This handbook is designed to provide a basis for instituting, organizing, and maintaining small transit systems. It is a practical guide to management, with detailed information about the many responsibilities and tasks facing actual or prospective managers of transit systems in small cities or rural counties.

Management issues which are addressed include operations, personnel, maintenance, equipment, marketing, and evaluation.

Although the handbook is directed specifically to Michigan's statewide public transit program, much of it can be applied in other states.
ACKNOWLEDGMENTS

This Handbook is an update and revision of the Michigan Small Bus Program Management Handbook (September 1979). Technical staff have been provided by the Bus Transit Division (Frank DeRose, Jr., Administrator) in the Bureau of Urban and Public Transportation. Angel Fandialan is the bureau coordinator.

Grovenor (Kip) Grimes has directed preparation of the earlier and the current Handbook. Division staff developed initial chapter drafts and provided a wealth of technical assistance and background information. Other department and bureau staff also participated. The names of these colleagues are not included here, as more than 30 people participated. However, their dedication to this project is greatly appreciated. Particular attention also has been given to incorporating ideas from local transit agencies, based on their first-hand experience.

To help edit, rewrite, and package the Handbook in as clear and correct form as possible, the bureau obtained consulting services from the Department of Management and Budget's Office of Management and Information Systems (Gerald W. Williams, Director). The project team, which worked very closely with Mr. Grimes, consisted of Susan J. Tchudi and Jane C. Wilcox, Technical Editors; Thomas A. Price, Graphic Artist/Illustrator; Maureen E. Myers, Project Associate; and David N. Milstein, Project Manager. Cover and chapter illustrations were prepared by the Department of Transportation's graphic design section (James E. Grugett, Manager). Special appreciation also is expressed to the bureau's Word Processing Center.

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This document is available to the public through the National Technical Information Service, Springfield, Virginia 22161.

For additional information, please contact:

Bus Transit Division
UPTRAN/MDOT
P.O. Box 30050
Lansing, Michigan 48909

Phone: (517) 373-7645
## TABLE OF CONTENTS

<table>
<thead>
<tr>
<th>Chapter</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>I</td>
<td>INTRODUCTION .........................................................1</td>
</tr>
<tr>
<td></td>
<td>The Manager in a Small Bus System .............................3</td>
</tr>
<tr>
<td></td>
<td>Background ..........................................................3</td>
</tr>
<tr>
<td></td>
<td>APPENDIX A – Public Transportation State and National Organizational Structure ....7</td>
</tr>
<tr>
<td></td>
<td>APPENDIX B – Financial and Operating Data, Outstate Systems, and Specialized Services ..11</td>
</tr>
<tr>
<td></td>
<td>APPENDIX C – State and Federally Funded Programs for Public Transit ....................19</td>
</tr>
<tr>
<td>II</td>
<td>SYSTEM MANAGEMENT ....................................................33</td>
</tr>
<tr>
<td></td>
<td>Management in an Ongoing System ..................................35</td>
</tr>
<tr>
<td></td>
<td>Planning for a New System .........................................38</td>
</tr>
<tr>
<td></td>
<td>Administrative Structure .......................................41</td>
</tr>
<tr>
<td></td>
<td>Computers in Transit Management ................................42</td>
</tr>
<tr>
<td></td>
<td>APPENDIX D – Michigan Laws Governing Public Transportation Systems ...................45</td>
</tr>
<tr>
<td>III</td>
<td>OPERATIONS ..............................................................47</td>
</tr>
<tr>
<td></td>
<td>Operating Alternatives .............................................49</td>
</tr>
<tr>
<td></td>
<td>Operating Procedures and Forms ................................54</td>
</tr>
<tr>
<td>Chapter</td>
<td>Page</td>
</tr>
<tr>
<td>---------------------------------</td>
<td>------</td>
</tr>
<tr>
<td>IV GRANTS AND CONTRACTS</td>
<td>63</td>
</tr>
<tr>
<td>Grant Applications</td>
<td>65</td>
</tr>
<tr>
<td>Contracts</td>
<td>67</td>
</tr>
<tr>
<td>Third-Party Bids and Contracts</td>
<td>68</td>
</tr>
<tr>
<td>Insurance</td>
<td>69</td>
</tr>
<tr>
<td>Title VI Equal Opportunity Employment Program</td>
<td>70</td>
</tr>
<tr>
<td>Disadvantaged/Minority/Women Business Enterprises</td>
<td>71</td>
</tr>
<tr>
<td>APPENDIX E - Comprehensive Transportation Fund - Draft</td>
<td>79</td>
</tr>
<tr>
<td>Administrative Rules</td>
<td></td>
</tr>
<tr>
<td>APPENDIX F - Specialized Services Policy</td>
<td>97</td>
</tr>
<tr>
<td>APPENDIX G - Third-Party Contract for Transportation Services</td>
<td>99</td>
</tr>
<tr>
<td>APPENDIX H - DBE/MBE/WBE Policy Statement</td>
<td>103</td>
</tr>
<tr>
<td>V FARE MANAGEMENT AND LOCAL FUNDING</td>
<td>105</td>
</tr>
<tr>
<td>Local Support for Transit Systems</td>
<td>107</td>
</tr>
<tr>
<td>Fare Management</td>
<td>107</td>
</tr>
<tr>
<td>Local Funding</td>
<td>108</td>
</tr>
<tr>
<td>APPENDIX I - Human Service Agency Transportation Agreement</td>
<td>121</td>
</tr>
<tr>
<td>VI FINANCIAL MANAGEMENT</td>
<td>125</td>
</tr>
<tr>
<td>Benefits to the Transit System</td>
<td>127</td>
</tr>
<tr>
<td>Checkbook</td>
<td>127</td>
</tr>
<tr>
<td>Filing Paid Bills</td>
<td>128</td>
</tr>
<tr>
<td>The Accrual Accounting System</td>
<td>128</td>
</tr>
<tr>
<td>Allocations</td>
<td>131</td>
</tr>
<tr>
<td>Cost Principle</td>
<td>134</td>
</tr>
<tr>
<td>Internal Control</td>
<td>135</td>
</tr>
<tr>
<td>Inventories</td>
<td>135</td>
</tr>
<tr>
<td>Monthly Operating Assistance Report</td>
<td>135</td>
</tr>
<tr>
<td>Cash Flow Analysis</td>
<td>136</td>
</tr>
<tr>
<td>Closing the Books</td>
<td>136</td>
</tr>
<tr>
<td>Yearly Audit Requirements</td>
<td>136</td>
</tr>
<tr>
<td>APPENDIX J - General Ledger Accounts</td>
<td>143</td>
</tr>
<tr>
<td>APPENDIX K - MDOT Chart of Accounts and Account Conversion Table</td>
<td>147</td>
</tr>
<tr>
<td>Chapter</td>
<td>Page</td>
</tr>
<tr>
<td>---------</td>
<td>------</td>
</tr>
<tr>
<td>VII</td>
<td>153</td>
</tr>
<tr>
<td>PURCHASING EQUIPMENT</td>
<td></td>
</tr>
<tr>
<td>Selecting Buses</td>
<td>155</td>
</tr>
<tr>
<td>Radio Systems</td>
<td>159</td>
</tr>
<tr>
<td>Extended Purchasing Program</td>
<td>162</td>
</tr>
<tr>
<td>VIII</td>
<td>163</td>
</tr>
<tr>
<td>PREVENTIVE MAINTENANCE</td>
<td></td>
</tr>
<tr>
<td>A Complete Maintenance Program</td>
<td>165</td>
</tr>
<tr>
<td>The Computerized Small Bus Maintenance Program</td>
<td>168</td>
</tr>
<tr>
<td>IX</td>
<td>181</td>
</tr>
<tr>
<td>FACILITIES</td>
<td></td>
</tr>
<tr>
<td>Getting Started</td>
<td>183</td>
</tr>
<tr>
<td>Site Selection</td>
<td>183</td>
</tr>
<tr>
<td>Factors Determining Size of Garage</td>
<td>184</td>
</tr>
<tr>
<td>Work Areas within the Facility</td>
<td>184</td>
</tr>
<tr>
<td>General Requirements for Building</td>
<td>186</td>
</tr>
<tr>
<td>Intermodal Facilities</td>
<td>189</td>
</tr>
<tr>
<td>Putting the Plans into Action</td>
<td>189</td>
</tr>
<tr>
<td>X</td>
<td>191</td>
</tr>
<tr>
<td>MARKETING</td>
<td></td>
</tr>
<tr>
<td>Introduction</td>
<td>193</td>
</tr>
<tr>
<td>Knowing the Public</td>
<td>193</td>
</tr>
<tr>
<td>Marketing Goals and Objectives</td>
<td>194</td>
</tr>
<tr>
<td>Reaching Your Objectives</td>
<td>194</td>
</tr>
<tr>
<td>System Identity</td>
<td>195</td>
</tr>
<tr>
<td>System Information</td>
<td>195</td>
</tr>
<tr>
<td>Public Relations</td>
<td>196</td>
</tr>
<tr>
<td>Advertising</td>
<td>197</td>
</tr>
<tr>
<td>Special Promotions</td>
<td>198</td>
</tr>
<tr>
<td>Merchandising</td>
<td>199</td>
</tr>
<tr>
<td>Evaluation</td>
<td>199</td>
</tr>
<tr>
<td>Start-Up Marketing Activities</td>
<td>199</td>
</tr>
<tr>
<td>Chapter</td>
<td>Section</td>
</tr>
<tr>
<td>---------</td>
<td>---------------------------------------------</td>
</tr>
<tr>
<td>XI</td>
<td>PERSONNEL MANAGEMENT</td>
</tr>
<tr>
<td></td>
<td>Policies and Procedures</td>
</tr>
<tr>
<td></td>
<td>Job Descriptions</td>
</tr>
<tr>
<td></td>
<td>Personnel Selection Process</td>
</tr>
<tr>
<td></td>
<td>Labor Negotiations</td>
</tr>
<tr>
<td></td>
<td>Employee Protection</td>
</tr>
<tr>
<td></td>
<td>Equal Opportunity and Affirmative Action</td>
</tr>
<tr>
<td></td>
<td>Driver Training</td>
</tr>
<tr>
<td></td>
<td>Driver Retraining</td>
</tr>
<tr>
<td></td>
<td>Michigan Small Bus Roadeo</td>
</tr>
<tr>
<td></td>
<td>APPENDIX L – Employee Policy Manual</td>
</tr>
<tr>
<td>XII</td>
<td>MONITORING AND EVALUATION</td>
</tr>
<tr>
<td></td>
<td>Overview</td>
</tr>
<tr>
<td></td>
<td>Goals and Objectives</td>
</tr>
<tr>
<td></td>
<td>Operations</td>
</tr>
<tr>
<td></td>
<td>Maintenance</td>
</tr>
<tr>
<td></td>
<td>Finance</td>
</tr>
<tr>
<td></td>
<td>Management</td>
</tr>
<tr>
<td></td>
<td>APPENDIX M – Surveys</td>
</tr>
<tr>
<td></td>
<td>GLOSSARY</td>
</tr>
<tr>
<td></td>
<td>ABBREVIATIONS</td>
</tr>
<tr>
<td></td>
<td>INDEX</td>
</tr>
</tbody>
</table>
# CHAPTER I

## INTRODUCTION

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>The Manager in a Small Bus System</td>
<td>3</td>
</tr>
<tr>
<td>Introduction</td>
<td>3</td>
</tr>
<tr>
<td>The System Manager</td>
<td>3</td>
</tr>
<tr>
<td>Background</td>
<td>3</td>
</tr>
<tr>
<td>The Outstate Public Transportation Program</td>
<td>3</td>
</tr>
<tr>
<td>The Specialized Services Program</td>
<td>4</td>
</tr>
<tr>
<td>Program Funding</td>
<td>4</td>
</tr>
<tr>
<td>Appendix A – Public Transportation State and National Organizational Structure</td>
<td>7</td>
</tr>
<tr>
<td>Appendix B – Financial and Operating Data, Outstate Systems and Specialized Services</td>
<td>11</td>
</tr>
<tr>
<td>Appendix C – State and Federally Funded Programs for Public Transit</td>
<td>19</td>
</tr>
</tbody>
</table>
CHAPTER I

INTRODUCTION

The Manager in a Small Bus System

Introduction

Michigan is a national leader in developing bus systems for small communities and rural areas. Since the approval in 1972 of funding for eight small Dial-A-Ride demonstration projects, the Bus Transit Division, Michigan Department of Transportation (MDOT), has been responsible for the growth of outstate small bus systems that carry millions of Michigan citizens every year. Transit programs are administered by the Bus Transit Division of the Bureau of Urban and Public Transportation (UPTRAN) using state and federal funding sources. Direct technical assistance is provided by MDOT through personnel in the Bus Transit Division. Appendix A outlines the public transit state and national organizational structure.

The System Manager

The system manager is most responsible for the success of a small transit system. An experienced manager knows everything about the service area, knows where most of the passengers live, and can tell you how far it is from the garage to any part of the town or county. Through work with the dispatchers and drivers, gathering statistics for reports, and building support in the local government, the manager develops a sense of the community's needs and an affordable system design that will serve the most people.

To be a good system manager, you must enjoy the challenge and variety of performing as personnel administrator, accountant, community relations expert, maintenance supervisor, and, sometimes, driver/dispatcher. Experience will help you to develop these skills. For further help, this handbook is intended as a practical guide to management, with detailed information about your many jobs as system manager. It's in loose-leaf form so that you can mark it up and add to it.

Background

The Outstate Public Transportation Program

Rural public transportation began in Michigan in 1972 with the amendments to Act 51 of the Public Acts of 1951 (Appendix C). Eight Dial-A-Ride systems were created by this legislation with funding from 1/2 cent of the 9 cent state gasoline tax. Holland, Michigan sent out the first buses in 1974 and all eight of the original systems are still in operation. Because of the success of these demonstration systems, the state legislature has continued to expand the rural transportation program, including it every year in the Comprehensive Transportation Fund. In 1984, 70 small town
and rural systems carried 4.4 million passengers providing transit service to small and medium-sized cities, counties, and multiple counties. (See Exhibit I-1, Outstate Systems currently in operation. Full 1983-84 financial and operating statistics are in Appendix B.)

The Specialized Services Program

In addition to Dial-A-Ride funds, an Elderly and Handicapped program was instituted in 1974 with general funds from the Michigan legislature. It is now called Specialized Services and has become a yearly item in the Comprehensive Transportation Fund. Thirty-six Specialized Services programs in Michigan carried 499,932 passengers in 1984, 49 percent seniors and 47 percent handicappers. (Exhibit I-2 shows Specialized Services programs currently in operation and Appendix B, 1983-84 operating statistics for Specialized Services.)

Program Funding

As state support has increased over the years and the value of rural transportation has been proven to the riders and to the community, local financial support has been on the increase. The enabling legislation for all public transportation programs was amended in 1978 and again in 1982 to provide additional funding, so the effort to develop new outstate public transportation has continued. (Appendix C describes state and federal funding programs in detail. Included as Exhibit C-1 is Act 51, as amended.) Since the beginning of the program, 35 rural counties and small communities have successfully passed property tax millages, indicating strong local support.

State government and local communities have realized that public transportation, like a library, a road, or a school, is a service that improves peoples’ lives. The most direct benefits are to those who don’t have transportation available: senior citizens, handicappers, low income families, and teenagers. With public transit, it is possible for non-drivers to hold jobs and to make independent plans. For those who usually drive, it’s good to know that the buses always run: in bad weather, when the car breaks down, and in emergencies.
OUTSTATE SYSTEMS
FISCAL 1983–84

Michigan's Urban Operations are not shown
Exhibit I-2

SPECIALIZED SERVICES SYSTEMS
FISCAL 1983–84

Note:
Services provided essentially for seniors and handicapped, but general public is served if capacity permits.
Michigan Department of Transportation (MDOT)

Bureaus

The seven bureaus of MDOT are responsible for carrying out all transportation responsibilities within the State of Michigan. As shown in the MDOT Organizational Chart, Exhibit A-1, the Bureau of Urban and Public Transportation (UPTRAN) is responsible for all ground transportation activities and programs. UPTRAN has four divisions:

- Bus Transit
- Intercity
- Rail Freight and Water Transportation
- Interagency and Consumer Concerns

Bus Transit Division

The Bus Transit Division is responsible for all local public transportation programs. Each local public transit system in the state has an assigned Project Manager. All questions, concerns, and activities involving state and federal programs are handled directly by the project manager. The local agency can get help with management, operations, and technical problems through the assigned project manager. And when cities and counties wish to start a new transit system, the Project Manager for that area will assist the local officials in completing the application process. Bus Transit staff specialists also provide technical assistance in accounting, maintenance, training, and communications.

Urban Mass Transportation Administration (UMTA)

UMTA is part of the U.S. Department of Transportation (U.S. DOT) and is responsible for all programs providing funds to local public transit programs nationwide. As you see in the UMTA Organizational Chart, Exhibit A-2, Michigan is a part of UMTA Region 5, an area including Illinois, Indiana, Michigan, Minnesota, Ohio, and Wisconsin. Your project manager will assist you in applying for federal programs.

American Public Transit Association (APTA)

This national association works to increase funding support for public transportation in the federal government. They are also involved in member education and national data gathering projects. APTA holds an annual meeting, numerous workshops, and publishes a weekly paper, "Passenger Transport."
**Michigan Public Transit Association (MPTA)**

Michigan transit systems organized the MPTA to represent local and statewide interests and concerns. The MPTA membership works to:

- Build support for funding in the state legislature.
- Discuss issues of concern with MDOTT through standing committees.
- Provide education and information to improve the quality of local public transportation.

As a member, you will receive the MPTA newsletter, "Topics," and be informed of Transit Association activities, such as the annual meeting.

**Public Transit Association (PTA)**

Several metropolitan transit systems in Michigan organized the Public Transit Association to represent their interests. The PTA works to build funding support for public transportation and also works with MDOTT on issues affecting public transportation.

**Northeast Michigan Managers Association**

Public transit systems in the northeast Lower Peninsula meet once a month to discuss mutual management and operating problems.

**Southwest Michigan Transit Managers Association**

This association of public transit systems in the southwest Lower Peninsula schedules regular meetings to discuss day-to-day management and operating concerns.
# APPENDIX B

## FINANCIAL AND OPERATING DATA

### OUTSTATE SYSTEMS and SPECIALIZED SERVICES

### MICHIGAN OUTSTATE PUBLIC TRANSIT SYSTEMS

### Operations Summary

**FY 1983-84**

<table>
<thead>
<tr>
<th>System</th>
<th>Service Area Pop.</th>
<th>Buses</th>
<th>Senior Passengers</th>
<th>Handicap Passengers</th>
<th>Total Passengers</th>
<th>Vehicle Hours</th>
<th>Vehicle Miles</th>
<th>Pass./ Veh. Hr.</th>
<th>Pass./ Veh. Mile</th>
<th>Pass./ Capita</th>
<th>Start of Service</th>
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<td>Adrian</td>
<td>21,186</td>
<td>5</td>
<td>1</td>
<td>11,245</td>
<td>12,243</td>
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<td>59</td>
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<td>83</td>
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<td>3</td>
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<td>.26</td>
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<td>51,566</td>
<td>13,232</td>
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### MICHIGAN OUTSTATE PUBLIC TRANSIT SYSTEMS

**Operations Summary**

**FY 1983–84**

<table>
<thead>
<tr>
<th>System</th>
<th>Service Area Pop.</th>
<th>Buses</th>
<th>Passengers</th>
<th>Vehicle Operations Summary</th>
</tr>
</thead>
<tbody>
<tr>
<td>Eaton Co</td>
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<td>3</td>
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<td>4</td>
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<td>Pass/ Capita</td>
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<td>43,722</td>
<td>Start of Service</td>
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<tr>
<td>Isabella Co</td>
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<td>Ishtemming</td>
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<td>Ludington</td>
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<td>40,413</td>
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<td>Manistee Co.</td>
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<td>36,720</td>
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<td>Mecosta Co.</td>
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<td>4,946</td>
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## MICHIGAN OUTSTATE PUBLIC TRANSIT SYSTEMS

### Operations Summary
**FY 1983–84**

<table>
<thead>
<tr>
<th>System</th>
<th>Service Area Pop.</th>
<th>Buses</th>
<th>Passengers</th>
<th>Vehicle Hours</th>
<th>Vehicle Miles</th>
<th>Pass./Veh.</th>
<th>Pass./Veh. Mile</th>
<th>Pass./Capita</th>
<th>Start of Service</th>
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<tr>
<td>Midland</td>
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<td>2</td>
<td>25,646</td>
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<td>111,437</td>
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<td>34,866</td>
<td>58,579</td>
<td>99,764</td>
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<td>56,720</td>
<td>9,487</td>
<td>167,340</td>
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<td>3</td>
<td>3,907</td>
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<td>55,291</td>
<td>13,227</td>
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<td>89,699</td>
<td>17,408</td>
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<td>36,813</td>
<td>53,05</td>
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<td>Sault Ste. Marie</td>
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<td>27,598</td>
<td>60,711</td>
<td>83,465</td>
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<td>Traverse City</td>
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<td>90,443</td>
<td>17,694</td>
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<td>47,127</td>
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<td>41,009</td>
<td>89,799</td>
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<td>25,124</td>
<td>6111</td>
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<td><strong>4,387,239</strong></td>
<td><strong>781,757</strong></td>
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## MICHIGAN OUTSTATE PUBLIC TRANSIT SYSTEMS

### Financial Summary

**FY 1983–84**

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<thead>
<tr>
<th>System</th>
<th>Total Elig Cost</th>
<th>Revenue</th>
<th>Federal Share</th>
<th>State Share</th>
<th>Local Share</th>
<th>Cost/ Mile</th>
<th>Cost/ Hour</th>
<th>Cost/ Passenger</th>
<th>Rev/Cost Ratio</th>
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<td>46,099</td>
<td>85,689</td>
<td>42,772</td>
<td>.23</td>
<td>.87</td>
<td>2.79</td>
<td>.18</td>
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<td>.97</td>
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MICHIGAN OUTSTATE PUBLIC TRANSIT SYSTEMS

Financial Summary
FY 1983–84

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<th></th>
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<th></th>
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<th></th>
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<td>42,987</td>
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<td>.97</td>
<td>6.41</td>
<td>.12</td>
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<tr>
<td>Ionia</td>
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<td>1.94</td>
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<td>Iosco Co.</td>
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<td>.18</td>
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<td>.63</td>
<td>3.57</td>
<td>.22</td>
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<td>51,174</td>
<td>30,837</td>
<td>24.43</td>
<td>1.63</td>
<td>3.34</td>
<td>.14</td>
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# MICHIGAN OUTSTATE PUBLIC TRANSIT SYSTEMS

## Financial Summary

**FY 1983—84**

<table>
<thead>
<tr>
<th>System</th>
<th>Total Elig Cost</th>
<th>Revenue</th>
<th>Federal Share</th>
<th>State Share</th>
<th>Local Share</th>
<th>Cost/Mile</th>
<th>Cost/Passenger</th>
<th>Rev/Cost Ratio</th>
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<tbody>
<tr>
<td>Sault Ste. Marie</td>
<td>613,999</td>
<td>30,298</td>
<td>350,300</td>
<td>648,026</td>
<td>312,691</td>
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<td>Traverse City</td>
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<td>617,414</td>
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<td>Yates Twp.</td>
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<td><strong>Total</strong></td>
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<td><strong>2,572,100</strong></td>
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Exhibit B-1 (cont'd)
## MICHIGAN SPECIALIZED SERVICE SYSTEMS

### Operations Summary

**FY 1983–84**

<table>
<thead>
<tr>
<th>Location</th>
<th>System</th>
<th>Buses w/o Lift</th>
<th>Buses w/Lift</th>
<th>Passengers w/olift</th>
<th>Passengers w/Lift</th>
<th>Vehicle Hours</th>
<th>Vehicle Miles</th>
<th>Pass/ Veh. Hr</th>
<th>Pass/ Veh. Mile</th>
<th>Start of Service</th>
</tr>
</thead>
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<td>Allegan Co.</td>
<td>Resource Development</td>
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<td>3,927</td>
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<td>115,79</td>
<td>1,644</td>
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<td>8,038</td>
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<td>Pass./Veh.Mile</td>
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<tr>
<td>Washtenaw Co.</td>
<td>Manchester Senior Citizens</td>
<td>1 1</td>
<td>1,206</td>
<td>500</td>
<td>15,329</td>
<td>2.40</td>
<td>0.08</td>
<td>6/82</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Washtenaw Co.</td>
<td>Saline Int Transit</td>
<td>0 1</td>
<td>277</td>
<td>692</td>
<td>7,903</td>
<td>1.84</td>
<td>0.16</td>
<td>2/83</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>22 69</td>
<td>243,027</td>
<td>233,050</td>
<td>493,632</td>
<td>412,071</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Average</td>
<td></td>
<td></td>
<td>243,027</td>
<td>233,050</td>
<td>493,632</td>
<td>412,071</td>
<td>4.66</td>
<td>0.35</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
APPENDIX C

STATE AND FEDERALLY FUNDED PROGRAMS FOR PUBLIC TRANSIT

State-Funded Programs

New Small Bus Services

The New Services Program provides capital and operating funds to start-up systems in areas with no public transportation. The New Services Program funds new transit systems and existing agencies expanding into new areas. The new system is usually a combination of demand-response, reservation, contract, flexible routes, and work tripper services. To be eligible, the plan of operation must include service to the general public, transportation for local human service agencies, and service to groups with special needs. For the start-up program, the state provides:

- **Capital Funds** – 100 percent of the cost of buses, radio equipment, wheelchair lifts and accessories, and building renovation are provided under the program.

- **Operating Funds** – 100 percent of net operating costs (costs minus local revenues) are provided for the first and second years. In the third year, reimbursement is for 75 percent of the gross costs. (The new system can use any excess local revenues over 25 percent to help them in the transitional year when they move from New Services funds to ongoing programs.)

Statutory Operating Assistance

Act 51, Public Acts of 1951, amended 1982, provides operating funds for public transit systems after they have been in operation beyond the three-year New Services Program (Exhibit C-1, Section 10e(4)). Nonurban systems may apply for up to 60 percent of eligible operating expenses that are not paid by federal programs. (Because of limited funds in 1985, systems received 43 percent of nonfederal eligible operating costs.)

The Specialized Services Program

Specialized Services provides limited operating funds for transportation services to seniors and handicappers. (The general public will be served by this program, too, but first priority is given to those with special needs.) Funding is based on a rate per mile (80 cents in 1985) up to a maximum amount for the system (the ceiling in 1985 is $8,000). (Vehicles and accessory equipment for specialized services are funded under the federal UMTA 16(b)(2) program described under federally-funded programs.) For details of eligibility, see Appendix F, Specialized Services Policy.

The Capital Program

The state provides 100 percent of the cost of new and replacement vehicles and equipment for transit agencies if no federal funding is available. Federal funding for vehicles
and accessories comes from the UMTA 16(b)(2) program described below. No local funding is required for capital equipment as state funds will cover the portion not covered by federal funds.

**Federally-Funded Programs**

The Urban Mass Transportation Act of 1964, as amended, provides funds for equipment, operations, and special projects under several programs. These are:

- **UMTA Section 18, Nonurbanized Area Assistance**
  Section 18 provides up to 50 percent of a nonurban system's net operating costs—total operating costs minus local revenues. (Funding in 1985 is 29 percent.) While the funds can be used for capital or operating costs, Michigan uses these funds to cover operating costs. (UMTA Circular 9040.1A, available from the Bus Transit Division, describes program administration in detail.)

- **UMTA Section 3, Capital Grant Program**
  Section 3 funds are available to ongoing systems so that they can buy and renovate or build new transit facilities. UMTA provides 75 percent of the cost of approved projects and MDOT provides 25 percent. (UMTA Circular 5010.0 describes this program in detail.)

- **UMTA Section 16(b)(2), Capital Grant Program**
  This program provides funds for buses and accessory equipment that will be used to transport seniors and handicappers. (The general public may use these buses when space is available.) Section 16(b)(2) funds are available to private, nonprofit organizations only. UMTA funds 80 percent and MDOT 20 percent. (UMTA Circular 9070.1A describes the provisions of the 16(b)(2) program.)

**Sample Funding Formula**

From the Annual Applications submitted by all transit systems, the Bus Transit Division determines funding levels for the next fiscal year (see Chapter IV - The Grant and Contract Process). To help you understand the state and federal funding formula, here is a sample formula for a typical small bus system:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Operating Cost</td>
<td>$300,000</td>
<td>100</td>
</tr>
<tr>
<td>Less Local Farebox Revenue</td>
<td>-$75,000</td>
<td>25</td>
</tr>
<tr>
<td>Net Operating Cost</td>
<td>$225,000</td>
<td></td>
</tr>
<tr>
<td>Federal Section 18 (29% of Net Cost - $225,000 × .29)</td>
<td>$65,250</td>
<td>22</td>
</tr>
<tr>
<td>State Operating (43% of Total Cost - minus Section 18 funds - ($300,000 - $65,250 = $234,750 × .43))</td>
<td>$100,943</td>
<td>34</td>
</tr>
<tr>
<td>Local Share</td>
<td>$58,807</td>
<td>19</td>
</tr>
</tbody>
</table>

Total Operating Costs = Federal Section 18 and State Operating Assistance + Local Farebox Revenues + Local Share
Michigan Act 51, Public Acts of 1951, amended 1982, is the enabling legislation for small transit systems. The Comprehensive Transportation Fund (CTF) portion of Act 51 includes:

- Administration of CTF and MDOT functions – Section 10b
- Definitions – Sections 10c
- CTF Formula Distribution – Section 10e(1) to (4)
- Capital Grants – Section 10e(5)

For more detailed descriptions of Act 51 requirements, see Appendix E, Draft CTF Administrative Rules.

247.660b COMPREHENSIVE TRANSPORTATION FUND. [M.S.A. 9.1097(10c)]

Sec. 10b. (1) A fund to be known as the comprehensive transportation fund is established and shall be set up and maintained in the state treasury as a separate fund. In addition to the money distributed to the comprehensive transportation fund pursuant to this act, the money authorized to be credited to the comprehensive transportation fund pursuant to section 25 of the general sales tax act, Act No. 167 of the Public Acts of 1933, as amended, being section 205.75 of the Michigan Compiled Laws, shall be deposited in the comprehensive transportation fund and is appropriated to the state transportation department for the purposes described in section 10e.

(2) The comprehensive transportation fund shall be administered by the state transportation department in accordance with this act.

(3) The general functions of the state transportation department in the administration of funds for comprehensive transportation services shall include the following:
   (a) Establishing public transportation procedures and administrative practices for which there is a clear requirement for uniformity statewide.
   (b) Planning and providing for the current and long-range development of a system of public transportation in areas for which an eligible authority or eligible governmental agency does not exist.
(c) Investigating public transportation conditions and making recommendations for improvement to the state transportation commission for forwarding to the legislature.

(d) Encouraging, coordinating, and administering grants for research and demonstration projects to develop the application of new ideas and concepts in public transportation facilities and services as applied to state as opposed to nationwide problems.

(e) Performing each function necessary to comply fully with present or future federal transportation acts.

(f) Administering and distributing money from the comprehensive transportation fund and the proceeds of notes and bonds sold for public transportation purposes. If money is raised by an eligible authority or an eligible governmental agency for a public transportation capital outlay project funded pursuant to sections 3, 5, and 6 of the urban mass transportation act of 1964, 49 U.S.C. 1602, 1604, and 1605, or federal law codified in 23 U.S.C. 101 to 407, the state shall pay not less than 66-2/3% of the local match. The state shall not expend money as a local match or otherwise, and an eligible authority or eligible governmental agency shall not expend money distributed pursuant to this act, as a local match or otherwise, for the preliminary or final construction engineering plans or the construction of a subway system within the area of the southeastern Michigan transportation authority until that expenditure is approved by concurrent resolution of the legislature. The concurrent resolution shall be approved on a record roll call vote of each house. The state shall not expend money for the construction, operation, or maintenance of a commuter boat service system within a county which is a member of the southeastern Michigan transportation authority until approved by concurrent resolution of the legislature. The concurrent resolution shall be approved on a record roll call vote of each house.

(g) Applying for, receiving, and accepting any grant, gift, contribution, loan, or other assistance in the form of money, property, labor, and any other form from a public or private source, including assistance from an agency or instrumentality of the United States and doing each thing as is necessary to apply for, receive, and administer that assistance in accordance with the laws of this state.


(i) Issuing bonds or notes for public transportation purposes in accordance with this act.

(j) Making direct expenditures, loans, grants, or guaranteeing lease costs to public and private corporations for public transportation purposes using the comprehensive transportation fund or using as appropriate, the proceeds of notes and bonds authorized by section 18b.

247.660c DEFINITIONS. [M.S.A. 9.1097 (10d)]

Sec. 10c. As used in this act:

(a) "Urban or rural area" means a contiguous developed area, including the immediate surrounding area, where transportation services should reasonably be provided presently or in the future; the area within the jurisdiction of an eligible authority; or for the purpose of receiving funds for public transportation, a contiguous developed area having a population of less than 50,000 population that has an urban public transportation program approved by
the state transportation department and for which the state transportation commission determines that public transportation services should reasonably be provided presently or in the future.

(b) "Eligible authority" means an authority organized pursuant to the metropolitan transportation authorities act of 1967, Act No. 204 of the Public Acts of 1967, as amended, being sections 124.401 to 124.425 of the Michigan Compiled Laws.

(c) "Eligible governmental agency" means a county, city, or village or an authority created pursuant to Act No. 55 of the Public Acts of 1963, as amended, being sections 124.351 to 124.359 of the Michigan Compiled Laws; the urban cooperation act of 1967, Act No. 7 of the Public Acts of the Extra Session of 1967, being sections 124.501 to 124.512 of the Michigan Compiled Laws; Act No. 8 of the Public Acts of the Extra Session of 1967, being sections 124.531 to 124.536 of the Michigan Compiled Laws; Act No. 35 of the Public Acts of 1951, as amended, being sections 124.1 to 124.13 of the Michigan Compiled Laws; the public transportation authority act; or the revenue bond Act of 1933, Act No. 94 of the Public Acts of 1933, as amended, being sections 141.101 to 141.139 of the Michigan Compiled Laws.

(d) "Transit vehicle" means a bus, rapid transit vehicle, railroad car, water vehicle, taxicab, or other type of public transportation vehicle or individual unit, whether operated singly or in a group which provides public transportation.

(e) "Transit vehicle mile" means a transit vehicle operated for 1 mile in public transportation service including demand actuated and line-haul vehicle miles.

(f) "Demand actuated vehicle" means a bus or smaller transit vehicle operated for providing group rides to members of the general public paying fares individually, and on demand rather than in regularly scheduled route service.

(g) "Demand actuated vehicle mile" means a demand actuated vehicle operated for 1 mile in service to the general public.

(h) "Public transportation", "comprehensive transportation", "public transportation service", "comprehensive transportation service", "public transportation purpose", or "comprehensive transportation purpose" means the movement of people and goods by publicly or privately owned water vehicle, bus, railroad car, rapid transit vehicle, taxicab, or other conveyance which provides general or special service to the public, but not including charter or sightseeing service or transportation which is exclusively for school purposes. Public transportation, public transportation services, or public transportation purposes; and comprehensive transportation, comprehensive transportation services, or comprehensive transportation purposes as defined in this subdivision are declared by law to be transportation purposes within the meaning of section 9 of article IX of the state constitution of 1963.

(i) "State transportation commission" means the state transportation commission or the state highway commission as established in section 28 of article V of the state constitution of 1963.

(j) "Governmental unit" means the state transportation department, state highway commission or the state transportation commission, or a county road commission.

(k) "Department" or "department of transportation" means the state transportation department, which may be referred to administratively as the department of transportation.

(l) "New small bus service" means the operation of a vehicle with a rated seating capacity of 29 or less persons which has been in operation less than 3 full state fiscal years.
Sec. 10d. The comprehensive transportation fund shall be distributed to eligible authorities for public transportation purposes, distributed to eligible governmental agencies which are not within the jurisdiction of an eligible authority for public transportation purposes, and expended by the department of transportation for public transportation purposes. A distribution to an eligible governmental agency located within the jurisdiction of an eligible authority for public transportation purposes may be made directly if the eligible governmental agency was providing public transportation service on January 3, 1973. Except for an eligible governmental agency which was providing public transportation service on January 3, 1973, distribution for public transportation purposes may be made directly to an eligible governmental agency located within the jurisdiction of an eligible governmental agency or eligible authority which is providing public transportation service on the date of the creation of the comprehensive transportation fund, only if approved by the eligible governmental agency or eligible authority in which the eligible governmental agency is located. Further, except for an eligible governmental agency of eligible authority in whose jurisdiction is located an eligible governmental agency which was providing public transportation service on January 3, 1973, a distribution may be made directly to an eligible governmental agency or eligible authority in whose jurisdiction is located an eligible governmental agency which is providing public transportation service on the date of the creation of the comprehensive transportation fund, only if approved by the eligible governmental agency located within the eligible governmental agency or eligible authority. A county which withdraws from an eligible authority shall not be considered to be within the jurisdiction of the eligible authority.

Sec. 10e. (1) The comprehensive transportation fund is appropriated for each fiscal year as follows in the following order of priority.

(2) The first priority is to pay, but only from money restricted as to use by section 9 of article IX of the state constitution of 1963, the principal and interest on bonds or notes issued under section 18b for comprehensive

247.660d COMPREHENSIVE TRANSPORTATION FUND; DISTRIBUTION. [M.S.A. 9.1097(10e)]

247.660e COMPREHENSIVE TRANSPORTATION FUND; APPROPRIATION AND EXPENDITURE; ORDER OF PRIORITY; CAPITAL GRANTS RECEIVED BY ELIGIBLE AUTHORITIES AND ELIGIBLE GOVERNMENTAL AGENCIES; ANNUAL INSTRUCTIONS TO ELIGIBLE AGENCIES AND AUTHORITIES AND INTERCITY CARRIERS TO ENABLE PREPARATION OF LOCAL TRANSPORTATION PROGRAM; PUBLIC NOTICE; COMMENTS; SUBMISSION OF LOCAL TRANSPORTATION PROGRAM TO DEPARTMENT; DEPARTMENT TRANSPORTATION PROGRAM; PROPOSED STATE TRANSPORTATION PROGRAM; ACTION BY COMMISSION; APPROVAL OF PROJECTS; CONTRACTUAL AGREEMENT OR STANDARDIZED GRANT MEMORANDUM OF AGREEMENT; APPROVAL OF MULTIYEAR PUBLIC TRANSPORTATION PROGRAM; GRANT-IN-AID INSTRUMENT; FUNDING; AUDITS; SOURCE OF FUNDS FOR PAYMENT OF ELIGIBLE CAPITAL PROJECTS, NEW SMALL BUS SERVICE OPERATING ASSISTANCE PROJECTS, AND INTERCITY PASSENGER OPERATING ASSISTANCE PROJECTS; USE OF VEHICLE PURCHASED, LEASED, OR RENTED; PURCHASE, LEASE, OR RENTAL OF VEHICLE PROVIDING DEMAND ACTUATED SERVICE; PLAN; EXCEPTIONS; ANNUAL REPORT. [M.S.A. 9.1097 (10f)]
transportation purposes as defined by law. A sufficient portion of the comprehensive transportation fund is irrevocably appropriated to pay, when due, the principal and interest on those bonds and notes.

(3) After making or setting aside payments required by subsection (2), the second priority of the comprehensive transportation fund is the payment of the department's cost in administering the comprehensive transportation fund. The amount to be expended pursuant to this subsection shall not exceed the costs appropriated for the administration of the fund in the fiscal year ending September 30, 1982, as adjusted annually on October 1, by the change for the preceding 12 months in the Detroit consumer price index for urban wage earners.

(4) After making or setting aside payments required by subsections (2) and (3), the balance of the comprehensive transportation fund shall be expended each fiscal year pursuant to the state transportation program approved by the commission as follows:

(a) 75% for the fiscal year ending September 30, 1984, less the amount by which the amount the eligible authorities and eligible governmental agencies receive in that fiscal year under sections 5 and 18 of the urban mass transportation act of 1964, 49 U.S.C. 1604 and 1614, exceeds $22,000,000.00, and 65% for the fiscal year ending September 30, 1985, and each fiscal year thereafter, less the amount for the fiscal year ending September 30, 1985, by which the amount the eligible authorities and eligible governmental agencies receive in the fiscal year ending September 30, 1985, under sections 5 and 18 of the urban mass transportation act of 1964, 49 U.S.C. 1604 and 1614, exceeds $11,000,000.00, of the balance of funds in the comprehensive transportation fund, after making or setting aside the payments required by subsections (2) and (3), shall be distributed as operating grants to eligible authorities and eligible governmental agencies according to the following formulations and subject to the following requirements:

(i) For the fiscal year ending September 30, 1984, each eligible authority and eligible governmental agency which receives in that year grants under section 5 of the urban mass transportation act of 1964, 49 U.S.C. 1604, except as provided in subparagraph (vii), shall receive from the funds distributed pursuant to this subparagraph a grant up to 45% of the difference between the eligible operating expenses of the eligible governmental agency or eligible authority and the amount of operating grants received by that agency or authority pursuant to section 5 of the urban mass transportation act of 1964, 49 U.S.C. 1604. For the fiscal year ending September 30, 1985, and each fiscal year thereafter, each eligible authority and eligible governmental agency which receives in those fiscal years grants under section 5 of the urban mass transportation act of 1964, 49 U.S.C. 1604, except as provided in subparagraph (vii), shall receive from the funds, distributed pursuant to this subparagraph a grant up to 50% of the difference between the eligible operating expenses of the eligible governmental agency or eligible authority and the amount of operating grants received by that agency or authority pursuant to section 5 of the urban mass transportation act of 1964, 49 U.S.C. 1604. Funds not obligated at the end of the fiscal year shall be used for the purposes of subdivision (f).

(ii) For the fiscal year September 30, 1984, and each year thereafter, each eligible authority and eligible governmental agency which receives in that year grants from the federal government under section 18 of the urban mass transportation act of 1964, 49 U.S.C. 1614, except as provided in subparagraph (vii), shall receive from the funds distributed pursuant to this subparagraph a grant up to 60% of the difference between the eligible operating expenses of the eligible governmental agency or eligible authority and the amount of operating grants received by that agency or authority pursuant to section 5 of the urban mass transportation act of 1964, 49 U.S.C. 1604. Funds not obligated at the end of the fiscal year shall be used for the purposes of subdivision (f).
expenses of the eligible governmental agency or eligible authority and the amount of operating grants received by that agency or authority under section 18 of the urban mass transportation act of 1964, 49 U.S.C. 1614. Funds remaining at the end of the fiscal year shall be used for the purposes of subdivision (f).

(iii) Funds shall not be distributed to an eligible authority or eligible governmental agency under this act unless the eligible authority or eligible governmental agency provides or agrees to provide preferential fares for public transportation services to persons 65 years of age or over or handicapped persons during off-peak periods of service. As used in this section, "handicapped" means a handicapped person as that term is defined by the United States department of transportation in 49 C.F.R. part 27. The preferential fares shall not be higher than 50% of the regular 1-way single fare.

(iv) An eligible authority or eligible governmental agency shall not receive operating grants pursuant to this subdivision during the first 3 fiscal years of the eligible authority's or eligible governmental agency's operations, unless the authority or agency provides public transportation services in addition to a new small bus service.

(v) Eligible authorities and eligible governmental agencies shall not engage in charter service using vehicles, facilities, or equipment funded under this act except on an incidental basis as defined by 49 C.F.R. part 604.

(vi) Notwithstanding any other provision of this subsection except as provided in this subparagraph, for the fiscal year ending September 30, 1983, and each fiscal year thereafter, each eligible authority or eligible governmental agency shall receive from the distributions made under this subdivision an amount which when added to the federal operating grants made to that authority or agency is equal to the total of federal operating grants received in the fiscal year ending September 30, 1982, and 33% of eligible operating costs in the fiscal year ending September 30, 1982, unless the operation of subparagraphs (i) and (ii) would provide a greater distribution of money to the authority or agency. However, if the amount available for distribution under this subparagraph is insufficient to meet the requirements of this subparagraph for the fiscal year ending September 30, 1983, each eligible authority and eligible governmental agency shall receive an amount in the fiscal year ending September 30, 1983, equal to the greater of the following:

(A) An amount equal to 27% of the eligible operating costs of the authority and agency in the fiscal year ending September 30, 1983.

(B) The amount of state revenue appropriated under this act to the authority or agency in the fiscal year ending September 30, 1983.

(b) 5% for the fiscal years ending September 30, 1984, and September 30, 1985, and each fiscal year thereafter, of the balance of the funds in the comprehensive transportation fund, after making or setting aside the payments required by subsections (2) and (3), shall be distributed by the department for new small bus services and for specialized services. As used in this subdivision, "specialized services" means public transportation services primarily designed for persons who are handicapped or are 65 years of age or older. Not more than $850,000.00 a fiscal year shall be distributed as operating assistance grants for specialized services. The funds not distributed as operating assistance grants for specialized services shall be distributed as operating and capital grants to eligible authorities and eligible governmental agencies for new small bus service. For the fiscal year ending September 30, 1983, an amount equal to that needed to fund applications for specialized services and new small bus services currently and to be placed into service before September 30, 1983, shall be distributed pursuant to this
section as operating assistance. After the fiscal year ending September 30, 1983, the department shall give priority to applications made for funds under this subdivision to eligible authorities or eligible government agencies providing new small bus services in the previous fiscal year. The department shall give second priority to applications made for funds under this subdivision from county boards of commissioners where no public transportation service is provided within the county as of November 11, 1982. Third priority shall be given to eligible authorities and eligible governmental agencies providing less than countywide service on November 11, 1982, who are requesting funds to expand existing small bus service to a countywide system, which authorities or agencies are not otherwise entitled to funds as part of the first priority. Last priority shall be given to other eligible authorities and eligible governmental agencies not providing service on November 11, 1982, and requesting funds to initiate service in less than a countywide area. The amount expended pursuant to this subdivision for the purchase of vehicles and accessory equipment shall not be more than the amount necessary to acquire 50 small buses annually, if sufficient applications are made by eligible authorities and eligible governmental agencies. The department shall document to the legislature as part of the state transportation program submission, its efforts to secure applications. The department shall recommend approval to the state transportation commission of applications, which eligible authorities and eligible governmental agencies shall make annually, upon a determination that the application, which shall include a service plan, is adequate to meet the public transportation needs of the residents of the jurisdiction applying for funds. The state transportation commission shall assure in its action that the service plan for the jurisdiction of the applicant increases the level of service provided to handicapped persons and persons aged 65 or older. Any funds not obligated at the end of the fiscal year shall be used for the purposes of subdivision (f).

(c) 8% for the fiscal years ending September 30, 1984, and September 30, 1985, and each fiscal year thereafter, of the balance of funds remaining in the comprehensive transportation fund after making or setting aside the payments required by subsections (2) and (3), shall be distributed by the department for intercity passenger transportation purposes. Any funds not obligated at the end of the fiscal year shall be used for the purposes of subdivision (f).

(d) 8% for the fiscal year ending September 30, 1984, and 5% for the fiscal year ending September 30, 1985, and each fiscal year thereafter, of the balance of the funds remaining in the comprehensive transportation fund after making or setting aside the payments required by subsections (2) and (3), shall be distributed by the department for intercity freight transportation purposes. Any funds not obligated at the end of the fiscal year shall be used for the purposes of subdivision (f).

(e) 4% for the fiscal year ending September 30, 1984 and 17% for the fiscal year ending September 30, 1985, and each fiscal year thereafter, of the balance of the funds remaining in the comprehensive transportation fund after making or setting aside the payments required by subsections (2) and (3), shall be transferred to the transportation development account maintained by the department. For the fiscal year ending September 30, 1984, and the fiscal year ending September 30, 1985, the amount in the transportation development account shall be expended by the department only pursuant to specific line item appropriations.

(f) The unappropriated and unencumbered balance of the comprehensive transportation fund lapses each fiscal year and reverts to the fund for appropriation in the following fiscal year.
(5) Eligible authorities and eligible governmental agencies shall receive capital grants each fiscal year by the annual process in subsection (7). Amounts received by an eligible authority or eligible governmental agency pursuant to this subsection shall be expended by that authority or agency solely for capital projects which have been approved by the state transportation commission. Any funds approved by distribution to an eligible authority or eligible governmental agency pursuant to this section which have not been encumbered by that agency or authority for an approved capital project by the end of the following fiscal year in which the funds were approved shall not be expended by the authority or agency and be available for distribution from the comprehensive transportation fund for the purposes described in this section.

(6) The department, in carrying out the policy of the state transportation commission, shall annually prepare and distribute by December 1, instructions to eligible governmental agencies, eligible authorities, and intercity carriers to enable the preparation of a local transportation program. Eligible governmental agencies, eligible authorities, and intercity carriers shall give public notice of their intent to apply for money in the comprehensive transportation fund to the residents of the counties, townships, villages, and cities affected by the local transportation program and shall make their application available for a period of 30 days. All comments received by the eligible governmental agency, eligible authority, or intercity carrier shall be transmitted to the department.

