



CCCT Transit System Performance Review

November 13, 2020

Performance Report

Carbon County Community Transit d.b.a., CT



pennsylvania

DEPARTMENT OF TRANSPORTATION

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Submitted by
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PREFACE

Pennsylvania law requires transit agency performance reviews and five-year performance targets to improve efficiency and effectiveness of service

COVID-19: Transit-dependent populations are bearing a heavy burden

Transit agencies are navigating new demands, plummeting ridership, and higher costs

PennDOT will reevaluate performance targets when long-term impacts of the pandemic are known

Act 44 of 2007 and Act 89 of 2013 increased funding for public transportation in Pennsylvania. The laws also required transit agencies to improve the efficiency and effectiveness of service delivery through increased ridership, revenue, and cost containment. PennDOT evaluates every fixed-route transit agency in the Commonwealth at least once every five years to determine how well the agency satisfies these requirements through a performance review. Act 44 also requires PennDOT to develop five-year performance targets for each agency as part of the performance review process.

During the spring of 2020, COVID-19 caused significant social and economic disruptions as people sheltered in place to limit the spread of the disease. The adverse impacts throughout the Commonwealth of Pennsylvania were profound. The health and unemployment effects of Covid-19 disproportionately impacted senior, disabled, and low-income populations. These individuals also rely heavily on public transportation to meet their essential travel needs.

The impacts of COVID-19 on the public transportation industry were also numerous. Ridership decreased by more than 90 percent at some agencies during April 2020—the height of the pandemic in Pennsylvania. Revenues dropped as agencies opted to waive fares to limit bus driver interactions and possible disease transmission from the handling of tickets and currency. Agencies increased the frequency and extent of bus cleaning, causing higher operating costs. Some agencies furloughed drivers as they reduced service in response to plummeting passenger demand.

While transit agencies have begun to stabilize from the initial impacts of COVID-19, the long-term effects remain unknown. Social distancing guidelines could cause transit agencies to limit the number of passengers on buses and rail for years. Ridership, revenue, and operating cost trends used to develop this transit performance review report, including five-year performance targets, rely on information that predates the pandemic. PennDOT will continue to monitor the impacts of COVID-19 and reassess the transit agency's five-year performance targets when the long-term effects of the epidemic become known. If the performance targets are revised, they will be published as an addendum to this report.

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PUBLIC TRANSPORTATION SERVICE SUMMARY
Fiscal Year 2018–2019

Agency	Carbon Transit (d.b.a. CT)		
Year Founded	1996		
Reporting Fiscal Year End (FYE)	2019		
Service Area (square miles)	340		
Service-Area Population	65,249		
Annual Operating Statistics*	Fixed-Route	Paratransit (Shared-Ride + ADA)	Total (Fixed-Route + Paratransit)
Vehicles in Maximum Service (VOMS)	1	9	10
Operating Cost	\$159,253	\$1,445,258	\$1,604,511
Operating Revenues	\$3,507	\$774,470	\$777,977
Operating Subsidies	\$155,746	\$314,332**	\$470,078
Total (Actual) Vehicle-Miles	37,614	437,679	475,293
Revenue Miles of Service (RVM)	28,704	N/A	N/A
Total Vehicle-Hours	2,005	23,144	25,149
Revenue Vehicle-Hours (RVH)	1,716	N/A	N/A
Total Passenger Trips	6,599	39,845	46,444
Senior Passenger (Lottery) Trips	4,073	21,216	25,289
Act 44 Performance Statistics			
Passengers / RVH	3.85	N/A	N/A
Operating Cost / RVH	\$92.80	N/A	N/A
Operating Revenue / RVH	\$2.04	N/A	N/A
Operating Cost / Passenger	\$24.13	\$36.27	\$34.55
Other Performance Statistics			
Operating Revenue / Operating Cost	2.20%	53.59%	48.49%
Operating Cost / Total Vehicle-Hours	\$79.43	\$62.45	\$63.80
Operating Cost / Total Vehicle-Miles	\$4.23	\$3.30	\$3.38
Total Passengers / Total Vehicle-Hours	3.29	1.72	1.85
Operating Cost / RVM	\$5.55	N/A	N/A
RVM / Total Vehicle-Miles	76.31%	N/A	N/A
RVH / Total Vehicle-Hours	85.59%	N/A	N/A
Operating Subsidy / Passenger Trip	\$23.60	\$16.83	\$17.80

*Source: dotGrants 2019 reporting

** CT also used \$197,296 in transfer payments to subsidize shared-ride losses. After all subsidies and transfer payments the CT shared-ride program lost \$159,160 in FYE 2019.

EXECUTIVE SUMMARY

Act 44 of 2007 addressed the dire financial needs of local public transportation organizations across Pennsylvania by increasing state funding for public transportation operations by about 50 percent, from \$535 million per year to \$800 million in the first year of the legislation. Public transportation organizations that 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.

Act 44 also ushered in requirements for accountability, performance improvement, and maximizing return on investment. It established a framework for PennDOT to work with local public transportation organizations to:

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

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

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

Act 44 regulations address PennDOT actions regarding performance reviews, and the financial penalties for public transportation organizations that fail to meet performance targets. Section 427.12., Performance Reviews, states:

“(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 a transit performance review for Carbon Transit (d.b.a. CT) in November 2014. Based on that review, PennDOT developed a performance report in 2015 that established five-year performance targets and agreed to CT’s Action Plan to meet those targets. In July 2020, PennDOT reassessed CT to determine whether CT 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 2014 PERFORMANCE REVIEW

PennDOT conducted the initial review of CT in November 2014. Since finalizing CT's 2015 report, the following factors impacted CT operations and finances:

1. **High cost of service** – The Lehigh and Northampton Transportation Authority (LANTA) contracts with Easton Coach to provide Carbon County fixed-route service (CT). Purchased transportation costs consist of annual fixed costs and hourly costs. CT's fixed costs should be relatively stable because Carbon County contracts management to LANTA, which contracts services to Easton Coach. From FYE 2015 to FYE 2019, operating costs increased annually by 8.6 percent, on average, from \$114,534 to \$159,253. Revenue vehicle-hours decreased slightly from 1,773 in FYE 2015 to 1,716 in FYE 2019. The increase in operating costs combined with a minor decrease in revenue vehicle-hours increased CT fixed-route operating costs per revenue vehicle-hour from \$64.60 at FYE 2015 to \$92.80 as of FYE 2019—a 43.7 percent increase in five years.

Recognizing CT's unsustainable increase in operating costs, LANTA renegotiated contract rates for CT with Easton Coach in 2019 to shift some costs away from the fixed portion of the contract to the variable rate:

- a. The flat (annual) rate decreased from more than \$51,000 to \$22,865; and
- b. The variable (hourly) rate increased from about \$62.00 to \$73.76 per hour.

LANTA anticipates the cost savings from renegotiated contract rates with Easton Coach to lower total CT fixed-route operating costs by FYE 2021.

2. **CT management** – LANTA developed a strategic plan for CT management to bring the authority in line with LANTA's mission statement with goals and objectives targeting high-quality and effective service. Steps taken to improve performance included:
 - a. Renegotiating contract rates for more sustainable CT service; and
 - b. Negotiating revenue service agreements with new hospital networks in Carbon County.

It should be noted that many of these actions were completed between 2019 and 2020 and did not impact operating statistics by FYE 2019.

2014 PERFORMANCE REVIEW DETERMINATIONS AND FINDINGS

The 2014 performance review compared CT with a group of peer agencies based on the four performance criteria required by Act 44. CT was “In Compliance” for eight performance criteria and “At Risk” for none.

Performance Criteria	FYE*	Determination	Peer Rank (of 7)	Relation to Peer Average	Value	Peer Average
Passengers / Revenue Vehicle-Hour	2012	In Compliance	5	Worse	4.56	5.57
	Trend	In Compliance	6	Worse	-5.35%	-3.01%
Operating Cost / Revenue Vehicle-Hour	2012	In Compliance	3	Better	\$55.69	\$71.63
	Trend	In Compliance	3	Better	2.17%	4.20%
Operating Revenue / Revenue Vehicle-Hour	2012	In Compliance	7	Worse	\$1.50	\$4.45
	Trend	In Compliance	1	Better	10.42%	1.13%
Operating Cost / Passenger	2012	In Compliance	4	Better	\$12.20	\$14.30
	Trend	In Compliance	5	Worse	7.95%	7.94%

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

CT performed better than the peer group for operating cost per revenue vehicle hour for the single-year determination and the five-year trend period, and per passenger for the single-year assessment. CT also performed best out of the peer group average for revenue per revenue vehicle hour over the trend period. However, CT performed worse than the peer group for ridership trend, experiencing a 3.01 percent annual decline in passengers per revenue vehicle-hour between FYE 2007 and FYE 2012.

CT developed an Action Plan to address opportunities for improvement identified in the 2015 performance review report. Among the efforts CT undertook to improve its performance were:

1. Coordinated with LANTA and Easton Coach to identify several cost-saving measures, including using tax-free credit cards for fueling, reallocating fixed and variable costs, and reducing fleet size.
2. Conducted several outreach meetings with stakeholders in Carbon County, including senior centers, hospital networks, and the Chamber of Commerce.
3. Coordinated LANTA routes with CT service to allow for coordinated transfers.

PennDOT, in consultation with CT management, established the following performance targets that the agency was to attain before its next performance review:

- Increasing passengers per revenue vehicle-hour by at least 5.0 percent per year on average;
- Increasing operating revenue per revenue vehicle-hour by at least 5.0 percent per year on average;
- Containing increases in operating cost per revenue vehicle-hour to no more than 3.0 percent per year on average; and,
- Reducing average operating cost per passenger by 2.0 percent per year on average.

The performance targets were established using the most accurate data available at the time.

