



PART System Performance Review

July 12, 2018

Performance Report

Borough of Pottstown

Pottstown Area Rapid Transit d.b.a., PART

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PUBLIC TRANSPORTATION SERVICE SNAPSHOT

Agency	Borough of Pottstown - Pottstown Area Rapid Transit (d.b.a. PART)		
Year Founded	1974		
Reporting Fiscal Year End (FYE)	2017		
Service Area (square miles)	34		
Service Area Population	51,000		
Annual Operating Statistics*	Fixed-Route	Paratransit (ADA)	Total (Fixed-Route + Paratransit)
Vehicles in Maximum Service (VOMS)	5	1	6
Operating Cost	\$2,131,943	\$185,387	\$2,317,330
Operating Revenues	\$317,587	\$24,237	\$341,824
Total (Actual) Vehicle Miles	261,232	13,549	274,781
Revenue Miles of Service (RVM)	261,232	13,549	274,781
Total Vehicle Hours	19,114	2,798	21,912
Revenue Vehicle Hours (RVH)	19,114	2,798	21,912
Total Passenger Trips	258,226	6,136	264,362
Senior Passenger (Lottery) Trips	42,937	0	42,937
Act 44 Performance Statistics			
Passengers / RVH	13.51	2.19	12.06
Operating Cost / RVH	\$111.54	\$66.26	\$105.76
Operating Revenue / RVH	\$16.62	\$8.66	\$15.60
Operating Cost / Passenger	\$8.26	\$30.21	\$8.77
Other Performance Statistics			
Operating Revenue / Operating Cost	14.90%	13.07%	14.75%
Operating Cost / Total Vehicle Hours	\$111.54	\$66.26	\$105.76
Operating Cost / Total Vehicle Miles	\$8.16	\$13.68	\$8.43
Total Passengers / Total Vehicle Hours	13.51	2.19	12.06
Operating Cost / RVM	\$8.16	\$13.68	\$8.43
RVM / Total Vehicle Miles	100.00%	100.00%	100.00%
RVH / Total Vehicle Hours	100.00%	100.00%	100.00%
Operating Subsidy / Passenger Trip	\$7.03	\$26.26	\$7.47

*Source: dotGrants 2017 reporting

EXECUTIVE SUMMARY

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

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

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

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

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

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

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

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

PennDOT conducted the initial review of Pottstown Area Rapid Transit (d.b.a. PART) in December 2012. Based on that review, PennDOT established five-year performance targets and agreed to PART’s action plan to meet those targets. In March 2018, PennDOT conducted the five-year reassessment of PART to determine if PART successfully met its targets and what actions were taken to improve the agency’s performance and management practices to maximize the return on investment of Commonwealth funding. This report summarizes PennDOT’s findings.

IMPORTANT CHANGES SINCE THE 2012 PERFORMANCE REVIEW

PennDOT conducted the initial review of Pottstown Area Rapid Transit (d.b.a. PART) in December 2012. Since the previous report was finalized, the following changes and other factors impacted operations, finance and statistical reporting at PART, as well as performance targets which were established in 2012:

1. **Service contract overhaul** – In FYE 2015, PART issued a Request for Proposals (RFP) to procure fixed-route service. This was the first time in several decades that the contract was put out to bid. Under the old agreement, the Borough was charged for service based on costs incurred to the contractor less farebox revenue. This arrangement did not accurately capture the cost of service provided, or allow PART to monitor fixed-route farebox recovery since the amount invoiced was already offset by fares collected. In addition, FTA procurement rules require transit systems to competitively procure service contracts. The new RFP requires the contractor to charge for service based on units of service provided (i.e., cost per scheduled revenue hour multiplied by the total scheduled hours/trips operated each reporting month) less farebox revenue collected, and any applicable liquidated damages. Since the contractor is now responsible for tracking and reporting units of service provided, costs can be determined prior to farebox revenue offsetting contractor expenses. PART, Inc. was the only respondent to the RFP and was selected. Fixed-route operating costs increased overall as a result of the new RFP.
2. **Ridership loss from competitive local service** – In 2012, a non-profit health services center began offering free transportation to their facilities in Pottstown. These health facilities are located as stops along two of PART’s fixed-routes (i.e., High Street and Stowe). Management believes that due to competition from this free service, PART lost ridership along both routes from passengers that previously used PART to get to their medical appointments. Based on dotGrants reported information, ridership declined 9.4% between 2012 and 2013, and by an additional 1.4% decrease between 2013 and 2014.

2012 PERFORMANCE REVIEW DETERMINATIONS AND FINDINGS

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

Performance Criteria	FYE*	Determination	Rank (of 12)	Relation to Peer Average	Value	Peer Average
Passengers / Revenue Vehicle Hour	2010	In Compliance	5	Better	14.17	13.22
	Trend	In Compliance	6	Better	0.95%	0.30%
Operating Cost / Revenue Vehicle Hour	2010	At Risk	12	Worse	\$92.06	\$73.54
	Trend	In Compliance	11	Worse	5.18%	3.61%
Operating Revenue / Revenue Vehicle Hour	2010	In Compliance	2	Better	\$14.63	\$11.39
	Trend	In Compliance	3	Better	5.05%	2.72%
Operating Cost / Passenger	2010	In Compliance	8	Worse	\$6.50	\$6.15
	Trend	In Compliance	9	Worse	4.20%	3.34%

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

The 2012 performance review reported that PART was “In Compliance” for seven out of eight criteria and “At Risk” for one. PART performed better in passenger and revenue based criteria than the peer group, but worse for operating cost based criteria. The following performance targets were established with PART:

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

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

1. **Review and implement changes to contracted service practices** – PART worked with a third-party consultant to develop a new RFP that completely restructured how purchased transportation is procured. Previously, PART contracted with PART, Inc. for over thirty years without a competitive bidding process. The new RFP was reviewed by FTA and PennDOT, and incorporated many of the recommendations (e.g., how contractor costs are billed, data is reported, performance monitoring standards, etc.) from the PART Action Plan. The new RFP went out to bid in FYE 2015, and PART, Inc. was selected as the vendor.
2. **Contain operating cost increases** – As a measure of contractor oversight, PART assigned staff to an internal transit committee to oversee cost containment. This included the committee’s recommendation to negotiate a contract performance target requiring operating costs not to exceed 2% in annually budgeted operating costs.
3. **Develop a formal succession plan for PART, Inc.** – The owner of PART, Inc. developed a succession plan that would delegate decision-making to a Board of Directors in the interim to handle staffing and operations. The Board consists of an attorney, an accountant, and other representatives with responsibilities related to public transportation operations.

As a result of the initial performance review, the following performance targets were established in consultation with PART. These performance targets were developed using the most accurate Act 44 performance variables available at that time.

Performance Criteria	2017 Target	2017 Actual	Met Target
Passengers / Revenue Vehicle Hour	16.83	13.51	No
Operating Cost / Revenue Vehicle Hour	\$113.37	\$111.54	Yes
Operating Revenue / Revenue Vehicle Hour	\$17.18	\$16.62	No
Operating Cost / Passenger	\$6.74	\$8.26	No

Ridership declined between 2012 and 2017, however PART increased fixed-route revenue from the sale of multi-ride passes to supplement passenger fares. PART managed to contain operating costs annually by 2% by incorporating this target within the RFP for fixed-route service. Although PART and PART, Inc. addressed nearly all the 2012 Action Plan recommendations, PART missed three out of four performance targets.

The most noteworthy action that was developed from the 2012 Action Plan was a complete overhaul of the RFP for contracted service. Costs increased as result of more accurately pricing service, but costs were contained within 2% growth per year. Ridership-based actions were unable to increase fixed-route passenger trips, which declined by 1.74% per year on average between 2012 and 2017. In 2012, a non-profit health services center began offering free scheduled trips to its facilities, and PART believes they are in direct competition with this service for passengers that previously used PART to get to their medical appointments. PART narrowly missed its revenue target despite an increase in income from the sale of multi-ride passes. Based on actions taken by management in the 2012 Action Plan, PART demonstrated a good faith effort to achieve its previously established targets.

2018 PERFORMANCE REVIEW DETERMINATIONS AND FINDINGS

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

Performance Criteria	FYE	Determination	Rank (of 13)	Relation to Peer Average	Value	Peer Average
Passengers / Revenue Hour	2016	In Compliance	7	Better	14.33	13.60
	Trend	In Compliance	6	Better	-0.03%	-0.68%
Operating Cost / Revenue Hour	2016	At Risk	13	Worse	\$106.45	\$80.61
	Trend	In Compliance	7	Worse	1.36%	1.19%
Operating Revenue / Revenue Hour	2016	In Compliance	4	Better	\$17.03	\$13.42
	Trend	In Compliance	7	Better	2.06%	1.34%
Operating Cost / Passenger	2016	In Compliance	9	Worse	\$7.43	\$6.77
	Trend	In Compliance	6	Better	1.39%	2.05%

*Note: NTD information most current at the time of the peer review is used as the basis of the single year and trend peer comparisons. Therefore, these factors differ from those presented on the Agency Profile page, which uses FYE 2016 data.

In the 2012 performance review, PART was found to be “At Risk” for operating cost per revenue hour for the single year determination. The 2018 review found that PART to be “At Risk” for the same performance criteria, with \$106.45 per hour compared to the peer average of \$80.61 per hour. The five-year trend of 1.36% in cost growth compared to the 1.19% peer average demonstrates PART’s ability to contain costs over time. However, PART’s proximity to Philadelphia has likely contributed to an overall baseline for high costs as evidenced in the single year determination and prior 2012 review finding.

The 2018 performance review examined additional steps, beyond those specified in the 2012 action plan, that PART has taken to improve performance. The most notable action is the complete overhaul of its RFP for contracted service. The 2018 performance review also identified actions that PART can take to improve overall agency performance including:

1. Develop a targeted marketing strategy to guide outreach activities.
2. Continue cost containment measures that control the rate of escalation for future years.
3. Increase contractor oversight to monitor on-time performance and compliance with service standards outlined in the service contract.

Additional opportunities for improvement were also identified during the 2018 performance review. The complete list of opportunities for improvement will serve as the basis for PART's Board-approved action plan.

2018 PERFORMANCE TARGETS

As required by Act 44, PennDOT and PART management have agreed to performance targets for FYE 2022 identified in the table below. PART should work to achieve these targets over the next five years to ensure continued eligibility for full Section 1513 funding. Performance targets are designed to be aggressive, yet achievable.

Performance Criteria	Fiscal Year End (FYE)			Target Annual Increase
	2016 Actual	2017 Actual	2022 Target	
Passengers / Revenue Vehicle Hour	14.33	13.51	14.20	1.0%
Operating Cost / Revenue Vehicle Hour	\$106.45	\$111.54	\$129.30	3.0%
Operating Revenue / Revenue Vehicle Hour	\$17.03	\$16.62	\$17.46	1.0%
Operating Cost / Passenger	\$7.43	\$8.26	\$9.12	2.0%

FINANCIAL REVIEW

PART currently has a balanced operating budget. Operating cash reserves have steadily decreased since 2015. Noteworthy elements of PART's financial condition are:

- PART has \$18,275 in carryover local funds and \$608,581 in carryover state funds in FYE 2017
- Combined carryover subsidies amount to 27.1% of total operational funding
- PART received its full local match as required by Act 44
- Paratransit operating subsidies jumped from \$82,127 in FYE 2013 to \$161,150 in FYE 2017
- Accounts payable and receivable amounts are negligible
- PART does not maintain a line of credit

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

NEXT STEPS

PART management and Board will develop an Action Plan in response to the complete list of "Opportunities for Improvement" identified in the performance review report. Some actions will be quickly implementable while others may take several discrete steps to achieve over a longer period. PART's management must report to the Board and PennDOT quarterly on progress towards accomplishing the Action Plan and meeting its performance targets.

