

CENTRE AREA TRANSPORTATION AUTHORITY (CATA)



FY 2005/2006 BUDGET



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MEMO

To: Member Municipalities of the Centre Area Transportation Authority

From: Hugh A. Mose, General Manager

Re: CATA's FY 2005/2006 DRAFT Budget

Date: April 1, 2005

=====
On behalf of the Centre Area Transportation Authority (CATA) Board of Directors, I am pleased to present for your consideration CATA's FY 2005/2006 DRAFT Budget, as approved by the Board at their March 28, 2005 meeting.

These are difficult times for CATA. Over the last three years we have been aggressively "tightening our belt." We have cut approximately twenty percent of our route mileage, reduced our complement of Bus Drivers by twenty, eliminated two support positions, and cut discretionary spending. Even so, to balance our budget this past year we have had to dip deeply into our carry-forward of federal operating assistance – we began the year with \$450,000, but will end with less than half that amount.

With the State's transit funding crisis unresolved and the Reauthorization of TEA-21 delayed indefinitely, initially CATA's financial prospects for FY 2005/2006 looked very grim. However, on the last day of February, just one day before the Port Authority Transit in Pittsburgh was scheduled to begin massive fare increases and service cuts, Governor Rendell announced a plan to divert bridge and highway funds to public transit. As a result, it now appears that CATA will be able to continue current service levels through the end of calendar year 2006.

A cautionary note: The Governor's plan to address the transit funding crisis has not been well-received in the General Assembly. Not only are there those who feel his diversion of bridge and highway funds to transit is poor public policy, others are concerned at the manner in which the Governor took his action. However, we are not aware that the Legislature is contemplating any action that would redirect the funds that the Governor has put in play for public transportation.

For the coming fiscal year CATA proposes essentially a "status quo" budget in terms of fares and service levels. The only significant route and schedule revisions will be on the X Route (Nittany Mall to Bellefonte and Pleasant Gap), where several trips will need to be eliminated to match the service with the amount that Bellefonte Borough is willing to pay. The only change in

fares (other than negotiated increases in purchase-of-service contracts) is for the Football Shuttle, where the base fare will increase from \$1.50 to \$2.00.

This year, for the Operating Budget CATA is asking our municipal funding partners for a 5.0% percent increase in local share, from \$278,428 to \$294,754. Although this will bring the total local share to about 20% more than the required minimum, we need the additional support for two reasons: we need every dollar we can generate to keep as much service on the street as possible, and we are still playing catch-up after years of local tax support failing to keep pace with passenger fares and other local funding sources.

For the Capital Budget, we are once again requesting \$60,000. This amount was developed four years ago when the COG Finance Committee asked CATA to implement a capital reserve account that would even out the large year-to-year fluctuations in local shares for capital. This year for the first time the \$60,000 is substantially more than the standard 3-1/3% share of current capital projects. However, the overage will be added to the capital account to begin building up funds in anticipation of the replacement of CATA's CNG bus fleet, which will need to begin in later this decade.

Again this year the increase in local shares is not evenly distributed among our funding partners. The Miller Formula is very complex, and a number of factors conspire to either raise or lower a municipality's assessment. For instance, the Borough of State College share increases by over \$6,000. This anomaly is mainly the result of declining fare revenue on the R Route (Waupelani Drive), which translates into a larger subsidy. On the other hand, the Patton contribution is almost flat; this is due primarily to an error we discovered in the mileage calculation for the V Route (Vairo Blvd.), which in effect meant that Patton had been overcharged in past years.

I and my colleagues on the CATA staff, as well as members of the CATA Board, will be pleased to meet with the COG Finance Committee, the COG General Forum and the Boards of Supervisors and Councils of the individual municipalities to discuss the details of the budget and address any issues you may have.

TABLE OF CONTENTS

<u>ITEM</u>	<u>PAGE</u>
General Manager's Memo	i - ii
Table of Contents	iii
SECTION I BUDGET SUMMARY AND LOCAL SHARES	
Introduction	1
Annual Operating Budget – COG Format	2-6
Annual Capital Budget	7
Local Share Calculation and Allocation	8-18
SECTION II BACKGROUND INFORMATION	
CATA Fact Sheet 2005	19
CATA Organizational Structure	20
CATA Service Standards Performance Review	21
Trends in Revenue	22-24
SECTION III FY 2004/2005 RECAP	
Goals Established by the CATA Board of Directors	25-29
Other Accomplishments	29-36
SECTION IV FY 2005/2006 POLICY CONSIDERATIONS	
Background	37-38
Revenue Issues	38-41
Expenditure Issues	41-42
Staffing Levels	42
Service Planning Issues	42
Contingency Plans	42-45
Transit Service Enhancements	45
Summary	45
SECTION V FY 2005/2006 WORK PLAN	
Goals Set by the CATA Board of Directors	46
Other Programs, Services and Activities	46-49
SECTION VI OPERATING BUDGET	
Introduction	50
FY 2005/2006 DRAFT Operating Budget (CATA Format)	50-54
Operating Budget Narrative	55
Revenue Detail	56-60
Expenditure Detail	50-66
SECTION VII CAPITAL BUDGET	
Introduction	67
FY 2005/2006 DRAFT Capital Budget	67
Capital Budget Narrative	68-69
SECTION VIII LONG TERM OUTLOOK	
CATA Strategic Plan	70-73
Operating Budget: Five-Year Projections	74-75
Capital Improvement Program	76-79
Capital Reserve Account	79

SECTION I

BUDGET SUMMARY AND LOCAL SHARES

Introduction

The following five pages contain a line-item summary of the FY 2005/2006 DRAFT Operating Budget, presented in the standard COG Format to facilitate review by the COG Finance Committee, elected officials of CATA's member municipalities, and other local officials.

Also included is a one-page summary, designed to replicate the COG Format, which identifies those capital items for which CATA is requesting local share of 3⅓%, the minimum required to match state and federal capital assistance. A contribution to the Capital Reserve Account, established four years ago at the request of the COG Finance Committee, has been included in the total capital requirement for this year to keep capital funding at the same level as in FY 2004/2005.

Following the tables is a narrative describing the calculation and allocation of local shares. The text is accompanied by the spreadsheets used to calculate the miles of service in each municipality, estimate a regional factor for each route, and finally allocate the required local share by route among the participating municipalities and Penn State.

The complete budget, with an overview of transit funding and narratives explaining each individual line item, can be found in Section VI - Operating Budget.

The table below provides a summary of the total and individual local operating and capital contributions requested for FY 2005/2006.

FY 2005/2006 Local Shares: Operating and Capital

	OPERATING	CAPITAL	TOTAL
State College Borough	\$75,127	\$11,976	\$87,103
Ferguson Township	\$64,191	\$10,233	\$74,424
Patton Township	\$53,138	\$ 8,471	\$61,609
College Township	\$54,024	\$ 8,612	\$62,636
Harris Township	\$21,496	\$ 3,427	\$24,923
Bellefonte Borough	\$12,668	\$ 2,020	\$14,688
Spring Township	\$14,091	\$ 2,246	\$16,337
Penn State University	\$81,651	\$13,015	\$94,666
Total Operating and Capital	\$376,386	\$60,000	\$436,386

ANNUAL OPERATING BUDGET

COG FORMAT

COMPARATIVE DETAIL OF REVENUES

AGENCY: Centre Area Transportation Authority

Acct. No.	Account	Budgeted Receipts 2003-2004	Actual Receipts 2003-2004	Budgeted Receipts 2004-2005	Estimated Receipts 2004-2005	Anticipated Receipts 2005-2006
	CASH BALANCE	N/A	N/A	N/A	N/A	N/A
	DEPARTMENT REVENUES	8,000	5,797	6,500	6,500	6,500
	Interest Earnings					
	Subtotal	8,000	5,797	6,500	6,500	6,500
	INTERGOVERNMENTAL REVENUE					
	FEDERAL GRANTS					
	Transportation Planning	1,014,929	1,014,816	1,014,816	1,063,495	1,063,495
	Operating Assistance:	427,400	480,772	448,402	485,858	197,645
	Annual Apportionment +	0	0	0	0	0
	Prior Year Carry-In +	1,442,329	1,495,588	1,463,218	1,549,353	1,261,140
	** Transferred =	1,216,610	1,009,730	1,307,974	1,351,708	1,030,140
	* Total Operating Available:	225,719	485,858	155,244	197,645	231,000
	Total Operating Used:					
	* Total Operating Not Used:	1,216,610	1,009,730	1,307,974	1,351,708	1,030,140
	Subtotal					
	STATE/SPECIAL GRANTS					
	Senior Citizen Free Transit	49,500	50,319	46,000	48,000	48,000
	Senior Citizen Shared Ride	179,200	177,677	176,500	180,000	182,000
	Transportation Planning	1,000	0	0	0	0
	Operating Assistance	819,410	867,773	895,641	967,043	922,716
	Act 26 for Asset Maint.	322,460	320,116	310,837	310,837	310,837
	Act 3 Supplemental Funding	543,260	543,895	541,186	541,186	541,270
	New State Funding	0	0	0	0	671,041
	Welfare to Work Grant	0	0	0	0	0
	Special Demonstration Grants	0	0	12,000	0	0
	RideShare Support	28,400	28,400	29,250	29,820	31,310
	Subtotal	1,943,230	1,988,180	2,011,414	2,076,886	2,707,174
	MUNICIPAL CONTRIBUTIONS					
	Bellefonte Borough	12,629	12,629	12,692	14,963	12,668
	College Township	50,044	50,044	49,468	49,468	54,024
	Ferguson Township	59,710	59,710	61,301	61,301	64,191
	Harris Township	16,588	16,588	20,067	20,067	21,496
	Patton Township	53,711	53,711	53,009	53,009	53,138
	Penn State University	74,060	74,060	77,763	77,763	81,651
	State College Borough	58,510	58,510	68,824	68,824	75,127
	Spring Township	13,978	13,978	13,068	13,068	14,091
	Subtotal	339,230	339,230	356,192	358,463	376,386

*Memo item only where shaded; only actual amount used added in those columns. **Transfer to Capital Program.

ANNUAL OPERATING BUDGET

COG FORMAT

COMPARATIVE DETAIL OF REVENUES						
AGENCY: Centre Area Transportation Authority						
Acct. No.	Account	Budgeted Receipts 2003-2004	Actual Receipts 2003-2004	Budgeted Receipts 2004-2005	Estimated Receipts 2004-2005	Anticipated Receipts 2005-2006
	MISCELLANEOUS REVENUE					
	Farebox	714,000	552,821	567,300	504,000	504,000
	"ONEPASS"	468,200	461,248	439,300	390,000	390,000
	Football Shuttle	35,400	34,326	30,000	25,564	29,000
	Paratransit	95,400	88,459	88,000	93,300	96,000
	Special Purchase of Service	768,260	859,172	957,800	976,700	1,017,000
	LOOP Revenue	1,126,425	1,285,959	1,357,300	1,378,281	1,447,000
	Charter Service	200	4,462	0	535	0
	Advertising	26,500	28,010	32,000	30,300	32,000
	Vehicle Lease & Rental	0	0	0	0	0
	Miscellaneous	1,200	3,617	11,400	15,100	2,100
	Subtotal	3,235,585	3,318,074	3,483,100	3,413,780	3,517,100
	TOTAL:	6,742,655	6,661,011	7,165,180	7,207,337	7,637,300

ANNUAL OPERATING BUDGET

COG FORMAT

COMPARATIVE DETAIL OF APPROPRIATIONS AND EXPENDITURES

AGENCY: Centre Area Transportation Authority

Acct. No.	Account	Budgeted Appropriation 2003-2004	Actual Expenditure 2003-2004	Budgeted Appropriation 2004-2005	Estimated Expenditure 2004-2005	Anticipated Expenditure 2005-2006
	PERSONNEL					
	Salaries (Staff)	749,235	782,260	847,000	856,480	893,800
	Salaries (Part-Time Interns)	0	0	0	260	0
	Drivers' Wages	2,265,430	2,276,970	2,397,200	2,434,000	2,532,700
	Maintenance Wages	436,200	430,375	461,600	458,000	483,300
	Employee Benefits	1,542,570	1,488,737	1,627,880	1,538,921	1,696,000
	Subtotal	4,993,435	4,978,342	5,333,680	5,287,661	5,605,800
	OPERATING EXPENSES					
	MAINTENANCE					
	Revenue Vehicle Maintenance	220,000	237,165	220,000	250,000	265,000
	Service Vehicle Maintenance	7,500	5,511	7,500	2,500	3,800
	Radio Maintenance	6,300	5,469	6,800	6,200	7,400
	Building & Equipment Maintenance	64,400	50,465	59,500	60,000	70,000
	Uniforms & Accessories	10,000	9,481	10,500	11,500	11,500
	Contract Maintenance	5,700	3,492	6,000	5,200	5,900
	Utilities	78,500	87,424	85,000	92,000	98,000
	Paratransit	3,000	6,141	6,800	10,000	10,600
	Training	3,500	574	4,000	6,400	6,000
	Miscellaneous	9,000	8,400	7,600	7,900	8,000
	Subtotal	407,900	414,122	413,700	451,700	486,200
	TRANSPORTATION					
	Revenue Vehicles - Tires	36,200	36,629	53,700	46,000	46,000
	Service Vehicles - Tires	750	1,025	1,000	600	600
	Revenue Vehicles - Fuel & Lube	464,500	446,526	495,000	566,600	573,000
	Service Vehicles - Fuel & Lube	7,800	7,521	12,600	10,600	12,800
	Safety & Training	13,300	13,751	16,300	16,700	20,500
	Insurance	180,870	160,390	185,000	173,300	184,000
	Vehicle Lease	0	0	0	0	0
	Shelters & Signs	6,500	4,227	5,000	5,000	5,500
	Paratransit	379,700	357,650	354,400	370,000	394,300
	Uniforms	3,300	1,205	2,000	2,300	2,000
	Miscellaneous	5,000	3,934	5,700	7,300	7,600
	Subtotal	1,097,920	1,032,858	1,130,700	1,198,400	1,246,300

ANNUAL OPERATING BUDGET

COG FORMAT

COMPARATIVE DETAIL OF APPROPRIATIONS AND EXPENDITURES						
AGENCY:	Centre Area Transportation Authority	Budgeted Appropriation 2003-2004	Actual Expenditures 2003-2004	Budgeted Appropriation 2004-2005	Estimated Expenditures 2004-2005	Anticipated Expenditures 2005-2006
Acct. No.	Account					
	ADMINISTRATION					
	Temporary Help	0	2,800	0	2,096	2,200
	Insurance	37,300	50,285	38,100	35,800	38,000
	Pass Sales & Supplies	11,500	10,992	10,800	11,500	8,500
	Professional Services	60,000	53,507	97,000	75,000	101,500
	Advertising	16,450	10,612	16,450	15,000	15,200
	Marketing Support	12,350	7,176	12,350	12,000	13,400
	Printing	2,400	827	2,700	2,200	1,500
	Schedule Printing & Design	20,000	19,871	22,000	18,500	19,000
	Telephone	13,500	10,998	13,500	13,500	15,800
	Office Supplies & Services	18,500	18,026	21,000	25,000	26,000
	Dues & Subscriptions	16,300	15,881	16,600	16,600	17,100
	Travel & Meetings	10,000	10,351	11,600	12,100	13,000
	Interest	500	0	500	500	500
	Miscellaneous	8,600	7,869	8,500	12,180	8,500
	Paratransit	<u>16,000</u>	<u>16,494</u>	<u>16,000</u>	<u>17,600</u>	<u>18,800</u>
	Subtotal	243,400	235,689	287,100	269,576	299,000
	TOTAL:	<u>6,742,655</u>	<u>6,661,011</u>	<u>7,165,180</u>	<u>7,207,337</u>	<u>7,637,300</u>

CENTRE REGION COUNCIL OF GOVERNMENTS

ANNUAL OPERATING BUDGET

COG FORMAT

PERSONNEL SCHEDULE

AGENCY: Centre Area Transportation Authority

Acct. No.	Account	2004-2005 Salary*	2005-2006 Proposed	FICA	Medical Insurance	Workers' Compensation	Retirement	Disability/Life Insurance	Unemployment Insurance
	General Manager	85,020	N/A	6,764	7,150	281	7,074	562	0
	Director of Transportation	70,226	54850-77480	5,719	7,150	238	5,981	472	0
	Director of Administration	65,208	52208-73757	5,325	10,200	221	5,569	452	0
	Human Resources Manager	45,032	42848-60528	3,682	3,781	153	3,850	344	0
	Service Development Manager	50,960	45011-63606	4,092	10,200	170	4,279	394	0
	Maintenance Manager	49,712	45011-63606	4,118	7,150	171	4,307	384	0
	Maintenance Supervisor	41,782	40768-57616	3,284	10,200	136	3,434	298	0
	Operations Manager	41,808	40768-57616	3,622	10,200	151	3,788	368	0
	Operations Supervisor	Vacant	36940-52208	3,131	10,200	130	3,274	298	0
	Operations Supervisor	38,792	36940-52208	3,174	3,781	132	3,319	298	0
	Operations Supervisor	39,780	36940-52208	3,245	7,150	135	3,393	462	0
	Operations Supervisor	38,792	36940-52208	3,165	0	132	3,310	298	0
	Operations Supervisor	37,908	36940-52208	3,092	7,150	128	3,233	266	0
	Bookkeeper	36,972	30326-35152	3,075	3,781	128	3,216	288	0
	Bookkeeping Technician	26,806	24876-35152	2,199	10,200	91	2,300	202	0
	Marketing Manager	41,808	38812-54850	3,499	7,150	145	3,659	326	0
	Executive Assistant	28,860	27476-38812	2,352	0	98	2,460	224	0
	Customer Service Technician	32,656	24876-35152	2,730	3,781	113	2,854	218	0
	SUBTOTAL	772,122		66,268	119,226	2,753	69,300	6,154	0
	Part-Time Staff	9.58/hr.	9.35-13.21/hr	811	0	34	848	0	0
	Part-Time Office Assistant	9.12/hr.	9.35-13.21/hr	741	0	31	774	0	0
	Part-Time Fare Counter	9.12/hr.	9.35-13.21/hr	556	0	23	581	0	0
	Part Time Intern	N/A		N/A	N/A	N/A	N/A	N/A	N/A
	TOTAL			68,376	119,226	2,841	71,504	6,154	0

CENTRE REGION COUNCIL OF GOVERNMENTS

* As of 3-21-05

ANNUAL CAPITAL BUDGET

Prepared: 3-28-05

FY 2005/2006 CAPITAL PROJECT LISTING

AGENCY: Centre Area Transportation Authority

	Total Estimated Project Cost	Federal Share (80%)	State Share (16 2/3 %) or (96 2/3%)	Local Share (3 1/3%)
<u>CAPITAL PROJECT DESCRIPTION</u>				
VEHICLES AND VEHICLE EQUIPMENT				
Replace paratransit van	70,000	56,000	11,667	2,333
INFORMATION TECHNOLOGY PROJECTS				
Fiber Optic Cable	150,000	N/A	145,000	5,000
EQUIPMENT				
Office, shop and maintenance equipment	<u>100,000</u>	<u>N/A</u>	<u>96,667</u>	<u>3,333</u>
SUBTOTAL CAPITAL EXPENDITURES	320,000	56,000	253,334	10,666
OTHER				
Contribution to Capital Reserve Account	N/A	N/A	N/A	<u>49,334</u>
TOTAL LOCAL CAPITAL CONTRIBUTIONS				60,000
State College Borough				11,976
Ferguson Township				10,233
Patton Township				8,471
College Township				8,612
Harris Township				3,427
Bellefonte Borough				2,020
Spring Township				2,246
Penn State University				13,015

Local Share Calculation And Allocation

This section of the budget addresses the Authority's request for local share for FY 2005/2006, in the amount of \$376,386. The local share requested represents a 5% increase over the amount provided in FY 2004/2005.

Once total local match has been determined, the Authority allocates amounts to each funding partner using a formula which first calculates costs, revenues, and deficit for each route, and then computes federal, state, and local funding needed to finance that deficit. Each route's deficit is then distributed to the municipalities based on mileage operated in each municipality; for certain routes, a second factor allocates a portion of local share on a regional basis. The formula calculates each municipality's share as follows:

Overview

For many years, the total local share in CATA's budget was distributed among member municipalities based solely on that portion of total system miles operated in each municipality. Each route's mileage in a particular municipality was determined and added to calculate the percentage of total system miles in that municipality. The resulting percentages were then used to distribute total local funding. This version of the formula did not account for differing levels of cost recovery on each route due to variations in ridership (productivity); two routes with identical mileage were weighted equally in determining local share even if one covered a higher portion of its costs due to higher ridership.

A new formula was developed by Dr. Jim Miller in the early 90's to address this deficiency. It was simplified several years ago, but accomplishes the same result: both the costs of each route and its revenues are used to determine a "net" route deficit which takes into account differing levels of cost recovery. Federal, state and local subsidies are then allocated to each route to cover the deficit.

In FY 1998/1999, the formula was further modified in three ways. First, estimated ridership, mileage, revenue and expense data for the budget year replaced final audited data from the most recently completed fiscal year, used prior to that time. This change more accurately incorporates the impact of new and/or changed service planned for the budget period. Second, a "regional" component was added to the standard mileage-based portion of the formula to recognize that certain routes benefit the entire community. Third, the formula was modified in FY 2001/2002 to set the local share amount for the University equal to the percentage of total system route mileage operated on the LOOPS and the LINK, in order to avoid extremely low local subsidies on these heavily-subsidized routes. These three modifications were used in the past two years and again have been used in FY 2005/2006 calculations.

It is important to note that changes in ridership, cost, and/or mileage data used in the formula impact the percentage of total local share contributed by a given municipality even where total local funding does not change from one year to the next. For example, individual municipal shares will change if ridership on a route increases or decreases significantly, even though all other data items, such as cost, system or individual route miles and total local share remain unchanged from the previous year.

Details Of The Formula

Note: All data items used in the formula (revenue, expenses, mileage, ridership, etc.) are budgeted or estimated values for FY 2005/2006.

1. Expenses are separated into fixed route and paratransit categories and allocated to each route as follows:

a) Total annual fixed route costs (excluding paratransit service) are divided by total fixed route miles to determine cost per mile of fixed route service.

b) Total miles for each route detailed on the separate “Revenue Mileage Allocation” spreadsheet are multiplied by the cost per mile to derive the cost of each fixed route.

c) Total paratransit expenses are added to the fixed route expense of each route by calculating the percentage of total miles for each fixed route and multiplying that percentage times total paratransit expenses. For example, a route with 14% of total fixed route miles will be allocated 14% of total paratransit expenses.

d) Fixed route and paratransit expenses for each route are added for total route expense. The sum of the total expense for each route equals total budgeted expense.

2. Revenues are broken into different categories, depending on their source, for allocation to each route and are then subtracted from each route’s expense to determine each route’s deficit before any subsidy funding is applied.

a) Revenues from apartment complex agreements and other contracts which provide fare-free transit on specified routes are allocated directly to those routes.

b) Operating revenues which cannot be directly attributed to specific routes, such as charter revenue, investment income, lottery-funded state senior citizen grants, miscellaneous revenue, and others, are totaled and allocated to each route based on the percentage of total fixed route miles for each route. For example, a route with 14% of total fixed route miles will be allocated 14% of total non-route revenue.

3. Net Route Expense is the total cost of each route after subtracting the total direct revenue and non-route revenue allocated to each route as noted above.

4. Passenger Revenue includes all receipts from fares, tokens, ONEPASSes, and PSU employee passes sold through the University’s “Ride for Five” program..

a) Total passenger revenue is divided by total fare, token and pass riders to derive a system wide average revenue per passenger.

b) Total fare, token and pass riders on each route are multiplied by the average revenue per passenger to obtain the passenger revenue for each route.

5. Net Route Deficit is the amount remaining after passenger revenue for each route is subtracted from the net route expense. At this point, total expenses and revenues have been allocated to each route and only subsidy funding remains to be assigned to each route and zero out the deficit.

6. Federal and State Subsidy equals total budgeted federal and state operating assistance, state dedicated funding for asset maintenance, and state supplemental funding.

a) Federal and state subsidies are allocated to each route by calculating the percentage of total net route deficit for each fixed route and multiplying that percentage times total federal and state subsidy. For example, a route with 14% of the total net route deficit will be allocated 14% of total federal and state subsidies.

b) Federal and state subsidies allocated to each route are subtracted from net route deficit for each route to derive the remaining deficit to be funded by local subsidy.

7. Local Subsidy for each route is the amount of deficit remaining after federal and state subsidies have been applied.

The attached spreadsheet shows the above calculations for each route; the last column identifies the total local subsidy required for each route.

