



AMTRAN System Performance Review

August 22, 2018

Performance Report

Altoona Metropolitan Transit d.b.a., AMTRAN

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PUBLIC TRANSPORTATION SERVICE SNAPSHOT

Agency	Altoona Metro Transit (d.b.a., AMTRAN)		
Year Founded	1958		
Reporting Fiscal Year End (FYE)	2017		
Service Area (Square Miles)	25		
Service Area Population	69,608		
Annual Operating Statistics*	Fixed-Route	Paratransit (ADA)	Total
Vehicles in Maximum Service (VOMS)	21	13	34
Operating Cost	\$4,425,704	\$227,868	\$4,653,572
Operating Revenue	\$766,033	\$38,683	\$804,716
Total (Actual) Vehicle Miles	511,645	63,218	574,863
Revenue Miles of Service (RVM)	495,313	N/A	N/A
Total Vehicle Hours	44,153	4,904	49,057
Revenue Vehicle Hours (RVH)	39,445	N/A	N/A
Total Passenger Trips	557,710	12,466	570,176
Senior Passenger (Lottery) Trips	69,831	0	69,831
Act 44 Performance Statistics			
Passengers / RVH	14.14	N/A	N/A
Operating Cost / RVH	\$112.20	N/A	N/A
Operating Revenue / RVH	\$19.42	N/A	N/A
Operating Cost / Passenger	\$7.94	\$18.28	\$8.16
Other Performance Statistics			
Operating Revenue / Operating Cost	17.31%	16.98%	17.29%
Operating Cost / Total Vehicle Hours	\$100.24	\$46.47	\$94.86
Operating Cost / Total Vehicle Miles	\$8.65	\$3.60	\$8.10
Total Passengers / Total Vehicle Hours	12.63	2.54	11.62
Operating Cost / RVM	\$8.94	N/A	N/A
RVM / Total Vehicle Miles	96.81%	N/A	N/A
RVH / Total Vehicle Hours	89.34%	N/A	N/A
Operating Subsidy / Passenger Trip	\$6.56	\$15.18	\$6.75

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

EXECUTIVE SUMMARY

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

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

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

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

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

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

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

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

PennDOT conducted the initial review of Altoona Metro Transit (d.b.a. AMTRAN) in April 2012. Based on that review, PennDOT established five-year performance targets and agreed to AMTRAN’s action plan to meet those targets. In September 2017, PennDOT conducted the five-year reassessment of AMTRAN to determine if AMTRAN 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 2012 PERFORMANCE REVIEW

PennDOT conducted the initial review of Altoona Metro Transit (d.b.a. AMTRAN) in April 2012. Since the previous report was finalized, AMTRAN's Act 44 targets were re-adjusted in 2014 to reflect the unexpected loss in passengers of AMTRAN's tripper service and declining enrollment at Penn State Altoona. These changes should be considered when comparing the previous performance report and five-year performance trends presented in this report:

1. **Sharp decline in Tripper passengers** – In FY 13-14, a state regulation requiring that all students be seated forced AMTRAN to reduce ridership of school tripper service by the number of available seats. This reduced ridership by 60% on those routes. The sharp reduction in student riders resulted in a re-adjustment of AMTRAN's Act 44 targets.
2. **Renegotiated contract with Penn State Altoona** – In FY 13-14, Penn State Altoona renegotiated its contract with AMTRAN due to university wide budget cuts. The new contract resulted in a service reduction and the loss of \$150,000 in annual revenue. The loss in revenue contributed to the re-adjustment to AMTRAN's Act 44 targets.

2012 PERFORMANCE REVIEW DETERMINATIONS AND FINDINGS

The 2012 performance review assessed AMTRAN with a group of peer agencies based on the four performance criteria required by Act 44. AMTRAN was found to be "In Compliance" for 7 performance criteria and "At Risk" for one.

Performance Criteria	FYE*	Determination	Peer Rank (of 11)	Relation to Peer Average	Value	Peer Average
Passengers / Revenue Vehicle Hour	2010	In Compliance	5	Better	17.66	16.89
	Trend	In Compliance	3	Better	1.29%	-1.01%
Operating Cost / Revenue Vehicle Hour	2010	At Risk	10	Worse	\$90.95	\$78.51
	Trend	In Compliance	3	Better	0.84%	2.80%
Operating Revenue / Revenue Vehicle Hour	2010	In Compliance	2	Better	\$17.00	\$13.34
	Trend	In Compliance	8	Worse	1.28%	3.80%
Operating Cost / Passenger	2010	In Compliance	7	Worse	\$5.15	\$4.94
	Trend	In Compliance	2	Better	-0.44%	3.90%

*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.

The 2012 performance review reported that AMTRAN's operating revenue per passenger ranked 2nd in its peer group and ridership gains grew at a faster rate than its peers. Management efforts to contain costs reduced the overall rate of increase, but AMTRAN remained at risk for operating costs in the single year determination. The following performance targets were established with AMTRAN:

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

AMTRAN developed an action plan to address opportunities for improvement identified in the 2012 performance review. Among the major steps AMTRAN took to improve its performance were:

1. **Increased fixed-route revenue** – AMTRAN Secured an 8% increase in payment from Penn State Altoona for the 2017-2018 academic year. This is the largest increase in fixed-route revenue from Penn State Altoona since the contract negotiations that reduced annual revenue by \$150,000.
2. **Reduced maintenance expenses from aging fleet** – AMTRAN advanced the vehicle overhaul program (VOH) of three 2005 Gillig Phantoms and purchased 6 new Gillig compressed natural gas (CNG) buses. This fleet upgrade should result in higher performance and reduce long-term maintenance related expenses.

AMTRAN reported progress to PennDOT on the implementation of the 2012 Action Plan. However, AMTRAN's performance targets revised in December of 2016 to account for the loss in ridership and revenue. Management worked alongside PennDOT to develop revised performance targets that were more closely aligned to anticipated revenue and ridership. The revised 2016 targets presented in the table below, show that AMTRAN successfully met three out of the four 2012 performance targets:

Performance Criteria	Original 2016 Target	Revised 2016 Target	2016 Actual	Met Target
Passengers / Revenue Vehicle Hour	19.74	14.66	14.92	Yes
Operating Cost / Revenue Vehicle Hour	\$105.24	\$115.41	\$109.23	Yes
Operating Revenue / Revenue Vehicle Hour	\$20.04	\$20.32	\$19.64	No
Operating Cost / Passenger	\$5.36	\$7.87	\$7.32	Yes

Management coordinated with PennDOT, reporting on progress related to the 2012 Action Plan, and revised targets in 2016 to account for external forces that impacted ridership and revenue. AMTRAN was unable to meet its target for operating revenue per revenue vehicle hour. Although fixed-route revenue is relatively stable, AMTRAN is subject to swings in university enrollment, student-based farebox revenue and lease revenues from the Trolleyworks property. Based on actions taken by management in the 2012 Action Plan, AMTRAN demonstrated a good faith effort to achieve its revised performance targets.

2017 PERFORMANCE REVIEW DETERMINATIONS AND FINDINGS

The 2017 performance review assessed AMTRAN with a group of peer agencies based on the four performance criteria outlined by law. AMTRAN was found to be “In Compliance” for four performance criteria and “At Risk” for four.

Performance Criteria	FYE*	Determination	Peer Rank (of 10)	Relation to Peer Average	Value	Peer Average
Passengers / Revenue Vehicle Hour	2015	In Compliance	6	Worse	14.37	15.35
	Trend	At Risk	13	Worse	-4.03%	1.33%
Operating Cost / Revenue Vehicle Hour	2015	At Risk	13	Worse	\$113.15	\$81.19
	Trend	In Compliance	10	Worse	4.46%	2.65%
Operating Revenue / Revenue Vehicle Hour	2015	In Compliance	2	Better	\$19.92	\$13.04
	Trend	In Compliance	6	Better	3.22%	2.28%
Operating Cost / Passenger	2015	At Risk	12	Worse	\$7.87	\$5.50
	Trend	At Risk	13	Worse	8.86%	1.38%

*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 2016 data.

The 2017 performance review examined additional steps, beyond those specified in the 2012 action plan, that AMTRAN has taken to improve performance. The most notable action is that AMTRAN has diversified revenue streams through the development of the Trolleyworks Business Parks.

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

1. Continue to monitor operating costs and identify opportunities to reduce expenses.
2. Develop a strategic plan that builds upon existing strategic planning efforts to outline short and long-term agency goals with interim strategies and related performance measures.
3. Conduct a benefit/cost analysis to evaluate potential route guarantee arrangements for fixed-route service.

Additional opportunities for improvement were also identified during the 2017 performance review. The complete list of opportunities for improvement will serve as the basis for AMTRAN’s Board-approved action plan.

2023 PERFORMANCE TARGETS

As required by Act 44, PennDOT and AMTRAN management have agreed to performance targets for FYE 2023 identified in the table below. AMTRAN should work to achieve these targets over the next five years to ensure continued eligibility for full Section 1513 funding. Performance targets are designed to be aggressive, yet achievable.

Performance Criteria	Fiscal Year End (FYE)			Target Annual Increase
	2017 Actual	2018 Unaudited*	2023 Target	
Passengers / Revenue Vehicle Hour	14.14	15.58	16.38	1.0%
Operating Cost / Revenue Vehicle Hour	\$112.20	\$141.68	\$164.25	3.0%
Operating Revenue / Revenue Vehicle Hour	\$19.42	\$21.07	\$22.15	1.0%
Operating Cost / Passenger	\$7.94	\$9.09	\$10.04	2.0%

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

FINANCIAL REVIEW

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

- AMTRAN has \$2,916,616 in carryover Section 1513 funds available in case of unexpected cost increases or service changes
- AMTRAN maintained a local fund carryover balance of \$595,227 as of FYE 2016
- AMTRAN maintains a combination of cash, investments and restricted cash equivalent to 86.2% of total operating expenses as of FYE 2016
- Accounts payable and receivable amounts are negligible
- AMTRAN does not maintain a line of credit

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

NEXT STEPS

AMTRAN 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. AMTRAN'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.

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AGENCY DESCRIPTION

The Transportation and Motor Buses for Public Use Authority (d.b.a., AMTRAN and Altoona Metro Transit) was created by the City of Altoona and Logan Township in July 1958 under the Municipal Authorities Act of 1945. The agency was created in response to the filing of the Altoona & Logan Valley Electric Railway (ALVER) to cease service in December 1957. To protect public interest, the City of Altoona and Logan Township voted to create the Altoona & Logan Valley Bus Authority, the first public transportation authority in Pennsylvania. The Bus Authority was rebranded as Altoona Metro Transit (AMTRAN) in 1977.