Performance Criteria	2019 Target	2019 Actual	Met Target
Passengers / Revenue Vehicle-Hour	4.59	3.85	No
Operating Cost / Revenue Vehicle-Hour	\$68.25	\$92.80	No
Operating Revenue / Revenue Vehicle-Hour	\$1.05	\$2.04	Yes
Operating Cost / Passenger	\$14.77	\$24.13	No

2020 PERFORMANCE REVIEW DETERMINATIONS AND FINDINGS

The 2020 performance review compared CT with a group of peer agencies based on the four Act 44 performance criteria. CT was “In Compliance” with two performance measures and “At Risk” for six.

Performance Criteria	FYE*	Determination	Peer Rank (of 9)	Relation to Peer Average	Value	Peer Average
Passengers / Revenue-Hour	2018	At Risk	5	Worse	3.51	5.36
	Trend	In Compliance	2	Better	0.49%	-2.03%
Operating Cost / Revenue-Hour	2018	At Risk	5	Worse	\$93.78	\$73.32
	Trend	At Risk	5	Worse	10.41%	1.38%
Operating Revenue / Revenue-Hour	2018	At Risk	5	Worse	\$1.64	\$3.70
	Trend	In Compliance	1	Better	15.88%	0.02%
Operating Cost / Passenger	2018	At Risk	5	Worse	\$26.70	\$14.86
	Trend	At Risk	5	Worse	9.87%	3.59%

*Note: Single-year and five-year trend peer comparisons are based on NTD information that was current at the time of peer review. Therefore, these factors differ from those presented on the Agency Profile page, which uses FYE 2019 data.

The 2020 review found CT to be “At Risk” for all four cost metrics, i.e., operating cost per revenue vehicle-hour for the single-year and five-year trends, and operating cost per passenger for the single-year and five-year trends. CT performed better than the peer group for increasing passengers per revenue vehicle hour and best for revenue per revenue vehicle hour for the five-year trend period.

At \$93.78 per revenue vehicle hour, CT has a high operating cost for a contracted, rural, fixed-route system. Operating cost per revenue vehicle-hour increased by nearly 65 percent between FYE 2013 and FYE 2018. As a contracted system, most of CT’s expenses should be relatively predictable (i.e., salaries and wages for LANTA administration, and costs of the service contract). LANTA revised its service contract in 2019 to reduce expenses following years of unsustainable cost growth.

The 2020 performance review also identified steps that CT can take to improve overall agency performance, including:

1. Developing a sustainable funding model that includes the full cost of management services;
2. Updating the cost allocation for LANTA staff performing functions for both LANTA and CT; and,
3. Ensuring any long-term arrangement to consolidate CT within LANTA is responsive and equitable to the local community.

PennDOT also identified additional opportunities for improvement during the 2020 performance review. The complete list of opportunities for improvement will serve as the basis for CT’s Board-approved Action Plan.

2024 PERFORMANCE TARGETS

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

Performance Criteria	Fiscal Year End (FYE)			Target Annual Increase
	2018 Actual	2019 Actual	2024 Target	
Passengers / Revenue Vehicle-Hour	3.51	3.85	3.94	0.5%
Operating Cost / Revenue Vehicle-Hour	\$93.78	\$92.80	\$107.59	3.0%
Operating Revenue / Revenue Vehicle-Hour	\$1.64	\$2.04	\$2.37	3.0%
Operating Cost / Passenger	\$26.70	\$24.13	\$27.30	2.5%

FINANCIAL REVIEW

CT operates at a deficit, with current liabilities exceeding current assets as of FYE 2019. Its cash equivalent balance has decreased overall since 2015. Important elements of CT's financial condition are:

- CT operated using current-year funding with no carryover funds as of FYE 2019.
- CT maintains a cash balance equal to 1.0 percent of total operating expenses.
- Current liabilities exceed current assets, with a negative net position of -\$649,454 as of FYE 2019.
- Accounts payable over 90 days equal 54.1 percent of annual operating costs, with most debt owed to LANTA for management services. LANTA's plans to clear CT's debt by using its 1513 grant subsidies.
- CT has made \$74,000 of interest-only payments on a \$65,000 principal loan owed to Carbon County since 1999.
- Accounts receivable over 90 days equal 13 percent of total operating costs, with outstanding invoices due from Carbon County for MATP administration.
- CT's financial condition should improve in coming years due to a shared-ride fare increase implemented in 2020.

Management should continue taking aggressive steps to manage costs (containing growth within 3.0 percent annually), eliminate shared-ride program operating deficits, achieve farebox recovery goals, and increase cash reserves to improve CT's overall financial health.

NEXT STEPS

CT's management and Board will develop an Action Plan in response to the complete list of "Opportunities for Improvement" identified in this performance review report. Some actions will be quickly implementable, while others may take several discrete steps to achieve over a more extended period. CT's management must report to the Board and PennDOT quarterly on progress toward 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 Pennsylvania by increasing state funding for public transportation operations by about 50 percent, from \$535 million annually to \$800 million in the first year of the legislation. Public transportation organizations that 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.

Act 44 also ushered in requirements for accountability, performance improvement, and maximizing return on investment. It established a framework for PennDOT to work with local public transportation organizations to:

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

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

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

Act 44 regulations address PennDOT actions regarding performance reviews, and the financial penalties for public transportation organizations that fail to meet performance targets. Section 427.12., Performance Reviews, states:

“(E) The application of funding adjustment will be as follows:

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PennDOT conducted a transit performance review for CT in November 2014. Based on that review, PennDOT developed a performance report in 2015 that established five-year performance targets and agreed to CT’s Action Plan to meet those targets. In July 2020, PennDOT reassessed CT to determine whether CT met its targets, and what actions management took to improve the agency’s performance to maximize the return on investment of Commonwealth funding. This report summarizes PennDOT’s findings.

AGENCY DESCRIPTION

Carbon Transit (d.b.a. CT) was established in 1996 in Carbon County, Pennsylvania. CT provides rural fixed-route bus service and demand-response transportation service in Carbon County.

The Lehigh and Northampton Transportation Authority (LANATA) manages CT for Carbon County through a long-term management contract. At the 2014 performance review, LANATA and CT considered a consolidation, which has not yet materialized.

Carbon County is mostly rural but has a growing population. The most productive CT route is the Lehigh Valley Mall service, mostly used by seniors. However, affordable housing and two new hospitals in Carbon County have increased demand for fixed-route service.

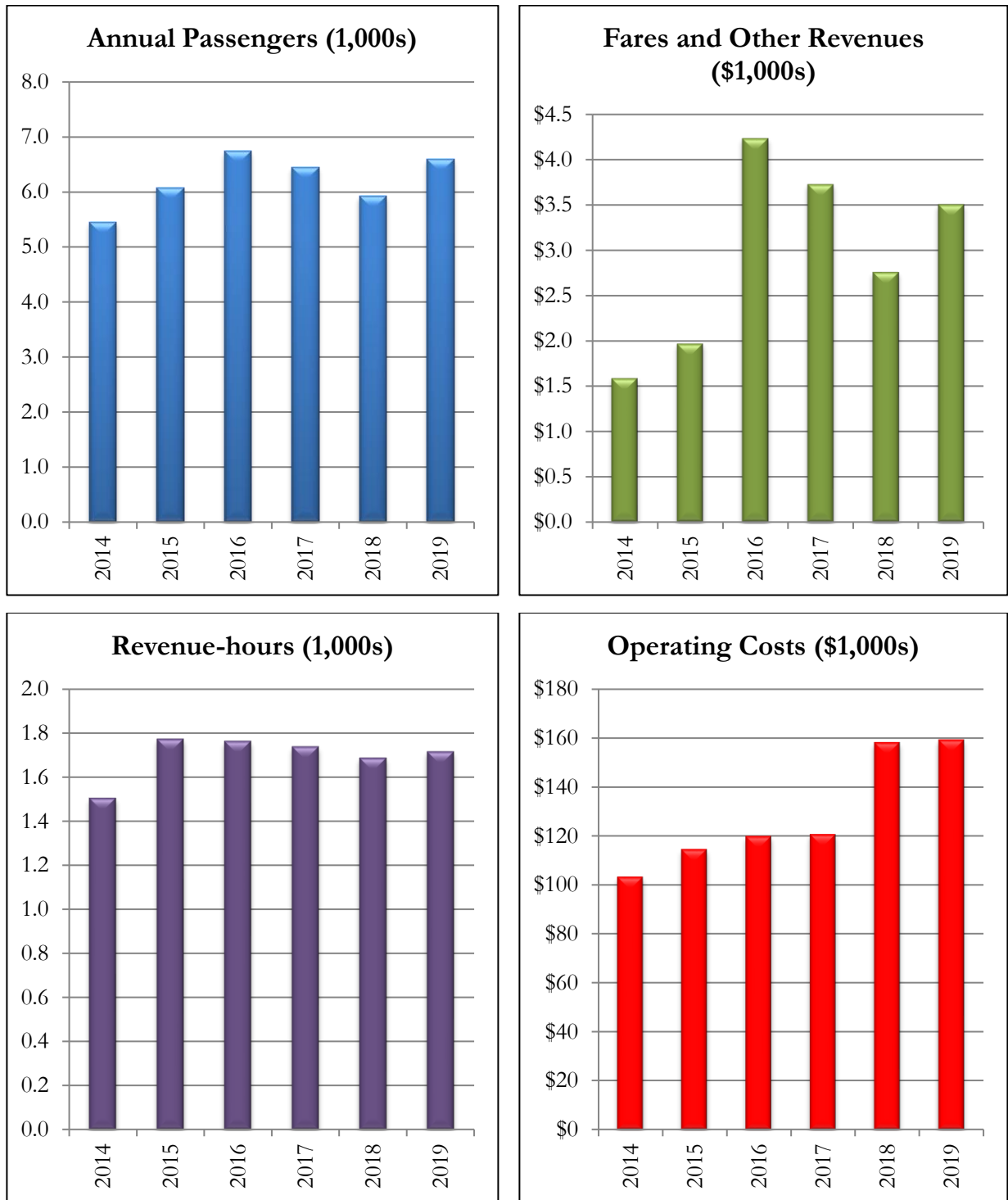
LANATA contracts with Easton Coach to provide CT fixed-route and demand-response service. CT has no service standards or on-time performance goals. Currently, CT's fixed-route CT service consists of one vehicle operated in maximum service (VOMS) with different routes depending on the day of the week. LANATA is considering providing uniform daily service for Carbon County. CT provides connections to LANATA at the Lehigh Valley Mall and in Palmerton, and Schuylkill Transportation System (STS) in Coaldale.

