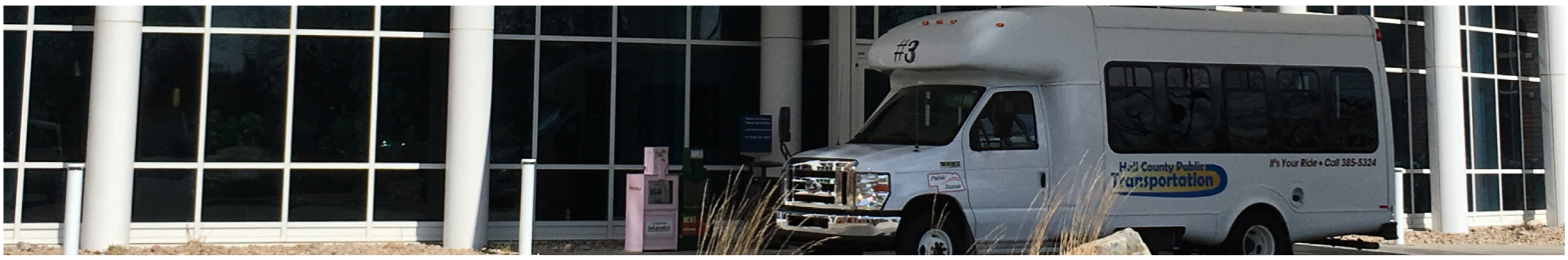


CHAPTER 9 PUBLIC ENGAGEMENT - ROUND TWO

9.1 Introduction

The second round of focus groups meetings was held in Grand Island on August 2-3, 2017.This chapter presents a brief review of the Round Two public engagement conducted thus far for the Regional Transit Needs Assessment and Feasibility Study. These opportunities are critical to the process and study and allow the project team to openly engage the community. Understanding the voice of the community ensures the final product reflects and encapsulates the goals and visions set out at the beginning.

The Round Two focus group meetings were made up of citizens from many different stakeholder groups, unlike the first round of focus group meetings where stakeholder groups met independently of each other. Community participation, surveys, and discussion were facilitated at the Olsson Associates Grand Island Office. A meeting was also held with the Transportation Advisory Committee (TAC). Community participation provides Hall County Public Transportation, the City of Grand Island, and GIAMPO the opportunity to hear the community's opinions of the several different transit alternatives. With the vision and goals in mind, stakeholders were asked to participate in discussion and take a survey to rate different alternatives. **This chapter is a summary of the Public Engagement - Round Two phase of the study, the complete analysis can be found in Technical Memorandum 2.**

Round Two Focus Group Meeting

9.2 Focus Group Meetings

A series of focus group interviews were conducted on August 2-3, 2017, at the Olsson Associates office in Grand Island, 201 E 2nd St. Stakeholders included:

- Transportation providers
- Government partners
- Nonprofit organizations
- Elected officials
- Faith-based organizations
- Human service agencies
- Major Employers
- Educational services
- Elderly services
- Bicycle/Pedestrian partners
- Grow Grand Island partners
- Ethnic Heritage partners

The purpose of the Round Two focus group meetings was to present the different alternatives and for stakeholders to provide feedback. The feedback collected during the Round Two engagement fed directly into the final recommendations for the study.

The focus group meeting format involved facilitated discussion, community participation, and the completion of a survey in which the stakeholder was asked to rate each transit alternative based on certain criteria. Each session lasted approximately 45 minutes. The meetings began with a brief informal presentation followed by discussion and the survey. The schedule of focus group meetings is shown in **Table 9.1.**

Table 9.1: Focus Group Meeting Schedule

Date	Time	Activity	Location
Wed., August 2, 2017	8:00am - 8:30am	Set up	OA Office
	8:30am - 9:15am	Focus Group Meeting	OA Office
	9:30am - 10:15am	Focus Group Meeting	OA Office
	10:30am - 11:15am	Focus Group Meeting	OA Office
	11:30am - 12:15pm	Focus Group Meeting	OA Office
	12:30pm - 1:15pm	Focus Group Meeting	OA Office
	1:30pm - 2:15pm	Focus Group Meeting	OA Office
	2:30pm - 3:15pm	Focus Group Meeting	OA Office
	3:30pm - 4:15pm	Focus Group Meeting	OA Office
	4:30pm - 5:15pm	Focus Group Meeting	OA Office
	5:30pm - 6:15pm	Focus Group Meeting	OA Office
	6:30pm - 7:15pm	Focus Group Meeting	OA Office
	7:30pm - 8:15pm	Focus Group Meeting	OA Office
Thurs., August 3, 2017	8:00am - 8:30am	Set up	OA Office
	8:30am - 9:15am	Focus Group Meeting	OA Office
	9:30am - 10:15am	Focus Group Meeting	OA Office
	10:30am - 11:15am	Focus Group Meeting	OA Office
	11:30am - 12:15pm	Focus Group Meeting	OA Office
	12:30pm - 1:15pm	Focus Group Meeting	OA Office
	1:30pm - 2:15pm	Focus Group Meeting	OA Office
	2:30pm - 3:15pm	Focus Group Meeting	OA Office
	3:30pm - 4:15pm	Focus Group Meeting	OA Office
	4:30pm - 5:15pm	Focus Group Meeting	OA Office
	5:30pm - 6:15pm	Focus Group Meeting	OA Office
	6:30pm - 7:15pm	Focus Group Meeting	OA Office
	7:30pm - 8:15pm	Focus Group Meeting	OA Office

Prepared surveys were distributed to each focus group member and then comments recorded. The responses received throughout the public engagement process help the local project team identify what aspects of the designed alternatives were attractive and unattractive for the community of Grand Island and Hall County. Below is a copy of the survey and additional comment card provided to each focus group participant.

Focus Group Survey

Comment Sheet – Grand Island Transit Study

1. How effective does this transit option meet the goals/objectives? (3 = Very; 2 = Somewhat; 1 = Not)	3	2	1
Goal 1: Efficiently provide mobility options to area residents	☐	☐	☐
Goal 2: Enhance economic activity by improving access to employment for area residents.	☐	☐	☐
Goal 3: Coordinate with local organizations for public transportation options, while being good stewards of the public dollar.	☐	☐	☐
2. Knowing the ridership projections for this transit service, how effective do you think this option is for our region for the investment?	☐	☐	☐
3. How effective is this transit option by gauging the number of activity centers served?	☐	☐	☐
4. How effective is this transit option serving the Greatest Transit Need areas in the region?	☐	☐	☐
5. How effective is this transit option providing access to job sites?	☐	☐	☐
6. Knowing the cost estimates for this transit option, how likely is this transit option to be implemented in the next 5 years?	☐	☐	☐

7. When is a realistic time frame for this transit option?

☐ 1-3 Yrs ☐ 4-5 Yrs ☐ 5-10 Yrs ☐ Not Sure

Focus Group Additional Comment Sheet

Comment Sheet – Grand Island Transit Study

1. In the short-term, pick 2 of the 5 additional services that may be realistic for implementation?

2. Which would you select as the TOP additional service to focus on first?

3. Would you seriously consider using rideshare or vanpool services for your commuting?

☐ Yes ☐ No ☐ Not Sure

4. What would you suggest as a starter route for the Commuter Service?

Why?

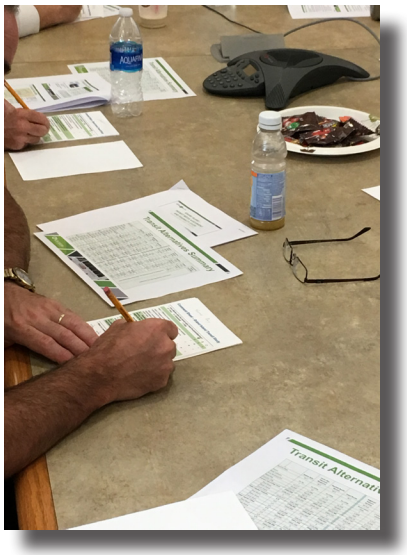
5. Do you think Grand Island would be a good pilot community to test autonomous vehicle technology? ☐ Yes ☐ No

Why or Why Not?

6. Does this transit option meet the goals/objectives?

Commuter Service	☐ Yes	☐ No	☐ Not Sure
Regional Airport Service	☐ Yes	☐ No	☐ Not Sure
Rideshare Program	☐ Yes	☐ No	☐ Not Sure
Vanpool Program	☐ Yes	☐ No	☐ Not Sure
Autonomous Vehicle Technology	☐ Yes	☐ No	☐ Not Sure

Participants completed surveys and comment cards



9.3 Summary of Focus Group Meetings

Focus group attendees provided detailed and conclusive responses regarding the multiple transit options. The following text and figures provide a summary of the overall comments from the second round of public engagement. Each participant completed a survey for three of the four main alternatives (Fixed Route, Same Day Demand Response, and Flexible Routes), as well as the five additional services (Regional Airport Service, Commuter Service, Rideshare, Vanpool, and Autonomous Vehicle Technology).

The following discussion provides overall feedback from the focus group attendees, which was approximately 280 total comments from attendees. The summary is a result of aggregating all comment cards received. Attendees were asked to score by how effective the question may be. The comment card is shown on page 65 and 66 of this report.

Question 1: How effectively does this transit option meet the goals/objectives?
Goal 1*: Efficiently provide mobility options to area residents.*
Summary: Thirty-five percent of respondents believed Fixed Route Service and Flexible Route Service very effectively met Goal 1, while 30 percent believed Same Day Demand Response met Goal 1.

Question 1: How effectively does this transit option meet the goals/objectives?
Goal 2*: Enhance economic activity by improving access to employment for area residents.*
Summary: Goal 2 focuses on access to employment. Focus group members scored the Flexible Route highest for being most effective meeting the goal. The Same Day Service scored second highest. It should be noted the members of the Transportation Advisory Committee (TAC) during the July 20, 2017 meeting, scored Same Day Demand Response Service as very effectively meeting Goal 2.

Question 1: How effectively does this transit option meet the goals/objectives?
Goal 3*: Coordinate with local organizations for public transportation options, while being good stewards of the public dollar.*
Summary: Goal 3 focuses on working with the community to give the best possible service in the most realistic and responsible fashion. **R**espondents ranked the Fixed Route Service option for being the most effective meeting Goal 3, with Flexible Route Service closely following. The Same Day Service option scored highest for somewhat meeting Goal 3. There were very few responses stating the services do not effectively meet Goal 3 criteria.