AMTRAN is governed by a seven-member Board of Directors. The Board is appointed by the City of Altoona and Logan Township.

As of October 2017, AMTRAN provides approximately 568,000 fixed-route passenger trips annually, with a fleet of 21 fixed-route buses and 13 ADA vans. AMTRAN maintains 15 fixed-routes, nine school tripper routes, and three Penn State Altoona routes. AMTRAN does not conduct service on Sundays. Weekday ADA paratransit service is subcontracted to Blair Senior Services. AMTRAN directly provides Saturday ADA service. AMTRAN's main facility and bus depot is located within a historic property dating back to the original ALVER trolley garage. A portion of this property has been developed and leased as the Trolleyworks Business Park which provides AMTRAN with rental income. In 2017, AMTRAN renovated its 30-year old downtown transfer center with a grant from PennDOT replacing the standing seam metal roof along with other upgrades.

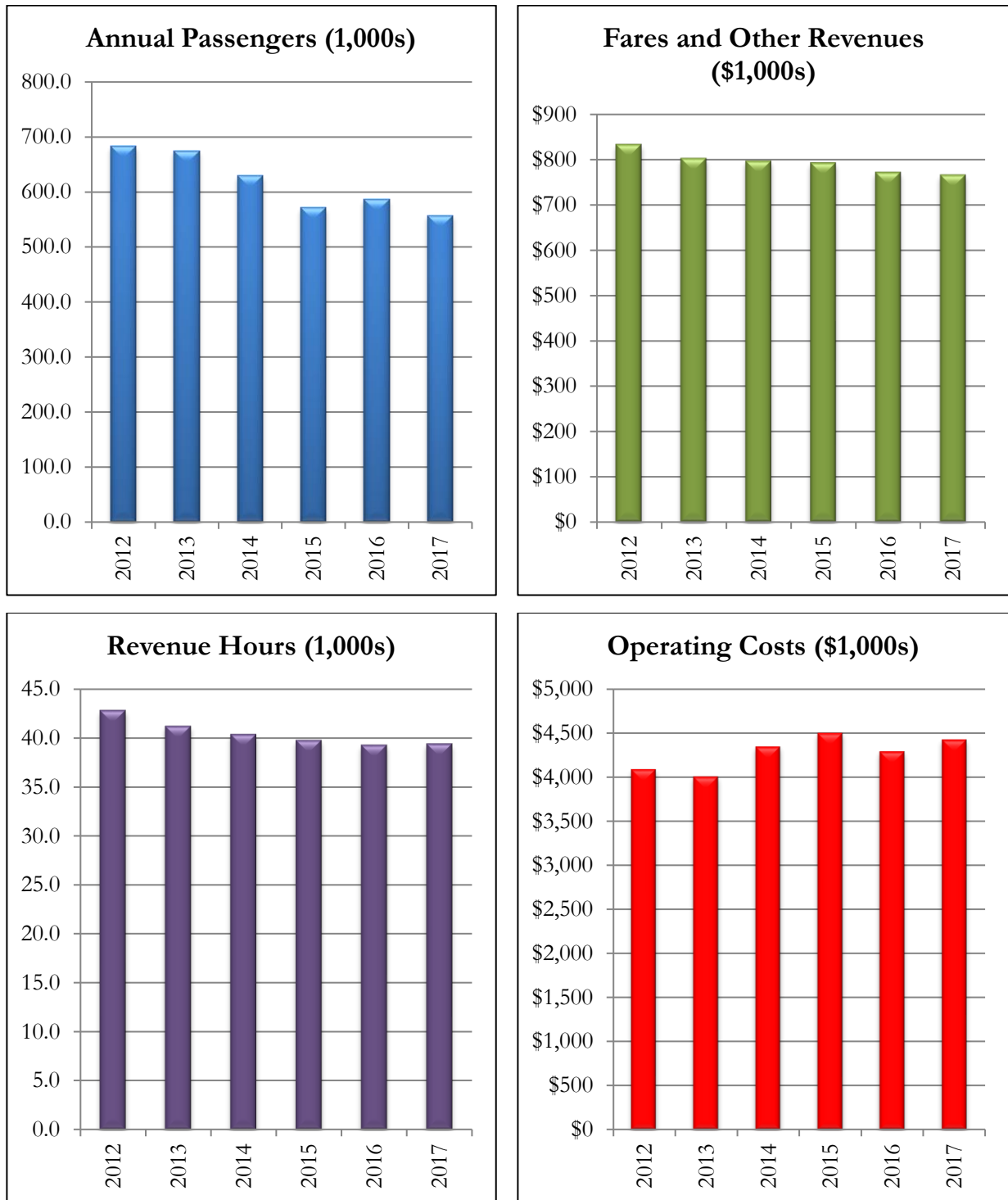
AMTRAN experienced two events in 2014 outside of the agency's control that significantly impacted its ridership and revenue based Act 44 metrics. These events jeopardized the agency's ability to meet its previously established targets.

School tripper service for the Altoona Area School District historically provided a large share of AMTRAN's fixed-route passengers. In 2014, it was revealed to AMTRAN that state regulations prohibit standees on any buses carrying students to and from school. As a result of complying with the state regulation, AMTRAN's ridership for the tripper service decreased by 60%.

AMTRAN has a longstanding partnership with Penn State Altoona for fixed-route transportation between student housing facilities and the university campus in downtown Altoona. Historically, Penn State Altoona provided AMTRAN with a reliable source of fixed-route income; however, in 2014 the service contract was renegotiated to reflect declining university enrollment and fixed-route revenue decreased by approximately \$150,000 from previous years. Based on reduced ridership from tripper service and reduced revenue from Penn State Altoona, AMTRAN worked with PennDOT to re-adjust its Act 44 targets in December 2016.

Exhibit 1 presents AMTRAN's fixed-route system operating statistics derived from PennDOT dotGrants, as adjusted after the data review was complete. Data adjustments were necessary to account for insurance dividends in FYE 2013 and FYE 2014. For a complete discussion of the adjustments to dotGrants reported data, see **Appendix A: Data Adjustments**.

Exhibit 1: AMTRAN Fixed-Route Service Annual Performance Trends



Source: NTD and PennDOT Legacy Reporting System (dotGrants)

PERFORMANCE REVIEW PROCESS

In September 2017, PennDOT initiated an Act 44-mandated performance review for AMTRAN. 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: AMTRAN and PennDOT agree to a set of peer agencies that would be used for comparative analysis.
2. Conduct PennDOT-sponsored customer satisfaction survey (CSS).
3. Review of Act 44 variables including current performance, targets from the previous 2012 review, and action plan implementation.
4. Perform Act 44 performance criteria analysis.
5. Conduct on site review, interviews and supplementary data collection/reconciliation.
6. Evaluate performance, financial management and operations.
7. Report results and determine agency compliance with performance requirements.
8. Finalize performance review report.
9. Develop, implement and monitor five-year action plan.

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

CUSTOMER SATISFACTION SURVEY

In 2017, PennDOT sponsored a fixed-route rider survey to be conducted for AMTRAN based on 15 questions that addressed customer satisfaction, rider characteristics and patterns in service usage. Over a period from February 1, 2017 to February 17, 2017 AMTRAN surveyed their fixed-route passengers and collected 435 completed surveys:

1. 98% of respondents were satisfied or very satisfied with the service.
2. 95% of respondents indicated they would continue using the service.
3. 96% of respondents said they would recommend the service to others.

Passengers were asked to rate a total of 19 performance measures related to public transportation from the user experience (e.g., driver and staff performance, capacity, frequency of service, schedule adherence, clarity of bus schedules, etc.). **Exhibit 2** provides a summary of the average customer satisfaction score by performance measure.

AMTRAN received the highest ratings in driver courtesy and friendliness, safe and competent drivers, and helpfulness of employees. AMTRAN received the lowest ratings for frequency of weekend service, comfort at bus stops, and comfortable bus seats.

Exhibit 2: Average Customer Satisfaction Score by Performance Measure



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

1. Frequency of weekend service.
2. Comfort at bus stops.
3. Comfortable bus seats.
4. On time arrival and departures.
5. Cleanliness inside the bus.

2012 ACT 44 PERFORMANCE ASSESSMENT

PRIOR REVIEW DETERMINATIONS AND FINDINGS

The 2012 performance review assessed AMTRAN against a group of peer agencies based on the four performance criteria required by Act 44. AMTRAN was found to be “In Compliance” for seven performance criteria and “At Risk” for one.

Exhibit 3: Previous Performance Review Act 44 Comparison Summary

Performance Criteria	FYE*	Determination	Peer Rank	Relation to Peer Average	Value	Peer Average
Passengers / Revenue Vehicle Hour	2010	In Compliance	5	Better	17.66	16.89
	Trend	In Compliance	3	Better	1.29%	-1.01%
Operating Cost / Revenue Vehicle Hour	2010	At Risk	10	Worse	\$90.95	\$78.51
	Trend	In Compliance	3	Better	0.84%	2.80%
Operating Revenue / Revenue Vehicle Hour	2010	In Compliance	2	Better	\$17.00	\$13.34
	Trend	In Compliance	8	Worse	1.28%	3.80%
Operating Cost / Passenger	2010	In Compliance	7	Worse	\$5.15	\$4.94
	Trend	In Compliance	2	Better	-0.44%	3.90%

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

ACTION PLAN AND PERFORMANCE TARGETS

The 2012 performance review reported that AMTRAN’s operating revenue per passenger ranked 2nd in its peer group and ridership gains grew at a faster rate than its peers. Management efforts to contain costs reduced the overall rate of increase, but AMTRAN remained at risk for operating costs in the single year determination. The following performance targets were established with AMTRAN:

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

AMTRAN developed an action plan to address opportunities for improvement identified in the 2012 performance review. Among the major steps AMTRAN took to improve its performance were:

1. **Increased fixed-route revenue** – AMTRAN Secured an 8% increase in payment from Penn State Altoona for the 2017-2018 academic year. This is the largest increase in fixed-route revenue from Penn State Altoona since the contract negotiations that reduced annual revenue by \$150,000.
2. **Reduced maintenance expenses from aging fleet** – AMTRAN advanced the vehicle overhaul program (VOH) of three 2005 Gillig Phantoms and purchased 6 new Gillig compressed natural gas (CNG) buses. This fleet upgrade should result in higher performance and reduce long-term maintenance related expenses.