INTRODUCTION

PURPOSE

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

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

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

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

- Whether the organization met the agreed upon performance targets
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PennDOT conducted the initial review of the Pottstown Area Rapid Transit (d.b.a. PART,) in December 2012. PennDOT established five-year performance targets based on that review, and agreed to PART’s action plan to meet those targets. PennDOT conducted the five-year reassessment of PART in March 2018 to determine if PART successfully met its targets and to discuss what actions were taken to improve the agency’s performance and management practices to maximize the return on investment of Commonwealth funding. This report summarizes PennDOT’s findings.

AGENCY DESCRIPTION

Pottstown Area Rapid Transit (d.b.a., PART and Pottstown Area Rapid Transit) was created by the City of Pottstown in 1974. Formerly known as Pottstown Urban Transit (PUT), the agency was created in response to the cessation of service by private bus and rail operators in suburban Montgomery County.

As of 2017, PART's fixed-route system consists of five (5) bus routes serving the Borough of Pottstown and surrounding areas. **Exhibit 1** presents fixed-route bus statistics for PART derived from PennDOT Legacy Reports (DotGrants). PART subcontracts fixed-route and ADA complimentary transit service to PART, Inc., a locally-based vendor that has operated PART's service continuously since 1979.

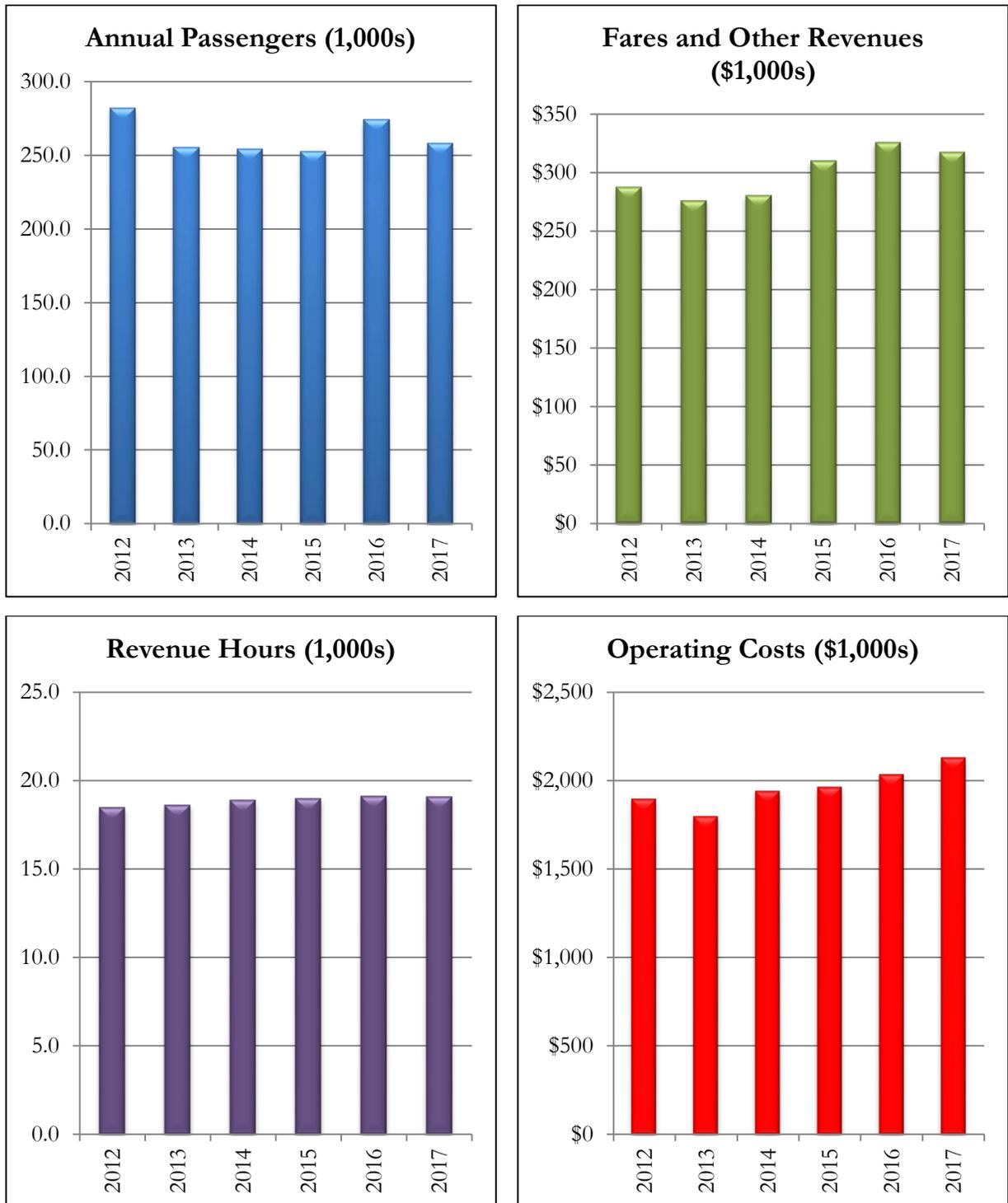
As of Fiscal Year End (FYE) 2017, PART provides approximately 258,000 fixed-route passenger trips annually, with a fleet of five fixed-route buses and one ADA van. PART provides five daytime and three evening fixed-routes, with ADA complementary paratransit service. PART does not provide service on Sundays. All bus routes operate to and from the Charles W. Dickinson Transportation Center in downtown Pottstown.

As a department of municipal government, PART is governed by the Pottstown Borough Council. The Borough Council is advised on transportation matters related to PART through the Borough Transportation Committee, which is made up of Borough Council members, an advisor from the local airport and a representative from PART, Inc. PART receives financial support from Montgomery and Chester counties.

PART had its initial Transit Performance Review in December 2012. PART was found to be “in compliance” with seven key criteria and “at risk” for operating cost per revenue vehicle hour for the single year determination. PART addressed nearly all Action Plan items from the 2012 review, with the most notable action related to contracted service. PART contracted with PART, Inc. for over thirty years without a competitive bidding process. Following a recommendation from the Action Plan, PART developed an RFP that based the cost of service on units of service delivered. Previously, the amount PART was invoiced for already discounted farebox revenue toward operating expenses incurred by the contractor. This didn't accurately capture the true cost of providing service or help PART assess whether fixed-route fares were priced appropriately to match customer demand. As a result of the new RFP and subsequent contract, operating costs increased. However, PART and PART, Inc. managed to keep cost contained and in line with their 2017 Act 44 performance target.

From FYE 2012 through FYE 2016 there were adjustments to account for transfer passengers not reported, and minor discrepancies in revenues, operating costs, revenue hours reported to NTD. For a complete discussion of the adjustments to NTD reported data, see **Appendix A: Data Adjustments**.

Exhibit 1: PART Fixed-Route Service Annual Performance Trends



Source: NTD and PennDOT Legacy Reporting System (dotGrants)

PERFORMANCE REVIEW PROCESS

In March 2018, PennDOT initiated an Act 44-mandated performance review for PART. The following outlines the review process:

1. Initial notification of performance review selection and transmission of document request:
 - a. Review available data and request additional information.
 - b. Peer selection: PART and PennDOT agree to a set of peer agencies that would be used for comparative analysis.
2. Review of Act 44 variables including current performance, targets from the previous 2012 review, and action plan implementation.
3. Perform Act 44 performance criteria analysis.
4. Conduct on site review, interviews and supplementary data collection/reconciliation.
5. Evaluate performance, financial management and operations.
6. Report results and determine agency compliance with performance requirements.
7. Finalize performance review report.
8. Develop, implement and monitor five-year action plan.

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

2012 ACT 44 PERFORMANCE ASSESSMENT

PRIOR REVIEW DETERMINATIONS AND FINDINGS

The 2012 performance review assessed PART against a group of peer agencies based on the four performance criteria required by Act 44. PART was found to be “In Compliance” for seven performance criteria and “At Risk” for one (**Exhibit 2**).

Exhibit 2: Previous Performance Review Act 44 Comparison Summary

Performance Criteria	FYE*	Determination	Rank (of 12)	Relation to Peer Average	Value	Peer Average
Passengers / Revenue Vehicle Hour	2010	In Compliance	5	Better	14.17	13.22
	Trend	In Compliance	6	Better	0.95%	0.30%
Operating Cost / Revenue Vehicle Hour	2010	At Risk	12	Worse	\$92.06	\$73.54
	Trend	In Compliance	11	Worse	5.18%	3.61%
Operating Revenue / Revenue Vehicle Hour	2010	In Compliance	2	Better	\$14.63	\$11.39
	Trend	In Compliance	3	Better	5.05%	2.72%
Operating Cost / Passenger	2010	In Compliance	8	Worse	\$6.50	\$6.15
	Trend	In Compliance	9	Worse	4.20%	3.34%

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

ACTION PLAN AND PERFORMANCE TARGETS

Using the four criteria, PART’s fixed-route service was analyzed for FYE 2010 and over a five-year trend period from FYE 2005 to FYE 2010. PART was “In Compliance” for seven out of eight criteria and “At Risk” for one. PART performed better in passenger and revenue based criteria than the peer group, but worse for operating cost based criteria. The following performance targets were established with PART:

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

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

1. **Review and implement changes to contracted service practices** – PART worked with a third-party consultant to develop a new RFP that completely restructured how purchased transportation is procured. Previously, PART contracted with PART, Inc. for over thirty years without a competitive bidding process. The new RFP was reviewed by FTA and PennDOT, and incorporated many of the recommendations (e.g., how contractor costs are billed, data is reported, performance monitoring standards, etc.) from the PART Action Plan. The new RFP went out to bid in FYE 2015, and PART, Inc. was selected as the vendor.

2. **Contain operating cost increases** – As a measure of contractor oversight, PART assigned staff to an internal transit committee to oversee cost containment. This included the committee’s recommendation to negotiate a contract performance target requiring operating costs not to exceed 2% in annually budgeted operating costs.
3. **Develop a formal succession plan for PART, Inc.** – The owner of PART, Inc. developed a succession plan that would delegate decision-making to a Board of Directors in the interim to handle staffing and operations. The Board consists of an attorney, an accountant, and other representatives with responsibilities related to public transportation operations.

The complete list of PART’s previous Action Plan items and PART’s progress in addressing previously identified opportunities for improvement is provided in **Appendix B: 2012 Performance Review Action Plan Assessment**. As shown in **Exhibit 3**, PART met only one out of four performance targets that were established during the 2012 performance review.