Focus Group Meetings

Question 2: Knowing the ridership projections for this transit service, how effective do you think this option is for our region for the investment?
Summary: Forty-five percent of respondents scored the Flexible Route Service as the most effective transit alternative. Through discussion, many focus group participants viewed the investment in Flexible Route Service as an appropriate stepping stone to one day having Fixed Route Service. No participants believed that Flexible Route Service was Not Effective for the investment. Twenty-five percent of participants believed Same Day Demand Response as the most effective alternative for the investment.

Question 3: How effective is this transit option by gauging the number of activity centers served?

Summary: Participants viewed maps with relevant activity centers in Grand Island and were asked to rate how effective the transit alternatives were in serving these areas. Thirty-eight percent of respondents scored Fixed Route Service "Most Effective", while 35 percent believed Flexible Route Service was "Most Effective". During focus group discussion, it was strongly stated JBS needed to be included in the Flexible Route service area and have options of scheduled service during major shift changes.

Question 4: How effective is this transit option by serving the Greatest Transit Need areas in the region?

Summary: Approximately 75 percent of focus groups respondents scored Flexible Route Service and Fixed Route Service as most effective. The TAC scored Same Day Demand Response service as the most effective. Attendees suggested more transit needs in the future for areas of Grand Island west of Highway 281.

Question 5: How effective is this transit option providing access to job sites?

Summary: Forty-one percent of participants believed Fixed Route was most effective, while Flexible Route Service was the next highest with 32 percent. Nine percent of respondents believed Same Day Demand Response would not be effective. Many people expressed they would have ranked Flexible Route Service higher if it provided direct access to JBS.

Question 6: Knowing the cost estimates for this transit option, how likely is this transit option to be implemented in the next 5 years?

Summary: Most respondents agreed Same Day Demand Response and Flexible Route Service could be implemented in the next five years. The lower cost of Same Day Demand Response and Flexible Routes made implementation more realistic in the next five years. Forty percent believed the cost and planning of a Fixed Route system would make implementation not likely in the next five years.

Question 7: When is a realistic time frame for this transit option?

Summary: A general consensus from focus group attendees was Same Day Demand Response would be the quickest to implement within 1 - 3 years. Participants believed there were less barriers to implementation, as it is the most similar to the transit service provided in Grand Island today. Sixty percent believed Flexible Route Service in Grand Island could be implemented in 4 - 5 years. Finally, 43 percent believed Fixed Route Service could be implemented in Grand Island in 5 - 10 years.

Round 2 Focus Group Meeting

9.4 Additional Alternatives Comment Form Summary

Participants completed comment sheets for the five additional transit services. Participants were asked to pick two of the five services that may be realistic for implementation. The two most popular choices were the Rideshare Program (54%) and the Commuter Express Routes (45%). **Figure 9.1** shows respondents priority for the additional services.

Focus group participants were asked if they would seriously consider using Rideshare or Vanpool services for commuting. Less than five percent responded they would consider it. Even though members of the focus group were not interested in rideshare themselves, they understood the importance of having these services available.

Focus Group participants were also asked to weigh in on discussions of Autonomous Vehicle Technology. **Figure 9.2** shows the results when people were asked if they would consider Grand Island a good pilot community to test autonomous vehicle technology.

Finally participants were asked to answer if the five additional transit services met the goals and objectives of the study. The Rideshare service had the highest response with 61 percent believing the service does meet the goals of the study. The Regional Airport Service scored lowest, with 52 percent saying this service did not meet the study's goals and objectives. **Figure 9.3** shows the results on the following page.

Figure 9.1: Top Service Priority

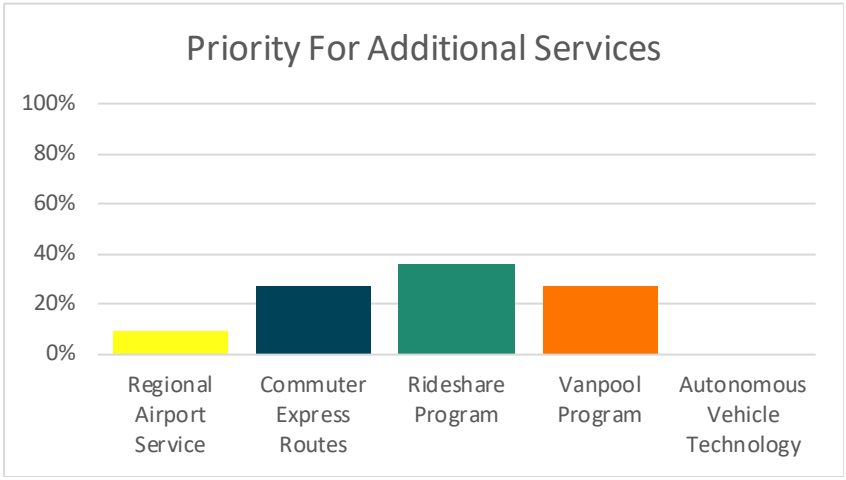


Figure 9.2 Autonomous Vehicle Technology

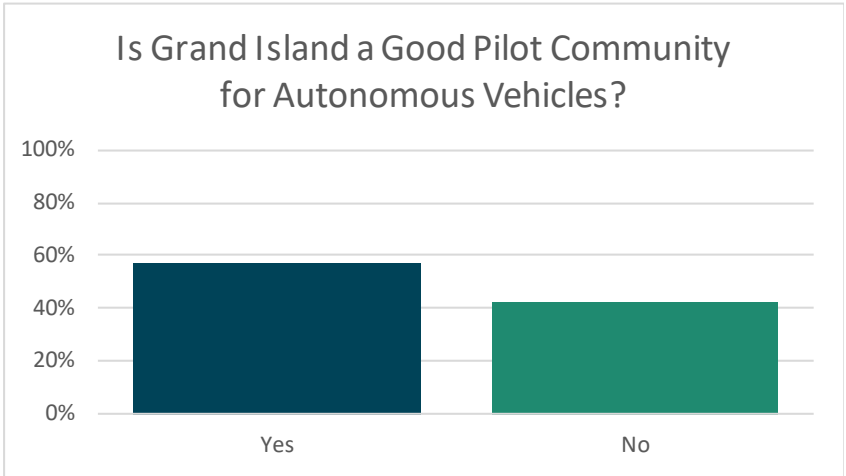
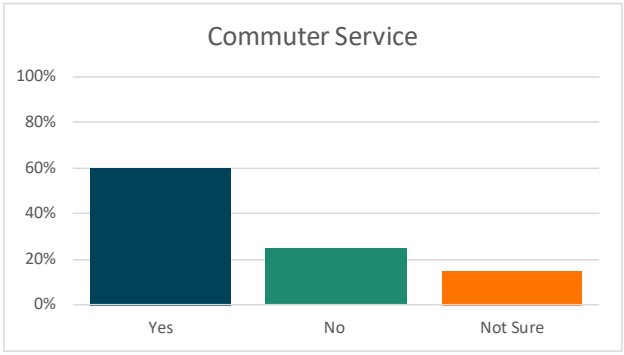
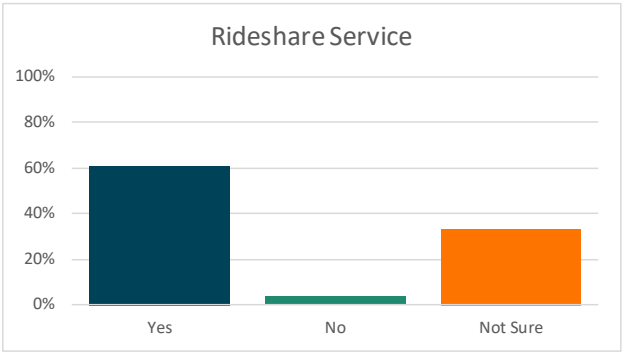
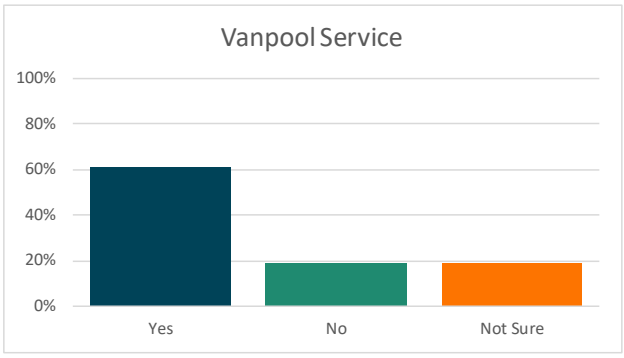
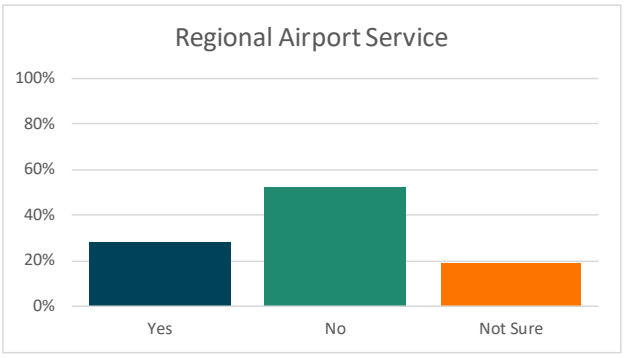


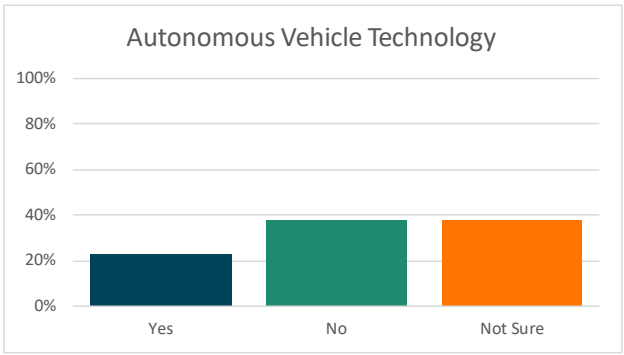
Figure 9.3: Do the Additional Transit Services Meet the Goals/Objectives?











9.5 Transit Bus Rider Survey - Future Alternatives

The second round of public engagement also included a transit rider survey distributed on Hall County Public Transportation requesting opinions on potential future transit alternatives. The Transit Rider Survey is shown in **Appendix D**, with results from the 65 completed surveys summarized in the following section. The survey was distributed by drivers from August 23, 2017 - September 4, 2017.

