

# Five-Year Transit System Plan



*Final*

Prepared by:



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# Chapter 1. Executive Summary

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## Overview

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

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

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

## Summary of Major Components

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

Recommendations are organized by the following categories: **Service, Staffing, Facilities/Fleet, Technology, and Marketing**, and are summarized into an Action Plan beginning on page 61.

## Summary of Technical Memoranda

Previous technical memoranda included a description of existing conditions in the Rolling Hills Transit service area, as well as a summary of public engagement efforts. Major findings from the both documents are included in this report.

## Needs Assessment

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

- Weekday demand-response service in parts of Dodge County, Houston County, and Winona County.
- Weekday demand-response service in parts of Fillmore County and Olmsted County.
- Limited weekday deviated-route service in parts of Fillmore County and Olmsted County.

To learn how well Rolling Hills Transit is meeting community needs, identify gaps in service, and identify capital and operational needs, consultants conducted public engagement efforts throughout October 2018. This included meetings with prominent local and regional stakeholders from the five counties served by Rolling Hills Transit and as well as oversight groups and Rolling Hills Transit staff. Through this engagement, the following potential areas for improvement were identified: weekend service availability, service area, service hours, transportation for young students, addition of bilingual dispatchers, marketing, training capacity, and low-income fare options.

## Recommendations

This report identifies short- and long-term recommendations for Rolling Hills Transit to better serve its current and future users. The following are recommendations for the short term:

- Monitor ridership, productivity, and service denials on existing routes to determine when and where additional capacity might be needed.
- Create a targeted marketing campaign to increase awareness and understanding of the services available, especially for routes that are currently performing below ridership or productivity targets.

Long-term recommendations focus on expanding service. The following recommendations are made:

- Use performance measures to prioritize service expansions, such as additional frequency on scheduled routes, additional service days for county-wide trips, or extended service hours.
- Diversify vehicles to better serve riders who use a wheelchair and provide appropriate capacity for routes with both low and relatively high ridership.
- Increase hours of service each day, increase frequency, and/or add Sunday service.
- Implement a new route from Winona to Rochester, offering at least one inbound and outbound trip timed to meet the needs of customers in communities along Highway 14.

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

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Transit systems in Greater Minnesota operate in a rapidly changing environment, with new policies, funding situations, system mergers, and increased demands for services.

To address the growing need for transit service in a way that is integrated and embraced by the community, a vision for each transit system is critical. Without a plan, systems are put in the position of having to react in the moment to new circumstances. They may operate on a year to year basis without a longer-term vision to guide budgets and decision making.

A five-year plan for each transit system will provide a framework for connecting with local government officials, local planning agencies, board members, and other stakeholders to build support for improving their transit system. The FYTSP will provide each system, MnDOT and the Minnesota Public Transit Association with a clear definition of transit needs and a basis from which to request long-term commitment of local funds and leverage state and federal funding.

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

- Improving coordination of services to meet transportation needs
- Increasing ridership/usage across the network
- Ensuring fiscal responsibility as a transit funding agency
- Anticipating and planning for future funding levels to achieve service expansion
- Articulating and communicating a vision for the transit system and the benefits it provides to the community.

MnDOT is committed to funding consultant support for each transit provider to develop a five-year plan that is designed to meet the needs of each unique system and community. The process for developing the five-year plans is guided by a project manager (DRB), 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 metropolitan planning organizations and 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. The Greater Minnesota transit system five-year plans will allow all transit service to be incorporated into the larger vision for communities as they plan for new economic development and a future with an aging population.



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

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

These five-year plans are designed to be updated annually by the service providers to meet changing needs and circumstances.

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

## Chapter 3. Agency Overview

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### Background

Rolling Hills Transit is the transportation program run by Semcac (South East Minnesota Citizens Action Council), a community action agency. Semcac was established in June of 1966. Some of the first programs to be created in the early 1970s included Summer Head Start, serving 127 children, and New Careers training and transportation services using a single 1967 Chevrolet bus.

Recent developments include the 2013 transit expansion into Spring Valley and a re-branding of the buses to Rolling Hills Transit. The five new buses purchased in 2015 include cameras, which improve safety along with new safety protocols. In 2017, ridership exceeded 58,000 and construction started on a new facility in Kasson for bus storage, dispatch, and administrative offices. This facility opened in 2019, and Rolling Hills Transit is currently working out of that new building.

Semcac strives to offer necessary transportation services, using public transportation (Rolling Hills Transit) and volunteer-based rides in the southeast Minnesota region including Dodge, Houston, Fillmore, Olmsted and Rural Winona counties.

### Mission

Semcac’s mission is to “empower and advocate for people to enhance their self-sufficiency by maximizing community resources.”

### Vision

Semcac’s vision is for “thriving individuals, families and communities leading a vibrant southeast Minnesota region.”

Semcac also abides by the following four core values:

- **Passion to Serve** – We are committed to providing outstanding services supported by caring, compassionate staff, earning the trust of all.
- **Integrity** – We are led by our mission, vision and values, considering them in all our decision making as we continually seek to improve our services.
- **Respect** – We treat everyone fairly and with dignity by listening and acknowledging different viewpoints.
- **Accountability** – We are honest, responsible stewards of all resources entrusted to us.

## Governance

Rolling Hills Transit is governed by the Semcac Board of Directors, while public transit related decisions are based on the recommendations provided by the Transportation Advisory Committee (TAC). The TAC meets every second Monday of the month, based on the need for discussion on services changes or newly identified needs.

Table 1 and Figure 1 show the organizational structure of Semcac, including Rolling Hills Transit.

**Table 1. Semcac Board of Directors**

<b>Name</b>	<b>Work Title</b>	<b>Representing (County, City, etc.)</b>
Greg Peterson		Dodge County, Consumer Representative
Tim Tjosaas		Dodge County, Public Official
Neil Witzel		Dodge County, Private Sector
Ruth Fallon	Executive Committee	Fillmore County, Consumer Representative
Randy Dahl		Fillmore County, Public Official
Karen Johnson		Fillmore County, Private Sector
Patricia Sorenson		Freeborn County, Consumer Representative
Glen Mathiason		Freeborn County, Public Official
Lenore Fries	Executive Committee	Freeborn County, Private Sector
John Bashaw	Treasurer	Houston County, Consumer Representative
Scott Connor		Houston County, Public Official
Larry Connery	President	Houston County, Private Sector – Fiscal Professional
Tina Bell		Mower County, Consumer Representative
Polly Glynn		Mower County
Janice Ball	Secretary	Mower County, Private Sector
Janice Schultz		Steele County, Consumer Representative
Rich Gnemi		Steele County, Public Official
Rick Wittrock		Steele County, Private Sector
Brenda Boettcher		Winona County, Consumer Representative
Jim Pomeroy		Winona County, Public Official
Joe Hoffman	Vice President	Winona County, Private Sector
Brian Lipford	Attorney Liaison	
Chrissa Mueller	Head Start Liaison	

Figure 1. Organizational Structure of Semcac, Including Rolling Hills Transit



### Semcac Organization Chart

MISSION: Empower & advocate for people to enhance their self-sufficiency by maximizing community resources.

<p><b>Administration</b></p> <p><u>Programs</u> Fiscal, Human Resources, Management Information Systems, Planning &amp; Development</p> <p><u>Employees</u> Human Resources Director, Planning &amp; Development Director, Fiscal Director, MIS Director Staff: Accountant, Accounting Specialist, Administrative Clerk, Administrative Services Assistant</p>	<p><b>Community Development</b></p> <p><u>Programs</u> Weatherization (WX), HELP, Energy Assistance Program (EAP), Housing</p> <p><u>Employees</u> Housing Coordinator, Weatherization Coordinator, Energy Assistance (EAP) Coordinator   Staff: WX Program Specialist, EAP/WX Program Specialist, Lead Housing Rehab Coordinator, Housing Rehab Specialist, Housing Rehab Specialist II, WX Crew Foremen, WX Crew Workers, EAP Office Support Specialist, EAP Lead Caseworkers, EAP Caseworker, EAP Lead Certifier, EAP Certifier, Emergency Repair/Replacement (ERR) Specialist</p>	<p><b>Head Start</b></p> <p><u>Programs</u> Head Start, Early Head Start</p> <p><u>Employees</u> Head Start Director Staff: Program Manager, Program Assistants, Education/Disabilities Coordinator, Family/Community Engagement &amp; Transitions Coordinator, Health Program &amp; Pregnant Women Coordinator, County Coordinators (Include Facilities &amp; Professional Development), Teachers, Home-Based Educators, Family Education Paraprofessional Paraprofessionals, Program Specialist</p>	<p><b>Outreach &amp; Emergency Services</b></p> <p><u>Programs</u> Outreach, advocacy &amp; translation services, Emergency/Crisis assistance, food security, homelessness prevention, community projects, information &amp; referrals, financial management &amp; education</p> <p><u>Employees</u> Outreach &amp; Emergency Services Director Staff: Outreach/Emergency Services Coordinator, Cultural Diversity Specialist, Case Managers, Food Shelf Managers, Shelter Manager</p>
<p><b>Semcac Clinic</b></p> <p><u>Programs</u> Health Services for Men, Women &amp; Transgender persons, Family Planning Services, Sexual Health Community Education</p> <p><u>Employees</u> Clinic Director Staff: Mid-Level Provider, Registered Nurse, Clinic Clerk, Outreach Specialist &amp; Program Assistant, Clinic Billing Specialist</p>	<p><b>Senior Services</b></p> <p><u>Programs</u> Senior Dining, Meals on Wheels, Senior &amp; Caregiver Advocacy</p> <p><u>Employees</u> Senior Services Director Staff: Program Manager, Office Manager &amp; Program Assistant, Senior &amp; Caregiver Advocates, Sr. Nutrition Program Coordinators, Sr. Dining Site Managers, Meals on Wheels Coordinators, Head Cooks I, II, III, Food Deliverers, Assistant Cooks, Weekend Head Cooks, Kitchen Helpers</p>	<p><b>Transportation</b></p> <p><u>Programs</u> Rolling Hills Transit (public bussing), Volunteer Driver Program</p> <p><u>Employees</u> Transportation Director Staff: Operations Manager, Compliance &amp; Marketing Manager, Coordinator, Program Assistant, Dispatchers, Bus Drivers</p>	<p><b>Leadership Information</b></p> <p>Semcac is governed by a volunteer Board of Directors.</p> <p>* The Head Start program is also governed by the local Head Start Policy Council.</p> <p>Semcac has an Executive Director who reports to the Board of Directors on behalf of the agency.</p> <p>* Department Directors &amp; Community Development Coordinators report to the Executive Director.</p>

## Decision-Making Process

To make changes to transit service, the decision process includes the Minnesota Department of Transportation (MnDOT) and does not need the Semcac board approval. The service change process includes documenting the unmet needs through public involvement in the affected communities, and then applying for MnDOT approval for needed service changes.

For capital purchases, the Semcac board approves a resolution to fund 20 percent of the capital costs, while 80 percent is covered by Federal Transit Administration (FTA) program funds. In addition, the annual budget is approved by the board and then submitted to MnDOT. The Semcac board then approves the overall local match of 15 percent of operating cost based on the annual budget, as approved by MnDOT.

The TAC serves as an advisory committee in the decision process and does not vote.

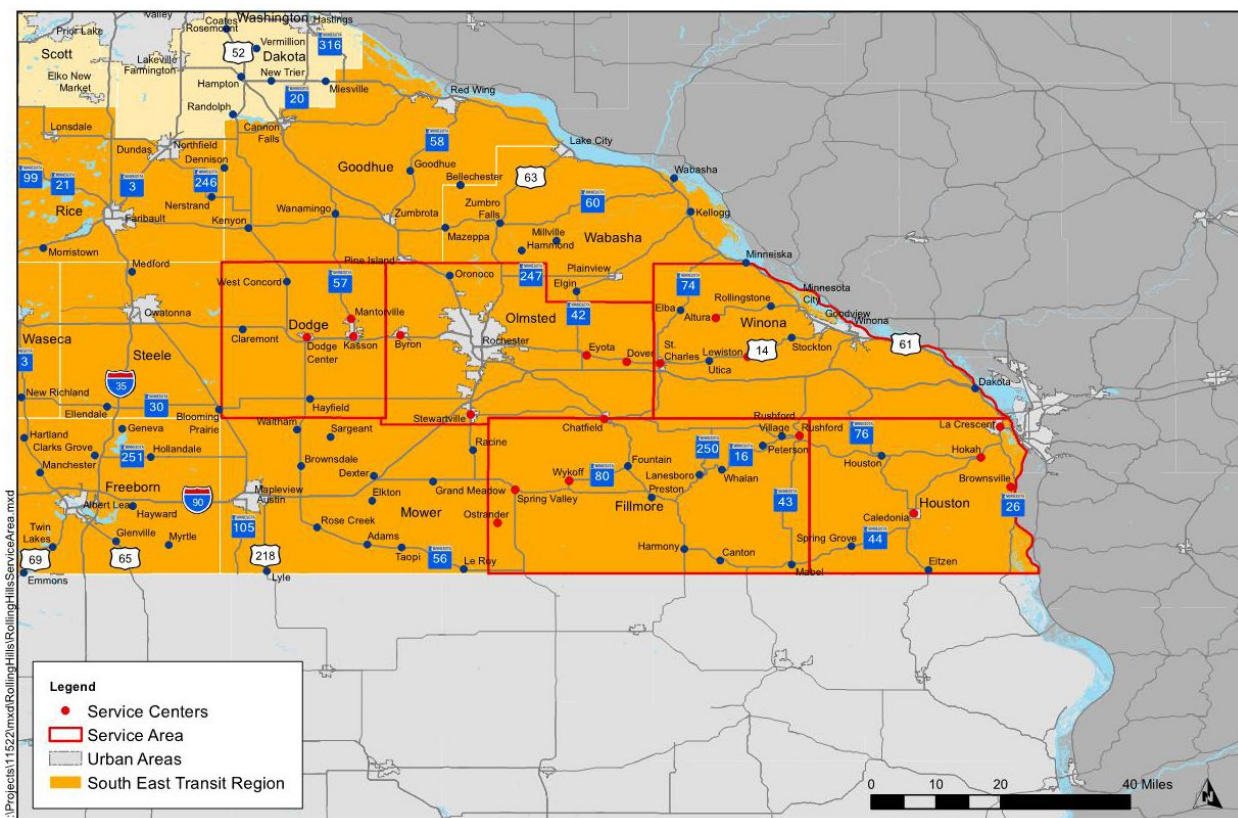
# Service Area Overview

Rolling Hills Transit provides curb-to-curb public transportation to Dodge, Houston, Fillmore, Olmsted and Rural Winona counties located in southeast Minnesota. Rochester and Winona are the two major trade and activity centers in this area.

