



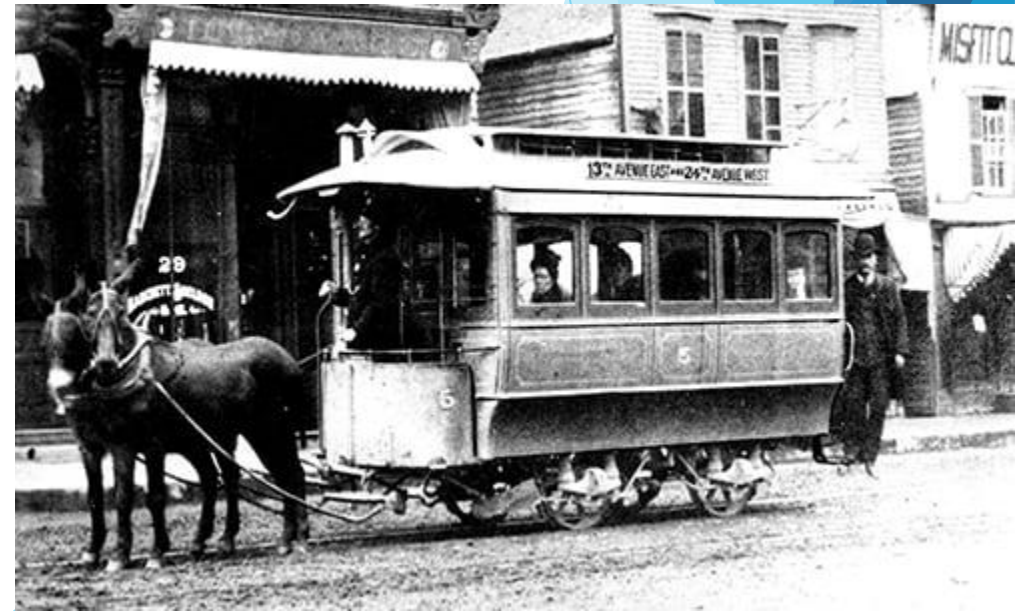
2024
Duluth Transit Authority
Budget Presentation

Outline

- ▶ Overview of DTA
- ▶ What's happening at the DTA? - the past year and looking ahead.
- ▶ Budget Overview
- ▶ Levy Request

