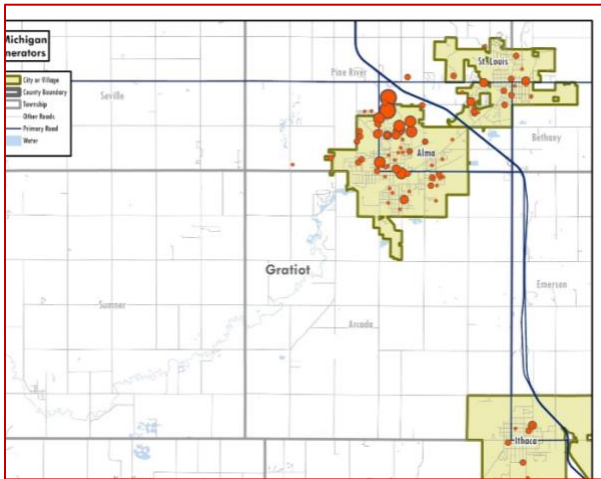


Final Report

TRANSPORTATION NEEDS STUDY AND SERVICE PLAN



Submitted to: City of
Alma Transit Center

Submitted by:
Mp2planning, LLC

June 2023

Alma Transit Center Transportation Study-Final Report Executive Summary

Mp2planning performed the Transportation Study for Alma Transit Center (ATC) in cooperation with ATC's staff. The project began in the Fall of 2022 and was completed in June, 2023. The study involved a review of current transit services provided, agency staff, fleet, and transit performance indicators.

Current Status of System

ATC was originally established in 1975 as Alma Dial-A-Ride. Over time the name was changed to Alma Transit Center. ATC originally provided service in the City of Alma only, but gradually expanded services, and now provides service to Pine River Township and the Cities of Ithaca and St. Louis. ATC also provides pre-scheduled service to Mt. Pleasant in coordination with Isabella County Transportation Commission. Alma Transit Center operates from 7 a.m. to 8 p.m. and is a department of the City of Alma. ATC's employees are City employees, and the City Commission acts as ATC's board of directors.

ATC currently has a fleet of 15 vehicles, and one way fares are \$2.00 for most adults, while those who are seniors and disabled pay ½ the regular fare, or \$1.00. Children under 5 and those seniors 75 and over, ride for free.

Performance Indicators

ATC's cost per hour based on last year's data (most recent full year) is \$61.32. The 5 year average cost is \$50.00 per hour, so costs have increased over time. ATC's passengers have rebounded from COVID years (a low of 40,505 in 2021) to over 67,000 in 2022.

ATC's service has evolved over time to serve additional areas in Gratiot County, its costs are generally lower than similar surrounding transit agencies, and is operating efficiently using the Michigan Department of Transportation's criteria.

Surveys

As part of the study, the Consultant conducted a survey which asked questions about the current service, utilization of the service, trip purposes, unmet service needs, and support for enhanced financing for increased service. The surveys were mailed to 10,000 households in Gratiot County whose addresses were provided by the Gratiot County Equalization Department. 1152 property owners completed and returned surveys.

On the question of "Do you support affordable transportation for seniors and disabled persons?" the mail back survey indicated 89.3% stated 'Yes'. On the question of "Would you support a millage or special assessment dedicated to a county-wide public transportation system in Gratiot County?" the mail back survey indicated 52.2% said 'Yes', while 18.9% said 'No', and 28.9% said 'Undecided'.

Future Service Options

The consultant team offered 4 service options for each of the following scenarios: A) ACT remains as is; with current organization and contract services, and B) A county-wide transportation authority is formed. These options included zone services, timed routes between Ithaca, Alma, and St. Louis, along with presenting some microtransit service options.

Cost estimates were presented for each option, along with the local funding needed to finance expanded services, which included millage rates and resultant funding. The consultant team also presented options for forming an Act 196 transit authority in Gratiot County.

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1. INTRODUCTION

The City of Alma Transit Center (ATC) is conducting a Transportation Needs Study and Service Plan with funding from the Michigan Department of Transportation. This is the draft final report. The study is being conducted by Mp2planning working with ATC staff.

The ATC is a city-based bus system operating primarily in the City of Alma. ATC also provides service to the Gratiot County cities of St. Louis and Ithaca as well as the Township of Pine River. The aforementioned public entities formed an Act 196 public transit authority (St. Louis Ithaca Pine River Transit Authority, or SLIPR) to seek an operating millage commensurate with Alma's transit millage to contract transit service from the City of Alma and ATC. The millage passed in November, 2020, and SLIPR and the City of Alma agreed to an operating agreement which runs from July 1, 2021 through June 30, 2026.

The ATC buses are operated on a demand-response basis: a person calls ATC to make a ride request and the trip is scheduled. ATC currently has no fixed route service, though they do have prior scheduled on-demand service to the city of Mt. Pleasant in Isabella County.

Figure 1 presents the general schedule being followed for this project.

Figure 1
Project Schedule (Revised)

Task *	November	December	January (2023)	February	March**	April
1. Data Collection			TM1			
2. Surveys				TM2		
3. Summation of Existing Conditions and Future Demand					TM3	
4. Future Service Design and Cost Evaluation					TM4	
5. Draft and Final Report					DRAFT	FINAL

*TM - Technical Memorandum

**May be extended depending on client review and public engagement needs

2. EXISTING CONDITIONS

Background

Alma Transit was originally formed in 1975 by the City of Alma as ‘Alma Dial-A-Ride’. Its name has changed over time to Alma Transportation Center and to now Alma Transit Center. Service was originally based in the City of Alma only. Gradually service expanded and contracted in the surrounding township and the cities of St. Louis and Ithaca.

From its inception in 1975 to 2000, Alma Transit provided an average of 68,500 trips per year. Ridership experienced a reduction in the 2000’s, but slowly grew to a pre-COVID high of 72,222 in Fiscal Year (FY) 2019. Ridership fell off for 2020 and 2021 but has rebounded to 67,067 in FY 2022.

Operations

Alma Transit (ATC) provides demand-response service in the City of Alma, and via contract to the cities of Ithaca, St. Louis, and Pine River Township at present. ATC also provides pre-scheduled service (based on demand) to Mt. Pleasant in Isabella County. This service is operated in concert with the Isabella County Transportation Commission (I-Ride). ATC buses head to Mt. Pleasant in Isabella County at 8:00 a.m., 12:00 p.m., and 6:00 p.m. I-Ride head south to Alma at 10:00 a.m., 2:00 p.m., and 4:00 p.m. Service is pre-scheduled 24 hours in advance, so the bus service is rider dependent. No trips are made for time slots where there are no bookings.

ATC operates from 7:00 a.m. to 8:00 p.m. Monday through Friday. Evening and weekend service is not offered at present. ATC is a city-based system and is a department of the City of Alma. Alma’s City Commission acts as ATC’s board, and ATC’s Director reports to the Alma City manager.

Facility

ATC has a newer facility that was completed in 2009. Due to service expansion the current facility is no longer adequate to meet the needs of the operation. ATC does have tentative funding from the Federal Transit Administration and the Michigan Department of Transportation for a new facility, which is currently envisioned as being constructed on the same property as the current facility. Plans are to house all buses and maintenance at the future facility as well as a training/meeting room. Administration will remain at the current facility.

Vehicles

ATC operates a fleet of 15 vehicles: 11 Cutaway buses, 3 Vans and 1 Minivan. A breakdown of the vehicle inventory follows in Table 1.

Table 1: ATC Vehicle Fleet

Vehicle Type	Year	Seats	# of Wheelchair placements	Mileage	Vehicle Length
Light Duty Cutaway	2020	17	1	47,560	23'
Light Duty Cutaway	2020	17	1	43,543	23'
Light Duty Cutaway	2020	17	1	40,758	23'
Light Duty Cutaway	2020	17	1	39,326	23'
Light Duty Cutaway	2019	21	2	67,227	25'
Light Duty Cutaway	2019	17	1	58,203	25'
Light Duty Cutaway	2019	17	2	74,233	23'
Light Duty Cutaway	2019	23	0	30,134	25'
Light Duty Cutaway	2019	17	2	71,879	25'
Light Duty Cutaway	2019	17	2	68,197	25'
Light Duty Cutaway	2011	17	2	163,879	24'
Van	2022	13	1	1,060	12'
Van	2020	13	1	35,977	12'
Van	2020	13	1	41,173	12'
Minivan	2016	3	2	71,435	15'

Source: JDrury Consulting, LLC, MDOT

Light Duty Cutaways have a service life of 7 years and/or 200,000 miles. Small Light Duty Cutaways have a service life of 5 years and/or 150,000 miles. Vans and minivans have a service life of 4 years and/or 100,000 miles. ATC's buses are stored at the transit facility.

