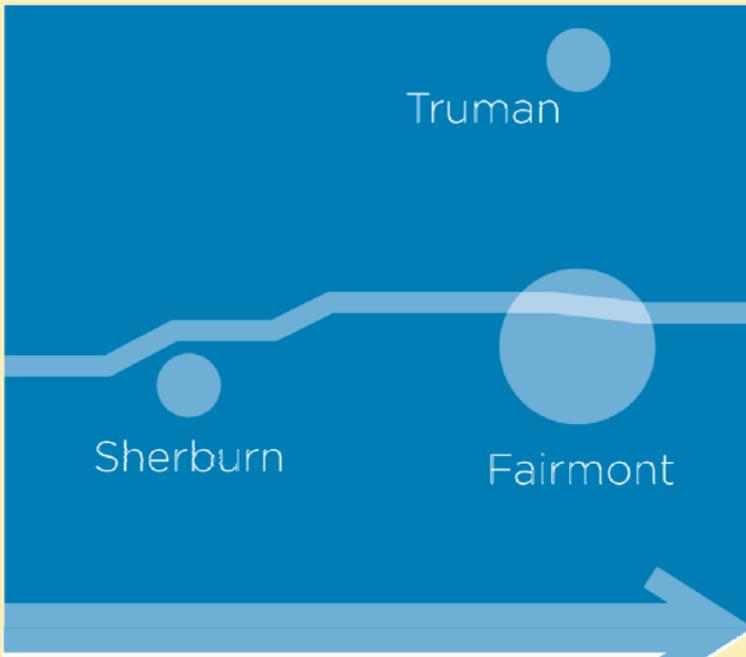


MARTIN COUNTY



FARIBAULT COUNTY

Faribault-Martin County Transit Restructuring Planning Study

Summary Report

December 2014



Minnesota
Department of
Transportation



SUMMARY REPORT

INTRODUCTION

The Minnesota Department of Transportation (MnDOT) is supporting the coordination and consolidation of small transit operations in Greater Minnesota in order to achieve an array of potential benefits for consumers and transit programs. These potential benefits include those that have been identified in communities where transit agencies have integrated their planning and operations and include (1) improved customer service/seamlessness in terms of fares, service coverage, and informational tools; (2) increased availability of transit services, with potential new destinations and expanded service hours that come from eliminating any duplicative services; (3) improved cost effectiveness for the agencies operating services through cost savings, shared expenses, more flexible use of available resources and equipment, and economies of scale; (4) economic development and facilities development opportunities due to improved buying power and the potential for larger scale developments; and (5) improved relationships between organizations by way of shared governance and multijurisdictional political support.

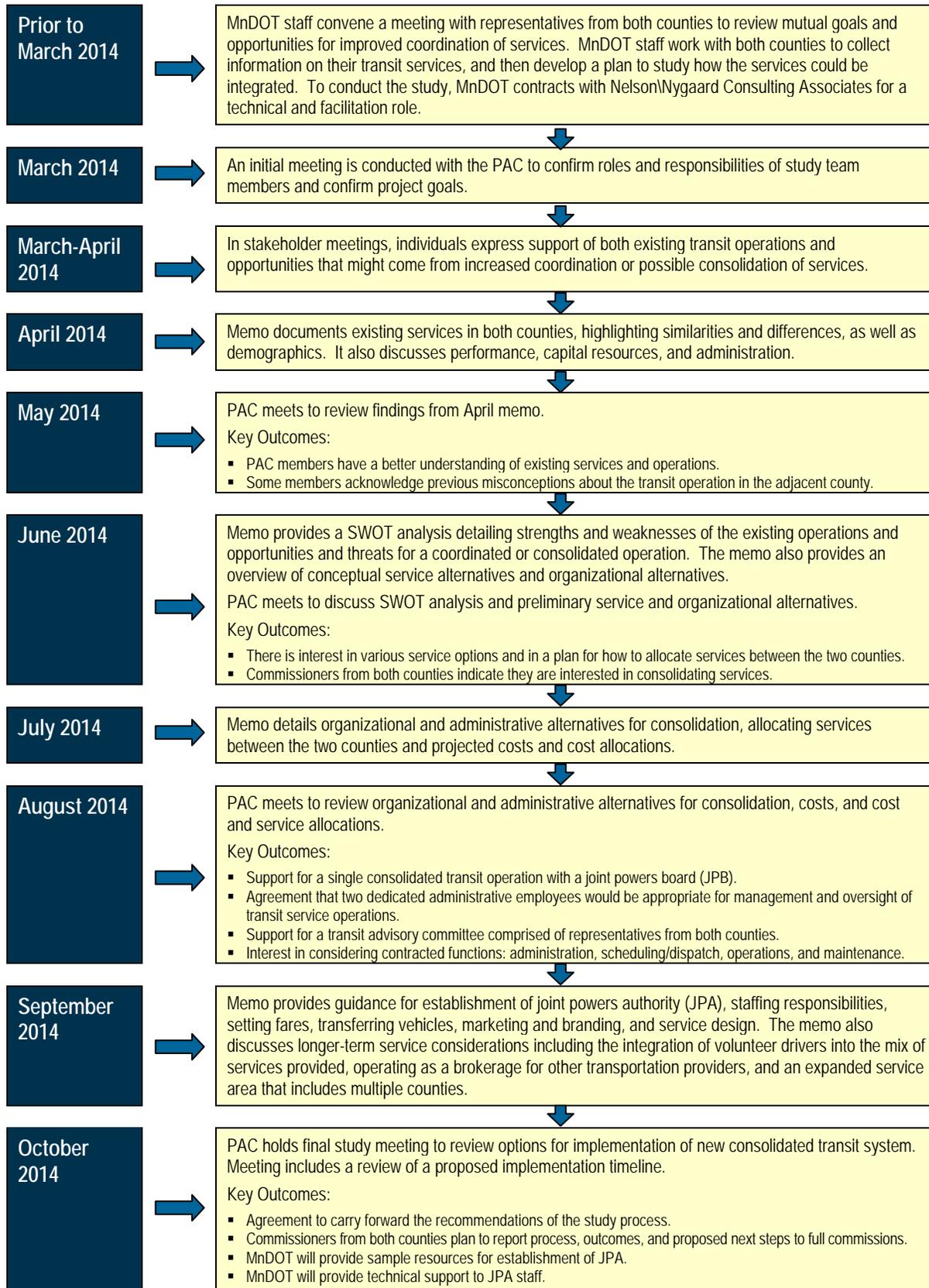
This brief report summarizes the consolidation study process undertaken in two southern Minnesota counties: Martin and Faribault. It highlights the study process and identifies the outcomes for a two-county area in which several stakeholders, including several county commissioners, have indicated their support for carrying forward a plan for a two-county consolidated transit system.

Study Process

This MnDOT-funded study was a collaborative process to explore the benefits of coordinating and consolidating transit services in Martin and Faribault counties and, with support from staff and elected officials in both counties, to develop a plan to move forward with a consolidated system that meets local transit needs. A Project Management Team (PMT) comprised of MnDOT staff was established to oversee the project, working with Nelson\Nygaard, the consulting firm retained to facilitate this planning study. Representatives from Martin and Faribault counties participated on the Project Advisory Committee (PAC) and provided valuable input throughout the nine-month study process. PAC members included staff from both counties, transit providers, and four designated elected officials—two from Martin County and two from Faribault County. Given the complex and sensitive nature of this planning effort, PAC members met at key milestones throughout the planning process to discuss the findings of the interim technical reports and provide strategic direction.

The study was a comprehensive, cooperative process, raising an array of issues from organizational models to policy board structure to service design. The study process is illustrated in the figure on the next page, which identifies the key outcomes from discussions at meetings that occurred throughout the process.

Study Process



Study Goals and Objectives

The PAC agreed on seven goals early in the planning process to guide this study. The seven goals were developed initially by MnDOT staff in collaboration with representatives from both counties. These goals are listed below:

1. To establish a baseline understanding of regionalization opportunities.
2. To understand the benefits and concerns resulting from potential cooperative arrangements between Martin and Faribault public transit service providers.
3. To recommend three cooperative strategies to pursue, potentially including coordination or consolidation.
4. To identify strategies that will improve the overall quality of transit services in Martin and Faribault counties.
5. To evaluate the potential for the expansion of transit service beyond Martin and Faribault counties to other destinations that is efficient and effective, and may include intercounty commuter services.
6. To develop an implementation plan to guide Martin and Faribault counties toward a cooperative or consolidated model.
7. To obtain greater knowledge and awareness of the issues surrounding system restructuring, leading to a more effective planning process.



Local residents gather at the Fairmont Hy-Vee to socialize. Martin County Transit provides access to destinations throughout Martin County and offers commuter service to Blue Earth.

BEFORE CONSOLIDATION: TWO TRANSIT SYSTEMS

Demand-response services available to the general public are provided in Martin and Faribault counties. Martin County Transit operates curb-to-curb service throughout the county plus offers express commuter trips to Blue Earth in Faribault County. Faribault County Prairie Express also operates a curb-to-curb service within its county boundaries, and extends into portions of adjacent counties to the west, north, and east, including portions of Martin County. The service also travels to the north and east to serve Mapleton, Amboy, and Albert Lea, among other destinations.

While some similarities exist between the two services, there are also distinct differences. A summary of the key operating characteristics and the organizational structure of both services is shown on the next page.



Faribault County Prairie Express serves locations beyond the county line, like stores and medical facilities in Albert Lea in Freeborn County.

Summary Comparison of Martin County Transit and Faribault County Prairie Express

Operating Characteristics	<i>Martin County Transit</i>	<i>Faribault County Prairie Express</i>
Service Area	Martin County only, with express commuter trips to Blue Earth	Faribault County, and portions of Martin, Blue Earth, Freeborn, Waseca, and Watonwan Counties
Days and Hours of Operation	City of Fairmont only: <ul style="list-style-type: none"> ▪ M-Th 5am – 6pm ▪ F 5am – 10pm ▪ Sat 8am 10pm Countywide: <ul style="list-style-type: none"> ▪ M-F 6am – 6pm 	Countywide: <ul style="list-style-type: none"> ▪ M-F 7am – 5pm
Fares	Fairmont only: \$2.75/trip Countywide: \$3.25/trip	Base fare: \$3/trip Trips outside county: \$6/trip Additional stops: \$2/stop
Organizational Structure		
Day-to-Day Service - Operations, Maintenance and Dispatch	Contract operator <i>(Fairlakes Transportation)</i>	In-house operation
Union Status	Non union	Transit program coordinator is union employee; others are not
Driver Wages	\$10/hour – weekday service \$10.50/hour – weekend service	\$9.71/hour - \$11.48/hour Vacation and sick time accrual combined; if monetized, equivalent to an additional 82¢ to 97¢/hour; modest retirement contributions are also made to the Public Employees Retirement Association (PERA)

Service Delivery

Martin County has had a long-standing third-party contract with Fairlakes Transportation to operate and dispatch the service and provide vehicle maintenance. Faribault County personnel operate its service in house. Even though Faribault County employs drivers directly and Martin County’s are contracted, the hourly rates are similar. Martin County Transit pays a higher driver wage for weekend service, while Faribault County Prairie Express drivers are compensated based on a salary range established in the county’s Union Labor Agreement. The primary difference in wages is that Faribault County’s drivers accrue vacation time and sick time, and also contribute to the Public Employees Retirement Association (PERA). If monetized, these costs are about a dollar per hour.



A Faribault County Prairie Express driver welcomes riders onboard. Assuming the consolidated system will contract for operations, the JPA will need to develop a strategy to transfer staff to the selected contract operator.

Fleet and Facilities

Martin County owns nine vehicles, with five used in typical daily operations. Martin County also owns an Administration and Garage building used to house the vehicles. This facility was built with a mix of state and local funds. Faribault County owns three vehicles, with two used in typical daily operations. Faribault County owns a garage that was entirely funded by local dollars.

Performance Assessment

The table below provides a summary of 2013 costs and key performance measures for the transit services in Martin and Faribault counties. The performance information highlights productivity and cost effectiveness measures to offer an even comparison between two systems that operate different levels of service.

Year 2013 Performance Summary

	<i>Martin County Transit</i>	<i>Faribault County Prairie Express</i>
Operating and Financial Data		
Service Hours	18,085	4,230
Service Miles	312,261	89,810
Ridership	60,523	9,880
Farebox Revenues	\$132,659	\$32,522
Operating Costs	\$711,144	\$165,936
Key Performance Measures		
Passengers/Hour	3.3	2.3
Cost/Hour	\$39.32	\$39.23
Cost/Passenger	\$11.75	\$16.80
Farebox Recovery Ratio	19%	20%

Both Martin and Faribault counties provide affordable, relatively comprehensive and responsive transit service to their consumers. Generally, Martin County’s service is more cost effective on a per-passenger basis than Faribault County —Faribault County’s services travel much longer distances and carry fewer riders per trip—but the two share similar hourly costs.

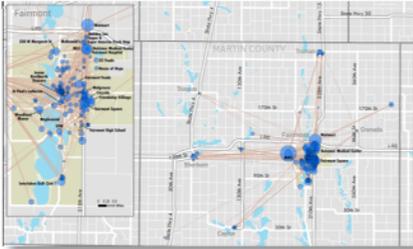
MnDOT generously supports transit services by providing up to 85% of the operating subsidy through a mix of federal and state funding sources. The remaining 15% is to come from passenger fares (farebox revenues), but if the service is unable to collect 15% of the net operating costs from fares, then the county is required to contribute general funds to make up the difference. Because the farebox recovery ratio in 2013 was higher than 15%, no general fund contributions were required from either county.

SUMMARY OF IMPROVEMENT OPPORTUNITIES

Although Martin County Transit and Faribault County Prairie Express both offer personalized service with friendly drivers and relatively low fares, opportunities exist to improve transit in both counties through consolidation into one system. Some of the major benefits of consolidation identified for Martin and Faribault counties are noted in the figure below.

Benefits of Consolidation in Martin and Faribault Counties

Transit Services



- Expanded service area enabling residents to travel in both counties
- Link/coordinate with regional and interregional transit carriers
- Service is provided where it is needed most: without regard to jurisdictional boundaries
- Offers more pre-arranged special group trips to increase productivity; it can also offer innovative funding opportunities
- Features uniform fares to ensure equitable and consistent fares for local and regional travel
- Maximizes efficient use of vehicles and facilities

Administration and Oversight



- Information sharing between staff across county lines
- Shared goals in Martin and Faribault counties that can be addressed through a Joint Powers Authority
- Increases training and development opportunities for drivers
- Receive MnDOT technical support and funding during transition and beyond

Community Relations/Public Involvement



- Increases visibility, regional identity, and brand for transit services
 - Increases opportunities for transit service for special events
 - Increases opportunities for co-branding/marketing with business and social service partners
-

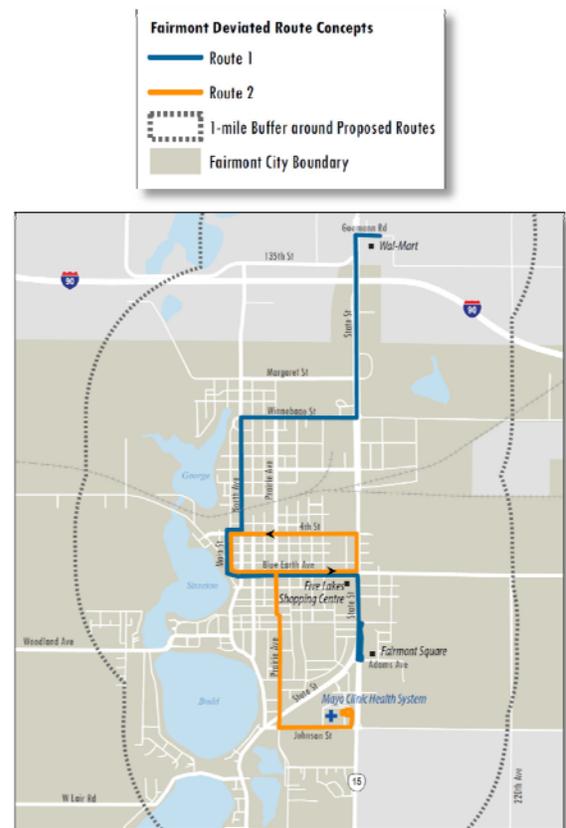
Service, Administrative and Organizational Recommendations

After reviewing service and organizational alternatives, members of the PAC recommended carrying forward several alternatives for transit service design, administration and finance. The recommendations are as follows:

Service Design Recommendations

- **EXPANDED SERVICE AREA** — Dial-a-ride service would be extended to include all of Martin and Faribault counties. Providing a much larger service area enables passengers to travel between the counties, supports connections to other transportation services and supports human service and health agencies by providing intercounty service for their clients. With a larger service area, a zonal fare structure with local and regional fares is recommended.
- **PRE-ARRANGED/SPECIAL GROUP TRIPS** — To build on the success of the highly productive existing group trips in Faribault County, more specialized group trips would be offered to grocery stores and other high-volume activity centers in both counties. This service would be provided as an on-call service requiring passengers to reserve a space 24 hours in advance of the group service. The major benefit of group trips is to increase the number of passengers carried to common destinations and to better utilize vehicles, as well as the opportunity to attract private funding contributions from supermarkets and other retail establishments. In the longer-term, group trips could be extended to long-distance destinations in Mankato or connect with regional carriers.
- **DEVIATED ROUTE SERVICE IN FAIRMONT** — Given the high demand for local travel in Fairmont, this service would operate along a predetermined alignment with established schedules and official bus stops (see illustration at right). The defined service area incorporates designated locations and landmarks where the bus will arrive at scheduled times. However, the bus can circulate along any street between those stops to pick up and drop off riders on demand. This type of service can carry more passengers per hour than dial-a-ride service.
- **REGIONAL INTERCITY SERVICE** — Scheduled bus service would operate at least three trips daily (morning, midday, and evening) between Fairmont and Blue Earth, carrying passengers in both directions. The current commuter service is designed to take Martin County residents to Faribault County for work, and does not afford midday access.
- **MOBILITY MANAGEMENT** — A longer-term option that consists of several interrelated strategies intended to meet a wide range of travel needs, mobility management is about understanding

Concept for Deviated Route Service in Fairmont



A conceptual pair of deviated routes in Fairmont would serve the arterials and densest residential areas, deviating off the route on request to pick up and drop off riders throughout most of Fairmont.

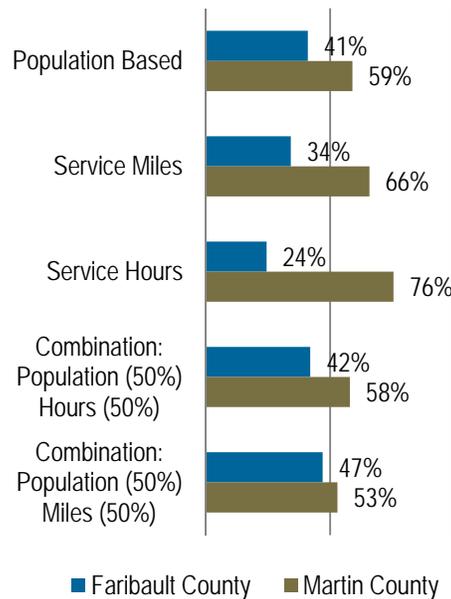
the needs of consumers, being familiar with the services they use and the destinations they travel, and identifying the right type of transportation service and the appropriate provider to serve an individual’s transportation needs. A sample of mobility management strategies include:

- Volunteer drivers
- Coordination with social service transportation providers
- Coordination with out-of-county services
- Information, referral and outreach

Administration and Finance

- **SERVICE CONSOLIDATION** — After reviewing a series of organizational structures, the PAC agreed to consolidate Martin County Transit and Faribault County Prairie Express into one system, with the understanding that it can improve service and provide better vehicle utilization. In essence, the two counties would no longer be involved in the day-to-day activities of administrating or operating a transit service. A consolidated system does not necessarily mean that service levels need to be the same in each county.
- **ORGANIZATION** — A Joint Powers Authority is the preferred organizational structure. Some considerations for development of a transit service JPA are presented on page 10.
- **COST SHARING** — A cost-sharing agreement will be required for the counties to share in the cost of service. The goal is to establish a formula that ensures each county is getting its fair share of service. The PAC reviewed a number of cost-sharing approaches based on service hours, miles, and population (see figure at right). Although a final determination for the approach will be made by a joint powers board (JPB), some elected officials on the PAC prefer a population-based formula. A population-based formula is currently used by the two-county Human Services JPA and is relatively easy to administer.
- **UNIFORM FARE STRUCTURE** — Since the transit services currently do not have consistent fares, a uniform fare structure will be required for a consolidated system. Fares should be equitable, easy to understand, and priced to achieve farebox recovery ratio targets for different types of service (e.g., general public dial-a-ride or deviated routes in an urban area might expect 20% farebox recovery versus 10% for rural dial-a-ride, 30% for pre-arranged group rides, or 25% for regional intercity service between Blue Earth and Fairmont.) Public hearings are required prior to finalizing a fare structure.

Sample Funding Requirements Based on Five Different Formulas



Assuming existing services, the various cost-sharing approaches would result in different proportions being paid by the two counties to fund a consolidated service.

FORMING A JOINT POWERS AUTHORITY

The recommended organizational model is to establish a JPA with policy guidance provided by a JPB. This organizational structure would be similar to the Human Services and Solid Waste JPAs. The primary advantage of a JPB is that it possesses decision-making authority and includes representation from both counties. Key considerations when determining who should serve on the JPB include:

- Should there be five commissioners from each county or a subset (a *long* or *short* board)?
- Should there be ex officio members and if yes, who should they represent?
- Should ex officio members have voting privileges?

MnDOT staff would serve in an advisory role to the JPA.

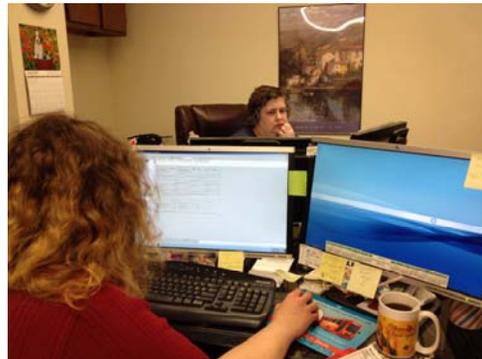
Once a JPB is established, critical decisions must be made. These include:

- **ADMINISTRATIVE STAFFING** — Several administrative functions are required to manage, oversee and monitor a transit service. Based on startup and ongoing activities, the PAC agreed on two key administrative staff positions to perform these important roles for a consolidated transit system.

- A *transit director* to oversee all aspects of the service, from managing the daily operation to service and financial planning.
- A *transit manager* to conduct marketing and public outreach, ensure compliance with state and federal requirements, and handle customer relations.

The administrative functions could be provided by direct employees of the JPA. That is, the JPA would recruit and hire its own staff. Alternatively, the JPA could elect to contract with an outside vendor to provide administrative staffing. An additional option may be to enter into a contract with Martin or Faribault County to provide staffing.

- **OPERATIONS, DISPATCH AND MAINTENANCE** — Putting service on the street requires operators to drive the vehicles, dispatchers to take reservations and supervise the bus operations, and mechanics to maintain vehicles. As with administrative personnel, three primary options are available to the JPA to carry out these functions:
 - One option is to follow Martin County's current model, in which the service is contracted to a private vendor to provide day-to-day operations, maintain the vehicles, and dispatch service. An advantage of this approach is that it can be cost effective and the contractor assumes all risks. A disadvantage is that it requires administrative staff to assume high level oversight and performance monitoring.
 - A second option is to perform all these functions in-house, as Faribault County does today. The JPA would hire drivers, dispatchers, and mechanics. This option allows for a high level



Two current scheduling and dispatch approaches: (top) Faribault County's manual procedures; (bottom) Martin County's transit staff using RouteMatch.

of control and accountability, and direct control over recruiting, hiring, and training operations personnel.

- A third option would be to enter into one or more third-party contracts to handle some of the functions such as operations and dispatch, while the JPA could administer service and hire mechanics to maintain vehicles (or other roles could be assigned to the JPA versus the contractor).
- **COMMUNITY ADVISORY COMMITTEE** – Establishing a community or transit advisory committee provides an opportunity to foster community input in the planning and operation of the consolidated transit system. The PAC agreed that establishing such a committee is desirable and it would serve in an advisory (nonvoting) role to the JPB. Membership on the committee would be from both counties and should represent a broad segment of the population including seniors, students, people with disabilities, low-income residents, and commuters. The advisory committee will report to the board on a variety of issues related to unmet transit needs, service design and marketing/public information.
- **MARKETING/BRANDING** – Representatives from both counties are interested in a new name and identifier; they want to build excitement for a consolidated system that serves both counties. Branding means creating an image for a product. The brand identity makes it easy to understand and recognize. One creative and cost-effective idea supported by the PAC is to solicit a graphic design department at a local school to develop branding and marketing tools. Another idea is to sponsor a competition in the two counties to rename the system. Marketing and public information should be consistently conveyed via bus stop signs, paint schemes on the buses, printed material, and electronic information tools.
- **POLICIES AND PROCEDURES** – The consolidated transit system should have clearly defined policies and procedures to ensure good relationships between the transit provider, drivers, and patrons. Policies should provide a set of guidelines for a smooth transition from two separate services to one consolidated system. Transit service policies also help ensure that riders are treated equally and fairly, and support drivers when enforcing rules on the bus.
- **FACILITIES AND TECHNOLOGY** – With a larger service area, it may be logical to geographically disperse where vehicles are parked to avoid unnecessary (deadhead) mileage. Vehicle ownership will need to be transferred to the JPA. While no new facilities are needed the short term, agreements may be required to share them or rent them for a minimal amount or through an in-kind services arrangement.



Both Faribault County Prairie Express and Martin County Transit have brand identifiers. Part of the consolidation process will require developing a unique brand for the two-county system.

KEYS TO SUCCESS FOR ADVANCING CONSOLIDATION IN MARTIN AND FARIBAULT COUNTIES

Based on the outcomes of this planning study, several lessons were identified:

- **ENGAGE STAKEHOLDERS “EARLY AND OFTEN”** – Participation from technical staff and policy board members throughout the study process helped bring people together with different perspectives on transit, different approaches to management, and different levels of involvement in the day-to-day management of transit. The consulting team found it beneficial to conduct one-on-one or small group interviews early in the study to allow individuals to speak candidly about their concerns, preferences, and priorities for consolidating transit services. Ongoing participation beyond the study will be critical for stakeholders to cultivate trust and respect each others’ strengths and weaknesses.
- **AGREE ON COMMON GOALS** – Identifying common consolidation goals to improve service and increase ridership was an important first step. Participants developed an understanding that by consolidating services, the potential exists to do more than either county (agency) can do on its own. Both Martin and Faribault counties want to enhance service and provide greater mobility for their residents without having to invest more funds in transit. The counties agreed that combining resources and expanding the service area will provide more mobility options for residents.
- **OVERCOME CONCERNS ABOUT LOCAL CONTROL** – Fear of losing control of the service was a critical concern for both technical staff and county commissioners. Loss of control relates to service design, pricing, marketing and service quality. To move the process forward, representatives from both counties indicated a strong willingness to develop something new – to take a different approach from what has historically been done in their respective counties.
- **ADDRESS ALL INDIVIDUAL ISSUES**– Since stakeholders and PAC members brought different perspectives to this study, a critical step was to acknowledge and address individual concerns. For example, there was concern about the consumer’s experience: that the personalized and friendly service now provided by both transit services may not be maintained under a consolidated system. Other considerations from the policy board perspective were about service equity and financial commitments. Ensuring that all issues were seriously considered and addressed was an important factor in advancing the support to move to a two-county consolidated system.
- **KEEP THE MOMENTUM GOING** – Once the study got underway, moving forward in a timely fashion proved to be beneficial in this process. As preliminary decisions were reached, such as the desired service design and agreement to consolidate services, it was valuable keep to an agreed upon schedule and keep the momentum going to support interest and enthusiasm for moving ahead and taking the next steps toward consolidation.
- **SEEK LEADERSHIP AND SUPPORT FROM MNDOT** – This study was very fortunate to have guidance, leadership, and support from MnDOT. MnDOT staff is very knowledgeable about different organizational models and best practices throughout the state, and shared relevant case studies and examples. By providing examples of systems that had successfully consolidated elsewhere in Greater Minnesota, the PAC’s comfort level increased and trusted that it could be done in Martin and Faribault counties.
- **ENSURE A COST-NEUTRAL OR COST-SAVINGS PLAN** – At the outset of this study, members of both the Martin and Faribault County Commissions clearly expressed that they did not want their respective counties to increase their financial contributions for transit services, yet were interested in opportunities to enhance service and increase ridership. Their stated preferences

were to learn about how to (1) enhance service and (2) increase cost and service effectiveness; both of these would need to be pursued without increasing financial obligations for the service in the immediate term. While cost savings is always a desirable outcome, the commissioners understood that it may not be possible.

NEXT STEPS

Restructuring transit in Martin and Faribault counties will require a wide range of activities, most of which will be led by existing transit staff with the cooperation and coordination of MnDOT. Early endorsement and support from policymakers and agency management will be a critical component for moving forward with consolidating services.

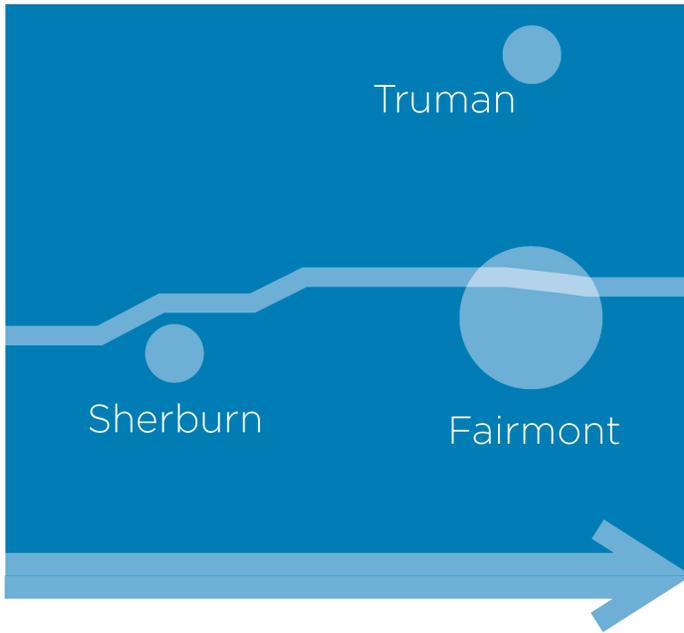
The study identified a series of specific implementation tasks to be carried out by existing staff from both counties to facilitate the creation of the JPA. Once a JPA is formed and the board makes decisions regarding internal staffing and contracting, much of the initial work will transition to JPA staff, contracted county staff, or a private contract operator. MnDOT staff will play a key support and advisory role.

In addition to the essential administrative first steps, the major tasks involved in implementing a consolidated operation will focus on service planning, operations, marketing/public information, and capital and financial planning.

		Primary Responsibility (if applicable, key support role is shown after semicolon)	Estimate County, JPA or Contract Staff Hours
ADMINISTRATIVE/STAFFING			
1	Convene meetings of commissioners from both counties to determine JPB composition	Staff from both counties, county commissions	4
2	Draft Joint Powers Authority (JPA) agreement to establish guidelines for a consolidated transit service	Staff from both counties and/or consultant	24
4	Determine staffing plan and plan for contracted services	Staff from both counties and/or consultant	8
5	Develop staff transition plan (or staff contracting plan)	Staff from both counties and/or consultant	12
3	Take JPA agreement to both commissions for formal action	Staff from both counties, county commissions	4
6	Hire staff/facilitate move of staff to new roles or contract for administrative staff	Staff from both counties initially and JPB	16
7	Ongoing meetings with JPB	Staff from both counties initially, then JPA staff, JPB	16
8	If applicable, prepare RFP(s) for contracted maintenance, scheduling/dispatch, or operations	JPA staff, JPB	40
9	If applicable, negotiate seniority, bid selection with staff representative or union	JPA staff, JPB	32
10	Plan for transition of assets to JPA	JPA staff, MnDOT staff	8
11	Develop budget	JPA staff	16
12	Implement Community Advisory Committee	JPA staff, JPB	16
13	If applicable, select contractors for maintenance, scheduling/dispatch, operations	JPB, support from JPA staff	16
14	Develop set of administrative procedures	JPA or contracted staff, as appropriate	24

An implementation timeline was developed to provide guidance to the JPB regarding steps required to carry forward the study findings.

MARTIN COUNTY



FARIBAULT COUNTY



Minnesota
Department of
Transportation

FARIBAULT-MARTIN COUNTY TRANSIT RESTRUCTURING PLANNING STUDY

Technical Report 1: Existing Services and Stakeholder Input

Original Draft Submitted March 2014

December 2014



With LSA Design

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1 INTRODUCTION

The Minnesota Department of Transportation (MnDOT) is supporting the effort to facilitate the coordination and consolidation of small transit operations in order to achieve an array of potential benefits for consumers and transit programs. These potential benefits include those that have been identified in communities where transit agencies have integrated their planning and operations and include (1) improved customer service/seamlessness in terms of fares, service coverage, and informational tools; (2) increased availability of transit services, with potential new destinations and expanded service hours that come from eliminating any duplicative services; (3) improved cost effectiveness for the agencies operating services through cost savings, shared expenses, more flexible use of available resources and equipment, and economies of scale and freeing up resources ; (4) economic development and facilities development opportunities due to improved buying power and the potential for larger scale developments; and (5) improved relationships between organizations by way of shared governance and multijurisdictional political support.

While MnDOT sees the coordination and potential consolidation of transit operations in Martin and Faribault counties as a good opportunity to establish an approach that could be applied elsewhere in Greater Minnesota, the primary focus is on developing a program to meet local needs. MnDOT has outlined specific priorities for this effort; representatives from Martin and Faribault counties point to their unique transit operating characteristics, skilled and dedicated staff, personalized services, and specialized approaches to meeting local transit needs. For a successful integration effort, the best practices in both counties must be considered in order to develop an approach that will not only serve the consumers well, but will also result in some operational efficiencies from working together.

This working paper represents the first deliverable in a series of working papers that will be prepared over the course of this study. Its purpose is to analyze the transit operations in Martin and Faribault counties to ensure project planners and stakeholders from the participating agencies have a solid understanding of existing services, staff functions, and stakeholder perceptions of the two transit programs. This first report serves as a baseline reference that can be updated as new information is provided; it also helps representatives from both counties to better understand what is happening in the “other county.”

PLANNING CONTEXT

Neither Martin nor Faribault County has prepared any transit service planning documents for as long as staff can remember. No short-range transit plans for either county have been prepared that can be references for the development of this planning effort, but some documents provide guidance for this precise type of project. A few of the most relevant documents to provide context for this ongoing effort are briefly summarized below.

Guidance for Coordination, Cooperation and Consolidation: Collaborative Strategies for Redesigning Transit Systems - MnDOT (2013)

The updated version of MnDOT's *Guidance for Coordination, Cooperation and Consolidation: Collaborative Strategies for Redesigning Transit Systems* was finalized in August 2013 and provides a useful resource for jurisdictions in Minnesota considering integration of services. For transit providers, the guidance outlines specific benefits:

- More opportunities for creativity in service delivery
- Better balance between efficiency as measured by operating cost per revenue hour and effectiveness as measured by passengers per revenue hour
- More flexibility in vehicle management
- More attentiveness to all aspects of federal requirements
- More time for managers to develop expertise in specialty areas

The guidance supports MnDOT's 2011 initiative, Transit for Our Future (TFF), to improve communications with transit providers and develop a set of standardized policies to apply to all public transit operations in Greater Minnesota. MnDOT's policies are designed to maximize the efficiency and effectiveness of transit services, encouraging transit agencies to consider efficiency standards in providing coverage-based services.

The guidance outlines a set of coordination, cooperation and consolidation strategies and tools that are appropriate for many transit systems in Minnesota, including those in Martin and Faribault counties. The report also outlines the direction that is being used for this project in Martin and Faribault counties and offers direction for transit agencies and elected officials who are considering integrating their services, pointing them to MnDOT as a resource to help facilitate the integration process. The guidance provides several different types of resources, including an example of a Joint Powers Agreement, specific mobility management responsibilities and tools, and an array of examples from across Minnesota, highlighting transit agencies that are already engaged in coordinated, cooperative and consolidated efforts and activities.

State Performance Measures – MnDOT (2013)

In early 2013, MnDOT Office of Transit prepared guidance for rural public transit systems expecting to add service to meet unmet needs or merge with other transit services. This guidance is essential to evaluate the effectiveness of the changes by using a series of service performance measures. The following performance measures are required to be reviewed for new or merged services:

- Passengers per Hour
- Cost per Passenger Trip
- Revenue per Passenger Trip
- Cost per Revenue Service Hour
- Revenue Miles and Average Trip Length

MnDOT established statewide standards only for Passengers per Hour, which are detailed in Figure 1-1 below, while the other measures are based on individual systemwide averages.

Figure 1-1 MnDOT Performance Measures

Type of Service	Passenger per Hour Threshold	Rating	Action
Community or Municipal Dial-A-Ride	≤ 2.0 PPH	Poor	Consider Discontinuance
	2.0 to 3.0 PPH	Minimally Adequate	Must improve to Good or Better in the next grant year or discontinue. Report and monitor service segment for upcoming year.
	3.0 to 5.0 PPH	Good	Include in following year's base service hours
	≥ 5.0 PPH	Excellent	

Source: MnDOT

New or merged services are expected to achieve a “good” rating during a demonstration or pilot year in order to be included the following year in the base revenue hours. Otherwise, an agency must follow the appropriate action described above. Martin County’s JARC Express service is operating with 1.3 passengers per hour (see page 2-16), well below the “Poor” threshold, and will need to be considered for discontinuance.

Existing Agreements under the Joint Exercise of Powers Law – Martin and Faribault Counties (Various Years)

Intergovernmental Service Agreements (ISAs) and Joint Powers Agreements (JPAs) are common in Minnesota, and address a range of different programs and services, including transit. Martin and Faribault counties already have two established JPAs that can potentially serve as a model if services are to be consolidated under a JPA.

The Human Services Board is established between the two counties to oversee the administration of social services, child support services and financial assistance programs under state supervision. Human Services of Faribault and Martin Counties is responsible for providing protective services to vulnerable adults and children, assisting seniors and people with disabilities through a variety of programs and support services, offering child support services, and assisting low-income persons and families. The JPA and Board by-laws include policy guidance as follows:

- Agreement to continue providing Human Services for both Martin and Faribault Counties, specifically to provide, improve, and manage social services, public health services, corrections services, mental health services, and other human services as needed.
- Policy guidance is provided by a Board of Directors, which is made up of up to five County Commissioners from each County, in addition to one appointed member from each County. Four officers are elected and meeting quorum consists of at least six attendees, of which three must be from each County.

The Joint Powers Agreement for the establishment for the Prairieland Solid Waste was created in 1989 and amended in 2007. The JPA allows for the provision of solid waste management services for the two counties, with the solid waste facility in Truman. Specifics on the agreement are as follows:

- Agreement to jointly manage the development, maintenance, and operations of any solid waste facility.

- Policy guidance is provided by a Board of Directors, which is made up full County Board of Commissioners from each County. The Board is responsible for coordination of all related projects and agreements. A chairman and vice-chairman are elected, and meeting quorum consists of at least three commissioners from each county.
- The JPA agreement is specifically designed to establish guidance on financing, costs, and revenues for projects and operations. The allocation is calculated based on pro-rated population and/or waste generation statistics from each County.
- Each County may elect to assign related project tasks to County staff members.

Some elected officials raised concerns about representation on the Human Service Board because it includes a mix of elected and appointed representatives, a cautionary note for a potential transit JPA in terms of determining how a JPA might be structured.

Fairmont Comprehensive Plan - City of Fairmont (2008)

The Fairmont Comprehensive Plan notes that all local transit service is operated under County jurisdiction with funding assistance from the State and that no City funding or City management is provided, but acknowledges that the City should monitor local transit needs as well as legislatively authorized local transit funding sources to assure that alternative transportation is available when warranted and economically feasible. The plan identifies a set of State and Federal transportation funding sources, and also describes the potential for funding transportation in Fairmont with utility fees, property taxes, MnDOT Cooperative Funds¹, Department of Natural Resources Grants for the development or reconstruction of trails, and funding from developers. The plan indicates that the City should regularly monitor legislative initiatives such as use of local option sales taxes, transportation utility and transit taxes. It should also review changes in existing transportation funding programs and adapt local funding policies as appropriate to best utilize its resources for community improvements.

Region Nine Local Human Service Transit Coordination Plan – MnDOT (2011)

The Human Service Transit Coordination Plan (HSTCP) includes an inventory of transportation providers in both Martin and Faribault counties and a set of proposed coordinated strategies. The HSTCP was developed based on input from a steering committee, stakeholder workshop, and a provider survey. Based on the work completed, the highest ranked strategies were identified as follows:

- Regional Transportation Linkage Line (central location for information)
- Centralized Mobility Manager (dispatch center)
- Diversification of vehicle fleet
- Extension of evening and weekend service hours

In addition to the two public transportation providers that are the focus of this current planning effort, the transportation inventory for Martin County identified the following organizations as involved in the direct provision of transportation services within the county:

¹ Minnesota state funds available to assist with cooperative projects intended to enhance safety and security.

- CREST - Caregiver Response Effort and Service Team, Fairmont
- Fairlakes Taxi Service, Fairmont
- Jefferson Lines Bus Service (stops in Fairmont)
- SMILES Center for Independent Living, Fairmont
- Sonny's Taxi Cab, Fairmont
- Martin County Veterans Office, Fairmont (volunteer driver program)

For Faribault County, the following were identified:

- Affordable & Accessible Van Inc., Mankato
- Americare Mobility Van, Mankato
- Bethany Evangelical Lutheran Church, Frost
- Interfaith Caregivers-Faith In Action, Blue Earth (volunteer driver program)
- Faribault County Veterans Office, Blue Earth (volunteer driver program)

PLANNING PROCESS

This planning effort is being initiated with the participation of a Project Management Team (PMT) and a Project Advisory Committee (PAC).

The PMT is comprised of MnDOT staff who oversee the consultants' day-to-day work on the project, facilitate the sharing of information with project stakeholders, and provide technical leadership. The consulting team meets biweekly with the PMT to review project progress and determine next steps.

The PAC is comprised of staff from the counties and transit providers, as well as designated elected officials from both counties. Given the complex and sensitive nature of this planning effort, PAC members meet at key milestones throughout the planning process to discuss the findings of the technical reports and provide direction for ongoing technical analysis.

The planning process includes several key milestones. This report represents the first of these: to assess the services, functions, positions and personnel of the two transit systems. The next phase will be to identify preliminary service design opportunities for the regionalization of services and potential consolidation of operations. Assuming consensus around project goals and service/administrative opportunities, the third phase of the project will include the development of alternatives for a consolidated agency, followed by a proposed implementation plan. All of these deliverables will be reviewed by the PMT and PAC.

