Section 7: Operating Plan and Budget for Recommended Concept

This section further develops the recommended concept from Section 6 into a "street ready" plan. The purpose of developing a street ready plan is to provide the community a road map to implement the concept into an operating reality.

This section:

- Summarizes the recommended concept including the operating plan
- Presents five-year projected operating and capital costs
- Addresses system start up issues including institutional and operational related activities

7.1 Recommended Service Plan

There are three components to the recommended service plan. The first component is a citywide service that would be a fixed-route operation using 20-passenger vehicles. This service would operate year around. The second service would be a general public demand response (GPDR) service that would provide evening service after the citywide service ends its weekday (Monday through Friday) operating day. The third service would be a special Thursday, Friday, and Saturday evening shuttle consisting of two loop routes connecting the Aggieville entertainment district with residential areas in central Manhattan. The citywide and Aggieville services were shown earlier in Figure 64 and Figure 65 on pages 90 and 91 respectively. However, these concepts were field-tested resulting in a refinement of costs and routes. Table 11 summarizes key data about the services as tested.

Table 11: Summary of Recommended Service Plan

Item	Service		
	Citywide	General Public Demand Response	Aggieville Special*
Operating Span			
Days	Mon-Sat	Mon-Fri	Thu, Fri, Sat
Hours	6AM to 7PM (8AM to 7PM Sat)	8PM to 10PM	10PM to 3AM
Annual Operating Days	307	255	99*
Routes	2	None	2
Frequencies	30/60	On demand	25
Annual Revenue Hours	14,539	1,020	1,066
Number of Vehicles	4	2	2
Type of Vehicles	20-passenger cut-a-ways	Varies	20-passenger cut-a-ways

**Operates during KSU Fall and Spring sessions only.*

As seen in Table 11, each of the three services is summarized in terms of its operating span (days and hours of service), frequencies, and annual revenue hours, as well as the number and type of vehicles. The citywide service would operate six days per week from about 6:00 AM to 7:00 PM (8:00 AM to 7:00 PM on Saturdays) for a total of 307 days per year and just over 14,500 annual revenue hours of service. Frequencies would vary from a bus every

30 minutes to a bus every 60 minutes on some segments of the routes. It will take four vehicles on the street to operate the service as planned. The GPDR service would operate from about 8:00 PM to 10:00 PM and respond, similar to a taxi, to requests for service. Finally, the Aggieville Special service would operate during KSU's academic year (fall and spring semesters only) with a bus operating about every 30 minutes. This service would use the same vehicles used for the citywide services.

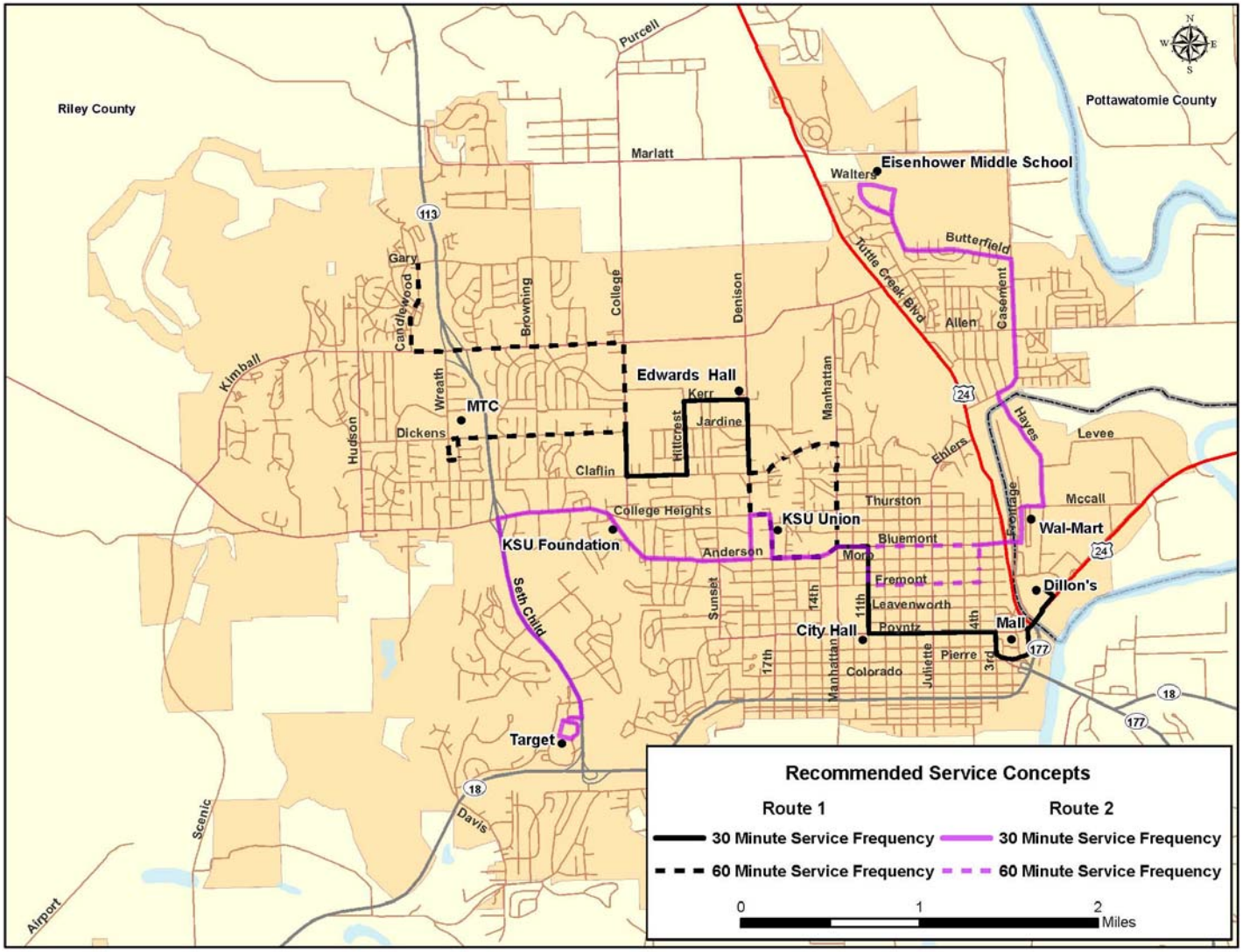
Appendix F of this report contains operating schedules and route descriptions for the citywide and Aggieville Special services and is based on the field testing of the services. As the GPDR service would not operate on a fixed route or schedule (rather by manifest custom developed for each evening), no schedules were created in this report. The development of the operating schedules found in the Appendix was based on the following assumptions:

Citywide Service

- As KSU is to be the focal point of service, most trips are to arrive or depart the campus at either ten or forty minutes after the hour. There are two reasons for this schedule.
    - As presented earlier in section 3 (starting on page 21 with figures starting on page 24) peak start and end times for classes is, respectively, thirty and twenty minutes past the hour. The schedule is intended to allow students to arrive on campus twenty minutes before class as well as be available to leave campus twenty minutes after classes end. This schedule is intended to provide enough time for students to take care of any before or after class business (e.g., staying late or arriving early to talk to a professor) and then walk the distance between the bus stop and class.[8]
    - The schedule is also intended to help the bus avoid major pedestrian movements associated with going to and leaving class. Heavy pedestrian street crossings occur along the campus portions of the bus routes and could potentially delay service. By avoiding these times, delays in the bus service can maintain a more dependable schedule. The exception to this is the Manhattan Technical College (via Dickens) branch of Route 1 which would arrive and leave campus at forty and ten minutes passed the hour. This allows other arrival and departure opportunities for students as well as for KSU faculty and staff. The branch also provides service to the east side of campus (the Derby Complex area).
- The citywide service is also intended to replicate travel movements currently provided by the Edwards Hall-Union-KSU Foundation shuttle. Thus, the schedules for both of the citywide routes are coordinated so that people can make a transfer at the Union with little or no wait between buses. Route 1 provides the link between Edwards Hall and the Union and Route 2 the link between the Union and the Foundation. Based on feedback from the steering committee, most of these connections are made on an hourly basis.
- Saturday service begins around 8:00 AM and ends just after 7:00 PM. The service is hourly only. Further, only the Candlewood branch of Route 1 via the Union is operated (no service to Derby or on Dickens is planned). On Route 2, only the Bluemont segment is served on Saturdays (not the Fremont segment).
- During field testing, the final routing of the citywide service shown earlier in Figure 64 was slightly modified to ensure that the service could operate reliably. Figure 68 shows the final citywide routing which ends route 2 service at Walters and Kirkwood instead of farther north at Marlatt.

[8] The campus is laid out to allow students to walk anywhere within 10 minutes.

Figure 68: Final Recommended Citywide Service



Aggieville Special

- This service is to operate only during the fall and spring semesters with service approximately every 30 minutes along each loop. The service is also intended to provide a shuttle link from the Union garage to Aggieville. As designed, buses would depart from the garage to Aggieville about every 15 minutes. The return trips would be about every 30 minutes. More frequent return times can be developed for the later part of the service by reversing the direction of the service's east loop. The east loop is designed to operate in a clockwise direction. However, it can be operated counter clockwise which would favor direct return trips to the garage.
- Field testing of the recommended concept required some changes in how the service accessed Aggieville itself as well as the use of Dickens instead of Claflin on the west loop. Both loops would have a designated stop in Aggieville on Laramie between Manhattan Avenue and 14th Street. Under the recommended concept the two loops would have different stop locations, potentially confusing riders. Under the recommended concept, the west loop would stop at Triangle Park at Manhattan Avenue with the east loop stopping on Anderson at about 14th Street. Having both loops stopping at Laramie provides some consistency to the services. Dickens was used because of its greater concentration of residential land uses as well as an easier left turn when compared to Claflin. See Figure 69 for the final Aggieville Special service.

