FINAL AUDIT REPORT

Performance Audit
of

Link (Chelan-Douglas Counties)
Wenatchee, Washington

Prepared for the

State of Washington
Legislative Transportation Committee

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by

Mundle & Associates, Inc.
TRANSPORTATION MANAGEMENT CONSULTANTS

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EXECUTIVE SUMMARY

The Washington State Legislative Transportation Committee (LTC) is the steward of state funds provided to local transit systems across the state. In this role, it has conducted studies regarding the role of the state in monitoring the performance of the individual transit systems. One recommendation of these past studies has been to establish a program of regular performance reviews of transit systems, focusing on the results that the public is receiving for the expenditure of public funds. A contracted performance and management audit of selected public transportation systems was mandated by the State Legislature under Chapter 348 of the ESSB 6456, Section 202, subsection 9.

The LTC engaged Mundle & Associates, Inc. to conduct the prototype performance audits. The LTC selected two small systems for this pilot program:

- Link, the Chelan-Douglas Public Transportation Benefit Area, based in Wenatchee, and
- Whatcom Transportation Authority (WTA), based in Bellingham.

The performance audit was comprised of the following diagnostic steps:

- *Peer Group Comparison* – a "snapshot" of the transit system's recent performance levels compared to a group of similar operators in Washington State and across the nation
- *Trend Analysis* – a review of the transit system's performance over the past six years (1992 through 1997) in several core areas

- *Functional Area Review* – a more detailed review of performance in the functional areas that comprise a transit system, and

- *Goals and Objectives* – a review of the goals and objectives that the transit system has established and their focus on performance results.

The peer group comparisons, trend analysis, and functional area review rely on a series of performance indicators. Rather than focusing on absolute ridership numbers, this performance indicator emphasis relates ridership to the level of service that the transit system has decided to operate. Thus, the focus is on the resulting normalized passenger productivity levels, measured with the indicator "passengers per revenue hour."

A performance audit is not a fault-finding mission. These prototype performance audits are being conducted to demonstrate the different ways the State and transit systems can review their performance and identify opportunities to improve the efficiency and effectiveness of the public funds that are entrusted to the transit system to provide service to the public. The discussion in this report, therefore, will present a mix of positive, neutral, and negative findings.

This is the executive summary for the performance audit of Link. Link operates under the authority of the Chelan-Douglas Public Transportation Benefit Area (PTBA). The PTBA was formed in November 1989, encompassing all of Chelan County and a portion of southwestern Douglas County. The PTBA Board formulated a Comprehensive Transit Plan, which included a proposed 0.4 percent sales tax to fund operations and capital facilities. In September 1990, voters approved the plan with the provision that the transit system would be pre-paid and fare-free. The new transit system, known as Link, began operating on December 16, 1991.

Link operates pre-paid, fare-free service to 18 communities within the bi-county area. The population of the service area is approximately 88,405. Link operates fixed-route, route-deviated, and paratransit service. It operates these services in a unified manner, with no distinction between fixed-route and paratransit drivers.

In November 1997, Link revised its bus route network. It now operates a total of 20 routes: 15 fixed routes and 5 deviated routes. Route-deviated service may go off-route up to 3/4 of a mile to accommodate eligible senior and disabled persons who have made reservations in advance. These routes operate in rural areas with lower population densities and less frequent service. Fixed-route and route-deviated services operate Monday through Friday from 5:00 a.m. to 9:30 p.m., and Saturdays from 8:00 a.m. to 9:30 p.m. There is no Sunday service. BikeLink and SkiLink are available on Link's fixed routes. Bicycle racks have been provided on all routes, and many regular stops have been designated as "BikeLink" stops, where bicycles can be safely loaded and unloaded. SkiLink service provides stowage of skis, boots and ski poles on buses, and certain stops have been designated as "SkiLink" stops.

In January 1996, Link brought its paratransit service in-house. Prior to that time, LinkPlus paratransit was contracted out to TransLink, a local non-profit corporation. LinkPlus provides transportation to disabled riders unable to use Link's fixed-route service. This service complies with ADA regulations. Rides are scheduled 24 hours in advance.

Link's fleet consists of 27 full-size transit coaches, 28 small paratransit coaches, 9 vans, and 15 service vehicles. All Link services now operate out of Columbia Station, an intermodal transportation center for fixed-route transit service, intercity rail and bus service, and airport shuttle service. Link's administrative offices, which had been housed in five mobile homes on 11 acres at 2700 Euclid Avenue, were moved to the third floor of Columbia Station in November 1998. Link is constructing a permanent maintenance and operations facility at 2700 Euclid Avenue; completion is scheduled for 1999. Maintenance facilities currently are housed in a leased warehouse adjacent to the Euclid Avenue property. Two new transfer centers also are in the planning stages: the Olds Station Transfer Center in Wenatchee and an East Wenatchee Transfer Center.

The following discussion summarizes the findings from each element of the performance audit.

Peer Group Comparison

The purpose of the first diagnostic step, the peer group analysis, is to compare Link's performance with other transit systems. Two different peer groups were assembled:

- Washington State Peers: the transit systems that Link considers to be its peers, and that are of similar size and characteristics, and
- National Peers: transit systems exhibiting similar attributes, selected using the National Transit Database.

The Washington State Peer Group is comprised of Link and Ben Franklin Transit, Clallam Transit System, Everett Transit, Intercity Transit, Kitsap Transit, and Whatcom Transit. The national peer group is comprised of Broome County Transit (Binghamton), NY; Colorado Springs Transit, CO; Columbia (South Carolina Electric & Gas), SC; Gainesville (Regional Transit System), FL; Lancaster (Red Rose Transit Authority), PA; Lowell (Lowell Regional Transit Authority), MA; Modesto (MAX), CA; and Palm Springs (SunBus), CA.

The analysis is based on a "snapshot" of performance. The primary information source for the in-state peer group is the *1997 Summary of Public Transportation Systems in Washington State*, produced by the Washington State Department of Transportation. The primary source for the national peer group is each system's National Transit Database report for 1997.

The analysis is structured around a series of ten performance indicators that reflect cost efficiency, cost effectiveness, and service effectiveness. The discussion in this section focuses on one indicator in each of these categories: operating cost per revenue hour (cost efficiency), subsidy per passenger (cost effectiveness), and passengers per revenue hour (service effectiveness).

- *Washington State Peers* – Link's operating cost per hour for fixed-route service is consistent with its peers in the state. Link also is more cost effective than its Washington peers, and provides more effective service, carrying more passengers per hour than its peers.

Link's paratransit cost per hour, however, is 12 percent higher than its peers, showing it to be less cost efficient. A 10 percent higher subsidy per passenger is required, making it less cost effective, also. Link carries slightly more paratransit passengers per hour than its in-state peers, making its service more effective.

- *National Peers* – Link's operating cost per hour for fixed-route service is 32 percent higher than its national peers, meaning it is less cost efficient. It requires a much higher subsidy per passenger. Link's service effectiveness is consistent with the national peer group average.

  Link's paratransit cost per hour also is much higher than its peers (46 percent). In addition, it is less cost effective, requiring a higher subsidy per passenger. Link carries slightly more paratransit passengers per hour than its national peers, making its service more effective.

- *Synthesis of Findings* – Link's costs for fixed-route service attributed to the maintenance and administration functions exceeded both the in-state and the national peer group. It was slightly below the peers in the operations functional area. A key contributor to these costs is labor. Link's driver wage rates are at the low end of the state peer group; its wage rates for mechanics are within the range paid by the peers. But Link's wage rates for drivers and mechanics are at the high end of the national peer group.

  For paratransit service, compared to the in-state peers, Link's costs for vehicle operations were below the peer group average. Its costs for paratransit maintenance and administration were higher than the Washington State peers. Against the national peers, Link's costs were within range but above the peer group average in all three functional areas.

Trend Analysis

Trends over the past six years (FY1992 through FY1997) were reviewed in terms of the same three performance indicators for fixed-route and paratransit service: operating cost per revenue hour, subsidy per passenger, and passengers per revenue hour. Cost-related indicators were reviewed in both current and constant dollars.

- *Fixed-Route Service* – Link's cost efficiency and cost effectiveness have improved over the past two years, with reductions achieved in both the operating cost per hour and subsidy per passenger in both current and constant dollars. Its service effectiveness had been declining for five years, but registered a slight rebound in FY1997.

- *Paratransit Service* – The overall trends in Link's operating cost per hour and subsidy per passenger have been upward, with particularly large increases in FY1997. Paratransit passenger productivity levels have been stable over the past six years.

Functional Area Review

A more detailed review of trends over the past three years (FY1995 through FY1997) was conducted for the functional areas within Link. The analysis focused on functional areas within fixed-route and paratransit service, as well as combined areas of performance. This last category includes labor utilization, since Link operates its two services in an integrated manner.

- *Fixed-Route Service* – Link scheduled its drivers in a reasonably efficient manner, requiring 10 to 13 percent more pay hours than platform hours. It operated 84 to 86 percent of its service on-time, with many delays attributable to weather conditions. Its fleet shows high levels of reliability, with few in-service breakdowns and most preventive maintenance inspections conducted on time.

- *Paratransit Service* – "No shows" comprised 3.0 to 3.6 percent of all trips, and there were two to three service denials each month. The paratransit service demonstrated excellent on-time performance. Maintenance performance also was strong, with a low roadcall rate and high on-time vehicle inspection rate.

- *Combined Fixed-Route/Paratransit Service* – Performance in this area showed increases in driver absences. By 1997, scheduled time off was 12 percent of total hours and unscheduled time off was 9 percent. Some of this increase can be attributed to employees using the provisions of the Family and Medical Leave Act. The increase in absences also was evident in an increase in the actual pay hour to platform hour ratio, which went up to 1.42 in FY1997. The absence rates for maintenance employees were more stable, and unscheduled time off remained below one percent of total hours.

Goals and Objectives

Link's goals and objectives should define performance expectations and provide a framework for on-going performance monitoring. This section provided a description and assessment of Link's current goals and objectives, adopted by the Board in 1996. The review acknowledged Link's current effort to update its goals and objectives and expand its performance monitoring.

- *Comprehensiveness* – Link's set of goals and objectives addresses a wide range of issues. However, no goal specifically addresses the concept of "efficiency".

- *Structure* – The sequence of Link's eight goals downplays the primary mission of the organization. Each goal is supported by objectives. The objectives are written as a checklist of tasks to be completed. They do not provide for monitoring over a long term. The hierarchy of mission statement, goals, and objectives is appropriate. However, the next steps of performance measures and standards have not been defined yet.

- *Consistency* – Link's goals and objectives are internally consistent. Link has maintained consistent goals and objectives over the past eight years.

- *Adequacy* - Link's goals and objectives convey idealized ends and the actions to be taken to achieve them. However, the reasons for carrying out these tasks, or "objectives" have not been stated. Similarly, measurable performance expectations have not been defined.

- *Controllability* – Link's goals and the objectives focus on areas that are within the control of the Board and staff of the transit system.

Recommendations

1. Link needs to prepare a new set of goals and objectives.

   The assessment of Link's goals and objectives identified several areas for improvement, which Link should incorporate into the changes it is planning. A new set of goals and objectives should focus on performance expectations, reorder the goals and objectives to reflect the mission statement, define quantifiable performance targets for all areas, and establish a foundation for performance monitoring.

2. Link should continue to pursue improvements to the cost efficiency and cost effectiveness of its fixed-route and paratransit services.

   The trend analysis showed that Link had reversed the upward trend in the cost of providing its fixed-route service. However, its paratransit costs continue to increase and are above the performance levels of comparable transit systems in Washington and across the country. Link needs to continue to address the increases in its costs and strive for further improvements in cost efficiency and cost effectiveness. Establishing standards for these areas, as recommended above, can support these activities.

3. Link needs to address the increase in operator time off.

   The increased operator absence rates are impacting the efficiency with which Link operates. Link has attributed the increase in scheduled and unscheduled time off to the provisions of the FMLA and is considering incentive programs to stem this trend. Link is encouraged to take appropriate action in this area, so that it can reverse the trend.

4. Link needs to monitor its paratransit "no shows" and denials.

   In addition to increasing costs and subsidy requirements, Link's paratransit service records several denials per month and a three percent no show rate. Though these performance levels are not uncommon for paratransit services, Link needs to monitor this closely to make sure there is no further degradation in performance. Where necessary, Link should tighten its policies in this area to address the situation.

ACKNOWLEDGEMENTS

Mundle & Associates, Inc. would like to thank Ken Hamm, the General Manager of Link, and the Link staff for their cooperation and assistance throughout the conduct of this prototype performance audit.

We also wish to acknowledge the guidance and support provided by the staff and members of the Washington State Legislative Transportation Committee (LTC). Special thanks to Eugene V. Baxstrom, Staff Coordinator, and Gary Lebow, Fiscal Analyst, of the LTC staff.

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LIST OF EXHIBITS

1. INTRODUCTION

The Washington State Legislative Transportation Committee (LTC) is the steward of state funds provided to local transit systems across the state. In this role, it has conducted studies regarding the role of the state in monitoring the performance of the individual transit systems. One recommendation of these past studies has been to establish a program of regular performance reviews of transit systems, focusing on the results that the public is receiving for the expenditure of public funds. A contracted performance and management audit of selected public transportation systems was mandated by the State Legislature under Chapter 348 of the ESSB 6456, Section 202, subsection 9.

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Link's operating revenues come from two major sources: the 0.4 percent local sales tax and the State's Motor Vehicle Excise Tax (MVET). Link also receives transportation fees from United Cerebral Palsy, which leases one of Link's vans under

contract, and from the Wenatchee Valley Hotel/Motel Association and Mission Ridge Ski Resort to subsidize a SkiLink service operated by Link.

Link receives capital revenues from various governmental grants. An FTA Section 5309 grant provided funding for the new intermodal transportation center at Columbia Station, completed in 1997. Grants from FTA Section 5311 and the Washington State Public Transportation Systems Account (PTSA) have been used to purchase new buses. Link also receives a Rural Mobility Grant and an Oil Rebate Grant from the Washington Department of Transportation.

Link's Board of Directors is comprised of 12 members: one from each City Council and two from each County Commission in the benefit area. Link has a General Manager who is responsible for the implementation of the policies and goals legislated by the Board of Directors. The General Manager sets the day-to-day direction, including philosophy, allocation of resources, and assignment of responsibilities. As shown in the organization chart (Exhibit 1), five departments report to the General Manager: Finance, Development, Human Relations, Maintenance, and Operations. At the end of 1997, Link had a staff of 115 full time equivalent employees (FTEs), assigned as follows: 80 in Operations, 15 in Maintenance, and 20 in administrative positions.

Link operates pre-paid, fare-free service to 18 communities within the bi-county area. The population of the service area is approximately 88,405. Link operates fixed-route, route-deviated, and paratransit service. It operates these services in a unified manner, with no distinction between fixed-route and paratransit drivers.

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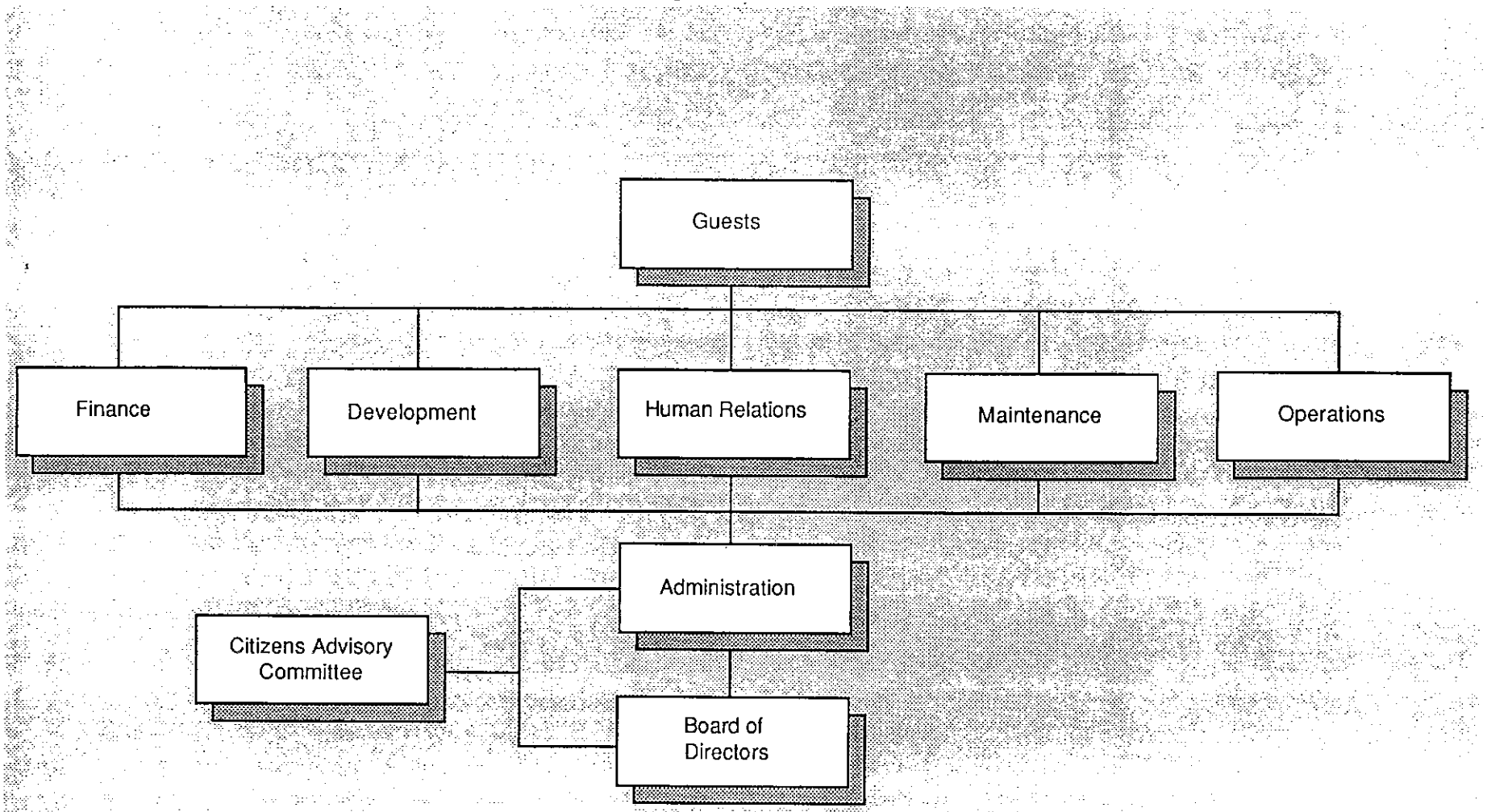
Exhibit 1
Link Performance Audit
Organization Chart



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2. PEER GROUP COMPARISON

The purpose of the first diagnostic step, the peer group analysis, is to compare Link's performance with other transit systems. Two different peer groups were assembled:

- Washington State Peers: the transit systems that Link considers to be its peers, and that are of similar size and characteristics, and
- National Peers: transit systems exhibiting similar attributes, selected using the National Transit Database.