Staff

Staff includes the Transportation Director, Operations Manager, Mechanic Supervisor/Training Supervisor, Accountant (who is $\frac{3}{4}$ time with Transit, $\frac{1}{4}$ with City), 5 dispatchers (who also drive) and 23 drivers. All staff are employees of the City of Alma. ATC has a maintenance staff of one full time and one trainee (who currently is a driver).

Operations support systems

ATC uses a computer-based dispatch software system (PCTrans). All demand response pickups are telephone call based and recorded in the system and sent to drivers via tablet. Any pre-scheduled trips are on drivers' tablets as they begin their day. As rides are assigned to buses via the computerized dispatch system tablets in buses are updated to reflect rider and pickup point and time.

Funding

ATC receives its operational funding from a mix of state, federal, and local dollars. State Operating Assistance (Local Bus Operating or LBO) is set by legislative appropriation each year and is determined by the eligible budgeted expenses for all the transit agencies in the State. The percentage fluctuates from year to year, so a specific, set percentage is not available. LBO is normally 35-45% of eligible expenses. The current fiscal year funding (FY 2023) is 34.5849% of eligible expenses.

Federal operating funding (due to COVID) has increased from the historical standard of 18% of eligible expenses to 36-40% over the past several years. Current Fiscal Year reimbursement rate for Federal Section 5311 is 36% of eligible expenses. Fiscal year 2023 is the last year of increased COVID ARPA allocation, so federal funding will likely decrease back to 18% of eligible expenses in Fiscal Year 2024. Federal Section 5311 funding is based on federal budget allocations to the state.

In the current fiscal year, ATC will receive 70.5849% of its eligible expenses. The remaining 29.4151% will come from local millage/contracts, and farebox to balance the budget.

Local Revenues

ATC has a millage in perpetuity based on 1 mil. That millage amount is reduced to .96 due to Michigan's Headlee Amendment, which reduces the basis amount to the original value of the millage. Through a contract with SLIPR, ATC collects the commensurate millage (.96) from that transit authority, which is approximately \$275,753 annually. Farebox revenue averaged \$90,902 over the last five years, and ATC projects farebox revenue at \$95,000 for the current year and the same for FY 2024. For FY 2024, the millage amount will be reduced by the City of Alma to .80. SLIPR will also adjust the millage it collects to .80. Millage revenues to ATC will be approximately \$153,000 from Alma and \$204,000 from SLIPR in FY 2024.

Fares

Fares are based on one-way trips.

Fares are summarized in Table 2.

Table 2: Fare Summary

Category	Full Fare	Half Fare*
Children under 5 (free with adult)	No Charge	
Ages 5-64	\$2.00	\$1.00
Ages 65-74		\$1.00
Age 75+	No Charge	

*Disabled persons who certify a disability with ATC. Seniors 65-74's full fare is ½ regular fare.

Source: JDrury Consulting, LLC

Operational Costs

All public transit systems in Michigan use Performance Indicators (costs based on passengers, miles and hours) to determine costs and efficiencies in service operations. The Michigan Department of Transportation's (MDOT) Office of Public Transportation maintains a database of all transit costs.

ATC's performance indicators (costs based on passengers, miles and hours) from 2022-2018 are summarized in Table 3 below.

Table 3: ATC 5 Year Performance Indicators

Fiscal year	Total Passengers	Total eligible expenses	Total Miles	Total Vehicle Hours	Cost/Pass.	Cost/Mile	Cost/hour	Pass/Veh. Hour	Pass./Veh. Mile
2022	67,067	\$1,174,278	276,347	19,150	\$17.51	\$4.25	\$61.32	3.50	.24
2021	40,505	\$921,652	190,671	17,325	\$22.75	\$4.83	\$53.20	2.34	.21
2020	48,227	\$684,004	175,858	15,095	\$14.18	\$3.89	\$45.31	3.19	.27
2019	72,222	\$672,924	228,465	17,323	\$9.32	\$2.95	\$38.85	4.17	.32
2018	57,835	\$767,738	181,682	15,512	\$13.27	\$4.23	\$49.49	3.73	.32
Totals	285,856	\$4,220,596	1,053,023	84,405	\$14.76	\$4.01	\$50.00	3.39	.27

Source: JDrury Consulting, LLC, MDOT

Table 4: Performance Indicators for 2022**ATC vs Surrounding and Similar Transit Systems**

Transit System	Total Passengers	Total eligible expenses	Total Miles	Total Vehicle Hours	Cost/Pass.	Cost/Mile	Cost/hour	Pass/Veh. Hour	Pass./Veh. Mile
Belding Dial-A-Ride	18,416	\$260,857	69,223	2,781	\$14.16	\$3.77	\$93.80	6.62	.27
Big Rapids Dial-A-Ride	81,774	\$691,868	139,633	11,548	\$8.46	\$4.95	\$59.91	7.08	.59
Greenville Transit	23,370	\$332,330	58,102	7,779	\$14.22	\$5.72	\$42.72	3.00	.40
Ionia Dial-A-Ride	43,350	\$535,547	105,480	8,476	\$12.35	\$5.08	\$63.18	5.11	.41
Midland Dial-A-Ride	91,567	\$2,147,996	387,538	25,234	\$23.46	\$5.54	\$85.12	3.63	.24
Shiawassee Area Transportation Agency	46,134	\$910,584	287,259	18,581	\$19.74	\$3.17	\$49.02	2.48	.16
AVERAGE	<i>50,769</i>	<i>\$813,342</i>	<i>174,539</i>	<i>12,390</i>	<i>\$16.02</i>	<i>\$4.66</i>	<i>\$65.58</i>	<i>4.09</i>	<i>.29</i>
Alma Transit	67,067	\$1,174,278	276,347	19,150	\$17.51	\$4.25	\$61.32	3.50	.24

Source: JDrury Consulting, LLC, MDOT

As Table 5 demonstrates, ATC's performance indicators are in line with the average of the comparison public transit systems. Costs per hour and costs per mile per are below the average, while ridership exceeds the average. ATC's operating budget is higher than all but one of the comparison systems, though its vehicle hours are above the average.

4 Year Ridership Comparison: Surrounding Systems**Table 5: Ridership Pre-COVID to COVID Recovery**

Transit Agency	Fiscal Year	# of Vehicles	Total Passengers
Midland Dial-A-Ride	2022	14	91,567
Midland Dial-A-Ride	2021	14	69,375
Midland Dial-A-Ride	2020	14	75,291
Midland Dial-A-Ride	2019	14	109,509
Clinton Area Transit System	2022	26	57,376
Clinton Area Transit System	2021	24	45,451
Clinton Area Transit System	2020	24	41,188
Clinton Area Transit System	2019	29	52,956
Alma Transit Center	2022	15	67,067
Alma Transit Center	2021	16	40,505
Alma Transit Center	2020	18	48,227
Alma Transit Center	2019	9	72,222
Belding Dial-A-Ride	2022	5	18,416
Belding Dial-A-Ride	2021	5	21,537
Belding Dial-A-Ride	2020	5	18,874
Belding Dial-A-Ride	2019	5	24,619

Big Rapids Dial-A-Ride	2022	8	81,774
Big Rapids Dial-A-Ride	2021	8	57,967
Big Rapids Dial-A-Ride	2020	8	94,997
Big Rapids Dial-A-Ride	2019	7	141,386
Greenville Transit	2022	6	23,370
Greenville Transit	2021	7	17,703
Greenville Transit	2020	7	20,968
Greenville Transit	2019	7	29,142
Ionia Dial-A-Ride	2022	7	43,350
Ionia Dial-A-Ride	2021	7	33,336
Ionia Dial-A-Ride	2020	9	33,732
Ionia Dial-A-Ride	2019	9	42,496
Shiawassee Area Transportation Agency	2022	15	46,134
Shiawassee Area Transportation Agency	2021	15	43,335
Shiawassee Area Transportation Agency	2020	15	48,980
Shiawassee Area Transportation Agency	2019	17	78,413

Source: Charles Lindstrom; MDOT

The table above shows a comparison of yearly ridership of the Alma Transit Center (ATC) and neighboring or similar type agencies. The report indicates yearly statistics from 2019 – 2022. The statistics from 2019 represent pre-covid ridership, while 2022 represents recovery from Covid. As a result of Covid, it is difficult to exhibit normal ridership trends for all agencies. While some transit agencies represented in the table show increase and/or decreases in ridership, ATC figures in 2022 appear to be average or better than 2020 or 2021 ridership. Compared to other agencies, ATC shows a favorable recovery since the COVID pandemic.