CT provided 6,599 fixed-route passenger trips in FYE 2019. **Exhibit 1** presents fixed-route bus statistics for CT.

In 2020, LANATA began operating a flex zone (Carbon Flex) within Carbon County as a reservation-based demand-response service to support connections to CT. LANATA also secured revenue agreements to expand CT fixed-route service to new hospital networks in Carbon County. In October 2020, LANATA rebranded Carbon County Community Transit (CCCT) as Carbon Transit.

CT became a full NTD reporter as of FYE 2015. Adjustments were made to fixed-route operating statistics to reconcile minor differences in costs reported between NTD and dotGrants. **Appendix A: Data Adjustments** on page 20 presents an overview of these data adjustments.

Exhibit 1: CT Fixed-Route Bus Service Annual Performance Trends (FYE 2014–FYE 2019)



Source: NTD and PennDOT Legacy Reporting System (dotGrants)

PERFORMANCE REVIEW PROCESS

PennDOT initiated an Act 44-mandated performance review for CT in July 2020. The following outlines the review process:

1. Notify CT of performance review schedule and transmit a document request.
2. Review available data and request additional information.
3. Agree upon a set of peer agencies for comparison (CT and PennDOT).
4. Assess Act 44 variables, including current performance, targets from the 2014 review, and Action Plan implementation.
5. Perform Act 44 performance criteria analysis.
6. Interview CT management, staff, and Board.
7. Perform supplementary data collection and reconciliation.
8. Evaluate performance, financial condition, and operations.
9. Report results and determine agency compliance with performance requirements.
10. Finalize the performance review report.
11. Develop, implement, and monitor a five-year Action Plan (CT).
12. Provide technical assistance, if required, to help meet five-year performance targets.

These steps in the performance review process assess CT's unique challenges, changes since the previous performance review, the accuracy and reliability of reported data, implemented practices, additional opportunities for improvement, and realistic goals to attain before the next performance review.

2014 ACT 44 PERFORMANCE ASSESSMENT

PRIOR REVIEW DETERMINATIONS AND FINDINGS

The 2014 performance review compared CT to a group of peer agencies based on the four performance criteria required by Act 44. CT was “In Compliance” for all eight performance criteria. (**Exhibit 2**). CT performed better than the peer group in half of the criteria, including the 2012 and five-year trend for operating cost per revenue vehicle-hour, five-year operating revenue per revenue vehicle-hour trend, and 2012 operating cost per passenger.

Exhibit 2: Previous CT Performance Review Act 44 Comparison Summary

Performance Criteria	FYE*	Determination	Peer Rank (of 7)	Relation to Peer Average	Value	Peer Average
Passengers / Revenue Vehicle-hour	2012	In Compliance	5	Worse	4.56	5.57
	Trend	In Compliance	6	Worse	-5.35%	-3.01%
Operating Cost / Revenue Vehicle-hour	2012	In Compliance	3	Better	\$55.69	\$71.63
	Trend	In Compliance	3	Better	2.17%	4.20%
Operating Revenue / Revenue Vehicle-hour	2012	In Compliance	7	Worse	\$1.50	\$4.45
	Trend	In Compliance	1	Better	10.42%	1.13%
Operating Cost / Passenger	2012	In Compliance	4	Better	\$12.20	\$14.30
	Trend	In Compliance	5	Worse	7.95%	7.94%

*Note: Single-year and five-year trend peer comparisons are based on current NTD information at the time of the peer review.

ACTION PLAN AND PERFORMANCE TARGETS

CT developed an Action Plan to address opportunities for improvement identified in the 2014 performance review. Among the steps CT took to improve its performance were:

1. Coordinated with LANTA and Easton Coach to identify several cost-saving measures, including using tax-free credit cards for fueling, consolidating staffing resources, reallocating fixed and variable costs, and reducing fleet size.
2. Conducted several outreach meetings with stakeholders in Carbon County including senior centers, hospital networks, and the Chamber of Commerce.
3. Coordinated LANTA and CT fixed-route schedules, allowing for timed transfers.

Appendix B: 2014 Performance Review Action Plan Assessment presents the complete list of CT’s previous Action Plan items and CT’s progress in addressing previously identified opportunities for improvement.

The following performance targets were established with CT in 2014:

- Increasing passengers per revenue vehicle-hour by at least 5.0 percent per year on average;
- Increasing operating revenue per revenue vehicle-hour by at least 5.0 percent per year on average;
- Containing increases in operating cost per revenue vehicle-hour to no more than 3.0 percent per year on average; and,
- Reducing average operating cost per passenger by 2.0 percent per year on average.

As shown in **Exhibit 3**, CT met one out of four performance targets that were established during the 2014 performance review.

Exhibit 3: 2019 CT Performance Targets

Performance Criteria	2019 Target	2019 Actual	Met Target
Passengers / Revenue Vehicle-hour	4.59	3.85	No
Operating Cost / Revenue Vehicle-hour	\$68.25	\$92.80	No
Operating Revenue / Revenue Vehicle-hour	\$1.05	\$2.04	Yes
Operating Cost / Passenger	\$14.77	\$24.13	No

ASSESSMENT

Since finalizing CT's 2015 report, the following factors impacted CT's operations and finances:

1. **High cost of service** – The Lehigh and Northampton Transportation Authority (LANTA) contracts with Easton Coach to provide Carbon County fixed-route service (CT). Purchased transportation costs consist of annual fixed costs and hourly costs. CT's fixed costs should be relatively stable because Carbon County contracts management to LANTA, which contracts services to Easton Coach. From FYE 2015 to FYE 2019, operating costs increased annually by 8.6 percent, on average, from \$114,534 to \$159,253. Revenue vehicle-hours decreased slightly from 1,773 in FYE 2015 to 1,716 in FYE 2019. The increase in operating costs combined with a minor decrease in revenue vehicle-hours increased CT fixed-route operating costs per revenue vehicle-hour from \$64.60 at FYE 2015 to \$92.80 as of FYE 2019—a 43.7 percent increase in five years.

Recognizing CT's unsustainable increase in operating costs, LANTA renegotiated contract rates for CT with Easton Coach in 2019 to shift some costs away from the fixed portion of the contract to the variable rate:

- a. The flat (annual) rate decreased from more than \$51,000 to \$22,865; and
- b. The variable (hourly) rate increased from about \$62.00 to \$73.76 per hour.

LANTA anticipates the cost savings from renegotiated contract rates with Easton Coach to lower total CT fixed-route operating costs by FYE 2021.

2. **CT management** – LANTA developed a strategic plan for CT management to bring the authority in line with LANTA's mission statement with goals and objectives targeting high-quality and effective service. Steps taken to improve performance included:
 - a. Renegotiating contract rates for more sustainable CT service; and
 - b. Negotiating revenue service agreements with new hospital networks in Carbon County.

Over time CT's operating deficit for its shared-ride program grew to unsustainable levels, and Carbon County amassed approximately \$500,000 in debt to LANTA for unpaid management fees. In 2020, LANTA and PennDOT developed a financial strategy to use existing grants to eliminate outstanding LANTA debt. LANTA anticipates CT will reduce its operating costs significantly by FYE 2021 from new contract rates with Easton Coach. It should be noted that many of these actions were completed between 2019 and 2020 and did not impact operating statistics by FYE 2019.

2020 ACT 44 PERFORMANCE ASSESSMENT

The 2020 performance review compared CT to 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 LANTA on behalf of CT using criteria defined in Act 44 and data from the most recently available National Transit Database (NTD)—FYE 2018. Because of CT’s unusually small size and lack of NTD data from small rural agencies, the prior peer group consisted of mostly Pennsylvania systems and one New York State system. Since 2014, two of CT’s previous Pennsylvania peers merged with neighboring systems (Venango County Transportation Office merged with Crawford Area Transportation Authority, and The DuBois, Falls Creek, Sandy Township Joint Transportation Authority merged with the Area Transportation Authority of North Central Pennsylvania). The New York State system is no longer in operation. As a result, the systems identified for the 2020 peer comparisons consist of available Pennsylvania systems most similar to CT in revenue-hours, revenue-miles, VOMS, and service-area population:

1. Borough of Mt. Carmel – Mt. Carmel, PA
2. Mid-County Transit Authority – Kittanning, PA
3. Warren County Transit Authority – Warren, PA
4. Shenango Valley Shuttle Service – Hermitage, PA

Exhibit 4 presents the results of the 2020 CT analysis and peer comparison. CT was found to be “In Compliance” for two measures and “At Risk” for six. **Appendix C: Peer Comparisons** provides the detailed data used to develop the peer comparison summary.

Exhibit 4: Current Performance Review Act 44 Peer Comparison Summary

Performance Criteria	FYE*	Determination	Peer Rank (of 9)	Relation to Peer Average	Value	Peer Average
Passengers / Revenue-Hour	2018	At Risk	5	Worse	3.51	5.36
	Trend	In Compliance	2	Better	0.49%	-2.03%
Operating Cost / Revenue-Hour	2018	At Risk	5	Worse	\$93.78	\$73.32
	Trend	At Risk	5	Worse	10.41%	1.38%
Operating Revenue / Revenue-Hour	2018	At Risk	5	Worse	\$1.64	\$3.70
	Trend	In Compliance	1	Better	15.88%	0.02%
Operating Cost / Passenger	2018	At Risk	5	Worse	\$26.70	\$14.86
	Trend	At Risk	5	Worse	9.87%	3.59%

ASSESSMENT

CT is “At Risk” for all four cost metrics, i.e., operating cost per revenue vehicle-hour for the single-year and five-year trend, and operating cost per passenger for the single-year and five-year trend. CT is also “At Risk” for passengers per revenue vehicle-hour for the single-year FYE 2018 determination. CT performed better than the peer group for increasing ridership per revenue-hour, but worse than about half of the peer group at operating cost per revenue vehicle hour. CT increased fixed-route revenues and performed better than the peer group over the five-year trend period, even though CT performed worse for a single-year determination.

