



Freedom Transit System Performance Review

January 2, 2019

Performance Report

Washington County Transit Authority d.b.a., Freedom Transit

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PUBLIC TRANSPORTATION SERVICE SNAPSHOT

Agency	Washington County Transportation Authority (WCTA, d.b.a. Freedom Transit)		
Year Consolidated	2015		
Reporting Fiscal Year End (FYE)	FYE 2017		
Service Area (square miles)	861		
Service Area Population	207,820		
Annual Operating Statistics*	Fixed-Route	Paratransit (ADA + Shared Ride)	Total (Fixed-Route + Paratransit)
Vehicles in Maximum Service (VOMS)	8	63	71
Operating Cost	\$1,375,200	\$4,981,645	\$6,356,845
Operating Revenues	\$145,989	\$4,800,010	\$4,945,999
Total (Actual) Vehicle Miles	366,154	2,239,162	2,605,316
Revenue Miles of Service (RVM)	338,805	1,427,422	1,766,227
Total Vehicle Hours	22,459	124,091	146,550
Revenue Vehicle Hours (RVH)	19,710	61,207	80,917
Total Passenger Trips	83,665	225,843	309,508
Senior Passenger (Lottery) Trips	17,076	99,185	116,261
Act 44 Performance Statistics			
Passengers / RVH	4.24	3.69	3.83
Operating Cost / RVH	\$69.77	\$81.39	\$78.56
Operating Revenue / RVH	\$7.41	\$78.42	\$61.12
Operating Cost / Passenger	\$16.44	\$22.06	\$20.54
Other Performance Statistics			
Operating Revenue / Operating Cost	10.62%	96.35%	77.81%
Operating Cost / Total Vehicle Hours	\$61.23	\$40.15	\$43.38
Operating Cost / Total Vehicle Miles	\$3.76	\$2.22	\$2.44
Total Passengers / Total Vehicle Hours	3.73	1.82	2.11
Operating Cost / RVM	\$4.06	\$3.49	\$3.60
RVM / Total Vehicle Miles	92.53%	63.75%	67.79%
RVH / Total Vehicle Hours	87.76%	49.32%	55.21%
Operating Subsidy / Passenger Trip	\$14.69	\$0.80	\$4.56

* Source: dotGrants 2017 reporting

EXECUTIVE SUMMARY

Act 44 of 2007 addressed the dire financial needs of local public transportation organizations across the Commonwealth by increasing state funding for public transportation operations by about 50%, from \$535 million annually to \$800 million in the first year of the legislation. Public transportation organizations which had been on the verge of major service cuts and/or significant fare increases could maintain existing service and fares and, with a predictable and growing source of operating assistance, plan service changes.

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

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

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

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

Act 44 regulations address PennDOT actions regarding performance reviews, failure to achieve performance targets and to determine if a financial penalty should be assessed if performance targets are not met in §427.12. Performance Reviews:

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

1. Operating fund reductions in Section 1513(G) of the Act (relating to operating program) may be implemented for grantees subject to this section that are not satisfying the minimum performance standards, considering all other provisions of Section 1513. A funding reduction may be assessed in cases when a local transportation organization fails to report progress of, or fails to implement the agreed upon strategic action plan, or both.”

PennDOT conducted a transit performance review for Washington City Transit (WCT) in December 2013. Based on that review, PennDOT established five-year performance targets and agreed to WCT's action plan to meet those targets. In 2013, Washington County Transportation Authority (WCTA) introduced fixed-route service. As part of a statewide initiative to consolidate public transportation agencies, WCTA assumed responsibility of providing fixed-route service from WCT on July 1, 2015 and rebranded as Freedom Transit. The results of WCT's review are presented in this report, however, WCTA was not previously assessed for performance under Act 44. This is WCTA's first performance review and WCTA will not be held to the performance targets previously set in 2013 for WCT.

IMPORTANT CHANGES SINCE THE 2013 WASHINGTON CITY PERFORMANCE REVIEW

PennDOT conducted the initial review of WCT in December 2013. The 2013 performance review compared WCT with a group of peer agencies based on the four performance criteria required by Act 44. WCT was found to be “In Compliance” for five performance criteria and “At Risk” for three.

Performance Criteria	FYE*	Determination	Peer Rank (of 13)	Relation to Peer Average	Value	Peer Average
Passengers / Revenue Vehicle Hour	2011	At Risk	13	Worse	3.59	10.44
	Trend	At Risk	13	Worse	-3.71%	-0.21%
Operating Cost / Revenue Vehicle Hour	2011	In Compliance	6	Better	\$74.59	\$76.27
	Trend	In Compliance	6	Worse	1.72%	1.11%
Operating Revenue / Revenue Vehicle Hour	2011	In Compliance	10	Worse	\$5.65	\$7.82
	Trend	In Compliance	11	Worse	-7.62%	-2.36%
Operating Cost / Passenger	2011	At Risk	13	Worse	\$20.79	\$8.67
	Trend	In Compliance	11	Worse	5.64%	1.43%

*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.

WCT performed better than its peer average in 2011 for operating costs. The following performance targets were established with WCT:

- Increase passengers per revenue vehicle hour by at least 3.0% per year on average
- Increase operating revenue per revenue vehicle hour by at least 3.0% per year on average
- Contain increases in operating cost per revenue vehicle hour to no more than 3.0% per year on average
- Contain increases in operating cost per passenger to no more than 0% per year on average

Performance Criteria	Fiscal Year End (FYE)				Target Annual Increase
	2010	2011	2012	2018 Target*	
Passengers / Revenue Vehicle Hour	3.53	3.59	3.56	4.26	3.0%
Operating Cost / Revenue Vehicle Hour	\$69.76	\$74.59	\$78.98	\$94.31	3.0%
Operating Revenue / Revenue Vehicle Hour	\$5.40	\$5.56	\$6.43	\$7.67	3.0%
Operating Cost / Passenger	\$19.74	\$20.79	\$22.16	\$22.16	0.0%

*2018 performance targets were set for the City of Washington and not the Washington County Transit Authority

Since the 2013 report was finalized, WCT worked to meet its performance targets and implement actions listed in the 2013 Action Plan. This included the installation of fixed-route stop signs, new policies for vehicle spare ratio, farebox recovery goal, fare adjustment, and required an operations supervisor to be available during hours of operation. Mid-way through the 2013 – 2018 performance period, WCT consolidated with WCTA and the City of Washington ceased the provision of public transportation services in the Greater Washington City area.

2015 CONSOLIDATION RESULTS

WCTA was established to manage human service transportation for Washington County in. In 2013, WCTA began operating a federally funded fixed-route known locally as the “Freedom Line.” This service partially operated within the existing fixed-route area served by WCT. Two public transportation agencies providing fixed-route service within the Greater Washington City area initiated the discussion for consolidation between Washington County and the City of Washington. On July 1, 2015, WCTA assumed responsibility for providing fixed-route service from WCT. The following changes occurred in the three years since consolidation:

1. **Rebranded as Freedom Transit** – WCTA was formed in 2001 to provide non-fixed-route transportation service in Washington County. Residents and customers knew WCTA as Washington Rides. WCT was the longstanding municipal transportation department for the City of Washington that provided local urban fixed-route service. Following consolidation, WCTA was rebranded to the public as Freedom Transit. WCTA would go on to hire its first dedicated marketing coordinator in 2018 to help build brand awareness and actively market Freedom Transit in Washington County.
2. **Eliminated use of multiple vendors for purchased transportation** – WCTA and WCT did not directly operate service. Both agencies purchased transportation operation services from private vendors (First Transit and MV Transportation) for purchased transportation. However, WCTA found it challenging with limited staff resources to provide adequate oversight over multiple contractors. This resulted in late trips, missed trips, and a practice of underreported maintenance issues. WCTA put out a single bid for operating fixed-route service and negotiated tougher oversight provisions like liquidated damages penalties into the contract. WCTA terminated its relationship with MV Transportation, and First Transit became the sole contractor for Freedom Transit in 2017.
3. **Service planning and strategic planning efforts** – WCTA began assessing former WCT fixed-routes. In 2017, the “hopper” service was replaced with directional service (north, south, east, west) divided into two routes with a transfer point at the agency headquarters. Initial operational improvements were further supported by the development of WCTA’s first transit development plan (TDP) in 2018. Later that year WCTA would develop its first strategic plan to reinforce elements of the 2013 WCT transit performance review that were still relevant to the former WCT service area and provide agency direction to help carry out the TDP.

At the time of WCT’s 2013 performance review, WCTA began operating a federally funded fixed-route and did not use PennDOT section 1513 funds. Thus, WCTA was not subject to an Act 44 transit performance review. Since assuming responsibility for fixed-route service from the City of Washington in 2015, WCTA receives annual section 1513 operating funds and is now subject to an Act 44 transit performance review. This 2018 review will establish WCTA’s first set of performance targets to be achieved by FYE 2023.

2018 PERFORMANCE REVIEW DETERMINATIONS AND FINDINGS

The 2018 performance review compared Freedom Transit with a group of peer agencies based on the four performance criteria outlined by law. Freedom Transit was found to be “In Compliance” for five performance measures and “At Risk” for three.

Performance Criteria	FYE	Determination	Rank	Relation to Peer Average	Value	Peer Average
Passengers / Revenue Hour	2016	At Risk	12	Worse	4.26	10.73
	Trend	In Compliance	3	Better	2.00%	-0.45%
Operating Cost / Revenue Hour	2016	In Compliance	4	Better	\$64.43	\$80.21
	Trend	In Compliance	2	Better	-4.32%	0.57%
Operating Revenue / Revenue Hour	2016	At Risk	10	Worse	\$7.80	\$11.68
	Trend	In Compliance	4	Better	5.45%	2.88%
Operating Cost / Passenger	2016	At Risk	11	Worse	\$15.14	\$8.60
	Trend	In Compliance	1	Better	-6.20%	1.13%

*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 Freedom Transit can take to improve overall agency performance including:

1. Address service recommendations presented in the TDP to improve operational efficiency and potentially increase ridership.
2. Develop a system-wide map and route maps that are available online and in-print.

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 WCTA’s Board-approved action plan.

2023 PERFORMANCE TARGETS

As required by Act 44, PennDOT and WCTA management developed new five-year performance targets. Performance targets are designed to be aggressive, yet achievable. WCTA should work to achieve these targets, shown in the following table, over the next five years to ensure continued eligibility for full Section 1513 funding¹.

