FIVE-YEAR TRANSIT SYSTEM PLAN

WADENA COUNTY FRIENDLY RIDER

SEPTEMBER 2019

ATG ALLIANCE TRANSPORTATION GROUP

wsb

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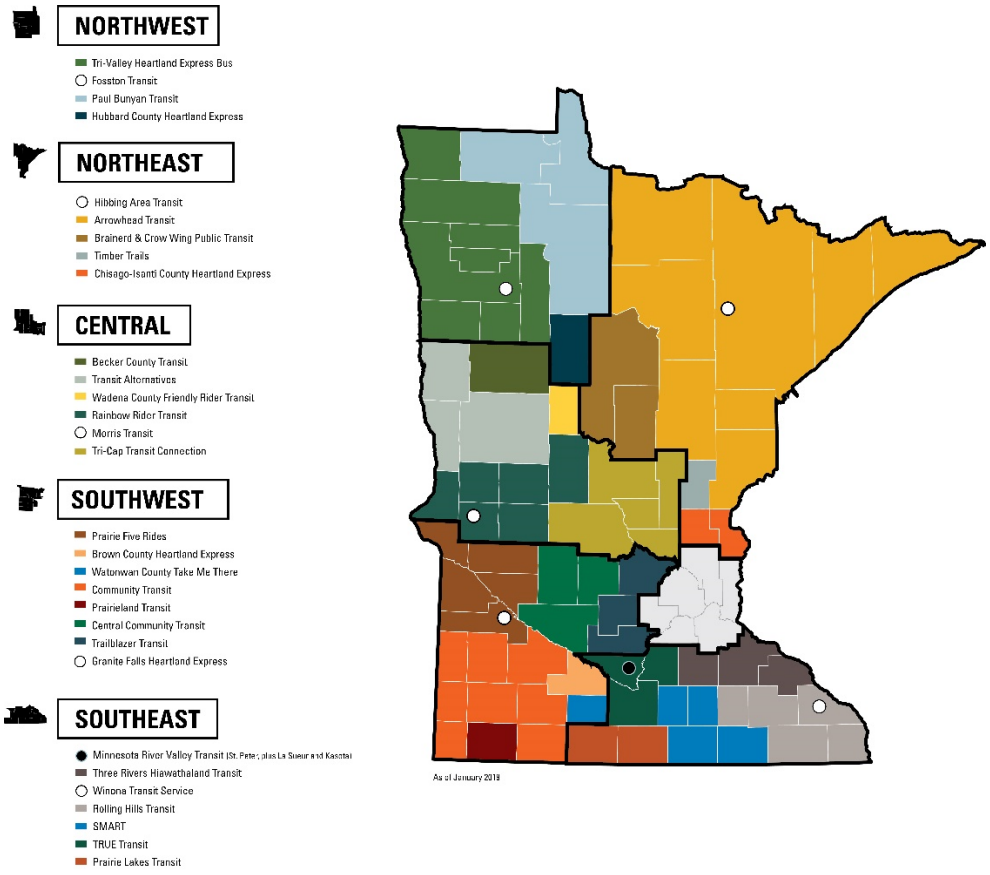
1. Executive Summary

Overview

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

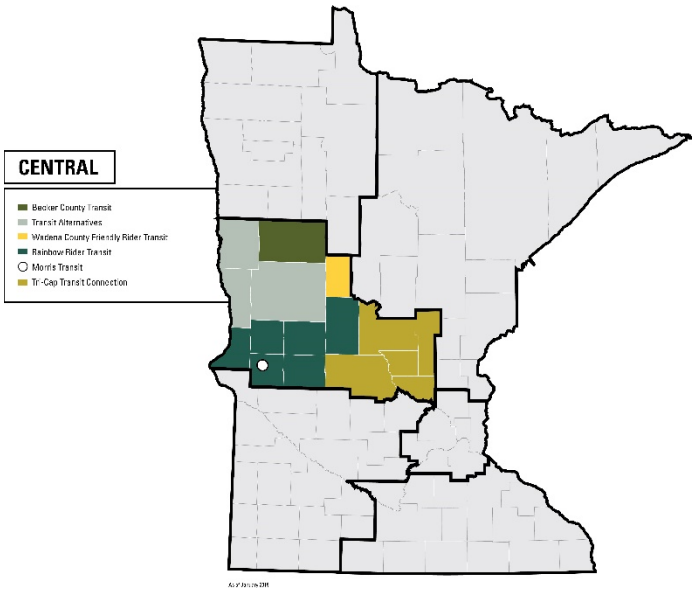
This FYTSP is part of a coordinated, concurrent statewide effort to develop FYTSP's for all 30 of the rural transit providers of Greater Minnesota, as shown in **Figure 1.1**.

Figure 1.1: Greater Minnesota Rural Transit Providers



WSB was selected by the Minnesota Department of Transportation (MnDOT) to develop the FYTSP for the six rural transit providers in the Central Region of Minnesota, as shown in **Figure 1.2**, which include Wadena County Friendly Rider, as well as Morris Transit, Becker County, Tri-CAP Transit, Rainbow Rider and Transit Alternatives.

Figure 1.2: Central Region Transit Providers



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

The State of Minnesota's transportation goals include:

1. To minimize fatalities and injuries for transportation users throughout the state;
2. To provide multimodal and intermodal transportation facilities and services to increase access for all persons and businesses and to ensure

economic well-being and quality of life without undue burden placed on any community;

3. To provide a reasonable travel time for commuters;
4. To enhance economic development and provide for the economical, efficient, and safe movement of goods to and from markets by rail, highway, and waterway;
5. To encourage tourism by providing appropriate transportation to Minnesota facilities designed to attract tourists and to enhance the appeal, through transportation investments, of tourist destinations across the state;
6. To provide transit services to all counties in the state to meet the needs of transit users;
7. To promote accountability through systematic management of system performance and productivity through the utilization of technological advancements;
8. To maximize the long-term benefits received for each state transportation investment;
9. To provide for and prioritize funding of transportation investments that ensures that the state's transportation infrastructure is maintained in a state of good repair;
10. To ensure that the planning and implementation of all modes of transportation are consistent with the environmental and energy goals of the state;
11. To promote and increase the use of high-occupancy vehicles and low-emission vehicles;
12. To provide an air transportation system sufficient to encourage economic growth and allow all regions of the state the ability to participate in the global economy;
13. To increase use of transit as a percentage of all trips statewide by giving highest priority to the transportation modes with the greatest people-moving capacity and lowest long-term economic and environmental cost;
14. To promote and increase bicycling and walking as a percentage of all trips as energy-efficient, nonpolluting, and healthy forms of transportation;
15. To reduce greenhouse gas emissions from the state's transportation sector; and
16. To accomplish these goals with minimal impact on the environment.

In addition to articulating Friendly Rider Transit service area needs to the state legislature, the purpose of this FYTSP is to help Wadena County understand strengths and weaknesses, identify unmet needs and future transit service changes and develop a financial constrained and unconstrained capital and operating plan that is adequate to changing environments and opportunities.

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

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

Chapter 2 Summary – Why a FYTSP

Chapter 2 is the only chapter that is consistent across all transit providers, as it establishes the context for why all rural transit providers in Greater Minnesota need a FYTSP.

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

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

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

Chapter 3 Summary – Agency Overview

Chapter 3 provides a snapshot of Friendly Rider Transit as it currently operates and include agency history, governance, decision-making process and an overview of the service area.

Wadena County Friendly Rider Transit is a transit provider the operates service throughout the Douglas, Grant, Pope, Stevens, Todd and Traverse counties located in central Minnesota. As shown in **Table 1.1**, Friendly Rider Transit operates eight vehicles and has a ridership of 68,398. Friendly Rider Transit provides demand-response service.

Table 1.1: Wadena County Friendly Rider Transit Snapshot

Types of service	Demand- response
Governance	Transit Advisory Committee (TAC) and Wadena County Staff
Decision-Making	Transit Director and Transit Coordinator for daily operations; TAC for changes in service
Number of buses	8
Ridership (2018 - projected)	68,398

Chapter 3 highlights the demographics of the Friendly Rider service area to identify possible transit users. As of 2016, the Friendly Rider service area has a population of 13,626 and a median household income of $45,018. **Table 1.2** shows that over the median household income is lower in Wadena County than the state average. Wadena County has a higher population over the age of 65, population living in poverty, and population with a disability compared to the state average. Chapter 3 provides additional demographic analysis including age distribution, minority populations and vehicle availability.

Table 1.2: Wadena County Demographic Summary

	Total Population	Total Population Under 18	Total Population Over 65	Population Below Poverty Line	Population With a Disability	Median Household Income
Wadena County	13,626	3,375 (25%)	2,871 (21%)	2,044 (15%)	2,242 (17%)	$45,018
Minnesota	5,490,726	1,286,338 (23%)	803,718 (15%)	576,526 (10%)	584,974 (11%)	$65,699

Source: 2017 American Community Survey

Chapter three also includes employee interviews and a service area overview which analyzes the economic health index and transit dependency index of the Friendly Rider Transit service area.

Chapter 4 Summary – Wadena County Friendly Rider Transit Services

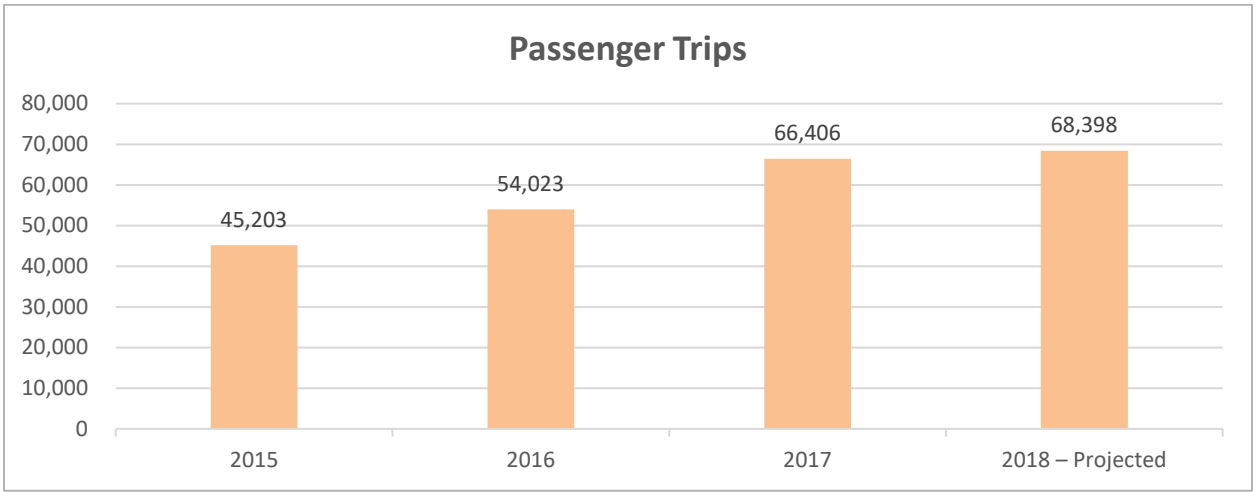
Friendly Rider Transit provides transit service within twenty-six communities in six different counties (see **Figure 1.3** for the service area). Chapter 4 provides an overview of ridership trends, coordination efforts and need of demand of service.

Figure 1.3 Wadena County Friendly Rider Transit Service Area

An analysis of ridership from 2015-2018 (**Figure 1.4**) indicates that:

- Overall, ridership increased between 2015 and 2018
- Ridership increase from 44,203 in 2015 to 68,398 in 2018 (projected)

Figure 1.4: Passenger Trips (2013-2018)



Chapter 4 includes a survey analysis distributed by the Friendly Rider Transit. To better understand the transit needs of the county, a need and demand analysis was done to determine the mobility gap, or the number of people who likely need transit service. Friendly Rider Transit has a mobility gap of 201,000 one-way passenger trips annually.

Chapter 5 Summary – Capital

Chapter 5 provides an overview of Wadena County Friendly Rider Transit's capital, including fleet, facility and technology and equipment.

Friendly Rider Transit has eight vehicles total: seven are 400 medium-size light duty buses and one is a class 500 larger medium-duty transit bus. All buses are equipped with video surveillance cameras, VHF two-way radios and a basic cash collecting farebox.

Chapter 6 Summary – 2020 – 2025 Annual Needs

This chapter summarizes the transportation needs in the Friendly Rider Transit service area and outlines the needs for 2020-2025. This chapter includes a bus replacement plan for the next five years, an expansion of the garage facility and a backup generator for the operations facility, and identifies needs based on constrained and unconstrained plans.

Tables 1.3 and **1.4** illustrate the constrained and unconstrained plans, respectively. The constrained plan highlights the fleet replacement plan costs, the new facility and expansions, and new computers. In the unconstrained plan, Friendly Rider would add an electronic fare collection system and call recording system that could increase the capital budget by $26,624.

Table 1.3: Constrained Plan Items

Category	Item	Cost
Fleet	2 ADA-accessible vans with less capacity (2020)	$165,000
Facility	Operations garage facility expansion or new facility to house additional vehicles – include wash bay and maintenance bay	$1,503,650*
Facility	Operations facility HVAC improvements – office furnace and A/C units	$3,500-$10,000
Facility	Backup generator for operations facility	$8,500-$20,000
Technology	New computers	$5,000
Other	Develop marketing campaign/materials (2019)	23,000 (each year + 3% inflation)

** Wadena County Friendly Rider is coordinating with a County approved contractor to develop a package of bids/quotes containing different levels of amenities.*

Table 1.4: Unconstrained Plan Items

Category	Item	Cost
Technology	Electronic fare collection system	*
Technology	Call recording system (2023)	$26,624

Chapter 7 Summary – System Performance

System performance is evaluated based on historical and future projections. Performance metrics were used to determine current transit performance to measure possible improvements for the future. The metrics used include on time performance, passengers per hour, cost per hour, cost per trip, denials, baseline span of service, service hours per capita, farebox recovery and accidents. **Table 1.5** illustrates how Friendly Rider Transit currently performs compared to criteria standards.

Table 1.5 Current Performance Indicators

Wadena County Friendly Rider Transit Performance Indicators	DAR (Target)	FY 2017 Actual	
On-time performance - Required to define and track/month, report annually	Rural Window – 45/45 minutes. 90% on time performance	94% (sampling from January – May 2019	Required: Transit systems must follow the ADA trip denial definitions and process Transit systems must follow the ADA
Passengers per hour	3 pph	4.6 pph	
Cost per service hour	$60	$54	
Cost Per Trip	$15	$11.90	
Denials - Required to track and report, annually	Friendly Rider does not currently fully track and document reportable service denials		
% of communities with Baseline Span of Service - required to track and report, annually	75%	90%	
Service Hours Per Capita	0.45	1.	Additional
Farebox Recovery	15%	8%	
Accidents	Fewer than 1 recordable accident per 100,000 revenue miles	One accident reported in 2018 for appx. 200,000 revenue miles	

Chapter 8 Summary – Operations

Chapter 8 provides an operating budget scenario through 2025 to determine Friendly Rider Transit's current operation needs. The operating budget template incorporates an inflation factor and additions to future operating costs.

Friendly Rider Transit intends to add a new fixed route service from Wadena to Staples and adding additional intercity trips from Wadena to Sebeka in the constrained operating plan. In the unconstrained operating plan, Friendly Rider Transit would add additional intercity trips.

Chapter 9 Summary – Financial

Chapter 9 outlines a constrained and unconstrained financial plan between 2020-2025. The constrained plan would operate all of the current status quo service. The five-year constrained plan indicates operating costs growing to $957,006 by 2025.

In the unconstrained plan, operating costs increase to $962,616 by 2025. Annual funding gap estimates range from a high in 2020 of $226,627 to a low of $192,248 in 2024.

Chapter 10 Summary – Agency Strategic Direction

Chapter 10 provides the context and requirements that Wadena County Friendly Rider Transit must consider as part of this five-year planning process. As Friendly Rider Transit considers growing transit services, it must still conform to many local, state and federal guidelines including:

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

In addition to complying with these various regulations and requirements, Friendly Rider Transit faces many challenges in implementing possible service enhancements and expansions; the largest of which is funding and local government support. Without additional local match and federal funding, Friendly Rider Transit will not be able to grow services and increase ridership.

Chapter 11 Summary – Increasing Transit Use for Friendly Rider Transit

In order to grow transit services and ridership for 2020-2025, Friendly Rider Transit can improve marketing through an action plan.

Marketing strategies for the action plan will include an improved website, a design, advertising and marketing plan.

2. Why a Five-Year System Plan

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

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

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

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

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

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

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

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

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

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

3. Agency Overview

When developing community five-year transit system plans (FYTSP), it is important that each community have a transit agency based on the community's history, governance structure and ridership needs. The following sections provide a brief background of Wadena County Friendly Rider Transit.

Agency Background

Wadena County Friendly Rider Transit (Friendly Rider) is operated by Wadena County. Friendly Rider began in 2003 and serves Wadena, Otter Tail, Todd and Morrison counties. Service routes are provided for the City of Wadena and Staples. The other communities are accessible by scheduling a pick-up time with Friendly Rider.

