City of Fosston Transit
Five-Year Transit System Plan

TRANSPORTATION CONSULTANTS, INC.

RLS & Associates, Inc.

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City of Fosston Transit

Five-Year Transit System Plan (FYTSP)

FYTSP Final Report

Prepared for:

Minnesota Department of Transportation
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LSC #184454

June 20, 2019

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Plan Approval

The Fosston Transit Five-Year Transit Plan recommends transit service improvements which reflect local priorities to meet transportation needs in the areas served by Fosston Transit.

This plan has been approved by the City of Fosston.

Signature: _____ Date: 6/10/19

Printed Name: James Offerdahl

Title: Mayor

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CHAPTER I

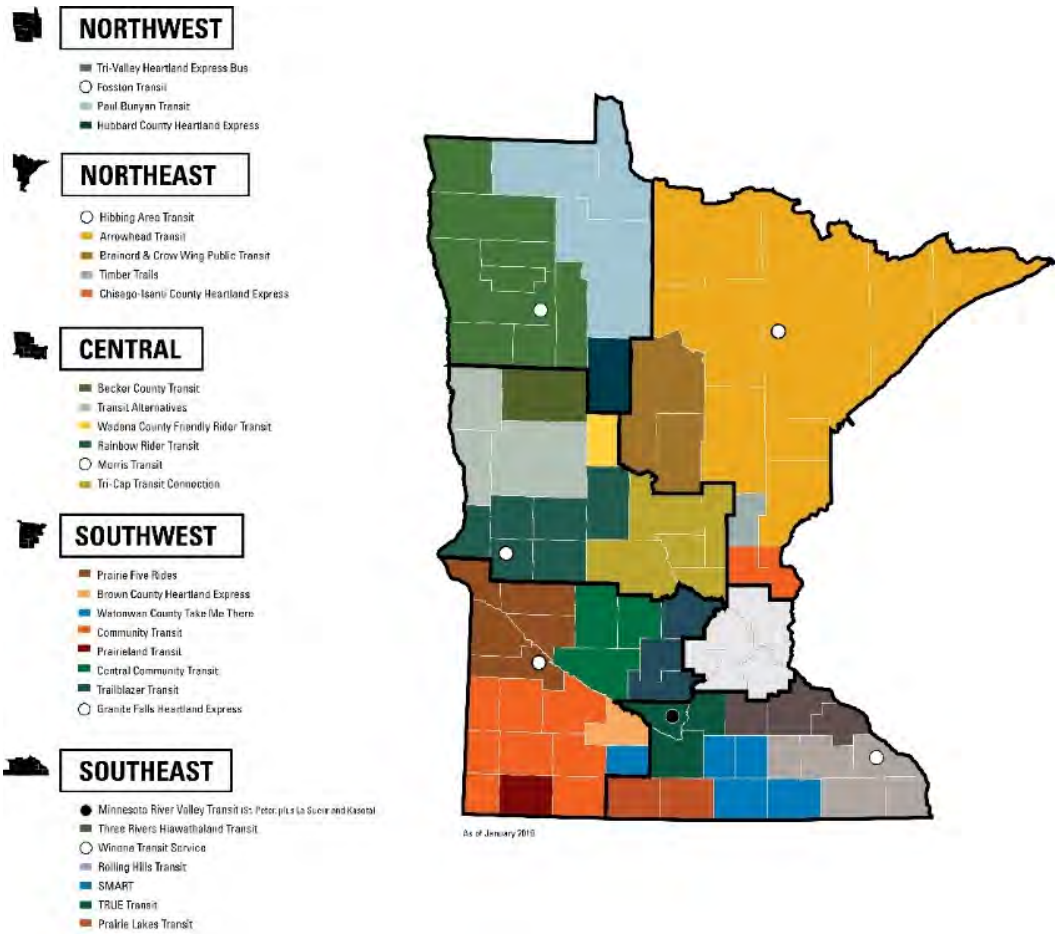
Executive Summary

OVERVIEW

The City of Fosston Transit Five-Year Transit System Plan (FYTSP) serves as the guiding document for the sustainability, growth, and development of public transportation services within the greater City of Fosston area. The FYTSP further serves as the guiding document for City of Fosston Transit for the 2020-2025 timeframe and is intended to guide funding, operational, and strategic decision-making.

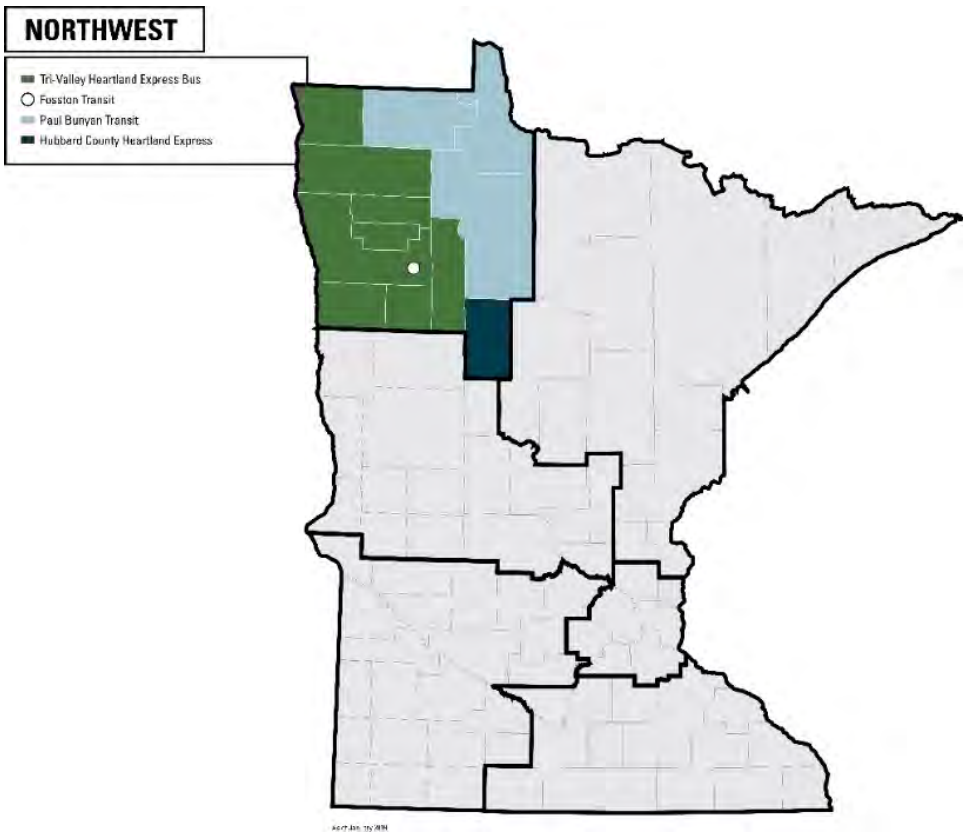
This FYTSP is part of a coordinated, concurrent statewide effort to develop FYTSPs for all 30 of the rural transit providers of Greater Minnesota, as shown in Figure I-1.

Figure I-1: Map of Greater Minnesota Rural Transit Providers Involved in Concurrent FYTSPs



LSC Transportation Consultants, Inc. (LSC) was selected by the Minnesota Department of Transportation (MnDOT) to develop the FYTSP for the four transit agencies of the Northwest region of Greater Minnesota, as shown in Figure I-2, which includes City of Fosston Transit as well as Paul Bunyan Transit, Tri-Valley T.H.E. Bus, and Hubbard County Heartland Express.

Figure I-2: Northwest MN Providers



The need for individual FYTSPs for rural providers developed from the 2017 Greater Minnesota Transit Investment Plan (GMTIP), which is MnDOT's 20-year plan for investing in rural public transit and increasing ridership. As part of the GMTIP process, the Minnesota state legislature established a legislative target of meeting 90% of the statewide rural transit demand by 2025, which is focusing attention on exactly how and where to expand rural transit service within Minnesota. Strategies to address the identified gaps between current services and needs, as well as opportunities to improve efficiencies in service delivery were also identified through regional Local Human Service-Public Transit Coordination Plans.

The State of Minnesota's transportation goals include:

(1) to minimize fatalities and injuries for transportation users throughout the state;

(2) to provide multimodal and intermodal transportation facilities and services to increase access for all persons and businesses and to ensure economic well-being and quality of life without undue burden placed on any community;

(3) to provide a reasonable travel time for commuters;

(4) to enhance economic development and provide for the economical, efficient, and safe movement of goods to and from markets by rail, highway, and waterway;

(5) to encourage tourism by providing appropriate transportation to Minnesota facilities designed to attract tourists and to enhance the appeal, through transportation investments, of tourist destinations across the state;

(6) to provide transit services to all counties in the state to meet the needs of transit users;

(7) to promote accountability through systematic management of system performance and productivity through the utilization of technological advancements;

(8) to maximize the long-term benefits received for each state transportation investment;

(9) to provide for and prioritize funding of transportation investments that ensures that the state's transportation infrastructure is maintained in a state of good repair;

(10) to ensure that the planning and implementation of all modes of transportation are consistent with the environmental and energy goals of the state;

(11) to promote and increase the use of high-occupancy vehicles and low-emission vehicles;

(12) to provide an air transportation system sufficient to encourage economic growth and allow all regions of the state the ability to participate in the global economy;

(13) to increase use of transit as a percentage of all trips statewide by giving highest priority to the transportation modes with the greatest people-moving capacity and lowest long-term economic and environmental cost;

(14) to promote and increase bicycling and walking as a percentage of all trips as energy-efficient, nonpolluting, and healthy forms of transportation;

(15) to reduce greenhouse gas emissions from the state's transportation sector; and

(16) to accomplish these goals with minimal impact on the environment.

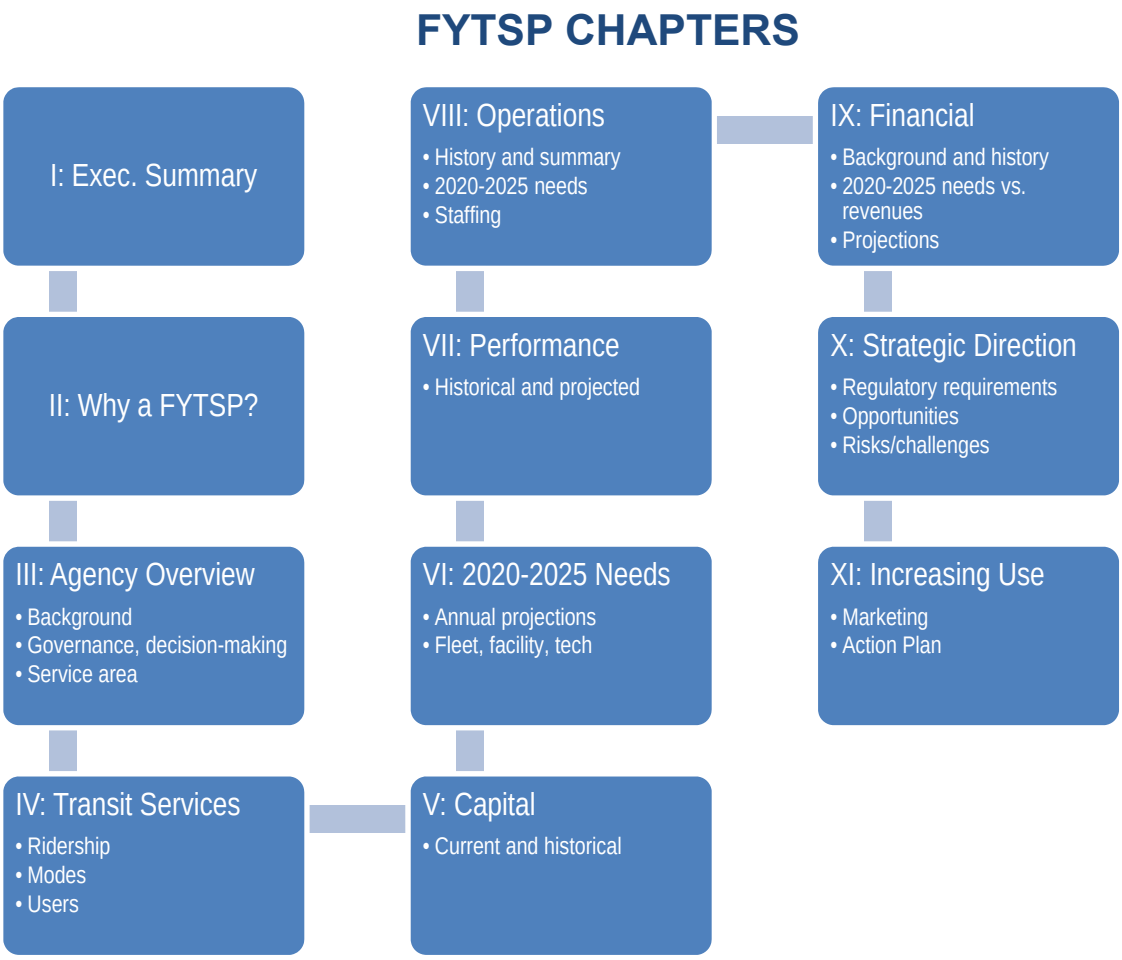
In addition to articulating the Fosston area transit needs to the state legislature, the purpose of this FYTSP is to help City of Fosston Transit understand strengths and weaknesses, identify unmet needs and future transit service changes, and develop a financial operating and capital plan that is adaptable to changing environments and opportunities.

The FYTSP planning process concentrates on local Fosston issues within the regional context by building community awareness and involvement in defining transportation needs. Desired outcomes of this process include:

- Increased community support
- More accurate budgets and definition of future needs
- Different funding scenarios to help prepare local decision-makers
- Better collaborating and coordination of public transportation services

PLAN CHAPTER SUMMARY

The City of Fosston Transit FYTSP is organized such that each chapter is built upon previous chapters to create a complete picture of current services, unmet needs, and future direction.



Chapter II: Why a FYTSP?

Chapter II establishes the context for the need for a FYTSP for all rural transit providers in Greater Minnesota. It is the only chapter that is consistent across all transit providers.

This chapter describes how the FYTSP will help rural transit systems like City of Fosston Transit work towards overall goals such as:

- Improve coordination of services to meet transportation needs.
- Increase ridership/usage across the network.
- Ensure fiscal responsibility as a transit funding agency.
- Anticipate and plan for future funding levels to achieve service expansion.
- Articulate and communicate a vision for the transit system and the benefits it provides to the community.

Ultimately, the vision is that the FYTSPs created throughout the state will bring all stakeholders together to develop a future vision that will guide the decisions made today.

Chapter III: Fosston Transit Overview

Chapter III provides a snapshot of City of Fosston Transit as it currently operates and includes agency history, governance, service overview, coordination, marketing, and partnerships.

City of Fosston Transit, operated by the City of Fosston, is a small, single bus service operating in a 2-mile service area beyond city limits Monday through Friday from 8 a.m. until 4:30 p.m.

Fosston Transit coordinates with other local transit providers in the area, including Tri-Valley T.H.E. Bus, and has partnerships in place with Polk County Developmental Achievement Center (DAC), local schools, an assisted living facility, and the local hospital.

Chapter IV: Fosston Transit Services

In Chapter IV, a more detailed description of current and historical ridership characteristics is presented. This Chapter highlights trends in ridership, profile of users, and transit dependency.

An analysis of ridership presented shows that:

- Ridership was highest during 2013 with approximately 17,400 passenger trips and has since been gradually declining to approximately 16,000 passenger trips in 2018.
- Ridership is highest during the months of January, February, March, and December and lowest during July and August.
- Ridership by passenger type shows that the overall number of elderly passengers has been declining over the past four years while the overall number of disabled, adult, and child passenger trips has increased between 2014 and 2017, and is projected to continue to increase in 2018.

Data from a City of Fosston Transit rider survey conducted in 2016 of approximately 50% of Fosston Transit's average daily ridership is also included – this information shows that shopping and errands are the most common trip

purposes, 38% of survey respondents have a physical impairment or mobility issue, 62% of riders are 55 years old or older, and 63% are female.

Demographic statistics are also presented in this chapter for transit-dependent population characteristics, economic health index, and transit dependency index.

Chapter V: Capital

This chapter provides background information regarding City of Fosston Transit's capital equipment, facilities, current needs, and enhancement needs.

As a small provider, City of Fosston Transit has one facility where the bus is stored that is owned by the City of Fosston, and the agency only currently has one in-service vehicle with zero back-up vehicles. Maintenance is contracted out to a local auto repair shop – costs vary based on unscheduled maintenance costs and have run higher in recent years due to the aging bus that is run daily. If this bus has to be pulled off the road for repair, the service does not operate, as there is currently no backup bus. This will change in mid-2019 when City of Fosston Transit will receive a new bus and also retain their current bus as a backup vehicle.

If City of Fosston Transit adds service hours, an additional bus and dispatch capabilities (hardware, software, and staffing) are recommended.

Chapter VI: 2020-2025 Annual Needs

Chapter VI estimates the unmet transportation needs in the Fosston area and defines the service enhancements and expansions necessary for the 2020-2025 timeframe.

Unmet transportation needs were determined in several ways:

- Stakeholder interview conducted in September of 2018
- Advisory Committee meetings
- Mobility gap calculation that estimates need for 81 daily trips, which compares to the 64 daily trips Fosston Transit averaged in 2017
- Other demand calculations such as general public non-program demand and commuter transit demand

These interviews, discussions and meetings created a list of possible service enhancements and supporting functions:

- Extend Monday through Friday weekday hours to 7 a.m. until 6 p.m.
- Add Saturday and Sunday service from 8 a.m. until noon.
- Add a part-time transit coordinator.
- Purchase or contract for a dispatch system.
- Expand service area to include a five-mile radius from Fosston with an additional bus.

As part of the Minnesota state legislative goal of meeting 90% of the total transit service needs in Greater Minnesota by 2025, City of Fosston Transit would need to increase its revenue hours, which increases annual operating costs, as shown in Table I-1.

Table I-1
Cost for City of Fosston Transit to Meet the Legislative Goal

Option	Passenger-Trips	Annual Operating Cost	Revenue Hours	Cost per Passenger-Trip
Status Quo Service (2017)	16,684	$83,445	2,000	$5.00
Service required to meet the Legislative Goal	21,060	$105,332	2,525	$5.00

Source: LSC, 2019.

Meeting this 90% goal also creates additional vehicle fleet, facility, technology, and marketing needs, which are described in Chapter VI.

Chapter VII: System Performance

System performance, both historical and future projections, for City of Fosston Transit is presented in this chapter in order to understand how City of Fosston Transit performs today and how it will possibly perform in the future under enhanced service options.

The performance metrics used in this chapter include average passengers-trips per hour, average cost per hour, average cost per passenger-trip, trips denials, and on-time performance. City of Fosston Transit doesn't currently track trip denials or on-time performance, so a recommendation is to start tracking and

reporting these. Additional suggested performance metrics include farebox recovery, road calls, and accident rate.

Performance projections for possible future service options are also included and presented relative to the 2017 status quo, as shown in Table I-2.

Table I-2
City of Fosston Transit System Projected Performance

Option	Passenger-Trips	Annual Operating Cost*	Revenue Hours	Passenger-Trips per Hour	Cost per Hour	Cost per Passenger-Trip
Status Quo Service (2017)	16,684	$83,445	2,000	8.3	$41.72	$5.00
Extend Monday through Friday weekday hours to 7 a.m. until 6 p.m.	20,855	$186,179	2,860	7.3	$65.10	$8.93
Add Saturday and Sunday service from 8 a.m. until noon.	18,186	$143,736	2,208	8.2	$65.10	$7.90
Expand service area to include a five-mile radius from Fosston with an additional bus.	25,026	$287,732	4,420	5.7	$65.10	$11.50

**Note: The operating costs for all three of the options include a part-time transit coordinator, dispatch operated by Tri-Valley or Paul Bunyan Transit, and a real-time bus location application.*
Source: LSC, 2019.

Chapter VIII: Operations

Chapter VIII presents an operating budget scenario through 2025 as a basis to better understand City of Fosston Transit's current operation needs. The operating budget template incorporates an inflation factor and these additions to future operating costs:

- A part-time transit coordinator salary in 2020
- A real-time bus location app in 2021
- Dispatch capabilities, likely contracted, in 2021

It is anticipated that the current organizational structure, coordination efforts, and regional connectivity will continue going forward through 2025.

Chapter IX: Financial

Chapter IX presents two scenarios for City of Fosston Transit for 2020-2025: unconstrained and constrained.

Under the unconstrained plan, all service enhancements considered in Chapter VI, with associated performance shown in Chapter VII, are shown as being implemented at an increase in operating cost from $105,706 to $346,196. An additional $203,000 in capital costs over the five-year period will also be required. This requires a significant increase in funding to achieve the unconstrained plan from all possible funding sources: state and federal, contract revenue, local government, business partnerships, agency partnerships, and fares.

With additional funding unidentified at the time of this report, a constrained five-year financial plan is also presented in Chapter IX. Under this constrained plan, the only service enhancement that the City of Fosston could pursue to meet the legislative goal would be expanding City of Fosston Transit's service area to include a five-mile radius. This expansion still may require a second full-time driver, purchase of another vehicle, and associated operational costs. The five-year constrained plan shows operating costs growing to $162,109 by 2025.

Chapter X: Fosston Transit Strategic Direction

Chapter X provides the context and requirements that the City of Fosston must consider as part of this five-year planning process. As Fosston Transit considers growing transit services, it must still conform to many local, state, and federal guidelines including:

- Federal Transit Authority (FTA)
- Minnesota Olmstead Plan
- Title VI of the Civil Rights Act
- Americans with Disabilities Act (ADA)
- MnDOT requirements under FTA 5311 funding

In addition to complying with these various regulations and requirements, City of Fosston Transit faces many challenges in meeting the legislative goal of 90% of ridership demand by 2025, the largest of which is funding. Without additional funding, Fosston will not be able to grow the services to meet this demand. Both local match and federal funding would need to increase.

Chapter XI: Increasing Fosston Transit Use

If transit services and ridership are to grow, City of Fosston Transit should incorporate a Marketing Action Plan, outlined in Chapter XI, to help build community awareness, support, and use of the service.

Marketing strategies include updated and improved website, branding, printed brochures, and advertising. Adding a social media presence, real-time bus location technology, and rider alert text messaging are also recommended.

SUMMARY OF APPENDICES

The end of the report contains three appendices that provide additional, supporting information and reference.

A – Transit Asset Management (TAM)

Appendix A describes how MnDOT meets the FTA requirement that all agencies have a TAM Plan in place to aid in the decision-making process of balancing asset needs and demands for rolling stock, facilities, and equipment.

The TAM plan is now a part of the BlackCat Grants Managements System to help track assets and prioritize capital investment needs over time. The TAM submitted to FTA by MnDOT identifies assets to be replaced.

B – Glossary of Terms/Concepts

Appendix B is a helpful list of terms and definitions used within this plan.

C – Transit Funding in Minnesota

Appendix C includes an overview of transit funding in Minnesota.

D – Survey Results

Appendix D summarizes the results of the online survey used to solicit public and stakeholder comments on the potential service enhancements and expansions considered as part of the five-year plan.

E – Fosston City Council Minutes

Appendix E includes the Fosston City Council meeting minutes.

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CHAPTER II

Why a Five-Year Capital and Operational Plan?

Transit systems in Greater Minnesota have been working in a rapidly changing environment with system mergers and increased demand for service along with new policies and funding situations. Despite significant growth in the amount of service available outside of the Twin Cities Metropolitan Area, transit in Greater Minnesota is not always recognized or understood by local officials and residents. In order to address the growing need for transit service in a way that is integrated and embraced by the community, a vision for the future of each transit system will be critical. Without a plan, systems are put in the position of having to react in the moment to new circumstances and operate on a year-to-year basis without a longer-term vision to guide annual budgets and decision making.

Transit providers and the Minnesota Department of Transportation (MnDOT) agree that individual five-year plans will help identify system-specific priorities based on themes from the Greater Minnesota Transit Investment Plan (GMTIP). Five-year plans will help systems better deliver service and work toward overall goals such as:

- Improve coordination of services to meet transportation needs;
- Increase ridership/usage across the network;
- Ensure fiscal responsibility as a transit funding agency;
- Anticipate and plan for future funding levels to achieve service expansion; and,
- Articulate and communicate a vision for the transit system and the benefits it provides to the community.

Plans are intended to help systems work with local government officials, local planning agencies, transit system board members, and other organizations to prepare for these changes. Transit agencies recognize the importance of involving local officials in planning activities to continue building local support for improving transit systems, including long-term commitment of local funds to leverage state and federal dollars.