Exhibit 3: 2017 Performance Targets

Performance Criteria	2017 Target	2017 Actual	Met Target
Passengers / Revenue Vehicle Hour	16.83	13.51	No
Operating Cost / Revenue Vehicle Hour	\$113.37	\$111.54	Yes
Operating Revenue / Revenue Vehicle Hour	\$17.18	\$16.62	No
Operating Cost / Passenger	\$6.74	\$8.26	No

PART reported progress to PennDOT on the implementation of the 2012 Action Plan. However, the following changes and other factors impacted PART’s ability to meet its 2017 targets:

1. **Service contract overhaul** – In FYE 2015, PART issued a Request for Proposals (RFP) to procure fixed-route service. This was the first time in several decades that the contract was put out to bid. Under the old agreement, the Borough was charged for service based on costs incurred to the contractor less farebox revenue. This arrangement did not accurately capture the cost of service provided, or allow PART to monitor fixed-route farebox recovery since the amount invoiced was already offset by fares collected. In addition, FTA procurement rules require transit systems to competitively procure service contracts. The new RFP requires the contractor to charge for service based on units of service provided (i.e., cost per scheduled revenue hour multiplied by the total scheduled hours/trips operated each reporting month) less farebox revenue collected, and any applicable liquidated damages. Since the contractor is now responsible for tracking and reporting units of service provided, costs can be determined prior to farebox revenue offsetting contractor expenses. PART, Inc. was the only respondent to the RFP and was selected. Fixed-route operating costs increased overall as a result of the new RFP.
2. **Ridership loss from competitive local service** – In 2012, a non-profit health services center began offering free transportation to their facilities in Pottstown. These health facilities are located as stops along two of PART’s fixed-routes (i.e., High Street and Stowe). Management believes that due to competition from this free service, PART lost ridership along both routes from passengers that previously used PART to get to their medical appointments. Based on dotGrants reported information, ridership declined 9.4% between 2012 and 2013, and by an additional 1.4% decrease between 2013 and 2014.

ASSESSMENT

Ridership declined between 2012 and 2017, however PART increased fixed-route revenue from the sale of multi-ride passes to supplement passenger fares. PART managed to contain operating costs annually by 2% by incorporating this target within the RFP for fixed-route service. Although PART and PART, Inc. addressed nearly all the 2012 Action Plan recommendations, PART missed three out of four performance targets.

The most noteworthy action that was developed from the 2012 Action Plan was a complete overhaul of the RFP for contracted service. Operating costs increased as a result of more accurately pricing the cost of service, but costs were contained within 2% growth per year. Ridership-based actions were unable to increase fixed-route passenger trips, which declined by 1.74% per year on average between 2012 and 2017. In 2012, a non-profit health services center began offering free scheduled trips to its facilities, and PART believes they are in direct competition with this service for passengers that previously used PART to get to their medical appointments. PART narrowly missed its revenue target despite an increase in income from the sale of multi-ride passes. Based on actions taken by management in the 2012 Action Plan, PART demonstrated a good faith effort to achieve its previously established targets.

2018 ACT 44 PERFORMANCE ASSESSMENT

The 2018 performance review compared PART to a group of peer agencies based on the four performance criteria required by Act 44.

PEER AGENCY COMPARISONS

Peer agencies were identified through a collaborative process between PennDOT and PART management using criteria defined in Act 44 and data from the most recently available National Transit Database (NTD), FYE 2016. The systems identified for peer comparisons include:

1. Port Arthur Transit, Port Arthur, TX
2. Milford Transit District, Milford, CT
3. Greater Glens Falls Transit System, Queensbury, NY
4. Crawford Area Transportation Authority, Meadville, PA
5. Lewiston-Auburn Transit Committee, Auburn, ME
6. City of Beloit Transit System, Beloit, WI
7. City of Middletown – Middletown Transit System, Middletown, OH
8. Kingsport Area Transit System, Kingsport, TN
9. Allegany County Transit, Cumberland, MD
10. City of Anderson Transportation System, Anderson, IN
11. Springfield City Area Transit, Springfield, OH
12. City of Poughkeepsie, Poughkeepsie, NY

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

Exhibit 4: Current Performance Review Act 44 Peer Comparison Summary

Performance Criteria	FYE*	Determination	Rank (of 13)	Relation to Peer Average	Value	Peer Average
Passengers / Revenue Hour	2016	In Compliance	7	Better	14.33	13.60
	Trend	In Compliance	6	Better	-0.03%	-0.68%
Operating Cost / Revenue Hour	2016	At Risk	13	Worse	\$106.45	\$80.61
	Trend	In Compliance	7	Worse	1.36%	1.19%
Operating Revenue / Revenue Hour	2016	In Compliance	4	Better	\$17.03	\$13.42
	Trend	In Compliance	7	Better	2.06%	1.34%
Operating Cost / Passenger	2016	In Compliance	9	Worse	\$7.43	\$6.77
	Trend	In Compliance	6	Better	1.39%	2.05%

ASSESSMENT

PART is “At Risk” for the FYE 2016 single year determination for operating cost per revenue vehicle hour with \$106.45 per hour compared to the peer average of \$80.61 per hour. The five-year trend of 1.36% in cost growth compared to the 1.19% peer average demonstrates PART’s ability to contain costs over time. However, PART’s proximity to Philadelphia has likely contributed to an overall baseline for high costs as evidenced in the single year determination and prior 2012 review finding.

2022 PERFORMANCE TARGETS

Act 44 requires that PennDOT and transit agencies establish five-year performance targets for each of the four Act 44 metrics for fixed-route service. Setting performance targets for these metrics and regularly reevaluating performance are intended to improve both the effectiveness and efficiency of service delivery. PennDOT uses the most recent audited and agency-verified values for passengers, operating costs and operating revenues as the baseline from which to develop the targets. Five-year targets are then developed based on realistic and achievable expectations of improvement, as shown in **Exhibit 5**.

The 2018 performance review noted that while PART outperformed its peers on operating revenue per vehicle hour, PART should continue to contain operating cost / revenue hour which remains at risk.

The following performance targets were established in consultation with PART:

- Increase passengers per revenue vehicle hour by at least 1% per year on average
- Contain operating cost per revenue vehicle hour increases to no more than 3% per year on average
- Increase revenue per revenue vehicle hour by at least 1% per year on average
- Contain operating cost per passenger trip increases to no more than 2% per year on average

Exhibit 5: FYE 2022 Act 44 Performance Targets

Performance Criteria	Fiscal Year End (FYE)			Target Annual Increase
	2016 Actual	2017 Actual	2022 Target	
Passengers / Revenue Vehicle Hour	14.33	13.51	14.20	1.0%
Operating Cost / Revenue Vehicle Hour	\$106.45	\$111.54	\$129.30	3.0%
Operating Revenue / Revenue Vehicle Hour	\$17.03	\$16.62	\$17.46	1.0%
Operating Cost / Passenger	\$7.43	\$8.26	\$9.12	2.0%

These performance targets represent the minimum performance level that PART should achieve for each Act 44 criterion during the next performance review cycle. Standards were extrapolated to FYE 2022 and are designed to be aggressive, yet achievable. PennDOT and PART have agreed to these performance targets.

FUNCTIONAL REVIEW

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

The following sections summarize ways to deliver service more efficiently and effectively. It is important that service is both sensitive and responsive to the community's needs to achieve optimum service levels. The observations recorded during the review process are categorized as Best Practices or Elements to Address in the Action Plan. Best practices are those exceptional current practices that are beneficial and should be continued or expanded.

Elements to Address in the Action Plan are recommendations which have the potential to maximize productivity, to control operating costs, and to achieve optimum revenue levels which will enhance the system's future performance for one or more of the Act 44 fixed-route performance factors. For the convenience of PART, Action Plan templates have been included in the **Appendix D: Action Plan Template** (see pg. 38). Some actions will be quickly implementable while others may take several discrete steps to achieve over a longer period. The template provides a simple-to-follow order of key findings of this report that should be addressed in the Action Plan.

OPPORTUNITIES TO INCREASE FIXED-ROUTE RIDERSHIP

BEST PRACTICE

1. PART participates in community engagement with the local school district for "What Does Transportation Mean for You?" poster contest. This type of outreach introduces school-aged children to public transportation and helps to promote agency awareness.
2. ADA transfers are coordinated with SEPTA's CCT Connect. This helped improve the customer service experience for ADA passengers in PART's service area with easy transfers to SEPTA's ADA service for trips into Philadelphia.

ELEMENTS TO ADDRESS IN PART 1 OF THE ACTION PLAN (P. 38)

1. PART conducts annual marketing activities like "Dump the Pump," "Free Try Transit Day," and a poster contest with local elementary schools. Additionally, PART collaborates with local organizations like the Greater Valley Forge Transportation Management Association to bolster marketing outreach. Current marketing activities are generalized and are not aligned to any strategic goals to increase ridership. PART should **develop a targeted marketing strategy** to guide outreach activities. The strategy should include the following:
 - a. **Goals for increasing ridership** (e.g., customer centered service in the greater Pottstown area, attract new riders, create brand awareness, etc.);
 - b. **Strategic objectives** (e.g., raise awareness in Montgomery and Chester counties, promote effective marketing efforts to attract new riders, deliver public education and pro-transit messages to key market segments);

- c. **Activities to support each strategic objective** (e.g., school poster contest, outreach booth at local community events, deliver x number of schedules to local senior facilities, etc.); and,
- d. **A schedule for determining when activities will be conducted** (e.g., monthly activities, annual activities, etc.).

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

2. On-time performance is a key indicator for measuring system performance. This is accomplished by monitoring schedule adherence and assessing how it impacts ridership. The current service contract defines on-time performance as between zero and five minutes late of scheduled times. However, PART relies on random spot-checks during a ten-minute dwell period at the transfer center for oversight. This practice is not supported by a framework to accurately measure on-time performance. PART should consider the following:
 - a. **Identify major time points** (i.e., stop locations where a schedule has built in dwell time that permit an operator to wait (safely out of traffic) and depart on-time to get back on schedule if the bus is running late or early) like transfer centers, shopping centers and malls.
 - b. **Develop a documented procedure for checking on-time performance that is monitored routinely** (e.g., weekly, biweekly, monthly, etc.).

By identifying major time points within the system, on-time performance can be used alongside future technology investments like the statewide Fixed-Route Intelligent Transportation System (FRITS) to aid in service planning.

OPPORTUNITIES TO INCREASE FIXED-ROUTE REVENUES

BEST PRACTICE

1. None.

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

1. The 2012 Action Plan included the recommendation that PART explore the potential of advertising as a new revenue source. PART conducted a feasibility study in 2013 on the benefits and costs of negotiating advertising contracts on bus shelters and throughout the system, and released an RFP in 2016. PART received no responses to the 2016 RFP. Management has considered contracting for the management of the RFP process. PART should **continue to explore options to generate advertising revenue**. This includes options such as teaming with other transit agencies or the Borough to improve opportunities for procurement.

OPPORTUNITIES TO CONTROL OPERATING COSTS

BEST PRACTICE

1. As part of the PART's 2015 restructured RFP, the new service contract has built-in oversight mechanisms (e.g., vehicle maintenance standards, operating standards, facility site inspections, etc.) that can hold the contractor accountable. These provisions enhanced contractor accountability on behalf of PART.

