



Fargo-Moorhead Metropolitan
Council of Governments

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2nd Meeting of the Transit Coordination Committee

December 3, 2024 | 8:30 – 9:30 am
Location: Metro COG Conference Room/Zoom

[Click here to join the meeting](#)

Meeting ID: 875 3170 5823

Passcode: 770279

- 8:30 am 1. Call to Order and Introductions
 - a. Review and Action on Minutes from November 19, 2024
 - b. Discussion on Committee Name – Chair White
 - c. 2025 Meeting Time/Date Discussion – Chair White

- 8:45 am 2. Action Items
 - a. Review and Approval of the 2025 Transit Cost Allocation Plan – Cole Swingen

- 9:00 am 3. Informational Items
 - a. 2025-2026 LinkFM Service Considerations – Lori Van Beek & Cole Swingen
 - b. North Dakota Legislative Update – Julie Bommelman
 - c. 2026 Driver Services – Jordan Smith

- 9:25 am 4. Other Business

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Agenda Item 1a

**1st Meeting of the
Transit Coordination Committee
November 19, 2024 – 8:30 AM
Metro COG Conference Room/Microsoft Teams**

Members Present:

John Strand, Fargo City Commission
Julie Bommelman, Fargo Transit Director
Susan Thompson, Fargo Finance Director
Ryan Nelson, Moorhead City Council
Deb White, Moorhead City Council
Jenica Flanagan, Moorhead Finance Director
Mike Rietz, Moorhead Assistant City Manager
Dustin Scott, West Fargo City Administrator
Peyton Mastera, Dilworth City Administrator
Ben Griffith, Metro COG Executive Director
Brit Stevens, NDSU Transportation Manager

Members Absent:

Denise Kolpack, Fargo City Commission

Others Present:

Adam Altenburg, Metro COG
Brenda Derrig, City of Fargo
Cindy Girdner, Valley Senior Services
Paul Grindeland, Valley Senior Services
Luke Grittner, MATBUS
Taaren Haak, MATBUS
Chelsea Levorsen, City of Fargo
Ian McLean, City of Fargo
Matt Pinotti, Transdev
Cole Swingen, MATBUS
Lori Van Beek, MATBUS

1a. Introduction to the New Transit Coordination Committee

Interim Chair Bommelman welcomed everyone to the new Transit Coordination Committee and led committee members in a brief round of introductions.

1b. Elect Board Chair

Interim Chair Bommelman led a discussion on how the committee would like to choose a board chair for future meetings. Ms. White responded that she would be happy to serve as chair, as she had been a member of the MAT Coordinating Board since 2019. Ms. Bommelman said she would support Ms. White as board chair. She noted that the Fargo City Attorney's office is developing bylaws that would help codify terms and a potential schedule for future chairs. Ms. Flanagan and Ms. Van Beek noted that the chair would serve a two-year term according to the interim Joint Powers Agreement.

A motion to appoint Ms. White as chair of the Transit Coordination Committee was made by Mr. Mastera and seconded by Mr. Griffith. The motion was voted on and unanimously approved.

2a. Assignment of Moorhead Expense and Revenue Contracts to Fargo

Ms. Van Beek explained that the interim Joint Powers Agreement included a Cost Allocation Plan which distributes certain transit revenues and expenses between parties within the MATBUS service area. She stated that she has been working with the Moorhead City Attorney's office to determine which revenue and expense contracts with the City of Moorhead should be assigned to the City of Fargo and allowing others to expire or be terminated.

Ms. Van Beek noted that the assignment of expense and revenue contracts has already been approved by the Moorhead City Council but that it still needs to be approved by the Fargo City Commission and contractors. Information provided to the Moorhead City Council on November 12 regarding revenue and expense contracts included the following:

Revenue Contracts

- U-Pass Contracts with MSUM, MState and Concordia (2nd payment due 3/1/2025)
- Bench Advertising with Creative Outdoor Advertising (expires 4/30/2025)
- Exterior Advertising Contract with MState (expires 12/31/2025)
- Fargo to sell advertising on Moorhead vehicles beginning on 1/1/2025

Expense Contracts

- Sentry Security (Secure delivery of farebox revenue to bank) – Expires 12/31/2024; notice to terminate 12/31/2024
- Valley Green & Associates (Shelter maintenance) - Expires 8/7/2027; notice to terminate 12/31/2024; Fargo to be invoiced for Moorhead locations
- Valley Green & Associates (Snow Removal) – Expires 9/30/2027; notice to terminate 12/31/2024; Fargo to be invoiced for Moorhead shelter and hub locations
- Transdev (Driver Services) – Contract expires 12/31/2024; Fargo to add Moorhead service hours to their contract in 2025

A motion to recommend to the Fargo City Commission acceptance of assignment of City of Moorhead expense and revenue contracts to the City of Fargo was made by Ms. White and seconded by Mr. Strand. The motion was voted on and unanimously approved.