2024 PERFORMANCE TARGETS

Act 44 requires PennDOT, in consultation with agency management, to establish five-year performance targets for each of the four Act 44 metrics for fixed-route service. Setting performance targets for these metrics and regularly reevaluating performance are practices intended to improve both the effectiveness and efficiency of service delivery. Act 89 requires agencies to maintain a policy to adjust fares for inflation to keep pace with increases in operating costs. PennDOT uses the most recent audited and agency-verified values for passengers, operating costs, and operating revenues as the baseline for developing the targets. Five-year targets reflect realistic and achievable expectations of improvement.

PennDOT uses the most recent audited agency-verified values for passengers, operating costs, and operating revenues as the baseline for developing the targets. Five-year targets are then set based on realistic and achievable expectations of improvement. CT should achieve its FYE 2024 targets, focusing on efforts to increase ridership and contain operating costs.

PennDOT established the following performance targets in consultation with CT:

- Increase passengers per revenue vehicle-hour by at least 0.5 percent per year on average.
- Contain operating cost per revenue vehicle-hour increases to no more than 3.0 percent per year on average.
- Increase revenue per revenue vehicle-hour by at least 3.0 percent per year on average.
- Contain operating cost per passenger trip increases to no more than 2.5 percent per year on average.

CT must work to achieve these targets, listed in **Exhibit 5**, over the next five years to ensure continued eligibility for full Section 1513 funding.

Exhibit 5: FYE 2024 Act 44 Performance Targets

Performance Criteria	Fiscal Year End (FYE)			Target Annual Increase
	2018 Actual	2019 Actual	2024 Target	
Passengers / Revenue Vehicle-Hour	3.51	3.85	3.94	0.5%
Operating Cost / Revenue Vehicle-Hour	\$93.78	\$92.80	\$107.59	3.0%
Operating Revenue / Revenue Vehicle-Hour	\$1.64	\$2.04	\$2.37	3.0%
Operating Cost / Passenger	\$26.70	\$24.13	\$27.30	2.5%

FUNCTIONAL REVIEW

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

The following sections summarize ways for CT to deliver service more efficiently and effectively. It is important that service is responsive to the community's needs to 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 that have the potential to maximize productivity, control operating costs, and achieve optimum revenue levels, which will enhance the system's future performance for one or more Act 44 fixed-route performance factors.

For CT's convenience, Action Plan templates are included in **Appendix D: Action Plan Template** (see pg. 31). Some actions will be quickly implementable, while others may take several discrete steps to achieve over a more extended period. The template provides a simple-to-follow order of findings of this report that the Action Plan should address.

OPPORTUNITIES TO INCREASE FIXED-ROUTE RIDERSHIP

BEST PRACTICE

1. LANTA management examined the potential of introducing flex service in Carbon County following the successful implementation of flex zones in Lehigh and Northampton counties. Flex service offers demand-response connections to fixed-route service. In July 2020, CT introduced the Jim Thorpe-Penn-Kidder Flex Route. Management's use of micro-transit to meet rural transit needs is a best practice for increasing ridership.

ELEMENTS TO ADDRESS IN PART 1 OF THE ACTION PLAN

1. LANTA developed a strategic plan to bring the authority in line with the mission and values of LANTA targeting high-quality and effective service. Management should **update the strategic plan to include:**
 - a. **A marketing strategy for promoting CT in Carbon County;**
 - b. **A transit development plan (TDP) element for service planning scenarios such as new fixed routes and flex zones to meet rural transit needs;**
 - c. **Service standards for determining route productivity as part of the TDP element;**
 - d. **Use of Act 44 performance targets as a framework for monitoring operating statistics; and**
 - e. **A financial strategy to minimize the use of fixed-route funding to offset shared-ride losses.**

OPPORTUNITIES TO INCREASE FIXED-ROUTE REVENUES

BEST PRACTICE

1. Management worked with the Carbon County Commissioners to identify new hospitals that may be willing to fund additional fixed-route service. LANTA established service agreements for CT with major hospital networks in Carbon County to enhance and promote CT service, which serves as a best practice in securing route guarantees.

ELEMENTS TO ADDRESS IN PART 2 OF THE ACTION PLAN

1. CT successfully established route guarantees to serve new hospital networks in Carbon County. There may be opportunities to sell advertising space on the fleet as an additional revenue source. Management should **identify opportunities to generate revenue by selling advertising on the CT fleet** as CT promotes CT and expanded service to new hospitals.
2. A review of CT's accounts receivable showed Carbon County MATP owed \$208,245 in unpaid invoices over 90 past due as of July 28, 2020. Because CT uses a substantial portion of its fixed-route grants to subsidize paratransit service this limits the amount of funds available to operate fixed-route service. CT management should work to **minimize all accounts receivable past-due more than 90 days**.

OPPORTUNITIES TO CONTROL OPERATING COSTS

BEST PRACTICE

1. None.

ELEMENTS TO ADDRESS IN PART 3 OF THE ACTION PLAN

1. CT oversight is a shared responsibility for LANTA staff. Currently, LANTA does not directly track the time spent on CT general services and administration. As a result, CT incurs indirect costs for LANTA management services based on number of trips. Management should **update CT cost allocation for LANTA staff performing functions for both LANTA and CT** to ensure indirect costs are reported accurately.
2. Carbon County amassed a sizeable debt to LANTA of approximately \$500,000 in unpaid invoices for management services. In July 2020, LANTA, PennDOT, and independent auditors developed a strategy to use LANTA's 1513 grants to pay down Carbon County's debt. Management should **develop a long-term sustainable funding model that includes the full cost of management services**.

OTHER OPPORTUNITIES TO IMPROVE PERFORMANCE

BEST PRACTICES

1. None.

ELEMENTS TO ADDRESS IN PART 4 OF THE ACTION PLAN

1. LANTA has managed CT on behalf of Carbon County since the authority was established in 1996. Since the 2015 performance review, LANTA and Carbon County have sought to formalize a permanent long-term arrangement for the management of CT. Carbon County Commissioners should **ensure any arrangement to consolidate CT within LANTA is responsive and equitable to Carbon County**. For example, the Carbon County Commission would designate a local representative to serve on the authority's Board of Directors.

FINANCIAL REVIEW

This financial review considers high-level snapshot data and trend indicators to determine whether additional follow-up by PennDOT is warranted. It is based on the examination of audit reports, other financial reports, and budgets. This review assesses the agency 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

CT expends its annual 1513 operating funds, in addition to excess non-public transportation revenue, to balance operating budgets and subsidize shared-ride operating losses. As shown in [Exhibit 6](#), CT has no carryover subsidies available. A review of CT's accounts receivable (AR) and accounts payable (AP) aging reports (dated July 28, 2020) showed CT's AR over 90 days represented 13.0 percent of annual operating costs. The Carbon County Medical Assistance Transportation Program (MATP) owed the bulk of this amount. Accounts payable over 90 days represented 54.1 percent of annual operating costs. CT owed about \$500,000 to LANTA for management services and \$250,000 to Easton Coach. LANTA, PennDOT, and independent auditors recently developed a strategy to use LANTA's existing 1513 grants to satisfy CT's outstanding debt to LANTA.

Since 1999, CT has carried a \$65,000 loan from Carbon County on its books with a 6 percent interest rate. CT has made interest-only payments of \$3,900, or 6 percent each year since then. As of FYE 2019, CT has paid a total of \$74,000 in interest. In April 2019, LANTA requested that Carbon County apply the \$74,000 payments-to-date to loan principal (\$65,000) with the remainder (\$9,000) considered as interest paid. LANTA and Carbon County have yet to clear this debt from their books.

CT's current liabilities have exceeded its current assets since 2008. A shared-ride fare increase approved in 2020 should help stabilize CT's finances. These high-level indicators suggest management should continue taking aggressive steps to put CT on firmer financial footing.

TOTAL PUBLIC TRANSPORTATION OPERATIONAL EXPENDITURES AND FUNDING

CT's total operating budget decreased from about \$1.9 million in FYE 2015 to about \$1.6 million in FYE 2019 ([Exhibit 7](#)). In FYE 2019, 90.1 percent of CT's operational expenses were for paratransit service, and 9.9 percent were for fixed-route service, as shown in [Exhibit 8](#).

CT's operating funds come from various sources. Passenger fare revenues, including contract revenue from the Department of Human Services (DHS) for the administration of the MATP program, and local subsidies, are the largest share of income for CT, accounting for 65.5 percent of operating income.

CT has no advertising revenue as of FYE 2019. Federal and state subsidies are the remaining funding sources, representing 34.5 percent of total operating income, as shown in [Exhibit 9](#) and [Exhibit 10](#). CT received its required local match to its Section 1513 state operating subsidy.

Exhibit 6: High-Level Financial Indicators

FYE 2019 Indicator	Value	Assessment Criteria / Rationale	Source
Total Carryover Subsidies / Annual Operating Cost	0.0%	Combined target $\geq 25\%$. This provides liquidity to cover unexpected cost increases or service changes without incurring interest fees from loans.	FYE 2019 Audit
Credit Available / Annual Payroll	7.1%	Only necessary if combined carryover subsidies are less than 25% of annual operating costs. This ensures that the agency maintains sufficient cash flow / liquidity to pay all current bills.	FYE 2019 Audit and PennDOT dotGrants
Actual Local Match / Required Match	100.0%	Target $\geq 100\%$. Local match that exceeds required minimums gives a transit agency flexibility to change service, accommodate unexpected cost changes and make capital investment.	PennDOT dotGrants 2019
Accounts Payable (AP) 90+ days	54.1%	Target should be 0% over 90 days. Larger values indicate cash flow concerns.	CT- reported value
Accounts Receivable (AR) 90+ days	13.0%	Target should be 0% over 90 days. Larger values can cause cash flow problems.	CT- reported value
Debt / Annual Operating Cost	4.1%	Target should be 0%. Low debt amounts reduce interest expense.	FYE 2019 Audit

Exhibit 7: Public Transportation Operating Expense by Service Type (In Millions)

Service Type	FYE 2015	FYE 2016	FYE 2017	FYE 2018	FYE 2019
Fixed-Route	\$0.1	\$0.1	\$0.1	\$0.2	\$0.2
Paratransit	\$1.7	\$1.5	\$1.5	\$1.5	\$1.4
Total*	\$1.9	\$1.7	\$1.6	\$1.6	\$1.6

*May not add due to rounding.