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

1. The current service contract requires that costs be contained by 2% each year. This helped PART achieve their five-year Act 44 performance target for operating cost per revenue vehicle hour. Future contracts should **control for the cost containment rate of escalation to be in line with PART's Act 44 performance target for containing operating costs.**

OTHER OPPORTUNITIES TO IMPROVE PERFORMANCE

BEST PRACTICES

1. The Borough maintains a good working relationship with their contractor, PART, Inc. This includes daily communication, facility site visits, and representation on the Transportation Committee. This level of communication helped PART complete nearly all the 2012 performance review Action Plan items.

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

1. The Borough has a Transportation Committee in place to advise the Borough Council on transportation issues related to the Borough, the municipal airport and PART. Based on a review of past meeting minutes, the municipal airport is the most common topic of discussion. The interim Borough Manager and Grants Administrator work alongside the Transportation Committee to provide recommendations to the Borough Council on behalf of PART. However, the transportation committee has not routinely monitored PART's performance. To bring more attention to PART, management should **report PART performance metrics to the Transportation Committee** including:
 - a. **Current Act 44 metrics compared to Act 44 targets;**
 - b. **Results of past marketing efforts and upcoming events;** and,
 - c. **A summary of customer service.**

By reporting on high level system performance to the Transportation Committee, they will be kept informed and engaged with PART. This will help the committee be effective advocates to the Borough Council on behalf of PART when issues arise.

2. PART and PART, Inc. have a good working relationship and communicate daily. Although the new RFP and contract structure improved how data is reported between the contractor and PART, most oversight is informal. For example, on-time performance is monitored by random spot checks and the maintenance shop is visited on an as-needed basis. To ensure that performance standards are met, PART should **increase contractor oversight to monitor on-time performance and compliance with service standards outlined in the service contract.**

3. Technology investments like FRITS will be coming online to help Pennsylvania transit agencies track vehicles in real-time, introduce flexible fare payment options, improve overall quality control in data reporting, and make data-driven management decisions. In preparation for FRITS, PART and PART, Inc. should **plan to attend all available FRITS training events to learn how technology can be incorporated into the fixed-route system.**

FINANCIAL REVIEW

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

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

HIGH-LEVEL INDICATORS OF FINANCIAL HEALTH

As shown in **Exhibit 6**, PART has 27.1% in total carryover subsidies to total annual operating cost. These reserves account for available liquidity in case of unexpected cost increases. In FYE 2017, PART received their required local match to 1513 state operating subsidy.

PART has no accounts payable and receivable amounts over 90 days. PART does not maintain a line of credit, and currently there is no outstanding debt.

TOTAL PUBLIC TRANSPORTATION OPERATIONAL EXPENDITURES AND FUNDING

PART operating budget increased from \$1.9 million in FYE 2013 to \$2.3 million in FYE 2017 (**Exhibit 7**), in part due to an increase in costs from a restructured contract for purchased transportation services in FYE 2015. Approximately 92.0% of PART's operational expenses are for fixed-route service. The remaining operational expenses (8.0%) are for ADA paratransit service, as shown in **Exhibit 8**.

PART's operating funds comes from a variety of sources including state funds, federal funds, local funds, passenger fares, etc. PART has used state, federal and local funds to finance both its fixed-route and paratransit operations (**Exhibit 9**). Combined, state and federal subsidies are the largest share of income for PART, accounting for 81.7% of total operating income. Passenger fares and other local funds are the remaining funding sources, representing approximately 18.3% of total operating income (**Exhibit 10**).

Exhibit 6: High-Level Financial Indicators

FYE 2017 Indicator	Value	Assessment Criteria / Rationale	Source
Total Carryover Subsidies / Annual Operating Cost	27.1%	Combined target 25%+. This provides liquidity to account for unexpected cost increases or service changes without the need to incur interest fees from loans.	FYE 2017 Audit
Credit available/ Annual Payroll	0.0%	Only necessary if combined carryover subsidies are less than 25% of annual. This ensures that the agency maintains sufficient cash flow / liquidity to pay all current bills.	FYE 2017 Audit and PennDOT dotGrants
Actual Local Match / Required Match	100%	Target 100%+. Local match that exceeds required minimums gives a transit agency flexibility to change service, to accommodate unexpected cost changes and make capital investments.	PennDOT dotGrants 2017
Accounts Payable (AP) 90+ days	0.0%	Target should be 0% over 90 days. Larger values indicate cash flow concerns.	PART reported value
Accounts Receivable (AR) 90+ days	0.0%	Target should be 0% over 90 days. Larger values can cause cash flow problems.	PART reported value
Debt / Annual Operating Cost	0.0%	Target should be 0%. Low debt amounts reduce borrowing costs.	FYE 2017 Audit

Exhibit 7: Public Transportation Operating Expense by Service Type

Service Type (In Millions)	FYE 2013	FYE 2014	FYE 2015	FYE 2016	FYE 2017
Fixed Route	\$1.8	\$1.9	\$2.0	\$2.0	\$2.1
Paratransit	\$0.1	\$0.1	\$0.1	\$0.2	\$0.2
Total*	\$1.9	\$2.0	\$2.1	\$2.2	\$2.3

* May not add due to rounding.

Exhibit 8: Public Transportation Operating Expense Trends by Service Type

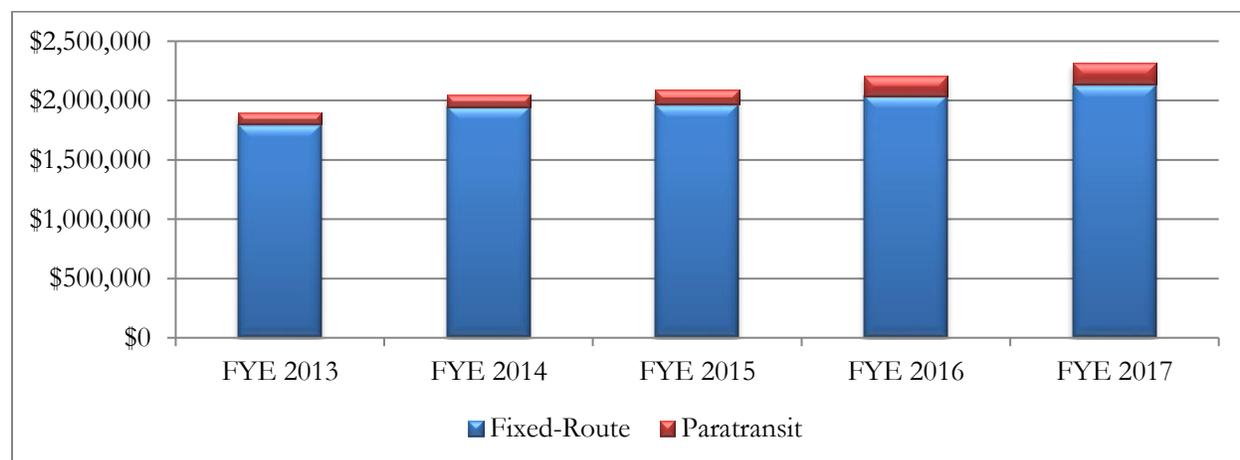
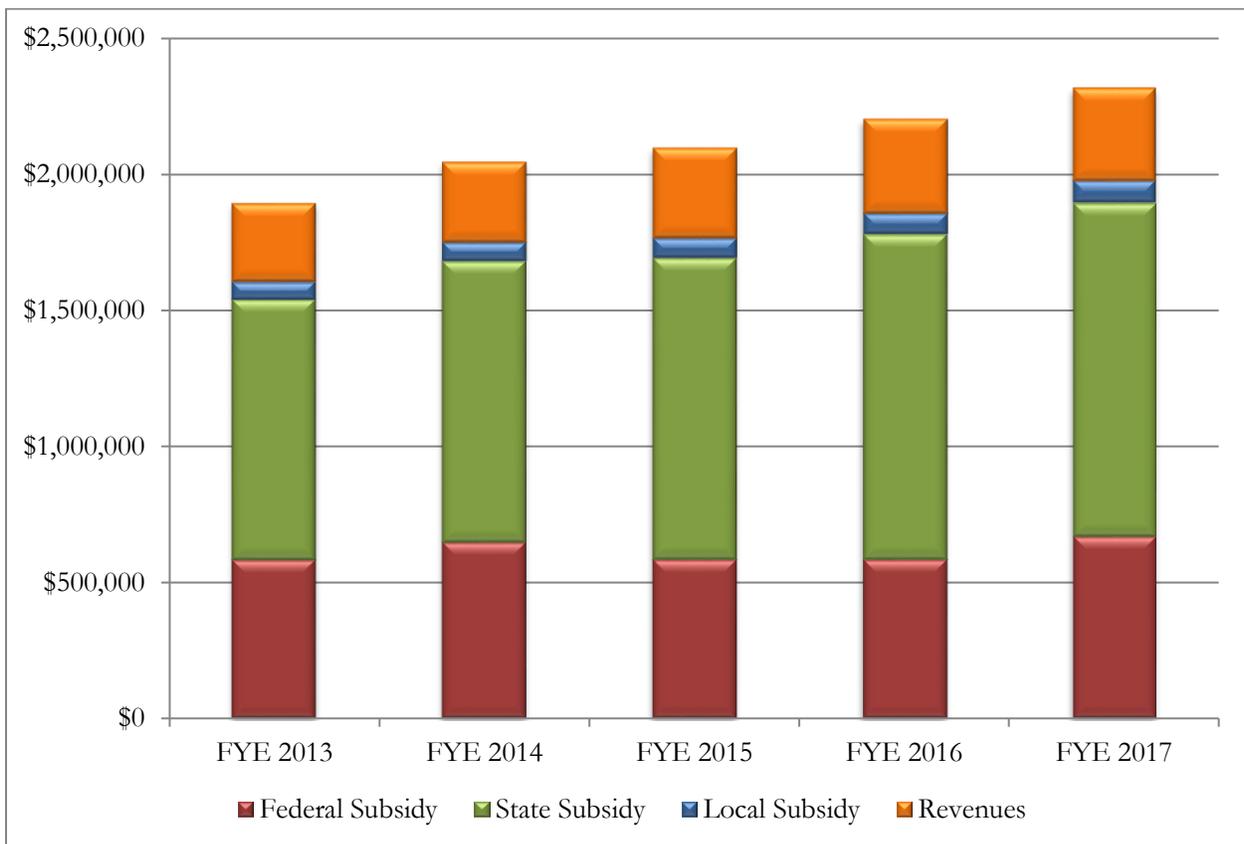


Exhibit 9: Percent of Total Public Transportation (Fixed-Route + Paratransit) Operating Budget by Funding Source

Funding Source	FYE 2013	FYE 2014	FYE 2015	FYE 2016	FYE 2017
Federal Subsidy	30.7%	31.6%	27.8%	26.5%	28.8%
State Subsidy	50.5%	50.5%	52.9%	54.2%	52.9%
Local Subsidy	3.5%	3.4%	3.5%	3.5%	3.5%
Revenues	15.2%	14.5%	15.8%	15.8%	14.8%
Local Subsidy / State Subsidy	7.0%	6.8%	6.7%	6.5%	6.6%

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



FIXED-ROUTE FUNDING

PART's fixed-route funding comes from general revenues and government subsidies. Direct passenger fares represent between 13.6% and 14.7% of total operating funding (**Exhibit 11**). Based on the FYE 2013 to FYE 2017 dotGrants reporting, PART operated using current year funding with \$608,581 in state funds being carried over in FYE 2017 and \$18,275 in local carryover funds available.