The first two questions of the survey asked about scheduled bus service and curbside pickup, shown in **Figures 9.4** and **9.5**. Question 1 asked riders which service would be best for the community. Question 2 asked if there was a difference between what riders believed was best for the community and what their personal preference was. For both questions, curbside pickup was preferred over scheduled bus service by at least a three to one ratio.

Other commuting transit alternatives considered by riders included vanpool and rideshare programs. The results, shown in **Figure 9.6** on the following page, reveal approximately 70 percent said a vanpool or rideshare would not be a viable commute option or were unsure at this time. For existing transit riders, a vanpool or rideshare would be a viable alternative for approximately 30 percent of the respondents.

Question 4 asked transit riders to choose between either new service to Kearney/Hastings or enhanced bus service within Grand Island, and over 80 percent of respondents preferred enhanced bus service within the City of Grand Island, as shown in **Figure 9.7**. Riders were asked in Question 5 how often they need to go to the airport. Approximately 90 percent of respondents, summarized in **Figure 9.8**, on the following page, said they travel to the airport no more than once a year.

Question 6 of the survey asked riders to review two potential bus routes operating every 60 minutes. The routes were shown on the back of the survey. Approximately one-third of the respondents stated the two routes would be a good alternative for them. Respondents were also asked "Why or Why Not?" the two bus routes would be a good travel alternative. Comments included the routes would get people to important places they needed to go. Some transit riders said the routes were too far from their home or their destination. These findings are included in **Figure 9.9**.

Figure 9.4: Question No. 1

In the next five years in Grand Island, what service do you think is best for the community?

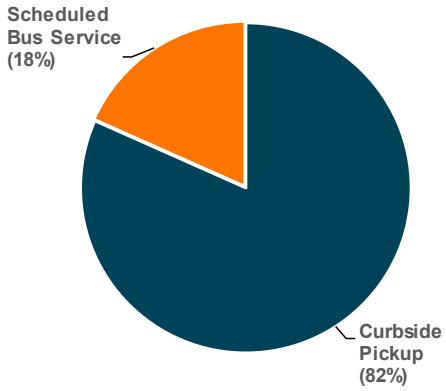


Figure 9.5: Question No. 2

What would you prefer?

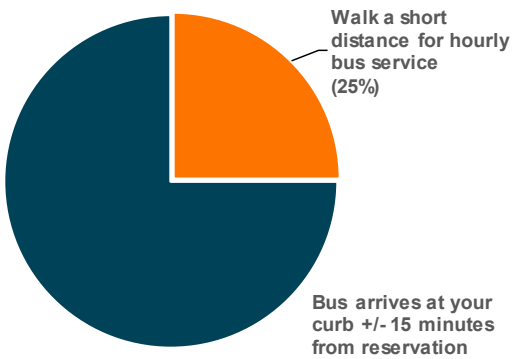


Figure 9.6: Question No. 3

Would a vanpool or rideshare program be a viable future option for your typical transit commute?

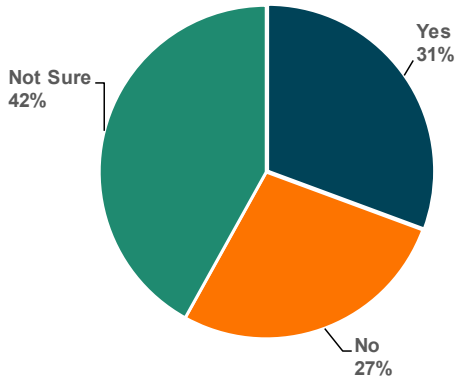


Figure 9.7: Question No. 4

What would you prefer?

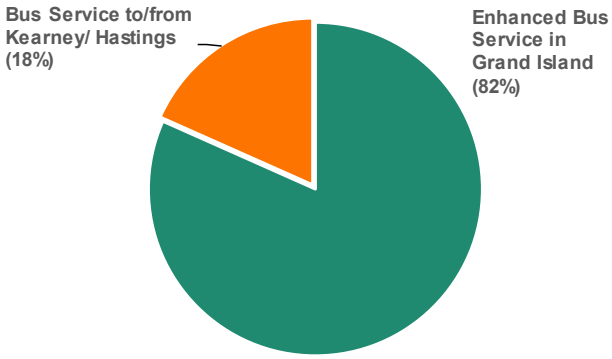


Figure 9.8: Question No. 5

How often do you need to go to an airport?

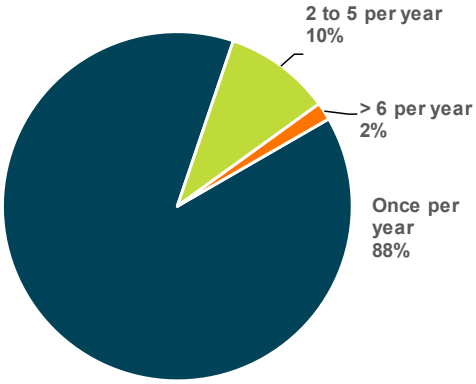
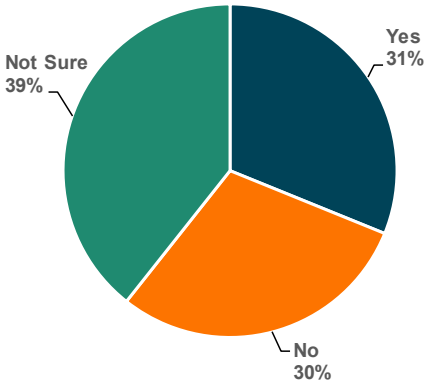
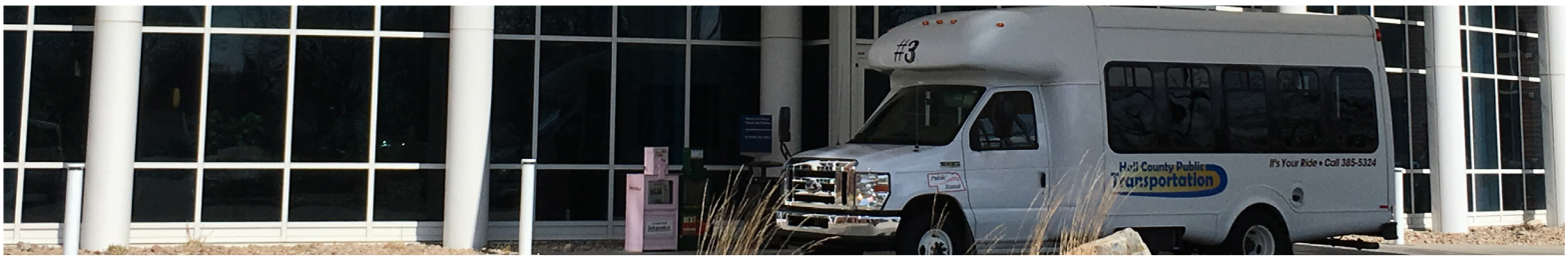


Figure 9.9: Question No. 6

Below are two bus routes in Grand Island that would operate every 60 minutes. Would these bus routes be a good alternative for you?





CHAPTER 10 TRANSIT ALTERNATIVES

10.1 Introduction

The future transit alternatives were developed and shaped by multiple factors. The factors included the vision and goals articulated early in the process, historical ridership and boarding / de-boarding data, transit need, gaps, evaluation of transit delivery in peer cities, input from the community, key stakeholders, rider and community surveys, and consideration of potential services within the community. **This chapter is a summary of the transit alternatives phase of the study. The complete analysis can be found in Technical Memorandum 2.**

10.2 Alternatives

Four primary alternatives were developed for the Grand Island and Hall County Region.

1. Status Quo
2. Same-day Demand Response
3. Flexible Route Service
4. Fixed Route Service

Five additional services were also examined for their potential application to service Grand Island area residents and employees.

5. Regional Airport Service
6. Commuter Express Routes
7. Rideshare Program
8. Vanpool Program
9. Autonomous Vehicle Technology

Hall County Public Transportation

The four primary alternatives (Status Quo, Same-day Demand Response, Flexible Route Service, and Fixed Route Service) are exclusive alternatives, meaning only one of these alternatives would be implemented. Each of the additional services (Regional Airport Service, Commuter Express Routes, Rideshare programs, and Vanpool programs) could theoretically operate alongside any of the other additional services, or with one of the primary alternatives. Autonomous Vehicle Technology, when sufficiently developed, could also be incorporated into any of the alternatives.

To determine how each alternative met the goals of the study and the goals of the GIAMPO area, the alternatives were analyzed with a variety of criteria, including:

- Market segment comparison of service
- Projected ridership
- Operating and capital cost estimates
- Access to activity centers
- Access to job sites
- Likelihood of implementation
- Stakeholder reception

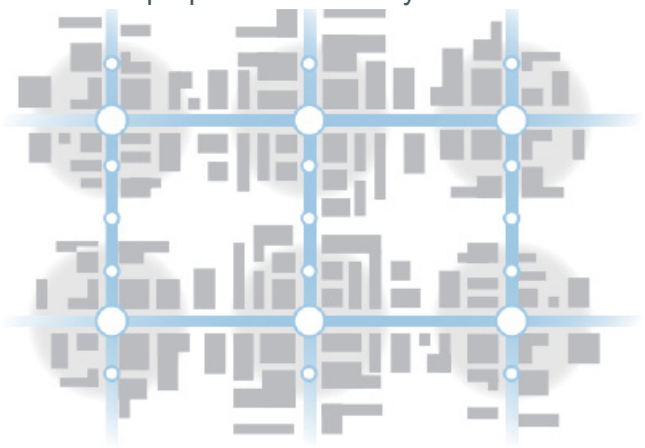
10.2.1 Status Quo

The minimum level of service for transit evaluation is to review the option, Status Quo, which involves no change in Hall County Public Transportation services. This option may be appropriate when the existing needs are met or if budget constraints are in effect during specific time periods. One of the primary factors impacting Grand Island over the next 10 to 20 year planning period is population projections for the region, which will result in an increase in the demand for transit service. Overall ridership has been constant and slowly increasing over the last few years.

The existing service is 24-hour reservation, demand-response service. The annual cost is approximately $490,000. The annual revenue hours are 14,705 and 170,500 annual revenue miles. The annual ridership is approximately 35,000, with a cost per passenger trip of $13.97.