Exhibit 8: Public Transportation Operating Expense Trends by Service Type

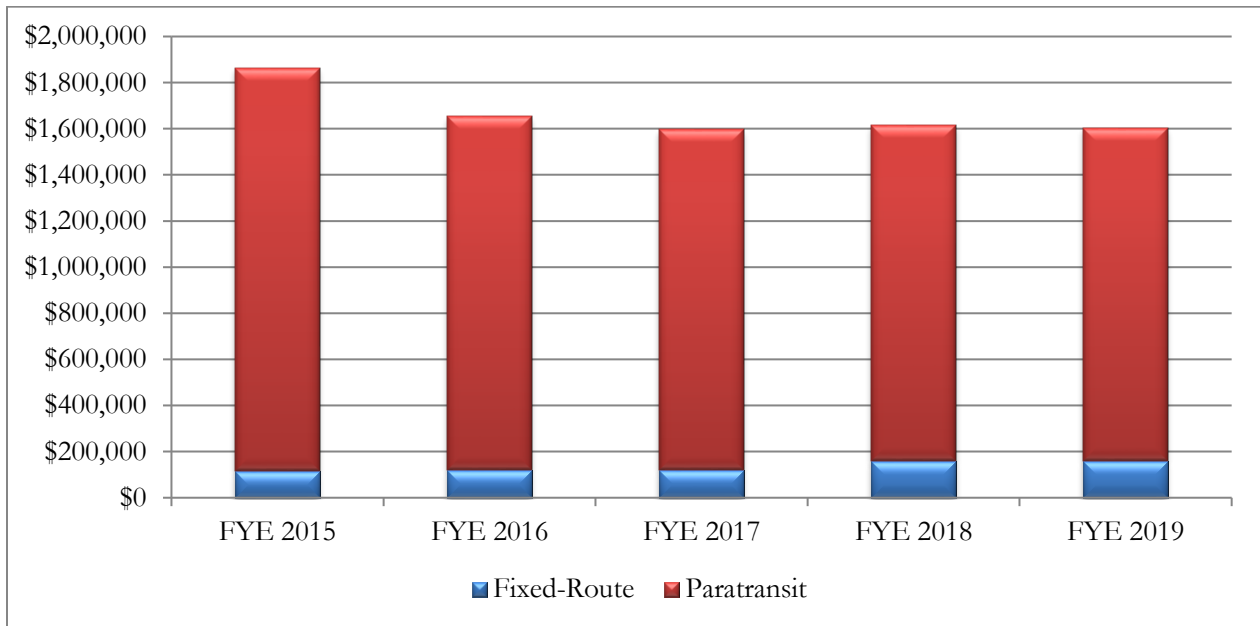
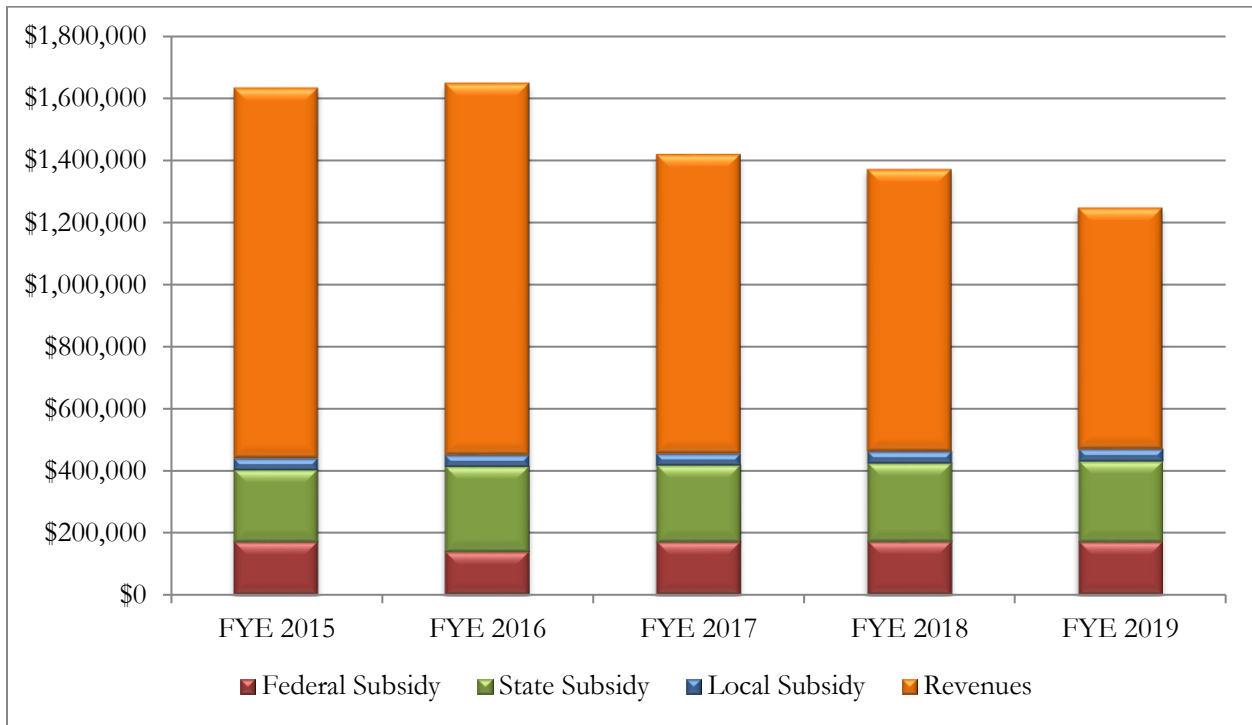


Exhibit 9: Percentage of Total Public Transportation (Fixed-Route + Paratransit) Operating Budget by Funding Source and Fiscal Year

Funding Source	FYE 2015	FYE 2016	FYE 2017	FYE 2018	FYE 2019
Federal Subsidy	10.4%	8.4%	12.0%	12.4%	13.6%
State Subsidy	14.3%	16.7%	17.5%	18.6%	20.9%
Local Subsidy	2.3%	2.2%	2.6%	2.8%	3.1%
Revenues	73.0%	72.6%	67.9%	66.3%	62.3%
Local Subsidy / State Subsidy	15.8%	13.4%	15.0%	15.0%	15.0%

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



Note: FYE 2015 through FYE 2019 CT operated at a net loss after all subsidies, revenues, and transfer payments. Therefore, operating budget funding sources do not equal (i.e., are less than) operating budget expenses presented in Exhibit 8.

FIXED-ROUTE FUNDING

Fixed-route service accounts, funded by general revenues and government subsidies, for 9.9 percent of CT's public transportation operating expenses. Between 2015 and 2019, direct passenger fares represented between 1.7 and 2.2 percent of total operating funding (**Exhibit 11**). Based on dotGrants reporting from FYE 2015 to FYE 2019, CT operated using current-year funding with no state funds carried over in FYE 2019 and no local carryover funds available.

Exhibit 11: Fixed-Route Funding

Funding Source	FYE 2015	FYE 2016	FYE 2017	FYE 2018	FYE 2019
Revenues					
Passenger-Paid Fares	\$1,969	\$4,235	\$3,728	\$2,760	\$3,507
Organization-Paid Fares	\$0	\$0	\$0	\$0	\$0
Advertising	\$0	\$0	\$0	\$0	\$0
Subtotal	\$1,969	\$4,235	\$3,728	\$2,760	\$3,507
Subsidies					
Federal Operating Grant	\$0	\$0	\$0	\$0	\$0
Act 44 (1513) – State (Prior Year)	\$0	\$0	\$0	\$0	\$0
Act 44 (1513) – State (Current Year)	\$98,085	\$100,603	\$79,665	\$117,279	\$116,605
Act 44 (1513) – Local (Municipal) (Current Year)	\$14,480	\$15,033	\$37,233	\$38,167	\$39,141
Subtotal	\$112,565	\$115,636	\$116,898	\$155,446	\$155,746
Total Funding	\$114,534	\$119,871	\$120,626	\$158,206	\$159,253
Passenger Fares / Total Funding	1.7%	3.5%	3.1%	1.7%	2.2%

Source: PennDOT dotGrants Reporting System

PARATRANSIT FUNDING

Paratransit (shared-ride and ADA complementary service) accounts for 90.1 percent of CT's public transportation operating expenses and is funded by passenger fares and program reimbursements, including revenue for MATP administration (**Exhibit 12**). LANTA allocated federal subsidies to address CT's shared-ride operating deficit. CT's paratransit program funding decreased overall from \$1,519,349 in FYE 2015 to \$1,088,802 as in FYE 2019.

Total paratransit trips decreased from 54,240 in FYE 2015 to 39,845 in FYE 2019 (**Exhibit 13**). Paratransit VOMS decreased FYE 2019 due to improved scheduling productivity achieved by implementing Ecolane scheduling software. CT achieved cost savings by optimizing the paratransit fleet and reducing the total number of VOMS.