Performance Criteria	Fiscal Year End (FYE)			Target Annual Increase
	2017 Actual	2018 Unaudited*	2023 Target	
Passengers / Revenue Vehicle Hour	4.24	4.34	4.56	1.0%
Operating Cost / Revenue Vehicle Hour	\$69.77	\$75.01	\$86.96	3.0%
Operating Revenue / Revenue Vehicle Hour	\$7.41	\$8.20	\$8.62	1.0%
Operating Cost / Passenger	\$16.44	\$17.28	\$19.08	2.0%

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

FINANCIAL REVIEW

WCTA currently has a balanced operating budget. Noteworthy elements of WCTA's financial condition as of FYE 2017 are:

- WCTA had \$31,538 in carryover local funds and \$1,213,013 in carryover state funds
- Combined carryover subsidies amount to 19.5% of total operational funding
- WCTA received its full local match as required by Act 44
- WCTA maintains a cash balance equal to 18.3% of total operating expenses
- Operating budget decreased from \$7.1 million in FYE 2014 to \$6.4 million in FYE 2017
- Current assets exceed current liabilities
- Accounts payable and receivable amounts are negligible
- WCTA maintains a \$500,000 line of credit. WCTA's current balance on the line of credit is \$0

WCTA's financial health is stable since assuming responsibility for fixed-route transportation from WCT. Management should continue taking appropriate actions to manage costs, achieve farebox recovery goals, and to maintain cash reserves to preserve WCTA's overall financial health.

NEXT STEPS

Freedom Transit 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. Freedom Transit's management must report to the Board and PennDOT quarterly on progress towards accomplishing the Action Plan and meeting its performance targets.

¹ From FYE 2017 to FYE 2018, WCTA's fixed-route operating cost increased 15.6% from \$1.4 million to \$1.6 million. This was due in part to a combination of operating cost increases: WCTA selected new a vendor for fixed-route service, which under a new rate increased purchased transportation from \$1.0 million to \$1.2 million; revenue service hours increased 3.8% from 19,710 to 20,451; and fuel expenses increased 17.3% from \$115,098 to \$135,049.

WCTA incurred \$97,693 in additional maintenance expenses for FYE 2018 from the contractor not correctly maintaining the agency fleet. As a result, WCTA withheld the final contractor payment of \$42,205 for FYE 2017 (to be paid in FY 17-18) and received a \$25,000 settlement toward the \$55,488 balance. WCTA used operating funds for the remaining \$30,488. WCTA does not reasonably expect these expenses (and subsequent settlement revenue) to reoccur. Therefore, fixed-route operating costs adjusted by \$55,488, and fixed-route revenue was offset by \$25,000 for FYE 2018.

INTRODUCTION

PURPOSE

Act 44 of 2007 addressed the dire financial needs of local public transportation organizations across the Commonwealth by increasing state funding for public transportation operations by about 50%, from \$535 million annually to \$800 million in the first year of the legislation. Public transportation organizations, which had been on the verge of major service cuts and/or significant fare increases, could maintain existing service and fares and, with a predictable and growing source of operating assistance, plan service changes.

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AGENCY DESCRIPTION

The Washington County Transportation Authority (WCTA) was created by the Washington County Board of County Commissioners in April of 2001. The organization was established to direct and manage the human service transportation programs which were previously overseen by the Washington County Department of Human Services. WCTA purchased transportation services from First Transit, an Ohio-based national transportation service provider.

In 2013, WCTA began operating a federally funded fixed-route known as the “Freedom Line” in Washington County north to the Allegheny County line. The Freedom Line was funded through the Federal Transit Administration’s (FTA) Job Access and Reverse Commute Program (JARC). In 2014, PennDOT facilitated discussions between WCTA and the City of Washington for the consolidation of fixed-route services provided by WCTA and Washington City Transit (WCT). Consensus was reached between the Washington County Board of County Commissioners and the City of Washington and on July 1, 2015, WCTA assumed responsibility of former WCT fixed-route service. WCTA rebranded in 2015 as Freedom Transit.

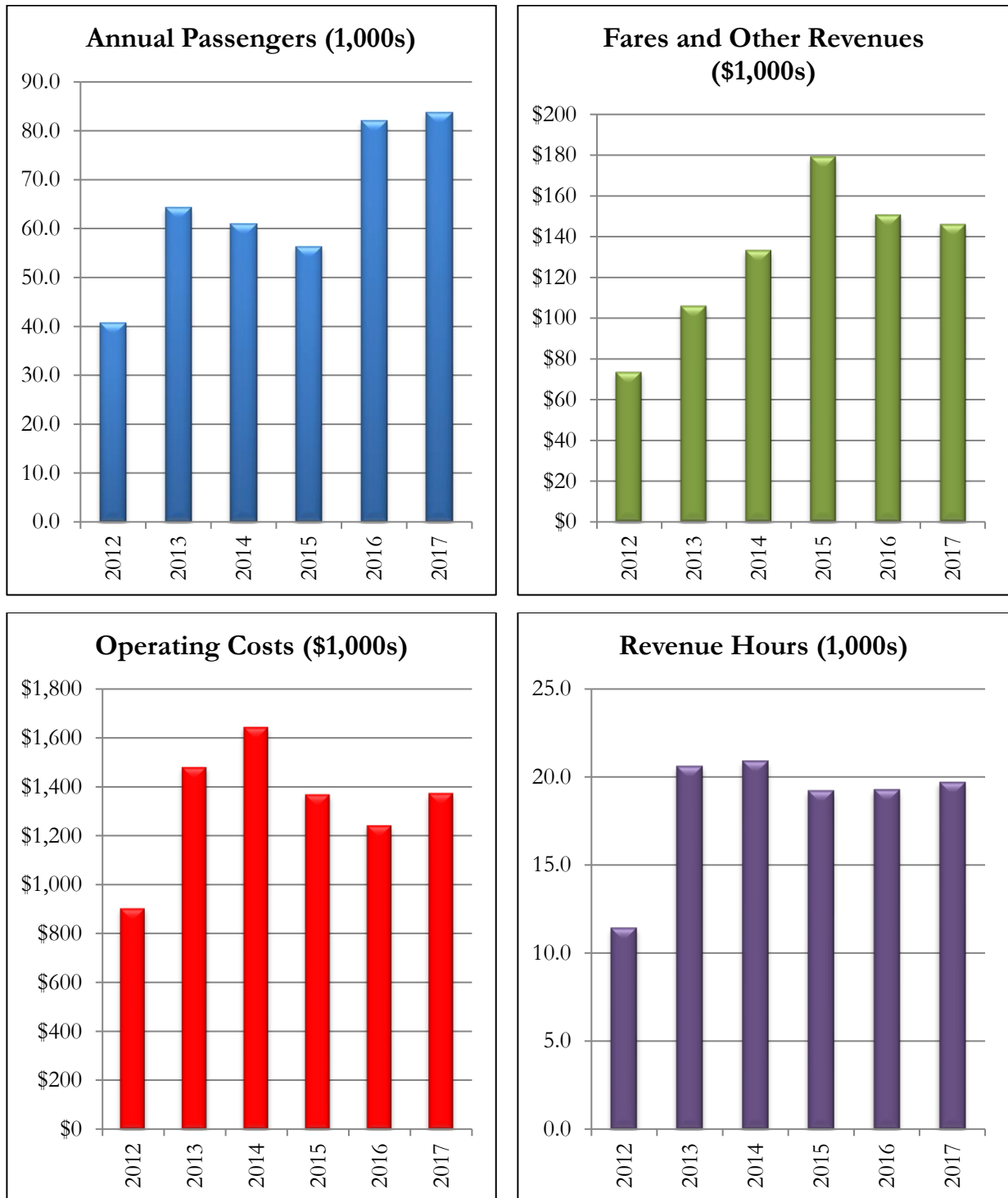
WCTA is governed by a seven-member Board of Directors who are appointed by the Washington County Board of Commissioners. WCTA receives local matching funds from the City of Washington, Washington County, Canonsburg Borough, South Strabane Township, Houston Borough, and East Washington Borough.

WCTA has four weekday fixed-routes. Two local routes (i.e., Route A and Route B) that serve the City of Washington, a County Line route (former “Freedom Line”) with service from Washington City to McDonald, and the Metro Commuter route with service from Washington City to downtown Pittsburgh. WCTA operates a Local Saturday fixed-route and Saturday Metro Commuter service. WCTA is classified as a “non-operating” agency and contracts with First Transit to provide fixed-route service. WCTA owns the fleet, but the contractor is responsible for the operations, maintenance and storage of WCTA vehicles.

As of FYE 2017, WCTA provided approximately 84,000 annual fixed-route passenger trips with eight vehicles operated in maximum service (VOMS). **Exhibit 1** provides an overview of annual fixed-route service performance trends from FYE 2012 through FYE 2017.

WCTA did not consolidate with WCT until 2015 and did not have fixed-route service prior to 2013. To assess WCTA over a five-year period (i.e., FYE 2011 – FYE 2016), prior year data for WCTA and WCT was combined to accurately represent present day WCTA service. This was necessary to perform a five-year trend assessment in accordance with Act 44 performance criteria. An overview of these data adjustments are found in **Appendix A: Data Adjustments** on page 21.

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



Source: NTD and PennDOT Legacy Reporting System (dotGrants)

PERFORMANCE REVIEW PROCESS

In August 2018, PennDOT initiated an Act 44-mandated performance review for WCTA. 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: WCTA 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 2013 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 WCTA's unique challenges, changes that have occurred since the previous performance review, the accuracy and reliability of reported data, WCTA practices that have been implemented, additional opportunities for improvement, and realistic goals for the next performance review.

2013 WASHINGTON CITY ACT 44 PERFORMANCE ASSESSMENT

PRIOR REVIEW DETERMINATIONS AND FINDINGS

PennDOT conducted the initial review of WCT in December 2013. The 2013 performance review compared WCT with a group of peer agencies based on the four performance criteria required by Act 44. WCT was found to be “In Compliance” for five criteria and “At Risk” for three (**Exhibit 2**).

Exhibit 2. Previous Performance Review Act 44 Comparison Summary

Performance Criteria	FYE*	Determination	Peer Rank (of 13)	Relation to Peer Average	Value	Peer Average
Passengers / Revenue Vehicle Hour	2011	At Risk	13	Worse	3.59	10.44
	Trend	At Risk	13	Worse	-3.71%	-0.21%
Operating Cost / Revenue Vehicle Hour	2011	In Compliance	6	Better	\$74.59	\$76.27
	Trend	In Compliance	6	Worse	1.72%	1.11%
Operating Revenue / Revenue Vehicle Hour	2011	In Compliance	10	Worse	\$5.65	\$7.82
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Operating Cost / Passenger	2011	At Risk	13	Worse	\$20.79	\$8.67
	Trend	In Compliance	11	Worse	5.64%	1.43%

*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.