Based on the information presented in Technical Memorandum 1 of baseline conditions and goals for the study, the Status Quo alternative is not a long-term sustainable transit alternative that will meet the needs, goals, and objectives of the community or the stakeholders. The purpose of this analysis is to determine if there is a more effective way to have the transit system function in order to meet the needs of the community and to analyze the system impacts of developing new and additional transit services to meet the needs of the community's residents.

The advantage of maintaining the existing transit service and transportation provider is there is little or minimal additional cost for the City of Grand Island. The major disadvantage of maintaining the Status Quo is the City will only meet a few of the community's stated needs or improve the identified system issues.



Grid System

10.2.2 Same Day Demand Response

Today, residents must make reservations 24-hours in advance. Transit Alternative 2 allows residents to have same day demand response service (ability to have a bus at pickup within a three-hour notice or shorter). The Same Day Service provides higher level of service to passengers by allowing them more flexibility in scheduling trips, and the freedom of not having to schedule service a day in advance.

Same Day Service in North Platte

Hall County Public Transportation currently uses Route Match, the trip scheduling software, to assist in scheduling and dispatching service. For Same Day Service, the software will require an upgrade to accommodate last minute scheduling. Same Day Service requires three additional vehicles to be in service, beyond the current service. The Same Day Service option picks up passengers at the curb and takes them directly to the curb of their destination, anywhere within the urbanized area. Service hours would be extended to 6:30 pm, Monday through Friday. In addition, general public demand response would be available for all persons outside the urbanized area of Grand Island, with required 24-hour reservations.

10.2.3 Flexible Route Service

The Flexible Route Service alternative features two routes operating in Grand Island, with the option of calling into the office for a route deviation if the rider is unable to walk to the bus stop. When trip deviation requests are made, the bus deviates off the route to pickup or drop-off passenger, then travels back to the scheduled bus route. Trip deviations must be requested a day in advance. The two routes would operate every 60 minutes.

Passengers board a bus at a designated bus stop along the route, or for an additional fee, make an advanced reservation to either be dropped off or picked up at any location within ¾-mile of the regular route. In addition, high demand locations, such as JBS, could be scheduled as regularly scheduled service at various times throughout the day, even if these locations are not on the fixed alignment. The Flexible Routes primarily serve portions of the following corridors in Grand Island:

- US 281 / Dier's Avenue
- Old Potash Highway
- Downtown along portions of 1st, 3rd, and 4th streets
- 13th Street
- Oak Street
- Faidley Avenue
- Webb Road
- Lincoln Avenue
- Broadwell Avenue
- Capital Avenue
- Locust Street

Service hours would be until 6:30 pm. The Flexible Route service is similar to a traditional fixed route service, with branded vehicles, brochures with route maps and service schedules, and bus stops with signs, and shelters at high ridership locations. In addition to the Flexible Route Service, general public demand response would be available for all persons outside the deviation area, which is within the urbanized area of Grand Island.

Outside the urbanized area, general public demand response would be available for all persons, with required 24-hour reservations.

Figure 10.1 presents the proposed routes for the Flexible Route Service alternative.

10.2.4 Fixed Route Service

The Fixed Route Service alternative has three scheduled routes throughout Grand Island, operating every 60 minutes. All passengers get on the bus and off at scheduled bus stops along each route. Eligible passengers who are unable to walk to the bus stop due to a physical or medical disability, have complementary curb-side paratransit service available to them, if the resident lives ¾-mile of the designated fixed bus route. **Figure 10.2** shows the proposed routes for the Fixed Route Service alternative.

Fixed Route Service hours operate until 6:30 pm, Monday through Friday. The Fixed Route Service will have branded vehicles, brochures with route maps and service schedules, designated bus stops, and shelters at high ridership locations.

The routes serve portions of the following corridors in Grand Island:

- US 281 / Dier's Avenue
- Old Potash Highway
- Downtown along portions of 1st, 3rd, and 4th streets
- 13th Street
- Oak Street
- Sycamore Street
- Faidley Avenue
- Webb Road
- Lincoln Avenue
- Broadwell Avenue
- Capital Avenue
- Locust Street
- Husker Highway

In addition, general public demand response would be available for all persons outside the urbanized area of Grand Island.

Bus Stop in Tulsa, Oklahoma

Kingman (Arizona) Area Regional Transit Bus

Figure 10.1: Flex Route Service Alternative

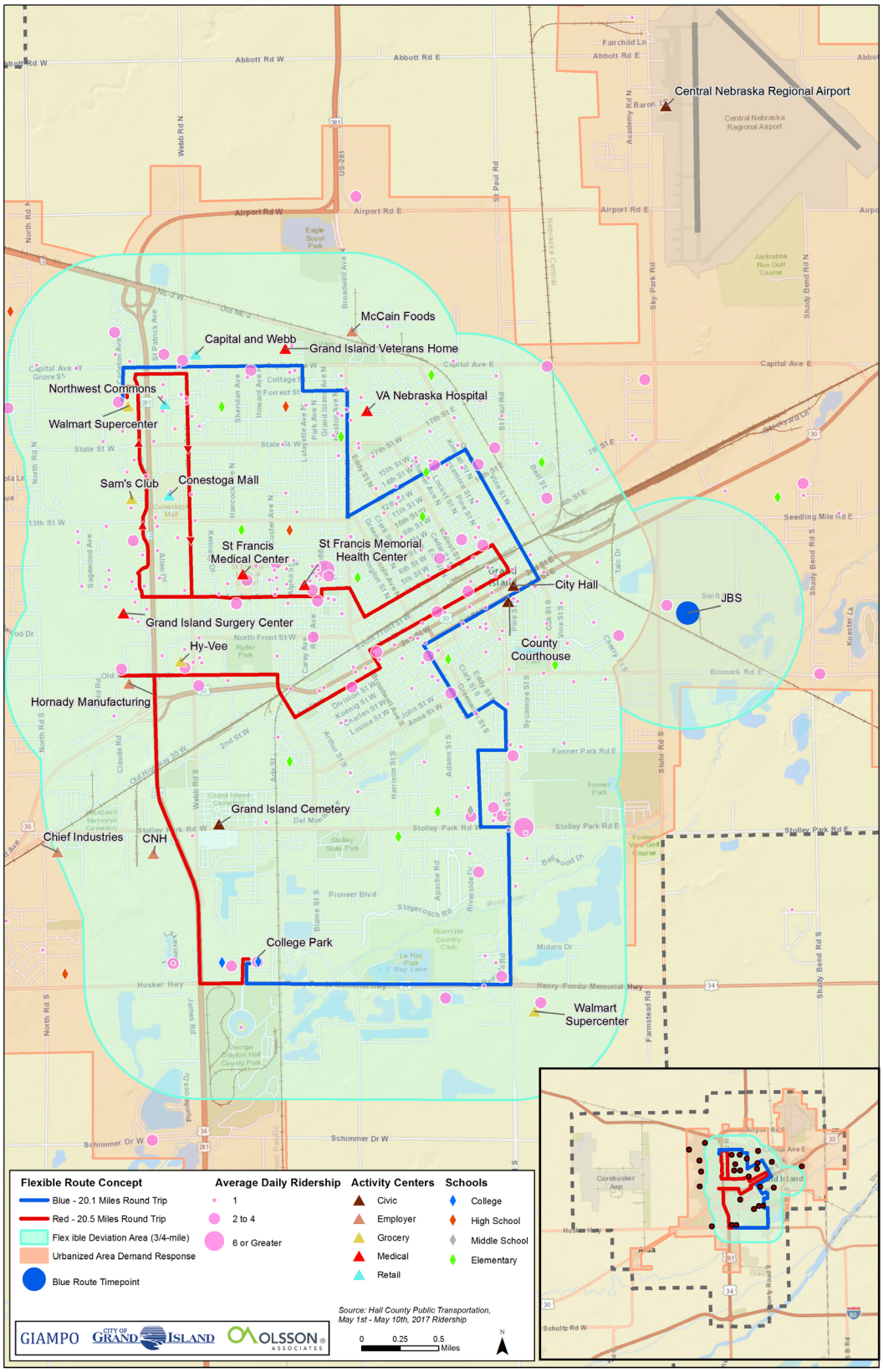
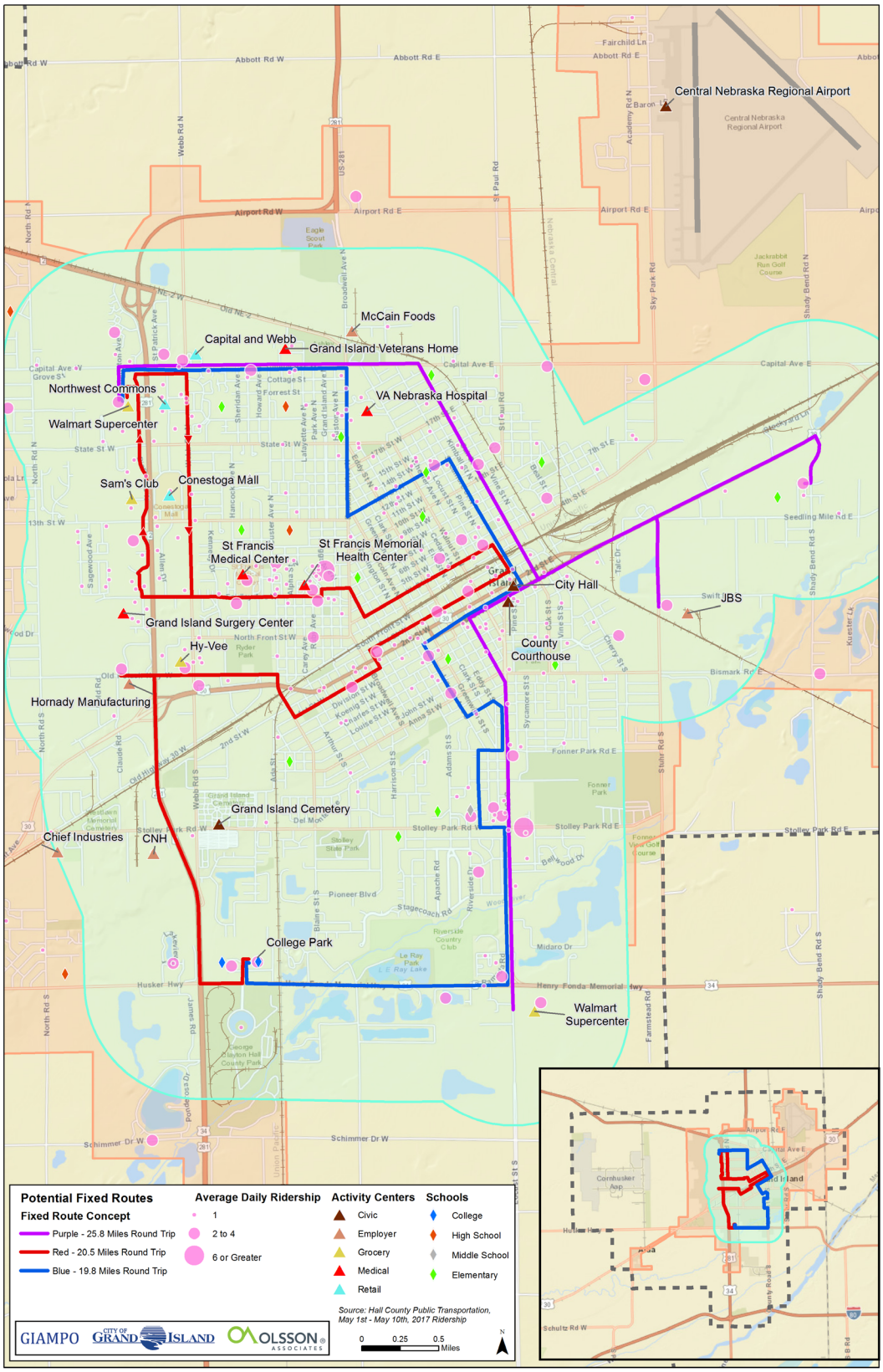


