Hubbard County Heartland Express Five-Year Transit System Plan

TRANSPORTATION CONSULTANTS, INC.

RLS & Associates, Inc.

This page intentionally left blank.

Hubbard County Heartland Express

Five-Year Transit System Plan

Final Report

Prepared for:

Minnesota Department of Transportation
395 John Ireland Boulevard
St. Paul, MN 55155-1800

Prepared by:

LSC Transportation Consultants, Inc.
545 East Pikes Peak Avenue, Suite 210
Colorado Springs, CO 80903
(719) 633-2868

In association with:

RLS and Associates

LSC #184451

June 17, 2019

This page intentionally left blank.

CERTIFIED COPY OF COUNTY BOARD RESOLUTION
HUBBARD COUNTY, MINNESOTA

Commissioner De La Hunt moved the adoption of the following Resolution:

RESOLUTION NO. 06181903

WHEREAS, The Hubbard County Heartland Express Five-Year Transit Plan recommends transit service improvements which reflect local priorities to meet transportation needs in the areas serviced by Hubbard County Heartland Express; and

WHEREAS, The Hubbard County Heartland Express Five-Year Transit Plan has been approved by Hubbard County Heartland Express; and

WHEREAS, The Hubbard County Board of Commissioners has reviewed and considered the plan and believe it addresses the transit needs as stated;

NOW, THEREFORE, BE IT RESOLVED, that the Board approves The Hubbard County Heartland Express Five-Year Transit Plan.

Commissioner Van Kempen seconded the motion for the adoption of the Resolution and it was declared adopted upon the following vote:

Ayes 5 Nays 0

STATE OF MINNESOTA)
)ss.
County of Hubbard)

Office of the Coordinator

I, Eric Nerness, Hubbard County Coordinator, certify the above is a full, true, and correct copy of a Resolution duly adopted by the Hubbard County Board of Commissioners at its regular meeting held June 18, 2019.

Eric Nerness
Hubbard County Coordinator

This page intentionally left blank.

CONTENTS

LIST OF TABLES

LIST OF FIGURES

CHAPTER I

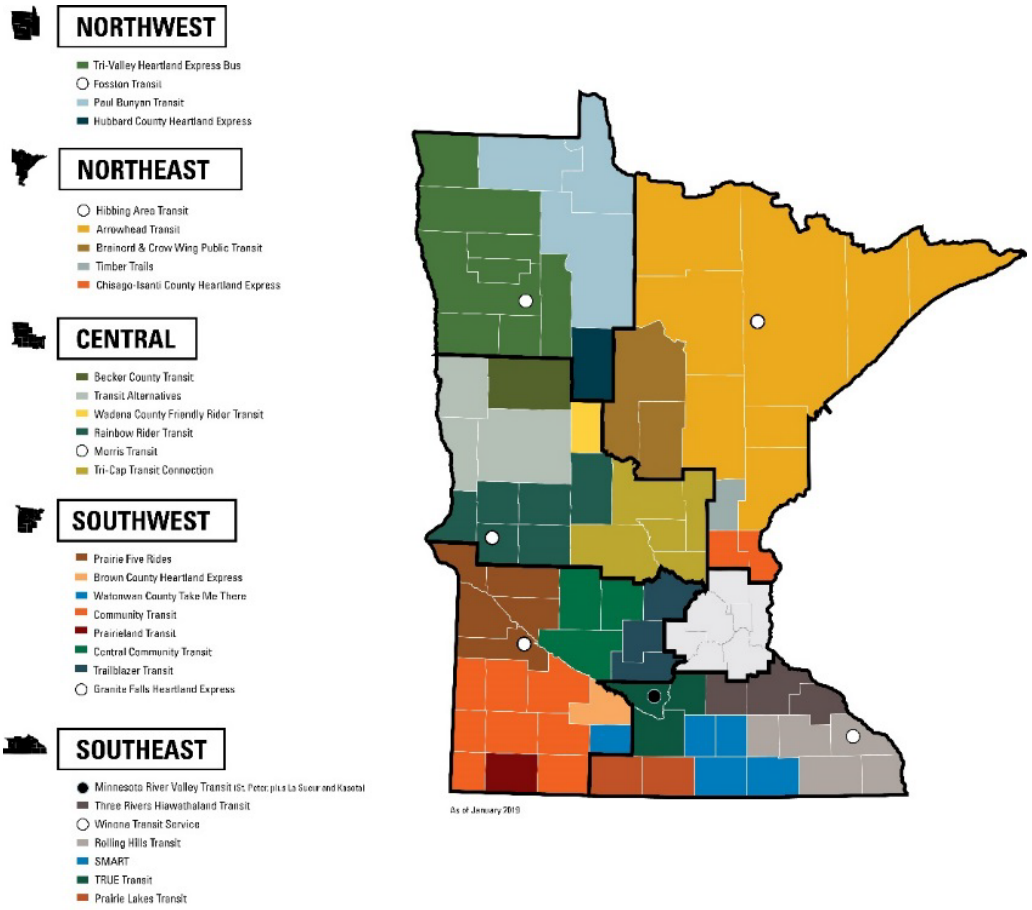
Executive Summary

OVERVIEW

The Hubbard County Heartland Express Five-Year Transit System Plan (FYTSP) serves as the guiding document for the sustainability, growth, and development of public transportation services within the areas served by Heartland Express, including the Park Rapids area of Hubbard County and nearby communities. The FYTSP further serves as the guiding document for Heartland Express for the 2020-2025 timeframe and is intended to guide funding, operational, and strategic decision-making.

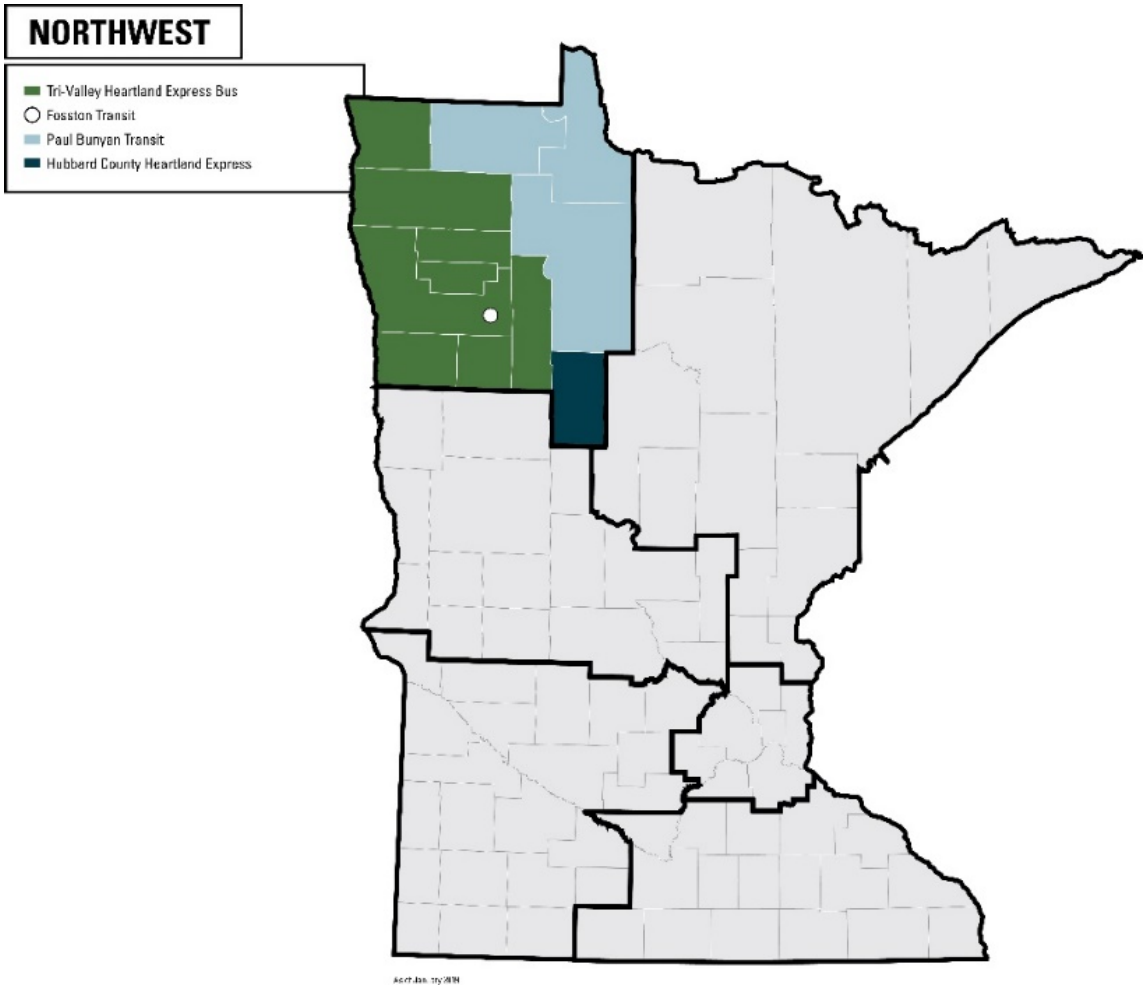
This FYTSP is part of a coordinated, concurrent statewide effort to develop FYTSPs for all 30 of the rural transit providers of Greater Minnesota, as shown in Figure I-1.

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



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

Figure I-2: Northwest MN Providers



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

needs, as well as opportunities to improve efficiencies in service delivery were also identified through regional Local Human Service-Public Transit Coordination Plans.

The State of Minnesota's transportation goals include:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

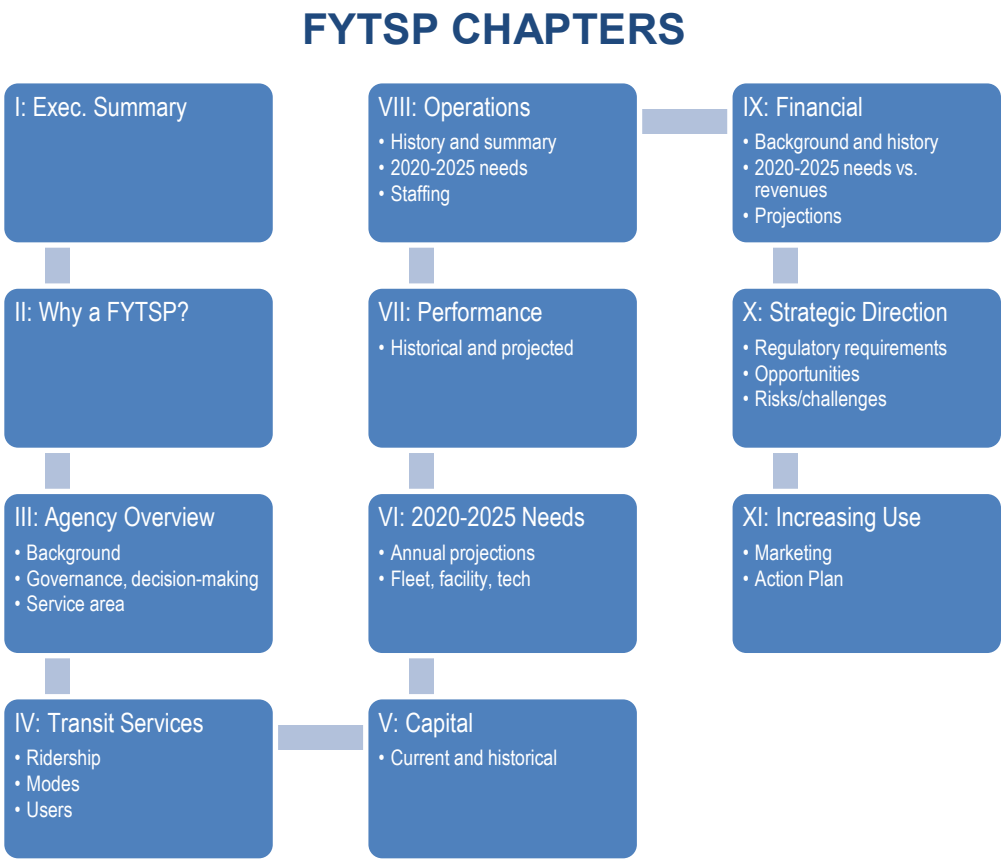
In addition to articulating the Heartland Express service area needs to the state legislature, the purpose of this FYTSP is to help Hubbard County understand strengths and weaknesses, identify unmet needs and future transit service changes, and develop a financial operating and capital plan that is adaptable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

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

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

PLAN CHAPTER SUMMARY

The Hubbard County Heartland Express FYTSP is organized such that each chapter is built upon previous chapters to create a complete picture of current services, unmet needs, and future direction.



Chapter II: Why a FYTSP?

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

This chapter describes how the FYTSP will help rural transit systems such as Heartland Express work towards overall goals such as:

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

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

Chapter III: Hubbard County Heartland Express Overview

Chapter III provides a snapshot of Hubbard County Heartland Express as it currently operates and includes agency history, governance, service overview, coordination, marketing, and partnerships.

Heartland Express is a demand response public transportation system operated by and based in Hubbard County. The service has operated since 1989 and is available to the general public and operates primarily within Park Rapids city limits and adjoining areas. As shown in Table I-1, Hubbard County operates six vehicles and has an annual ridership of almost 40,000.

Table I-1
Heartland Express Snapshot

Operated by	Hubbard County
Type of service	Demand response (dial-a-ride) in Park Rapids, monthly, regional trips
Number of buses	6
Ridership (2017)	38,456
Operating budget (2017)	$430,481

Source: Hubbard County, 2018.

Hubbard County Heartland Express operates Monday through Saturday demand response service within a two-mile service area of Park Rapids, as well as a rural demand response route for the local Developmental Achievement Center, and monthly trips to Bemidji. Hubbard County also operates a volunteer driver program called Dial-A-Car with eight volunteer drivers.

Community coordination efforts are highlighted in Chapter III and include numerous partnerships with local non-profits, schools, social service agencies, transit providers, senior centers, and independent living centers.

Chapter IV: Hubbard County Heartland Express Services

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

An analysis of ridership from 2013 to 2018 reveals that:

- Ridership steadily increased between 2012 and 2016, with the largest growth between 2015 and 2016 (15 percent), when service hours were extended into the evening.
- In 2018, approximately 41% of Heartland Express riders were adults, followed by children (25 percent), disabled (19 percent), and elderly (15 percent).
- In 2018, approximately 87 percent of Hubbard County Heartland Express rides are in the city and 13 percent are in the county.

Data from a Hubbard County Heartland Express rider survey conducted in 2016, as part of the Greater Minnesota Transit Investment Plan, of 75 riders is also included – this information shows that 63% of riders use the bus for 80% of their transportation needs, 95% indicated that they were very satisfied or satisfied with the availability of public transportation, and the most popular trip purpose for riders was shopping (56%).

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

Chapter V: Capital

This chapter provides background information regarding Hubbard County Heartland Express's capital equipment, facilities, current needs, and enhancement needs.

Heartland Express currently has one facility owned by Hubbard County that has storage capacity for five vehicles and no maintenance bays. This facility is at capacity, but there is some land available adjacent to the facility that could be used for expansion storage bays. The Heartland Express vehicle fleet is comprised of five in-service vehicles and one spare vehicle. Maintenance of these vehicles is contracted out. All vehicles have automatic vehicle location (AVL) technology and monitoring cameras onboard.

Current capital needs are highlighted and include the possibly facility expansion; vehicle replacements of four buses from 2019 through 2025; and bringing dispatch capabilities in-house.

Chapter VI: 2020-2025 Annual Needs

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

Unmet transportation needs were determined in several ways:

- Advisory Committee meetings and discussions
- Mobility gap calculation that estimates the need for 212 daily trips, which compares to the 123 daily trips Heartland Express averaged in 2017
- Other demand calculations such as general public non-program demand and commuter transit demand

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

- Expand the service area an additional five miles beyond the current service area to reach smaller towns in the county.
- Extend weekday service hours until 8:30 p.m. for access to mental health programs in the evenings.
- Enhance Saturday service by adding a second bus to increase capacity.
- Establish new commuter services for local employers.
- New service to Fargo five days per week to access medical appointments and the Veterans Administration.

If some or all of these service options were to be implemented, Heartland Express would also need to grow supporting organizational functions such as extending dispatch hours, brining dispatch in-house, hiring more drivers, updating the fare collection system, and additional vehicle storage space.

Chapter VII: System Performance

System performance, both historical and future projections, for Hubbard County Heartland Express is presented in this chapter in order to understand how Heartland Express performs today and how it will possibly perform in the future under enhanced service options. To help give context to Heartland Express' current performance, peer data are included from three different similarly-sized providers in Ohio.

The performance metrics used in this chapter include average passengers-trips per hour, average cost per hour, average cost per passenger-trip, trips denials, and on-time performance. Heartland Express doesn't currently track trip denials or on-time performance, so a recommendation is to start tracking and reporting these. Additional suggested performance metrics include farebox recovery, road calls, and accident rate.

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

Table I-2
Heartland Express Transit System Projected Performance

Option	Passenger-Trips	Annual Operating Cost	Revenue Hours	Passenger-Trips per Hour	Cost per Hour	Cost per Passenger-Trip
Status Quo Service (2017) *County Service Monday - Friday from 8 a.m. - 4 p.m. Park Rapids DAR Monday - Friday from 7:30 a.m. - 6:30 p.m. and Saturday from 8 a.m. - 3:30 p.m.*	38,456	$430,481	7,217	5.3	$59.65	$11.19
Option 1 - Same hours/days, wider service area*	34,610	$430,481	7,217	4.8	$59.65	$12.44
Option 2 - Extension of Park Rapids DAR weekday evening hours until 8:30 p.m.	41,148	$484,761	8,127	5.1	$59.65	$11.78
Option 3 - Additional Park Rapids DAR bus on Saturdays	39,225	$453,744	7,607	5.2	$59.65	$11.57
Option 4 - New commuter service for local employers	2,500	$62,034	1,040	2.4	$59.65	$24.81
Option 5 - New Service to Fargo five days per week	2,860	$108,560	1,820	1.6	$59.65	$37.96
Option 6 - Daily connection between Park Rapids and Nevis for school-related trips	5,200	$15,509	260	20.0	$59.65	$2.98

**Note: By widening the service area in Option 1, ridership and productivity decrease as fewer trips can be provided without additional resources being added to the service.*
Source: LSC, 2019.

Chapter VIII: Operations

Chapter VIII presents an operating budget scenario through 2025 as a basis to better understand Hubbard County Heartland Express's current operation needs. The operating budget template incorporates an inflation factor and additions to future operating costs.

The operating budget includes the cost to add a dispatcher, a part-time driver, and a part-time admin for 2020 and beyond – this is required to maintain the status quo. It is anticipated that Hubbard County's current organizational structure, coordination efforts, and regional connectivity will continue going forward through 2025 much as they exist today.

Chapter IX: Financial

Chapter IX presents two scenarios for Heartland Express for 2020-2025: unconstrained and constrained.

Under the unconstrained plan, all service enhancements considered in Chapter VI, with associated performance shown in Chapter VII, are shown as being implemented. If all service enhancements are implemented as outlined in the following table, the annual operating cost of Hubbard County Heartland Express would increase from an estimated $430,481 in 2017 to $810,836 by 2025.

With additional funding unidentified at the time of this report, a constrained five-year financial plan is also presented in Chapter IX. Under this constrained plan, Hubbard County would operate all of the current status quo service plus the possible expansion of the demand response area out to a five-mile radius.

