



AMTRAN System Performance Review

September 6, 2012

## Final AMTRAN Transit Performance Review Report

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## AGENCY PROFILE

<b>Agency Name</b>	Transportation and Motor Buses for Public Use Authority (DBA AMTRAN, Altoona Metro Transit)	
<b>Year Founded</b>	1959	
<b>Fiscal Reporting Year</b>	2009-2010	
<b>Service Area (square miles)</b>	25	
<b>Service Area Population</b>	69,608	
<b>Type of Service Provided</b>	Fixed-Route Bus	ADA Demand Response
<b>Vehicles Operated in Maximum Service</b>	21	14
<b>Annual Revenue Miles of Service</b>	495,867	46,631
<b>Annual Revenue Hours of Service</b>	38,929	3,466
<b>Annual Passenger Trips</b>	687,541	11,866
<b>Employees (full-time/part-time)</b>	40/7	subcontracted
<b>Total Annual Operating Cost</b>	\$3,540,433	\$166,848
<b>Total Annual Operating Revenues</b>	\$661,846	\$33,189
<b>Total Annual Operating Revenue / Total Annual Operating Cost</b>	18.7%	19.9%
<b>Administrative Cost / Total Operating Cost</b>	17.7%	3.7%
<b>Operating Cost / Revenue Mile</b>	\$7.14	\$3.58
<b>Operating Cost / Revenue Hour</b>	\$90.95	\$48.14
<b>Passengers / Revenue Hour</b>	17.66	3.42
<b>Total Annual Operating Revenue / Revenue Hour</b>	\$17.00	\$9.58
<b>Operating Cost / Passenger</b>	\$5.15	\$14.06

Source: NTD 2010 Reporting Year

Note 1: AMTRAN ADA paratransit services are subcontracted to Blair Senior Services, Inc..

## EXECUTIVE SUMMARY

In July 2007 the Pennsylvania Legislature passed Act 44, establishing a framework for a PennDOT driven transit agency performance review process. The purpose of a review is to assess efficiency and effectiveness of service, financial stability, and general management/business practices. The assessment makes transit agencies aware of improvement opportunities and identifies best practices that can be shared with other transit agencies.

The Act 44 transit performance review of Altoona Metro Transit (doing business as AMTRAN) was conducted in April 2012. The performance review focused on fixed-route urban bus. This report addresses Act 44 established performance criteria specifically related to fixed-route bus services – AMTRAN trends and a comparison of AMTRAN to peers, targets for future performance (performance reviews are conducted on a five-year cycle), and opportunities for improvement which should assist AMTRAN in meeting the future targets. This report also addresses the management and general efficiency and effectiveness of services.

After receipt of this performance review report, AMTRAN will develop an action plan which identifies the steps AMTRAN will take to meet the agreed to Act 44 performance criteria targets by FY 2016-17. The general goals are to maximize efficiency and promote cost savings, improved service quality, and increased ridership and revenue. The action plan should focus on the most critical areas for the agency, as prioritized by AMTRAN management and its governing board.

A draft action plan is due to the Department within 60 days of receipt of this report. PennDOT will work with AMTRAN to agree on a plan which requires AMTRAN Board approval to be submitted as the final action plan. AMTRAN must report at least quarterly to the governing body and PennDOT on the progress of the action plan, identifying actions taken to date, and actions to be implemented. AMTRAN's success will be measured in part on meeting five-year performance targets established through this review (see p. vii)

### ACT 44 PERFORMANCE DETERMINATION

Act 44 performance factors were analyzed to quantify AMTRAN's fixed-route bus performance in comparison to its peer agencies in FY 2009-10 and over a five year trend period from FY 2004-05 to FY 2009-10. Peers were selected through an analytical process and were agreed to in advance by AMTRAN.

A transit agency's performance can fall into two categories: "In Compliance" or "At Risk." The following criteria are used to make the determination:

- In Compliance if less than one standard deviation **above** the peer group average in –
  - Single-year and five-year trend for Operating Cost / Revenue Vehicle Hour
  - Single-year and five-year trend for Operating Cost / Passenger
  
- In Compliance if greater than one standard deviation **below** the peer group average in –
  - Single-year and five-year trend for Passengers / Revenue Vehicle Hour
  - Single-year and five-year trend for Operating Revenue / Revenue Vehicle Hour

If the agency falls outside of these proscribed boundaries, it is considered "At Risk" for that factor and must improve as agreed upon between PennDOT and the agency.

An analysis of the eight key criteria mandated by Act 44 was conducted and ***it was determined that AMTRAN is “In Compliance” for seven of the eight criteria and “At Risk” for one.*** The peer comparison process as applied to Act 44 criteria (below, in bold typeface) revealed that:

### ***In Compliance***

1. **2010 passengers per revenue vehicle hour** ranks fifth out of the 11 transit agencies in the peer group and is better than the peer group average.
2. The **five-year trend of passengers per revenue vehicle hour** ranks third out of 11 and is better than the peer group average.
3. The **five-year trend for operating cost per revenue vehicle hour** is the third best in the peer group. However, the 2010 single year operating cost is “At Risk” as noted below.
4. **2010 operating revenue per revenue vehicle hour** ranks second out of 11 and is much better than the peer group average.
5. The **five-year trend for operating revenue per revenue vehicle hour** ranks eight out of 11 and is approximately ½ that of the peer group average.
6. **2010 operating cost per passenger** ranks seventh of 11 and is slightly worse than the peer group average.
7. The **five-year trend for operating cost per passenger** is the second best of the peer group.

### ***At Risk***

1. **The 2010 single year operating cost per revenue vehicle hour** ranks tenth out of 11 and is well above the peer group average resulting in the **At Risk** finding.

A summary of the specific Act 44 measures and their values are presented in the following table.

Performance Criteria		Determination	Rank (of 11)	Comparison to Peer Avg.	Value	Peer Average
Passengers / Revenue Hour	2010	<b>In Compliance</b>	5	Better	17.66	16.89
	Trend	<b>In Compliance</b>	3	Better	1.29%	-1.01%
Operating Cost / Revenue Hour	<b>2010</b>	<b>AT RISK</b>	<b>10</b>	<b>Worse</b>	<b>\$90.95</b>	<b>\$78.51</b>
	Trend	<b>In Compliance</b>	3	Better	0.84%	2.80%
Operating Revenue / Revenue Hour	2010	<b>In Compliance</b>	2	Better	\$17.00	\$13.34
	Trend	<b>In Compliance</b>	8	Worse	1.28%	3.80%
Operating Cost / Passenger	2010	<b>In Compliance</b>	7	Worse	\$5.15	\$4.94
	Trend	<b>In Compliance</b>	2	Better	-0.44%	3.90%

## **GENERAL FINDINGS**

In accordance with Act 44, findings are indicated as “opportunities for improvement” or “best practices.” Improvement opportunities identify tasks that may be undertaken to increase the



efficiency, effectiveness, and/or quality of service of the agency. Best practices are current practices that enhance the efficiency, effectiveness, and/or quality of service of AMTRAN and may be shared with other agencies as techniques for improvement. Major themes are indicated below; detailed recommendations on how these and more detailed issues identified should be addressed are found in the body of the report.

### **BEST PRACTICES**

1. **Technology for Customer Service-** AMTRAN's use and promotion of customer service technology is exceptional with AVL information available on the web, numbered stop signs with automated "next bus" information available by phone (~2,000 calls per month) and a soon-to-be-implemented QR<sup>1</sup> code added to each stop. While this use of technology is a positive practice, it speaks to AMTRAN's larger long-term focus on customer service and willingness to invest in the tools to improve the overall customer experience.
2. **Tying Employee Performance Assessment to Agency Goals-** Staff performance review of most positions, including positions covered under the collective bargaining agreement (CBA) is a good practice that is not universally applied. Like its use of technology and clear signage at all bus stops, these staff reviews demonstrate a strong focus on customer service and promote an understanding of how each position contributes to the agency's overall mission and goals.

### **OPPORTUNITIES FOR IMPROVEMENT TO ADDRESS IN PART 1 OF THE ACTION PLAN (SEE P. 36)**

1. **Contain Operating Cost Increases-** Over the last five years AMTRAN has done an excellent job of controlling cost increases. However, they had a very high operating cost baseline.

Going forward, AMTRAN should **continue to develop and implement** strategies to contain costs as the agency is "**At Risk**" based on its single-year operating cost / revenue hour performance criterion. There is a critical need to contain or even reduce the operating cost / revenue hour increase to avoid future financial difficulties by exploring line items in the operating budget that contribute significantly to the "bottom line" such as fringe benefits (p. 23).

2. **Understand the Marginal Cost of Service Delivery-** AMTRAN should develop fully allocated cost analyses for the tripper and Penn State services for use in subsequent negotiations and to inform management's decision-making. Cost recovery should examine cost per revenue hour or revenue mile of service provided and compare this to revenue generated. Items that may make the cost of providing these services vary from the agency's average cost include:
  - o Higher-than average operating and/or maintenance cost / revenue mile for older GMC "New Look" vehicles used for tripper service (p. 26).

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<sup>1</sup> QR Code (abbreviated from Quick Response Code) is the trademark for a type of matrix barcode (or two-dimensional code) readable by smart phones to automatically link users to a specific website.

- Additional unemployment insurance costs incurred due to summer lay-offs associated with these services (p. 26).

The same approach should be employed on the other public transportation service provided to inform potential service changes.

3. **Develop Performance Goals and Metrics for All Key Agency Functions-** The management team should develop a formal monitoring and performance enhancement strategy for all key agency functions<sup>2</sup>. Performance reporting and performance targets have not been set for most agency functions except for aggregate measures of finance and ridership. This recommendation is consistent with MAP-21 and general trends in the transit industry where performance-based evaluation is rapidly becoming the norm.
4. **Attract New Riders-** AMTRAN should investigate multiple strategies to attract new riders. This would become critically important if AMTRAN were to lose the contract with the School Board and/or Penn State, as the two contracts represent almost 50% of total ridership and 2/3 of non-subsidy income.
5. **Seek Local Financial Commitment-** Local operating match remains a concern due to reported local government financial hardships. This concern is acute due to AMTRAN's heavy dependency on route guarantees. AMTRAN's Board and management should continue to seek ways to encourage a strong local financial commitment.

## FINANCIAL REVIEW

For the FY 06/07 to FY 11/12 period, Altoona and other local governments have contributed between \$80,000 and \$118,000 to help cover AMTRAN's operational cost. AMTRAN has used most of that in any given year to balance its budget and comply with state requirements. Nevertheless, AMTRAN has built adequate cash reserves largely due to state subsidy increases resulting from Act 44.

PennDOT and AMTRAN management should monitor AMTRAN's end-of-year cash position and carryover funds for changes in the agency's fiscal health and address any changes in trajectory. **Management has been and should continue taking appropriate actions such as obtaining additional local match, controlling costs, improving farebox recovery and increasing carryover local reserves to improve AMTRAN's financial health.**

## FIVE-YEAR PERFORMANCE TARGETS

This transit agency performance report outlines areas where improvements may be made to enhance the overall quality, effectiveness, and efficiency of the transit system. As a result of the performance review, a set of "performance targets" has been established and detailed on page 16. These performance targets are required to comply with Act 44 and represent minimum performance levels that AMTRAN should work to achieve for each Act 44 performance criteria during the next review cycle, five years from the date of this report. These performance targets were created using historical data analyzed during the five-year trend analysis as well as the most current audited

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<sup>2</sup> See Page 19 for a list of key functional areas.



“dotGrants” information available (FY 2010/2011). Standards were extrapolated to FY 2016/2017 and are designed to be aggressive, yet achievable. They are summarized as follows:

Performance Criteria	FY 2009/2010 Value	FY 2010/2011 Value	FY 2016/2017 Standard	Annual Increase
Passengers / Revenue Hour	17.66	17.88	20.02	2.0%
Operating Cost / Revenue Hour	\$90.95	\$95.32	\$107.34	2.0%
Operating Revenue / Revenue Hour	\$17.00	\$18.15	\$20.44	2.0%
Operating Cost / Passenger	\$5.15	\$5.36	\$5.36	0.0%

## NEXT STEPS

Upon final transmission of the performance review report, Act 44 regulations stipulate that AMTRAN “...shall develop and submit to the Department within 90 days...a strategic action plan that focuses on continually improving the system to achieve the established minimum performance targets.” The action plan should outline corrective action that will be taken to address “Opportunities for Improvement” – as prioritized by the AMTRAN Board and management.

Functional area “opportunities for improvement” are areas in which improvement may result in cost savings, improved service quality, and ridership and/or revenue increases. Improvements in these areas will assist in the achievement of the performance targets by directly addressing areas that affect Act 44 performance criteria. It should be noted that many functional areas are interrelated, and the action plan should establish a comprehensive program that focuses on actions that address the larger issues within AMTRAN.

The template for the Action Plan has been provided as an Appendix to this report (pp. 36-39). This template includes three parts

- **Part 1- Executive Summary Findings Template** (p. 36) is where AMTRAN should address its proposed actions to address the “*Opportunities for Improvement*” findings in the Executive Summary (pp. vi-vii).
- **Part 2- Act 44 Performance Metric Findings Templates** (pp. 37-38) is where AMTRAN should address its proposed actions to address the “*Opportunities for Improvement*” findings that directly affect the Act 44 performance metrics (pp.19-26).
- **Part 3- Other Actions to Improve Overall Performance Template** (p. 39) should be used to address the “*Other Findings that Impact Overall Agency Performance*” identified starting on p.26. Management should use the format provided in Appendix A to develop its proposed draft Action Plan.

It should be noted that specific actions identified may partially address the broadly noted opportunities for improvement found in the “**General Findings**” (pp. vi-vii). Some actions will be quickly implementable while others may take several discrete steps to achieve over a longer period of time. The template provides a simple-to-follow order of key findings. AMTRAN must select, prioritize and schedule its intended actions using the template.

AMTRAN must submit the proposed draft Action Plan using the format provided in **Appendix A: Action Plan Improvement Strategies** to the Department for comment. The proposed draft

Action Plan may then be revised based on consultation between AMTRAN management and the Department. The finalized Action Plan then must be approved by the AMTRAN Board of Directors and formally submitted to PennDOT. Subsequently, AMTRAN management must report at least quarterly to the governing body and the Department on progress towards accomplishing the Action Plan including actions taken in the previous quarter and actions planned for coming quarter(s).

# INTRODUCTION

## PURPOSE

In July 2007 the Pennsylvania Legislature passed Act 44, establishing a framework for a performance review process for all public transportation agencies receiving state financial assistance. This report documents the findings and observations of the public transportation agency performance review for Transportation and Motor Buses for Public Use Authority (doing business as AMTRAN and Altoona Metro Transit).

Performance reviews are conducted to emphasize the importance of good management, proactive planning, and efficient service, which maximize the effectiveness of federal, state, and local funding. In addition, other important goals of the review process and this document are to:

- Find, document, and publicize best practices that contribute to efficient, high-quality public transit service delivery, encouraging other Pennsylvania transit agencies to apply them as appropriate.
- Provide guidance to transit agencies on cost-effective ways to improve efficiency, effectiveness, and quality of service.
- Identify and document legal, institutional, or other barriers beyond the control of the transit agency that may impede efficiency in service delivery and management.

## PERFORMANCE REVIEW PROCESS

In early 2012, an Act 44 mandated performance review was initiated for AMTRAN. PennDOT, with consultant assistance, conducted the review according to the steps outlined below:

1. Initial notification of performance review selection and transmission of document request
  - Review of available data and requests for what should be “off-the-shelf” information that may not be publicly available.
2. Peer selection
  - A set of peers used for comparative analysis was jointly agreed upon by AMTRAN and PennDOT.
3. Act 44 performance criteria analysis
  - Performance criteria mandated by Act 44 were analyzed for the peer group.
  - Additional performance criteria were calculated for informative purposes to help guide the on-site review.
4. On-site review
  - On-site review was conducted on April 18 and April 19, 2012.
  - An interview guide customized for AMTRAN’s service was used for the review.
  - Topics covered during the interview process included:
    - Governance
    - Advisory Committees
    - Management
    - Human/Labor Relations
    - Finance
    - Procurement
    - Operations and Scheduling
    - Maintenance
    - Safety and Security
    - Customer Service
    - Information Technology
    - Capital Programming
    - Marketing and Public Relations
    - Planning

## AGENCY DESCRIPTION

The Transportation and Motor Buses for Public Use Authority (doing business as 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. AMTRAN took over ALVER's service in December 1958.