Brief History for Mass Transit in Duluth

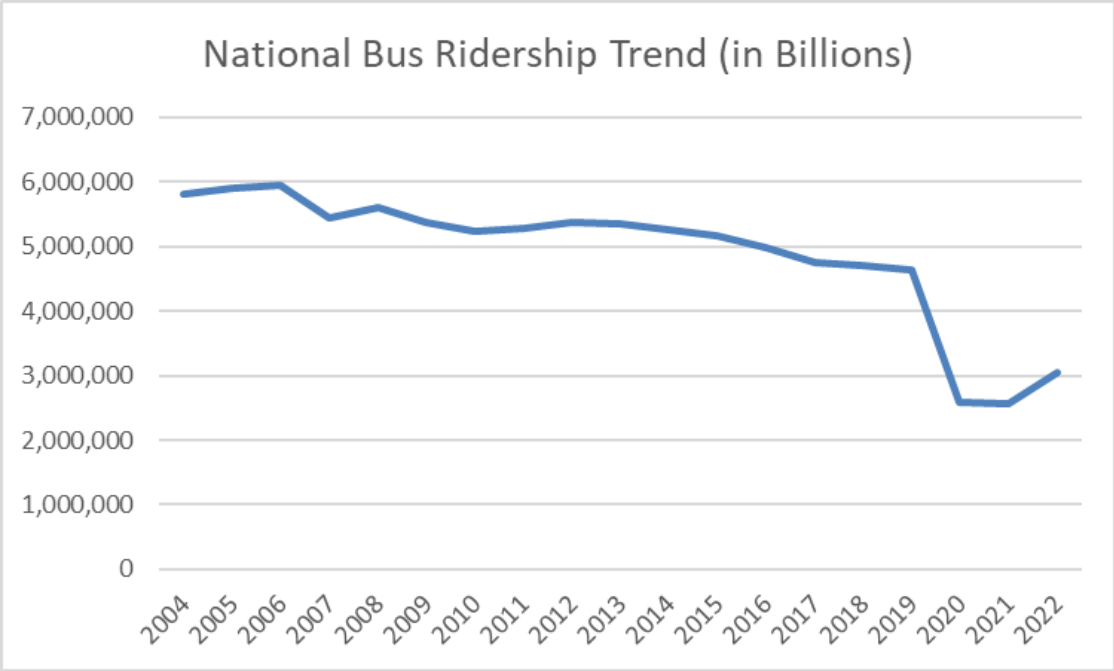
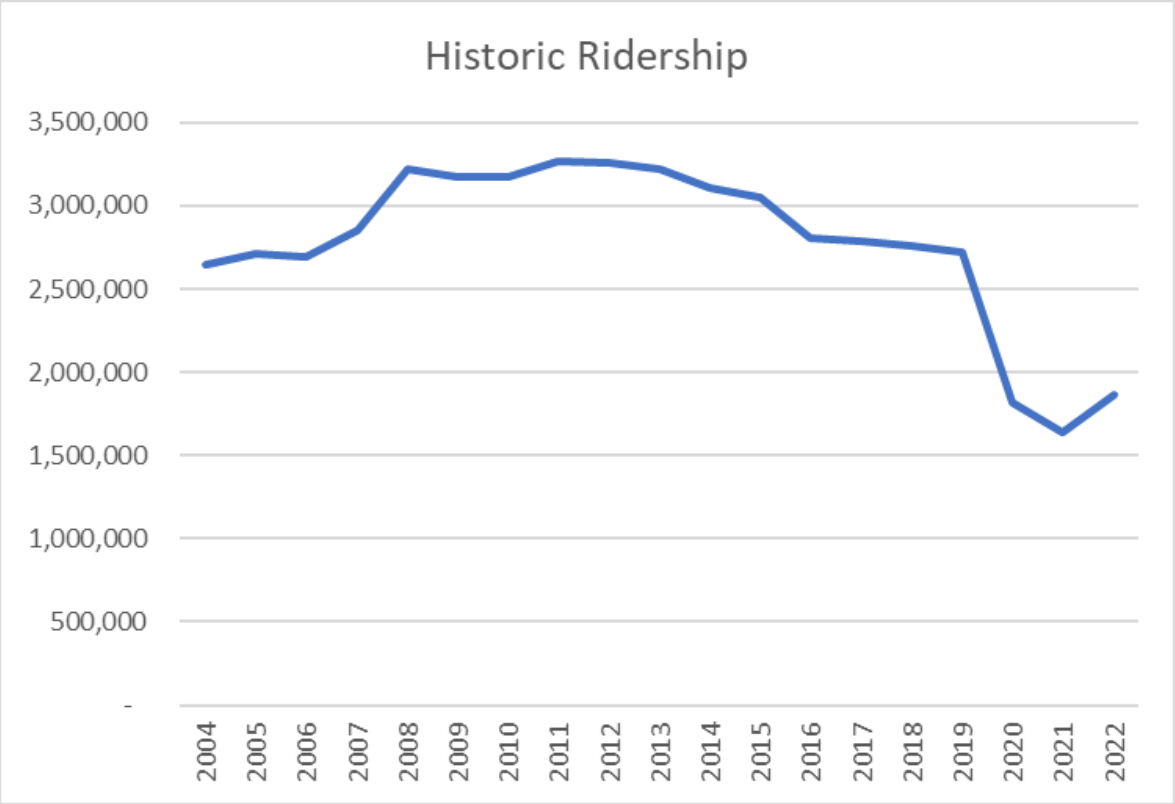
- ▶ 1881 - Duluth Street Railway was incorporated.
- ▶ 1890 - The first electric streetcar went into service.
- ▶ 1924 - The first gasoline powered bus went into service.
- ▶ 1939 - The last streetcar and the Incline Railway service were discontinued.
- ▶ 1969 - The DTA was Legislatively created.
- ▶ 1981 - The DTA's Operations Center opened.
- ▶ 2016 - The Duluth Transportation Center opened.
- ▶ 2018 - DTA began service with seven Electric Battery Buses.
- ▶ 2023 - DTA launches an entirely new fixed-route transit system.



Exceptional Transit Agency with a History of Performance

- ▶ Greater Minnesota's largest transit system (over 1/3 of non-metro statewide ridership)
- ▶ A top transit system nationally, ranking high in many metrics.
 - ▶ Of Cities between 10k-250k, Duluth ranks 22nd out of 577 transit agencies.
- ▶ Scores well in FTA performance categories for additional funding.
 - ▶ DTA received \$2,201,623 in 2023.
 - ▶ Several criteria are directly related to service levels offered, which leverages additional funding from FTA.
 - ▶ Rank 24/320.