Finally, complementary ADA paratransit services have not been included in this plan. ATA has pledged to absorb that service as part of its normal operation. If this proves not to be feasible, additional considerations for the cost of that service will need to be made.

7.2 Projected Five-Year Operating and Capital Costs

Based on the operating information presented in section 7.1, a five-year projected operating and capital budget was prepared. The purpose of projecting costs and revenue is to demonstrate the financial viability of the proposed plan in the near term. As the implementation of a transit service is more than a one- or two-year commitment, the viability of the service for a relatively extend period of time was tested by the five year projections.

7.2.1 Operating Costs and Funding

Table 12 shows a projected five-year operating budget that includes operating revenue, operating costs and operating funding. The operating funding is from passenger fares. As seen in the table, the service runs a small budgetary surplus which ranges from about $32,000 in 2011-12 to about $700 in 2014-15. The 2015-16 budget shows a deficit of $12,000. The table does not make any assumption regarding the use of surpluses. They could be held in reserve to fund deficits for any subsequent years. However, the surpluses could be used instead to finance a capital reserve account to be discussed in connection with the capital budget below.

Figure 69: Final Aggieville Special Service

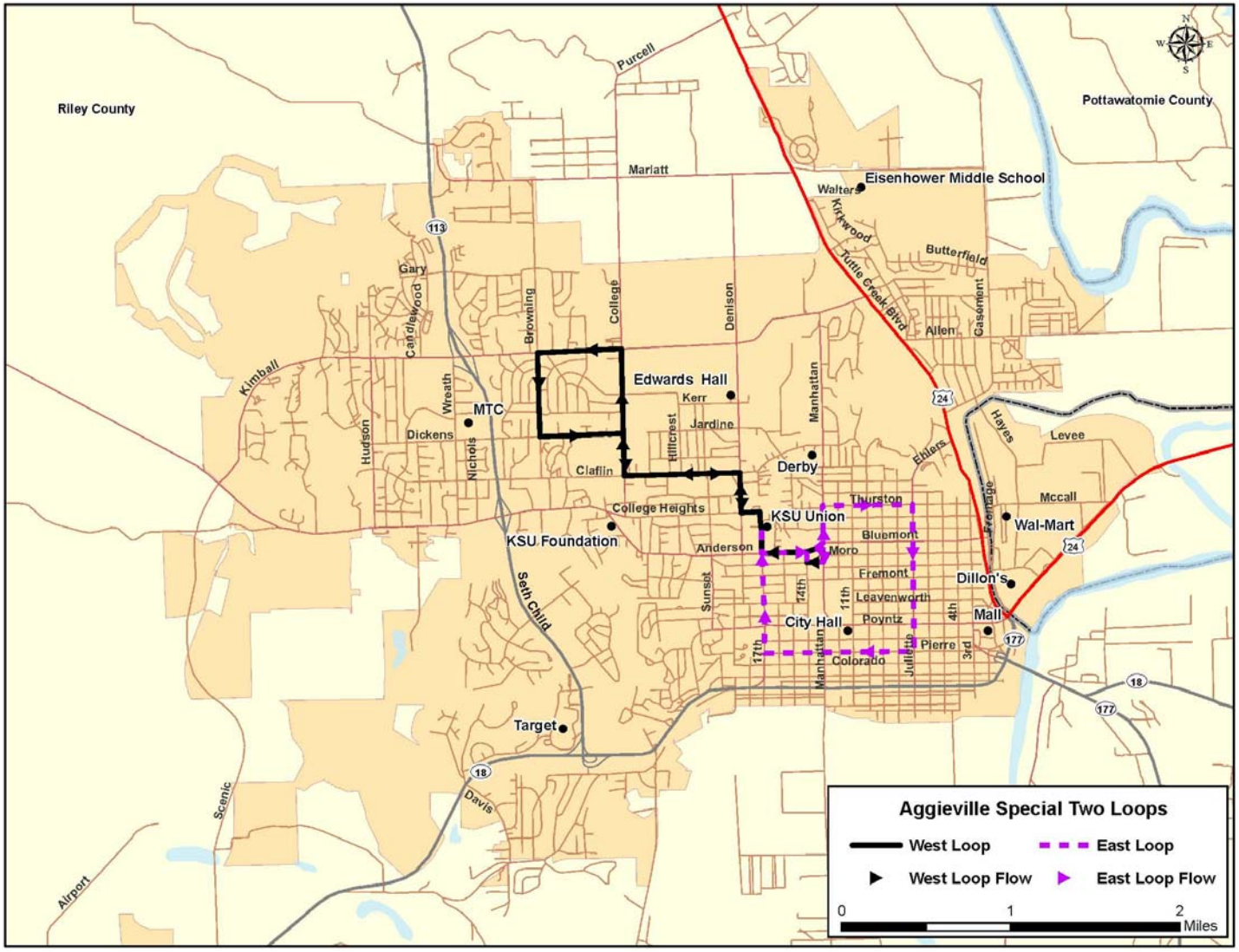


Table 12: Five-Year Projected Operating Costs

Item	2011-2012	2012-13	2013-14	2014-15	2015-16
Operating Revenue					
Passenger Fares	$ 27,800	$ 28,400	$ 29,000	$ 29,600	$ 30,200
Operating Expenses					
Driver Labor	$ 253,800	$ 261,400	$ 269,200	$ 277,300	$ 285,600
Vehicle Maintenance	219,700	241,700	265,900	292,500	321,800
Operations Management	104,700	109,900	115,400	121,200	127,300
System Administration	63,300	65,200	67,200	69,200	71,300
Total Expenses	$ 641,500	$ 678,200	$ 717,700	$ 760,200	$ 806,000
Operating Deficit (Surplus)	$ 613,700	$ 649,800	$ 688,700	$ 730,600	$ 775,800
Operating Funding					
Federal 5311	$ 306,850	$ 324,900	$ 344,350	$ 365,300	$ 387,900
Kansas 5311	92,055	97,470	103,305	109,590	116,370
City of Manhattan	15,000	15,500	16,000	16,500	17,000
Riley County	14,900	15,300	15,800	16,300	16,800
5311 Project Administration	17,600	17,600	17,600	17,600	17,600
KSU (SafeRide, Shuttle)	200,000	202,000	204,000	206,000	208,100
Total Operating Funding	$ 646,405	$ 672,770	$ 701,055	$ 731,290	$ 763,770
Net Operating Deficit (Surplus)	$ (32,705)	$ (22,970)	$ (12,355)	$ (690)	$ 12,030

Operating Revenue consists of revenue from passenger fares. These would be fares collected from the general public. It is assumed that KSU students, faculty, and staff will ride free on all the services since the university is a dominant contributor to the service. About 135 general public riders per weekday are projected to use the service. University-related usage is expected to be about 180 riders per weekday for a total daily ridership of about 315 passengers. The fare structure assumed for the service is:

- Adult $1.00
- Youth/Student (not KSU) $0.50
- Senior/Persons w/ Disabilities $0.50
- Children under 6 years of age Free
- Transfers Free
- KSU Students/Faculty/Staff Free with ID

Operating Expenses — consists of costs associated with drivers, maintenance, fuel, insurance and system administration including marketing and public information costs. Table 12 showed system-wide costs by functional area. The direct and indirect cost for each service component is projected and shown in Table 13 below.