The table below indicates historical ridership data for Alma Transit.

Table 6: ATC's 20 Year Ridership based on Reconciled #'s

Year	Total Vehicles	Total Passengers
2022	15	67,067
2021	16	40,505
2020	18	48,227
2019	9	72,222
2018	9	57,835
2017	9	53,491
2016	9	53,456
2015	8	49,030
2014	8	46,397
2013	9	41,058
2012	10	44,426
2011	11	50,935
2010	10	44,595
2009	10	53,552
2008	10	53,456
2007	10	53,600
2006	9	51,378
2005	10	60,443

2004	10	62,632
2003	10	63,516
2002	10	65,995
20 Year total ridership		1,134,356

Source: JDrury Consulting, LLC; MDOT

Demographic Information

The following tables present demographic information from the U.S. Census.

Table 7: General Demographic Information

Demographics	Gratiot County, Michigan	
	Total	60 years and over
Label	Estimate	Estimate
Total population	25,654	9,536
SEX AND AGE		
Male	50.6%	48.6%
Female	49.4%	51.4%
Median age (years)	51.7	69.9
RACE AND HISPANIC OR LATINO ORIGIN		
One race	94.9%	97.5%
White	91.6%	95.7%
Black or African American	0.7%	0.1%
American Indian and Alaska Native	1.7%	1.1%
Asian	0.5%	0.2%
Native Hawaiian and Other Pacific Islander	0.0%	0.0%
Some other race	0.4%	0.3%
Two or more races	5.1%	2.5%
Hispanic or Latino origin (of any race)	1.6%	0.5%
White alone, not Hispanic or Latino	90.7%	95.4%
HOUSEHOLDS BY TYPE		
Households	10,671	5,758
Family households	65.9%	58.1%
Married-couple family	53.5%	52.4%

Female householder, no spouse present, family	7.7%	3.6%
Nonfamily households	34.1%	41.9%
Householder living alone	28.6%	38.9%
EDUCATIONAL ATTAINMENT		
Population 25 years and over	19,738	9,536
Less than high school graduate	9.3%	8.0%
High school graduate, GED, or alternative	35.8%	34.9%
Some college or associate's degree	32.2%	32.1%
Bachelor's degree or higher	22.7%	25.0%
DISABILITY STATUS		
Civilian noninstitutionalized population	25,348	9,410
With any disability	18.8%	29.6%
No disability	81.2%	70.4%
EMPLOYMENT STATUS		
Population 16 years and over	22,015	9,536
In labor force	51.0%	20.0%
Civilian labor force	50.7%	20.0%
Employed	46.9%	18.9%
Unemployed	3.7%	1.1%
Percent of civilian labor force	7.4%	5.6%
Armed forces	0.4%	0.0%
Not in labor force	49.0%	80.0%
POVERTY STATUS IN THE PAST 12 MONTHS		
Population for whom poverty status is determined	25,342	9,410
Below 100 percent of the poverty level	12.5%	9.5%
100 to 149 percent of the poverty level	12.5%	10.3%
At or above 150 percent of the poverty level	75.0%	80.2%
Occupied housing units	10,671	5,758
HOUSING TENURE		
Owner-occupied housing units	84.9%	92.5%
Renter-occupied housing units	15.1%	7.5%
Source: American Community Survey, 2021, US Census		

As shown in the information below, there has been a slight decline in population in Gratiot County but a significant increase in the percentage of population 65+.

The population of Gratiot County, Michigan in 2021 was 25,752, 1.2% down from the 26,059 who lived there in 2010. For comparison, the US population grew 7.3% and Michigan's population grew 1.8% during that period.
Source: USA Factfinder

Among six age groups — 0 to 4, 5 to 19, 20 to 34, 35 to 49, 50 to 64, and 65 and older — the 65+ group was the fastest growing between 2010 and 2021 with its population increasing 29.9%. The 5 to 19 age group declined the most dropping 23.3% between 2010 and 2021.
Source: USA Factfinder

Figure 2: Trip Generators

The following maps present graphic illustrations of ATC's ridership patterns.

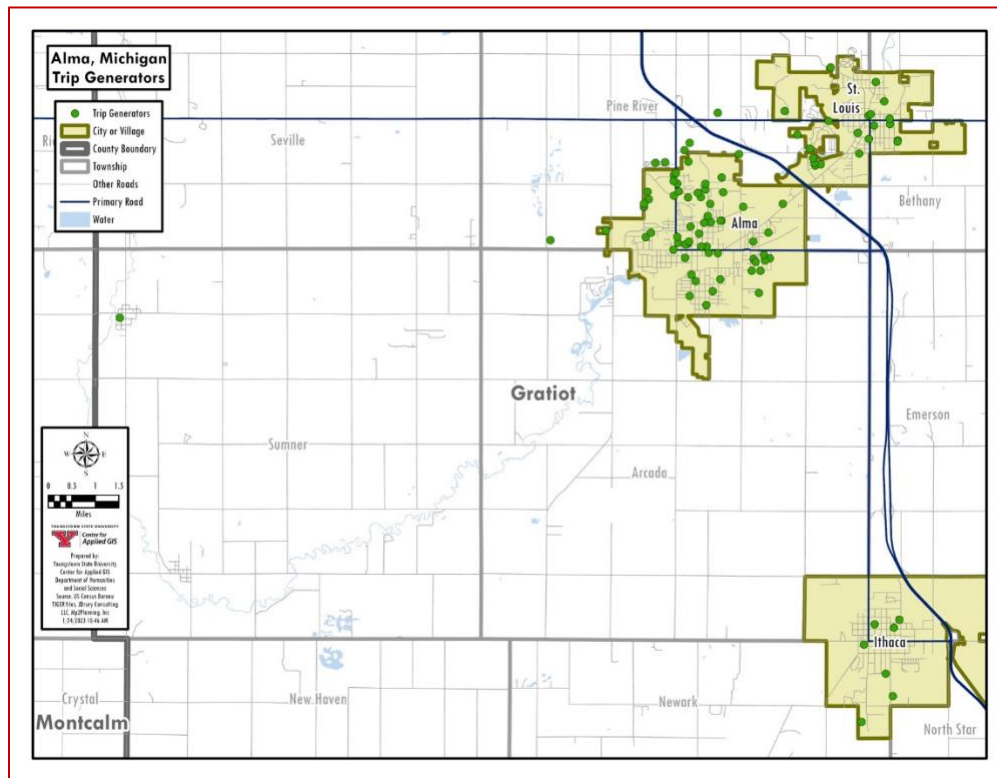
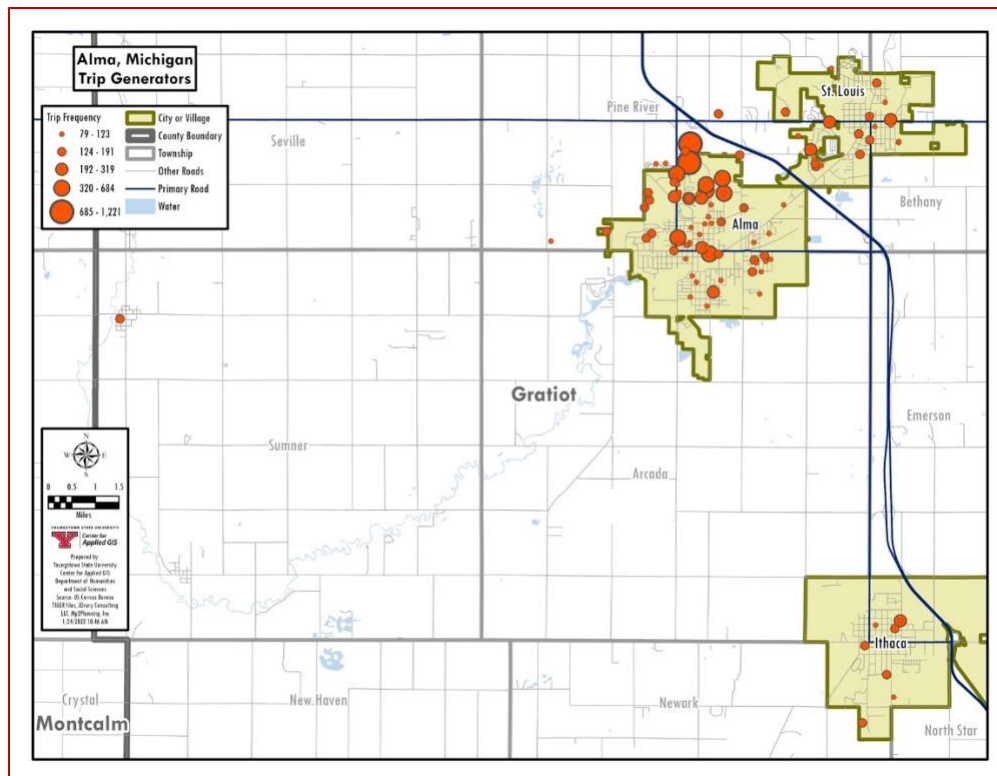


Figure 2A – ATC Trip Generators (origin/destination locations are shown above; the number of trips (frequency) is shown below.



