

Information for the Jonesboro City Council – September 2, 2003
 From the Northeast Arkansas Regional Transit Authority

Federal Transit System (FTA) Funding Sources

\$200,000

Fund 5307 (Urban) (\$200,000)

Fund 5309 (Capital Items) (\$300,000-400,000)

Fund 5311 (Rural)

80% Capital Costs

50% Operating Deficit

80% Maintenance Costs

Non-State Discretionary (Up to \$200,000 has already been appropriated by Congress specifically to be used for a Jonesboro UZA transit system. If this money is not used for such a system it will not be appropriated to any other transit system nor can Jonesboro use these funds for other purposes.

Must be funneled through the Jonesboro MPO.

Funds can only be distributed via political or quasi-political entities.

Although allocated to urban Areas, 5307 monies can be used In surrounding rural areas.

Federal discretionary monies for rural or urban programs.

To be used for major capital acquisitions and projects, such as purchasing vehicles, constructing facilities, and developing facilities, and developing rail projects.

5309 monies can be used to finance up to 80% of a capital project.

80% Capital Costs

50% Operating Deficit

80% of Administrative Costs

State Discretionary (AHTD has assured NEAT That there is \$200,000 that is awaiting a NEAT application If Jonesboro-Craighead County does not apply for these monies, they will be distributed by to other existing Arkansas transit systems.

Local matching share for operations can be in cash or in in-kind services.

Can only be used in an urban area when one trip end is outside of the UZA.

5311 monies are distributed according to state formulas and are not federal discretionary.

Funding Streams for Year I of NEAT Operation

Craighead County	-	\$70,000
City of Jonesboro	_	\$130,000
Local non-Government	_	\$300,000

This \$500,00 can leverage Year 1 up to \$800,000 FTA funds for a \$1.3 million budget

Razorback Transit serves the University of Arkansas and connects the UAF with the Fayetteville area. For the 2001-2002 Fiscal Year (July 1-June 30) they recorded 1,047,242 riders. For the first quarter in FY 2002-2003 Razorback Transit recorded 243,310 riders, Razorback Transit sells a \$20/semester ridership card to UAF students. This semester 8,800 of the 16,035 UAF students (55%) have purchased a card. Although many non-UAF students also frequent the transit system, there are no independent figures for their ridership because UAF students also use the system on a daily pay rate.

Also, in Pine Bluff, UAPB is also currently in the process of establishing a pre-purchased seat system with the city-owned Pine Bluff Transit system. Obviously, such arrangements go a long way to reducing the amount of local match by establishing a dependable revenue source that will apply to the required local match amount and effectively reduce the amount of funding that must flow from other city-county sources.

Arkansas State University is one of the leading proponents of a NEAT-operated transit system for Jonesboro-Craighead County. Over the last three years, ASU officials have steadfastly assured those in the transit initiative that it, like the aforementioned Arkansas universities, will financially support a transit system that its students ride. The ASU support would certainly begin in Year 1 of the system, but, unlike other the local non-government monies that have been pledged as a part of the first three years local match (\$300,000), the monies that would come from ASU sources to pay for its student transportation would not automatically stop at the end of the first three years.

Statistic from the 2000 Census for Craighead County

Vehicles Available

None	1,974	6.1
1	11,811	36.6
2	13,509	41.8
3 or more	5,007	15.5

Note – 42.7% of Craighead County Households report 1 or less vehicles available for use

Transportation Funding
 Annual Budget Estimate First Year
 Date prepared: July 8, 2002

	<u>Jonesboro (Urban)</u>		<u>County (Rural)</u>		<u>Urban & County Totals</u>	
	Low Estimate without L&B Cost	High Estimate with L&B Cost	Low Estimate without L&B Cost	High Estimate with L&B Cost	Low Estimate without L&B Cost	High Estimate with L&B Cost
Federal Dollars - 54%	\$443,300	\$489,200	\$300,800	\$346,700	\$744,100	\$835,900
Local Match - 46%	<u>\$377,600</u>	<u>\$416,700</u>	<u>\$256,300</u>	<u>\$295,400</u>	<u>\$633,900</u>	<u>\$712,100</u>
Total	\$820,900	\$905,900	\$557,100	\$642,100	\$1,378,000	\$1,548,000

Notes:

1. L&B is Land and Building costs. The costs are amortized over 20 years at 6%. Land Cost is assumed to be \$200,000 and Building costs are estimated to be \$1,750,000, or \$175 per square foot for 10,000 square feet. The building estimate is total project cost which includes A/E fees, and furniture, fixtures, and equipment (Excluding buses). Annual amortized cost is approximately \$170,000. This expense is allocated 50/50 towards Urban and Rural expenses.
2. Urban percent is 59%, while Rural percent is 41%.
3. Local Match includes fares charged to riders, and all local agency costs.