During the five-year period, overall operating costs are projected to grow by about five percent annually. While most costs (mainly driver labor) are projected to grow at an annual rate of three percent, other expenses have been assigned greater growth rates. Maintenance costs, which include fuel, are projected to grow at a 10 percent annual rate and with operations management at five percent. The rate increase for maintenance is due to expected increases in fuel but also general increases in costs for maintaining the vehicles which will age during the period.

Fuel prices for the initial year are budgeted to be $3.75 per gallon. Operations management is given a five percent rate to allow for increasing staffing expenses relating to dispatchers and similar expenses relating to controlling on street service.

Table 13: Five-Year Projected Operating Costs by Service

Service	2011-2012	2012-13	2013-14	2014-15	2015-16
Citywide	$ 554,000	$ 585,800	$ 619,900	$ 656,600	$ 696,100
Aggieville Special	40,800	43,100	45,600	48,300	51,200
GPDR	53,300	56,300	59,600	63,100	66,900
Totals	$ 648,100	$ 685,200	$ 725,100	$ 768,000	$ 814,200

Operating Deficit (Surplus) — is the difference between Operating Revenue and Operating Expenses. As with virtually all public transit operations in the U.S., revenue from operations does not cover operating expenses in the projected budget. The table shows a deficit in the first year of operations of about $613,000. The year-to-year deficits increase as costs increase faster than revenue in the out years.

Operating Funding — consists of funding from federal, state and local sources to offset the Operating Deficit. Section 4 of this report highlighted some of the potential sources of revenue to fund a Manhattan transit system. From Table 12, the following sources are:

- *Federal 5311* — is transit capital and operating funding provided to rural areas of the country. KDOT administers these funds and has indicated that they would be available to the Manhattan area. It should be noted that Manhattan may be re-designated an *urban* area with the 2010 Census. This would make the area eligible for a different source (thus replacing the 5311 program) of federal transit funding called Federal 5307. However, that source itself is being considered for revision which could raise the threshold at which rural areas are re-designated as urban areas. Currently, areas with populations 50,000 or greater are considered urban and are eligible to receive 5307 funding instead of 5311 funds. Among the changes being considered is to raise the population threshold to as much as 100,000 people. In either case (rural or urban) the area should still be able to receive the indicated federal funding levels.
- *Kansas 5311* — is KDOT funding used to help match the Federal 5311 funds. KDOT has indicated that these funds would also be available to the Manhattan area. It should be noted that the nature of state funding may change with the 2010 Census. If Manhattan is re-designated an urban area and begins to receive Federal 5307 transit funding, KDOT has indicated that it will be in a position to provide a level of *urban* state funding comparable to the rural level of state funding shown here. This urban and rural funding change should be monitored as a transit system moves forward toward implementation.
- *City of Manhattan and Riley County* — each provides funds for transit in the city and county. Manhattan funds a subsidized taxi program for people who do not have their own cars. The City would reallocate those funds to a transit system. Similarly, Riley County provides funding to ATA which would be available for the transit system.
- *5311 Project Administration* — is a portion of the Federal 5311 funding and is provided through KDOT to address the administrative expenses of transit operations. It is not certain if this funding source would change, should Manhattan become classified as an urban area.