Figure 10.2: Fixed Route Service Alternative



10.2.5 Additional Services

The previous alternatives discussed primary modes of public transit within the Grand Island area. The community must decide the best mode of service for the growing Grand Island region.

The transit alternatives discussed in the following sections are additional services that may be introduced with any of the primary modes of service for Grand Island. These alternatives focus on different market segments of the community where transit may be a viable and suitable mode of transportation.

Central Nebraska Regional Airport

10.2.5.1 Regional Airport Service

The Regional Airport Service option focuses on regional service to/from the Grand Island airport. Today, ground transportation companies provide service from Grand Island to airports in Lincoln or Omaha; however, no regularly scheduled transit service takes passengers to the Grand Island airport. This alternative provides regularly scheduled, reservations-required, ground passenger transit service to Central Nebraska Regional Airport from North Platte, Lexington, Kearney, and Grand Island, with one daily round trip seven days a week. Passengers have connections with daily flights to Dallas, and twice weekly flights to Las Vegas and Phoenix.

10.2.5.2 Commuter Express Service

The Commuter Express Service alernative focuses on commuter traffic, Monday through Friday, travelling in and out of Grand Island. A combined 2,300 persons commute daily to the Grand Island area from Hastings, Kearney, Wood River, and Alda. Two commuter routes will operate each weekday:

- Route 1 - Grand Island/Kearney (Highway 30 Route)
- Route 2 - Grand Island/Hastings (Highway 34 Route)

The Commuter Express Service to/from Kearney would travel Highway 30 and provide transit service for commuters from Kearney, Grand Island, and other communities along the corridor. The Commuter Express Service to/from Hastings would travel Highway 34. Both commuter bus routes would operate two round trips each weekday, one trip in the morning peak hour and a second trip during the afternoon peak hour.

10.2.5.3 Vanpool

The Vanpool service alternative provides residents an option of travel besides the single occupant vehicles. In 2017, the Nebraska Department of Transportation (NDOT) entered into partnership with Enterprise Rideshare, a national firm specializing in the rideshare across the county. A vanpool program provides an opportunity for a group of residents traveling to/from similar locations to travel together and save money, along with reduced congestion, and being environmental conscious with vehicle emissions. It is common for the vanpool group to work at the same company or live in the same neighborhood and travel to/from work.

In Nebraska, the Enterprise partnership begins with a group of seven or more participants, including the driver, to register for the program. The monthly and annual costs are calculated based upon the trip distance and number of participants. Each vanpool decides the logistics of their vehicle, such as rotating drivers or one driver assignment. Vehicles range from seven passenger minivans to 15-passenger vans. NDOT provides a $400 subsidy per month to vanpools with at least seven participants. Based upon community feedback and documented travel patterns, two potential locations for the Grand Island area include a JBS vanpool and a vanpool to/from Kearney.

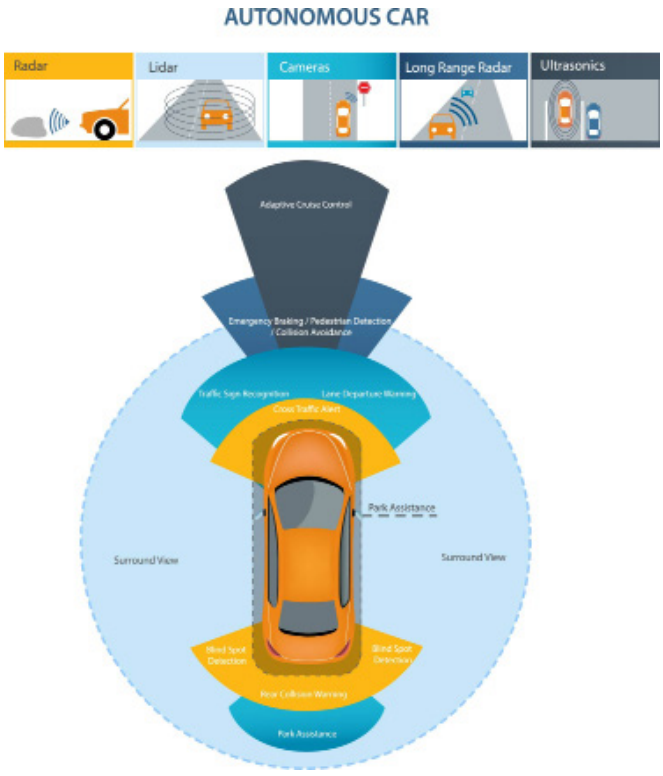
10.2.5.4 Rideshare Service

The Rideshare service alternative provides a voluntary program for residents to register and form carpool, vanpool, school pool options within the community. The Rideshare software program matches persons traveling to/from similar locations within the community. The Rideshare software program, typically purchased by the City or the Metropolitan Planning Organization, requests travel data and matches participants based on their preferences, home/work locations, and work times. After the initial purchase and maintenance fees of the software, the primary expense is continued marketing of the program. Carpool matches are free for participants.

GoNE Where Rideshare Program

10.2.5.5 Autonomous Vehicle Technology

Autonomous Vehicle Technology is rapidly developing across the world and within the United States, and several major automakers are expecting to have fully autonomous vehicles for individual consumers by 2020 or 2025. Autonomous transit vehicles are currently being manufactured and rolled out as pilots or limited transit service in parts of the US and Europe. The City of Grand Island Public Works Department was approached by a community in Florida to discuss the applicability of autonomous vehicles in Grand Island. As the community continues to grow, this advancing technology provides an opportunity for all local government entities and the private sector to continue forward-thinking and incorporate infrastructure to accommodate the upcoming technological changes.



Autonomous Vehicle Technology

Public transportation is one piece of the puzzle for infrastructure, and would welcome opportunities to test future vehicle or software technologies. Upcoming research projects and demonstrations provide options for Grand Island to showcase its grid community, its geographical features, and forward-thinking for future developments.

Communities, such as Grand Island, are eligible to apply for grants to increase connectivity within a community with compact trip patterns. Autonomous vehicles rely on “smart infrastructure” that facilitates automatic communication between cars, roadways, bridges, and traffic signals. Legislative framework is being developed, at both the federal and state level, to define legal and liability issues surrounding autonomous vehicles. At this time, it is not legal for an autonomous vehicle to operate on the roadway in the State of Nebraska. Other states, such as Nevada and Michigan, passed state laws to support the growing industry.

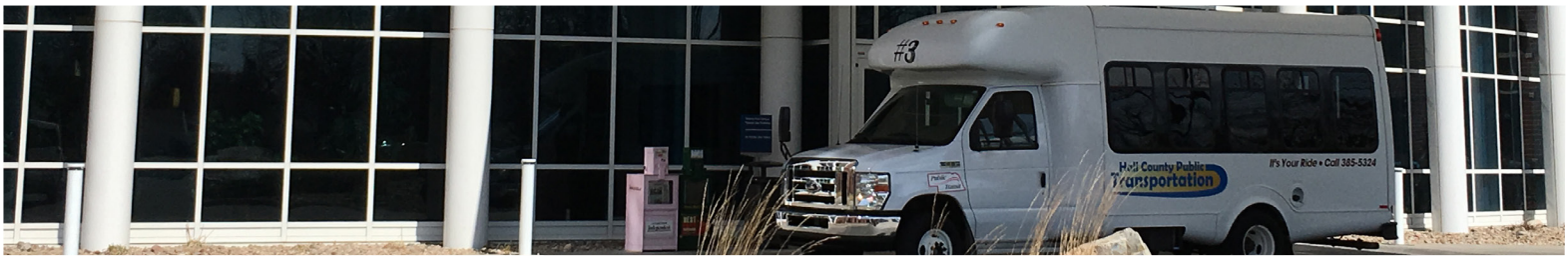
10.3 Transit Alternatives Summary

Table 10.1 summarizes the estimated costs for each transit alternative.