Fixed Route Bus Ridership Trends



Better Movement

BETTER BUS STOPS

- Signage
- ADA Improvements
- Shelters
- Lighting
- Over \$2M planned

BETTER TECHNOLOGY

- Mobile App
- Live Bus Tracking
- Signal Priority
- New Fareboxes
- Website

BETTER **BUS** **BLUEPRINT** *IMPROVING TWIN PORTS TRANSIT*

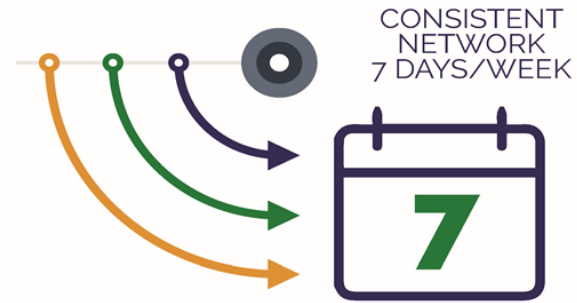
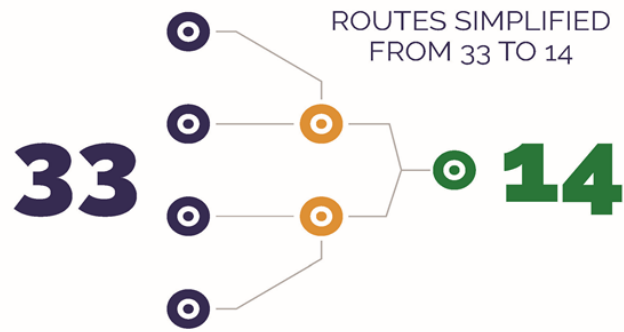
- New Bus Network
- Frequent Service
- More Weekend Service
- Simplified
- First Step to BRT

Better Bus Blueprint - Notable Changes

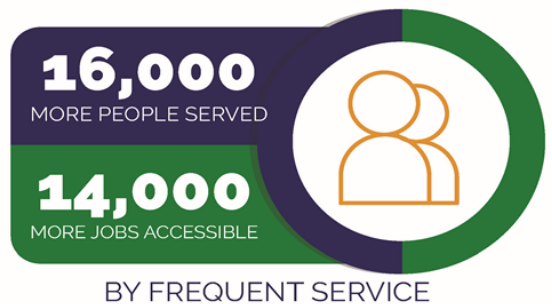
- ▶ The DTA's complete bus network redesign began service on 8/27/2023 (Sunday).
- ▶ Changes to all routes and schedules, entirely new bus system.
- ▶ New bus stop signage.
- ▶ A budget-neutral plan that reorganized resources to better match what the community desired.