The process for developing the five-year plans is guided by a consultant project manager for the Office of Transit and Active Transportation at MnDOT, and the Minnesota Public Transit Association. A Project Advisory Committee consisting of transit directors, staff from MPOs (Metropolitan Planning Organizations) and RDO's (Regional Development Organizations), local government officials, service organization representatives, and staff from MPTA and MnDOT is providing input and identifying key issues to be addressed by the plans.

Larger transit systems routinely develop and update five-year plans, as do local governments, when it comes to planning for future development. The Greater Minnesota transit system five-year plans will allow all transit service to be incorporated into the larger transportation vision for communities as they plan for new economic development and a future with an aging population.

Policies established through the Olmstead Plan and Americans With Disabilities Act require communities to accommodate the needs of people with disabilities. A statutory goal of meeting 90% of the need for transit service by 2025 in Greater Minnesota also is focusing more attention on exactly how to expand service around the state.

With a well-defined five-year plan, goals and ideas for improving transit service can be put into action with a clear blueprint for which routes to add or expand, specific hours of service to adjust, and funding sources to cover additional operating and capital expenses. The plans also will facilitate communication with the public and help raise awareness of how and where transit service is provided in the state which will help encourage greater ridership.

The five-year plans are designed to be updated annually to meet changing needs and circumstances.

Transit service improves the livability and prosperity of communities all across Greater Minnesota. The five-year transit system plan will bring all stakeholders together to develop a future vision that will guide the decisions made today.

CHAPTER III

Agency Overview

This chapter describes the City of Fosston Transit service including its history, governance, service overview, coordination, partnerships, and marketing. As shown in Table III-1, City of Fosston Transit is a small local community transit system.

Table III-1
City of Fosston Transit Snapshot

Operated By	City of Fosston
Type of Service	Demand Response
Number of Buses	1
Ridership (2017)	16,684
Operating Budget (2017)	$84,445

Source: City of Fosston data, 2018

TRANSIT AGENCY BACKGROUND

The City of Fosston Transit is a demand response public transportation service. The bus is available to the general public and operates primarily within Fosston city limits and adjoining areas up to two miles beyond the city limits. The City of Fosston operates the bus as a city program for the benefit of the community, especially those without adequate transportation options.

The Fosston Bus has operated since 1985, when the City started the service as a benefit to all demographic segments of the community. The service has been operated by the City of Fosston since its inception.

Ridership for the City of Fosston Transit has remained relatively steady recently, averaging 16,200 passengers per year over the past six years. In 2017, ridership for the City of Fosston Transit was approximately 16,700 passenger trips.

GOVERNANCE AND DECISION-MAKING

Fosston Transit is operated by the City of Fosston, which is a city of approximately 1,500 people in eastern Polk County in northwestern Minnesota.

The City Council and Mayor are responsible for decision-making and policy associated with Fosston Transit bus operations and funding. Day-to-day operations are managed by the Assistant City Administrator with oversight from the City Administrator.

There is a Bus Committee that is appointed annually and currently consists of the City Administrator, Assistant City Administrator, and a third member from the community. Given that Fosston Transit operations are stable with no recent service changes, this committee meets infrequently.

The City of Fosston Council and Mayor are supportive of the service and funding from the city is stable. Fosston Transit is often at the top of the list of city priorities, according to city staff.

SERVICE OVERVIEW AND BACKGROUND

The City of Fosston Transit operates a demand response type of service within the city with one bus that is open to the general public.

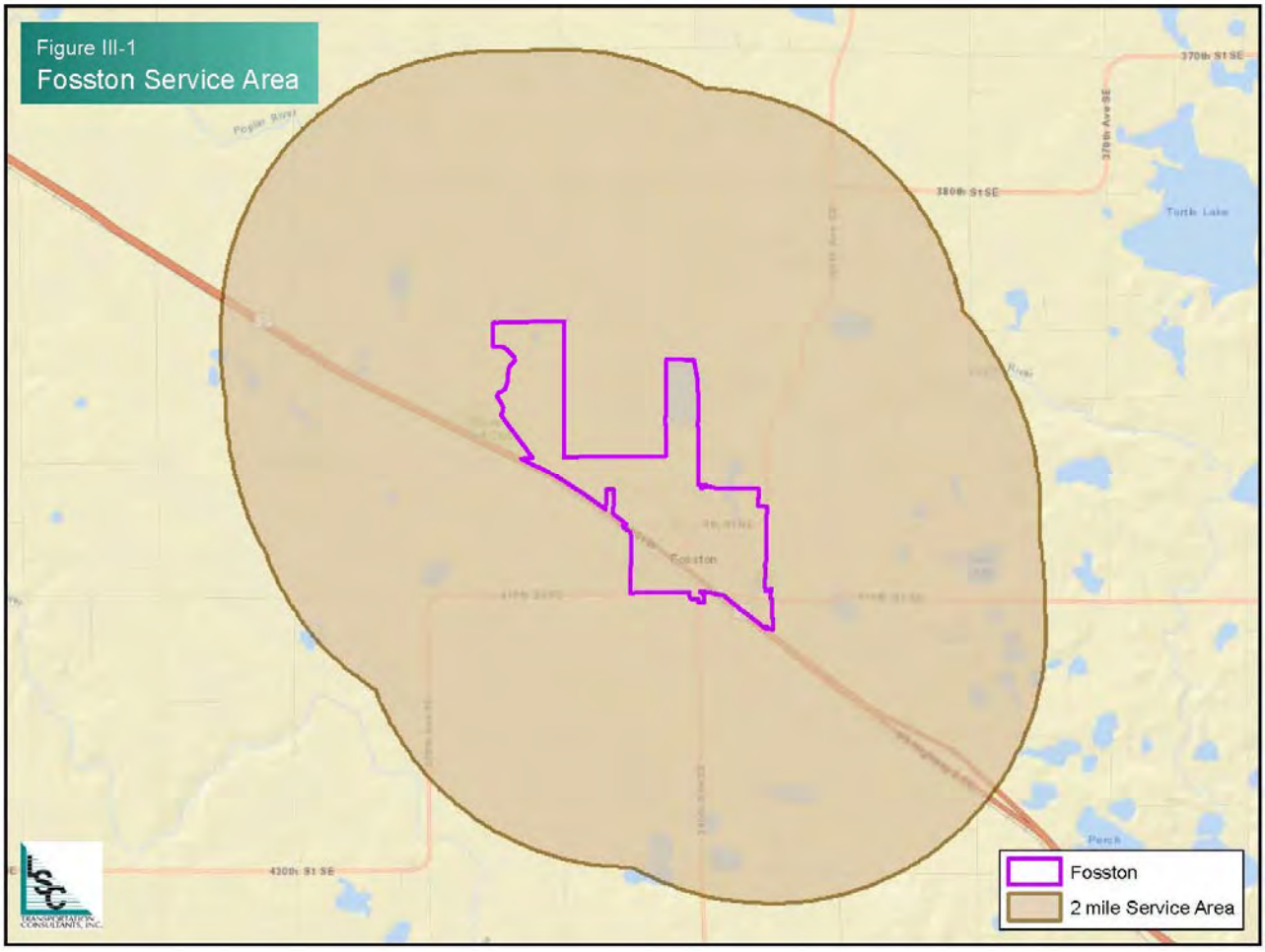
Existing Services

The City of Fosston Transit operates Monday through Friday from 8 a.m. until 4:30 p.m. Passengers make trip reservations by calling the bus at 218-435-1969 and trip requests are fulfilled almost immediately when they are made. Reservations that are slightly beyond the regular hours of service may be accommodated on a case-by-case basis. There is no requirement for advanced reservations as trip requests are fulfilled almost immediately. Passengers may have to wait 10 to 15 minutes, but there is rarely a time when passengers have to wait more than 15 minutes. Most trips do combine multiple passengers, and it's rare that the bus will operate a trip for just one person without adding passengers along the way. The City of Fosston Transit has many recurring trips with the Developmental Achievement Center and the elementary school.

The service provides a high degree of customer service and care. There is one primary full-time driver, and one part-time driver. Most riders are regular riders, so the drivers know their passengers and take pride in giving extra attention to passengers, especially the elderly and disabled who may need help for door-through-door service. The City of Fosston Transit has even been known to take people with their pets to the veterinarian.

Service Area

As shown in Figure III-1, the City of Fosston Transit service area boundary is a two-mile radius around Fosston city limits. Fosston Transit operates primarily within the city limits of Fosston but will serve homes up to two miles outside of city limits. Primary destinations include downtown shopping and activities, medical services, and local employers. The service area also includes the Fosston Municipal Airport.



Coordination with other Transportation Providers

The City of Fosston Transit coordinates with other transportation providers in the Fosston area and beyond to leverage resources and help coordinate local and regional transportation.

- The City of Fosston Transit works with Tri-Valley Opportunity Council T.H.E. Bus for trips beyond the City of Fosston Transit service area. Tri-Valley will pick-up Fosston riders and transport them to regional destinations like Grand Forks and Fargo. Tri-Valley will also have Fosston Transit provide trips in Fosston for customers who have requested a trip through Tri-Valley reservations.
- The Polk County Developmental Achievement Center (DAC) has its own buses to serve their clients. Some of the DAC clients also ride the city bus and will coordinate with Fosston Transit. The DAC clients that have jobs in the community during the day call Fosston Transit for rides to and from their jobs.
- R&L Transportation in McIntosh, MN provides non-emergency medical transportation (NEMT) regionally – City of Fosston Transit will coordinate with R&L for NEMT trips beyond the Fosston service area.

Community Partnerships

To foster ridership and better serve the community, Fosston Transit coordinates with several local agencies and entities to provide transit service including:

- The Polk County DAC, which provides day training and rehabilitation services to adults with developmental disabilities.
- The local elementary school, Magelssen Elementary, and the Fosston High School to provide trips for students who may not be able to access the school bus.
- The Inter-County Community Council, which operates the local Head Start program.
- Cornerstone Residence, an Assisted Living Community with one and two-bedroom apartments and staff available 24 hours a day, for primarily non-emergency medical trips for Cornerstone residents.
- Essentia Health-Fosston, a Level IV Trauma Center and 25-bed Critical Access Hospital, for medical appointments.
- Various local daycare providers for outings and special events.

Fosston Transit helps these agencies and organizations move their clients, customers, and students throughout the community onboard the bus.

Marketing

The City of Fosston Transit uses a community-based, low-cost marketing approach to get information out about the service. This approach includes putting bus information on the local access television channel and on the City of Fosston website. Both of these target residents of Fosston, but the City website is more likely to be accessed by newer residents who are learning about city services.

The City of Fosston Transit also uses public service announcements on local radio stations to inform riders about bus service updates, especially when the bus is out of service for maintenance. Another marketing method used by the City of Fosston Transit is placing notices in City newsletters which are included in monthly utility bills.

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CHAPTER IV

Agency Transit Services

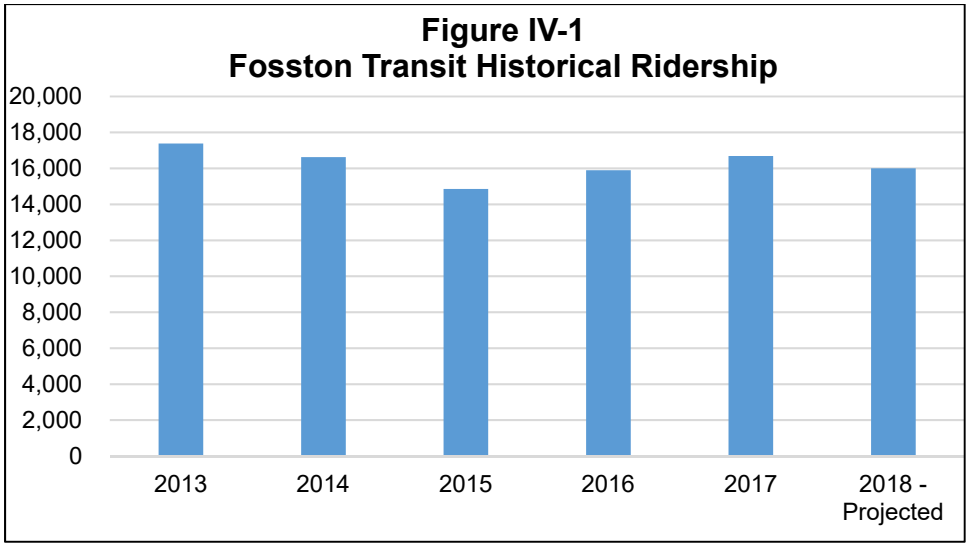
This chapter describes the City of Fosston Transit service including ridership data, a profile of users including rider survey data conducted as part of the 2016 Greater Minnesota Transit Investment Plan, characteristics of transit-dependent population groups, and existing regional connections.

RIDERSHIP

Historical Ridership

Historical ridership data for Fosston Transit was provided from 2013 through 2018 (projected), as shown in Figure IV-1. Ridership was highest during 2013 with approximately 17,400 passenger trips and has since been gradually declining – part of this decline in recent years is attributed to the loss of local church financial support and subsequent cancellation of Sunday bus operations. The projected ridership for 2018 is approximately 16,000 passenger trips.

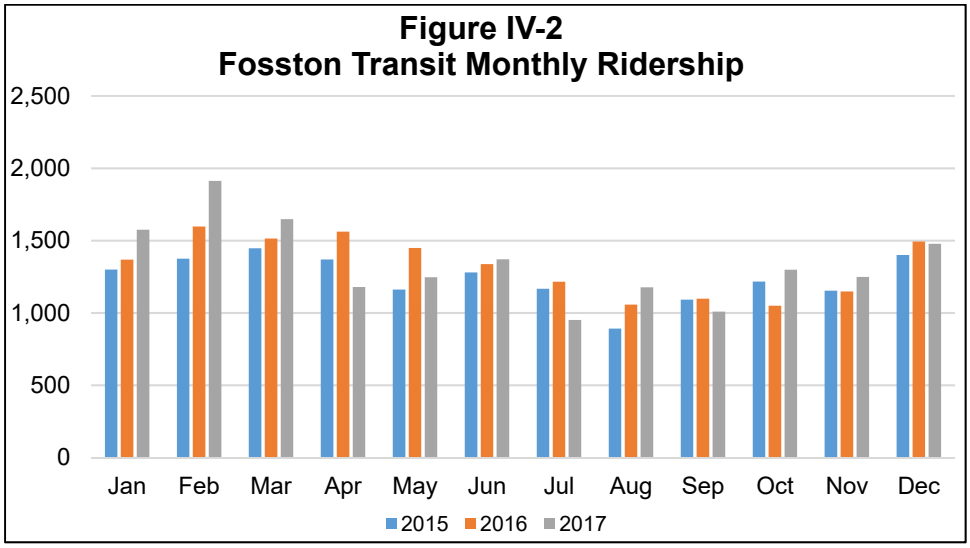
Figure IV-1
Fosston Transit Historical Ridership



Monthly Ridership

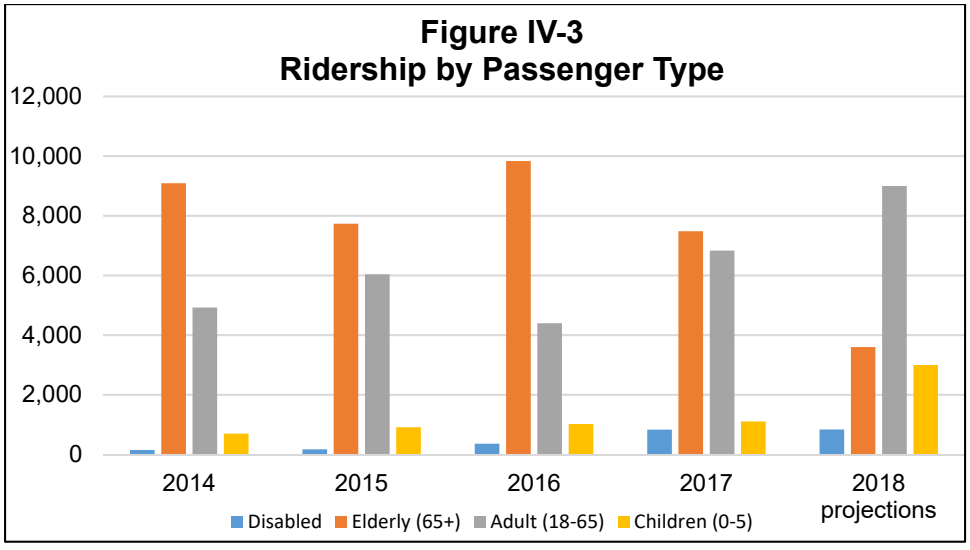
It is important to look closely at ridership trends over the last three years to identify possible ridership changes based on route changes, economic influences such as increases in the price of gasoline, unemployment, or an economic downturn and its impact on the local economy. Figure IV-2 illustrates Fosston

Transit's monthly ridership for the past three years. Monthly ridership was highest during the winter months of January, February, March, and December. Ridership is lowest during July and August.



Ridership by Passenger Type

Ridership data by passenger type was provided for 2014 through 2018 (projected). As shown in Figure IV-3, the overall number of elderly passenger trips declined between 2014 and 2017, and is projected to continue to decline in 2018. On the other hand, the overall number of disabled, adult, and child passenger trips has increased between 2014 and 2017, and is projected to continue to increase in 2018.



PROFILE OF USERS

The City of Fosston Transit serves a variety of riders and according to City of Fosston staff they primarily serve:

- Seniors who are aging in place and rely on the bus as their primary transportation;
- Those with mobility issues or disabilities; and,
- Youth riders, especially for the Head Start program and for summer activities.

There is some use for accessing employment, but the limited service hours often make it difficult for riders to use the bus to get to and from work.

According to a recent rider survey conducted in 2016 as part of the Greater Minnesota Transit Investment Plan, most riders are regular riders who rely on the bus for almost all of their transportation needs. The rider survey was completed by approximately 50% of Fosston Transit's average daily ridership. According to the survey results:

- Approximately 70% of riders said that they use the bus two or more days per week;
- Approximately 70% of riders indicated they use the bus for 90% or more of their overall transportation needs, and approximately 50% of riders said that the bus meets 100% of their transportation needs; and,
- Approximately 43% of riders indicated that they have been riding the bus for more than five years.

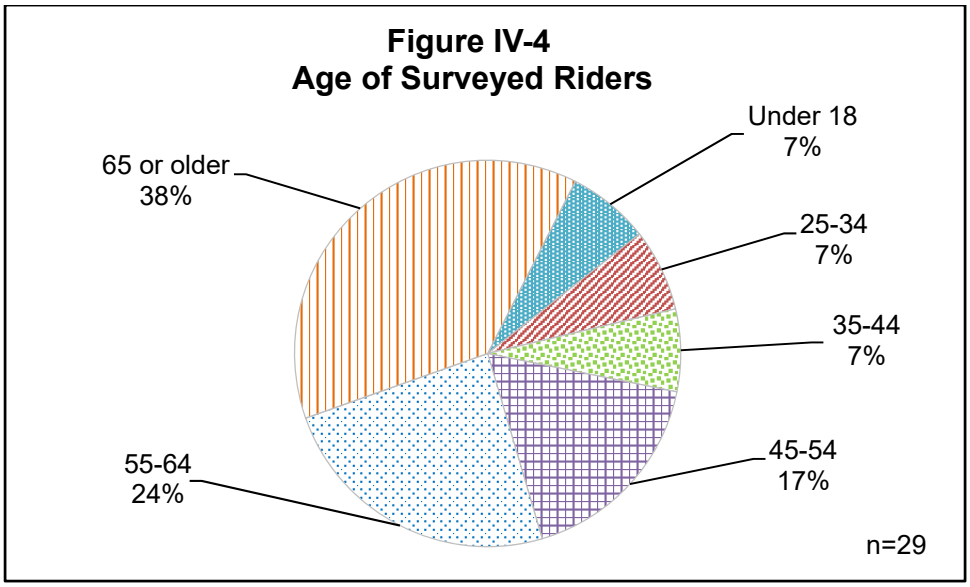
Riders use the bus to access medical services, run errands, shopping, and entertainment like the movie theater and the senior center. It was noted that riders have even been known to take a pet to the veterinarian onboard the bus. Table IV-1 illustrates rider trip purposes from the 2016 rider survey. The majority of surveyed riders were on shopping trips (56%), followed by trips to run errands (41%), work trips (19%), and medical trips (19%).

Table IV-1 Trip Purpose		
Purpose	**Number of Responses**	**Percentage of Total Responses**
Shopping	15	56%
Errands	11	41%
Work	5	19%
Medical	5	19%
School	3	11%
Social	2	7%
Fitness/Recreation	2	7%
Senior Center	1	4%
Other	1	4%
TOTAL	45	167%
Source: Greater Minnesota Transit Investment Plan - Rider Survey, 2016		

According to city staff, Fosston Transit will operate 50 to 65 one-way trips on a typical day. The slowest day recorded was 27 trips and the busiest days can be approximately 100 one-way trips. The City of Fosston Transit sees more riders during the winter and fewer riders during the summer. Ridership during the summer is generally slower, but a number of youth camps and summer activities tend to increase ridership slightly. In particular, July and August are the slowest months for ridership.

The 2016 rider survey also found that approximately 38% of respondents indicated that they have a physical impairment, disability, or mobility issue. This corroborates an informal survey conducted by the City of Fosston Transit driver who kept track over a one-month period recently and estimated that 30% to 40% of the ridership have mobility issues that require help boarding the bus or use of the wheelchair lift.

In terms of the ages of riders from the 2016 rider survey, as shown in Figure IV-4, the largest age bracket is adults age 65 and older (38%), followed by adults between the ages of 55 and 64 (24%). In total, almost two-thirds (62%) of surveyed riders were age 55 and older. It should be noted that this survey was conducted during the summer when there is less youth ridership. City staff indicate that youth ridership represents a more significant portion of the overall ridership during the school year that isn't reflected in Figure IV-4.



Other rider demographic information for the 2016 rider survey indicates:

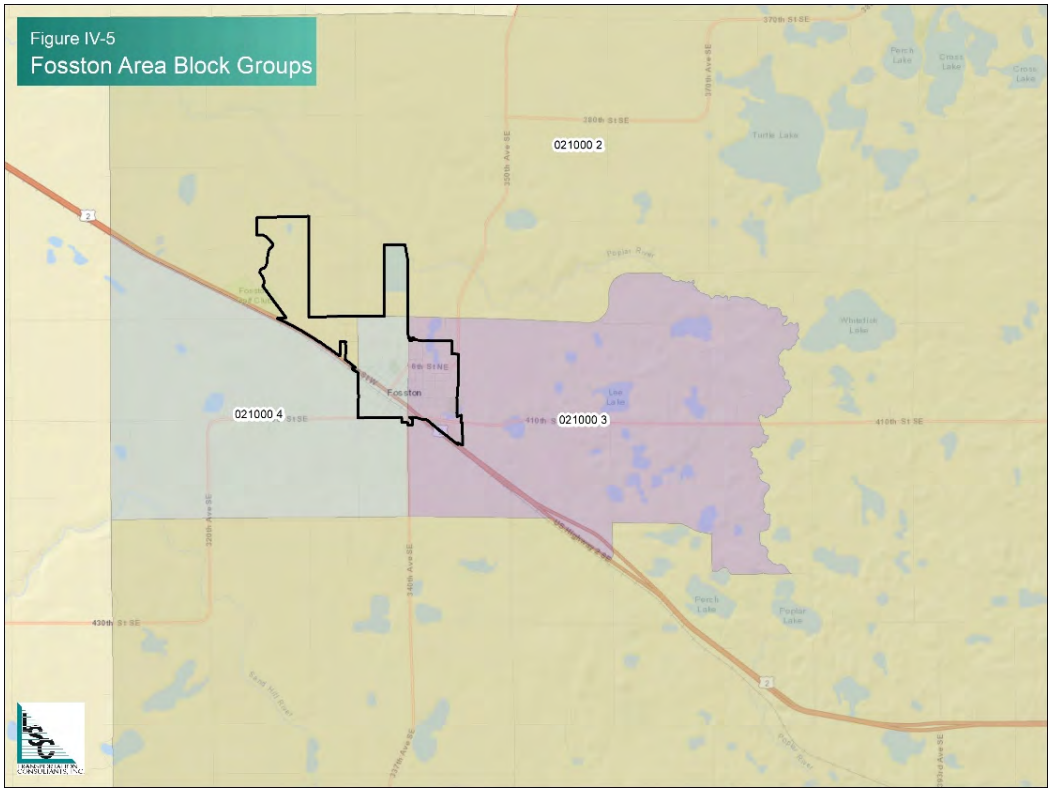
- Approximately 63% of riders surveyed were female and 37% were male;
- Approximately 48% of riders who responded to the question about annual household income, indicated their income was under $25,000; and,
- Approximately 97% of riders who responded to the question on ethnicity, indicated that they are White/Caucasian.