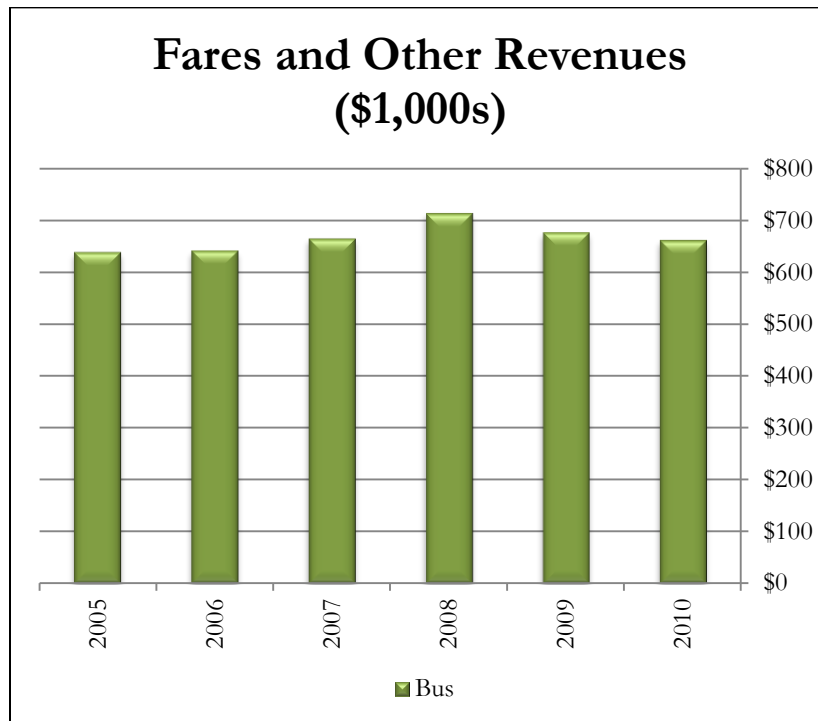
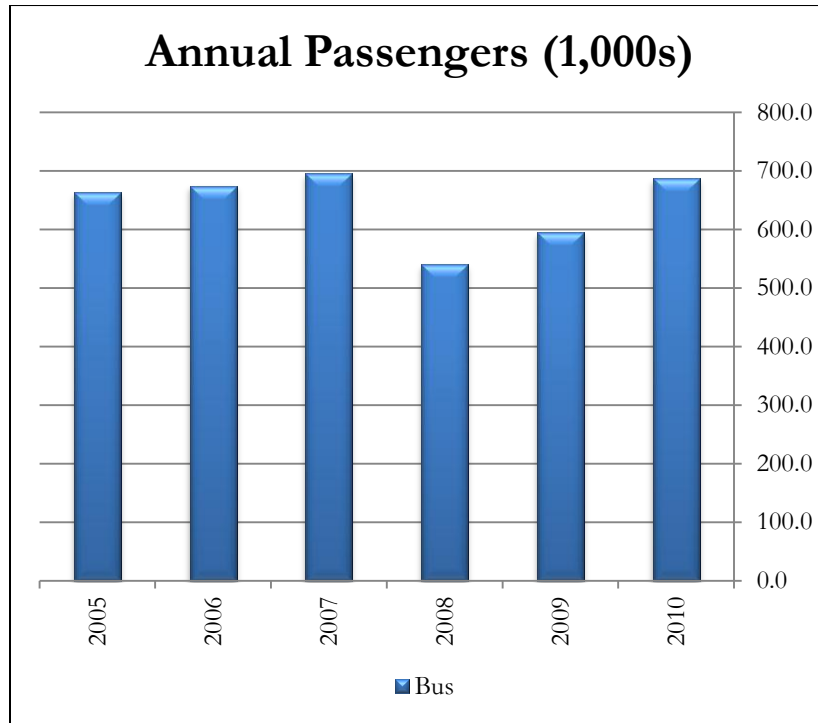
AMTRAN's fixed-route system consists of 13 bus routes serving the developed portions of Blair County. They also operate school tripper service during school days/hours. **Exhibit 1** and **Exhibit 2** present fixed-route bus statistics for AMTRAN derived from PennDOT Legacy Reports (DotGrants) and the National Transit Database (NTD). AMTRAN subcontracts ADA complimentary transit service provision with Blair Senior Services, the designated shared-ride coordinator for Blair County.

Consistent with the analysis requirements of Act 44, findings are presented for Fiscal Year 2005-2010 data. In developing the performance targets with a 2017 horizon, Fiscal Year 2011 data from DotGrants was used (comparable information is unavailable for the peer group).

Important observations evident from the trends in demand, revenues, and operating characteristics for the NTD reporting period of 2005 through 2010 are:

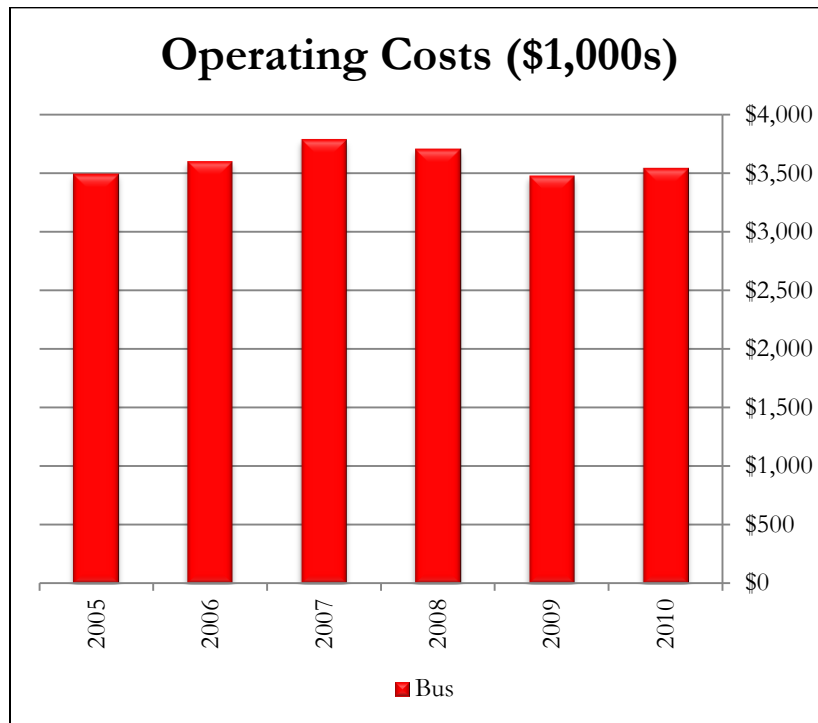
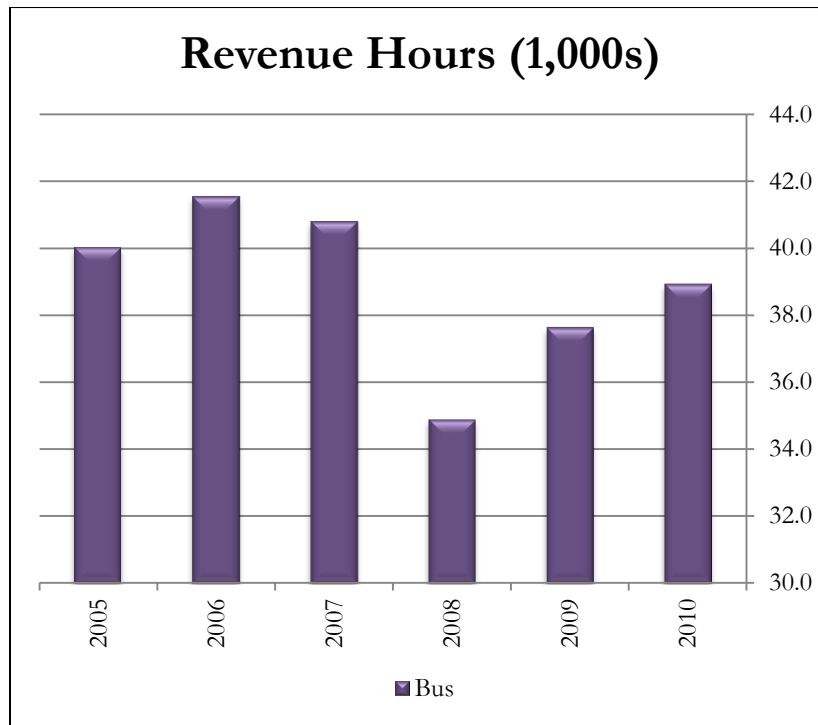
1. AMTRAN's fixed-route ridership was increasing from 2005 to 2007 but then dropped in 2008. This was due largely to service restructuring. Since then, ridership has been increasing and has almost fully recovered to its 2007 levels.
2. AMTRAN's total operating cost remained relatively flat between 2005 and 2010 with a noticeable spike in 2007. Service restructuring reduced total operating costs in 2008. The net effect of these changes is that total operating cost in 2010 is approximately the same as it was in 2005.
3. AMTRAN's operating revenue is slightly above average for an agency of this size (19%) but has been declining steadily in recent years. Much of this revenue (2/3) is due to route guarantees from the local school board and Penn State Altoona.
4. Service levels reflect the 2008 service changes that impacted ridership. After 2008, service levels have been increasing but are not yet fully back to pre-2008 levels.

Exhibit 1: AMTRAN Fixed-Route Passenger and Revenues 2005-2010



Source: National Transit Database 2005-2010

Exhibit 2: AMTRAN Fixed-Route Revenue Hours of Service and Operating Costs 2005-2010



Source: National Transit Database 2005-2010



## ACT 44 PERFORMANCE ASSESSMENT

Act 44 establishes the framework for a performance review process as follows:

*“The Department may conduct performance reviews of an award recipient under this section to determine the effectiveness of the financial assistance. Reviews shall be conducted at regular intervals as established by the Department in consultation with the management of the award recipient. After completion of a review, the Department shall issue a report that: highlights exceptional performance and identifies any problems that need to be resolved; assesses performance, efficiency, and effectiveness of the use of the financial assistance; makes recommendations on follow-up actions required to remedy any problem identified...”<sup>3</sup>*

The law sets forth performance criteria to be used to satisfy its objectives<sup>4</sup>:

- Passengers per revenue vehicle hour,
- Operating cost per revenue vehicle hour,
- Operating revenue per revenue vehicle hour,
- Operating cost per passenger, and
- Other items as the Department may establish.

Performance criteria are to be compared for both the system being reviewed and for a group of five or more peers by mode, determined by considering:<sup>5</sup>

- Revenue vehicle hours (car hours for rail and fixed guideway)
- Revenue vehicle miles (car miles for rail and fixed guideway)
- Number of peak vehicles
- Service area population

The law further instructs PennDOT to prepare a five-year trend analysis for the local transportation organization under review and the peer systems by performance criteria and by mode, and make a determination of “In Compliance” or “At Risk” status based on findings.

### PEER SYSTEM SELECTION

The following list was submitted to AMTRAN management for review and comment. All 10 peer systems, in addition to AMTRAN, were included in subsequent analyses for peer comparison purposes:

1. Great Falls Transit District (Great Falls, MT)
2. Janesville Transit System (Janesville, WI)
3. City of Union City Transit Division (Union City, CA)
4. City of Rome Transit Department (Rome, GA)
5. Wausau Area Transit System (Wausau, WI)
6. Oshkosh Transit System (Oshkosh, WI)
7. Las Cruces Area Transit (Las Cruces, NM)

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<sup>3</sup> Title 74 Pa. C.S.A. §1513 (e)

<sup>4</sup> Title 74 Pa. C.S.A. §1513 (f)

<sup>5</sup> 67 Pa Code Chapter 427, Annex A . §427.12(d)(1)(i), Jan 2011.

8. Sheboygan Transit System (Sheboygan, WI)
9. Missoula Urban Transportation District (Missoula, MT)
10. Billings Metropolitan Transit (Billings, MT)

## ACT 44 FIXED-ROUTE COMPARISONS AND FINDINGS

Comparison of AMTRAN with the selected peer systems was completed using NTD-reported data and statistics. NTD data was selected as the source of data to use in the calculation of the following Act 44 metrics due to consistency and availability<sup>6</sup> for comparable systems for the five-year trend analysis window:

- Passengers per revenue vehicle hour
- Operating cost per revenue vehicle hour
- Operating revenue per revenue vehicle hour
- Operating cost per 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*: Unweighted linear average of all values being measured across all peer transit agencies, including AMTRAN.
- *Standard Deviation*: Standard deviation of all values being measured across all peer transit agencies, including AMTRAN.

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

- In Compliance if greater 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
- In Compliance if **below** one standard deviation from 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

If the agency falls outside of any of the boundaries, it is considered “At Risk” for that criteria and must create an action plan to bring the criteria into compliance prior to the next performance review.–

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<sup>6</sup> NTD data is available for almost every urbanized area transit system in the United States. The latest data available at the time of this review was for Fiscal Year End (FYE) 2010.

Detailed results of the AMTRAN analysis and the peer analysis are presented in the **Fixed-Route Bus Performance Comparisons** section below and can be summarized as follows:

### Exhibit 3: Act 44 Compliance Summary

Metric	2010 Single Year	Five-Year Trend
Passengers / Revenue Hour	In Compliance	In Compliance
Operating Cost / Revenue Hour	<b>AT RISK</b>	In Compliance
Operating Revenue / Revenue Hour	In Compliance	In Compliance
Operating Cost / Passenger Boarding	In Compliance	In Compliance

### FIXED-ROUTE BUS PERFORMANCE COMPARISONS

For the 10 peer systems plus AMTRAN, NTD data were extracted and summarized for each of the required Act 44 metrics. Measures were put into histograms and tables for visual inspection, statistical analyses, and ordinal ranking purposes. The single-year results of these analyses are presented in **Exhibit 4**, **Exhibit 5**, **Exhibit 6**, and **Exhibit 7**. Five-year trend analyses are presented in **Exhibit 8**, **Exhibit 9**, **Exhibit 10**, and **Exhibit 11**.

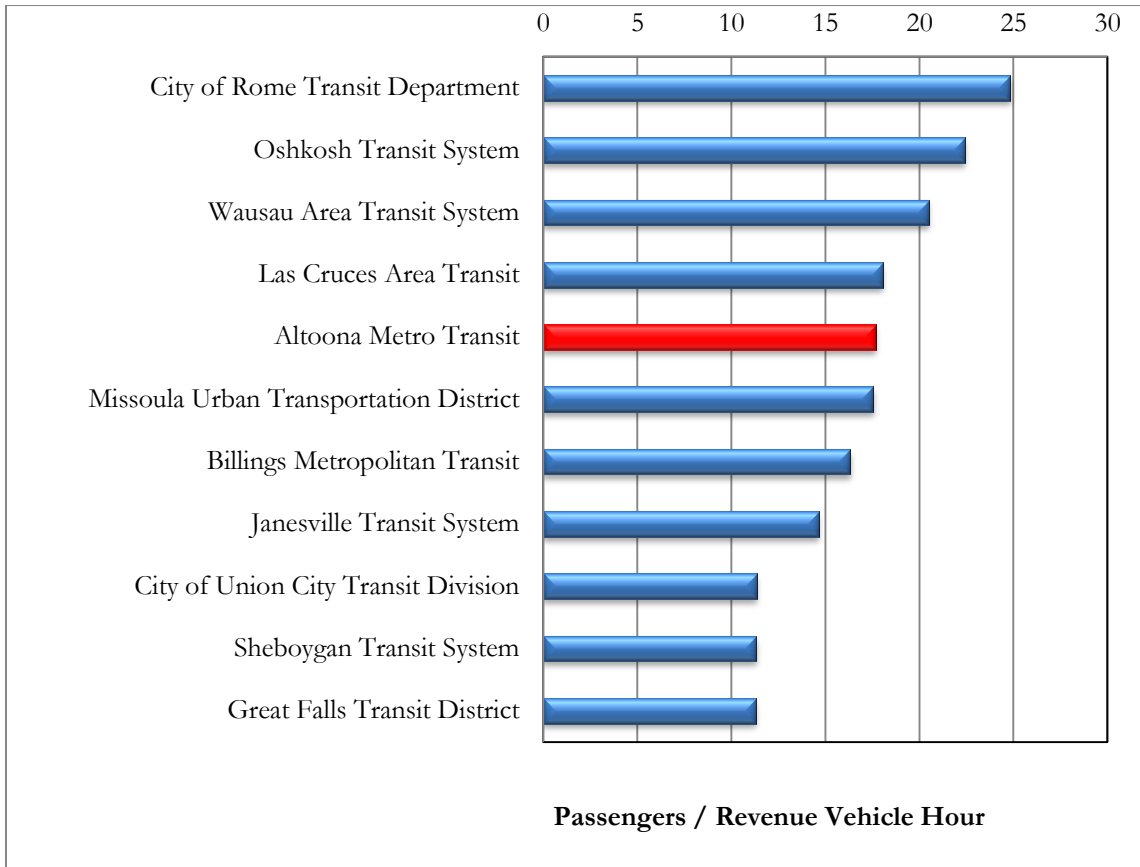
For measures relating to passengers or operating revenue, ordinal rankings are based on a highest-to-lowest system. For measures relating to operating cost, ordinal rankings are based on a lowest-to-highest system. Thus a ranking of “1<sup>st</sup>” consistently indicates that the agency scores best amongst its peers and a ranking of “11<sup>th</sup>” indicates that it performs the poorest on any given metric.