Friendly Rider as a growing organization, in April 2015 expanded from a one-room office to its own facility with room for administration, dispatch and vehicle storage. Friendly Rider has small administrative staff comprised of a full-time director and coordinator as well as full- and part-time dispatchers and drivers. All Friendly Rider staff are employed by Wadena County.

Friendly Rider operates under the following mission statement:

Governance

Friendly Rider works with a Transit Advisory Committee (TAC). The TAC meets quarterly and currently consists of thirteen members who represent various county, agency, business and community stakeholders. In addition, Wadena County provides Friendly Rider with human resources, accounting and payroll services.

Decision-Making Process

Daily operations of Friendly Rider are managed the Transit Director and the Transit Coordinator.

Changes in service and the addition of new services require a more in-depth approval process. These changes must first be approved by the MnDOT project

manager. Following MnDOT's approval, the item is then presented to the TAC and then to the Wadena County Board of Commissioners.

Service Area Overview

Friendly Rider is operated by and primarily serves Wadena County. According to the 2017 American Community Survey, Wadena County has a population of 13,626 (a decrease of roughly one percent from 2016) and a median household income of $45,018 (an increase of five percent from 2016). Roughly 15 percent of the population was living below the poverty line and approximately 17 percent of the population was living with a disability (**Table 3.1**).

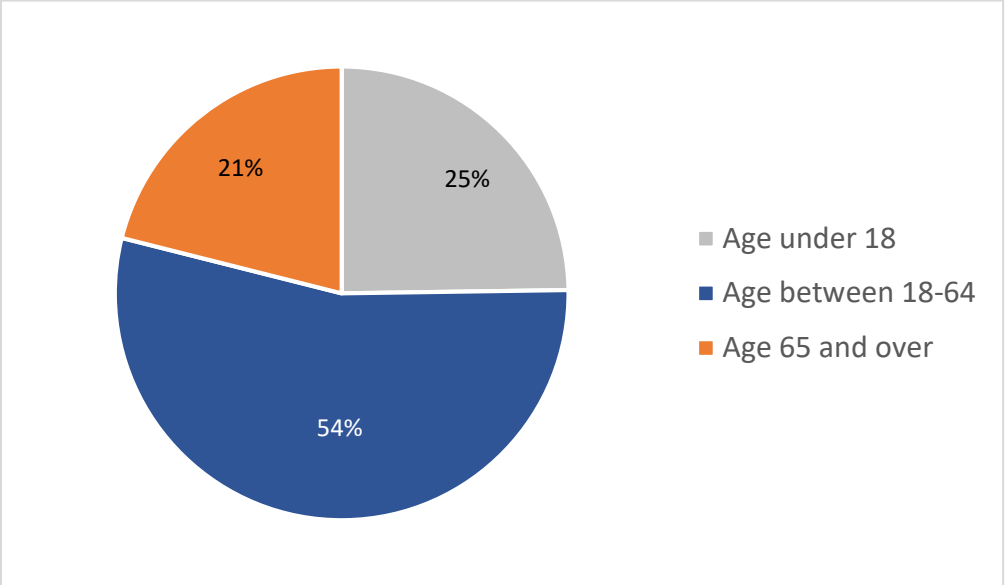
Table 3.1: Wadena County Demographic Summary

	Total Population	Total Population Under 18	Total Population 65 and Over	Population Below Poverty Line	Population With a Disability	Median Household Income
Wadena County	13,626	3,375 (25%)	2,871 (21%)	2,044 (15%)	2,242 (17%)	$45,018
Minnesota	5,490,726	1,286,338 (23%)	803,718 (15%)	576,526 (10%)	584,974 (11%)	$65,699

Source: 2017 American Community Survey

As shown in **Figure 3.1** and **Table 3.1**, about 54 percent of the county's population is between the ages of 18 – 64. Nearly 25 percent of the population is under the age of 18 compared to roughly 21 percent age 65 and over. The median age in Wadena County is 41.7.

Figure 3.1: Wadena County Population Age



Source: 2017 American Community Survey

As shown in **Table 3.2**, the largest racial/ethnic groups in Wadena County are White (95 percent) followed by Hispanic or Latino (2 percent) and Two or More Races (1 percent). Around four percent of the people in Wadena County speak a non-English language, and over 99 percent are U.S. citizens.

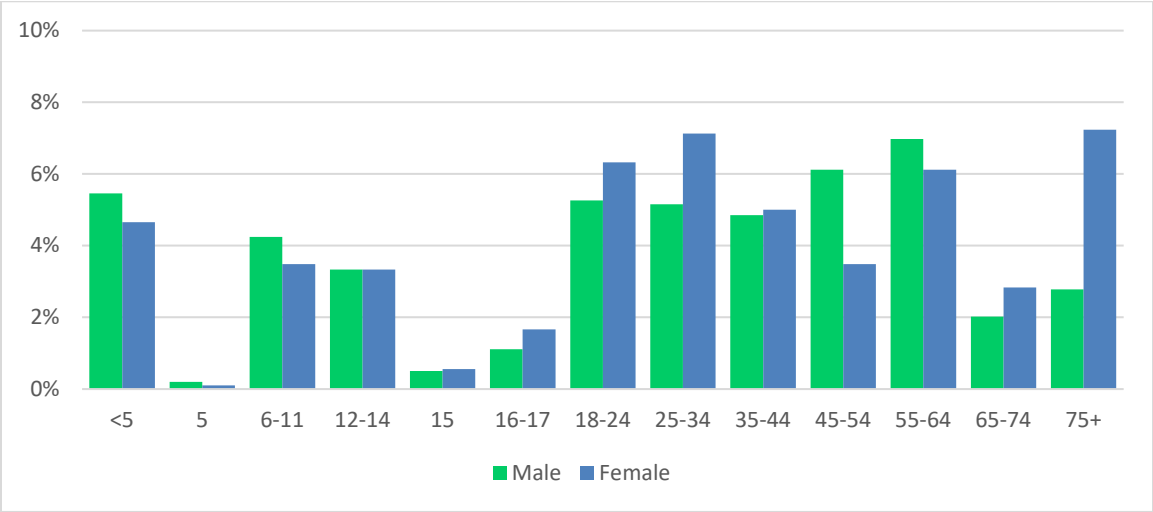
Table 3.2: Wadena County Race and Hispanic or Latino Origin

Hispanic or Latino and Race	Estimate	Percent
White Alone	12,909	95%
Hispanic or Latino	241	2%
Two or More Races	166	1%
Black or African American Alone	151	1%
American Indian & Alaska Native Alone	102	1%
Asian Alone	53	<1%
Some Other Race Alone	4	<1%
Native Hawaiian & Other Pacific Islander Alone	0	0%

Source: 2017 American Community Survey

Figure 3.2 gives the distribution of people below the poverty line in Wadena County by age and sex. The demographic groups with the most individuals living in poverty are females over age 75, females ages 25-34 and males ages 55-64.

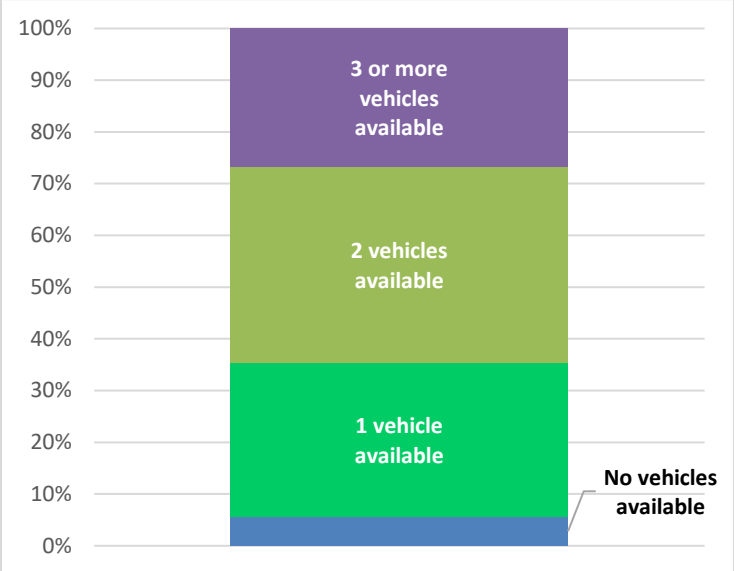
Figure 3.2: Wadena County Poverty by Age and Sex



Source: 2017 American Community Survey

Public transit can increase access to employment, school, medical, shopping and other destinations for people of low incomes. People with lower socioeconomic status are less likely to have access to a private automobile. Approximately 36 percent of Wadena County households have access to only one motor vehicle or no motor vehicles (**Figure 3.3**).

Figure 3.3: Wadena County Vehicle Availability



Source: 2017 American Community Survey

Limited motor vehicle access can encourage public transit ridership. However, less than 1 percent of Wadena County residents utilize public transit to commute to work. **Table 3.3** gives the commute to work mode share for Wadena County. Most residents (78 percent) commute to work by driving alone, which is equal to the overall statewide mode share. The average commute time is 20 minutes. Wadena County residents carpool and work from home at rates similar to the statewide mode share, but more walk to work and fewer currently take public transit.

Table 3.3: Wadena County Mode Share

Mode	Wadena County	Minnesota
Drove Alone	78%	78%
Carpooled	10%	9%
Worked at Home	6%	6%
Walked	5%	3%
Other	1%	2%
Public Transportation	1%	4%

Source: 2017 American Community Survey

The top city of primary employment for residents of Wadena County is Wadena (26 percent), followed by Staples (10 percent), and Menahga (7 percent). The remaining locations identified as the top ten employment destinations for Wadena County residents are a mix of locations inside and outside Wadena County (**Table 3.4**).

Table 3.4: Wadena County Resident Primary Job Location

Location	Count	Percent
Wadena city, MN	1,370	26%
Staples city, MN	515	10%
Menahga city, MN	381	7%
New York Mills city, MN	335	6%
Park Rapids city, MN	270	5%
Perham city, MN	162	3%
Sebeka city, MN	126	2%
Brainerd city, MN	105	2%
Verndale city, MN	81	2%
Motley city, MN	62	1%
All Other Locations	1,855	35%

Source: U.S. Census LEHD (2015)

The economy of Wadena County employs over 6,000 people. The largest industries are Manufacturing (1,058 people), Health Care & Social Assistance (1,020 people), and Retail Trade (773 people), and the highest paying industries are Utilities ($65,833), Real Estate & Rental & Leasing ($60,500), and Mining, Quarrying, & Oil & Gas Extraction ($57,125). The most common jobs by number of employees are Office & Administrative Support Occupations (741 people), Sales & Related Occupations (679 people), and Production Occupations (587 people).

Friendly Rider provides transit to nearly twenty different communities. When servicing this number of communities, it is important to understand if and how a city or regional community will benefit by having transit service. Economic Health Indexes and Transit Dependency Indexes (**Figure 3.4** and **Figure 3.5**) are used to determine the likelihood of a community benefiting from public transit. Both indexes have categories that range from "very low" to "very high." Within Wadena County, economic health varies. The northern portion of Wadena County has the highest levels of economic health, while the rest of the county either has "low" or "very low" levels of economic health.

Wadena County's transit dependency varies throughout the county. The northern third of Wadena County has "very high" transit dependency. This portion of Wadena County also has "high" levels of economic health. The rest of the county varies between "high" and "moderate" transit dependency.

Figure 3.4: Economic Health Index

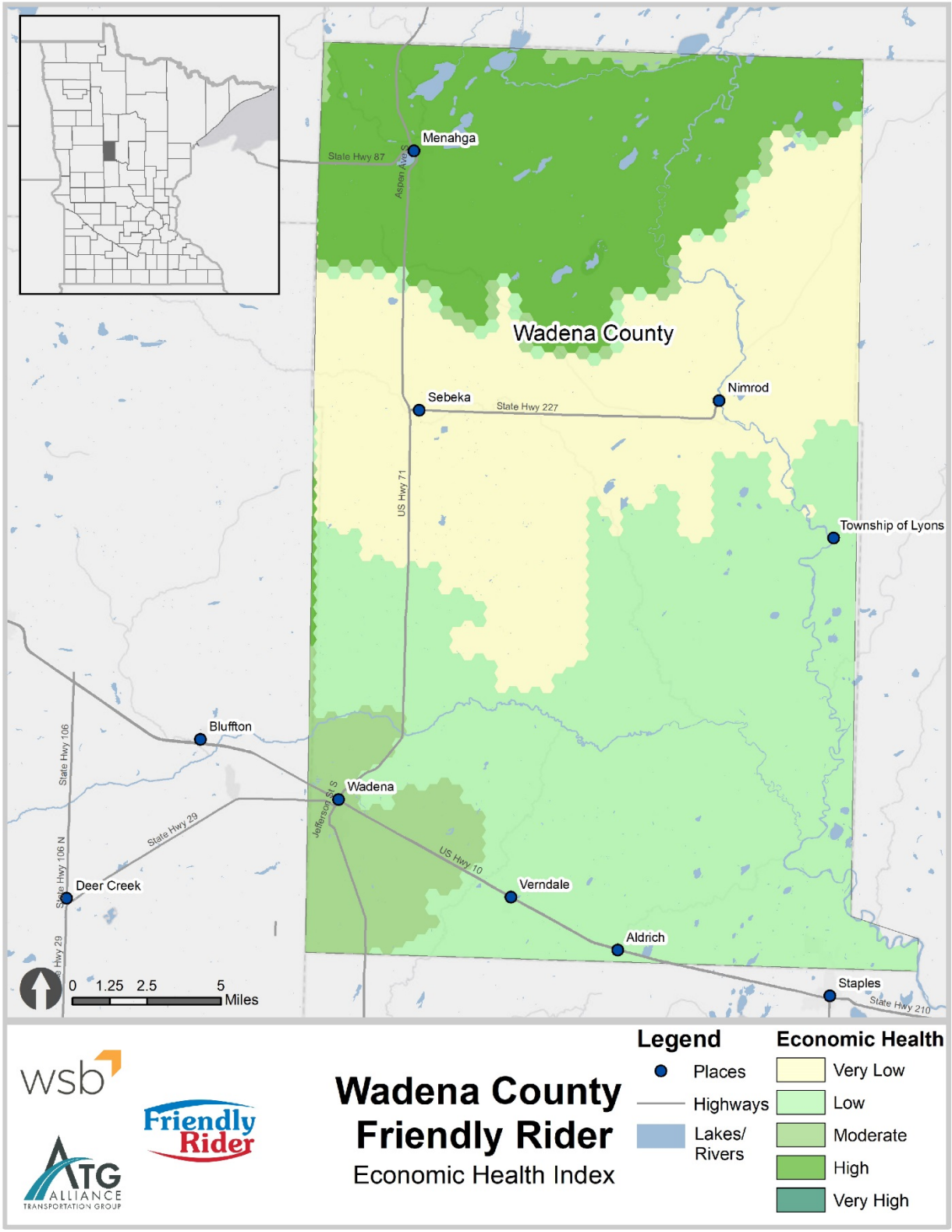
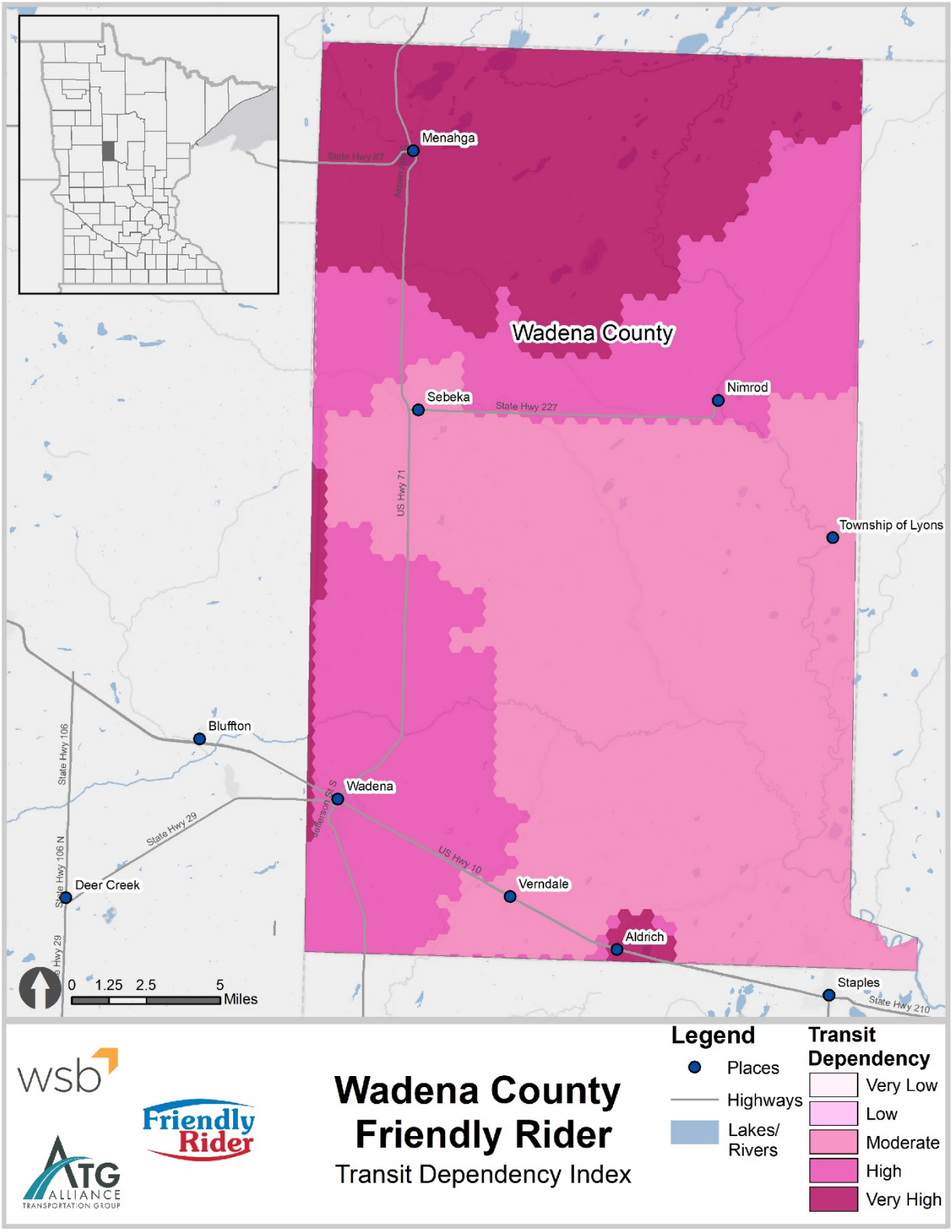


Figure 3.5: Transit Dependency Index



Community Engagement

Wadena County Friendly Rider held a Transit Advisory Committee (TAC) meeting on September 10, 2018 at the Friendly Rider operations offices. At the meeting, eleven TAC members present were given a brief overview of the five-year system plan process and in the discussion portion of the meeting talked about stakeholder services, how they utilize transit services, community transportation unmet needs and how future transit services can benefit the community.