- *KSU (Safe Ride and Shuttle)* — as discussed in Section 4 of this report, the university provides funding for two transportation programs that could possibly be used to fund a transit system, assuming the system provides equivalent service to what is now provided. The first is Safe Ride which is a subsidized taxi service intended to transport students from the Aggieville area to locations within Manhattan. The shuttle is a bus service connecting Edwards Hall, KSU Union and the KSU Foundation building. As the recommended service plan replicates these services, it is assumed that KSU would be willing to provide the funding for the new service. However, as will be discussed below, this is not assured and would be subject to negotiation.

  Note on Safe Ride Funding

  At the time this report was being written, KSU contracted with ATA to provide Safe Ride service beginning in August of 2010. The Safe Ride service is to be similar to the proposed Aggieville Special except that the new service would operate every 15 minutes instead of every 30 minutes as proposed. Because the amount of service is twice that which has been proposed in this plan, there would be no contribution of funding from the Safe Ride program to the citywide service as had been assumed. This amounts to about $50,000 annually in local funding. This potentially creates a funding gap that could be addressed in one or more ways. First, KSU could decide to re-align the Safe Ride service to conform to this plan. The prospect of providing a citywide service may be a more appealing option to 15 minute service on Safe Ride. Another option would be to reduce the citywide service to stay within the available local funding and not affect the Safe Ride service. This could involve reducing the GPDR service and/or the Saturday service as proposed. Finally, another local funding source might be identified such as the sale of voluntary transit semester passes to KSU students. As the community considers the implementation of a new transit service, these and other options can be explored in more detail.

Net Operating Deficit (Surplus) — is the Operating Deficit (Surplus) less the Operating Funding. As mentioned above the overall funding for the service either breaks even or is close to breaking even financially.

7.2.2 Capital Funding

Another crucial piece of the funding equation for the transit system is capital funding. Capital funding is used to buy vehicles and other assets necessary for the operation of a transit system. Funding for one of the major capital items has been addressed for the new system. ATA Bus has received grant funding for an operations facility. ATA will apply for further grant funding for the five vehicles needed for the service should plans for the city system move forward. While cost of the facility is 100% grant funded, the vehicles would only be funded to about 80% of their cost. The remaining 20% would need to come from local sources. The local share for those vehicles would be about $56,000. For capital planning purposes, the replacement of these vehicles, installation of passenger amenities, and maintenance of the operations facility would be items to be budgeted for the next five years. Table 14 below presents a budget for establishing a reserve for capital expenditures.

Table 14: Five-Year Projected Capital Reserve Budget

Item	2011-2012	2012-13	2013-14	2014-15	2015-16
Revenue Vehicles	$ 18,300	$ 18,300	$ 18,300	$ 18,300	$ 18,300
Passenger Amenities	4,000	4,000	4,000	4,000	4,000
Facility	16,000	16,000	16,000	16,000	16,000
Support	3,500	3,500	3,500	3,500	3,500
Totals	**$ 41,800**	**$ 41,800**	**$ 41,800**	**$ 41,800**	**$ 41,800**
Total with Federal (80%)	**$ 209,000**	**$ 209,000**	**$ 209,000**	**$ 209,000**	**$ 209,000**

There are four capital categories listed in Table 14 and are explained below:

- Revenue Vehicles — which are the buses used in the service. Presently, five vehicles are to be in the transit fleet. In 2009 they cost $65,000 each for a total cost for all five at $325,000. The vehicles acquired by ATA, which are to be used in the proposed service, typically have a four-year useful life before needing to be replaced. To replace all five vehicles in 2014-15 or 2015-16 would be expected to cost $366,000. Assuming federal funding will contribute 80 percent toward the cost that leaves just over $73,000 in local funds to be used to acquire the replacement vehicles. This is $18,300 for an annual contribution to a capital reserve account for vehicles. It should be noted that if the new service proves highly successful and larger capacity vehicles are needed, the capital plan will need to be revised accordingly. The reserve account does not take into account the need for such larger, longer-life vehicles or an expanded fleet. It is assumed that a revised vehicle capital reserve would be established should those decisions be made at a later date.
- Passenger Amenities — includes bus stop shelters and benches as well as information displays. The capital budget reflects the local share (20%) of an annual expenditure of $20,000 for such items. Specific plans for such items as well as operating costs to maintain the shelters and benches once placed have not been included in either the operating or capital budget. It is assumed a passenger amenity plan or strategy will be developed once the transit service is operating and system utilization can be more accurately measured.
- Facility — relates to the operating facility that ATA is planning to build for about $2 million. ATA has received funding for that facility. With a useful life of 25 years, the local (20%) share of the annual depreciation of the building is $16,000. That amount is set aside in a capital reserve to fund future facility-related improvements or repairs.
- Support — includes items not in the above categories and is generally defined as information technology and supervisory vehicles. As with the other items, the capital reserve amount reflects a 20 percent local contribution to the cost of those items.