The findings presented in the exhibits can be summarized as follows:

1. AMTRAN’s 2010 passengers per revenue hour figure ranks 5<sup>th</sup> out of the 11 transit agencies in the peer group. Passengers per revenue hour have been growing at a quicker rate than the peer systems’ average.
2. AMTRAN’s 2010 operating cost per revenue vehicle hour is significantly above the peer group average, ranking 10<sup>th</sup> (the 2<sup>nd</sup> most costly of the 11 peers). **This is the basis of the “AT RISK” finding.** However, cost per revenue hour has increased at a very low rate between 2005 and 2010 giving it the 3<sup>rd</sup> slowest rate of increase amongst the peers. Together these measures say that while costs are high, management’s cost containment efforts are working.
3. AMTRAN’s 2010 operating revenue per revenue vehicle hour ranks 2<sup>nd</sup> out of 11 and is better than the peer group average. The trend between 2005 and 2010 indicates that operating revenue per revenue vehicle hour increased at a slower rate (worse) than its peers.
4. AMTRAN performs the 7<sup>th</sup> best of the 11 peers (5<sup>th</sup> most expensive) based on 2010 operating cost per passenger, however the trend of cost per passenger is downward yielding a much better performance than that of the peer group. A low rate of cost increase along with improving passengers per revenue hour of service combine to yield this result.

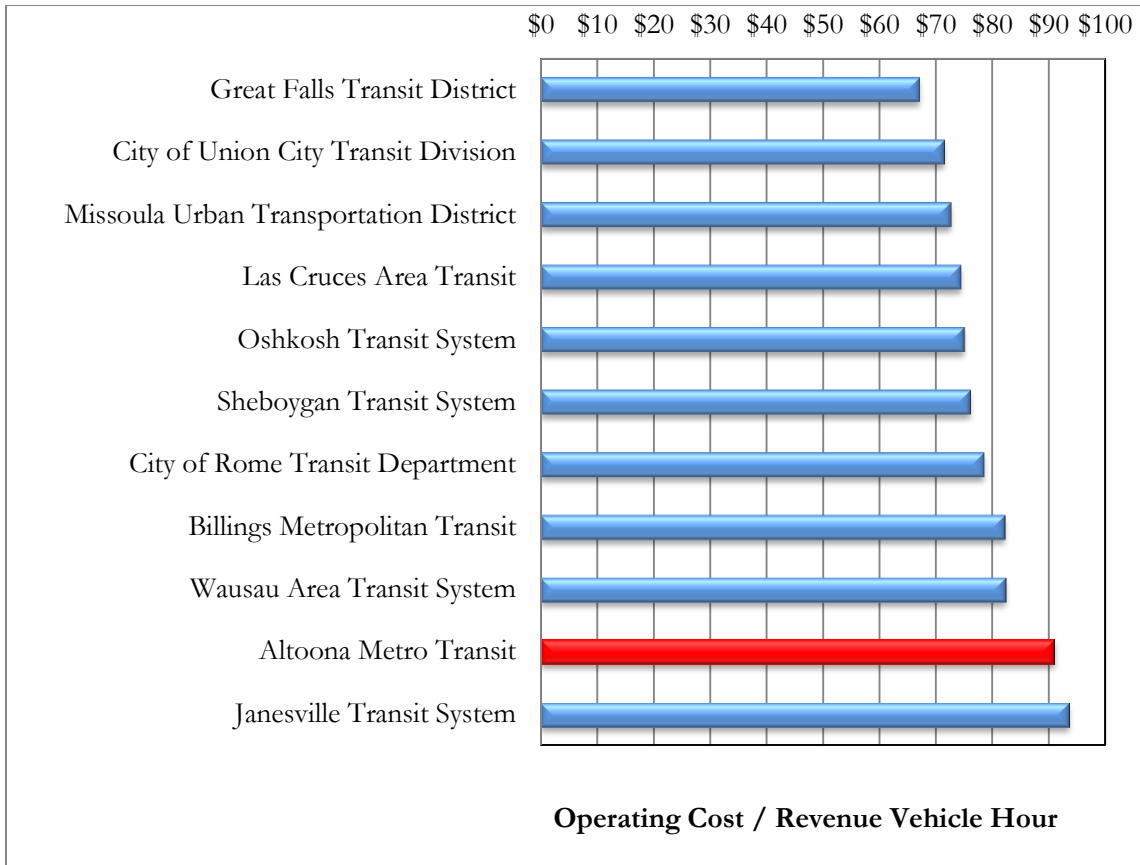
These findings provided a basis for further investigation during the on-site interviews and functional area reviews. Those findings are presented in the next section of the report.

**Exhibit 4: Fixed-Route Passengers per Revenue Vehicle Hour 2010**



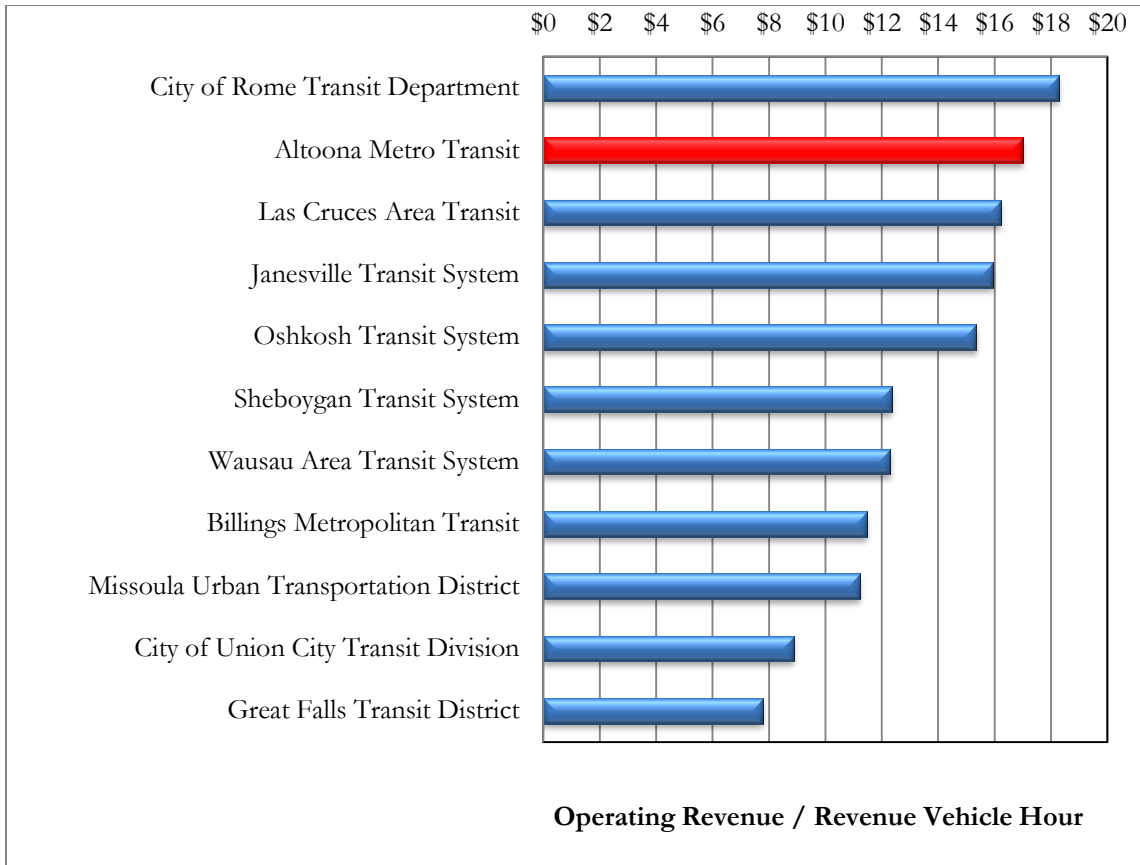
Passengers / Revenue Vehicle Hour		
System	Value	Rank
City of Rome Transit Department	24.81	1
Oshkosh Transit System	22.42	2
Wausau Area Transit System	20.49	3
Las Cruces Area Transit	18.06	4
Altoona Metro Transit	17.66	5
Missoula Urban Transportation District	17.53	6
Billings Metropolitan Transit	16.31	7
Janesville Transit System	14.62	8
City of Union City Transit Division	11.34	9
Sheboygan Transit System	11.32	10
Great Falls Transit District	11.28	11
<i>Average</i>	16.89	
<i>Standard Deviation</i>	4.56	
<i>Average – 1 Standard Deviation</i>	12.34	
<i>Average + 1 Standard Deviation</i>	21.45	
<b>In Compliance with Act 44 Standard Deviation Requirements</b>	<b>Yes</b>	
<b>Better or Worse Than Peer Group Average</b>	<b>Better</b>	

**Exhibit 5: Fixed-Route Operating Cost per Revenue Vehicle Hour 2010**



Operating Cost / Revenue Vehicle Hour		
System	Value	Rank
Great Falls Transit District	\$67.01	1
City of Union City Transit Division	\$71.39	2
Missoula Urban Transportation District	\$72.57	3
Las Cruces Area Transit	\$74.35	4
Oshkosh Transit System	\$74.90	5
Sheboygan Transit System	\$76.01	6
City of Rome Transit Department	\$78.42	7
Billings Metropolitan Transit	\$82.13	8
Wausau Area Transit System	\$82.32	9
Altoona Metro Transit	\$90.95	10
Janesville Transit System	\$93.51	11
<i>Average</i>	\$78.51	
<i>Standard Deviation</i>	\$8.14	
<i>Average – 1 Standard Deviation</i>	\$70.37	
<i>Average + 1 Standard Deviation</i>	\$86.64	
<b>In Compliance with Act 44 Standard Deviation Requirements</b>	<b>No</b>	
<b>Better or Worse Than Peer Group Average</b>	<b>Worse</b>	

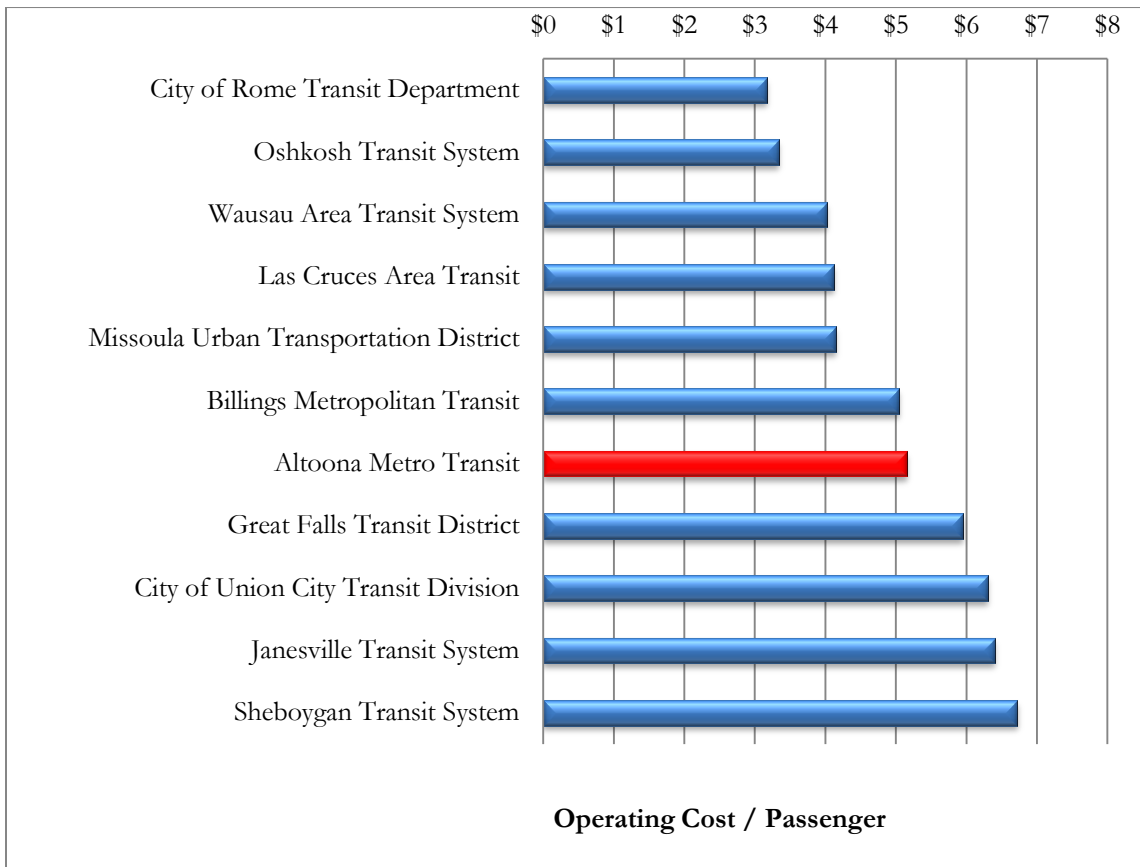
**Exhibit 6: Fixed-Route Operating Revenue per Revenue Vehicle Hour 2010**



Operating Revenue / Revenue Vehicle Hour		
System	Value	Rank
City of Rome Transit Department	\$18.26	1
Altoona Metro Transit	\$17.00	2
Las Cruces Area Transit	\$16.19	3
Janesville Transit System	\$15.93	4
Oshkosh Transit System	\$15.34	5
Sheboygan Transit System	\$12.34	6
Wausau Area Transit System	\$12.29	7
Billings Metropolitan Transit	\$11.47	8
Missoula Urban Transportation District	\$11.23	9
City of Union City Transit Division	\$8.87	10
Great Falls Transit District	\$7.77	11
<i>Average</i>	\$13.34	
<i>Standard Deviation</i>	\$3.43	
<i>Average – 1 Standard Deviation</i>	\$9.91	
<i>Average + 1 Standard Deviation</i>	\$16.76	
<b>In Compliance with Act 44 Standard Deviation Requirements</b>	<b>Yes</b>	
<b>Better or Worse Than Peer Group Average</b>	<b>Better</b>	

