



NCATA System Performance Review

June 12, 2018

# Performance Report

## New Castle Area Transit Authority d.b.a., NCATA

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## PUBLIC TRANSPORTATION SERVICE SNAPSHOT

Agency	New Castle Area Transit Authority (d.b.a. NCATA)		
Year Founded	1959		
Reporting Fiscal Year End (FYE)	2016-2017		
Service Area (square miles)	60		
Service Area Population	80,508		
Annual Operating Statistics*	Fixed-Route	Paratransit (ADA)	Total (Fixed-Route + Paratransit)
Vehicles in Maximum Service (VOMS)	25	6	31
Operating Cost	\$5,896,171	\$65,882	\$5,962,053
Operating Revenues	\$781,129	\$9,595	\$790,724
Total (Actual) Vehicle Miles	1,113,864	22,577	1,136,441
Revenue Miles of Service (RVM)	1,080,516	22,577	1,103,093
Total Vehicle Hours	52,476	2,701	55,177
Revenue Vehicle Hours (RVH)	51,442	2,701	54,143
Total Passenger Trips	577,553	5,010	582,563
Senior Passenger (Lottery) Trips	87,289	0	87,289
Act 44 Performance Statistics			
Passengers / RVH	11.23	1.85	10.76
Operating Cost / RVH	\$114.62	\$24.39	\$110.12
Operating Revenue / RVH	\$15.18	\$3.55	\$14.60
Operating Cost / Passenger	\$10.21	\$13.15	\$10.23
Other Performance Statistics			
Operating Revenue / Operating Cost	13.25%	14.56%	13.26%
Operating Cost / Total Vehicle Hours	\$112.36	\$24.39	\$108.05
Operating Cost / Total Vehicle Miles	\$5.29	\$2.92	\$5.25
Total Passengers / Total Vehicle Hours	11.01	1.85	10.56
Operating Cost / RVM	\$5.46	\$2.92	\$5.40
RVM / Total Vehicle Miles	97.01%	100.00%	97.07%
RVH / Total Vehicle Hours	98.03%	100.00%	98.13%
Operating Subsidy / Passenger Trip	\$8.86	\$11.23	\$8.88

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

\*\* ADA service only that is provided by Allied Coordinated Transportation Service of Lawrence County.

## EXECUTIVE SUMMARY

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

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

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

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

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

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

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

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

PennDOT conducted the initial review of New Castle Area Transit Authority (d.b.a. NCATA) in January 2013. Based on that review, PennDOT established five-year performance targets and agreed to NCATA’s action plan to meet those targets. Information regarding reported ridership was found to be overstated for several years, and a static estimate of 682,076 passengers was used for all previous year calculations in the 2013 report. In April 2018, PennDOT conducted the five-year reassessment of NCATA to determine if NCATA successfully met its targets and what actions were taken to improve the agency’s performance and management practices to maximize the return on investment of Commonwealth funding. This report summarizes PennDOT’s findings.

## IMPORTANT CHANGES SINCE THE 2013 PERFORMANCE REVIEW

PennDOT conducted the initial review of New Castle Area Transit Authority (d.b.a. New Castle Area Transit Authority, NCATA) in June 2013. Since the 2013 report was finalized, the following external forces should be considered when comparing the 2013 performance report and five-year performance trends presented in this report:

1. **Overstated fixed-route ridership reporting** – During the development of the NCATA report in January 2013, it was determined that NCATA’s reported ridership was overstated (i.e., misreported) for several years. **An audit of the NCATA farebox database suggested little change in actual ridership had occurred in the previous five years. Therefore, an independent estimate of 682,076 annual passengers was used for all calculations in the 2013 report.** Since 2013, NCATA has taken several steps to ensure that operating statistics are accurately reported. This included the development of a data verification management program to strengthen agency oversight and improve monthly information reported to the Board.
2. **Decline in commuter service revenue** – NCATA commuter service stops at the River Casino in downtown Pittsburgh where riders receive a \$10 play voucher for taking the bus to the casino. The casino’s marketing strategy was originally intended to promote use of the commuter service by seniors by offsetting the cost of bus fare. In 2015, PennDOT required NCATA to stop charging a fare to senior passengers on the commuter service because the service is subsidized with 1513 funds which guarantee seniors free rides on bus service. As a result, NCATA lost approximately \$42,000 in fixed-route revenue from 10,560 seniors for FYE 2016 and \$48,000 from 12,032 seniors for FYE 2017.
3. **Change in reporting of insurance rebates** – From FYE 2011 to FYE 2015, NCATA received between \$98,000 and \$150,000 in annual revenue from SAFIT dividends (i.e., insurance rebates). The insurance rebates were treated as revenue when calculating NCATA’s future year performance targets in the prior performance report. Beginning in FYE 2016, NCATA was instructed to no longer report insurance dividends as revenue, but to offset (i.e., net) them against operating expenses. To account for this change in reporting, revenue has been adjusted to net insurance rebates from operating costs and previously established targets have been revised accordingly.
4. **Decline in service area population** – Lawrence County continues to follow a regional trend in western Pennsylvania of population decline. The NCATA service area population declined 4.2% between 2000 and 2010, going from 95,000 to 91,000 residents. Between 2010 and 2017 Lawrence County lost another 4,000 residents, a further 4.4% decline in population over the seven-year period.

## 2013 PERFORMANCE REVIEW DETERMINATIONS AND FINDINGS

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

Performance Criteria	FYE*	Determination	Peer Rank (of 11)	Relation to Peer Average	Value	Peer Average
Passengers / Revenue Vehicle Hour	2011	<b>At Risk</b>	10	Worse	11.78	18.29
	Trend	In Compliance	10	Worse	-1.95%	1.49%
Operating Cost / Revenue Vehicle Hour	2011	<b>At Risk</b>	11	Worse	\$115.14	\$89.99
	Trend	In Compliance	5	Better	4.19%	4.34%
Operating Revenue / Revenue Vehicle Hour	2011	In Compliance	6	Worse	\$15.09	\$17.11
	Trend	In Compliance	4	Better	8.85%	4.90%
Operating Cost / Passenger	2011	<b>At Risk</b>	11	Worse	\$9.78	\$5.19
	Trend	In Compliance	10	Worse	6.26%	2.95%

\*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.

NCATA only performed better than its peer average in trends for operating costs and revenues. The following performance targets were established with NCATA:

- Increase passengers per revenue vehicle hour by at least 2.0% per year on average
- Increase operating revenue per revenue vehicle hour by at least 2.0% per year on average
- Contain operating cost per revenue vehicle hour increases to no more than 2.0% per year on average
- Contain operating cost per passenger increases to no more than 0% per year on average

NCATA developed an action plan to address opportunities for improvement identified in the 2013 performance review, which called for significant financial oversight. Among the major steps NCATA took to improve its performance included the following:

1. **Consolidated administrative positions** – NCATA assessed its 2013 staffing level for general administration, and determined there were opportunities for consolidation. The General Manager revised administrative job descriptions and consolidated four positions as a cost savings measure.
2. **Improved oversight in data reporting** – NCATA introduced a data verification program that brought much needed oversight following the discovery of misreported ridership:
  - a. Drivers are required to sign a management directive that guarantees ridership is accurately reported;
  - b. Four times per month a video review or a driver ride-a-long is conducted to verify reported ridership;
  - c. A schedule of driver ridership reviews is maintained by the General Manager;
  - d. Transfers are independently reviewed by the General Manager on a biweekly basis; and,



- e. Ridership is reviewed by the General Manager for any potential variances by route and driver.
3. **Partnership with local school district** – NCATA developed a pilot program with the New Castle Area School District to provide free transportation to students who live along NCATA routes. Under this program, student riders are tracked and NCATA is reimbursed by the school district each month. This partnership has helped cut costs for the school district by reducing their school bus service along NCATA routes, and serves as a boost to ridership for NCATA.

The 2017 targets presented in the table below, were developed based on five-year projections benchmarked from 2012 dotGrants reported values:

Performance Criteria	2017 Actual	2017 Target	2017 Adjusted Target	Met Target
Passengers / Revenue Vehicle Hour	11.23	13.26	13.26	No
Operating Cost / Revenue Vehicle Hour	\$114.62	\$135.62	\$133.69	Yes
Operating Revenue / Revenue Vehicle Hour	\$15.18	\$19.14	\$17.83	No
Operating Cost / Passenger	\$10.21	\$10.23	\$10.08	No

NCATA missed three out of four 2017 performance targets. From FYE 2011 to FYE 2015, reported annual revenue from SAFTI dividends (i.e., insurance rebates) were treated as revenue when developing the 2017 performance targets. Beginning in FYE 2016, NCATA was instructed to no longer report insurance dividends as revenue, but to offset (i.e., net) them against operating expenses. To account for this change in reporting, revenue has been adjusted to net insurance rebates from operating costs and previously established performance targets have been revised accordingly.

The greatest improvement NCATA achieved was cost containment. Management worked to reduce the size of general administration expenses by consolidating job functions and eliminating four positions. Management achieved additional cost savings by negotiating a 12-month freeze period for pension benefits for new hires under the collective bargaining agreement (CBA) to control fringe expenses. Although NCATA did not meet three out of four of its five-year performance targets, PennDOT concludes that NCATA did demonstrate a good faith effort to achieve its targets.

## 2018 PERFORMANCE REVIEW DETERMINATIONS AND FINDINGS

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

Performance Criteria	FYE	Determination	Rank	Relation to Peer Average	Value	Peer Average
Passengers / Revenue Hour	2016	In Compliance	8	Worse	11.21	13.75
	Trend	In Compliance	6	Better	-1.12%	-2.13%
Operating Cost / Revenue Hour	2016	<b>At Risk</b>	12	Worse	\$118.30	\$99.14
	Trend	In Compliance	4	Better	0.53%	1.15%
Operating Revenue / Revenue Hour	2016	In Compliance	7	Better	\$15.84	\$15.78
	Trend	In Compliance	8	Better	0.66%	-0.75%
Operating Cost / Passenger	2016	In Compliance	11	Worse	\$10.55	\$7.87
	Trend	In Compliance	5	Better	1.66%	3.37%

\*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 NCATA can take to improve overall agency performance including:

1. Continue to monitor costs and identify opportunities to reduce expenses.
2. Develop and implement a targeted marketing strategy to address the decline in ridership.
3. Develop a system-wide map that is accessible online and compatible with mobile phones.

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 NCATA’s Board-approved action plan.

## 2022 PERFORMANCE TARGETS

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

Performance Criteria	Fiscal Year End (FYE)			Target Annual Increase
	2016 Actual	2017 Actual	2022 Target	
Passengers / Revenue Vehicle Hour	11.21	11.23	11.80	1.0%
Operating Cost / Revenue Vehicle Hour	\$115.08	\$114.62	\$126.55	2.0%
Operating Revenue / Revenue Vehicle Hour	\$16.63	\$15.18	\$15.96	1.0%
Operating Cost / Passenger	\$10.41	\$10.21	\$10.73	1.0%

## FINANCIAL REVIEW

NCATA currently has a balanced operating budget. Operating cash reserves have increased since 2013. Noteworthy elements of NCATA's financial condition as of FYE 2017 are:

- NCATA had \$20,451 in carryover local funds and \$3,391,980 in carryover state funds
- Combined carryover subsidies amount to 57.2% of total operational funding
- NCATA received its full local match as required by Act 44
- NCATA maintains a balance of cash and restricted cash equal to 83.0% of total operating expenses
- NCATA operating budget decreased from \$7 million in FYE 2013 to \$6 million in FYE 2017
- Current assets exceed current liabilities
- Accounts payable and receivable amounts are negligible
- NCATA does not maintain a line of credit
- NCATA completed its final installment in operating subsidy payback in 2016

NCATA's financial health is greatly improved from cost containment measures that reduced the operating budget by approximately \$1 million from 2013 to 2017. Management should continue taking appropriate actions to manage costs, achieve farebox recovery goals, and to maintain cash reserves to preserve NCATA's overall financial health.