WCT performed better than its peer average in 2011 for operating cost per revenue hour. The following performance targets were established with WCT (**Exhibit 3**):

- Increase passengers per revenue vehicle hour by at least 3.0% per year on average
- Increase operating revenue per revenue vehicle hour by at least 3.0% per year on average
- Contain increases in operating cost per revenue vehicle hour to no more than 3.0% per year on average
- Contain increases in operating cost per passenger to no more than 0% per year on average

Exhibit 3. Previous Performance Targets

Performance Criteria	Fiscal Year End (FYE)				Target Annual Increase
	2010	2011	2012	2018 Target*	
Passengers / Revenue Vehicle Hour	3.53	3.59	3.56	4.26	3.0%
Operating Cost / Revenue Vehicle Hour	\$69.76	\$74.59	\$78.98	\$94.31	3.0%
Operating Revenue / Revenue Vehicle Hour	\$5.40	\$5.56	\$6.43	\$7.67	3.0%
Operating Cost / Passenger	\$19.74	\$20.79	\$22.16	\$22.16	0.0%

*2018 performance targets were set for the City of Washington and not the Washington County Transit Authority

Since the 2013 report was finalized, WCT worked to meet its performance targets and implement actions listed in the 2013 Action Plan. This included the installation of fixed-route stop signs, new policies for farebox recovery goal, and required an operations supervisor to be available during hours of operation. Mid-way through the 2013 – 2018 performance period, WCT consolidated with WCTA and the City of Washington ceased the provision of public transportation services in the Greater Washington City area.

2015 WCTA AND WCT CONSOLIDATION

WCTA was established to manage human service transportation for Washington County in. In 2013, WCTA began operating a federally funded fixed-route known locally as the “Freedom Line.” This service partially operated within the existing fixed-route area served by WCT. Two public transportation agencies providing fixed-route service within the Greater Washington City area initiated the discussion for consolidation between Washington County and the City of Washington. On July 1, 2015, WCTA assumed responsibility for providing fixed-route service from WCT. The following changes occurred in the three years since consolidation:

1. **Rebranded as Freedom Transit** – WCTA was formed in 2001 to provide non-fixed-route transportation service in Washington County. Residents and customers knew WCTA as Washington Rides. WCT was the longstanding municipal transportation department for the City of Washington that provided local urban fixed-route service. Following consolidation, WCTA was rebranded to the public as Freedom Transit. WCTA would go on to hire its first dedicated marketing coordinator in 2018 to help build brand awareness and actively market Freedom Transit in Washington County.
2. **Eliminated use of multiple vendors for purchased transportation** – WCTA and WCT do not directly operate service. Both agencies purchased transportation operation services from private vendors (i.e., First Transit and MV Transportation) for purchased transportation. However, WCTA found it challenging with limited staff resources to provide adequate oversight over multiple contractors. This result was late trips, missed trips, and a practice of underreported maintenance issues. WCTA put out a single bid for operating fixed-route service and negotiated tougher oversight provisions like liquidated damages penalties into the contract for purchased transportation. WCTA terminated its relationship with MV Transportation, and First Transit became the sole contractor for Freedom Transit in 2017.
3. **Service planning and strategic planning efforts** – WCTA began assessing former WCT fixed-routes. In 2017, the “hopper” service was replaced with directional service (north, south, east, west) divided into two routes with a transfer point at the agency headquarters. Initial operational improvements were further supported by the development of WCTA’s first transit development plan (TDP) in 2018. Later that year WCTA would develop its first strategic plan to reinforce elements of the 2013 WCT transit performance review that were still relevant to the former WCT service area and provide agency direction to help carry out the TDP.

At the time of WCT’s 2013 performance review, WCTA began operating a federally funded fixed-route and did not use PennDOT section 1513 funds. Thus, WCTA was not subject to an Act 44 transit performance review. Since assuming responsibility for fixed-route service from the City of Washington in 2015, WCTA receives annual section 1513 operating funds and is now subject to an Act 44 transit performance review. This 2018 review will establish WCTA’s first set of performance targets to be achieved by FYE 2023

2018 ACT 44 PERFORMANCE ASSESSMENT

The 2018 performance review assessed Freedom Transit 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 Freedom Transit 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. Schuylkill Transportation System (St. Clair, PA)
2. Crawford Area Transportation Authority (Meadville, PA)
3. Butler Transit Authority (Butler, PA)
4. Borough of Pottstown – Pottstown Area Rapid Transit (PART)
5. Huntington Area Rapid Transit (Huntington Station, NY)
6. Concho Valley Transit District (San Angelo, TX)
7. Hernando County Board of County Commissioners (Brooksville, FL)
8. Bis-Man Transit Board (Bismarck, ND)
9. Longview Transit (Longview, TX)
10. Greater Glens Falls Transit System (Queensbury, NY)
11. City of Corona (Corona, CA)

Results of the current Freedom Transit analysis and peer comparison are presented in **Exhibit 4**. Freedom Transit was found to be “In Compliance” for five measures and “At Risk” for three. The detailed data used to develop the peer comparison summary is presented in **Appendix C: Peer Comparisons**.

Exhibit 4: Current Performance Review Act 44 Peer Comparison Summary

Performance Criteria	FYE	Determination	Rank	Relation to Peer Average	Value	Peer Average
Passengers / Revenue Hour	2016	At Risk	12	Worse	4.26	10.73
	Trend	In Compliance	3	Better	2.00%	-0.45%
Operating Cost / Revenue Hour	2016	In Compliance	4	Better	\$64.43	\$80.21
	Trend	In Compliance	2	Better	-4.32%	0.57%
Operating Revenue / Revenue Hour	2016	At Risk	10	Worse	\$7.80	\$11.68
	Trend	In Compliance	4	Better	5.45%	2.88%
Operating Cost / Passenger	2016	At Risk	11	Worse	\$15.14	\$8.60
	Trend	In Compliance	1	Better	-6.20%	1.13%

ASSESSMENT

Freedom Transit was found to be “At Risk” for:

- Passengers per revenue hour for the FYE 2016 single year determination
- Operating revenue per revenue hour for the FYE 2016 single year determination
- Operating cost per passenger for the FYE 2016 single year determination

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 WCTA outperformed its peers on all four criteria in the trend period but was “At Risk” for three of the four targets for the FYE 2016 single year determination. WCTA should continue to work toward achieving its FYE 2023 targets, especially targeting efforts to increase fixed-route ridership.

The following performance targets were established in consultation with WCTA:

- Increase passengers per revenue vehicle hour by at least 1% per year on average
- Contain operating cost per revenue vehicle hour increases to no more than 3% per year on average
- Increase 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 1% 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, WCTA has confidence in these projected values and requested that targets be based on the most current data available.² WCTA should work to achieve these targets, shown in **Exhibit 5**, over the next five years to ensure continued eligibility for full Section 1513 funding.

Exhibit 5: FYE 2023 Act 44 Performance Targets

Performance Criteria	Fiscal Year End (FYE)			Target Annual Increase
	2017 Actual	2018 Unaudited*	2023 Target	
Passengers / Revenue Vehicle Hour	4.24	4.34	4.56	1.0%
Operating Cost / Revenue Vehicle Hour	\$69.77	\$75.01	\$86.96	3.0%
Operating Revenue / Revenue Vehicle Hour	\$7.41	\$8.20	\$8.62	1.0%
Operating Cost / Passenger	\$16.44	\$17.28	\$19.08	2.0%

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

² From FYE 2017 to FYE 2018, WCTA’s fixed-route operating cost increased 15.6% from \$1.4 million to \$1.6 million. This was due in part to a combination of operating cost increases: WCTA selected new a vendor for fixed-route service, which under a new rate increased purchased transportation from \$1.0 million to \$1.2 million; revenue service hours increased 3.8% from 19,710 to 20,451; and fuel expenses increased 17.3% from \$115,098 to \$135,049.

WCTA incurred \$97,693 in additional maintenance expenses for FYE 2018 from the contractor not correctly maintaining the agency fleet. As a result, WCTA withheld the final contractor payment of \$42,205 for FYE 2017 (to be paid in FY 17-18) and received a \$25,000 settlement toward the \$55,488 balance. WCTA used operating funds for the remaining \$30,488. WCTA does not reasonably expect these expenses (and subsequent settlement revenue) to reoccur. Therefore, fixed-route operating costs adjusted by \$55,488, and fixed-route revenue was offset by \$25,000 for FYE 2018.

FUNCTIONAL REVIEW

Functional reviews are used to determine the reasons behind performance results found in the Act 44 comparisons, to catalog Freedom Transit 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 Freedom Transit, Action Plan templates have been included in the **Appendix D: Action Plan Template** (see pg. 33). 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. WCTA requires the Marketing/PR Coordinator to regularly ride fixed-route service as part of the job description. This helps build on-the-ground experience by imbedding the Marketing/PR Coordinator within fixed-route service and providing opportunities to interact with passengers as marketing campaigns are developed and planned.

ELEMENTS TO ADDRESS IN PART 1 OF THE ACTION PLAN (P. 33)

1. WCTA has two "At Risk" findings (i.e. passenger per revenue vehicle hour and operating cost per passenger) in the single-year determination that are a result of low ridership. Although five-year trend determinations show that WCTA has fared better than its peers for these two metrics, an overall low performance in ridership for a single-year assessment causes WCTA to be "At Risk."

WCTA has taken steps since consolidation to improve local fixed-route service by adjusting former WCT routes in 2017. WCTA projects a 6% increase in ridership from 83,665 passengers in 2017 to 88,802 in 2018. WCTA completed its first TDP in 2018 to develop a long-term vision for transit in the WCTA service area with short-term, medium-term, and long-term service adjustment recommendations. WCTA should **address the service recommendations presented in the TDP to improve operational efficiency and potentially increase ridership.**

2. WCTA has no system map or route maps available online or as hard copies. Since the consolidation in 2015, WCTA received feedback on confusion from passengers as local Washington City service changed from “hopper” service to directional service. As WCTA prepares to implement service adjustments as part of the 2018 TDP, WCTA should **develop a system map and make route maps available online and in print**. This will help passengers understand how service changes fit within the existing service area and reduce confusion.

3. WCTA adopted its first Marketing Plan in 2018. This plan establishes short-term goals (1-2 years), medium-term goals (2-3 years), and long-term goals (3-5 years) with targeted objectives. To support the implementation of the marketing plan, WCTA should **routinely evaluate the effectiveness of marketing efforts**. This includes developing performance measures to assess return-on-investment (ROI) for marketing dollars spent. ROI should relate to the objective of a targeted marketing campaign or a routine event like a revenue or ridership target. WCTA should **update the marketing plan periodically following a review of short-term, medium-term, and long-term goal progress, and following any major updates to the strategic plan**.

4. WCTA uses Ecolane tablets on fixed-route vehicles to measure on-time performance. This process is dependent on drivers logging each time point and that the contractor (i.e., First Transit) trains new drivers to log time points appropriately. As WCTA waits for the upcoming Fixed-Route Intelligent Transportation System (FRITS) to come online, WCTA should **formalize training with First Transit in the short-term to ensure that drivers are being trained in how to use Ecolane tablets to log time points**. Additionally, WCTA should **expand contractor oversight to include monitoring on-time performance**.

5. WCTA has limited technology and is unable to track ridership, vehicles in real-time or provide in-house revenue statistics. Technology investments like FRITS will be coming online to help Pennsylvania transit agencies track vehicles in real-time, introduce flexible fare payment options, improve overall quality control in data reporting, and make data-driven management decisions. In preparation for FRITS, WCTA should **plan to attend all available FRITS training events to learn how technology can be incorporated into the fixed-route system**.