(7) On or before February 1 of each year, each intercity carrier, eligible authority, and eligible governmental agency shall submit to the department its local transportation program for the next succeeding fiscal year. The format for each local transportation program shall be as prescribed by the federal transportation improvement program insofar as practical and shall include project descriptions, funding sources, and justification for each line item, and summary budgets based on distributions anticipated under subsection (4). The program shall contain at a minimum the contemplated routes, hours of service, estimated transit vehicle miles, costs of public transportation services, and projected capital improvements or projects. The costs of service and capital improvements or projects shall be in sufficient detail to permit the state transportation department to evaluate and approve the annual public transportation program. Determination of individual projects to be included in the local transportation programs other than those provided in this subsection shall be made by the governing body of the eligible authority or eligible governmental agency. In addition, each local transportation program shall include summary, nondetailed budget and project descriptions and justifications for each of the second and third fiscal years following the fiscal year in which the local transportation program is submitted.

(8) On or before February 1 of each year, the department shall prepare and file for public inspection and review the department transportation program. The department transportation program shall be prepared on similar format to the local transportation programs, and shall include a summary description of projects, with funding sources and project justifications for each line item for the fiscal year immediately succeeding the fiscal year in which the program is submitted. In addition, the department transportation program shall include summary, nondetailed budget and project descriptions and justifications excluding projects contained in a local transportation program.

(9) On or before April 1 of each year, the department shall prepare and file with the commission the proposed state transportation program for the next succeeding fiscal year. The proposed state transportation program shall contain the local transportation programs of each intercity carrier, eligible
authority and eligible governmental agency, the department transportation program, and the programs for the expenditure of the state trunk line fund as they may have been supplemented, amended, or modified since their original filing. The state transportation program shall include the estimated amount of money in the funds described in this subsection by revenue source, project justifications, project descriptions funding sources, and budget summaries.

(10) On or before May 1 of each year, the state transportation commission shall act on the state transportation program for the fiscal year commencing on the following October 1. In considering approval of the proposed projects of each intercity carrier, eligible authority, or eligible governmental agency, other than projects which are to be funded pursuant to subsections (4)(f) and (5), the state transportation commission shall consider whether the projects comply with state law, are within funds allocated in this section, whether they may be funded within the approved budgets, whether there are intercity carriers, eligible authorities, and eligible governmental agencies responsible to implement the projects, the recommendations of the department on individual projects. Upon making those determinations, the state transportation commission shall approve the projects which best meet the criteria of this subsection.

(11) By October 1, the department and each intercity carrier, eligible authority, or eligible governmental agency shall enter into a contractual agreement or standardized grant memorandum of agreement, which may cover 1 or more projects to be made from this section in the applicable fiscal year to the intercity carrier, eligible authority, or eligible governmental agency from the comprehensive transportation fund.

(12) After a multiyear public transportation program is approved by the state transportation commission, the state transportation department may enter into a grant-in-aid instrument with an eligible authority, intercity carrier, or eligible governmental agency obligating the state to a minimum level of funding for approved projects to be available over the multiyear period of the program. This obligation shall be binding upon the state transportation department as long as the provisions and conditions of the state transportation commission approved program are carried out as agreed.

(13) Contracts and grant memorandum agreements may be audited by the state transportation commission's office of commission audits using rules promulgated by the United States general accounting office and the terms and conditions of the respective contracts and agreements. Third party agreements are subject to the review and approval of the department.

(14) Funds distributed by the department may pay 100% of the portion of the cost not eligible for reimbursement by the federal government for eligible capital projects authorized by the state transportation commission using comprehensive transportation funds or the proceeds of notes and bonds sold under Section 18b. Priority for funding obligation shall be given to capital projects for which federal funds have been authorized.

(15) Funds distributed by the department from the funds described in subsection (4)(b) shall pay 100% of the portion of the cost not eligible for reimbursement by the federal government for new small bus service operating assistance projects authorized by the state transportation commission for the first 2 years of new small bus service. For the third year, eligible operating costs shall be reimbursed at 75% of the portion of the cost not eligible for reimbursement by the federal government. After the third year, eligible costs shall be reimbursed under subsection (4)(a). However, for the first and second years of service only, the amount of funds distributed from the comprehensive transportation fund to an eligible authority or eligible governmental agency, when added to federal funds and local funds shall not exceed the total operating assistance project cost.
(16) The department shall pay 80% of the portion of the cost not eligible for reimbursement by the federal government for intercity passenger operating assistance projects authorized by the commission for the first 2 years of new services. For the third year, eligible costs shall be reimbursed at 60% of the portion of the cost not eligible for reimbursement by the federal government. After the third year, eligible costs shall be reimbursed at 40% of the portion of the cost not eligible for reimbursement by the federal government. Eligible costs of services provided as of September 30, 1981, shall be reimbursed at 40% of the portion of the cost not eligible for reimbursement by the federal government. However, the amount of funds from the comprehensive transportation fund when added to federal funds and local funds shall not exceed the total operating assistance project cost.

(17) A vehicle purchased, leased, or rented after November 15, 1976, by an eligible authority or eligible governmental agency with funds made available under this act, which funds were not already committed under a contract in existence on November 15, 1976, shall not be used to provide service on a fixed schedule and fixed route for which a passenger fee is charged unless the vehicle is accessible to a person using a wheelchair from a roadway level or curb level, and has accommodations in which 1 or more wheelchairs can be secured.

(18) A vehicle shall not be purchased, leased, or rented by an eligible authority or eligible governmental agency between November 15, 1976, and October 1, 1978, with funds made available under this act which vehicle is used to provide demand actuated service unless the vehicle is accessible to a person using a wheelchair from roadway level or curb level and has accommodations in which 1 or more wheelchairs can be secured, except as provided in subsection (22).

(19) A vehicle shall not be purchased, leased, or rented by an eligible authority or eligible governmental agency after October 1, 1978, with funds made available under this act which vehicle is used to provide demand actuated service unless the eligible authority or eligible governmental agency has submitted a plan to the state transportation department describing the service to be provided by the demand actuated service to persons 65 years of age or older and handicappers within the applicable service area and that plan has been approved by the department. The department shall approve the plan as submitted or modified or shall reject the plan within 60 days after the plan is submitted. A plan which describes the service to be provided by the demand actuated service shall not be approved by the department unless that plan provides the following:

(a) That demand actuated service will be provided to persons 65 years of age or older and handicappers residing in the entire service area subject to the plan.

(b) That as a minimum, demand actuated service will be provided to persons 65 years of age or older and handicappers during the same hours as service is provided to all other persons in the service area subject to the plan.

(c) That the average time period required for demand actuated service to persons 65 years of age or older and handicappers from the initiation of a service request to arrival at the destination is equal to the average time period required for demand actuated service provided to all other persons in the service area subject to the plan.

(d) That the eligible authority or eligible governmental agency submitting the plan has established a local advisory council with not less than 50% of its membership representing persons 65 years of age or older and handi-
cappers within the service area subject to the plan and that the local advisory council has had an opportunity to review and comment upon the plan before its submission to the department. Each advisory council comment shall be included in the plan when submitted to the department.

(20) Notwithstanding subsection (19), a plan required by subsection (19) which is not approved or rejected by the state transportation department within 60 days after submission shall be considered approved as submitted.

(21) Subsections (17), (18), (19), and (20) shall not apply to vehicles or facilities used to transport persons by rail, air, or water or to vehicles of common carriers licensed by the Michigan public service commission.

(22) Subsection (18) shall not apply to an eligible authority or eligible governmental agency which has a plan approved pursuant to subsection (19).

(23) Beginning January 1, 1979, the department shall submit an annual report to the legislature detailing the service provided in the prior year for persons 65 years of age or older and handicappers by fixed route service and demand actuated service. This report shall include a record of passenger usage and shall be submitted by April 1 of each year.
# CHAPTER II

**SYSTEM MANAGEMENT**

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Management in an Ongoing System</td>
<td>35</td>
</tr>
<tr>
<td>System Goals</td>
<td>35</td>
</tr>
<tr>
<td>Community Needs</td>
<td>36</td>
</tr>
<tr>
<td>Budget Management and Planning</td>
<td>36</td>
</tr>
<tr>
<td>Productivity</td>
<td>38</td>
</tr>
<tr>
<td>Management Responsibilities to State, Federal, and Local Government</td>
<td>38</td>
</tr>
<tr>
<td>Planning for a New System</td>
<td>38</td>
</tr>
<tr>
<td>State Assistance</td>
<td>38</td>
</tr>
<tr>
<td>Budget Management and Planning</td>
<td>39</td>
</tr>
<tr>
<td>Administrative Structure</td>
<td>41</td>
</tr>
<tr>
<td>Choosing a Structure</td>
<td>41</td>
</tr>
<tr>
<td>Administrative Alternatives</td>
<td>41</td>
</tr>
<tr>
<td>Computers in Transit Management</td>
<td>42</td>
</tr>
<tr>
<td>Benefits to the System</td>
<td>42</td>
</tr>
<tr>
<td>Transit Applications</td>
<td>43</td>
</tr>
<tr>
<td>Choosing Equipment and Programs</td>
<td>44</td>
</tr>
<tr>
<td>Appendix D — Michigan Laws Governing Public Transportation Systems</td>
<td>45</td>
</tr>
</tbody>
</table>
CHAPTER II

SYSTEM MANAGEMENT

Management in an Ongoing System

System Goals

The system manager is responsible for long-term planning of transit improvements. Because changes in the system will be defined by changing community needs and economic resources, the planning process should go on all year, projecting into the next funding period and creating goals and alternative plans years ahead. As an example of the planning process, these are the division goals developed by Bus Transit.

• Maintain existing local public transportation services.

• Implement and administer all local public transportation services consistent with Act 51 and legislative intent.

• Initiate coordination/consolidation of human service agency services statewide in conjunction with implementation of new public transportation systems.

• Develop an equitable level of service for mobility impaired persons in all operating systems.

• Implement a moderate level of public transportation statewide.

• Increase utilization by the general public of public transportation.

• Coordinate local public transportation services with intercity bus and train passenger services.

When the system manager and advisory committees can state specific transportation needs, the number of riders expected, hours of service, equipment needed, then the other planning tasks: budget, funding sources, and productivity will be easier to understand (Exhibit II-1).

Exhibit II-1

The system manager should be familiar with legislative changes that affect funding. There may be increases or decreases in the levels of assistance from year to year. New areas of public concern may make different kinds of projects possible. Changing regulations may affect record-keeping and reporting responsibilities of local transit agencies. Talk with your project manager, other system managers, and attend state and transit association seminars so that you will be well-informed about trends in funding and regulation.
A transportation advisory committee may be established by local government to assist in transit system planning. The decision-making authority and responsibilities of the committee will vary from system to system, but valuable information and expertise can be gained by involving community members. Committee members may be county commissioners, city council members, and citizens interested in public transportation.

Transportation systems are required under Section 10e(19) of Act 51, as amended, to create a Local Advisory Council (LAC) to assure that accessibility needs are met. This committee, made up of seniors, handicappers, and local citizens, must review and comment on all new services or changes in service before the plans are put into effect. (For details of LAC membership and procedures, see Appendix E, Draft CTF Administrative Rules.) The LAC can also be a good source of planning ideas and can help to build support in the community.

Your state project manager is a good source of information for all aspects of planning and can contribute experience gained from the development of transportation systems all over Michigan.

There may not be great changes in an ongoing system every year. Perhaps there will be an additional human service agency contract or a shift of resources from an unproductive fixed-route to work trip service. Some alternatives may be developed to use funds more efficiently. Whether it is an increase or a reduction in transportation service, any changes should be based on the proven importance of the service to the community and related cost/revenue factors.

Community Needs

Use all available sources of information to find out community transit needs. (Chapter XII – Monitoring and Evaluation, describes methods in detail).

- Survey the riders.
- Send out questionnaires.
- Attend meetings of the city council or county board and human service agencies.
- Talk to drivers and dispatchers.
- Review all data on ridership, peak hours, and trip origin and destination.
- Record changes in local factory shifts, clinic hours, work training programs.
- Meet with the Local Advisory Council.
- Talk with contacts in business and government.
- Read the local newspaper to keep in touch with changes in the local economy, special events, and opportunities to provide charter transportation.

Whenever possible, back the information you have gathered with statistics: projected increase in riders, hours of service, and economic benefits to the community.

New requests for service may also indicate funding sources you have not used before. For example, a new senior citizen program requiring transportation for the elderly and handicapped may create new revenues for the transit system.

In addition to the new service needs, look at the data on present service to see how projected ridership compares with actual riders and hours of use. You may find that it is possible to provide adequate service to a particular group while cutting back on hours or the number of vehicles. If a route has been well advertised and in service for a reasonable amount of time, low ridership may indicate that the service isn't needed.

Budget Management and Planning

Use monthly information from the account books (Chapter VI) and the Operating Assistance Report (Exhibit VI-11) to create short-term and long-term budget projections. Monthly and year-to-date statements of expense will inform you of budget problems so that early action can be taken (Exhibit II-2). This kind of statement compares each category of expense directly with the budgeted amount. The year-to-date section clarifies expenses that vary from month-to-month.

If, for example, you discover that the monthly maintenance costs are consistently higher than the year's budgeted amount, short-term considerations would be:

- Review of the maintenance operation to determine causes of higher costs
- Reduction of service hours to reduce costs in other areas and limiting the use of older vehicles which are expensive to maintain
- Transfers of funds from other budget categories

Since these short-term solutions would reduce service, the manager would also plan long-term to:

- Increase the maintenance expense items in next year's budget request.
- Request new vehicles or vehicle rehabilitation funds as indicated by service years and mileage.
- Plan increased preventive maintenance to avoid more expensive repairs.

As part of the plan for future years, the manager might propose a bus garage so that all vehicles could be stored indoors. Justification of a proposed bus garage would depend on the long-range operating and maintenance costs of a garage in comparison with the existing operation.

Monitoring costs to stay within your current year's budget will help you to prepare for the next annual application. In many categories (telephone, utilities) you might simply need to increase the allocation in accordance with the increases in costs over the year. Expansion or changes in bus service will require more study. Chapter XII, Monitoring and Evaluation explains the cost per vehicle mile and cost per vehicle hour that would be used for an estimate of the
### TRANSIT CORPORATION

#### STATEMENT OF EXPENSES - ACTUAL & BUDGET

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cost of new service. Project new sources of revenue for next year's budget, including estimated revenues from new services, fares from new local contracts, and new grants or local funding programs. (See Chapter IV – Grants and Contracts, for details of the annual application budget.)

Productivity

Use the cost/vehicle mile, cost/vehicle hour, passengers/vehicle hour, and passengers/vehicle mile to check the efficiency and productivity of the present system so that you and your staff can work to improve performance. Operating costs are affected by maintenance, route planning, efficient use of worker hours, and control of materials and supplies. Ridership can be improved by marketing and system design. Develop broad goals and specific objectives for increasing productivity. For example:

• Cut cost/vehicle hour by 10 percent in the next three months.
  - Perform all preventive maintenance on schedule.
  - Review ridership to cut unproductive driver hours and reassign those hours to maintenance or dispatching tasks.
  - Reduce bus operation costs by redesigning the routes to reduce deadhead mileage.

• Increase passengers/hour by 15 percent during the next six months.
  - Develop new ridership to make off-peak hours more productive.
  - Evaluate all local routes and services and the ridership during off-peak hours to eliminate unproductive service hours.

Plan these activities with your staff so that everyone knows the goals and objectives. Find ways to measure your progress and report improvements regularly.

Management Responsibilities to State, Federal, and Local Government

The same information developed for budgets, system design, and long-term planning will be used in reports to the government. The State of Michigan requires that bus systems funded by the state and federal governments report financial and operating information regularly.

• The Operating Assistance Report, (Section 15 report), is due to Bus Transit Division, MDOT, ten days after the end of each month (Chapter VI – Financial Management).

• Reports on compliance with DBE/MBE/WBE contracting requirements are due at the end of each quarter (Chapter IV – Grants and Contracts).

• A CPA Auditor’s Report on the transit agency account books is due 120 days after the close of the local fiscal year (Chapter VI – Financial Management).

• The system manager must file an annual application every February, for the next year’s state and federal funds (Chapter IV – Grants and Contracts).

• Each transit agency and each third-party contractor to a transit agency must file annual reports to demonstrate compliance with Title VI equal opportunity hiring practices. File these reports with the Urban Programs Section, Office of Small Business Liaison, MDOT (Chapter IV – Grants and Contracts).

• The system manager is also responsible for initiating grant proposals to other funding programs such as UMTA Section 3 and 16(b)(2).

After the funding level for the next year has been determined, the system manager must review the state funding contracts and present them for review by the city or county attorney. Finally, the local public board reviews the contract and authorizes approval (Chapter IV – Grants and Contracts).

In addition to the required state and federal reports, regular financial and operating reports to the authority board, advisory board, city council or county commission will help to build local public support for the bus agency and keep local public officials informed about all aspects of the transit system.

Planning for a New System

State Assistance

The Bus Transit Division of MDOT helps interested local groups to plan, design, and start up new public transit systems. At the request of a government, local agency, or citizen’s group, the project manager for that area will provide technical assistance in the planning stage and all through the three demonstration years (Exhibit II-3). These are some of the responsibilities of the local representatives:

• Gather information and statistics about community transportation needs.

• Assist in the process of system design and budget planning.

• Work with local human service agencies to consolidate client transportation under the new transit system.

• Choose an administrative structure (e.g., department of local government, transportation authority, private nonprofit).

• Hire a system manager who can direct the beginning tasks and provide ongoing management.

• Review and approve the terms and conditions of the state’s new services contract.

• Represent the interests of the community during the planning stage.
To help with the planning process, the project manager, with assistance from other specialists in the Bus Transit Division, will:

- Use the information from local research to assist the committee in developing an application for state funds.
- Put the system design and budget into final form.
- Based on the system design, select buses and a communications system.
- Follow the application through to the contract stage.
- Process billings and reimbursements to the local transit agency.
- Provide on-site training for new personnel.
- Develop a preventive maintenance program.
- Assist in all areas of development: marketing, operations, personnel, community relations, and reporting requirements.

**Budget Management and Planning**

Gather information for the budget from sources in the community. The cost per gallon of fuel, rental for an office, maintenance services, and telephone can be researched in advance as you make decisions about the organization (Exhibit II-4). Farebox revenue can be estimated in advance, too. The human service agencies, clinics, and job training programs will have records of their clients who need transportation (Exhibit II-5). The project manager will supply other information about the costs of running the buses, number of riders from the general public, and reasonable levels of efficiency in a new system.

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**Exhibit II-3**

[Diagram of Project Development Process]
MDOT requires a commitment from city or county government to make every effort to provide future funding support. No local funds are required during the first three years, but planning for the fourth year local contribution should begin immediately. If you decide on a millage proposal for funding in the fourth year, it must be planned in the second year and voted upon in the third year. A funding allocation from local government out of general funds would have to be negotiated early in the third year, (Chapter V - Fare Management and Local Funding).

To prepare a fourth-year budget, monitor expenses and revenues carefully during the first, second, and third years, develop a budget using the state and federal funding formula for ongoing systems (Appendix C), and keep local government informed about future funding needs. Along with financial planning, establish goals for increased ridership, system identification, and improved efficiency during the first three years to build enthusiasm for local funding (See Chapter X - Marketing).

Exhibit II-5

ESTIMATE RIDERSHIP & REVENUE

Service Area Population (Census)

Human Service Agency Estimates

Estimate Riders from General Public

Work/School Estimates

Estimated Passengers Per Year

Fare Structure

Advertising Revenue (est.)

Passenger Fares

Freight and Service Revenue

Estimated Revenue per Year

Administrative Structure

Choosing a Structure

It is likely that circumstances in your service area will simplify the choice of an administrative structure for the new transit system. There may already be a reputable cab company in the city that meets local requirements for a beginning transportation system. Using the existing company as a third-party contractor would protect private enterprise and save time by working with experienced personnel, an established office and garage, and a functioning communications system. If supervision of the transit system can conveniently be handled by a department head in city government and the city offices will provide computerized accounting and data gathering services, then direct operation by city or county government is the clear choice. If the service area includes more than one local government, then a transportation authority is the logical choice. Some of the factors that will influence your decision are: the degree of interest and involvement of local government, the number of governments included in the service area, existing transportation services, and opportunities for funding (Exhibit II-6).

Exhibit II-6

ADMINISTRATIVE STRUCTURE

LOCAL GOVERNMENT CONTRACTING AGENCY

Transportation Authority County Board City Council Township Board

Transportation Committee

System Manager

Local Advisory Council

Driver Dispatcher Secretary Accountant Mechanic

Administrative Alternatives

- Direct Operation by Local Government

A city government, under the Home Rule Act (279), or a county government, under Act 94, may operate a transportation system directly (Appendix D). City or county government may set up a new transit department or appoint a transportation advisory board to hire the manager and staff as municipal employees. With direct operation, the city or county assumes total
legal and financial responsibility for the transit system. This structure is appropriate if:

- There is a single government which has jurisdiction over the entire service area.
- The local government is willing to plan and supervise the transit system.
- The new system does not duplicate or compete unfairly with existing private transportation services.
- The local government is able to offer transit personnel the wage and benefits package required for municipal employees.

Under direct operation, the system benefits from shared services: accounting handled by government offices, possible office and garage space in city buildings, and part-time use of administrative and maintenance personnel already working in local government.

**Third-Party Contracts**

The local government may contract with a private corporation to operate the service. This is done to:

- Take advantage of staff, offices, vehicles, and communication systems already in place.
- Reduce the government's responsibility for startup planning and day-to-day supervision.
- Use full-time and part-time transit personnel on a more flexible basis outside of the municipal wage, benefits, and hour requirements.

Under a third-party contract, the city or county still takes full legal and financial responsibility for the system, so general supervision is needed. There are two kinds of private contractor, private nonprofit and private for profit.

- **Private Nonprofit**

A city or county may contract with an existing private nonprofit corporation or create one specifically under Act 284 to operate the public transit system (Appendix D). If there is a Council on Aging or Vocational Rehabilitation agency that already owns some vehicles and provides limited transportation to seniors and handicapped, the contract would include agency-owned vehicles as part of the fleet. (In many areas, these agencies have initiated the request for a public transportation system.) A new private nonprofit corporation created to operate the system should be made up of elected officials and community representatives with an interest in public transportation.

In this structure, the system manager is hired by the corporation and assumes responsibility for operations, financial management, and reporting to state government. It should be noted that private nonprofit corporations are eligible for capital funds under UMTA’s 16(b)(2) programs.

- **Private for Profit**

A local government may contract with a private for profit operator such as a local cab, bus, or ambulance service.

When there is more than one company in the service area, the contract must be put out for competitive bids. (Chapter IV - Grants and Contracts, describes the bidding process.) The private contractor provides personnel and manages day-to-day operations for a monthly management fee (an eligible operating expense in the contract between MDOT and the city or county). The local government appoints a transportation coordinator to oversee the performance of the contract and to fulfill the planning, financial management, and reporting requirements ordinarily handled by the manager in the system. The private for profit third-party contractor may require more government supervision than the nonprofit corporation because of the tendency for private companies to operate independently.

**Transportation Authority**

A public transportation authority may be created as a separate legal entity under Acts 204, 55, and 7* (Appendix D). This may be done to separate the transit operation from local government or it may be used to organize public transportation in service areas that are made up of various combinations of city, county, and township government.

The transportation authority is operated by a board of directors appointed by the local government or governments involved. As in the direct operation structure, the authority board may choose to hire a system manager or contract the service to a third-party operator. Although the transportation authority is legally and financially responsible to state and federal funding agencies, ultimate responsibility still rests with the local governments that created it. The transportation authority structure is most appropriate if:

- Local government prefers not to plan and supervise the transit system directly.
- The service area is made up of a combination of city, county, or township governments.

*Under Act 55, the transportation authority has the power to vote a property tax millage for the entire service area. Under Act 7 and Act 204, transportation authorities depend on the individual member governments to raise funds.

**Computers in Transit Management**

**Benefits to the System**

In a small transit system, it is often difficult for the manager to get daily tasks under control so that there is time for evaluation of current services, developing grant proposals, and planning for the future. You can’t invest time in surveys and meetings until the account books are in order and the monthly reports are out. A computer can
speed up time-consuming recording tasks. Imagine, for example, that the mechanic, when he changes the tires on Bus #3, enters: labor hours, the material number and quantity, a description of the work, the bus number, mileage, and date into a computer program. From this data entry, a series of interacting programs:

- Subtracts tires from the running inventory.
- Enters the description of the work, mileage, and date into the maintenance history of Bus #3.
- Adds labor and material costs into a maintenance cost total used to calculate a monthly cost per vehicle mile.

Three separate recording tasks have been accomplished by a single data entry. Later, the summary of these daily entries could be transferred into budget monitoring and planning, accounting, productivity statistics, and the Operating Assistance Report. It may not be possible to begin with such a complex interaction of programs, but in the example above, the inventory and the vehicle maintenance history could be entered and stored in a single user system and used later to print reports.

Transit Applications

Computer applications useful in transportation can be described as financial and nonfinancial. Some examples are:

- **Financial Applications**
  - Journals
  - General Ledger Accounts
  - Asset Register
  - Grant Management
  - Budget Planning and Monitoring
  - Purchase Orders
  - Payroll

- **Nonfinancial Applications**
  - Operations
    - Passenger List
    - Route Scheduling
    - Dispatching
    - Vehicle Scheduling
  - Maintenance
    - Maintenance Costs
    - Inspection Records
    - Inventories
    - Vehicle Miles
    - Vehicle Maintenance
    - Advance Maintenance Scheduling
  - Administration
    - Personnel Records
    - Word Processing
    - Operating Statistics
    - Local Revenue
    - Ridership Records
    - Route Evaluation Planning
    - Evaluation of Marketing Surveys, Questionnaires
    - Operating Assistance Report

Notice that many of these areas interact. The maintenance costs and inventory, for instance, should also

---

### Exhibit II-7

<table>
<thead>
<tr>
<th>Cost</th>
<th>Training</th>
<th>Programs</th>
<th>Maintenance</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Buy through Sales/Consulting Company</strong></td>
<td>HIGH</td>
<td>Consultant adapts program to your needs.</td>
<td>Ongoing maintenance by the sales company</td>
</tr>
<tr>
<td><strong>Group Purchase through Bus Transit</strong></td>
<td>MODERATE</td>
<td>Consultant develops programs for transit agencies</td>
<td>Ongoing maintenance in contract</td>
</tr>
<tr>
<td><strong>Buy from a Local Computer Store</strong></td>
<td>MODERATE</td>
<td>Standard commercial programs</td>
<td>Pay for maintenance from the company</td>
</tr>
<tr>
<td><strong>Lease</strong></td>
<td>HIGH</td>
<td>Standard commercial programs</td>
<td>Leasing company maintains</td>
</tr>
<tr>
<td><strong>Buy-Mail Order</strong></td>
<td>LOW</td>
<td>Choose programs from catalog</td>
<td>Hire services or mail computer to company</td>
</tr>
</tbody>
</table>
transfer to accounting files. If the transit staff is large enough to have a bookkeeper and a maintenance manager entering data full-time, a multiuser system is needed. But if you are starting on a small scale with payroll, maintenance records, operating statistics, and the Operating Assistance Report, a single user system is enough.

Choosing Equipment and Programs

A transit system can lease or buy a computer. The important considerations are: cost (computers and programs are an eligible operating expense), training, the availability of programs, and computer maintenance services (Exhibit II-7).

If you purchase a computer from a sales and consulting company, program design and training may be available. In a “turnkey” arrangement, the consultant helps the system manager to choose appropriate equipment and will adapt programs to the needs of the transit agency. When everything is in working order and selected staff members have been trained, the system is turned over to the transit agency. This purchase arrangement saves staff time and is likely to put the system in place more quickly.

Because of the importance of computerization, the Bus Transit Division is developing standards for the funding of computers and software designed for outstate small bus systems. Training, program updates, and maintenance will also be included in this program.
Act 279 of 1965, Home Rule Act

Each municipality, under its charter, may make provision to establish municipal departments deemed necessary for the welfare of the local community. This includes owning, constructing, and operating transportation facilities within its limits and ten miles outside its city limits.

Act 94, The Revenue Bond Act of 1933

Authorizes public corporations to purchase, acquire, construct, improve, enlarge, extend, or repair public improvements including transportation systems. Authorizes the condemnation of property for such public improvements; provides for the imposition and collection of rates for the services, facilities, and commodities furnished by the improvements; provides for the imposition of special assessments against properties benefited by such public improvements; provides for the issuance of bonds and the levy of taxes without limitation to the extent necessary for the payment of bonds. Public corporation means a county, city, village, township, school district, port district, or metropolitan district of the state or combination thereof.

Act 284, Business Corporation Act of 1972 (Private Nonprofit Corporations)

An act to provide for the organization and regulation of corporations, prescribes their duties, rights, powers, immunities, and liabilities.

Act 204, Metropolitan Transportation Authorities Act of 1967

This act applies to metropolitan areas of two or more counties generally recognized as an urban complex.

An authority formed under this act has all the powers of a corporation for the purpose of providing public transportation services within one or more contiguous counties within the state and for a distance of ten miles beyond limits of the authority if there is no operating public transportation within that distance.

A political subdivision contracting with the authority may levy up to 1 mill property taxes outside the 15 mill limitation to fulfill its contractual obligations to the authority.

Members of the authority board are selected by the Governor. This act is used in counties within metropolitan areas.
Act 55, as amended, Mass Transportation System Authorities Act of 1963

The legislative body of any city having a population of not more than 300,000 may incorporate a public authority for the purpose of acquiring, owning, operating, or causing to be operated, a mass transportation system. The authority is authorized to operate within the boundaries of the county in which the city is located and within the boundaries of each county, a portion of which lies not more than ten miles outside the boundaries of the city which incorporates the public authority. Upon a majority vote of the registered voters residing in the service area, the authority may levy a property tax not to exceed five mills in the political subdivisions which comprise the authority.

Public Act 7 of 1967, Urban Cooperation Act

Provides for a joint exercise of powers by two or more public agencies in the form of an interlocal agreement to form an authority whose members represent each entity.

Before the agreement is put into effect, it must be approved by the Governor. If it meets the conditions of this act, it is approved and filed with the county clerk of each county as well as the Secretary of State.

Act 7 is useful in forming a transportation authority between counties, between a county, city, and townships, between city and townships, school districts, or combinations thereof to provide transportation services. An Act 7 transportation authority has no taxing powers. Millage votes must be placed on the ballot by individual member governmental units.

Act 35, Intergovernmental Contracts Between Municipal Corporations Act of 1951

An act which authorizes intergovernmental contracts between municipal corporations; and authorizes any municipal corporation to contract with any person or municipal corporation to furnish any lawful municipal service to property outside the corporate limits of the first municipal corporation for a consideration. Municipal corporation means any county, township, city or village, school district, metropolitan district, court district, public authority, or any other local governmental authority or local agency with power to enter into contractual undertakings.

Act 312, The Metropolitan District Act of 1929

Any two or more cities, villages, or townships may incorporate into a metropolitan district comprising territory within their respective limits for the purpose of acquiring, owning, operating, and maintaining and may sell or purchase transportation facilities within or without its limits. The power to acquire a rapid transit system is expressly conferred by this act which may consist of a tunnel, subway, surface, or elevated system and said rapid transit system shall be deemed to be transportation under this act.
CHAPTER III

OPERATIONS

<table>
<thead>
<tr>
<th>Operating Alternatives</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Introduction</td>
<td>49</td>
</tr>
<tr>
<td>Types of Service</td>
<td>49</td>
</tr>
<tr>
<td>Operating Plans</td>
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</tr>
</tbody>
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<table>
<thead>
<tr>
<th>Operating Procedures and Forms</th>
<th>Page</th>
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</thead>
<tbody>
<tr>
<td>Introduction</td>
<td>54</td>
</tr>
<tr>
<td>Dispatcher Records</td>
<td>54</td>
</tr>
<tr>
<td>Driver Records</td>
<td>55</td>
</tr>
<tr>
<td>Daily and Monthly Summaries</td>
<td>55</td>
</tr>
<tr>
<td>Accident Reporting</td>
<td>55</td>
</tr>
<tr>
<td>Charter Service</td>
<td>55</td>
</tr>
</tbody>
</table>
CHAPTER III

OPERATIONS

Operating Alternatives

Introduction

Each transit system must develop a plan of operations that meets community needs and, at the same time, makes the best use of drivers and buses. This section describes the kinds of transportation services that may be provided and a variety of possible operating plans to deliver these services to the people. Careful monitoring and evaluation of ridership and cost over a long period of time will help you to develop an efficient operation. To attract more riders from the general public and to improve service to seniors, handicappers, and low-income families, most transit agencies offer a mix of demand-response, fixed routes, and special services.

Types of Service

The following services may be offered in small community or rural transportation systems:

- **Demand-Response**
  Riders call in on an advertised phone line and request service as soon as possible. During low demand times, the bus will arrive in 15 to 20 minutes. In rural counties, demand-response service may be offered only during off-peak hours, on certain days of the week, or only in high population areas of the county.

- **Subscription**
  Individual riders or groups traveling regularly from the same address place a standing order for daily or frequent service. This is often used for work trip service.

- **Advance Reservation**
  Passengers who are able to plan trips call ahead and reserve a ride for a particular date and time. Prebooking enables the dispatchers to plan for a prompt pickup and is helpful when a bus with a wheelchair lift is needed.

- **Human Service Agency Contracts**
  By contracting with local human service agencies, clients are carried to and from social service appointments, senior programs, sheltered workshops, clinics, and other human service offices.

- **Fixed Schedule**
  Passengers wait at designated bus stops for buses to pick them up on a timed schedule.

- **Group Service**
  Buses are scheduled for a trip to a single destination. The trip may be arranged to attract a particular group such as senior citizens or high school students, but it is “open door” and available to the general public.

- **Charter Service**
  A community group prebooks buses for a trip to a convention, sports event, or tourist area. Passenger counts, estimated costs, and time schedules are arranged in
advance. Charter service is "closed door," not open to the
general public.

- **Special Events**
  Buses are provided for special events in the community.
  Special bus runs may be arranged for trade shows, sports
  events, schools, tourist attractions, or shopping promo-
  tions. Longer-term service may be provided for seasonal
  needs at entertainment centers or fairs.

- **Package Delivery**
  Prepaid packages are picked up at a central location or
  from local businesses and delivered during off-peak hours
  as the driver transports passengers.

**Operating Plans**

Each transit agency combines several operating alterna-
atives to provide the best possible service. Population, rider-
ship, peak hours, and the size of the service area are the
basis for choosing a particular plan. In a new system, the
plan often begins with pure demand-response operations.
Fixed routes, zone, and route deviation corridors are devel-
oped later as the system manager discovers areas of high
ridership and stable rider patterns.

- **Small Community Operations**
  In a small city or township service area, the usual operat-
ing alternatives are:

  - **Pure Demand-Response**
    Drivers pick up and drop off passengers at any point in
    the service area, according to requests from the dis-
    patcher. In pure demand-response systems, the dis-
    patcher combines immediate requests, advance reserva-
    tions, and subscription service for the most efficient
    use of each driver's time (Exhibit III-1).

  - **Zonal Demand-Response**
    The service area is divided into zones. Buses pick up
    and drop off passengers only within the assigned zone
    (Exhibit III-2). When the drop-off is in another zone, the
    dispatcher chooses a meeting point at the zone bound-
    ary for passenger transfer. This system guarantees that
    a bus will always be within each zone when rides are
    requested.
- Zonal Demand-Response with Central Transfer

The buses assigned to pick up and drop off passengers in different zones maintain meeting times at a convenient central transfer area. All zone buses meet at the central transfer every half hour to transfer passengers (Exhibit III-3). The central transfer point simplifies zone to zone transfer when the zones cover a large area.

- Checkpoint Service

Buses make periodic or scheduled stops at a center of activity such as a shopping center or downtown shopping area. Riders are picked up and taken to their own destinations or to transfer points.

- Zonal Demand-Response with Fixed Route Connectors

Demand-response service is available in all zones and there are, in addition, fixed routes connecting activity centers (e.g., hospitals or shopping centers) with the central transfer point. Buses make regular scheduled stops along the route. This plan of operations sometimes means a longer waiting period for on-demand riders. The bus may make scheduled route runs on the hour or half-hour, and the dispatcher will arrange pick-ups at times when a bus is in the area (Exhibit III-4).

- Fixed Schedule

One or more buses have a prescribed path which never varies. Each bus has several bus stops where riders are picked up at fixed times. Routes are usually straight out and back over the same artery with the possibility of a loop at the end. Loops cover a larger geographic area but offer less service along a given route. A loop may be one-way or two-way. Although radio communication is not as critical as in a demand-response service, it is helpful for arranging transfers and getting help in case of accidents or breakdowns.

- Route Deviation

Buses travel along a prescribed route at scheduled times and maintain scheduled or unscheduled checkpoint stops. As they move along the route, the buses also take demand-response calls from the dispatcher to pick up and drop off passengers who live near the route (Exhibit III-5). Again, on-demand rides are scheduled when the bus is near the pickup address and the wait may be longer than 15 or 20 minutes.
- Jitney

Buses travel along a fixed route with no time schedule and passengers are picked up anywhere along the route. Because there are no schedules, it is necessary to have 5 or 10 minute headways so that passengers have only brief waiting periods.

- Rural Operating Plans

In rural counties, greater distances and less concentrated population places some restriction on services. Again, system managers must study ridership patterns and develop an appropriate combination of operating plans. In addition to the plans described above, here are some variations used in rural areas:

- Limited Demand-Response

To use buses efficiently and maintain reasonable response times in large zones, demand-response may be limited to:

- Twenty-four hour advance reservation service (Exhibit III-6).

- Alternating days of service in two zones (e.g., Monday, Wednesday, and Friday in Zone 1 and Tuesday, Thursday in Zone 2) (Exhibit III-7).

- Part-time service in all areas during designated off-peak hours.
- **Fixed Routes**

In addition to the limited demand-response, fixed routes can be developed that connect small towns or villages with the main population center (Exhibit III-8).

- **Route Deviation Corridors**

Demand-response service is limited to an area near the fixed routes that connect small towns to the main population center. The buses maintain scheduled stops along the route and pick up demand-response riders near the main route (Exhibit III-9). Since the out-county routes are long, and on a fixed schedule, demand-response riders will need to call well in advance of the time they need service.
Operating Procedures and Forms

Introduction

Dispatchers, drivers, and system managers need a detailed record keeping system for efficient operations. In a demand-response transit system, the dispatcher’s records are used to coordinate all bus runs and passenger services. The driver’s records are the basis for evaluations of the bus system, reports to the state and federal governments, and information for financial management. This section contains the minimum necessary recording forms for a demand-response bus operation. Other samples of driver and dispatcher forms are given in the Michigan Small Bus Program: Operator’s Manual, which is available on request from your project manager.

Dispatcher Records

In a demand-response operation, the dispatcher must record enough information to coordinate all passenger trips. Use a system of cards, color-coded for subscription, advance reservation, and demand-response, to organize pickups. These are the three kinds of rides that the dispatcher plans:

• Subscription Service (Exhibit III-10)

Subscription riders have a standing order for daily or frequent trips. Most subscription riders are going to work in the morning and returning at the end of the day. The dispatcher must have a permanent file with the names, addresses, and telephone numbers of subscription riders and the days, hours, and destinations of scheduled rides.

Exhibit III-10

<table>
<thead>
<tr>
<th>Date</th>
<th>Time</th>
<th>Bus No.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pick up</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Drop off</td>
<td></td>
<td></td>
</tr>
<tr>
<td>DAY Mon Tue Wed Thur Fri Sat Sun</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Passenger name</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Phone number</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Helpful directions</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

• Advance Reservation (Exhibit III-11)

These passengers have telephoned to reserve a ride later in the day or on another day. The dispatcher must file a card with name, address, telephone, destination, and the date and time of pickup.

Exhibit III-11

<table>
<thead>
<tr>
<th>RIDE DATE</th>
<th>TIME</th>
<th>BUS NO.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>PICK UP POINT</td>
<td></td>
<td></td>
</tr>
<tr>
<td>DESTINATION</td>
<td></td>
<td></td>
</tr>
<tr>
<td>PASSENGER’S NAME</td>
<td></td>
<td></td>
</tr>
<tr>
<td>LIFT BUS</td>
<td>RETURN TRIP</td>
<td></td>
</tr>
<tr>
<td>TIME CALL RECEIVED</td>
<td></td>
<td></td>
</tr>
<tr>
<td>HELPFUL DIRECTIONS:</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

• Demand-Response Service (Exhibit III-12)

For demand-response riders, there must be a short-term record of name, address, phone, and destination. The information taken from the caller is written down and dispatched directly to the driver.

It is a good idea to ask callers for more than the address when the pickup is at a hospital, a large office building, or a department store. In these cases, make a note of the particular entrance or a nearby street intersection to prevent delays. The recording cards must also show when a wheelchair lift is needed and any other special requests.

Exhibit III-12

<table>
<thead>
<tr>
<th>Time</th>
<th>Date</th>
<th>Zone</th>
<th>Bus No.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Name</td>
<td>Phone</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pick up</td>
<td>Destination</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

54
Driver Records

In a demand-response operation, the driver takes passenger information from the dispatcher and writes it in the driver log (Exhibit III-13). The driver log is a complete daily record of all passengers who use the bus. As the driver picks up and drops off riders, a running list is kept of time, pick-up address, destination, passenger category, and fare. On a fixed route, the driver will record numbers of passengers and fares. Information from the daily log is used for a number of administrative tasks. It is the basis for:

- Reconciling farebox totals with the number of rides
- Billing human service agencies for contract rides
- Documenting services to senior citizens and handicapped
- Collecting operating statistics for the monthly report
- Evaluating the productivity of various bus routes and hours of operation

Daily and Monthly Summaries

The system manager and office staff should summarize daily and monthly operational statistics in the “End of Day Summary” and the monthly “Operation Summary”. In the “End of Day Summary” (Exhibit III-14), enter the following daily totals for each bus:

- Farebox revenues
- Sales of tokens, tickets, and ticket books
- Numbers of passengers in each category (Additional categories may be needed if you have more than one human service contract.)
- Mileage, gasoline use, and hours of operation

In the monthly “Operation Summary” (Exhibit III-15), enter daily totals for the fleet. Use the column heading under “Passengers” to record all separate passenger categories. On the bottom line, enter monthly totals and averages. When you prepare the state “Operating Assistance Report” at the end of the month, much of the “Non-financial Operating Data” and “Revenue Schedule” information can be taken directly from this summary sheet.

Because many important details cannot be carried forward to the monthly summary, keep the driver logs and End of Day Summaries for further use. Information about ridership in particular zones, for example, is available only from the driver logs (Chapter XII – Monitoring and Evaluation). End of Day Summaries can be used by your bookkeeper to report revenues from tokens and tickets and to reconcile sales with tickets and tokens on hand (Chapter VI – Financial Management).

Accident Reporting

Bus drivers must provide detailed and accurate reports of all accidents. If you are involved in an accident causing personal injury, damage to another vehicle, to the bus, or to stationary property, the accident must be reported to the police. In addition to the procedures described in the Michigan Small Bus Program: Operator’s Manual, the local transit agency should use an accident report form (Exhibit III-16). So that questions from the police and insurance companies can be answered in detail, follow the instructions on the form carefully and complete all sections.

Charter Service

Because local transit agencies often provide charter service to community groups, it is important for the system manager to know about legal restrictions on charter. Inside the service area, there are usually no restrictions on charter trips. Trips outside the service area are subject to the licensing requirements for intercity carriers (Act 432, Public Acts of 1982) and the definition of charter found in Act 51, Section 10e(4)(a)(iii). Your project manager will be able to clarify state policy and regulations in effect at any given time.

Arrangements for a charter trip should be made between the system manager and a representative of the community group. The manager submits a written proposal to the group representative (Exhibit III-17, Charter Trip Request). The charter should not be run unless approved in writing by the group representative.

Develop a cost per hour for charter costs. (Some agencies also use a cost per mile.) Hourly cost figures should include labor, bus operating costs, and administrative overhead. Profit may also be included. If your system provides charter service at a yearly cost of more than one thousand dollars, a charter cost allocation plan must be approved by your project manager (Chapter VI – Financial Management, includes a sample charter allocation).

The driver should complete a “Charter Trip Billing” Form (Exhibit III-18) with invoice information. When the bus returns to the garage, the driver enters actual hours/mileage. The form is returned to the office staff who will complete the invoice and send it to the group for payment.
<table>
<thead>
<tr>
<th>BUS NO</th>
<th>DRIVER LOG</th>
<th>DATE</th>
</tr>
</thead>
<tbody>
<tr>
<td>PICK-UP</td>
<td>DESTINATION</td>
<td>FARE</td>
</tr>
<tr>
<td>Tour</td>
<td>Time</td>
<td>Location</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Work</td>
<td>School</td>
<td>Shopping</td>
</tr>
</tbody>
</table>

Totals
<table>
<thead>
<tr>
<th>DART 305</th>
<th>PASSENGERS: _________ MILES</th>
<th>Date: ____________</th>
</tr>
</thead>
<tbody>
<tr>
<td>Books sold: .50</td>
<td>SC __________</td>
<td>GAS</td>
</tr>
<tr>
<td>Tokens sold: .25</td>
<td>H __________</td>
<td></td>
</tr>
<tr>
<td>Tickets sold: .75</td>
<td>SH __________</td>
<td>HOURS</td>
</tr>
<tr>
<td>Free</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>DART 306</th>
<th>PASSENGERS: _________ MILES</th>
<th>TOTAL PASSENGERS:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Books sold: .50</td>
<td>SC __________</td>
<td>GAS</td>
</tr>
<tr>
<td>Tokens sold: .25</td>
<td>H __________</td>
<td></td>
</tr>
<tr>
<td>Tickets sold: .75</td>
<td>SH __________</td>
<td>HOURS</td>
</tr>
<tr>
<td>Free</td>
<td></td>
<td></td>
</tr>
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</table>

<table>
<thead>
<tr>
<th>DART 307</th>
<th>PASSENGERS: _________ MILES</th>
</tr>
</thead>
<tbody>
<tr>
<td>Books sold: .50</td>
<td>SC __________</td>
</tr>
<tr>
<td>Tokens sold: .25</td>
<td>H __________</td>
</tr>
<tr>
<td>Tickets sold: .75</td>
<td>SH __________</td>
</tr>
<tr>
<td>Free</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>DART 308</th>
<th>PASSENGERS: _________ MILES</th>
<th>TOTAL PASSENGERS:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Books sold: .50</td>
<td>SC __________</td>
<td>GAS</td>
</tr>
<tr>
<td>Tokens sold: .25</td>
<td>H __________</td>
<td></td>
</tr>
<tr>
<td>Tickets sold: .75</td>
<td>SH __________</td>
<td>HOURS</td>
</tr>
<tr>
<td>Free</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>DART 309</th>
<th>PASSENGERS: _________ MILES</th>
<th>TOTAL GAS:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Books sold: .50</td>
<td>SC __________</td>
<td>GAS</td>
</tr>
<tr>
<td>Tokens sold: .25</td>
<td>H __________</td>
<td></td>
</tr>
<tr>
<td>Tickets sold: .75</td>
<td>SH __________</td>
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<td>SC __________</td>
<td>GAS</td>
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| SC | Senior Citizen |
| H | Handicapper |
| SH | Senior Handicapper |
## OPERATION SUMMARY

This information is requested on a voluntary basis by the Michigan Department of Transportation.

### System Name

<table>
<thead>
<tr>
<th>Date</th>
<th>Day</th>
<th>Total</th>
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<th>Veh. Hours</th>
<th>Pass./Veh. Hour</th>
<th>Senior Citizens</th>
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### Accident Report

<table>
<thead>
<tr>
<th>DATE</th>
<th>PLACE</th>
<th>REPORTED TO POLICE AT</th>
<th>REPORTED TO COMPANY AT</th>
<th>VEHICLE NO. 1</th>
<th>VEHICLE NO. 2</th>
<th>DRIVER'S NAME</th>
<th>OWNER'S NAME</th>
<th>DRIVER'S ADDRESS (STREET AND NO., CITY, STATE)</th>
<th>OWNER'S ADDRESS (STREET AND NO., CITY, STATE)</th>
<th>REQUIE DAMAGE</th>
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</table>

- **Accident No.**
- **Nearest City or Town**
- **Time of Accident**
- **Duty of Week**
- **Near Identical Person**
- **From**
- **Bus Number**

### Instructions

1. Choose sections of diagram that will show outline of roadway at place of accident.
2. Use solid line to show path of vehicle before accident. Dotted line after accident.
3. Number each vehicle and show direction of travel by arrow.
4. Show Pedestrian by.
5. Show Railroad by:
6. Show Traffic Light by:
7. Show Stop Sign by:
8. Indicate distance and direction from point of impact to nearest bridge, culvert, or other landmarks.
9. Indicate names of streets or route numbers or roadways.
CHARTER REQUEST

Approved by ______________________
Disapproved by ______________________

Representative Name: ______________________
Address: ________________________________
Telephone Number: ____ Date of Charter: _____________

Times and Locations
Trip Start Time & Location: ______________________
Destination Time & Location: ______________________
Return Time & Location: ______________________
Trip End Time & Location: ______________________

Number of Passengers (estimated) Total: ______ Adults: ________
                                      Children: ______________________

Driver Assigned: ______________________
                 Vehicle Assigned: ______________________
                  1. ______________________
                  2. ______________________
                  3. ______________________

If possible:
Estimate the mileage ______________________
Estimate vehicle hours ______________________
Estimate the cost $ ______________________

Prepared by: ______________________
Date: ______________________
**CHARTER BILLING INFORMATION**

Drivers: Please complete Driver's Section and return form to Dispatch Office.