The total annual contribution to a capital reserve account is budgeted at $41,300. Using an 80 percent federal match means that $209,000 in total annual capital expenditures could be supported. It is proposed that this reserve be partly funded by any operating surpluses shown in Table 12 plus additional local contributions. Table 15 shows the application of the operating surpluses shown in Table 12 plus additional resources needed but yet unfunded. The total unfunded amount is about $140,000 over the period and averages $28,000 annually. Each of the local transit

partners might be assessed a share of this shortfall. Another alternative would be to reduce the capital fund contribution to be in line with available funding. In any case the shortfall would seem manageable.

Table 15: Needed Capital Reserve Funding

Item	2011-2012	2012-13	2013-14	2014-15	2015-16	Totals
Capital Reserve Contribution	$ 41,800	$ 41,800	$ 41,800	$ 41,800	$ 41,800	$ 209,000
Operating Surplus	$ 32,705	$ 22,970	$ 12,355	$ 690		$ 68,720
Needed Capital Reserve Funding	$ 9,095	$ 18,830	$ 29,445	$ 41,110	$ 41,800	$ 140,280

7.3 System Start-Up

There are three basic areas that need to be addressed before the transit service contained in the plan can be initiated. These are:

1. Institutional Oversight and Funding
2. ATA Organizational Readiness
3. Operational Activities

7.3.1 Institutional Oversight and Funding

For the system to move forward, issues regarding oversight and funding need to be resolved. This section presents these issues for consideration by the community.

There are four main entities likely to be involved in transit in Manhattan:

1. Kansas State University — possibly using funds from Safe Ride, the campus shuttle, and perhaps voluntary student fees.
2. City of Manhattan — contributing its taxi program funding
3. Riley County — contributing general funding.
4. Flint Hills (formerly Riley County) Area Transportation Agency (ATA or ATA Bus) — is the designated recipient for federal and state funding as well as the use of its facilities and vehicles. Further, ATA would provide ADA complementary paratransit.

Combining these four entities into a cohesive group to fund and oversee transit operations is a key challenge that needs to be addressed early in the implementation of a transit system. With the presumption that the ATA would be the operating entity for the service, the initial challenge is the governance of the operation by the remaining three entities.[9] As these three entities will provide funding, accountability for managing and sustaining the operation by ATA will be crucial. Following the governance issue will be the need to determine what funding can be accessed from the participating entities. Of these, KSU is very important as the financial projection shows a significant contribution to the service.

[9] Communication with the Kansas Department of Transportation (KDOT) public transit office indicate that ATA can be utilized as the provider of public transit on a sole source basis, that is without a competitive solicitation. As the reader may be reminded, ATA is not a government agency and is a nonprofit organization.

Oversight

There are three basic options by which ATA can be engaged as the public transit provider. First, ATA can have individual contracts with each funding source, the sum of which is the service plan described above. This is the "individual contracts" approach. Second, one of the entities could contract with the other two funding entities to be the transit manager and, in turn, contract with ATA for service. For this report, this is named the "Public Transit Manager" option. The third approach involves the three entities forming an autonomous governing body which in turn contracts with ATA. This will be the "Interlocal Cooperation" option.

In all cases above, an operating agreement between the ATA and some other entity or entities would be created that specifies the services to be provided including routes, fares to be charged, schedules, and other policies necessary for operation of the service. Oversight mechanisms would be included in the agreement which provide accountability to the entity or entities. These mechanisms can include, but are not limited to, audit provisions.

Option 1: Individual Contracts

In this option the ATA would have separate operating agreements with each of the funding partners. The ATA would invoice each partner for their share of the overall service. Since KSU would be the prime funding source, it would likely control the basic terms of the operating agreement, though in the spirit of community cooperation the other entities may be able to influence those terms. The primary advantage of this approach is that it is relatively simple and each partner can decide the level of involvement (if any) with the transit operation. The primary disadvantage is that only KSU will ultimately dictate terms of the agreement, which may or may not be suitable for the needs of the community at large. KSU, of course, will be focused on university needs and those needs may not necessarily coincide with the needs of the larger community. For example, the university may want the service shut down during school breaks, which might not be desired by the communities with year-around transit needs. Another disadvantage would be the lack of unified action among the partners in shaping the transit system. Each partner would be responsible for overseeing their share of the operation. As each partner may have different expectations in this oversight, conflict among the partners may arise that create an awkward situation for the ATA. Further, if one of the partners pulls out of the arrangement, then the remaining two entities will either need to replace the lost funding, reduce service, or raise fares.