The analysis is based on a "snapshot" of performance, taken at the end of 1997. The analysis was structured around a series of ten performance indicators that reflect cost efficiency, cost effectiveness, and service effectiveness:

- *Cost Efficiency*
  - Operating Cost per Revenue Vehicle Hour
  - Farebox Recovery
  - Revenue Hours per Total Hour
- *Cost Effectiveness*
  - Operating Cost per Passenger
  - Revenue per Passenger
  - Subsidy per Passenger

- *Service Effectiveness*

  - Passengers per Revenue Hour
  - Passengers per Revenue Mile
  - Passengers per Capita
  - Revenue Hours per FTE

The detailed results of the analysis of both the Washington State Peer Group and the National Peer Group are presented in Appendix A. The following discussion focuses on results in one key indicator from each of the three categories. Cost efficiency is discussed through the operating cost per revenue hour; cost effectiveness is presented as the subsidy per passenger; and service effectiveness relies on the passengers per revenue hour indicator. In all cases, the discussion focuses on Link's performance in 1997 vis-à-vis the peer group average as well as range of performance within the peer group. No comparisons are made to specific operators in either the Washington State or national peer groups. A summary of the results follows in Exhibit 2.

Performance is discussed separately within each peer group for fixed-route and paratransit service. The results are synthesized at the conclusion of this section, with the comparisons also illustrated graphically.

Washington State Peer Group Results

The Washington State Peer Group is comprised of Link and Ben Franklin Transit, Clallam Transit System, Everett Transit, Intercity Transit, Kitsap Transit, and Whatcom Transportation Authority. The characteristics of these systems are presented in Appendix A, as Exhibit A-1. The primary source for this comparison was the *1997 Summary of Public Transportation Systems in Washington State*, produced by the Washington State Department of Transportation. The following discussion highlights the relative performance of Link's fixed-route and paratransit services relative to its in-state peers.

Exhibit 2
Link Performance Audit
Summary of Peer Comparison Results

Category	Indicator	Range of Performance High	Low	Average	Link Performance	Difference
WASHINGTON STATE PEER GROUP						
Fixed-Route Service						
Cost Efficiency	Operating Cost per Revenue Hour	$77.45	$58.07	$70.40	$70.91	0.7%
Cost Effectiveness	Subsidy per Passenger	$4.56	$2.06	$2.86	$2.72	-4.8%
Service Effectiveness	Passengers per Revenue Hour	31.8	14.6	24.1	26.0	8.0%
Paratransit Service						
Cost Efficiency	Operating Cost per Revenue Hour	$68.46	$37.69	$53.08	$59.67	12.4%
Cost Effectiveness	Subsidy per Passenger	$20.20	$10.76	$15.23	$16.71	9.7%
Service Effectiveness	Passengers per Revenue Hour	4.3	2.9	3.4	3.6	5.0%
NATIONAL PEER GROUP						
Fixed-Route Service						
Cost Efficiency	Operating Cost per Revenue Hour	$83.60	$34.45	$53.88	$70.91	31.6%
Cost Effectiveness	Subsidy per Passenger	$2.72	$0.76	$1.66	$2.72	63.6%
Service Effectiveness	Passengers per Revenue Hour	35.4	20.1	25.9	26.0	0.6%
Paratransit Service						
Cost Efficiency	Operating Cost per Revenue Hour	$60.69	$24.83	$40.81	$59.67	46.2%
Cost Effectiveness	Subsidy per Passenger	$16.71	$7.03	$13.11	$16.71	39.4%
Service Effectiveness	Passengers per Revenue Hour	4.9	2.1	3.2	3.6	11.6%

Fixed-Route Service

- *Cost Efficiency* - Link's operating cost per hour is consistent with its peers in Washington State. In 1997, Link spent $70.91 to provide an hour of fixed-route transit service. This is only 51 cents higher than the peer group average.

- *Cost Effectiveness* – Link requires an average subsidy per fixed-route passenger of $2.72. This is almost 5 percent lower than the peer group average, showing Link to be more cost effective.

- *Service Effectiveness* – Link carries 8 percent more passengers per hour than its in-state peers. It carries 26 passengers per revenue hour; the peers average 24 passengers per hour.

Paratransit Service

- *Cost Efficiency* - Link's operating cost per hour for paratransit service is 12 percent higher than its peers in Washington State, showing Link to be less cost efficient. In 1997, Link spent almost $60 to provide an hour of paratransit service.

- *Cost Effectiveness* – Link's paratransit passenger require a subsidy of $16.71. This is 10 percent higher than the peer group average.

- *Service Effectiveness* – Link carries 3.6 passengers per hour. It achieves a slightly higher level of service effectiveness than its in-state peers, which average 3.4 passengers per hour.

National Peer Group Results

The National Peer Group was selected by reviewing candidate transit systems and applying a series of screens. The screens eliminated those systems least like the two transit systems in the pilot performance audit program: Link and Whatcom Transportation Authority. Some of the criteria included population density, service density (route miles per square mile), operating

speed, deadhead miles, and per capita ridership. The screening process relied on National Transit Database information for the 1995 report year. The screening process is presented in Appendix A as Exhibit A-11.

The process resulted in eight transit systems being selected as the national peer group: Broome County Transit (Binghamton), NY; Colorado Springs Transit, CO; Columbia (South Carolina Electric & Gas), SC; Gainesville (Regional Transit System), FL; Lancaster (Red Rose Transit Authority), PA; Lowell (Lowell Regional Transit Authority), MA; Modesto (MAX), CA; and Palm Springs (SunBus), CA. The primary source for this comparison was each system's National Transit Database report for 1997. Since Link does not file this report, its information is based on the state summary report. These are the same performance results presented in the above discussion of the Washington State peer group. However, in this case, Link's performance is contrasted with other transit systems across the country. The following discussion highlights the relative performance of Link's fixed-route and paratransit services.

Fixed-Route

- *Cost Efficiency* - Link's operating cost per hour was 32 percent higher than the national peer group average. While Link spent $70.91 in 1997 to provide an hour of fixed-route transit service, the national peers averaged a cost of $53.88 per hour. This shows Link to be less cost efficient than the national peers.

- *Cost Effectiveness* – Link transports fixed-route passengers requiring an average subsidy of $2.72. This is 64 percent higher than the national peer group average, showing Link to be less cost effective. Some of the difference reflects the voters' decision to support Link as a prepaid, fare free system. Its cost per passenger is 29 percent higher than the national peer group average.

- *Service Effectiveness* – Link's service effectiveness is consistent with the national peer group average. It carries 26 passengers per revenue hour; the peers average 25.9 passengers per hour.

Paratransit

- *Cost Efficiency* – Link is significantly less cost efficient than the national peers. Its operating cost per hour of $59.67 is 46 percent higher than the average, which is $40.81.

- *Cost Effectiveness* – The subsidy required for Link to transport each paratransit passenger is $16.71. This is 39 percent higher than the national peer group average, showing Link to be less cost effective. Again, this reflects the fare free nature of Link's service. Link's cost per passenger is 27 percent higher than the national peer group average.

- *Service Effectiveness* – Link carries 3.6 passengers per hour. This is a slightly higher level of service effectiveness than its national peers, which average 3.2 passengers per hour.

Synthesis of Findings

This section presents a graphic comparison of Link's performance in each of the three indicators with both the Washington State and national peer group averages.

The charts in Exhibit 3 illustrate the following with respect to Link's fixed-route service:

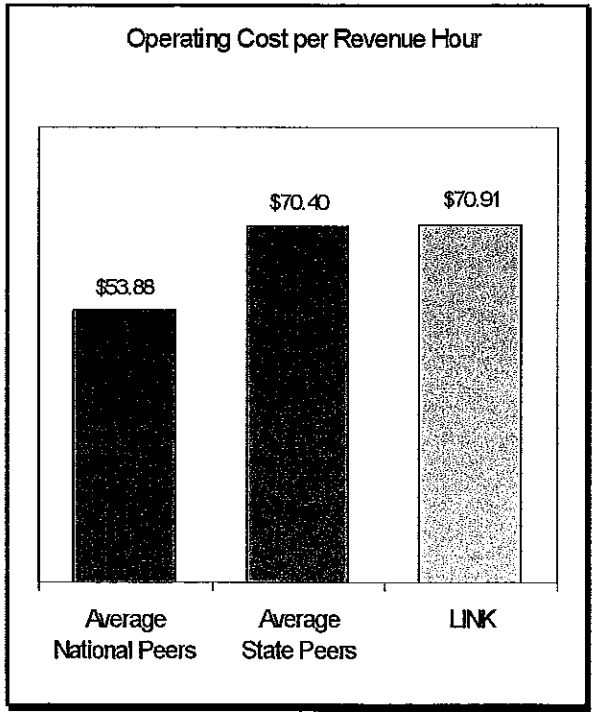
- *Cost Efficiency* – Link's operating cost per revenue hour for fixed-route service is similar to the state peer group average. Its performance was less than 10 percent higher than the state peer average. But Link's cost per revenue hour was much higher than the national peer group average, with a difference of 32 percent.

- *Cost Effectiveness* – Link's subsidy per fixed-route passenger was 5 percent less than the average for the in-state peer group. This is significant since Link does not charge a passenger fare. Link's subsidy per passenger is the same as its cost per passenger. Its peers have farebox revenue to offset their costs. Link's performance was 39 percent higher than the national peer group average.

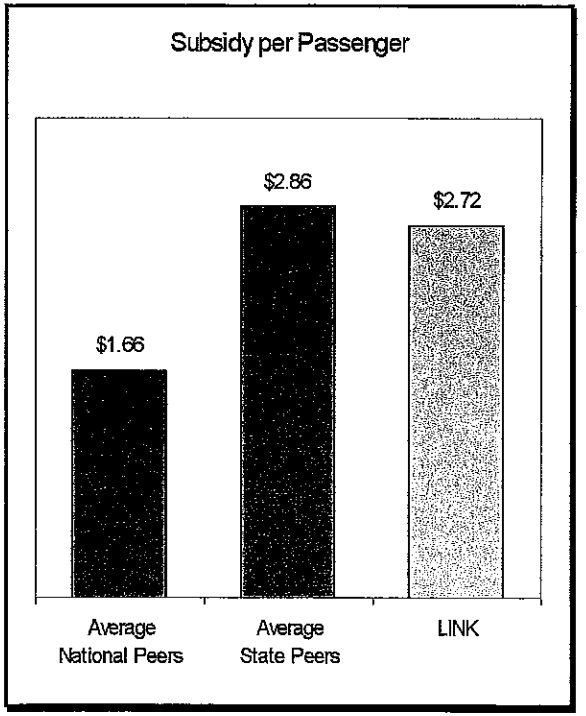
Exhibit 3

Link Performance Audit
Comparison of Link Performance with Peer Group Averages
Fixed-Route Service

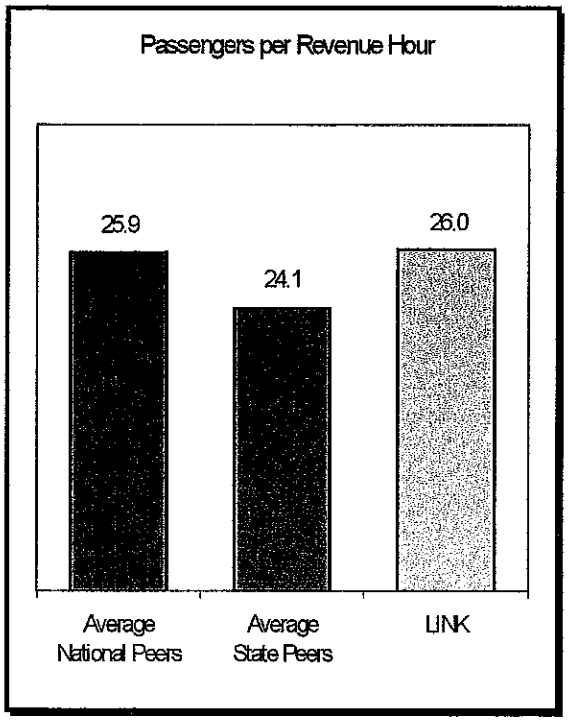
Cost Efficiency



Cost Effectiveness



Service Effectiveness



- *Service Effectiveness* – Link's passenger productivity level was 8 percent higher than the in-state peer group average and virtually the same as the national peer group average.

The charts in Exhibit 4 illustrate the following with respect to Link's paratransit service:

- *Cost Efficiency* - Link's operating cost per revenue hour for paratransit service was 12 percent higher than its in-state peers and almost 50 percent higher than the national peers.

- *Cost Effectiveness* – Link's subsidy per fixed-route passenger was 9 percent higher than the average for the in-state peer group. Its paratransit passengers required a subsidy that was 22 percent higher than the national peer group average.

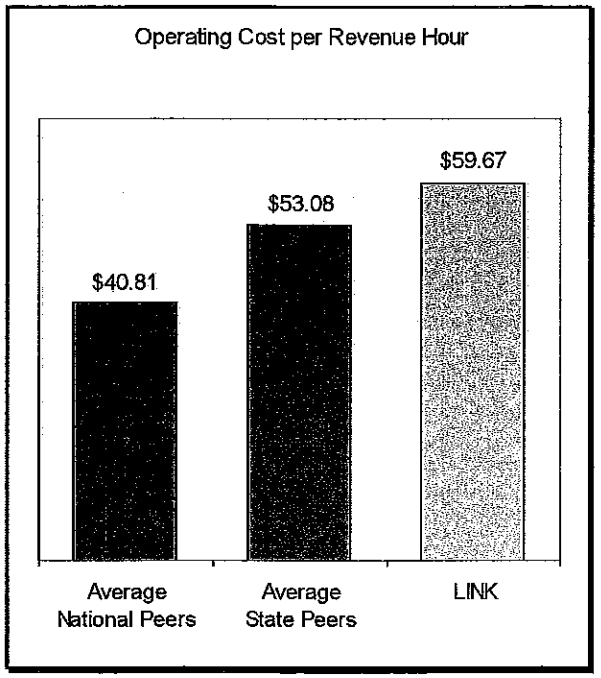
- *Service Effectiveness* – Link's passenger productivity level for paratransit was higher than the peer group averages. It was 6 percent higher than the in-state peer group average and 11 percent higher than the national peer group average.

Cost efficiency is influenced by the expenses incurred in each of the three major areas of a transit system: operations, maintenance, and administration. The costs associated with these three components can be shown as part of a build-up of the cost per total hour. This is illustrated in Exhibit 5, for Link as well as the average component costs for the in-state and national peers.

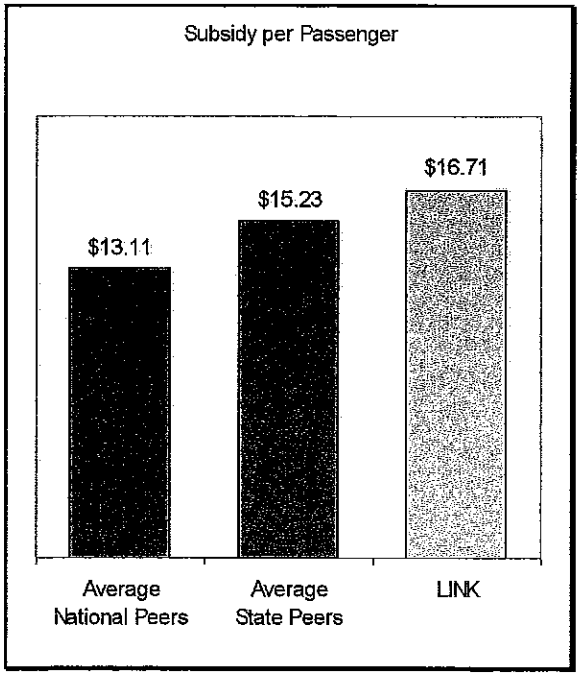
As shown in this exhibit, Link's costs for fixed-route service exceeded both the in-state peer group average and the national peer group average in the maintenance and administration functional areas when viewed on a total hour basis. It was slightly below the peers in the operations functional area. A key contributor to these costs is labor. Link's driver wage rates are at the low end of the state peer group; its wage rates for mechanics are within the range paid by the peers. But Link's wage rates for drivers and mechanics are at the high end of the national peer group.