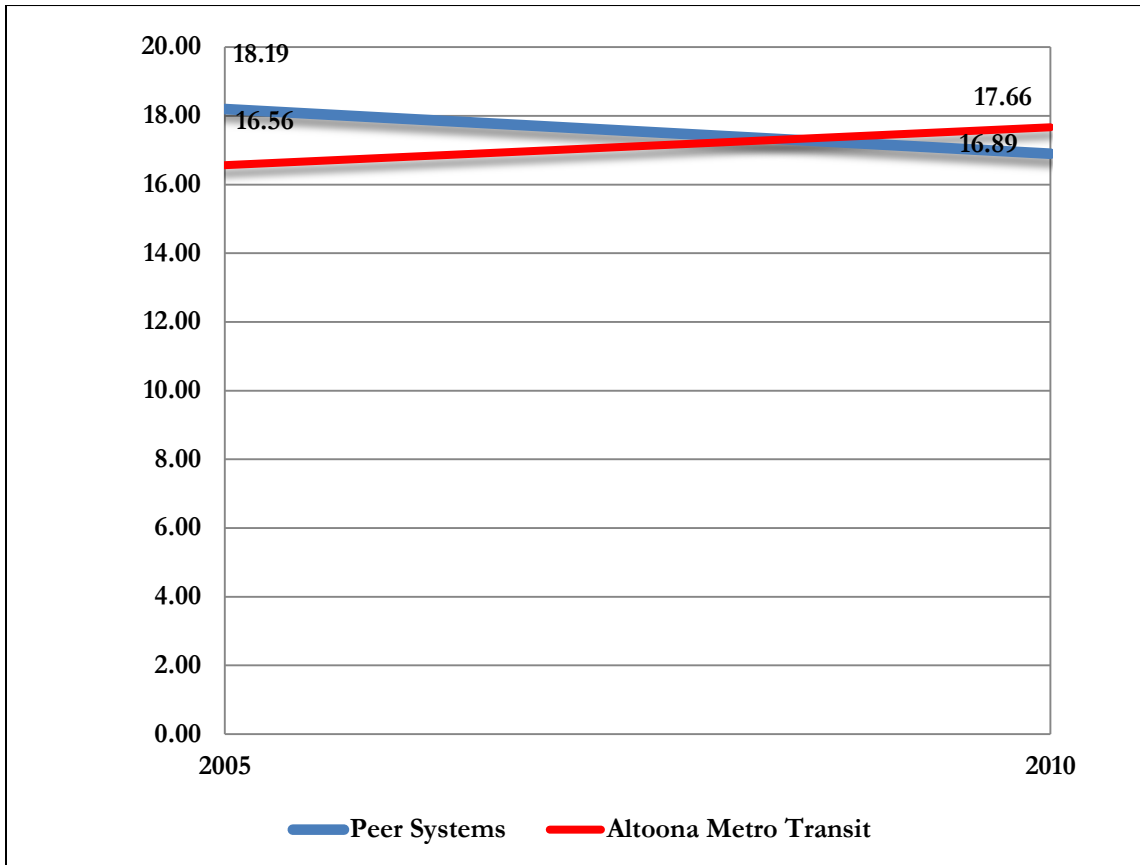


**Exhibit 7: Fixed-Route Operating Cost per Passenger 2010**



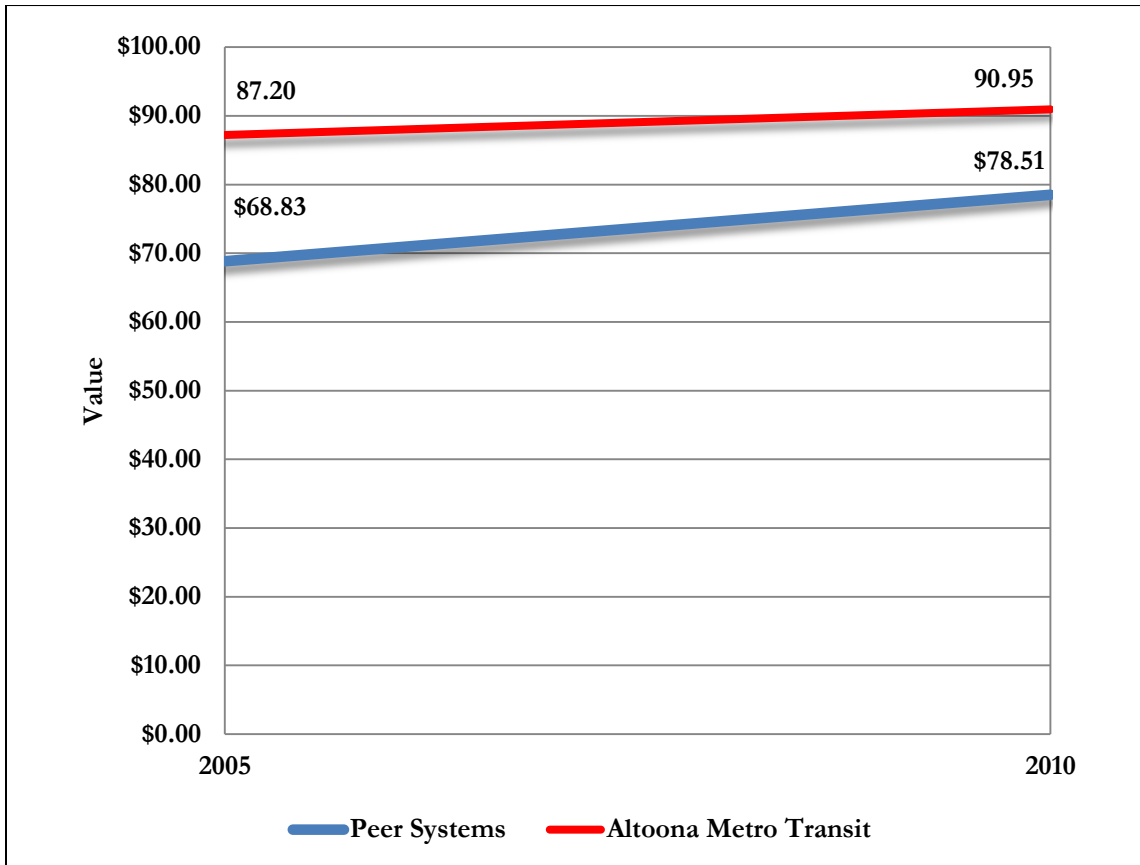
Operating Cost / Passenger		
System	Value	Rank
City of Rome Transit Department	\$3.16	1
Oshkosh Transit System	\$3.34	2
Wausau Area Transit System	\$4.02	3
Las Cruces Area Transit	\$4.12	4
Missoula Urban Transportation District	\$4.14	5
Billings Metropolitan Transit	\$5.04	6
Altoona Metro Transit	\$5.15	7
Great Falls Transit District	\$5.94	8
City of Union City Transit Division	\$6.30	9
Janesville Transit System	\$6.40	10
Sheboygan Transit System	\$6.72	11
<i>Average</i>	\$4.94	
<i>Standard Deviation</i>	\$1.27	
<i>Average – 1 Standard Deviation</i>	\$3.67	
<i>Average + 1 Standard Deviation</i>	\$6.20	
<b>In Compliance with Act 44 Standard Deviation Requirements</b>	<b>Yes</b>	
<b>Better or Worse Than Peer Group Average</b>	<b>Worse</b>	

Exhibit 8: Fixed-Route Passengers per Revenue Vehicle Hour Trend 2005-2010



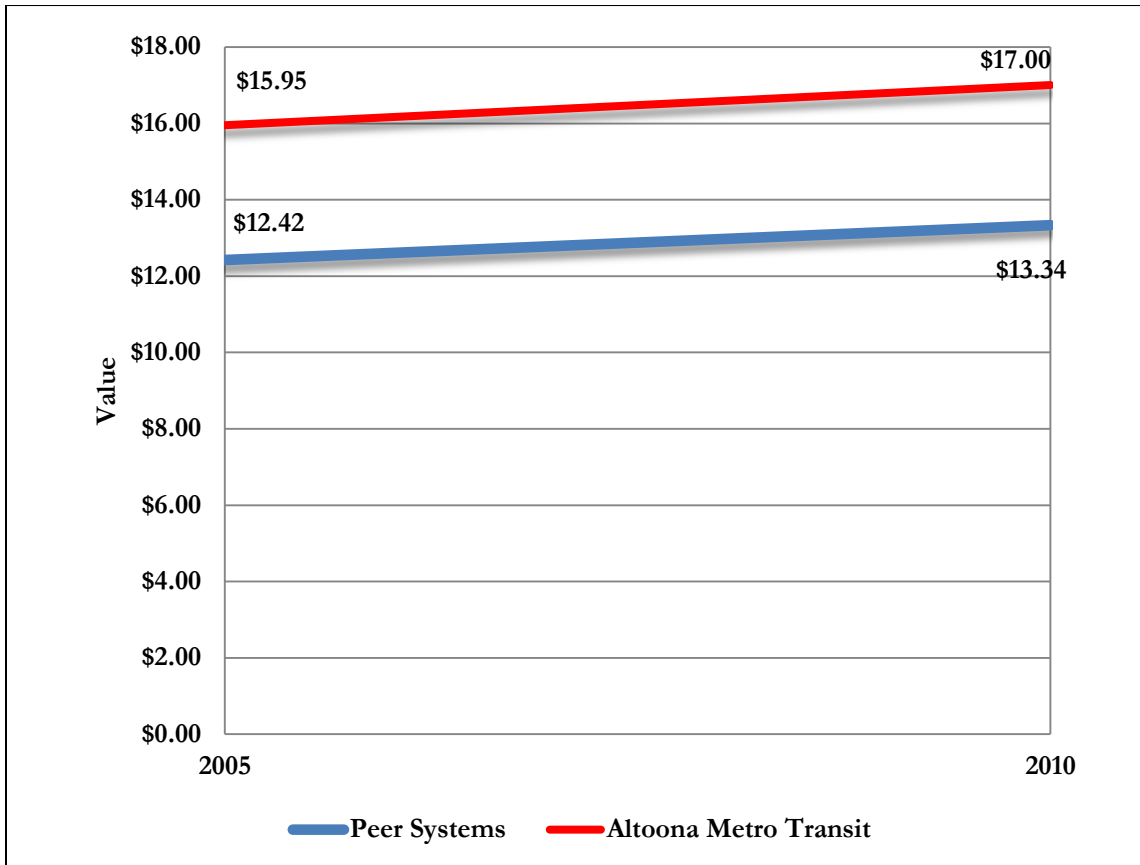
Passengers / Revenue Vehicle Hour		
System	Value	Rank
City of Union City Transit Division	2.45%	1
Sheboygan Transit System	1.63%	2
Altoona Metro Transit	1.29%	3
Missoula Urban Transportation District	0.08%	4
Billings Metropolitan Transit	-0.90%	5
Wausau Area Transit System	-0.98%	6
Oshkosh Transit System	-1.53%	7
Las Cruces Area Transit	-1.59%	8
Great Falls Transit District	-2.44%	9
Janesville Transit System	-3.67%	10
City of Rome Transit Department	-5.45%	11
<i>Average</i>	-1.01%	
<i>Standard Deviation</i>	2.34%	
<i>Average - 1 Standard Deviation</i>	-3.35%	
<i>Average + 1 Standard Deviation</i>	1.34%	
<b>In Compliance with Act 44 Standard Deviation Requirements</b>	<b>Yes</b>	
<b>Better or Worse Than Peer Group Average</b>	<b>Better</b>	

Exhibit 9: Fixed-Route Operating Cost per Revenue Vehicle Hour Trend 2005-2010



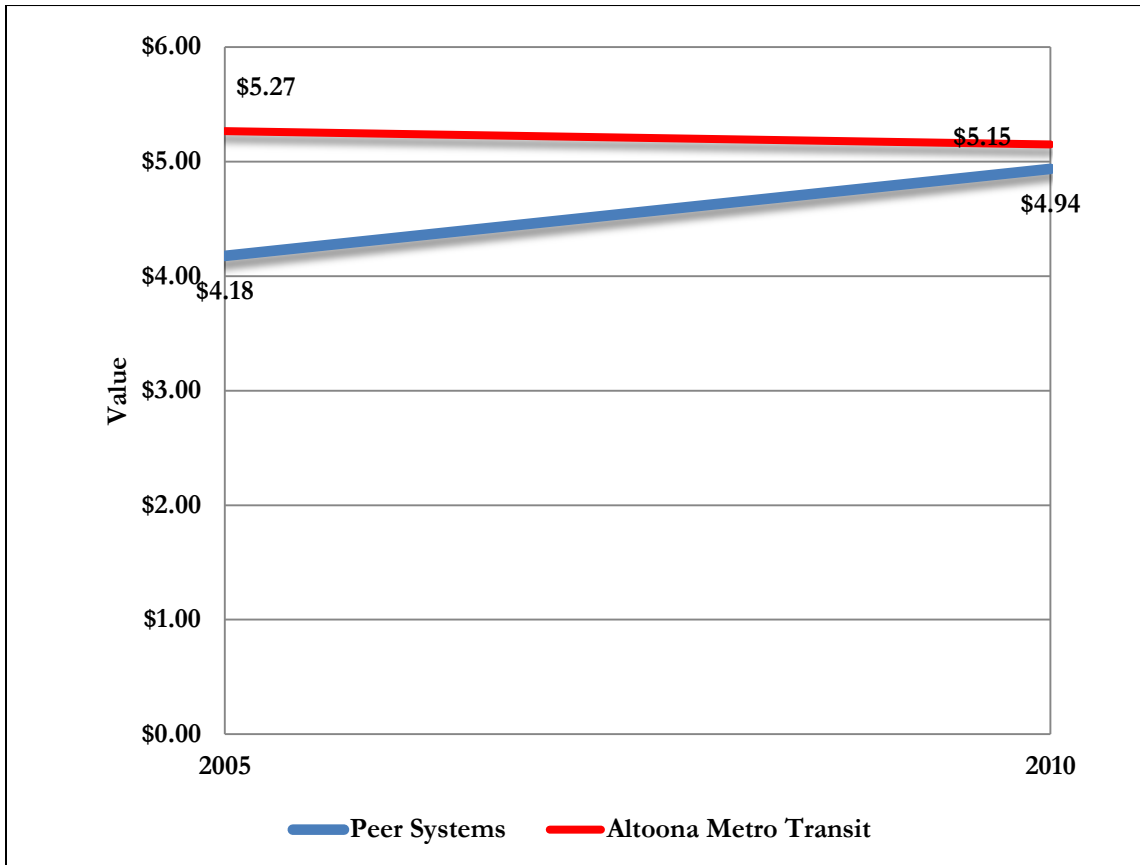
Operating Cost / Revenue Vehicle Hour		
System	Value	Rank
City of Rome Transit Department	-0.65%	1
City of Union City Transit Division	-0.31%	2
<b>Altoona Metro Transit</b>	<b>0.84%</b>	<b>3</b>
Billings Metropolitan Transit	2.12%	4
Wausau Area Transit System	2.80%	5
Missoula Urban Transportation District	3.57%	6
Great Falls Transit District	3.71%	7
Oshkosh Transit System	3.95%	8
Janesville Transit System	4.41%	9
Sheboygan Transit System	5.02%	10
Las Cruces Area Transit	5.31%	11
<i>Average</i>	2.80%	
<i>Standard Deviation</i>	2.06%	
<i>Average - 1 Standard Deviation</i>	0.74%	
<i>Average + 1 Standard Deviation</i>	4.86%	
<b>In Compliance with Act 44 Standard Deviation Requirements</b>	<b>Yes</b>	
<b>Better or Worse Than Peer Group Average</b>	<b>Better</b>	

Exhibit 10: Fixed-Route Operating Revenue per Revenue Vehicle Hour Trend 2005-2010



Operating Revenue / Revenue Vehicle Hour		
System	Value	Rank
Las Cruces Area Transit	22.04%	1
Oshkosh Transit System	12.69%	2
Great Falls Transit District	5.26%	3
Billings Metropolitan Transit	4.50%	4
Janesville Transit System	4.25%	5
Wausau Area Transit System	2.84%	6
City of Union City Transit Division	1.61%	7
Altoona Metro Transit	1.28%	8
Missoula Urban Transportation District	0.51%	9
Sheboygan Transit System	-0.69%	10
City of Rome Transit Department	-12.45%	11
<i>Average</i>	3.80%	
<i>Standard Deviation</i>	8.49%	
<i>Average - 1 Standard Deviation</i>	-4.69%	
<i>Average + 1 Standard Deviation</i>	12.30%	
<b>In Compliance with Act 44 Standard Deviation Requirements</b>	<b>Yes</b>	
<b>Better or Worse Than Peer Group Average</b>	<b>Worse</b>	

Exhibit 11: Fixed-Route Operating Costs per Passenger Trend 2005-2010



Operating Cost / Passenger		
System	Value	Rank
City of Union City Transit Division	-2.70%	1
Altoona Metro Transit	-0.44%	2
Billings Metropolitan Transit	3.05%	3
Sheboygan Transit System	3.33%	4
Missoula Urban Transportation District	3.49%	5
Wausau Area Transit System	3.82%	6
City of Rome Transit Department	5.08%	7
Oshkosh Transit System	5.57%	8
Great Falls Transit District	6.30%	9
Las Cruces Area Transit	7.01%	10
Janesville Transit System	8.39%	11
<i>Average</i>	3.90%	
<i>Standard Deviation</i>	3.22%	
<i>Average - 1 Standard Deviation</i>	0.68%	
<i>Average + 1 Standard Deviation</i>	7.12%	
<b>In Compliance with Act 44 Standard Deviation Requirements</b>	<b>Yes</b>	
<b>Better or Worse Than Peer Group Average</b>	<b>Better</b>	

## FIVE-YEAR FIXED-ROUTE PERFORMANCE TARGETS

Act 44 requires that PennDOT and all local transit agencies establish five (5) year performance targets for each of the four core metrics defined by the law:

- Passengers / Revenue Hour
- Operating Cost / Revenue Hour
- Operating Revenue / Revenue Hour
- Operating Cost / Passenger

These metrics 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 by mode as the “baseline” from which to develop the targets. Five year targets are then developed based on realistic and achievable expectations of improvement.

***Passengers / Revenue Hour*** is a measure of effectiveness of transit service. All else equal, passengers may increase due to successful marketing, customer service, improved route planning and natural growth. Declines in passengers per revenue hour can occur in spite of overall ridership increases due to the introduction of relatively inefficient service. Substantial improvements can be realized through the reduction of relatively inefficient services.

Typically PennDOT suggests a minimum targeted increase of 2% per year in passengers / revenue hour of service. This target is recommended as a) it is consistent with historic trends statewide, b) is achievable, and, c) it encourages agencies to better match service delivery with customer needs.

***Operating Cost / Revenue Hour*** quantifies the efficiency of service delivery. To some extent, costs are managed through good governance, proactive management and effective cost containment. PennDOT suggests a target of no more than 3% per year increase in operating cost / revenue hour of service. Because of AMTRAN’s relatively high starting point, this has been set to a lower rate of 2.0% per year. The target is established based on average expected inflation levels.

***Operating Revenue / Revenue Hour***, like operating cost / revenue hour, tries to insure an agency remains financially solvent in the long run. Operating revenue is composed of fares and other non-subsidy revenues. The target is set to be the same as passenger / revenue hour (2%) to make sure that revenue increases keep pace or exceed cost increases.

