



Fargo-Moorhead Metropolitan
Council of Governments

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6th Meeting of the MATBUS Coordination Committee

April 16, 2025 | 9:00 – 10:00 am

Location: Metro COG Conference Room/Zoom

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Meeting ID: 890 6859 5689

Passcode: 669108

1. Call to Order and Introductions
 - a. Approve Order and Contents of the Overall Agenda
 - b. Review and Action on Minutes from March 19, 2025
2. Action Items
 - a. MATBUS Driver Services and Transition Recommendation – **Julie Bommelman and Cole Swingen**
3. Informational Items
 - a. 2026 Budgetary Efficiencies – **Cole Swingen**
 - b. Potential Fare Increase and Fare Structure Adjustment – **Julie Bommelman**
 - c. Safety and Security Update – **Cole Swingen**
 - d. Quarterly Ridership Update – **Luke Grittner**
4. Other Business

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Agenda Item 1b

**5th Meeting of the
MATBUS Coordination Committee
March 19, 2025 – 9:00 AM
Metro COG Conference Room/Zoom**

Members Present:

Deb White, Moorhead City Council, Chair
Denise Kolpack, Fargo City Commission
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
Peyton Mastera, Dilworth City Administrator
Ben Griffith, Metro COG Executive Director

Members Absent:

Mike Rietz, Moorhead Assistant City Manager
Dustin Scott, West Fargo City Administrator
Brit Stevens, NDSU Transportation Manager

Others Present:

Adam Altenburg, Metro COG
Heidi Benke, MATBUS
Shaun Crowell, MATBUS
Taaren Haak, MATBUS
Jean Henning, City of Fargo
Aiden Jung, Metro COG
Nancy Morris, 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. Strand and seconded by Mr. McDougall. The motion was voted on and unanimously approved.

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

Mr. Mastera noted that the motion to approve the order and contents of the overall agenda in February was not made by him. Mr. Altenburg confirmed this was an error on his part.

A motion to approve the minutes for February 2025 as corrected was made by Ms. Thompson and seconded by Ms. Flanagan. The motion was voted on and unanimously approved.

2a. LinkFM Final Recommendation

Mr. Swingen explained that at the previous MCC meeting, it was recommended that LinkFM be eliminated for the remainder of 2025 and all subsequent years. He noted that after discussion with the committee, it was decided to postpone the motion to address the following questions and concerns:

- Will the MNDOT allow LinkFM to be operated outside of service hours for the Trollwood Mainstage Musical?
- How does Moorhead receive funding for LinkFM events? Will canceling LinkFM events affect funding in any way?
- Event partners should be informed about the possible cancellation of LinkFM. They could be asked if they would participate in funding the service.
- Consider operating LinkFM for Pride in the Park until the State of Minnesota-funded bus is retired in 2027, allowing Bluestem time to develop alternatives.
- LinkFM should be continued as normal for the Celtic Festival, due to the short amount of time before the event.

Mr. Swingen stated that MATBUS staff had contacted the appropriate parties and determined:

- MNDOT will not allow LinkFM to be operated outside of service hours.
- LinkFM events are included in the annual Fixed Route contract with MNDOT. MNDOT will need to be made aware of the change in service levels, but no funds will need to be returned to the state, due to an anticipated overspend on the MNDOT contract.
- All event partners have been contacted. Upon further study and discussion, MATBUS staff determined that any potential financial contribution from event organizers would not enable MATBUS to deliver LinkFM service, due to physical barriers beyond each party's control. Event organizers will look for alternative transportation options if needed.
- The Pride in the Park event can still be operated as is for the duration of the state-funded bus's life.
- LinkFM will operate as normal for the Celtic Festival.
- Due to construction around the former Moorhead Center Mall, LinkFM will not be able to service any downtown events during the summer of 2025.

A motion to approve the elimination of all LinkFM events, besides Pride in the Park through 2027, was made by Ms. Kolpack and seconded by Ms. Thompson. The motion was voted on and unanimously approved.

2b. MATBUS Driver Services and Transition Recommendation

Ms. Bommelman provided an update on the ongoing driver services discussion. She explained that the current contractor relationship with Transdev includes drivers for fixed routes in Fargo and Moorhead (West Fargo and Dilworth are included through Fargo and Moorhead), drivers for paratransit in the same geographic areas and during the same hours as fixed route, management, safety oversight, training and road supervision of drivers, and an office clerk. She stated that the City of Fargo has a contract with Transdev for the entire metro area and that the existing contract expires December 31, 2025, with no option years remaining.