BENEFITS OF THE RECOMMENDED DRAFT NETWORK



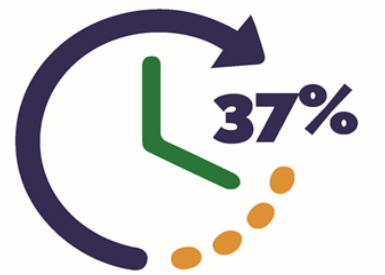
8+ ADDED MILES OF HIGH FREQUENT (PRE-BRT) SERVICE



OF EXISTING RIDERSHIP SERVED



RIDERS CAN RELIABLY ACCESS MORE LOCATIONS



TRIPS WITH SIGNIFICANT TRAVEL TIME IMPROVEMENTS

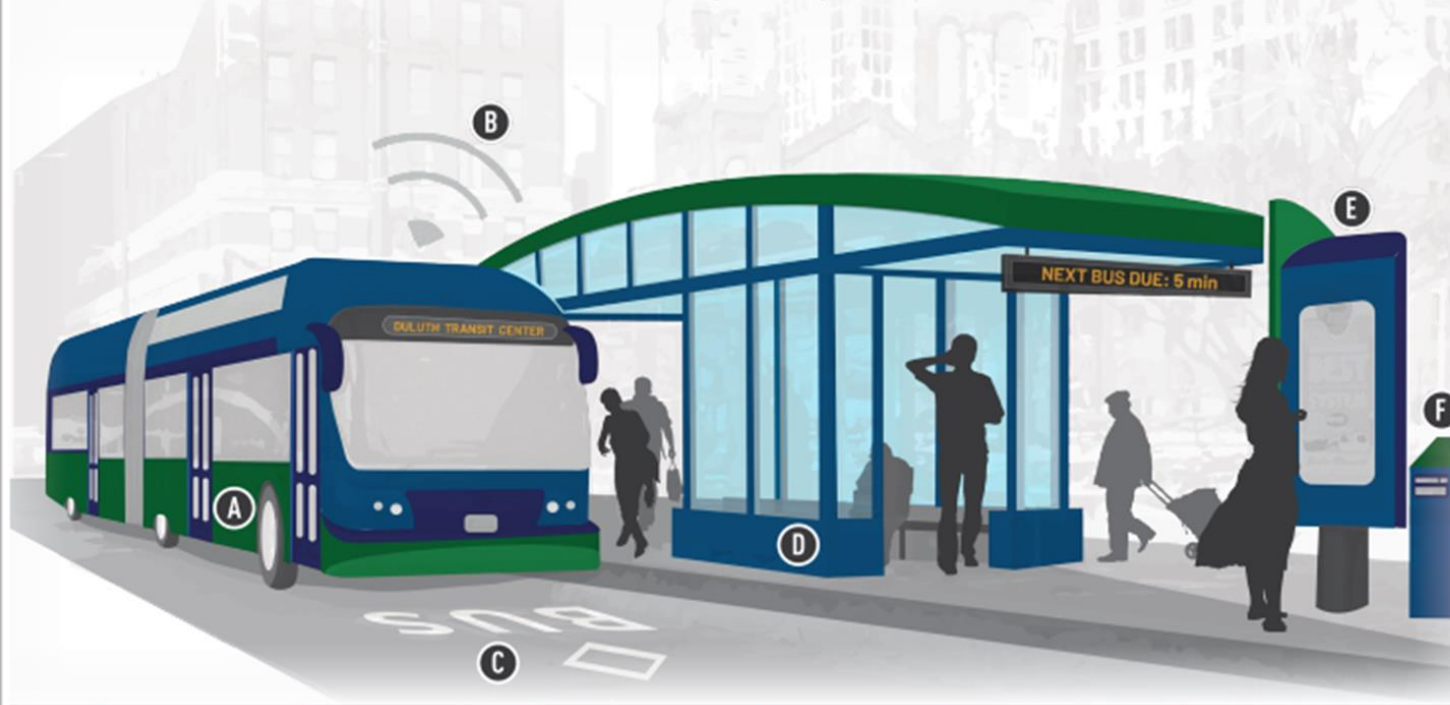
Better Bus Blueprint - Observations So Far

- ▶ Ridership from the first week:
 - ▶ 13.5% increase in weekday ridership from same week in 2022 (7,875 average daily trips)
 - ▶ 38% increase in weekend ridership from the same weekend in 2022. (4,837 average daily ridership)
- ▶ DTA is continuously making adjustments to bus stops and routing/scheduling based on rider and driver feedback.
- ▶ Mostly positive feedback so far. Many stories of time and money saved from passengers.
- ▶ Detours have been extremely challenging.
- ▶ General fear for this coming winter and snow clearing/accessibility.
- ▶ New routes will serve as a good connection with future Northern Light Express.

Go-Lines, Future Bus Rapid Transit (BRT)

A Step Toward the Future

The addition of Go Line service is the first step towards providing Bus Rapid Transit (BRT) to Twin Ports' residents. The DTA is actively looking to expand and improve Go Line service to include more BRT features in the future! Examples of potential BRT features are shown below.



Bus Rapid Transit is a higher quality bus service that is often compared to rail. BRT provides frequent, fast, and reliable transit service with fewer stops. BRT commonly includes features like improved customer amenities, enhanced bus stops, branded vehicles, and special road accommodations.

- A. Specialized Vehicles
- B. Transit Signal Priority/Signal Enhancements
- C. Dedicated Transit Lanes
- D. Enhanced Stops/Stations
- E. Branded Infrastructure
- F. Off-Board Fare Collection

Other Highlights

- ▶ Hiring Drivers
- ▶ New technology
- ▶ New Miller Hill Mall Hub and Shelters at St. Mary's
- ▶ Major renovations at DTA's Operations Center
- ▶ 11 new Go-Line buses
- ▶ Continued dialog with ISD 709 for a possible pass partnership

Duluth Transit Authority - Operating Revenues

	2023	2024
OPERATING REVENUES	<u>BUDGET</u>	<u>BUDGET</u>
PASSENGER REVENUE	\$1,594,263	\$1,681,405
CHARTER REVENUE	10,000	13,000
AUXILIARY REVENUES	2,036,628	2,282,100
STRIDE REVENUES	<u>127,181</u>	<u>151,395</u>
TOTAL OPERATING REVENUES	\$3,768,072	\$4,127,900