Exhibit VIII.1
Comparative Information for Arkansas Transit Providers

Statistic	Razorback Transit	Ozark Regional Transit	Central Arkansas Transit	Pine Bluff City Transit	Fort Smith Transit	Black River Area Dev.	Eureka Springs Transit	Hot Springs IntraCity Transit	Mid-Delta Transit	N. Arkansas Transportation Service	S. Central Arkansas Transit	SE Arkansas Transportation
System Type (FR= Fixed Route, DR = Demand Response)	FR / DR	DR	FR / DR	FR / DR	FR / DR	DR	FR / DR	FR / DR	FR / DR	DR	FR / DR	FR / DR
Service Area (U= Urban; R= Rural)	U	U / R	U	U	U	R	R	R	R	R	R	R
Financial Total Operating Expenses	\$1,050,494	\$1,494,897	\$7,849,333	\$806,574	\$1,048,782	\$147,702	\$484,400	\$815,798	\$1,116,000	\$418,506	\$795,224	\$1,725,776
Statistics												
Population of Service Area	42,099	241,069	185,728	45,000	72,978	51,083	1,989	33,095	59,022	127,036	259,826	334,265
Passengers	1,164,508	175,647	2,437,732	103,700	125,182	30,989	276,986	320,325	169,843	70,435	109,454	356,904
Annual System Miles	304,440	849,820	2,974,419	293,838	348,043	52,986	127,518	341,799	1,245,226	342,734	736,226	2,282,765
Annual Vehicle Hours	27,368	44,348	198,219	21,024	28,600	3,909	9,496	27,320	107,800	Not Provided	84,615	88,500
Operating Days	255	304	365	255	304	255	365	255	307	307	365	255
Number of Vehicles	24	33	83	16	12	11	13	27	61	29	80	85
Performance Measures												
Expense Per Capita	\$24.95	\$8.20	\$42.26	\$17.92	\$14.87	\$2.89	\$293.48	\$24.65	\$18.91	\$3.29	\$3.06	\$5.16
Expense Per Passenger	\$0.90	\$8.51	\$3.22	\$7.78	\$8.52	\$4.77	\$1.68	\$2.55	\$6.57	\$5.94	\$7.27	\$4.84
Expense Per Vehicle Mile	\$3.45	\$1.76	\$2.64	\$2.74	\$3.01	\$2.79	\$3.64	\$2.39	\$0.90	\$1.22	\$1.08	\$0.76
Expense Per Vehicle Hour	\$38.38	\$33.71	\$39.60	\$38.36	\$38.67	\$37.79	\$48.90	\$29.86	\$10.35	N/A	\$9.40	\$19.50
Passengers Per Vehicle Mile	3.83	0.21	0.82	0.35	0.35	0.58	2.17	0.94	0.14	0.21	0.15	0.16
Passengers Per Vehicle Hour	42.55	3.96	12.30	4.93	4.31	7.93	29.17	11.72	1.58	N/A	1.29	4.03
Passengers Per Vehicle Per Operating Day	190.28	17.51	60.47	25.42	33.76	11.05	58.37	46.53	9.07	7.91	3.75	16.47
One-way Trips Per Capita Per Year	27.66	0.73	13.13	2.30	1.69	0.61	139.26	9.68	2.88	0.55	0.42	1.07
Miles Per Vehicle Per Operating Day	49.75	84.71	98.18	72.02	95.41	18.89	26.87	49.64	66.49	38.50	25.21	105.32
Hours Per Vehicle Per Operating Day	3.75	4.42	7.86	4.32	7.84	1.17	2.40	3.33	5.81	N/A	3.48	3.42
Average Speed (mph)	11.12	19.18	15.01	13.98	12.17	13.55	13.43	12.51	11.55	N/A	8.70	25.79

Source: Arkansas Public Transportation Directory, October 2000.

Note: Operating revenue excludes capital and government funding.

Pine Bluff Transit Notes

June 23, 2003

Mr. Reynolds; Pine Bluff Transit Director

In attendance were Jennis Burton, Charles Coleman, Harriet Hyatt and Jason Wilkie

Routes:

- ξ 6 routes within the city limits of Pine Bluff.
- ξ Busses travel each route in 1 hour.
- ξ There is a para-transit system that handicapped citizens can ride on. The service is on a call in basis and is more frequently used by handicapped citizens than the fixed routes.
- ξ There are fixed stops, but the busses will stop for anyone on the right side of the road who waves down a bus.
- ξ Pine Bluff is in the process of changing routes (although route changes are controversial and cause ridership declines) and color coding routes.
- ξ Mr. Reynolds recommends holding public hearings to determine routes.
- ξ Mr. Reynolds would not recommend handicapped busses on fixed routes. He said because of the para-transit system the fixed route system is not mandated by the code and the fixed route is not used by the handicapped riders. Handicapped riders would rather have a bus come to their home than to go to a stop which may be 3-4 blocks away. Pine Bluff had 10 handicapped riders in 2002 on the fixed route system.