PROJECT GOALS

MnDOT originally identified five fundamental goals of this planning study. Based on the presentation of these goals to the PAC, they were updated slightly, and two new goals were added. The proposed goals are identified as follows (new Goals 4 and 5 are shown in italics):

1. To establish a baseline understanding of regionalization opportunities.²

² MnDOT's original scope notes that recommendations will guide future public transit funding applications for participating transit systems.

2. To understand the benefits and concerns resulting from potential cooperative arrangements between Martin and Faribault public transit service providers.
3. To recommend three cooperative strategies to pursue, potentially including coordination or consolidation.
4. *To identify strategies that will improve the overall quality of transit services in Martin and Faribault counties.*
5. *To evaluate the potential for the expansion of transit service beyond Martin and Faribault counties to other destinations that is efficient and effective, and may include intercounty commuter services.*
6. To develop an implementation plan to guide Martin and Faribault counties toward a cooperative or consolidated model.
7. To obtain greater knowledge and awareness of the issues surrounding system restructuring, leading to a more effective planning process.

2 EXISTING TRANSIT SERVICES

This chapter explores the existing transit services currently operating in Martin and Faribault counties. Information regarding demographics, service operations, agency organization, funding sources, capital assets, ridership patterns, and performance will be used to compare the two systems. The review focuses on identifying opportunities and constraints for service coordination and/or consolidation among the two operators.

DEMOGRAPHIC CONTEXT

Figure 2-1 provides demographic information from both the 2012 US Census American Community Survey (ACS) estimates and ridership information from both agencies.

Figure 2-1 Demographic Summary

Agency	Martin County		Faribault County	
	Total	Percent of Total	Total	Percent of Total
County Population	20,727		14,546	
Unemployed In Labor Force*	466	2%	421	3%
Disabled	2,876	14%	1,671	11%
Youth (0-17)	4,616	22%	3,186	22%
Senior (65+)	4,320	22%	3,179	22%
Spanish-Speaking Residents**	1,012	5%	825	6%
Transit Ridership				
Transit Passengers	59,019		11,646	
Riders per Capita	2.8		0.8	
Households				
Households	8,887		6,340	
Zero-Vehicle Households	735	8%	312	5%
Low-Income Households***	2,254	25%	1,864	29%

* Does not include residents not in labor force

** Speaking English very well and less than very well

*** Households earning less than \$25,000 per year

Source: US Census, MnDOT

Both Martin and Faribault are rural counties that have a similar size, geographically. Martin County has a population of nearly 21,000 residents, nearly one-half of whom live in the City of Fairmont (approximately 10,500 residents), but also includes nine other cities and 20 townships.

Fairmont is home to the largest hospital in the two-county region—the Fairmont Medical Center—and also has a number of key retailers, including a WalMart.

Faribault County has a population of 14,500, spread among its various 11 incorporated cities, and various townships and unincorporated areas. Blue Earth is Faribault County’s largest city and county seat, and has a population of approximately 3,300.

Both counties have similar proportions of seniors age 65 and older (22%, compared with 13.6% statewide), showing a significant concentration of older adults who may have growing transportation needs in the future. The number of children age 17 and younger in both counties is nearly equivalent to the number of seniors (22%, compared with 23.7% at the statewide level), indicating a potential market of transportation users that may be underserved. Both counties have growing populations of Spanish speaking residents (5% to 6%) who speak English “very well or less than very well,” including many new immigrants from other Spanish-speaking countries.

TRANSIT SERVICE OVERVIEW

Demand-response transit service is provided for residents of both Martin and Faribault counties.

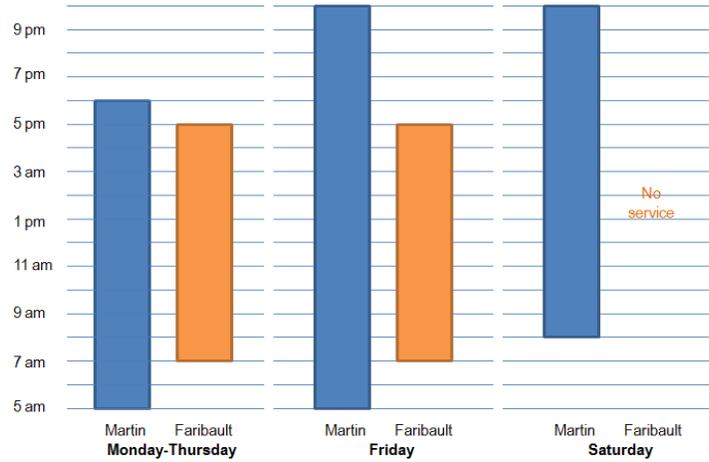
Martin County operates a curb-to-curb, demand responsive public transportation service available to residents of all ages. The service is exclusively available within the county limits, with the exception of express commuter trips to Blue Earth in Faribault County. The service operates weekdays, with extended hours and Saturday service in the city of Fairmont. Riders may travel anywhere within Martin County.

Faribault County also operates a curb-to-curb, demand responsive service available to the general public. Operated under the name *Prairie Express*, the service is available within county limits, but also extends into portions of adjacent counties to west, north, and east, including portions of Martin County. The service also travels to the north and east to serve Mapleton, Amboy, and Albert Lea, among other destinations.

Martin and Faribault counties have a history of sharing human service provision and waste management services for the purpose of streamlining costs and operations. Transit coordination or consolidation may present another opportunity to better serve both counties while reducing costs.

Figure 2-2 compares the service attributes for both operations.

Figure 2-2 Service Attributes Summary

Agency	 <p>MARTIN COUNTY TRANSIT</p>	 <p>FARIBAULT COUNTY PRAIRIE EXPRESS</p>
System Name	Martin County Transit (previously referred to as Martin County EasyTransit or Martin County Express)	
Service Area	Martin County only, with Express Commuter Trips to Blue Earth	Faribault County, and portions of Martin, Blue Earth, Freeborn, Waseca, and Watonwan Counties
Hours of Operation	<p>City of Fairmont Only: M-Th 5 am – 6 pm F 5 am – 10 pm Sat 8 am 10 pm</p> <p>Countywide: M-F 6 am – 6 pm</p> <p align="right">M-F 7 am – 5 pm</p> 	
Fares	Fairmont Only: \$2.75/trip* Countywide: \$3.25/trip* Children (12 & under), aides, and assistants with paid rider: Free	Base Fare: \$3/trip Trips outside County: \$6/trip Additional Stops: \$2/stop Licensed personal attendants: Free
Last Fare Increase	2008	2007
Reservation Policy	First come, first served basis for same day calls; 24 hour advanced reservation receives priority	First come, first served basis up to 14 days in advance; Advanced reservations to 60 days before trip date.
Pick Up Window	Between 15 minutes before and 15 minutes after scheduled pick up time	Between 5 minutes before and 5 minutes after scheduled pick up time
Cancellation Policy	No less than 2 hours before scheduled trip; After three "no-shows," service may be temporarily suspended	No less than 2 hours before scheduled trip; \$3 charge if less than 2 hours or "no-show"

*Subscription discounts available

Source: MnDOT Office of Transit, Martin County Transit, Faribault County Prairie Express

ORGANIZATION AND ADMINISTRATIVE OVERVIEW

Figure 2-3 below compares the organizational and administrative structures of both operators. Generally, both agencies are organized with similar structures. Martin County’s is administered by the County but is a contracted operation; Faribault County administers and operates its service in-house.

Figure 2-3 Organizational Structure Summary

Agency	Martin County Transit	Faribault County Prairie Express
Policy Board	Martin County Board of Commissioners	Faribault County Board of Commissioners
Management Structure	County Coordinator with support from Administrative Assistant; report to County Commissioners. Contracted Transit Dispatcher/Coordinator	Transit Program Coordinator & Central Services Director; report to County Commissioners
Day-to-Day Operations Operations	Contract Operator (Fairlakes Transportation)	In house
Day-to-Day Operations Dispatch	Contract Operator (Fairlakes Transportation)	In house
Day-to-Day Operations Maintenance	Contract Operator (Fairlakes Transportation)	In house
Union Status	Non union	Transit Program Coordinator is union employee; others are not

Source: MnDOT Office of Transit, Martin County Transit, Faribault County Prairie Express

Employees

Both counties rely on part-time drivers to operate all of the vehicles.

Martin County Transit is administered by the County’s Economic Development Department. An administrative assistant and the County Coordinator spend minimal time managing the service, and both report to the Board of County Commissioners, which provides policy direction for the service. The service is operated under a long-term contract with Fairlakes Transportation, which is responsible for all coordination, operations, dispatch, and maintenance of vehicles. The contractor employs 16 part-time drivers and three dispatchers (one full time and two part time). All vehicles and facilities are owned by Martin County. Vehicles are stored at the Martin County Transit facility and fueled off-site at the County Highway facility. Fairlakes Transportation purchases service from a private shop.

Faribault County Prairie Express is administered by the County’s Central Services Department, with a full-time transit coordinator responsible for day-to-day operations of the system, including dispatch, finances, reporting, communication, and performance monitoring. The coordinator reports to the Central Service Director, who reports to the Board of County Commissioners, which provides policy direction for the service. The County employs eight part-time drivers. Vehicles and facilities are owned by Faribault County and Faribault County maintains the vehicles.

Figure 2-4 details the total number of full-time employee equivalents (FTEs). It also illustrates a measure of efficiency: although it may seem like Martin County’s operation has a relatively large staff, more passengers are served per FTE in Martin County than in Faribault County by a ratio of approximately 3:2.

Figure 2-4 Full-Time Employee Equivalents

Martin County	Full Time Equivalents (FTE)	Faribault County	Full Time Equivalents (FTE)
Contracted Transit Coordinator	1.0	Transit Coordinator	1.0
Administrative Assistant	0.12		
County Coordinator	0.11	Central Services Director	0.10
Dispatchers	2.25		
Operators	9.38		
Total FTE	12.86	Total FTE	3.6
Passengers per FTE	4,590	Passengers per FTE	3,235

Source: Calculations based on data provided by Martin County and Faribault County

As noted above, both agencies employ part-time operators. Both pay a similar hourly rate, as shown in Figure 2-5. Martin County pays a higher operator wage for weekend service, while Faribault County Prairie Express drivers are compensated based on a salary range established in the County’s Union Labor Agreement. The primary difference in wages is that Faribault County’s drivers accrue vacation time and sick time. If monetized, these costs are less than one dollar per hour. Modest retirement contributions are also made to the Public Employees Retirement Association (PERA).

Figure 2-5 Driver Wage Summary

Transit Service	Martin County Transit	Faribault County Prairie Express
2014 Driver Hourly Wage	\$10/hour – Weekday Service \$10.50/hour – Weekend Service	\$9.71/hour - \$11.48/hour Vacation and sick time accrual combined; if monetized, equivalent to an additional 82¢ to 97¢/hour. Modest retirement contributions are also made to the Public Employees Retirement Association (PERA).

Source: Martin County Transit, Faribault County Prairie Express

Agency Operating Costs

Figure 2-6 summarizes administration, transit operations, and maintenance costs for both providers. The consulting team has a set of more detailed costs for both agencies that will be used in the next phase of the study to assess how costs are assigned. Generally, Faribault County spends much more on administration than Martin County, a result of the fully contracted operations in Martin County, the cost of which is folded into Martin County operations, as shown below. The higher administrative costs are also reflective of the way costs are shown, since the Transit Program Coordinator in Faribault County's duties include a mix of administrative and operations roles.

Figure 2-6 Agency Cost Summary

Cost Category	Martin County					
	2012 Actual		2013 Projected		2014 Budgeted	
Administration	\$30,820	6%	\$29,564	5%	\$44,615	6%
Operations*	\$366,923	67%	\$390,883	64%	\$466,937	66%
Maintenance**	\$153,461	28%	\$194,697	32%	\$194,500	28%
Total	\$551,204	100%	\$615,144	100%	\$706,052	100%

Cost Category	Faribault County					
	2012 Actual		2013 Projected		2014 Budgeted	
Administration***	\$76,031	25%	\$53,438	32%	\$55,960	27%
Operations	\$164,783	55%	\$66,641	39%	\$78,040	38%
Maintenance**	\$58,486	20%	\$49,168	29%	\$73,800	36%
Total	\$299,300	100%	\$169,247	100%	\$207,800	100%

* Includes all contracted operations costs

** Includes all fuel & parts

*** Includes Fringe Benefits

Source: MnDOT, Martin County Transit, Faribault County Prairie Express

Contracts & Agreements

Martin County Transit currently has a long-term contract agreement with Fairlakes Transportation, Inc. to operate all of the County's public transit service. The contract agreement includes standard provisions on payment, terms, and responsibilities.

Faribault County Prairie Express operates its service under a labor agreement with the International Union of Operating Engineers, Local #49. The agreement includes conditions of employment, hours, wages, duration of agreement, and dispute resolution procedures. Because the Transit Program Coordinator is the only full-time employee, the agreement currently only covers her position. The agreement includes a Memorandum of Understanding (MOU) detailing the requirements for paid benefits for both current and retired employees.

CAPITAL ASSETS

Fleet & Facilities

Martin County owns nine total vehicles, with five used in typical daily operations. Martin County also owns an Administration and Garage building used to house the vehicles. This facility was built with a mix of state and local funds.

Faribault County owns three vehicles, with two used in typical daily operations. Faribault County owns a garage that was entirely funded by local dollars.

Figure 2-7 lists the fleet information for both operators. The vehicle type and capacity are fairly uniform among the two operators, suggesting potential ease of consistent maintenance programs and procedures, and reflecting the similar operating characteristics of the two different transportation programs. This suggests that the potential for interchanging vehicles between counties could be fairly seamless. However, the age of the vehicles may require quick replacement in the next few years, while the overall size of a potentially combined fleet may limit service expansion.

Figure 2-7 Existing Fleet

Make	Model	Year	Fuel	Capacity	Quantity
Martin County					
Elkhart Coach	ECII	2014	Unleaded	13	1
Elkhart Coach	ECII	2014	Unleaded	16	1
Elkhart Coach	ECII	2013	Unleaded	16	1
Goshen Coach	GCII	2011	Unleaded	12	1
Elkhart Coach	ECII	2009	Diesel/Biodiesel	16	1
Elkhart Coach	ECII	2009	Unleaded	16	1
Elkhart Coach	ECII	2008	Diesel/Biodiesel	16	2
Ford	Van Terra	2007	Unleaded	9	1
Faribault County					
Goshen Coach	GCII	2011	Unleaded	15	1
Goshen Coach	GCII	2009	Unleaded	15	1
Goshen Coach	GCII	2005	Unleaded	15	1

Source: MnDOT, Martin County Transit, Faribault County Prairie Express

Technology

Martin County is the beneficiary of an American Recovery and Reinvestment Act (ARRA) grant provided through the state for the implementation of an Intelligent Transportation System (ITS). The grant funding was administered under an MOU with several partner agencies in Minnesota. Martin County was able to install RouteMatch, which includes capabilities such as:

- Trip dispatching by date and vehicle
- Trip request data and scheduling management, including origin/destination storage and schedule optimization functions
- Customer data collection, storage, and search module
- Vehicle and driver data management, including an Automatic Vehicle Locator (AVL) function

Faribault County has not implemented any similar ITS software, although this software has the capability of being implemented on both systems to improve service coordination and system management, while collecting valuable service-related data.

Capital Planning

Both Martin and Faribault counties have prepared 10-year Transit Capital Plans to prioritize facility upgrades and vehicle replacement and expansion.

Martin County’s Plan includes \$12,000 for facility upgrades and approximately \$18,000 for an upgrade to their current RouteMatch dispatching software. The upgrade cost is expected to purchase additional licensing and computer equipment solely for potential consolidation of Martin County Transit and Faribault County Prairie Express dispatching functions.

In addition, both agencies plan to replace nearly all of their current fleet within the next 10 years. Figure 2-8 below shows total plan costs and number of vehicles planned for replacement. Martin County plans to replace vehicles five years after year of purchase, with about one or two vehicle replacements per year until 2023. The current vehicles are expected to be fully replaced by 2018. Faribault County is projected to replace vehicles only until 2017.

Figure 2-8 10-Year Fleet Replacement from Capital Plan

Cost (Number of Vehicles) by Year	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Martin County Transit	\$70,000 (1)	\$72,000 (1)	\$74,000 (1)	\$76,000 (1)	\$162,000 (2)	\$80,000 (1)	\$82,000 (1)	\$84,000 (1)	\$87,000 (1)	\$180,000 (2)
Faribault County Prairie Express		\$72,000 (1)		\$76,000 (1)						

Source: MnDOT, Martin County Transit, Faribault County Prairie Express

SERVICE ASSESSMENT

Current Ridership Patterns

Martin County and Faribault County both record trip origins and destinations on a regular basis. These manifests were used to produce maps to illustrate trip patterns and frequency of those trips.

Martin County origin-destination data for one week in March 2014 was used to create Figure 2-9. The map illustrates the number of trip origins or destinations, with large circles representing more trip ends and smaller circles representing fewer. It also includes lines illustrating the relationships between the origins and destinations. Ridership is highly concentrated in the city of Fairmont, the largest city in Martin County, with nearly 75% of all origins and destinations. Notable ridership generators include the MRCI WorkSource Center, Fairmont Square (particularly South Central Workforce), WalMart, and the Mayo Fairmont Medical Center. Outside of Fairmont, common destinations include Sherburn and Truman.

Figure 2-10 illustrates Faribault County origin-destination data for the same week in March 2014 as Martin County. Trips are scheduled with pencil and paper, and the familiarity of drivers with their riders makes it unnecessary for the Transit Program Coordinator to indicate specific street addresses and locations. Thus, data provided to the consulting team shows travel within a specific city or between cities, but does not include specific origins and destinations within a city. Similar to Martin County, nearly 75% of all trips either begin or end in the largest city, Blue Earth. Notable Blue Earth ridership generators include the New Life Manor, Southview Estates, and STEP, Inc. Outside of Blue Earth, Wells is another key trip generator, with the Broadway Apartments generating the most trips. Offering service beyond the county line, the map shows some of the longer distance connections being made by riders.

Figure 2-9 Martin County Sample Trips

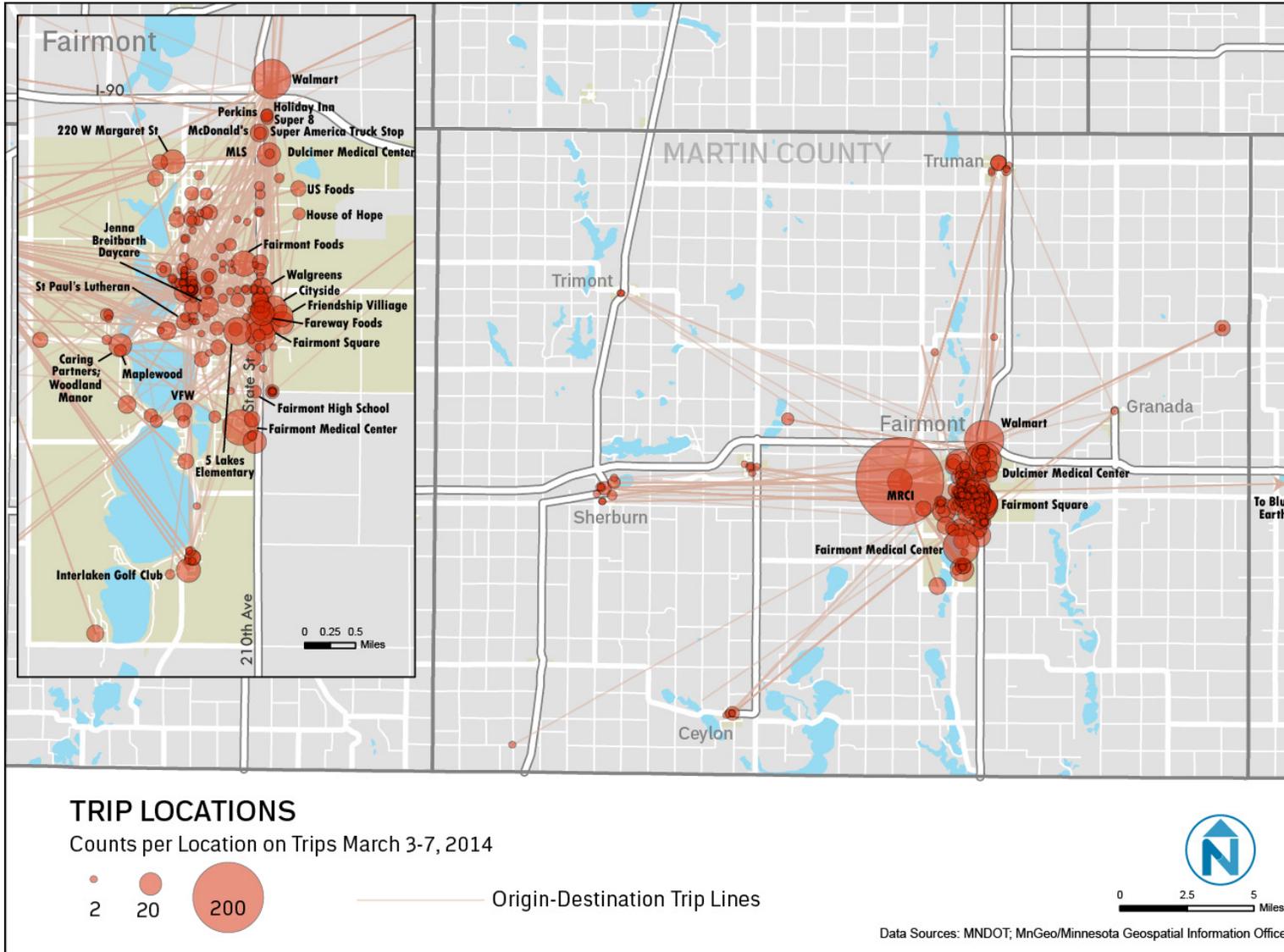
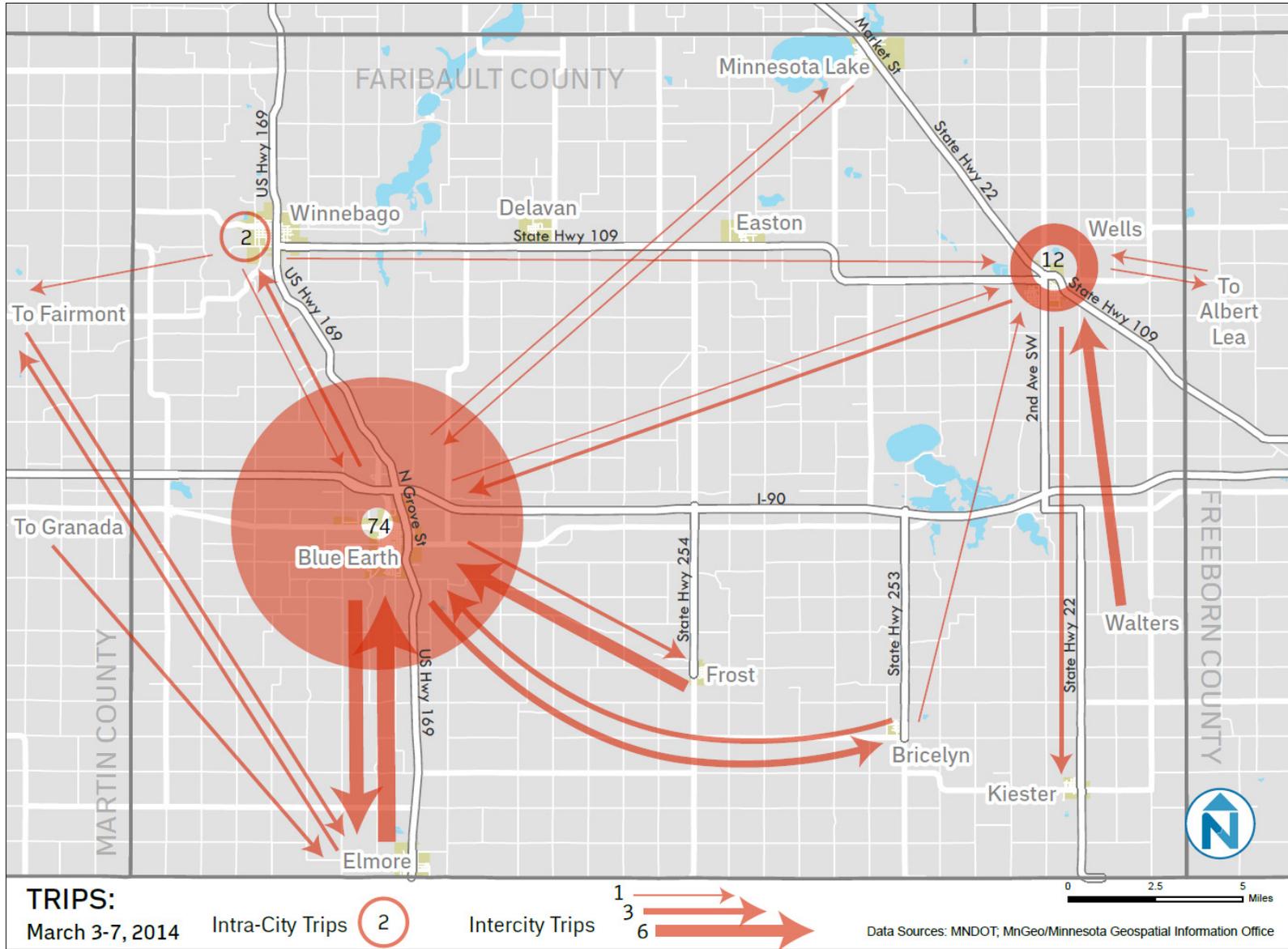


Figure 2-10 Faribault County Sample Trips



Rider Demographics

2012 rider demographics are presented in Figure 2-11. As shown, more than half of riders using both Martin County Transit and Faribault County Prairie Express services are seniors or have disabilities, while very few students/children ride the service. Both Martin and Faribault Counties have operated summer youth service in the past, mostly transporting students to recreational areas. Faribault County’s ridership dropped by nearly one-third from 2009 to 2010, with the county’s elimination of a summer youth transit program.

Figure 2-11 Rider Demographics

2012 Actual	Disabled	Elderly	Adult	Student	Children	Total
Martin County Transit	18,490	13,580	23,607	1,304	2,038	59,019
	31%	23%	40%	2%	3%	100%
Faribault County Prairie Express	2,465	4,615	3,433	475	658	11,646
	21%	40%	29%	4%	6%	100%

Source: MnDOT, Martin County Transit, Faribault County Prairie Express

Trip Denials

Figure 2-12 below shows the average monthly denials reported by each agency. Martin County’s denials are largely a result of failed ride time negotiation, suggesting the opportunity to attract more riders if service was more readily available. Faribault County denies several more rides per month, rides that are primarily longer distance. Faribault County’s limited fleet constrains long distance trip availability and suggests the opportunity for additional specialized group/shopping trips.

Figure 2-12 Average Trip Denials

	Average Service Denials	Denials as % of Total Trips Provided
Martin County Transit	10 per month	0.2%
Faribault County Prairie Express	12-20 per month	<2%

Source: Martin County Transit, Faribault County Prairie Express

Service Duplication/Coordination Opportunities

Very little service duplication exists in either Martin or Faribault counties, given how few other transportation programs there are (see page 1-4 for the list from the HSTCP).

In cases when Martin County Transit cannot pick up a passenger when requested, local taxi service becomes a viable second option (Martin County Transit staff have indicated that a local taxi service is known to compete for riders). Martin County Human Services contracts with Fairlakes Transportation (the same contractor that operates the transit service) to operate a volunteer driver service for registered *Medical Assistance* passengers only. Opportunities may exist for the potential expansion into volunteer driver services for some of the trips provided by the existing transit operators. Martin County’s single commuter trip into Blue Earth currently duplicates a service corridor in which Faribault County operates, but based on passenger trip logs it is unclear how many trips, if any, between the same origins and destinations are actually duplicative.

Faribault County Prairie Express’s service area goes beyond the county lines, so to some degree, there is very limited service duplication when considering the service in other neighboring counties. Since the service area extends east to Albert Lea, it can duplicate a daily trip between Albert Lea and Wells operated by Southern Minnesota Area Regional Transit (SMART).

Service with neighboring operators could be coordinated with some scheduled trips beginning or ending in both counties in order to facilitate seamless transfers for longer distance travel. Figure 2-13 below lists services that could be coordinated for either Martin or Faribault Counties. These include two other services available to the general public:

- Watonwan County Take Me There (TMT) transit, which operates service to Fairmont and charges \$8.50 per passenger for the one-way trip. A Martin County rider boarding in Fairmont could take a weekday afternoon trip north, but could not make a same-day round trip by transit.
- Land-to-Air Express, offering its Interstate-90 Service once each day, providing a link between Rochester, Austin, Albert Lea and Mankato. Given Faribault County Prairie Express’ service to Albert Lea, this service offers Faribault County residents a link outside of the region.

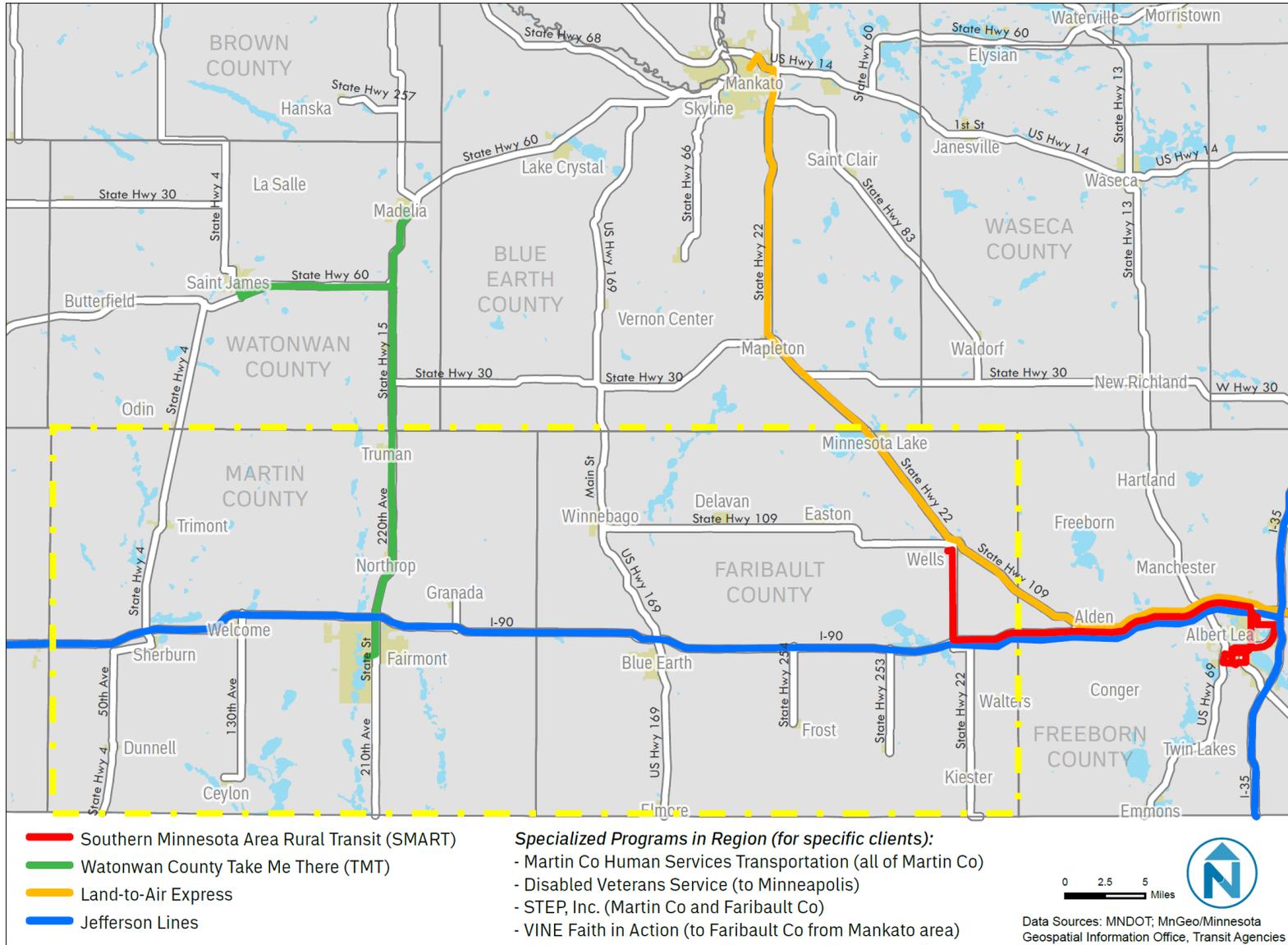
In addition, VINE Faith in Action provides service for eligible riders living within its greater Mankato service area. Although vans driven by volunteer drivers travel to Faribault County, Faribault County residents are not currently eligible to use the services. Martin County’s Human Services volunteer driver program (noted above) and Disabled Veterans Service to Minneapolis are also available, as well as two other programs that serve their own agency clients: STEP, Inc. and MRCI.

Existing regional services are shown on the map in Figure 2-14.

Figure 2-13 Potential Regional Service Connections/Coordination Opportunities

	Other Services
Martin County Transit	Watonwan TMT Service to St. James -Weekday Service Only: 1 AM Trip b/w St. James, Madelia, & Fairmont 1 PM Trip b/w Fairmont, Madelia, & St. James Martin County Human Services Transportation -Volunteer Driver Program for registered ‘Medical Assistance’ passenger only STEP, Inc. provides specialized services to clients with developmental disabilities in Martin and Faribault counties. Jefferson Lines provides service daily on its routes 701 and 702 between Billings and Minneapolis.
Faribault County Prairie Express	VINE Service from Blue Earth and Nicollet counties -Limited Service not open to Faribault County residents -Service connections within Faribault County service area Land-to-Air Express -Limited Express service to Mankato and Rochester Airport: 1 PM EB Trip b/w Mankato, Albert Lea, & Rochester 1 PM EB Trip b/w Rochester, Albert Lea, & Mankato SMART daily service between Wells and Albert Lea Disabled Veterans Service to Minneapolis -Service into Minneapolis for disabled veterans STEP, Inc. provides specialized services to clients with developmental disabilities in Martin and Faribault counties

Figure 2-14 Other Regional /Interregional Transportation Providers Operating in Martin and Faribault Counties



Unmet Needs

Based on discussions with Martin County and Faribault County Prairie Express staff, only a few unmet needs were identified as contributing to service constraints.

Martin County:

- Demand for service to destinations beyond the county
- Interest in greater levels of service on Saturday
- Potential increase in transit use with aging population

Faribault County:

- Demand for long-distance trips
- Demand for evening and weekend service

These will be assessed further in the next phase of this planning process to better understand whether coordination or consolidation of services can help to address any of these needs.

PERFORMANCE ASSESSMENT

Figure 2-15 provides a summary of service statistics and performance for Martin and Faribault Counties from 2010 to 2013. The operating data includes information on ridership, resources, costs, and farebox revenues. The performance information highlights productivity and cost effectiveness measures necessary to present an even comparison between two systems that operate different levels of service.

Martin County Transit increased both service hours and miles over the four-year period, with the largest increases occurring in 2013. This increase is likely a result of the new JARC express service to Blue Earth that was implemented in 2013. As a result of the increase in service, operating costs increased. Ridership and revenue failed to increase at the same rate, highlighting the relatively limited patronage of this new service. Systemwide passengers per hour and farebox recovery decreased along these same lines, while cost per passenger and cost per service hour increased. In addition, service speed increased noticeably in 2013 due to the introduction of the JARC express service.

Generally, Martin County appears to be more cost-effective on a per-passenger basis than Faribault County, although the two share similar hourly costs.

Martin County has consistently exceeded the state's farebox recovery ratio local share requirement of 15% but has slightly decreased its ratio since 2010. In 2013, Faribault County improved its farebox recovery ratio and collected its entire local match from fares.

Faribault County's service was reduced somewhat over the four-year period, with ridership and costs generally reduced at the same rate. However, farebox revenue increased over the same four-year period, even without a reported fare increase.

Overall the Faribault County performance indicators changed relative to the operating statistics changes. Productivity, cost per passenger, and cost per hour all changed by small rates, while farebox recovery increased as noted above. Service speeds appear to have gradually increased, noticeably as a result of a large reduction in miles without similar reductions in hours.

Figure 2-15 Annual Service Performance Summary

	County	2010	2011	2012	2013*	Four Year Trend
Operating Data						
Ridership	Martin Co.	62,400	61,577	59,019	60,523	-3%
	Faribault Co.	10,735	10,939	11,646	9,880	-8%
Service Hours	Martin Co.	15,288	15,836	15,619	18,085	18%
	Faribault Co.	4,478	4,868	4,361	4,230	-6%
Service Miles	Martin Co.	237,537	235,076	246,110	312,261	31%
	Faribault Co.	109,480	109,010	104,104	89,810	-18%
Operating Costs	Martin Co.	\$545,679	\$551,946	\$542,748	\$711,144	30%
	Faribault Co.	\$177,735	\$195,044	\$186,298	\$165,936	-7%
Farebox Revenue	Martin Co.	\$135,804	\$127,965	\$141,506	\$132,659	-2%
	Faribault Co.	\$26,230	\$29,373	\$31,308	\$32,522	24%
Productivity						
Passengers per Service Hour	Martin Co.	4.1	3.9	3.8	3.3	-18%
	Martin Co. JARC	-	-	-	1.3	-
	Faribault Co.	2.4	2.2	2.7	2.3	-3%
Efficiency						
Service Speed (avg. miles per hour)	Martin Co.	15.5	14.8	15.8	17.3	11%
	Faribault Co.	24.4	22.4	23.9	21.2	-13%
Cost Effectiveness						
Operating Cost per Passenger	Martin Co.	\$8.74	\$8.96	\$9.20	\$11.75	34%
	Faribault Co.	\$16.56	\$17.83	\$16.00	\$16.80	1%
Operating Cost per Service Hour	Martin Co.	\$35.69	\$34.85	\$34.75	\$39.32	10%
	Faribault Co.	\$39.69	\$40.07	\$42.72	\$39.23	-1%
Farebox Recovery Ratio	Martin Co.	25%	23%	26%	19%	-25%
	Faribault Co.	15%	15%	17%	20%	31%

* 2013 represents projected figures

Source: MnDOT, Martin County Transit, Faribault County Prairie Express

CONCLUSION

Both Martin and Faribault counties provide affordable, relatively comprehensive and responsive transit service to their consumers. Martin County offers a higher level of service in terms of availability, service span, and countywide coverage with five in-service vehicles during most operating hours; Faribault County offers service to several destinations outside of the county. The information presented illustrates that although differences exist between both systems, they share a number of similarities.

3 STAKEHOLDER INPUT

Through a series of one-on-one interviews with a diverse group of representatives from Faribault and Martin counties who are familiar with Martin County Transit and Faribault County Prairie Express, a number of major themes emerged.

It is important to be aware of these perceptions for a number of reasons. First, they allow the consulting team to supplement document review and technical analysis which the team might not otherwise be aware of, and are important to understand if community priorities are to be understood. Second, they can help ensure that this Transit Restructuring Planning Study ultimately reflects community values and concerns, and is capable of achieving consensus. Finally, they can serve as a source of creative inspiration and ideas for both short and longer-term improvements. For all of these reasons, it is important to speak early in the study process with a broad range of stakeholders representing different viewpoints and segments of Faribault and Martin counties.

STAKEHOLDERS

Approximately 20 individual and group stakeholder interviews were conducted in March and April of 2014. Most of the interviews were conducted by telephone and some were held as small group discussions.

All stakeholders who were contacted chose to participate. Participants represented a cross-section of transportation experts, community agency representatives, community leaders and County Commissioners and included:

- Elliot Belgard, County Commissioner, Martin County
- Sue Daleiden, Program Manager Step Incorporated, Blue Earth
- Sue Eisenmenger, STEP Incorporated, Fairmont
- Dawn Fellows, Central Service Director, Faribault County
- Bill Groskreutz, County Commissioner, Faribault County
- Nancy Gunther, General Manager, Fair Lakes Transportation
- Scott Higgins, County Coordinator, Martin County
- Beverly Herfindahl, Transit Project Manager, MnDOT District 8
- Dar Holmseth, Community Education Director, Blue Earth Area Schools
- Katelyn Kuechenmeister, Parker Oaks Nursing Home, Winnebago
- Jan Klassen, Transit Project Manager, MnDOT District 7

- Robin Leslie, City Administrator, Wells
- Tom Loveall, County Commissioner, Faribault County
- Cindy Lyon, Blue Earth Chamber of Commerce
- Steve Pierce, County Commissioner, Martin County
- Becky Plocker, Director of Nursing at St. Lukes Lutheran Care Center, Blue Earth
- Julie Walters, Administrative Assistant, Martin County
- Kathy Werner, Executive Director, Human Services of Faribault and Martin Counties
- Bonita Zimmer, Transit Program Coordinator, Faribault County

PERCEPTIONS OF EXISTING SERVICES

Major Strengths and Weaknesses of Prairie Express

When asked about the strengths and weaknesses of Prairie Express, many stakeholders acknowledged that they had never used the service, but several had experience scheduling rides for their clients or heard comments about the service through family and friends.

There is strong support for the Faribault County Prairie Express throughout the county according to many stakeholders; it is a much appreciated and valued service. Several stakeholders commented that the service provides a safe option for seniors and others who have limited mobility options or prefer not to drive, especially during winter months when it can be dangerous to drive on icy roads.

Many stakeholders talked about the high quality of the drivers, noting they live in the community, are well known and extremely helpful to passengers. In fact, one stakeholder noted that drivers “go the extra mile,” perhaps providing a level of assistance above and beyond what they should be doing. Positive comments were made about other employees including county mechanics and the long-term Transit Program Coordinator who is known for her dedication and commitment to the service. Others noted that the vehicles are well maintained and wheelchair accessible.

Another positive attribute is about the service’s response time. Stakeholders explained that rides can be reserved with short notice and that many riders are picked up within five minutes after requesting a ride. Others explained that they appreciate being able to schedule a ride up to two weeks in advance. However, one stakeholder said that when she reserves a ride more than two weeks in advance, then her clients get charged double - \$6.00 each way rather than \$3.00 and she thinks this fare is “too high.” Other stakeholders noted that \$3.00 for a one-way ride is “very affordable.”

Even though it was discontinued several years ago, a few stakeholders praised Prairie Express for its summer service which offered a \$25 youth pass and transported children to a variety of activities in the area.

Although Prairie Express is very much appreciated, stakeholders noted some shortcomings. A primary concern deals with service to outlying communities such as Wells, Albert Lea and Winnebago. Because it is hard to serve small communities throughout Faribault County, riders sometimes have long waits for service, especially for return trips from Blue Earth. For example, one stakeholder said that her clients get picked up “on time” for appointments, but sometimes

have to wait up to an hour for a return trip. She believes this is because one bus may travel to Albert Lea and then it waits for the passenger before returning to Blue Earth, leaving one bus out of commission for a few hours. Other stakeholders said that a weakness of the service is that it does not provide service outside of Faribault County (which is a misperception of the service).