Name of person or firm chartering bus: ________________________________

<table>
<thead>
<tr>
<th>Driver's name</th>
<th>Bus#</th>
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<tbody>
<tr>
<td>Ending mileage</td>
<td>______</td>
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<tr>
<td>Starting mileage</td>
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<td>Total miles traveled</td>
<td>______</td>
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<tr>
<td>Time arrived at garage</td>
<td>______</td>
</tr>
<tr>
<td>Time returned to garage</td>
<td>______</td>
</tr>
<tr>
<td>Total time of charter</td>
<td>______</td>
</tr>
<tr>
<td>Number of passengers</td>
<td>______</td>
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</tbody>
</table>

Comments ____________________________________________________________

Billing Information

- ___ hours at $ _____ per hour = $ ______
- ___ hours at $ _____ per hour = $ ______
- ___ miles × 30¢ per mile = $ ______

TOTAL BILLING = $ ______

Additional charges or comments ________________________________

Driver's Signature ________________________________
CHAPTER IV

GRANTS AND CONTRACTS

<table>
<thead>
<tr>
<th>Topic</th>
<th>Page</th>
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<tbody>
<tr>
<td>Grant Applications</td>
<td>65</td>
</tr>
<tr>
<td>Introduction</td>
<td>65</td>
</tr>
<tr>
<td>Grant Programs</td>
<td>65</td>
</tr>
<tr>
<td>Application Budgets</td>
<td>66</td>
</tr>
<tr>
<td>Contracts</td>
<td>67</td>
</tr>
<tr>
<td>Small Bus System Contracts</td>
<td>67</td>
</tr>
<tr>
<td>Local Contract Procedures</td>
<td>67</td>
</tr>
<tr>
<td>State Contract Procedures</td>
<td>67</td>
</tr>
<tr>
<td>Third-Party Bids and Contracts</td>
<td>68</td>
</tr>
<tr>
<td>Procurement Procedures</td>
<td>68</td>
</tr>
<tr>
<td>Sources for Products and Services</td>
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<td>Reducing Insurance Costs</td>
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63
CHAPTER IV

GRANTS AND CONTRACTS

Grant Applications

Introduction

Each local transit agency participates in the yearly cycle of grant application and contract approval. Many of the planning and evaluation tasks described in Chapters II (System Management), III (Operations), VI (Financial Management), VII (Purchasing Equipment), and XII (Monitoring and Evaluation), will help you prepare grant applications.

Grant Programs

State and federal funds for nonurban transit systems are administered by the Bus Transit Division. State funds are administered in accordance with Act 51 and the draft Administrative Rules (see Appendix E). Act 51 provides the legal basis for every aspect of the state program. Two primary programs provide general operating and capital funds to the transit systems. These are:

• New Services Program

This program is used to create new transit systems and to enable existing agencies to move into areas that have not been served before. In an area without public transportation, a local government or transportation authority may apply for funds to begin service. The New Services program provides 100 percent of capital funds for buses, accessory equipment, a communications system, and

Exhibit IV-1

NEW SERVICES APPLICATION

- Proposed Administrative Structure
- Documented Service Needs
- Proposed Operating Plan
- Ridership Projections
- Budget: Estimated Operating Costs
  Estimated Revenues
- Capital Needs: Buses
  Accessory Equipment
  Building Renovation
- Description of Existing Public Transportation
- Plan for Coordination and Consolidation of Existing Services
- Assurances of Local Support
building renovation. For the first two years of operation, 100 percent of the net operating expense is provided, plus expenses for start-up activities. In the third year, 75 percent of the gross operating expense is provided. A New Services application is written once, to initiate funding. After the initial application, funding amounts are adjusted to actual expenses and revenues reported by the local system during the three demonstration years. (For a detailed description of the New Services Program, refer to Appendix C in Chapter 1.)

An assigned Bus Transit Division project manager will provide a copy of the application and work closely with local representatives to prepare the application. (See Chapter II - System Management.) Needed information is developed from research done in the service area and from records on comparable systems. (Exhibit IV-1 lists the elements of a New Services application.)

Exhibit IV-2

<table>
<thead>
<tr>
<th>ONGOING SYSTEM ANNUAL APPLICATION</th>
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<tr>
<td>Resolution of Intent</td>
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<td>Progress Report on Coordination and Consolidation of Local Public Transportation</td>
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<td>Budget: Projected Operating Expenses</td>
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<td>Costs for Proposed Expansion</td>
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<td>Revenue Projections</td>
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<td>Revenues from Proposed Expansion</td>
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<tr>
<td>Capital Needs: Bus Replacement</td>
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<td>Additional Buses</td>
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<td>Future Years Plan: Projected Expansion Two Years Beyond the Application Year</td>
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<td>Renewal of Section 18 Agreements</td>
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</table>

- Ongoing Local Transportation Program
  After the three demonstration years have been completed, a combination of state and federal funds is provided to local transit systems. The funds are distributed on the basis of a Local Transportation Program annual application, which is filed with the Bus Transit Division every year on February first. Funding sources for the Local Transportation Program are:
  - State Statutory Operating Assistance
  - State Capital Program
  - Federal (UMTA) Section 18 – Nonurbanized Area Assistance (The first time that Section 18 funds are requested, in preparation for fourth year operations, the local agency must complete a separate federal application. Once this application has been approved, Section 18 is renewed every year as part of the annual application to the state. The annual application form includes a review of legal requirements for the program.)

Appendix C describes these programs in detail and provides a sample funding formula.

As the system manager, you will coordinate the annual application process with help from the transportation advisory committee, transit system staff, and your state project manager. The information can be obtained from ongoing financial and operating data and from evaluations of service needs as well as financial resources. (See Chapter II - System Management.) Exhibit IV-2 lists the elements of an annual application.

In addition to these primary funding programs, there are other sources of funds that require separate applications. The other funding programs are:

- UMTA, Section 3: Capital Grant Program: Provides funds to buy or build transit facilities. (For facilities planning information, see Chapter IX – Facilities.)
- UMTA, Section 16(b)(2): Provides funds for buses and accessory equipment to private nonprofit organizations that transport seniors and handicappers.
- State Specialized Transportation Services: Provides operating funds for services used primarily by seniors and handicappers. (For a statement of Specialized Services funding policies, see Appendix F.)

The Bus Transit Division staff can provide forms and assistance for systems that qualify. (For funding amounts and details of eligibility, see Appendix C.)

Application Budgets

Both the New Services application and the annual application require detailed budget information. To develop line item figures, use the Revenue Schedule and the Expense Schedule from the Operating Assistance Report (Exhibit IV-11.) Complete the schedules with projected revenue and expense totals for the next fiscal year, and include them in the application.

- New Services Budget

Develop individual budget items from research in the community and the proposed plan of operations. Labor, fringe benefits, telephone, insurance, and rent can be determined in advance. More difficult budget items—such as fuel, maintenance costs, and passenger revenues—can
be worked out with the assistance of your project manager.

- **Annual Application Budget**

The annual application budget is based on past revenues and expenses, funds expected in the next fiscal year, and any proposed changes in your plan of operations. As you work with revenue and expense totals, use the “local share” figure to help you stay within budget limits. Local share can be determined using expected state and federal funding percentages provided by your project manager and the funding formula in Appendix C.

- **Continuation Budget**

The continuation budget is a statement of funds needed to provide the same level of service in the next fiscal year. To work out the details of projected operating expenses, review actual expenses from previous years. Useful documents for this purpose are:

- Completed budget worksheets from past Annual Applications
- Actual year-end expense and revenue totals from the same years (This information is in the year-end audit.)
- Expense and revenue totals for the current fiscal year. Analyze the line items for increases and decreases. Look for rates of increase and decrease and the reasons for these changes. You may find:
  - Expense items – such as telephone, utilities, and insurance – that have increased at a steady rate
  - Items that have been underestimated or overestimated in the past
  - Increases or decreases that are attributable to specific causes (e.g., a new contract will result in additional operating costs as well as additional revenues)

Use this kind of analysis to project each item of revenue and expense for the coming year.

- **Expansion Budget**

The expansion budget is a statement of funds required to begin new services. Since state and federal operating funds have not allowed for expansion in recent years, most service improvements must be carried out as part of the continuation budget. If expansion services are proposed, develop increases in the operating budget item by item. Use proposed hours of service to project labor costs, fringe benefits, and administrative overhead. Project costs for fuel, supplies, and maintenance from estimated mileage. Base ridership projections on human service agency figures, survey results, and conservative estimates of general public ridership. From the ridership projections, estimate farebox revenues for the expanded service. Enter the expansion revenues and expenses as a separate budget item.

- **Capital Requests**

Request a replacement for any bus that will reach the age or mileage requirement by or before the end of the next fiscal year. For small buses, use an average figure for mileage per month or mileage per year and project mileage for the end of the next fiscal year. Request replacement if the bus will exceed 125,000 miles by that time. Check large buses to see if any will be more than 12 years old. Be sure that you have not missed any buses eligible for replacement. Other capital needs, such as maintenance equipment, should also be requested if they will be a major expense.

- **Contracts**

  **Small Bus System Contracts**

The primary operating and capital contracts for small bus systems are the New Services Program Contract and the UMTA Section 18 Agreement. Read and review these documents thoroughly with particular attention to eligible and ineligible operating costs, monthly reporting requirements, annual audit requirements, and the details of contracting for third-party products and services. Other contracts which periodically may be required are:

- A state contract for the UMTA 16(b)(2) program
- Contracts for state capital grants
- A state contract to provide matching funds for a federal Section 3 grant

  **Local Contract Procedures**

Develop a contract approval procedure for your transit agency and the local government or transportation authority. Because the local government will be legally responsible for fulfilling the conditions of the contract, a complete review is important. After reading the contract thoroughly, the system manager should work to move it through the local approval process without delay. Include the following steps:

- City, county, or township attorney reviews the contract.
- Local government council or transportation authority board reviews the contract and the attorney’s accompanying recommendations.
- Council modifies and/or approves the contract, and authorizes by resolution the designated contract signers.
- The designated representatives sign the contract and return it to the Bus Transit Division.

  **State Contract Procedures**

MDOT processes two kinds of contracts for the local transit agency:

- **Prime Contracts**

  These contracts, between MDOT and the local transit agency, as described above, to provide direct funds for local operations and projects. The prime contract is devel-
The Deputy Director, who heads the Bureau of Urban and Public Transportation, approves the project.

- The Bus Transit Division requests the Contracts Division to prepare a standard contract agreement. For a special project, Bus Transit submits a draft agreement and any pertinent project descriptions, exhibits, or details of special requirements, to the Contracts Division for review and possible revision.

- The Contracts Division prepares the contract.

- The contract is referred to the following MDOT offices for approval:
  - Finance, for funding approval
  - The Attorney General’s office, for legal review
  - Commission Audit, for financial uniformity

- The Contracts Division mails the contract to the local unit of government or transit authority.

- The local unit or authority reviews, signs, and returns the contract as described above in local contract procedures.

- The contract is scheduled for action by the State Transportation Commission.

- The MDOT Department Director executes the contract.

- The Contracts Division sends a copy of the executed contract to the Bus Transit Division and mails the executed contract to the local unit or authority.

### Third-Party Contracts

These are contracts between a local government or transportation authority and a private contractor for transportation services, construction projects, equipment, or supplies (Appendix G is a sample third-party operating contract.) Usually, the third-party contract is tied to a prime contract. It is important in this case to make a careful review of provisions in the prime contract that affect third-party contracts. (For a discussion of third-party contracts with private transportation companies, see Chapter II – System Management.) The local unit or authority develops a draft contract and submits it to the Bus Transit Division. Contract approval and processing take three to five weeks. The procedure for a third-party contract that comes under a Grant-in-Aid prime contract is:

- The Bus Transit Division project manager reviews an unsigned draft contract and requests revisions, if needed, so that it will conform to the prime contract.

- The Deputy Director for UPTRAN sends a letter of approval and the approved contract to the local government for signature.

- The local government or transportation authority executes the contract and returns a copy to Bus Transit Division.

For a third-party contract that comes under a prime contract other than Grant-in-Aid, the procedure is:

- The Bus Transit Division reviews the draft contract and sends it to the Contracts Division for review and revision.

- The Contracts Division submits the contract for approval to:
  - Finance, for funding approval
  - The Attorney General’s office, for legal review
  - Commission Audit, for financial uniformity

- The Contracts Division revises the contract as recommended by the above offices.

- The contract is reviewed and approved by the Department Director.

- The Contracts Division sends a letter of approval and the revised contract to the local government or transportation authority.

- The local government executes the contract and returns a copy to Bus Transit Division.

### Third-Party Bids and Contracts

#### Procurement Procedures

Under the terms of state contracts, transit agencies must follow specific guidelines for awarding third-party contracts. If the transit agency contracts for construction, alteration, or renovation projects of ten thousand dollars or more, there must be a formal advertisement for bids. When the bid process is complete, the final contract must be approved by MDOT. (This requirement does not apply to professional and consulting services. In this case, to permit reasonable competition, the transit agency need only solicit proposals from an adequate number of companies.) For service, equipment, and supply contracts of less than ten thousand dollars, the transit agency may use the negotiation method. In this case, documentation of competitive quotations must be available for inspection by the Bus Transit Division. (For more information about procurement, see UMTA Circular A-102, available from the Bus Transit Division.)

A city or county government, or a transportation authority may enter into a third-party contract for the day-to-day operation of a transportation system. (For a discussion of third-party contracts for transportation services, see Chapter II – System Management.) If there is only one transportation provider in the area, the contractor can be chosen directly, but should there be several possible contractors, formal advertisement for bids is necessary. (Exhibits IV-3, IV-4, and IV-5 are the sample documents for a transportation services proposal. Appendix G is an example of a third-party contract for transportation services.)
Sources for Products and Services

Each local agency should identify as many contractors for supplies and services as possible. Maintain bidders mailing lists that specify products, supplies, and services available from local vendors and contractors. Lists of local suppliers and contractors can be developed from contacts in the community and from trade journals and directories. The Bus Transit Division provides a list of Disadvantaged/Minority/Women Businesses to include in your bidders mailing lists.

Formal Advertising

To advertise for projects or services of ten thousand dollars or more, the transit agency must issue an invitation to bid which includes:

- Where and when to submit proposals
- Detailed specifications for the project or service, or where they can be obtained
- Performance time requirements
- Contract compliance information

Send bid invitations to companies on the appropriate bidders mailing list, and place notices in local newspapers and public buildings. All bids must be submitted in sealed envelopes and stored in a locked box until the date and time specified. They are then publicly opened, read, and made available for public inspection. A contract award is made to the lowest bidder meeting all conditions and specifications in the bid invitation.

Negotiation

When it is impractical to formally advertise for bids, negotiation can be used. This may be done when the contract is less than ten thousand dollars, when there is only one firm able to furnish a particular item, when the specifications are not available, or when the products or services are needed immediately. Most small purchases, for example, are made by negotiation. Arrange to meet with appropriate companies to solicit proposals and, whenever possible, work with contractors or vendors in your service area.

In negotiated procurement, the invitation usually is called a “Request for Proposal” (RFP). A “Request for Quotation” (RFQ) is used for standardized items. The request for proposal includes:

- Where and when to submit proposals
- Technical descriptions and/or quantities of the products or services
- Delivery or performance time requirements
- Contract compliance information

When there is only one supplier, or the contract details are not fully specified, the contract may be negotiated between the system manager and the bidder. When several proposals are submitted, the contract is awarded to the lowest bidder able to provide the product or service and comply with contractor requirements.

Architectural and Engineering Services

When a construction or alteration project is developed by a local transit system, there may be a separate initial bid and contract award for architectural or engineering services. The request for a proposal can include:

- Master planning
- Engineering studies
- Development of the design
- Preparation of plans and specifications
- Inspection and supervision of construction work

Pre-Award Surveys

When awarding a contract to a person or firm you have not worked with before, make a pre-award survey to confirm that the bidders have the capacity to fulfill the conditions of the contract. The system manager should perform an on-site survey to determine:

- The nature and scope of the firm’s total operations
- Production capability for the items involved
- The number and job categories of present employees
- Plant and transportation facilities available
- Previous experience in performing such contracts
- Financial status and general stability of the company
- Ability to comply with Equal Employment Opportunity requirements

Insurance

Introduction

System managers should be thoroughly informed about the insurance needs of the transit agency. A manager’s direct involvement in all aspects of insurance; maintaining policies and records, preparing bid specifications, and participating in decisions about coverage and service, will help to control costs and ensure adequate protection.

Insurance Requirements

It is important to check local regulations regarding minimum insurance. In addition, all agencies operating transit vehicles in Michigan must have:
• Michigan Personal Injury Protection Coverage as required by law
• Michigan Property Protection Coverage as required by law
• Residual Bodily Injury Liability Coverage, subject to a limit of liability of not less than One Million Dollars ($1,000,000.00)
• Collision or Upset Coverage for the actual cash value of the equipment, subject to a deductible payable by the local government or transportation authority
• Comprehensive Coverage for the actual cash value of the equipment, subject to a deductible payable by the local government or transportation authority

In addition, it is recommended that outstate transit agencies carry excess liability insurance with coverage ranging from 2.5 to 5 million dollars. Worker’s Compensation is also required for the protection of employees in case of on-the-job injuries.

Insurance Specifications

Detailed specifications of the insurance needs of the transit system and the characteristics of vehicles, staff, and operations will help you to attract lower bids and more specialized services. Some important areas for specification are:

• Complete information about vehicles, equipment, drivers, passengers, and typical operations
• A description of driver training programs, safety procedures, and the safety record of the transit system
• Special insurance services desired, such as insurance agency safety inspections, loss reports, efficient claims handling, reports on driver safety records, assistance with a driver awards program and safety planning
• Details of the transit agency’s insurance needs, including type of insurance deductible levels, and minimum coverage

Reducing Insurance Costs

In addition to detailed specification, these other approaches have been found to reduce costs:

• Advertise for bidders throughout your region, rather than just within the service area.
• Offer a contract of more than one year to attract more bidders.
• Emphasize your transit agency’s safety programs and low incidence of claims so that bidders will be able to define their risks more clearly.
• Propose somewhat higher deductible levels than you have had in the past.

Title VI Equal Opportunity Employment Program

Program Description

The federal government and the State of Michigan support Equal Opportunity Employment for minorities and women. Title VI, the Equal Opportunity Employment Program, requires transit agencies and their third-party contractors to be “in compliance” by hiring minorities and women in the percentages established for counties in which they operate. If percentages are not met, the transit agency must document efforts to comply and present a plan for future hiring of minority and female employees.

Title VI Compliance Forms

Four Title VI forms, (101A, 101B, 121, and 123), available from your project manager, are required annually from all organizations receiving federal or state funds through prime contracts or third-party contracts. They are as follows:

• 101A – The Minority and Female Status Report, (Exhibit IV-6), is a detailed statement of employee job categories and the numbers of minority and female employees within each category and within the entire agency.
• 101B – The Affirmation of a Policy of Equal Employment is a signed agreement to support the policy of equal opportunity employment.
• 121 – The Affirmation of Equal Opportunity in the Provision of Services, Activities, and Programs is a more general signed agreement to support equal opportunity services, in this case transportation services.
• 123 – The Minority and Female Utilization Analysis is a list of individual employees by name with minority group information and details of employment history.

If Form 101A shows percentages of minorities and women to be below the requirements for your county, (see Michigan Employment Security Commission’s Affirmative Action Information Report, enclosed with the Title VI package), attach a report describing your organization’s plan of recruitment and hiring to correct the deficiency.

Determination of Status

Submit the four forms and attachments to the Urban Programs Section, Office of Small Business Liaison, MDOT. When the information has been evaluated, the transit agency or contractor, the Contracts Division, and the project manager will receive a notification of status. Determinations are as follows:

• In Compliance – The organization has met the required percentages of minority and female employees for that county or has submitted an acceptable plan for correction.
Non-Compliance – The organization has not met the required percentages for that county and has not presented an acceptable plan to correct the problem. A status of “non-compliance” may also be returned if no forms have been submitted that year.

If your organization is “in non-compliance,” submit a plan of corrective action. This plan may include:

- Documentation of previous efforts to locate or hire minority or female employees
- Recruiting sources
- Advertising methods and locations
- Details of a hiring plan

When your plan of correction is received, there will be a re-evaluation based on the new information and previous Title VI reports. If the organization is still found to be “in non-compliance” there may be further recommendations for correction. An organization that continues “in non-compliance” cannot receive funds from the Department of Transportation.

Disadvantaged/Minority/Women Business Enterprises*

Introduction

It is the policy of the Michigan State Transportation Commission and UMTA to provide maximum contracting opportunities to disadvantaged, minority, and women business enterprises. For this purpose, UPTRAN submits annual minimum DBE/WBE contracting goals to UMTA for approval. In 1985, these goals have been approved at 10 percent DBE and 5 percent WBE contract participation. DBE/WBE goals, once approved, become a required part of the Section 18 funding program. UPTRAN, and all transit agencies receiving funds through UPTRAN from this source, have an obligation to support the DBE/WBE goals by regularly reporting contracting opportunities, efforts to find DBE/WBE contractors, and contracts awarded to DBE/WBE businesses.

Federal Requirements

Since all recipients of Section 18 funds are required to participate in the DBE/WBE program, each transit agency must meet federal reporting requirements in order to continue receiving these funds.

UMTA has established two levels of DBE/WBE requirements—one for systems that receive over $250,000 in Section 18 funds and a second level for systems that receive $250,000 or less. The second level is referred to as “under-the-threshold.” Since most outstate transit systems are under-the-threshold, these requirements will be explained in detail. (Over-the-threshold transit systems should ask their project managers for further information.)

Policies initiated by UMTA use the DBE/WBE designation in which DBE includes minorities. DBE/MBE/WBE is used when both state and federal programs are discussed.

Transit Agency Responsibilities

All systems receiving Section 18 funds are required to submit quarterly reports to UPTRAN on their contracting opportunities and DBE/WBE contracting accomplishments (Exhibit IV-7). These reports are due 20 days after the end of each quarter (January 20, April 20, July 20, and October 20). For the purpose of this report, contracting opportunity is defined as any procurement action to obtain a product or service commercially (as opposed to intergovernment action). The minimum requirements of systems who receive Section 18 funds (less than $250,000 annually) are:

1. Agree to abide by the policy that DBEs and WBEs shall have maximum opportunity to participate in the expenditure of Section 18 funds.

2. Agree to take “all necessary and reasonable steps” to ensure that DBEs and WBEs have maximum opportunity to compete for and perform contracts. Additionally, agencies shall not discriminate on the basis of race, color, national origin, or sex in the award and performance of DOT-assisted contracts.

As a minimum, “necessary and reasonable steps” include:

- Identification of all contracting opportunities
- Analysis of DBE and WBE availability
- Establishment of contract goals based upon your availability analysis
- Use of good faith efforts to achieve these established goals
- Use of DBE/WBE certified firms. (If you find a DBE/WBE company, which has not been certified, your project manager can provide forms to obtain the necessary certification from the Department of Civil Rights.)
- Record keeping and reporting sufficient for verification of the steps taken and the accomplishments achieved

To help you identify contracting opportunities, UPTRAN has prepared a “Contracting Opportunities Worksheet” which is available from your project manager. Possible contracting opportunities are listed here by “expense object class” so that you can clearly identify all planned expenses that will involve contracts. Of course, each system’s opportunities will vary, so the worksheet is only offered as a planning tool. If you use this form from the beginning of the fiscal year, the information can be transferred directly to the quarterly reports.

The DBE/WBE Quarterly Report form applies only to funds received from Section 18. Determine what percentage of the total operating budget is Section 18 funds (see example below). Then apply that percentage to total contracting opportunities.
For example:

- Total Operating Budget: $100,000
- Total Section 18 Funds: 20,000 or 20%
- Total Contracting Opportunities: 40,000
- Section 18 Contracting Opportunities: 8,000

DBE/WBE Goals:
- (10% x $8,000 – DBE): 800
- (5% x $8,000 – WBE): 400

In addition to financial information, each system is required to conduct a comprehensive analysis of the availability of DBE/WBEs who could provide the products or services they have identified as contracting opportunities. Be sure to keep detailed records of these efforts to locate and identify DBEs and WBEs. Meetings, advertising, and telephone calls should be included in your quarterly report (Exhibit IV-7). Some other steps might be:

- Obtaining directories and lists of DBEs and WBEs (A comprehensive list is published by the Michigan Department of Civil Rights and is available from your project manager.)
- Gathering demographic data on the size and other characteristics of the minority population of your service area
- Contacting various resource organizations (UPTRAN maintains a list of resource organizations that may help you locate qualified firms.)
ADVERTISEMENT FOR BIDS
PUBLIC TRANSPORTATION SYSTEM OPERATION

Sealed proposals will be received by the ____________________________

and immediately thereafter the bids will be publicly opened and read at ____________________________

Copies of the proposals, specifications, contract, and bidding documents may be obtained at no cost at ____________________________.

No bid may be withdrawn for at least ninety (90) days after the scheduled closing time for receipt of bids. All bids must be submitted on proposal forms provided by the ____________________________ for that purpose.

The ____________________________ reserves the right to reject any or all proposals, to waive any defects or irregularities in proposals, and to accept any proposal which is deemed most advantageous to the ____________ interest.
PROPOSAL FOR
OPERATION OF ____________________________

The undersigned being familiar with local conditions affecting the cost of the proposed operations and with the contract documents, hereby proposes to perform all services and work therein required to be performed and to provide and furnish labor, maintenance, and supervision to perform the transit system operation for the ____________________________ for the prices hereinafter set forth:

1. Driver Wages

$_________ per hour of actual operation plus $_________ per hour for fringe benefits.

2. Dispatcher Wages

$_________ per hour of actual dispatching of the system plus $_________ per hour for fringe benefits.

3. Maintenance Wages

$_________ per hour for maintenance of the vehicles plus $_________ per hour for fringe benefits.

4. System Management

$_________ per month for day-to-day management of the system, plus $_________ per month for company overhead, contingency, and profit.

The undersigned bidder understands that in the proposed system operation is subject to modification by the offers to carry out the operation at the prices stated in the above schedules.

In submitting this proposal, it is understood that the right is reserved to reject any or all bids and to award the contract as may best serve the interests of

DATE: ________________________________

Bidder's Name, assumed name, or corporate identity

Street Address

Social Security or Employer Number

Phone Number

SIGNED BY: ________________________________

TITLE: ________________________________
STATEMENT OF BIDDER'S QUALIFICATION

1. OFFICIAL NAME OF BIDDER

2. BUSINESS ADDRESS:

3. TELEPHONE NUMBER:

4. TYPE OF ORGANIZATION (check one)
   - Proprietorship
   - Partnership
   - Corporation

5. YEAR ORGANIZED OR INCORPORATED:

6. NAMES OF OFFICERS:

7. GENERAL TYPE OF WORK PERFORMED BY YOUR COMPANY:

8. BACKGROUND AND EXPERIENCE OR PRINCIPAL MEMBERS OF YOUR ORGANIZATION:

9. STATEMENT OF TRANSPORTATION EXPERIENCE:

10. MAJOR EQUIPMENT AND/OR FACILITIES AVAILABLE FOR THIS CONTRACT:

11. HAVE YOU EVER FAILED TO COMPLETE OR DEFAULTED ON ANY CONTRACT AWARDED TO YOUR COMPANY?
   - NO
   - YES (if yes, attach detailed statement as to where and why)

12. WILL YOU, UPON REQUEST, FILL OUT A DETAILED FINANCIAL STATEMENT AND FURNISH ANY OTHER INFORMATION THAT MAY BE REQUIRED BY THE ____________________________
   - YES
   - NO

13. THE UNDERSIGNED HEREBY AUTHORIZED AND REQUESTS ANY PERSON, FIRM, OR CORPORATION TO FURNISH ANY INFORMATION REQUESTED BY THE ____________________________ IN VERIFICATION OF THE RECITALS COMPRISING THIS STATEMENT OF BIDDER'S QUALIFICATIONS.

SIGNED BY: ____________________________

TITLE: ____________________________ DATE: ______

Subscribed and sworn to before this ___ day of __________, 19__, a Notary Public in and for said County.

My Commission expires:

____________________________________ (Notary Public)
Exhibit IV-6

GOVERNMENT/GRANT RECIPIENT
MINORITY AND FEMALE
STATUS REPORT
Title VI/Governor's Executive Directive 1979-4

<table>
<thead>
<tr>
<th>CONTRACT NO.</th>
</tr>
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</table>

101A (2/84)

NAME

ADDRESS

PHONE

DEPARTMENT

CURRENT EMPLOYEES
FOR PAYROLL
PERIOD ENDING

ADDRESS

COUNTY

Total

Employ-

Job

Category

Total

Employees

Black

Hispanic

American

Indian or

Alaskan

Native

Asian or

Pacif ic

Islander

Other

Total

Females

% Females

Total

Minorities

% Minorities

M

F

M

F

M

F

M

F

M

F

OFFICIALS & MANAGERS

Professionals

Technicians

Office & Clerical

Protective Service

Skilled Crafts

Operatives

Service Maintenance

Others

TOTAL

NEW HIRES WITHIN THE PAST TWELVE MONTHS

TOTAL

EMPLOYEE TERMINATIONS WITHIN THE PAST TWELVE MONTHS

TOTAL

MINORITY POPULATION

(CITY/COUNTY Census)

% PREPARED BY

(Print Name & Title)

SIGNATURE

DATE OF REPORT
The U.S. Department of Transportation (49CF Part 23) requires recipients of federal funds to ensure participation in contracting opportunities by firms owned and controlled by disadvantaged individuals and women (DBEs and WBEs). As the prime recipient of Section 18 funds from U.S. DOT, the Michigan Department of Transportation is required to monitor and report on D/WBE participation in contracts on the part of local transit systems that are subrecipients of these federal funds. Failure to fulfill these requirements could result in loss of federal assistance.

I. REPORTING AGENCY INFORMATION

Agency Name
Address
Signature ________________  Title ___________________ 
Reporting Period (such as 10/1/85 to 12/31/85)  Date Signed 

II. FINANCIAL PARTICIPATION - This Reporting Period

<table>
<thead>
<tr>
<th>Contracting Opportunity</th>
<th>DBE Amt.</th>
<th>WBE Amt.</th>
</tr>
</thead>
<tbody>
<tr>
<td>502. Fringe Benefits</td>
<td></td>
<td></td>
</tr>
<tr>
<td>503. Services</td>
<td></td>
<td></td>
</tr>
<tr>
<td>504. Materials and Supplies Consumed</td>
<td></td>
<td></td>
</tr>
<tr>
<td>506. Casualty and Liability Costs</td>
<td></td>
<td></td>
</tr>
<tr>
<td>508. Purchased Transportation Service</td>
<td></td>
<td></td>
</tr>
<tr>
<td>509. Miscellaneous Expenses</td>
<td></td>
<td></td>
</tr>
<tr>
<td>511. Interest Expense</td>
<td></td>
<td></td>
</tr>
<tr>
<td>512. Leases and Rentals</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total for Quarter</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total for Annual</strong></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
III. DESCRIPTION OF EFFORTS - Attach additional pages as needed.

A. Comprehensive analysis of availability of D/WBEs to provide products or service identified as contracting opportunities.

B. Number and type of contacts with D/WBEs.

C. Efforts to locate disadvantaged and women-owned businesses, including expansion of search to a wider geographic area than the area in which your agency generally seeks vendors.

D. Holding pre-solicitation or pre-bid meetings.

E. Advertising in minority-focused media.

F. Following up leads or solicitations of interest.

G. Selecting portions of work or procurements to be performed by D/WBEs.

H. Providing technical assistance to D/WBEs.

I. Effectively using the services of available resource groups that provide assistance in the recruitment of DBEs and WBEs.

J. Other efforts to achieve D/WBE participation in contracting opportunities.

Return both parts of the report to:

Bus Transit Division
Bureau of Urban and Public Transportation
Michigan Department of Transportation
P.O. Box 30050
Lansing, MI 48909
Filed with the Secretary of State on
These rules take effect 15 days after filing with the Secretary of State

(By authority conferred on the department of transportation by sections 10b and 10g of Act No. 51 of the Public Acts of 1951, as amended, being §§247.660b and 247.660g of the Michigan Compiled Laws)

R 247.801 to R 247.814 rescinded.

PART 1. GENERAL PROVISIONS

R 247.821 Definitions.

Rule 1. (1) As used in these rules:
(a) "Act" means sections 10(1), 10b to 10e, 10g, 10h, 10j, 14(5), and 18b(4) of Act No. 51 of the Public Acts of 1951, as amended, being §§247.660, 247.660b to 247.660e, 247.660g, 247.660h, 247.660j, 247.664(5), and 247.668b(4) of the Michigan Compiled Laws.

(b) "Annual application instructions" means the document issued by the department which describes the information an applicant must submit by February 1 annually to the department in order to participate in the following state fiscal year state transportation program.

(c) "Applicant" means any 1 of the following:
(i) An eligible authority or eligible governmental agency as defined by the act.
(ii) An intercity carrier as defined as an organization or individual with the authority under federal law or Act No. 432 of the Public Acts of 1982, being §474.101 et seq. of the Michigan Compiled Laws, to provide public transportation services for the movement of people or freight to or from one location in Michigan to or from other locations within or without Michigan.

(iii) A port authority as defined by Act No. 639 of the Public Acts of 1978, being §120.1 et seq. of the Michigan Compiled Laws.

(iv) Economic development corporation and rail users association or corporation, incorporated under the laws of the state of Michigan and authorized to provide public freight transportation services or facilities.

(v) Other eligible entities pursuant to section 10b(3)(j) of the act.

(d) "Bureau" means the bureau of urban and public transportation or its successor, a unit of the department.

(e) "Commission" means the state transportation commission.

(f) "Department" means the department of transportation.

(g) "Deputy director" means the person appointed as the head of the bureau according to section 6a of Act No. 286 of the Public Acts of 1964, as amended, being §247.806a of the Michigan Compiled Laws, or a person designated to act as the deputy director.

(h) "Director" means the director of the department or a person designated to act as the director.

(i) "FRA" means federal railroad administration.

(j) "Local public transit" means services funded from section 10e(4)(a) and (b) and (5) of the act, including fixed schedule or route bus service, demand-actuated bus service, commuter rail, light rail, and other local passenger rail services and operated by an eligible authority or an eligible governmental agency as established in R 247.823 within a locally defined service area.

(k) "Port authority operating budget" means those expenses as identified in §24 of Act No. 639 of 1978, being §125.581 et seq. of the Michigan Compiled Laws.

(l) "Project" means an activity which is funded or to be funded from the comprehensive transportation fund or from the proceeds of bonds and which is budgeted and managed as a separate entity.

(m) "Public" means all persons, regardless of age, sex, color, race, creed, national origin, or characteristics labeled handicaps.

(n) "Public notice" means an advertisement placed in at least 1 newspaper of general circulation that serves the area affected by the program and contains the amount of funds, the program of projects that the recipient proposes to undertake with such funds, and the location where the application may be reviewed.

(o) "Rail facility construction" means relocating existing lines and constructing rail or rail-related facilities, including the following:

(i) New connections between 2 or more existing lines.

(ii) Freight, passenger, or intermodal terminals.

(iii) Spurs, freight yards, sidings, and other support facilities.

(p) "Rail rationalization" means a plan or action, defined as such,
and approved by the commission which adds to, removes from, or modifies in any way the configuration of rail facilities in a contractual agreement.

(q) "Rail rehabilitation" means the activities defined in the provisions of 49 C.F.R. part 1201, subpart A, (September 15, 1983), as way and structures, "... and as permits reclassification of a line up to FRA track class 3 for freight and FRA track class 6 for passenger services," adopted by reference in R 247.825 of these rules.

(r) "Recipient" means an applicant pursuant to subdivision (c) of this subrule.

(s) "Rehabilitation" means the labor, equipment, and materials necessary to repair or improve or extend the useful life of public transportation vehicles, equipment, or facilities for specified rehabilitation projects.

(t) "10e(19) plan" means the vehicle accessibility plan required by section 10e(19) of the act.

(2) The terms defined in the act have the same meanings when used in these rules.

R 247.822 Financial assistance programs; submittal and approval process.

Rule 2. (1) The department shall issue application instructions annually by December 1 to all prospective applicants and other interested parties. The applicant instructions shall contain at a minimum those items required by the act.

(2) In developing annual application instructions, the department shall incorporate, insofar as practical, forms and procedures for federal financial assistance in preparation of annual application instructions. The department shall update, as needed, the annual application instructions each year taking into consideration the views and comments of applicants and other interested parties on the previous year's application instructions. The department may issue amended application instructions based upon programmatic or funding changes.

(3) An applicant shall file its annual application with the department by February 1. An applicant may submit an amended application with the approval of the department. Intercity passenger operating assistance projects awarded by competitive bid, specialized services operating projects, expedited economic development and emergency projects are not subject to the requirements of this subrule and (4) and (5) of this rule. An application shall contain all of the information required in the annual application instructions. An applicant shall give public notice of its intent to apply for comprehensive transportation funds according to section 10e(6) of the act. All comments received by the an applicant shall be transmitted annually by March 1 to the department.

(4) On or before March 1 of each year, the department shall review the annual applications, obtain comments as needed, and transmit consolidated comments to each applicant.

(5) On or before March 15 of each year, each applicant shall provide any additional information requested and responses related to subrule (4) of this rule.
(6) The department shall approve, modify, or reject all or any portion of an application by written notification to the applicant setting forth its reasons. The department may modify or reject, after consulting with the applicant or after an appeal has been decided by the commission, all or any portion of a local transportation program if any 1 of the following occurs:

(a) An applicant fails to submit an application as outlined by the annual application instructions provided pursuant to subrule (1) of this rule and section 10e(7) of the act.

(b) The total estimated revenues available for comprehensive transportation fund programs are exceeded by the sum of all revenue requested in the applications received for the state fiscal year.

(c) The department's technical information indicates that a proposed project might require further justification.

(d) The applicant has not complied with the requirements prescribed by section 10e(6) of the act.

(e) The eligible authority or eligible governmental agency has failed to adequately develop and implement plans, programs, services, and equipment to provide public transportation for senior persons and handicapped as set forth in R 247.831 to R 247.835.

(7) On or before April 1 of each year, the department shall prepare and file with the commission for approval the proposed state transportation program for the next succeeding state fiscal year. In preparing the proposed state transportation program, the department shall take into consideration local funding efforts and review comments from applicants, interested parties, and department staff.

(8) An applicant shall provide the department with a copy of any federal application for capital or operating assistance at the time such an initial or amendatory application is filed with the federal government.

R 247.823 Eligibility; documentation required.

Rule 3. (1) To establish eligibility, an eligible authority or eligible governmental agency shall submit documentation to the department which shows both of the following:

(a) That the applicant is legally furnishing, or has the legal capacity to furnish, public transportation services in the area.

(b) That the applicant has been established according to state law.

(2) An eligible authority or eligible governmental agency shall submit all of the following eligibility documentation, as applicable:

(a) A resolution by the county, city, village, or township establishing the agency or authority.

(b) The adopted bylaws and articles of incorporation, if any, which indicate the specific duties, functions, and powers of the eligible authority or eligible governmental agency that is requesting eligibility.

(c) A certified copy of the county, city, village, or township charter that permits an eligible governmental agency to provide public transportation services.

(3) An intercity carrier shall provide documentation that the appli-
cant is legally furnishing or has the legal capacity to furnish, public transportation services and a resolution by the corporate board requesting eligibility determination.

(4) An applicant which has previously submitted the materials outlined in subrule (2) or (3) of this rule shall certify annually, in the resolution of intent required by R 247.824 that no changes in eligibility documentation have occurred during the past state fiscal year. Any change shall be submitted to the department as part of the submittal required under R 247.822.

R 247.824 Resolution of intent.

Rule 4. A resolution of intent to participate in the comprehensive transportation fund shall be enacted annually by the applicant. This resolution shall do all of the following:

(a) Make known the intent of the applicant to provide public transportation services in accordance with the act.

(b) Indicate that the budget for the local transportation program is balanced and specify the sources and amount of estimated revenues which support the proposed expenditures.

(c) Name an official representative of the applicant for all public transportation matters who is authorized to provide such information as deemed necessary by the commission or department for its administration of the act.

(d) Transmit to the department the applicant's annual local transportation program prepared in accordance with the annual application instructions distributed by the department.

(e) Certify that no changes in eligibility documentation have occurred during the past state fiscal year.

R 247.825 Adoption by reference.

Rule 5. (1) The following standards and regulations are adopted by reference in these rules:

(a) "Cost Principles for State and Local Governments," OMB circular no. A-87, January 28, 1981. Single copies of this document may be obtained free of charge by contacting the Document Distribution Center, Office of Administration, G236 New Executive Office Building, Washington, DC 20503. These provisions are hereby adopted by reference except for the following items:

(i) Interest expense for short-term borrowing for working capital purposes shall be eligible.

(ii) Any excess of operating cost under a contract is an eligible expense for operating assistance under section 10e(4)(a).

(iii) Expenses associated with freight haulage are an eligible expense.

(iv) Management consulting and professional services shall be eligible, consistent with the procedures set forth by state transportation commission policy.

(b) "Railroad Company Uniform System of Accounts," 49 C.F.R. part 1201, subpart A (September 15, 1983). The adopted matter may be reviewed
or single copies may be obtained free of charge from the Office of Public Affairs, Office of the Secretary, United States Department of Transportation, 400 7th Street, S.W., Washington, DC 20590.

(c) Section 403(b) of the rail passenger service act of 1970, 45 U.S.C. §§ 563 (a) to (b). The adopted matter may be reviewed or single copies may be obtained free of charge from the Office of Public Affairs, Office of the Secretary, United States Department of Transportation, 400 7th Street, S.W., Washington, DC 20590.

(d) "Uniform Requirements for Grants to State and Local Governments," OMB Circular no. A-102, executive office of the president, OMB (September 15, 1983). The adopted matter may be reviewed or single copies may be obtained free of charge from the Office of Information and Regulatory Affairs, OMB, Executive Office Building, Washington, DC 20503.

(e) "Contracts with Commercial Organizations," 41 C.F.R. §§ 1-15.2. This adopted matter may be reviewed or single copies may be obtained free of charge from the Office of Information and Regulatory Affairs, OMB, Executive Office Building, Washington, DC 20503.

(f) "Urban Mass Transportation Industry--Uniform System of Accounts and Records and Reporting System," 49 C.F.R. part 630 (September 15, 1983). This adopted matter may be reviewed or single copies may be obtained free of charge by contacting the Urban Mass Transportation Administration, United States Department of Transportation, 400 7th Street S.W., Washington, DC 20590.

(g) "Common and Contract Motor Carrier of Passengers," 49 C.F.R. part 1206 (September 15, 1983). This adopted matter may be reviewed or single copies may be obtained free of charge from the Office of Public Affairs, Office of the Secretary, United States Department of Transportation, 400 7th Street, S.W., Washington, DC 20590.

(h) "Third Party Contracting Guidelines," Urban Mass Transportation circular no. 4220.1A (June 8, 1982). This adopted matter may be reviewed or single copies may be obtained free of charge from the Office of Public Affairs, Office of the Secretary, United States Department of Transportation, 400 7th Street, S.W., Washington, DC 20590.

(i) 49 C.F.R. part 604. This adopted matter may be reviewed or single copies may be obtained free of charge from the Office of Public Affairs, Office of the Secretary, United States Department of Transportation, 400 7th Street, S.W., Washington, DC 20590.

(j) "Track Safety Standards," 49 C.F.R. 213 (1971). The adopted matter may be reviewed or single copies may be obtained free of charge from the Office of Public Affairs, Office of the Secretary, United States Department of Transportation, 400 7th Street, S.W., Washington, DC 20590.

(2) All of the materials adopted by reference in this rule may also be reviewed or single copies obtained from the department at 425 West Ottawa Street, Lansing, MI 48909.

R 247.826 Eligible and ineligible expenses for local public transit.

Rule 6. (1) Eligible and ineligible expenses for local public transit operating assistance projects funded under section 10e(4)(a), (b), (e), and (f) of the act shall be those as defined in Office of Management
and Budget (OMB) Circular No. A-87, "Cost Principles for State and Local Governments."

(2) Eligible and ineligible expenses not specifically identified in OMB Circular A-87 are defined as to eligibility by duly adopted policy of the state transportation commission which policy may also provide clarification of the expense items contained in Circular A-87.

(3) Eligible capital costs pursuant to the provisions of section 10e(4)(b), (e), and (f) and (5) of the act for local public transit projects include all of the following:

(a) Acquisition.
(b) Purchase.
(c) Lease-purchase.
(d) Construction.
(e) Rehabilitation of the following:
   (i) Vehicles.
   (ii) Communication equipment.
   (iii) Maintenance equipment.
   (iv) Facilities.
   (v) Accessory and support equipment.
   (vi) Land.

(4) Rehabilitation costs shall be treated as a capital expense for specified rehabilitation projects as contrasted with maintenance or routine maintenance which is an eligible operating expense.

(5) Any object classification of operating or capital cost not described in subrules (1) to (4) of this rule may be submitted to the department, in writing, for a determination as to eligibility. The department shall notify all recipients, in writing, upon the issuance of such a determination. The determination shall take effect upon notification of the recipients, unless appealed to the commission.

R 247.827 Eligible and ineligible expenses for intercity bus and rail, freight and ports.

Rule 7. (1) In determining the distribution of comprehensive transportation funds to be made to intercity bus carriers pursuant to the act, operating assistance projects shall be awarded by competitive bid and capital projects by application in conformance with commission policy.

(2) Eligible capital costs for intercity bus projects funded under section 10e(4)(c), and (e) of the act include all of the following:

(a) Acquisition.
(b) Purchase.
(c) Lease-purchase.
(d) Construction.
(e) Rehabilitation of the following:
   (i) Vehicles.
   (ii) Communication equipment.
   (iii) Maintenance equipment.
   (iv) Facilities.
(v) Accessory and support equipment.
(vi) Land.

(3) Eligible capital costs for rail assistance projects funded pursuant to section 10e(4)(c), (d), and (e) of the act are as follows:

(a) Rail rehabilitation.

(b) Acquisition of a railroad line or other properties and facilities or an interest therein for existing or future rail freight service, by means of a purchase, lease, or other manner as the department considers appropriate.

(c) Rail facility construction.

(d) Acquisition, purchase, lease-purchase, construction, or rehabilitation of rolling stock, equipment, and vessels. Construction does not include rehabilitation as defined by R 247.821(q) or maintenance of way which is the activities necessary to keep a line at its existing condition or to comply with class 1 track safety standards of the federal railroad administration.

(e) Program management expenses incurred to carry out responsibilities associated with state ownership of rail rights-of-way facilities, vessels, and equipment, and other costs associated with administration of the freight program.

(4) Eligible costs for port authority operating budgets are defined in R 247.821(k).

(5) Miscellaneous freight project administration costs are eligible expenses funded pursuant to 10e(4)(d). These costs include but are not limited to audit reconciliation expenses; storage and security of state-owned vessels, facilities, and equipment; and equipment disposition.

(6) Eligible operating costs for rail passenger assistance projects, for the provision of the rail passenger service are defined pursuant to duly adopted policy of the state transportation commission, which policy may also provide clarification of the eligible costs set forth in section 403(b) of the rail passenger service act, being 45 U.S.C. §§501 to 641 (September 15, 1983).

(7) Project costs as defined in subrules (1) to (5) of this rule shall be subject to the provisions of circular A-102, executive office of the president, OMB (September 15, 1983), or the provisions of 41 C.F.R. §§1-15.2, or both, except as otherwise specified in these rules or in the contractual agreement.

(8) Any object classification of operating or capital cost not described in subrules (1) to (5) of this rule may be submitted to the department, in writing, for a determination as to eligibility. The department shall notify all recipients, in writing, upon the issuance of such a determination. The determination shall take effect upon notification of the recipients, unless appealed to the Commission.

R 247.828 Local public transit cost allocation plan.

Rule 8. (1) The recipient shall submit to the department a cost allocation plan for general and administrative overhead costs if both of the following conditions prevail:
(a) The recipient receives funds under section 10e(4)(a), (b), or (e) of the act.

(b) One of the following conditions applies:
   (i) A recipient has joint costs with a unit or units of government.
   (ii) A recipient has multiple funding sources that require separate accounting.
   (iii) A recipient provides services to outside agencies.
   (iv) A recipient has employees who simultaneously work for other agencies.