Exhibit 4
Link Performance Audit
Comparison of Link Performance with Peer Group Averages
Paratransit Service

Cost Efficiency



Cost Effectiveness



Service Effectiveness

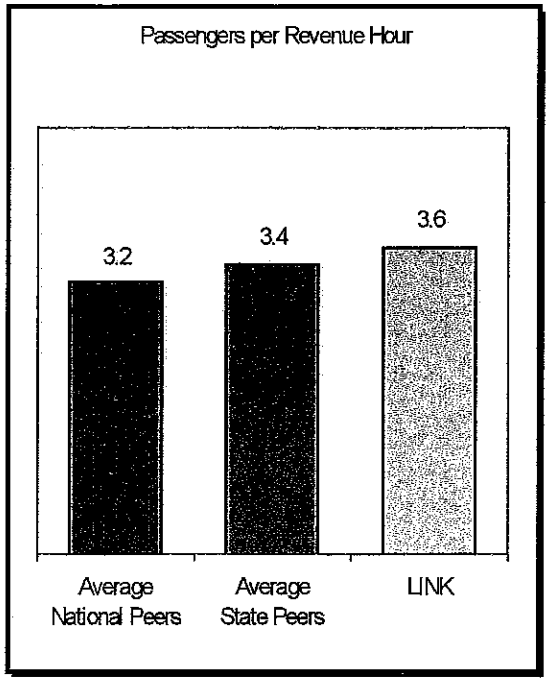
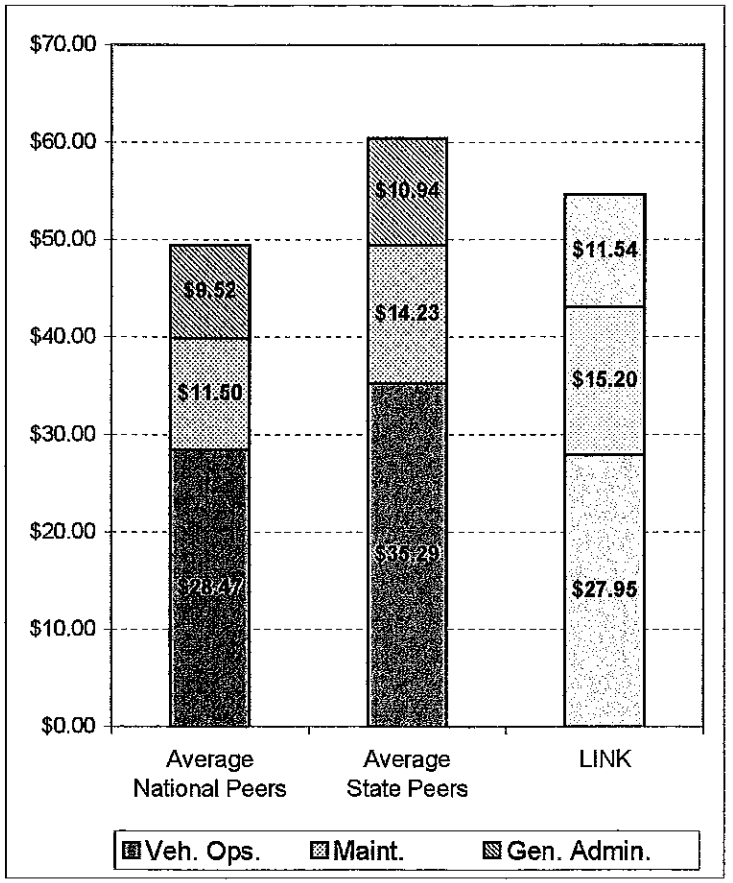
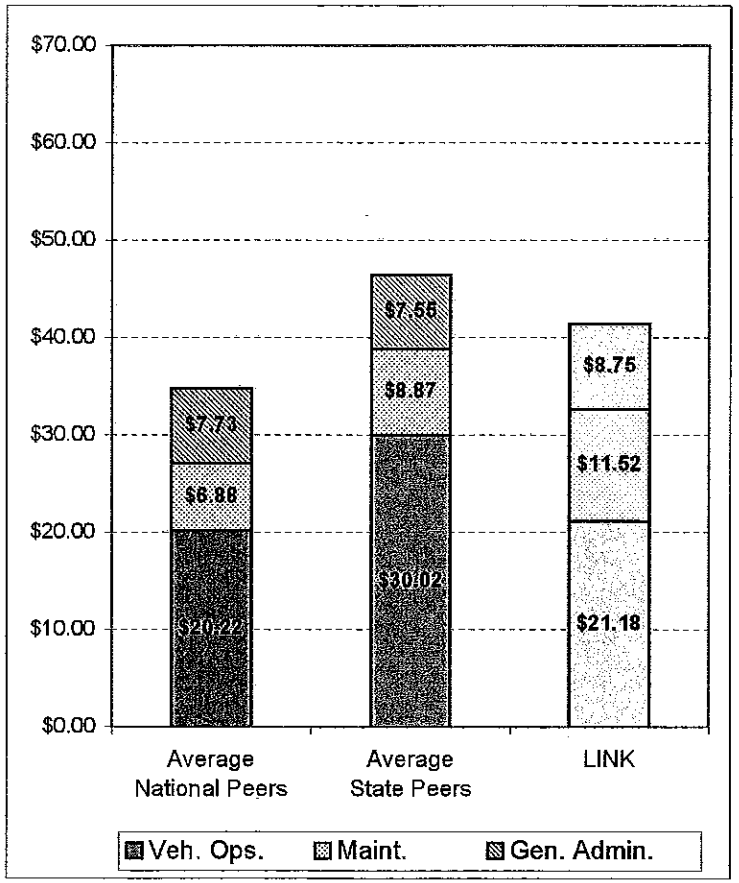


Exhibit 5
Link Performance Audit
Comparison of Components of Hourly Costs

Fixed-Route Service



Paratransit Service



The components of Link's costs for paratransit service also were compared to the peer group averages in Exhibit 5. Compared to the in-state peers, Link's costs for vehicle operations were below the peer group average. Its costs for paratransit maintenance and administration were higher than the Washington State peers. Against the national peers, Link's costs were within range but above the peer group average in all three functional areas.

There is a slight variation in the results from this analysis from the previous discussion of cost efficiency. This indicator is based on *total* hours, not *revenue* hours. A transit system incurs costs for each hour of service operated, regardless of whether or not the transit vehicle is available for passenger boarding. The extent of the variation between the two indicators reflects the ratio of revenue hours to total hours in the particular transit system. This ratio is the percentage of deadhead service, which is the time when vehicles are travelling to or from the garage to the start of a route or the first pick-up or last drop-off for a dial-a-ride. Because of the nature of its service area, Link operates a high percentage of deadhead service.

The detailed information supporting this analysis is presented in Appendix A. The cost components for fixed-route service operated by the in-state peers are shown in Exhibits A-4 and A-5. The wage rates paid operators and mechanics at these systems are presented in Exhibit A-6. Cost information for the in-state peers for paratransit service is provided in Exhibits A-9 and A-10. Similar information for the national peer group is provided in Exhibits A-9 and A-10 for fixed-route service and Exhibits A-20 and A-21 for paratransit service. The wage rates paid operators and mechanics at the transit systems in the national peer group are shown in Exhibit A-17.

3. TREND ANALYSIS

This section reviews Link's performance over the six year period, from FY1992 through FY1997. The analysis is structured around the same ten indicators of cost efficiency, cost effectiveness, and service effectiveness. Detailed results are presented in Appendix B. The following discussion highlights performance for fixed-route and paratransit service in three indicators: operating cost per revenue hour (cost efficiency), subsidy per passenger (cost effectiveness), and passengers per revenue hour (service effectiveness. The cost-related indicators are presented in both current and constant dollars, to account for the inflationary impacts on expenses. Costs were normalized using the implicit price deflator provided by the Washington State DOT Economic Division.

Fixed-Route Service

- *Cost Efficiency* – Over the last two years, Link's cost efficiency has improved by about 10 percent per year. In the four previous years, Link had experienced a decline in cost efficiency, with its cost per hour increasing from $62.39 in FY1992 to a peak of $87.05 in FY1995, an increase of almost 40 percent over four years. By FY1997, Link had reduced its cost per revenue hour of fixed-route service to $70.91. This trend is illustrated in Exhibit 6.

  Link's operating cost per hour in constant dollars shows a 30 percent increase over the first four years, followed by 22 percent reduction over the last two years. In constant dollars, as shown in Exhibit 6, Link's FY1997 cost per hour of $63.42 is close to the starting point in FY1992 of $62.39.

- *Cost Effectiveness* – Link's subsidy per passenger increased gradually between FY1992 and FY1994, from $2.32 to $2.50. It then increased dramatically, by 23 percent, to $3.07 in FY1995 and FY1996. In the last year reviewed, Link was able to reduce the required subsidy per passenger by 11 percent. Its FY1997 performance level was $2.72 (Exhibit 7). In constant dollars, the subsidy stayed virtually unchanged over the first three years. Though the required subsidy increased in the next two years, the FY1997 level was back down near the range of the earlier years.

Exhibit 6
Link Performance Audit
Operating Cost per Revenue Hour - Fixed-Route

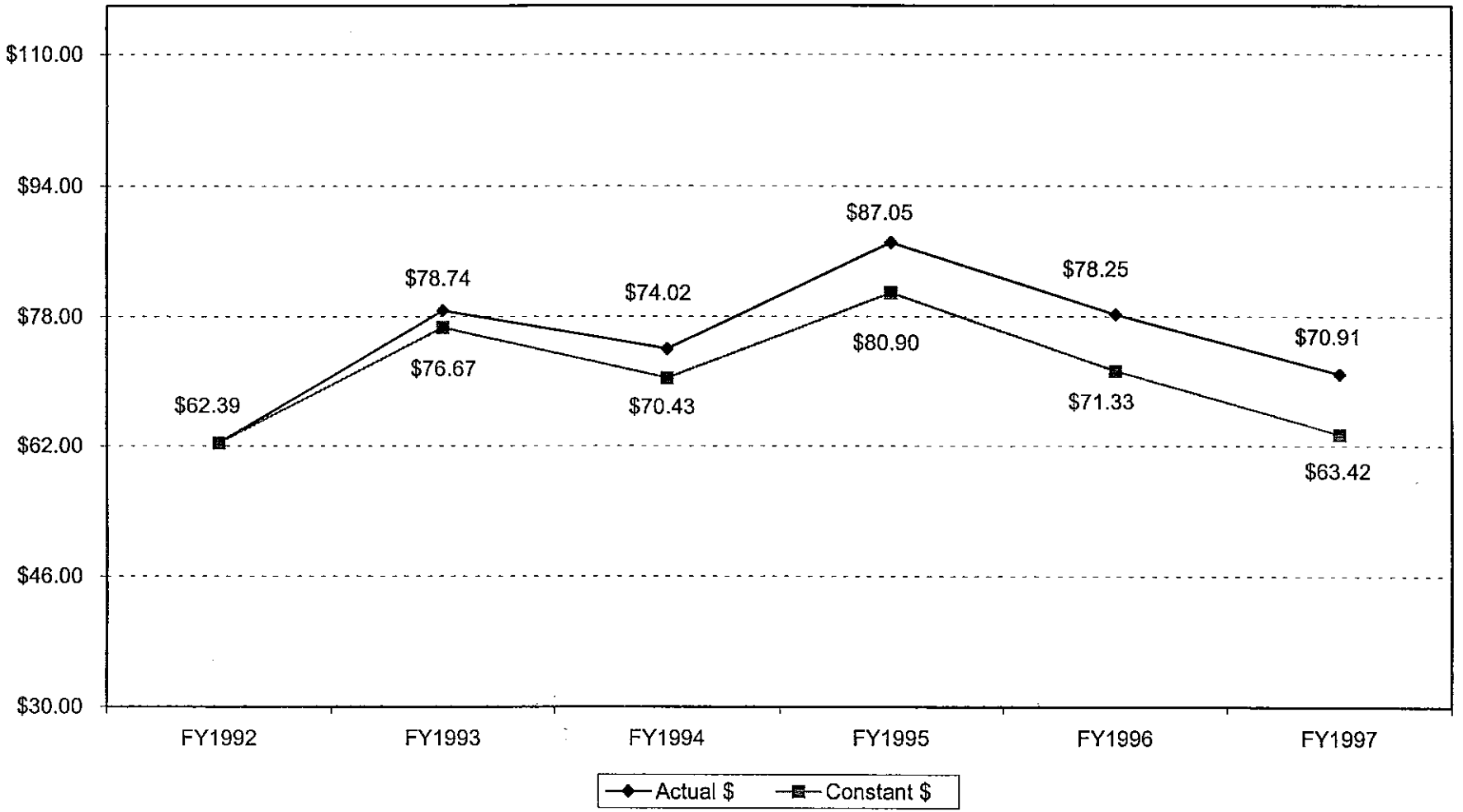
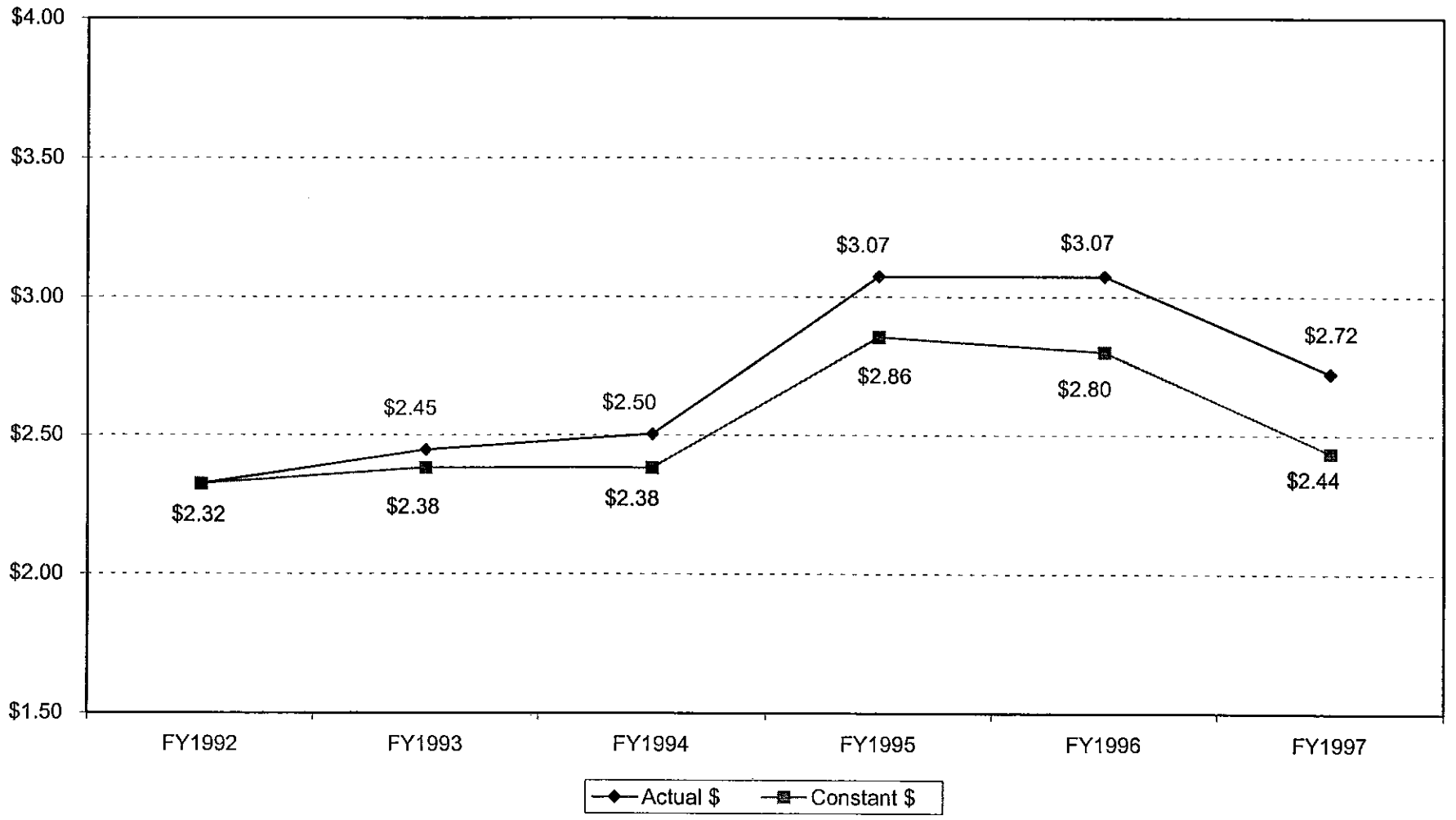


Exhibit 7
Link Performance Audit
Subsidy per Passenger - Fixed-Route



- *Service Effectiveness* – Link achieved a six year high of 32.2 passengers per hour in FY1993. As shown in Exhibit 8, performance declined in each of the next five years to a level of 25.5 passengers per hour in FY1996. In FY1997, there was a slight rebound to a level of 26.0 passengers per hour.

Paratransit Service

- *Cost Efficiency* – Link's cost per hour for paratransit has varied each year, but the overall trend has been upward (Exhibit 9). In the first year reviewed, FY1992, Link's costs were $39.57 per revenue hour of paratransit service. In FY1997, the cost was $59.67. This is an increase in current dollars of 51 percent. The most significant increase occurred in FY1997, when the cost per hour increased by 53 percent. This resulted from a large increase in operating cost with almost no change in service levels (see input statistics in Exhibit B-2, in Appendix B).

  In constant dollars, Link's FY1997 operating cost for paratransit was $53.37, an increase of 35 percent. As shown in Exhibit 9, the two prior years' performance in constant dollars actually was lower than FY1992, the first year of the review period.

- *Cost Effectiveness* – Link's subsidy per passenger also fluctuated during the six year period, and showed an overall increase of 46 percent. In FY1992, Link paratransit passengers required a subsidy of $11.48. In current dollars, by FY1997, this had increased to $16.71. There was a large one year increase of 53 percent in this year (Exhibit 10). In constant dollars, the subsidy per passenger was $14.95 in FY1997, an increase of 30 percent over the six year period.

- *Service Effectiveness* – Paratransit passenger productivity levels have been stable over the past six years. In FY1997, Link carried 3.6 passengers per hour. Over the past six years, performance has ranged from 3.3 to 3.6 passengers, a difference of only 8 percent (Exhibit 11).

