



Metro Area Transit (MATBUS)

Transit Reorganization Study

FINAL



JUNE 2024



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INTRODUCTION AND OVERVIEW

The City of Fargo and the City of Moorhead have completed several planning studies evaluating the concept of a more consolidated transit operation for the MATBUS system. In 2023 the two cities initiated the development of an analysis to outline more specific areas of agreement for a coordinated transit system. This current study is developed under an accelerated sense of urgency given the transition to a Transportation Management Area (TMA) for the Fargo-Moorhead (FM) Urbanized Area (UZA). Also pushing the need to develop a more coordination system is the pending retirements of key staff for City of Moorhead and City of Fargo. What follows is a general roadmap covering the transition of the current MATBUS system to a more consolidated transit operation. Six key elements are included in this evaluation:

Governance Recommendations A proposed framework for a revised structure and function of the MAT Board is developed to ensure implementation towards a more consolidated transit operations for the FM Metropolitan area. The direction is move to a more administrative/technical board that retains the appropriate measure of visibility to the Moorhead City Council and Fargo City Commission. The proposed approach allows the new MAT Board to function as more of a day-to-day oversight entity with a mix of both technical, administrative, financial, and political membership. Recommended governance structure is discussed on [page 8](#) of this report.

Recommended Organizational Structure / Staffing Plan An agreement on an organizational chart was developed to account for a more streamlined staffing plan. This accounts for the desire to bring in house contracted operator functions (i.e. drivers) to the City of Fargo. The new organizational chart also accounts for the retirement of the Moorhead Transit Manager. The proposed structure retains a single Transit Director and keeps existing Assistant Directors. An Assistant Director would be assigned to each of the two primary functional units of MATBUS: 1) Fleet and Facilities and 2) Operations. Currently, the City of Fargo has two Assistant Directors, so the proposed organizational structure would retain this general framework. However, the following key changes are recommended. As discussed below, responsibilities of the Moorhead Transit Manager are distributed across existing and proposed new staffing positions.

FTA Funding This report looks at changes to the Federal Transit Administration (FTA) funding that is allocated to the FM Metropolitan Area. As a newly designated Transportation Management Area (TMA), FTA funds provided to the City of Fargo and the City of Moorhead will be impacted. The decision was made to identify the City of Fargo as the Designated Recipient for all FTA programs starting in Federal Fiscal Year (FY) 24. This serves to reduce the number of FTA grantees with FTA and over time create a more streamlined process for the distribution of FTA funds to the FM Metropolitan Area. The governors of both Minnesota and North Dakota have jointly consented to this transition. Still to be finalized is if the City of Moorhead will be a Direct Recipient or Subrecipient starting in FY 24, and how long Moorhead will continue to maintain grantee status with FTA. More discussion and consideration of FTA funding is discussed in later sections of this report. Of significant consideration is the reduction in FTA funds now apportioned to the FM TMA, estimated at nearly \$900,000. Creativity and cooperation will be critical to maintaining service levels to the riding public. Both cities need to work together and in cooperation with MnDOT, NDDOT and the Fargo-Moorhead Metropolitan Council of Governments (Metro COG) to utilize the flexibility available through a series of FTA and FHWA funding programs to support public transit services in the FM Metropolitan Area.

FTA Reporting Requirements This report discusses and presents considerations regarding how reporting for key FTA programs need to be handled as the two systems move to a more consolidated operational structure, specifically a single designated recipient. Some duplication may continue to occur with certain federal reporting as Moorhead continues to spend down older FTA funds and manages future FTA funds as a direct recipient. However, the streamlined staffing structure proposed in this report will serve to eliminate duplication in efforts



and likely negates any short-term inefficiencies as the systems continue to streamline and integrate internal operational efforts.

Cost Sharing Concepts A new proposed structure was developed to split transit costs and revenue between benefiting parties with the MATBUS service area. The approach to sharing system costs and revenues was revamped to accurately ensure an equal allocation across all benefit entities. Cost sharing principles discussed between the City of Fargo and City of Moorhead boiled down to the development of a new methodology that splits costs either based on ridership, revenue miles or revenue hours. Each of these three metrics are consider relevant to sharing costs for various elements of the MATBUS system. This proposed framework will be implemented initially with the CY 25 budget cycles. It is anticipated that these new systems will course correct overtime.

Joint Powers Agreement/Interlocal Agreements A key next step in the implementation of many of the recommendations and considerations discussed in this report is the development of a series of interlocal agreements. Most importantly will be a full update to the current Joint Powers Agreement (JPA) between the City of Fargo and City of Moorhead. Elements regarding the final agreements on cost and revenue sharing as well as staff structure will in large part drive the content of the updated JPA.

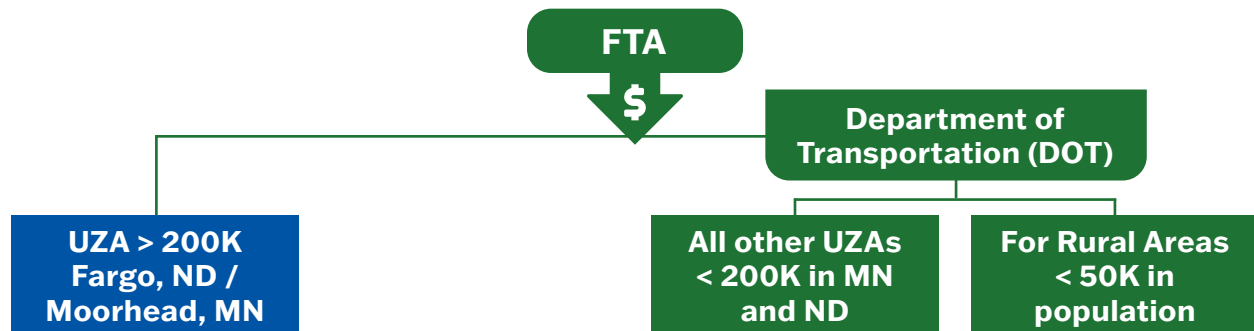
Critical Next Steps

Initiate new interim MAT Board with the following responsibilities based on the structure outlined in MATBUS Organizational Study:

- Development of new joint powers agreement (JPA).
- Oversee transition to 2025 organizational structure/staffing plan.
- Ensure implementation of budget principles for 2025/2026.
- Continue ongoing coordination with the City of Dilworth, City of West Fargo, NDSU, Moorhead Area Colleges and other partners through the organizational transition and development of new Joint Powers Agreement.
- Coordination with MnDOT, NDDOT and Metro COG on state and Federal programming decisions.
- Guidance and input on the pending Transit Development Plan (TDP) update.

FTA FUNDING/REQUIREMENTS

FTA Formula Funding Distribution



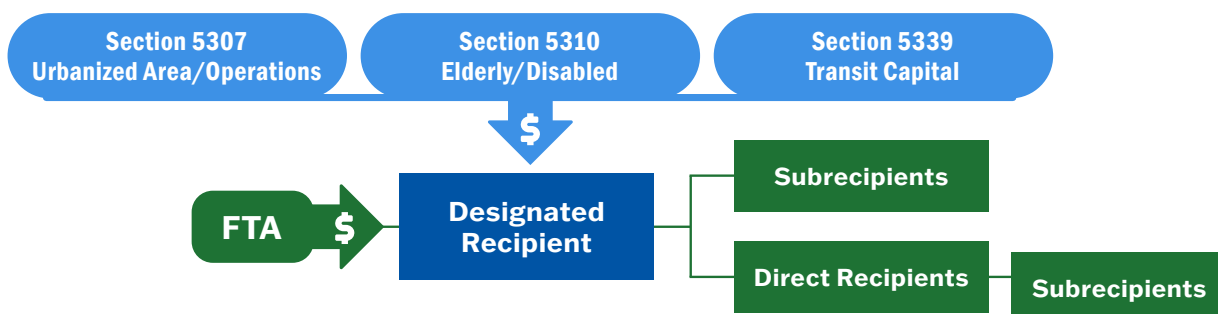
Selection of Designated Recipient

- For funding under Sections 5307, 5310, 5339(a)
- Encourage selection of single Designated Recipient for each UZA and for all types of formula funds to streamline administration of programs, but selection of multiple Designated Recipients not precluded
- Must be a governmental authority and have legal authority to receive and dispense FTA funding
- Ultimately appointed by Governor or Governor's designee
- Multi-state UZAs need agreement from each Governor or Governor's designee
- Concurrence from public transit providers in UZA and metropolitan planning organization (MPO), including providers that are new to a large UZA with a pre-existing Designated Recipient

