



# Transit Implementation Plan (2010-2015)

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## INTRODUCTION

LSC has prepared the following Transit Implementation Plan which identifies the steps to be taken within the next six years to meet the future transit needs of the residents of the City of Laurel. Also discussed are the implementation steps and financial requirements for the development and installation of the preferred transit service plan.

## ORGANIZATIONAL PLAN

Under the direction of the Laurel City Council, a new Transit Program (TP) should be created to administer general public transportation and oversee any contract services. The City of Laurel has the legal and financial capability to ensure the stability of the public transportation service. Although the city will need new staff for the TP, the level of staffing will depend greatly on the coordination efforts that the city can develop with the human services providers in the area. It is recommended that the city implement the coordination plan detailed in Appendix C.

## MANAGEMENT PLAN

The city should develop a TP within the City Public Works Department under the direction of the City Council . A transit coordinator should be hired for the TP. The transit coordinator will be responsible for overseeing transit service contracts, monitoring costs and productivity of the services in all phases of the preferred transit service plan, and overseeing maintenance of the transit vehicles. The transit coordinator will also need to work closely with the Federal Transit Administration (FTA), Montana Department of Transportation (MDT), Yellowstone County Council on the Aging (YCCOA), Laurel Medical Center, and any service contractors that may be hired to provide the transit service presented in the service plan.

## **IMPLEMENTATION PLAN**

Details on the preferred transit service plan were presented in Chapter X. The preferred transit service plan includes the creation of local demand-response service, regional service to the City of Billings, and a vanpool program for commuters to the City of Billings. The financial costs of these services are detailed later in this chapter.

Following is a list of activities that need to be completed in order to implement the preferred transit service plan, which will be developed in three phases. Phase I (2010 through 2011) has an estimated annual operating cost of about \$189,120 with inflation. The Phase I costs include local demand-response, regional, and vanpool services. Phase II (2012 through 2013) increases the estimated annual operating cost to about \$258,000 with inflation due to the increased level of service for the regional service and vanpool program. Phase III (2014 through 2015) increases the estimated annual operating cost to about \$347,500 with inflation due to the increased level of service for the demand-response service.

### **Implementation Steps for Phase I**

Phase 1 includes the development of demand-response service within the City of Laurel, a regional route to the City of Billings, and a vanpool program for commuters to the downtown area of Billings. If possible, the transit services will be contracted out in an open bidding process. The contract developed in Phase I should allow for expansion of transportation services in Phases II and III. There will be a need for significant coordination between the City of Laurel, MET (the City of Billings transit service), YCCOA, and other local human service providers. The City of Laurel could develop an IGA with YCCOA to expand YCCOA's existing service with the existing level of funding.

### **Responsibility**

- The TP should hire a transit coordinator to implement and operate the transit service or develop an IGA to operate new service or expand existing YCCOA service.
- The transit coordinator should develop contracts for service and/or intergovernmental agreements for service and capital.
- The transit coordinator should educate the public on the new transit service.

- The transit coordinator should administer and oversee operation of Phase I service.
- The transit coordinator will need to develop coordination between the City of Laurel, MET, YCCOA, and other human service providers.

### Benefits

- Residents of the City of Laurel will have increased connectivity and mobility. These residents will have increased access to employment, medical services, education, and shopping within the cities of Laurel and Billings.

### Timing

- The TP should hire a transit coordinator in 2009 to oversee the implementation and administration of the new transit service or develop an IGA to implement expanded service through YCCOA.
- With city approval, the transit coordinator should develop a request for proposals (RFP) for contract services in late 2009 to operate the transit service or develop an IGA with the existing provider to expand their service.
- The TP staff should review the proposals and select one agency with which to develop a contract for the transit service.
- City Council will need to approve the transit service contract. If the city is unable to contract the transit service out, then day-to-day operation of the service will be the responsibility of the transit coordinator.
- The City of Laurel should purchase vehicles in 2010 if shared vehicles cannot be identified.
- Phase I service should begin in early 2010.

### **Implementation Steps for Phase II**

Phase II increases the level of service for the regional service and vanpool program. As in Phase I, Phase II service can be contracted out. In Phase II, there will be a need for continued coordination between the City of Laurel, MET, YCCOA, and other local human service providers.

