Five-Year Transit System Plan

Southern Minnesota Area Rural Transit (SMART)

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September 2019

SRF No. 11522

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Chapter 1. Executive Summary

Overview

The Minnesota Department of Transportation (MnDOT) completed the Greater Minnesota Transit Investment Plan (GMTIP) in May 2017. The GMTIP set forth a framework to expand transit service to meet critical unmet mobility needs. As part of this strategic effort, MnDOT is funding the development of short-range Five-Year Transit System Plans (FYTSP) for rural transit systems across the state. Southern Minnesota Area Regional Transit (SMART) is one of the rural transit providers in the southeast region with a multi-county service area. The goal of the SMART FYTSP is to provide an understanding of:

- Strengths and weaknesses of the SMART System,
- Unmet needs and future transit service changes, and
- How best to deploy resources to increase ridership/usage across the network.

The FYTSP will provide SMART with a fiscally responsible framework to work with local government officials, local planning agencies, board members and other stakeholders to build local support for improving their transit system.

Summary of Major Components

The FYTSP includes a description of the governance structure, operating environment, and current services of SMART, as well as a summary of capital and operating costs. Projected future capital and operating expenses for the years 2020 to 2025 are estimated based on recommended service expansion concepts.

Recommendations are organized by the following categories: **Service, Staffing, Facilities/Fleet, Technology, and Marketing**, and are summarized into an Action Plan beginning on page 78.

Summary of Technical Memoranda

A previous technical memorandum included a description of public engagement efforts. Major findings from that document are included in this report.

Needs Assessment

Consultants conducted a performance review of SMART services to identify where service is being operated efficiently and where improvements can be made to increase ridership while enhancing cost effectiveness and efficiency. SMART operates the following services:

- Demand response service, one deviated route, and one shuttle in Freeborn County, with limited weekend service.
- Deviated fixed route and demand response services in Mower County, with limited weekend service.
- Two deviated fixed route services and four demand response services in Steele County, with limited weekend service.
- One deviated fixed route service and one demand response service in Waseca County, with limited weekend service.

Consultants conducted public engagement to understand the perception of SMART service and the demands for transit across the four-county region. Public engagement included engagement with prominent local and regional stakeholders, including government officials and business leaders, as well as meetings with oversight groups and SMART staff. The following potential areas for improvement were identified: dial-a-ride scheduling, service awareness and marketing, fleet capacity, service hours, and inter-city service.

Recommendations

This report identifies short- and long-term recommendations for SMART to better serve its current and future users. The following improvements are recommended for the short term:

- Add weekend service in Albert Lea.
- Increase frequency on the Owatonna deviated route.
- Add inter-city and regional scheduled service.
- Streamline Austin deviated routes.

Long-term recommendations focus on service expansion and reliability improvements. The following recommendations are made:

- Expand service hours.
- Track on-time performance to improve service reliability.

Chapter 2. Why a Five-Year Capital and Operational Plan?

The 2017-2037 Greater Minnesota Transit Investment Plan (GMTIP) created a 20-year strategic plan for rural districts across the state and calculated service needs at the individual transit provider level. For the GMTIP, the Minnesota Department of Transportation (MnDOT) considered all parts of Minnesota outside the Twin Cities metro area, but did not include specific direction for each transit agency.

Along with all other rural transit agencies across the state, Southern Minnesota Area Regional Transit (SMART) is now developing a short-range Five-Year Transit System Plan (FYTSP) that will translate the investment needs identified in the GMTIP to the local level based on SMART-specific priorities. The five-year planning process will help SMART to:

- Understand its strengths and weaknesses
- Identify unmet needs and future transit service changes
- Develop a financial plan that is adaptable to changing environments, including revenue sources, grant opportunities, variable local match requirements, and state and / or federal regulations or requirements

SMART's services are essential to an individual's quality of life and the community's health, environmental and transportation network in Freeborn, Mower, Steele, and Waseca Counties. The FYTSP will explain how to improve the coordination of services and it will outline how to meet transit needs in the evolving socioeconomic conditions in southern Minnesota. It will determine how to best deploy available statewide and local resources to the markets, services, and programs that will increase ridership and efficiency across the transit network in the SMART service area.

The five-year plan will establish a vision and details on service improvements in Freeborn, Mower, Steele, and Waseca Counties, which will allow SMART to develop better year-to-year budgets. As the funding and service landscape evolves, there will be an increasing need to cooperate with outside entities, including private providers and community-based services to realize economic and service efficiencies. As such, the SMART Five-Year Transit Service Plan will help SMART work with local government officials, local planning agencies, SMART board members and other organizations to prepare for these changes. It will also assist MnDOT and the Minnesota Public Transit Association (MPTA) to articulate transit needs to transit governing bodies as well as local, regional and statewide elected officials.

Chapter 3. Agency Overview

Background

SMART provides public transportation in four counties in southeast Minnesota: Freeborn, Mower, Steele, and Waseca. The four counties have a population of approximately 125,600 spread over 37 cities, 65 townships, and 38 unincorporated communities.

Public Transportation services began in Steele County in 1997 when community members from various entities applied for funding with the State of Minnesota. Steele County Human Services managed the grant and contracted with the Owatonna Bus Company to run the day to day operations of the system that was known as Steele County Area Transit or SCAT. For most of the 2000's, SCAT provided approximately 40,000 rides per year to citizens of Steele County.

In 2013, an agreement was reached to consolidate this transit service with existing services in Freeborn and Mower counties and on January 1, 2014 buses hit the road as Southern Minnesota Area Rural Transit, also known as SMART Transit under the umbrella of Cedar Valley Services, Inc (CVS), who serves as the grantee through the state of Minnesota. In 2016, SMART Transit added service in Waseca County.

Mission

SMART's mission, as stated in the agency's Strategic Plan, developed March 2018, is "to provide safe, reliable, accessible, and courteous public transportation services in response to the needs of our communities."

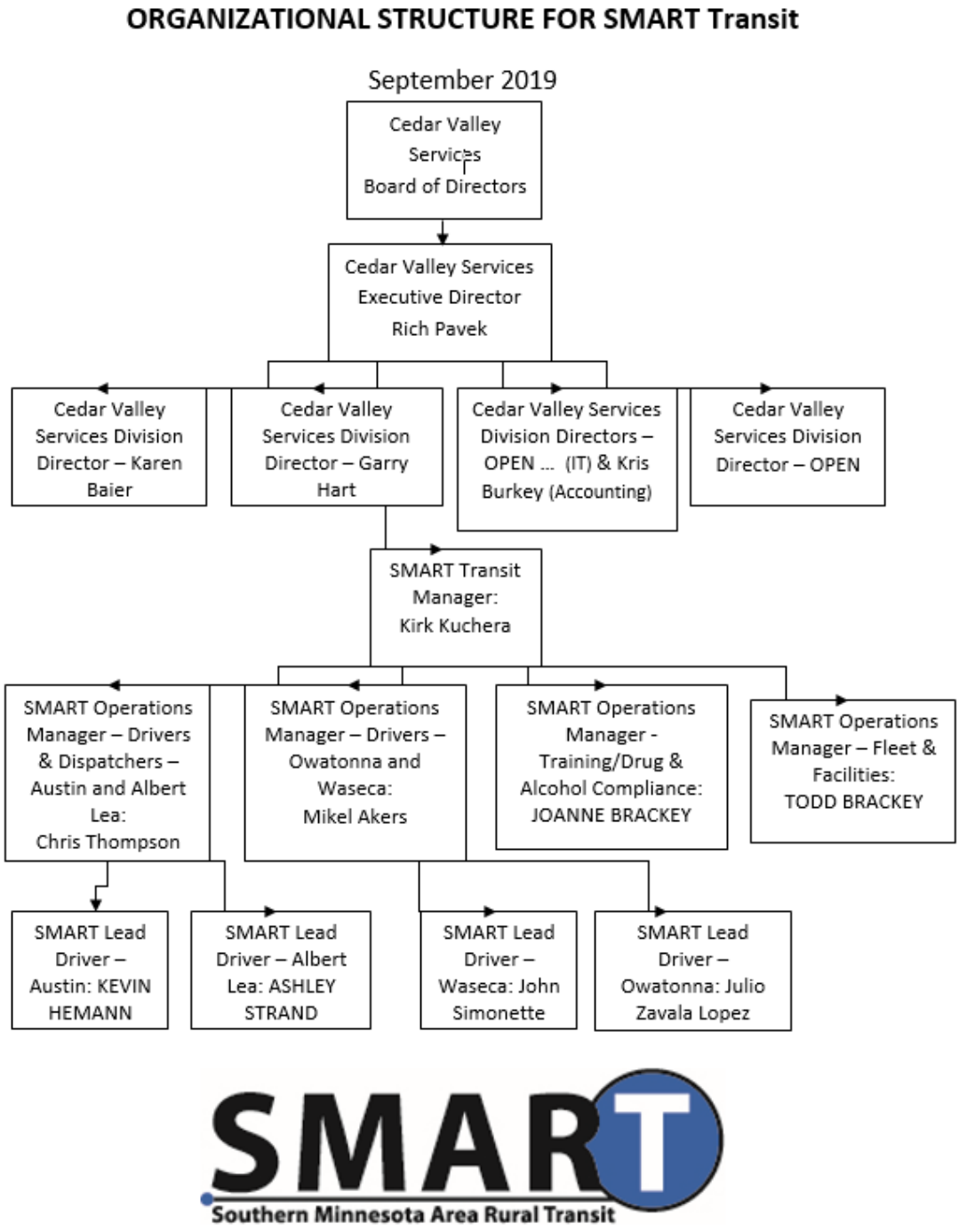
Vision

SMART's vision is "to help as many people as possible by being the best option to get them safely where they need to be in the communities we service, in order to allow them to live better and more productive lives."

Governance

The organizational structure for SMART is outlined in Figure 1 Organizational Structure for SMART.

Figure 1 Organizational Structure for SMART



Transit Advisory Committee

SMART also seeks guidance from a Transit Advisory Committee (TAC) that meets quarterly to discuss any proposed changes, present concerns and recommendations, and compile notes in published TAC meeting minutes. The purpose of the TAC is to provide an opportunity to engage first hand with persons who use the service, citizen advocates, and business owners, and to bring together key stakeholders, who are able to develop successful initiatives, resolve emerging issues/problems, and provide for ongoing dialogue. TAC members include those who have an interest in transit services, city government, persons/representatives/providers for those with disabilities and the elderly, and other required stakeholders as recommended by MnDOT.

For current TAC membership, see Figure 2 2019 SMART TAC Committee Members.

Figure 2 2018 SMART TAC Committee Members

TAC Committee Member	Organization	Title/Role
Kirk Kuchera	Cedar Valley Services – SMART Transit	Transit Manager/TAC Facilitator
Joanne Brackey	Cedar Valley Services – SMART Transit	Operations Manager
Michael Akers	Cedar Valley Services – SMART Transit	Operations Manager
Greg Krueger	Steele County	Commissioner
Troy Klecker	City of Owatonna	Community Development Director
Lawrence Deetz	Owatonna/Cedar Valley Services	Passenger Representation
Chad Adams	City of Albert Lea	City Manager
Jerry Gabrielatos	City of Albert Lea	Assistant City Manager
Garry Hart	Cedar Valley Services	Division Director
Lenore Fries	Semcac Board	Private sector representative of older adults
Steve King	City of Austin	Council Member
Tony Bennett	Mower County	Commissioner
Mike Anderson	City of Waseca	Assistant City Administrator
Kelly Sutlief	-	Waseca Passenger
Jean Meyer	MnDOT	Project Manager

Decision-Making Process

SMART implements service changes on an annual basis. Potential route changes are developed annually by the SMART Management Team. Once the Management Team has developed route change recommendations, SMART holds a period of public input, advertising the changes and

opportunity for public comment through Facebook and advertisements on buses. After a period of public comment, the Management Team will present the recommendations as well as public input received through the period of public comment to the Board of Directors of Cedar Valley Services who then vote to approve or reject the recommendation.

Service Area Overview

Transit in the SMART service area is a mix of flex-route and demand-response services, and the service is often limited in span of hours, days of the week, and/or frequency. Two flex-routes operate in Austin and one flex-route operates in each city of Albert Lea, Waseca, and Owatonna. Demand-response service is also available throughout the rural parts of the counties.

Mower County

Located southwest of Rochester, Mower County lies at the southeast corner of the SMART service area. While the largest county by population size in the service area (housing more than 39,000 residents), it is not part of the Rochester Metropolitan Statistical Area (MSA). Instead, it comprises the Austin, MN Micropolitan Statistical Area. Primarily rural in nature, Mower County spans 712 square miles along the Iowa border. Its largest municipality, the county seat, is the City of Austin with a population of 24,882.[1] Other notable communities in Mower County include Adams, Grand Meadow, Dexter, Le Roy, Lyle, and Brownsdale. Primary industries in Mower County include manufacturing, food processing, educational services, and health care and social assistance.

Freeborn County

West of Mower County, Freeborn County occupies 772 square miles along the Iowa border, with a population of 30,619.[2] The county makes up the Albert Lea, MN Micropolitan Statistical Area. While it is also predominantly rural and devoted to agriculture, its largest municipality, Albert Lea, has a population of 17,716. Freeborn County is bisected by I-90 and I-35 with MN-13, US-65, US-69, MN-109, and MN-251 providing connectivity across the county. Notable communities outside of the county seat include Alden, Clarks Grove, Glenville, Hollandale, and Hartland.

Steele County

The second largest county in the SMART service area, Steele County lies north of both Mower and Freeborn Counties, with a population of 36,612.[3] The county makes up the Owatonna, MN Micropolitan Statistical Area. The county seat of Owatonna is the largest municipality in the service area, with 25,613 residents. Notable other communities include Blooming Prairie (partly in Dodge

[1] 2013-2017 American Community Survey (ACS) 5-Year Estimates
[2] 2013-2017 American Community Survey (ACS) 5-Year Estimates
[3] 2013-2017 American Community Survey (ACS) 5-Year Estimates

County), Ellendale, and Medford. Primary industries in Steele County include manufacturing, health care and social assistance, and retail.

Waseca County

Located west of Steele County, Waseca County is the smallest in the SMART service area, with only 18,898 residents spanning 433 square miles.[4] The county makes up the Waseca, MN Micropolitan Statistical Area. Notable other communities include Waseca (county seat), Janesville, Waldorf, and New Richland. Primary industries in Steele County include manufacturing, retail, health care and social assistance, and finance and insurance

Demographic and Economic Characteristics

To determine the potential for improved and more integrated transit service in the SMART service area, this market analysis presents the underlying conditions as they relate to the demand for transit service, including population, employment, and socioeconomic characteristics:

- **Population and Employment:** There is a correlation between development patterns and transit ridership. In areas with denser development, where larger numbers of people live and/or work in close proximity, transit can become very convenient, and thus attractive and well used. In most cases, these "external" factors outweigh those directly controlled by the service provider.
- **Socio-Economic Characteristics:** Demographic characteristics such as age, income, minority status, and disability status provide indications of demand among populations that have a high propensity toward transit use.

These factors are the primary drivers of transit demand and, as such, provide strong indications of underlying transit demand. However, it should also be noted that other factors also influence transit demand, including:

- **Urban Form/Land Use:** Providing a diversity of uses at street-level, good connectivity of the multimodal network, major destinations along reasonably direct corridors, and comfortable and safe spaces for people all can influence transit demand.
- **Pedestrian Environment:** Nearly all transit riders are also pedestrians and walking environments strongly impact ridership. A common rule of thumb is that transit riders will walk one-quarter of a mile to access transit. However, in comfortable pedestrian environments, many transit riders will walk longer distances; in uncomfortable environments, many will not walk even one-quarter of a mile.
- **Service Design:** Slow, circuitous routes that take people closer to their destinations are preferred by some riders who wish to minimize walking distance, but are viewed as very inconvenient by most others. Therefore, no matter the inherent demand for transit, service must be designed appropriately to appeal to local markets and balance competing needs.

[4] 2013-2017 American Community Survey (ACS) 5-Year Estimates

- **Travel Times Relative to Other Options, Primarily Driving:** Most people accept that trips by transit take longer than trips by car, and the time differences can be offset by other differences. However, when the differences are smaller, ridership will be higher, and when the differences are larger, ridership will be lower.

In order to assess both needs and capacity within the SMART service area, detailed GIS databases were created using population demographics, collected from the 2016 ACS 5-year estimates and 2010 United States Decennial Census, and of current and future projected economic conditions, collected from the County Business Patterns dataset.

The datasets are from different sources and use different geographic references (census tracts versus zip code tabulation areas). As such, MnDOT overlaid a surface area of hexagons measuring 0.5 miles in diameter over all of the data. This created a standard geographic reference, but also helped identify smaller data patterns.

Community Profiles

Demographics

In addition to population and employment density, socioeconomic characteristics influence an individual's propensity toward transit use. National research shows that many population groups have a higher propensity for transit use than the overall population. The most influential ones include:

- **Low-Income Individuals**, who tend to use transit to a greater extent than those with higher incomes because transit provides significant cost savings over automobile ownership and use. For the purposes of this study, low-income individuals are defined as those whose income is at or below 150% of the federal poverty line.
- **Zero-Vehicle Households**, which have limited transportation options other than transit. In small cities and other areas that are oriented toward automobile travel and where transit options are much more limited, people without automobiles largely consist of those with lower incomes or those who do not drive.
- **People with Disabilities**, many of whom cannot drive or have difficulty driving. Public transportation, including regular fixed-route bus service as well as specialized paratransit services, is an essential resource to ensure people with disabilities are able to remain active, productive, and part of the community.
- **Minorities (non-white, Hispanic or non-Hispanic).** There is a large amount of overlap between minority populations, low-income individuals, and zero-vehicle households; however, the presence of high numbers of minority residents still provides an additional strong indicator of transit demand. The provision of effective transit service to minority populations is also particularly important to the Federal Transit Administration and is a requirement under Title VI of the Civil Rights Act of 1964.