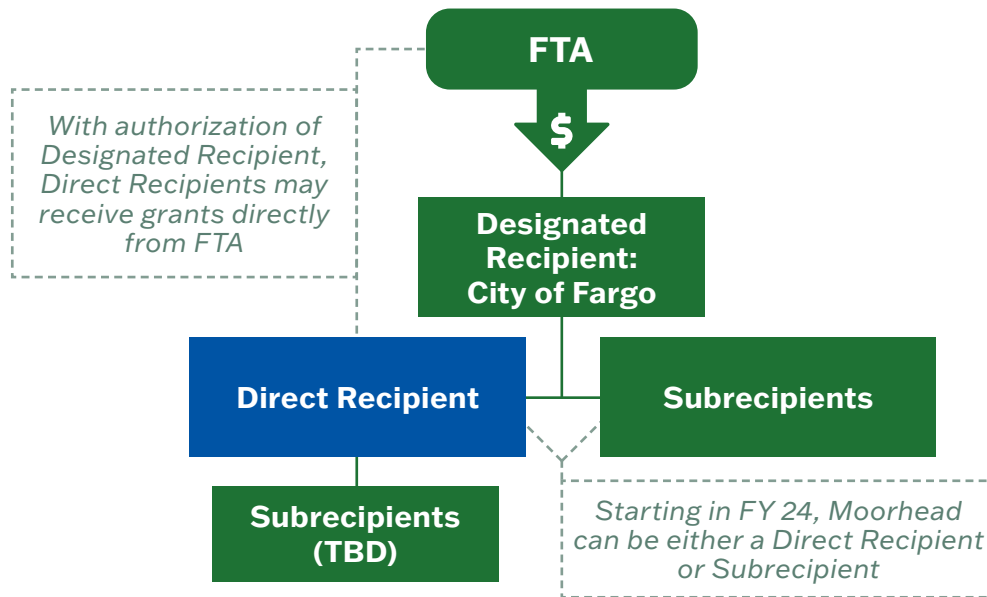
Roles of Designated Recipient

- Receive and apportion funds to eligible projects and recipients in UZA (conveyed through 'split' letter to FTA)
- Develop program of projects (POP) with Section 5307, 5310 and/or 5339(a) funds that includes suballocation of funds to Direct Recipients or Subrecipients and project descriptions and corresponding costs
- Ensure POP meets program requirements and coordinate with MPO to ensure projects in POP are included in MPO planning and project programming products (e.g., MTP, TIP)
- Sub-allocation of funds to recipients is a local decision based on local needs in coordination with MPO

Urban Formula Funding Distribution to Large UZAs - Designated Recipient



Urban Formula Funding Distribution to Large UZAs - Direct Recipient



Direct Recipients

- Public entity authorized by the Designated Recipient to receive funds (cannot be a non-profit or private organization)
- Apply for and receive Section 5307 and 5339(a) grants directly from FTA and assumes all responsibilities of grant agreement with FTA
- Supplemental agreement with Designated Recipient releasing Designated Recipient from any liability under grant agreement between FTA and direct recipients
- Subject to oversight by FTA, including reporting requirements and compliance reviews (e.g., triennial review)

Subrecipients

- May receive funds via a 'pass-through' arrangement from the Designated Recipient or separate Direct Recipient
- For Section 5307, must be a public entity otherwise eligible to become a Direct Recipient, except when carrying out a job access and reverse commute project
- For Sections 5310 and 5339(a), may be a public entity or non-profit organization
- Does not relieve Designated or Direct Recipients of liability or other responsibilities under an FTA grant agreement for the 'passed-through' funds – pass through entities are responsible for oversight of Subrecipients
- Subrecipient agreement required that assures FTA Subrecipient will comply with requirements of grant agreement

Section 5307 Formula Funding Factors for Large UZAs

The following graphic and [Table 1](#) illustrate the formula variable affecting Large UZA funding amounts. Formula flowcharts can also be found at <https://www.transit.dot.gov/funding/bipartisan-infrastructure-law-formula-flowcharts>.

Formula Variables Driving Section 5307 Funding Amounts to Large UZAs

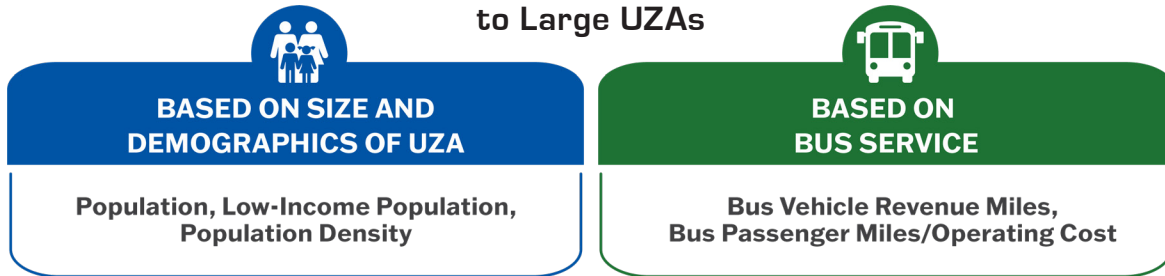


Table 1. FTA Recipients and Formula Variables by Program

FTA FORMULA PROGRAM	AREAS ELIGIBLE FOR USE	RECIPIENTS	FORMULA VARIABLES DRIVING FUNDING AMOUNT
urban areas with population of 200,000+			
Section 5307: Urbanized Area Formula Grants	Urban Areas with Population of 200,000+	Locally Appointed Designated Recipient; Funds Typically Used by Designated Recipient and/or Distributed by Designated Recipient to Local Direct Recipients or Sub-Recipients	With Bus Service Population, Low-Income Population, Population Density, Bus Vehicle Revenue Miles, Bus Passenger Miles/Operating Cost
Section 5310: Formula Grants for the Enhanced Mobility of Seniors and Individuals with Disabilities	Urbanized and Non-Urbanized Areas	Locally Appointed Designated Recipient; Funds Typically Distributed to Local Sub-Recipients	Population of Seniors and Individuals with Disabilities
Section 5339(a): Formula Grants for Buses and Bus Facilities	Urbanized and Non-Urbanized Areas	Locally Appointed Designated Recipient; Funds Typically Used by Designated Recipient and/or Distributed by Designated Recipient to Local Direct Recipients or Sub-Recipients	Population, Population Density, Bus Vehicle Revenue Miles, Bus Passenger Miles/Operating Cost
Section 5340: Apportionments Based on Growing and High-Density States Formula Factors	Urbanized and Non-Urbanized Areas	Locally Appointed Designated Recipient; Funds Typically Used by Designated Recipient and/or Distributed by Designated Recipient to Local Direct Recipients or Sub-Recipients with Section 5307 Funds	Projected Population of Urbanized Areas; Additional Amounts Made Available to Urbanized Areas in States Exceeding 370 Persons per Square Mile

Note: 2020 Census Data will be used beginning with the FY2024 Formula Apportionments

Last Updated: November 2022

New to Large UZA—Next Steps for Transit Providers/MPOs

- ✓ For new Large UZAs, begin discussions with MPO and other public transit providers on Designated Recipient selection
- ✓ Contact your local MPO to begin participation in the planning/project programming process
- ✓ Begin discussions with Designated Recipient and MPO on suballocation of funds and determine impact of changes in funding and new program requirements on financial planning
- Determine your NTD reporting status for FY24 and beyond

ESTIMATED FTA FEDERAL FUNDING TO MATBUS

On April 1, 2024, FTA published full year apportionment data for funds authorized under the Bipartisan Infrastructure Law (BIL). [Table 2](#) illustrates the funding split by FTA program for each portion of the FM UZA. FY 2024 apportionment data, not including Section 5310 and 5339, shows a reduction in nearly \$900,000 in Federal aid to the FM UZA.