Chapter X: Hubbard County Heartland Express Strategic Direction

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

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

In addition to complying with these various regulations and requirements, Heartland Express faces many challenges in implementing the possible service enhancements and expansions, the largest of which is funding. Without additional local match and federal funding, Hubbard County will not be able to grow services and increase ridership. Implementing all the possible service enhancements and expansion potentials requires $40,000 to $46,000 per year in additional local match for operations plus local match for capital costs.

Chapter XI: Increasing Hubbard County Heartland Express Use

If transit services and ridership are to grow for 2020-2025, Hubbard County Heartland Express should adopt a Marketing Action Plan, outlined in Chapter XI, to build on the current, ongoing efforts to grow community awareness, support, and use of the service.

Marketing strategies include creating a social media presence, continued investment in website improvements, improved branding and printed materials, implementation of a real-time bus location smartphone app, and a rider alert app. National transit marketing resources are also included in Chapter XI.

SUMMARY OF APPENDICES

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

A – Transit Asset Management (TAM)

Appendix A describes how MnDOT meets the FTA requirement that all agencies have a TAM Plan in place to aid in the decision-making process of balancing asset needs and demands for rolling stock, facilities, and equipment. The TAM plan is now a part of the BlackCat Grants Managements System to help track assets and prioritize capital investment needs over time. The TAM submitted to FTA by MnDOT identifies assets to be replaced.

B – Glossary of Terms/Concepts

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

C – Transit Funding in Minnesota

Appendix C includes an overview of transit funding in Minnesota.

D – Survey Results (Placeholder for Final)

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

This page intentionally left blank.

CHAPTER II

Why a Five-Year Capital and Operational Plan?

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

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

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

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

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

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

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

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

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

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

CHAPTER III

Agency Overview

This chapter describes the Hubbard County Heartland Express (Heartland Express) service including its history, governance, service overview, coordination, partnerships, and marketing. As shown in Table III-1, Heartland Express operates a local demand response transit system with six buses and ridership approaching 40,000 per year.

Table III-1
Heartland Express Snapshot

Operated by	Hubbard County
Type of service	Demand response (dial-a-ride) in Park Rapids, monthly, regional trips
Number of buses	6
Ridership (2017)	38,456
Operating budget (2017)	$430,481

Source: Hubbard County, 2018.

TRANSIT AGENCY BACKGROUND

Heartland Express is a demand response public transportation system based in Hubbard County. The service is available to the general public and operates primarily within Park Rapids city limits and adjoining areas with monthly and weekly trips to and from nearby communities. Hubbard County operates Heartland Express as a social services program to benefit the community, especially residents who lack adequate transportation.

History

Heartland Express has operated since 1989, when the County started the service as a benefit to all demographic segments of the community. The service has been operated by the Hubbard County Social Services office since its inception. The mission of Heartland Express is: "To provide safe and reliable transportation service for the general public to and from appointments during established service hours and to provide the same for participating agencies such as Social Services, the Workforce Center, Veterans Services, etc., as part of maintaining an independent lifestyle for those who are transit dependent."

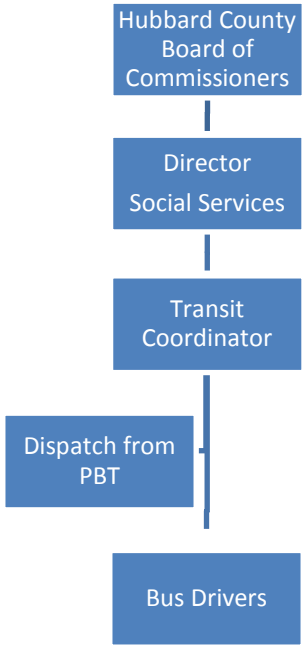
Heartland Express ridership has been growing in recent years due to service increases, especially additional evening service. Ridership is approaching 40,000 rides per year after hovering around 32,000 rides per year four years ago. Detailed ridership information is included in Chapter 4.

GOVERNANCE AND DECISION-MAKING

Heartland Express is operated by Hubbard County, which is a county of 20,655 (2015 data from the U.S. Census Bureau) people in northwestern Minnesota. The Hubbard County seat is Park Rapids, a city of 3,928, where Heartland Express primarily operates.

There are five Hubbard County Commissioners who are responsible for decision-making and policy associated with Heartland Express bus operations and funding. Day-to-day operations are managed by a Transit Coordinator with oversight from the County Director of Social Services, as shown in Figure III-1.

Figure III-1
Heartland Express Organizational Chart



The County Commissioners are supportive of the service and funding from the County is stable – the County guarantees the local matching funds requirement for receiving public transportation funding. In addition to funding from Hubbard

County, local funding for Heartland Express operations within Park Rapids is also provided by the City of Park Rapids as part of a monthly contract. Park Rapids City Council helps provide input for Heartland Express operations within the city.

SERVICE OVERVIEW AND BACKGROUND

Heartland Express operates a demand response type of service within Park Rapids and surrounding communities with six buses that operate Monday through Friday on a variety of routes and one bus on Saturdays in Park Rapids.

Existing Services

Heartland Express operates three general types of public transportation service:

- Demand response (also known as dial-a-ride) within Park Rapids
- A Developmental Achievement Center (DAC) route from Akeley, Nevis, and Dorset
- Regional connections to Bemidji and Detroit Lakes

In addition to these public transportation services, Heartland Express also operates a volunteer driver program called Dial-A-Car.

Demand Response Within Park Rapids

Public transportation service is provided by Heartland Express within Park Rapids and the surrounding areas up to two miles outside of city limits. Service is available:

- Monday through Friday from 7:15 a.m. until 6:30 p.m.
- Saturday from 8 a.m. until 4 p.m.

The service is operated as a curb to curb service with advanced reservations required. Dispatch for this service is provided by Paul Bunyan Transit and is

limited to 7 a.m. until 4:30 p.m. Heartland Express evening and Saturday service does not have dispatch, so only prescheduled trips are performed.

Rural Demand Response DAC Route

Heartland Express operates a daily route that connects Laporte, Akeley, Nevis, and Dorset with Park Rapids Monday through Friday. These communities are up to 37 miles outside of Park Rapids, and the route is operated primarily to access the DAC, as part of a contract with the DAC. Service can vary by month, but it typically arrives in Park Rapids from these outlying communities at 9 a.m. and departs Park Rapids at 2 p.m. The DAC has recently applied for a new bus through the MnDOT public transportation process, and this route might no longer be operated by Heartland Express in the future.

Monthly Regional Trips

Heartland Express operates two monthly trips from Park Rapids to Bemidji, which is 45 miles one-way. Recently, a trip to Detroit Lakes was operated as a short-term pilot service, but this has been discontinued due to low ridership.

These monthly trips require advanced reservations. Trips generally arrive at 10:30 a.m. in Bemidji or Detroit Lakes and depart at 1:30 p.m., which allows passengers time to run errands or attend appointments. The bus will take passengers point to point within Bemidji or Detroit Lakes. The bus will pick-up or drop-off passengers that live within Hubbard County along the corridor.

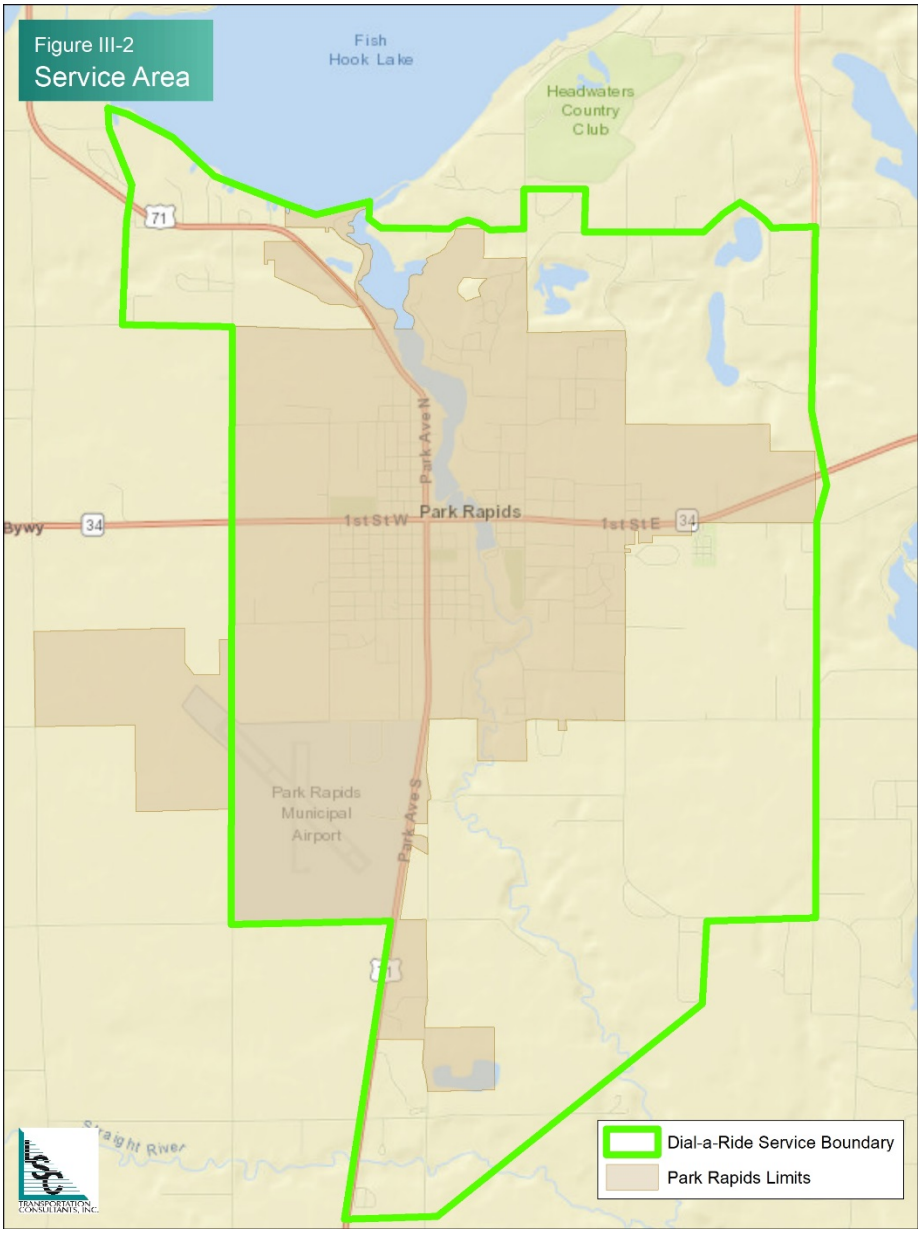
Schedules for these regional connections are published monthly due to variations in the number of available trips.

Additional Services

In addition to the demand response service, Heartland Express manages a volunteer driver program called Dial-A-Car that is funded through the Minnesota Department of Human Services (DHS). The service operates with eight volunteer drivers that receive a mileage reimbursement for operating their vehicle in the program. Most Dial-A-Car customers have Medicaid or other health insurance that pays for the trip. The Hubbard County Accounting Department processes the reimbursement claims and DHS collects from the insurance providers.

Service Area

As shown in Figure III-2, the Heartland Express service area boundary includes most of the Park Rapids city limits and a limited area outside of the city boundary. As described previously under Existing Services, Heartland Express also serves areas outside of the city limits including the DAC route and the monthly connection to Bemidji. Primary destinations within Park Rapids include schools and daycares, downtown shopping, medical services, the movie theater, and city and county services. There is some potential for commuter usage for employers like the RDO potato factory and Lamb Weston.



Fares and Policies

Heartland Express fares within the Park Rapids demand response area are $1.50 one-way and fares for regional trips like Bemidji are $6.00 round-trip. Children 16 and under ride free with an adult, and monthly passes are available for $35.00.

Heartland Express has rider guidelines to help facilitate safe and efficient service. In order to schedule a trip, passengers must call dispatch between 8 a.m. and 4 p.m., Monday through Saturday. Because drivers can only provide limited rider assistance, passengers are allowed to bring an assistant at no extra charge. If a passenger needs to cancel a trip, a two-hour notice is required. Anything less than a two-hour notice is considered a no-show. If a passenger has two no-shows, the passenger will be denied access to Heartland Express for one month. If there is a third no-show, transportation will be denied for six months.

Coordination with other Transportation Providers

Heartland Express coordinates with other transportation providers in the Park Rapids area and beyond to leverage resources and help coordinate local and regional transportation. Heartland Express coordinates with:

- Becker and Paul Bunyan Transit (PBT) for the most cost-effective public transportation rides
    - Heartland also has an agreement with PBT whereby PBT provides dispatching services and software for demand response rides

- Local K-12 public schools in Heartland's service area
- Regional charter bus providers
- Other transportation providers operating with Federal Transit Administration 5310 funding – this is a joint effort with the DAC
- Jefferson Lines, intercity bus service that Heartland will meet in Walker where passengers can board Jefferson and connect to Minneapolis
- The local taxi company
- Executive Shuttle by providing a volunteer driver ride to Wadena, where passengers can connect with Executive Shuttle for a ride to Minneapolis-Saint Paul International Airport
- Northern Lights Casino in Walker, which operates an employee vanpool
- Hubbard County Volunteer Transportation, which operates with 7 volunteer drivers. The volunteer program is full most of the time

Community Partnerships

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

- Working with local daycare centers, preschools, and summer recreation programs to provide rides for kids
- Working jointly with the Living at Home program to provide critical transportation needs such as dialysis
- Contracting with Veteran's Services to provide transportation for taking veterans to appointments in Fargo and Bemidji
- Selling bus passes to Social Services for non-emergency medical transportation trips
- Providing service to and from the DAC
- Providing service for the Community Education program of the Park Rapids School District
- Providing transportation for the local nursing home and Independent Living Centers for Seniors.

Heartland Express helps these agencies and organizations move their clients, customers, and students throughout the community onboard the bus. Heartland also promotes community organizations through public announcements on television screens onboard the bus that scroll electronic messages.

Marketing

Heartland Express uses a community-based, low-cost marketing approach to get information out about the service. This approach focuses around making targeted community presentations about bus service to various community groups. Heartland Express staff also try to have a presence at local events like health fairs, veterans' meetings, resource groups, and community fundraisers. Staff often take the bus as a "show and tell" way to connect with potential riders in rural areas that may not be familiar with public transportation.

Flyers posted around town, a website with complete service information (http://www.hubbardcountyheartlandexpress.com), a monthly service schedule, and printed schedules are the direct ways that Heartland gets service information out to the riders and potential riders.

CHAPTER IV

Agency Transit Services

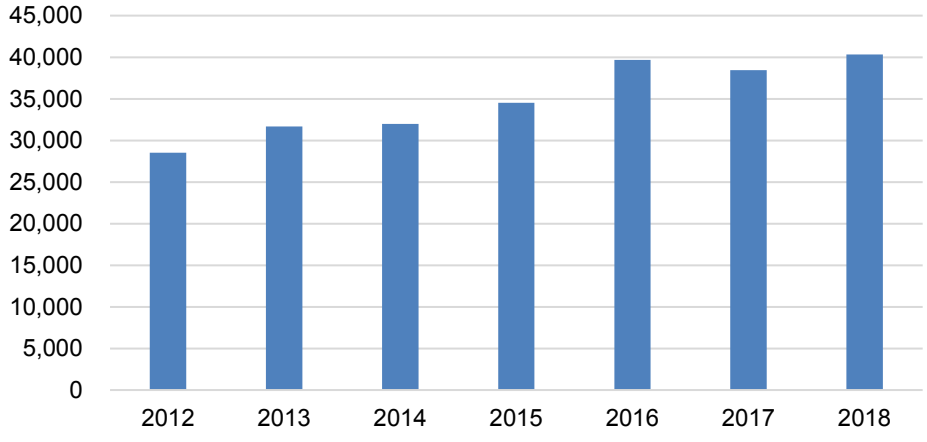
This chapter describes the Hubbard County Heartland Express public transportation service, including ridership data, information on transit facilities and fleet, a profile of users including rider survey data conducted as part of the 2016 Greater Minnesota Transit Investment Plan, and demographic characteristics of transit-dependent population groups.

RIDERSHIP

Historical Ridership

Historical ridership data for Heartland Express was provided from 2012 through 2018, as shown in Figure IV-1. Ridership steadily increased between 2012 and 2016, with the largest growth between 2015 and 2016 (15%), from approximately 34,500 passenger trips during 2015 to approximately 40,000 passenger trips during 2016. The significant increase in ridership beginning in 2016 is attributed to extending the service hours until 7 p.m. to help meet the needs of individuals attending mental health treatment and meetings held in the evening. Ridership decreased slightly between 2016 and 2017 (3%), but increased by 5% between 2017 and 2018.

Figure IV-1
Historical Ridership

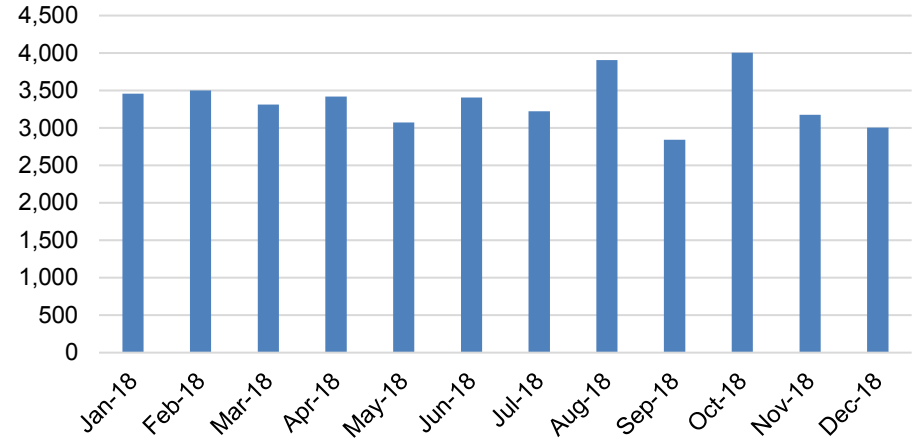


Source: Minnesota Annual Transit Reports; Hubbard County Heartland Express, 2019

Monthly Ridership

Figure IV-2 illustrates monthly ridership on Heartland Express in 2018. In 2018, monthly ridership was highest in October, with approximately 4,000 passenger trips, and lowest in September, with approximately 2,800 passenger trips.

Figure IV-2
Monthly Ridership

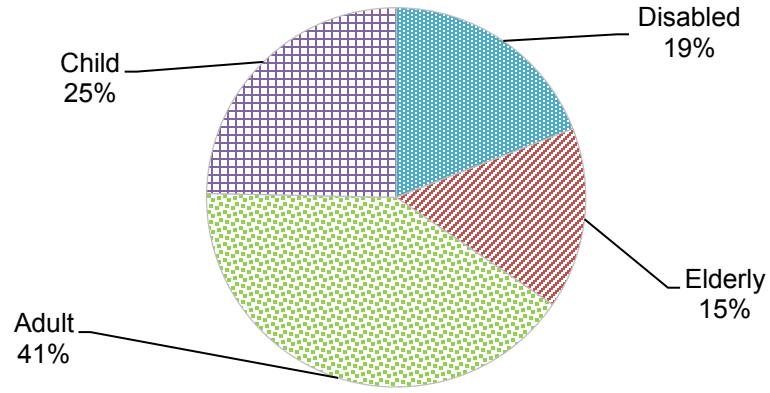


Source: Hubbard County Heartland Express, 2019

Ridership by Passenger Type

Ridership data by passenger type was provided for 2018. As shown in Figure IV-3, approximately 41% of Hubbard County Heartland Express riders are adults, followed by children (25%), disabled (19%), and elderly (15%).

