

**CAMBRIA COUNTY METROPOLITAN PLANNING ORGANIZATION
(CCMPO)**

**TRANSIT FINANCIAL CAPACITY REPORT PREPARED FOR THE
CAMBRIA COUNTY TRANSIT AUTHORITY (CAMTRAN)**

FFY 2019-2028

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CamTran Transit Financial Capacity Executive Summary

CamTran's past financial and operational history has shown that it is capable of developing and implementing programs for the continuation of public transit service within the City of Johnstown and Cambria County. This capability includes CamTran's identification of future operating revenues and expenses and the anticipation of operating deficits.

This report is based upon financial and ridership data compiled by CamTran for FY 2019 through FY 2028. The financial statistics reflect CamTran's ability to balance operating revenues and expenses with the inclusion of federal, state, and local government funding sources.

CamTran developed the FY 2025 through 2028 Transit Improvement Program (TIP) utilizing past financial and operating data. It is noted that future public transit services and capital improvements within Cambria County will continue to depend on dedicated funding sources at the local, state, and federal levels. Public funds will be supplemented by operating revenues from passenger fares, advertising, and other internal sources.

CamTran's past records of transit operations within both the urban and rural divisions reflect the financial experience and ability to maintain the transit system at its current level of service and beyond. Over the past five-year period, CamTran instituted numerous improvements that are expected to enhance and extend these capabilities. Other general observations include:

- Beginning in January 2016, CamTran approved a \$.05 increase in passenger fares. Fares increased \$.05 each January through 2020 when fares reached a \$1.75 base fare.
- Ridership decreased by 281,060 or 30% from 2020 to 2021, due to effects of the Covid-19 Pandemic.
- Ridership levels increased by 4.5% in 2024 and are projected to increase 3.0% annually from FY 2025 through 2028.

INTRODUCTION

In 1987, the Federal Transit Administration (FTA) issued Circular C7008.1, Financial Capacity Policy for Federal Transit Systems Receiving Federal Funding. The FTA Circular was issued to ensure that adequate review by the Metropolitan Planning Organization (MPO) of a transit system's financial capacity took place before federal funds were committed to a major capital or planning project.

In 2002, FTA issued Circular C7800.1A to replace Circular 7008.1. FTA now requires that the local transit system and/or local community have the financial capacity to pay for such improvements in addition to operating and maintaining the existing transit system.

FTA Circular C7800.1A identifies two aspects of financial capacity that must be addressed. The first is the general financial condition of the Cambria County Transit Authority (CAMTRAN) and the non-federal funding entities to include state and local funding sources. The second aspect that must be addressed is the capability of CAMTRAN and its funding sources to meet future financial commitments for operating and capital projects as outlined in the TIP.

This report provides an analysis of CamTran's financial capacity to conduct proposed projects involving the acquisition, operation, and maintenance of facilities and equipment partially financed by the federal government. It examines CamTran's operational and financial characteristics from FY 2019 through FY 2028. Key financial statistics and the Authority's Transit Improvement Program (TIP) project listing and narrative for FFY 2025-2028 have been included in the Appendix of this report. This supporting documentation, in addition to the financial determinations, as presented herein, provides the basis for the financial capacity analysis.

OPERATING REVENUE TRENDS

The two primary sources of revenue for CamTran are: (1) Operating Revenues which include passenger fares and other transportation revenues such as special rate guarantees, auxiliary revenue, and advertising fees; and (2) Non-Operating Revenues which are made up of federal assistance, state and local funds, stated-dedicated funds, and other funding. Table 1 presents a summary of operating versus non-operating revenues generated by the CamTran system between FY 2019 and FY 2023.

Total operating revenues for CamTran decreased by \$442,397.83 or 51% between 2019 and 2021 as a result of the COVID-19 Pandemic, but then increased by \$294,670 or 70% from 2021 through 2023. Revenue from passenger fares and transit service, as well as other transportation revenue showed a similar pattern. In 2019, operating revenue accounted for 12% of the Authority's overall revenue stream. The majority of the Authority's revenue came from non-operating revenue, especially State funding programs. Federal operating assistance was the next largest source of revenues for CamTran, followed by operating revenue and local funding.

REVENUE PROJECTIONS

Utilizing the information provided by the Cambria County Transit Authority, a five-year projection (FY 2024-2028) of the major revenue groups for CamTran has been prepared. This projection is illustrated on Table 2.

Total operating revenue for CamTran's urban division is projected to increase by \$109,096 or 15%% over the five-year period. Funding from the Commonwealth will continue to represent the largest portion of transit revenues. The five-year projection also shows that funding levels are expected to play a major role in funding transit operations and equipment acquisition. Passenger fares are also expected to continue as a major source of operating revenue for CamTran.