Exhibit 11: Fixed-Route Funding

Funding Source	FYE 2013	FYE 2014	FYE 2015	FYE 2016	FYE 2017
Revenues					
Passenger Fares	\$263,847	\$266,113	\$287,044	\$300,224	\$289,344
Advertising	\$0	\$0	\$0	\$0	\$0
Charter	\$12,277	\$10,162	\$12,442	\$7,618	\$5,463
Route Guarantees	\$0	\$0	\$0	\$0	\$0
Other- (Multi-ride Passes)	\$0	\$3,184	\$10,837	\$18,003	\$16,911
Other- (Interest)	\$0	\$1,123	\$0	\$0	\$0
Other- (Gain on Sale of Bus)	\$0	\$0	\$0	\$0	\$5,869
Subtotal	\$276,124	\$280,582	\$310,323	\$325,845	\$317,587
Subsidies					
Federal Operating Grant	\$557,598	\$594,576	\$538,114	\$538,371	\$614,483
Act 44 (1513) State Prior	\$0	\$0	\$0	\$0	\$0
Act 44 (1513) State Current	\$900,299	\$1,000,310	\$1,055,000	\$1,100,689	\$1,124,945
Municipal Prior	\$0	\$0	\$0	\$0	\$0
Municipal Current	\$67,003	\$70,353	\$70,000	\$71,437	\$74,928
Special- (Federal)	\$0	\$0	\$0	\$0	\$0
Special- (State)	\$0	\$0	\$0	\$0	\$0
Special- (Local)	\$0	\$0	\$0	\$0	\$0
Subtotal	\$1,524,900	\$1,665,239	\$1,663,114	\$1,710,497	\$1,814,356
Total Funding	\$1,801,024	\$1,945,821	\$1,973,437	\$2,036,342	\$2,131,943
Passenger Fares/ Total Funding	14.6%	13.7%	14.5%	14.7%	13.6%

Source: PennDOT dotGrants Reporting System.

PARATRANSIT FUNDING

Paratransit funding is about 8.0% of PART's public transportation operation and consists only ADA service. Local, state and federal subsidies as well as passenger fares are used to finance paratransit operating costs (**Exhibit 12**). PART's paratransit program increased from \$95,636 in FYE 2013 to \$185,387 as of FYE 2017. PART's paratransit budget is significantly smaller than the fixed-route budget.

Total paratransit passenger trips increased from 3,537 in FYE 2013 to 6,136 in FYE 2017 (**Exhibit 13**).

Exhibit 12: Paratransit Funding by Source

Category	FYE 2013	FYE 2014	FYE 2015	FYE 2016	FYE 2017
Revenues					
Passenger Fares	\$13,055	\$15,649	\$21,863	\$22,411	\$24,237
Advertising	\$0	\$0	\$0	\$0	\$0
Lottery	\$0	\$0	\$0	\$0	\$0
PwD Reimbursement	\$0	\$0	\$0	\$0	\$0
PwD Passenger Fares	\$0	\$0	\$0	\$0	\$0
AAA	\$0	\$0	\$0	\$0	\$0
MH/MR	\$0	\$0	\$0	\$0	\$0
W2W	\$0	\$0	\$0	\$0	\$0
MATP	\$0	\$0	\$0	\$0	\$0
Subtotal	\$13,055	\$15,649	\$21,863	\$22,411	\$24,237
Subsidies					
Federal Operating Grant	\$24,581	\$52,606	\$45,117	\$45,545	\$53,439
Act 44 (1513) State Prior	\$0	\$0	\$0	\$0	\$0
Act 44 (1513) State Current	\$58,000	\$33,521	\$54,802	\$94,362	\$101,196
Municipal Prior	\$0	\$0	\$0	\$0	\$0
Municipal Current	\$0	\$0	\$3,871	\$6,128	\$6,515
Subtotal	\$82,581	\$86,127	\$103,790	\$146,035	\$161,150
Total Funding	\$95,636	\$101,776	\$125,653	\$168,446	\$185,387

Source: PennDOT dotGrants Reporting System.

Exhibit 13: Paratransit Operating Statistics

Operating Category	FYE 2013	FYE 2014	FYE 2015	FYE 2016	FYE 2017
Paratransit Operating Statistics					
Total ADA Trips	3,537	4,596	5,783	5,898	6,136
Total Miles	12,355	12,550	13,178	13,088	13,549
Total Hours	2,292	2,372	2,607	2,774	2,798
VOMS	2	2	2	1	1

BALANCE SHEET FINDINGS

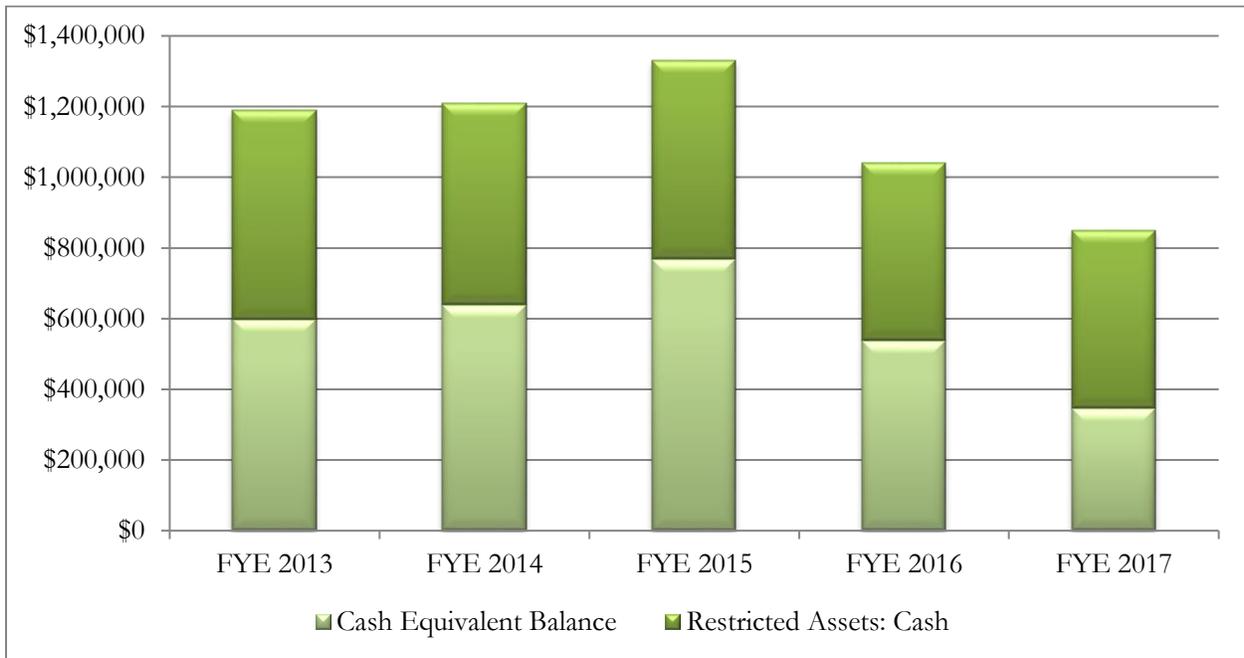
Review of balance sheets from PART shows that in FYE 2017, the agency decreased available cash on hand (**Exhibit 14** and **Exhibit 15**). Net current cash equivalent balance reported as of FYE 2013-2017 was \$344,862. Restricted cash was \$505,287 as of FYE 2017. PART maintains a combination of cash and restricted cash equivalent to 36.7% of total operating expenses as of FYE 2017. Accounts payable have decreased from a high of \$455,603 in FYE 2013 to \$147,711 as of FYE 2017. PART does not maintain a line of credit as of FYE 2017.

Exhibit 14: Balance Sheet Summary (FYE 2013 – FYE 2017)

Balance Sheet Report	FYE 2013	FYE 2014	FYE 2015	FYE 2016	FYE 2017
Current Assets					
Cash Equivalent Balance	\$597,592	\$637,096	\$768,404	\$536,177	\$344,862
Investments	\$0	\$0	\$0	\$0	\$0
Grant Receivable (incl. capital)	\$372,143	\$255,745	\$238,425	\$253,374	\$420,035
Other Accounts Receivable	\$90,200	\$56,954			
Restricted Assets: Cash	\$591,251	\$571,696	\$562,325	\$504,004	\$505,287
Inventory Value	\$0	\$0	\$0	\$0	\$0
Pre-paid Expenses	\$0	\$0	\$0	\$0	\$0
Current Liabilities					
Accounts Payable	\$455,630	\$329,004	\$358,468	\$140,849	\$147,711
Accrued Expenses	\$0	\$0	\$18,430	\$30,483	\$250
Deferred Revenue	\$1,195,556	\$1,192,487	\$1,192,256	\$1,122,223	\$1,122,223
Line of Credit	\$0	\$0	\$0	\$0	\$0
Total Operating Expense					
(Cash Eqv. Bal. & Restricted Cash)/Total Operating Exp.	62.68%	59.08%	63.61%	47.17%	36.69%
Line of Credit/Annual Payroll	\$0	\$0	\$0	\$0	\$0
Current Assets	\$1,651,186	\$1,521,491	\$1,569,154	\$1,293,555	\$1,270,184
Current Liabilities	\$1,651,186	\$1,521,491	\$1,569,154	\$1,293,555	\$1,270,184
Net Current Assets	\$0	\$0	\$0	\$0	\$0

Source: Annual Audit Reports and dotGrants

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



ASSESSMENT

PART currently has a balanced operating budget. Operating cash reserves have steadily decreased since 2015. Noteworthy elements of PART’s financial condition are:

- PART has \$18,275 in carryover local funds and \$608,581 in carryover state funds in FYE 2017
- Combined carryover subsidies amount to 27.1% of total operational funding
- PART received its full local match as required by Act 44
- ADA paratransit operating subsidies jumped from \$82,127 in FYE 2013 to \$161,150 in FYE 2017
- Accounts payable and receivable amounts are negligible
- PART does not maintain a line of credit

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

APPENDIX A: DATA ADJUSTMENTS

The following adjustments were made to data reported to NTD to reconcile with dotGrants reported values. From FYE 2012 through FYE 2016 there were adjustments to account for transfer passengers, and minor discrepancies in revenues, operating costs, revenue hours reported to NTD. The results of these adjustments are listed in the table below:

Fixed-Route Passengers	FYE 2012	FYE 2013	FYE 2014	FYE 2015	FYE 2016
dotGrants Reported Passengers	281,934	255,471	252,020	252,357	274,268
NTD Reported Passengers	265,535	255,537	254,124	228,586	252,686
Transfer Passenger Adjustments	16,399	(66)	(2,104)	23,771	21,582
Adjusted Total Passengers	281,934	255,471	254,124	252,357	274,268
Fares and Other Revenue					
dotGrants Reported Total Revenue	\$287,850	\$276,124	\$280,582	\$310,323	\$325,845
NTD Reported Revenue	\$287,850	\$276,123	\$279,459	\$310,325	\$325,845
Revenue Adjustments	\$-	\$1	\$1,123	\$(2)	\$-
Adjusted Total Revenue	\$287,850	\$276,124	\$280,582	\$310,323	\$325,845
Fixed-Route Operating Costs					
dotGrants Reported Operating Costs	\$1,899,310	\$1,801,024	\$1,944,302	\$1,966,378	\$2,036,881
NTD Reported Operating Costs	\$1,846,397	\$1,764,256	\$1,921,926	\$1,906,603	\$1,904,456
Operating Cost Adjustments	\$52,913	\$36,768	\$22,376	\$59,775	\$132,425
Adjusted Total Operating Costs	\$1,899,310	\$1,801,024	\$1,944,302	\$1,966,378	\$2,036,881
Fixed-Route Revenue Hours					
dotGrants Reported Revenue Hours	18,497	18,641	19,038	19,006	19,134
NTD Reported Revenue Hours	18,497	18,641	18,919	19,006	19,134
Revenue Hour Adjustments	-	-	119	-	-
Adjusted Total Revenue Hours	18,497	18,641	19,038	19,006	19,134

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

Final Adjusted Metrics	FYE 2012	FYE 2013	FYE 2014	FYE 2015	FYE 2016
Passenger/RVH	15.24	13.70	13.43	13.28	14.33
Operating Revenue/RVH	\$15.56	\$14.81	\$14.83	\$16.33	\$17.03
Operating Cost/RVH	\$102.68	\$96.62	\$102.77	\$103.46	\$106.45
Operating Cost/Passenger	\$6.74	\$7.05	\$7.65	\$7.79	\$7.43

Source: NTD and dotGrants reporting

APPENDIX B: 2012 PERFORMANCE REVIEW ACTION PLAN ASSESSMENT

Last Updated July 7, 2016

Category	Suggested Action	Corrective Action	Observation
1. Ridership	Conduct Routine Customer Satisfaction Surveys and Non-Rider Surveys	The next non-rider survey will be completed by September 30, 2013.	Surveys have been conducted and the project is still active. PART is currently utilizing rider and non-rider survey information to evaluate routes for a possible restructuring in 2018.
1. Ridership	Establish a standing Citizens Advisory Committee	PART developed a citizens advisory committee cooperative with Tri-County Community Network (TCN) in September 2013.	In conjunction with PART, the Tri-County Community Network uses an existing human services subcommittee to review local transportation issues. TCN provides PART with information concerning employer and workforce needs, issues with low-moderate income populations, seniors, and youth. The collaboration has been effective and resulted in a number of transit enhancements including the addition of transit stops related to job fairs, employment centers, and senior center events. (10/1/2014)
1. Ridership	Develop a plan and schedule to routinely update and modify route schedules	Route schedules to be evaluated on July 1, 2013, October 1, 2013, and every quarter thereafter.	PART is continuing the practice of evaluating schedules every quarter. PART is currently reviewing and evaluating routes for a restructuring planned for 2018.
1. Ridership	Document marketing strategies and their effectiveness	PART plans to implement marketing strategies in January 2014 and will analyze the effectiveness of their marketing efforts to evaluate effectiveness.	PART is seeing success in terms of gaining additional ridership and revenue over the past quarter. Public feedback regarding the exposure at events and engagement with the local community has proven an effective

Category	Suggested Action	Corrective Action	Observation
			marketing strategy. PART is continuing to explore additional marketing opportunities. (12/30/2015)
1. Ridership	Explore ways to facilitate transfers between PART and SEPTA	By December 2013, PART plans to facilitate a discussion with SEPTA regarding potential coordination to include a stop at the PART Transfer Center, in addition to exploring ways to cross markets and improve cooperation.	PART and SEPTA have updated their Memorandum of Understanding and will execute this agreement in November 2014. PART and SEPTA will continue the discussion of facilitating transfers as PART coordinates the implementation of the ITS project. (10/1/2014) PART and SEPTA have executed an updated Memorandum of Understanding that is valid for ten years. (9/30/2017)
1. Ridership	Explore the potential of “Bikes on Buses”	PART expects to install bike racks on buses by November 1, 2013. PART will coordinate with local Bike Share programs and work on a multi-modal marketing strategy to help increase ridership.	PART has dedicated capital funds to new projects; including bike racks. (7/1/2014) PART ordered the bike racks and a bike training station. (10/1/2014) Bike racks are being actively used on PART buses. (9/30/2015)
1. Ridership	Develop and implement a technology upgrade plan	PART obtained grant funding and is drafting an RFP for Intelligent Transportation Systems (ITS). The upgrade was advertised on September 1, 2013. The ITS upgrade includes modernization of the fare box system, automatic voice annunciation, GPS diagnostics, as well as other important digital strategies.	PART was notified by PennDOT that a state-wide procurement was being developed for ITS systems. The RFP will be released in Fall of 2017. The project is on hold until PennDOT receives RFP results and gives permission for PART to proceed with procurement.

Category	Suggested Action	Corrective Action	Observation
2. Revenue	Establish minimum fare box recovery goals both system-wide and by route	PART will be setting up bi-weekly meetings to begin establishing system-wide and route-level farebox recovery goals. These goals will be presented by January 1, 2014. These goals will go into effect and continue to be evaluated as they are incorporated into the operating contract with PART, Inc.	Completed 7/1/2014. PART, Inc. continues to provide the required reporting regularly and on-time.
2. Revenue	Negotiate contract service subsidy to be based on net of cost / revenue hour of service less actual fares collected	The contract adjustments will be coordinated with the RFP process to procure a transportation provider. Will be completed by January 2014.	Completed 9/30/2015. The Borough is on its third year of contracting service with PART Inc. based on the recommended accounting structure. Monthly invoicing is submitted to the Borough by the 10th of the month and processed for payment.
2. Revenue	Seek contributions from local communities where PART provides service	PART will begin facilitating conversations with local communities in order to meet local match contribution thresholds.	The Borough receives local match from both Montgomery and Chester counties, but continues the conversations with surrounding municipalities/townships. (9/30/2017)
2. Revenue	Explore potential of advertising revenues	PART management will conduct a cost/benefit analysis on contracting out advertising space on bus shelters and systems. A feasibility study will be completed in December 2013.	A consultant is on board to assist the Borough with implementation of the RFP in 2016. PART issued an RFP for an advertising firm to administer the PART Interior Advertising Program, to which there were no responses. PART recently purchased two new paratransit vehicles; the new design allows for exterior advertising. PART plans to begin

Category	Suggested Action	Corrective Action	Observation
			exterior advertising on these vehicles in 2018. Fixed route buses are due for replacement in 2019 and will be designed to allow for exterior advertising. PART currently permits advertising for Non-Profits on the interior of buses.
2. Revenue	Investigate short-term strategies to accommodate large companies and institutions who would like multi-ride passes	Research regarding a token or card system is currently underway. PART will undergo a test run of a token or card system in November 2013.	PART offers both multi-ride passes/transfers and round-trip passes/transfers for purchase at Borough Hall.
3. Operating Cost	Monitor and contain the cost of contract service items exceeding the rate of inflation / unit of service delivered	The cost allocation study of both PART and PART, Inc. will help monitor allocated costs for critical agency functions. Will be completed in September 2013.	Cost allocation study and tracking spreadsheets completed in July 2014. The Borough and PART, Inc. are currently in a fixed-price contract that allows for a 2% yearly increase. The Borough has cut costs and submitted a budget for FY17-18 which is realistic and attainable. (9/30/2017)
3. Operating Cost	Re-bid service at least once every five (5) years	PART is seeking third-party assistance to additionally review and provide information on technical development for the service RFP.	The Borough just entered into the third year of a fixed price contract with PART, Inc. Services will be re-bid during the 5th year of the contract. (9/30/2017)

Category	Suggested Action	Corrective Action	Observation
3. Operating Cost	Conduct a current time allocation study for both PART and PART, Inc.	The time allocation study will be started in August 2013 and completed in September 2013.	Time studies have been completed for PART and PART, Inc. This information is being synthesized and will be used in developing future allocations and budgets. (4/4/2014)
3. Operating Cost	Implement and monitor contract performance requirements	PART will continue regularly scheduled quarterly reviews with PART, Inc. and begin unscheduled site reviews, bus trips, and inventory reviews every other month beginning September 1, 2013.	The Borough is implementing a new operating contract with PART, Inc. that specifically sets forth performance requirements. The Borough is evaluating PART, Inc.'s performance based on the new contract and now has the ability to leverage requirements through the terms of the contract. (9/30/2015) PART, Inc. continues to submit timely performance metrics on a monthly basis. (9/30/2017)
3. Operating Cost	Stop encouraging the use of paratransit service	PART and PART, Inc. acknowledge and understand the financial impact of providing paratransit service on the system as a whole. Marketing the ADA paratransit service has been discontinued.	PART discourages the use of paratransit service; however, ridership continues to increase. As the community ages, the request for usage of paratransit service has continued to increase.

Category	Suggested Action	Corrective Action	Observation
3. Operating Cost	Evaluate bidding ADA paratransit service separately from PART fixed-route service	PART's internal transit committee is overseeing the development of an RFP to procure purchased transportation for FY14-15. Paratransit service will be incorporated as part of this competitive bidding package. The RFP document will be drafted for Borough Council and solicitor review in January 2014. The RFP will be advertised in February 2014.	The Borough did advertise bids for public transportation services and received one bid from PART, Inc. that includes both fixed-route and paratransit services. (5/1/2015)
3. Operating Cost	Evaluate directly operating service	PART will evaluate the directly operating service in December 2013 and use this information in the formation of an RFP for transportation service.	PART has concluded that directly operating service is not feasible at this time. PART is continuing to research and use guidance as referenced. The Borough is not prepared to hire, manage, and maintain all assets required for the transit operation. PART may revisit this topic in the next year. (2/10/2014)
3. Operating Cost	Develop future budgets based on actual costs and level of service (revenue hours) provided	The RFP for transportation service will require budgets based on actual costs and level of service (revenue hours). It will be advertised in February 2014. Future budgets beginning July 1, 2014 will be based on this methodology.	The Borough advertised for a public transportation provider and has required that all future budgets incorporate this methodology. (5/1/2015) The Borough entered into their third year of service with PART, Inc. following this methodology. (9/30/2017)