TAC member discussion items are summarized below:

- Point and pay – purchase fares/passes with credit cards is active
- Part-time drivers must work less than 20 hours a week to avoid paying county benefits
- Current staffing: 9 full-time (5 drivers, George, Randy, dispatcher), 10 part-time
- Operations under budget – repairs and maintenance
- 2019 budget approved last week $940,400 – includes one new bus $16k local match (replace bus #1)
- TAC members asking for monthly budget summary document

A presentation of the five-year system plan was given to the Wadena County board of commissioners on September 18, 2018. The presentation provided the board an overview of the system plan and the items covered under the planning process. Board members discussed how the transit system has recently gone through changes in leadership and recognized that the service is doing well with strong ridership and with the annual budget.

On December 11, 2018, Wadena County Friendly Rider also participated in a regional transit meeting held for the six rural transit providers in the Central Region of Minnesota. Along with Wadena County, Transit Alternatives, Tri-CAP and Rainbow Rider attended the meeting. The meeting was hosted to facilitate discussions between the transit agencies for future coordination opportunities.

4. Wadena County Friendly Rider Transit Services

Introduction

Wadena County Friendly Rider Transit provides public transit services to nearly twenty different communities through a system of demand-response and flexible route public transit services. In 2017, 85 percent of all trips were provided by demand-response service. Friendly Rider's service area is illustrated in **Figure 4.1**. Friendly Rider provides service during the following hours:

- Monday through Wednesday: 6AM – 6PM
- Thursday and Friday: 6AM – 10PM
- Saturday: 9AM – 3PM
- Sunday: 7:30AM – 12:30PM

Figure 4.1: Service Area

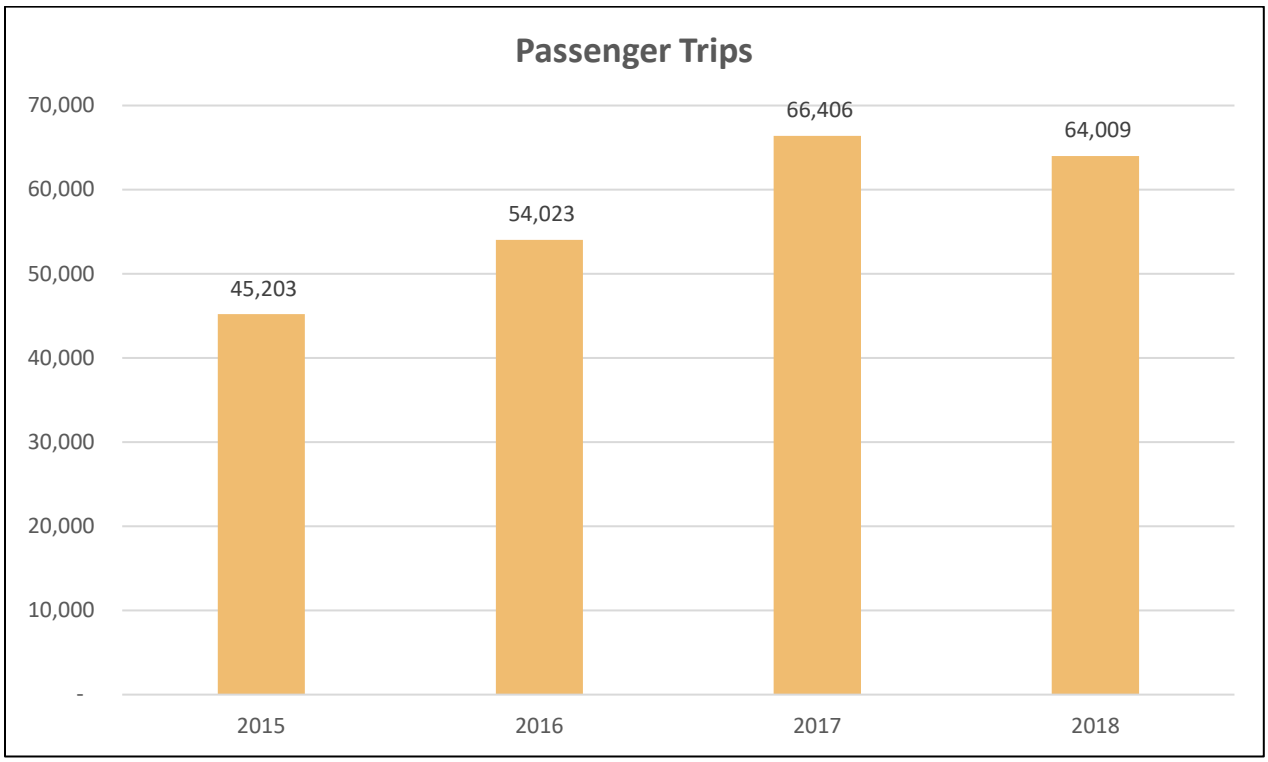
Ridership

Ridership is one of the crucial indicators of a transit system's ability to provide adequate service and meet the needs of a community. Monitoring ridership, especially through trends over time, can reveal whether there are aspects of the transit service that should be evaluated for potential updates and improvements.

Ridership Trends

Since 2015, Friendly Rider's ridership has been increasing. From 2015 to 2017, annual transit ridership increased from 45,203 to 66,406. In 2018, annual ridership dropped slightly to 64,009. **Figure 4.2** illustrates recent ridership trends.

Figure 4.2: Passenger Trips (2015-2018)



Public transit ridership can vary monthly. Overall, Friendly Rider has consistent transit ridership throughout the year.

Friendly Rider's revenue hours and revenue miles increased steadily from 2015 to 2018 Both revenue hours and revenue miles experienced a steeper increase from 2015 to 2017 than in 2018 where hours and miles have increased at a lesser rate of growth. **Figure 4.3** and **Figure 4.4** show recent changes in revenue hours and revenue miles.

Figure 4.3: Revenue Hours (2015-2018)

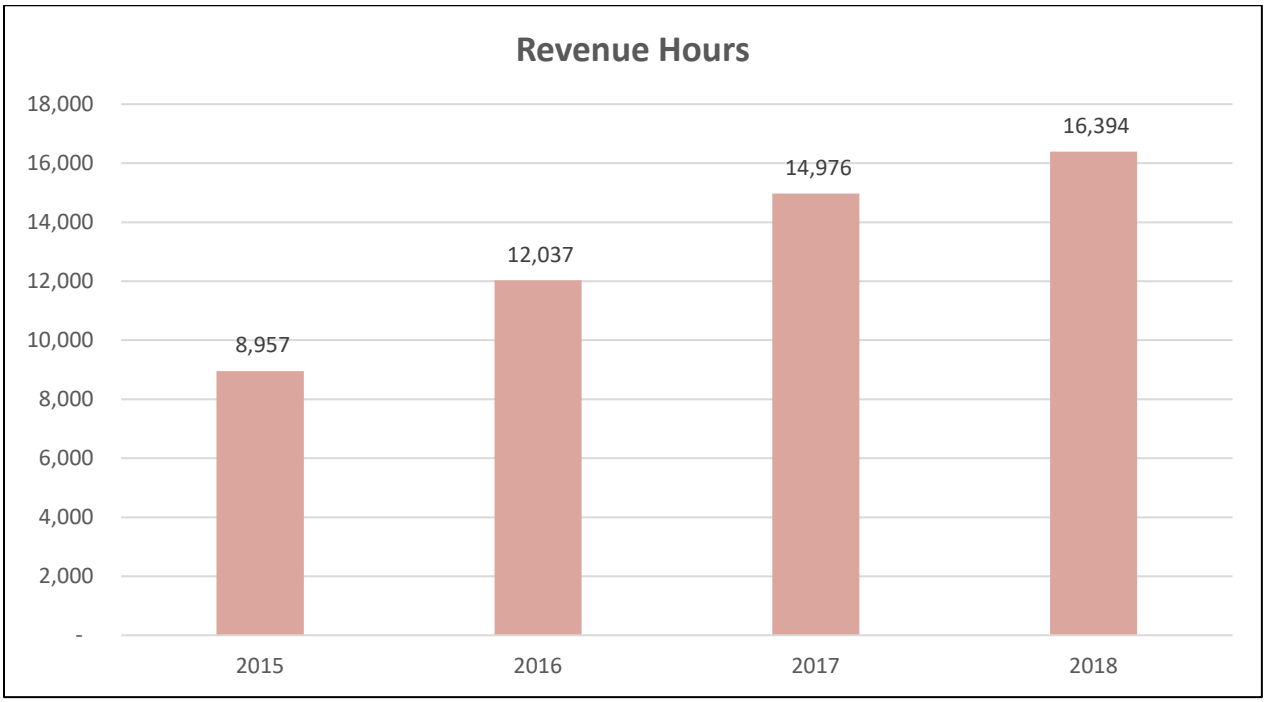
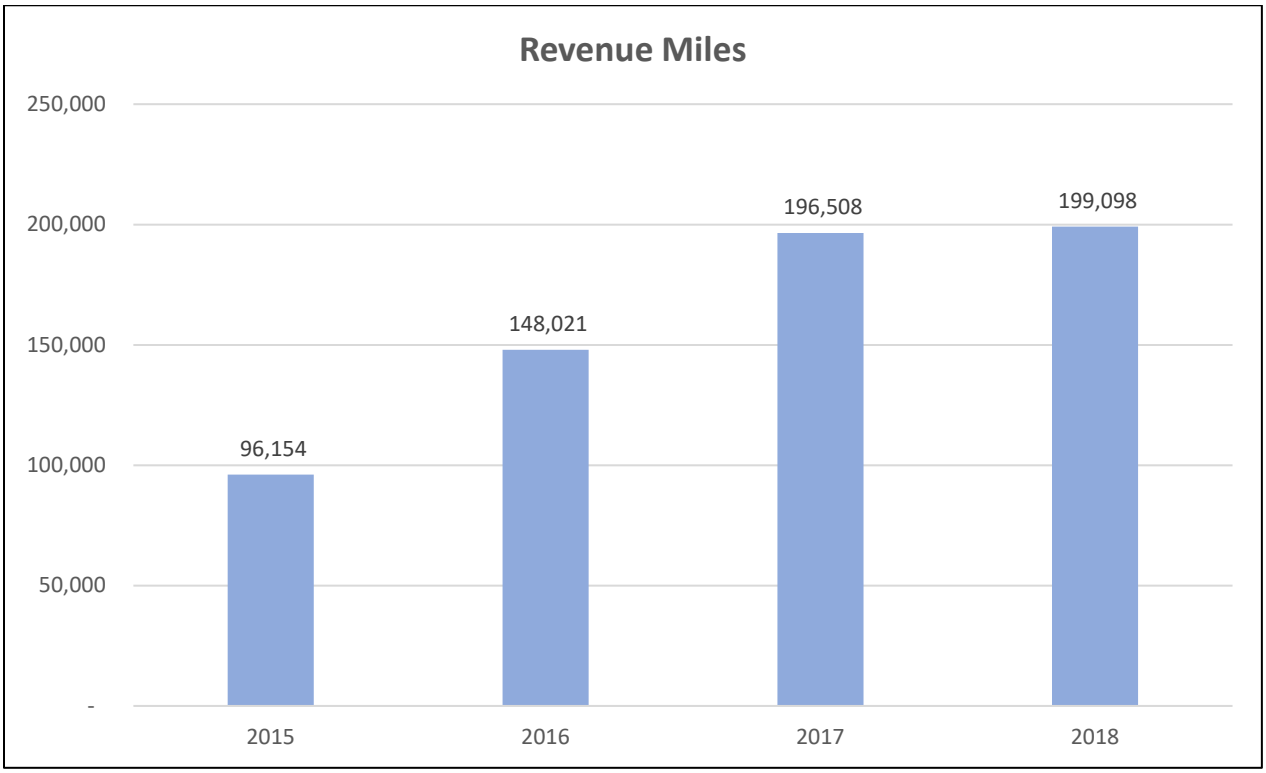


Figure 4.4: Revenue Miles (2015-2018)



Modes of Transportation

Friendly Rider provides demand-response service that is categorized as a section 5311 rural transit program provider. Friendly Rider provides the service using seven class 400 vehicles.

Multimodal Connections

Historically, Friendly Rider has provided contracted services and conducts ongoing coordination to ensure that residents have ample transportation options in their service area. Friendly Rider did not identify any bicycle or pedestrian activities currently being coordinated by the transit system.

U.S. Jefferson Lines has one stop in the Friendly Rider service area. Jefferson Line passengers can connect to Minneapolis and other bus stops served by the intercity bus service. Jefferson Lines further has a partnership with Minnesota State University Wadena to provide discounted rates for students to the Minneapolis/Saint Paul Airport.

Wadena County Friendly Rider Transit provides access to destinations outside of Wadena County, including Todd, Morrison and Ottertail counties. Friendly Rider provides transportation services to communicates such as Staples, Motley, Hewitt, Henning and Ottertail. Commuters travelling to Staples can access Rainbow Rider Transit which provides transit service to Todd, Douglas, Pope, Grant, Stevens and Traverse counties. Access to Staples further provides transit users access to an Amtrak Station and Greyhound Station for intercity destinations.

Transportation options in the Friendly service area include:

- Amtrak
  - Staples Station
- U.S. Jefferson Lines
  - Wadena Bus Stop
- Greyhound Bus
  - Staples Greyhound Bus Stop

Contracted Services and Coordination Activities

Friendly Rider contracts services out to various organizations that provide transit services to people who need it on a regular basis. **Table 4.1** shows a list of the organizations that Friendly Rider contracts services to.

Table 4.1: Current Contracted Services

Organization	Contract Years	Client Demographics	Trip Purpose
STEP	2016 - Present	Disability	Guaranteed Services
Rising Phoenix	2003 - Present	Disability	Guaranteed Services
DAC	2013 - Present	Disability	Guaranteed Services

In addition, Friendly Rider currently utilizes a set of coordination activities to provide transport services to various groups/locations on a regular basis. **Table 4.2** shows a list of current Friendly Rider coordination activities.

Table 4.2: Current Coordination Activities

Activity	Description
Day Training and Rehabilitation (DAC)	Wadena County Development Achievement Center, Inc. (DAC) has contracted with Friendly Rider Transit System to provide transportation for clients who work at Verndale Grocery & Treasures, Too in Verndale, MN. Wadena County DAC pays the transit system $1,100 per month to provide transportation services. Friendly Rider picks up six to eight DAC clients in and around the City of Wadena each weekday morning and takes them to work in Verndale, arriving at 9AM. In the afternoon, Friendly Rider returns to Verndale at 2:45PM to pick up clients and return them to their homes. Wadena County DAC and Friendly Rider work well together communicating changes in schedules, changes in riders, and changes in locations. The directors of Wadena County DAC and Friendly Rider have discussed coordinating additional transportation services in the future.
Non-Emergency Medical Transportation	Wadena County DAC has helped Serenity Living Solutions (assisted living) with transportation to make it possible for elderly residents to attend social activities. The DAC has occasionally loaned a bus and driver to Serenity, so their residents could go out to eat at a local restaurant with friends and family or as a group.
Other Services	Shuttle Service - Every February, an indoor rodeo is held in Verndale, MN. The DAC makes two buses available on Friday and Saturday nights to take people from the parking area to the building and return them to their cars after the event. Many people who would avoid this outing because of winter weather are willing to attend because they do not have to make the long walk in the cold.