One stakeholder expressed a concern that the majority of rides are provided in Blue Earth and that there may be “favoritism” by not providing the same level of service to outlying communities. Others noted that it is very challenging to serve the entire county with only two buses.

A few stakeholders noted that because the service provides such a favorable response time in Blue Earth, there is a perception that Prairie Express is a taxi service. The fact that service does not operate in the evening or on weekends is considered a weakness with Sunday service being desirable for people to travel to church. Other weaknesses cited were the fact that the Prairie Express does not accept insurance as payment and that it is very difficult for new riders to get subscription service (standing order) in the morning because of riders who have long-term standing orders.

Major Strengths and Weaknesses of Martin County Transit

Many of the strengths cited about the Prairie Express were echoed for Martin County Transit. Nearly all stakeholders noted the personalized and excellent customer service, friendly and pleasant drivers and low fares. Martin County Transit is viewed as a valuable service for county residents who have limited mobility options, especially for senior citizens and disabled residents who may otherwise be isolated.

Other positive attributes mentioned were the same day service provided by Martin County Transit, and the ability to travel anywhere in the county. One stakeholder who arranges rides for her clients said that Martin County Transit provides rides on a daily basis for all MRCI clients in Fairmont.

Similar to Prairie Express, Martin County Transit is able to provide service within a short time of receiving ride requests, according to many stakeholders. While this is desirable, it was noted that there are occasions when ride times need to be negotiated to avoid denying trips. The fact that many riders want to be picked up immediately can be a challenge especially during the morning peak period.

Martin County staff and Commissioners are proud that they have not had to raise the tax levy to fund the service. The county’s 15% contribution to pay its share of the cost of the service has been fully covered by passenger fares in past years.

The lack of Sunday and evening service were cited as weaknesses, as were the occasional long waits to be picked up, especially for return trips back home. The service is very busy during certain times of the day, and the rush during the morning peak makes it very challenging to pick up riders outside of Fairmont from communities such as Truman and East Chain Township. A few stakeholders commented that there are no scheduled or pre-arranged routes. For example, if there were a scheduled service on a periodic basis for groups of riders to travel to the grocery store, it could be an effective way to serve several riders from outlying communities traveling into Fairmont.

One of the challenges facing Martin County Transit is that there is a taxi service in Fairmont that stakeholders have indicated may undercut the bus service. On occasions when Martin County

Transit is unable to pick up a passenger within five minutes of their request, the taxi service has been known to show up and offer the service.

BENEFITS AND CHALLENGES OF CONSOLIDATION

When stakeholders were asked what they thought would be the major benefits of consolidating the two separate transit services into one system, the vast majority of responses were favorable. Some stakeholders thought riders would benefit by being able to travel between the counties and reach more destinations. One stakeholder said, “Our riders would be able to go to new places.” Another stakeholder explained that their agency has a few clients who live in Faribault County and travel to Martin County to visit their relatives, and the ability to travel on public transit would be desirable. From Faribault County staff’s perspective, the biggest gain would be for Martin County Transit to “bring their residents back home” and perhaps it could boost their economy by attracting customers to businesses in Faribault County. Consolidation of the services might also provide an opportunity to retain a marketing representative who could concentrate on outreach and public information. From an operations perspective, consolidation may improve efficiencies through better deployment and utilization of buses.

Many stakeholders mentioned desired travel patterns that would become possible if there were better coordination between the two counties. For example, stakeholders said that many residents from each county would have more venues for shopping, recreation, medical and other trip purposes. Several stakeholders noted that people who live in Blue Earth want to travel to Fairmont, and perhaps all the way to Mankato for specialized medical care. Another benefit for customers is that it would allow a Faribault County resident the ability to go to a doctor in Fairmont or Albert Lee. Another stakeholder thought that a commuter service linking major employers in both counties could provide a good alternative for workers who prefer not to drive to work.

While most stakeholders thought there would be benefits to consolidation, a few indicated that customers would not have much to gain. Their key concern was that the public typically does not respond well to change. Riders are accustomed to the current services and are familiar with transit staff and drivers at both systems. Revising the service would be an adjustment for both riders and drivers alike.

From a policy perspective, stakeholders mentioned that the counties currently work together on a number of projects so consolidating transit would be simply another public service that could better serve residents in both counties. Another reason to consolidate is that service could potentially operate more efficiently and effectively and ensure its long-term financial sustainability. Under a broader structure, the service may benefit from economies of scale and possibly provide some cost savings to the counties.

A few stakeholders said that one of the challenges in moving forward with enhanced coordination and consolidation is the difficulty in serving such a large service area with several rural communities. It was also noted that collaborating with the medical and health care providers is challenging when trying to coordinate service delivery. Given the capital investments and ongoing cost of public service, this planning process should explore opportunities to better serve the public and agency clients needs.

Other stakeholders, including elected officials, mentioned that transit services are best operated at the regional rather than the county level, and that leadership and support from the state is needed to move ahead with consolidation. It was noted that MnDOT’s support in this study is

appreciated, and the Office of Transit’s ongoing involvement is desired from both a financial and administrative perspective.

From a staff and policy level perspective, the three major concerns about moving forward with consolidation are about pay parity, job status for a long-term Faribault County employee (she has been an employee of Faribault County for nearly 30 years and there is a commitment to ensure she remains employed) and public- versus private-contract operations. There was a perception that driver salaries and benefits in Faribault County are considerably higher than the compensation package for drivers employed by Fairlakes Transportation, but they are actually quite similar (see page 2-5).

Also, if a JPA were formed for administering and managing transit services, an important policy-level decision would be needed regarding day-to-day operations: should it be a publicly operated service or should the service be contracted to a private vendor? Finally, it was noted that taxes are collected at the county level – not at the JPA level – and an agreement for cost sharing between the counties would be required.

SHORT-TERM PRIORITIES

Stakeholders were asked to identify their top three priorities for improving transit services in Martin and Faribault counties in the next three years. The top priorities expressed by a majority of stakeholders were as follows:

- Providing more service in outlying communities in Faribault and Martin counties and to other destinations beyond county boundaries
- Extending service hours
- Providing more pre-arranged group trips.

Other short-term priorities were to enhance marketing and public information, and to bring back specialized summer service for youth in both counties. Some stakeholders suggested the need to consider transition from a dial-a-ride to a fixed-route service in the “core areas.” A few suggested an interest in better serving the needs of nursing home clients.

The specific suggestions under the three dominant categories are summarized in Figure 3-1.

Figure 3-1 Short-Term Priorities for Transit Services in Faribault and Martin Counties

Service to Outlying Communities	Extending Service Hours	Pre-Arranged Group Trips
<ul style="list-style-type: none"> ▪ Travelling outside of one's resident county will provide people with more travel opportunities and more destinations. ▪ Residents in Faribault and Martin Counties want to travel to Mankato for medical, shopping and other trip purposes. ▪ People want to travel as far to the east as Rochester for medical trips with stops along the way in several small towns. ▪ Since Martin County is only nine miles from the Iowa border, public transit to the City of Armstrong is desirable. ▪ Outlying areas that are hard to serve and would benefit by adding a bus to better serve them include Delavan, East Chain, Albert Lee, and Winnebago. 	<ul style="list-style-type: none"> ▪ Weekend service would be desirable, even under a limited service span. ▪ Extending service until 7pm on weekdays and starting as early as 7am would enable people to use the service for commuting to work and for earlier and later medical appointments. ▪ Providing some service on Saturday is a priority so people can run errands and on Sunday morning to enable people to travel to church. 	<ul style="list-style-type: none"> ▪ Providing group trips for seniors in the early evening to activities such as ball games, plays and concerts is highly desirable. ▪ Productivity (passengers carried per hour) could be increased if there were more pre-arranged group rides. This would eliminate the need for a vehicle to sit idle in an outlying community while one passenger gets a haircut or shops. ▪ The group trips currently scheduled in Wells and Blue Earth are working well, and more of these types of scheduled trips should be offered.

LONGER-TERM TRANSIT NEEDS

When asked about long-term priorities, there were few responses. A few stakeholders mentioned a commuter service linking Faribault and Martin counties and beyond (to Mankato) to provide an alternative to employees who do not want to drive to work. Another suggestion was to consider a sub-regional system with a larger service area consisting of five or more counties.

ESSENTIAL ELEMENTS TO SUPPORT PLAN

Stakeholders were asked to identify the necessary elements to support the outcome of this planning study. Three themes emerged:

- **Costs and Budget.** Policymakers need to know that there will be no increase in the cost of service or a requirement to increase the county tax contribution to support transit service. While it was acknowledged that there may be transition costs, these will optimally need to be covered by possible grant funding made available by MnDOT.
- **Equitable Service Plan.** Across the board, all stakeholders want assurance that service would, at minimum, continue to provide the same or improved service levels for all Faribault or Martin County residents. Availability and reliability of service should be better for residents in the core areas as well as outlying rural and hard-to-reach communities.
- **Effective Communication Strategy.** Many stakeholders stressed the importance of reaching constituents to inform them of any proposed service changes. This concern was based on the strong commitment stakeholders feel toward current and potential riders,

and that any change in service must be “sold” to the public to gain their support and assure them that service will continue to offer the personalized touch riders have come to expect.

Many of the agency representatives offered suggestions for how to reach the public about potential changes in the service. Strategies include posting information with the local chambers of commerce and at major hospitals, nursing homes and senior centers, as well as placing advertisements on the radio and through public access television stations. Other suggestions are to prepare simple fact sheets highlighting the changes and providing contact numbers and websites on how to get additional information. Finally, several stakeholders suggested hosting small group meetings with nursing staff and social workers.

CONCLUSION

The stakeholder interviews provide valuable input for developing service and organizational alternatives during the next phase of the planning process. They reveal that stakeholders value public transit services and are committed to and interested in improving services provided that recommended changes are fair and equitable to all constituents. An effective transition plan will be a critical component of a successful approach to enhanced coordination or consolidation.

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4 HIGHLIGHTS

This brief chapter summarizes some of the key issues identified in this first step of the Transit Restructuring Planning Study. These considerations are identified as a basis for the discussion of findings with the PAC.

KEY PLANNING CONSIDERATIONS

Quality, Personalized Service

Stakeholders, political leaders and representatives on the PAC applaud staff at both agencies for providing a quality service, for being responsive when requested, and for doing the best they can given the limited resources available. Not only do stakeholders describe instances of consumers expressing their appreciation of the drivers, but the consulting team observed friendly, knowledgeable drivers providing good customer service in the field. Long-term employees from both agencies know their customers well, although change may not be easy, it is clear that staff from both agencies would provide excellent, personalized service to new riders from either Martin or Faribault County.

Interaction between Existing Providers

Often, coordination comes about because of an interest in reducing duplication or identifying ways to provide a better customer experience for individuals traveling within a shared service area. In this case, very little cross-county travel or demand for travel is identified (based on existing transit use or input from stakeholders). Although there may be greater demand for service between the two counties than stakeholders have identified, the coordination opportunities for existing service based on current linkages are limited. Nevertheless, improved coordination or consolidation may provide for an expansion of travel opportunities based on latent demand.

Existing transit providers are comfortable with continuing to provide services as they have in the past. Both providers offer a highly personalized and relatively cost-effective service. Neither provider sees any significant benefits of increased coordination or potential consolidation.

Consolidation Leadership from MnDOT

As already noted, policymakers need to know that there will be no increase in the cost of service or a requirement to increase the county tax contribution to support transit service.

Although some elected officials and MnDOT support the potential consolidation of transit services in Martin and Faribault counties, no “champion” has yet emerged to spearhead policy changes, staffing changes and service changes that will be required under a consolidated system. It will be important to identify specific shared objectives to support the project goals so that

representatives from both counties will understand how coordination/consolidation can benefit their residents.

Planning and Accountability

Neither transit provider has actively engaged in an evaluation of services, developed a transit plan (MnDOT has not required them), or regularly reports on its performance to county commissioners. The consulting team found some limitations to Faribault County's handwritten scheduling process and the way vehicles are assigned in terms of maximizing efficiencies. Likewise, Fairlakes staff leading scheduling and dispatch functions for Martin County Transit were unable to download an origin-destination report, suggesting the need for more training on RouteMatch.

Designing transit services to meet community transit goals, to operate efficiently and to meet existing and changing public mobility needs is critical. Monitoring system performance also remains an important task for transit operators and is now more closely monitored by MnDOT. Enforcement of service policies requires the collection and review of data, and is an important tool for maintaining the efficiency of a system.

Enhanced coordination or a newly consolidated operation will require new procedures. It will also necessitate updated performance measures and reporting mechanisms to evaluate the overall efficiency and effectiveness of service.

Institutional and Organizational Constraints

Although some stakeholders have noted they are interested in starting with a "clean slate" and working to develop a two-county system that best responds to the needs of the public, a number of caveats have been introduced associated with staffing, contracting and maintaining existing costs that may constrain the potential options available in Martin and Faribault counties. Likewise, stakeholders express concerns about the creation of a JPA and how equitable representation can be assured on a transit JPA board.

Some legislative challenges may exist in the fact that Faribault County drivers are public employees while Martin County drivers are not, and that Faribault County's Transit Program Coordinator is a long-time employee and a member of the transit union that represents only her position in the transit operation.

Martin and Faribault counties provide similar but unequal levels of service to their residents. Martin County operates more vehicles, uses an efficient scheduling and dispatch system, and operates longer service hours, including weekend, evening, and Saturday service. Although it operates only two in-service vehicles, Faribault County provides service beyond the county line. Reconciling these different service levels as part of a consolidated service may mean that either Faribault County will need to pay more to get higher service levels or that a consolidated system may have different service parameters in different service areas.

Public Information

User-friendly marketing and useful public information are key elements of successful transit systems. Although buses are clearly marked with the logo in both counties, transit remains somewhat invisible and some of the informational resources are not consistent. Web resources are limited and printed information is not widely available in communities in either county.

While stakeholders say that both transit systems are valued, there was some misinformation about the availability of services, service hours and special programs for youth. If some of the best promotion for a transit system is providing abundant good quality information, the transit systems in Martin and Faribault counties both have opportunities for improvement.

Other Transit Coordination Opportunities

Although there are benefits of having an array of social service and private transportation options available in the two-county area, few coordination opportunities have been tapped. While existing volunteer driver programs could potentially be expanded to supplement transit trips and better integration of services might be planned with STEP Inc. or MRCI, some people have an interest in travel beyond county lines. Faribault County has sought to provide the out-of-county services on its own, while Martin County has limited service to county boundaries, with the exception of the commuter service with dedicated funding for the link to Blue Earth. The HSTCP identified potential regional coordination tools, some of which have not been acted upon in these counties. Planning for a coordinated service provides opportunities to eventually work with regional agencies and transportation providers outside of Martin and Faribault counties to create a larger seamless network for regional public transportation.

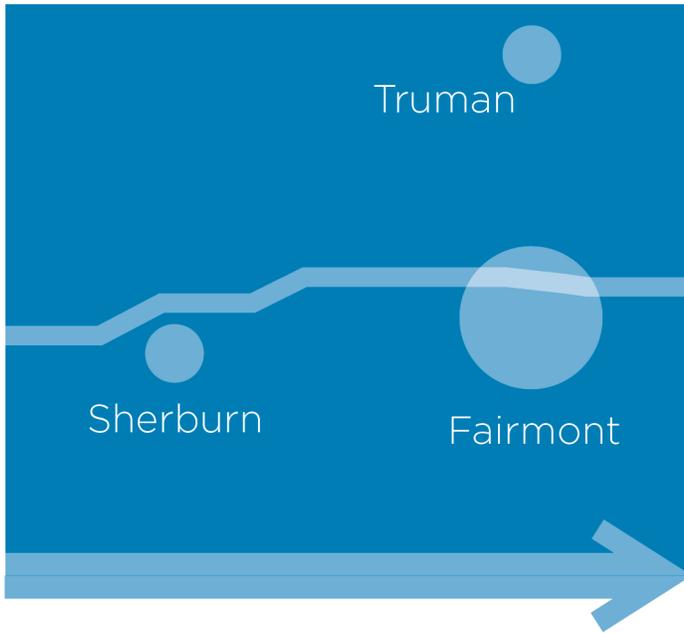
NEXT STEPS

The emphasis of this report is to provide background information for the development of an approach and set of alternatives to support integrating services in Martin and Faribault counties. This background information allows stakeholders to better define what the appropriate transit service for the two-county area may be.

The next phase of this study will include a SWOT (Strengths-Weaknesses-Opportunities-Threats) analysis to further highlight the strengths and weaknesses of the existing services and to identify opportunities (how to enhance regional coordination and efficiencies based on changing external factors) and threats (limitations and barriers to coordination, competing needs). As part of this effort, a more thorough review of funding and cost sharing options will also be explored.

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MARTIN COUNTY



FARIBAULT COUNTY



Minnesota
Department of
Transportation

FARIBAULT-MARTIN COUNTY TRANSIT RESTRUCTURING PLANNING STUDY

Technical Report 2:

- Review of Strengths, Weaknesses, Opportunities and Threats
- Conceptual Service Standards and Service Alternatives
- Conceptual Organizational Alternatives

Original Draft Submitted April 2014

December 2014



With LSA Design

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1 INTRODUCTION

This Technical Report advances the information presented in the first report and builds on the feedback provided by members of the Project Advisory Committee (PAC). The primary purposes of this report are as follows:

- To assess opportunities and potential “threats” as part of a SWOT analysis (strengths, weaknesses, opportunities and threats) for the creation of a consolidated transit operation which, in the short term, is assumed to represent the integration of public transit services in Martin and Faribault counties, but in the longer term might include the services operated by human service agencies within the two counties, or might be expanded as part of a regionally consolidated transit system serving more than two counties.
- To discuss the different types of transit services that could be feasible in Martin and Faribault counties to build upon the existing successes of the dial-a-ride operations in both counties, looking at ways for transit to be most effective by designing individual services to match market demand and operating environments.
- To present recommended service measures and standards by which existing and a potentially future consolidated transit system can evaluate performance, allocate resources, and maximize efficiencies.
- To identify potential organizational approaches for integrating the transit operations in Martin and Faribault counties, noting the unique characteristics of the counties and transit operations and proposing alternatives for consideration by the PAC.

A number of different transit ridership markets have been identified based on the characteristics of existing riders and potential future markets. These include commuters, people traveling to regional medical destinations, people going shopping and to senior centers and sheltered workshops, individuals running errands, and social/recreational travelers. These travelers represent several key demographic groups, but primarily include seniors, youth, people with low incomes, and people with physical or developmental/cognitive disabilities. Opportunities exist, however, for expanding markets to serve other segments of the population, and the goal in the development of alternatives is to propose services that, in addition to serving existing markets, may better meet the demands of younger riders, people making regional connections (beyond Martin and Faribault counties), families, and people who prefer not to drive.

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2 ANALYSIS OF STRENGTHS, WEAKNESSES, OPPORTUNITIES AND THREATS

INTRODUCTION

This chapter presents a refinement of the strengths and weaknesses identified by stakeholders, transit and MnDOT staff, and County Commissioners. The qualitative presentation merges strengths and weaknesses with opportunities for the transit systems in Martin and Faribault counties, as well as threats to a potential consolidated operation. This is carried out through a SWOT (strengths, weaknesses, opportunities and threats) analysis.

SWOT ANALYSIS

The SWOT analysis provides an overall picture of the existing situation in relation to the community, funding environment and available tools. An understanding of the external opportunities and threats, in combination with an internal review of strengths and weaknesses, allows the consulting team and the PAC to develop a realistic vision of strategic assets.

SWOT analyses can be carried out in many different ways. This analysis looks at specific topics, grouping strengths, weaknesses, opportunities and threats based on common themes.

Seven topics were carried forward for this SWOT analysis. These serve as themes for the information that is presented. These are as follows:

- Transit Services
- Administration and Oversight
- Community Relationships/Public Involvement
- Equipment, Facilities and Technology
- Image of Transit in Marin and Faribault Counties
- Fares and Funding

Figure 2-1 presents strengths, weaknesses, opportunities and threats related to each of these topics separately for each service.

Figure 2-1 Strengths, Weaknesses, Opportunities, Threats Analysis

	Strengths	Weaknesses	Opportunities	Threats
Transit Services				
Faribault	<ul style="list-style-type: none"> ▪ Provides personalized service ▪ Offers high quality on-demand service in Blue Earth ▪ 10-minute pickup window (before and after scheduled service) ▪ Offers service throughout Faribault County and to neighboring counties ▪ Operates scheduled group trips for specific residential facilities ▪ Offers reasonable fares ▪ Operates service during all weekdays 	<ul style="list-style-type: none"> ▪ Capacity limitations: <ul style="list-style-type: none"> – Limited resources to provide service throughout the entire service area – Limited service span; no weekend service – Approximately 2% of trip requests denied ▪ Lost significant ridership with elimination of summer youth pass ▪ Tries to be “all things to all people,” and as a result, spreads service “too thin” ▪ Dial-a-ride productivity does not meet proposed performance standards ▪ Lack of detailed policies and plans for defensible decisionmaking ▪ Inconsistent transit performance reporting 	<ul style="list-style-type: none"> ▪ Aging population means a growing ridership market, many of whom do not yet use transit ▪ Expanded service area for residents in both counties ▪ Links/coordination with regional and interregional transit carriers ▪ Increase ridership through service improvements and education ▪ RouteMatch used for scheduling and dispatch with adjacent service providers ▪ A service area and service span based on demand (and not jurisdictional boundaries) ▪ Better information for policymakers and community through defensible service standards and adoption of new policies regarding provision of service ▪ Public support for investment to expand transit services ▪ Regional identity and brand for transit services based in Martin and Faribault counties 	<ul style="list-style-type: none"> ▪ Public, elected officials perceive service as being designed for seniors and people with disabilities only ▪ Concerns about giving up “local control” or loss of local identity ▪ Potential significant increases in demand could burden transit system and increase costs and subsidy requirement ▪ Potential riders inhibited by lack of knowledge of transit or lack of availability ▪ Hospital-based health insurance outside of counties puts pressure on transit to expand coverage to meet needs ▪ Ease of driving and parking in both Martin and Faribault counties ▪ Street network and extreme weather conditions make walking to/from a bus challenging for some ▪ Rapidly changing technologies make it hard to commit to a policy or approach for transit investments
Martin	<ul style="list-style-type: none"> ▪ Provides personalized service ▪ Offers high quality on-demand service in Fairmont ▪ 30-minute pickup window (before and after scheduled service) ▪ Operates service during all weekdays ▪ Provides weekend evening and Saturday daytime service in Fairmont ▪ Offers service throughout Martin County ▪ Has minimal trip denials ▪ Offers reasonable fares 	<ul style="list-style-type: none"> ▪ With the exception of trips to Blue Earth, does not provide out-of-county service ▪ No Saturday service outside of Fairmont ▪ No Sunday service ▪ Lack of detailed policies and plans for defensible decisionmaking ▪ Inconsistent transit performance reporting 		

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	Strengths	Weaknesses	Opportunities	Threats
Administration and Oversight				
Faribault	<ul style="list-style-type: none"> Stable staff Good working relationships among administrative staff and operators Flexible and efficient staffing Agreeable Commission committed to providing transit, respectful of staff recommendations 	<ul style="list-style-type: none"> No new approaches to providing service Commission has taken a reactive approach toward establishing transit service policies regarding youth No experience using current scheduling and dispatch software 	<ul style="list-style-type: none"> Skilled transportation staff at MnDOT, as well as nearby and regional transportation providers, to support consolidated operations Information exchange between staff across county lines Shared goals in Martin and Faribault counties that can be addressed through a Joint Powers Authority Service where it is needed most: oversight without regard to jurisdictional boundaries Training and development opportunities for drivers Conveyance of rationale for Commission decisions to staff at all levels 	<ul style="list-style-type: none"> Availability of drivers and other staff with needed skills Administrative burdens related to changing procedures Availability and affordability of training tools Existing contractual agreements; mandates for accommodation of employees Poor perceptions of oversight in previous JPAs formed between Martin and Faribault counties Riders may have “agendas” and may miss the big picture with regard to policymaking decisions
Martin	<ul style="list-style-type: none"> Stable staff Familiarity with and use of RouteMatch Good working relationships between administrative staff and contract operator Agreeable Commission committed to providing transit, respectful of staff recommendations Commission has authorized a proactive approach toward service planning regarding commuter services Flexible and efficient staffing Dedicated, responsive contract operator 	<ul style="list-style-type: none"> No dedicated transit system manager 		
Community Relationships/Public Involvement				
Faribault	<ul style="list-style-type: none"> Good relationships with community partners Service agreements with some entities (for special group trips) 	<ul style="list-style-type: none"> Limited staff outreach at special events Does not regularly partner in community events and activities Very little public involvement in planning and oversight 	<ul style="list-style-type: none"> Improved public participation in Commission meetings, JPA Board meetings, or advisory group Special events that require transportation Community events associated with rollout of consolidated transit service Numerous existing community events to provide information about transit in print and electronic formats Creation of an identifiable/unique brand for local and regional transit services 	<ul style="list-style-type: none"> Potential public criticism of consolidated transit service Institutional relationships that allow transit to coordinate, but not take leadership role on all transportation issues Limited public interest “More important” community priorities than transit Limited funding available to provide outreach and build community knowledge of transit
Martin	<ul style="list-style-type: none"> Good relationships with community partners Willing partner in community events and activities 	<ul style="list-style-type: none"> Limited staff outreach at special events Does not regularly partner in community events and activities Very little public involvement in planning and oversight 		

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	Strengths	Weaknesses	Opportunities	Threats
Equipment, Facilities and Technology				
Faribault	<ul style="list-style-type: none"> Agency owns and operates buses System's buses are attractive and well maintained Transit administrative office space and vehicle storage meet current needs County-owned central vehicle storage/maintenance location Manual scheduling/dispatch 	<ul style="list-style-type: none"> Fleet size limits ability to meet demand Lack of automated vehicle tracking or on-vehicle dispatch tools Limited vehicle storage capacity at transit facility for any expansion No driver/staff amenities No rider facilities/amenities 	<ul style="list-style-type: none"> Environmental awareness Lower cost of used buses and conventionally-fueled buses Improved operations with improved facility Use of existing facilities in both counties 	<ul style="list-style-type: none"> Affordability of new technologies Costs for additional vehicles to serve consumers Cost of expansion, improvements, and new construction for facilities Complexity of maintaining existing facilities, transferring ownership, leasing, etc.
Martin	<ul style="list-style-type: none"> Agency owns its buses Fleet size is appropriate for current demand System's buses are attractive and well maintained Transit administrative office space and vehicle storage meet current needs County-owned vehicle storage location RouteMatch software and AVL system 	<ul style="list-style-type: none"> No driver/staff amenities No rider facilities/amenities No county maintenance of vehicles 		
Image of Transit in Martin and Faribault Counties				
Faribault	<ul style="list-style-type: none"> Attractive buses Recognizable logo Website Good, personalized customer service 	<ul style="list-style-type: none"> Only very basic transit information Information in English only Lack of outreach tools geared to seniors Lack of community awareness of services 	<ul style="list-style-type: none"> Placement of logo on everything within transit's domain Fixed bus stops provide location for signage Speaking engagements 	<ul style="list-style-type: none"> Perception that transit is not for all residents Some transit ridership populations without easy access to Internet or cell phones
Martin	<ul style="list-style-type: none"> Attractive buses Website Good, personalized customer service Partnership with MRCI 	<ul style="list-style-type: none"> Only very basic transit information Information in English only Different transit system names/logos on different buses (although all look similar) Lack of outreach tools geared to seniors Lack of community awareness of services 	<ul style="list-style-type: none"> Array of ridership markets for more targeted marketing Promotion of environmental initiatives Potential for co-branding/marketing with partners Use of local publications 	<ul style="list-style-type: none"> Small-town image versus demands to be more efficient and cost effective Cost for new materials and initiatives Loss of local brand identity with a consolidated service

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	Strengths	Weaknesses	Opportunities	Threats
Fares and Funding				
Faribault	<ul style="list-style-type: none"> Stable funding sources Very low cost service to provide, requiring only 15% local operating subsidy Status quo funding/fare collection meets existing service needs Receives generous MnDOT funding 	<ul style="list-style-type: none"> Limited local funding No dedicated (budgeted) local funds for transit No local grant writing to support expansion of transit Limited private funding Inequitable fares: local trips in communities outside of Blue Earth are charged regional fare 	<ul style="list-style-type: none"> MnDOT funding to support transition Ability of transit to seek innovative funding arrangements for special group trips, shopping trips, specialized services, etc. Use of innovative funding sources for non-traditional transit initiatives Regional fare policy to ensure equitable and consistent fares for local and regional travel 	<ul style="list-style-type: none"> Increasing operating costs/higher fuel prices Need for locally generated fares and revenues to maintain or expand transit services Economic downturns could result in reduced funding Public interest/competing funding priorities Other organizations/agencies in the region compete for same/similar funding sources
Martin	<ul style="list-style-type: none"> Stable funding sources Very low cost service to provide, requiring only 15% local operating subsidy Status quo funding/fare collection meets existing service needs Receives generous MnDOT funding 	<ul style="list-style-type: none"> Limited local funding No dedicated (budgeted) local funds for transit Lack of employer partnerships for commuter service Limited private funding Flat fare structure does not address cost recovery goals for longer distance trips Inequitable fares: commuter fares between Blue Earth and Fairmont are less expensive than local trips in Fairmont 	<ul style="list-style-type: none"> Institutional clients billed directly for services to their facilities Use of new technologies or fare media for fare payment and collection 	

The SWOT analysis shows that transit operations in both Martin and Faribault counties have an incredible number of strengths, including a stable staff, a number of operating efficiencies, good community relationships, a positive image (internally and externally) and stable funding. Most of the identified weaknesses are due to limited resources, internal communication and the lack of a strategic vision.

A number of opportunities are identified, taking advantage of a wide array of external factors that would enable a consolidated transit operation to build on existing strengths and address some of existing weaknesses. The key areas of opportunity, based on the analysis, are as follows:

- **Service expansion.** Consolidation of services provides an opportunity for development of an expanded service area for residents in both counties and better links to regional and interregional transit carriers. Although not necessitated by consolidation, a single transit entity has the potential to provide service based on demand, not jurisdictional boundaries.
- **Effective use of technology.** With Martin County already using RouteMatch for scheduling and dispatch, the software could be expanded to Faribault County and allow for the services in the two counties to eventually be integrated with adjacent service providers. Technologies can also be used for public information, fare payment, and data collection.
- **Address community population changes.** Transit has a growing ridership market with an aging population. Martin and Faribault counties must prepare for an expected increase in demand. Consolidation of services offers the potential for increased visibility and public support for investment to expand transit services.
- **Marketing.** Consolidated transit extends a regional identity and brand for the transit services based in Martin and Faribault counties. Creation of a new identifiable/unique brand for regional transit services can build ridership and make transit easier to use for residents of both counties.
- **Enhancing staff skills.** Opportunities exist for sharing of information among staff currently at two separate transit operations and working more closely with transportation staff at nearby and regional transportation providers who could potentially take a lead role on mobility management functions in Martin and Faribault counties.
- **Unified policymaking/oversight.** A Joint Powers Authority provides an opportunity for shared goals in Martin and Faribault counties to be addressed without regard to existing jurisdictional boundaries, putting the customer first.
- **Transit visibility.** With all buses branded similarly and traveling across county lines, transit may be more recognizable and seen as serving a greater number of markets. Opportunities exist for development of a new logo, co-branding/marketing with partner organizations and local businesses, and improving outreach to ridership groups.
- **Public support of transit.** Anticipated opportunities are for improved public participation in Commission meetings, JPA Board meetings, or an advisory group designed to foster community input in planning and operation of transit service. Transit can make better use of existing community resources for providing information about transit in print and electronic formats.
- **Efficient use of facilities.** A consolidated operation would potentially use existing facilities in both counties, allowing vehicles to be parked and dispatched in ways that are

most appropriate for the transit operation. It also provides an opportunity for facility improvements.

- **Additional funding.** Use of innovative funding sources for non-traditional transit initiatives could be paired with innovative funding arrangements for special group trips or shopping trips. MnDOT has indicated that a portion of the costs to support transition to a consolidated system could be covered with available State resources.
- **Equitable fare policy.** Development of a new regional fare policy would allow for consistent fares for local and regional travel. New fare instruments can be explored, as well as ways to facilitate simplified cost recovery through direct billing to partner agencies.

Of course, some threats exist, limiting the ability of the transit providers to take advantage of all of these opportunities. These include potential challenges to partnerships, increasing operating costs, lack of public support, possible staffing challenges, institutional relationships, and a number of other issues. Fortunately for transit, the opportunities appear to outweigh the threats in most cases.

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3 SERVICE DESIGN ALTERNATIVES

The project team identified transportation service alternatives that could potentially address the various mobility needs of transit users in Martin and Faribault counties. The intention of this chapter is to define these alternatives, all of which could be appropriate for implementation.

Individually and collectively they are intended to build on existing transit services by offering new types of services, improve transit connections between Martin and Faribault counties and increase coordination not only within the two counties, but also with adjacent counties in the future.

The service concepts that could be implemented in the short-term (next 1 -3 years) and longer term (3+ years) are discussed below. The elements in each option can be “mixed and matched” so that the preferred alternative will be a combination of elements in each option.

PERFORMANCE DATA REVIEW

In developing the options, it was valuable to understand the cost effectiveness and efficiencies of the various types of service currently offered in each county. A breakdown of the services, their associated costs, and service characteristics is presented in Figure 3-1 below. The data shows that Faribault County’s costs are generally comparable to Martin County’s but ridership by service type differs.

Figures 3-2 through 3-5 provide comparative data about the performance of the existing urban and rural dial-a-ride operations in both counties. The figures illustrate the passengers per hour on the urban services are highest, particularly in Martin County and that costs and subsidies per passenger on the rural services are highest. Given Faribault County’s long distance trips, cost per passenger are higher on those services.

Only Martin County approaches 20% farebox recovery on the urban services; Faribault County achieves about 15%. Neither county reaches 15% farebox recovery on the rural services.

Figure 3-1 Performance of Individual Services in Martin and Faribault Counties

County	Service Type	Passengers per Revenue Hour	Cost per Passenger	Cost per Revenue Mile	Revenue per Passenger	Cost per Revenue Hour	Subsidy per Passenger	Farebox Recovery Ratio
Martin Co.	Weekday Urban	3.80	\$10.31	\$3.08	\$2.11	\$39.21	\$8.20	20%
	Rural	2.08	\$19.55	\$1.68	\$2.56	\$40.74	\$17.00	13%
	MRCI Trips	6.56	\$5.84	\$2.95	\$2.02	\$38.32	\$3.83	35%
	Weekend Day	5.43	\$10.23	\$1.02	\$1.75	\$55.52	\$8.47	17%
	Weekend Evening	4.25	\$12.17	\$3.66	\$2.27	\$51.72	\$9.90	19%
	Commuter	6.50	\$8.25	\$1.56	\$1.99	\$53.68	\$6.27	24%
	Total	4.02	\$10.28	\$2.15	\$2.13	\$41.32	\$8.15	21%
Faribault Co.	Urban	2.02	\$20.25	\$2.29	\$2.98	\$41.00	\$17.27	15%
	Rural	1.56	\$26.21	\$1.31	\$3.00	\$40.78	\$23.21	11%
	Group Trips	10.26	\$4.12	\$2.36	\$1.95	\$42.28	\$2.17	47%
	Total	2.28	\$17.98	\$2.22	\$2.82	\$41.03	\$15.16	16%

Figure 3-2 Passengers per Revenue Hour

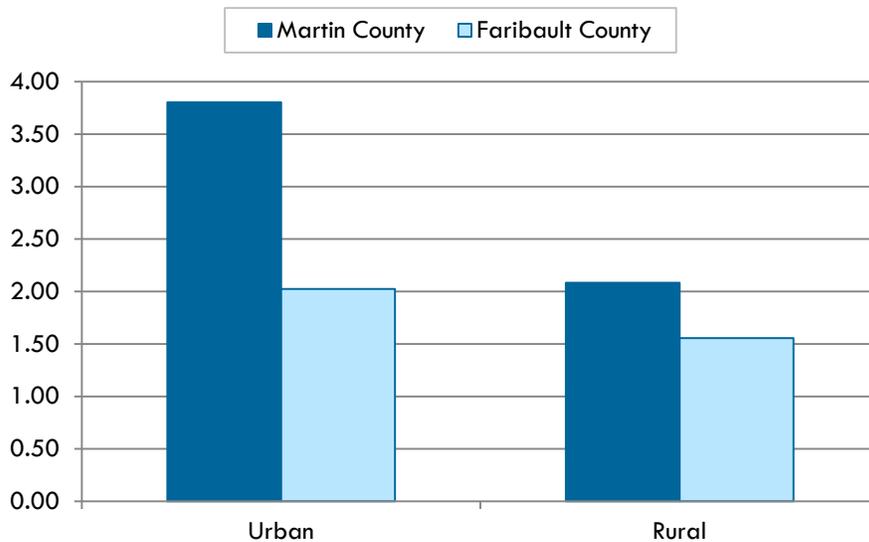


Figure 3-3 Cost per Passenger

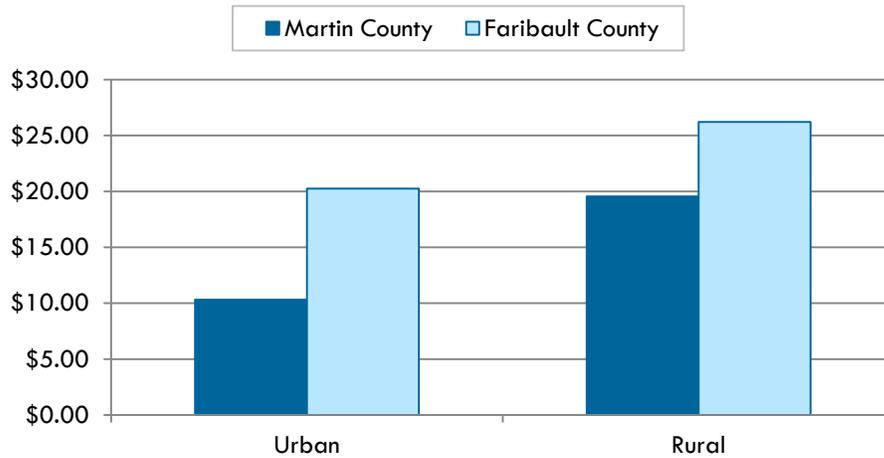


Figure 3-4 Subsidy per Passenger

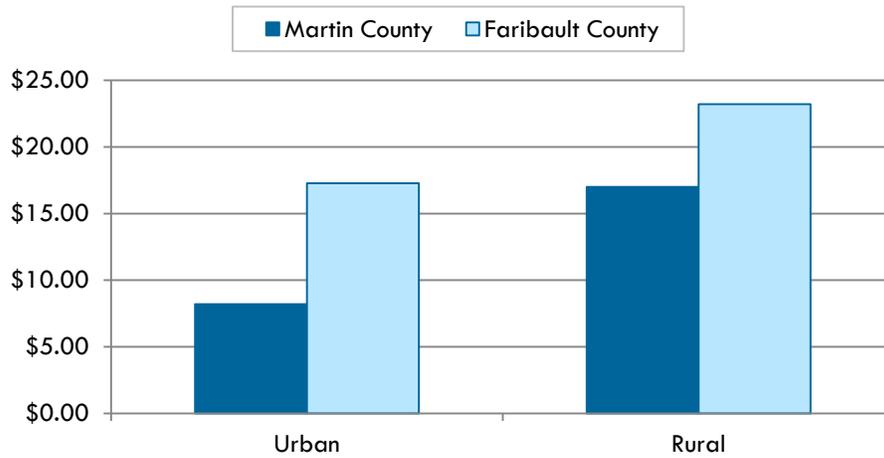
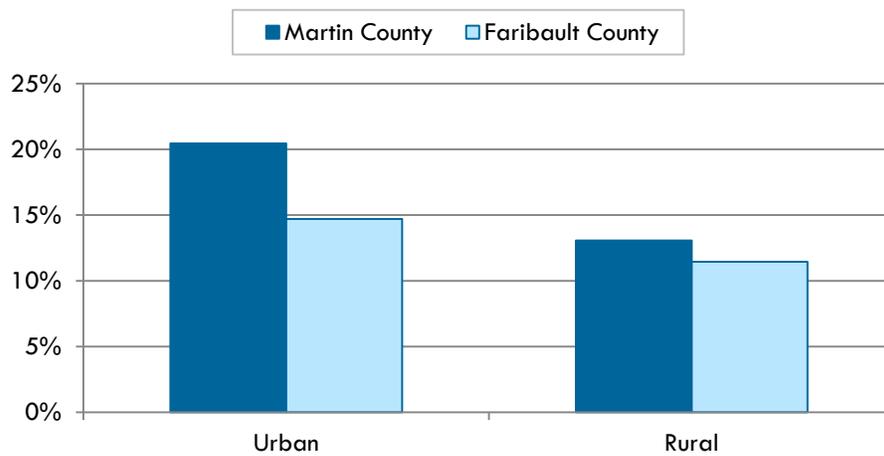


Figure 3-5 Farebox Recovery Ratio



SERVICE DESIGN CONCEPTS

The concepts appropriate for expansion or implementation in Martin and Faribault counties are as follows:

- General public dial-a-ride service
- Pre-arranged/special group trip service
- Deviated route service
- Regional intercity service
- Mobility management

These service types will be discussed and reviewed with the PAC at the June meeting.

1. GENERAL PUBLIC DIAL-A-RIDE

Expanded Service Area to Include All of Martin and Faribault Counties (Short-Term); Beyond County (Longer-Term)

Concept

Demand response (dial-a-ride) curb-to-curb, public transportation service is available today in both counties. Although this effectively the status quo service option, it could be available to the general public within an expanded service area in the next one to three years. This service would provide residents of both counties service to locations in both counties, resulting in a combined larger geographic area than what is provided today. Longer-term, the service might be extended to communities on the periphery of both counties and possibly Mankato (currently service is available to locations on the periphery of Faribault County only).

Overview

Demand-response services, such as general public dial-a-ride, are public transportation services that provide rides based on passenger requests. Passengers schedule their trip in advance and travel between pre-determined, requested locations. Dial-a-ride services are currently operated in Martin and Faribault counties and residents are familiar with how the services work.

In dial-a-ride service, vehicle routing is determined entirely or primarily in response to passenger requests. Typically passengers may request to be picked up from and taken to any location within the defined service area. In keeping with the current model, the Dial-a-ride service would continue to operate as “curb-to-curb.” Given the larger service area, a zonal fare structure may be desirable with one fare for local trips, a higher fare for intercity trips and a premium fare or intercounty trips.

Expanding the dial-a-ride service area will help to better meet the transportation needs for individuals with low incomes and people with disabilities, as well as the general public traveling to destinations beyond their residential county.

Figure 3-6 on the next page provides an overview of the service concept.

Operating Characteristics and Outcomes

Dial-a-ride service is highly personalized. Existing Martin County Transit and Prairie Express riders know how to make reservations and schedule standing appointments. With an expanded service area, existing riders will need to learn of any changes to scheduling service and new riders will need to be educated on how to request a ride.