Duluth Transit Authority - Operating Expenses

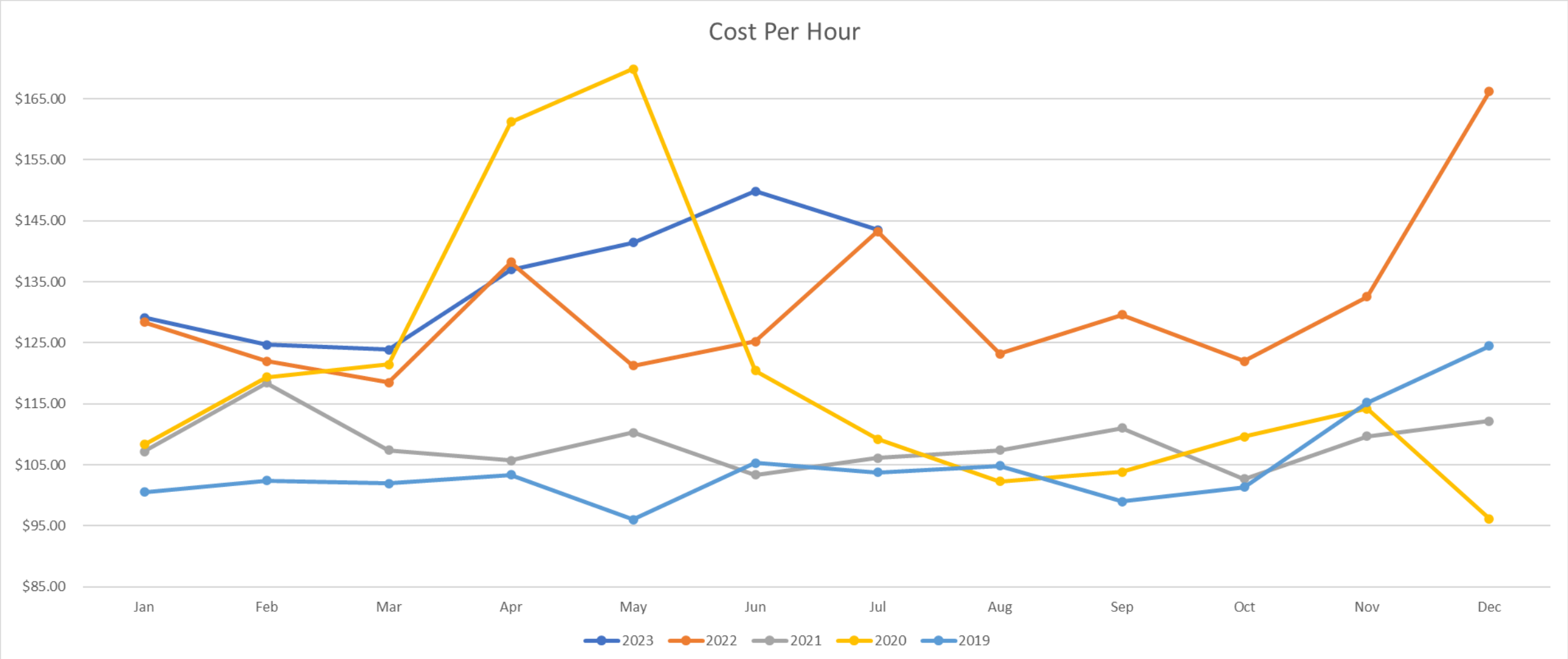
OPERATING EXPENSES	2023 Budget	2024 Budget
Fixed Route Expenses		
Personnel	15,428,186	15,613,862
Administrative	1,306,689	1,574,850
Vehicle & Operations	4,476,716	3,561,977
Insurance	875,703	956,816
Taxes and Fees	3,730	10,900
Total Fixed Route Expenses	\$ 22,091,024	\$ 21,718,405
ADA Paratransit Expenses		
Personnel	957,233	1,352,682
Administrative	24,300	64,615
Vehicle & Operations	170,694	142,160
Insurance	47,226	49,920
Taxes and Fees	-	1,020
Total ADA Paratransit Expenses	\$ 1,199,452	\$ 1,610,397
TOTAL OPERATING EXPENSES	\$ 23,290,476	\$ 23,328,802
TOTAL OPERATING DEFICIT	\$ 19,522,404	\$ 19,200,902

NOTE: The Operating Deficit is funded by Federal and State Operating grants.