The 2017 Regional Transit Coordination Plan for Southeast Minnesota identified that a wide range of transportation options available to persons in Region 10 (consisting of Dodge, Fillmore, Freeborn, Goodhue, Houston, Mower, Olmsted, Rice, Steele, Wabasha and Winona counties). The transportation options include for-hire transportation providers, shuttle services, specialized transportation services, taxi service, public transit, paratransit, ridesharing and volunteer based services. In addition, regional transit options also exist including both public and private providers. Rolling Hills Transit is one of the major public transit providers in Region 10, offering a variety of transit services in five of the 11 counties in the region.

Figure 2 below shows the Rolling Hills Transit service area within the Southeast Minnesota region.

**Figure 2. Rolling Hills Transit Service Area**



## **Dodge County**

Located west of Rochester, Dodge County lies at the northwest corner of the Rolling Hills Transit service area and is part of the Rochester Metropolitan Statistical Area (MSA). Primarily rural in nature, Dodge County spans 440 square miles and has a population of 20,361.<sup>1</sup> Notable communities in Dodge County include Claremont, Dodge Center, Hayfield, Kasson, and Mantorville (the county seat). Primary industries in Dodge County include manufacturing, educational services, and health care and social assistance.

## **Fillmore County**

Located south of Rochester, Fillmore County occupies 861 square miles along the Iowa border, with a population of 20,877.<sup>1</sup> While it is primarily rural, parts of Fillmore County lie within the Rochester MSA. Notable communities in Fillmore County include Chatfield, Spring Valley, Ostrander, Rushford, and Wykoff; the county seat is Preston. Primary industries in Fillmore County include health care and social assistance and educational services.

## **Houston County**

Located at the far southeast corner of Minnesota, Houston County consists of 552 square miles along the Iowa and Wisconsin borders. With a population of 18,791, Houston County is the least populous county in the Rolling Hills Transit service area.<sup>1</sup> Notable communities in Houston County include Brownsville, Caledonia (the county seat), Hokah, and La Crescent. Houston County is part of the La Crosse-Onalaska MSA; primary industries include educational services, health care and social assistance, and manufacturing.

## **Olmsted County**

Home to the City of Rochester, Olmsted County is the most populous county in the Rolling Hills Transit service area, with a population of 150,104 spread over 653 square miles.<sup>1</sup> Due to the presence of the Mayo Clinic in Rochester, primary industries in the Olmsted County are health care and social assistance and educational services. Based on the MnDOT Regional Trade Center Study (2003), Rochester qualified as a primary wholesale retail center, indicating it is of key importance to surrounding communities' ability to access goods and services.

Transit service within the City of Rochester is provided by Rochester Public Transit (RPT), a municipal department. Additionally, rush-hour commuter service to Rochester from surrounding communities is provided by Rochester City Lines, a private company operating premium over-the-road motor coach service. Intercity bus service to Rochester is provided by Jefferson Lines (Rochester-Twin Cities and Rochester-Lacrosse) and Land to Air Express (Owatonna-Rochester).

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<sup>1</sup> 2012-2016 American Community Survey (ACS) 5-Year Estimates

## Winona County

Winona County has a population of 51,145 and includes the Winona Micropolitan Statistical Area (μSA).<sup>1</sup> More than half of the county's residents live in the City of Winona, which is home to Winona State University and many of the nearly 8,000 students it serves. The primary industries in Winona County are educational services, health care and social assistance, and manufacturing.

Table 2 below shows a summary of population and household data for counties and communities in the Rolling Hills Transit service area.

**Table 2. Counties and Communities Served by Rolling Hills Transit**

<b>Geography</b>	<b>Population</b>	<b>Households</b>	<b>Zero Car Households</b>
Olmsted County	150,104	58,692	3,983
Winona County	51,145	19,078	1,543
Fillmore County	20,877	8,540	587
Dodge County	20,361	7,583	212
Houston County	18,791	7,989	422
Kasson	6,143	2,290	16
Stewartville	6,062	2,371	136
Byron	5,191	1,735	0
La Crescent	4,808	2,113	142
St. Charles	3,707	1,212	104
Chatfield	2,821	1,144	47
Caledonia	2,799	1,235	92
Dodge Center	2,699	964	76
Spring Valley	2,451	1,075	123
Eyota	2,073	776	40
Rushford	1,940	766	66
Lewiston	1,538	566	42
Mantorville	1,098	432	7
Dover	821	293	3
Altura	613	208	1
Brownsville	566	238	5
Hokah	539	241	23
Wykoff	433	184	7
Ostrander	232	99	7

Source: 2012-2016 American Community Survey (ACS) 5-Year Estimates



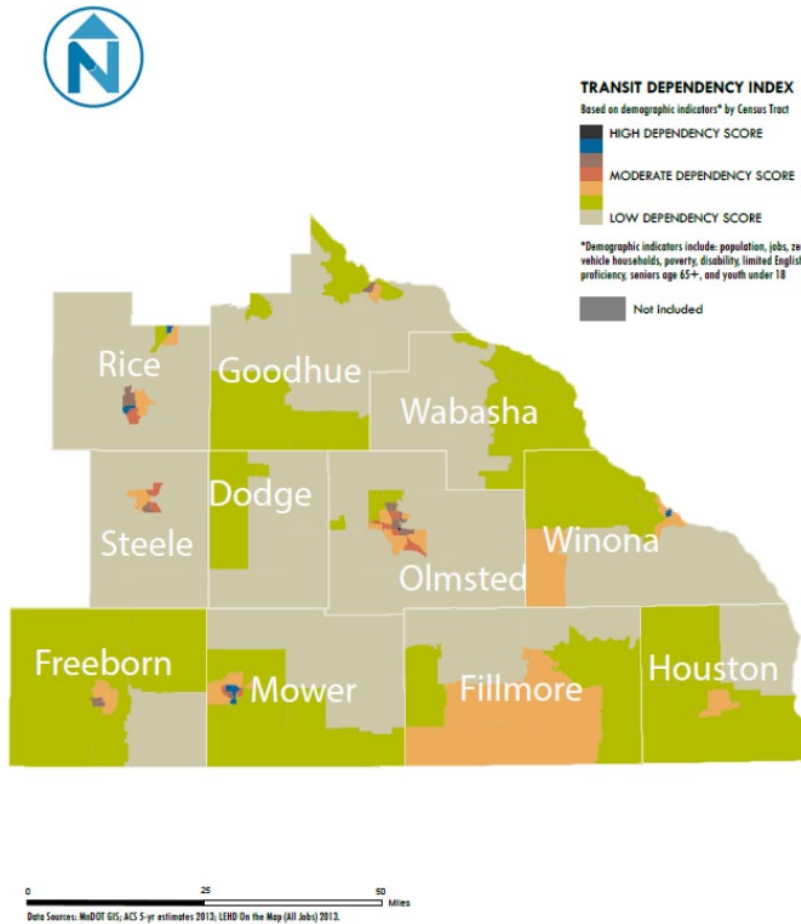
The following sub-sections include a geographical analysis of demographic and economic characteristics of counties and the communities located in the agency service area.

### Transit Dependency

MnDOT has developed a transit dependency index to highlight areas with concentrated populations that may use transit. Factors considered in this analysis include the following: population and employment density, youth (under 18), older adults (age 65+), households without a vehicle, persons with a disability, LEP populations, and low-income households.

Figure 3 illustrates transit dependency by census tract within Southeast Minnesota as calculated for the Region 10 Local Human Service Public Transit Coordination Plan (2017). Included are the five counties comprising the Rolling Hills Transit service area (Dodge, Houston, Fillmore, Olmsted and Winona counties). The cities of Rochester and Winona have the highest transit dependency scores, while areas with moderate transit dependency include southeastern Winona County, central and southern Fillmore County, and Caledonia in central Houston County.

**Figure 3. Transit Dependency Index**



Source: Region 10 Local Human Service Public Transit Coordination Plan (2017)

## **Demographic Characteristics**

Each of the factors used in the Transit Dependency Index analysis were also analyzed individually in this section to provide context for transit service needs throughout the Rolling Hills Transit service area, as well as nearby areas within the Southeast transit region. Figure 4 through Figure 11 were developed using the datasets compiled and provided by MnDOT.

### **Population and Employment Density**

Population and employment density are key factors in determining where transit service can be provided efficiently. Areas with especially high density can be considered for fixed-route transit service, while lower-density areas are more suited to demand-response service.

Within the Rolling Hills Transit service area, the highest population densities are found in the City of Rochester and the City of Winona. Both cities are served by local public transit agencies (Rochester Public Transit and Winona Transit) that operate fixed-route buses. Rolling Hills Transit primarily serves lower-density rural areas, with some service to and from Rochester and Winona.

### **Youth Population**

Youth (individuals under 18) often do not have a driver's license or access to a vehicle and exhibit a higher overall need for transit than the general population.

In the Rolling Hills Transit service area, public transit serves a higher proportion of young and school-age children than would typically be found in urban areas, in part due to Head Start and other childcare-oriented services.

### **Limited English Proficiency (LEP) Populations**

Limited English proficiency (LEP) can be another indicator of a household's dependency on transit. People with limited English proficiency often rely on transit to a greater degree than people who are fluent English speakers, which may be due to economic circumstances and/or personal comfort in addition to language alone.

While the Rolling Hills Transit service area has a relatively low proportion of LEP populations compared to larger urban areas in Minnesota, attention should still be taken to ensuring that transit information is available to LEP populations in accordance with federal regulations.

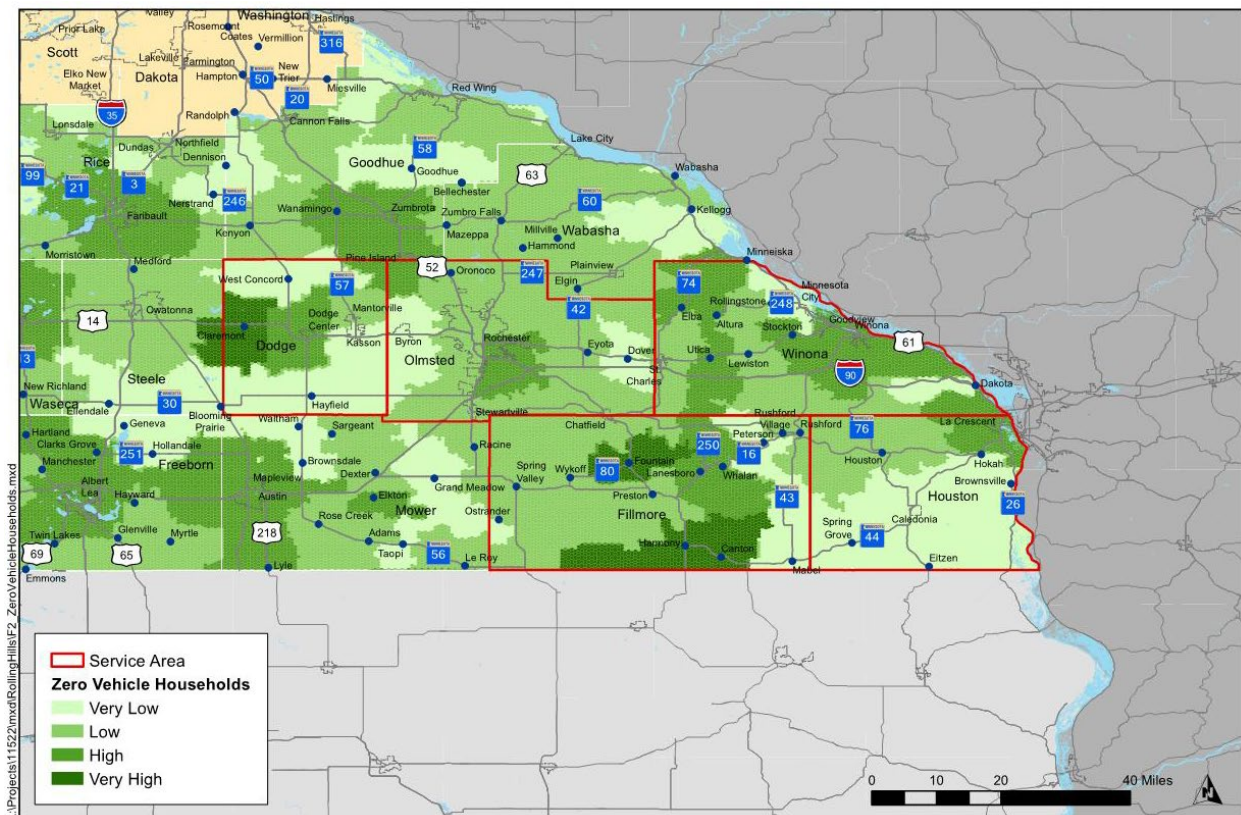


## Zero-Vehicle Households

One of the most influential factors in transit need is whether a household has access to a car. Zero-vehicle households may include households that do not have the economic means of owning a vehicle, households that choose not to own a car, and/or individuals who are unable to drive, such as senior citizens and persons with disabilities.

Figure 5 shows the distribution of households without access to a vehicle in the Southeast Minnesota region. Within the Rolling Hills Transit service area, the areas with the highest percentage of zero-vehicle households are found in western Dodge County near Claremont and Dodge Center, as well as southern and central Fillmore county around Harmony, Canton, and Fountain.