Transit-Dependent Population Characteristics

This section provides information on the individuals considered by the transportation profession to be dependent upon public transit. These population characteristics preclude most such individuals from driving, which leaves carpooling and public transit as the only motorized forms of available transportation.

The four types of limitations that preclude people from driving are physical limitations, financial limitations, legal limitations, and self-imposed limitations. Physical limitations may include permanent disabilities such as frailty, blindness, paralysis, or developmental disabilities to temporary disabilities such as acute illnesses and head injuries. Financial limitations include people who are unable to purchase or rent a vehicle. Legal limitations refer to limitations such as being too young to drive (generally under age 16). Self-imposed limitations refer to people who choose not to own or drive a vehicle (some or all of the time) for reasons other than those listed in the first three categories.

The US Census is generally capable of providing information about the first three categories of limitation. The fourth category of limitation represents a relatively small portion of transit ridership, particularly in areas with low density such as the study area. The demographic analysis was done by block group, which is a census-defined boundary. Unless noted otherwise, all data listed are from the 2012-2016 U.S. Census American Community Survey (2016 ACS) five-year estimates. Although low-income and ambulatory-disability population data are available at the 2016 ACS level, the smallest level of geographical unit for which information was available is at the tract level. The information from the tract level was apportioned to the block group level based on the population of the block group compared to the total population in the tract. These boundaries do not necessarily denote neighborhoods or communities, but rather act as a standardized means for analysis. Figure IV-5 shows the block groups analyzed as part of this study.



The total population of the study area is 2,736. Table IV-2 presents the US Census statistics regarding the older adult population, youth population, ambulatory disability population, low-income population, and zero-vehicle households in the Fosston area.

Table IV-2
Estimated Population Characteristics
Fosston Service Area

Census Tract	210							
Census Block Group	2		3		4		TOTAL	
Total Population	1,007		788		941		2,736	
Land Area (sq. miles)	10		26.13		10.48		46	
Total Number of Households	398		643		645		1,686	
	#	%	#	%	#	%	#	%
Zero-Vehicle Households	8	7.3%	29	5.0%	47	0.0%	84	5%
Total Number of Older Adults (65+)	213	21.2%	225	28.6%	207	22.0%	645	24%
Total Number of Youth (10-19)	106	10.5%	113	14.3%	126	13.4%	345	13%
Ambulatory Disabled Population	95	9.5%	75	9.5%	89	9.5%	259	9%
Low-Income Population	157	15.6%	123	15.6%	147	15.6%	427	16%

Source: US Census Bureau, American Community Survey - 2016, LSC 2018.

- The older-adult population represents a significant number of the national transit-dependent population and represents 24% of the total population in the study area. The older adult population includes individuals over the age of 65 years.
- A zero-vehicle household is defined as a household in which an individual does not have access to a vehicle. These individuals are generally transit-dependent as their access to private automobiles is limited. Approximately 5% of the study area's households reported no vehicle available for use.
- The low-income population tends to depend upon transit more than wealthier populations or those with a high level of disposable income. Low-income population, as defined by the FTA, includes persons whose household income is at or below the Department of Health and Human Services' poverty guidelines. The low-income population listed in the table includes people who are living below the poverty line using the Census Bureau's poverty threshold. Approximately 16% of the population of the study area are considered low income.
- An individual is classified as having "ambulatory disability" if they have serious difficulty walking or climbing stairs. Approximately 9% of the population in the study area has some type of ambulatory disability.

Economic Health Index and Transit Dependency Index

In July of 2018 the Minnesota Department of Transportation (MnDOT) completed a study (*GIS Analysis to Support 5 Year Transit Plans for Greater MN*) to assess the needs and capacity for transit in the five non-Metro transit regions of Minnesota (NE, SE, SW, WC, and NW). Various population demographics (2016

ACS 5-year Estimates and 2010 US Decennial Census) and current and future projected economic conditions (County Business Patterns dataset) were analyzed. Because these data sets use different geographic references (census tracts and zip code tabulation areas), a surface of hexagons measuring 0.5 miles in dimension were overlaid over all of the data to create a standard geographic reference type. This created a consistent geographic reference as well as helped to identify smaller data patterns.

The indexes were mapped with rankings of Very Low, Low, Mid, High, and Very High. Each region was mapped using a different metric and the color scales are relative to the region and not to Greater Minnesota. This showed the regional data variation with the category of "very low" being different in each region.

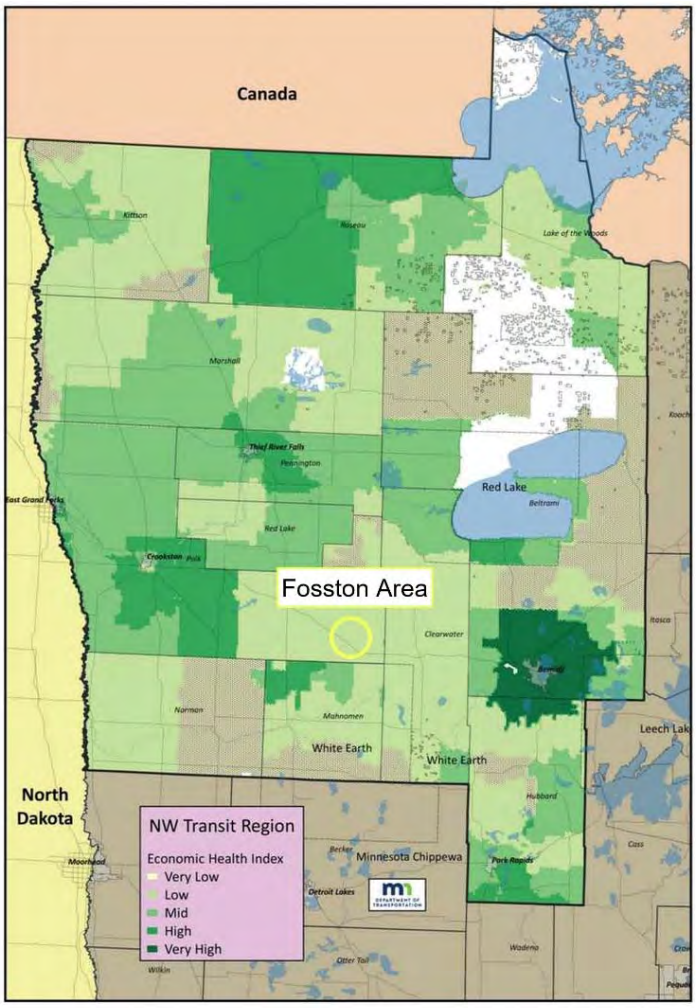
Economic Health Index

Four different database attributes were used to develop one map instead of four different maps. Darker areas with "very high" or "high" rankings indicate the health of the economy is healthy relative to the region. Included attributes in the index include:

- Average number of employers: 2011-2015 as a way to measure employment density (County Business Patterns dataset)
- Projected Business Growth: metric of increasing or decreasing business projections to assess where the jobs of the near future are forecasted (County Business Patterns dataset)
- Labor participation: percentage of residents actively participating in the labor force as a sign of economic vitality (2016 ACS)
- Population change: percent change of population in areas by comparing 2010 Census data with values from 2016 ACS data. Population growth was considered a sign of economic health.

As shown in Figure IV-6, Fosston has a score of "low" on the Economic Health Index indicating a less than healthy economy which would rely more heavily on transit.

Figure IV-6
NW Transit Region Economic Index



Transit Dependency Index

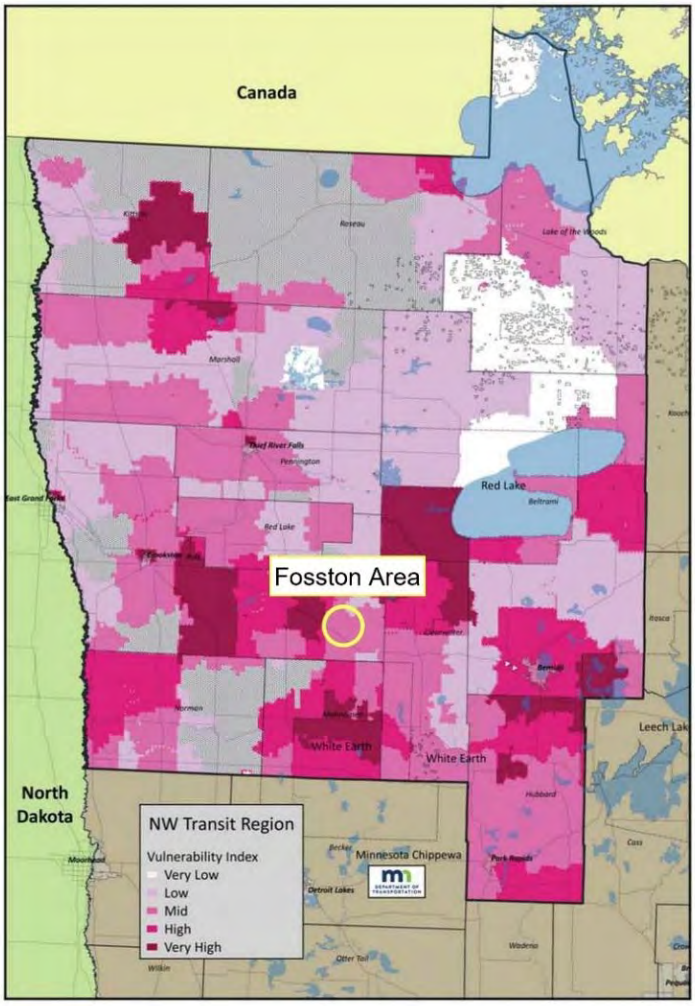
The transit dependency index was created to highlight communities that have a higher demand for transit services. This index was based on several attributes that are associated with dependency on public transit. Communities labeled "very high" indicates a much higher than average need for transit services. A very high vulnerability score indicates a combination of barrier factors to independent rural transportation such as low incomes, no auto ownership, language fluency issues, or various disabilities. Database attributes in the index include:

- Population percent disabled: the percentage of the population who identifies as disabled, with high percentages signaling community transit needs (2016 ACS)

- Zero-Vehicle households: the percentage of households with zero vehicles available, signaling unmet transit needs (2016 ACS)
- Limited English proficiency: the percentage of households with limited English spoken within, identifying areas with unmet transit needs (2016 ACS)
- Median household income: a dummy variable that was subtracted as a factor in the index (2016 ACS)

As shown in Figure IV-7, Fosston has a score of "mid" on the Vulnerability Index indicating that while the population is not dependent on public transit, there is still some need for services.

Figure IV-7
NW Transit Region Vulnerability Index



REGIONAL CONNECTIONS

The City of Fosston Transit currently provides regional connections to the following:

- Intercity bus service is provided by Jefferson Lines and stops in Fosston at the Le Piers West Convenience Store (577 W. 1st Street). With this service, Jefferson Lines passengers are able to reach many cities throughout the region, including Grand Forks and Bemidji.

- Fosston Transit currently coordinates with Tri-Valley Transit to provide service outside of Fosston, including to Grand Forks and Bemidji.
    - In Grand Forks, opportunities exist to connect with Amtrak passenger rail, air service at the Grand Forks International Airport, and with intercity bus services.
    - In Bemidji, opportunities exist to connect with air service at the Bemidji Regional Airport and with intercity bus services.

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CHAPTER V

Capital

This chapter provides a background and history of the City of Fosston Transit's capital equipment, as well as current capital needs and the capital needs required with service enhancement.

BACKGROUND AND HISTORY

Facilities

The City of Fosston Transit currently has one facility located at 226 Johnson Avenue, Fosston and is owned by the City of Fosston. The facility has a vehicle storage capacity of five vehicles, and there are currently no vehicles stored outside the facility. The facility does not have any maintenance bays or space for administration functions. Administration occurs at Fosston City Hall, 220 1st Street East. Information about Fosston Transit's facility is presented in Table V-1.

Table V-1
Facility Inventory

Facility Name	Full Address	What entity owns the land the facility is on?	Facility Cost	Annual Lease Expense	Annual Rent Expense	Facility Vehicle Storage Capacity	# of Vehicles Stored Outside Facility	Maintenance Bays	Space for Admin Function?
Fosston Transit	226 Johnson Ave., Fosston, MN 56542	City of Fosston	$4,369*	$0	$0	5	0	0	No

**Note: The facility cost of $4,369 is an annual maintenance and utility costs for the building.*
Source: City of Fosston Transit, 2018.

As a demand response service, Fosston Transit does not currently have any signed bus shelters, bus shelters, or benches at bus stops, nor do they have plans to implement any of these rider assets in future years.

Vehicle Fleet

Fosston Transit currently has one in-service vehicle. The vehicle is gas powered and is in adequate condition. The vehicle contract year was 2011 and the total

purchase price was approximately $64,000, of which 20% was the local share. Information about Fosston Transit's vehicle is presented in Table V-2.

Table V-2
Vehicle Inventory

Vehicle ID Number (VIN#)	1GB3G3BG1B1178196
Local Fleet Number	1
Vehicle Class (200-700)	400
Vehicle Contract Year	2011
Fuel type	Gas
Current Mileage	153,852
Vehicle status	In Service
Vehicle Condition Rating	3- Adequate
Total Purchase Price	$64,068
Local Share of Purchase Price	20%
Planned Replacement Year	2019
Replacement Cost	$82,363
Expansion Bus	No
Bike rack on the vehicle?	No
Vehicle have AVL?	Unknown
Vehicle have cameras?	No

Source: City of Fosston Transit, 2018.

Fosston Transit's current annual vehicle maintenance costs are presented in Table V-3. In 2017, maintenance costs totaled approximately $9,400, of which the majority (90%) were corrective maintenance costs.

Table V-3 Current Vehicle Maintenance Costs		
	2016	**2017**
Maintenance provider	contract	contract
Maintenance staff (# of FTE and PT staff)	-	-
Annual cost of labor and benefits	-	-
Annual preventative maintenance	$900	$922
Annual cost of corrective maintenance	$3,530	$8,451
Total annual maintenance costs	**$4,430**	**$9,374**
Source: City of Fosston Transit, 2018.		

Fosston Transit's projected annual vehicle maintenance costs are presented in Table V-4. The majority of the projected maintenance costs are corrective maintenance costs.

Table V-4 Projected Future Vehicle Maintenance Costs		
	2018 - projected	**2019 - projected**
Maintenance provider	contract	contract
Maintenance staff (# of FTE and PT staff)	-	-
Annual cost of labor and benefits	-	-
Annual preventative maintenance	$630	$500
Annual cost of corrective maintenance	$2,060	$1,000
Total annual maintenance costs	**$2,690**	**$1,500**
Source: City of Fosston Transit, 2018.		

Fosston Transit's vehicle replacement plan is presented in Table V-5. Fosston Transit currently plans to add a second vehicle to their fleet in 2019, at a total cost of approximately $83,000. Currently, Fosston Transit does not have a backup vehicle, and once they have received their new 2019 vehicle, the current 2011 model year bus will be retained in the Fosston fleet as a backup vehicle and will not be disposed of. This will help them to provide continuous service. In 2021, Fosston Transit will replace their existing vehicle as it will have reached the FTA Maximum Years (Useful Life) of 10 years, according to MnDOT's Transit Asset Management Plan.

Table V-5 Vehicle Replacement Plan								
	2018	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**	**2025**
Number of vehicles	0	1	0	1	0	0	0	1
Replacement cost	$0	$83,263	$0	$88,334	$0	$0	$0	$99,420
Source: City of Fosston Transit, 2018.								

SERVICE ENHANCEMENTS AND EXPANSION

With adding extra service hours and other service enhancements, the City of Fosston Transit should consider purchasing or contracting for a dispatch system. The threshold for dispatch would be if or when a second bus is added. Cameras will need to be included with new vehicles. In addition, the City of Fosston Transit should add a real-time bus location application. Fleet, facility, technology, and marketing needs are described in more detail in Chapter VI.

The City of Fosston Transit's five-year capital plan is presented in Table V-6.

Table V-6
Five-Year Capital Budget

Category	Line Item descriptions	Line Item Number	Line Item Name	2017 Actual	2017 Match	2018 Actual	2018 Match	2019 Budget	Assume Inflation Factor (3% / year)	2020	2020 (Match)	2020 Estimated Cost $	2021	2021 (Match)	2021 Estimated Cost $
Fleet	FLEET	1711	Vehicle Cost												
			Replacement Vehicle (400 Class)					$83,263							
			Replacement Vehicle (400 Class)										$70,667	$17,667	$88,334
			Replacement Vehicle (400 Class)												
Technology	TECHNOLOGY	1712	Farebox(es)												
Technology	TECHNOLOGY	1713	Technology - Vehicle Locator technology (Automatic Vehicle Locate (AVL) / MDT)										$4,800	$1,200	$6,000
Technology	TECHNOLOGY	1714	Camera(s)					$2,500					$2,000	$500	$2,500
Marketing	MARKETING	1715	Logos / Branding												
Technology	TECHNOLOGY	1716 - A	Technology - Dispatching Software										$4,000	$1,000	$5,000
Technology	TECHNOLOGY	1716 - B	Technology - Routing Software												
Fleet	FLEET - bus racks for buses.	1717	Other Bus Related Equipment												
Fleet	FLEET - Purchase of a lift or other accessibility equipment for a vehicle already owned by the transit system. This is used when there is a lift replacement or retrofit not part of the original bus purchase.	1720	Lift, Ramp Expenses, etc.												
Technology	TECHNOLOGY - Purchase of mobile and base station communication systems, cellular phones, mobile data terminals, and global positioning devices. This is used when the transit system is purchasing an entire communications system for the fleet.	1730	Radio Equipment Expenses												
Technology	Purchase of a farebox for a vehicle already owned by the transit system. This is used for replacement of original equipment and when a new fare collection system is installed for the whole fleet.	1740	Fare Box Expenses												
	Purchase of other capital equipment such as computers, office equipment, etc. (Specify). This is used as a catchall category for the procurement of transit-related capital equipment that is not necessarily part of a vehicle. The threshold for capital is generally greater than $20,000.	1750	Other Capital Expenses												
Facility	FACILITY - Total project costs may include, but are not limited to:	1760	Facility Purchase and/or Construction Cost												
Facility	FACILITY - Vehicle storage/garage (cold and/or heated)														
Facility	FACILITY - Vehicle wash bay (facility related)														
Facility	FACILITY - Vehicle maintenance bays (facility related)														
Facility	FACILITY - Administrative/ operation center offices														
Facility	FACILITY - Transfer/Transit Stop / Hubs														
Infrastructure	INFRASTRUCTURE - supporting transit (bus stops, ADA ramps, sidewalk/ pathways)														
			Total Capital Budget	$0	$0	$0	$0	$85,763		$0	$0	$0	$81,467	$20,367	$101,834

Provider	*City of Fosston Transit*

Table V-6
Five-Year Capital Budget (Continued)

Category	Line Item descriptions	Line Item Number	Line Item Name	2022	2022 (Match)	2022 Estimated Cost $	2023	2023 (Match)	2023 Estimated Cost $	2024	2024 (Match)	2024 Estimated Cost $	2025	2025 (Match)	2025 Estimated Cost $
Fleet	FLEET	1711	Vehicle Cost												
			Replacement Vehicle (400 Class)												
			Replacement Vehicle (400 Class)												
			Replacement Vehicle (400 Class)										$79,536	$19,884	$99,420
Technology	TECHNOLOGY	1712	Farebox(es)												
Technology	TECHNOLOGY	1713	Technology - Vehicle Locator technology (Automatic Vehicle Locate (AVL) / MDT)												
Technology	TECHNOLOGY	1714	Camera(s)										$2,000	$500	$2,500
Marketing	MARKETING	1715	Logos / Branding												
Technology	TECHNOLOGY	1716 - A	Technology - Dispatching Software												
Technology	TECHNOLOGY	1716 - B	Technology - Routing Software												
Fleet	FLEET - bus racks for buses.	1717	Other Bus Related Equipment												
Fleet	FLEET - Purchase of a lift or other accessibility equipment for a vehicle already owned by the transit system. This is used when there is a lift replacement or retrofit not part of the original bus purchase.	1720	Lift, Ramp Expenses, etc.												
Technology	TECHNOLOGY - Purchase of mobile and base station communication systems, cellular phones, mobile data terminals, and global positioning devices. This is used when the transit system is purchasing an entire communications system for the fleet.	1730	Radio Equipment Expenses												
Technology	Purchase of a farebox for a vehicle already owned by the transit system. This is used for replacement of original equipment and when a new fare collection system is installed for the whole fleet.	1740	Fare Box Expenses												
	Purchase of other capital equipment such as computers, office equipment, etc. (Specify). This is used as a catchall category for the procurement of transit-related capital equipment that is not necessarily part of a vehicle. The threshold for capital is generally greater than $20,000.	1750	Other Capital Expenses												
Facility	FACILITY - Total project costs may include, but are not limited to:	1760	Facility Purchase and/or Construction Cost												
Facility	FACILITY - Vehicle storage/garage (cold and/or heated)														
Facility	FACILITY - Vehicle wash bay (facility related)														
Facility	FACILITY - Vehicle maintenance bays (facility related)														
Facility	FACILITY - Administrative/ operation center offices														
Facility	FACILITY - Transfer/Transit Stop / Hubs														
Infrastructure	INFRASTRUCTURE - supporting transit (bus stops, ADA ramps, sidewalk/ pathways)														
			Total Capital Budget	$0	$0	$0	$0	$0	$0	$0	$0	$0	$81,536	$20,384	$101,920

Provider	*City of Fosston Transit*

CHAPTER VI

2020-2025 Annual Needs

ESTIMATE OF UNMET NEED

To understand current unmet transportation needs and how to possibly meet these needs in the future, LSC and our team conducted stakeholder interviews, facilitated a discussion with the Fosston FYTSP Advisory Committee, and completed a transit demand assessment.

Stakeholder Interviews

The following agencies and organizations participated in phone interviews throughout September 2018:

- Cornerstone Health Care
- Home at Heart
- R&L Ride Service
- MTL Specialized Transportation

Through these interviews, unmet needs for City of Fosston Transit were identified including overall expansion of service hours on weekdays and weekend service, service area expansion into rural areas surrounding Fosston not currently served, and growth in service that best meets the top trip purposes for shopping and medical.

We received many helpful comments and suggestions related to improving overall transit services, boosting ridership, and increasing coordination.

Advisory Committee Discussion

LSC and the City of Fosston FYTSP Advisory Committee (AC) met on October 9, 2018 and discussed some of the highest priorities, based on unmet needs that committee members perceive. Many of the unmet needs discussed by the AC were similar to the stakeholder interviews such as expansion of weekday service hours, addition of weekend hours, and growth in service area boundaries, but the AC also discussed operational needs required to support service growth such as increased program administration and addition of a dispatch system or service.

"Better communication is needed if the bus will be late or if a trip must be canceled due to something going wrong with the bus."

"More specialized transportation is needed for people who fall through the cracks if they do not qualify for certain funding programs."

"An extra half hour in the morning and evening would help Cornerstone greatly in being able to schedule medical appointments and get the return trip within the service hours."

"We appreciate that there is a public transit option in Fosston as there are many in Fosston that don't have personal vehicles. Transportation is the most important unmet need the Fosston community faces."

Mobility Gap

The mobility gap methodology in TCRP Report 161 is defined as the total number of trips not taken because members of zero-vehicle households do not have the ease of mobility available to members of households with ready access to a car. The mobility gap for the nation as a whole and the nine Census regions has been developed from data in the 2009 National Household Travel Survey. A mobility gap estimate based on household vehicle availability, with the gap measured in trips per day, is computed as:

Need (trips) = Number of Households Having No Car X Mobility Gap

The estimate produced by the mobility gap method is measured in one-way trips per day. Having an estimate of the number of trips to be served over a given service area provides a way to quantify the resources that would be needed to meet this unserved demand.

As part of the Greater Minnesota Transit Investment Plan, the State has set a legislative directive to meet 90% of total transit service needs in greater Minnesota by 2025. Based on the mobility gap methodology, this equates to approximately 81 daily trips. Fosston Transit is close to meeting this goal as they provided approximately 64 daily trips during 2017.

General Public Non-Program Demand

TCRP Report 161 provides a method of estimating general public rural transit demand. The TCRP analysis procedure considers transit demand in two major

categories:

- **Program demand**, which is demand that is generated by transit ridership to and from specific social service programs; and
- **Non-program demand**, which is demand that is generated by the other mobility needs of the elderly, disabled, and general public (including youth and tourists). Examples of non-program trips may include shopping, employment, and medical trips.