Before Phase II can be implemented, the TP should achieve the following two benchmarks:

- The demand-response service should achieve over 9,500 annual passenger-trips, a \$12.75 cost per trip, and three to four passengers per hour.
- The regional service should achieve over 2,700 annual passenger-trips (80 percent of forecasted amount of ridership), a \$15.70 cost per trip, and five passengers per hour.

### Responsibility

- The transit coordinator should develop grants to cover operation and capital costs.
- TP staff will need to obtain approval from the City Council for additional operation and capital funding to cover the local match requirement.
- The transit coordinator should develop contracts for service and/or intergovernmental agreements for service and capital if not covered in the contract. If the transit service is not contracted out, then the day-to-day operation of the service will be the responsibility of the transit coordinator.
- The transit coordinator should educate the public on the new transit service.
- The transit coordinator should administer and oversee the operation of Phase II service.
- The transit coordinator will need to develop coordination between the City of Laurel, MET, YCCOA, and other human services providers.

### Benefits

- Residents of the City of Laurel will obtain increased connectivity and mobility. These residents will have increased access to employment, medical services, education, and shopping throughout the region.

### Timing

- Through the City of Laurel, the transit coordinator should apply for MDT funding and FTA 5310 and 5311(f) funding to cover the operation and capital costs and should identify local match funding.
- If the Phase I contract or IGA did not allow for additional Phase II and III services, the city will need to bid out the additional services. With city approval, the transit coordinator should develop an RFP in 2011 for the additional contract services if necessary.
- TP staff should review proposals and select one agency with which to develop a contract for the transit service.
- The City Council will need to approve the service contract or IGA.
- The city should purchase vehicles in 2012 if shared vehicles cannot be identified.
- Phase II service should begin in 2012.

### **Implementation Steps for Phase III**

Phase III includes the expansion of the demand-response service to 12 revenue-hours daily within the City of Laurel. If there is an increasing demand for trips to

Billings, the vanpool program can be increased to three vehicles. If the Phase I or Phase II contract does not include service expansion, then the city will need to bid out the additional services. In Phase III, there will be a need for significant coordination between the city, MET, YCCOA, and other local human services providers.

Before Phase III can be implemented, the TP should achieve the following two benchmarks:

- The regional service should achieve over 5,400 annual passenger-trips and a \$18 cost per trip.
- The demand-response service should achieve over 10,200 annual passenger-trips and a \$13.75 cost per trip.
- The vanpool program should operate with at least seven passengers in each van.

### Responsibility

- The transit coordinator should develop grants to cover operation and capital costs.
- The transit coordinator should develop contracts for service and/or intergovernmental agreements for service and capital.
- The transit coordinator should educate the public on the new transit service.
- The transit coordinator should administer and oversee operation of the Phase III service.
- If no contract for service is developed, then responsibility for day-to-day operations will be the transit coordinator's.
- The transit coordinator will need to develop coordination between the City of Laurel, MET, YCCOA, and other human services providers.

### Benefits

- The residents of the City of Laurel will obtain increased connectivity and mobility. Residents will have increased access to employment, medical services, education, and shopping throughout the region.

### Timing

- Through the City of Laurel, the transit coordinator should apply for MDT funding and FTA 5310 and 5311(f) funding to cover the cost of operations and should identify local match funding.
- If the Phase I or Phase II contract or IGA did not allow for additional Phase III services, the city will need to bid out the additional services. With city

approval, the transit coordinator should develop an RFP for the additional contract services if necessary.

- TP staff should review the proposals and select one agency with which to develop a contract or IGA for the transit service.
- The City Council will need to approve the service contract or IGA.
- The City should purchase vehicles in 2014 if shared vehicles cannot be identified.
- Phase III service should begin in 2014.

## **Service Monitoring**

### **System Performance Measurement**

LSC recommends that the TP monitor the transit system's performance and quality. A monitoring program is essential to determine the efficiency and effectiveness of the service being provided. Monthly reports (including information on productivity measures and cost information) should be created and prepared by service contractors and reviewed by the transit coordinator. The transit coordinator should present this information to the City Council.

Productivity measures should indicate the number of passengers per revenue-hour and passengers per revenue-mile by service area. Actual productivity should be compared with system standards. In order to monitor productivity, it is essential that passenger ridership data be collected on an ongoing basis. The simplest approach for collecting the ridership data is to equip each bus with manual counting devices that allow drivers to register each passenger who boards by the appropriate fare category. Cost information should include the cost per passenger, cost per revenue-mile, ridership, and average fare. The data should be collected and tracked based on each route of the transit system.