Exhibit 8
Link Performance Audit
Passengers per Revenue Hour - Fixed-Route

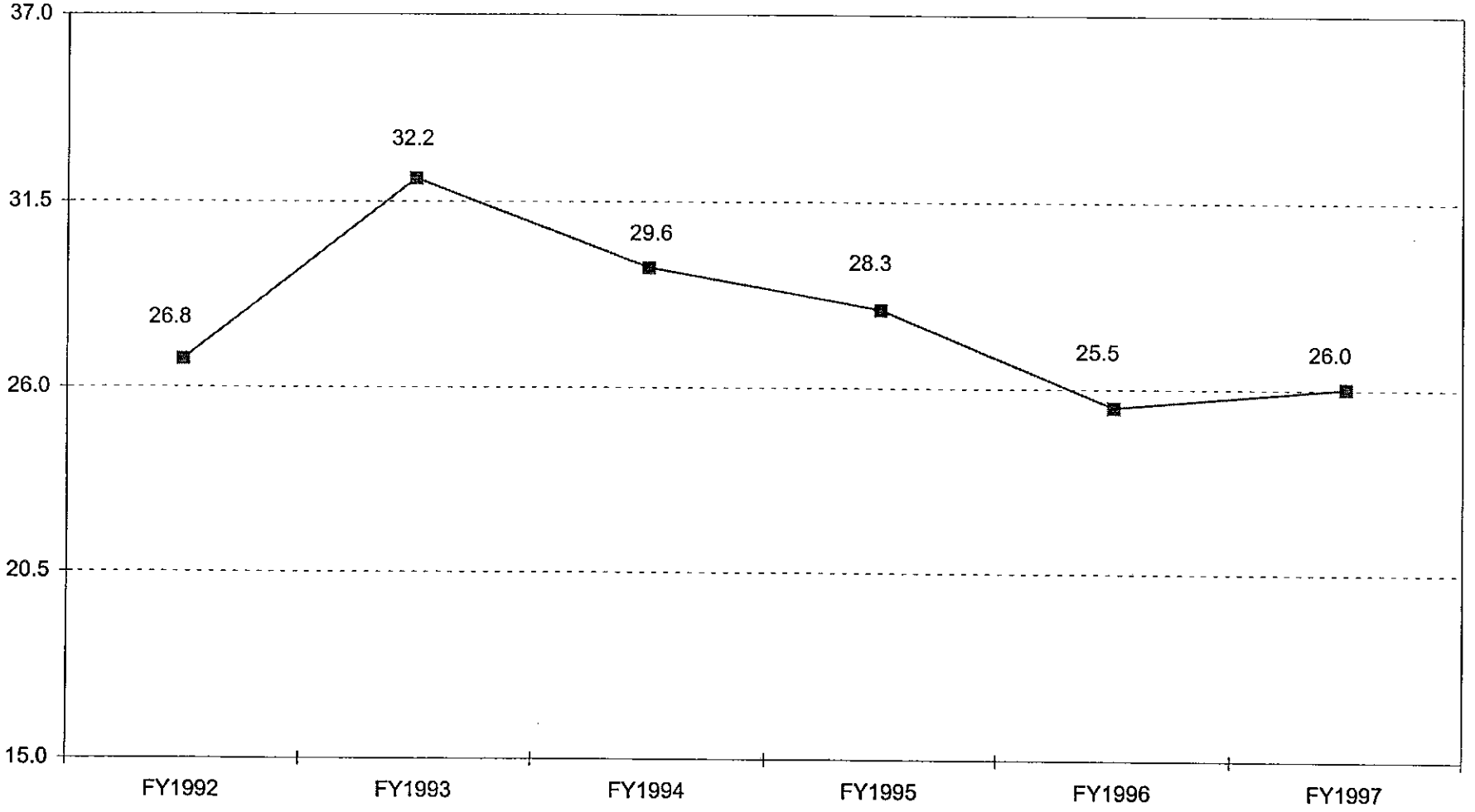


Exhibit 9
Link Performance Audit
Operating Cost per Revenue Hour - Paratransit

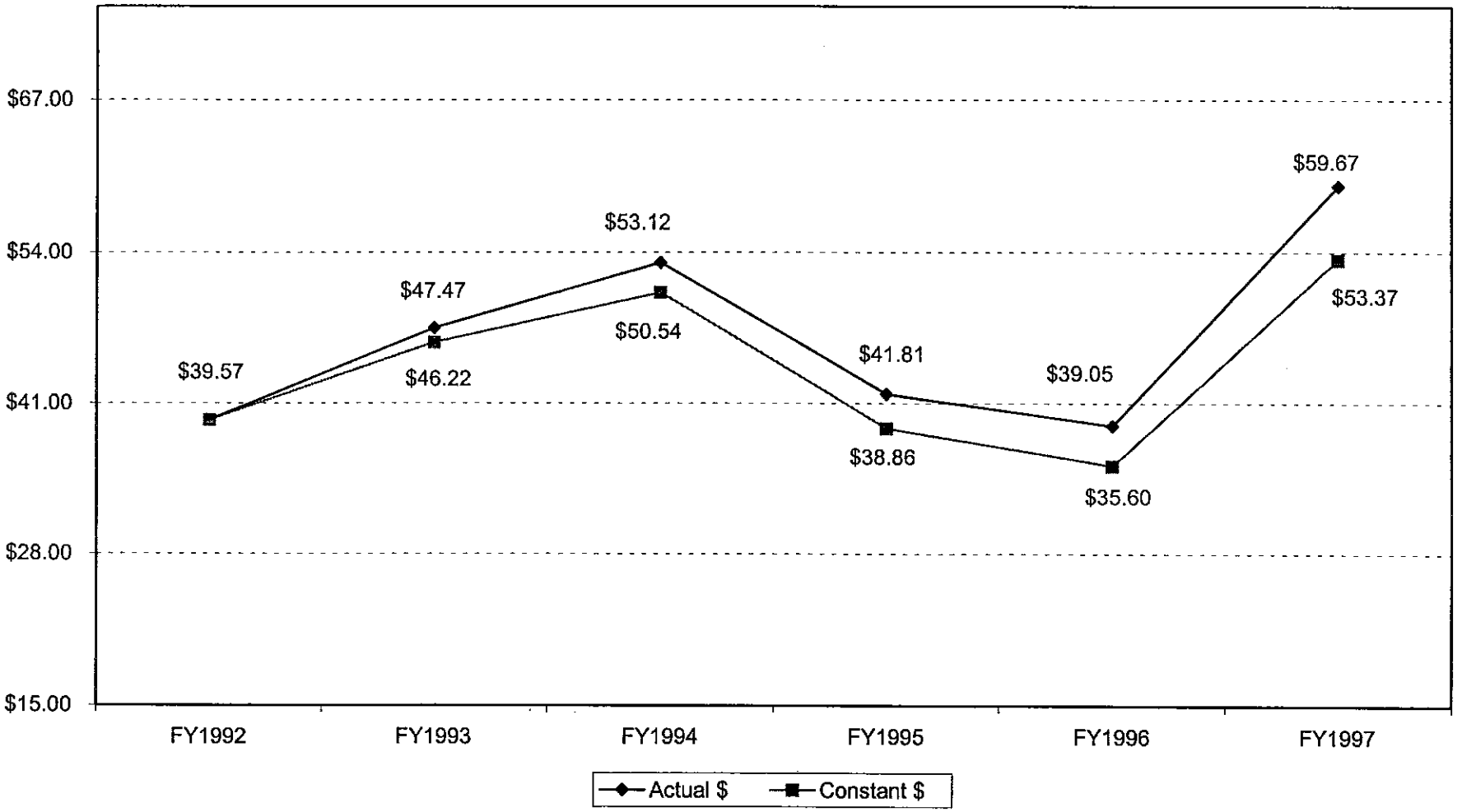


Exhibit 10
Link Performance Audit
Subsidy per Passenger - Paratransit

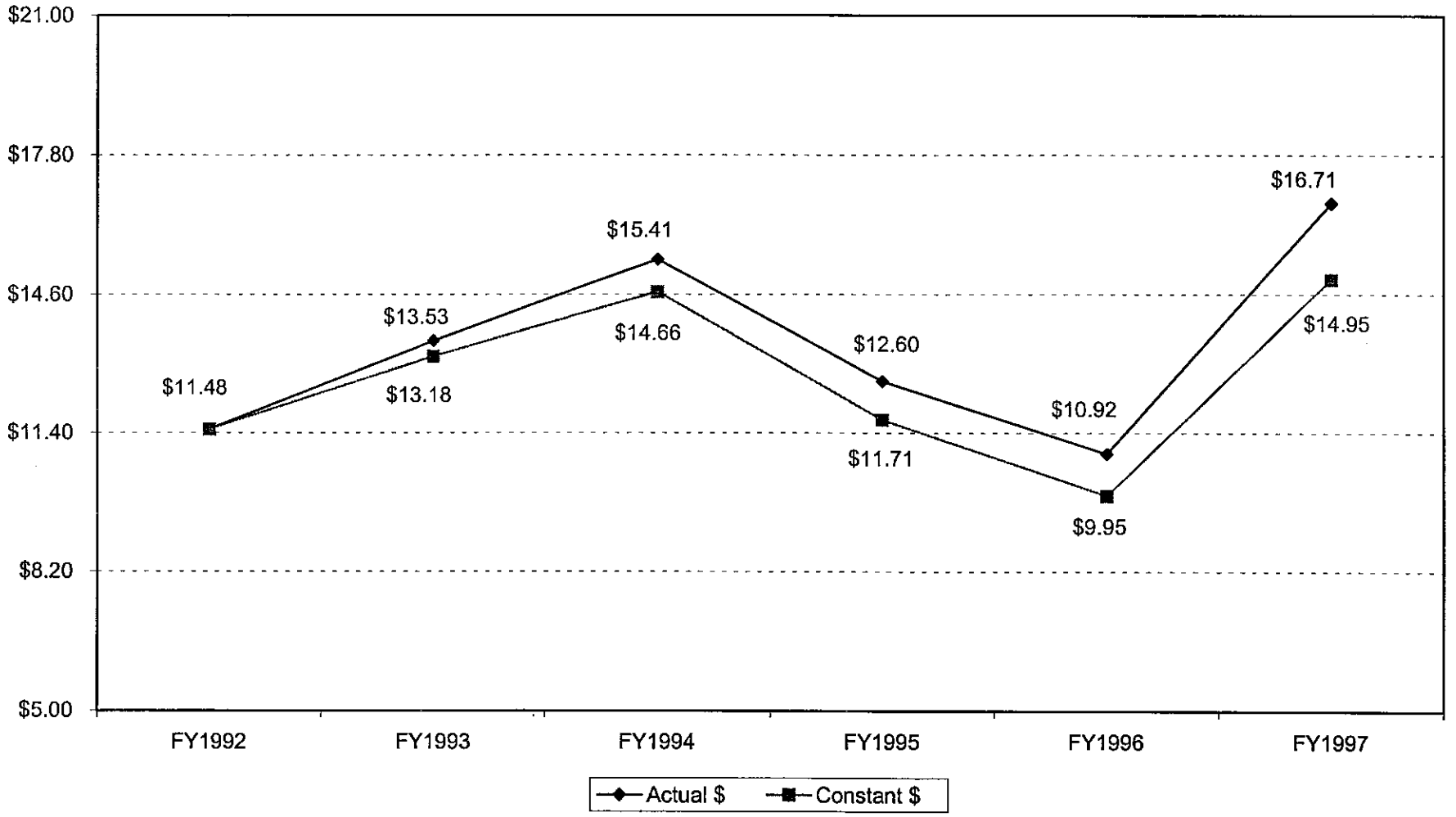
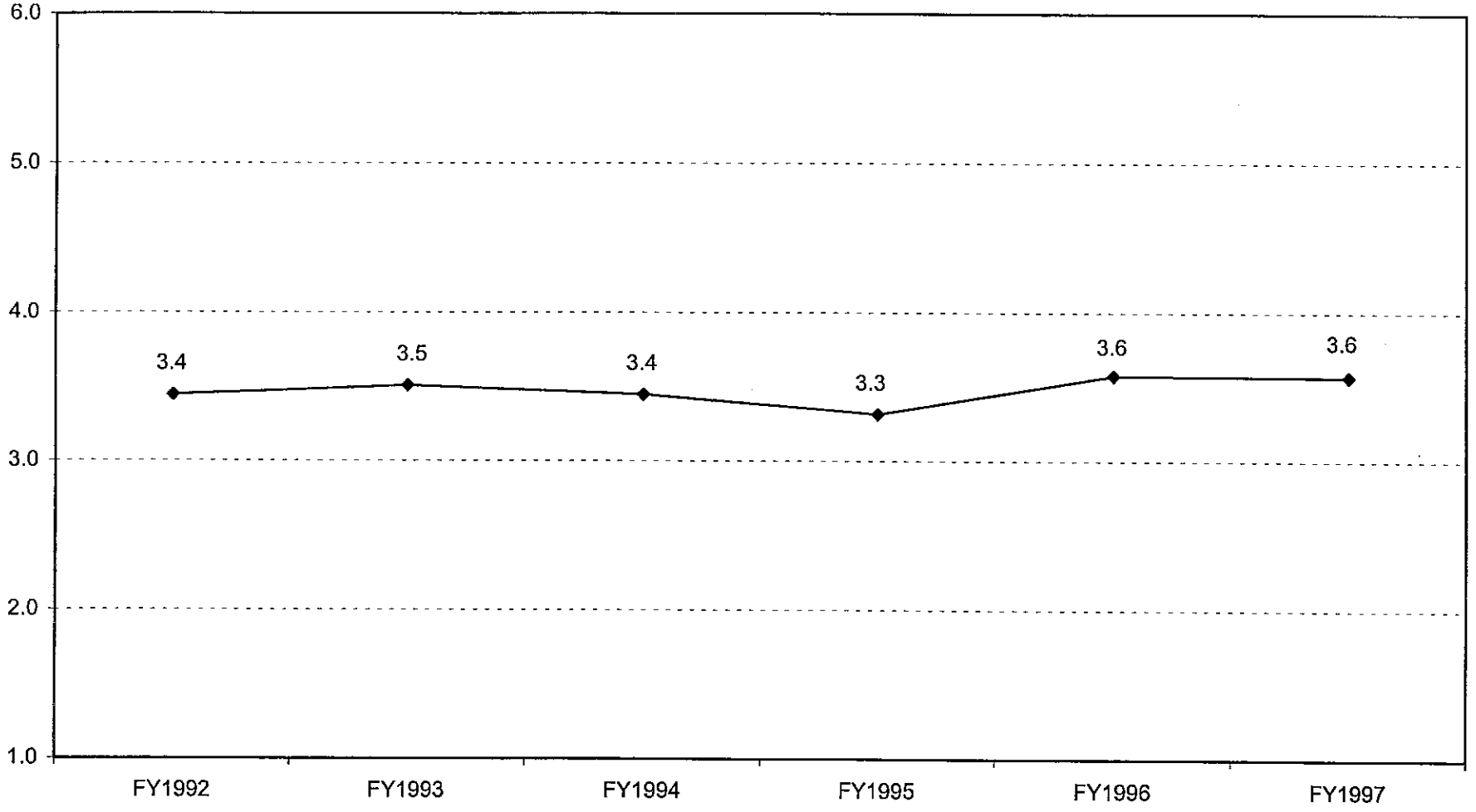


Exhibit 11
Link Performance Audit
Passengers per Revenue Hour - Paratransit



4. FUNCTIONAL AREA REVIEW

The transit system's overall performance reflects the contributions of its different functional areas. This section reviews the performance of key functional areas in order to provide further insight into Link's relative efficiency.

The review of the functional areas within Link also relied on performance indicators. A set of 22 performance indicators was defined for this pilot program; Link was able to provide information for most of these indicators for the past three years (FY1995 through FY1997). The indicators have been grouped into the following functional areas:

- Organizational Structure and Staffing Levels
- Service Planning and Scheduling
- Transportation
- Maintenance
- Labor Utilization
- Administration/Marketing

Link's performance in the areas of service planning, transportation and maintenance could be reviewed separately for its fixed-route and paratransit service. Since Link has one pool of drivers that operate both fixed-route and paratransit service, its performance in the labor utilization area has been reviewed in a combined manner. Similarly, indicators for the administration/marketing area are presented for the system as a whole.

Fixed-Route Functional Area Performance

The performance of Link's fixed-route service can be reviewed in three functional areas: service planning and scheduling, transportation, and maintenance. No information was available for the indicators in the organization structure and staffing levels area. Results for the these functional areas are provided in Exhibit 12 and discussed below.

- *Service Planning and Scheduling* – The one indicator in this functional area relates the amount of time drivers are scheduled to be on the bus driving ("platform" hours) with the total amount of time for which they are paid (pay hours). This measures the efficiency of the scheduling function. At Link, scheduled pay hours to platform hours ranged from 1.10 to 1.13 over the past three years, indicating drivers are paid for 10 to 13 percent more hours than they actually are driving. This is a reasonable level of performance.

- *Transportation* - Link's on-time performance for fixed-route service ranged from 84 to 86 percent. On-time performance is affected by severe weather conditions. The rate of collision accidents went up each year of the audit period but still was around only one per 100,000 miles operated.

- *Maintenance* – Link operated at least 20,000 miles between road calls in each of the past three years, which shows high in-service reliability of its fleet. Similarly, almost all preventive maintenance inspections were completed on-time during the past three years.

Paratransit Functional Area Performance

The performance of Link's paratransit service can be reviewed in the same three functional areas: service planning and scheduling, transportation, and maintenance. Information was provided for FY1996 and FY1997, the first two years of direct operation by Link. Results are provided in Exhibit 13 and discussed below.

Exhibit 12
Link Performance Audit
Functional Area Performance Trends - Fixed-Route Operations

FUNCTION/Indicator	Actual Performance		
	FY1995	FY1996	FY1997
ORGANIZATION STRUCTURE and STAFFING LEVELS			
Administrative FTEs	*(a)*	*(a)*	*(a)*
Annual Percent Change	--	--	--
Operations FTEs	*(a)*	*(a)*	*(a)*
Annual Percent Change	--	--	--
Maintenance FTEs	*(a)*	*(a)*	*(a)*
Annual Percent Change	--	--	--
SERVICE PLANNING and SCHEDULING			
Scheduled Operator Pay Hours to Platform Hours	1.13	1.11	1.10
Annual Percent Change	--	*-0.93*	*-1.29*
TRANSPORTATION			
Percent of Scheduled Service Operated	100.0%	100.0%	100.0%
Annual Percent Change	--	*0.00*	*0.00*
Percent of Trips Operated On-Time	*(a)*	86.2%	83.5%
Annual Percent Change	--	--	*-3.16*
Collision Accidents per 100,000 Miles of Service	0.70	0.96	1.21
Annual Percent Change	--	*36.22*	*26.59*
MAINTENANCE			
Miles Between Road Calls	20,304	29,558	20,838
Annual Percent Change	--	*45.58*	*-29.50*
Percent of PM Inspections Completed On Schedule	100%	98%	96%
Annual Percent Change	--	*-2.00*	*-2.04*

(a) Not available

Exhibit 13
Link Performance Audit
Functional Area Performance Trends - Paratransit Operations

FUNCTION/Indicator	Actual Performance		
	FY1995	FY1996	FY1997
SERVICE PLANNING and SCHEDULING			
Number of Denials	*(a)*	26	32
Annual Percent Change	--	--	*23.08*
Percent of Passenger No-Shows	*(a)*	3.6%	3.0%
Annual Percent Change	--	--	*-16.67*
TRANSPORTATION			
Percent of Trips Operated within On-Time Window	*(a)*	94.4%	98.9%
Annual Percent Change	--	--	*4.77*
Collision Accidents per 100,000 Miles of Service	*(a)*	4.5	3.8
Annual Percent Change	--	--	*-15.56*
MAINTENANCE			
Miles Between Road Calls	*(a)*	16,022	19,220
Annual Percent Change	--	--	*19.96*
Percent of PM Inspections Completed On Schedule	*(a)*	100%	100%
Annual Percent Change	--	--	*0.00*

(a) Not available, contracted service in 1995

- *Service Planning and Scheduling* – The rates of service denials and passenger no-shows have remained in a similar range over the two years for which data were available. Denials averaged between two and three per month. Passenger no-shows ranged from 3.0 percent to 3.6 percent of trips.

- *Transportation* - Link's on-time performance for paratransit service improved over the audit period from 94 to 99 percent. This indicates a high level of service reliability. The rate of collision accidents also improved, from 4.5 to 3.8 collisions per 100,000 miles operated.

- *Maintenance* – The roadcall rate for Link's paratransit service improved from approximately 16,000 miles in FY1995 to 19,000 miles in FY1997. All preventive maintenance inspections were completed in FY1996 and FY1997.

Combined Fixed-Route/Paratransit Functional Area Performance

This section discusses performance in the labor utilization area, which reflects Link's operation of its services in an integrated manner. It also presents results for administration and marketing, which also are combined for fixed-route and paratransit service. The results are presented in Exhibit 14 and discussed below.

- *Labor Utilization* – Operator time off increased significantly over the past three years. In 1997, operator scheduled time off was 12 percent of total hours, while unscheduled time off was 9 percent of total hours. Two major changes, internal and external to Link, impacted the work force during this time. First, Link brought the paratransit service in-house in FY1996, no longer relying on a contractor. And second, state and federal legislation such as the Family Medical Leave Act (FMLA) has enabled employees to take off more time. Many employers have noticed similar trends. Link is working on an incentive program to counteract these factors.