The complete list of AMTRAN's previous Action Plan items and AMTRAN's progress in addressing previously identified opportunities for improvement is provided in **Appendix B: 2012 Performance Review Action Plan Assessment**. As shown in **Exhibit 4**, AMTRAN successfully met three out of four performance targets that were established during the 2012 performance review.

Exhibit 4: Previous Performance Targets

Performance Criteria	Original 2016 Target	Revised 2016 Target	2016 Actual	Met Target
Passengers / Revenue Vehicle Hour	19.74	14.66	14.92	Yes
Operating Cost / Revenue Vehicle Hour	\$105.24	\$115.41	\$109.23	Yes
Operating Revenue / Revenue Vehicle Hour	\$20.04	\$20.32	\$19.64	No
Operating Cost / Passenger	\$5.36	\$7.87	\$7.32	Yes

AMTRAN reported progress to PennDOT on the implementation of the 2012 Action Plan. However, two major events occurred that impacted AMTRAN's ability to meet its original 2016 targets:

1. In FY 2013-14, AMTRAN experienced a 60% decrease in ridership on tripper service for the Altoona Area School District. This was due to an enforcement in state regulations that prohibited public transportation agencies from carry standing bus students.
2. In FY 2013-14, AMTRAN experienced an approximate \$150,000 loss in revenue from a renegotiated contract with Penn State Altoona for exclusive fixed-route service. Due to declining enrollment and budget cuts, Penn State Altoona renegotiated the longstanding contract to be non-exclusive for a rate approximately \$150,000 less than previous years.

Based on these two major events, AMTRAN's performance targets revised in December of 2016 to account for reduced ridership and revenue. AMTRAN worked alongside PennDOT to develop revised performance targets that were more closely aligned to anticipated ridership and revenue.

ASSESSMENT

Management coordinated with PennDOT, reporting on progress related to the 2012 Action Plan, and revised targets in 2016 to account for external forces that impacted ridership and revenue. AMTRAN was unable to meet its target for operating revenue per revenue vehicle hour. Although fixed-route revenue is relatively stable, AMTRAN is subject to swings in university enrollment, student-based farebox revenue and lease revenues from the Trolleyworks property. Based on actions taken by management in the 2012 Action Plan, AMTRAN demonstrated a good faith effort to achieve its revised performance targets.

2017 ACT 44 PERFORMANCE ASSESSMENT

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

1. County of Lebanon Transit Authority (LT), Lebanon, PA
2. Indiana County Transit Authority (IndiGO), Indiana
3. Shoreline Metro, Sheboygan, WI
4. City of Dubuque (The Jule), Dubuque, IA
5. The Lawton Area Transit System (LATS), Lawton, OK
6. Billings Metropolitan Transit (Billings MET Transit). Billings, MT
7. Mid-Ohio Valley Transit Authority (Easy Rider), Parkersburg, WV
8. GO Transit, Oshkosh, WI
9. Kings County Area Public Transit Agency (KART), Hanford, CA
10. Wausau Area Transit System (WATS), Wausau, WI
11. Battle Creek Transit (BCT), Battle Creek, MI
12. Jackson Transit Authority (JTA), Jackson, TN

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

Exhibit 5: Current Performance Review Act 44 Peer Comparison Summary

Performance Criteria	FYE	Determination	Peer Rank (of 13)	Relation to Peer Average	Value	Peer Average
Passengers / Revenue Vehicle Hour	2015	In Compliance	6	Worse	14.37	15.35
	Trend	At Risk	13	Worse	-4.03%	1.33%
Operating Cost / Revenue Vehicle Hour	2015	At Risk	13	Worse	\$113.15	\$81.19
	Trend	In Compliance	10	Worse	4.46%	2.65%
Operating Revenue / Revenue Vehicle Hour	2015	In Compliance	2	Better	\$19.92	\$13.04
	Trend	In Compliance	6	Better	3.22%	2.28%
Operating Cost / Passenger	2015	At Risk	12	Worse	\$7.87	\$5.50
	Trend	At Risk	13	Worse	8.86%	1.38%

ASSESSMENT

AMTRAN had four “At Risk” findings. Given the changes in previously steady ridership from tripper service and revenue from longstanding service to Penn State Altoona, rates of trend changes should be viewed critically. Management’s efforts in coming years should continue to focus on containing costs, increasing ridership, and improving farebox recovery.

2023 PERFORMANCE TARGETS

Act 44 requires that PennDOT and transit agencies establish five-year performance targets for each of the four Act 44 metrics for fixed-route service. Setting performance targets for these metrics and regularly reevaluating performance are intended to improve both the effectiveness and efficiency of service delivery. PennDOT uses the most recent audited and agency-verified values for passengers, operating costs and operating revenues as the baseline from which to develop the targets. Five-year targets are then developed based on realistic and achievable expectations of improvement.

The 2017 performance review noted that while AMTRAN outperformed its peers on operating revenue per vehicle hour, AMTRAN should continue to work on improving its current targets that are at risk (i.e., passengers per revenue vehicle hour, operating cost per revenue vehicle hour, and operating cost per passenger).

The following performance targets were established in consultation with AMTRAN:

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

As required by Act 44, PennDOT and AMTRAN 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 fiscal year end data (i.e., FYE 2018). Although unaudited at the time of this report, AMTRAN has confidence in these values and requested that targets be based on the most current data available. AMTRAN should work to achieve these targets, shown in **Exhibit 6**, over the next five years to ensure continued eligibility for full Section 1513 funding.

Exhibit 6: FYE 2023 Act 44 Performance Targets

Performance Criteria	Fiscal Year End (FYE)			Target Annual Increase
	2017 Actual	2018 Unaudited*	2023 Target	
Passengers / Revenue Vehicle Hour	14.14	15.58	16.38	1.0%
Operating Cost / Revenue Vehicle Hour	\$112.20	\$141.68	\$164.25	3.0%
Operating Revenue / Revenue Vehicle Hour	\$19.42	\$21.07	\$22.15	1.0%
Operating Cost / Passenger	\$7.94	\$9.09	\$10.04	2.0%

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

These performance targets represent the minimum performance level that AMTRAN should achieve for each Act 44 criterion during the next performance review cycle. Standards were extrapolated to FYE 2023 and are designed to be aggressive, yet achievable. PennDOT and AMTRAN have agreed to these performance targets.

FUNCTIONAL REVIEW

Functional reviews are used to determine the reasons behind performance results found in the Act 44 comparisons, to catalog AMTRAN 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 AMTRAN Practices or Elements to Address in the Action Plan. AMTRAN 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 AMTRAN, Action Plan templates have been included in the **Appendix D: Action Plan Template** (see pg. 36). 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. AMTRAN uses social media as an effective communication tool. Passengers can easily post their concerns or comments via social media and receive an immediate response. This provides AMTRAN an opportunity to receive feedback on how to improve the customer experience.
2. AMTRAN uses a third party, at a small fee, to manage their social media presence. This practice ensures frequent posts and a consistent online presence without having to dedicate staff time to social media activities.

ELEMENTS TO ADDRESS IN PART 1 OF THE ACTION PLAN (P. 36)

1. AMTRAN determined that smart cards are a valuable tool with the potential to gather consumer data related to passenger trends. AMTRAN can use smart cards in addition to its AVL system to analyze ridership, inform marketing decisions and determine the return on investment for marketing activities by:
 - a. Tracking passenger data (e.g., total riders, fare category subgroups, etc.) by time (i.e., peak and off-peak) and location to link route segment performance to actual use.
 - b. Linking passenger fare information to specific populations to target marketing efforts.

AMTRAN should **continue to promote greater use of smart cards** among passengers and **utilize passenger trend data to inform decision-making related to marketing and promotional events.**

OPPORTUNITIES TO INCREASE FIXED-ROUTE REVENUES

BEST PRACTICE

1. AMTRAN has been proactive in creating additional revenue streams by developing the Trolleyworks Business Park. This effort has afforded AMTRAN with the potential for a reliable source of residual income from leasable space.

ELEMENTS TO ADDRESS IN PART 2 OF THE ACTION PLAN (P. 36)

1. AMTRAN is considering providing fixed-route service to a privately owned regional attraction in Blair County. AMTRAN should **develop a process to evaluate private partnerships for fixed-route service.** Additionally, management should consider **pursuing a route guarantee as a built-in cost recovery mechanism.**
2. AMTRAN has proposed renovating and updating transfer stations and the replacement and relocation of passenger shelters. AMTRAN should **conduct bus shelter renovations and replacements that generate more rentable ad space** to increase revenue.

OPPORTUNITIES TO CONTROL OPERATING COSTS

BEST PRACTICE

1. AMTRAN leases out commercial space at its Trolley Works Business Park, which also houses the agency Board room. AMTRAN tracks and directly allocates utility costs between the agency and its tenants. This produces potential cost savings by accurately allocating utility costs to ensure that the agency is not covering a disproportionate share of expenses.

ELEMENTS TO ADDRESS IN PART 3 OF THE ACTION PLAN (P. 36)

1. AMTRAN has a scheduled overtime target but no unscheduled overtime target. Targets for scheduled and unscheduled overtime are helpful parameters when deciding whether it is more cost effective to promote overtime or hire a new driver/mechanic. AMTRAN should **develop an unscheduled overtime target** as a benchmark to monitor labor costs and determine optimal staffing levels.
2. AMTRAN inherited legacy costs related to labor agreements that have increased the cost of providing service. Management has implemented cost control measures over time. However, operating costs remain high. AMTRAN should **continue to monitor its operating costs and identify opportunities to reduce expenses.**

OTHER OPPORTUNITIES TO IMPROVE PERFORMANCE

BEST PRACTICES

1. AMTRAN actively monitors several key performance indicators (i.e., on-time performance, Act 44 metrics, vehicle pullouts, preventative maintenance on-time performance, road calls and APCs) to inform daily decision-making. These indicators are presented to the Board each quarter to assess agency performance.
2. Management has made positive efforts to promote a culture of organizational integrity through positive reinforcement mechanisms such as the ABC and WOW driver rewards. This has contributed to improved driver retention at AMTRAN.
3. AMTRAN uses a multi-pronged approach toward driver evaluations. Each driver is annually evaluated by three supervisors using in-person onboard assessments. High impact issues are addressed immediately. The combined evaluations are reviewed annually in a one-on-one meeting between the driver and the Director of Transportation. In addition, AMTRAN also considers driver on-time performance based on AVL data as part of their individual evaluation.