(2) Specialized services, as defined pursuant to section 10e(4)(b) of the act, are exempt from this rule.

(3) Guidelines for developing cost allocation plans are contained in the OMB circular no. A-87, "Cost Principles for State and Local Governments."

(4) A recipient shall submit the cost allocation plan in narrative form. The cost allocation plan shall describe the methodology used. The cost allocation plan and amendments shall be accompanied by a statement by the recipient's independent public accountant that the cost allocation plan has been reviewed and is in conformance with the requirements of OMB circular no. A-87. New services shall have this function performed by the department pursuant to contractual requirements.

(5) A recipient shall submit its initial cost allocation plan pursuant to these rules 120 days after the end of its local fiscal year that immediately follows the promulgation of these rules.

(6) A recipient shall submit an amended plan to the department within 60 days after any change in conditions that requires an amendment to the plan.

(7) A recipient's independent public accountant shall comment in the recipient's annual financial and compliance audit on whether or not the actual cost allocation is in compliance with the cost allocation plan that was reviewed by the recipient's independent public accountant and submitted to the department. New services shall have this function performed by the department pursuant to contractual requirements.

R 247.829 Service operations; charter services.

Rule 9. (1) Eligible authorities and eligible governmental agencies shall not engage in charter services using vehicles, equipment, or facilities funded under the act except on an incidental basis as defined by the provisions 49 C.F.R. part 604.

(2) Charter service is presumed not to be incidental if any of the following conditions applies to the service:
   (a) It occurs during weekday peak morning or afternoon rush hours.
   (b) It requires the use of a specific vehicle for more than 6 hours out of any 24-hour period on a weekday.
   (c) It requires a vehicle to travel over 50 miles from the nearest legal boundary of the communities incorporating the eligible authority or eligible governmental agency on a weekday.
R 247.830 Recission.


PART 2. 10e(19) PLAN

R 247.831 10e(19) plan.

Rule 11. (1) Each applicant shall prepare and submit a 10e(19) plan to the department when comprehensive transportation funds are approved to purchase, rent, lease, or otherwise acquire demand-actuated vehicles.

(2) A 10e(19) plan includes all of the following:

(a) The general information pursuant to R 247.833(1).
(b) The service area information pursuant to R 247.833(2).
(c) The service availability information pursuant to R 247.833(3).
(d) The service time period information pursuant to R 247.833(4).
(e) A narrative summarization for the number of demand-actuated vehicles requested as pursuant to R 247.834.
(f) Comments of the local advisory council pursuant to R 247.832.
(g) The applicant's response to local advisory council comments.
(h) The official transmittal letter from the applicant to the department.

(3) Each applicant shall prepare and submit a 10e(19) plan amendment when changes are proposed in the local advisory council pursuant to R 247.832, or in service plan contents pursuant to R 247.833(1) excluding (f) and departmental loaned vehicles, and R 247.833(2) to R 247.833(4).

(4) All plan amendments shall include the documents required pursuant to subrule(1) (f), (g), and (h) of this rule as well as a written description of the changes from a previously approved 10e(19) plan.

R 247.832 10e(19) Local advisory council; purpose and duties; establishment; composition and operation.

Rule 12. (1) A local advisory council shall be composed and structured in such a manner so as to facilitate an independent objective assessment of the 10e(19) plan by persons in the service area.

(2) Applicants shall have a local advisory council established and appointed consisting of not less than 3 members.

(3) Local advisory council members shall not be employees of the applicant, nor shall they be members of the applicant's executive committee or governing board.

(4) Each applicant shall include with the 10e(19) plan a list of
council members and their affiliations and shall identify the members who are handicappers, seniors, and representatives of handicappers or seniors.

R 247.833 10e(19) Service plan contents; general information; service area coverage, availability, and time period information.

Rule 13. (1) The 10e(19) plan shall contain all of the following general information:

(a) The number of demand-actuated vehicles that are presently in service, loaner vehicles, and vehicles purchased with comprehensive transportation funds monies.

(b) The total number of lift-equipped vehicles.

(c) Total number of demand-actuated vehicles being requested by the applicant and how many of these are to be accessible.

(d) Current definition of seniors and handicappers used by the applicant.

(e) Current fare structure in use for seniors, handicappers, and the rest of the general public for both fixed schedule and fixed route service, if applicable, and demand-actuated public transportation service.

(f) Narrative description of the process whereby the applicant developed the 10e(19) plan. The narrative shall include a description of the local advisory council involvement in the development and review of the 10e(19) plan.

(2) The 10e(19) plan shall contain a map and narrative description of the service area, as of the plan submission date, for fixed schedule and fixed route service, if applicable, and demand-actuated public transportation service.

(3) The 10e(19) plan shall contain the following information on service availability:

(a) Current service schedule, including hours per day and days of the week. This information shall be provided for both fixed schedule and fixed route public transportation service, if applicable, and demand-actuated public transportation service.

(b) Whether transit vehicles are available for use during hours or days other than regular service hours or days and confirmation that accessible transit vehicles are available for use by seniors and handicappers to the same extent as the general public. If they are not, a narrative explanation shall be provided.

(4) The 10e(19) plan information on service time shall state whether seniors, handicappers, and the general public must make an advance request to obtain demand-actuated public transportation service and the advance request time period.

R 247.834 Summarization of accessible vehicle request.

Rule 14. The applicant shall indicate, in writing, to the department, its reasons for requesting the number of accessible vehicles specified in its service plan pursuant to R 247.833(1)(b). This narrative shall take
into consideration at least all of the following:

(a) Unmet travel needs of seniors and handicappers.
(b) Population figures for seniors and handicappers.
(c) Advance travel request requirements.
(d) Requirements of section 10e(19) of the act.
(e) Input and concerns raised by the local advisory council.

R 247.835 10e(19) plan review and approval process.

Rule 15. Each 10e(19) plan shall be processed in accordance with the following procedures:

(a) The department shall, within 60 days after submission of the 10e(19) plan, do one of the following:
   (i) Approve the 10e(19) plan as submitted or amended.
   (ii) Reject the 10e(19) plan as submitted and make recommendations for modifications to the applicant.

(b) A plan which is not approved or rejected by the department within 60 days after submission shall be considered approved as submitted.

PART 3. REPORTING AND COMPLIANCE REQUIREMENTS

R 247.836 Financial and compliance audits.

Rule 16. (1) Recipients shall provide to the department an annual financial and compliance audit report certified by an independent public accountant within 120 calendar days from the end of the local fiscal year. A 60-day extension may be granted by the department upon receipt of a written request.

(2) If a payment is intended to be withheld due to late audits, the applicant shall be notified by certified mail, of the intent to withhold funds. Issuance of this notice shall mark the beginning of a 30-day period during which the applicant shall undertake to correct the reason for the withholding.

(3) Withholding will occur automatically after 30 days following the date of mailing of the notice of intent to withhold, unless the applicant corrects the reason for the withholding to the department's satisfaction within that time, or the department extends the time to a certain date.

(4) A recipient may appeal an action taken under this rule to the commission.

(5) New service projects which have operators not funded under section 10e(4)(a) of the act, intercity carrier projects awarded by lump sum competitive bid, specialized service projects, and intercity rail passenger projects shall be audited by the office of commission audit and are, therefore, excluded from subrule (1) of this rule.
R 247.837 Annual progress report.

Rule 17. (1) Not later than October 31 each year, local public applicants shall file an annual progress report to enable a preliminary close-out of the statutory distribution funded from Section 10e(4)a. A 30-day extension may be granted by the department upon receipt of a written request.

(2) If a payment is intended to be withheld due to late progress reports, the applicant shall be notified by certified mail, of the intent to withhold funds. Issuance of this notice shall mark the beginning of a 30-day period during which the applicant shall undertake to correct the reason for the withholding.

(3) Withholding will occur automatically after 30 days following the date of mailing of the notice of intent to withhold, unless the applicant corrects the reason for the withholding to the department's satisfaction within that time, or the department extends the time to a certain date.

(4) An applicant may appeal an action taken under this rule to the commission.

R 247.838 Senior and handicapper service report.

Rule 18. (1) Each applicant shall provide an annual report, pursuant to section 10e(23) of the act, in the format prescribed by the department.

(2) The report shall contain all of the following information:

(a) Ridership figures for handicapper citizens on the system's demand-actuated vehicles.
(b) Ridership figures for handicapper citizens on the system's fixed route and fixed schedule vehicles.
(c) Ridership figures for senior citizens on the system's demand-actuated vehicles.
(d) Ridership figures for senior citizens on the system's fixed route and fixed schedule vehicles.
(e) Total system ridership.
(f) Total number of transit vehicles in the system's fleet.
(g) Total number of transit vehicles in the system's fleet divided into the following:
   (i) The number of fixed schedule or fixed route transit vehicles with and without lifts.
   (ii) The number of demand-actuated vehicles with and without lifts.

R 247.839 Project implementation.

Rule 19. (1) The department may refuse to implement an authorized project or projects or refuse to process a payment for an authorized project if an applicant for comprehensive transportation funds fails to comply with the act or these rules.

(2) If a payment is intended to be withheld due to project deficiencies, the applicant shall be notified by certified mail, of the
intent to withhold funds. Issuance of this notice shall mark the beginning of a 30-day period during which the applicant shall undertake to correct the reason for the withholding.

(3) Withholding will occur automatically after 30 days following the date of mailing of the notice of intent to withhold, unless the applicant corrects the reason for the withholding to the department's satisfaction within that time, or the department extends the time to a certain date.

(4) A recipient may appeal an action taken under this rule to the commission.

R 247.840 Project administration.

Rule 20. (1) The department may adjust or withhold project funds awarded to recipients under section 10e of the act or may adjust project quantities or alter the project scope under any of the following circumstances:

(a) Federal funds necessary for the completion of the project are not awarded to the applicant by the end of the following fiscal year in which the project was approved by the commission.

(b) The actual comprehensive transportation fund revenues are below the estimated comprehensive transportation fund revenues on which a project award was made.

(c) The actual cost of the project varies from the estimated costs on which a project award was made.

(d) Revisions to the local transportation programs are requested by an applicant.

(e) Scope of project is reduced and approved by the commission.

(2) A payment pursuant to section 10e(4)(a) of the act may be withheld by the department for failure of the recipient to meet the requirements of the act or these rules.

(3) If a payment is intended to be withheld for reasons set forth in subrule (1) or for failure to meet the requirements of the act or these rules, the applicant shall be notified by certified mail, of the intent to withhold funds. Issuance of this notice shall mark the beginning of a 30-day period during which the applicant shall undertake to correct the reason for the withholding.

(4) Withholding will occur automatically after 30 days following the date of mailing of the notice of intent to withhold, unless the applicant corrects the reason for the withholding to the department's satisfaction within that time, or the department extends the time to a certain date.

(5) A recipient may appeal an action taken under this rule to the commission.

R 247.841 Project contractual payments.

Rule 21. (1) The department shall authorize the payment of project
contractual funds to the recipient upon receipt of the following documentation:

(a) That which is required by a participating federal agency.
(b) That which is required by the project contractual agreement.
(c) That which is required upon request by the department as needed to support a payment.

(2) A project contractual payment may be withheld by the department for failure of the recipient to meet the requirements of the act, these rules, or the terms and conditions of a contractual agreement.

(3) If a payment is intended to be withheld for failure to meet the requirements of the act, these rules, or the terms and conditions of a contractual agreement, the applicant shall be notified by certified mail, of the intent to withhold funds. Issuance of this notice shall mark the beginning of a 30-day period during which the applicant shall undertake to correct the reason for the withholding.

(4) Withholding will occur automatically after 30 days following the date of mailing of the notice of intent to withhold, unless the applicant corrects the reason for the withholding to the department’s satisfaction within that time, or the department extends the time to a certain date.

(5) A recipient may appeal an action taken under this rule to the commission.

R 247.842 Contractual agreements generally.

Rule 22. (1) A contractual agreement shall be required for authorized projects under section 10e of the act.

(2) A contractual agreement shall not be required for authorized state operating assistance projects under section 10e(4)(a) of the act.

R 247.843 Third-party procurement; general provisions; applicability.

Rule 23. (1) Recipients receiving comprehensive transportation funds for the following services and projects shall comply with the provisions of this rule:

(a) New small bus services.
(b) Intercity passenger services.
(c) Intercity freight services.
(d) Projects funded from the transportation development account or supplemental appropriations that have not been certified pursuant to R 247.844.
(e) Projects of recipients which are unable or elect not to comply with R 247.844 of these rules.

(2) the following recipients are not required to comply with the provisions of this rule:
(a) Recipients whose grants are either partially or 100% state funded and who are certified pursuant to R 247.844.

(b) Specialized services recipients.

(3) Third-party procurement over $10,000.00 shall be reviewed and approved by the department before execution if the funding is provided by a departmental contractual agreement. Recipients are not required to comply with this subrule for funding provided pursuant to section 10e(4)(a) of the act for statutory distribution.

(4) Departmental contractual agreements shall require that any documentation related to third-party procurement shall be submitted to the department for information purposes at the request of the department.

(5) Third-party procurement issues are clarified by duly adopted policy of the state transportation commission.

R 247.844 Third-party contracts; federal involvement.

Rule 24. (1) Eligible authorities and eligible governmental agencies, excluding new small bus and specialized services contractual agreements, shall follow the requirements in the United States department of transportation, urban mass transportation administration (UMTA) circular 4220.1A (June 8, 1982).

(2) Recipients shall provide the department with a copy of the letter of assurance of compliance and the letter of approval when received from the urban mass transportation administration of the actions required under subrule (1) of this rule.

(3) The department shall be responsible for certifications under subrule (1) of this rule for nonurbanized recipients utilizing UMTA procedures.

(4) Third-party contract documents prepared under subrules (1) and (2) or (3) of this rule may be requested by the department for informational purposes.

(5) Recipients who are unable to or elect not to comply with subrules (1) and (2) or (3) of this rule shall comply with R 247.843.

R 287.845 Declaratory rulings.

Rule 25. (1) The department, upon the written request of an interested person, may issue a declaratory ruling as to the applicability of the act or a rule to an actual statement of facts if the person submits the following to the department:

(a) A clear and concise statement of the actual statement of facts.

(b) If the interested person desires, a brief or other reference to legal authorities upon which the person relies for determination of the applicability of the act or a rule to the statement of facts.
(2) If the department determines it will issue a declaratory ruling, it shall furnish the person with a written statement to that effect and shall set forth the time in which it will issue the ruling.

(3) A ruling shall repeat the actual statement of facts and the legal authority on which the department relies for the ruling it makes. A ruling, once issued, is binding on the department, and the department may not change the ruling retroactively, but it may change a ruling prospectively.
APPENDIX F

SPECIALIZED SERVICES POLICY

Operating Assistance

a. All existing providers of Specialized Services, utilizing vehicles funded under the original state E&H program and the UMTA 16(b)(2) program, are eligible to receive operating assistance from Section 10e(4)(b). Public transit systems funded under local transit operating assistance (Sec. 10e(4)(a)) and new small bus services (Sec. 10e(4)(b)) are not eligible.

b. The amount of operating assistance will be subject to funding availability and legislative appropriation for specialized services.

c. Actual reimbursement shall be based on a rate per mile for direct operating costs (driver wages and fringes, gas, oil, maintenance, and insurance) up to a maximum amount per contract as determined by the department. The maximum amount per vehicle and rate per mile will be redetermined on an annual basis by the department to adjust for inflation and other factors.

d. Specialized Services provided only within an existing public transportation system's service area as defined in Section 10e(4)(a) and Section 10e(4)(b) are not eligible for operating assistance under this policy. Conversely, specialized services provided outside the operational service area are eligible for operating assistance under this policy. Operational service area will be determined by the local public transit operator and will include all local service areas, regardless of the level of service, since providing service within the service area, especially to priority groups, is the responsibility of the local public transit operator.

Specialized Services to be provided both inside and outside an existing public transportation system's operational service area are eligible for specialized services operating assistance if a majority of trip origins or destinations are provided outside the service area; in these cases, all of the vehicle miles will be eligible. Coordination with other existing transportation services is also a requirement.

e. When new small bus services (Sec. 10e(4)(b)) are established, department-funded Specialized Services must be consolidated into the new system. Specialized Services operating assistance will no longer be provided in these cases, but such services will be eligible for reimbursement under the department's new small bus service program.

Capital Assistance

For applications to be considered for the UMTA 16(b)(2) program, coordination/consolidation of existing transportation services must be thoroughly addressed. Department priority shall be placed on the funding of replacement vehicles prior to expansion vehicles. Vehicles shall be included in the UMTA 16(b)(2) program in the following order of priority:

a. Private, nonprofit agencies operating public transportation systems funded under local transit operating assistance (Sec. 10e(4)(a)) and new small bus services (Sec. 10e(4)(b)) requesting replacement vehicles.
b. Private, nonprofit agencies replacing vehicles previously funded under the UMTA 16(b)(2) or former state essential transportation services program.

c. Private, nonprofit agencies funded under the existing Specialized Services Operating Program replacing vehicles financed from other funding sources.

d. Private, nonprofit agencies not currently participating in this program requesting replacement vehicles. Operational service area requirements specified in item d. under operating assistance shall determine eligibility.

e. Private, nonprofit agencies operating public transportation systems, funded under local transit operating assistance (Sec. 10e(4)(a)) or new small bus services (Sec. 10e(4)(b)) requesting expansion vehicles.

f. Private, nonprofit agencies operating specialized services and currently participating in the program requesting expansion vehicles. Operational service area requirements specified in item d. under operating assistance shall determine eligibility.

g. Private, nonprofit agencies not currently participating in this program requesting expansion vehicles. Operational service area requirements specified in item d. under operating assistance shall determine eligibility.
APPENDIX G

SAMPLE THIRD PARTY CONTRACT

COUNTY OF GOGEBIC

THIRD PARTY OPERATIONS CONTRACT

BETWEEN

COUNTY OF GOGEBIC and GOGEBIC-ONTONAGON COMMUNITY ACTION AGENCY

THIS OPERATIONS CONTRACT, effective November 2, 1983, by and between the County of Gogebic, Michigan, a public body corporate, hereinafter called the "COUNTY," and the Gogebic-Ontonagon Community Action Agency, a Michigan private, nonprofit Corporation, hereinafter called the "CAA."

WITNESSETH:

WHEREAS, the COUNTY desires to have the CAA operate a countywide transportation system with financial assistance provided by Act No. 51 of the Public Acts of 1951, under Contract No. 83-1379, attached here and made a part hereof as Exhibit "A," between the COUNTY and the Michigan Department of Transportation, hereinafter called the "DEPARTMENT:"

WHEREAS, the COUNTY desires to contract with the CAA for the operation of the transportation system;

NOW, THEREFORE, in consideration of the mutual promises contained herein, the CAA and the COUNTY agree as follows:

THE CAA SHALL:

1. Carry out any provisions of Contract No. 83-1379 between the COUNTY and the DEPARTMENT which are related to the undertaking of a public transportation development County Incentive Program.

2. Employ sufficient drivers to operate approximately five (5) vehicles to be used in the transportation system. The CAA will further employ sufficient personnel to operate the system. All personnel will be employees of the CAA and not of the COUNTY. The CAA shall, at all times, carry Workmen's Compensation Insurance on said employees and shall do all things legally required of it as the employer of said employees, and will, upon request by the COUNTY, furnish to the COUNTY forthwith proof that the CAA obligations under the Section are being met.

3. Provide supervision of employees, including work schedules.

4. Require transit employees to undergo initial training and continuing training according to a program outlined to be provided by the DEPARTMENT. It is understood that the duration of the initial training will be approximately one (1) week. Such employees shall be and will remain employees of the CAA at all times during such training.

5. Endeavor to operate the COUNTY transportation system in a manner which provides the optimum service possible to all residents of Gogebic County within the bounds of sound fiscal policy. This shall include the right to determine the fare structure, routes, times of service, and use of vehicles.

6. Provide all general supervision and clerical and administrative work necessary as required by the COUNTY for the performance of this contract and the operation of the transportation system, including the bookkeeping, recording of data, preparation of reports, handling of system revenues, and other such work related to the transportation system and submittal of such information as required by the DEPARTMENT.

7. Furnish garage facilities for the transportation system vehicles and a dispatch center that has been approved by
the COUNTY.

8. Provide all cleaning of and all operating supplies and maintenance for transportation system vehicles, including a daily checking of vehicle condition and cleaning each day. Operating supplies shall include, but shall not be limited to: oil, antifreeze, transmission oil, grease, spark plugs, coil condensers, and all other miscellaneous supplies and fluids required in vehicle operation. Maintenance shall include all vehicle maintenance and repair, and shall be carried out pursuant to specifications from the manufacturer, the DEPARTMENT, or the American Transit Association with the exception of items covered by insurance or vehicle warrant.

9. Provide heat, light, electrical power, and restroom facilities for the dispatch center.

10. Handle transportation system revenues in a manner acceptable to the COUNTY and the DEPARTMENT.

11. Furnish to the COUNTY daily, weekly, and monthly summaries of service, including origin and destination sheets and amounts of fares received, in a format to be approved by the COUNTY, and will furnish other reports of maintenance and operations as required by the COUNTY.

12. At all times, permit the COUNTY and the DEPARTMENT or representatives thereof, access to all parts of the transportation system, including vehicles, storage areas, and dispatching areas, providing; however, that said access will not interfere unreasonably with the legitimate business activities of the CAA employees. The CAA shall permit the authorized representatives of the COUNTY and the DEPARTMENT to inspect all work, materials, and other relevant data and records, and to audit the books, records, and accounts of the CAA pertinent to the Contract and the development and operation of the transportation system, and keep the same available for inspection for three (3) years from the date of final payment for operation of the transportation system.

13. In connection with the performance of work under this Contract, the CAA agrees to comply with the State of Michigan provisions for "Prohibition of Discrimination in State Contacts," as set forth in Appendix H, attached hereto and made a part hereof. The CAA further covenants that it will comply with the Civil Rights Act of 1964, being P.L. 88-352, 78 Stat. 241, as amended, being Title 42 USC, Sections: 1971, 1975a-1975d, and 2000a-200ch-6, and will require a similar covenant on the part of any contractor or subcontractor employed in the performance of this Contract.

14. Indemnify and save harmless, the COUNTY, the DEPARTMENT, and the Michigan State Transportation Commission, and all officers, agents, and employees thereof, from any and all claims, losses, or liability resulting from negligence or intentional wrong-doing of any officer, agent, servant, or employee of the CAA. The CAA also agrees to reimburse the COUNTY for costs incurred for repair or replacement of dispatching and other equipment and facilities furnished by the COUNTY resulting from use by the CAA or its employees for purposes unrelated to the transportation system. The CAA further agrees that any such use is to be made only with prior express written permission of the COUNTY.

15. Keep itself fully informed of, and at all times, comply with all local, state, and federal laws, rules, and regulations applicable to this Contract and the work to be done hereunder.

16. Not assign any of its rights or duties under this Contract without the express written consent of the COUNTY.

17. Provide maintenance for the transportation system radio equipment.

18. Provide necessary advertising and promotion for transportation service per yearly budget.

19. Provide insurance per requirements of DEPARTMENT contract No. 83-1379. In the event of an insurance claim, the deductible of said claim shall be an eligible expense.

THE COUNTY SHALL:

20. Supply licensed and registered vehicles and radio dispatching equipment to be used in the transportation system as defined in the DEPARTMENT Contract No. 83-1379 and retain title to vehicles and other related equipment after said title is received.

21. Provide competent, periodic inspection of the general condition of the vehicles.

22. Retain the right to establish standards for preventative maintenance of vehicles and lists of parts and items to be retained in inventory.

23. Pay the CAA for actual costs incurred for all expenses and capital outlay. Said reimbursement shall be limited to the maximum figures and eligible costs as set forth in Contract No. 83-1379 between the DEPARTMENT and the COUNTY. Additionally, the COUNTY shall deposit in the County Transportation System's account Fifteen Thousand Dollars ($15,000.00) in quarterly increments of Three Thousand Seven Hundred Fifty Dollars ($3,750.00), on or before November 1, 1983, February 1, 1984, May 1, 1984, and August 1, 1984. (A) Final quarterly payment will be adjusted on actual budget deficit. (B) Final quarterly payment will be made at the end of the program year as necessary and if required.

IT IS FURTHER AGREED:

24. No member of or delegate to the Congress of the United States or the Legislature of the State of Michigan shall be admitted to any share or part of this Contract, or to any benefits arising therefrom.

25. No member, officer, or employee of the COUNTY, or of a local public body, during his/her tenure or for one (1) year after, shall have any personal financial interest, direct or indirect, in this Contract or the proceeds thereof.

26. Upon execution, the Contract will cover the period from November 2, 1983, through November 1, 1984, and will supersede and replace the Contract made by the parties hereto on September 16, 1981. However, if funding
received by the CAA should become insufficient, the operation of the transportation system shall be terminated. This Contract may be terminated by either party for any reason upon thirty (30) days written notice to the other party. The parties may extend this Contract by execution of an amendment approved by the DEPARTMENT.

27. The CAA recognizes that the COUNTY has certain obligations with the DEPARTMENT providing for transportation system services in the COUNTY regarding reports, forms, audits, etc. The CAA further recognizes that the COUNTY has contracted with the DEPARTMENT to perform various functions and meet certain responsibilities concerning the transportation system which are under the Contract with the DEPARTMENT. The CAA agrees that this Contract between itself and the COUNTY shall be construed in light of the Contract between the COUNTY and the DEPARTMENT in order to accomplish the objectives as there set forth.

28. The CAA agrees to establish an Unemployment Trust Fund in conjunction with the Michigan Employment Security Commission to cover all costs associated with lay-offs or terminations of the County Incentive Bus Program employees. The State of Michigan agrees to allow the costs of establishing this reimbursable Unemployment Trust Fund as a regular operating cost.

29. The provisions of this Contract shall bind and inure to the benefit of the successors and assigns of the parties hereto, and with approval of the COMMISSION.

COUNTY OF GOGEBIC, MICHIGAN

BY: GOGEBIC COUNTY BOARD OF COMMISSIONERS

Title: Chairman
Title: Executive Director

GOGEBIC-ONTONAGON COMMUNITY ACTION AGENCY

Title: Gogebic County Clerk
Title: Board Chairman
DBE/WBE POLICY STATEMENT FOR SECTION 18
SUB-RECIPIENTS*

The State of Michigan is committed to providing maximum opportunity to DBEs and WBEs in contracts involving state or federal funds. This policy statement outlines the steps transit agencies can take to assure that Michigan meets its responsibilities with regard to DBE/WBE contracting opportunities that occur in the Section 18 operating assistance program.

1. Program Authority and Definitions

**Citations** - Section 105(f) of the Surface Transportation Assistance Act of 1982 and 49 CFR, Part 23, set forth requirements for DBE/WBE participation in contracting opportunities involving Section 18 funds. Section 105(f) mandates that 10 percent of contracting opportunities with Section 18 funds be expended with disadvantaged businesses. 49 CFR Part 23 requires that a separate goal be set for WBEs and contain extensive guidance on applicability, definition, program requirements, and procedures. MDOT’s DBE/MBE/WBE Program Procedures detail how these federal requirements will be carried out in state contracts and grants. These documents are summarized in this memorandum. Copies of 49 CFR, Part 23, and the MDOT Program Procedures are available upon request.

**DBE** - Means a small business concern which is at least 51 percent owned by one or more socially and economically disadvantaged individuals, or, in the case of any publicly-owned business, at least 51 percent of the stock of which is owned by one or more socially and economically disadvantaged individuals who own it.

**WBE** - Means a small business concern which is owned and controlled by one or more women. For the purpose of this program, owned and controlled means a business which is at least 51 percent owned by one or more women, or, in the case of any publicly-owned business, at least 51 percent of the stock of which is owned by one or more women; and whose management and daily business operations are controlled by one or more such individuals.

2. Subrecipient Requirements

Following are the minimum requirements of systems who receive Section 18 funds (less than $250,000 annually):

1. Agree to abide by the policy that DBEs and WBEs shall have maximum opportunity to participate in the expenditure of Section 18 funds.
2. Agree to take “all necessary and reasonable steps” to ensure that DBEs and WBEs have maximum opportunity to compete for and perform contracts. Additionally, agencies shall not discriminate on the basis of race, color, national origin, or sex in the award and performance of DOT-assisted contracts.
   a) As a minimum, “necessary and reasonable

*Pending review by State Transportation Commission.
steps” include:
1) Identification of all contracting opportunities
2) Analysis of DBE and WBE availability
3) Establishment of contract goals based upon availability analysis
4) Use of good faith efforts to achieve these established goals
5) Use of DBE/WBE certified firms
6) Recordkeeping and reporting sufficient for verification of the steps taken and the accomplishments achieved.

3. Assistance
The Contracting Opportunities Worksheet has been developed to serve as a planning tool for transit agencies. Several directories of certified firms are available to assist in locating DBEs and WBEs, including those issued by MDOT, the Michigan Department of Civil Rights, and the Michigan Department of Management and Budget. In addition, UPTRAN has copies of directories issued by some metropolitan transit systems. UPTRAN also maintains a listing of resource organizations that may serve as a source of further assistance in locating qualified firms.

Your project manager is available to provide not only information such as the above but also help in completing certification forms, in explaining the program requirements in more detail in developing a local plan, and in compiling your quarterly and annual report.

4. Reporting
U.S. DOT requires an annual report from MDOT on the participation by DBEs/WBEs in contracting opportunities involving Section 18 funds. To prepare this report, MDOT must obtain quarterly reports from each Section 18 recipient. The MDOT report has two parts. Part I, which follows the MDOT expense object class format, calls for financial information on contracting opportunities and DBE/WBE participation during the fiscal year. The information for Part I can be obtained from your Contracting Opportunities Worksheet. Part II calls for a description of the reasonable efforts made to locate and provide contracting opportunities to DBEs/WBEs. Upon review of your reports, MDOT may require further information or may make recommendations for further efforts. Quarterly reports are due 20 days after the end of each fiscal year quarter, i.e., January 20, April 20, July 20, October 20. Annual report is due in MDOT 20 days after the end of each federal fiscal year (i.e., October 20).
# CHAPTER V

## FARE MANAGEMENT AND LOCAL FUNDING

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Local Support for Transit Systems</td>
<td>107</td>
</tr>
<tr>
<td>Fare Management</td>
<td>107</td>
</tr>
<tr>
<td>Introduction</td>
<td>107</td>
</tr>
<tr>
<td>Defining Structure and Policy</td>
<td>107</td>
</tr>
<tr>
<td>Fare Policy Development</td>
<td>108</td>
</tr>
<tr>
<td>Fare Structure Development</td>
<td>108</td>
</tr>
<tr>
<td>Local Funding</td>
<td>108</td>
</tr>
<tr>
<td>Introduction</td>
<td>108</td>
</tr>
<tr>
<td>Advertising</td>
<td>109</td>
</tr>
<tr>
<td>Human Services Agency Contracts</td>
<td>109</td>
</tr>
<tr>
<td>Local Public Funds</td>
<td>109</td>
</tr>
<tr>
<td>Transportation Millage</td>
<td>112</td>
</tr>
<tr>
<td>Appendix I - Human Services Agency Transportation Agreement</td>
<td>121</td>
</tr>
</tbody>
</table>
Local Support for Transit Systems

During the next few years, most transit agencies will need to make decisions about future funding sources, with an emphasis on building the local contribution to operating expenses. Some transit systems receive annual funds by appropriation from the city or county budget. Others rely on a voter approved property tax millage. Millages and budget appropriations provide a relatively stable funding base, but it is also important to build revenues from passenger fares, advertising, and human service agency contracts. Revenues generated directly from services emphasize the ability of a transit system to support its operations, and local taxpayers want to know that riders pay a reasonable share of system costs.

Defining Structure and Policy

In the past, fares have been kept as low as possible to attract new riders. Because system managers recognized that passenger revenues could not fully support public transportation, fares typically were not chosen with any goal but to provide service to as many riders as possible. As a result, most systems have a fare structure but no articulated fare policy.

Fare Management

Introduction

Farebox revenues are an important part of local funding. As state, federal, and local budgets change, most transit systems have to make planning decisions about the contribution of fares to the support of transit service. For some systems, public funding sources may be enough to continue with existing services and personnel using the old fare structure. Just to continue operations, other systems may have to reduce services and make fare adjustments. Fare planning should produce a policy that will regulate fares consistently and provide a clear explanation of fare increases.
**FARE STRUCTURE**

<table>
<thead>
<tr>
<th>Service</th>
<th>Fare</th>
</tr>
</thead>
<tbody>
<tr>
<td>Demand/Response</td>
<td>$1.00</td>
</tr>
<tr>
<td>Fixed Route Adult</td>
<td>$.50</td>
</tr>
<tr>
<td>Senior Citizen</td>
<td>$.50</td>
</tr>
<tr>
<td>Handicapper</td>
<td>$.50</td>
</tr>
<tr>
<td>Student</td>
<td>$.50</td>
</tr>
<tr>
<td>Transfer</td>
<td>$.25</td>
</tr>
</tbody>
</table>

- **Fare Policy**

  Fare policy relates the fares to the goals and future plans of the transit system. As an example of a fare policy, the charge to a regular adult passenger may be $.60 because the transit system planners have decided that farebox revenues should pay for 20 percent of the total operating costs. With an established fare policy, the system manager will know when and how much to change fares. Also, the fare policy can be used to explain these changes to local governments and the public.

- **Fare Policy Development**

  When planning fare policy, the system manager should work with community advisors and with local government. Because these decisions affect the community, the process should address community needs. The first step is to develop broad policy goals such as:
  - Affordable, cost-effective public transportation
  - Reasonable fares for seniors and handicappers
  - Energy conservation
  - Reduction of downtown parking problems and traffic congestion
  - Downtown economic development.

  Use these broad goals to generate specific objectives. Study projections of ridership, revenues, and operating costs. Develop statistics on impacts of public transportation use on the central business district. (Appendix M describes survey and survey evaluation techniques.) If you combine information about the benefits of public transportation to the service area with requirements for local public support, it will be possible to set specific fare policies that support the goals of the transit system. Some specific policies could be:
  - Fares will provide a specific percentage of the system operating costs. (This sometimes is called a “revenue recovery ratio.” All transit systems should be striving to reach a 30 percent revenue recovery ratio.)
  - Fares will be at the median for systems of this size in this region.
  - Fares will reflect economic trends.

  Fare policies should be reviewed periodically to see what effects they have had on ridership and revenues. If the fares have been increased to generate a specific revenue recovery, but the higher fares have actually reduced revenues to a lower percentage, then an adjustment is needed. The committee may choose to increase fares again in support of the policy, or it may decide to change the policy by reducing the revenue recovery ratio. Whichever choice is made, it is important to act consistently with policy decisions.

- **Fare Structure Development**

  Once initial policies have been set, further research is necessary to develop the fare structure. If you have chosen a revenue recovery percentage, for example, you will need to study:
  - Projected operating costs for the next fiscal year
  - Projected revenues from local services such as human service agency contracts, advertising, charter service, and package deliveries
  - Ridership projections, with percentages of special fare riders

  If you are working from a policy of median fares for the region, it is necessary to make a complete survey of the fare structures in nearby transit agencies.

  When developing policies and resulting fare structures, remember that it is best to increase fares gradually, say 5 to 10 percent per year. The rule of thumb is that for every 10 percent increase in fares, there will be a 3 percent drop in ridership. Increases greater than this can lead to significant reductions in ridership.

- **Local Funding**

  **Introduction**

  Different kinds of public funding opportunities exist in every community. The system manager should discuss public funding possibilities with local government officials and also make contacts in the business community. Every year there should be an effort to identify new sources of local funds.
Advertising

Bus advertising can earn money for the transit system and build a stronger relationship with local business people. As local businesses and service organizations get involved in bus advertising, the community will be more aware of public transportation as an aid to economic development.

To promote advertising contracts, the system manager or staff members should call on local businesses to present photographs of bus advertising, samples of artwork, diagrams of advertisement sizes and placement on the bus, a price list, and copies of the advertising agreement (Exhibit V-2). The primary advantage of advertisements on public buses is name recognition. Exterior signs, in particular, are on continual display to riders, drivers, and pedestrians all over the service area. When a business owner or organization representative has made a decision, the transit agency representative prepares advertising specifications and an agreement. Rates usually are determined on the basis of sign size and the location of the sign on the bus. Agreements may be written for three, six, or twelve months, with a monthly payment plan. Discounts may be offered to clients who prepay for the contract period or for continued advertising during parts of the year when there is usually a drop in advertising revenues.

Exterior sign space is on the sides and on the back of the vehicle. Depending on the interior design of the bus, there may be inside space above the windows. The local transit staff may do most of the work of selling and installing signs. Many kinds of brackets are available commercially. A local designer or advertiser can be hired to do the artwork. It is also possible to find an advertising agency that will take charge of everything from sales to installation. Whichever method you choose, find durable sign materials and learn how to maintain the signs so that they can be used for a long time. Detailed information about equipment and mounting is available from your project manager.

Human Services Agency Contracts

Transit agencies often provide transportation to human services agencies on a contract basis. These service arrangements are encouraged by state and federal funding agencies as a way of consolidating different kinds of public transportation for the most efficient use of public funds. At the same time, human service contracts are a good source of revenue for the transit system.

The system manager should visit every local agency, school, or program center that provides client transportation. A presentation could be made to the director or the governing board, outlining the advantages of public bus transportation. The agencies and the community will benefit in the following ways:

- The transit staff will get clients to appointments, jobs, and programs on time.
- The human services agencies you should look for in your service area are:
  - Department of Social Services
    This department, with state and county offices, customarily offers several different programs requiring transportation.
  - Department of Mental Health
    This agency, which has state and community offices, also may have several programs.
  - Commission, Council, or Area Office on Aging
    There are senior citizen meal sites in most counties and the seniors depend on others for transportation.
  - Intermediate School District
    With the development of regional high schools and training centers, schools often are away from the cities and towns that they serve and, therefore, require increased transportation service. This is a good opportunity for public transportation systems.
  - Preschool Programs
    Head Start, etc.
    The contract with a human services agency usually is negotiated for a cost per ride, with an annual ceiling for total costs. The fare for human services agency clients may be higher than regular adult fares, even though clients and the general public ride the same buses. This is because the service is guaranteed at a scheduled time and because the transit agency is responsible for coordination. (Exhibit V-3 explains MDOT policy for rates in "Open-Door" transportation services.) A contract also will include provisions for insurance, liability, descriptions of service, and client rights. (For a sample Human Services Agreement, see Appendix I.) When contract service begins, the drivers record numbers of rides in the driver log, and the total rides are billed to the Human Services Agencies every month. (Chapter III - Operations, gives examples of the recording forms.)

Local Public Funds

Some transit agencies receive yearly budget appropriations from city, county, or township governments. Federal revenue sharing funds divided among local governments are a possible source of funds, as are general funds. For these kinds of funding, the system manager must be involved in the local budget planning and approval process throughout the year. Appropriations are voted during the year before the funds are needed. For example, if your system hopes to receive operating funds for the next fiscal year, you must begin to work with local government one full year earlier. An earlier start may be necessary if the fiscal years of MDOT and local government differ. A plan of action may include these steps:
This contract is between ___________ Transit, hereinafter referred to as “___________,” and ___________, hereinafter referred to as the “Advertiser.”

The ___________ and the Advertiser agree to the following:

1. ___________ will allow advertising on public transit vehicles according to the accompanying “SPECIFICATION.”

2. ___________ will secure, maintain, clean, and preserve the appearance of Advertiser’s bus sign in its usual maintenance operations.

3. The Advertiser assumes no liability for damage, theft, loss, personal injury, or vandalism involving ___________ bus signs, vehicles, employees, transit customers, or the general public.

4. The Advertiser’s advertising materials will be removed from ___________ vehicles for failure to make payments within ten days of billing.

5. ___________ reserves the right to remove ads from a bus when used for a purpose other than normal operations, such as, but not limited to, parades, charters, etc.

6. The Advertiser shall pay ___________ the starting cost which includes the first month’s advertising cost plus the original art cost for all lines of advertising in excess of three or any logos for each sign to be paid upon execution of the contract. Successive payments will be made on a monthly basis unless otherwise specified.

7. No cigarette, alcoholic beverage, or political advertising will be permitted. ___________ retains the right to approve or reject all advertising content. Should any advertising be deemed offensive by ___________ such advertising shall be promptly removed.

8. A charge of up to 10 percent of the total contract will be added for early termination of any contract on the part of the Advertiser.

9. ___________ reserves the right to cancel a contract at any time with the prepaid balance to be refunded to the Advertiser.

10. All contracts will be written for a _________ month period with an option to renew by Advertiser for additional periods of ___________ months.

11. ___________ will allow a discount of 15 percent for prepayment of contracts by Advertiser.

12. Advertiser has read, understands, and is agreeable with the accompanying “SPECIFICATIONS.”

AGREEMENT SPECIFICATIONS

Please enroll my business in the Bus Sign Advertising Program according to the following:

<table>
<thead>
<tr>
<th>Number of Vehicles</th>
<th>Number of Signs</th>
<th>Number of Months</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

1. Total Contract

2. Position on bus:
   a. Outside (21” x 44”)
      1) Left side
      2) Right side
      3) Back

3. Cost exclusive of art cost

4. Art cost ($10 per line over 3)

5. Contract cost

6. Beginning date

7. Ending date

8. Monthly payment amount

9. Advance payment amount

10. Received by ___________

Business Name ___________

Signature/Date ___________

Title ___________

Transit

Signature/Date ___________

Title

110
OPEN-DOOR POLICY STATEMENT

There has been some confusion concerning rate determination for "open-door" special transportation services. Commission policy states that this function is "a proper matter for determination by the local political unit, board, or authority governing the system." However, the department has been requested to provide guidance concerning this issue.

"Open-door" transportation service is defined as service to the general public with no exclusions.

Initially, the transit agency should ensure that the requesting agency (Mental Health, Social Services, etc.) is aware that this type of service is to be provided in a manner consistent with the "open-door" definition of public transportation as defined above. The service will not be for restricted service of a charter nature.

When a local group/agency requires "open-door" special transportation services, it is the department's policy that such service be provided by the public transportation provider at the locally established rate to the public for that "open-door" special service. When extraordinary efforts are required to provide the requested "open-door" special service, it is recommended that the fee for the service be determined by mutual agreement between the local group/agency and the public transportation provider at a rate which may exceed the locally established public fares based upon calculation of actual, documentable costs for provision of the requested service.

Again, the department stresses that rate determination is a function of the local political entity governing the transit agency. Again, this type of transportation service must be "open-door"
• Establish contact with the chairman of the finance committee.

• Find out the timetable of the budget process, with particular attention to deadlines for the initial request, public hearings, budget work sessions, and final approval.

• Inform the board or council in advance of your intention to request funds and the probable amount of the request.

• Talk to individual council or board members to learn what their budget priorities are, what they expect from the upcoming budget process, and if they are prepared to support your request.

• Attend all budget hearings. There will be at least one where detailed presentations are made. Present statistics relating to:
  - Services provided to the community
  - Economic benefits to business and social agencies
  - Financial data and projections on operating costs, farebox and other revenues, proposed fares, and state and federal funding

• Bring community members to budget hearings, to support the transit system.

• Request a private work session with the finance committee members to answer questions about your budget request.

• Attend board meetings, hearings, and special sessions whenever possible and maintain contact with individual members until the final budget is approved.

Transportation Millage

An approved transportation millage provides a stable source of public funds from local property taxes. To be successful, millage proposals and campaigns require detailed planning and extensive volunteer efforts. While the methods below do not include every possibility, they should be used to guide you in planning an appropriate campaign for your area. The initial millage and millage renewals must be approved by the voters before the fiscal year in which funds will be used. For example, if you intend to propose a millage vote, the process leading to an election must begin more than a year earlier. To plan and organize the millage proposal, the system manager and an advisory group should form a millage committee.

• Organizing the Millage Committee

The transit system’s governing body (e.g., the city council, township supervisors, county board of commissioners, authority board, or corporation board) should be involved in developing criteria for the millage committee’s membership. The committee should include representatives from:
  - Local governments (council members, county commissioners, township representatives)
  - Senior citizen groups
  - Other agencies, groups, or organizations whose services depend on public transportation

So that the transit agency will be represented at every meeting, the system manager and one alternate from the transit staff should be included.

When the committee has begun to meet, it should communicate information about the millage proposal in these ways:
  - Inform the local newspapers, radio stations, and other media about millage proposal developments.
  - Report regularly to the local government with details of millage committee activities.

• Planning a Course of Action

The millage committee should develop a general course of action to address the following issues:
  - What will the amount of the millage request be and how long will it run (one, two, three or unlimited years)? (The system manager should assist the committee in projecting the amount needed.)
  - Who should be involved in planning the millage proposal?
  - What kinds of promotion will be used: e.g., newspaper ads, posters, brochures, volunteer callers?
  - When should the campaign begin?
  - Which particular areas or population groups should be targeted for campaigning?
  - What will be the major activities of the proposal campaign and how can they be organized?

• Arranging the Election

The committee must decide whether to place the millage proposal in a general election or to request a special election. A special election allows the millage committee to choose the date and to draw public attention to a single issue. If a general election is scheduled at a convenient time, it will save the cost of the special election, but the transportation issue may be obscured by other political issues. If you choose the general election, work to get the transportation millage placed as the first proposal on the ballot.

In accordance with state and local statutes, approval for a public election must be granted 60-120 days before the election date. The committee should consult with local governments and with state election officials to learn about all local and state statutes governing millage proposals.

• Ballot Language

Develop the ballot language with care. Always word the proposal so that approval of the funding is indicated by a “Yes” vote. Language for the proposal usually is developed through the city or county attorney’s office, in cooperation with the governing body and the system manager. Exhibit V-4 shows a sample ballot proposal.
INSTRUCTION BALLOT

SPECIAL ELECTION

CITY OF IONIA, MICHIGAN

MAY 10, 1983

INSTRUCTIONS—To vote in favor of the charter amendment, place a cross (X) in the square to the right of the word "Yes"; to vote against the charter amendment, place a cross (X) in the square to the right of the word "No". Before leaving the booth, fold the ballot so that the face of the ballot is not exposed and so that the number corner is visible.

PURPOSE CLAUSE

The proposed amendment of Chapter XVI of the Charter of the City of Ionia would increase the limitation on the property taxation by up to ¾ of one mill of the equalized valuation of the City for the exclusive purpose of public transportation by the City of Ionia.

QUESTION

Shall Chapter XVI of the Charter of the City of Ionia be amended?

YES □

NO □

Printed by Authority of the City Election Commission.
• **Calendar of Events**

As soon as the local government has approved the millage proposal, the millage committee should develop a thorough day-by-day schedule for all appropriate activities. The schedule should go from the date of approval through the voting date, plus follow-up activities.

• **Fund Raising for the Millage Campaign**

The millage committee will need to raise funds for some of the election activities. While election costs and the cost of activities that educate community members about election issues are eligible state and federal operating expenses, any expenses connected with promoting a "yes" vote must be paid with private donations. Funds may be raised in this way:

- Establish a goal for the fund drive.
- Draft a fund raising letter for the millage proposal.
- Make a list of potential donors. Businesses, independent professional people, and service organizations are good potential donors.
- The transit system manager should hand deliver as many letters as possible. (Indirect effects of the system manager personally contacting potential donors will contribute to successful promotion of the millage.)
- Handle donations through the millage committee. Compile a list of donors and amounts, and establish a checking account.

• **Attitude and Awareness Survey**

A survey of the voters early in the campaign can be useful in two ways. It is a good promotional tool because all those who are surveyed will be aware of the millage proposal. Survey results also can help in planning campaign strategy. When the survey is complete, you will be able to see which voting groups and which parts of the service area are most in need of information and campaign efforts.

Design the survey to include questions specifically about the millage. For example, "Are you aware that there will be a transportation millage election on June 10?" and "Are you planning to vote in this election?" Other questions may be about the voter's use of public transit, awareness of transit services, and attitudes toward public transportation. Questions should be designed for the specific information that the millage committee needs. (Appendix M discusses survey techniques and gives examples of public transportation surveys.)

The steps in designing and carrying out a survey are:

- Determine the number of voters that would make up a representative sample of the service area. In a countywide election, for example, you might call every fifth or tenth registered voter, depending on the population. Lists of registered voters are available from the city or county clerk's office.
- Organize a group of volunteer callers large enough to complete the survey in one evening.
- To find the most voters at home, call the voters between 5:30 and 7:30 p.m. Each call should be 3 to 4 minutes long, so one volunteer caller can make approximately 30 calls in the two-hour period.
- Ask a local organization or business to donate the use of a multiple-line phone system on the night of the survey.

Advise local newspapers to include an advance article informing the public of the date and general purpose of the survey. Also, publish the survey results, with a summary of the data and an emphasis on public support shown for the transit system.