Users

Understanding who utilizes the current transit service provided by Friendly Rider is critical to planning a future system that meets the needs of Wadena County and the surrounding service area. The following section highlights who uses the Friendly Rider and their current perception of the services provided.

Who Uses the Transit Service?

Public transit is a key connection for access for certain populations. Populations with limited access to a motor vehicle or a driver's license will be more likely to be dependent upon public transit. **Table 4.3** below shows the breakdown of the demographics among Friendly Rider users between 2015 and 2017 with projections for 2018.

One-half of Friendly Rider's ridership are persons with a disability. Public transit is a key resource to extend access for disabled persons who are less likely to have access to a motor vehicle. Since 2015, elderly populations relying on transit has decreased by over 10 percent, meanwhile the adult population of transit riders has increased by over 10 percent.

Table 4.3: Breakdown of User Demographics

Year	Disabled	Elderly	Adult	Student	Children
2015	46%	35%	12%	5%	2%
2016	49%	31%	13%	5%	2%
2017	50%	21%	24%	4%	1%
2018 Projections	50%	21%	24%	4%	1%

2015 User Survey

Friendly Rider conducted a user survey in 2015 as part of a statewide transit system survey coordinated by MnDOT. For Friendly Rider users who completed an on-board survey, more than half of respondents indicated that they take the bus either five to seven days per week or two to four days per week, with almost one-fifth of respondents saying that they use the transit service five to seven days per week. This indicates that Friendly Rider riders are frequent users of transit and likely rely heavily on transit for their mobility. Just over half of respondents indicated that they use Friendly Rider to go shopping, and just over a third of

respondents use the service to run errands. Additionally, an overwhelming majority of respondents indicated that Friendly Rider goes to their final destinations, and a small portion indicated that they would need to either walk or catch a ride to reach their final destinations. Just over half of respondents identified themselves as having a disability, more than one-fourth of respondents said they are aged 65 or older, and half said their total household income is less than $25,000 per year. These results indicate that Friendly Rider is serving users that are part of demographic groups that tend to be more dependent on transit than the rest of the population.

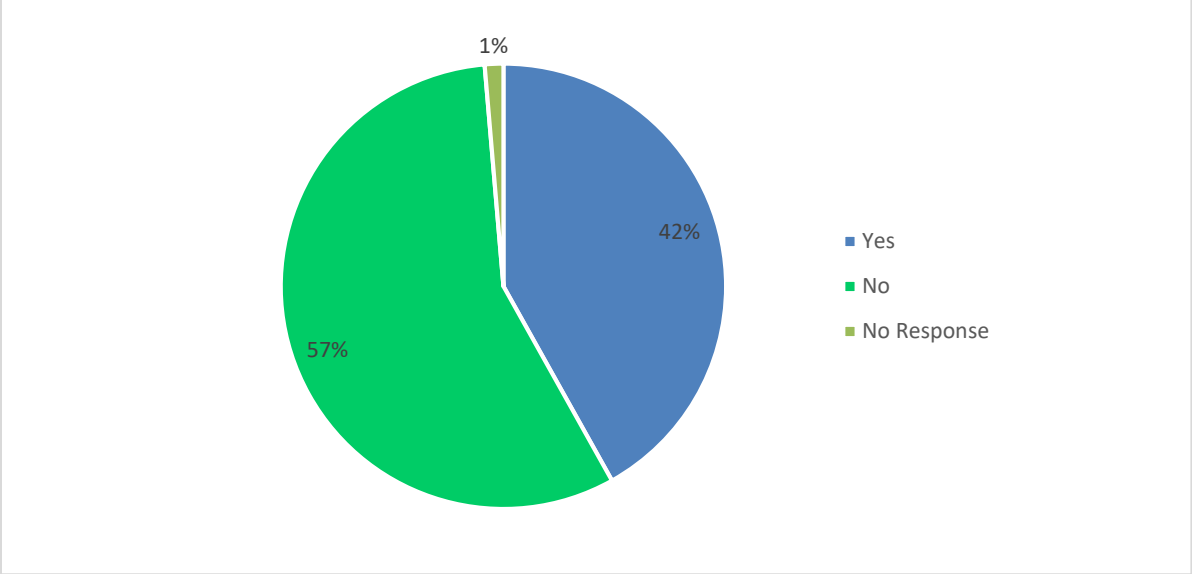
Overall, two-thirds of respondents said they are "very satisfied" with the availability of transit service in their community, but over one-fourth said that "longer service hours (earlier or later)" would be an improvement that would encourage them to use transit more frequently.

2019 Transit Survey

For this analysis, a survey was conducted for Wadena County residents to evaluate transit ridership. The survey was distributed by Wadena County to all residents via Survey Monkey. The survey was ten questions and most respondents finished the survey within one minute. The survey resulted in 74 responses.

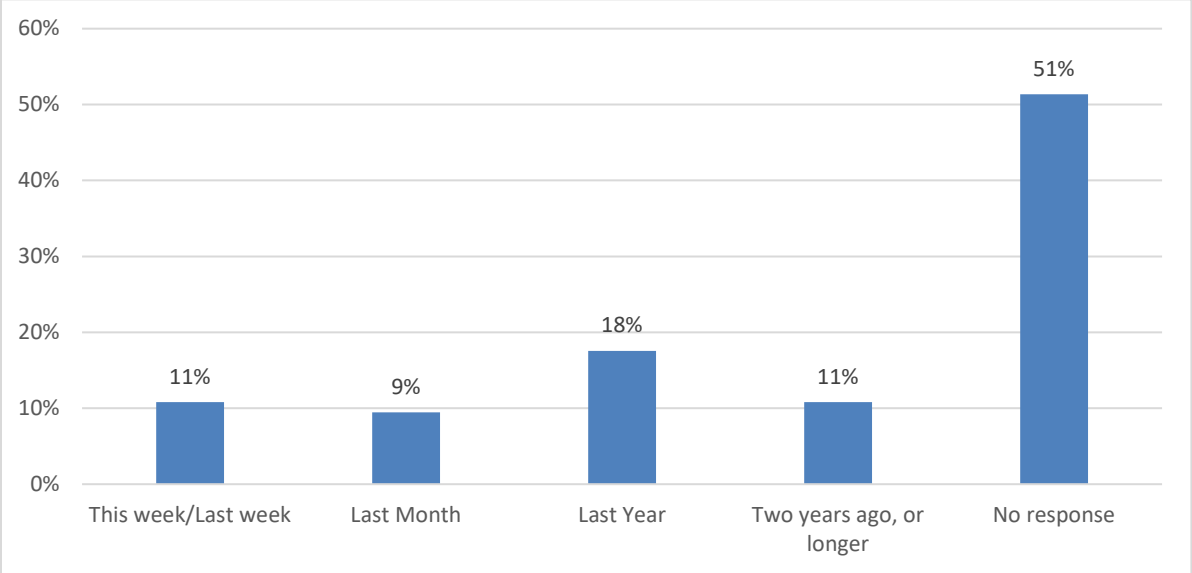
Survey respondents were asked to identify whether they had ever used Wadena County Friendly Rider Transit. 42 percent of survey respondents have used Wadena County Transit (**Figure 4.5**).

Figure 4.5: Respondents Use of Wadena County Friendly Rider Transit



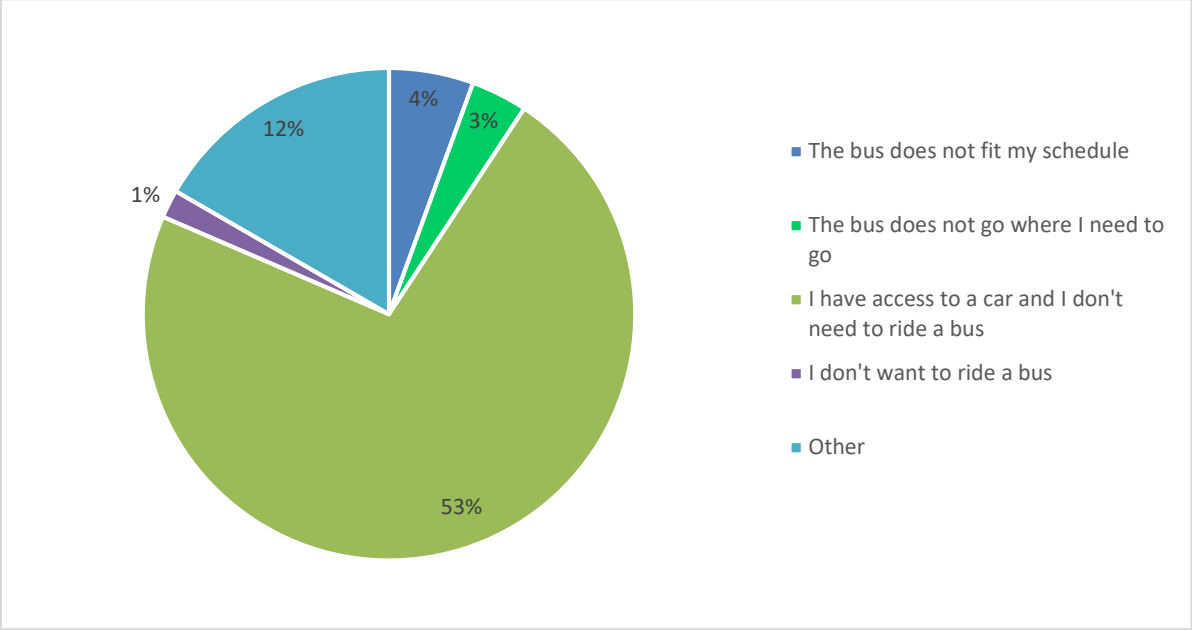
Survey respondents who have used Wadena Transit were further asked to identify when they had last used the transit service. **Figure 4.6** illustrates that individuals who have used transit previously have a variety of transit use. 11 percent had used Friendly Rider within the past week, 9 percent within the past month, and 18 percent within the past year.

Figure 4.6: Respondents Last Use of Wadena Transit



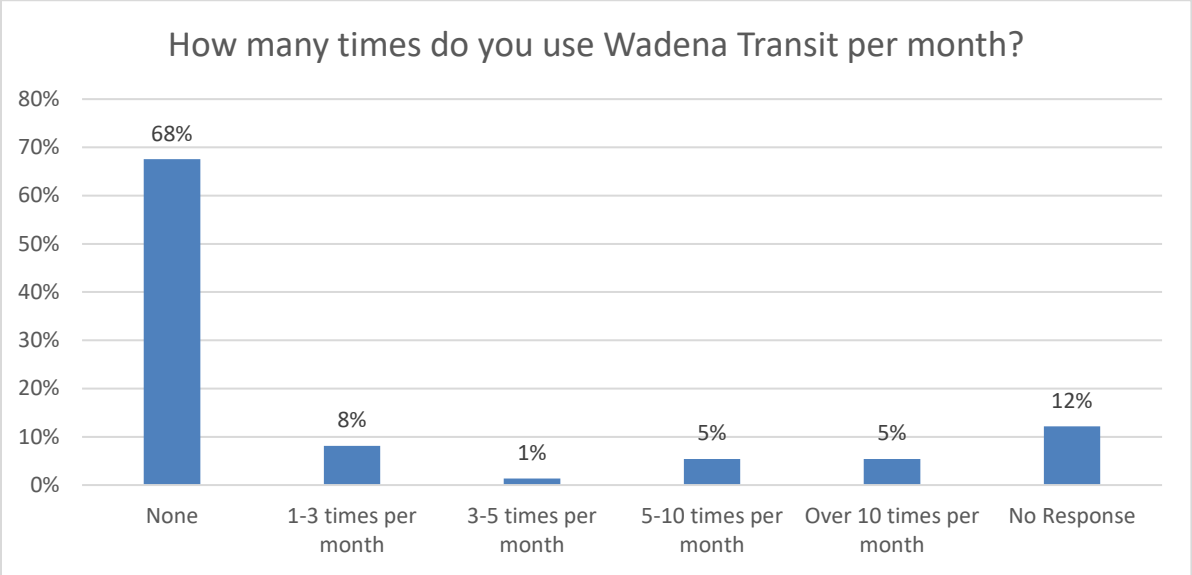
Survey respondents who had identified that they have never used Wadena County Friendly Rider Transit were asked to share a reason for having never used Wadena Transit (**Figure 4.7**). Over half (53 percent) of respondents who don't use the transit service do not use it based on access to a car. 12 percent of respondents listed "other" reasons, including longer commutes. A few respondents had also indicated that although they do not use, their children use.

Figure 4.7: Why Don't Respondents Use Wadena Transit



Survey respondents were asked to identify how frequently they use Wadena Transit. **Figure 4.8** illustrates that 8 percent of survey respondents use the transit service one to three times per month, 1 percent use three to five times per month, 5 percent use it five to ten times per month, and 5 percent use it over ten times per month.

Figure 4.8: How Many Times Respondents Use Wadena Transit



Survey respondents were asked to identify whether there were places they would be interested to travel to, but the bus route does not go. **Figure 4.9** illustrates that 77 percent indicated that there were not specific additional locations for bus service. The 14 percent of respondents who indicated yes had provided additional cities including Staples, Park Rapids, Brainerd, Alexandria as well as the Twin Cities.

Figure 4:9: Are there Locations the Bus Does Not Travel that Respondents Would be Interested in Travelling

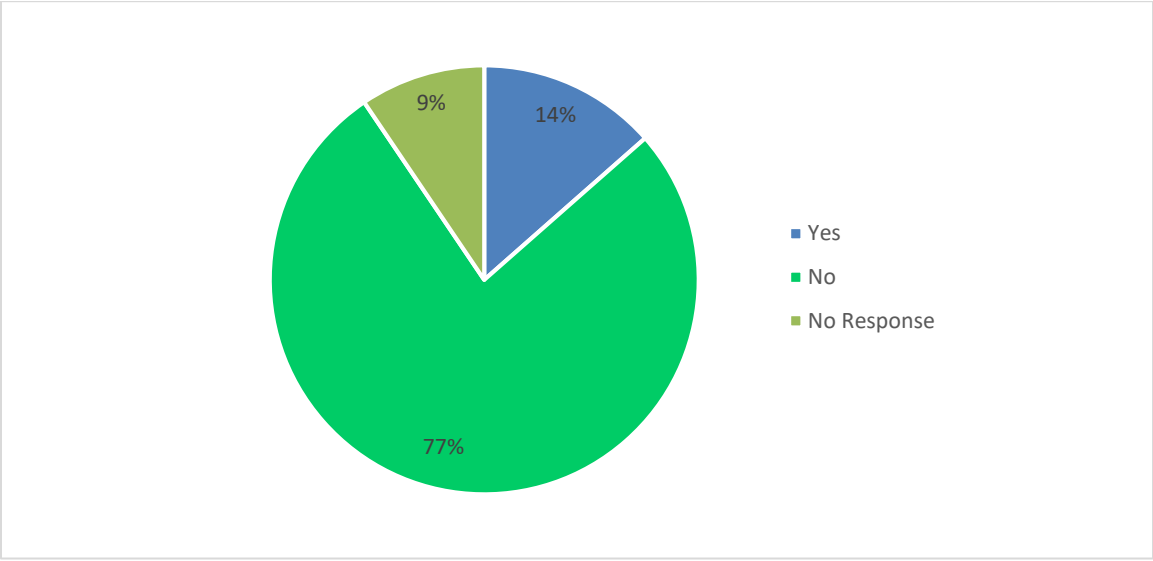
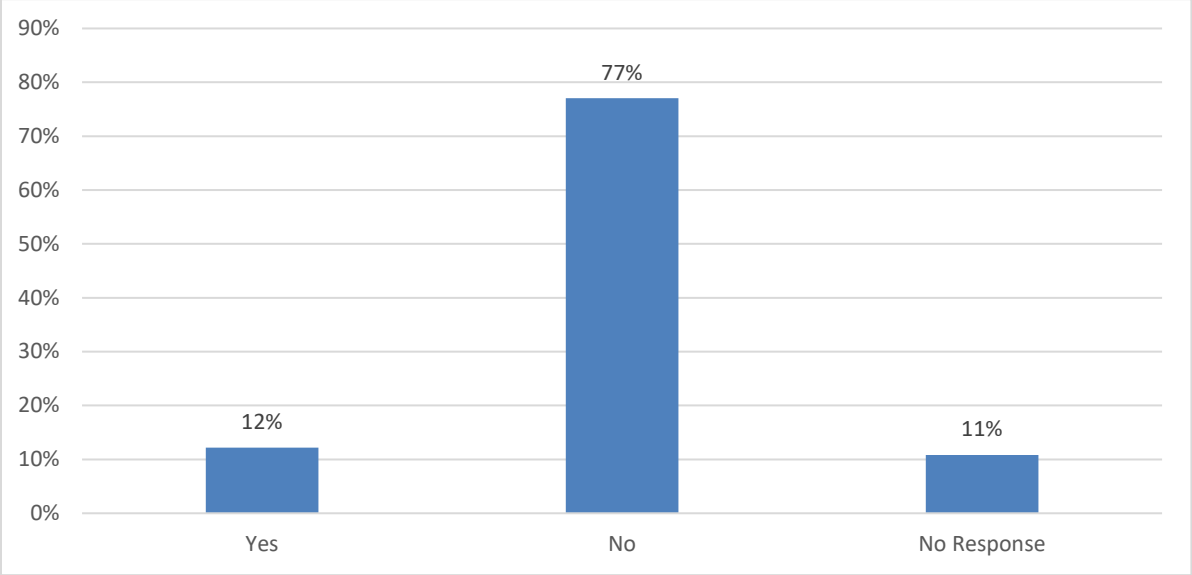