Figure IV-3
Ridership by Passenger Type

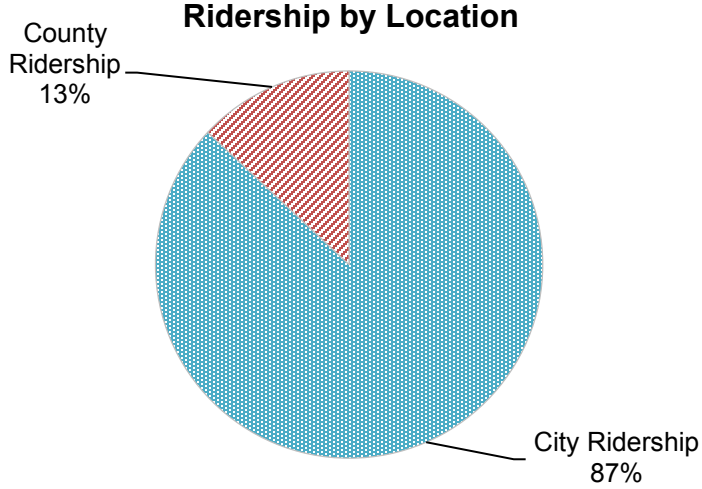


Source: Hubbard County Heartland Express, 2019

Ridership by Location

Ridership data by location was provided for 2018. As shown in Figure IV-4, approximately 87% of Hubbard County Heartland Express rides are in the city and 13% are in the country.

Figure IV-4
Ridership by Location



Source: Hubbard County Heartland Express, 2019

PROFILE OF USERS

According to a recent rider survey conducted in 2016 as part of the Greater Minnesota Transit Investment Plan, most riders are regular riders who rely on the bus for almost all of their transportation needs. The rider survey was completed by 75 riders. According to the survey results:

- Approximately 68% of riders said that they use the bus two or more days per week;
- Approximately 63% of riders indicated they use the bus for 80% or more of their overall transportation needs, and over a third of riders (37%) said that the bus meets 100% of their transportation needs;
- Approximately 81% of riders indicated that they have been riding the bus for over one year, with 44% stating they have been riding the bus for one to five years and 37% indicating they have been riding the bus for more than five years; and,
- Approximately 95% of riders indicated that they were very satisfied or satisfied with the availability of public transit within their community, with 67% being very satisfied and 28% being satisfied.

Riders use public transportation to access employment, school, medical services, run errands and do their shopping. Table IV-1 illustrates rider trip purposes from the 2016 rider survey. The majority of surveyed riders were on shopping trips (54%), followed by work trips (22%) and trips to run errands (22%).

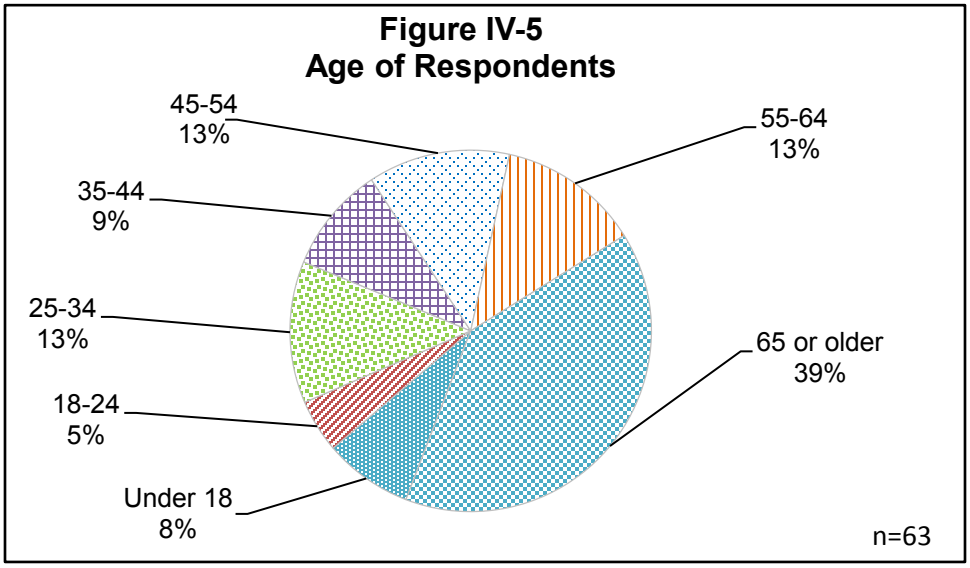
Table IV-1
Trip Purpose

	Number of Responses	Percentage of Total Responses
Shopping	38	56%
Work	15	22%
Errands	15	22%
Social (friends, family)	8	12%
Medical	8	12%
School	7	10%
Other	4	6%
TOTAL	95	140%

Source: Greater Minnesota Transit Investment Plan - Rider Survey, 2016

The ages of riders from the 2016 rider survey are shown in Figure IV-5. The largest age bracket is adults age 65 and older (39%), followed by adults between the ages of 25 and 34 (13%), adults between the ages of 45 and 54 (13%), and adults between the ages of 55 and 64 (13%). In total, over half (52%) of surveyed riders were age 55 and older.

Figure IV-5
Age of Respondents

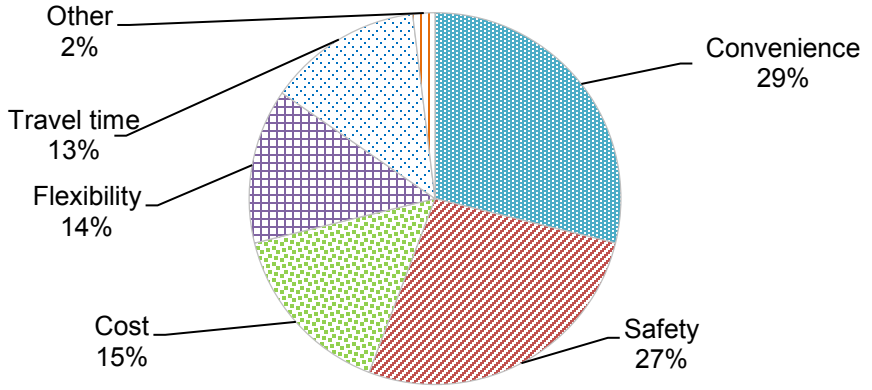


When asked what single improvement to current bus service would make passengers ride more frequently, the most common response was longer service

hours (earlier or later) (38%), followed by more convenient stops (14%), lower fare/cost (13%), and none/I'm satisfied with current service (13%).

Survey respondents were also asked to indicate which characteristic is most important to them when deciding how they will make a trip. As shown in Figure IV-6, approximately 29% of respondents indicated convenience was most important to them when deciding how they will make a trip, followed by safety (27%), cost (15%), flexibility (13%), and travel time (13%).

Figure IV-6
Most important characteristic when making a decision about how to make a trip



Other rider demographic information for the 2016 rider survey indicates:

- Approximately 74% of riders surveyed were female and 26% were male;
- Approximately 64% of respondents indicated that they do not have a driver's license, while 36% said they have a driver's license;
- Approximately 44% of respondents indicated that they have a physical impairment, disability, or mobility issue;
- Of the respondents who answered the question about annual household income, the majority of riders (84%) indicated their income was under $25,000; and,
- Of the respondents who answered the question about ethnicity, approximately 95% of riders indicated that they are White/Caucasian.

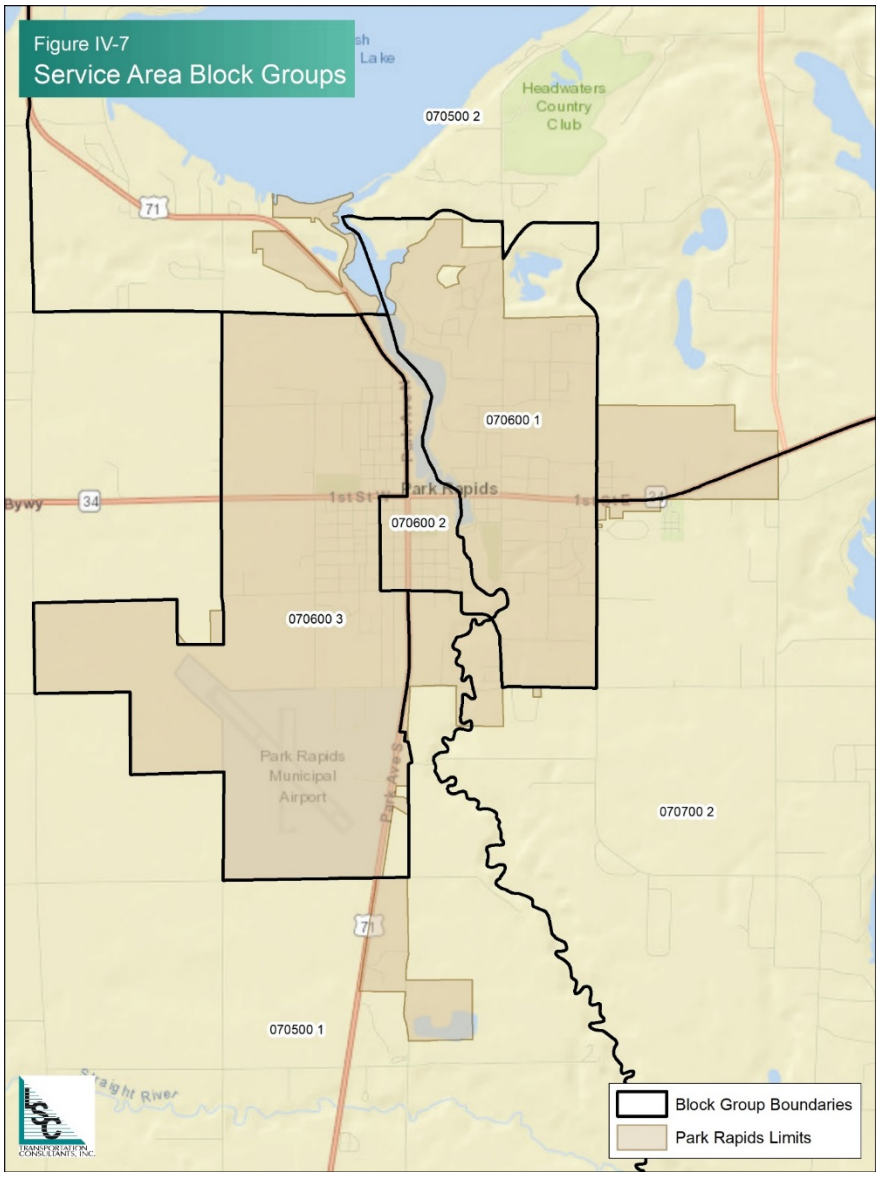
Transit-Dependent Population Characteristics

This section provides information on the individuals considered by the transportation profession to be dependent upon public transit. These population

characteristics preclude most such individuals from driving, which leaves carpooling and public transit as the only motorized forms of available transportation.

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

The US Census is generally capable of providing information about the first three categories of limitation. The fourth category of limitation represents a relatively small portion of transit ridership, particularly in areas with low density such as the study area. The demographic analysis was done by block group, which is a census-defined boundary. Unless noted otherwise, all data listed are from the 2012-2016 U.S. Census American Community Survey (2016 ACS) five-year estimates. Although low-income and ambulatory-disability population data are available at the 2016 ACS level, the smallest level of geographical unit for which information was available is at the tract level. The information from the tract level was apportioned to the block group level based on the population of the block group compared to the total population in the tract. Figure IV-7 shows the block groups analyzed as part of this study.



The total population of the study area is 7,608. Table IV-2 presents the US Census statistics regarding the older adult population, youth population, ambulatory disability population, low-income population, and zero-vehicle households in the Hubbard service area.

Table IV-2
Estimated Population Characteristics
Hubbard Service Area

Census Tract	705				706						707			
Block Group	1		2		1		2		3		2		TOTAL	
Total Population	1,532		1,392		961		723		2,014		986		7,608	
Land Area (sq. miles)	61.23		21.77		1.89		0.33		3.52		10.90		100	
Total Number of Households	626		588		444		315		799		423		3,195	
	#	%	#	%	#	%	#	%	#	%	#	%	#	%
Zero-Vehicle Households	2	0%	6	1%	37	8%	15	5%	145	18%	12	3%	217	7%
Total Number of Older Adults (65+)	289	19%	317	23%	316	33%	114	16%	376	19%	272	28%	1,684	22%
Total Number of Youth (10-19)	210	14%	231	17%	153	16%	94	13%	266	13%	99	10%	1,053	14%
Ambulatory Disabled Population	111	7%	101	7%	103	11%	77	11%	216	11%	113	11%	721	9%
Low-Income Population	150	10%	137	10%	213	22%	161	22%	447	22%	143	15%	1,251	16%

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

- The older-adult population, including individuals over the age of 65 years, represents a significant number of the national transit-dependent population and represents 22% of the total population in the study area.
- A zero-vehicle household is defined as a household in which an individual does not have access to a vehicle. These individuals are generally transit-dependent. Approximately 7% of the study area's households reported no vehicle available for use.
- The low-income population tends to depend upon transit more than wealthier populations or those with a high level of disposable income. Low-income population, as defined by the FTA, includes persons whose household income is at or below the Department of Health and Human Services' poverty guidelines. The low-income population listed in the table includes people who are living below the poverty line using the Census Bureau's poverty threshold. Approximately 16% of the population of the study area are considered low income.
- An individual is classified as having "ambulatory disability" if they have serious difficulty walking or climbing stairs. Approximately 9% of the population in the study area has some type of ambulatory disability.

Economic Health Index and Transit Dependency Index

In July 2018 the Minnesota Department of Transportation (MnDOT) completed a study (*GIS Analysis to Support 5 Year Transit Plans for Greater MN*) to assess the needs and capacity for transit in the five non-Metro transit regions of Minnesota (NE, SE, SW, WC, and NW). Various population demographics (2016 ACS 5-year Estimates and 2010 US Decennial Census) and current and future projected economic conditions (County Business Patterns dataset) were analyzed. Because these data sets use different geographic references (census tracts and zip code tabulation areas), a surface of hexagons measuring 0.5 miles in dimension were overlaid over all of the data to create a standard geographic reference type. This created a consistent geographic reference and helped to identify smaller data patterns.

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

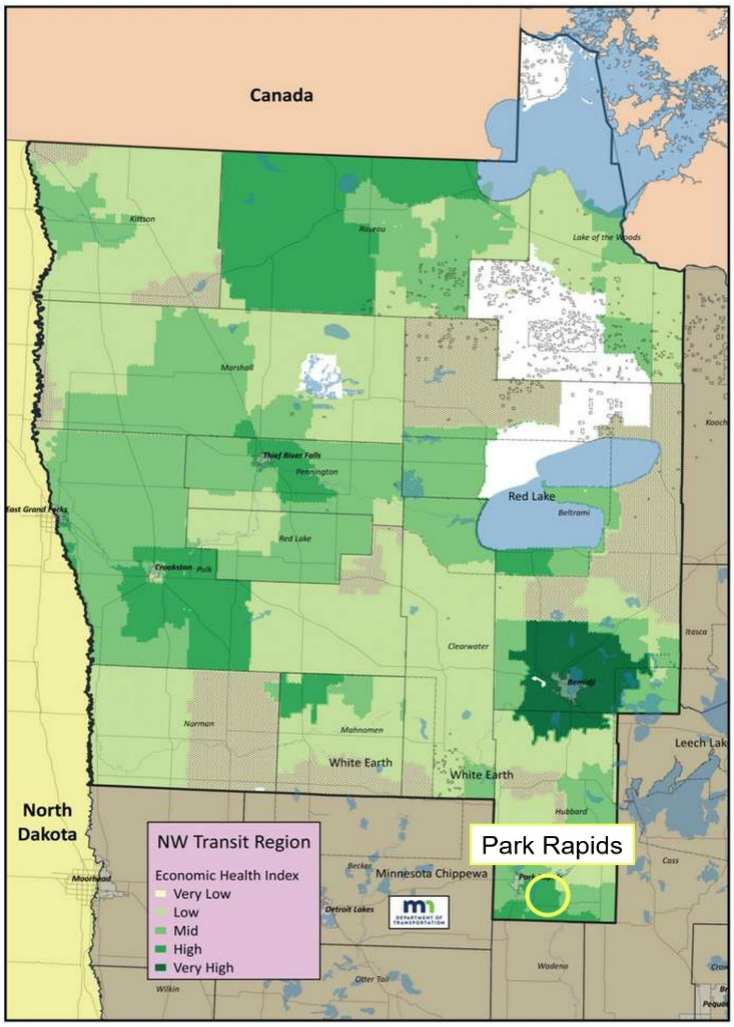
Economic Health Index

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

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

As shown in Figure IV-8, Park Rapids has a score of "high" on the Economic Health Index indicating a healthier economy that would rely less on transit.

Figure IV-8
NW Transit Region Economic Index



Transit Dependency Index

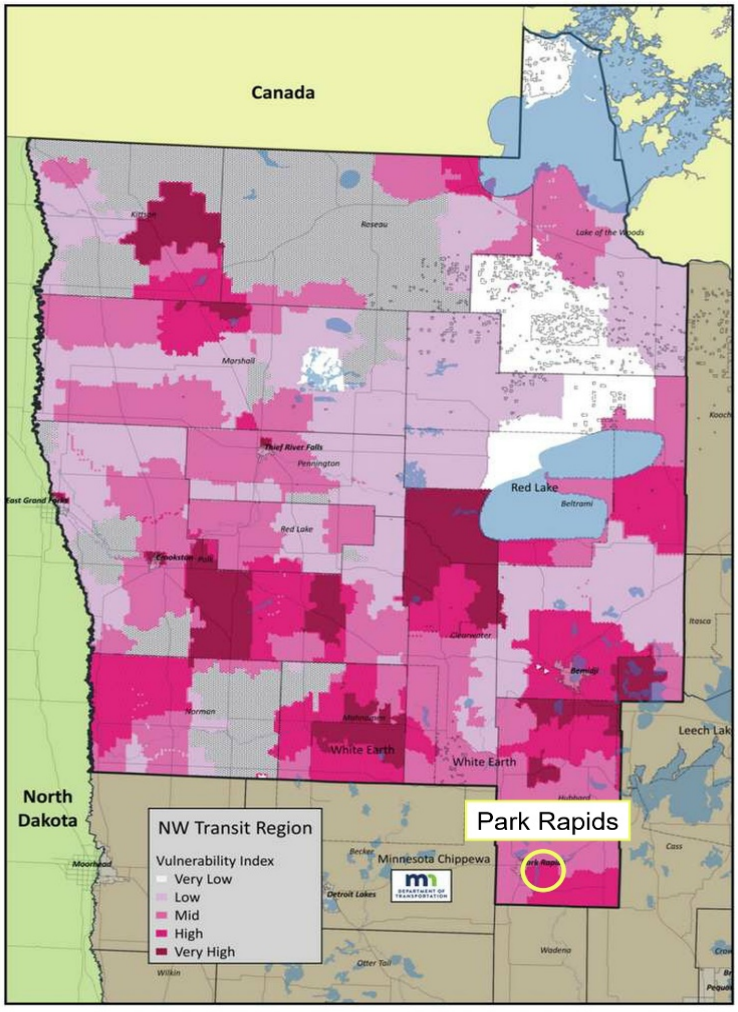
The transit dependency index was created to highlight communities that have a higher demand for transit services. This index was based on several attributes that are associated with dependency on public transit. Communities labeled "very high" indicate a much higher than average need for transit services.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

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

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

As shown in Figure IV-9, Park Rapids has a score of "high" on the Vulnerability Index indicating that there is a greater need for transit services.