## NEXT STEPS

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

# INTRODUCTION

## PURPOSE

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

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

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

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

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

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

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

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

PennDOT conducted the initial review of New Castle Area Transit Authority (d.b.a. NCATA) in January 2013. Based on that review, PennDOT established five-year performance targets and agreed to NCATA’s action plan to meet those targets. Information regarding reported ridership was found to be overstated for several years, and a static estimate of 682,076 passengers was used for all previous year calculations in the 2013 report. In April 2018, PennDOT conducted the five-year reassessment of NCATA to determine if NCATA successfully met its targets and what actions were taken to improve the agency’s performance and management practices to maximize the return on investment of Commonwealth funding. This report summarizes PennDOT’s findings.

## **AGENCY DESCRIPTION**

New Castle Area Transit Authority (d.b.a., New Castle Area Transit Authority, NCATA) was incorporated in September 1965 as a mass transportation project financed by the Federal Housing and Home Finance Agency, the City of New Castle, Shenango Township, Union Township, Neshannock Township and the Commonwealth of Pennsylvania. The project was completed in 1968.

NCATA is a rural fixed-route transportation provider in Lawrence County, PA and serves the greater New Castle area. Lawrence County is a rural area with a declining population. The service area population declined approximately 4.2% from 95,000 to 91,000 from 2000 to 2010. This trend continued from 2010 to 2017 with an additional 4.4% in population loss from 91,000 to 87,000 residents. Currently, fixed-route and ADA service is provided in the greater New Castle area. Shared-ride service is provided by Allied Coordinated Transportation Services of Lawrence County. NCATA offers weekday commuter service into downtown Pittsburgh.

NCATA is governed by a nine-member Board of Directors (Board). Members are appointed by the founding municipalities that established and help fund NCATA under the Municipal Authorities Act of 1945. This includes the City of New Castle, Shenango Township, Union Township and Neshannock Township. Lawrence County also provides local matching funds, but does not appoint members to the Board. In September 2015, the founding municipalities passed resolutions to extend NCATA's Articles of Incorporation for an additional fifty years.

The agency headquarters, bus storage, and maintenance garage is in New Castle, PA. There is a transfer center in downtown New Castle. NCATA maintains three park and ride facilities in Lawrence County, and has access to two park and ride facilities in Butler County. NCATA recently completed its development of a compressed natural gas (CNG) facility at the agency headquarters with plans to begin operating CNG buses in summer 2018. NCATA anticipates the introduction of CNG will result in lower fuel expenses from cost savings based on current levels of diesel consumption.

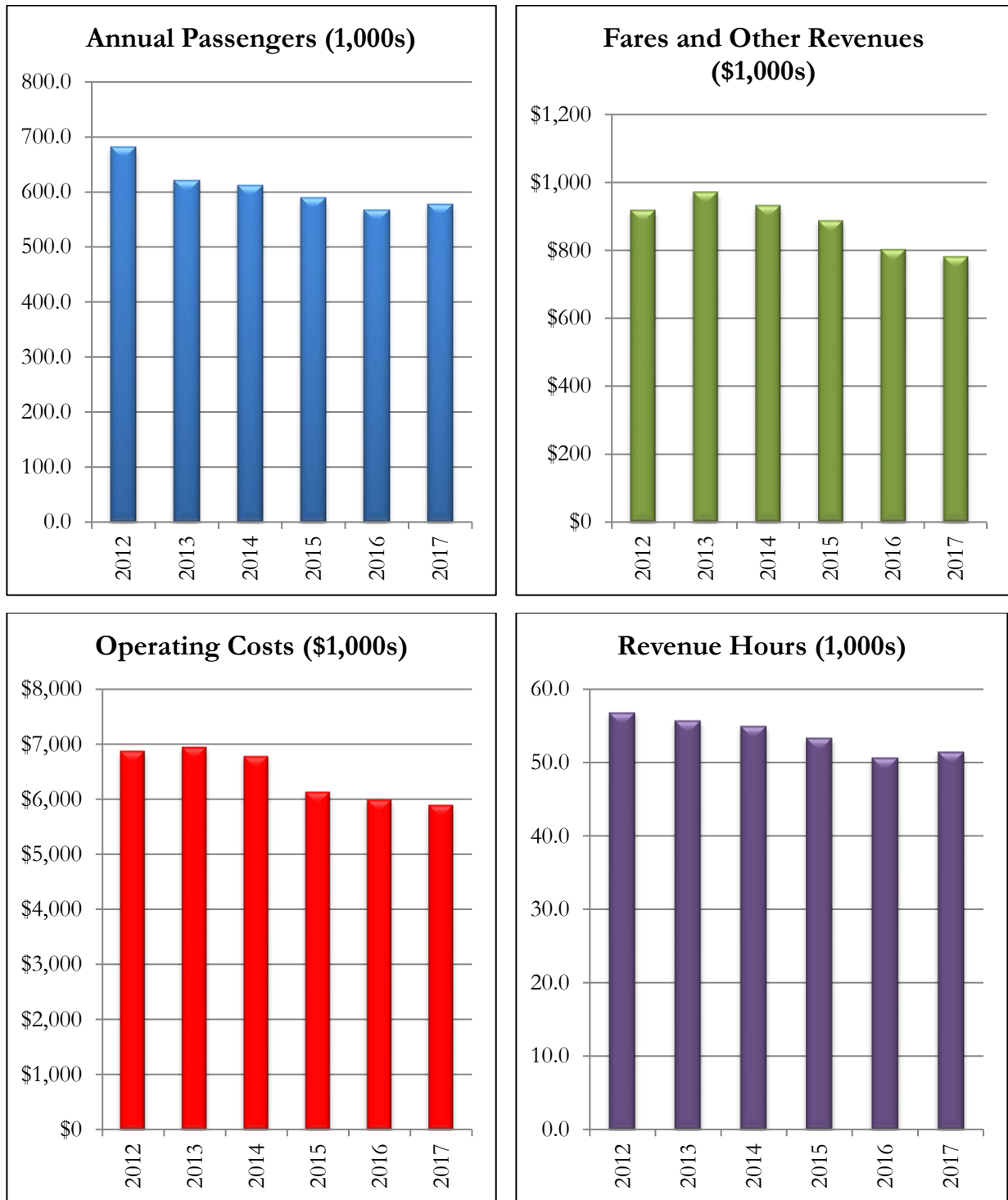
NCATA had its initial Transit Performance Review in January 2013. While conducting the initial review of NCATA, information regarding reported ridership was found to be overstated for several years. NCATA's reported ridership for the five-year assessment period was determined to be unreliable and could not be used to accurately assess trends. Further analysis of auditable components of ridership suggested little change in actual ridership occurred in previous years. Therefore, a static estimate of 682,076 passengers was used for all previous year calculations in the 2013 report.

As of FYE 2017, NCATA provided approximately 577,500 fixed-route passenger trips and 5,000 ADA trips annually, with a fleet of 34 fixed-route buses (**Exhibit 1**)<sup>1</sup>. NCATA maintains 16 local fixed-routes serving the greater New Castle area, and one commuter route to downtown Pittsburgh. NCATA operates transportation services Monday through Friday from 6:15 a.m. until 6:15 p.m. Weekday service into Butler County operates from 5:50 a.m. to 4:50 p.m. Commuter service operates weekdays from 4:35 a.m. to 7:10 p.m., and until 11:30 p.m. on Fridays to accommodate late trips to The Rivers Casino. NCATA operates 15 local Saturday routes between 9:15 a.m. and 5:00 p.m.

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<sup>1</sup> NCATA received annual revenue from SAFTI dividends as insurance rebates from FYE 2011 through 2015. At the time of the 2013 report, these rebates were treated as revenue when calculating NCATA's performance targets for FYE 2017. NCATA was instructed to no longer report insurance dividends as revenue in FYE 2016, but to offset them against operating expenses. NCATA FYE 2017 performance targets were revised to account for this change in reported revenues and operating costs. A detailed view of these adjustments can be found in **Appendix A: Data Adjustments** on page 21.

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



Source: NTD and PennDOT Legacy Reporting System (dotGrants)

## **PERFORMANCE REVIEW PROCESS**

In April 2018, PennDOT initiated an Act 44-mandated performance review for NCATA. 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: NCATA 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 2011 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 NCATA's unique challenges, changes that have occurred since the previous performance review, the accuracy and reliability of reported data, NCATA practices that have been implemented, additional opportunities for improvement, and realistic goals for the next performance review.

## 2013 ACT 44 PERFORMANCE ASSESSMENT

### PRIOR REVIEW DETERMINATIONS AND FINDINGS

The 2013 performance review assessed NCATA against a group of peer agencies based on the four performance criteria required by Act 44. NCATA was found to be “In Compliance” for five performance criteria (**Exhibit 2**) and “At Risk” for three.

#### Exhibit 2: Previous Performance Review Act 44 Comparison Summary

Performance Criteria	FYE*	Determination	Peer Rank (of 11)	Relation to Peer Average	Value	Peer Average
Passengers / Revenue Vehicle Hour	2011	At Risk	10	Worse	11.78	18.29
	Trend	In Compliance	10	Worse	-1.95%	1.49%
Operating Cost / Revenue Vehicle Hour	2011	At Risk	11	Worse	\$115.14	\$89.99
	Trend	In Compliance	5	Better	4.19%	4.34%
Operating Revenue / Revenue Vehicle Hour	2011	In Compliance	6	Worse	\$15.09	\$17.11
	Trend	In Compliance	4	Better	8.85%	4.90%
Operating Cost / Passenger	2011	At Risk	11	Worse	\$9.78	\$5.19
	Trend	In Compliance	10	Worse	6.26%	2.95%

\*Note: NTD information most current at the time of the peer review is used as the basis of the single year and trend peer comparisons.

### ACTION PLAN AND PERFORMANCE TARGETS

Using the four criteria, NCATA’s fixed-route service performance was analyzed for FYE 2009 and over a five-year trend period from FYE 2004 to FYE 2009. Despite the “In Compliance” determination for five criteria, NCATA was “At Risk” for three out of four single year determinations. Although “In Compliance” for each the five-year trend analysis, NCATA performed worse than its peer’s average except in the revenue five-year trend. The following performance targets were established with NCATA:

- Increase passengers per revenue vehicle hour by at least 2.0% per year on average
- Increase operating revenue per revenue vehicle hour by at least 2.0% per year on average
- Contain operating cost per revenue vehicle hour increases to no more than 2.0% per year on average
- Contain operating cost per passenger increases to no more than 0.0% per year on average

NCATA developed an action plan to address opportunities for improvement identified in the 2013 performance review, which called for significant financial oversight. Among the major steps NCATA took to improve its performance included the following:

1. **Consolidated administrative positions** – NCATA assessed its 2013 staffing level for general administration, and determined there were opportunities for consolidation. The General Manager revised administrative job descriptions and consolidated four positions as a cost savings measure.



2. **Improved oversight in data reporting** – NCATA introduced a data verification program that brought much needed oversight following the discovery of misreported ridership:
  - a. Drivers are required to sign a management directive that guarantees ridership is accurately reported;
  - b. Four times per month a video review or a driver ride-a-long is conducted to verify reported ridership;
  - c. A schedule of driver ridership reviews is maintained by the General Manager;
  - d. Transfers are independently reviewed by the General Manager on a biweekly basis; and,
  - e. Ridership is reviewed by the General Manager for any potential variances by route and driver.
  