Exhibit 14
Link Performance Audit
Functional Area Performance Trends - Fixed-Route and Paratransit Combined

FUNCTION/Indicator		Actual Performance FY1995	FY1996	FY1997
LABOR UTILIZATION				
Actual Operator Pay Hours to Platform Hours (Fixed-Route)	*(a)*	1.26	1.35	1.42
Annual Percent Change		--	*6.52*	*5.36*
Operator Scheduled Time Off (percent of total hours)		8.3%	12.5%	12.2%
Annual Percent Change		--	*50.40*	*-2.39*
Operator Unscheduled Time Off (percent of total hours)		2.7%	4.7%	9.3%
Annual Percent Change		--	*74.91*	*97.40*
Maintenance Employee Sch. Time Off (percent of total hours)	*(b)*	5.6%	6.2%	7.7%
Annual Percent Change		--	*11.23*	*23.25*
Maintenance Employee Unsch. Time Off (percent of total hours)	*(b)*	0.49%	0.33%	0.42%
Annual Percent Change		--	*-32.74*	*26.90*
ADMINISTRATION/MARKETING				
Complaints per 10,000 Boardings		2.12	3.01	1.77
Annual Percent Change		--	*42.04*	*-41.11*
Commendations per 10,000 Boardings		0.54	1.07	0.80
Annual Percent Change		--	*96.98*	*-25.86*

(a) Includes scheduled and unscheduled time off

(b) 1995 results reflect fixed-route only (paratransit was contracted out)

The increases in operator absences also were evident in the upward trend in the actual operator pay hour to platform hour ratio. In FY1995, Link's performance in this indicator was at 1.26. By FY1997, it had increased to 1.42.

Absence rates for maintenance employees were more stable. Over the past three years, scheduled time was between 6 and 8 percent of total hours. The rate of unscheduled absences for maintenance employees remained at a low rate of less than one percent of total hours.

- *Administration and Marketing* – Link received between two to three complaints per 100,000 passenger boardings. It received one commendation for every 100,00 passengers carried.

5. GOALS AND OBJECTIVES

Goals, objectives, and standards are a key ingredient for defining expectations and monitoring performance. They provide the on-going tools for transit boards and managers to assess performance results and make resource allocation decisions based on anticipated outcomes. This section provides an overview and assessment of the goals, objectives, and standards that have been established for Link.

Description of Goals, Objectives, and Standards

The first set of goals and objectives for Link was adopted by the Board of Directors on May 1, 1990. The current goals and objectives were adopted by the Board on September 5, 1996. A summary of Link's goals and objectives is in Appendix C.

Link's goals and objectives are prefaced with the following mission statement:

The mission of Link is to provide safe, high quality, cost-effective, and efficient public transportation services which will enhance the quality of life for our citizens and visitors while promoting a healthy economy and positive image for our communities.

Link has eight goals supporting its mission statement. The first six goals were part of the original *Comprehensive Transit Plan*, developed in 1990. The other two have been added by the Board. Each goal is followed by several specific objectives. The

objectives are worded as "tasks" to be completed toward meeting the goals. The current structure does not include standards or quantifiable measures supporting the objectives. The standards would provide information for determining if the objectives have been met. Link is working on defining more quantitative goals and objectives and performance monitoring procedures.

Evaluation of Goals and Objectives

In the following discussion, Link's current goals and objectives are assessed in terms of their comprehensiveness, structure, consistency, adequacy and controllability. This is meant as input to Link's current effort to revise its goals and objectives, make them more quantifiable, and include standards and measures.

- *Comprehensiveness* – Link's set of goals and objectives addresses a wide range of issues. The goals have been developed over time. The first six goals were part of the original *Comprehensive Transit Plan*, developed in 1990. The seventh and eighth goals were added later, as additional needs were identified. The goals address many different topics. However, no goal specifically addresses the concept of "efficiency".

- *Structure* – The sequence of Link's eight goals downplays the primary mission of the organization. It is not until Goal 5 that the following concept is presented: *"provide public transportation which is affordable, safe, convenient, clean, comfortable, accessible, well-maintained, and reliable."*

  Each goal is supported by objectives. The objectives are written as a checklist of tasks to be completed. They do not provide for monitoring over a long term.

  The hierarchy of mission statement, goals, and objectives is appropriate. However, the next steps of performance measures and standards have not been defined yet.

- *Consistency* – Link's goals and objectives are internally consistent. Link has only updated these goals and objectives twice, when the last two goals were added. As such, it has maintained consistent goals and objectives over the past eight years.

- *Adequacy* - Together, Link's goals and objectives successfully convey idealized ends and the actions to be taken to achieve them. However, the reasons for carrying out these tasks have not been stated. These would be the actual "objectives", not the action steps currently defined. Similarly, measurable performance expectations have not been defined. For example, how would Link demonstrate that it is providing safe, high quality, cost effective and efficient service?

- *Controllability* – Link's goals and the objectives focus on areas that are within the control of the Board and staff of the transit system. They emphasize actions that Link can take and programs that Link can carry out with little dependence on external entities or conditions.

6. CONCLUSIONS AND RECOMMENDATIONS

This section summarizes the findings and conclusions from the preceding chapters. Recommendations to further improve the performance of Link's transit services also are presented in this section.

Conclusions

Peer Group Comparison

The discussion in this section focused on three primary performance indicators of cost efficiency, cost effectiveness, and service effectiveness. These are operating cost per revenue hour, subsidy per passenger, and passengers per revenue hour. The FY1997 performance of Link's fixed-route and paratransit service was compared with a group of in-state and national peers.

- *Washington State Peers* – Link's operating cost per hour for fixed-route service is consistent with its peers in the state. It also is more cost effective than its Washington peers, and provides more effective service, carrying more passengers per hour than its peers.

  Link's paratransit cost per hour, however, is 12 percent higher than its peers, showing it to be less cost efficient. A 10 percent higher subsidy per passenger is required, making it less cost effective, also. Link carries slightly more paratransit passengers per hour than its in-state peers, making its service more effective.

- *National Peers* – Link's operating cost per hour for fixed-route service is 32 percent higher than its national peers, meaning it is less cost efficient. It requires a much higher subsidy per passenger. Link's service effectiveness is consistent with the national peer group average.

Link's paratransit cost per hour also is much higher than its peers (46 percent). In addition, it is less cost effective, requiring a higher subsidy per passenger. Link carries slightly more paratransit passengers per hour than its national peers, making its service more effective.

- *Synthesis of Findings* – Link's costs for fixed-route service attributed to the maintenance and administration functions exceeded both the in-state and the national peer group. It was slightly below the peers in the operations functional area. A key contributor to these costs is labor. Link's driver wage rates are at the low end of the state peer group; its wage rates for mechanics are within the range paid by the peers. But Link's wage rates for drivers and mechanics are at the high end of the national peer group.

  For paratransit service, compared to the in-state peers, Link's costs for vehicle operations were below the peer group average. Its costs for paratransit maintenance and administration were higher than the Washington State peers. Against the national peers, Link's costs were within range but above the peer group average in all three functional areas.

Trend Analysis

Trends over the past six years (FY1992 through FY1997) were reviewed in terms of the same three performance indicators for fixed-route and paratransit service: operating cost per revenue hour, subsidy per passenger, and passengers per revenue hour. Cost-related indicators were reviewed in both current and constant dollars.

- *Fixed-Route Service* – Link's cost efficiency and cost effectiveness have improved over the past two years, with reductions achieved in both the operating cost per hour and subsidy per passenger in both current and constant dollars. Its service effectiveness had been declining for five years, but registered a slight rebound in FY1997.

- *Paratransit Service* – The overall trends in Link's operating cost per hour and subsidy per passenger have been upward, with particularly large increases in FY1997. Paratransit passenger productivity levels have been stable over the past six years.

Functional Area Review

A more detailed review of trends over the past three years (FY1995 through FY1997) was conducted for the functional areas within Link. The analysis focused on functional areas within fixed-route and paratransit service, as well as combined areas of performance. This last category includes labor utilization, since Link operates its two services in an integrated manner.

- *Fixed-Route Service* – Link scheduled its drivers in a reasonably efficient manner, requiring 10 to 13 percent more pay hours than platform hours. It operated 84 to 86 percent of its service on-time, with many delays attributable to weather conditions. Its fleet shows high levels of reliability, with few in service breakdowns and most preventive maintenance inspections conducted on time.

- *Paratransit Service* – "No shows" comprised 3.0 to 3.6 percent of all trips, and there were two to three service denials each month. The paratransit service demonstrated excellent on-time performance. Maintenance performance also was strong, with a low roadcall rate and high on-time vehicle inspection rate.

- *Combined Fixed-Route/Paratransit Service* – Performance in this area shows increases in driver absences. By 1997, scheduled time off was 12 percent of total hours and unscheduled time off was 9 percent. Some of this increase can be attributed to employees using the provisions of the Family and Medical Leave Act. The increase in absences also was evident in an increase in the actual pay hour to platform hour ratio, which went up to 1.42 in FY1997. The absence rates for maintenance employees were more stable, and unscheduled time off remained below one percent of total hours.

Goals and Objectives

Link's goals and objectives should define performance expectations and provide a framework for on-going performance monitoring. This section provided a description and assessment of Link's current goals and objectives, adopted by the Board in 1996. The review acknowledged Link's current effort to update its goals and objectives and expand its performance monitoring.

- *Comprehensiveness* – Link's set of goals and objectives addresses a wide range of issues. However, no goal specifically addresses the concept of "efficiency".

- *Structure* – The sequence of Link's eight goals downplays the primary mission of the organization. Each goal is supported by objectives. The objectives are written as a checklist of tasks to be completed. They do not provide for monitoring over a long term. The hierarchy of mission statement, goals, and objectives is appropriate. However, the next steps of performance measures and standards have not been defined yet.

- *Consistency* – Link's goals and objectives are internally consistent. Link has maintained consistent goals and objectives over the past eight years.

- *Adequacy* - Link's goals and objectives convey idealized ends and the actions to be taken to achieve them. However, the reasons for carrying out these tasks, or "objectives" have not been stated. Similarly, measurable performance expectations have not been defined.

- *Controllability* - Link's goals and the objectives focus on areas that are within the control of the Board and staff of the transit system

Recommendations

1. Link needs to prepare a new set of goals and objectives.

The assessment of Link's goals and objectives identified several areas for improvement, which Link should incorporate into the changes it is planning. A new set of goals and objectives should focus on performance expectations, reorder the goals and objectives to reflect the mission statement, define quantifiable performance targets for all areas, and establish a foundation for performance monitoring.

2. Link should continue to pursue improvements to the cost efficiency and cost effectiveness of its fixed-route and paratransit services.

The trend analysis showed that Link had reversed the upward trend in the cost of providing its fixed-route service. However, its paratransit costs continue to increase and are above the performance levels of comparable transit systems in Washington and across the country. Link needs to continue to address the increases in its costs and strive for further improvements in cost efficiency and cost effectiveness. Establishing standards for these areas, as recommended above, can support these activities.

3. Link needs to address the increase in operator time off.

The increased operator absence rates are impacting the efficiency with which Link operates. Link has attributed the increase in scheduled and unscheduled time off to the provisions of the FMLA and is considering incentive programs to stem this trend. Link is encouraged to take appropriate action in this area, so that it can reverse the trend.

4. Link needs to monitor its paratransit "no shows" and denials.

In addition to increasing costs and subsidy requirements, Link's paratransit service records several denials per month and a three percent no show rate. Though these performance levels are not uncommon for paratransit services, Link needs to monitor this closely to make sure there is no further degradation in performance. Where necessary, Link should tighten its policies in this area to address the situation.

APPENDIX A

Supporting Documentation

for

Section 2. Peer Group Comparison

Exhibit A-1
Link Performance Audit
Peer System Profile
Washington State Peer Group

System	Active Fleet	Vehicle Miles (000's)	Revenue Vehicle Miles (000's)	Vehicle Hours (000's)	Unlinked Passengers (000's)	Service Area Population	Service Area (sq. mi.)
LINK (Chelan-Douglas Counties)	28	1,385.1	1,328.0	76.7	1,540.1	88,405	3,500
Ben Franklin Transit	58	2,378.0	2,191.7	152.4	4,076.7	155,945	110
Clallam Transit System	32	1,228.9	1,078.7	48.4	659.9	66,400	1,753
Everett Transit	44	965.7	809.3	92.1	1,459.3	84,130	30
Intercity Transit	82	3,356.8	3,038.5	230.0	3,643.2	197,600	89
Kitsap Transit	77	2,862.4	2,605.0	175.1	4,410.5	194,340	132
Whatcom Transpotation Authority	37	1,299.6	1,257.4	91.1	2,823.0	155,945	776

System	Indicators			
	Population Density	Per Capita Ridership	Veh. Miles per Rev. Vehicle Mile	Operating Speed
LINK (Chelan-Douglas Counties)	25.3	17.4	1.04	18.06
Ben Franklin Transit	1,417.7	26.1	1.08	15.60
Clallam Transit System	37.9	9.9	1.14	25.37
Everett Transit	2,804.3	17.3	1.19	10.49
Intercity Transit	2,220.2	18.4	1.10	14.60
Kitsap Transit	1,472.3	22.7	1.10	16.35
Whatcom Transpotation Authority	201.0	18.1	1.03	14.27

Source(s): 1997 Summary of Public Transportation Systems in Washington State

Exhibit A-2
Link Performance Audit
Washington State Peer Group Analysis - Fixed-Route

Category/Indicator	Range of Performance			LINK Performance	Percent Difference
	High	Low	Average		
COST EFFICIENCY					
Operating Cost per Revenue Vehicle Hour	$77.45	$58.07	$70.40	$70.91	0.7%
Farebox Recovery	13.4%	0.0%	8.7%	0.0%	-100.0%
Revenue Hours per Total Hour	0.97	0.77	0.88	0.77	-12.2%
COST EFFECTIVENESS					
Operating Cost per Passenger	$5.11	$2.19	$3.15	$2.72	-13.5%
Revenue per Passenger	$0.55	$0.00	$0.29	$0.00	-100.0%
Subsidy per Passenger	$4.56	$2.06	$2.86	$2.72	-4.8%
SERVICE EFFECTIVENESS					
Passengers per Revenue Hour	31.8	14.6	24.1	26.0	8.0%
Passengers per Revenue Mile	2.2	0.6	1.5	1.2	-23.2%
Passengers per Capita	26.1	9.9	18.6	17.4	-6.3%
Revenue Hours per FTE	1,146	758	926	871	-5.9%

Peer Group: Ben Franklin Transit, Clallam Transit System, Everett Transit, Intercity Transit and Kitsap Transit, Whatcom Transportation Authority.

Exhibit A-3
Link Performance Audit
Statistics and Indicators - Fixed-Route
Washington State Peer Group

System	Operating Costs	Farebox Revenue	Vehicle Hours	Revenue Vehicle Hours	Revenue Vehicle Miles	Passenger Trips	Service Area Population	Full-Time Equivalents
LINK (Chelan-Douglas Counties)	$4,194,906	$0	76,702	59,159	1,328,042	1,540,137	88,405	67.9
Ben Franklin Transit	$8,907,867	$508,736	152,445	142,028	2,191,661	4,076,709	155,945	123.9
Clallam Transit System	$3,374,288	$363,978	48,448	45,257	1,078,684	659,909	66,400	59.7
Everett Transit	$5,683,827	$692,157	92,055	76,335	809,289	1,459,291	84,130	72.3
Intercity Transit	$11,835,290	$1,188,942	229,963	203,826	3,038,509	3,643,204	197,600	225.0
Kitsap Transit	$10,767,837	$1,439,557	175,071	144,314	2,605,042	4,410,529	194,340	183.2
Whatcom Transportation Authority	$6,869,984	$588,481	91,068	88,701	1,257,403	2,823,008	155,945	92.6

System	Operating Cost per Rev. Veh. Hr.	Farebox Recovery	Operating Cost per Passenger	Revenue per Passenger	Subsidy per Passenger	Passengers per Rev. Vehicle Hour	Psgrs. Per Revenue Vehicle Mile	Revenue Hours per Vehicle Hour	Passengers per Capita	Revenue Hours per FTE
LINK (Chelan-Douglas Counties)	$70.91	0.0%	$2.72	$0.00	$2.72	26.0	1.2	0.77	17.4	871
Ben Franklin Transit	$62.72	5.7%	$2.19	$0.12	$2.06	28.7	1.9	0.93	26.1	1,146
Clallam Transit System	$74.56	10.8%	$5.11	$0.55	$4.56	14.6	0.6	0.93	9.9	758
Everett Transit	$74.46	12.2%	$3.89	$0.47	$3.42	19.1	1.8	0.83	17.3	1,056
Intercity Transit	$58.07	10.0%	$3.25	$0.33	$2.92	17.9	1.2	0.89	18.4	906
Kitsap Transit	$74.61	13.4%	$2.44	$0.33	$2.12	30.6	1.7	0.82	22.7	788
Whatcom Transportation Authority	$77.45	8.6%	$2.43	$0.21	$2.23	31.8	2.2	0.97	18.1	958
Peer Average	$70.40	8.7%	$3.15	$0.29	$2.86	24.1	1.5	0.88	18.6	926
Peer Maximum	$77.45	13.4%	$5.11	$0.55	$4.56	31.8	2.2	0.97	26.1	1,146
Peer Minimum	$58.07	0.0%	$2.19	$0.00	$2.06	14.6	0.6	0.77	9.9	758

Source: 1997 Summary of Public Transportation Systems in Washington State

Exhibit A-4
Link Performance Audit
Comparison of Operating Costs by Function - Fixed-Route
Washington State Peer Group

System	Operating Cost			
	Vehicle Operations	Maintenance	General Administration	Total
LINK (Chelan-Douglas Counties)	$2,143,792	$1,165,986	$885,128	$4,194,906
Ben Franklin Transit	$4,892,310	$1,155,267	$1,385,068	$7,432,645
Clallam Transit System	$1,974,667	$874,623	$478,006	$3,327,296
Everett Transit	$3,854,762	$1,008,598	$829,686	$5,693,046
Intercity Transit	$6,558,535	$2,461,499	$2,746,691	$11,766,725
Kitsap Transit	$6,018,588	$2,845,944	$2,103,661	$10,968,193
Whatcom Transportation Authority	$3,776,360	$1,902,650	$1,192,606	$6,871,616

System	Operating Cost per Vehicle Hour			
	Vehicle Operations	Maintenance	General Administration	Total
LINK (Chelan-Douglas Counties)	$27.95	$15.20	$11.54	$54.69
Ben Franklin Transit	$32.09	$7.58	$9.09	$48.76
Clallam Transit System	$40.76	$18.05	$9.87	$68.68
Everett Transit	$41.87	$10.96	$9.01	$61.84
Intercity Transit	$28.52	$10.70	$11.94	$51.17
Kitsap Transit	$34.38	$16.26	$12.02	$62.65
Whatcom Transportation Authority	$41.47	$20.89	$13.10	$75.46
Peer Average	$35.29	$14.23	$10.94	$60.46
Peer Maximum	--	--	--	$75.46
Peer Minimum	--	--	--	$48.76

Source(s): 1997 National Transit Database, except Clallam Transit - 1997 Budget Summary and Link - costs allocated based on percentages from 1997 State Auditor's Report.