This methodology applies transit-dependent population statistics and trip rates to estimate the annual demand for non-program and overall general public rural transportation. The general public rural non-program demand estimation technique described in TCRP Report 161 is calculated by the following formula:

Annual Demand = (2.20 x Population Age 60+) + (5.21 x Mobility-Limited Population Age 18-64) + (1.52 x Residents of Households Having No Vehicle)

Annual Demand Calculation = (2.20 x 874) + (5.21 x 108) + (1.52 x 95)

As calculated above, transit demand is estimated at approximately 2,600 passenger-trips annually.

Commuter Transit Demand

The demand estimation technique established in *TCRP Report 161: Methods for Forecasting Demand and Quantifying Need for Rural Passenger Transportation* to estimate commuter demand between places is presented by the following formula:

Commuter trips by transit from Place A to Place B per Day = Proportion using transit for Commuter Trips from Place A to Place B x Number of Commuters x 2

Proportion using Transit for Commuter Trips from Place A to Place B =
0.024 + (0.0000056 x Workers Commuting from Place A to Place B)
– (0.00029 x Distance in Miles from Place A to Place B)
+ 0.015 (if the Place is a state capital)

Census Longitudinal Employer-Household Dynamics (LEHD) data were used to determine how many individuals were commuting between various employment centers in the study area. Table VI-1 show the associated demand estimates. Overall, the demand for daily commuter transit is very low throughout the study area using this methodology.

Table VI-1 Commuter Transit Demand				
Residence Location	**Work Location**	**Count**	**Percent Transit**	**Annual Transit Demand** *(one-way trips)*
Fosston, MN	Bemidji, MN	28	1%	300
Fosston, MN	Bagley, MN	25	2%	300
Fosston, MN	Thief River Falls, MN	25	1%	300
Fosston, MN	Crookston, MN	24	1%	300
Fosston, MN	Clearbrook, MN	22	2%	300
Fosston, MN	McIntosh, MN	21	2%	300
Source: LEHD, LSC 2019.				

SERVICE ENHANCEMENTS AND EXPANSION FOR 2020-2025

Meeting the Legislative Goal

As previously stated, the City of Fosston Transit is close to achieving the State of Minnesota's legislative directive of meeting 90% of total transit service needs by 2025. The City of Fosston Transit provided approximately 64 daily trips during 2017, and to meet the legislative directive they need to provide approximately 81 daily trips.

Table VI-2 illustrates the cost for the City of Fosston to meet the legislative goal based on their existing cost per passenger-trip.

Table VI-2 Cost for the City of Fosston Transit to Meet the Legislative Goal				
Option	**Passenger-Trips**	**Annual Operating Cost**	**Revenue Hours**	**Cost per Passenger-Trip**
Status Quo Service (2017)	16,684	$83,445	2,000	$5.00
Service required to meet the Legislative Goal	21,060	$105,332	2,525	$5.00
Source: LSC, 2019.				

Enhanced Service

The stakeholder interviews and AC discussion yielded similar ideas on priorities for growing and enhancing the City of Fosston Transit services. Based on these discussions, LSC developed a list of service enhancement options that address unmet needs within Fosston and the immediate surrounding areas.

- Extend Monday through Friday weekday hours to 7 a.m. until 6 p.m.

- Add Saturday and Sunday service from 8 a.m. until noon.
- Add a part-time transit coordinator.
- Purchase or contract for a dispatch system.
- Expand service area to include a five-mile radius from Fosston with an additional bus.

LSC solicited feedback on this list of service enhancement priorities from the AC members and other stakeholders. LSC asked two questions:

1. *Are there other unmet transportation needs that should be in the plan for 2020-2025 that are not included in this list?*
2. *What are your three highest priority service enhancements that should be met in the 2020-2025 transit plan?*

Three stakeholders responded, two from Essentia and one from Cornerstone. All agreed that this list of possible service enhancements was complete. One respondent noted that weekend service should be considered to go until 4 p.m. to accommodate more activities such as going to gospel music on Sunday afternoons. All noted that weekend service was the highest priority, followed by extending weekday service.

Estimations for ridership, costs, and other impacts of these priorities are considered in more detail in Chapter VII.

FLEET NEEDS

Fosston Transit currently has one in-service vehicle and plans to add a second vehicle to their fleet in 2019. The current 2011 model year bus will be retained in the Fosston fleet as a backup vehicle and will not be disposed of, in order to help them to provide continuous service. In 2021, Fosston Transit will replace their existing vehicle as it will have reached the FTA Maximum Years (Useful Life) of 10 years, according to MnDOT's Transit Asset Management Plan. Fosston Transit's vehicle replacement plan also includes acquiring a new vehicle in 2025. In terms of future needs, a second vehicle could be added to accommodate additional transit service.

Fosston Transit's existing vehicle information and capital plan is presented in Chapter V.

FACILITY NEEDS

The City of Fosston Transit's current facility has a vehicle storage capacity of five vehicles. With only one vehicle at present, the facility has space to accommodate additional vehicles necessary to support service growth. However, the facility does not have any maintenance bays or space for administration functions so if operations grow, additional space for these functions may be needed.

Fosston Transit's existing facility information and capital plan is presented in Chapter V.

TECHNOLOGY NEEDS

With adding extra service hours and other service enhancements, the City of Fosston Transit should consider purchasing or contracting for a dispatch system. The threshold for dispatch would be if or when a second bus is added. In addition, Fosston Transit should consider acquiring real-time bus information software to allow passengers to track the location of the bus.

Fosston Transit's technology needs are included in the capital plan presented in Chapter V.

MARKETING NEEDS

The City of Fosston should consider updating its website for transit information and possibly having a dedicated website for just City of Fosston Transit, as well as adding a social media presence on at least Facebook. These activities could be a part of the new Transit Coordinator's responsibilities. Increased local advertising could also help boost awareness and possibly increase ridership.

Additionally, the City of Fosston Transit should consider adding a real-time bus location application, which is included in the capital plan presented in Chapter V. It is essential for passengers to be well informed and able to track the current location of their transit vehicle, as well as receive real-time predictions and reminders for pick-ups.

CHAPTER VII

System Performance

This chapter provides historical system performance for the City of Fosston Transit, as well as projected system performance for enhancement and service expansion.

HISTORICAL SYSTEM PERFORMANCE

Table VII-1 presents the City of Fosston Transit's historical system performance, including average passenger-trips per hour, average cost per hour, and average cost per passenger-trip. Ridership information for the Fosston Transit is presented in Chapter IV.

Table VII-1
City of Fosston Transit Historical System Performance

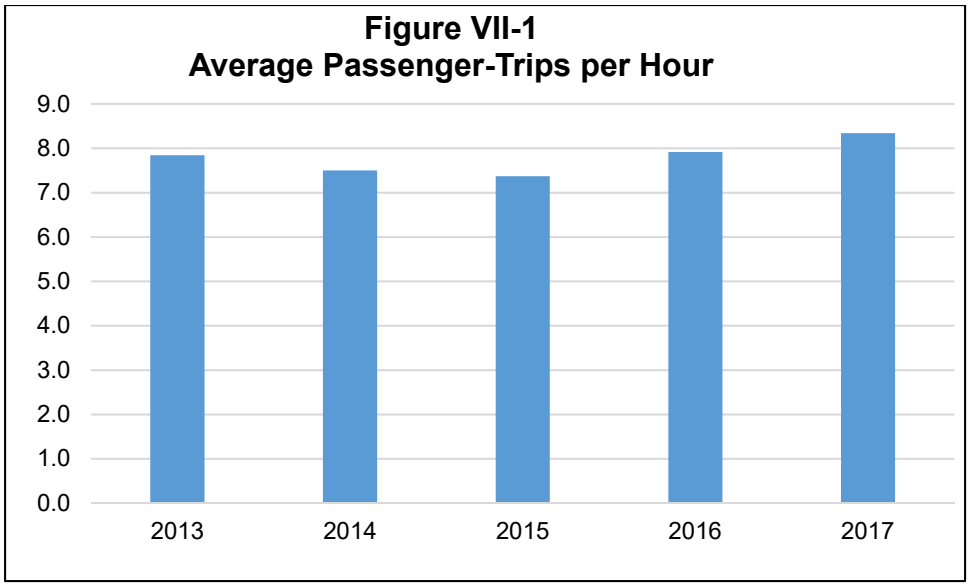
Year	Passenger-Trips	Annual Operating Cost	Revenue-Hours	Passenger-Trips per Hour	Cost per Hour	Cost per Passenger-Trip
2013	17,379	$63,942	2,216	7.8	$28.85	$3.68
2014	16,620	$71,997	2,216	7.5	$32.49	$4.33
2015	14,855	$72,574	2,016	7.4	$36.00	$4.89
2016	15,890	$87,771	2,008	7.9	$43.71	$5.52
2017	16,684	$83,445	2,000	8.3	$41.72	$5.00

Source: City of Fosston Transit, 2018.

It should be noted that Fosston operated Sunday service from 8 a.m. until noon in 2013 and 2014. Sunday service ceased operations at the end of 2014—a coalition of local churches had been providing the matching funds for this service but decided not to continue funding for 2015.

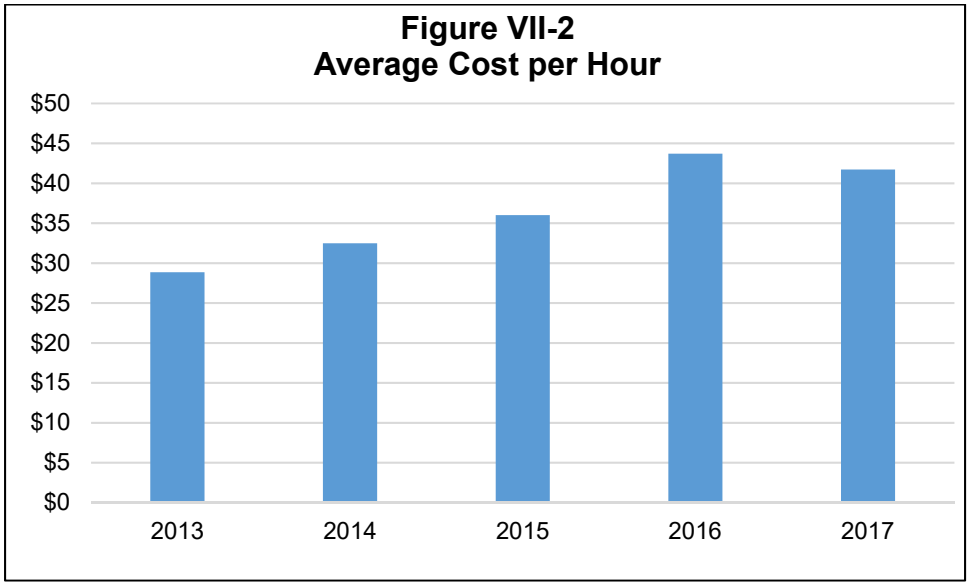
Average Passenger-Trips per Hour

As shown in Figure VII-1, the City of Fosston Transit's average passenger-trips per hour has increased from 7.8 in 2013 to 8.3 in 2017. Since the slight dip in performance in 2015, the City of Fosston Transit's average passenger-trips per hour has increased by approximately 12%, from approximately 7.4 passenger-trips per hour in 2015 to 8.3 passenger-trips per hour in 2017.



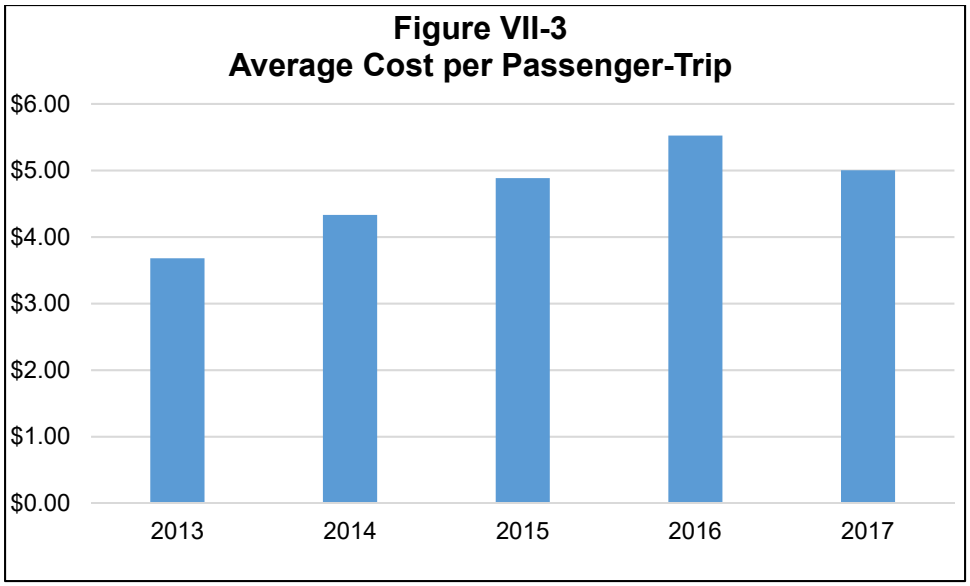
Average Cost per Hour

As shown in Figure VII-2, the City of Fosston Transit's average cost per hour has increased from $28.85 in 2013 to $41.72 in 2017. However, between 2016 and 2017, the average cost per passenger-trip decreased by 5%.



Average Cost per Passenger-Trip

As shown in Figure VII-3, the City of Fosston Transit's average cost per passenger-trip has increased from $3.68 in 2013 to $5.00 in 2017. However, between 2016 and 2017, the average cost per passenger-trip decreased by 9%.



Trip Denials

The City of Fosston Transit does not currently track trip denials, but they estimate they have very few to no trip denials as they can almost always accommodate trips unless they are outside of operating hours.

On-Time Performance

The City of Fosston Transit does not currently track on-time performance.

PEER COMPARISON

A peer comparison was completed with the following transit agencies:

- City of Middletown – Middletown Transit System (Middletown, OH)
- Washington County Commissioners (Marietta, OH)
- Steel Valley Regional Transit Authority (Steubenville, OH)

Table VII-2 presents a comparison between each of the individual peer agencies and the average of the peer agencies with the City of Fosston Transit. The data for the analysis were taken from the 2017 National Transit Database to ensure the best consistency in reporting by different agencies. Although efforts were made to find the closest matching peers, no two systems are exactly alike.

Table VII-2
Peer Comparison for FY 2017

Agency	Location	Passenger Trips	Annual Operating Cost	Revenue Hours	Passenger-Trips per Hour	Cost per Hour	Cost per Passenger-Trip
City of Middletown - Middletown Transit System	Middletown, OH	4,278	$122,475	2,954	1.4	$41.46	$28.63
Washington County Commissioners	Marietta, OH	3,824	$129,724	2,837	1.3	$45.73	$33.92
Steel Valley Regional Transit Authority	Steubenville, OH	2,102	$126,046	2,000	1.1	$63.02	$59.96
	Peer Average	3,401	$126,082	2,597	1.3	$48.55	$37.07
City of Fosston Transit	Fosston, MN	16,684	$83,445	2,000	8.3	$41.72	$5.00

Source: City of Fosston Transit, 2018; National Transit Database, 2017.

During 2017, the City of Fosston Transit had a significantly higher number of passenger trips compared to the peer systems, as well as the highest number of passenger-trips per hour. The City of Fosston Transit had the lowest annual operating cost during 2017 compared to the peer systems, as well as the lowest cost per passenger-trip. The City of Fosston Transit had a comparable number of revenue hours and average cost per hour compared to several of the peer systems.

In addition to the demand estimation methods included in Chapter VI, TCRP Report 161 also provides a peer data worksheet, presented in Table VII-3. The worksheet calculates the values expected for a transit system based on the data included for the peer system.

Table VII-3
TCRP 161 - Peer Data Worksheet

Input Data from Peer Transit Systems or Existing Transit Service			
Name of Peer System	**City of Middletown - Middletown Transit System**	**Washington County Commissioners**	**Steel Valley Regional Transit Authority**
Population of Area	49,490	25,000	22,113
Size of Area Served (Square Miles)	20	53	13
Annual Vehicle-Miles of Service Provided	23,275	15,129	15,744
Annual Vehicle-Hours of Service Provided	2,954	2,837	2,000
Service Type (Fixed Route, Route-Deviation, Demand-Response)	Demand-Response	Demand-Response	Demand-Response
Number of One-Way Trips Served per Year	4,278	3,824	2,102
Degree of Coordination with Other Carriers (Low, Medium, High)	Medium	Medium	Medium

Results of Peer Data Comparison		**Population**	**Annual Vehicle-miles**	**Annual vehicles-hours**
Input Data for My System:		2,800	20,260	2,000
	Observed Trip Rates	**Demand Estimate Based On:**		
Peer Values		Population	Annual Vehicle-miles	Annual vehicles-hours
Trips per Capita				
Maximum	0.2	560		
Average	0.1	280		
Median	0.1	280		
Minimum	0.1	280		
Trips per Vehicle-Mile				
Maximum	0.3		6,078	
Average	0.2		4,052	
Median	0.2		4,052	
Minimum	0.1		2,026	
Trips per Vehicle-Hour				
Maximum	1.4			2,800
Average	1.3			2,600
Median	1.3			2,600
Minimum	1.1			2,200
Values expected for my system				
Maximum		560	6,078	2,800
Average		280	4,052	2,600
Median		280	4,052	2,600
Minimum		280	2,026	2,200

PROJECTED ENHANCED AND EXPANDED SERVICE SYSTEM PERFORMANCE

As discussed in Chapter VI, LSC developed a list of service enhancement options that address unmet needs within Fosston and the immediate surrounding areas, including:

- Extend Monday through Friday weekday hours to 7 a.m. until 6 p.m.
- Add Saturday and Sunday service from 8 a.m. until noon.
- Add a part-time transit coordinator.
- Purchase or contract for a dispatch system.
- Expand service area to include a five-mile radius from Fosston with an additional bus.

Since purchasing/contracting for a dispatch system will help operations to run smoothly, the following discussion revolves around extending service hours, adding Saturday and Sunday service, and expanding the service area with an extra bus.

Table VII-4 presents the City of Fosston Transit's projected enhanced and expanded service system performance, including average passenger-trips per hour, average cost per hour, and average cost per passenger-trip. The operating costs for all three of the options include a part-time transit coordinator, as well as the operating costs required for dispatch operated by Tri-Valley or Paul Bunyan Transit and a real-time bus location application.

Table VII-4
City of Fosston Transit System Projected Performance

Option	Passenger-Trips	Annual Operating Cost*	Revenue Hours	Passenger-Trips per Hour	Cost per Hour	Cost per Passenger-Trip
Status Quo Service (2017)	16,684	$83,445	2,000	8.3	$41.72	$5.00
Extend Monday through Friday weekday hours to 7 a.m. until 6 p.m.	20,855	$186,179	2,860	7.3	$65.10	$8.93
Add Saturday and Sunday service from 8 a.m. until noon.	18,186	$143,736	2,208	8.2	$65.10	$7.90
Expand service area to include a five-mile radius from Fosston with an additional bus.	25,026	$287,732	4,420	5.7	$65.10	$11.50

**Note: The operating costs for all three of the options include a part-time transit coordinator, dispatch operated by Tri-Valley or Paul Bunyan Transit, and a real-time bus location application.*
Source: LSC, 2019.

Average Passenger-Trips per Hour

As shown in Table VII-4 the average passenger-trips per hour for each of the three options are:

- **Extend Monday through Friday weekday hours to 7 a.m. until 6 p.m.:** 7.3
- **Add Saturday and Sunday service from 8 a.m. until noon:** 8.2
- **Expand service area to include a five-mile radius from Fosston with an additional bus:** 5.7

Average Cost per Hour

As shown in Table VII-4 the average cost per hour for each of the three options are:

- **Extend Monday through Friday weekday hours to 7 a.m. until 6 p.m.:** $65.10
- **Add Saturday and Sunday service from 8 a.m. until noon:** $65.10
- **Expand service area to include a five-mile radius from Fosston with an additional bus:** $65.10

Average Cost per Passenger-Trip

As shown in Table VII-4 the average cost per passenger-trip for each of the three options are:

- **Extend Monday through Friday weekday hours to 7 a.m. until 6 p.m.:** $8.93
- **Add Saturday and Sunday service from 8 a.m. until noon:** $7.90
- **Expand service area to include a five-mile radius from Fosston with an additional bus:** $11.50

Trip Denials

The City of Fosston Transit should begin tracking trip denials as soon as possible so it can be an ongoing performance measure used to evaluate current transit service. LSC recommends tracking both trip denials and unmet trip requests, as defined below.

Trip Denials: According to FTA Circular 4710.1, trip denials result when agencies do not accept trip requests. Examples of trip denials include:

- A rider requests a next-day trip and the transit agency says it cannot provide that trip.
- A rider requests a next-day trip and the transit agency can only offer a trip that is outside of the one-hour negotiating window. This represents a denial regardless of whether the rider accepts such an offer.
- A rider requests a round-trip and the agency can only provide one leg of the trip. If the rider does not take the offered one-way trip, both portions of the trip are denials.

Unmet Trip Requests: Requests for service which are outside the span of service for an agency, outside of their service area, or exceptions to reservations policies are considered unmet trip requests and not trip denials. Examples of unmet trip requests include:

- A rider requests a trip on a day or during hours when the agency is not operating.
- A rider requests an immediate same-day trip when the agency's policy is to require prior-day reservations and same-day service is provided on a space-available basis.
- A rider requests a trip to or from an area not served by the agency.

However, it should be noted that a request for a ride for same-day service when the policy is to require prior-day reservations and that can be accommodated, but not within one hour of the requested time, is not considered a trip denial or an unmet trip request.

A sample template for tracking trip denials and unmet trip requests is presented in Table VII-4.

Table VII-5
Sample Trip Denial Tracking Form

Month	Flex route - Vehicle Capacity	Flex route Negotiated time -able to identify option but customer refused	Flex Negotiated time - unable to identify option	Flex # requests outside service area	Flex route # requests outside service hours	DAR route- Vehicle Capacity	DAR route Negotiated time -able to identify option but customer refused	DAR Negotiated time - unable to identify option	DAR # requests outside service area	DAR # requests outside service hours	Monthly total denials (Flex and DAR)	Monthly total unmet requests (Flex and DAR)
Jan											0	0
Feb											0	0
Mar											0	0
Apr											0	0
May											0	0
Jun											0	0
Jul											0	0
Aug											0	0
Sep											0	0
Oct											0	0
Nov											0	0
Dec											0	0
Jan											0	0
Feb											0	0
Mar											0	0
Apr											0	0
May											0	0
Jun											0	0
Jul											0	0
Aug											0	0
Sep											0	0
Oct											0	0
Nov											0	0
Dec											0	0
2018	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**

On-Time Performance

The City of Fosston Transit should begin tracking on-time performance as soon as possible so it can be an ongoing performance measure used to evaluate current transit service. On-time performance is one-way transit agencies are able to measure the reliability of their service. On-time is defined as a pick-up occurring within Fosston Transit's already established time window. If the bus arrives outside of that range, it would be considered either early or late. Tracking on-time performance requires drivers to record the time of each passenger pick-up and drop-off. One advantage of dispatch software with onboard tablets for drivers is that it would allow for easy on-time performance data collection. By using time stamps on the tablets, all a driver would need to do is simply press a button on the device when they either pick-up of drop-off a passenger.

Additional Performance Measures

In addition to the performance measures mentioned in this chapter, LSC recommends Fosston Transit begin to track the following three performance measures:

- **Farebox Recovery:** Goal of 8% (Fosston Transit had a farebox recovery of 7.7% in 2017);
- **Road Calls:** MnDOT benchmark is one road call per 14,000 revenue-miles; and,
- **Accidents:** MnDOT benchmark is fewer than one recordable accident per 100,000 revenue-miles.

CHAPTER VIII

Operations

OPERATING BUDGET TEMPLATE

Table VIII-1 illustrates the City of Fosston Transit's FYTSP Operating Budget. In 2018, the City of Fosston Transit's operating budget was approximately $77,000, of which 15%, or approximately $12,000, was the local match share. The City of Fosston Transit's 2019 operating budget totals approximately $84,000. In addition, Table VIII-1 includes the following additions to future operating costs:

- The operating cost for a part-time transit coordinator ($30,000) has been added to Line Item 1010 for 2020.
- The operating cost for a real-time bus location application ($1,750) has been added to Line Item 1130 for 2021.
- The operating cost for dispatch operated by Tri-Valley or Paul Bunyan Transit ($15,000) has been added to Line Item 1310 for 2021.

STAFFING

With any future service enhancements, the City of Fosston Transit may need to hire an additional bus driver. In addition, the City of Fosston Transit should hire a part-time transit coordinator as soon as possible. In Table VIII-1, the operating cost for the part-time coordinator is $30,000 and has been added to Line Item 1010 for 2020.