Revenue and Budget

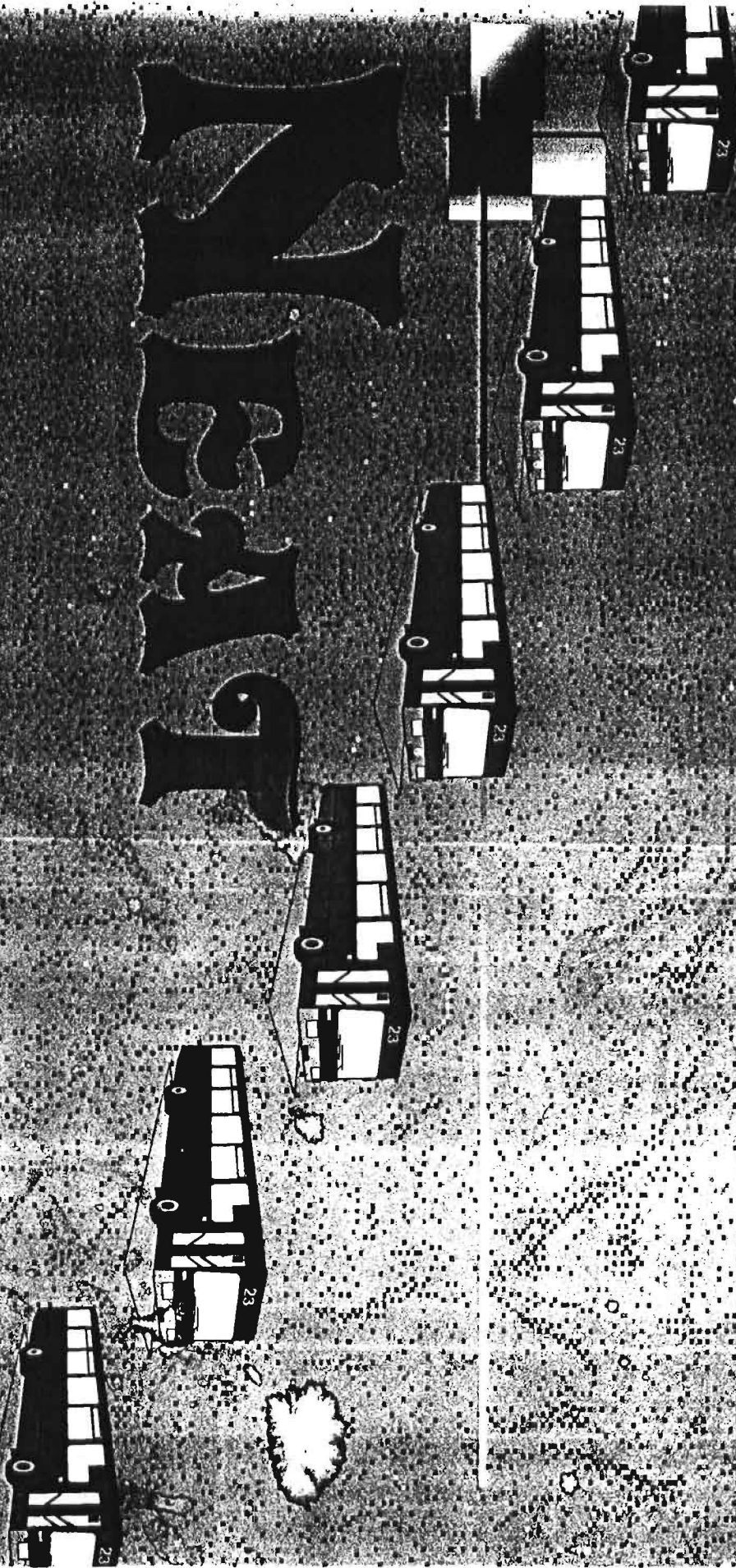
- ξ \$1.1 million budget
- ξ ½ provided through federal money.
- ξ Other money through Welfare to Work, 5309 and other 5307, 5311 and 5310.
- ξ Rider revenue is about \$70,000 annually. Fees are attached on separate document.
- ξ City pays approximately \$135,000 annually, not including capital improvement expenses (i.e. busses and equipment).
 - City match will vary according to the amount of grant money the director is able to secure each year.
- ξ Advertising on busses can generate \$600 per month per bus, plus the cost of re-painting or replacing ad at the end of one year contract.
- ξ Pine Bluff does not rely heavily on annual corporate sponsorship for revenue.
- ξ Staff salaries equal almost half of entire budget (\$500,000). Staff in office is director, secretary, dispatch, three mechanics (who cover maintenance 24/7) and drivers.

Construction Budget and Facilities

TRIP

NORTHEAST ARKANSAS

WEST



Economic Benefits

Are there *Economic Benefits* associated with public transit?

YES!

1997 study "Dollars and Sense": 4 or 5 to 1 return on the invested dollar

1999 APTA Transit Fact Book: \$3 to \$3.50 return on invested dollar

1999 study by Cambridge Systematics Inc. possible 6 to 1 return on the invested dollar

How are the benefits manifested?

- In both "qualitative" and "quantitative" effects.
- Qualitative = **Economic development**—changes in the structure of the economy
- Quantitative = **Economic growth**—changes in the scale of the economy



Important Point to Note

- The economic impact of transit investment and use will vary from region to region, because the structure of regional economies varies, but [on average, a typical state/local government could realize a four to 16 percent gain in revenues due to the increases in income and employment generated by investments in transit] —Cambridge Systematics Inc.

Economic Benefits for Jonesboro

- Public Transit will produce Economic Benefits by:
 - Providing Access to Jobs
 - Raising Income Distribution
 - Improving Labor Quality
 - Attracting New Industry
 - Saving Costs
 - Increasing Consumer Spending
 - Creating Jobs

1. Providing Access to Jobs

- 54% of all transit related trips are work trips
- If people are going to go from unemployment to wages and from welfare to work, then they must have access to transportation.