Monthly reports on productivity and costs should be prepared in spreadsheet or database format in order to analyze each service type. The data will help the TP establish ridership patterns and operating cost trends and determine if transit system changes are needed. The TP can then determine the appropriate policy direction and recommend funding decisions to the City Council.

**Comment Cards and Boxes**

LSC recommends that the TP provide comment cards and comment boxes on each transit vehicle so that passengers have an opportunity to provide input regarding the transit system.

**Rider Survey**

LSC also recommends that a rider survey be conducted after one year of operation for each phase of the preferred transit service plan.

**CAPITAL PLAN**

**Vehicle Purchase**

LSC recommends that the TP, through the City Council, purchase three body-on-chassis small buses and four vans over the next six years. In Phase I, the City of Laurel will need to purchase one body-on-chassis bus and one van. In Phase II, one body-on-chassis bus and two vans will need to be purchased. In Phase III, one body-on-chassis bus and one van will need to be purchased.

The total cost for these vehicles is estimated at about \$343,000 over the next six years. Details on the recommendations for vehicle purchase and replacement are shown in Table XI-1. Note that these capital costs can be reduced if contracts are developed with other agencies in the area that have vehicles that can be shared for operation of the preferred transit service plan.

Table XI-1 Vehicle Replacement (6-Year Plan)						
	2010	2011	2012	2013	2014	2015
New Body-on-Chassis Small Buses	1		1		1	
New Vans	1		2		1	
<i>Source: LSC, 2009</i>						

**Administrative and Maintenance Capital**

Administrative and maintenance capital includes the purchase of office equipment, hardware, and software. LSC is estimating a total of about \$20,400 in administrative and maintenance capital costs over the next six years. If a contract

for vehicle sharing is developed with other agencies, the cost savings can possibly be used to implement a centralized dispatching center that covers all of the transportation services within the City of Laurel.

## **FUNDING PLAN**

LSC has prepared a proposed financial plan for the TP for the next six years. Table XI-2 presents the projected expenditures and revenues for the TP for the years 2010 through 2015, with the assumption of an annual five percent inflation rate.

LSC recommends that the City of Laurel apply for federal and state grant funds in order to support public transportation services. Note that the city has already applied for operation and capital funding from MDT for the first year of service operations (2010). Additional FTA 5311 funding was assumed for the later years and phases based on 50 to 54 percent eligible funding under the FTA 5311 program. Federal funding is expected to remain relatively stable over the next few years. The city should also continue to work toward establishing new revenue sources. Additional funds may be generated by pursuing grants from agencies and foundations other than MDT or FTA.

In the short term, LSC recommends that the city continue to apply for FTA 5310, 5311, and 5311(f) funding and examine the possibility of applying for TANF, Medicaid, local, and senior center funding. Under SAFETEA-LU rules, TANF and Medicaid funding can be used as the local match for transit operation funding for Phases I through III.

Federal funding is available for 50 to 54 percent of the operation costs for general public transportation services less farebox return. The remaining operation costs should be divided among the local government entities and local agencies depending on the contracted services. The transit implementation plan anticipates operation costs of about \$90,057 in fiscal year 2010 and \$189,120 in fiscal year 2011, with an increase in each of the following years based on implementation of the additional phases.