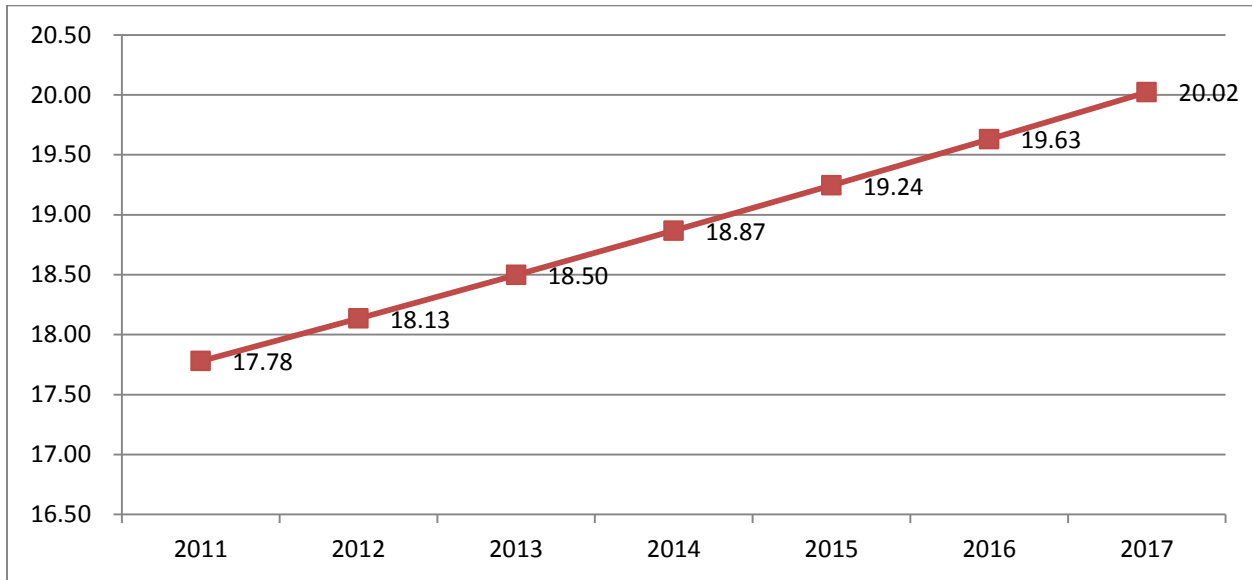
The maximum ***Operating Cost / Passenger*** target is established as the difference between maximum operating cost / passenger increase (2%) less the minimum passengers / revenue hour goal (2%), or 0%.

These performance targets represent the minimum performance level that AMTRAN should achieve for each Act 44 criteria during the next performance review cycle, five years from the date of this report. The performance targets were created using historical data analyzed during the five-year trend analysis as well as the most current certified audit information available. Standards were extrapolated to FY 2017 and are designed to be aggressive, yet achievable. Performance Targets will be agreed to by PennDOT and AMTRAN before they are finalized so that expected anomalies are reflected in the standards. The suggested performance targets for AMTRAN’s Act 44 metrics are presented in **Exhibit 12, Exhibit 13, Exhibit 14, and Exhibit 15.**



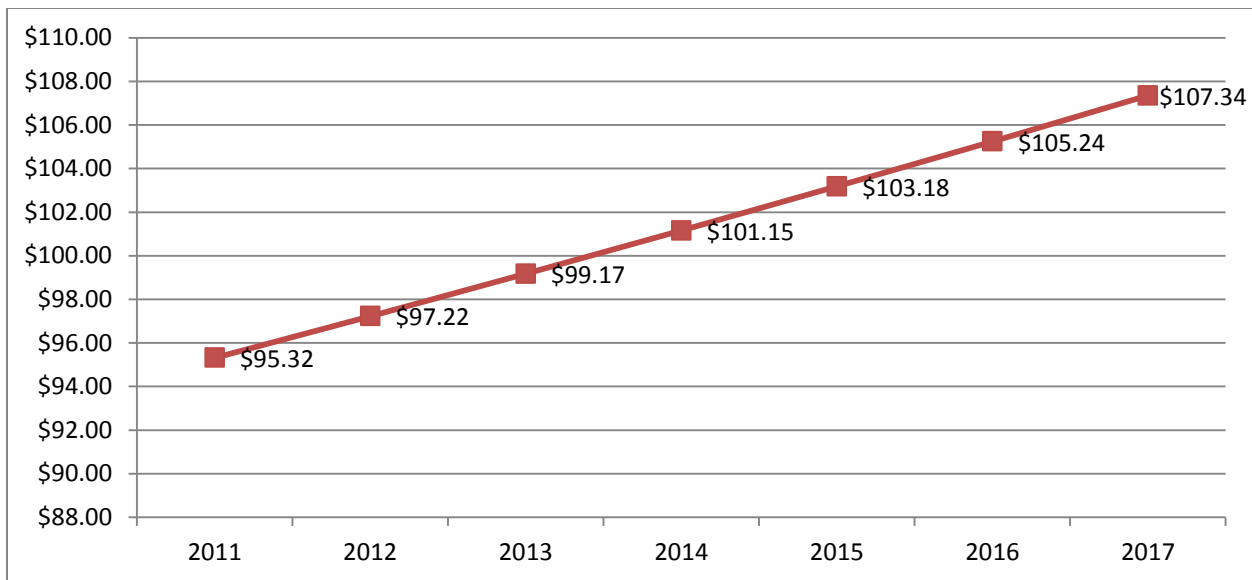
**Exhibit 12: Fixed-Route Passengers per Revenue Hour Performance Targets**

Year 2017 Target..... **20.02**  
 Interim Year Targets ..... **Annual increase of at least 2.0%**



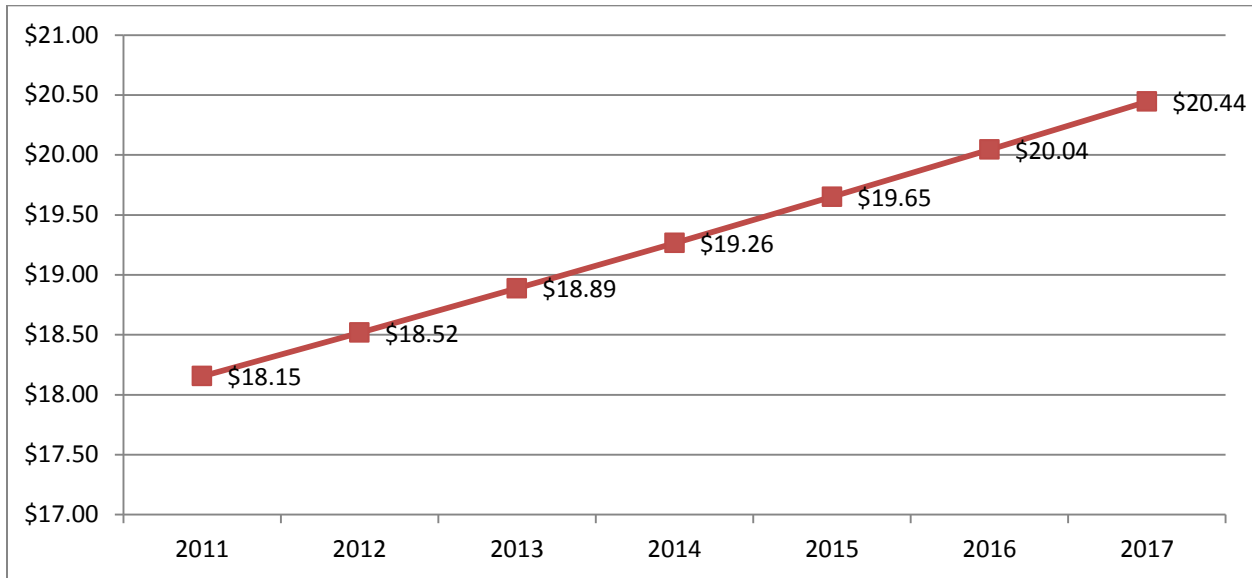
**Exhibit 13: Fixed-Route Operating Cost per Revenue Vehicle Hour Performance Targets**

Year 2017 Target..... **\$107.34**  
 Interim Year Targets ..... **Annual increase of no more than 2.0%**



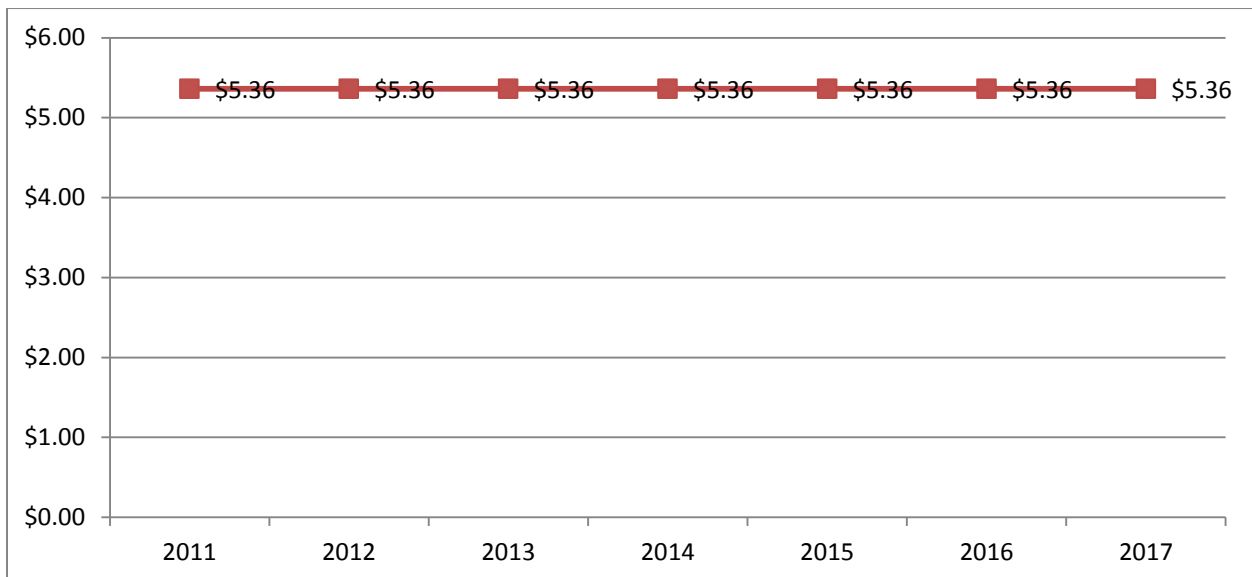
**Exhibit 14: Fixed-Route Operating Revenue per Revenue Vehicle Hour Performance Targets**

Year 2017 Target..... **\$20.44**  
 Interim Year Targets ..... **Annual increase of at least 2.0%**



**Exhibit 15: Fixed-Route Operating Cost per Passenger Performance Targets**

Year 2017 Target..... **\$5.36**  
 Interim Year Targets ..... **No Annual Increase**



## FUNCTIONAL REVIEW

Functional reviews are used to determine the reasons behind performance results found in the Act 44 comparisons, to find “best practices” to share with other transit agencies, and to identify opportunities for improvement that should be addressed in the Action Plan (see **Appendix A: Action Plan Improvement Strategies**). A total of 15 functional areas were reviewed through documents received from the agency (see **Appendix B: Documentation Request to General Manager**) and interviews conducted on-site. The functional areas are:

1. **Governing Body** – Responsibilities include setting vision, mission, goals, and objectives; management oversight; recruiting and retaining top management personnel; and advocacy for the agency’s needs and positions.
2. **Advisory Committees** – Typically provide review and input to the Governing Body and agency staff in specific topic areas ranging from a public perspective to technical reviews.
3. **General Management** – Responsible for the day-to-day operations of the agency. Manage, monitor, analyze, direct, and plan for the future with regard to all functional areas. Inform and report to the Governing Body, and implement governing body direction.
4. **Human Resources** – Responsible for employee retention, recruitment, training, performance reviews, grievance procedures, employee benefits, and labor relations.
5. **Finance** – Functional area includes budgeting, accounting, cash flow management, revenue handling, and insurance.
6. **Procurement** – Includes acquisition of rolling stock, vehicle parts, non-revenue capital items (i.e., office equipment) and other operations-related items.
7. **Operations** – Includes management of daily service operations, on-street supervision and control, dispatching, and general route management.
8. **Maintenance** – Includes vehicle and non-vehicle maintenance management, procedures, and performance.
9. **Scheduling** – Includes route and driver scheduling and decision-making, pay premium considerations, general management, procedures, and performance.
10. **Safety and Security** – Functional area includes vehicle and passenger safety, facility security, and emergency preparedness.
11. **Customer Service** – Includes management, procedures, and performance related to current and future customers of the fixed-route system and other topics such as service information and complaint handling processes.
12. **Information Technology** – Functional area includes automated mechanisms for in-house and customer service communication including future plans for new technology.
13. **Capital Programming** – Includes assessing and programming current and future capital needs reflecting both funded and unfunded projects. Includes the Transportation Improvement Plan (TIP), 12-Year Plan, and Long-Range Transit Plan.
14. **Marketing and Public Relations** – Includes maximizing current markets and expanding into new markets. Includes managing the perception of the agency by the public at-large to encourage current and future ridership.
15. **Planning** – Includes analysis of information to effectively plan for changes to the system in the short-, medium-, and long-term horizons, to help ensure continued success.

The functional review findings are organized by a brief description of the Act 44 variables guiding the performance review: passengers, fare and other non-subsidy revenues, and operating costs. These 15 areas work together to effectively meet the needs of passengers, to deliver high-quality service in a cost-effective manner and to provide resources that will adapt to changing needs.

The following sections summarize the ways which service can be delivered more efficiently and effectively in ways that are sensitive and responsive to the community's needs, maximize productivity, direct service hours effectively, control operating costs, and achieve optimum revenue hours. The observations garnered during the review process are categorized as *Best Practices* or *Items to Address in the Action Plan*. Best Practices are those exceptional current practices that are beneficial and should be continued or expanded.

*Items to Address in the Action Plan* are recommendations which have the potential to maximize productivity, to direct service hours effectively, to control operating costs, and to achieve optimum revenue levels which will enhance the system's future performance overall for one or more of the Act 44 fixed-route performance factors. For the convenience of AMTRAN, Action Plan templates have been included in this document (pp. 36-39). It should be noted that specific actions may partially address the broadly noted opportunities for improvement found in the "**General Findings**" (pp. vi-vii). Some actions will be quickly implementable while others may take several discrete steps to achieve over a longer period of time. The template does however provide 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**

"Passengers," as defined by Act 44, are unlinked passenger trips or passenger boardings across all routes in the fixed-route transit system. Increases in ridership directly represent how effectively management has matched service levels to current demand for service.

### **BEST PRACTICES**

1. AMTRAN has bus stop signs at all of its fixed route bus stops. Furthermore, each bus stop is numbered and provides a telephone number that customers can call to receive information on "next bus". This program is being expanded to add QR codes to stops so that patrons with smart phones can get next bus information without the need to make a phone call.
2. AMTRAN provides "real-time" information on the web including the next 3 buses to any given stop. This type of customer service information is exceptional for an agency of this size and appeals to new/young passengers. AMTRAN works closely with Avail as a test site for new customer service technologies. This is one way that the agency has been able to have "cutting edge" customer service information available to patrons in a way that is not commonly observed in similar sized systems.

### **ELEMENTS TO ADDRESS IN PART 2-A OF THE ACTION PLAN (SEE P. 37)**

1. Except for periodic customer satisfaction surveys, AMTRAN currently lacks formal, routine, and proactive ways to incorporate customer feedback into the fixed-route service delivery decision-making process. Such feedback can better inform both the community and AMTRAN so that passenger needs and service are optimized with respect to one another. **AMTRAN Management and the Board should introduce** formal mechanisms that provide regular feedback on topics that are of concern to customers via **a standing**

**citizens' advisory committee.** The committee can advise AMTRAN from a passenger's perspective on a variety of topics including service changes, fare changes, branding, community outreach, outreach to employers, and customer satisfaction. The committee should also serve as a means of outreach to the disability community.

2. AMTRAN does not conduct **routine customer satisfaction surveys** but has used them in the past to adjust policies or respond to concerns. For example, in response to customer concerns expressed during the 2009 survey, routes were recently restructured to minimize the need for transfers and to insure that each route provides service to at least one grocery store. Periodic customer and **non-customer surveys** should be built into AMTRAN's budget with results used to direct service and operational changes.
3. AMTRAN has security cameras at their main facility and on most vehicles and uses them regularly for customer service and law enforcement needs. Audio is not recorded at the recommendation of legal counsel. Audio recording provides an extra degree of oversight and a useful tool to manage risk. Since a number of other transit systems have cameras, and do record audio and there are positive benefits to these recordings, it is recommended that AMTRAN **determine how some other transit systems were able to overcome this constraint** as the lack of recording audio reduces the effectiveness of having cameras for customer service monitoring and risk mitigation.
4. AMTRAN has a small marketing budget that is not documented as a line item in their statement of revenues and expenses. Management states that the marketing budget is small and used mostly for "Dump the Pump" and similar marketing campaigns. No information on marketing strategy or effectiveness was available for review. It is recommended that AMTRAN management **document their marketing strategy** and **establish appropriate performance metrics** so that management can best target limited marketing resources as well as provide documented insight and guidance to new staff.

Similarly, AMTRAN implements a "Just in Time" rider promotion program three times each year where riders are encouraged to bring friends, tell others about transit, etc. However, like its overall marketing plan, AMTRAN does not formally evaluate the effectiveness of this program. It is recommended that the agency **evaluate this program** to determine how effective it is and if there are ways to further improve its effectiveness.

5. Other than working with neighboring transit agencies CATA and CamTran on joint television advertisements, AMTRAN does not coordinate service with these systems. It is recommended that the agency **promote joint service** alternatives that currently exist within CATA and CamTran by including this information on its website, adding signing at the specific bus stops served by AMTRAN and CATA, and AMTRAN and CamTran, and by coordinating its schedules to connect with these services to minimize transfer times.
6. Given AMTRAN'S large dependence on the Penn State and School District contracts, which account for one-half of its annual ridership and 2/3 of non-subsidy revenues, the agency should **develop multiple innovative approaches to attract new riders**. This will likely require close coordination with Penn State and the School District, assessment of market trends, marketing materials/media, outreach efforts and a thorough understanding of emerging and declining markets as well as the costs required to serve them.