Exhibit 12: Paratransit Funding by Source

Category	FYE 2015	FYE 2016	FYE 2017	FYE 2018	FYE 2019
Revenues					
Passenger Fares	\$40,978	\$43,152	\$44,837	\$46,615	\$36,975
Shared-Ride Lottery	\$516,773	\$491,202	\$489,280	\$490,418	\$400,035
PwD Reimbursement	\$100,348	\$93,003	\$60,559	\$50,070	\$48,143
PwD Passenger Fares	\$17,708	\$16,412	\$3,386	\$8,791	\$8,496
AAA	\$60,709	\$54,289	\$50,287	\$42,360	\$35,087
MATP	\$365,332	\$410,850	\$283,214	\$267,290	\$244,760
Other- Service Access & Management, Inc.	\$89,209	\$83,897	\$28,651	\$0	\$974
Subtotal	\$1,191,057	\$1,192,805	\$960,214	\$905,544	\$774,470
Subsidies					
Federal Grant	\$170,000	\$138,994	\$170,000	\$170,000	\$170,000
Act 44 (1513) State (Current Year)	\$135,832	\$174,832	\$168,558	\$137,167	\$144,332
Act 44 (1513) Local (Municipal) (Current Year)	\$22,460	\$21,907	\$0	\$0	\$0
Subtotal	\$328,292	\$335,733	\$338,558	\$307,171	\$314,332
Total Funding	\$1,519,349	\$1,528,538	\$1,298,772	\$1,212,715	\$1,088,802

Source: PennDOT dotGrants Reporting System

Exhibit 13: Paratransit Operating Statistics

Operating Category	FYE 2015	FYE 2016	FYE 2017	FYE 2018	FYE 2019
Paratransit Operating Statistics					
Total Paratransit Trips	54,240	50,234	48,889	39,783	39,845
Total Miles	848,259	807,933	591,390	494,404	437,679
Total Hours	33,768	38,762	27,433	26,132	23,144
VOMS	19	18	17	20	9

Source: PennDOT dotGrants Reporting System

BALANCE SHEET FINDINGS

A review of CT balance sheets shows that cash on hand decreased between FYE 2015 and 2019 (**Exhibit 14** and **Exhibit 15**). CT liabilities exceed current assets. The net current cash equivalent balance (deficit) reported as of FYE 2019 was -\$649,454. CT maintains a cash equivalent balance of 1.0 percent of total operating expenses as of FYE 2019. The FYE 2019 audit reported \$659,657 in accounts payable at fiscal year-end.

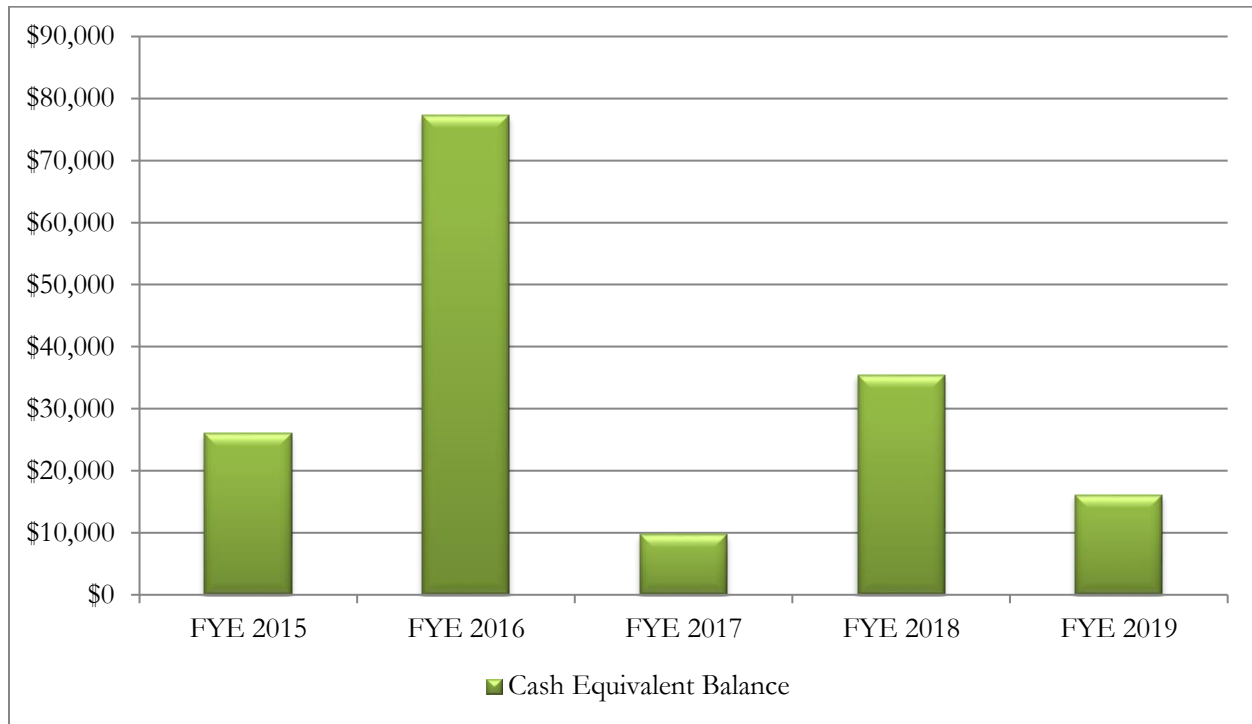
In FYE 2017, CT had their 2015 and 2016 financial statements adjusted to reflect the write-off of receivables deemed uncollectible, which resulted in a negative net position of -\$491,791 and -\$614,237 for FYE 2015 and FYE 2016. CT continued to operate at a deficit through FYE 2019.

In Fiscal Year 2020-21, LANTA management initiated a plan to address CT's deficit through a combination of cost-saving measures and the use of various grant sources. LANTA and independent auditors worked with PennDOT to develop a financial strategy to use existing grants to pay the outstanding amount that CT owed LANTA. Management also renegotiated the Easton Coach contract rates for CT and demand-response CT services, reducing the fixed-cost and increasing the hourly (variable) rate.

Exhibit 14: Balance Sheet Summary (FYE 2015–FYE 2019)

Balance Sheet Report	FYE 2015	FYE 2016	FYE 2017	FYE 2018	FYE 2019
Current Assets					
Cash Equivalent Balance	\$25,995	\$77,281	\$9,714	\$35,469	\$16,133
Grants Receivable (incl. capital)	\$614,705	\$720,489	\$419,977	\$203,428	\$90,237
Other Accounts Receivable	\$783	\$783	\$32,683	\$32,683	\$5,666
Current Liabilities					
Accounts Payable	\$1,190,720	\$1,225,344	\$883,511	\$696,874	\$659,657
Deferred Revenue	\$0	\$0	\$0	\$0	\$36,833
Line of Credit	\$65,000	\$65,000	\$65,000	\$65,000	\$65,000
Total Operating Expense					
Cash Equivalent Balance / Total Operating Expenses	1.4%	4.7%	0.6%	2.2%	1.0%
Line of Credit/ Purchased Transportation	5.8%	6.5%	6.9%	6.8%	7.1%
Current Assets	\$641,483	\$798,553	\$462,548	\$271,580	\$112,036
Current Liabilities	\$1,255,720	\$1,290,344	\$948,511	\$761,874	\$761,490
Net Current Assets	-\$614,237	-\$491,791	-\$485,963	-\$490,294	-\$649,454

Source: Annual Audit Reports and dotGrants

Exhibit 15: End-of-Year Cash Balance (FYE 2015–FYE 2019)**ASSESSMENT**

CT operates at a deficit, with current liabilities exceeding current assets as of FYE 2019. Its cash equivalent balance has decreased overall since 2015. Important elements of CT's financial condition are:

- CT operated using current-year funding with no carryover funds as of FYE 2019.
- CT maintains a cash balance equal to 1.0 percent of total operating expenses.
- Current liabilities exceed current assets, with a negative net position of -\$649,454 as of FYE 2019.
- Accounts payable over 90 days equal 54.1 percent of annual operating costs, with most debt owed to LANTA for management services. LANTA's plans to clear CT's debt by using its 1513 grant subsidies.
- CT has made \$74,000 of interest-only payments on a \$65,000 principal loan owed to Carbon County since 1999.
- Accounts receivable over 90 days equal 13 percent of total operating costs, with outstanding invoices due from Carbon County for MATP administration.
- CT's financial condition should improve in coming years due to a shared-ride fare increase implemented in 2020.

Management should continue taking aggressive steps to manage costs (containing growth within 3.0 percent annually), eliminate shared-ride program operating deficits, achieve farebox recovery goals, and increase cash reserves to improve CT's overall financial health.

APPENDIX A: DATA ADJUSTMENTS

Since becoming a full NTD reporter in 2015, there were minor discrepancies in operating statistics reported between NTD and dotGrants. Financial information presented in dotGrants is consistent with CT certified audits. The following adjustments were made to reconcile NTD-reported revenue and operating costs with dotGrants-reported values.

Fixed-Route Revenue	FYE 2015	FYE 2016	FYE 2017	FYE 2018
NTD-reported revenue	\$1,969	\$4,235	\$3,728	\$3,189
dotGrants-reported revenue	\$1,969	\$4,235	\$3,728	\$2,760
Adjustment	-	-	-	(\$429)
Reconciled Revenue	\$1,969	\$4,235	\$3,728	\$2,760

Fixed-Route Operating Costs	FYE 2015	FYE 2016	FYE 2017	FYE 2018
NTD-reported operating costs	\$114,534	\$113,458	\$116,081	\$152,507
dotGrants-reported operating costs	\$114,534	\$119,871	\$120,626	\$158,206
Adjustment	-	\$6,413	\$4,545	\$5,699
Reconciled operating costs	\$114,534	\$119,871	\$120,626	\$158,206

The following Act 44 performance metrics were calculated for CT.