3. SURVEYS

The consultant conducted a survey of Gratiot County residents. The survey results are presented in this section.

Survey Results

A mail survey of 10,000 households were sent to residents in Gratiot County. These were assembled by taking a database of all parcels in the county (provided by the County Equalization Office) and then sorting them to remove to the extent possible all duplicates, obvious businesses, and then selecting 10,000 from the remainder. The survey was mailed in late December and surveys were collected until the latter part of February. The results are presented in Table 1.

Table 1: Mail-back Survey Results

Q1. Do you, or does anyone in your home, use Alma Transit?					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	116	10.1	10.2	10.2
	No	1025	89.0	89.8	100.0
	Total	1141	99.0	100.0	
Missing	No answer	11	1.0		
Total		1152	100.0		

Slightly over 10 percent of the respondents reported using transit. This is comparable or possibly higher than many peers. As an example, Charlevoix Transit reported 4% of Charlevoix County's population used public transit in Fiscal Year 2022.

Q2. If yes, what is the primary reason you use ride the bus service?

		Responses		Percent of Cases
		#	Percent	
\$q2 ^a	Working or seeking employment	22	14.7%	19.0%
	Shopping	34	22.7%	29.3%
	Attending school or training	21	14.0%	18.1%
	Medical or dental appointments	52	34.7%	44.8%
	Social / recreation	12	8.0%	10.3%
	Other	9	6.0%	7.8%
Total		150	100.0%	129.3%

Over half the trips come from people needing medical or dental care or shopping.

Q3. What is your general impression of public transportation in the region?

		Responses		Percent of Cases
		#	Percent	
\$q3 ^a	Adequately meets the community needs	280	19.0%	26.6%
	Should be expanded	366	24.9%	34.8%
	Works well for those who can't or don't drive	653	44.4%	62.0%
	Public transportation is not needed in our area	61	4.1%	5.8%
	None of the above	40	2.7%	3.8%
	Other	70	4.8%	6.6%
Total		1470	100.0%	139.6%

There appears to be general support for public transportation in the region.

Q4. Do you, or others in your home, have problems meeting your transportation needs?					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	126	10.9	11.4	11.4
	No	975	84.6	88.6	100.0
	Total	1101	95.6	100.0	
Missing	99	51	4.4		
Total		1152	100.0		
Q5. How often will you, or others in your home, use public transportation services in the Gratiot County region within the next 10 years?					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Never	346	30.0	31.3	31.3
	Rarely	120	10.4	10.9	42.2
	Occasionally/sometimes	187	16.2	16.9	59.1
	Frequently	85	7.4	7.7	66.8
	All the time	26	2.3	2.4	69.1
	Not sure	341	29.6	30.9	100.0
	Total	1105	95.9	100.0	
Missing	99	47	4.1		
Total		1152	100.0		
Q6. Do you, or other adults in your home, choose not to drive or limit the amount of driving when possible?					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	412	35.8	37.2	37.2
	No	697	60.5	62.8	100.0
	Total	1109	96.3	100.0	
Missing	99	43	3.7		
Total		1152	100.0		

Reviewing Questions 5 through 6, the percentages of people who use the service and possibly need it in the future is higher than the percentages currently using it suggests higher rates of use in the future.

Q7. Because of gas prices or other convenience factors, would you or other members of your household consider using a public transportation service if it met your needs?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	461	40.0	41.4	41.4
	No	334	29.0	30.0	71.4
	Not sure	319	27.7	28.6	100.0
	Total	1114	96.7	100.0	
Missing	99	38	3.3		
Total		1152	100.0		

Based on the response to Question 7, there is a clear relationship between energy prices and use of transportation.

Q8. If yes, what type of service would you consider using?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	A regularly scheduled bus route	57	4.9	12.9	12.9
	An on-request transportation service similar to service Alma Transit currently operates	305	26.5	69.2	82.1
	A route or service that came near my area	79	6.9	17.9	100.0
	Total	441	38.3	100.0	
Missing	99	20	1.7		
	System	691	60.0		
	Total	711	61.7		
Total		1152	100.0		

Q9. Do you support affordable public transportation for seniors and disabled persons?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	1000	86.8	89.3	89.3
	No	51	4.4	4.6	93.8
	Not sure	69	6.0	6.2	100.0
	Total	1120	97.2	100.0	
Missing	99	32	2.8		
Total		1152	100.0		

Most respondents indicated support for transportation for seniors and disabled persons.

Q10. Would you support a millage or special assessment dedicated to a county-wide public transportation system in Gratiot County?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	579	50.3	52.2	52.2
	No	210	18.2	18.9	71.1
	Not sure	321	27.9	28.9	100.0
	Total	1110	96.4	100.0	
Missing	99	42	3.6		
Total		1152	100.0		

About half the respondents to Question 10 stated they would support a millage while about 28 percent were not sure. With only 19 percent stating they would not support a millage, it appears that a millage would have support countywide.

Q11. Where do you live?					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Alma	277	24.0	24.8	24.8
	Ashley	17	1.5	1.5	26.4
	Bannister	11	1.0	1.0	27.4
	Breckenridge	39	3.4	3.5	30.9
	Elm Hall	9	0.8	0.8	31.7
	Elwell	19	1.6	1.7	33.4
	Ithaca	123	10.7	11.0	44.4
	Middleton	13	1.1	1.2	45.6
	Perrinton	28	2.4	2.5	48.1
	Pompeii	5	0.4	0.4	48.5
	Riverdale	29	2.5	2.6	51.1
	St. Louis	166	14.4	14.9	66.0
	Arcada	49	4.3	4.4	70.4
	Bethany	38	3.3	3.4	73.8
	Elba	5	0.4	0.4	74.3
	Emerson	25	2.2	2.2	76.5
	Fulton	15	1.3	1.3	77.8
	Hamilton	9	0.8	0.8	78.7
	Lafayette	4	0.3	0.4	79.0
	New Haven	21	1.8	1.9	80.9
	Newark	20	1.7	1.8	82.7
	North Shade	12	1.0	1.1	83.8
	North Star	23	2.0	2.1	85.8
	Pine River	63	5.5	5.7	91.5
	Seville	22	1.9	2.0	93.5
	Sumner	38	3.3	3.4	96.9
	Washington	11	1.0	1.0	97.8
	Wheeler	24	2.1	2.2	100.0
	Total	1115	96.8	100.0	
Missing	99	37	3.2		
Total		1152	100.0		

We also looked at a cross-tabulation between where people live and whether they support the millage. The results are next.

Survey Q10: Would you support a millage or special assessment dedicated to a county-wide public transportation in Gratiot County?

Townships/City, Village	Seville Sumner New Haven North Shade Riverdale Elm Hall	Fulton Middleton Perrinton Pompeii Washington Elba Hamilton Ashley Bannister North Star	Ithaca Newark Emerson Lafayette North Star	Alma St. Louis Breckinridge Pine River Bethany Arcada Wheeler Elwell	Totals
Yes	60	45	110	356	571
No	29	29	28	120	206
Not sure	38	40	50	186	314

4. SERVICE DESIGN AND COST

The Consultant team has developed two separate service designs - one for ATC should they not pursue county-wide service, and the other on the assumption that ATC will become a county-wide transit authority.

Service Design Options

Alma currently services the City of Alma via Demand-Response Service. The system receives a millage to support that service. In addition to the City of Alma, the transit system was successful in securing millage funding from St Louis, Ithaca and Pine River Township to provide Demand Response Service between those areas and Alma. Along with Demand-Response Service, the system provides contract rides for human service and medical agencies and rides to Mt Pleasant on a scheduled basis; these trips only run when passengers have booked rides.

The general outline of these options is provided next.