Where there are concentrations of these population groups, they can influence the underlying demand for transit to an extent that is not captured when only considering total population or

employment. Demand can be higher or lower than the population or employment densities indicate depending on the underlying socio-economic characteristics of a population. High transit propensity (sometimes referred to as "transit need") also does not necessarily mean that traditional fixed-route services will work in a given area. Some locations have a high transit need but low population or employment density. The influence of socio-economic characteristics can be hard to capture graphically, however, because determining the precise overlap between the groups is difficult with the data available. In this analysis, we will therefore look at overall patterns and clusters of these groups, and factor those results into our subsequent work. Ultimately, each community must set their own priorities for balancing service to transit-need and transit-supportive areas.

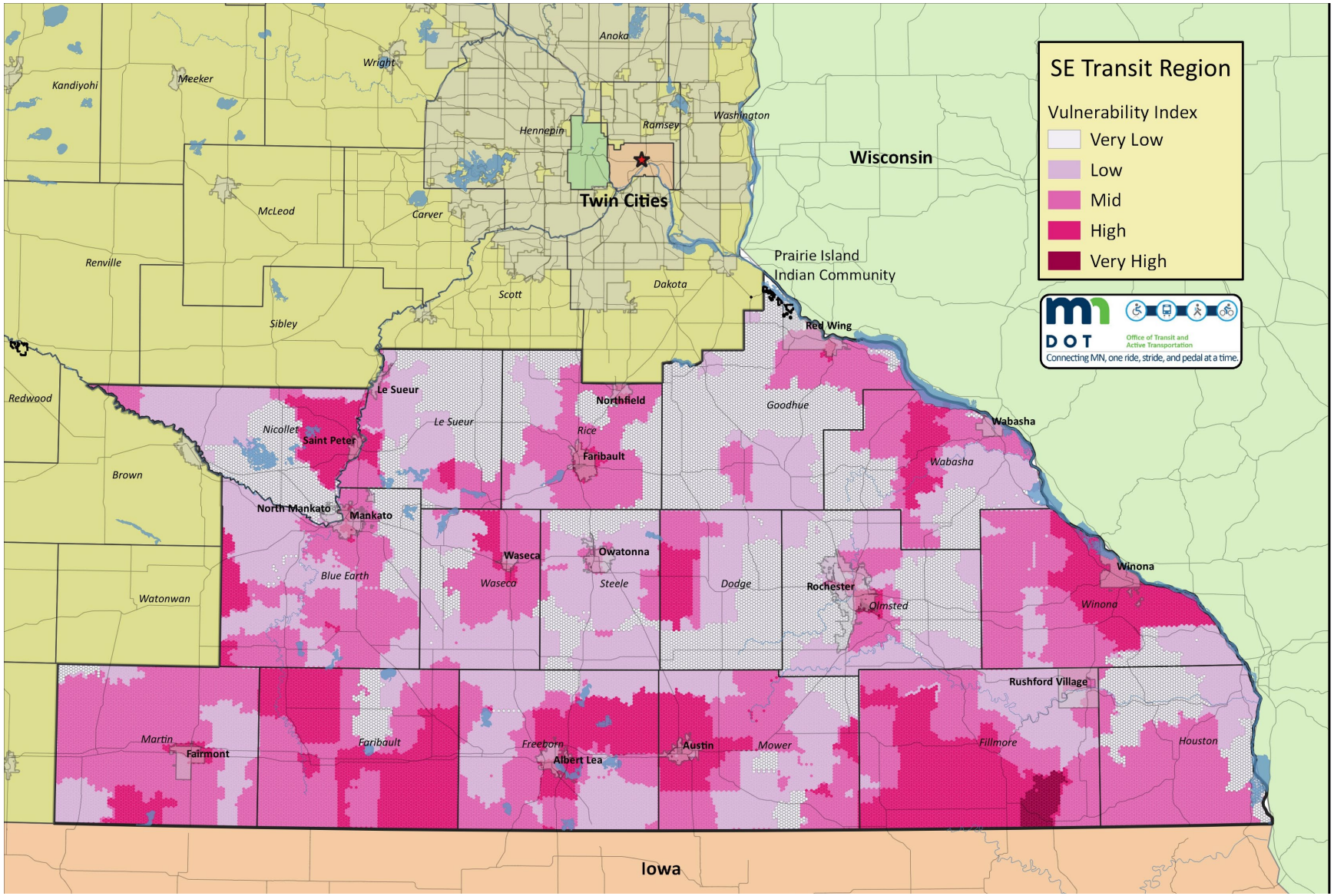
Transit Dependency Index

MnDOT developed the transit dependency index to highlight communities that have higher demand for transit services based on several data attributes that are associated with dependency on public transit (see Figure 3 Southeast Transit Region MnDOT Vulnerability Index). The color-based legend is based on standard deviations and is relative to the region. Communities labeled "very high" indicates a much higher than average need for transit services. A very high vulnerability score indicates a notably large combination of barriers to independent rural transportation, such as low incomes, no auto ownership, language fluency issues, or various disabilities. The 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 (American Community Survey 5-year estimates)
- *Zero vehicle households:* The percentages of households with zero vehicles available, signaling unmet transit needs (American Community Survey 5-year estimates)
- *Limited English proficiency:* The percentage of households with limited English spoken within, identifying areas with unmet transit needs (American Community Survey 5-year estimates)
- *Median household income:* which was the one dummy variable that was subtracted as a factor in the index (American Community Survey 5-year estimates)

Within the SMART service area, Freeborn, Mower, and Waseca Counties have concentrated regions of high transit vulnerability. Steele County has several smaller concentration of moderate transit vulnerability. Within Freeborn County, Albert Lea, areas south and north of Albert Lea, and the northeastern portion of the county are especially transit vulnerable. Similarly, in Mower County, the area surrounding Austin has a high transit vulnerability index. Within Waseca County, the central and northeastern portions of the county have a mid or high transit vulnerability index. Much of Steele County is less transit vulnerable by comparison. Within Steele County, smaller clusters of moderate vulnerability are located around Owatonna. With all of the deviated fixed-route services located in Albert Lea, Austin, Owatonna, and Waseca, many high transit vulnerability areas of the SMART service area lack scheduled transit services.

Figure 3 Southeast Transit Region MnDOT Vulnerability Index



Economic

Economic health can be measured using many types of information. The Minnesota Department of Transportation developed an index using four different database attributes to develop one map that shows economic health in southeast Minnesota (see Figure 4 Southeast Transit Region MnDOT Economic Health Index).

Darker color areas with "very high" or "high" indicate that the health of the local economy is robust and healthy relative to the region. The database attributes in the index include:

1. *Average number of employers: 2011-2015* as a way to measure employment density (zip code tabulation area from County Business Patterns dataset).
2. *Projected Business Growth:* Metric of increasing or decreasing business projections to assess where the number of jobs of the near future are forecasted.
3. *Labor participation:* Percentage of residents actively participating in the labor force as a sign of economic vitality (Census tract level data from 2016 ACS 5-year Estimates).
4. *Population change:* Percent change of population in areas by comparing 2010 Census data with values from 2016 ACS Estimates; population growth was considered a sign of economic health.

Of the four counties in the SMART service area, Steele has the highest overall health index, particularly in the area surrounding Owatonna, while Freeborn, Mower, and Waseca Counties have lower relative economic health when considering the average number of employers, projected business growth, labor participation, and population growth.

Within Freeborn County, there are several areas with moderate economic health relative to the rest of the Southeast Transit region. These areas include portions of the county surrounding Albert Lea as well as the eastern portion of the county. Mower County also has significant clusters of areas with moderate to high economic health, including the portion of the county surrounding Austin as well as the entire eastern portion of the county.

Overall, Waseca County has low or very low economic health relative to the rest of the region, partially due to the population decrease that occurred in much of the northern portion of the county (see Figure 5 Southeast Transit Region MnDOT Population Change).

Figure 4 Southeast Transit Region MnDOT Economic Health Index

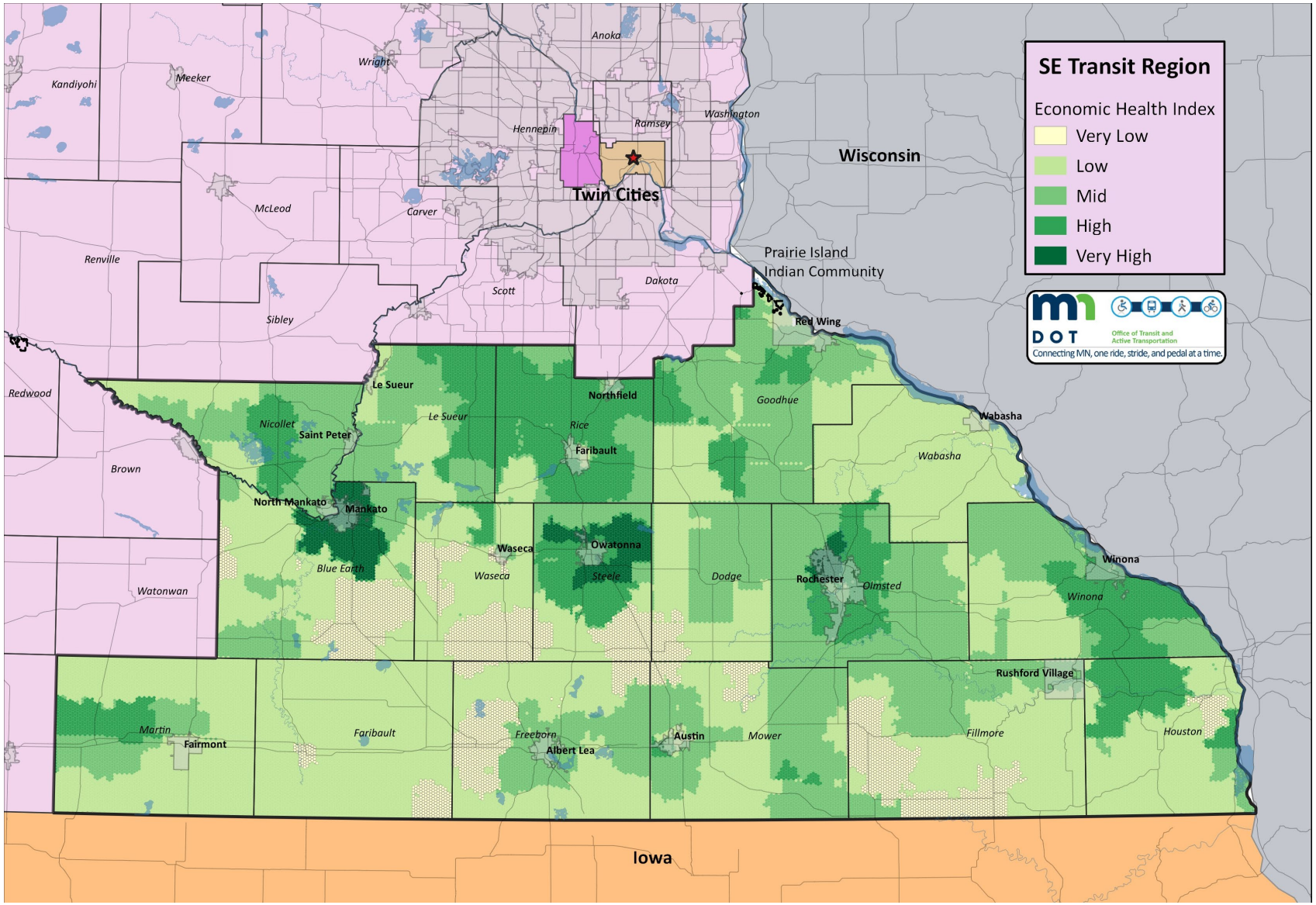
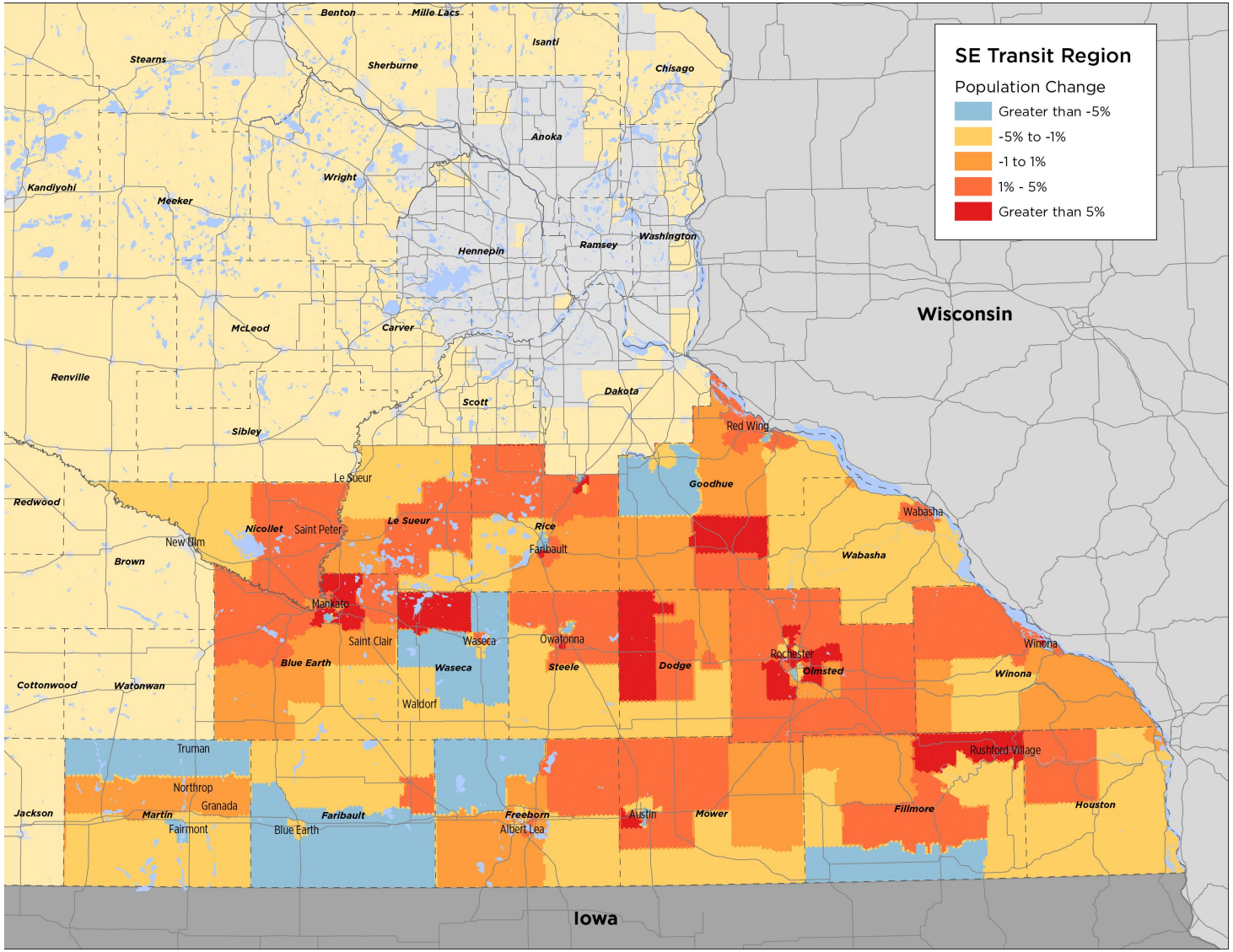


Figure 5 Southeast Transit Region MnDOT Population Change



Local Changes Impacting Transit

Ongoing changes to the Mayo Clinic facility in Albert Lea will affect the need for transit service. Dialysis and other outpatient activities will continue at the facility, but inpatients will no longer be accepted. This means that more patients and visitors will need to travel to the Mayo facility in Austin (or possibly Rochester). Some scheduled service between Albert Lea and Austin has been recently implemented. Future service changes will be implemented as resources are available and depending on how follow-up care is determined and how the locations of health care providers is reorganized.

Chapter 4. Agency Transit Services

Southern Minnesota Area Regional Transit Services

SMART provides public transportation in four counties in southeast Minnesota: Freeborn, Mower, Steele, and Waseca. The four counties have a population of approximately 125,600 spread over 37 cities, 65 townships, and 38 unincorporated communities.

This section reviews the existing local and regional public transit service in each county of SMART's service area to provide a complete picture of transportation services and options in the region. The service summary listed by county below will discuss a variety of services. The following terms have been provided in order to provide a guide to what these services are:

- **Route Deviation Service:** a hybrid of conventional fixed route service, which operates along a prescribed route according to a fixed schedule, and demand response service. 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.

- **Demand Response**: transportation services where 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.

The services operated by SMART are described in more detail, by county, in the following sections.

Freeborn County

SMART operates one route deviation service, one shuttle and demand response services in Freeborn County (see Figure 6). The deviated fixed-route, the City of Albert Lea route (Figure 7), operates Monday through Friday from 7:00am to 9:00pm. The route operates in a large loop around Albert Lea, connecting housing, shopping destinations, senior facilities, the Library and Mayo Health in Albert Lea. The route also serves several stops on request, including Cedar Valley Services, Trails Travel Plaza, and the Department of Human Services.