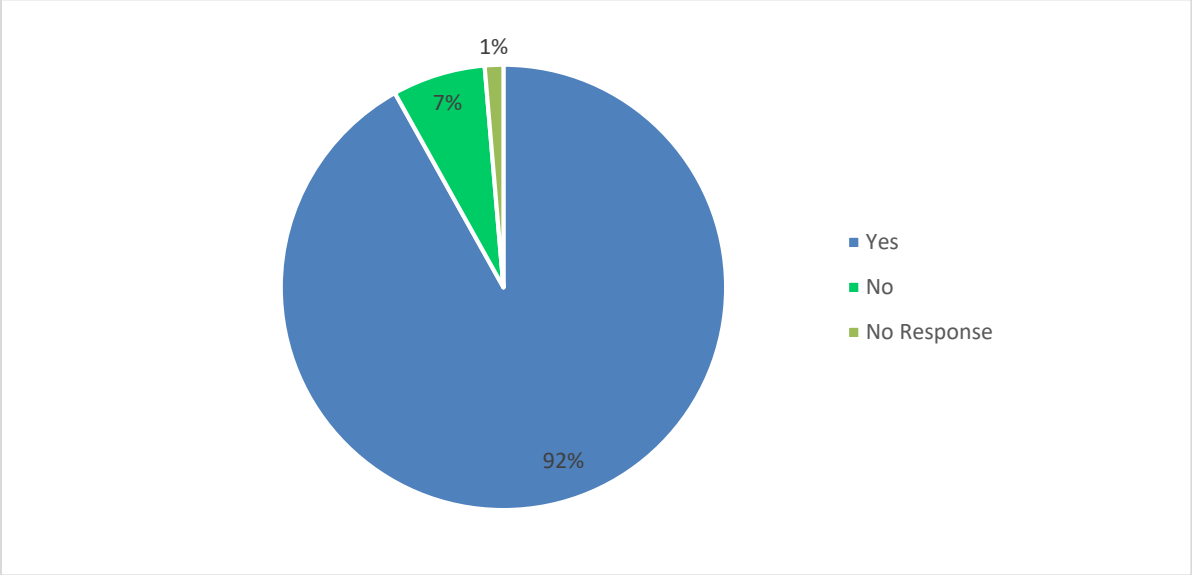
Figure 4.10 illustrates whether there were additional times that the bus does not operate respondents would be interested in travelling. Similar to additional places to provide transit service, most respondents (77 percent) indicated that there is not a need for additional transit times. Of the 12 percent of respondents who had reported "yes", additional times recommended included evenings and late nights.

Figure 4.10: Are There Times the Bus Does Not Operate that Respondents Would be Interested in Travelling



Survey respondents were asked whether they own a motor vehicle. **Figure 4.11** illustrates whether respondents own a motor vehicle. 92 percent of respondents do have access to a motor vehicle.

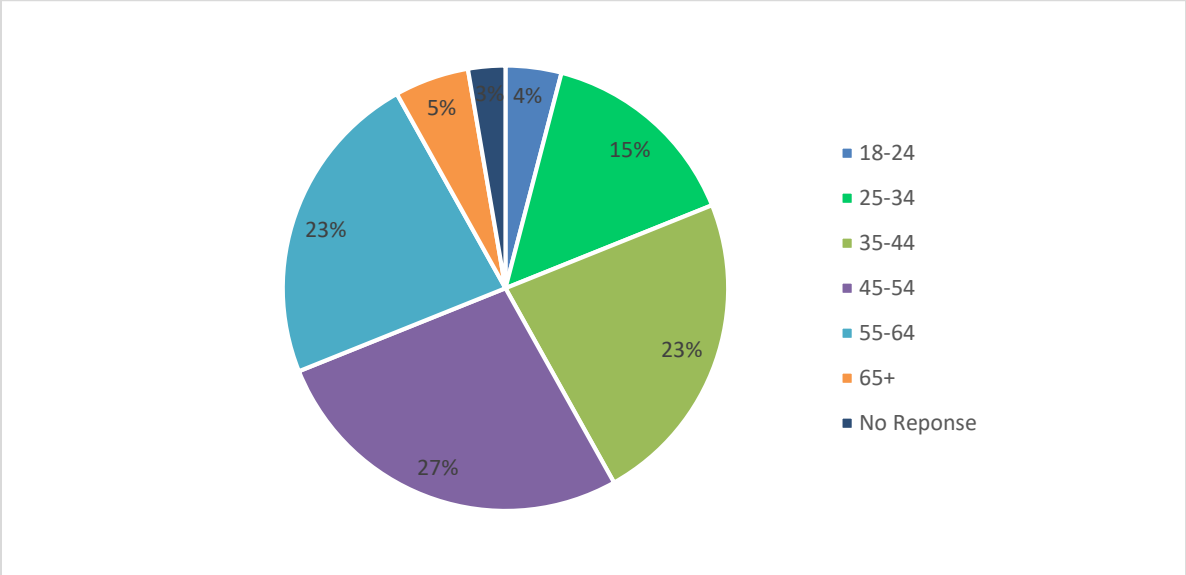
Figure 4.11: Whether Respondents Own a Car



The last three questions were asked to gather demographic information of the respondents. Respondents were asked to identify their zip code. 18 different zip codes were identified during this survey. The majority of respondents (41 percent) reside in the 56482 zip code. Other zip codes with multiple respondents include 56479 (11 percent), and 56567 (five percent).

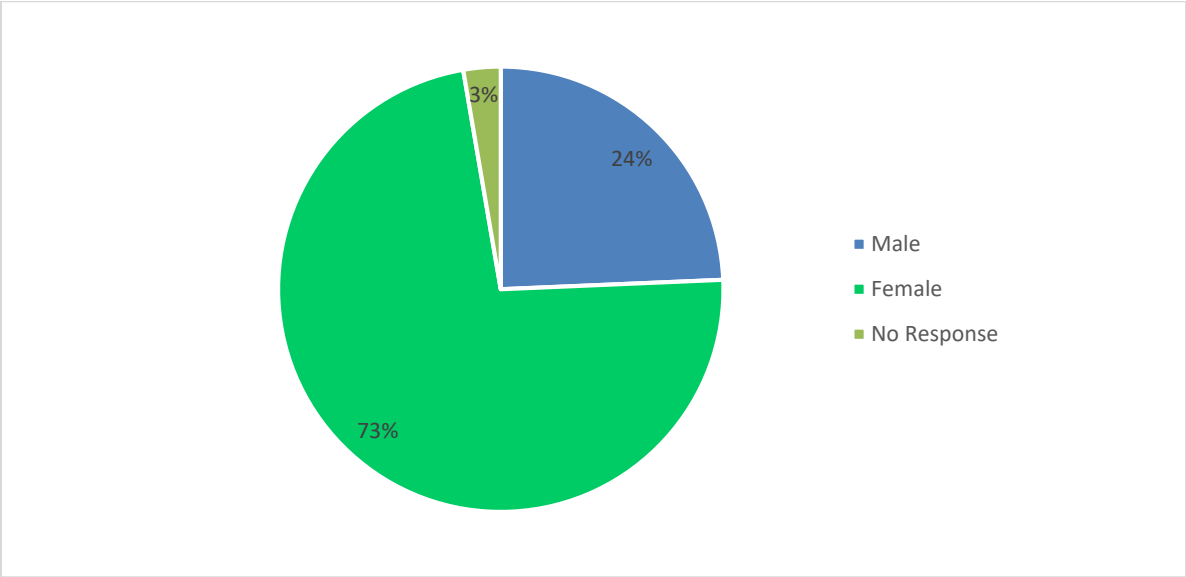
The final two questions were optional for respondents. Respondents were asked to identify their age by age range (**4.12 Figure**). 27 percent of respondents were between the age of 45-54, 23 percent were 35-44 percent, 23 percent were 55-64. Fewer respondents were between 18-24 (4 percent) or 65+ (5 percent).

Figure 4.12: Respondents by Age



Survey respondents were asked to identify their gender. **Figure 4.13** illustrates that respondents were asked to identify themselves as "male" or "female"; respondents were not given a non-binary gender option. The majority of the respondents identified as female (73 percent). 24 percent of respondents identified as male. 3 percent of respondents did not respond.

Figure 4.13: Respondents by Gender



Need and Demand

A need and demand analysis was completed to evaluate area-wide transit need or demand for Friendly Rider. This analysis is most beneficial for evaluating areas not currently served by public transit. The need and demand results described in this section were developed from Transit Cooperative Research Program (TCRP) Report 161, Methods for Forecasting Demand and Quantifying Need for Rural Passenger Transportation. The estimation methods from TCRP Report 161 are utilized in estimating the demand for public transit in Friendly Rider's service area. The purpose of this data is to help the providers and local decision-makers better define service needs and set realistic expectations for transit service and ridership. This also supports quantitative evidence of transit demand. **Table 4.4** illustrates the need and demand for the Friendly Rider service area.

Need is defined in two ways; (1) as the number of people in a given geographic area likely to require a passenger transportation service and (2) the difference between the number of trips made by persons who reside in households owning no personal vehicle and the number of trips that would likely be made by those persons if they had access to a personal vehicle. This measure is referred to as the Mobility Gap.

Estimates of need for passenger transportation services for Friendly Rider is presented as the number of persons residing in households with income below the poverty level (1,977), plus the number of persons residing in households owning no vehicle (370), producing a total of the number of persons in need of passenger transportation (2,347). The daily mobility gap need is 670 one-way passenger trips, equating to an annual mobility gap need of 201,000 one-way passenger trips. The estimates of need made using the mobility gap method are typically far greater than the number of trips observed on rural passenger transportation systems and are likely greater than the demand that would be generated for any practical level of service.

Estimating transit ridership demand is defined as the number of trips likely to be made over a given period within a given geographic area at a given price and level of service. Two methods for estimation of demand for general public transportation are utilized in the TCRP Report 161. The first method utilized for Friendly Rider for estimating the demand expected for passenger transportation in rural areas not related to social-service programs and general public rural non-

program demand equates to 12,000 annual one-way passenger trips. The second method utilized for Friendly Rider for estimating the demand expected for general public rural passenger transportation utilizing National Transit Database (NTD) data equates to 29,100 annual one-way passenger trips.

Friendly Rider annual ridership in Fiscal Year (FY) 2017 of 61,249 exceeds the estimate for demand for general public rural transportation (12,000 annual one-way trips) and total rural non-program demand (29,100 annual one-way passenger trips). Friendly Rider has done a good job maximizing ridership potential by providing trips for Development Achievement Centers (DAC's), medical providers throughout the county and service within the hub communities in their service area of Wadena and Staples. The TCRP Report 161 analysis defined the mobility gap need at 201,600 annual one-way passenger trips for Wadena County based on the 320 households in the service area with no vehicle available. A complete description of the need and demand methodology can be found in **Appendix A**.

Table 4.4: Needs, Mobility Gap and Demand

Persons Residing in Households Owning No Vehicle	370
Households with No Vehicle Available	320
Annual One-Way Passenger Trips	
Daily Mobility Gap Need	670
Annual Mobility Gap Need	201,600
Demand for General Public Rural Transportation	12,000
Demand for Rural Non-Program Transportation	29,100

Source: 2017 American Community Survey

The State of Minnesota has set a legislative directive of meeting 90 percent of total transit service needs by 2025. Wadena County Friendly Rider is meeting 68 percent of the legislative goal. In 2017, Wadena County Friendly Rider provided approximately 204 daily trips, and to meet the legislative directive they would need to provide approximately 302 daily trips by 2025 in their transit service area.

Table 4.5 illustrates the operating criteria that would be required for Wadena County Friendly Rider to meet the legislative goal based on their existing cost per passenger trip. It is realistic for Wadena County Friendly Rider to provide the level of service needed to meet the 90 percent legislative goal by 2025.

Table 4.5 Cost to Meet Legislative Goal

Option	Passenger-Trips	Annual Operating Cost	Revenue-Hours	Cost per Trip
Service Levels (2017)	61,249	$729,150	13,453	$11.90
Service required to meet the Legislative Goal	90,720	$1,079,993	19,926	$11.90

Source: Need and Demand Analysis 2017 Data

A peer comparison of comparable multi-county transit systems was completed for Wadena County Friendly Rider using the following agencies.

- Becker County Transit
- Brown County Heartland Express
- Hubbard County Heartland Express
- Watonwan County Take Me There

Table 4.5 presents analysis of each of the individual peer systems and the average compared to Wadena County. The data for the analysis were taken from the 2017 National Transit Database to ensure the best consistency in reporting by different agencies. Although efforts were made to find the closest matching peers, no two systems are exactly alike.

Table 4.5 Peer Comparison

Transit System	Service Area	Passenger Trips	Annual Operating Cost	Revenue Hours	Trips per Hour	Cost per Hour	Cost per Trip
Becker County Transit	Becker County	39,269	$453,355	8,138	4.8	$55.71	11.54
Brown County Heartland Express	Brown County	53,827	$710,755	12,837	4.2	$55.19	$13.20
Hubbard County Heartland Express	Hubbard County	41,119	$434,761	11,668	3.5	$37.26	10.57
Watonwan County Take Me There	Watonwan County	28,248	$348,496	10,936	3.1	$38.30	$12.34
Peer Average		**40,616**	**$468,842**	**10,895**	**4.8**	**$43.03**	**$11.54**
Wadena County Friendly Rider	Wadena County	61,249	$407,479	11,576	5.6	$54.20	$11.90

Source: National Transit Database, 2017

During 2017, Wadena County passenger trips were higher than the peer average at 61,249 compared to an average of 40,616. Wadena County annual operating cost of $407,479 was less than the peer average of $468,842.

In performance comparisons, Wadena County passenger trips per hour at 5.6 is higher than the peer average of 4.8. Wadena County cost per hour at $54.20 is higher than the peer average of $43.03 and cost per trip at $11.90 is slightly higher than the peer average of $11.54.

In addition to the demand estimation methods included in Chapter VI, TCRP Report 161 also provides a peer data worksheet, presented in **Table 4.6**. The worksheet calculates the values expected for a transit system based on the data included for the peer system.

Table 4.6 TCRP 161 Peer Data Worksheet

Input Data from Peer Transit Systems or Existing Transit Service				
Name of Peer System	Brown County	Hubbard County	Becker County	Watonwan County
Population of Area	25,243	20,743	33,552	10,936
Size of Area Served (Square Miles)	618	999	1,445	440
Annual Vehicle-Miles of Service Provided	180,269	173,086	86,542	160,276
Annual Vehicle-Hours of Service Provided	12,879	11,668	8,138	9,099
Service Type (Fixed Route, Route-Deviation, Demand-Response)	Demand-Response	Demand-Response	Demand-Response	Demand-Response
Number of One-Way Trips Served per Year	53,827	41,119	39,269	28,248
Degree of Coordination with Other Carriers (Low, Medium, High)	Medium	Medium	Medium	Medium

Results of Peer Data Comparison		Population	Annual Vehicle-miles	Annual vehicles-hours
Input Data for My System:		13,626	175,282	13,453
	Observed Trip Rates	Demand Estimate Based On:		
Peer Values		Population	Annual Vehicle-miles	Annual vehicles-hours
Trips per Capita				
Maximum	2.6	35,428		
Average	2.0	27,252		
Median	2.1	28,615		
Minimum	1.2	16,351		
Trips per Vehicle-Mile				
Maximum	0.5		87,641	
Average	0.3		52,585	
Median	0.3		52,585	
Minimum	0.2		35,056	
Trips per Vehicle-Hour				
Maximum	4.8			64,574
Average	3.9			52,467
Median	3.9			52,467
Minimum	3.1			41,704
Values expected for my system				
Maximum		35,428	87,641	64,574.0
Average		27,252	52,585	52,467.0
Median		28,615	52,585	52,467.0
Minimum		16,351	35,056	41,704.0

5. Capital

This chapter will describe the current status of Friendly Rider's capital inventory including fleet, facilities and technologies. Updates, upgrades and changes in capital investments made in recent years will be included as well as any future challenges or areas of change identified through this planning process.