Exhibit A-5
Link Performance Audit
Comparison of Cost per Vehicle Hour - Fixed-Route
Washington State Peer Group

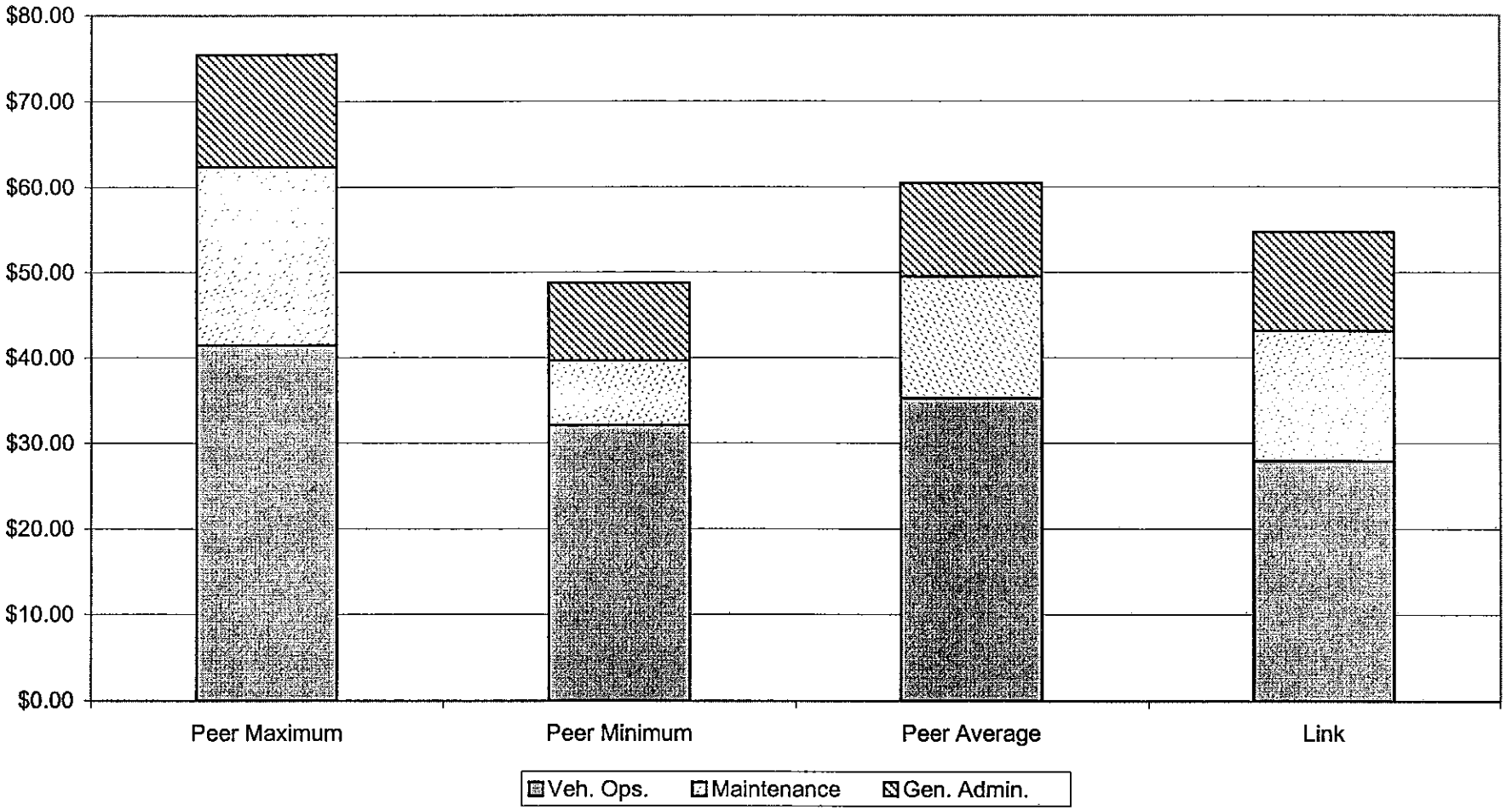


Exhibit A-6
Link Performance Audit
Comparison of Operator and Mechanic Wage Rates
Washington State Peer Group

System	Hourly Wage Rate			
	Bus Operators		Mechanics	
	Minimum	Maximum	Minimum	Maximum
LINK (Chelan-Douglas Counties)	$10.57	$14.23	$12.66	$18.45
Ben Franklin Transit	$12.35	$14.83	$16.01	$18.08
Clallam Transit System	$14.45	$14.60	$15.39	$15.54
Everett Transit	$12.46	$18.51	$18.53	$22.52
Intercity Transit	$10.09	$15.77	$16.07	$17.12
Kitsap Transit	$15.04	$16.39	$11.60	$20.07
Whatcom Transportation Authority	$14.38	$17.48	$16.74	$19.98

Source: 1997 operator and mechanic wage rates provided by each system's Human Resources department.

Exhibit A-7
Link Performance Audit
Washington State Peer Group Analysis - Paratransit

Category/Indicator	Range of Performance			LINK Performance	Percent Difference
	High	Low	Average		
COST EFFICIENCY					
Operating Cost per Revenue Vehicle Hour	$68.46	$37.69	$53.08	$59.67	12.4%
Farebox Recovery	17.1%	0.0%	4.3%	0.0%	-100.0%
Revenue Hours per Total Hour	0.97	0.69	0.84	0.69	-17.5%
COST EFFECTIVENESS					
Operating Cost per Passenger	$20.47	$11.43	$15.82	$16.71	5.6%
Revenue per Passenger	$2.22	$0.00	$0.59	$0.00	-100.0%
Subsidy per Passenger	$20.20	$10.76	$15.23	$16.71	9.7%
SERVICE EFFECTIVENESS					
Passengers per Revenue Hour	4.3	2.9	3.4	3.6	5.0%
Passengers per Revenue Mile	0.4	0.2	0.3	0.3	15.1%
Passengers per Capita	1.8	0.6	1.1	1.4	20.3%
Revenue Hours per FTE	1,149	754	868	857	-1.2%

Peer Group: Ben Franklin Transit, Clallam Transit System, Everett Transit, Intercity Transit and Kitsap Transit, Whatcom Transportation Authority.

Exhibit A-8
Link Performance Audit
Statistics and Indicators - Paratransit
Washington State Peer Group

System	Operating Costs	Farebox Revenue	Vehicle Hours	Revenue Vehicle Hours	Revenue Vehicle Miles	Passenger Trips	Service Area Population	Full-Time Equivalents
LINK (Chelan-Douglas Counties)	$2,000,314	$0	48,261	33,524	382,777	119,712	88,405	39.1
Ben Franklin Transit	$3,197,845	$175,981	91,539	74,368	1,251,959	279,867	155,945	64.7
Clallam Transit System	$656,199	$112,236	18,946	17,409	252,229	50,562	66,400	23.1
Everett Transit	$1,050,935	$14,170	18,789	15,352	114,076	51,330	84,130	16.8
Intercity Transit	$3,323,750	$107,116	59,034	57,167	697,280	173,291	197,600	74.0
Kitsap Transit	$3,626,336	$116,248	78,557	65,641	1,181,992	284,182	194,340	80.2
Whatcom Transportation Authority	$2,742,900	$0	65,345	55,567	701,311	159,060	155,945	68.5

System	Operating Cost per Rev. Veh. Hr.	Farebox Recovery	Operating Cost per Passenger	Revenue per Passenger	Subsidy per Passenger	Passengers per Rev. Vehicle Hour	Psgrs. Per Revenue Vehicle Mile	Revenue Hours per Vehicle Hour	Passengers per Capita	Revenue Hours per FTE
LINK (Chelan-Douglas Counties)	$59.67	0.0%	$16.71	$0.00	$16.71	3.6	0.3	0.69	1.4	857
Ben Franklin Transit	$43.00	5.5%	$11.43	$0.63	$10.80	3.8	0.2	0.81	1.8	1,149
Clallam Transit System	$37.69	17.1%	$12.98	$2.22	$10.76	2.9	0.2	0.92	0.8	754
Everett Transit	$68.46	1.3%	$20.47	$0.28	$20.20	3.3	0.4	0.82	0.6	914
Intercity Transit	$58.14	3.2%	$19.18	$0.62	$18.56	3.0	0.2	0.97	0.9	773
Kitsap Transit	$55.24	3.2%	$12.76	$0.41	$12.35	4.3	0.2	0.84	1.5	818
Whatcom Transportation Authority	$49.36	0.0%	$17.24	$0.00	$17.24	2.9	0.2	0.85	1.0	811
Peer Average	$53.08	4.3%	$15.82	$0.59	$15.23	3.4	0.3	0.84	1.1	868
Peer Maximum	$68.46	17.1%	$20.47	$2.22	$20.20	4.3	0.4	0.97	1.8	1,149
Peer Minimum	$37.69	0.0%	$11.43	$0.00	$10.76	2.9	0.2	0.69	0.6	754

Source: 1997 Summary of Public Transportation Systems in Washington State

Exhibit A-9
Link Performance Audit
Comparison of Operating Costs by Function - Paratransit
Washington State Peer Group

System	Operating Cost			
	Vehicle Operations	Maintenance	General Administration	Total
LINK (Chelan-Douglas Counties)	$1,022,254	$555,993	$422,068	$2,000,314
Ben Franklin Transit	$2,035,546	$781,771	$734,044	$3,551,361
Clallam Transit System	*(a)*	*(a)*	*(a)*	*(a)*
Everett Transit	$850,182	$87,219	$92,189	$1,029,590
Intercity Transit	$1,850,676	$660,962	$792,857	$3,304,495
Kitsap Transit	$2,677,541	$813,311	$127,231	$3,618,083
Whatcom Transportation Authority	$1,699,298	$454,726	$559,710	$2,713,734

System	Operating Cost per Vehicle Hour			
	Vehicle Operations	Maintenance	General Administration	Total
LINK (Chelan-Douglas Counties)	$21.18	$11.52	$8.75	$41.45
Ben Franklin Transit	$22.24	$8.54	$8.02	$38.80
Clallam Transit System	*(a)*	*(a)*	*(a)*	*(a)*
Everett Transit	$45.25	$4.64	$4.91	$54.80
Intercity Transit	$31.35	$11.20	$13.43	$55.98
Kitsap Transit	$34.08	$10.35	$1.62	$46.06
Whatcom Transportation Authority	$26.01	$6.96	$8.57	$41.53
Peer Average	$30.02	$8.87	$7.55	$46.43
Peer Maximum	--	--	--	$55.98
Peer Minimum	--	--	--	$38.80

Source: 1997 National Transit Database, except Link - costs allocated based on percentages from 1997 State Auditor's Report.
(a) Not available

Exhibit A-10
Link Performance Audit
Comparison of Cost per Vehicle Hour - Paratransit
Washington State Peer Group

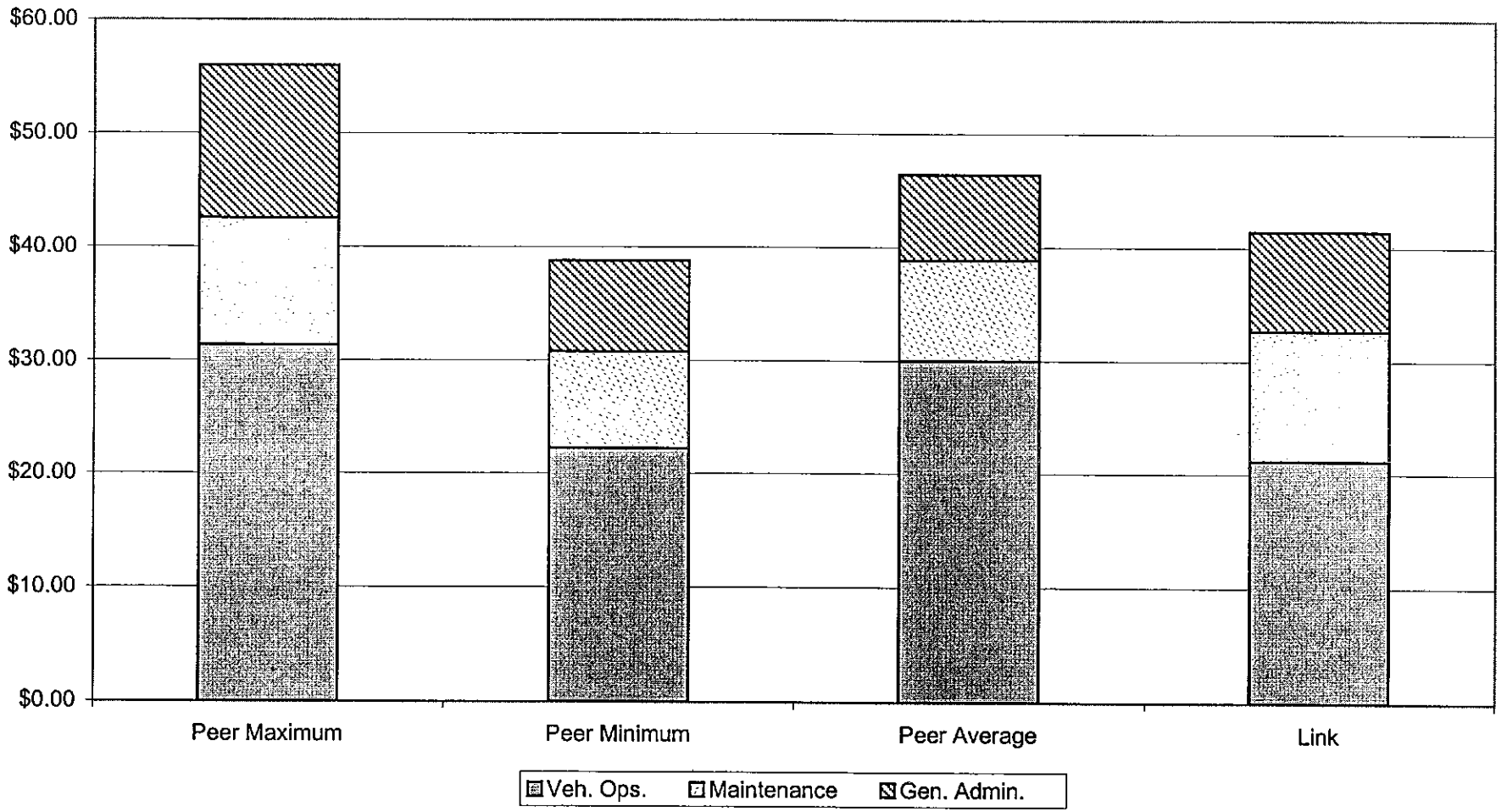


Exhibit A-11
Link Performance Audit
Selection Process for National Peer Systems

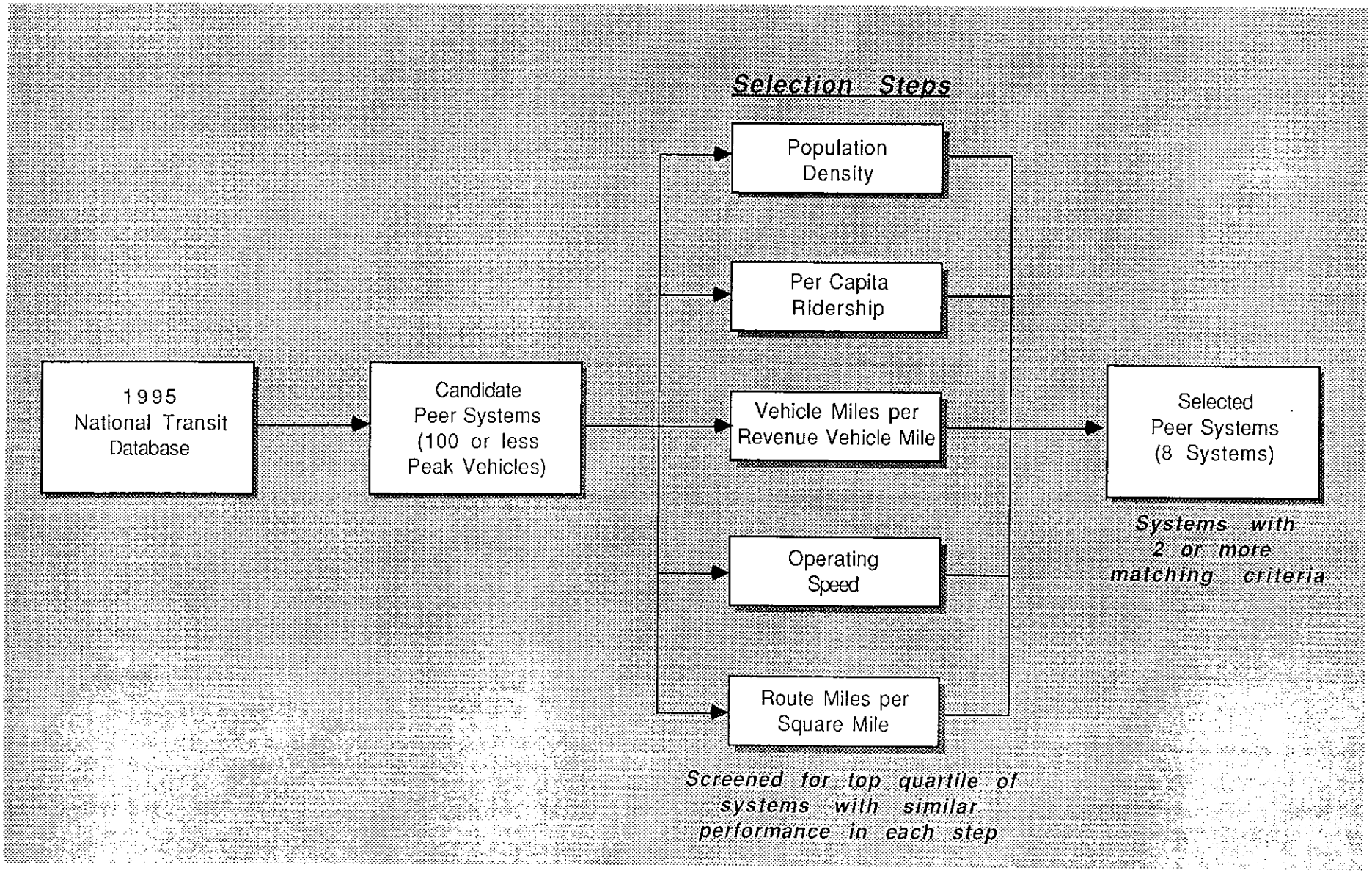


Exhibit A-12
Link Performance Audit
Peer Systems Profile
National Peer Group

State	System Name	Peak Vehicles	Active Fleet	Vehicle Miles (000's)	Revenue Vehicle Miles (000's)	Vehicle Hours (000's)	Unlinked Passengers (000's)	Service Area Population	Service Area (sq. mi.)	Directional Route Miles
NY	Broome County (Binghamton)	36	41	1,333.9	1,200.2	96.6	3,018.0	165,000	712	210.2
CO	Colorado Springs Transit	40	45	2,294.3	2,127.9	141.7	3,727.9	309,000	644	358.0
SC	Columbia-SCE&G	35	55	1,642.9	1,614.3	125.6	3,196.5	183,500	115	176.6
FL	Gainesville-RTS	31	47	1,414.6	1,399.5	73.8	2,047.5	184,000	900	266.9
PA	Lancaster-RRTA	32	39	1,459.8	1,398.0	99.8	2,183.4	420,920	952	345.0
MA	Lowell-LRTA	28	31	882.2	591.1	67.4	1,423.2	264,280	266	164.2
CA	Modesto-MAX	26	33	1,349.0	1,308.2	93.6	3,045.1	190,000	41	*(a)*
CA	Palm Springs-SunBus	26	40	1,971.4	1,642.4	115.5	2,613.5	237,000	266	283.8