Figure 6 Existing SMART Service in Freeborn County

Route Name	Route Name	Service Description
City of Albert Lea Deviated Fixed Route (hourly service)	Mon – Fri 7:00am to 9:00pm	Connects Senior Facilities, housing complexes, Walmart, Hy-Vee, the Library and Mayo Health in Albert Lea.
Albert Lea Pre-Kindergarten Demand Response	Mon – Fri 7:00am to 4:30pm	Connects students to pre-kindergarten schools in Freeborn County. Students must apply to be able to use the service and the route changes daily based on open school as well as throughout the year.
Albert Lea Demand Response	Mon – Fri 5:00am to 6:00pm Saturday 8:30am to 1:00pm Sunday 8:00am to 12:00pm	Provides connections throughout Freeborn County.
Hospital Shuttle between Austin and Albert Lea	Mon - Fri 8:00am to 5:00pm (varies by day)	Connects patients to Mayo Health clinics in Albert Lea and Austin.

Source: SMART

SMART also operates two demand response services in Freeborn County. The county's supplemental pre-kindergarten demand response service connects students to pre-kindergarten schools in Freeborn County. Students must apply to be able to use the service and the route changes daily based on open schools as well as throughout the year. SMART also operates a general demand response service, and a shuttle between Albert Lea and Austin (see Figure 8 Hospital Shuttle between Albert Lea and Austin).

The deviated fixed route in Albert Lea appears to serve all key destinations, although it uses a circuitous one-way loop pattern to achieve this. Albert Lea has relatively high transit need, as described above. In the future there may be an opportunity to add fixed-route service and make the alignments follow a more direct path.

Figure 7 Albert Lea Route Map

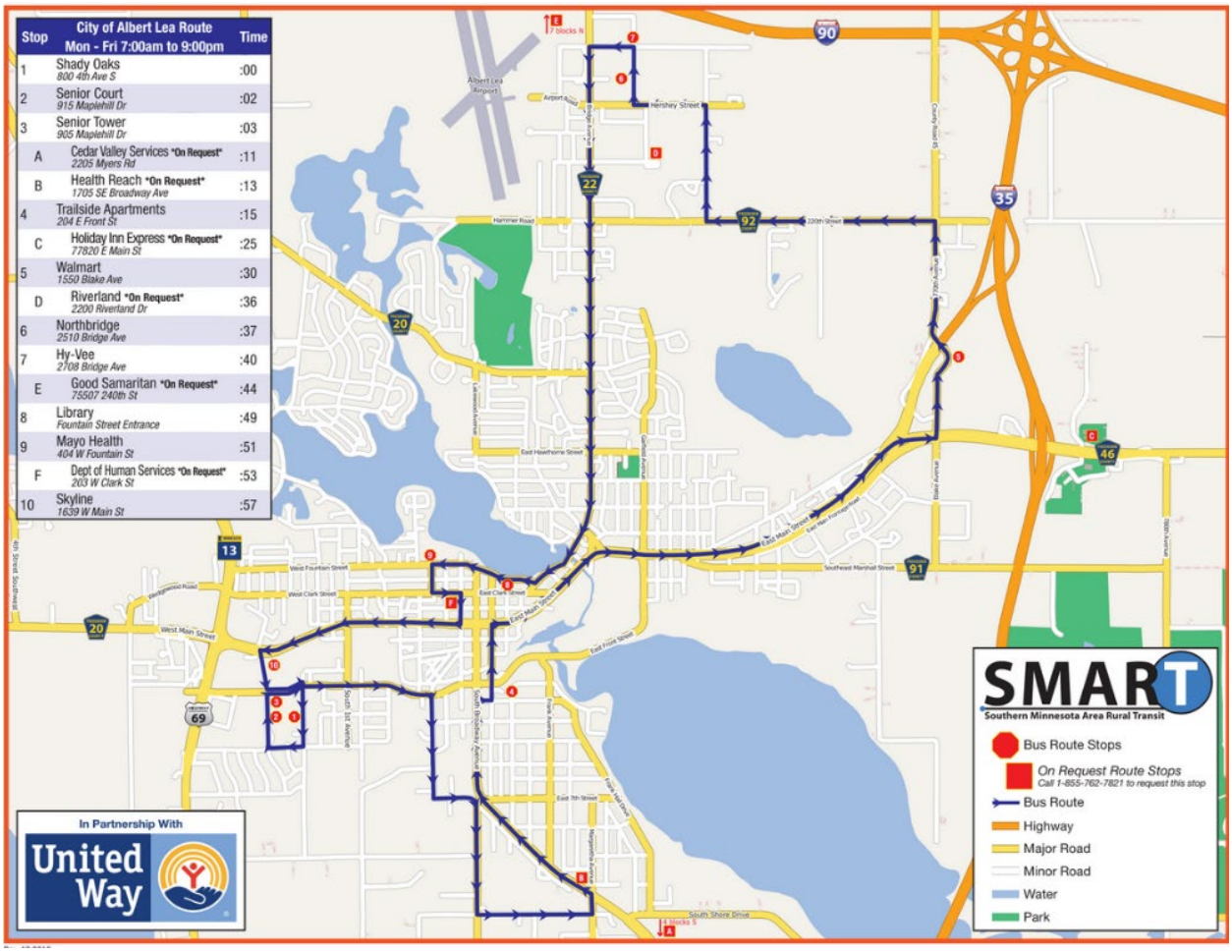
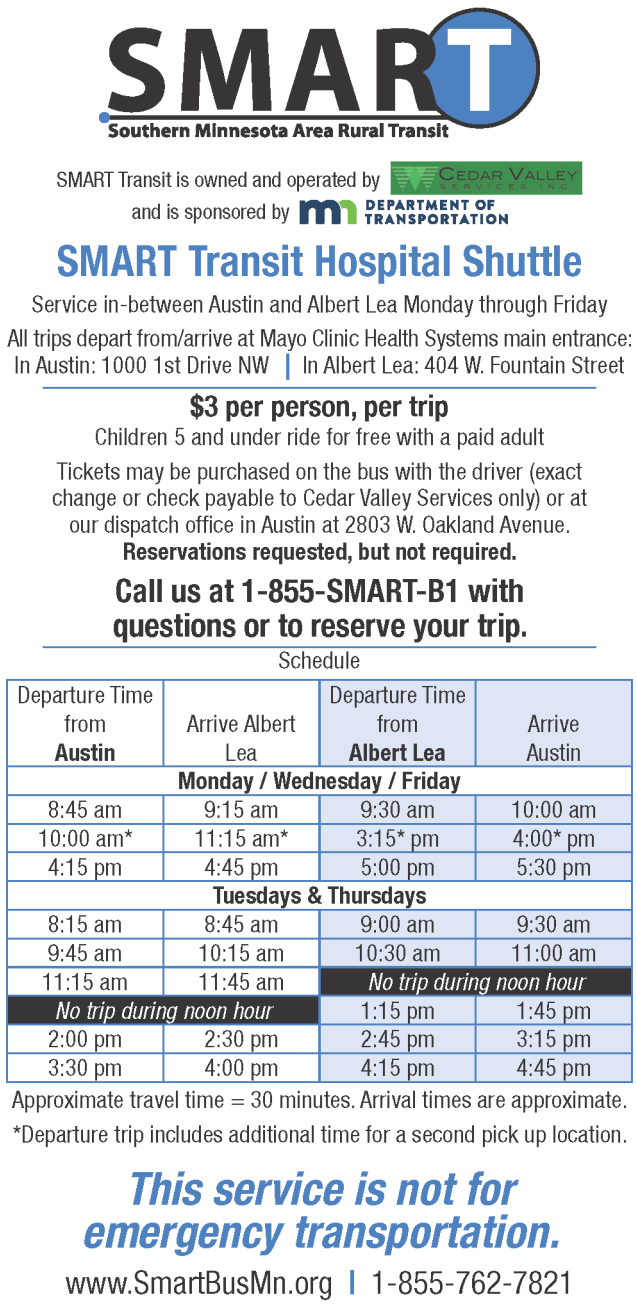


Figure 8 Hospital Shuttle between Albert Lea and Austin



Mower County

SMART operates deviated fixed route services and demand response services in Mower County (see Figure 9 SMART Transit Services in Mower County below). Two deviated fixed route services, the

Austin Purple Route and Austin Red Route (Figure 10 Austin Route Map), operate in large loops around Austin. The Austin Purple Route operates hourly Monday through Friday from 7:00am to 9:00pm and Saturday from 9:00am to 3:00pm. The route provides service to apartment complexes, shopping destinations, Mayo Health Systems, and community centers. The Austin Red Route operates hourly Monday through Friday from 7:00am to 9:00pm, Saturday from 9:00am to 3:00pm, and Sunday from 1:00pm to 5:00pm. The route provides service to several apartment complexes, the library, Mayo Health Systems, and major shopping destinations including Walmart, Hy-Vee, Shopko, and Aldi. Both routes serve several stops on request.

SMART also operates an evening Work Run route, which connects employees to major employers in the City of Austin, including Hormel and Quality Pork.

Figure 9 SMART Transit Services in Mower County

Route Name	Route Name	Service Description
Austin Red Route (Deviated Fixed Route, hourly service)	Mon – Fri 7:00am to 9:00pm Saturday 9:00am to 3:00pm Sunday 1:00pm to 5:00pm	Connects housing complexes, Mayo Health Systems, and community centers in Austin.
Austin Purple Route (Deviated Fixed Route, hourly service)	Mon – Fri 7:00am to 9:00pm Saturday 9:00am to 3:00pm	Connects housing complexes, Mayo Health Systems, major shopping destinations including Walmart and Hy-Vee, and the Library in Austin.
Austin Work Run (Deviated Fixed Route, hourly service)	Mon – Fri evenings	Connects employees to major employers in the City of Austin, including Hormel and Quality Pork.
Austin Pre-Kindergarten Demand Response	Mon – Fri 7:00am to 5:00pm	Connects students to pre-kindergarten schools in Mower County. Students must apply to be able to use the service and the route changes daily based on open schools as well as throughout the year.
Austin Demand Response	Mon – Fri 6:00am to 6:00pm Saturday 9:00am to 3:00pm	Provides connections throughout Mower County.
Austin YMCA Demand Response	Mon – Fri 2:30pm to 3:30pm	Connects to YMCA.
Hospital Shuttle between Austin and Albert Lea	Mon - Fri 8:00am to 5:00pm (varies by day)	Connects patients to Mayo Health clinics in Albert Lea and Austin.

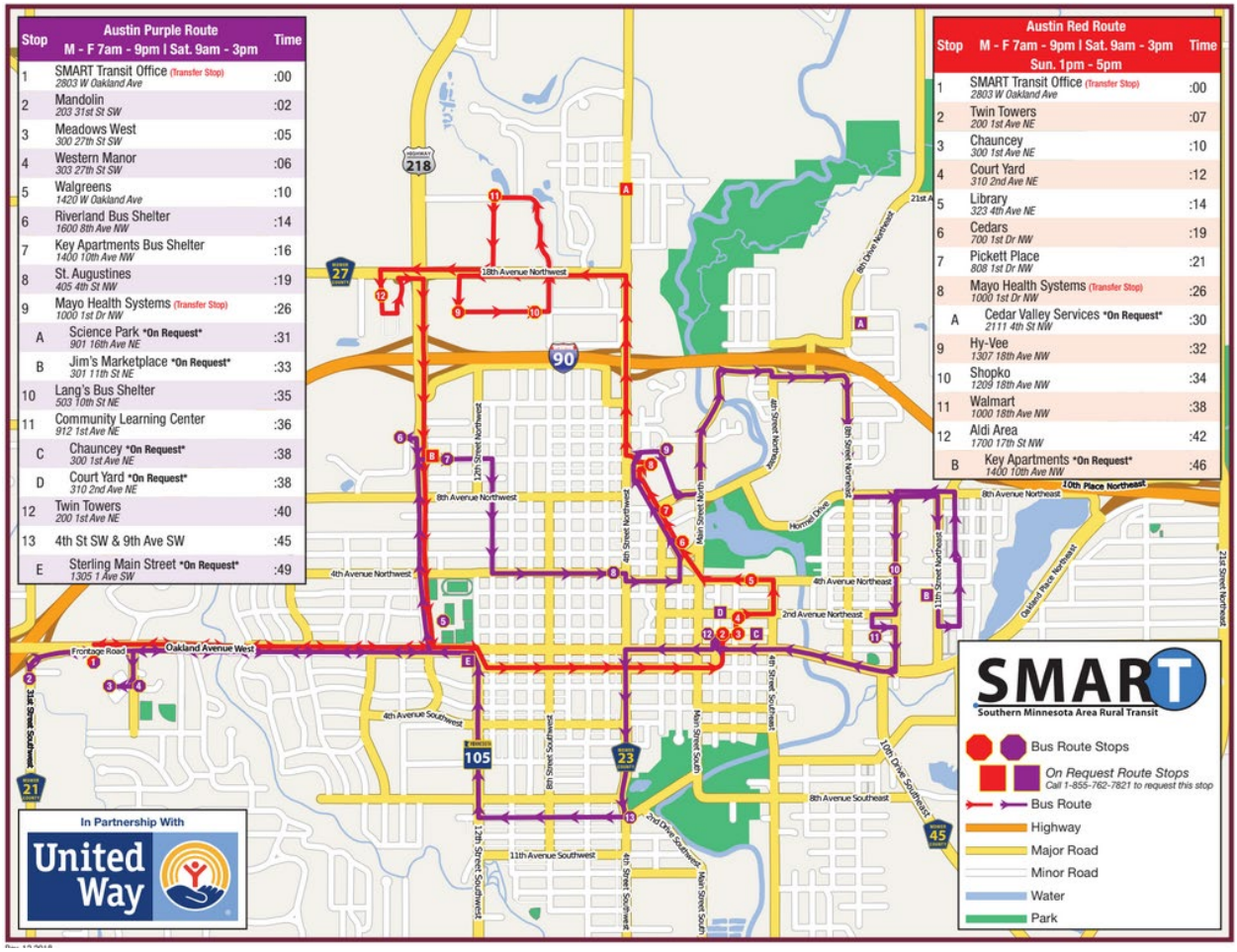
Source: SMART

SMART operates multiple demand response services in Mower County. The county's pre-kindergarten demand response service operates Monday through Friday from 7:00am to 5:00pm and connects students to pre-kindergarten schools in Mower County. Students must apply to be able to use the service and the route changes daily based on open schools as well as throughout the year. SMART also operates a general demand response service. Finally, SMART operates a YMCA route Monday through Friday from 2:30pm to 3:30pm.

Mower County is also served by the hospital shuttle between Albert Lea and Austin, described above in the Freeborn County section.

The deviated fixed routes in Austin serve all key destinations but operate in circuitous one-way loops to cover more territory. It is worth considering more direct service, with one route following a general east-west alignment, and the other more north-south. This would increase walking distance for some patrons but reduce riding time for most of the users and possibly allow greater frequency.

Figure 10 Austin Route Map



Steele County

SMART operates two deviated fixed route services and four demand response services in Steele County (see Figure 11 SMART Transit Services in Steele County below). The Owatonna City Route (Figure 12 Owatonna Route Map), operates hourly Monday through Friday from 7:00am to 9:00pm. The route operates in a large loop around Owatonna, connecting housing complexes, the Library, and Wal-Mart, Cash Wise Foods, and Hy-Vee in Owatonna. The route also serves several stops on request, including Aldi, the Cedar Valley Services North Lot, Owatonna Community Ed, and Senior Place. The Owatonna Work Route focuses on connecting residents to employers and operates until midnight on weekdays.