**Table XI-2  
Transit Plan, 2010-2015 (assumes 5% inflation)**

	Phase I		Phase II		Phase III		Total
	2010	2011	2012	2013	2014	2015	
<b>EXPENSES</b>							
<b>OPERATING</b>							
Demand-Response Service	\$60,603	\$127,265	\$133,629	\$140,310	\$196,433	\$206,255	\$864,494
Regional Route Service	\$21,217	\$44,556	\$93,566	\$98,244	\$103,156	\$108,314	\$469,053
Vanpool	\$5,738	\$12,049	\$25,302	\$26,567	\$41,844	\$43,936	\$155,436
Marketing Program	\$2,500	\$5,250	\$5,513	\$5,788	\$6,078	\$6,381	\$31,510
<b>Subtotal</b>	<b>\$90,057</b>	<b>\$189,120</b>	<b>\$258,009</b>	<b>\$270,910</b>	<b>\$347,511</b>	<b>\$364,886</b>	<b>\$1,520,493</b>
<b>CAPITAL</b>							
Vehicles	\$102,000	\$0	\$139,000	\$0	\$102,000	\$0	\$343,000
Office / Administration / Maintenance Eq./Radios	\$3,000	\$3,150	\$3,308	\$3,473	\$3,647	\$3,829	\$20,406
<b>Subtotal</b>	<b>\$105,000</b>	<b>\$3,150</b>	<b>\$142,308</b>	<b>\$3,473</b>	<b>\$105,647</b>	<b>\$3,829</b>	<b>\$363,406</b>
<b>TOTAL EXPENSES</b>	<b>\$195,057</b>	<b>\$192,270</b>	<b>\$400,317</b>	<b>\$274,383</b>	<b>\$453,157</b>	<b>\$368,715</b>	<b>\$1,883,899</b>
<b>REVENUES</b>							
<b>Operation</b>							
FTA 5311 Operational	\$30,000	\$94,847	\$130,766	\$137,584	\$177,173	\$186,391	\$756,761
<b>Subtotal</b>	<b>\$30,000</b>	<b>\$94,847</b>	<b>\$130,766</b>	<b>\$137,584</b>	<b>\$177,173</b>	<b>\$186,391</b>	<b>\$756,761</b>
<b>Capital</b>							
FTA 5311 Capital	\$0	\$2,741	\$123,808	\$3,021	\$91,912	\$3,331	\$224,813
ARRA Funding	\$105,000	\$0	\$0	\$0	\$0	\$0	\$105,000
<b>Subtotal</b>	<b>\$105,000</b>	<b>\$2,741</b>	<b>\$123,808</b>	<b>\$3,021</b>	<b>\$91,912</b>	<b>\$3,331</b>	<b>\$329,813</b>
<b>Local Revenues</b>							
Operational (Local Match)	\$51,830	\$86,046	\$116,906	\$122,989	\$157,002	\$165,159	\$699,932
Capital (Local Match)	\$0	\$410	\$18,500	\$451	\$13,734	\$498	\$33,593
Fares	\$8,227	\$8,227	\$10,337	\$10,337	\$13,336	\$13,336	\$63,800
<b>Subtotal</b>	<b>\$60,057</b>	<b>\$94,682</b>	<b>\$145,743</b>	<b>\$133,777</b>	<b>\$184,072</b>	<b>\$178,993</b>	<b>\$797,325</b>
<b>TOTAL REVENUES</b>	<b>\$195,057</b>	<b>\$192,270</b>	<b>\$400,317</b>	<b>\$274,383</b>	<b>\$453,157</b>	<b>\$368,715</b>	<b>\$1,883,899</b>

Source: LSC, 2009.

## **Benefits**

- Local funding displays a level of commitment on the part of the local governments and citizens.
- Local match funding is needed to help secure matching state and federal funds.
- Funding helps to provide a service needed by local citizens.

## **Timing**

- The City of Laurel should immediately begin the process of obtaining funds from the local entities and agencies within the service area of the preferred transit service.
- The city's budgetary offices should be prepared to incorporate local transit funding when the transit budget is presented for the fiscal year 2010 budget cycle.

## **Responsibilities**

- The transit coordinator will be responsible for presenting the initial funding information to the City Council and local agencies in order to build support for local transit funding.
- The transit coordinator will be responsible for developing the transit budget and presenting the budget to the local governments.
- The transit coordinator should assist in educating the public on the benefits of the new transit service in order to obtain political support.

## **Implementation Steps**

- The transit coordinator should meet with local agencies to present the need for local transit funding.
- The transit coordinator should prepare the detailed transit operating budget for approval by the City Council.
- The transit coordinator should present the approved transit budget to local agencies.
- Local agencies will need to agree to provide funding for the transit service through intergovernmental agreements for one to three years in duration (preferably three years).
- A grassroots group should be created and should meet every month. This group should develop public education programs regarding the benefits of supporting the intergovernmental agreements and the level of local commitment to transit service.

## **Local and Regional Funding**

In the short term, LSC also recommends that the City of Laurel contribute revenue to cover the local match costs for general public transportation services. Federal funding is available for 54 percent of the operation costs for general public transportation service. The remaining 46 percent of the operation costs should be divided among the city, local human services providers, and private organizations within the service area. It is anticipated that about \$51,830 in local funding will be needed for fiscal year 2010, with an increase in each of the following years. This is based on the fact that the MDT has granted the City of Laurel \$30,000 for operation of their new start transit service.