Decisions will need to be made regarding dispatching and scheduling trips. Will RouteMatch be used to cover both counties or will Martin County continue to follow this method and Faribault County continue to manually dispatch trips? Other considerations will include how far in advance requests will be taken and how to handle transfers to connecting interregional services. The larger service area may generate higher levels of demand, but also limits the number of trips that can actually be served with each vehicle since some trips are likely to be longer than what is provided today within a single county.

Implementation Considerations

Expanding the dial-a-ride service area to cover Martin and Faribault counties may have operating cost implications because of longer trips which may require an additional vehicle especially during peak times. A key requirement will be the need for public information about the changes in the service for existing riders as well as potential new riders. In addition to developing a brochure, public outreach and group meetings with social service agencies, hospitals and other organizations is highly desirable to get the word out about the enhanced dial-a-ride service.

Figure 3-6 Summary of Dial-a-Ride Alternative

Elements	Short Term (1-3 Years)	Longer-Term (3+Years)
Service Design	Curb-to-curb, shared ride service serving all of Martin and Faribault County. Advanced scheduled trips or same day if capacity exists	Curb-to-curb, shared ride service extending beyond county boundaries to Mankato. Advanced scheduled trips or same day if capacity exists
Service Hours <i>Note: Service levels vary in each county.</i>	<u>Status Quo</u> Monday – Friday: 6:00 AM to 6:00 PM – both counties Monday – Friday: 6:00 PM to 10:00 PM – Fairmont only Saturday – 8:00 AM to 10:00 PM (Fairmont only) Estimated Annual Hours = 17,000	<u>Expanded Service Levels</u> Monday – Friday: 6:00 AM to 6:00 PM – both counties Monday – Friday: 6:00 PM to 10:00 PM – Fairmont only Saturday – 8:00 AM to 10:00 PM (both counties) Sunday - 9:00 AM to 1:00 PM Estimated Annual Hours =24,000
Headways	N/A	N/A
Market (s)	General Public; Seniors, disabled and youth are primary ridership markets (for all trip purposes)	General Public; Seniors, disabled and youth are primary ridership markets (for all trip purposes)
Vehicle Requirements	Existing vehicles with passenger capacity ranging from 9 to 16	May require up to two additional vehicles

Elements	Short Term (1-3 Years)	Longer-Term (3+Years)
Estimated Annual Operating Costs (2014 \$)	Approx. \$40 per hour, based on 2013 operating costs. Assumes five or six peak vehicles operating weekdays and limited weekend service. Estimated annual operating costs of \$680,000 - \$720,000.	Approx. \$44 per hour, based on increase to 2013 operating costs. Assumes six to eight peak vehicles operating weekdays and limited weekend service. Range of estimated annual operating costs is \$980,000 to \$1,200,000.
Fare Structure	Zonal Fare Structure (assumes higher fares for longer trips)	Zonal Fare Structure (assumes higher fares for longer trips)
Estimated Farebox Ratio	20% consistent with current performance	20% consistent with current performance
Annual Ridership (Low /High range)	Assumes between three (3) and five (5) passengers per hour systemwide (50,000-80,000)	Assumes between three (3) and five (5) passengers per hour systemwide (67,000-120,000)

Expected Benefits

Expected benefits of maintaining and expanding the demand-response service are as follows:

- Provides service throughout Martin and Faribault counties (short-term)
- Service extended to neighboring counties and Mankato (longer-term)
- Provides expanded service coverage; allows residents of one county to travel to the neighboring county
- Meets basic mobility needs of transit-dependent population
- Provides connections to other transportation providers
- Supports human service and health agencies by providing intercounty service for their clients and patients

Potential Obstacles

Dial-a-ride service is not ideal for all types of trips. Some obstacles exist for maintaining and expanding the demand-response service:

- Achievement of performance standards with dial-a-ride for long trips can be very challenging
- Requires decisions on how to administer the service
- Requires decision on who operates the service and how to handle dispatching
- Needs funding formula or cost sharing agreement for counties to share in the cost of the service
- Requires decision on common fare structure including whether zonal fares are appropriate
- May require changes to service policies to ensure consistency within the two counties

2. PRE-ARRANGED/SPECIAL GROUP TRIPS

Scheduled Group Trips for Grocery Shopping and Other Specialized Trip Purposes within Martin and Faribault counties

Concept

Regularly scheduled curb-to-curb service would be available to the general public. On select weekdays and at scheduled times pre-arranged group trips will be offered to grocery stores and other (to be determined) high-volume activity centers in Martin and Faribault counties. This service would be similar to the existing Prairie Express group trips operated for residents of New Life Manor in Blue Earth or the Broadway apartments in Wells.

Pre-arranged group service would be provided as an on-call service meaning that even though the bus is scheduled to provide service on a particular date and time, it would only operate if there are reservations on the scheduled day. Passengers would be required to request service 24 hours in advance. If no trips are requested, it would be unnecessary to operate the service.

Overview

Based on stakeholder interest in providing pre-arranged group service and the highly productive and cost effective group service currently operated by the Prairie Express, this alternative is to develop more group trip service in Martin and Faribault counties. It could provide group service five days per week serving major grocery stores in Fairmont, Blue Earth, and perhaps Albert Lea as well as other major activity centers. Offering pre-arranged group trips would be an effective strategy to maximize service efficiency and cost effectiveness. Rather than solo riders traveling long distances to the same destination for shopping on different days and at different times, this alternative organizes service to improve passenger productivity and allows for better use of vehicles. A key objective of this service is to provide transit-dependent residents who live in outlying or small communities to grocery stores in Fairmont or other larger communities for grocery trips and other needs.

It is recommended that this service be provided as an on-call service requiring passengers to reserve a space 24 hours in advance of the group service. To attract riders, service policies should allow for more grocery bags on board the vehicle, higher level of driver assistance as well as a two tiered fare structure to distinguish between local and intercounty trips.

Operating Characteristics and Outcomes

This alternative would continue to provide the two group trips currently operated by Prairie Express and develop additional group trips to serve grocery stores in Fairmont and Blue Earth. They could also serve other major shopping destinations or medical clinics in Faribault and Martin counties.

For example, a Monday shopping trip could be offered from Truman to WalMart or Hy-Vee in Fairmont at 11:00 AM. This would allow people who live in Truman a regular trip for grocery shopping. They would be required to schedule trips 24 hours in advance to guarantee a seat on the bus. A manifest would be developed based on the trips requested and people would be notified of their approximate pick-up time. The vehicle would pick-up passengers for their return trip home at approximately 1:00 PM. This would allow approximately two hours at the store

which is sufficient time for most shopping trips. Similar group trips could be offered to other destinations on other weekdays with the goal of providing five group trips per week (e.g., Tuesday from Sherburn to Fairmont, Wednesday from Winnebago to Blue Earth, etc.)

It is expected that group service would be more productive than general public dial-a-ride service and carry at least six to twelve hourly passengers, and achieve a higher farebox recovery ratio than general public dial-a-ride service. These higher performance metrics are based on Prairie Express' experience providing group trips for residents of the Broadway Apartments and New Life Manor. Offering group trips will allow for better deployment of vehicles by reducing or eliminating the demand for long distance trips for one rider traveling to a grocery store. While the vehicle is in town, it can circulate as a local relief vehicle for the dial-a-ride operation.

Implementation Considerations

To enhance the attractiveness of this service, some revisions in service policies should be considered. For example, riders should be allowed to bring up to four shopping bags on board the vehicle and drivers may need to offer a higher level of assistance. A two tiered fare structure may also be valuable. For local group trips (if they were to be offered), a \$2.50 round-trip fare may be appropriate, and for intercommunity trips a higher fare of \$3.00 should be considered (assuming even higher dial-a-ride fares for intercommunity trips), unless the stores served would be willing to provide fare reimbursement.

This service would be open to the general public. To determine the “best” destinations to serve for initiating group service will require a determination of the most popular grocery stores and other major activity centers. A suggested approach is to develop the parameters for the service and identify one or two destinations in each county and then proceed with a pilot program to test the success of the expanded group trip service. Working with the supermarkets to determine whether they would be willing to provide a financial incentive to carry shoppers to their store (instead of other stores) has been beneficial in many communities in Iowa, Oregon, Michigan and elsewhere. For example, Harbor Transit in Grand Haven, Michigan receives private funding from a Meijer department store to transport riders to that store.

Other implementation considerations are marketing this service to reach both current users and potential new riders. Vehicles should have storage space for grocery bags or other purchases.

Figure 3-7 Summary of Special Group Trip Service

Elements	Short Term (1-3 Years)	Longer-Term (3+ Years)
Service Design	Curb-to-curb, group service that transports passengers to and from a common destination within Martin and Faribault counties	Curb-to-curb, group service that transports passengers to and from a common destination in Mankato
Service Hours	Pre-Arranged weekday trips on weekdays. Assumes one (1) vehicle providing five (5) group trips each week for three (3) hours. Estimated annual hours = 800	Pre-Arranged weekday trips on weekdays. Assumes one (1) vehicle providing two (2) group trips each day for three (3) hours. Estimated annual hours = 1,600
Headways	One trip per day	Two trips per day

Elements	Short Term (1-3 Years)	Longer-Term (3+ Years)
Market (s)	General Public; Seniors are likely primary ridership market (for specialized group trips)	General Public; Seniors are likely primary ridership market (for specialized group trips)
Vehicle Requirements	Dedicate one vehicle for 5 group trips per week	Dedicate one vehicle for 2 group trips per week
Estimated Annual Operating Costs (2014 \$)	\$42 per hour based on 2013 Faribault County group trip operating costs. Assuming a total of five pre-arranged group trips are operated each week using one vehicle, the estimated annual operating costs is \$33,600.	Approx. \$45 per hour, based on increase to 2013 Faribault County group trip operating costs. Assuming a total of two pre-arranged group trips are operated each week using one vehicle, the estimated annual operating costs is \$72,000.
Fare Structure	Two tier structure - \$2.50 for local round trips and \$3.00 for intercity or intercounty trips. Potential fare offset by local businesses being served.	Three tier structure - \$2.50 for local trips and \$3.00 for intercity or intercounty trips and \$4.00-\$5.00 for long-distance interregional trip (out-of-county destinations)
Estimated Farebox Recovery Ratio	45% consistent with current performance for Prairie Express group trips	45% consistent with current performance for Prairie Express group trips
Annual Ridership (Low /High range)	Preliminary estimate assumes between six (6) and twelve (12) passengers per hour, based on current Faribault County group trip performance (4,800 to 9,600)	With increased service options and expanded to service to smaller communities, preliminary estimate assumes between six (6) and ten (10) passengers per hour (9,000 to 16,000)
Special Considerations	Scheduled group trips could alternate between different communities on different days. Special service policies for group trips could allow for increased number of shopping bags on board and increased level of driver assistance	Scheduled group trips could serve medical clinics in the proposed short-ter, service area and in Mankato; longer term option to Rochester

Expected Benefits

Expected benefits are as follows:

- Provides productive service by carrying higher number of passengers per hour than general public dial-a-ride service
- Provides cost effective service with lower subsidy per passenger and higher farebox recovery ratio than general public dial-a-ride service
- Provides service to transit-dependent residents to meet basic lifeline needs
- Provides regularly scheduled service to grocery stores and other major activity centers in Blue Earth, Fairmont, Albert Lea and other “to be determined” locations
- Provides long distance service to key destinations in Mankato in the longer-term

Potential Obstacles

Considerations or challenges are as follows:

- Requires decision on number of stores and activity centers to serve for group trips

- May be challenging to get local private funding to support specialized group trips
- Need to develop protocols for reserving group trips (first come, first serve basis or other method)
- Need to decide if minimum number of riders is required to provide group service
- May want to consider changes to service policies to enhance service attractiveness; if agree to revise service policies, then need to develop and distribute guidelines
- Need to publicize new group services

3. DEVIATED ROUTE SERVICE

Introduce Deviated Route Service in the City of Fairmont

Concept

Fairmont is the largest city within the service area. Based on its size, development characteristics, and demographics, this alternative considers implementation of a regularly scheduled transit service in place of the existing on-demand service for most local travel in Fairmont.

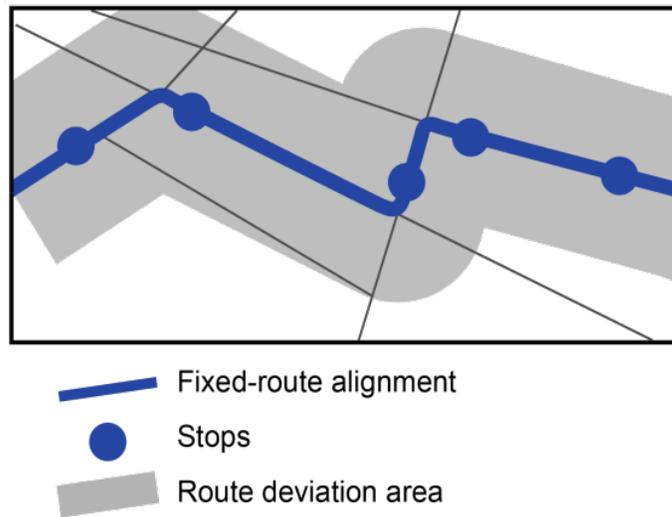
Deviated route service would be the available to the general public, providing local circulation to existing high-ridership generators during times similar to existing dial-a-ride service in Fairmont. This service would operate in a way that is similar to a traditional fixed-route service, with consistent schedules and operating hours, but with the flexibility to make deviations of up to one mile to provide curbside pick-ups and drop-offs on-demand. At days or times with lower ridership, the service could convert to point deviation service, offering more flexibility for demand response availability. These concepts are discussed below.

Overview

Deviated route services are public transportation services that provide service along a predetermined alignment with established schedules and official bus stops, but with the flexibility of deviating to pick up and drop off passengers based on requests (see Figure 3-8) Typical for a medium density community like Fairmont, the service would operate along a proposed alignment, with a fixed schedule at certain time points throughout the day, but will deviate up to one mile if a request is made for a curb-side pick-up or drop off.

Deviated route service provides an effective option in Fairmont due to the higher demand for local travel than may be easily served by traditional general purpose dial-a-ride. It also negates the complementary paratransit requirement under the Americans with Disabilities Act (ADA) by allowing a deviation from a predetermined alignment. The deviation component of the service is determined for a prearranged pick-up and/or a drop off request upon boarding.

Figure 3-8 Deviated Route Service Concept



During times and days when ridership does not warrant deviated route service (for example, Sunday), point deviation service (see Figure 3-9) could be operated instead. This service operates with a defined service area, which incorporates designated key locations and landmarks where the bus will arrive at a designated time. However, the bus can circulate along any street between those stops to pick up and drop off riders on demand.

Figure 3-9 Point Deviation Service Concept

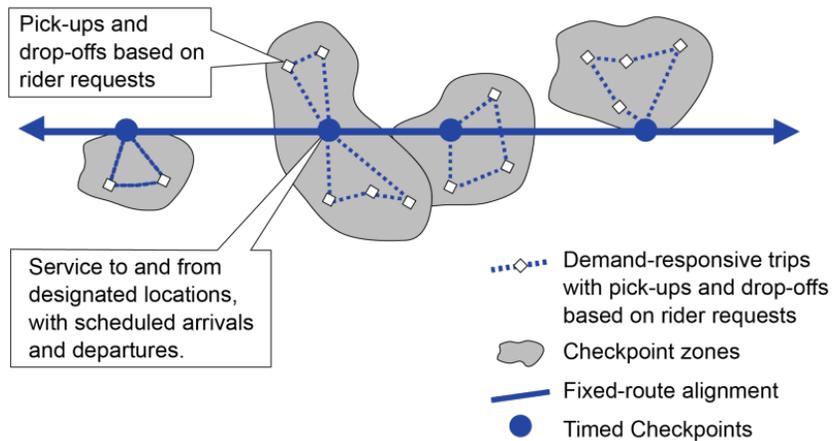


Figure 3-10 Conceptual Deviated Routes in Fairmont



Operating Characteristics and Outcomes

To be cost-effective, general public deviated route services would likely operate at minimum 60-minute headways during off-peak hours (ideally 30 minutes or better during peak commute hours), and all services could be increased to 30-minute headways or better if ridership growth occurs and funding becomes available, particularly in longer-term scenarios.

Figure 3-10 details concepts for two deviated route alignments, both serving high-ridership generators and both allowing a deviation zone for on-demand service.

The span of service should attempt to match the current Fairmont daytime demand responsive service, which generally operates weekdays from 5:00 a.m. to 6:00 p.m. and Saturday 7:30 a.m. to 6:00 p.m. (evening service could also be provided by deviated route, or it could operate as a general public dial-a-ride). Given the existing two vehicles dedicated to weekday service and one on Saturday, the service should be designed to operate with the status quo resources, limiting the requirement for additional operating costs. Longer term demand could warrant earlier and later service and the introduction of service on Sundays.

Since the service will be operating within the urban areas of Fairmont, a new fare structure for local trips may be desirable, likely lower than the existing \$2.75 fare currently charged for travel within Fairmont. In some communities, a premium fare is assessed for deviations, while in many communities, deviations are only available for certain population groups such as frail seniors, people with disabilities or children under a certain age. These options are considerations that must be addressed as part of the design of any deviated local service.

In order to be dropped off at a point beyond the normal “fixed” portion of the route, riders would request the service from the driver when they board the bus. For pick-ups, riders must call the transit system in advance with the location where they want to be picked-up. Specific reservation procedures vary and are determined by the transit system, including policies, level and type of demand, and other factors.

Implementation Considerations

Given the scheduling flexibility related to operating a deviated route, it is important to consider both the number and location of time points as well as providing adequate time between those points. This will ensure the most effective use of resources by avoiding a perception that the route is too slow with too much time or limiting unreliability due to too little time.

Consideration should be made to establish a timed transfer point between the two routes, which allows passengers to seamlessly travel to various destinations served by both routes. A location such as Five Lakes Centre or another central landmark typically would allow for an appropriate connecting point.

Policies will need to be developed as to when and why the route deviates, which is particularly important to ensure reliable and dependable service.

It is also important to allow time for ridership to develop on any new type of service in Fairmont. While public information, including brochures, outreach, and group meetings, will help by advertising the new service, ridership will gradually grow over time as passengers become more aware and comfortable riding the service. Typically, ridership is expected to meet its baseline potential within 18 months of service implementation.

Figure 3-11 Summary of Deviated Route Alternative

Elements	Short Term (Within 1-3 Years)	Long Term (3+ Years)
Service Design	Deviated route service with consistent headways along an established alignment with bus stops and on-demand or scheduled deviations up to one mile. Point deviation service could operate if resources become available.	Same as Short Term, but with the introduction of point deviation service on Sundays and earlier/later times.
Service Hours	Monday – Friday: 5:00 AM to 6:00 PM Saturday: 7:30 AM to 6:00 PM Sunday: No Service Estimated annual hours=7,000	Monday – Friday 5:00 AM to 9:00 PM Saturday: 7:00 AM to 6:00 PM Sunday: 8:00 AM to 5:00 PM Estimated annual hours=8,300-12,800
Headways	Two routes, each operating at a minimum of 60 minutes	Two routes, each operating approx. 30 minutes minimum during most daytime hours, 60 minutes on evenings and weekends. Point deviation service should be timed every 60 minutes at the same point.
Market (s)	General Public; Seniors, disabled and youth may be greater beneficiaries of deviation option (for all trip purposes)	General Public; Seniors, disabled and youth may be greater beneficiaries of deviation option (for all trip purposes)
Vehicle Requirements	Existing vehicles with passenger capacity ranging from 9 to 16	Existing vehicles with passenger capacity ranging from 9 to 16
Annual Operating Costs (estimated)	\$40 per hour, based on 2013 operating costs. For 2 vehicles operating weekdays and Saturday daytime service, estimated annual operating costs, including administrative costs, are assumed at \$280,000	Approx. \$44 per hour, based on increase to 2013 operating costs. For 2-4 vehicles operating weekdays and weekends, estimated annual operating costs, including administrative costs, are assumed at \$365,000 to \$563,000
Fare Structure	Conceptual alternative: \$1.50 for no deviation; \$2.50 for deviation; discounted fares for seniors and people with disabilities	Conceptual alternative: \$1.50 for no deviation; \$2.50 for deviation; discounted fares for seniors and people with disabilities
Estimated Farebox Revenue Recovery Ratio	20%	20%
Annual Ridership (estimated)	Annual ridership will vary depending on level of service. Preliminary estimate assumes 5 passengers per hour consistent with current performance =35,000	Preliminary estimate assumes 5 passengers per hour consistent with current performance = 40,000 to 64,000

Expected Benefits

- Provides higher level of service with more capacity to meet higher level of demand
- Provides consistent, all-day service
- Flexible service to provide curbside pick-ups and drop-offs

- Meets basic mobility needs of transit-dependent population
- Provides connections to major ridership generators
- More effective use of resources
- Potential ridership gain due to consistency and reliability
- Provides productive service by carrying higher number of passengers per hour than general public dial-a-ride service
- Provides cost effective service with lower subsidy per passenger and higher farebox recovery ratio than general public dial-a-ride service

Potential Obstacles

- Requires decisions on how to administer the service
- Providing a reliable and consistent schedule, especially with deviations
- Requires official bus stops and amenities (some capital costs)
- Must ensure that drivers and vehicles are consistently available
- Must ensure availability of resources for Sunday service
- Some current boarding locations might be unserved if outside the deviation zone

4. REGIONAL INTERCITY SERVICE

Introduce Regional Service between Cities

Concept

Intercity route services provide connections between cities, operating at relatively high speeds and using direct roads, typically stopping at a few key locations in any one community. Stops are typically provided in urbanized areas and/or at locations where passengers can transfer to other services. In some cases where no connecting service is available, the service can deviate within a predetermined flex area within range of the city bus stop to provide demand response service to requested passengers. The only scheduled daily intercity bus service in the two-county area currently operates between Fairmont and Blue Earth, but this service is designed as a one-direction commuter service to carry riders from Fairmont to Blue Earth and does not allow for bidirectional or midday service.

Overview

Intercity service typically provides a lifeline connection for residents with few other options for regional travel, but it can offer a commute alternative or provide a convenience for residents of Blue Earth who need to travel to a doctor in Fairmont or purchase specialized goods or services not available in their own community.

Generally, the bus is closed-door to passengers when traveling between communities to minimize travel time. However, when reaching the destination community, it may stop several times at established stops, such as a transfer point with deviated route service or a pick up location for the local dial-a-ride. Given the closed-door nature of the high speed service designed primarily for commuter and specialized trips, a requirement for complementary ADA paratransit is unlikely,

and in-town deviations with connections to local service can allow riders who are not in close proximity to the route to access the service. The deviations would be similar to other flex-type services, where passengers already on the bus can request a specific curbside drop off or can reserve a pick up at a specific time.

Operating Characteristics and Outcomes

In the short term, intercity service would likely operate on weekdays only during peak travel times based on passenger demand. The service should operate a minimum of one AM round trip, one midday round trip and one PM round trip between Fairmont and Blue Earth. Service hours should try to match the service currently being provided between Fairmont and Blue Earth, but trip times would be adjusted depending on the demand for the service, and no longer would vehicles deadhead for AM Blue Earth-Fairmont trip or the PM Fairmont-Blue Earth trips. Since the morning trip to Blue Earth begins before typical commute times, trip time adjustments and/or additional trips later in the morning to coincide with typical commute times might be considered, which may generate a new market of ridership.

For longer term operations, service expansions may include additional midday trips, more frequent peak time trips, and longer trips connecting Fairmont and Blue Earth to St. James, Albert Lea, or Mankato.

Demand response components of the short term intercity service would not be required since both cities have some form of connecting service. However, if the service expands to new cities, a review of connecting service should be conducted to identify needed services, including any demand responsive components.

Since the service is a premium operation and travels long distances, the fare should be set at a higher rate than the local fares discussed in the previous service alternatives. Currently, the fare for commute service between Fairmont and Blue Earth is \$2.00 while the local Fairmont fare is \$2.75 and the base Prairie Express fare is \$3. A \$3.00 one-way fixed fare with a possible discount for a pass or multi-ride ticket is assumed as a potential fare for the preliminary service. Once the service expands to other cities at greater distances, the fare would be structured based on distance traveled, or a zonal fare.

Implementation Considerations

The service would be branded as a high speed, intercity route to attract new markets wishing to travel longer distances. Round trips between some cities may require long deadhead distances, which should be considered in operating the service.

Once service is expanded to reach longer distances, it will be important to ensure trip times do not overlap with other regional services, particularly Land-to-Air Express connecting Mankato, Albert Lea, Austin, and Rochester, operating on a limited service schedule. Connections to neighboring services, such as Watonwan Take Me There (TMT) service to Mankato is an option in the short term (via St. James), but schedule times would make transfers from Martin-Faribault to TMT service challenging.

Figure 3-12 Summary of Intercity Route Alternative

Elements	Short Term (Within 1-3 Years)	Long Term (3+ Years)
Service Design	Intercity regional public transit service connecting urbanized communities of Fairmont & Blue Earth	Intercity regional public transit service connecting urbanized communities with the option to provide flexible demand-response in cities without connecting service
Service Hours	Monday – Friday: Three-four round trips, assumed during the following time ranges: 5:15 AM to 7:00 AM (1 trip); 11:00-1:00 PM (1 trip); 4:30 PM to 6:45 PM (1-2 trips) Saturday & Sunday: No service Estimated annual hours=1,000-1,450	For Fairmont-Blue Earth: Monday – Friday: Four-five round trips, assumed during the following time ranges: 5:15 AM to 8:30 AM (1-2 trips); 11:00-1:00 PM (1 trip); 4:30 PM to 6:45 PM (2 trips) Saturday & Sundays: 2-3 round trips per day between 10:00 AM and 4:00 PM) Estimated annual hours=1,900-2,250 For other destinations: To be determined
Headways	N/A, Specific trips times only, at least one AM round trip, one midday round trip, and one PM round trip	For Fairmont-Blue Earth: Weekday peak times: Specific trip times only, at least two AM and two PM round trips and one midday round trip. More service can be operated depending on demand. Weekends: specific trips times only: assuming two trips 3-4 hours apart at a minimum For other destinations: To be determined
Market (s)	General Public; Commuters, shoppers and people making medical trips may be key beneficiaries of service between Fairmont & Blue Earth (for all trip purposes)	General Public; Commuters, shoppers and people making medical trips may be key beneficiaries of longer trips to major destinations, including service between Fairmont & Blue Earth (for all trip purposes)
Vehicle Requirements	Existing vehicles with passenger capacity ranging from 9 to 16	Existing vehicles with passenger capacity ranging from 9 to 16; potential for larger vehicles
Annual Operating Costs (estimated)	\$50 per hour, based on 2013 operating costs. For 1 vehicle operating weekdays only during peak times, estimated annual operating costs, including administrative costs, are assumed at \$50,000 to \$72,500	\$55 per hour, based on increase to 2013 operating costs. Estimated annual operating costs for Blue Earth-Fairmont service, including administrative costs, are assumed at \$104,000 to \$123,000; services to Mankato and elsewhere at a higher cost
Fare Structure	Single base fare set higher than local fare, or \$3/one way trip between cities	Single base fare set higher than local fare, or \$3/one way trip between cities. Longer trips could require higher fare depending on distance and/or established zone

Elements	Short Term (Within 1-3 Years)	Long Term (3+ Years)
Estimated Farebox Revenue Recovery Ratio	20-25% based on ridership	25% minimum
Annual Ridership (estimated)	Annual ridership will vary depending on level of service. Preliminary estimate assumes 7-10 passengers per hour consistent with regional service performance standards. Desired ridership would range from 7,000 to 14,500 annually.	Annual ridership will vary depending on level of service. Preliminary estimate assumes 7-10 passengers per hour consistent with regional service performance standards. For Blue Earth-Fairmont service, desired ridership would be 13,300 to 22,500.

Expected Benefits

Anticipated benefits of scheduled intercity and regional services are as follows:

- Provide more consistent and reliable service with scheduled departures and arrivals
- Attracts commute-oriented travel demand
- Meets basic mobility needs of transit-dependent population
- Provides connections to major ridership generators
- Provide access to major destinations in urban communities
- Effective use of resources
- Flexible service to provide curbside pick-ups and drop-offs when needed if city does not have connecting service

Potential Obstacles

Some of the obstacles noted include the following:

- Requires decisions on how to administer the service
- May not achieve ridership estimates or farebox standards given existing lack of service between these cities
- Requires decision on dispatching
- Needs funding formula or cost sharing agreement between counties
- Must maintain a reliable and consistent schedule
- Requires official bus stops and amenities
- Must ensure that drivers and vehicles are consistently available
- Generates higher costs since the service travels longer distances

5. MOBILITY MANAGEMENT

Cost-effective approach to connecting people needing transportation to available transportation resources with the community

Concept

Mobility management can be interpreted in a number of different ways, but generally refers to a strategic, cost-effective approach to connecting people needing transportation to available transportation resources within a community. Through partnerships with many transportation service providers, mobility managers enable individuals to use a travel method that meets their specific needs, is appropriate for their situation and trip, and is cost-efficient. Mobility managers should also identify when appropriate transportation resources are not available, and assist in developing and implementing them.

Overview

The purpose of establishing a mobility manager function is to ensure that there is one individual who can devote time to a wide range of transportation issues with the ultimate goal of educating consumers and linking riders with the appropriate service to meet their transportation needs. The mobility manager ideally works in collaboration with other organizations to provide a full range of travel options that are more effective in meeting needs.

Mobility management is about understanding the needs of a consumer, being familiar with the services they use and the destinations they travel, and identifying the right type of transportation service and the appropriate provider to serve an individual's transportation needs. A mobility manager's objective would be to maximize resources through collaboration and coordination of transit providers and human service agencies. The focus is on meeting user needs and pooling resources. It is also about organizing travel for passengers based on when and where operators are available to carry passengers. A mobility manager uses a wide array of community resources, from the local taxi provider to public transit, volunteer driver programs, and human service agency transportation services.

Operating Characteristics and Outcomes

The mobility management function consists of several inter-related strategies with several expected outcomes. In Martin and Faribault counties, and in adjacent counties, the following mobility management functions are proposed:

- Volunteer drivers
- Coordination with social service transportation providers
- Coordination with out-of-county services
- Information, referral and outreach

Mobility management requires a significant level of cooperation between local agencies, and also the commitment of a “host” agency for the mobility management function.

Volunteer Drivers

Volunteer drivers using their own vehicles (or vehicles provided by an agency) can provide transportation to targeted individuals such as people with disabilities and seniors, and can be more cost effective as a replacement for some of the longer trips that are being made today by Martin County Transit and Prairie Express . Volunteer driver programs could sometimes include long distance trips outside of Martin or Faribault counties to serve specialized destinations not found in the county such the VA hospital. They provide personalized service for populations that do not have access to a car or the ability to drive.

Numerous examples of successful volunteer driver programs exist in Minnesota and elsewhere, so developing a volunteer program does not necessarily mean starting from scratch. An existing program in a neighboring county (such as VINE) could be considered, and the Veterans Offices in Blue Earth and Fairmont have volunteer driver programs (as does Interfaith Caregivers-Faith In Action in Blue Earth). A good starting point would be to further understand how these programs work and explore opportunities to coordinate with them.

While many volunteer programs reimburse or incentivize drivers, some do not, but these efforts usually are relatively small, often managed through a church or senior volunteer program. Without such incentives, it may be difficult to recruit regular volunteer drivers.

Coordination with Social Service Providers

A mobility manager can work with existing social service transportation providers in any number of ways. In the short-term, this might include travel navigation in which callers are not simply referred to other agencies, but actually receive assistance in planning/booking their trip. This function would serve as an initial step toward the potential future development of a one-stop call center and coordinated system that includes multiple providers. For example, services operated by Step, Inc., Americare Mobility the SMILES Center for Independent Living, local taxis, and other operators might supplement the services provided directly by the transit operation in Martin and Faribault counties. In the short term, these agencies could then serve either as potential referrals or providers of trips, based on an agreed-upon reimbursement mechanism.

Coordination with Out-of-County Services

Working with TMT, VINE, Land-to-Air, Jefferson Lines, SMART and other agencies that offer potential services that might also be used by Martin and Faribault County residents would be another key function of a mobility manager. The role would be to coordinate transfers, assist in scheduling long-distance trips, developing fare reimbursement agreements, and coordinate with other providers to improve intercounty schedule coordination.

Information, Referral and Outreach

Information and referral services will increase awareness of existing services. While telephone and face-to-face communication is important, function should also include speaking engagements to social service agency representatives and clients, participating in local events and distributing printed information about transportation programs to individuals, agencies, senior

centers, libraries and other popular activity centers. Finally, developing and maintaining a website about all of the transportation programs in the region is desirable, and could be conducted in cooperation with MnDOT. The mobility management function would ideally develop a Mobility Guide that includes information about all transportation services in the region.

Implementation Considerations

The first step is to develop a job description for a mobility manager and an action plan to detail the priorities of this function. Travel navigation could begin in the short-term, but a longer-term element of the mobility management function—the role of brokering trips— could be transferred to a program in an adjacent county (VINE is providing similar services) or in-house capacity could be built by taking on the role of centralized scheduling and dispatching for existing transportation providers in Martin and Faribault counties.

Figure 3-13 Summary of Conceptual Mobility Management Strategies

Elements	Short- Term (1-3 Years)	Longer-Term (3+ Years)
Mobility Manager (Staff function)	Under consolidated service, one staff person could devote half-time time to serve mobility manager functions described below.	One staff person could serve full-time as a Mobility Manager or this function could be transferred to a different agency (or expanded agency).
Volunteer Driver Program	Reach out to existing volunteer driver programs in both counties to learn how to coordinate with them. Organize volunteer driver program; develop parameters, recruit drivers who could provide their own vehicles and begin to implement program; conduct preliminary evaluation and modify as needed.	Expand volunteer driver program; consider purchasing of vehicles to be used by volunteers.
Coordinate with Social Service Transportation Providers	Coordinate with MRCI and Step, Inc for commingling riders to maximize productivity. This would mean combining MRCI and Step, Inc. clients with general public riders on same vehicles, especially for long distance travel .	Reach out to other social service transportation providers such as Americare Mobility and SMILES Center for Independent Living. The goal is to coordinate rides for their clients and the general public
Coordinate Out-of-County Connections	Work with VINE Faith in Action to assist riders with out-of-county connections. Also coordinate with other providers such as Jefferson Lines Bus Service and Watonwan TMT, as needed.	Coordinate with other providers to improve inter-county schedule coordination.
Information, Referral and Outreach	Disseminate transit information about all available services in the two counties as well as regional providers. This important function is to educate residents about all services available in Martin and Faribault counties and the region and to help determine their eligibility for various services.	Develop a Mobility Guide that includes information about all transportation services in Martin and Faribault counties, as well as all connecting services. The Guide would include service area, days and hours of operation, eligibility, fares and how to get more information (telephone number and website)

Elements	Short- Term (1-3 Years)	Longer-Term (3+ Years)
Centralized Broker	N/A	Explore options for centralizing scheduling and dispatching public transit and human service transportation services

Expected Benefits

- Offers a low-cost way to address some basic transportation needs
- Increases awareness and understanding of available transportation services
- Facilitates inter-regional and long distance connections
- Potential to increase service efficiency by grouping some social service trips with general public service

Potential Obstacles

- Staff person needs to become “expert” in all available services
- May need funding to incentivize volunteer drivers ; may need insurance coverage for volunteer trips
- Limited number of people who can be served by volunteer transportation
- May be challenging to share riders with some social service clients and the general public
- Challenging to keep Mobility Guide current

PERFORMANCE STANDARDS

Overview

Martin and Faribault counties, in conjunction with MnDOT, will need to work together to ensure all services are working seamlessly. If successful, both counties will benefit by creating better transportation choices within and between local and regional destinations, all while promoting healthy communities. To achieve these goals, it is important to establish service measures and standards.

Performance measures and standards are valuable tools for assessing progress towards achieving established goals and objectives, particularly how to allocate scarce resources. By providing a consistent set of performance standards, transit staff and the County Commissions or potential future JPA Board will have consistent direction on how to allocate, prioritize and deploy current and future services. Their use in the service planning and allocation process will avoid potentially inequitable, and possibly inefficient, allocations of service.

This section offers a set of performance measures and standards for use on future services in both counties, including suggestions on frequency of evaluation. It is important to define measures and standards as follows:

- A **measure** is a basis for comparison; a reference point against which other factors can be evaluated.

- A **standard** is a recommendation that leads or directs a course of action to achieve a certain goal. Typically, a standard is a target and oftentimes represented as a numerical value.

Existing MnDOT Statewide Performance Measures

MnDOT established performance measures and set standards for rural public transit systems expecting to add or change service in order to meet unmet needs or merge with other transit systems. The following performance measures were recommended to review new or merged services:

- Passengers per revenue hour
- Cost per passenger trip
- Revenue per passenger trip
- Cost per revenue service hour
- Revenue miles and average trip length

For deviated rural services or community dial-a-rides, MnDOT established standards only for passengers per revenue hour, as detailed in Figure 3-14. The performance standard does not address the need for a lifeline service or a dial-a-ride service that is provided to offer a basic level of access, which is what is operated today in Martin and Faribault counties to rural areas and performs much below MnDOT's standards.

Figure 3-14 MnDOT Performance Standards for Passengers Per Hour

Type of Service	Passengers Per Hour	Rating	Comment
Community or Municipal Dial-A-Ride	≤ 2.0 PPH	Poor	Discontinue
	2.0 to 3.0 PPH	Minimally adequate	Must improve to Good or better in the next grant year or discontinue. Report and monitor service segment for upcoming year.
	3.0 to 5.0 PPH	Good	Include in following year's base service hours
	≥ 5.0 PPH	Excellent	
Deviated Rural Route contracted routes should not be started at any level below "good"	≤ 3.0 PPH	Poor	Discontinue or consider alternate method of service delivery
	3.0 to 5.0 PPH	Minimally adequate	Must improve to Good or better in the next grant year or discontinue. Report and monitor service segment for upcoming year.
	5.0 to 8.0 PPH	Good	Include in following year's base service hours
	≥ 8.0 PPH	Excellent	
	≥ 10.00 PPH	Excellent	

Source: MnDOT

Proposed Service Standards

Although MnDOT established performance measures and standards for dial-a-ride service, a new set of performance measures and specific standards is recommended for each proposed type of service that could be operated in Martin or Faribault counties. Some measures have been carried over (passengers per hour, for example), but have been modified based on the existing operating conditions in Martin and Faribault counties; others are included in order to assess different service quality and reliability goals. Farebox recovery ratio is a highly effective performance measure that incorporates revenues and costs, both of which are apparent in several of the MnDOT measures. MnDOT effectively requires a minimum farebox recovery of 15%, and systems that do not achieve it must continue other local funds to support the service. While special group trips and intercity service include passengers per hour standards, given the structure of the services, it may be more applicable to use passengers per scheduled trip due to the amount of closed door service provided.

Figure 3-15 below presents the recommended performance measures and service standards.

Figure 3-15 Proposed Service Standards for Martin and Faribault Counties

Quality/ Reliability/Design Measures	Proposed Service Standards by Service Type
Passengers per Revenue Hour	<ol style="list-style-type: none"> 1. General Purpose Dial-A-Ride <ol style="list-style-type: none"> a. Urban: 3 passengers per hour b. Rural/intercity: 2.25 passengers per hour 2. Special Group Trips: 12 passenger per hour 3. Deviated Route in an Urban Area: 5 passengers per hour 4. Intercity: 8 passengers per hour
Passengers per Scheduled Trip	<ol style="list-style-type: none"> 1. General Purpose Dial-A-Ride: No standard 2. Special Group Trips: 8 passengers per trip 5. Deviated Route in an Urban Area: No standard 3. Intercity: 10 passengers per hour
Farebox Recovery	<ol style="list-style-type: none"> 1. General Purpose Dial-A-Ride: <ol style="list-style-type: none"> a. Urban: 20% b. Rural/intercity: 10% 2. Special Group Trips: 30% 3. Deviated Route: 20% 4. Intercity: 25%
On Time Performance	No bus should depart a time point before the time published in the schedule. 90% on-time performance for all services.
Passenger Complaints/ Boardings	The number of complaints shall not exceed 0.01% of the total boardings. The benchmark is 7.5 complaints/100,000 boardings.
Accidents /Bus Miles Operated	Fewer than 1 preventable accident/100,000 revenue miles

Quality/ Reliability/Design Measures	Proposed Service Standards by Service Type
Stop Spacing	<ol style="list-style-type: none"> 1. General Purpose Dial-A-Ride: N/A 2. Special Group Trips: N/A 3. Deviated Route in an Urban Area: – ¼ mile 4. Intercity: depends on major ridership/timed transfer locations
Trips Cancelled	No bus or trips shall be cancelled.

Adopted standards can be written into approved service and operating policies, and offer Martin and Faribault counties a good justification for implementing service changes or modifying the way services are provided (e.g., discontinuing rural dial-a-ride service and replacing it with special group trips). Standards will need to be periodically revisited and updated as operating conditions and, assuming a two-county transit operation, priorities evolve and financial conditions change. While there are benefits from maintaining a consistent set of standards, it is a good idea to consider whether they continue to reflect the community’s priorities about every three years.

4 ALTERNATIVE ORGANIZATIONAL STRUCTURES

This chapter presents four different organizational alternatives for consideration. The first two options would retain the two separate transit providers with the existing governance framework. The third option would consolidate the transit services of Marin and Faribault counties and the fourth would also incorporate the major social service transportation providers within one consolidated transit service. The final alternative is identified as a preliminary concept that would result in a consolidated transit network in which Martin and Faribault counties could be integrated into a larger regional service such as SMART (represents the consolidation of Albert Lea Transit, Steel County Area Transit and Austin-Mower County Area Transit) or a regional system covering Blue Earth and Watonwan Counties.

STATUS QUO WITH ENHANCED COORDINATION

The status quo option maintains the two separate transit providers. Each service would continue to independently administer and operate service in its own county (or service area) and would continue to establish its own fares, hours of operation, and service plans. This alternative assumes no consolidation of services but allows for increased coordination through a more formalized structure than exists today.

To enhance cooperation and coordination, the PAC formed for this planning study, comprised of staff from the counties as well as designated elected officials from both counties, should continue to meet on a quarterly basis. The purpose of the Committee would be to provide continued guidance for issues of common concern and to enhance coordination between the two counties. The Committee could be renamed as the *Transit Coordinating Council* (TCC). Formal agendas and meeting summaries should be prepared to document discussions and actions taken and to ensure that tasks are followed up by designated parties.