Option 2: Public Transit Manager

This option would appoint one of the funding partners as the "manager" of the system. For example, KSU and Riley County might execute an interlocal agreement with the City of Manhattan to be the transit manager.[10] The interlocal agreement would specify roles and responsibilities of the City with respect to the operation of the system. The advantages of this approach would be to relieve the other two partners of continual system oversight. In turn, the City would execute an operating agreement with the ATA. In the manager role, the City would be responsible for ensuring that the terms and conditions of the operating agreement are up held and address day-to-day issues with the service. In this role the City may take on a system planning role as well. Another advantage would be to create a singular point of contact for the ATA reducing (but not necessarily eliminating) conflicts among the funding partners as issues arise. A disadvantage of this approach is that a suitable dispute resolution process may be difficult to either create or use in a practical manner. While it is hoped that all parties can resolve issues amicably, it is possible some circumstances may come to a head, forcing extreme resolution options such as discontinuing the contractual

[10] For that matter, KSU or the County would be the manager with the other two entities taking a less active role.

relationship or pursuit of some kind of adjudication (such as arbitration or judicial proceedings) with the managing entity.

Option 3: Interlocal Cooperation[11]

This option would have the funding entities create a transit governing board which would be empowered to act on behalf of the group. The participating entities would make decisions based on pre-determined bylaws and act as a unified group in contracting with the ATA. The board could designate staff of one of the other entities to serve as a day-to-day manager with ultimate authority for decisions resting with the board. The advantage of this mechanism is that is preserves the unified voice in managing the transit operations found in option 2 but would potentially avoid conflict resolution issues by creating joint action through board actions. The disadvantage of this method is that is creates an additional decision-making layer between the service provider and funders of that service.

Which Option?

This study recommends that the *Interlocal Cooperation* option be explored. It provides a mechanism for the community to act jointly and with one voice. While a dominant financial partner may greatly influence the direction of the future transit system, creating an institutional arrangement for joint action provides the opportunity for transit decisions to be made with the community as a whole in mind.

For the university to enter into an interlocal agreement, the university's Administration and Finance office would review the proposal. In addition, the president and general counsel would also be involved. It is expected that such a review process could take about five months from the time a proposal is submitted.

Local Funding

The primary source of local funding for the transit system would presumably come from KSU. There are two potential sources of financing addressed in the above financial projections. First, would be to utilize funds now used for the Safe Ride program. Second, would involve allocating funding for the campus shuttle. The goal in tapping these sources is to avoid putting additional and mandatory financial burdens upon the student body. This sentiment was expressed during this study by representatives of KSU's SGA.

Safe Ride Funds

As a practical matter, the decision to allocate Safe Ride funding to a city transit system rests with the SGA, though ultimately the university administration would need to sign off on the arrangement. As noted above, the Safe Ride program has been allocated to a service similar to the Aggieville Special but at a level twice as high as proposed here. Nonetheless, if Safe Ride funding were to be used for a city transit service, the steps to navigate this process are:

1. Presentation of a proposal to the Privilege Fee Committee of SGA. The job of the committee is to consider how student privilege fees are allocated at the university. While this is normally done every three years it is feasible that a proposal to use the Safe Ride funds for transit can be made anytime during the school year from September through April. As the Safe Ride program was originally written by students and has been in force for almost 10 years, it will be vital that any proposal clearly show how the purpose of the Safe Ride

[11] It is beyond the scope of this study to do legal research on the mechanisms available to execute interlocal agreements. However, an initial search of Kansas statutes seems to indicate that municipalities and other public bodies can enter into such agreements per Chapter 12, Article 29.

program is preserved by investing the funds into a broader system. If the Privilege Fee Committee approves of the proposal, the full SGA will consider the question.

2. The full SGA would be next in considering the recommendation of the Privilege Fee Committee. If the full SGA approves the administration begins the mechanism to implement the decision.
3. The purchasing office would work out the legal administrative aspects of the proposal. Ultimately the university president would need to sign off. It would be unusual for the president to override a decision reached by SGA.

The time to work through this process is uncertain but three to six months should be anticipated.

Campus Shuttle Funds

The process for allocating shuttle funds to the citywide system would involve the Vice President of Administration and Finance office as well as the president and general counsel offices. In addition the university Parking Committee would be involved.

To work through all of these areas, a five- to six-month time period should be reserved. It may be feasible to pursue each of the above avenues (interlocal agreement and KSU funding) simultaneously in order to compress the overall decision-making timeline.

7.3.2 ATA Organizational Readiness

As stated before, ATA may be the presumed operator of the city/university transit system recommended in this study. While this report is not intended to call into question the competence or integrity of the ATA, its board or management, a matter of prudence dictates that ATA be ready to take on the challenge of operating a fixed-route service. It would be in keeping with public policy to ensure that the ATA has the management and organizational systems in place to operate a service that would effectively double its current scope of duties. Further, as ATA may become the lead agency for a regional transit system, the challenges facing the ATA can be daunting.