OPERATING EXPENSE TRENDS

Total operating expenses for CamTran from FY 2019 through FY 2023 are presented on Table 1. Labor, fringe benefits, services, materials and supplies, utilities, casualty and liability costs, and other expenses are the operating costs incurred annually by the Authority.

Total operating expenses increased by \$1,896,823 or 27% during the five year period. The majority of CamTran's operating expenses are associated with labor costs, fringe benefits, materials and supplies. CamTran has traditionally operated within their projections for expenses.

OPERATING EXPENSE PROJECTIONS

Based upon estimates provided by CamTran, a five year projection of future expenses has been established for each of the seven major expense categories. Table 2 shows the projected operating expenses for CamTran for FY 2024 through FY 2028.

Total operating expenses have been projected to increase by \$1,877,009 or 17% over the next five year period. The costs of labor and fringe benefits will remain as the largest cost items.

NON OPERATING REVENUE SOURCES AND TRENDS

CamTran utilizes funding from federal, state, and local governmental sources to help offset operating expenses that are not covered by operating revenues. Table 3 presents the different levels of funding and amounts received by CamTran from FY 2019 through FY 2023.

Revenues from federal sources fluctuated but trended towards the positive over the planning period. In 2019, CamTran resumed using federal funding to be directed towards operating expenses, at a funding level of \$700,000, increasing as high as

\$4,289,836 in FY 2023, before lowering to \$1,072,585 in FY 2023 due to Federal Covid funds used during this period.

State funding in combination represented the largest funding source throughout the period. Local government share in support of transit operations, which consists of contributions from local municipalities and Cambria County, increased by \$35,276 or 28% over FY 2019-2023, however, state funding decreased by 32% due to Federal Covid funds used for operating expenses. Overall, total funding for all government sources increased by \$2,044,550 or 33% during the five-year period (Table 3).

The local share of CamTran's non-operating revenue consists of funding from Cambria County and 16 municipalities located within the Authority's urban service area. Cambria County also provides a contribution to CamTran. Table 4 presents a listing of the municipalities that entered into purchase-of-service agreements with CamTran from FY 2019 to FY 2023. The local share of CamTran's revenue received from the 16 municipalities and Cambria County increased between FY 2019 and FY 2023, totaling \$162,957 in FY 2023.

NON OPERATING REVENUE FUNDING PROJECTIONS

Table 5 presents the non-operating revenue funding sources and amounts anticipated by CamTran for FY 2024 through FY 2028. Combined revenues from all three levels of government in combination are projected to experience an 16.6% increase from FY 2024 to FY 2028, with a total of \$12,396,674 in FY 2028. A combination of State and Federal funding will be used from FY 2024 to FY 2028

INDICATORS OF FINANCIAL CAPACITY

There are many different indicators that can aid in determining a transit authority's financial capacity. Those indicators that will be used in this section of the report are those that are readily accessible and quantifiable. Such indicators as transit passenger trends and projections and fare levels and revenue trends are further discussed below.

PASSENGER TRENDS AND PROJECTIONS

Passenger trends and projections from 2019 through 2028 for CamTran's urban division are presented in Table 6. In FY 2019, annual ridership increased by 55,420 passengers or 5.0%.

Ridership showed a dramatic decrease in 2020 and 2021, due to effects of the Covid-19 Pandemic, with losses of 8% and 30% respectively. CamTran expects ridership increased by 95,385 or 15% in 2023 and Cam Tran predicts a Ridership to continue to trend to the positive with a 5% increase in 2024 and 3.0% per year from 2025 to 2028.

FARE LEVELS AND REVENUE TRENDS

Beginning in January 2016, CamTran's base fare for a one-way trip was increased to \$1.55 with a \$.30 transfer fee on the fixed route system. Fares increased \$.05 each January through 2023 when the base fare reached \$1.75. Discounted fares are offered to seniors, persons with disabilities, youth and students. Table 7 shows the base fare, passenger fare revenues, and ridership for CamTran from FY 2013 to FY 2024.

TRANSIT TIP FY 2025-2028

CamTran's financial capacity to provide continued public transit service is determined to a large extent on the continued support of federal, state, and local subsidies. Government programs provide both operating and capital assistance to CamTran, thus providing a dedicated non-operating funding source which makes it financially possible for the system to develop and implement on-going public transit programs and projects within the Cambria County MPO.

CamTran's proposed Transit Improvement Program (TIP) for the urban and rural divisions from FY 2021 through FY 2024 is presented in the Appendix. The TIP shows the Authority's anticipated operating and capital assistance programs from federal, state, and local sources. From FY 2025 through FY 2028, the Transit TIP's total is estimated to be \$66 million.

APPENDIX

**CAMBRIA COUNTY TRANSIT AUTHORITY
(CAMTRAN)**

**FFY 2025-2028 TRANSIT TIP PROJECT LISTING
(Revised June 2024)**