

Agenda Item 1b

**6th Meeting of the
MATBUS Coordination Committee
April 16, 2025 – 9:00 AM
Metro COG Conference Room/Zoom**

Members Present:

Deb White, Moorhead City Council, Chair
John Strand, Fargo City Commission
Julie Bommelman, Fargo Transit Director
Susan Thompson, Fargo Finance Director
Sebastian McDougall, Moorhead City Council
Jenica Flanagan, Moorhead Finance Director
Mike Rietz, Moorhead Assistant City Manager
Dustin Scott, West Fargo City Administrator
Peyton Mastera, Dilworth City Administrator
Brit Stevens, NDSU Transportation Manager
Ben Griffith, Metro COG Executive Director

Members Absent:

Denise Kolpack, Fargo City Commission

Others Present:

Adam Altenburg, Metro COG
Heidi Benke, MATBUS
Shaun Crowell, MATBUS
Luke Grittner, MATBUS
Aiden Jung, Metro COG
Ian McLean, City of Fargo
Matt Pinotti, Transdev
Cole Swingen, MATBUS
Megan Zahradka, City of Moorhead

1a. Approve Order and Contents of the Overall Agenda

A motion to approve the order and contents of the overall agenda was made by Mr. Mastera and seconded by Mr. Griffith. The motion was voted on and unanimously approved.

1b. Review and Action on Minutes from March 19, 2025

A motion to approve the minutes for March 2024 was made by Mr. McDougall and seconded by Ms. Bommelman. The motion was voted on and unanimously approved.

2a. MATBUS Driver Services and Transition Recommendation

Ms. Bommelman presented an overview of the current MATBUS driver services contract and the proposed plan to shift drivers from being contracted through Transdev to becoming City of Fargo employees. She explained that the City of Fargo currently manages a contract with Transdev that covers driver services for the entire metro area, which includes Fargo and its regional partners. This contract is set to expire on December 31, 2025. She noted that renewing services with Transdev would result in an estimated 25 percent increase in operational costs. She outlined that the proposed staff would include 75 full-time drivers

and six senior drivers, whose responsibilities would encompass behind-the-wheel instruction and cadet training. Creating the senior driver position would eliminate the need to pay a wage differential for training hours currently performed by other drivers. Additional staff would include four road supervisors and management positions such as an Operations Manager, Fixed Route Operations Supervisor, Safety & Training Manager, and a Training Specialist. She noted that one Human Resources position would also be added as well to assist the transit department. Lastly, she noted that to accommodate part-time staffing needs, temporary/non-benefited funding would be allocated for six part-time drivers, noting that Transdev currently employs 12 part-time positions.

Ms. Bommelman also explained that the transition of MATBUS driver services to City of Fargo employment aims to improve operational efficiency, reduce costs, and enhance employee satisfaction. Some of the efficiencies she noted were:

- **Flexible Scheduling:**
 - No union restrictions will allow for more adaptable driver scheduling and shift assignments.
- **Focused Management:**
 - Management staff will concentrate exclusively on local operations without the added burden of corporate-level administrative tasks required under Transdev.
- **HR Efficiency:**
 - The existing contracted Office Clerk position can be converted into a Human Resources role, reducing the total number of new positions needed.
- **Training Cost Reduction:**
 - Creation of senior bus operator positions will eliminate the need to pay training differentials, resulting in lower annual training costs.
- **Scheduling Software Implementation:**
 - New driver scheduling software will be implemented in the coming weeks.
 - Expected to increase scheduling efficiency by reducing the number of required operators.
 - Currently, Transdev requires 81 operators working 34.08-39.97 hours/week; this number is anticipated to be reduced by at least one to two positions.
- **Improved Driver Retention:**
 - In 2024, Transdev's driver retention rate was 53 percent.
 - The City of Fargo aims to improve this rate through better morale, stronger benefits, and a cohesive team environment.

Mr. Swingen expressed support for the transition, emphasizing that city employment would offer better career growth, increased job security, and potentially higher employee satisfaction. Mr. Strand inquired about trends in other cities, asking how other municipalities are addressing similar decisions - whether they are moving toward in-house transit operations or continuing to rely on contracted service providers.

A motion to authorize staff to bring a recommendation to the City of Fargo Budget Team, Administration, and Fargo City Commission for approval to pursue transitioning transit contracted drivers and their management staff to City of Fargo staff was made by Mr. Strand and seconded by Mr. Rietz. The motion was voted on and unanimously approved.