It was beyond the scope of this study to examine in depth ATA's current organizational status. It may well be possible that the issues to be discussed below have already been addressed and ATA is ready to assume new responsibilities. However, as a guide to the community, some of the areas that should be addressed can be enumerated. It would make sense for ATA to prepare an organizational development plan that shows how and when they would be able to take on additional responsibilities.

The areas of concern fall into two broad areas: management structure and financing.

Management Structure

The area addresses how ATA is governed and managed. ATA, as a nonprofit organization, is governed by a board of directors. The board is ultimately responsible for decisions made by the agency, including decisions regarding policies and procedures.

At a minimum, the following areas relating to management should be addressed to the satisfaction of the transit system funding partners:

- *Board membership and functioning* — how membership is determined, board committee structure (if any), bylaws, and qualifications of the current members, identification of potential conflicts of interest with the transit service or its funding partners.
- *Administration* — addresses how the organization receives and disburses funds as well as manages its legal requirements with respect to personnel.

  - Financial and accounting controls including compliance with applicable rules and regulations
  - Human resource management including compliance with applicable rules and regulations
  - Procurement procedures
  - Risk management
- *Operations* — how service is put on the street.
  - Safety and training of personnel
  - On-street management of services includes dispatcher procedures as well as road supervision and accident response
  - Vehicle maintenance
  - Vehicle storage
  - Fare handling
  - Scheduling of operations
  - Provision of ADA paratransit and other services
- *Planning and Marketing* — addresses the management of the Authority's service and customer service functions.
  - Planning of services as well as evaluation of services on the street
  - Marketing includes provision of up-to-date and available public information

Financing

Another area of concern is ATA's overall financial position in terms of sufficient working capital to start and maintain the service as well as its ability to fulfill its current obligations. This also includes having sufficient and appropriate insurance.

7.3.3 Operational Activities

Once funding and oversight mechanisms are in place and ATA is ready organizationally, several activities that specifically address system start-up need to occur. These steps are shown in Table 16 and can take up to 12 months to fully implement, depending on the governing mechanism that is decided and the time commitments of the parties involved in carrying out the start-up. It should be noted that many of the steps in the table will have subtasks not described. For example, "adopting fare policy" will require some work in developing the policy as well as getting buy off from the governing group. While some of that work is contained in this study, more discussion with the funding partners may be needed. Timelines are approximate and depend on the degree to which ATA has some of these issues already in hand and whether outside vendors may need to be secured through a solicitation process.

Finally, a budget for start-up should also be established as ATA will incur costs before service actually begins. Costs related to developing marketing materials, hiring and training of new drivers and staff will be required before the service budget (presented above in Table 12 on page 99) actually takes effect. It is estimated that operating start-up costs could range from $40,000 to $50,000 depending on the degree of marketing to be done. As mentioned, another $56,000 in capital funds may be needed to acquire the needed vehicles to start the operation. A total of $96,000 to $106,000 may be needed for start-up. No funding has been identified to cover the operating expenses though use of 5311 funding could possibly offset some of those expenses. Local funds will be needed for the vehicle capital expenditure.

Table 16: System Start Up Check List

Time before Service Starts	Activity	Description
6 to 9 months	Budget and policies	• Adopt final operating budget • Adopt fare policy *(develop transfer mechanism)* • Adopt rules of conduct • Finalize service standards and monitoring procedure • Secure permission to enter private property *(Target, Manhattan Town Center, Dillon's, etc.)*
26 to 30 weeks	Bus Stop Policy and Placement	• Adopt bus stop policy *(fixed or flag stops)* • If fixed, determine location and signage (comply with ADA)
18 to 26 weeks	System Marketing and Public Information	• Adopt System name, identification if different than ATA Bus • Design Public Schedules; *prepare for printing and distribution one month prior to system start.* • Design and develop System Map; *prepare for printing and distribution one month prior to system start.* • Launch Web Site *(include above information)*
12 to 18 weeks	Vehicle Maintenance	• Determine process and frequency of vehicle cleaning • Determine fueling routine *(probably need to be done daily)* • Determine routine maintenance schedule and set up with maintenance vendor *(each vehicle will likely need preventative maintenance on a monthly basis)*
8 to 12 weeks	Fare Handling	• Process and frequency for emptying fare boxes and making deposits.
4 to 8 weeks	Drivers	• Develop driver assignments from schedules • Fine tune driver requirements • Review driver training to ensure it is suitable for fixed route operations. • Begin driver recruitment and training
4 to 6 weeks	Dispatchers/ Other Staff	• Hire or identify additional dispatcher staff • Train staff
1 to 2 weeks	System Marketing and Public Information	• Inaugural Ad *(to be placed in newspapers, emailed to KSU community two weeks before service starts and one day before service starts* • Outreach "How to Ride" Sessions hold two weeks prior to service start.
2 to 3 days		• Perform dry run of service
0 days		• Begin Service