After the completion of this planning study, one of the first tasks of the TCC would be to address two high priority objectives: 1) Develop, update and refine a set of transit service policies and standards that can apply to Martin and Faribault county transit services; and 2) consolidate marketing/public information and improve availability of information in both counties. Through marketing the services and coordinating activities, the two counties could further extend the

A Transit Coordinating Council (TCC) typically consists of representatives from various levels of government and could include local staff, regional government agency representatives, MnDOT staff, and policy makers. It is not a policy-making body nor does it have the ability to develop its own funding mechanisms, nor does it have the capacity to operate a transit service. It is an advisory body for existing transit services. A TCC can go a long way toward coordinating services while funding decisions remain with the individual transit services.

awareness of local and regional transit services and how to make inter-regional connections. Although each service currently has its own Rider's Guide, it may be valuable to develop a Mobility Guide that includes information about Martin County Transit Service and the Prairie Express as well as other transportation services in the two county area including services such as Jefferson Lines, Watonwan County TMT, and others. To coordinate marketing and public information, the Committee could also pool resources and collaborate with MnDOT to develop a comprehensive transit service brochure and website. The coordinated information could be distributed widely and linked to both counties' web sites. It will provide a single source for information about transit services in the region and simplify the services for current and potential users. It will also mean one location for social service agencies, schools and hospitals to get transit information for their clients.

Service Policies

Developing a consistent set of standardized policies supports MnDOT's 2011 initiative, Transit for Our Future (TFF) which is intended to improve communications with transit providers and have consistency with all public transit operations in Greater Minnesota. Martin and Faribault County staff have not had the resources to update their policies and have expressed a desire to review and update them.

Service policies help clarify the relationship between the transit service and its riders. They provide a set of guidelines for how customers, the transit provider and staff can effectively work together. Establishing clear policies clarifies the roles and responsibilities for drivers and riders alike. Transit service policies also help insure that riders are treated equally and fairly and support drivers when enforcing rules on the bus. Both Prairie Express and Martin County Transit have existing service policies, but opportunities exist for revision of these policies and developing a consistent set of policies.

Some key differences in policies between the two operations will need to be considered: Martin County's policy that "riders should be ready and waiting approximately 15 minutes before and 15 minutes after their scheduled pickup time" compared with Faribault County's policy that "riders should be ready and waiting approximately 5 minutes before and 5 minutes after their scheduled pick up time." Faribault County's policies require the use of seatbelts and indicate that carts and packages should be held on one's lap, which are not included in Martin County's policies.

Service Standards

Service standards are addressed in the Chapter 3 of this report. Please see page 3-24.

Advantages and Disadvantages

The major advantages and disadvantages to this approach are summarized in Figure 4-1 below.

Figure 4-1 Major Advantages and Disadvantages of Status Quo Options with Enhanced Coordination

Advantages	Disadvantages
<ul style="list-style-type: none"> ▪ Maintains transit service autonomy ▪ Formalizes Project Advisory Committee and enhances coordination activities ▪ Improves, expands and simplifies transit information ▪ Sets the stage for coordinating services with neighboring and connecting services ▪ Makes it easier for passengers and agency staff to become familiar with all transit options 	<ul style="list-style-type: none"> ▪ Maintains two separate transit services ▪ Does not eliminate or reduce duplicative administrative functions ▪ Does not result in any anticipated operating cost savings ▪ Does not eliminate potentially duplicative services between Fairmont and Blue Earth ▪ Does not necessarily allow for an expansion of services

ADMINISTRATION CONSOLIDATION

The administrative function of a transit agency refers to the routine tasks in overseeing a system’s daily operation, as well as the planning, financing and overall performance monitoring of the service. Administrative coordination is typically when one agency is responsible for the day-to-day administration of one or more transit services. Under this option, Martin County could assume administrative responsibility for Faribault County’s transit service or Faribault County could take the lead and administer Martin County Transit service. Regardless of which county takes the lead role, it would perform all or nearly all transit-related functions including planning, budgeting, grant writing, monitoring and reporting, record keeping, etc. The major benefits of consolidating administration functions is that only one county, rather than two, would be required to prepare and/or submit documents to MnDOT, conduct fiscal audits and address other periodic state requirements. A summary of the major advantages and disadvantages of consolidating administrations is highlighted in Figure 4-2 below.

Figure 4-2 Major Advantages and Disadvantages of Administration Coordination

Advantages	Disadvantages
<ul style="list-style-type: none"> ▪ Maintains transit service autonomy ▪ Eliminates duplicative administration functions ▪ Reduces or eliminates reporting requirements ▪ Allows for dedicated staff to focus exclusively on transit issues ▪ May “free up” county staff to work on other activities ▪ May reduce administrative costs 	<ul style="list-style-type: none"> ▪ Will require negotiations between the counties and a contract agreement for services and a payment structure ▪ Will require ongoing communication and coordination between the counties ▪ Maintains two separate transit agencies

Under administrative consolidation, policy oversight would continue to be provided by the Martin County Board of Commissioners and the Faribault County Board of Commissioners. The Board of Commissioners would retain decision-making control over their transit service. The lead county serving as the administrator would absorb all transit-related administrative functions, alleviating the “other county staff” of these responsibilities. This approach to coordination is not common, although it may be an interim step toward full consolidation.

An advantage of this approach is its ability to streamline administrative functions. Some of the routine tasks include monitoring service, data tracking and reporting, grant writing and marketing and public information. Taking over these administrative tasks could be considered a first phase. This arrangement would require an agreement to identify the specific functions that the lead county would assume and an agreed-upon payment for services. If successful, then a longer-term option could be to move toward full consolidation. In some communities, proceeding with a phased approach has been preferable to stakeholders.

Under this administrative consolidation option, there is the potential to reduce annual administrative costs. Although administrative costs account for only 5% of total operating costs in Martin County in 2013 and approximately 32% in Faribault County, it still could mean a minor savings for either county. In 2014, Martin County budgeted approximately \$56,000 on administration, representing about 27% of total operating costs; Faribault County budgeted just under \$45,000 or 5% of its transit budget. Because it is very difficult to project how staff assignments could be shifted to other duties and potentially reduce administrative costs related to transit services, this preliminary discussion of this alternative does not attempt to do so.

Example

In San Luis Obispo County (California) a small transit service, known as South County Transit (SCT), was having difficulty performing all of the myriad responsibilities associated with its transit service. SCT is organized as a Joint Powers Authority (JPA) consisting of several small cities, yet had no staff of its own to administer the service on a day-to-day basis. The JPA elected to contract with the inter-county bus service (SLO RTA) to administer its service. The JPA continues to serve as the oversight policy board. This arrangement has been in place for over five years and is considered successful.

CONSOLIDATION OF MARTIN AND FARIBAULT COUNTY TRANSIT SERVICES

This “full integration” alternative would consolidate transit services in Martin and Faribault counties under one single entity. It would require a single administrative structure with a single policy board (such as a Joint Powers Authority) that combines the two transit services in a way that allows transit to operate as one system. Under a consolidated service, one administrative body would be responsible for management. In essence, the two counties would no longer be involved in the day-to-day activities of administering or operating a transit service. A consolidated system may allow for more efficient and effective service because requests for service would be handled by one dispatch system and trips could be grouped more effectively. It is important to note that a consolidated system does not necessarily mean that service levels need to be the same in each county. A cost sharing agreement would be required so that each county is getting their “fair share” of service. A zonal fare structure is recommended and should be based on distance travelled.

Consolidating operations would mean that day-to-day service would be managed under a third party contract or operated as an in-house operation. The goal is to provide one integrated set of

services in Martin and Faribault counties, maximizing service quality and affording opportunities to travel between the counties (and beyond). It is, however, important to acknowledge that high quality transit service could be provided under private or public operation and there are certain efficiencies associated with each option. Public operation is generally viewed as facilitating more day-to-day control of transit operations and greater responsiveness than a privatized system. Private operation is typically viewed as more cost-effective (i.e., it has a lower cost per vehicle mile or vehicle service hour).

If services were consolidated, then the recommended organizational model is a Joint Powers Agreement (JPA). JPAs are common in Minnesota, and address a range of different programs and services, including transit. Martin and Faribault counties already have two established JPAs – one for Human Services and one for Solid Waste – that can serve as a model for a JPA developed for transit services. The primary advantage of a JPA is that it possesses decision-making authority of its own (assuming representation from both parties). The primary disadvantage is that a JPA can limit the autonomy of the individual counties.

Example

The Western Iowa Transit System (WITS) is a consolidated operation comprised of six rural counties: Audubon, Carroll, Crawford, Greene, Guthrie and Sac. It provides demand-response and subscription service to the general public, senior citizens, persons with disabilities, and human service agency clients throughout its service area. Much of the service is concentrated on helping rural residents' access to social services and perform basic activities like shopping, banking and errands. Service is structured in a variety of ways. Examples include:

- Direct Service – WITS provides the vehicles and the driver and bills the agency contracting for service on a per mile basis.
- Taxi Voucher – WITS contracts with local cab companies and reimburses the difference between the voucher value and the total fare.
- WITS Leases Vehicle from Agency, WITS Operates – For agencies with capital, but no staff to operate the vehicles, WITS will lease the vehicles for a small fee and provide service back to the agency. The vehicle can be used for other programs' needs.
- Senior Shopping Trips – Grocery stores in the main city subsidize shopping trips from four pick-up sites throughout the service area. The grocery store pays all costs of this service, regardless of ridership numbers.

Example

Butte Regional Transit, (Butte County, CA) known to the public as B-Line, represents the consolidation of six separate transit operations in a mix of rural communities, fast-growing towns, and one small urban area. A JPA was formed to consolidate the separate services and the Board of Directors consists of city and county representatives. Today, the primary transit services in Butte County are administered by the Metropolitan Planning Organization and operate as a single, unified system that provides a mix of fixed-route bus services and paratransit operations. Each jurisdiction is provided service levels commensurate with their funding contributions based on a cost sharing formula that is based on population. A private contractor provides day-to-day operations.

A summary of the advantages and disadvantages of this option are presented in Figure 4-3 below.

Figure 4-3 Major Advantages and Disadvantages of Consolidated Transit Services

Advantages	Disadvantages
<ul style="list-style-type: none"> ▪ Provides opportunities for people to travel between counties ▪ Potential to more efficiently utilize vehicles ▪ Provides a well coordinated public image for public transit ▪ Potential for cost savings through economies of scale 	<ul style="list-style-type: none"> ▪ Challenging to address long-standing employee of Faribault County ▪ Requires major decision about day-to-day operations; should it be publicly operated service or 3rd party contract? ▪ Riders tend to be resistant to change although could be addressed with extensive public outreach campaign

EXPANDED CONSOLIDATION OF MARTIN AND FARIBAULT COUNTY TRANSIT SERVICES

This alternative would consolidate Martin and Faribault County transit services and incorporate the transportation services currently provided by MRCI and Step, Inc. This would mean that these two agencies would no longer directly operate transportation services. The proposed consolidated transit service would provide transportation service for the agency clients traveling between home and the agency program site. There are several transportation providers throughout the country that have entered into agreements with social service agencies to bill directly for providing transportation for their agency program participants (clients). Trips are often provided at a higher level of service, and are billed directly to the agency, rather than charging a fare to individual passengers. In this type of arrangements, MRCI and Step, Inc would make reservations and cancellations for their participants. The service is considered a subscription, where passengers are picked up at the same time and go to the same place on a regular basis.

The key to success is that there are written agreements between the transit provider and the social service agency rather than relying on an oral understanding. Such agreements need to be reviewed periodically to update the cost basis, payment methods and other elements to ensure they still optimize benefits for both parties.

A summary of the advantages and disadvantages of this option are presented in Figure 4-4 below.

Figure 4-4 Major Advantages and Disadvantages of Expanded Consolidated Transit Services

Advantages	Disadvantages
<ul style="list-style-type: none"> ▪ Eliminates the hassle of MRCI and Step, Inc. of directly providing transportation services ▪ Provides MRCI and Step, Inc with a guarantee level of service for a pre-determined cost ▪ Potential to more efficiently utilize vehicles ▪ Consolidated transit agency may recover a higher percentage of costs than standard fare paying customer ▪ If successful, opportunity to expand service to include other social service transportation providers 	<ul style="list-style-type: none"> ▪ Requires records and reporting of the number of agency clients served ▪ May be challenging to negotiate terms and cost for written agreement between consolidated transit service and MRCI and Step, Inc ▪ Agencies may not want to lose control over provision of service ▪ Agency clients may be resistant to change

NEXT STEPS

Several alternatives exist for moving along the continuum from maintaining separate services to full consolidation. While there is no one “right” answer, there are some advantages and disadvantages associated with each as indicated in the above figures. Figure 2-1 presents a preliminary matrix for discussion highlighting the increased benefits that may be derived from a consolidated transit operation.

Figure 4-5 Preliminary Qualitative Assessment of Options

		Potential for cost savings	Ability to leverage more funds	Improved customer service/ seamlessness	Eliminate or reduce administrative responsibilities	Political and community support	Ease of implementation
1	Status Quo with Enhanced Coordination	-	-	-	+	+	++
2	Administration Consolidation	+	-	-	++	-	-
3	Consolidated Transit Services	++	+	++	++	++	+
4	Expanded Consolidated Transit Services	++	++	++	+	+	+

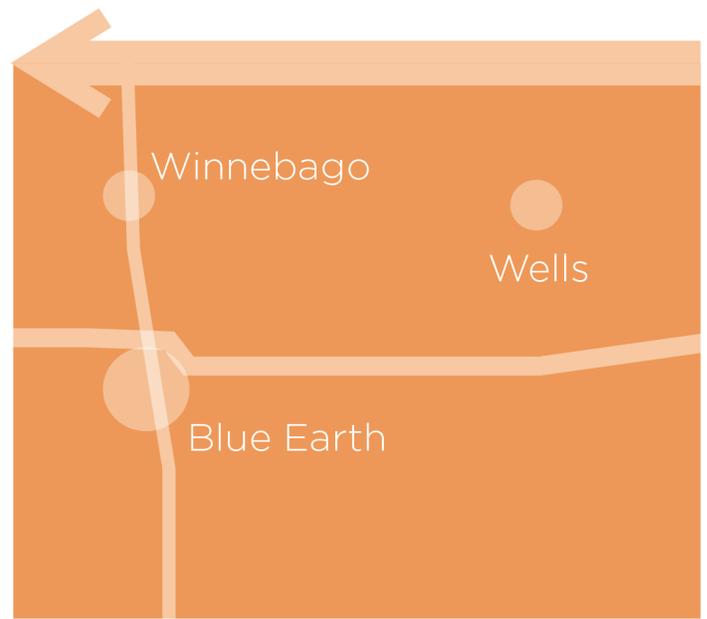
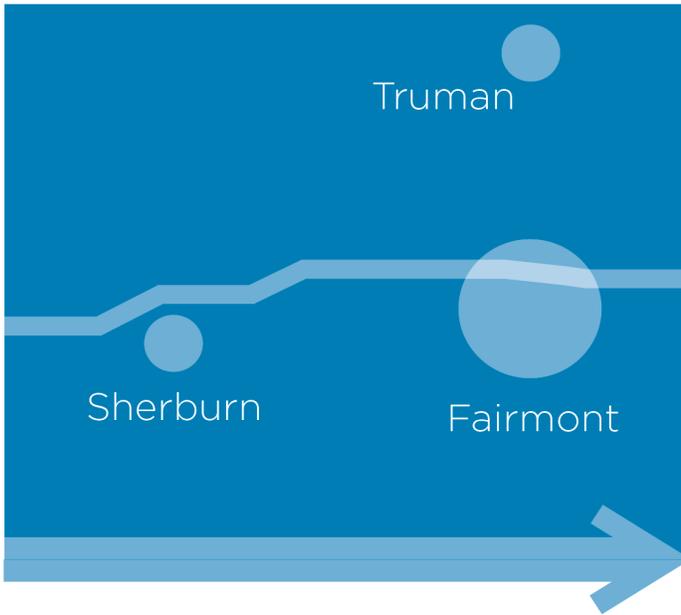
Ranking

++ Fully satisfies criteria + Partially satisfies criteria - Does not satisfy criteria

The next steps in the process are to review and assess the alternatives and reach consensus on a preferred option (or set of options).

The following step will be to further develop and refine the preferred option and develop an implementation plan.

MARTIN COUNTY



FARIBAULT COUNTY



Minnesota
Department of
Transportation

FARIBAULT-MARTIN COUNTY TRANSIT RESTRUCTURING PLANNING STUDY

Technical Report 3:

Discussion Paper Regarding:

- Organizational and Administrative Alternatives for Consolidation
- Allocation of Services by Service Hours
- Estimated Costs and Cost Sharing

Original Draft Submitted July 2014

December 2014



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1 INTRODUCTION

At the Project Advisory Committee (PAC) meeting conducted in June 2014, meeting participants directed MnDOT staff and the consulting team to proceed with the development of a set of organizational and operational alternatives for a fully consolidated transit service in Faribault and Martin counties. It is important to review alternative organizational structures, service allocation methodologies, and potential cost allocation models for a transit operation that covers both counties.

The report focuses on the short-term: what the early years of a consolidated service might look like. In most of the scenarios presented, services might operate much as they do today, with the largest number of service hours in both counties dedicated to general public dial-a-ride operations.¹ The various service models outlined in this report, however, also assume the development of new service types or the expansion of existing services across both counties, with the introduction of a daily scheduled group trip; expansion of the Fairmont-Blue Earth commuter service to three round-trips per day, providing bidirectional service for Blue Earth and Fairmont riders; and with the implementation of deviated bus routes in Fairmont, the largest city in the two-county service area.

Service concepts presented in the previous deliverable, Technical Report 2, for out-of-county trips, additional intercity routes, and more frequent specialized group trips are assumed to be initiated beyond the initial two years of a consolidated service operation, based on the performance of the services implemented in the short term.

It is important to note that the alternatives discussed in this report are for discussion purposes and are meant to inform the decisionmaking process in the next phase of this project. Based on the direction provided at the June PAC meeting, a two-county transit operation would be structured as a Joint Powers Authority (JPA). Once the authority is formed, it will be up to the JPA Transit Board to determine the ultimate staffing plan, service plan, and cost-allocation approach.

ELEMENTS OF THIS TECHNICAL REPORT

The remainder of this Technical Report is as follows:

Chapter 2 presents alternatives for an organizational structure for the consolidated transit operation in Martin and Faribault counties. Based on the JPA model, the chapter describes the functions required to administer, operate and maintain equipment for a two-county transit operation and identifies appropriate staffing needs for the short term. The chapter also discusses alternatives for the design of the JPA Board and the importance of increasing the level of public

¹ The next report will discuss how operational improvements might be implemented on the dial-a-ride operation to improve efficiencies and cost effectiveness (e.g., dial-a-ride service zones).

involvement in the planning and operation of transit services. Chapter 2 also identifies the advantages and disadvantages of having services operated by a public operator or a third-party contractor.

While the previous Technical Report discussed service alternatives, Chapter 3 presents how those services might be allocated on the streets in the short term in terms of service hours. Not all of the various alternatives could be carried out in Martin and Faribault counties; some of the service hours allocations would be unworkable, demonstrating that a single approach to allocating service hours across the two counties may not be successful, and it may be necessary to negotiate a mix of services (with potentially different hours of operation).

Chapter 4 develops a set of conceptual short-term cost and funding estimates for the different allocations of service hours discussed in Chapter 3. The chapter also reviews a proposed set of changes to the fare structure. The consulting team considered different methodologies for sharing costs of a consolidated transit system, based on hours, population and ridership. No significant impacts of consolidation on capital equipment are identified in the immediate term.

2 PROPOSED ORGANIZATIONAL STRUCTURE FOR CONSOLIDATED TRANSIT SERVICES

A key consideration of a consolidated transit operation is the design and structure of the organization. The recommended structure for the proposed consolidated transit services in Martin and Faribault counties is a JPA similar to the structures currently in place for Human Services and for the Prairieland Solid Waste Management program. Two optional organizational structures are proposed, the roles and responsibilities for the administrative staff are defined and an approach for governance and community participation is recommended.

Organizational structures vary across the transit industry. The number of staff positions in a transit agency or department depends on a number of factors including the following:

- Whether service is contracted or provided in-house
- Types of transit services provided
- Level of transit service (in terms of service hours and/or miles)
- Available budget
- Availability of resources in other departments/divisions

Job titles and staff headcount vary from transit provider to transit provider, but the duties of staff involved are relatively constant from agency to agency. This is especially true for the management, administrative and support functions, regardless of whether service is operated by a third-party contractor or not. For small agencies, support staff tend to wear many hats, fulfilling functions that specialized staff perform in larger organizations where certain functions require one or more full-time employees.

To consolidate transit services in Martin and Faribault counties, decision makers must determine whether to operate the service in-house with public sector employees, enter into a contract with a private vendor (third-party contract) or employ a combination thereof. This is a critical decision: the outcome may not be determined until the JPA is formed and the Board of Directors is seated. Two options are presented for consolidating operations in Martin and Faribault counties – contracted (a “third-party contractor”) service or in-house operation.

TRANSIT STAFF FUNCTIONS

Administrative Functions

Regardless of whether service is operated under a third-party contract or is an in-house operation, there are several administrative functions that are required to manage, oversee, operate and monitor a transit service. These functions could be performed by employees whose work is exclusively devoted to transit or by employees who perform transit-related functions and devote time to other public services. The major roles and responsibilities for the various functions are outlined below. While the titles could vary, most important are the major roles and responsibilities that will be required to support the consolidated transit service.

Several multijurisdictional and/or JPA transit agencies in Greater Minnesota were contacted to learn about their organizational structure, number and type of administrative positions and whether service is operated in-house or under a third-party contract. Nelson\Nygaard contacted several comparable agencies in terms of fleet size and operating budget. A few agencies stood out as good examples, including Paul Bunyan Transit where staff indicated they have an in-house operation with six vehicles and in 2012 spent \$812,000 in day-to-day operations. Their administrative staff consists of three staff members including an Executive Director, Financial Manager and Volunteer Coordinator (see Appendix for a copy of their organizational chart). Several larger multi-county operations generally had between two and three full-time equivalents on staff for the administration of transit operations. Some small agencies had only one administrative staff member.

Transit Director (Executive Director Function)

An executive director position is needed to oversee the entire operation and report directly to the Transit Service JPA Board of Directors. The following major responsibilities should be performed by one full-time staff member:

- Contracting or employing the services of a transit system operations supervisor, dispatchers, and drivers and other positions as deemed necessary. ²
- Providing fiscal and management control, including budget development and administration
- Ensuring system fulfills state and federal reporting requirements
- Managing and overseeing planning and operations
- Managing financial activities including budget, expenditures and cash flow/investments
- Managing system procurement and grant administration, as well as projects to ensure compliance with grant requirements
- Ensuring policies and procedures are current and followed by all personnel
- Reporting to Board of Directors and any committees on a quarterly basis
- Other functions as assigned by the JPA Board

²This function is for either contracted service or in-house operation. Under a third-party contract, the major responsibility is to oversee the contract operation. If an in-house operation, specific duties are listed on page 2-3.

Service and Operations Manager

Important functions for supporting a transit service include service planning and monitoring, coordinating with other providers and conducting marketing and public outreach. These functions could be performed by one full-time staff person or two part-time staff positions in the short-term. Longer-term, the roles and responsibilities may evolve into a full-time position when mobility management is introduced. While most of the job functions are related to planning and marketing, some responsibilities would be administrative.

Enhanced marketing and public outreach are needed in advance of a service consolidation rollout. A comprehensive outreach plan should be developed and implemented to inform and educate the public about the service changes. Ongoing outreach activities are desirable to reinforce the service changes, with a focus on how to schedule dial-a-ride service, the retail establishments served for the pre-arranged group rides, and how to use the new deviated service in Fairmont. Managing and overseeing operating personnel (drivers, schedulers and dispatchers) is another important leadership function to ensure high quality and safe service.

The primary functions for the Service and Operations Manager include:

- Conducting performance evaluations of local and regional transit services
- Recommending service refinements as appropriate based on service evaluation
- Leading transit service coordination and planning activities
- Preparing reports for submittal to State and Federal governments
- Developing a marketing and public outreach campaign
- Implementing public outreach activities and conducting community education
- Liaison with social service agencies
- Preparing press releases and maintaining media relations
- Handling customer service and answering passenger inquiries
- Overseeing pass sales, data entry and other general office duties
- Assisting Transit Director as needed
- Managing dispatchers and drivers
- Ensuring safe and smooth day-to-day operations, enforcing driver discipline, and working with drivers to schedule work assignments
- Overseeing driver training (either management of or carrying out the functions) including classroom and behind-the-wheel training
- Reviewing vehicular, passenger and employee accident/incidents
- Serving as “first responder” to vehicle and passenger issues in the field
- Performing time checks to monitor on-time performance

Operations Functions

In addition to the administrative function and operations oversight, the day-to-day operations must be led by transit staff (either in-hour or a third-party contractor, see page 2-5). Schedulers and dispatchers are responsible for taking reservations and supervising the bus operations, while drivers are the face of the operation.

Dispatching/Scheduling

Proper dispatching for dial-a-ride service, group trips, and deviated services ensures that vehicles arrive at their destinations on time. Dispatchers are typically more experienced drivers who can easily dispatch vehicles efficiently and troubleshoot any number of vehicle and passenger issues that may arise. In addition to basic service supervision, dispatchers schedule transit trips requested by passengers, make the daily driver schedules (if not already automated) and ensure service is operating efficiently. Dispatching also includes monitoring communications for services and addressing issues or problems drivers and riders may experience in the field. If the operation is contracted, the contract operator will make a decision about the total number of dispatchers/schedulers required to effectively serve the consumers and meet the transit operation's performance standards. Based on current service levels in the two counties, and assuming the use of RouteMatch and electronic scheduling and dispatch, it is assumed that up to two full-time equivalents (FTEs) may need to be assigned to scheduling and dispatch responsibilities for a two-county operation in the short term.

Driving

Drivers are the backbone of any transit service. They are the face of the agency and provide transportation to the riding public.

With in-house operations, the JPA will need to hire all of the drivers; under a contracted operation, the drivers will be employees of the contract operator. The hiring process for drivers requires administration of a drug-testing program through a local clinic or hospital and performance of background checks with local law enforcement. Training is also required, including classroom and behind-the-wheel training, as well as sensitivity training to ensure seniors and people with disabilities are served appropriately. Safe vehicle operations are absolutely essential to offering a public service and staff must pay special attention to passenger safety issues, proper sacrament procedures for passengers with disabilities, and vehicle safety procedures such as pre-trip inspections, post-trip inspections, and accident policies.

If the JPA for Martin and Faribault counties decides to bring the operation in house, the simplest way to handle the transition from a partially contracted to in-house operation would be to post the driver hiring notice and encourage all current drivers working for the contract operator to apply for the positions. This could result in a large pool of already trained drivers familiar with the service to apply for the positions.

Maintenance

Vehicle maintenance can be handled in-house as is currently done in Faribault County or contracted to a third-party vendor similar to the arrangement in Martin County. Even if the operation is a two-county service, Faribault County could potentially serve as the vehicle maintenance provider for the consolidated system, charging maintenance costs back to the transit operation. Some transit providers hire mechanics directly, but at this time, this is not recommended as this would require an expansion of transit staff dedicated to maintenance. Based on current maintenance costs, it is assumed that an ongoing relationship with a public maintenance department or a private mechanic will be the cost-effective operation for a consolidated transit system.

OPTION FOR FARIBAULT AND MARTIN COUNTIES: CONTRACTED SERVICE OR IN-HOUSE OPERATION

Two primary options exist for the operation of transit services in the two-county service area. An organizational chart showing a proposed administrative structure and the relationship with staff or one or more third-party contractor(s) is presented in Figure 2-1.

Consolidated Contracted Service

One option to consolidate service is to contract with a private vendor. The current contract agreement between Martin County and Fairlakes Transportation extends through December 31, 2015. Fairlakes Transportation provides day-to-day operations, maintains the vehicle fleet and dispatches the service. Since it is expected that approximately 12 months will be required to transition from two separate county services to one consolidated system, there should be no need to modify the existing agreement. Martin County could extend the contract agreement with Fairlakes Transportation on a month-to-month basis if additional time is needed to enter into a new contract, or if the service is transitioned to an in-house operation.

If a decision is reached to provide services through a third-party contract, then a Request for Proposals (RFP) should be issued to solicit proposals for day-to-day operations. The selected contract operator would enter into a contract agreement with the newly established transit service JPA. With any contract for transit service, it is extremely important that quality standards and expected performance be spelled out. Moreover, there should be monetary incentives for meeting/exceeding key performance measures as well as penalties for non-performance. Key performance measures include:

- On-time performance
- Allowable number of missed runs (for deviated service)
- Allowable number of road calls
- Passenger lift performance standards
- Safety standards
- Vehicle maintenance
- Vehicle appearance and cleanliness
- Driver attitude and appearance

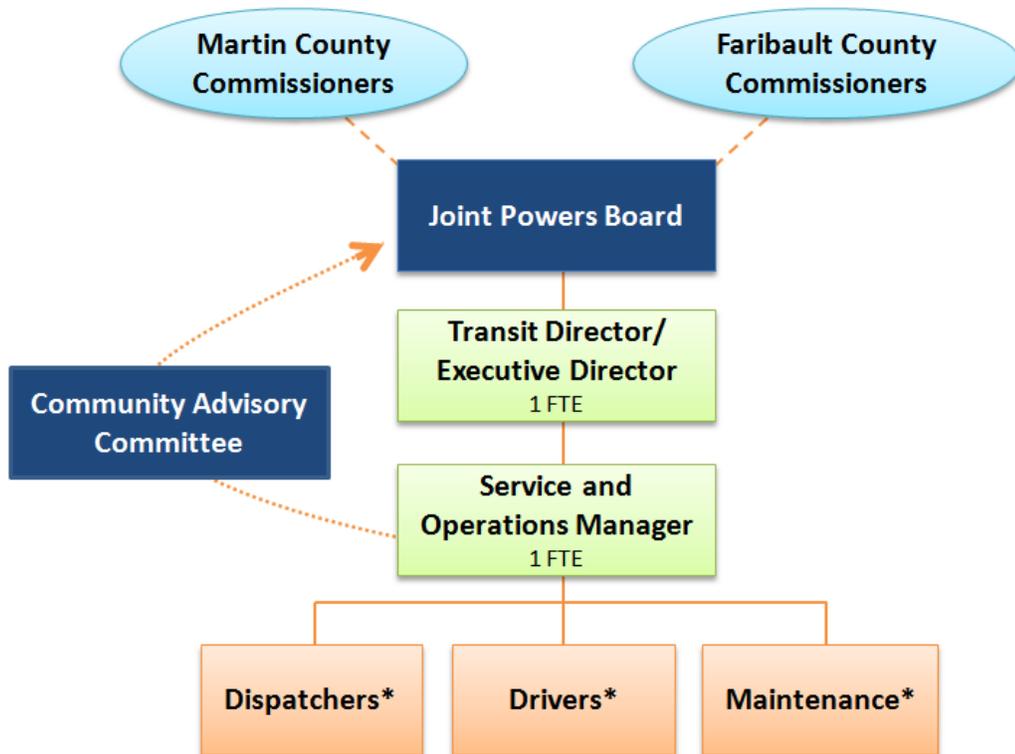
To improve oversight and quality control, it is recommended that the RFP and contract agreement include provisions that enable the JPA, as the contracting agency, to directly monitor contractor performance. The provisions should allow the JPA to observe contractor performance by any means necessary to ensure fulfillment of service-quality standards. The contract should specify all reporting requirements. It should also specifically state that the JPA is allowed to survey all aspects of transit operations both routinely and at random. Experience at other transit agencies suggests that an important provision in contract agreements is to ensure that public officials and the public at large have ample opportunity to make suggestions to improve service delivery when necessary.

Consolidated In-House Operations

Another option for consolidating service is to provide in-house operations similar to the way Faribault County currently operates Prairie Express service. This would mean that all services would be operated by in-house personnel including administrative *and* operations staff. The JPA would need to agree on all job descriptions and agree upon wage rates and benefits packages, post job announcements to the public and interview and hire operations staff.

There are several interrelated functions for an in-house operation and major operations roles and responsibilities are described in the previous section. Operations personnel include Operations/Safety/Training staff, Dispatchers, Schedulers and Drivers and are required if the service is operated in-house. Maintenance/mechanics can be part of the in-house operations team but are not recommended at this time.

Figure 2-1 Sample Organizational Chart for an In-House or Contracted Service in Martin and Faribault Counties (JPA Administrative Staff and JPA Operations Staff or Contracted Operations Staff)



* Could be in-house or contracted

In-House Versus Third-Party Contract: Advantages and Disadvantages

The goal is to provide one consolidated service in Martin and Faribault counties that maximizes service quality and meets the needs of the residents in both counties. It is important to acknowledge that high quality transit service could be provided under private or public operation and there are certain efficiencies associated with each option. Public operation is generally viewed as facilitating more day-to-day control of transit operations and greater responsiveness than a privatized system. Private operation is typically viewed as more cost-effective, although this is not always the case.

As part of this study, two service options are considered for consolidated Martin-Faribault transit operations:

- Public operation
- Third-party contractor operation
- A combination thereof

Cost, service quality and efficiency are all issues that must be considered in deciding whether to contract out or provide in-house service. Understandably, each option has its own set of advantages and disadvantages as discussed below.

Advantages and Disadvantages of In-House Operation

One major advantage of in-house service provision is that it provides a high level of control regarding oversight and service monitoring. Operating services in-house, the “middleman” is eliminated and administrative and operating staff work directly together. Control of the operation is direct and immediate.

With in-house operations, all operating personnel are directly accountable to JPA staff. Employees are accountable for their actions directly to transit management and those employees who do not perform up to standard can be disciplined and removed from service quickly. As a result of more accountability, the administration builds trust with operating staff and relationships can improve.

Another advantage is that with in-house operations, the lead agency will have direct control over recruiting and hiring drivers, schedulers and dispatchers. This will allow administrative staff to have direct control in hiring procedures and training operations personnel.

Contract operators are typically more cost efficient than in-house operations, though that is not the case in Faribault and Martin counties, where costs are relatively similar.

Costs are dependent upon the labor agreement between the two parties and how efficient the contract staff is relative to in-house staff. It is worth noting that a study by the University of Michigan analyzed the cost efficiency of public versus private operations by examining National Transit Database (NTD) data over a ten-year period. The study showed an average 20% savings among those providers contracting out demand-response operations compared to those providing service in house.

Figure 2-2 Advantages and Disadvantages of an In-House Operation

Advantages	Disadvantages
<ul style="list-style-type: none"> ▪ Close collaboration between administrative and operations staff ▪ High level of control and accountability ▪ Direct control over recruiting, hiring and training operations personnel 	<ul style="list-style-type: none"> ▪ Operating costs may be higher ▪ High level of staff effort required ▪ Significant time required to recruit, hire and train operations personnel

Advantages and Disadvantages of Private Contracting

Martin County currently contracts with Fairlakes Transportation to provide day-to-day operations, including maintenance. The contract extends through December 31, 2015.

One of the major advantages of using a private contractor for day-to-day service is that the contract operator handles the largest personnel function required for operations – recruiting and training bus operators and other operations staff. If all of the services were brought in-house, administrative staff must go through the process of posting job announcements, interviewing, hiring and training.

Typically, private contractors are most cost effective, although that is not always the case. As noted above, the cost differential between Martin County which uses a third-party contractor and Faribault County, which operates using in-house personnel, is minimal.

Contract operators function as intermediaries between agency staff and the drivers operating the service. With this arrangement, resolving issues with service quality, operations data collection, vehicle safety monitoring, complaint investigation, and invoice reconciliation can sometimes be difficult. While not the case with Fairlakes Transportation (based on positive feedback from Martin County staff), a nonresponsive contractor can be exceptionally difficult to manage and can waste an agency's management time, not to mention the possibility of hurting the agency's reputation. The contractor assumes the risks associated with its staffing functions and vehicle operations.

If a decision is reached to use a private contractor for consolidated transit services, then a contractor selection process would be required with the initial task of preparing an RFP. Even though Fairlakes Transportation has performed well for Martin County, there is no guarantee that they would be the selected vendor. If a new contractor were selected, then it would mean an extensive transition period and extra expense because the longtime contractor would be replaced.

Figure 2-3 Advantages and Disadvantages of a Contracted Operation

Advantages	Disadvantages
<ul style="list-style-type: none"> ▪ Contractor handles day-to-day operations ▪ Can be more cost effective than in-house operation ▪ The contractor assumes all risks 	<ul style="list-style-type: none"> ▪ Requires time-consuming contractor selection process ▪ Requires high level oversight and performance monitoring ▪ Requires "spot checking" to determine if performance standards met and if incentive/penalty payments apply ▪ May have transition period if new contractor is selected

A Combination of In-House and Third-Party Operations

It may be feasible to maintain a contracted operation in one county and an in-house operation in another county, but challenges associated with this arrangement include pay and benefit disparities, potentially different work rules, different reporting requirements, and different operating procedures. Thus, it is advisable to either operate wholly as an in-house operation to contract all operations functions to a third-party operator.

GOVERNANCE

Board Responsibilities

Consolidating the transit services will require the formation of a new policy or oversight board. It is important to note that unlike the current oversight structure, where each county's Board of Commissioners serves as the policymaking and oversight body for its respective transit operation, a single policy board would govern the consolidated system, meaning that all Board decisions would be made on behalf of the two-county system. In addition to its fiduciary oversight role and liaison with elected officials, the primary responsibilities of the Transit Board would be to review and approve the following activities:

- Overseeing route and service plans
- Monitoring service performance and approving service changes
- Approving operating budgets and capital plans
- Monitoring expenses and adherence to approved budgets
- Establishing fare structure and policies
- Providing strategic direction and organizational priorities
- Recommending strategies for revenue enhancements
- Developing and approving bylaws

The Transit Director would report directly to the Transit Policy Board. It is recommended that the Board meet *at a minimum* on a quarterly basis and review and listen to staff reports and consider their recommendations before approving policy matters.

Board Composition

The composition of transit boards varies, with some including elected members, others including appointed members, and some featuring a combination thereof. The existing policy boards for the Human Services JPA and Prairieland Solid Waste JPA provide models for a proposed JPA Transit Service Policy Board.

Three options are proposed for establishing an equitable composition for a Martin-Faribault County Consolidated Transit Service Policy Board:

- Current JPA Board for Human Services
- Current JPA Board for Prairieland Solid Waste
- Create New Policy Board

A brief description of each option is provided below.

Current JPA Board for Human Services

The current 12-member JPA Board for Human Services is one option. It consists of five County commissioners from each County, in addition to one appointed member from each County. Four officers are elected and meeting quorum consists of at least six attendees, of which three must be from each County. A major advantage of relying on this existing Board would be ease of implementation; however concerns were raised about representation on the Human Service Board because it includes a mix of elected and appointed representatives.

Current JPA Board for Solid Waste Management

Policy guidance for Solid Waste Management is provided by a Board of Directors, which is comprised of the County Board of Commissioners from both counties. A chairperson and vice-chairperson are elected, and the meeting quorum requires at least three commissioners from each county. As with the JPA Board for Human Services, this option would be easy to implement. The potential exists for some concerns to be raised by communities where transit service is more heavily used – especially Blue Earth and Fairmont – which may see the representation as too broad or advantageous for the two counties’ most rural areas.

Create New Policy Board

If either of the existing boards is not a desirable option, then a new board could be created. It could be based on a number of factors tied to transit. For example, representation could be based on transit ridership from each county, which would reflect the importance and usage of transit in the consolidated service area. Alternatively, a new policy board could be created to reflect expenditures on transit services or level of service (expressed as service hours). That is, the percentage share based on the funding contributions devoted to transit or service hours in each county could be a deciding factor. The objective in this case would be to develop a policy board structure that provides an equitable level of representation for Martin and Faribault counties.

One other consideration is to include an “ex-officio” member on the Transit Board. That is a member would serve in an advisory fashion and be a non-voting member. An ex officio board member would not be elected to the board and would serve because of the knowledge they bring to the subject matter and other positions they hold. For example, MnDOT staff could serve on the Board because they provide transit expertise and experience with consolidating transit services. That designation of an ex officio board member would be based on the JPA bylaws.

COMMUNITY INPUT

Establishing a consolidated transit service and creating a new policy board provides an opportunity to foster community input in the planning and operation of the consolidated transit system. A citizen’s advisory committee would ideally be established to advise the JPA Board on major policy issues. Membership should reflect the population and demographics of the two counties and be representative of a broad segment of the population including seniors, students, people with disabilities, low-income residents and commuters. The major functions of a citizen’s advisory committee are to:

- Increase public awareness of transit service
- Increase participation in the planning process
- Enhance accountability of the transit service’s plans and programs

- Advise the JPA on transit service issues especially related to the elderly and persons with disabilities
- Serve as a resource for transit coordination and collaboration

Many transit agencies have advisory committees. For example, in Rochester, the Citizen's Advisory Committee on Transit is responsible for reviewing issues related to public transit in the Rochester area and provides a forum for public discussion of public transportation issues. Mankato's Mass Transit User Group makes recommendations to the City's Transportation Committee on the city bus system, including schedule changes and services, revenues and expenditures, and the needs of various users of the transit operation.

CONCLUSION

This chapter reviews key staff functions for a consolidated transit operation in Martin and Faribault counties, suggesting the need in the short-term for approximately two full-time employee equivalents with administrative responsibilities. These functions could be carried out by two individuals or could be broken into three positions – one full-time and two part-time. The day-to-day operations could be brought in-house or contracted to a third-party operator.

A new transit Board will be essential to the success of a single consolidated transit service operation. Finding the right composition for the Board will assure that it appropriately represents the two-county transit operation and provides an opportunity for governance without regard to jurisdictional boundaries, as a way of facilitating regional mobility.

3 ALLOCATION OF SERVICE HOURS

Opportunities exist for improving service in both Faribault and Martin counties by diversifying the types of transit services offered in each county to best match existing and anticipated demand. This chapter outlines several alternatives for consolidated transit services in Martin and Faribault counties, both in terms of operations (i.e., allocating service hours among the service types) and service delivery (i.e., whether services are operated publicly or contracted with a third-party company).

This chapter begins by briefly reviewing the existing services provided in Faribault and Martin counties. It then discusses five service alternatives, which are designed to inform a more detailed project team discussion about service resource allocation.

SUMMARY OF EXISTING SERVICES

Currently, demand-response transit service is provided for residents of both Martin and Faribault counties.

Martin County provides a curb-to-curb, demand responsive public transportation service available to residents of all ages. The service is exclusively available within the county limits, with the exception of express commuter trips to Blue Earth in Faribault County. The service operates weekdays, with extended hours and Saturday service in the city of Fairmont. Riders may travel anywhere within Martin County.

Faribault County also operates a curb-to-curb, demand responsive service available to the general public. Operated under the name “Prairie Express,” the service is available within county limits, but also extends into portions of adjacent counties to west, north, and east, including portions of Martin County. The service also travels to the north and east to serve Mapleton, Amboy, and Albert Lea, among other destinations. Prairie Express also offers occasional pre-arranged group trips within the county.