Table 2. Funding Split by FTA Program FY 2024

	5307	5310	5339	TOTAL	(CHANGE V. FY 23)
Fargo Apportionment	\$2,965,773	\$0	\$0	\$2,965,773	-\$606,342
Moorhead Apportionment	\$856,812	\$0	\$0	\$856,812	-\$270,781
UZA Apportionment	\$0	\$234,876	\$334,470	\$569,346	<i>Not calculated</i>
Total (Est.)	\$3,822,585	\$234,876	\$334,470	\$3,822,585	-\$877,123

It will be important for MATBUS to work back through both MnDOT and NDDOT to maintain current commitments for Federal funds currently programmed through the current 2024–2027 Transportation Improvement Program (TIP). These allocations were cooperatively developed and should remain firm commitments through FY 2027. Beyond FY 27, additional coordination is needed between MATBUS, Metro COG, and each DOT to develop an agreement on state and Federal needed to support operations inside the TMA. These discussions can take place as part of developing the 2025–2028 TIP.

Prior to becoming a TMA, the Metro COG Policy Board welcomed MATBUS to apply for STBG funds to transit capital every other year. The logic was to start the process of supporting a mode share within the Federal aid program managed by Metro COG. This commitment will need to be revised to reflect current transportation priorities identified in the Metropolitan Transportation Plan (MTP), including the reduction in FTA funds for MATBUS, to ensure that the TMA is adequately investing in transit capital of MATBUS relative other modal needs.

REPORTING REQUIREMENTS – KEY CONSIDERATIONS

Title VI

Status: Each City currently develops a separate Title VI plan/reporting to FTA. Moorhead will continue to develop, and report separate from the City of Fargo for all pre-FY 24 funds. Future Title VI planning/reporting requirements for each city is partially dependent on how future applications of FTA funds are administered.

Options: Fargo (Designated Recipient) is also a direct recipient, and thus develops a Title VI plan and reports directly to FTA. Moorhead (as a direct recipient) would need to develop a Title VI Plan and report directly to FTA (per the supplemental agreement). Moorhead, if a subrecipient of the City of Fargo (Designated Recipient) would only need to report to the City of Fargo, City of Fargo reports directly to FTA. All Subrecipients of the Designated Recipient and/or Direct Recipient report to/are overseen by the Designated Recipient/Designated Recipient, not FTA.

Recommendations: To avoid duplicative Title VI Plans and reporting, consider suballocating funds from Fargo (Direct Recipient) to the City of Moorhead (subrecipient), as needed.

Disadvantaged Business Enterprise (DBE)

Status: Each city currently develops its own report/program on different schedules

Recommendation: Transition to a single report/program

Coordinated Public Transit Human Services Transportation Plan (CPHSTP)

Status: The Fargo-Moorhead Metropolitan Council of Governments (Metro COG) currently includes a CPHSTP in its adopted Transit development Plan (TDP). This plan is not reflective of the transition to a Large UZA requirement impacting FTA Funds, specifically the identification of a new Designated Recipient (I.e. City of Fargo). Project selection for Section 5310 should be based on the CPHSTP.

Recommendations: Metro COG, in cooperation with MATBUS, needs to update its CPHSTP to reflect the new Large UZA requirements and make determinations and recommendations for how to specifically handle FTA through the Section 5310 program. It is recommended that an initial analysis of Section 5310 funds be developed in CY 2025 to determine if any sub allocation of these funds is needed inside the FM UZA. This task will be added to the TDP, which will be started in 2024 and completed in 2025. If sub allocation is justified, the study should also identify the procedures to support project solicitation and selection.

National Transit Database (NTD)

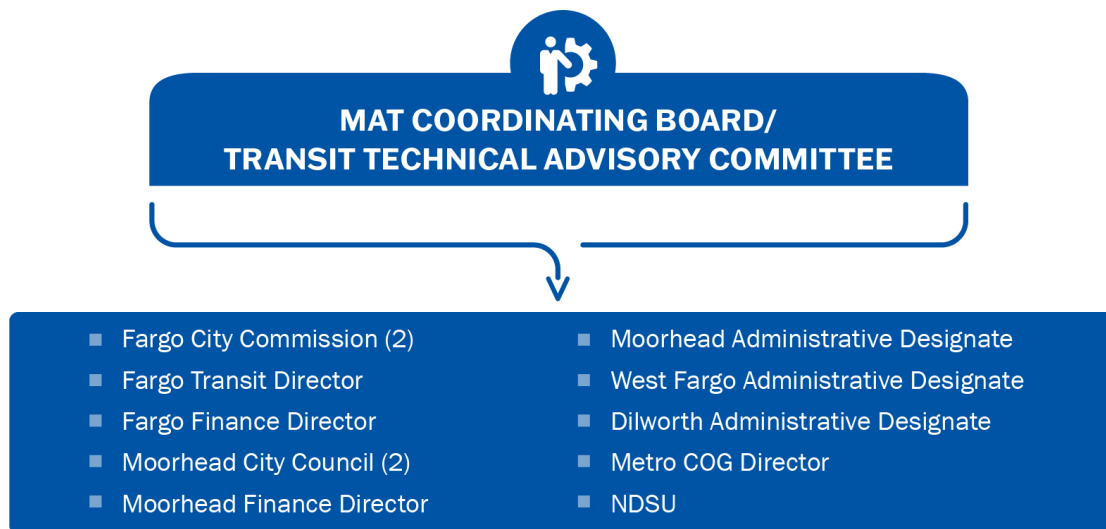
Status: Each City currently reports separately to NTD. As long as each City continues to receive federal funds as a direct recipient, it appears two separate NTD reports will be required by FTA. However, over the past several years staff coordination between both cities has streamlined the data collection and reporting for submitting the two reports.

Options: Like Title VI, evaluate the option to pass funds through to the City of Moorhead as a subrecipient to the City of Fargo (Designated Recipient) to reduce the need to submit two NTD reports to FTA. If staffing coordination continues between both cities, the potential inefficiency of submitting two NTD reports may be mute. When Moorhead is no longer a direct recipient, the potential to coordinate one NTD report may be possible pending further coordination with MnDOT.

RECOMMENDED GOVERNANCE STRUCTURE

Through several working group meetings with staff from the City of Fargo and Moorhead a recommended governance structure was established for the MATBUS system. The recommended structure moves to more a technical/administrative group tasked with making a series of day-to-day decisions and recommendations which support the overall operations of MATBUS. The goal of the new governing board is to increase transparency on decision making for MATBUS between its primary financial partners. The proposed structure increases the technical and administrative ingredients of the governing board, while also keeping two (2) elected officials each connected from both Fargo and Moorhead. It is felt this will improve the utility and expediency of the board.

Membership of the recommended Governance Structure is as follows:



The new governing board for MATBUS would still report directly to the Moorhead City Council and Fargo City Commission, and include two voting members from each. Administrative leadership from the City of Dilworth and West Fargo will serve as voting members on the new MAT Board and would serve as liaisons back their respective governing bodies. Given NDSU's sizable financial stake in MATBUS, they will continue to be afforded a direct vote on the MAT Board.

The approach will be for the new governing board to meet monthly on a recurring basis to ensure timely review, consideration, and resolution of ongoing and projected needs of MATBUS. Scheduling and notifications should be handled by MATBUS staff.

