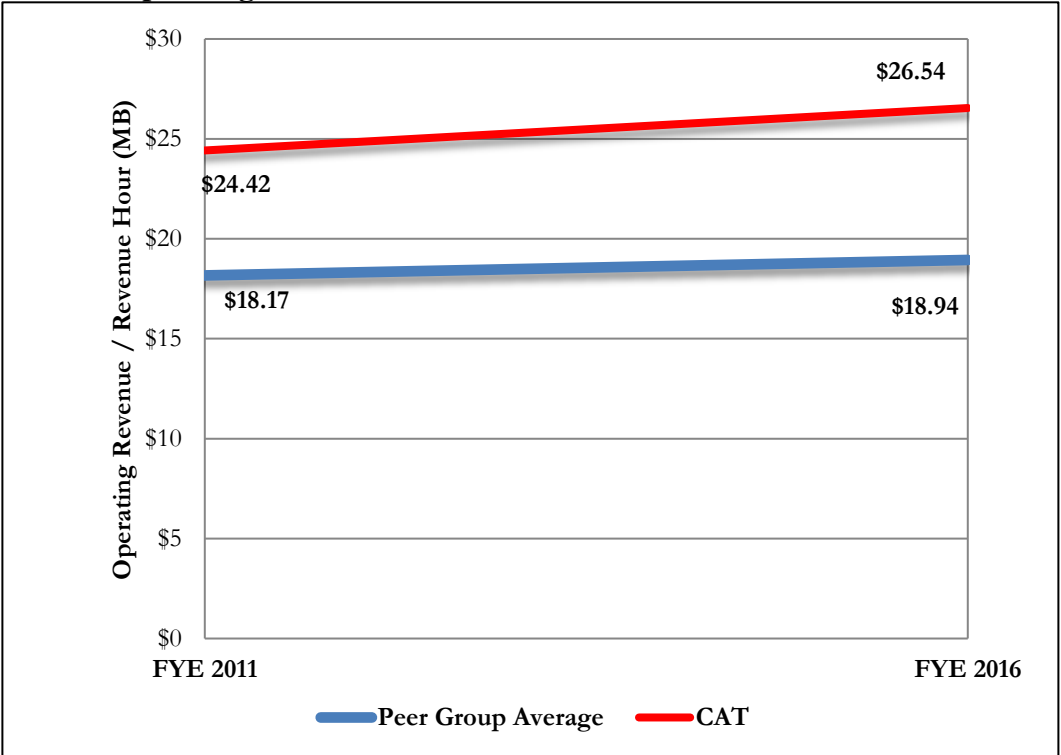
Operating Cost / Passenger

Operating Cost / Passenger (MB)					
System	FYE 2016 Single Year		5 Year Change Since FYE 2011		
	Value	Rank of 15	2011 Value	Annual Rate	Rank of 15
Erie Metropolitan Transit Authority	\$4.84	8	\$4.12	3.26%	10
York County Transportation Authority	\$5.66	10	\$5.75	-0.29%	2
Berks Area Regional Transportation Authority	\$3.45	1	\$2.99	2.91%	9
Red Rose Transit Authority	\$4.72	5	\$4.56	0.66%	5
Worcester Regional Transit Authority	\$4.73	6	\$4.49	1.06%	6
The Eastern Contra Costa Transit Authority	\$5.99	11	\$6.54	-1.74%	1
Lexington Transit Authority	\$4.67	4	\$2.98	9.38%	13
Rock Island County Metropolitan Mass Transit District	\$4.80	7	\$4.32	2.16%	8
Salem Area Mass Transit District	\$7.24	14	\$4.40	10.48%	15
Livermore / Amador Valley Transit Authority	\$8.22	15	\$6.34	5.33%	12
Mountain Metropolitan Transit	\$4.20	2	\$4.19	0.05%	3
StarTran	\$4.46	3	\$4.17	1.36%	7
Central Midlands Transit	\$5.46	9	\$5.35	0.41%	4
Valley Regional Transit	\$7.00	13	\$4.27	10.38%	14
Cumberland Dauphin-Harrisburg Transit Authority	\$6.48	12	\$5.36	3.89%	11
<i>Average</i>	\$5.46		\$4.65	3.29%	
<i>Standard Deviation</i>	\$1.30		\$1.04	3.94%	
<i>Average – 1 Standard Deviation</i>	\$4.16		\$3.61	-0.66%	
<i>Average + 1 Standard Deviation</i>	\$6.76		\$5.70	7.23%	
Act 44 Compliance Determination	In Compliance		In Compliance		
Compared to the Peer Group Average	Worse		Worse		