ELEMENTS TO ADDRESS IN PART 4 OF THE ACTION PLAN (P. 37)

1. AMTRAN actively sets annual strategic planning goals that tackle agency issues related to performance and service; however, these efforts are mainly driven by management with little input from the Board. A strategic plan that is developed by both management and the Board that considers short and long-term goals could build upon current strategic planning efforts. This would provide the agency with a framework to address longstanding issues like high operating costs and a declining service area population. Additionally, the Board could use this plan to advocate AMTRAN's role in the community. AMTRAN should **develop a strategic plan that outlines short and long-term agency goals** with interim strategies and related performance measures.
2. Management has a good working relationship with the Board, which provides the Executive Director and his team the autonomy to efficiently conduct agency business. While this relationship demonstrates the high performance of the management team, there is potential for Board disengagement over time. The tenure of current Board positions is set to expire between 2018 and 2022. Management should **develop a strategy for Board training** that emphasizes Board member engagement and considers the role advocacy on behalf of the agency.
3. AMTRAN has an informative website that provides customers with agency newsletters, routes and fares, trip planning and real-time bus information; however, there is minimal information related to the Board available. AMTRAN should **list the location, dates and agendas of Board meetings** to increase agency visibility within the community.

FINANCIAL REVIEW

This financial review focuses on high-level snapshot and trend indicators to determine if additional follow up by PennDOT is warranted through the review of audit reports, other financial reports, and budgets. The review assesses the financial status based on:

- High-Level Indicators of Financial Health
- Total Public Transportation Operational Expenditures and Funding
- Fixed-Route Funding
- Paratransit Funding
- Balance Sheet Findings

HIGH-LEVEL INDICATORS OF FINANCIAL HEALTH

As shown in **Exhibit 7**, AMTRAN is above the target for liquidity to address potential cost increases. This is due in part to available reserves, mostly attributable to state and local funds that have been above 77.4% of annual operating cost in recent years. Local matching funds are received from the City of Altoona, Borough of Hollidaysburg, Allegheny Township, Logan Township, Penn State Altoona and the Blair County Planning Commission. AMTRAN maintains about more than a year's equivalent of local funds in reserve. In FYE 2016, AMTRAN received 227.9% of the required local match to 1513 state operating subsidy. At FYE 2016, AMTRAN had \$595,227 in available carryover local funds and \$2,916,616 in carryover Section 1513 funding available.

Accounts payable and receivable amounts are negligible. AMTRAN does not maintain a line of credit, and there is no outstanding debt as of FYE 2016.

TOTAL PUBLIC TRANSPORTATION OPERATIONAL EXPENDITURES AND FUNDING

AMTRAN operating budget increased from a \$4.3 million per year operation in FYE 2012 to a \$4.5 million per year operation in FYE 2016, a 1.6% average annual increase (**Exhibit 8**). Approximately 94.6% of AMTRAN's operational expenses are for fixed-route service. The remaining operational expenses (5.4%) are for demand response (i.e., paratransit) service, as shown in **Exhibit 9**.

AMTRAN's operating funds comes from a variety of sources including state funds, federal funds, local funds and passenger fares. AMTRAN has used state, federal and local funds to finance both its fixed-route and paratransit operations (**Exhibit 10**). Combined, state and federal subsidies are the largest share of income for AMTRAN, accounting for 78.7% of total operating income. Passenger fares and other local funds are the remaining funding sources, representing approximately 21.3% of total operating income (**Exhibit 11**).

Exhibit 7: High-Level Financial Indicators

FYE 2016 Indicator	Value	Assessment Criteria / Rationale	Source
Total Carryover Subsidies / Annual Operating Cost	77.4%	Combined target 25%+. This provides liquidity to account for unexpected cost increases or service changes without the need to incur interest fees from loans.	FYE 2016 Audit
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 2016 Audit and PennDOT dotGrants
Actual Local Match / Required Match	227.9%	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 2016
Accounts Payable (AP) 90+ days	0.0%	Target should be 0% over 90 days. Larger values indicate cash flow concerns.	AMTRAN reported value
Accounts Receivable (AR) 90+ days	0.0%	Target should be 0% over 90 days. Larger values can cause cash flow problems.	AMTRAN reported value
Debt / Annual Operating Cost	0.0%	Target should be 0%. Low debt amounts reduce borrowing costs.	FYE 2016 Audit

Exhibit 8: Public Transportation Operating Expense by Service Type

Service Type (In Millions)	FYE 2012	FYE 2013	FYE 2014	FYE 2015	FYE 2016
Fixed Route	\$4.1	\$4.0	\$4.3	\$4.5	\$4.3
Paratransit	\$0.2	\$0.2	\$0.2	\$0.3	\$0.2
Total*	\$4.3	\$4.2	\$4.5	\$4.7	\$4.5

* May not add due to rounding.

Exhibit 9: Public Transportation Operating Expense Trends by Service Type

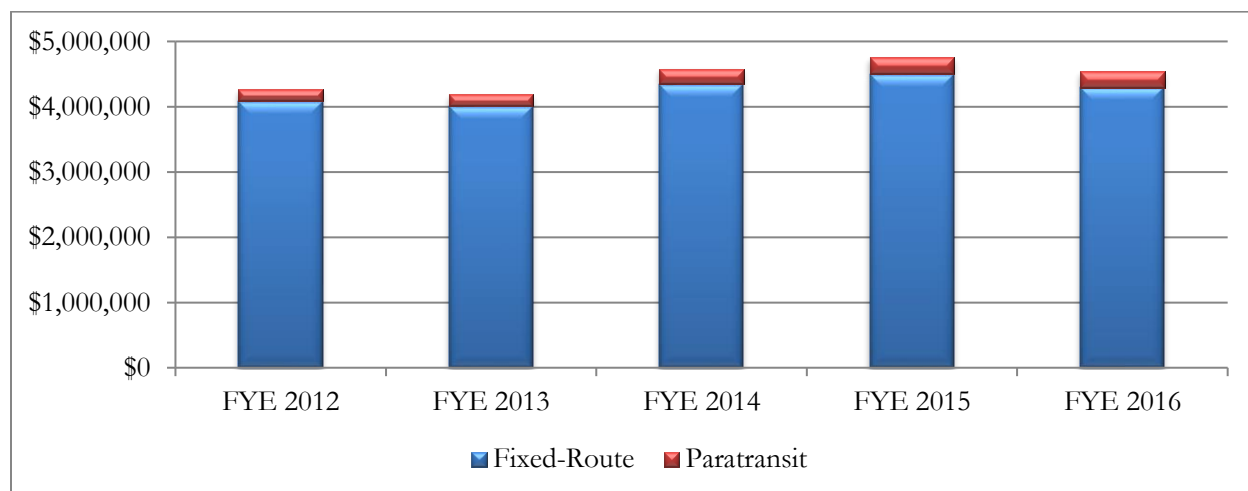
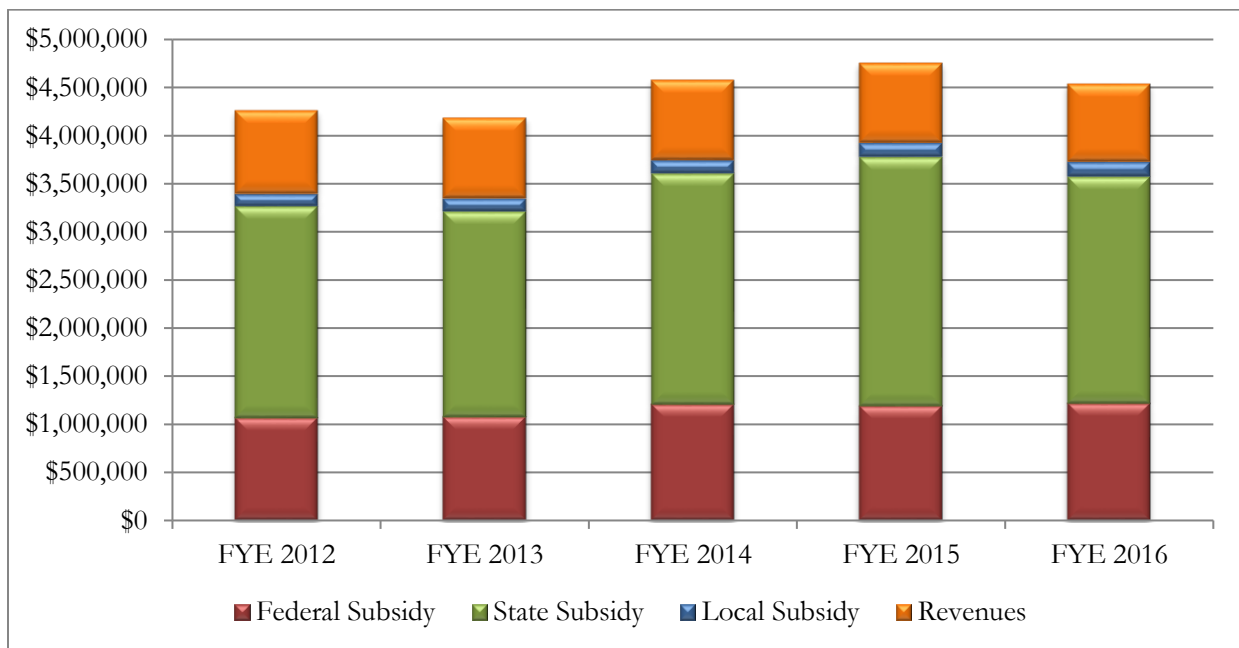


Exhibit 10: Percent of Total Public Transportation (Fixed-Route + Paratransit) Operating Budget by Funding Source

Funding Source	FYE 2012	FYE 2013	FYE 2014	FYE 2015	FYE 2016
Federal Subsidy	25.1%	25.8%	26.4%	25.0%	26.9%
State Subsidy	51.6%	51.0%	52.4%	54.4%	51.9%
Local Subsidy	2.9%	3.1%	3.0%	3.0%	3.4%
Revenues	20.4%	20.1%	18.2%	17.5%	17.9%
Local Subsidy / State Subsidy	5.7%	6.2%	5.7%	5.6%	6.5%

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



FIXED-ROUTE FUNDING

AMTRAN's fixed-route funding comes from general revenues and government subsidies. Direct passenger fares represent between 12.2% and 15.2% of total operating funding (**Exhibit 12**). Based on the FYE 2012 to FYE 2016 dotGrants reporting, AMTRAN operated using current year funding with \$2,916,616 in state funds being carried over at the end of 2016. AMTRAN had \$595,227 in carryover local funds available at the end of 2016.