The deviated fixed routes in Owatonna serve all key destinations, but use a large one-way loop pattern, which increases riding time for many users on at least one half of their round trip. Since the deviated fixed route service is well-utilized, and additional trips are being considered, this could be

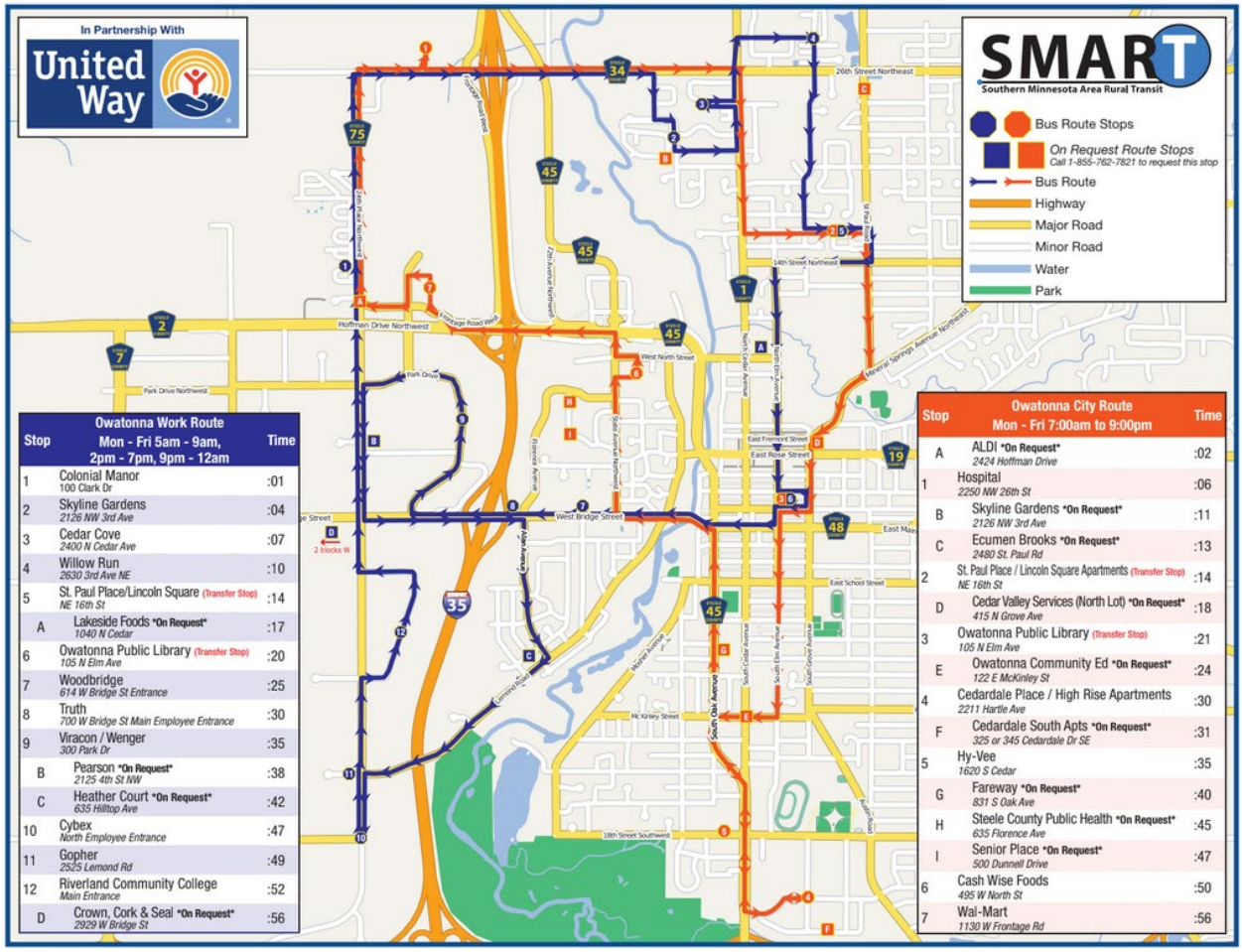
an opportunity to replace the existing route with two more direct routes. As mentioned above, Owatonna is relatively healthy economically, and ridership is increasing.

Figure 11 SMART Transit Services in Steele County

Route Name	Route Name	Service Description
Owatonna City Route (Deviated Fixed Route, hourly service)	Mon – Fri 7:00am to 9:00pm	Connects housing complexes, the library, Walmart, Hy-Vee, in Owatonna.
Owatonna Work Route (Deviated Fixed Route)	Mon – Fri 5:00-9:00am, 10:00am-1:00pm, 2:00-7:00pm	Connects residential complexes with employers, including Cybex, Riverland CC and Viracon
Owatonna Pre-Kindergarten Demand Response	Mon – Fri 7:00am to 3:30pm	Connects students to pre-kindergarten schools in Freeborn County. Students must apply to be able to use the service and the route changes daily based on open schools as well as throughout the year.
Owatonna South Demand Response	Mon – Fri 6:00am to 5:30pm	Provides connections throughout southern Steele County.
Owatonna North Demand Response	Mon – Fri 6:00am to 6:00pm	Provides connections throughout northern Steele County.
Owatonna Weekend Demand Response	Saturday 9:00am to 3:00pm Sunday 7:30am to 1:00pm	Provides connections throughout Steele County.

Source: SMART

Figure 12 Owatonna Route Map



SMART operates four demand response services in Steele County. During the week, SMART operates an Owatonna South Demand Response service and an Owatonna North Demand Response service. The Owatonna South services operate Monday through Friday from 6:00am to 5:30pm and provide connections throughout southern Steele County. The Owatonna North services operate Monday through Friday from 6:00am to 6:00pm and provide connections throughout northern Steele County. On weekends, SMART operates one demand-responsive service that provides connections throughout the county. This service operates from 9:00am to 3:00pm on Saturdays and from 7:30am to 1:00pm on Sundays.

The county's pre-kindergarten demand response service operates Monday through Friday from 7:00am to 3:30pm and connects students to pre-kindergarten schools in Steele County. Students must apply to be able to use the service and the route changes daily based on open schools as well as throughout the year.

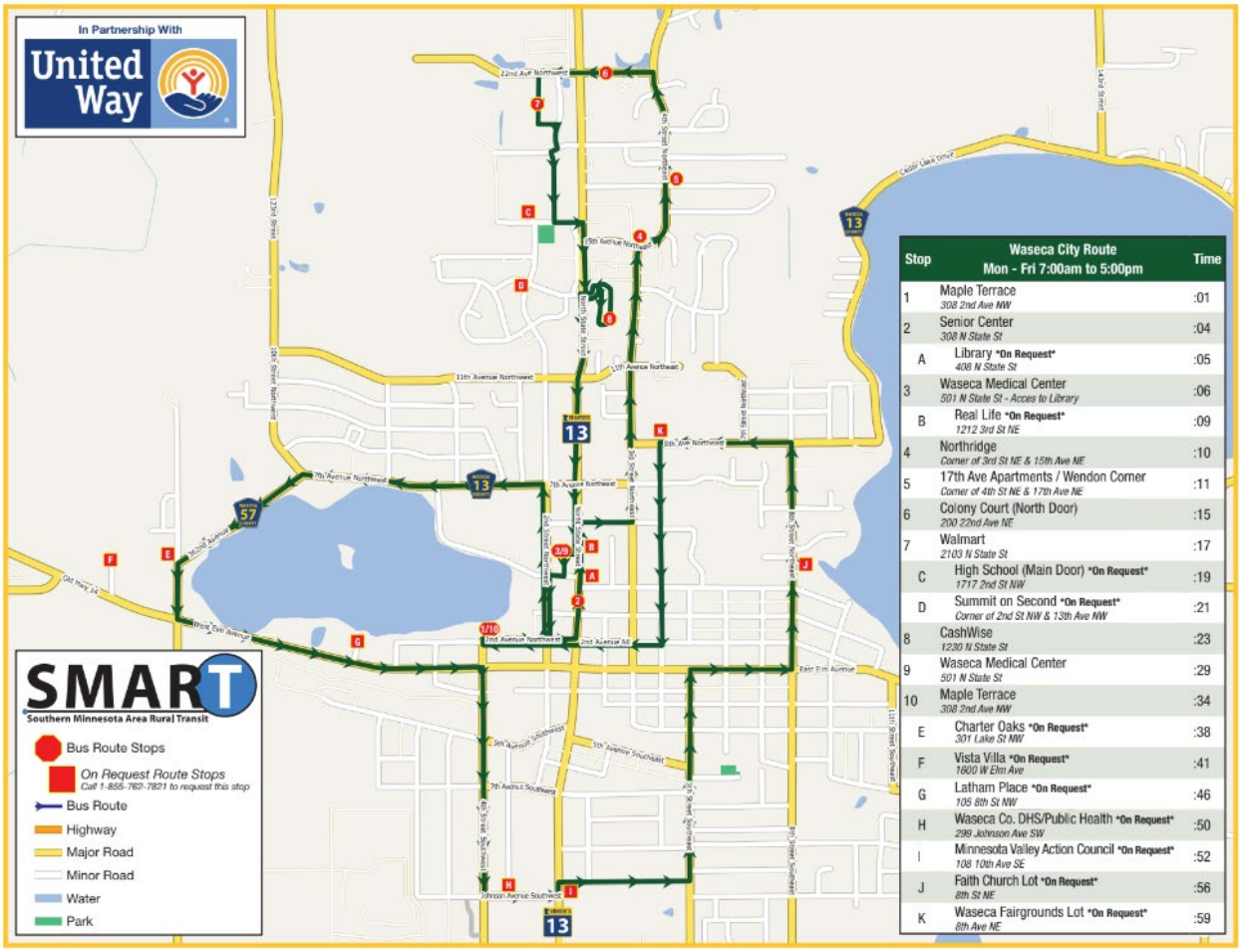
Waseca County

SMART operates one deviated fixed route service and one demand response service in Waseca County (see Figure 13 SMART Transit Services in Waseca County below). The Waseca City Route operates hourly Monday through Friday from 7:00am to 9:00pm. The route operates in a large loop around Waseca, connecting housing complexes, Wal-Mart, Cash Wise Foods (was Hy-Vee until recently), and the Waseca Medical Center. The route also serves several stops on request.

Figure 13 SMART Transit Services in Waseca County

Route Name	Route Name		Service Description
Waseca City Deviated Fixed Route (hourly service)	Mon – Fri	7:00am to 5:00pm	Connects housing complexes, senior facilities, the Waseca Medical Center, Walmart, and Cash Wise (was HyVee), in Waseca.
Waseca Demand Response	Mon – Fri	6:00am to 6:00pm	Provides connections throughout Waseca County.
	Saturday	9:00am to 1:00pm	
	Sunday	7:45am to 12:15pm	

Figure 14 Waseca Route Map



SMART operates demand response service in Waseca County. This service operates in Waseca County from 6:00am to 6:00pm Monday through Friday, from 9:00am to 1:00pm on Saturday and from 7:45am to 12:15pm on Sunday.

The Waseca deviated fixed route serves all key destinations and ridership has been increasing. Since this is a relatively new service, no changes are recommended at this time.

Service Contracts

SMART does not contract with any private employers or human service providers to operate trips outside of the deviated routes or demand response service. Driver operations are conducted with SMART staff, including part-time drivers.

Service Guidelines

Deviated Fixed Route Service

For SMART's deviated fixed route services, any rider may board or alight the bus at any designated bus stop (marked on maps in the previous section). However, the route will deviate to serve several designated locations on request. A rider wishing to be picked up at an on-request location must call dispatchers ahead of time for a reservation. If that rider's destination is also a deviation from the route, it must be communicated as part of the reservation for pick up. Additionally, if a rider boards at a designated bus stop and their destination is a deviation from the route it must be communicated with the driver upon boarding.

Demand Response Service

Reservations for deviated route or demand response trips may be taken up to two weeks in advance. SMART recommends reserving a trip at least 24 hours in advance to help guarantee a pick up. Though SMART does not guarantee same-day reservations, they do accept same-day trip requests. Same-day demand response reservations are handled on a first come –first served basis and accommodated around already scheduled trips.

Scheduling and dispatching considers the length of trip and the ability for the bus to complete the trip and return on time. Pickup windows include 15 minutes before and after scheduled pickup time.

Fare Structure

SMART charges several types of fares, depending on the service type and location. Designated riders also receive discounts from the base rate. Children aged five and under accompanied by an adult can ride for free. Additionally, veterans may ride any SMART deviated bus route at no charge by showing the driver their military ID. See Figure 15 SMART Fares for a fare breakdown.

Figure 15 SMART Fares

Fare Type	Regular Fare	Special Fare
Deviated Route One Way Pass	$1.50	Student fare (6-16): $1.00 11 tokens: $15
Demand Response (within city limits)	$2.00	11 tokens: $20
Demand Response (county-wide)	$2.50	11 tokens: $25
Student Fare	$1.00	-
Unlimited 1 month Route Pass	$30	For seniors (55 and up) and students (6-17): $25

Fare Payment Options

Fares are paid with tokens accepted by bus drivers on each transit vehicle at the time of boarding. Unlimited 1-month route passes are available for purchase, and tokens are available in bulk packs for a 10% discount. Passengers may purchase $22 worth of tokens for $20, or $27.50 worth of tokens for $25. Tokens and bulk packs are sold at:

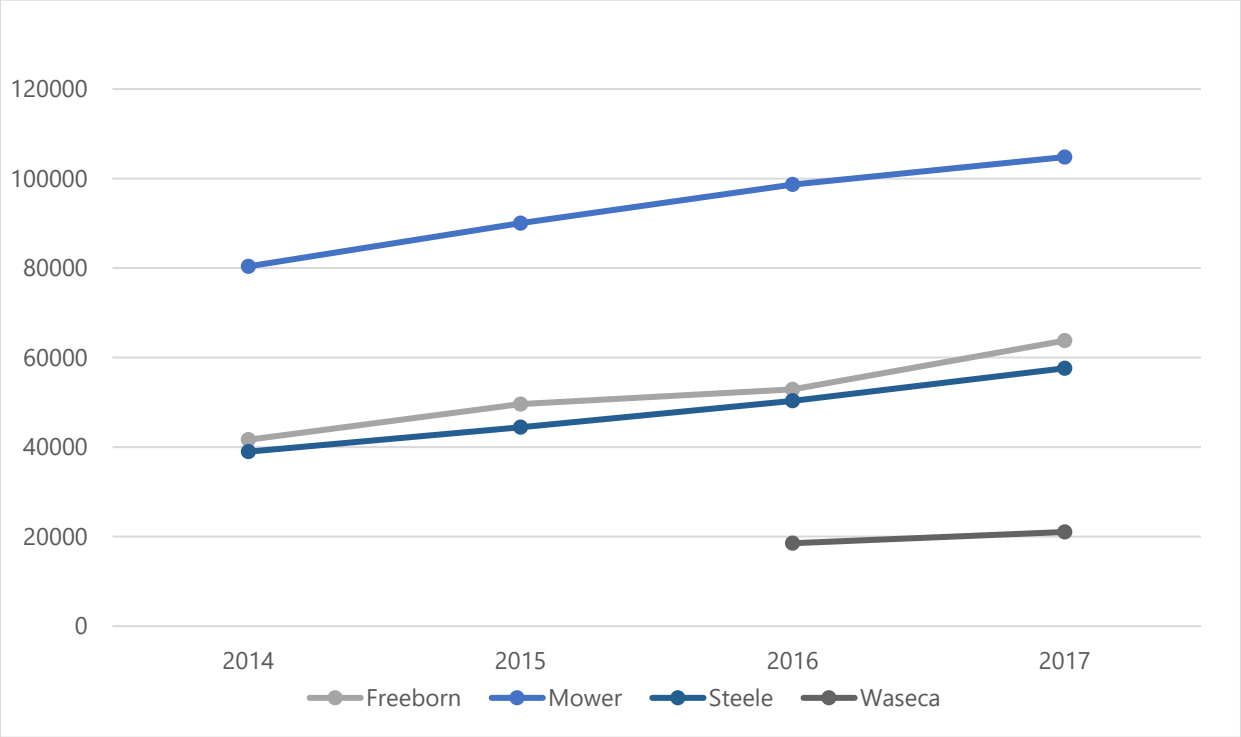
- **Albert Lea** – Nelson's County Market, Hy-Vee, and the Albert Lea Transit Office at 905 East 16th Street in Albert Lea
- **Austin** – Austin Transit Office at 2803 Oakland Avenue West
- **Owatonna** – Cash Wise, Hy-Vee, Fareway, Senior Place, and the Steele County Auditor's Office
- **Waseca** – Waseca Transit Office at 105 3rd Avenue NE
- **Onboard SMART buses** – Drivers do not carry cash to give change

Current and Past Ridership

Since SMART began operations in 2014, ridership has been reported annually. In 2014, SMART provided 161,009 one-way trips. Of these, 80,385 trips occurred in Mower County, 41,645 in Freeborn County, and 38,979 in Steele County (see Figure 16 SMART Transit One-Way Trips by County by Year). By 2017, SMART ridership increased by 54% to 247,257 one-way trips, partially due to an increase in service provision and due to the addition of SMART service in Waseca County in 2016. In Freeborn County, ridership increased by 53% from 41,645 trips in 2014 to 63,793 in 2017. Ridership in Steele County increased by 48%, from 38,797 trips in 2014 to 57,617 in 2017.

Ridership increased annually in all counties in SMART's service area since 2014. This is likely due, at least in part, to an increase in the amount of service provided during this time period.

Figure 16 SMART Transit One-Way Trips by County by Year



Rider Characteristics

Profile

Rider demographics are tracked by driver logs, with dispatching input entered into RouteMatch software.

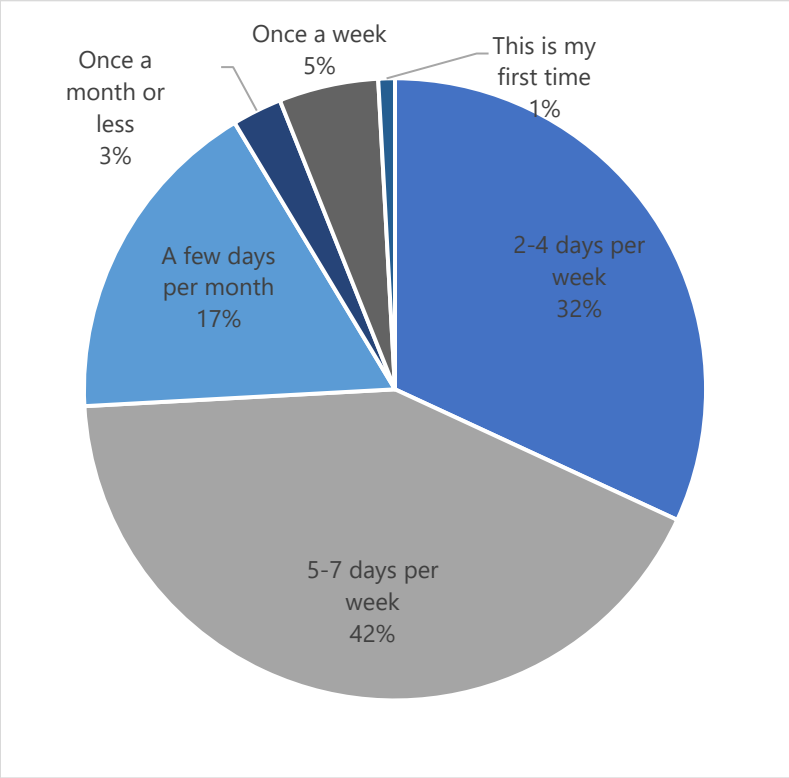
Figure 17 Monthly SMART Transit Rider Characteristics, March 2018

Year	Disabled	Elderly	Adult	Student	Children	Total Passenger Trips
Freeborn	195	936	1,530	1,157	301	4,119
Steele	92	1,665	2,213	645	128	4,743
Mower	360	1,605	3,242	4,597	120	9,924
Waseca	174	576	510	1,082	59	2,401
Definition	Using Wheelchair Lift to Board / Depart	Aged 63 and over	Aged 18 - 62	Aged 6 - 17	Aged 0 - 5	

Behaviors

SMART distributed an on-board survey to riders of SMART vehicles in late May and early June 2016.