Allocating Local Subsidy For Each Route

Once the formula has calculated each route's total local subsidy, those amounts are allocated to each municipality and funding partner using route mileage and, for selected routes, a "regional" factor to account for service which benefits and impacts a wider area than the municipalities in which it operates.

a) For routes with no regional impact, mileage is used to allocate local share by calculating the percentage of miles for each route which are operated in each municipality and multiplying that percentage times the total local subsidy for each route. For example, Patton Township will be allocated 14% of the local subsidy required for a route with 14% of its miles in Patton Township.

b) The regional impact of each route is assessed using three weighted criteria: non-residential destinations served, connections to other routes, and non-productive mileage. For each route, a subjective assessment assigns a score between 0 and 5 for each of the three criteria; these scores are then multiplied by the weight for each criteria and summed, with the sum then used as the percentage of the route's local subsidy to be allocated regionally. The regional portion of the route is allocated based on the current COG formula for Parks and Recreation services. The process is detailed on the attached spreadsheet "Calculation of Regional Factors."

c) For routes which operate outside of the Centre Region, such as the X Route, all mileage outside of the Centre Region is considered "external" and is allocated on a mileage basis to the municipalities, such as Spring Township and Bellefonte Borough, which have contracted with CATA for the service. All mileage on these routes inside the Centre Region is considered to be regional, and allocated based on the COG formula.

d) Once the local, regional and external percentages of each route's total local subsidy have been determined, a complex formula is used to apply those percentages to each route's local subsidy amount. First, any Public/Private Partnership funds collected by a municipality to support service on a particular route are subtracted from that route's local subsidy. This process is detailed in the spreadsheet titled "CATA Local Share Allocation - Local, Regional and External Tiers."

e) Once the local taxpayer support for each route is determined, that amount is allocated to each municipality based on the local, regional and external percentages. The amounts for each route are then summed to determine each municipality's local taxpayer support for the coming year. These amounts are then added to any Public/Private Partnership monies expected to be collected to give the total local share required from each municipality. This amount is shown in the long box across the bottom of the spreadsheet. These numbers, plus the local share payment made by Penn State, equal CATA's total local share requirement for the year.

These totals are in turn shown in the following table. As noted last year, the final details of routing and scheduling for the service for the new fiscal year have not yet been made. However, the mileage and ridership estimates used in the formula are based on the best information currently available and incorporate the most significant features of planned service for the budget year.

Municipality	2004/2005 Budget	% of total	2005/2006 Proposed	% of total	Percent Change
College Township	\$49,468	13.80%	\$54,024	14.35%	9.21%
Ferguson Township	\$61,301	17.10%	\$64,191	17.05%	4.71%
Harris Township	\$20,067	5.60%	\$21,496	5.71%	7.12%
Patton Township	\$53,009	14.79%	\$53,138	14.12%	0.24%
State College Borough	\$68,824	19.20%	\$75,127	19.96%	9.16%
Bellefonte Borough*	\$14,963	4.17%	\$12,668	3.37%	-15.34%
Spring Township	\$13,068	3.65%	\$14,091	3.74%	7.83%
Penn State University	\$77,763	21.69%	\$81,651	21.69%	5.00%
TOTAL	\$358,463	100.00%	\$376,386	100.00%	5.00%

*For FY 2004/2005, the initial budgeted amount for Bellefonte Borough was \$12,692.

Route	Service Days	Trips	Mileage	PSU	St. College	Ferguson	Patton	College	Harris	Benner	Spring	Bellefonte
RE	Waupelani Dr. (Express)	156	12	6.4	0	6.4	0	0	0	0	0	0
	Weekday Trips											
	Subtotal Wkdys	156	12	76.8	0	76.8	0	0	0	0	0	0
	Annual Total	156	1872	11980.8	0	11980.8	0	0	0	0	0	0
	1.07% Percent			0.00%	100.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
S	Science Pk Rd.	257	5	8	0	1.5	6.5	0	0	0	0	0
	Weekday Trips											
	Subtotal Wkdys	257	5	40	0	7.5	32.5	0	0	0	0	0
	Annual total	257	1285	10280	0	1927.5	8352.5	0	0	0	0	0
	0.92% Percent			0.00%	18.75%	81.25%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
UT	University Dr. Bellaire Ave.	156	19	4	0	3.6	0	0	0.4	0	0	0
	Weekday Trips											
	Trippers	156	2	2.7	0	2.3	0	0	0.4	0	0	0
	Subtotal Wkdys	156	21	81.4	0	73	0	8.4	0	0	0	0
	Annual Total	156	3276	12698.4	0	11388	0	1310.4	0	0	0	0
	1.13% Percent			0.00%	89.68%	0.00%	0.00%	10.32%	0.00%	0.00%	0.00%	0.00%
V	Vairo Blvd. Colonnade	156	29	9.5	0	3.5	3	3	0	0	0	0
	Weekday (Full Svc.)											
	Trippers	156	3	3.7	0	1.6	1.5	0.6	0	0	0	0
	Subtotal Full Wkdys	156	32	286.6	0	106.3	91.5	88.8	0	0	0	0
	Weekday (Red. Svc.)											
	Subtotal Red. Wkdys	101	22	209	0	77	66	66	0	0	0	0
	Saturday (Full Svc.)											
	Subtotal Full Sats	31	25.5	242.25	0	89.25	76.5	76.5	0	0	0	0
	Saturday (Red. Svc.)											
	Subtotal Red. Sats	19	16.5	156.75	0	57.75	49.5	49.5	0	0	0	0
	Sunday Trips	53	16.5	156.75	0	57.75	49.5	49.5	0	0	0	0
	Subtotal Sums	360	9192.5	84614.35	0	31284.55	26875.5	26454.3	0	0	0	0
	7.54% Percent			0.00%	22.44%	32.05%	45.51%	0.00%	0.00%	0.00%	0.00%	0.00%
W	Park Forest Colonnade	156	15.5	15.6	0	3.5	5	7.1	0	0	0	0
	Weekday (Full Svc.)											
	Trippers	156	1	3.2	0	1.1	2.1	0	0	0	0	0
	Subtotal Full Wkdys	156	16.5	245	0	55.35	79.6	110.05	0	0	0	0
	Weekday (Red. Svc.)											
	Subtotal Red. Wkdys	101	15.5	241.8	0	54.25	77.5	110.05	0	0	0	0
	Saturday Trips	50	5	15.6	0	3.5	5	7.1	0	0	0	0
	Subtotal Sats	307	36	78	0	17.5	25	35.5	0	0	0	0
	Annual total	5939.5	5939.5	66541.8	0	14988.85	21495.1	30057.85	0	0	0	0
	5.93% Percent			0.00%	22.53%	32.30%	45.17%	0.00%	0.00%	0.00%	0.00%	0.00%
X	Bellefonte Pleasant Gap	257	4	20	0	0	0	0	2.5	0	7.3	7.2
	Weekday Trips											
	Subtotal Wkdys	257	4	80	0	0	0	0	10	0	29.2	28.8
	Saturday Trips	50	6	20	0	0	0	0	2.5	0	7.3	7.2
	Subtotal Sats	307	6	120	0	0	0	0	15	0	43.8	43.2
	Annual total	5939.5	1328	26560	0	0	0	0	3320	0	9694.4	9561.6
	2.37% Percent			0.00%	0.00%	0.00%	0.00%	0.00%	12.50%	0.00%	36.50%	36.00%

Route	Service Days	Trips	Mileage	PSU	St. College	Ferguson	Patton	College	Harris	Benner	Spring	Bellefonte	
WLP White LOOP	Weekday (Full Svc.)	115	3.3	3.3	0	0	0	0	0	0	0	0	
	Thurs/Fri Late Night	23	3.3	3.3	0	0	0	0	0	0	0	0	
	Subtotal Full Wkdys	159	124.2	394.68	0	0	0	0	0	0	0	0	
	Saturday Trips	107	3	3	0	0	0	0	0	0	0	0	
	Subtotal Sats	30	107	321	0	0	0	0	0	0	0	0	
	Sunday Trips	69	3	3	0	0	0	0	0	0	0	0	
	Subtotal Suns	32	69	207	0	0	0	0	0	0	0	0	
	Annual total	221	25165.8	79008.12	79008.12	0	0	0	0	0	0	0	0
	Percent			100.00%	100.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
	7.04%												
BLP Blue LOOP	Weekday (Full Svc.)	147	3.4	3.4	0	0	0	0	0	0	0	0	
	Thurs/Fri Late Night	12	3.4	3.4	0	0	0	0	0	0	0	0	
	Subtotal Full Wkdys	159	151.8	507.96	0	0	0	0	0	0	0	0	
	Weekday (Red. Svc.)	65	3.4	3.4	0	0	0	0	0	0	0	0	
	Subtotal Wkdys Red	17	65	221	0	0	0	0	0	0	0	0	
	Saturday Trips	87	3.4	3.4	0	0	0	0	0	0	0	0	
	Subtotal Sats	30	87	295.8	0	0	0	0	0	0	0	0	
	Sunday Trips	69	3.4	3.4	0	0	0	0	0	0	0	0	
	Subtotal Suns	32	69	234.6	0	0	0	0	0	0	0	0	
	Weekday (Summer)	75	96.5	328.1	0	0	0	0	0	0	0	0	
Subtotal Summer	313	36191.7	121754.34	121754.34	0	0	0	0	0	0	0		
Annual total			100.00%	100.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%		
Percent													
10.85%													
RLK Red LINK	Weekday (Full Svc.)	75	4.2	4.2	0	0	0	0	0	0	0	0	
	Subtotal Full Wkdys	159	75	315	0	0	0	0	0	0	0	0	
	Weekday (Red. Svc.)	49.5	4.2	4.2	0	0	0	0	0	0	0	0	
	Subtotal Wkdys Red	17	49.5	207.9	0	0	0	0	0	0	0	0	
	Saturday Trips	25	216.3	4.2	0	0	0	0	0	0	0	0	
	Subtotal Sats	30	124	5407.5	0	0	0	0	0	0	0	0	
	Sunday Trips	25	4.2	4.2	0	0	0	0	0	0	0	0	
	Subtotal Suns	32	25	105	0	0	0	0	0	0	0	0	
	Weekday (Summer)	75	50.5	4.2	0	0	0	0	0	0	0	0	
	Subtotal Summer	313	20232.5	84976.5	84976.5	0	0	0	0	0	0	0	
Annual total			100.00%	100.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%		
Percent													
7.57%													
GLK Green LINK	Weekday Trips	73	3.1	3.1	0	0	0	0	0	0	0	0	
	Subtotal Wkdys	159	73	226.3	0	0	0	0	0	0	0	0	
	Annual Total	159	11607	35981.7	0	0	0	0	0	0	0	0	
	Percent			100.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	
3.21%													
System	Total mileage		1122544.78	321720.66	292125.78	149784.8	117930.5	163134.53	23704.26	21889.05	21589.2	10666	
	Percentages		100.00%	28.66%	26.02%	13.34%	10.51%	14.53%	2.11%	1.95%	1.92%	0.95%	

MILEAGE/SUBSIDY FORMULA: ALL DATA REPRESENTS FY 2005/06 ESTIMATES

Route	Vehicle Miles	Farepaying Passengers	Fixed Route Expense	Paratransit Expense	Plus Total Expense	Equals Direct Revenue	Less Non-Route Revenue	Equals Net Expense	Passenger Revenue	Less Deficit	Equals Route	Federal/State Subsidies	Local Subsidy
	1	2	3	4	5	6	7	8	9	10	11	12	12
A	Park Forest/Overlook Heights	12,336	10,462	\$79,273	\$6,527	\$85,799	\$0	\$6,845	\$13,841	\$78,955	\$65,114	\$59,176	\$5,938
B	University Drive/Boalsburg	43,325	11,047	\$278,412	\$22,922	\$301,335	\$1,927	\$24,039	\$14,615	\$275,369	\$260,753	\$236,974	\$23,779
C	Houersville/Penn Hills	18,401	6,276	\$118,247	\$9,736	\$127,983	\$0	\$10,210	\$8,303	\$117,773	\$109,470	\$99,487	\$9,983
F	Stonebridge/Pine Grove	29,041	10,315	\$186,621	\$15,365	\$201,986	\$0	\$16,113	\$13,647	\$185,873	\$172,226	\$156,520	\$15,706
H	Toftrees/Colonnade	54,478	17,617	\$350,083	\$28,823	\$378,906	\$47,946	\$30,227	\$23,307	\$300,733	\$277,426	\$252,126	\$25,299
K	Cato Park	26,786	11,171	\$172,130	\$14,172	\$186,302	\$5,800	\$14,862	\$14,779	\$165,640	\$150,861	\$137,103	\$13,758
M	Lemont/Nittany Mall	66,892	44,364	\$429,857	\$35,391	\$465,248	\$0	\$37,115	\$58,693	\$428,133	\$369,440	\$335,749	\$33,691
MX	Mall/Bellefonte/Pleasant Gap	58,133	22,182	\$373,570	\$30,757	\$404,327	\$0	\$32,255	\$29,347	\$372,072	\$342,726	\$311,470	\$31,255
N	Martin St./Colonnade	81,399	94,326	\$523,080	\$43,067	\$566,147	\$140,559	\$45,164	\$124,792	\$380,425	\$255,632	\$232,320	\$23,312
NV	Martin/Vairo (Express)	41,116	26,331	\$264,217	\$21,754	\$285,970	\$285,080	\$22,813	\$34,836	(\$21,923)	(\$56,758)	(\$51,582)	(\$5,176)
P	Research Park/Scenery Park	93,947	18,028	\$603,716	\$49,706	\$653,421	\$109,536	\$52,126	\$23,851	\$491,759	\$487,908	\$425,238	\$42,670
R	Waupelani Drive	62,293	185,925	\$400,303	\$32,958	\$433,261	\$39,056	\$34,563	\$245,977	\$359,642	\$113,665	\$103,300	\$10,366
RE	Waupelani Drive (Express)	11,981	39,541	\$76,991	\$6,339	\$83,330	\$11,044	\$6,648	\$52,312	\$65,639	\$13,326	\$12,111	\$1,215
S	Science Park Road	10,280	5,015	\$66,061	\$5,439	\$71,500	\$0	\$5,704	\$6,635	\$65,796	\$59,161	\$53,766	\$5,395
UT	University Drive/Bellaire Ave.	12,698	1,062	\$81,599	\$6,718	\$88,317	\$103,661	\$7,045	\$1,405	(\$22,389)	(\$23,794)	(\$21,624)	(\$2,170)
V	Vairo Blvd./Colonnade	84,614	118,885	\$543,741	\$44,768	\$588,508	\$227,874	\$46,948	\$157,283	\$313,686	\$156,403	\$142,140	\$14,263
W	Park Forest/Colonnade	66,542	31,015	\$427,607	\$35,206	\$462,814	\$27,093	\$36,921	\$41,032	\$398,800	\$357,767	\$325,141	\$32,626
X	Bellefonte/Pleasant Gap	26,560	22,181	\$170,678	\$14,052	\$184,730	\$0	\$14,737	\$29,345	\$169,994	\$140,648	\$127,822	\$12,826
White LOOP		79,008	0	\$507,716	\$0	\$507,716	\$355,354	\$0	N.A.	\$152,361	\$152,361	\$132,310	\$20,052
Blue LOOP		121,754	0	\$782,407	\$0	\$782,407	\$547,613	\$0	N.A.	\$234,794	\$234,794	\$203,894	\$30,900
Red LINK		84,977	0	\$546,073	\$0	\$546,073	\$382,201	\$0	N.A.	\$163,872	\$163,872	\$142,306	\$21,567
Green LINK		35,981	0	\$231,219	\$0	\$231,219	\$161,832	\$0	N.A.	\$69,387	\$69,387	\$60,255	\$9,132
TOTAL		1,122,542	675,743	\$7,213,600	\$423,700	\$7,637,300	\$2,446,576	\$444,334	\$894,000	\$4,746,390	\$3,852,390	\$3,476,004	\$376,386

NOTES:

- Column 1: Total miles operated on each route
- Column 2: OnePass, cash, and token passengers only
- Column 3: Cost per mile for all fixed route service (excluding paratransit) multiplied by route miles
- Column 4: Allocation of paratransit expenses to each route by its percentage of total fixed route miles
- Column 5: Column 3 plus Column 4; column total equals total operating expense
- Column 6: Purchase of service revenue, such as apartment contracts, attributed directly to appropriate routes
- Column 7: Allocation of other operating revenues (advertising, etc.) to each route by its percentage of total fixed route miles
- Column 8: Column 5 minus the sum of Columns 6 and 7
- Column 9: Average revenue per OnePass, cash, or token passenger times passengers on each route
- Column 10: Remainder of each route's expense (deficit) requiring federal, state and local subsidy
- Column 11: Allocation of total federal and state subsidies to each route by its percentage of total route deficit
- Column 12: Column 10 minus Column 11

CALCULATION OF "REGIONAL" FACTORS - FY 2005/2006

March 31, 2005

ROUTE

FACTOR	RANGE	WEIGHT	A	B	C	F	H	K	M	MX	N	N/V	P	R	RE	S	UT	V	W	X	WLP	BLP	RLK	GLK
Non-residential destinations served	0-5	10	0	1	0	0	1	3	4	na	2	0	3	1	0	2	0	2	1	na	na	na	na	na
Connections support other routes	0-5	6	0	0	0	0	0	0	4	na	1	0	1	1	0	0	0	1	0	na	na	na	na	na
Non-productive mileage	0-5	4	0	2	3	3	2	1	1	na	0	0	3	0	0	1	0	0	0	na	na	na	na	na
Totals		20	0	18	12	12	18	34	68	na	26	0	48	16	0	24	0	26	10	na	0	0	0	0
Local Percentage		1	0.82	0.88	0.88	0.82	0.66	0.32	0.32	0	0.74	1	0.52	0.84	1	0.76	1	0.74	0.9	0	1	1	1	1
Regional Percentage		0	0.18	0.12	0.12	0.18	0.34	0.68	0.46	0.46	0.26	0	0.48	0.16	0	0.24	0	0.26	0.1	0.119	0	0	0	0
External Percentage		0	0	0	0	0	0	0	0	0.54	0	0	0	0	0	0	0	0	0	0.881	0	0	0	0

ROUTE AREA SERVED NOTES

A	Park Forest / Overlook Hgts.	Provides commuter level service to exclusively residential areas
B	University Dr. / Boalsburg	Serves University Drive, S. Alherton Street, residential areas of Boalsburg; most trips extend to Tussey Mountain
C	Houserville / Penn Hills	Serves Houserville and Penn Hills; commercial areas served are covered better by other routes; commuter level service only
F	Stonebridge / Pine Grove	Provides commuter level service to Pine Grove Mills and western Ferguson Twp.
H	Toffrees / Colonnade	Serves the Village at Penn State and Toffrees; continues to the Colonnade
K	Cato Park	Serves Cato Park, Bristol Court, commercial areas along W. College Ave; heavy ridership to MBNA
M	Lemont / Nitany Mail	Serves E. College Ave., Lemont and Dale Summit; provides connecting service to X Route; heavily used by shoppers
MX	Mall / Bellefonte / Pl. Gap	Serves E. College Ave., Lemont and Dale Summit, with continuing service to Bellefonte and Pleasant Gap; mainly commuters
N	Martin St. / Colonnade	Connects apartment complexes on Martin St. and Aaron Dr. to campus; also serves Northland Ctr. and the Colonnade
N/V	Martin / Vairo (Express)	Provides additional capacity and frequency between student housing on Vairo Blvd. and Martin St. and campus, downtown
P	Research Pk. / Scenery Pk.	Serves Centre Community Hospital and PSU Innovation Park on the north, Pugh St., Foxdale, Hills Plaza, Scenery Park on the south
R	Waupelani Dr.	Serves an almost entirely residential area; heavily used by students and other residents of SW Borough
RE	Waupelani Dr. (Express)	Provides additional capacity between student housing on Waupelani Dr. and College and Allen; school year only
S	Science Park Rd.	Serves employment centers along Science Park Road, residential areas further west, commercial areas along W. College Ave.
UT	University Dr. / Bellaire Ave.	Serves University Drive and Bellaire Avenue; operates during the school year only
V	Vairo Blvd. / Colonnade	Connects apartment complexes on Vairo Blvd to campus; also serves Wal-mart and the Colonnade
W	Park Forest / Colonnade	Serves Northland Ctr., Circleville Rd., Valley Vista Dr., western Park Forest and the Colonnade
X	Bellefonte / Pleasant Gap	Connects Bellefonte with the Mall; alternating trips travel via Pleasant Gap
WLP	White LOOP (Town LOOP)	Travels counter-clockwise around campus; uses Beaver Avenue in downtown State College
BLP	Blue LOOP (Campus LOOP)	Travels clockwise around campus; uses College Avenue in downtown State College
RLK	Red LINK	Travels back and forth from the Jordan Center to the West Campus via Curtin Rd. / White Course Dr.
GLK	Green LINK	Provides "express" service between peripheral parking lots and the core campus