3. **Partnership with local school district** – NCATA developed a pilot program with the New Castle Area School District to provide free transportation to students who live along NCATA routes. Under this program, student riders are tracked and NCATA is reimbursed by the school district each month. This partnership has helped cut costs for the school district by reducing their school bus service along NCATA routes, and serves as a boost to ridership for NCATA.

The complete list of NCATA’s previous Action Plan items and NCATA’s progress in addressing previously identified opportunities for improvement is provided in **Appendix B: 2013 Performance Review Action Plan Assessment**. As shown in **Exhibit 3**, NCATA successfully met one out of four performance targets. NCATA’s 2017 targets were adjusted to account for the change in reporting of insurance rebates that were previous counted toward revenues<sup>2</sup>.

### Exhibit 3: Previous Performance Targets

Performance Criteria	2017 Actual	2017 Target	2017 Adjusted Target	Met Target
Passengers / Revenue Vehicle Hour	11.23	13.26	13.26	No
Operating Cost / Revenue Vehicle Hour	\$114.62	\$135.62	\$133.69	Yes
Operating Revenue / Revenue Vehicle Hour	\$15.18	\$19.14	\$17.83	No
Operating Cost / Passenger	\$10.21	\$10.23	\$10.08	No

NCATA reported progress to PennDOT on the implementation of the 2013 Action Plan. During the 2018 performance review several factors were noted that should be considered when evaluating NCATA’s ability to meet its performance targets:

1. **Overstated fixed-route ridership reporting** – During the development of the NCATA report in January 2013, it was determined that NCATA’s reported ridership was overstated (i.e., misreported) for several years. **An audit of the NCATA farebox database suggested little change in actual ridership had occurred in the previous five years. Therefore, an independent estimate of 682,076 annual passengers was used for all calculations in the 2013 report.** Since 2013, NCATA has taken several steps to ensure that operating statistics are accurately reported. This included the development of a data verification management

<sup>2</sup> For this adjustment, insurance dividends were netted out of reported revenues and applied to offset operating costs, which impacted the 2012 base year for reported revenue and operating costs. FYE 2017 targets were adjusted accordingly.

program to strengthen agency oversight and improve monthly information reported to the Board.

2. **Decline in commuter service revenue** – NCATA commuter service stops at the River Casino in downtown Pittsburgh where riders receive a \$10 play voucher for taking the bus to the casino. The casino’s marketing strategy was originally intended to promote use of the commuter service by seniors by offsetting the cost of bus fare. In 2015, PennDOT required NCATA to stop charging a fare to senior passengers on the commuter service because the service is subsidized with 1513 funds which guarantee seniors free rides on bus service. As a result, NCATA lost approximately \$42,000 in fixed-route revenue from 10,560 seniors for FYE 2016 and \$48,000 from 12,032 seniors for FYE 2017.
3. **Change in reporting of insurance rebates** – From FYE 2011 to FYE 2015, NCATA received between \$98,000 and \$150,000 in annual revenue from SAFTI dividends (i.e., insurance rebates). The insurance rebates were treated as revenue when calculating NCATA’s future year performance targets in the prior performance report. Beginning in FYE 2016, NCATA was instructed to no longer report insurance dividends as revenue, but to offset (i.e., net) them against operating expenses. To account for this change in reporting, revenue has been adjusted to net insurance rebates from operating costs and previously established performance targets have been revised accordingly.
4. **Decline in service area population** – Lawrence County continues to follow a regional trend in western Pennsylvania in population decline. The NCATA service area population declined 4.2% between 2000 and 2010, going from 95,000 to 91,000 residents. Between 2010 and 2017 Lawrence County lost another 4,000 residents, a further 4.4% decline in population over the seven-year period.

## ASSESSMENT

NCATA missed three out of four 2017 performance targets. From FYE 2011 to FYE 2015, reported annual revenue from SAFTI dividends (i.e., insurance rebates) were treated as revenue when developing the 2017 performance targets. Beginning in FYE 2016, NCATA was instructed to no longer report insurance dividends as revenue, but to offset (i.e., net) them against operating expenses. To account for this change in reporting, revenue has been adjusted to net insurance rebates from operating costs and previously established performance targets have been revised accordingly.

The greatest improvement NCATA achieved was cost containment. Management worked to reduce the size of general administration expenses by consolidating job functions and eliminating four positions. Management achieved additional cost savings by negotiating a 12-month freeze period for pension benefits for new hires under the collective bargaining agreement (CBA) to control fringe expenses. Although NCATA did not meet three out of four of its five-year performance targets, PennDOT concludes that NCATA did demonstrate a good faith effort to achieve its targets.

## 2018 ACT 44 PERFORMANCE ASSESSMENT

The 2018 performance review assessed NCATA 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 NCATA 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. Beaver County Transit Authority, Rochester, PA
2. Mid Mon Valley Transit Authority, Charleroi, PA
3. Yakima Transit, Yakima, WA
4. Bay Metropolitan Transit Authority, Bay City, MI
5. Transit Services of Frederick County, Frederick, MD
6. Altoona Metro Transit, Altoona, PA
7. Cambria County Transit Authority, Johnstown, PA
8. Kings County Area Public Transit Agency, Hanford, CA
9. Berkshire Regional Transit Authority, Santa Maria, CA
10. Skagit Transit, Burlington, WA
11. Williamsport Bureau of Transportation, Williamsport, PA

Results of the current NCATA analysis and peer comparison are presented in **Exhibit 4**. NCATA was found to be “In Compliance” for seven measures and “At Risk” for one. 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	In Compliance	8	Worse	11.21	13.75
	Trend	In Compliance	6	Better	-1.12%	-2.13%
Operating Cost / Revenue Hour	2016	<b>At Risk</b>	12	Worse	\$118.30	\$99.14
	Trend	In Compliance	4	Better	0.53%	1.15%
Operating Revenue / Revenue Hour	2016	In Compliance	7	Better	\$15.84	\$15.78
	Trend	In Compliance	8	Better	0.66%	-0.75%
Operating Cost / Passenger	2016	In Compliance	11	Worse	\$10.55	\$7.87
	Trend	In Compliance	5	Better	1.66%	3.37%

NCATA was found to be “At Risk” for the FYE 2016 single year determination for operating cost per passenger. However, operating costs were contained from 2011 to 2016 at 0.53% growth per year.

### ASSESSMENT

NCATA had one “At Risk” finding for the FYE 2016 single year determination for operating cost per passenger. Rates of trend changes for cost-based variables demonstrate cost control measures implemented at NCATA. Management’s efforts in coming years should continue to focus on containing costs, increasing ridership, and improving farebox recovery.

## 2022 PERFORMANCE TARGETS

Act 44 requires that PennDOT and transit agencies establish five-year performance targets for each of the four Act 44 metrics for fixed-route service. Setting 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 NCATA outperformed its peers on all four criteria in the trend period, but was “At Risk” for operating cost despite great efforts to control costs. NCATA should continue to work toward achieving its FYE 2022 targets, especially targeting efforts to increase fixed-route ridership.

The following performance targets were established in consultation with NCATA:

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

As required by Act 44, PennDOT and NCATA management developed new five-year performance targets. Performance targets are designed to be aggressive, yet achievable. Future year targets are based on the most recently available audited year data (i.e., FYE 2017). NCATA 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 2022 Act 44 Performance Targets

Performance Criteria	Fiscal Year End (FYE)			Target Annual Increase
	2016 Actual	2017 Actual	2022 Target	
Passengers / Revenue Vehicle Hour	11.21	11.23	11.80	1.0%
Operating Cost / Revenue Vehicle Hour	\$115.08	\$114.62	\$126.55	2.0%
Operating Revenue / Revenue Vehicle Hour	\$16.63	\$15.18	\$15.96	1.0%
Operating Cost / Passenger	\$10.41	\$10.21	\$10.73	1.0%

## FUNCTIONAL REVIEW

Functional reviews are used to determine the reasons behind performance results found in the Act 44 comparisons, to catalog NCATA 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. NCATA 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 NCATA, Action Plan templates have been included in the **Appendix D: Action Plan Template** (see pg. 37). 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. NCATA developed a pilot program with New Castle Area School District that offers free transportation for students that are within walking distance to NCATA routes. Drivers track student boardings and NCATA invoices the school district monthly for student fares. This partnership has increased ridership for NCATA and saved the school district transportation expenses by not having to expand school bus coverage within NCATA fixed-routes.

#### ELEMENTS TO ADDRESS IN PART 1 OF THE ACTION PLAN (P. 37)

1. A customer satisfaction survey is useful tool to extract customer feedback about the quality of service provided by a transit agency. Based on the design of the survey, they can provide measurable data about service levels and customer preferences. Additionally, open-ended questions provide management with individual customer experiences not captured by standard questions. NCATA should **coordinate with PennDOT for technical assistance in conducting routine customer satisfaction surveys to identify trends in customer preferences**. Furthermore, NCATA should **work with the Port Authority of Allegheny County (PAAC) and The Rivers Casino to engage in broader survey efforts that target commuter passengers**.

2. NCATA marketing events are conducted on a periodic basis, and typically consist of involvement in local events in the greater New Castle area. Current marketing activities are generalized and not aligned to any strategic goals to increase ridership. NCATA should **develop a targeted marketing strategy to guide outreach efforts**. This strategy should include:
  - a. **Goals for increasing ridership** (e.g., customer centered service in the greater New Castle area, attract new riders, create brand awareness, etc.);
  - b. **Strategic objectives** (e.g., raise awareness in Lawrence County, promote effective marketing efforts to attract new riders, deliver public education and pro-transit messages to key market segments);
  - c. **Activities to support each objective** (e.g., coordinated marketing with Three Rivers Casino, outreach booth at local community events, deliver x number of schedules to local senior facilities and human services shelters, etc.); and,
  - d. **A schedule when activities will be conducted** (e.g., monthly activities, annual activities, etc.).

To support this strategy, NCATA should **prioritize marketing objectives by deciding which activities to pursue based on available funding, rider market (e.g., seniors, school-aged children, commuters, etc.) and effectiveness/likelihood of success**.

3. Currently, NCATA has no system map available on their website. Although individual route-level maps are available, a system map would help customers visualize transfer connections and help with trip planning. NCATA should **develop a system map that incorporates all fixed-routes, in addition to commuter service into Pittsburgh and transfers with PAAC**. A system map can be used as an effective tool to illustrate the NCATA service area when conducting marketing and outreach activities.
4. In 2013, introduced productivity standards (i.e., passenger per revenue vehicle hour and operating cost per revenue vehicle hour) that helped NCATA identify unproductive routes and make service adjustments. This is an important element of transit system planning and operation. NCATA should build on these existing productivity standards and **create a transit development plan (TDP)**. The TDP should be a living document, updated once every three to five years, that includes:
  - a. An affirmation of the agency's vision, mission and goals;
  - b. An assessment of how well transit serves the community and where service adjustments are warranted;
  - c. A program of potential improvements that would help the agency better serve its community;
  - d. A financial plan that guarantees long-term financial stability;
  - e. Performance metrics tied to the agency's goals;
  - f. A monitoring program to track and report on progress; and,
  - g. Contingency plans to address unanticipated changes in ridership, revenue and costs.