## OPPORTUNITIES TO INCREASE FIXED-ROUTE REVENUES

“Revenues,” as defined by Act 44, encompasses all non-subsidy revenues generated to help fund the operation of a transit system. The largest contributors to this are farebox revenues, route guarantees, interest on accounts, and advertising revenues.

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

1. AMTRAN has approximately a 20.4% passenger farebox and route guarantee recovery ratio on fixed-route service. This is higher than has been observed in similar agencies but is not exceptional. It is largely due to the route guarantees sponsored by Penn State Altoona and the local school board. Unfortunately, the farebox recovery ratio has dropped since the last fare increase (it was 22.5% in FY 2006/2007). It is recommended that AMTRAN **establish system-wide and route-level farebox recovery goals and establish a process to periodically review how well those goals are being achieved.**
2. AMTRAN provides tripper service to the local school board and guaranteed service to Penn State Altoona. However, it is unclear from available documentation what the cost recovery is on these services. AMTRAN should **develop fully allocated cost estimates for these services** and use these to inform management and to facilitate future negotiations with both client agencies.

## OPPORTUNITIES TO CONTROL OPERATING COSTS

“Operating costs” capture the non-capital costs incurred in the day-to-day operations of a transit system. Labor, maintenance, and operating costs such as fuel and tires and lube contribute to this measure in significant ways. Many transit agencies have noted cost increases much higher than the general rate of inflation. Compounding this is the reality that operating subsidies are not likely to increase at a comparable rate. Controlling operating cost increases is a key to maintaining current service levels.

### BEST PRACTICES

1. AMTRAN performs light duty maintenance on revenue vehicles, non-revenue vehicles and facilities. For vehicles, maintenance is tracked daily using ManagerPlus<sup>®</sup> enterprise fleet management software<sup>7</sup> and performed within 100 miles of the manufacturers’ recommended guidelines. The maintenance team directly enters information into the system. **Having, monitoring and adhering to strict standards for maintenance should be considered “best practice”.** Appropriate outsourcing of heavy maintenance also reduces costs.
2. Unlike most transit agencies, AMTRAN’S labor agreement **does not have a provision requiring a minimum number of “straight runs”.** As a result, the agency utilizes split runs in scheduling most of its drivers, and indicated this practice is preferred by their operators. This is a best practice that could potentially benefit other transit systems if they are able to reduce, or eliminate, the minimum number of required “straight runs’ in their next labor contract.

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<sup>7</sup> <http://www.managerplus.com/> - The operations manager reports that the software is easy to use, low-cost and easily customizable for all assets (rolling stock and otherwise).

3. AMTRAN is considering a move away from fully-registering cash boxes to a less complicated technology with a farebox sampling verification plan. Management expects this approach to reduce costs yet provide a level of quality control commensurate with fully-registering fare boxes. While the benefits of this approach are not yet clear, **exploring ways to reduce costs while maintaining adequate oversight should be considered best practice.**

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

1. AMTRAN maintained very effective cost control for the 2005-2010 trend analysis timeframe. As shown in **Exhibit 16**, FY 10/11 and FY 11/12 operating costs per revenue hour (an Act 44 metric) increased at 4.05% and 0.16% per year respectively up from \$90.95 in FY 09/10 to \$94.79 in FY 11/12. **Exhibit 17** provides details of each major category in AMTRAN's annual operating expenses for FY 09/10 through FY 11/12.

However, because AMTRAN is "At Risk" for its FY 2010 Total Operating Cost / Revenue Hour, **management should continue to actively monitor and report to the Board specific line items in the budget that are expected to grow more quickly than inflation as well as identify additional opportunities for cost containment.**

2. Because AMTRAN uses a distributed procurement approach with each department responsible for its procurement (except for large purchases), it is critical that all staff involved in procurement **receive training on the use of tools** offered by PennDOT that **assist with procurement** such as "Procurement Pro" available under the Rural Technical Assistance Program (RTAP). **Management and all staff responsible for procurement should receive regular training and become familiar with these tools to help reduce the workload** associated with satisfying federal and state procurement rules.
3. As shown in **Exhibit 18**, AMTRAN incurs **higher fringe benefit costs per revenue hour of service than seen in many other Commonwealth transit systems.** There may be several contributing factors. For example, all employees pay a very low co-payment for health insurance (currently \$60/month). To better control costs, it is recommended that management seek advice from peers who have low fringe benefit costs / revenue vehicle hour with the goal of identifying and implementing successful strategies to reduce fringe benefit costs.
4. AMTRAN's **labor agreement limits the number of eligible entities** that may provide health care services. It is recommend that when negotiating its next CBA AMTRAN should try to eliminate this restriction so it has more options in providing health care service to improve the chance of lowering the cost of this service thru greater competition.
5. There is currently a disparity between how overtime is determined for operators and mechanics. Overtime for operators is based on working more than 40 hours per week, while overtime for mechanics is based on working more than 8 hours per day. It is recommended that this disparity be addressed when AMTRAN negotiates its next labor contract and **base overtime for mechanics on working more than 40 hours each week**, rather than working more than 8 hours in a given day, in order to reduce potential overtime costs.



Exhibit 16: AMTRAN Fixed-Route Operating Cost / Revenue Hour (FY 2003-2012)

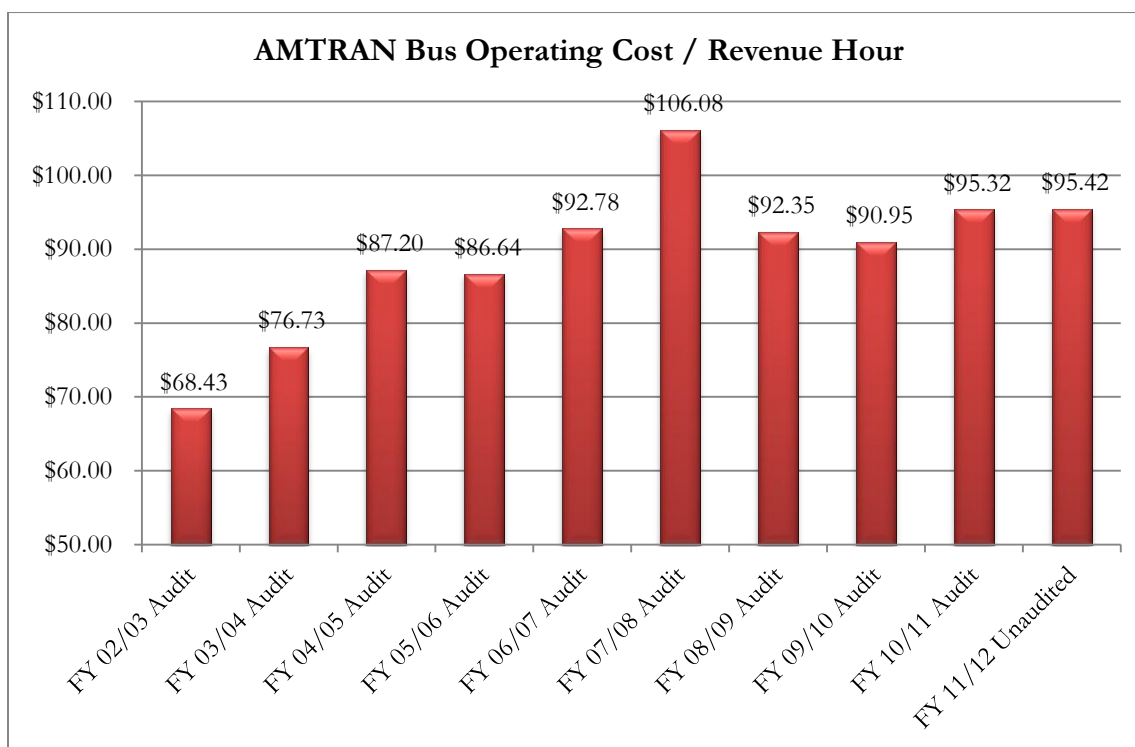


Exhibit 17: AMTRAN Budget Fixed-Route Service Line Items (FY 09/10 - FY 11/12)

Legacy Budget Line Item	FY 09/10	FY 10/11	FY 11/12	Year on Year Change	
	(a)	(b)	(c)	(b-a)/a	(c-b)/b
Operators Salaries & Wages	\$871,189	\$904,574	\$1,024,362	3.83%	13.24%
Other Salaries & Wages	\$726,546	\$734,657	\$750,253	1.12%	2.12%
Fringe Benefits	\$1,062,274	\$1,114,675	\$1,134,268	4.93%	1.76%
Services	\$145,209	\$236,006	\$166,905	62.53%	-29.28%
Fuel & Lubricants	\$309,575	\$392,555	\$510,556	26.80%	30.06%
Tires & Tubes	\$15,592	\$16,274	\$17,839	4.37%	9.62%
Other Materials & Supplies	\$181,146	\$184,779	\$217,978	2.01%	17.97%
Utilities	\$61,697	\$64,210	\$60,746	4.07%	-5.39%
Casualty & Liability Costs	\$84,188	\$75,812	\$61,438	-9.95%	-18.96%
Taxes	\$10,561	\$12,004	\$12,426	13.66%	3.52%
Purchased Transportation	\$0	\$0	\$0	-	-
Miscellaneous Expenses	\$72,722	\$81,652	\$105,302	12.28%	28.96%
Expense Transfers	\$0	\$0	\$0	-	-
<b>Total Fixed-Route Cost</b>	<b>\$3,540,699</b>	<b>\$3,817,198</b>	<b>\$4,062,073</b>	<b>7.81%</b>	<b>6.42%</b>
Fixed-Route Revenue Hours	38,929	40,334	42,855	3.61%	6.25%
<b>Fixed-Route Operating Cost / Revenue Hour</b>	<b>\$90.95</b>	<b>\$94.64</b>	<b>\$94.79</b>	<b>4.05%</b>	<b>0.16%</b>



## Exhibit 18: Select Pennsylvania Fixed-Route Transit Systems' Fringe Benefit Cost Summary

Urban Operator	Annual Total Fixed-Route			Fringe Cost	
	Fringe Cost	Operating Cost	RVH*	Per RVH	%/Total
<b>AMTRAN</b>	<b>\$1,114,675</b>	<b>\$3,817,198</b>	<b>40,754</b>	<b>\$27.35</b>	<b>29.2%</b>
BCTA	\$776,614	\$4,310,484	56,337	\$13.79	18.0%
CAMTRAN	\$2,017,590	\$7,415,299	79,488	\$25.38	27.2%
CAT*	\$3,895,144	\$14,130,141	156,693	\$24.86	27.6%
CATA	\$2,665,891	\$10,783,578	121,361	\$21.97	24.7%
COLT/LT	\$593,862	\$2,611,759	33,481	\$17.74	22.7%
COLTS	\$2,489,605	\$7,170,834	76,464	\$32.56	34.7%
LANTA	\$6,168,597	\$18,601,408	207,527	\$29.72	33.2%
LCTA	\$2,197,078	\$6,483,881	70,536	\$31.15	33.9%
RRTA	\$2,497,497	\$8,455,063	113,063	\$22.09	29.5%
RVT/WBT	\$840,155	\$5,124,600	53,516	\$15.70	16.4%
YCTA*	\$1,952,424	\$7,949,990	102,615	\$19.03	24.6%

\* Directly Operated Service Component Only

Source: dotGrants Legacy Reports FY 2010/2011

6. In the summer, AMTRAN lays-off drivers associated with the tripper service and establishes an Extra Board. Management recognizes that this increases unemployment insurance costs and drives up the average cost of service annually. However management suggests the Extra Board is warranted in the summer due to a large number of scheduled vacations. Additionally, training is conducted during the summer time at those times when the full Extra Board is not needed. From the performance review's assessment, **it is unclear if the incremental costs associated with the tripper service (e.g. unemployment insurance) are fully offset by such cost saving measures. Management should include an assessment of these issues and their financial implications as part of a fully allocated cost and cost recovery assessment of the tripper service.**
7. The agency has slightly-above average maintenance cost per revenue vehicle hour. This can be attributed, at least in part, to operating very old GMC "New Look" busses for their tripper/school service. Limited use has extended the life of these vehicles which were purchased at a very low price. However, they are quite old and **if AMTRAN plans to continue the tripper service, they will need to put a capital plan in place** that accounts for their eventual replacement.

## **OTHER FINDINGS THAT IMPACT OVERALL AGENCY PERFORMANCE**

"Other Findings" is a collection of findings from the functional review that may, if addressed, improve the current or future operations of AMTRAN. While not directly tied to Act 44 measures, actions to address these findings will result in a more seamless operation and greater operational efficiencies.

### **BEST PRACTICES**

1. The Board member interviewed **demonstrates an excellent understanding and approach** to the **role of Governance** in a transit agency's operation by appropriately delegating authority to management, providing oversight, routinely monitoring performance of high-order key agency functions, taking appropriate roles in fiscal oversight.
2. AMTRAN has an evacuation plan and annually conducts an evacuation drill to make sure that its employees are aware of what to do. Also, the agency retained a national safety expert, Mr. Ream Lazaro, to **conduct a third party review of its safety and security programs**. These are best practices that could serve as a model for other transit systems to consider.

### **ELEMENTS TO ADDRESS IN PART 3 OF THE ACTION PLAN (SEE P. 39)**

1. Management has not developed nor monitored performance targets for all key agency functions<sup>8</sup>. With input from the Board, the management team should **develop and routinely report performance data and trends for all key agency functions**. This recommendation is consistent with MAP-21 and Act 44 and will help inform Board members who expressed a desire for more information with respect to agency performance during the on-site interview process.

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<sup>8</sup> See Page 19 for a list of key agency functions.

Examples of such metrics management and the Board should find useful include items such as:

- Mechanical breakdowns per 1,000 vehicle miles (maintenance)
  - Complaints per 1,000 passenger trips (customer service measure)
  - Employee turnover rate (human resources)
  - On-time performance ratio (operations and scheduling)
  - Dollar value of payments due greater than 90 days (finance)
  - Board meeting attendance (governance)
  - Farebox recovery (finance)
2. In the aggregate, management reports on expenditures, standing with respect to budget and system-wide ridership performance to the board monthly. While **route-level** ridership boardings are monitored by management along with their respective targeted 10 boardings / hour, this measure and **reporting should be expanded to include both cost and farebox recovery detail by route as part of the regular Manager's Board Report package.**
  3. The Board of Directors participated in a retreat approximately five years ago. The Chairman of the Board suggested that the Board may consider conducting another retreat. **Periodic Board retreats should be routinely scheduled,** especially as Board members are replaced and as conditions warrant.
  4. It is recommended that AMTRAN **develop a formal succession plan,** as it has a number of operators and mechanics who are likely to retire in the near future.
  5. In years where there is a large construction budget, AMTRAN has no difficulty meeting DBE/WBE/MBE goals of 2%. However, during “normal” years, meeting these goals can be a challenge due to a lack of local registered DBE/WBE/MBE vendors. AMTRAN should **work with PennDOT to identify and register qualified local vendors.**
  6. Although AMTRAN has installed a number of cameras on its facility to monitor activity, it has not installed secure fencing or a security gate to better control access. It is recommended that the agency enhance the security of its facilities by **installing secure fencing and a controlled access gate** to help assure only authorized access to its property.
  7. In order to enhance customer service and security it is recommended that AMTRAN **evaluate the potential benefits and costs of part-time staffing at its transfer center** during those parts of the day when the numbers of customers using this facility is greatest.

## FINANCIAL REVIEW

In an era of increasing costs and limited funding opportunities, many transit agencies are entering a difficult period. Many are pressed to reduce service while increasing fares just to make ends meet. It is in the interest of the Commonwealth to monitor the financial health of transit agencies before manageable financial problems become much larger challenges. With more than 40 transit agencies in the Commonwealth funded by Act 44, PennDOT needs information to assess where financial difficulties can be predicted so that a corrective course of action can be taken before financial challenges seriously impede the ability of local transit agencies to deliver service.

The challenge in assessing the “financial health” and trajectory of transit agencies without first-hand knowledge of day-to-day operations is that much of the information regarding financial indicators is often dated and relies on “end of year” indicators. Furthermore, costs, such as fuel, can vary widely year-to-year or even week-to-week. Funding sources, while more predictable, can change depending on the availability of federal funds, tax collections or funding formulae.

This financial review focuses on “high-level” snapshot and trend indicators to determine if additional scrutiny is warranted by reviewing audited information where available, other financial reports and budgets. The review assesses:

- High-Level Indicators of Financial Health
- Total Agency-wide Operational Expenditures and Funding
- Fixed-Route Funding
- Paratransit Funding
- Balance Sheet Findings
- Other Locally Significant Revenue and Funding Issues

### HIGH-LEVEL INDICATORS OF FINANCIAL HEALTH

Several high-level indicators of financial health and stability have been examined to determine AMTRAN’s current state. For some indicators, AMTRAN performs well. As shown in **Exhibit 19**, AMTRAN is in line with industry goals and targets for most indicators.