OPPORTUNITIES TO INCREASE FIXED-ROUTE REVENUES

BEST PRACTICE

1. None.

ELEMENTS TO ADDRESS IN PART 2 OF THE ACTION PLAN (P. 34)

1. WCTA offers passengers the option of using cash or alternative fare media like ConnectCard or TokenTransit. Management expressed that WCTA is moving away from cash fares and promoting the use of ConnectCard and TokenTransit through the sale of multi-ticket packages (i.e., 10 trips or 31 trips). However, under the current trip-based fare structure, passengers consume two tickets per round trip. This has caused issues with ConnectCard where loading cash value onto the smart card takes a day to process and customers often carry a secondary

card to ensure they have a fare for a return trip. WCTA should **evaluate the potential of a day-based fare structure as compared to a trip-based fare structure for multi-ticket passes**. This could potentially move more customers away from cash fares toward alternative fare media and increase the volume of passes sold.

2. WCTA is a member of the ConnectCard clearing house and promotes the use of this smart card over cash fares. Under the agreement with the Port Authority of Allegheny County (PAAC), passengers can load cash value for WCTA bound trips in Allegheny County. However, WCTA does not have access to detailed passenger and revenue information for trips destined in Washington County from passengers who load cash value on ConnectCard in Allegheny County. WCTA should **work with PAAC to receive full reports from the ConnectCard clearing house to inform WCTA on ridership and revenue statistics**.

OPPORTUNITIES TO CONTROL OPERATING COSTS

BEST PRACTICE

1. The contractor is responsible for maintenance of WCTA vehicles. Historically, maintenance was underreported and not performed on-time. To address these issues, WCTA developed a formal process for weekly spot checks to improve contractor oversight. Maintenance inspections are logged in real-time with a mobile tablet.
2. WCTA spreads out fleet replacement for fixed-route and shared-ride vehicles across 12 years of vehicle useful life. This practice helps stabilize maintenance budgets since the fleet age remains relatively constant over time.

ELEMENTS TO ADDRESS IN PART 3 OF THE ACTION PLAN (P. 34)

1. None.

OTHER OPPORTUNITIES TO IMPROVE PERFORMANCE

BEST PRACTICES

1. Board members were assigned oversight of individual goals for the WCTA strategic plan. This practice ensures that the Board stays engaged and gives ownership over the agency direction and plan implementation.

ELEMENTS TO ADDRESS IN PART 4 OF THE ACTION PLAN (P. 34)

1. PennDOT and WCTA management concur that there are opportunities to improve fare handling. Management should **reassess and improve fare handling procedures**.
2. WCTA consolidated with WCT in 2015 thereby assuming responsibility for providing public transportation within the Greater Washington City area. As part of this consolidation, WCTA fixed-route operations grew from a single fixed-route to multiple fixed-routes with local urban and commuter service. WCTA runs a lean administrative staff for the management team. WCTA should **develop formal cross-training procedures as part of succession planning**.

to ensure that essential duties for key staff can be carried out in the case of unexpected or long-term absences. Key roles and responsibilities include:

- a. **Executive Management** – agency leadership, Board administration, funding oversight and management, financial management, budget preparation, strategic planning, contract management, community and public relations.
- b. **Fixed-Route Services** – contractor oversight, TDP implementation, route planning, road supervision, maintenance facility inspections, maintenance recordkeeping review.
- c. **Finance** – payroll process, grants oversight, audit, journal entries, bank reconciliations, procurement and quarterly reporting.

Roles and responsibilities should be documented as part of a formal succession plan.

3. WCTA completed a strategic plan in 2018, which established a vision for the agency, set strategic objectives and actions, and an implementation schedule. Management staff were given ownership over strategic actions and Board members were assigned for oversight. WCTA should **continue to address recommended action items** presented in the 2018 strategic plan. Furthermore, WCTA should **annually assess strategic plan progress and adjust actions as needed.**
4. WCTA was formed in 2001 and primarily provided human service transportation until the federally funded Freedom Line began operation in 2013. The Board was very active in consolidation efforts in 2015 with WCT and pioneered strategic planning in 2018. Although the current Board is active in advocating for WCTA within Washington County, there is no formalized education program outlining the roles and responsibilities for new appointments following Board retirements. WCTA should **develop a formal 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 agency, etc.);
 - c. **Governance sub-committee structure, membership, and official duties;** and,
 - d. **Meeting attendance requirements.**

The Board should **continue to incorporate PennTRAIN Board Training 101 modules as part of monthly Board meetings for ongoing refresher training.**

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 6**, WCTA has 19.5% in total carryover subsidies to total annual operating cost. These reserves provide liquidity in case of unexpected cost increases. In FYE 2017, WCTA received their required local match to 1513 state operating subsidy.

WCTA has no accounts payable and negligible receivable amounts over 90 days. WCTA maintains a \$500,000 line of credit but is below the 25% goal for liquidity through available reserves. However, the line of credit provides sufficient liquidity to ensure smooth operations.

TOTAL PUBLIC TRANSPORTATION OPERATIONAL EXPENDITURES AND FUNDING

WCTA operating budget decreased from \$7.1 million in FYE 2014 to approximately \$6.4 million in FYE 2017 (**Exhibit 7**). Most of this decrease is attributable to paratransit. Approximately 21.6% of WCTA's operational expenses are for fixed-route services. The remaining operational expenses (78.4%) are for paratransit services, as shown in **Exhibit 8**.

Agency-wide operating funds come from a variety of sources including state funds, federal funds, local funds and passenger fares. WCTA used state, federal and local funds to finance both fixed-route and paratransit operations (**Exhibit 9**). Revenues (e.g., passenger fares, shared-ride fare reimbursement, advertising revenue, etc.) are the largest share of income for WCTA, accounting for 77.4% of total operating income. Federal, state, and local subsidies are the remaining funding sources, representing approximately 22.6% of total operating income (**Exhibit 10**).

Exhibit 6: High-Level Financial Indicators

FYE 2017 Indicator	Value	Assessment Criteria / Rationale	Source
Total Carryover Subsidies / Annual Operating Cost	19.5%	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	77.8%	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	130.9%	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.	Freedom Transit reported value
Accounts Receivable (AR) 90+ days	0.0%	Target should be 0% over 90 days. Larger values can cause cash flow problems.	Freedom Transit reported value
Debt / Annual Operating Cost	0.0%	Target should be 0%. Low debt amounts reduce borrowing costs.	FYE 2017 Audit

Exhibit 7: Public Transportation Operating Expense by Service Type

Service Type (In Millions)	FYE 2013	FYE 2014	FYE 2015	FYE 2016	FYE 2017
Fixed Route	\$1.5	\$1.6	\$1.4	\$1.2	\$1.4
Paratransit	\$5.3	\$5.5	\$5.0	\$4.8	\$5.0
Total*	\$6.8	\$7.1	\$6.3	\$6.0	\$6.4

* May not add due to rounding.

Exhibit 8: Public Transportation Operating Expense Trends by Service Type

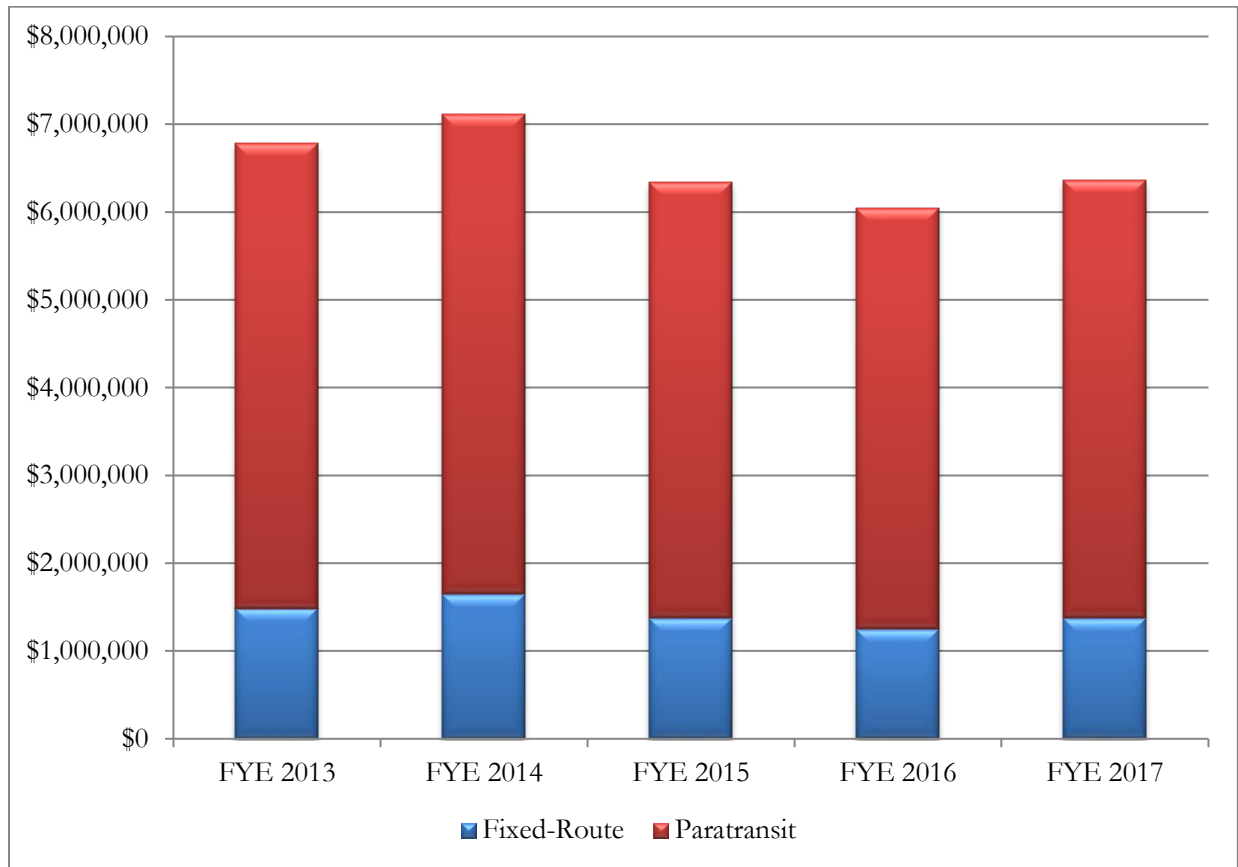
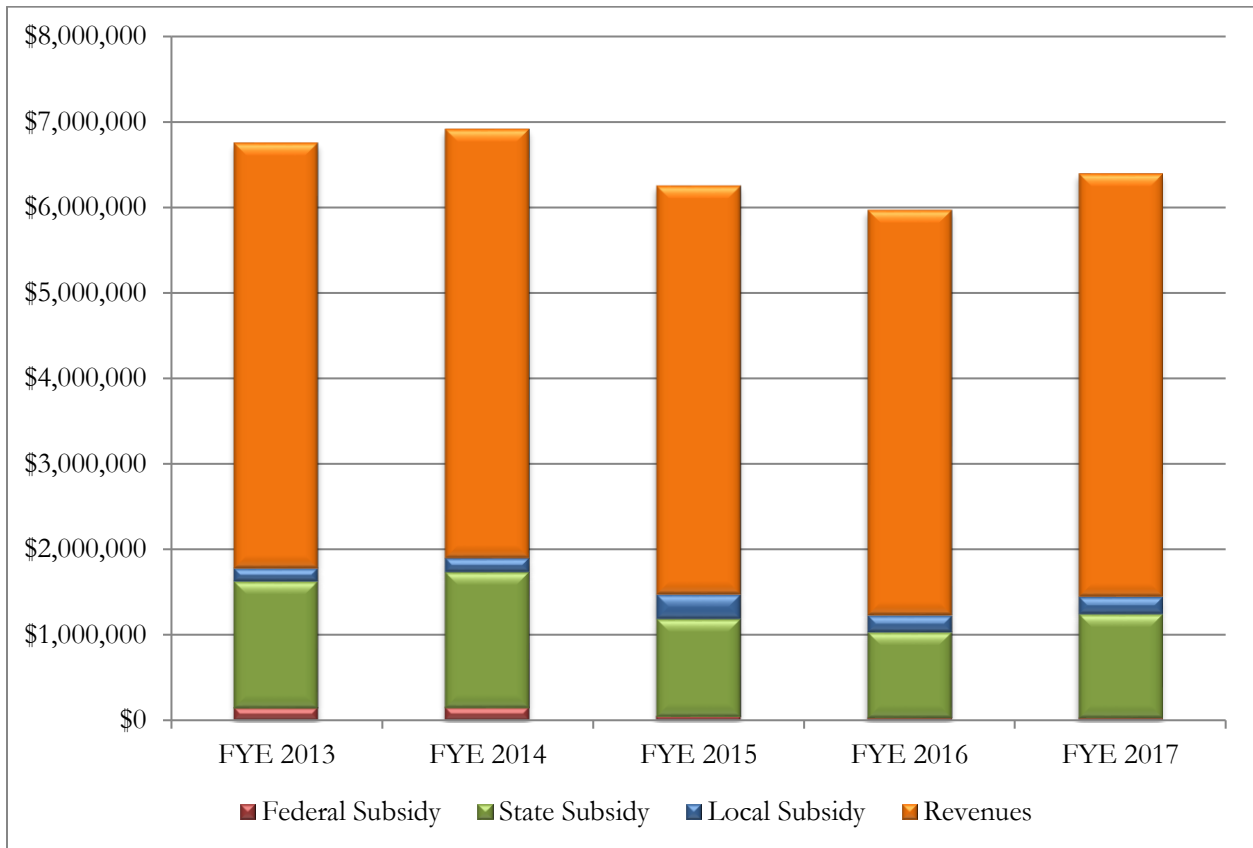