5. NCATA invested in technology improvements like GPS with on-vehicle diagnostics, fully-registering fareboxes, live video, etc. Although originally noted in the 2013 performance review, NCATA has yet to make real-time information available to its customers. Technology investments like the Fixed-Route Intelligent Transportation System will be coming online to help Pennsylvania transit agencies track vehicles in real-time, introduce flexible fare payment options, and improve overall quality control in data reporting. In preparation for FRITS, NCATA should **plan to attend all available FRITS training events to learn how technology can be incorporated into the fixed-route system.** This will aid management in the application of FRITS technology to make data-driven decisions that target improved system performance.
6. The 2013 performance review noted that except at park-and-ride facilities, NCATA bus stops are not well designated. As of 2018, no updates have been made to bus stop signs and bus stop locations are still hard to designate. NCATA should **inventory current bus stop sign locations, and install, repair and update the signs as appropriate to ensure that stops are clearly designated.**

## OPPORTUNITIES TO INCREASE FIXED-ROUTE REVENUES

### BEST PRACTICE

1. In response to the 2013 Action Plan, NCATA's redesigned website allows for ticket farebooks (i.e., multiride passes) to be purchased online and via mobile phone with credit and debit cards. This allows customers to purchase tickets / replenish multiride passes on their own time without having to travel to a designated NCATA facility.

### ELEMENTS TO ADDRESS IN PART 2 OF THE ACTION PLAN (P. 38)

1. NCATA has a fixed-route fare adjustment policy that is designed to keep pace with inflation. NCATA last increased fares in 2012. In addition to keeping pace with inflation, a fare policy should consider the rate of farebox recovery to operating expenses. NCATA's fixed-route bus farebox recovery ratio is at 5.9%, and commuter bus farebox recovery is 33.7% as of FYE 2016. Management should **work with the Board to update the NCATA fixed-route rate adjustment policy to develop a farebox recovery goal by service mode (i.e., fixed-route bus and commuter bus)** as an additional metric that can be used to assess potential fare increases or service changes. Management should **annually assess and report to the Board on fixed-route bus and commuter bus farebox recovery** to evaluate how current farebox recovery performs against established goals.

## OPPORTUNITIES TO CONTROL OPERATING COSTS

### BEST PRACTICE

1. In 2013, NCATA assessed its non-CBA staffing level and determined there were opportunities to reduce administrative costs by consolidating management, human resources and finance functions. NCATA revised job descriptions and eliminated four positions (i.e., assistant manager, payroll admin, a second human resources admin, and a maintenance manager) to reduce general administration expenses.

2. In 2013, NCATA assessed route productivity. Management introduced productivity standards (i.e., passenger per revenue vehicle hour and operating cost per revenue vehicle hour) that helped NCATA identify unproductive routes. NCATA made service adjustments (i.e., reduced hours and runs) to improve productivity.

### **ELEMENTS TO ADDRESS IN PART 3 OF THE ACTION PLAN (P. 38)**

1. Since 2013, management implemented several cost control measures (e.g., consolidated general administration job functions, froze pension contribution for new CBA hires for the first 12 months, etc.) in addition to reduced service levels that decreased costs by 4.4% annually over a five-year period from \$7,054,796 in 2013 to \$5,896,171 in 2017. NCATA is currently “At Risk” for the FYE 2016 single-year determination for operating cost per revenue vehicle hour. However, NCATA continued to reduce costs well within the 2.0% cost per revenue vehicle hour performance target with a 3.1% decrease from \$118.30 in FYE 2016 to \$114.62 for FYE 2017. Management should **continue to identify and implement cost controls measures that keep NCATA within a cost containment rate of escalation that is in line with NCATA’s Act 44 performance target for controlling operating costs.**

### **OTHER OPPORTUNITIES TO IMPROVE PERFORMANCE**

#### **BEST PRACTICES**

1. NCATA requires that drivers sign a management directive to ensure that ridership is accurately reported. This places accountability on drivers and enables disciplinary action if they are found to be misreporting.
2. The General Manager reviews weekly passenger transfer totals twice each month. This serves as an additional data verification measure for ensuring accuracy in reporting fixed-route ridership.

### **ELEMENTS TO ADDRESS IN PART 4 OF THE ACTION PLAN (P. 39)**

1. Current NCATA succession planning consists of basic cross-training between administrative functions and drivers / mechanics. There is no documented succession plan in place to provide guidance in the event of unexpected protracted absences for key staff. Given the recent consolidation in job duties for general administration and management staff at NCATA, a succession plan would serve as a framework that defines key responsibilities and job duties to keep operations uninterrupted. NCATA should **develop a succession plan that distinguishes and assigns the following key management functions:**
  - a. **General Manager** – agency leadership, Board administration, funding oversight and management, fiscal management and community and public relations.
  - b. **Operations** – driver bids, route assessment, dispatch oversight, farebox reconciliation, and drug and alcohol reporting.
  - c. **Finance** – payroll process, budget preparation, grants oversight, audit, journal entries, bank reconciliations, procurement and quarterly reporting.
  - d. **Maintenance** – work assignments, payroll reporting, vehicle inspection, inventory control, and preventative maintenance logs.



- e. **Human resources-** benefits administration, interviews, personnel record management, workers compensation, benefits enrollments, and EEO and TITLE VI.

Additionally, the succession plan should **list transition steps for interim positions following permanent or extended unplanned absences.**

- 2. NCATA has no formal performance review process for the General Manager. The current General Manager was reviewed six months into his position, but no expectations or performance targets were established. NCATA should **develop a formal performance review process for the General Manager that is tied to agency goals and strategic objectives.** This will help evaluate the General Manager's performance in addressing agency priorities and delivering success.
- 3. NCATA has an active Board that is engaged with the greater New Castle area. However, there is no official onboarding process or refresher training offered to explain the roles and responsibilities expected for members to serve as effective agency advocates. NCATA should **develop a formal Board education program that clearly defines Board member roles and responsibilities** such as:
  - a. **Meeting attendance requirements and consequences for non-attendance;**
  - b. **Primary functions** (e.g., sets policy, approves budget, agency oversight, voting, etc.);
  - c. **Secondary functions** (e.g., signatory duties, advocates on behalf of agency, leverages relationships with other local organizations, etc.); and,
  - d. **Governance sub-committee structure, membership and official duties.**

The Board should also **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**, NCATA has 57.2% in total carryover subsidies to total annual operating cost. These reserves provide liquidity in case of unexpected cost increases. This reserve helped NCATA maintain liquidity when in it was levied a \$1.9 million repayment (split between FYE 2015 and FYE 2016) in operating subsidies NCATA forfeited as penalty for previously overstated ridership. In FYE 2017, NCATA received their required local match to 1513 state operating subsidy.

NCATA has no accounts payable and receivable amounts over 90 days. NCATA does not maintain a line of credit, and currently there is no outstanding debt. NCATA is above the 25% goal for liquidity through available reserves.

### TOTAL PUBLIC TRANSPORTATION OPERATIONAL EXPENDITURES AND FUNDING

NCATA operating budget decreased from \$7.0 million in FYE 2013 to approximately \$6.0 million in FYE 2017 (**Exhibit 7**). Approximately 98.9% of NCATA's operational expenses are for fixed-route services. The remaining operational expenses (1.1%) are for ADA 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. NCATA used state, federal and local funds to finance both fixed-route and paratransit operations (**Exhibit 9**). Combined, state and federal subsidies are the largest share of income for NCATA, accounting for 83.2% of total operating income. Passenger fares and other local funds are the remaining funding sources, representing approximately 16.8% of total operating income (**Exhibit 10**).

**Exhibit 6: High-Level Financial Indicators**

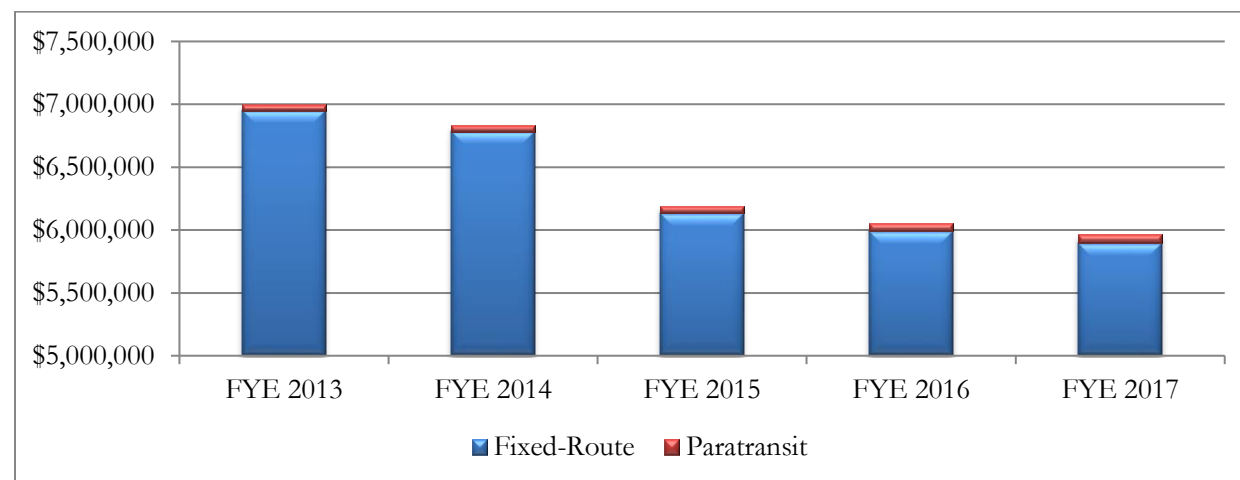
FYE 2017 Indicator	Value	Assessment Criteria / Rationale	Source
Total Carryover Subsidies / Annual Operating Cost	57.2%	Combined target 25%+. This provides liquidity to account for unexpected cost increases or service changes without the need to incur interest fees from loans.	FYE 2017 Audit
Credit available/ Annual Payroll	0.0%	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	100%+	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.	NCATA reported value
Accounts Receivable (AR) 90+ days	0.0%	Target should be 0% over 90 days. Larger values can cause cash flow problems.	NCATA 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	\$6.9	\$6.8	\$6.1	\$6.0	\$5.9
Paratransit	\$0.0	\$0.1	\$0.1	\$0.1	\$0.1
<b>Total*</b>	\$7.0	\$6.8	\$6.2	\$6.1	\$6.0

\* May not add due to rounding.