2b. Request for MATBUS Appointment to Metro COG Policy Board

Mr. Griffith provided a memo to the committee that explained that, with Metro COG having transitioned to a Transportation Management Agency (TMA), the Federal Highway Administration (FHWA) and Federal Transit Administration (FTA) require a representative of the region's transit agency to sit on its Policy Board. He noted that, with the newly approved Transit Reorganization Study and reorganization of MATBUS into a consolidated transit operation and creation of the new Transit Coordination Committee, now would be an appropriate time for Metro COG to seek a transit representative to its 16-member Policy Board beginning in January 2025. He explained that it was his view that it was premature to ask for an appointment at this time as Metro COG's Policy Board had not yet acted on the request.

Ms. White asked if the transit representative should not be someone already serving on Metro COG's Policy Board. Mr. Griffith clarified that this person's role would be to serve transit's interests ahead of the jurisdiction they're from. Ms. Van Beek explained that the Transit Coordination Committee does include staff members from MATBUS and area jurisdictions that would be eligible to be appointed. Mr. Strand asked if these would be voting members of Metro COG's Policy Board to which Mr. Griffith answered yes.

Interim Chair Bommelman asked if the committee was willing to wait until its next meeting to select a Policy Board representative. Mr. McLean stated it may be better to wait until a formal request came from Metro COG.

Ms. Van Beek explained that this is a federal requirement and that Metro COG has been a TMA since October 2023. Ms. White said that it seemed like a pretty straightforward request and wondered why there was any particular reason to wait.

Interim Chair Bommelman said that there were two choices in front of the committee: wait for a formal request for a transit representative from Metro COG or ask for a name now. Mr. Strand responded that the committee should pick someone now, should anyone be interested. Mr. Rietz said that he was willing to serve as Metro COG's Policy Board transit representative and noted that he had previously attended Metro COG meetings in a prior capacity.

A motion to appoint Mike Rietz as transit representative to Metro COG's Policy Board was made by Mr. McLean and seconded by Mr. Strand. The motion was voted on and unanimously approved.

3a. Review Interim Joint Powers Agreement

Ms. Van Beek reviewed the interim Joint Powers Agreement (JPA) with the committee. She explained that the prior JPA is still in place but that the interim JPA supersedes it in some areas including: the functions and duties of the Transit Coordination Committee, staffing and support services, and funding allocation. She stated that it is the intent to have a new JPA in place in the near future.

Ms. White asked if there was anything in the interim JPA that the committee should review or be apprised of before the next meeting. Ms. Van Beek responded that the items related to the committee's duties such as reviewing transit cost sharing budgets are an important component of the interim JPA and that parts of the Cost Allocation Plan will be explained in the next agenda item. She also encouraged committee members to review the Transit Reorganization Study available on the MATBUS website.

3b. Transit Cost Allocation Plan Introduction/Updates

Mr. Swingen reviewed the 2025 Cost Allocation Plan with the committee. He explained that the methodology used for sharing system costs and revenues was developed in close collaboration with the City of Fargo and City of Moorhead Finance Departments to ensure fair and equitable allocation of resources and services.

Mr. Swingen stated that costs were divided into 10 "Cost Centers" based on maintenance, operations, administration, management, and planning to better apply appropriate allocation methodologies and assist with federal reporting requirements. He provided additional details about the cost-sharing for Cost Centers based on one of four allocation principles: revenue hours of the total system, revenue hours of the fixed route system, revenue miles of the total system, and paratransit ridership of the paratransit system.

He further explained the revenue allocation methodology and how it is broken down into three categories: local, state, and federal revenues. He concluded by reviewing transit cost-sharing and expense spreadsheets in detail with the committee.

Mr. Strand asked what policies or practices MATBUS has to provide rides for people unable to afford bus fares or bus passes. Mr. Swingen stated that MATBUS does provide discounted fixed rides for individuals with disabilities, discounted ride options for Medicare card holders, and service-connected veterans. He also explained that there are county and various agencies that provide funding directly to individuals in need. Mr. Strand responded that he would like to explore potential policies and practices in the future.

Ms. Van Beek responded that the City of Moorhead has a fee schedule developed through ordinance annually and that the Moorhead City Manager can waive fares for community events and promotional periods. She also stated that MATBUS allows social services agencies to buy single-ride tickets in packets to pass on to individuals who may need transportation assistance. She further explained that Moorhead's Opportunities Under Transit (OUT) program funded through the Community Development Block Grant (CDBG) program also buys bus passes for individuals.

3c. 2025 Organization Staffing Updates

Interim Chair Bommelman informed the committee that Taaren Haak, Moorhead Assistant Transit Planner and Marketing Specialist, and Jackie Engel, Moorhead Office Specialist, will be brought on as City of Fargo employees effective December 9. She also stated that Jean Henning was recently hired as a new Transit Accountant who reports to the City of Fargo Finance Department.