CATA LOCAL SHARE ALLOCATION
April 4, 2005

Route	Subsidy	Public/Pvt.	Local Sh.	Tier Percentage	Penn State	State College Boro	Ferguson Twp.	Patton Twp.	College Twp.	Harris Twp.	Spring Twp.	Belleville Boro									
A	Park Forest Overlook Hts.	\$ 5,938.00	\$0	\$5,938 Local Regional	100% 0%	\$0 \$0	39% 28.05%	\$2,289 \$0	46% 25%	\$2,722 \$0	16% 20%	\$928 \$0	0% 17%	\$0 \$0	0% 0%	\$0 \$0	0% 0%				
B	University Dr. Boalsburg	\$ 23,779.00	\$4,490	\$19,289 Local Regional	82% 18%	\$0 \$0	30% 28%	\$4,678 \$974	0% 25%	\$0 \$878	0% 20%	\$0 \$677	18% 17%	\$2,485 \$590	55% 10%	\$8,654 \$353	0% 0%	\$0 \$0	0% 0%		
C	Housesville Penn Hills	\$ 9,983.00	\$0	\$9,983 Local Regional	88% 12%	\$0 \$0	21% 28%	\$1,816 \$336	0% 25%	\$0 \$303	0% 20%	\$0 \$234	79% 17%	\$6,969 \$204	0% 10%	\$0 \$122	0% 0%	\$0 \$0	0% 0%		
F	Stonebridge Pine Grove	\$ 15,706.00	\$0	\$15,706 Local Regional	88% 12%	\$0 \$0	33.66% 73%	\$3,669 \$329	73% 20%	\$10,152 \$476	0% 20%	\$0 \$368	0% 17%	\$0 \$320	0% 10%	\$0 \$191	0% 0%	\$0 \$0	0% 0%		
H	Toftrees Colomade	\$ 25,299.00	\$1,000	\$24,299 Local Regional	82% 18%	\$0 \$0	21% 28%	\$4,218 \$1,227	0% 25%	\$0 \$1,106	50% 20%	\$10,035 \$853	28% 17%	\$5,672 \$744	0% 10%	\$0 \$444	0% 0%	\$0 \$0	0% 0%		
K	Cabo Park	\$ 13,758.00	\$11,160	\$2,598 Local Regional	66% 34%	\$0 \$0	24% 28%	\$416 \$248	76% 25%	\$1,299 \$223	0% 20%	\$0 \$172	0% 17%	\$0 \$150	0% 10%	\$0 \$90	0% 0%	\$0 \$0	0% 0%		
M	Lemont Nittany Mall	\$ 33,691.00	\$2,500	\$31,191 Local Regional	32% 68%	\$0 \$0	29% 28%	\$2,856 \$5,949	0% 25%	\$0 \$5,362	0% 20%	\$0 \$4,138	71% 17%	\$7,125 \$3,606	0% 10%	\$0 \$2,155	0% 0%	\$0 \$0	0% 0%		
MX	Nittany Mall Belleville Pleasant Gap	\$ 31,255.00	\$2,500	\$28,755 Local Regional External	0% 47% 53%	\$0 \$0 \$0	11% 28%	\$0 \$3,778	0% 25%	\$0 \$3,405	0% 20%	\$0 \$2,628	38% 17%	\$0 \$2,290	0% 10%	\$0 \$1,368	0% 29%	\$0 \$6,879	0% 24%		
N	Martin / Aaron Colomade	\$ 23,312.00	\$3,238	\$20,074 Local Regional	74% 26%	\$0 \$0	40% 28%	\$5,972 \$1,464	35% 25%	\$5,162 \$1,319	25% 20%	\$3,721 \$1,018	0% 17%	\$0 \$887	0% 10%	\$0 \$530	0% 0%	\$0 \$0	0% 0%		
N/V	Vairo / Martin (Express)	\$ (5,176.00)	\$0	(\$5,176) Local Regional	100% 0%	\$0 \$0	29% 28%	-\$1,505 \$0	43% 25%	-\$2,203 \$0	28% 20%	-\$1,468 \$0	0% 17%	\$0 \$0	0% 10%	\$0 \$0	0% 0%	\$0 \$0	0% 0%		
P	Research Park Scenery Park	\$ 42,670.00	\$672	\$41,998 Local Regional	52% 48%	\$0 \$0	43% 28%	\$9,490 \$5,655	0% 25%	\$0 \$5,096	0% 20%	\$0 \$3,933	57% 17%	\$12,349 \$3,427	0% 10%	\$0 \$2,048	0% 0%	\$0 \$0	0% 0%		
R	Waupelani Dr.	\$ 10,366.00	\$0	\$10,366 Local Regional	84% 16%	\$0 \$0	100% 28%	\$6,707 \$465	0% 25%	\$0 \$419	0% 20%	\$0 \$324	0% 17%	\$0 \$282	0% 10%	\$0 \$169	0% 0%	\$0 \$0	0% 0%		
RE	Waupelani Dr. (Express)	\$ 1,215.00	\$0	\$1,215 Local Regional	100% 0%	\$0 \$0	100% 28%	\$1,215 \$0	0% 25%	\$0 \$0	0% 20%	\$0 \$0	0% 17%	\$0 \$0	0% 10%	\$0 \$0	0% 0%	\$0 \$0	0% 0%		
S	Science Pk. Rd.	\$ 5,395.00	\$0	\$5,395 Local Regional	76% 24%	\$0 \$0	19% 28%	\$769 \$363	81% 25%	\$3,331 \$327	0% 20%	\$0 \$253	0% 17%	\$0 \$220	0% 10%	\$0 \$132	0% 0%	\$0 \$0	0% 0%		
UT	University Dr. Bellaire Ave.	\$ (2,170.00)	\$0	(\$2,170) Local Regional	100% 0%	\$0 \$0	90% 28%	-\$1,946 \$0	0% 25%	\$0 \$0	0% 20%	\$0 \$0	10% 17%	-\$224 \$0	0% 10%	\$0 \$0	0% 0%	\$0 \$0	0% 0%		
V	Vairo Blvd. Colomade	\$ 14,263.00	\$3,239	\$11,024 Local Regional	74% 26%	\$0 \$0	37% 28%	\$3,016 \$804	32% 25%	\$2,591 \$725	31% 20%	\$2,550 \$559	0% 17%	\$0 \$487	0% 10%	\$0 \$291	0% 0%	\$0 \$0	0% 0%		
W	Park Forest Colomade	\$ 32,626.00	\$1,000	\$31,626 Local Regional	90% 10%	\$0 \$0	23% 28%	\$6,412 \$887	32% 25%	\$9,195 \$800	45% 20%	\$12,857 \$617	0% 17%	\$0 \$538	0% 10%	\$0 \$321	0% 0%	\$0 \$0	0% 0%		
X	Belleville Pleasant Gap	\$ 12,826.00	\$2,000	\$10,826 Local Regional External	0% 13% 88%	\$0 \$0 \$0	0% 28%	\$0 \$380	0% 25%	\$0 \$342	0% 20%	\$0 \$264	13% 17%	\$0 \$230	0% 10%	\$0 \$137	0% 53%	\$0 \$5,684	0% 35%		
WLP	White LOOP	\$ 20,052.00	\$0	\$20,052 Local	100%	\$0	0%	\$0	0%	\$0	0%	\$0	0%	\$0	0%	\$0	0%	\$0	0%		
BLP	Blue LOOP	\$ 30,900.00	\$0	\$30,900 Local	100%	\$0	0%	\$0	0%	\$0	0%	\$0	0%	\$0	0%	\$0	0%	\$0	0%		
RLK	Red LINK	\$ 21,567.00	\$0	\$21,567 Local	100%	\$0	0%	\$0	0%	\$0	0%	\$0	0%	\$0	0%	\$0	0%	\$0	0%		
GLK	Green LINK	\$ 9,132.00	\$0	\$9,132 Local	100%	\$0	0%	\$0	0%	\$0	0%	\$0	0%	\$0	0%	\$0	0%	\$0	0%		
TOTALS		\$ 376,386.00	\$31,799	\$344,587	Local Tax Support Public/Pvt. Partnerships Penn State Support	\$0 \$0 \$81,651	75.12% \$0 \$0	\$3,031 \$11,160	\$3,031 \$0	\$53,031 \$0	\$17,160 \$0	\$44,661 \$9,477	\$46,352 \$5,672	\$17,068 \$4,490	\$14,091 \$0	\$10,668 \$2,000	\$10,668 \$2,000	\$14,091 \$0	\$10,668 \$2,000		
					FY 05/06 Local Shares	\$81,651	\$75,127	\$64,191	\$53,138	\$54,024	\$21,496	\$14,091	\$12,668	\$14,963	\$14,963	\$14,963	\$14,963	\$14,963	\$14,963		
					FY 04/05 Local Shares	\$77,763	\$68,824	\$61,301	\$53,009	\$49,468	\$20,067	\$13,978	\$12,629	\$12,629	\$12,629	\$12,629	\$12,629	\$12,629	\$12,629	\$12,629	
					FY 03/04 Local Shares	\$74,060	\$58,510	\$59,710	\$53,711	\$50,044	\$16,588	\$13,978	\$12,629	\$12,629	\$12,629	\$12,629	\$12,629	\$12,629	\$12,629	\$12,629	
					FY 02/03 Local Shares	\$67,327	\$56,827	\$59,659	\$53,309	\$44,987	\$16,116	\$12,828	\$12,828	\$12,828	\$12,828	\$12,828	\$12,828	\$12,828	\$12,828	\$12,828	
					FY 01/02 Local Shares	\$67,046	\$56,630	\$53,347	\$47,071	\$43,535	\$13,472	\$11,575	\$11,575	\$11,575	\$11,575	\$11,575	\$11,575	\$11,575	\$11,575	\$11,575	
					FY 00/01 Local Shares	\$82,619	\$66,030	\$42,643	\$40,477	\$51,562	\$11,687	\$11,674	\$11,674	\$11,674	\$11,674	\$11,674	\$11,674	\$11,674	\$11,674	\$11,674	\$11,674
					FY 99/00 Local Shares	\$47,500	\$83,229	\$58,751	\$33,062	\$54,274	\$8,469	\$11,575	\$11,575	\$11,575	\$11,575	\$11,575	\$11,575	\$11,575	\$11,575	\$11,575	\$11,575
					FY 98/99 Local Shares	\$47,500	\$81,819	\$42,411	\$45,572	\$57,682	\$9,327	\$10,791	\$10,791	\$10,791	\$10,791	\$10,791	\$10,791	\$10,791	\$10,791	\$10,791	\$10,791
					FY 97/98 Local Shares	\$0	\$113,465	\$47,582	\$58,963	\$49,870	\$3,632	\$3,662	\$3,662	\$3,662	\$3,662	\$3,662	\$3,662	\$3,662	\$3,662	\$3,662	\$3,662

Local Tax Support	\$262,936
Public/Pvt. Partnerships	\$31,799
Penn State Support	\$81,651
Total Local Share	\$376,386

SECTION II

BACKGROUND INFORMATION

CATA Fact Sheet 2005

BOARD OF DIRECTORS

John C. Spychalski, Chairman
Joseph Davidson, Vice Chairman
Richard Kipp, Treasurer
Gary Powers
Kathryn Bittner

Ferguson Township
College Township
Harris Township
Patton Township
State College Borough

Hugh A. Mose, General Manager

SERVICE AREA Square Miles – 133 Population – 84,000

Bellefonte, State College Boroughs; College, Ferguson, Harris, Patton, Spring Townships;
Pennsylvania State University - University Park Campus

SERVICES

CENTRE LINE - Fixed-route regional bus system connecting all participating municipalities with Downtown State College, the Penn State Campus.

LOOP & LINK - The LOOP provides fare-free circulator service around the Penn State Campus and Downtown State College. The LINK provides fare-free service along Curtin Road between Lot 44 (the Bryce Jordan Center Parking Lot) and West Campus.

RIDESHARE - Free ride-matching program that helps long-distance commuters find easy and economical ways to get to and from work via carpools and vanpools.

PARK & RIDE - Provides inexpensive remote parking for Downtown State College business employees.

CENTRE RIDE - Provides curb-to-curb transportation primarily for senior citizens (persons age 65 and older) and people whose disabilities prevent their use of CENTRE LINE buses.

SPECIAL SERVICES - Include shuttles to Penn State home football games, the Central Pennsylvania Festival of the Arts™, Ag Progress Days, the Bellefonte Arts & Crafts Fair, Bellefonte Victorian Christmas, and First Night® State College.

KEY PERSONNEL

Joseph Gilbert, Director of Transportation
Judith Minor, Director of Administration
Eric Bernier, Service Development Manager
Robert Colton, Maintenance Manager
Sherry Snyder, Operations Manager

Amanda Jones, Human Resources Manager
Jacqueline Sheader, Marketing Manager
Terri Quici, Executive Assistant
Tim Geibel, Transportation Planner

FLEET EQUIPMENT

- 28 New Flyer, low-floor, 30-39 passenger, compressed natural gas, ramp-equipped buses.
- 16 Orion, 42 passenger, compressed natural gas, lift-equipped buses.
- 4 ElDorado, 26 passenger, compressed natural gas, ramp-equipped buses.
- 2 Ford, 18 passenger, compressed natural gas, lift-equipped minibuses
- 4 Ford, 10 passenger, lift-equipped small buses (used by Handy Delivery, Inc. to provide paratransit services)

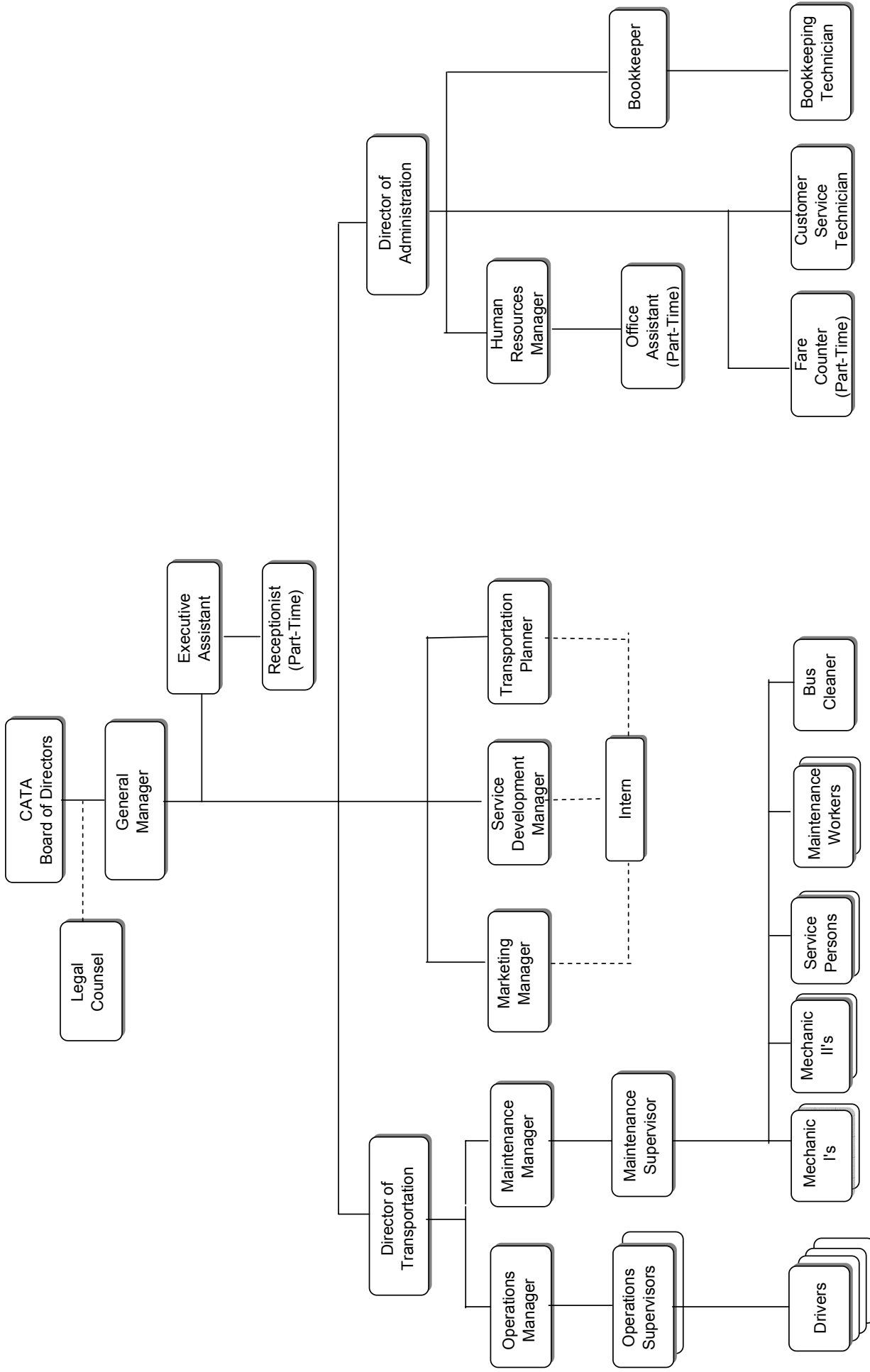
STATISTICS - JULY 1, 2003 - June 30, 2004

Ridership: 6,229,068	Total Miles: 1,131,553	Total Hours: 97,005
Operating Grants: State Operating Assistance- \$867,723 State Act 3 - \$543,840		State PTAF – Asset Maint. - \$320,116 Federal - \$1,009,730
Capital Grants: State - \$340,474 State Act 26 - \$51,150		Federal - \$952,768

EMPLOYEES

Bus Drivers	82	Maintenance Staff	12
Administrative Support ...	10 (3 part time)	Management/Supervisory	7

CATA Organizational Structure



CENTRE AREA TRANSPORTATION AUTHORITY 10 YEAR SERVICE STANDARDS PERFORMANCE REVIEW

Service Standard Measure	Actual 1994/95	Actual 1995/96	Actual 1996/98	Actual 1997/98	Actual 1998/99	Actual 1999/00	Actual 2000/01	Actual 2001/02	Actual 2002/03	Goal 2003/04	Actual 2003/04	Goal 2004/05
ROUTE UTILIZATION:												
Passengers Per Vehicle Hour	29	32	32	30	28	40	39	42	48	43 minimum	49	48 minimum
STAFFING RATIOS:												
Administrative Employees per Operations Employee	0.32	0.28	0.43	0.38	0.27	0.19	0.19	0.20	0.22	0.25 maximum	0.21	0.25 maximum
Peak Hour Vehicles per Maintenance Employee	3.8	3.8	4.3	4.3	3.7	3.1	3.0	3.2	3.2	3.1 maximum	3.2	3.1 maximum
PRODUCTIVITY RATIOS:												
Total Vehicle Miles Per Employee	12,743	12,524	13,166	13,449	13,894	11,012	14,085	12,666	12,991	11,000 minimum	12,590	11,000 minimum
Preventable Accidents Per 100,000 miles	0.00	0.00	0.00	0.00	0.00	0.00	0.06	0.00	0.00	0.00 maximum	0.00	0.00 maximum
On-time performance: <30 min. Peak	98% 99%	97% 94%	97%* 94%	99% 99%	98% 98%	94% 98%	96% 96%	96% 96%	86% 86%	95% minimum	96% 96%	95% minimum
On-time performance: <30 min. Non-Peak	95% 95%	95% 96%	97%* 96%	98% 98%	99% 99%	98% 97%	97% 97%	97% 97%	96% 96%	95% minimum	99% 99%	95% minimum
<i>*Starting in 1996/97 On-Time Performance goals for Peak and Non-Peak periods became the same for the two different frequency groups (<30 and > 30 minutes.)</i>												
Mean Distance (Miles) Between Road Failures	5,381	2,853	5,458	6,254	4,817	3,294	2,727	2,908	2,918	3,400 minimum	2,029	3,000 minimum
FISCAL INDICATORS:												
Operating Cost Per Passenger	\$ 1.35	\$ 1.26	\$ 1.26	\$ 1.19	\$ 1.27	\$ 0.93	\$ 0.97	\$ 0.93	\$ 0.99	\$1.00 maximum	\$1.01	\$1.00 maximum
Subsidy Per Passenger	\$ 0.73	\$ 0.69	\$ 0.60	\$ 0.52	\$ 0.66	\$ 0.46	\$ 0.51	\$ 0.47	\$ 0.46	\$0.48 maximum	\$0.48	\$0.48 maximum
Operating Expense Recovered From Operating Revenue	46%	45%	52%	56%	48%	50%	47%	49%	53%	52% minimum	53%	52% minimum
Paratransit Responsiveness	Reservations required no more than one (1) day in advance	Reservations required no more than one (1) day in advance	Reservations required no more than one (1) day in advance	Reservations required no more than one (1) day in advance	Reservations required no more than one (1) day in advance	Reservations required no more than one (1) day in advance	Reservations required no more than one (1) day in advance	Reservations required no more than one (1) day in advance	Reservations required no more than one (1) day in advance	Reservations required no more than one (1) day in advance	Reservations required no more than one (1) day in advance	Reservations required no more than one (1) day in advance
Pre-Qualifications For Service Contractors	n/a	n/a	n/a	n/a	n/a	Minimum 3 years' experience	Minimum 3 years' experience	Minimum 3 years' experience	Minimum 3 years' experience	Minimum 3 years' experience	Minimum 3 years' experience	Minimum 3 years' experience

TRENDS IN REVENUE

The spreadsheet below shows Trends in Revenue for CATA over the past six years.

REVENUE SOURCES	1999-2000	2000-2001	2001-2002	2002-2003	2003-2004	2004-2005 estimated	2005-2006 budgeted
Passenger Fares	2,381,884	2,714,465	2,831,162	3,088,329	3,281,985	3,367,845	3,483,000
Other Operating Revenue	45,515	59,410	67,852	54,108	41,886	52,435	40,600
State Tax Support	1,848,920	1,667,108	1,726,235	1,738,465	1,731,784	1,819,066	2,445,864
Special Reimbursement Funding	218,410	219,291	239,108	281,436	256,396	257,820	261,310
Penn State University	48,470	82,619	67,046	67,327	74,060	77,763	81,651
Local Tax Support	266,254	225,805	241,378	256,518	265,170	280,700	294,735
Federal Tax Support	384,705	1,260,937	1,085,715	814,582	1,009,730	1,351,708	1,030,140
Total Revenues	5,194,158	6,229,635	6,258,496	6,300,765	6,661,011	7,207,337	7,637,300

In comparing the data shown across years, note the following:

Passenger Fares include farebox, token, pass and purchase-of-service revenues for Centre Line, the LOOP/LINK, and Centre Ride. Beginning in FY 1999/2000, total passenger fares increased with purchase of service revenue from Penn State to provide fare-free LOOP/LINK service

Other Operating Revenue includes charter, advertising and interest income, miscellaneous revenue, and, prior to FY 1999/2000, bus lease income from Penn State. For the 6-year period shown in the table, revenue fluctuates primarily with changes in miscellaneous revenue associated with the disposition of vehicles; because these vehicles have reached the end of their useful lives, as defined by the Federal Transit Administration, sales proceeds are properly classified as operating income.

State Tax Support provides the major portion of CATA's subsidy funding. With a new source of state funding anticipated during FY 2005/2006, the total state support shown above is significantly higher than in previous years, when only the three current programs (general fund operating assistance, PTAf dedicated taxes, and Act 3 supplemental grants) were active. For FY 2005/2006, the Authority has budgeted new funding under a program proposed by the Governor to assist transit properties statewide in meeting rising costs; this funding is reflected in the increased state tax support shown for the budget year.

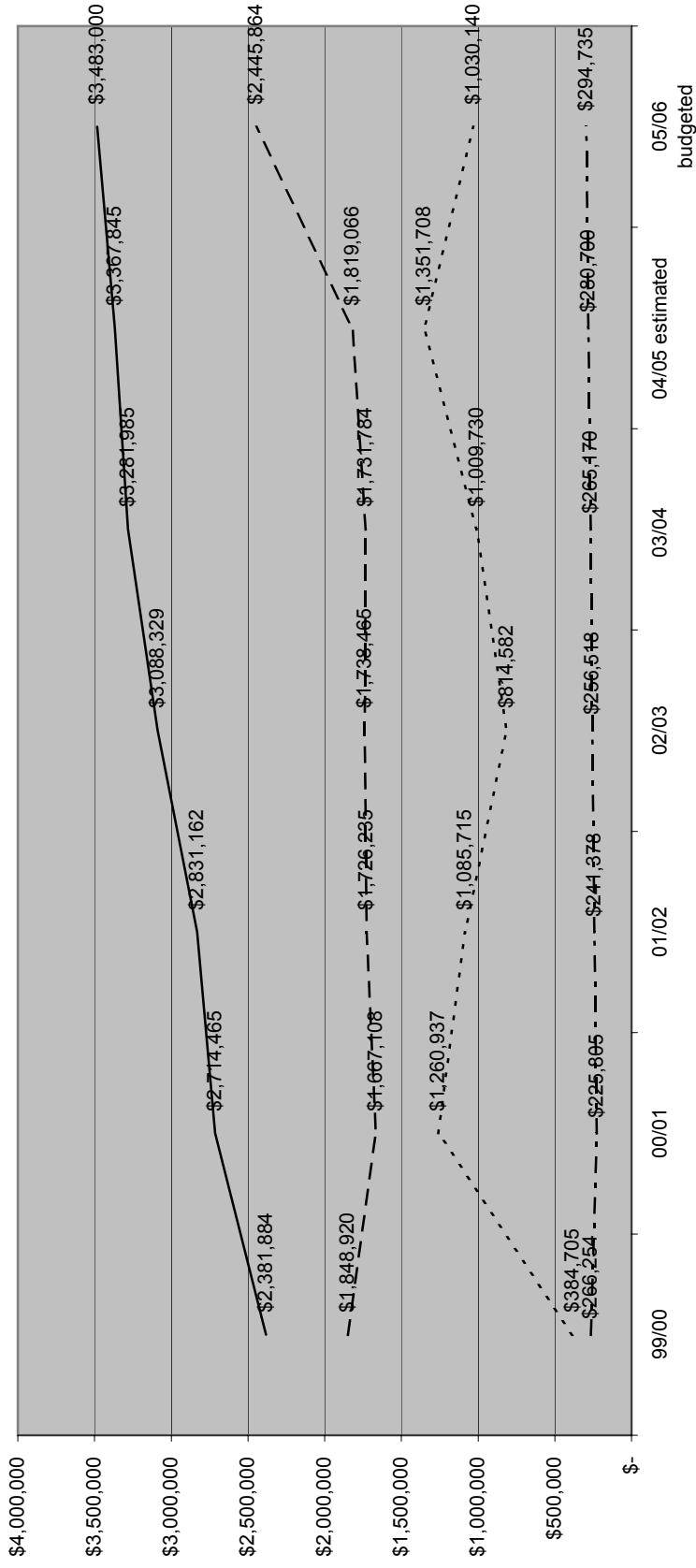
Special Reimbursement Funding includes grants from the state and other entities for specific transit programs. Amounts shown since FY 1999/2000 include funding from Penn State to support rideshare program activities; revenues since FY 2001/2002 vary primarily with changes in senior citizen shared ride grants and state demonstration projects (one each in FY 2002/2003 and FY 2003/2004 and none in either in FY 2004/2005 or FY 2005/2006).

In FY 1998/1999, Penn State agreed to voluntarily contribute to general support of local transit service. The amounts shown for each year since then are counted as part of total local subsidy and therefore reduce the amount requested from the municipalities as Local Tax Support.

Federal Tax Support is highly variable because it is used only after all other revenue and subsidy monies have been applied. With those sources providing additional revenue in recent years, only a small portion of total available federal funding was needed in FY 1999/2000. However, service increases implemented after that year required increased drawdowns of federal operating assistance, as shown in the table above. In FY 2000/2001 and FY 2001/2002, extensive service additions, increased expenditures for fuel, insurance, and other items, resulted in much higher federal operating assistance requirements. With carryover federal funding nearly exhausted by the end of FY 2001/2002, a considerable number of service adjustments and other cost reductions were implemented to reduce federal operating subsidy requirements below the total available, resulting in the decreased federal operating requirement for FY 2002/2003. Federal tax support increases in FY 2003/2004 and FY 2004/2005 result for the most part from higher costs for fuel, insurance and drivers' wages and benefits. For FY 2005/2006, the increased state funding noted above reduces the federal operating assistance requirement for the coming year.

REVENUE SOURCES	99/00	00/01	01/02	02/03	03/04	04/05 estimated	05/06 budgeted
Passenger	\$ 2,381,884	\$ 2,714,465	\$ 2,831,162	\$ 3,088,329	\$ 3,281,985	\$ 3,367,845	\$ 3,483,000
State Tax	\$ 1,848,920	\$ 1,667,108	\$ 1,726,235	\$ 1,738,465	\$ 1,731,784	\$ 1,819,066	\$ 2,445,864
Federal Tax	\$ 384,705	\$ 1,260,937	\$ 1,085,715	\$ 814,582	\$ 1,009,730	\$ 1,351,708	\$ 1,030,140
Municipal	\$ 266,254	\$ 225,805	\$ 241,378	\$ 256,518	\$ 265,170	\$ 280,700	\$ 294,735

Trends In Revenue



Passenger Fares
 State Tax Support
 Federal Tax Support
 Municipal Support

SECTION III

FY 2004/2005 RECAP

Goals Established by the CATA Board of Directors

Outreach

Continue pursuit of pro-transit initiatives with local, state and national constituencies in both the public and private sectors.

This continues to be a priority for the CATA management team. Locally we have been successful in maintaining relationships with elected officials and staff in our participating municipalities, with our counterparts at the University, and with a diverse array of interests including apartment owners and managers, real estate developers, the downtown State College business community and various service organizations. Almost all of our Department Directors and Managers are involved in these efforts.

At the state level the General Manager has been persistent in lobbying our representatives in Harrisburg to support additional state transit funding, making multiple contacts over the past year with Senator Corman and the three Representatives who serve the Centre Region. In addition, he has worked hard to forge positive relationships with the new leadership at the PENNDOT Bureau of Public Transportation.