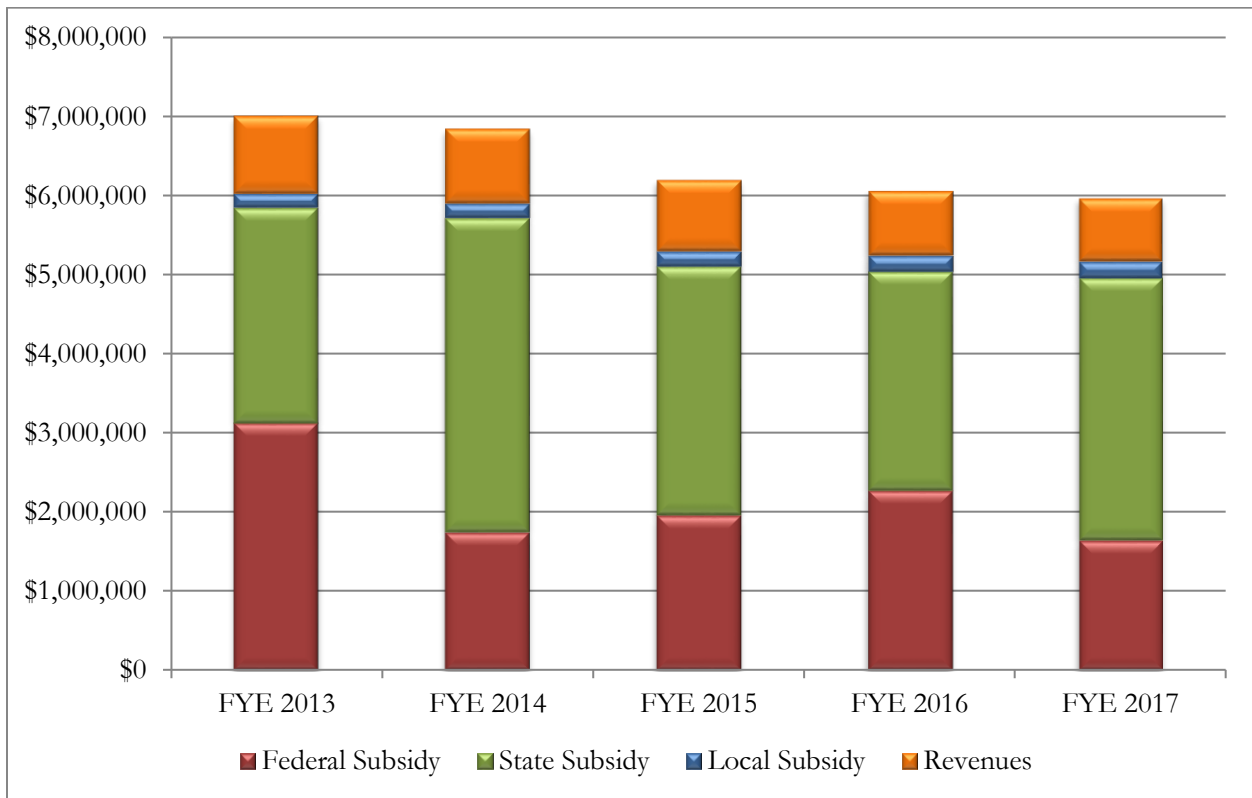
**Exhibit 8: Public Transportation Operating Expense Trends by Service Type**



**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	44.6%	25.5%	31.6%	37.5%	27.5%
State Subsidy	39.0%	58.1%	50.8%	45.8%	55.7%
Local Subsidy	2.5%	2.7%	3.1%	3.3%	3.5%
Revenues	14.0%	13.7%	14.5%	13.4%	13.3%
Local Subsidy / State Subsidy	6.4%	4.6%	6.1%	7.2%	6.4%

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



## FIXED-ROUTE FUNDING

NCATA's fixed-route funding comes from general revenues and government subsidies. Direct passenger fares represent between 11.8% and 13.2% of total operating funding (**Exhibit 11**). NCATA was levied a \$1.9 million repayment between FYE 2015 and FYE 2016 in Section 1513 operating subsidies that were refunded as penalty for previously overstated ridership. Fixed-route funding was restored to previous levels by FYE 2017. Based on the FYE 2013 to FYE 2017 dotGrants reporting, NCATA operated using current year funding with \$3,391,980 in Act 44 (1513) state carryover funds. NCATA had \$20,451 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
<b>Revenues</b>					
Passenger Fares	\$904,100	\$853,744	\$811,088	\$740,645	\$697,382
Advertising	\$24,250	\$24,000	\$24,000	\$24,000	\$24,000
Charter	\$0	\$0	\$0	\$0	\$0
Route Guarantees	\$0	\$0	\$0	\$0	\$0
Other- (Parking, Lottery, ATM)	\$42,422	\$53,402	\$51,647	\$37,599	\$59,747
Other- (Insurance Dividend)	\$107,055	\$152,988	\$147,012	\$0	\$0
Other- (Insurance Adjustment)	-\$107,055	-\$152,988	-\$147,012	\$0	\$0
<b>Subtotal</b>	<b>\$36,811</b>	<b>\$33,889</b>	<b>\$37,816</b>	<b>\$36,997</b>	<b>\$34,305</b>
<b>Subsidies</b>					
Federal Operating Grant	\$3,118,984	\$1,740,776	\$1,957,889	\$2,269,242	\$1,638,779
Act 44 (1513) State Prior	\$0	\$307,148	\$244,489	\$0	\$0
Act 44 (1513) State Current	\$2,686,923	\$3,623,066	\$2,857,734	\$2,721,351	\$3,267,440
Municipal Prior	\$0	\$0	\$0	\$0	\$0
Municipal Current	\$171,062	\$180,163	\$188,931	\$198,879	\$208,823
<b>Subtotal</b>	<b>\$5,976,969</b>	<b>\$5,851,153</b>	<b>\$5,249,043</b>	<b>\$5,189,472</b>	<b>\$5,115,042</b>
<b>Total Funding</b>	<b>\$6,947,741</b>	<b>\$6,782,299</b>	<b>\$6,135,778</b>	<b>\$5,991,716</b>	<b>\$5,896,171</b>
<b>Passenger Fares/ Total Funding</b>	<b>13.0%</b>	<b>12.6%</b>	<b>13.2%</b>	<b>12.4%</b>	<b>11.8%</b>

Source: PennDOT dotGrants Reporting System. Insurance revenue (i.e., SAFIT) reported by NCATA was netted out (i.e., insurance adjustment) of fixed-route funding and applied to offset fixed-route operating costs.

## PARATRANSIT FUNDING

Paratransit funding is about 1.1% NCATA's operating budget and consists solely of ADA service. Shared-ride service is provided by Allied Coordinated Transportation Services of Lawrence County. The paratransit funding comes from passenger fares as well as state and local subsidies. **(Exhibit 12)**. Although limited paratransit service is provided by NCATA, the paratransit program increased from \$48,157 in FYE 2013 to \$65,882 in FYE 2017.

Total paratransit passenger trips increased from 3,475 trips in FYE 2013 to 5,010 trips in FYE 2017 **(Exhibit 13)**.

### Exhibit 12: Paratransit Funding by Source

Category	FYE 2013	FYE 2014	FYE 2015	FYE 2016	FYE 2017
<b>Revenues</b>					
Passenger Fares	\$7,544	\$7,910	\$8,741	\$9,293	\$9,595
Advertising	\$0	\$0	\$0	\$0	\$0
Lottery	\$0	\$0	\$0	\$0	\$0
PwD Reimbursement	\$0	\$0	\$0	\$0	\$0
PwD Passenger Fares	\$0	\$0	\$0	\$0	\$0
AAA	\$0	\$0	\$0	\$0	\$0
MH/MR	\$0	\$0	\$0	\$0	\$0
W2W	\$0	\$0	\$0	\$0	\$0
MATP	\$0	\$0	\$0	\$0	\$0
<b>Subtotal</b>	<b>\$7,544</b>	<b>\$7,910</b>	<b>\$8,741</b>	<b>\$9,293</b>	<b>\$9,595</b>
<b>Subsidies</b>					
Federal Operating Grant	\$0	\$0	\$0	\$0	\$0
Act 44 (1513) State Prior	\$0	\$0	\$0	\$0	\$0
Act 44 (1513) State Current	\$38,130	\$41,754	\$45,641	\$50,730	\$54,165
Municipal Prior	\$0	\$0	\$0	\$0	\$0
Municipal Current	\$2,483	\$2,059	\$2,402	\$2,021	\$2,122
<b>Subtotal</b>	<b>\$40,613</b>	<b>\$43,813</b>	<b>\$48,043</b>	<b>\$52,751</b>	<b>\$56,287</b>
<b>Total Funding</b>	<b>\$48,157</b>	<b>\$51,723</b>	<b>\$56,784</b>	<b>\$62,044</b>	<b>\$65,882</b>

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
<b>Paratransit Operating Statistics</b>					
ADA Trips	3,475	3,809	4,104	4,395	5,010
Senior (Lottery) Trips	0	0	0	0	0
Total Paratransit Trips	3,475	3,809	4,104	4,395	5,010
Total Miles	14,476	15,088	17,688	20,969	22,577
Total Hours	1,451	1,573	1,683	2,074	2,701

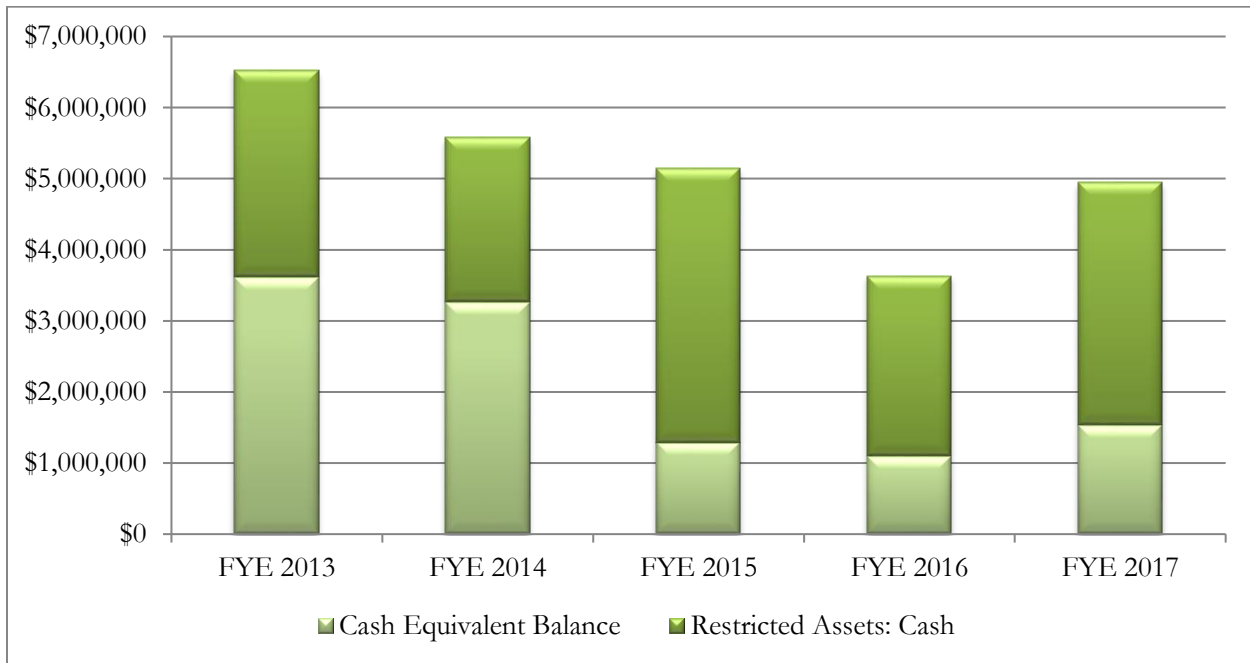
## BALANCE SHEET FINDINGS

Review of balance sheets from NCATA shows that since FYE 2013, the agency decreased available cash on hand (**Exhibit 14** and **Exhibit 15**). Net current cash equivalent balance reported as of FYE 2017 was about \$1,535,281. NCATA maintains a balance of cash and restricted cash to 83.0% of total operating expenses as of FYE 2017. Accounts payable have decreased from a high of \$1,110,025 in FYE 2013 to a low of \$856,412 in FYE 2016, but increased to \$1,348,791 as of FYE 2017. NCATA did not maintain a line of credit from FYE 2013 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
<b>Current Assets</b>					
Cash Equivalent Balance	\$3,611,119	\$3,265,138	\$1,285,783	\$1,100,285	\$1,535,281
Investments	\$0	\$0	\$0	\$0	\$0
Grant Receivable (incl. capital)	\$0	\$0	\$0	\$0	\$0
Other Accounts Receivable	\$135,310	\$89,522	\$57,042	\$38,215	\$51,280
Restricted Assets: Cash	\$2,914,241	\$2,310,507	\$3,861,410	\$2,528,835	\$3,412,431
Inventory Value	\$152,136	\$208,627	\$214,678	\$224,923	\$290,559
Pre-paid Expenses	\$76,889	\$82,007	\$967,642	\$966,333	\$874,863
<b>Current Liabilities</b>					
Accounts Payable	\$1,110,025	\$630,763	\$894,445	\$856,412	\$1,348,791
Accrued Expenses	\$165,968	\$166,487	\$164,019	\$101,237	\$116,366
Deferred Revenue	\$5,499,830	\$5,049,085	\$4,327,693	\$2,921,201	\$3,714,929
Line of Credit	\$0	\$0	\$0	\$0	\$0
Current Maturities of Long-term Debt	\$0	\$0	\$0	\$0	\$0
<b>Total Operating Expense</b>					
(Cash & Rest. Cash)/Total Op. Exp.	93.3%	81.6%	83.1%	59.9%	83.0%
Line of Credit/Annual Payroll	0%	0%	0%	0%	0%
Current Assets	\$6,889,695	\$5,955,801	\$6,386,555	\$4,858,591	\$6,164,414
Current Liabilities	\$6,775,823	\$5,846,335	\$5,386,157	\$3,878,850	\$5,180,086
<b>Net Current Assets</b>	<b>\$113,872</b>	<b>\$109,466</b>	<b>\$1,000,398</b>	<b>\$979,741</b>	<b>\$984,328</b>