Act 44 Performance Metrics	FYE 2015	FYE 2016	FYE 2017	FYE 2018
Passengers/RVH	3.43	3.83	3.70	3.51
Revenue/RVH	\$1.11	\$2.40	\$2.14	\$1.64
Operating Cost/RVH	\$64.60	\$67.95	\$69.37	\$93.78
Operating Cost/Passenger	\$18.83	\$17.76	\$18.72	\$26.70

APPENDIX B: 2014 PERFORMANCE REVIEW ACTION PLAN ASSESSMENT

Last Updated: 4th Quarter, Calendar Year 2019

Category	Suggested Action	Corrective Action	Status
1. Ridership	Assess the effectiveness of fixed-route service and adjust CT service to better meet customer needs.	As of FYE 2019, LANTA worked with major hospital networks in Carbon County to enhance and promote CT service. Service updates were expected in early 2020.	Complete
1. Ridership	Promote the new CT website from the Carbon County website and make a link available from the LANTA website homepage to the CT website.	CT now has a link on the Carbon County website and there is a link to CT from the LANTA website.	Complete
1. Ridership	Develop a comprehensive marketing plan and budget.	LANTA hired a Marketing and Outreach Coordinator who conducted several outreach meetings with stakeholders in Carbon County including senior centers, hospital networks, and the Chamber of Commerce.	Complete
2. Revenue	Explore the possibility of generating advertising revenue.	LANTA discussed the potential to include the sale of advertising space on CT vehicles with LANTA's contracted outdoor media sales vendor. The Carbon County Commissioners received LANTA's contract and no decision has been made as of 2016.	Incomplete

Category	Suggested Action	Corrective Action	Status
2. Revenue	Find ways to reduce or eliminate the need to use fixed-route funding to subsidize shared-ride operations.	LANTA worked with PennDOT BPT staff to develop a financial plan for the CT system; shared-ride fares increased in 2020.	Ongoing
3. Operating Cost	Assess the potential benefits and costs of adding cameras when purchasing new vehicles.	LANTA assessed the cost-effectiveness of including cameras as part of new vehicle purchases. As a result, new replacement vans will come equipped with cameras.	Complete
3. Operating Cost	Conduct a comprehensive assessment of CT's shared-ride service to identify potential cost-saving strategies.	LANTA worked with its contractor Easton Coach to identify several cost-saving measures, including using tax-free credit cards for the purchase of fuel, consolidating staffing resources with other LANTA functions, reallocating fixed and variable costs, and reducing the size of the active fleet. This has resulted in a 25 percent reduction in the rates charged to CT by Easton Coach.	Ongoing
4. Other	Develop a comprehensive strategic plan.	LANTA developed a strategic plan for managing CT in 2018.	Complete
4. Other	Designate a Carbon County staff member to oversee and report on CT performance.	LANTA began submitting a quarterly performance report for the CT system to the County Clerk as of 2017.	Ongoing

Category	Suggested Action	Corrective Action	Status
4. Other	Clearly define governance roles, responsibilities, and reporting expectations among the Carbon County Board of Commissioners, the LANTA Board, and CT management.	LANTA began working on the strategic plan in 2018 but as of the 2020 performance review, the current strategic plan does not define governance roles and responsibilities between Carbon County and LANTA management.	Incomplete
4. Other	Develop a set of performance standards for all key agency functions.	LANTA developed a set of service standards for the CT system as part of the Title VI analysis.	Complete
4. Other	Create a Transit Development Plan (TDP) to identify ways to improve fixed-route service and ridership.	A Transit Development Plan has not been completed.	Incomplete
4. Other	Incorporate operating performance standards into future service delivery contracts.	LANTA is currently under contract with an operations contractor (Easton Coach) through March 2022. A review will be done at that time as part of the new contract.	Ongoing

APPENDIX C: PEER COMPARISONS

Comparison of CT 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 2018 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 variables used in the calculations are defined 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 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 2018 Single-Year		Five-Year Change Since FYE 2013		
	Value	Rank of 5	2013 Value	Annual Rate	Rank of 5
Borough of Mt. Carmel	5.70	3	4.81	3.46%	1
Mid-County Transit Authority	4.68	4	4.63	0.18%	3
Warren County Transit Authority	6.20	2	7.14	-2.78%	4
Shenango Valley Shuttle Service	6.73	1	12.37	-11.48%	5
Carbon Transit	3.51	5	3.43	0.49%	2
<i>Average</i>	5.36		6.48	-2.03%	
<i>Standard Deviation</i>	1.28		3.56	5.73%	
<i>Average – 1 Standard Deviation</i>	4.08		2.92	-7.75%	
<i>Average + 1 Standard Deviation</i>	6.65		10.04	3.70%	
Act 44 Compliance Determination	At Risk		In Compliance		
Compared to the Peer Group Average	Worse		Better		

Operating Cost / Revenue Vehicle-Hour

Operating Cost / Revenue-Hour (MB)					
System	FYE 2018 Single-Year		Five-Year Change Since FYE 2013		
	Value	Rank of 5	2013 Value	Annual Rate	Rank of 5
Borough of Mt. Carmel	\$49.84	1	\$51.85	-0.79%	3
Mid-County Transit Authority	\$73.73	3	\$60.03	4.20%	4
Warren County Transit Authority	\$72.51	2	\$79.13	-1.73%	2
Shenango Valley Shuttle Service	\$76.75	4	\$100.24	-5.20%	1
Carbon Transit	\$93.78	5	\$57.16	10.41%	5
<i>Average</i>	\$73.32		\$69.68	1.38%	
<i>Standard Deviation</i>	\$15.67		\$19.94	6.07%	
<i>Average – 1 Standard Deviation</i>	\$57.65		\$49.74	-4.69%	
<i>Average + 1 Standard Deviation</i>	\$88.99		\$89.63	7.44%	
Act 44 Compliance Determination	At Risk		At Risk		
Compared to the Peer Group Average	Worse		Worse		

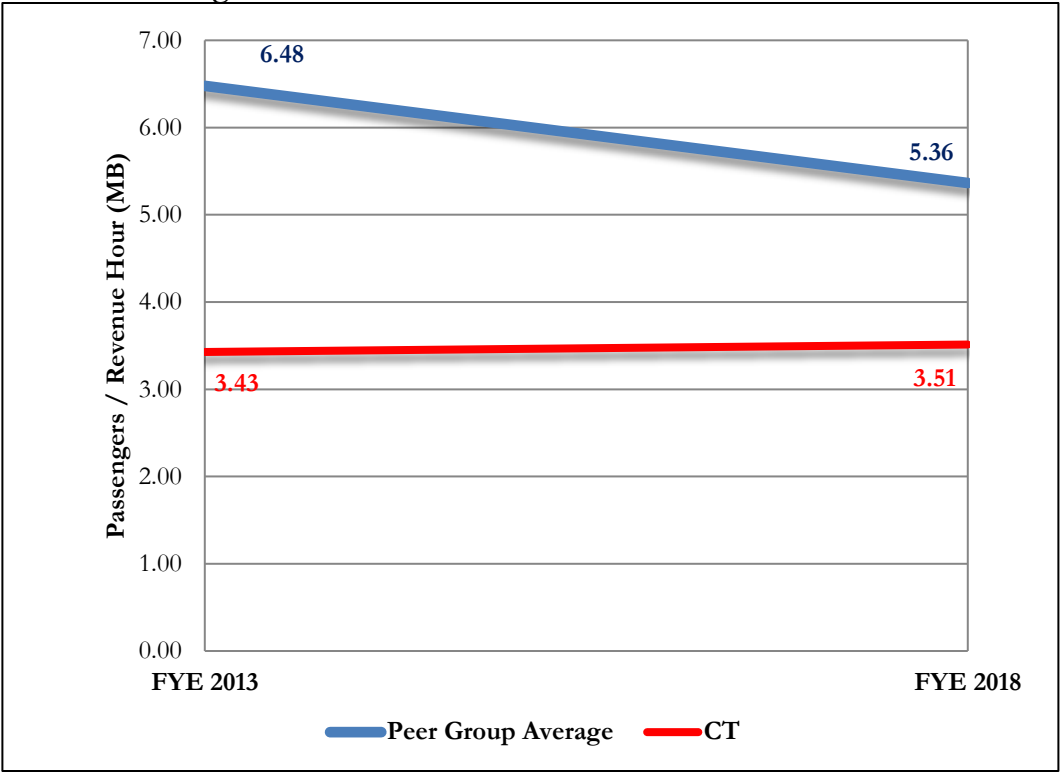
Operating Revenue / Revenue Vehicle-Hour

Operating Revenue / Revenue-Hour (MB)					
System	FYE 2018 Single-Year		Five-Year Change Since FYE 2013		
	Value	Rank of 5	2013 Value	Annual Rate	Rank of 5
Borough of Mt. Carmel	\$3.19	4	\$2.65	3.78%	2
Mid-County Transit Authority	\$4.20	2	\$6.72	-8.97%	5
Warren County Transit Authority	\$5.41	1	\$6.50	-3.59%	3
Shenango Valley Shuttle Service	\$4.03	3	\$5.80	-7.00%	4
Carbon Transit	\$1.64	5	\$0.78	15.88%	1
<i>Average</i>	\$3.70		\$4.49	0.02%	
<i>Standard Deviation</i>	\$1.40		\$2.64	10.11%	
<i>Average – 1 Standard Deviation</i>	\$2.30		\$1.85	-10.09%	
<i>Average + 1 Standard Deviation</i>	\$5.09		\$7.13	10.13%	
Act 44 Compliance Determination	At Risk		In Compliance		
Compared to the Peer Group Average	Worse		Better		