Table 10.1 Transit Alternative Summary

	Status Quo	Same Day Demand Response	Flexible Route	Fixed Route	Regional Airport Service	Commuter Express Service	Rideshare	Vanpool	Autonomous Vehicle Technology
Service Days	M - F	M - F	M - F	M - F	M - Sun	M - F	M - Sun	M- Sun	Additional Cost Data Needed for Local Impact
Hours	6a - 5p	6a - 6:30p	6a - 6:30p	6a - 6:30p	Reservation Only	2 trips per weekday	Selected by Participant	Participant Choice	
Peak Vehicles	7	10	6	8	1	2	N/A	2	
Ann Revenue Hrs	14,377	21,089	19,125	25,500	1,898	1,513	N/A	N/A	
Ridership	35,000	84,354	102,000	90,844	690	4,104	53,920	3,640	
Cost per Trip	$14.10	$8.75	$6.69	$10.02	$98.16	$13.16	$0.23	Data Varies Depending Upon Trip Distances and # of Participants	
Annual Operating Cost	**$490,000**	**$738,098**	**$682,549**	**$910,066**	**$67,737**	**$53,997**	**$12,500**		
Fed Share	$296,623	$376,430	$348,100	$464,133	$34,546	$27,539	$6,375		
State Share	$-	$-	$-	$-	$-	$-	$-		
Local Share	$193, 377	$361,688	$334,449	$445,932	$33,191	$26,459	$6,125		
Total Capital Vehicles	**N/A**	**$700,000**	**$490,000**	**$630,000**	**$70,000**	**$140,000**	**$-**		
Fed Share	N/A	$560,000	$392,000	$504,000	$56,000	$115,000	$-		
State Share	N/A	$-	$-	$-	$-	$-	$-		
Local Share	N/A	$140,000	$98,000	$126,000	$14,000	$28,000	$-		
Total Capital Other	**N/A**	**$60,000**	**$601,500**	**$868,250**	**$10,000**	**$10,000**	**$60,000**		
Fed Share	N/A	$48,000	$481,200	$694,600	$8,000	$8,000	$48,000		
State Share	N/A	$-	$-	$-	$-	$-	$-		
Local Share	N/A	$12,000	$120,300	$173,650	$2,000	$2,000	$12,000		
Total Costs - Year 1	**N/A**	**$1,498,098**	**$1,774,049**	**$2,408,316**	**$147,737**	**$203,997**	**$72,500**		
Fed Share	N/A	$984,430	$1,221,300	$1,662,733	$98,546	$147,539	$54,375		
State Share	N/A	$-	$-	$-	$-	$-	$-		
Local Share	N/A	$513,668	$552,749	$745,582	$49,191	$56,459	$18,125		

Notes:
Same Day Demand Response, Flexible Route, and Fixed Route does not include costs for the transit services for the non-urbanized area of Hall County.



CHAPTER 11 OPERATIONS MANAGEMENT

11.1 Introduction

The subject of operations management has been a long-debated question of whether it is more cost effective to operate public transportation services in-house or to contract services. Hall County Public Transportation, under the auspices of the City of Grand Island Public Works Department, currently contracts services with Senior Citizens Industries, Inc. (SCI) for all services. The contract for this service has been in place with Hall County for several decades.

This chapter is a summary of the operations management phase of the study. The complete analysis can be found in Tech Memo 2.

BUDGET CIRCULAR A-76

DEFINITION OF COMMERCIAL ACTIVITY:

A COMMERCIAL ACTIVITY IS A RECURRING SERVICE THAT COULD BE PERFORMED BY THE PRIVATE SECTOR AND IS RESOURCED, PERFORMED, AND CONTROLLED BY THE AGENCY THROUGH PERFORMANCE BY GOVERNMENT PERSONNEL, A CONTRACT, OR A FEE-FOR-SERVICE AGREEMENT. A COMMERCIAL ACTIVITY IS NOT SO INTIMATELY RELATED TO THE PUBLIC INTEREST AS TO MANDATE PERFORMANCE BY GOVERNMENT PERSONNEL. COMMERCIAL ACTIVITIES MAY BE FOUND WITHIN, OR THROUGHOUT, ORGANIZATIONS THAT PERFORM INHERENTLY GOVERNMENTAL ACTIVITIES OR CLASSIFIED WORK.

Explanation of Commercial Activity

11.2 Background

Many factors play into the discussion of outsourcing services, including cost, politics, staffing capabilities, risks, expertise, etc. In 1966, the Office of Management released the Budget Circular A-76[1], providing the definition of commercial activity. Throughout the last 50+ years, the Circular has been updated many times with the different administrations, but the fundamental principle remains unchanged – government does not compete with private enterprise. The message from the Circular states that government shall not perform or provide a commercial product or service if that same product/service can be procured more economically from a commercial source.

As mentioned previously, the concept of outsourcing has been in place in Hall County for many years. It is unknown why Hall County, many years ago, began outsourcing public transit services; however, it is likely many factors were in play, such as adding full-time employees, existing staffing capacity, little experience in public transportation services, liability and risk, cost effectiveness, and/or quality of service. In Spring 2016, as the City of Grand Island, began planning for the administration of the public transportation services, it was decided to continue contracting for services to ensure a smooth transition of services for residents in the community. This chapter provides information for the City to use as decisions are made regarding future management of the service, either through outsourcing or as an operation in-house.

[1] *https://www.whitehouse.gov/sites/whitehouse.gov/files/omb/circulars/A76/a076.pdf*

11.3 Hire Employees vs. Contract Out

Many factors are considered before deciding whether to contract or operate transit service in-house. The decision should be based on whether the service is performed more efficiently in-house, in which true costs would be weighed against the cost of hiring a contractor.

Procurement regulations and existing contract arrangements may be significant impediments to the consideration of a third-party contractor. It is critical that legal limitations and requirements be considered when evaluating or implementing contract services. Additionally, the political viability of any large-scale contract of services should also be considered. Contracts often have strong opposition from employee unions. These political factors should always be planned for and considered prior to contract consideration, with particular attention paid to union concerns.

Some transit agencies find it more cost effective to reorganize and improve internal operations than turn services over to a third-party contractor. When estimating in-house costs, all true costs should be included to accurately compare contractor costs. In addition, when calculating costs and benefits of in-house versus contract service, the costs for additional contract administration must be considered due to the significant amount of monitoring and management of the contractor.

Based upon research data and firm experience from other transit agencies, a list of common factors influencing why transit agencies make contract decisions are shown in **Tables 11.1** and **11.2**. The variation in responses shows the advantages and disadvantages for each option.

Table 11.1: In-House Operations

In-House Operations	
Advantage	**Disadvantage**
Avoid waisted contract administration time	Regulations for funding expenditures through Federal funding programs
Service quality	Limited availability to expand services/staff
Control of operations	High maintenance costs
Low employee turnover	Limited staff training for specialty services
Vehicles well-maintained	Political influences
Potential for lower fuel expenses	

Direct operation refers to transit services that are provided “in-house” by public transit agencies that assume total responsibility for the administration and operation of services. Many public transit operators believe they can ensure more efficient service delivery by providing the service themselves. Through in-house operations they are able to ensure vehicle reliability and more efficient service delivery. Direct operation affords more control over service quality and makes it easier to integrate and coordinate different service types. The advantages of publicly operated in-house transit usually include lower insurance rates, less expensive fuel costs due to bulk purchases, and internal control over quality and demand.

The disadvantages of in-house operations center around the high costs of transit labor and benefits, and inflexible work rules. Research suggests that public sector transit wages and benefits are typically higher than those of the private sector (i.e. market). Section 13(c) of the Federal Transit Act (49 U.S.C. 5333) requires the position of existing transit workers not be diminished through projects initiated with federal DOT funds. Because local transit labor unions are concerned that contracting out transit services paid for with federal funds will lower the number of transit workers, they often seek to keep transit service delivery in-house, which potentially makes contracting for services difficult.

Table 11.2: Contract Services

Contract Services	
Advantage	**Disadvantage**
Take advantage of open competitive market	Possible interruption/distraction with change of contracts
Cost savings/efficiency	Loss of direct control over services
Risk of service provision	Political ramifications
Flexible full-time/part-time driver positions	Diverting resources outside the agency
Pilot or new service flexibility	Misjudgment of true costs
Avoid administrative costs	High overhead/admin costs
Limited transit agency staff experience	High employee turnover
Political ramifications	Availability of providers
Relationships w/ suppliers for reduced costs	Oversight required from entity
Service quality	
Safety performance	
Operating costs lower	
Efficient maintenance management	
Expertise	

As shown in **Table 11.2**, common advantages of contracting may include the avoidance of administrative costs for a public agency, which results in less full-time public employees. The provider typically absorbs the administrative costs into the contract bid. Another advantage of contracting service allows the transit agency to not have extensive public transit operational experience. The agency relies on the contractor for this expertise. Additionally, contracting may have positive political ramifications due to coordination between public and private sector industries. The service quality under a contractor may be an advantage to the transit agency when the contractor is able to have incentives in the contract to provide efficient service and good customer service through identified performance measures.

Disadvantages are also discussed in **Table 11.2**, in which some advantages may also be a disadvantage at some public transit agencies. For example, political ramifications, as mentioned in the table, are an advantage at some public transit agencies. However, at other transit agencies with active unions and influence in the community, there may be negative political ramifications for using outside contractors for service. By hiring a contractor, some transit agencies may have pressure to keep the transit resources (funding) within the public transit agency and not hire outside workers.

It is common across the country with private contractors that operator salaries are lower under a contractor, likely due to less benefits than a public agency. The lower wage with the contractor is typically from not having governmental pensions and/benefits and a lower hourly wage to employees. However, as mentioned earlier, this factor is also an advantage due to the overall cost saving in providing transit service. In addition, some contractors provide a low bid for services, and misjudge the true costs or have a skeleton staff to operate services. This misjudgement of costs has an indirect effect on transit services typically seen in the quality of service provided. Another disadvantage concerns the high administrative costs or fixed fees included in contractor's bid. The administrative costs should be at an appropriate level for the services provided - not overstaffed.

Recent research from the previous studies states the percentage of transit agencies in the United States using private contractors for service:

- 10 percent – regular transit bus service
- 65 percent – demand responses paratransit service
- 25 percent – school bus service.

Transit agencies enter into service contracts with private for-profit and non-profit organizations, ranging from local taxi companies to national transportation companies, for the provision of transit services. The contracts are awarded to the organization who best meets selection criteria through the competitive bid process. Contracts are awarded for a designated time period of up to five years, including renewal options. Mandatory levels of accident and liability insurance are specified. Vehicles may be privately owned, operated, and maintained, or provided by the transit agency. Contracts delineate performance standards, quality indicators, and general conditions.

Most contracts include financial penalties for unsatisfactory service and some include financial incentives for superior service delivery. Sometimes contracts include special "start-up" provisions to allow new contractors to make the transition to acceptable performance levels. Mandatory reporting and other compliance requirements, as well as monitoring strategies, are detailed.

Considered to be more economical than publicly run transit services, studies suggest an average savings of 30 percent cost savings with privately provided transit services[1]. The lower unit service cost is usually attributed to the lower labor costs of the private transportation industry and cost benefits accrue from economies of scale. Experienced private providers are often credited with having the capability to start up services quickly, as well as the resources to expand system capacity on relatively short notice. National transportation companies can draw additional vehicles from other localities, and private companies usually have the flexibility to buy or lease additional vehicles in less time than public operators.

11.4 Contracting Models

Transit agencies vary in what they choose to contract for services, depending upon circumstances and needs. Some agencies contract all transit bus service, others do the opposite with some services contracted out, with the remaining services handled by the transit agency.