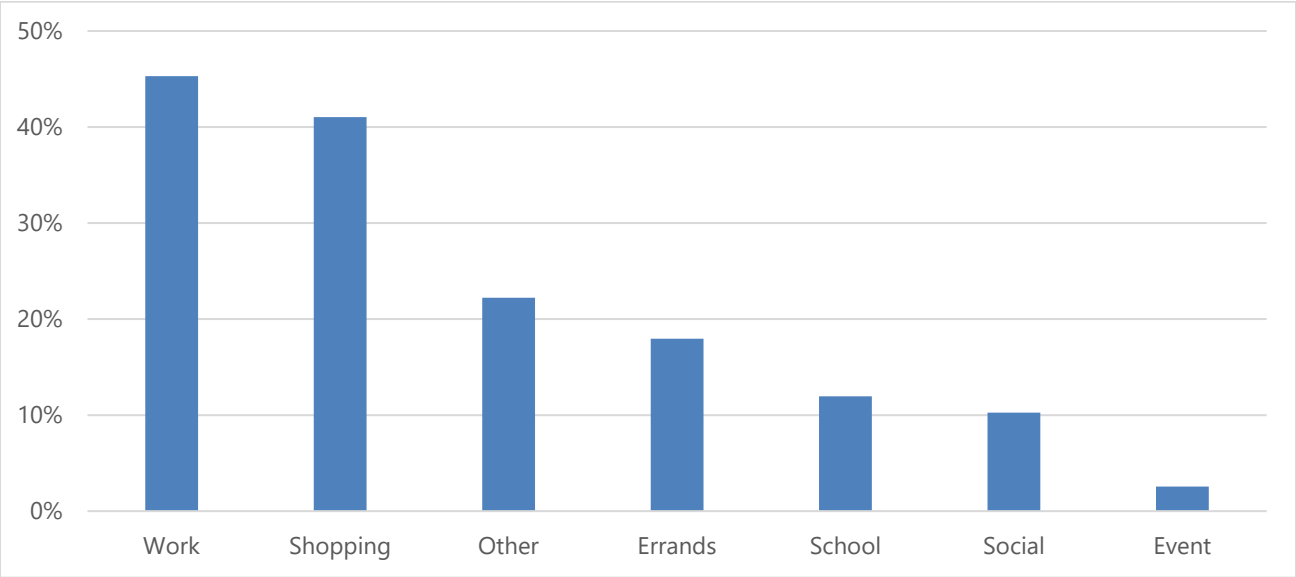
Figure 18 How Often Respondent Rides the Bus



Over three quarters of the survey's respondents reported that they rely on SMART bus services to regularly travel around the SMART service area (see Figure 18 How Often Respondent Rides the Bus). Forty-two percent of respondents reported that they ride SMART 5 to 7 days per week, while an additional 32% ride 2 to 4 days per week. A combined 25% of respondents use SMART transit service a few days per month, once a month or less, or once a week.

The survey asked existing transit riders to categorize the primary reasons they use SMART Transit services. Respondents were able to select multiple answers.

Figure 19 Respondent Trip Purpose (n=117)

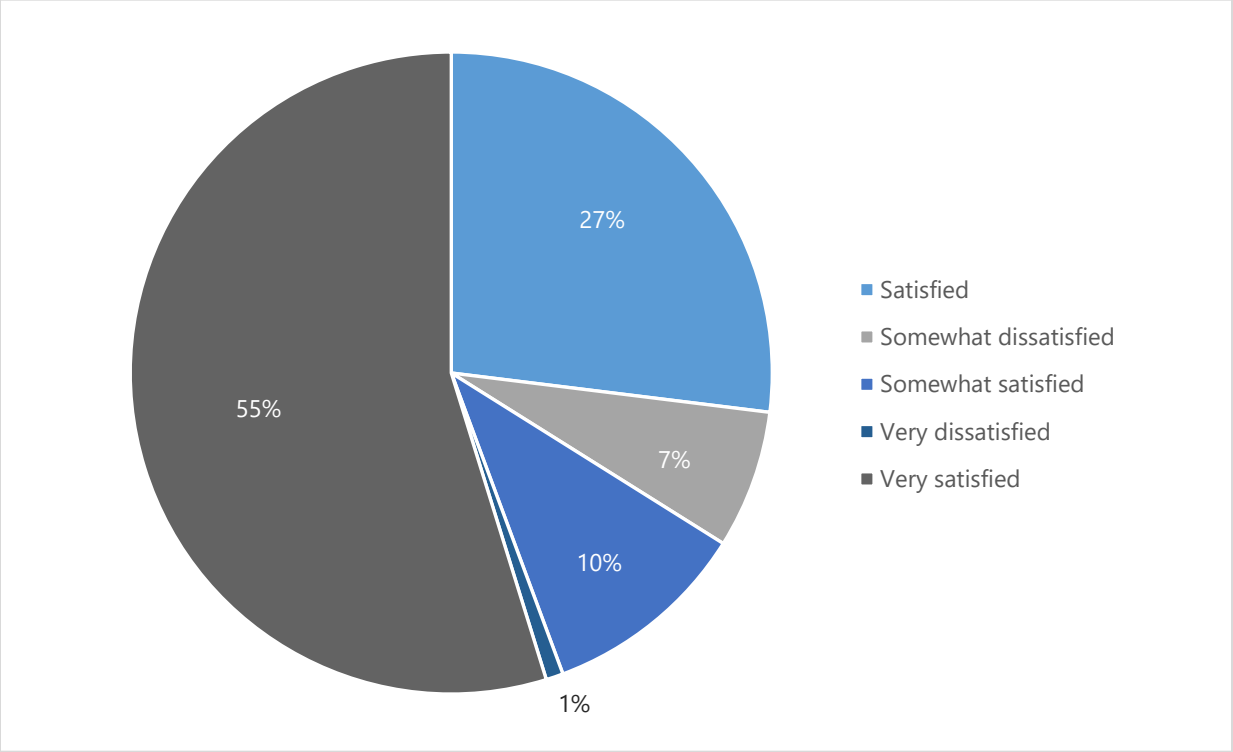


Over 46% of respondents surveyed reported that they regularly rely on SMART Transit services to travel to work, and 41% reported they use SMART for shopping trips.

Attitudes and Opinions

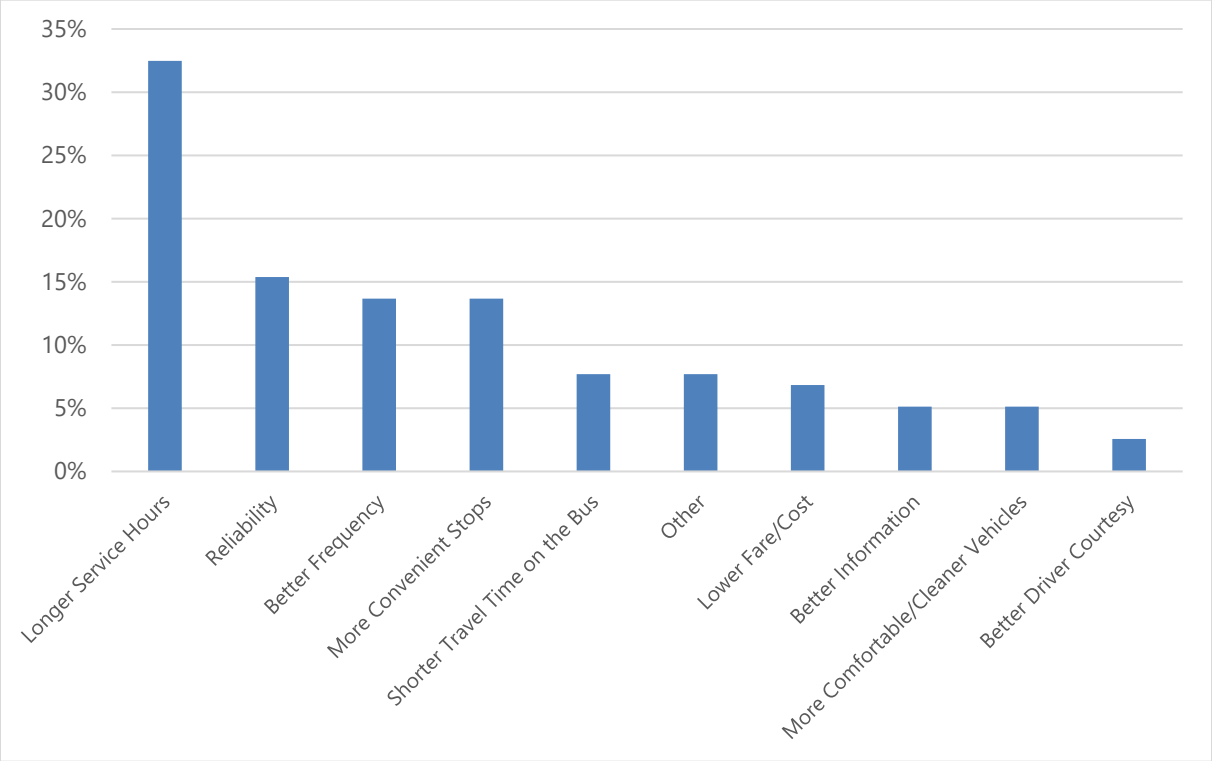
Survey respondents were asked a series of questions regarding their perception of SMART Transit services. The results indicate that on average, current riders are very satisfied or satisfied with SMART's current service.

Figure 20 Respondent Satisfaction with Availability of Public Transit within Community (n=115)



Survey respondents were asked what single improvement would make it most likely that they would ride the bus more frequently. Approximately one-third of respondents stated that longer service hours would be the single improvement that would increase their use of SMART Transit services (Figure 21 The single improvement to SMART service that would make it most likely that respondent would ride the bus more frequently?). Reliability was the second-most frequent answer (16%), followed by better frequency (14%), and more convenient stops (14%).

Figure 21 The single improvement to SMART service that would make it most likely that respondent would ride the bus more frequently?



Stakeholder Engagement

In addition to the survey results noted above, the consultant team interviewed many stakeholders in order to understand more about the effectiveness of existing services, as well as improvements desired. Interviews included representatives from the following organizations within SMART's service area:

- United Way of Mower County
- Community Learning Center
- Austin City Council
- Cedar Valley Services
- Minnesota Prairie County Alliance
- Hormel Foundation
- SMART Transit Advisory Committee
- Albert Lea Chamber of Commerce
- Albert Lea City Staff
- Albert Lea Senior Center
- Waseca Chamber of Commerce

Questions were sent in advance of the interviews in order to facilitate a robust discussion, and all interviewees were promised confidentiality. Therefore, responses have been grouped into themes and not attributed to anyone specifically.

General themes from stakeholder feedback included:

- SMART staff are widely perceived as courteous and helpful
- Increasing awareness of SMART service is needed, as well as knowledge of specific policies, particularly around scheduling demand response trips
- Pre-school service is very successful, but oversubscribed, resulting in a waiting list
- Longer service hours are desired
- There is a need for some service to regional destinations outside of the SMART service area, including Rochester, Mankato, and Medford
- The one-way loop patterns of the deviated routes result in longer rides which can be aggravating
- Maximum flexibility from state assistance would be helpful, including vehicle and fleet design
- State might also improve assistance for training, procurement, and CDL licensing

The full report on stakeholder engagement is included as an appendix.

Projected Transit Demands and Unmet Needs

Based on analysis of existing services and the survey and outreach results, the potential improvements include:

- Scheduled service to Rochester, possibly 1-2 days per week; particularly from Austin and eastern parts of the SMART service area
- Scheduled service to Mankato, possibly 1-2 days per week; particularly from Waseca and northwestern parts of the SMART service area
- Increased frequency on the Owatonna deviated fixed route in order to relieve crowding; this is also supported by the relatively robust economic outlook for Steele County
- Expansion of pre-school service if resources allow
- Where possible, realigning routes to have a more direct path
- Longer service hours

Chapter 5. Capital

Background

Fleet Characteristics

SMART owns 32 vehicles, as follows:

Figure 22 SMART Fleet

Vehicle ID Number (VIN#)	Local Fleet Number	Location	Seating Configuration	Current Milage	Vehicle status (in service, new-in process, spare/back-up, disposal-in process)	Year
1FDXE45S47DB08265	117	AUSTIN	21/2	232448	spare	2007
1FD4E45S18DB51739	118	AUSTIN	21/2	219665	spare	2008
1FDE45S39DA52849	120	AUSTIN	21/2	216976	in service	2009
1FDFE45S19DA57077	121	AUSTIN	21/2	213094	in service	2009
1FDFE45S59DA57079	122	AUSTIN	21/2	214276	in service	2009
1FDEFE4FS5BDB26941	123	AUSTIN	21/2	157332	spare	2011
1FDFE4FSXCDB35622	124	AUSTIN	21/2	149471	in service	2012
1FDFE4FS3EDA09072	125	AUSTIN	21/2	134645	in service	2014
1GB6G5BG4E1202035	126	AUSTIN	18/2	91129	in service	2014
1FDGF5GY3GEB56905	127	AUSTIN	24/2	41948	in service	2015
1FDFE4FS9GDC05259	128	AUSTIN	10/2	37029	in service	2015
1FDFE4FS5GDC05260	129	AUSTIN	18/2	27769	in service	2015
1DFDFE4FS8HDC15427	130	AUSTIN	18/3	24123	in service	2017
1FDFE4FS5HHDC15434	131	AUSTIN	18/3	19427	in service	2017
1FDFE45S59DA43313	211	OWATONNA	16/2	212210	spare	2009
1FDFE4S2CDA19444	212	OWATONNA	16/2	172453	in service	2012
1FDFE4FS9DDA03114	213	OWATONNA	16/2	189308	in service	2012
1GB6G5BG5E1194592	214	OWATONNA	16/2	126251	in service	2014
1FDFE4FS4GDC05265	215	OWATONNA	18/2	83608	in service	2015
1FDFE4FS1HDC15432	216	OWATONNA	18/3	30347	in service	2017
1FDFE4FS2HDC15441	217	OWATONNA	13/2	21073	in service	2017
1FDFE45S19DA39128	305	ALBERT LEA	20/2	187246	in service	2009
1FDFE45S59DA39133	306	ALBERT LEA	20/2	206539	spare	2009
1FDFE4FS6BDB05239	307	ALBERT LEA	12/6	119127	in service	2011
1FDFE4FS4DDB27386	308	ALBERT LEA	12/3	149318	in service	2013
1GB6G5BGOE1192765	309	ALBERT LEA	16/2	96582	in service	2014
1FDFE4FS1HDC15429	310	ALBERT LEA	18/3	26284	in service	2017
2C4RDGCG7DR820682	401	WASECA	4	80610	in service	2013
1FDFE4FS8EDA13375	402	WASECA	16/2	52473	in service	2014
1FDFE4FS7DDA20588	403	WASECA	17/2	114389	in service	2013
1FDFE44FS0ADB00343	404	WASECA	15/3	99322	in service	2011
WD8PD644X65966455	Sprinter	All-Locations	12	157142	in service	2006

Maintenance Cost

In the first half of 2018 (January through June), SMART spent approximately $20,700 on preventative maintenance and $34,200 on corrective maintenance for its 38 vehicles.

Facilities and Assets

Facilities

SMART operates out of four bus depots, one in each county of its service area. Two depots, located in Albert Lea and Austin, are owned by Cedar Valley Services (SMART's parent company), while SMART leases the remaining two depots, located in Owatonna and Waseca.

SMART routes operating in Freeborn County operate out of Cedar Valley's Albert Lea facility, located at 905 East 16th Street in Albert Lea. The Albert Lea facility was constructed in 2013 and has a total size of 7,520 square feet. The facility contains an office, a conference room, restrooms, and a kitchen. While much of the facility is used by Cedar Valley Services staff and customers, the facility also contains a wash bay for vehicles as well as a wash pump and air compressor.

SMART routes operating in Mower County operate out of Cedar Valley's Austin facility, located at 2801 West Oakland Avenue in Austin. The Austin facility was constructed in 1965 and has a total of 13,093 square feet. The facility was remodeled in 2002 to replace garage doors, remove garage lifts, create a new Manager's office, and put in new heating, lighting, windows, and brick. In addition to offices, a kitchen, and a break room, the facility houses a maintenance shop and maintenance equipment, including a power washer, a 3-ton floor jack, and a 10-ton floor jack.