Capital investments in the five-year plan will be based on three conditions:

1. Maintain current service levels
2. Expand service levels
3. Meet future expectations or respond to future conditions.

Background

Wadena County Friendly Rider currently has eight buses in its fleet. Seven are accessible lift-equipped class 400 medium-size light-duty transit buses while one is a class 500 larger medium-duty transit bus. **Table 5.1** shows the current Friendly Rider fleet by year, class, mileage, condition, purchase price, projected replacement year and anticipated replacement cost. All buses were acquired between 2003 and 2017 and are in adequate or excellent condition, based on age and current mileage. MnDOT categorizes class 400 buses to have a scheduled useful life of five years or 150,000 miles, while a class 500 bus is seven years or 200,000 miles.

Table 5.1: Fleet Roster*

Local Fleet Number	Vehicle Year	Vehicle Class	Current Mileage	Vehicle Condition	Purchase Price	Replacement Year	Replacement Cost
5	2008	400	211,840	Adequate	$54,382	2019	$83,000
6	2009	400	211,619	Adequate	$57,367	2020	$85,000
7	2011	400	174,587	Adequate	$57,951	2021	$88,000
8	2013	400	110,400	Excellent	$65,055	2022	$91,000
9	2016	400	34,990	Excellent	$74,000	2023	$93,000
10	2016	400	33,874	Excellent	$74,000	2023	$93,000
11	2017	500	1,459	Excellent	$141,000	2026	$145,000
12	2018	400	10,863	Excellent	$80,376	2025	$103,000

**As of May 2019*

Figure 5.1: Wadena County Transit Bus

Wadena County provides and maintains a vehicle storage garage for Friendly Rider on the same property as the county maintenance facility. **Figure 5.1** above shows Friendly Rider bus #5 parked in the vehicle storage garage. The garage facility was a former auto repair garage until it was acquired by the county and remodeled for use by Friendly Rider and provides storage for up to six buses. The vehicle storage area of the garage is heated and connected to the garage is heated and air-conditioned combined office, dispatching, break room and meeting space for transit staff.

Friendly Rider currently utilizes a variety of technologies and equipment to conduct their day-to-day operations, both in terms of the transit service they provide and their internal processes. All buses are equipped with video surveillance cameras, VHF two-way radios and a basic cash collecting farebox. The transit office uses desktop computers for operating dispatching and scheduling software, email and other word processing functions and a phone for taking customer calls. **Table 5.2** below provides a summary of Friendly Rider's current technologies and equipment.

Table 5.2: Current Technologies and Equipment

Use/Process	Technology/Equipment
Dispatch	CTS Software with AVL
Communications	Tablets with cellular communications; VHF 2-way radios
Surveillance	Angel Trax cameras
Budgeting	Microsoft Excel
Email	Microsoft Outlook
Fare Collection	Diamond cash collection farebox
Office administration	Personal computers

6. 2020-2025 Annual Needs

The purpose of this chapter is to layout the services, capital and financial projections needed for each year of the five-year plan. Included in each year will be a list of the services provided and the description of related capital and operating costs.

The annual work plans will become a preview of the management plan in the annual MnDOT financial application in future years. With a well-defined five-year plan, goals and ideas for improving transit service can be put into action with a blueprint for adding or expanding routes, adjusting specific hours of service and pursing funding to cover additional operating and capital expenses. Friendly Rider has developed both constrained and unconstrained plans for the 2020 – 2025 timeframe. The constrained plan outlines routes, service hour adjustments and capital expenses that are feasible based on existing funding sources. As part of the FYTSP planning process, Friendly Rider also identified operating and capital items that are desired or that could significantly improve the agency, but that might not currently be financially feasible due to existing funding constraints.

Constrained Plan

Fleet

Friendly Rider has programmed replacement of seven buses from 2018 through 2023, with the purchase of replacement buses planned for 2018, 2019, 2020, 2021, 2022 and 2023. The buses being replaced will meet the age and miles requirement set forth by MnDOT to qualify for receiving state capital grant dollars. It is a prudent capital improvement program practice to operate a bus fleet that does not excessively exceed the replacement age and miles to avoid extraordinary repair costs typically associated with buses as they reach or exceed replacement age cycles. Friendly Rider has also included considerations for purchasing two ADA-accessible vans to provide service where less capacity is needed. **Table 6.1** shows the existing Bus Replacement Plan and **Table 6.2** in the Summary section below contains a list of the fleet-related items in the Constrained Plan.

Table 6.1: Bus Replacement Plan

Replacement Plan Year	2018	2019	2020	2021	2022	2023	2024	2025
Number of Vehicles	1	1	1	1	1	1	0	1
Replacement Cost	$80,000	$83,000	$85,000	$91,000	$94,000	97,000	N/A	$103,000

Facility

Friendly Rider has expressed interest in providing expanded vehicle storage space including a vehicle wash and maintenance bay. Adequate space does exist at the current site of the vehicle storage garage located next to Wadena County maintenance facilities for an expansion of the current building. Considerations also include operations facility HVAC improvements (new furnace and A/C), a backup generator for the operations facility, and an undercarriage vehicle wash system. In the event the County agrees to support an expansion project, it would need to develop a justification document and conduct a predesign and architectural plan to map out the space needs and provide an estimate of construction costs to MnDOT prior to submitting a funding grant submission. **Table 6.2** in the Summary section below contains a list of the facility-related items in the Constrained Plan.

Technology

Friendly Rider has identified a need for new computers for the day-to-day internal office processes. **Table 6.2** in the Summary section below contains a list of the technology-related items in the Constrained Plan.

Other

Under the Constrained Plan, Friendly Rider plans to develop campaign and marketing materials in order to better communicate to the people in its service area about the transit services available to them. **Table 6.2** in the Summary section below contains a list of the other uncategorized items in the Constrained Plan.

Summary

Table 6.2 below provides a summary list of the fleet, facility, technology, and other uncategorized items in Friendly Rider's Constrained Plan, along with their costs.

Table 6.2: Constrained Plan Items

Category	Item	Cost
Fleet	2 ADA-accessible vans with less capacity (2020)	$165,000
Facility	Operations garage facility expansion or new facility to house additional vehicles – include wash bay and maintenance bay	$1,503,650*
Facility	Operations facility HVAC improvements – office furnace and A/C units	$3,500-$10,000
Facility	Backup generator for operations facility	$8,500-$20,000
Technology	New computers	$5,000
Other	Develop marketing campaign/materials (2019)	23,000 (each year + 3% inflation)

** Wadena County Friendly Rider is coordinating with a County approved contractor to develop a package of bids/quotes containing different levels of amenities.*

Unconstrained Plan

Technology

Friendly Rider has identified several technology investments in their unconstrained plan, including an electronic fare collection system and a call recording system.

Table 6.3 below provides a summary of Friendly Rider's Unconstrained Plan, along with associated costs and details.

Table 6.3: Unconstrained Plan Items

Category	Item	Cost
Technology	Electronic fare collection system	*
Technology	Call recording system (2023)	$26,624

** Due to the nature of the market for electronic fare collection systems, a competitive bid process and/or a peer review of existing transit agencies with similar implemented programs may need to be completed to develop cost estimates.*

7. System Performance

Performance Standards

MnDOT has established a recommended set of performance standards that all providers track and monitor as a way to measure and compare how systems are performing among the state's rural and community transit systems. The performance measure data collected by the systems are reported annually to MnDOT.

Throughout the GMTIP planning process, MnDOT identified 24 metrics in collaboration with Greater Minnesota transit providers. MnDOT highly recommends, each system choose, adopt and refine some of the proposed guidelines to reflect the operational characteristics of each system.

Of the 24 metrics, MnDOT has established six specific measures for each system to measure and each system will choose an additional three measures that best fit their respective operations. MnDOT wants to assure that the system measures are comparable by Minnesota and national peer transit system best practices, be based on the system's priorities and have available data from financial, ridership, safety and operations records.

Included in each performance measure is a description of the methodology used to define each target. Performance data described below is provided by the FTA FY 2017 NTD.

On-time Performance

For rural and community transit service operations, the pick-up window maximum is 45 minutes, with a 90 percent on time performance. Friendly Rider monitors on-time performance for both customer pick-up and drop-off. The performance data is extracted from the dispatching software program. Recent performance from January through May 2019 Friendly Rider maintained a 94 percent on-time pick-up performance. Friendly Rider defines on-time as a pick-up completed within 15 minutes of the scheduled time.

Passengers per Hour

MnDOT's minimum passenger per hour standard for rural and community dial-a-ride service is three passengers per hour. Friendly Rider averaged 4.6 passengers per hour in FY 2017 on annual ridership of 61,249 on 13,453 revenue hours.

Cost per Service Hour

MnDOT's maximum cost per service hour standard is $60 per service hour. Friendly Rider cost per service hour averaged $54 in FY 2017 on revenue hours of 13,453 on $729,150 operating expenses.

Cost per Trip

MnDOT's maximum cost per trip standard for is $15 per trip. Friendly Rider's cost per trip averaged $11.90 in FY 2017 on annual ridership of 61,249 on $729,150 in operating expenses. Friendly Rider is well below the State's recommended cost per trip measure.

MnDOT has developed the cost per trip measures described in **Table 7.1** as a mechanism for systems to use in determining how effective a service is performing and whether the service should be considered for restructuring.

Table 7.1: Cost Per Trip Performance Standard

Cost Per Trip	Monitoring Goal	Possible Action
20 to 35 percent over system average	For quick review	Minor modification to route
35 to 60 percent over system average	For intense review	Major changes to route
Greater than 60 percent over system average	For significant change	Restructure or eliminate to route

Trip Denials

MnDOT recommends that systems follow the Americans with Disability Act (ADA) trip denial definitions and process as described in circular FTA C 4710.1. Under the ADA circular, a transit agency cannot have substantial numbers of trip denials and missed trips. Trip denials result when agencies do not accept trip requests. Avoiding denials means properly planning service, allocating resources and managing operations to meet 100 percent of expected demand. In order to ensure that a pattern or practice of substantial numbers of trip denials is not occurring, FTA expects transit agencies to document and analyze trip denials. FTA recommends including such details as the rider's identification, date of request, date and time of requested trip(s), origin and destination and reason for denial. Counting the number of denials means accounting for all trips that the rider is unable to take because of a denial. Friendly Rider does not currently track and

document reportable trip denials according to requirements set forth under ADA. Friendly Rider has set a goal of zero trip denials and will utilize their dispatching software system for tracking any trip denials.

Span of Service

MnDOT recommends that rural and community transit systems meet 75 percent of the baseline span of service standard in each of the communities they serve based on a population-based scale. **Table 7.2** below illustrates the recommended span of service based on population area served.

Table 7.2: Span of Service Performance Standard

Population	Weekdays	Saturday	Sunday
Rural (less than 2,500)	8 hours per day at least 3 days per week	N/A	N/A
2,500 – 6,999	9	9	N/A
7,000 – 49,999	12	9	9
50,000 +	20	12	9

Friendly Rider meets approximately 90 percent of the baseline span of service in the communities of Wadena, Sebeka and Menahga. Service is also provided into surrounding county communities of Staples, Motley, New York Mills, Deer Creek, Henning, Ottertail, Henning, Hewitt, Bertha, Eagle Bend Clarissa and Browerville.

Weekday service Monday, Tuesday and Wednesday is provided from 6AM to 6PM. Service span is expanded on Thursday and Friday from 6AM to 10PM Saturday service is provided from 9AM to 3PM. Sunday service is provided from 7:30AM to 12:30PM. Friendly Rider's service area population of 13,626 fits into the baseline population category of 7,000 – 49,999. In this population category **Table 7.3** illustrates that Friendly Rider exceeds the weekday span of service on Monday, Tuesday and Wednesday by providing 12 hours per day and on Thursday and Friday for 16 hours as compared to the baseline standard of 12 hours, while Saturday service of six hours is less than the baseline standard of 9 hours and service is operated less than the baseline standard for 5 hours on Sunday when the standard calls for service to be operated for 9 hours.

Table 7.3: Wadena County Friendly Rider Span of Service

Days	Hours	Span of Service
Monday – Wednesday	12	6AM – 6PM
Thursday – Friday	16	6AM – 10PM
Saturday	6	9AM – 3PM
Sunday	5	7:30AM – 12:30PM

The following three additional performance measures have been identified by Friendly Rider to incorporate into their annual performance measures report to MnDOT.

Service Hours per Capita

MnDOT recommends that the service hours per capita standard meet a minimum of .45 service hours per capita. Friendly Rider provided one hour of service per capita in FY 2017 on 13,453 revenue hours on a service area population of 13,626. Friendly Rider is above the State's recommended service hours per capital performance measure.

Farebox Recovery

MnDOT's recommended standard for farebox recovery is 15 percent. Friendly Rider's farebox recovery percentage was 15 percent in FY 2017 with $60,342 in farebox revenue on $729,150 in operating expenses. Farebox recovery is below the State's recommended farebox recovery percentage performance measure.

Accidents

MnDOT has established an accident standard measure of fewer than one recordable accident per 100,000 revenue miles. In 2018 Friendly Rider experienced one insurance reportable accident out of an approximate 200,000 revenue miles operated. MnDOT and the FTA require that all accidents defined under the FTA NTD reporting standards be reported to the FTA through the NTD data reporting program.

Current Performance

Table 7.4 shows Friendly Rider's current performance as it relates to MnDOT's required performance indicators.

Table 7.4: Current Performance Indicators

Wadena County Friendly Rider Performance Indicators	DAR (Target)	FY 2017 Actual	
On-time performance - Required to define and track/month, report annually	Rural Window – 45/45 minutes. 90% on time performance	94% (Sampling from January – May 2019)	Required
Passengers per hour	3 pph	4.6 pph	
Cost per service hour	$60	$54	
Cost Per Trip	$15	$11.90	
Denials - Required to track and report, annually	Friendly Rider does not currently fully track and document reportable service denials.		
% of communities with Baseline Span of Service - required to track and report, annually	75%	90%	
Service Hours Per Capita	0.45	1.0	Additional
Farebox Recovery	15%	8%	
Accidents	Fewer than 1 recordable accident per 100,000 revenue miles	One accident reported in 2018 for appx. 200,000 revenue miles	

8. Operations

The Greater Minnesota Transit Investment Plan (GMTIP), completed in 2017, is a MnDOT investment and strategic plan for supporting public transit. It supports the state legislature's target of meeting 90 percent of the public transit need in Greater Minnesota by 2025. As the population of Greater Minnesota grows and ages, the need for public transit also increases. Greater Minnesota transit systems continue to add service hours to reach more communities and increase ridership. As ridership and hours of service have increased, so have

costs. As required, the plan included different financial scenarios for transit funding, specifically an increase, a maintenance and contraction of funds. Identified through the GMTIP process, MnDOT's priority investments for transit service include:

1. Expand span of service hours to cover more days of the week and hours of the day, and
2. Invest in regional connections and cross-county service where there is a high level of travel between population and employment centers

This chapter will describe the services provided that make up the operating budget projections. These various costs include future changes that will impact the cost to provide service (i.e. increasing driver and staff wages and benefits, increased cost of insurance, fuel and maintenance) will be included in this analysis. Key issues and strategies to improve human resources, staffing, technology and marketing will be included.

Service

Friendly Rider provides demand-response and flexible route transit services to Wadena County and several communities in Otter Tail and Todd Counties. The service runs seven days per week, with extended hours on Thursdays and Fridays and shorter service days on Saturdays and Sundays.

Staffing

Friendly Rider operations are staffed by a Transit Director, Operations Manager, two full-time and two part-time dispatchers, and five full-time and ten part-time drivers. Wadena County provides financial and human resources and IT administrative support to the transit program at an allocated cost to the transit

operations budget. Basic transit vehicle maintenance is outsourced to local repair shops unless the repairs are under warranty in which case the vehicle would be repaired by the bus dealer.

