

TRANSPORTATION ADVISORY COMMITTEE

City of Brainerd, Minnesota
City Hall, 501 Laurel Street, Council Chambers
Thursday, March 2, 2023 @ 3:00pm

The public is invited to attend this meeting in person

Meetings are broadcast on CTC ch 8, Charter ch 181, YouTube, AppleTV, Roku, and Amazon FireTV

1. **Call To Order - 3:00 PM**

2. **Roll Call**

____ N. Bertram ____ J. Czczok ____ M. Koep ____ J. Lambert

____ L. Nebel ____ D. Stenberg

3. **Approval Of Agenda**

4. **Approval Of Minutes**

2023.01.26 TAC Meeting Minutes

Documents:

2023.1.26 TAC Minutes.pdf

5. **Unfinished Business**

A. **Brainerd Financial Analysis Memo**

Documents:

Brainerd Financial Analysis Memo.pdf

6. **Public Forum**

Time allocated for citizens to bring matters not on the agenda to the attention of the Committee - Time limits may be imposed

7. **Committee Member Comments/Questions**

8. **Adjourn**

"It is the Mission of the Brainerd & Crow Wing County Public Transit agency to facilitate mobility by providing options for safe, efficient and reliable transportation"

TRANSPORTATION ADVISORY COMMITTEE
Thursday, January 26, 2023, 3:00 p.m.
City Hall Council Chambers

Pursuant to due call and notice thereof, the regular meeting of the Transportation Advisory Committee was called to order at 3:00 p.m.

Upon roll call, the following members were noted as present: Bertram, Czczok, Koep, and Stenberg. Also noted present were Transit Coordinator Gauthier and Finance Director Hillman. City Engineer Dehn was present online. Member Lambert was noted present at 3:04 p.m.

Election of Chair & Vice Chair of the Committee for 2023-2024

Member Koep nominated Bertram for Chair.

MOVED AND SECONDED BY KOEP AND STENBERG, DULY CARRIED, TO APPROVE BERTRAM FOR CHAIR.

Member Czczok nominated Lambert for Vice Chair and Member Koep nominated Stenberg.

Upon vote, Koep, Lambert and Bertram voted for Stenberg, and Stenberg and Czczok voted for Lambert.

STENBERG WAS DECLARED VICE CHAIR FOR THE YEARS OF 2023 AND 2024.

Approval of Agenda

MOVED AND SECONDED BY COMMITTEE MEMBERS CZCZOK AND STENBERG, DULY CARRIED, TO APPROVE THE AGENDA.

Approval of Minutes for the meeting held on November 10, 2022

MOVED AND SECONDED BY COMMITTEE MEMBERS STENBERG AND LAMBERT, DULY CARRIED, TO APPROVE THE MINUTES OF THE NOVEMBER 10, 2022 TAC MEETING.

Financial Reports

Public Works Director Dehn reviewed financial reports from 2022. Discussion was held regarding current and future transit financials.

MOVED AND SECONDED BY COMMITTEE MEMBERS KOEP AND LAMBERT, DULY CARRIED, TO SET A MEETING ON THURSDAY, MARCH 2ND AT 3:00 P.M. TO DISCUSS BRAINERD RIDERSHIP AND EXPENDITURES, AND POSSIBLE FARE INCREASES UP TO \$2.50.

New Business

Jefferson Lines/Blue Sky Transit and MN DOT System Efficiency Discussion

Transit Coordinator Gauthier introduced Kevin Pursey, Director with Jefferson Lines and Torey Hunkus, Transit Project Manager with MN DOT. Pursey relayed that Jefferson Lines has felt the same financial issues that the City of Brainerd experienced. The board asked about personnel issues with the Blue Sky Manager and Pursey explained they are trying to provide management training and getting the onsite manager on board with communication and understanding the chain of command.

Torey Hunkus answered Lambert's question regarding the use of vans for transit. Hunkus said they are looking at getting vans included in the state bid contract. Currently, there is no state funding for vans. The issue is very clearly communicated to MN DOT and they are definitely taking it seriously and working on a solution. Czczok asked about diesel vs gasoline buses and why the mandate toward gasoline buses. Hunkus just explained that it is not a mandate, but encouraged to move from diesel to gasoline for lower emissions.

Public Forum

The Chair opened public forum at 4:20 p.m.

No one came forward.

The Chair closed public forum at 4:21 p.m.

Staff Reports

Transit Coordinator Gauthier will be participating in a comprehensive review of the complete transit system and agency. Staff also met with Aecom, a consulting service, provided by MN DOT. Staff will receive further consultation on Route/Service Analysis, Business Planning and Service Performance Evaluation.

Committee Member Comments/Questions

Adjourn

MOTION AND SECONDED BY COMMITTEE MEMBERS BERTRAM AND LAMBERT, DULY CARRIED, TO ADJOURN THE MEETING AT 4:28 P.M.