**Figure 5. Zero Vehicle Households - Percent of Households Without Access to a Vehicle**



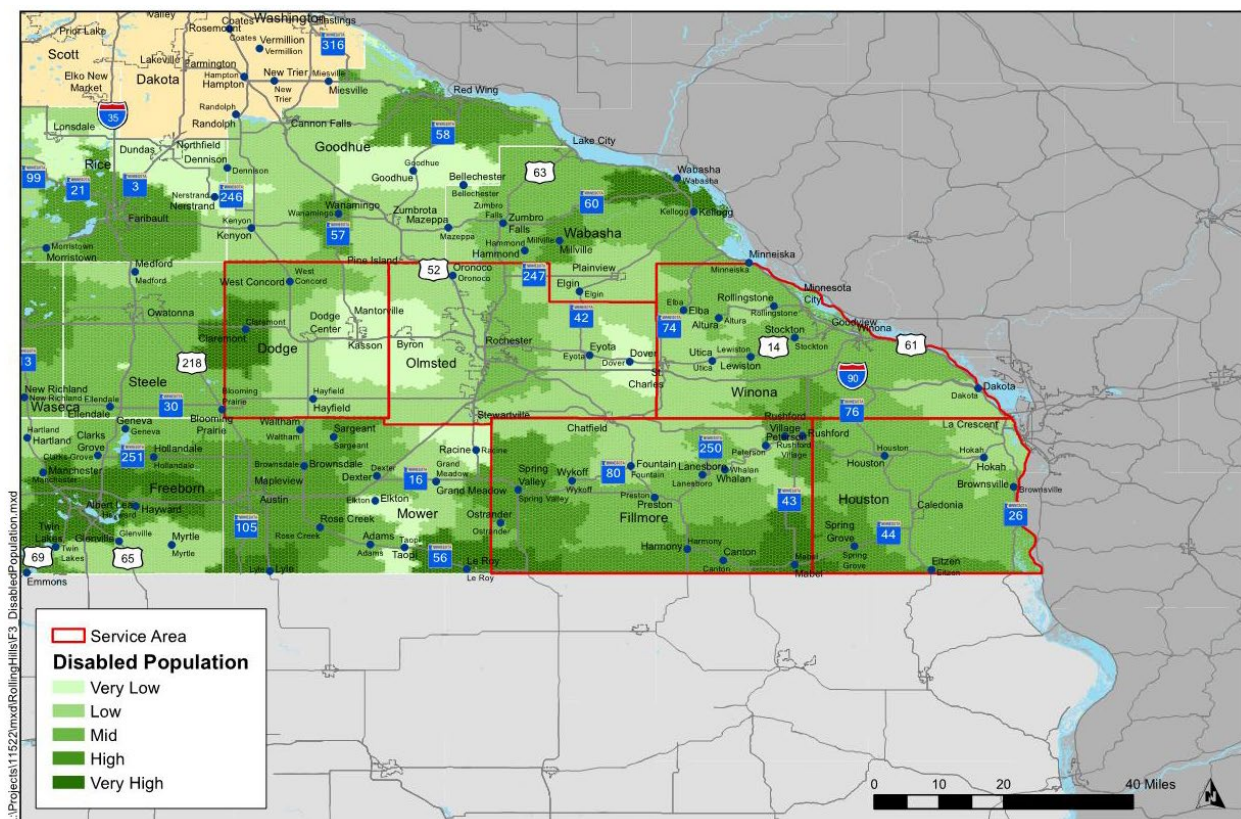


## Persons with Disabilities

Persons with disabilities are often heavily dependent on public transit service. Of residents over the age of 17 in Greater Minnesota, 11.4 percent have a disability, slightly higher than the statewide average of 10.1 percent.

Figure 5 shows the percentage of the population with a disability across the Southeast Minnesota region. Within the Rolling Hills Transit service area Claremont in Dodge County and Mabel in Fillmore County have a high level of people living with a disability. Spring Valley, Rushford and their surroundings also have high levels of people living with a disability.

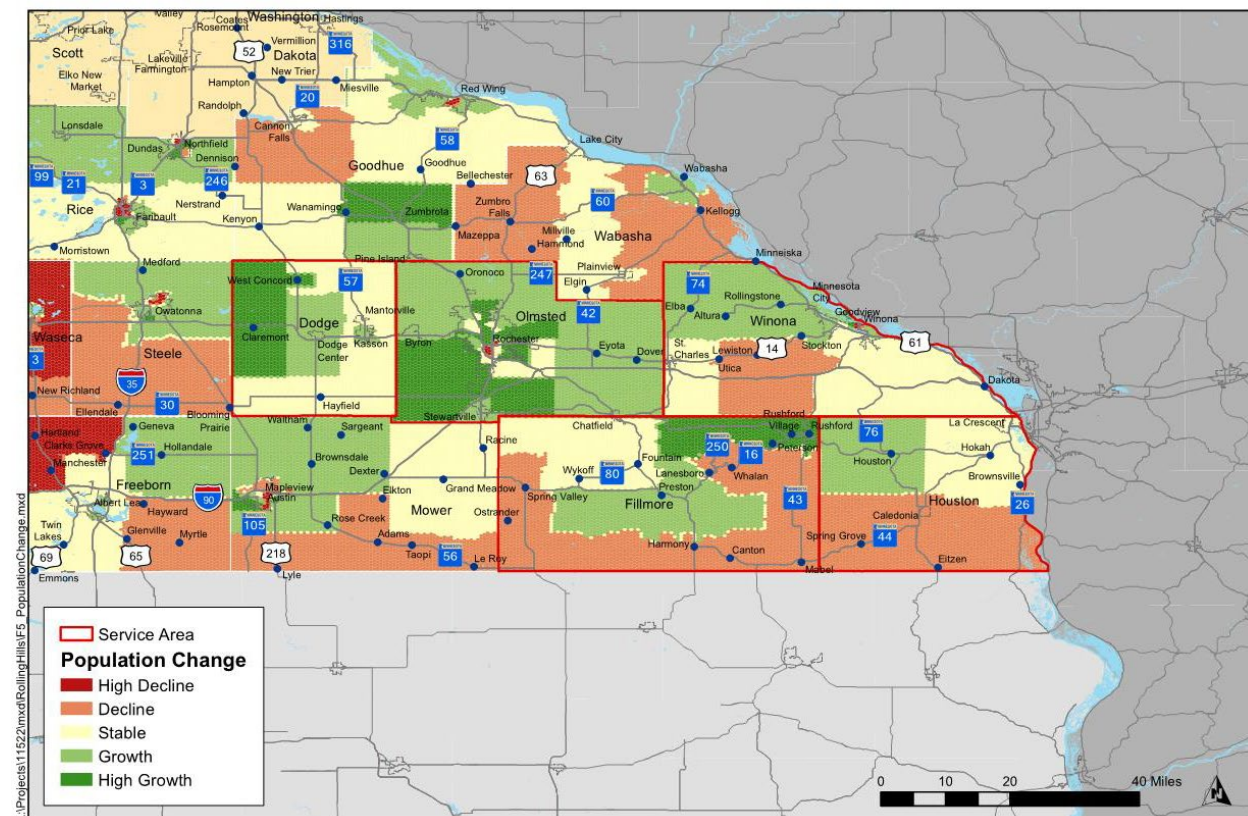
**Figure 7. Percent of Population with a Disability**



## Population Growth

Changes in total population can affect an area's overall demand for transit. Growing regions often generate increased travel demand, including demand for transit travel to and from areas that were previously unserved by transit. Areas with declining populations can also see increasing transit demand, as a reduced number of residents must travel further to accomplish their daily needs. Figure 8 shows the population change in Southeast Minnesota between 2011 and 2015. The Highway 14 corridor connecting Claremont, Rochester, and Winona has seen strong population growth, as have areas in northern Fillmore and Houston counties. The southernmost portions of Fillmore and Houston counties along the Iowa border have seen population decline.

**Figure 8. Population Change, 2011 to 2015**



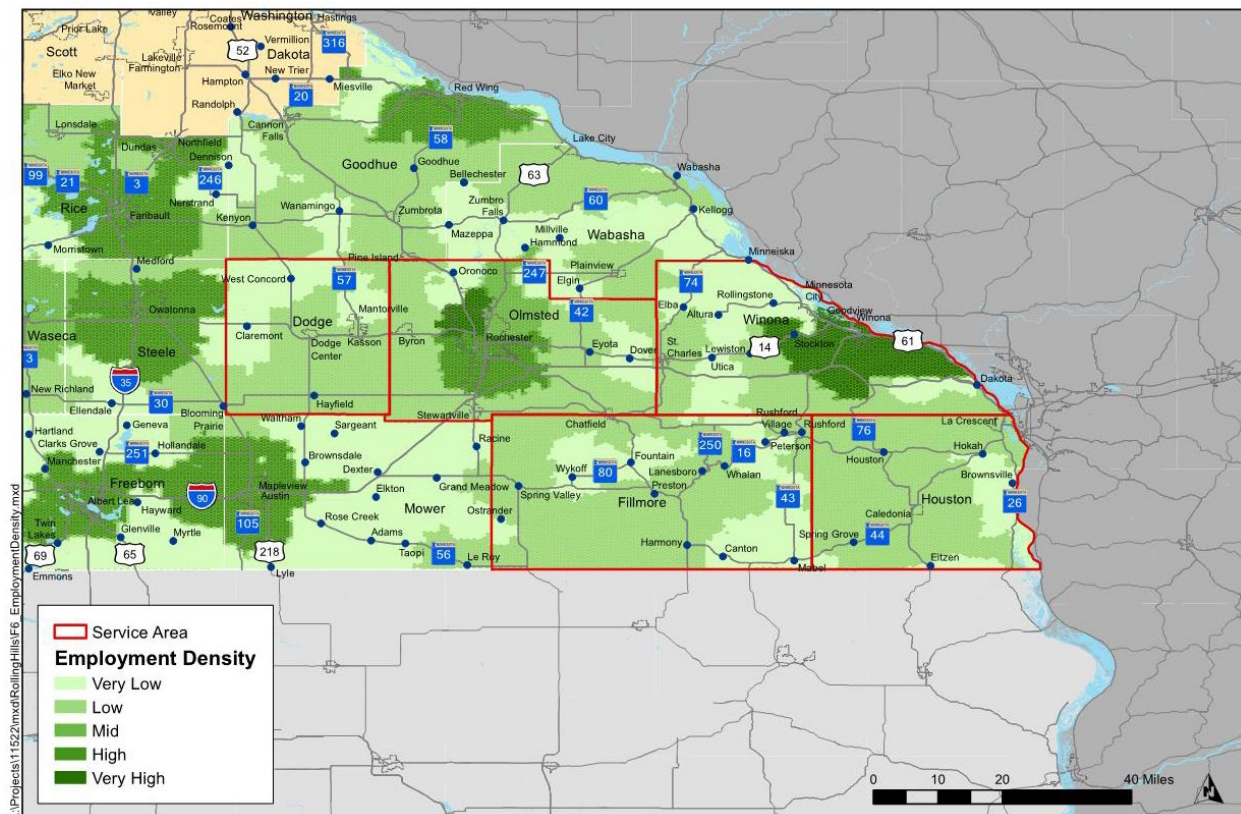
## Economic Characteristics

### Employment Density

Areas with high employment levels serve as important destinations for transit for both job access and access to services.

Figure 9 shows the employment density across Southeast Minnesota. Within the Rolling Hills Transit service area, places with high concentrations of employment include the Rochester area and eastern Winona County. These areas serve as a focus of many of Rolling Hills Transit's existing services, especially those that provide medical trips and access to shopping. Enhancing connections to Rochester and Winona (as well as connections between the two cities) will be a focus of future service recommendations.

Figure 9. Employment Density



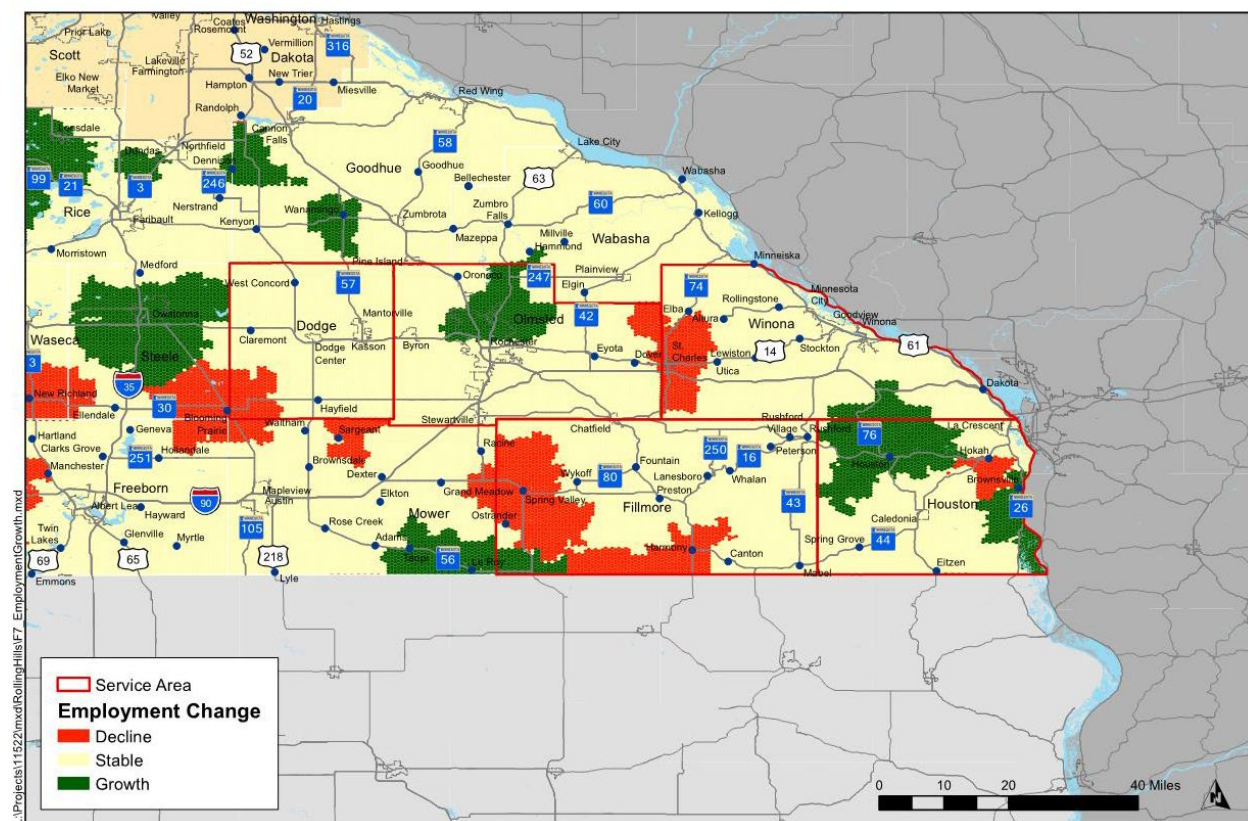


## Employment Growth

Like population growth, employment growth often generates new transit demand, as people increasingly commute to new destinations and may travel further to reach their jobs. Additionally, urban employment growth combined with declining rural employment could contribute to significant increases in transit demand.

Figure 10 shows the change in the number of employees from 2011 to 2015. There has been growth in employment in the northern Rochester area, the area surrounding Houston, and south of Brownsville in Houston County.