The City of Moorhead and City of Fargo will look to empower the new governing body to make a series of non-binding budgetary recommendations otherwise handled by internal working groups and committees respective to each city, specifically regarding budgeting and staffing levels. These decisions need to be made earlier than the normal budget approval process in order for grant applications to be submitted to MnDOT.

The MAT Board will also serve the capacity as a citizen advisory committee and hold all necessary "public" hearings/meetings which are necessary to support the State and Federal funding requirements of MATBUS. The details of this will be evaluated through the updated JPA for the MAT Board, and need to be coordinated with Metro COG.

RECOMMENDED STAFF FRAMEWORK

Through a series of internal working meetings, transit staff from the City of Fargo and City of Moorhead established the following framework to handling staffing transitions over the coming 18 months. These changes will incrementally unfold over 2024 and into 2025. [Appendix A](#) shows the detailed proposed organizational chart for MATBUS, the first of which demonstrates the proposed 2025 condition. By 2025, all existing Moorhead positions transition to the City of Fargo as shown and integrated into the overall operations as discussed herein. The second organizational chart assumes changes proposed for 2026. By 2026, the City of Fargo will take in house all drivers functions (currently contracted) thus resulting in the second organization chart for 2026.

The proposed structure retains a single Transit Director and keeps existing Assistant Directors. An Assistant Director would be assigned to each of the two primary functional units of MATBUS: 1) Fleet and Facilities and 2) Operations. Currently, the City of Fargo has two Assistant Directors, so the proposed organizational structure would retain this general framework. However, the following key changes are recommended. As discussed below, responsibilities of the Moorhead Transit Manager are distributed across existing and proposed new staffing positions.

Moorhead Transit Manager Responsibilities Shared Across the Organization

The current Moorhead Transit Manager responsibilities will be redistributed through the existing Organizational Framework, with tasks assisted to the Director, either of the two Assistant Directors or covered by the new proposed Senior Accountant. [Appendix B](#) shows the distribution of the current responsibilities of the Moorhead Transit Manager across the proposed organization chart.

Contract Drivers and Operations Staff Transition to Fargo Employees

The proposed organization chart assumes the City of Fargo takes in house all contracted drivers and related staff starting in 2026. This allows for the restructuring of the Operations Division. To reduce duplication in contracting, if Fargo does not bring these contracted employees in house, the next third-party contract for these services would not include the City of Moorhead. This decision in and of itself greatly improves the ability to streamline integration of the systems and prepares for the eventual transition of the contracted employees to become employees of the City of Fargo.

Current Moorhead Staff Retained

The current Moorhead Program Assistant and Assistant Planner/Marketing staff will have the option to either retain their employment with the City of Moorhead or transition to positions within the City of Fargo. If the former, these positions will be contracted to the City of Fargo until time such as they are replaced. Determination on these two positions will be made cooperatively and implemented before the end of 2024.

Position Reclassification Evaluation

Based on the proposed organizational chart, some positions need to be reviewed and reclassified by the Fargo Human Resources department to ensure they are classed appropriately with in their new roles and responsibilities. The priority should start with the Director, two (2) Assistant Directors and pending operations staff which will transition from contracted to internal. Included should be a review and classification for the contracted positions which will transition to City of Fargo employees.

Staffing Overview by Position

Moorhead Transit Manager.

- Responsibilities distributed between Transit Director, two (2) Assistant Directors, Office Manager, and new Senior Accountant. [Appendix A](#) shows the redistribution of those tasks.

Existing Moorhead Support Staff. Become either 1) new hire by City of Fargo; or 2) contracted to Fargo remain Moorhead employees:

- **Program Assistant** would continue to provide administrative support. Reports to Office Manager.
- **Asst. Planner/Marketing Specialist (new title: Marketing Manager).** Focus on marketing but assist Fargo Planner as needed. Reports to Assistant Director for Operations.

Planner (existing Fargo position).

- Take on all day-to-day planning needs.
- Assist with marketing programs.

Mobility Manager (existing Fargo position).

- 5310 grant oversight and compliance.
- Continue ADA, Title VI, and Drug & Alcohol compliance.
- Disadvantaged Business Enterprise Liaison Officer (DBELO).
- Update/Administer Human Services Coordination Plan (in cooperation with MPO).

Contract Operator (transition to in-house, 2026). Take all contracted drivers and administrative staff (9.0 FTE) in-house (City of Fargo employees).

- **Operations Manager** – New position from contracted staff.
- **Operations Supervisor** – Existing City of Fargo position.
- **Safety Manager** – New position from contracted staff. Would take on the role of Chief Safety Officer and report to Assistant Director Fleet and Facilities.
- **Services Coordinator** – New position from contracted staff.
- **Road Supervisor** (4) – Responsibilities remain unchanged, consideration for the additional of a 5th position.

- **Trainer** – Responsibilities remain unchanged, moves to Fleet and Facilities Division (New Title: Training Specialist).
- **Office Clerk** – Position is retained (Converted to Office Manager), oversees support staff and payroll processing, including grant project management.

Dispatch.

- Retain existing six (6) positions.
- Add three (3) positions to allow for coverage for full service hours and micro transit dispatch.
- Report back through Operations Supervisor.

Staff Provided by other Fargo Departments.

Four departments at the City of Fargo will continue to indirectly support the overall operations of MATBUS. Two new positions will be added for direct support to Transit. A cost allocation and distribution analysis are being developed to ensure that these costs are distributed across the benefiting entities of MATBUS.

- **Finance.** Will see additional demand as day-to-day Federal and State grant reporting transitions from City of Moorhead and City of Fargo Transit Departments.
 - *Senior Accountant* – New position created within the Fargo Finance Department that will take over a larger share of the financial management and reporting of the MATBUS system.
- **Information Technology.** Impacts of the new organization likely neutral.
- **Human Resources.** Transitioning current contracted operator staff to the City of Fargo will have a measurable impact on Human Resources.
 - *Human Resources Generalist* – New position developed to assist employee recruitment and retention to account for the additional FTEs for drivers and related services.
- **Legal.** Anticipate impacts to Fargo legal staff as Moorhead has less direct legal oversight of the day-to-day operations of MATBUS.

COST SHARING: EXISTING FRAMEWORK

Table 3. Cost Splits

Table 3. Cost Splits		EXISTING FRAMEWORK		PROPOSED FRAMEWORK
		FARGO	MOORHEAD	
Metro Transit Garage (MTG)				
Ownership	Two-Third (2/3)	One-third (1/3)	Unchanged	
Structural	Two-Third (2/3)	One-third (1/3)	Unchanged	
Direct Operational Costs	% of Vehicles Stored (Paratransit + Fixed Route)		Costs splits based on revenue hour share of the total system. Additional consideration needed on indirect parts and fuel costs.	
Indirect Operational Costs				
Non-Revenue Vehicles				
Vehicle Repair, Maintenance, Licensing, and Insurance				
Direct	Pay directly by unit by Fargo (Fargo bills Moorhead)		Fixed route costs shared based on revenue mile share of the system; paratransit related costs based on ridership share.	
Indirect	% of Vehicles Storage (Paratransit + Fixed Route)			
Fuel	Billed directly (actual usage)			
Fixed Route Transit				
Operational Costs	Paid directly by each city		Cost split based on distribution of revenue hours of the Fixed Route System.	
Fixed Route Dispatch	Two-Third (2/3)	One-third (1/3)		
Vehicles	Each city owns 100% of their own fleet		Unchanged (capital sharing to be explored in the future).	
MAT Paratransit				
Operating Costs (including dispatch)	Protated based on ridership		Unchanged	
Mobility Manager	Two-Third (2/3)	One-third (1/3)	Cost split on revenue hour share of the system.	
Vehicles	Each city owns 100% of their own fleet (Moorhead vehicles leased to Fargo)		Evaluating lease options (Moorhead to Fargo) in the short term for entire fleet.	
Marketing, Revenue, and Programming				
Pass Sales	Split % of pass ridership		Revenue of pass sales and Upass based on system ridership.	
Advertising	Mixed			
U-Pass	Collected by each City			
Ground Transportation Center (GTC)				
Ownership	100%	0%	Unchanged	
Operations	Two-Third (2/3)	One-third (1/3)	Costs split based on revenue hours of the system (Fixed Route and Paratransit)	
Structural Costs	100%	0%	Unchanged	
Staff				
Administrative/Planning	Each city pays for their own staff		Costs split based on revenue hours of the total system	

PROPOSED COST SHARING METHODOLOGY

Costs

Cost sharing principles discussed between the City of Fargo and City of Moorhead resulted in the development of a new methodology that splits costs either based on ridership, revenue miles or revenue hours. Each of these three metrics are considered relevant to sharing costs for various elements of the MATBUS system. Specific to the MATBUS system four cost sharing principles were developed, agreed upon and applied to the total system costs and revenues:

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

Each of these four metrics are applied across various cost centers. For the purposes of this analysis, CY 2022 data is used as a baseline. Each budgeting cycle going forward would use the most current set of data for the purposes of setting annual budgets. Actual cost sharing and invoicing would be rectified in real time through monthly review and reporting on actual system operations.

