



Cape Fear Public Transportation Authority FY 2012 Peer Analysis

Introduction

The purpose of this brief is to analyze how the Wave Transit fixed route operation compares with other North Carolina transit systems (excluding Charlotte). It also analyzes the effectiveness and efficiency of Wave Transit in comparison to transit systems in the state. Since transit systems offer different services and serve differing demographics, accurate comparison can be challenging, but the following broad comparison is valuable. It is important to note that services provided by the transit systems in North Carolina vary greatly. To ensure viability of the data analyzed, this report is based on data derived exclusively from fixed route transit service.

The data used for this analysis was compiled by the National Transit Database (NTD) (<http://www.ntdprogram.gov>). The NTD is a federally mandated and funded clearinghouse. The method for data collection and analysis is believed to yield highly accurate analysis. NTD data collection and analysis are time consuming and the final reports are typically published fifteen to eighteen months after the Authority fiscal year concludes, which is why this report may appear dated.

Operating Budget

Expenses for the operation of Wave Transit's fixed route service totaled \$6,590,474 for the fiscal year ending June 30, 2012. As depicted in Table 1, this amount was comparable to the two most similar sized urban areas (Asheville and Fayetteville). Overall analysis of system operating budgets is only valuable when compared to the level of service provided. These important data sets are analyzed later in this report.

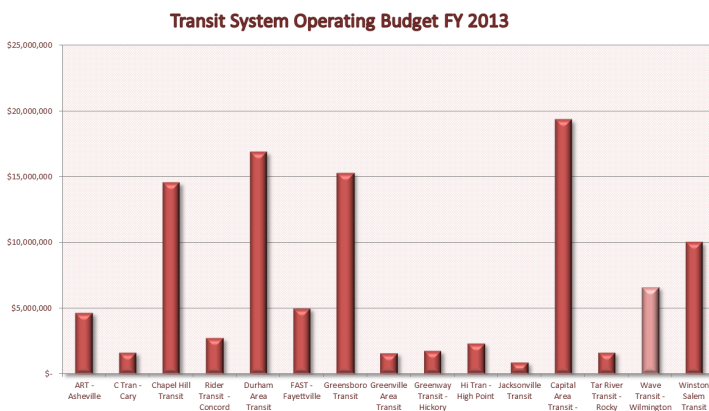


Table 1

Municipalities in North Carolina derive their local operating support for public transportation in a variety of ways. Utilizing dedicated property and sales taxes and vehicle registration fees, afford city and transit system funding stability from year to year. Many systems, including Wave Transit, are funded locally with general fund apportionments which can be politically sensitive and could lead to unreliable and drastically fluctuating service levels. This instability leads manipulation of the revenues controlled by systems and is one of the reasons that Wave Transit has the highest fixed route public transit fare in the state (Table 2).

Since farebox revenue is the only revenue source the Authority directly controls, the fare structure is heavily weighted toward revenue generation. In the case of Wave Transit, this has led to abnormally high fares in comparison other systems (Table 2). Revenue generation as the primary goal of rate setting has led to decreased ridership, underutilized seat miles and reduced access to transit service by the economically disadvantaged. Therefore, it is important that revenue generated from fares are evaluated to ensure that the system is utilized to its highest use while recuperating the maximum revenue from end users of the system.

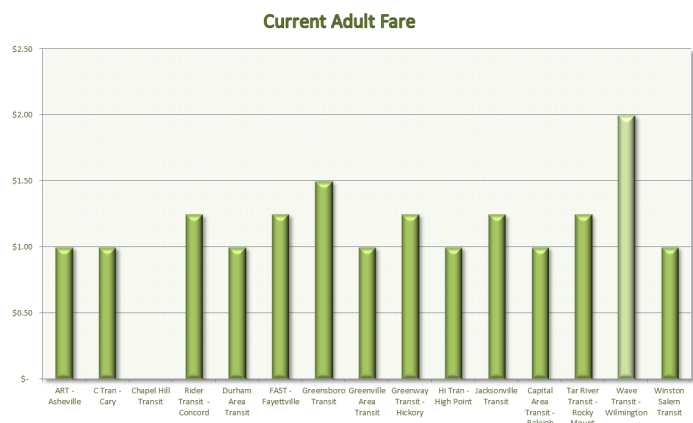


Table 2



Performance Indicators

Service efficiency and effectiveness are important performance indicators in evaluating public transportation. Service economy is only valuable if the services provided are effectively meeting the needs of the community. Service economy is typically measured by expense per revenue mile and/or expense per revenue hour. These are also measures of service efficiency since ridership is used in the calculation. Tables 3 and 4 demonstrate that Wave Transit expends less per revenue mile and less per revenue than all but two urban fixed route systems. Transit service provided by C-Tran is supplemented by the regional bus system Triangle Transit Authority whose data is not reflected in the tables.