Exhibit 12: Fixed-Route Funding

Funding Source	FYE 2012	FYE 2013	FYE 2014	FYE 2015	FYE 2016
Revenues					
Passenger Fares	\$500,748	\$516,472	\$538,900	\$568,094	\$651,737
Advertising	\$24,580	\$15,186	\$21,176	\$25,148	\$10,318
Charter	\$0	\$0	\$0	\$0	\$0
Route Guarantees	\$299,183	\$231,843	\$168,788	\$126,590	\$43,547
Other- (Interest)	\$380	\$0	\$0	\$235	\$23
Other- (Scrap metal/Insurance Div.)	\$2,370	\$94,446	\$143,987	\$1,173	\$3,740
Other- (Rent)	\$4,995	\$22,040	\$36,230	\$71,215	\$62,516
Other- (Reimb. Tenant Bldg. Maint)	\$691	\$16,247	\$30,787	\$0	\$0
Other- (Insurance Div. Adjustment)*	\$0	-\$93,689	-\$143,304	\$0	\$0
Subtotal	\$832,947	\$802,545	\$796,564	\$792,455	\$771,881
Subsidies					
Federal Operating Grant	\$994,203	\$1,004,200	\$1,123,001	\$1,049,738	\$1,153,098
Act 44 (1513) State Prior	\$1,650,452	\$1,751,601	\$1,998,753	\$2,152,959	\$2,179,281
Act 44 (1513) State Current	\$460,614	\$290,658	\$270,909	\$343,711	\$0
Municipal Prior	\$0	\$0	\$0	\$0	\$0
Municipal Current	\$112,800	\$118,471	\$123,297	\$123,218	\$139,633
Special- (Federal)	\$32,183	\$32,183	\$28,183	\$31,817	\$39,999
Special- (State)	\$0	\$0	\$45	\$0	\$0
Special- (Local)	\$8,046	\$8,046	\$7,046	\$7,954	\$10,001
Subtotal	\$3,258,298	\$3,205,159	\$3,551,234	\$3,709,397	\$3,522,012
Total Funding	\$4,091,245	\$4,007,704	\$4,347,798	\$4,501,852	\$4,293,893
Passenger Fares/ Total Funding	12.2%	12.9%	12.4%	12.6%	15.2%

Source: PennDOT dotGrants Reporting System.

* See the data adjustment exhibits in **Appendix A: Data Adjustments** on Page 20.

PARATRANSIT FUNDING

Paratransit funding is about 5.4% of AMTRAN's public transportation operation and consists solely of ADA service. Weekday ADA service is provided by Blair Senior Services while AMTRAN directly provides Saturday ADA service. Local, state and federal subsidies as well as passenger fares are used to finance paratransit operating costs (**Exhibit 13**). Although limited paratransit service is provided by AMTRAN, the paratransit program increased from \$171,584 in FYE 2012 to \$245,067 as of FYE 2016. AMTRAN's paratransit budget is significantly smaller than the fixed-route budget.

From FYE 2012 to FYE 2016, total paratransit passenger trips increased at an annual rate of 2.87% (**Exhibit 14**).

Exhibit 13: Paratransit Funding by Source

Category	FYE 2012	FYE 2013	FYE 2014	FYE 2015	FYE 2016
Revenues					
Passenger Fares	\$36,270	\$37,826	\$37,358	\$40,522	\$40,571
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
Other- (MATP Admin. Reimb.)	\$0	\$0	\$0	\$0	\$0
Other- (3 rd Party Sponsors)	\$0	\$0	\$0	\$0	\$0
Other- (United Way/Donations)	\$0	\$0	\$0	\$0	\$0
Other- (Agency Contracts)	\$0	\$0	\$0	\$0	\$0
Subtotal	\$36,270	\$37,826	\$37,358	\$40,522	\$40,571
Subsidies					
Federal Operating Grant	\$41,784	\$41,678	\$57,662	\$109,368	\$26,642
Act 44 (1513) State Prior	\$0	\$68,384	\$86,586	\$90,514	\$174,628
Act 44 (1513) State Current	\$88,800	\$26,007	\$41,307	\$0	\$0
Municipal Prior	\$0	\$0	\$0	\$0	\$0
Municipal Current	\$4,730	\$4,936	\$6,280	\$12,838	\$3,226
Subtotal	\$135,314	\$141,005	\$191,835	\$212,720	\$204,496
Total Funding	\$171,584	\$178,831	\$229,193	\$253,242	\$245,067

Source: PennDOT dotGrants Reporting System.

Exhibit 14: Paratransit Operating Statistics

Operating Category	FYE 2012	FYE 2013	FYE 2014	FYE 2015	FYE 2016
Paratransit Operating Statistics					
ADA Trips	12,100	12,619	12,467	13,509	13,549
Senior Trips	0	0	0	0	0
PwD Trips	0	0	0	0	0
Total Paratransit Trips	12,100	12,619	12,467	13,509	13,549
Total Miles	80,106	102,401	101,655	120,117	53,055
Total Hours	6,426	7,140	7,110	4,922	5,722
VOMS	13	14	13	13	13

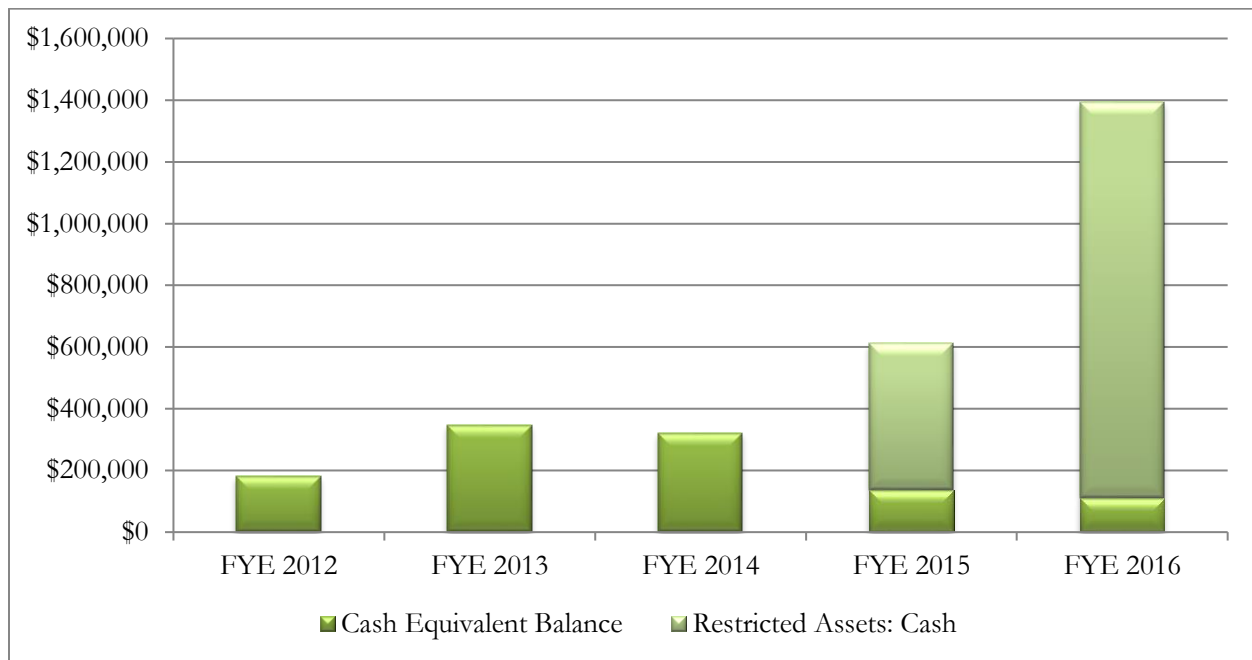
BALANCE SHEET FINDINGS

Review of balance sheets from AMTRAN shows that since FYE 2012, the agency increased available cash on hand (**Exhibit 15** and **Exhibit 16**). Net current cash equivalent balance reported as of FYE 2016 was about \$110,141. Restricted cash was about \$1,284,165 as of FYE 2016. AMTRAN maintains a combination of cash, investments and restricted cash equivalent to 86.2% of total operating expenses as of FYE 2016. The margin between current assets and liabilities is similar to other transit agencies in the Commonwealth. Accounts payable have decreased from a high of \$78,398 in FYE 2013 to \$6,299 as of FYE 2016. AMTRAN does not maintain a line of credit as of FYE 2016.

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

Balance Sheet Report	FYE 2012	FYE 2013	FYE 2014	FYE 2015	FYE 2016
Current Assets					
Cash Equivalent Balance	\$181,337	\$346,926	\$321,696	\$135,425	\$110,141
Investments	\$3,372,199	\$2,824,698	\$3,096,905	\$2,630,828	\$2,520,445
Grant Receivable (incl. capital)	\$39,146	\$155,242	\$31,157	\$62,357	\$236,529
Other Accounts Receivable	\$25,056	\$13,132	\$32,720	\$125,787	\$26,720
Restricted Assets: Cash	\$0	\$0	\$0	\$476,704	\$1,284,165
Inventory Value	\$329,828	\$295,616	\$278,968	\$281,748	\$235,732
Pre-paid Expenses	\$29,653	\$33,597	\$43,800	\$188,650	\$159,420
Current Liabilities					
Accounts Payable	\$9,608	\$78,398	\$14,002	\$53,542	\$6,299
Accrued Expenses	\$331,772	\$360,016	\$388,843	\$422,363	\$426,259
Deferred Revenue	\$3,326,301	\$2,919,992	\$3,090,318	\$2,107,532	\$3,804,610
Line of Credit	\$0	\$0	\$0	\$0	\$0
Total Operating Expense					
(Cash Eqv. Bal, Invest. & Restricted Cash)/Total Operating Exp.	83.4%	75.8%	74.7%	68.2%	86.2%
Line of Credit/Annual Payroll	0.0%	0.0%	0.0%	0.0%	0.0%
Current Assets	\$3,977,219	\$3,669,211	\$3,805,246	\$3,901,499	\$4,573,152
Current Liabilities	\$3,667,681	\$3,358,406	\$3,493,163	\$2,583,437	\$4,237,168
Net Current Assets	\$309,538	\$310,805	\$312,083	\$1,318,062	\$335,984

Source: Annual Audit Reports and dotGrants

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

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

- AMTRAN has \$2,916,616 in carryover Section 1513 funds available in case of unexpected cost increases or service changes
- AMTRAN maintained a local fund carryover balance of \$595,227 as of FYE 2016
- AMTRAN maintains a combination of cash, investments and restricted cash equivalent to 86.2% of total operating expenses as of FYE 2016
- Accounts payable and receivable amounts are negligible
- AMTRAN does not maintain a line of credit

