



# Organizational Alternatives

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## INTRODUCTION

One of the principal challenges facing any transit service is developing a funding system that supports capital investment (buses, maintenance facility, etc.) and provides a stable source of revenue for operations and maintenance. Chapter XI provides an evaluation of the organizational (institutional) alternatives for transit services in the Carroll County area.

An important objective of this study is to present recommendations for an organizational framework for public transit that are acceptable to the parties involved and that can be realistically implemented. With this goal in mind, the following discussion presents an analysis of the most appropriate organizational alternatives and a basis for making a decision.

## ORGANIZATIONAL STRUCTURES

Before the first transit passenger can be served, before the first bus can be purchased, and before the first dollar of funding can be generated, an organizational structure must be developed to manage and operate the transit service. The identification of a cost-effective and geographically appropriate organizational structure is, therefore, a key element in the improvement of public transportation services.



This study approaches the organizational alternatives from a practical standpoint rather than a theoretical one. As the population in the region changes, so will the demands on the existing agencies. The following section examines the organizational alternatives the region could use in the development of a formal transit service.

Transit services throughout the western United States have a variety of organizational structures: independent agencies (such as Aspen and Crested Butte,

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Colorado); transit districts (such as Dawson County, Montana Urban Transportation District and Utah Transit Authority); departments of a municipal government (such as Billings, Montana and Logan, Utah); departments of county government (such as Valley County, Montana and Summit County, Colorado); and nonprofit corporations (such as Mesa County, Colorado and Casper, Wyoming).

### **Criteria for Institutional Structures**

The history of transit organizations serving scattered areas with low population densities indicated that the following criteria should guide the selection of the institution for managing and operating transportation services in Carroll County.

The institutional structure should be an entity:

- whose structure is legitimate and whose policy-making actions are authorized and defensible;
- which can limit the exposure of the participants to suits and claims of liability;
- which can be responsive to the complete policy-making and management needs of the transit organization;
- which has political and financial support and can endure more than one year at a time; and
- which can annually perform proactive planning to improve the system and effectively identify and implement improvements regularly and easily.

### **Alternatives**

The following alternatives were analyzed for Carroll County.

#### Nonprofit Organization

One option is for the service to be operated by North Country Transit (NCT). NCT is part of the Tri-County Community Action Program, a nonprofit agency that currently operates transit services within Coos and Grafton Counties. The agency is interested in providing transportation services to the Carroll County area. Advantages are that the agency is very familiar with the New Hampshire area, works with the general public but specifically meets the needs of the elderly and disabled population, has the ability to receive funds from the Federal Transit Administration, and has the capability to generate local revenue to fund transit services. As a general public transportation provider in the adjoining Coos County

area, NCT also has the functional capabilities to operate service in Carroll County. Tri-CCAP provides services other than transportation in Carroll County and has a facility in Tamworth.

### Department of County Government

A government department is one alternative to consider and has worked well in other areas of the country, but it has drawbacks. A government department could contract with human service agencies or private entities to provide specified transportation services. This could be effectively done by having a central reservation line and dispatch center. The main advantage of a government department is that it has legitimate authority to conduct transit services within its political boundary.

The disadvantages of a government department are that the local council or governmental body has the final decision-making power regarding the management, operation, and financing of transportation services (which may or may not be a high priority) and may provide little long-term stability in the funding of transit services. Carroll County government has not expressed strong interest in operating a public transit service.

Under this organizational structure, Carroll County government could contract services with North Country Transit or with the White Mountain Transit Authority, a private company currently providing service in the North Conway area. The county government could also contract the service through a competitive bid process. This would not only allow North Country Transit and White Mountain Transit Authority to bid on the service, but also other interested transit operating companies to bid on providing transportation services in the Carroll County area.

### Regional Transit District

Regional Transit Districts (RTD) are complex organizations. New Hampshire cities and towns have the authority to join and establish a Regional Transit District per Chapter 38-B of the New Hampshire statutes. The establishment of the district needs to be recommended by the Regional Planning Commission. In the case of Carroll County, the RTD will need to be recommended by the Lakes Region

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Planning Commission (LRPC). The establishment of the Regional Transit District then involves a vote of the local legislative bodies that represent the municipalities that intend to establish the RTD. The advantage of an RTD is the capability to bring several towns or cities together in operating a transit system. Another advantage is that only a vote of the local governing body is needed to set up the RTD, rather than a vote by the residents. An RTD is authorized to receive federal grants and to enter into a contract with a public or a private transportation operator for management or operation of public transit services. The disadvantage of an RTD is that it has no power to generate revenue for the funding of transit services. Appendix E presents the New Hampshire State Statute of a Regional Transit District.

### Intergovernmental Transit Agency

An Intergovernmental Transit Agency (ITA) could be formed by Carroll County and the communities of Carroll County such as Conway, Ossipee, and Wolfeboro. The governing board should have equal representation from each entity. An ITA has been successfully implemented in other locations and would build upon the working relationships already established between the cities and the county.

If provided with a dedicated local funding source, this structure provides stability and helps ensure the continuation of transit service within the community. This type of organization requires cooperation from each entity and requires voter approval to establish a dedicated local funding source to support the transit agency. The ITA could create agreements with existing transportation providers in the Belknap, Coos, and Grafton Counties area to provide a portion of the transit service within the region, thereby linking several transportation providers together to improve access and mobility without creating a new agency.

## **SUMMARY**

Table XI-1 ranks each organizational alternative according to four factors—legal capability, revenue generation capacity, administrative impacts, and political acceptability. Legal capability refers to the existence of statutory authority. Revenue generation capacity refers to the capability of the organizational structure to generate adequate funding relative to the projected subsidy requirements.

Administrative impacts refer to the level of effort involved in implementing a funding mechanism and the ability to provide coordinated service throughout Carroll County. Political acceptability refers to the likelihood of a given funding mechanism to be accepted by the public and the local, elected officials.

<b>Table XI-1 Organizational Alternatives Comparison Matrix</b>				
<b>Organizational Alternative</b>	<b>Legal Capability</b>	<b>Revenue Generation Capacity</b>	<b>Admin. Impacts</b>	<b>Political Acceptability</b>
Nonprofit Organization		●		
County Department			□	□
Regional Transit District		□		●
Intergovernmental Transit Agency		●	●	
Legend:	= strong/acceptable ● = moderate/satisfactory □ = weak/unacceptable			
<i>Source: LSC, 2007.</i>				

As the table shows, all of the alternatives are permitted legally, with the nonprofit organization and the intergovernmental agency having slightly less authority to engage in certain activities related to revenue generation than the others. The second column, Revenue Generation, shows that a county department has strong abilities to generate funding. The third column in the table indicates there would be some administrative impacts to providing transit as a county department, based on past experiences and the lack of initiative taken by the Carroll County government. The fourth column indicates the likelihood of the organizational alternative being politically accepted. All of the alternatives are rated as having moderate or weak political acceptability, except for the intergovernmental agency and the nonprofit organization. Based on the above information, LSC recommends that a nonprofit organization like North Country Transit, which already provides

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service in the adjoining Coos County area, serve as the lead agency for any new transit service.