Table VIII-1
Five-Year Transit Sytem Plan -- Operating Budget

Line Item Description	Line Item	Operating Expenses	2017 Total Budget (actual)	2017 (local match)	2018 total Budget (actual)	2018 (local match)	2019 total budget (Projected)	2019 Local match	Cost Factor	Inflation Factor (3% per year)
The amount paid to all employees of the transit system who are classified as managers, supervisors, coordinators, or administrators.	1010	Admin, Management & Supervisory Salaries	$3,504	$526	$3,364	$505	$3,972	$596	Fixed	
Amount paid to all employees of the transit system who are classified as vehicle operators.	1020	Operator's Wages	$38,697	$5,805	$39,612	$5,942	$39,639	$5,946	$ / Hour	
Labor charges for the performance of routine maintenance and repair on vehicles and equipment required to operate the transit system. Only include wages of maintenance personnel employed by the transit system.	1030	Vehicle Maintenance and Repair Wages	$600	$90	$600	$90	$0	$0	$ / Mile	
The amount paid to all employees of the transit system who are classified as General Office Support and provide less than half their time to operations support, e.g., clerical, bookkeepers, training and safety instructors.	1040	General Office Support Wages	$0	$0	$0	$0	$0	$0	Fixed	
The amount paid to all employees of the transit system who support the daily operations of the transit system, e.g., dispatchers or call takers.	1050	Operations Support Wages	$0	$0	$0	$0	$0	$0	Fixed	
The cost of providing fringe benefits for active and retired employees of the transit system, including pension benefits, vacation and sick leave benefits, social security taxes, worker's compensation insurance, unemployment insurance, life insurance, and first party medical coverage. *If the organization consolidates all fringe benefits and supplies a percentage of gross wages for each job category, supply that percentage in lieu of listing each type of benefit.*	1060	Fringe Benefits	$12,138	$1,821	$12,001	$1,800	$14,385	$2,158	variable	
Personnel Services		**Total 1000 (1010 - 1060)**	**$54,939**	**$8,241**	**$55,576**	**$8,336**	**$57,996**	**$8,699**		
The amount paid for the professional services provided by a management service company engaged contractually to provide operating management to the transit system.	1110	Management Fees	$0	$0	$0	$0	$0	$0	Variable	
Include all non-wage expenses associated with Drug and Alcohol Testing and Administration.	1120	Drug and Alcohol Testing and Administration Fee Expenses	$200	$30	$200	$30	$200	$30	Variable	
This line includes the cost of advertising and promoting the transit system.	1130	Advertising, Marketing and Promotional Charges	$500	$75	$500	$75	$700	$105	Variable	
Includes attorney fees and expenses, court costs, witness fees, and fees for accounting and auditing services rendered by individuals or firms other than employees of the transit system for the purpose of maintaining continuing operations of the transit system, such as, accident claims, defending workers' compensation claims or other items directly related to the Management Plan. Also includes other professional fees such as fees paid for planning, engineering, or other consulting services necessary to the continuing operation of the transit system.	1140	Legal, Auditing, and Other Professional Fees	$500	$75	$500	$75	$500	$75	Variable	
Include costs associated with the licensing and training of personnel, e.g., CDL license costs, class fees and conference fees and attendance costs not from wages.	1150	Staff Development Costs	$1,000	$150	$1,000	$150	$1,000	$150	Variable	
These are the cost of office supplies and materials and printing and photocopying charges, which are solely attributable to and necessary for the operation of the transit system.	1160	Office Supplies	$0	$0	$0	$0	$0	$0	Variable	
These are leases and rentals of such items as land, buildings, office equipment and furnishings that are used for performing the general administrative functions of the transit system.	1170	Leases and Rentals - Administrative Facilities	$0	$0	$0	$0	$0	$0	Variable	
Include the cost of utilities such as gas, electricity, water, trash collection, communication services and janitorial services performed by an outside organization.	1180	Utilities	$4,500	$675	$4,700	$705	$6,600	$990	Variable	
Include other administrative charges necessary for the continuing operation of the transit system such as mileage reimbursement for transit support vehicles, physical examinations, and membership fees for transit associations and subscriptions to transit publications.	1190	Other Direct Administrative Charges	$540	$81	$600	$90	$875	$131	Variable	
Administrative Charges		**Total 1100 (1110 - 1190)**	**$7,240**	**$1,086**	**$7,500**	**$1,125**	**$9,875**	**$1,481**	**Variable**	
Include cost of gasoline, diesel fuel or alternative fuel used by revenue and service vehicles. Effective January 1, 1991, transit systems receiving financial assistance from Mn/DOT are exempt from paying state fuel tax as stated in Minnesota Statute 296.02, Subd. 1a. *Fuel tax will be shown as a contra-expense in Line Item 1594 Fuel Tax Refunds.*	1210	Fuel	$7,770	$1,166	$7,770	$1,166	$9,275	$1,391	$/mile	
Include the cost of parts, materials, lubricants and supplies used in preventive maintenance of transit service vehicles.	1220	Preventive Maintenance (PM) Labor, Parts and Material Expenses (Vehicles)	$500	$75	$500	$75	$800	$120	$ / Mile	
The cost for vehicle repair service.	1230	Corrective Maintenance (CM) Labor, Parts and Materials Expense (Vehicles)	$2,000	$300	$2,400	$360	$2,500	$375	$ / Mile	
Includes all costs of tires and tubes used on revenue and service equipment, including the cost of recapping and the rental costs for tires and tubes.	1240	Tires	$1,015	$152	$1,020	$153	$1,100	$165	$ / Mile	
Includes the cost of first aid equipment, fire extinguishers, and other emergency equipment required for vehicles, and the cost of non-capitalized vehicle improvements, which do not remake a vehicle or appreciably extend its useful life. Logos applied to a new vehicle after delivery should be charged to this line item.	1250	Other Vehicle Charges	$0	$0	$0	$0	$100	$15	$ / Mile	
Vehicle Charges		**Total 1200 (1210 - 1250)**	**$11,285**	**$1,693**	**$11,690**	**$1,754**	**$13,775**	**$2,066**		
The cost of having a contractor operate the project service with the cost established through competitive procurement procedures, a negotiated contract with the prime contractor in bid situations when only one bid is received or through a negotiated subcontract in a no bid situation.	1310	Purchase of Service	$0	$0	$0	$0	$0	$0	$ / Hour	
This includes volunteer driver mileage reimbursement for public transit services, mileage reimbursement for transit personnel using private vehicles for emergency replacement of passenger transport in the event of mechanical breakdown of transit vehicles.	1330	Mileage Reimbursement for Public Transit Service	$0	$0	$0	$0	$0	$0	Fixed	
Includes all material costs associated with the upkeep and repair of buildings, grounds, and non-revenue equipment owned or leased by the transit company, and miscellaneous expenses such as small tool replacement, supplies used for cleaning and for general shop and garage purposes.	1340	Repair and Maintenance of Other Property	$500	$75	$500	$75	$500	$75	Variable	
Includes leases and rental of garages, depots, passenger vehicles, service vehicles, passenger stations, communication equipment, computers, etc. used in the operation of the transit system with allowability based on reasonableness of rates and evidence that the lease will not give rise to material equity in the property.	1350	Leases and Rentals of Facilities or Equipment	$0	$0	$0	$0	$0	$0	Variable	
The cost of such things as the purchase, rental, or cleaning of uniforms, tools and equipment, sanding and snowplow operations, passenger amenities and station agents	1360	Other Operations Charges	$0	$0	$0	$0	$0	$0	$ / Hour	
Operation Charges		**Total 1300 (1310 - 1360)**	**$500**	**$75**	**$500**	**$75**	**$500**	**$75**		
Includes premiums paid to insure the transit system against loss through damage to its own property and to indemnify the transit system and all financial and operational participants against loss from liability for its acts which cause damage to the person or property of others.	1410	Public Liability and Property Damage on Vehicles	$1,500	$225	$1,500	$225	$1,500	$225	Fixed	
Include charges other than on vehicles, including excess liability insurance, baggage and package express insurance and fire and theft insurance.	1420	Public Liability and Property Damage - Other than on Vehicles	$1,500	$225	$1,500	$225	$1,500	$225	Fixed	
Operation Charges		**Total 1400 (1410 - 1420)**	**$3,000**	**$450**	**$3,000**	**$450**	**$3,000**	**$450**		
Vehicle registration and permit fees on all transit system and service vehicles.	1510	Vehicle Registration and Permit Fees	$0	$0	$0	$0	$0	$0	Fixed	
Discuss this with your District Project Manager	1520	Federal Fuel and Lubricant Taxes and Excise Taxes on Tires	$0	$0	$0	$0	$0	$0	Fixed	
Include the transit share of any applicable real estate and property taxes and sales taxes.	1540	Other Taxes and Fees	$0	$0	$0	$0	$0	$0	Fixed	
Taxes and Fees		**Total 1500 (1510 - 1540)**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**		
Refunds for fuel tax refunds are to be accounted in this line item as a NEGATIVE number.	1594	Fuel Tax Refunds	-$900	-$135	-$900	-$135	-$1,000	-$150	Fixed	
Any settlements received as the result of damage or loss to transit assets will be accounted for as a NEGATIVE expense in this line item.	1596	Insurance Reimbursement	$0	$0	$0	$0	$0	$0	Fixed	
		TOTAL OPERATING BUDGET	**$76,064**	**$11,410**	**$77,366**	**$11,605**	**$84,146**	**$12,622**		

Five Year Transit Sytem Plan -- Operating Budget	**Provider**	*City of Fosston Transit*

Table VIII-1
Five-Year Transit Sytem Plan -- Operating Budget Continued

Line Item Description	Line Item	Operating Expenses	2020 total projected	2020 (projected local match)	2021 total projected	2021 (projected local match)	2022	2022 (local match)	2023	2023 (local match)	2024	2024 (local match)	2025	2025 (local match)
The amount paid to all employees of the transit system who are classified as managers, supervisors, coordinators, or administrators.	1010	Admin, Management & Supervisory Salaries	$34,091	$5,114	$35,114	$5,267	$36,167	$5,425	$37,252	$5,588	$38,370	$5,755	$39,521	$5,928
Amount paid to all employees of the transit system who are classified as vehicle operators.	1020	Operator's Wages	$40,828	$6,124	$42,053	$6,308	$43,315	$6,497	$44,614	$6,692	$45,952	$6,893	$47,331	$7,100
Labor charges for the performance of routine maintenance and repair on vehicles and equipment required to operate the transit system. Only include wages of maintenance personnel employed by the transit system.	1030	Vehicle Maintenance and Repair Wages	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
The amount paid to all employees of the transit system who are classified as General Office Support and provide less than half their time to operations support, e.g., clerical, bookkeepers, training and safety instructors.	1040	General Office Support Wages	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
The amount paid to all employees of the transit system who support the daily operations of the transit system, e.g., dispatchers or call takers.	1050	Operations Support Wages	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
The cost of providing fringe benefits for active and retired employees of the transit system, including pension benefits, vacation and sick leave benefits, social security taxes, worker's compensation insurance, unemployment insurance, life insurance, and first party medical coverage. *If the organization consolidates all fringe benefits and supplies a percentage of gross wages for each job category, supply that percentage in lieu of listing each type of benefit.*	1060	Fringe Benefits	$14,817	$2,222	$15,261	$2,289	$15,719	$2,358	$16,190	$2,429	$16,676	$2,501	$17,176	$2,576
Personnel Services		**Total 1000 (1010 - 1060)**	**$89,736**	**$13,460**	**$92,428**	**$13,864**	**$95,201**	**$14,280**	**$98,057**	**$14,709**	**$100,999**	**$15,150**	**$104,028**	**$15,604**
The amount paid for the professional services provided by a management service company engaged contractually to provide operating management to the transit system.	1110	Management Fees	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Include all non-wage expenses associated with Drug and Alcohol Testing and Administration.	1120	Drug and Alcohol Testing and Administration Fee Expenses	$206	$31	$212	$32	$219	$33	$225	$34	$232	$35	$239	$36
This line includes the cost of advertising and promoting the transit system.	1130	Advertising, Marketing and Promotional Charges	$721	$108	$2,493	$374	$2,567	$385	$2,644	$397	$2,724	$409	$2,805	$421
Includes attorney fees and expenses, court costs, witness fees, and fees for accounting and auditing services rendered by individuals or firms other than employees of the transit system for the purpose of maintaining continuing operations of the transit system, such as, accident claims, defending workers' compensation claims or other items directly related to the Management Plan. Also includes other professional fees such as fees paid for planning, engineering, or other consulting services necessary to the continuing operation of the transit system.	1140	Legal, Auditing, and Other Professional Fees	$515	$77	$530	$80	$546	$82	$563	$84	$580	$87	$597	$90
Include costs associated with the licensing and training of personnel, e.g., CDL license costs, class fees and conference fees and attendance costs not from wages.	1150	Staff Development Costs	$1,030	$155	$1,061	$159	$1,093	$164	$1,126	$169	$1,159	$174	$1,194	$179
These are the cost of office supplies and materials and printing and photocopying charges, which are solely attributable to and necessary for the operation of the transit system.	1160	Office Supplies	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
These are leases and rentals of such items as land, buildings, office equipment and furnishings that are used for performing the general administrative functions of the transit system.	1170	Leases and Rentals - Administrative Facilities	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Include the cost of utilities such as gas, electricity, water, trash collection, communication services and janitorial services performed by an outside organization.	1180	Utilities	$6,798	$1,020	$7,002	$1,050	$7,212	$1,082	$7,428	$1,114	$7,651	$1,148	$7,881	$1,182
Include other administrative charges necessary for the continuing operation of the transit system such as mileage reimbursement for transit support vehicles, physical examinations, and membership fees for transit associations and subscriptions to transit publications.	1190	Other Direct Administrative Charges	$901	$135	$928	$139	$956	$143	$985	$148	$1,014	$152	$1,045	$157
Administrative Charges		**Total 1100 (1110 - 1190)**	**$10,171**	**$1,526**	**$12,226**	**$1,834**	**$12,593**	**$1,889**	**$12,971**	**$1,946**	**$13,360**	**$2,004**	**$13,761**	**$2,064**
Include cost of gasoline, diesel fuel or alternative fuel used by revenue and service vehicles. Effective January 1, 1991, transit systems receiving financial assistance from Mn/DOT are exempt from paying state fuel tax as stated in Minnesota Statute 296.02, Subd. 1a. *Fuel tax will be shown as a contra-expense in Line Item 1594 Fuel Tax Refunds.*	1210	Fuel	$9,553	$1,433	$9,840	$1,476	$10,135	$1,520	$10,439	$1,566	$10,752	$1,613	$11,075	$1,661
Include the cost of parts, materials, lubricants and supplies used in preventive maintenance of transit service vehicles.	1220	Preventive Maintenance (PM) Labor, Parts and Material Expenses (Vehicles)	$824	$124	$849	$127	$874	$131	$900	$135	$927	$139	$955	$143
The cost for vehicle repair service.	1230	Corrective Maintenance (CM) Labor, Parts and Materials Expense (Vehicles)	$2,575	$386	$2,652	$398	$2,732	$410	$2,814	$422	$2,898	$435	$2,985	$448
Includes all costs of tires and tubes used on revenue and service equipment, including the cost of recapping and the rental costs for tires and tubes.	1240	Tires	$1,133	$170	$1,167	$175	$1,202	$180	$1,238	$186	$1,275	$191	$1,313	$197
Includes the cost of first aid equipment, fire extinguishers, and other emergency equipment required for vehicles, and the cost of non-capitalized vehicle improvements, which do not remake a vehicle or appreciably extend its useful life. Logos applied to a new vehicle after delivery should be charged to this line item.	1250	Other Vehicle Charges	$103	$15	$106	$16	$109	$16	$113	$17	$116	$17	$119	$18
Vehicle Charges		**Total 1200 (1210 - 1250)**	**$14,188**	**$2,128**	**$14,614**	**$2,192**	**$15,052**	**$2,258**	**$15,504**	**$2,326**	**$15,969**	**$2,395**	**$16,448**	**$2,467**
The cost of having a contractor operate the project service with the cost established through competitive procurement procedures, a negotiated contract with the prime contractor in bid situations when only one bid is received or through a negotiated subcontract in a no bid situation.	1310	Purchase of Service	$0	$0	$15,000	$2,250	$15,450	$2,318	$15,914	$2,387	$16,391	$2,459	$16,883	$2,532
This includes volunteer driver mileage reimbursement for public transit services, mileage reimbursement for transit personnel using private vehicles for emergency replacement of passenger transport in the event of mechanical breakdown of transit vehicles.	1330	Mileage Reimbursement for Public Transit Service	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Includes all material costs associated with the upkeep and repair of buildings, grounds, and non-revenue equipment owned or leased by the transit company, and miscellaneous expenses such as small tool replacement, supplies used for cleaning and for general shop and garage purposes.	1340	Repair and Maintenance of Other Property	$515	$77	$530	$80	$546	$82	$563	$84	$580	$87	$597	$90
Includes leases and rental of garages, depots, passenger vehicles, service vehicles, passenger stations, communication equipment, computers, etc. used in the operation of the transit system with allowability based on reasonableness of rates and evidence that the lease will not give rise to material equity in the property.	1350	Leases and Rentals of Facilities or Equipment	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
The cost of such things as the purchase, rental, or cleaning of uniforms, tools and equipment, sanding and snowplow operations, passenger amenities and station agents	1360	Other Operations Charges	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Operation Charges		**Total 1300 (1310 - 1360)**	**$515**	**$77**	**$15,530**	**$2,330**	**$15,996**	**$2,399**	**$16,476**	**$2,471**	**$16,971**	**$2,546**	**$17,480**	**$2,622**
Includes premiums paid to insure the transit system against loss through damage to its own property and to indemnify the transit system and all financial and operational participants against loss from liability for its acts which cause damage to the person or property of others.	1410	Public Liability and Property Damage on Vehicles	$1,545	$232	$1,591	$239	$1,639	$246	$1,688	$253	$1,739	$261	$1,791	$269
Include charges other than on vehicles, including excess liability insurance, baggage and package express insurance and fire and theft insurance.	1420	Public Liability and Property Damage - Other than on Vehicles	$1,545	$232	$1,591	$239	$1,639	$246	$1,688	$253	$1,739	$261	$1,791	$269
Operation Charges		**Total 1400 (1410 - 1420)**	**$3,090**	**$464**	**$3,183**	**$477**	**$3,278**	**$492**	**$3,377**	**$506**	**$3,478**	**$522**	**$3,582**	**$537**
Vehicle registration and permit fees on all transit system and service vehicles.	1510	Vehicle Registration and Permit Fees	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Discuss this with your District Project Manager	1520	Federal Fuel and Lubricant Taxes and Excise Taxes on Tires	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Include the transit share of any applicable real estate and property taxes and sales taxes.	1540	Other Taxes and Fees	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Taxes and Fees		**Total 1500 (1510 - 1540)**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**
Refunds for fuel tax refunds are to be accounted in this line item as a NEGATIVE number.	1594	Fuel Tax Refunds	-$1,030	-$155	-$1,061	-$159	-$1,093	-$164	-$1,126	-$169	-$1,159	-$174	-$1,194	-$179
Any settlements received as the result of damage or loss to transit assets will be accounted for as a NEGATIVE expense in this line item.	1596	Insurance Reimbursement	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
		TOTAL OPERATING BUDGET	**$116,670**	**$17,501**	**$136,920**	**$20,538**	**$141,028**	**$21,154**	**$145,259**	**$21,789**	**$149,617**	**$22,443**	**$154,105**	**$23,116**

Five Year Transit Sytem Plan -- Operating Budget	**Provider**	*City of Fosston Transit*

ORGANIZATIONAL CHANGES

Fosston Transit is currently operated by the City of Fosston. The City Council and Mayor are responsible for decision-making and policy associated with Fosston Transit bus operations and funding. Day-to-day operations are managed by the Assistant City Administrator with oversight from the City Administrator. The City of Fosston Council and the Mayor support the service, and funding from the city is stable. Fosston Transit is often at the top of the list of city priorities, according to city staff. In addition, a Bus Committee is appointed annually and currently consists of the City Administrator, Assistant City Administrator, and a third member from the community. Given that Fosston Transit operations are stable with no recent service changes, this committee meets infrequently.

With any future service enhancements, the organizational structure of Fosston Transit will continue to remain the same. Day-to-day operations will continue to be managed by the Assistant City Administrator with oversight from the City Administrator, while the City Council and Mayor are responsible for decision-making and policy decisions.

COORDINATION

As discussed in Chapter III, the City of Fosston Transit currently coordinates with other transportation providers in the Fosston area and beyond to leverage resources and help coordinate local and regional transportation, including:

- The City of Fosston Transit works with Tri-Valley Opportunity Council T.H.E. Bus for trips beyond the City of Fosston Transit service area. Tri-Valley will pick-up Fosston riders and transport them to regional destinations like Grand Forks and Fargo. Tri-Valley will also have Fosston Transit provide trips in Fosston for customers who have requested a trip through Tri-Valley reservations.
- The Polk County Developmental Achievement Center (DAC) has its own buses to serve their clients. Some of the DAC clients also ride the city bus and coordinate with Fosston Transit. The DAC clients that have jobs in the community during the day call Fosston Transit for rides to and from their jobs.
- R&L Transportation in McIntosh, Minnesota provides non-emergency medical transportation (NEMT) regionally. City of Fosston Transit will coordinate with R&L for NEMT trips beyond the Fosston service area.

To foster ridership and better serve the community, Fosston Transit also coordinates with several local agencies and entities to provide transit service to their clients, customers, and students throughout the community. These organizations include:

- The Polk County DAC, which provides day training and rehabilitation services to adults with developmental disabilities.
- The local elementary school, Magelssen Elementary, and the Fosston High School to provide trips for students who may not be able to access the school bus.
- The Inter-County Community Council, which operates the local Head Start program.
- Cornerstone Residence—an Assisted Living Community with one- and two-bedroom apartments and staff available 24 hours a day—for primarily non-emergency medical trips for Cornerstone residents.
- Essentia Health-Fosston—a multi-specialty clinic and 25-bed critical access hospital—for medical appointments.
- Various local daycare providers for outings and special events.

With any future service enhancements, coordination efforts will largely stay the same. However, operating weekend transit service would require coordination and promotion with churches and other weekend destinations, and extending existing weekday transit service would require coordination with employers whose employees would use the service.

CONNECTIONS

With any of the future service enhancements, there will not be any changes to Fosston Transit's current regional connections, as presented in Chapter IV.

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CHAPTER IX

Financial

INTRODUCTION

The City of Fosston Transit's actual annual operating costs are shown in Table IX-1. In 2017, the transit system's operating budget was $83,445.26. Annual expenses for the system were reduced by farebox revenue and fuel tax refunds so that the net operating expenditures totaled $74,797.88. Other revenue was provided through federal, state and local sources. Total operating revenue from these other sources exceeded net operating expenditures by $1,872.39 or 2.5% of the net operating budget. This reserve can be used to fund the local share of capital improvements or to compensate for potential future revenue short falls.

Table IX-1
City of Fosston Transit 2017 Annual Operating Budget

Expense and Revenue Categories	Amount	Percent of Net Expenditure
Operating Costs	-$83,445	
Transit System Revenue	$8,647	
Net Operating Expenditure	-$74,798	
Federal Revenue Share	$38,944	52%
State Revenue Share	$34,611	46%
Local Revenue	$3,114	4%
Excess Revenue (Reserve Account)	$1,872	3%

Source: City of Fosston Revenue & Expense Report December 31, 2017

Transit system operating revenue accounted for 10.36% of the total (gross) operating costs, respectively. The passenger fare for all riders is $0.50 per trip anywhere within the City of Fosston.

BACKGROUND

Public transit programs operating in greater Minnesota receive funding from one federal and two state funds, as follows:

- U.S. Department of Transportation, Federal Transit Administration
- State General Fund Appropriations

- State Motor Vehicle Sales Tax (MVST)
- State Motor Vehicle Lease Sales Tax (MVLST)

All public transit programs also use local funds. Local funds are typically derived from the passenger farebox, local tax levies, and local contracts for service.

In rural Minnesota, transit providers like Fosston receive federal funding through the Federal Transit Administration Section 5311 Non-Urbanized Area Formula Program. Section 5311 provides both capital and operating funds for rural and intercity public transit. MnDOT is responsible for distributing federal Section 5311 funds in the state.

The State General Fund and the Transit Assistance Fund are also distributed by MnDOT to greater Minnesota's public transit systems. The majority of state funding for transit providers comes from the Transit Assistance Fund, which receives revenue through the MVST and MVLST. Other state funding has historically been provided annually from the State General Fund.