Administration. These are administrative costs that would apply across all services, such as staff wages, benefits, training, and office supplies, office equipment repair, telephone, printing, and postage. **These costs are shared on revenue hours of the entire system.**

Fixed Route Operations. A separate set of account line items was set up for Fixed Route Operations (similar to what has traditionally been done for Paratransit). These costs are related to driver services, marketing, shelter maintenance (cleaning and snow removal), fixed route software maintenance, etc. **Costs are shared based on revenue hours of the fixed route system.**

Paratransit Operations. A separate set of account line items was set up for MAT Paratransit only operating costs (similar to how these have been tracked since late 1990s). These costs are related to driver services, marketing, software maintenance, and vehicle insurance. **These costs are shared based on ridership of the Paratransit system.**

Table 4. Revenue Hours of Total System

SERVICES	REVENUE HOURS	% OF TOTAL
Fargo Fixed	57,936	43%
Moorhead & Dilworth Fixed	33,090	24%
NDSU Fixed	7,112	5%
West Fargo Fixed	3,183	2%
Fargo Microtransit	4,080	3%
NDSU Microtransit	581	1%
Fargo Para	18,490	14%
Moorhead & Dilworth Para	6,096	4%
West Fargo Para	5,726	4%
	136,292	100%

Table 5. Revenue Hours of Fixed Route System

FIXED ROUTE	REVENUE HOURS	% OF TOTAL
Fargo Fixed	57,935	57%
Moorhead & Dilworth Fixed	33,090	33%
NDSU Fixed	7,111	7%
West Fargo Fixed	3,183	3%
	101,319	100%

Table 6. Revenue Miles of the Total System

MTG	REVENUE MILES	% OF TOTAL
Fargo Fixed	680,939	40%
Moorhead & Dilworth Fixed	442,807	26%
NDSU Fixed	71,527	4%
West Fargo Fixed	36,972	2%
Fargo Microtransit	16,264	1%
NDSU Microtransit	4,743	0%
Fargo Para	250,885	15%
Moorhead & Dilworth Para	92,117	5%
West Fargo Para	88,240	5%
	1,684,494	100%

Table 7. Paratransit Ridership

PARATRANSIT	RIDERSHIP	% OF TOTAL
Fargo Para	41,197	65%
Moorhead & Dilworth Para	12,846	20%
West Fargo Para	9,825	15%
	63,868	100%



Facility Operations. Includes utility and insurance costs for facilities. The cost center applies to elements of both the GTC and MTG. **Costs split on Revenue Hours of the entire system.**

Facility Preventive Maintenance. Includes preventive maintenance costs such as cleaning and repairs for facilities. This cost center applies to elements of both the GTC and the MTG. **Costs split on Revenue Hours of the entire system.**

Vehicle Operations. Includes fuel, insurance, and software costs for vehicles. **Costs split on Revenue miles of the entire system.**

Vehicle Preventive Maintenance. Includes wages and benefits for vehicle technicians, vehicle attendants and the costs to repair vehicles. **Maintenance costs from the FASTER work order system for the previous year would provide a percentage split between services.**

Planning. Includes wages and benefits for the Planner position. **Costs split on Revenue Hour Percentage of Fixed Route.**

Mobility Management. Includes all costs associated with Mobility Management including wages and benefits for the mobility manager, supplies and travel. **Costs split on Revenue Hour Percentage of the entire system.**

Microtransit Operations. Includes all costs associated with Microtransit Operations including driver wages and benefits. **Costs split on Revenue Hour percentage of Microtransit system.**

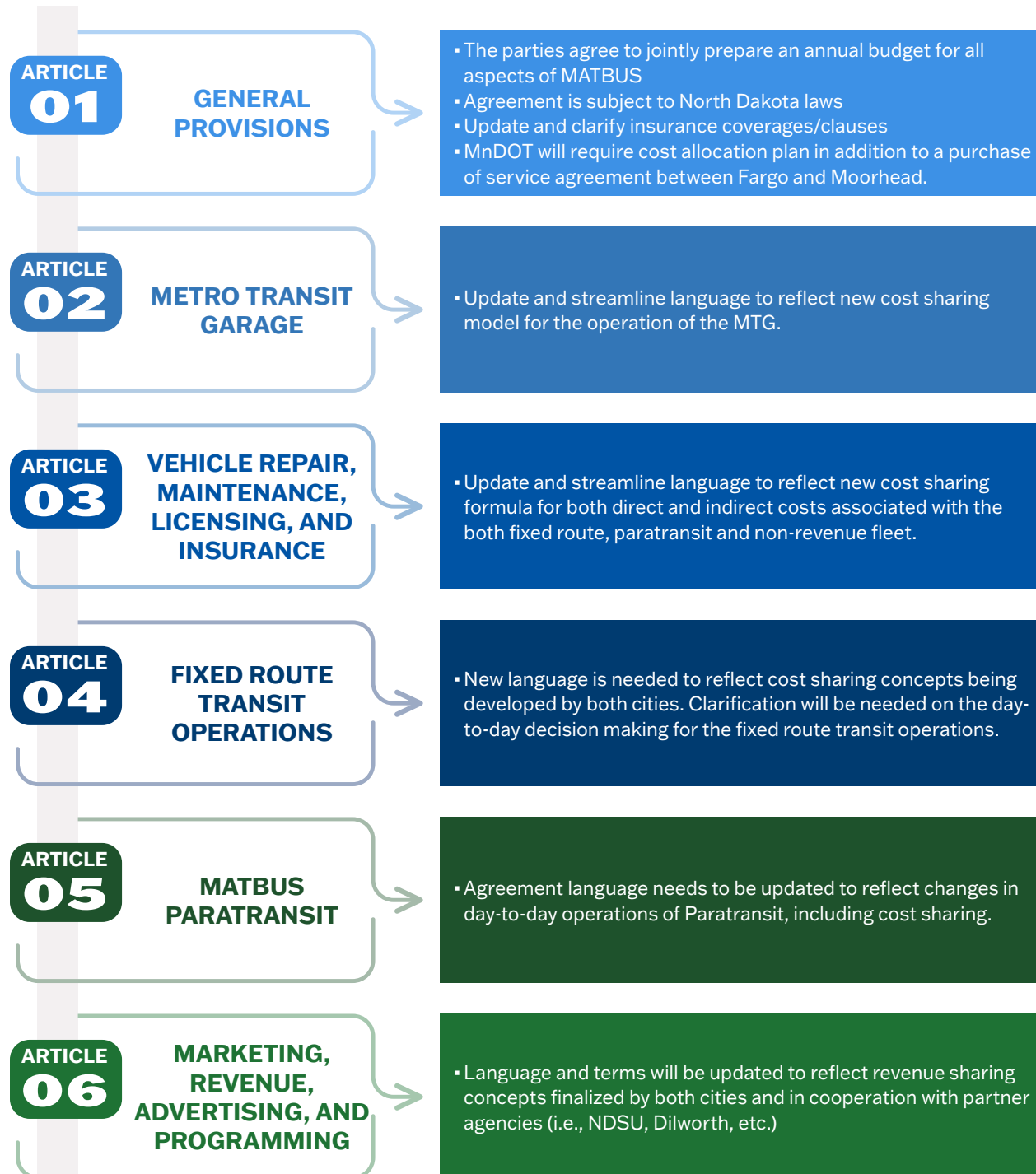
Revenue Sharing

Revenue sharing for the proposed MATBUS system is broken out by operational functional area. While illustrative for the purposes of this analysis, the general framework is as follows:

- Administrative – Shared based on Revenue Hours of the System
- Fixed Route Pass Sales/ U Pass and Advertising – Ridership
- Paratransit (Fares/ Passes) – Ridership
- Mobility Management – Revenue Hours
- Preventative Maintenance – Revenue Miles
- ND State Aid – Ridership – Based on senior and persons with disabilities (split between Fargo and West Fargo)
- ND FTA Funding – Utilize FTA apportionment formulas to ensure equitable accounting of allocated Federal funds
- MN FTA Funds – Allocated to City of Moorhead; utilize FTA Apportionment Formula if needed
- MN State Aid – Support services in Dilworth, balance to City of Moorhead

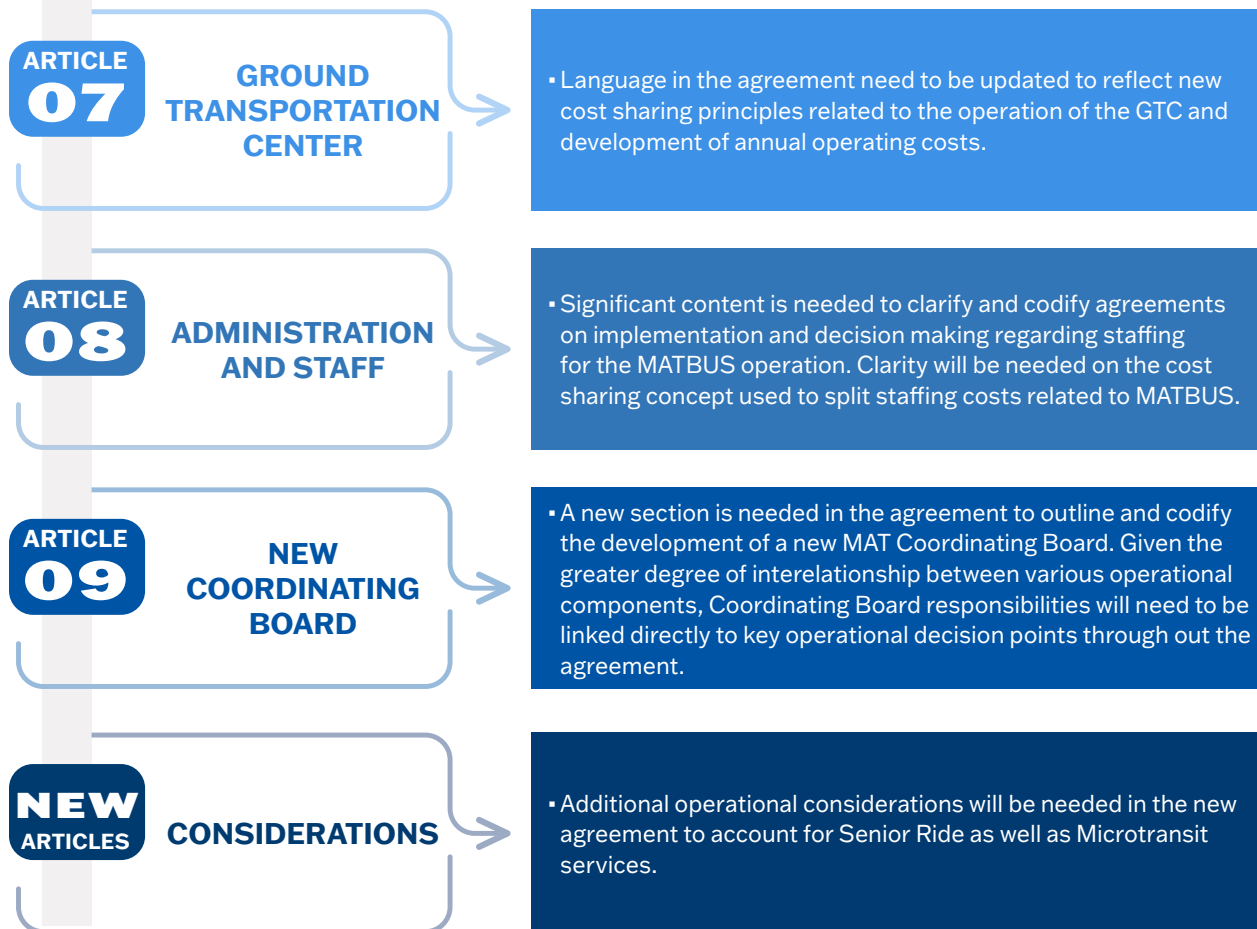
JOINT POWERS AGREEMENT – REVISED APPROACH

The following flowchart highlights the articles of the Joint Powers Agreement. Several elements of the current agreement will need to be modified to account for the proposed framework discussed in this document. A summary of key modifications is included below.