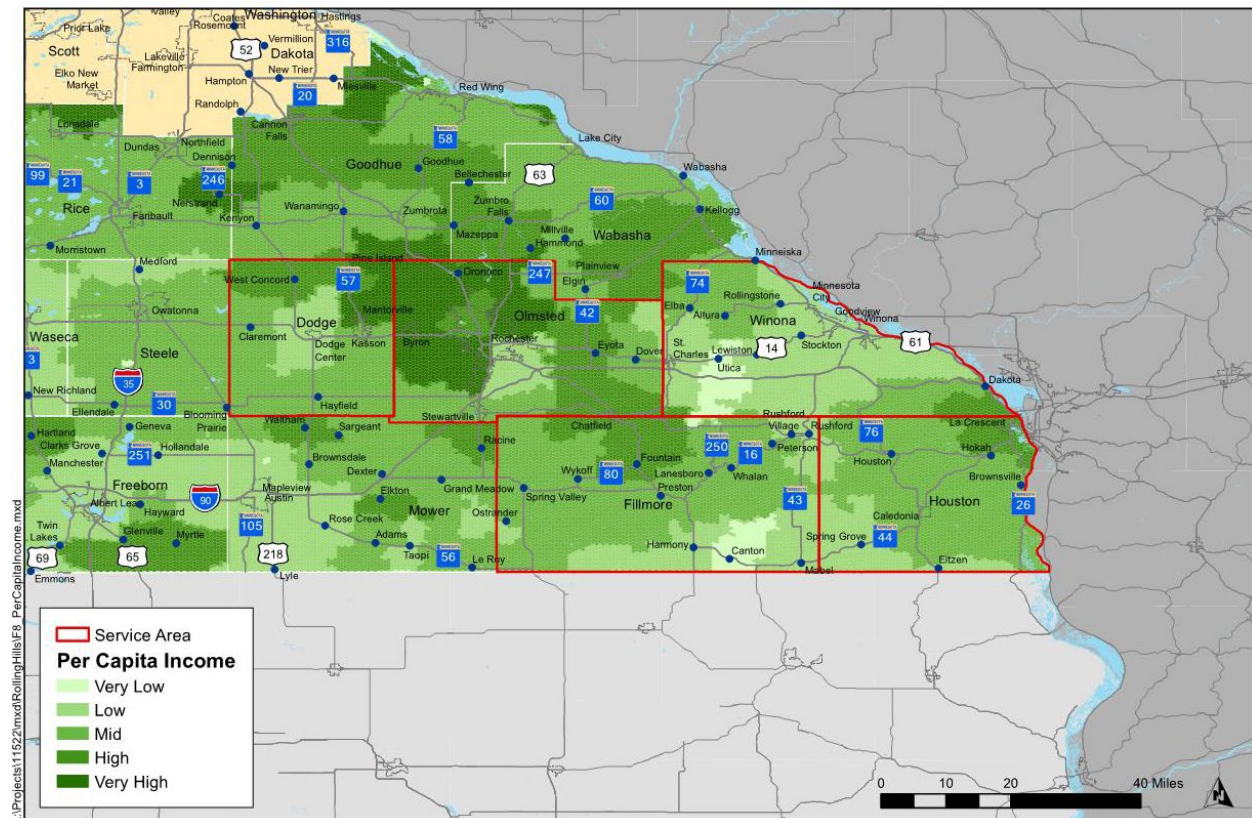
Figure 10. Employment Growth, 2011 to 2015



## Per Capita Income

Figure 11 shows the per capita income across the service area. Areas with low incomes can be found in southern Fillmore county around Canton and much of Winona county. The area surrounding Dodge Center and southwestern Rochester also have lower per capita incomes.

Figure 11. Per Capita Income



## Service Area Overview Summary

The demographic and economic characteristics examined in previous sections reveal several potential focus areas for Rolling Hills Transit:

- **Southern Fillmore and Houston counties** have shrinking, aging populations with high percentages of people with disabilities and/or lower incomes. These areas are likely to have high demand for transit service as a lifeline connection to medical treatment and other services found in county seat towns and larger urban areas.
- **Western Dodge County, including Claremont,** also has a high proportion of seniors and people with disabilities, and may have moderate to high demand for lifeline transit service.
- **The City of Winona** shows high employment density, high poverty, low income, and low automobile access compared to other parts of the Rolling Hills Transit service area. When combined with the high student population at Winona State University, residents of Winona are likely to need transit access both within the city limits and to and from other cities in Minnesota. Since service in the City of Winona is provided by Winona Transit, Rolling Hills Transit should focus on improving connections to and from outlying areas. In particular, strengthening connections along US Highway 14 (including to the state and national intercity bus network in Rochester) could enable residents of Winona and nearby communities to more easily travel throughout the Minnesota without a car.

## Chapter 4. Agency Transit Services

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### General Overview

Rolling Hills Transit provides a variety of demand-response and deviated-route services throughout Dodge, Fillmore, Houston, Olmsted, and Winona counties in southeastern Minnesota. The following sub-sections include a summary of current transit services, fares and service contract. All transit rides can be scheduled by calling the agency Monday through Friday from 8 a.m. through 4:30 p.m. Reservations must be made 24 hours in advance.

#### Current Transit Services Provided

##### Dodge County Public Transportation

In Dodge County, Rolling Hills Transit provides demand-response service to the communities of Dodge Center, Kasson and Mantorville, all located in the eastern and central parts of the county. This service is provided using one vehicle that is available for reservations from 7 a.m. to 4 p.m., Monday through Friday.

##### Houston County Public Transportation

In Houston County, Rolling Hills Transit provides demand-response service to the communities of Brownsville, Hokah, Caledonia and La Crescent. This service is provided using one vehicle that is available for reservations from 7 a.m. to 5 p.m., Monday through Friday.

##### Fillmore County Public Transportation

In Fillmore County, Rolling Hills Transit provides both demand-response and deviated route service. Demand-response service is provided in Rushford from 10 a.m. to 2 p.m., Monday through Friday, and in the communities of Spring Valley, Wykoff, and Ostrander from 7:30 a.m. to 3:30 p.m., Monday through Friday.

Deviated route service is provided between Stewartville (Olmsted County), Chatfield (Fillmore County) and Rochester (Olmsted County) every Monday and Thursday; this route operates as the Stewartville deviated route on Tuesday, Wednesday, and Friday.

On the third Tuesday of the month, Rolling Hills Transit operates a special shopping trip from Rushford to Rochester via reservation only.

### Olmsted County Public Transportation

In Olmsted County, Rolling Hills Transit provides demand-response service based in the communities of Dover, Eyota, and Byron, and deviated route service in Stewartville. A single vehicle operates the Eyota-Dover service from 9 a.m. to 5 p.m., Monday through Friday, while the Byron service operates from 7:30 a.m. to 4 p.m.

The deviated route service operates as a Stewartville-Chatfield-Rochester bus on Mondays and Thursdays, and as a Stewartville-Rochester bus on Tuesday, Wednesday, and Friday. The Stewartville-Rochester service includes time allotted for in-town trips in Stewartville, as well as trips to and from downtown Rochester (serving the Mayo Clinic).

### Winona County Public Transportation

In Winona County, Rolling Hills Transit provides demand-response services based in the communities of Saint Charles and Lewiston. The Saint Charles service operates from 7 a.m. to 5 p.m., Monday through Friday, while the Lewiston service operates from 7:30 a.m. to 3:30 p.m.

### Service Contracts

Rolling Hills Transit has two current service contracts to provide transportation for customers with disabilities (with ABC Works in Caledonia and the Minnesota Prairie County Alliance, headquartered in Owatonna). The details of these contracts are shown in Table 3.

**Table 3. Summary of Rolling Hills Transit's Service Contracts**

<b>Organization</b>	<b>Contract Year</b>	<b>Client</b>	<b>Annual Contract Revenue Amount</b>
ABC Works - Caledonia	2017 - Present	With disability	\$20,000
MN Prairie County Alliance	2018	With disability	\$15,000

## Fare Structure

Table 4 shows the fare structure for all services provided by Rolling Hills Transit.

**Table 4. Fare Structure for all Rolling Hills Transit's Services**

Category	Fare
Local, one-way in-town fare	\$1.50
Roundtrip routes to Semcac Senior Dining	\$1.75
Out-of-Town Rides	
- One-way, within 8 miles	\$3.00
- One-way, over 8 miles from Saint Charles, Dover, Eyota and Byron	\$5.00
- One-way, over 8 miles from any area not listed in the previous row	\$6.00

## Fare Payment Options

The riders can pay fare using any of the following:

- Cash (exact change deposited in the fare-box)
- Tokens (A token pays for one one-way trip)
- Tickets (A ticket pays for ten one-way trips)

For different categories of one-way trips (as shown in Table 4), the tokens and tickets can be purchased from multiple locations in the agency's service area, including grocery stores, city hall, field offices, and schools within the communities served. Purchasing tokens and tickets from grocery stores gives the riders an option to make payment using credit or debit cards and cash (as available at the store check-out). However, other locations only offer tokens and tickets purchase by cash. In addition, there is no discounted price for buying tickets instead of tokens.

Rolling Hills Transit is in the process of implementing Community Transit System (CTS) software for electronic fare payment on-board the vehicle, as well as at other tickets and tokens purchase locations. Using the new software, riders will be able to purchase an electronic fare card and load money on the card (any number of times) at multiple locations in the service area. This card can be used for fare payment using tablets on-board the vehicles. In the next few months, CTS will be setting up the hardware and software for Rolling Hills Transit and will conduct training for relevant Rolling Hills Transit staff. The operations manager and driver manager will train the bus operators for the new technology.

## Ridership

Table 5 shows the combined ridership on all Rolling Hills Transit services since 2014. In 2018, Rolling Hills Transit provided 53,787 passenger trips, a decline of 8.6 percent from the previous year, though still above the 2015 low of 51,480 trips. Productivity also declined slightly, from an average of 2.96 passengers per hour to 2.76. Total annual revenue hours remained steady at approximately 19,500, while annual revenue miles declined.

**Table 5. Annual Ridership Trend 2014 - 2018**

<b>Year</b>	<b>Annual Passenger Trips</b>	<b>Annual Revenue Miles</b>	<b>Annual Revenue Hours</b>	<b>Passengers Per Hour</b>	<b>Passenger Per Mile</b>
2018	53,787	209,903	19,462	2.76	0.26
2017	58,857	235,149	19,873	2.96	0.25
2016	51,613	237,920	18,394	2.81	0.22
2015	51,480	198,969	16,461	3.13	0.26
2014	54,722	146,987	13,352	4.10	0.37

## System Rider Characteristics

### 2017 and 2018 Rider Demographics

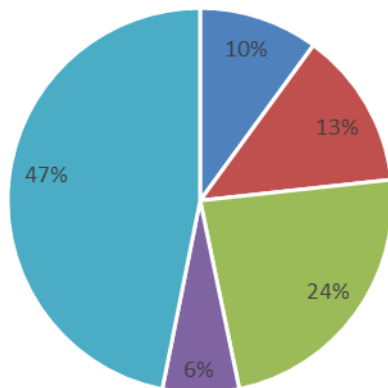
Rolling Hills Transit uses driver logs to record the demographics of passengers, including by age and disability status. In 2017, nearly 50 percent of Rolling Hills Transit trips were taken by children under 5 years of age, likely a result of the agency's extensive service to Head Start preschool locations, while another 24 percent of trips were taken by students between the ages of 5 and 17. Meanwhile, only 13 percent of trips were made by elderly passengers (60 years and older), while 5,908 trips (10 percent) were taken by riders with a disability. Full rider demographics for 2017 and projected rider demographics for 2018 are shown in Figure 12 below.

Rolling Hills Transit defines each category of passenger as follows:

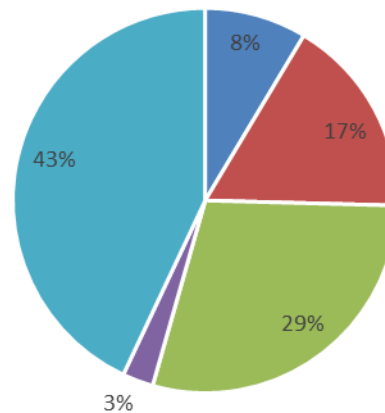
- Riders Experiencing a Disability: Based on the use of the wheelchair lift
- Elderly Riders: People age 60 years or older
- Adult Riders: Age 18 to 59 years
- Students: Age 5 to 17 years
- Children: Younger than 5 years

**Figure 12. Rolling Hills Transit Rider Demographics - 2017 and 2018**

2017 Rider Demographics



2018 Rider Demographics (Projected)





## Greater Minnesota Transit Survey

The Greater Minnesota Transit Survey provided more information about Rolling Hills passengers. The data used in the survey analysis was collected during the Spring of 2015 (for MnDOT District 6) and Fall 2015.

There were 43 responses for Rolling Hills Transit in the transit survey. Table 6 below shows the summary of responses.

**Table 6. Summary of Passenger Characteristics (Greater Minnesota Transit Survey, 2015)**

<b>Profile</b>	
Age and Sex	The distribution of respondents among male and female was fairly even, and 26 percent of the respondents were 65 years or older. About 14 percent were 55-64 years old, and about 12 percent were 25-34 years old. The 'under 18' age-category consisted of seven percent of respondents.
Household Income	About 42 percent of the respondents indicated a household income under \$25,000. About 28 percent preferred not to answer the question.
Disability and Possession of Driver's License	About 42 percent respondents did not have a driver's license and about 46 percent identified themselves as someone with a disability.
<b>Rider Behavior</b>	
Trip Purpose	About 49 percent trips were work trips, 16 percent for shopping, 14 percent for errand trips, and 7 percent for school trips.
Riding Frequency and Duration	About 44 percent of the respondents rode transit 5 - 7 days per week, and 37 percent rode 2-4 days a week. About 70 percent of riders have been riding transit for at least a year.
<b>Attitudes and Opinions</b>	
Transit Service Satisfaction	Almost all respondents showed satisfaction with the transit services and on average, about 80 percent of their transportation needs are served by the bus.
Transit Improvement	Asked about transit improvements, approximately 25 percent indicated 'longer service hours (earlier or later)' as the single improvement that will make them ride the bus more frequently.

## Modes of Transportation

As noted in "Current Transit Services Provided" Rolling Hills Transit provides general demand-response service, as well as reservation-based deviated routes.