Rider Assets

SMART bus stops contain few amenities, such as shelters, signs, and schedules.

Capital Plan

Priorities according to staff are replacing vehicles which are beyond their useful life, and hopefully constructing bus facilities in Owatonna and Waseca to replace the leased facilities (with assistance from Cedar Valley Services). Additionally, in Austin, the combined office and garage facility will need remodeling to reorganize the dispatch setup.

History

All assets from the previous transit agencies were transferred to SMART when the merger was completed in 2014. Generally, each county's assets are still used as before, with the services in each of the four counties mostly independent of each other.

Five Year Capital Plan

While SMART buses in Owatonna and Waseca currently operate out of leased depot space, SMART would like to purchase facilities, potentially with the backing of Cedar Valley Services, in both municipalities. In Owatonna, purchasing of a garage/office facility would cost an estimated $1.5 million. There have already been explorations into potential sites.

Another priority according to staff are replacing vehicles which are beyond their useful life. Between 2020 and 2025, SMART plans on purchasing six replacement bus vehicles (one per year). All buses would be shorter than 30 feet.

An additional vehicle is needed in 2020 for the Albert Lea to Austin Mayo route if not funded for 2019. Two more additional vehicles will be needed before 2025 for service expansion if the recommendations in this report are implemented.

Figure 23 SMART Fleet Replacement Funding Sources

Year	Total Estimated Purchase Cost	MnDOT Cost (80%)	SMART Cost (20%)	Note
2020	$393,000	$314,400	$78,600	Bus Replacement
2021	$336,000	$268,800	$67,200	Bus Replacement
2022	$200,000	$160,000	$40,000	Bus Replacement
2023	$440,000	$352,000	$88,000	Bus Replacement
2024	$450,000	$360,000	$90,000	Bus Replacement
2025	$368,000	$294,400	$73,600	Bus Replacement
2020	$393,000	$314,400	$78,600	Service Expansion (already implemented)
2022	$393,000	$314,400	$78,600	Service Expansion
2025	$393,000	$314,400	$78,600	Service Expansion

Figure 24 SMART Facility Improvement Funding Sources

Year	Total Estimated Purchase or Remodel Cost	MnDOT Cost (80%)	SMART Cost (20%)	Note
2022	$1,500,000	$1,200,000	$300,000	Owatonna Facility
2023	$2,000,000	$1,600,000	$400,000	Waseca Facility
2025	$3,000,000	$2,400,000	$600,000	Austin Facility Remodel

Chapter 6. 2020 – 2025 Annual Needs

The five key components needed for SMART to achieve the service improvement goals are facilities, fleet, staffing, technology, and marketing. These categories were used to identify specific short-term and long-term needs for SMART, as described in the following sections.

Fleet

2019

SMART owns 32 vehicles, including five spare bus vehicles. There are 14 vehicles stored in Austin, seven in Owatonna, six in Albert Lea, and four in Waseca. One Sprinter van moves between all counties. Collectively, all 32 buses have driven almost four million miles.

2020-2025

During this period, 6 replacement vehicles will be required (one per year), as well as 3 new vehicles for service expansion. One of these new vehicles is for service already implemented in 2019.

Facility

2019

No immediate facility needs for this year have been identified.

2020-2025

As mentioned above, there are plans to purchase a facility in Owatonna, which would replace the current rented facility. This would provide long-term stability and more control for SMART over their operations and maintenance. There is also a need to remodel the dispatch office in Austin, and to begin planning for a facility in Waseca which would be owned by SMART.

Staffing

SMART has approximately 50 drivers, with a mix of full-time and part-time. There are about 65 employees overall, including dispatch, administrative and management. Almost all vehicle maintenance is outsourced. One additional staff position is needed to assist with marketing and staff training, and 3.5 new driver positions will be needed for service expansion.

Technology

The agency uses RouteMatch software for reservations, scheduling, and dispatching. An upgrade is needed to enable Automatic Vehicle Location notifications available to passengers, as well as allowing integration with phone apps. The upgrade is expected to cost about $50K.

SMART staff also mention that pre- and post-trip fleet management system will allow them to move away from pen and paper tracking for daily driver logs. An additional RouteMatch module to assist with dispatching flex-routes was also requested.

Finally, purchase of an on-board passenger payment system would help phase out tokens, which are time-intensive to manage.

Any software upgrades could also be accomplished through a statewide procurement, since the needs of many rural agencies are similar. RouteMatch would be one potential provider. Pennsylvania recently implemented a statewide contract with Ecolane. Other emerging software providers include TransLoc and Via.

Marketing

In 2018, SMART budgeted $16,000 to be spent on advertising, marketing, and promotional charges, including a total of $4,000 for each community. In Owatonna, SMART spent these dollars advertising their service on two local radio stations, KRFO and KOWZ.

2020-2025

Ideally, the SMART budget for marketing would gradually to about $50K per year, which would be approximately 1.5% of the total budget, and in line with national peers. The additional expense would be used to raise awareness of SMART services and attract ridership, as well as pursuing specific partnerships with non-profit and other private organizations.

Chapter 7. System Performance

Historical

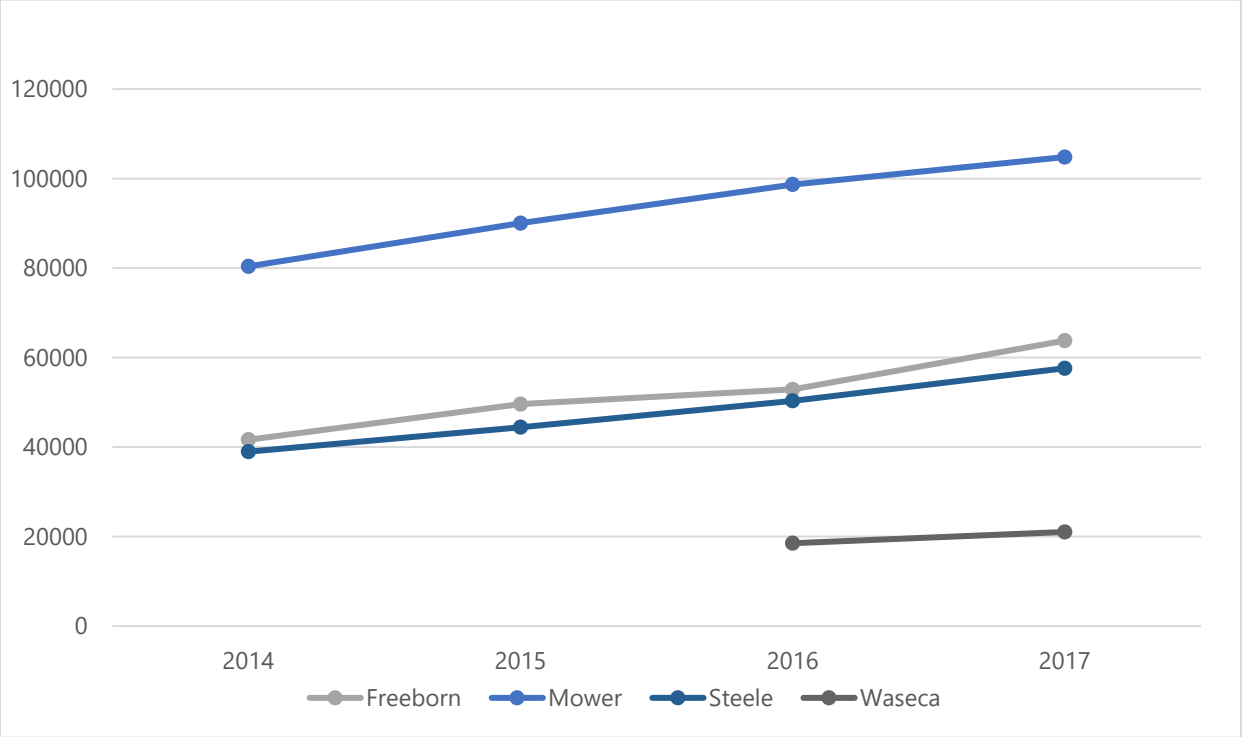
SMART's services are essential to many individuals' quality of life and the community's health, environmental and transportation goals in Freeborn, Mower, Steele, and Waseca Counties. Transit in the SMART service area is a mix of deviated fixed route and demand-response services, and the service is often limited in span of hours, days of the week, and/or frequency. Two deviated routes operate in Austin and Owatonna and one deviated route operates in each city of Albert Lea and Waseca. Demand-response service is also available throughout the rural parts of each county.

Current and Past Ridership

Since SMART began operations in 2014, ridership has been reported annually. In 2014, SMART provided 161,009 one-way trips. Of these, 80,385 trips occurred in Mower County, 41,645 in Freeborn County, and 38,979 in Steele County (see Figure 25 SMART Transit One-Way Trips by County by Year). By 2017, SMART ridership increased by 54% to 247,257 one-way trips, partially due to an increase in service provision and due to the addition of SMART service in Waseca County in 2016. In Freeborn County, ridership increased by 53% from 41,645 trips in 2014 to 63,793 in 2017. Ridership in Steele County increased by 48%, from 38,797 trips in 2014 to 57,617 in 2017.

Ridership increased annually in all counties in SMART's service area since 2014. This is likely due, at least in part, to an increase in the amount of service provided during this time period. Service hours increased by 57% between 2014 and 2017, while ridership increased by 55%.

Figure 25 SMART Transit One-Way Trips by County by Year



Profile

Rider demographics are tracked by driver logs, with dispatching input entered into RouteMatch software.

Figure 26 Monthly SMART Transit Rider Characteristics, March 2018

Year	Disabled	Elderly	Adult	Student	Children	Total Passenger Trips
Freeborn	195	936	1,530	1,157	301	4,119
Steele	92	1,665	2,213	645	128	4,743
Mower	360	1,605	3,242	4,597	120	9,924
Waseca	174	576	510	1,082	59	2,401
Definition	Using Wheelchair Lift to Board / Depart	Aged 63 and over	Aged 18 - 62	Aged 6 - 17	Aged 0 - 5	

Performance Measures and Indicators

The Greater Minnesota Transit Investment Plan (GMTIP) suggested several System Performance Standards to evaluate the productivity and efficiency of transit services provided within a particular system. To be responsible and dynamic, SMART must consistently measure and adjust its service to help achieve these performance standards. They serve as indicators of route and demand response performance and call attention to service offerings that may need adjustment.

The use of multiple standards provides better indications of operational and financial performance and allows SMART to balance the cost and ridership of each route and demand response option in the system's service area. The metrics below describe the current service efficiency and effectiveness across all four counties and demonstrate why performance measurements are important to continuously collect and monitor.

SMART's services for preschoolers generally have the highest productivity, and this is also reflected in the fact that many of these, particularly in Austin, are over-subscribed with a waiting list. The pre-K services have been a growing portion of overall SMART service, although future growth may be constrained by fleet availability and facility capacity. Figures 28 through 31 show a summary of productivity and performance statistics.

Baseline Service

The GMTIP target span of service for small urban areas with populations of more than 7,000 people is 12 hours on weekdays and 9 hours per day on weekends. SMART fails to meet this threshold because its weekend service is less than 9 hours on (4 hours) Saturday and (5 hours) on Sunday. In rural areas, the state standard requires just eight hours per day and only three days of service per week.

Cost Effectiveness: Revenue Generated/Cost Recovery

Cost recovery is calculated by dividing revenue by operating expenses and can be calculated systemwide or by route in the SMART service area. Since each of the four counties in the SMART service area operates mostly independently, cost recovery can by calculated by county as well. Revenue includes fares, contract revenue, local contributions or local tax subsidy.

For all services combined, SMART generates revenue which covers 15% of operations cost, which meets the state target. Therefore, little or no additional contribution from cities/counties has been required. SMART's revenues are a combination of fares paid by passengers, tokens/passes paid by sponsors and passengers, smaller amounts paid by public and private organizations for specific transit services, and a small amount of advertising.

Cost Effectiveness: Expenses per Vehicle Revenue Hour

Costs per hour range from a low of $35.70 for all services in Waseca County to a high of $68.24 per hour in Mower County. GMTIP state targets are $50 per hour or less for deviated routes and $60 per hour or less for demand response. Overall, for 2018, SMART had an average cost of $50.77 per vehicle hour.

Cost Effectiveness: Expenses per Passenger Trip

SMART averaged $11.19 for the cost of each passenger trip during 2018. State targets are $6.00 or less per trip for deviated routes, and $15.00 or less per trip for demand response.

Productivity: Passengers per Hour

Productivity is calculated by the total number of passengers carried divided by the total service hours. A high number of passengers per hour show a route is serving more people. The passengers per hour metric is calculated at both the route and trip level but can be also viewed on a per bus basis to establish a minimum standard of route performance.

During 2018, all SMART services averaged 4.5 passengers per service hour. As mentioned above, the pre-K services have the highest passengers per hour. The Owatonna deviated route has 6.8 passengers per hour, the most of any service designed for the general public. The Waseca deviated route is the newest flex service, and also has the lowest productivity at 2.6 passengers per hour. The state target for deviated routes is 8 passengers per hour.

The GMTIP target for demand response is 3 passengers per hour in urban areas (two per hour in rural areas), and many of SMART's demand response services meet this goal. On weekdays during 2017, ridership ranged from 1.9 passengers per hour on the Waseca demand response service to 6.5 passengers per hour for the Albert Lea demand response service.

Productivity: Trips per Capita

As mentioned, ridership has been growing in all four counties served by SMART. The following are the annual transit trips per capita by county and year in the SMART service area (Figure 27 Passengers per Capita in SMART Service Area):

Figure 27 Passengers per Capita in SMART Service Area

County	2017	2016	2015	2014
Freeborn	2.07	1.72	1.61	1.35
Mower	2.67	2.51	2.29	2.05
Steele	1.58	1.38	1.22	1.07
Waseca	1.11	0.97	NA	NA

Other Indicators and Performance Targets

Although SMART does not currently have the ability to incorporate a reliability measure for on-time performance (OTP), the agency plans to collect OTP data if new RouteMatch software modules can be purchased and incorporated. The specific target for OTP would align with the MnDOT recommendation of 90 percent on time within published pickup window based on GMTIP (2017).

As part of this FYTSP effort, SMART picked three performance targets to achieve in the next five years.

Figure 28 Provider Performance Targets

Measure	Target	Current Status
Passengers per Revenue Hour	5.0	4.5
Operating Cost per Passenger	$10.00	$10.49
Cost recovery	17%	15%

Historical Performance

The route level productivity and performance statistics are included in Figures 28-31.

Peer Performance Comparison

To provide additional context on the agency's performance, a peer analysis was conducted to compare SMART to other transit agencies with similar service. Ten peer agencies were selected, based on being of a similar size as SMART and operating in a small town and rural environment.

SMART is better than the average of peer systems on a number of metrics, including having a lower hourly operating cost and higher cost-effectiveness (operating cost per passenger trip). Productivity (passengers per hour) is higher than the peer agency average, which highlights the recent and continuing growth in ridership at SMART. A summary of key statistics for SMART and peer agencies is shown in Figure 33 Productivity and Performance Statistics for SMART and Peer Systems (2017).