Ms. Bommelman noted that MATBUS has two discernable opportunities for driver services: (1) rebid the contract through an intensive procurement process or (2) hire the drivers and their management staff as City of Fargo employees to coincide with the expiration of the contract to avoid service interruptions.

Ms. Bommelman explained that the procurement process is labor intensive for MATBUS staff, is heavily regulated, and requires approximately six months from start to finish. She also noted that there is a need to garner assistance from the City of Fargo Procurement staff if this route is chosen. Alternatively, she explained what it may look like should MATBUS hire the drivers and their management staff as City of Fargo employees to coincide with the expiration of the contract with Transdev. She noted that this would include approximately 80 drivers, six senior drivers, five road supervisors, management staff, temporary/non-benefited costs for six part-time positions, full benefits deduction (based on the percentage of employees that have health insurance benefits through the City of Fargo), and overtime costs.

Ms. Bommelman explained several likely advantages in drivers and management staff becoming City of Fargo employees including: higher wages than under the current contract, better benefits, no union restrictions, more flexible scheduling, increased retention and job satisfaction, management staff focusing on operations rather than corporate tasks, and city staff having control over hiring employees and training. She noted additional considerations including: driver scheduling software likely to be purchased in April to increase scheduling efficiencies, driver services contract expected to increase between 15 and 25 percent based on previous new contract years, and improved morale and benefits as well as a cohesive team mentality. She also noted two major lawsuits from Transdev driver accidents that are pending settlement, and that the North Dakota Insurance Reserve Fund (NDIRF) is currently liable for the \$2 million per occurrence due to the current driver contract. Without a driver contractor, ND state statute limits a municipality's liability to \$500,000 per occurrence.

Ms. Bommelman concluded by noting that there was a suggested motion to Item 2b but requested that this be tabled so that MATBUS could continue conversations with the City of Fargo about future driver services.

A motion to table the recommendation was made by Mr. Griffith and seconded by Ms. Bommelman. The motion was voted on and unanimously approved.

3a. Safety and Security Update

Mr. Swingen provided a brief safety and security update for incidents reported in February 2025. He noted that security staff are currently upgrading to higher quality security cameras and that communication has been good with Signal Security, the new security provider. He also noted that MATBUS is still looking to meet with the Fargo Police Department to create a safety committee or task force.

Chair White asked whether MATBUS staff had seen an uptick in loitering, especially with the City of Fargo Winter Warming Center having been moved to 25th Street S. Mr. Swingen responded that the loitering numbers have been consistent with previous years, but that those numbers tend to be higher in the morning hours. Chair White asked whether more could be done with street/mobile outreach for non-emergencies. Mr. Swingen answered that street outreach's hours of operation make it difficult to respond to some non-emergencies. He praised Signal Security staff for successfully de-escalating recent situations.

4. Other Business

Chair White stated that the next MATBUS Coordination Committee meeting will be held Wednesday, April 16 at 9:00 AM.

Chair White adjourned the meeting at 10:04 AM.

Memorandum

To: MATBUS Coordination Committee

From: Cole Swingen, Assistant Transit Director - Operations

Date: April 16, 2025

RE: *MATBUS Driver Services*



At the previous MATBUS Coordination Committee meeting on March 19, 2025, it was decided that MATBUS staff would return with a proposal to transition drivers and their management staff from contracted positions to positions within the City of Fargo. This proposal includes operational efficiencies created through the transition and a comparison between estimated 2026 contracted and non-contracted costs.

Proposal

Proposed Staff Transition

- 75 Drivers
- 6 Senior Drivers (Job duties include behind the wheel training and Cadet training. Creation of the senior driver position eliminates the need to pay differential for training hours.)
- 4 Road Supervisors
- Management Staff
 - Operations Manager
 - Fixed Route Operations Supervisor
 - Safety & Training Manager
 - Training Specialist
- 1 Human Resources Position (Further discussions with HR staff will determine the position needed to support the Transit Department)
- Temporary/Non-Benefited costs to be used for 6 part-time positions (Transdev currently has 12 part-time positions)
- Benefits Deduction (Based on the percentage of employees that have health insurance benefits through the City of Fargo as per the City of Fargo benefits survey)
 - 12% No Benefits
 - 44% Single Plans
 - 8% Single Plus Child Plans
 - 48% Family Plans
- Overtime Costs

Cost Comparison:

	Contracted Driver Services	In House Drivers	Difference
Fargo	\$ 6,221,344.71	\$ 4,784,843.24	\$ 1,436,501.47
Moorhead	\$ 3,018,959.04	\$ 2,249,219.16	\$ 769,739.88
West Fargo	\$ 584,409.67	\$ 459,655.27	\$ 124,754.40
NDSU	\$ 590,179.09	\$ 442,961.36	\$ 147,217.73
Total	\$ 10,414,892.51	\$ 7,936,679.03	\$ 2,478,213.48

- These amounts include driver & management wages and benefits.