3d. 2026 Driver Discussion/Staffing

Interim Chair Bommelman explained that MATBUS has executed its final option with Transdev, a private sector operator that provides fixed route dispatch and driver services to the City of Fargo and the City of Moorhead. She stated that the contract with Transdev will now be in effect until the end of 2025 but that there have been discussions between different parties about bringing MATBUS drivers in-house as City of Fargo employees versus contracting services out again. She said that this will need to be decided during future 2026 budget discussions and that more information on the cost of bringing drivers in-house will be brought forward at future Transit Coordination Committee meetings. She concluded by noting that there is historically a 12 percent cost increase with each new five-year contract for services.

Mr. Strand asked where the official recommendation for future driver discussions would come from. Ms. Bommelman said it would start with the Transit Coordination Committee, to which Mr. Strand responded that it would be imperative for the committee to make that recommendation as soon as possible. He said he would also like to see information about the cultural benefits of having drivers in-house, to which Ms. Bommelman responded that MATBUS does have good examples from other transit agencies and cities, including Cities Area Transit (CAT) in Grand Forks.

3e. Transit Development Plan Introduction

Mr. Swingen provided information on the Transit Development Plan (TDP) which kicked off in July 2024. He explained that the five-year TDP serves as a strategic roadmap for MATBUS while outlining needs, priorities, and proposed improvements to enhance service quality and efficiency. He stated that TDPs often identify areas for expansion, route adjustments, and capital investments based on community input and data analyses. He also stated that the TDP is a federal requirement that helps MATBUS meet its 5310 funding program and Coordinated Public Transit Human Services Transportation Plan (CPTHSTP) needs.

Mr. Swingen informed the committee that Bolton & Menk was selected to develop the plan and that several public engagement opportunities have already occurred, including a recently released passenger survey.

Mr. Strand noted that he would be interested to see the TDP incorporate innovative transit practices from other cities, including micromobility services. He also stated that he would like to make sure that employers from the Amazon Fulfillment Center and representatives from area industrial parks are included in future stakeholder outreach.

4. Other Business

Interim Chair Bommelman stated that the next Transit Coordination Committee meeting would be held Tuesday, December 3 at 8:30 AM.

Interim Chair Bommelman adjourned the meeting at 9:56 AM.



To: Transit Coordination Committee
From: Cole Swingen, MATBUS
Date: November 29, 2024
Re: *Review and Approval of the 2025 Transit Cost Allocation Plan*

With the completion of the Transit Reorganization Study and approval of an interim Joint Powers Agreement (JPA), MATBUS has developed a Cost Allocation Plan to split transit costs and revenue between benefiting parties within the MATBUS service area. The approach to sharing system costs and revenues was overhauled to accurately ensure an equal allocation across all benefit entities.

Cost-sharing principles developed in close collaboration between the City of Fargo and the City of Moorhead led to the development of a new methodology that splits costs by one of four metrics: revenue hours of the total system, revenue hours of the fixed route system, revenue miles of the total system, and paratransit ridership of the paratransit system. Each of these metrics is relevant to sharing costs for various elements of the MATBUS system. This framework will be implemented with CY25 budget cycles, with the notion that these new systems may course correct over time. The Cost Allocation Plan was initially reviewed at the Transit Coordination Committee meeting on November 19.

Detailed information and spreadsheets regarding the 2025 Transit Cost Allocation Plan can be found [HERE](#).

Requested Action:
Approve the 2025 Transit Cost Allocation Plan.

2025 COST ALLOCATION PLAN

With Federal Fiscal Year (FFY) 2024, the Fargo-Moorhead Metropolitan Area became a Large Urban Area (UZA) with over 200,000 population. In preparation for this change, the Cities of Fargo and Moorhead conducted a Transit Reorganization Study in June 2023, which was completed and presented in June 2024 to the Fargo City Commission and Moorhead City Council.

The Study outlines a new board governance structure, proposed staff organizational charts for 2025 and 2026, and a cost and revenue sharing model. Under the new model, the City of Fargo, as designated recipient of Federal Transit Funding starting with FFY2024, will operate public transit services and facilities for participating jurisdictions in the UZA. For CY2025, both the City of Fargo and the City of Moorhead will remain Federal Transit grantees until such time as Moorhead's older grant funds are expended and a decision is made moving into future years.

Benefitting parties will purchase transit service from Fargo and Fargo will allocate transit costs and revenues based on this Cost Allocation Plan. The Study implementation next steps, including the new Cost Allocation Plan, will be incorporated into an updated Master Joint Powers Agreement between the City of Moorhead and City of Fargo, which is scheduled to be completed and adopted by December 31, 2024.