State	System Name	Selection Criteria				
		Population Density	Per Capita Ridership	Veh Miles per Rev. Vehicle Mile	Operating Speed	Route Miles per Square Mile
NY	Broome County (Binghamton)	231.7	18.3	1.11	13.80	0.30
CO	Colorado Springs Transit	479.8	12.1	1.08	16.19	0.56
SC	Columbia-SCE&G	1,595.7	17.4	1.02	13.08	1.54
FL	Gainesville-RTS	204.4	11.1	1.01	19.18	0.30
PA	Lancaster-RRTA	442.1	5.2	1.04	14.63	0.36
MA	Lowell-LRTA	993.5	5.4	1.49	13.09	0.62
CA	Modesto-MAX	4,634.1	16.0	1.03	14.42	*(a)*
CA	Palm Springs-SunBus	891.0	11.0	1.20	17.07	1.07

Source: 1995 National Transit Database Reporting System
(a) Not available

Exhibit A-13
Link Performance Audit
National Peer Group Analysis - Fixed-Route

Category/Indicators	Range of Performance			LINK Performance	Percent Difference
	High	Low	Average		
COST EFFICIENCY					
Operating Cost per Revenue Vehicle Hour	$83.60	$34.45	$53.88	$70.91	31.6%
Farebox Recovery	42.6%	0.0%	24.8%	0.0%	-100.0%
Revenue Hours per Total Hour	0.99	0.77	0.93	0.77	-16.7%
COST EFFECTIVENESS					
Operating Cost per Passenger	$2.83	$1.29	$2.11	$2.72	29.4%
Revenue per Passenger	$0.84	$0.00	$0.49	$0.00	-100.0%
Subsidy per Passenger	$2.72	$0.76	$1.66	$2.72	63.6%
SERVICE EFFECTIVENESS					
Passengers per Revenue Hour	35.4	20.1	25.9	26.0	0.6%
Passengers per Revenue Mile	2.6	1.2	1.9	1.2	-37.6%
Passengers per Capita	18.5	4.8	12.5	17.4	39.5%
Revenue Hours per FTE	1,445.8	672.7	1,106.1	871.3	-21.2%

Peer Group: Broome County (NY), Colorado Springs Transit (CO), Columbia (SC)-SCE&G, Gainesville (FL)-RTS, Lancaster (PA)-RRTA, Lowell (MA)-LRTA, Modesto (CA)-MAX, Palm Springs (CA)-SunBus

Exhibit A-14
Link Performance Audit
Statistics and Indicators - Fixed-Route
National Peer Group

System	Operating Costs	Farebox Revenue	Vehicle Hours	Revenue Vehicle Hours	Revenue Vehicle Miles	Passenger Trips	Service Area Population	Full-Time Equivalents
LINK (Chelan-Douglas Counties)	$4,194,906	$0	76,702	59,159	1,328,042	1,540,137	88,405	67.9
Broome County	$3,933,769	$1,630,089	94,944	86,180	1,154,216	3,047,304	165,000	71.0
Colorado Springs Transit	$6,384,549	$1,403,692	140,558	132,682	2,131,387	3,205,338	390,000	111.5
Columbia SCE&G	$6,986,104	$1,484,257	125,593	123,459	1,614,258	3,196,487	183,500	101.0
Gainesville-RTS	$4,082,526	(a)	122,844	118,515	1,349,844	2,381,427	184,000	82.0
Lancaster-RRTA	$4,009,127	$1,708,803	97,992	91,819	1,349,657	2,027,432	421,000	81.5
Lowell-LRTA	$3,988,335	$939,213	82,542	74,804	709,381	1,563,944	264,280	67.6
Modesto-MAX	$4,682,077	$1,298,271	97,441	96,234	1,348,863	2,786,222	190,000	(a)
Palm Springs-SunBus	$8,395,921	$1,683,342	107,991	100,424	1,560,994	2,964,149	237,000	149.3

System	Operating Cost per Rev. Veh. Hr.	Farebox Recovery	Operating Cost per Passenger	Revenue per Passenger	Subsidy per Passenger	Passengers per Rev. Vehicle Hour	Psgrs. Per Revenue Vehicle Mile	Revenue Hours per Vehicle Hour	Passengers per Capita	Revenue Hours per FTE
LINK (Chelan-Douglas Counties)	$70.91	0.0%	$2.72	$0.00	$2.72	26.0	1.2	0.77	17.4	871
Broome County	$45.65	41.4%	$1.29	$0.53	$0.76	35.4	2.6	0.91	18.5	1,214
Colorado Springs Transit	$48.12	22.0%	$1.99	$0.44	$1.55	24.2	1.5	0.94	8.2	1,190
Columbia SCE&G	$56.59	21.2%	$2.19	$0.46	$1.72	25.9	2.0	0.98	17.4	1,223
Gainesville-RTS	$34.45	--	$1.71	--	--	20.1	1.8	0.96	12.9	1,446
Lancaster-RRTA	$43.66	42.6%	$1.98	$0.84	$1.13	22.1	1.5	0.94	4.8	1,127
Lowell-LRTA	$53.32	23.5%	$2.55	$0.60	$1.95	20.9	2.2	0.91	5.9	1,106
Modesto-MAX	$48.65	27.7%	$1.68	$0.47	$1.21	29.0	2.1	0.99	14.7	--
Palm Springs-SunBus	$83.60	20.0%	$2.83	$0.57	$2.26	29.5	1.9	0.93	12.5	673
Peer Average	$53.88	24.8%	$2.11	$0.49	$1.66	25.9	1.9	0.93	12.5	1,106
Peer Maximum	$83.60	42.6%	$2.83	$0.84	$2.72	35.4	2.6	0.99	18.5	1,446
Peer Minimum	$34.45	0.0%	$1.29	$0.00	$0.76	20.1	1.2	0.77	4.8	673

Source: 1997 National Transit Database Reporting System, except Link - 1997 Summary of Public Transportation Systems in Washington State.
(a) Not available

Exhibit A-15
Link Performance Audit
Comparison of Operating Costs by Function - Fixed-Route
National Peer Group

System	Operating Costs			
	Vehicle Operations	Maintenance	General Administration	Total
LINK (Chelan-Douglas Counties)	$2,143,792	$1,165,986	$885,128	$4,194,906
Broome County	$2,626,805	$782,623	$524,341	$3,933,769
Colorado Springs Transit	$4,361,565	$1,233,329	$789,655	$6,384,549
Columbia SCE&G	$4,409,889	$1,692,252	$883,963	$6,986,104
Gainesville-RTS	$2,233,161	$671,215	$1,178,150	$4,082,526
Lancaster-RRTA	$2,723,335	$660,982	$624,810	$4,009,127
Lowell-LRTA	$2,229,184	$675,619	$1,083,532	$3,988,335
Modesto-MAX	$2,689,232	$1,503,766	$489,079	$4,682,077
Palm Springs-SunBus	$3,657,355	$2,377,801	$2,360,765	$8,395,921

System	Operating Costs per Vehicle Hour			
	Vehicle Operations	Maintenance	General Administration	Total
LINK (Chelan-Douglas Counties)	$27.95	$15.20	$11.54	$54.69
Broome County (NY)	$27.87	$8.24	$5.52	$41.43
Colorado Springs Transit (CO)	$31.03	$8.77	$5.62	$45.42
Columbia (SC) SCE&G	$35.11	$13.47	$7.04	$55.62
Gainesville (FL)-RTS	$18.18	$5.46	$9.59	$33.23
Lancaster (PA)-RRTA	$27.79	$6.75	$6.38	$40.91
Lowell (MA)-LRTA	$27.01	$8.19	$13.13	$48.32
Modesto (CA)-MAX	$27.60	$15.43	$5.02	$48.05
Palm Springs (CA)-SunBus	$33.87	$22.02	$21.86	$77.75
Peer Average	$28.47	$11.50	$9.52	$49.49
Peer Maximum	--	--	--	$77.75
Peer Minimum	--	--	--	$33.23

Source(s): 1997 National Transit Database Reporting System; except Link - costs allocated based on percentages from 1997 State Auditor's Report

Exhibit A-16
Link Performance Audit
Comparison of Cost per Vehicle Hour - Fixed-Route
National Peer Group

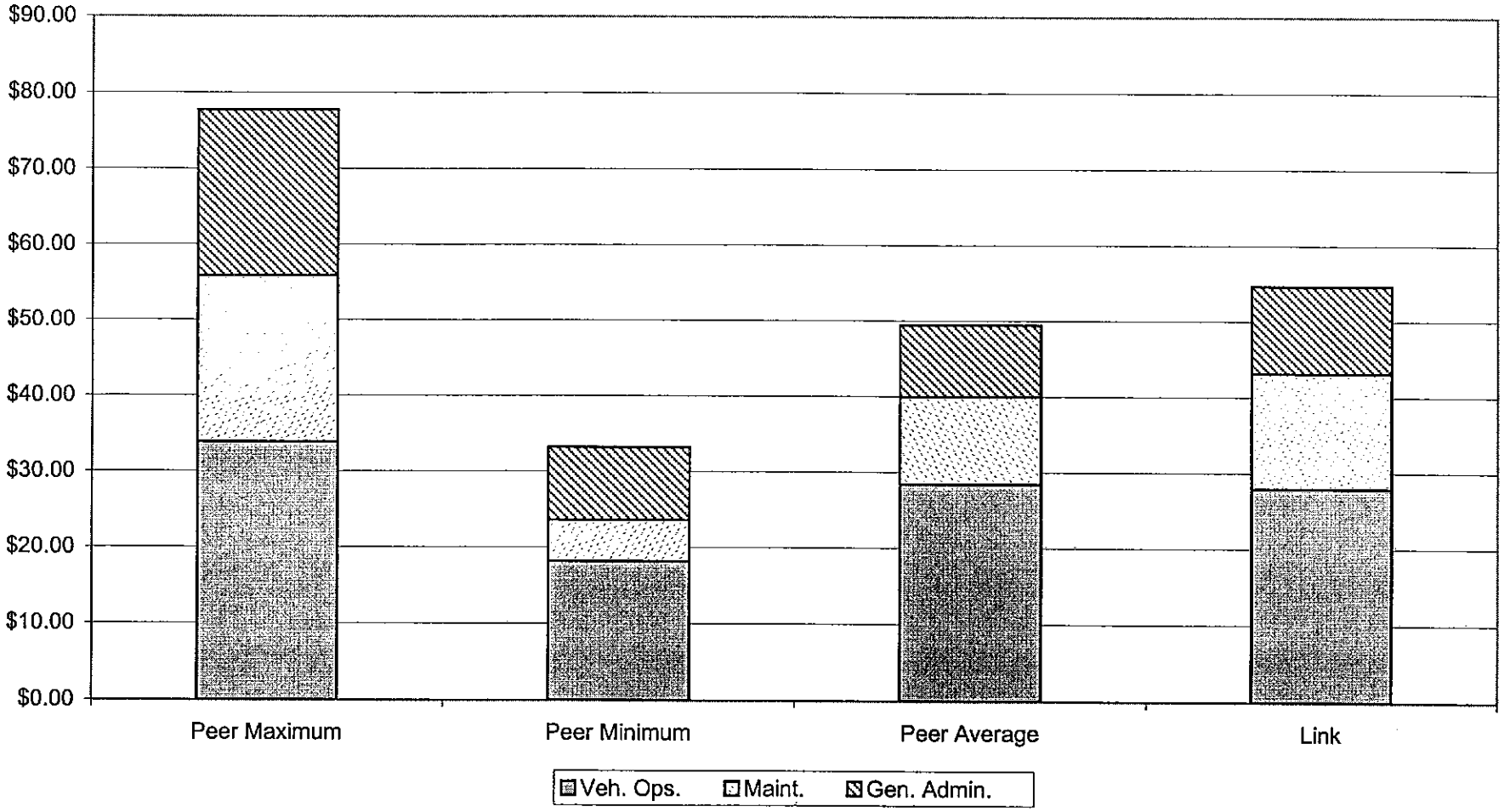


Exhibit A-17
Link Performance Audit
Comparison of Operator and Mechanic Wage Rates
National Peer Group

System	Hourly Wage Rate			
	Bus Operators		Mechanics	
	Minimum	Maximum	Minimum	Maximum
LINK (Chelan-Douglas Counties)	$10.57	$14.23	$12.66	$18.45
Broome County (NY)	$11.48	$14.69	$11.92	$16.56
Colorado Springs Transit (CO)	$9.80	$13.15	$11.80	$13.15
Columbia (SC) SCE&G	*(a)*	*(a)*	*(a)*	*(a)*
Gainesville (FL)-RTS	$9.04	$12.31	$10.72	$16.90
Lancaster (PA)-RRTA	$10.15	$14.50	$11.07	$15.82
Lowell (MA)-LRTA	*(a)*	*(a)*	*(a)*	*(a)*
Modesto (CA)-MAX	$8.29	$12.94	$15.53	$18.88
Palm Springs (CA)-SunBus	$8.32	$12.50	$11.55	$17.38

Source: 1997 operator and mechanic wage rates provided by each system's Human Resources department.

(a) Not available

Exhibit A-18
Link Performance Audit
National Peer Group Analysis - Paratransit

Category/Indicators	Range of Performance			LINK Performance	Percent Difference
	High	Low	Average		
COST EFFICIENCY					
Operating Cost per Revenue Vehicle Hour	$60.69	$24.83	$40.81	$59.67	46.2%
Farebox Recovery	12.2%	0.0%	7.0%	0.0%	-100.0%
Revenue Hours per Total Hour	1.00	0.66	0.86	0.69	-19.7%
COST EFFECTIVENESS					
Operating Cost per Passenger	$16.71	$7.03	$13.11	$16.71	27.4%
Revenue per Passenger	$1.77	$0.00	$0.91	$0.00	-100.0%
Subsidy per Passenger	$16.71	$6.73	$11.99	$16.71	39.4%
SERVICE EFFECTIVENESS					
Passengers per Revenue Hour	4.9	2.1	3.2	3.6	11.6%
Passengers per Revenue Mile	0.3	0.1	0.2	0.3	53.6%
Passengers per Capita	1.4	0.3	0.6	1.4	143.6%
Revenue Hours per FTE	951.1	857.4	904.2	857.4	-5.2%

Peer Group: Broome County (NY), Columbia (SC)-SCE&G, Gainesville (FL)-RTS, Lancaster (PA)-RRTA, Lowell (MA)-LRTA, Modesto (CA)-MAX, Palm Springs (CA)-SunBus

Exhibit A-19
Link Performance Audit
Statistics and Indicators - Paratransit
National Peer Group

System	Operating Costs	Farebox Revenue	Vehicle Hours	Revenue Vehicle Hours	Revenue Vehicle Miles	Passenger Trips	Service Area Population	Full-Time Equivalents
LINK (Chelan-Douglas Counties)	$2,000,314	$0	48,261	33,524	382,777	119,712	88,405	39.1
Broome County	$1,021,879	$71,664	30,900	27,928	446,900	83,112	165,000	(a)
Columbia SCE&G	$993,544	$83,685	33,915	29,741	521,606	63,405	183,500	(a)
Gainesville-RTS	$929,659	(a)	16,368	15,318	248,571	63,592	184,000	16.1
Lancaster-RRTA	$2,237,244	$95,370	98,428	64,683	1,416,354	318,105	421,000	(a)
Lowell-LRTA	$1,018,942	$64,375	41,650	41,044	484,883	95,348	264,280	(a)
Modesto-MAX	$1,127,013	$136,984	33,511	33,511	496,630	95,912	190,000	(a)
Palm Springs-SunBus	$1,060,860	$116,115	28,499	24,612	475,357	65,749	237,000	(a)

System	Operating Cost per Rev. Veh. Hr.	Farebox Recovery	Operating Cost per Passenger	Revenue per Passenger	Subsidy per Passenger	Passengers per Rev. Vehicle Hour	Psgrs. Per Revenue Vehicle Mile	Revenue Hours per Vehicle Hour	Passengers per Capita	Revenue Hours per FTE
LINK (Chelan-Douglas Counties)	$59.67	0.0%	$16.71	$0.00	$16.71	3.6	0.3	0.69	1.4	857
Broome County	$36.59	7.0%	$12.30	$0.86	$11.43	3.0	0.2	0.90	0.5	--
Colorado Springs Transit	--	--	--	--	--	--	--	--	--	--
Columbia SCE&G	$33.41	8.4%	$15.67	$1.32	$14.35	2.1	0.1	0.88	0.3	--
Gainesville-RTS	$60.69	--	$14.62	--	--	4.2	0.3	0.94	0.3	951
Lancaster-RRTA	$34.59	4.3%	$7.03	$0.30	$6.73	4.9	0.2	0.66	0.8	--
Lowell-LRTA	$24.83	6.3%	$10.69	$0.68	$10.01	2.3	0.2	0.99	0.4	--
Modesto-MAX	$33.63	12.2%	$11.75	$1.43	$10.32	2.9	0.2	1.00	0.5	--
Palm Springs-SunBus	$43.10	10.9%	$16.13	$1.77	$14.37	2.7	0.1	0.86	0.3	--
Peer Average	$40.81	7.0%	$13.11	$0.91	$11.99	3.2	0.2	0.86	0.6	904
Peer Maximum	$60.69	12.2%	$16.71	$1.77	$16.71	4.9	0.3	1.00	1.4	951
Peer Minimum	$24.83	0.0%	$7.03	$0.00	$6.73	2.1	0.1	0.66	0.3	857

Source: 1997 National Transit Database Reporting System, except Link - 1997 Summary of Public Transportation Systems in Washington State.
(a) Not available