In Washington the General Manager been fully involved in transit industry affairs, and has maintained strong connections with Rep. Peterson and his staff, as well as with the staff members of Pennsylvania's two Senators. (That may help explain why CATA received another earmark in the FY 2004/2005 Appropriations Bill.) He also serves on the APTA Board of Directors, chairs the APTA Small Operations Committee, and maintains involvement with the Transportation Research Board.

Succession Planning

Continue progress on plans for succession for senior department staff positions.

Over the past year progress has been made on several fronts. Last spring CATA created and filled a new manager-level position to assist the Maintenance Supervisor and begin grooming his successor. With the FY 2004/2005 Budget we added an Operations Supervisor position, which allowed us to elevate one of the Supervisors to Operations Manager and begin her training as a potential successor for the Director. The addition of a part-time Receptionist was expected to allow a shifting of work responsibilities in Administration, which would lead to more cross-training. However, for a variety of reasons this has not worked out as efficiently or as quickly as expected.

Succession planning for the General Manager has been more challenging, given that there is no position that would serve as a logical springboard to the "corner office." However, a concerted effort is being made to give our CRPA Transit Planner more and more opportunity to get involved in the workings of CATA and the transit industry, including providing him with some exposure to how

government affairs is handled. The General Manager has also begun working with CRPA on a strategy that will lead to the Planner moving from CRCOG to CATA, which will facilitate his development as potential future leader in our organization.

Library Transit Center

Ensure that the Authority's best interests are served in the design, construction, and occupancy/operation of CATA-funded facilities within the new Schlow Memorial Library.

From the outset several members of the CATA staff have worked closely with the Board, staff and consultants at Schlow Library to ensure that the project adheres to the requirements of federal funding, that the design of the CATA space will meet our current and projected needs, and that the construction has minimal impact on our ongoing bus operations. Our Director of Administration's knowledge of the people and the processes in the FTA regional office in Philadelphia, and her ability to figure out how to integrate the federal funding into a very complex program structure, have been critical to making the project work. As we get closer to the completion of construction we expect to negotiate a Memorandum of Understanding to cover the ongoing operation and maintenance of the facility.

Legal Services

Monitor/review effects of the change in professional firm affiliation of the Authority's legal counsel, and make recommendations to the CATA Board on a future course of action for fulfillment of the Authority's legal service requirements.

The General Manager has been keeping close watch on how CATA's legal service needs are being met since our Solicitor and his staff moved to the firm of McNees, Wallace and Nurick (MWN). The bottom line is that there has been no perceptible change in either the timeliness or the quality of their responses to our needs. In fact, their being located on University Drive in State College rather than out at Innovation Park is a definite plus, as is their ability to bring in specialists should we ever need them – such as in a PUC proceeding relating to our use of natural gas as a vehicle fuel.

We recently discovered that the Mifflin-Juniata Area Agency on Aging, which is the Shared Ride provider in Mifflin County, has been a client of MWN for years, and they are extremely well-satisfied. According to their Chief Administrative Officer, they use the Harrisburg offices of MWN for all of their personnel and labor work, and they would not consider changing.

Regional Services

Identify opportunities for initiation/expansion of intra-county and/or inter-county services (fixed route, paratransit, and/or rideshare), provide evaluations of their feasibility, and develop plans for pursuit of those judged feasible.

Over the past year, with the State transit funding crisis casting doubt over CATA's ability to even continue existing programs, this has not been a priority for the staff. However, CATA has maintained an ongoing dialog with Ann Gaumond of the Centre County Transportation Office, and earlier in the year the Board Chair and General Manager met with two of the County Commissioners to discuss intra-county public transportation issues.

The new Strategic Plan for CATA identifies several corridors within Centre County that may be viable candidates for regional commuter bus service. However, it also recognizes that CATA does not have the resources to support such service at the present time. Regarding inter-county service, we have provided information and support to AMTRAN, which is evaluating the feasibility of providing commuter bus service between Altoona and State College.

CATA continues to operate RideShare, the regional carpool matching program, in whose database we maintain almost 600 names of people interested in carpooling to work in the Centre Region. However, since our Rideshare Coordinator operates the program very much on part-time basis, we are severely limited in how many promotional activities we can do. Nonetheless, over the past six months the staff has been able to make presentations to employee groups at Penn State at the County Government.

Financial Management

Ensure that the Authority acts in a timely manner to (1) achieve maximum cost effectiveness and a balanced budget, and (2) maintain/build an adequate reserve.

CATA's current financial situation has dictated that this goal be CATA's highest priority. By being financially conservative we were able to finish FY 2003/2004 within budget, which allowed us to continue our existing service levels into the current year. Thanks to the work of the Planning and Operations staffs, during the fall semester at Penn State we were able to fine-tune our North Atherton "tripper" trips to match capacity to demand on an hour-by-hour, day-by-day basis.

Nonetheless, CATA has not been able to build – or even maintain – an adequate reserve. The FY 2004/2005 Budget anticipated using up most of our year end carry-forward, which was a conscious decision based on the expectation that new state or federal funding would be forthcoming during the year. When that new funding finally does materialize, we plan to use it first to restore a reasonable "reserve" before we even think about committing to any new service on the street.

Capital Improvements

Identify options and pursue initiatives for capital improvements, particularly those involving the revenue equipment fleet and associated equipment (i.e., fueling and maintenance facilities).

CATA has been actively engaged in both the pursuit of capital funding and the actual procurement of assets. In addition to the Schlow Library Transit Center, our major project over the past year has been the two CNG minibuses, with which we reached our goal of a 100% CNG-powered bus fleet. The procurement of CNG-powered "artics" has been delayed while we determine which of the bus manufacturers might bid on such a procurement. Further work on our fueling facility has been limited to securing a Congressional earmark.

This is not to say that we have not been investing in other assets. Following the vehicle and building fires last summer we have spent countless hours – and over \$45,000 – repairing the damage. In addition we have installed an entirely new bus pass production and validation system, traded in four sedans, replaced our network server and upgraded our Intellifare ridership data program. We have also selected Vigilant Security as the vendor of a security system for our Administrative Facility, which should be installed by mid-summer.

Ridership

Continue initiatives to develop a larger core of regular transit system users among non-Penn State student population groups.

Over the past year CATA's Marketing Manager and other staff have worked doggedly to develop new market segments, but it's tough. During the warm-weather months we conducted transit orientation sessions at the Village at Penn State and other seniors' facilities, in which we provided not only information but "hands-on" training to people unfamiliar with riding the bus. The Marketing Manager has also worked with the Downtown State College Improvement District to develop support for the Park-and-Ride program and with the Sight Loss Support Group to help persons with vision problems learn to successfully utilize our services.

This fall CATA separated the Football Shuttle into two routes in an attempt to better meet the needs of South Atherton Street riders, few of whom are students. Unfortunately, although the change was an operational success, ridership was down throughout the football season. We've also been trying to convince the Penn State administration to extend the Ride-for-Five program to part-time employees and others who receive a paycheck from the University. While the University has indicated support for the concept, they have stopped short of programming any money to fund such an expansion.

Technology

Continue pursuit of opportunities for applications of new technology that will improve the efficiency and quality of CATA operations and services.

CATA has been pursuing technology on a number of fronts. To take advantage of the Congressional earmark CATA received last year, we developed a scope of work that included creation of a technology plan, preparation of specifications and assistance with procurement, installation and training. Our subsequent solicitation resulted in five proposals, from which we ultimately selected Avail Technologies, located here in the Centre Region, to be our technical consultant. The installation of a "smart bus" system should occur within the next 12-18 months.

Other projects in the works over the past year include the mag-stripe fare card program, which was successfully implemented last summer. The technology has worked flawlessly, and allows us to collect vastly better data on those riders – especially apartment pass users – who do not pay cash. Another example is the Intellifare program, where we worked with Avail Technologies to develop and install a much more sophisticated approach to collecting and sharing information on trips where ridership regularly falls below or exceeds thresholds. This program has the potential to allow staff to identify trips that either need more capacity or may be candidates for elimination.

One project that has not yet moved from planning to implementation is the Transit Signal Priority pilot project on North Atherton Street. After spending almost five years developing a plan and lining up all the institutional interests, we saw the project grind to a halt when our proponent in the PENNDOT Central Office resigned. Not wanting to allow the project to slip away completely, we have since applied for a grant from a new PENNDOT Research and Development program, and it looks like the Transit Signal Priority project may be funded in the coming fiscal year.

Summary

Although CATA has made at least some progress on all of the Board's goals, it must be noted that since they were established the staff has had to deal with some major issues that were not foreseeable then – the impact of inexperienced Union leadership, arsons involving one of our staff cars and our administrative building, etc. It is a real testimonial to the professionalism and dedication of the CATA staff they have not only been able to maintain the integrity of the service, but have been able to move ahead in so many of these areas.

Other Accomplishments

In addition to the goals established by the Board, the FY 2004/2005 Budget included the following list of projects and activities that the staff expected to undertake over the course of the current year. Here is a detailed report on the progress that was actually made:

Funding

Work with PPTA and APTA to develop new state and federal transit funding programs that benefit growing transit systems like CATA. The General Manager will lobby our lawmakers in Harrisburg and Washington, DC to maintain and increase transit assistance.

Although the General Manager did his part to encourage lawmakers in both Harrisburg and Washington, no new state transit funding program was enacted, nor was Congress able to pass a new Transportation Reauthorization bill. However, it is hoped that the groundwork has been laid for several programs that will benefit CATA when funding legislation finally emerges.

Pursue another Congressional earmark. CATA will ask Representative Peterson for funding to replace and upgrade our CNG compressors and other fueling system components. Those units are now eight years old and over the next several years will need significant reinvestment.

This initiative was accomplished. Representative Peterson, with the support of Senators Specter and Santorum, was successful in getting CATA a Congressional earmark with which to replace and upgrade our CNG fueling facility.

With Penn State, pursue expansion of the Ride-for-Five program to anyone who receives a PSU paycheck. Staff will work to maintain as much funding as possible for the LOOP, the LINK, and the Free-fare Zone as the University brings its new East Campus parking structure on line.

Over the year the CATA staff has had several conversations with the Penn State administration about extending Ride-for-Five to more members of the campus community. The University seems inclined to move in that direction, although finding the necessary funding will be a challenge. Meanwhile, Penn State has committed to continuing the LOOP, LINK and Free-fare Zone programs for another three years.

Develop initiatives to educate local elected officials and other community leaders about the impact of road and parking decisions on the viability of public transit. The goal of the program will be to “level the playing field” by getting others to buy down the cost of riding the bus.

Over the year CATA has engaged the COG Transportation Committee and Penn State’s Master Plan Transportation Committee in discussions concerning the relationship between declining Centre Line ridership and increasing utilization of the University’s remote parking lots. So far the discussions have raised awareness, but a study of causes and effects has been slow to develop.

Planning

Work with CRPA and the Centre County Planning Office to complete the transit element of the Long Range Transportation Plan. Using the work already done, the staff will develop a shorter-range Strategic Plan to guide CATA’s services and programs for the next five or six years.

This project was accomplished. The transit element of the Long Range Plan was completed early in the fiscal year, and then in January the CATA Board adopted our new Strategic Plan, which identifies 17 areas for future transit development.

Assist in the development of a park-and-ride lot at Old Fort. Although CATA is not directly involved, we will work with CRPA staff and PENNDOT as they design and build this facility, because it will become a key component in future regional commuter bus service to Penns Valley.

At long last the Old Fort park-and-ride lot is moving forward. After years of hand-holding, prodding and negotiating, the parties (the American Legion, Potter Township and PENNDOT) reached agreement on the terms under which a formal park-and-ride lot will be designed, constructed and operated.

Assist AMTRAN’s staff and consultants in the development of commuter bus service between Altoona and State College. Although the service is expected to be operated under the auspices of AMTRAN, CATA will need to make sure that it is well integrated with our Centre Line.

No work took place on this project. Due to the state’s transit funding crisis, PENNDOT effectively put all plans for “new starts” such as this on hold indefinitely.

Resume planning for regional commuter bus service from Penns Valley and the Moshannon Valley, the only major initiative identified in CATA's current long range plan that has not yet been addressed. Funding for the local match is expected to come from the County.

With CATA barely able to maintain funding for its existing services, resuming planning for regional commuter bus service became a very low priority. The project is still "on the back burner," but no actual work has taken place in the past twelve months.

Service on the Street

Maintain the integrity of CATA's core bus service. As always, most of CATA's efforts will be devoted to ensuring that there is a bus on every run, a Driver on every bus, and that all of the supporting elements are in place to keep the service running smoothly.

This is perhaps the most important thing that CATA does. In spite of some very challenging circumstances, the CATA staff – management and employees – made certain that the service was provided as advertised, all day, every day, all year long.

Continue to refine the N/V Express and other trippers to maximize operating efficiency. Because CATA has already taken all of the "fat" out of the system, the only way to achieve any savings at all over the coming year will be by eliminating redundant trips in our student corridors.

Using the new capabilities of our "Intellifare" software, the Planning and Operations staff were able to track ridership on our N/V Express buses day-by-day, trip-by-trip, and match passenger capacity with demand to a higher degree than has ever been possible before.

Make selected route and schedule changes to improve transit service throughout the community. Areas of concentration will be improving schedule adherence, better integrating the S, K and F Routes southwest of downtown, and developing strategies to keep LOOP buses evenly spaced apart.

This activity was not accomplished. Last spring the service planning team looked at the routes serving the growing area southwest of the Borough, but concluded that until additional resources could be brought to bear, the existing structure should be left as is. Similarly, the bus bunching problem on the LOOPS was set aside until a technological solution can be employed.

Re-evaluate the Football Shuttle to address the problems encountered at Hills Plaza. With the continued success of the Shuttle, and recognizing the inevitability of the redevelopment of Hills Plaza, CATA needs to develop additional parking options, and possibly add a second route.

With the ongoing vacancies in the two largest stores at Hills Plaza, the urgency of finding a replacement for Football Shuttle parking at that location diminished. Nonetheless, in an effort to improve customer service and also experiment with multiple routes departing from the Stadium, the Football Shuttle route was divided in two – Downtown and South Atherton.

Human Resources

Plan for, negotiate and implement a new collective bargaining agreement when our current contract expires at the end of February, 2005. The focus of management's efforts at the negotiating table will be to streamline obsolete work rules, particularly in terms of Bus Driver work assignments.

In spite of a series of very productive negotiating sessions, the parties were not able to reach a tentative agreement prior to the expiration of the old contract. The employees continue to work under the terms of the old collective bargaining agreement pending resumption of negotiations.

As appropriate, add positions and reorganize responsibilities as recommended by the Management Performance Review (MPR). A key focus will be the hiring of a sixth Operations Supervisor and the enhancement of the various Operations supervision functions.

Despite CATA's financial situation, in the FY 2004/2005 budget the Board authorized a sixth Operations Supervisor. The additional staffing allowed the promotion of one of the Supervisors to a manager-level position, with which we are pursuing succession planning within the Transportation Department. The other staffing needs identified in the MPR have been deferred.

Continue CATA's focus on organization-wide training: diversity awareness, customer service, sexual harassment, conflict resolution, etc. We plan to hold all-employee training sessions twice during the year - at the end of the summer and again over the Christmas holidays.

This initiative was fully accomplished. All-employee training was held in August and again in January, with a "make-up session" in March. The January training was especially noteworthy, as it focused on a new Employee Handbook, which was developed as a starting point to address some of the labor-management issues that surfaced after last summer's fires.

Develop health care options. Over the course of the year the Human Resources Manager will be looking for cost-effective alternatives to our current insurance provider and developing a Flexible Spending Account (FSA) program that should save money for both our employees and the organization.

Although the Human Resources Manager worked hard to find options to CATA's current health care coverage, no affordable alternatives could be found. In fact, in order to keep health care cost increases to a manageable level, we were forced to withdraw the Point-of-Service option that we did have. We did, however, get a FSA program established.

Administration

Maintain the integrity of all of CATA's business processes. Just like the Operations staff spends most of their organizational energy on the service on the street, the Administration Department will devote itself to ensuring that we are financially sound and in full compliance with regulations.

This is another very critical activity for CATA. The Administrative staff was successful in making sure that receipts were properly handled, bills were paid and payrolls were met. Equally important, we maintained full compliance with the myriad state and federal regulations, and we received a clean audit for FY 2003/2004.

Enhance CATA's Information Systems. Following the development of a replacement schedule, we plan to standardize our PC operating systems, upgrade our office systems applications to current standards and replace obsolete PC's. Staff continues to evaluate our accounting software.

Limited progress was made in this area. Our most obsolete PC's were replaced, and the staff continued to evaluate our accounting software. We also replaced our network server and upgraded various software packages. However we have yet to develop a replacement schedule or bring all of our office systems applications up to current standards.

Upgrade CATA's PC support systems. Recognizing that the current approach is no longer adequate for our needs, CATA will retain a higher level of vendor-based IT support. Alternatively, CATA may be able to join the CRCOG and the Centre Region municipalities in their new IT Consortium.

We upgraded our vendor-based IT support by arranging for weekly on-site troubleshooting. We explored joining the Centre Region IT Consortium, but deferred in the face of CATA's deteriorating financial situation.

Develop a new banking relationship. Now that it has been at least ten years since we considered alternatives to PNC Bank for our financial services, the Director of Administration plans to circulate a Request for Proposals, evaluate our alternatives, and select a new banking institution.

The activity was successfully accomplished. The staff developed and advertised a Request for Proposals, received and evaluated five submittals and selected Citizens Bank as the institution that could best meet our needs. We successfully transitioned all banking functions without disruption.

Maintenance

Complete the replacement of our six diesel minibuses. By the end of the summer we expect to take delivery of the four CNG small buses and two CNG minibuses now on order. At that point the entire CATA bus fleet, except the six used buses being held in reserve, will be CNG-powered.

Although it took longer than expected, we did take delivery of four small CNG buses and two CNG minibuses to replace the six diesel minibuses and thereby attain our goal of having a 100% CNG-powered bus fleet. However, the two new minibuses are still not in service, as we wait for the opportunity to have a celebratory event.

Complete the bus procurement program. Given the success we experienced with the articulated bus borrowed from Pittsburgh, the staff plans to begin the procurement of three CNG-powered low-floor “artics,” which should consume the remaining funds available in our two current earmarks.

This project has not moved ahead. Not only was the staff fully engaged for most of the year with the two small-bus procurements, but no “artic” manufacturer is currently offering a CNG option due to Detroit Diesel having discontinued building CNG engines.

Upgrade CATA’s CNG fueling infrastructure. If we should get the hoped-for earmark, the staff will begin the planning and design process to rebuild or replace our CNG compressors and other fueling facilities. Consideration may also be given to ancillary uses, such as electrical generation.

CATA did indeed receive a Congressional earmark to upgrade our CNG fueling facility. However, the only work that has been done to-date has been to get preliminary recommendations on the configuration of the new compressor units, projected construction schedules and cost estimates.

Public Information and Marketing

Enhance our www.catabus.com website to include more “real-time” information and electronic versions of all print material. With more and more of our riders getting their information off the internet, CATA will increase those capabilities, including the exploration of wireless technologies.

We were successful in greatly enhancing the CATA website. In addition to an overall redesign of the homepage, we added a wide array of new information, ranging from Board member biographies, to electronic copies of virtually all CATA print materials, to ridership statistics (automatically updated daily!). We are still working to develop wireless applications.

Redesign our public timetables. CATA staff will use the information we’ve recently collected from our riders and employees, as well as other transit systems and industry research, to reformat our maps and schedules to make them more readable.

This activity was partially accomplished. We did collect information which resulted in some preliminary recommendations. However, due to the limitations of our RideGuide format and a lack of time, we were able to implement only a few changes.

Bus and Bike Facilities Map. Assuming that CATA receives the Transportation Enhancements grant that we are expecting, the staff will work with the Centre Region Bicycle Coalition (CRBC) to produce a full-color fold-out map of all transit and bicycle facilities in the Centre Region.

CATA and the CRBC did receive a Transportation Enhancements grant. However, it took most of the year to get all of the paperwork in place, develop the procurement process and select a map designer. The map should be completed and a first printing done by this summer.

Technology

Add card readers to our fareboxes. By the end of the summer CATA expects to have installed the necessary equipment to replace our current flash passes with “mag stripe” cards. Converting to swipe cards will both automate ridership data collection and help thwart pass fraud.

This project was successfully accomplished. At the end of last summer we installed card readers on all of our fareboxes and began distributing magnetic stripe passes. The transition went unbelievably smoothly. Since at least two-thirds of Centre Line riders use passes, we are now able to capture vastly better ridership data. Pass abuse has been reduced as well.

Implement Transit Signal Priority (TSP) on North Atherton Street. Assuming the staff can work out the final institutional and financial details, we will upgrade the controls on 11 signalized intersections and 32 buses, place the TSP system into service, and begin to evaluate its performance.

The TSP project is on hold. When the individual who was our “champion” within PENNDOT resigned his position, the entire Transit Research and Demonstration program was discontinued. However, we have since applied for a grant under a new technology program, and it appears that funding will be forthcoming in FY 2005/2006.

Partner with Penn State's Pennsylvania Transportation Institute (PTI) on a hydrogen fuel project. The staff will work with PTI, Air Products and Chemicals, Inc, and the Department of Environmental Protection to re-power one of our New Flyer buses to burn a blend of CNG and hydrogen.

We have been working on the Hydrogen Bus project for almost an entire year, but progress has been discouragingly slow. Currently we are awaiting final agreement on indemnification, after which the bus will be trucked to Reno, where the CNG engine will be replaced with one that can burn a blend of CNG and Hydrogen. The re-powered bus should be in service by summer.

Ridership data enhancements. In partnership with Avail Technologies, CATA will utilize PENNDOT R&D funds to take our “Intellifare” program to the next level, making it easier to identify ridership patterns that suggest service revisions, and automating the dissemination of the information.

This project was another grand success. The Intellifare program was enhanced in several ways – to include a mechanism to detect instances of very high or very low per-trip ridership, to automatically report these “exceedances” via e-mail and to export ridership data – updated daily – to the www.catabus.com website.

Advanced Public Transportation Systems (APTS) initiative. Taking advantage of a federal earmark, CATA will retain professional expertise, develop a deployment plan, and begin implementing “smart bus” technologies. The goal is to make CATA into a recognized leader in APTS.

To get off to the best possible start, CATA spent several months developing a thorough scope of work and did a national search for consulting assistance. We received five very good proposals, from which we ultimately selected Avail Technologies, located here in the Centre Region. Actual work on the deployment plan will begin in April.

Facilities

Library Transit Center Project. Utilizing federal earmark funding, CATA will continue working with the Schlow Library project team to incorporate a new downtown pass sales office, passenger waiting area and Driver facilities into the ground floor of the Beaver Avenue end of the new Library.

Although the process of getting the federal funding in place and determining how it could best be used to the benefit of CATA and the Library was very tortuous, the actual construction work on the Library has proceeded very smoothly so far. The new facility should be open by the end of the summer.

SECTION IV

FY 2005/2006 POLICY CONSIDERATIONS

Background

The FY 2001/2002 Budget stated that “CATA’s financial position remains reasonably strong, with subsidies and operating revenues both trending upward.” Over the past four years, however, conditions have deteriorated badly. State transit assistance – our largest source of subsidy – has been virtually flat, while operating costs, particularly for health care, energy and insurance, have escalated. Our municipal funding partners have increased their contributions, and we have successfully negotiated higher rates with our purchase-of-service customers, but nonetheless CATA is in serious financial trouble.

Three years ago, in response to escalating costs and flattening subsidies, CATA raised fares and cut service. The effect on passenger revenues was dramatic - in spite of a 25% increase in the base fare, token prices and monthly pass rates, the net increase in farebox and pass revenue was only 11%. Furthermore, because so many of our riders’ fares are prepaid under purchase-of-service contracts, where rates were already being renegotiated annually, our total passenger revenue increased by less than 10%.

Nonetheless, a combination of higher-than-expected federal transit assistance and the austerity measures that CATA employed had a very favorable result. Unlike in prior years, when CATA was gradually drawing down its reserves, in FY 2002/2003 we added almost \$200,000 to our year-end carry-forward. This was particularly significant, because having raised fares and cut service in the prior year, we had little room for further adjustments in the face of declining state transit assistance.

In FY 2003/2004, however, the situation again deteriorated. In the preparation of the FY 2003/2004 budget we projected that fare revenue would trend back upward once a year had gone by since fares were raised. That didn’t happen. Even though there was no increase in fares and we cut service only fractionally, ridership (except on the LOOP and LINK) continued to decline. As a result, cash, tokens and OnePasses generated 15% less revenue than projected, which required that CATA resume drawing down its reserves of federal transit assistance.

This past year, expecting that either federal Transportation Reauthorization or a new state transit funding program would be enacted, we developed a budget that allowed CATA to maintain existing services, but was “balanced” only in the sense that it required that we draw down most of our remaining year-end carry-forward of federal transit assistance. Unfortunately, neither of these funding increases materialized. Meanwhile falling ridership on Centre Line hurt almost all categories of passenger revenue, while prices for health care and energy hit all-time highs.