SERVICE PLAN ALTERNATIVES

Proposed Service Concepts

As outlined in Technical Memorandum #2 and confirmed with the PAC at the June meeting, the concepts appropriate for expansion or implementation in Martin and Faribault counties are as follows:

- **General public dial-a-ride service**, with an expanded service area to include all of Martin and Faribault counties
- **Pre-arranged/special group trip service**, expanded to both Martin and Faribault counties (2 trips within each county and 1 intercounty trip)

- **Deviated route service**, providing more formal local service on two routes in Fairmont
- **Regional intercity service**, occurring thrice daily (morning, midday, and evening) between Fairmont and Blue Earth, carrying passengers both directions

An overview of the key characteristics of each service concept is provided in Figure 3-1 below.

Figure 3-1 Proposed Short-Term Service Concepts

Service	Operating Days	Service Span	Frequency	Vehicle Requirements	Features/Notes
General Public Dial-A-Ride (DAR)					
Martin	Monday - Friday (Countywide), Friday PM & Saturday (Fairmont Only)	Weekdays: 6:00 AM to 6:00 PM Friday: 6:00 PM to 10:00 PM – Fairmont Saturday: 8:00 AM to 10:00 PM - Fairmont	N/A	3 (weekday) 1 (Fri PM, Sat in Fairmont)	
Faribault	Monday - Friday	6:00 AM – 6:00 PM		2	
Pre-Arranged Group Trip Service					
Martin and Faribault	Monday - Friday	To be determined	1 trip per day	0.25	Allow additional driver assistance, more packages on board; 5 trips total -- 2 in each county; one intercounty
Deviated Route Service					
Martin	Monday - Friday	Monday - Friday: 5:00 AM – 6:00 PM (DAR provides late evening Friday and all-day Saturday service.)	60 minutes	2	Increasing levels of this service would mean scaling back the general public DAR; Assumes two routes (see Tech Report 2)
Faribault	N/A	N/A	N/A	N/A	N/A
Regional Intercity Service					
Martin and Faribault	Monday - Friday	5:15 AM - 7 AM 11 AM - 1 PM 4:30 PM - 6:45 PM	3 trips per day (AM, Midday, and PM)	0.75	

SERVICE ALLOCATION ALTERNATIVES

At the June PAC meeting, Nelson\Nygaard was directed to evaluate at a minimum two alternatives for how to allocate service between the two counties. The first of these alternatives would be based on “status quo” or existing service hours, and the second would evaluate

allocating service hours based on each county's population (relative to the other, in a joint service area).

During the subsequent planning process, we expanded the set of alternatives to provide a more nuanced context in which to consider reallocating service between the two counties. The resulting five alternatives are:

- Alternative 1: Existing Service Levels
- Alternative 2: Hours Proportional to Population
- Alternative 3: MnDOT Hours per Capita "Low" Standard
- Alternative 3A: MnDOT Hours per Capita "High" Standard
- Alternative 4: Equivalent Service Span

Below, each alternative is briefly summarized and key assumptions that support the analysis are highlighted.

Alternative 1: Existing Service Levels

This is the "status quo" alternative, where existing total service hours are simply reallocated among the four proposed service concepts described on page 3-2.

For this and all other alternatives, the service hours total for Martin County's general public dial-a-ride service appears lower than existing conditions because local Fairmont service is assumed to be provided by the deviated route instead of the dial-a-ride. Pre-arranged group trip and regional intercity service are assumed to be shared equally between Martin and Faribault Counties. If the deviated route concept is not implemented, hours from that service concept should be reallocated to the dial-a-ride or group trip options.

Alternative 2: Proportional to Population

This alternative presents a breakdown of existing service hours per service option based on each county's population relative to the other in the future consolidated service area. According to our calculations, Martin County represents 59% of the total two-county population, while Faribault County has the remaining 41%. We applied these ratios to the existing service hours of each county to arrive at a theoretical balance of service hours proportional to population. This is meant to be instructive rather than feasible: in the short-term it would result in a decrease in Martin County service hours.

Alternatives 3 & 3a: MnDOT Hours per Capita "Low" and "High" Standards

MnDOT's 2011 *Transit Investment Plan (TIP) 2010-2030* set minimum thresholds for hours per capita in rural and small urban areas to ensure that transit remains a viable choice in these types of areas. The "low" alternative (3) is derived from the TIP's "Rural – low service level" standard, 0.5 hours per capita; the "high" alternative (3a) is defined as the TIP's "Small urban/rural high service level" standard of 0.75 hours per capita.

As an exercise, we applied these standards to the current population of Martin and Faribault Counties to determine optimum total service hours in, from which we determined hours for each service option. The low results of Alternative 3 for Martin County indicate that it would not be

appropriate or feasible to base service allocation on this standard, particularly as it is much lower than the county’s current hours per capita of 0.76. As with Alternative 2, this is meant to be instructive.

By contrast, service levels for Faribault County are much higher than existing service due to the fact that both “low” and “high” standards exceed the County’s existing 0.28 hours per capita. It suggests that if per capita service hours in Faribault County approached those currently operated in Martin County, total service levels would more than double.

Alternative 4: Equivalent Service Span

As shown in Figure 3-1 above, proposed service levels for Martin County (particularly the city of Fairmont) exceed those proposed in Faribault County, largely due to expected demand. The intent of this alternative is to show the effect of applying Martin County’s service levels across the board, and therefore this approach may not be wholly feasible. The alternative assumes that Blue Earth would get one deviated route operating during the same span as Fairmont’s deviated routes, as well as additional Friday night and Saturday general public dial-a-ride service.

Comparison of Alternatives

Figure 3-2 depicts the overall service allocation by service alternative for Faribault and Martin counties.

Figure 3-2 Short-Term Service Allocation Scenarios by County

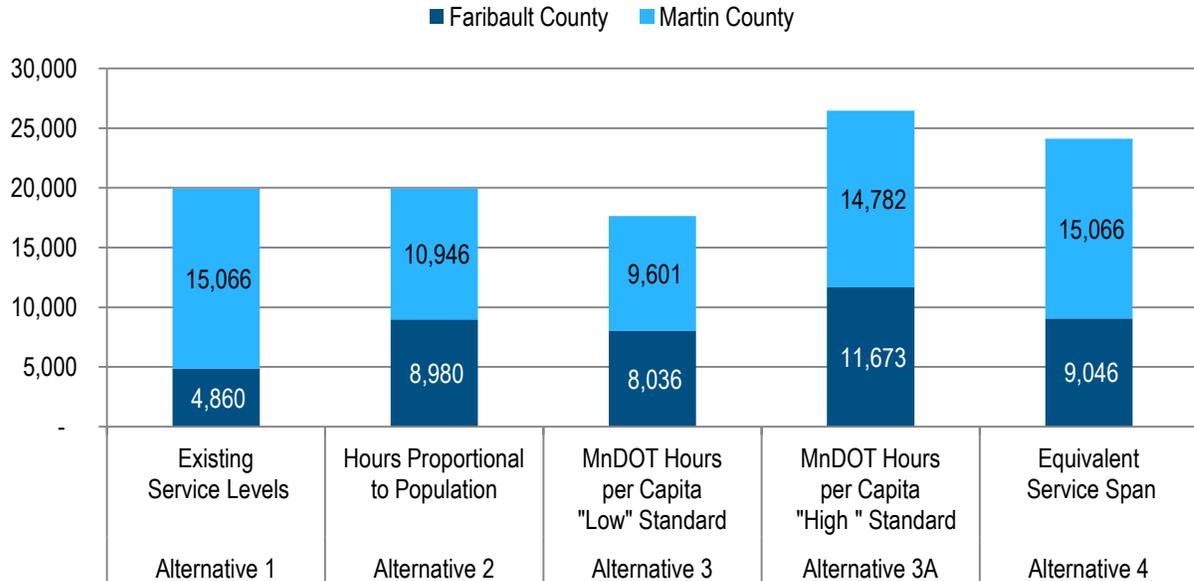
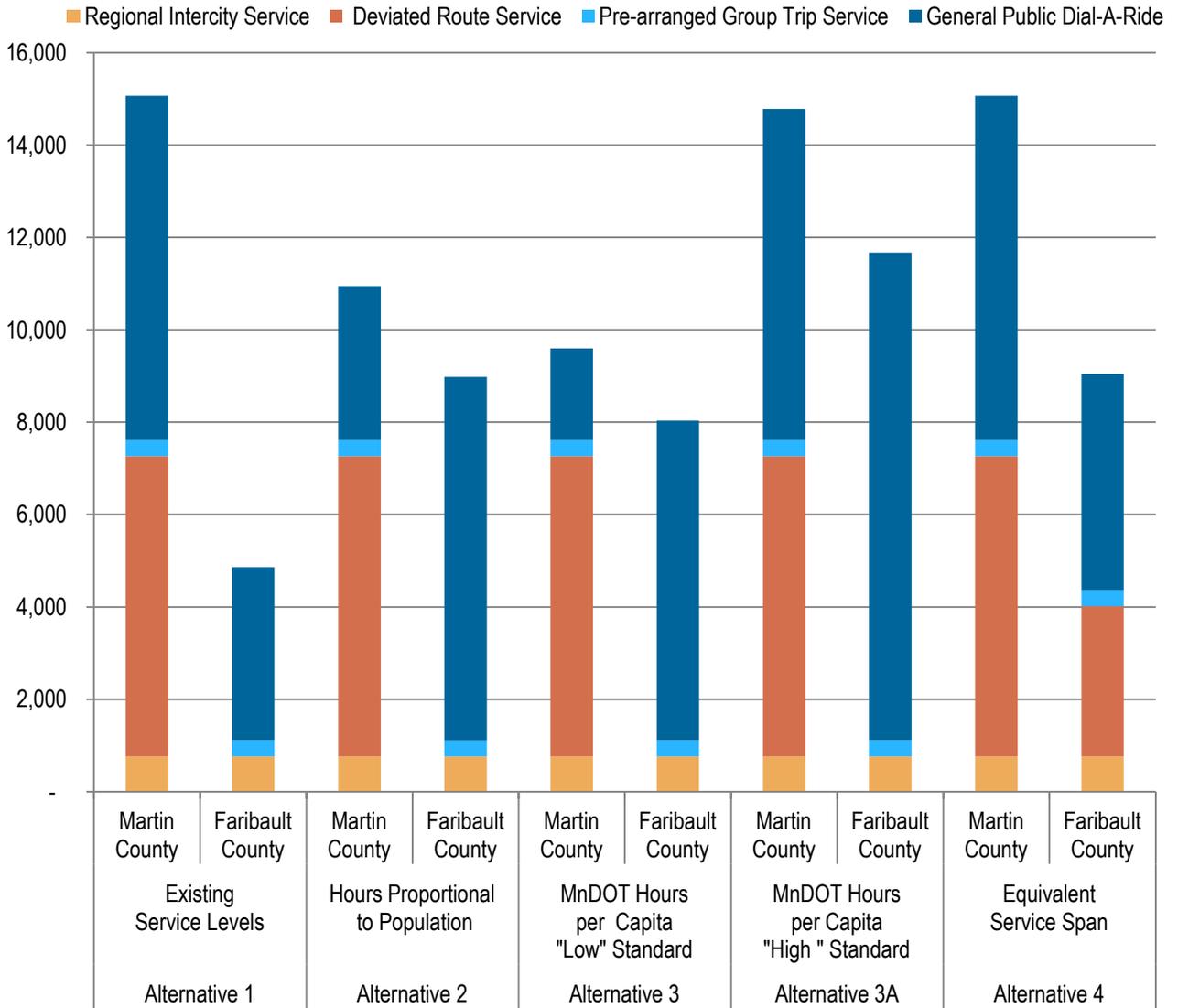


Figure 3-3 below provides an overview of each alternative’s service hours by service type, for both counties.

Figure 3-3 Short-Term Service Allocation Scenarios by County Based on Service Type



Service Allocation Alternatives

The table below (Figure 3-4) provides an overview of how service hours were allocated in each service alternative. Hours for each county are provided under each service option. Note that for all alternatives, we assumed that hours for service options are shared between the two counties – pre-arranged group trips and regional intercity service – were to remain constant. Additionally, the deviated route service, which serves Martin County (Fairmont) only, also remains fixed. As a result, *the only service option for which hours differ between alternatives is general public dial-a-ride.*

Figure 3-4 Service Hours Allocation by Service Alternative

Service Type	Existing Services	Alternative 1	Alternative 2	Alternative 3	Alternative 3A	Alternative 4
		Existing Service Levels	Hours Proportional to Population	MnDOT Hours per Capita "Low" Standard	MnDOT Hours per Capita "High " Standard	Equivalent Service Span
General Public Dial-A-Ride						
Martin County	14,811	7,454	3,335	1,989	7,171	7,454
Faribault County	3,958	3,749	7,869	6,924	10,561	4,685
Pre-arranged Group Trip Service						
Martin County	0	348	348	348	348	348
Faribault County	139	348	348	348	348	348
Deviated Route Service						
Martin County	0	6,500	6,500	6,500	6,500	6,500
Faribault County	0					3,250
Regional Intercity Service						
Martin County	1,018	763	763	763	763	763
Faribault County	0	763	763	763	763	763
Subtotals						
Martin County	15,829	15,066	10,946	9,601	14,782	15,066
Faribault County	4,097	4,860	8,980	8,036	11,673	9,046
Grand Total	19,926	19,926	19,926	17,637	26,455	24,112

Assumptions:

Table accounts for weekday and Saturday service.

Existing service hour proportions determined from 2013 budget numbers. Commute service currently 6.43% of Martin County total; group trip service 3.4% of Faribault County total. Proportions applied to 2013 actuals.

Assume that there is currently one (1) group trip per day in Faribault County.

In Scenario 4, Blue Earth gets one (1) deviated route service. Same DAR span in both Counties, modeled after Martin County. Results in add'l 936 hrs due to Fri PM and Sat svc.

CONCLUSION

This chapter provides a discussion of service alternatives presented in the previous technical report, and assumes that some of the hours currently dedicated to dial-a-ride service would be shifted to additional specialized group trips and deviated route operations in the short term. The assumptions are conservative in some areas and aggressive in others: the JPA Board may opt to allocate more service hours to specialized group trips as a way to increase passenger loads on transit or could choose to operate only one deviated route in Fairmont. The service allocations do not discuss the importance of improved operating parameters (i.e., dial-a-ride service corridors, better grouping of passengers on to maximize efficiencies on the dial-a-ride service), which will be discussed in the forthcoming deliverable.

Some of the alternatives for allocating services are purely for discussion, to provide information to members of the PAC. For example, no logical reason exists to cut Martin County service hours to conform to its population's proportional size of the overall consolidated service area (Alternative 2), nor would it be appropriate in the immediate term to significantly expand service hours in Faribault County based on service hours per capita calculations. Nevertheless, these alternatives have important implications for the longer term, where expanded services and unified governance may demand a more equitable allocation of services in the two-county service area.

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4 ESTIMATED COSTS AND COST SHARING

Conceptual estimated operating costs for consolidated transit services in Martin and Faribault counties must be considered to understand the financial implications of transit system consolidation. This chapter begins by reviewing 2013 year-end costs and the methods for allocating costs and key assumptions in estimating consolidated operating costs. It then compares projected operating costs for the five alternatives discussed in Chapter 3, based on different levels of service in each county. The next section presents a uniform fare structure for each service type and proposes fare policy guidelines. MnDOT generously funds, using State and Federal revenues, 85% of the operating costs with the local partners contributing of the 15% remaining balance through farebox revenues and other sources as needed.

This chapter concludes by discussing several methods for sharing costs between the two counties and the calculated shares under five different formulas.

OPERATING COSTS

Methodology

A cost allocation model was developed using year-end 2013 costs for Martin and Faribault counties. The model allocated costs between fixed and variable costs. Fixed costs are expenses that are not dependent on the level of service and are often referred to as overhead costs. Typical fixed costs are office space, communications, utilities and administrative staff wages. Variable costs are expenses that vary with the level or quantity of service. These costs fluctuate with the number of service hours and miles operated by a transit provider. For example, operator labor wages vary depending on the level of service. Contractor or purchased costs for Martin County are dependent on the number of hours operated just as operator wages for Faribault County fluctuate based on hours of operation. Fuel and maintenance are considered mileage-based costs because they vary with the number of miles operated. Using 2013 operating costs for the two counties, costs were allocated between three categories: 1) fixed costs, 2) hourly costs and 3) mileage costs. These costs, with some adjustments, were used as the basis for estimating consolidated transit costs for the alternatives. It should be noted that the administrative and supervisor salaries reflect only a percentage of the full amount because Martin and Faribault County staff do not devote 100% of their time to transit. However, these costs may not fully account for all of the hours staff devotes to transit-related issues. Year-end 2013 operating costs allocated in the three categories are presented in Figure 3-1 below. The combined 2013 operating cost for service in Martin and Faribault counties is \$790,316.

Figure 4-1 2013 Operating Expenses – Martin and Faribault Counties

Expense Items	Fixed Costs	Variable Costs Based On:	
		Service Hours	Service Miles
Martin County Transit			
Personnel			
Admin, Mgmt, & Supervisor Salaries	\$47,428.14		
Operators' Wages			
Vehicle Maintenance Wages			
General Office Support Wages	\$4,363.96		
Fringe Benefits			
Administrative			
Drug and Alcohol Testing & Administration			
Advertising, Marketing, & Promotional Charges	\$3,091.14		
Staff Development Costs	\$2,682.04		
Office Supplies			
Utilities	\$10,226.12		
Other Direct Admin. Charges			
Vehicle			
Fuel			\$89,234.19
Maintenance Parts & Material Expenses			\$89,582.91
Contract Maintenance Labor			\$31,000.00
Tires			\$6,761.81
Other Vehicle Costs			
Operations			
Purchase of Service (1) (2)		\$322,490.21	
Repair and Maintenance of Other Property		\$5,553.85	
Other Operations Charges		\$5,711.07	
Total	\$67,791.40	\$333,755.13	\$216,578.91
Unit Quantities		15,829	223,388
Cost per Unit		\$21.09	\$0.97
TOTAL OPERATING COST			\$618,125.44
Faribault County Prairie Express			
Personnel			
Admin, Mgmt, & Supervisor Salaries (3)	\$12,440.65		
Operators' Wages		\$84,792.77	
Vehicle Maintenance Wages			\$3,299.36
General Office Support Wages	\$0.00		
Fringe Benefits	\$2,859.60	\$19,490.40	
Administrative			
Drug and Alcohol Testing & Administration	\$788.70		
Advertising, Marketing, & Promotional Charges	\$0.00		
Staff Development Costs	\$180.80		
Office Supplies	\$392.78		
Utilities	\$2,109.40		
Other Direct Admin. Charges	\$914.05		

Expense Items	Fixed Costs	Variable Costs Based On:	
		Service Hours	Service Miles
Vehicle			
Fuel			\$36,437.52
Maintenance Parts & Material Expenses			\$6,017.13
Contract Maintenance Labor			\$501.32
Tires			\$1,675.63
Other Vehicle Costs			\$238.33
Operations			
Repair and Maintenance of Other Property		\$53.00	
Other Operations Charges			
Total	\$19,685.98	\$104,336.17	\$48,169.29
Unit Quantities		4,097	94,060
Cost per Unit		\$25.47	\$0.51
TOTAL OPERATING COST			\$172,191.44

Notes:

- 1) \$40,000 in administrative costs has been deducted from Purchased Transportation (\$393,490) and added to Admin/Management under Personnel costs.
 - 2) \$31,000 in maintenance costs has been deducted from Purchased Transportation (\$393,490) and added to contract maintenance labor.
 - 3) Of the \$41,468 in current (existing) administrative salaries, 70% (\$29,027) is assumed for dispatch service and allocated to service hours and 30% (\$12,440) are administrative duties and considered fixed costs.
- Total cost for both services = \$790,316.

Assumptions

Using the methodology described above, operating costs were projected with the following key assumptions:

- Service hours and miles for each of the alternatives were estimated for each county. The hourly and mileage costs were applied separately for Martin and Faribault counties.
- Operating costs are based on hourly costs; \$21.09 for Martin County and \$25.47 for Faribault County.
- For Faribault County, maintenance costs are estimated using per-mile costs for 2013, which was \$0.51. Because cost per mile for Martin County in 2013 was unusually high (\$0.97), to reflect a more realistic estimate of mileage costs, the model uses \$0.77 for projecting Martin County maintenance costs under a consolidated service.
- Fixed costs consist of two categories: administrative personnel and other administrative expenses.
- Administrative personnel assume two full-time staff members (or full-time equivalents) – a Transit Director and a Service & Operations Manager. Costs are based on comparable salaries plus benefits are assumed at 25%.
- Other fixed or administrative costs are minimal and include office supplies, drug and alcohol testing, and other minor expenses.

Cost Estimates

Figure 4-2 presents the estimated consolidated transit operating costs for each conceptual alternative discussed in Chapter 3 (see page 3-2).

Service levels are listed in the top half of the figure to demonstrate the different levels of service anticipated for each county. Fixed costs include administrative personnel, other minor administrative items and marketing costs. These costs are assumed to be the same for each alternative, totaling \$177,200. Of this amount, personnel accounts for the largest share of the costs at just under \$150,000 for two key administrative positions – Transit Director and a Service & Operations Manager. One-time start up costs are listed at the bottom of the figure, and are assumed at \$34,000 based on the need to re-brand the system, integrate the scheduling and dispatch function of both systems' buses (includes additional licenses for software and purchase of tablets), updated telephone communications, purchase and installation of bus stop signs and poles for the deviated service in Fairmont and other minor purchases.

Excluding one-time start-up costs, the estimated consolidated costs range from just under \$835,000 to approximately \$1 million per year depending on the level of service. Alternative 1 is based on existing service levels and is estimated to cost \$835,000, approximately \$44,000 higher than 2013 costs (at \$790,000 for both services) because it fully accounts for the two administrative positions.³ Even though Alternative 2 has the same number of service hours as Alternative 1, the estimated cost is slightly higher because more miles are projected for dial-a-ride service in Martin County, as it would be expected to operate more long distance trips and fewer “in town” trips due to the local deviated service in Fairmont. Service levels for Alternatives 3 and 3A are based on per-capita standards from MnDOT's Investment Plan. The “low” standard assumes 0.5 revenue hours per capita, and when applied in Martin and Faribault County it results in fewer hours than currently operated in Martin County and thus costs only \$754,000, making this alternative essentially unworkable. When applying the “high” hours per-capita standard of 0.75, both hours and miles are significantly higher than current service levels and costs are estimated at just over \$1 million. Finally, if both counties were to operate the proposed service levels during the same service span (i.e., service extending to 10:00 PM on weekends on Friday and providing a bus on Saturday), then costs are estimated at \$971,000 based on approximately 24,000 annual service hours and 367,000 service miles.

³ Currently, it is assumed that some costs are unaccounted for: some of the work undertaken by maintenance staff, central services staff and administrators in both counties are not necessarily assigned to the transit function.

Figure 4-2 Estimated One Year Consolidated Operating Costs

	Alternative 1	Alternative 2	Alternative 3	Alternative 3A	Alternative 4
	Existing Service Levels	Hours Proportional to Population	MnDOT Hours per Capita "Low" Standard	MnDOT Hours per Capita "High" Standard	Equivalent Service Span
Service Levels					
Estimated Annual Service Hours					
Faribault County	4,860	8,980	8,036	11,673	9,046
Martin County	15,066	10,946	9,601	14,782	15,066
Total Service Hours	19,926	19,926	17,637	26,455	24,112
Estimated Annual Service Miles					
Faribault County	108,310	175,628	156,738	229,468	141,195
Martin County	209,138	143,442	116,528	220,163	225,831
Total Service Miles	317,448	319,070	273,266	449,631	367,026
Fixed Costs					
Administrative Personnel (1)					
Transit Director	\$93,750	\$93,750	\$93,750	\$93,750	\$93,750
Service & Operations Manager	\$56,160	\$56,160	\$56,160	\$56,160	\$56,160
Other Admin. Costs (2)	\$17,294	\$17,294	\$17,294	\$17,294	\$17,294
Marketing Costs	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000
Subtotal	\$177,204	\$177,204	\$177,204	\$177,204	\$177,204
Maintenance Costs (3)	\$216,296	\$200,250	\$169,879	\$286,821	\$245,974
Operations Costs (4)	\$441,436	\$459,487	\$407,076	\$608,942	\$548,039
TOTAL ESTIMATED CONSOLIDATED OPERATING COSTS	\$834,936	\$836,940	\$754,158	\$1,072,967	\$971,216
One-Time Start Up Costs	\$34,000	\$34,000	\$34,000	\$34,000	\$34,000

Notes:

- 1) Includes annual wages plus benefits at 25%.
- 2) Includes drug & alcohol testing, office supplies, utilities and staff development. Assumes the same admin costs currently incurred by Martin and Faribault counties.
- 3) Based on cost/mile for Martin and Faribault counties.
- 4) Based on cost/hour for Martin and Faribault counties.

UNIFORM FARE STRUCTURE

When transit services are consolidated in Martin and Faribault counties, a corresponding consolidated fare structure and set of fare policy goals must be developed. Four fare policy goals and a fare structure for a consolidated system are proposed.

Fare Policy Goals

Consistent with MnDOT and transit industry standards, four fare policy goals are proposed for a uniform fare policy for consolidated services in Martin and Faribault Counties. They are:

1. Fares should be fair and equitable for all types of services and passengers
2. Fares should be easy to understand and flexible for passenger convenience
3. Fares should be revisited on a regular basis to keep pace with the Consumer Price Index (CPI)
4. Farebox recovery ratios should reflect the type of service with the following targets:
 - General Public Dial-A-Ride
 - Urban 20%
 - Rural 10%
 - Local Deviated Service 20%
 - Pre-Arranged Group Rides 30%
 - Regional Intercity Service 25%
(Blue Earth-Fairmont)

Recommended Fare Structure

This section recommends a fare structure for consolidated services in Martin and Faribault counties. In developing the fares, consideration was given to the current fare structure for each type of service and input from the stakeholder interviews. The recommended fare structure is presented in Figure 4-3. For easy comparison, the first two columns list the current fares in each county and the last column presents the recommended fares for the consolidated service.

Figure 4-3 Existing and Proposed Fare Structure (One-Way Fares)

	Existing Fare Structure		Proposed Fare Structure
	Martin County Transit	Faribault County Prairie Express	Consolidated Transit Service
Cash			
Dial-A-Ride Service			
Local Ride (1)	\$2.75	\$3.00	\$2.75
Countywide (2)	\$3.25	\$3.00	\$3.25
Outside County	N/A	\$6.00	Eliminate (See inter-county group trips)
Additional Stops	N/A	\$2.00	Eliminate
Pre-Arranged Group Service			
Within One County	N/A	\$3.00	\$2.75
Inter-County Service	N/A	N/A	\$6.00
Regional Inter-City Service			
Fairmont-Blue Earth (Easy Transit)	\$2.00	N/A	\$3.00
Local Service within Fairmont (Deviated Route)	N/A	N/A	\$2.00
Tickets/Multi-Ride Passes			
10-Ride Punch Pass			
Local Dial-A-Ride Service & Inter-Community Group Trips	\$27.50	N/A	\$27.50
Local Service within Fairmont (Deviated Route)	N/A	N/A	\$20.00
Fairmont-Blue Earth (Easy Transit)	\$20.00	N/A	\$30.00
20-Ride Punch Pass			
Local Dial-A-Ride Service & Inter-Community Group Trips	N/A	N/A	Eliminate
Local Service within Fairmont (Deviated Route)	\$45.00	N/A	Eliminate
Fairmont-Blue Earth	\$40.00	N/A	Eliminate
Monthly Passes			
Fairmont-Blue Earth (Easy Transit)			\$80.00
Summer Youth Pass (Local and Inter-Community)	N/A	N/A	To be determined
Discounts			
Children 12 & under	Free	N/A	Modify
Children 6 & under	N/A	N/A	Free
Aides and Assistants with paid rider	Free	Free	Free

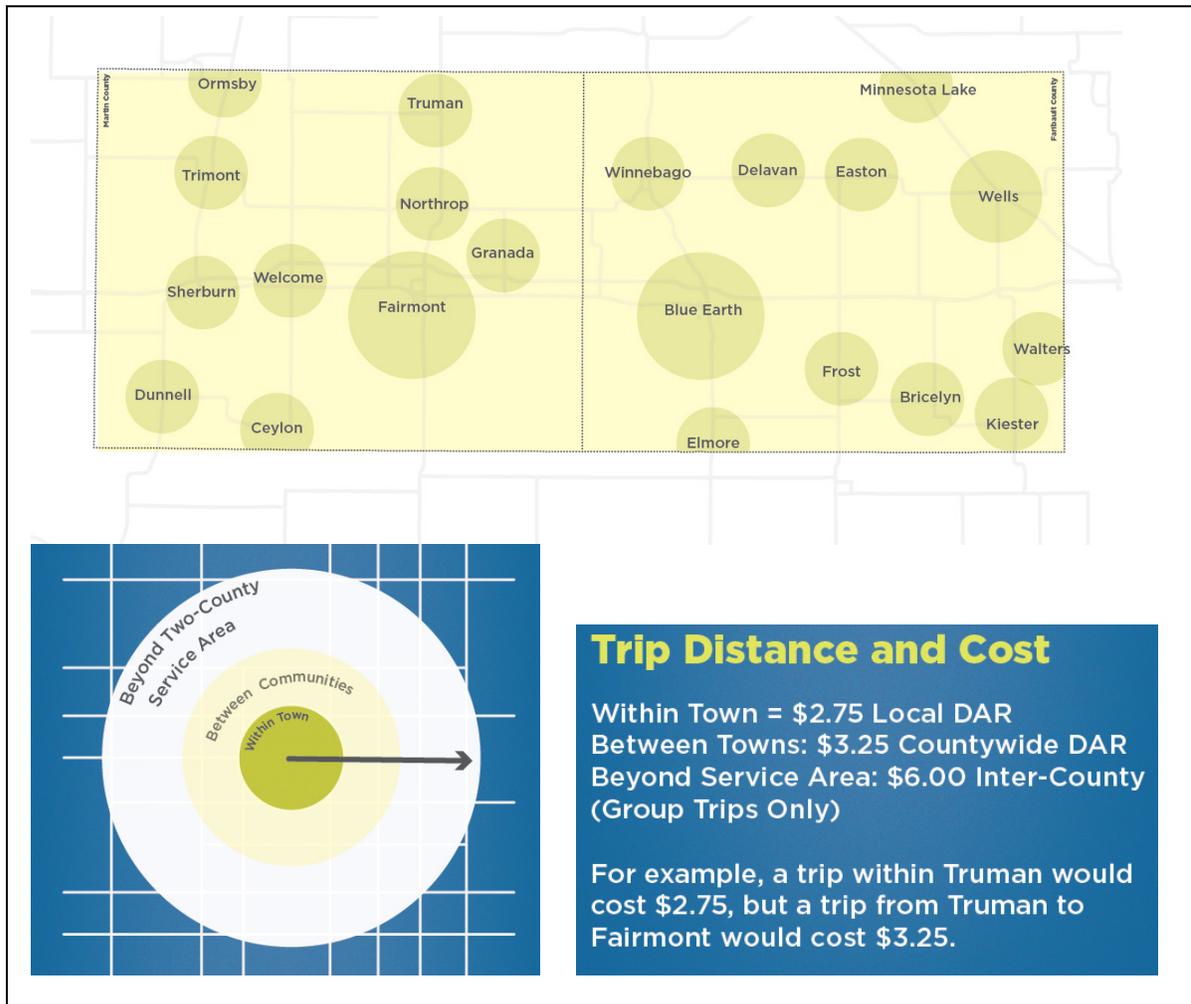
Notes:

N\A - not available or offered

1) Travel within one community; approx. 0-3 miles. See Figure * for map of local service

2) Inter-community travel; See Figure * for map of inter-community service – assumes service within the two-county service area

Figure 4-4 Conceptual Service Areas and Fare Zones for Dial-a-Ride Trips (including Out-of-Service-Area-Group Trips)



Fare types are described in the following sections.

Dial-A-Ride Service

Dial-A-Ride is provided as a local or countywide service. Service is considered local when it operates within city or town limits, whereas countywide (or service area-wide) dial-a-ride service operates between communities, such as service from Blue Earth to Winnebago. Local and countywide fares are currently not consistent between the counties. Martin County’s local dial-a-ride fare is less than the Faribault County Prairie Express fare at \$2.75 compared to \$3.00. However Martin County charges a higher fare (\$3.25) for countywide service than Faribault County’s \$3.00 countywide fare.

The recommended local dial-a-ride cash fare is \$2.75 with a \$3.00 fare for countywide service. This represents a fare decrease for Faribault County residents traveling locally on dial-a-ride and

a fare increase for countywide service. Dial-a-ride fares would remain the same for Martin County residents. As a convenience, a ten-ride punch pass would be sold for \$27.50.

Pre-Arranged Group Service

Faribault County Express currently offers two specialized group services and charges \$3.00 per one-way trip. Under the proposed consolidated system, this type of service would be expanded and formalized. Since pre-arranged group service is typically more productive (carries more passengers per hour) than general public dial-a-ride, it is appropriate to charge comparable fares. Thus, the recommended fare for pre-arranged group trips within one county is \$2.75, the same as with “regular” dial-a-ride service. For travel beyond the service area, a higher cash fare of \$6.00 is recommended. To supplement cash fares, a ten-ride punch pass would be available for \$2.75.

Regional Inter-City Service

The current fare on the Blue Earth-Fairmont commuter service is only \$2.00. This intercity service that is an approximate 23-mile one-way trip is priced less than the local or countywide fares on Martin County Transit. It is appropriate and industry standard to charge a higher fare for longer distance service even though this is a fixed-route service and less costly to operate than dial-a-ride service.

The recommended cash fare on this route is \$3.00. To help justify the 50% fare increase, additional mid-day runs are proposed between Fairmont and Blue Earth. A monthly pass would be offered for \$80. Monthly passes allow unlimited use during a one-month period and are common in the transit industry. The prepayment aspect of passes is a plus for the proposed JPA, since it collects money before it provides service. Passes are seen as a reward for regular riders, since the cost is less than the sum of individual fares in a riders’ typical month. With a pass price of \$80 and one-way fares at \$3.00, when a passenger rides more than 26 times in a month, they essentially will be riding “free of charge.”

Local Service within Fairmont (Deviated Route)

A recommended cash fare for this new circulator route operating within Fairmont is \$2.00. This would be the lowest cash fare of the four services because it is a localized service and is likely the least costly to operate. A convenient ten ride punch pass would be sold for \$20.

Discounted Fares

Currently Martin County offers free rides for children 12 years and younger. Faribault County does not offer discounted fares. Discounts for children or students are common in the transit industry although agencies do not typically offer free rides to children over six years of age. Instead, a half fare or other discount is more common. The recommended free fare should be limited to children six years and younger. To attract youth traveling in the summer months, a summer youth pass could be offered, similar to the pass that Faribault County eliminated several years ago. This pass could be priced for a three-month period or for specialized group trips.

COST SHARING

Many transportation agencies across the country have implemented methods for sharing the cost of local and regional transit services. The cost sharing arrangements (usually determined through funding formulas) determine how to support the net cost of operations. This means that federal

and state subsidies are subtracted from total operating costs, as are passenger fare revenues. Funding contributions for participating jurisdictions are then calculated based on an agreed-upon funding formula. Usually, this is included in the JPA agreement, but in some cases, jurisdictions have entered into formal Memoranda of Understanding (MOUs) or cost-sharing agreements that spell out each party's financial responsibility and the method for sharing costs.

The most common cost-sharing methods or formulas are based on service hours, miles and population, although a number of formulas use a combination of methodologies. Four different formulas, as well as a formula using a combination of factors, are described below.

- **Population-based cost sharing** can be used by counties or agencies and is based on the total population for each jurisdiction or service area. Alternatively, this population formula can consider a segment of the population such as the number of seniors or people with disabilities within a community similar to the way FTA Section 5310 funds are apportioned under MAP-21. A formula based on a population split requires obtaining the most recently available population estimates. The advantage of a population-based funding arrangement is that it is relatively easy to administer.
- **A service quantity formula (or cost-allocation basis)** is determined by the units of service provided within a jurisdiction or service area. Units of service are usually defined as the revenue hours that a vehicle is in service. A service hours-based formula for dial-a-ride operations relies on trip scheduling software to calculate the amount of time the vehicle spends in each jurisdiction. Many communities favor this approach over others because it accurately reflects level of services received, but some communities elect to substitute service miles and include other factors such as population.
- **Ridership (or boardings)** can be used for a cost-sharing arrangement, although it is difficult to administer. Costs are assigned to jurisdictions based on the number of riders who board in a given county (or service area). The basis for this approach is that a specific jurisdiction should pay for its own residents. This approach is commonly used by dial-a-ride services because the passenger's origin can be assumed to be their residential location, making it relatively easy to assign boardings by jurisdiction.
- **A combination of factors** is used by some transit agencies for sharing costs. A combination might be based partly on population, partly on ridership, partly on service miles, etc. A combination of factors can be useful when a particular funding factor biases a single jurisdiction.

These formulas suggest there is no single ideal method for sharing transit service costs. Martin and Faribault counties should initiate discussions about what is an appropriate mechanism for the four recommended service types for the consolidated system. In selecting a formula, several factors should be considered:

- Is this formula easy to administer
- Does it negatively impact either county?
- Does it favor either county?
- Is the formula financially feasible for both counties?
- Could the formula be adjusted if the consolidated service in Martin and Faribault counties were to be expanded to other counties in the future?

The funding formula should consider a model that meets the unique political and geographic environment as well as the service and funding requirements. One could argue that a formula based on service hours or service miles is most equitable because it reflects the level of service

received, although it does not take into account the population of the area or the residency of transit users. A combination of factors is often most desirable to reflect the complexity involved in developing an equitable funding formula.

Cost-Sharing Formulas

A series of cost-sharing formulas are presented to demonstrate the required funding contributions for each county employing the following methods or formulas. The cost sharing formulas are applied based on the local share that must be paid by the two counties (represent the 15% share of operating costs not covered by state and federal funds paid by MnDOT). The formulas presented for discussion with the PAC include the following: (1) population based, (2) based on service hours, (3) based on service miles, and (4) combinations including (a) 50% population/50% service hours and (b) 50% population/50% service miles.

Figure 4-5 shows the breakdown of operating costs for each alternative and the amount of funding required for Faribault and Martin counties, applying each of the cost sharing formulas listed above to each of the service allocation alternatives described in this Technical Report. The figures on the following pages provide a graphic illustration of how much each county would contribute based on the various funding formulas applied to each service alternative.