Maintain Current ACT Structure. (Option A)

- 1) Maintain Status-Quo with current service design.
- 2) Maintain current service area and expand service hours to offer more Demand-Response Service.
- 3) Maintain current service area and offer expanded service through a micro transit service.
- 4) Establish a timed run between Alma and Ithaca. This service can be combined with other service options.

ATC Operating as a County-Wide Authority. (Option B)

- 1) Maintain contract service and expand Demand-Response to a county-wide program that allows for service anywhere in the county.
- 2) Maintain contract service and offer Demand-Response service in Alma, Ithaca and St Louis areas. Create zones for service to the rural areas of the county.
- 3) Add a zoned micro transit service to enhance expanded service options listed above.
- 4) Establish a timed run between Alma and Ithaca. This service can be combined with other service options above.

A Look at Option A

- 1) Maintain Status-Quo with current service design. The current service does a good job providing service in the limited service area of Alma as well as through the SLIPR service in St Louis, Ithaca, and Pine River. If there is a determination that county-wide service is desirable, then this option would not work.
- 2) Maintain current service area and expand service hours to offer more Demand-Response Service. This option provides essentially the same Demand-Response service but increases the amount of service being provided during the week. This could be done by offering additional service earlier or later in the day and/or offering weekend service. Expand weekdays to include early morning/late evening service for job access; working with employers to make employees aware of service. Example-1: Begin service at 6:00am to allow for those going to work/school to have more transportation opportunities. Example-2: Increase service for the SLIPR and Alma service area to include daytime Saturday service.
- 3) Maintain current service area and offer expanded service through a micro transit service. With this option maintaining the current Alma and SLIPR service which includes contract service, Demand-Response Service in Alma as well as Demand-Response service in St Louis, Pine River and Ithaca through the SLIPR contract.

Adding micro transit, which is more like a ride-hailing service such as an Uber/Lyft style service, would offer additional service in a smaller service area. Providing service in a smaller, more populated area will offer quicker trip response and more individualized service versus normal demand-response service which strives to combine trips for those traveling in the same direction; this service tends to take longer due to multiple stops along the way. Micro transit service is designed to allow passengers to take more control of their ride booking by utilizing apps/software and for the most part, bypasses the need for calling the dispatch office. While adding this service would require a change in scheduling/dispatching software, the benefit is newer, more robust software that offers additional benefits through updated algorithms, optimization, comingling of services and reporting. A new software platform would allow multiple forms of service (demand-response, micro transit, flexible/timed routes, etc.) to be run from a single platform.

For this example, service would start with one predetermined area, such as near the Alma College Campus, and operate two (2) vehicles during peak hours. For service kick-off, this would potentially be 12 hours of service between two vehicles. As ridership increases, the service times and utilization of vehicles can be adjusted.

A Look at Option B

- 1) Maintain contract service and expand Demand-Response to a county-wide program that allows for service anywhere in the county. This option allows residents to call at any time during service hours for rides regardless of location. Trips are booked on a first-come/first serve basis and are co-mingled when appropriate. This allows for multiple passengers on the bus at one time, however there's the possibility there'll be an increased amount of single rider trips. Example: Add four (4) eight-hour shifts daily to manage the increase in Demand-Response Service. Vehicle deployment can be adjusted as needed for increases/decreases in service.
- 2) Expand current service delivery by adding additional shifts and create zones for service to the rural areas of the county. While the demand-response service areas would remain the same, the service can expand with ridership growth within the current service area. By creating zones for the more rural areas of the county, the transit system can provide service to the outlying areas of the county but in a different format than the typical demand-response service. With zone service the county can be divided into two, four or six zones and service would be provided on designated days of the week for each zone. Frequency of service in the zones can be adjusted to meet passenger need.

For this example, we increase the demand response fleet by starting with (1) vehicles and four (4) zones. Utilizing the zoned approach, this service would offer areas of the county service on certain days of the week. Using an advance or prescheduling approach for this service, the system can avoid a bus traveling to a zone with no passenger requests. Passengers would need to book rides the day before their zone service day: if no rides are booked by end-of-business, the vehicle does not travel to the zone the next day. If trips are booked, you then decide as to what that vehicle does between the trips from the zone. As service in the zones increases, the agency can then add additional service days for the zone or if there is enough demand, increase the Demand-Response service to include the zone in daily service.

- 3) Add a zoned micro transit service to enhance expanded service options listed above. Micro transit could be included in a county-wide service delivery model by initially creating several areas or service zones where the micro transit would be offered. Micro transit provided in predetermined zones could be parts of a community or an entire community. The format would follow the same outline as the examples in Option A-3.
- 4) Maintain the current demand-response services and establish a timed route between Alma and Ithaca. This option could also be combined with the zoned approach in 2B. This additional service would create a flexible route that travels between the two communities at predetermined times. Demand-Response and/or zone service vehicles could feed to this vehicle so that it maintains a timely travel

pattern between communities. Use centrally located community locations for transfer points from the feeder vehicles to the route/run vehicle(s). Expansion of this service would be gradual and would begin by deploying one vehicle per day (8 hr shift) and can be expanded to additional vehicles to better cover the agency's service hours as demand for service grows.

An example for this option would be to create a run that travels to/from Alma and Ithaca at certain times of the day. The service could leave from one location on the top of the hour and from the other location at the half hour or in 90-minute intervals allowing for multiple pick-up/drop-off locations within the two communities. The use of demand-response buses would feed to that pick-up location(s) for the express route between two communities. To keep this service running in a timely manner, it's imperative to not deviate from the travel route and limit the number of stops once the vehicle is on its commute between the communities. To get started, this travel pattern may only run four or five roundtrips spread out throughout the day. Between the timed run/express route service the vehicle would be utilized for local demand-response service to fill its full shift.

Cost Evaluation Per Service Option

A. Under Current Organizational Structure

Option 1A: Maintain status quo with current service area.

Option 2A: Maintain current service status and increase hours to offer additional service. Start service at 6 a.m. in the morning for an additional 5 hours of service for 3 vehicles. Add 10 hours of Saturday service utilizing 4 vehicles. Total daily additional hours of service would be 252 days times 3 hours per day, which at \$61.32 per hour equals \$46,358. The additional Saturday service would be 40 hours per day (55 Saturdays) at \$61.32 equals \$134,904. Total yearly cost for the additional service would total \$181,262. No additional vehicles other than normal replacements would be required.

Option 3A: Maintain current service and offer expanded service utilizing micro transit. The micro transit service area would be confined to one predetermined service area. If that is successful, other smaller service areas could be implemented. For the initial service area, two expansion vehicles would be required. This service would operate during peak hours (morning and afternoon), 6 hours per vehicle per day. Costs for this service would be 12 hours per day, 252 days per year at \$61.32. Estimated cost would be an additional \$185,432. The expansion vehicles needed would be small vehicles (SUV's) at an estimated cost of \$100,000.

Option 4A: Maintain current service but implement a timed route between Alma and Ithaca. As an example, this route could be spaced at 4 times per day: 8:00 a.m., 10:00

a.m., 2:00 p.m., 4:00 p.m. It would begin in Alma and arrive in Ithaca, dropping off passengers at a specified location. It would return to Alma at the off hours of 9:00 a.m., 11:00 a.m., 3:00 p.m. and 5:00 p.m. Four expansion vehicles would be needed (Ford Transit Vans) at an estimated cost of \$340,000. This would require an additional 32 hours per day for a yearly cost at \$61.32 per hour of \$494,484.

B: ATC operating as a County-Wide Authority

Option 1B: Maintain contract service, expand demand response to a full county-wide program. An additional 6 expansion vehicles would be needed, and an additional 48 hours per day. Cost for expansion vehicles would be an estimated \$510,000 (Ford Transit Vans). The service expansion cost estimate would be \$741,727.

Option 2B: Maintain current service and create zones to expand demand response service in the rural areas of the county. An additional bus would operate 8 hours a day per zone (4 zones as an example), so 1 additional vehicle would be needed initially to serve the zones on a rotating basis. The need for additional vehicles and hours for zone service would be based on demand. An additional 3 vehicles at 8 hours per day would assist in expanding demand response in the more populous areas of the county. This option would also require 4 expansion vehicles (Ford Transit Vans) at estimated cost of \$340,000. Operating costs would be an additional 32 hours per day, or \$494,484.

Option 3B: Maintain current service and add a micro transit service to enhance either option 1B or 2B above. Additional hours for the micro transit option would be 2 vehicles at 6 hours per day to start at an estimated operating cost of \$185,432. Two additional vehicles (SUV's or sedans) would be required at an estimated cost of \$100,000.