The 2025 Cost Allocation Plan is detailed below. A corresponding Excel Spreadsheet is available which applies the cost sharing data, the General Ledger accounts and applicable percentages.

BENEFITTING PARTIES / PARTICIPATING JURISDICTIONS:

This 2025 Cost Allocation Plan was developed to split transit costs and revenue between benefiting parties within the MATBUS service area. Benefitting parties are currently defined as:

- City of Fargo
- City of Moorhead (including the City of Dilworth)
- City of West Fargo
- North Dakota State University (NDSU)

COST CENTERS:

Costs were divided into 10 "Cost Centers" to apply the appropriate allocation methodology and to assist with federal reports. These Cost Centers and related financial accounts are established in the Fargo 2025 Budget and General Ledger.

The Cost Centers are currently defined as:

- Administration

- Fixed Route Operations
- Paratransit Operations
- Microtransit Operations
- Mobility Management
- Planning
- Building Operations
- Building Preventive Maintenance
- Vehicle Operations
- Vehicle Preventive Maintenance

COST ALLOCATION METHODOLOGY:

The methodology used for sharing system costs and revenues was developed to ensure a fair and equitable allocation to all benefitting parties and the services provided to those parties. Allocation is established on four principles:

- Revenue Hours of the Total System
- Revenue Hours of the Fixed Route System
- Revenue Miles of the Total System
- Paratransit Ridership of the Paratransit System

Cost Center

Administration
 Fixed Route Operations
 Paratransit Operations
 Microtransit Operations
 Mobility Management
 Planning
 Facility Operations
 Facility Preventive Maintenance
 Vehicle Operations
 Vehicle Preventive Maintenance

Cost Sharing Basis

Revenue hours of the entire system
 Revenue hours of the fixed route system
 Ridership of the Paratransit system
 Revenue hours of the Microtransit system
 Revenue hours of the entire system
 Revenue hours of the entire system
 Revenue hours of the entire system
 Revenue hours of the entire system
 Revenue miles of the entire system
 Maintenance costs from the FASTER work order system for the previous year provides a percentage split between services, applied to costs then allocated by revenue miles

Administration Cost Center:

Administrative costs include direct transit staff wages and benefits, travel and training, membership dues, office supplies, office equipment repair, telephone, printing, postage, liability insurance, radio systems, and related office expenses. Staff included in the Administration Cost Center by title are: Transit Director, Assistant Transit Director of Operations, Operations Supervisor, Office Associate IIIs, Marketing Manager, Marketing Interns, 50% of the Planner, Senior Accountant, and Dispatchers.

Fixed Route Operations Cost Center:

Fixed Route is bus service provided along a prescribed route according to a fixed schedule. Costs include driver services, security services, farebox cards, marketing, shelter maintenance and repair (cleaning, snow removal, and relocation), fixed route software maintenance, fixed Route vehicle and general liability insurance, cellular phone service for the fixed route fleet, diesel fuel for the fixed route fleet and other fixed-route related expenses. There are no staff wages assigned to this cost center.

Paratransit Operations Cost Center:

Paratransit is an ADA-complementary service that transports passengers from pick-up point to drop-off point within the jurisdictional boundaries of Fargo and West Fargo, North Dakota, and Moorhead and Dilworth, Minnesota. Costs are directly related to the provision of Paratransit Service, including driver services, marketing, Paratransit software maintenance, Paratransit vehicle and general liability insurance, cellular phone service for the Paratransit fleet and gasoline for the Paratransit fleet. There are no staff wages assigned to this cost center. Since Paratransit service travels to the door of the destination anywhere in the participating jurisdictions, costs are allocated to the jurisdiction where the passenger lives based on ridership, no matter where they travel.

Microtransit Operations Cost Center:

Microtransit on-demand services transport passengers from pick-up point to drop-off point within designated service areas or zones, including a location or transfer point to connect to the MATBUS Fixed Route System. Microtransit costs are directly related to the provision of service, including driver services, Microtransit software maintenance, Microtransit vehicle and general liability insurance, cellular phone service and gasoline for the Microtransit. There are no staff wages assigned to this cost center.

Mobility Management Cost Center:

Mobility Management focuses on meeting individual customer needs through a wide range of transportation options and service providers. It also focuses on coordinating these services and providers to achieve a more efficient transportation service delivery system. Mobility Management benefits all transit services through travel training programs and works with federal and state grantors to ensure service is compliant with regulations. Mobility Management costs include direct wages and benefits of the Mobility Manager, cellular phone service, marketing, travel and training, membership dues, publications, postage and general supplies.

Planning Cost Center:

Transit Planning is the process of looking at current and future transportation needs, prioritizing projects, matching projects with available funds, creating goals, objectives and strategies to support a vision and ensuring that projects are included in planning documents. It also includes route planning, statistical data collecting and review, and system performance. Planning benefits all types of services. Costs include 50% of the wages and benefits for the Planner and outside consultant services for planning studies.