Exhibit 9: Percent of Total Public Transportation (Fixed-Route + Paratransit) Operating Budget by Funding Source

Funding Source	FYE 2013	FYE 2014	FYE 2015	FYE 2016	FYE 2017
Federal Subsidy	2.2%	2.1%	0.7%	0.5%	0.5%
State Subsidy	21.8%	22.9%	18.2%	16.8%	18.9%
Local Subsidy	2.3%	2.4%	4.6%	3.3%	3.2%
Revenues	73.7%	72.6%	76.4%	79.4%	77.4%
Local Subsidy / State Subsidy	10.7%	10.6%	25.4%	19.8%	17.2%

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



FIXED-ROUTE FUNDING

WCTA's fixed-route funding comes from general revenues and government subsidies. Direct passenger fares represent between 7.2% and 11.7% of total operating funding (**Exhibit 11**). WCTA operated using current year funding with \$1,213,013 in Act 44 (1513) state carryover funds. WCTA had \$31,538 in local carryover funds available in FYE 2017.

Exhibit 11: Fixed-Route Funding

Funding Source	FYE 2013	FYE 2014	FYE 2015	FYE 2016	FYE 2017
Revenues					
Passenger Fares	\$105,936	\$133,170	\$150,735	\$145,471	\$131,559
Advertising	\$0	\$0	\$3,930	\$4,830	\$14,430
Charter	\$0	\$0	\$0	\$0	\$0
Route Guarantees	\$0	\$0	\$0	\$0	\$0
Other- (Interest)	\$0	\$0	\$709	\$0	\$0
Other- (Prior Year Adjustment)	\$0	\$0	\$23,748	\$0	\$0
Other- (Fuel Rebate)	\$0	\$0	\$0	\$247	\$0
Subtotal	\$105,936	\$133,170	\$179,122	\$150,548	\$145,989
Subsidies					
Federal Operating Grant	\$145,300	\$145,976	\$45,307	\$31,000	\$32,659
Act 44 (1513) State Prior	\$572,529	\$491,155	\$324,573	\$588,102	\$796,891
Act 44 (1513) State Current	\$506,811	\$716,583	\$649,895	\$297,709	\$222,714
Municipal Prior	\$0	\$9,062	\$0	\$0	\$0
Municipal Current	\$96,256	\$95,736	\$171,045	\$175,677	\$176,947
Act 44 (1513) Private	\$54,000	\$53,400	\$0	\$0	\$0
Subtotal	\$1,374,896	\$1,511,912	\$1,190,820	\$1,092,488	\$1,229,211
Total Funding	\$1,480,832	\$1,645,082	\$1,369,942	\$1,243,036	\$1,375,200
Passenger Fares/ Total Funding	7.2%	8.1%	11.0%	11.7%	9.6%

Source: PennDOT dotGrants Reporting System.

PARATRANSIT FUNDING

Paratransit funding is 78.4% WCTA's operating budget and consists of shared-ride and ADA service. The paratransit funding comes from passenger fares as well as state and local subsidies. **(Exhibit 12)**. Funding from the paratransit program decreased from \$5,277,306 in FYE 2013 to \$5,017,447 in FYE 2017.

Total paratransit passenger trips decreased from 257,718 trips in FYE 2013 to 229,347 trips in FYE 2017 **(Exhibit 13)**.

Exhibit 12: Paratransit Funding by Source

Category	FYE 2013	FYE 2014	FYE 2015	FYE 2016	FYE 2017
Revenues					
Passenger Fares	\$266,808	\$251,711	\$134,362	\$122,413	\$125,826
Advertising	\$0	\$0	\$0	\$0	\$5,026
Lottery	\$1,818,757	\$1,765,290	\$1,706,053	\$1,643,688	\$1,610,777
PwD Reimbursement	\$592,352	\$560,771	\$527,591	\$494,170	\$450,757
PwD Passenger Fares	\$0	\$0	\$91,219	\$88,088	\$77,254
AAA	\$259,300	\$264,352	\$207,427	\$189,933	\$166,662
MH/MR	\$81,913	\$96,524	\$121,446	\$103,707	\$105,601
W2W	\$9,677	\$0	\$0	\$0	\$0
MATP	\$1,775,141	\$1,857,254	\$1,729,249	\$1,884,798	\$2,189,096
Other- (Agency Income)	\$48,500	\$62,562	\$61,874	\$55,742	\$66,499
Other- (Vehicle Use Fee)	\$17,142	\$24,968	\$0	\$0	\$0
Other- (Miscellaneous Income)	\$0	\$50	\$17,059	\$519	\$0
Other- (Interest/Investment Income)	\$0	\$381	\$0	\$979	\$2,512
Subtotal	\$4,869,590	\$4,883,863	\$4,596,525	\$4,584,037	\$4,800,010
Subsidies					
Federal Operating Grant	\$0	\$0	\$0	\$0	\$0
Act 44 (1513) State Prior	\$70,762	\$60,705	\$52,837	\$0	\$120,011
Act 44 (1513) State Current	\$44,089	\$57,462	\$71,348	\$115,088	\$66,907
Act 44 (1513) Private	\$6,000	\$6,600	\$0	\$0	\$0
Municipal Prior	\$0	\$0	\$0	\$0	\$0
Municipal Current	\$8,036	\$9,612	\$21,665	\$22,553	\$30,519
Special- (State) Service Stabilization	\$278,829	\$254,993	\$41,254	\$0	\$0
Special- (State) Winter Relief/Training	\$0	\$0	\$96,258	\$0	\$0
Special- (State) Technical Assistance	\$0	\$0	\$0	\$67,555	\$0
Subtotal	\$407,716	\$389,372	\$283,362	\$205,196	\$217,437
Total Funding	\$5,277,306	\$5,273,235	\$4,879,887	\$4,789,233	\$5,017,447

Source: PennDOT dotGrants Reporting System.

Exhibit 13: Paratransit Operating Statistics (FYE 2013 – FYE 2017)

Operating Category	FYE 2013	FYE 2014	FYE 2015	FYE 2016	FYE 2017
Paratransit Operating Statistics					
ADA Trips	11,704	10,832	10,828	12,005	16,564
Senior (Lottery) Trips	127,083	113,233	96,686	93,176	99,185
Total Passenger Trips	257,718	239,083	203,384	208,478	229,347
Total Miles	2,195,007	2,300,681	2,119,069	2,209,568	2,271,461
Total Hours	N/A	N/A	118,523	126,268	126,078