MEMO

TO: TRANSPORTATION ADVISORY COMMITTEE (TAC)

FROM: CITY ENGINEER/PUBLIC WORKS DIRECTOR JESSIE DEHN

DATE: MARCH 2, 2023

SUBJECT: BRAINERD RIDERSHIP AND FINANCIAL PROJECTIONS

At the January 26, 2023 TAC Committee meeting, the Committee requested an analysis of the Brainerd portion of the Transit program including projections for the service for the next few years. Prior to presenting that information, below describes the methodology and assumptions that staff utilized in the preparation of this report. Should any of those assumptions change, the analysis should be corrected and a new analysis performed.

First, staff is operating under the assumption that MnDOT will be participating at 90% of costs in 2023 and 85% in costs for subsequent years, provided none of those years exceeds a set percentage increase of the State/Federal grant amount from the previous year. This is the current practice and what MnDOT has shared is the anticipated participation levels for future years. Under the current projections, it would be expected that the 2% year-over-year increase will be the limiting factor in the grant amount in 2024, thus the actual participation from State/Federal grant funds is roughly 78-79%.

Second, in regard to the third party contract, staff is assuming that the system will continue to run reduced service throughout 2023, similarly to the last couple years, resulting in some lower than contracted costs. However, it is expected that continued increases in ridership will require that the full service be utilized. The analysis was completed utilizing the reduced amount compared with the contract anticipating that services elsewhere could possibly be utilized to cover the increased ridership locally. The current contract with Blue Sky Transit also expires mid-year in 2024. Staff is projecting that costs for the third party contract will increase at a similar pace as what was included in the current contract, although these costs are not known at this time.

Third, the current contract splits between the cooperative partners are as follows:

1. Brainerd = 46%
2. Crow Wing County = 35%
3. Baxter = 12%
4. Pine River = 7%

Jessie Dehn, P.E.
City Engineer/Public Works Director
City of Brainerd, MN

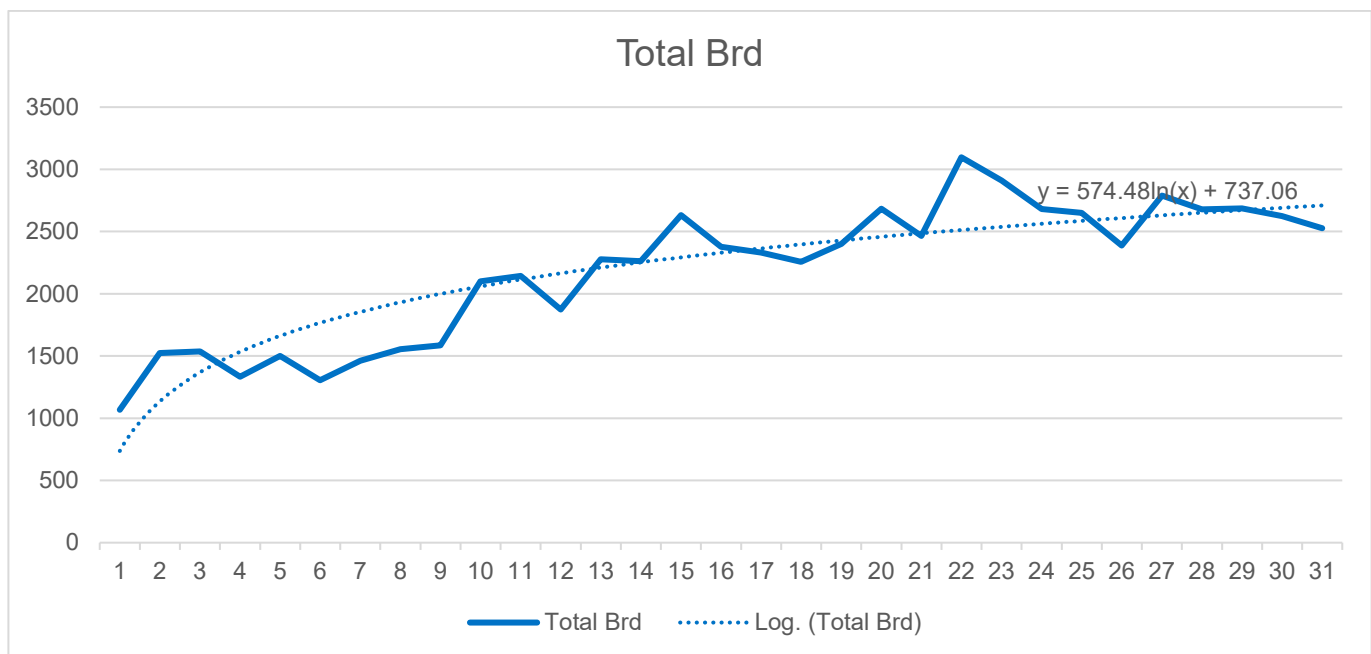
This analysis was done using the current splits and assuming no changes to the splits throughout the analysis period. If there are routes or cooperative partners that no longer wish to be included in the Transit program or if the TAC recommends that these splits are changed, it is likely that these splits will need to be revisited. Thus, a new analysis will need to be performed should adjustments are made.