## Unmet Service Needs and Gaps

As part of the FYTSP, consultants conducted an inclusive public engagement effort to understand the perception of Rolling Hills Transit service and the demands for transit across the five-county region. Public engagement associated with the FYTSP included engagement with prominent local and regional stakeholders, meetings with oversight groups and Rolling Hills Transit staff. Table 7 provides a summary of the identified needs from the stakeholder and staff interviews, the Southeast Minnesota Travel Study, the Greater Minnesota Transit Survey, and the MPTA Annual Meeting Survey.

The stakeholder engagement conducted in October 2018 included representatives from the City of Saint Charles, Dodge County and Rolling Hills Transit staff and customers. Individuals were asked to share their perceptions and ideas related to transit in Dodge, Houston, Fillmore, Olmsted and Rural Winona counties. The interviews were informal, with questions intended to foster discussion. The question topics included:

- Experience with Rolling Hills Transit
- Current transit service meeting the needs
- Use of transit or other transportation services
- Important current and future destinations in the region
- Elements of a convenient transportation service
- Attracting potential riders
- Ensuring success of a new or expanded transit service

After the interviews, general themes were extracted from answers including: customer service, transit information or awareness, transit perception, governance, potential destinations, system capacity and state assistance.

### Service Needs

As noted in the Summary of Public Engagement Memorandum, the primary transit need identified by Rolling Hills Transit stakeholders is scheduled service to and from the housing facilities and senior apartments throughout the agency's service area.

Some stakeholders noted that the continued growth of the Mayo Clinic and the Destination Medical Center (DMC) in Rochester may increase demand for service to and from the city. Existing commuter service to Rochester is provided by Rochester City Lines, but opportunities may exist to serve midday trips by customers from outlying communities who wish to access medical services, enjoy retail amenities, or connect to Minnesota's intercity transportation network. Rolling Hills had previously eliminated service to Winona due to low demand, but the system does plan to expand into Olmsted and Winona counties in the future. New services can and should be designed to facilitate connections with other providers while avoiding unnecessary competition.

Rolling Hills Transit sees the US Highway 14 Corridor as an important transportation connection for residents, and an important transit market for future expansion. The agency is considering expanding current service between Kasson and Owatonna by adding another run to meet demand. Additionally, Rolling Hills Transit is considering providing service to all intermediate communities along US Highway 14 between Winona and Rochester.

**Table 7. Needs and Gaps Summary – Rolling Hills Transit**

Needs and Gaps	Stakeholder & Staff Interviews	SE MN Travel Study	Greater MN Transit Survey	MPTA Annual Meeting Survey
Address Insufficient Service Span with Evening and Weekend Gaps	●	◐	●	
Address Insufficient Geographic Coverage; Access Destinations Outside the Service Area	●			
Expand Scheduled Route Trips (Instead of Demand Response)	●	●		
Improve Reliability	●	◐	●	
Schedule Conflicts Pre-School and Seniors in Mornings	●			
Special Seating for Small Children	●			
Limited Space for Strollers and Grocery Bags on Bus	●			
Noisy Buses Limit Communication Between Rider and Driver	●		◐	
Increase the Awareness of Transit Service (Marketing)	●	●		
Bilingual Dispatch and Marketing	●			
Conflicting Information from Dispatch and Bus Drivers for Riders	●			
Expand Travel Training	●			
Difficulty Finding Drivers	●			◐
Finding Local Match Money, Educating Boards About Needs and Benefits	●			◐
Promote the Benefit of Aging in Place and Importance of Service	●			◐
Need Additional Staff				●
New Dispatch Software				●
New Mobile Technology				◐
New Fareboxes				◐

Needs and Gaps	Stakeholder & Staff Interviews	SE MN Travel Study	Greater MN Transit Survey	MPTA Annual Meeting Survey
Establish / Continue Regular Communication Between Stakeholders in Region Destinations:	●	●		
In-Town Transit Service	●			
Rochester/DMC	●		●	
Winona	●		●	
La Crosse			●	
Twin Cities		◐	◐	
Albert Lea			◐	
Plainview			◐	
Caledonia			◐	
Zumbrota			◐	

Legend: ● - High Priority Need/Gap ◐ - Moderate Priority Need/Gap

# Chapter 5. Capital

## Background

### Fleet Characteristics

Rolling Hills Transit currently owns 14 class 400 vehicles. Ten of these vehicles are in-service, three are spare vehicles and one (in marginal condition) is in the process of being disposed. All the vehicles have at least an adequate condition, except for two vehicles in marginal condition. Table 8 shows the summary of Rolling Hills Transit fleet characteristics.

**Table 8. Summary of Current Rolling Hills Transit Fleet Characteristics**

	<b>Vehicle status (in service, new-in process, spare/back-up, disposal-in process)</b>	<b>Vehicle Condition Rating (fair - excellent)</b>	<b>Total Purchase Price (includes all line items)</b>	<b>Planned Replacement Year</b>
1	in service	3- Adequate	\$72,809	2020
2	in service	3- Adequate	\$69,953	2022
3	in service	3- Adequate	\$69,953	2019
4	in service	3- Adequate	\$69,953	2020
5	in service	3- Adequate	\$69,953	2020
6	in service	3- Adequate	\$70,188	2022
7	in service	5- Excellent	\$78,520	2024
8	in service	3- Adequate	\$63,285	2017
9	in service	5- Excellent		2025
10	in service	3- Adequate	\$53,132	2018
11	spare	3- Adequate	\$65,971	2020
12	spare	3- Adequate	\$66,159	-
13	spare	2 - Marginal	\$43,562	-
14	being disposed - in process	2 - Marginal	\$53,421	-

## Maintenance Costs

Rolling Hills Transit contracts the maintenance services for their fleet. In 2017, Rolling Hills Transit expended \$21,000 on preventative maintenance and \$27,000 on corrective maintenance. The total annual maintenance cost of \$63,000 includes preventative and corrective maintenance, and \$16,000 for tire replacement.

## Facilities and Assets

Currently, Rolling Hills Transit has no assigned bus stops, bus shelters or benches, and has no plans of adding these facilities in future. Table 9 shows the summary of Rolling Hills Transit facilities.

**Table 9. Summary of Rolling Hills Transit Facilities**

	<b>Kasson Garage</b>	<b>Rushford Garage</b>
<b>Full Address</b>	3rd Ave SE, Kasson, MN 55944	911 Larson Lane, Rushford, MN 55971
<b>What entity owns the land the facility is on? (City, County, Transit Provider)</b>	Semcac	Semcac
<b>Facility Vehicle Storage Capacity (# of bus stalls for garaging)</b>	6	2
<b>Number of Vehicles Stored Outside Facility</b>	0	2
<b>Maintenance (How many bays?)</b>	0	0
<b>Space for Admin Function?</b>	Yes	No

## Capital Plan

Rolling Hills Transit plans on replacing one vehicle in 2018, with a replacement cost of \$76,000 and one vehicle in 2019 with a cost of \$83,000. In addition, the agency plans on replacing four vehicles in 2020 and then one vehicle every alternate year.

In order to better match fleet capacity to existing demand and allow for future expansion, it is recommended that Rolling Hills Transit also purchase at least 2 ADA-accessible passenger vans for use on the Stewartville Route or other low-ridership services, at an estimated cost of \$60,000 per vehicle. This would allow the agency to use existing 400-class vehicles for a future Highway 14 expansion service.

## History

In 2015, Rolling Hills Transit expanded its fleet by five buses in Olmsted County. In 2018, the agency received a new software grant (used for CTS software and hardware acquisition) and a capital grant for a new building, which will serve as a transit administration hub and housing for six buses. It will include offices, training room, dispatch area, break room, restrooms, storage, and a wash bay. The vehicle capacity in the new building will allow for the replacement of the Kasson facility that Semcac currently leases.

The new transit administration building includes more than 10,000 square feet and is currently under construction. It became operational in July of 2019. The ability to move all administrative and dispatch operations under one roof will save time, allow for more efficient operations management, and improve communications and work relations. At the time of this plan’s draft, Rolling Hills Transit has moved their key administrative operations into this facility.

## Five-Year Capital Plan

The Five-Year Capital Plan described in this section provides an overview of capital expenses and projected needs to support Rolling Hills Transit service through 2025. The capital program includes vehicles, facilities, and enhancements to support agency operations. The Rolling Hills Transit capital plan is funded through a combination of local, federal and state funding sources; funding levels were identified by agency staff. The capital plan is included as a working Microsoft Excel spreadsheet and is summarized in Table 10 below.

**Table 10. Summary of Five-Year Capital Needs**

Category	2019 Needs	2020-2025 Needs
Facilities	\$17,610 (Moving Expenses)	None projected
Fleet	\$83,000 (1 vehicle)	2020: \$332,000 (4 vehicles) 2021: \$83,000 (1 vehicle) 2023: \$83,000 (1 vehicle); \$120,000 (2 vans) 2025: \$83,000 (1 vehicle)
Technology	None projected	\$23,508 (Dispatching and Billing software update; 6 new computers)

## Chapter 6. 2020-2025 Annual Needs

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As stated in Chapter 2, the five goals of this transit service plan are as follows:

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

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

### Facilities

#### 2019

Rolling Hills Transit moved into a newly constructed transit administration and garage facility with capacity for six buses in July 2019, allowing centralized dispatch and administrative offices. Construction of this facility was funded in large part by a Capital Investment Grant from the Federal Transit Administration.

Estimated expenses related to the move, including office furnishings and moving services, are summarized in Table 11 below.

**Table 11. Moving Costs**

Area	Furnishings	Cost
Office/dispatch	6 desks; 6 chairs	\$4,125
Training room	8 tables; 35 chairs; 1 laptop; 2 easels; 1 refrigerator; 1 microwave	\$5,060
Break room	1 table; 8 chairs; 1 refrigerator; 1 microwave	\$1,230
Vestibule	2 chairs; 1 table; 1 laptop	\$1,535
Garage office	2 chairs	\$60
Work/parts room	Shelving	\$600
Moving expenses	-	\$5,000
<b>Total expense</b>		<b>\$17,610</b>



## 2020-2025

Rolling Hills Transit does not have any additional facility needs from 2020 to 2025.

## Fleet

### 2019

Rolling Hills Transit will replace one vehicle in 2019 for \$83,000.

Bike racks may be added in the future.

### 2020-2025

Rolling Hills Transit will replace seven of its buses from 2020 to 2025. Rolling Hills Transit will buy four 400/500 Series Cutaway buses in 2020 and, beginning in 2021, will buy one new bus every other year until 2025. Rolling Hills Transit has expressed interest in additional vehicle purchase flexibility under MnDOT statewide contracts, including the ability to purchase larger or smaller vehicles as needed. This plan recommends that Rolling Hills Transit purchase 2 ADA-accessible passenger vans by 2023, in order to right-size vehicle capacity on low-ridership services and free up larger vehicles for a new Highway 14 service.

In addition to replacing and expanding the fleet, it is recommended that Rolling Hills Transit add bike racks to all buses current and future buses. This will allow for multimodal trips, expand the range of destinations customers can reach via bicycle, and enable passengers to access scenic Southeast Minnesota bicycle trails without a personal vehicle. These needs are shown in Table 12.

**Table 12. Fleet Needs (2020-2025)**

Year	Vehicles needed	Price per unit	Total cost
2020	4 400/500 Series Cutaway	\$83,000	\$332,000
2021	1 400/500 Series Cutaway	\$83,000	\$83,000
2022	--	--	--
2023	1 400/500 Series Cutaway 2 ADA-Accessible Passenger Vans	\$83,000 \$60,000	\$83,000 \$120,000
2024	--	--	--
2025	1 400/500 Series Cutaway	\$83,000	\$83,000
<b>Total</b>	<b>7 400/500 Series Cutaway</b>	<b>-</b>	<b>\$601,000</b>

## Staffing

Rolling Hills Transit has 17 full-time and ten part-time employees, including drivers, administrative staff, and management, as well as 100 volunteer drivers. Expansion of transit staff will depend on the expansion of service and local match funding available. Based on the service expansion recommended in this FYTSP, Rolling Hills should expect to hire the equivalent of five full-time drivers by 2025.

## Technology

A critical need for Rolling Hills Transit from 2020 to 2025 will be a technology update. Rolling Hills Transit plans to upgrade dispatching and billing software for its three administrative offices and three dispatch stations. This will also necessitate the purchase of six new computers. The total cost of this upgrade is estimated to be \$23,508.

## Marketing

### **Semcac-Wide Marketing**

Semcac allocated \$20,700 for marketing in 2019. This funding is used to maintain the Semcac website, and social media accounts, as well as to produce and distribute marketing brochures. The Semcac website provides an overview of all Semcac services, including emergency assistance, housing, senior services, and transportation.

### **Transit-Specific Information**

Rolling Hills Transit currently uses radio and newspaper for advertisements and printed brochures for transit service information. Though Semcac maintains a social media presence on Facebook, Twitter, and Instagram, these accounts are not frequently used to promote transit or deliver service updates. A typical transit agency spends 1-2 percent of its budget on marketing; Semcac should consider establishing a dedicated marketing budget for Rolling Hills Transit.

## Chapter 7. System Performance

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### Historical and Projected

This chapter explores the ridership, productivity and financial performance goals of the Rolling Hills Transit system. There are five productivity measures required for Black Cat reporting, while the agency picked three additional target measures for this plan.

#### Performance Measures and Indicators

The GMTIP provided the following System Performance Standard to evaluate the productivity and efficiency of services provided. To be responsible and dynamic, a transit system must consistently measure and adjust service accordingly. These standards serve as indicators of route performance and call attention to routes that may need adjustment. The use of multiple performance standards provides better insight into the operational and financial performance of services and allows transit providers to balance the cost and ridership of each route in the system's service network. The examples below, passengers per hour, passengers per trip, cost per passenger and cost recovery describe the basic concept and why the information is valuable to collect.

#### Productivity: Passengers per Hour and Passengers Per Trip

Productivity is measured as the number of passengers per hour. Productivity is calculated by the total number of passengers carried divided by the total service hours. A high number of passengers per hour show a route is serving more people. The passengers per hour metric is calculated at both the route and trip level but can be also viewed on a per bus basis to establish a minimum standard of route performance. Table 13 shows the minimum passengers per hour. Passenger per hour is applicable for all service types and in all communities.

Rolling Hills Transit adopts the productivity performance measure of three passengers per revenue hour (details included in the operations characteristics chapter).