• **Brochures**

The millage committee should develop brochures that will anticipate the most frequently asked questions in your community and will provide clear and direct answers. Factual brochures with information about the transit system, the millage election, and transit funding can be paid from the operating budget, but brochures that advocate a "yes" vote must be paid for by private donations. Some successful ideas that have been used in the past are:

- **A Question and Answer Brochure**

  This brochure is designed specifically to answer questions about the need for local funding. It should address questions such as:

  - Why is the transit system asking for millage money?
  - Why isn't the transit system self-supporting?
  - Who uses the transit system?
  - Why can't fares be higher?
  - I do not ride the bus. Why should I pay taxes to support it?
  - How much will the millage proposal increase the yearly cost to homeowners?
  - What will happen if the millage proposal fails?

- **A General Millage Brochure**

  Another brochure may be designed to publicize the millage election and create interest in the public transit system (Exhibit V-5). It should include such information as:

  - The date of the millage election
  - A brief history of the transit system, with statistical information about services provided to the community, fares, and how to use the buses
  - Details of the millage proposal, such as why the system is requesting public support, the amount of the millage, and the length of time the millage will be levied
  - A detailed chart explaining the impact of millage approval on property taxes, with specific yearly tax increases for homeowners

The brochure design also can include graphics or photographs such as:
HOW MANY PEOPLE USE DART? IS THAT FIGURE INCREASING?

<table>
<thead>
<tr>
<th>Year</th>
<th>County</th>
<th>City</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1977</td>
<td>5,744</td>
<td>56,687</td>
<td>62,431</td>
</tr>
<tr>
<td>1978</td>
<td>11,336</td>
<td>67,309</td>
<td>78,645</td>
</tr>
</tbody>
</table>

These figures show a 97% increase in our county ridership; an 18% increase in city ridership and an overall increase of 25%.

In 1977, we transported 2,777 handicapped passengers. In 1978 we transported 7,003 handicapped passengers - a 152% increase.

In 1977 we served 29,268 senior citizens; in 1978 we had 32,028 senior citizens ride - an increase of 9%.

WHAT DOES IT COST TO RIDE DART?

<table>
<thead>
<tr>
<th>Ages</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>2-12</td>
<td>25¢</td>
</tr>
<tr>
<td>13-64</td>
<td>50¢</td>
</tr>
<tr>
<td>65 or over</td>
<td>25¢</td>
</tr>
<tr>
<td>Handicapped</td>
<td>25¢</td>
</tr>
</tbody>
</table>

HOW MUCH DOES IT COST ME ANNUALLY AS A TAXPAYER TO HAVE DART?

<table>
<thead>
<tr>
<th>Market value of your home(approx)</th>
<th>State Equalized Value(approx)</th>
<th>DART Tax</th>
</tr>
</thead>
<tbody>
<tr>
<td>$10,000</td>
<td>$ 5,000</td>
<td>$ 1.75</td>
</tr>
<tr>
<td>20,000</td>
<td>10,000</td>
<td>3.50</td>
</tr>
<tr>
<td>30,000</td>
<td>15,000</td>
<td>5.25</td>
</tr>
<tr>
<td>40,000</td>
<td>20,000</td>
<td>7.00</td>
</tr>
<tr>
<td>50,000</td>
<td>25,000</td>
<td>8.25</td>
</tr>
<tr>
<td>60,000</td>
<td>30,000</td>
<td>10.50</td>
</tr>
</tbody>
</table>

For further information on the July 23, 1979 DART ballot proposal contact:
Dial-A-Ride
Manistee County Transportation, Inc
451 River Street West
Manistee, Michigan 49660
Phone 723-6525
Donna Hargreaves, Manager
HOW DOES DIAL-A-RIDE (DART) TRANSPORTATION OPERATE IN MANISTEE COUNTY?

Manistee County DART operates 9 radio equipped buses, including a special lift bus for the handicapped.

All DART transportation is door-to-door. This means we pick you up at your door and take you to your destination, picking up other passengers and dropping off along the way. You should always allow one-half hour to reach your destination, depending upon distance.

OUR CURRENT SERVICE HOURS ARE:

Monday thru Friday 6:15 a.m. – 7:30 p.m.
Saturday 8:00 a.m. – 7:30 p.m.

Out-County Service

Monday thru Friday, we leave Manistee at 10:00 a.m., 1:00 p.m. and 3:30 p.m.
Saturday, we leave Manistee at 10:00 a.m. and 3:30 p.m.

Calls for out-county bus service must be in our office prior to bus departure time.

HOW DO I CALL FOR A RIDE ON DART?

If you live in Manistee, East Lake, Filer City or Stronach, you can call anytime between 6:15 a.m. and 5:30 p.m.

The operator-dispatcher will ask you for pick-up address (where you are), destination (where you want to go), and your phone number. She will also ask you when you want to go, and if you have an appointment. This Information will be recorded on your trip ticket and will be helpful in getting you to your destination on time.

DO I HAVE TO CALL FOR A RIDE OR CAN I JUST GET ON THE FIRST BUS I SEE?

Always call for a ride. Buses are dispatched in directions. If you want to go to the K-Mart area and get on a bus that has calls for the West Shore Hospital area, you will have a long ride.

It is best to call and a bus will be sent for you that is going in your direction. Our driver always knows if you should be a passenger. When the driver tells you to wait for another bus going in your direction, it is for your benefit. If you do not mind the long ride, we are happy to have you aboard, but the bus cannot change directions to deliver you to your destination.

CAN I MAKE A RESERVATION?

Yes! If you go every day or have a schedule, you can make a standing reservation for your transportation needs. Or you can call us early in the day and schedule your day’s transportation.

Reservation calls always come first! When our schedules are full, we have to limit calls for that time period. So, if you reserve your time early, you will be assured we can take you when you want to go.

If you schedule your rides between 9:00 a.m. and 2:00 p.m., the waiting time is less and we can give you better service.

HOW DO I CALL FOR A RIDE ON DART IF I LIVE IN THE OUT-COUNTY AREAS?

If you live in our out-county areas or want to go to Onekama, Bear Lake, Arcadia, Copemish, Marilla, Kaleva, Brethren, Wellston or anywhere in between, you must call our office prior to bus departure time.

We have buses leaving Manistee at 10:00 a.m.; 1:00 p.m.; and 3:30 p.m. For example – if you want to go on the 10:00 bus to Onekama, call us anytime before 10:00 a.m. and we will pick you up at your door and bring you to your destination in Onekama.

If you live in Onekama and want to come to Manistee on the 1:00 p.m. bus call our office prior to 1:00 p.m. We will pick you up at your door in Onekama and bring you to your destination in Manistee.
Vote Yes May 10th

DART Helps Meet Your Public Transportation Needs

Up to $\frac{3}{4}$ of a Mill
- The bus system logo, alone or with a photograph of a bus, to be used on the first page as an identification of the transit system
- A photograph commemorating the first day of operations
- A picture of the entire transit staff, with names printed below
- A picture of one of the special groups using a bus — e.g., school children, handicappers (with the driver operating a lift), senior citizens — or riders from the general public

**Brochure Distribution**

Deliver brochures to local businesses, service groups and organizations, hospitals, and places where there are large groups of people. System personnel, during off hours, and volunteers can distribute them. Before the brochures are distributed, the system manager should meet with volunteers to discuss millage issues and the information in the brochures. If funds are available, brochures can be mailed to selected groups of registered voters in the service area.

• **Millage Poster**

Design and print a millage poster to be hand delivered to businesses, service organizations, and government offices or other public places (Exhibit V-6). Poster design should include:

- System logo or name, for easy identification of the transit system
- Date of the millage election
- A service slogan created for your community
- Amount of the millage

• **Newspaper Publicity**

Every millage election activity can be developed into a newspaper article. Develop one or more personal contacts on local newspapers and call frequently to notify the newspaper of election plans, surveys, and promotional efforts for the millage. (Chapter X — Marketing, suggests ways to work with the local press.) Some possible articles are:

- **Information about Election Plans**

As soon as the decisions have been made, be sure to arrange for the publication of information about the millage proposal, including its official approval and the election date.

- **Results of Public Meetings**

During the campaign, encourage local newspapers to publish the minutes of, or reports on, public meetings and service organization meetings where support of the millage proposal was discussed. (Some local newspapers routinely publish the minutes of public meetings. Others provide regular or on-call coverage by reporters.)

• **Supportive Articles and Letters to the Editor**

Encourage your supporters in business and human services to write informational articles about the use of public transportation in their organizations. They can also give direct support of the millage through letters to the editor. Some of the people you may contact are:

- Representatives in local business and industry
- Members of service groups and local committees
- Church leaders and hospital administrators (An announcement of the millage election may be placed in church bulletins just before the voting date.)
- The boards of human service agencies such as senior centers, handicapper programs, social service agencies, and schools

• **Brochures Printed as Advertisements**

Just before the date of the election, part, or all of the millage brochures can be printed as large advertisements in the local newspapers.

• **Millage Activity Articles**

Provide information to the newspapers about all millage activities as they are scheduled to begin. This can include surveys and survey results, efforts to register absentee voters, the telephone campaign, brochure distribution, and volunteers organized to drive voters to the polls.

• **Editorials in Support of the Millage Proposal**

On the critical day before the millage vote, an editorial in support of the proposal could reach and influence a large number of voters.

• **Want Ads**

On the day before the election, place "want ads" in local newspapers and shoppers' guides. These ads will reach the large numbers of people who read the classified section every day (Exhibit V-7).
Follow-up Articles

On the day after the election, the system manager should submit a press release or a letter to the editor, to outline the voting statistics, acknowledge the help and support of committee members and volunteers, and thank the voters for their support. Also, a newspaper editorial about the value of the transit system to the community would be a good follow-up.

Volunteer Efforts to Increase Voter Participation

The millage committee should organize groups of volunteers for a variety of activities that can increase voter participation. Try for a newspaper article on the day of the election that publicizes volunteer activities and includes hours when the polls will be open and voting places for each ward, precinct, or district. Volunteer efforts should include:

Absence Ballot Applications

Make absentee ballot applications available on the buses. The driver can ask passengers if they are registered voters and offer them absentee ballot applications. Use the local newspapers, as well as newsletters and bulletins, to inform the public of government offices that distribute applications.

Volunteer Drivers

Organize a group of volunteers to give voters rides to the polls on election day. (Transit system buses must not be used for free rides to the polls when a transportation millage is on the ballot.) Place the names and telephone numbers of the volunteers in local newspapers and in radio spots on the day before and the day of the election.

Telephone Campaign

Organize a strong group of volunteers to call as many registered voters as possible on the day before and the day of the millage vote. To prepare for the telephone campaign:

—Develop language for the callers to use. The calls should be brief and consistent in the information given and received.

—Create a list of calls for each volunteer from lists of registered voters that are available at the offices of municipal or county clerks.

—If it is not possible to call all registered voters, emphasize the population centers with the heaviest concentration of voters. (It may be necessary to limit calls to every third, fifth, or tenth voter.)

Campaigning by the System Manager

The system manager should be involved, as much as possible, in all of the planning, publicity, and volunteer efforts for the millage proposal. It also is particularly important for the system manager to be seen and met frequently in public in the three-to-four week period preceding the election. Attendance and participation in meetings of local government, business groups, service groups, and other organizations will help to promote the millage.
APPENDIX I

HUMAN SERVICES AGENCY
TRANSPORTATION AGREEMENT
(Sample)

between

__________________________
Contractor

and

__________________________
Agency

This agreement effective the ___ day of __________, ______, and ending the ___ day of __________, ______, is by and between Transit System, having a mailing address ___________________________ of (hereinafter referred to as the "Contractor"), and ___________________________, having a mailing address of ___________________________ (hereinafter referred to as the "Agency").

WITNESSETH

WHEREAS, the __________ (agency name) is desirous of purchasing services from the __________ (contractor name).

WHEREAS, __________ (agency name) has lawful authority to bind the Contractor to the terms set forth in this Agreement; and

WHEREAS, Transportation Manager of __________, Transit, has lawful authority to bind the Agency to the terms set forth in this Agreement.

NOW, THEREFORE, in consideration of the above, and in consideration of the promises and mutual covenants hereinbefore contained, the parties hereto agree as follows:

A. Insurance Coverages

The Contractor shall provide and maintain public liability insurance in such amounts as may be necessary to cover all claims which may arise out of the Contractor's operations under the terms of the Agreement, and shall provide proof of such insurance coverage to the Agency prior to the effective date of this Agreement. Unemployment compensation coverage, and worker's compensation insurance shall be maintained in accordance with applicable federal and state law and regulations.

B. Liability

The Contractor shall indemnify, save, and hold harmless the Agency against any and all expense and liability of any kind which the Agency may sustain, incur, or be required to pay arising out of this Agreement; provided, however, that the provisions of this paragraph shall not apply to liabilities or expenses caused by or resulting from willful or negligent acts or omissions of the Agency or any of its officers or employees. Further, in the event that the Contractor becomes involved in or is threatened with litigation, the Contractor shall immediately notify the Agency. The Agency may enter into such litigation to protect the interests of the Agency as they may appear.

C. Compliance with Civil Rights and Other Laws

The Contractor shall not discriminate against any employee or applicant for employment with respect to hire, tenure, terms, conditions, or privileges of employment, or in a matter directly or indirectly related to employment because of race, color, religion, national origin, age, sex, height, weight, or marital status pursuant to 1976 P.A. 453, Section 209. The Contractor shall also comply with the provisions of the Michigan Handicappers Civil Rights Act, 1976 P.A. 220 and Section 504 of the Federal Rehabilitation Act of 1973, P.L. 93-112, 87 Stat. 394, which states
that no employee or client, or otherwise qualified handicapped individual, shall solely by reason of his handicap be excluded from participation, be denied the benefits of, or be subjected to discrimination under any program or activity receiving federal financial assistance. Further, the Contractor shall comply with all other federal, state, or local laws, regulations and standards, and any amendments thereto, as they may apply to the performance of this Agreement.

D. Client Grievance System

The Contractor shall inform all service applicants or recipients of their right to a fair hearing in the event of denial, reduction, or termination of a service or the Contractor's failure to act upon a request for service with reasonable promptness, in accordance with 45 CFR, Section 1396.14, where the Contractor is determining that client's eligibility.

E. Confidentiality

The use or disclosure of information concerning service applicants or recipients, obtained in connection with the performance of this Agreement, shall be restricted to purposes directly connected with the administration of the programs implemented by this Agreement, as required by 45 CFR 205.50 and any amendments thereto.

F. Property Title

Title to all property, real or personal, furnished by the Contractor for use by the Contractor in the performance of this Agreement shall remain with the Contractor.

G. Agreement Inclusiveness/Amendment

This Agreement contains all the terms and conditions agreed upon by the parties. No other understanding, oral or otherwise, regarding the subject matter of this Agreement shall be deemed to exist or to bind any of the parties hereto.

CONTRACTOR RESPONSIBILITIES

A. Geographic Area

The Contractor shall provide services described herein in the following geographic area:

B. Location of Facilities

The Agency shall provide services described herein in the facilities located at:

C. Eligible Clients/Determination of Eligibility

1. The Contractor shall provide transportation service to eligible clients of the Agency.

2. The Agency shall determine which clients are eligible to receive the transportation services described herein. The Agency shall notify the Contractor in writing of each client's initial eligibility for services. The Agency shall notify the Contractor in writing of any termination of or change in client eligibility for transportation services as may occur during the period of this Agreement.

D. Services to be Delivered

Service #1 of 1: (e.g., TRANSPORTATION TO SHELTERED WORKSHOPS AND WORK ACTIVITIES CENTERS)

1. Activities the Contractor shall perform:

a. The Contractor shall transport in a licensed and insured vehicle, driven by a licensed operator, eligible clients, according to a prearranged and agreed upon plan between the client, the Agency, and the Contractor. Transportation services shall be from the client's residence to the (__________), and upon completion of the work or activity return from the facility to the client's residence. If the Contractor is transporting more than six clients per one-way trip, a licensed and insured van, station wagon or bus shall be used and driven by a licensed operator.

b. The Contractor shall not subcontract services to be provided under this Agreement.

c. The Agency shall be accredited by the Commission on Accreditation of Rehabilitation Facilities (CARF) unless exempted by one of the following:

1) A rehabilitation facility established after July 1, 1978, must be CARF accredited within three years of its original charter and has three years to achieve accreditation status.

2) A waiver may be granted by the (agency name) to purchase service from a nonaccredited facility if the need is justified and the reason for nonaccreditation is acceptable (quality services must be evident). Waivers must be applied for on an annual basis.

E. Unit of Service Definition

Unit Definition(s): One unit equals the one-way transport of one person from point of origin to point of destination.

F. Client Records

For eligible clients served under this Agreement, the Contractor shall maintain records which include the following information and documentation: client's name, case number, and social security number.

G. Fiscal Requirements

The Contractor shall maintain a record system that documents the total number of units of service as
defined in this Agreement and delivered during the term of this Agreement. These records shall also document the specific units billed to the Agency under this Agreement.

H. Billing Method

The Unit Rate Billing Method shall be used in claiming reimbursement under this Agreement.

I. Billing Procedure

The Contractor shall submit a monthly billing to the Agency. This billing shall indicate the units of service delivered, the reimbursement rate by type of service, the total amount being claimed, and number of clients served.

AGENCY RESPONSIBILITIES

A. Payment

1. The Agency hereby agrees to pay the Contractor an amount not to exceed _____________ dollars ($______) per unit of service.

2. The Agency shall make payments monthly to the Contractor approximately four weeks after receipt by the Agency of the Contractor's monthly billing. The Agency hereby agrees to pay the Contractor an amount for the actual units of service provided not to exceed the following rates:

| Transportation Provider Rate | Transit | $________ |

IN WITNESS WHEREOF, the Agency and the Contractor have caused this Agreement to be executed by their respective officers duly authorized to do so.

Dated at _____________ this ___ day of ___, 19___
Witness: _____________ By: _____________

Contractor

Dated at _____________ this ___ day of ___, 19___
Witness: _____________ By: _____________

(Agency)
CHAPTER VI

FINANCIAL MANAGEMENT

Benefits to the Transit System ................................................................. 127
  Documenting System Costs ................................................................. 127
  Financial Planning ............................................................................. 127

Checkbook ............................................................................................ 127

Filing Paid Bills ..................................................................................... 128

The Accrual Accounting System ............................................................ 128
  Introduction ......................................................................................... 128
  General Journal .................................................................................. 128
  Cash Receipts Journal .......................................................................... 128
  Cash Disbursements Journal ............................................................... 128
  Payroll Journal .................................................................................... 128
  General Ledger ................................................................................... 131
  Subsidiary Ledgers to the General Ledger ........................................... 131

Allocations ............................................................................................. 131
  Allocation Requirements .................................................................... 131
  Types of Allocations ........................................................................... 134
  Cost Principle ...................................................................................... 134
Internal Control ................................................................. 135
  Gasoline ........................................................................... 135
  Tokens/Tickets ................................................................... 135
  Farebox Revenue .................................................................. 135
  Petty Cash ........................................................................... 135
  Employee Work Hours .......................................................... 135

Inventories ............................................................................. 135
  Perpetual Inventory ................................................................ 135
  Periodic Inventory ................................................................... 135

Monthly Operating Assistance Report ........................................ 135

Cash Flow Analysis ................................................................. 136

Closing the Books ................................................................. 136

Yearly Audit Requirements ....................................................... 136
  The Audit Process ................................................................ 136
  Availability of Records .......................................................... 136

Appendix J – General Ledger Accounts ........................................ 143

Appendix K – MDOT Chart of Accounts and Account Conversion Table .................................................. 147
CHAPTER VI

FINANCIAL MANAGEMENT

Benefits to the Transit System

Documenting System Costs

Whether the system manager, the county government, or an office worker is in charge of bookkeeping, it is important to have complete and up-to-date financial records. Paid bills, farebox records, a balanced checkbook, and daily journal entries will keep you informed about the financial condition of the system. Most important, only documented expenses will be approved by the state for reimbursement through state and federal programs. So, if you create a clear and easy filing system for paid bills, keep payroll records up-to-date, comply with requests for allocation plans, and accurately record transactions, the system will be allowed all eligible expenses. The point cannot be emphasized too strongly. Badly kept books cost transit agencies money.

Financial Planning

Financial information will help with system planning. If a factory in your service area adds workers to the afternoon shift and there are more requests for rides than can be handled by your buses and staff at that time of day, you will be able to look at the month's and the year's financial information and answer the questions, "How much will an added bus cost?" and, "Can we afford it?"

Good accounting will also warn managers of changes in the levels of spending and income that affect the yearly budget. During an unusually hard winter, for example, the bus maintenance costs for January might exceed the budgeted amount. When the manager knows the exact costs, it will be easier to prepare for reduced funds during the spring or to work with the project manager to transfer monies from another expense category.

In this chapter, we will outline the specific records, methods of recording, and accounting concepts that are recommended to Michigan's small urban and rural transportation systems. With these ideas and the assistance of your project manager and the Bus Transit Division's accounting specialist, it will be possible to set up new books or to work with the records of a previous manager.

Checkbook

All disbursements of funds, except petty cash, should be made by check. When a check is written, record the name of the person or company paid, the date, and the amount of the check, in the checkbook register. At the same time, record the amount and category of expense in the Cash Disbursements Journal.

Choose a checkbook with consecutive numbering and stubs, carbons, or a register with enough space to clearly record name, date, and amount. Check the account information by balancing the checkbook every time you receive a bank statement. Frequent reconciliation of the account is the best way to review and check the accuracy of your disbursement records and prevent errors in the account books.
**Filing Paid Bills**

Every disbursement for goods and services must be supported by a paid bill. To make bills available for office use and for the yearly audit, plan and follow through on a filing system. When a bill is paid, mark it with the date paid, the check number, and the expense category. There are two alternatives for filing bills, the first for a system that pays bills to more than 30 vendors, and the second for a small system with just a few.

- Establish a file for each of the vendors (Consumers Power, Standard Oil, Tires, Inc.) and file the most recently paid bill in the front. This way, recent payments are the easiest to find and any paid bill can be traced by company name and date of payment from the checkbook register or the journals.

- For a smaller number of bills, create monthly files and arrange bills by the month paid. Again, the most recently paid will be filed in front.

**The Accrual Accounting System**

**Introduction**

To maintain the transit system books on a double-entry accrual system, you will need these accounting books:

1. General Journal
2. Cash Receipts Journal
3. Cash Disbursements Journal
4. Payroll Journal
5. General Ledger

For additional details, you will also need a Subsidiary Payroll Ledger, an Asset Register, and subsidiaries to the General Ledger.

**General Journal**

The General Journal is the original book of entry when you begin operations. Use this journal to post noncash transactions such as depreciation expense. When the books are closed at year-end, post adjusting, closing, and reversing entries in the General Journal. Exhibit VI-1 is an example of General Journal entries for the first month of a new transit system.

**Cash Receipts Journal** (Exhibit VI-2)

All cash received by the system is entered in this journal with the date received, description, amount, and the receipt or warrant number, check number, or other identification. Amounts are then carried across under the appropriate headings (Farebox, Advertising Revenue) and totaled at the end of the month. In Exhibit VI-6 and VI-7 of the General Ledger, you will see that the Cash Account is debited and the corresponding Revenue Accounts are credited with the monthly totals of the Cash Receipts.

- The Cash Receipts Journal, Cash Disbursements Journal, and the General Ledger in the exhibits below use standardized account names and numbers (e.g., Farebox, 401) from the MDOT Chart of Accounts and account numbers from the Uniform Chart of Accounts for Cities and Counties in Michigan. The state account number is in parentheses (Farebox, 401 (630)). If you use these as headings in the account books, it will be much easier to transfer the totals to the Operating Assistance report at the end of the month (see Appendix K).

**Cash Disbursements Journal** (Exhibit VI-3)

All checks written from the checking account are entered in the Cash Disbursements Journal with the name of the person or company paid and the check number. The amount of the check is carried over to the appropriate account column (Labor, Advertising) and entered again in the last column, Cash. The columns are totaled monthly and the total amounts entered in the General Ledger. In Exhibit VI-6, you will see that the Cash Account is credited for the total amount of disbursements and the corresponding expense accounts are debited.

Use the checkbook and Cash Disbursements Journal together. The checks written for the month will equal the cash disbursements total, and you will be able to find the details of disbursements by going back to the checkbook.

- The operating budget worksheet filed with your Annual Application form is a good reference for categories of expense. It will help you to categorize expenses as Operations, Maintenance, Administration, or any combination of the three, in agreement with the approved yearly plan.

**Payroll Journal** (Exhibit VI-4)

In the Payroll Journal, all payments to an employee are recorded as they are made, with the employee’s name, date, check number, gross pay, and itemized deductions. It is possible to set up your own payroll journal using the exhibit below, but ready-made forms available at office supply stores are easy to use. Commercial forms include percentages for FICA deductions and breakdown headings for federal, state, and local taxes. With either method, be sure that you are using current percentages for FICA and the most recent tax charts.

In the Subsidiary Ledger (Exhibit VI-5), each employee has a separate card with a record of payment from the date of hire. There are cumulative totals of gross pay, FICA deductions, taxes, and net pay. Use the Subsidiary Ledger to record changes in the rate of pay and to get individual totals for wage and tax statements at the end of the year.
**GENERAL JOURNAL**

<table>
<thead>
<tr>
<th>Date</th>
<th>EXPLANATION</th>
<th>PR</th>
<th>DEBIT</th>
<th>CREDIT</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>5/1 VEHICLES*</td>
<td>144</td>
<td>20000</td>
<td>20000</td>
</tr>
<tr>
<td>2</td>
<td>CONTRIBUTED CAPITAL - STATE</td>
<td>353</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>to record receipt of a vehicle at</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>&amp; purchase price titled over from the</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5</td>
<td>State of Michigan</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6</td>
<td>5/5 OFFICE EQUIPMENT*</td>
<td>148</td>
<td>500</td>
<td>500</td>
</tr>
<tr>
<td>7</td>
<td>CONTRIBUTED CAPITAL - COUNTY</td>
<td>347</td>
<td></td>
<td></td>
</tr>
<tr>
<td>8</td>
<td>to record receipt of office furniture</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>9</td>
<td>at current value from the county</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>10</td>
<td>5/3 DEPRECIATION AND AMORTIZATION OPERATIONS 5/13/61</td>
<td>400</td>
<td>400</td>
<td></td>
</tr>
<tr>
<td>11</td>
<td>ACCUMULATED DEPRECIATION - VEHICLES</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>12</td>
<td>to record depreciation expense</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>13</td>
<td>on vehicle</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**CASH RECEIPTS JOURNAL**

<table>
<thead>
<tr>
<th>Date</th>
<th>FROM</th>
<th>TO</th>
<th>CASH</th>
<th>STATE</th>
<th>LOCAL</th>
<th>PAYABLE</th>
<th>INCOME</th>
<th>REVENUE</th>
<th>REVENUE</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>5/1</td>
<td>STATE OPERATING ASSISTANCE</td>
<td>50000</td>
<td>50000</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>5/1</td>
<td>SECTION 1B</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>5/1</td>
<td>LOCAL SHARE - MUNICIPAL</td>
<td>10000</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>5/1</td>
<td>NEW SERVICES</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5</td>
<td>5/1</td>
<td>PAYBOX</td>
<td>2000</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6</td>
<td>5/1</td>
<td>PAYBOX</td>
<td>2000</td>
<td></td>
<td></td>
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<td></td>
<td></td>
<td></td>
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<tr>
<td>7</td>
<td>5/1</td>
<td>PAYBOX</td>
<td>2000</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>8</td>
<td>5/5</td>
<td>ADJ. REVENUE</td>
<td>1000</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>9</td>
<td>5/5</td>
<td>INTEREST INCOME</td>
<td>1000</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>10</td>
<td>5/5</td>
<td>CHARTER REVENUE</td>
<td>1000</td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>11</td>
<td>5/5</td>
<td>DONATION - CASH</td>
<td>1000</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>12</td>
<td>5/5</td>
<td>TOTAL</td>
<td>35000</td>
<td>15000</td>
<td>10000</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>13</td>
<td>5/5</td>
<td>TOTAL</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*Based on accurate determination by personnel in the department.
The General Ledger

The General Ledger is a summary book of the whole group of accounts. The first two groups represent the assets and the liabilities of the transit system (Exhibit VI-6). In addition, there are separate accounts for all the categories of revenue and expense used in your journals and in the Operating Assistance Report (Exhibits VI-7, VI-8). General Ledger entries should be made at the end of every month. (Appendix J describes the General Ledger accounts and how to make entries.)

Subsidary Ledgers to the General Ledger

When the accounts in the General Ledger are not detailed enough to describe transit system activities, create subsidiary ledgers. For example, a system purchasing goods from several vendors might need separate accounts for each vendor.

- **Asset Register**

  This subsidiary book is a list of permanent equipment owned by the transit system. While vehicles will be the major assets, office equipment, tools, and radio equipment are also included. Because depreciation will be recorded here, establish separate pages for items that have the same value and useful life. Also, create separate sheets for assets funded from different sources.

  Record the:
  - Date of purchase or acquisition
  - Years of useful life
  - Cost or fair market value
  - Description
  - Depreciation Amounts to date

  To calculate depreciation amounts, divide the cost or fair market value by the months of expected useful life (Exhibit VI-9). Monthly depreciation amounts are then entered in the General Journal, the General Ledger, and the Operating Assistance Report.

Allocations

**Allocation Requirements**

When a transit system has revenue from mixed sources, expenses for more than one program, or purchases goods and services that are shared with a government, the costs involved must be “allocated” for accounting purposes. This means that you must find a way to separate the expenses to be paid by different funds.

You must create an “allocation plan” for approval by the project manager if your system:

- Has joint costs with a local government
### Exhibit VI-6

**ACCOUNT NO. 001**

<table>
<thead>
<tr>
<th>DATE</th>
<th>ITEMS</th>
<th>RR.</th>
<th>DEBITS</th>
<th>CREDITS</th>
<th>DEBIT</th>
<th>BALANCE</th>
<th>CREDIT</th>
</tr>
</thead>
<tbody>
<tr>
<td>5/31</td>
<td>ACCOUNTS Brought Forward</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>207,950.00</td>
<td></td>
</tr>
<tr>
<td>5/31</td>
<td>CD1</td>
<td></td>
<td></td>
<td>213,800.00</td>
<td></td>
<td>234,295.00</td>
<td></td>
</tr>
<tr>
<td>5/31</td>
<td>CR1</td>
<td></td>
<td>3685.00</td>
<td></td>
<td></td>
<td>231,010.00</td>
<td></td>
</tr>
</tbody>
</table>

### Exhibit VI-7

**ACCOUNT NO. 411 (581)**

**ACCOUNT: STATE CASH GRANTS AND REIMBURSEMENTS**

<table>
<thead>
<tr>
<th>DATE</th>
<th>ITEMS</th>
<th>RR.</th>
<th>DEBITS</th>
<th>CREDITS</th>
<th>DEBIT</th>
<th>BALANCE</th>
<th>CREDIT</th>
</tr>
</thead>
<tbody>
<tr>
<td>5/31</td>
<td>ACCOUNTS Brought Forward</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>138,000.00</td>
<td></td>
</tr>
<tr>
<td>5/31</td>
<td>CR1</td>
<td></td>
<td></td>
<td>138,000.00</td>
<td></td>
<td>141,025.00</td>
<td></td>
</tr>
</tbody>
</table>

### Exhibit VI-8

**ACCOUNT NO. 501.0101 (703)**

**OPERATORS SALARIES AND WAGES**

<table>
<thead>
<tr>
<th>DATE</th>
<th>ITEMS</th>
<th>RR.</th>
<th>DEBITS</th>
<th>CREDITS</th>
<th>DEBIT</th>
<th>BALANCE</th>
<th>CREDIT</th>
</tr>
</thead>
<tbody>
<tr>
<td>5/31</td>
<td>ACCOUNTS Brought Forward</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>215.68</td>
<td></td>
</tr>
<tr>
<td>5/31</td>
<td>CD1</td>
<td></td>
<td></td>
<td>215.68</td>
<td></td>
<td>215.68</td>
<td></td>
</tr>
</tbody>
</table>
# DEPRECIATION SCHEDULE FOR TRANSIT AGENCIES
## CAPITAL ITEMS

<table>
<thead>
<tr>
<th>Item Description</th>
<th>Depreciable Life</th>
</tr>
</thead>
<tbody>
<tr>
<td>Buildings – new</td>
<td>20 years</td>
</tr>
<tr>
<td>Office furniture, fixtures, and equipment (not structural components of the building) such as desks, files, safes, communication equipment (radios and telephones)</td>
<td>10 years</td>
</tr>
<tr>
<td>Information systems – computers and their components. Data handling equipment, typewriters, calculators, copiers</td>
<td>6 years</td>
</tr>
<tr>
<td>Cars, taxis</td>
<td>3 years</td>
</tr>
<tr>
<td>Buses – small to medium (up to 24-passengers)</td>
<td>5 years</td>
</tr>
<tr>
<td>Buses – large (over 24-passengers)</td>
<td>9 years</td>
</tr>
<tr>
<td>Trucks – light duty (under 13,000 lb. g.v.w.)</td>
<td>4 years</td>
</tr>
<tr>
<td>Trucks – heavy duty (over 13,000 lb. g.v.w.)</td>
<td>6 years</td>
</tr>
<tr>
<td>Bus radios, base stations, remotes</td>
<td>10 years</td>
</tr>
</tbody>
</table>

### Maintenance Garage Items:

<table>
<thead>
<tr>
<th>Item Description</th>
<th>Depreciable Life</th>
</tr>
</thead>
<tbody>
<tr>
<td>Roller cabinets, portable tool stands, portable compressors, portable hoists, diagnostic equipment</td>
<td>10 years</td>
</tr>
<tr>
<td>Lift trucks, engine and transmission stands, brake lathes</td>
<td>8 years</td>
</tr>
<tr>
<td>Power hand tools, portable bus washers, power (hydraulic) jacks, cherry pickers, parts cleaners, grease guns and pumps, power floor cleaners, lawn mowers, snow blowers, precision hand tools</td>
<td>5 years</td>
</tr>
<tr>
<td>Hand tools, oil pumps, fuel pumps, portable lighting equipment, grinders</td>
<td>3 years</td>
</tr>
<tr>
<td>Creepers, wheeled stools</td>
<td>2 years</td>
</tr>
</tbody>
</table>
• Purchases services from a local government
• Has multiple funding sources
• Provides services to outside agencies
• Shares employees with other agencies
• Sells maintenance services with revenues of more than $1,000 per year
• Provides charter service with revenues of more than $1,000 per year

Types of Allocations

Some of the most common allocations are:

• Allocations for Grants

If a transit system combines an ongoing small urban system and a countywide system that is just beginning, the manager must find out what percentage of the bus service is within the city (funded by Local Bus Operating Assistance from the state and federal government) and what percentage is outside the city (funded by New Small Bus Services). The allocation percentages are developed from a study of Vehicle Hours or Vehicle Miles (Vehicle Hours/Vehicle Miles calculations are explained in Monitoring and Evaluation – Chapter XII.) The allocation percentages are used in the cash receipt and cash disbursements journals (Exhibit VI-2, 3) to separate the revenues and expenses connected with two funding programs.

• Rent Allocations

If you share a publicly-owned building with other agencies, determine a rental charge based on the percent of the building used. This allocation plan must be approved by the project manager for the rental cost to be reimbursed.

\[
\frac{\text{Transit Office Square Footage}}{\text{Total Square Footage}} = \frac{\text{Rent Allocation Percent}}{\text{Rent Allocation Percent}}
\]

• Wage Allocations

If a full-time employee works both for the transit agency and the local government, there must be a wage allocation formula. A township mechanic, for example, may be responsible for maintenance on township vehicles, school buses, and transit system buses, so a percentage of transit work hours must be calculated and approved by the project manager. This may be done by a continual recording of hours on the job or by keeping a log for a limited test period and separating transit system tasks and time from other activities. This kind of allocation plan must be supported by actual work records.

\[
\frac{\text{Hours of Work on Transit Buses}}{\text{Total Work Hours}} = \frac{\text{Wage Allocation Percent}}{\text{Wage Allocation Percent}}
\]

• Maintenance Services Allocation

Local transit agencies may have an opportunity to sell maintenance services. If income from the sale of these services exceeds $1,000, the agency must develop an allocation plan for approval by the project manager. Exhibit VIII-5 in Chapter VIII-Preventive Maintenance outlines a method for determining the complete cost per hour of maintenance services.

• Charter Cost Allocations (Exhibit VI-10)

This kind of allocation plan proves the cost of a service that the transit system sells. If your transportation system provides charter service with yearly revenues over $1,000, there must be a cost allocation plan to demonstrate that your charges cover all operating costs. Calculate a cost per vehicle hour or mile as the minimum charge for charter service.

### Exhibit VI-10

<table>
<thead>
<tr>
<th>CHARTER RATE SCHEDULE</th>
<th>TOTAL OPERATING COST</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$404,000.00</td>
</tr>
<tr>
<td>(10-01-83 to 09-30-84)</td>
<td></td>
</tr>
<tr>
<td>Less: Rehabilitation Expenses</td>
<td>5,000.00</td>
</tr>
<tr>
<td>Net Transportation Cost</td>
<td>$399,000.00</td>
</tr>
<tr>
<td>Total Vehicle Hours for fiscal year</td>
<td></td>
</tr>
<tr>
<td>Regular</td>
<td>17,963</td>
</tr>
<tr>
<td>Charter</td>
<td>147</td>
</tr>
<tr>
<td>TOTAL</td>
<td>18,110</td>
</tr>
<tr>
<td>Cost per Vehicle Hour for fiscal year</td>
<td>$22.00</td>
</tr>
<tr>
<td>Profit</td>
<td>5.00</td>
</tr>
<tr>
<td>Charter Rate</td>
<td>$27.00</td>
</tr>
</tbody>
</table>

Cost Principle

As a transit system manager, you are responsible for financial transactions with local governments. Many systems rent office space from the county or purchase gasoline from the local school district. Some counties process the transit system's cash disbursements and handle its investments. While these relationships are sound, it is important to define and support the real cost of the goods and services purchased. If a charge is found to be above cost, the expense will be disallowed. (UMTA Circular A-87, and the "Local Public Transit Revenue and Expense Manual", available from Bus Transit, contain cost principle standards.)

A local government cannot charge more than it costs them to provide a service. For example, if you rent a county office, the rent must be based on the building's cost. This may include construction or renovation, and the cost of utilities, insurance, depreciation, and maintenance. The cost figures must be approved by your project manager and supporting documents must be available in order to make the expense eligible for funding.
As an example, the "rental allocation" described in the previous section needs supporting information to demonstrate the cost of the building. In this case, the building is 50 years old, so it is already fully depreciated. The only costs are for operation and maintenance.

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Utilities</td>
<td>$2,400.00</td>
</tr>
<tr>
<td>Insurance</td>
<td>450.00</td>
</tr>
<tr>
<td>Snow Removal</td>
<td>800.00</td>
</tr>
<tr>
<td>Maintenance</td>
<td>8,000.00</td>
</tr>
</tbody>
</table>

$11,650.00/year, $971.00/month

$971.00 x 30 percent Transit System Allocation = $291.00

**Internal Control**

To make the best use of equipment, supplies, and system funds, a manager needs to develop routine controls against waste and theft. The items to check frequently are:

**Gasoline**

Secure the gas pumps with a lock or shut-off switch that can only be used by authorized personnel. Compare driver logs of gasoline use and mileage with pump totals for exact agreement.

**Tokens/Tickets**

Handle tokens and tickets just as you would cash. Keep a log and an inventory of tokens and tickets issued to each driver. Reconcile tickets received in the farebox against tickets issued.

**Farebox Revenue**

Assign at least two people to count the daily farebox revenue and compare the totals with driver logs. Deposit the farebox revenue daily, so that large amounts of money won’t be left in the office.

**Petty Cash**

Fund petty cash at a reasonable level ($50 would be good) and use it only for small incidental purchases. When petty cash is used, put a receipt in the box for the exact amount taken. When petty cash is reimbursed, remove the receipt from the box and file it. The combined total of receipts and cash in the box should always be equal to the original petty cash amount.

**Employee Work Hours**

Use time sheets or cards to record employees’ work hours. To authorize payment, the card should be signed by both the supervisor and the employee.

**Inventories**

It is important to have a planned and recorded system of inventories to cover all goods purchased and used by the transit system. A regular inventory routine will alert the manager to possible waste and theft, demonstrate system efficiency in the yearly audit, and help with the budget planning process.

Here are two inventory methods.

**Perpetual Inventory**

Use the perpetual inventory method for valuable items: gasoline, oil, antifreeze, and tires. Keep a running ledger that shows the current balance of each item. In the gasoline ledger, for example, record the full tank amount to begin and, each time fuel is pumped, deduct the amount from the beginning balance. When the ledger is checked, the beginning balance, minus the gallons pumped, should equal the gallons left in the tank. Inspect the tank register and verify the balance every week.

**Periodic Inventory**

Use the periodic inventory method for less expensive, high turnover items: brake fluid, transmission fluid, windshield wiper fluid. Every month, take a physical inventory, recording the numbers of each item on hand. Performed regularly, this kind of inventory will give you an idea of supplies needed and show changes in the use of particular items.

**Monthly Operating Assistance Report**

The Operating Assistance Report (Exhibit VI-11) is a summary of the month’s revenues, expenses, and operating statistics. It is used by the project manager to monitor the use of state funds and to project a system’s future needs. If the account books (journal headings and General Ledger accounts) are the same as those in the MDOT Chart of Accounts, (Appendix K), financial information can be transferred directly from the account books to the Operating Assistance Report. To check on the appropriate categories of expense (Operating, Maintenance, General Administration) refer back to the budget worksheet in your Annual Application or to the Cash Disbursements Journal, so that the books and the reports will corres-
pond to your approved plan.* Gather operating data from the driver logs (Operations – Chapter III) to complete the monthly report.

*If you need more information about categories of expense and revenue, the “Local Public Transit Revenue and Expense Manual” has a complete list of account names, numbers, and working definitions of the accounts.

Cash Flow Analysis

As a part of monthly or quarterly accounting, a cash flow analysis can give you a clearer view of the transit system’s financial position. (Exhibit VI-12). Cash flow is defined as net income plus noncash credits such as depreciation. The cash flow figures will help you to predict a future shortage or surplus.

Closing the Books

The books of account are closed at the end of the fiscal year in preparation for the yearly audit. Although this may be done by an outside agency or an accountant, if you have any accounting experience it is useful to understand the process so that you can use it as a monthly review of the books. The books are closed in order to make a complete statement of finances as they stand on the last day of the accounting period, to clear the accounts, and to make necessary changes for the next accounting period.

After the adjusting entries are complete, make a trial balance to help find errors in recording and to ensure that the Operating Assistance Report is completely in agreement with the books of account. When the trial balance has been reconciled, make closing entries and prepare a Balance Sheet (Exhibit VI-13).*

Beginning from the General Ledger, completed for the month, use a worksheet to:

1. Review account definitions in the handbooks as well as journal and ledger entries to correct any errors in recording, calculation, and interpretation.

2. Make adjusting General Journal entries to reflect end-of-month financial status. For example, adjust for payroll amounts accrued but not yet paid, insurance paid in advance, and other receivables and payables. Carry the adjustments over to the General Ledger Asset/Liability accounts.

3. Total the revenues and expenses. Post the resulting totals to Retained Earnings described in the General Ledger Accounts, Appendix J.

4. Total the Asset Accounts. Total the Liability Accounts and the Fund Equity Accounts, Contributed Capital, and Retained Earnings. If the preceding steps are correct and complete, the totals will balance.

*The system manager will not be able to complete a balance sheet for the year-end audit because the statement of expenses confirmed by the auditor will be used to determine the final reimbursement. It will still be possible to close the revenue and expense accounts and to complete most of the other adjusting and closing entries. A trial balance would also be a useful check.

Yearly Audit Requirements

The Audit Process

Every transit system that receives state operating assistance (Section 10(e)(4)(a) of Act 51) and federal assistance (Section 18) must submit a yearly financial and program compliance audit. A local CPA firm, a state or a federal auditor will examine all the records of finances and operations described in this chapter and evaluate:

- The accuracy and reliability of accounting methods
- The eligibility of the costs presented
- Efficient use of goods, supplies, and labor
- Compliance with requirements for service and internal policies

The “Audit Guide for Transportation Authorities in Michigan” prescribes methods and standards for the audit and show a sample auditor’s report. For a copy of the guide, go to the Local Audit Division of the Department of Treasury or request an order form from the Bus Transit Division. The completed audit is due to the State Department of Treasury and the Bus Transit Division 120 days after the local fiscal year end.*

*If the yearly audit is based on a local fiscal year, instead of the state (September 30) fiscal year, include a statement of costs with a September 30 cutoff date as well as total costs for the complete fiscal year. The partial year will be used to determine costs for the state fiscal year by combining accounting periods. For more detail, see the example in the “Audit Guide.”

Availability of Records

In addition to the yearly audit, the state requires transit agencies and their contractors to keep all records relating to the performance of state contracts for three years from the date of the final request for payment. All records and performance data must be available for inspection by the state’s authorized representatives during this three-year period.
OPERATING ASSISTANCE REPORT

- Certification for Statutory Operating Assistance
- Section 18
- County Incentive/Urban and Rural
- Essential Transportation Services
- Service Development
- Other

I. NAME

II. STREET ADDRESS

III. CITY, TOWN or POST OFFICE, and STATE

IV. ZIP CODE

V. DESCRIPTION OF PROJECT

II. Indicate Mode:
- Line-haul
- Demand-Response
- Rapid Rail
- Street Car
- Trolleybus
- Ferryboat
- School Bus
- Other

III. Identify

IV. Period:

V. Operating Revenue: (Object Classes 401 + 402 + 404)

VI. Eligible Operating Expenses: (Object Class 599 (199))

VII. Eligible Transit Miles: (Object Class 611(04))

VIII. Authorization Statement:

As the authorized Urban Transportation Coordinator (or designated alternate) for __________________________, I hereby certify:

That all costs, revenues, and related data are correct for the service provided; That preferential fares for persons 65 years of age or over, and handicapped persons as defined by 23 U.S.C. Section 165, not greater than 50 percent of regular one-way single for off-peak service, have been established, in accordance with the provisions of Act No. 51 of the Public Acts of 1951 and R 247.801 through R 247.814 of the Supplement to the 1954 Michigan Administrative Code; That funds received were used to provide public transportation service designed to serve the general public paying fares individually; That the funds received were used to attain the objectives of providing increased access to jobs, education, recreation, and other cultural and social activities through public transportation. Further, these funds have been used for the encouragement of desirable economic development, proper land use, enhancement of the environment and relief of congestion through the favorable effective use of public transportation.