Source: Annual Audit Reports and dotGrants

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

NCATA currently has a balanced operating budget. Operating cash reserves have increased since 2013. Noteworthy elements of NCATA's financial condition as of FYE 2017 are:

- NCATA had \$20,451 in carryover local funds and \$3,391,980 in carryover state funds
- Combined carryover subsidies amount to 57.2% of total operational funding
- NCATA received its full local match as required by Act 44
- NCATA maintains a balance of cash and restricted cash equal to 83.0% of total operating expenses
- NCATA operating budget decreased from \$7 million in FYE 2013 to \$6 million in FYE 2017
- Current assets exceed current liabilities
- Accounts payable and receivable amounts are negligible
- NCATA does not maintain a line of credit
- NCATA completed its final installment in operating subsidy payback in 2016

NCATA's financial health is greatly improved from cost containment measures that reduced the operating budget by approximately \$1 million from 2013 to 2017. Management should continue taking appropriate actions to manage costs, achieve farebox recovery goals, and to maintain cash reserves to preserve NCATA's overall financial health.



## APPENDIX A: DATA ADJUSTMENTS

From FYE 2011 to FYE 2015, NCATA received between \$98,000 and \$150,000 in annual revenue from SAFTI dividends (i.e., insurance rebates). The insurance rebates were treated as revenue when calculating NCATA's future year performance targets in the prior performance report. Beginning in FYE 2016, NCATA was instructed to no longer report insurance dividends as revenue, but to offset (i.e., net) them against operating expenses. To account for this change in reporting, revenue has been adjusted to net insurance rebates from operating costs and previously established targets have been revised. The following adjustments were made to better understand trends and develop five-year performance targets:

<b>Fares and Other Revenue</b>	<b>FYE 2011</b>	<b>FYE 2012</b>	<b>FYE 2013</b>	<b>FYE 2014</b>	<b>FYE 2015</b>
dotGrants Reported Total Revenue	\$868,194	\$984,533	\$1,077,827	\$1,084,134	\$1,033,747
SAFTI Adjustments	(\$98,438)	(\$99,166)	(\$107,055)	(\$152,988)	(\$147,012)
Adjusted Total Revenue	\$769,756	\$885,367	\$970,772	\$931,146	\$886,735
<b>Fixed-Route Operating Costs</b>					
dotGrants Reported Operating Costs	\$6,625,806	\$6,974,949	\$7,054,796	\$6,935,287	\$6,282,790
SAFTI Adjustments	(\$98,438)	(\$99,166)	(\$107,055)	(\$152,988)	(\$147,012)
Adjusted Total Operating Costs	\$6,527,368	\$6,875,783	\$6,947,741	\$6,782,299	\$6,135,778

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

<b>Final Adjusted Metrics</b>	<b>FYE 2011</b>	<b>FYE 2012</b>	<b>FYE 2013</b>	<b>FYE 2014</b>	<b>FYE 2015</b>
Passenger/RVH	11.86	12.01	11.15	11.15	11.05
Operating Revenue/RVH	\$15.33	\$16.15	\$17.43	\$16.95	\$16.63
Operating Cost/RVH	\$115.22	\$121.09	\$124.73	\$123.46	\$115.08
Operating Cost/Passenger	\$9.71	\$10.08	\$11.18	\$11.07	\$10.41

Source: NTD and dotGrants reporting

FYE 2012 final adjusted metrics were used to revise NCATA's five-year future performance targets for FYE 2017:

<b>Performance Criteria</b>	<b>2017 Target</b>	<b>2017 Adjusted Target</b>
Passengers / Revenue Vehicle Hour	13.26	13.26
Operating Revenue / Revenue Vehicle Hour	\$19.14	\$17.83
Operating Cost / Revenue Vehicle Hour	\$135.62	\$133.69
Operating Cost / Passenger	\$10.23	\$10.08

## APPENDIX B: 2013 PERFORMANCE REVIEW ACTION PLAN ASSESSMENT

Last Updated July 7, 2016

Category	Suggested Action	Corrective Action	Observation
1. Ridership	Improve passenger productivity	a) Evaluate routes for ridership & revenue b) Discuss possible partnerships with schools and other institutions Evaluate routes for passengers/hours with substandard performance to be potentially eliminated	a) Completed July 2014 b) Completed November 2015 Completed December 2014
1. Ridership	Document Marketing Strategies and Their Effectiveness	a) Self-insured for health insurance b) Consolidating job positions c) New contract negotiations d) Review routes to help control costs Analyze budget line items each month	a) Completed b) Ongoing c) Completed January 2015 d) Completed December 2014 Ongoing
1. Ridership	Conduct routine customer service surveys	Implement passenger surveys and explore surveys used by SPC or PAAC	Estimated completion date of December 2018
1. Ridership	Introduce Citizens Advisory Committee	General Manager to discuss with Solicitor Lou Perrotta for the mechanism to form such committees	Completed December 2017
1. Ridership	Document NCATA marketing strategies	a) Local media, PSA's, Park-n-Ride announcements – begin measuring the effectiveness of current plans b) Meetings with sales reps of cable, radio, & print to get more info on target audience/customer base	a) Ongoing b) Completed September 2015 c) Completed April 2015

Category	Suggested Action	Corrective Action	Observation
		c) Discussions with Rivers Casino marketing to see if we can make that route more attractive	
<b>1. Ridership</b>	Coordinate schedule with PAAC	Explore ways to remove barriers to transfers and examine ways to promote joint service	Completed December 2016
<b>1. Ridership</b>	Develop formal technology plan	a) Implement a plan to update website with cost-effective updates Renew discussions with vendors regarding use of smart cards	a) Completed December 2015 Completed December 2015
<b>1. Ridership</b>	Update website	Begin working on more customer friendly website – IT Consultant is identifying Pittsburg firms that can provide this type of service	Completed February 2016
<b>1. Ridership</b>	Update bus stop signage	For better passenger visibility, management will inventory current bus stop signs and periodically install new ones. Capital funding plays a factor – Discussions with LCCAP about the possibility of getting a paid intern who may help with this item	In 2017, TIP updated with money for bus stop signs
<b>1. Ridership</b>	Provide disabled rider informational materials	Discussions with ACTS. Attend ACTS meetings as it relates to disability riders.	Completed January 2015
<b>1. Ridership</b>	Evaluate route productivity and implement service changes	Begin analysis of current routes for hours, ridership, and revenue	Completed January 2015

Category	Suggested Action	Corrective Action	Observation
<b>1. Ridership</b>	Evaluate route guarantee funding market potential	Discussions with schools, large employers, and other institutions for possible partnership	Completed July 2016
<b>2. Revenue</b>	Pursue additional local funding	a) Better communication with local governments of the cost benefits of their funding b) Attempt to contact local foundations	Received all local resolutions for match for year 17-18
<b>2. Revenue</b>	Establish farebox recovery goals and policies	Begin calculations by route and by type of route (i.e., local/commuter) for farebox recovery goals	Completed July 2015
<b>2. Revenue</b>	Greater use of advertising space	a) Will continue to bid this service to outside agencies b) Discussion with current vendor on releasing shelters to put out for separate bid for additional revenue	a) Completed July 2016 b) Completed December 2016
<b>2. Revenue</b>	Investigate potential of offering discount bus passes	Consider use of monthly discount passes to help with customer loyalty	Completed July 2014
<b>3. Operating Cost</b>	Establish line item budgeting	Look at ways to better delineate line items in the budget process for better management oversight and analysis	Completed July 2014
<b>3. Operating Cost</b>	Retire old buses	Discontinue practice of using older buses to expand service, new buses to replace old buses	Receiving 6 new CNG buses in May/June 2018 and retiring 6 old buses
<b>3. Operating Cost</b>	Identify cost and terms in current CBA	a) Look for more favorable terms in next CBA and hold discussions with peer agencies	a) Completed January 2015 b) Completed January 2015

Category	Suggested Action	Corrective Action	Observation
		b) Look at part-time employees, weekly runs, work rules, and benefits	
<b>3. Operating Cost</b>	Reevaluate the practice of weekly driver runs	See above to begin discussions with union- item for negotiations	Completed January 2015
<b>4. Other</b>	Develop and implement QC procedure for ridership reporting	a) Continue the recent change in ridership counts b) Implement a Data Certification Plan with ride checks, video checks, logic checks, and analysis	An ongoing project to continue the data verification program. Installed new video equipment and DVR's in all buses to better QC on the data verification program
<b>4. Other</b>	Conduct board, management, and administration training	Attend PennTrain Board training once every few years and continue to use PPTA	Completed January 2017
<b>4. Other</b>	Develop and report monthly on performance criteria	Develop and distribute to board at monthly meetings new reports with operating performance	Completed October 2013
<b>4. Other</b>	Establish formal board committees	Establish committees for Capital, Personnel, Negotiations & Action Plan and Finance	Ongoing

Category	Suggested Action	Corrective Action	Observation
4. Other	Develop formal succession plan	Board of Directors to begin discussions	Completed May 2016
4. Other	Clear job descriptions	a) Review and implement job descriptions b) Update organizational Chart with job descriptions	a) Completed July 2014 b) Completed July 2014
4. Other	Conduct employee reviews	Implement annual performance reviews	Completed December 2016
4. Other	Develop anti-nepotism policy	General Manager discussing with Solicitor for examples and/or guidance	Completed December 2016
4. Other	Identify formal road supervisor position	Incorporate with Safety position due to cost restraints	Completed December 2014
4. Other	Establish formal non-unionized driver training position	Incorporate with Safety position due to cost restraints	Completed December 2014

Category	Suggested Action	Corrective Action	Observation
4. Other	Conduct periodic training of first responders	Safety Director will begin a systematic scheduling of training	Completed December 2017
4. Other	Long-term IT backup strategy	Discuss with IT consultant use of longer backup strategies	Completed July 2016
4. Other	Implement a computerized asset management system	Work with IT consultant to put together a bid package to solicit offers to provide the proper system	Completed March 2016
4. Other	Develop business plan	Work with board on development of business plan	Completed October 2014
4. Other	Formally integrate Title VI considerations	Work with Attorney Jill Nagy to update Title VI plan to bring into compliance	Completed June 2014
4. Other	Consider sale of trolleys	Begin process of disposition of trolleys due to lack of proper use	Completed April 2016
4. Other	Implement ways to better clear property of hazards	Purchase snow plow and salt spreader to better utilize manpower to clear properties of hazards relating to snow and ice	Completed September 2015