**Table 13. Productivity Measure: Passengers per Service Hour**

Service Type	Route Average*
Fixed Route	15
Commuter Bus	15
Route Deviation (Urban/Community)	8
Route Deviation (Rural)	5
Dial A Ride (Urban/Community)	3
Dial A Ride (Rural)	2

\*Route Average represents the average passengers per service hour over the entire day. Individual hours may fall below the standard. Service hours are defined as one bus operating for one hour.  
Source: GMTIP (2017)

### Cost Effectiveness: Cost per Passenger

Effectiveness is measured by the cost required to deliver service on a per passenger basis. This standard identifies the possible cost ranges when comparing overall system averages and focuses on corrective action for those services falling below average. Table 14 shows the cost per passenger thresholds and possible corrective action. Routes and services should be assessed after being in operation for one year.

**Table 14. Cost Effectiveness Measure: Cost per Passenger**

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

Source: GMTIP (2017)

Rolling Hills Transit currently does not adopt the cost per passenger indicator for corrective actions for those services falling below average. However, their cost per passenger statistics are more than average for four routes.

### Cost Effectiveness: Cost Recovery

The percentage cost recovery for a route is the revenue divided by its expense. Cost recovery calculates the amount of revenue generated by a service to cover the operating expense. Revenue typically includes fares, contract revenue, local contributions or local tax subsidy.

MnDOT recommends transit systems generate a minimum of five percent excess revenue on their services (20 percent rural/25 percent urbanized). By increasing the revenue beyond the amount needed to pay the local share for the service (15 percent rural/20 percent urbanized), the excess

revenue is available for capital match or match on service expansions that do not have a revenue source for the local share.

Rolling Hills Transit currently does not adopt the cost recovery indicator as a performance measure. However, their average cost recovery for all services is about 16 percent (details included in the operations characteristics chapter).

### Baseline Service Improvement Indicator

To address the transit needs in Greater Minnesota, MnDOT established a service plan to identify a baseline span of service for municipalities based on their population. Table 15 shows the baseline span of service improvement goals by community size.

**Table 15. Baseline Service Improvements by 2025**

Baseline Service Improvements	Description	Annual Hours
Urban Areas Weekday	20 hrs./day	54,700
Urban Areas Saturday Service	12 hrs./day	5,000
Urban Areas Sunday Service*	9 hrs./day	13,500
Small Urban 2,500-50,000 Weekday	12 hrs./day (7,000-49,999); 9 hrs./day (2,500-6,999)	126,500
Small Urban 2,500-50,000 Saturday Service	9 hrs./day	40,200
Small Urban 7,000-50,000 Sunday Service*	9 hrs./day	18,200
Rural, County Seat Towns < 2,500*	8 hrs./day; 3 days per week	19,200
Total Baseline		277,300

\*As demand warrants based on individual system performance policies.

Currently, Rolling Hills Transit meets the 9 - 12 hours per weekday baseline service span, but the agency does not run services on weekends.

### Other Indicators and Performance Targets

Although Rolling Hills Transit does not have the ability to incorporate a reliability measure for on-time performance (OTP), the agency plans to collect OTP data after CTS software is installed and in-use. The specific target for OTP would align with the MnDOT recommendation of 90 percent on time within published pickup window based on GMTIP (2017).

As part of this FYTSP effort, Rolling Hills picked three performance targets to achieve in the next five years. These include service hours per capita, advance reservation time, and trip cancellations. The targets for these performance measures are shown in Table 16.

**Table 16. Provider Performance Targets**

Measure	Target	Current Status
Service Hours per Capita*	0.45	0.16
Advanced Reservation Time	Minimum 24 hours in advance – Next day service	24-hour advance reservation
Trip Cancellations	Bus trips should only be canceled from lack of riders or weather	Current policy

\*The city populations of Rochester and Winona were subtracted from the county populations of Olmsted and Winona counties. ACS 2017 populations of Dodge, Houston, Fillmore, Olmsted and Winona counties. 2018 Rolling Hills revenue hours.

### Historical Performance

The route level productivity and performance statistics are included in Table 17. The operating cost per trip is higher than the system average for four routes: Spring Valley, Lewiston, Dover/Eyota and Stewartville. In addition, these four routes also have less than three passengers per hour, the standard adopted by Rolling Hills Transit.

Table 18 shows the operating statistics for the entire Rolling Hills system in 2017.

### Peer Performance Comparison

To provide additional context on the agency’s performance, a peer analysis was conducted to compare Rolling Hills Transit to other Midwest transit agencies with similar service. Six peer agencies were selected, including three systems in Minnesota (Three Rivers Community Action, Tri-County Action Program, and Brown County Family Services), as well as three outside Minnesota: Delaware, Dubuque & Jackson County Regional Transit (Dubuque, IA); Region Six Planning Commission/ PeopleRides (Marshalltown, IA), and West River Transit (Bismarck, ND).

Rolling Hills is similar to peer systems on a number of metrics, including hourly operating cost and cost-effectiveness (operating cost per trip). Productivity (passengers per hour) is slightly lower than the peer agency average, which shows one potential area for improvement. A summary of key statistics for Rolling Hills Transit and peer agencies is shown in Table 19.

**Table 17. Productivity and Performance Statistics by Route for Rolling Hills Transit (2017)**

<b>Route Name</b>	<b>Annual Passenger Trips</b>	<b>Annual Revenue miles</b>	<b>Annual Revenue Hours</b>	<b>Total Operating Expenses</b>	<b>Revenue</b>	<b>Passengers Per Hour</b>	<b>Operating Cost per Hour</b>	<b>Operating Cost Per Trip</b>
Spring Valley Route	3,733	15,994	1,992	\$106,880.33	\$6,607.07	1.87	\$53.65	\$28.63
Rushford/HST City Route	9,776	35,145	2,152	\$117,980.56	\$46,831.65	4.54	\$54.82	\$12.07
Caledonia Route	12,473	33,244	2,510	\$132,901.77	\$16,453.49	4.97	\$52.95	\$10.66
Lewiston Route	2,683	13,633	1,488	\$75,529.62	\$7,161.00	1.80	\$50.76	\$28.15
St. Charles Route	6,353	17,365	1,992	\$97,907.77	\$12,540.94	3.19	\$49.15	\$15.41
Kasson Route	7,738	25,820	1,984	\$108,234.41	\$35,160.00	3.90	\$54.55	\$13.99
Dodge Center/Kasson 2 Route	3,869	13,210	1,281	\$54,133.23	\$6,425.01	3.02	\$42.26	\$13.99
Byron Route	6,795	21,070	1,984	\$95,361.62	\$11,303.59	3.42	\$48.07	\$14.03
Dover/Eyota Route	2,369	36,235	2,000	\$107,111.41	\$8,196.32	1.18	\$53.56	\$45.21
Stewartville Route	3,068	23,433	2,490	\$115,376.77	\$10,638.15	1.23	\$46.34	\$37.61
TOTAL	58,857	235,149	19,873	\$1,011,417.48	\$161,317.22	--	--	--
SYSTEM AVERAGE	--	--	--	--	--	2.96	\$50.89	\$17.18

**Table 18. Productivity and Performance Statistics by Quarter for Rolling Hills Transit (2017)**

<b>Reporting Period</b>	<b>Annual Passenger Trips</b>	<b>Annual Revenue miles</b>	<b>Annual Revenue Hours</b>	<b>Total Operating Expenses</b>	<b>Revenue</b>	<b>Passenger Per Hour</b>	<b>Operating Cost per Hour</b>	<b>Operating Cost Per Trip</b>
Quarter 1 (Jan 1 - Mar 31)	16,394	59,584	4,956	\$257,932.58	\$40,104.28	3.31	\$52.04	\$15.73
Quarter 2 (Apr 1 - June 30)	14,874	59,479	4,826	\$244,182.15	\$43,701.00	3.08	\$50.60	\$16.42
Quarter 3 (Jul 1 - Sep 30)	12,326	57,422	4,939	\$242,067.79	\$34,760.11	2.50	\$49.01	\$19.64
Quarter 4 (Oct 1 - Dec 31)	15,263	58,664	5,152	\$267,234.96	\$42,751.83	2.96	\$51.87	\$17.51
TOTAL	58,857	235,149	19,873	\$1,011,417.48	\$161,317.22	--	--	--
SYSTEM AVERAGE	--	--	--	--	--	2.96	\$50.89	\$17.18



**Table 19. Productivity and Performance Statistics for Rolling Hills Transit and Peer Systems (2017)**

<b>Peer System</b>	<b>Vehicles Operated in Max. Service</b>	<b>Annual Passenger Trips</b>	<b>Annual Revenue miles</b>	<b>Annual Revenue Hours</b>	<b>Annual Operating Cost</b>	<b>Passengers per Hour</b>	<b>Operating Cost per Hour</b>	<b>Operating Cost per Trip</b>
Delaware, Dubuque & Jackson County Regional Transit (Dubuque, IA)	19	146,807	418,848	29,523	\$2,135,855	5.0	\$72.35	\$14.55
Three Rivers Community Action, Inc. (Plainview, MN)	21	127,107	368,089	27,575	\$1,096,272	4.6	\$39.76	\$8.62
Region Six Planning Commission/ PeopleRides (Marshalltown, IA)	12	49,042	303,666	21,019	\$830,260	2.3	\$39.50	\$16.93
Tri-County Action Program, Inc. (Waite Park, MN)	16	66,623	193,935	16,961	\$1,209,394	3.9	\$71.30	\$18.15
West River Transit (Bismarck, ND)	20	28,380	218,931	16,919	\$760,051	1.7	\$44.92	\$26.78
Brown County Family Services (New Ulm, MN)	14	53,827	180,269	12,879	\$710,755	4.2	\$55.19	\$13.20
PEER SYSTEM AVERAGE	17	78,631	280,623	20,813	\$1,123,765	3.6	\$53.84	\$16.37
ROLLING HILLS TOTAL / AVERAGE	11	56,495	234,652	19,274	\$1,022,718	2.9	\$53.06	\$18.10

Source: National Transit Database, 2017.

Peer systems were selected from among Midwest rural transit providers with between 5 and 25 vehicles in maximum service, and between 10,000 and 30,000 annual revenue hours.

Agencies are listed in order of annual revenue hours.

## Chapter 8. Operations

### Historical and Projected Annual Summary

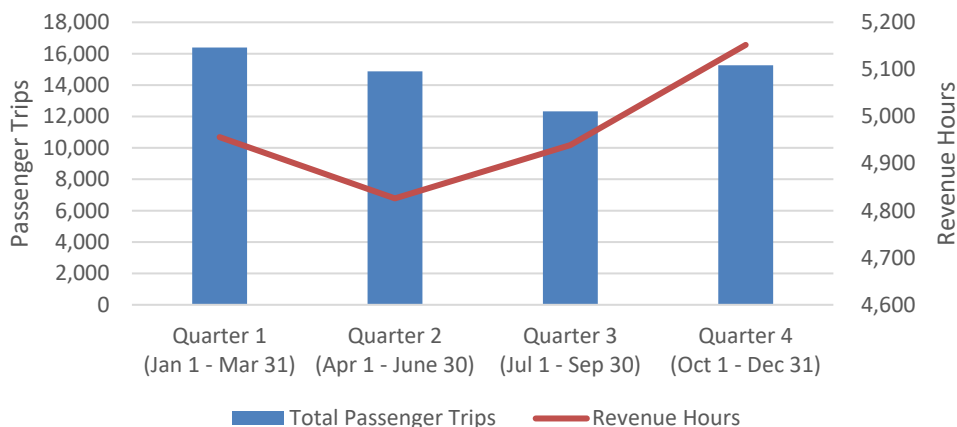
Like all transit providers, Rolling Hills Transit seeks to offer quality service in an efficient and fiscally responsible manner. Table 20 shows the operating costs for the years 2014 through 2018. Over the past five years, the agency’s total annual ridership has fluctuated and declined slightly overall (from 54,722 to 53,787 trips). Meanwhile, total operating costs have steadily increased, and the operating cost per trip has nearly doubled, increasing from \$11.14 to \$20.65.

**Table 20. Rolling Hills Transit Operating Cost and Ridership 2014 - 2018**

Year	Annual Passenger Trips	Annual Operating Cost	Operating Cost per Trip
2018	53,787	\$1,110,876	\$20.65
2017	58,857	\$1,011,417	\$17.18
2016	51,613	\$989,051	\$19.16
2015	51,480	\$814,405	\$15.82
2014	54,722	\$609,453	\$11.14

Rolling Hills Transit’s ridership and productivity vary significantly throughout the year. Figure 13 shows the quarterly trend of ridership and revenue hours for 2017. The first quarter (January through March) had the highest productivity, at 3.31 passengers per revenue hour, while the third quarter (July through September) had the lowest at 2.50. This variation may be due to high ridership by students and young children, who travel less often in summer.

**Figure 13. Ridership and Revenue Hours by Quarter, 2017**



# Background

This section includes information on Rolling Hills Transit’s most recent operating budget, as well as technology improvements that are currently underway.

## Operating Budget

Table 21 shows a summary of the 2018 operating budget for the agency. The largest investment of the agency is in its personnel, followed by administrative costs and vehicles. A large portion of the operating funding comes through state and federal grants, while farebox revenue covers 11 percent and contract services five percent. Rolling Hills had an operating deficit of \$99,438 in 2018.

**Table 21. Rolling Hills Operating Budget Summary for 2018**

Item	Balance	Percentage
Personnel	\$815,082	73%
Administrative	\$115,271	10%
Vehicles	\$140,125	13%
Operations	\$25,206	2%
Insurance	\$14,245	1%
Taxes and Fees	\$943	0.1%
<b>Operating Expenses</b>	<b>\$1,110,876</b>	
Grant Revenue	\$843,342	83%
Farebox	\$112,185	11%
System Revenue	\$47,157	5%
Fuel Refund	\$8,754	1%
<b>Operating Revenue</b>	<b>\$1,011,438</b>	
<b>Surplus/Deficit</b>	<b>\$(99,438)</b>	

## Software and Technology

Rolling Hills Transit currently uses a paper-based scheduling process, though software is used for accounting purposes.

The agency is in the process of implementing Community Transit System (CTS) software for electronic fare payment on-board the vehicle, Using the new software, riders will be able to purchase and load monetary value on an electronic fare card at multiple locations in the service area.

## Staffing

As shown in Table 22, Rolling Hills Transit currently employs 16 full-time employees and seven part-time employees. The agency has expressed difficulty in hiring and retaining employees given the economic climate, prevailing wage rates, and the need for employees to possess a commercial driver's license (CDL).