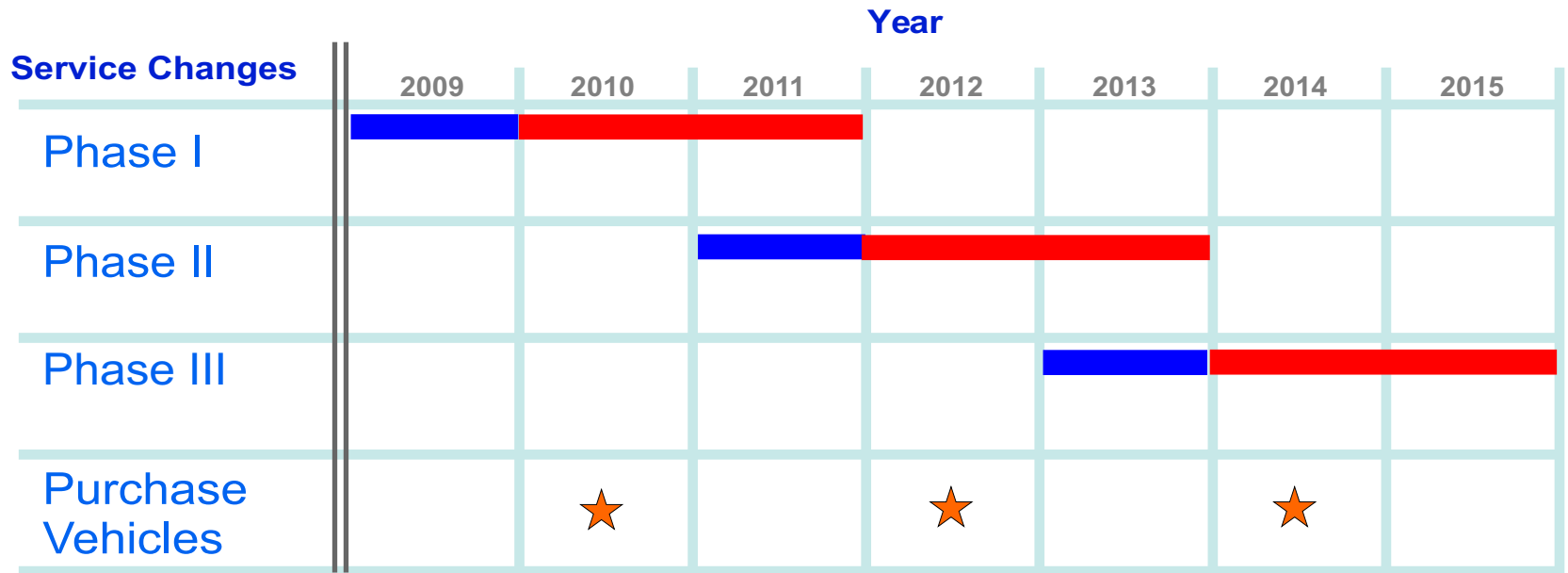
The capital costs for the first year will be paid with 100 percent federal funding due to American Recovery and Reinvestment Act (ARRA) funds. In later years of the financial plan, local funding will be required. This local match funding will need to increase in the later years of the financial plan as the level of service increases in Phases II and III. If the later phases are implemented, the local match funding is estimated at about \$165,160 by 2014 for operations. Coordination between the City of Laurel and the local human services providers can reduce the operation and capital costs.

## **IMPLEMENTATION TIME LINE**




Figure XI-1 presents a time line of the information from Table XI-2. Included in the figure is the planning phase for each recommended project/program in order to aid in the development of the preferred transit service plan. The planning phase is conducted the year before implementation. It is recommended that the City of Laurel evaluate each phase prior to implementation of the next phase based on the benchmarks detailed in this chapter.

In the time line, LSC recommends the implementation of Phase I in early 2010. Phase II should be planned in 2011 and implemented in 2012. Phase III should be planned in 2013 and implemented in 2014. The time line is designed to implement the preferred transit service plan over the next six years. This time frame allows the City Council to determine what planning and coordination activities need to be conducted during each year.

# Figure XI-1 Short-Term Plan Time Line



LEGEND

-  Planning Phase / Contract Development
-  Operations
-  Purchase Vehicles