BALANCE SHEET FINDINGS

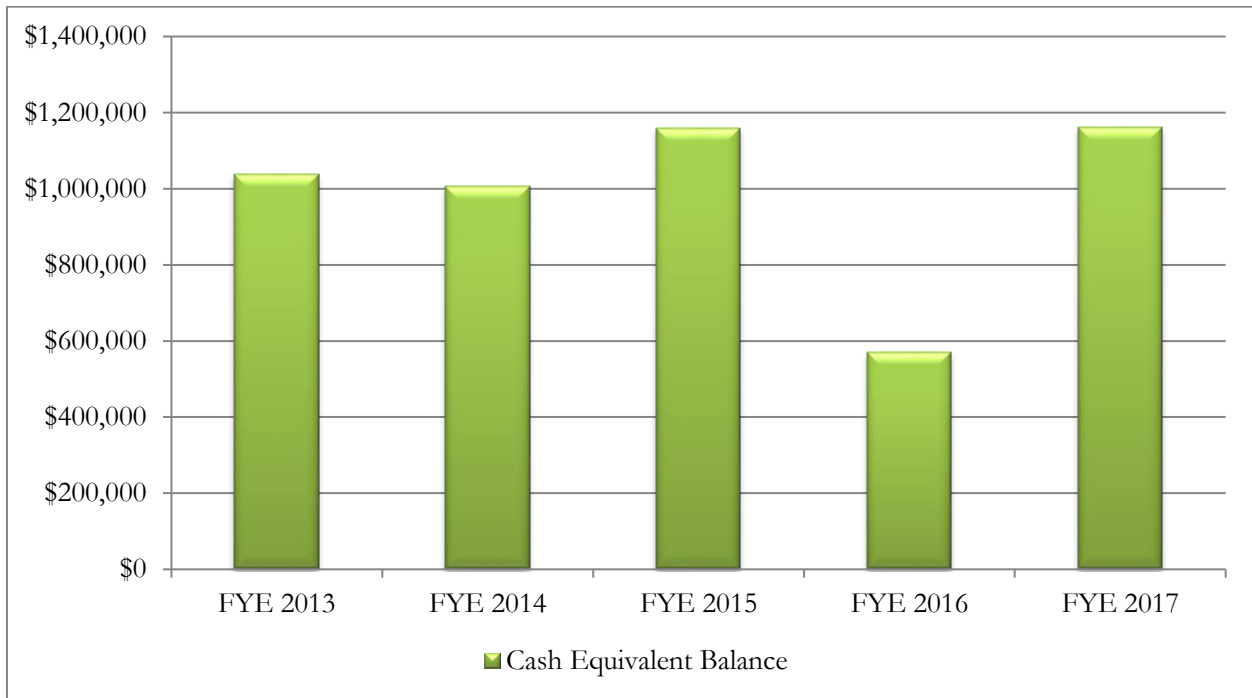
Review of balance sheets from WCTA shows that since FYE 2014, the agency increased available cash on hand (**Exhibit 14** and **Exhibit 15**). Net current cash equivalent balance reported as of FYE 2017 was about \$313,175. WCTA maintains a balance of cash and restricted cash to 18.3% of total operating expenses as of FYE 2017. Accounts payable have decreased from a high of \$1,146,500 in FYE 2013 to \$920,500 in FYE 2017. WCTA maintained a line of credit from FYE 2014 to FYE 2017.

Exhibit 14: 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	\$1,037,991	\$1,006,803	\$1,159,981	\$570,281	\$1,162,199
Investments	\$0	\$0	\$0	\$0	\$0
Grant Receivable (incl. capital)	\$229,289	\$102,585	\$14,987	\$0	\$0
Other Accounts Receivable	\$1,012,072	\$902,894	\$897,762	\$1,085,249	\$1,683,818
Restricted Assets: Cash	\$0	\$2,357	\$2,735	\$2,538	\$3,621
Inventory Value	\$0	\$0	\$0	\$0	\$0
Pre-paid Expenses	\$18,779	\$14,615	\$38,486	\$73,940	\$21,510
Current Liabilities					
Accounts Payable	\$1,146,500	\$1,066,853	\$883,112	\$459,485	\$920,500
Accrued Expenses	\$21,382	\$91,113	\$22,522	\$30,076	\$392,922
Deferred Revenue	\$563,761	\$379,900	\$588,135	\$1,004,176	\$1,244,551
Line of Credit	\$0	\$175,000	\$175,000	\$0	\$0
Current Maturities of Long-term Debt	\$0	\$0	\$0	\$0	\$0
Total Operating Expense					
(Cash & Rest. Cash)/Total Op. Exp.	15.3%	14.2%	18.3%	9.4%	18.3%
Line of Credit/Annual Payroll	39.7%	32.3%	98.2%	82.8%	77.8%
Current Assets	\$2,298,131	\$2,029,254	\$2,113,951	\$1,732,008	\$2,871,148
Current Liabilities	\$1,731,643	\$1,712,866	\$1,668,769	\$1,493,737	\$2,557,973
Net Current Assets	\$566,488	\$316,388	\$445,182	\$238,271	\$313,175

Source: Annual Audit Reports and dotGrants

Exhibit 15: End-of-Year Cash Balance (FYE 2013 – FYE 2017)



ASSESSMENT

WCTA currently has a balanced operating budget. Noteworthy elements of WCTA’s financial condition as of FYE 2017 are:

- WCTA had \$31,538 in carryover local funds and \$1,213,013 in carryover state funds
- Combined carryover subsidies amount to 19.5% of total operational funding
- WCTA received its full local match as required by Act 44
- WCTA maintains a cash balance equal to 18.3% of total operating expenses
- Operating budget decreased from \$7.1 million in FYE 2014 to \$6.4 million in FYE 2017
- Current assets exceed current liabilities
- Accounts payable and receivable amounts are negligible
- WCTA maintains a \$500,000 line of credit. WCTA’s current balance on the line of credit is \$0

WCTA’s financial health is stable since assuming responsibility for fixed-route transportation from WCT. Management should continue taking appropriate actions to manage costs, achieve farebox recovery goals, and to maintain cash reserves to preserve WCTA’s overall financial health.

APPENDIX A: DATA ADJUSTMENTS

Consolidation between WCTA and WCT occurred in 2015. WCT historically provided fixed-route service in the Greater Washington City area, and WCTA began fixed-route service in 2013. To assess WCTA over a five-year period (i.e., FYE 2011 – FYE 2016), prior year data for WCTA and WCT was combined to accurately represent present day WCTA service. This was necessary to perform a five-year trend assessment in accordance with Act 44 performance criteria. Listed below, dotGrants information for passengers, revenue, operating cost, and revenue hours were combined for WCTA and WCT for FYE 2011, FYE 2012, FYE 2013, FYE 2014, and FYE 2015.

WCTA	FYE 2011	FYE 2012	FYE 2013	FYE 2014	FYE 2015
Passengers	-	-	18,211	21,266	23,316
Revenue Hours	-	-	5,264	5,275	5,249
Fare+Other Revenue	\$-	\$-	\$14,004	\$16,262	\$20,006
Operating Cost	\$-	\$-	\$305,531	\$308,216	\$293,424

WCT	FYE 2011	FYE 2012	FYE 2013	FYE 2014	FYE 2015
Passengers	41,837	40,760	46,081	60,923	56,349
Revenue Hours	10,858	11,438	15,352	15,644	13,978
Fare+Other Revenue	\$64,981	\$73,512	\$91,932	\$116,908	\$159,116
Operating Cost	\$872,318	\$903,392	\$1,175,301	\$1,336,866	\$1,076,518

Consolidated WCTA	FYE 2011	FYE 2012	FYE 2013	FYE 2014	FYE 2015
Passengers	41,837	40,760	64,292	82,189	79,665
Revenue Hours	10,858	11,438	20,616	20,919	19,227
Fare+Other Revenue	\$64,981	\$73,512	\$105,936	\$133,170	\$179,122
Operating Cost	\$872,318	\$903,392	\$1,480,832	\$1,645,082	\$1,369,942

WCTA incurred \$97,693 in additional maintenance expenses for FYE 2018 from the contractor not correctly maintaining the agency fleet. As a result, WCTA withheld the final contractor payment of \$42,205 for FYE 2017 (to be paid in FY 17-18) and received a \$25,000 settlement toward the \$55,488 balance. WCTA used operating funds for the remaining \$30,488. WCTA does not reasonably expect these expenses (and subsequent settlement revenue) to reoccur. Therefore, fixed-route operating costs adjusted by \$55,488, and fixed-route revenue was offset by \$25,000 for FYE 2018. Although the FYE 2018 audit was not certified at the time of this report, WCTA believes unaudited FYE 2018 values submitted to dotGrants to be accurate. Adjustments were performed to provide WCTA with the most accurate operating statistics for FYE 2018 when setting five-year targets for FYE 2023.

Data Adjustments	FYE 2018 Unaudited	Adjustment	FYE 2018 Reconciled
Fare+Other Revenue	\$192,647	(\$25,000)	\$167,647
Operating Cost	\$1,589,530	(\$55,488)	\$1,534,042

Based on the consolidation of WCT and WCTA, and adjustments made to offset one-time maintenance expenses and settlement revenue, the following Act 44 performance metrics were developed for WCTA.

Act 44 Performance Metrics	FYE 2011	FYE 2012	FYE 2013	FYE 2014	FYE 2015	FYE 2016	FYE 2017	FYE 2018
Passenger/RVH	3.85	3.56	3.12	3.93	4.14	4.26	4.24	4.34
Revenue/RVH	\$5.98	\$6.43	\$5.14	\$6.37	\$9.32	\$7.80	\$7.41	\$8.20
Operating Cost/RVH	\$80.34	\$78.98	\$71.83	\$78.64	\$71.25	\$64.43	\$69.77	\$75.01
Operating Cost/Passenger	\$20.85	\$22.16	\$23.03	\$20.02	\$17.20	\$15.14	\$16.44	\$17.28

APPENDIX B: 2013 PERFORMANCE REVIEW ACTION PLAN ASSESSMENT

Last Updated April 7, 2015

Category	Suggested Action	Corrective Action	Observation
1. Ridership	Examine poor performance of Hopper service & find a cost-effective solution to meeting the community's needs	The city acknowledges that ridership is low when compared to other agencies but has seen a significant increase in ridership when compared to prior City service on this local route. The City will review ridership trends on the Hopper using random sampling, on-board reviews/surveys and data reviews and will seek to adjust the schedule and/or streamline this service to make it more efficient and cost effective.	Local bus route ridership & stop information has been updated using random sampling data collected in 2014. This data will assist the City in assessing patterns & trends and give a clearer picture of what portions of this route are more productive. However, decisions on such matters will not be decided until the future of WCT is clear.
1. Ridership	Improve bus schedules to make more user-friendly.		With hopes to consolidate by Summer 2015 with WCTA, the future status of WCT is still unknown at this time. Decisions regarding any changes to the current public transit system, customers & staff will be on hold until consolidation is finalized.
2. Revenue	Work with other regional transit service providers to formalize revenue sharing arrangements so the fill benefits of the regional smart card initiative can be realized	The City I currently meeting with the PAAC and other participating regional transit providers on a regular basis to formulize a revenue sharing plan for implementation of the Connect Card program.	Local bus route ridership & stop information has been updated using random sampling data collected in 2014. This data will assist the City in assessing patterns & trends and give a clearer picture of what portions of this route are more productive. However, decisions on such matters

Category	Suggested Action	Corrective Action	Observation
			will not be decided until the future of WCT is clear.
3. Operating Cost	Periodically re-examine the potential of regional consolidation of fixed-route & paratransit services	The City currently contracts with Washington Rides in an effort to better coordinate County paratransit services. The City is also participating in a SW Regional feasibility study. Additionally, and more promisingly, the City is exploring the prospect of combining of services with other WCTA (not only the combining or coordination of services but the actual consolidation of the Agencies) and is working with PennDOT in this process. In the interim, the City & Washington Rides have jointly released an RFP for the Provision of Fixed Route Services in an attempt to provide a more cost-effective proposal process through the economy of scale concept. The City, MMVTA & Washington Rides are also jointly securing an Ad. Rep. to solicit ad sales.	Accomplished March 2015. The final, required regional meeting was just held at the end of March 2015 and the fate/final determination from these meetings & study is still unknown but will remain active & open to such concepts. Consolidation with WCTA is planned to occur by Summer 2015. The City is committed to being open to any and all consolidation of services options and therefore consider this action to be closed.
4. Other	Review IT resources to ensure competent & timely maintenance of new farebox software	The City is currently utilizing the services of the designated City IT staff member for assistance and is currently exploring the possibility of retaining the services of an IT Contractor for maintenance of their farebox software and other transit-related IT work.	With hopes to consolidate by Summer 2015 with WCTA, the future status of WCT is still unknown at this time. Decisions regarding any changes to the current public transit system,

Category	Suggested Action	Corrective Action	Observation
			customers & staff will be on-hold until consolidation is finalized.
4. Other	Establish formal governance & oversight structure	It is the intent of the City to develop a staffing plan with the potential to hire additional staff to improve customer service & oversight. It is unlikely that Washington City Council will agree to immediately convert contractors to employees until more information on the future status of WCT is known (regarding potential consolidation or future operations due to lack of municipal match funding).	With hopes to consolidate by Summer 2015 with WCTA, the future status of WCT is still unknown at this time. Decisions regarding any changes to the current public transit system, customers & staff will be on-hold until consolidation is finalized.