Typically, transit agencies should expect to hire the equivalent of one full-time driver for every 2,000 revenue hours of service provided. Based on the service expansions proposed in the Five-Year Operating Plan, Rolling Hills Transit should expect to hire an additional 5 full-time transit staff by 2025. If the agency is successful in acquiring two smaller ADA-accessible passenger vans for existing low-ridership services, Rolling Hills Transit may be able to hire several non-CDL drivers at a lower rate. Current 400-series vehicles and CDL-qualified drivers could then be reassigned to expansion services.

**Table 22. Current Rolling Hills Transit Employees**

	<b>Full Time Employees</b>	<b>Part Time Employees</b>
Management/Supervising	4	0
Drivers	9	7
Dispatch/Scheduling	2	0
Admin/Support	1	0
Maintenance	0	0
Other	0	0
<b>Total Number of Staff</b>	<b>16</b>	<b>7</b>

## Five-Year Operating Plan

The Five-Year Operating Plan for Rolling Hills Transit calls for a phased expansion focused on extending the span of service on weekdays, improving coordination with other service providers, and introducing Saturday service on top-performing routes. A new expansion route would be implemented along US Highway 14 to serve Winona, Rochester, and communities in between.

These recommendations are summarized in Table 23 below.

**Table 23. Five-Year Operating Plan Summary**

<b>1-Year Plan (2020)</b>	<b>3-Year Plan (2022)</b>	<b>5-Year Plan (2024)</b>
<b>Monitoring:</b> Continue monitoring ridership, productivity, and vehicle capacity	<b>Frequency and Span:</b> Extend span of service on all routes to at least 10 hours on weekdays	<b>Frequency and Span:</b> Introduce Saturday service on top 3 high-performing routes
<b>Marketing:</b> Expand targeted marketing efforts for low-productivity services, including Stewartville, Dover/Eyota, Lewiston, and Spring Valley	<b>Fleet Capacity and Flexibility:</b> Begin procurement for 2 non-CDL passenger vehicles for use on low-productivity services, such as the Stewartville or Lewiston routes	<b>Fleet Capacity and Flexibility:</b> Begin service with 2 non-CDL passenger vehicles on low-ridership services, freeing up 400-series vehicles for expansion
	<b>Service Coordination:</b> Implement scheduled stops in Dodge Center to connect with Land to Air Express trips to and from Rochester	<b>Service Expansion:</b> Implement a new weekday-only route from Rochester to Winona along Highway 14
<b>Total Revenue Hours:</b> 19,969 (Same as 2019)	<b>Total Revenue Hours:</b> 26,196 (+6,227)	<b>Total Revenue Hours:</b> 29,532 (+3,336)
<b>Additional FTEs Required:</b> 0	<b>Additional FTEs Required:</b> +3.1	<b>Additional FTEs Required:</b> +1.7

# Chapter 9. Financial

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## Background

This chapter looks at current and future projected revenue sources, and the ability to enhance revenue streams for expanded service. While federal and state funding sources may increase in the future, additional service expansions proposed in this plan will require an increase in the local match funding beyond the current farebox revenue. Service expansion will most likely increase farebox revenue, but not at the current farebox recovery ratio.

## History

Rolling Hills provides its local match funding share through its farebox revenues and through contracts for services. The revenues for 2018 are listed in Table 24.

**Table 24. Operating Revenue, 2018**

Item	Revenue	Percentage
Grant Revenue	\$843,342	83%
Farebox	\$112,185	11%
System Revenue	\$47,157	5%
Fuel Tax Refunds	\$8,754	1%
Total	\$1,011,438	

## Projected Needs and Revenues

The proposed service expansion in this plan will require an additional \$775,748 annually by 2025. Twenty percent of this expansion, or \$155,150 per year, will need to be covered by local sources, which can include farebox revenue, contracts, and funding from local governments. Rolling Hills Transit will also need to find additional local funding to cover current and projected operating deficits. Table 25 shows the projected operating revenues and expenditures for both current service and the service expansion scenario.

Rolling Hills indicated a strong interest in exploring opportunities to expand local match funding by marketing the benefits of aging in place and community benefits to local governments and human services providers in the region. By building partnerships to diversify and expand the local match funding available, Rolling Hills will be able to leverage a larger portion of state and federal funding for service expansion. Additional contract revenues could be pursued as well, to the extent that they do not impact the agency’s provision of public transit services.

**Table 25. Projected Operating Expenses and Revenues, 2019 – 2025**

<b>Year</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>
Operating Expenses – Current Level of Service <sup>2</sup>	\$1,266,017	\$1,303,998	\$1,343,118	\$1,383,411	\$1,424,914	\$1,467,661	\$1,511,691
Operating Revenue – Current Level of Service <sup>3</sup>	\$1,041,781	\$1,073,035	\$1,105,226	\$1,138,382	\$1,172,534	\$1,207,710	\$1,243,941
Deficit	\$224,236	\$230,963	\$237,892	\$245,029	\$252,380	\$259,951	\$267,750
Additional Operating Expense – Service Expansion <sup>4</sup>	--	--	--	\$480,550	\$494,967	\$753,153	\$775,748
Expansion Local Share (20%)	--	--	--	\$96,110	\$98,993	\$150,631	\$155,150
Additional Local Operating Funding Necessary (Deficit + Expansion Local Share)	\$224,236	\$230,963	\$237,892	\$341,139	\$351,373	\$410,582	\$422,900

<sup>2</sup> Projected operating expenses for 2019 were provided by Rolling Hills Transit.

Projected future operating expenses for current service levels were increased by 3 percent per year to account for expected inflation.

<sup>3</sup> Projected operating revenue for 2019 was estimated as a 3 percent increase from 2018 actual revenue.

Projected future operating revenue for current service levels were increased by 3 percent per year to account for improved marketing and awareness efforts.

<sup>4</sup> Additional operating expenses for future service expansions on existing routes were calculated by multiplying the projected increase in revenue hours for each route by its projected 2019 cost per hour, then increased by 3 percent per year to account for expected inflation.

For new routes, cost per hour was estimated as Rolling Hills Transit’s 2019 systemwide average cost per hour, then increased by 3 percent per year.

## Chapter 10. Agency Strategic Direction

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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 Rolling Hills including local, state, and federal requirements.

### State and Federal Requirements

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

#### Federal Transit Administration (FTA)

FTA Section 5311 provides formula-based grants to support rural areas for transit capital, planning, and operating assistance.<sup>5</sup> Guidance on the grant, requirements, compliance and the application process is available online<sup>6</sup> and through MnDOT Office of Transit and Active Transportation (OTAT).<sup>7</sup>

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.

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

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<sup>5</sup> <https://www.transit.dot.gov/rural-formula-grants-5311>

<sup>6</sup> <https://www.transit.dot.gov/regulations-and-guidance/fta-circulars/formula-grants-rural-areas-program-guidance-and-application>

<sup>7</sup> <https://www.dot.state.mn.us/transit/>



## **Olmstead Plan**

In 1999, the Supreme Court affirmed that mental illness is a type of disability, that individuals with disabilities, including those with mental illness, have a right to live in their communities as opposed to forcing institutionalization, and are covered by the Americans Disabilities Act of 1990 (ADA) in *Olmstead vs. L.C and E.W.*<sup>8</sup> 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.<sup>9</sup>

For transit providers in Greater Minnesota, the Olmstead Plan requires that people with disabilities, including those with mental illness, are covered by the same requirements of the Americans with Disabilities Act (discussed in Section 10.1.4). It means that the level of transit service available to the general public (the span of service, frequency of service, and service area coverage) is also available to people with disabilities, including mental illness. It also means that social and human service agencies and public transit agencies should coordinate as much as possible to provide service to individuals with disabilities.

## **Title VI**

FTA requires all recipients and sub recipients to comply with U.S. Department of Transportation Title VI regulations, based on the Title VI of the Civil Rights Act of 1964. Title VI requirements for transit services are generally related to supplying language access to persons with limited English proficiency (LEP).<sup>10</sup> In Greater Minnesota, MnDOT is the primary recipient of FTA funds, so all the Section 5311 transit service providers are sub recipients. Thus, MnDOT has the primary responsibility for Title VI compliance. MnDOT may request information related to Title VI compliance, including language assistance plans or activities, public participation plans or activities including language access, etc., from the transit service providers as needed.

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

For reference go to MnDOT's Web site <https://www.dot.state.mn.us/civilrights/titlevi.html>

## **ADA**

The Americans with Disabilities Act (ADA) of 1990 is designed to prohibit discrimination based on disability. In terms of FTA and the provision of transit service, the ADA is structured to ensure equal opportunity and access for persons with disabilities.<sup>11</sup> ADA requirements apply to facilities, vehicles, equipment, bus stops, level of service, fares, and provision of service.

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<sup>8</sup> <https://supreme.justia.com/cases/federal/us/527/581/>

<sup>9</sup> <https://www.dhs.state.mn.us/olmstead/>

<sup>10</sup> [https://www.transit.dot.gov/sites/fta.dot.gov/files/docs/FTA\\_Title\\_VI\\_FINAL.pdf](https://www.transit.dot.gov/sites/fta.dot.gov/files/docs/FTA_Title_VI_FINAL.pdf)

<sup>11</sup> [https://www.transit.dot.gov/sites/fta.dot.gov/files/docs/Final\\_FTA\\_ADA\\_Circular\\_C\\_4710.1.pdf](https://www.transit.dot.gov/sites/fta.dot.gov/files/docs/Final_FTA_ADA_Circular_C_4710.1.pdf)

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

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

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

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

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

- Route deviation policies, including distance and availability, must be advertised
- Establish a reasonable service area in which deviations are permitted (e.g.  $\frac{3}{4}$  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)

## **Agency**

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

- Data Tracking
  - Service data for National Transit Database (NTD)
    - Monthly and annually
    - By mode
  - Grant management

- Fleet inventory / Facility inventory
- Denials
  - Capacity
  - Unmet Need
- On-Time Performance (pickup window)
- Percent of communities with baseline span of service
- Performance metrics (required, but not tracked)
  - Passengers per hour
  - Cost per service hour
  - Cost per trip
  - Others (at the discretion of Rolling Hills Transit)
    - Service hours per capita, advance reservation time, and trip cancellations

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

## **Fiscally-Constrained, Near-Term Service Recommendations**

### **Service Monitoring**

In the near term, Rolling Hills Transit should continue to monitor ridership, productivity, and service denials on existing routes to determine when and where additional capacity might be needed. If certain routes experience capacity constraints during certain times of day (such as due to Head Start services or other high-volume clients) additional vehicles and/or higher-capacity vehicles may be needed. Rolling Hills should document instances of service denials to inform future vehicle purchases, funding requests, and service design.

### **Targeted Marketing**

Rolling Hills Transit stakeholders have noted that low ridership on some routes may be due to lack of awareness. This may be the case with certain low-performing services, including Stewartville, Dover/Eyota, Lewiston, and Spring Valley. Staff have indicated that SEMCAC often has detailed knowledge of the populations and communities it serves via other programs, and may be able to identify areas where current ridership is not representative of the actual transit need. In these cases, Rolling Hills Transit should engage in targeted marketing activities to increase awareness and understanding of the services available, especially for routes that are currently performing below ridership or productivity targets.

# Long-Term Service Recommendations

## Performance-Based Service Revision

As ridership grows, Rolling Hills Transit should use performance measures to prioritize service expansions, such as additional frequency on scheduled routes, additional service days for county-wide trips, or extended service hours. In particular, services that achieve high productivity or experience increasingly frequent service denials should be targeted for additional investment.

## Fleet Capacity and Flexibility

Rolling Hills Transit indicated a need for additional flexibility in terms of vehicle size and capacity for specific services it provides. Perhaps most critically, the Caledonia route currently experiences significant ridership from customers who use wheelchairs. The agency's existing 400-class vehicles can carry only two wheelchairs at once. Rolling Hills Transit would like to be able to purchase larger 500-class vehicles with the capacity to carry at least three wheelchairs simultaneously to better meet demand.

Conversely, Rolling Hills Transit has also identified other needs that could be better served using smaller vehicles. In certain rural communities, ridership is low enough that existing demand could be met using smaller passenger vehicles, such as ADA-accessible vans. Acquiring 2-3 smaller vehicles for these routes could help Rolling Hills Transit free up larger vehicles for more productive services and/or expansion needs. Additionally, these passenger vehicles could potentially be driven by non-CDL drivers, which could make it easier for the agency to hire drivers in rural areas.

## Frequency and Span of Service

Over the next five years, Rolling Hills Transit should increase the capacity and/or span of service, especially if ridership growth is observed. In the medium term (1-3 years), Rolling Hills could increase the span of service on all routes to a consistent 10 hours per day, starting with the highest-productivity services. In the long term (5 years), the agency could explore introducing Saturday service in high-productivity areas, or where SEMCAC believes Saturday demand is most likely to be concentrated. Offering a more comprehensive array of trip options throughout the day and week could help Rolling Hills Transit become a more attractive service for riders.

## Service Coordination and Expansion

Rolling Hills Transit has identified a need for additional travel options along the Highway 14 corridor, which includes a western segment from Owatonna to Rochester and an eastern segment from Rochester to Winona. Both segments have a basic level of bus service, but access could be improved through improved coordination and potential midday service expansion.