Category	Suggested Action	Corrective Action	Observation
4. Other	Build an agency-wide culture of performance	With consultation of Board and management, develop a strategic business plan	Completed December 2015 and will continue to discuss with Board at each meeting all of the performance measures as it relates to budget and targets set by PennDOT.
4. Other	Implement formal training plans and programs	Continued use of training programs through use of webinars and all Transportation Assoc. programs	GM and Safety Supervisor attended seminars provided by Safti. Assistant Manager took part in several webinars sponsored by PennDOT. Held Human Trafficking Training for all employees. Conducted Fatigue Awareness Training.
4. Other	Formal quality control measures	<ul style="list-style-type: none"> <li>a) Institute periodic job evaluations and performance reviews</li> <li>b) Review video logs &amp; random checks to ensure proper ridership counts also include road supervision</li> </ul>	<ul style="list-style-type: none"> <li>a) Completed September 2016</li> <li>b) Ongoing</li> </ul>



## APPENDIX C: PEER COMPARISONS

Comparison of NCATA 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 13	2011 Value	Annual Rate	Rank of 13
Beaver County Transit Authority	19.21	2	18.23	1.04%	2
Mid Mon Valley Transit Authority	7.03	13	7.03	-0.01%	3
Yakima Transit	17.82	3	24.12	-5.87%	13
Bay Metropolitan Transit Authority	9.94	11	8.92	2.19%	1
Transit Services of Frederick County	10.71	9	12.89	-3.64%	10
Altoona Metro Transit	14.92	5	17.78	-3.44%	9
Cambria County Transit Authority	14.81	6	15.56	-0.99%	4
Kings County Area Public Transit Agency	15.84	4	18.43	-2.98%	8
Berkshire Regional Transit Authority	9.84	12	10.35	-1.01%	5
Santa Maria Area Transit	14.04	7	18.65	-5.52%	12
Skagit Transit	10.25	10	13.03	-4.68%	11
Williamsport Bureau of Transportation	23.10	1	25.10	-1.65%	7
<b>New Castle Area Transit Authority</b>	<b>11.21</b>	<b>8</b>	<b>11.86</b>	<b>-1.12%</b>	<b>6</b>
<i>Average</i>	<i>13.75</i>		<i>15.54</i>	<i>-2.13%</i>	
<i>Standard Deviation</i>	<i>4.51</i>		<i>5.52</i>	<i>2.48%</i>	
<i>Average – 1 Standard Deviation</i>	<i>9.24</i>		<i>10.02</i>	<i>-4.61%</i>	
<i>Average + 1 Standard Deviation</i>	<i>18.25</i>		<i>21.05</i>	<i>0.35%</i>	
<b>Act 44 Compliance Determination</b>	<b>In Compliance</b>		<b>In Compliance</b>		
<b>Compared to the Peer Group Average</b>	<b>Worse</b>		<b>Better</b>		

## Operating Cost / Revenue Vehicle Hour

Operating Cost / Revenue Hour (MB)					
System	FYE 2016 Single Year		5 Year Change Since FYE 2011		
	Value	Rank of 13	2011 Value	Annual Rate	Rank of 13
Beaver County Transit Authority	\$114.05	11	\$86.60	5.66%	13
Mid Mon Valley Transit Authority	\$93.17	4	\$82.30	2.51%	9
Yakima Transit	\$108.26	9	\$97.54	2.11%	7
Bay Metropolitan Transit Authority	\$107.32	7	\$95.80	2.30%	8
Transit Services of Frederick County	\$72.06	3	\$66.80	1.53%	5
Altoona Metro Transit	\$109.23	10	\$95.30	2.77%	10
Cambria County Transit Authority	\$108.06	8	\$93.29	2.98%	11
Kings County Area Public Transit Agency	\$71.72	2	\$64.84	2.04%	6
Berkshire Regional Transit Authority	\$98.91	5	\$96.95	0.40%	3
Santa Maria Area Transit	\$67.41	1	\$82.45	-3.95%	2
Skagit Transit	\$100.43	6	\$155.62	-8.39%	1
Williamsport Bureau of Transportation	\$119.90	13	\$96.30	4.48%	12
<b>New Castle Area Transit Authority</b>	<b>\$118.30</b>	<b>12</b>	<b>\$115.22</b>	<b>0.53%</b>	<b>4</b>
<i>Average</i>	\$99.14		\$94.54	1.15%	
<i>Standard Deviation</i>	\$17.99		\$22.71	3.66%	
<i>Average – 1 Standard Deviation</i>	\$81.16		\$71.82	-2.50%	
<i>Average + 1 Standard Deviation</i>	\$117.13		\$117.25	4.81%	
<b>Act 44 Compliance Determination</b>	<b>At Risk</b>		<b>In Compliance</b>		
<b>Compared to the Peer Group Average</b>	<b>Worse</b>		<b>Better</b>		

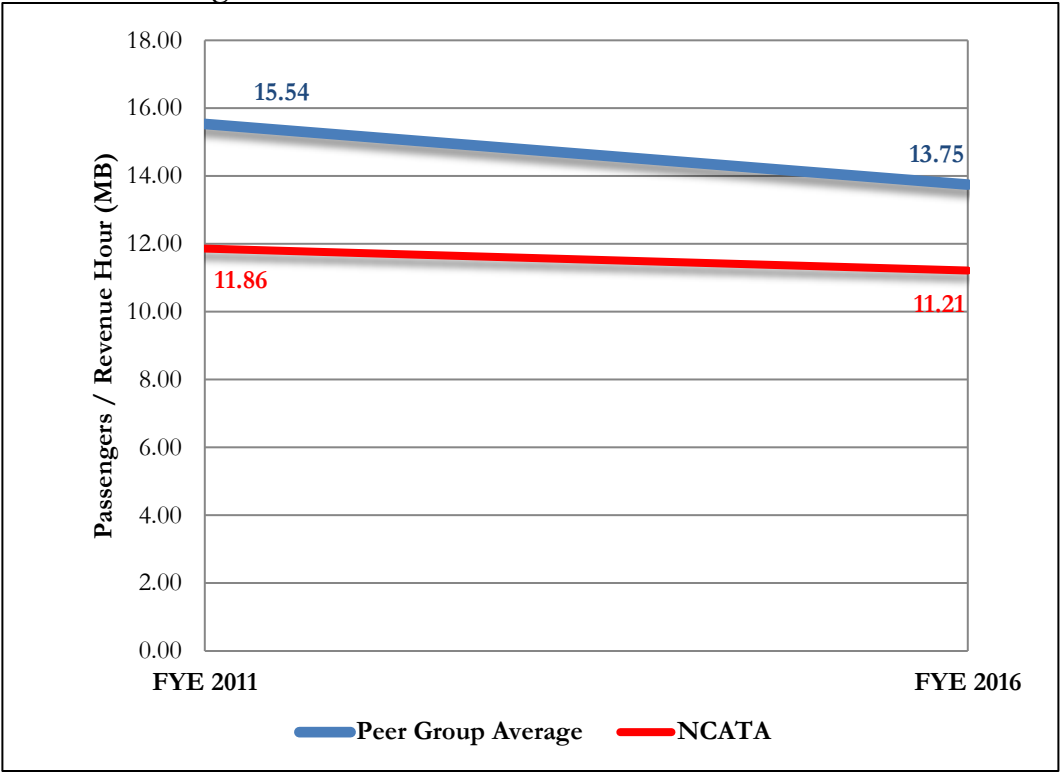
## Operating Revenue / Revenue Vehicle Hour

Operating Revenue / Revenue Hour (MB)					
System	FYE 2016 Single Year		5 Year Change Since FYE 2011		
	Value	Rank of 13	2011 Value	Annual Rate	Rank of 13
Beaver County Transit Authority	\$30.65	1	\$27.58	2.13%	4
Mid Mon Valley Transit Authority	\$15.42	8	\$13.54	2.63%	3
Yakima Transit	\$14.27	9	\$10.68	5.97%	2
Bay Metropolitan Transit Authority	\$16.30	6	\$11.90	6.50%	1
Transit Services of Frederick County	\$9.97	12	\$10.53	-1.09%	9
Altoona Metro Transit	\$19.64	2	\$18.15	1.59%	5
Cambria County Transit Authority	\$13.86	10	\$13.03	1.25%	6
Kings County Area Public Transit Agency	\$13.48	11	\$17.21	-4.78%	11
Berkshire Regional Transit Authority	\$16.85	3	\$15.98	1.07%	7
Santa Maria Area Transit	\$16.58	5	\$32.26	-12.47%	13
Skagit Transit	\$5.48	13	\$10.34	-11.93%	12
Williamsport Bureau of Transportation	\$16.84	4	\$17.99	-1.32%	10
<b>New Castle Area Transit Authority</b>	<b>\$15.84</b>	<b>7</b>	<b>\$15.33</b>	<b>0.66%</b>	<b>8</b>
<i>Average</i>		<i>\$15.78</i>	<i>\$16.50</i>	<i>-0.75%</i>	
<i>Standard Deviation</i>		<i>\$5.70</i>	<i>\$6.63</i>	<i>5.85%</i>	
<i>Average – 1 Standard Deviation</i>		<i>\$10.08</i>	<i>\$9.87</i>	<i>-6.61%</i>	
<i>Average + 1 Standard Deviation</i>		<i>\$21.49</i>	<i>\$23.13</i>	<i>5.10%</i>	
<b>Act 44 Compliance Determination</b>		<b>In Compliance</b>	<b>In Compliance</b>		
<b>Compared to the Peer Group Average</b>		<b>Better</b>	<b>Better</b>		