SIGNATURE DATE TITLE

FOR OFFICIAL USE ONLY

<table>
<thead>
<tr>
<th>Year</th>
<th>Month</th>
<th>Location Code</th>
<th>Contract No.</th>
</tr>
</thead>
<tbody>
<tr>
<td>2-9</td>
<td>10-11</td>
<td>12-13</td>
<td>14-17</td>
</tr>
<tr>
<td>Prog. Mode(s)</td>
<td></td>
<td></td>
<td></td>
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</table>
**Revenue Schedule**

<table>
<thead>
<tr>
<th>Object Class</th>
<th>Total Revenues</th>
</tr>
</thead>
<tbody>
<tr>
<td>401. Passenger Fares for Transit Service</td>
<td>$</td>
</tr>
<tr>
<td>Object Class</td>
<td>EXPENSE SCHEDULE</td>
</tr>
<tr>
<td>-------------</td>
<td>-----------------</td>
</tr>
<tr>
<td>501 Labor</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td>502 Fringe Benefits</td>
<td></td>
</tr>
<tr>
<td>503 Services</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td>504 Materials &amp; Supplies Consumed</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td>505 Utilities</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td>506 Casualty &amp; Liability Costs</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td>507 Taxes</td>
<td></td>
</tr>
<tr>
<td>508 Purchased Transportation Service</td>
<td></td>
</tr>
<tr>
<td>509 Miscellaneous Expenses</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td>510 Expense Transfers</td>
<td></td>
</tr>
<tr>
<td>511 Interest Expense</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td>512 Leases and Rentals</td>
<td></td>
</tr>
<tr>
<td>513 Depreciation &amp; Amortization</td>
<td></td>
</tr>
<tr>
<td>549 Total Expenses</td>
<td></td>
</tr>
<tr>
<td>550 Less Ineligible Expenses</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
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</tr>
<tr>
<td></td>
<td></td>
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<tr>
<td></td>
<td></td>
</tr>
<tr>
<td>599 Total Eligible Expenses</td>
<td></td>
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</tbody>
</table>
**NON-FINANCIAL OPERATING DATA**

**Object**

**Class**

<table>
<thead>
<tr>
<th>601</th>
<th>Number of Routes (Line-haul only)</th>
</tr>
</thead>
<tbody>
<tr>
<td>602</td>
<td>Number of Route Miles (Line-haul only)</td>
</tr>
</tbody>
</table>

**PUBLIC SERVICE**

<table>
<thead>
<tr>
<th>Object</th>
<th>Weekdays</th>
<th>Saturday</th>
<th>Sunday</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>610</td>
<td>Vehicle Hours</td>
<td>01</td>
<td>02</td>
<td>03</td>
</tr>
<tr>
<td>611</td>
<td>Vehicle Miles</td>
<td>01</td>
<td>02</td>
<td>03</td>
</tr>
<tr>
<td>615</td>
<td>Passengers - Regular</td>
<td>01</td>
<td>02</td>
<td>03</td>
</tr>
<tr>
<td>616</td>
<td>Passengers - Senior</td>
<td>01</td>
<td>02</td>
<td>03</td>
</tr>
<tr>
<td>617</td>
<td>Passengers - Handicapper</td>
<td>01</td>
<td>02</td>
<td>03</td>
</tr>
<tr>
<td>618</td>
<td>Pass.-Senior Handicapper</td>
<td>01</td>
<td>02</td>
<td>03</td>
</tr>
<tr>
<td>620</td>
<td>Total Passengers</td>
<td>01</td>
<td>02</td>
<td>03</td>
</tr>
<tr>
<td>625</td>
<td>Days Operated</td>
<td>01</td>
<td>02</td>
<td>03</td>
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</table>

**OTHER SERVICE**

<table>
<thead>
<tr>
<th>Object</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>630 Charter Service Hours</td>
<td></td>
</tr>
<tr>
<td>631 Charter Service Miles</td>
<td></td>
</tr>
<tr>
<td>632 School Bus Service Hours</td>
<td></td>
</tr>
<tr>
<td>633 School Bus Service Miles</td>
<td></td>
</tr>
<tr>
<td>634 Other Service Hours (Explain)</td>
<td></td>
</tr>
<tr>
<td>635 Other Service Miles (Explain)</td>
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</tr>
</tbody>
</table>

**VEHICLE INFORMATION**

<table>
<thead>
<tr>
<th>Object</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>650 Operating System Vehicles</td>
<td></td>
</tr>
<tr>
<td>651 Back-up System Vehicles</td>
<td></td>
</tr>
<tr>
<td>652 Vehicles with Lifts</td>
<td></td>
</tr>
</tbody>
</table>

**MISCELLANEOUS**

<table>
<thead>
<tr>
<th>Object</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>660 Fuel - Gallons Consumed</td>
<td></td>
</tr>
<tr>
<td>661 Total Transit System Employees (Full-time Equivalents)</td>
<td></td>
</tr>
<tr>
<td>662 Revenue Vehicle Operators (Full-time Equivalents)</td>
<td></td>
</tr>
<tr>
<td>663 Number of Accidents</td>
<td></td>
</tr>
<tr>
<td>664 Number of Road Calls (ie. vehicle breakdowns)</td>
<td></td>
</tr>
</tbody>
</table>
### TRANSIT AUTHORITY CASH FLOW
Period October 1983, through January, 1984

<table>
<thead>
<tr>
<th></th>
<th>1983</th>
<th>1984</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>October</td>
<td>November</td>
</tr>
<tr>
<td>Beginning Cash</td>
<td>$42,925</td>
<td></td>
</tr>
<tr>
<td>Revenues</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Farebox</td>
<td>$6,430</td>
<td>$7,052</td>
</tr>
<tr>
<td>Local Grants</td>
<td></td>
<td></td>
</tr>
<tr>
<td>State Grants</td>
<td>1,400</td>
<td>8,061</td>
</tr>
<tr>
<td>Federal Grants</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Miscellaneous</td>
<td></td>
<td>1,123</td>
</tr>
<tr>
<td>Total Revenues</td>
<td>$7,830</td>
<td>$16,236</td>
</tr>
<tr>
<td>Expenses</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Wages</td>
<td>$23,003</td>
<td>$17,898</td>
</tr>
<tr>
<td>Fringes1</td>
<td>$3,395</td>
<td>$1,388</td>
</tr>
<tr>
<td>Materials and Supplies2</td>
<td>8,334</td>
<td>7,359</td>
</tr>
<tr>
<td>U&amp;FM3</td>
<td>2,037</td>
<td>1,255</td>
</tr>
<tr>
<td>Insurance</td>
<td>1,429</td>
<td>1,429</td>
</tr>
<tr>
<td>Rent</td>
<td>850</td>
<td>850</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>1,983</td>
<td>973</td>
</tr>
<tr>
<td>Total Expenses</td>
<td>$41,031</td>
<td>$31,152</td>
</tr>
<tr>
<td>Ending Cash</td>
<td>$9,724</td>
<td>$(5,192)</td>
</tr>
</tbody>
</table>

1Includes workers' compensation and other fringes.
2Did not pay last five months fuel bill.
3Utilities and facilities maintenance includes electric, gas, heat, and maintenance.
41979 Reconciliation – deductions of overpayments.
## SAMPLE BALANCE SHEET

September 30, 1984

### ASSETS

**Current**
- Cash: $131,805
- Accounts receivable: 26,448
- Grants receivable: 850,117
- Inventories: 25,678

Total Current Assets: $1,125,686

**Property and equipment, less accumulated depreciation**: 3,606,862

Total Assets: $4,732,548

### LIABILITIES AND EQUITY

**Current Liabilities**
- Accounts payable: $756,888
- Accrued payroll:
  - Regular: 39,207
  - Vacation leave: 2,704
  - Sick leave: 10,128
  - Other accruals: 34,541
- Deferred revenue: 80,081

Total Current Liabilities: $923,549

**Noncurrent Liabilities**
- Accrued payroll:
  - Vacation leave: 20,721
  - Sick leave: 30,426

Total Noncurrent Liabilities: 51,147

Total Liabilities: $974,696

**Fund Equity**
- Contributed capital
  - Federal: 2,685,517
  - State: 781,876
  - Local: 174,128

Total Contributed Capital: $3,641,531

- Retained earnings: 116,321

Total Equity: $3,757,852

Total: $4,732,548
APPENDIX J

GENERAL LEDGER ACCOUNTS

Asset Accounts

Cash

001. Cash *

This account is used to record the amount of currency, checks, money orders, and bank drafts on hand or on deposit with an official or agent designated as custodian of cash and bank deposits (local unit treasurer).

This account is:

DEBITED – When cash is received.

CREDITED – When cash is disbursed.

002. Cash – Savings

This account is used to record the amount of monies on deposit in savings accounts under the control of the official or agent designated as custodian.

This account is:

DEBITED – When money is deposited in a savings account.

CREDITED – When money is withdrawn from a savings account.

*The account names and numbers for the asset and liability accounts are based on the "Uniform Chart of Accounts for Counties and Cities in Michigan." Refer to this manual for additional categories.

Accounts Receivable

003. Accounts Receivable (General – No Governmental Units)

This account is used to record amounts owed to the local unit which are not provided for elsewhere.

This account is:

DEBITED – When amounts owed are determined.

CREDITED – With payments received.

056. Interest Receivable

This account is used to record interest earned or accrued, but not received as of the end of an accounting period.

This account is:

DEBITED – With the amount of interest earned or accrued.

CREDITED – With payments received.

071./072./076. Due from Cities/Counties/Townships

These accounts are used to record amounts due from cities/counties/townships. (This account would not be used to reflect amounts due from other funds...
within the same entity. Account 084. would be used for this purpose.

This account is:

DEBITED – With amounts due the local unit from cities.

CREDITED – With payments received.

078. Due from State

This account is used to record amounts due from the State of Michigan.

This account is:

DEBITED – With amounts due the local unit from the state.

CREDITED – With payments received.

079. Due from Federal Government

This account is used to record amounts due from the federal government.

This account is:

DEBITED – With amounts due the local unit from the federal government.

CREDITED – With payments received.

Fixed Assets

140. Equipment – Shop

This account is used to record the cost, or estimated fair value at date received if acquired by gift, of machinery and equipment of a more or less permanent nature used in a local unit’s repair and maintenance shop.

This account is:

DEBITED – With the cost or value of shop equipment acquired.

CREDITED – With the recorded value of such equipment sold or otherwise disposed of.

141. Accumulated Depreciation – Shop Equipment (Credit)

This account is used to record the accumulation of periodic credits made to record the expiration of the estimated service life of shop machinery and equipment. (See Asset Register (Exhibit 6-9) for depreciation formula.)

This account is:

CREDITED – Either annually or monthly with the amount of decrease in estimated service life attributable to that year or month.

DEBITED – With the amount of accumulated depreciation applicable to such equipment sold or otherwise disposed of.

146. Office Equipment and Furniture

This account is used to record the cost, or estimated fair value at date received if acquired by gift, of office equipment and furniture of a more or less permanent nature.

This account is:

DEBITED – With the cost or value of office equipment and furniture acquired.

CREDITED – With the recorded value of such equipment and furniture sold or otherwise disposed of.

147. Accumulated Depreciation – Office Equipment and Furniture (Credit)

This account is used to record the accumulation of periodic credits made to record the expiration of the estimated service life of office equipment and furniture.

This account is:

CREDITED – Either annually or monthly with the amount of decrease in estimated service life attributable to that year or month.

DEBITED – With the amount of accumulated depreciation applicable to such equipment and furniture sold or otherwise disposed of.

148. Vehicles

This account is used to record the cost, or estimated fair value at date received, if acquired by gift, of all vehicles and equipment that are required to have a license plate such as cars, trucks, etc.

This account is:

DEBITED – With the cost or value of vehicles and equipment acquired.

CREDITED – With the recorded value of such vehicles and equipment sold or otherwise disposed of.

149. Accumulated Depreciation – Vehicles (Credit)

This account is used to record the accumulation of periodic credits made to record the expiration of the estimated service life of licensed vehicles and equipment.

This account is:

CREDITED – Either annually or monthly with the amount of decrease in estimated service life attributable to that year or month.

DEBITED – With the amount of accumulated depreciation applicable to such vehicles and equipment sold or otherwise disposed of.
Liability Accounts

Accounts Payable

202. Accounts Payable

This account is used to record amounts on open account owing to private persons, firms, corporations, or other organizations for goods and services received by a governmental unit (but not including amounts due to other funds of the same governmental unit or to other governmental units).

This account is:

CREDITED – With amounts of accounts payable incurred.

DEBITED – Upon payment of these accounts.

228. Due to State of Michigan

This account is used to record amounts collected for or owed to the State of Michigan by a local unit of government.

This account is:

CREDITED – With the amount of the debt incurred, when it is determined.

DEBITED – With the amount of the debt when it is paid.

229. Due to Federal Government

This account is used to record amounts collected for or owed to the federal government by a local unit of government.

This account is:

CREDITED – With the amount of the debt incurred, when it is determined.

DEBITED – With the amount of the debt when it is paid.

321./322./326. Advances from Cities/Counties/Townships

These accounts will be used to record amounts owed by a local unit to a governmental entity where such amounts are payable subsequent to the current year. (For a governmental agency to record long-term obligations between its own funds, use Account 314.)

This account is:

CREDITED – With the amount of long-term debt incurred.

DEBITED – Upon payment or other redemption of such debt.

328. Advances from State

This account may be used to record amounts owed by a local unit to the State of Michigan where such amounts are payable subsequent to the current year.

This account is:

CREDITED – With the amount of long-term debt incurred.

DEBITED – Upon payment or other redemption of such debt.

Contributed Capital

346./347./351. Contributions from Cities/Counties/Townships

These accounts are used in a proprietary fund to record the amount of permanent fund capital contributed to the enterprise by a governmental entity. A governmental entity would not use this account to record contributions between its various funds – Account 357. would be used for this purpose.

This account is:

CREDITED – Upon receipt of capital contributions.

DEBITED – Upon repayment of such contributions or any portion thereof.

353. Contributions from State

This account is used in a proprietary fund to record the amount of permanent fund capital contributed to the enterprise by the State of Michigan.

This account is:

CREDITED – Upon receipt of capital contributions.

DEBITED – Upon repayment of all or part of such contributions, and on amortization.

354. Contributions from Federal Government

This account is used in a proprietary fund to record the amount of permanent fund capital contributed to the enterprise by agencies of the United States Government.

This account is:

CREDITED – Upon receipt of capital contributions.

DEBITED – Upon repayment of all or part of such contributions, and on amortization.
Retained Earnings

Retained Earnings

This account is used in an Enterprise Fund or Internal Service Fund to record the accumulated earnings of the fund which are not designated for a specific purpose or purposes.

This account is:

CREDITED – At year end, with the excess of revenues over expenses for the fiscal period.

DEBITED – At year end, with the excess of expenses over revenues for the fiscal period; or with any appropriation from retained earnings to a specific reserve account.

Revenue and Expense Accounts

In addition to the asset and liability accounts, there are individual revenue and expense accounts for each category used in the journals and monthly reports. Monthly totals entered in these accounts are taken from the Cash Receipts and Cash Disbursements Journals.

The REVENUE accounts are:

CREDITED – With amounts received.

The EXPENSE accounts are:

DEBITED – With amounts paid.
# APPENDIX K

## ACCOUNT CONVERSION TABLE

### Revenue Accounts

<table>
<thead>
<tr>
<th>State Uniform Chart of Accounts</th>
<th>MDOT Chart of Accounts</th>
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</thead>
<tbody>
<tr>
<td>630</td>
<td>401. PASSENGER FARES FOR TRANSIT SERVICE</td>
</tr>
<tr>
<td>.01</td>
<td>01. Full Adult Fares</td>
</tr>
<tr>
<td>.02</td>
<td>02. Senior Citizen Fares</td>
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<tr>
<td>.03</td>
<td>03. Student Fares</td>
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<tr>
<td>.04</td>
<td>04. Child Fares</td>
</tr>
<tr>
<td>.05</td>
<td>05. Handicapper Rider Fares</td>
</tr>
<tr>
<td>.06</td>
<td>06. Parking Lot Revenue -Park-and-Ride</td>
</tr>
<tr>
<td>.99</td>
<td>99. Other Primary Ride Fares</td>
</tr>
<tr>
<td>631</td>
<td>402. SPECIAL TRANSIT FARES</td>
</tr>
<tr>
<td>.01</td>
<td>01. Contract Fares for Postmen</td>
</tr>
<tr>
<td>.02</td>
<td>02. Contract Fares for Policemen</td>
</tr>
<tr>
<td>.03</td>
<td>03. Special Route Guarantees</td>
</tr>
<tr>
<td>.04</td>
<td>04. Other Special Contract Transit Fares – State and Local Government</td>
</tr>
<tr>
<td>.05</td>
<td>05. Other Special Contract Transit Fares – Other Sources (Human Service Agencies with contracts, etc., Human Service Agencies with no contract are classified under 401)</td>
</tr>
<tr>
<td>.06</td>
<td>06. Noncontract Special Service Fares</td>
</tr>
<tr>
<td>632</td>
<td>403. SCHOOL BUS SERVICE REVENUES</td>
</tr>
<tr>
<td>633</td>
<td>404. FREIGHT TARIFFS</td>
</tr>
<tr>
<td>634</td>
<td>405. CHARTER SERVICE REVENUES</td>
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<tr>
<td>642</td>
<td>406. AUXILIARY TRANSPORTATION REVENUES</td>
</tr>
<tr>
<td>.01</td>
<td>01. Station Concessions</td>
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<tr>
<td>.02</td>
<td>02. Vehicle Concessions</td>
</tr>
<tr>
<td>.03</td>
<td>03. Advertising Services</td>
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<tr>
<td>.04</td>
<td>04. Automotive Vehicle Ferriage</td>
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<tr>
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<td>99. Other Auxiliary Transportation Revenues</td>
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407. NONTRANSPORTATION REVENUES

<table>
<thead>
<tr>
<th>None</th>
<th>676</th>
<th>01</th>
<th>Sales of Maintenance Services</th>
</tr>
</thead>
<tbody>
<tr>
<td>None</td>
<td>664</td>
<td>02</td>
<td>Rental of Revenue Vehicles</td>
</tr>
<tr>
<td>None</td>
<td>664</td>
<td>03</td>
<td>Rental of Buildings and Other Property</td>
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<tr>
<td>None</td>
<td>652</td>
<td>05</td>
<td>Parking Lot Revenue -Other</td>
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</table>

408. TAXES LEVIED DIRECTLY BY TRANSIT SYSTEM (Taxes)

<table>
<thead>
<tr>
<th>None</th>
<th>664</th>
<th>01</th>
<th>Property Tax Revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td>None</td>
<td>438</td>
<td>02</td>
<td>Sales Tax Revenue (Footnote 1)</td>
</tr>
<tr>
<td>None</td>
<td>None</td>
<td>03</td>
<td>Income Tax Revenue</td>
</tr>
<tr>
<td>None</td>
<td>None</td>
<td>04</td>
<td>Payroll Tax Revenue (Footnote 1)</td>
</tr>
<tr>
<td>None</td>
<td>None</td>
<td>05</td>
<td>Utility Tax Revenue (Footnote 1)</td>
</tr>
</tbody>
</table>

409. LOCAL CASH GRANTS AND REIMBURSEMENTS

(Contributions from Local Units)

<table>
<thead>
<tr>
<th>None</th>
<th>588</th>
<th>01</th>
<th>General Operating Assistance</th>
</tr>
</thead>
<tbody>
<tr>
<td>None</td>
<td>588</td>
<td>02</td>
<td>Special Demonstration Project Assistance – Local Projects</td>
</tr>
<tr>
<td>None</td>
<td>588</td>
<td>03</td>
<td>Special Demonstration Project Assistance – Local Share for State Projects</td>
</tr>
<tr>
<td>None</td>
<td>588</td>
<td>04</td>
<td>Special Demonstration Project Assistance – Local Share for UMTA Projects</td>
</tr>
<tr>
<td>None</td>
<td>588</td>
<td>05</td>
<td>Reimbursement of Taxes Paid</td>
</tr>
<tr>
<td>None</td>
<td>588</td>
<td>06</td>
<td>Reimbursement of Interest Paid</td>
</tr>
<tr>
<td>None</td>
<td>588</td>
<td>07</td>
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   02. Senior Citizen Fare Assistance
   03. Student Fare Assistance
   99. Other Special Fare Assistance

FEDERAL CASH GRANTS AND REIMBURSEMENTS (Federal Grants)
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   04. Special Demonstration Project Assistance
   99. Other Financial Assistance

INTEREST INCOME

CONTRIBUTED SERVICES (State)

CONTRIBUTED SERVICES (Local)

SUBSIDY FROM OTHER SECTORS OF OPERATIONS
   01. Subsidy for Utility Rates
   02. Subsidy for Bridge and Tunnel Tolls
   99. Other Subsidies

Expense Accounts

State Uniform Chart of Accounts

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| 830 | PURCHASED TRANSPORTATION SERVICE |

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CHAPTER VII

PURCHASING EQUIPMENT

<table>
<thead>
<tr>
<th>Topic</th>
<th>Page</th>
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<tbody>
<tr>
<td>Selecting Buses</td>
<td>155</td>
</tr>
<tr>
<td>Introduction</td>
<td>155</td>
</tr>
<tr>
<td>Analysis of Equipment Needs</td>
<td>155</td>
</tr>
<tr>
<td>Peak Demand Requirements</td>
<td>155</td>
</tr>
<tr>
<td>Backup/Reserve Requirements</td>
<td>156</td>
</tr>
<tr>
<td>Improvements in Productivity</td>
<td>156</td>
</tr>
<tr>
<td>Operating Costs</td>
<td>156</td>
</tr>
<tr>
<td>Bus Sizes and Optional Equipment</td>
<td>156</td>
</tr>
<tr>
<td>The Small Bus Rehabilitation Program</td>
<td>159</td>
</tr>
<tr>
<td>Radio Systems</td>
<td>159</td>
</tr>
<tr>
<td>Introduction</td>
<td>159</td>
</tr>
<tr>
<td>System Types</td>
<td>159</td>
</tr>
<tr>
<td>Procuring a Radio System</td>
<td>159</td>
</tr>
<tr>
<td>Licensing</td>
<td>159</td>
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<td>Radio Operation</td>
<td>162</td>
</tr>
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<td>Extended Purchasing Program</td>
<td>162</td>
</tr>
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<td>Program Description</td>
<td>162</td>
</tr>
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<td>Purchasing Procedures</td>
<td>162</td>
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CHAPTER VII

PURCHASING EQUIPMENT

Selecting Buses

Introduction

As part of the yearly planning process, the system manager should make a study of equipment needs for the next year. The purpose of this review is to determine the numbers and types of buses and accessory equipment needed to maintain the present level of service in the most efficient and productive way possible. If your system is planning service expansion, it is also necessary to predict minimum new equipment needs on the basis of operating plans and projected ridership. (Chapter IV - The Grant and Contract Process, describes the Annual Application form for capital requests.)

Analysis of Equipment Needs

Analysis of equipment needs requires study of past equipment use and operating efficiency. Even if your system plans to expand services, it is desirable to trim down equipment needs as much as possible for the services you have planned. Study the operating plan, ridership statistics, and the passenger loads on individual buses to find out how many buses you must have to handle current ridership and to guarantee the performance of contract services. When requesting replacement buses, expansion buses, and other equipment in the annual application, needs are listed in order of importance. Therefore, you must also determine which capital requests are most critical to the operation. Because there are many variables which affect these decisions, individual analysis of each fixed-route and demand-response zone is necessary.

Peak Demand Requirements

Examine the number of buses in use at peak service hours of the day, usually early in the morning and late in the afternoon. Peak demand requirements help you to determine the size and makeup of the fleet needed to maintain service with a given operating plan. Questions about peak demand equipment needs are:

• How many demand-response buses are in use?
• How many and what type of fixed-route buses are in use?
• How many buses in service at peak hours have wheelchair lifts? (The required number of lift-equipped buses is determined by the approved plan from your Local Advisory Council, as stated in the 10e(19) accessibility plan. The Draft CTF administrative rules, Appendix E, describe all state requirements for accessibility under Section 10e(19) of Act 51. UMTA Section 504, Rehabilitation Act, requirements for accessibility are satisfied by the state plan.) For most transit systems, the demand-response operation must have a minimum of two lift-equipped buses, and all fixed-route buses must be lift-equipped. The project manager will assist you with a 10e(19) plan.
Backup/Reserve Requirements

When you know the peak demand requirements, then determine the number of backup buses needed to support the peak hour fleet.

• How many backup buses of each type are available during peak hours? Have they been sufficient to prevent serious interruptions in service during the winter months? A 10 to 15 percent backup is considered reasonable for fixed-route service. A 15 to 20 percent backup should be adequate for demand/response service.

• How will the age and condition of these buses affect service and backup needs through the next year?

Improvements in Productivity

Study productivity statistics for the present operating plan. (Chapter XII - Monitoring and Evaluation, describes different measures of system productivity.) High productivity means that buses are operating at or near capacity much of the time. If productivity is low, study operating patterns and occupancy levels to find where excess buses can be eliminated and bus sizes reduced. Ask questions such as:

• What is the maximum occupancy of each bus during peak hours?
• What is the average occupancy during off-peak hours?

If fixed-route buses usually operate below capacity, you may be able to:

• Request a smaller bus when replacement is due.
• Reassign larger buses to routes where ridership is higher.
• Consolidate some routes that are close together.
• Reduce the number of bus runs on routes where the headways are very short.

If occupancy is low on demand-response buses, you may be able to:

• Assign one bus where two are in use, if the waiting times are acceptable.
• Change a pure demand-response pattern to off-peak hours only, or 24-hour advance reservation only.

Productivity studies help the system manager identify the most important equipment needs for the annual application request.

Operating Costs

Another consideration, when planning for bus replacements and additional buses, is the cost of operations and maintenance. Examine operation and maintenance budget items for the next fiscal year. Using the Cost per Mile and Cost per Hour for your transit system, ask:

• Will replacement buses reduce operating costs?
• Can the system afford to operate and maintain additional buses?
• Should the system consider alternate fuels such as diesel or propane?

Bus Sizes and Optional Equipment

The Bus Transit Division of MDOT purchases all buses for Michigan’s outstate transit systems. Over one hundred buses are purchased every year, representing an annual state investment of more than four million dollars. Standard specifications for small, medium, and large buses are available from the Bus Transit Division. (Exhibit VII-1, Michigan Statewide Purchase Order, provides detailed descriptions of available buses, bus sizes, optional equipment, and 1985 purchase prices.) After you have determined operating needs of your system—numbers of buses, bus sizes, and the number of lift-equipped buses—it is necessary to select the optional equipment needed for your particular operation.

Optional equipment available includes:

• Wheelchair Lifts (These may be front-door lifts or separate entrance lifts.)
• Large Farebox (The capacity is larger than the standard farebox.)
• Air Conditioning
• Tachograph (This gives the manager a continuous printed graph of bus speeds. It is useful for accident reporting and monitoring driver performance.)
• Diesel Engine (Choose this option if your mechanics are familiar with diesel maintenance and repair.)
• Propane Engine (You may choose this option if you have a propane storage tank or an area where a tank can safely be installed.)
• Brake Retarder (This will extend brake life.)
• Air Suspension
• Removable Extra Seat (This is a quick release seat that is located in front of the lift. It can only be used when no wheelchair passengers are being transported.)
• Anti-spin Rear Axle (Improves traction on snow and ice. It is only available on the 24-passenger bus.)
• Four-wheel Drive (Useful in areas with steep hills. It is only available on buses up to 20 passengers.)
• Emergency rear window instead of rear emergency door
• Destination Sign (Multiple destinations are provided on a movable roller.)
• Choice of interior colors and exterior color and stripe design to promote system identification
### MICHIGAN STATEWIDE PURCHASE ORDER
### AVAILABLE BUS SIZES

#### 1985 BUS PRICES

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<th>16 Pass. 8 + 2 w/lift</th>
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<td>Body on Chassis Built by Body Mfr.</td>
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<tr>
<td>Engines</td>
<td>Gas, Diesel</td>
<td>Gas, Diesel</td>
<td>Gas, Diesel</td>
<td>Gas, Diesel</td>
<td>Diesel</td>
<td>Diesel</td>
</tr>
<tr>
<td>GVW</td>
<td>8900 #</td>
<td>10,500 #</td>
<td>10,500 #</td>
<td>14,500 #</td>
<td>33,280 #</td>
<td>33,280 #</td>
</tr>
<tr>
<td>Wheel Base</td>
<td>138&quot;</td>
<td>146&quot;</td>
<td>146&quot;</td>
<td>157&quot;</td>
<td>208&quot;</td>
<td>265&quot;</td>
</tr>
<tr>
<td>Outside Dimensions</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Height</td>
<td>110&quot;</td>
<td>110&quot;</td>
<td>110&quot;</td>
<td>120&quot;</td>
<td>121&quot;</td>
<td>121&quot;</td>
</tr>
<tr>
<td>Length</td>
<td>227&quot;</td>
<td>252&quot;</td>
<td>267&quot;</td>
<td>294&quot;</td>
<td>408&quot;</td>
<td>462&quot;</td>
</tr>
<tr>
<td>Width</td>
<td>77&quot;</td>
<td>93&quot;</td>
<td>93&quot;</td>
<td>96&quot;</td>
<td>96&quot;</td>
<td>96&quot;</td>
</tr>
<tr>
<td>Turning Radius</td>
<td>25'</td>
<td>26'</td>
<td>26'</td>
<td>31'</td>
<td>33'</td>
<td>41'</td>
</tr>
</tbody>
</table>
The Small Bus Rehabilitation Program

This program provides funds for major rehabilitation of buses that are in service with mileage over 125,000. Buses at a minimum of 95,000 miles may be eligible for funds if there is a major mechanical failure. Funding will be provided only if an additional two years of service life will result. Although funds are limited, the program allows up to eight thousand dollars per bus, with up to two thousand more for body repairs and painting.

A system manager can apply for bus rehabilitation funds at any time during the year, using an application form available from Bus Transit Division (Exhibit VII-2). The form requires detailed estimates of parts and labor for all proposed repairs. Mechanical work may be done within the transit agency or by a local private garage. After review and approval by the Bus Transit Division, the local agency will receive an authorization form to begin repairs. To initiate payment, the system manager must submit all invoices to the project manager and include a letter stating that the work is complete and satisfactory.

Radio Systems

Introduction

Radio systems for new local transit agencies are purchased by the Bus Transit Division as part of the New Services Program. When a small community transit system expands to include countywide service, longer-range or more complex radio systems may be added. A communications specialist in the Bus Transit Division is responsible for system selection, design, installation, and initial testing.

System Types

The radio systems used in local transit agencies are:

- **43 MHz – Low Band** – a longer-range radio system useful in sparsely populated areas. Station frequency coordination is from the American Busing Association, Washington, D.C.

- **150 MHz – High Band** – a short-range system used by local government service. Frequency coordination is from the Michigan Public Safety Frequency Advisory Committee, East Lansing, MI.

- **450 MHz – UHF Band** – a short-range system which works well in heavily populated areas. Frequency coordination is from the American Trucking Association, Washington, D.C.

- **27 MHz – Citizens Band Radio Service (CB)** – a very inexpensive system that requires no licensing. It is, however, short range, low quality, and the frequency is used heavily by the general public.

Procuring a Radio System

Although design and purchasing of equipment are handled by Bus Transit Division staff, local representatives may be asked to:

- Provide information about existing radio systems that could be shared by the transit agency.

- Research local radio towers available for lease. (New towers are built only when a lease cannot be arranged.)

- Arrange for buses to be available when radio installation is scheduled.

Licensing

Before a radio system is installed, the state communications specialist arranges for frequency coordination and initial FCC licensing. From the date of licensing, the transit agency is responsible for the legal operation of all licensed equipment. To comply with FCC regulations, the local transit agency must:

- Post copies of the FCC license at all control and dispatch centers.

- Use the transmitters only for communications directly related to the licensed activity, communications regarding danger to life or property, and equipment testing.

- Guarantee emergency communications regarding danger to life or property.

- Use the call sign, in English, at least once during each transmission, or every 15 minutes during continuous operation.

- Operate transmitters as efficiently as possible to reduce total transmission time (see 10-codes below).

- Avoid causing harmful interference when monitoring communications or causing interference by the broadcast of a continuous uncontrolled signal.

- Use (450 MHz) UHF Band at fixed stations only.

- Limit the operation of base station to 75 watts output.

- Operate only the number of transmitters authorized by the FCC license and establish policies to ensure the legal use of all equipment.

- Reply to FCC notices of violation within 10 days, explaining how the problem has been corrected.

- Keep testing and service information on file for one year. All transmitter measurements with the name of the person testing and all repair and maintenance records must be available for on-site inspection.

- Renew the FCC license every five years, at least 60 days before the expiration date.
Radio Operation

The *Michigan Small Bus Program: Operator’s Manual* provides detailed instructions for dispatchers and drivers using a radio system. To keep standard messages brief and clear, learn and use the 10-codes listed below:

10-4  Okay, last message understood.
10-6  Busy, stand by.
10-7  Out of service (lunch, break, etc.)
10-8  In service at ( location ).
10-9  Repeat message.
10-16 Make pickup at ( location ).
10-19 Return to base.
10-20 My location is ___________.
     What is your location?
10-24 Drop-off complete at ( location ).
10-76 Enroute to ( location ).

Less frequently used 10-codes are:

10-34 Trouble at this station, help needed.
10-36 Correct time is _________.
10-43 Traffic tie-up at ( location ).
10-50 Traffic accident at ( location ).
10-51 Wrecker needed at ( location ).
10-52 Ambulance needed at ( location ).
10-70 Fire at ( location ).
10-100 Call your home. (This is used in case of an emergency at the driver's home. Respond with 10-4, and when you will be able to call.)
10-2000 Police needed at ( location ).

Extended Purchasing Program

Program Description

The Extended Purchasing Program is coordinated by the Department of Management and Budget to reduce the cost of standard products and equipment used by governments and agencies in the state. There are a number of items offered under this program that could save money for transit agencies. Oil filters, tires, and antifreeze, for example, are purchased in volume, using a competitive bidding process, and made available by contract to the local agency.

Purchasing Procedures

The State’s Office of Purchasing publishes lists of products and equipment that are available by state contract. If your transit agency decides to purchase through one or more of these contracts, copies of specifications, prices, terms, and the contracts themselves are sent for review. After the contract has been signed and returned, the transit agency issues purchase orders directly to the contractor. Contract lists and details of the Extended Purchasing Program are available from:

Department of Management and Budget
Office of Purchasing
Second Floor, Mason Building
P.O. Box 30026
Lansing, Michigan 48909
(517) 373-0330

The following products are offered in the Extended Purchasing Program:

- Antifreeze
- Automotive batteries
- Communication equipment
- Copiers
- Diskettes
- Electrical supplies
- Fasteners (nuts and bolts, washers)
- Oil, air, fuel, coolant, and transmission filters
- Fire extinguishers
- Fuel oil
- Office and shop furniture
- Compressed gases (acetylene, oxygen, air, hydrogen, helium, CO₂, argon, and mapp)
- Lubricating oil
- Oils and greases
- Tires and tubes
- Passenger cars, police cars, and trucks
**BUS REHABILITATION APPLICATION**

<table>
<thead>
<tr>
<th>Transit System Name</th>
<th>State License Number</th>
<th>Date</th>
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</table>

<table>
<thead>
<tr>
<th>Chassis Serial Number</th>
<th>Make/Model</th>
<th>Year</th>
<th>Mileage</th>
</tr>
</thead>
</table>

Is vehicle in regular service?  □ Yes  □ No

Has bus been rehabbed previously with state funds?  □ Yes  □ No

<table>
<thead>
<tr>
<th>Braking System</th>
<th>Work Needed</th>
<th>Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Brakes (front and rear)</td>
<td></td>
<td></td>
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<tr>
<td>Brakes, lines, air compressor, air tank.</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Exhaust System</th>
<th>Work Needed</th>
</tr>
</thead>
<tbody>
<tr>
<td>Exhaust, tail pipes mufflers.</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Electrical System</th>
<th>Work Needed</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wiring, cables, lighting, switches, gauges, alternator, starting system.</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Drive Train</th>
<th>Work Needed</th>
</tr>
</thead>
<tbody>
<tr>
<td>Engine, transmission, axles, universal joints, differential, etc. (provide compression test for engine replacement or overhaul)</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Comp. Test:</th>
<th>Parts</th>
<th>Labor</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 2 3</td>
<td></td>
<td></td>
</tr>
<tr>
<td>4 5 6 7 8</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Steering System</th>
<th>Work Needed</th>
</tr>
</thead>
<tbody>
<tr>
<td>Steering gears, linkages, bearings, etc.</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Suspension System</th>
<th>Work Needed</th>
</tr>
</thead>
<tbody>
<tr>
<td>Shock absorbers, springs, air suspension, ball joints.</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Cooling System</th>
<th>Work Needed</th>
</tr>
</thead>
<tbody>
<tr>
<td>Radiator, hoses, fans, air conditioning.</td>
<td></td>
</tr>
<tr>
<td>System</td>
<td>Work Needed</td>
</tr>
<tr>
<td>----------------------------</td>
<td>-------------</td>
</tr>
<tr>
<td>Heating System</td>
<td></td>
</tr>
<tr>
<td>Heating units, ducts, pumps hoses.</td>
<td></td>
</tr>
<tr>
<td>Fuel System</td>
<td></td>
</tr>
<tr>
<td>Fuel pump, carburetor, lines, fuel tank, filters.</td>
<td></td>
</tr>
<tr>
<td>Vehicle Understructure</td>
<td></td>
</tr>
<tr>
<td>Frame, engine mounting, bulkheads, underfloor structure.</td>
<td></td>
</tr>
<tr>
<td>Body Exterior</td>
<td></td>
</tr>
<tr>
<td>Panels/trim, windows, stepwells, doors, bumpers, paint.</td>
<td></td>
</tr>
<tr>
<td>Body Interior</td>
<td></td>
</tr>
<tr>
<td>Floor, seats, interior panels, paint.</td>
<td></td>
</tr>
<tr>
<td>Lift</td>
<td></td>
</tr>
<tr>
<td>Frame, electrical, hydraulics.</td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td>Subtotal</td>
</tr>
<tr>
<td>Total (parts and labor)</td>
<td></td>
</tr>
</tbody>
</table>

Inspection Performed By:

Mechanic's Signature: ____________________________
Agency or Company: ____________________________
Date: ____________________________

System Manager:

Signature: ____________________________
Date: ____________________________
# CHAPTER VIII

## PREVENTIVE MAINTENANCE

<table>
<thead>
<tr>
<th>A Complete Maintenance Program</th>
<th>Introduction</th>
<th>The Preventive Maintenance Schedule</th>
<th>Inspections and Reports</th>
<th>Maintenance of Loaner Vehicles</th>
<th>The Computerized Small Bus Maintenance Program</th>
<th>Description</th>
<th>Objectives</th>
<th>Reports from Local Agencies</th>
<th>Detailed Instructions for Form 3035</th>
<th>Reports to Local Agencies</th>
</tr>
</thead>
<tbody>
<tr>
<td>165</td>
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<td>165</td>
<td>165</td>
<td>165</td>
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<td>168</td>
<td>168</td>
<td>174</td>
<td>174</td>
<td>174</td>
</tr>
</tbody>
</table>
CHAPTER VIII

PREVENTIVE MAINTENANCE

A Complete Maintenance Program

Introduction

This chapter describes the forms and methods recommended for a preventive maintenance program.

Preventive maintenance will help keep your buses on the road. An organized program of inspections, scheduled service, and immediate adjustments or repairs will add months and years of useful service life to your equipment and keep mechanical failures to a minimum. The Bus Transit Division equipment specialist will answer maintenance questions and help to put a complete program in place.

The Preventive Maintenance Schedule

The MDCYf maintenance schedule for gas, propane, and diesel fueled buses (Exhibit VIII-1) is the basis of effective preventive maintenance. So that the staff will know when these maintenance tasks are due, use the maintenance record keeping system described in this chapter. It is important to perform all scheduled maintenance on time.

Inspections and Reports

The local transit agency should use the following inspection and report procedures:

• Pre-trip Inspection and Maintenance Report
  Inspect the buses every day before they are taken out on the road. This pretrip inspection includes exterior, interior, and under-the-hood checkpoints (Exhibit VIII-2). The driver should:
  1. Record starting mileage, date, and vehicle number.
  2. Inspect each item, and make a check mark if it is all right.
  3. In the right-hand column, describe problems in more detail (e.g., left front headlight out.)
  4. If the problem affects safety, report it to the mechanic for correction before the vehicle goes out. (The mechanic will note the work under "Maintenance Performed" and sign below.)
  5. To record mileage and fuel information for the day, hold the form until the end of the shift.
  6. Tell the mechanic about any service or repairs that can't wait until the monthly inspection.
  7. Store the pretrip inspection reports with others for the same bus so that they will be available for the mechanic's review.
**MICHIGAN DEPARTMENT OF TRANSPORTATION**
**BUS PREVENTIVE MAINTENANCE SCHEDULE**

### GASOLINE FUELED VEHICLES

**3,000 MILES**
- Road test vehicle for performance and handling.
- Review drivers' reports and maintenance history.
- Check first aid kit, flares, fire extinguisher, and safety triangles.
- Check lights, gauges, and accessories.
- Change engine oil and filter.
- Inspect and lube chassis and steering linkage.
- Inspect exhaust system.
- Inspect fuel tank, lines, and hoses.
- Inspect springs and shock absorbers.
- Inspect and lube drive shaft u-joints.
- Inspect brake linings, linkage, lines, and hoses.
- Measure tire tread and pressure, torque lug nuts.
- Check all fluid levels. Anti-freeze:
  - Inspect all engine belts and hoses.
  - Check fan clutch.

**5,000 MILES**
- Inspect air filter, replace fuel filter.
- Inspect and lube handicap lift, check fluid.
- Rotate tires if indicated by abnormal wear.

**15,000 MILES**
- Test performance of engine and ignition, starting, and charging systems with engine analyzer.
- Replace spark plugs and PCV valve.
- Clean battery terminals and load test battery.
- Pressure test radiator.
- Adjust carburetor, clean choke and linkage.
- Replace transmission fluid and adjust bands.

**30,000 MILES**
- Replace differential fluid.
- Repack front wheel bearings.
- Inspect rear wheel bearings.
- Service cooling system.

### PROPANE FUELED VEHICLES

**3,000 MILES**
- Road test vehicle for performance and handling.
- Review drivers' reports and maintenance history.
- Check first aid kit, flares, fire extinguisher, and safety triangles.
- Check lights, gauges, and accessories.
- Change engine oil and filter.
- Inspect and lube chassis and steering linkage.
- Inspect exhaust system.
- Inspect fuel tank, lines, and hoses.
- Inspect springs and shock absorbers.
- Inspect and lube drive shaft u-joints.
- Inspect brake linings, linkage, lines, and hoses.
- Lube parking brake, accelerator linkage, hinges, cables, locks, and rubbing parts.
- Measure tire tread and pressure, torque lug nuts.
- Check all fluid levels. Anti-freeze:
  - Inspect all engine belts and hoses.
  - Check fan clutch.

**6,000 MILES**
- Change engine oil and filter.
- Inspect air filter, replace fuel filter.
- Inspect and lube handicap lift, check fluid.
- Rotate tires if indicated by abnormal wear.

**15,000 MILES**
- Clean terminals and load test battery.
- Pressure test radiator.
- Replace transmission fluid and adjust bands.

**30,000 MILES**
- Test performance of engine and ignition, starting, and charging systems with engine analyzer.
- Replace spark plugs and PCV valve.
- Clean throat of air valve, filter in lock-off valve, and interor of converter.
- Replace differential fluid.
- Repack front wheel bearings.
- Inspect rear wheel bearings.
- Service cooling system.

### DIESEL FUELED VEHICLES

**2,500 MILES**
- Road test vehicle for performance and handling.
- Review drivers' reports and maintenance history.
- Check first aid kit, flares, fire extinguisher, and safety triangles.
- Check lights, gauges, and accessories.
- Change engine oil and filter.
- Inspect and lube chassis and steering linkage.
- Inspect exhaust system.
- Inspect fuel tank, lines, and hoses.
- Inspect and lube drive shaft u-joints.
- Inspect and lube drive shaft u-joints.
- Inspect brake linings, linkage, lines, and hoses.
- Lube parking brake, accelerator linkage, hinges, cables, locks, and rubbing parts.
- Measure tire tread and pressure, torque lug nuts.
- Check all fluid levels. Anti-freeze:
  - Inspect all engine belts and hoses.
  - Check fan clutch.

**5,000 MILES**
- Inspect and test operation of exhaust pressure regulator valve.
- Check air intake system.
- Inspect and lube handicap lift, check fluid.
- Rotate tires if indicated by abnormal wear.
- Purge water, replace fuel filters.

**7,500 MILES**
- Adjust engine idle speed.
- Inspect air filter, replace if necessary.

**15,000 MILES**
- Clean battery terminals and load test.
- Pressure test radiator.
- Replace transmission fluid and adjust bands.

**30,000 MILES**
- Replace differential fluid.
- Repack front wheel bearings.
- Inspect rear wheel bearings.
- Service cooling system.
### PRE-TRIP INSPECTION

#### A. DAILY VEHICLE CHECKLIST

**DATE**

**VEHICLE**

**MILEAGE:**
- Ending
- Starting
- Daily Total

**INSPECT AND CHECK BELOW ITEMS IF O.K.**

1. **UNDER HOOD**
   1. Oil level
   2. Radiator level
   3. Battery level
   4. Windshield washer level
   5. Engine/Hoses/Belts

2. **EXTERIOR**
   1. Tires
   2. Turn signals
   3. Head signals
   4. Tail/Brake Lights
   5. Windshield wipers
   6. Fresh body damage
   7. Cleanliness

3. **INTERIOR**
   1. Brakes
   2. Steering
   3. Transmission
   4. Mirrors (adjustments)
   5. Gauges/Instruments
   6. Controls (equipment)
   7. Radio
   8. Damage/cleanliness

**Safety Equipment:**

1. Fire Extinguisher
2. Flares/Triangles
3. First Aid Kit
4. Back-up Alarm
5. Rear Door Buzzer

4. **FUEL ADDED**
   - **gal.**

5. **OIL ADDED**
   - **qts.**

6. **Maintenance Performed**

**Driver Signature**

**Mechanic Signature**

---

*Exhibit VIII-2*
Monthly Preventive Maintenance Inspection Worksheet

The mechanic schedules and performs a monthly preventive maintenance inspection, using the worksheet shown in Exhibit VIII-3. This process includes a review of pretrip inspection reports and other maintenance records, to pick up problems reported by the drivers, and a review of the maintenance schedule (Exhibit VIII-1).

1. On the preventive maintenance worksheet, record the vehicle number, date, mileage, and special instructions for scheduled maintenance and repairs.

2. Inspect the vehicle, perform scheduled service, and make adjustments as indicated on the worksheet.

3. Mark each item (check) OK, (X) Adjustment Made, or (0) Needs Attention (for work that cannot be completed at that time).

4. Under “Comments,” describe repairs and service in more detail.

5. Complete a work order for as many maintenance tasks as can be identified (Exhibit VIII-4).

Work Order

Completed work orders are a good source of maintenance information. Whenever possible, use the standard work order form (Form 3022, Exhibit VIII-4) to record labor hours and parts for vehicle repairs and service. If mechanical work is sent out to a private garage, be sure to get the same information on the garage work orders: a breakdown of tasks, labor hours, parts, and costs.

1. Record the identifying information, mileage, and date at the top of the form.

2. If your system participates in the computerized maintenance program described later in this chapter, enter the repair code from Exhibit VIII-9.

3. Enter a maintenance labor cost that includes direct costs (the mechanic’s hourly rate) and indirect costs (rent, insurance, and maintenance supervision). A complete method is described in Exhibit VIII-5.

Small Bus Safety Inspection Checklist

For each of the vehicles in the fleet, schedule a safety inspection every six months. Some of the items in the safety inspection checklist (Exhibit VIII-6) are included in other inspections, but this procedure will emphasize everything that affects safe operation. Place a check mark beside the items in good condition. Describe problems under “Remarks” at the bottom of the sheet. Transfer all necessary repairs and adjustments to the work schedule.

Maintenance Bulletins

Maintenance bulletins are issued by the Bus Transit Division whenever there are special maintenance recommendations for a particular vehicle or component (Exhibit VIII-7). The information often comes from the manufacturer and announces repairs and adjustments to be made during the warranty period. Other bulletins recommend successful maintenance ideas used by other transit systems. When the recommended maintenance could affect safety, the project manager will check to see that the instructions have been followed.

Maintenance of Loaner Vehicles

When a major mechanical problem is going to keep a bus out of operation for an extended period, and the local transit agency is short of backup buses, the Bus Transit Division can provide a vehicle on loan while the repair work is being done. During this loan period, the local system is responsible for maintenance, repairs, and insurance. It is important to remember that loaner buses are for emergencies only. They will normally be on-site for a maximum of six months. When you perform work on a loaner vehicle, enter the details in the Motor Vehicle Service and Repair Record permanently stored on the bus. Because they are moved from system to system, a complete service history is particularly important for loaner buses.

The Computerized Small Bus Maintenance Program

Description

Over the past few years, the Bus Transit Division has developed a computerized maintenance system. This system is designed to provide managers and maintenance staff of small transit agencies with monthly output reports. System reports will detail a month’s maintenance activities and automatically provide monthly and year-to-date statistics pertinent to the management of a high-quality maintenance operation. The program uses the department’s data base computer file.

Objectives

When sufficient data is in the computer, staff will perform ongoing analysis of specific bus components and systems. Specific objectives are:

- Continuous review of the condition of vehicles
- Development of standard vehicle replacement schedules
- Evaluation of local preventive maintenance programs
- Development of life cycle cost standards (purchase price plus lifetime maintenance and fuel costs) for bus purchases
- Improvement of the fleet by inclusion of performance standards in the bidding process

168
# Preventive Maintenance Inspection Work Sheet

**Vehicle No.**

**Date**

**Mileage**

---

### Special Instructions

For Repairs Needed

---

### Prepare for Inspection

- **Check Driver's Report**
- **Wash Vehicle**
- **Review Maintenance History**

### Start Up and Drive (Check Operation Of:)

- **Starting**
- **Parking Brake**
- **Service Brake**

### Remaining in Vehicle (Check Operation Of:)

- **Fuel Gauge**
- **Oil Gauge**
- **Battery Charging Gauge**
- **Windshield Washer & Wipers**
- **Steering Wheel Free Play**
- **Registration**
- **Headlights, Hi Indicator**
- **Headlights, Low**
- **Turn Signal, Indicators**

### Outside Inspection (Check Operation Of:)

- **Hood**
- **Bumpers, Body Damage**
- **All Lights**
- **Fuel Cap**
- **Front End, King pins, Wheel Bearings, Tie Rod Ends**

### Under Hood (Check Operation Of:)

- **Air Compressor, Mounting & Belt Tension**
- **Steering Gear & Shaft (Lube)**
- **Power Steering Hoses & Oil Level**
- **Throttle Linkage**
- **Water Pump & Fan Belt**
- **Water Pump & Fan Hub (Lube)**
- **Air Filter, Change**
- **Exhaust System, Clean/Change**
- **Engine Oil, Change**
- **Oil Filter, Change**

### Under Chassis

- **Engine & Trans. Mtg. Bolts, Check & Adjust**
- **Body Mtg. Bolts, Check & Adjust**
- **Transmission, Check Gear Oil Level & Clean Breather**
- **Transmission, Check Cover, Bell & Seal Areas For Leaks**

### Drive Off & Park

- **Engine Oil, Check Level**
- **Hood Latch, Check**
- **Record All Pertinent Info. in Vehicle Records**

---

**Mechanic Signature**
This information is requested for Michigan Department of Transportation use and is to be supplied on a voluntary basis.