Constrained Plan

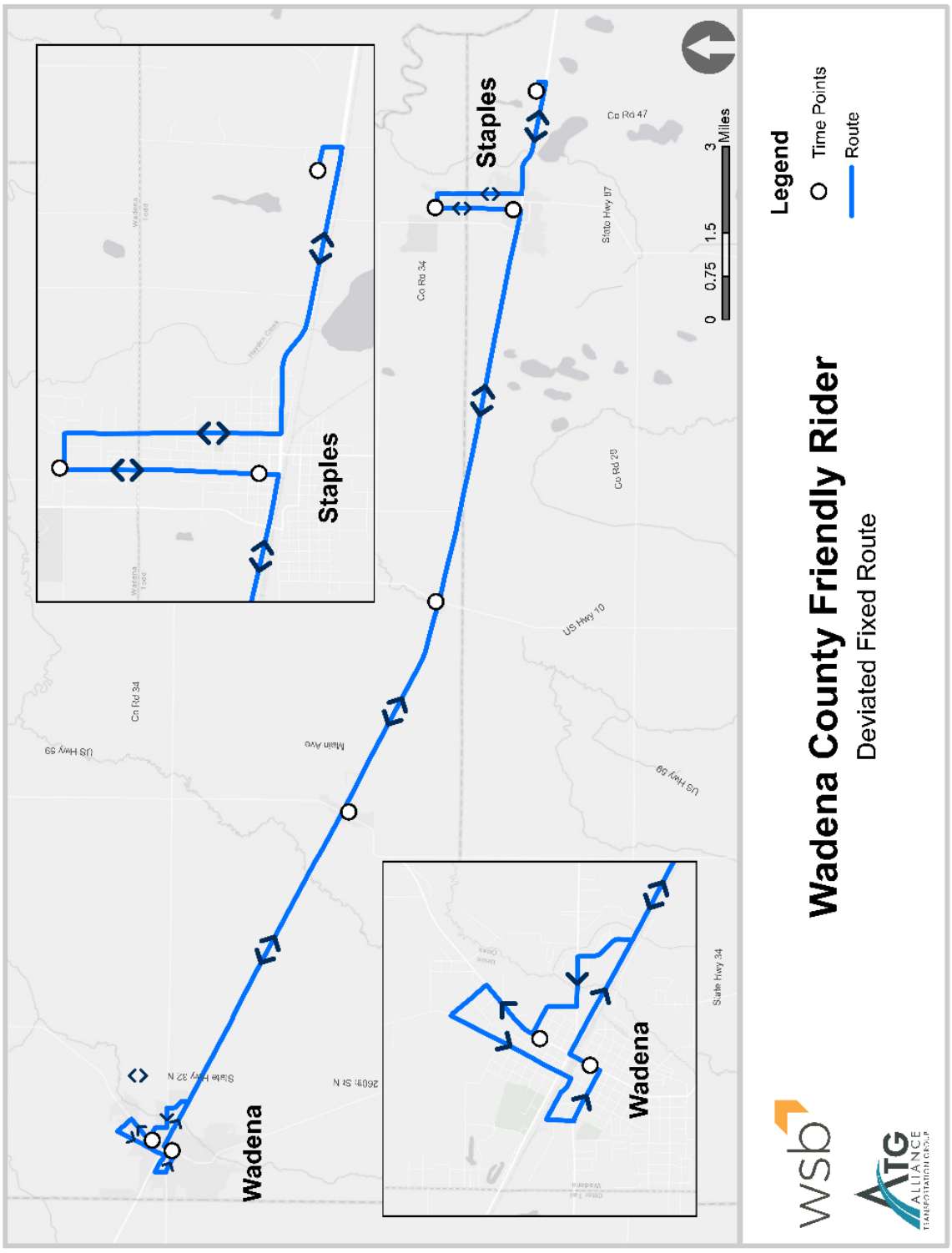
Service Adjustment

Under the Constrained Plan for Friendly Rider, service adjustments include expanding service geographically and creating a new deviated fixed route. **Figure 8.1** shows a map of the suggested deviated fixed route and **Table 8.1** below provides a detailed list of the service adjustments in the Constrained Plan.

Table 8.1: Constrained Plan – Service Adjustments

Adjustment	Description	Costs (Implementation Year Dollars)	Notes
New Fixed Route Service - Wadena to Staples	10AM – 3PM, Monday - Friday, year-round 1 revenue vehicle 2.7 daily vehicle hours	$35,889 Annually	2020 Implementation
Additional Intercity Trip - Wadena to Sebeka	1 round trip bi-weekly 1 revenue vehicle 0.1 daily vehicle hours	$1,175 Annually	2023 Implementation

Figure 8.1: Constrained Plan – Wadena County Friendly Rider Transit Deviated Fixed Route



Staffing

Friendly Rider has not identified any additional staffing needs under the Constrained Plan.

Unconstrained Plan

Service Adjustment

Under the Unconstrained Plan for Friendly Rider, service adjustments include further geographical expansions of transit service. **Table 8.2** below provides a detailed list of the service adjustments in the Unconstrained Plan.

Table 8.2: Unconstrained Plan – Service Adjustments

Adjustment	Description	Costs (Implementation Year Dollars)	Notes
Additional Intercity Trip - Wadena to Sebeka	1 round trip bi-weekly 1 revenue vehicle 0.1 daily vehicle hours Trips are in addition to the trips listed in the Constrained Plan for 1 total trip weekly	$1,175 Annually	2023 Implementation
Additional Intercity Trip – Menagha to Park Rapids	1 round trip weekly 1 revenue vehicle 0.3 daily vehicle hours	$3,877 Annually	2021 Implementation

Staffing

Friendly Rider has not identified any additional staffing needs under the Unconstrained Plan.

9. Financial

Current transportation funding in Greater Minnesota includes federal, state and local resources. State law requires local participation in funding public transit services in Greater Minnesota. A statutory fixed-share funding formula sets a local share of operating costs at 15 percent the local share for capital is 20 percent.

State and federal funding for public transit covers the remaining 80 or 85 percent of costs awarded through the Public Transit Participation Program. The transit systems included in this project receive section 5311 Rural Area Formula Program grant funds. As the direct federal recipient of all Section 5311 funds, MnDOT solicits applications for funding, selects sub-recipients and enters into grant contracts with participating public transit operators. The 5311 transit systems provide nearly all service under the category of "demand-response," as is often the most appropriate approach to meet the needs of seniors and individuals with disability in rural Minnesota.

Minnesota Rules state the priorities for funding transit as follows:

1. Operating costs for existing public transit systems
2. Capital costs for existing public transit systems
3. Operating and capital costs for the provision of public transit services in a community or area not currently served by public transit

History

Historically, Friendly Rider has funded its service through revenues generated from fares and contracted services. As Friendly Rider moves into the future, it will need to ensure that it is meeting the local match required by MnDOT to fund both capital and operations costs.

2019-2024 Needs vs. Revenues Projected

Constrained Plan Needs

Operating and capital costs were projected for the years 2020 – 2025 to get a general understanding of how much need Friendly Rider will have in the near future. Anticipating costs will help Friendly Rider identify the local match amount required to obtain funding to cover the remaining costs. **Table 9.1** below shows the estimated operating, capital and total costs, as well as estimated local match

needed based on the total costs for 2020 – 2025 under the Constrained Plan for Friendly Rider.

Table 9.1: Constrained Plan – 2020 – 2025 Needs

Year	Estimated Operating Costs	Estimated Capital Costs	Estimated Total Costs	Estimated Local Match Needed
2020	$824,446	$308,690	$1,133,136	$226,627
2021	$849,180	$115,400	$964,580	$192,916
2022	$874,655	$1,622,782	$2,497,437	$499,487
2023	$902,070	$122,885	$1,024,955	$204,991
2024	$929,132	$26,661	$955,793	$191,159
2025	$957,006	$130,460	$1,087,466	$217,493

Constrained Plan Revenues

In addition, Friendly Rider revenues were projected for the years 2020 – 2025 based on revenues obtained from the provision of regular transit services (farebox revenues) as well as contract service revenues, when applicable. **Table 9.2** below shows the estimated farebox, contract service and total revenues that Friendly Rider would accrue each year from 2020 – 2025 under the Constrained Plan.

Table 9.2: Constrained Plan – 2020 – 2025 Revenues Projected

Year	Estimated Farebox Revenues	Estimated Contract Service Revenues	Estimated Total Revenues
2020	$140,593	$41,406	$181,999
2021	$144,810	$42,648	$187,459
2022	$149,155	$43,928	$193,083
2023	$154,076	$45,245	$199,321
2024	$158,698	$46,603	$205,301
2025	$163,459	$48,001	$211,460

Constrained Plan Needs/Revenues Comparison

Table 9.3 shows a comparison between Friendly Rider's estimated local match needed and anticipated total revenue for each year from 2020 – 2025 under the Constrained Plan. The comparison reveals that Friendly Rider has estimated revenues to match 80 percent of its costs in 2020 and 97 percent in 2021, 2023,

and 2025, but only 39 percent in 2022, which can largely be attributed to potential capital costs associated to a new or expanded garage facility. In 2024, Friendly Rider is estimated to exceed their local match through estimated revenues.

Table 9.3: Constrained Plan – 2020 – 2025 Needs vs. Revenues

Year	Estimated Local Match Needed	Estimated Total Revenues	% of Local Match Covered by Revenues
2020	$226,627	$181,999	80%
2021	$192,916	$187,459	97%
2022	$499,487	$193,083	39%
2023	$204,991	$199,321	97%
2024	$191,159	$205,301	107%
2025	$217,493	$211,460	97%

Unconstrained Plan Needs

As with the Constrained Plan, Friendly Rider's costs under the Unconstrained Plan were projected for the years 2020 – 2025 to better understand near-term needs. **Table 9.4** below shows the estimated operating, capital and total costs, as well as estimated local match needed based on the total costs for 2020 – 2025 under the Unconstrained Plan for Friendly Rider.

Table 9.4: Unconstrained Plan – 2020 – 2025 Needs

Year	Estimated Operating Costs	Estimated Capital Costs	Estimated Total Costs	Estimated Local Match Needed
2020	$824,446	$308,690	$1,133,136	$226,627
2021	$853,056	$115,400	$968,456	$193,691
2022	$878,648	$1,622,782	$2,501,430	$500,286
2023	$907,357	$149,509	$1,056,866	$211,373
2024	$934,578	$26,661	$961,239	$192,248
2025	$962,616	$130,460	$1,093,076	$218,615

Unconstrained Plan Revenues

Friendly Rider revenues were also projected under the Unconstrained Plan for the years 2020 – 2025. **Table 9.5** shows the estimated farebox, contract service and

total revenues that Friendly Rider would accrue each year from 2020 – 2025 under the Unconstrained Plan.

Table 9.5: Unconstrained Plan – 2020 – 2025 Revenues Projected

Year	Estimated Farebox Revenues	Estimated Contract Service Revenues	Estimated Total Revenues
2020	$140,593	$41,406	$181,999
2021	$146,283	$42,648	$188,931
2022	$150,672	$43,928	$194,599
2023	$156,085	$45,245	$201,331
2024	$160,768	$46,603	$207,371
2025	$165,591	$48,001	$213,592

Unconstrained Plan Needs/Revenues Comparison

Table 9.6 below shows a comparison between Friendly Rider's estimated local match needed and anticipated total revenue for each year from 2020 – 2025 under the Unconstrained Plan. The comparison reveals that Friendly Rider has estimated revenues similar to the Constrained Plan to match 80 percent of its costs in 2020, 95 percent in 2023, and 98 percent in 2021 and 2025, but only 39 percent in 2022 which can largely be attributed to potential capital costs associated to a new or expanded garage facility. In 2024, Friendly Rider is estimated to exceed their local match through estimated revenues.

Table 9.6: Unconstrained Plan – 2020 – 2025 Needs vs. Revenues

Year	Estimated Local Match Needed	Estimated Total Revenues	% of Local Match Covered by Revenues
2020	$226,627	$181,999	80%
2021	$193,691	$188,931	98%
2022	$500,286	$194,599	39%
2023	$211,373	$201,331	95%
2024	$192,248	$207,371	108%
2025	$218,615	$213,592	98%

10. Agency Strategic Direction

Requirements

Policies, including the Olmstead Plan and Americans With Disabilities requirements, are leading communities to explore ways of accommodating the needs of people with disabilities. A statutory goal of meeting 90 percent of the need for transit service by 2025 in Greater Minnesota also is focusing more attention on how to expand service around the state.

FTA

Olmstead Plan

The Olmstead Plan is a plan for public agencies to outline its responsibilities to persons with disabilities. The plan is based on the United States Supreme Court decision "*Olmstead v. L.C.*" which relates to the 1990 Americans with Disabilities Act (ADA). Based on the *Olmstead v. L.C.* decision, people with disabilities cannot be segregated based on Title II of the ADA.

The Olmstead decision defines how government services are provided by public agencies. Public agencies work to provide equal services to people with disabilities. MnDOT utilizes the Olmstead Plan to facilitate services to give persons with disabilities a choice.

Transportation is linked with the Olmstead Plan due to transportation's impact on independence and quality of life. Transportation connects people to employment, housing, education, health services and social activities. MnDOT and all agencies working with MnDOT work to provide people with disabilities access to reliable, cost-effective and accessible transportation choices.

Title VI

Title VI of the Civil Rights Act of 1964 is a federal law established to protect persons and groups from discrimination based on race, color and national origin. Title VI further states that persons and groups cannot be excluded in participation or denied benefits in any program or activity receiving federal financial assistance.

MnDOT works with the Office of Civil Rights to enforce Title VI. The Office of Civil Rights provides Title VI training and technical support to staff, processing Title VI

complaints, conducting internal and external compliance reviews, reporting Title VI compliance activities and approving the Title VI policies.

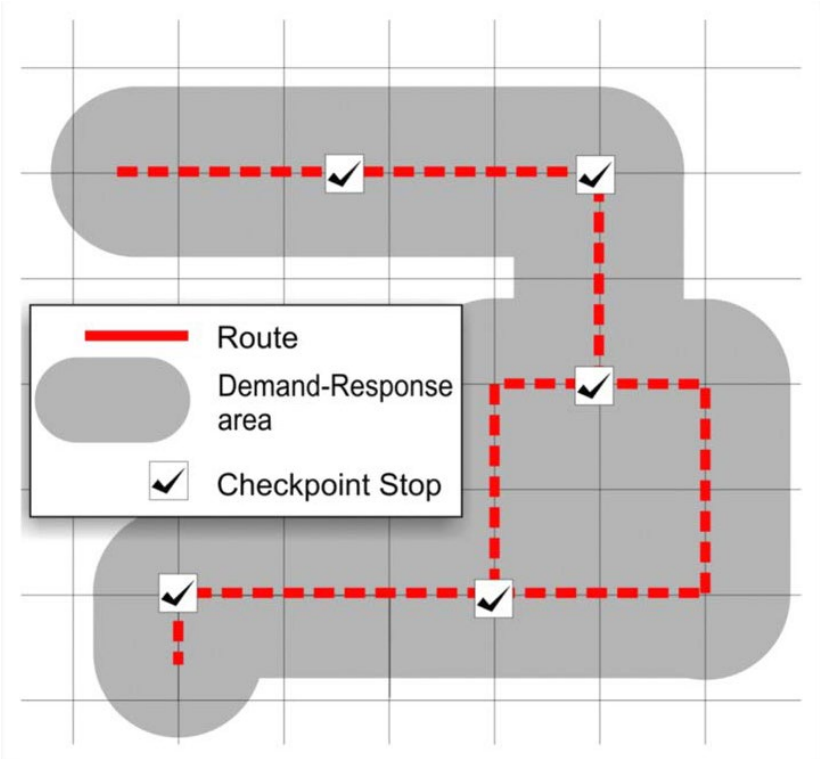
ADA

The Americans with Disabilities Act (ADA) is a 1990 civil rights law that prohibits the discrimination against individuals with disabilities. Title II of ADA requires that services and programs are inclusive to persons with disabilities. As a part of Title II, MnDOT and all public agencies are required to conduct a self-evaluation of its facilities, create an inventory of existing facilities and develop a transition plan to improve the quality and design standards of facilities.

MnDOT works with the Federal Transit Administration to ensure the Greater Minnesota Transit grant recipients comply with ADA standards. ADA transit-related services include ensuring that transit services and facilities are designed to allow access by individuals with disabilities as well as ensuring that transit vehicles purchased with federal funds meet accessibility standards.

Many rural and small community transit systems operate a deviated route system as a way to blend traditional fixed route style pick up locations with a demand response type operation. The illustration in **Figure 10.1** shows how a deviated route would be provided. The route with predetermined timepoints would be established while allowing riders to be picked up and dropped off within a zone surrounding the route. The route would meet ADA requirements by allowing pick up and drop off within a minimum ¾ mile of the route, which keeps the system in compliance with ADA regulations on complementary paratransit rules.

Figure 10.1: Deviated Routing Illustration



Transit Asset Management

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

Maintenance Plans for both facilities and vehicles are essential to understanding and documenting how transit systems are maintaining their assets. Updating Maintenance Plans that are specific to the asset have been identified as a key component. Another key tool for making decisions about assets is the annual

inspections conducted by OTAT personnel. This not only helps MnDOT understand that systems are maintaining their fleets per their Vehicle Maintenance Plans, it also lets MnDOT see firsthand the condition of the fleet in the field. The inspection also aids in keeping MnDOT in the loop on what issues the transit systems are facing regarding their fleet. Likewise, for transit facilities, MnDOT visits each federally funded facility as well as state funded facility and conducts an annual facility review. This allows MnDOT to verify that transit systems are maintaining their facility per their Facility Maintenance Plan and allows MnDOT to verify any issues with a facility.

To further enhance the TAM Plan, MnDOT added a Transit Asset Management module to the Black Cat Grants Managements System in 2017 that allows greater tracking of assets. Additionally, MnDOT completed an update to its TAM Plan in 2018 that included an inventory of the number and type of capital assets, a condition assessment of those inventoried assets for which a provider has direct capital responsibility, a description of analytical processes or decision-support tools that a provider uses to estimate capital investment needs over time and develop its investment prioritization, a discussion of prioritization investment direction, and plan implementation strategies and recommendations including how OTAT will monitor, update, and evaluate, as needed, the statewide 5311 TAM Plan and related business practices, to ensure the continuous improvement of its TAM practices.

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

Opportunities

Friendly Rider has opportunities to improve and enhance their transit services through increased coordination activities with other transportation providers and collaborating where services cross borders. Ridership growth will be experienced through the increased coordination in addition to implementation of new and expanded services. Continued capital investments in facilities and vehicle fleet will allow Friendly Rider to provide high quality and reliable services.