Figure 4-5 Comparison of Cost Sharing Formulas by Service Alternative

	Population Based		Service Miles		Service Hours		Combination: Population (50%) Hours (50%)		Combination: Population (50%) Miles (50%)	
Alternative 1 - Existing Service Levels										
	Total Cost: \$834,936				MnDOT pays: \$709,695		Net Costs: \$125,240			
	% Share	\$/County	% Share	\$/County	% Share	\$/County	% Share	\$/County	% Share	\$/County
Faribault	41%	\$51,349	34%	\$42,731	24%	\$30,549	41.50%	\$51,975	46.50%	\$58,237
Martin	59%	\$73,892	66%	\$82,510	76%	\$94,692	58.50%	\$73,266	53.50%	\$67,004
Alternative 2 - Hours Proportional to Population										
	Total Cost: \$836,940				MnDOT pays: \$711,399		Net Costs: \$125,541			
	% Share	\$/County	% Share	\$/County	% Share	\$/County	% Share	\$/County	% Share	\$/County
Faribault	41%	\$51,472	55%	\$69,102	45%	\$56,578	43%	\$53,983	48%	\$60,260
Martin	59%	\$74,069	45%	\$56,439	55%	\$68,963	57%	\$71,558	52%	\$65,281
Alternative 3 - MnDOT Hours per Capita "Low" Standard										
	Total Cost: \$754,158				MnDOT pays: \$641,034		Net Costs: \$113,124			
	% Share	\$/County	% Share	\$/County	% Share	\$/County	% Share	\$/County	% Share	\$/County
Faribault	41%	\$46,381	57%	\$64,885	46%	\$51,544	44%	\$49,209	49%	\$55,431
Martin	59%	\$66,743	43%	\$48,239	54%	\$61,579	57%	\$63,915	51%	\$57,693
Alternative 3A - MnDOT Hours per Capita "High" Standard										
	Total Cost: \$1,072,967				MnDOT pays: \$912,022		Net Costs: \$160,945			
	% Share	\$/County	% Share	\$/County	% Share	\$/County	% Share	\$/County	% Share	\$/County
Faribault	41%	\$65,987	57%	\$92,314	46%	\$73,334	44%	\$70,011	49%	\$78,863
Martin	59%	\$94,958	43%	\$68,631	54%	\$87,611	57%	\$90,934	51%	\$82,082
Alternative 4 - Equivalent Service Span										
	Total Cost: \$971,216				MnDOT pays: \$825,534		Net Costs: \$145,682			
	% Share	\$/County	% Share	\$/County	% Share	\$/County	% Share	\$/County	% Share	\$/County
Faribault	41%	\$59,730	38%	\$54,657	38%	\$54,657	40%	\$57,545	40%	\$57,545
Martin	59%	\$85,953	62%	\$91,025	62%	\$91,025	61%	\$88,138	61%	\$88,138

Figure 4-6 Alternative 1 - Existing Service Levels

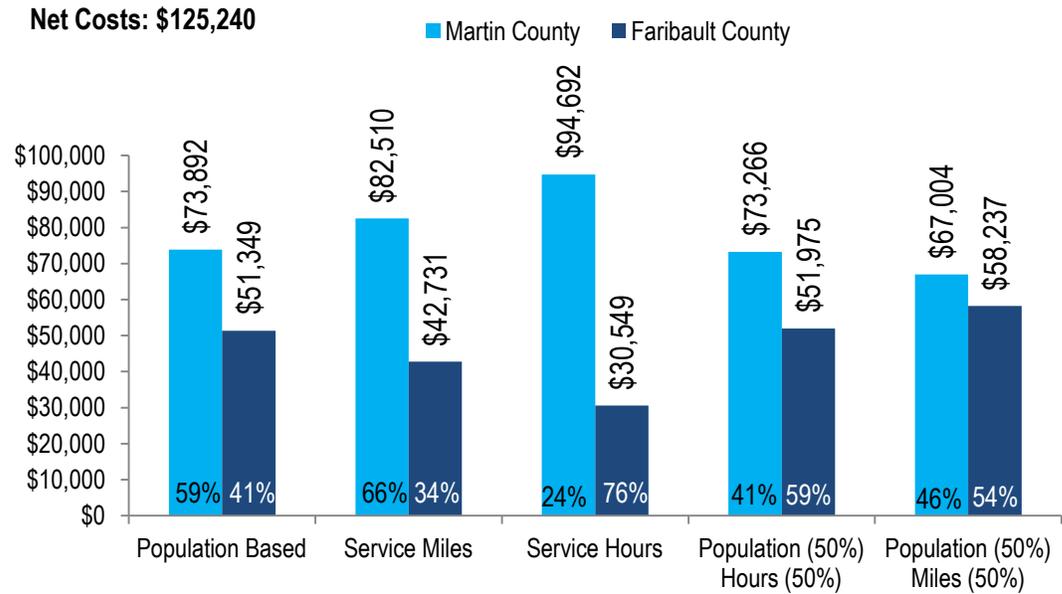


Figure 4-7 Alternative 2 - Hours Proportional to Population

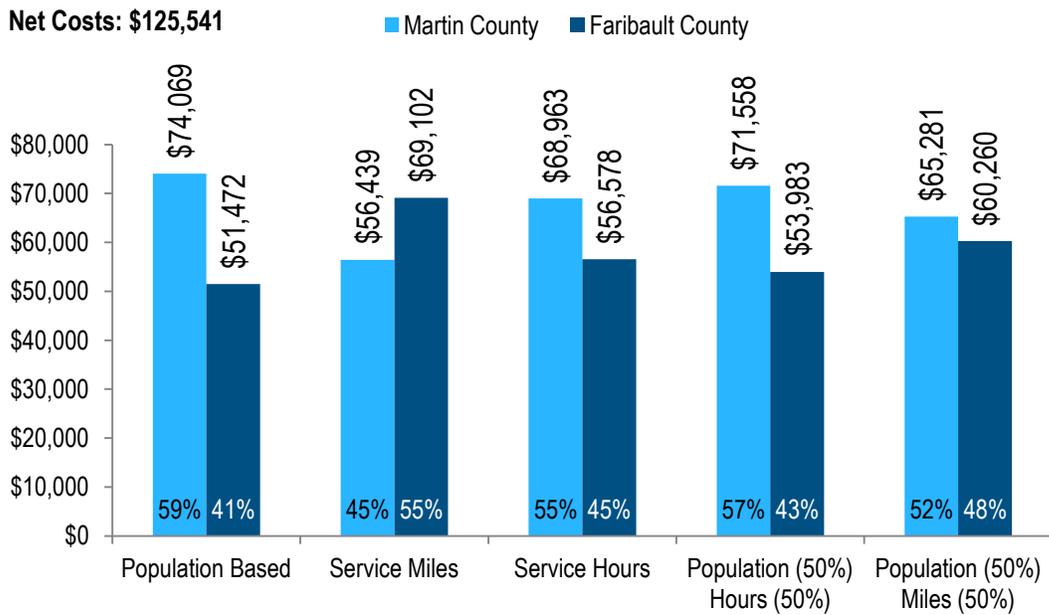


Figure 4-8 Alternative 3 - MnDOT Hours per Capita "Low" Standard

Net Costs: \$113,124

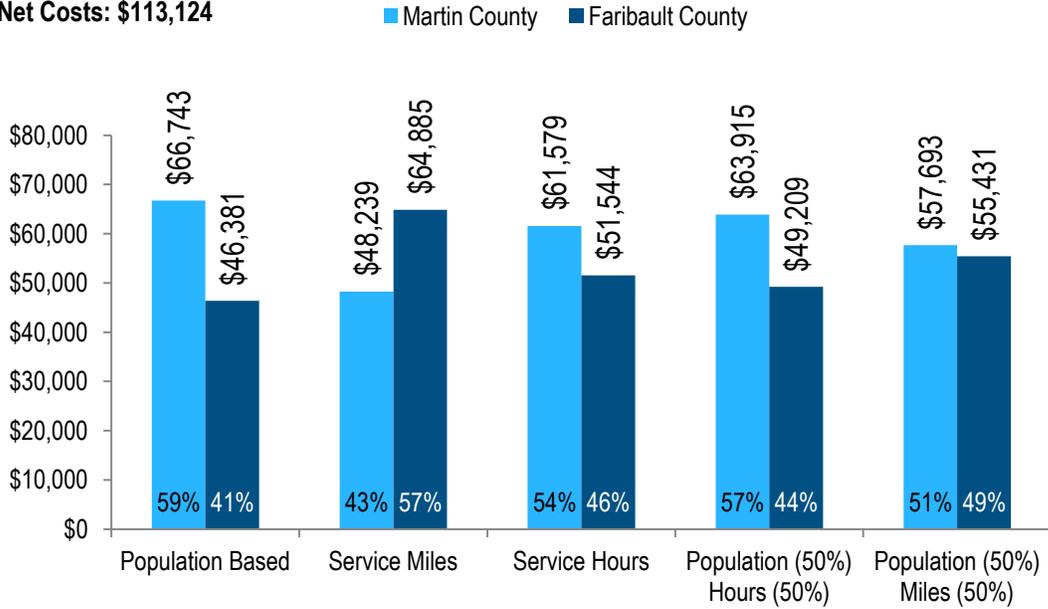


Figure 4-9 Alternative 3A - MnDOT Hours per Capita "High" Standard

Net Costs: \$160,945

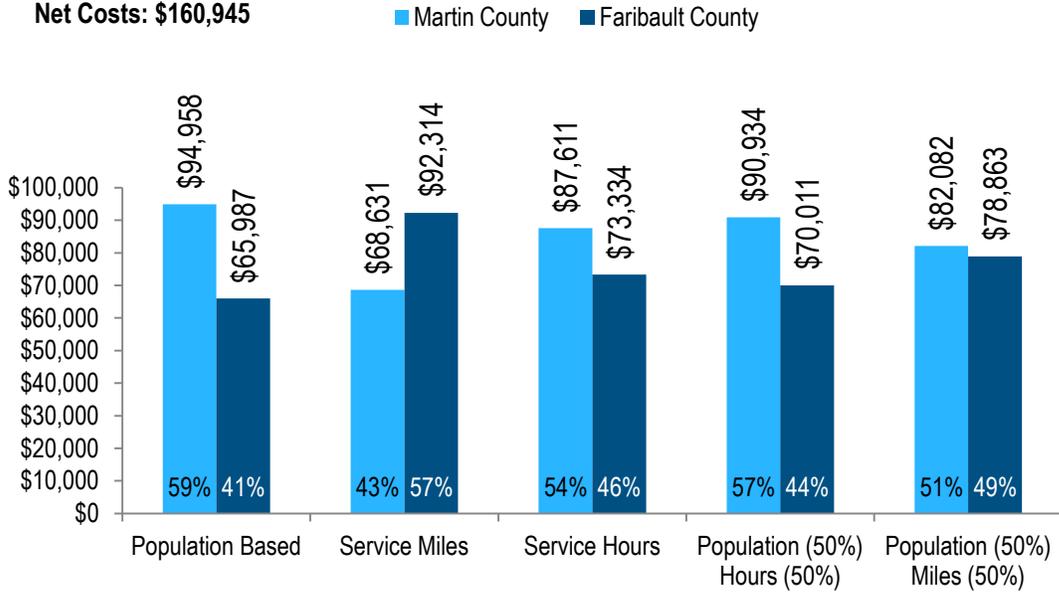
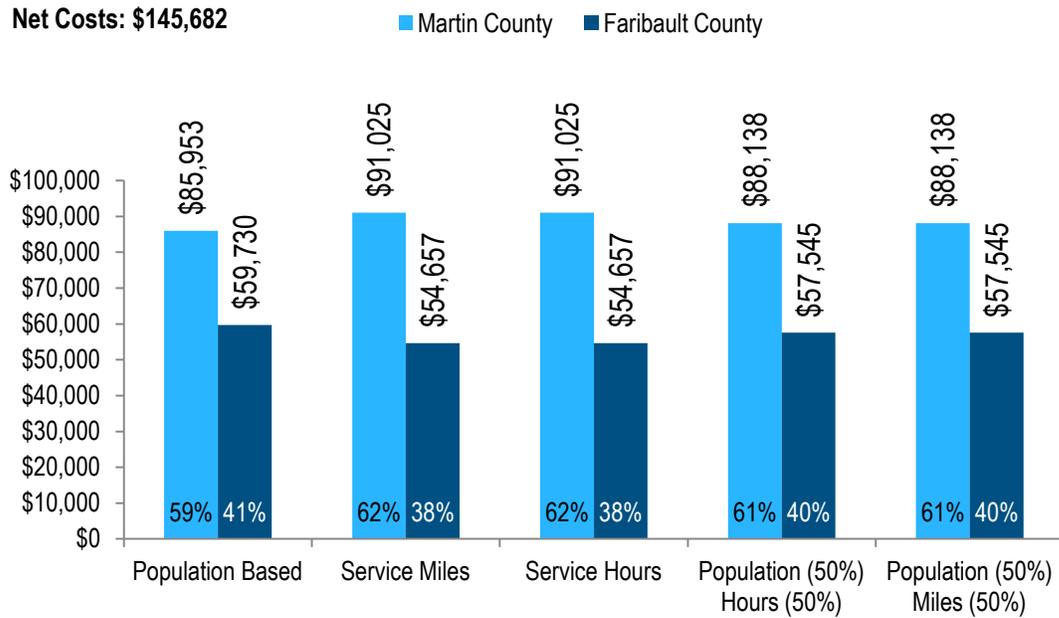


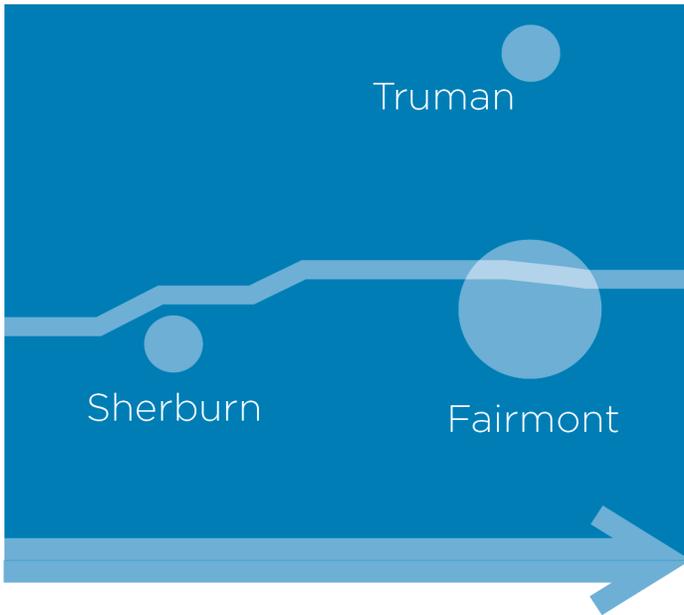
Figure 4-10 Alternative 4 - Equivalent Service Span



CONCLUSION

The concepts reviewed in this chapter provide a starting point for discussions between Faribault and Martin County officials regarding the costs of a consolidated transit operation and opportunities to share those costs. Given the number of assumptions made in developing these cost-sharing estimates, further refinement is anticipated based on the ultimate allocation of services and service hours in a consolidated transit operation. Key points of discussion based on the analysis presented in this chapter include (1) opportunities to build consensus around or make revisions to the methodology for assigning existing costs to a consolidated transit operation (2) an understanding of the potential for an increase in costs based on changes to services/service levels or based on a new means or accounting for costs that may not currently be billed to a transit function, (3) opportunities to make changes to fares and fare policies, and (4) potential arrangements for sharing the costs of the consolidated transit operation that are not covered by state and federal funds or passenger fares.

MARTIN COUNTY



FARIBAULT COUNTY



Minnesota
Department of
Transportation

FARIBAULT-MARTIN COUNTY TRANSIT RESTRUCTURING PLANNING STUDY

Technical Report 4: Consolidation Implementation Blueprint

Original Draft Submitted October 2014

December 2014



With LSA Design

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IMPLEMENTATION BLUEPRINT

Direction provided by representatives from both counties on the Project Advisory Committee (PAC) is that a Joint Powers Authority (JPA) be formed to implement the organizational and service planning efforts that would need to be undertaken for a consolidated service in Martin and Faribault counties.

This report provides an overview of responsibilities for establishing the JPA and initiating work on the other functions that must be addressed to develop a consolidated system, including capital needs, marketing, and potential expansion in the future beyond a two-county system.

ESTABLISHING A JPA

JPAs are formal decision making bodies with a voting board, ruled by majority rather than consensus voting. JPAs generally have an assigned staff and an annual operating budget funded by the participating agencies.

Statutory/Legal Requirements

JPAs protect the participating parties from potential lawsuit. By creating a separate entity, the participating parties are no longer liable for actions made exclusively by the Joint Powers Authority. However, protection from legal action does not apply if the joint powers agreement only commits the parties to working together and not to the creation of a distinct body. Additionally, the parties continue to be responsible for the debts, liabilities and obligations of the JPA unless the agreement specifies otherwise.

While in force, joint powers agreements define the level and scope of contribution made by each participating party. Signatories are obliged to adhere to commitments to the extent provided for in the signed agreement.

The joint powers law allows governmental units to cooperate in a wide variety of ways. There are three basic structural models: 1) a consolidated service approach; 2) a service contract approach; and 3) a mutual aid approach, which is rarely used for transit.¹

Under the consolidated service approach, two or more cities or counties agree under the joint powers law to create a joint board consisting of one or more representatives from each of the participating jurisdictions. Each entity provides financial support to the board. In turn, the board employs the necessary staff, owns or leases the equipment and manages the operations.

¹ League of Minnesota Cities Information Memo, March 1, 2010. www.imc.org

Under the service contract approach one city or county maintains and manages the operation and the other entity simply purchases services from the first entity. Typically, the agreement will specify the level and type of service to be provided, performance standards and so on.²

Following the mutual aid approach, individual agencies/jurisdictions provide assistance to each other for a common benefit. Although mutual aid agreements could conceivably be used for transit, managing costs would be challenging and the practice is uncommon: most apply to public safety (e.g., rescue, fire, police), but in some communities have included agreements for transit providers to work with public safety agencies in emergencies.

In practice, transit joint powers arrangements do not always neatly fall into one of the three joint powers categories and the agreement for Faribault and Martin counties will likely be a hybrid of the consolidated service and the service contract approach. This is further described in the staffing section below.

Board Composition

Ten positions on the board would represent all elected commissioners in both Martin and Faribault counties. Although the other Joint Powers Boards (JPBs) for the two counties are this size or larger, commissioners on the Project Advisory Committee (PAC) for this study suggested that a smaller board may be more effective. Based on review by consulting staff and MnDOT staff, the proposed JPB would include six voting members representing three commissioners from each county. In addition, two non-voting ex officio members may also be added, ideally being one administrative staff representative from each county. This could be a county coordinator or financial services representative familiar with the transit operations.

Key considerations the Board will need to decide upon are:

- What are the terms of Board members?
- What types of decisions should be approved by the Board?
- Are there certain types of decisions will need to be approved by the participating county commissions?

As a first step, the JPA Board will need to approve the written joint powers agreement. This agreement should state its purpose, the method for accomplishing its goals, and a method for disbursing funds (i.e., the funding formula) and an accounting of funds. In addition to agreeing on a funding formula for sharing costs, consideration should be given to how unexpected or unbudgeted costs should be handled as well as how to share costs for future capital expenses. It should also state the terms of the agreement and conditions for termination.

Although at one point the consulting team had presented the option for MnDOT staff to sit on the Board as a nonvoting member, it was agreed that MnDOT's role would be limited to attending Board meetings as needed and provide input at appropriate times. MnDOT's participation is likely to be greater in the first year of consolidation.

Future Board Composition

Several situations could arise when a new member of the JPB is needed. It could be when an existing county commissioner is voted out of office, a board member leaves the JPA or when the

² IBID

JPA is expanded, potentially to include other counties and their county commissioners expect to serve on the JPA Board. Since members of the Board are elected commissioners from either Martin or Faribault County, they could be voted out of office and thus no longer eligible to serve on the JPB. A replacement from the respective county would be needed to fill the vacancy on the JPB.

Circumstances may warrant increasing the number of Board members to represent new member agencies or additional counties that join the JPA. For example, in the longer-term, social service agencies such as MRCI OR Step, Inc. could decide they no longer want operate their own transportation service and instead become part of the consolidated Faribault and Martin county transit service. Under this scenario, it would be appropriate for a representative from MCRI or Step, Inc. to serve on the JPA Board.

Another situation that could alter the Board's make-up is if Martin or Faribault County or a particular jurisdiction, such as the City of Fairmont, elects to contribute more funds for a higher level of transit service than is required under the agreed upon funding formula, then that entity should be eligible for an additional member to serve on the Board.

Regardless of the circumstance that may change the composition of the Board, new members should ideally be individuals who have appropriate background with a basic understanding of transit issues or be interested and willing to become knowledgeable about transit services in Martin and Faribault counties.

Staffing

Administration

The question of staffing is critically important and may impact how to structure the joint powers agreement. Based on input from the PAC, the consolidated transit service would support two staff positions that would focus exclusively on transit. One of the positions would be a Transit Director who would assume overall responsibility for all aspects of the service, and would be supported by one Assistant Transit Manager who would perform a variety of tasks including service monitoring/reporting, marketing and outreach and other related duties. The JPA could hire the employees directly or could elect to contract with the counties for one or both of these positions. For example, the JPA could contract with Martin County for the Transit Director position and contract with Faribault County for the Assistant Transit Manager position. Since there is a labor agreement in force in Faribault County, it must be reviewed to determine what provisions of the contract need to be honored. Also, the JPA will need to determine whether a union, if any, will represent the employees in a combined service. In the immediate term, it may also be necessary to hire staff to provide implementation assistance with the conversion of two separate transit systems to a single consolidated system.

If the JPA elects to purchase services from Martin or Faribault County for employee services, then it will require a service contract. The contract should specify the services to be provided, service quality expectations, costs for providing the services and any other factors deemed appropriate. If the JPA elects to directly hire employees, then it will need to establish a salary and benefits schedule. Regardless of the decision about directly hiring or contracting for these two key transit positions, the JPA will need to develop detailed job descriptions and performance expectations.

In addition to the two dedicated transit positions, there may be an occasional need to draw upon other skills and expertise such as human services, legal or certified public accounting. In these

circumstances, rather than retaining a temporary or part-time employee, the JPA should consider entering into a contract agreement with Martin or Faribault County for these services. As with other contract agreements, it would specify the duties to be performed, required deliverable or output, timeline and payment schedule.

Operations and Maintenance

A critical first decision for the JPA is how handle day-to-day operations and vehicle maintenance. Although the PAC carefully considered the pros and cons of contracting operations using in house employees as Faribault County does today or using a private contractor following the Martin County model, the ultimate decision will be made by the newly established Joint Powers Board. If the decision is to contract services with an outside vendor (a third party contract), then the JPA would issue a Request for Proposals (RFP) and select a contractor based on agreed upon selection criteria. If the current Martin County contractor, Fairlakes Transportation is selected, then they could be asked to hire existing drivers from Faribault County. Under an in-house operation, the JPA would need to agree on all job descriptions and agree upon wage rates and benefits packages, post job announcements to the public, and interview and hire operations staff.

Regardless of how day-to-day operations are handled, vehicle maintenance could be handled in-house as is currently done in Faribault County or contracted to a third-party vendor similar to the arrangement in Martin County. In Faribault County, vehicle maintenance is handled in house, but the Public Works Department has indicated they are not interested in performing maintenance for additional vehicles. The JPA should conduct further analysis to evaluate the pros and cons of Faribault County continuing to maintain a portion of the consolidated vehicle fleet compared to contracting with a private vendor to maintain the entire vehicle fleet. The analysis should compare the repair and maintenance costs of the two counties and the logistical considerations of where vehicle maintenance would occur.

Development of Uniform Policies

When Faribault and Martin counties consolidate transit services, there needs to be a uniform set of service policies and procedures to ensure that the roles and responsibilities of the service provider and the riders are clearly defined. The policies will provide a set of guidelines for a smooth transition from two separate services to one consolidated system and help to continue the established good relationships between providers and patrons. Transit service policies also help ensure that riders are treated equally and fairly, and support drivers when enforcing rules on the bus.

Scope of Policies

The number and type of service policies vary widely among transit agencies. Following is an overview of topics typically covered by service policies:

- **How to access the service.** For dial-a-ride service, this includes how far in advance to call for a ride; no-show policies; what constitutes an on-time window; hours during which reservations can be made; and advance notice for cancelling a reservation. For deviated route service, this can include how to flag down a bus.
- **Fare policies.** Fare policies typically state that that everyone must pay as they board; most systems also require exact change so that the driver does not have to carry and handle money. Other fare-related policies cover refunds or exchanges for passes, or let

caregivers or mobility assistants ride for free. Vouchers would also be covered under fare policies.

- **Level of driver assistance.** The level of assistance for passenger boarding, alighting, and managing carry-on items varies among systems, with some stating that drivers will assist with all carry-on items, and others stating that no assistance at all is required from the driver.
- **Carry-on items allowed on the bus.** Almost universally, there is no eating, drinking, or smoking on board buses. Some do not allow any food at all on board, while others allow it in a closed container. In addition, policies on carry-on items cover the number and size of packages, where they are stowed, items not allowed on the buses, and disposal of found items. Typically, strollers and bicycles are specifically addressed. Items disallowed include firearms, hazardous or flammable materials, or compressed gases (except oxygen for medical uses).

A subset of this policy group covers animals on board. Commonly, only service dogs are allowed on buses; however, some systems will allow any animal that is contained in a small cage or can stay on the passenger's lap.

- **Children.** Most systems state a minimum age for unescorted riders – typically between the ages of 12 and 16. Alternatively, children may ride as long as they can behave responsibly and follow the rules.
- **Passenger rules of conduct.** These policies are established to manage the behavior of passengers so that the bus trip is safe and pleasant for everyone. Both counties have these rules, but they vary in the level of detail to accomplish this objective. Some simply state that passengers are expected to behave in a courteous and considerate manner to fellow passengers and to the driver, or face being asked to leave the bus. Others go further to define undesirable behavior; including drunkenness, horseplay, fighting or hitting, being in possession of illegal drugs, playing music without using headphones, or showing a lack of personal hygiene.

Existing and Recommended Policies

Faribault and Martin County's transit services have a number of written service policies that are included in their marketing brochure and appear on their websites. While the existing policies address some important areas, they are not necessarily consistent between the counties nor do they address all aspects of a transit system. Figure 1 compares the existing policies of Martin and Faribault counties' transit services and then recommends a series of comprehensive and uniform service policies for a consolidated system.

Figure 1 Existing and Recommended Service Policies

Category	Existing Policies		Recommended Policies
	Existing Martin County	Existing Faribault County	Consolidated System
Scheduling a Ride (Dial-A-Ride)	First come, first served basis for same day calls; 24 hour advanced reservation receives priority	First come, first served basis up to 14 days in advance; Advanced reservations to 60 days before trip date	All rides should be scheduled at least 2 hours prior to the time that you need the ride (and can be scheduled up to 2 weeks in advance). Same day trips can be provided if space and time is available
Cancelling a Ride (Dial-A-Ride)	No less than 2 hours before scheduled trip; After three “no-shows,” service may be temporarily suspended	No less than 2 hours before scheduled trip; \$3 charge if less than 2 hours or “no-show	Cancellations should be made as far in advance as possible and must be made two hours before the scheduled ride time. After 3 “late cancels” in a rolling three-month period, service may be suspended for 30 days.
Pick-Up Window (Dial-A-Ride)	Between 15 minutes before and 15 minutes after scheduled pick up time	Between 5 minutes before and 5 minutes after scheduled pick up time	Between 5 minutes before and 15 minutes after scheduled pick up time Pick up times depend on availability. Remember dial-a-ride service is a “shared ride”. This means that other riders with different destinations may be picked up and dropped off along the way. Your trip on public transit may take longer than if you took a taxi or drove yourself.
Paying for Service	Must have exact amount. Drivers do not carry change.	Exact fare or token is required upon boarding. Failure to pay will result in suspension of riding privileges. A licensed personal attendant will ride free	All rides must be paid for at the time of service. Drivers do not carry cash and cannot make change. Personal care assistants ride free of charge.
"No-Show" Policy	Services may be discontinued after three consecutive no shows.	A no show or failure to cancel will result in charges. Failure to pay will result in suspension of riding privileges.	If you schedule a ride, and then 1) cancel the ride with less than two hours advance notice, 2) fail to meet the bus at the designated location, or 3) are not ready to go within five minutes of your scheduled pick-up time, that is considered a “no show”. Three no-shows within a three-month rolling period may result in a 30-day suspension of service. If you schedule a trip, and then do not show up for that trip, any other trips you may have scheduled on that day are automatically cancelled.
Carry-on Items	Carts and packages should be held on laps. Do not block aisles at any time.	Carts and packages should be held on your lap and not block the aisle at any time.	Limit carry-on packages to the size and number that will fit on your lap or at your feet. Drivers are not permitted to assist passengers with carry-on packages (except on special group trips). Items carried on to the bus such as packages, back packs, suitcases, pet carriers, etc., must remain with the passenger at all times and cannot obstruct aisles, seating or entrance/exit ways of vehicles or wheelchair securement areas.

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Category	Existing Policies		Recommended Policies
Animals On Board	None	<p>Service or guide animals necessary for travel by passengers with disabilities are allowed on all vehicles. Service animals must be on a leash or on a harness.</p> <p>All other pets must be in a cage that does not require a separate seat.</p> <p>Pets are not allowed to block the aisle or sit on seats. Riders must constantly hold the leash and have complete control of their animal at all times.</p>	Animals are not allowed on the bus, except for one leashed service animal per passenger.
Items Not Allowed on Board	<p>No firearms, weapons, or fireworks of any type are allowed.</p> <p>No hazardous chemicals or materials allowed on bus.</p>	<p>No firearms, weapons, or fireworks of any type are allowed.</p> <p>No hazardous chemicals or materials, including car batteries, are allowed.</p>	Items not allowed on buses are: open alcoholic beverages, firearms, flammable or hazardous materials, uncontained animals except service dogs.
Behavior	Riders who engage in physical abuse or cause physical injury to another rider may be subject to immediate and permanent suspension and possible criminal prosecution.	<p>No eating, drinking, or smoking allowed on the vehicle.</p> <p>Shirt and shoes are required.</p> <p>Personal sound devices may only be played through earphones at a volume not audible by other passengers</p>	<p>All passengers will behave in a courteous manner at all times with consideration for fellow passengers and the driver. There is no eating, drinking, or smoking allowed on any vehicle.</p> <p>Shirts and shoes are required.</p> <p>Passengers are able to listen to music provided earphones are used and music is at a low volume.</p>

Service Standards

Related to service policies (and in some cases, reflective of those policies), Technical Report 2 identified a set of proposed service standards for the consolidated transit operation, which are shown in Figure 2. As noted, the most critical performance measure is farebox recovery, because the consolidated system will be required to cover 15% of the total operating costs, with 85% coming via MnDOT from state and federal sources. Different types of services are anticipated to achieve different levels of cost recovery, with special group trips covering 30% of operating costs with fares.

Ultimately, it will be up to the JPB to adopt a set of performance standards, that can be updated as operating conditions and services change.

Figure 2 Proposed Service Standards for Martin and Faribault Counties

Quality/ Reliability/Design Measures	Proposed Service Standards by Service Type
Passengers per Revenue Hour	<ol style="list-style-type: none"> 1. General Purpose Dial-A-Ride <ol style="list-style-type: none"> a. Urban: 3 passengers per hour b. Rural/intercity: 2.25 passengers per hour 2. Special Group Trips: 12 passenger per hour 3. Deviated Route in an Urban Area: 5 passengers per hour 4. Intercity: 8 passengers per hour
Passengers per Scheduled Trip	<ol style="list-style-type: none"> 1. General Purpose Dial-A-Ride: No standard 2. Special Group Trips: 8 passengers per trip 5. Deviated Route in an Urban Area: No standard 3. Intercity: 10 passengers per hour
Farebox Recovery	<ol style="list-style-type: none"> 1. General Purpose Dial-A-Ride: <ol style="list-style-type: none"> a. Urban: 20% b. Rural/intercity: 10% 2. Special Group Trips: 30% 3. Deviated Route: 20% 4. Intercity: 25%
On Time Performance	No bus should depart a time point before the time published in the schedule. 90% on-time performance for all services.
Passenger Complaints/ Boardings	The number of complaints shall not exceed 0.01% of the total boardings. The benchmark is 7.5 complaints/100,000 boardings.
Accidents /Bus Miles Operated	Fewer than 1 preventable accident/100,000 revenue miles
Stop Spacing	<ol style="list-style-type: none"> 1. General Purpose Dial-A-Ride: N/A 2. Special Group Trips: N/A 3. Deviated Route in an Urban Area: – ¼ mile 4. Intercity: depends on major ridership/timed transfer locations
Trips Cancelled	No bus or trips should be cancelled.

New Fares

When services are consolidated, a new uniform fare structure will need to be implemented for the suite of transit services. The recommended fare structure including cash and ticket prices for full and discounted passengers is included in Figure 4-3 of Technical Report #3. Since some of the fares would represent an increase or decrease over current fare levels, the JPA should conduct a public hearing (meeting) to solicit comments and feedback on the proposed new fare schedule. The meeting should be held at a convenient public location and should be advertized in a locally distributed newspaper announcing the public meeting at least five (5) days prior to the date of the meeting. Also, the notices should be posted on all buses and at major activity centers such as senior centers, libraries and medical offices. Comments should be accepted at the public meeting as well as via telephone, email, U.S. mail, or fax. A summary of the comments and feedback received should be presented to the JPB before a formal vote is taken on the new fare structure.

Proposed fares should be developed in conjunction with the development of service protocols. For example, if new operating zones are developed to improve the efficiency of demand-response service (see page 19), then those zones might be identified in tandem with developing proposed fares to serve each of the zones.

Distribution Network

After the fare structure is approved, the JPA would need to design passes and tickets and develop a distribution network. It is important for tickets and passes to be easy and convenient for passengers to purchase. There are already a few locations throughout Faribault and Martin counties where tickets and passes can be purchased including County offices and from drivers. It would be desirable to expand the distribution network to include schools or the school district, retail outlets, employers and other large centers. This could be accomplished without offering a commission to private retail outlets. Experience in other communities suggests that ticket sales can and do result in “spillover” purchases.

The JPA is encouraged to explore special discounts associated with retail outlets. For example, Wal-Mart would benefit from the pre-arranged group trips and may consider subsidizing a passenger’s return trip or paying a customer’s fare if he or she were to spend \$10 or more at the store. These types of arrangements have been offered in other areas and may have appeal with at select stores in Martin or Faribault County.

Community Advisory Committee

Both existing transit systems have some partnerships with local organizations, but have no ongoing direct public involvement or peer agency involvement in planning and oversight. Staff report that members of the public rarely speak about transit at Commission meetings

A standing committee can provide a means for conducting outreach to and creating stronger links with a wider range of user groups, including older adults transitioning from driving, youth and commuters. In designing an advisory committee, the consolidated system has the opportunity to create a body with membership reflecting the JPB’s and MnDOT’s priorities for developing and expanding community partnerships. In addition to ensuring transit riders and agencies representing key rider markets participate, the consolidated transit system should consider involving other individuals or entities that can play a strong role in advocating for transit in Faribault and Martin counties, including youth representatives, immigrant community representation, organizations that advocate for people with disabilities, and administrators from

hospitals. On a strategic level, this allows the newly consolidated system to take advantage of opportunities to expand partnerships, further develop a base of transit advocates, educate the public about transit, and solicit valuable information from riders and advocates regarding the range of mobility needs and service issues in the two counties.

The JPB should carefully consider the role of the community advisory group and clearly communicate this role to prospective members. If the role of the committee is to advise the JPB, an effort should be made to ensure that there is meaningful communication or transfer of information between the committee and the Board, and that the committee's input is taken seriously. However, the "advisory" role of the committee should be made clear to committee members, as final decision-making authority will remain the role of staff and the agency's Board.

The JPA should determine which constituencies should be represented, and in what numbers. The "balance" of membership will also need to be considered (e.g., what percentage of advisory group members should be regular transit users). It will be important to clarify the role and function of the committee and clearly document these in the adopted set of bylaws. The JPB can work with appointing bodies and/or partners to generate interest in committee membership and build the committee. Once the initial committee membership has been established, it is appropriate to conduct an orientation for members, adopt a meeting schedule, and based on the role of the advisory committee, collaborate with members to lay out an initial work program.

SOFTWARE AND INFORMATION TECHNOLOGY

Martin County Transit has been successfully using RouteMatch to schedule and dispatch trips, with information communicated to drivers via tablets that provide real-time information about passenger manifests, as well as trip origins and destinations. Martin County staff believe the use of this automated tool has led to efficiencies in operating the system, and has allowed for the collection of data that was previously cumbersome to obtain. Although the data is available, the benefits of the automated data collection have not fully been realized for reporting purposes, but additional staff training and development of data reporting policies can facilitate the sharing of the information that has been collected and its use as a planning tool.

RouteMatch is intended to improve a transit operation's efficiency, including optimized routings and schedules. While a small system with a skilled dispatch staff can effectively manage a transit operation with pen and paper or simple spreadsheet, some small systems, as well as much larger operations, benefit from the automated scheduling and routing tools, as well as the rider database which can be used to check eligibility for enrollment in partner programs or eligibility for funding from different source (assuming a larger, multi-provider transit operating environment). For example, individuals in the operation's database can be identified as eligible for additional assistance via a volunteer driver program, have funding from a special social service or non-emergency medical program, need for an attendant, or limits on the amount of time they can spend in a vehicle. All of these factors can be considered by the software and the dispatcher in determining the most appropriate or cost-effective strategy for meeting the rider's needs.

The continued use and expansion of existing software capabilities is encouraged as part of a consolidated transit system, especially since RouteMatch is the standard software platform for transit agencies in Greater Minnesota.

Because Faribault County Prairie Express schedules and dispatches using pen and paper, a consolidated transit operation will require additional software licenses and communications tools, including tablets, for seamless integration of operations, but this was considered by Martin

County when their software was purchased. All scheduling and dispatching would be centralized and performed by JPA staff or a third-party contracted provider.

Consolidation will require the purchase of equipment (tablets, licenses, software upgrades) for at least two vehicles currently operated by Faribault County Prairie Express. Assuming an incremental expansion of service in Faribault County (based on service level recommendations discussed in Technical Report 3), dispatch equipment for up to two additional in-service vehicles may be required.

Mobility management, brokering other trips, or integrating the services in Martin and Faribault counties into an ever larger regional coordinated/consolidated system requires enhanced technologies. For coordinating multiple services and brokering trips, technology revolves around software that provides assistance for making trip reservations, scheduling and dispatch of services, billing agencies for the trips or services provided, cost sharing (pulling funds from multiple accounts and funding sources, as appropriate, to cover the cost of a trip), and reporting. RouteMatch software can be used by providers to record and track clients and trip eligibility for various programs, to book and schedule trips, to optimize vehicle schedules, and to generate required reports and invoices.

Technology strategies include tools that support and enhance public transit and human service transportation operations and planning. The most significant issues associated with expanding software tools will be (1) purchasing the appropriate technology tools that can be expanded and shared as a consolidated transit system's programs grow and (2) training staff – both within the organization and outside the organization – to operate and manage technology and integrate new systems with older technologies. Technology projects are best achieved by demonstrating success on a smaller scale, and learning from and building on success before implementing new tools on a larger scale.

CAPITAL NEEDS

Facilities and Fleet Storage

Vehicles are stored at two locations in the service area. Martin County owns an Administration and Garage building used to house eight vehicles. Faribault County owns a garage used to house three vehicles.

Both Faribault and Martin counties have prepared 10-year Transit Capital Plans to prioritize facility upgrades and vehicle replacement and expansion. Martin County's Plan includes \$12,000 for facility upgrades and approximately \$18,000 for an upgrade to their current RouteMatch dispatching software. The upgrade cost is expected to purchase additional licensing and computer equipment solely for the consolidation of the Martin County Transit and Faribault County Prairie Express scheduling and dispatch functions.

Figure 3 provides information about both of the storage facilities.

Figure 3 Vehicle Storage Facilities

	Fairmont	Blue Earth
Storage locations	1023 North Dewey Street, Fairmont (funded with state and local funds)	727 E 5th St, Blue Earth (entirely funded by local dollars)
Current vehicle storage	8 vehicles	3 vehicles
Additional capacity?	Additional capacity if non-transit vehicles are relocated	Very limited
Status of location	Owned by Martin County	Owned by Faribault County
Where maintained/ serviced?	Local contracted service station(s)	Faribault County Public Works Department
Where cleaned?	1023 North Dewey Street, Fairmont	Faribault County Public Works Department

To provide some background for Martin and Faribault counties, the consulting team contacted other transit properties in Minnesota that have addressed issues of facility consolidation to learn from their experience. A brief summary of the case studies is included in Appendix A.

Consolidation of agencies does not always signify physical consolidation. Various agencies keep multiple facilities, maintain ownership as they had prior to consolidation, or enter into alternative scenarios based on cost savings and operational impacts. Because not all agencies have the local match funds that are required to construct a new facility, some systems are not interested in owning a facility. Existing capital facilities are often funded with federal or other grant funds restricted to transit use, which can place limitations on transferring ownership from one jurisdiction to another.

In some cases, counties have maintained ownership of their facilities and then rented them to the JPA for a very modest amount. Counties have also provided facilities as in-kind support for the operation. A solution whereby the counties maintain ownership of the facilities but use of the facilities is transferred or leased to the consolidated system is likely to be most appropriate in the short-term, assuming that both counties are comfortable allocating their facilities' use to the consolidated transit operation. To save on deadhead costs and to have vehicles readily available in both counties, it is perfectly proper for the two vehicle storage facilities to be maintained, but efforts will need to be made to secure additional space at the facility in Faribault County or to store additional vehicles at a third site in either of the counties.

Additional issues in consolidating facilities include integration of existing technology systems. Although it is anticipated that the technologies used by Martin County would be adapted for the consolidated system, the scheduling and dispatch function would not necessarily need to be housed at the North Dewey Street facility in Fairmont – it could be moved elsewhere, if necessary.

TRANSFER OF ASSETS TO JPA

Both Faribault and Martin County can transfer their capital assets to a new JPA in accordance with MnDOT and FTA requirements. MnDOT retains an interest in all capital assets funded with any FTA grant funds or Minnesota State transit assistance funds and has established a set of procedures for transferring a vehicle to a consolidated system without incurring any obligation to purchase the vehicle outright before transferring it. Under MnDOT’s Disposition Policy guidance, a vehicle may be transferred to another eligible organization if the transit agency follows a set of specific procedural guidelines and works with MnDOT Office of Transit staff to facilitate the transfer. It is expected that capital assets from both counties would be transferred to the new JPA operating the consolidated transit system.

Under MAP-21, the U.S. Department of Transportation is establishing performance measures and MnDOT will develop complementary performance targets for transit assets. Transit agencies receiving federal assistance are required to develop performance targets for state of good repair and will also be required to develop asset management plans, which include capital asset inventories, condition assessments, decision support tools, and investment prioritization. These requirements will impact the new consolidated transit operation, which will be required to develop a Transit Asset Management Plan that defines specific actions such as how the JPA will procure, operate, maintain, rehabilitate, and replace transit assets, as well as how the organization will manage asset performance, risks, and costs over their lifecycle

In advance of the transfer of assets, Faribault and Martin counties should fully document their assets and track the condition of the assets. Transit assets to be categorized usually fit into one of four groups: (1) vehicles, (2) facilities, (3) infrastructure and (4) equipment. Asset condition ratings (see Figure 4) should be adopted and updated on an annual basis. There are different versions of condition rating methods, but one is a 0-5 condition rating scale applied throughout all system-wide facility, equipment, infrastructure and vehicle assets. Better understanding the assets available to the consolidated system will allow for the development of a realistic budget and equipment replacement expectations.

Figure 4 Asset Condition Rating Scale

Rating	Condition	Description	Performance Monitoring
5	Excellent	New or almost new asset; no visible defects, no damage, cosmetically looks new	No replacement or repair required
4	Good	Shows minimal signs of wear, no major problems, some minor defects or slightly deteriorated components. No signs of rust or damage, cosmetically good.	No replacement required. Potential minor repairs.
3	Adequate	Asset has reached its midlife or is in adequate condition. Minimal signs of rust, some wear, no major damage, cosmetically ok. Has defects that could cause a maintenance call in the near future	Repair (budget for): Vehicles, Equipment, Facilities Infrastructure

Rating	Condition	Description	Performance Monitoring
2	Marginal	Asset reaching or just past the end of its useful life, but in useable condition. Increasing maintenance needs. Components are deteriorating and appear to need major work.	Replace (budget for): Vehicles & Equipment Repair: Facilities & Infrastructure
1	Poor	Asset past its useful life and/or in need of major repair and/or refurbishment. Evidence of damage or major wear apparent. Critical damage or safety concern. Needs immediate repair or replacement.	Replace Immediately: Vehicles, Equipment Replace (budget for): Facilities & Infrastructure
0	Unsafe	Not safe to use. Multiple major concerns or asset set for disposal/retirement.	Replace Immediately: Vehicles, Equipment, Facilities, Infrastructure

FLEET CONSIDERATIONS

A consolidated service allows for the combining of transit fleets to create a shared two-county transit fleet. The current combined fleet of both services is 12 vehicles, seven or eight of which are in service for much of the day (depending on the time of day). These vehicles would be available to a consolidated fleet. Both operators use similar vehicle types as shown in Figure 5.

Figure 5 Existing Fleet

Make	Model	Year	Fuel	Capacity	Quantity
Martin County					
Elkhart Coach	ECII	2014	Unleaded	13	1
Elkhart Coach	ECII	2014	Unleaded	16	1
Elkhart Coach	ECII	2013	Unleaded	16	1
Goshen Coach	GCII	2011	Unleaded	12	1
Elkhart Coach	ECII	2009	Diesel/Biodiesel	16	1
Elkhart Coach	ECII	2009	Unleaded	16	1
Elkhart Coach	ECII	2008	Diesel/Biodiesel	16	2
Ford	Van Terra	2007	Unleaded	9	1
Faribault County					
Goshen Coach	GCII	2011	Unleaded	15	1
Goshen Coach	GCII	2009	Unleaded	15	1
Goshen Coach	GCII	2005	Unleaded	15	1

Source: MnDOT, Martin County Transit, Faribault County Prairie Express

In addition to relocating vehicles, a consolidated transit fleet also means there will be more interchangeable vehicles and an overall improved spare vehicle ratio. For future vehicle purchases, the JPA may opt to purchase one make of vehicle to assist with uniformity of maintenance and supply needs.

Both agencies plan to replace nearly all of their current fleet within the next 10 years. Martin County plans to replace vehicles five years after year of purchase, with about one or two vehicle replacements per year until 2023. The current vehicles are expected to be fully replaced by 2018. Faribault County is projected to replace vehicles only until 2017 at this time, allowing for consolidated vehicle replacement in the future. The current fleet replacement plans for both counties can be combined for a single consolidated fleet replacement plan for the new system. A key factor to be determined will be the level of service that will be made available in the two-county service area (see Technical Report 3). If the JPA Board authorizes a service expansion to increase service hours (primarily in Faribault County, based on existing and projected service level requirements), then expansion vehicles will be required.

MARKETING/BRANDING

Development of coordinated information resources for the consolidated transit provider is identified as a priority for several reasons. Most importantly, public information resources provide a single place for riders to obtain information about all services and a unified, consistent format for providing information to the public.

Rebranding of the Two Systems as a Single Consolidated System

Branding means creating an image for a product. The brand identity makes it easy to understand and recognize. This applies not only to consumer products but also to services like transit systems. Many transit providers in Minnesota develop their brand identity by creating an insignia or program logo, using standard colors, developing a tagline, etc. All of these elements, in combination, promote an image of the service. The objective is to make transit service in Martin and Faribault counties recognizable.