The focus of the following discussion are common contracting types most applicable to Grand Island.

1. **Traditional Transit Management Model**

The Traditional Transit Management Model has the contractor senior management typically managing the public transit budget and all aspects of the agency's performance. They also typically report to the public sector board or local overseeing governmental agency. The financial risk of the operation resides with the public transit agency.

2. **Operating Service Model**

The Operating Service Contract Model is another common type of contracting used today. In this model, the transit agency contracts with the private sector to operate and manage its service operations, while maintaining the transit agency fleet. The transit agency continues to manage the other key functions of the service.

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[1] *http://citeseerx.ist.psu.edu/viewdoc/download?doi=10.1.1.554.1097&rep=rep1&type=pdf*

The contractor is typically responsible to manage all aspects of service delivery, which includes hiring, managing, training, performing all vehicle and facilities maintenance, managing vehicle parts inventory, etc. The transit agency generally maintains control of service design, scheduling, passenger information, websites, social media, ticketing, procurement, grants administration, finance, IT, legal, etc.

The contractor maintains all vehicles, facilities, and other assets, with contractual commitment of performance, defined risks assumed by the contractor, and a guaranteed cost structure. The contractor also assumes operating risk and cost associated with accidents, which is included in the bid for services.

3. **Turn-key Operating Service Contract Model**

The Turn-key Operating Service Contract Model is a partnership with a contractor and the public transit agency, who delegates the management and operation of an entire transit system to the contractor, who is held contractually accountable for all aspects and functions of the transit agency. These functions include overseeing and executing operations, vehicle maintenance, procurement, marketing, passenger information and communication, planning, scheduling, ticketing, finance, grants management, technology, human resources, and all other normal agency functions.

The public transit agency is responsible for setting transit policies, including budgets, fare structure, policy decisions, short-range and long-range planning objectives, service standards, and grant purchases. The public transit agency oversees contract compliance with agreed-upon performance metrics, which are typically reported monthly to appropriate oversight Boards. The contractor is responsible for implementing agency policies in an efficient and effective manner. They are responsible for outcomes and have the authority to use the best methods to achieve the outcomes. The risk is on the contractor, with penalties for service failures and incentives for goals met.

4. **Purchase of Service Contract Model**

The Purchase of Service Contract Model is a partnership with the public transit agency and the private provider, who specifically only provides service, direct operations management, and may or may not provide maintenance of the vehicles, depending upon the needs of the agency. This service model typically has payment per trip, which is different from the other models described above. The public transit agency is responsible for service design, scheduling, passenger information, websites, social media, ticketing, procurement, grants administration, finance, IT, legal, etc.

A summary of the four contract models most applicable for Grand Island, shown in **Table 11.3**, lists different functions of the transit system and how they are affected depending upon the desired model.

The contracting model discussion provides an overview of many types of transit agency organizational management. There is no ‘One Size Fits All’ approach for each transit system due to the different dynamics, political environment, and history that forms the foundation in each community.

Table 11.3: Contract Variations in Job Functions

Contract Variations in Job Functions				
Areas of Responsibility	**1. Traditional Management Contract**	**2. Operating Service Contract**	**3. Turn-key Operating Service Contract**	**4. Purchase of Service**
Method of Payment	**Fixed Fee, plus costs**	**Hourly Rate**	**Hourly Rate**	**Per Trip**
A. Private firm provides Operations Department	Yes	Yes	Yes	Yes
B. Private firm provides Maintenance Department	Yes	Yes/No	Yes	Yes
C. Private firm handles all Human Resources issues	Yes	Yes	Yes	Yes
D. Transit agency provides facilities and equipment	Yes	Yes	No	No
E. Transit agency provides all vehicles	Yes	Yes	No	No
F. Private firm provides administration department – Grants	Yes/No	Yes/No	Yes/No	No
G. Private firm handles procurement, prepares specifications and bids	Yes/No	Yes/No	Yes/No	No
H. Private firm handles planning & scheduling	Yes	Yes/No	Yes	Yes/No
I. Private firm handles marketing	Yes	Yes/No	Yes	No
J. Private firm handles Board relations	Yes	Yes/No	Yes/No	No

[1] *https://www.transit.dot.gov/sites/fta.dot.gov/files/docs/FINAL_FTA_circular9030.1E.pdf*

11.4.1 Local Contracting Model Estimates

Using the existing contract with SCI, local estimates for the City of Grand Island for contracting transit services are shown in **Table 11.4** for the different contracting models. The table shows assumptions for one year of service, assuming the parameters stay the same. The estimates would need to be updated if additional revenue service hours are identified.

11.4.1.1 Traditional Management Contract

Information in **Table 11.4** describes the scenario if the City moved to a Traditional Management Contract, assuming service parameters are the same as today's operation.

It is assumed the annual cost for operations would increase due to designated management staff to oversee the services of the contract. The proposed management structure is a Transit Manager, Assistant Manager, and an Administrative Assistant. These costs are included in the Additional Costs line item.

11.4.1.2 Operating Service Contract

Table 11.4 also shows the estimated costs if the City moved to an Operating Service Contract. This contract method has the same City staffing requirements as is used today. However, the private contractor would provide dispatch and scheduling functions and direct management of the operations.

Table 11.4: Traditional and Operating Service Cost Comparison

	Today	1. Traditional	2. Operating Service
		Fixed Fee, plus costs	**Hourly Rate**
Existing Contract	$638,000		
Ridership	35,085	35,085	35,085
Annual Rev Hrs	14,705	14,705	14,705
Annual Rev Miles	170,497	170,497	170,497
Actual Budget	$490,000	$588,200	$558,790
Cost per Rev Hr	$33.32	$40.00	$38.00
Pass per Rev Hr	2.4	2.4	2.4
Operating Cost per Trip	$16.62	$22.55	$21.71
Vehicle Fleet	12	12	12
Additional Contractor Costs		$110,000	$110,000
City Cost	$93,000	$93,000	$93,000
Contractor Cost	$490,000	$698,200	$668,790
Total Transit Costs	**$583,000**	**$791,200**	**$761,790**
City Position(s)	1.City Transit Program Manager	1.City Transit Program Manager	1. City Transit Program Manager
Non-City or Contract-Related Position(s)	-/-	1. Non-City Transit Manger; 2. Non-City Asst. Mgr.; 3. Non-City Admin. Asst.	1. Non-City Transit Manger; 2. Non-City Asst. Mgr.; 3. Non-City Admin. Asst.
Facility Lease (10-12k sq.ft.)	-/-	-/-	-/-
Vehicle Expenses	-/-	-/-	-/-

11.4.1.3 Turn-key Service Contract

The Turn-key Operating Service Contract Model, shown in **Table 11.5**, has the highest cost associated for transit program. However, it is the model with the least involvement from the City's perspective.

This model would assume the private contractor would bring 12 service vehicles into service for the City, in which the depreciation of the vehicles and the maintenance of the vehicles during the time of service would be included in the cost of the contract.

The Turn-key Model assumes a Contract Transit Manager, Assistant Manager, Administrative Assistant, and Grant Administrator for the service. In addition, a facility would be leased for the contractor to operate services and house the transit vehicles.

11.4.1.4 Purchase of Service

Table 11.5 includes information for the Purchase of Service Model. This model type, as the name suggests, is the City purchasing transit services for the transit system. This model assumes the City will have the same administration today with one Transit Program Manager. The private contractor will manage operations, drivers, hiring, scheduling, and dispatching.

Table 11.5: Turn-key and Purchase of Service Cost Comparison

	Today	3. Turn-key	4. Purchase of Service
		Hourly Rate	**Per Trip**
Existing Contract	$638,000		
Ridership	35,085	35,085	35,085
Annual Rev Hrs	14,705	14,705	14,705
Annual Rev Miles	170,497	170,497	170,497
Actual Budget	$490,000	$588,200	$632,315
Cost per Rev Hr	$33.32	$40.00	$43.00
Pass per Rev Hr	2.4	2.4	2.4
Operating Cost per Trip	$16.62	$29.53	$20.67
Vehicle Fleet	12	12	12
Additional Contractor Costs		$355,000	$0
City Cost	$93,000	$93,000	$93,000
Contractor Cost	$490,000	$943,200	$632,215
Total Transit Costs	**$583,000**	**$1,036,200**	**$725,315**
City Position(s)	1. City Transit Program Manager	1. City Transit Program Manager	1. City Transit Program Manager
Non-City or Contract-Related Position(s)	-/-	1. Non-City Transit Manger; 2. Non-City Asst. Mgr.; 3. Non-City Admin. Asst.; 4. Non-City Grants	-/-
Facility Lease (10-12k sq.ft.)	-/-	$25,000	-/-
Vehicle Expenses	-/-	$120,000	-/-

11.4.1.5 In-House Service Model

Table 11.6 includes information comparing services today and what it may be if the transit agency changes models to an In-house Service Model. The In-house Model gives the Transit Manager full control over all aspects of the transit operations, including:

- *Scheduling and personnel* – the scheduling and personnel responsibilities would be positions created in-house with daily functions for the transit operations.
- *Managing bus drivers* – The City would have direct control over bus operators and in establishing policies for the drivers. Any operational issues related to drivers could be handled directly with staff. The operating budget includes an Operations Manager for the day-to-day functions of service. In addition, scheduling and dispatching is included in the operations budget, shown in line 5 of **Table 11.6,** under 'Actual Budget.'
- *Training standards* – City staff would have the responsibility and opportunity to train drivers and staff. Strong training programs often have less risk associated with In-house Service Models. The City also has the opportunity to re-train, evaluate, and have on-going training with the In-house model.
- *Customer Service* – The City would have direct control over customer service calls, questions, complaints, commendations, etc. Staff can be contacted directly for information about a situation and/or solution.

