

County of Lackawanna Transit System Financial Capacity Analysis Report

Background

The Federal transit Administration (FTA) through Section 5307(d)(1)(A) of Title 49, Chapter 53 requires a grantee receiving FTA assistance under the Urban Formula Program to certify that it has or will have legal, financial and technical capacity to carry out the Program of Projects submitted in the annual transportation Improvement Plan (TIP). In addition, Section 5309(e)(1)(C) requires that grantees receiving capital funding also demonstrate that the project has an acceptable degree of stable and dependable non-federal funding committed to it. FTA Circular C 7800.1A dated January 30,2002 provides the proper guidance for providing a Financial Capacity Analysis.

Requirement

FTA Circular C7800.1A identifies two aspects of financial capacity that must be address. The first is the general financial condition of the County of Lackawanna Transit System (COLTS) and the non-federal funding entities to include State and local funding sources. The second aspect that must be addressed is the capability of COLTS and its funding sources to meet future financial commitments for operating and capital projects as outlined in the TIP. The level of detail required is proportionate to the size of the system and the projects included in the TIP. As CLTS' program requirements are relatively modest an extensive analysis is not appropriate or necessary to verify COLTS' capability to operate current levels of service and implement planned capital projects.

FY 2013-2016 Transit Transportation Improvement Plan

The Luzerne-Lackawanna Metropolitan Planning Organization has included the 2013-2016 TIP for transit related projects as shown in Table 1. This plan includes two operating assistance projects for each of the four fiscal years from 2013-2016. Fiscal Year 2013 also includes the Job Access Reverse Commute project. The plan also includes three capital projects for FY 2013, two for FY 2014, three for FY 2015, and three for FY 2016. All projects for all four years total \$7,873,212. Federal funds equal \$6,150,529. The Commonwealth of Pennsylvania will contribute \$1,391,918 and \$330,765 will be contributed by the County of Lackawanna.

The federal funds required to implement this TIP are available through COLTS' formula apportionment. The non-federal share of the funding will be provided through State transit dedicated Act 44 and Section 1517 funds and from the general fund of Lackawanna County.

Financial Condition of COLTS

COLTS is the only fixed route public transit system in Lackawanna County. The County's funding has and is anticipated to be sufficient as matching funds for both operating and capital projects on the TIP.

Table 2 summarizes key financial data for the four fiscal years covered in this analysis. Operating expenses have increased due to contractual increases with represented employees, fuel and lubricant costs, and health care costs. Operating revenue is expected to modestly increase for the same period. COLTS has been able to balance its budget and maintain service levels and capital programs through federal and non-federal funding sources. COLTS has the financial capacity to undertake the programs identified in the TIP.