Over the course of FY 2004/2005 we were able to offset passenger fare losses through increased purchase-of-service revenue from the apartment complexes with whom CATA contracts, plus additional income from Penn State for the LOOP, LINK and Free-fare Zone, as well as the Ride-for-Five program. Also, as the state’s two largest transit systems sunk further into financial trouble, twice the Governor stepped in and provided “stop-gap” funding to all systems, including CATA. On the expenditure side we have kept costs to a minimum, with the overall result that we expect to carry-forward approximately \$200,000 in federal operating assistance into FY 2005/2006.

Revenue Issues

Local Shares

Over the past year the COG Finance Committee studied and debated whether the historic Miller Formula should be replaced by the COG Formula that is used for other regional services. Although good arguments were made for both approaches, in the end four of the five participating Centre Region municipalities recommended adopting the COG Formula. However, since it was determined that a unanimous decision was needed, ultimately no change was made.

In early February the COG Finance Committee discussed CATA's financial situation and outlook, and provided guidance to CATA's General Manager. The consensus of the group seemed to be that if state transit funding were not increased, all parties would have to do their part to keep CATA solvent. The understanding was that while the municipalities might be willing to increase local taxpayer support for CATA, other actions such as service cuts, fare increases and other belt-tightening would need to be implemented, too.

Since the February COG Finance Committee meeting, however, the situation has changed dramatically. As a result of the Governor's actions to keep the state's transit systems afloat, CATA is now focused on maintaining the status quo rather than cutting back. Hence this DRAFT Budget assumes the same 5% increase in total local shares that CATA has requested for the past three years. This is consistent with the pattern established when the local municipalities declined to increase local share support by 25% at one time to correspond the FY 2002/2003 fare increase.

X Route (Bellefonte and Pleasant Gap)

Another revenue issue resurfacing this year is the willingness of Bellefonte Borough, and perhaps Spring Township, to commit to the local share dictated by the Miller Formula. Two years ago, at the eleventh hour the Bellefonte Borough Council decided not to provide the requested level of funding, forcing CATA to cut out parts of several X Route trips. Last year further cuts were avoided only when the County stepped in and provided a one-time bailout to Bellefonte Borough. (Because this occurred after the DRAFT Budget was developed, it caused several discontinuities in FY 2004/2005 local share calculations.)

This year CATA staff has met with officials of both Bellefonte Borough and Spring Township to try to determine in advance how much service they are committed to providing to their citizens (and willing to pay for). With this information in hand, the staff has worked backwards through the Miller Formula to determine the number of X Route trips that can be provided to both Bellefonte and Pleasant Gap. Although CATA's service planning process is not yet complete, this DRAFT Budget assumes that there will be four fewer X Route trips each weekday and two and one-half fewer each Saturday.

State Assistance

State transit assistance for FY 2005/2006 is at once simpler and more complex than in past years. It's simpler, because this year we have PENNDOT have projections for the three historic sources of state transit assistance (State Operating Assistance, Act 26 and Act 3). State Operating Assistance is up 3.0%, while the other two funds are absolutely flat.

The added complexity, however, results from Governor Rendell's plan to temporarily resolve the transit funding crisis in Pennsylvania by reserving federal bridge and highway funds and "flexing" them to transit. While this development has allowed CATA to develop a DRAFT Budget built around essentially a "status quo" level of service, the fact that the new program is to be allocated on an as-needed basis has introduced a whole new dimension.

For the first time we are, in effect, having to justify our need for state transit assistance rather than having the funds allocated to us by a legislatively-established formula. This is not necessarily a bad thing – all three of the formulas currently in use short-change CATA and other "newer" transit systems in areas that are growing. However, we had to make our request for these new flex funds very early in the budget process, so the amount we have applied for is slightly higher than the *State Funding - New* line item in this DRAFT Budget. At this point it is not clear whether we will be asked to refine our request as our budget is finalized, or if our allocation of the flex funds will be based on our preliminary request.

Furthermore, the Governor's plan is designed to be a temporary fix until the Legislature can enact a permanent funding solution. Although the program could provide funds for as long as eighteen months (through December 2006), it was crafted to encourage the Legislature to act quickly, so that the dollars being flexed to transit can revert to their intended purpose (bridges and highways) as quickly as possible. This DRAFT Budget assumes, however, that the temporary solution will be in effect for the entire fiscal year, since the final parameters are not yet known.

Federal Assistance

In FY 2004/2005 our apportionment of federal formula assistance was \$1,049,000, up \$35,000 from the prior year. With President Bush's transit budget proposing to roll discretionary Bus Capital funding into the formula program and Transportation Reauthorization (and the long-sought High Intensity Transit Tier) still before Congress, there is simply no way of telling how much funding will be allocated to formula assistance. Even though we think that either of these changes would result in substantial additional funding for CATA, to be conservative the DRAFT Budget projects the same amount of federal assistance as in the current year.

In addition, as a result of Centre County becoming a non-attainment area for Ozone, our community will be eligible for Congestion Management / Air Quality (CMAQ) funds for the first time. At this point it is not known how much funding will be available, how soon it will occur, what "hoops we will need to jump through" to access the funds, and how many of these dollars might ultimately be directed to public transportation. Hence we are not projecting CMAQ as a source of FY 2005/2006 revenue, even though this funding may be available by the end of the budget year.

Passenger Fares

At the current rate of \$1.25 for each one-way trip and \$49.00 for a monthly pass, CATA's Centre Line fares are about as high as people are willing to pay for public transportation in a community where trips are as short as they are in ours. Likewise, with Centre Ride fares of \$1.50 for seniors, \$2.50 for persons with disabilities (the maximum allowed by federal regulations), and \$10.00 for the general public, a paratransit fare increase would be difficult to recommend. The only fare increase included in this DRAFT Budget is for the Football Shuttle, where the \$1.50 fare increases to \$2.00. Not only will a \$2.00 fare require less change-making, but with so many of our riders taking advantage of the federally-mandated half-fare for seniors, the higher base fare will help insure the service's continuing "profitability."

Apartment Complex Contracts

When CATA last raised Centre Line fares in FY 2002/2003, we established a revenue target of \$0.75 per trip on our apartment complex program. Due to aggressive negotiating and the fact that ridership from the established complexes has fallen somewhat, in the current year we project a yield of \$0.85 per trip. Over the past several years the CATA staff has been able to arrange things so that all of our apartment complex contracts expire in August 2005, and with our new magnetic farecards we have vastly better ridership data than was ever possible in the past. As a result we are positioned to negotiate contracts for FY 2005/2006 that are very consistent with each other in terms of revenue per trip taken.

For the coming year the staff is negotiating apartment complex contracts with a target of producing average fares of between \$0.85 and \$0.95. Achieving this goal will require increases as high as fifty percent from several of our newer, smaller complexes, which may result in us losing one or more of the participants. As much as we hate to lose customers, it's not fair to the other apartment complexes which are all competing in the same market. Furthermore, from a revenue standpoint CATA will come out ahead, since those tenants who continue to ride will purchase a OnePass or pay cash, both of which yield higher revenue per trip taken. In light of our current financial situation, we do not plan to extend the apartment complex program to any new participants this year.

Penn State

For FY 2005/2006 we anticipate operating basically the same level of service on the LOOP and LINK, as well as the Free-fare Zone, that we have provided in the current year. The CATA staff is currently negotiating with the University over the hourly rate for which CATA will be compensated for the service. In FY 2004/2005 Penn State paid \$41.73 per revenue hour for LOOP and LINK service; this rate covers most but not all of the direct costs of providing the service, but doesn't begin to support all of our overheads. The University pays a lesser amount for the hours of service involved in the Free-fare Zone, where the buses would be operating anyway as part of CATA's regular Centre Line service.

FY 2004/2005 marks the final year of the second three-year agreement between CATA and Penn State that provides the framework for the relationship between the parties. Initial discussions have confirmed that both parties desire to continue the program under which CATA provides campus bus service under contract to the University, so we anticipate that the general terms and conditions of the contract will be maintained for another three years. However, CATA will be seeking to negotiate ways in which the LOOP, LINK and Free-fare Zone services can be provided more efficiently, and in ways that avoid putting our Bus Drivers in such difficult positions when passenger demand is higher than the capacity of the buses on the street.

Expenditure Issues

Discretionary Spending

This DRAFT Budget maintains the Marketing budget (Advertising and Marketing Support) at approximately the same level as in the current year to underwrite the elements of the FY 2005/2006 Marketing Plan (still in development). It also contains Travel and Training line items at or slightly above this year's projected actual expenditures to allow CATA's newer supervisory and management staff to attend training sessions, to afford as many people as possible the opportunity to participate in the annual Pennsylvania Public Transportation Conference and the once-every-three-years American Public Transportation Association (APTA) Transit Expo, and to support the costs of the General Manager's travel as he serves as Chair of the APTA Small Operations Committee.

Technology Support

Since the inception of networked PC's, CATA has relied on whatever time and expertise the Director of Administration could invest, supplemented as necessary by Centrep, Inc., an outside vendor. This approach was barely adequate at the outset, and as CATA's computer systems have become more sophisticated and widespread we are falling further and further behind. We are simply not able to keep up with system planning, hardware and software installations, component inventory, employee training, application development, etc., and implementation of the Advanced Public Transportation Systems initiative is going to make matters even worse.

Last year's budget programmed \$15,000 to address the problem, with the thought that by mid-year CATA might join the Information Technology Coalition recently formed by the Centre Region municipalities. Due to CATA's financial situation and the press of other business, this project was deferred, but the need continues. This DRAFT Budget includes \$30,000 to fund a full year's membership in the IT Coalition. However, before this commitment of operating dollars is made, the staff plans to explore whether CATA might be able to exchange an investment in the capital cost of a fiber-optic cable between Cato Park and downtown State College for a "pre-paid multi-year membership" in the coalition.

Employee Compensation

Unlike most years when CATA has a collective bargaining agreement in place that establishes wage and benefit levels for Bus Drivers and Maintenance employees, this year CATA and AFSCME have not yet agreed on a new contract that would cover the coming fiscal year. Consequently, the DRAFT Budget is based on the increases that CATA expects will be included in a new labor agreement, when one is finally reached. Each year CATA also programs a market adjustment to the pay plan for non-represented employees. Over the past few years this rate has hovered between 2.0% and 3.5%. For this year the DRAFT Budget includes a small adjustment consistent with our current financial condition and the continuing modest rate of inflation.

Staffing Levels

The DRAFT Budget maintains exactly the same positions listed in the FY 2004/2005 Budget. While CATA desperately needs assistance with bus cleaning, and we are having greater and greater difficulty keeping up with mechanical maintenance as the buses age, we will not be in a position to add staff until CATA's funding situation is resolved. Once CATA's financial condition improves to the point that we can meet those basic needs, then we can turn our attention to hiring a Systems Administrator, finding someone who can focus solely on the Rideshare program, and creating positions that could fill the present "gaps" in succession planning for the Director of Administration and General Manager.

Service Planning Issues

Prior to FY 2004/2005, each year would see CATA making significant service changes. In FY 1998/1999 we used our new state funding to restore a number of services that had been discontinued in the early 1990's. The following year we implemented the no-fare LOOP on the Penn State campus and in downtown State College. In FY 2000/2001 we added or upgraded service to several areas on the periphery of the community and dramatically increased the level of service in the North Atherton corridor.

Beginning in FY 2001/2002, however, we began to scale back our service. That year, realizing that our state and federal support was not growing as fast as we had anticipated, we cut about eight percent of our service, mainly on those high-frequency routes serving student housing areas. A year later, as our financial situation deteriorated further, we implemented major service reductions totaling ten percent, which were spread throughout the entire community. The following year we cut another two percent of our service, mainly in the student corridors where we fine-tuned our N/V Express "tripper" buses and cut out midday R Express service altogether. Finally, in the current fiscal year CATA was able to stabilize and make virtually no changes in service levels.

This DRAFT Budget proposes to once again maintain current service levels, except on the X Route, where Bellefonte Borough Council has let it be known that they cannot contribute any additional local share, which will mean that we must cut the number of trips. Because other than the elimination of off-

peak X Route trips, no major route or schedule changes are proposed for the coming year, there are no significant service policy issues for consideration at this time.

Contingency Plans

In addition to this DRAFT Budget, which maintains essentially all current service and fare levels, the staff has also developed a set of service cutbacks, revenue increases and other belt-tightening that will be "on the shelf" in case the expected state funding does not materialize, or is not sufficient to allow us to maintain our current operations. This contingency program is more fully described below:

Service Adjustments

Elimination of all weekday evening and all Saturday service on the H, W and P Routes. Weekday evening service would end about 7:00 PM and Saturday service would be discontinued completely.

Elimination of the midday trip on the A, C, F and S Routes. The midday trips on each of our traditional “commuter” routes would be discontinued, leaving essentially two AM and two PM rush hour trips on each.

Discontinuation of some of the midday trips and some of the Saturday service on the B and X Routes. One of the two midday trips on the B Route would be discontinued. Both evening trips and all four Saturday trips on the B Route would be discontinued during most of the year – they would only operate the same six or seven weeks a year that the current 5:50 PM Express trip operates (ski season). The remaining midday and Saturday trips on the X Route would be discontinued.

Elimination of Sunday service on the M Route during Reduced Service. M Route service on Sunday would operate only when Penn State Fall and Spring Semesters are in session (Full Service). Service would be discontinued the other 19-20 Sundays a year (Reduced Service).

Starting Saturday and Sunday morning service later on the N, R and V Routes. The start of weekend service on all three of these student housing corridor routes would be delayed until about 9:00 AM. Currently weekend service starts between 7:30 and 8:00 AM on all three routes.

Reducing the frequency on the Friday and Saturday evening N, R and V Route service. Service frequency on Friday and Saturday evenings when Penn State is in session would be reduced from every 32 minutes to every 64 minutes. The “black shaded” trips on those three routes that provide increased frequency from 7:00 PM – 1:00 AM would be discontinued. The total cost savings generated by these service changes is estimated to be about \$220,000.

Revenue Enhancements

Centre Line Fare Increase. Even though our FY 2002/2003 fare increase was not successful in building passenger revenue, it did create a context in which to ask our various funding partners for a corresponding increase. If we were to raise fares from the current \$1.25 to \$1.50, we would also negotiate increases in the rates paid by CATA’s purchase-of-service customers. It is difficult to estimate how much additional revenue might be generated, because just like with the cash fare, as rates for the apartment complexes and others are pushed upward, institutional customers will leave CATA for other alternatives. However for the purposes of this exercise, we estimate that we would realize approximately of \$100,000 from a 20% fare increase.

Increased Contributions from Penn State. Each year CATA and Penn State negotiate an hourly rate that the University will pay CATA for the LOOP, LINK and Free-fare Zone, as well as other services. For the past several years this increase has averaged 5% a year. Were CATA to find itself in a severe funding squeeze, we could approach the University for additional funding. This could potentially take several forms. We could negotiate a higher hourly rate; there would certainly be plenty of justification, as currently Penn State’s payment covers less than the direct cost of the campus service. A variation on this theme would be to go to a two-tier approach, where the University pays a higher rate for the LINK service, which arguably has very limited value to the community.

Another approach would be to increase the “wholesale” amount that the University pays for the Ride-for-Five service. However, the revenue per trip for this fare type is already higher than for our conventional OnePass program. Yet another avenue would be to try to convince the University to help support the cost of Centre Line service that brings so many students and others onto the campus. Although the Penn State administration has been very resistant to this type of assistance, perhaps when faced with the impact on campus parking of wholesale transit service cuts, the University might relent. Because the University accounts for such a large percentage of CATA’s budget, even a small boost would be significant – a 10% increase would add \$150,000 to CATA’s bottom line.

Sale of Exterior Bus Advertising. Throughout its history CATA has avoided the sale of advertising on the outside of its buses. The creation of rolling billboards seemed at odds with the extreme limitations placed on outdoor advertising by CATA’s member municipalities, and covering CATA’s image with someone else’s paid advertising seemed inconsistent with CATA’s goal of creating a strong “brand.” However, on the two occasions when the CATA Board of Directors considered the issue, it was very apparent that bus advertising would be a very lucrative proposition. The limited availability of outdoor advertising in the Centre Region, and the almost complete lack of advertising opportunities on the Penn State campus, would allow bus advertising to command a high premium. Even if an advertising agency handling the sales and placement of the ads would take a significant percentage, we estimate that advertising on the sides and rears of CATA buses could generate up to \$200,000 per year in revenue.

Increased Local Shares. Earlier this spring the COG Finance Committee indicated that if CATA were in dire need of funding, member municipalities would likely dig deeper into their pockets as part of an overall plan to keep CATA afloat. It was not made clear at that time, however, just how far the municipalities might go to support CATA. Because collectively the municipal local shares total only \$295,000, it would take an increase of almost 35% to realize an additional \$100,000. A commitment of this magnitude is substantially higher than what the member municipalities have historically contributed.

Other Measures

Staffing Reductions. Over the past several years CATA has cut a total of almost two dozen positions. Most were Bus Drivers, whose ranks diminished as service was pared back. However, we also eliminated two positions in Maintenance, and in Administration we replaced our full-time Receptionist with a half-time position. At this point it would be difficult to cut further in any of the “line” positions. We would, of course, reduce our complement of Drivers to fit the amount of bus service on the street, but given our inability to keep up with vehicle and facility maintenance already, we would not be able to cut any Maintenance positions. If reductions were absolutely required on the “staff” side, the CATA Board and General Manager would evaluate very carefully which positions might be sacrificed with the least damage to the integrity of our overall public transportation program.

Discretionary Spending. Three years ago, when CATA first began cutting back, we reduced certain expenditures such as travel and training, marketing, various facilities maintenance contracts, etc., that were considered “discretionary.” We have since discovered that in many cases we were “penny wise and pound foolish.” For instance, we eliminated our lawn service contract, which saved us several thousand dollars annually, but we now have to use skilled Mechanics to pull weeds. Likewise with training; we abandoned our all-employee training program, but then found ourselves paying for legal services to defend CATA against claims that arguably could have been prevented. In a nutshell, having

cut back substantially already, the potential savings of further cuts, compared to the hidden costs associated with making them, suggests that we do not attempt to pare further.

Transit Service Enhancements

Last year the DRAFT Budget contained several “enhancements” that might have been possible if increased state or federal funding had become available. This year for obvious reasons there is not even a suggestion of any prospective increases in service, fare reductions, or additions to staff. Should funding appear during the year (a remote possibility, if a Transportation Reauthorization Bill that contains the High Intensity Transit Tier is enacted quickly), the staff will make recommendations at that time.

In the FY 2004/2005 Budget CATA identified three priorities, which remain: increase the year-end carryover of federal formula funds (CATA’s only “reserves”), which have been almost fully depleted; beef up support functions, such as bus cleaning, vehicle maintenance and facilities upkeep, which have been scaled back or deferred due to the lack of funds; and address those deficiencies identified in the state-mandated Management Performance Review, including additional supervision, information technology support and succession planning. In addition, if funding were to become available staff would recommend reconsidering the decision made several years ago to increase the cash fare to \$1.25, which appears to have depressed ridership so much that it has generated very little net revenue.

Summary

This DRAFT Budget has been developed to include all of the expenditures required to maintain existing service levels, staffing and discretionary spending. The assumptions about revenues are fairly optimistic but not unreasonable; likewise, the projections for expenditures are conservative, but not unnecessarily so. The CATA staff has a high degree of confidence that we can live with this budget for the coming year.

SECTION V

FY 2005/2006 WORK PROGRAM

Goals Set by the CATA Board of Directors

The CATA Board of Directors has not yet set out its goals for the General Manager for the coming year. When they are determined, they will be added to the DRAFT Budget.

Other Programs, Services and Activities

The following list highlights those key activities that the staff expects to pursue over the coming year, and for which resources have been programmed in the DRAFT Budget:

Service on the Street

CATA's Core Bus Service. As always, most of CATA's efforts will be devoted to ensuring that there is a bus on every run, a Driver on every bus, and that all of the supporting elements are in place to keep the service running smoothly.

Service Quality. As time permits the staff will commit additional resources to ensuring that key indicators of CATA's transit services – schedule adherence, bus cleanliness, comment follow-up, etc. – meet or exceed transit industry and CATA's own standards.

Funding

State and Federal Transit Assistance. The General Manager will work within the state and national transit trade associations to try to insure that any new funding programs include adequate funding for transit systems in growing communities like the Centre Region.

Capital Earmarks. CATA will pursue an Appropriations earmark for funding for a new transit center on Curtin Road on the Penn State campus and a Reauthorization earmark for the second half of our Advanced Public Transportation Systems (APTS) initiative.

Penn State Contract. CATA will work with Penn State to negotiate and implement a new three-year LOOP/LINK contract that increases funding as much as possible, and also allows CATA to operate the campus transit service more efficiently and productively.

Ride-for-Five Program. As an alternative to “unlimited access,” which the Penn State administration has declined to embrace, CATA will continue to lobby the University to expand the Ride-for-Five program to anyone who receives a PSU paycheck.

Apartment Complex Contracts. CATA staff will negotiate new one-year contracts for the 2005/2006 school year, then evaluate the entire apartment complex program before the succeeding year to determine its proper role in the “family of services” that CATA provides in the community.

Planning

Transit versus Low-cost Parking. CATA will continue to document the effect of Penn State's low-cost peripheral parking program and use the study as a vehicle to educate local elected officials and other community leaders about the impact of roadway and parking decisions on the viability of public transit.

Curtin Road Transit Service. CATA will work with Penn State on the development of a major new transit facility behind Pattee Library, and also to ensure that changes in bus stop locations in this part of campus do not negatively impact the viability of the Centre Line service.

County Coordination. The General Manager will initiate discussions with the Centre County staff – Planning as well as Transportation – concerning the coordination of Shared Ride, which both CATA and the County operate, as well as the long-term future of public transportation services throughout the County.

Regional Commuter Bus Service. If it can be determined that state funding might reasonably be expected for “new start” projects, CATA staff will resume planning for regional commuter bus service from Penns Valley and the Moshannon Valley.

Football Shuttle. With the continued success of the Football Shuttle, and recognizing the inevitability of the redevelopment of Hills Plaza, CATA will develop additional parking options, and possibly add a second Football Shuttle route.

Administration

CATA's Business Processes. Just as the Operations staff spends most of their organizational energy on the service on the street, the Administration Department will devote itself to ensuring that CATA is financially sound and in full compliance with all state and federal regulations.

Computer Support Systems. Recognizing that the current vendor-based approach to PC support is no longer adequate, CATA will join with the COG and several municipalities in the new Centre Region Information Technology (IT) Consortium.

American Public Transportation Association (APTA) Involvement. With the support of the CATA Board of Directors, the General Manager will commit time and energy to serving as the Chairman of the APTA Small Operations Committee.

Human Resources

Labor Negotiations. Assuming that agreement can be reached on a new labor contract, over the coming year staff will implement all of its new provisions. The focus of management's efforts at the negotiating table has been to streamline obsolete work rules, particularly in terms of Bus Driver work assignments.

Health Care Options. Before CATA's next health insurance contract renewal, the Human Resources Manager will develop at least one alternative to our current insurance provider and implement a Flexible Spending Account program for the non-represented staff.

Employee Relations. The Director of Transportation and his staff will continue to work with the Union leadership and the rank-and-file employees to reinforce the precepts of the new Employee Handbook that was introduced in January 2005.

Maintenance

Bus Procurement. As soon as at least one manufacturer resumes offering a CNG engine large enough to power an articulated bus, the staff will begin the procurement of three CNG-powered, low-floor “artics,” which should completely utilize the remaining funds in our two current bus earmarks.

CNG Fueling Infrastructure. Working with Columbia Gas and Basic Systems (our CNG facilities consultants), the staff will begin the planning and design process to replace our CNG compressors and other fueling facilities. Construction is targeted for summer 2006.

Bus Maintenance. The Maintenance staff will continue to evaluate the number and type of road calls (on-street problems), with the expectation that enhanced preventative maintenance procedures can reduce their incidence over the course of the year.

Public Information and Marketing

Internet Homepage. The staff will continue to enhance the www.catabus.com website to include more “real-time” route and schedule information; the ultimate goal is to be able to provide up-to-the-minute service information that can be transmitted wirelessly to passengers via cell phones and PDA’s.

Bus and Bike Facilities Map. The Marketing staff will work with the Centre Region Bicycle Coalition to complete the full-color fold-out map of all transit and bicycle facilities in the Centre Region that is currently being designed. Funding has been secured through a Transportation Enhancements grant.

Customer Service Plan. The Marketing staff will complete and implement the Customer Service Plan currently in development.

Technology

Advanced Public Transportation Systems (APTS) Initiative. Now that a consultant has been selected, CATA will prepare a deployment plan, develop specifications, acquire hardware and software, and begin implementing “smart bus” technologies throughout the CATA fleet.

Transit Signal Priority (TSP) Project. Assuming that funding is forthcoming and that the staff can work out any lingering institutional details, we will upgrade the controls on eleven signalized intersections on North Atherton Street, place the TSP system into service, and begin to evaluate its performance.

Hydrogen Bus Project. The staff will work with Penn State’s Pennsylvania Transportation Institute (PTI) to re-power one of our New Flyer buses to burn a blend of CNG and hydrogen, then use it on the LOOP/LINK as a research platform.