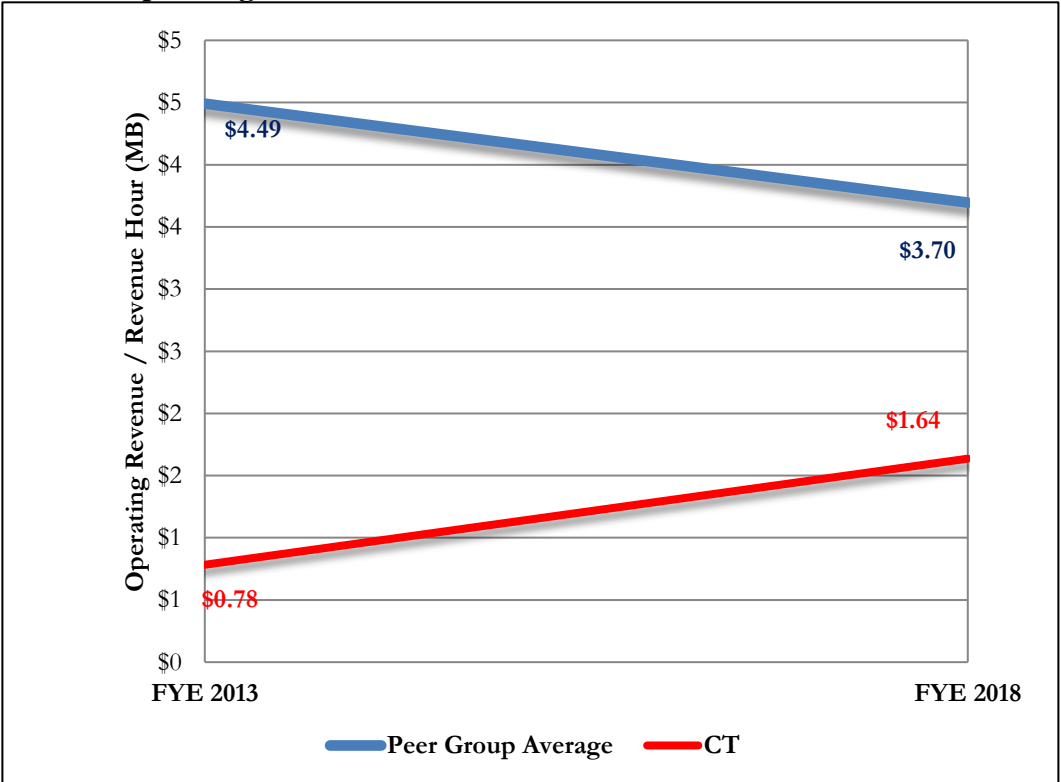
Operating Cost / Passenger

Operating Cost / Passenger (MB)					
System	FYE 2018 Single-Year		Five-Year Change Since FYE 2013		
	Value	Rank of 5	2013 Value	Annual Rate	Rank of 5
Borough of Mt. Carmel	\$8.74	1	\$10.77	-4.11%	1
Mid-County Transit Authority	\$15.77	4	\$12.95	4.01%	3
Warren County Transit Authority	\$11.69	3	\$11.08	1.08%	2
Shenango Valley Shuttle Service	\$11.41	2	\$8.10	7.09%	4
Carbon Transit	\$26.70	5	\$16.68	9.87%	5
<i>Average</i>	\$14.86		\$11.92	3.59%	
<i>Standard Deviation</i>	\$7.08		\$3.17	5.42%	
<i>Average – 1 Standard Deviation</i>	\$7.78		\$8.74	-1.83%	
<i>Average + 1 Standard Deviation</i>	\$21.94		\$15.09	9.00%	
Act 44 Compliance Determination	At Risk		At Risk		
Compared to the Peer Group Average	Worse		Worse		

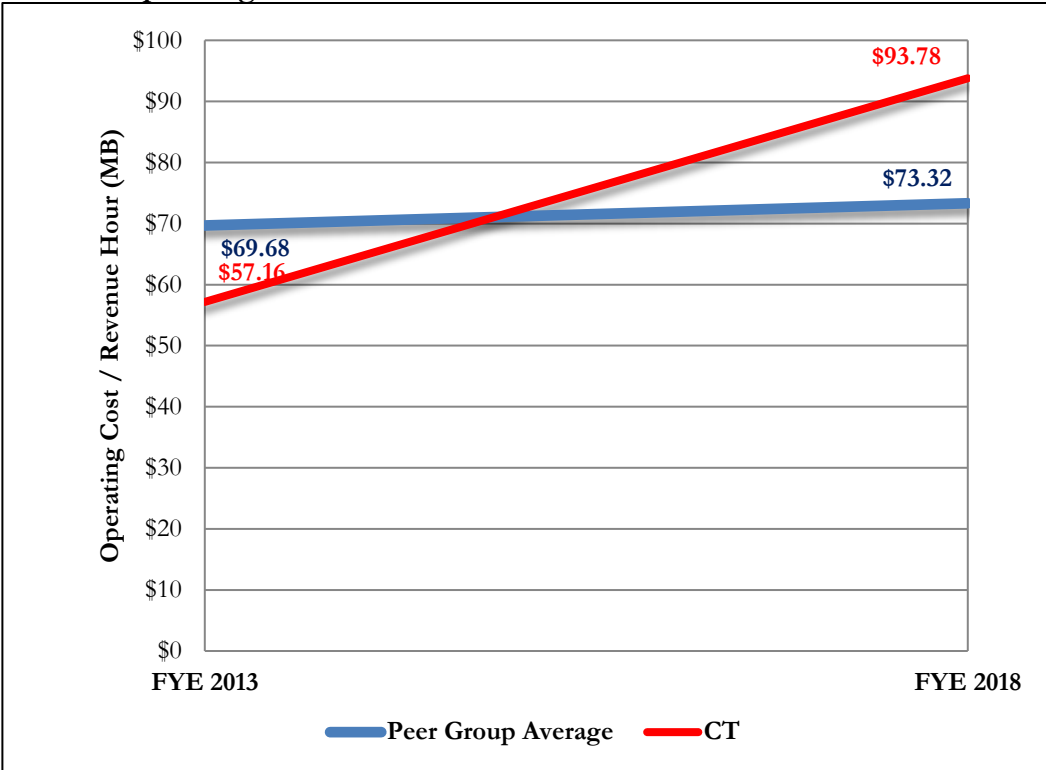
Trend – Passengers / Revenue Vehicle-Hour



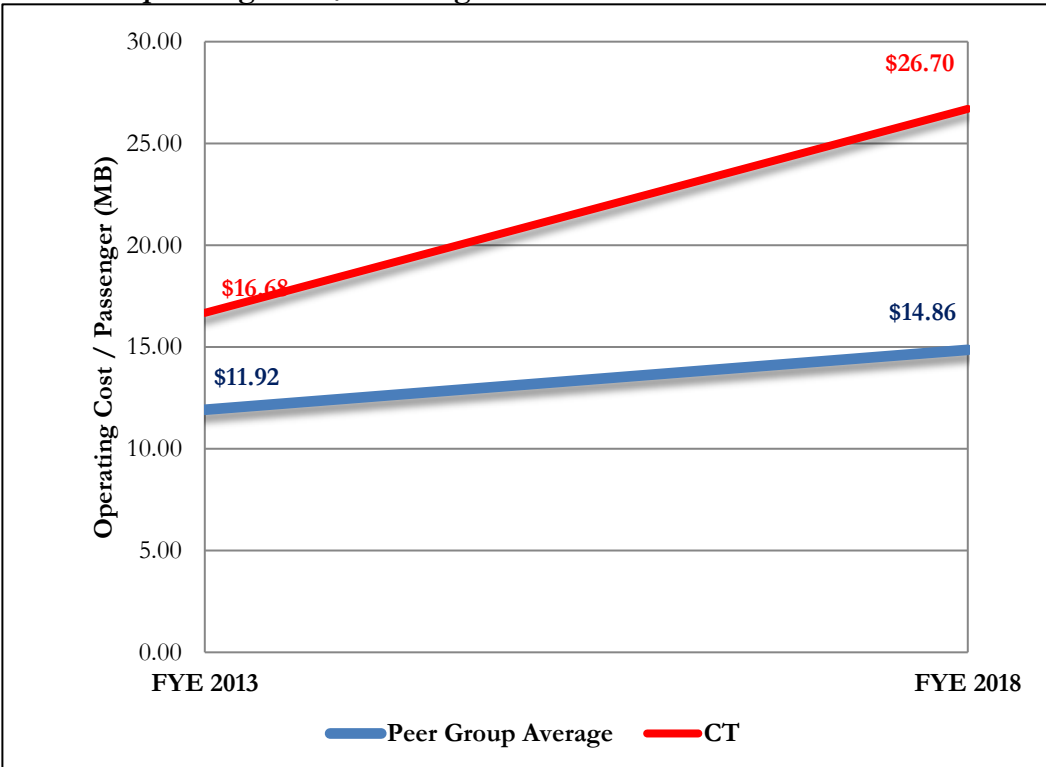
Trend – Operating Revenue / Revenue Vehicle-Hour



Trend – Operating Cost / Revenue Vehicle-Hour



Trend – Operating Cost / Passenger



APPENDIX D: ACTION PLAN TEMPLATE

PART 1 – ACTIONS TO INCREASE FIXED-ROUTE PASSENGERS

Recommendation From narrative starting on page 9	CT Action	Estimated Initiation Date	Estimated Completion Date
<ol style="list-style-type: none"> 1. Update the strategic plan to include: <ol style="list-style-type: none"> a. A marketing strategy for promoting CT in Carbon County; b. A transit development plan (TDP) element for service planning scenarios such as new fixed routes and the incorporation of flex zones to meet rural transit needs; c. Service standards for determining route productivity as part of the TDP element; d. Use of Act 44 performance targets as a framework for monitoring operating statistics; and e. A financial strategy to minimize the use of fixed-route funding to offset shared-ride losses. 			

PART 2 – ACTIONS TO INCREASE FIXED-ROUTE REVENUES

Recommendation From narrative starting on page 10	CT Action	Estimated Initiation Date	Estimated Completion Date
<ol style="list-style-type: none"> 1. Identify opportunities to generate revenue by selling advertising space on the CT fleet. 			
<ol style="list-style-type: none"> 2. Minimize accounts receivable past-due more than 90 days 			

PART 3 – ACTIONS TO REDUCE OR CONTAIN OPERATING COSTS

Recommendation From narrative starting on page 10	CT Action	Estimated Initiation Date	Estimated Completion Date
1. Update CT cost allocation for LANTA staff performing functions for both LANTA and CT.			
2. Develop a sustainable funding model that includes the full cost of management services.			

PART 4 – OTHER ACTIONS TO IMPROVE OVERALL PERFORMANCE

Recommendation From narrative starting on page 10	CT Action	Estimated Initiation Date	Estimated Completion Date
1. Ensure any long-term arrangement to consolidate CT within LANTA is responsive and equitable to the local community.			

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