Option 4B: Continue current demand response service and establish a timed route between Alma and Ithaca, add demand response in zones. This service would require an additional \$494,484 for the timed route service, and an additional \$123,621 for zone service. Five additional expansion vehicles would be required at a cost of \$425,000.

Financing Options for Service Expansion under a County-Wide Authority:

Any transit agency that receives state and federal funds must have a balanced budget. As mentioned above, state and federal funds are paid at a percentage of each agency's eligible expenses. Local funds (farebox revenue, contract revenue, and other local funding) are needed to 'balance' an operating budget. Local funds can come in the form of an appropriation or dedicated transit millage. ATC currently receives a millage from the City of Alma as well as a commensurate millage from the SLIPR Authority. Should the decision be made to form a county-wide transit authority, the millage could be a lesser amount than what is currently being levied (.96 of a mil). Table 4.1 below illustrates millage amounts that could be realized at millage rate percentages of 1 mil.

Table 4.1

1 mil	\$1,681,648.17
.8 mil	\$1,345,318.54
.75 mil	\$1,261,236.13
.66 mil	\$1,109,887.79
.5 mil	\$840,824.09
.45 mil	\$756,741.68
.4 mil	\$672,659.27
.33 mil	\$554,943.90
.3 mil	\$504,494.45
.25 mil	\$420,412.04

The chart below illustrates the costs of each service option under the County-wide Authority and how much of a mil would be required in local funds.

Table 4.2 Local Funds Required to Balance

Option	Total Expenses*	State Funds**	Federal Funds**	Farebox	Local Funds (Millage)
1B	\$2,343,227	\$810,403	\$421,781	\$95,000	\$1,016,043
2B	\$2,095,984	\$724,894	\$377,277	\$95,000	\$898,813
3B	\$2,528,659	\$874,534	\$455,159	\$95,000	\$1,103,966
4B	\$2,219,605	\$767,648	\$399,529	\$95,000	\$957,428

*Total expenses include FY 2024 plus additional service costs per option

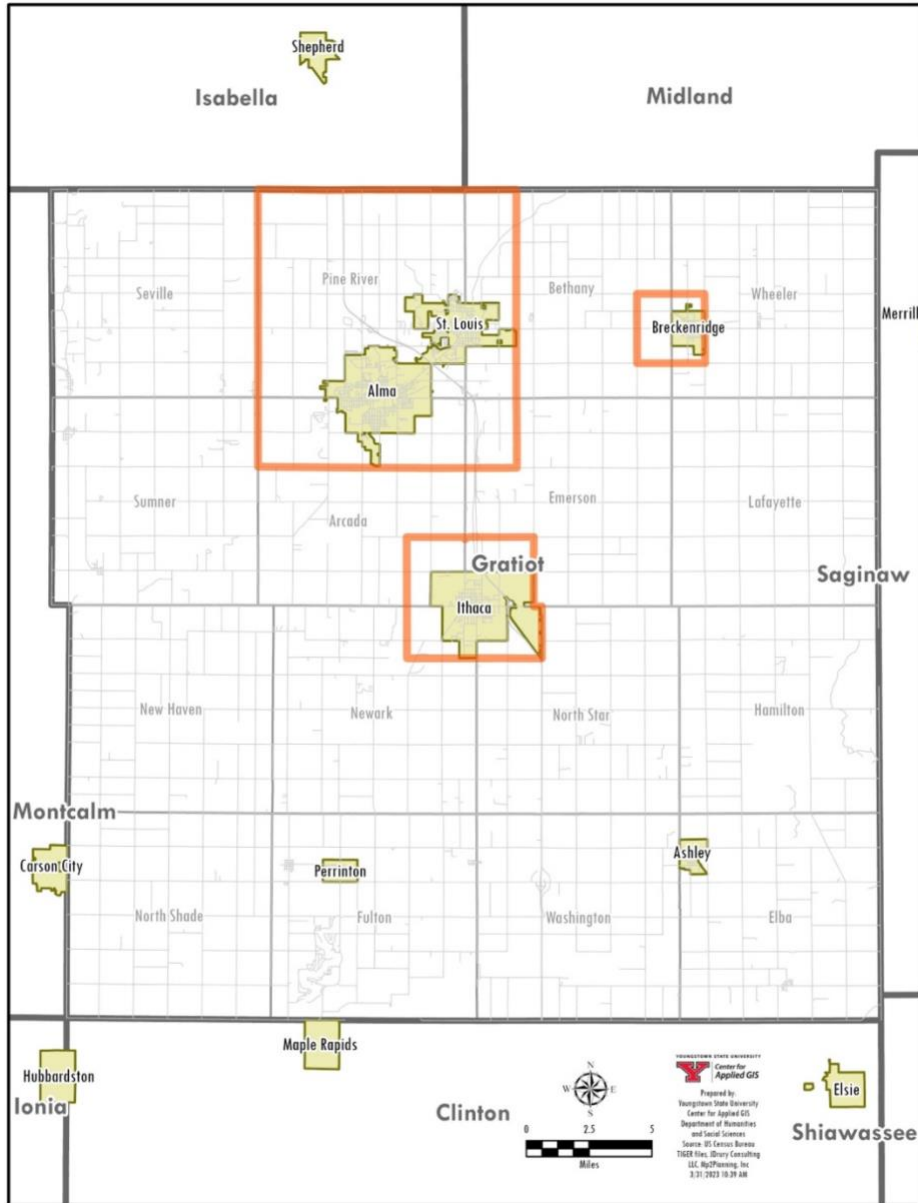
**State funding estimated at 34.5849%, Federal at 18%, Farebox projected at 2023 level

All of the above estimated operating costs are based on ATC's FY 2022 cost per hour of \$61.32. If cost per hour increases or decreases, the estimated costs will go up or down

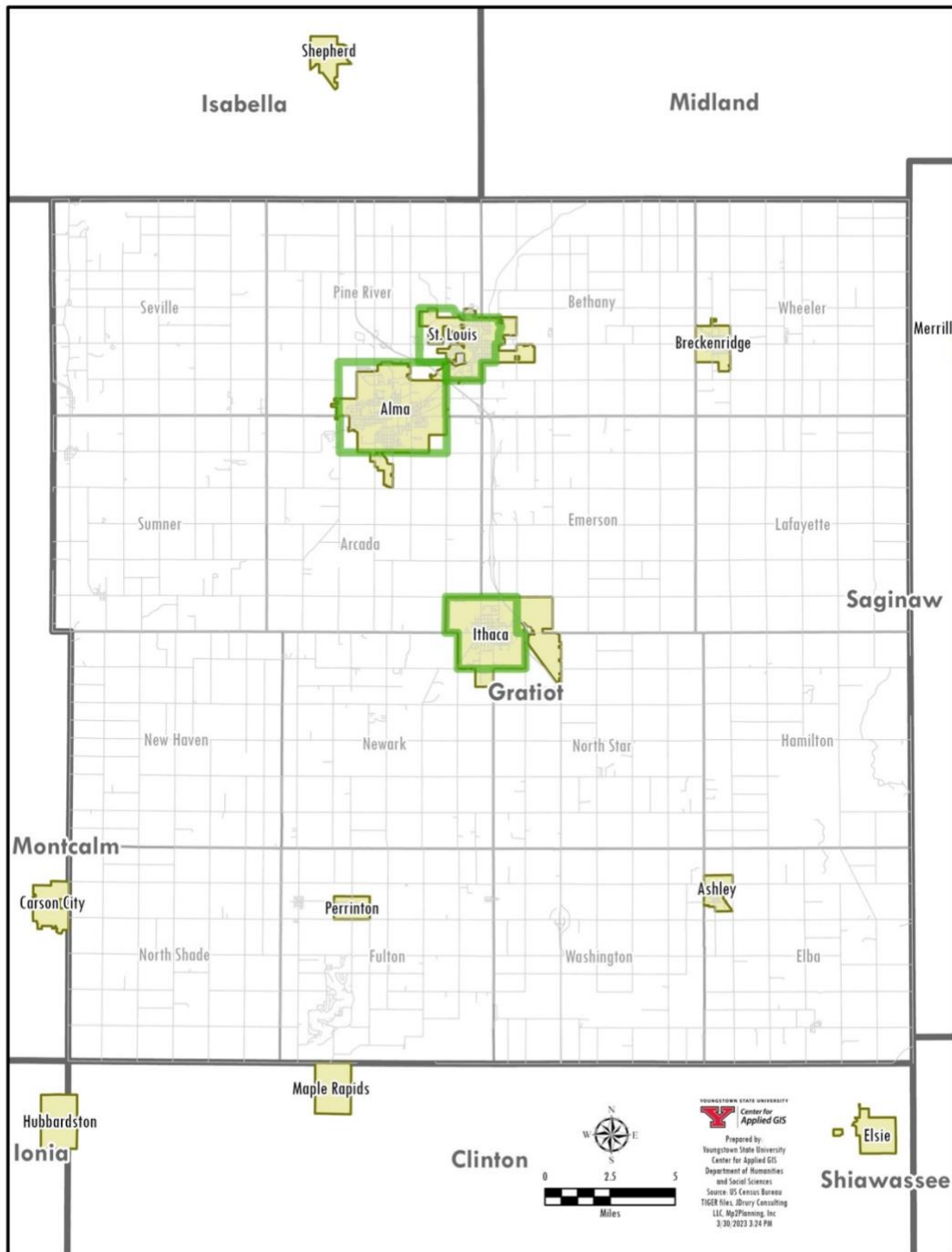
respectively. Costs of vehicles are estimated on current costs of Ford Transit Vans through MDOT's extended purchase option.