Figure IV-9
NW Transit Region Vulnerability Index



REGIONAL CONNECTIONS

In terms of regional connections, Hubbard County Heartland Express will currently meet Jefferson Lines in Walker, where passengers can board Jefferson Lines and connect to Minneapolis and other bus stops served by the intercity bus service. Hubbard County Heartland Express also provides a monthly connection to Bemidji.

Other transportation options in the greater Hubbard County Heartland Express service area, include:

- Amtrak passenger rail – 'Empire Builder' route:
  - Train stations located in Detroit Lakes, Fargo, and Grand Forks
- Passenger air service:
  - Bemidji Regional Airport
  - Hector International Airport in Fargo, ND
- Taxi service:
  - P.R. Taxi
- In Wadena, passengers are able to connect with Executive Shuttle for a ride to Minneapolis-Saint Paul International Airport.
- Tribal transit:
  - Leech Lake Band of Ojibwe
  - Red Lake Band of Chippewa Indians
  - White Earth Nation

CHAPTER V

Capital

This chapter provides a background and history of Hubbard County Heartland Express's capital equipment, as well as current capital needs and the capital needs required with service enhancement.

BACKGROUND AND HISTORY

Facilities

Hubbard County Heartland Express currently has one facility, located at 101 Crocus Hill Street, Park Rapids. The facility is owned by Hubbard County, and it has a vehicle storage capacity of five vehicles. The facility does not have any maintenance bays, but has space for administrative functions. There are no vehicles stored outside the facility. Information about Heartland Express's facility is presented in Table V-1.

Heartland Express does not currently have any signed bus stops, bus shelters, or benches at bus stops, nor do they have plans to implement any of these rider assets in future years.

Vehicle Fleet

Heartland Express currently has five in-service vehicles and one spare vehicle, all of which are considered Class 400 cutaway buses. The five in-service vehicles are gas powered, while the spare vehicle is biodiesel. The five in-service vehicles are in good or excellent condition, and the spare vehicle is in marginal condition. The vehicle purchase contract years range from 2009 to 2016, with the total purchase prices ranging from approximately $59,000 to approximately $78,000. Information about Heartland Express's vehicles are presented in Table V-2.

Table V-1
Facility Inventory

Facility Name	Full address	What entity owns the land the facility is on?	Facility Cost	Annual Lease Expense	Annual Rent Expense	Facility Vehicle Storage Capacity	# of Vehicles Stored Outside Facility	Maintenance Bays	Space for Admin Function?
Bus Garage	101 Crocus Hill St, Park Rapids, MN 56470	County	$300,000	$0	0	5	0	0	Yes

Source: Hubbard County Heartland Express, 2018.

Table V-2
Vehicle Inventory

Vehicle ID Number (VIN#)	Local Fleet Number	Vehicle Class	Vehicle Contract Year	Fuel Type	Current Milage	Vehicle Status	Vehicle Condition Rating	Total Purchase Price	Local Share of Purchase Price	Planned Replacement Year	Replacement Cost	Expansion Bus	Bike rack on the vehicle?	Vehicle have AVL?	Vehicle have cameras?
1FDFE45S19DA72341	Bus 9	400	2009	gas	177,645	in service	4- Good	$63,880	$0	2021	$80,000	Yes	No	Yes	Yes
1FDFE45S29DA57010	Bus 10	400	2009	gas	174,883	in service	4- Good	$64,385	$14,785	2022	$80,000	No	No	Yes	Yes
1FDFE4FSXBDB12288	Bus 11	400	2011	gas	137,807	in service	4- Good	$71,945	$19,145	2023	$80,000	No	No	Yes	Yes
1FDXE45P85HB31632	Bus 6	400	2005	biodiesel	218,663	spare	2 - Marginal	$58,674	$16,274	2019	$80,000	No	No	Yes	Yes
1GB6G5BGXF1130145	Bus 12	400	2015	gas	46,776	in service	5- Excellent	$68,953	$13,791	2025	$85,000	Yes	No	Yes	Yes
1GB6GUBG0G1314179	Bus 13	400	2016	gas	22,502	in service	5- Excellent	$77,922	$18,722	2026	$85,000	No	No	Yes	Yes

Source: Hubbard County Heartland Express, 2018.

Heartland Express currently contracts its maintenance through a local shop in town, which has been working well for most preventative and unscheduled maintenance needs. The closest dealer for warranty work is in Pine River, Minnesota, which is almost an hour away and inconvenient. Heartland Express's current annual vehicle maintenance costs are presented in Table V-3. In 2017, maintenance costs totaled approximately $13,000, of which the majority were corrective maintenance costs (81%) and approximately 19% were preventative maintenance costs.

Table V-3
Current Vehicle Maintenance Costs

	2016	2017
Maintenance Provider	Contract	Contract
Maintenance Staff (# of FTE and PT staff)	-	-
Annual Cost of Labor and Benefits	-	-
Annual Cost of Preventative Maintenance	$1,921	$2,455
Annual Cost of Corrective Maintenance	$13,869	$10,409
Total Annual Maintenance Costs	**$15,791**	**$12,864**

Source: Hubbard County Heartland Express, 2018.

CURRENT NEEDS

Facilities

Heartland Express's current facility meets their current needs, but it does not have room to accommodate any additional vehicles as part of service enhancement or expansion. In addition, Heartland Express does not currently have any signed bus shelters, bus stops, or benches at bus stops, nor do they have plans to implement any of these rider assets in future years.

Vehicle Fleet

Heartland Express currently plans to replace one vehicle every other year beginning in 2020 at a cost of $91,000. Heartland Express's vehicle replacement plan is presented in Table V-4. Heartland Express has received a one-time extra

capital funding of $85,000 to be used toward vehicle replacement. Heartland Express was supposed to replace one of their vehicles in 2018, but due to their coordinator leaving, they missed the normal 2018 capital grant application and had to apply in the 2019 supplemental grant application, which was approved.

Table V-4
Vehicle Replacement Plan

	2018	2019*	2020	2021	2022	2023	2024	2025
Number of vehicles	0	1	1	0	1	0	1	0
Replacement cost	$0	$85,000	$91,000	$0	$94,000	$0	$100,000	$0

** Note: The 2018 replacement vehicle was delayed to 2019 as they missed the normal 2018 capital grant application and had to apply in the supplemental 2019 application.*

Source: Hubbard County Heartland Express, 2019.

Heartland Express's projected 2018 and 2019 annual vehicle maintenance costs are presented in Table V-5. The majority of the projected maintenance costs are corrective maintenance costs.

Table V-5
Projected Future Vehicle Maintenance Costs

	2018 - projected	2019 - projected
Maintenance Provider	Contract	Contract
Maintenance Staff (# of FTE and PT staff)	-	-
Annual Cost of Labor and Benefits	-	-
Annual Cost of Preventative Maintenance	$2,500	$2,750
Annual Cost of Corrective Maintenance	$12,000	$13,000
Total Annual Maintenance Costs	**$14,500**	**$15,750**

Source: Hubbard County Heartland Express, 2018.

SERVICE ENHANCEMENTS AND EXPANSION

With adding extra service hours and other service enhancements, Heartland Express should pursue supporting capital projects including:

- Acquiring additional garage space for additional vehicles as part of service enhancement and/or expansion;
- Providing dispatch capabilities internally; and,
- Upgrading the fare collection system as the current system does not have any passenger counting capabilities.

Heartland Express's five-year constrained capital plan is presented in Table V-6.

Table V-6
Five-Year Constrained Capital Budget

Category	Line item descriptions	Line Item Number	Line Item Name	2017 Actual	2017 Match	2018 Actual	2018 Match	2019 Budget	Assume Inflation Factor (3% / year)	2020	2020 (Match)	2020 Estimated Cost $	2021	2021 (Match)	2021 Estimated Cost $
Fleet	FLEET	1711	Vehicle Cost												
			Replacement Vehicle (400 Class)					$85,000							
			Replacement Vehicle (400 Class)							$70,040	$17,510	$87,550			
			Replacement Vehicle (400 Class)												
			Replacement Vehicle (400 Class)												
Technology	TECHNOLOGY	1712	Farebox(es)												
Technology	TECHNOLOGY	1713	Technology - Vehicle Locator technology (Automatic Vehicle Locate (AVL) / MDT)												
Technology	TECHNOLOGY	1714	Camera(s)												
Marketing	MARKETING	1715	Logos / Branding												
Technology	TECHNOLOGY	1716 - A	Technology - Dispatching Software							$20,000	$5,000	$25,000			
Technology	TECHNOLOGY	1716 - B	Technology - Routing Software												
Fleet	FLEET - bus racks for buses.	1717	Other Bus Related Equipment												
Fleet	FLEET - Purchase of a lift or other accessibility equipment for a vehicle already owned by the transit system. This is used when there is a lift replacement or retrofit not part of the original bus purchase.	1720	Lift, Ramp Expenses, etc.												
Technology	TECHNOLOGY - Purchase of mobile and base station communication systems, cellular phones, mobile data terminals, and global positioning devices. This is used when the transit system is purchasing an entire communications system for the fleet.	1730	Radio Equipment Expenses												
Technology	Purchase of a farebox for a vehicle already owned by the transit system. This is used for replacement of original equipment and when a new fare collection system is installed for the whole fleet.	1740	Fare Box Expenses *Add farebox system that allows electronic payment in 2021.*										$8,000	$2,000	$10,000
	Purchase of other capital equipment such as computers, office equipment, etc. This is used as a catchall category for the procurement of transit-related capital equipment that is not necessarily part of a vehicle. The threshold for capital is generally greater than $20,000.	1750	Other Capital Expenses												
Facility	FACILITY - Total project costs may include, but are not limited to:	1760	Facility (planning, professional services, land purchase, clean up of land (if reqd), construction) Purchase and/or Construction Cost												
Facility	FACILITY - Vehicle storage/garage (cold and/or heated)														
Facility	FACILITY - Vehicle wash bay (facility related)														
Facility	FACILITY - Vehicle maintenance bays (facility related)														
Facility	FACILITY - Administrative/operation center offices														
Facility	FACILITY - Transfer/Transit Stop / Hubs														
Infrastructure	INFRASTRUCTURE - supporting transit (bus stops, ADA ramps, sidewalk/ pathways)														
			Total Capital Budget	$0	$0	$0	$0	$85,000	$0	$90,040	$22,510	$112,550	$8,000	$2,000	$10,000
Provider		*Hubbard County Heartland Express*													

Table V-6
Five-Year Constrained Capital Budget

Category	Line item descriptions	Line Item Number	Line Item Name	2022	2022 (Match)	2022 Estimated Cost $	2023	2023 (Match)	2023 Estimated Cost $	2024	2024 (Match)	2024 Estimated Cost $	2025	2025 (Match)	2025 Estimated Cost $
Fleet	FLEET	1711	Vehicle Cost												
			Replacement Vehicle (400 Class)												
			Replacement Vehicle (400 Class)												
			Replacement Vehicle (400 Class)	$74,305	$18,576	$92,882									
			Replacement Vehicle (400 Class)							$78,831	$19,708	$98,538			
Technology	TECHNOLOGY	1712	Farebox(es)												
Technology	TECHNOLOGY	1713	Technology - Vehicle Locator technology (Automatic Vehicle Locate (AVL) / MDT)												
Technology	TECHNOLOGY	1714	Camera(s)												
Marketing	MARKETING	1715	Logos / Branding												
Technology	TECHNOLOGY	1716 - A	Technology - Dispatching Software												
Technology	TECHNOLOGY	1716 - B	Technology - Routing Software												
Fleet	FLEET - bus racks for buses.	1717	Other Bus Related Equipment												
Fleet	FLEET - Purchase of a lift or other accessibility equipment for a vehicle already owned by the transit system. This is used when there is a lift replacement or retrofit not part of the original bus purchase.	1720	Lift, Ramp Expenses, etc.												
Technology	TECHNOLOGY - Purchase of mobile and base station communication systems, cellular phones, mobile data terminals, and global positioning devices. This is used when the transit system is purchasing an entire communications system for the fleet.	1730	Radio Equipment Expenses												
Technology	Purchase of a farebox for a vehicle already owned by the transit system. This is used for replacement of original equipment and when a new fare collection system is installed for the whole fleet.	1740	Fare Box Expenses *Add farebox system that allows electronic payment in 2021.*												
	Purchase of other capital equipment such as computers, office equipment, etc. This is used as a catchall category for the procurement of transit-related capital equipment that is not necessarily part of a vehicle. The threshold for capital is generally greater than $20,000.	1750	Other Capital Expenses												
Facility	FACILITY - Total project costs may include, but are not limited to:	1760	Facility (planning, professional services, land purchase, clean up of land (if reqd), construction) Purchase and/or Construction Cost												
Facility	FACILITY - Vehicle storage/garage (cold and/or heated)														
Facility	FACILITY - Vehicle wash bay (facility related)														
Facility	FACILITY - Vehicle maintenance bays (facility related)														
Facility	FACILITY - Administrative/operation center offices														
Facility	FACILITY - Transfer/Transit Stop / Hubs														
Infrastructure	INFRASTRUCTURE - supporting transit (bus stops, ADA ramps, sidewalk/ pathways)														
			Total Capital Budget	$74,305	$18,576	$92,882	$0	$0	$0	$78,831	$19,708	$98,538	$0	$0	$0

Provider	*Hubbard County Heartland Express*

This page intentionally left blank.

CHAPTER VI

2020-2025 Annual Needs

ESTIMATE OF UNMET NEED

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

Advisory Committee Discussion

LSC and the Heartland Express FYTSP Advisory Committee (AC) met on October 10, 2018 to discuss some of the highest priorities for expanded or enhanced services, based on unmet needs that committee members perceive. Needs discussed at this meeting included:

- There is need to serve smaller towns in county, in general farther out from Park Rapids. Many seniors live outside city and are aging in place. Heartland Express may need to consider expanding service five miles beyond current service area.
- A weekday connection to Lake George is something that has been discussed as a need.
- With major employers like Lamb Weston in town, a new commuter service for employees could be successful.
- Heartland Express has heard from mental health providers that later service until 8 p.m. would be helpful for access to evening programming.
- There is a need for additional capacity on Saturdays, which would require adding a second bus into service.
- Schools in Nevis and Laporte could use public transit for some students.
- As service grows, there is a need for additional garage space for additional vehicles as part of service expansion.
- Hiring for drivers is challenging and will need to addressed if Heartland Express is to grow. Ideas discussed included reaching out through career days at schools and promoting driving as a good career opportunity that offers solid starting pay of $16.00 per hour, good county benefits, and low upfront investment. Offering incentives for recruiting drivers could be another strategy.

- Taking dispatch in-house may need to be considered to allow for better coverage that matches full-service hours and enhanced capabilities. Dispatch technology and hardware would be required.
- Another need discussed was an upgraded fare collection system. Currently have only a fare box with no counting capability and count fares on a clipboard. New technology and hardware would be helpful and could offer electronic forms of payment for riders.

Mobility Gap

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

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

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

As part of the Greater Minnesota Transit Investment Plan, the State has set a legislative directive to meet 90% of total transit service needs in greater Minnesota by 2025. Based on the mobility gap methodology, this equates to approximately 212 daily trips. Heartland Express provided approximately 123 daily trips during 2017.

General Public Non-Program Demand

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

- **Program demand**, which is demand that is generated by transit ridership to and from specific social service programs; and

- **Non-program demand**, which is demand that is generated by the other mobility needs of the elderly, disabled, and general public (including youth and tourists). Examples of non-program trips may include shopping, employment, and medical trips.

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

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

Annual Demand Calculation = (2.20 x 2,223) + (5.21 x 314) + (1.52 x 279)

As calculated above, transit demand is estimated at approximately 7,000 passenger-trips annually.

Commuter Transit Demand

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

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

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

Census Longitudinal Employer-Household Dynamics (LEHD) data were used to determine how many individuals were commuting between various employment centers in the study area. Table VI-1 show the associated demand estimates.

Table VI-1 Commuter Transit Demand				
Residence Location	**Work Location**	**Count**	**Percent Transit**	**Annual Transit Demand** *(one-way trips)*
Akeley, MN	Park Rapids, MN	39	2%	300
Park Rapids, MN	Detroit Lakes, MN	38	1%	300
Park Rapids, MN	Bemidji, MN	36	1%	300
Lake George, MN	Park Rapids, MN	35	2%	300
Nevis, MN	Park Rapids, MN	29	2%	300
Park Rapids, MN	Nevis, MN	28	2%	300
Park Rapids, MN	Menahga, MN	26	2%	300
Akeley, MN	Nevis, MN	16	2%	300
Nevis, MN	Walker, MN	14	2%	300
Source: LEHD, LSC 2019.				

Overall, the demand for daily commuter transit is very low throughout the study area using this methodology.

SERVICE ENHANCEMENTS AND EXPANSION FOR 2020-2025

Meeting the Legislative Goal

As previously stated, the State of Minnesota set a legislative directive of meeting 90% of total transit service needs by 2025. Hubbard County Heartland Express is currently meeting 58% of the legislative goal. In 2017, Hubbard County Heartland Express provided approximately 123 daily trips, and to meet the legislative directive they need to provide approximately 212 daily trips.

Table VI-2 illustrates the cost that would be required for Hubbard County Heartland Express to meet the legislative goal based on their existing cost per passenger-trip.

Table VI-2 Cost for the Hubbard County Heartland Express to Meet the Legislative Goal				
Option	**Passenger-Trips**	**Annual Operating Cost**	**Revenue Hours**	**Cost per Passenger-Trip**
Status Quo Service (2017) *County Service Monday - Friday from 8 a.m. - 4 p.m. Park Rapids DAR Monday - Friday from 7:30 a.m. - 6:30 p.m. and Saturday from 8 a.m. - 3:30 p.m.*	38,456	$430,481	7,217	$11.19
Service required to meet the Legislative Goal	66,144	$740,424	12,413	$11.19
Source: LSC, 2019.				

Enhanced Service

Based on the discussion with the AC, LSC developed a list of service enhancement options that address unmet needs within Hubbard County and the immediate surrounding areas.

- Expand service area an additional five miles beyond the current service area to reach smaller towns in the county.
- Extend weekday service hours until 8:30 p.m. for access to mental health programs in the evenings.
- Enhance Saturday service by adding second bus to increase capacity.
- Establish new commuter services for local employers.
- New service to Fargo five days per week to access medical appointments and the Veterans Administration.
- Extend dispatching hours to match service hours.
- Update fare collection system to allow for electronic/cashless payment.
- Hire new drivers.
- Additional garage space for vehicle storage.