Figure 29 Productivity and Performance Statistics for 2018 SMART Routes – Freeborn County

Route Name	Type of service	Monthly Passenger Trips (one-way)	Monthly Revenue miles (#)	Monthly Revenue hours	Revenue Generated from Route ($)	Annual Operating cost for route	Cost per hour	Cost per Trip	Passengers per hour
AL City Route Deviation	Flex	821	2,633	157.5	$1,260.17	$9,656.66	$61.31	$11.76	5.2
AL Demand Response 1	DAR	720	2,088	168	$1,105.14	$8,468.69	$50.41	$11.76	4.3
AL PreK1	DAR	901	975	88	$1,382.96	$8,468.69	$120.43	$11.76	10.2
AL Saturday Demand Response	DAR	59	242	22.5	$90.56	$10,597.63	$30.84	$11.76	2.6
AL Demand Response 2/Dialysis Route	DAR	142	538	48	$217.96	$693.96	$34.80	$11.76	3.0
Exp AL City Route Deviation	Flex	400	1,464	132.5	$613.97	$1,670.21	$35.51	$11.76	3.0
Exp AL Demand Response 1	DAR	167	736	104	$256.33	$4,704.83	$18.89	$11.76	1.6
Exp AL Sunday Demand Response	DAR	57	107	16	$87.49	$1,964.27	$41.9	$11.76	3.6
2018 NSE-Exp AL PreK2 and ABE	DAR	852	794	92	$1,392.92	$670.44	$48.8	$5.27	9.3
Overall	**DAR**	**4,119**	**9,577**	**828.5**	**$6,407.49**	**$42,916.13**	**$49.2**	**$11.00**	**4.8**

Figure 30 Productivity and Performance Statistics for 2018 SMART Routes – Steele County

Route Name	Type of service	Monthly Passenger Trips (one-way)	Monthly Revenue miles (#)	Monthly Revenue hours	Revenue Generated from Route ($)	Monthly Operating cost for route	Cost per hour	Cost per Trip	Passengers per hour
OW City Route Deviation	Flex	1,870	3,784	290.75	$2,870.29	$21,995.08	$75.65	$11.76	6.4
OW South Run/DR1	DAR	658	3,556	241	$1,009.97	$7,739.45	$32.11	$11.76	2.7
OW North Run/DR2	DAR	1,084	3,589	250.75	$1,663.85	$12,750.09	$50.85	$11.76	4.3
OW Weekend DR	DAR	164	524	52	$251.73	$1,928.98	$37.10	$11.76	3.2
OW Pre-K 1	DAR	479	986	78	$735.22	$5,634.03	$72.23	$11.76	6.1
Exp OW Peak/BP/DR3	Flex	488	2,679	199.5	$749.04	$5,739.03	$28.77	$11.76	2.4
2018 NSE-Exp Owt PreK2	DAR	346	704	102	$565.67	$1,823.17	$17.87	$5.27	3.4
Overall	**DAR**	**4,743**	**15,118**	**1,112**	**$7,280.11**	**$55,787.53**	**$50.17**	**$11.76**	**4.2**

Figure 31 Productivity and Performance Statistics for 2018 SMART Routes – Mower County

Route Name	Type of service	Monthly Passenger Trips (one-way)	Monthly Revenue miles (#)	Monthly Revenue hours	Revenue Generated from Route ($)	Annual Operating cost for route	Cost per hour	Cost per Trip	Passengers per hour
AU Rainbow Route	DAR	2,599	1,941	190	$3,989.25	$30,569.64	$160.89	$11.76	13.7
AU Work Run	Flex	1,243	3,594	236.5	$1,907.90	$14,620.26	$61.82	$11.76	5.3
AU to AL Dialysis	DAR	90	557	36	$138.14	$1,058.59	$29.41	$11.76	2.5
AU Red Route	Flex	1,685	3,121	336	$2,586.33	$19,819.10	$58.99	$11.76	5.0
AU Purple Route	Flex	999	3,951	320	$1,533.38	$11,750.31	$36.72	$11.76	3.1
AU DR1	DAR	844	3,120	281	$1,295.47	$9,927.19	$35.33	$11.76	3.0
AU DR2	DAR	7080	2,392	230	$1,657.71	$12,703.04	$55.23	$11.76	4.7
AU YMCA Route	DAR	718	155	32	$1,102.07	$8,445.17	$263.91	$11.76	22.4
Exp AU Rainbow Route	DAR	666	564	49	$1,022.25	$7,833.54	$159.87	$11.76	13.6
2018 NSE-Exp AU Pre-K and DR	DAR	11,30	1,552	188.5	$1,847.41	$5,954.28	$31.59	$5.27	6.0
Overall		**9,924**	**19,395**	**1,710.5**	**$15,232.51**	**$116,726.84**	**$68.24**	**$11.76**	**8.1**

Figure 32 Productivity and Performance Statistics for 2018 SMART Routes – Waseca County

Route Name	Type of service	Monthly Passenger Trips (one-way)	Monthly Revenue miles (#)	Monthly Revenue hours	Revenue Generated from Route ($)	Monthly Operating cost for route	Cost per hour	Cost per Trip	Passengers per hour
WS City Route Deviation	Flex	598	1,724	210	$917.88	$7,033.72	$33.49	$11.76	2.8
WS County-wide DR	DAR	791	1,327	210	$1,214.12	$9,303.80	$44.30	$11.76	3.8
WS Saturday	DAR	37	101	20	$56.79	$435.20	$21.76	$11.76	1.9
WS Sunday	DAR	86	158	16	$132.00	$1,011.54	$63.22	$11.76	5.4
WS City DR1	DAR	401	1,978	210	$615.50	$4,716.59	$22.46	$11.76	1.9
WS City DR2	DAR	369	623	84	$566.38	$4,340.21	$51.67	$11.76	4.4
Exp WS County-wide DR	DAR	119	195	41	$182.66	$1,399.69	$34.14	$11.76	2.9
Overall		**2,401**	**6,106**	**791**	**$3,685.33**	**$28,240.75**	**$35.70**	**$11.76**	**3.3**

Figure 33 Productivity and Performance Statistics for SMART and Peer Systems (2017)

Peer System	Vehicles Operated in Max. Service	Annual Passenger Trips	Annual Revenue Miles	Annual Revenue Hours	Annual Operating Cost	Passengers per Hour	Operating Cost per Hour	Operating Cost per Trip
Cass Area Transit (IL)	24	149,157	743,242	54,647	$1,421,478	2.7	$26.01	$9.53
Cadillac/Wexford Transit Authority (MI)	23	130,942	880,640	51,267	$2,314,248	2.6	$45.14	$17.67
Chautaqua County Transit (NY)	20	186,290	768,433	51,226	$3,081,266	3.6	$60.15	$16.54
Trailblazer Joint Powers Board (Trailblazer, MN)	33	250,596	1,209,211	48,665	$4,369,810	5.1	$89.79	$17.44
Harbor Transit Multi-Modal Transportation System (Grand Haven & Spring Lake, MI)	21	255,210	709,471	47,138	$3,078,678	5.4	$65.31	$12.06
Greater Lapeer Transportation Authority (MI)	23	165,485	693,064	46,675	$2,061,072	3.5	$44.16	$12.45
Big Five Community Services, Inc. (OK)	26	112,040	523,927	40,889	$1,495,636	2.7	$36.58	$13.35
Eaton County Transportation Authority (MI)	21	132,505	736,547	39,606	$2,372,493	3.3	$59.90	$17.90
Heart of Iowa Regional Transit Agency (Newton, IA)	25	106,789	511,899	37,542	$4,548,349	2.8	$121.15	$42.59
Three Rivers Community Action, Inc. (Plainview, MN)	21	127,107	368,089	27,575	$1,096,272	4.6	$39.76	$8.62
PEER SYSTEM AVERAGE (2017)	23.7	161,612	714,452	44,523	$2,583,930	3.63	$58.80	$16.82
SMART TOTAL / AVERAGE (2018)	28	277,738	687,341	61,214	$2,912,821	4.5	$47.58	$10.49

Source: National Transit Database, 2017.

Peer systems were selected from among rural transit providers with between 20 and 35 vehicles in maximum service, between 25,000 and 100,000 annual revenue hours, and at least

100,000 annual unlinked passenger trips.

Agencies are listed in order of annual revenue hours.

Chapter 8. Operations

Historical and Projected Annual Summary

SMART's services are essential to an individual's quality of life and the community's health, environmental and transportation network in Freeborn, Mower, Steele, and Waseca Counties. Like all transit providers, SMART seeks to offer safe, quality service in an efficient and fiscally responsible manner to help as many people as possible live better and more productive lives. This five-year service plan presents how to best deploy available statewide and local resources so SMART can increase ridership and efficiency across its service area.

Figure 34 SMART Operating Cost and Ridership Trends

Year	Annual Passenger Trips	Annual Operating Cost	Operating Cost per Trip
2018	277,738	$2,912,821	$10.49
2017	249,147	$2,484,542	$10.08
2016	223,375	$2,142,383	$9.59
2015	186,698	$1,741,868	$9.33
2014	161,009	$1,640,160	$10.19

Background

This section includes information on SMART's most recent operating budget, as well as technology improvements that are currently underway.

Operating Budget

0 shows a summary of the 2018 operating budget for the agency. The largest investment of the agency is in its personnel, followed by administrative costs and vehicles. A large portion of the operating funding comes through state and federal grants, while farebox revenue covers nine percent and system revenue covers six percent. SMART had an operating deficit of $2,335,365 in 2018.

Figure 35 PLT Operating Budget Summary for 2018

Item	Balance	Percentage
Personnel	$2,130,231	73%
Administrative	$167,313	6%
Vehicles	$540,977	19%
Operations	$56,400	2%
Insurance	$27,859	1%
Taxes and Fees	($9,960)	0%
Operating Expenses	**$2,912,821**	
Farebox	$280,000	64%
System Revenue	$158,480	36%
Operating Revenue	**$438,680**	
Surplus/Deficit	**($2,474,141)**	

Staffing

SMART has approximately 50 drivers, with a mix of full-time and part-time. There are about 65 employees overall, including dispatch, administrative and management. Almost all vehicle maintenance is outsourced. One additional staff position is needed to assist with marketing and staff training. Three full-time and one part-time driver positions must be added for implementation of new service outlined below.

Five Year Operating Plan

Figure 36 Service Characteristics of Proposed Transit Service shows the proposed service characteristics of each route, including peak frequency and daily round trips. Clock-face schedules are proposed for all of the recommended routes, and recovery times are projected to fall between 10 and 20 percent of total cycle time for every route. When recovery time is less than 10 percent of total cycle time, there is a high risk of poor on-time performance because there is insufficient buffering between trips. With insufficient recovery time, one late trip can lead to another, causing a

bus to get further and further behind schedule. On the other hand, if there is more than 20 percent recovery time in a schedule, buses are sitting unproductively for long periods of time.

Figure 36 Service Characteristics of Proposed Transit Service

Existing Route	Proposed Route	Span of Service	Frequency	Daily Round Trips
Albert Lea Deviated	Add Saturday	9:00am-5:00pm	Hourly	8 on Saturday only
Owatonna City Route	Increase Frequency	9:00am – 5:00pm	From Hourly to every 30 min	Add 8 trips on weekdays
None	Regional to Rochester/Mankato	9:00am – 6:00pm	3 trips daily	3 round trips daily
Austin Red and Purple	Realign	No change	No change	No change

Figure 37 Five-Year Operating Plan Summary below.

Figure 37 Five-Year Operating Plan Summary

1-Year Plan (2020)	3-Year Plan (2022)	5-Year Plan (2024)
Marketing: Expand marketing efforts to increase ridership and partnerships; new staff position for marketing and training	**Marketing:** Further expand social media presence, media advertising, local event participation	**Monitoring:** Upgrade monitoring of on-time performance and missed trips, using new software
Monitoring: Continue monitoring for productivity, cost recovery, and on-time performance as data allows	**Service Realignment:** Streamline Austin deviated routes in a cost-neutral way	**Frequency and Span:** Increase frequency of Owatonna City Route from every 60 minutes to every 30 minutes
Frequency and Span: Add Saturday deviated fixed route service in Albert Lea	**Service Expansion:** Add regional service; Albert Lea/Austin to Rochester on Mon/Wed, Owatonna to Rochester on Tue/Thur, and Waseca to Mankato on Fri	
Total Revenue Hours: 67,010 (+416 from FY19) **Additional FTEs Required**: +1.2	**Total Revenue Hours**: 69,305 (+2,295) **Additional FTEs Required**: +1.2	**Total Revenue Hours**: 71,345 (+2,040) **Additional FTEs Required: +1.1**

Chapter 9. Financial

Background

Current and future projected revenue sources, and SMART's ability to enhance revenue streams for expanded service, are important to understanding how to implement the five year service plan. While federal and state funding sources may increase in the future, service expansions proposed in this plan will require an increase in the local match funding beyond the current farebox revenue. Service expansion, particularly the intercity routes, will most likely increase farebox revenue, but not necessarily at the current farebox recovery ratio.

History

SMART provides its local match funding share through fares, subscription trip contracts, advertising, donations, and grants. The revenues for 2018 are listed in Figure 38 Operating Revenue, 2018.

Figure 38 Operating Revenue, 2018

Item	Revenue	Percentage
Farebox	$280,000	64%
Advertising	$15,000	3%
Grants/Sponsors	$127,400	29%
Facility Rental	$16,080	4%
Total	$438,480	100%

Projected Needs and Revenues

The proposed service expansion in this plan will require an additional $264,738 annually by 2025.

Figure 39 Projected Operating Expenses and Revenues, 2019 – 2025

	2019	2020	2021	2022	2023	2024	2025
Operating Expenses – Current Level of Service[5]	$3,107,733	$3,200,965	$3,296,994	$3,395,904	$3,497,781	$3,602,714	$3,710,796
Operating Revenue – Current Level of Service[6]	$3,107,733	$3,200,965	$3,296,994	$3,395,904	$3,497,781	$3,602,714	$3,710,796
Deficit	$0	$0	$0	$0	$0	$0	$0
Additional Operating Expense – Service Expansion[7]	$0	$19,996	$20,596	$138,245	$142,393	$257,028	$264,738
Expansion Local Share (20%)	$0	$3,999	$4,119	$27,649	$28,478	$51,406	$52,948
Additional Local Operating Funding Necessary (Deficit + Expansion Local Share)	$0	$3,999	$4,119	$27,649	$28,478	$51,406	$52,948

[5] Projected operating expenses for 2019 were provided by SMART. Projected future operating expenses for current service levels were increased by 3 percent per year to account for expected inflation.
[6] Projected operating revenue for 2019 was estimated as a 3 percent increase from 2018 actual revenue. Projected future operating revenue for current service levels were increased by 3 percent per year to account for improved marketing and awareness efforts.
[7] Additional operating expenses for future service expansions on existing routes were calculated by multiplying the projected increase in revenue hours for each route by its projected 2019 cost per hour, then increased by 3 percent per year to account for expected inflation. For new routes, cost per hour was estimated as SMART's 2019 systemwide average cost per hour, then increased by 3 percent per year.

Chapter 10. 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 SMART including local, state, and federal requirements.

State and Federal 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.[8] Guidance on the grant, requirements, compliance and the application process is available online[9] and through MnDOT Office of Transit and Active Transportation (OTAT).[10]

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 such as: training, 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 Americans with Disabilities Act (ADA), Olmstead Plan, and Title VI, described in more detail below.

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

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 with Disabilities Act of 1990 (ADA) in *Olmstead vs. L.C and E.W.*[11] 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.[12]

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 (discussed below). 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.

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).[13] In Greater Minnesota, MnDOT is the primary recipient of FTA funds, so all the 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 Web site https://www.dot.state.mn.us/civilrights/titlevi.html

ADA

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

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

equal opportunity and access for persons with disabilities.[14] 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.

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)

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

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 (pickup 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 (at the discretion of SMART)
      - Service hours per capita, advance reservation time, and trip cancellations

MnDOT reports annual NTD statistics and also created and maintains the Transit Asset Management (TAM) Plan for all FTA Section 5311 transit service providers, which can be found here: http://www.dot.state.mn.us/transit/reports/transit-report/pdf/OTAT%20TAM%20Plan%2010-1-18.pdf.

Summary of Fiscally Constrained, Near-Term Service Recommendations

Service Recommendations

The recommendations below assume that current service as of January 2019 is the baseline, including the updated Owatonna work route service, and the expanded service between Mayo clinics in Albert Lea and Austin (5 days per week).

Add Weekend Service in Albert Lea

Particularly in Albert Lea, it was noted that many residents live in poverty and rely on public transit for vital activities. The deviated route in Albert Lea appears to serve all key destinations, although it uses a circuitous one-way loop pattern that runs once every hour to achieve this. Between December 2017 and November 2018, the Albert Lea city route averaged 5.0 passengers per hour, meeting the state's performance standard for expanding service hours. Saturday and/or Sunday service can meet demand as more activity is occurring on weekend days in addition to weekdays.

Recommendation: Add Deviated Route service on Saturdays between 9:00 AM and 5:00 PM to supplement the Dial-A-Ride service.

Increase Frequency on the Owatonna Deviated Route

The Owatonna City Route averages more than six passengers per hour, more than any SMART deviated route and more than any SMART service besides the pre-school demand response subscription trips in Austin and Albert Lea. In order to relieve crowding on the Owatonna deviated route buses, increasing frequencies from hourly to every 30 minutes until 6:00 p.m. will support the robust economic outlook in Steele County. This will require an additional vehicle operating on the route.

Recommendation: Add another vehicle in service to increase frequency to every 30 minutes.

Add Inter-city and Regional Scheduled Service

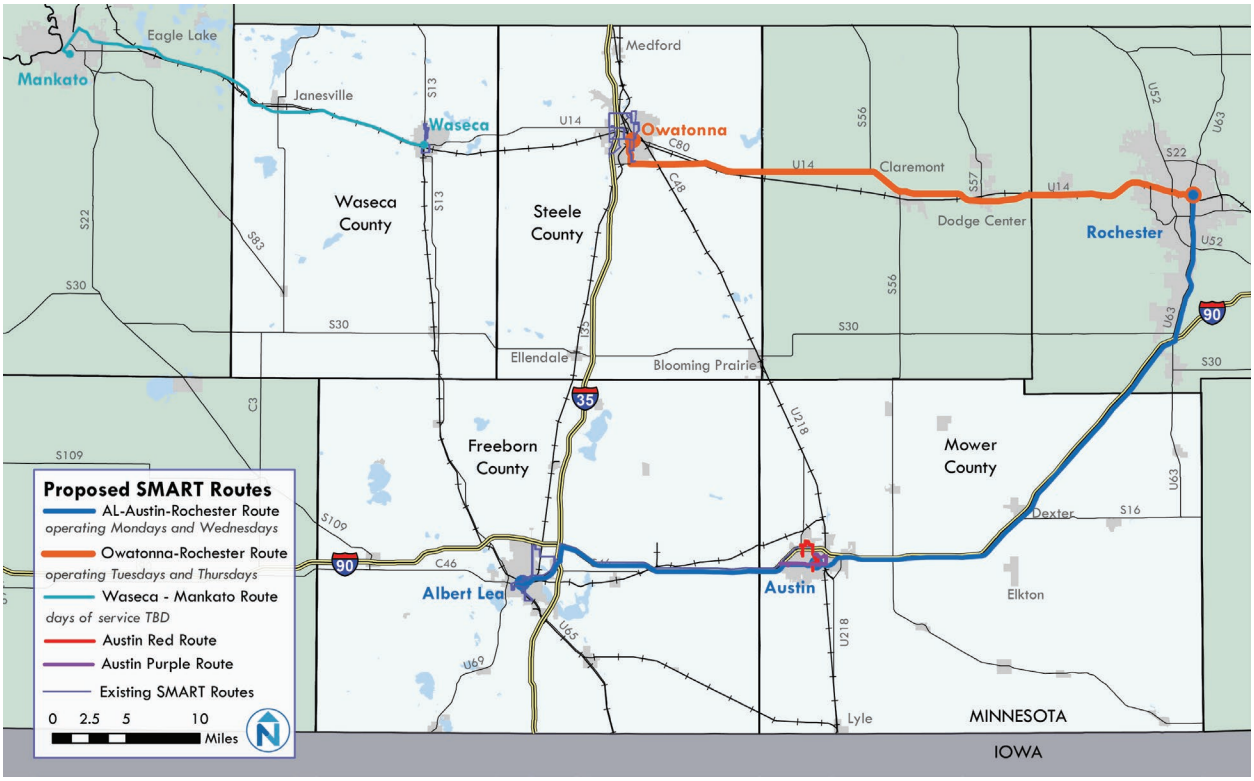
Few inter-city and inter-county trips exist in the SMART service area, with the exception of the Mayo route between clinics in Albert Lea and Austin. Demand for service to larger cities for access to shopping and specialized medical and human services is high. Currently the Mayo Clinic and Hormel Foods help organize and subsidize weekday charter service between Austin and Rochester for employees and visitors. There are enough passengers to fill three daily Greyhound charter buses between cities. The United Way and Minnesota Prairie County Alliance also note that greater job prospects are available in Rochester and Mankato, and more regular service open to a larger population will help residents access these opportunities. In addition, Rochester is planning a larger bus hub which may have more space for vehicles from SMART and possibly other providers.