Efficiencies:

- No union restrictions allowing for more flexible scheduling.
- Management staff focused on our operations and not spending time on corporate tasks
- The existing contracted Office Clerk position can be converted to a Human Resources position, condensing the total number of new positions needed.
- Senior bus operator positions will reduce annual training costs.
- Driver scheduling software that will be implemented in the next few weeks is anticipated to demonstrate increased scheduling efficiencies. Current Transdev schedules require 81 bus operators that work between 34.08 and 39.97 hours per week. We expect to reduce this number by at least 1-2 positions by using this software and removing union restrictions.

Additional Considerations:

- Driver scheduling software that will be purchased this April is anticipated to demonstrate increased scheduling efficiencies. Current Transdev schedules require 81 bus operators that work between 34.08 and 39.97 hours per week. We expect to reduce this number by at least 1-2 positions by using this software and removing union restrictions.
- Based on previous new contract years (2016, 2021), the cost comparison assumes a 25% price increase.
- Two major lawsuits from Transdev driver accidents pending settlement. The North Dakota Insurance Reserve Fund (NDRF) is currently liable for the \$2M per occurrence due to our driver contract. Without a driver contractor, ND state statute limits a municipality liability to \$500,000 per occurrence. NDRF has confirmed that if the City of Fargo continues to contract driver services, insurance premiums will increase by \$200,000.
- In 2024, Transdev's driver retention was 53 percent for the year. Improved morale and benefits as well as a cohesive team mentality will help our department continue to improve this percentage.

Requested motion: Authorize staff to bring a recommendation to the City of Fargo Budget Team, Administration and City of Fargo Commission for approval to pursue transitioning Transit contracted drivers and their management staff to City of Fargo staff and thereby eliminating the RFP process for contracted driver services.

City of Fargo Staff

Supervisory Staff

Salaries and Benefits	\$	929,014.53
Full Time - Overtime	\$	18,000.00
		\$ 947,014.53

Fixed Route Drivers

Salaries and Benefits	\$	5,031,403.22
Full Time - Overtime	\$	101,420.32
Temporary - Salaries	\$	132,827.72
		\$ 5,265,651.26

Paratransit Drivers

Salaries and Benefits	\$	1,402,194.34
Full Time - Overtime	\$	27,608.37
Temporary - Salaries	\$	36,158.00
		\$ 1,465,960.71

Microtransit Drivers

Salaries and Benefits	\$	247,446.06
Full Time - Overtime	\$	4,592.19
Temporary - Salaries	\$	6,014.28
		\$ 258,052.53

Contracted Staff

Driver Services

Fixed Route	\$	8,179,390.00
Paratransit	\$	1,964,312.50
Microtransit	\$	271,190.00
		\$ 10,414,892.50

Memorandum



To: MATBUS Coordination Committee
From: Cole Swingen, Assistant Transit Director - Operations
Date: April 16, 2025
RE: *2026 Budgetary Efficiencies*

As MATBUS looks ahead to its 2026 budget and operations, staff will be evaluating various budgetary efficiencies to help address funding shortfalls.

In 2023, MATBUS transitioned from a small urban to a large urban transit provider, which caused a decrease in federal funding of approximately \$900,000 (\$600,000 for Fargo and \$300,000 for Moorhead). Since then, efforts have been made to secure additional funding from the State of North Dakota during the 2025 Legislative Session. With the assistance of Josh Boschee and other local support, an additional \$2 million dollars over the next two years will be allocated by the State (pending approval by Gov. Armstrong) to help support metro transit services in Fargo, Grand Forks, Bismarck and Minot. This legislative effort also includes a request for a study to help determine a long-term funding source for these areas.

While this assistance from the State of North Dakota will greatly help with funding transit operations in the next two years, MATBUS is currently facing a \$5 million dollar deficit and that amount is likely to increase if efficiencies aren't found within the system. MATBUS staff will analyze existing expenses, services, bus routes, and new and existing revenue opportunities to determine cost savings and will return with recommendations at the May 21st MATBUS Coordination Committee meeting.