A group of non-profit organizations and hospitals has been discussing a pilot project for a bus to go to Fargo once a week. Approximately 4,000 people from the five-county area go to Essentia Health in Fargo for medical appointments, not including specialist appointments, according to a survey conducted by Essentia Health. This service is slated to start as a pilot in June 2019 operating one day per week with a Developmental Achievement Center (DAC) bus and driver. The service will be funded by community donations. The ultimate goal is to increase the service to five days a week with Hubbard County Transit taking over operations. The V.A. currently operates a service for veterans two days per week to Fargo and Hubbard County will refer veterans to this service.

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

1. Are there other unmet transportation needs that should be in the plan for 2020-2025 that are not included in this list?

2. What are your three highest priority service enhancements that should be met in the 2020-2025 transit plan?

Two stakeholders responded—one from Essentia and one from Lamb Weston. One mentioned that they have been facilitating conversations about a Fargo service for the past one and a half years, while the other mentioned expanding the service area an additional five miles, extending weekday service hours until 8:30 p.m., and another responded that establishing new commuter services for local employers should be a high priority.

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

FLEET NEEDS

Heartland Express currently has five in-service vehicles and one spare vehicle, and plans to replace one vehicle every other year beginning in 2018 at a cost of $81,000. Heartland Express has also received one-time extra capital funding of $85,000 to be used toward vehicle replacement.

Heartland Express could use additional vehicles to help provide coverage in the future when expanding the existing service area (for instance, five miles beyond the current service area) and expanding the current hours and levels of service. With additional vehicles, Heartland Express will also need to recruit new bus drivers.

FACILITY NEEDS

Heartland Express's current facility has a vehicle storage capacity of five vehicles. With five in-service vehicles and one spare vehicle at present, the garage facility does not have space to store any additional vehicles that may be acquired as part of service enhancement or expansion.

TECHNOLOGY NEEDS

In terms of technology, Heartland Express has indicated a need for providing dispatch capabilities internally, as well as upgrading the current fare collection system to one that has passenger counting capabilities. In addition, Heartland Express should consider acquiring real-time bus information software to allow passengers to track the location of the bus.

MARKETING NEEDS

Heartland Express should consider updating their marketing materials, including their website and marketing brochures. It is essential for passengers to be well informed of days and hours of operation, fares, and other pertinent information.

This page intentionally left blank.

CHAPTER VII

System Performance

This chapter provides historical system performance for Hubbard County Heartland Express, as well as projected system performance for enhancement and service expansion.

HISTORICAL SYSTEM PERFORMANCE

Table VII-1 presents Heartland Express's historical system performance, including average passenger-trips per hour, average cost per hour, and average cost per passenger-trip.

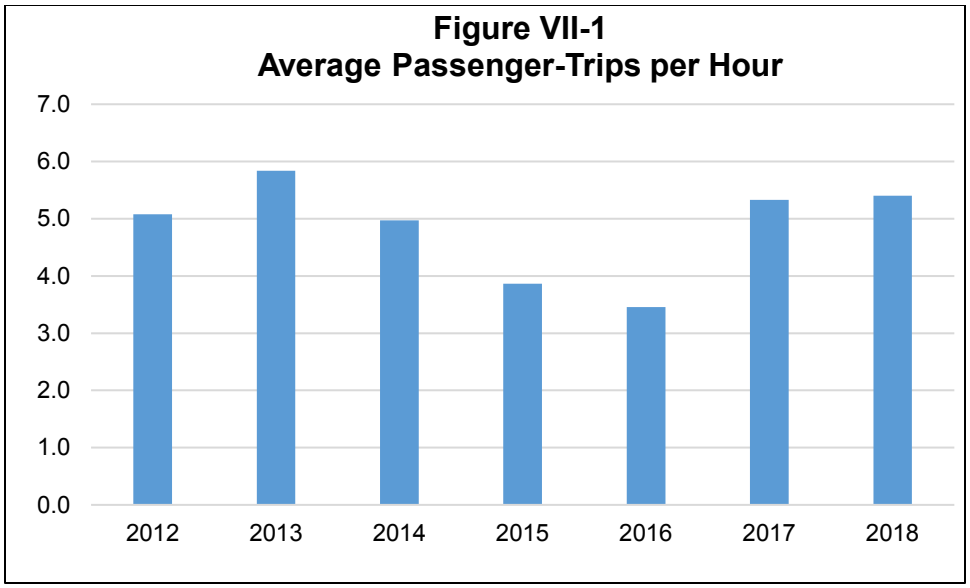
Table VII-1
Heartland Express Transit Historical System Performance

Year	Passenger-Trips	Annual Operating Cost	Revenue-Hours	Passenger-Trips per Hour	Cost per Hour	Cost per Passenger-Trip
2012	28,506	$347,502	5,614	5.1	$61.90	$12.19
2013	31,664	$331,440	5,424	5.8	$61.11	$10.47
2014	31,972	$374,735	6,433	5.0	$58.25	$11.72
2015	34,537	$410,584	8,937	3.9	$45.94	$11.89
2016	39,670	$414,383	11,470	3.5	$36.13	$10.45
2017	38,456	$430,481	7,217	5.3	$59.65	$11.19
2018	40,320	$410,245	7,461	5.4	$54.99	$10.17

Source: Hubbard County Heartland Express, 2019.

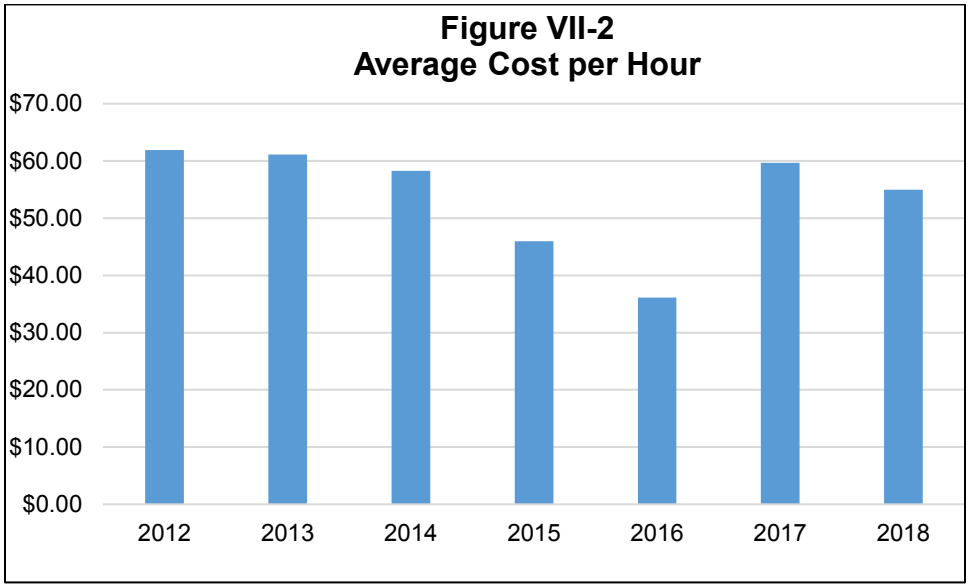
Average Passenger-Trips per Hour

As shown in Figure VII-1, Heartland Express's average passenger-trips per hour decreased by approximately 41% between 2013 and 2016, from about 5.8 passenger-trips per hour in 2013 to about 3.5 passenger-trips per hour in 2016. However, between 2016 and 2018, Heartland Express's average passenger-trips per hour increased by about 56%, to approximately 5.4 passenger-trips per hour in 2018.



Average Cost per Hour

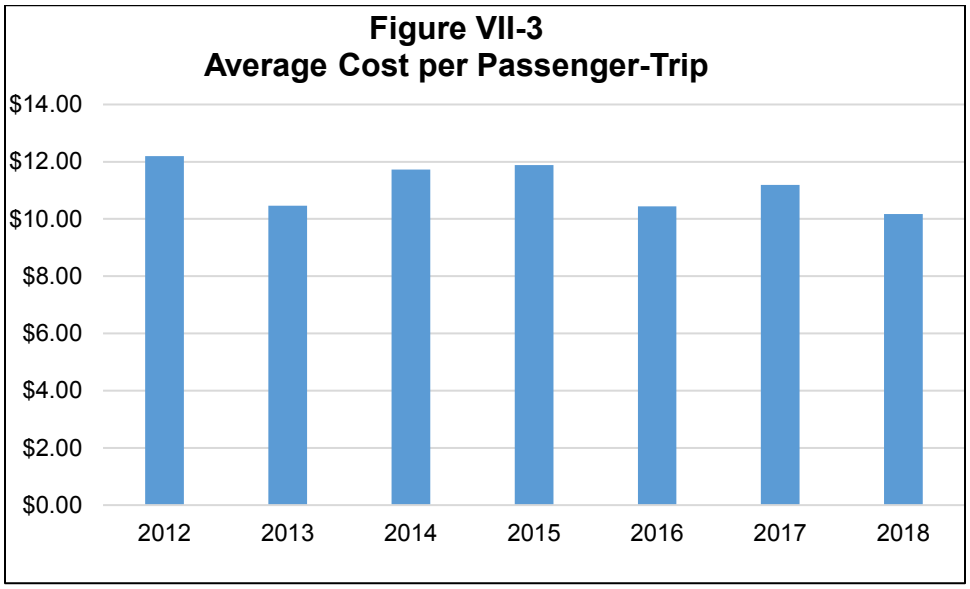
As shown in Figure VII-2, Heartland Express's average cost per hour decreased by 42% between 2012 and 2016, from approximately $61.90 in 2012 to $36.13 in 2016. Between 2016 and 2017, Heartland Express's average cost per hour increased by about 65% to approximately $59.65, but between 2017 and 2018, Heartland Express's average cost per hour decreased by about 8% to approximately $59.65.



Average Cost per Passenger-Trip

As shown in Figure VII-3, Heartland Express's average cost per passenger-trip has remained relatively consistent over the past seven years, roughly between $10.00 and $12.00. Heartland Express's average cost per passenger-trip was highest in 2012 at $12.19 and lowest in 2018 at $10.17.

Figure VII-3
Average Cost per Passenger-Trip



Trip Denials

Heartland Express does not currently track trip denials, but staff has indicated that there has not been anyone that has been turned away for a ride on a bus.

On-Time Performance

Heartland Express does not currently track on-time performance.

PEER COMPARISON

A peer comparison was completed with the following transit agencies:

- Lawrence County Port Authority (Ironton, OH)
- Lorain County Transit (Elyria, OH)
- Washington County Commissioners (Marietta, OH)

Table VII-2 presents a comparison between each of the individual peer agencies and the average of the peer agencies with Hubbard County Heartland Express. The data for the analysis were taken from the 2017 National Transit Database to

ensure the best consistency in reporting by different agencies. Although efforts were made to find the closest matching peers, no two systems are exactly alike.

Table VII-2
Peer Comparison for FY 2017

Agency	Location	Passenger Trips	Annual Operating Cost	Revenue Hours	Passenger-Trips per Hour	Cost per Hour	Cost per Passenger-Trip
Lawrence County Port Authority	Ironton, OH	13,790	$564,306	12,173	1.1	$46.36	$40.92
Lorain County Transit	Elyria, OH	47,254	$2,043,065	27,004	1.7	$75.66	$43.24
Washington County Commissioners	Marietta, OH	3,824	$129,724	2,837	1.3	$45.73	$33.92
	Peer Average	21,623	$912,365	14,005	1.5	$65.15	$42.19
Hubbard County Heartland Express	Hubbard County MN	40,320	$410,245	7,461	5.4	$54.99	$10.17

Source: Hubbard County Heartland Express, 2019; National Transit Database, 2017.

During 2017, Hubbard County Heartland Express provided a significantly higher number of passenger trips compared to the average of the peer systems, 40,320 compared to 21,623. In addition, Hubbard County Heartland Express also had a significantly lower annual operating cost compared to the average of the peer systems, $410,245 compared to $912,365.

In terms of performance, Hubbard County Heartland Express had a higher number of passenger-trips per hour compared to each of the peer systems, as well as the average of the peer systems. Hubbard County Heartland Express also had a lower cost per hour and a lower cost per passenger-trip performance compared to the average of the peer systems.

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

Table VII-3
TCRP 161 - Peer Data Worksheet

Input Data from Peer Transit Systems or Existing Transit Service			
Name of Peer System	**Lawrence County Port Authority**	**Lorain County Transit**	**Washington County Commissioners**
Population of Area	113,532	127,025	25,000
Size of Area Served (Square Miles)	67	49	53
Annual Vehicle-Miles of Service Provided	186,030	369,975	107,372
Annual Vehicle-Hours of Service Provided	12,173	27,004	9,074
Service Type (Fixed Route, Route-Deviation, Demand-Response)	Fixed Route and Demand Response	Fixed Route and Demand Response	Fixed Route and Demand Response
Number of One-Way Trips Served per Year	13,790	47,254	19,192
Degree of Coordination with Other Carriers (Low, Medium, High)	Medium	Medium	Medium

Results of Peer Data Comparison		**Population**	**Annual Vehicle-miles**	**Annual vehicles-hours**
Input Data for My System:		7,608	173,086	11,668
	Observed Trip Rates	**Demand Estimate Based On:**		
Peer Values		Population	Annual Vehicle-miles	Annual vehicles-hours
Trips per Capita				
Maximum	0.8	6,086		
Average	0.4	3,043		
Median	0.4	3,043		
Minimum	0.1	761		
Trips per Vehicle-Mile				
Maximum	0.2		34,617	
Average	0.1		17,309	
Median	0.1		17,309	
Minimum	0.1		17,309	
Trips per Vehicle-Hour				
Maximum	2.1			24,503
Average	1.7			19,836
Median	1.7			19,836
Minimum	1.1			12,835
Values expected for my system				
Maximum		6,086	34,617	24,503
Average		3,043	17,309	19,836
Median		3,043	17,309	19,836
Minimum		761	17,309	12,835

PROJECTED ENHANCED AND EXPANDED SERVICE SYSTEM PERFORMANCE

As discussed in Chapter VI, LSC developed a list of service enhancement options that address unmet needs within Hubbard County, including:

- Expand service area an additional five miles beyond the current service area to reach smaller towns in county.
- Extend weekday service hours until 8:30 p.m. for access to mental health programs in the evenings.
- Enhance Saturday service by adding second bus to increase capacity.
- New service to Fargo five days per week to access medical appointments and the Veterans Administration.
- Establish new commuter services for local employers.
- Extend dispatching hours to match service hours.
- Update fare collection system to allow for electronic/cashless payment.
- Hire new drivers.
- Additional garage space for vehicle storage.

Since hiring new drivers, adding additional garage space, purchasing/contracting for a dispatch system, and upgrading the fare collection system will help operations to run smoothly, the following discussion revolves around expanding the service area, extending weekday hours, adding extra Saturday service, a new commuter service, a new service to Fargo five days per week to access medical appointments and the Veterans Administration, and a new daily connection between Park Rapids and Nevis for school-related trips.

Table VII-4
Heartland Express Transit System Projected Performance

Option	Passenger-Trips	Annual Operating Cost	Revenue Hours	Passenger-Trips per Hour	Cost per Hour	Cost per Passenger-Trip
Status Quo Service (2017) *County Service Monday - Friday from 8:00 a.m. - 4:00 p.m. Park Rapids DAR Monday - Friday from 7:30 a.m. - 6:30 p.m. and Saturday from 8:00 a.m. - 3:30 p.m.*	38,456	$430,481	7,217	5.3	$59.65	$11.19
Option 1 - Same hours/days, wider service area*	34,610	$430,481	7,217	4.8	$59.65	$12.44
Option 2 - Extension of Park Rapids DAR weekday evening hours until 8:30 p.m.	4,550	$54,280	910	5.0	$59.65	$11.93
Option 3 - Additional Park Rapids DAR bus on Saturdays	1,950	$23,263	390	5.0	$59.65	$11.93
Option 4 - New commuter service for local employers	2,500	$62,034	1,040	2.4	$59.65	$24.81
Option 5 - New Service to Fargo five days per week	2,860	$108,560	1,820	1.6	$59.65	$37.96
Option 6 - Daily connection between Park Rapids and Nevis for school-related trips	5,200	$15,509	260	20.0	$59.65	$2.98

**Note: By widening the service area in Option 1, ridership and productivity decrease as fewer trips can be provided without additional resources being added to the service.*
Source: LSC, 2019.

Table VII-4 presents Heartland Express's projected enhanced and expanded service system performance, including average passenger-trips per hour, average cost per hour, and average cost per passenger-trip.

The options included in Table VII-4 assume:

- **Option 1** maintains the existing hours and days of operation, but expands the service area an additional five miles beyond the current service area to reach smaller towns in Hubbard County.
- **Option 2** extends weekday (Monday through Friday) evening hours for the Park Rapids Dial-a-Ride service until 8:30 p.m. for access to mental health programs in the evenings. Assumes using two vehicles, each operating an additional two hours per weekday.
- **Option 3** includes adding an additional vehicle operating the Park Rapids Dial-a-Ride service on Saturdays to increase capacity. Assumes one new vehicle will operate 7.5 hours of service each Saturday.
- **Option 4** includes a new weekday commuter service for local employers, operating four hours per weekday.
- **Option 5** includes a new transit service five days per week to Fargo to access medical appointments and the Veterans Administration. Assumes one vehicle operating one roundtrip per weekday.
- **Option 6** includes a new daily connection between Park Rapids and Nevis for school-related trips. Assumes one vehicle operating two thirty minute one-way trips per weekday.

Average Passenger-Trips per Hour

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

- **Option 1 – Maintain existing service hours and expand service area by five miles:** 4.8
- **Option 2 – Extension of Park Rapids DAR weekday evening hour until 8:30 p.m.:** 5.0
- **Option 3 – Additional Park Rapids DAR bus on Saturdays:** 5.0
- **Option 4 – New commuter service for local employers:** 2.4
- **Option 5 – New service to Fargo five days per week:** 1.6
- **Option 6 – Daily Connection between Park Rapids and Nevis for school-related trips:** 20.0

Average Cost per Hour

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

- **Option 1 – Maintain existing service hours and expand service area by five miles:** $59.65
- **Option 2 – Extension of Park Rapids DAR weekday evening hour until 8:30 p.m.:** $59.65
- **Option 3 – Additional Park Rapids DAR bus on Saturdays:** $59.65
- **Option 4 – New commuter service for local employers:** $59.65
- **Option 5 – New service to Fargo five days per week:** $59.65
- **Option 6 – Daily Connection between Park Rapids and Nevis for school-related trips:** $59.65

Average Cost per Passenger-Trip

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

- **Option 1 – Maintain existing service hours and expand service area by five miles:** $12.44
- **Option 2 – Extension of Park Rapids DAR weekday evening hour until 8:30 p.m.:** $11.93
- **Option 3 – Additional Park Rapids DAR bus on Saturdays:** $11.93
- **Option 4 – New commuter service for local employers:** $24.81
- **Option 5 – New service to Fargo five days per week:** $37.96
- **Option 6 – Daily Connection between Park Rapids and Nevis for school-related trips:** $2.98

Trip Denials

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

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

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

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

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

However, a request for a ride for same-day service (when the policy requires prior-day reservations) that can be accommodated, but not within one hour of the requested time, is not considered a trip denial or an unmet trip request.

A sample template for tracking trip denials and unmet trip requests is presented in Table VII-5.