<table>
<thead>
<tr>
<th>PARTS</th>
<th>LABOR</th>
</tr>
</thead>
<tbody>
<tr>
<td>CODE PART NO. DESCRIPTION</td>
<td>QTY. UNIT PRICE</td>
</tr>
<tr>
<td></td>
<td></td>
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</tr>
</tbody>
</table>

TOTAL

TOTALS

REMARKS:

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Exhibit VIII-4
MAINTENANCE LABOR COSTS

The cost per hour charged for in-house maintenance labor should include labor, fringe, and direct maintenance overhead. Direct maintenance overhead consists of rent, utilities, building insurance, direct maintenance supervision, other miscellaneous shop labor and miscellaneous supplies.

- Utilities, rent, and insurance are normally allocated on the basis of the percentage of the transit building's square footage devoted to maintenance divided by total maintenance hours.
- Miscellaneous labor and maintenance supervision would be split on the basis of the percentage of time spent on maintenance divided by total maintenance hours.
- Miscellaneous supplies would normally be five percent of the direct labor plus fringe divided by total maintenance hours.

Example

1. Direct Labor Hours

1 full-time mechanic at $7.26/hr. plus 20.6 percent fringe = $ 8.76/hr.
1 full-time mechanic helper at $4 plus 20.6 percent fringe = $ 4.82/hr.

2. Total Maintenance Hours

1 full-time mechanic 2,080 hrs.
1 full-time mechanic helper 2,080 hrs.
4,160 hrs./year

3. Overhead

Utilities $2,651/4,160 = $0.64
Rent $4,400/4,160 = 1.06
Insurance $ 740/4,160 = 0.18
Supervision $4,500/4,160 = 1.08
Misc. Labor $3,000/4,160 = 0.72
Misc. Supplies $13.58/hr. x 5% = 0.68

4. Summary

Work performed by the mechanic will be charged at:

- Base wage plus fringe $ 8.76/hr.
- Overhead $4.36/hr.
- Total $13.12/hr.

Work performed by the mechanic helper will be charged at:

- Base wage & fringe $ 4.82/hr.
- Overhead $4.36/hr.
- Total $9.18/hr.
## SMALL BUS SAFETY INSPECTION CHECKLIST

**SYSTEM**

<table>
<thead>
<tr>
<th>INSPECTOR</th>
<th>INSPECTION DATE</th>
<th>VEHICLE SERIAL NO.</th>
<th>LICENSE NO.</th>
</tr>
</thead>
<tbody>
<tr>
<td>MAKE</td>
<td>MODEL</td>
<td>YEAR</td>
<td>MILEAGE</td>
</tr>
</tbody>
</table>

### A. FLUIDS

<table>
<thead>
<tr>
<th>Item</th>
<th>Description</th>
<th>System</th>
<th>Note</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Engine Oil Level</td>
<td>K. DRIVER’S SEAT</td>
<td>77 Odometer</td>
</tr>
<tr>
<td>2</td>
<td>Batteries</td>
<td>L. HEATER/DEFROSTER</td>
<td>80 Pulling</td>
</tr>
<tr>
<td>3</td>
<td>Battery Water Level</td>
<td>39 Seat Belt Works Properly</td>
<td>79 Low Brake Pedal</td>
</tr>
<tr>
<td>4</td>
<td>Brake Fluid Level</td>
<td>40 Fans Operate F/R</td>
<td>81 Noise</td>
</tr>
</tbody>
</table>

### B. GENERAL CONDITION

<table>
<thead>
<tr>
<th>Item</th>
<th>Description</th>
<th>System</th>
<th>Note</th>
</tr>
</thead>
<tbody>
<tr>
<td>5</td>
<td>Engine</td>
<td>41 Heater Operates F/R</td>
<td></td>
</tr>
<tr>
<td>6</td>
<td>Engine</td>
<td>42 Defroster Operates F/R</td>
<td>82 Holds in Park Position</td>
</tr>
</tbody>
</table>

### C. TIRES

<table>
<thead>
<tr>
<th>Item</th>
<th>Description</th>
<th>System</th>
<th>Note</th>
</tr>
</thead>
<tbody>
<tr>
<td>7</td>
<td>Tire Pressure</td>
<td>M. LIGHTS</td>
<td>84 U-Joints</td>
</tr>
<tr>
<td>8</td>
<td>Tire Pressure</td>
<td>44 Stepwell</td>
<td>85 Differential</td>
</tr>
</tbody>
</table>

### E. FLOORS/STEPS

<table>
<thead>
<tr>
<th>Item</th>
<th>Description</th>
<th>System</th>
<th>Note</th>
</tr>
</thead>
<tbody>
<tr>
<td>10</td>
<td>Type, Season</td>
<td>46 High Beam</td>
<td>86 Free Play</td>
</tr>
</tbody>
</table>

### D. DOORS

<table>
<thead>
<tr>
<th>Item</th>
<th>Description</th>
<th>System</th>
<th>Note</th>
</tr>
</thead>
<tbody>
<tr>
<td>11</td>
<td>Open &amp; Close Properly</td>
<td>48 High Beam Indicators</td>
<td>88 Pulls in Either Direction</td>
</tr>
<tr>
<td>12</td>
<td>Won’t Open Accidentally</td>
<td>49 Dimmer Switch</td>
<td>89 Power Steering Pump</td>
</tr>
</tbody>
</table>

### F. SEATS

<table>
<thead>
<tr>
<th>Item</th>
<th>Description</th>
<th>System</th>
<th>Note</th>
</tr>
</thead>
<tbody>
<tr>
<td>14</td>
<td>Seats out Exhaust</td>
<td>51 Directional Indicators</td>
<td>91 Linkage &amp; Ball Joints</td>
</tr>
</tbody>
</table>

### G. GRAB-RAIL STANCHIONS

<table>
<thead>
<tr>
<th>Item</th>
<th>Description</th>
<th>System</th>
<th>Note</th>
</tr>
</thead>
<tbody>
<tr>
<td>15</td>
<td>Clean &amp; Free of Debris</td>
<td>53 Emergency Indicators</td>
<td>92 Shocks/Mounts/Bushings</td>
</tr>
</tbody>
</table>

### H. WINDOWS

<table>
<thead>
<tr>
<th>Item</th>
<th>Description</th>
<th>System</th>
<th>Note</th>
</tr>
</thead>
<tbody>
<tr>
<td>16</td>
<td>Safe from Tripping</td>
<td>54 Running Lights</td>
<td>93 Springs</td>
</tr>
</tbody>
</table>

### I. EMERGENCY EXITS

<table>
<thead>
<tr>
<th>Item</th>
<th>Description</th>
<th>System</th>
<th>Note</th>
</tr>
</thead>
<tbody>
<tr>
<td>28</td>
<td>Doors Work Properly</td>
<td>68 Exterior View</td>
<td>106 Speed Adjustable</td>
</tr>
</tbody>
</table>

### J. SAFETY EQUIPMENT

<table>
<thead>
<tr>
<th>Item</th>
<th>Description</th>
<th>System</th>
<th>Note</th>
</tr>
</thead>
<tbody>
<tr>
<td>44</td>
<td>Fire Extinguisher</td>
<td>73 AMP/Volt Gauge</td>
<td></td>
</tr>
<tr>
<td>45</td>
<td>5 lb. ABC Fire Extinguisher</td>
<td>76 Speedometer</td>
<td></td>
</tr>
</tbody>
</table>
MAINTENANCE BULLETIN

TO: Transit Operations Operating Chevy Small Buses

FROM: Frank DeRose, Jr., Administrator

SUBJECT: Revised Intermediate Steering Shaft Lube Fitting, Availability of Secondary Throttle Valve Compound and Carburetor Adjustment Specifications

Attached are information sheets for your maintenance on Chevrolet small buses. Please forward this information to your maintenance personnel as we think it would be most helpful.

If you or your maintenance people have questions, please contact George Harris at (517) 373-7655 or Gary Teachworth at (517) 373-7645.

Administrator

Attachments

IMPORTANT: Be sure this bulletin is given to persons who service and maintain your vehicles!
Reports from Local Agencies

The reporting form for this program is the Monthly Maintenance and Cost Summary (Form 3035), presented below as Exhibit VIII-8. It is due at the Bus Transit Division ten days after the end of each month. Entries come from:

- Pretrip Inspection Forms
- The Preventive Maintenance Inspection Worksheet
- Work Orders (Use the same Maintenance Labor Costs developed for the Work Order, shown above as Exhibit VIII-5.)

When a maintenance task is performed:
1. Complete a Work Order (Exhibit VIII-4).
2. Enter a Repair Code on the work order from the Repair Type/Task List Coding Sheet (Exhibit VIII-9).
3. Transfer the work order information: date, description of the work, repair code, labor cost, parts cost, and mileage to the yellow Monthly Maintenance and Cost Summary (Exhibit VIII-8).

At the end of each month, enter the totals of routine service: fuel, fluids, washing, and interior cleaning. (Detailed instructions for the use of Form 3035 are given below.)

Detailed Instructions for Form 3035

1. Submit all data on the yellow sheets provided. Copies cannot be accepted.
2. Print all numbers clearly, and make sure that decimal points are in the right place. Otherwise, $2 may come out of the computer as $200.
3. At the top of the sheet, place a checkmark in the monthly update box and fill out:
   - System Name
   - Year (This is the calendar year, not the year of the bus.)
   - Local Bus Number.
   - State License Number.
   It isn’t necessary to fill out the serial number or beginning mileage.
4. Code the maintenance activity according to the Repair Type/Task Listing Coding Sheet marked “Revised May 1, 1985” (Exhibit VIII-9).
5. Code 3202 is now “Add Oil” only. Code 3203 is now “Oil Change and Filter.” Individual quarts of oil which are added should be listed separately and coded 3202. Oil added during the oil change, along with the filter, should be coded 3203.
6. Under “Activity Performed” on the Work Order (Form 3022) and on the yellow sheet (Form 3035), describe each maintenance task in enough detail so that its code can be selected and checked easily by other people.
7. Develop a maintenance labor cost per hour that includes all items of maintenance overhead. (Exhibit VIII-5 describes the method.) If maintenance work is farmed out to a private garage or another public garage, get a breakdown of parts, labor cost, and labor time.
8. Break down the labor costs connected with each part of the maintenance. For example, if a brake adjustment and lubrication job are part of the monthly service, record separate labor hours and labor costs for the brake adjustment and for the lubrication job. Even if the labor is free, the value of the volunteer’s time should be listed under hours and cost.
9. List the month, day, and mileage for every maintenance activity. Do not include the year in the month/day column.
10. When other fluids are added, such as antifreeze and transmission fluid, do not indicate the amount in the “QTS” column. Use this column for quarts of oil, number of bus washes, and number of interior cleanings only.
11. At the end of the month, add up all bus washings and separately add up all interior cleanings. List each total on a single line. Enter the appropriate repair code for each. Use the date for the last bus wash/interior cleaning of the month. Enter the number of bus washes/interior cleanings in the “QTS” column. Under “Labor Hours,” record the total washing/cleaning labor for the month. Enter the mileage at the last bus wash/interior cleaning of the month.
12. Do not enter a labor cost for fueling the bus, because this is usually done by the drivers. Use the line under “Month End Totals,” at the bottom of the sheet, to enter the fuel code (2500) and the month’s fuel consumption.
13. Round off ending mileage and gallons, respectively, to the nearest mile and the nearest gallon.
14. Since the computer cannot compensate for lost mileage, if the odometer in one of your vehicles breaks, it is critical to fix it as soon as possible.
15. If one of your vehicles has been out of service for the whole month, submit a sheet anyway. This allows the project manager to know the status of each vehicle.

Reports to Local Agencies

The Bus Transit Division returns completed maintenance printouts to local transit agencies within thirty days after the end of each month. Printouts include a detailed maintenance listing for each vehicle (Exhibit VIII-10) and a summary of fleet maintenance activities for the month (Exhibit VIII-11). A year-end summary of fleet maintenance is also provided. Feedback reports to participating agencies are intended to provide information in a timely way, to help
### MONTHLY VEHICLE MAINTENANCE AND COST SUMMARY

This information is requested by Michigan Dept. of Transportation use and is to be supplied on a voluntary basis.

<table>
<thead>
<tr>
<th>SYSTEM NAME/LOCATION</th>
<th>LOCAL BUS NO.</th>
<th>STATE LICENSE NO.</th>
<th>YEAR</th>
</tr>
</thead>
<tbody>
<tr>
<td>1050</td>
<td>0006</td>
<td>710793</td>
<td>1985</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>MAINT. ACT. CODE</th>
<th>DATE MO./DA</th>
<th>ACTIVITY PERFORMED</th>
<th>PARTS/ OIL</th>
<th>LABOR</th>
<th>MILEAGE</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>COST</td>
<td>QTS.</td>
<td>HOURS</td>
<td>COST</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>(to nearest mile)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2199 6/4</td>
<td></td>
<td>Replace Throttle Cable</td>
<td>15.38</td>
<td>.6</td>
<td>6.10</td>
</tr>
<tr>
<td>3202 6/7</td>
<td></td>
<td>Add Oil</td>
<td>.87</td>
<td>1</td>
<td>98795</td>
</tr>
<tr>
<td>3202 6/8</td>
<td></td>
<td>Add Oil</td>
<td>.87</td>
<td>1</td>
<td>99145</td>
</tr>
<tr>
<td>3203 6/20</td>
<td></td>
<td>Change Oil Filter</td>
<td>6.74</td>
<td>6</td>
<td>2.05</td>
</tr>
<tr>
<td>2799 6/20</td>
<td></td>
<td>Change Fuel Filter</td>
<td>1.92</td>
<td>.1</td>
<td>1.00</td>
</tr>
<tr>
<td>3210 6/20</td>
<td></td>
<td>PM Inspection</td>
<td>.5</td>
<td>5.10</td>
<td>99527</td>
</tr>
<tr>
<td>3201 6/20</td>
<td></td>
<td>Lube</td>
<td>.2</td>
<td>2.05</td>
<td>99527</td>
</tr>
<tr>
<td>3207 6/20</td>
<td></td>
<td>Brake Imp/Clean</td>
<td>.5</td>
<td>5.10</td>
<td>99527</td>
</tr>
<tr>
<td>1517 6/20</td>
<td></td>
<td>Replace Headlight</td>
<td>4.65</td>
<td>.4</td>
<td>4.10</td>
</tr>
<tr>
<td>422 4/20</td>
<td></td>
<td>Check Rear Springs</td>
<td>.5</td>
<td>5.10</td>
<td>99527</td>
</tr>
<tr>
<td>2105 6/24</td>
<td></td>
<td>Replace Distributor</td>
<td>2.51</td>
<td>.2</td>
<td>2.05</td>
</tr>
<tr>
<td>3202 6/26</td>
<td></td>
<td>Add Oil</td>
<td>.87</td>
<td>1</td>
<td>99954</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>MONTH END TOTALS</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td></td>
</tr>
</tbody>
</table>

### FOR MDOT USE ONLY

<table>
<thead>
<tr>
<th>MAINT. ACT. CODE</th>
<th>DATE MO./DA</th>
<th>ACTIVITY PERFORMED</th>
<th>COST</th>
<th>GAL. (nearest gallon)</th>
<th>MONTH END MILEAGE (to nearest mile)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2501 6/28</td>
<td></td>
<td>FUEL</td>
<td>347.10</td>
<td>320</td>
<td>100432</td>
</tr>
</tbody>
</table>

---

**1.** Activity update
**2.** Add bus to system
**3.** Monthly update
**4.** Correction
**5.** Remove bus from system

Beginning Mileage

End of Month Mileage
# Exhibit VIII-9

**Michigan Department of Transportation — UPTAN — Bus Transit Division**

## Repair Type/Task List Coding

### Accident (1100)
- 1101 Collision — Body
- 1102 Collision — Chassis
- 1103 Collision — Paint
- 1104 Glass
- 1199 Accident Misc. (Interior, Body, Hardware, etc.)

### Air Conditioning (1200)
- 1201 System Charge
- 1202 Controls
- 1203 Compressor
- 1204 Blower Motor
- 1205 Leaks
- 1206 Condenser
- 1207 Evaporator
- 1208 Idler Pulleys & Bearings
- 1299 A/C Misc. (Switches, Hoses, Belts, etc.)

### Axle — Front (1300)
- 1301 Beams
- 1302 Gear
- 1303 Seals
- 1304 R & R Axle Assembly
- 1305 Hubs
- 1306 King Pins or Spindles
- 1399 Front Axle Misc.

### Axle — Rear (1400)
- 1401 Bearings
- 1402 Gear
- 1403 Seals
- 1404 R & R Axle Assembly
- 1499 Rear Axle Misc. (2 Speed Shifter, etc.)

### Body Maintenance (1500)
- 1501 Floors
- 1502 Driver’s Seat
- 1503 Passenger Seat
- 1504 Driver Door
- 1505 Passenger Door
- 1506 Rear Door — Exit
- 1507 Lift Door
- 1508 Stanchions — Rails
- 1509 Mirrors
- 1510 Glass
- 1511 Bumpers
- 1512 Structure
- 1513 Exterior Sheet Metal
- 1514 Paint
- 1515 Interior Panels and Trim
- 1516 Wiring
- 1517 Lights
- 1599 Body Maint. Misc. (Escape Hatch, etc.)

### Brakes — Air (1600)
- 1601 Rotors & Drums — Front
- 1602 Rotors & Drums — Rear
- 1603 Lining & Hwd. — Front
- 1604 Lining & Hwd. — Rear
- 1605 Air Compressor
- 1606 Controls
- 1607 Air Tanks
- 1608 Valves Relief & Expelo
- 1609 Air Brakes Misc. (Line Leak, Etc.)

### Brakes — Hydraulic (1700)
- 1701 Rotors & Drums — Front
- 1702 Rotors & Drums — Rear
- 1703 Lining & Hwd. — Front
- 1704 Lining & Hwd. — Rear
- 1705 Calipers
- 1706 Wheel Cylinders — Front
- 176 Tunnel Wheel Cylinders — Rear
- 1709 Power Brake Unit
- 1799 Hydr. Brakes (Line, Cables, etc.)

### Cooling (1800)
- 1801 Water Pump
- 1802 Radiators
- 1803 Soft Plugs
- 1804 Fan & Drive Motor
- 1805 Fluid Change & Maintenance
- 1899 Cooling Misc. (Thermostat, Hoses, etc.)

### Drive Shaft & Universal Joints (1900)
- 1901 Drive Shaft
- 1902 Universal Joints
- 1903 Steady Rest Bearing
- 1904 Transfer Case
- 1905 R & R Axle Assembly (2 Speed Shifter, etc.)
- 1906 Rear Wheel Bearing (3900)
- 1907 Universal Joints
- 1908 Idler Pulleys & Bearings
- 1909 Power Brake Unit

### Electrical — Chassis (2100)
- 2101 Alternator/Regulator
- 2102 Starter
- 2103 Battery
- 2104 Computers/Control Box
- 2105 Distributor
- 2106 Coil
- 2107 Gauges & Instruments
- 2199 Electrical Misc. (Wiring, Switches, Light Bulbs, etc.)

### Emission Control System (2200)
- 2201 EGR System
- 2202 Air Pump & Maintenance
- 2203 Feed Back System
- 2299 Emission Control Misc. (Switches, Valves, Hoses, Controls, etc.)

### Engine (2300)
- 2301 Overhaul (Rebuilding)
- 2302 Valve Grind
- 2303 Oil Leaks
- 2304 Timing Gears, Chains
- 2305 Cams, Lift
- 2358 Bearings — Camshaft
- 2359 Bearings — Rods
- 2360 Bearings — Mains
- 2361 Pistons
- 2370 Piston Rings
- 2371 Cylinder Heads
- 2372 Short Block
- 2373 Engine Assembly
- 2399 Engine Misc.

### Exhaust (2400)
- 2401 Exhaust Pipe
- 2402 Muffler
- 2403 Tail Pipe
- 2404 Exhaust Manifold
- 2405 Catalytic Converter
- 2406 Resonator
- 2499 Exhaust Misc. (Clamps, Hangers, Gaskets, etc.)

### Fuel Fill-Ups (2500)
- 2501 Gasoline
- 2502 Diesel Fuel
- 2503 Propane Fuel

### Fuel System — Diesel (2600)
- 2601 Tank & Sender
- 2602 Injectors
- 2603 Filters
- 2604 Injection Pump
- 2605 Fuel Pump
- 2606 Turbo Charger
- 2607 Glow Plug System
- 2699 Diesel Fuel System Misc. (Fuel Lines, Etc.)

### Fuel System — Gas (2700)
- 2701 Gas Tank & Sender
- 2702 Fuel Pump
- 2703 Carburetor
- 2704 Fuel Injection System
- 2799 Gas Fuel System Misc. (Fuel Lines, Gas Filters, etc.)

### Fuel System — Propane (2800)
- 2801 Converter & Regulator
- 2802 Line Lock Off Valve
- 2803 Tank & Tank Valves
- 2804 Relief Valve
- 2805 Filler Valve
- 2806 Shutoff Valve
- 2899 Propane Fuel System Misc. (Fuel Lines, Etc.)

### Heater (2900)
- 2901 Heater Core (Front)
- 2902 Fan Motors (Front)
- 2903 Heater Controls
- 2904 Rear Heater & Core
- 2905 Rear Heater Fan Motor
- 2906 Booster Pump
- 2999 Heater Misc. (Switches, Valves, Hoses, etc.)

### Preventive Maintenance (3200)
- 3201 New Vehicle Check In
- 3202 Resale
- 3203 Transporting Vehicle
- 3299 Prep Misc.

### Prep (3100)
- 3101 Oils and Lubes
- 3102 Tune-Up
- 3103 Rear Wheel Bearing (3900)
- 3199 Preventive Maintenance (3200)

### Service Call (3400)
- 3401 Service Call — Mechanical Failure
- 3402 Service Call — Accident
- 3403 Wrecker — Tow — Mechanical
- 3404 Wrecker — Tow — Accident
- 3405 Wrecker — Tow — Stuck
- 3406 Parts Chasing
- 3499 Service Call Misc.

### Service Equipment (3500)
- 3501 Lift Maintenance
- 3502 Lift Hydraulics
- 3503 Lift Electrical
- 3504 Tachograph
- 3505 Speedometer
- 3506 Firebox
- 3507 Window Fan
- 3508 Windshield Wipers
- 3509 Safety Equipment
- 3510 Brake Rebuilder
- 3599 Serv. Equip. Misc.

### Steering (3600)
- 3601 Rack & Pinion
- 3602 Gear Box
- 3603 Power Steering Pump
- 3604 Linkage
- 3605 Steering Column
- 3699 Steering Misc. (Lines, Etc.)

### Suspension — Air (3700)
- 3701 Alignment
- 3702 Shock Absorbers
- 3703 Air Bellow
- 3704 Control Valve
- 3705 Radius Rod
- 3799 Air Suspension Misc.

### Suspension — Standard (3800)
- 3801 Alignment
- 3802 Shock Absorbers
- 3803 Rear Springs — Front
- 3804 Springs — Rear
- 3805 Springs — Rear
- 3806 Rear Axle Shafts & Control Arms
- 3807 McPherson Strut Assembly
- 3899 Standard Suspension Misc. (Springs, Etc.)

### Transmission — Automatic (3900)
- 3901 Overhaul
- 3902 Tune-Up
- 3903 Leaks
- 3904 R & R Assembly
- 3905 Converter (3900)
- 3906 Transmission Fluid
- 3999 Transmission Misc. (Transmission, Etc.)

### Transmission — Manual (4100)
- 4101 Overhaul
- 4102 Clutch Bearings
- 4103 Clutch Repair
- 4104 R & R Assembly
- 4105 Gears
- 4106 Clutch Springs
- 4199 Man. Trans. Misc. (Linkage Adjustment, Etc.)

### Transmission — Automatic (4200)
- 4201 Transmission Oil Change
- 4202 Tire Replacement — Front
- 4203 Wheel Replacement
- 4204 Tire Replacement — Rear
- 4205 Tire Rotation
- 4299 Wheels & Tires Misc. (Tire Repairs, Paint, Etc.)

**Revised May 1, 1985**
managers evaluate persistent problems, compare operating costs for different vehicles, and project future maintenance needs. The division also will issue a year-end summary of maintenance records to each participating agency. After the program has been in operation for a longer time, it will be possible to request printouts for individual bus components. The system manager could, for instance, ask to see the air conditioning repair history for some or all of the buses in the fleet.
<table>
<thead>
<tr>
<th>DATE</th>
<th>CODE</th>
<th>ACTIVITY DESCRIPTION</th>
<th>ENDING MILEAGE</th>
<th>CM HRS</th>
<th>CM MAINTENANCE LABOR</th>
<th>CM PARTS</th>
<th>CM OIL QTS</th>
<th>CM FUEL GAL</th>
<th>COST/ EVENT</th>
</tr>
</thead>
<tbody>
<tr>
<td>06-04</td>
<td>2799</td>
<td>GAS FUEL SYSTEM MISC.</td>
<td>98,244</td>
<td>.6</td>
<td>6.10</td>
<td>15.38</td>
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</tr>
</tbody>
</table>
# CHAPTER IX

## FACILITIES

<table>
<thead>
<tr>
<th>Topic</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Getting Started</td>
<td>183</td>
</tr>
<tr>
<td>Site Selection</td>
<td>183</td>
</tr>
<tr>
<td>UMTA Requirements</td>
<td>184</td>
</tr>
<tr>
<td>Parking Space Needs</td>
<td>184</td>
</tr>
<tr>
<td>Traffic Needs</td>
<td>184</td>
</tr>
<tr>
<td>Fuel Pump Island</td>
<td>184</td>
</tr>
<tr>
<td>Soil</td>
<td>184</td>
</tr>
<tr>
<td>Noise</td>
<td>184</td>
</tr>
<tr>
<td>Factors Determining Size of Garage.</td>
<td>184</td>
</tr>
<tr>
<td>Work Areas within the Facility.</td>
<td>184</td>
</tr>
<tr>
<td>Maintenance</td>
<td>184</td>
</tr>
<tr>
<td>Garage Equipment</td>
<td>185</td>
</tr>
<tr>
<td>Bus Washing</td>
<td>186</td>
</tr>
<tr>
<td>Parts Room</td>
<td>186</td>
</tr>
<tr>
<td>Body Repair and Paint Room</td>
<td>186</td>
</tr>
<tr>
<td>Offices</td>
<td>186</td>
</tr>
<tr>
<td>Employee Lounge</td>
<td>186</td>
</tr>
<tr>
<td>Conference Room</td>
<td>186</td>
</tr>
<tr>
<td>Washroom and Locker Rooms</td>
<td>186</td>
</tr>
</tbody>
</table>
General Requirements for Building .......................................................... 186
Ventilation, Insulation, and Heating ....................................................... 186
Lighting .................................................................................................. 188
Acoustics ............................................................................................... 188
Floors and Apron .................................................................................. 188
Doors ...................................................................................................... 188
Tool Boards ............................................................................................ 188
Walkways ............................................................................................... 188
Ceiling Height ....................................................................................... 188
Structural Consideration ...................................................................... 188
Utility Services ..................................................................................... 188
Safety ..................................................................................................... 189
Insurance ............................................................................................... 189
Barrier Free Standards ......................................................................... 189
Intermodal Facilities .............................................................................. 189
Putting the Plans into Action ................................................................. 189
Getting Started

Facilities for small bus storage and maintenance have a strong impact on the quality of maintenance and associated costs. In constructing a new facility for your bus system or rebuilding an existing facility, you should plan carefully in order to assure the system of a well-organized, cost-efficient structure.

Probably you will be funding the facility through the Urban Mass Transportation Administration Section 3 program which will pay 75 percent of its cost. A state grant for the local share will provide the remaining 25 percent. To seek UMTA funding, you will need to complete a Section 3 grant application. UMTA has established a number of requirements which must be fulfilled in order for you to receive project funds. To make sure you meet all requirements, you should have an application form on hand while you are doing your planning. In addition, a completed application done by another transit system that has gone through the grant application process can provide you with guidance in your own planning. Your project manager will provide you with these forms and can provide guidance throughout the process of site selection, facility design, architectural selection, grant application, and building of the facility.

Allow approximately three months for initial planning of your facility. From the beginning, you should involve a broad cross section of people. Among the most important, of course, are the persons who will be using the building – mechanics, dispatchers, drivers, and office personnel. Call a meeting to discuss what employees see as their needs in the facility, and then have employees involved in planning and researching the costs and availabilities of materials and equipment that they would like included in the plans. The following areas should be included:

- Administrative offices and dispatching
- Waiting room and ticket facilities
- Employee room
- Maintenance area
- Storage including parts, fluids, and tire storage
- Cleaning and washing area
- Heating and other utilities

In order to keep plans moving along, you will want to establish a meeting schedule and deadlines for reports and information.

Site Selection

As an early step in planning a facility you should create a site selection committee. This committee will be somewhat more formal than the facilities planning group, in that zoning issues and other concerns (legal, economic, etc.) will need to be settled. The transit board and/or local government officials should be involved in the site selection process.

The site selection committee should look at both vacant land for a new facility or at an existing facility to be reno-
vated and brought up to code. Car dealerships or heavy-duty garages, such as truck garages or utility garages, are good candidates for renovation. Employ an engineering architect to prepare an estimate on costs involved in fulfilling all UMTA requirements and other needs described in this chapter. Because governmental funding is limited, cost savings will be a major criterion in deciding whether you will build a new facility or renovate an existing one.

In looking for vacant land on which to locate the facility, a number of constraints must be considered. First, there are UMTA requirements for a site. In addition, planners must address various aspects of space needs, soil conditions, and proximity to other buildings.

UMTA Requirements

Requirements for a federally-funded building site include the following:

- The site must be adequate in size and configuration and fit into the land use plans for the area. It should be convenient to the existing service area.
- Existing buildings should be considered, and at least three alternative sites must be identified.
- A review of sewer and water access must be done. The site cannot be on a flood plain or require street improvements or rezoning.
- Transit facility plans which include all of the above must be approved by UMTA.

Parking Space Needs

When planning for parking, consideration needs to be given to:

- Space to store buses which cannot be parked inside the garage
- Space for vehicles other than buses that are to be maintained at this location
- Space for employee and public parking

Traffic Needs

With regard to traffic patterns, be sure to consider:

- Space needed to maneuver bus in and out of garage
- Movements of vehicles entering or leaving the facility grounds (A counterclockwise circulation pattern will preclude blind turns.)

Fuel Pump Island

In planning space for pump islands provide for:

- Location of fuel pumps in relation to traffic patterns and garage
- Storage area for buses waiting to be fueled
- If propane fuel is being used additional space will be needed to ensure that safety requirements are being met.

Soil

To determine whether or not the soil will support your facility, arrange for or check previously done soil borings.

Noise

When deciding if a site is appropriate for the facility, you will want to (and, legally, may have to) think about potential noise levels in relation to nearby activities.

Factors Determining Size of Garage

To determine how large the garage should be, you should consider the following:

- Number of buses – Include all buses that will be maintained and serviced at this location.
- Number of other vehicles – Include any other vehicles that will be maintained and serviced at this location.
- Maintenance area size – A minimum size garage for a small fleet of up to 15 buses employing one mechanic should have at least two maintenance stalls and an additional stall for cleaning and washing.
  - 15 to 25 bus fleets – Four maintenance stalls should be provided plus a stall for cleaning and washing and a stall for body work and painting.
- Inside storage – The amount of inside storage needed for buses depends on the circulation pattern. Design the storage area according to the existing fleet space needs and circulation requirements plus 10 percent for future expansion of the fleet.

Work Areas Within the Facility

Maintenance

Design maintenance bays according to the bus sizes in the fleet, keeping in mind possible future expansion and additions to the bus fleet. Approximate dimensions for small buses:

- 20-passenger  8' x 23'
- 24-passenger  8' x 25'
- 32-passenger  8' x 34'
- 43-passenger  8' x 39'
In all cases, the maintenance bay should have a minimum of six feet of clear space along the sides and at the rear of the bus. There should be a minimum of ten feet at the front of the bus, to leave room for a work bench and other equipment (Exhibit IX-1).

An important issue in designing the maintenance area is whether you will use hoists or pits. The main advantage of pits is that they are convenient for oil changes and lubrication. They may also be somewhat less expensive than hoists. However, they must meet OSHA standards and local regulations in their construction. A safety cover and rails must be provided in addition to special lighting. There must be approved ventilation and drainage. Because mechanics are restricted to working in the pit, they are not able to change wheels or work on the suspension. The advantage of hoists is that, with the whole bus off the ground, mechanics are able to work on all areas underneath the bus. This allows much more freedom in the work area. The most important safety consideration in using hoists is that buses must be positioned properly.

In planning the maintenance area, so that you can determine the necessary facilities and equipment for the building, outline the extent to which vehicle maintenance is to be carried out. The following section lists essential and useful items that must be evaluated to determine which items are needed and where they will be located.

**Garage Equipment**

- **Essentials**
  
  Equipment considered necessary for a bus maintenance garage includes:
  
  - A full set of mechanic's hand tools with a tool chest for each mechanic
  - A 1/4" heavy-duty impact wrench and sockets
  - A 3/8" heavy-duty impact wrench and sockets (3/4" for large buses)
  - Bearing packer
  - Bearing press
  - Portable bus washer
  - Battery charger with booster
  - Four H.D. jack stands
  - Five ton H.D. floor jack
  - A 3/4 ton dual wheel jack
  - Timing lights for electrical and diesel
  - Ball joint tools
  - Wheel balancer
  - Grease gun
  - Lube dispensers
  - Ignition and engine analyzing equipment
  - Volt-Amp and OHM meter and test light
  - Torque wrenches
  - Tire pressure gauges
  - Fire extinguishers
  - Hydraulic engine puller (cherry picker)
  - Bench grinder and portable hand grinder
  - Work benches
  - Creeper and wheeled stool
  - Drill press and full set of drills
  - H.D. drill
  - Bit sharpeners
  - Set of micrometers (0" to 4"
  - Brake drum gauge and brake rotor runout gauge
  - Brake bleeder and adapters
  - Air conditioning service kit
  - H.D. wet/dry vacuum
  - Parts washing tank
  - Transmission jack
  - Air compressor and portable air tank
  - Safety goggles

- **Useful Items**
  
  The equipment items on the list below are somewhat expensive but, if and as you can afford them, they would be useful additions to the garage:
  
  - Large shop press and accessories
  - Air jacks
  - Brake lathes for drums and rotors
  - Alignment machines
  - Tire changing machine and cage
  - Multiple reel chassis and gear lube dispensers
  - Welders (electric and acetylene)
  - Portable generator
  - Complete engine analyzer
Bus Washing

- Plan for a separate stall with water supply, electric supply drainage, and splash containment.
- Hand wash or drive through method dictated by size of fleet. Stall size and drive through capability determined from wash method and size of largest bus.

Parts Room

Adequate storage for parts is an important provision in your facility. Insufficient space for parts can result in parts being stored throughout the facility. Scattering creates problems in record keeping, inventory control, and security. The following should be considered:

- **Size** – The size of the parts room will depend on the size of the vehicle fleet being serviced, and on the approach to the tire storage problem. A medium-sized operation can require an area equivalent to a vehicle work stall for parts storage, including tires. A larger fleet will need at least an area this large for parts storage alone. Additional provisions would have to be made for tire storage.

- **Security** – A parts room completely surrounded by some type of secure partitioning is essential. The location of the parts room will have a bearing on the type of partitions needed. Under many circumstances, however, wire partitions are practical.

- **Location** – A parts room should be centrally located in respect to the general repair area and housed under the same roof. The parts distribution window or center should be accessible from within the garage.

- **Dead storage** – A separate room in a more remote area of the building is useful for storage of slow-turnover and used parts.

Body Repair and Paint Room

As stated previously, systems of less than 15 vehicles cannot justify a separate paint area. Small bus systems will not find a paint stall cost-effective. Systems over 15 buses can include a paint stall which also can be used for body repair. Extensive painting and body work requires a separate but adjacent body shop and paint booth, with a separate storage room, constructed to comply with local fire codes. Filters used to clean incoming air should have the capacity to adequately process volumes of air equal to the amounts displaced by the exhaust system. For the exhaust ventilating systems professional advice should be sought.

Offices

Office space will be needed for the transit manager, the dispatcher, and the secretaries and bookkeepers. In addition, a glassed-in maintenance office also is needed to observe the parts room, maintenance area, and bus storage area. The maintenance office should be easily accessible to the repair areas, storeroom areas, and bus storage areas.

Employee Lounge

Because drivers often work split shifts, it is very desirable to have a waiting room for drivers. These areas may be equipped with items such as tables, chairs, and vending machines.

Conference Room

The primary purpose of the conference room is to hold board meetings. It can also be used as a training room.

Washroom and Locker Rooms

Washroom facilities must be provided for both male and female employees. Tiled walls and floors are practical in garage restrooms for ease of maintenance.

General Requirements for Building

In developing facilities plans, there are a number of considerations which will affect the quality and efficiency of the building. Exhibit IX-2 is a sample floor plan for a ten-bus facility. The following areas are important in your planning:

Ventilation, Insulation, and Heating

- Use roofing material other than metal to provide insulation from the sun.
- Use insulation on the underside of bare metal roofs.
- Provide gable fans or other means to provide adequate ventilation.
- If windows are used for ventilation, consider placing them high up in the walls so that they will not take up wall space that could be used for other purposes.
- Use overhead doors at the entrance to each work stall.
- Use a central heating system.
Lighting

- Skylights in the roof can be a good source of natural light.
- Overhead doors may be constructed of transparent lucite-type plastic.
- If overhead doors are not constructed of transparent materials, you may want to have windows in the doors.
- Full spectrum fluorescent lighting should be used in the offices and at work stations. Suspend fluorescent lights from overhead between the work stalls and at the head of each work stall.
- Recess or mount fluorescent lights on the side wall adjacent to the lubrication rack near the floor.
- Do not use low-pressure sodium vapor lighting in maintenance bays because this lighting makes deciphering of coloring difficult and is a harsh light.
- Vapor-proof fixtures should be used in the paint room.
- For exterior lighting, consider using high-pressure sodium vapor rather than mercury vapor, which is somewhat more expensive.

Acoustics

- The mechanic's office should be located away from noisy equipment and operation, if possible, especially if acoustics are a problem.
- Block partitions, separating the wash area or body shop area from the other maintenance areas will tend to reduce noise and dirt circulation.

Floors and Apron

- The area surrounding the garage should be hard surfaced.
- Seal finish the garage floor to retard penetration of grease.
- The floor finish should have a hardener added and be smoothed with a trowel.
- A broad concrete apron, located in front of the vehicle entrances, is essential for maneuvering space.
- Since the gas and oil drippings will deteriorate asphalt paving, the fuel island area should be concrete.

Doors

- Doors at the entrance to the vehicle work stalls should have an opening 14-feet wide by 12-feet high.
- To help conserve energy, doors should be equipped with automatic closers.

Tool Boards

- Use racks or tool boards for placement of special tools used in various repair operations. The wall at the head of the vehicle stalls can be used for this purpose.
- Partitions projecting from the rear wall between stalls can be used as an additional area for tools. The partitions can be faced on both sides with pegboard, and they should not be over six feet high. Length of the partition will depend largely on the depth of the stall and the personnel traffic pattern.

Walkways

- Obstructions that restrict walkways, such as roof support posts, should not be placed between vehicle work stalls.
- The garage floor plan should be designed to allow easy and convenient circulation patterns for maintenance employees.

Ceiling Height

- When plans for a twin post lift are being considered, the ceiling above the area in which it is to be installed should be high enough to account for the maximum height of the lift posts, plus the height of the bus. This requires a total of approximately 17 feet.

Structural Considerations

- Be sure that the floor loads of your building will support the weights of the vehicles maintained and the heavy equipment stored there.
- In determining the structural design of the roof, factor in possible use of an overhead movable hoist. Snow also will be a consideration affecting roof loads.

Utility Services

- Electricity for the air compressor motor and other large motors will require three-phase service.
- The electric welder and wheel balancing drive motor require 220-volt service outlets.
- In addition to wall-mounted outlets, suspend service outlets between work stalls: at the head, near the work benches, and near the overhead doors.
- Be aware of water and water pressure needed for working and washing.
- Determine whether waste will be handled by means of a septic tank or a municipal sewage system.
- You should check on the availability of natural gas for heating.
• Decide on the areas for which you will want to provide air conditioning.

Safety

• The architect you select is responsible for designing into the facility all safety features required under federal, state, and local codes. In your planning sessions, be sure to cover this area thoroughly.

Insurance

• Every transit system must purchase adequate personal liability and property damage insurance. Builders’ risk insurance also must be provided.

Barrier Free Standards

Federal, state, and local rules and regulations governing barrier free standards should be followed in the construction of your facility. The architect who designs your buildings will be responsible for including these requirements in the facility and a discussion of that should be a part of your planning. Federal regulations are contained in the Code of Federal Regulations (49 CFR, Part 27), “Nondiscrimination on the Basis of Handicap in Programs Receiving Financial Assistance from the Department of Transportation.” The specific sections that will be important to you in your planning are Section 27.65, Existing Facilities, and Section 27.67, New Facilities and Alterations.

Intermodal Facilities

If your community is served by intercity bus lines (Greyhound, etc.) or by passenger rail service, you will be required to look at the possibilities for an intermodal facility. Addition of other modes requires consideration of public areas such as waiting rooms, restrooms, vending machines, etc. Space for ticket sales and package storage also must be addressed.

Putting the Plans into Action

Once you have decided on the conceptual or schematic plans for the bus facility, you will need to hire an architect to draw up your initial ideas. Along with these preliminary plans, you will need to develop a preliminary estimate of how much the facility will cost. This information should be a part of your annual application to the state in which you will request the 25 percent local funding share. In the next step, you will need to fill out the grant application to UMTA for the 75 percent funding. Allow at least one year for the approval of your grant application. When the grant has been approved, you can return to the architect and draw up a formal contract for detailed plans.
# CHAPTER X

## MARKETING

<table>
<thead>
<tr>
<th>Topic</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Introduction</td>
<td>193</td>
</tr>
<tr>
<td>Knowing the Public</td>
<td>193</td>
</tr>
<tr>
<td>Marketing Goals and Objectives</td>
<td>194</td>
</tr>
<tr>
<td>System Identity</td>
<td>194</td>
</tr>
<tr>
<td>Awareness of Service Availability</td>
<td>194</td>
</tr>
<tr>
<td>Ridership</td>
<td>194</td>
</tr>
<tr>
<td>Reaching Your Objectives</td>
<td>194</td>
</tr>
<tr>
<td>System Information</td>
<td>195</td>
</tr>
<tr>
<td>Public Relations</td>
<td>196</td>
</tr>
<tr>
<td>Special Services</td>
<td>196</td>
</tr>
<tr>
<td>Working with the Media</td>
<td>196</td>
</tr>
<tr>
<td>Employees and the Public</td>
<td>197</td>
</tr>
</tbody>
</table>
Advertising ........................................................................................................... 197
Newspaper ............................................................................................................. 197
Radio ..................................................................................................................... 198
Television ............................................................................................................... 198
Direct Mail ............................................................................................................ 198
Outdoor Advertising ............................................................................................. 198
Special Promotions ............................................................................................... 198
Merchandising ...................................................................................................... 199
Evaluation ............................................................................................................. 199
Start-Up Marketing Activities ............................................................................. 199
Preservice Activities ............................................................................................ 199
During Training Week .......................................................................................... 199
Opening Day .......................................................................................................... 199
The First Few Weeks ............................................................................................. 199
Ongoing Marketing Effort Through the End of the First Year ........................... 199
CHAPTER X

MARKETING

Introduction

The role of the system manager in marketing involves finding out what the community wants; planning and developing that service which will satisfy those wants; determining the best way to price, promote, and deliver that service; and evaluating all of these factors. Successful marketing is dependent on everyone in the transit organization, from the manager to the bus mechanic. This chapter will describe how you can determine your public's needs, how you can meet those needs, and how you can acquaint the public with the services you are providing. "Marketing Public Transit," available from your project manager, presents further details of a transit marketing program.

Knowing the Public

In order to set goals and objectives for your system, it is helpful to determine what your transit system's position is now in the minds of your community's transit users and nonusers. In addition, you will need to discover their needs and wants, their characteristics, and their attitudes. There are several areas you might want to explore in assessing your community:

- **Geography** – The size of the area you service, the location of neighborhoods, work places, shopping areas, and other facilities
- **Demographics** – The age, sex, income, and occupations of people in your community. Information can be obtained from a number of sources: MDOT Regional Planning agencies, MESC, Chambers of Commerce, and local governments
- **Psychographics** – The lifestyles and interests of people in your community, what people do for work and leisure
- **Behavioral Statistics** – What people use transit, how often, for what

There are several means by which you can learn what your transit system's position is now and what the needs of your community are:

- **Citizen Participation**
  Organize a citizens' committee by writing letters to such organizations as the service clubs, churches, PTAs, Chambers of Commerce, neighborhood housing associations, women's clubs, etc., asking them to appoint a member to serve on this committee. Participation should be broad. The citizens' committee will not only help you know your current position, but will also think of ways to improve service throughout the year and to act as a sounding board for ideas from within the service. Your LAC may also serve this purpose.

- **Surveys**
  There are several kinds of surveys that can be used to gather information about how your transit system is being used and how it is perceived. Surveys can be done over the telephone, face-to-face, by mail, or through newspapers. Ridership surveys can be conducted on
board the bus. It is important to survey both current transit users and nonusers. Even if a person never intends to ride a bus, if he believes you are providing a necessary community service, that person will support your system at times of local funding decisions. Examples of ways to survey the community and sample surveys are provided in Appendix M.

- **Driver Logs**

In addition to identifying senior citizens and handicapped, the driver logs can help you identify high ridership locations, high and low trip purposes, high use demand locations (see Exhibit III-13).

- **Monthly Operation Summary**

This summary report provides data on seven different categories of transit riders and provides clues regarding segments of the population not using transit (Exhibit III-15).

- **Manager Experience**

Your own knowledge and experience as a member of the community will be useful to you in assessing needs and developing plans for improvement of your system.

Once you have determined what your community image is and what the needs of the community are, you then develop specific goals and objectives to meet those needs.

### Marketing Goals and Objectives

In order to take action that will improve your system and to evaluate your efforts, you need to establish goals – broad statements of what you plan to accomplish. Goals are not necessarily limited to a certain time frame.

Objectives which contribute to accomplishing a goal should then be developed. These should be measurable and fairly specific. In setting your goals and objectives, make sure they are realistic in that you have the necessary resources (i.e., time and money) to achieve them. Possible areas that should have goals and objectives for a transit system regardless of size are these:

#### System Image

Your goal might be to improve the public’s perception of your system within your service area, with results evaluated by means of a “before” survey now and an “after” survey in 12 months. Marketing objectives to improve your system’s image could involve:

- Improving the system’s identification (logo, color scheme, signs) by developing and implementing this identification on all buses within six months
- Improving the physical appearance of your transit system by introducing a program to ensure a daily cleaning of all buses (inside and out) within four months

---

### Awareness of Service Availability

Your goal might be to develop 75 percent community awareness of the availability of your system’s services, as measured in an “after” market survey. Marketing objectives in this area might involve:

- Publicizing all special bus-carrying events and services by news releases before and after the event
- Developing and maintaining a telephone route information system which will handle 90 percent of all calls within three minutes

### Ridership

Your goal might be to increase total ridership 20 percent over the next 12 months. Specific marketing objectives might be:

- Increasing the number of passengers during off-peak hours by 20 percent
- Increasing the number of passengers riding work trip buses by 10 percent

### Reaching Your Objectives

Now that you know what your starting point is (i.e., current system image and needs) and your terminal point (i.e., goals and objectives), you need to develop an action plan to reach your objectives. The following steps are involved in developing your plan:

1. Developing specific marketing strategies to help achieve the goals you have established. The strategies discussed in this handbook are: 1) system identity, 2) system information, 3) public relations, 4) advertising, 5) special promotions, and 6) merchandising.

2. Setting a timetable of priorities for accomplishing each marketing strategy. You will want to create a calendar for a specific time period, perhaps a year, that shows the start and duration of each strategy.

3. Developing a marketing budget based on the cost of the various marketing strategies you would like to use. To determine the cost of each marketing technique, you will need to contact the various media (newspaper, radio, television, outdoor) to help you plan and cost out specific schedules. Based on your system’s projected expenses and revenues, you can decide how much and what you can afford (Exhibit X-1).
Exhibit X-1

<table>
<thead>
<tr>
<th>ITEM</th>
<th>BUDGET</th>
<th>PERCENTAGE OF TOTAL BUDGET</th>
</tr>
</thead>
<tbody>
<tr>
<td>Radio</td>
<td>$600</td>
<td>30%</td>
</tr>
<tr>
<td>Newspapers</td>
<td>$500</td>
<td>25%</td>
</tr>
<tr>
<td>Uniform Jackets</td>
<td>$200</td>
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<tr>
<td>Brochures</td>
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<tr>
<td>Direct Mailing</td>
<td>$500</td>
<td>25%</td>
</tr>
<tr>
<td></td>
<td>$2000</td>
<td>100%</td>
</tr>
</tbody>
</table>

4. Setting up a method to evaluate your accomplishments during the 12-month period using ridership reports, “after” on-board surveys, community surveys, meetings with the citizens’ committee, and similar activities to determine whether your marketing objectives have been achieved.

