



Bismarck-Mandan Area Transit Development Plan

Bismarck-Mandan
METROPOLITAN PLANNING ORGANIZATION



Newsletter #3

CONTACTS

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UPCOMING EVENTS

Public Meetings
April 10, 2023

Noon to 1:30 PM
Morton Mandan Public Library
609 West Main Street

4:30 PM to 6:00 PM
Bismarck Veterans Memorial Library
515 North 5th Street

Transit Revenue Sources

Bis-Man Transit receives funding for service and buses from a combination of local, state, and federal tax dollars as well as agreements with local partners and passenger fares. Sources include:

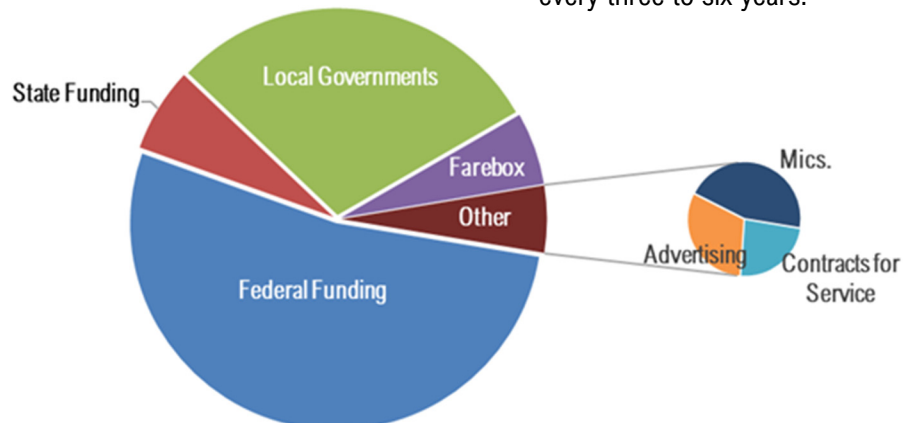
- **Fares:** Payments paid by users account for about 5.8% of total revenue.
- **Federal Programs:** Transit agencies across the country share federal funding similar to how highways are funded. Funding is based on Bis-Man Transit ridership, population density, and amount of service provided.
- **Property/Local Taxes:** Most local revenue is from property taxes.
- **State Funding:** Bis-Man Transit shares funding from state funding with 35 other transit agencies, including other metro areas (Fargo, Grand Forks, Minot) and rural agencies.
- **Advertising.** Bus advertising through the wraps on most vehicles provides Bis-Man transit with almost \$90,000 annually.

Annual Transit Costs

The annual cost of operating Bis-Man Transit's six fixed routes and paratransit services include:

- **Transit Service:** Through the operating contract, Bis-Man Transit employs approximately 55 people, including 36 full and/or parttime drivers and supervisors, 7 vehicle and garage maintenance staff, 8 dispatchers/customer service staff, and 4 administrative staff. Labor costs make up approximately 78% of annual costs.
- **Maintenance and Supplies:** Of the wide range of items Bis-Man Transit consumes to provide service, fuel is the largest single expenditure. Annually, Bis-Man Transit uses approximately 122,000 gallons of fuel to provide 744,200 total miles of service between fixed route and paratransit service. 2022 fuel costs were \$497,600.
- **Administration:** Bis-Man Transit's Executive Director, Marketing and Mobility Specialist and Accountant are employed by the Transit Board. All other staff are included in the service contract, which is re-bid every three to six years.

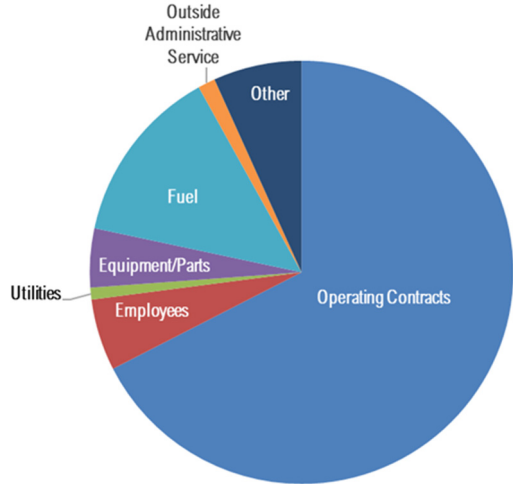
Sources of Funding



**2023 Bis-Man
Transit Operating
Budget**

\$5.2 Million

Areas of Operating Spending



Paratransit/After Hours Service

Traditionally, service provided through Bis-Man Transit has been identified as either fixed route (CAT) or paratransit service. Paratransit is a door-to-door ride available to people who cannot use fixed route service because they:

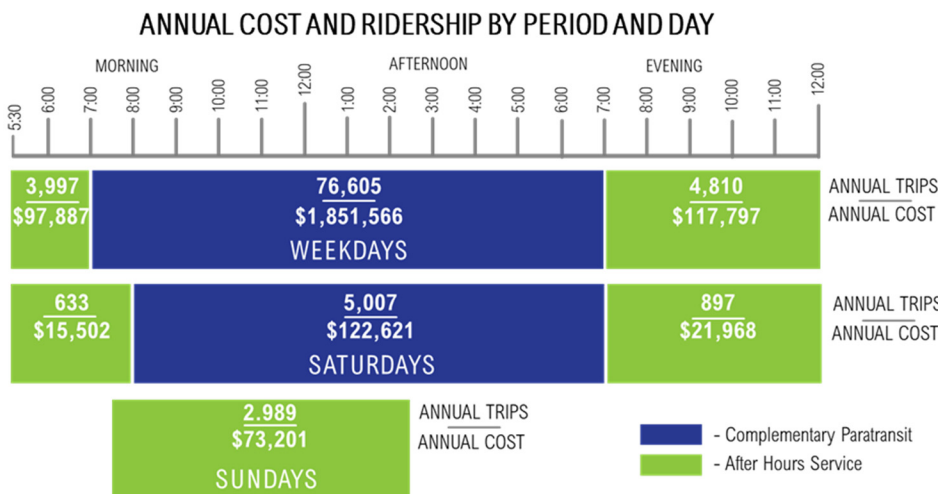
- Have a physical limitation that prevents them from being able to walk to/from a bus stop.
- Have a physical limitation preventing them from being able to stand at a bus stop and get on/off a bus
- Have a cognitive limitation preventing them from being able to ride fixed route service.

In most communities, paratransit service operates the same hours as fixed route service, which is why it is technically referred to as “complementary paratransit” service. Paratransit service through Bis-Man Transit exceeds the defined complementary service by:

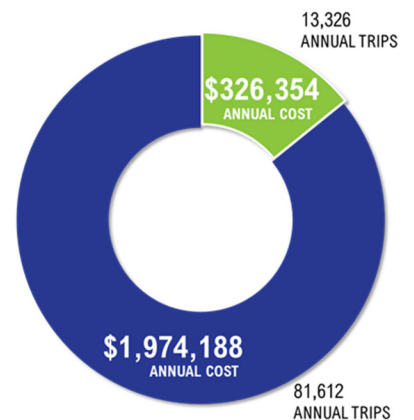
- Being available more hours than fixed route service
- Being available more days than fixed route service
- Being open to people in the community who are 70 years old or older

More recently, Bis-Man Transit has addressed these added features through creating the “After Hours” label for service and records use of the After Hours service separately from paratransit service. The purpose of this step is to ensure reporting to the state and Federal Transit Administration (FTA) - organizations who both provide funding for service- can follow how their funds are being spent locally. The diagram below highlights ridership and operating costs for paratransit and After Hours service for the 12 month period from August 2021 through July 2022.

After Hours and Paratransit Ridership and Cost (August 2021—July 2022)



ANNUAL COST AND RIDERSHIP SUMMARY



Future Financial Conditions

Currently, the cost of providing the combination of fixed route, paratransit and after hours service exceeds funding from the range of federal, state and local sources. Through the pandemic, Bis-Man Transit was awarded additional funding to weather the period of higher operating costs associated with added cleaning and disinfecting, vehicle upgrades to protect drivers and passengers, more overtime as staff picked up for fellow employees that were out due to illness or taking care of an ill family member and other pandemic-related affects. Additionally, as pandemic-related conditions settled down, prices for fuel, parts, and vehicles all have been on the rise.

Similar to other businesses, Bis-Man Transit needs a cash balance for operations as many of the programs providing funding are reimbursement programs. As current expenses outpace revenue, the operating account is being depleted. By approximately 2026, the account will run out of money.

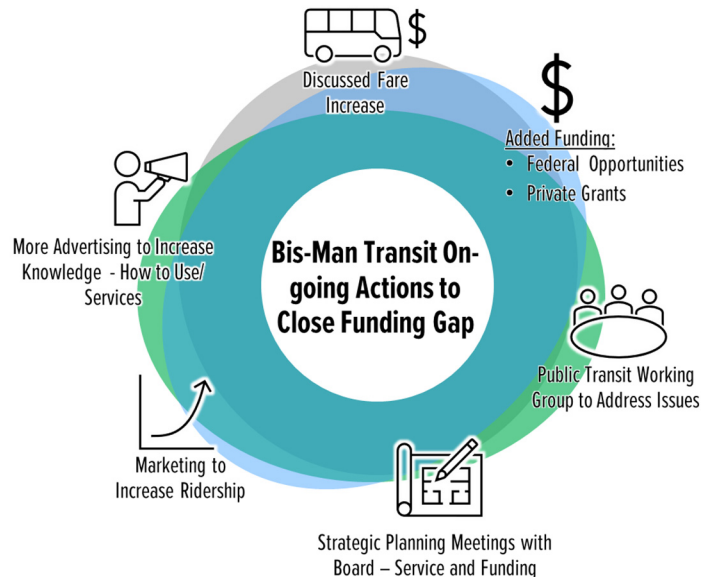
To address the declining cash balance, Bis-Man Transit has completed the following:

- Pursued and were awarded additional federal grants (one time payments).
- Expanded advertising and community involvement to gain back riders and fares.
- Discussed fare increases, but did not pursue as riders already have difficulty with cost.
- Started the Public Transit Working Group with city staff to keep all informed of conditions and to look for ways to address the revenue to cost gap.
- Strategic planning sessions with Board members to identify cost savings and income generating ideas.