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

APPENDIX A: DATA ADJUSTMENTS

In FYE 2013 and FYE 2014, AMTRAN reported other revenue (i.e., SAFTI dividend) to dotGrants. Sources of other revenue (e.g., insurance rebates, medical dividends, etc.) are typically not considered a source of recurring revenue when assessing agency performance and developing future targets. To better understand trends and develop five-year performance targets, insurance revenue was excluded and/or offset (i.e., netted out) from AMTRAN’s reported revenue and operating costs. The results of these adjustments are listed in the table below:

Fares and Other Revenue	FYE 2010	FYE 2011	FYE 2012	FYE 2013	FYE 2014	FYE 2015	FYE 2016
dotGrants Reported Total Revenue	\$661,846	\$732,215	\$832,947	\$896,234	\$939,868	\$792,455	\$771,881
SAFTI Adjustments	-	-	-	(\$93,689)	(\$143,304)	-	-
Adjusted Total Revenue	\$661,846	\$732,215	\$832,947	\$802,545	\$796,564	\$792,455	\$771,881
Fixed-Route Operating Costs							
dotGrants Reported Operating Costs	\$3,540,699	\$3,844,552	\$4,091,245	\$4,101,393	\$4,491,102	\$4,501,852	\$4,293,893
SAFTI Adjustments	-	-	-	(\$93,689)	(\$143,304)	-	-
Adjusted Total Operating Costs	\$3,540,699	\$3,844,552	\$4,091,245	\$4,007,704	\$4,347,798	\$4,501,852	\$4,293,893

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

Final Adjusted Metrics	FYE 2010	FYE 2011	FYE 2012	FYE 2013	FYE 2014	FYE 2015	FYE 2016
Passenger/RVH	17.66	17.78	15.96	16.38	15.59	14.37	14.92
Operating Revenue/RVH	\$17.00	\$18.15	\$19.44	\$19.46	\$19.71	\$19.92	\$19.64
Operating Cost/RVH	\$90.95	\$95.30	\$95.47	\$97.20	\$107.59	\$113.15	\$109.23
Operating Cost/Passenger	\$5.15	\$5.36	\$5.98	\$5.94	\$6.90	\$7.87	\$7.32

Source: NTD and dotGrants reporting

APPENDIX B: 2012 PERFORMANCE REVIEW ACTION PLAN ASSESSMENT

Last Updated May 10, 2018

Category	Suggested Action	Corrective Action	Observation
1. Ridership	Establish a Standing Citizens Advisory Committee	Establish a Standing Citizens Advisory Committee	Deemed ineffective.
1. Ridership	Conduct Routine Customer Satisfaction Surveys and Non-Rider Surveys	<p>Conduct a Customer Satisfaction Survey</p> <p>Conduct a Non-Rider Survey</p>	<p>Customer Survey completed in 2014. Received results from new Customer Survey conducted in February 2017 in anticipation of Act 44 TPR in September.</p> <p>No progress to report on Non-Rider Survey</p>
1. Ridership	Review Peer Agency Experiences and Practices Recording Audio with Video	Conduct research on issue	Due to recent court cases, AMTRAN enabled the audio recording function on all buses with cameras effective April 2018.

Category	Suggested Action	Corrective Action	Observation
1. Ridership	Document Marketing Strategies and Their Effectiveness	Documenting marketing strategies and their effectiveness will be a required element of the 2013 Marketing Plan	Most marketing elements of AMTRAN’s 2013 Marketing Plan will measure concrete results.
1. Ridership	Promote Service Coordination with CATA and CamTran	There is a link from AMTRAN’s website to CATA and CamTran AMTRAN will work with CamTran to promote existing connections with rural service There is no overlap of service with CATA in State College	AMTRAN is coordinating with CamTran staff on connecting the system with their new route from Johnstown to Altoona. Forward planned for a September start.
1. Ridership	Identify and Implement Creative Approaches to Attracting New Riders	Review Final Report recommendations for possible implementation. Request PennDOT Technical Assistance on this issue	See final report from Steve Bland dated October 2014.
2. Revenue	Establish Minimum Farebox Recovery Goals both System-wide and by Route	Establish minimum farebox recovery goals both system-wide and by route.	Initiated monitoring of farebox recovery and cost analysis by route
2. Revenue	Present Route-Level Ridership, Costs and Revenues to Board Monthly	Will set up process to present these stats to Board of Directors quarterly.	Accomplished July 2013

Category	Suggested Action	Corrective Action	Observation
2. Revenue	Schedule Regular Board Retreats	Board Chairman Scott Cessna is taking the lead in developing a Board Retreat for 2013.	Initiated board education program beginning in February. Brief program at the end of each monthly board meeting to give board members a more in-depth view of AMTRAN functions. Accomplished successful board retreat with Mike Noel in November 2013 utilizing RTAP “Boards That Perform” training module.
2. Revenue	Develop a Formal Succession Plan	Finalize formal succession plan.	Promoted Ray Kennedy to replace Maureen Gilbert (retired) effective October 2014. Hired Josh Baker to replace John Palko (retired) effective February 2015. Hired Mandy Murphy to replace Zenith Dodson (retired) effective March 2015.
2. Revenue	Work with PennDOT to Expand Local DBE Participation	We are in contact with Mathew Kelly at PennDOT’s Bureau of Equal Opportunity as well as at FTA Region III to see how they can help us expand our local DBE participation.	FTA and PennDOT DBE efforts support highway projects not public transportation.
2. Revenue	Install Secure Fencing and Gates to AMTRAN Property	Subject to limited availability of capital funding. Will prioritize with regard to other goals from AMTRAN’s recent FTA-sponsored Safety & Security Review.	Secured garage facility by installing scissor gates at all vehicle doors and key fob access at all person doors.

Category	Suggested Action	Corrective Action	Observation
2. Revenue	Evaluate Merits of Part-time Staffing at Transfer Center	Will evaluate for 2013-2014 budget year.	Accomplished March 2013 In trying to contain operating costs, we cannot justify \$15,000 cost in adding part-time staff at the Transit Center when customer information is available by phone, through bus operators, and via multiple technologies through myStop.
3. Operating Cost	Continue to Contain Operating Cost Increases	Research in-state peers for strategies to reduce fringe benefit expenses.	See final report from Steve Bland dated October 2014.
		Contain health care costs.	Accomplished six consecutive years. Joined Teamster Health & Welfare Council and achieved an 8.5% decrease in premium for 2015, a 6% increase for 2016, and a 6% increase for 2017.
		Continue to work toward SAFTI-type health insurance consortium among Pennsylvania's small urban transit systems.	Accomplished January 2018, AMTRAN joined multi-industry health insurance pool.
		Capped vacation at five weeks for employees hired after January 1, 1999 (as opposed to six weeks).	Accomplished May 2012
		Work to identify other specific budget areas to contain operating cost increases.	See final report from Steve Bland dated October 2014.

Category	Suggested Action	Corrective Action	Observation
3. Operating Cost	Develop fully allocated cost recovery strategy for the tripper and Penn State services	Fully allocated cost recovery strategy is already in place for Penn State Altoona services as evidenced by our 2012-2013 agreement.	Accomplished May 2012
		Will develop and utilize fully allocated cost recovery in negotiations with Altoona Area School District for 2014-2015 academic year.	See final report from Steve Bland dated October 2014
3. Operating Cost	Monitor and Report to Board Budget Line Items Exceeding Inflation	Will incorporate “budget line items exceeding inflation” as an addition to the monthly financial report to our Board of Directors.	Accomplished February 2013 Initiated this practice at each monthly AMTRAN board meeting.
3. Operating Cost	Receive Training on PennDOT Procurement Tools	All staff involved with procurement will go through RTAP “Procurement Pro.”	Accomplished February 2013
3. Operating Cost	Assess Health Insurance Premium Co-pay WRT Other Systems	After research, we moved from a flat, uniform co-pay from all employees to 6%, 8%, 10% of individual premium over the next three years under new CBA.	Accomplished May 2012

Category	Suggested Action	Corrective Action	Observation
3. Operating Cost	Negotiate Flexibility in Health Care Providers in next CBA	Negotiated union contract provision to allow any of three health insurance providers to bid on employee health care.	Accomplished May 2012 CBA and May 2015 CBA.
3. Operating Cost	Assess Indirect Costs of Tripper Service (such as unemployment insurance	As part of reviewing fully allocated cost for tripper service for 2014-2015 academic year as noted above, we will assess the indirect costs as well.	See final report from Steve Bland dated October 2014.
3. Operating Cost	Negotiate 40 Hour Work Week for all FT Employees in CBA	Will include in Management Proposals for 2015 union contract negotiations.	Bus drivers have 40-hour work week, but we were not successful in negotiating a 40-hour work week for mechanics. Mechanics still get daily overtime after 8 hours.
3. Operating Cost	Develop Capital Plan for “New Look” Fleet Replacement	Work with FTA and PennDOT to fund the replacement of final six 1975 GMC New Looks.	Placed Gillig order to replace 6 remaining 1975 GMC New Looks with 6 new CNG buses.
4. Other	Develop a formal monitoring and performance enhancement strategy for all key agency functions	Will initiate formal monitoring and performance enhancement strategy for all key agency functions into Annual Goals and Objectives Plan for 2013.	Initiated formal monitoring and performance enhancement in Operations, Maintenance, Marketing, Finance.