APPENDIX C: PEER COMPARISONS

Comparison of Freedom Transit with the selected peer systems was completed using NTD-reported data and PennDOT dotGrants Legacy statistics. Due to its consistency and availability for comparable systems, the NTD FYE 2016 Reporting Year database was selected as the primary data source used in the calculation of the five-year trend Act 44 metrics:

- Passengers / revenue vehicle hour
- Operating cost / revenue vehicle hour
- Operating revenue / revenue vehicle hour
- Operating cost / passenger

The definition of the variables used in the calculations is as follows:

- Passengers: Annual unlinked passenger boardings by mode for both directly-operated and purchased transportation
- Operating Costs: Annual operating cost of services provided (excluding capital costs) by mode for both directly-operated and purchased transportation
- Operating Revenue: Total annual operating revenue generated from farebox and other non-state, non-federal sources by mode for both directly-operated and purchased transportation
- Revenue Vehicle Hours: The total annual number of “in-service” hours of service provided by mode for both directly-operated and purchased transportation
- Average: Un-weighted linear average of all values being measured across all peer transit agencies
- Standard Deviation: Standard deviation of all values being measured across all peer transit agencies

Act 44 stipulates that metrics fall into two categories: “In Compliance” and “At Risk.” The following criteria are used to make the determination:

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

Passengers / Revenue Vehicle Hour

Passengers / Revenue Hour (MB)					
System	FYE 2016 Single Year		5 Year Change Since FYE 2011		
	Value	Rank of 12	2011 Value	Annual Rate	Rank of 12
Schuylkill Transportation System	11.23	6	10.12	2.12%	2
Crawford Area Transportation Authority	14.46	2	15.11	-0.88%	10
Butler Transit Authority	13.26	4	12.95	0.47%	6
Borough of Pottstown - Pottstown Area Rapid Transit	14.33	3	14.35	-0.03%	8
Huntington Area Rapid Transit	6.32	10	10.24	-9.19%	12
Concho Valley Transit District	10.48	7	9.79	1.38%	4
Hernando County Board of County Commissioners	5.59	11	8.16	-7.27%	11
Bis-Man Transit Board	6.41	9	6.30	0.36%	7
Longview Transit	13.19	5	10.03	5.61%	1
Greater Glens Falls Transit System	18.80	1	18.26	0.58%	5
City of Corona	10.42	8	10.73	-0.58%	9
Washington County Transportation Authority	4.26	12	3.85	2.00%	3
<i>Average</i>	<i>10.73</i>		<i>10.83</i>	<i>-0.45%</i>	
<i>Standard Deviation</i>	<i>4.38</i>		<i>3.92</i>	<i>4.03%</i>	
<i>Average – 1 Standard Deviation</i>	<i>6.35</i>		<i>6.90</i>	<i>-4.48%</i>	
<i>Average + 1 Standard Deviation</i>	<i>15.11</i>		<i>14.75</i>	<i>3.58%</i>	
Act 44 Compliance Determination	At Risk		In Compliance		
Compared to the Peer Group Average	Worse		Better		

Operating Cost / Revenue Vehicle Hour

Operating Cost / Revenue Hour (MB)					
System	FYE 2016 Single Year		5 Year Change Since FYE 2011		
	Value	Rank of 12	2011 Value	Annual Rate	Rank of 12
Schuylkill Transportation System	\$97.52	9	\$87.04	2.30%	10
Crawford Area Transportation Authority	\$72.01	6	\$53.22	6.24%	11
Butler Transit Authority	\$109.07	12	\$79.68	6.48%	12
Borough of Pottstown - Pottstown Area Rapid Transit	\$106.45	11	\$99.52	1.36%	7
Huntington Area Rapid Transit	\$98.49	10	\$93.46	1.06%	5
Concho Valley Transit District	\$55.72	1	\$57.36	-0.58%	4
Hernando County Board of County Commissioners	\$60.47	3	\$93.53	-8.35%	1
Bis-Man Transit Board	\$59.67	2	\$66.69	-2.20%	3
Longview Transit	\$92.29	8	\$84.83	1.70%	8
Greater Glens Falls Transit System	\$78.13	7	\$71.48	1.80%	9
City of Corona	\$68.23	4	\$63.82	1.35%	6
Washington County Transportation Authority	\$64.43	4	\$80.34	-4.32%	2
<i>Average</i>	\$80.21		\$77.58	0.57%	
<i>Standard Deviation</i>	\$19.49		\$15.04	4.12%	
<i>Average – 1 Standard Deviation</i>	\$60.72		\$62.54	-3.55%	
<i>Average + 1 Standard Deviation</i>	\$99.69		\$92.62	4.69%	
Act 44 Compliance Determination	In Compliance		In Compliance		
Compared to the Peer Group Average	Better		Better		

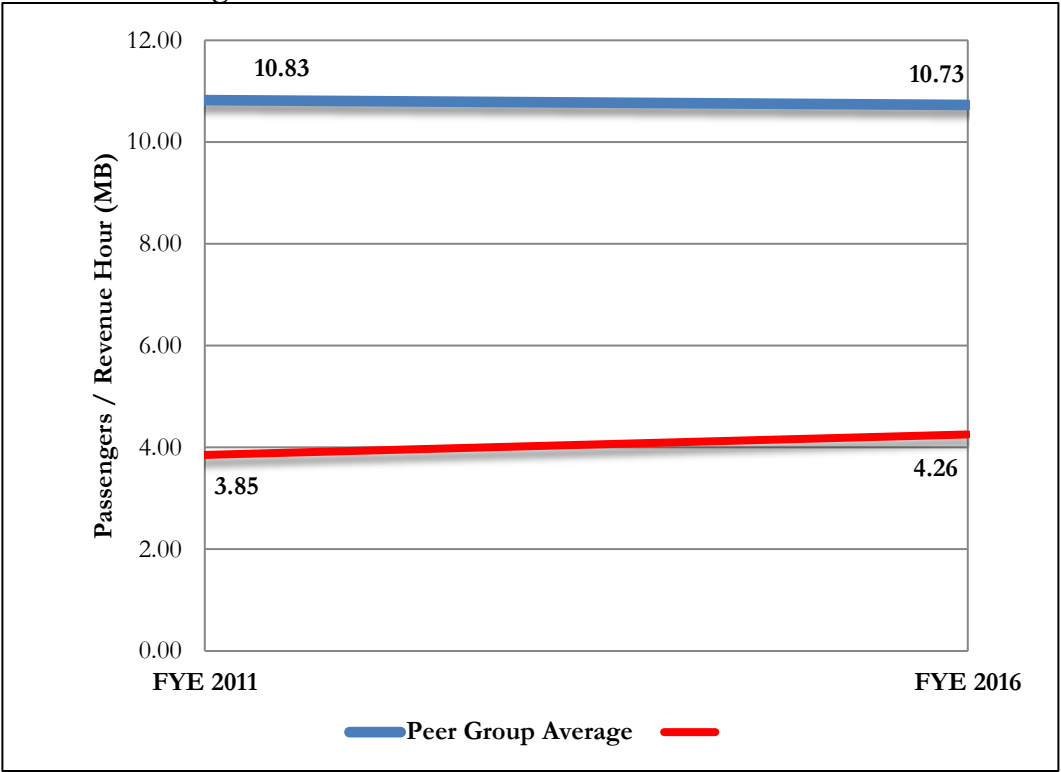
Operating Revenue / Revenue Vehicle Hour

Operating Revenue / Revenue Hour (MB)					
System	FYE 2016 Single Year		5 Year Change Since FYE 2011		
	Value	Rank of 12	2011 Value	Annual Rate	Rank of 12
Schuylkill Transportation System	\$10.67	8	\$7.30	7.90%	2
Crawford Area Transportation Authority	\$10.16	9	\$8.87	2.74%	6
Butler Transit Authority	\$11.92	6	\$9.05	5.66%	3
Borough of Pottstown - Pottstown Area Rapid Transit	\$17.03	2	\$15.38	2.06%	8
Huntington Area Rapid Transit	\$12.73	4	\$11.58	1.90%	9
Concho Valley Transit District	\$7.03	12	\$3.49	15.06%	1
Hernando County Board of County Commissioners	\$7.13	11	\$6.99	0.41%	10
Bis-Man Transit Board	\$12.35	5	\$25.00	-13.16%	12
Longview Transit	\$14.44	3	\$11.18	5.24%	5
Greater Glens Falls Transit System	\$18.08	1	\$16.31	2.08%	7
City of Corona	\$10.81	7	\$11.25	-0.80%	11
Washington County Transportation Authority	\$7.80	10	\$5.98	5.45%	4
<i>Average</i>	\$11.68		\$11.03	2.88%	
<i>Standard Deviation</i>	\$3.57		\$5.75	6.56%	
<i>Average – 1 Standard Deviation</i>	\$8.11		\$5.28	-3.68%	
<i>Average + 1 Standard Deviation</i>	\$15.25		\$16.78	9.43%	
Act 44 Compliance Determination	At Risk		In Compliance		
Compared to the Peer Group Average	Worse		Better		