Unemployment Scenario

Economic Scenario With Multiplier of 1

<input type="checkbox"/> Jonesboro Unemployment	3,800
<input checked="" type="checkbox"/> 2% With Transportation Needs	0.02
Total Transportation Needed	76
<input checked="" type="checkbox"/> 40hrs Per Week at Minimum Wage	\$206
Gross Weekly Income	\$15,656
<input checked="" type="checkbox"/> 52 Weeks	52
Gross Annual Income	\$814,112
<input checked="" type="checkbox"/> Multiplier of 1	1
Total Economic Impact	<u>\$814,112</u>

Unemployment Scenario

Gross Annual Income	\$814,112
X Multiplier of 2	2
Total Economic Impact	\$1,628,224
Gross Annual Income	\$814,112
X Multiplier of 3	3
Total Economic Impact	\$2,442,336

2. Raising Income Distribution

- A public transportation system in the city of Jonesboro will serve to provide the transportation needed (unemployed, welfare recipients, disabled, etc.) with access to jobs.
- Consequently, employment levels will increase thus giving rise to a more equal income distribution among Jonesboro's population.

2. Raising Income Distribution

- Economically, this is a desired effect because a study published by Persson and Tabellini evidences that societies with a more equalized income distribution grow faster than those with a more disproportionate income distribution.
- Cambridge Systematics Inc. found that "Inlet earnings in counties with rural transit systems are 16% higher than counties without them."

3. Improving Labor Quality

- Nationally 15% of transit riders take advantage of this public service for school related purposes
- The National Center on the Educational Quality of the Workforce employee education and productivity are directly related

3. Improving Labor Quality

- productivity increases by approximately 8.6% in manufacturing companies and approximately 11% in non-manufacturing companies, if the average education level increases by 10% (equivalent to one year of schooling)



4. Attracting New Industry

- The Center for Transportation Excellence reveals that “[a]lmost half of the nation’s Fortune 500 companies, representing over \$2 trillion in annual revenue, are headquartered in America’s transit-intensive metropolitan areas.”

New Industry Scenario

Economic Scenario with $\Delta = 1$ Attracting New Plant Size of Dana Corp.

X Total Number Employed	285
X 40 hrs. week at \$8.00 per hour	\$320
Gross Weekly Income	\$91,200
X 52 Weeks	52
Gross Annual Income	\$4,742,400
X Multiplier of 1	1
Total Economic Impact	<u>\$4,742,400</u>

New Industry Scenario

Gross Annual Income

\$4,742,400

X Multiplier of 2

2

Total Economic Impact

\$9,484,800

Gross Annual Income

\$4,742,400

X Multiplier of 3

3

Total Economic Impact

\$14,227,200

5. Saving Costs

- For the average American family, transportation is the second greatest household expense, amounting to approximately 18% of total spending.
- 1998 study by the American Automobile Association
 - Small Car = \$4,826 annually
 - Large Car = \$9,685 annually
 - Public Transit = \$200 to \$2000 annually

◆
**CRAIGHEAD COUNTY AND JONESBORO,
ARKANSAS COORDINATION AND PUBLIC
TRANSPORTATION EXPANSION STUDY AND
IMPLEMENTATION PLAN**

DRAFT FINAL REPORT

**PREPARED FOR
THE COMMUNITY TRANSPORTATION ASSOCIATION OF
AMERICA**

IN COOPERATION WITH

◆ **CITY OF JONESBORO AND CRAIGHEAD COUNTY,
ARKANSAS**

APRIL 2002

RLS
AND ASSOCIATES, INC.

3131 S. Dixie Hwy., #545 • Dayton, OH 45439

Jonesboro Route Deviation Service

	Projected		
	<u>Riders</u>	<u>Farebox</u>	<u>Contract</u>
• 2004-2005	90,909	\$150,000	\$ 0
• 2005-2006	133,086	\$201,227	\$165,692
• 2006-2007	150,840	\$214,760	\$257,258
• 2007-2008	150,840	\$230,786	\$266,309
• 2008-2009	150,840	\$243,608	\$275,585

The following projections are for the rural program and doubling that service:

Craighead County Rural Demand Response Service

	Projected		
	<u>Riders</u>	<u>Farebox</u>	<u>Contract</u>
• 2004-2005	0	\$ 0	\$ 0
• 2005-2006	0	\$ 0	\$ 0
• 2006-2007	16,532	\$ 62,076	\$ 0
• 2007-2008	40,623	\$162,086	\$111,876
• 2008-2009	52,632	\$185,264	\$115,739

In the third year of operation it was projected earlier in this chapter that a total of 35,088 annual one-way trips can be expected (35,088 annual trips ÷ 29,898 residents). This equates to about 1.174 one-way trips per rural resident per year. If the 52,632 total trips is realized, this will equate to about 1.760 annual trips per capita (52,632 trips ÷ 29,898 persons).

Maximum Potential FTA 5311 Public Transit Funding

Using the projections in this section, the maximum federal funds that could be secured and the minimum local funds required were calculated. That information for the urban program is provided in Exhibit IX.14-A and B. The rural computations are provided in Exhibit IX.15.

Depending on whether Jonesboro becomes an urbanized area, FTA funding could range from about \$826,000 to \$976,000 per year under the Section 5311 rural program with the local matching share ranging between \$545,000 per year to about \$671,000 per year. If the city becomes an urban area the maximum FTA Section 5307 urban funding will be about \$885,000 to \$974,000 per year. The local share will be in the range of \$580,000 to \$615,000 per year.