Facility Operations Cost Center:

Facility operations costs are associated with two facilities listed below. Costs include property insurance, utilities, garbage pickup and other repairs. There are no staff wages assigned to this cost center. No costs are charged to participating parties for rental space or use of these federally-funded facilities.

- Ground Transportation Center located at 502 N.P. Avenue in Fargo (owned 100% by Fargo)
- Metro Transit Garage located at 650 23rd Street North in Fargo (owned 1/3 Moorhead and 2/3 Fargo)

Facility Preventive Maintenance Cost Center:

Facility preventive maintenance costs are associated with two facilities listed below. Costs include wages and benefits for the Maintenance Technician III, custodial services, snow clearing and hauling, building repairs, grounds and other maintenance service contracts, janitorial and general supplies. This does not include capital costs for major facility improvements.

- Ground Transportation Center located at 502 N.P. Avenue in Fargo (owned 100% by Fargo)
- Metro Transit Garage located at 650 23rd Street North in Fargo (owned 1/3 Moorhead and 2/3 Fargo)

Vehicle Operations Cost Center:

Vehicle operations costs are related to the vehicles in revenue service and support vehicles and equipment. Costs include fuels (except diesel for fixed route), propane, computer services for maintenance software, lease of equipment, general supplies, and reference materials. There are no staff wages assigned to this cost center.

Vehicle Preventive Maintenance Cost Center:

Vehicle preventive maintenance costs include wages and benefits for vehicle maintenance staff, general equipment repair, bus parts, outside mechanic services, vehicle repair supplies, small tools and uniforms/clothing. Staff included by title are: Assistant Director of Fleet and Facilities, Parts Manager, Parts Associate, Technician IIIs, Technician IIs, Technician Intern, Fleet Services Leader, and Fleet Services Attendants.

REVENUE ALLOCATION METHODOLOGY:

The methodology used for sharing system revenues is similar to allocation of costs and is applied based on similar principles. Shared revenues include cash fares, presold passes and coupon books, U-Pass fees from colleges and universities, advertising on vehicles and benches, replacement card fees and concessions/vending. These revenues are shared based on ridership, excluding NDSU.

Contra expenses for refunds, reimbursement, insurance proceeds, and rebates, are allocated with the same formula used to allocate the original costs. For example, parts returned for a refund, would be

applied using the Vehicle Preventive Maintenance cost sharing as this is where the parts were originally expended.

<u>Revenue Source</u>	<u>Revenue Sharing Basis</u>
Fixed Route: Cash Fares, Pass Revenue, U-Pass Fees, Farebox Card Fees	Ridership of the Fixed Route System (excluding NDSU as no fares are collected for campus routes)
Paratransit: Cash Fares, Coupon Book Sales, Other Fees	Ridership of the Paratransit System
Concessions/Vending	Ridership of the Fixed Route System (excluding NDSU)
Advertising (Vehicles & Benches)	Ridership of the Fixed Route System (excluding NDSU)
Contra Expenses (Refund & Reimbursements)	Applied the same as the original expenditure that is being refunded or reimbursed
Fixed Route Contractor Fines	Applied the same as the driver services paid to the contractor (Revenue hours of the Fixed Route System – excluding NDSU)
Paratransit Contractor Fines	Applied the same as the driver services paid to the contractor (Ridership of the Paratransit System)
Fixed Route Insurance Proceeds	Applied the same as the original vehicle repair that is being reimbursed
Paratransit Insurance Proceeds	Applied the same as the original vehicle repair that is being reimbursed

State and Federal grant funds: Grant funds are allocated to the benefitting entity based on the formulas used by the Grantor to determine the revenue received.

<u>Revenue Source</u>	<u>Revenue Sharing Basis</u>
North Dakota State Aid	Ridership to Disabled and Senior Citizens for the Entire System
Minnesota Operating Grants	Percentage of expenses paid by the State less FTA 5307 Funds per the MnDOT contract
North Dakota FTA 5307	Applied to Fargo and West Fargo based on NDDOT calculation on population, population density and revenue miles and incentives
Minnesota FTA 5307	Applied per MnDOT contract requirements to the maximum available
Minnesota FTA CARES & ARPA	Applied as needed to supplement and contain local match

Memorandum

To: Transit Coordination Committee

From: Lori Van Beek, Moorhead Transit Manager
Cole Swingen, Fargo Asst. Director of Operations

Date: November 29, 2024

RE: *2025-2026 LinkFM Service Considerations*



Current LinkFM Service

Fargo operates LinkFM as a free downtown circulator at 15-minute frequency during predetermined events. The cost for operating LinkFM is shared equally between Fargo and Moorhead for downtown events. In addition, Moorhead operates and pays for LinkFM to Bluestem Center for the Arts during certain community-wide events, connecting to Route 5 at the Azool Hornbachers under episodic service funded through MnDOT.