Graphic Examples of Proposed Service Options

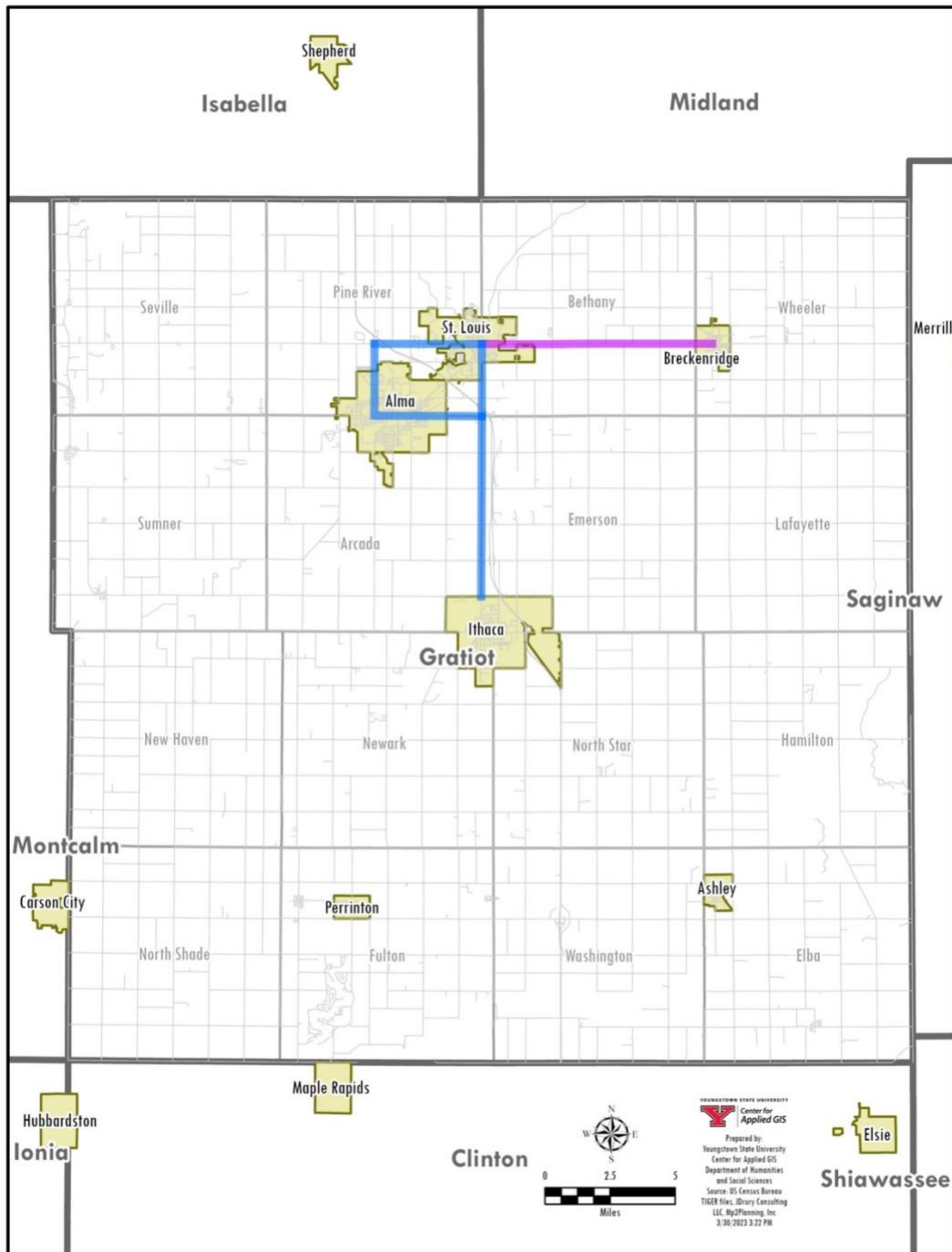
Option 1A, 2A Increased Demand Response



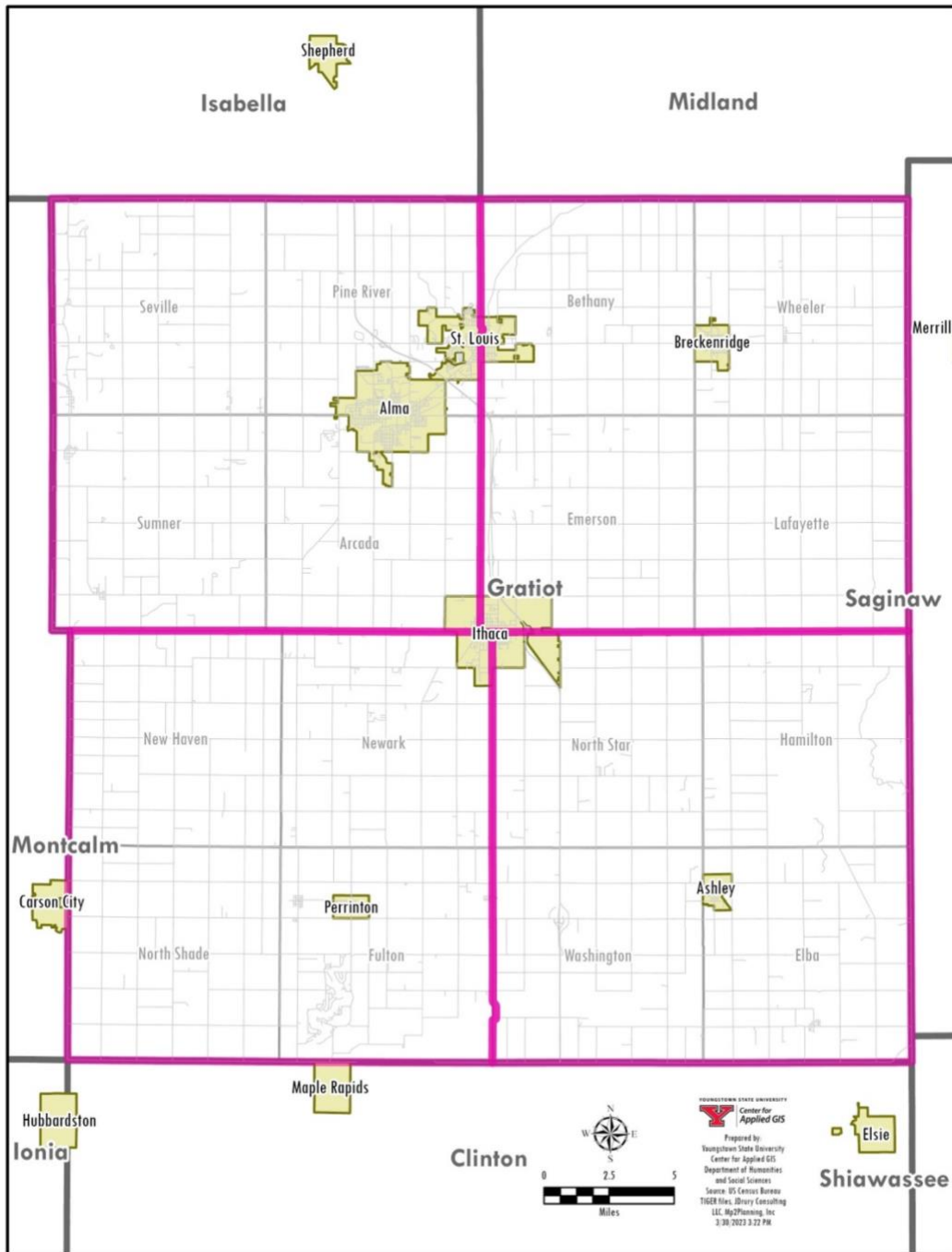
Options 3A, 3B: Micro transit



Options 4A, 4B: Timed Routes between Alma and Ithaca (Possible future addition of Breckenridge to Alma with option 4B)



Options 2B, 4B: Create demand response zones in the County



What Is Micro transit?