Risks & Challenges

Friendly Rider may face risks and challenges as many transit systems experience a lack of available licensed drivers and being able to pay competitive wages. In addition, as many aging drivers leave the workforce they are not being replaced by younger drivers looking for a career in public transit.

Transit systems also need to find enough staff with the technical and supervisory skills to meet operational performance requirements set forth by MnDOT and the FTA. Generating local share funding for operations and capital grant matches will continue to be issues for city and county governments to deal with and willingness to provide that support. Transit systems will be challenged to keep up with replacement schedules for vehicles, equipment and facilities. Implementation of TAM strategies will be a guide for Friendly Rider to follow.

11. Increasing Transit Use for Wadena County Friendly Rider Transit

Marketing

Friendly Rider hosts and maintains their own website, which provides only basic information about their transit services. Friendly Rider does not publish individual service area schedules, but rather describes services by community served by day and span of service. All Friendly Rider services are dial-a-ride and scheduled by appointment by phone or from an online reservation form.

Action Plan

Friendly Rider can improve marketing outreach through an improved website information and design and an advertising and marketing plan to promote the services of the transit system.

APPENDIX A – Need and Demand Analysis

Technical Memorandum

To: Wadena County Friendly Rider Five Year Transit System Plan

From: WSB

Date: April 1, 2019 (Amended September 13, 2019)

Re: Wadena County Friendly Rider Need and Demand Analysis

Background

MnDOT has created a goal to increase transit ridership among all the transit providers in greater Minnesota. The Greater Minnesota Transit Investment Plan (GMTIP), completed in 2017, set forth a legislative target to meet 90 percent of the transit service demand by 2025. Public transit throughout greater Minnesota is a community asset that provides necessary transportation for many persons who do not have access to their own means of transportation and for individuals who choose to use public transit services. Having access to public transit services improves economic vitality, quality of life and enhances community development in communities throughout the state.

Several strategies were set forth in development of the GMTIP. Each of these strategies are described in greater detail in the Five-Year Transit System Plan (FYTSP). The strategies are:

- Improve public transit service coverage in Greater Minnesota
- Improve regional connections and cross-system trips in Greater Minnesota
- Make public transit a viable choice for transportation in Greater Minnesota
- Improve public transit service quality based on performance standards
- Create investment and performance-based policies based on the Regional Trade Center guidelines
- Support coordination between public transit systems and other transportation providers
- Make investment decisions based on performance standards

The need and demand analysis evaluates area-wide transit need or demand for Wadena County Friendly Rider. The methods were developed using data for rural counties and are most applicable for estimating need and demand in rural counties. The analysis is beneficial for evaluating areas not currently served by public transit.

The need and demand results described in this section are developed from Transit Cooperative Research Program (TCRP) Report 161, Methods for Forecasting Demand and Quantifying Need for Rural Passenger Transportation. The estimation methods from TCRP Report 161 are utilized in estimating the demand for public transit in the Wadena County Friendly Rider service area. The purpose of this data is to help the providers and local decision-makers better define service needs and set realistic expectations for transit service and ridership. This also supports quantitative evidence of transit demand.

The need and demand analysis can be used to describe the gaps between existing transit service and where services could be expanded to meet demands. To build ridership demand, public transit service providers typically use marketing and promotion techniques to generate trips from existing and new services. New service areas and routes many times take several months to build consistent ridership to meet ridership performance goals.

Need
Need is defined in two ways:

1. The number of people in a geographic area likely to require a public transportation service and
2. The difference between the number of trips made by persons who reside in households owning no personal vehicle and the number of trips that would likely be made by those persons if they had access to a personal vehicle.

This measure is referred to as the Mobility Gap.

Because the incremental cost of a trip, using a car is a low cost for those who have access to and ability to use a car, the difference between the number of daily trips made by persons with ready availability to a personal vehicle and by those lacking access is used as the indicator of the unmet need for additional person-trips. Not all unmet need will be fulfilled by public passenger transportation services. Persons lacking a personal vehicle or the ability to drive receive transportation from friends, relatives, volunteers, and social-service agencies, as well as from public services.

Estimates of need for passenger transportation services for Wadena County Friendly Rider in **Table 1** is presented as the number of persons residing in households with income below the poverty level, plus the number of persons residing in households owning no vehicle, producing a total of the number of persons in need of passenger transportation.

Table 1: Wadena County Friendly Rider
Worksheet for Documenting Persons with Transportation Needs

Persons residing in households with income below the poverty level	1,977
Persons residing in households owning no automobile	370
Persons in need of passenger transportation services	2,347

Source: 2017 American Community Survey

To produce an estimate for annual need, the daily Mobility Gap figure is multiplied by 300 days. This figure reflects that trip need is likely reduced on the weekends, but annual need is not just associated with weekdays. For Wadena County Friendly Rider, this results in an annual need of 201,600 annual trips shown in **Table 2**.

Table 2 Gap Calculation

Households with No Vehicle Available	320
Gap Number (State of Minnesota)	2.1
Daily Mobility Gap Need (Daily 1-way passenger trips)	670
Annual Mobility Gap Need (Annual 1-way passenger trips)	201,600

Source: 2017 American Community Survey

The need estimates calculated from the Mobility Gap method are typically far greater than the number of trips observed on rural passenger transportation systems and are likely greater than the demand that would be generated for any practical level of service. Much of the remaining trip-based Mobility Gap is likely filled by friends and relatives driving residents of non-car-owning households. Therefore, agencies choosing to use the Mobility Gap may wish to establish a target or goal for the proportion of the gap to be satisfied by publicly provided services. In the testing of these suggested methodologies with several rural transit agencies, it was found that only about 20 percent of the Mobility Gap trip-based need was met.

Demand
Estimating transit ridership demand is defined as the number of trips likely to be made over a given period within a given geographic area at a given price and level of service. The procedures for preparing forecasts of demand have been stratified by market:

- Public (i.e., Section 5311 funded) services
- Program or sponsored trips
- Fixed-route service in small urban towns in rural areas
- Commuters from rural areas to central cities

Two methods are used to calculate a demand estimate for general public transportation based on the TCRP Report 161:

1. Using population age 60+, population age 18 – 64 with a mobility limitation and persons living in households with no vehicle available
2. Using annual vehicle-miles of service as reported to the Federal Transit Administration 2017 National Transit Database addresses demand based on need and the supply of service. This NTD method provides a figure for demand that is not tied to a specific market but provides an estimate for demand for transportation in general.

The first method utilized for Wadena County Friendly Rider for estimating the demand expected for passenger transportation in rural areas not related to social-service programs, general public rural non-program demand is described below:

Non-program Demand = (2.20 × Population age 60+) + (5.21 × Mobility Limited Population (age 18 to 64) + (1.52 × Residents of Households having No Vehicle)

Table 3: Wadena County Friendly Rider General Public Rural Non-Program Demand

Population Age 60+	3,789	x 2.2	8,336
Population Age 18 – 64 with a Mobility Limitation	597	x 5.21	3,110
Persons Living in Households with No Vehicle Available	370	x 1.52	562
Estimate of Demand for General Public Rural Transportation (Annual 1-way passenger trips)			12,000

Source: 2017 American Community Survey

The second method utilized for Wadena County Friendly Rider for estimating the demand expected for general public rural passenger transportation utilizing NTD data is shown in **Table 4**.

Table 4: Wadena County Friendly Rider General Public Rural Passenger Transportation Demand

Annual Revenue-Miles	175,282
Total Rural Non-Program Demand (Annual 1-way passenger trips)	29,100

Source: 2017 National Transit Database

Wadena County Friendly Rider annual ridership in FY 2017 of 61,249 exceeds the estimate for demand for general public rural transportation (12,000 annual 1-way trips) and total rural non-program demand (29,100 annual 1-way passenger trips). Friendly Rider has maximized ridership potential by providing trips for DAC's, medical providers throughout the county and service within the hub communities in their service area Wadena and Staples.

The TCRP Report 161 analysis defined the mobility gap need at 201,600 annual 1-way passenger trips for Wadena County based on the 320 households in the service area with no vehicle available.

Legislative Goal
The State of Minnesota has set a legislative directive of meeting 90% of total transit service needs by 2025. Wadena County Friendly Rider is meeting 68% of the legislative goal. In 2017, Wadena County Friendly Rider provided approximately 204 daily trips, and to meet the legislative directive they would need to provide approximately 302 daily trips by 2025 in their transit service area.

Table 5 illustrates the operating criteria that would be required for Wadena County Friendly Rider to meet the legislative goal based on their existing cost per passenger trip. It is realistic for Wadena County Friendly Rider to provide the level of service needed to meet the 90% legislative goal by 2025.

Table 5 Cost to Meet Legislative Goal

Option	Passenger-Trips	Annual Operating Cost	Revenue-Hours	Cost per Trip
Service Levels (2017)	61,249	$729,150	13,453	$11.90
Service required to meet the Legislative Goal	90,720	$1,079,993	19,926	$11.90

Source: Need and Demand Analysis 2017 Data

The calculations using Wadena County's 2017 mobility gap and estimation of demand figures for developing the estimate of transit need required to meet the 2025 90% legislative goal are shown below.

Annual Mobility Gap (from Table 2)	201,600
x 50% Trip Adjustment	x .5
Adjusted Mobility Gap	100,800
x 90% Legislative Goal	x .9
= Estimate of Transit Need	90,720

APPENDIX B – Transit Access Management Plan (TAM)

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

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

To further enhance the TAM Plan, MnDOT added a Transit Asset Management module to the BlackCat Grants Managements System in 2017 that allows greater tracking of assets. Additionally, MnDOT completed an update to its TAM Plan in 2018 that included an inventory of the number and type of capital assets, a condition assessment of those inventoried assets for which a provider has direct capital responsibility, a description of analytical processes or decision-support tools that a provider uses to estimate capital investment needs over time and

develop its investment prioritization, a discussion of prioritization investment direction, and plan implementation strategies and recommendations including how OTAT will monitor, update, and evaluate, as needed, the statewide 5311 TAM Plan and related business practices, to ensure the continuous improvement of its TAM practices.

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

APPENDIX C – Glossary of Terms

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

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

Adult: Any person between the ages of 18 and 59 years.

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

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

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

Children: Any person younger than the "student" category cited above. May be defined locally as long as it is consistent. Children are to be counted as passengers regardless of whether a fare is paid.

Circulator: A bus that makes frequent trips around a small geographic area with numerous stops around the route. It is typically operated in a downtown area or area attracting tourists, where parking is limited, roads are congested, and ***trip***

generators are spread around the area. It may be operated all-day or only at times of ***peak*** demand, such as rush hour or lunchtime.

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

Commuter Bus Service: Transportation designed for daily, round-trip service, which accommodates a typical 8-hour, daytime work shift (e.g., an outbound trip arriving at an employment center by 8:00 a.m., with the return trip departing after 5:00 p.m.).

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

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

- ***Pure Demand-Responsive Service:*** Drivers pick up and drop off passengers at any point in the service area, based on instructions from the dispatcher. In pure demand responsive systems, the dispatcher combines

immediate requests, reservations, and subscription service for the most efficient use of each driver's time.

- ***Zonal Demand-Responsive Service:*** The service area is divided into zones. Buses pick up and drop off passengers only within the assigned zone. When the drop off is in another zone, the dispatcher chooses a meeting point at the zone boundary for passenger transfer or a central transfer is used. This system ensures that a vehicle will always be within each zone when rides are requested.
- ***Flexibly Routed and Scheduled Services:*** Flexibly routed and scheduled services have some characteristics of both fixed route and demand-responsive services. In areas where demand for travel follows certain patterns routinely, but the demand for these patterns is not high enough to warrant a fixed route, service options such as checkpoint service, point deviation, route deviation, service routes, or subscription service might be the answer. These are all examples of flexible routing and schedules, and each may help the transit system make its demand-responsive services more efficient while still maintaining much of the flexibility of demand responsiveness.

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

Disabled: A passenger who has a physical or mental impairment that substantially limits one or more major life activities. (Include all disabled passengers regardless of age.)

Elderly: Any person aged 60 years or older.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Section 5304 (State Transportation and Planning Program): The section of the Federal Transit Act of 1991, as amended, that provides financial assistance to

the states for purposes of planning, technical studies and assistance, demonstrations, management training and cooperative research activities.

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

Section 5310 (Enhanced Mobility for Seniors and Persons with Disability): The section of the Federal Transit Act of 1991, as amended, that provides grant funds for the purchase of accessible vehicles and related support equipment for private non-profit organizations to serve elderly and/or disabled people, public bodies that coordinate services for elderly and disabled, or any public body that certifies to the state that non-profits in the area are not readily available to carry out the services.

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

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

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

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

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

- ***Service design and operating standards***: Guidelines for the design of new and improved services and the operation of the transit system.

- ***Service performance standards****:* The evaluation of the performance of the existing transit system and of alternative service improvements using ***performance measures***.

Student: Any person between the ages of 6 and 17 years. May be defined locally as long as it is consistent.

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

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

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

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

Passenger Trips: A trip is one passenger making a one-way trip from origin to destination. For example, if a passenger travels from home to the store, then from the store to the library and then returns home, that is three trips. Trips should be counted regardless of whether an individual fare is collected for each leg of the travel.

Passenger trips may only be counted in one category. If a passenger falls in to more than one category, make a determination which one to use and be consistent throughout.

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

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

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

APPENDIX D – Transit Funding in Minnesota

Transit funding is comprised of:

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

PROGRAM	DESCRIPTION	2017 TOTAL	% OF GRAND TOTAL
5307	Urbanized Area Formula Program: Operating and capital assistance for public transportation in urban areas (including Duluth, East Grand Forks, La Crescent, Mankato, Moorhead, Rochester, St. Cloud and metropolitan Twin Cities.)	$63,248,281	43.23%
5310	Elderly Individuals and Individuals with Disabilities Program: Capital and operating assistance grants for organizations that serve elderly and/or persons with disabilities	$3,846,676	2.63%
5311	Non-urbanized Area Formula Program: Capital and operating funding for small urban and rural areas; includes intercity bus transportation	$15,863,833	10.84%
5311(b)(3)	Rural Transit Assistance Program: Research, training and technical assistance for transit operators in non-urbanized areas	$249,893	0.17%
5311(c)	Public Transportation on Indian Reservations: Capital and operating funding for tribes	$2,044,800	1.40%
5337	State of Good Repair Program: Funding to upgrade rail transit systems and high-intensity motor bus systems that use high-occupancy vehicle lanes, includes bus rapid transit	$15,313,475	10.47%
5339	Bus and Bus Facilities Program: Funding to assist in procurement or construction of vehicles and facilities	$7,068,088	4.83%
FHWA Flexible Funds	Congestion Mitigation and Air Quality: Funding for transit capital projects	$23,765,609	16.2%
	Surface Transportation Program: Funding for transit capital projects in Minnesota	$3,014,400	2.06%

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

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MnDOT Transit Funding

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

General Fund Appropriations

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

Greater Minnesota Transit

FY14 - $16,451,000 FY15 - $16,470,000

FY16 - $19,745,000 FY17 - $19,745,000

FY18 - $ 570,000 FY19 - $17,395,000

FY20 (Base) $17,245,000 FY21 (Base) $17,245,000

Transit Assistance Fund

The Transit Assistance Fund (TAF) receives revenue from the Motor Vehicle Sales Tax (MVST) and Motor Vehicle Lease Sales Tax (MVLST). The MVST appropriation must be at least 40 percent of the total revenue according to the Minnesota Constitution, and is currently set at 40 percent by statute (Minn. Stat. 297B.09). Of this revenue, 90 percent is allocated to metropolitan transit (36 percent of total MVST) and 10 percent is allocated to Greater Minnesota Transit (4 percent of total MVST).

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

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

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

Source: 2012 - 2018, Consolidated Fund Statement - 2018 February Forecast. (March 15, 2018) https://mn.gov/mmb/assets/cfs-feb18fcst_tcm1059-330451.pdf

The source for the years 2009 through 2011, is fund balance documents issued at that time.

Local Revenues

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

- Elderly and disabled: 15%
- Rural (population less than 2,500): 15%
- Small urban (population 2,500 - 50,000): 20%
- Urbanized (population more than 50,000): 20%

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

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

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

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

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

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

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

State Statute MS174.24 Public Transit Participation Program

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

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

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

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

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

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

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

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

(e) If a recipient informs the commissioner in writing after the establishment of these percentages but prior to the distribution of financial assistance for any year that paying its designated percentage of total operating cost from local sources will cause undue

hardship, the commissioner may reduce the percentage to be paid from local sources by the recipient and increase the percentage to be paid from local sources by one or more other recipients inside or outside the classification. However, the commissioner may not reduce or increase any recipient's percentage under this paragraph for more than two years successively. If for any year the funds appropriated to the commissioner to carry out the purposes of this section are insufficient to allow the commissioner to pay the state share of total operating cost as provided in this paragraph, the commissioner shall reduce the state share in each classification to the extent necessary.

APPENDIX E – Financial Templates