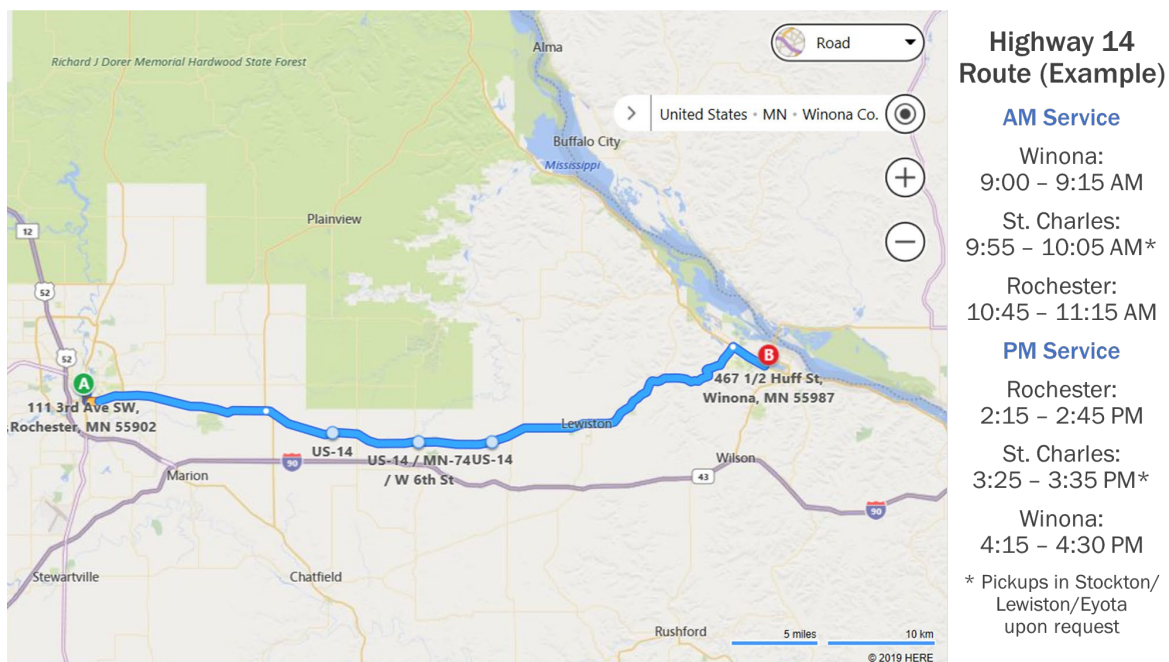
The western segment (Owatonna to Rochester) is currently served by Land to Air Express, which provides three bus trips daily with an intermediate stop in Dodge Center. These trips are subsidized

by MnDOT’s S. 5311f Intercity Bus program. Additionally, Rochester City Lines also provides commuter bus service from Hayfield to Rochester via Dodge Center, Kasson, and Byron, allowing residents of smaller towns to access jobs at the Mayo Clinic and other employers in downtown Rochester. Combined, Land to Air Express and Rochester City Lines provide a relatively robust array of trips along the western segment of Highway 14. In order to enhance access to this intercity service, Rolling Hills could consider establishing timed connections with Land to Air Express and/or Rochester City Lines bus trips in Dodge Center, enabling customers to use Rolling Hills Transit for the first or last part of their journey. This would require scheduling changes but likely no additional service hours or equipment and could be implemented in the medium term (1-3 years).

The eastern segment of Highway 14 (Rochester to Winona) is currently served by Jefferson Lines, which provides one daily trip nonstop from Rochester to Winona State University as part of a longer intercity route between Minneapolis/St. Paul and Milwaukee. Commuter service is also provided by Rochester City Lines, but as in the western segment of the corridor, trips are offered only in the early morning (westbound to Rochester) and evening (eastbound to Winona). Given that customers of Rolling Hills Transit are more likely to be traveling for medical or shopping trips than for work, additional trips in the mid-morning and mid-afternoon hours could help meet their needs.

In the long term, Rolling Hills Transit could implement a new route from Winona to Rochester, offering at least one inbound and outbound trip timed to meet the needs of customers in communities along Highway 14. If designed as a reservation-based route, the route could provide curb-to-curb service for residents of Winona, Stockton, Lewiston, and Eyota wishing to access destinations in Rochester. This route would likely require one vehicle and approximately 4.5 revenue hours per day (with closer to 8 total vehicle hours). A sample map and schedule are shown below.

**Figure 14. Highway 14 Service Expansion (Example Schedule and Map)**



## Opportunities

### Performance Measurement

To help Rolling Hills Transit make more effective use of performance data in the future, internal performance targets could be established based on individual service types, such as demand-response service, long-distance deviated routes, and services designed to provide Head Start trips. Rolling Hills Transit management staff have expressed interest in using performance measures to target marketing efforts toward specific services that are underperforming; this is a recommended near-term step. In the long term, the agency should prioritize service expansion on high-performing services (for example, introducing Saturday service on the top 3 highest-productivity routes). Over time, using transit performance measures to guide both marketing and service planning decisions will help Rolling Hills Transit deliver efficient and effective service to as many customers as possible.

### Service Coordination

Rolling Hills Transit's service area overlaps with multiple other transportation providers, including local public transit agencies (Rochester Public Transit, Winona Transit), private commuter services (Rochester City Lines), and intercity bus operators (Jefferson Lines, Land to Air Express). In order to facilitate convenient transfers between services and improve awareness of all non-automobile transportation options, Rolling Hills Transit should coordinate regularly with other providers in its service area.

In the near term, Rolling Hills Transit could provide information on other providers via links on its website or via brochures displayed at Semcac locations, and explore joint marketing opportunities. In the future, Rolling Hills Transit could explore service coordination with other providers, such as designing deviated route schedules to connect with intercity service. There may be additional opportunities to partner with other transportation providers to deliver service more efficiently.

## Risks & Challenges

### Lack of Awareness of Existing Services

Rolling Hills Transit has seen low ridership and productivity on some existing services, which may be due in part to a lack of awareness among potential users. If marketing and outreach do not improve, Rolling Hills may continue to struggle to retain existing ridership levels and experience difficulty in attracting riders to new services. The following chapter explores marketing recommendations in greater detail.

# Chapter 11. Increasing Transit Use for Agency

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## Marketing

This chapter discusses marketing strategies to increase ridership and highlight the importance of transit to the communities served by Rolling Hills Transit.

### Greater Minnesota Transit Investment Plan

One of the goals of the Greater Minnesota Transit Investment Plan was to increase transit usage across the transportation network. The plan encourages coordinated efforts among agencies and MnDOT to promote service and highlight the role and importance of transit in the local communities. Agencies are to invest in marketing campaigns, technology, smartphone applications, provide commuter services, and develop partnerships with private providers (taxis and health care) to meet customer needs.

Marketing materials should use appropriate, accessible and easy to understand information for their websites and all written materials. The materials should be distributed using platforms such as smartphone travel apps, social media, and print materials. Travel training and outreach efforts should be used to promote the service, but also to inform the public about fare changes, large capital projects and service planning changes. For potential customers struggling with the English language, multi-lingual marketing materials should be provided. Utilizing local cultural community groups to help translate and distribute materials will build bridges and will make the community more aware of the service.

### Marketing Preferences

In the Greater Minnesota Transit Survey (2015), Rolling Hills Transit customers were asked about their preferred method of receiving transit information. These results are shown in Table 26 on the following page. The responses indicate that current riders prefer print marketing materials, though electronic marketing is likely gaining in popularity (and may be increasingly used by potential future Rolling Hills Transit customers).

**Table 26. Marketing Preferences of Rolling Hills Transit Customers (2015)**

Flyer/Newsletter	28%
Newspaper	26%
Radio	7%
Television	9%
Email	7%
Text Message	5%
Facebook/Twitter	2%
Transit Website	6%
Other	4% (Landline phone call, All of the above)

### **Rolling Hills Marketing Strategies**

Rolling Hills Transit is well-known in southeastern Minnesota as one of the larger rural transit providers. Agency staff have expressed an interest in further building awareness of all Rolling Hills Transit services, including by conducting targeted marketing efforts for specific routes.

Currently, Rolling Hills Transit’s website includes a general summary of the operating hours for demand-response and deviated-route service in each county, as well as the municipalities served. This is a basic level of information that could be significantly improved by adding maps showing the boundaries of each service, as well as information on how to ride.

Rolling Hills Transit should explore opportunities to develop improved marketing materials, including brochures, maps, and “how to ride” documents or videos. The agency has worked with students from Winona State University to create marketing materials in the past; this is a viable option for developing simple marketing products, long-term marketing strategies should include improving Rolling Hills Transit’s capacity to develop in-house marketing information or a budgetary increase to facilitate hiring consultants.

### **Website Updates**

A website overhaul and other marketing materials should include clear branding, such as logo and colors, and clear fonts, maps and schedules. The website should be visibly pleasing, heavy on graphics, and restrict clutter. It should also include an online reservation system and be updated with the latest service changes and disruptions. Once AVL becomes available, a bus tracking app could be used for both the website and for smartphones. The current audio ads for radio and the website should be transcribed for those with hearing impairments and to facilitate the use of screen readers by those with visual impairments. The rural transit system sees few limited English customers thus far, but multi-lingual marketing materials and staffing should be considered in the future.



### **Local Government Outreach**

In order to generate increasing local support for transit service, Rolling Hills Transit could conduct marketing efforts to communicate and promote the economic and community benefits of rural transit. Outreach efforts to local governments could promote transit as an economic benefit to communities, as it can allow people to remain in their homes longer as they age (aging in place) while still being able to complete their daily activities. For rural communities seeing a decline in employment, Rolling Hills Transit could promote the benefits of connecting residents to employment opportunities in growing communities, including Rochester and surrounding areas. Communicating the economic and community benefits of transit could help Rolling Hills Transit build support among local governments for participation in funding partnerships. Expanding the local match pool could help Rolling Hills Transit leverage available state and federal funds to expand and improve transit services. Potential partners could include municipalities, counties, schools, and human service providers, and other transportation operators.

### **Direct Outreach to Customers**

In order to build awareness and familiarity among potential customers, Rolling Hills Transit should consider expanding efforts to conduct direct outreach and travel training for area residents. Outreach efforts can build on existing programs designed to promote other Semcac services, as well as expanding to other local events and community functions. For individuals interested in riding transit who may be unfamiliar with Rolling Hills Transit service, travel training could be provided to assist customers in reserving trips, riding the bus, and connecting with other transportation providers as needed.

Rolling Hills Transit can also work with social service agencies to develop transportation options for health and human service clients, as well as with non-emergency medical transportation providers that provide access to health services.

# Action Plan

## Summary of Recommendations by Category

### Service

In the near term, Rolling Hills Transit will continue to focus on service monitoring, including targeted marketing of services that are currently underutilized. Over the next three to five years, Rolling Hills Transit should pursue service expansions that extend the span of service on all routes to a goal of 10 hours per day, add Saturday service to the most productive routes, and introduce a new Highway 14 service from Winona to Rochester. Additionally, Rolling Hills Transit should work with other regional transit and human service transportation providers to improve marketing, coordinate service, and/or pursue operating partnerships where feasible.

### Staffing

Rolling Hills Transit should aim to hire the equivalent of one full-time driver for every 2,000 hours of scheduled transit service. Based on the service expansions proposed above, Rolling Hills Transit should expect to hire at least 5 additional drivers by 2024.

Rolling Hills Transit has reported difficulty in hiring CDL-qualified drivers in the current economic climate. If the agency is able to procure smaller vehicles for some services, it may be able to hire non-CDL drivers at a lower hourly rate.

### Facilities/Fleet

Rolling Hills Transit has recently constructed a new combined garage and administrative facility that, combined with the existing facilities, should meet the agency's needs for the foreseeable future. Minimal moving costs are anticipated for 2019, but no other facility needs are expected.

Rolling Hills Transit's current fleet of 400-series cutaways is sufficient for existing operations. The agency plans to replace one vehicle in 2019, as well as an additional seven vehicles between 2020 and 2025. As part of this plan, the agency has identified a need for additional purchase flexibility, including the ability to acquire larger 500-series vehicles to accommodate 3 wheelchairs and/or smaller ADA-accessible passenger vans for low-ridership routes. This plan proposes that Rolling Hills Transit acquire two ADA-accessible vans, allowing larger vehicles to be used for expansion services.

### Technology

Rolling Hills Transit is in the process of installing upgraded CTS software for dispatch. This upgrade (as well as additional computers) are expected to cost approximately \$23,500. While no further

immediate needs have been identified, future projects could include in improved website that offers online trip reservations, fare payment and/or vehicle tracking..

## **Marketing**

Rolling Hills Transit has indicated that a major obstacle to maintaining and growing transit ridership is a lack of awareness of current services. Rolling Hills Transit has a basic level of information available on its website, and current customers have indicated that they prefer to receive printed information. However, the agency should aim to provide improved maps and schedule information online, as well as pursue direct outreach to local governments and potential customers. Rolling Hills Transit could also consider establishing dedicated social media accounts (separate from Semcac) to disseminate transit alerts and information.

Most transit agencies spend between 1 and 2 percent of their budget on marketing. With improvements in funding, Rolling Hills Transit could hire additional staff and/or consultants to ensure that services are advertised effectively to as many potential riders as possible.

## **Implementation**

Specific strategies to improve transit use and service for Rolling Hills Transit are outlined in Table 27 on the following page. Included are indications of need, ease of implementation, level of local support, and capital and operating costs. This chart can be used as a tool to identify priority strategies for near-term implementation, as well as long-term strategies that will require local cooperation and/or additional resources.

**Table 27. Rolling Hills Transit Improvement Strategies**

Category	Improvement Strategy	Need	Ease of Implementation	Local Support	Capital Cost	Operating Cost
Service	Expand Hours & Weekend Service	●	○	◐	◐	○
Service	New Highway 14 Corridor Service – Winona to Rochester	●	○	◐	◐	○
Service	Expand vehicle capacity on Caledonia route	●	◐	◐	○	●
Service	Improve Service Monitoring	●	◐	◐	○	●
Service	Online Reservation System	●	◐	●	◐	◐
Staffing	Add 1 full-time driver for every 2,000 hours of service	●	◐	●	◐	○
Staffing	Hire multilingual drivers as needed	●	●	●	●	●
Facilities/Fleet	Pursue Larger Vehicles for Multiple Wheelchairs	◐	◐	●	○	●
Facilities/Fleet	Smaller Vehicles for One Passenger, Long Distance Trips	◐	◐	●	○	●
Facilities/Fleet	Add Bike Racks to Buses	◐	●	◐	●	●
Technology	AVL, Farebox, Security Cameras, Communication	◐	◐	●	◐	◐
Technology	Reloadable Fare Card & Online Payment System	◐	◐	●	◐	◐
Marketing	Posters/Flyers/Website/Branding	●	●	●	◐	◐
Marketing	Partner with Local High School or College Journalism/Marketing Class for Advertising	●	◐	●	◐	◐
Marketing	Multi-Lingual Advertising	◐	◐	●	◐	●
Marketing	Promote Community Benefits of Transit	●	◐	●	●	◐
Marketing	Target Marketing Beyond Seniors	◐	●	◐	◐	●

○ - Low/Unsupportive/High Cost   ◐ - Moderate/Neutral/Moderate Cost   ● - High/Supportive/Low Cost

# Plan Approval

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

<b>Signature</b>	<b>Name (Print)</b>	<b>Role</b>	<b>Date</b>
<hr/>			

<b>Signature</b>	<b>Name (Print)</b>	<b>Role</b>	<b>Date</b>
<hr/>			

<b>Signature</b>	<b>Name (Print)</b>	<b>Role</b>	<b>Date</b>
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