Finally, local participation in funding transit services in rural areas is mandated. A statutory fixed-share funding formula sets a local share of operating costs by system classification (Elderly and Disabled, Rural, Small Urban, Urbanized Area). For Fosston, with a rural population (less than 2,500), a 15% local match is required.

Passenger farebox, local property taxes, local sales taxes, contracted route revenue, advertising revenue, or other program revenue are examples of local revenue sources that can provide the local match. State and federal funding for public transit covers the remaining 85% of operating costs in rural areas.

More information on transit funding in Minnesota is provided in Appendix C.

FOSSTON'S FINANCIAL HISTORY

Table IX-2 and Figure IX-1 represent the annual operating expenses and revenues for 2013 through 2016. Local share has remained steady each year at 15% of operating expenses. The federal share increased from 34% to 50% of the operating expenses between 2014 and 2015 and then no federal funds were allocated in 2016. To balance the federal share, State Motor Vehicle Tax revenue

decreased to 12% in 2015 and then increased to a high of 61% in 2016. State general fund revenues remained steady between 20% and 24% each year. The City of Fosston Transit had no capital expenses between 2013 and 2016.

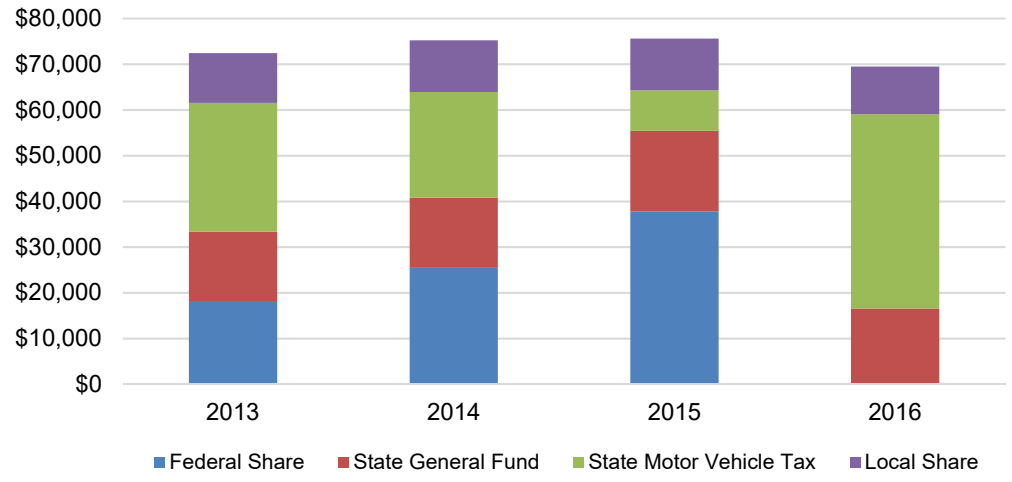
Table IX-2

Historical Annual Operating Expenses and Revenues

Year	Operating Expenses	Federal Share	State General Fund	State Motor Vehicle Tax	Local Share	Percentage of Local Share
2013	$72,420	$17,994	$15,384	$28,179	$10,863	15%
2014	$75,208	$25,446	$15,330	$23,151	$11,281	15%
2015	$75,603	$37,802	$17,600	$8,861	$11,341	15%
2016	$69,478	$0	$16,575	$42,481	$10,422	15%

Source: 2014, 2015, 2016, 2017 MnDOT Annual Transit Reports

Figure IX-1
City of Fosston Transit Operating Revenue by Source



Unconstrained Plan Costs

The MnDOT Investment and Strategic Plan 2017, supports the State Legislature target of meeting 90% of public transit need in greater Minnesota by 2025. Currently, Fosston Transit is providing 64 daily trips and according to the mobility gap methodology presented in Chapter VI, Fosston Transit must increase the number of daily trips they provide to 81 trips per day, an increase of approximately 20%, in order to meet the legislative goal. On an annual basis, the increase in service required to meet the legislative goal includes an increase in

annual passenger trips from 16,684 to 21,060 and an increase in annual operating cost from $83,445 to $105,332.

Unconstrained Approach and Timeline to Meet the Legislative Goal

Fosston Transit has discussed several options for expanding services to achieve the legislative goal for service. Three service enhancements are under consideration, as follows:

- Extend Monday through Friday weekday hours to 7 a.m. until 6 p.m.
- Add Saturday and Sunday service from 8 a.m. until noon.
- Expand the service area boundary to include a five-mile radius from Fosston with an additional bus.

Extending Monday through Friday weekday hours of operation to 7 a.m. until 6 p.m. could make it possible for the City of Fosston to provide as many as 20,855 annual passenger-trips, which is slightly short of the legislative goal of 21,060 annual passenger-trips (81 trips per day of operation). But if the service hours are enhanced before 2025, there is potential to gradually increase ridership each year through advertising and additional contracted services with employers, medical facilities, human service agencies, and other organizations that would benefit from the expanded hours to meet the goal by 2025.

The second option—adding Saturday and Sunday service from 8 a.m. until noon—is projected to generate 18,186 trips per year, which is still short of the legislative goal but moves Fosston closer to meeting that goal and presents opportunities for attracting more riders including employees who work weekends and patrons of faith-based organizations.

The third and final service enhancement is an expansion of the service area to include a five-mile radius from Fosston with an additional bus. The service area expansion option is projected to generate 25,026 annual passenger-trips which is over the legislative goal.

Table IX-3 illustrates the projected annual ridership, operating costs, and productivity measures associated with each of the potential service enhancements. As illustrated in Table IX-3, each of the service enhancement options

requires additional operating dollars and the third option also requires additional capital expenses, including an expansion vehicle.

Table IX-3
City of Fosston Transit System Projected Performance

Option	Passenger-Trips	Annual Operating Cost*	Revenue-Hours	Passenger-Trips per Hour	Cost per Hour	Cost per Passenger-Trip
Status Quo Service (2017)	16,684	$83,445	2,000	8.3	$41.72	$5.00
Extend Monday through Friday weekday hours to 7: a.m. until 6 p.m.	20,855	$186,179	2,860	7.3	$65.10	$8.93
Add Saturday and Sunday service from 8 a.m. until noon.	18,186	$143,736	2,208	8.2	$65.10	$7.90
Expand service area to include a five-mile radius from Fosston with an additional bus.	25,026	$287,732	4,420	5.7	$65.10	$11.50

**Note: The operating costs for all three of the options include a part-time transit coordinator, dispatch operated by Tri-Valley or Paul Bunyan Transit, and a real-time bus location application.*
Source: LSC, 2019.

Table IX-4 illustrates the projected annual operating and capital costs as each of the service enhancement options are implemented and sustained over a five-year horizon. Estimated costs for each option are compared to Fosston's projected annual costs of continuing with the status quo service through 2025. Annual projected operating costs for the service enhancements are inflated by 3% each year. As illustrated in the table, the unconstrained implementation plan cumulative costs over a five-year period are much higher than Fosston's current budget.

Expanding weekday hours to 7 a.m. until 6 p.m. would more than double the system's annual operating expenses. Adding Saturday and Sunday service from 8 a.m. until noon would require approximately an additional $336,313 in operating dollars over the five-year period. And a service expansion to include a five-mile radius from Fosston would more than triple the projected operating expenses over a five-year period.

Table IX-4
Unconstrained Capital and Operating Implementation Costs if Implemented and Sustained Over a Five-Year Horizon, 2019-2025

	Actual 2017	Projected 2018	Projected 2019	Projected 2020	Projected 2021	Projected 2022	Projected 2023	Projected 2024	Projected 2025	Cumulative Costs 2020-2025
Costs										
Total Status Quo Operating Costs	**$83,445**	**$85,948**	**$88,527**	**$91,183**	**$93,918**	**$96,736**	**$99,638**	**$102,627**	**$105,706**	**$589,808**
Operating Costs for Service Enhancement Options										
Extend Monday through Friday weekday hours to 7:00 a.m. until 6:00 p.m.				$186,179	$191,764	$197,517	$203,443	$209,546	$215,832	**$1,204,282**
Add Saturday and Sunday service from 8:00 a.m. until Noon				$143,176	$147,471	$151,895	$156,452	$161,146	$165,980	**$926,121**
Expand service area to include a five-mile radius from Fosston with an additional bus				$287,732	$296,364	$305,255	$314,413	$323,845	$333,560	**$1,861,169**
Capital Costs										
Vehicle Cost			$83,263	$99,420	$88,334				$99,420	**$287,174**
Cameras			$2,500	$2,500	$2,500				$2,500	**$7,500**
Other Bus Related Equipment					$11,000					**$11,000**

Table IX-5 illustrates potential costs over a five-year timeline if implementation of the service enhancements is staggered. The operating costs in the table for each enhancement are in addition to the projected costs of continuing the status quo operations. The first enhancement, adding Saturday and Sunday service, is projected for 2020. Additional annual operating revenue of $13,540 is needed to support the service. Annual operating costs are projected to increase by 3% each year. Fosston must identify sustainable revenue streams that can support the expansion on a continuous basis.

By 2023, Fosston would need to identify approximately $157,536 in additional annual operating funds to implement the service area expansion. And in 2024, the addition of extended hours of service would call for an additional $55,984 in annual revenue.

If all service enhancements are implemented as outlined in the following table, the annual operating cost of Fosston Transit would increase from an estimated $105,706 to $346,196. An additional $203,000 in capital costs over the five-year period will also be required.

Without identified funding to cover the costs of expanded services, Fosston will not be in a position to implement the service enhancements. Additional funding above and beyond the annual projected status quo operating budget is necessary to support each enhancement. Potential funding sources include state and federal grants, additional contract revenue, local government, and other local match from businesses, agencies, medical facilities, and faith-based organizations will be necessary if service enhancements are implemented. A potential increase in passenger fares from $0.50 to $0.75 would also help to cover the gap between revenue and expenses.

Table IX-5
Unconstrained Capital and Operating Implementation Costs if Staggered Implementation, 2019-2025

	Actual 2017	Projected 2018	Projected 2019	Projected 2020	Projected 2021	Projected 2022	Projected 2023	Projected 2024	Projected 2025
Costs									
Total Status Quo Operating Costs	**$83,445**	**$85,948**	**$88,527**	**$91,183**	**$93,918**	**$96,736**	**$99,638**	**$102,627**	**$105,706**
Operating Costs for Service Enhancement Options									
Extend Monday through Friday weekday hours to 7:00 a.m. until 6:00 p.m.								$55,984	$57,664
Add Saturday and Sunday service from 8:00 a.m. until Noon				$13,540	$13,946	$14,365	$14,796	$15,239	$15,697
Expand service area to include a 5-mile radius from Fosston with an additional bus							$157,536	$162,262	$167,130
Total Operating Costs	**$83,445**	**$85,948**	**$88,527**	**$104,723**	**$107,864**	**$111,101**	**$271,970**	**$336,112**	**$346,196**
Capital Costs									
Vehicle Cost					$88,334				$99,420
Cameras					$2,500				$2,500
Other Bus Related Equipment					$11,000				
Total Capital Costs	**$0**	**$0**	**$0**	**$0**	**$101,834**	**$0**	**$0**	**$0**	**$101,920**
Total Annual Operating Costs and Capital Costs	**$83,445**	**$85,948**	**$88,527**	**$104,723**	**$209,698**	**$111,101**	**$271,970**	**$336,112**	**$448,116**
Funding Gap	**$0**	**$0**	**$0**	**$13,540**	**$115,780**	**$14,365**	**$172,332**	**$233,485**	**$342,410**

Constrained Five-Year Financial Plan

At the time of this report, no additional funding sources had been identified to support the service enhancements previously described. With no additional revenue streams, the City of Fosston could work toward achieving the legislative goal by implementing the third option of expanding its service area to include a five-mile radius. The expanded service area would permit the system to serve more employers and communities around the city with no significant additional costs. However, to serve more customers, the service area expansion would eventually require, at minimum, hiring a second part-time driver and adding another bus to the fleet. Depending upon the level of demand for service, the expansion may eventually require the second driver to become a full-time employee. Table IX-6 illustrates a five-year constrained budget illustrating the option of expanding the service area and gradually expanding to a second full-time driver. The operating costs associated with the part-time driver enhancement include additional fuel (operating cost) and purchase of another vehicle. Fiscal Year 2024 operating costs include the full-time salary and benefits of the second driver and additional fuel expenses. Local match is projected at a rate of 15% of net operating costs.

CONCLUSION

To achieve the legislative goal, it is likely that the City of Fosston Transit System will need to identify additional revenue sources. In the short term, and without additional funding, an expansion of the service area to include a five-mile radius could be implemented with minimal additional operating expenses and no additional vehicle. However, as demand increases, Fosston will need to hire an additional part-time driver. To achieve the legislative goal for ridership, the second driver would need to become a full-time operator so that two vehicles are operated during all hours of service.

If Fosston is able to identify additional operating funds, any of the three unconstrained options would become appropriate for implementation. Implementation of the service area expansion or a combination of any two service enhancements included in this chapter would achieve the legislative goal for ridership.

Table IX-6
Constrained Operating and Capital Budget

	Actual 2017	Projected 2018	Projected 2019	% Increase	Projected 2020	% Increase	Projected 2021	% Increase	Projected 2022	% Increase	Projected 2023	% Increase	Projected 2024	% Increase	Projected 2025	% Increase
Costs																
Total Status Quo Operating Costs	$83,445	$85,948	$88,527		$91,183		$93,918		$96,736		$99,638		$102,627		$105,706	
Operating Costs for Service Enhancement Options																
Expand service area to include a 5-mile radius with no additional bus or driver.			$0		$0		$0		$0		$0		$0		$0	
Add a part-time driver and 2nd bus.							$23,362		$24,063		$24,785		$25,528		$26,294	
Increase the part-time driver to full-time.													$29,232		$30,109	
Total Operating Costs	**$83,445**	**$85,948**	**$88,527**	**3%**	**$91,183**	**3%**	**$117,280**	**29%**	**$120,799**	**3%**	**$124,423**	**3%**	**$157,387**	**26%**	**$162,109**	3%
Capital Costs																
Vehicle Cost			$83,263				$88,334								$99,420	
Cameras			$2,500				$2,500								$2,500	
Other Bus Related Equipment							$11,000									
Total Capital Costs			**$85,763**		**$0**		**$101,834**		**$0**		**$0**		**$0**		**$101,920**	
Revenues																
Miscellaneous contributions including human service agencies, faith-based organizations, medical clinics, and employers	$3,114	$3,208	$3,304	3%	$3,403	3%	$3,505	3%	$3,611	3%	$3,719	3%	$3,830	3%	$3,945	3%
Services/Fees	$8,647	$8,647	$10,428	21%	$15,641	50%	$23,462	50%	$23,462	0%	$23,462	0%	$31,294	33%	$31,294	0%
Federal Share	$38,944	$40,196	$40,612	1%	$39,282	-3%	$48,785	24%	$50,615	4%	$52,500	4%	$65,569	25%	$68,024	4%
State General Fund	$34,611	$35,558	$35,926	1%	$34,749	-3%	$43,156	24%	$44,775	4%	$46,442	4%	$58,003	25%	$60,175	4%
Capital Federal Share	$0	$0	$0		$0		$0		$0		$0		$0		$0	
Capital State Share	$0	$0	$68,610		$0		$81,467		$0		$0		$0		$81,536	
Capital Local Share	$0	$0	$17,153		$0		$20,367		$0		$0		$0		$20,384	
Total Capital and Operating Costs	**$83,445**	**$85,948**	**$174,290**		**$91,183**		**$219,114**		**$120,799**		**$124,423**		**$157,387**		**$264,029**	
Total Revenue																
Total Revenues	**$85,318**	**$87,610**	**$176,032**		**$93,075**		**$220,743**		**$122,462**		**$126,122**		**$158,696**		**$265,358**	
Excess Revenue Fund/Shortfall	**$1,873**	**$1,662**	**$1,742**		**$1,892**		**$1,629**		**$1,664**		**$1,700**		**$1,309**		**$1,329**	

Source: Projected revenue percentages are based on historical allocations. Services/Fees are based on projected ridership with a fare increase to $0.75 to be implemented in 2020.

CHAPTER X

Agency Strategic Direction

The five-year planning process included all of the rural transit service providers (FTA Section 5311) in Greater Minnesota. The process of developing the five-year transit system plans was the first for 5311 providers in Greater Minnesota. The Plan identifies and quantifies the transit services being operated around the state, which varies greatly, and identifies potential areas for improvement, expansion and regional transit and mobility coordination. Transit services are subject to many federal and state guidelines, which may impact how improvements, expansion, and coordination is implemented. This section describes both overarching areas of potential improvement and opportunities identified across the state, as well as those specific to the City of Fosston Transit, including local, state, and federal requirements.

REQUIREMENTS

The provision of transit service is subject to many local, state and federal guidelines.

Federal Transit Authority (FTA)

FTA Section 5311 provides formula-based grants to support rural areas for transit capital, planning, and operating assistance[1]. Guidance on the grant, requirements, compliance and the application process is available online[2] and through MnDOT Office of Transit and Active Transportation (OTAT)[3].

The FTA is one of the funders for rural transit service in Greater Minnesota. MnDOT operates as the primary recipient of FTA Section 5311 funds. As such, all Greater Minnesota transit service providers (sub recipients) receiving FTA Section 5311 funds, is facilitated through MnDOT as the recipient. MnDOT assists in compliance to FTA regulations. FTA regulations such as: training,

[1] https://www.transit.dot.gov/rural-formula-grants-5311
[2] https://www.transit.dot.gov/regulations-and-guidance/fta-circulars/formula-grants-rural-areas-program-guidance-and-application
[3] https://www.dot.state.mn.us/transit/

safety, maintenance, service, and procurement. Any contracted service by transit agencies, including taxi services, must also comply with FTA requirements.

FTA also requires compliance with the American's with Disabilities Act (ADA), Olmstead Plan, and Title VI, described in more detail below.

Olmstead Plan

In 1999, the Supreme Court affirmed that mental illness is a type of disability, that individuals with disabilities, including those with mental illness, have a right to live in their communities as opposed to forcing institutionalization, and are covered by the Americans Disabilities Act of 1990 (ADA) in *Olmstead vs. L.C and E.W*[4]. The State of Minnesota is one of the more progressive states in instituting a specific Olmstead Plan. Minnesota's Olmstead Plan was updated most recently in March 2018[5].

For transit providers in Greater Minnesota, the Olmstead Plan requires that people with disabilities, including those with mental illness, are covered by the same requirements of the Americans with Disabilities Act. It means that the level of transit service available to the general public (the span of service, frequency of service, and service area coverage) is also available to people with disabilities, including mental illness. It also means that social and human service agencies and public transit agencies should coordinate as much as possible to provide service to individuals with disabilities.

Fosston Transit coordinates with the local DAC, in accordance with the Olmstead Plan.

Title VI

FTA requires all recipients and sub recipients to comply with U.S. Department of Transportation Title VI regulations, based on the Title VI of the Civil Rights Act of 1964. Title VI requirements for transit services are generally related to supplying language access to persons with limited English proficiency (LEP)[6]. In Greater Minnesota, MnDOT is the primary recipient of FTA funds, so all the

[4] https://supreme.justia.com/cases/federal/us/527/581/
[5] https://www.dhs.state.mn.us/olmstead/
[6] https://www.transit.dot.gov/sites/fta.dot.gov/files/docs/FTA_Title_VI_FINAL.pdf

Section 5311 transit service providers are sub recipients. Thus, MnDOT has the primary responsibility for Title VI compliance. MnDOT may request information related to Title VI compliance, including language assistance plans or activities, public participation plans or activities including language access, etc., from the transit service providers as needed.

In Greater Minnesota, with primarily deviated fixed route and demand response service, Title VI responsibilities pertain to identifying communities with limited English proficiency and providing materials and outreach in appropriate languages.

For reference go to MnDOT's website:
https://www.dot.state.mn.us/civilrights/titlevi.html

The City of Fosston has not seen much growth or change in non-English speakers and there is not a significant presence of non-English speakers in Fosston.

Americans with Disabilities Act

The Americans with Disabilities Act (ADA) of 1990 is designed to prohibit discrimination based on disability. In terms of FTA and the provision of transit service, the ADA is structured to ensure equal opportunity and access for persons with disabilities[7]. ADA requirements apply to facilities, vehicles, equipment, bus stops, level of service, fares, and provision of service.

In Greater Minnesota, with most service provided via deviated fixed route or demand response, most service-related requirements (i.e. complementary paratransit service associated with fixed route service) are inherently met by mode. Any contracted service by transit agencies, including taxi services, must also comply with FTA and ADA requirements.

MnDOT defines the types of vehicles that are available for service provision in Greater Minnesota. All of the vehicles on the list are ADA compliant. Any new facilities or bus stops must be constructed to be ADA compliant. All transit service providers must complete required training.

[7] https://www.transit.dot.gov/sites/fta.dot.gov/files/docs/Final_FTA_ADA_Circular_C_4710.1.pdf

Service provision-related equivalencies include the following for demand response service:

- The response time, fares, geographic area of service, hours and days of service, trip purpose restrictions, and availability of information and reservations capability must be the same for all riders, including those with disabilities
- With regard to capacity denials (denials within the existing service parameters in the above bullet); denials are allowed for demand response service, as long as the frequency of denials is the same as the frequency for riders without disabilities
- Any priority given to persons with disabilities or higher levels of service is a local decision
- Requirements for demand response service are different than those required for ADA complementary paratransit associated with fixed route service

Service provision-related practices include the following for deviated fixed route service:

- Route deviation policies, including distance and availability, must be advertised
- Establish a reasonable service area in which deviations are permitted (e.g. ¾ mile)
- Establish reasonable limits on numbers of deviations per trip to ensure that the fixed route portion of the service is able to operate on-time
- Apply reasonable surcharges for deviations (e.g. deviation surcharges no more than twice the base fare)

There were no specific ADA issues identified for City of Fosston Transit.

Agency

MnDOT is responsible for making sure each provider (sub recipient) complies with FTA Section 5311 requirements. MnDOT also has additional requirements to support the transit service providers.

- Data Tracking
    - Service data for National Transit Database (NTD)
        - Monthly and annually

        - By mode
    - Grant management
    - Fleet inventory / Facility inventory
    - Denials
        - Capacity
        - Unmet Need
    - On-Time Performance (pick-up window)
    - Percent of communities with baseline span of service
    - Performance metrics (required, but not tracked)
        - Passengers per hour
        - Cost per service hour
        - Cost per trip
        - Others (3; at the discretion of the transit service provider)

MnDOT reports annual NTD statistics and also created and maintains the Transit Asset Management (TAM) Plan for all FTA Section 5311 transit service providers.

For reference, the MnDOT TAM Plan is available at this website: http://www.dot.state.mn.us/transit/reports/transit-report/pdf/OTAT%20TAM%20Plan%2010-1-18.pdf.

The City of Fosston Transit follows the guidance and requirements set forth by MnDOT and is in compliance with these requirements. New policies and procedures are developed are necessary to address issues or as required by MnDOT, FTA, or other applicable regulatory agencies.

CHALLENGES

Like many rural transit providers in Minnesota, the City of Fosston Transit faces the challenge of finding enough local funding in order to implement additional transit services. Even if MnDOT provides their typical funding, the City of Fosston Transit still faces the challenge of acquiring the local match.

In 2017, Fosston Transit's local match was 15%, or approximately $12,500. To implement the service options discussed in Chapters VIII and IX would require the following:

- Extending Monday through Friday weekday hours to 7 a.m. until 6 p.m. would require an additional $15,400 per year in local match.
- Adding Saturday and Sunday service from 8 a.m. until noon would require an additional $21,600 per year in local match.
- Expanding the service area to include a five-mile radius from Fosston with an additional bus would require an additional $30,600 per year in local match.

Meeting the legislative goal, discussed in Chapters VI and IX, would increase the local match required by the City of Fosston Transit by approximately $3,283 per year.

CHAPTER XI

Increasing Transit Use for Agency

EXISTING MARKETING EFFORTS

As described in Chapter III, the City of Fosston transit currently uses a community-based, low-cost marketing approach to get information out about the service, including:

- Putting bus information on the local access television channel and on the City of Fosston website;
- Having public service announcements on local radio stations to inform riders about bus service updates; and,
- Placing notices in City newsletters, which are included in monthly utility bills.

MARKETING ACTION PLAN

To increase ridership, the City of Fosston Transit should consider the following marketing approaches:

- Website updates in regards to transit information and possibly having a dedicated website for just City of Fosston Transit.
- Creating a branding campaign to enhance the agency's image and increase visibility in the community, through use of a consistent name, logo, colors, and graphics in all promotional materials and on agency vehicles.
- Creating helpful printed and electronic resources for riders, like a rider's guide with hours of operation, a map of the service area, information on how to make a reservation, how-to-ride information including fares and the cancellation policy, and contact information for the agency, including phone number and website.
- Creating a social media presence on Facebook, Twitter, Instagram, etc.
- Increasing local advertising
- Implementing a real-time bus location application so passengers can be well informed and able to track the current location of their transit vehicle, as well as receive real-time predictions and reminders for pick-ups.