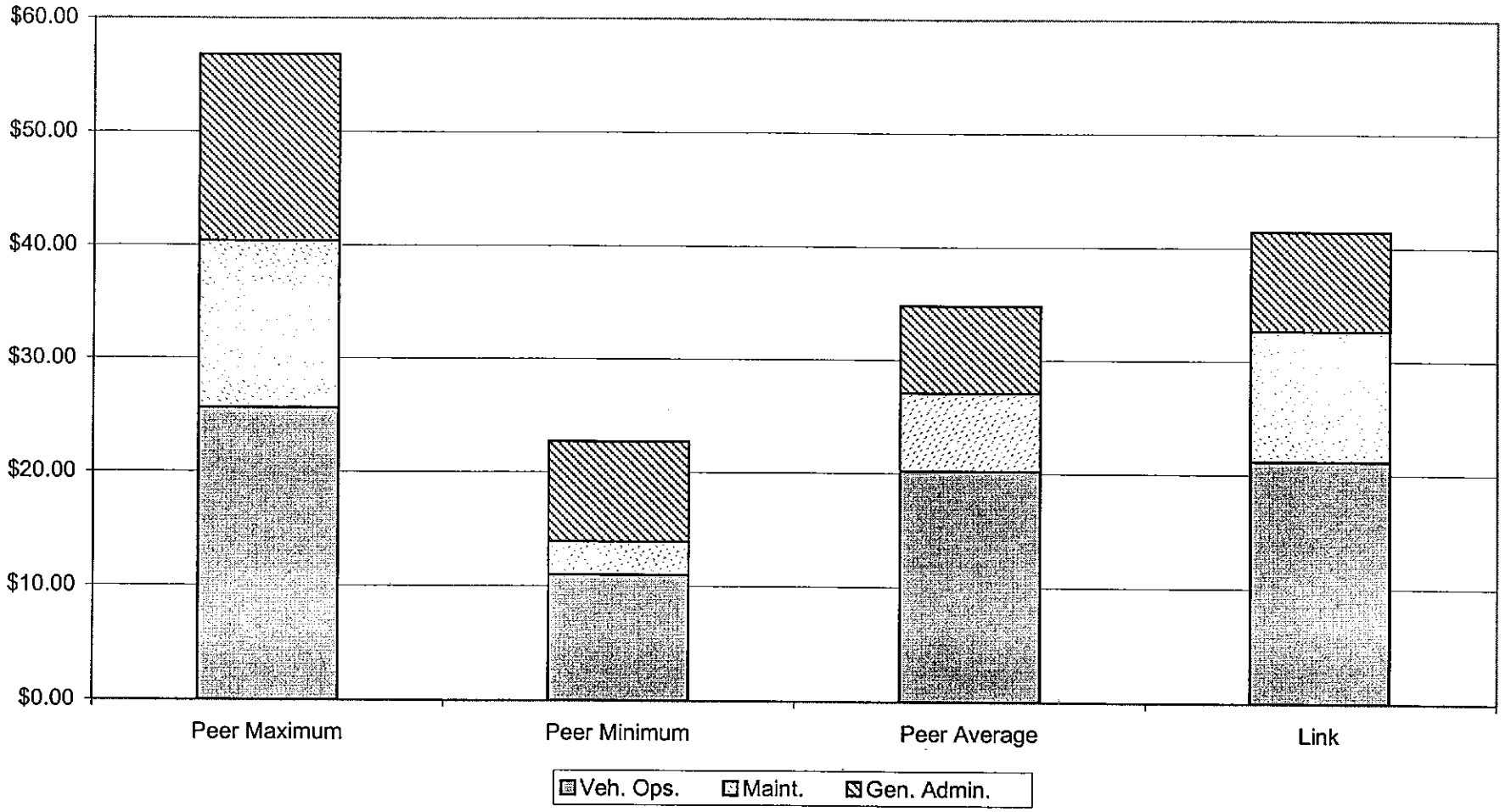
Exhibit A-20
Link Performance Audit
Comparison of Operating Costs by Function - Paratransit
National Peer Group

System	Operating Costs			
	Vehicle Operations	Maintenance	General Administration	Total
LINK (Chelan-Douglas Counties)	$1,022,254	$555,993	$422,068	$2,000,314
Broome County	$690,631	$134,028	$197,220	$1,021,879
Columbia SCE&G	$635,149	$146,678	$211,717	$993,544
Gainesville-RTS	$420,135	$241,205	$268,319	$929,659
Lancaster-RRTA	$1,082,070	$287,805	$867,369	$2,237,244
Lowell-LRTA	$845,255	$113,590	$60,097	$1,018,942
Modesto-MAX	$761,293	$168,003	$197,717	$1,127,013
Palm Springs-SunBus	$565,849	$269,976	$225,035	$1,060,860

System	Operating Costs per Vehicle Hour			
	Vehicle Operations	Maintenance	General Administration	Total
LINK (Chelan-Douglas Counties)	$21.18	$11.52	$8.75	$41.45
Broome County (NY)	$22.35	$4.34	$6.38	$33.07
Colorado Springs Transit (CO)	--	--	--	--
Columbia (SC) SCE&G	$18.73	$4.32	$6.24	$29.30
Gainesville (FL)-RTS	$25.67	$14.74	$16.39	$56.80
Lancaster (PA)-RRTA	$10.99	$2.92	$8.81	$22.73
Lowell (MA)-LRTA	$20.29	$2.73	$1.44	$24.46
Modesto (CA)-MAX	$22.72	$5.01	$5.90	$33.63
Palm Springs (CA)-SunBus	$19.86	$9.47	$7.90	$37.22
Peer Average	$20.22	$6.88	$7.73	$34.83
Peer Maximum	--	--	--	$56.80
Peer Minimum	--	--	--	$22.73

Source(s): 1997 National Transit Database Reporting System; except Link - costs allocated based on percentages from 1997 State Auditor's Report

Exhibit A-21
Link Performance Audit
Comparison of Cost per Vehicle Hour - Paratransit
National Peer Group



APPENDIX B

Supporting Documentation

for

Section 3. Trend Analysis

Exhibit B-1
Link Performance Audit
Fixed-Route Performance Trends

Statistic	FY1992	FY1993	FY1994	FY1995	FY1996	FY1997
Statistics						
Service Area Population	76,800	78,680	81,315	85,185	87,165	88,405
Annual Percent Change	--	*2.4%*	*3.3%*	*4.8%*	*2.3%*	*1.4%*
Operating Cost	$2,632,733	$3,331,930	$3,676,229	$4,805,063	$5,201,799	$4,194,906
Annual Percent Change	--	*26.6%*	*10.3%*	*30.7%*	*8.3%*	*-19.4%*
Operating Cost (Constant $)	$2,632,733	$3,244,333	$3,497,839	$4,465,672	$4,741,840	$3,752,152
Annual Percent Change	--	*23.2%*	*7.8%*	*27.7%*	*6.2%*	*-20.9%*
Farebox Revenues	$0	$0	$0	$0	$0	$0
Annual Percent Change	--	--	--	--	--	--
Revenue Vehicle Hours	42,198	42,315	49,662	55,197	66,479	59,159
Annual Percent Change	--	*0.3%*	*17.4%*	*11.1%*	*20.4%*	*-11.0%*
Total Vehicle Hours	(a)	(a)	(a)	(a)	(a)	76,702
Annual Percent Change	--	--	--	--	--	--
Revenue Vehicle Miles	912,532	1,056,712	1,067,327	1,235,676	1,585,865	1,328,042
Annual Percent Change	--	*15.8%*	*1.0%*	*15.8%*	*28.3%*	*-16.3%*
Passenger Trips	1,132,509	1,361,935	1,468,289	1,563,461	1,692,480	1,540,137
Annual Percent Change	--	*20.3%*	*7.8%*	*6.5%*	*8.3%*	*-9.0%*
Employees (FTEs)	57.3	52.0	59.0	79.0	86.2	67.9
Annual Percent Change	--	*-9.2%*	*13.5%*	*33.9%*	*9.1%*	*-21.2%*
Implicit Price Deflator (% Change)	*0.0%*	*2.7%*	*2.3%*	*2.4%*	*2.0%*	*1.9%*

Exhibit B-1, *continued*
Link Performance Audit
Fixed-Route Performance Trends

Category/Indicator	FY1992	FY1993	FY1994	FY1995	FY1996	FY1997
			Indicators			
COST EFFICIENCY						
Operating Cost per Revenue Hour	$62.39	$78.74	$74.02	$87.05	$78.25	$70.91
Annual Percent Change	--	*26.2%*	*-6.0%*	*17.6%*	*-10.1%*	*-9.4%*
Op. Cost per Rev. Hour (Constant $)	$62.39	$76.67	$70.43	$80.90	$71.33	$63.42
Annual Percent Change	--	*22.9%*	*-8.1%*	*14.9%*	*-11.8%*	*-11.1%*
Farebox Recovery	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Annual Percent Change	--	--	--	--	--	--
Revenue Hours per Total Hour	(a)	(a)	(a)	(a)	(a)	0.77
Annual Percent Change	--	--	--	--	--	--
COST EFFECTIVENESS						
Operating Cost per Passenger	$2.32	$2.45	$2.50	$3.07	$3.07	$2.72
Annual Percent Change	--	*5.2%*	*2.3%*	*22.7%*	*0.0%*	*-11.4%*
Op. Cost per Psgr. (Constant $)	$2.32	$2.38	$2.38	$2.86	$2.80	$2.44
Annual Percent Change	--	*2.5%*	*0.0%*	*19.9%*	*-1.9%*	*-13.0%*
Revenue per Passenger	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
Annual Percent Change	--	--	--	--	--	--
Subsidy per Passenger	$2.32	$2.45	$2.50	$3.07	$3.07	$2.72
Annual Percent Change	--	*5.2%*	*2.3%*	*22.7%*	*0.0%*	*-11.4%*
Subsidy per Psgr. (Constant $)	$2.32	$2.38	$2.38	$2.86	$2.80	$2.44
Annual Percent Change	--	*2.5%*	*0.0%*	*19.9%*	*-1.9%*	*-13.0%*
SERVICE EFFECTIVENESS						
Passengers per Revenue Hour	26.8	32.2	29.6	28.3	25.5	26.0
Annual Percent Change	--	*19.9%*	*-8.1%*	*-4.2%*	*-10.1%*	*2.3%*
Passengers per Revenue Mile	1.2	1.3	1.4	1.3	1.1	1.2
Annual Percent Change	--	*3.8%*	*6.7%*	*-8.0%*	*-15.7%*	*8.7%*
Passengers per Capita	14.7	17.3	18.1	18.4	19.4	17.4
Annual Percent Change	--	*17.4%*	*4.3%*	*1.6%*	*5.8%*	*-10.3%*
Revenue Hours per FTE	736	814	842	699	771	871
Annual Percent Change	--	*10.5%*	*3.4%*	*-17.0%*	*10.4%*	*13.0%*

Sources: 1992 through 1997 Statistical Summaries, Washington State DOT; IPD provided by Washington State DOT Economic Division.
(a) Not available

Exhibit B-2
Link Performance Audit
Paratransit Performance Trends

Statistic	FY1992	FY1993	FY1994	FY1995	FY1996	FY1997
			Statistics			
Service Area Population	76,800	78,680	81,315	85,185	87,165	88,405
Annual Percent Change	--	*2.4%*	*3.3%*	*4.8%*	*2.3%*	*1.4%*
Operating Cost	$743,349	$1,053,328	$1,293,085	$1,124,915	$1,267,104	$2,000,314
Annual Percent Change	--	*41.7%*	*22.8%*	*-13.0%*	*12.6%*	*57.9%*
Operating Cost (Constant $)	$743,349	$1,025,636	$1,230,338	$1,045,460	$1,155,063	$1,789,190
Annual Percent Change	--	*38.0%*	*20.0%*	*-15.0%*	*10.5%*	*54.9%*
Farebox Revenues	$0	$0	$0	$0	$0	$0
Annual Percent Change	--	--	--	--	--	--
Revenue Vehicle Hours	18,785	22,189	24,345	26,905	32,446	33,524
Annual Percent Change	--	*18.1%*	*9.7%*	*10.5%*	*20.6%*	*3.3%*
Total Vehicle Hours	(a)	(a)	(a)	(a)	(a)	48,261
Annual Percent Change	--	--	--	--	--	--
Revenue Vehicle Miles	258,454	260,806	268,258	342,567	436,842	382,777
Annual Percent Change	--	*0.9%*	*2.9%*	*27.7%*	*27.5%*	*-12.4%*
Passenger Trips	64,730	77,841	83,930	89,279	116,072	119,712
Annual Percent Change	--	*20.3%*	*7.8%*	*6.4%*	*30.0%*	*3.1%*
Employees (FTEs)	11.5	22.2	27.4	28.3	33.0	39.1
Annual Percent Change	--	*93.0%*	*23.4%*	*3.3%*	*16.6%*	*18.5%*
Implicit Price Deflator (% Change)	*0.0%*	*2.7%*	*2.3%*	*2.4%*	*2.0%*	*1.9%*

Exhibit B-2, *continued*
Link Performance Audit
Paratransit Performance Trends

Category/Indicator	FY1992	FY1993	FY1994	FY1995	FY1996	FY1997
			Indicators			
COST EFFICIENCY						
Operating Cost per Revenue Hour	$39.57	$47.47	$53.12	$41.81	$39.05	$59.67
Annual Percent Change	--	*20.0%*	*11.9%*	*-21.3%*	*-6.6%*	*52.8%*
Op. Cost per Rev. Hour (Constant $)	$39.57	$46.22	$50.54	$38.86	$35.60	$53.37
Annual Percent Change	--	*16.8%*	*9.3%*	*-23.1%*	*-8.4%*	*49.9%*
Farebox Recovery	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Annual Percent Change	--	--	--	--	--	--
Revenue Hours per Total Hour	(a)	(a)	(a)	(a)	(a)	0.69
Annual Percent Change	--	--	--	--	--	--
COST EFFECTIVENESS						
Operating Cost per Passenger	$11.48	$13.53	$15.41	$12.60	$10.92	$16.71
Annual Percent Change	--	*17.8%*	*13.9%*	*-18.2%*	*-13.4%*	*53.1%*
Op. Cost per Psgr. (Constant $)	$11.48	$13.18	$14.66	$11.71	$9.95	$14.95
Annual Percent Change	--	*14.7%*	*11.3%*	*-20.1%*	*-15.0%*	*50.2%*
Revenue per Passenger	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
Annual Percent Change	--	--	--	--	--	--
Subsidy per Passenger	$11.48	$13.53	$15.41	$12.60	$10.92	$16.71
Annual Percent Change	--	*17.8%*	*13.9%*	*-18.2%*	*-13.4%*	*53.1%*
Subsidy per Psgr. (Constant $)	$11.48	$13.18	$14.66	$11.71	$9.95	$14.95
Annual Percent Change	--	*14.7%*	*11.3%*	*-20.1%*	*-15.0%*	*50.2%*
SERVICE EFFECTIVENESS						
Passengers per Revenue Hour	3.4	3.5	3.4	3.3	3.6	3.6
Annual Percent Change	--	*1.8%*	*-1.7%*	*-3.7%*	*7.8%*	*-0.2%*
Passengers per Revenue Mile	0.3	0.3	0.3	0.3	0.3	0.3
Annual Percent Change	--	*19.2%*	*4.8%*	*-16.7%*	*2.0%*	*17.7%*
Passengers per Capita	0.8	1.0	1.0	1.0	1.3	1.4
Annual Percent Change	--	*17.4%*	*4.3%*	*1.5%*	*27.1%*	*1.7%*
Revenue Hours per FTE	1,633	1,000	889	951	983	857
Annual Percent Change	--	*-38.8%*	*-11.1%*	*7.0%*	*3.4%*	*-12.8%*

Sources: 1992 through 1997 Statistical Summaries, Washington State DOT; IPD provided by Washington State DOT Economic Division.
(a) Not available

APPENDIX C

Supporting Documentation

for

Section 5. Goals and Objectives

Exhibit C-1
Link Goals and Objectives

MISSION STATEMENT: The mission of Link is to provide safe, high quality, cost-effective, and efficient public transportation services which will enhance the quality of life for our citizens and visitors while promoting a healthy economy and positive image for our communities.	
GOAL 1: **To continually develop policies which are effective in providing quality public transportation service to all segments of Chelan and Douglas Counties within the benefit area.**	
Objectives:	a. Update the Link Comprehensive Transportation Plan, including an assessment of the demand for, and quality of, new and existing services and the development of service performance standards.
	b. Develop policies that will implement the Comprehensive Plan, including responding to demand and meeting performance standards.
GOAL 2: **To develop services and facilities which are appealing and responsive to the needs of the public and serve to unify the communities in Chelan and Douglas Counties.**	
Objectives:	a. Involve the public in determining individual community needs and assure interjurisdictional coordination and cooperation.
	b. Provide a mix of services and facilities over the next five years that are consistent with needs expressed by communities.
	c. Determine sites for transfer points and bus stops.
	d. Develop an overall schedule for the development of facilities.
GOAL 3: **Maintain fiscal policies which utilize public funds effectively.**	
Objectives:	a. Assure that the continuation of existing routes and addition of new routes is justified by sufficient ridership.
	b. Continue to acquire a broad base of funding support.
	c. Communicate the "buy local" preference policy.
	d. Develop a specific, quantifiable policy for debt and working capital.
	e. Develop an investment policy including types of investments, anticipated returns, and levels of risk
	f. Develop a policy for the use of taxes and fares

Exhibit C-1
Link Goals and Objectives

	g. Utilize financial analysis to determine fiscal impacts of major decisions being considered by the Board.
	h. Evaluate the insurance/risk management policy.
GOAL 4:	**Provide quality transportation services to senior and disabled citizens.**
Objectives:	a. Integrate paratransit and fixed-route services.
	b. Review the age eligibility policy for paratransit services.
	c. Inform senior and disabled persons of programs, access, and cost per ride of paratransit and fixed-route services.
	d. Explore vanpool alternatives.
GOAL 5:	**Provide public transportation which is affordable, safe, convenient, clean, comfortable, accessible, well-maintained, and reliable.**
Objectives:	a. Develop a set of statistics that are key indicators of actual performance for affordability, safety, convenience, cleanliness, comfort, accessibility, maintenance, and reliability. Regularly report these to the Board.
	b. Develop objectives for achieving certain standards of performance in each area.
	c. Develop a process for the Board and staff to evaluate alternatives to correct any deficiencies; considering cost, resources, and other factors of analysis.
GOAL 6:	**To integrate transit service as part of a balanced transportation system that supports planned growth patterns, achieves energy conservation, and improves air quality.**
Objectives:	a. Work with public and private entities to develop transportation infrastructure.
	b. Pursue every opportunity to integrate public transportation into the fabric of the communities served.
	c. Monitor developments in alternative fuels, signal priority systems, and other technologies.
	d. Continue to participate in the economic development of the region.
	e. Continue contacts with education and business entities to serve specialized needs.

Exhibit C-1
Link Goals and Objectives

GOAL 7:	**Consistently inform, and listen to, the public concerning decisions, actions, and services.**
Objectives:	a. Initiate, and periodically evaluate, a public relations program which effectively communicates facts about the system and provides citizen input into decision making.
	b. Schedule and hold community forums for input on services and programs.
	c. Continually survey riders and non-riders to determine citizen attitudes toward the system.
	d. Promptly communicate summaries of Board meetings to citizens, media, and employees.
	e. Utilize the citizens advisory committee more effectively.
GOAL 8:	**Continue to develop a highly skilled and productive workforce.**
Objectives:	a. Utilize state-of-the-art hiring practices including recruitment, screening, and selection.
	b. Continue high-quality labor relations; at least partially measured by a low number of grievances.
	c. Maintain drug-free/tobacco-free work environment.
	d. Provide for professional growth plan for employees to enhance skills and capabilities.
	e. Continue the wellness program.
	f. Re-evaluate the compensation and benefits program.
	g. Involve the Board in continuously recognizing outstanding employee performance.

Sources: *Revised Goals and Objectives, adopted 9/5/96*
Link Mission Statement, updated 5/28/96