Facilities

Library Transit Center Project. CATA will continue working with the Schlow Library project team to incorporate a new downtown pass sales office, passenger waiting area and Bus Driver facilities into the ground floor of the Beaver Avenue end of the new Library.

Old Fort Park and Ride Lot. To ensure that the Park-and-Ride project moves forward to construction, CATA will serve as liaison between the American Legion (who owns the land), PENNDOT (who will design and build the lot) and Potter Township (who will operate the facility).

Intercity Bus Terminal. CATA staff will work with the Borough of State College and Penn State to try to ensure that any replacement of the current Bus Depot is well-sited for access by key Centre Line bus routes as well as the LOOP and/or LINK.

Security System. CATA will complete the installation of a robust intrusion detection and access control system at our Cato Park facility, where an arsonist did \$45,000 of damage in the summer of 2004.

Bus Stop Signage. In addition to making our usual annual investment in bus stop facility improvements, in FY 2005/2006 CATA will replace the signs on all 800 bus stops in the Centre Line system.

Facilities Maintenance and Upkeep. As resources permit, Maintenance staff and contractor personnel will address various problems cropping up with our 15-year-old facility, so that the building and grounds continue looking good and working well.

SECTION VI
OPERATING BUDGET

Introduction

This page and the four that follow it provide the Receipts and Expenditures line items that comprise the FY 2005/2006 DRAFT Operating Budget.

CENTRE AREA TRANSPORTATION AUTHORITY
2005/2006 DRAFT BUDGET

MARCH 28, 2005

RECEIPTS	Actual 03/04 Receipts	Current 04/05 Budget	Estimated Actual 04/05	DRAFT 05/06 Budget	% change from 04/05 Budget
Passenger Revenue					
Farebox	552,821	567,300	504,000	504,000	-11.16%
OnePass	461,248	439,300	390,000	390,000	-11.22%
Football Shuttle	34,326	30,000	25,564	29,000	-3.33%
Paratransit	88,459	88,000	93,300	96,000	9.09%
Purchase of Service	859,172	957,800	976,700	1,017,000	6.18%
LOOP Revenue	1,285,959	1,357,300	1,378,281	1,447,000	6.61%
Subtotal-Passenger Revenue	3,281,985	3,439,700	3,367,845	3,483,000	1.26%
<u>Other Operating Income</u>					
Charter	4,462	0	535	0	N.A.
Advertising	28,010	32,000	30,300	32,000	0.00%
Interest	5,797	6,500	6,500	6,500	0.00%
Vehicle Lease	0	0	0	0	N/A
Misc. Transportation Revenue	10	200	100	100	-50.00%
Misc. Non-Transportation Revenue	3,607	11,200	15,000	2,000	-82.14%
Subtotal-Other Operating Income	41,886	49,900	52,435	40,600	-18.64%
<u>Special Reimbursement Funding</u>					
Senior Citizen Free Transit	50,319	46,000	48,000	48,000	4.35%
Senior Citizen Shared Ride	177,677	176,500	180,000	182,000	3.12%
Transportation Planning Grants	0	0	0	0	N.A.
Demonstration Grants	0	12,000	0	0	-100.00%
Welfare to Work	0	0	0	0	N.A.
Rideshare Support	28,400	29,250	29,820	31,310	7.04%
Subtotal-Special Reimbursements	256,396	263,750	257,820	261,310	-0.93%
Total Operating Revenue	<u>3,580,267</u>	<u>3,753,350</u>	<u>3,678,100</u>	<u>3,784,910</u>	<u>0.84%</u>

CENTRE AREA TRANSPORTATION AUTHORITY
2005/2006 DRAFT BUDGET
MARCH 28, 2005

RECEIPTS	Actual 03/04 Receipts	Current 04/05 Budget	Estimated Actual 04/05	DRAFT 05/06 Budget	% change from 04/05 Budget
Operating Assistance Grants					
Federal Operating Assistance:	1,009,730	1,307,974	1,351,708	1,030,140	-21.24%
State Operating Assistance	867,773	895,641	967,043	922,716	3.02%
Act 26 Asset Maintenance	320,116	310,837	310,837	310,837	0.00%
State Supplemental Funding	543,895	541,186	541,186	541,270	0.02%
State Funding - New	0	0	0	671,041	N.A.
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Subtotal- Operating Assistance	2,741,514	3,055,638	3,170,774	3,476,004	13.76%
Local Contributions					
State College Borough	58,510	68,824	68,824	75,127	-100.00%
Ferguson Township	59,710	61,301	61,301	64,191	-100.00%
Patton Township	53,711	53,009	53,009	53,138	-100.00%
College Township	50,044	49,468	49,468	54,024	-100.00%
Harris Township	16,588	20,067	20,067	21,496	-100.00%
Bellefonte Borough	12,629	12,692	14,963	12,668	-100.00%
Spring Township	13,978	13,068	13,068	14,091	-100.00%
Penn State University	74,060	77,763	77,763	81,651	-100.00%
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Subtotal - Local Contributions	339,230	356,192	358,463	376,386	5.67%
Total Subsidy	<u>3,080,744</u>	<u>3,411,830</u>	<u>3,529,237</u>	<u>3,852,390</u>	<u>12.91%</u>
Total Subsidy and Operating Revenue	<u>6,661,011</u>	<u>7,165,180</u>	<u>7,207,337</u>	<u>7,637,300</u>	<u>6.59%</u>

**CENTRE AREA TRANSPORTATION AUTHORITY
2005/2006 DRAFT BUDGET
MARCH 28, 2005**

EXPENDITURES	Actual 03/04 Expenditures	Current 04/05 Budget	Estimated Actual 04/05	DRAFT 05/06 Budget	% change from 04/05 Budget
 Maintenance Expenses					
Supervisory Wages	84,198	94,000	91,500	96,800	2.98%
Supervisory Benefits	27,827	31,000	32,000	34,100	10.00%
Maintenance Wages	430,375	461,600	458,000	483,300	4.70%
Maintenance Benefits	197,860	217,580	198,000	221,500	1.80%
Revenue Vehicle Maintenance	237,165	220,000	250,000	265,000	20.45%
Service Vehicle Maintenance	5,511	7,500	2,500	3,800	-49.33%
Radio Maintenance	5,469	6,800	6,200	7,400	8.82%
Building and Equipment Maint.	50,465	59,500	60,000	70,000	17.65%
Uniforms and Accessories	9,481	10,500	11,500	11,500	9.52%
Contract Maintenance	3,492	6,000	5,200	5,900	-1.67%
Utilities	87,424	85,000	92,000	98,000	15.29%
Paratransit	6,141	6,800	10,000	10,600	55.88%
Training	574	4,000	6,400	6,000	50.00%
Miscellaneous Maintenance	8,400	7,600	7,900	8,000	5.26%
 Subtotal-Maintenance Expenses	 <u>1,154,382</u>	 <u>1,217,880</u>	 <u>1,231,200</u>	 <u>1,321,900</u>	 <u>8.54%</u>

**CENTRE AREA TRANSPORTATION AUTHORITY
2005/2006 DRAFT BUDGET
MARCH 28, 2005**

EXPENDITURES	Actual 03/04 Expenditures	Current 04/05 Budget	Estimated Actual 04/05	DRAFT 05/06 Budget	% change from 04/05 Budget
Transportation Expenses					
Supervisory Salary	278,114	321,400	330,780	346,400	7.78%
Supervisory Benefits	72,785	88,800	87,900	100,000	12.61%
Driver's Labor	2,276,970	2,397,200	2,434,000	2,532,700	5.65%
Driver's Benefits	1,068,000	1,161,500	1,096,000	1,206,400	3.87%
Paratransit	357,650	354,400	370,000	394,300	11.26%
Tires/Tubes:					
Revenue Vehicles	36,629	53,700	46,000	46,000	-14.34%
Service Vehicles	1,025	1,000	600	600	-40.00%
Fuel and Lubricants:					
Revenue Vehicles	446,526	495,000	566,600	573,000	15.76%
Service Vehicles	7,521	12,600	10,600	12,800	1.59%
Safety and Training	13,751	16,300	16,700	20,500	25.77%
Insurance	160,390	185,000	173,300	184,000	-0.54%
Vehicle Lease	0	0	0	0	N.A.
Shelters and Signs	4,227	5,000	5,000	5,500	10.00%
Uniforms	1,205	2,000	2,300	2,000	0.00%
Miscellaneous Transportation	3,934	5,700	7,300	7,600	33.33%
<u>Subtotal-Transportation Expenses</u>	<u>4,728,727</u>	<u>5,099,600</u>	<u>5,147,080</u>	<u>5,431,800</u>	<u>6.51%</u>

**CENTRE AREA TRANSPORTATION AUTHORITY
2005/2006 DRAFT BUDGET
MARCH 28, 2005**

EXPENDITURES	Actual 03/04 Expenditures	Current 04/05 Budget	Estimated Actual 04/05	DRAFT 05/06 Budget	% change from 04/05 Budget
<u>Administrative Expenses</u>					
Staff Salary	419,948	431,600	434,200	450,600	4.40%
Staff Benefits	122,265	129,000	125,000	134,000	3.88%
Intern Wages	0	0	260	0	N.A
Intern Benefits	0	0	21	0	N.A
Temporary Help	2,800	0	2,096	2,200	N.A
Insurance	50,285	38,100	35,800	38,000	-0.26%
Pass Sales and Supplies	10,992	10,800	11,500	8,500	-21.30%
Professional Services	53,507	97,000	75,000	101,500	4.64%
Advertising	10,612	16,450	15,000	15,200	-7.60%
Marketing Support	7,176	12,350	12,000	13,400	8.50%
Printing	827	2,700	2,200	1,500	-44.44%
Schedule Printing and Design	19,871	22,000	18,500	19,000	-13.64%
Telephone	10,998	13,500	13,500	15,800	17.04%
Office Supplies and Services	18,026	21,000	25,000	26,000	23.81%
Dues and Subscriptions	15,881	16,600	16,600	17,100	3.01%
Travel and Meetings	10,351	11,600	12,100	13,000	12.07%
Interest	0	500	500	500	0.00%
Miscellaneous Administrative	7,869	8,500	12,180	8,500	0.00%
Paratransit	16,494	16,000	17,600	18,800	17.50%
Subtotal-Administrative Expenses	777,902	847,700	829,057	883,600	4.23%
Grand Total-Operating Expenses	<u>6,661,011</u>	<u>7,165,180</u>	<u>7,207,337</u>	<u>7,637,300</u>	<u>6.59%</u>

Operating Budget Narrative

CATA has established and maintains its financial record-keeping in accordance with the National Transit Database (NTD) requirements of the Federal Transportation Act. NTD defines specific accounts which cross-classify all revenues and expenses by functional category and object class in order to present a consistent accounting system for all transit authorities nationwide. The Authority's internal accounting system includes many individual accounts which are compiled into major functional categories in the 5-page line item budget.

The separate categories for revenue are:

PASSENGER REVENUE - revenues derived from passenger fares for both fixed route (CENTRE LINE, LOOP/LINK) and demand responsive (CENTRE RIDE) service, either paid directly by riders or through purchase-of-service contracts, such as those with apartment complexes, providing payment for all or part of required fares for specific groups.

OTHER OPERATING INCOME - revenues from operations other than passenger fares, including income from transportation activities such as charter service or advertising on buses, or from non-transportation sources, such as vehicle leasing.

SPECIAL REIMBURSEMENT FUNDING - grants from state and federal sources to reimburse all or part of the difference between full and special reduced fares (state lottery receipts for senior citizen programs) or to finance specific planning expenditures. This section of the budget includes any demonstration grants from the Pennsylvania Department of Transportation, as well as RideShare program support provided by Penn State. Under NTD reporting, all revenues from these grants are classified as operating revenue to distinguish them from general operating assistance.

FEDERAL, STATE AND LOCAL OPERATING SUBSIDIES - income from governmental entities which supports general operating costs for transit service. Special reimbursement grants and revenues based on special fares or specified expense items are excluded.

The separate categories for expenditures are:

MAINTENANCE - expenditures for personnel, materials and supplies, services, and utilities required to perform, supervise, and administer maintenance and repair of revenue and service vehicles, buildings, grounds and equipment.

TRANSPORTATION - expenditures for personnel, materials and supplies, services, and insurance directly related to operation of revenue service and its supervision and/or administration.

ADMINISTRATION - expenditures associated with general administration of the transit system, including, but not limited to, personnel costs, material and supplies, professional services, financing costs and marketing.

The following narrative details the specific assumptions and projections used for each line item in developing the FY 2005/2006 budget. Where appropriate, the narrative describes specific items included in each line and calls attention to significant differences between prior year and budgeted amounts.

Revenue Detail

Passenger Revenue

FAREBOX

\$ 504,000

Farebox revenue includes receipts from cash fares and tokens. The FY 2004/2005 estimate, based on actual receipts for the first 7 months of the year, is well below budget; despite the July 2002 fare increase, income from cash-paying riders continues to decline, primarily as a result of increasing use of pre-paid passes through contracts with apartment complexes and the discounted pass program available to Penn State faculty and staff through payroll deduction. Decreased campus parking fees also contribute to fewer bus riders. Budgeted farebox revenue is equal to the current year estimate.

ONE PASS

\$ 390,000

The ONEPASS can be purchased at any time during the year for periods ranging from 1 to 12 calendar months. Pass prices, last increased in July 2002, range from \$49 for a 1-month pass to \$499 for a 12-month pass.

As with farebox revenue, the current year estimate is below budget with declines in pass sales over the past year. The same factors affecting cash ridership impact on the sale of Onepasses, and while decreased pass sales are tempered by increased revenue from Penn State's "Ride for Five" program (under which the University subsidizes all but \$5 of the monthly cost), the program has leveled off recently. Additionally, with the signing of a new apartment contract (see below), a portion of pass sale revenue was transferred to the purchase of service line item as tenants who had previously purchased passes were provided with route specific passes under the contract. Budgeted revenue is equal to the current year estimate.

FOOTBALL SHUTTLE

\$ 29,000

The football shuttle provides economical and convenient access between downtown and local motels/hotels and Beaver Stadium on home game Saturdays. Estimated revenue for 2004/2005 is below budget with lower-than-expected ridership, a result of team performance and a less attractive home schedule. The FY 2005/2006 budget is increased with a planned fare increase from \$1.50 to \$2.00 per trip and 1 more home game in the fall.

PARATRANSIT

\$ 96,000

This line item represents passenger revenue from CENTRE RIDE, CATA's paratransit program. This service provides two populations -- senior citizens and persons with disabilities-- with curb-to-curb shared ride transportation in the CENTRE LINE service area. Those over 65 pay a reduced fare; a special state grant reimburses the Authority for all or most of the balance. CENTRE RIDE also meets federal requirements for complementary paratransit under the Americans with Disabilities Act (ADA) for passengers with physical or cognitive impairments, which prevent use of CENTRE LINE buses.

The FY 2004/2005 estimate reflects higher-than-anticipated ridership, based on the first 6 months of actual data. The FY 2005/2006 budget assumes continued increases in total ridership (although projected ridership for discrete passenger categories varies) and no change in fares (\$1.50 per trip for those over 65 and \$2.50 per trip for ADA passengers). The line item also includes estimated revenue from social service agencies paying full cost to transport clients under negotiated agreements (as permitted under the ADA), and from general public passengers paying full CENTRE RIDE fares.

PURCHASE OF SERVICE

\$ 1,017,000

This line item includes revenue from purchase-of-service contracts with several large apartment complexes (Heritage Oaks, State College Park, University Terrace, Nittany Crossing, University Commons, Copper Beech, Oak Hill, The Pointe, Northbrook Greens, Nittany Gardens and several properties owned by Nevins' Real Estate) under which the Authority provides bus service on specified CENTRE LINE routes to tenants of each complex. Income from special services, as noted below, and Penn State's purchase-of-service revenue for fare-free service on certain CENTRE LINE routes which cross the University Park campus, is also included.

FY 2004/2005 estimated revenue, which reflects current contract amounts for apartment complexes and Penn State, is higher-than-planned with revenue from one new complex and increased contract amounts negotiated after the budget was prepared..

With all current contracts expiring at the end of the current fiscal year, the FY 2005/2006 budget reflects estimated contract rates for all complexes currently participating in the program. No new contracts are anticipated. The line item also includes estimates for Penn State purchase-of-service revenue (as noted above), revenue from other entities sponsoring free shuttle service (such as the Central Pennsylvania Festival of the Arts, Ag Progress Days, Bellefonte's Arts and Crafts Festival and First Night), and contract revenue from MBNA, Inc. for free employee transit on the K-Route and from Tussey Mountain Ski Resort for free B-Route transit during ski season for Penn State physical education students.

LOOP/LINK **\$ 1,447,000**

The Authority operates fare-free service on the Town LOOP, Campus LOOP, and the LINK through a purchase-of-service contract with Penn State University.

The FY 2005/2006 budget includes projected contract amounts for the University's purchase-of-service revenue, for additional service hours requested in addition to contracted service, for a small amount of special purchase-of-service revenue on the LOOP, as well as revenue from the sale of monthly Park and Ride subscriptions which allow users to park in Lot 44.

Other Operating Income

CHARTER SERVICE **\$ 0**

Federal regulations restrict operation of charter service by federally-funded public transit authorities to incidental service which private-for-profit operators cannot or do not wish to provide. There are very limited exceptions for service to non-profit organizations. No charter service revenue is anticipated for the coming year.

ADVERTISING **\$ 32,000**

This line item budgets income from sale of inside advertising spaces on revenue vehicles through CATA's contract with a local advertising firm. The FY 2004/2005 budget included additional revenue from first-time sales of advertising on schedule brochures, but this revenue did not materialize, as reflected in the current year estimate. The FY 2005/2006 budget is increased a small amount based on estimated revenue from the new advertising contract which will be negotiated at the beginning of the fiscal year.

INVESTMENT EARNINGS **\$ 6,500**

Anticipated interest earnings on short term investment of available cash balances during the fiscal year are budgeted here. The actual amount received depends on daily interest rates and average daily cash balances, both of which are highly variable and difficult to forecast. FY 2004/2005 estimated and FY 2005/2006 budgeted revenues reflect no change in those components for both periods.

VEHICLE LEASE AND RENTAL **\$ 0**

With the FY 1999/2000 restructuring of the agreement between CATA and Penn State University for LOOP service, buses are no longer leased to the University; CATA operates all LOOP vehicles.

MISCELLANEOUS TRANSPORTATION REVENUE **\$ 100**

MISCELLANEOUS NON-TRANSPORTATION REVENUE **\$ 2,000**

These line items reflect revenue from sources not properly included on any other line item. Total miscellaneous revenues are divided into transportation and non-transportation categories to conform to NTD reporting requirements. Routine dispositions of property which is no longer serviceable and other miscellaneous revenue items, such as income from the sale of CNG fuel to the general public through CATA's cooperative agreement with the neighboring Uni-Mart Center, are included each year. However, both the FY 2004/2005 budget and estimate reflect increased revenue from the disposition of several small buses and service vehicles replaced during the current year, while the FY 2005/2006 budget assumes no such additional revenue.

Special Reimbursement Funding

SENIOR CITIZEN FREE TRANSIT

\$ 48,000

This line item budgets special grant revenue from Commonwealth lottery receipts to reimburse CATA for free service during off-peak hours to senior citizens riding under the state's "free transit" program. Both FY 2004/2005 estimated and FY 2005/2006 budgeted revenues are based on projected ridership and state reimbursement equal to the average cash fare per trip for each eligible passenger.

SENIOR CITIZEN PARATRANSIT

\$ 182,000

Shared-ride senior citizen paratransit service, known as CENTRE RIDE, is a lottery-funded companion to the "free transit" program noted above. In FY 2004/2005, CENTRE RIDE service was once again operated for the Authority by Handy Delivery, Inc., under a sub-contract; the budget anticipates renewal of that contract for the coming year.

The state grant establishes a general public fare structure; those over the age of 65 pay 15% of that fare (currently \$1.50 for all trips within CATA's service area). The Authority receives lottery funds to cover the remaining 85% (currently \$8.50 per trip). The total per-trip revenue (fares plus grant reimbursement) covers most of the per-passenger payment to Handy Delivery for CENTRE RIDE service for senior citizens.

A small increase in senior citizen ridership, consistent with current trends, is reflected in both the FY 2004/2005 estimated and FY 2005/2006 budgeted amounts.

TRANSPORTATION PLANNING GRANTS

\$0

In FY 1999/2000, CATA and the Centre Region Planning Agency (CRPA) agreed to utilize these funds to hire a transportation planner, and funding formerly included in CATA's budget for staff hours on planning tasks was retained by the CRPA instead. Both the FY 2004/2005 estimate and FY 2005/2006 budget assume no reimbursement in either fiscal period.

DEMONSTRATION GRANTS

\$0

The Authority first received special one-time demonstration grants, providing between 90% and 100% of the costs associated with approved activities, in May 1997, and has been awarded several such grants since then. One grant, to upgrade ridership software, was initially budgeted in FY 2004/2005, but with its re-classification as a capital project, operating revenue is not anticipated for the current year. No additional grants are budgeted for FY 2005/2006.

WELFARE TO WORK GRANTS

\$0

In FY 1997/1998, Centre County received state funding to develop programs for assisting welfare recipients in returning to the work force; funds were used to support additional X-Route trips between Bellefonte and State College. No such grants were available during FY 2004/2005 or are anticipated during FY 2005/2006.

RIDESHARE SUPPORT

\$31,310

Since FY 1999/2000, the Authority's agreement with Penn State for LOOP service has included a separate provision for University support of a regional rideshare program, expanding on the Mountaintop program conducted under a previous state demonstration grant. The FY 2004/2005 estimate and FY 2005/2006 budget both reflect anticipated revenues under the Penn State agreement.

Operating Assistance Grants

FEDERAL OPERATING ASSISTANCE

\$ 1,030,140

Because any federal operating assistance which remains at the end of the year may be carried forward for use in subsequent years, it is the "balancing" item which finances any deficit remaining after state and local operating assistance has been applied.

The amount budgeted in any given year is based on estimated new funding plus anticipated carry forward from the prior year. For FY 2005/2006, the Authority projects total available funding in the amount of \$1,261,140 (estimated annual apportionment of \$1,063,495, equal to the current year's estimated funding, plus \$197,645 estimated remainder at the end of FY 2004/2005). Of this total, \$1,030,140 is budgeted for FY 2005/2006 operating assistance, leaving \$231,000 at the end of the budget year.

Budgeted federal operating assistance is considerably lower than the current year estimate in anticipation that the Authority will receive new state funding (detailed below) as part of the Governor's efforts to provide transit assistance to all Pennsylvania bus systems.

The amount of carryover funding projected at the end of FY 2004/2005 and FY 2005/2006 provides a very small contingency and no reserve to supplement available funding in future years. The Authority will closely monitor revenues, expenses and funding levels over the coming months to assure that adequate carryover funds are available to finance unforeseen expenditures or revenue shortfalls for the budget year and beyond.

STATE OPERATING ASSISTANCE

\$ 922,716

State operating assistance is derived from general fund revenues of the Commonwealth. Specific allocations are included in the Governor's annual state budget proposal and subsequently enacted by the General Assembly. Over the last decade, state funding (including Act 26 and supplemental funding, detailed below) has grown to become the single largest source of operating assistance of the Authority's three government partners (local, state, federal).

The FY 2004/2005 estimate includes unanticipated supplemental revenue received during the current year; the FY 2005/2006 budget is based on estimates from the Bureau of Public Transportation for general fund and supplemental grant funding; over the years, these estimates have been quite accurate in predicting final grant amounts for the upcoming budget year.

ACT 26 FOR ASSET MAINTENANCE

\$ 310,837

Act 26 funding derives from the Public Transportation Assistance Fund (PTAF), Pennsylvania's first-ever source of dedicated funding for local public transportation. Under this 1991 legislation, CATA receives capital improvement funding, a portion of which may be used for maintenance of capital assets under the operating budget. This "asset maintenance limit" is established each year at either 50% of estimated annual Act 26 revenue or 50% of the original 1991 Act 26 revenue projections, whichever is greater. The FY 2004/2005 estimate and FY 2005/2006 budget are based on current PENNDOT projections of total PTAF receipts for both fiscal periods.

ACT 3 STATE SUPPLEMENTAL FUNDING

\$ 541,270

In FY 1997/1998, Pennsylvania's mass transit agencies received supplemental Act 3 funding as part of a newly-enacted increase in gasoline taxes. A small portion of Act 3 funding is restricted to asset maintenance expenditures, while the balance may be used for general operating subsidy or capital projects. As in previous years, all Act 3 funding is budgeted for operating assistance.

The FY 2004/2005 projection and FY 2005/2006 budget are based on PENNDOT's grant estimates.

NEW STATE FUNDING

\$ 671,041

In the spring of 2005, with the state's two largest transit systems were on verge of massive service cuts and fare increases, Governor Rendell unveiled a plan to divert federal bridge and highway funds to public transportation. Described as a temporary solution that will be in place only until the General Assembly and the Administration can agree on a permanent funding solution, these funds are to be made available to CATA and other systems around the state on an as-needed basis to maintain current service levels.