Operating Account Balance (2023 through 2029)



Ideas to Close the Funding-Cost



Range of Ideas to Close the Revenue - Expense Gap

Closing the gap between current annual revenue available for operating service and addressing annual capital needs and the annual costs of both elements (operating cost and capital costs) will include options from the following:

- Identify additional revenue of approximately \$1.35 million per year.
- Reduce costs by approximately \$1.35 million per year.
- Find a balance of cost reductions and revenue increases summing to approximately \$1.35 million.

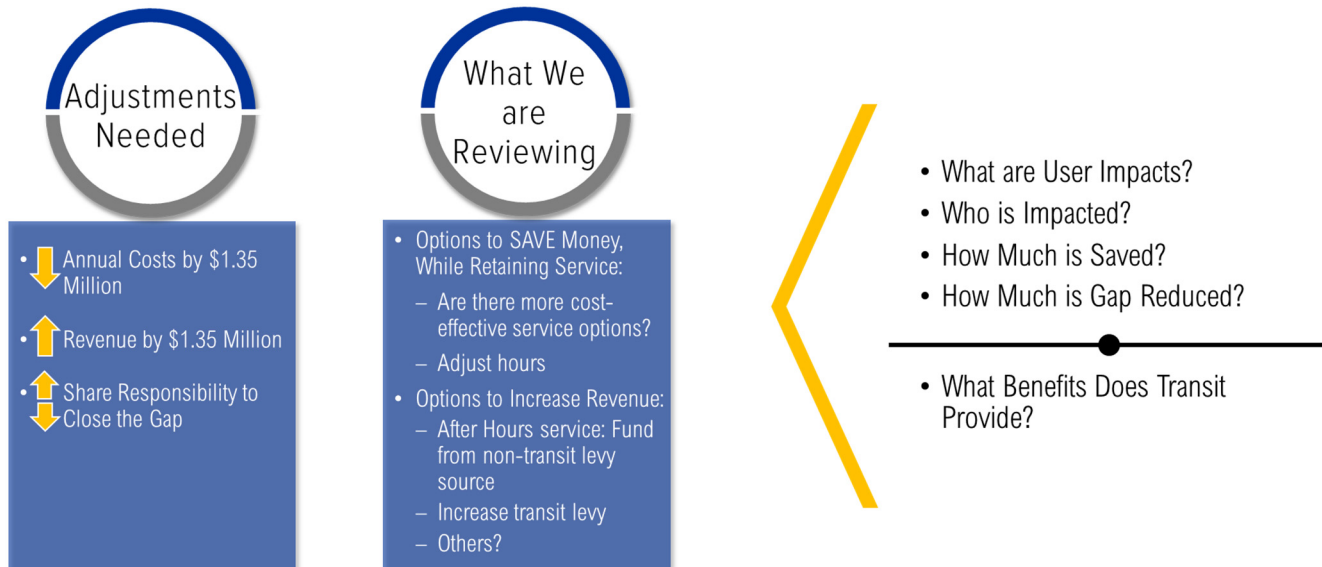
Reducing costs is difficult without eliminating some part of current service such as:

- Reducing hours
- Eliminating a route
- Capping the number of rides provided each day

The difficulty is because labor costs for staff including drivers, mechanics, staff taking reservations and dispatching vehicles and administrators make up most of the cost. Reducing cost requires reducing people or the hours people work.

Range of Ideas to Close the Revenue -Expense Gap (Cont.)

The chart below highlights the combination of the general ideas of what is being evaluated relative to service AND for increasing revenue. Also shown are the decision criteria being used to document the impacts of each option.



Community Benefits of Transit Service

Transit benefits the economic health of the Bismarck-Mandan-Lincoln area in a variety of ways., including:

- **Access to employees** Businesses gain access to more workers as a barrier for getting to and from work for some is reduced and/or eliminated.
- **More disposable household income:** With access to transit, people can reduce their transportation costs (cost of buying a vehicle, maintaining a vehicle, insuring a vehicle and fuel costs) and free up dollars for housing, medical service, food and other living expenses.
- **Access to jobs:** Investment in transit can attract employers to the region, which provides more employment opportunities for residents.
- **Creates an employment opportunity:** While the primary purpose of providing transit in the region is to support mobility, it is a source of employment for more than 60 people, with many of these jobs being supported through funding that comes from outside the region. Thus, while transit does not turn a profit (and was never defined to do so), the federal and state dollars brought into the region multiply to create a positive impact.
- **Supports access to wellness visits:** Transit helps residents get to and from annual or routine wellness visits. Medical studies conclude missing routine visits has the potential to lead to more expensive emergency room visits as issues that may have been addressed early become acute issues requiring immediate action.