Exhibit IX.12-A
Section 5311 Calculation - Projected Maximum FTA Funding and Local Matching Share - City of
Jonesboro Route Deviation Service (with a Rural County Program)
(With a 3.5 Percent Inflation Factor Added Per Year)

Description	2006-2007	2007-2008	2008-2009
Expense Operating	\$839,199	\$868,604	\$899,076
Expense Administration	\$258,337	\$267,373	\$276,738
Expense Total	\$1,097,536	\$1,135,977	\$1,175,814
Operating Revenue - Operations	\$109,473	\$117,644	\$124,182
Operating Revenue - Administration	\$33,700	\$36,213	\$38,223
Operating Revenue Total	\$143,173	\$153,857	\$162,405
Deficit Operations	\$729,726	\$750,960	\$774,894
Deficit Administration	\$224,637	\$231,160	\$238,515
Deficit Total	-\$954,363	-\$982,120	-\$1,013,409
FTA 5311 Operations (50%) (1.)	\$364,863	\$375,480	\$387,447
FTA 5311 Administration (80%) (1.)	\$179,710	\$184,928	\$190,812
FTA 5311 Total	\$544,573	\$560,408	\$578,259
Contract	\$171,505	\$177,539	\$183,723
Local Cash, In-Kind, or Other Matching Grant	\$238,285	\$244,173	\$251,427
Total Funding	\$954,363	\$982,120	\$1,013,409

Source: Final projections by RLS & Associates, Inc., February 2002.

Note: The budget will be similar to this one with FTA Section 5311 funding if Jonesboro does not become an urbanized are

44927.40
 + 364863.00

 409790.4

Exhibit XI.11-A

Estimated 2006-2007 Budget for Jonesboro Route Deviation Service and Craighead County Rural Service

Expense Object Class	Operations		Administration		Total	Urban Expenses	Rural Expenses
	Vehicle Operations	Vehicle Maintenance	Non-Vehicle Maintenance	General Administration			
501 Labor							
501.01 Operators' Salaries and Wages (1.)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
501.02 Other Salaries and Wages (adds an account beginning at \$51,500/yr)	\$ -	\$ -	\$ -	\$ 207,920	\$ 207,920	\$ 144,634	\$ 63,286
Subtotal: Labor	\$ -	\$ -	\$ -	\$ 207,920	\$ 207,920	\$ 144,634	\$ 63,286
502 Fringe Benefits							
502.15 Fringe Benefits Distribution	\$ -	\$ -	\$ -	\$ 58,218	\$ 58,218	\$ 40,498	\$ 17,720
503 Services							
503.01 Management Service Fees	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
503.02 Advertising Fees	\$ -	\$ -	\$ -	\$ 643	\$ 643	\$ 447	\$ 196
503.03 Professional and Technical Services (legal and audit)	\$ -	\$ -	\$ -	\$ 21,425	\$ 21,425	\$ 14,903	\$ 6,521
503.04 Temporary Help	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
503.05 Contract Maintenance Services (rate varies by vehicle hr.) (2.)	\$ -	\$ 401,731	\$ -	\$ -	\$ 401,731	\$ 279,453	\$ 122,278
503.06 Custodial Services (purely an estimate)	\$ -	\$ -	\$ -	\$ 5,463	\$ 5,463	\$ 3,800	\$ 1,663
503.99 Other Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Subtotal: Services	\$ -	\$ 401,731	\$ -	\$ 27,530	\$ 429,261	\$ 298,604	\$ 130,657
504 Materials and Supplies Consumed							
504.01 Fuels and Lubricants (1.)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
504.02 Tires and Lubes (1)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
504.99 Other Materials and Supplies (1.)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Subtotal: Materials and Supplies Consumed	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
505 Utilities							
505.02 Utilities Other Than Propulsion (telephone, mobile radio telephone line, etc) (purely an estimate)	\$ -	\$ -	\$ -	\$ 5,999	\$ 5,999	\$ 4,173	\$ 1,826
506 Casualty and Liability Costs							
506.01 Premium for Physical Damage (1.)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
506.02 Recoveries of PD Losses (1.)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
506.03 Premiums for Prop Damage/Pub Liability (1.)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
506.08 Premiums for other Corporate Insurance (purely an estimate of officers and directors and staff insurance)	\$ -	\$ -	\$ -	\$ 8,570	\$ 8,570	\$ 5,961	\$ 2,608
506.09 Other Corporate Losses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Subtotal: Casualty and Liability Costs	\$ -	\$ -	\$ -	\$ 8,570	\$ 8,570	\$ 5,961	\$ 2,608
507 Taxes							
507.03 Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
507.04 Vehicle Registration Fees	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
507.05 Fuel and Lubricant Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
507.99 Other Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Subtotal: Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Exhibit XI.11-A (Continued)
Estimated 2006-2007 Budget for Jonesboro Route Deviation Service and Craighead County Rural Service