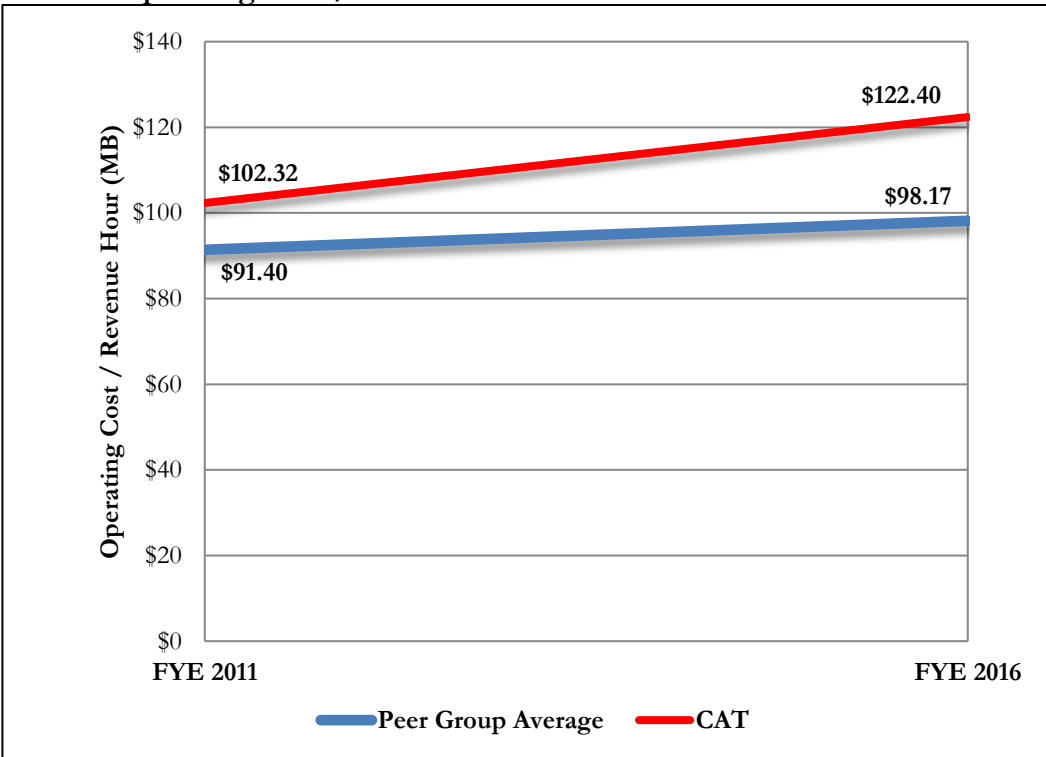
Trend – Passengers / Revenue Vehicle Hour



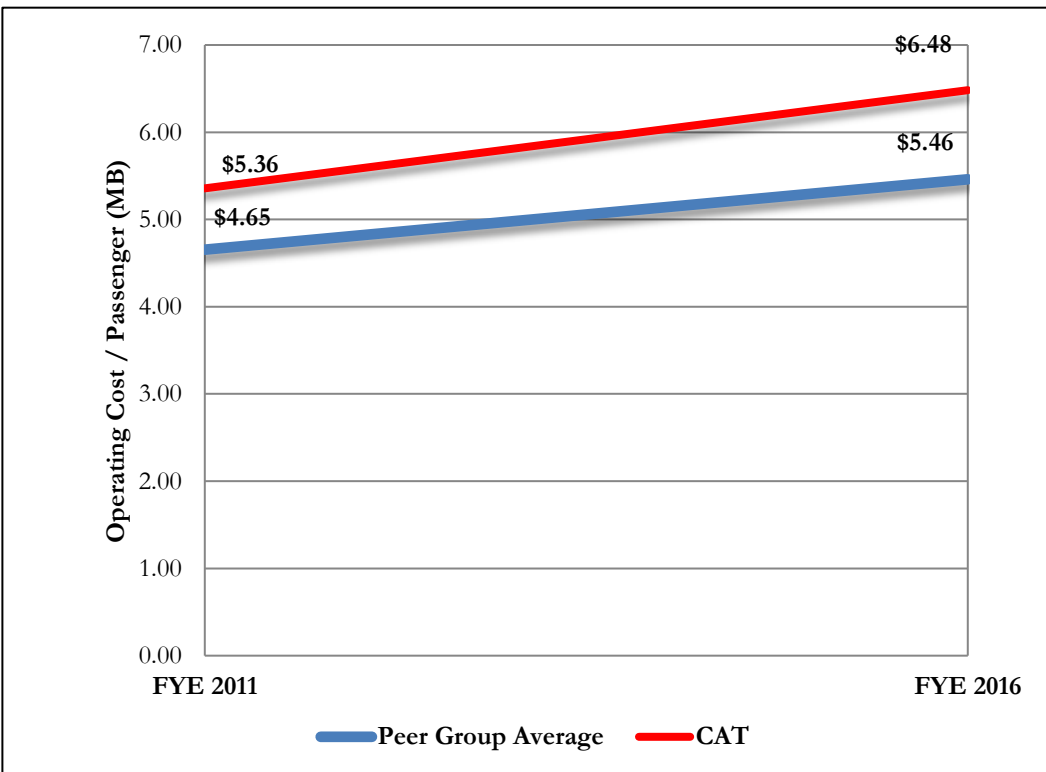
Trend – Operating Revenue / Revenue Vehicle Hour