Category	Suggested Action	Corrective Action	Observation
		Will augment formal monitoring and performance enhancement strategy for all key agency functions into Annual Goals and Objectives Plan for 2014.	Accomplished January 2014.
4. Other	Develop Performance Targets and Report to Board for All Key Functions	Will develop performance targets and report to board for all key functions.	Accomplished January 2014 Received BPT approval to adjust Amtran's Act 44 five-year performance targets.
4. Other	Present Route-Level Ridership, Costs and Revenues to Board Monthly	Will set up process to present these stats to Board of Directors quarterly.	Accomplished July 2013
4. Other	Schedule Regular Board Retreats	Board Chairman Scott Cessna is taking the lead in developing a Board Retreat for 2013.	Initiated board education program beginning in February. Brief program at the end of each monthly board meeting to give board members a more in-depth view of AMTRAN functions. Accomplished successful board retreat with Mike Noel in November 2013 utilizing RTAP "Boards That Perform" training module

Category	Suggested Action	Corrective Action	Observation
4. Other	Develop a Formal Succession Plan	Finalized Formal Succession Plan.	Promoted Ray Kennedy to replace Maureen Gilbert (retired) effective October 2014. Hired Josh Baker to replace John Palko (retired) effective February 2015. Hired Mandy Murphy to replace Zenith Dodson (retired) effective March 2015.
4. Other	Work with PennDOT to Expand Local DBE Participation	We are in contact with Mathew Kelly at PennDOT's Bureau of Equal Opportunity as well as at FTA Region III to see how they can help us expand our local DBE participation.	FTA and PennDOT DBE efforts support highway projects not public transportation.
4. Other	Install Secure Fencing and Gates to AMTRAN Property	Subject to limited availability of capital funding. Will prioritize with regard to other goals from AMTRAN's recent FTA-sponsored Safety & Security Review.	Secured garage facility by installing scissor gates at all vehicle doors and key fob access at all person doors.
4. Other	Evaluate Merits of Part-time Staffing at Transfer Center	Will evaluate for 2013-2014 budget year.	Accomplished March 2013 In trying to contain operating costs, we cannot justify \$15,000 cost in adding part-time staff at the Transit Center when customer information is available by phone, through bus operators, and via multiple technologies through myStop

APPENDIX C: PEER COMPARISONS

Comparison of AMTRAN with the selected peer systems was completed using NTD-reported data and PennDOT dotGrants Legacy statistics. Due to its consistency and availability for comparable systems, the NTD FYE 2014 Reporting Year database was selected as the primary data source used in the calculation of the five-year trend Act 44 metrics:

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

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

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

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

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

Passengers / Revenue Vehicle Hour

Passengers / Revenue Hour (MB)					
System	FYE 2015 Single Year		5 Year Change Since FYE 2010		
	Value	Rank of 13	2010 Value	Annual Rate	Rank of 13
County of Lebanon Transit Authority	10.90	13	9.36	3.09%	3
Indiana County Transit Authority	13.95	8	14.09	-0.20%	10
Shoreline Metro	12.88	10	11.32	2.62%	4
City of Dubuque	12.20	11	11.31	1.54%	7
The Lawton Area Transit System	10.91	12	9.67	2.45%	5
Billings Metropolitan Transit	14.14	7	16.31	-2.82%	12
Mid-Ohio Valley Transit Authority	13.29	9	10.07	5.70%	1
GO Transit	23.77	1	22.42	1.17%	8
Kings County Area Public Transit Agency	19.54	3	15.02	5.41%	2
Wausau Area Transit System	21.35	2	20.49	0.82%	9
Battle Creek Transit	17.78	4	18.40	-0.69%	11
Jackson Transit Authority	14.44	5	12.92	2.25%	6
Altoona Metro Transit	14.37	6	17.66	-4.03%	13
<i>Average</i>	<i>15.35</i>		<i>14.54</i>	<i>1.33%</i>	
<i>Standard Deviation</i>	<i>4.03</i>		<i>4.28</i>	<i>2.82%</i>	
<i>Average – 1 Standard Deviation</i>	<i>11.31</i>		<i>10.26</i>	<i>-1.49%</i>	
<i>Average + 1 Standard Deviation</i>	<i>19.38</i>		<i>18.82</i>	<i>4.15%</i>	
Act 44 Compliance Determination	In Compliance		At Risk		
Compared to the Peer Group Average	Worse		Worse		

Operating Cost / Revenue Vehicle Hour

Operating Cost / Revenue Hour (MB)					
System	FYE 2015 Single Year		5 Year Change Since FYE 2010		
	Value	Rank of 13	2010 Value	Annual Rate	Rank of 13
County of Lebanon Transit Authority	\$87.09	9	\$73.98	3.32%	8
Indiana County Transit Authority	\$67.27	4	\$61.92	1.67%	4
Shoreline Metro	\$70.69	6	\$76.01	-1.44%	1
City of Dubuque	\$57.97	1	\$54.79	1.13%	3
The Lawton Area Transit System	\$60.11	2	\$59.38	0.25%	2
Billings Metropolitan Transit	\$102.50	12	\$82.13	4.53%	11
Mid-Ohio Valley Transit Authority	\$82.74	7	\$73.10	2.51%	7
GO Transit	\$83.48	8	\$74.90	2.19%	6
Kings County Area Public Transit Agency	\$70.56	5	\$52.73	6.00%	13
Wausau Area Transit System	\$97.04	10	\$82.32	3.35%	9
Battle Creek Transit	\$102.49	11	\$93.91	1.76%	5
Jackson Transit Authority	\$60.44	3	\$48.07	4.69%	12
Altoona Metro Transit	\$113.15	13	\$90.95	4.46%	10
<i>Average</i>	<i>\$81.19</i>		<i>\$71.09</i>	<i>2.65%</i>	
<i>Standard Deviation</i>	<i>\$18.38</i>		<i>\$14.63</i>	<i>2.04%</i>	
<i>Average – 1 Standard Deviation</i>	<i>\$62.82</i>		<i>\$56.46</i>	<i>0.61%</i>	
<i>Average + 1 Standard Deviation</i>	<i>\$99.57</i>		<i>\$85.72</i>	<i>4.69%</i>	
Act 44 Compliance Determination	At Risk		In Compliance		
Compared to the Peer Group Average	Worse		Worse		

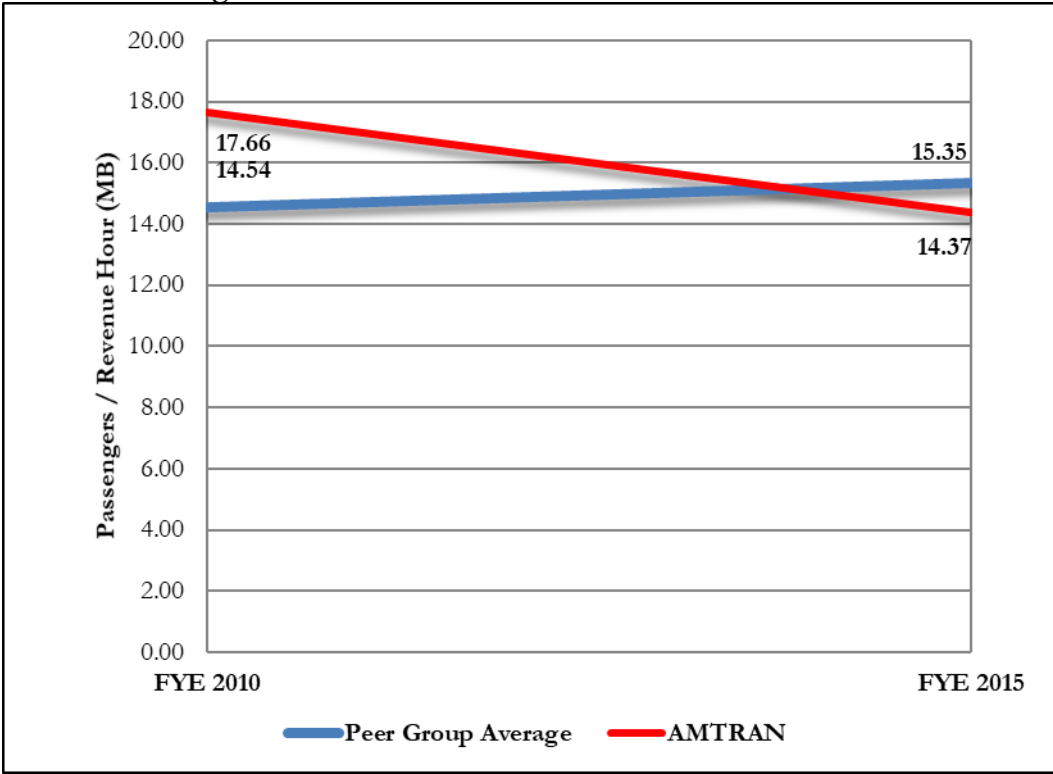
Operating Revenue / Revenue Vehicle Hour

Operating Revenue / Revenue Hour (MB)					
System	FYE 2015 Single Year		5 Year Change Since FYE 2010		
	Value	Rank of 13	2010 Value	Annual Rate	Rank of 13
County of Lebanon Transit Authority	\$12.99	7	\$11.02	3.36%	5
Indiana County Transit Authority	\$20.84	1	\$17.13	4.00%	4
Shoreline Metro	\$13.47	5	\$12.34	1.76%	7
City of Dubuque	\$5.85	13	\$5.92	-0.25%	9
The Lawton Area Transit System	\$7.49	12	\$7.95	-1.20%	11
Billings Metropolitan Transit	\$12.46	8	\$11.47	1.68%	8
Mid-Ohio Valley Transit Authority	\$7.85	11	\$8.96	-2.63%	12
GO Transit	\$13.10	6	\$15.34	-3.11%	13
Kings County Area Public Transit Agency	\$15.83	4	\$9.87	9.92%	1
Wausau Area Transit System	\$15.91	3	\$12.29	5.30%	3
Battle Creek Transit	\$12.04	9	\$12.50	-0.75%	10
Jackson Transit Authority	\$11.80	10	\$7.89	8.38%	2
Altoona Metro Transit	\$19.92	2	\$17.00	3.22%	6
<i>Average</i>	\$13.04		\$11.51	2.28%	
<i>Standard Deviation</i>	\$4.44		\$3.48	3.99%	
<i>Average – 1 Standard Deviation</i>	\$8.60		\$8.04	-1.71%	
<i>Average + 1 Standard Deviation</i>	\$17.48		\$14.99	6.27%	
Act 44 Compliance Determination	In Compliance		In Compliance		
Compared to the Peer Group Average	Better		Better		