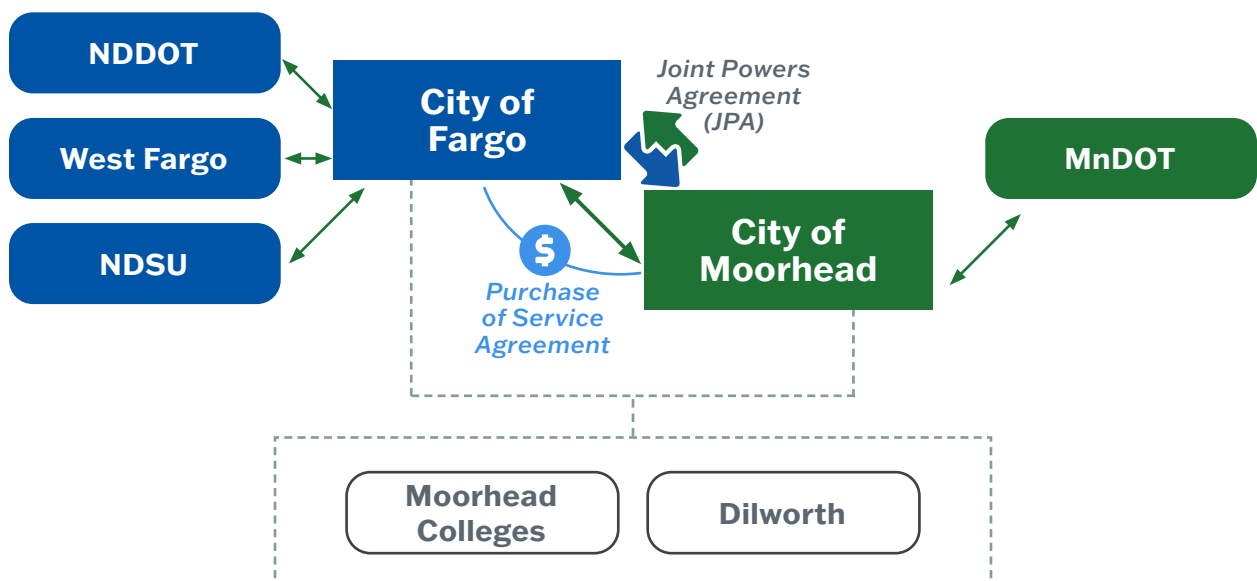


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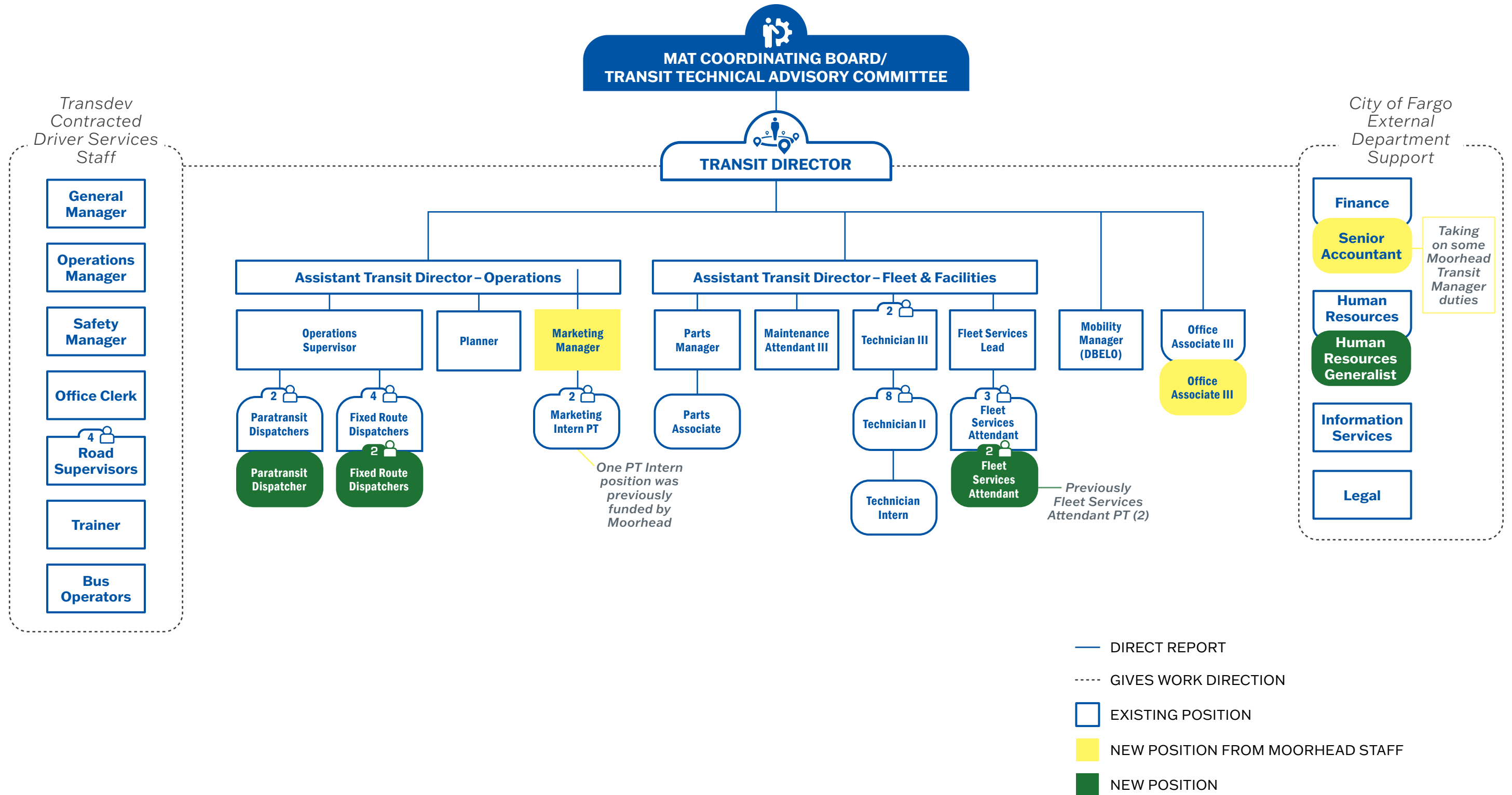


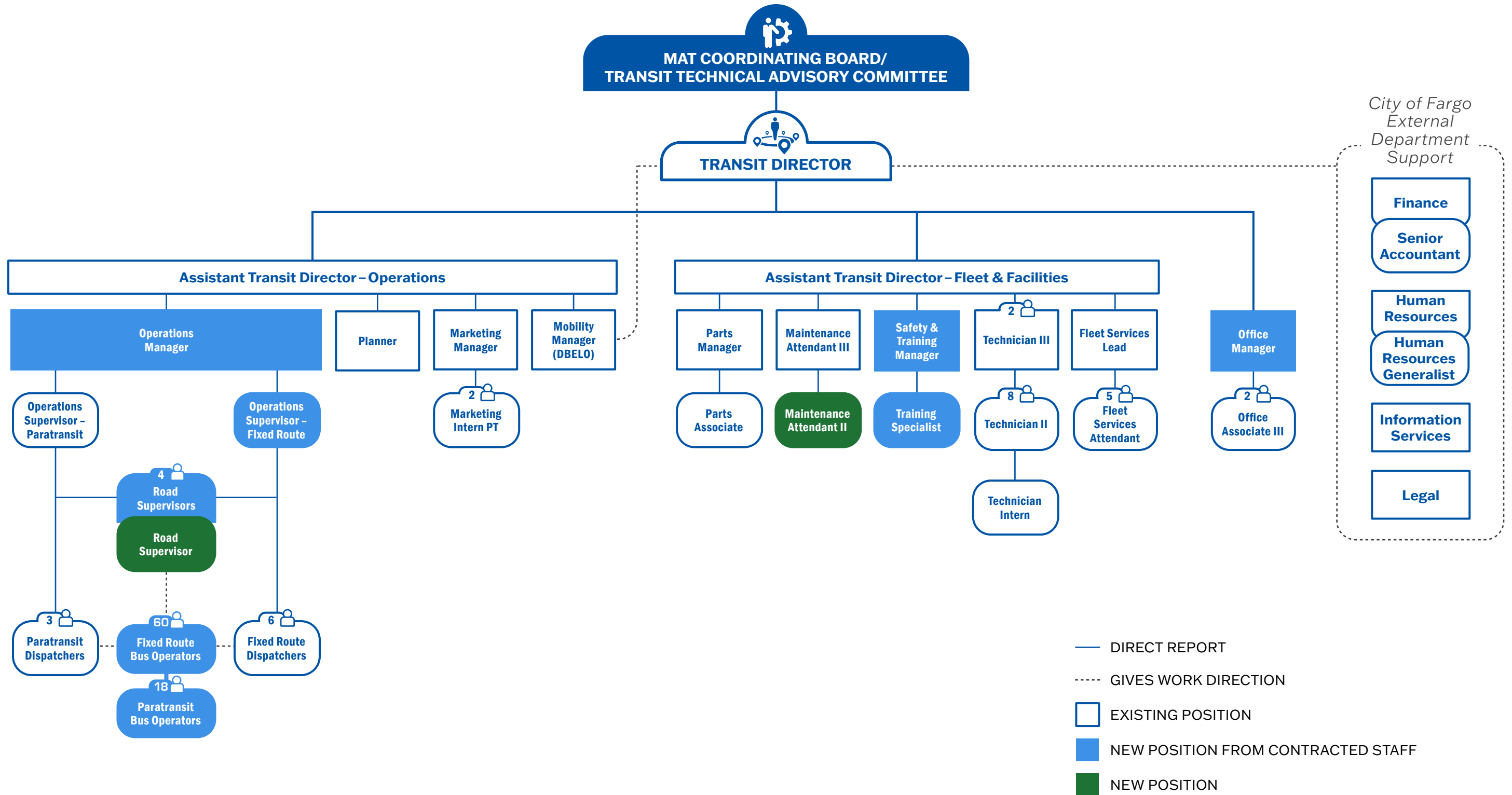
Updated Contracts/Agreements



APPENDIX A: PROPOSED ORGANIZATIONAL CHARTS

2025







APPENDIX B: MOORHEAD TRANSIT MANAGER TASKS – IDENTIFIED FOR REORGANIZATION

OTHER FEDERAL REPORTING REQUIREMENTS:		DIRECTOR	ASST. DIRECTOR OPERATIONS	ASST. DIRECTOR FLEET & FACILITIES	MOBILITY MANAGER	OFFICE MANAGER	SENIOR ACCOUNTANT
1	Revenue Contracts		X				
2	Grant Applications and Contracts	X					
	a. 5307	X					X
	b. 5339	X		X			X
	c. 5310	X			X		
3	Service Provider Contracts		X				X
4	Procurements – Bids, Award, Expense Contracts		X	X			X
5	Studies	X	X	X			
6	Budget Adjustments		X	X			X
7	Route, Service and Fare Changes		X				
8	Transit Policies and Plans	X	X	X			

NOTE: Leadership Team (Director and Assistant Directors) will confer on priorities with final decision by Director.