Trend – Operating Cost / Revenue Vehicle Hour



Trend – Operating Cost / Passenger



APPENDIX D: ACTION PLAN TEMPLATE

PART 1- ACTIONS TO INCREASE PASSENGERS / REVENUE HOUR

Recommendation From narrative starting on page 11	CAT Action	Estimated Initiation Date	Estimated Completion Date
<ol style="list-style-type: none"> 1. Develop a TDP that includes: <ol style="list-style-type: none"> a. An affirmation of the agency’s vision, mission, and goals for sustainability; b. An assessment of how well transit serves the community and where service adjustments are warranted; c. A program of potential improvements that would help the agency better serve its community; d. A financial plan that guarantees long-term financial stability; e. Performance metrics tied to the agency’s goals for sustainability; f. A monitoring program to track and report on progress; and, g. A contingency plan to address unanticipated changes in ridership, revenue, and costs. 			
<ol style="list-style-type: none"> 2. Revise how system reliability is measured with the following: <ol style="list-style-type: none"> a. Measure time points with built-in dwell time for on-time performance; and, b. Track fixed-route missed trips against fixed-route missed trip policy. c. Reduce number of route variations. 			
<ol style="list-style-type: none"> 3. Report on system reliability to the Board as a measure of customer service. 			

PART 2 - ACTIONS TO INCREASE OPERATING REVENUE / REVENUE HOUR

Recommendation From narrative starting on page 12	CAT Action	Estimated Initiation Date	Estimated Completion Date
1. Better align shared-ride fares and costs to reduce or eliminate the need for shared-ride subsidies.			

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

Recommendation From narrative starting on page 15	CAT Action	Estimated Initiation Date	Estimated Completion Date
1. Develop maintenance productivity standards and consider the following metrics: <ul style="list-style-type: none"> a. Road calls/bus switch-outs; b. Farebox repairs/probe repairs; c. Pullouts/pull-ins; d. Repair time; e. Repeat failures, frequency of repair/rebuild; f. Preventative maintenance schedule adherence; and, g. Other miscellaneous maintenance work where mileage and costs can be tracked. 			
2. Develop a maintenance productivity program to outline the process and procedure for troubleshooting, repair, component replacement and rebuilding.			
3. Develop strategies to address driver overtime that consider the following: <ul style="list-style-type: none"> a. Develop a scheduled overtime target; b. Develop an if/then scenario to meet scheduled overtime target; and, c. Consider alternatives to match span of service if overtime target is not addressed in the near term. 			

Recommendation From narrative starting on page 15	CAT Action	Estimated Initiation Date	Estimated Completion Date
4. Assess existing incentives that target driver retention and promote ideas that would attract new drivers.			
5. Additional actions planned by management to contain operating costs.			

PART 4 - OTHER ACTIONS TO IMPROVE OVERALL PERFORMANCE

Recommendation From narrative starting on page 16	CAT Action	Estimated Initiation Date	Estimated Completion Date
1. Build a strategic plan around a theme of sustainability that includes: <ul style="list-style-type: none"> a. The long-term vision of a sustainable agency (in line with TDP and mission statement); b. Success markers (i.e., goals) for sustainability; c. Actionable steps (i.e., objectives) to achieve sustainability; and, d. Measurable actions (i.e., performance measure scorecard) to monitor progress. 			
2. Develop a Board education program that clearly defines Board member roles and responsibilities such as: <ul style="list-style-type: none"> a. Primary functions (e.g., sets policy, approves budget, agency oversight, voting, etc.); b. Secondary functions (e.g., signatory duties, advocates on behalf of the agency, etc.); c. Governance sub-committee structure, membership and official duties; and, 			

Recommendation From narrative starting on page 16	CAT Action	Estimated Initiation Date	Estimated Completion Date
<ul style="list-style-type: none"> d. Meeting attendance requirements. e. Onboarding process for new members. f. Penn'TRAIN Board Training 101 modules as part of monthly Board meetings. 			
<p>3. Develop metrics to evaluate contracted management performance.</p>			

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