Category	Suggested Action	Corrective Action	Observation
4. Other	Investigate the creation of a municipal transit authority	The feasibility analysis will be completed by December 30, 2013.	Ongoing
4. Other	Develop performance targets and report to board for all key functions	PART will enhance the level of detail in ridership, cost per revenue hour, and other data elements. More formal performance enhancement targets will be established by December 2013.	PART is reporting on current performance targets. Data provided on the performance targets will become more involved once the RFP for purchased transportation is implemented (10/1/2014). Borough staff updates Council on PART operations at monthly public Council Meetings (9/30/2017).
4. Other	Report PART performance to Borough Council monthly		PART is providing regular monthly transit reports to Pottstown Borough Council.
4. Other	Develop a formal succession plan for PART, Inc.	The legal review will be completed by September 15, 2013. A formal succession plan will be developed in December 2013.	With additional guidance, PART Inc. has developed a formal succession plan. Charlie Dickinson, owner of PART, Inc., has a board appointed in his will that is directed to oversee PART operations, appoint or hire personnel to serve as the Director of PART Inc., and provide this person with the authority to continue PART operations. The Board is to provide this person assistance, and is comprised of an accountant, attorney, and other representatives that are responsible for carrying out the business activities of PART. (2/10/2014)

Category	Suggested Action	Corrective Action	Observation
4. Other	Develop a formal succession plan for PART management		In July of 2016, the then-Assistant Borough Manager resigned. The Grants Administrator took over the administration of the PART contract.
4. Other	Develop a clear organizational structure with job descriptions		PART has planned two organizational management trainings for 2013 and 2014.
4. Other	Develop a strategy to collect local match on time	In 2013, PART developed a requirement to collect local match on time. PART Grant Administration procedures will outline this requirement within the “Local Match Requirement” section.	Local match was received on time for the PART operating year FY 13-14. PART will continue to implement this requirement for all future fiscal years. (2/10/2014) PART continues to receive the local match as dictated by PennDOT regulations. (9/30/2017)
4. Other	Provide accident forms on all PART vehicles		Accident forms are now available on all PART vehicles.
4. Other	Transfer paper fleet management records from PART, Inc. to the Boroughs fleet management software	PART will investigate ways to consolidate fleet management information into software, as well as evaluate the feasibility of modernizing PART Inc.’s current practices. This effort will be completed by April 2014.	Recently the Borough of Pottstown installed fleet management software on Borough vehicles as a test run for installing the same technology on the PART vehicles. The trial run has been very successful for the Borough vehicles and the integration of the fleet management system for PART, Inc. will be included as part of contract negotiations in February 2015. (10/1/2014) Fleet Management Software is planned as a Capital Expenditure in 2018. (9/30/2017)

Category	Suggested Action	Corrective Action	Observation
4. Other	Identify alternate means of road supervision		The Transportation Director continues to serve as the Road Supervisor by monitoring, evaluating, and training drivers.

APPENDIX C: PEER COMPARISONS

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

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

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

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

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

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

Passengers / Revenue Vehicle Hour

Passengers / Revenue Hour (MB)					
System	FYE 2016 Single Year		5 Year Change Since FYE 2011		
	Value	Rank of 13	2011 Value	Annual Rate	Rank of 13
Port Arthur Transit	6.49	13	8.10	-4.33%	9
Milford Transit District	17.11	4	18.00	-1.02%	8
Greater Glens Falls Transit System	18.80	3	18.26	0.58%	5
Crawford Area Transportation Authority	14.46	6	15.11	-0.88%	7
Lewiston-Auburn Transit Committee	20.07	1	16.22	4.36%	3
City of Beloit Transit System	9.30	11	11.77	-4.59%	10
City of Middletown - Middletown Transit System	10.35	9	15.22	-7.43%	12
Kingsport Area Transit System	10.12	10	7.09	7.39%	2
Allegany County Transit	15.83	5	10.65	8.25%	1
City of Anderson Transportation System	8.42	12	7.74	1.68%	4
Springfield City Area Transit	11.77	8	15.38	-5.20%	11
City of Poughkeepsie	19.79	2	29.33	-7.56%	13
Borough of Pottstown - Pottstown Area Rapid Transit	14.33	7	14.35	-0.03%	6
<i>Average</i>	<i>13.60</i>		<i>14.40</i>	<i>-0.68%</i>	
<i>Standard Deviation</i>	<i>4.54</i>		<i>5.88</i>	<i>5.16%</i>	
<i>Average – 1 Standard Deviation</i>	<i>9.06</i>		<i>8.52</i>	<i>-5.84%</i>	
<i>Average + 1 Standard Deviation</i>	<i>18.15</i>		<i>20.28</i>	<i>4.49%</i>	
Act 44 Compliance Determination	In Compliance		In Compliance		
Compared to the Peer Group Average	Better		Better		

Operating Cost / Revenue Vehicle Hour

Operating Cost / Revenue Hour (MB)					
System	FYE 2016 Single Year		5 Year Change Since FYE 2011		
	Value	Rank of 13	2011 Value	Annual Rate	Rank of 13
Port Arthur Transit	\$102.16	12	\$108.68	-1.23%	5
Milford Transit District	\$76.52	5	\$67.72	2.47%	10
Greater Glens Falls Transit System	\$78.13	8	\$71.48	1.80%	9
Crawford Area Transportation Authority	\$72.01	4	\$53.22	6.24%	12
Lewiston-Auburn Transit Committee	\$77.75	7	\$71.28	1.75%	8
City of Beloit Transit System	\$96.78	11	\$91.21	1.19%	6
City of Middletown - Middletown Transit System	\$59.92	2	\$64.64	-1.51%	3
Kingsport Area Transit System	\$60.13	3	\$37.69	9.79%	13
Allegany County Transit	\$58.74	1	\$67.01	-2.60%	2
City of Anderson Transportation System	\$76.91	6	\$82.37	-1.36%	4
Springfield City Area Transit	\$93.18	10	\$72.16	5.25%	11
City of Poughkeepsie	\$89.21	9	\$133.14	-7.70%	1
Borough of Pottstown - Pottstown Area Rapid Transit	\$106.45	13	\$99.52	1.36%	7
<i>Average</i>	<i>\$80.61</i>		<i>\$78.47</i>	<i>1.19%</i>	
<i>Standard Deviation</i>	<i>\$16.00</i>		<i>\$24.84</i>	<i>4.39%</i>	
<i>Average – 1 Standard Deviation</i>	<i>\$64.61</i>		<i>\$53.63</i>	<i>-3.20%</i>	
<i>Average + 1 Standard Deviation</i>	<i>\$96.60</i>		<i>\$103.31</i>	<i>5.58%</i>	
Act 44 Compliance Determination	At Risk		In Compliance		
Compared to the Peer Group Average	Worse		Worse		

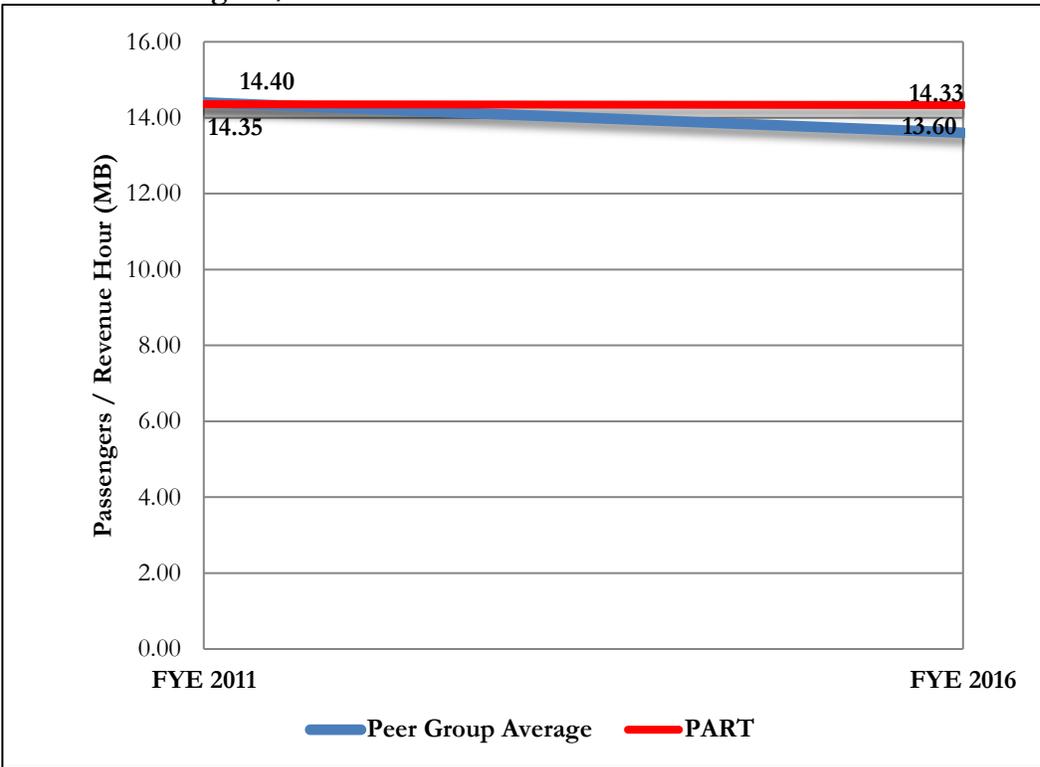
Operating Revenue / Revenue Vehicle Hour

Operating Revenue / Revenue Hour (MB)					
System	FYE 2016 Single Year		5 Year Change Since FYE 2011		
	Value	Rank of 13	2011 Value	Annual Rate	Rank of 13
Port Arthur Transit	\$5.64	13	\$6.10	-1.58%	11
Milford Transit District	\$16.94	5	\$15.79	1.41%	9
Greater Glens Falls Transit System	\$18.08	3	\$16.31	2.08%	6
Crawford Area Transportation Authority	\$10.03	9	\$8.87	2.48%	3
Lewiston-Auburn Transit Committee	\$13.84	7	\$11.18	4.37%	2
City of Beloit Transit System	\$14.32	6	\$12.70	2.43%	4
City of Middletown - Middletown Transit System	\$9.49	10	\$11.78	-4.23%	13
Kingsport Area Transit System	\$5.98	12	\$5.51	1.64%	8
Allegany County Transit	\$21.26	2	\$14.26	8.31%	1
City of Anderson Transportation System	\$6.39	11	\$7.25	-2.48%	12
Springfield City Area Transit	\$12.02	8	\$10.71	2.35%	5
City of Poughkeepsie	\$23.42	1	\$25.20	-1.45%	10
Borough of Pottstown - Pottstown Area Rapid Transit	\$17.03	4	\$15.38	2.06%	7
<i>Average</i>	<i>\$13.42</i>		<i>\$12.39</i>	<i>1.34%</i>	
<i>Standard Deviation</i>	<i>\$5.80</i>		<i>\$5.28</i>	<i>3.22%</i>	
<i>Average – 1 Standard Deviation</i>	<i>\$7.62</i>		<i>\$7.11</i>	<i>-1.88%</i>	
<i>Average + 1 Standard Deviation</i>	<i>\$19.22</i>		<i>\$17.66</i>	<i>4.56%</i>	
Act 44 Compliance Determination	In Compliance		In Compliance		
Compared to the Peer Group Average	Better		Better		