Current LinkFM Events include:

- Frostival Frozen Fortress, Hjemkomst Center
- Celtic Festival, Hjemkomst Center
- Scandinavian Festival, Hjemkomst Center
- Pangea, Hjemkomst Center
- Downtown Fargo Street Fair
- Trollwood Mainstage Musical, Bluestem (MOORHEAD ONLY)
- Pride in the Park, Bluestem (MOORHEAD ONLY)

The ground level area of the parking ramp in Moorhead, the Fargo City Hall parking lot, and the Roberts Commons Ramp are the main areas utilized for parking during events.



Background LinkFM Service

LinkFM began in 2015 as a solution to the limited availability of parking in downtown Fargo during major construction and a tool for economic development in downtown. Initially free transfers were offered to other MATBUS routes to promote ridership. In 2017, the promotional free transfers between LinkFM and the rest of the MATBUS system were eliminated. In January 2020, regular LinkFM service was discontinued and only event service continued. With the completion of additional parking ramps in downtown Fargo, parking downtown became easier and was a major factor in service reduction. During the COVID-19 pandemic, contracted driver costs increased substantially and the reduction in LinkFM service provided additional funds applied toward those costs.

LinkFM Event Ridership

2024	Downtown Event	Hours	Ridership	Rides/Hour	Cost	Cost/Ride
January	Frostrival Frozen Fortress	4.50	35	7.78	\$304.52	\$8.70
March	Celtic Festival	7.00	67	9.57	\$473.69	\$7.07
June	Scandinavian Festival	16.00	42	2.63	\$1,082.72	\$25.78
July	Street Fair	64.00	2,741	42.83	\$4,330.88	\$1.58
November	Pangea	7.00	30	4.29	\$473.69	\$15.79
	Subtotal Downtown	98.50	2,915	67.09	\$6,665.50	\$2.29
2024	Bluestem Event	Hours	Ridership	Rides/Hour		
July	Trollwood Play	34.00	872	25.65	\$2,300.78	\$2.64
August	Pride in the Park	6.00	304	50.67	\$406.02	\$1.34
	Subtotal Bluestem	40.00	1,176	76.31	\$2,706.80	\$2.30
	GRAND TOTAL 2024	138.50	4,091	29.54	\$9,372.30	\$2.29

LinkFM Ridership				
Event Service	2021	2022	2023	2024
Ridership	4381	2246	2,337	4,091
Hours	147.00	101.00	129.25	138.50
Riders Per Hour	29.80	22.24	18.08	29.54

2025 Estimated Cost to Operate LinkFM

Under the new 2025 cost allocation formula, the cost per revenue hour for fixed route service is estimated at \$124.66 x 177 hours of service = \$22,065. Of this amount, Fargo’s share would be \$8,165 and Moorhead’s share would be \$13,900 (Downtown \$8,165 and Bluestem \$5,735). With estimated ridership of 4,400, the cost per ride is \$5.01.

Future LinkFM Service Discussion

With the demolition of the Moorhead Center Mall and redevelopment of that area of downtown Moorhead, construction is expected to continue through 2026, affecting available parking and current bus stops. The route and service could be adjusted as is necessary during construction. Staff would like to discuss whether LinkFM service should be adjusted, temporarily suspended or eliminated. Per the MATBUS policy on fare and routes changes, eliminating LinkFM is a major route change requiring a public hearing and approval by Fargo City Commission and Moorhead City Council. Temporary suspension of service and temporary route detours can be done administratively or, due to the length of the suspension, approved through Commission/Council action.

Memorandum



To: Transit Coordinating Committee

From: Julie Bommelman, Fargo Transit Director

Date: December 3, 2024

Re: *North Dakota Legislative Update*

The Cities of Fargo, Grand Forks, Bismarck and Minot (the four urban transit providers in the State of ND) are unitedly pursuing additional funding from the State of North Dakota to assist with increasing expenses and flat revenues. The City of Fargo subsidy has increased from \$613K in 2016 to \$5M in 2024 – our research suggests the need for annual total state funding of \$5-8M (this funding would still leave a subsidy responsibility for the urban providers but does provide some budgetary relief for the cities). In addition, with the size of our service area population now exceeding 200,000, Fargo-Moorhead has been reclassified as a Large Urban UZA which actually reduces federal funding. Fargo’s federal operating allocation decreased by approximately **\$600,000** for FFY24. Significant funding issues prevail on the national level, as well. Transit is facing a “Fiscal Cliff” and seeking other revenue sources across the nation.