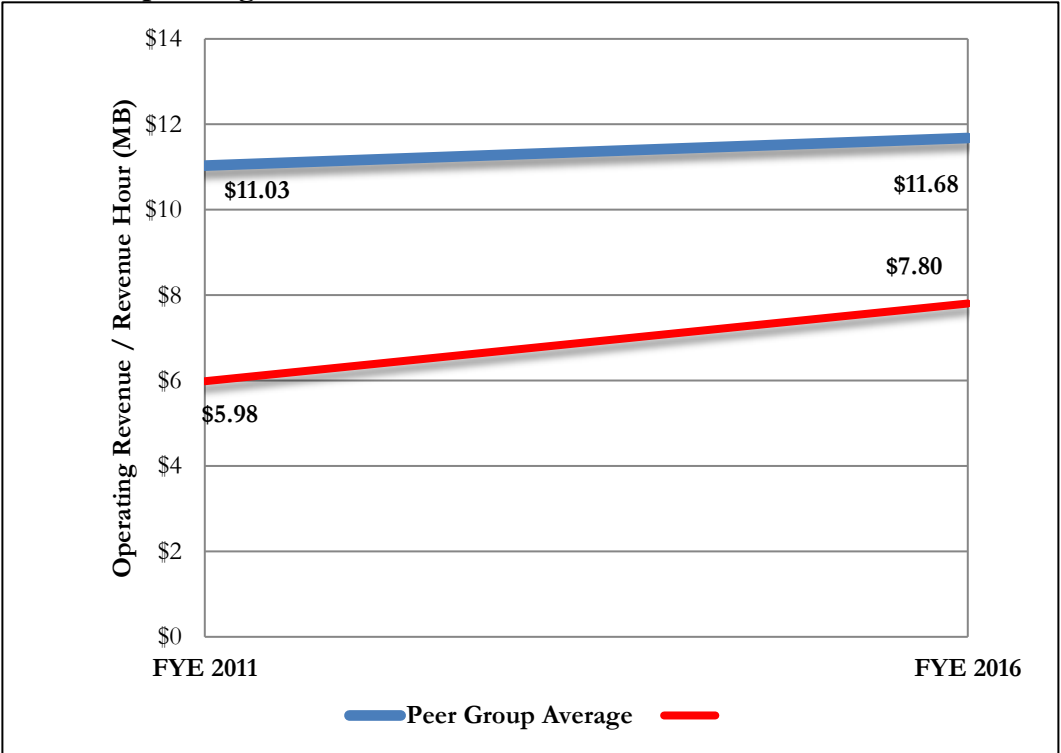
Operating Cost / Passenger

Operating Cost / Passenger (MB)					
System	FYE 2016 Single Year		5 Year Change Since FYE 2011		
	Value	Rank of 12	2011 Value	Annual Rate	Rank of 12
Schuylkill Transportation System	\$8.68	8	\$8.60	0.18%	6
Crawford Area Transportation Authority	\$4.98	2	\$3.52	7.18%	11
Butler Transit Authority	\$8.23	7	\$6.15	5.98%	10
Borough of Pottstown - Pottstown Area Rapid Transit	\$7.43	6	\$6.93	1.39%	8
Huntington Area Rapid Transit	\$15.58	12	\$9.13	11.28%	12
Concho Valley Transit District	\$5.32	3	\$5.86	-1.94%	4
Hernando County Board of County Commissioners	\$10.81	10	\$11.46	-1.16%	5
Bis-Man Transit Board	\$9.30	9	\$10.59	-2.55%	3
Longview Transit	\$7.00	5	\$8.45	-3.71%	2
Greater Glens Falls Transit System	\$4.16	1	\$3.91	1.21%	7
City of Corona	\$6.55	4	\$5.95	1.94%	9
Washington County Transportation Authority	\$15.14	11	\$20.85	-6.20%	1
<i>Average</i>	\$8.60		\$8.45	1.13%	
<i>Standard Deviation</i>	\$3.68		\$4.61	4.96%	
<i>Average – 1 Standard Deviation</i>	\$4.92		\$3.85	-3.82%	
<i>Average + 1 Standard Deviation</i>	\$12.27		\$13.06	6.09%	
Act 44 Compliance Determination	At Risk		In Compliance		
Compared to the Peer Group Average	Worse		Better		

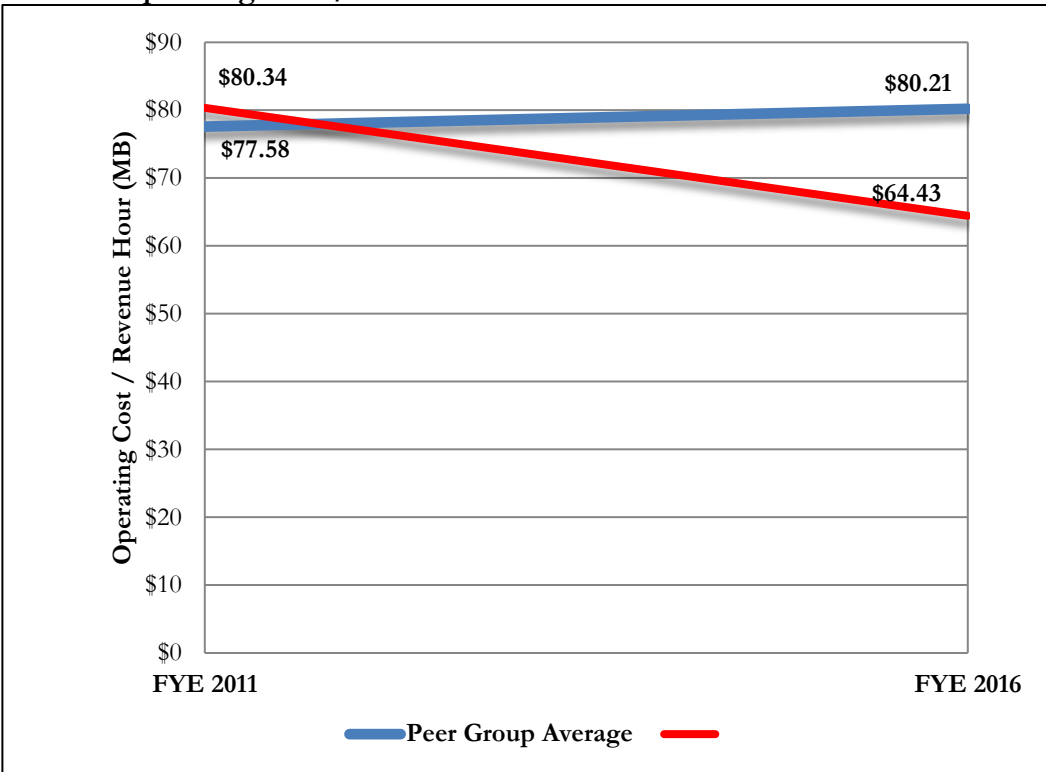
Trend – Passengers / Revenue Vehicle Hour



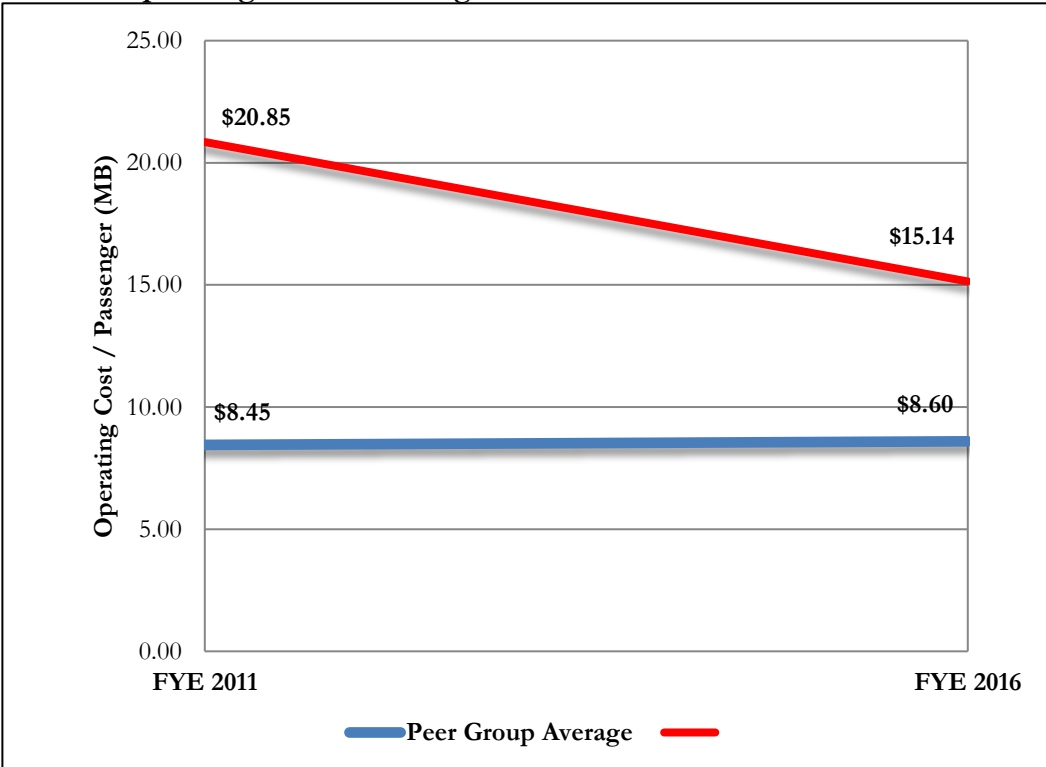
Trend – Operating Revenue / Revenue Vehicle Hour



Trend – Operating Cost / Revenue Vehicle Hour



Trend – Operating Cost / Passenger



APPENDIX D: ACTION PLAN TEMPLATE

PART 1- ACTIONS TO INCREASE PASSENGERS / REVENUE HOUR

Recommendation From narrative starting on page 9	WCTA Action	Estimated Initiation Date	Estimated Completion Date
1. Address service recommendations presented in the TDP			
2. Develop a system map and route maps			
3. Evaluate the effectiveness of marketing efforts			
4. Update the marketing plan periodically and following major updates to the strategic plan			
5. Formalize driver training to include procedure for tracking on-time performance			
6. Expand contractor oversight to include monitoring of on-time performance			
7. Attend all available FRITS training events			

PART 2 - ACTIONS TO INCREASE OPERATING REVENUE / REVENUE HOUR

Recommendation From narrative starting on page 10	WCTA Action	Estimated Initiation Date	Estimated Completion Date
1. Evaluate the potential of a day-based fare structure as compared to a trip-based fare structure for multi-ticket passes			
2. Coordinate with PAAC to receive full reports from the ConnectCard clearing house on ridership and revenue statistics.			

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

Recommendation From narrative starting on page 11	WCTA Action	Estimated Initiation Date	Estimated Completion Date
1. None.			

PART 4 - OTHER ACTIONS TO IMPROVE OVERALL PERFORMANCE

Recommendation From narrative starting on page 11	WCTA Action	Estimated Initiation Date	Estimated Completion Date
1. Reassess and improve fare handling procedures.			
2. Develop formal cross-training procedures as part of succession planning.			

Recommendation From narrative starting on page 11	WCTA Action	Estimated Initiation Date	Estimated Completion Date
3. Document management roles and responsibilities as part of a formal succession plan.			
4. Address recommended action items presented in the 2018 strategic plan.			
5. Annually assess strategic plan progress and adjust actions as needed.			
6. Develop a formal Board education program that clearly defines Board member roles and responsibilities.			
7. Continue to incorporate PennTRAIN Board Training 101 modules as part of monthly Board meetings for ongoing refresher training.			