Table 1 – 2013-2016 Transportation Improvement Plan – Transit Element

PROJECT NAME	DESCRIPTION	FUNDING TYPE		TIP COST (\$)			TOTAL
		FEDERAL	STATE	FEDERAL	STATE	LOCAL	
Paratransit vans	purchase 4 paratransit vans for shared-ride service	§ 5307 FY 10	§ 1517 FY 08	230,400	48,009	9,591	288,000
Preventive Maintenance	Associated maintenance costs of rev/non-rev vehicles	§ 5307 FY 11	Act 44	450,000	75,015	37,485	562,500
Tire Lease	Lease tires for revenue vehicles	§ 5307 FY 11	Act 44	60,000	10,002	4,998	75,000
Technology Upgrade	Purchase software and hardware upgrades for phones and IT products	§ 5307 FY 10	§ 1517 FY 08	34,995	7,292	1,457	43,744
JARC programs	Continue Job Access Reverse Commute Program	§ 5316 FY 11	State JARC funds Act 3	246,734	246,734	-	493,468
Intermodal Transportation Center	Construction of Intermodal Transportation Center	§ 5307	Act 3	5,500,414	1,146,149	228,955	6,875,518
		§ 5309	Act 3	1,412,500	294,329	58,796	1,765,625
TOTAL 2013 FUNDING				1,022,129	387,052	53,531	1,462,712
Preventive Maintenance	Associated maintenance costs of rev/non-rev vehicles	§ 5307 FY 11	Act 44	450,000	75,015	37,485	562,500
Tire Lease	Lease tires for revenue vehicles	§ 5307 FY 11	Act 44	60,000	10,002	4,998	75,000
Paratransit vans	purchase 3 paratransit vans for shared-ride service	§ 5307 FY 11	§ 1517 FY 08	172,800	36,007	7,193	216,000
Bus replacement	Replace 2 Gillig diesel buses with diesel-electric hybrids	§ 5307	§ 1517	1,008,000	210,042	41,958	1,260,000
TOTAL 2014 FUNDING				1,690,800	331,066	91,634	2,113,500
Preventive Maintenance	Associated maintenance costs of rev/non-rev vehicles	§ 5307	Act 44	450,000	75,015	37,485	562,500
Tire Lease	Lease tires for revenue vehicles	§ 5307	Act 44	60,000	10,002	4,998	75,000
Paratransit vans	purchase 3 paratransit vans for shared-ride service	§ 5307	§ 1517	172,800	36,007	7,193	216,000
Bus replacement	Replace 2 Gillig diesel buses with diesel-electric hybrids	§ 5307	§ 1517	1,008,000	210,042	41,958	1,260,000
Shop Equipment	Purchase and upgrade shop equipment	§ 5307	§ 1517	28,000	5,834	1,166	35,000
TOTAL 2015 FUNDING				1,718,800	336,900	92,800	2,148,500

Table 1 (Continued)

Preventive Maintenance	Associated maintenance costs of rev/non-rev vehicles	§ 5307	Act 44	450,000	75,015	37,485	562,500
Tire Lease	Lease tires for revenue vehicles	§ 5307	Act 44	60,000	10,002	4,998	75,000
Paratransit vans	purchase 3 paratransit vans for shared-ride service	§ 5307	§ 1517	172,800	36,007	7,193	216,000
Bus replacement	Replace 2 Gillig diesel buses with diesel-electric hybrids	§ 5307	§ 1517	1,008,000	210,042	41,958	1,260,000
Technology Upgrade	Purchase software and hardware upgrades for phones and IT products	§ 5307	§ 1517	28,000	5,834	1,166	35,000
TOTAL 2016 FUNDING				1,718,800	336,900	92,800	2,148,500

Table 2 – Summary of Operating Revenue, Expenses, and Sources of Funds

	FY 2013	FY 2014	FY 2015	FY 2016
Operating Revenue				
Fares	819,491	844,076	869,398	895,480
Passes	374,226	385,453	397,016	408,927
Advertising	53,000	54,590	56,228	57,915
Colleges	83,000	85,490	88,055	90,696
Other	12,000	12,360	12,731	13,113
Total Operating Revenue	1,341,717	1,381,969	1,423,428	1,466,130
Sources of Funding (Subsidies)				
State	6,336,434	6,336,434	6,336,434	6,336,434
County	539,463	691,112	826,795	943,441
JARC	120,000	120,000	120,000	120,000
Federal (Operating)	358,600	280,000	276,000	343,363
Total Subsidies	7,354,497	7,427,546	7,559,229	7,743,238
Total Operating Revenue and Subsidies	8,696,214	8,809,515	8,982,657	9,209,368
Operating Expenses				
Wages	4,053,000	4,003,213	4,047,728	4,035,608
Fringes	414,539	386,790	389,566	395,717
Medical Insurance	973,075	1,070,383	1,123,902	1,180,097
Fuel	960,000	1,100,000	1,122,000	1,144,440
Materials	453,000	417,767	398,214	404,279
Subcontractor Expense	494,000	503,880	513,958	524,237
Professional	200,000	152,000	155,040	158,141
Insurance	489,000	498,780	508,756	518,931
Other	659,600	325,120	331,622	338,255

Total Operating Expenses	<u>8,696,214</u>	<u>8,457,932</u>	<u>8,590,785</u>	<u>8,699,704</u>
Surplus/(Deficit)	<u>-</u>	<u>351,582</u>	<u>391,871</u>	<u>509,665</u>