Expense Object Class	Operations		Administration		Total	Urban Expenses	Rural Expenses
	Vehicle Operations	Vehicle Maintenance	Non-Vehicle Maintenance	General Administration			
508 Purchased Transportation Services							
508.01 Purchased Transportation Services (rate per vehicle hr. varies) (2.)	\$ 804,668	\$ -	\$ -	\$ -	\$ 804,668	\$ 559,746	\$ 244,922
509 Miscellaneous Expenses							
509.01 Dues and Subscriptions (transit trade publications)	\$ -	\$ -	\$ -	\$ 643	\$ 643	\$ 447	\$ 196
509.02 Travel and Meetings (purely an estimate)	\$ -	\$ -	\$ -	\$ 2,357	\$ 2,357	\$ 1,639	\$ 717
509.03 Bridge Tunnel and Highway Tolls	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
509.07 Bad Debt Expense	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
509.08 Advertising/Promotion Media (print and other media ads)	\$ -	\$ -	\$ -	\$ 15,961	\$ 15,961	\$ 11,103	\$ 4,858
509.99 Miscellaneous (purely an estimate of office supplies, postage, etc.)	\$ -	\$ -	\$ -	\$ 3,964	\$ 3,964	\$ 2,757	\$ 1,206
Subtotal: Miscellaneous Expenses	\$ -	\$ -	\$ -	\$ 22,924	\$ 22,924	\$ 15,947	\$ 6,978
511 Interest Expense	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
512 Leases and Rentals							
512.04 Passenger Revenue Vehicles	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
512.05 Service Vehicles	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
512.07 Engine Houses, Car Shops & Garages	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
512.12 Other General Administration Facilities (rent for 620 gross square feet)	\$ -	\$ -	\$ -	\$ 9,298	\$ 9,298	\$ 6,468	\$ 2,830
Subtotal: Leases and Rentals	\$ -	\$ -	\$ -	\$ 9,298	\$ 9,298	\$ 6,468	\$ 2,830
513 Depreciation and Amortization							
513.04 Deprecation Passenger Revenue Vehicles	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
513.05 Depreciation Service Vehicles	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Subtotal: Depreciation and Amortization	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
600 Other Costs							
600 Other Costs (radio tower rental, office equipment rental, office supplies, contingency, etc.) (Addsan additional \$1,072 for new staff person supplies)	\$ -	\$ -	\$ -	\$ 30,916	\$ 30,916	\$ 21,506	\$ 9,410
Total Costs	\$ 804,668	\$ 401,731	\$ -	\$ 371,375	\$ 1,577,774	\$ 1,097,536	\$ 480,239

Source: RLS & Associates, Inc., March 2002.

- (1.) Since the city and possibly county will be purchasing service the contractor will pay all driver, fuel, maintenance, and other operating costs.
- (2.) The projected 2006-2007 hourly contractor rate was allocated 33.3 percent to maintenance (including parts) and 66.7 percent to vehicle operations.

Exhibit XI.11-A
Estimated 2006-2007 Budget for Jonesboro Route Deviation Service and Craighead County Rural Service

Expense Object Class	Operations		Administration		Total	Urban Expenses	Rural Expenses
	Vehicle Operations	Vehicle Maintenance	Non-Vehicle Maintenance	General Administration			
501 Labor							
501.01 Operators' Salaries and Wages (1.)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
501.02 Other Salaries and Wages (adds an account beginning at \$51,500/yr)	\$ -	\$ -	\$ -	\$ 207,920	\$ 207,920	\$ 144,634	\$ 63,286
Subtotal: Labor	\$ -	\$ -	\$ -	\$ 207,920	\$ 207,920	\$ 144,634	\$ 63,286
502 Fringe Benefits							
502.15 Fringe Benefits Distribution	\$ -	\$ -	\$ -	\$ 58,218	\$ 58,218	\$ 40,498	\$ 17,720
503 Services							
503.01 Management Service Fees	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
503.02 Advertising Fees	\$ -	\$ -	\$ -	\$ 643	\$ 643	\$ 447	\$ 196
503.03 Professional and Technical Services (legal and audit)	\$ -	\$ -	\$ -	\$ 21,425	\$ 21,425	\$ 14,903	\$ 6,521
503.04 Temporary Help	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
503.05 Contract Maintenance Services (rate varies by vehicle hr) (2)	\$ -	\$ 401,731	\$ -	\$ -	\$ 401,731	\$ 279,453	\$ 122,278
503.06 Custodial Services (purely an estimate)	\$ -	\$ -	\$ -	\$ 5,463	\$ 5,463	\$ 3,800	\$ 1,663
503.99 Other Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Subtotal: Services	\$ -	\$ 401,731	\$ -	\$ 27,530	\$ 429,261	\$ 298,604	\$ 130,657
504 Materials and Supplies Consumed							
504.01 Fuels and Lubricants (1.)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
504.02 Tires and Lubes (1)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
504.99 Other Materials and Supplies (1)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Subtotal: Materials and Supplies Consumed	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
505 Utilities							
505.02 Utilities Other Than Propulsion (telephone, mobile radio telephone line, etc) (purely an estimate)	\$ -	\$ -	\$ -	\$ 5,999	\$ 5,999	\$ 4,173	\$ 1,826
506 Casualty and Liability Costs							
506.01 Premium for Physical Damage (1.)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
506.02 Recoveries of PD Losses (1.)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
506.03 Premiums for Prop. Damage/Pub Liability (1.)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
506.08 Premiums for other Corporate Insurance (purely an estimate of officers and directors and staff insurance)	\$ -	\$ -	\$ -	\$ 8,570	\$ 8,570	\$ 5,961	\$ 2,608
506.09 Other Corporate Losses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Subtotal: Casualty and Liability Costs	\$ -	\$ -	\$ -	\$ 8,570	\$ 8,570	\$ 5,961	\$ 2,608
507 Taxes							
507.03 Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
507.04 Vehicle Registration Fees	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
507.05 Fuel and Lubricant Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
507.99 Other Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Subtotal: Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