For FY 2005/2006, CATA has requested new state funding in an amount sufficient to maintain essentially all current service and fare levels and to allow for a small carry-forward reserve (approximately 3% of our total Operating Budget) of federal operating assistance, as noted above.

LOCAL SHARES

\$ 376,386

The total local share requested from member municipalities, Bellefonte Borough and Spring Township, plus a contribution from Penn State in support of transit service, represents an increase of 5% over the amount requested and approved for FY 2004/2005.

The formula for allocating total local funding uses ridership, mileage by municipality, revenue and expense data, estimated for the budget year in order to incorporate new service to be implemented. As noted previously, while this provides a better "match" between revenues, expenditures, and proposed service for the budget year, estimates of

ridership by route and by fare category for the coming year may be imprecise, especially for new or expanded service where no previous ridership data exists on which to base such estimates. The allocation formula is fully detailed in the LOCAL SHARE section of the budget.

Expenditure Detail

COMMON EXPENDITURES

Each of the three expenditure categories (maintenance, transportation, and administration) includes line item expenses for wages and benefits that are common to each and based on like assumptions. These expenditures are detailed below to eliminate duplication in the remainder of the narrative.

EMPLOYEE WAGES AND SALARIES

Drivers' wages are based on the number of hours required to operate scheduled bus service throughout the year, plus estimates for overtime, paid leave usage, and other items.

For both drivers and maintenance employees, the budget reflects an estimated wage increase upon re-negotiation of the current collective bargaining agreement upon its expiration on February 28, 2005.

Staff salaries are budgeted in accordance with the compensation plan previously adopted by the Authority. Current year estimates for maintenance, transportation and administration staff reflect wage adjustments which were implemented when the compensation plan was updated, for the first time in 7 years, at the beginning of FY 2003/2004. The budget includes no additional employees.

Wages for CATA's two supervisory maintenance staff are shown under Maintenance Expenditures. The Director of Transportation, an Operations Manager and five Operations Supervisors are included under Transportation Expenditures. The Administrative budget includes salaries for CATA's General Manager, Director of Administration, Bookkeeper, Service Development Manager, Marketing Manager, Human Resources Manager, Executive Assistant/Rideshare Coordinator, Customer Service Assistant, Bookkeeping Assistant, two half-time Office Assistants and a half-time fare counting position.

Wage line items also include estimates for longevity pay and drivers' uniform allowances as negotiated under the Authority's labor contract, optional vacation leave buybacks and incentives to reduce medical coverage, and a transfer of wages to paratransit line items for maintenance and administrative staff time associated with CATA's CENTRE RIDE program.

EMPLOYEE BENEFITS

Benefits for drivers are based on anticipated workforce requirements during the budget year, while benefits for maintenance personnel and for non-represented staff reflect the positions noted above. In all cases, benefits are based on the following assumptions:

FICA: The employer share of FICA is budgeted at 7.65% of wages.

Worker's Compensation: The budget reflects the state-mandated rates currently in effect for each job classification through the pooled insurance program (SAFTI) organized by the Pennsylvania Public Transportation Association (PPTA) several years ago.

Workers' compensation costs impact primarily on benefit expenses for hourly employees, whose premium rate, before modification for loss experience and other items, is expected to be 9.73% of wages, compared to .39% for staff. Both FY 2004/2005 estimated and FY 2005/2006 budgeted workers' compensation costs for each fringe benefit line item also include an annual fee for program administration, audit costs and other related expenses. Because the rate for drivers and mechanics is much higher than that for staff employees, proration of the total cost impacts represented employees' benefits most heavily.

Retirement Program: The budget reflects the 401(a) retirement program (with 4% employee / 8% employer contributions) established on January 1, 1999, replacing the IRA plan in effect prior to that time. Because most of CATA's employees

have attained sufficient longevity (one year for represented employees and six months for non-represented employees) to participate in this mandatory plan, retirement plan costs are not expected to increase significantly during the budget year.

Life and Disability Insurance: The budget is based on current premiums for this coverage, plus estimates for increases associated with wage adjustments (coverage is based on a percent of earnings) and monthly premium charges.

Health and Medical Coverage: Despite continued efforts to secure additional carriers for medical insurance, Geisinger remains the sole insurer for CATA's employees, and continuing premium increases remain a major concern for the Authority, as with many employers. This year, premium increases at the March, 2005 renewal were reduced to approximately 11% (from an initial calculation of almost 27% overall and a budgeted increase of 18%) with elimination of the Point of Service option previously offered. All employees are now covered through Geisinger's HMO program, and the current year estimate for most fringe benefit lines is lower-than-planned as a result. Changes in monthly employee insurance co-pays, negotiated as part of the collective bargaining agreement, as well as an incentive plan under which employees who can obtain other coverage for themselves or their dependents are paid a monthly amount to reduce coverage through CATA, help to reduce estimated and budgeted insurance costs. The FY 2005/2006 budget assumes an across-the-board 20% increase for health insurance at the next renewal on March 1, 2006. Dental and vision coverage, which are provided by Delta Dental and Vision Benefits of America respectively, did not increase from the previous year and are budgeted at current monthly amounts.

Unemployment Compensation: Unemployment compensation is normally budgeted only for drivers (who are traditionally affected by seasonal reductions in bus service); the line item for drivers' benefits includes an estimate of expenditures for claims in FY 2005/2006, based on actual costs during the prior two years and the projected number of seasonal layoffs during the budget year.

Maintenance Expenditures

SUPERVISORY WAGES - MAINTENANCE **\$ 96,800**
SUPERVISORY BENEFITS - MAINTENANCE **\$ 34,100**

Wages and benefits for CATA's Maintenance Manager and Maintenance Supervisor are included in these line items. FY 2004/2005 estimated and FY 2005/2006 budgeted amounts are based on the general assumptions above.

MAINTENANCE WAGES **\$ 483,300**

This line item budgets wages for hourly employees charged with repair and maintenance of vehicles. The FY 2005/2006 budget is based on estimated wage rates under the labor contract between CATA and AFSCME Local 1203-B. Overtime requirements, holiday pay, and wages transferred to the paratransit line item are also budgeted.

MAINTENANCE BENEFITS **\$ 221,500**

Benefits for hourly maintenance employees are budgeted per the general assumptions above.

REVENUE VEHICLE MAINTENANCE **\$ 265,000**

Despite the use of available capital grants to purchase the most expensive parts, maintenance costs continue to increase as the bus fleet ages. Both the FY 2004/2005 estimate and FY 2005/2006 budget are based on projected expenditures and include estimates for the annual year-end inventory adjustment.

SERVICE VEHICLE MAINTENANCE **\$ 3,800**

With the acquisition of four newer vehicles to replace the oldest equipment in the service vehicle fleet, estimated expenditures for FY 2004/2005 are well below budget. A small increase is budgeted for repair and maintenance of service vehicles in FY 2005/2006.

RADIO MAINTENANCE **\$ 7,400**

This line item budgets the monthly cost for a service contract on CATA's mobile radios, base station encoder and charger, monthly radio tower rental, and an estimate for necessary repair/maintenance work not covered by the service contract. Although no increase in the maintenance contract rate is anticipated, the FY 2005/2006 budget includes the purchase of replacement equipment, not covered under the contract.

BUILDING AND EQUIPMENT MAINTENANCE**\$ 70,000**

This line item budgets costs to maintain CATA's facility and equipment, including costs for janitorial service, routine supplies, floor mat rental, small tool purchases, repairs to building systems and CNG compressors, etc. Estimated expenses are based on actual costs for the first 6 months of the current year; the FY 2005/2006 budget includes additional costs for cleaning, etc. at the Authority's new downtown transit center and office, expected to open early in the fiscal year.

UNIFORM AND ACCESSORIES**\$ 11,500**

Costs for rental/cleaning of maintenance employee uniforms, plus shoe and tool allowances provided under the labor contract, are included.

CONTRACT MAINTENANCE**\$ 5,900**

This line item budgets costs for contracted services to remove waste oil and paint residue, and maintenance agreements on time clocks and building fire alarm/sprinkler systems. The FY 2005/2006 budget is increased to include contractual fees for monthly monitoring of a security system to be installed at the Authority's Cato Park facility by the start of the upcoming fiscal year.

UTILITIES**\$ 98,000**

Costs are budgeted for gas (heat), sewer, water, trash removal and electricity. Because the major components of this line item, electricity and natural gas, are very sensitive to weather conditions, it is difficult to establish a consistent pattern. The FY 2004/2005 estimate is based on actual expenses for the first 6 months of the year, while the FY 2005/2006 budget projects estimated rates and quantities for the coming year. Additional costs for utilities at the Authority's new downtown location are also budgeted.

PARATRANSIT VEHICLE MAINTENANCE**\$ 10,600**

This line item covers repair and routine maintenance of CATA's lift-equipped small buses used in the CENTRE RIDE program. Expenditures for parts, and mechanics' wages and benefits for work on these vehicles are included. The FY 2004/2005 estimate is above budget with the need for additional bodywork and several unanticipated major repairs during the year; the FY 2005/2006 budget, increased slightly to reflect higher wage, benefit and parts costs, assumes similar maintenance requirements.

TRAINING**\$ 6,000**

Development of in-house expertise in repair and rebuilding of vehicle components is a cost-effective approach to vehicle maintenance. This line item covers estimated costs for training of supervisory and hourly maintenance personnel in the coming year. Specific seminars and training expenditures will be determined during the year, following evaluation of training needs, effectiveness of available training opportunities, and availability of specialty training for major component repairs. The FY 2004/2005 estimate, which includes additional supervisory training for the new Maintenance Manager, and the FY 2005/2006 budget both reflect projected expenses for these activities.

MISCELLANEOUS**\$ 8,000**

The "Miscellaneous" line item within the Maintenance function is used to classify maintenance-related items which, under NTD reporting, cannot be included in any other Maintenance Expense line item. Both the FY 2004/2005 estimate and FY 2005/2006 budget reflect anticipated expenditures for such items.

Transportation Expenditures**SUPERVISORY SALARIES****\$ 346,400****SUPERVISORY BENEFITS****\$ 100,000**

Wages and benefits for staff positions in the Transportation Department are budgeted here, as noted in the general information section. The FY 2004/2005 estimate is above budget with a higher-than-planned buyback of accumulated vacation hours.

DRIVERS' LABOR**\$ 2,532,700**

This line item represents the Authority's single largest operating expenditure. The budget includes 129,773 pay hours for all scheduled transit service, incidental charters, special shuttles, and driver training. An additional 31,364 hours are

included for paid leave time of all types, holiday pay, overtime hours, and a small contingency amount; leave usage amounts are budgeted based on previous years' historical experience. The budget also includes annual longevity payments and uniform allowances, paid to each driver as wages, as well as estimated March 2006 wage increases to be negotiated under the collective bargaining agreement.

DRIVERS' BENEFITS

\$ 1,206,400

Benefits for drivers, including employer contributions to the 401(a) retirement plan, are budgeted in this line item as noted in the general information section. Because most of CATA's employees are drivers, and because driver wage expense exceeds \$2,000,000, even small increases in per-person benefits (primarily medical insurance) and percentage-based benefits (FICA, Workers' Compensation, 401a contributions) have a major impact on this line item. The FY 2004/2005 estimated is below budget primarily due to smaller-than-planned increased for medical insurance, as noted under the general assumptions. The budgeted increase for FY 2005/2006 reflects higher budgeted wages, estimated increases for medical insurance and short-term disability premiums, and projected unemployment benefit costs associated with seasonal layoffs during the summer.

PARATRANSIT

\$ 394,300

This line item budgets costs for service currently operated by Handy Delivery, CATA's sub-contractor for CENTRE RIDE service, and for tires, lubricants and anti-freeze (fuel is provided by the subcontractor) for CATA's paratransit vans, as well as expenses associated with the subcontractor's participation in the federally-required drug and alcohol program. The FY 2004/2005 estimate reflects higher-than-planned ridership, based on the first half of the year; ridership increases, as well as an estimate of per-passenger rates which will be paid to the subcontractor in the coming year, are included in the FY 2005/2006 budget.

TIRES - REVENUE VEHICLES

\$ 46,000

TIRES - SERVICE VEHICLES

\$ 600

The line item for revenue vehicle tires is based on estimated total fleet miles and per-mile rates under the Authority's agreement to lease fleet vehicle tires, plus an amount for replacement of damaged tires, as provided for in the lease agreement. Although the FY 2004/2005 budget assumed significantly higher lease rates as of July 1, 2004, based on new rates at several nearby transit properties, actual rates, and the current year estimate, are much lower than anticipated. The FY 2005/2006 budget reflects the constant rates now in effect for the entire 5 year contract period.

Estimated and budgeted service vehicle tire expenditures are based on projected tire requirements.

FUEL AND LUBRICANTS - REVENUE VEHICLES

\$ 573,000

FUEL AND LUBRICANTS - SERVICE VEHICLES

\$ 12,800

Revenue vehicle fuel represents one of the Authority's major operating expenses after wage and benefit costs. Since July 1, 1998, the Authority has purchased natural gas, which, when compressed, fuels most of the bus fleet, under a fixed price contract. This allows the Authority to purchase gas for up to 12 months when market prices are advantageous, while providing the flexibility to purchase fuel for shorter periods when prices are considered too high for long-term commitments.

Unit costs for CNG, diesel and lubricants have been increasing over the past several months. Although CNG has been purchased through April, the current year estimate assumes higher prices for all fuel and lubricants for the remainder of the year.

The FY 2005/2006 budget for revenue vehicles is based on estimated unit costs and usage for CNG, lubricants and anti-freeze in the coming year and assumes no significant changes in service levels. However, additional CNG usage (and elimination of diesel fuel purchases) is budgeted following completion of the Authority's conversion to an all-CNG fleet during spring 2005.

FY 2005/2006 budgeted expenditures for service vehicle fuel and lubricants are based on projected increases in unit costs for gasoline, diesel fuel (for the Authority's tow truck and other maintenance vehicles), anti-freeze, transmission fluid and lubricants for vehicles used for staff travel and for transporting drivers between shift changes.

SAFETY AND TRAINING**\$ 20,500**

The budget includes costs for staff and driver training, safety awareness programs and materials, National Safety Council mailings and brochures, workshop fees and related travel, and the federally-required drug/alcohol program. The FY 2005/2006 budget includes costs for a professional consultant's seminar, specific to transit bus employees, during annual driver training in August.

INSURANCE**\$ 184,000**

Costs for liability and physical damage insurance on CATA's buses and service vehicles under SAFTI, the pooled insurance program for small Pennsylvania transit properties formed in FY 1994/1995, are budgeted here. The line item includes SAFTI's administrative and premium costs, plus estimates for claims payments below policy deductibles, audit expenses, credits from insurance recoveries, etc. Although the increase budgeted for the current year was much lower than expected, as evidenced by the current year estimate, a 10% increase has been budgeted for FY 2005/2006, again based on estimates from the pool administrator. With insurance costs of all types rising steadily over the last several years, SAFTI has seen higher administrative costs and insurance premiums from companies that underwrite pool coverage. Despite these increases, insurance under the pool program is lower than the estimated cost of coverage on the open market and there are indications that the rate of increase will be leveling off over the next few years.

VEHICLE LEASE**\$ 0**

No expense for leasing of buses is anticipated during the budget year.

SHELTERS AND SIGNS**\$ 5,500**

This line item budgets routine replacement and repair of CATA's bus shelters and bus stop signs. Both estimated and budgeted amounts reflect projected expenditures for each year.

UNIFORMS**\$ 2,000**

Since March 1, 1999, this line item has only included costs to outfit newly-hired bus drivers; current drivers now receive annual payments (included as wages) for cleaning and replacement of uniform apparel. The FY 2004/2005 estimate and FY 2005/2006 budget project costs only for new hires brought on board to fill any vacancies that may occur.

MISCELLANEOUS**\$ 7,600**

The "Miscellaneous" line item within the Transportation function is used to classify transportation-related items which, under NTD reporting, cannot be included in any other Transportation Expense line item. The FY 2004/2005 estimate and FY 2005/2006 budget reflect projected expenditures for such expenses as NTD-specified supplies, "guaranteed rides home" provided under the RideShare program, and additional items.

Administrative Expenses**ADMINISTRATIVE SALARIES****\$ 450,600****ADMINISTRATIVE BENEFITS****\$ 134,000**

Salaries and benefits for the Authority's administrative staff positions, as detailed in the general information section, are budgeted here in accordance with the Authority's compensation plan.

INTERN WAGES**\$ 0****INTERN BENEFITS****\$ 0**

Although no intern wages or benefits were budgeted for FY 2004/2005, a summer intern (unpaid position) was kept on after her internship to assist with on-site apartment pass distribution, as reflected in the current year estimate. No intern positions are included in the budget for FY 2005/2006.

TEMPORARY HELP**\$ 2,200**

This line item budgets expenditures for the use of temporary agency personnel to conduct specific activities or to fill unanticipated staff vacancies which cannot be covered with current employees. The FY 2004/2005 estimate and FY 2005/2006 budget reflect the use of temporary help to assist downtown office staff with pass sales during the first few weeks of fall semester, allowing other staff to continue with routine tasks during that extremely busy period.

INSURANCE**\$ 38,000**

This line item includes costs for general and property liability, public officials' liability and bonding under SAFTI, the pooled insurance program for small Pennsylvania transit properties formed in FY 1994/1995, associated administrative and audit fees, underground storage tank (UST) coverage through the Commonwealth of Pennsylvania's mandatory program and an estimate for claims payments below policy deductibles. Although the increase budgeted for the current year was much lower than expected, as evidenced by the current year estimate, a 10% increase has been budgeted for FY 2005/2006, again based on estimates from the pool administrator.

PASS SALES AND SUPPLIES**\$ 8,500**

Costs are budgeted for purchase of tokens and supplies associated with the sale of passes (printer ribbons, blank plastic cards, film, pass printing, etc.) The FY 2004/2005 budget (and estimate) include rental of a downtown location to house CATA's pass sales office; the FY 2005/2006 budget is reduced with the elimination of rent once the Authority moves to its new location in the library.

PROFESSIONAL SERVICES**\$ 101,500**

This line item includes costs for legal ads, year-end auditing, legal services, retirement plan administration, arbitration fees, reimbursement to the Centre Region Planning Agency for transit planning time, and contracts for other professional services. The FY 2004/2005 estimate is lower than planned; funds budgeted to update the regional transportation plan (completed at no additional cost), to join the regional technology consortium (postponed to the coming budget year) and to upgrade the ridership program (re-classified as a capital item, as noted above under Revenues) were not expended.

In addition to "routine" expenditures for audits, legal services, CRPA reimbursement, etc., the FY 2005/2006 budget includes expenditures for software license fees for the Authority's Rideshare and Ridership programs, technology support through the municipal IT consortium, and administration of a 125 benefit plan (which allows employee medical co-pays to be paid on a pre-tax basis),

ADVERTISING**\$ 15,250****MARKETING SUPPORT****\$ 13,400**

These line items, taken together, budget expenses for the Authority's comprehensive marketing program. The program was expanded considerably in FY 1998/1999, at the behest of both CATA's Board and local elected officials, to build ridership and increase public awareness of the importance and benefits of public transit. Since that time, the budget has supported a much greater advertising program, including dissemination of service announcements and public information, target marketing, the Authority's Internet homepage, and direct mail campaigns. A second companion line item for marketing support budgets expenses for additional promotional activities, items and marketing materials

Estimated FY 2004/2005 and budgeted FY 2005/2006 expenditures will support ongoing and planned new marketing activities.

PRINTING**\$ 1,500**

This line item includes costs for printing of internal forms (letterhead stationery and envelopes, comment cards, etc.), external reports, bidding documents, the annual budget, etc. The FY 2005/2006 budget for this small, but highly variable, line item is reduced from the current year estimate with the printing of stationary and envelopes now completed.

SCHEDULE PRINTING AND DESIGN**\$ 19,000**

This line item includes costs to design and print Ride Guides as well as individual route and special service brochures for distribution on buses and numerous outlets throughout the Centre Region. The current year estimate is below budget with fewer individual route brochures required. The FY 2005/2006 budget, which assumes continuation of the Authority's agreement with the Centre Daily Times to print and distribute Ride Guides at a significantly reduced cost in exchange for sale of Ride Guide advertisements, is increased slightly over the current year estimate to cover any change in unit costs or required quantities for Ride Guides and schedule brochures.

TELEPHONE**\$ 15,800**

Costs for monthly local and long distance telephone service, a telephone answering service to provide after-hours route and schedule information, computer cable modem lines, Internet access and e-mail accounts, and a maintenance agreement on CATA's phone system are budgeted here. The FY 2005/2006 budget is higher than the current year estimate to cover the addition of a cable modem at the downtown office, replacing the phone line previously used, an annual fee for e-mail scanning services, and possible increases in monthly phone charges and maintenance contract costs.

OFFICE SUPPLIES AND SERVICES**\$ 26,000**

Costs are included for postage, routine purchases of office supplies and maintenance agreements on office equipment. The FY 2005/2006 budget is increased slightly over the current year estimate.

DUES AND SUBSCRIPTIONS**\$ 17,100**

Membership dues are paid to the American Public Transit Association (APTA) and the Pennsylvania Public Transportation Association (PPTA). Both professional organizations are instrumental in furthering transit legislation and providing technical assistance, data resources and opportunities for professional development for staff. Dues are also paid to the Chamber of Business and Industry of Centre County. Subscriptions to trade journals, professional development publications, the CDT and the Collegian, as well as the purchase of miscellaneous monographs and instructional materials, are also included. Both the estimate and budget reflect a \$2,500 fee for federally-mandated participation in Pennsylvania's Unified Certification Program, which establishes a central database for minority business certification.

TRAVEL AND MEETINGS**\$ 13,000**

APTA, PPTA, PENNDOT and the Federal Transit Administration (FTA) all sponsor regional training sessions, annual conferences and workshops crucial to staff development and training. The FY 2004/2005 estimate and FY 2005/2006 budget reflect projected costs for these activities, including expenditures associated with the General Manager's participation as chair of APTA's Small Operations Steering Committee, which is heavily involved in securing funding for small systems such as CATA.

INTEREST**\$ 500**

In prior years, the Authority has used short-term transfers of funds from its accumulated PTAF capital balance (described above under the "Act 26 for Asset Maintenance" line item information in the "Operating Assistance Grants" section of the budget) to advance funds during periods when cash is low. That balance has been reduced considerably with expenditures for the now-completed office expansion project, although it may not be necessary to access the line of credit, a small amount is budgeted in the event that borrowing is required.

MISCELLANEOUS**\$ 8,500**

This line item is used for extraordinary, unanticipated and/or other expenses that cannot be properly charged to any other line item. Monthly bank service and credit card fees, costs for employee recognition activities, items associated with continuing development of a regional ridesharing program (offset by Penn State's rideshare support revenue) and other items of a miscellaneous nature are included. The FY 2005/2006 budget is equal to the current year budget; the FY 2004/2005 estimate is higher than planned due to one-time expenditures for security personnel following several incidents at the Cato Park facility early in the current fiscal year.

PARATRANSIT**\$ 18,800**

The budget includes costs for staff time, printing of CENTRE RIDE information brochures and coupons, marketing, postage, and other items for administration and contract management of CATA's CENTRE RIDE program. The FY 2005/2006 budget reflects higher wage and fringe benefit costs over time, as well as estimated increases for other items.

SECTION VII

FY 2005/2006 CAPITAL BUDGET

Introduction

Listed below are those capital projects for which FY 2005/2006 capital funds are programmed, and for which local share is requested. (Please note that local shares for a number of other projects which are carried forward from the prior year have already been received.) Also shown is the allocation of local shares for capital, based on the percentages calculated for each municipality and Penn State by the modified Miller Formula, as shown earlier in the Budget Summary and Local Shares section of this DRAFT Budget.

Local Share Request

Project	Total	Federal	State	Local
<u>Vehicles</u>				
Paratransit Van	\$70,000	\$56,000	\$11,667	\$2,333
<u>Facilities</u>				
(None this year)				
<u>Technology</u>				
Fiber Optic Cable	\$150,000	\$0	\$145,000	\$5,000
<u>Equipment</u>				
Office, Shop and Maintenance Equipment	\$100,000	\$0	\$96,667	\$3,333
Transfer to Capital Reserve Acct.				\$49,333
Total Capital Expenditures	\$320,000	\$56,000	\$253,333	\$60,000
Local Capital Contributions				
State College Borough				\$11,976
Ferguson Township				\$10,233
Patton Township				\$8,471
College Township				\$8,612
Harris Township				\$3,427
Bellefonte Borough				\$2,020
Spring Township				\$2,246
Penn State University				\$13,015
Total Local Shares for Capital				\$60,000

Capital Budget Narrative

Over the past several years CATA has made great strides in updating its fleet and facilities. However, in addition to those procurements that have already been accomplished, there are a number of active projects that are being carried forward from the current year. The following paragraphs describe those projects, both carried forward and new, that are expected to see some level of activity over the coming year.

Vehicles

CNG Articulated Buses (\$1,800,000 - Federal "Earmark"). Now that we have replaced all of our minibuses, we expect to begin the procurement of three 65-foot CNG-powered articulated buses. We have already received a Congressional "earmark" for these buses, which will complete the fleet renewal program that we began in 1994.