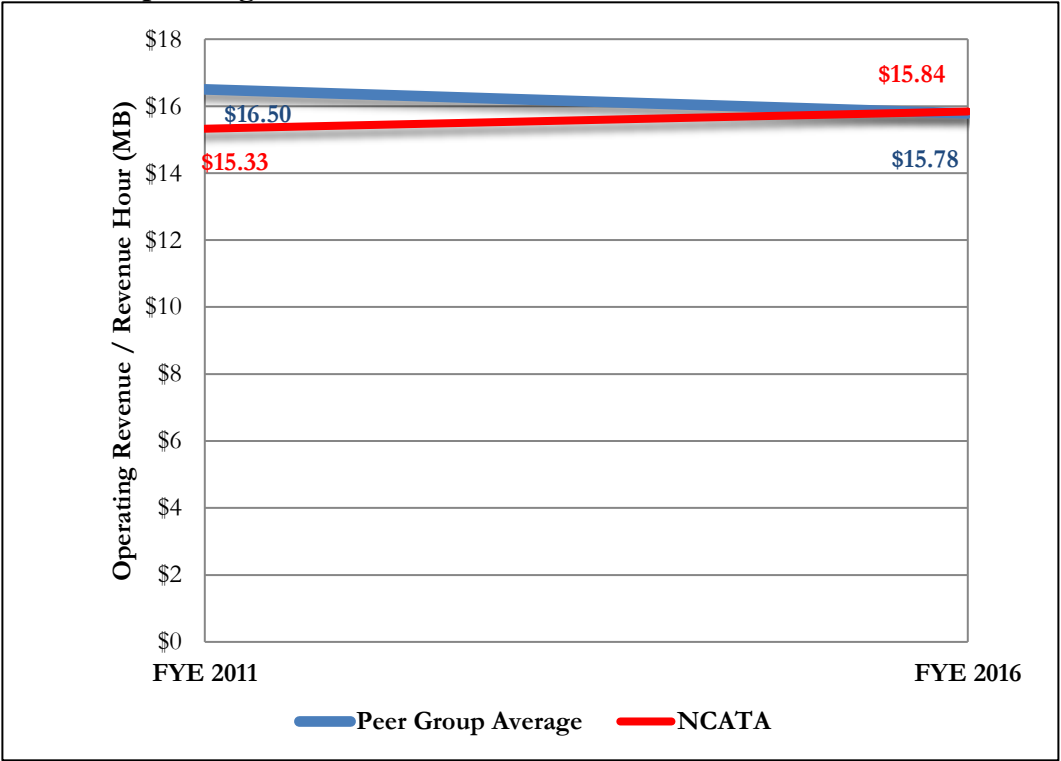
## Operating Cost / Passenger

Operating Cost / Passenger (MB)					
System	FYE 2016 Single Year		5 Year Change Since FYE 2011		
	Value	Rank of 13	2011 Value	Annual Rate	Rank of 13
Beaver County Transit Authority	\$5.94	4	\$4.75	4.57%	8
Mid Mon Valley Transit Authority	\$13.26	13	\$11.70	2.53%	6
Yakima Transit	\$6.07	5	\$4.04	8.48%	13
Bay Metropolitan Transit Authority	\$10.80	12	\$10.74	0.11%	2
Transit Services of Frederick County	\$6.73	6	\$5.18	5.36%	10
Altoona Metro Transit	\$7.32	8	\$5.36	6.43%	12
Cambria County Transit Authority	\$7.30	7	\$5.99	4.01%	7
Kings County Area Public Transit Agency	\$4.53	1	\$3.52	5.17%	9
Berkshire Regional Transit Authority	\$10.05	10	\$9.37	1.42%	3
Santa Maria Area Transit	\$4.80	2	\$4.42	1.66%	4
Skagit Transit	\$9.80	9	\$11.95	-3.89%	1
Williamsport Bureau of Transportation	\$5.19	3	\$3.84	6.24%	11
<b>New Castle Area Transit Authority</b>	<b>\$10.55</b>	<b>11</b>	<b>\$9.71</b>	<b>1.66%</b>	<b>5</b>
<i>Average</i>	<i>\$7.87</i>		<i>\$6.97</i>	<i>3.37%</i>	
<i>Standard Deviation</i>	<i>\$2.74</i>		<i>\$3.20</i>	<i>3.25%</i>	
<i>Average – 1 Standard Deviation</i>	<i>\$5.13</i>		<i>\$3.76</i>	<i>0.12%</i>	
<i>Average + 1 Standard Deviation</i>	<i>\$10.61</i>		<i>\$10.17</i>	<i>6.61%</i>	
<b>Act 44 Compliance Determination</b>	<b>In Compliance</b>		<b>In Compliance</b>		
<b>Compared to the Peer Group Average</b>	<b>Worse</b>		<b>Better</b>		

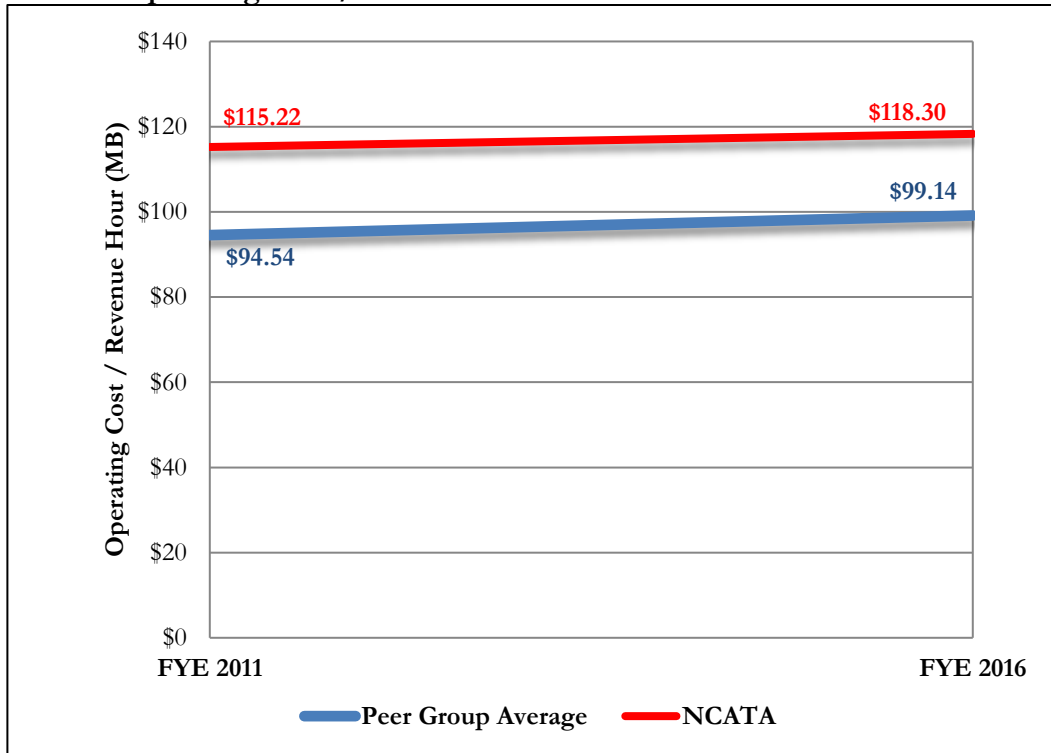
**Trend – Passengers / Revenue Vehicle Hour**



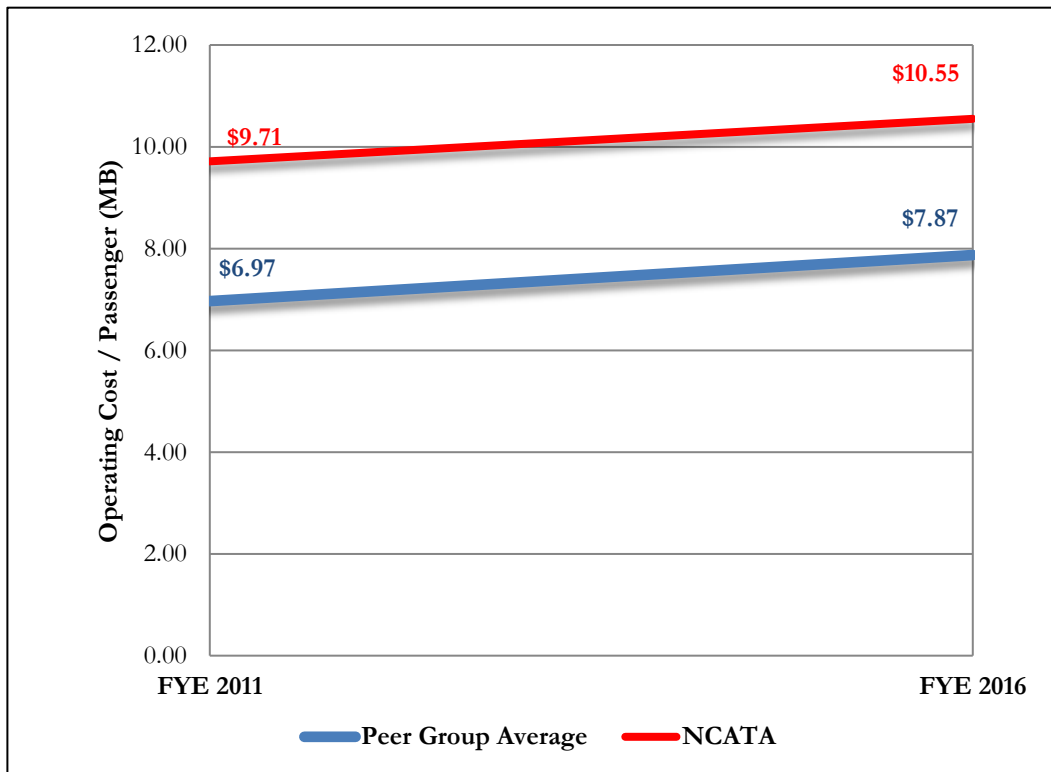
**Trend – Operating Revenue / Revenue Vehicle Hour**



**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 10	NCATA Action	Estimated Initiation Date	Estimated Completion Date
1. Conduct routine customer satisfaction surveys to identify trends in customer preferences.			
2. Work with PAAC and Three Rivers Casino to engage in broader survey efforts that target commuter passengers.			
3. Develop a targeted marketing strategy to guide outreach that includes: <ul style="list-style-type: none"> <li>a. Goals for increasing ridership.</li> <li>b. Strategic objectives.</li> <li>c. Activities to support each objective; and,</li> <li>d. A schedule for determining when activities will be conducted.</li> </ul>			
4. Prioritize marketing objectives by deciding which activities to pursue based on available funding, rider market and effectiveness/likelihood of success.			
5. Develop a system map that incorporates all fixed-routes, in addition to commuter service into Pittsburgh and transfers with PAAC.			
6. Create a transit development plan (TDP) that includes: <ul style="list-style-type: none"> <li>a. An affirmation of the agency’s vision, mission and goals;</li> <li>b. An assessment of how well transit serves the community and where service adjustments are warranted;</li> <li>c. A program of potential improvements that would help the agency better serve its community;</li> </ul>			



<ul style="list-style-type: none"> <li>d. A financial plan that guarantees long-term financial stability;</li> <li>e. Performance metrics tied to the agency’s goals;</li> <li>f. A monitoring program to track and report on progress; and,</li> <li>g. Contingency plans to address unanticipated changes in ridership, revenue and costs.</li> </ul>			
<p>7. Plan to attend all available FRITS training events to learn how technology can be incorporated into the fixed-route system.</p>			
<p>8. Inventory current bus stop sign locations and install, repair, and update the signs at every bus stop to ensure that stops are clearly designated.</p>			

**PART 2 - ACTIONS TO INCREASE OPERATING REVENUE / REVENUE HOUR**

<b>Recommendation From narrative starting on page 12</b>	<b>NCATA Action</b>	<b>Estimated Initiation Date</b>	<b>Estimated Completion Date</b>
<p>1. Update fixed-route rate adjustment policy to include a farebox recovery goal by service mode (i.e., fixed-route bus and commuter bus).</p>			
<p>2. Annually assess fixed-route bus and commuter bus farebox recovery.</p>			

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

<b>Recommendation From narrative starting on page 13</b>	<b>NCATA Action</b>	<b>Estimated Initiation Date</b>	<b>Estimated Completion Date</b>
<p>1. Continue to identify and implement cost controls measures that keep NCATA within a cost containment rate of escalation that is in line with NCATA’s Act 44 performance target for controlling operating cost.</p>			

**PART 4 - OTHER ACTIONS TO IMPROVE OVERALL PERFORMANCE**

<b>Recommendation</b> <b>From narrative starting on page 13</b>	<b>NCATA Action</b>	<b>Estimated Initiation Date</b>	<b>Estimated Completion Date</b>
1. Develop a succession plan that distinguishes and assigns the key management functions.			
2. Develop transition steps for interim positions following permanent unplanned absences.			
3. Develop a formal performance review process for the General Manager that is tied to agency goals and strategic objectives.			
4. Develop a formal Board education program that clearly defines Board member roles and responsibilities.			
5. Incorporate PennTRAIN Board Training 101 modules as part of monthly Board meetings for ongoing refresher training.			

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