3a. 2026 Budgetary Efficiencies

Mr. Swingen presented an informational item outlining projected budgetary efficiencies for 2026. Some of the efficiencies he noted MATBUS will examine is existing expenses, services, bus routes, and new and existing revenue opportunities to determine cost savings. Mr. Swingen noted that MATBUS will return with recommendations at the May 21 MATBUS Coordination Committee meeting.

Ms. Thompson provided background on MATBUS's ongoing deficit from the City of Fargo, noting that the size of the deficit continues to grow. Ms. Thompson emphasized that the current \$5.5 million deficit is not sustainable for the city. Chair White raised the question of the commitment that each jurisdiction made, questioning how service cuts in Fargo would affect service levels in other participating jurisdictions.

Ms. Thompson expressed a desire to reduce the current deficit by at least half and return to pre-COVID funding levels. Mr. Mastera asked about the long-term financial impacts, and what can be done so the financial future of MATBUS is more stable. Ms. Bommelman said that MATBUS is looking for efficiencies and will continue to look for future funding sources. She noted that they went to the North Dakota legislature in hopes to secure a long-term funding source from the state, but that they were only approved for some funding through the biennium. She noted that the outcome of a state-level study may support the case for consistent annual funding for MATBUS.

3b. Potential Fare Increase and Fare Structure Adjustment

Ms. Bommelman presented an item to the MATBUS board regarding a potential fare increase and adjustments to the fare structure. She shared that during the most recent Legislative session, she was frequently asked why MATBUS hasn't raised fares in recent years. In response to those inquiries, she stated that MATBUS will be evaluating the current fare model. She pointed out that the transit agency in Grand Forks recently implemented a fare increase, although it has only been in place for about a week, so there is no data yet on how it has affected ridership.

She reminded the board that MATBUS last raised its cash fare in 2009, with additional increases to pass fares in 2012 and again in 2020. One important consideration mentioned was that under federal regulations, the fare for paratransit service cannot exceed twice the fixed-route cash fare. Ms. Bommelman also noted that the area's Senior Ride program will be raising fares from \$3.00 to \$4.00 starting July 1.

Mr. Grittner then provided an overview into the potential impacts of raising the base fare from \$1.50 to \$2.00. He explained that while such a change would likely increase revenue, it could result in a 10–15% decrease in ridership. Ms. Flannagan asked whether a reduction in ridership would also lead to a loss in federal funding. Ms. Bommelman confirmed that it would, and said they will provide the specific figures to the board.

Chair White expressed concern about the broader effects of declining ridership. She emphasized that more riders typically attract more riders, and that higher ridership can contribute to improved safety. She also pointed out that MATBUS is currently on the higher end when it comes to monthly pass pricing and suggested that a weekly pass option could be helpful for some riders.

There was also discussion around simplifying the fare structure. Ms. Bommelman suggested that doing so could make the system more accessible and potentially increase

ridership. Mr. Swingen agreed, noting that the current fare capping system can be confusing for riders. Mr. Crowell added that no one pays more than \$3.00 per day to ride MATBUS, but even that can be a challenge to communicate clearly.

Mr. Strand brought up the idea of fare-free service, asking about its potential impacts. Ms. Bommelman responded by stating that while some transit agencies experimented with fare-free models during the pandemic, most have since returned to charging fares. Mr. Crowell questioned whether ridership typically rebounds after an initial dip caused by fare increases. Mr. Rietz supported that idea, saying that he believes some riders would return over time. Mr. Crowell also noted he would be surprised if a fare increase led to a drop in paratransit use. Mr. Grittner agreed, stating that riders who rely on paratransit typically have no alternative transportation options.

3c. Safety and Security Update

Mr. Swingen provided an update on safety and security at MATBUS. He shared that since the board last met, a new security guard has been brought on staff. According to Mr. Swingen, the new security guard has been highly effective, particularly in deescalating situations, and this has already contributed to a noticeable reduction in reported incidents.

3d. Quarterly Ridership Update

Mr. Grittner provided an update on quarterly ridership, offering a route-by-route overview for the board. Ms. Bommelman raised a question about a significant decline in ridership on the M State route, noting a 47 percent drop. Mr. Swingen suggested that the decrease could be attributed to a change in usage pattern, specifically that some students who had previously been using the service may not have been technically qualified for it.

4. Other Business

Chair White stated that the next MATBUS Coordination Committee meeting will be held Wednesday, May 21 at 9:00 AM.

Chair White adjourned the meeting at 10:15 AM.