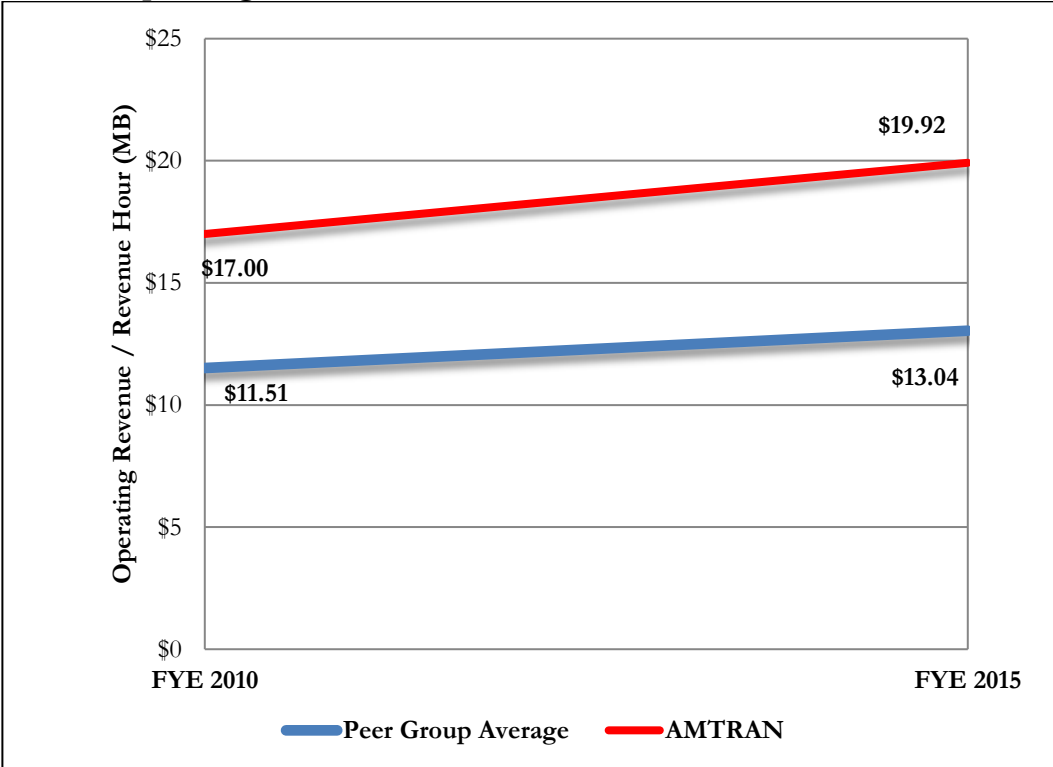
Operating Cost / Passenger

Operating Cost / Passenger (MB)					
System	FYE 2015 Single Year		5 Year Change Since FYE 2010		
	Value	Rank of 13	2010 Value	Annual Rate	Rank of 13
County of Lebanon Transit Authority	\$7.99	13	\$7.90	0.22%	5
Indiana County Transit Authority	\$4.82	6	\$4.39	1.88%	8
Shoreline Metro	\$5.49	7	\$6.72	-3.96%	1
City of Dubuque	\$4.75	5	\$4.84	-0.40%	4
The Lawton Area Transit System	\$5.51	8	\$6.14	-2.15%	3
Billings Metropolitan Transit	\$7.25	11	\$5.04	7.56%	12
Mid-Ohio Valley Transit Authority	\$6.23	10	\$7.26	-3.02%	2
GO Transit	\$3.51	1	\$3.34	1.01%	7
Kings County Area Public Transit Agency	\$3.61	2	\$3.51	0.56%	6
Wausau Area Transit System	\$4.55	4	\$4.02	2.50%	11
Battle Creek Transit	\$5.77	9	\$5.10	2.47%	10
Jackson Transit Authority	\$4.18	3	\$3.72	2.39%	9
Altoona Metro Transit	\$7.87	12	\$5.15	8.86%	13
<i>Average</i>		<i>\$5.50</i>	<i>\$5.16</i>	<i>1.38%</i>	
<i>Standard Deviation</i>		<i>\$1.49</i>	<i>\$1.46</i>	<i>3.69%</i>	
<i>Average – 1 Standard Deviation</i>		<i>\$4.01</i>	<i>\$3.71</i>	<i>-2.31%</i>	
<i>Average + 1 Standard Deviation</i>		<i>\$6.99</i>	<i>\$6.62</i>	<i>5.07%</i>	
Act 44 Compliance Determination		At Risk	At Risk		
Compared to the Peer Group Average		Worse	Worse		

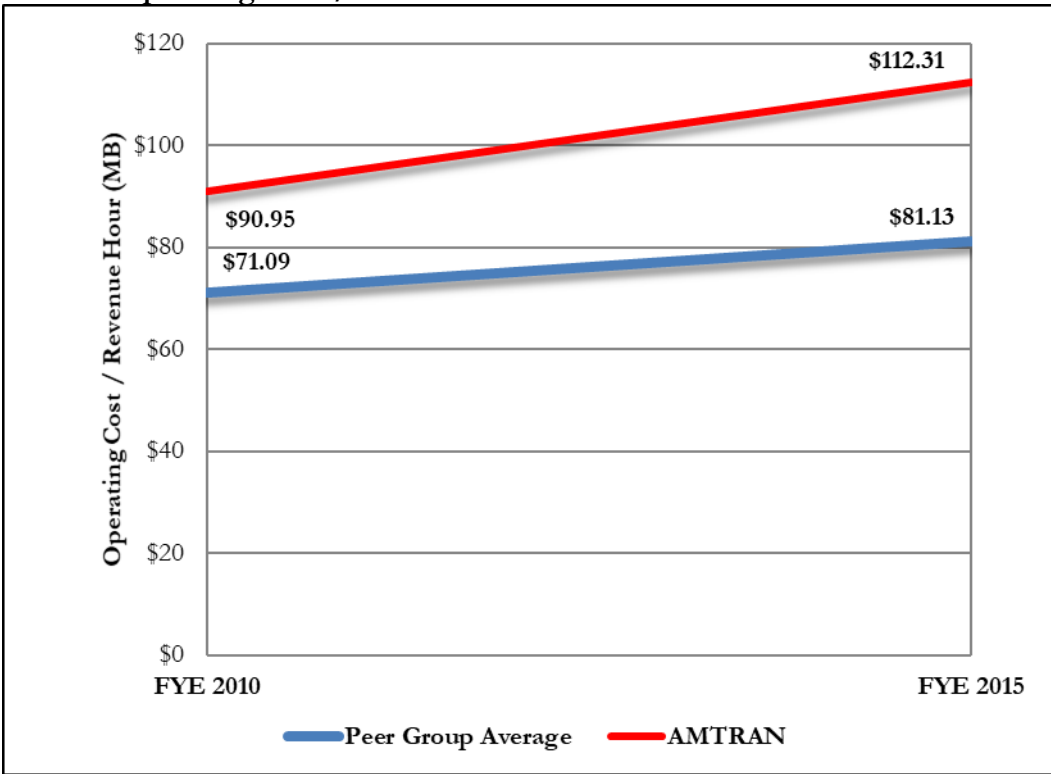
Trend – Passengers / Revenue Vehicle Hour



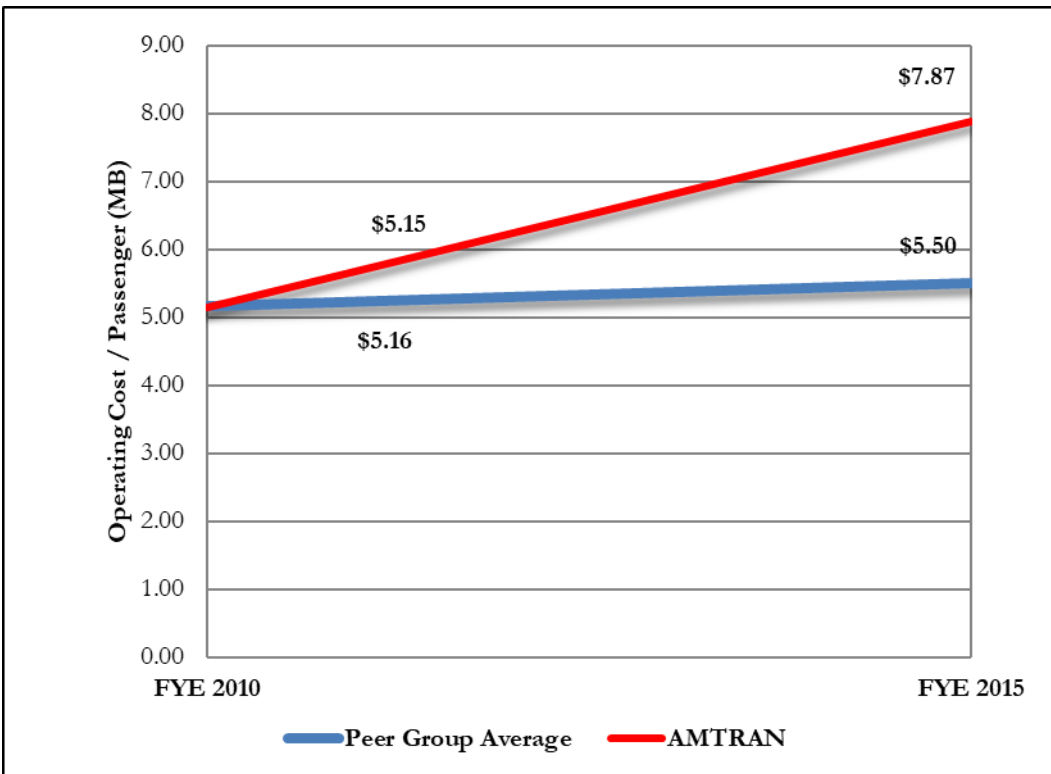
Trend – Operating Revenue / Revenue Vehicle Hour



Trend – Operating Cost / Revenue Vehicle Hour



Trend – Operating Cost / Passenger



APPENDIX D: ACTION PLAN TEMPLATE

PART 1- ACTIONS TO INCREASE PASSENGERS / REVENUE HOUR

Recommendation From narrative starting on page 10	AMTRAN Action	Estimated Initiation Date	Estimated Completion Date
1. Promote greater use of smart cards and track passenger trend data to monitor the effectiveness of marketing activities.			

PART 2 - ACTIONS TO INCREASE OPERATING REVENUE / REVENUE HOUR

Recommendation From narrative starting on page 11	AMTRAN Action	Estimated Initiation Date	Estimated Completion Date
1. Conduct a cost-benefit analysis to evaluate private sector partnerships for fixed-route service.			
2. Pursue route guarantees as a built-in cost recovery mechanism.			
3. Conduct bus shelter renovations and replacements that generate more rentable ad space.			

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

Recommendation From narrative starting on page 11	AMTRAN Action	Estimated Initiation Date	Estimated Completion Date
1. Develop an unscheduled overtime target.			
2. Continue to monitor operating costs and identify opportunities to reduce expenses.			

PART 4 - OTHER ACTIONS TO IMPROVE OVERALL PERFORMANCE

Recommendation From narrative starting on page 12	AMTRAN Action	Estimated Initiation Date	Estimated Completion Date
1. Develop a strategic plan that outlines short and long-term agency goals.			
2. Develop a strategy for Board training.			
3. List the location, dates and agendas of Board meetings on the Amtran website.			