Table VII-5
Sample Trip Denial Tracking Form

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

On-Time Performance

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

Additional Performance Measures

In addition to the performance measures mentioned in this chapter, LSC recommends Heartland Express begins to track the following three performance measures:

- **Farebox Recovery:** Goal of 11% (Heartland Express had a farebox recovery of 10.6% in 2018);
- **Road Calls:** MnDOT benchmark is one road call per 14,000 revenue-miles; and,
- **Accidents:** MnDOT benchmark is fewer than one recordable accident per 100,000 revenue-miles.

This page intentionally left blank.

CHAPTER VIII

Operations

OPERATING BUDGET TEMPLATE

Table VIII-1 illustrates Heartland Express's FYTSP Operating Budget. For Fiscal Year 2019, Heartland Express's operating budget is approximately $430,000, of which 5%, or approximately $21,500, is the local match share.

STAFFING

With any future service enhancements, Heartland Express may need to hire additional staff. Table VIII-1 includes the cost to add a dispatcher, a part-time driver, and a part-time admin for 2020 and beyond.

ORGANIZATIONAL CHANGES

Heartland Express is currently operated by Hubbard County, and there are five Hubbard County Commissioners who are responsible for decision-making and policy associated with Heartland Express bus operations and funding. Day-to-day operations are managed by a Transit Coordinator with oversight from the County Director of Social Services. The County Commissioners are supportive of the service, and funding from the County is stable. The County guarantees the local matching funds requirement for receiving public transportation funding. In addition to funding from Hubbard County, local funding for Heartland Express operations within Park Rapids is also provided by the City of Park Rapids as part of a monthly contract. Park Rapids City Council helps provide input for Heartland Express operations within the city. With any future service enhancements, the organizational structure of Heartland Express will continue to remain the same.

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

Line Item description	Line Item	Operating Expenses	2017 Total Budget (actual)	2017 (local match)	2018 Total Budget (actual)	2018 (local match)	2019 Total Budget (Projected)	2019 (Local match)	Cost Factor	Inflation Factor (3% per year)	2020 total projected	2020 (projected local match)
The amount paid to all employees of the transit system who are classified as managers, supervisors, coordinators, or administrators.	1010	Admin, Management & Supervisory Salaries	$80,396	$8,040	$65,600	$6,560	$60,350	$3,018	Fixed		$62,161	$3,108
Amount paid to all employees of the transit system who are classified as vehicle operators.	1020	Operator's Wages	$179,871	$17,987	$163,964	$16,396	$169,100	$8,455	$ / Hour		$199,173	$9,959
Labor charges for the performance of routine maintenance and repair on vehicles and equipment required to operate the transit system. Only include wages of maintenance personnel employed by the transit system.	1030	Vehicle Maintenance and Repair Wages	$0	$0	$0	$0	$0	$0	$ / Mile		$0	$0
The amount paid to all employees of the transit system who are classified as General Office Support and provide less than half their time to operations support, e.g., clerical, bookkeepers, training and safety instructors.	1040	General Office Support Wages	$0	$0	$0	$0	$11,400	$570	Fixed		$11,742	$587
The amount paid to all employees of the transit system who support the daily operations of the transit system, e.g., dispatchers or call takers.	1050	Operations Support Wages	$0	$0	$0	$0	$0	$0	Fixed		$50,000	$2,500
The cost of providing fringe benefits for active and retired employees of the transit system, including pension benefits, vacation and sick leave benefits, social security taxes, worker's compensation insurance, unemployment insurance, life insurance, and first party medical coverage. *If the organization consolidates all fringe benefits and supplies a percentage of gross wages for each job category, supply that percentage in lieu of listing each type of benefit.*	1060	Fringe Benefits	$61,550	$6,155	$50,638	$5,064	$51,303	$2,565	Variable		$68,818	$3,441
Personnel Services		**Total 1000 (1010 - 1060)**	**$321,817**	**$32,182**	**$280,202**	**$28,020**	**$292,153**	**$14,608**			**$391,893**	**$19,595**
The amount paid for the professional services provided by a management service company engaged contractually to provide operating management to the transit system.	1110	Management Fees	$0	$0	$0	$0	$0	$0	Variable		$0	$0
Include all non-wage expenses associated with Drug and Alcohol Testing and Administration.	1120	Drug and Alcohol Testing and Administration Fee Expenses	$343	$34	$620	$62	$520	$26	Variable		$536	$27
This line includes the cost of advertising and promoting the transit system.	1130	Advertising, Marketing and Promotional Charges	$752	$75	$1,000	$100	$1,000	$50	Variable		$1,030	$52
Includes attorney fees and expenses, court costs, witness fees, and fees for accounting and auditing services rendered by individuals or firms other than employees of the transit system for the purpose of maintaining continuing operations of the transit system, such as, accident claims, defending workers' compensation claims or other items directly related to the Management Plan. Also includes other professional fees such as fees paid for planning, engineering, or other consulting services necessary to the continuing operation of the transit system.	1140	Legal, Auditing, and Other Professional Fees	$423	$42	$300	$30	$300	$15	Variable		$309	$15
Include costs associated with the licensing and training of personnel, e.g., CDL license costs, class fees and conference fees and attendance costs not from wages.	1150	Staff Development Costs	$619	$62	$6,000	$600	$6,000	$300	Variable		$6,180	$309
These are the cost of office supplies and materials and printing and photocopying charges, which are solely attributable to and necessary for the operation of the transit system.	1160	Office Supplies	$119	$12	$250	$25	$250	$13	Variable		$258	$13
These are leases and rentals of such items as land, buildings, office equipment and furnishings that are used for performing the general administrative functions of the transit system.	1170	Leases and Rentals - Administrative Facilities	$2,569	$257	$4,627	$463	$4,627	$231	Variable		$4,766	$238
Include the cost of utilities such as gas, electricity, water, trash collection, communication services and janitorial services performed by an outside organization.	1180	Utilities	$2,049	$205	$2,160	$216	$2,160	$108	Variable		$2,225	$111
Include other administrative charges necessary for the continuing operation of the transit system such as mileage reimbursement for transit support vehicles, physical examinations, and membership fees for transit associations and subscriptions to transit publications.	1190	Other Direct Administrative Charges	$1,061	$106	$1,500	$150	$1,500	$75	Variable		$1,545	$77
Administrative Charges		**Total 1100 (1110 - 1190)**	**$7,936**	**$794**	**$16,457**	**$1,646**	**$16,357**	**$818**			**$16,848**	**$842**
Include cost of gasoline, diesel fuel or alternative fuel used by revenue and service vehicles. Effective January 1, 1991, transit systems receiving financial assistance from Mn/DOT are exempt from paying state fuel tax as stated in Minnesota Statute 296.02, Subd. 1a. *Fuel tax will be shown as a contra-expense in Line Item 1594 Fuel Tax Refunds.*	1210	Fuel	$31,000	$3,100	$35,568	$3,557	$40,280	$2,014	$/mile		$41,488	$2,074
Include the cost of parts, materials, lubricants and supplies used in preventive maintenance of transit service vehicles.	1220	Preventive Maintenance (PM) Labor, Parts and Material Expenses (Vehicles)	$4,733	$473	$3,200	$320	$3,200	$160	$ / Mile		$3,296	$165
The cost for vehicle repair service.	1230	Corrective Maintenance (CM) Labor, Parts and Materials Expense (Vehicles)	$11,109	$1,111	$9,500	$950	$10,500	$525	$ / Mile		$10,815	$541
Includes all costs of tires and tubes used on revenue and service equipment, including the cost of recapping and the rental costs for tires and tubes.	1240	Tires	$0	$0	$4,800	$480	$4,800	$240	$ / Mile		$4,944	$247
Includes the cost of first aid equipment, fire extinguishers, and other emergency equipment required for vehicles, and the cost of non-capitalized vehicle improvements, which do not remake a vehicle or appreciably extend its useful life. Logos applied to a new vehicle after delivery should be charged to this line item.	1250	Other Vehicle Charges	$3,191	$319	$2,900	$290	$1,500	$75	$ / Mile		$1,545	$77
Vehicle Charges		**Total 1200 (1210 - 1250)**	**$50,034**	**$5,003**	**$55,968**	**$5,597**	**$60,280**	**$3,014**			**$62,088**	**$3,104**
The cost of having a contractor operate the project service with the cost established through competitive procurement procedures, a negotiated contract with the prime contractor in bid situations when only one bid is received or through a negotiated subcontract in a no bid situation.	1310	Purchase of Service	$23,457	$2,346	$20,400	$2,040	$30,600	$1,530	$ / Hour		$0	$0
This includes volunteer driver mileage reimbursement for public transit services, mileage reimbursement for transit personnel using private vehicles for emergency replacement of passenger transport in the event of mechanical breakdown of transit vehicles.	1330	Mileage Reimbursement for Public Transit Service	$19,779	$1,978	$14,100	$1,410	$15,120	$756	Fixed		$15,574	$779
Includes all material costs associated with the upkeep and repair of buildings, grounds, and non-revenue equipment owned or leased by the transit company, and miscellaneous expenses such as small tool replacement, supplies used for cleaning and for general shop and garage purposes.	1340	Repair and Maintenance of Other Property	$1,698	$170	$14,500	$1,450	$7,000	$350	Variable		$7,210	$361
Includes leases and rental of garages, depots, passenger vehicles, service vehicles, passenger stations, communication equipment, computers, etc. used in the operation of the transit system with allowability based on reasonableness of rates and evidence that the lease will not give rise to material equity in the property.	1350	Leases and Rentals of Facilities or Equipment	$0	$0	$0	$0	$0	$0	Variable		$0	$0
The cost of such things as the purchase, rental, or cleaning of uniforms, tools and equipment, sanding and snowplow operations, passenger amenities and station agents	1360	Other Operations Charges	$9,094	$909	$9,500	$950	$9,500	$475	$ / Hour		$9,785	$489
Operation Charges		**Total 1300 (1310 - 1360)**	**$54,028**	**$5,403**	**$58,500**	**$5,850**	**$62,220**	**$3,111**			**$32,569**	**$1,628**
Includes premiums paid to insure the transit system against loss through damage to its own property and to indemnify the transit system and all financial and operational participants against loss from liability for its acts which cause damage to the person or property of others.	1410	Public Liability and Property Damage on Vehicles	$0	$0	$3,000	$300	$3,000	$150	Fixed		$3,090	$155
Include charges other than on vehicles, including excess liability insurance, baggage and package express insurance and fire and theft insurance.	1420	Public Liability and Property Damage - Other than on Vehicles	$0	$0	$300	$30	$300	$15	Fixed		$309	$15
Operation Charges		**Total 1400 (1410 - 1420)**	**$0**	**$0**	**$3,300**	**$330**	**$3,300**	**$165**			**$3,399**	**$170**
Vehicle registration and permit fees on all transit system and service vehicles.	1510	Vehicle Registration and Permit Fees	$468	$47	$150	$15	$150	$8	Fixed		$155	$8
Discuss this with your District Project Manager	1520	Federal Fuel and Lubricant Taxes and Excise Taxes on Tires	$0	$0	$0	$0	$0	$0	Fixed		$0	$0
Include the transit share of any applicable real estate and property taxes and sales taxes.	1540	Other Taxes and Fees	$0	$0	$0	$0	$0	$0	Fixed		$0	$0
Taxes and Fees		**Total 1500 (1510 - 1540)**	**$468**	**$47**	**$150**	**$15**	**$150**	**$8**			**$155**	**$8**
Refunds for fuel tax refunds are to be accounted in this line item as a NEGATIVE number.	1594	Fuel Tax Refunds	-$3,801	-$380	-$4,332	-$433	-$4,500	-$225	Fixed		-$4,635	-$232
Any settlements received as the result of damage or loss to transit assets will be accounted for as a NEGATIVE expense in this line item.	1596	Insurance Reimbursement	$0	$0	$0	$0	$0	$0	Fixed		$0	$0
		TOTAL OPERATING BUDGET	**$430,481**	**$43,048**	**$410,245**	**$41,025**	**$429,960**	**$21,498**			**$502,316**	**$25,116**
Five Year Transit Sytem Plan -- Operating Budget	**Provider :**	*Hubbard County Heartland Express*										

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

Line Item description	Line Item	Operating Expenses	2021 total projected	2021 (projected local match)	2022	2022 (local match)	2023	2023 (local match)	2024	2024 (local match)	2025	2025 (local match)
The amount paid to all employees of the transit system who are classified as managers, supervisors, coordinators, or administrators.	1010	Admin, Management & Supervisory Salaries	$64,025	$3,201	$65,946	$3,297	$67,924	$3,396	$69,962	$3,498	$72,061	$3,603
Amount paid to all employees of the transit system who are classified as vehicle operators.	1020	Operator's Wages	$205,148	$10,257	$211,303	$10,565	$217,642	$10,882	$224,171	$11,209	$230,896	$11,545
Labor charges for the performance of routine maintenance and repair on vehicles and equipment required to operate the transit system. Only include wages of maintenance personnel employed by the transit system.	1030	Vehicle Maintenance and Repair Wages	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
The amount paid to all employees of the transit system who are classified as General Office Support and provide less than half their time to operations support, e.g., clerical, bookkeepers, training and safety instructors.	1040	General Office Support Wages	$12,094	$605	$12,457	$623	$12,831	$642	$13,216	$661	$13,612	$681
The amount paid to all employees of the transit system who support the daily operations of the transit system, e.g., dispatchers or call takers.	1050	Operations Support Wages	$51,500	$2,575	$53,045	$2,652	$54,636	$2,732	$56,275	$2,814	$57,964	$2,898
The cost of providing fringe benefits for active and retired employees of the transit system, including pension benefits, vacation and sick leave benefits, social security taxes, worker's compensation insurance, unemployment insurance, life insurance, and first party medical coverage. *If the organization consolidates all fringe benefits and supplies a percentage of gross wages for each job category, supply that percentage in lieu of listing each type of benefit.*	1060	Fringe Benefits	$70,882	$3,544	$73,009	$3,650	$75,199	$3,760	$77,455	$3,873	$79,779	$3,989
Personnel Services		**Total 1000 (1010 - 1060)**	**$403,650**	**$20,182**	**$415,759**	**$20,788**	**$428,232**	**$21,412**	**$441,079**	**$22,054**	**$454,312**	**$22,716**
The amount paid for the professional services provided by a management service company engaged contractually to provide operating management to the transit system.	1110	Management Fees	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Include all non-wage expenses associated with Drug and Alcohol Testing and Administration.	1120	Drug and Alcohol Testing and Administration Fee Expenses	$552	$28	$568	$28	$585	$29	$603	$30	$621	$31
This line includes the cost of advertising and promoting the transit system.	1130	Advertising, Marketing and Promotional Charges	$1,061	$53	$1,093	$55	$1,126	$56	$1,159	$58	$1,194	$60
Includes attorney fees and expenses, court costs, witness fees, and fees for accounting and auditing services rendered by individuals or firms other than employees of the transit system for the purpose of maintaining continuing operations of the transit system, such as, accident claims, defending workers' compensation claims or other items directly related to the Management Plan. Also includes other professional fees such as fees paid for planning, engineering, or other consulting services necessary to the continuing operation of the transit system.	1140	Legal, Auditing, and Other Professional Fees	$318	$16	$328	$16	$338	$17	$348	$17	$358	$18
Include costs associated with the licensing and training of personnel, e.g., CDL license costs, class fees and conference fees and attendance costs not from wages.	1150	Staff Development Costs	$6,365	$318	$6,556	$328	$6,753	$338	$6,956	$348	$7,164	$358
These are the cost of office supplies and materials and printing and photocopying charges, which are solely attributable to and necessary for the operation of the transit system.	1160	Office Supplies	$265	$13	$273	$14	$281	$14	$290	$14	$299	$15
These are leases and rentals of such items as land, buildings, office equipment and furnishings that are used for performing the general administrative functions of the transit system.	1170	Leases and Rentals - Administrative Facilities	$4,909	$245	$5,056	$253	$5,208	$260	$5,364	$268	$5,525	$276
Include the cost of utilities such as gas, electricity, water, trash collection, communication services and janitorial services performed by an outside organization.	1180	Utilities	$2,292	$115	$2,360	$118	$2,431	$122	$2,504	$125	$2,579	$129
Include other administrative charges necessary for the continuing operation of the transit system such as mileage reimbursement for transit support vehicles, physical examinations, and membership fees for transit associations and subscriptions to transit publications.	1190	Other Direct Administrative Charges	$1,591	$80	$1,639	$82	$1,688	$84	$1,739	$87	$1,791	$90
Administrative Charges		**Total 1100 (1110 - 1190)**	**$17,353**	**$868**	**$17,874**	**$894**	**$18,410**	**$920**	**$18,962**	**$948**	**$19,531**	**$977**
Include cost of gasoline, diesel fuel or alternative fuel used by revenue and service vehicles. Effective January 1, 1991, transit systems receiving financial assistance from Mn/DOT are exempt from paying state fuel tax as stated in Minnesota Statute 296.02, Subd. 1a. *Fuel tax will be shown as a contra-expense in Line Item 1594 Fuel Tax Refunds.*	1210	Fuel	$42,733	$2,137	$44,015	$2,201	$45,335	$2,267	$46,696	$2,335	$48,096	$2,405
Include the cost of parts, materials, lubricants and supplies used in preventive maintenance of transit service vehicles.	1220	Preventive Maintenance (PM) Labor, Parts and Material Expenses (Vehicles)	$3,395	$170	$3,497	$175	$3,602	$180	$3,710	$185	$3,821	$191
The cost for vehicle repair service.	1230	Corrective Maintenance (CM) Labor, Parts and Materials Expense (Vehicles)	$11,139	$557	$11,474	$574	$11,818	$591	$12,172	$609	$12,538	$627
Includes all costs of tires and tubes used on revenue and service equipment, including the cost of recapping and the rental costs for tires and tubes.	1240	Tires	$5,092	$255	$5,245	$262	$5,402	$270	$5,565	$278	$5,731	$287
Includes the cost of first aid equipment, fire extinguishers, and other emergency equipment required for vehicles, and the cost of non-capitalized vehicle improvements, which do not remake a vehicle or appreciably extend its useful life. Logos applied to a new vehicle after delivery should be charged to this line item.	1250	Other Vehicle Charges	$1,591	$80	$1,639	$82	$1,688	$84	$1,739	$87	$1,791	$90
Vehicle Charges		**Total 1200 (1210 - 1250)**	**$63,951**	**$3,198**	**$65,870**	**$3,293**	**$67,846**	**$3,392**	**$69,881**	**$3,494**	**$71,977**	**$3,599**
The cost of having a contractor operate the project service with the cost established through competitive procurement procedures, a negotiated contract with the prime contractor in bid situations when only one bid is received or through a negotiated subcontract in a no bid situation.	1310	Purchase of Service	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
This includes volunteer driver mileage reimbursement for public transit services, mileage reimbursement for transit personnel using private vehicles for emergency replacement of passenger transport in the event of mechanical breakdown of transit vehicles.	1330	Mileage Reimbursement for Public Transit Service	$16,041	$802	$16,522	$826	$17,018	$851	$17,528	$876	$18,054	$903
Includes all material costs associated with the upkeep and repair of buildings, grounds, and non-revenue equipment owned or leased by the transit company, and miscellaneous expenses such as small tool replacement, supplies used for cleaning and for general shop and garage purposes.	1340	Repair and Maintenance of Other Property	$7,426	$371	$7,649	$382	$7,879	$394	$8,115	$406	$8,358	$418
Includes leases and rental of garages, depots, passenger vehicles, service vehicles, passenger stations, communication equipment, computers, etc. used in the operation of the transit system with allowability based on reasonableness of rates and evidence that the lease will not give rise to material equity in the property.	1350	Leases and Rentals of Facilities or Equipment	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
The cost of such things as the purchase, rental, or cleaning of uniforms, tools and equipment, sanding and snowplow operations, passenger amenities and station agents	1360	Other Operations Charges	$10,079	$504	$10,381	$519	$10,692	$535	$11,013	$551	$11,343	$567
Operation Charges		**Total 1300 (1310 - 1360)**	**$33,546**	**$1,677**	**$34,552**	**$1,728**	**$35,589**	**$1,779**	**$36,656**	**$1,833**	**$37,756**	**$1,888**
Includes premiums paid to insure the transit system against loss through damage to its own property and to indemnify the transit system and all financial and operational participants against loss from liability for its acts which cause damage to the person or property of others.	1410	Public Liability and Property Damage on Vehicles	$3,183	$159	$3,278	$164	$3,377	$169	$3,478	$174	$3,582	$179
Include charges other than on vehicles, including excess liability insurance, baggage and package express insurance and fire and theft insurance.	1420	Public Liability and Property Damage - Other than on Vehicles	$318	$16	$328	$16	$338	$17	$348	$17	$358	$18
Operation Charges		**Total 1400 (1410 - 1420)**	**$3,501**	**$175**	**$3,606**	**$180**	**$3,714**	**$186**	**$3,826**	**$191**	**$3,940**	**$197**
Vehicle registration and permit fees on all transit system and service vehicles.	1510	Vehicle Registration and Permit Fees	$159	$8	$164	$8	$169	$8	$174	$9	$179	$9
Discuss this with your District Project Manager	1520	Federal Fuel and Lubricant Taxes and Excise Taxes on Tires	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Include the transit share of any applicable real estate and property taxes and sales taxes.	1540	Other Taxes and Fees	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Taxes and Fees		**Total 1500 (1510 - 1540)**	**$159**	**$8**	**$164**	**$8**	**$169**	**$8**	**$174**	**$9**	**$179**	**$9**
Refunds for fuel tax refunds are to be accounted in this line item as a NEGATIVE number.	1594	Fuel Tax Refunds	-$4,774	-$239	-$4,917	-$246	-$5,065	-$253	-$5,217	-$261	-$5,373	-$269
Any settlements received as the result of damage or loss to transit assets will be accounted for as a NEGATIVE expense in this line item.	1596	Insurance Reimbursement	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
		TOTAL OPERATING BUDGET	**$517,386**	**$25,869**	**$532,907**	**$26,645**	**$548,895**	**$27,445**	**$565,362**	**$28,268**	**$582,322**	**$29,116**
Five Year Transit Sytem Plan -- Operating Budget	**Provider :** *Hubbard County Heartland Express*											