The City of Fargo Transit and Finance Directors presented information to local legislators on Friday, November 22, 2024 outlining the state of Transit locally and throughout the State of ND. The request was support from the Fargo, West Fargo, and Cass County delegation to pursue additional funding within the state and the importance of public transportation to the Workforce, Education, Health & Social Services, independence and universal access and general quality of life for our community

We also emphasized the importance of transit services to every segment of American society—individuals, families, communities, and businesses—and the benefits from public transportation. It is a lifeline for millions of Americans connecting them to people, places and possibilities. It also builds thriving communities, creates jobs, eases traffic congestion and promotes a cleaner environment. Investment in public transportation spurs both the local and the national economy. Transit enables personal independence, which reduces state costs on other public programs.

Transit is a critical service for 4700 Cass County Households without vehicles, many of whom utilize transit to reach jobs.

Cass County has 38.5% of riders but receives less than 15% of state funding.

In 2023, in addition to the 263,000 elderly and disabled rides, another 740,000 people used Fargo public transportation to reach employment, education/school, medical appointments, grocery stores, churches, other basic needs and recreation – there are almost three times as many general population riders as elderly/disabled.

In 2023 Fargo provided 50.5% of all general ridership in the State of ND, and 38.5% of all elderly/disabled rides in the State of ND.

American Public Transportation Association (APTA) reports that within the State of ND, state funding covers 12% of overall public transportation. For Fargo in 2023, state funding is only 6% of total revenues. Historically, state funding has fluctuated between 7-11%.

In comparison, Minnesota provides funding for up to 95% of local operating costs for their urban transit systems.

Currently North Dakota funds public transportation (Transit) throughout the State in the form of State Aid:

- Estimated collections for the Biennium - \$9 million (\$4,500,000 for 2025 and 2026).
- The biennium amount of \$1,500,000 from the Legacy Expenditures fund – NDDOT has chosen to add \$750,000 each year during this Biennium – all these additional funds will go to the rural transit providers in ND, the urban providers are not receiving any of these additional funds.
- The State of ND's public transit support formula was established over 20 years ago and is based on elderly and disabled ridership only.
- The current distribution calculation is a flat per county rate (allocated to providers within the county), plus a formula based on ridership. Implications of this formula are that Funding is distributed solely based on elderly and disabled riders and results in disproportionate allocations.
- The calculated per elderly/disabled rider distribution varies by county from a high of \$995.75 in a very small county (44 riders) to a low of \$2.95 for, Cass County with 263,000 riders.
- Amounts distributed to urban & rural transit providers through State Aid (**page 3**).
- Amounts distributed are based on only elderly/disabled ridership by agency.
- Comparison of inequities by county of current distribution/demonstrate flat amounts, lack of increases.

Current sources of funding the State utilizes (page 4):

State Highway Tax Distribution Fund	1.5% goes to public transportation
Legacy Earnings	1.5% goes to public transportation
Federal Gas Tax	4% goes to public transportation

Proposed funding for North Dakota Urban Transit Properties:

We do not intend to modify the existing elderly/disabled formula.

We are looking for *new* funding for general population ridership of the urban cities within ND.

Suggested sources of new funding for public transportation and *emphasize*:

- Commerce (workforce initiatives)
- Potentially fund with new fee on vehicle registrations (i.e. \$5/vehicle)
- Health & Human Services Funds (for social service aspects)

ND urban cities are collaborating efforts to pursue additional funding legislatively:

- Bismarck: recently passed their Measure 1 for additional funding for Transit via additional sales tax; they are willing to assist with our efforts but prefer to remain cautious about over-ask.
- Grand Forks: will be meeting with their local legislators December 5 & December 10.
- Minot: have started discussions with local legislators.

Our challenges: rising expenses, flat revenue and the significant and growing City of Fargo subsidy.

Fargo is looking at revenue and expense options, but ultimately, decisions may impact services and other local transit partners.

North Dakota State Aid:

FY2025 SA Calculations - Per Agency (uses FY2024 ridership #'s)	# providers per county	County	population	TOTAL Award by County		Elderly & Disabled Ridership 2024		Total award Per Elderly & Disabled Ridership
James River Sr Citizens Center Inc.	1	Sheridan	1,265	46,042		4		\$11,510.50
Southwest Transportation Services	1	Slope	706	43,813		44		\$995.75
South Central Adult Services	2	Steele	1,798	48,166		130		\$370.51
Souris Basin Transportation Board, Inc.	1	Mountrail	9,809	80,091		248		\$322.95
Souris Basin Transportation Board, Inc.	1	Renville	2,282	50,094		192		\$260.91
West River Transit	1	Dunn	4,095	57,320		220		\$260.55
Souris Basin Transportation Board, Inc.	1	McHenry	5,345	62,302		262		\$237.79
Southwest Transportation Services	1	Hettinger	2,489	50,919		247		\$206.15
VARIOUS - 32 counties RANGING FROM \$200 TO \$12								\$200-16
Southwest Transportation Services	1	Adams	2,200	49,768		4,269		\$11.66
James River Sr Citizens Center Inc.	2	Stutsman	21,593	127,055		11,340		\$11.20
Senior Meals and Services d/b/a Devils Lake	2	Ramsey	11,605	87,250		7,981		\$10.93
South Central Adult Services	1	Foster	3,397	54,538		5,120		\$10.65
Souris Basin Transportation Board, Inc.	1	Bottineau	6,379	66,423		7,085		\$9.38
Souris Basin Transportation Board, Inc.	1	Pierce	3,990	56,902		6,849		\$8.31
City of Bismarck/Bis-Man Transit	4	Morton	33,291	173,675		24,974		\$6.95
City of Bismarck/Bis-Man Transit	4	Burleigh	98,458	433,384		65,841		\$6.58
South Central Adult Services	1	McIntosh	2,530	51,083		10,591		\$4.82
South Central Adult Services	1	Barnes	10,853	84,252		18,682		\$4.51
City of Minot d/b/a Minot City Transit	4	Ward	69,919	319,647		73,661		\$4.34
Grand Forks, City of/Cities Area Transit	3	Grand Forks	73,170	332,603		86,153		\$3.86
City of Fargo/Fargo Metro Area Transit	3	Cass	184,525	776,381	14.71%	263,312	38.45%	\$2.95
TOTAL				\$5,277,910		684,839		

State of North Dakota Funding Formula

Highway Tax

A highway tax distribution fund is created as a special fund in the state treasury into which must be deposited the moneys available by law from collections of:

- Motor Vehicle Registration and Related Fees
- Fuels Taxes
- Special Fuels Taxes
- Use Taxes
- Special Fuels Excise Taxes

The state treasurer shall transfer the first five million five hundred thousand dollars per biennium from the highway tax distribution fund to the state highway fund for the purpose of providing administrative assistance to other transferees. After the transfer of the first five million five hundred thousand dollars, any moneys in the highway tax distribution fund must be allocated and transferred monthly by the state treasurer, as follows:



Legacy earnings Highway Distribution Fund

Thirty percent of total revenue derived from:

- Taxes on Oil and Gas Production
- Extraction

must be transferred by the state treasurer to a special fund in the state treasury known as the legacy fund. The legislative assembly may transfer funds from any source into the legacy fund and such transfers become part of the principal of the legacy fund.

54-27-19.3. Legacy earnings highway distribution fund. A legacy earnings highway distribution fund is created as a special fund in the state treasury into which must be deposited any allocations of legacy fund earnings made under section 21-10-13. Any moneys in the legacy earnings highway distribution fund must be allocated and transferred by the state treasurer, as follows:



Highway Trust Fund

The Highway Trust Fund is a transportation fund which receives money from a federal fuel tax of 18.4 cents per gallon on gasoline and 24.4 cents per gallon of diesel fuel and related excise taxes. It is comprised of two accounts, the **Highway Account** funding road construction and other surface transportation projects, and a smaller **Mass Transit Account** supporting mass transit. Separate from the Highway Trust Fund is the Leaking Underground Storage Tank Trust Fund, which receives an additional 0.1 cents per gallon on gasoline and diesel, making the total amount of tax collected:

18.5 cents per gallon on gasoline
24.5 cents per gallon of diesel fuel and related excise taxes

Memorandum

To: Transit Coordination Committee
From: Jordan Smith, Assistant Transit Director
Date: November 29, 2024
RE: *2026 Driver Services*



Current Driver Services

City of Fargo currently contracts with Transdev, a third-party contractor, to provide bus drivers and management staff. Transdev is contracted to hire the following positions:

- Bus Drivers
- Road Supervisors
- Classroom Trainer
- Behind the Wheel Driving Trainer
- Office Clerk
- Safety Manager
- Assistant General Manager
- General Manager

Along with these positions, corporate staff is assigned to our contract. Contracted FTEs at our location total around 100. This number fluctuates with staff turnover, mostly by drivers.

The initial contract with Transdev started in 2020 and was procured through a Request for Proposals. The initial contract terms were 2 years with 3 option years. The optional years are years when we can choose to negotiate and extend the contract for one year. 2025 is our last option year on this current contract.

Driver Services as City Employees

MATBUS leadership has been working over the past few years to garner support and resources to transition current contracted driver services staff to city employees. We feel there are numerous benefits that could be realized with this change.

- One team culture

Even though we work very closely with our contracted staff, there is an undeniable divide between contracted staff and city staff. There is a battle of priorities between contracted and city staff. We feel a one team culture would lead to increased loyalty and retention.

- Better benefits package

The city offers a more comprehensive benefits package such as health insurance, paid leave and retirement.

- Upward mobility within the department

With the divide between contracted and city staff, contracted staff generally don't feel like they can move over into the city department. Contracted staff upward mobility ends with the contractor.

- Higher quality service