- Create a rider alert list that allows passengers to sign up to receive alerts via email or text message about service changes or disruptions, like service cancellation due to bad weather.

In addition to the marketing strategies included in this chapter, the following resources are available:

- **TCRP Report 50: A Handbook of Proven Marketing Strategies for Public Transit** – a resource for transit agencies that identifies, describes, and assesses proven low-cost and cost-effective marketing techniques and strategies. The report is available for free on the Transit Research Board's website: http://onlinepubs.trb.org/onlinepubs/tcrp/tcrp_rpt_50-a.pdf.

- **TCRP Report 122: Understanding How to Motivate Communities to Support and Ride Public Transportation** – a study exploring the methods and strategies used by public transportation agencies in the United States and Canada to enhance their public images and motivate the support and use of public transportation. The report also identifies effective communication strategies, campaigns, and platforms for motivating individuals to support public transportation, as well as ways to execute those communication strategies, campaigns, and platforms. The report is available for free on the Transit Research Board's website: http://www.trb.org/Main/Public/Blurbs/159756.aspx.

- **National Rural Transit Assistance Program (National RTAP) Marketing Transit Toolkit** – a resource designed as to be a comprehensive and practical guide for rural and tribal public transportation agencies to develop and implement successful marketing programs for their systems. The toolkit is available for free on their website: http://nationalrtap.org/marketingtoolkit/.

- **National RTAP Web Builder** – a free tool to help transit agencies make improvements to their websites. More information can be found at their website: http://www.nationalrtap.org/Web-Apps/Website-Builder.

APPENDIX A

Transit Asset Management

Transit Asset Management (TAM) in MnDOT's Office of Transit and Active Transportation (OTAT) provides consistent, accountable, and transparent program guidance for all Greater Minnesota transit providers. The National TAM System Final Rule (49 U.S.C. 625) requires that all agencies that receive federal financial assistance under 49 U.S.C. Chapter 53 and own, operate, or manage capital assets used in the provision of public transportation create a TAM Plan. TAM staff and the TAM Plan aid in the decision-making process of balancing asset needs and demands for rolling stock, facilities, and equipment. Rolling stock mainly includes revenue bus vehicles and no rail vehicles. Equipment mainly includes non-revenue service vehicles. Facilities range from general purpose maintenance and overnight storage facilities to combined administrative and maintenance facilities including service and inspection.

Maintenance Plans for both facilities and vehicles are key to understanding and documenting how transit systems are maintaining their assets. Thus having updated and relevant Maintenance Plans that are specific to the asset have been identified as a key component. Another key tool for making decisions about assets is the annual inspections conducted by OTAT personnel. This not only helps MnDOT understand that systems are maintaining their fleets per their Vehicle Maintenance Plans, it also lets MnDOT see firsthand the condition of the fleet in the field. The inspection also aids in keeping MnDOT in the loop on what issues the transit systems are facing regarding their fleet. Likewise, for transit facilities, MnDOT visits each federally funded facility as well as state funded facility and conducts an annual facility review. This allows MnDOT to verify that transit systems are maintaining their facility per their Facility Maintenance Plan and allows MnDOT to verify any issues with a facility.

To further enhance the TAM Plan, MnDOT added a Transit Asset Management module to the BlackCat Grants Managements System in 2017 that allows greater tracking of assets. Additionally, MnDOT completed an update to its TAM Plan in 2018 that included an inventory of the number and type of capital assets, a

condition assessment of those inventoried assets for which a provider has direct capital responsibility, a description of analytical processes or decision-support tools that a provider uses to estimate capital investment needs over time and develop its investment prioritization, a discussion of prioritization investment direction, and plan implementation strategies and recommendations including how OTAT will monitor, update, and evaluate, as needed, the statewide 5311 TAM Plan and related business practices, to ensure the continuous improvement of its TAM practices.

Prior to 2020, fleet assets were prioritized based on life expectancy. For this FYTSP, the assets are identified for replacement based on the submitted Transit Asset Management plan submitted to FTA on October 1, 2018.

APPENDIX B

Glossary of Terms/Concepts

Access: The opportunity to reach a given destination within a certain timeframe or without significant physical, social, or economic barriers.

Accessible vehicle: A public transportation vehicle that does not restrict access, is usable and provides allocated space and/or priority seating for individuals who use mobility devices.

Active Status: The vehicle is regularly used to provide public transit, revenue-generating service. The vehicle may have reached the useful life, bus has not been replaced. The vehicle is tracked for trips, miles, hours, etc.

Americans with Disabilities Act (ADA): The Americans with Disabilities Act, passed in July 1991, gave direction to local transit agencies to ensure full access to transportation for persons with disabilities.

Backup Status: The vehicle has reached useful life and been replaced. The vehicle remains part of the fleet inventory and used to provide public transit service.

Capital Cost: The cost of equipment and facilities required to support transportation systems including: vehicles, radios, shelters, software, etc.

Central Transfer Point: A central meeting place where routes or zonal demand-responsive buses intersect so that passengers may transfer. Routes are often timed to facilitate transferring and depart once passengers have had time to transfer. When all routes arrive and depart at the same time, the system is called a ***pulse system.*** The ***central transfer point*** simplifies transfers when there are many routes (particularly ***radial routes***), several different modes, and/or paratransit zones. A downtown retail area is often an appropriate site for a ***central transfer point,*** as it is likely to be a popular ***destination,*** a place of traffic congestion and limited parking, and a place where riders are likely to feel safe waiting for the next bus. Strategic placement of the transfer point can attract riders to the

system and may provide an opportunity for joint marketing promotions with local merchants.

Circulator: A bus that makes frequent trips around a small geographic area with numerous stops around the route. It is typically operated in a downtown area or area attracting tourists, where parking is limited, roads are congested, and ***trip generators*** are spread around the area. It may be operated all-day or only at times of ***peak*** demand, such as rush hour or lunchtime.

Commuter Bus Service: Transportation designed for daily, round-trip service, which accommodates a typical 8-hour, daytime work shift (e.g., an outbound trip arriving at an employment center by 8 a.m., with the return trip departing after 5 p.m.).

Coordination: Coordination means pooling the transportation resources and activities of several agencies. The owners of transportation assets talk to each other to find ways to mutually benefit their agencies and their customers. Coordination models can range in scope from sharing information, to sharing equipment and facilities, to integrated scheduling and dispatching of services, to the provision of services by only one transportation provider (with other former providers now purchasing services). Coordination may involve human service agencies working with each other or with public transit operations.

Cost Effectiveness: Cost effectiveness is the cost per passenger trip. More precisely, it is the amount of money a transit agency spends to provide its service (either as a system or a particular mode of travel, such as bus or rail) divided by the total number of passenger trips. This only takes into account what it costs to provide the service, and does not deduct fare revenues from the cost of providing the service.

Dedicated funding source: A funding source which by law, is available for use only to support a specific purpose and cannot be diverted to other uses; e.g., the federal gasoline tax can only be used for highway investments and, since 1983, for transit capital projects.

Demand-Responsive Service: Service to individuals that is activated based on passenger requests. Usually passengers call the scheduler or dispatcher and

request rides for dates and times. A trip is scheduled for that passenger, which may be canceled by the passenger. Usually involves curb-to-curb or door-to-door service. Trips may be scheduled on an advanced reservation basis or in "real-time." Usually smaller vehicles are used to provide demand responsive service. This type of service usually provides the highest level of service to the passenger but is the most expensive for the transit system to operate in terms of cost per trip. In rural areas with relatively high populations of elderly persons and persons with disabilities, demand-responsive service is sometimes the most appropriate type of service. Sub-options within this service type are discussed in order of least structured to most structured, in terms of routing and scheduling.

- ***Pure Demand-Responsive Service:*** Drivers pick-up and drop-off passengers at any point in the service area, based on instructions from the dispatcher. In pure demand responsive systems, the dispatcher combines immediate requests, reservations, and subscription service for the most efficient use of each driver's time.

- ***Zonal Demand-Responsive Service:*** The service area is divided into zones. Buses pick-up and drop-off passengers only within the assigned zone. When the drop off is in another zone, the dispatcher chooses a meeting point at the zone boundary for passenger transfer or a central transfer is used. This system ensures that a vehicle will always be within each zone when rides are requested.

- ***Flexibly Routed and Scheduled Services:*** Flexibly routed and scheduled services have some characteristics of both fixed route and demand-responsive services. In areas where demand for travel follows certain patterns routinely, but the demand for these patterns is not high enough to warrant a fixed route, service options such as checkpoint service, point deviation, route deviation, service routes, or subscription service might be the answer. These are all examples of flexible routing and schedules, and each may help the transit system make its demand-responsive services more efficient while still maintaining much of the flexibility of demand responsiveness.

Dial-A-Ride Service: A name that is commonly used for demand-responsive service. It is helpful in marketing the service to the community, as the meaning of "dial-a-ride" may be more self-explanatory than "demand-responsive" to someone unfamiliar with transportation terms.

Disposed Bus: Bus that has been completely properly disposed of based on required documents submitted. The vehicle is NO longer owned by the transit service provider or included in the fleet inventory. It is not used to provide public transit service.

Express Bus Service: Express bus service characteristics include direct service from a limited number of origins to a limited number of destinations with no intermediate stops. Typically, express bus service is fixed route/fixed schedule and is used for longer distance commuter trips. The term may also refer to a bus which makes a limited number of stops while a local bus makes many stops along the same route but as a result takes much longer.

Farebox Recovery Ratio: The percentage of operating costs covered by revenue from fares and contract revenue (total fare revenue and total contract revenue divided by the total operating cost).

Fares: Revenue from cash, tickets and pass receipts given by passengers as payment for public transit rides.

Federal Transit Administration (FTA): An operating administration within the United States Department of Transportation that administers federal programs and provides financial assistance to public transit.

Feeder Service: Local transportation service that provides passengers with connections to a longer-distance transportation service. Like ***connector service,*** feeder service is service in which a ***transfer*** to or from another transit system, such as an ***intercity bus*** route, is the focal point or primary destination. **Fixed Route:** Transportation service operated over a set route or network of routes on a regular time schedule.

Goal: A community's statement of values for what it wants to achieve.

Headway: The length of time between vehicles moving in the same direction on a route. Headways are called short if the time between vehicles is short and long if the time between them is long. When headways are short, the service is said to be operating at a high frequency; if headways are long, service is operating at a low frequency.

Intercity Bus Service: Regularly scheduled bus service for the public that operates with limited stops over fixed routes connecting two or more urban areas not near, that has the capacity for transporting baggage carried by passengers, and that makes meaningful connections with scheduled intercity bus service to more distant points, if such service is available. Intercity bus service may include local and regional ***feeder services***, if those services are designed expressly to connect to the broader intercity bus network.

MAP-21: Moving Ahead for Progress in the 21st Century Act, signed into law in July 2012. MAP21 established surface transportation funding programs for federal fiscal years 2013 and 2014.

Measure: A basis for comparison, or a reference point against which other factors can be evaluated.

Motor Vehicle Sales Tax (MVST): A source of revenue for Minnesota public transit. The percentages of this revenue source designated for metropolitan area and Greater Minnesota transit are defined in Minn. Stat. 297B.09.

Operating expenditures: The recurring costs of providing transit service; e.g., wages, salaries, fuel, oil, taxes, maintenance, insurance, marketing, etc.

Operating Revenue: The total revenue earned by a transit agency through its transit operations. It includes passenger fares, advertising and other revenues.

Paratransit Service: "Paratransit" means the transportation of passengers by motor vehicle or other means of conveyance by persons operating on a regular and continuing basis and the transportation or delivery of packages in conjunction with an operation having the transportation of passengers as its primary and predominant purpose and activity but excluding regular route transit. "Paratransit" includes transportation by car pool and commuter van,

point deviation and route deviation services, shared-ride taxi service, dial-a-ride service, and other similar services.

Performance Indicator: An indicator is a metric that provides meaningful information about the condition or performance of the transportation system but is neither managed to nor use to evaluate the effectiveness of policies, strategies or investments.

Performance Measure: A performance measure is a metric that measures progress toward a goal, outcome or objective. This definition covers metrics used to make decisions or evaluate the effectiveness or adequacy of a policy, strategy or investment.

Performance Target: A target is a specific performance level representing the achievement of a goal, outcome or objective

Point Deviation Service: A type of flexible route transit service in which fixed scheduled stops (points) are established but the vehicle may follow any route needed to pick-up individuals along the way if the vehicle can make it to the fixed points on schedule. This type of service usually provides access to a broader geographic area than does fixed route service but is not as flexible in scheduling options as demand-responsive service. It is appropriate when riders change from day to day but the same few destinations are consistently in demand. Also, sometimes called checkpoint service.

Public Transportation: Transportation service that is available to any person upon payment of the fare either directly, subsidized by public policy, or through some contractual arrangement, and which cannot be reserved for the private or exclusive use of one individual or group. “Public” in this sense refers to the access to the service, not to the ownership of the system that provides the service.

Revenue Hours: The number of transit vehicle hours when passengers are being transported. Calculated by taking the total time when a vehicle is available to the public with the expectation of carrying passengers. Excludes deadhead hours, when buses are positioning but not carrying passengers, but includes recovery/layover time.

Ridership: The total of all unlinked passenger trips including transfers.

Ridesharing: A form of transportation, other than public transit, in which more than one person shares the use of a vehicle, such as a van or car, to make a trip. Variations include carpooling or vanpooling.

Route Deviation Service: Transit buses travel along a predetermined alignment or path with scheduled time points at each terminal point and in some instances at key intermediate locations. Route deviation service is different than conventional fixed route bus service in that the vehicle may leave the route upon requests of passengers to be picked-up or returned to destinations near the route. Following an off-route deviation, the vehicle typically returns to the point at which it left the route. Passengers may call in advance for route deviation or may access the system at predetermined route stops. The limited geographic area within which the vehicle may travel off the route is known as the route deviation corridor.

Seating Capacity: The number of seated passengers, which the vehicle is designed to carry and for which seat positions are provided. The seating capacity is identified on a plate placed on the driver's door. The plate illustrates seats X where X is the number of seating positions provided in the vehicle including the driver's position.

Section 5304 (State Transportation and Planning Program): The section of the Federal Transit Act of 1991, as amended, that provides financial assistance to the states for purposes of planning, technical studies and assistance, demonstrations, management training and cooperative research activities.

Section 5307 (Urbanized Area Formula Program): The section of the Federal Transit Act of 1991, as amended, that authorizes grants to public transit systems in urban areas with populations of more than 50,000 for both capital and operating projects. Based on population and density figures, these funds are distributed directly to the transit agency from the FTA.

Section 5310 (Enhanced Mobility for Seniors and Persons with Disability): The section of the Federal Transit Act of 1991, as amended, that provides grant funds for the purchase of accessible vehicles and related support equipment for

private non-profit organizations to serve elderly and/or disabled people, public bodies that coordinate services for elderly and disabled, or any public body that certifies to the state that non-profits in the area are not readily available to carry out the services.

Section 5311 (Non-Urbanized Area Formula Program): The section of the Federal Transit Act of 1991, as amended, that authorizes grants to public transit systems in non-urbanized areas (fewer than 50,000 population). The funds initially go to the governor of each state. In Minnesota, MnDOT administers these funds.

Service Area: The geographic area that coincides with a transit system's legal operating limits; e.g., city limits, county boundary, etc.

Service Gaps: Service gaps can occur when certain geographic segments cannot be covered by transportation services. This term can also refer to instances where service delivery is not available to a certain group of riders, or at a specific time.

Service Span: The duration of time that service is made available or operated during the service day; e.g., 6 a.m. to 10 p.m.

Standard: A recommendation that leads or directs a course of action to achieve a certain goal. A standard is the expected outcome for the measure that will allow a service to be evaluated. There are two sets of transit standards.

- ***Service design and operating standards***: Guidelines for the design of new and improved services and the operation of the transit system.
- ***Service performance standards****:* The evaluation of the performance of the existing transit system and of alternative service improvements using ***performance measures***.

Total Operating Cost: The total of all operating costs incurred during the transit system calendar year, excluding expenses associated with capital grants.

Transfer: Passengers arrive on one bus and leave on another (totally separate) bus to continue their trip. The boarding of the second vehicle is counted as an ***unlinked passenger trip.***

Transit: Transportation by bus, rail or other conveyance, either publicly or privately owned, that provides general or special service on a regular and continuing basis. The term includes fixed route and paratransit services as well as ridesharing. Also known as mass transportation, mass transit, or public transit.

Transit Dependent: A description for a population or person who does not have immediate access to a private vehicle, or because of age or health reasons cannot drive and must rely on others for transportation.

Passenger Trip (Unlinked): Typically, one passenger trip is recorded any time a passenger boards a transportation vehicle or other conveyance used to provide transportation. "Unlinked" means that one trip is recorded each time a passenger boards a vehicle, no matter how many vehicles that passenger uses to travel from their origin to their destination.

Transit Subsidy: The operating costs not covered by revenue from ***fares*** or contracts.

Trip Denial: A trip denial occurs when a trip is requested by a passenger, but the transportation provider cannot provide the service. Trip denial may happen because capacity is not available at the requested time. For ADA paratransit, a capacity denial is specifically defined as occurring if a trip cannot be accommodated within the negotiated pick-up window. Even if a trip is provided, if it is scheduled outside the +60/-60-minute window, it is considered a denial. If the passenger refused to accept a trip offered within the +60/-60-minute pick-up window, it is considered a refusal, not a capacity denial.

Volunteers: Volunteers are persons who offer services to others but do not accept monetary or material compensation for the services that they provide. In some volunteer programs, the volunteers are reimbursed for their out-of-pocket expenses; for example, volunteers who drive their own cars may receive reimbursement based on miles driven for the expenses that they are assumed to have incurred, such as gasoline, repair, and insurance expenses.

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APPENDIX C

Transit Funding in Minnesota

Transit funding is comprised of:

- Federal Transit Funding
- State General Fund appropriations
- State Motor Vehicle Sales Tax (MVST)
- State Motor Vehicle Lease Sales Tax (MVLST)
- Local Share: farebox recovery, local tax levies, local contracts for service

Table C-1
Federal Transit Funding Overview

Program	Description	2017 Total	Percent of Grand Total
5307	Urbanized Area Formula Program: Operating and capital assistance for public transportation in urban areas (including Duluth, East Grand Forks, La Crescent, Mankato, Moorhead, Rochester, St. Cloud and metropolitan Twin Cities.)	$63,248,281	43.23%
5310	Elderly Individuals and Individuals with Disabilities Program: Capital and operating assistance grants for organizations that serve elderly and/or persons with disabilities	$3,846,676	2.63%
5311	Non-urbanized Area Formula Program: Capital and operating funding for small urban and rural areas; includes intercity bus transportation	$15,863,833	10.84%
5311(b)(3)	Rural Transit Assistance Program: Research, training and technical assistance for transit operators in non-urbanized areas	$249,893	0.17%
5311(c)	Public Transportation on Indian Reservations: Capital and operating funding for tribes	$2,044,800	1.40%
5337	State of Good Repair Program: Funding to upgrade rail transit systems and high-intensity motor bus systems that use high-occupancy vehicle lanes, includes bus rapid transit	$15,313,475	10.47%
5339	Bus and Bus Facilities Program: Funding to assist in procurement or construction of vehicles and facilities	$7,068,088	4.83%
FHWA Flexible Funds	Congestion Mitigation and Air Quality: Funding for transit capital projects	$23,765,609	16.20%
	Surface Transportation Program: Funding for transit capital projects in Minnesota	$3,014,400	2.06%

Transit services have received funding from the state's general fund every year for decades. Recent general fund appropriations:

MnDOT Transit Funding

	Actual				Forecast			
	FY14	FY15	FY16	FY17	FY18	FY19	FY20	FY21
General Fund	$ 16	$ 23	$ 20	$ 20	$ 1	$ 17	$ 17	$ 17
Transit Assistance Fund								
Motor Vehicle Sales Tax	26	28	29	30	31	32	33	34
Motor Vehicle Lease Tax	23	23	29	33	37	37	38	38
Total Funding*	$ 64	$ 74	$ 77	$ 83	$ 68	$ 87	$ 88	$ 89

GENERAL FUND APPROPRIATIONS

Transit services have received funding from the state's general fund every year for decades. Recent general fund appropriations:

Greater Minnesota Transit

FY14 - $16,451,000

FY15 - $16,470,000

FY16 - $19,745,000

FY17 - $19,745,000

FY18 - $ 570,000

FY19 - $17,395,000

FY20 (Base) $17,245,000

FY21 (Base) $17,245,000

TRANSIT ASSISTANCE FUND

The Transit Assistance Fund (TAF) receives revenue from the Motor Vehicle Sales Tax (MVST) and Motor Vehicle Lease Sales Tax (MVLST). The MVST appropriation must be at least 40 percent of the total revenue according to the Minnesota Constitution, and is currently set at 40 percent by statute (Minn. Stat. 297B.09). Of this revenue, 90 percent is allocated to metropolitan transit (36

percent of total MVST) and 10 percent is allocated to Greater Minnesota Transit (4 percent of total MVST).

As of FY 2018, all revenue from the MVLST is reallocated for transportation purposes. **38 percent of all MVLST revenue will be allocated to the Transit Assistance Fund for Greater Minnesota Transit**. Previously, the fund received 50 percent of the total MVLST revenues above the first $32 million that was dedicated to the General Fund. Table 2 shows the Transit Assistance Fund revenue received from the MVST and MVLST and distributed to Greater Minnesota Transit (MnDOT) and to the Metro Council.

Table C-2
Transit Assistance Fund - Revenues and Expenditures 2009 - 2018

Year	Revenues	Expenditures		
		Total	Greater MN Transit	Metro Council
FY 2009	$130,333,000	$129,935,000	$7,333,000	$122,602,000
FY 2010	$162,777,000	$156,136,000	$14,216,000	$141,920,000
FY 2011	$202,570,000	$203,849,000	$26,671,000	$177,178,000
FY 2012	$232,866,000	$223,254,000	$22,043,000	$201,210,000
FY 2013	$253,552,000	$234,570,000	$23,641,000	$210,929,000
FY 2014	$278,721,000	$281,527,000	$46,612,000	$234,915,000
FY 2015	$300,967,000	$282,752,000	$29,821,000	$252,931,000
FY 2016 Enacted	$310,381,000	$341,877,000	$84,809,000	$257,068,000
FY 2017 Enacted	$335,888,000	$333,568,000	$55,632,000	$277,936,000
FY 2018 Enacted	$358,863,000	$356,503,000	$60,013,000	$296,490,000

Source: 2012 - 2018, Consolidated Fund Statement - 2018 February Forecast. (March 15, 2018)
https://mn.gov/mmb/assets/cfs-feb18fcst_tcm1059-330451.pdf
The source for the years 2009 through 2011, is fund balance documents issued at that time.

Local Revenues

State law requires local participation in funding public transit services in Greater Minnesota. A statutory fixed-share funding formula sets a local share of operating costs by system classification as follows:

- Elderly and disabled: 15%
- Rural (population less than 2,500): 15%

- Small urban (population 2,500 - 50,000): 20%
- Urbanized (population more than 50,000): 20%

State and federal funding for public transit should cover the remaining 80 or 85 percent of operating costs awarded through the Public Transit Participation Program. In reality, the percentage of total funds spent on transit that are provided locally are higher than the mandated local share. Local revenue sources to provide the required local match in Greater Minnesota include:

- Farebox recovery
- Local property taxes
- Local sales taxes
- Contract revenue
- Advertising revenue

Transit systems in Greater Minnesota often provide additional service that is not recognized in the funding formula and so the total percentage of local funding for transit service in Greater Minnesota is more than 20%.

Local Option Sales Tax - Background: During the 2008 legislative session, legislation was adopted in the comprehensive transportation funding bill – Chapter 152 – authorizing Minnesota counties to adopt a local option sales tax up to ½ cent for highway and transit purposes, in addition to the statewide general sales tax rate of 6.5%. Legislation passed in 2013 removed the requirement for a local referendum so county boards are able to use the tax through passage of a county board resolution after having a public hearing and identifying the projects that will be funded with the sales tax revenue.

Dedication: Current law requires that the proceeds of a local option sales tax be dedicated exclusively to:

1. Payment of the capital cost of a specific transportation project or improvement
2. **Payment of the costs, which may include both capital and operating costs, of a specific transit project or improvement**
3. Payment of the capital costs of the Safe Routes to School program under Minnesota Statutes, Section 174.40
4. Payment of transit operating costs

Current Rate: Thirty-five of Minnesota's 87 counties have adopted the tax, nearly all of them (32) have adopted a local option rate of 0.5%. The other three counties have adopted a 0.25% rate.