COMMITTEES:		DIRECTOR	ASST. DIRECTOR OPERATIONS	ASST. DIRECTOR FLEET & FACILITIES	MOBILITY MANAGER	OFFICE MANAGER	SENIOR ACCOUNTANT
1	MATBUS Staff Meeting (weekly)		X	X			
2	MATBUS Leadership Team (weekly)	X	X	X			
3	Transit Touch Base with Director (weekly)	N/A					
4	Moorhead Staff Meetings (bi-monthly)	N/A					
5	MAT Coordinating Board	X	X	X			
6	MnDOT Transit Advisory Committee (quarterly) and Subcommittee (as needed)	X	X	X			
7	MnDOT Peer Round Table (monthly)		X	X			X
8	MnDOT BlackCat Updates (monthly)		X	X			X
9	Accident Review Committee (monthly) - COULD BE PART OF SAFETY COMMITTEE IF DRIVERS IN-HOUSE & VEHICLES LEASED/INSURED BY FARGO	X	X	X			
10	Safety Committee (bi-monthly)			X			
11	FTA Regional Administrator (quarterly)	X					X
12	City Manager Council Agenda Review (bi-monthly)	X					
13	Metro COG Transportation Technical Committee (monthly)	X		Proxy			



FINANCIALS:		DIRECTOR	ASST. DIRECTOR OPERATIONS	ASST. DIRECTOR FLEET & FACILITIES	MOBILITY MANAGER	OFFICE MANAGER	SENIOR ACCOUNTANT
1	Draft Budget (annually) and Budget Adjustments (as needed)	X	X	X		X	X
2	Review Fargo's Annual Budget Prior to Submission and After Approval (semi-annual)	X					X
3	Review Fargo invoices (monthly)					X	X
4	Review Moorhead financial reports and projections to year-end (monthly)					X	X
5	Review MnDOT financial and statistical reports (monthly)		X				X
6	Review MnDOT Vehicle statistic reports (annually)			X			X
7	Review MnDOT audit findings and respond with agree or disagree; review finance responses	X					X
8	Review FTA Grant Financial and Milestone reports (quarterly and annually)					X	X
9	Review Invoices to Dilworth for transit service (monthly)					X	X
10	Review invoices from Valley Senior Service for Metro Senior Ride Service (monthly)					X	X
11	Update 10-year plan (annually)	X	X	X			X
12	Update 5-year CIP (annually)	X	X	X			X
GRANT APPLICATIONS:		DIRECTOR	ASST. DIRECTOR OPERATIONS	ASST. DIRECTOR FLEET & FACILITIES	MOBILITY MANAGER	OFFICE MANAGER	SENIOR ACCOUNTANT
1	Draft MnDOT Operating Grants, both DAR & RR (annually)					X	X
2	Draft MnDOT Vehicle Grants (annually)			X			
3	Draft MnDOT Large Capital and Technology Grants (annually)		X	X			
4	Review FTA grant applications, revisions and amendments	X	X	X			X
5	Complete or review FTA environmental review documents			X	X		
6	Draft service hours, mileage, ridership for MnDOT BlackCat (annually)		X			X	
CONTRACTOR OVERSITE:		DIRECTOR	ASST. DIRECTOR OPERATIONS	ASSIT. DIRECTOR FLEET & FACILITIES	MOBILITY MANAGER	OFFICE MANAGER	SENIOR ACCOUNTANT
1	On-time performance		X				
2	Feedback resolution		X				
3	All federal requirements:						
	a. Drug and alcohol MIS report (annually)			X	X		
	b. MDHR Equal Pay Certificate of Compliance (every 4 years)		X		X		
	c. Compliance review (annually)				X		
	d. Insurance certificates (annually)			X	X		
4	Review bus operator safety meeting agenda (monthly)			X			



ATTEND WORKSHOPS AND CONFERENCES:		DIRECTOR	ASST. DIRECTOR OPERATIONS	ASST. DIRECTOR FLEET & FACILITIES	MOBILITY MANAGER	OFFICE MANAGER	SENIOR ACCOUNTANT
1	MnDOT Spring Workshop	X	X	X			X
2	MPTA Fall Conference	X	X	X			X
3	One national transit conference (every other year)		X	X			

PROJECT MANAGEMENT:		DIRECTOR	ASST. DIRECTOR OPERATIONS	ASST. DIRECTOR FLEET & FACILITIES	MOBILITY MANAGER	OFFICE MANAGER	SENIOR ACCOUNTANT
1	Select projects from 10-year plan and 5-year plan for grant funding	X				X	
2	Select joint capital projects in coordination with Fargo	N/A				X	
3	Enter projects into MnDOT BlackCat and update (annually)					X	
4	Establish grant project milestones and update (quarterly/annually)					X	
5	Review public hearing notice for grant public hearings, operating and capital (semi-annually)			X		X	
6	Provide projects to Metro COG for TIP (annually) and update (as needed)		X			X	
7	Meet with MnDOT for projects in STIP (annually) and update (as needed)		X			X	
8	Meet periodically to update project milestones with Fargo and transit staff (quarterly)		X	X		X	X
9	Procurement: Review of type/method/documents					X	
10	Procurement: Completion of documents	X	X	X		X	
11	Track Contracts and Certifications for Signature, Laserfiche and uploading to grant software (ongoing)	X					
12	Review Federal notifications and regulation updates for changes in requirements and ensure compliance	X					
13	Review staff project implementation and documents for compliance with State and Federal regulations	X					
	a. Davis-Bacon wage rates and weekly payroll reports			X			

OTHER FEDERAL REPORTING REQUIREMENTS:		DIRECTOR	ASST. DIRECTOR OPERATIONS	ASST. DIRECTOR FLEET & FACILITIES	MOBILITY MANAGER	OFFICE MANAGER	SENIOR ACCOUNTANT
1	* DBE Plan and 3-year Goal				X		
	DBE semi-annual reports				X		X
2	Title VI 3-year Plan				X		
3	Procurement Policy						X
4	Transit Development Plan	X	X	X			
5	Triennial Review (every three years)	X	X	X		X	X
6	* Safety Plan – PTASP (update targets annually, plan every four years)			X			
7	* Transit Asset Management (TAM) Plan (update assets annually, plan every four years)			X			
8	Inventory update (annually) / inventory reconciliation (bi-annually)					X	X
9	Review documents of contractors for compliance		X				
10	National Transit Database – NTD (Annually)		X	X			X

* Requires accountable executive approval (City Manager) - CHANGE TO EXECUTIVE DIRECTOR?



OPERATIONS:		DIRECTOR	ASST. DIRECTOR OPERATIONS	ASST. DIRECTOR FLEET & FACILITIES	MOBILITY MANAGER	OFFICE MANAGER	SENIOR ACCOUNTANT
1	Develop and/or review MATBUS policies and procedures, including Employee Handbook	x	x	x			
2	Review website and approve changes		x				
3	Complete route planning and analysis		x				
4	Create a scope of work for Metro COG to complete route planning and analyses		x				
5	Determine placement of shelters and amenities, establish priorities based on criteria			x			
6	Farebox operations, reports and analysis		x	x			
7	Review complaints, reply to citizens and City Manager		x				