Service Vehicles (Sedans) (\$30,000 - FHWA "Flex" Funds). We currently own nine sedans that are employed as staff vehicles and to ferry Bus Drivers around town at shift-change times and for meal breaks. Over the last several years we have replaced four of the oldest units; in the coming year we anticipate replacing three more with low-mileage used sedans.

Paratransit Van (\$70,000 – FTA Section 5310).* CATA owns four diesel paratransit vans that we provide to Handy Delivery for use in the Centre Ride program. One of these vans, which have a life expectancy of five years, was purchased in 1999 and is past due for replacement. We have already submitted an FTA Section 5310 grant application for this replacement vehicle.

Facilities

Cato Park Facility Security System (\$70,000 – FHWA "Flex" Funds). When the administrative portion of CATA's operating base was expanded in FY 2002/2003, the plan was to include an intrusion detection system. That had not yet been done when, in August 2004, an arsonist set fire to the building. As a result, we are now investing in a very robust security system whose installation will be completed early in FY 2005/2006.

Schlow Library Transit Center (\$1,000,000 - Federal "Earmark"). Over the past two years we have been working with Schlow Library's Board, staff and consultants to create a transit facility at the Beaver Avenue end of the new library. By fall the project – which includes a pass sales office, passenger waiting area, Bus Driver lunchroom, public restrooms and improved bus stop amenities – should be complete.

CNG Compressor Upgrade/Replacement (\$1,000,000 - Federal "Earmark"). CATA's CNG compressors have been in daily use for nearly ten years, and they are very quickly reaching the end of their useful life. CATA has received a Congressional "earmark" to design and install replacement compressors; work is set to begin within the next three months.

Cato Park Facilities Upgrades (\$30,000 - FHWA "Flex" Funds). Now that CATA's Cato Park facility is almost 15 years old, we are spending more and more to replace equipment that has worn out and make modifications to accommodate current operations. We are also still completing certain aspects of the expansion of the operations and administration areas of the building.

Technology

Transit Signal Priority System (\$250,000 - PENNDOT R&D). Over the past three years we have been working with PENNDOT and the three affected municipalities to develop a Transit Signal Priority project in the North Atherton Street corridor. After nearly a year's delay due to personnel changes in Harrisburg, it now looks like funding will be forthcoming, which will allow us to install the hardware in FY 2005/2006.

Advanced Public Transportation Systems (\$750,000 - Federal "Earmark"). We have received a Congressional "earmark" to allow us to begin investing in such emerging technologies as automatic vehicle location, automatic passenger counters, real-time bus systems monitoring, etc. Now that we have retained Avail Technologies to help us develop a deployment plan, we will proceed with equipment acquisition.

Fiber Optic Cable (\$150,000 – State Act 26).* In discussions with the director of the Centre Region IT Coalition, we have learned of municipal interest in extending the existing fiber optic network from downtown State College to Cato Park. Since it's easier for CATA to access capital funds, we are hoping to engineer an arrangement where we would pre-pay our coalition dues by providing the fiber-optic cable.

Equipment

Office, Shop and Maintenance Equipment (\$100,000 – State Act 26).* This year, and each succeeding year, we'll spend a modest amount to replace the used furniture we bought from the Borough in 2003 to outfit our expanded building. We'll also do normal replacement of PC's and other office system components, as well as our usual complement of equipment for the Shop.

Shelters and Other Bus Stop Improvements (\$100,000 - State Act 26). Each year we budget funds for bus stop enhancements. For the past several years we have concentrated most of our resources on bus shelters at the new pull-outs on the Penn State campus. This year we have programmed funds for both community facilities and a campaign to replace and upgrade all of our bus stop signs, system-wide.

Major Bus Parts (\$100,000 – State Act 26). As CATA's fleet ages, we are having to undertake increasingly expensive repairs to the buses. Under state regulations, bus parts costing in excess of \$300 can be considered capital items, so we are using State Act 26 capital funds to support these expenditures wherever possible. In addition, we are planning to use Act 26 capital funds for the parts that will be used in the major overhaul of one of our CNG compressors, scheduled for this coming summer.

* Local share for these items is being requested in the current year.

SECTION VIII

LONG TERM OUTLOOK

CATA Strategic Plan

The essence of public transportation lies in the ability to effectively plan for the future while providing necessary services in the present. Strategic planning provides a vision and platform for this achievement. Over the last three years CATA has worked closely with the Centre County Metropolitan Planning Organization (CCMPO) to update the County's Long Range Transportation Plan (LRTP). Part of this update is the creation of a Public Transportation Element and a new CATA Strategic Plan. This new Plan succeeds the Centre Area Public Transportation Plan which was adopted in 1998, and whose elements have largely been accomplished.

While the creation of the LRTP is still ongoing, in January 2005 the CATA Board of Directors formally adopted this new Strategic Plan. The Plan is an ambitious program that is intended to provide direction for CATA over the next five to ten years. The plan encompasses seventeen functional areas with recommendations for growth and sustainability. Each area is described briefly below:

Network Structure

At the core of public transportation is the fixed route network. CATA currently operates a radial network that focuses on downtown State College and the Penn State campus. CATA's network consists of 14 routes that operate year around throughout the community, three routes that operate only during the Fall and Spring Semesters at Penn State and four campus circulator routes that provide service within the core of campus and downtown business area. The strategic vision is to remain consistent with the operation of all routes focusing on downtown State College and Penn State, with the opportunity to create transfer points at key locations elsewhere in the community, such the Colonnade and Nittany Mall.

Service Levels

In public transportation, convenience to the rider is directly related to the frequency of the service. The Strategic Plan groups all CATA routes into several categories based on service frequency. The strategic vision is to allocate the necessary resources to provide the desired level of service for each route within the appropriate category. Routes designated as *Core - High Use Corridors* should provide service between 15 and 30-minute frequencies for the majority of the day, while areas referred to as *Core - Other Areas* should provide service at 30 - 60 minute frequencies. Finally, areas referred to as *Neighborhood* or *Fringe Corridors* should provide service with two AM, one mid-day and two PM trips.

Service Coverage

The Centre Region is a growing community where commercial and residential developments are being sited further and further away from the traditional downtown. As the community grows, so must CATA in order to achieve its mission. Service Coverage addresses the need to expand service to the periphery of the community. The strategic vision is to extend Centre Line service to the Gray's Woods community, University Park Airport and the Milesburg area. CATA must also address the need for transit service to connect other areas of Centre County, especially Penns Valley and the Moshannon Valley.

Campus/CBD Bus Routing

CATA maintains an effective working relationship with Penn State for the operation of transit service on campus. CATA and the University have worked together over the years to create transit accommodations throughout campus, which include bus pull-offs and shelters. These amenities are necessary to ensure safe and convenient transit service for all passengers. The strategic vision is to continue to support transit investments on campus and to educate Penn State officials concerning the importance of appropriate accommodations. Also, CATA must continue to advocate for a bus route structure on campus that will ensure a one-seat trip for as many passengers as possible.

Regional Commuter Bus

When resources permit new or expanded transit service, consideration must be given to the need for some level of service to corridors traditionally outside of the CATA service area. The strategic vision is to evaluate the population trends and travel patterns of commuters from the Centre Hall / Millheim area (Penns Valley) and the Philipsburg area (Moshannon Valley) as candidates for such service. If regional commuter bus service were to be provided, a likely service level would include two AM, one midday and two PM trips to correspond with the conventional work day.

Demand Responsive Service

Demand response service, or paratransit, is a form of public transportation commonly associated with seniors and persons with disabilities, but it can also work in conjunction with regular fixed route bus service. Its use as a “feeder” allows a reservation-based service to pick up individuals and transport them to a fixed route bus stop to complete their trip. The advantages include allowing for service to be provided on an as-needed basis and to save resources associated with a permanent extension of fixed route transit. The strategic vision is to assess the feasibility of such a program in the Bellefonte area and potentially within and around Philipsburg.

Regional Mobility Management

Public transportation can take many forms. Fixed route service, demand responsive feeder service and carpool matching service can all be considered public transportation. As the community grows and CATA’s “family of services” expands, there is a strategic need to create a mobility management plan to provide oversight for all levels of public transportation. The strategic vision is to develop a plan for park and ride lots and commuter services throughout the region, and coordinate ridesharing efforts with Penn State to include a general public vanpool program.

ADA Paratransit

This strategic issue focuses on the federally mandated program of complementary paratransit service for individuals who live within the CATA fixed route service area but are unable to use the service due to cognitive or mobility impairments. The strategic vision is for CATA to work on innovative policies and procedures to encourage those who are eligible for paratransit under the Americans with Disabilities Act (ADA) to begin using the fixed route service. This can be accomplished many ways – by travel training, fare incentives and better coordination of fixed route services.

Research Initiatives

CATA is fortunate to serve a major university, and have access to the unique research and development programs of the Pennsylvania Transportation Institute (PTI) and the Altoona Bus Testing Facility. These organizations provide the opportunity for coordinated research projects and demonstrations of innovative forms of public transportation. Currently CATA is in the process of developing a Hydrogen Bus initiative with Penn State. The strategic vision is to identify topics for research and development, such as the fuel cell and CNG-powered hybrids, and to pursue cooperative projects.

Transit Infrastructure

An essential element of public transportation is the maintenance of capital assets. CATA relies on a fleet of over 50 vehicles, a major operating and administrative base, a sophisticated CNG fueling station and a passenger facility in downtown State College, all of which must be maintained and periodically replaced, renewed or upgraded. The strategic vision for CATA's infrastructure is to maintain a capital improvement program and continue to work with the CCMPO to administer funds via the Transportation Improvement Program (TIP).

Intelligent Transportation Systems

The use of technology can provide for increased efficiency of service and enhanced allocation of resources for public transportation. Technology can take many forms - from vehicle location systems to traffic signal coordination to on-board vehicle surveillance. The strategic vision is for CATA to implement a "Smart Bus" program to include automatic vehicle location technology, and to continue lobbying state and federal lawmakers for additional funds to make CATA's program a showcase for the deployment of the latest in Advanced Public Transportation Systems (APTS) technology.

Fare Structure

It is important that public transportation be supported by passenger fares, or by entities who contribute so that their constituents can ride without having to pay each time they board. CATA has historically created and maintained innovative funding agreements with businesses and other organizations within the Centre Region. The strategic vision is to continue and enhance this innovative approach by negotiating with Penn State for a "U-Pass" program for all students, faculty and staff. In addition, CATA should consider the institution of one-day or multiple-day passes.

Public Transportation Organization

There are two independent organizations in Centre County that provide public transportation services: CATA and the Centre County Office of Transportation (CCOT). With two separate providers, the potential arises for various levels of coordination to minimize duplication of service. The strategic vision is for CATA to engage the County in discussions concerning the consolidation of various aspects of operation. To start, coordinated scheduling or marketing campaigns should be studied to determine how both agencies can work better together.

Management Performance Review

As required under the Commonwealth of Pennsylvania's Act of 3 of 1997, CATA is required to undertake a Management Performance Review (MPR) every seven years. The MPR conducted in 2003 identified a number of deficiencies, most of which were directly related to inadequate staffing

levels. Although CATA has already addressed some of these needs, nonetheless there are several additional positions that CATA should consider, including an Assistant General Manager and Manager of Technology. The strategic vision is to prioritize the staffing recommendations of the MPR and develop a plan for implementing the remaining outstanding issues.

Succession Planning

The future success of the public transportation industry in general, and of CATA in particular, lies in the ability of each agency to develop its personnel so that they can effectively lead their respective organizations into the future. The strategic vision is to identify individuals with leadership potential and foster their growth so they can assume larger roles in the management of CATA. The degree to which these activities can be pursued will be dependent on the availability of funding.

Funding

The recommendations of this Strategic Plan represent an ambitious program for the delivery of public transportation services both now and in the future. CATA must progressively work with member municipalities and both state and federal lawmakers regarding the need for continued and increased investment in transit. As funding becomes available, the strategic vision is for CATA to improve service levels and service extensions to the growing community and internally have the staff and other resources to maintain a progressive public transportation organization.

Operating Budget - Five-Year Projections

Operating Revenue, Expense and Deficit

Annually, as part of preparing the Budget, CATA updates its long-term financial projections. Since so much is unknown about the future of state and federal transit assistance funding, we have not attempted to provide multiple scenarios as we have sometimes done in the past.

This five-year projection maintains all current programs and staffing, and assumes that current transit service levels will be continued throughout the entire period. For a community like the Centre Region, which continues to grow, and a transit system like CATA, which has seen service and staffing cutbacks totaling 20%, this is definitely not a pretty picture. However, given the uncertainties of future funding increases, at this time we really have no basis upon which to project any increases in service.

Our projections are based on several assumptions:

- Operating expenses will grow by 5.0% each year.
- Operating revenue is expected to grow by 3.0% each year.
- Federal funding is programmed at current levels, which is generally consistent with historical trends.
- Historic state funding is projected to continue at the same dollar amount as FY 2005/2006.
- New state funding is projected at the amount needed to fund CATA's projected deficits (and maintain a reserve of 3% of our Operating Budget) for the next two fiscal years. After that it is expected to grow by 5% annually.
- Local share funding is programmed to grow at 5.0% annually.

The following table shows that even with these fairly optimistic assumptions CATA does not have sufficient funding going forward to maintain current service levels indefinitely. In fact, the only way we will be able to stave off major service cuts and/or fare increases in the out-years would be if Governor Rendell's plan to keep the state's transit systems afloat by covering our annual operating deficits were to be made permanent. Otherwise, we will deplete our federal operating assistance "carry-forward" in FY 2008/2009.

Fortunately, there is hope. The federal Transportation Reauthorization process continues to grind along, and it is becoming increasingly likely that a successor to TEA-21, the current federal funding legislation, will be enacted yet this spring. If such a bill is passed, in all likelihood it will provide more, not less, transit assistance to small communities with well-developed transit systems, like the Centre Region. Second, on the state level, the broad recognition that Pennsylvania's transit systems, large and small, need additional funding suggests that the legislature will eventually act. However, the current tensions in Harrisburg – between the big cities and the more rural areas, the Democrats and the Republicans, and the General Assembly and the Administration – may mean that a permanent solution is some time off.

PROJECTION OF OPERATING REVENUE, EXPENSE AND DEFICIT

	2003/2004 actual	2004/2005 estimated	2005/2006 budgeted	2006/2007 projected	2007/2008 projected	2008/2009 projected	2009/2010 projected
Total Operating Revenue	\$3,580,267	\$3,678,100	\$3,784,910	\$3,898,457	\$4,015,411	\$4,135,873	\$4,259,950
Total Operating Expense	\$6,661,011	\$7,207,337	\$7,637,300	\$8,019,165	\$8,420,123	\$8,841,129	\$9,283,186
Operating Deficit	(\$3,080,744)	\$1,070,212,587	\$1,069,889,434	\$6,616,711	(\$4,404,712)	(\$4,705,256)	(\$5,023,236)
Required Operating Assistance	\$3,080,744	\$3,529,237	\$3,852,390	\$4,120,708	\$4,404,712	\$4,705,256	\$5,023,236
Federal Funding:							
Annual Apportionment	\$1,014,816	\$1,063,495	\$1,063,495	\$1,063,495	\$1,063,495	\$1,063,495	\$1,063,495
Carryover From Prior Year	\$480,772	\$485,858	\$197,645	\$231,000	\$240,560	\$30,712	\$0
Transfer To/From Capital Program	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Federal Funding Available	\$1,495,588	\$1,549,353	\$1,261,140	\$1,294,495	\$1,304,055	\$1,094,207	\$1,063,495
Federal Funding (Justified)	\$1,009,730	\$1,351,708	\$1,030,140	\$1,053,935	\$1,273,342	\$1,094,207	\$1,063,495
State Funding:							
Operating Assistance	\$867,773	\$967,043	\$922,716	\$922,716	\$922,716	\$922,716	\$922,716
PTAF Asset Maintenance	\$320,116	\$310,837	\$310,837	\$310,837	\$310,837	\$310,837	\$310,837
Act 3	\$543,895	\$541,186	\$541,270	\$541,270	\$541,270	\$541,270	\$541,270
New State Funding	\$0	\$0	\$671,041	\$896,744	\$941,581	\$988,660	\$1,038,093
Subtotal	\$1,731,784	\$1,819,066	\$2,445,864	\$2,671,567	\$2,716,404	\$2,763,483	\$2,812,916
Local	\$339,230	\$358,463	\$376,386	\$395,205	\$414,966	\$435,714	\$457,500
TOTAL FEDERAL, STATE, LOCAL	\$3,080,744	\$3,529,237	\$3,852,390	\$4,120,708	\$4,404,712	\$4,293,404	\$4,333,911
Additional Operating Assistance Requirement	\$0	\$0	\$0	\$0	\$0	\$411,852	\$689,326
Federal Operating Assistance Carried Forward	\$485,858	\$197,645	\$231,000	\$240,560	\$30,712	\$0	\$0

Notes:

1. Assumes no increase in federal apportionment above FY 2005/2006 budgeted amount of \$1,063,495
2. Assumes no increase in state operating assistance, PTAF and Act 3 funding above FY 2005/2006 budgeted amounts
3. Assumes FY 2005/2006 revenues and expenditures per DRAFT Budget
4. Assumes new state funding at amount needed to balance the budget in FY 2005/2006 and FY 2006/2007; 5.0% increase each year thereafter
5. Future years' revenue at 3.0 % increase per year
6. Future years' expenditures at 5.0% increase per year
7. Future local share at 5% increase per year

Capital Improvement Program

Again this year, the DRAFT Budget includes a Capital Improvement Program (CIP), CATA's five-year projection of future capital investments. The CIP identifies all major capital activities, including both those that will be funded through dedicated state and federal funds, and therefore have a high probability of accomplishment, and those which are subject to discretionary funding, and therefore may or may not be implemented.

The CIP is presented on the table on the following page. Those projects for which local share funding has already been received, or will not be required, are shown in **bold** type. Those projects for which local share funding is requested in FY 2005/2006 are shown in **bold underlined**. Projects that will be implemented only upon the receipt of discretionary funding are shown in *italics*.

The projects shown for the first year of CIP are described in the Capital Budget portion of the Budget Detail section of this document.

Capital Reserve Account

Capital Revenues and Expenditures

The page following the Capital Improvement Program details CATA's five-year projections of capital revenues and expenditures associated with the CIP. Included are all of the projects shown on the CIP, whether they are expected to be supported by State Act 26 capital funds, or whether they will be funded by a Congressional earmark or other discretionary source.

A portion of the Authority's annual state Act 26 Public Transportation Assistance Fund (PTAF) formula funding is restricted to capital projects. Because most of CATA's past capital needs have been met through formula and earmarked federal grants, over the years we have accrued funds in our PTAF capital account. At the beginning of FY 2005/2006 the PTAF account will total approximately \$600,000, of which \$250,000 has already been committed to selected capital projects.

CAPITAL IMPROVEMENT PROGRAM

	2005/2006	2006/2007	2007/2008	2008/2009	2009/2010
<u>Vehicles</u>					
CNG-powered Articulated Buses (3)	\$1,800,000				
Service Vehicles - Sedans (3)	\$30,000				
Paratransit Van (1+2)	<u>\$70,000</u>			<i>\$160,000</i>	
Vanpool Vans (4)		<i>\$100,000</i>			
CNG-powered Transit Buses (8+8)				<i>\$3,200,000</i>	<i>\$3,200,000</i>
<u>Facilities</u>					
Cato Park Facility Security System	\$70,000				
Schlow Library Transit Center	\$1,000,000				
CNG Compressor Replacement	\$1,000,000				
Cato Park Facility Upgrades	\$30,000				
Curtin Rd. Transit Center - A/E		<i>\$300,000</i>			
Curtin Rd. Transit Center - Const.			<i>\$2,200,000</i>		
Intermodal Transportation Ctr. - A/E				<i>\$300,000</i>	
Intermodal Transportation Ctr. - Const.					<i>\$2,200,000</i>
Bus Storage Expansion - A/E only					<i>\$150,000</i>
<u>Technology</u>					
Transit Signal Priority System	<i>\$250,000</i>				
Advanced Public Transp. Systems - #1	\$750,000				
Advanced Public Transp. Systems - #2			<i>\$750,000</i>		
Fiber Optic Cable	<u>\$150,000</u>				
<u>Equipment</u>					
Office, Shop and Maint. Equipment	<u>\$100,000</u>		<i>\$50,000</i>		<i>\$50,000</i>
Shelters and Other Stop Improvements	\$100,000	<i>\$35,000</i>	<i>\$35,000</i>	<i>\$35,000</i>	<i>\$35,000</i>
Major Bus Parts	\$100,000	<i>\$100,000</i>		<i>\$100,000</i>	
<u>Park and Ride Lots</u>		<i>\$500,000</i>		<i>\$500,000</i>	
<u>Total - All Projects</u>	<i>\$5,310,000</i>	<i>\$1,035,000</i>	<i>\$3,035,000</i>	<i>\$4,295,000</i>	<i>\$5,635,000</i>
<u>Basis for Local Share Request</u>	<i>\$320,000</i>	<i>\$735,000</i>	<i>\$835,000</i>		

Notes: Local share is already in place or not required for projects where funding is shown in **bold**.
Local share (3⅓%) is requested in FY 2005/2006 for projects shown in **bold underlined**.
Projects where funding is shown in *italics* will be undertaken only upon receipt of discretionary funds.

PROJECTION OF CAPITAL REVENUES AND EXPENSES

All projects listed on Capital Improvement Program, including earmarks or special funding for those projects where applicable, are shown

	2005/2006 budgeted	2006/2007 projected	2007/2008 projected	2008/2009 projected	2009/2010 projected
Total Capital Funding Available (excluding local share)	\$5,439,334	\$1,000,500	\$2,933,834	\$4,151,834	\$5,447,167
Federal Formula Capital Grants	\$0	\$0	\$0	\$0	\$0
Federal Flex Funding (via PENNDOT program)	\$0	\$0	\$0	\$0	\$0
Approved Federal Bus and Bus Facility Earmarks	\$0	\$0	\$0	\$0	\$0
Prospective Federal Bus and Bus Facility Earmarks	\$0	\$720,000	\$1,760,000	\$3,200,000	\$4,440,000
Federal Elderly and Handicapped Grants	\$56,000	\$0	\$0	\$128,000	\$0
Federal ITS Special Funding	\$0	\$0	\$600,000	\$0	\$0
State Bond Funds to match Federal Grants	\$11,667	\$150,000	\$491,667	\$693,333	\$925,000
State PTAF Capital Grants	\$241,668	\$130,500	\$82,167	\$130,500	\$82,167
State Bond Capital Grants	\$0	\$0	\$0	\$0	\$0
State Demonstration Grants	\$250,000	\$0	\$0	\$0	\$0
Carryover Projects From Prior Year	\$4,880,000	\$0	\$0	\$0	\$0
Total Capital Project Expense (From Capital Improvement Program)	\$5,310,000	\$1,035,000	\$3,035,000	\$4,295,000	\$5,635,000
Local Share Required	\$10,667	\$24,500	\$27,833	\$143,167	\$187,833
Contribution To/From Capital Reserve Account	49333	35500	\$32,167	(\$83,167)	(\$46,866)
Local Share Requested	<u>\$60,000</u>	<u>\$60,000</u>	<u>\$60,000</u>	<u>\$60,000</u>	<u>\$140,967</u> *
Capital Reserve Account: Previous Balance	\$13,033	\$62,366	\$97,866	\$130,033	\$46,866
Capital Reserve Account: Current Year	\$49,333	\$35,500	\$32,167	(\$83,167)	(\$46,866) *
Capital Reserve Account: Ending Balance	\$62,366	\$97,866	\$130,033	\$46,866	\$0 *

* In FY 2009/2010, additional local share beyond the amount required to maintain an annual contribution of \$60,000 will be needed.

Future Local Share Requests

The uncertainty of federal earmarks and other special funding makes establishing a capital reserve account somewhat challenging. However, for the purpose of planning ahead, we have projected a “best case” scenario, which assumes that CATA will receive all of the earmarks and other special funding shown in the Capital Improvement Program. The results are shown below:

CAPITAL RESERVE ACCOUNT - FIVE-YEAR PROJECTIONS

YEAR	CAPITAL BUDGET	LOCAL SHARE REQUIRED	LOCAL SHARE REQUESTED	DIFFERENCE	ENDING BALANCE
2004/2005					\$13,033
2005/2006	\$320,000	\$10,667	\$60,000	\$49,333	\$62,366
2006/2007	\$735,000	\$24,500	\$60,000	\$35,500	\$97,866
2007/2008	\$835,000	\$27,833	\$60,000	\$32,167	\$130,033
2008/2009	\$4,295,000	\$143,167	\$60,000	(\$83,167)	\$46,866
2009/2010	\$5,635,000	\$187,833	\$60,000	(\$127,833)	(\$80,967)

Please note that if CATA were to receive all of the earmarks and other special funding that the CIP anticipates, in FY 2009/2010, when CATA expects to be making a major investment in the replacement of the CNG-powered buses purchased new in 1996, the local funding partners would need to make a local share contribution to capital of \$187,833, well in excess of the customary \$60,000. However, the chances of CATA receiving funding for all of the projects listed in the CIP is very remote, so four years from now it is unlikely that a contribution that large will be needed.