Service efficiency, when calculated as expense per revenue hour, demonstrates that Wave Transit provides very economical service in comparison to other North Carolina transit systems.

Service effectiveness is typically measured by use of the service. Passengers per revenue mile and passengers per revenue hour are the most common metrics used to measure effectiveness (Tables 5 and 6). Data from these performance measures can make comparison difficult due to demographics, economics, population, population density and other factors.

In 2012 Wave Transit reported 1,524,273 fixed route passenger trips. Based on this figure, Wave Transit reported slightly over one passenger for every revenue mile traveled. The Authority also had 16.11 passengers per revenue hour. Stated another way, every hour each Wave Transit bus provided revenue service, 16.11 passengers were reported riding the bus. Balancing all performance indicators highlighted in this section affords the community an efficient and economical fixed route public transportation system.

Expense per Revenue Mile

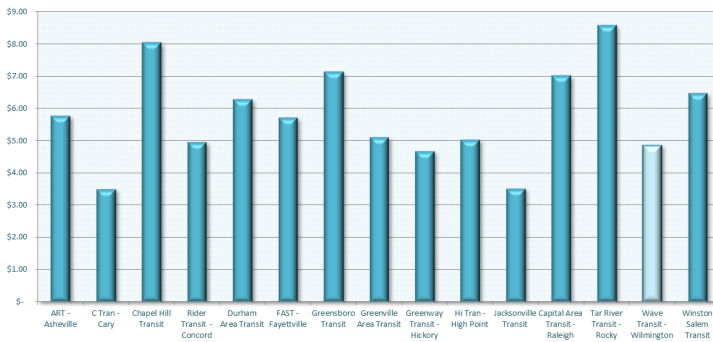


Table 3

Expense per Revenue Hour

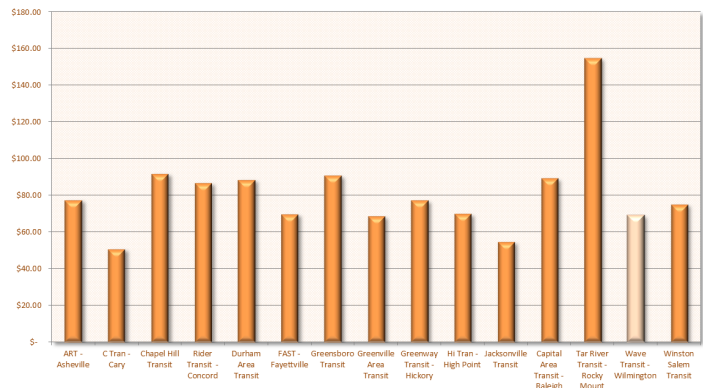


Table 4

Passengers per Revenue Hour

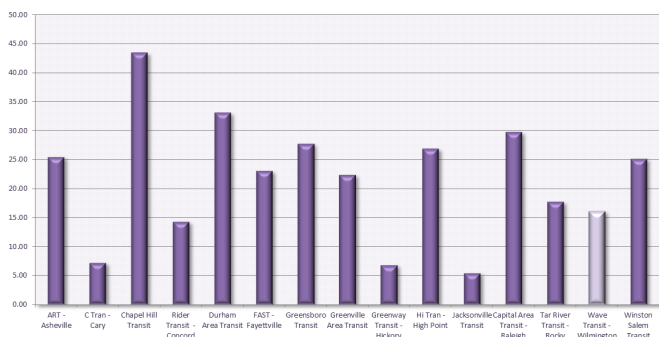


Table 5

Passengers per Revenue Mile

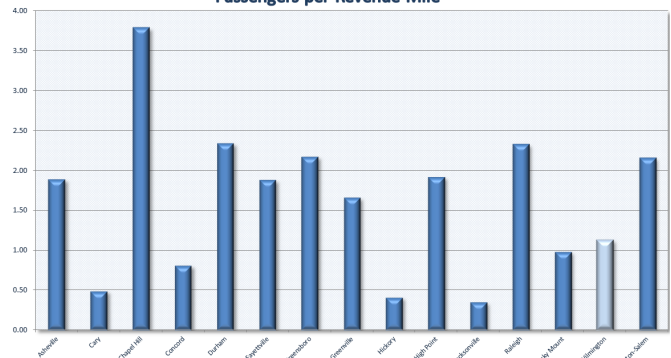


Table 6

Summary

This abstract demonstrates that the Cape Fear Public Transportation Authority clearly meets its responsibility to provide efficient and effective public transportation service to the Cape Fear region while minimizing the financial subsidy of its local funding partners and its taxpayers. The Authority compares very favorably to its peers providing fixed route public transportation in North Carolina. Data from this report reveals that the operation of Wave Transit is managed to be as fiscally responsible as possible while maintaining its mission. This is achieved by an engaged board judiciously monitoring the Authority.