Table 11.6: In-House Service Part-time and Full-time Cost Comparison

	Today	5. In-House	6. In-House
		Admin/Ops/ Full-time & Part-time Drivers	**Admin/Ops/ Part-time Drivers**
Existing Contract	$638,000		
Ridership	35,085	35,085	35,085
Annual Rev Hrs	14,705	14,705	14,705
Annual Rev Miles	170,497	170,497	170,497
Actual Budget	$490,000	$661,725	$588,200
Cost per Rev Hr	$33.32	$45.00	$40.00
Pass per Rev Hr	2.4	2.4	2.4
Operating Cost per Trip	$16.62	$24.36	$22.27
Vehicle Fleet	12	12	12
Additional Contractor Costs		$0	$0
City Cost	$93,000	$193,000	$193,000
Contractor Cost	$490,000	$0	$0
Total Transit Costs	**$583,000**	**$854,725**	**$781,200**
Non-City or Contract-Related Position(s)	1. City Transit Program Manager	In-house wages higher due to competitive pay in other urban areas; 1. City Transit Director; 2. City Grants Admin; 3. City Planner/ Marketing	In-house wages higher due to competitive pay in other urban areas; 1. City Transit Director; 2. City Grants Admin; 3. City Planner/ Marketing
Non-City Position(s)	-/-	-/-	-/-
Facility Lease (10-12k sq.ft.)	-/-	$25,000	$25,000
Vehicle Expenses	-/-	-/-	-/-

The In-house Model assumes the City would have a City Transit Director, as well as driver, dispatch, scheduling, and administrative positions to operate the day-to-day services. **Table 11.6** presents two options for the In-house Model:

1. Option 1 assumes the majority of drivers would be full-time staff, with some part-time drivers.
2. Option 2 assumes part-time drivers for service operations.

11.4.2 Contracting Model Summary

The contracting models described in this chapter reflect numerous methods of how to provide transit services. There is not a wrong contracting model. Each community must choose a model that works best for their environment and political culture, keeping in mind, whichever model is chosen will have the best management and use of taxpayer dollars.

The previously described contracting models are based on services within the metropolitan planning organization urbanized boundary. SCI, the current provider, currently provides the urban services for the City with Federal Transit Administration (FTA) 5307 funds, and the rural services, funded by Hall County and FTA 5311 funds. The FTA strongly encourages continued coordination among all transit agencies, as long as the specific service parameters for urban and rural services are defined, monitored, and reported separately to meet the requirements of the different federal funding sources. This is true for the revenue sources, as well as expenditure items. In the past, SCI did not have to monitor and track urban trip data verses rural trip data. However, after July 1, 2016, the City is mandated by the FTA to report the urban ONLY service data, expenses, revenues, and urban system characteristics. SCI has adjusted over the past year by breaking out the specific urban data to comply with the regulations, with guidance from the City.

Based upon the detailed cost estimates from the previous section and the longevity of successful contracting for transit services in the Grand Island area, it is recommended the City continue to use contracting in the short term. Should the service parameters and/or type of service change to a flexible or fixed route service, the City should revisit the In-house Contracting opportunities to determine if a different method of contracting may be more appropriate for management, operations, and oversight. In addition, as transit demand increases, the City should research the number of administrative staff for oversight of services and determine appropriate leveling of staffing.

In many rural and small urban areas, such as the Grand Island region, limited resources are often one challenge in providing more transportation choices for residents. An increasing number of residents in the region commute to urban-area jobs from rural or suburban communities, which by nature forces transit agencies, such as the City, to look beyond the urbanized boundary and look at the best method for providing efficient public transportation and maximizing federal and state resources. Knowing the continued growth projections for Hall County and the City, it will benefit the City to continue working towards the goal of coordination with Hall County. As the City moves into the next contracting cycle, the City's Transit Program Manager and Hall County officials should begin conversations regarding the specific services and requirements for the urban and for the rural areas. There is an opportunity with the next contracting cycle to include specific parameters expected from the City for urban services. In addition, the transit contractor will also need to provide monthly rural statistics to Nebraska Department of Transportation for the County.

The following governance discussion provides mechanisms for increasing coordination in the future, with the ultimate goal of equitable funding among local agencies to fund the public transit services.

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11.5 Future Governance Structure

Chapter 10 introduced several transit options for the City of Grand Island and Hall County. Some of the services are solely within the City of Grand Island; however, several of the transit options are multi-jurisdictional and do not stop at the city limits. As transit services expand over the next decade, the City of Grand Island should begin to discuss a formal governance structure, which incorporates representatives from each of the governmental entities in the region. This future structure is considered for several reasons:

- To establish fair and acceptable cost-sharing arrangements among all entities
- To establish service levels and approve budgets that are financially feasible for all parties
- To fund the service through administration of a dedicated funding source
- To plan for and approve large capital expenditures and disposal of assets
- To ensure that any service changes contemplated in the future are in the best interests of the region and are fair and acceptable to each entity involved
- To establish a long-term commitment for the provision of transit service among all entities, and to establish a framework for the withdrawal of any party that is fair to the rest
- To coordinate efforts between various types of transit services being offered or considered (e.g. express routes, flexible routes) and allocate budgets accordingly

11.5.1 Governance Today

The primary public transportation provider in Grand Island is Hall County Public Transportation, currently under the auspices of the City of Grand Island, Public Works Department. The Department has been responsible for the administration and operation of transit service within the urbanized area, since July 1, 2016. The City of Grand Island has an existing contract with Senior Citizens Industries, Inc. for an initial 12-month term, with options for a maximum of two years renewal. This contract is funded by FTA 5307 (Urban) and 5311(Rural) funds and local matching funding sources from the City of Grand Island and Hall County.

11.5.2 Governance in the Future

The most impactful change in the management and governance of transit service operations in the Grand Island region, including Hall County and Merrick County, would come from the formation of a multiple entity Regional Authority with direct taxation powers. The creation of the multiple entity Regional Authority would change the existing governance structure, which currently is with the City of Grand Island.

Through a new multi-jurisdictional Regional Authority, the current employees would likely become employees of the new organization. Creation of a new Authority presents an opportunity for a sizable expansion of the service area for transit services in the region, if adjacent entities in the urbanized area join the Authority and support transit services through a community taxation. A financial capacity assessment would need to be conducted to establish the level of transit service that could be supported given the revenue generated by a levy from all participating communities in the Authority boundary.

One viable solution for the long-term is to establish a multi-jurisdictional Regional Authority for Grand Island and Hall County. For the topic of governance structure, it would benefit the City of Grand Island to coordinate with Hall County and the surrounding counties to ensure a Regional Authority is truly regional in

nature to accommodate all transit needs and services in the region.

The formation of an Authority allows the regional governance of planning, funding, and operations all under one entity, making it more efficient to provide transit service beyond the city limits of Grand Island. In the short-term, a specific study focusing on the governance of the region and an implementation strategy to get it passed should be completed.

The existing state law does not permit the City of Grand Island, nor Hall County to form an authority at this time. In 1972, the Nebraska State Legislature passed Legislative Bill 1275 “enabling” the creation of the Transit Authority, City of Omaha, a governmental subdivision of the State of Nebraska, pursuant to statute 14-1803, and the only such transit authority in the state.

No other Authority is allowed outside the City of Omaha without the change of this legislative bill. The Omaha Authority consists of a five-member Board appointed by the mayor. Under the provisions of the enabling status, the Authority shall have and retain full and exclusive jurisdiction and control over all public passenger transportation systems in the City of Omaha, excluding taxicabs and railroad systems. Funds obtained from Omaha’s tax levy cannot be used to offset transit service operating expenses incurred outside of Omaha city limits.

Today, transit service outside of the Omaha city limits is provided by contractual agreement between Metro and the respective political jurisdictions and agencies, wherein they agree to reimburse Metro for all operating expenses not recovered through farebox receipts, and federal and state subsidies. The level of service, miles, and hours of operation, are dictated by individual contracts.

A few changes have been made over the years to the legislative bill, such as the name from Metro Area Transit (MAT) to Metro; however, the statutory structure for mass transit authorities in Nebraska remain mostly the same. In 2013, the following changes/discussions were proposed to the Legislature addressing challenges to the existing Bill.

- The current legislation allows only a city of ‘metropolitan class’ to become an Authority. One example is that Omaha is a metropolitan class; however, Lincoln is designated a ‘primary class’ and not eligible under the existing language. Neither is Grand Island, the third largest community in the state.
- The Nebraska Budget Act has specific restrictions. New language would be needed to ensure inclusion of any new such entity created, including the distribution, collection, and responsibility of any tax receipts.
- Other changes would be taken at the federal and state level to facilitate the transfer of transit assets from a municipality to facilitate a regional transit authority, such as through intergovernmental agreements.
- In 2003, the Transit Authority Law was significantly amended by LB720, which modified the Transit Authority Law by permitting extension of its jurisdictional boundaries in order to allow establishment of a regional transit authority in other municipalities, villages, or counties if they wish to join. However, the statutory revisions enacted under LB720 do not truly enable the establishment of any true regional authority.

The Nebraska Transit Authority Law was amended in 2003 and now authorizes the creation of a regional transit authority covering the following: City of Omaha; Douglas; Washington; Dodge and Sarpy Counties; and Pottawattamie County in Iowa.

Today, funding is available through bonds, federal funds, fees for use (fares), sales taxes and/or property taxes from participating jurisdictions. The Authority can also access sales tax funds through interlocal agreements with participating municipalities. The Local Option Revenue Act allows municipalities to impose a sales tax, which must be approved by the voters. Voter approved tax rates over 1.5 percent must also be approved by 70 percent of the City Council.

The 2003 amendment for multi-jurisdictional Authorities was a first step for coordination of regional services. However, other future potential changes to the legislation include:

- Direct taxing authority. State legislation, recognizing the Regional Transit Authority as a separate political subdivision, could provide the authority with its own dedicated tax levy authority and its own tax cap to be determined.
- A “multimodal” entity could be created to take responsibility for road, bridge, trail and public transit improvements with the authority to raise revenue through a dedicated sales tax and/or property tax.

11.5.3 Governance Summary

The most impactful change in the management and governance of transit service operations in the Grand Island region would come from the formation of a multiple entity Regional Authority with direct taxation powers. The creation of the multiple entity Regional Authority would change the existing governance structure, which currently is a division under the Public Works Department.

Through a new multi-jurisdictional Regional Authority, the current employees would likely become employees of the new organization. Creation of a new Authority presents an opportunity for a sizable expansion of the service area for transit services in the region, if adjacent entities in the region join the Authority and support transit services through a community taxation. A financial capacity assessment would need to be conducted to establish the level of transit service that could be supported given the revenue generated by a levy from all participating communities in the Authority boundary.

A multi-jurisdictional Regional Authority for the Grand Island region would need strong partnership. It would benefit the City of Grand Island to continue coordination with Hall County and the surrounding counties and cities to ensure a Regional Authority is truly regional in nature to accommodate all transit needs and services of region. The formation of this Authority allows the regional governance of planning, funding, and operations all under one entity making it more efficient to provide transit service beyond the city limits of Grand Island.

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