Local match is a high-level indicator that implies some cause for concern. While local match appears to exceed minimums, AMTRAN has lost some local community sponsorship since the audits were complete. Management has requested and received a waiver to use “route guarantee” revenues as a source of local match in future budgets based on the proportion of the Penn State Altoona service that would be serving the campus with or without the route guarantee. There is also a relatively minor issue with accounts receivable (AR) where 3.7% of monthly AR is reported as past due for 90 days or more. This is largely explained by FTA reimbursement delays to the Blair County Planning Commission common for this source of funding.

**Exhibit 19: High-level Financial Indicators**

Indicator	AMTRAN Value	Assessment Criteria / Rationale	Source
Cash Reserves / Annual Operating Cost	4.0%	The combined target should be 25%+. This provides flexibility to account for unexpected cost increases or service changes.	FY 2010/2011 Audit Report
State Carryover Subsidies / Annual Operating Cost	40.3%		FY 2011/2012 Budget
Actual Local Match / Required Match	104.7%	Target 100%+. Local match that exceeds required minimums gives a transit agency flexibility to change service and to accommodate unexpected cost changes.	FY 2010/2011 Audit
Accounts Payable (AP) 90+ days <sup>9</sup>	0.0%	Target should be 0% over 90 days. Larger values indicate cash flow concerns.	Aged Trial Balance 12/31/11
Accounts Receivable (AR) 90+ days <sup>10</sup>	3.7%	Target should be 0% over 90 days. Larger values can cause cash flow problems.	Aged Trial Balance 12/31/11
Operating Debt / Annual Operating Cost	0.0%	Target should be 0%. Low debt amounts reduce borrowing costs.	Interview Apr 2012
Credit available/ Annual Payroll	0.0%	Target should be 15%+. This gives the ability to cover payroll due to unexpected delays in accounts receivable.	FY 2011/2012 Budget

<sup>9</sup> The only payment amount showing past due over 90 days as of 2/8/2012 12:10 PM on the “Summary of Accounts Payable Aged Trial Balance” was for \$9.00.

<sup>10</sup> Amount of \$13,096.22 was reported as 91 days + past due as of 2/8/2012 12:10 PM on the “Summary of Accounts Receivable Aged Trial Balance” of which \$12,866.22 was over 120 days past due. Dividing the total by average monthly expenditures expected in FY 11/12 (\$354,872.42) yields 3.7%

## TOTAL AGENCY-WIDE OPERATIONAL EXPENDITURES AND FUNDING

As shown in **Exhibit 20**, AMTRAN has grown from a \$3.8 million per year operation in FY 06/07 to a \$4.0 million per year operation in FY 10/11. In the FY 11/12 budget, total expenditures are shown to grow to \$4.3 million. Approximately 95% of AMTRAN's operational expenses are for fixed-route service. The remaining is for ADA paratransit service (**Exhibit 21**).

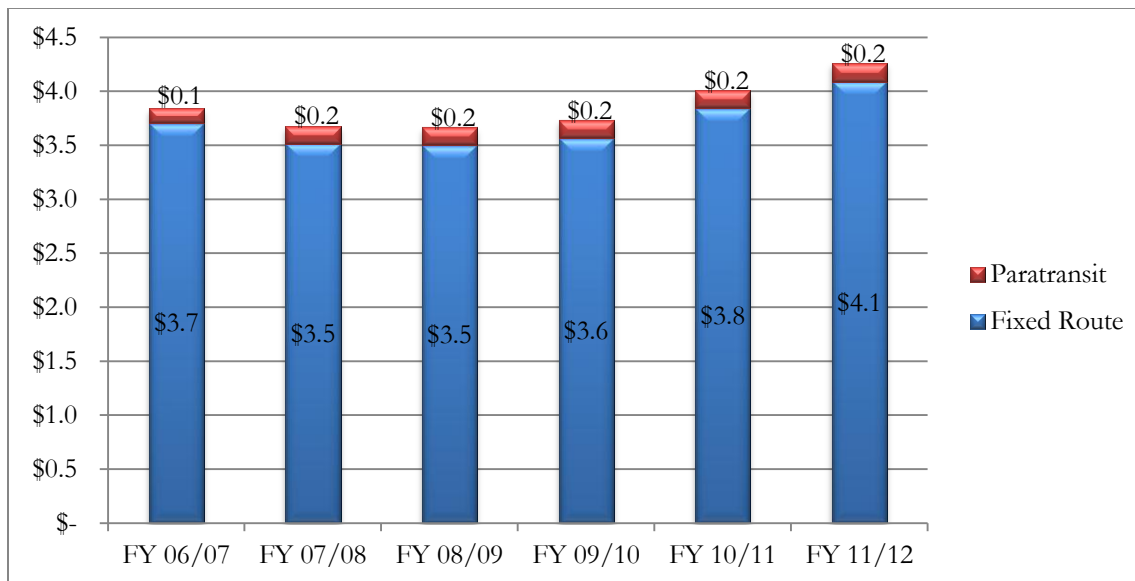
AMTRAN's operational funding comes from a variety of sources including federal subsidies, state funds, lottery funds, local funds and passenger fares. Since FY 07/08, federal funds used to finance operations have been hovering around 25% (**Exhibit 22**). Increases in operating costs have largely been compensated for by increases in state funding such as Act 44. Local funding has grown since FY 08/09 as required by Act 44 yet passenger fares have shrunk as a share of expenses. State funding remains the largest single funding source for AMTRAN (**Exhibit 23**).

### Exhibit 20: AMTRAN Total Operating Expense by Service Type (FY 06/07 - FY 11/12)

Expense by Service Type	FY 06/07	FY 07/08	FY 08/09	FY 09/10	FY 10/11	FY 11/12*
Fixed Route	\$3.7	\$3.5	\$3.5	\$3.6	\$3.8	\$4.1
Paratransit	\$0.1	\$0.1	\$0.2	\$0.2	\$0.2	\$0.2
<b>Total (\$ millions)</b>	<b>\$3.8</b>	<b>\$3.7</b>	<b>\$3.7</b>	<b>\$3.7</b>	<b>\$4.0</b>	<b>\$4.3</b>

\*FY 11/12 Unaudited Final Legacy.

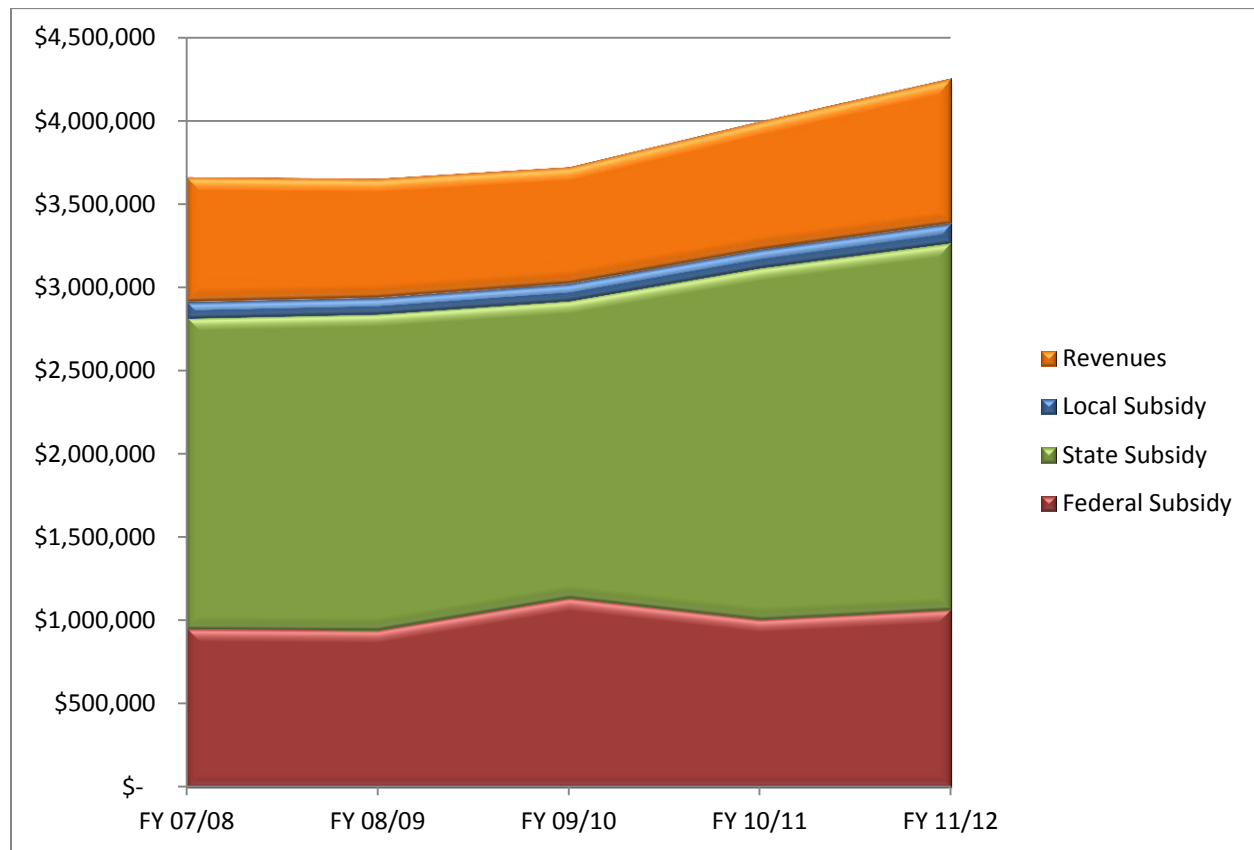
### Exhibit 21: AMTRAN Share of Agency-wide Operating Expenses by Mode



**Exhibit 22: Agency-wide Operational Funding by Source (FY 06/07 - FY 10/11)**

Share of Funding	FY 06/07	FY 07/08	FY 08/09	FY 09/10	FY 10/11	FY 11/12
Federal Subsidy	40.8%	26.0%	25.8%	30.5%	25.2%	25.1%
State Subsidy	34.7%	50.9%	52.0%	48.0%	52.8%	51.7%
Local Subsidy	2.1%	2.7%	2.8%	2.9%	2.8%	2.8%
Revenues (Non-Subsidy)	22.5%	20.3%	19.4%	18.7%	19.2%	20.4%

**Exhibit 23: AMTRAN Reported Agency-wide Operational Funding Since Act 44's Passage**



## FIXED-ROUTE FUNDING

AMTRAN's historic and proposed fixed-route funding is derived from general revenues and government subsidies. Direct Passenger fares have covered between 12.3% and 15.4% of total operating revenues (**Exhibit 24**). Based on the FY 07/08 to FY 10/11 dotGrants reporting, AMTRAN operated using current year funding with excess local and state funding being "carried over". AMTRAN shows excess local contribution of \$8,893 and \$17,193 for FY 09/10 and FY 10/11 respectively amounting to 2.5% and 4.7% of the local match required. The total local match available at the end of FY 10/11 was \$369,569. Section 1513 carryover has grown from \$951,209 in FY 08/09 to \$1,650,452 in FY 10/11.

An anomaly in the fixed route income reporting is how route guarantee funds appear. AMTRAN has two primary sources of route guarantees; Penn State Altoona and the local school board. These show up as passenger fares (local school board) or as "Route Guarantee" (Penn State) or even charter in dotGrants depending on the year and reporting requirements. When comparing revenue history it is important to keep this in mind as the actual sources of revenue have not changed during this time frame. These sources of revenue should be treated as route guarantee in future financial reporting.

### Exhibit 24: Fixed-Route Funding

Funding Category	FY 06/07	FY 07/08	FY 08/09	FY 09/10	FY 10/11	FY 11/12
<b>Revenues</b>						
Passenger Fares+ School	\$564,641	\$510,222	\$505,463	\$462,653	\$483,829	\$500,748
Advertising	\$133,492	\$50,475	\$12,520	\$10,532	\$17,847	\$24,580
Charter	\$132,921	\$153,094	\$159,169	\$0	\$0	\$0
Route Guarantee (Penn State)	\$0	\$0	\$0	\$187,641	\$227,956	\$299,183
Other Misc.				\$1,020	\$2,583	\$7,745
<b>Subtotal</b>	<b>\$831,054</b>	<b>\$713,791</b>	<b>\$677,152</b>	<b>\$661,846</b>	<b>\$732,215</b>	<b>\$832,256</b>
<b>Subsidies</b>						
Federal Operating Grant	\$868,999	\$748,677	\$858,613	\$960,405	\$938,308	\$994,203
Act44 (1513) State Prior	\$0	\$0	\$462,996	\$951,209	\$1,463,811	\$1,650,452
Act44 (1513) Current	\$525,990	\$1,751,782	\$1,347,111	\$748,864	\$562,568	\$462,248
Municipal Prior	\$0	\$0	\$0	\$0	\$0	\$0
Municipal Current	\$59,935	\$92,985	\$96,826	\$101,505	\$107,421	\$112,800
Act3 BSG Grant (State)	\$480,672	\$19,186	\$0	\$0	\$0	\$0
Act3 BSG Grant (Local)	\$16,575	\$3,837	\$0	\$0	\$0	\$0
Special-(Federal)	\$614,270	\$166,464	\$45,642	\$133,789	\$32,183	\$32,183
Special-(State)	\$278,235	\$7,126	\$0	\$0	\$0	\$0
Special (Local)	\$30,776	\$11,468	\$11,411	\$8,448	\$8,046	\$8,046
<b>Subtotal</b>	<b>\$2,875,452</b>	<b>\$2,801,525</b>	<b>\$2,822,599</b>	<b>\$2,904,220</b>	<b>\$3,112,37</b>	<b>\$3,259,932</b>
<b>Total Funding</b>	<b>\$3,675,730</b>	<b>\$3,503,848</b>	<b>\$3,488,340</b>	<b>\$3,557,618</b>	<b>\$3,836,506</b>	<b>\$4,107,640</b>
<b>Passenger Fares/ Total Funding</b>	<b>15.4%</b>	<b>14.6%</b>	<b>14.5%</b>	<b>13.0%</b>	<b>12.6%</b>	<b>12.3%</b>

Source: PennDOT dotGrants Reporting System



## PARATRANSIT FUNDING

AMTRAN's paratransit funding is very small and limited to ADA service which is subcontracted to Blair Senior Services. Since the passage of Act 44 state subsidies represent the largest contribution towards paratransit operating costs (**Exhibit 25**) covering approximately one-half of expenses. The total ADA paratransit program has grown modestly from \$161,000 in FY 07/08 to \$172,000 in FY 10/11.

### Exhibit 25: Non-Fixed Route (ADA Paratransit) Funding

Category	FY 06/07	FY 07/08	FY 08/09	FY 09/10	FY 10/11	FY 11/12
<b>Revenues</b>						
Passenger Fares	\$25,445	\$31,109	\$33,036	\$33,189	\$34,851	\$36,270
<b>Subtotal</b>	<b>\$25,445</b>	<b>\$31,109</b>	<b>\$33,036</b>	<b>\$33,189</b>	<b>\$34,851</b>	<b>\$36,270</b>
<b>Subsidies</b>						
Federal Operating Grant	\$70,617	\$37,787	\$39,871	\$42,345	\$36,692	\$41,784
Act 44 Current (State)	\$18,640	\$88,135	\$88,744	\$85,950	\$85,605	\$88,800
Municipal Current	\$2,816	\$3,707	\$4,701	\$5,098	\$4,512	\$4,730
<b>Subtotal</b>	<b>\$110,281</b>	<b>\$129,629</b>	<b>\$133,316</b>	<b>\$133,393</b>	<b>\$126,809</b>	<b>\$135,314</b>
<b>Total Funding</b>	<b>\$135,726</b>	<b>\$160,738</b>	<b>\$166,352</b>	<b>\$166,582</b>	<b>\$161,660</b>	<b>\$171,584</b>

Source: PennDOT dotGrants Reporting System

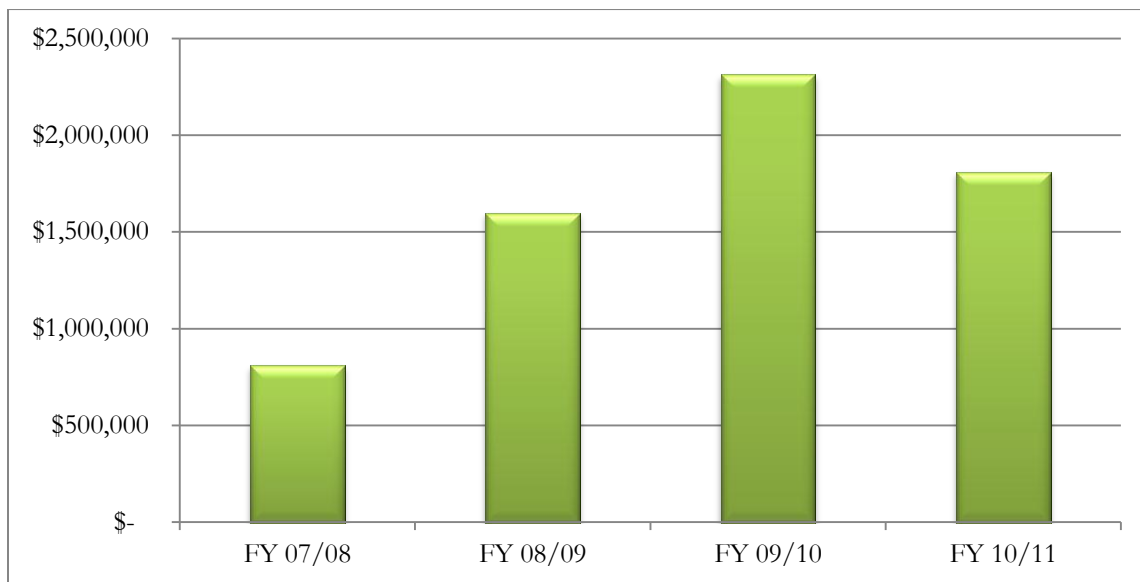
## BALANCE SHEET FINDINGS

Review of balance sheets from AMTRAN shows that the agency has adequate cash reserves for day-to-day operations having increased from \$808,989 in FY 07/08 to \$1,809,620 in FY 10/11 (**Exhibit 26** and **Exhibit 27**). Factoring in prepaid expenses less current accounts payable, AMTRAN's net available cash was \$1,835,732 at the end of FY 10/11. AMTRAN has been able to build its cash reserves largely due to state subsidies resulting from Act 44.