COORDINATION

Heartland Express currently coordinates with other transportation providers in the Park Rapids area and beyond to leverage resources and help coordinate local and regional transportation, including:

- Becker and Paul Bunyan Transit (PBT) for the most cost-effective public transportation rides. Heartland Express also has an agreement with PBT whereby PBT provides dispatching services and software for demand-response rides
- Local K-12 public schools in Heartland's service area
- Regional charter bus providers
- Other transportation providers operating with Federal Transit Administration 5310 funding. This is a joint effort with the DAC.
- Jefferson Lines—intercity bus service that Heartland will meet in Walker where passengers can board Jefferson and connect to Minneapolis
- The local taxi company
- Executive Shuttle by providing a volunteer driver ride to Wadena, where passengers can connect with Executive Shuttle for a ride to Minneapolis-Saint Paul International Airport

To foster ridership and better serve the community, Heartland Express also coordinates with several local agencies and entities to provide transit service to their clients, customers, and students throughout the community. Heartland also promotes community organizations through public announcements on television screens onboard the bus that scroll electronic messages. These organizations include:

- Working with local daycare centers, preschools, and summer recreation programs to provide rides for kids
- Working jointly with the Living at Home program to provide critical transportation needs such as dialysis
- Contracting with Veteran's Services to provide transportation for taking veterans to appointments in Fargo and Bemidji
- Selling bus passes to Social Services for non-emergency medical transportation trips
- Providing service to and from the DAC
- Providing service for the Community Education program of the Park Rapids School District
- Providing transportation for the local nursing home and Independent Living Centers for Seniors

With any future service enhancements, coordination efforts will largely stay the same. However, extending existing weekday transit service and starting new commuter service would require coordination with employers whose employees would use the service.

Lamb Weston is major employer with 275 employees living in the Park Rapids area. Some employees are riding now, but more could be using it, which means it could be a marketing opportunity. Discussions should be had with Workforce Development to gain a better understanding of the gaps for employment-related trips.

CONNECTIONS

With any of the future service enhancements, there will not be any changes to Heartland Express's regional connections.

This page intentionally left blank.

CHAPTER IX

Financial

Table IX-1 illustrates Hubbard County Heartland Express's actual annual operating costs. In 2017, the transit system's operating budget was $430,481. Annual expenses for the system were reduced by farebox revenue and fuel tax refunds so that the net operating expenditures totaled $384,044. Other revenue was provided through federal, state, and local sources. Total operating revenue from these other sources exceeded net operating expenditures by $24,903 or 6% of the net operating budget. This reserve can be used to fund the local share of capital improvements or to compensate for potential future revenue short falls.

Table IX-1
Hubbard County Heartland Express 2017 Annual Operating Budget

Expense and Revenue Categories	Amount	Percent of Net Expenditure
Operating Costs	-$430,481	
Passenger Fare Revenue	$42,636	
Fuel Tax Refund	$3,801	
Net Operating Expenditure	-$384,044	
Federal Revenue Share	$28,152	7%
State Revenue Share	$327,500	85%
Local Revenue	$53,295	14%
Excess Revenue (Reserve Account)	$24,903	6%

Source: Hubbard County Revenues & Expenditures Budget Report

Transit system operating revenue (including farebox and fuel tax refunds) accounted for 10.8% of the total (gross) operating costs.

BACKGROUND

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

- U.S. Department of Transportation, Federal Transit Administration
- State General Fund Appropriations
- State Motor Vehicle Sales Tax (MVST)
- State Motor Vehicle Lease Sales Tax (MVLST)

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

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

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

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

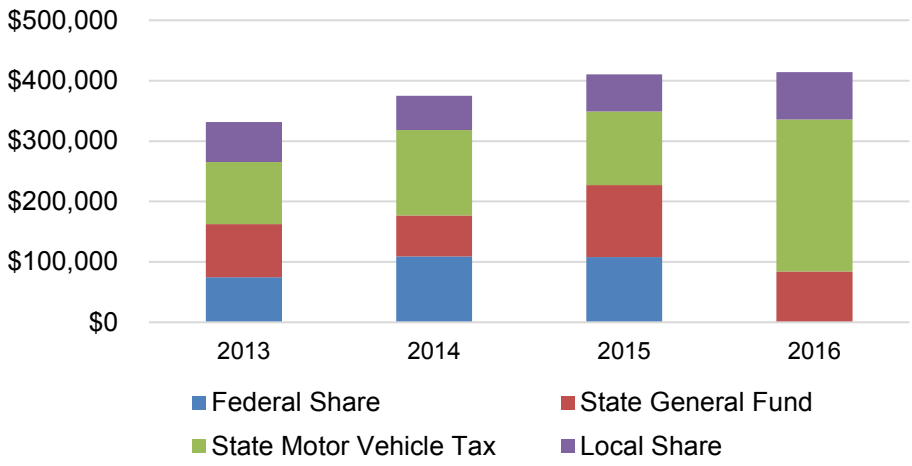
Passenger farebox, local property taxes, local sales taxes, contracted route revenue, advertising revenue, or other program revenue are examples of local revenue sources that can provide the local match. State and federal funding for public transit covers the remaining 85% of operating costs in rural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

HUBBARD'S FINANCIAL HISTORY

Table IX-2 and Figure IX-1 show the annual operating expenses and revenues for 2013 through 2016. The federal share increased from 22% to 29% between 2013 and 2014. The federal share decreased to 26% in 2015, and no federal revenue was allocated in 2016. To balance the federal share, State Motor Vehicle Tax revenue decreased to 30% in 2015 and then increased to a high of 61% in 2016. State general fund revenues were 27% in 2013 and decreased to 18% in 2014. State general fund revenues increased to 29% of the budget in 2015 and decreased again in 2016 to 20% of Hubbard County Heartland Express revenues. Local share fluctuated between 15% and 20% of annual operating expenses.

Table IX-2 Historical Annual Operating Expenses and Revenues						
Year	Operating Expenses	Federal Share	State General Fund	State Motor Vehicle Tax	Local Share	Percentage of Local Share
2013	$331,440	$74,400	$88,088	$102,792	$66,240	20%
2014	$374,735	$109,200	$67,393	$141,933	$56,201	15%
2015	$410,584	$107,820	$119,450	$121,726	$61,588	15%
2016	$414,383	$0	$83,938	$251,813	$78,633	19%
Source: 2014, 2015, 2016, 2017 MnDOT Annual Transit Reports						

Figure IX-1
Hubbard County Heartland Express Operating Revenue by Source

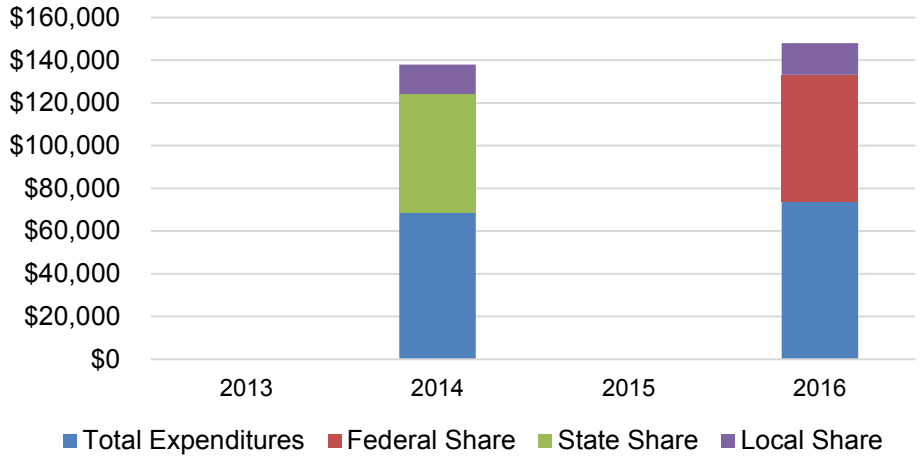


Hubbard County Heartland Express made capital purchases of buses in 2014 and 2016. No vehicles were purchased in the alternate years of 2014 and 2016.

Table IX-3 and Figure IX-2 show the annual capital expenses and revenues for 2013 through 2016. In 2014, Hubbard County Heartland Express purchased buses totaling approximately $69,000, of which 80% was the state share and 20% was the local share. In 2016, Hubbard County Heartland Express purchased a bus totaling approximately $74,000, of which 80% was the federal share and 20% was the local share.

Table IX-3 Historical Annual Capital Expenses and Revenues					
Year	Asset Category	Total Expenditures	Federal Share	State Share	Local Share
2013	N/A	$0	$0	$0	$0
2014	Buses	$68,953	$0	$55,163	$13,791
2015	N/A	$0	$0	$0	$0
2016	Bus	$74,000	$59,200	$0	$14,800
Source: 2014, 2015, 2016, 2017 MnDOT Annual Transit Reports					

Figure IX-2
Hubbard County Heartland Express
Capital Revenues by Source



UNCONSTRAINED PLAN COSTS

The MnDOT Investment and Strategic Plan 2017 supports the State Legislature target of meeting 90% of public transit need in greater Minnesota by 2025. As the population for greater Minnesota grows and ages, the need for public transit also increases. Currently, Hubbard County Heartland Express is providing 123 daily trips. According to the mobility gap methodology, Hubbard County Heartland Express must increase the daily trips to 212 trips per day, an increase of approximately 72%.

Table IX-4 illustrates the annual costs and performance characteristics required to achieve the legislative goal compared to the actual 2017 service statistics. Annual operating costs for service required to meet the legislative goal would increase by 72% from $430,481 in 2017 to approximately $740,424 by 2025.

Table IX-4 Annual Performance Goal: Current vs. Legislative Goal				
Option	**Passenger-Trips**	**Annual Operating Cost**	**Revenue-Hours**	**Cost per Passenger-Trip**
Status Quo Service (2017) *County Service Monday - Friday from 8 a.m. – 4 p.m.* *Park Rapids DAR Monday - Friday from 7:30 a.m. - 6:30 p.m. and Saturday from 8 a.m. - 3:30 p.m.*	38,456	$430,481	7,217	$11.19
Service required to meet Legislative Goal	66,144	$740,424	12,413	$11.19
Source: LSC, 2019.				

UNCONSTRAINED TIMELINE TO MEET THE LEGISLATIVE GOAL

Hubbard County Heartland Express has discussed several options for expanding services to achieve the legislative goal for service. Six service enhancement options are under consideration, as follows:

- Option 1: Keep the current hours and days of service, and expand the service area.
- Option 2: Extend Park Rapids DAR weekday evening hours until 8:30 p.m. using two vehicles.
- Option 3: Add an additional bus on Saturdays.
- Option 4: Add a new commuter service for local employers.
- Option 5: Add new service to Fargo five days per week.
- Option 6: Add a daily connection between Park Rapids and Nevis for school-related trips.

Table IX-5 illustrates the projected annual ridership, operating costs and productivity measures associated with each of the potential service enhancements. The options, as presented, are based on an unconstrained amount of revenue.

Table IX-5
Unconstrained Budget and Performance Projections with Service Enhancements

Option	Annual Passenger-Trips	Annual Operating Cost	Revenue-Hours	Passenger-Trips per Hour	Cost per Hour	Average Cost per Passenger-Trip
Status Quo Service (2017) *County Service Monday - Friday from 8 a.m. - 4 p.m.* *Park Rapids DAR Monday - Friday from 7:30 a.m. - 6:30 p.m. and Saturday from 8 a.m. - 3:30 p.m.*	38,456	$430,481	7,217	5.3	$59.65	$11.19
Option 1 - Same hours/days, wider service area	34,610	$430,481	7,217	4.8	$59.65	$12.44
Option 2 - Extension of Park Rapids DAR weekday evening hours until 8:30 p.m.	4,550	$54,280	910	5.0	$59.65	$11.93
Option 3 - Additional Park Rapids DAR bus on Saturdays	1,950	$23,263	390	5.0	$59.65	$11.93
Option 4 - New commuter service for local employers	2,500	$62,034	1,040	2.4	$59.65	$24.81
Option 5 - New Service to Fargo five days per week	2,860	$108,560	1,820	1.6	$59.65	$37.96
Option 6 - Daily connection between Park Rapids and Nevis for school-related trips	5,200	$15,509	260	20	$59.65	$2.98

Source: LSC, 2019.

Option 1 represents an expansion of the service area with no expansion in hours of operation. With a larger service area, the number of passenger-trips per hour is likely to decrease because vehicles will be making longer distance trips more often. Therefore, if all aspects of service remain status quo except the service area boundaries, the number of annual passenger-trips is likely to decrease.

Options 2 through 6 represent changes in service that are an expansion of hours or days of service, or an entirely new route. Each of these options is projected to generate additional ridership and will result in higher operating costs. The annual statistics listed in the table for Options 2 through 6 represent the passenger-trips, costs, and revenue-hours to be provided in addition to the status quo.

In total, the proposed service enhancements are not projected to meet the legislative goal of 66,144 annual passenger-trips for the region. Therefore, Hubbard County must work to continue to improve its marketing and outreach

efforts so that ridership will grow with each year that the service enhancement is in place. It is not unusual for new transit services to require one to two years of operation before adequate productivity levels are achieved. For example, if after two years of service, Option 4: New Commuter Service for Local Employers may increase from 2.4 trips per hour to as many as five to seven trips per hour once employers and employees begin to recognize the service as a sustainable and trustworthy option.

Table IX-6 illustrates the projected annual operating and capital costs for the individual service enhancement options if they are implemented and sustained over a five-year horizon. Estimated costs for each option are compared to Hubbard County's projected annual costs of continuing with the status quo service through 2025. Annual projected operating costs for status quo and the service enhancements are inflated by 3% each year. As illustrated in the table, the unconstrained implementation plan cumulative costs over a five-year period are much higher than Hubbard County's current budget.

Option 2, extension of Park Rapids DAR weekday evening service until 8:30 p.m., will require an additional $383,662 by 2025—approximately $64,000 additional each year.

Option 3, additional Park Rapids DAR bus on Saturdays, will require an additional $164,428 by 2025—approximately $27,000 additional each year.

Option 4, new commuter service for local employers, will require an additional $438,469 by 2025—approximately $73,000 additional each year.

Option 5, new service to Fargo five-days per week, will require an additional $767,324 over a five-year period—approximately $120,000 to $140,000 each year.

Option 6, daily connection between Park Rapids and Nevis for school-related trips, will require an additional $10,621 over a five-year period—approximately $17,000 to $20,000 each year.

Additional capital expenses are projected to occur in 2019, 2020, 2021, 2022, and 2024.

Table IX-6
Unconstrained Capital and Operating Implementation Costs if Implemented and Sustained over a Five-Year Horizon, 2019-2025

	Actual 2017	Projected 2018	Projected 2019	Projected 2020	Projected 2021	Projected 2022	Projected 2023	Projected 2024	Projected 2025	Cumulative Costs 2020-2025
Costs										
Total Status Quo Operating Costs	**$430,481**	**$410,245**	**$429,960**	**$411,341**	**$423,681**	**$436,391**	**$449,483**	**$462,968**	**$476,857**	**$2,660,721**
Operating Costs for Service Enhancement Options										
New Staff Required to Maintain Status Quo (Including Benefits)				$90,976	$93,705	$96,516	$99,412	$102,394	$105,466	**$588,468**
Option 1 - Same hours/days, wider service area				$411,341	$423,681	$436,391	$449,483	$462,968	$476,857	**$2,660,721**
Option 2 - Extension of Park Rapids DAR weekday evening hours until 8:30 p.m.				$59,313	$61,093	$62,925	$64,813	$66,758	$68,760	**$383,662**
Option 3 - Additional Park Rapids DAR bus on Saturdays				$25,420	$26,183	$26,968	$27,777	$28,611	$29,469	**$164,428**
Option 4 - New commuter service for local employers				$67,786	$69,820	$71,914	$74,072	$76,294	$78,583	**$438,469**
Option 5 - New Service to Fargo five days per week				$118,626	$122,185	$125,851	$129,626	$133,515	$137,521	**$767,324**
Option 6 - Daily connection between Park Rapids and Nevis for school-related trips				$16,947	$17,456	$17,979	$18,519	$19,074	$19,646	**$109,621**
Capital Costs										
Replacement Vehicle Cost			$85,000	$87,550		$92,882		$98,538		**$278,970**
Expansion Vehicle Cost				$350,200						**$350,200**
Dispatching Software				$25,000						**$25,000**
Farebox					$10,000					**$10,000**

Table IX-7 illustrates potential costs over a five-year timeline if implementation of the service enhancements is staggered. The operating costs in the table for each enhancement are in addition to the projected costs of continuing the status quo operations. The first enhancements, a wider service area and an additional Park Rapids DAR bus on Saturdays, are projected for implementation in 2019. Additional annual operating and capital revenue of $194,680 is needed to support the service enhancements in 2019.