Launch Monday and Wednesday Scheduled Service from Albert Lea through Austin to Rochester, with 3 round trips per day

Offering twice-weekly service from Albert Lea through Austin to Rochester can further supplement service between Freeborn and Mower Counties and connect both cities to the shopping, medical, employment, and other services in Rochester outside of the SMART service area.

Launch Tuesday and Thursday Scheduled Service from Owatonna to Rochester, with three round trips per day

Residents of Waseca are more focused on opportunities in Mankato than they are on Rochester because of the distance between cities. However, Owatonna residents roughly equidistant between Mankato and Rochester, are more likely to request trips to the bigger city of Rochester. While most Owatonna residents work within the city, more leave to work in Rochester than in Waseca or Mankato.[15] Offering twice-weekly service from Owatonna to Rochester will help potential shoppers, patients, clients, and employees reach opportunities in Rochester. As proposed, the Owatonna-Rochester service would operate on different days than the Albert Lea-Austin-Rochester service, so that the total fleet requirement only increases by one active vehicle each day. The new proposed regional routes are shown below:



Continue Friday Service between Waseca and Mankato

Some limited service between Waseca and Mankato is already offered by SMART on the third Tuesday of each month branded as the Circle Route. Since the regional service to Rochester outlined above would not operate on Fridays, the Waseca-Mankato service can continue without increasing the required fleet size.

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[15] 2015 LEHD Origin-Destination Employment Statistics for Owatonna, MN

Streamline Austin Deviated Routes

The route alignments in Austin are circuitous and somewhat duplicative, forcing many passengers to spend longer on the bus. Most of the major activity centers and destinations can be served with more direct routing, while deviation requests and/or demand response service can provide pickups and drop-offs for areas that would no longer be near the main route alignment. Newly designed routes should no longer have vehicles traveling in loops, instead having buses travel back and forth. Streamline routes can be designed to operate with the same hourly frequency and to use the same two vehicles as is the case today.

Long-Term Service Recommendations

Expand Service Hours

In the 2016 customer survey, the SMART riders indicate that longer service hours would be the single improvement likely to increase their frequency of riding SMART buses. Stakeholders in Austin noted that transit service after school hours would help students reach extracurricular activities and sports events while a parent may still be at work or may be without a vehicle to help provide the transportation.

Expanded service further into the afternoon and evenings, and on weekends, would provide greater opportunities for employment, education, shopping, and social activities to many in the region. Increasing the span of demand response service until 9PM on weekdays would make the system more useful, especially for work trips on late shifts or for social events for many residents. The deviated route service in the cities already operates until 9PM, except for Waseca, which could have its hours extended as well. Although these evening hours will never be the most productive, the increased span can attract some new ridership.

Additionally, only the Austin routes (Red and Purple on Saturday from 9:00 a.m. to 3:00 p.m., and Red on Sunday from 1:00 p.m. to 5:00 p.m.) operates on weekends. Owatonna and Waseca also operate a limited span of service for demand response trips on Saturdays and Sundays, but Albert Lea service is only on Saturdays. SMART should consider expanding all Saturday service from 8:00 a.m. to 6:00 p.m. and Sunday service from 10:00 a.m. to 6:00 p.m.

Develop and Track On-Time Performance

Service guidelines can provide an objective and consistent basis upon which to track service performance and make service decisions. Service guidelines measure and evaluate operational performance, and support decisions about where and when service should be added, maintained, or reduced. Since resources are always limited, having quantitative criteria can help with prioritizing the

most effective use of those resources. Ideally, service guidelines help to establish a network that best meets travel needs, while maintaining reasonable productivity and efficiency.

SMART currently has service guidelines for its route deviation on any of the city flex routes and reservation procedures and pickup windows for demand response trips. No information is available for the total number or frequency of route deviation requests. Tracking this metric will help determine the efficiency of current routing.

On-Time Performance (Deviated Route)

For scheduled deviated route service, customers rely on the bus arriving and departing close to the posted times on route schedules. However, unforeseen events, including traffic, weather, or unexpected route deviations can affect performance. Service standards can address this balance – timepoints can be established along each deviated route. For SMART this might be appropriate at each scheduled stop, since there are limited stops. Then a window for arriving on time should be established – typically this might be from 1 minute early up to 7 minutes late. Finally, a goal for percentage of timepoints for which the bus arrives on time should be created – again, a typical goal would be 90%, as recommended by MnDOT.

Missed Trips (Demand Response)

Missed trips are demand response trips that are scheduled to be served but were not served due to the provider, driver error, or another adverse operational circumstance. There are three types of instances that would be classified as a missed trip:

1. A SMART vehicle never arrives at the designated pick-up location.

2. The vehicle does arrive at the designated pick-up location, but after the confirmed pick-up window and the customer is not present or cancels-at-door. If the vehicle arrives after the pick-up window and the customer agrees to still make the trip, it is considered a late trip and not a missed trip.

3. The vehicle does arrive at the designated pick-up location earlier than the end of the pick-up window, and the driver departs before waiting the required number of minutes or before the beginning of the pick-up window.

Pick-up windows are typically ±15 minutes from the negotiated pick-up time at the time of scheduling, however they may be 0-30 minutes. The longer the window, the higher the on-time performance should be. SMART requests riders be ready ten minutes prior to their scheduled bus arrival and will wait three minutes after the scheduled pick-up time before leaving.

In Waseca, Steele, Mower, and Freeborn Counties, the goal for SMART should be zero missed trips on any given day for demand-response trips scheduled in advance.

Late Trips (Demand Response)

On-time performance of SMART vehicles allows riders to plan their daily lives. Late trips occur under two scenarios:

1. For pick-ups, when the on-demand vehicle arrives after the pick-up window and the customer still completes the trip.
2. For drop-offs, if the vehicle drops off the customer after the scheduled drop-off window or stated appointment time agreed upon during scheduling.

Late trips are a function of the pick-up window. If the pick-up window is 30 minutes, then the agency should have fewer than 5% of trips be late. If the pick-up window is narrowed, more late trips should be expected. Conversely if the window is lengthened fewer late trips should occur.

Late Cancellations (Demand Response)

Late cancellations occur when a customer cancels a trip on the same day as the trip, and does so within a specified time before the pick-up window, typically two hours. SMART requires cancellations at least one hour prior to the pick-up time. Riders cancelling trips must call the dispatch number.

Customers who consistently late cancel trips may face sanctions. For example, after three "no shows" within five consecutive scheduled rides, a rider is suspended from requesting pick-ups for two weeks. A goal would be for fewer than 2% of SMART demand response or route deviation trips to incur late cancellations.

Trip Denials

Currently, SMART does not track the number of trip denials on either the flex route deviation requests or demand response service, with the exception of the waiting list for Rainbow Route passengers in Austin organized by the United Way of Mower County.

Reasons for denials could include any of the following: not enough capacity on a particular bus, failure to negotiate a workable time, pick-up or drop-off location outside of the service area, timing outside of service hours, or another. SMART should document with driver logs and dispatch software when requests cannot be completed on deviated routes and on demand response routes. If trip requests can be completed the next day, or a round-trip later, this still counts as a trip denial.

Federal and State Requirements

Stakeholders mentioned some items for which MnDOT plays a role, although some requests might be constrained by federal regulations. Some of these were related to the longer distances traveled by transit vehicles serving rural areas. These requests included:

- Enable vehicle replacement based on miles, even if useful life is not expired
- Allow more flexible vehicle interior configurations
- Allow some non-accessible vehicles based on overall fleet capacity
- Speed up CDL licensing
- Reduce time for receiving new vehicles
- Provide more training for hiring, drug & alcohol programs, and other similar topics

Opportunities

Capitalize on the Strong Relationship with the Hormel Foundation and United Way of Mower County

Both the Hormel Foundation and the United Way of Mower County have supported SMART operations and increased ridership through their partnerships on the pre-school student demand response trips. Growing student ridership exists in Albert Lea and Owatonna, with trips reaching 6 passengers per hour or more, and the highest ridership is in and around Austin, where many fares are subsidized by The United Way of Mower County and the Hormel Foundation. Both organizations help identify who needs the service and process applications from parents each year. Stakeholders expressed that this service is essential to many in the community, including low-income families, parents with inflexible work hours, families who do not have access to any vehicle, and even families who have access to only one vehicle. Austin and Mower County have a high rate of immigration, and 47% of new families in Austin have one or fewer vehicles available.

The Hormel Foundation is required to use its endowment to support the residents of Austin, so it cannot help fund the entirety of SMART operations. However, residents who attend classes at Riverland Community College, go to meetings, or go to medical appointments in Albert Lea or Rochester from Austin do meet the requirements for grant funding.

Continue with Individualized Customer Service

It is widely acknowledged throughout the service area that SMART staff – including office employees, bus drivers, aides on the Rainbow Route buses, and dispatchers – are courteous, accommodating, and take the time to get to know routine passengers, even speaking to parents or dispatchers with concerns. The driver training and headquarters staff ingrain this attitude, working with parents of pre-school students and Cedar Valley Services employees to understand individual needs of passengers on each route.

Risks and Challenges

Difficulty Hiring Enough Drivers

The tight labor market and competition from trucking and transportation providers for those with CDLs has increased the potential for a driver shortage. SMART has so far been able to recruit and retain an adequate number of vehicle operators, but a shortage has developed nationwide.

Chapter 11. Increasing Transit Use

Marketing

One of the goals of the GMTIP is to increase transit ridership across the transportation network. Agencies like SMART can invest in marketing campaigns, technology, and smartphone applications to raise the profile of their service offerings, as well as provide new commuter services and/or develop partnerships with private providers (taxis and health care) to better meet customer needs.

Existing Conditions

SMART makes special efforts to get out the word to senior citizens in the community and parents of preschoolers, who make up a good portion of the ridership. In addition to publicity events, the transit system also advertises through a variety of media: newspaper ads, radio shows, television appearances, and a friendly, active Facebook page. The website has schedule and route information as well as guides for how to use the SMART bus system; brochures are also available at many places around the community for those who prefer paper versions.

Figure 40 Existing SMART Advertising Strategies

Type of Activity	Target Market	Description
Steele County Senior Expo	Steele County Seniors	Held booth at expo event, gave out free bus ride tokens, answered questions
Waseca County Senior Expo	Waseca County Seniors	Held booth at expo event, gave out free bus ride tokens, answered questions
Freeborn County Fair Rides	All Albert Lea citizens	Free rides given to citizens from select locations to the fair grounds for lunches. Paid for by Freeborn County Fair.
Brochures	All areas and potential passengers	Brochures with program information distributed at all marketing events and at various locations in each community.
Newspaper Ads	Depends on the event being publicized	
Radio Ads	All areas and potential passengers	Rotating ads discussing services available, special events, and reasons to ride the bus.
Owatonna Today Show	Steele County citizens	2 to 3 times a year, SMART is invited to present items of interest regarding the SMART program on this local cable-access television show
Radio Shows	All areas and potential passengers	Upon request with select radio stations, items of interest and reminders of service available are discussed.

Type of Activity	Target Market	Description
Facebook	All area residents	Frequent updates on anything and everything pertaining to service.
Owatonna Early Childhood Events	Preschool families in Owatonna	Held booth at early childhood events aimed at spreading the word about preschool transportation.

Marketing Preferences

In the Greater Minnesota Transit Survey (2015), SMART customers were asked what method of receiving transit information they preferred. These results, as a percentage of all votes, are shown in Figure 41 Marketing Preferences of SMART Customers (2015). The responses indicate that current riders prefer print marketing materials, though radio, text messaging, television, and social media marketing is gaining in popularity (and may be increasingly used by potential future SMART customers).

Figure 41 Marketing Preferences of SMART Customers (2015)

Flyer/Newsletter	38%
Newspaper	24%
Radio	21%
Television	19%
Email	13%
Text Message	21%
Facebook/Twitter	13%
Transit Website	16%
Other	3% (Landline phone call, on the bus)

SMART should continue to update and print its rider guide brochures, newspaper ads, radio ads, and Facebook announcements to match these rider preferences. The agency may be able to work with Riverland Community College students to develop the marketing materials as part of an applied coursework project, developing both additional service awareness and a sustained partnership.

Branding

Branding brings together all the different functions of SMART, such as Deviated Route or Demand Response services, under one recognizable name. The agency can use branding to both attract new riders and build a positive relationship with current riders. A welcoming and appealing brand,

whether seen on the agency's website, wayfinding signs, or social media, creates a memorable first impression and can leave a lasting impact.

A unified brand also helps riders easily identify vehicles, signage, stations, and promotional materials. When using multiple services that SMART offers, riders will find it easier to make connections between routes and providers. Strong colors that can be identified from a distance, a recognizable logo, and even a unique font are all useful branding and communication tactics.

Education and Outreach

Education and outreach is a strategic approach to connect with the community and inform them about their transit options. Often, riding public transit for the first time can be confusing, especially in rural areas without fixed routes or bus stops. Senior citizens, riders with disabilities, or families with young children might face additional concerns or barriers to using transit services. Transit agencies wanting to increase ridership across the system may conduct more widespread education and outreach while promotions of a specific service or route may be more focused in particular neighborhoods. Different outreach methods can be used to reach a variety of communities, including hosting information booths at local events, social media posts, public meetings, or travel training programs.

These education and outreach strategies are not something that a transit agency should do once but rather they should be implemented continuously. The type of ridership gain from education and outreach can vary depending upon how it is conducted and how many people are reached. Targeted campaigns to a specific group of people have been shown to be effective at attracting new riders. This information should include routes and schedules, fares, and relevant policies, and should be disseminated to employers, churches, social services organizations, medical facilities, educational institutions, and other partners who can help raise awareness about transit options. In many cases, directing people to a website is appropriate, as long as the website is easy to use and kept up-to-date.

Partnerships

An effective way to increase ridership is to partner with universities. Campus parking is often in short supply, and students that live off-campus need affordable, reliable service to and from classes. Most often, universities are willing to pay for bus pass programs to reduce the number of parking spaces they have to offer. Riverland Community College has three campuses within the SMART service range, with a total of almost 4,900 students. Providing free or reduced passes to students and employees of the college could boost ridership and exposure to the transit agency.

Action Plan

Summary of Recommendations by Category

Service

During the 5-year horizon of this service plan, the following are recommended:

- Add deviated fixed route service in Albert Lea on Saturdays
- Streamline Austin deviated routes to reduce riding time for passengers
- Implement regional service to Rochester from Albert Lea, Austin, and Owatonna
- Increase frequency on the Owatonna City Route

Beyond the 5-year horizon, extension of service during evenings and weekends should be considered.

Staffing

The service recommendations will require 3.5 new driver FTEs. In addition, one new staff position should be created to help with marketing and staff training.

Facilities/Fleet

Planning, design and construction of a new facility in Owatonna that would be owned by SMART is recommended. Planning for a SMART-owned facility in Waseca should begin as well. The dispatch office should be remodeled and updated.

Regarding the fleet, one replacement vehicle per year is recommended. In addition, three new vehicles will be required for service expansion, including the recently implemented shuttle between Mayo clinics in Albert Lea and Austin.

Technology

Upgrades to the RouteMatch software for reservations/scheduling/dispatch are needed. This could be procured by SMART or could be standardized throughout the state with RouteMatch or another software provider.

Marketing

An increased marketing budget and staffing is recommended, in order to expand SMART's presence at local events, on traditional media, and on social media. Additional partnerships with local organizations should also be pursued.

Implementation

As proposed in this report, the items above would be implemented on the following schedule:

- In 2020, add the new Marketing staffer and add Saturday Albert Lea service
- In 2022, realign the Austin deviated routes and add the regional service to Rochester
- In 2024, increase the frequency on the Owatonna City Route

Plan Approval

The SMART Five-Year Transit System Plan recommends future service improvements that reflect local priorities and advance MnDOT's vision for Greater Minnesota transit. As an indication of local support, the following SMART staff member(s) have signed below:

Signature	Name (Print)	Role	Date

Document5