**Exhibit 26: AMTRAN Balance Sheet Summary (FY 06/07 - FY 10/11)**

Balance Sheet Report	FY 06/07	FY 07/08	FY 08/09	FY 09/10	FY 10/11
Cash Equivalent Balance	Unknown	\$808,989	\$1,598,414	\$2,314,158	\$1,809,620
Inventory Value	Unknown	\$269,327	\$283,445	\$285,252	\$308,187
Pre-paid Expenses	Unknown	\$36,628	\$34,562	\$29,554	\$29,049
Accounts Payable	Unknown	\$64,071	\$486,974	\$592,743	\$2,937
Accumulated Absences	Unknown	\$281,726	\$306,462	\$341,870	\$304,599
Line of Credit	\$0	\$0	\$0	\$0	\$0
Credit Used	N/A	N/A	N/A	N/A	N/A
Total Operating Expense	\$3,842,232	\$3,676,054	\$3,666,103	\$3,732,648	\$4,006,212
Cash Eqv. Bal / Total Operating Exp.	Unknown	22.0%	43.6%	62.0%	45.2%
Line of Credit / Total Operating Exp.	0%	0%	0%	0%	0%
Cash Eqv+PrepaidExp-Acct Payable	Unknown	\$781,546	\$1,146,002	\$1,750,969	\$1,835,732

Source: Annual Audit Reports

**Exhibit 27: AMTRAN End-of-Year Cash Equivalent Balance (FY 07/08 - FY 10/11)**

## OTHER LOCALLY SIGNIFICANT REVENUE AND FUNDING ISSUES

AMTRAN is relatively unique in the proportions of revenues it uses to fund operations. In addition to federal, state and local subsidies it has three major sources of revenue that fund operations: passenger farebox, route guarantee<sup>11</sup> with the local school board and route guarantee with Penn State Altoona. Passenger fares constitute less than 1/3 of total revenues (**Exhibit 28**) while route guarantees constitute more than 2/3. This makes route guarantees a critical source of operational funding.

### Exhibit 28: AMTRAN Locally Significant Operating Revenue Sources FY 11/12

Fixed-Route Revenue Source	Revenue Amount	Percent of Revenues
Passenger Fares	\$218,000	30.3%
Penn State Altoona Guarantee	\$227,956	31.7%
Local Schools Guarantee	\$260,000	36.2%
Other Revenues	\$13,200	1.8%
<b>Total</b>	<b>\$719,156</b>	<b>100.0%</b>

*Source: AMTRAN Operating Budget for FY 2011-2012 to Board 5/18/11*

By comparison, local subsidy match constituted \$117,530 in the same fiscal year. Yet, local governments struggling with their own budget issues have had and expect to continue to have difficulty meeting local match requirements. In fact one municipality has withdrawn financial support from AMTRAN. It is on this basis that AMTRAN has requested and PennDOT has approved using a portion of the Penn State Altoona route guarantee funding as local match when needed in years FY 12/13 and beyond in accordance with Act 44<sup>12</sup> based on service analyses presented by AMTRAN management.

Because route guarantees are such a large proportion of AMTRAN's business it is very important that AMTRAN management fully understand the cost of delivering service to the local school district and Penn State Altoona relative to the route guarantee revenue. Only then can they be properly informed when negotiating subsequent agreements.

## CONCLUSIONS

For the FY 06/07 to FY 11/12 period, Altoona and other local governments have contributed between \$80,000 and \$118,000 to help cover AMTRAN's operational cost. AMTRAN has used most of that in any given year to balance its budget and comply with state requirements. Nevertheless, AMTRAN has built adequate cash reserves largely due to state subsidy increases resulting from Act 44.

PennDOT and AMTRAN management should monitor AMTRAN's end-of-year cash position and carryover funds for changes in the agency's fiscal health and address any changes in trajectory. **Management has been and should continue taking appropriate actions such as obtaining additional local match, controlling costs, improving farebox recovery and increasing carryover local reserves to improve AMTRAN's financial health.**

<sup>11</sup> 67 Pa Code Chapter 427, Annex A . §427.1(b), Jan 2011.

<sup>12</sup> 67 Pa Code Chapter 427, Annex A . §427.4(a)(5)-(9), Jan 2011.

## APPENDIX A: ACTION PLAN IMPROVEMENT STRATEGIES

### PART 1- EXECUTIVE SUMMARY FINDINGS TEMPLATE

IMPROVEMENT OPPORTUNITY	AMTRAN Actions	Estimated Completion Date	Year					
			2012	2013	2014	2015	2016	2017
Continue to Contain Operating Cost Increases (p. vi)								
Develop fully allocated cost recovery strategy for the tripper and Penn State services (p. vi)								
Develop a formal monitoring and performance enhancement strategy for all key agency functions (p. vii)								
Investigate additional strategies to attract new riders (p. vii)								
Continue to seek ways to encourage a strong local financial commitment (p. vii)								

*Note: Include additional pages as necessary.*

**PART 2- ACT 44 PERFORMANCE METRIC FINDINGS TEMPLATES**

**A. ACTIONS TO INCREASE PASSENGERS / REVENUE HOUR TEMPLATE**

Recommendation (page)	AMTRAN Action	Estimated Completion Date	Year					
			2012	2013	2014	2015	2016	2017
Establish a standing Citizens Advisory Committee (p. 21)								
Conduct Routine Customer Satisfaction Surveys and Non-Rider Surveys (p. 21)								
Review Peer Agency Experiences and Practices Recording Audio with Video (p. 21)								
Document Marketing Strategies and Their Effectiveness(p. 21)								
Promote Service Coordination with CATA and CamTran (p. 21)								
Identify and Implement Creative Approaches to Attracting New Riders (p. 21)								

**B. ACTIONS TO INCREASE OPERATING REVENUE / REVENUE HOUR TEMPLATE**

Recommendation (page)	AMTRAN Action	Estimated Completion Date	Year					
			2012	2013	2014	2015	2016	2017
Establish Minimum Farebox Recovery Goals both System-wide and by Route, (p.22)								
Develop Fully Allocated Cost Analysis for School Tripper and Penn State Services (p.22)								

**C. ACTIONS TO REDUCE OR CONTAIN OPERATING COST / REVENUE HOUR TEMPLATE**

Recommendation (page)	AMTRAN Action	Estimated Completion Date	Year					
			2012	2013	2014	2015	2016	2017
Monitor and Report to Board Budget Line Items Exceeding Inflation (p.23)								
Receive Training on PennDOT Procurement Tools (p.23)								
Assess Health Insurance Premium Co-pay WRT Other Systems (p.23)								
Negotiate Flexibility in Health Care Providers in next CBA (p.23)								
Assess Indirect Costs of Tripper Service (such as unemployment insurance (p. 26)								
Negotiate 40 Hour Work Week for all FT Employees in CBA (p. 23)								
Develop Capital Plan for “New Look” Fleet Replacement (p. 26)								

**PART 3- OTHER ACTIONS TO IMPROVE OVERALL PERFORMANCE TEMPLATE**

Recommendation (page)	AMTRAN Action	Estimated Completion Date	Year					
			2012	2013	2014	2015	2016	2017
Develop Performance Targets and Report to Board for All Key Functions (p. 26)								
Present Route-Level Ridership, Costs and Revenues to Board Monthly (p. 27)								
Schedule Regular Board Retreats (p. 27)								
Develop a Formal Succession Plan (p.27)								
Work with PennDOT to Expand Local DBE Participation (p. 27)								
Install Secure Fencing and Gates to AMTRAN Property (p. 27)								
Evaluate Merits of Part-time Staffing at Transfer Center (p. 27)								

# APPENDIX B: DOCUMENTATION REQUEST TO GENERAL MANAGER

*Amtran*

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## DOCUMENT REQUEST

Please provide the following documents and label as shown for fixed route service only. Information is strongly preferred in electronic format. Please indicate on the below checklist as to the status and availability of the information.

\*\*Denotes information requested from contractors in addition to Agency.

Requested Item	Mark Form in which Data to Be Provided			
	Electronic	Paper Mail	Not Available	Not Applicable
<b>BACKGROUND</b>				
1. Enabling legislation, ordinances, compacts or charter.	X			
2. Brief history of the agency, including its current and any prior official names, any present nicknames or monikers, and identify any predecessor entities, service days/hours and any other general agency information.	X			
3. Business or Strategic Plans, including adopted Mission and Vision statements.	X			
4. Describe any unique circumstances that have adversely or positively affected the agency (ridership, finances, other).				X
<b>GOVERNANCE/GENERAL MANAGEMENT</b>				
5. List of current governing body members, with terms and tenure of each member and contact information for each.	X			
6. Governing body minutes and agenda from the last 12 months.	X			
7. Biography, contract terms, and tenure of General Manager / Executive Director.	X			
8. **Organization chart delineating decision authority by roles.	X			
9. Succession plan or equivalent.	X			
10. Any documentation not provided above which delineates the respective roles and responsibilities of management and governing body members.				X
<b>OVERSIGHT AND REVIEWS</b>				
11. Two most recent annual reports from chief executive officer to governing board.	X			
12. Financial Management Oversight (FMO) reviews, Triennial Reviews, and any other recent outside audits or evaluations in any administrative areas such as: Executive Management, Human Resources, Finance, Legal, Information Management, Resource Management, Internal Audit, Marketing, etc. Include all correspondence between the agency, PennDOT, FTA, auditors, etc.	X			
<b>HUMAN RESOURCES</b>				
13. All collective bargaining agreements as well as any related documents(e.g., letters or memoranda of understanding, letter agreements, side letters that clarify or modify the collective	X			



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bargaining agreements, etc.)				
14. Any strikes or work stoppages over the past 6 years.				X
15. Any reports filed with the state or federal government regarding union operations, funds management, etc.				X
16. Cost of benefits (health care, pension/retirement, etc.) broken down by major category for the last year and projected for the next 5 years.	X			
17. Turnover rate by position for each of the last 5 years.	X			
18. **Operator hiring and performance review procedures.	X			
<b>FINANCE</b>				
19. Operating and Capital Budgets for the current fiscal year (provide separately if not in the Annual Report).	X			
20. Official Bond Statements for the most recent issuances.	X			
21. Audited Financial Statement for the most recent fiscal year and Single Audit Statement.	X			
22. Profit/Loss/Cash Flow statements for each of the past 12 months.	X			
23. Year-end cash position for each of the last 2 fiscal years.	X			
24. Operating revenues and expense detail by account for each of the last 2 years. Please provide in as frequent intervals as possible (i.e. monthly, quarterly)	X			
25. Accounts Receivable (AR) and Accounts Payable (AP) aging Report	X			
<b>PROCUREMENT</b>				
26. Procurement policy and procedures.	X			
<b>CONTRACTING</b>				
27. Contracts involving purchased transportation.	X			
28. Contracts for the provision of services or special operations agreements to specific agencies, localities, colleges, universities, or other entities.	X			
29. **Contracts for fire services, management services, and professional services over \$25,000 in value.	X			
30. Contract management plan.	X			
<b>OPERATIONS</b>				
31. **Operations Manual.	X			
32. **Operators Manual.	X			
33. **Emergency and inclement weather (snow, flood, etc.) operational plans and procedures.	X			
34. **Dispatch procedures	X			
35. **On-street supervision procedures (incl. AVL, if equipped).	X			
36. **Service standards for existing and new or newly restructured services. Provide description or example of how used in periodic service evaluations and service planning.	X			
37. Significant seasonal variations in service supplied (including	X			

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school alterations, special routes, etc.).				
38. Identify and provide relevant documents regarding any present & future operational challenges.				X
<b>FARES AND FARE SECURITY</b>				
39. Listing of fares by type and media (pass, token, cash, etc.)	X			
40. Plans for changes in fare media (e.g. electronic).	X			
41. **Monthly fare revenue by category, and by patron type.	X			
42. **Fare handling policy & procedures (from on-board vehicle to deposit at bank).	X			
43. Commuter choice program description, synopsis of participants, marketing activities, and total revenues derived from program (if applicable).				X
<b>MAINTENANCE</b>				
44. **Maintenance plan, programs and procedures manual.	X			
45. **Fleet roster for fixed route revenue and non-revenue vehicles	X			
46. End of year parts inventory value (\$) for each of past 5 years.	X			
47. Building condition appraisals.	X			
48. Ongoing asset maintenance programs.	X			
<b>OPERATIONAL SCHEDULING/PLANNING</b>				
49. **Scheduling Manual.			X	
50. Maps and schedules (system wide and route specific).	X			
51. Revenue miles, revenue hours & fares from any charter services provided in each of the last 6 years.				X
52. Short range transit operational plan (i.e., TDP - transit development plan).	X			
53. Long range transit plan.	X			
<b>SAFETY AND SECURITY</b>				
54. Summary of Worker Compensation Claims, by year, for each of last 5 years.	X			
55. **Description of accident/incident policy and definitions, including how they are recorded and monitored (separated by employee and patron).	X			
56. **Property collisions and other reportable incidents for each of the past 6 years.	X			
57. **Personal injuries and fatalities for each of the past 6 years.	X			
58. **On-board criminal activities for each of the past 6 years	X			
59. **Property criminal activities for each of the past 6 years	X			
60. **Safety training and Collision reduction plan(s).	X			
61. **Emergency Preparedness / Operations Continuity Plan.	X			
62. **List of any safety or security issues and/or concerns.	X			
63. **Number of vehicles and sites with security monitoring (i.e., camera, patrols).	X			

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Requested Item	Mark Form in which Data to Be Provided			
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64. Records of safety meetings for past 2 years.	X			
<b>CUSTOMER SERVICE</b>				
65. **Fixed route ADA compliance reports for the most recent year.				X
66. Two most recent customer service surveys reports and any actions taken to address known issues.	X			
67. **Complaint procedures manual/policy and 2 most recent reports.	X			
68. Other customer service metrics maintained by the agency.				X
<b>INFORMATION TECHNOLOGY</b>				
69. **Computer disaster recovery plan.	X			
70. Computer security procedures now in use.	X			
71. **Data collection technology/programs (i.e., APCs, AVL, scheduling software, financial management software, maintenance software).	X			
<b>CAPITAL PROGRAMMING</b>				
72. Short and Long-term capital programs or plans including: <ul style="list-style-type: none"> <li>• Transit TIP</li> <li>• Agency Specific Plans (additional to TIP): <ul style="list-style-type: none"> <li>○ Fleet expansion needs/plans for revenue and non-revenue vehicles (if in addition to TIP)</li> <li>○ State-of-good-repair facility projects for next 5 years (new roof, vehicle overhaul, etc.)</li> <li>○ New/Expanded facilities projects for next 5 years</li> <li>○ Replacement/expansion needs/plans for all other capital assets for next 5 years</li> </ul> </li> </ul>	X			
73. Contact information for any assets owned, operated, or maintained by others.				X
74. Listing of real estate fixed assets (i.e., facilities, transfer locations, etc.) identifying any asset currently not directly used in transit operations and plans for same.	X			
75. Listing of Real estate plans (purchases, sales, or lease changes) including current or planned construction projects, documenting cost to complete and projected completion date planned for next 5 years	X			
<b>MARKETING AND PUBLIC RELATIONS</b>				
76. Service area demographics, customer profiles, and market research documents (as available).	X			
77. Local news clippings from past 5 years.	X			
78. Copy of current year marketing program and policies.	X			
79. Public involvement plan, and notices and attendance rosters from events from most recent 2 years.	X			

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80. Reports, input, recommendations, etc. from ridership committees and/or advocacy groups for the past 2 years.				X