By 2020, Hubbard County would need to identify an additional $211,833 in annual operating and capital funds to sustain the service enhancements and add a new commuter service and a five-day-per-week service to Fargo.

By 2021, Hubbard County will have a funding gap of $306,736 after it extends Park Rapids DAR weekday evening hours until 8:30 p.m. and a daily connection between Park Rapids and Nevis for school-related trips.

If all service enhancements are implemented as outlined in the following table, the annual operating cost of Hubbard County Heartland Express would increase from an estimated $430,481 in 2017 to $810,836 by 2025.

Without identified funding to cover the costs of expanded services, Hubbard County will not be in a position to implement the service enhancements. Additional funding above and beyond the annual projected status quo operating budget is necessary to support each enhancement. Potential funding sources to include state and federal grants, additional contract revenue, local government, and other local match from businesses, agencies, and medical facilities will be necessary if service enhancements are implemented.

Annual operating costs are projected to increase by 3% each year. Hubbard County must identify sustainable revenue streams that can support the expansion on a continuous basis.

Table IX-7
Unconstrained Capital and Operating Implementation Costs if Staggered Implementation, 2019-2025

	Actual 2017	Projected 2018	Projected 2019	Projected 2020	Projected 2021	Projected 2022	Projected 2023	Projected 2024	Projected 2025
Costs									
Total Status Quo Operating Costs	**$430,481**	**$410,245**	**$429,960**	**$411,341**	**$423,681**	**$436,391**	**$449,483**	**$462,968**	**$476,857**
Operating Costs for Service Enhancement Options									
New Staff Required to Maintain Status Quo (Including Benefits)				$90,976	$93,705	$96,516	$99,412	$102,394	$105,466
Option 1 - Same hours/days, wider service area			$429,960	$411,341	$423,681	$436,391	$449,483	$462,968	$476,857
Option 2 - Extension of Park Rapids DAR weekday evening hours until 8:30 p.m.					$61,093	$62,925	$64,813	$66,758	$68,760
Option 3 - Additional Park Rapids DAR bus on Saturdays			$24,680	$25,420	$26,183	$26,968	$27,777	$28,611	$29,469
Option 4 - New commuter service for local employers				$67,786	$69,820	$71,914	$74,072	$76,294	$78,583
Option 5 - New Service to Fargo five days per week				$118,626	$122,185	$125,851	$129,626	$133,515	$137,521
Option 6 - Daily connection between Park Rapids and Nevis for school-related trips					$17,456	$17,979	$18,519	$19,074	$19,646
Total Operating Costs	**$430,481**	**$410,245**	**$454,640**	**$623,174**	**$720,417**	**$742,029**	**$764,290**	**$787,219**	**$810,836**
Capital Costs									
Replacement Vehicle Cost			$85,000	$87,550		$92,882		$98,583	$0
Expansion Vehicle Cost			$85,000	$175,100	$90,177				$0
Dispatching Software				$25,000					$0
Farebox					$10,000				$0
Total Capital Costs	$0	$0	$170,000	$0	$10,000	$0	$0	$0	$0
Total Annual Operating Costs and Capital Costs	$430,481	$410,245	$624,640	$623,174	$730,417	$742,029	$764,290	$787,219	$810,836
Funding Gap	$0	$0	-$194,680	-$211,833	-$306,736	-$305,638	-$314,807	-$324,251	-$333,979

CONSTRAINED FIVE-YEAR FINANCIAL PLAN

At the time of this report, no additional funding sources had been identified to support the service enhancements previously described. With no additional revenue streams, Hubbard County Heartland Express could implement Option 1: Expanding the Service Area to include a five-mile radius. The expanded service area would permit the system to serve more employers and communities around Park Rapids with no significant additional costs. In addition, the constrained operating plan also includes the cost to hire new staff (including salary and benefits) required to maintain the status quo service. Table IX-8 shows the Constrained Operating and Capital Budget.

CONCLUSION

Today, Hubbard County Heartland Express is providing 123 daily passenger-trips. According to the mobility gap analysis, the legislative goal for the area is 212 daily trips. Hubbard County is meeting 58% of its legislative goal for ridership. To achieve the legislative goal, Hubbard County Heartland Express will need to identify additional revenue sources. In the short term, and without additional funding, an expansion of the service area to include a five-mile radius could be implemented with minimal additional operating expenses and no additional vehicle. However, as demand increases, Hubbard County will need to hire an additional driver and operate at least one additional vehicle to begin to achieve higher ridership.

If Hubbard County is able to identify additional operating funds through contracts with local employers, medical facilities, or other organizations that benefit from the service expansion, any or all of the unconstrained options would become possible.

Table IX-8
Constrained Operating and Capital Budget

	Actual 2017	Projected 2018	Projected 2019	%	Projected 2020	%	Projected 2021	%	Projected 2022	%	Projected 2023	%	Projected 2024	%	Projected 2025	%
Costs																
Total Status Quo Operating Costs	$430,481	$410,245	$429,960	5%	$411,341	-4%	$423,681	3%	$436,391	3%	$449,483	3%	$462,968	3%	$476,857	3%
Operating Costs for Service Enhancement Options																
New Staff Required to Maintain Status Quo (Including Benefits)			$0		$90,976		$93,705		$96,516		$99,412		$102,394		$105,466	
Option 1 - Same hours/days, wider service area			$429,960		$411,341		$423,681		$436,391		$449,483		$462,968		$476,857	
Option 2 - Extension of Park Rapids DAR weekday evening hours until 8:30 p.m.																
Option 3 - Additional Park Rapids DAR bus on Saturdays																
Option 4 - New commuter service for local employers																
Option 5 - New Service to Fargo five days per week																
Option 6 - Daily connection between Park Rapids and Nevis for school-related trips																
Total Costs	**$430,481**	**$410,245**	**$429,960**	**5%**	**$502,316**	**17%**	**$517,386**	**3%**	**$532,907**	**3%**	**$548,895**	**3%**	**$565,362**	**3%**	**$582,322**	**3%**
Capital Costs																
Vehicle Replacement Cost			$85,000		$87,550				$92,882				$98,538		$0	
Vehicle Expansion Cost															$0	
Dispatching Software					$25,000										$0	
Farebox							$10,000								$0	
Total Capital Costs	**$0**	**$0**	**$85,000**		**$112,550**		**$10,000**		**$92,882**		**$0**		**$98,538**		**$0**	
Total Capital and Operating Costs	**$430,481**	**$410,245**	**$514,960**		**$614,866**		**$527,386**		**$625,789**		**$548,895**		**$663,900**		**$582,322**	
Revenues																
Local Shares	$53,295	$41,025	$21,498	-48%	$25,116	17%	$25,869	3%	$26,645	3%	$27,445	3%	$28,268	3%	$29,116	3%
Fare Revenue	$42,636	$42,636	$45,232	6%	$47,494	5%	$48,443	2%	$49,427	2%	$50,909	3%	$52,437	3%	$54,010	3%
Fuel Tax Refund	$3,801	$4,332	$4,500		$6,487		$7,101		$7,314		$7,533		$7,759		$7,992	
Federal Share	$28,152	$28,717	$30,097	5%	$35,162	17%	$36,217	3%	$37,304	3%	$38,423	3%	$39,575	3%	$40,763	3%
State General Fund	$327,500	$311,786	$326,770	5%	$381,760	17%	$393,213	3%	$405,010	3%	$417,160	3%	$429,675	3%	$442,565	3%
Additional Contract Revenue (employers, after-school, medical)			*$5,000*		*$7,500*		*$10,000*		*$10,000*		*$10,000*		*$10,000*		*$10,000*	
Capital Federal Share	$0	$0	$0		$0		$0		$74,306		$0		$0		$0	
Capital State Share	$0	$0	$68,000		$90,040		$0		$0		$0		$78,830		$0	
Capital Local Share	$0	$0	$17,000		$22,510		$0		$18,576		$0		$19,708		$0	
Total Revenue																
Total Revenues	**$455,384**	**$428,496**	**$518,097**		**$616,069**		**$520,844**		**$628,582**		**$551,469**		**$666,252**		**$584,446**	
Excess Revenue Fund/Shortfall	**$24,903**	**$18,251**	**$3,137**		**$1,203**		**-$6,542**		**$2,792**		**$2,575**		**$2,353**		**$2,123**	

Source: Projected revenue percentages are based on historical allocations.

CHAPTER X

Agency Strategic Direction

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

REQUIREMENTS

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

Federal Transit Authority (FTA)

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

The FTA is one of the funders for rural transit service in Greater Minnesota. MnDOT operates as the primary recipient of FTA Section 5311 funds. As such, all Greater Minnesota transit service providers (sub recipients) receiving FTA Section 5311 funds, is facilitated through MnDOT as the recipient. MnDOT assists in compliance to FTA regulations. FTA regulations such as: training, safety, maintenance, service, and procurement. Any contracted service by transit agencies, including taxi services, must also comply with FTA requirements.

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

Hubbard County Heartland Express appears to meet all FTA requirements, and no specific provider issues were identified as part of this plan.

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

Olmstead Plan

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

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

Hubbard County follows the Olmstead Plan, most notably by coordinating and communicating with the local DAC and mental health social service organizations that need transportation services. Heartland Express operates a contract route for the local DAC that connects rural areas of Hubbard County with Park Rapids.

Title VI

FTA requires all recipients and sub recipients to comply with U.S. Department of Transportation Title VI regulations, based on the Title VI of the Civil Rights Act of 1964. Title VI requirements for transit services are generally related to

[4] https://supreme.justia.com/cases/federal/us/527/581/
[5] https://www.dhs.state.mn.us/olmstead/

supplying language access to persons with limited English proficiency (LEP)[6]. In Greater Minnesota, MnDOT is the primary recipient of FTA funds, so all the Section 5311 transit service providers are sub recipients. Thus, MnDOT has the primary responsibility for Title VI compliance. MnDOT may request information related to Title VI compliance, including language assistance plans or activities, public participation plans or activities including language access, etc., from the transit service providers as needed.

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

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

Hubbard County Heartland Express has an adopted Title VI Policy, Title VI Complaint Procedure, and Limited English Proficiency Policy. All of these policies are posted on the Heartland Express website and are accessible to riders and the general public. A review of these policies found that they date back as old as 2006 and should be reviewed and updated to ensure compliance – in some cases, the policies include contact information for employees that are no longer with Hubbard County or involved with Heartland Express, and they should be updated.

Americans with Disabilities Act

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

In Greater Minnesota, with most service provided via deviated fixed route or demand response, most service-related requirements (i.e. complementary paratransit service associated with fixed route service) are inherently met by

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

mode. Any contracted service by transit agencies, including taxi services, must also comply with FTA and ADA requirements.

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

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

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

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

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

There were no specific ADA issues identified for Hubbard County Heartland Express. All of Hubbard County's vehicles are ADA accessible, and the demand response services within Park Rapids and the deviated routes within Hubbard County meet the requirements of ADA and provide equal access.

One recommendation for Hubbard County is to post their ADA policy on the website. There is some information on ADA accessibility on the website, but it could be helpful to passengers covered under the ADA to understand specific policies and procedures Hubbard County has to ensure ADA compliance.

Agency

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

- Data Tracking
    - Service data for National Transit Database (NTD)
        - Monthly and annually
        - By mode
    - Grant management
    - Fleet and facility inventory
    - Denials
        - Capacity
        - Unmet need
    - On-Time Performance (pick-up window)
    - Percent of communities with baseline span of service
    - Performance metrics (required, but not tracked)
        - Passengers per hour
        - Cost per service hour
        - Cost per trip
        - Others (3; at the discretion of the transit service provider)

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

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

Hubbard County Heartland Express follows the guidance and requirements set forth by MnDOT and is in compliance with these requirements. New policies and procedures are developed as necessary to address issues, or as required by MnDOT, FTA, or other applicable regulatory agencies.

Suggestions for additional performance measures for Heartland Express to implement are detailed in Chapter VII.

CHALLENGES

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

If all services enhancements are implemented under the unconstrained plan and the capital plan that is currently in place to support status quo service continues, Hubbard County's cumulative funding gap for the five-year period (2020 through 2025) will be approximately $334,000. If the required local match stays at 5%, this means that Hubbard County would have to raise an additional $17,000 per year in 2025 and beyond.

Without identified funding to cover the costs of expanded services, Hubbard County Heartland Express will not be in a position to implement the service enhancements. Additional funding above and beyond the annual projected status quo operating budget is necessary to support each enhancement. Potential funding sources include state and federal grants, additional contract revenue, local government; and other local match from businesses, agencies, medical facilities, and faith-based organizations will be necessary if service enhancements are implemented.

CHAPTER XI

Increasing Transit Use for Agency

EXISTING MARKETING EFFORTS

As described in Chapter III, Hubbard County Heartland Express currently uses a community-based, low-cost marketing approach to get information out about the service, including:

- Making targeted community presentations about bus service to various community groups
- Having staff present at local events like health fairs, veterans' meetings, resource groups, and community fundraisers
- Having staff take the bus as a "show and tell" way to connect with potential riders in rural areas that may not be familiar with public transportation
- Posting filers around town
- Having a website with complete service information (http://www.hubbardcountyheartlandexpress.com)

MARKETING ACTION PLAN

To increase ridership, Hubbard County Heartland Express should consider the following marketing approaches:

- Continuing ongoing marketing efforts and working to promote any new or modified service changes
- Creating a social media presence on Facebook, Twitter, Instagram, etc.
- Continuing to have a strong website by providing a variety of important information about services
    - Consider creating a series of "how-to-ride" videos on the website including how to board the bus using a wheelchair, how to pay using the farebox, appropriate bus etiquette, etc.
    - Consider adding direct links to social media accounts
- Creating a branding campaign to enhance the agency's image and increase visibility in the community, through use of a consistent name, logo, colors, and graphics in all promotional materials and on agency vehicles.
- Updating printed and electronic brochures and resources for passengers
- Increasing local advertising

- Implementing a real-time bus location application so passengers can be well informed and able to track the current location of their transit vehicle, as well as receive real-time predictions and reminders for pick-ups
- Create a rider alert list that allows passengers to sign up to receive alerts via email or text message about service changes or disruptions, like service cancellation due to bad weather.

Additional marketing strategies are available through the following resources:

- **TCRP Report 50: A Handbook of Proven Marketing Strategies for Public Transit** – a resource for transit agencies that identifies, describes, and assesses proven low-cost and cost-effective marketing techniques and strategies. The report is available for free on the Transit Research Board's website: http://onlinepubs.trb.org/onlinepubs/tcrp/tcrp_rpt_50-a.pdf.
- **TCRP Report 122: Understanding How to Motivate Communities to Support and Ride Public Transportation** – a study exploring the methods and strategies used by public transportation agencies in the United States and Canada to enhance their public images and motivate the support and use of public transportation. The report also identifies effective communication strategies, campaigns, and platforms for motivating individuals to support public transportation, as well as ways to execute those communication strategies, campaigns, and platforms. The report is available for free on the Transit Research Board's website: http://www.trb.org/Main/Public/Blurbs/159756.aspx.
- **TCRP Report 168: Travel Training for Older Adults** – a handbook presenting a comprehensive roadmap for designing a travel training program to meet the mobility needs of older persons. The report is available for free on the Transit Research Board's website: http://www.trb.org/Publications/Blurbs/171323.aspx.
- **National Rural Transit Assistance Program (National RTAP) Marketing Transit Toolkit** – a resource designed as to be a comprehensive and practical guide for rural and tribal public transportation agencies to develop and implement successful marketing programs for their systems. The toolkit is available for free on their website: http://nationalrtap.org/marketingtoolkit/.

APPENDIX A

Transit Asset Management

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

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

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

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

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

APPENDIX B

Glossary of Terms/Concepts

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

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

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

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

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

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

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

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

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

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

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

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

Demand-Responsive Service: Service to individuals that is activated based on passenger requests. Usually passengers call the scheduler or dispatcher and request rides for dates and times. A trip is scheduled for that passenger, which may be canceled by the passenger. Usually involves curb-to-curb or door-to-door service. Trips may be scheduled on an advanced reservation basis or in "real-

time." Usually smaller vehicles are used to provide demand responsive service. This type of service usually provides the highest level of service to the passenger but is the most expensive for the transit system to operate in terms of cost per trip. In rural areas with relatively high populations of elderly persons and persons with disabilities, demand-responsive service is sometimes the most appropriate type of service. Sub-options within this service type are discussed in order of least structured to most structured, in terms of routing and scheduling.

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

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

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

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

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

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

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

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

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

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

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

local and regional ***feeder services***, if those services are designed expressly to connect to the broader intercity bus network.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

the system at predetermined route stops. The limited geographic area within which the vehicle may travel off the route is known as the route deviation corridor.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

This page intentionally left blank.

APPENDIX C

Transit Funding in Minnesota

Transit funding is comprised of:

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

Table C-1
Federal Transit Funding Overview

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

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

MnDOT Transit Funding

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

GENERAL FUND APPROPRIATIONS

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

Greater Minnesota Transit

FY14 - $16,451,000

FY15 - $16,470,000

FY16 - $19,745,000

FY17 - $19,745,000

FY18 - $ 570,000

FY19 - $17,395,000

FY20 (Base) $17,245,000

FY21 (Base) $17,245,000

TRANSIT ASSISTANCE FUND

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

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

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

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

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

Local Revenues

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

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

State and federal funding for public transit should cover the remaining 80% or 85% 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%;
(2) for rural area service, 15%; and
(3) for elderly and disabled service, 15%.

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

(d) For purposes of this subdivision, "local sources" means all local sources of funds and includes all operating revenue, tax levies, and contributions from public funds, except that the commissioner may exclude from the total assistance

contract revenues derived from operations the cost of which is excluded from the computation of total operating cost.

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

APPENDIX D

Survey Results

INTRODUCTION

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

SURVEY RESULTS

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

Additional Funding

Respondents were asked if Hubbard County Heartland Express should seek additional funding in order to operate a variety of potential transit services, including:

- **Service Option 1:** Same service hours and days, but a wider service area
- **Service Option 2:** Extension of Park Rapids Dial-A-Ride weekday evening hours until 8:30 p.m.
- **Service Option 3:** Additional Park Rapids Dial-A-Ride bus on Saturdays
- **Service Option 4:** New commuter service for local employers
- **Service Option 5:** New service to Fargo five days per week
- **Service Option 6:** Daily connection between Park Rapids and Nevis for school-related trips

All six of the respondents indicated that Hubbard County Heartland Express should seek additional funding for Service Option 1, followed by five of the six respondents who thought additional funding should be sought for Service Option 2, and four of the six respondents who thought additional funding should be sought for Service Option 3. Service Option 6 was the least popular option.

Figure 1: Hubbard County Heartland Express Online Survey Form

Priority Ranking

Respondents were also asked to rank the six potential service options in order of their top priorities. The potential service option with the highest overall rating was Service Option 1, followed by Service Option 2, Service Option 4, Service Option 3, and Service Option 5. Service Option 6 was the lowest ranked potential service option.

Other Service Options

The last question on the survey asked respondents if there were any other public transportation service enhancements or expansions that should be considered. Only one of the six respondents answered this question. The respondent indicated a desire to expand service to Emmaville and also make it easier for parents to buy cards for students.