2024 Fixed Route Expenses

Labor and Fringe Benefits	\$ 15,613,862	71.9%
Services	\$ 1,073,825	4.9%
Fuel & Lube	\$ 1,972,177	9.1%
Parts	\$ 808,760	3.7%
Tires	\$ 103,750	0.5%
Office Supplies (Includes Software Maintenance)	\$ 529,940	2.4%
Utilities	\$ 506,275	2.3%
Insurance	\$ 956,816	4.4%
Marketing, Advertising, Dues & Subscriptions	\$ 153,000	0.7%
Total Fixed Route Expenses	\$ 21,718,405	100.0%

Fixed Route Cost Per Operating Hour



CAPITAL PROJECTS 2023-2024

	Project Amount	Local Share
5 ADA Paratransit Buses	\$432,500	\$86,500
Security Projects	\$150,000	\$30,000
Technology Projects	\$100,000	\$20,000
Estimated Unprogrammed FTA Funds for 2024	\$2,278,724	\$455,748
	<u>\$2,961,224</u>	<u>\$592,248</u>
Local Match Required for Capital Projects		\$592,248

Future Capital Projects

▶ 2025

- ▶ Backlog of over \$9 million in awarded FTA funding for capital projects.
- ▶ Funds from unprogrammed projects in 2022, 2023, 2024, and 2025 projected funds.
- ▶ Nearly another \$1 million in awards from MnDOT.

▶ 2026

- ▶ Over \$2 million planned in Go Line infrastructure improvements (future BRT).

▶ 2027

- ▶ Another \$2.5 million planned in Go Line infrastructure improvements (future BRT).

DTA Levy

- ▶ Voter approved levy
 - ▶ 458A.31 “Subdivision 1. Levy limit.
 - ▶ Notwithstanding anything to the contrary contained in the charter of the city of Duluth, any ordinance thereof, or any statute applicable thereto, limiting the amount levied in any one year for general or special purposes, the city council of the city of Duluth shall each year levy a tax in an amount not to exceed 0.07253 percent of estimated market value, by ordinance. An ordinance fixing the levy shall take effect immediately upon its passage and approval. The proceeds of the levy shall be paid into the city treasury and deposited in the operating fund provided for in section 458A.24, subdivision 3.”
 - ▶ Current levy limit exceeds \$7,300,000

Levy Increase History

► Recent levy increases

Year of Increase	Amount Increased	Total Levy
2004	\$533,700	\$1,063,100
2005	\$253,800	\$1,316,900
2013	\$75,000	\$1,391,900
2016	\$100,000	\$1,491,900
2020	\$175,000	\$1,666,900
2023	\$507,508	\$2,174,408

Covid Relief Funds

- ▶ DTA received funds from the three COVID Relief Packages passed by Congress: CARES Act - \$6.4M; CRRSAA - \$3.9M; ARPA - \$7.8M
- ▶ All Relief Funds have now been obligated and entered into FTA grant agreements.
 - ▶ Remaining funds were split between critical capital projects and operations support
 - ▶ \$5,924,423 remaining in Operating Assistance
 - ▶ \$1,931,444 remaining in Capital Projects

Fare Increase

- ▶ No fare increases proposed at this time
- ▶ Last fare increases in 2011, 2005
 - ▶ Decreases to certain pass types in 2021 (day pass from \$4 to \$3, week pass from \$17 to \$15, and teen 31-day pass from \$37.50 to \$30).
 - ▶ Fare Capping coming soon
- ▶ Peer comparison analysis - 15 similar agencies
 - ▶ Average fare \$1.50 - same as DTA

Local Match Required

	2024 (5% Local Match)	Historical Local Match
DTA Operating Budget		
Fixed Route (historically 20%)	\$ 1,004,110	\$ 4,016,441
ADA Paratransit (historically 15%)	\$ 73,695	\$ 221,084
DTA Capital Projects	\$ 592,248	\$ 592,248
SUBTOTAL	\$ 1,670,053	\$ 4,829,773
Shortfall from 2023 Tax Levy Request	\$ 1,725,592	\$ 1,725,592
TOTAL	\$ 3,395,645	\$ 6,555,365
2023 Tax Levy	\$ 2,174,408	
2024 Tax Levy Request (0% increase)	\$ 2,174,408	
Balance to be paid for with additional Covid Relief Funds	\$ 1,221,237	
Fare Increase - None		