State Statute MS174.24 Public Transit Participation Program

Subd. 3b.Operating assistance; recipient classifications. (a) The commissioner shall determine the total operating cost of any public transit system receiving or applying for assistance in accordance with generally accepted accounting principles. To be eligible for financial assistance, an applicant or recipient shall provide to the commissioner all financial records and other information and shall permit any inspection reasonably necessary to determine total operating cost and correspondingly the amount of assistance that may be paid to the applicant or recipient. Where more than one county or municipality contributes assistance to the operation of a public transit system, the commissioner shall identify one as lead agency for the purpose of receiving money under this section.

(b) Prior to distributing operating assistance to eligible recipients for any contract period, the commissioner shall place all recipients into one of the following classifications: urbanized area service, small urban area service, rural area service, and elderly and disabled service.

(c) The commissioner shall distribute funds under this section so that the percentage of total contracted operating cost paid by any recipient from local sources will not exceed the percentage for that recipient's classification, except as provided in this subdivision. The percentages must be:

(1) for urbanized area service and small urban area service, 20 percent;

(2) for rural area service, 15 percent; and

(3) for elderly and disabled service, 15 percent.

Except as provided in a United States Department of Transportation program allowing or requiring a lower percentage to be paid from local sources, the remainder of the recipient's total contracted operating cost will be paid from state sources of funds less any assistance received by the recipient from the United States Department of Transportation.

(d) For purposes of this subdivision, "local sources" means all local sources of funds and includes all operating revenue, tax levies, and contributions from public funds, except that the commissioner may exclude from the total assistance contract revenues derived from operations the cost of which is excluded from the computation of total operating cost.

(e) If a recipient informs the commissioner in writing after the establishment of these percentages but prior to the distribution of financial assistance for any year that paying its designated percentage of total operating cost from local sources will cause undue hardship, the commissioner may reduce the percentage to be paid from local sources by the recipient and increase the percentage to be paid from local sources by one or more other recipients inside or outside the classification. However, the commissioner may not reduce or increase any recipient's percentage under this paragraph for more than two years successively. If for any year the funds appropriated to the commissioner to carry out the purposes of this section are insufficient to allow the commissioner to pay the state share of total operating cost as provided in this paragraph, the commissioner shall reduce the state share in each classification to the extent necessary.

APPENDIX D

Survey Results

INTRODUCTION

As part of developing the Five-Year Transit Service Plan, LSC created an online survey, presented in Figure 1, designed to solicit public input on whether the City of Fosston Transit should seek additional funding in order to operate a variety of potential transit services, as well as rank the potential new transit service options in order of top priority. The City of Fosston Transit was responsible for promoting the survey to the public.

SURVEY RESULTS

A total of four responses were received to the short questionnaire. The following sections briefly discuss the results of the survey.

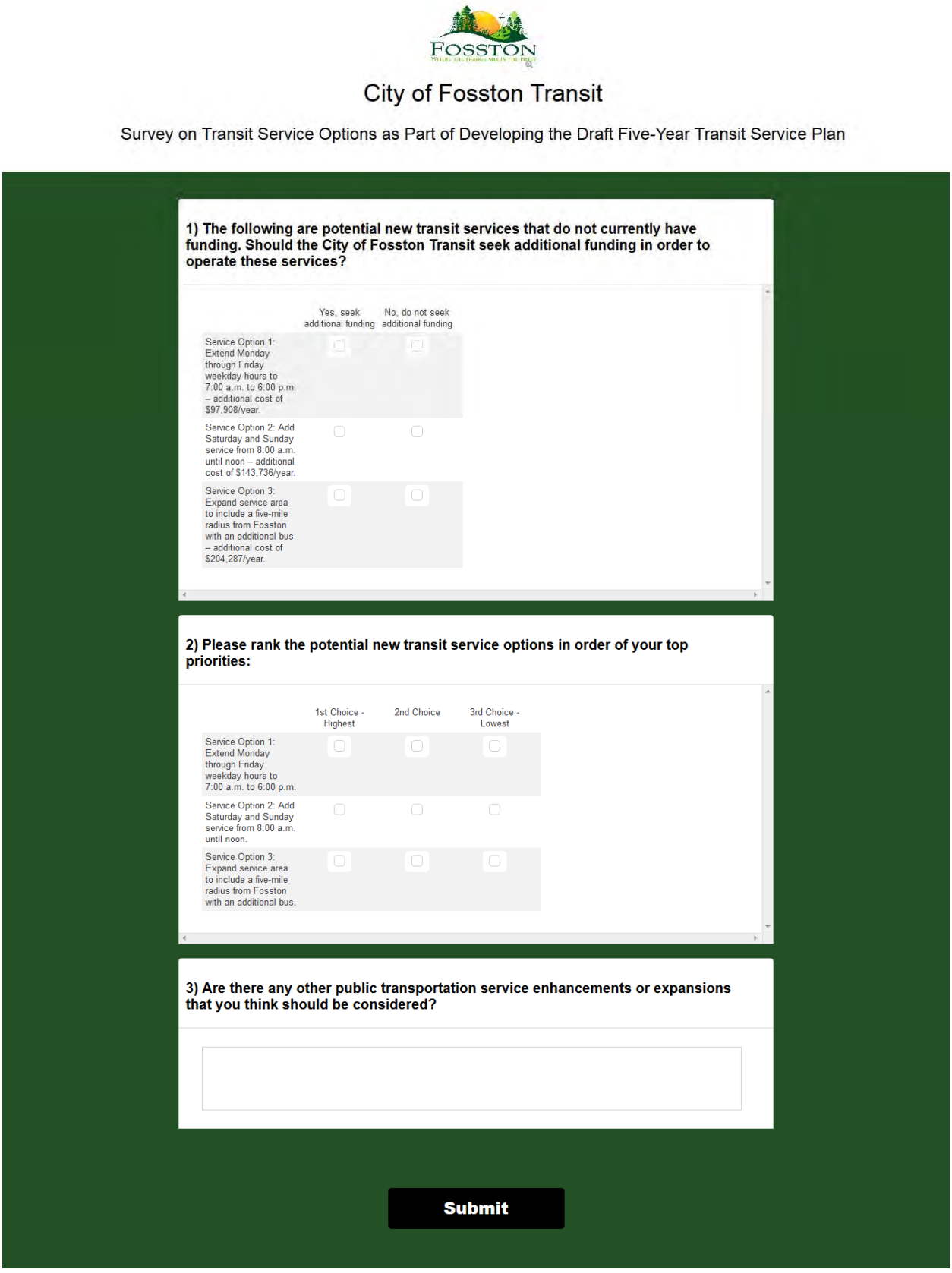
Additional Funding

Respondents were asked if the City of Fosston Transit should seek additional funding in order to operate a variety of potential transit services, including:

- **Service Option 1:** Extend Monday through Friday weekday hours to 7:00 a.m. to 6:00 p.m.
- **Service Option 2:** Add Saturday and Sunday service from 8:00 a.m. until noon
- **Service Option 3:** Expand service area to include a five-mile radius from Fosston with an additional bus

All four of the respondents indicated that the City of Fosston Transit should seek additional funding for Service Option 1, followed by two of the four respondents who thought additional funding should be sought for Service Option 2, and one of the four respondents who thought additional funding should be sought for Service Option 3.

Figure D-1: The City of Fosston Transit Online Survey Form



Priority Ranking

Respondents were also asked to rank the six potential service options in order of their top priorities. The potential service option with the highest overall rating was Service Option 1, followed by Service Option 2, and Service Option 3.

Other Service Options

The last question on the survey asked respondents if there were any other public transportation service enhancements or expansions that should be considered. None of the four respondents answered this question.

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APPENDIX E

Fosston City Council Meeting Minutes

MINUTES OF THE PROCEEDINGS OF THE CITY COUNCIL
OF THE CITY OF FOSSTON, POLK COUNTY MINNESOTA
June 10, 2019

The regular meeting of the Council of the City of Fosston, Polk County Minnesota was held in council chambers on Monday, June 10, 2019 at 7:00 p.m.

The meeting was called to order by Mayor Offerdahl with the following members present: Dufault, Anderson, Hoialmen, and Bosselman. Members absent: none. Also present was: Cassie Heide, Chuck Lucken, Lee Cariveau, David Larson, Ethan Nagel, A.T. Stoddard, Jason Miller, Christy Campoll, Karen Graham, Greg Mireault, Stephen Larson, and Keith Kinnen.

Motion was made by Hoialmen, seconded by Anderson to approve the agenda with no modifications.

Motion was made by Anderson seconded by Dufault to approve Consent Agenda items A., B., C. Motion carried by unanimous vote.

A) To approve the minutes of the regular meeting held May 13, 2019.
B) To approve Accounts Payable Bill Listing #19-06 in the amount of $94,055.66 and AP Bill Listing #19-06A in the amount of $446,905.71.
C) To approve Accounts Payable Bill Listing – Omland Court, $6,898.57.

COMMITTEES/BOARDS/COMMISSION:

Law Enforcement: Deputy Ethan Nagel was present to report on matters pertaining to his department.

- Deputy Nagel has been doing more training.
- May was an average month for the department.

Street/Utilities/Sanitation: Dave Larson reported on matters pertaining to his departments.

- Utility crew has been busy with switching out transformers and planning for the City hall feed replacement project. The project will bid in July.
- Two blowers from the wastewater plant are being sent in for repair. We have a total of four blowers and usually operate two at a time. It is necessary to have two backup blowers and at times all four blowers are used.
- Pond 3 has been discharged. Levels are high and water was added to the aeration pond to make room.
- Work needs to be done at the IPF and will be done during MDV's annual shut down.

- An old storm drain on Mark Ave that caused problems over the last several years has been filled with cement to ensure water will not fill up and cause problems for the affected neighbors.
- Berge Park is in need of several repairs in the coming years. Staff should identify the necessary work and come up with a long term maintenance plan.
- Staff has not yet sprayed the parks. Veterans Memorial was sprayed by Todd's Landscaping last week. We should look to outside vendors to complete this work as staff is not getting it done timely when busy with other necessary work.

Civic Center: Karen Graham reported on matters pertaining to her departments.

- The pool and recreation programs began on June 3rd. 195 children are in the pool each day and 130 children are signed up for summer rec programs.
- Mens league is using the softball complex on Wednesday nights. Cal Ripken and fast pitch are also using the complex for summer softball activities.

Community Development:

- The EDA board met at noon today and discussed various topics. The MMCDC is still considering a project in Fosston. Contractors have not returned bids to MMCDC and have informed them that a considerable amount of fill is necessary for the lots on the West side of Eaton Avenue North. Dufault inquired regarding the engineering of the project and why the lots weren't built up more or if homes can be built on the lots as is. City engineer Cariveau was present to inform the council on the inquiries. Cariveau believes that the lots are ready to be built on, moreover a split level or walkout basement style home. Cariveau provided cost estimates for fill based on split level or slab on grade style homes with the total for all three lots ranging from $50,000 to $60,000, noting that the most northern lot on the West side needs the least amount of fill. Council discussed at length the possibilities for the lots and the availability to MMCDC. It was the recommendation of the EDA to offer the lot for $1 to the MMCDC as is with the responsibility of fill or any change to the level of the lot left on the buyer.
- EDA reviewed an estimate from Lenes Sand & Gravel for work in the mobile home park to replace the original 1975 water services. The original infrastructure is showing its age and failing. Work should be done before any homes are put on these empty lots. EDA recommended work being done on two lots.
  One of the three homes the City owns have been sold and the money received and another is being closed on at the end of the month. The money from the sales of the home will be put in a reserve account for maintenance work. There is money for the work that Lenes has proposed. Each lot is estimated at $1,180. Sewer lines will be camera'd and if necessary a cost estimate for work will be provided.

Hospital Board: Member Dufault reported on matters pertaining to this board he serves.

- Essentia participated in the very successful community bike rodeo in May, with the emphasis on bike safety and education.
- Essentia Fosston campus has participated in a quality matrix review and is scoring very well in most areas and higher in some areas than other health campuses.

- Scholarships were given away to high school graduates entering the medical field. Fosston's Kayla Juve received one of the scholarships awarded.
- Tango and Cash's fundraising event was for a simulated mother and child for staff to train and be educated on. The simulated mother and child was ordered and received.

Council reviewed the City of Fosston Five Year Transit System Plan as presented by A.T. Stoddard and Jason Miller of LSC Consultants and Christy Campoll of RLS and Associates. The Minnesota Department of Transit initiated and funded the five year transit plan to identify the transportation needs in Minnesota. The plan began in July of 2018. The plan includes the following:

- Overview and background of existing services
- Ridership analysis with notable highlights:
  - Ridership was highest during 2013 with approximately 17,400 passenger trips and has since been gradually declining to approximately 16,000 passenger trips in 2018.
  - Ridership is highest during the months of January, February, March, and December and lowest during July and August.
  - Ridership by passenger type shows that the overall number of elderly passengers has been declining over the past four years while the overall number of disabled, adult, and child passenger trips has increased between 2014 and 2017, and is projected to continue to increase in 2018.
- Identified unmet needs including:
  - Extend Monday through Friday weekday hours to 7:00 a.m. until 6:00 p.m.
  - Add Saturday and Sunday service from 8:00 a.m. until noon.
  - Add a part-time transit coordinator.
  - Purchase or contract for a dispatch system.
  - Expand service area to include a five-mile radius from Fosston with an additional bus.
- System performance
  - Fosston Transit performs at a high level relative to peers with 8.3 passengers per hours and $41.72 cost per hour.
  - System performance is estimated for the unmet needs, if there were to be implemented.
  - Suggestions on new performance measurements for trip denials, on-time performance, farebox recovery, road calls, and accidents.
- Capital and operating financial needs for 2020-2025 for status quo/constrained funding scenario
  - Includes operating costs for part-time transit coordinator, dispatch technology and outsourced dispatching services, and real-time bus location app.
  - Replacement buses in 2021 and 2025.
- Capital and operating financial needs for 2020-2025 for unconstrained funding scenario
  - Includes operating and capital costs to add new service expansions and enhancements including: extending weekday service hours to operate from 7 :00 a.m. until 6:00 p.m.; add Saturday and Sunday service from 8:00 a.m. until noon; and expand service area to include a five-mile radius from Fosston with an additional bus.
- Strategic considerations and challenges

- Marketing action plan

Motion was made by Hoialmen, seconded by Anderson to approve the City of Fosston Five Year Transit Plan as presented by A.T. Stoddard and Jason Miller of LSC Consultants, and Christy Campoll of RLS and Associates. Motion carried by unanimous vote.

Council considered approval of a limited use permit for the East end multi use path. Heide informed the council that this project is moving forward and this permit is a necessary formality of the project.

Motion was made by Anderson, seconded by Dufault to approve the limited use permit for the East end multi use path. Motion carried by unanimous vote.

Member Anderson introduced the following resolution and moved its adoption:

CITY OF FOSSTON

RESOLUTION 19-17

IT IS RESOLVED that the City of Fosston enter into Limited Use Permit No. 6005-0012 with the State of Minnesota, Department of Transportation for the following purposes:

To provide trail maintenance and use by the City of Fosston upon, along and adjacent to Trunk Highway No. 2 and the limits of which are defined in said Limited Use Permit.

IT IS FURTHER RESOLVED by the Fosston City Council of the City of Fosston, Minnesota that the Mayor and the City Council are authorized to execute the Limited Use Permit.

The motion for the adoption of the foregoing resolution was duly seconded by member Dufault and upon vote being taken thereon the following members voted in favor thereof: Anderson, Dufault, Bosselman, Hoialmen, and Offerdahl.

and the following voted against same: none.

Whereupon said resolution was declared passed and adopted this 10th day of June, 2019.

_____

James Offerdahl, Mayor

ATTEST:

_____

Charles Lucken, City Administrator

Member Anderson introduced the following resolution and moved its adoption:

RESOLUTION NO. 19-18

RESOLUTION APPROVING STATE OF MINNESOTA JOINT POWERS AGREEMENTS WITH THE CITY OF FOSSTON ON BEHALF OF ITS CITY ATTORNEY AND POLICE DEPARTMENT

WHEREAS, the City of Fosston on behalf of its Prosecuting Attorney and Police Department desires to enter into Joint Powers Agreements with the State of Minnesota, Department of Public Safety, Bureau of Criminal Apprehension to use systems and tools available over the State's criminal justice data communications network for which the City is eligible. The Joint Powers Agreements further provide the City with the ability to add, modify and delete connectivity, systems and tools over the five year life of the agreement and obligates the City to pay the costs for the network connection.

NOW, THEREFORE, BE IT RESOLVED by the City Council of Fosston, Minnesota as follows:

1. That the State of Minnesota Joint Powers Agreements by and between the State of Minnesota acting through its Department of Public Safety, Bureau of Criminal Apprehension and the City of Fosston on behalf of its Prosecuting Attorney and Police Department, are hereby approved.

2. That the sheriff, James Tadman, or his or her successor, is designated the Authorized Representative for the Police Department. The Authorized Representative is also authorized to sign any subsequent amendment or agreement that may be required by the State of Minnesota to maintain the City's connection to the systems and tools offered by the State.

To assist the Authorized Representative with the administration of the agreement, sheriff James Tadman is appointed as the Authorized Representative's designee.

3. That the attorney, Stephen Larson, or his or her successor, is designated the Authorized Representative for the Prosecuting Attorney. The Authorized Representative is also authorized to sign any subsequent amendment or agreement that may be required by the State of Minnesota to maintain the City's connection to the systems and tools offered by the State.

To assist the Authorized Representative with the administration of the agreement, attorney, Stephen Larson is appointed as the Authorized Representative's designee.

4. That James Offerdahl, the Mayor for the City of Fosston, and Charles Lucken, the City Administrator, are authorized to sign the State of Minnesota Joint Powers Agreements.

Passed and Adopted by the Council on this 10th day of June, 2019.

CITY OF FOSSTON

_____

By: James Offerdahl

Its Mayor

ATTEST:_____

By: Charles Luckem

Its City Administrator

Member Bosselman introduced the following resolution and moved its adoption:

RESOLUTION AUTHORIZING PURCHASE OF
VEHICLE FOR CITY OF FOSSTON TRANSIT

RESOLUTION #19-20

WHEREAS, The City of Fosston operates a transit system; and

WHEREAS, The City of Fosston desires to purchase, through the State of Minnesota Cooperative Procurement Process, a vehicle to be used in the transit system; and

WHEREAS, the vehicle cost is allocated 20% local share and 80% State/Federal share of the "contract amount"; and

WHEREAS, The City of Fosston staff has reviewed the vehicle options offered by approved multiple contracting vendors; and

WHEREAS, the staff recommends purchasing a vehicle from Hoglund Bus Company for the reason of cost, fleet consistency, service availability, and past vendor performance, and

NOW, THEREFORE, BE IT RESOLVED that the City of Fosston City Council hereby authorizes the purchase of a new transit bus from Hoglund Bus Company in the approximate amount of $ 83,816.00.

The motion for the adoption of the foregoing resolution was duly seconded by member Anderson and upon vote being taken thereon the following members voted in favor thereof: Bosselman, Anderson, Dufault, Hoialmen, and Offerdahl.

and the following voted against same: none.

Whereupon said resolution was declared passed and adopted by the City Council this 10th day of June, 2019.

_____
James Offerdahl, Mayor

ATTEST:

_____
Charles Lucken, City Administrator

Member Dufault introduced the following resolution and moved its adoption:

RESOLUTION AUTHORIZING SUBMISSION
OF PUBLIC TRANSIT ASSISTANCE
APPLICATION TO MN/DOT
RESOLUTION 19-20

RESOLVED, that the City of Fosston enter into an Agreement with the State of Minnesota, Department of Transportation, to provide transportation service in the City of Fosston.

FURTHER RESOLVED, that the City of Fosston agrees to provide fifteen (15) percent of the total operating costs from local funds and twenty (20) percent of the total capital costs.

FURTHER RESOLVED, that authorization to execute the aforementioned Agreement and any amendments thereto is hereby given to the Mayor and the City Administrator.

FURTHER RESOLVED, that the Mayor and the City Administrator are hereby authorized to execute requests for reimbursement from the Minnesota Department of Transportation.

The motion for the foregoing resolution was duly seconded by member Hoialmen and upon vote being taken thereon the following voted in favor thereof: Dufault, Hoialmen, Anderson, Bosselman, and Offerdahl.

And the following voted against same: none.

Whereupon said resolution was passed and adopted this 10th day of June, 2019.

James Offerdahl, Mayor

ATTEST:

Charles Lucken, City Administrator

Council considered approval of a responsive web design upgrade including ADA accessibility from GovOffice in the amount of $4,900. Heide informed the council that the current website is original and outdated. The City currently works with GovOffice for website service. ADA accessibility has been a hot topic with the League of Minnesota Cities. Legal cases have been brought against cities whose websites are inaccessible to visual and audio impaired individuals. The need for creating an accessible website has been brought to the forefront and is important for equal access to all who visit our website.

Motion was made by Anderson, seconded by Hoialmen to approve a responsive web design upgrade including ADA accessibility from GovOffice in the amount of $4,900. Motion carried by unanimous vote.

Council considered approval of appointment of Lowell Veum to the vacant utilities commission seat for the term ending December 31, 2019. Mayor Offerdahl informed the council that the seat was held by Orland Aspen who untimely passed away. Veum brings expertise of the City, knowledge and experience in utilities having retired from Minnkota Power Cooperative.

Motion was made by Andereson, seconded by Bosselman to approve the appointment of Lowell Veum to the vacant utilities commission seat for the term ending December 31, 2019. Motion carried by unanimous vote.

Council considered approval of a purchase agreement between Neal & Kathy Schmidt and the City of Fosston for the purchase of parcel 87.00966.00 in the Aspen Addition. Heide informed the council that the Schmidts are proposing the purchase the lot between the two lots that were sold last year on the East side of Eaton Avenue north in the Aspen addition for the same price as the other two lots of $25,000. Schmidts would be eligible for the $5,000 Build Fosston rebate when construction is completed.

Motion was made by Dufault, seconded by Hoialmen to approve the purchase agreement between Neal & Kathy Schmidt and the City of Fosston for the purchase of parcel 87.00966.00 in the Aspen Addition. Motion carried by unanimous vote.

Council considered approval of a farm land lease with Mike Theis for 2019. Heide informed the council that this lease was originally approved for Mark Brinkman who no longer wishes to farm the land and Theis has expressed his interest.

Motion was made by Anderson, seconded by Hoialmen to approve the farm land lease with Mike Theis for 2019. Motion carried by unanimous vote.

Council considered approval of the final pay estimate no. 6 from Davidson Construction for the 2018 street & utility improvement project. Cariveau reported that work will be completed in the next two weeks when they are in town performing other work and that the estimate should be approved with Cariveau informing City staff when to submit payment.

Motion was made by Anderson, seconded by Bosselman to approve final pay estimate no. 6 from Davidson Construction for the 2018 street & utility improvement project. Motion carried by unanimous vote.

Council considered approval of partial pay estimate no. 1 from Hagen Construction and Trucking Inc in the amount of $36,805.95 for the 2019 street & utility improvement project. Cariveau reported that the estimate includes material on hand and work completed to date.

Motion was made by Bosselman, seconded by Hoialmen to approve partial pay estimate no. 1 from Hagen Construction and Trucking Inc in the amount of $36,805.95 for the 2019 street & utility improvement project. Motion carried by unanimous vote.

Lee Cariveau of Widseth Smith Nolting was present to discuss the 2019 street and utility improvement project. Cariveau informed the council that the sanitary sewer was installed today. Storm sewer work will be done this week and concrete work is being completed.

Keith Kinnen of Karvakko was present to discuss the 2019 East end multi use path, airport work and the highway 2 corridor study. Kinnen informed the council that the East end multi use path project is out for bids currently and will bid on July 2nd. The project will include an 8 week window for construction with 6 weeks of actual construction.
Kinnen reported that wetland delineation work at the airport continues.
Kinnen reported that work continues on the highway 2 corridor study and the project is moving forward. A Community Review panel is needed of about 15-20 people. Heide will recruit appropriate members with a stake in the project. The project is being funded 100% by MNDOT with a joint powers agreement between the City of Fosston and MNDOT and the City taking the lead on the project working with Karvakko PA. More information on the project with meeting dates will be available for council at the next regular meeting.

The meeting of the City Council was reopened. There being no further business to come before the council, motion was made by Hoialmen, seconded by Anderson to adjourn. Motion carried by unanimous vote.

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Charles Lucken, City Administrator