**RECOMMENDED
SERVICE PLAN FOR
JONESBORO AND
CRAIGHEAD
COUNTY**

**FINANCIAL
SUMMARY OF CITY
AND COUNTY
SERVICES**

**FINAL
ASSESSMENTS**

Comparing Exhibit IX.11.A with IX.1-C, the city's cost in 2006-2007 will be lower if the county service is implemented since some of the administrative costs will transfer to the rural demand response service. The projections indicate that even after adding a full time chief financial officer to the payroll, the city's costs will be an estimated \$46, 054 lower than if the county service is not implemented and the CFO is not hired.

Exhibit IX.12-A provides a revised Section 5311 funding scenario for 2006-2007 through 2008-2009 for the Jonesboro service if the rural service is operated. Exhibit IX.12-B shows the funding if 5307 funds are used.

FINAL ASSESSMENTS

Representatives of the study steering committee wanted to see the costs of a basic four (4) route deviation system for Jonesboro as has been presented in this chapter. Also requested was a secondary assessment of what the costs would be if service were doubled (to eight routes).

The consultants believe that a similar assessment for the county may also have future value. Thus, for the county, two vehicles will be assigned to each of four sectors.

Capital Requirements

The following are the estimated local, FTA, and total capital costs for the Jonesboro service if this avenue is pursued. With more routes and/or greater frequency, large transit buses will not be needed at least for the first few years. Dual-wheel cutaways will likely work well.

	<u>Local Share</u>	<u>FTA Share</u>	<u>Total</u>
10 cutaway transit buses	\$ 130,000	\$ 520,000	\$ 650,000
10 registering fareboxes	\$ 20,000	\$ 80,000	\$ 100,000
Farebox software	\$ 8,000	\$ 32,000	\$ 40,000
1 high band repeater	\$ 4,285	\$ 17,140	\$ 21,425
10 mobile radios	\$ 4,080	\$ 16,320	\$ 20,400
3 portable radios	\$ 1,875	\$ 7,500	\$ 9,375

160,240 672,960 841,200

Exhibit XI.11-A

Estimated 2006-2007 Budget for Jonesboro Route Deviation Service and Craighead County Rural Service

Expense Object Class	Operations		Administration		Total	Urban Expenses	Rural Expenses
	Vehicle Operations	Vehicle Maintenance	Non-Vehicle Maintenance	General Administration			
501 Labor							
501.01 Operators' Salaries and Wages (1.)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
501.02 Other Salaries and Wages (adds an account beginning at \$51,500/yr)	\$ -	\$ -	\$ -	\$ 207,920	\$ 207,920	\$ 144,634	\$ 63,286
Subtotal: Labor	\$ -	\$ -	\$ -	\$ 207,920	\$ 207,920	\$ 144,634	\$ 63,286
502 Fringe Benefits							
502.15 Fringe Benefits Distribution	\$ -	\$ -	\$ -	\$ 58,218	\$ 58,218	\$ 40,498	\$ 17,720
503 Services							
503.01 Management Service Fees	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
503.02 Advertising Fees	\$ -	\$ -	\$ -	\$ 643	\$ 643	\$ 447	\$ 196
503.03 Professional and Technical Services (legal and audit)	\$ -	\$ -	\$ -	\$ 21,425	\$ 21,425	\$ 14,903	\$ 6,521
503.04 Temporary Help	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
503.05 Contract Maintenance Services (rate varies by vehicle hr.) (2.)	\$ -	\$ 401,731	\$ -	\$ -	\$ 401,731	\$ 279,453	\$ 122,278
503.06 Custodial Services (purely an estimate)	\$ -	\$ -	\$ -	\$ 5,463	\$ 5,463	\$ 3,800	\$ 1,663
503.99 Other Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Subtotal: Services	\$ -	\$ 401,731	\$ -	\$ 27,530	\$ 429,261	\$ 298,604	\$ 130,657
504 Materials and Supplies Consumed							
504.01 Fuels and Lubricants (1.)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
504.02 Tires and Lubes (1.)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
504.99 Other Materials and Supplies (1.)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Subtotal: Materials and Supplies Consumed	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
505 Utilities							
505.02 Utilities Other Than Propulsion (telephone, mobile radio telephone line, etc.) (purely an estimate)	\$ -	\$ -	\$ -	\$ 5,999	\$ 5,999	\$ 4,173	\$ 1,826
506 Casualty and Liability Costs							
506.01 Premium for Physical Damage (1.)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
506.02 Recoveries of PD Losses (1.)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
506.03 Premiums for Prop. Damage/Pub Liability (1.)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
506.08 Premiums for other Corporate Insurance (purely an estimate of officers and directors and staff insurance)	\$ -	\$ -	\$ -	\$ 8,570	\$ 8,570	\$ 5,961	\$ 2,608
506.09 Other Corporate Losses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Subtotal: Casualty and Liability Costs	\$ -	\$ -	\$ -	\$ 8,570	\$ 8,570	\$ 5,961	\$ 2,608
507 Taxes							
507.03 Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
507.04 Vehicle Registration Fees	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
507.05 Fuel and Lubricant Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
507.99 Other Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Subtotal: Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Exhibit IX.10
Projected Maximum FTA Funding and Local Matching Share - Craighead County Rural Demand Response Service