Memorandum



To: MATBUS Coordination Committee

From: Julie Bommelman, Transit Director

Date: April 16, 2025

RE: *Potential Fare Increase and Fare Structure Adjustment*

Due to the diminishing revenue projections, there has been discussion about potentially increasing fares and simplifying the existing fare structure.

The last time cash fares were increased was in 2009. Additional fare changes were made in 2012 and again in 2021, when the new MATBUS farebox system was implemented.

The current fares for MATBUS and various comparable transit systems are listed below:

		Grand	GF Jan 25	Fargo	Bismarck	Minot	St. Cloud	Mankato	Rochester	Sioux Falls
Cash Fare	Adults	\$1.50	\$2.00	\$1.50	\$1.50	\$1.50	\$1.25	\$1.50	\$2.00	\$1.50
	Senior/Disabled/Medicare	\$0.60	\$0.80	\$0.75	\$0.75	\$0.75	\$0.60	\$0.75	\$1.00	
	Youth (K-12)	\$0.75	\$0.80	\$0.75	\$0.75	\$0.75	x	x	\$1.00	
Fixed Period Pass	1-day pass	\$5.00	\$6.00	\$5.00	\$6.00	\$5.00	\$4.25	\$5.00	\$4.00	x
	Discounted 1-day pass	x	x	\$3.00	\$3.00	\$5.00	\$4.00	\$4.00	\$4.00	x
	7-day pass	x	x	x	x	x	\$17.00	x	\$16.00	\$12.50
	14-day pass	\$18.00	\$20.00	\$21.00	x	x	x	\$20.00	x	x
	Month pass (30 or 31 days)	\$35.00	\$40.00	\$42.00	\$36.00	\$36.00	\$47.00	\$40.00	\$42.00	\$30.00
	Discounted Month pass (30 or 31 days)	x	x	\$27.00	\$24.00	\$28.00	x	x	\$42.00	x
	Summer Youth Pass	\$18.00	\$18.00	\$27.00	x	x	x	x	x	x
10-ride Fare	Adults	\$13.00	\$15.00	\$15.00	x	\$10.00	\$10.50	x	\$16.00	x
	Senior/Disabled/Medicare	\$6.50	\$7.00	x	x	\$8.00	x	x	\$8.00	x
	Youth (K-12)	\$6.50	\$7.00	x	x	\$8.00	x	x	\$8.00	x

Please note, while researching other Transit systems' fare structures, we concluded the MATBUS fare structure may be overly complicated and perhaps a more simplified structure would be advantageous.

In addition, in the past MATBUS has coordinated fares for paratransit with Valley Senior Ride as passengers often use both services and we each accept the other's fare media. Valley Senior Ride is proposing a fare increase from \$3.00/ride to \$4.00/ride effective July 1, 2025.

Lastly, we researched the typical impact of a fare increase within the Transit industry. Generally, there is a decrease in ridership when fares are increased, though the magnitude of that decrease can vary based on factors like the size of the fare increase, the availability of alternative transportation options, and the price sensitivity of passengers.

Industry averages and general findings suggest:

1. **Price Elasticity of Demand (PED):**

- The average **elasticity of demand for public transit** ranges from **-0.2 to -0.5**. This means for a 10% increase in fare, ridership typically drops by 2% to 5%.
- **Shorter Trips** tend to have more elastic demand (higher elasticity), while **longer commutes** might have more inelastic demand.

2. **Typical Ridership Impact:**

- A **33% increase** (e.g., from \$1.50 to \$2.00) could generally lead to a **10% to 15% drop in ridership**, depending on the elasticity and the context.
- **Higher fare increases** often lead to more significant decreases in ridership. For instance, a **50% fare increase** could result in ridership falling by **15% to 20%**.

Examples of Ridership Decline:

- **Washington, D.C. Metro:** Historically, a fare increase of about 20% resulted in a **5-10% drop in ridership**.
- **San Francisco Muni:** A 10% fare increase led to a **3-5% decrease in ridership**.
- **New York City MTA:** On average, **each 10% increase in fares** has resulted in about **2-3% fewer riders**.

Key Considerations:

- **Income Sensitivity:** Public transit systems serving lower-income populations tend to see more significant ridership declines when fares are increased, as these riders may have fewer transportation alternatives.
- **Availability of Alternatives:** If there are readily available alternatives (e.g., biking, rideshare, or carpooling), the decrease in ridership could be more pronounced.
- **Geographic and Demographic Factors:** Transit systems in larger, denser urban areas often experience less elasticity than those in smaller cities or rural areas where public transit is more limited.