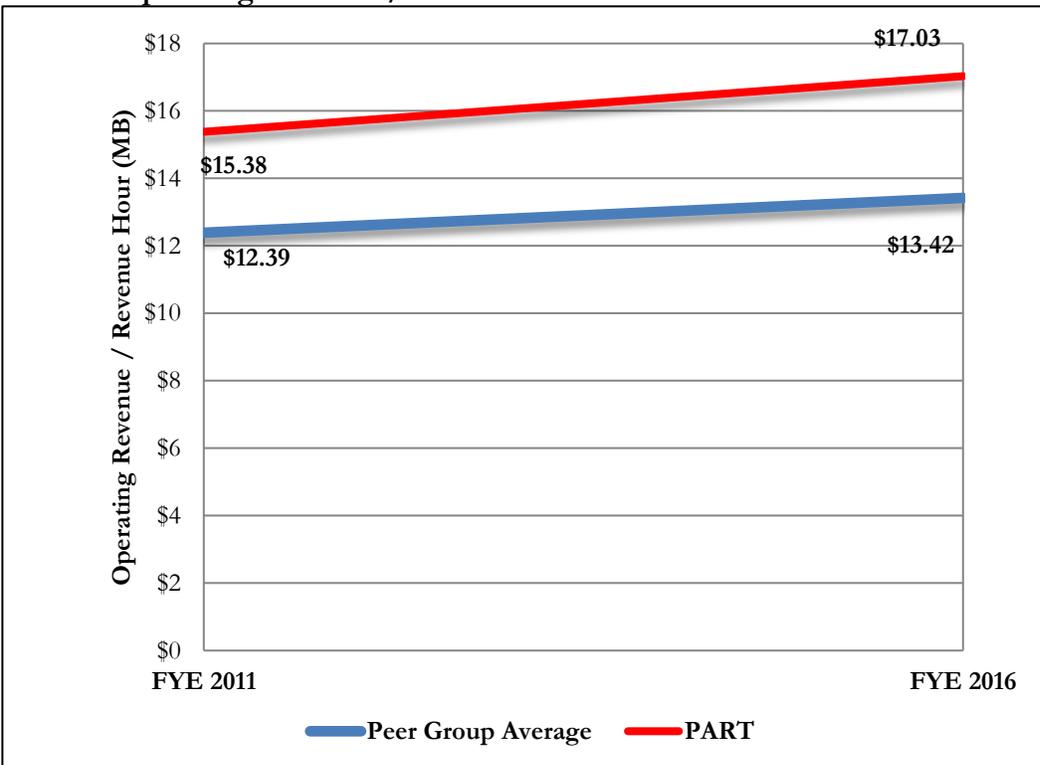
Operating Cost / Passenger

Operating Cost / Passenger (MB)					
System	FYE 2016 Single Year		5 Year Change Since FYE 2011		
	Value	Rank of 13	2011 Value	Annual Rate	Rank of 13
Port Arthur Transit	\$15.74	13	\$13.42	3.24%	8
Milford Transit District	\$4.47	4	\$3.76	3.52%	9
Greater Glens Falls Transit System	\$4.16	3	\$3.91	1.21%	5
Crawford Area Transportation Authority	\$4.98	6	\$3.52	7.18%	12
Lewiston-Auburn Transit Committee	\$3.87	2	\$4.40	-2.50%	3
City of Beloit Transit System	\$10.40	12	\$7.75	6.06%	10
City of Middletown - Middletown Transit System	\$5.79	7	\$4.25	6.40%	11
Kingsport Area Transit System	\$5.94	8	\$5.32	2.24%	7
Allegany County Transit	\$3.71	1	\$6.29	-10.02%	1
City of Anderson Transportation System	\$9.14	11	\$10.64	-2.99%	2
Springfield City Area Transit	\$7.92	10	\$4.69	11.03%	13
City of Poughkeepsie	\$4.51	5	\$4.54	-0.14%	4
Borough of Pottstown - Pottstown Area Rapid Transit	\$7.43	9	\$6.93	1.39%	6
<i>Average</i>		\$6.77	\$6.11	2.05%	
<i>Standard Deviation</i>		\$3.43	\$2.97	5.35%	
<i>Average – 1 Standard Deviation</i>		\$3.35	\$3.14	-3.30%	
<i>Average + 1 Standard Deviation</i>		\$10.20	\$9.08	7.40%	
Act 44 Compliance Determination		In Compliance	In Compliance		
Compared to the Peer Group Average		Worse	Better		

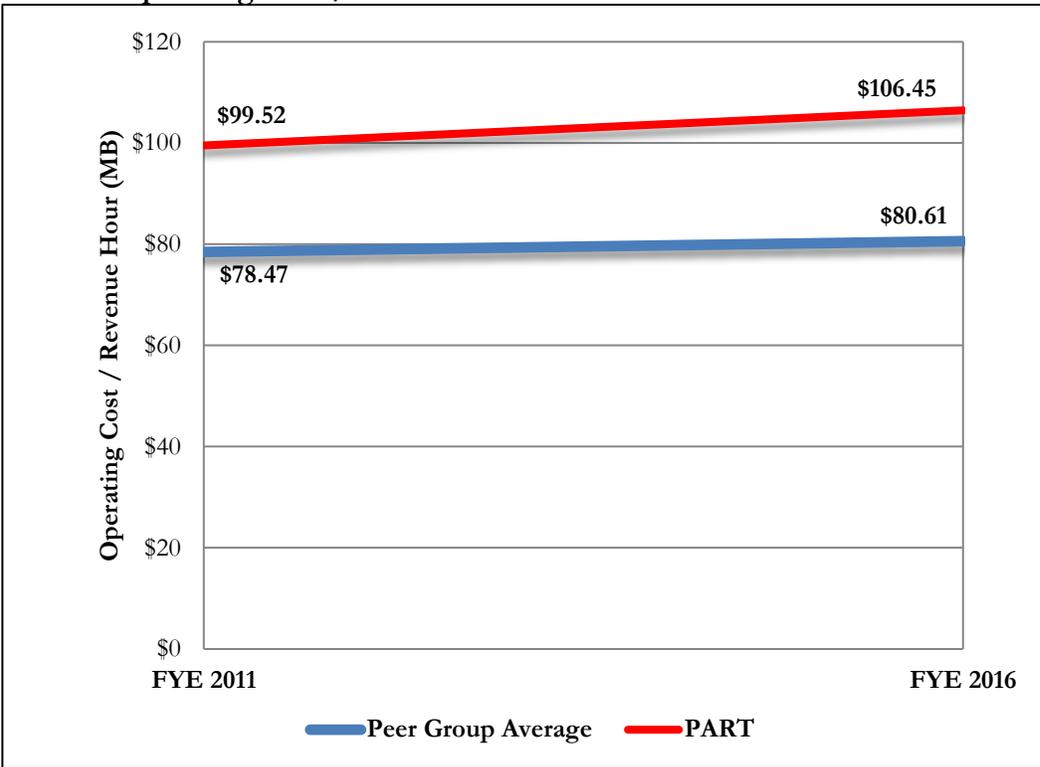
Trend – Passengers / Revenue Vehicle Hour



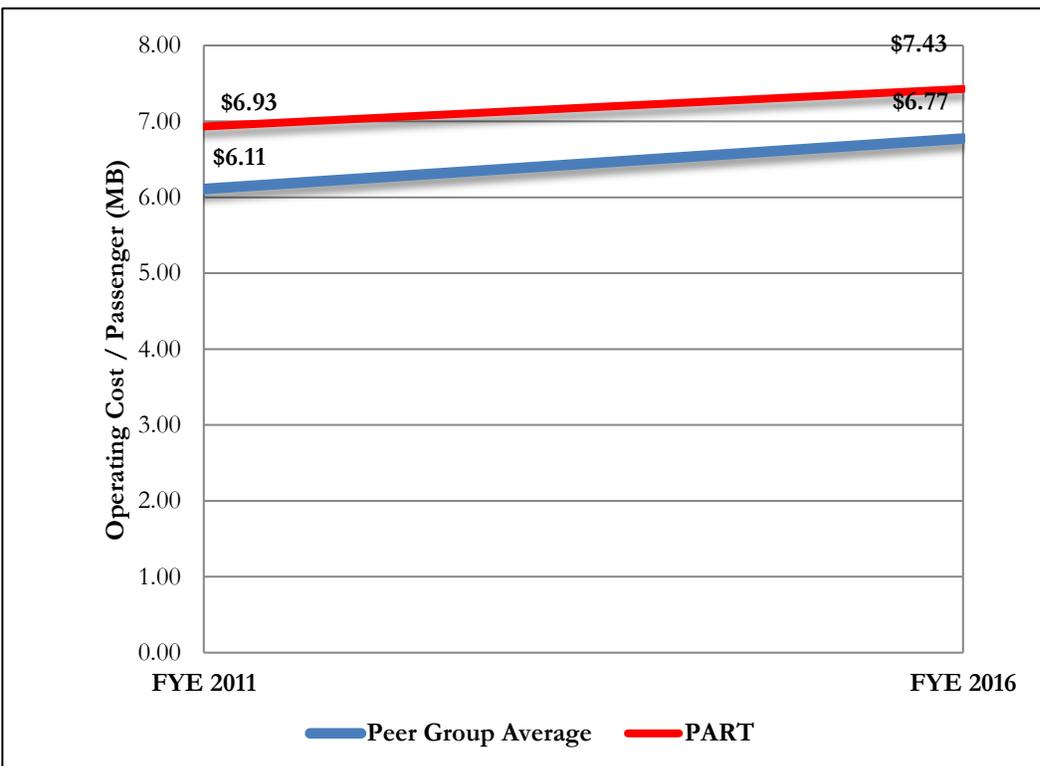
Trend – Operating Revenue / Revenue Vehicle Hour



Trend – Operating Cost / Revenue Vehicle Hour



Trend – Operating Cost / Passenger



APPENDIX D: ACTION PLAN TEMPLATE

PART 1- ACTIONS TO INCREASE PASSENGERS / REVENUE HOUR

Recommendation From narrative starting on page 10	PART Action	Estimated Initiation Date	Estimated Completion Date
1. Develop a targeted marketing strategy that includes: a. Marketing goals for increasing ridership; b. Strategic objectives; c. A schedule for determining when activities will be conducted; and, d. Activities to support each strategic objective.			
2. Prioritize marketing objectives by assessing which activities to pursue according to funding availability and target rider market.			
3. Identify major time points that can be used to enforce on-time performance.			
4. Develop a documented procedure for checking on-time performance that is monitored on a routine basis.			

PART 2 - ACTIONS TO INCREASE OPERATING REVENUE / REVENUE HOUR

Recommendation From narrative starting on page 10	PART Action	Estimated Initiation Date	Estimated Completion Date
1. Continue to explore options to generate advertising revenue.			

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

Recommendation From narrative starting on page 12	PART Action	Estimated Initiation Date	Estimated Completion Date
1. Continue cost containment measures that control the rate of escalation for future years.			

PART 4 - OTHER ACTIONS TO IMPROVE OVERALL PERFORMANCE

Recommendation From narrative starting on page 12	PART Action	Estimated Initiation Date	Estimated Completion Date
1. Improve data reporting to the Transportation Committee to include: <ul style="list-style-type: none"> a. Current standing in Act 44 metrics compared to Act 44 targets; b. Results of past marketing efforts and upcoming events; and, c. A summary of customer service. 			
2. Increase contractor oversight to monitor on-time performance and compliance with service standards outlined in the service contract.			
3. Plan to attend all available FRITS training events to learn how technology can be incorporated into the fixed-route system.			