Micro transit is a type of on-demand mobility service that can be dispatched directly by riders using a smartphone application, like Uber or Lyft. (Not to be confused with “micromobility,” which refers to modes such as bikeshare and electric scooters.)

Using a dedicated app, online booking tool, or by calling in, riders can request a pickup anywhere in a designated service area, or only at existing bus stops (depending on the agency’s setup). The designated vehicle may be an existing fixed route bus, paratransit vehicle, or dedicated vehicle, allowing agencies to maximize the use of their fleet. Many agencies are opting to use sedans, vans and SUVs for this service.

Though the term “micro transit” only gained traction around 2015, the option of “flexible transit” is not new. This type of service has been running for a while in Southern hemisphere countries and Asia. The advent of new technologies has led to a myriad of pilots and adoption in Europe and North America. The concept of flexible transit has been around for a long time – the innovation is the software and communications tools for requesting and dispatching service. Transportation can now be summoned on relatively short notice, compared to old, phone-based, and manually dispatched systems.

The transit industry is evolving rapidly. By providing several cost-saving options to transit agencies, micro transit can offer more efficient service, without compromising service to riders.

In urban areas, micro transit is used for first mile/last mile service getting passengers to fixed routes or from the end of a fixed route to their destination. Additionally, the service is used for taxi type service within a designated service area. In rural areas, the service is used to compliment agency’s demand-response and route services. This could be passengers wanting a quick trip to the store instead of waiting for a demand-response vehicle or a passenger wanting to make a quick trip to other locations. Typically, the micro transit service will have a higher set fare or the fare will be based on travel mileage as this service has more of a convenience factor and the feel of one-on-one service versus the comingling or grouping of rides that’s found with demand-response service.

Below are several links that provide information about a local micro transit program in Battle Creek and a whitepaper that discusses micro transit from San Jose State University.

<https://www.bcgomi.com>

<https://transweb.sjsu.edu/sites/default/files/2249-Schank-Demand-Responsive-Transportation-Shared-Mobility.pdf>

Software Considerations

ACT is currently using a computerized scheduling/dispatcher software called PC Trans. This software has been used by many Michigan transit agencies over the years. While this is considered an entry level software, they have recently made improvements to include the use of tablets for driver manifests instead of paper manifests. Currently, PC Trans does not offer an app for booking rides and tracking location of fleet vehicle assigned to that ride. There is also no online payment option with the current software system. While the current system is adequate for a small system, ACT staff is aware of the limitations to what their current software can do.

To provide a micro transit service, ACT would need to replace its current software with a more robust solution that offers continual optimization, trip notifications via text or phone, online and/or app trip booking, ETA information, online or app-based payment systems, and more. Upgrading software can be an expensive endeavor, and most agencies request a three (3) year cost proposal when developing an RFP for procurement. ACT can expect to pay \$150,000-\$400,000+ depending on the number of fleet vehicles being used, number of users/licenses, support costs and equipment/hardware costs.

5. Recommendations

The survey results received indicate that there is a good potential that a county-wide millage is supported and would be adopted by voters. As with any new millage, passage is uncertain. As a current millage exists in both the City of Alma and the SLIPR authority, both areas which hold most of the County's population, it bodes well that a millage would pass. The fact that the millage could be reduced for those currently paying is a positive if moving forward toward a county-wide Authority.

The Consultant team has developed several recommendations, based primarily on the service options outlined in Section 4 of the report. The recommendations are based on the two scenarios of 1) No changes occur in the current organizational structure, and 2) Alma Transit is reorganized into a county-wide transit authority.

These will be refined after discussions with the ATC staff.

Option 1 Recommendations:

Should the organizational structure of ATC remain the same, the consultant recommends that ATC should consider adding a timed route between Alma and Ithaca and possibly St. Louis. Additionally, ATC could consider adding a form of micro transit service first in Alma, and then if successful, expand those services to Ithaca and possibly St. Louis. Since additional funds would not be available, this would require a reallocation of existing resources to offer these service options. These options could result in increased service for residents in ATC's current service area.

Micro transit could operate with current vehicles vs. purchasing other smaller vehicles to specifically address the service and would allow ATC an easy transition back to demand response service should the micro transit service not generate enough ridership to continue.

The timed routes proposed could also facilitate movement between Ithaca and Alma (and possibly St. Louis) for residents. This service could also be implemented much the same as the current service that is offered to Mt. Pleasant; i.e. riders make a prior reservation and if no reservations exist for a time slot; no service. A service such as this would need to be advertised in the communities served so that riders would know they could get from one city to another on a daily basis with a return within a certain time-frame.

As with any expansion option, the primary issues are vehicles and vehicle operators. If ATC can reallocate vehicles and operators to a new service, then it's not problematic to attempt new service options. If either vehicles and operators are unavailable, then the service options would become more problematic to implement. As previously mentioned, pursuing a micro transit option would entail a dispatch software upgrade to a product that allows for scheduling via an app and likely online payment options. If a micro transit service for choice riders is problematic for scheduling/payment/timing, then

those individuals will look for another option. If micro transit is considered as a service option, the technology needs to be in place at ATC to make it successful.

Option 2 Recommendations:

If the decision is made to proceed with forming a county-wide transit authority, the Consultant team would recommend service option 4B. This option is a conservative expansion model that increases service via both timed routes and service throughout the county via zones. It would allow the new Authority time to expand on a more controlled basis, while still honoring the millage pledge which would allow service on a county-wide basis. This option could incorporate micro transit service on an experimental basis as well. As the cost projections are not ‘set in stone’ this is likely the most fiscally conservative option as well since actual costs will not be determined until the service is up and running for a time.

If the county-wide authority option is chosen, how much of a millage would be required to operate the recommended option? As the chart in the previous section illustrates, a millage of .80 would provide funds for the local share required for any of the options presented with an adequate ‘cushion’, should farebox revenue fall short or state or federal funding experience reductions. This amount is commensurate with the millage to be levied by the City of Alma and the SLIPR authority in FY 2024.

Other considerations:

SLIPR is currently an Act 196 Transit Authority. As such, they can add members if their board is in approval of doing so. SLIPR could reach out to the townships/communities that the survey results suggest would appear to be supportive of a transit millage and ask them to join. If those townships/communities enacted a commensurate millage they could join the authority. This could provide additional funds and service area for ACT without establishing a county-wide transit authority.

In theory, the City of Alma could also join the SLIPR authority as they currently have the same millage as SLIPR. This may not be an option that the City of Alma would desire to pursue, but it would be a method to establish a transit authority that could conceivably become county-wide at some point in the future, and it would encompass the most populated areas in the county. It would eliminate the need for a contracted agreement between the City of Alma and SLIPR. In the future, the County or individual townships could request to join the authority.

Should the City of Alma and ATC decide to join a county-wide (or partial county) authority, its assets (facility, vehicles and equipment) currently owned by the City would be required to be transferred to the new transit Authority. This is more of an administrative function which would be conducted by the Michigan Department of Transportation (MDOT), but it would have to be agreed to by the City of Alma. The City could possibly decide to retain ownership of the facility and the property and

develop a long-term lease agreement to a new transit authority, but that arrangement would have to be approved by MDOT.

Another issue to consider for the current organization's employees is the issue of benefits, pensions and additional staff resources. The current full-time employees are in the City of Alma's insurance benefit and retirement program (Municipal Employee's Retirement System or MERS). Provisions for transferring those retirement balances to a new public entity would need to be given consideration as well. As transit agency employees are difficult to recruit and maintain, the pay and benefits offered by a new transit entity would have to provide an equal level of what is currently provided to keep the current employees. Additional full-time positions include a mechanic, accountant and 2 dispatchers, in addition to drivers (full or part time). An upgrade to dispatch software would be required for any micro-transit option. Additional vehicles will be required, and though some used vehicles could be available from other transit agencies via purchase or MDOT reassignment, new vehicles are preferred. Though MDOT normally purchases vehicles for public transit agencies, the availability for new vehicles is uncertain, and though funding may become available, some new vehicles may need to be purchased with local funds. All these additional costs for county-wide service expansion indicate a .80 millage may be the most appropriate funding level.