Conclusion:

Based on industry averages and typical trends, a fare increase of 33% (from \$1.50 to \$2.00) is likely to result in a **10% to 15% decrease in ridership**, assuming average elasticity. However, the exact impact will depend on factors like local alternatives to public transit, income levels, and the importance of transit to the community's daily life.

Initial analysis demonstrates how MATBUS's proposed increased fares projected revenue would be impacted if adult cash fares go from \$1.50 to \$2.00; discount fares go from \$.75 to \$1.00:

Service	Projected 2026 revenue with current fares	Projected 2026 revenue with fare increase and 10% ridership loss	Projected 2026 revenue with fare increase and 15% ridership loss
Fixed	\$950,970	\$1,138,311	\$1,075,072
	<i>Difference</i>	\$187,341	\$124,102
Para	\$206,500	\$247,181	\$233,448
	<i>Difference</i>	\$40,681	\$26,948

Recommended Motion: Based on input received at today's meeting, authorize staff to provide specific fare adjustment recommendations to the MATBUS Coordination Committee at the May 2025 meeting.

Feedback ID	Date / Time	Tracking Details	Feedback Comments
FB2503312489	3/31/2025	Passenger Behavior; Police / Security Presence	Security, Atiff, observed a passenger using drugs in the bathroom and called police. The police took him in a squad car. Route 20 driver called into dispatch that he was at the Walmart shelter. An angry (non Verble) Male threw a broken glass from the shelter at the bus 3X. Road supervisors Jasmine & Kathy Reported to the scene and Requested ambulance because the male passenger had blood all over his hands. Police arrived at the scene and removed male from the bus.
FB2503112461	3/11/2025	Passenger Behavior; Police / Security Presence; Fall / Injury	Received in Signal Security Incident Report:Mall security escorted white male, 30s, Jesse James Brewer, highly intoxicated, into shelter and told signal officer Blake not to let him back into the mall. Jesse then tried to get on a bus with an open bottle. Driver told him to leave. Jesse hit the bus wall until his hand bled. Signal officer Blake escorted Jesse off the bus. More mall officers and public safety Dustin came out. Fpd was called and arrived approx 1537.
FB2503032447	3/3/2025	Passenger Behavior; Police / Security Presence; Fall / Injury	



Ridership

Quarter 1 Ridership by Route

Period	Route 1 MHD	Route 2 MHD	Route 3 MHD	Route 4 MHD	Route 5 MHD	Route 6 DWT	Route 9 MHD
Q1 2024	18,528	19,527	13,488	29,430	10,167	2,436	1,691
Q1 2025	16,237	20,082	16,682	28,574	12,249	3,118	1,451
	-13%	3%	23%	-3%	20%	27%	-14%

Period	Route 11 FGO	Route 13 FGO	Route 14 FGO	Route 15 FGO	Route 16 FGO	Route 17 FGO	Route 18 FGO
Q1 2024	9,088	20,997	20,627	57,721	5,377	8,286	9,425
Q1 2025	11,861	28,986	23,656	57,448	5,670	8,739	9,335
	30%	38%	14%	.5%	5%	5%	-1%

Period	Route 20 FGO/WF	Route 24 FGO/WF	LinkFM MHD/FGO	Fargo Ind. Park On-Demand
Q1 2024	6,573	5,288	102	654
Q1 2025	7,039	5,533	8	708
	7%	4%	-92%	8%



Ridership

Quarter 1 Ridership by Route & System totals

Period	Route 31 NDSU	Route 32 NDSU	Route 33 NDSU	Route 34 NDSU	NDSU On-Demand
Q1 2024	5,323	27,613	57,858	15,033	1,563
Q1 2025	14,563	Cancelled	44,125	13,396	1,857
	173%		-23%	-11%	19%

Period	Moorhead/Dilworth Total
Q1 2024	95,268
Q1 2025	98,396
	3%

Period	Fargo/West Fargo/NDSU Total
Q1 2024	221,596
Q1 2025	230,351
	4%

Period	System Total
Q1 2024	316,966
Q1 2025	328,747
	4%

Period	Paratransit
Q1 2024	15,679
Q1 2025	16,632
	6%



Ridership

Quarter 1 U-Pass College Ridership

Period	NDSU	MSUM	Concordia	M State	NDSCS
Q1 2024	105,410	520	69	56	80
Q1 2025	75,578	210	70	85	70
	-28%	-59%	1%	-51%	-12%

Period	U-Pass
Q1 2024	106,135
Q1 2025	76,031
	-28%