Description	Year 1 2006-2007	Year 2 2007-2008	Year 3 2008-2009
Expense Operating (76.46%)	\$367,200	\$380,093	\$393,394
Expense Administration (23.54%)	\$113,038	\$117,000	\$121,099
Expense Total (100%)	\$480,238	\$497,093	\$514,493
Operating Revenue - Operations (76.46%)	\$31,643	\$82,624	\$94,438
Operating Revenue - Administration (23.54%)	\$9,741	\$25,433	\$29,071
Operating Revenue Total (100%)	\$41,384	\$108,057	\$123,509
Deficit Operations (76.46%)	\$335,557	\$297,469	\$298,956
Deficit Administration (23.54%)	\$103,297	\$91,567	\$92,028
Deficit Total (100%)	-\$438,854	-\$389,036	-\$390,984
FTA 5311 Operations (50%)	\$167,778	\$148,735	\$149,478
FTA 5311 Administration (80%)	\$82,638	\$73,253	\$73,622
FTA 5311 Total	\$250,416	\$221,988	\$223,100
Contract	\$0	\$74,584	\$77,159
Local Cash, In-Kind, or Other Matching Grant	\$188,438	\$167,048	\$167,884
Total Funding	\$438,854	\$389,036	\$390,984

Note: Percent split between operations and administration are approximate. Formulas contain unlimited decimal points. Also note that the percent administrative expense is low because of the contract management arrangement.

Source: Final projections by RLS & Associates, Inc., March 2002.

**RECOMMENDED
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Assuming a sufficient number of agencies contract with the provider, by Year 3 the cost recovery ratio for the rural service is projected in the range of 39.00 percent.

Maximum Potential FTA 5311 Public Transit Funding

Under the FTA's Section 5311 program the maximum amount of operating assistance that can be received is up to 50 percent of the eligible deficit of the costs associated with operations and up to 80 percent of administrative expenses. However, as was previously noted, it is not known how much FTA 5311 funding might be allocated to Craighead County. The FTA amounts shown in Exhibit IX.10 are the most that could be justified, assuming that the state formula will generate these amounts for the county. At the appropriate time, the lead agency will need to discuss funding with the state's staff. There is no way to predict how much funding may be available.

Thus, the county's grantee could apply for FTA funding for up to about \$250,416 in 2006-2007, \$221,988 in 2007-2008, and \$223,100 in 2008-2009. However, the reader is again reminded that there is no way to predict how much, if any, FTA funding will be available. The estimated minimum local matching share will be \$188,438 in 2006-2007, about \$167,048 in 2007-2008, and \$167,884 in 2008-2009 (assuming that the agencies contract with the provider at the projected levels). If the agencies contract at higher levels the required local share will be further reduced.

Note that if agencies purchase tickets, that revenue is considered farebox revenue and farebox income cannot be used as local match. There must be a contractual relationship.

In the event that FTA 5311 funds are less than needed, other funding is potentially available in the FTA's Jobs Access Reverse Commute (JARC) program. This grant source could potentially provide some of the needed federal funding if the FTA 5311 allocation in Arkansas is insufficient to fully fund the Craighead County system.

FINANCIAL SUMMARY OF CITY AND COUNTY SERVICES

Exhibit IX.11-A through C show the net impact of operating both the city and rural services beginning in 2006-2007 with projections through 2008-2009.

**PHASE II –
GENERAL PUBLIC
ADVANCE
RESERVATION
DEMAND RESPONSE
SERVICE**

**FINANCIAL
SUMMARY OF CITY
AND COUNTY
SERVICES**

Exhibit IX.8
Ridership Growth Projections for Craighead County Rural Service

Service Month 2006-2007	Average Service Hours Per Day	Trips Per VehicleHour	Total Trips Per Day	Total Trips Per Month/Per Year
1	32	0.75	24.0	504
2	32	0.80	25.6	538
3	32	0.85	27.2	571
4	32	0.95	30.4	638
5	32	1.10	35.2	739
6	32	1.30	41.6	874
7	32	1.40	44.8	941
8	32	1.50	48.0	1,008
9	32	1.75	56.0	1,176
10	32	1.90	60.8	1,277
11	32	2.00	64.0	1,344
12	32	2.10	67.2	1,411
Subtotal 2006-2007	N/A	1.37	43.7	11,021
2007-2008				
13	32	2.25	72.0	1,512
14	32	2.30	73.6	1,546
15	32	2.60	83.2	1,747
16	32	2.85	91.2	1,915
17	32	3.00	96.0	2,016
18	32	3.25	104.0	2,184
19	32	3.50	112.0	2,352
20	32	3.75	120.0	2,520
21	32	4.00	128.0	2,688
22	32	4.25	136.0	2,856
23	32	4.25	136.0	2,856
24	32	4.30	137.6	2,890
Subtotal 2007-2008	32	4.00	128.0	27,082
Total 2008-2009	32	4.30	137.6	35,088

Source: Projections by RLS & Associates, Inc., August 2001.