Name of the System

Representatives from both counties are interested in a new name and identifier. Using either of the existing names would not make sense: the service in both counties cannot be referred to as either Martin or Faribault County Transit and Prairie Express is perceived as too generic – a name that is used elsewhere in Greater Minnesota.

While an array of potential names are available to the new JPA, some examples include the following, based on geographic names, names that have been used by the existing operators, or other terms that could be considered based on stakeholder comments:

- Martin-Faribault CountyLink
- FariMar Transit
- Southern Minnesota Community Transit
- Faribault-Martin EasyTrans
- GO Mar-Far
- State Line Transit

- Connect Southern Minnesota
- PrairieLink
- Martin-Faribault Get-a-Round

This list represents just a very small set of potential examples, illustrating the opportunities made available by a renaming and rebranding effort. Ultimately, the JPB, potentially working with the Citizens Advisory Committee will need to choose a name for the system and design a new logo.

In some communities, a transit system naming contest has been undertaken, whereby residents submit names for a new system. In other communities, transit boards have selected a few names and asked the public to vote. Another potential opportunity is to work with a college art or communications class to brand the system and develop the logo (see below), perhaps enlisting students at Minnesota State University in Mankato or at a South Central College or Riverland Community College campus. In some communities, college student teams have competed to develop a winning strategy at a minimal cost to the transit agency, as all costs related to idea development, modeling, and design were borne by the student teams.

Logo

A new logo is recommended when a new name is selected. The logo should be attractive and easy to identify. It should be used not only on the buses, but also on bus stop signs (assuming some fixed stops in Fairmont in the short term), on an information brochure, on the web site and on all communications on behalf of the transit system (stationery, business cards, etc.)

Visibility Enhancements

It is important to maximize the casual marketing value of information services such as signage. Information sources should always present the necessary information as clearly and concisely as possible. Ultimately, clear information is the best marketing.

Signs on the Buses

Signs on buses are especially important because they allow the services to advertise themselves. Both of the existing transit providers operate buses with the name of the system painted on the outside of the vehicle. This information will be replaced with the new brand.

In addition, including a telephone information number or website address on the outside of the bus enables it to function as a moving billboard so interested persons will know where to go for information about the system. It also lets residents of Martin and Faribault counties know that the buses they see are available to the public, and are not *only* for seniors or people with disabilities.

Bus Stops in Fairmont and on Commuter Route

With the introduction of a deviated route in Fairmont, the installation of signage indicating key bus stops is recommended in Fairmont and at stops served by the intercity bus service. In addition, stops at Wal-Mart and other key destinations can be installed so people know the precise location where vehicles stop.

Informative bus stops provide an invaluable ongoing marketing function. Comprehensive bus stop signs show people who are not familiar with the transit service that it exists and might be

available to them. They also reassure riders that they are at the correct location — something of great concern on a deviated route or commuter when buses run with limited frequency. Any bus stops should be clearly marked with signs that provide as much information as possible: the new consolidated system name and logo, stop and frequency information (if appropriate) and a contact telephone number or website. Adding shelters, benches and news racks/bulletin boards is recommended for high-volume stops.

Printed Materials

Both transit operators provide limited printed information. It is not widely available except from the county offices, and few locations in either community have a stack of transit information brochures available to the public.

At a minimum, printed materials about the consolidated system should provide the following:

- General overview system
- A map of local service (deviated routes and dial-a-ride service areas) and key destinations and intercity routes
- Rider rules
- Fare information, including types of fares and how to purchase passes
- Service hours
- Transit service policies
- Information on contacting staff with questions or complaints
- A short description of the dial-a-ride operation (to manage expectations of transit's capacity in Faribault and Martin counties)

The brochure should be reviewed and updated annually. A distribution plan should be developed to ensure a supply of up-to-date brochures is widely available at community centers, supermarkets, libraries, and public buildings. Ideally, these are locations where passes are also sold.

Electronic Informational Tools

Transit agencies of all sizes include a great deal of information about their services on the internet: maps, service information and alerts, service changes, special event information, etc. Transit agencies typically choose a clear and succinct web page URL to maintain consistency with posted signage and reduce confusion. Increasingly, transit agencies have also expanded their web presence onto social media websites such as Facebook or Twitter where more direct communication to existing and potential riders is possible. When Facebook or Twitter users “like,” or “follow” the transit agency’s page or account, these users receive real-time notice of any updates that the agency makes, whether regarding special offers or service alerts.³ Other agencies allow riders to sign up for email newsletters to stay informed of any service changes or other news.

Both Faribault County Prairie Express and Martin County Transit have some information available on web pages that are managed and updated in house. The Martin County Transit page

³ On Facebook, when a user “likes” a transit agency page, they will have the option to “Get Notifications” from the agency in addition to having updates show up in the user’s News Feed.

is on the county website and includes links to PDFs of the brochures, a set of service policies, fare information, and advertising opportunities for businesses. The Prairie Express webpage is on the Faribault County website and features the riders guide, rules and regulations, and fare information.

Neither web page is dynamic, meaning neither can be updated to indicate weather delays or emergencies. Neither operation has a Twitter or Facebook presence that would allow for dynamic updates, but a consolidated service should consider a social media presence for purposes of providing key updates to riders. Many transit systems have integrated an automated calling feature with RouteMatch to confirm reservations, report delays or offer reminders of reservations. This technology can be tied to the reservation system for the consolidated transit operation.

Facebook and Twitter accounts can be managed by savvy administrative staff or customer service staff, and can be used to inform regular users of service changes, detours, or other updates. Social media have been especially successful at closing the information gap for transit providers that do not provide real-time arrivals and departures, and even more useful when they can be integrated into a comprehensive information system. A Twitter follower, for example, can find out that there is a vehicle breakdown or a weather-related service issue just by checking his or her Twitter feed. Both Facebook and Twitter posts can be consolidated using any number of free (or inexpensive) software packages.

Once a new system name is identified, an independent transit system website should be developed that allows for dynamic updates and can be linked to social media accounts. The quality of a transit operation's web site affects riders' or potential riders' perceptions of the level of service they can expect from the agency. For the consolidated system in Martin and Faribault counties, key areas of consideration for the development of a website are as follows:

- The website should be organized with the most important information readily and easily available.
- Make a systemwide map readily available on the website so someone unfamiliar with the system can get their bearings and understand the intercity and deviated routes, as well as the dial-a-ride service areas.
- Consider a mobile friendly design for the site.
- Include information about policies, rules, hours and fares.
- Offer an area for real-time information updates.
- Consider a unique domain name, which could be the name of the new system.

The web site should be maintained regularly and information should be updated as service changes are implemented.

Ongoing Public Relations

Opportunities exist for an increased role in community outreach and involvement.

High-touch marketing provides a personalized word-of-mouth introduction to the service and social support for using the service. This could be accomplished by working closely with hospitals, Human Services, and the business community to discuss the program's benefits and various elements and learn from the community about how successful transit is at meeting needs.

Transit education programs in the schools and at senior centers, in addition to rider education programs can maintain ridership and build a better understanding of transit. Having staff

available to speak at major events or to school or senior groups on using transit is an excellent way for building local support for the transit operation. Public speaking not only allows one to get across a simple message regarding services and availability, but also allows the speaker to educate potential riders how to ride, making better riders.

In addition to public speaking, local newspapers, radio stations, and local cable access television regularly seek informative news items and are glad to make available news in the public interest. Because public transportation is a community service, published press releases can amount to regular media exposure, again building support for and a better understanding of the role of transit in the community.

Special events can make for effective and inexpensive advertising. These events might include sponsorship of special shopper buses, displaying buses at fairs and festivals throughout the area, as well as events for children and seniors, including transit education programs.

OPERATING AS A TWO-COUNTY SERVICE

Initiating service as a two-county operation means that the consolidated transit agency will provide service that is both cost-effective and efficient and meets the proposed performance standards to serve the array of existing and untapped transit markets in the region. The JPB will need to approve a set of proposed policies and standards (see the discussion beginning on page 4) that will apply to transit throughout the service area.

Although information on dial-a-ride service and demand-response service has been included in the previous technical reports, some supplemental service information is provided in the following discussion.

Dial-a-Ride Service “Zones”

Dial-a-ride is generally practical for low-density areas with widely dispersed demand, but some pooling of demand is seen in portions of Faribault and Martin counties, with populations traveling in Martin County mostly from Truman and Sherburn and in Faribault County from any of the smaller cities to Blue Earth, Wells or beyond the county line. With a two-county system in place, it is expected that there may be more demand for travel to Fairmont from Faribault County cities and pooling those rides in specific corridors will be an appropriate efficiency measure.

Currently on both systems, transit vehicles are scheduled and dispatched based on whenever service requests are made. For example, if Martin County Transit receives a request for a trip from Truman to Fairmont, staff will schedule that ride if a vehicle is available. If another request comes for a trip from Truman to Fairmont less than one hour later, if there is availability, staff will schedule that ride. As a result, a number of trips are operated as single-passenger trips. While this provides ongoing use of the vehicles and keeps them moving, many transit agencies schedule trips that operate within service zones as a way to concentrate the scheduling of trips in specific corridors at certain times of the day. For example, buses could be scheduled to operate in one portion of the service area for one hour and then not be available for the next hour or two. Under such a scenario, service in Winnebago might be available three times a day on specific days of the week: in the morning around 8:00 AM, midday around 11:00 AM and in the early afternoon around 2:00 PM. After the bus picks up and drops off people making local trips in Winnebago, it would continue on to Blue Earth where it might provide local demand-response service, or go to a different service zone.

Increasing Number of Scheduled Group Trips

Although a baseline number of group trips is proposed at one per day systemwide, an effective rural transit operation may be able to serve more than one per day. These scheduled group trips would be provided using a passenger bus and would be expected to make primarily grocery trips from smaller communities to larger communities in the short term. Assuming success, the model could be expanded, with the potential to pilot regional day trips, dialysis trips, and other medical trips.

CONCEPTUAL TIMEFRAME

Assuming implementation in July 2015, Figure 6 presents an implementation timeline to proceed with the consolidation of the core services. The major steps in this timeline are organized by function. Key components of each of these functions are included in this report and in the previous technical reports. The implementation timeline provides guidance in several key areas including administration; marketing and public information; service operations, capital and financial planning; facilities, equipment and maintenance; information technology; and monitoring. To transition from the current transit services to a consolidated structure requires a wide range of activities with both existing agencies and staff from the counties cooperatively working together with MnDOT staff.

Assumptions about responsibilities and staff (or adjunct staff or consultants) hours are shown in the figure, along with a range of costs for primary capital needs. Total transitional fixed costs are estimated in the range of \$14,000 to \$37,000, and depend on the comprehensiveness of modifications needed to the dispatch function, need for vehicle repainting or decals, and installation of signage in Fairmont for a deviated route. These assumptions are in line with those provided in Technical Report 3, where one-time transitional costs were estimated at \$20,000.

Because not all activities can be fully identified at this time, the implementation table includes additional lines for the inclusion of supplemental tasks. This table can be updated as needed by staff and commissioners working to carry forward the plans for consolidation.

Figure 6 Implementation Tasks and Conceptual Timeframe

		Primary Responsibility <i>(if applicable, key support role is shown after semicolon)</i>	Estimated Resources		2014		2015								November 2015 and Beyond	
			County, JPA, or Consulting Staff Hours	Fixed Costs (Low – High)	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug		Sep
ADMINISTRATION/STAFFING																
1	Convene meetings of commissioners from both counties to determine JPB composition	Staff from both counties; county commissions	4													
2	Draft Joint Powers Authority (JPA) agreement to establish guidelines for a consolidated transit service	Staff from both counties and/or consultant	24													
4	Determine staffing plan and plan for contracted services	Staff from both counties and/or consultant	8													
5	Develop staff transition plan (or staff contracting plan)	Staff from both counties and/or consultant	12													
3	Take JPA agreement to both commissions for formal action	Staff from both counties; county commissions	4													
6	Hire staff/facilitate move of staff to new roles or contract for administrative staff	Staff from both counties initially and JPB	16													
7	Ongoing meetings with JPB	Staff from both counties initially, then JPA staff; JPB	16													
8	If applicable, prepare RFP(s) for contracted maintenance, scheduling/dispatch, or operations	JPA staff	40													
9	If applicable, negotiate seniority, bid selection with staff representative or union	JPA staff; JPB	32													
10	Plan for transition of assets to JPA	JPA staff; MnDOT staff	8													
11	Develop budget	JPA staff	16													
12	Implement Community Advisory Committee	JPA staff; JPB	16													
13	If applicable, select contractors for maintenance, scheduling/dispatch, operations	JPB; support from JPA staff	16													
14	Develop set of administrative procedures	JPA or contracted staff, as appropriate	24													
15																
16																
CAPITAL AND FINANCIAL PLANNING																
1	Gain consensus and buy-in from MnDOT and counties to plan for smooth funding transition from local cities to JPA	Staff from both counties and MnDOT staff	8													
2	Finalize cost sharing strategy	Staff from both counties and/or consultant	4													

Launch Service

	Primary Responsibility <i>(if applicable, key support role is shown after semicolon)</i>	Estimated Resources		2014		2015								November 2015 and Beyond		
		County, JPA, or Consulting Staff Hours	Fixed Costs (Low – High)	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug		Sep	Oct
3	Negotiate with both counties on transfers of existing fleets to JPA based on vehicle age, condition, mileage and suitability for the service area	Staff from both counties and/or consultant; MnDOT staff	16													
4	Finalize set of consolidation transition-related costs for MnDOT for transition funding	Staff from both counties initially, then JPA staff; MnDOT staff	16													
5	Develop unified capital replacement plan	JPA staff; MnDOT staff	8													
6	Explore local revenue enhancement opportunities/partnerships to support local share of transit funding	JPA staff	16-24													
7	Develop long-term financial plan	JPA staff	8													
8																
9																
MARKETING / PUBLIC INFORMATION																
1	Create public information about the planning process and planned outcomes of the consolidated planning effort	Staff from both counties and/or consultant	16													
2	Develop new brand identity for the two-county consolidated system	Staff from both counties initially, then JPA staff (and/or consultant)	24 (collaborating with college)													
3	Determine how to delineate different services: dial-a-ride, deviated route, commuter services and scheduled group trips	JPA staff and/or consultant	16													
4	Secure URL for new consolidated system website	JPA staff	8													
5	Conduct public meetings about planned changes to transit	JPA staff	40													
6	Develop consolidated transit brochure/service area map; print and distribute	JPA staff and/or consultant	40													
7	Develop website for consolidated system	JPA staff and/or consultant	32-56													
8	Develop and implement consolidated public information/outreach campaign	JPA staff and/or consultant	40													
9	Conduct kick-off event to launch consolidated transit service	JPA staff	24													
10																
11																
SERVICE / OPERATIONS																
1	Begin discussions with drivers about proposed plan for transition	Staff from both counties initially, then JPA staff	4													
2	Refine the service plan	JPA staff and/or consultant	8													

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	Primary Responsibility <i>(if applicable, key support role is shown after semicolon)</i>	Estimated Resources		2014		2015										November 2015 and Beyond	
		County, JPA, or Consulting Staff Hours	Fixed Costs (Low – High)	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct		
3	Adopt performance measures and standards	JPB	4														
4	Develop an operating plan to support the service plan	JPA Staff; MnDOT staff	8														
5	Test deviated and commuter routes for operability, make adjustments as needed	JPA staff	6														
6	Coordinate with adjacent transit agencies for potential transfers/service alignments	JPA staff	8														
7	Determine fare structure; consider price changes/zone fares and passes	JPA staff	8														
8	Conduct public hearings and adopt service and fare plan	JPA staff	4														
9	Make final revisions to services before implementation	JPA staff and/or contract operator	4														
10	Establish local bus stop maintenance and amenities plan	JPA staff; City of Fairmont staff	8														
11	Prepare training plan for drivers	JPA staff and/or contract operator	4														
12	Finalize schedules	JPA staff and/or contract operator	8														
13	Train drivers and administrative staff about new services and procedures	JPA staff and/or contract operator	16														
14	Install new bus stop signs in Fairmont and at commuter bus stop locations	JPA staff or City of Fairmont staff	24	\$4,500-\$9,400													
15	Implement consolidated service plan	JPA staff and contract operator(s), scheduler(s), and maintenance provider(s); JPB	N/A														
16	Refine service schedules as needed	JPA staff and/or contract operator	4														
17	Develop plans for refinement and future expansion of service	JPA staff	16														
18																	
19																	
FACILITIES, EQUIPMENT AND MAINTENANCE																	
1	Confirm storage locations for vehicles	JPA staff and staff from both counties	4														
2	Inform MnDOT of vehicle transfers & change of licensing/permitting	JPA staff; MnDOT staff	8														
3	Upgrade facility or facilities for consolidation	JPA staff and/or contract operator	N/A	\$500-\$1,500													
4	Confirm provider(s) for vehicle maintenance (if not part of contracted services)	JPA staff	4														
5	If applicable, transfer spare parts for vehicles	JPA staff and/or contract operator	4														
6	Develop appropriate parts inventory levels	JPA staff and/or contract operator	4														

	Primary Responsibility <i>(if applicable, key support role is shown after semicolon)</i>	Estimated Resources		2014		2015										November 2015 and Beyond	
		County, JPA, or Consulting Staff Hours	Fixed Costs (Low – High)	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct		
7	Replace decals on vehicles with unified system brand; repaint vehicles as needed	JPA staff and/or contract operator	N/A	\$6,000-\$14,000													
8																	
9																	
INFORMATION TECHNOLOGY AND SYSTEMS ADMIN																	
1	Secure telephone number for two-county consolidated system	JPA staff	8														
2	Transfer licenses for RouteMatch and tablets to JPA; purchase additional tablets/software licenses (see item 5 below)	Martin County staff and JPA staff	8	\$1,500-\$4,500*													
3	Develop consolidated telephone and computer center for scheduling and dispatch	JPA staff and/or contract operator	16	\$0-\$2,000													
4	Develop vehicle communications plan between dispatch and operators	JPA staff and/or contract operator	8														
5	Install communications equipment on vehicles from Faribault County	JPA staff and/or contract operator	12														
6	Install uniform fareboxes	JPA staff and/or contract operator	8	\$0-\$1,600													
7	Initiate centralized scheduling and dispatch center for consolidated system	JPA staff and/or contract operator	N/A														
8																	
9																	
MONITORING (After Implementation of Consolidated Service)																	
1	Determine if consolidated services are meeting performance standards	JPA staff	8														
2	Monitor service on monthly basis and report to Community Advisory Committee and JPB	JPA staff	4/month														
3	Adjust service and make other revisions as necessary	JPA staff and/or contract operator	4/month as needed														
4	Solicit rider feedback via surveys**	JPA staff	40/year														
5																	
6																	

*Depends on number of additional vehicles to be outfitted (approx. \$1,500 per vehicle)

**Survey recommended after one year of service.

LONGER TERM: VOLUNTEER DRIVERS, MOBILITY MANAGEMENT WITH ADDITIONAL LOCAL PARTNERS, AND MULTICOUNTY CONSOLIDATION

While jurisdictional boundaries are important features for establishing funding mechanisms and zones of responsibility, they are often meaningless to a public that desires to travel to neighboring counties, and Mankato in particular. Ultimately, the coordination of transit services operated by various agencies is key to creating seamless connections and facilitating regional travel patterns.

Opportunities for Volunteer Driver Program

A volunteer driver program can mean many different things. Some agencies in Minnesota rely on volunteer drivers to operate their buses, while others make use of volunteer drivers to fill the gaps in service: to provide transportation for people who cannot effectively (or cost-efficiently) be served by regularly scheduled transit. In most situations, volunteer driver programs can be implemented based on a model that allows for volunteer incentives and/or reimbursement in the recruitment of drivers for people with mobility needs. Volunteer driver programs can be especially useful for transit agencies to oversee as a way to reduce costs for limited or long-distance services; they also offer a service that meets the need for personalized or door-through-door assistance.

Implementation of a new volunteer driver program or expansion and formalization of existing programs is an appropriate element of a comprehensive coordination effort in Martin and Faribault counties.

Typically, a volunteer driver program is managed by a county government (or unit thereof, such as Human Services of Faribault/Martin Counties or a transit operation) or a nonprofit human service organization. Identifying the appropriate sponsor agency will depend on the staff's capacity to administer a volunteer driver program, the potential for the agency or organization to be a recipient of grant funding and donations for the program, an agency's comfort with the liability exposure related to administering a volunteer driver program and the ability to possess minimum insurance required, existing volunteer pools or networks for recruiting volunteers, and organizational experience with coordinating volunteers. In Faribault and Martin counties, potential sponsor agencies, other than the counties themselves, could include any number of organizations, including senior centers and existing volunteer programs in adjacent counties. Volunteer driver programs are often sponsored by nonprofit organizations for several reasons, including the familiarity many nonprofits have with managing volunteer-based activities, funding opportunities available to nonprofits, and the perception that operating a volunteer driver program is riskier for an entity with "deep pockets," such as a public entity.

Although several different types of models exist for a volunteer driver program, proposed objectives for such a program should be to provide a service to riders who are otherwise unreachable by other services and/or are too costly to serve, offer a transportation option for isolated seniors and ambulatory people with disabilities, provide a new option for making longer-distance specialized trips, and possibly establish a transportation link from the very smallest and most difficult to serve communities to any of the cities in either county.

The objectives of the program and the constraints and priorities of the sponsoring agency will ultimately determine which model is most appropriate. Three of the most logical examples include the following:

- **The “volunteer friends” model** pioneered by the TRIP program in Riverside, California. Riders recruit their own drivers and schedule rides without involvement of the sponsoring agency. Mileage reimbursement is provided to the riders, who in turn reimburse their volunteer drivers on a monthly basis. This approach is intended to empower riders, reduce operating costs, and limit the sponsor agency’s liability related to recruiting, screening, training and monitoring volunteer drivers. Sponsors implementing programs inspired by the TRIP model often provide coaching to riders about how to identify and recruit volunteer drivers.
- **“Traditional” volunteer driver programs** that recruit, screen, train, and monitor volunteer drivers, as well as match riders with drivers, schedule rides, and reimburse drivers. In these programs, the sponsor agency has a central role in developing and implementing a range of policies and procedures, driver standards, driver screening and training activities, and other measures that reduce risk and liability exposure.
- **A hybrid model** that relies on riders to recruit and schedule rides with their own volunteer drivers, but requires drivers to pass a basic screening which typically includes verification of a valid drivers’ license, verification of insurance, and public safety records checks. A hybrid model may supplement rider-identified volunteers with a pool of volunteers recruited by the sponsor agency. In cases in which the sponsor agency directly recruits volunteers, the sponsor typically assumes responsibility for screening, training, and monitoring those volunteer drivers directly recruited by the agency.

In Faribault and Martin counties, a traditional model is proposed because concerns exist that some riders may be isolated and/or have difficulty recruiting volunteers. Under a traditional model, individuals would be scheduled for trips by a transit dispatcher or volunteer driver manager using a pool of available volunteers, and likely for trips that are being scheduled in advance. Thus, someone could be scheduled for a transit trip and a transit vehicle might be dispatched; someone else might be scheduled for a volunteer trip and the dispatcher would notify the volunteer of her/his driving assignment.

Appendix B includes brief case studies of volunteer driver programs in Minnesota that provide examples of how other similar rural transit operations have optimized use of volunteer drivers. Ultimately, the specific parameters of a volunteer driver program will need to be defined and documented. Some of the important elements to consider in defining a volunteer driver program include the following:

- **Eligible Riders.** A volunteer driver program could be targeted to isolated seniors and people with disabilities who are unable to drive themselves, access transit services, or use a contracted provider. In refining these criteria, the sponsor agency may wish to consider additional qualifying factors such as the need for specialized transportation service due to a medical or health condition, the need to make a trip more often than what might be available, the inability to pay for more expensive transportation options, or the use of the volunteer driver program to connect with transit services that do not operate near an individual’s place of residence.
- **Trip Purpose.** Some volunteer driver programs prioritize or limit service to certain types of trip purposes, such as medical trips or nutrition-related trips. However, recognizing that a wide range of trips is necessary to maintain an individual’s social

engagement and mental and physical health, along with concerns about the limits of existing services, it is probably not necessary to limit services by trip purpose at this time.

- **Trip/Reimbursement Limits.** Trip or reimbursement limits are used by volunteer driver programs to control costs and ensure that the budget for driver reimbursement is distributed in an equitable way among registered riders. Some programs adjust mileage allocations for riders who have special needs, such as the need to travel long distances to access specialized medical care.
- **Service Area.** The consolidated transit system in Martin and Faribault counties has the option to establish geographic limits for transportation to be reimbursed through the program. For example, only residents of communities difficult to serve by the consolidated system might be deemed eligible, or maximum distances could be established for travel between communities. At this time, a volunteer driver program would be assumed to operate exclusively within the two-county service area.
- **User Fees/Donations.** Many volunteer driver programs provide services free of charge, but others (see Appendix B) choose to incorporate a user fee such as a suggested per-trip donation to support the program, which may be optional to accommodate low-income individuals. Because fares would be charged for transit trips, riders could be asked to pay the same amount as the fare for a trip provided by a volunteer.
- **Extent of Assistance Provided by Driver.** These policies could relate to the type of assistance that can be provided to riders inside their home or their destination, if applicable (e.g., help with putting groceries away, putting on or taking off a jacket); carrying packages or luggage; assistance in transferring to and from a wheelchair when getting into and out of the vehicle; etc.

If such a service is implemented in Faribault and Martin counties, a number of steps will need to be undertaken to initiate service. These include the following:

- Define the policies and service parameters.
- Confirm the program design.
- Staff the program. Based on the scale of the presumed program, staff would be needed to recruit, screen and orient volunteer drivers, reimburse drivers, and prepare monthly performance and management reports.
- Develop a risk management plan with standards for safe drivers and driving conduct, specific criteria for selection and screening of drivers, driver training in defensive driving, emergency measures, passenger treatment, insurance coverage for non-owned vehicles (though is advisable for any type of volunteer driver program), and ongoing evaluation of drivers, vehicles, and service-delivery.⁴
- Secure funding through public grants, private donations and contributions from program partners.
- Develop forms. These include a rider application, rider liability waiver, rider information files, volunteer driver application and driver liability waiver, volunteer driver information files, rider guide, volunteer driver handbook, vehicle safety checklist, driver selection checklist, and driver training checklist (if applicable).

⁴ See Beverly Foundation and Independent Living Partnership (2006), Risk and Risk Management Strategies: Important Considerations for Volunteer Driver Programs and Volunteer Drivers. Available at http://www.beverlyfoundation.org/turnkeykit/documents/planning/Risk_Management_Strategy.pdf

- Identify and secure necessary insurance.
- Recruit an initial pool of volunteer drivers.
- Implement the volunteer program's operations.

Given the experience that Martin County's transit contractor –Fairlakes – has with managing the volunteer driver program for the human services program in both counties, it may be appropriate to build upon that program and expand it to serve people who are not necessarily affiliated with the human services programs. Whether Fairlakes becomes the operator for the two-county system or not, moving this program provides for a transition of the transit function to a broader mobility management-based function (see below).

Initiate Mobility Management Efforts

Mobility management refers to the practice of developing and restructuring transportation services. Mobility managers coordinate with multiple transportation providers to develop services to meet an array of transportation needs. Based on input and interest from PAC members for long-term integration in a larger regionalized transit operation, it is anticipated that coordinated mobility management via a transportation brokerage with multiple agencies (and potentially other counties) might be the appropriate mechanism for expansion, administration and funding of service in Faribault and Martin counties. This is a model that can be implemented over time, with the expectation that a larger scale transportation brokerage may not be in effect for five or ten years from now.

The primary advantage of a brokerage model in the midterm is centralization of information, scheduling, operations, and funding. The brokerage function makes use of transportation solutions specialists who help callers navigate the variety of services by scheduling riders on trips that may be operated by any number of transportation providers. Based on experience from across the US, some advantages of a brokerage model are as follows:

- Increased awareness of transportation options and usage of these options
- Increased cost-effectiveness of existing services, by integrating other providers into the available services offered in Faribault and Martin counties
- Cost-efficiencies by consolidating trip reservations and scheduling staff
- Maximized opportunities for ride sharing
- Improved service delivery and customer satisfaction
- Increased service levels as a result of cost savings

In addition to these advantages, some cautions are noted, which is why a brokerage may take several years to develop in Faribault and Martin counties:

- A limited number of potential service providers exist within either Martin or Faribault counties, although some partners may exist beyond the county lines.
- Once implemented, a brokerage requires leadership, ongoing attention and committed staff. It represents a significant shift in the way services would be provided from a traditional transit operation to an operation that relies on partners to provide some trips.
- A lack of experience working together on transportation in Martin and Faribault counties, and a resulting lack of data about cross-county demand, untested partnerships, and a lack of experience with a different type of transportation business model may be a challenge.

- A brokerage requires project governance, cost allocation/reimbursement models and service delivery standards, which would need to be developed on top of those developed for a consolidated transit system.

Expanding Consolidation in Southern Minnesota

Longer term, a mobility management effort could lead to an expanded consolidated system with additional participating jurisdictions. MnDOT is conducting a series of ongoing studies that have looked at ways to merge existing systems into larger consolidated systems. It is entirely appropriate that longer term, a consolidated operation in Faribault and Martin counties could be integrated into an existing regional transit system or could serve as the foundation for a new regional system that welcomes other counties to the operation.

Many transit systems in Minnesota serve multiple counties. While potential cost efficiencies might be gained from larger scale operations, a system can also become too large to effectively serve the markets that it seeks to serve. Facilitating links to Mankato or to southeast Minnesota through coordination, or even potential consolidation, with operations in Blue Earth County and Watonwan County, or with SMART, may be appropriate longer term once smaller coordination and consolidation efforts have been deemed successful. It will be up to the JPB, working with partner organizations in southern Minnesota and MnDOT, to consider if and when an expanded service will be appropriate.

Given the anticipated success of the Martin-Faribault consolidation and the experience that stakeholders will have gained in the merger, the consolidated system will be in a good position to lead coordination and/or consolidation efforts with other providers in the region.

CONCLUSION

Implementing the restructuring of transit in Martin and Faribault counties will require a wide range of activities, most of which will be led by existing transit staff with the cooperation and coordination of MnDOT. Early endorsement and support from policymakers and agency management will be a critical component for moving forward with consolidating services.

In addition to the essential administrative first steps, the major tasks involved in implementing the plan focus on service planning, operations, marketing/public information, and capital and financial planning. Following the introduction of the new service, monitoring the effects on ridership, revenues and other key indicators will be critical.

APPENDIX A

LESSONS FOR FARIBAULT AND MARTIN COUNTIES IN THE CONSOLIDATION OF FACILITIES

An assessment of current practices in the consolidation of facilities was performed to provide guidance for Martin and Faribault counties. Research was conducted with transit agencies that have consolidated transit services to learn how they manage their facilities. The primary focus of this research was on Minnesota Public Transit Systems similar in size to Martin and Faribault counties, along with some national examples. For this assessment, facilities are defined as maintenance and storage facilities, stations, and transit-related structures (e.g., bus stop shelters). This assessment does not include equipment (e.g., ITS) and rolling stock.

Case Study Findings

Based on the plan to consolidate transit services in Faribault and Martin counties, the following case studies were found to highlight relevant experiences and guidance. They represent a variety of models. The research shows that not all of the consolidated services physically consolidated facilities. Some agencies consolidated management to promote efficiency and for cost savings. In other cases, consolidation included transferring ownership of land or vehicles, discounted rental rates, consolidation of facilities, or consolidated technology and software.

The following Minnesota Public Transit Systems are briefly discussed in this assessment:

- Kandiyohi Area Transit
- Prairie Five Rides
- Rainbow Rider Transit
- Trailblazer Transit
- Tri-Valley Heartland Express

Kandiyohi Area Transit

Kandiyohi Area Transit (KAT) serves the City of Willmar and Kandiyohi County with nine Class 400 vehicles and three Class 500 vehicles, operating a deviated route and dial-a-ride service.

KAT is a joint-powers agency between the City of Willmar and Kandiyohi County. KAT is currently undergoing a transition which intends to execute a new joint-powers agreement in January 2015 to include Renville County Heartland Express.

During the consolidation process, the agencies highlighted several topics they need to address such as insurance, ownership of capital, and wage and benefit package differences. They are currently working on developing a competitive compensation package for both parties involved,

especially given that one agency has a labor union. Due to early involvement and ongoing communication, the labor union has shown initial support of the agreement.

Due to the expansion of the service area, the agencies will continue to utilize two different facilities. While KAT owns its storage and maintenance facility, its anticipated growth requires an expanded facility. Renville County Heartland Express rents a storage facility from the county, while maintenance is conducted at the County Public Works Yard. This would continue under the agreement. An anticipated major benefit of consolidation is efficiency of operations and use of joint funds for RouteMatch software.

Prairie Five Rides

Prairie Five Rides serves Big Stone, Chippewa, Lac Qui Parle, Swift, and Yellow Medicine counties and the city systems of Appleton, Canby, Dawson, Madison, Montevideo, and Ortonville. Prairie Five Rides has 16 Class 400 vehicles, four wheelchair-accessible vans, and 43 volunteer drivers using their vehicles to provide dial-a-ride service to areas throughout the state, as well as bus service to the Twin Cities, Marshall, Willmar, and St. Cloud.

In 1998, the City of Dawson built a facility for bus storage with MnDOT funding. In July 2012, Prairie Five Rides merged with Dawson Heartland Express, and in January 2013 the City of Montevideo merged its bus service into the operation. In each instance, Prairie Five Rides approached each of the cities with a goal of providing a more efficient service.

In the initial consolidation, Prairie Five Rides dealt with facility and vehicle acquisitions. Prairie Five Rides purchased two buses from the City of Dawson, which continued to be employed in the city's service area. In the City of Dawson, Prairie Five Rides utilizes a MnDOT-owned facility with four bus bays, shared with a hospital/emergency ambulance and pays no rent for this space. MnDOT and the City of Dawson are determining whether to transfer MnDOT's ownership of the property to the City of Dawson, or maintain ownership. If the facility is sold to the City, then Prairie Five Rides would most likely pay rent. Since the facility was state and federally funded, the disposal of the land requires a lengthy and complicated process.

The City of Montevideo had three buses of which Prairie Five Rides purchased one at a discounted price. Prairie Five Rides rents a 3-stall garage facility from Montevideo for \$300/month.

Though consolidated, Prairie Five Rides' role is limited to management, with each city serving on the Technical Advisory Committee. It has not yet been determined if there has been any cost savings.

Rainbow Rider Transit

Rainbow Rider Transit serves Douglas, Grant, Pope, Stevens, Todd, and Traverse counties with 31 Class 400 vehicles, one Class 500 vehicle, and two minivans that provide dial-a-ride service.

Rainbow Rider Transit has several facilities throughout their service area. Rainbow Rider Transit has an arrangement to share two public works buildings in Traverse County (cities of Wheaton and Brown Valley). The public works buildings are owned by Traverse County, and the County agreed to not charge rent in return for the installation of a door opener.

While the agreement is considered beneficial to Rainbow Rider Transit, the lack of a written formal agreement may be potentially problematic in the future, especially in the area of cost sharing because the door opener installation incurred unanticipated cost overruns. While this was a low cost item, it could have been an issue if it was a larger expense. Rainbow Rider Transit

staff's recommendation for Faribault and Martin counties is to have "everything in a written agreement to clearly define ownership and responsibility for costs."

Trailblazer Transit

Trailblazer Transit serves Sibley and McLeod counties with 18 Class 400 vehicles and provides dial-a-ride service. Trailblazer Transit planned for a consolidated transit facility in Glencoe, MN in 2011. The facility is currently under construction and will bring scattered offices and garages together at one location. Trailblazer Transit had four facilities in three different cities and two counties.

A joint-powers agreement was created between Sibley and McLeod counties after several meetings were held to encourage decision makers to move forward with this consolidation. The counties pursued American Recovery and Reinvestment Act (ARRA) funds to make the transition cost neutral to all parties.

Despite political issues as to where the facility's location would ultimately be located, an operational impact analysis was conducted to help determine an optimal location. To address some service impacts with the new location, Trailblazer Transit increased service hours to ensure service availability and schedule adherence.

Since consolidating, Trailblazer Transit staff report that the agency has saved \$100,000 per year in operational costs, exceeding original expectations.

Tri-Valley Heartland Express

Tri-Valley Heartland Express provides service to Polk, Norman, Marshall, Pennington, Red Lake, and Kittson counties, and Bagley in Clearwater County with 13 Class 400 vehicles and three Class 500 vehicles, providing deviated routes and dial-a-ride service.

Tri-Valley Heartland Express is absorbing Mahnommen County Transit into Tri-Valley, based on a service agreement. The consolidation will utilize an existing facility owned by Mahnommen County, located on the Mahnommen County Fairgrounds. The facility has a total of four stalls, three of which will be used by Tri-Valley Heartland Express and the fourth will be used by a county car. The facility was purchased with MnDOT funds and will be leased by the county to Tri-Valley Heartland Express for \$1/year for a 50-year term. In return, Tri-Valley will cover operations and maintenance costs, along with insurance.

Tri-Valley Heartland Express did not have the local match funds that would have been required to purchase the facility from Mahnommen County, nor were they interested in obtaining ownership.

APPENDIX B

VOLUNTEER DRIVER PROGRAMS: EXAMPLES FROM ELSEWHERE IN MINNESOTA

The following case studies are examples of volunteer driver programs in Minnesota. These examples illustrate the various facets of operating such a program, including rider eligibility, coordination with public transportation, and driver reimbursement. In all cases, volunteer driver programs require participants to call ahead to schedule rides with a dispatcher. Participants are encouraged to call 48 hours to one week in advance to schedule trips, which are assigned on a first-come, first-serve basis.

Trailblazer Transit

Trailblazer Transit in Glencoe operates a volunteer driver program in conjunction with its Dial-a-Ride service (Dial-A-Ride is the public transportation service for McLeod and Sibley counties). The service is intended to take groups of people in the same general direction to a variety of activity centers. In contrast, the volunteer driver program is intended to serve those traveling outside the two counties. Passengers may request door to door service, which are best suited for a rural, elderly demographic in need of specialized services.

The volunteer driver program operates daily, with weekday hours from 6:30 AM to 5:30 PM. Weekend hours vary depending on availability of drivers. While there are no specific schedules, dispatchers will coordinate based on demand, availability of drivers, and driver proximity to the participant.

While there are no specific qualifications to access the program, there are policies in place that may require potential participants to use the Dial-a-Ride service instead of a volunteer driver. For example, the size of the typical volunteer vehicle restricts participants from bringing bicycles and large oxygen tanks in the vehicle. In addition, the driver qualifications include proof of insurance, vehicle checks, annual reviews, and background checks.

Volunteer drivers are incentivized to participate through reimbursed mileage and meals. In addition, the program is marketed as an opportunity to give back to the community and meet new people. Volunteers are reimbursed their total mileage, which also determines the cost of the trip. The reimbursement is 56.5 cents per mile plus parking and driver meal expenses (up to \$10/meal). The fares are divided by the total number of people that ride together on each trip. Passengers are billed monthly, and do not pay the driver directly. Volunteer-provided trips have typically represented fewer than 5% of all trips provided by the agency.

Tri-Valley

Similar to the Trailblazer Transit program, Tri-Valley in Crookston operates a volunteer driver program called Rural Transportation Collaboration (RTC) in Polk, Red Lake, Pennington, Norman, Marshall, and Kittson counties. The Tri-Valley bus operates in three service areas: Kittson/Marshall/Pennington, Norman/Mahnomen, and Polk/Clearwater/Red Lake. However, buses operate weekday schedules, while RTC offers extended services daily and provides a curb-to-curb service.

The volunteer driver program is based on demand, with driver availability dictating the schedule. The program operates seven days a week, with varying frequency. Usage ranges from ten rides to 100 rides a day. Participants typically use the service to attend medical, dental, and court appointments, as well as visitations and other activities. Some participants traveling for medical appointments may have their trip covered as part of their medical insurance. For all other riders, RTC requires half the payment up front as a deposit for new clients.

The program is available to all residents, and participants are encouraged to keep the 48 hour call-ahead policy. There are no eligibility requirements for participants.

Driver eligibility is based on an application and agreement to adhere to guidelines. Drivers must show proof of insurance to become eligible. To recruit volunteer drivers, Tri-Valley typically sends a marketing team to local fairs and events to advertise the program. The primary “incentive” is that drivers are “giving back to the community.” The program is considered successful and has obtained a sufficient number of volunteers. In 2012, drivers logged 22,148 hours and 659,023 miles⁵. Given its weekend operations and extended service area, Tri-Valley’s Rural Transportation Collaborative is able to provide additional transportation services outside the Tri-Valley area.

Hiawathaland Transit

Three Rivers Community Action, Inc. operates Hiawathaland Transit’s HART program from their base in Plainview. The HART program is the volunteer driver program for Goodhue, Rice, and Wabasha counties. The service is targeted at residents who cannot take public transportation or are unable to drive themselves. Hiawathaland Transit operates dial-a-ride buses with designated routes in some cities. Typically, transit buses operate within town, and the HART volunteer program allows participants to travel outside the service area or between service areas. In addition, HART drivers are allowed to provide door to door service, but are not allowed to wait for participants to complete their appointments.

The main function of the HART program is to transport individuals to appointments, shopping, entertainment, supportive services, visits, volunteer work, and other destinations. The program operates out of five offices: Winona, Rochester, Mankato, St. James, and Waseca. HART drivers provide service Monday through Saturday, with weekday hours from 6AM to 6PM and weekend hours from 7AM to 5PM.

Participants must call to request a ride. Some participants attending medical appointments may have insurance coverage for the ride and therefore receive the service free of charge. Participants over age 60 or low-income individuals may receive a discount.

Rides are scheduled on a first come, first serve basis. Rides can be scheduled up to one month in advance, with one week notice strongly encouraged. In addition, the HART program has a strict no-show policy. Two no-shows results in a suspension from the HART program for a period of two months. A third no-show results in a six-month suspension. No shows must compensate the drivers for mileage costs incurred.

While the HART program has no specific participant eligibility requirements, participants are not able to use HART as a medical emergency transport service. Caregivers must also be present if the participant needs assistance. Driver eligibility is dependent on age, driving records, and insurance. Once drivers are approved they receive discounted rates on insurance, obtain various

⁵ Tri Valley Opportunity Council, Inc. (May 13, 2012). “Rural Transportation Collaborative Delivers “Years” of Service in 2012.” Retrieved from <http://www.tvoc.org/rural-transportation-collaborative-delivers-years-of-service-in-2012/>

forms of training, and receive mileage reimbursement per trip. The cost of the trip is determined through mileage, and participants are directly billed by the program.

Most drivers are incentivized with insurance discounts, the ability to meet new people, and the satisfaction of giving back to the community. As with the other case studies, the HART program provides a “niche” service for those in rural areas traveling longer distances outside the standard public transportation service area and hours of operation.