Fourth, ridership has shown general increases since the significant dip during the COVID lockdowns of 2020. However, there were significant drops in ridership prior to the COVID pandemic that should be noted. For the purposes of this analysis, staff is utilizing ridership stats from June 2020 to present. Based on those trends, it appears that the trend generally follows a logarithmic curve. The logarithmic trend for Brainerd generally showed a steep increase of ridership immediately following the COVID lockdowns followed by slower increases in ridership over the last couple years. Utilizing this logarithmic trend, staff was able to project out the next few years of ridership.

Finally, staff performed the analysis of proposed rates under the assumption that there will be no decrease in the ridership trend. This, however, is unlikely to occur as using general economic principles, as costs of services increase, demand will inevitably decrease. It is unknown how the increased fares will impact ridership. Staff is also using the assumption that the system will be replacing a bus each year for the next 5 years. While removing a capital bus purchase will help with the overall expenses that year, it would be expected that other issues of higher maintenance, increased bus downtime, and other issues will occur with an aging bus fleet.

RIDERSHIP PROJECTIONS

	2022	2023	2024	2025	2026	2027
Total Brd	32,180	33,801	35,728	37,231	38,461	39,506



Jessie Dehn, P.E.
 City Engineer/Public Works Director
 City of Brainerd, MN

BRAINERD FINANCIAL PROJECTIONS

2023

Ridership

Brainerd Regular	14101
Brainerd Same Day	4701
PA/Voice	15000

Revenue

Bus Fares (Jan - Apr)	
Brainerd Regular	\$1.25
Brainerd Same Day	\$2.50
PA/Voice	\$3.00
Bus Fares (May - December)	
Brainerd Regular	\$3.00
Brainerd Same Day	\$6.00
PA/Voice	\$6.00
Total Bus Fares	\$131,799

Expenditures

Personnel	\$ 120,288
Supplies	\$ 146,106
Services w/o 3PC	\$ 167,071
3PC Contract	\$ 1,127,717
Capital Bus	\$ 120,000

Total	\$ 1,681,182
Brainerd	\$ 773,344
State/Federal Share	\$ 618,836
Local Share	\$ 154,508

Surplus/Deficit	\$ (22,709)
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2024

Ridership

Brainerd Regular	15546
Brainerd Same Day	5182
PA/Voice	15000

Revenue

Bus Fares	
Brainerd Regular	\$3.00
Brainerd Same Day	\$6.00
PA/Voice	\$6.00
Total Bus Fares	\$167,730.00

Expenditures

Personnel	\$ 122,694
Supplies	\$ 149,028
Services w/o 3PC	\$ 170,412
3PC Contract	\$ 1,175,406
Capital Bus	\$ 120,000

Total	\$ 1,737,540
Brainerd	\$ 799,268
State/Federal Share	\$ 631,212
Local Share	\$ 168,056

Surplus/Deficit	\$ (326)
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2025

Ridership

Brainerd Regular	16674
Brainerd Same Day	5558
PA/Voice	15000

Revenue

Bus Fares	
Brainerd Regular	\$3.00
Brainerd Same Day	\$6.00
PA/Voice	\$6.00
Total Bus Fares	\$173,370.00

Expenditures

Personnel	\$ 125,148
Supplies	\$ 152,009
Services w/o 3PC	\$ 173,821
3PC Contract	\$ 1,222,766
Capital Bus	\$ 120,000

Total	\$ 1,793,743
Brainerd	\$ 825,122
State/Federal Share	\$ 650,149
Local Share	\$ 174,973

Surplus/Deficit	\$ (1,603)
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2026

Ridership

Brainerd Regular	17596
Brainerd Same Day	5866
PA/Voice	15000

Revenue

Bus Fares	
Brainerd Regular	\$3.00
Brainerd Same Day	\$6.00
PA/Voice	\$6.00
Total Bus Fares	\$177,984.00

Expenditures

Personnel	\$ 127,651
Supplies	\$ 155,049
Services w/o 3PC	\$ 177,297
3PC Contract	\$ 1,270,235
Capital Bus	\$ 120,000

Total	\$ 1,850,232
Brainerd	\$ 851,107
State/Federal Share	\$ 676,155
Local Share	\$ 174,952

Surplus/Deficit	\$ 3,032
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2027

Ridership

Brainerd Regular	18380
Brainerd Same Day	6127
PA/Voice	15000

Revenue

Bus Fares	
Brainerd Regular	\$3.00
Brainerd Same Day	\$6.00
PA/Voice	\$6.00
Total Bus Fares	\$181,902.00

Expenditures

Personnel	\$ 130,204
Supplies	\$ 158,150
Services w/o 3PC	\$ 180,843
3PC Contract	\$ 1,317,705
Capital Bus	\$ 120,000

Total	\$ 1,906,902
Brainerd	\$ 877,175
State/Federal Share	\$ 703,201
Local Share	\$ 173,974

Surplus/Deficit	\$ 7,928
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