System Identity

Your transit system’s identity is the image people have of it when they think, hear, or read about it. Transit systems are highly visible because of the equipment and facilities they maintain. Symbols, schedules, advertising, and printed material all contribute to the image people have of your system.

Your system’s name and design used on buses, signs, and advertisements, contribute to your system’s identity. To improve your system’s identity, you may want to evaluate your logo and design. This can be done by:

- Getting the opinion of your citizens’ committee or another outsider
- Comparing system visual communications with those of similar community entities, such as utility companies
- Reassessing the rationale that shaped your present identity

Your system’s performance is also an important factor of its identity. Do your demand-response buses pick up your customers within the time allotted? Do your fixed-route buses consistently follow their schedules? Keep your vehicles properly maintained and clean, both inside and out. Your drivers should also be neat and professional in appearance. Finally, your system’s facilities, including administrative offices, maintenance garages, and passenger terminals or shelters must be maintained for safety, efficiency, and cleanliness.

System Information

One reason nonriders give for not using transit is a lack of readily available information about service and scheduling. Strong, simple, consistent information throughout the service area increases ridership by making transit more visible and by increasing public awareness.

Improvements and changes in the system are an ongoing part of any operation. Information on changes should be explained to the public through announcements about such things as additions or improvements in equipment, facilities, and publications. New or expanded service can be heralded by special designs or decorations to reinforce the idea of your continued efforts to expand and improve your system’s service.

Every transit system experiences problems and difficulties – equipment breakdowns, rerouting, or weather. Because most people are less irritated when they know why service is interrupted, late, or impaired, you should develop a means of getting such information to the public. Such explanations promote public understanding of transit operations, programs, and problems.

Basic information about how the system works is most important for building a useful transit system. Consider the following as means of describing the system’s operations:

- **Vehicle Information**
  Your vehicle should have all necessary information posted either inside or on the outside of the vehicle. This should include farebox information, emergency exits, route information, and information to aid the elderly and/or handicappers. Vinyl decals can be easily applied and removed from the side of the bus.

- **Bus Information Racks**
  Install bus information racks in such public facilities as malls, building lobbies, train stations, airports, schools, and other similar places.

- **Information Centers**
  Information centers can be set up in places such as malls or airports. You can also organize a mobile information center to provide information and services to various neighborhoods served by the transit system.

- **Handling Complaints**
  Mechanisms should be provided for feedback and complaints such as postage-paid compliment/complaint cards available on the buses. Complaints should be handled quickly. If possible, take action the day they are received.

- **Information Phone**
  No charge information phones, which are connected directly to the transit system, can be installed at shopping malls or other major transportation hubs.

- **Employees**
  All of your employees, especially your drivers, should be trained to give accurate, complete information about the system in a courteous manner.
**Brochures**

Information about your hours, services, routes, and fares, along with your telephone number, should be made available in places such as malls, human service agencies, schools, community centers and events, and airports. Use your system's color and logo to increase awareness of your identity (see Exhibit X-2).

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**Public Relations**

Your public relations program is aimed toward maintaining positive relationships with all members of your community. Whether or not you are seeking to increase your ridership, your relationship with your community is very important. It is valuable to keep riders, nonriders, and community leaders informed about the goals and services of your transit system and the ways in which it benefits the community. There are many ways in which the small transit manager can provide the public with information about the transit system that are low cost. You may wish to work with local public officials to make citizens aware of transit services.

Listed below are a number of activities that transit systems can engage in to keep the public informed.

---

**Special Services**

**• Speaker Services**

Compile a list of local civic clubs, handicapper groups, and neighborhood associations, and notify them that the transit system is willing to provide speakers for their programs. Talks should be planned according to program requirements. A program for children could include a colorful slide show with safety as a theme. A slide presentation for a local service club might stress the efficiency of the service, new equipment, and matters of interest to that audience. A slide presentation of 10 to 15 minutes is adequate—about 40-60 slides, depending on the length of the script.

Prepare a public information kit in advance. This might include a slide presentation and up-to-date charts, graphs, and maps describing the transit system in your area. Presentations should be enthusiastic and show pride in your organization.

The Michigan Department of Transportation has a film—"Making Michigan Move"—which provides a general overview of the Michigan Small Bus Program including references to current legislation, funding, training, and operation of a small bus system. Contact your project manager for further information.

Whenever a transit official participates in a public program, part of the presentation should be a question-and-answer session. In this way, the official can learn what part of the transit program is reaching the public and what the public's concerns are.

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**Community Events**

The transit system can take part in local fund drives, parades, carnivals or fairs, and other special community events.

**• School Presentations**

Giving presentations in schools on how to use the transit system is both a good public relations and informational tool. After talking with students, have them develop ads for your system or other informational devices that can be displayed on the buses or elsewhere in the community.

**• Special Interest Groups**

Community groups, such as the League of Women Voters or the PTA, should be kept informed of all new plans for improved service and special programs that might benefit their organizations. Tours of the transit facilities might also be arranged for these groups.

**• Business Relationships**

Inform members of your business community about how public transit helps them. Suggest working together on projects such as providing for transportation access and service for existing and new commercial facilities.

---

**Working with the Media**

In developing a public relations program with the media, it is important that you never confuse news with advertising. Before writing a news release or sending information to the media, ask yourself if it is a legitimate story with news value. Does it tell something about your system or one of your employees that the people in the community would really like to know? Let your story stand or fall on its merit as news.

What is a newsworthy event? There are a great many opportunities to send out press releases. Take advantage of them, but be careful not to overdo it to the point where you are beginning to be ignored. Here are just a few examples of possible news events:

- New graphics on your buses (Send a photo with the information.)
- New services being introduced
- Receiving a grant
- Improved ridership
- A "clean bus" campaign
- A new driver
- Delivery of new buses
- Driver or employee of the month
- A new milestone in ridership
- Participation in a community event, such as a parade or a fund raiser
- Participation and/or winner in the Annual State Small Bus Roadeo

Timeliness of a news release is important. In addition, it should be short, while including all the necessary information. The name of the transit official who can be called for additional information should be included on the press release.
Each public relations opportunity dictates the kind of article. Therefore, your press list would include not only the editor of the paper, but also the business and political editors and any other editor or reporter who covers traffic and transportation.

Personal relationships should be developed so that when you put in a press call, you will be talking to a friend and not a “contact.” The person in charge of public relations should know what each media person would consider valuable as a story. The following list of do’s and don’ts will help you in establishing your media contacts:

- Don’t ask reporters when a story will appear. They don’t know.
- Don’t complain about an unimportant error.
- Don’t ask a reporter to let you see the story before it is printed.
- Don’t thank a reporter or editor for printing your story if it’s newsworthy, they’re doing their jobs.
- Answer a reporter’s questions as honestly as you can.
- Have all the facts, figures, and details on hand.
- Provide editors with names to call during office hours, at night, and on weekends in case of an emergency.
- Be sure to know the deadline of your local papers.
- If your story is routine, the paper will usually run it whenever they have a space vacancy.

If your system receives bad publicity, an accurate news release should be sent out and personal contact with the media made immediately. The publicity should be handled honestly and quickly. Letters to the editor should be answered promptly by an official of the system.

Employees and the Public

Because drivers and other system personnel are in daily contact with the public, it is particularly important that they be included in all plans for public relations and promotion. They should be made aware of their importance as the public contact persons and their input should be invited.

Bus drivers are your best public relations contact. Encourage them to be courteous, informative, and involved with their community. Introduce them to the public in imaginative ways. For example, driver safety records could be sent to the press as news releases; community service involving drivers can be used to show their community commitment as well as the system’s encouragement of such interest.

Let your employees know that they are the system’s chief asset and that they are important to you. A quarterly newsletter is an excellent way to inform employees of the system’s plans and current financial situation, and to boost morale by publishing news of individuals’ activities within the system and in the community. It might be a publication printed by an outside company or a simple mimeographed two-page newsletter. Whatever its form, encourage employees to contribute to it.

Newspaper

In a 1983-84 survey done by the department, it was determined that newspaper ads are highly effective in increasing the awareness and usage of transit systems. The advantages of newspapers are that they are flexible, timely, and highly believable. People tend to respond sooner to one newspaper ad than to broadcast media.

To buy space in the newspaper, call the local advertising sales manager. The manager will help get ads placed and give you the price. You can request that your ad run in a particular section of the paper – general news, sports news, domestic news, entertainment news, and so forth – depending on your market audience. Price is based on “column inches,” that is, the width of one column by one inch deep. Therefore, if you plan to run an ad that is four columns wide and ten inches deep, the total cost of the ad would be based on 40 inches.
Radio

Radio has the advantages of mass use and low cost. Radio can be specifically directed to various age groups, depending on the station programming format. The following are general definitions of the types of people who respond to different types of programming:

- "Top 40-Contemporary" – Teens and adults, 18-34
- "Middle of the Road" with news, sports, etc. – Broad base of adults over 25
- "Beautiful Music" – Adults 25+, especially 35 to 65, more women
- "Country and Western" – Working class, over 35, more men
- "Rhythm and Blues"/"Gospel" – Black audience
- "All News"/"All Talk" – Adults 35-65, high income

Some towns have other ethnic radio (e.g., Polish, Spanish)

If you're looking for wide coverage in terms of territory, look for stations with powerful signals. Any station with 5,000 watts or more will have a strong signal, particularly if it's low on the dial (anything under 1100 on the dial position).

For long messages, use 60-second announcements. You can use 30-second announcements if the message is simple. For a two- or three-sentence "reminder" message, use 10-second spots. It is also helpful to know that "morning drive time" generally has the largest audience, "afternoon drive time" has the second largest, and midday has the third largest. Nighttime usually has the smallest number of listeners.

Since radio does not get an immediate response, as one newspaper ad does, you need to run a number of spots for your message to be effective. Within a three-day period, a minimum number of spots per station should be 18. Run more per station if your budget allows.

The cost of radio advertising is based on length of ad and time slots. Again, call your station's sales manager to help you make a schedule. Ask that person for a recommendation of how to best use the station to accomplish your goals.

Television

The research study done by the Department indicated that TV ads were effective in increasing bus ridership and awareness of the system's name in rural areas. The television sales manager can provide you with information on audience data for each show, as well as giving you information about spot availabilities. Again, ask for recommendations.

The growing popularity of cable television will give you even greater flexibility in reaching the audience you wish to. Usually, TV sells out fairly well in advance, due to the limited inventory of time. So the more advanced notice you give a station on your request for time, the better your chance of having a good choice of spots. If you can give the station one month's notice, it is generally to your advantage to do so. For a low-cost alternative, you might want to explore local access channels.

Direct Mail

Direct mail has the advantages of flexibility, choice of receivers, and personalization. On the negative side, some people classify direct mail ads as "junk mail." Your cost will depend on what your advertisement consists of (design and size) and what method of mailing you will use. The cost of mailing can be reduced by using the bulk rate permit or inserting your ad in newspapers or in utility bills that are already being delivered to the home.

Outdoor Advertising

The large painted boards are usually sold on one-year contracts. The boards most often seen are the "posters" which are posted monthly with preprinted paper.

Outdoor advertising is best used as an "identification" medium since a short message is called for, such as a phone number or a brief reminder. The key to outdoor advertising is to keep the message SHORT, SIMPLE, and in LARGE type that can be seen a great distance by fast-moving traffic. Although this medium is not easily targeted to a particular market, it has the advantages of high repeat exposure and low cost.

Exhibit X-4 contains sample ads that can be modified to fit the needs of your system.

Special Promotions

Promoting special events or services is a good way to add a little pizzazz or variety to your marketing plan. Special promotion possibilities include:

- Seniors Tours
  Tours can be arranged for senior citizens, such as Christmas shopping tours or fall color tours.
- Holidays
  Holidays can often provide opportunities for creative promotional themes. For example, during Christmas, vehicles can be decorated as Santa's sleigh, and reduced or free fares given on special shopping days.
- Seasonal Campaigns
  Promotions can help increase ridership during seasons when ridership traditionally declines. Your system could promote a summer activities campaign to increase student ridership during their summer vacations. Local newspaper ads and posters can be used to display a summer activities map of parks and recreational centers that could be reached using the bus.
• **Route Promotions**

Special themes could be used to promote specific routes such as those going to a shopping mall or sporting event. Create a catchy theme and develop a campaign around it, using radio, posters, etc.

• **Facilities and Equipment**

When you have received new vehicles or move into a new terminal, let the public know. Have an open house and display your new equipment.

• **Transportation Week**

Transportation Week can be promoted with free or reduced fares, contests, open houses, news coverage, etc.

**Merchandising**

Another method of reaching the public is merchandising. This is a very popular and inexpensive way of getting your system's name out on the streets and/or providing incentives for transit riders or potential passengers. Merchandising possibilities include:

- Logo imprints on shopping bags, tee-shirts, note pads, etc.
- Coupon ad in newspaper for discount or free ride
- Posters in community and commercial buildings
- Off-peak ride discounts
- Free return trips
- Discounts on merchandise and/or routes (cooperative with merchants)
- Tours or shopping packages
- Discounts to dine out
- Discounts on ticket books
- All day on and off riding privileges
- Monthly passes
- Milestone prizes for 10,000th rider, etc. (merchants donate prizes)
- Free calls from transit phones at shopping malls, etc.
- Keychains and telephone dial inserts with logo and/or system's phone number

**Evaluation**

The effectiveness of your efforts to meet your public through public relations and advertising should be continually evaluated at regular intervals to determine if your goals are being met. Some of the approaches you try will be more successful than others. From reviewing the results of your tactics, you can learn how well you have done, how many people have been aware of your promotion, how many liked riding well enough to keep doing it, how many did not like it and why.

The sections on Monitoring and Evaluation (Chapter XII) and Surveys (Appendix M) will provide you with more information on how to evaluate your promotional and advertising work.

---

**Start-Up Marketing Activities**

If you are just beginning a system, the following timetable for marketing activities might be helpful to you:

**Preservice Activities**

- Finalize system design – service area, hours, type of service, fare structure, etc.
- Press releases
- Design and order brochure (samples included)
- Talk with community groups
- Design opening ceremony

**During Training Week**

- Intensive driver and dispatcher training
- Buses visible on the street
- Telephone installed to take informational calls
- Distribute brochures at key points
- Arrange for media coverage of opening ceremony

**Opening Day**

- Start service
- Opening ceremony

**The First Few Weeks**

- Follow-up media coverage – limited advertising
- More talks with community groups
- "Debug" service to ensure high quality of service

**Ongoing Marketing Effort Through the End of the First Year**

- Continuing brochure availability and mailings in response to suggestions
- Special marketing efforts – merchants' tokens, discounts, half-fare program, free phones, work tripper service
- Coordination with intercity carriers and human service agencies
- Probable service revisions and announcements
- Continual upgrading of service quality
- Response to customer complaints
- Limited on-board and home interview survey at nine months
GENERAL INFORMATION

For the convenience and comfort of everyone on the bus, SMOKING, EATING, AND DRINKING OF BEVERAGES ARE NOT ALLOWED ON ANY OF THE BUSES.

Passengers are responsible for carrying their own packages. Please limit any items to what you can carry yourself.

If you are handicapped, the bus driver cannot come to your door and help you to the bus but he can assist you in getting on the bus.

The bus may make several stops enroute, so plan a slightly longer ride than you would expect in an automobile.

Please be ready for pickup when you place your call. The bus can only wait three minutes.

During winter months, anyone desiring trips to the ski hills must have their skis and poles bundled and held in an upright position between their knees while on the bus. Roller skates and any other sports equipment must be carried so that it doesn’t interfere with other passengers.

OTSEGO COUNTY BUS SYSTEM

P. O. Box 860
Gaylord, Michigan

COME RIDE THE BUS WITH US

Schedule effective September 1, 1981

Please phone one hour prior to desired pickup time, however, be ready to be picked up soon after you call.

732-6224
**TYPES OF SERVICE**

**DEMAND RESPONSE** — We'll pick you up at the end of your driveway and transport you to your destination. NOTE: We do not run on private roads. Please call at least one hour in advance of pickup time. Just call 732-6224.

**RESERVATION** — With this service, the bus will pick you up at the agreed time on the days requested without calling the office each time. There is a minimum of three pickups per week for reservations. With this service, we request that if you don't plan on riding on one of your reservation days, please call the dispatch office at 732-6224.

**WORK TRIPS** — Available during early morning and late afternoon hours. For more information, please call the dispatch office at 732-6224.

**CHARTER SERVICE** — Available for group trips within Otsego County. For more information, call the dispatch office at 732-6224.

**SCHOOL RUNS** — We also transport students to the Gaylord parochial schools who live outside of the school district. This service is on a route basis. For more information, please call the Manager's office at 732-7111.

**SPECIAL SERVICE** — Medical trips outside of the county are available. For more information, call the Manager's office at 732-7111.

Buses equipped with wheelchair lifts available. Please notify the dispatcher if you need this service.

**SERVICE AREA**

- Elmira
- Gaylord
- Johannesburg
- Sparr
- Vanderbilt
- Waters
- Vienna Corners (Otsego County only)
- The surrounding areas of the villages and cities

**SERVICE HOURS**

- Monday through Friday: 6:00 am to 6:00 pm
- Saturday: 9:00 am to 5:00 pm

**FARES**

- Regular (Ages 16 - 59): $1.00
- Sr. Citizen (Age 60 & over): .50
- Handicapped: .50
- Children under 16 years: .50
- Babes in arms (children under one year of age): free

**TOKENS**

Tokens are available at the Bus System office located at the Otsego County Airport or from the drivers. Tokens are sold in $5.00 packages only.

PLEASE HAVE EXACT FARE, DRIVERS ARE NOT ALLOWED TO MAKE CHANGE.
TRANSIT TIPS

- The bus may make several stops en route, so plan a slightly longer ride than you would expect by car.
- Passengers are responsible for carrying their own packages. Please limit any items to what you can carry on yourself.
- During periods of heavy snowfall, buses will travel only on roads that have been cleared.
- No smoking allowed on the bus, please.
- Exact change is required. Drivers are not allowed to make change.

THUMB AREA TRANSIT
Serving Huron and Sanilac Counties

BUS SCHEDULE
EFFECTIVE SEPTEMBER 1981

PHONE
Huron County 1-800-322-1125
Sanilac County 1-800-482-2204

THUMB AREA TRANSIT
115 SCOTT STREET
BAD AXE, MICHIGAN 48413

T.H.U.M.B. AREA TRANSIT
THUMB AREA TRANSIT
THUMB AREA TRANSIT

SANILAC
SANILAC

SANILAC
SANILAC

T.A.T. IS A TWO-COUNTY PUBLIC TRANSPORTATION SYSTEM SERVING HURON AND SANILAC COUNTIES. IT IS AVAILABLE TO ANYONE, ANY AGE, WHO IS ABLE TO TRAVEL.
TYPES OF SERVICE

1. DEMAND - RESPONSE
   Provides door-to-door service within the surrounding areas of Bad Axe and Sandusky. Please call the Dispatch Office at least one hour prior to the desired pick-up time.
   Monday - Saturday; 9:00 a.m. - 4:00 p.m.

2. 24-HOUR CALL AHEAD
   Provides door-to-door service in the rest of Huron and Sanilac Counties. A telephone call the day before will bring a bus to your door.
   Monday - Friday; 6:00 a.m. - 6:00 p.m.
   Saturday; 8:30 a.m. - 4:30 p.m.

3. WORK TRIPS
   Service is available during early morning and late afternoon hours. For more information, please call the Dispatch Office.

4. CHARTER SERVICE
   Service is available for group trips and special outings. For more information, please contact the Dispatch Office.

FARES

<table>
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<th></th>
<th>WITHIN ONE ZONE</th>
<th>EACH ADD'L ZONE</th>
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</thead>
<tbody>
<tr>
<td>Adults (18 - 59)</td>
<td>$.80</td>
<td>$.60</td>
</tr>
<tr>
<td>Students (13 - 17)</td>
<td>$.60</td>
<td>$.60</td>
</tr>
<tr>
<td>Seniors (60 and over)</td>
<td>$.40</td>
<td>$.30</td>
</tr>
<tr>
<td>Handicapped</td>
<td>$.40</td>
<td>$.30</td>
</tr>
<tr>
<td>Infants (under 5)</td>
<td>Free</td>
<td></td>
</tr>
</tbody>
</table>

Work Trips (within 4 zones) 1.00
(over 4 zones) 2.00

Please have exact fare.
Drivers are not allowed to make change.

WHEEL CHAIR LIFT AVAILABLE CALL IN ADVANCE
Tailor-made for your schedule. LTRAN can pick you up at the door and take you to doctor appointments, shopping, work, social activities or simply to visit friends!

Because LTRAN has wheelchair lift vehicles available, it is a welcome convenience for handicapped and senior citizens, though also widely used by students, adults and children accompanied by adults.

LTRAN services the entire Ingham County area (primarily outside urban Lansing) and can be reserved Monday through Friday 8:00 a.m.-5:30 p.m. by calling the numbers below.

The following is a partial list of the stops we make:

- Mason Plaza
- Holt Plaza
- Cedar Park Mall
- Meijers (S. Penn.)
- Meijers (Okemos)
- Meridian Mall
- Williamston
- Dansville
- Stockbridge
- Webberville
- Leslie
- Mason
- Holt
- Onondaga
- Area hospitals
- Community Mental Health Centers
- Ingham Intermediate Career Center.

Keep this ad handy. Just call 24 hours in advance of your appointment and you can count on LTRAN to get you there on time and safely.

YOU'RE ON THE MOVE WITH LTRAN!

Your Cost:
(one way)

<table>
<thead>
<tr>
<th>Cut County</th>
<th>Into Lansing</th>
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<tbody>
<tr>
<td>Adults</td>
<td>$1.00</td>
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<td>Students</td>
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<tr>
<td>Seniors or Handicappers</td>
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<td>.75</td>
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<tr>
<td>Children (under 5)</td>
<td>.25</td>
</tr>
<tr>
<td>No Additional Charge</td>
<td></td>
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</tbody>
</table>

Multiple Ride Cards Available

For Reservation, call the Dispatching Operator Mon.-Fri. 8-6

Please call at least one day in advance.

694-0669 Long distance, call toll free 1-800-322-1390

Funded by Michigan Department of Transportation, through Ingham County Board of Commissioners

Logo designed by Capitol Area Career Center Students Liz Herrera (Mason) and Kip Kaser (Williamston).
SOME HINTS FOR USING THE TRANSIT BUS

• Please place your calls one-half hour in advance. Keep your conversation with the dispatcher short. He will be busy.

• Many people will be using the service. You may make several stops before arriving at your destination, so plan for a slightly longer ride on the bus than you would expect in a car.

• Because other people are waiting, passengers are responsible for carrying their packages from the store to the bus and from the bus to home.

• NOTE: FOR THE CONVENIENCE OF ALL, SMOKING IS NOT ALLOWED ON BOARD THE TRANSIT VEHICLES.

HOUGHTON COUNTY PUBLIC TRANSIT
P.O. BOX 88, HANCOCK, MICHIGAN

PHONE 482-6804

CAN A BUS BE FLAGGED DOWN?

"Hail stops" and "walk on" customers will also be accommodated.

SERVICE IS AVAILABLE COUNTY WIDE

This service is being provided thru the efforts of the Houghton County Board of Commissioners and the Michigan Department of State Highways and Transportation.

Route Service Monday to Saturday, Calumet/Houghton/Painesdale follows this route.

HOUGHTON COUNTY
Public Transit

BUS SCHEDULE
Effective June 1978

PHONE 482-6804

TRANSPORTATION DIRECTOR
ALDYSIUS BRITZ

FOR A BETTER TOMORROW TAKE A BUS TODAY!

PHONE 482-6804

This service is a county-wide public transportation system, and the service is available to anyone, any age, who is able to travel.
## TYPES OF SERVICE

1. **DOOR TO DOOR** - Provides door to door service. A telephone call to the dispatch center will bring a bus to your door in the communities of Houghton/Hancock and Calumet/Laurium.

   Service: Mon.-Fri. 6:00a.m.-6:00p.m. Sat. 9:00a.m.-5:00p.m.

2. **ROUTE** - Follows highway route M-26 between Calumet, Houghton/Hancock and Painesdale, and will pick up and drop off passengers anywhere along the route. Passengers have to get to the route to be picked up. See Schedule for times and Map of route.

3. **WORK TRIPS** - Work trip service 6:00a.m. to 8:00a.m. and 4:00p.m. to 6:00p.m. Call the dispatch center for details.

4. **24 HOUR CALL AHEAD SERVICE** - Additional door to door service is available to outlying areas on designated days. For outlying area service, a telephone call 24 hours ahead is required.

   Service is provided North of Portage Lake Lift Bridge:
   Mon.-Wed.-Fri. ONLY 8a.m.-4p.m.

   Service is provided South of Portage Lake Lift Bridge:
   Tues.-Thur. ONLY 8a.m.-4p.m.

5. **LAIRD & DUNCAN AREAS** - Limited service is available. Please call the BARAGA County System at 524-6124 for more information. Twenty-four hour call ahead is required.

### ROUTE BUS SERVICE HOURS

**MONDAY THRU FRIDAY -- 6 A.M. - 6 P.M.**

<table>
<thead>
<tr>
<th>READ DOWN</th>
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<th>ARRIVE</th>
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### SERVICE HOURS

- **Monday - Friday** ....... 6:00 a.m.-6:00 p.m.
- **Saturday** .......... 9:00 a.m.-5:00 p.m.

### FARES

- Regular Fares Door-to-Door $0.50
- Route Service $0.50
- 24 Hour Call Ahead Outlying Areas 1.00
- Babies in Arms Free

Reduced Fare: Senior Citizens, age 62 years and older, all handicapped persons and youngsters 5 thru 11 ride for 1/2 fare.

Exact fare is required - driver will only give change in tickets.

### TICKETS

Available from the driver. $5.00 per book

No service on Sundays and holidays.

### OTHER SERVICES AVAILABLE

Special group trips, work trips, and small package delivery available. Call the dispatch center for more information.

**SERVICE IS AVAILABLE COUNTY WIDE**

**PHONE 482-6604**
Music Under to Jingle Close

ANNOUNCER:

NO MATTER WHETHER YOU'RE BIG
OR SMALL...SHORT OR TALL...THERE'S
A BUS IN TOWN THAT FITS BOTH
YOU AND YOUR WALLET...PERFECTLY!

IT'S (name of bus)
JUST CALL US ABOUT ______
MINUTES BEFORE YOU'RE READY TO
LEAVE. IN MOST CASES...WE'LL
PICK YOU UP AT JUST THE RIGHT
TIME.

SO COME ON. RIDE (name of bus)
SOON. AND SEE HOW WELL WE FIT
YOUR DAILY TRAVEL NEEDS.

Jingle Closing

###
ANNOUNCER:

YOU CAN RELIEVE THE DAILY HEADACHE OF COMMUTING BY TAKING (name of bus) TO WORK AND HOME AGAIN.

INSTEAD OF DRIVING...YOU CAN SIT BACK AND RELAX. INSTEAD OF PARKING...YOU'RE DROPPED OFF RIGHT AT THE DOOR.

SO COME ON...GIVE US A CALL AND RELIEVE THE HEADACHE OF COMMUTING...TAKE (name of bus) TWO TIMES A DAY. YOU'LL FEEL TERRIFIC!

Jingle Closing

###
Music Under to Jingle Close

ANNOUNCER:

NO MATTER WHETHER YOU'RE BIG OR SMALL...SHORT OR TALL...THERE'S A BUS IN TOWN THAT FITS BOTH YOU AND YOUR WALLET...PERFECTLY!

IT'S ____________________________.
(name of bus)

WE FIT PERFECTLY INTO YOUR SCHEDULE TOO. SIMPLY CALL US ABOUT _____ MINUTES BEFORE YOU'RE READY TO LEAVE. IN MOST CASES...WE'LL PICK YOU UP AT JUST THE RIGHT TIME.

AND LISTEN TO HOW WELL WE FIT YOUR BUDGET. JUST 50 CENTS FOR ADULTS...25 CENTS FOR CHILDREN...SENIORS AND HANDICAPPERS. ONE FARE TAKES YOU ALMOST ANYWHERE YOU WANT TO GO AROUND TOWN.

____________________ IS AVAILABLE
(name of bus) FOR RIDES SO
CALL _______ (give days and times)
(name of bus) SOON. OUR NUMBER IS THAT'S _____________.
(repeat phone number) SEE HOW WELL WE FIT YOUR DAILY TRAVEL NEEDS.

Jingle Closing

###
Radio Copy

INSTRUCTIONS:

COMMERCIAL NO.: 008
SUBJECT/TITLE: Getting 'Round Town
LENGTH: 40 Bed for 60 Spot
AIR DATES:

Use Cut# 4

Jingle Opening

ANNOUNCER:

GETTING 'ROUND TOWN IS A SNAP
WHEN YOU CALL (name of bus).
WE'LL PICK YOU UP AND TAKE YOU
WHERE YOU WANT TO GO...

THE SUPERMARKET...DRUG STORE...
RESTAURANT...THE MOVIES...EVEN
A FRIEND'S HOUSE!

JUST CALL (name of bus)
ABOUT ____ MINUTES BEFORE
YOU'RE READY TO LEAVE. IN
MOST CASES...WE'LL BE THERE TO
PICK YOU UP AT JUST THE RIGHT
TIME.

SO NEXT TIME YOU NEED A RIDE...CALL
A BUS! CALL (name of bus).
OUR NUMBER IS (phone number).
THAT'S (repeat phone number).

CHECK YOUR PHONE BOOK AND KEEP
US IN MIND...WE'RE GOING YOUR
WAY!

Jingle Closing

###
"I NEVER WAS A BUS PERSON... BUT THEN I CALLED (company name)"

"I LIKED THE QUICK SERVICE RIGHT TO MY DOOR... NOW I USE IT FOR WORK & SHOPPING WITH NO WORRIES ABOUT TRAFFIC OR PARKING."

GIVE US A TRY CALL . . . (phone number)
We're Going Your Way!

National Transportation Week
May 13-19

Call A Bus. Today, more than ever, the bus is one of your best transportation buys. Find out why. Now! During National Transportation Week. Just call and have a bus pick you up. We'll take you almost anywhere you want to go for just $0.50 (25¢ for seniors, handicappers and children). Call today!

Call 000-0000

LOCAL BUS IMPRINT

Transportation Makes Michigan Move
Need A Ride? Call A Friend.

Call for a pick-up by bus. We travel right in your neighborhood, and we'll take you just about anywhere you want to go. Like a friend! Next time you need a ride, call a friend. Call a bus.

Call 000-0000

LOCAL BUS IMPRINT

Transportation Makes Michigan Move
Call For The Easy-Rider

Ride The Bus

If you're a handicapper . . . we've got a sure way to get you just about anywhere you want to go around town. Call for a lift-equipped bus, and we'll pick you up right at your door. Our buses give you the freedom you want . . . at just 25¢ a ride. So come on! Ride the bus.

Call 000-0000
CHAPTER XI

PERSONNEL MANAGEMENT

Page

Policies and Procedures ................................................................. 217
Job Descriptions ........................................................................... 217
Manager ................................................................................. 217
Dispatcher .............................................................................. 218
Driver .................................................................................. 218
Secretary/Bookkeeper .................................................................. 218
Mechanic ............................................................................... 219
Personnel Selection Process ......................................................... 219
Information on Job Applicants ..................................................... 219
Locating Applicants ..................................................................... 220
Interviewing Applicants ............................................................... 220
Labor Negotiations ................................................................. 220
Employee Protection ................................................................. 220
Equal Opportunity and Affirmative Action ................................... 221
Driver Training ........................................................................ 221
Physical Examination ............................................................... 221
Driver Knowledge Test .............................................................. 221
Driving Record .......................................................................... 221
Driver Evaluation ...................................................................... 221
Driver Retraining ....................................................................... 221
Michigan Small Bus Roadeo ......................................................... 222
Appendix L – Employee Policy Manual ...................................... 237
CHAPTER XI

PERSONNEL MANAGEMENT

Policies and Procedures

Personnel management will work effectively if employees clearly understand the system’s policies and procedures. When these are spelled out on paper, and employees have been required to read and understand them, the manager has a basis for actions made necessary by deviations from the procedures.

Each transit system should develop its own policies and procedures manual. Appendix L represents a sample format for addressing major personnel concerns, which individual systems can adapt to their circumstances.

The transit system should develop specific job descriptions for each position in the organization. These job descriptions will have to be updated from time to time, reflecting changes in job requirements.

Job Descriptions

Persons who are involved in the hiring process or those who may be considering a job with a transit system should be careful to understand the job setting. Desirable characteristics for potential employees are enthusiasm about the bus system as a public service, willingness to learn, and flexibility. As services are adjusted to the demand, there may be frequent changes in assignments and duties. All must be able to work with the general public in a sensitive and professional manner.

Typical job descriptions for a local transit system include:

Manager

- Duties
  - Manage all phases of the system:
    - Administration
    - Operations
    - Maintenance
  - Perform as liaison with all city, county, and state officials concerned with the transit system.
  - Manage all personnel matters:
    - Develop personnel selection process, hire employees, etc.
    - Develop policy manual, procedures, and work schedules.
    - Supervise all employees.
  - Perform and/or supervise continuing training.
  - Purchase supplies and services as needed.
  - Establish accounting and reporting procedures.
  - Manage all local aspects of marketing and public relations:
    - Purchase advertising space/time.
    - Write reports and information pieces.
    - Handle public reactions, including complaints.
    - Do interviews and issue press releases.
  - Must be able to develop and implement necessary operational changes.
  - Must understand the development of the system budget and be able to develop local funding sources.
• Desired Attributes
  - Commitment to public transportation (Public transportation experience desirable, but not necessary.)
  - Pleasant, outgoing personality
  - Confidence to respond quickly to problems and make decisions requiring critical analysis
  - Management ability and experience
  - Sensitivity to all aspects of good personnel relations
  - “Self-starting”—ability to begin job with limited training
  - Cool under fire; not easily upset by complaints
  - Political skills for dealing with several levels of government
  - Bookkeeping and record keeping experience
  - Willingness to work long and flexible hours

Dispatcher

• Duties
  - Take customer requests for service over the telephone, accurately record information, and respond with details on expected service schedule, etc.
  - Process, organize, and coordinate reservations, standing orders, and scheduled runs.
  - Handle multiple incoming phone calls in conjunction with radio-dispatch communications.
  - Group the service requests into the most efficient tours, and assign them to vehicles using the appropriate dispatching methods.
  - Monitor vehicle locations and movement patterns.
  - Use appropriate radio-dispatching procedures according to the Federal Communication Commission guidelines.
  - Keep accurate dispatching records and implement appropriate service improvements, methods, etc.
  - Answer general information calls about the service.
  - Manage the system in the absence of the manager.
  - Be licensed to drive the vehicles and manage emergency situations according to official procedures.

• Desired Attributes
  - Pleasant phone manner
  - Enthusiasm and commitment to public transportation
  - Ability to think abstractly and organize vehicle movements
  - Familiarity with the service area (i.e., street names, shopping centers, churches, factories, etc.)
  - Quick to comprehend ideas; flexible learner
  - Calm under stress; able to handle complaints and a barrage of ringing phones
  - Adaptability and willingness to change
  - Trained in First Aid and CPR (Cardio-Pulmonary Resuscitation)

Driver

• Duties
  - Maneuver a small bus safely under all road and traffic conditions.
  - Use good judgment in interpreting dispatcher’s instructions. In particular, be able to recognize, create, and follow logical sequences for pickups and dropoffs of passengers.
  - Observe all traffic laws, including those related to buses and public transit vehicles.
  - Use correct FCC radio procedures in communication with dispatcher.
  - Keep an accurate log of all trips and farebox revenues.
  - Function as a representative of the system to the public. Be able to answer questions about the system.
  - Perform daily pretrip safety inspection of the vehicle.
  - Perform routine maintenance: washing, cleaning, fueling, and adding fluids to the vehicles as required.

• Desired Attributes
  - Capacity to follow detailed instructions
  - Pleasant personality, and sensitivity to passenger needs
  - Patience and ability to handle face-to-face complaints and problems
  - Neat appearance
  - Training in First Aid and CPR

• Qualifications
  - Chauffeur’s license and Class 3 endorsement are required. They can be obtained during training
  - Good driving skills and driving record must be maintained.
  - A written test, road test, and physical examination must be successfully completed.

Secretary/Bookkeeper

• Duties
  - Organize system bookkeeping procedures which conform to state and local guidelines.
  - Follow established accounting and reporting procedures.
— Balance and account for daily cash receipts and ticket books.
— Type necessary reports and forms.
— Answer inquiries regarding system accounts.
— Compile required daily ridership information and complete monthly ridership reports.
— Act as back-up to dispatcher during peak hours.

• Desired Attributes
  — Personable, with a pleasant telephone manner
  — Organized work habits
  — Neat appearance
  — Ability to work with others

• Qualifications
  — Training and experience in bookkeeping/accounting methods
  — Calculator, computer, and typing abilities

Mechanic

• Duties
  — Maintain and service small bus fleet.
  — Perform preventive maintenance.
  — Perform all minor repairs, including electrical circuits.
  — Order equipment parts.
  — Maintain maintenance reports and records.
  — Maintain basic parts inventory.
  — Establish basic parts and repair manual library.
  — Arrange for heavy maintenance as needed.

• Desired Attributes
  — Ability to work well with parts houses, manufacturer vendors, and local garages
  — Ability to work with and/or supervise other employees

• Qualifications
  — Workable knowledge and understanding of repair and parts manuals and the use of technical equipment and/or tools
  — Training and experience in heavy duty truck repair
  — State Mechanic's Certification

Information on Job Applicants

The following list indicates which questions are permissible and which are not permissible to ask job applicants, on forms and in interviews:

<table>
<thead>
<tr>
<th>Permissible</th>
<th>Not Permissible</th>
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<tbody>
<tr>
<td>Name</td>
<td>Reasons for name change</td>
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<tr>
<td>First, middle, and last name; nicknames</td>
<td>Length of time at present address; owns, rents or lives with relatives</td>
</tr>
<tr>
<td>Address</td>
<td>Birthdate (prior to employment)</td>
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<td>Address, telephone number</td>
<td>Inquiry into sex of applicant</td>
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<tr>
<td>Age</td>
<td>Marital status or maiden name</td>
</tr>
<tr>
<td>&quot;Are you under 18?&quot;: work permit; birth certificate (after employment)</td>
<td>Any inquiry concerning religion or creed</td>
</tr>
<tr>
<td>Sex</td>
<td>Any inquiry concerning race or color</td>
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<tr>
<td>Marital Status</td>
<td>Religious affiliation of school or date of high school graduation</td>
</tr>
<tr>
<td>Religion/Creed</td>
<td>General military experience, type of discharge, rank</td>
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<tr>
<td>Race/Color</td>
<td>Organizations not job related</td>
</tr>
<tr>
<td>Education</td>
<td>Inquiries about height, weight, etc.; establishing minimum standards; discrimination against physically handicapped is unlawful, if applicant is able to perform; reasonable accommodations must be made</td>
</tr>
<tr>
<td>Schools attended, courses taken, grades</td>
<td>Convictions</td>
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<tr>
<td>Military Service</td>
<td>Arrests</td>
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<tr>
<td>Discharge papers (after employment), titles, and responsibilities</td>
<td>Asking references information prohibited by other nonpermissible inquiries</td>
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<tr>
<td>Organizations</td>
<td>Inquiries not allowed</td>
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<tr>
<td>Physical Characteristics</td>
<td>Relevant information (after employment)</td>
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<tr>
<td>Only if specifically job related</td>
<td>Birthplace, birth certificate</td>
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<td>Criminal Record</td>
<td>Lineage, ancestry, national origin, descent, or parentage</td>
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<tr>
<td>Convictions</td>
<td>Inquiries which reveal national origin</td>
</tr>
<tr>
<td>Character References</td>
<td>OK to ask for references</td>
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<tr>
<td>National Origin</td>
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<tr>
<td>Language able to read, speak, and write</td>
<td>Birthplace, birth certificate</td>
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<td>Citizenship</td>
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The job application form should be developed in a standardized format which can be used on a continuing basis. An application form should:

- Be factual and concise.
- Conform to legal standards, laws, and regulations established by federal, state, and local governments.
- Contain questions which will aid in candidate evaluation.
- It should not be unduly personal.

Exhibit XI-1 is an up-to-date application format based on these guidelines.

The application is of importance both in the selection process and as a written record of the applicant's background and work experience. It should be kept on file at all times, and updated if the employee gains new education or work experience. References should be checked prior to employment.

Locating Applicants

There are a number of ways to let prospective applicants know that you need staff. What works best in your community and circumstances can be learned by checking with other local employers, including local government. Among the sources of new applicants which tend to have good results are:

- References from present employees (Always post open job positions on the employee bulletin board.)
- Transit publications
- Local high schools, trade and vocational schools (Get to know the placement advisors in local schools.)
- Michigan Employment Security Commission
- Employment agencies

Walk-ins also should be considered carefully.

Interviewing Applicants

Once you have identified an adequate number of applicants and received their completed applications, it is time for a formal interview. The interview is a key aspect of the selection process. A good interview, together with the application form and reference checks, will provide all the information you need to make a proper selection.

It is best to arrange all of the interviews within a short period of time, preferably a single day. This will permit you to keep a consistent format and to more rigorously make comparisons among candidates.

In general, the individual doing the interviewing should:

- Thoroughly describe the job - responsibilities, pay, benefits, hours, etc.
- Base questions on job requirements only.
- Standardize interview questions, so all are asked the same questions.
- Record interview information on a standard form.

At the end of the interview, the interviewer should thank the candidate and give him or her a firm date by which a decision will be made. Provide yourself with sufficient lead time to check references. Each candidate, successful or unsuccessful, should be notified by letter. The applications and interview forms, as a source for candidates for future openings, should be kept on file for at least two years.

Based on the results of the interview and a review of the application forms, a preliminary decision can be made. References should then be checked for the first and second choices.

Labor Negotiations

Labor negotiations for most small bus systems are handled by local government, but you will certainly have some role in the negotiations. The key points to remember in any negotiations, either with individuals or unions, are as follows:

- Remain cool and collected.
- Deal as a professional, not as an adversary or a friend.
- Know the needs and limits of the system regarding pay, benefits, and conditions.
- Before making an offer, clear it with appropriate officials (e.g., the transportation board).
- State all offers clearly and specifically.
- Ask for comparable specifics from the other side, and be sure that you understand them.
- Start the discussion early enough to avoid strike deadlines, if possible.

One good way to rehearse for an upcoming session with the union is to "role-play" the session with one or more friends or members of your staff. Prepare a set of objectives and attitudes which represent the current position of the union, as you understand it. Then hold a "mock" bargaining session with the union role player. By giving the union role free rein, you will gain experience in dealing with possible positions and offers from the union.

Employee Protection

If you receive federal financial assistance for your transit system, you should know about Section 13(c) of the Urban Mass Transportation Act, as amended. This section requires that fair and equitable arrangements be made, as determined by the Secretary of Labor, to protect the interests of employees who may be affected by such assistance. It applies to all transit properties receiving federal assistance under federal Section 18, as well as under other federal mass transit assistance programs. Detailed information about Section 13(c) can be found in the Rural Transpor-
tion Employee Protection Guidebook, available through your project manager.

Should you wish to apply for aid under federal Section 18, note that the Section 13(c) requirements are incorporated into the MDOT annual application and instructions. Please read and follow those instructions carefully.

**Equal Opportunity and Affirmative Action**

The transit system must adhere to federal/state requirements on hiring, retention, and promotion of minorities, women, and disadvantaged or handicapped persons. Guidelines and requirements are provided by MDITT annually. (For detailed information about Title VI requirements, see Chapter IV - Grants and Contracts.)

**Driver Training**

In order to be authorized to drive a small bus furnished through a state or federal transportation grant, a person must pass physical and driver examinations. The Bus Transit Division has developed a four-part procedure. Initial training for newly established transit systems will be provided by the Bus Transit Division training specialist. Systems in operation will provide training for new employees. The Small Bus Program: Operator's Manual, used throughout the training program, is available through the Bus Transit Division.

The four parts which must be completed successfully to qualify for driving a small bus are:

**Physical Examination**

A physical examination certifying the physical fitness of a small bus driver should be completed prior to the driver being allowed to transport passengers. To determine driver eligibility, U.S. Department of Transportation rules will be followed. These rules are explained on the reverse side of the physical examination form. The examination is required for all drivers. It should be renewed for each driver on an annual basis (Exhibit XI-2).

The physical examination form will be retained on file.

**Driver Knowledge Test**

A Beginning Small Bus Driver Knowledge Test must be passed before a driver may drive a small bus. The test may be administered verbally, if necessary (Exhibit XI-3). It is scored on the basis of 100 points maximum. A passing grade of 75 percent must be attained to qualify for a passing score on the written test.

The test will be administered in a consistent manner throughout the state, using a written form prescribed by MDOT, or a local test may be substituted with the approval of Bus Transit Division. The system manager or a designated training coordinator will be authorized to administer the test under the direction of Bus Transit Division.

Evidence of successful completion of the written test will be retained on file.

**Driving Record**

Every driver must have a valid chauffeur's license, with a Class 3 endorsement, prior to transporting passengers. Systems cannot employ any person as a small bus driver who has accumulated *seven or more points* on his or her driving record in the two years preceding employment. No driver who has accumulated seven or more points, or is under suspension or revocation by the Michigan Department of State, will be allowed to continue driving a small bus.

Driving records will be retained on file.

**Driver Evaluation**

Before driving a small bus being used to transport passengers, a driver must pass a "behind-the-wheel" evaluation (Exhibit XI-4). A copy of the driver evaluation will be retained on file.

The evaluation will be administered by Bus Transit personnel and/or the system manager. It consists of observation and evaluation of the driving techniques and procedures emphasized throughout the training program. Scoring is on a pass/fail basis.

On successful completion of the training program, a Michigan Department of State DE-5 waiver form (Exhibit XI-5) will be signed by the instructor or system manager, acknowledging driving competency for the Class 3 endorsement. The bus operator will then present the waiver form to the Michigan Department of State for a permanent endorsement.

**Driver Refraining**

Each system should have an ongoing retraining program. Although training should not be regarded as a cure all for problems in the organization, it may be used as a tool to:

- Improve employees' skills, and attitudes, or apply methods to increase existing performance standards.
- Assist employees in becoming familiar with new equipment, technology, and operational modes to be introduced into the system.
Effective retraining can result in:

- Reduced waste
- Reduced absenteeism
- Increased personal involvement
- Reduced supervisory costs
- Lower overtime costs
- Lower maintenance expenditures
- Reduced personal injuries
- Increased job satisfaction

Specific retraining assistance is available through Bus Transit Division. Copies of the Michigan Small Bus Program: Operator’s Manual are available on request. In addition, systems can borrow – at no cost – a number of 16mm technical training films:

- Lift Bus Operational Procedures (14 minutes)
- Pretrip Inspections/Drivers Maintenance Procedures (10 minutes)
- Passenger Stops and Railroad Crossing Procedures (11 minutes)
- Radio and Dispatching Procedures (10 minutes)
- Emergency Procedures and Equipment (8 minutes)
- Developing Driving Skills (12 minutes)

Insurance companies can be a source for additional training. Some companies have employees who will provide on-site instruction in safety and driver education. Contact your local insurance agent to see if this service is available.

Another way to encourage good driving habits is to hold an awards banquet. Provide awards to drivers who have maintained an outstanding safety record in the past year. Because of its interest in driver safety, your insurance company may be willing to contribute to the banquet by paying for the awards and sending someone to the banquet to present them.

**Michigan Small Bus Roadeo**

The Michigan Small Bus Roadeo is an annual event co-sponsored by the Michigan Department of Transportation and the Michigan Public Transit Association. Over one hundred transit systems are eligible to participate in the one-day competition. The primary purpose of the Roadeo is to recognize the importance of the driver in Michigan’s public transit program and to foster safe and defensive driving habits.

Each transit agency is encouraged to develop a systematic approach for selecting the most qualified driver for this statewide competition. This may include organizing your own Roadeo or co-sponsoring a Roadeo with other systems in the area.

Contestants must:

- Be current bus drivers, regularly operating a small bus (25-passenger maximum)
- Have had no suspension from work within the bus system in the past 12 months
- Have had no avoidable accidents in the past 12 months, or since starting work for the system
- Have a driving record which does not exceed five points, according to state motor vehicle records, as of the competition date
- Have good attitude and knowledge concerning safe operation of a bus

The first place winner from the previous year is not eligible to compete in the Roadeo.

Eligible drivers are required to compete in three categories:

- **Written Test** – The test includes basic traffic law, transportation regulations, rules of the road, and safe operational techniques.
- **Pretrip Inspection** – Contestants are allowed five minutes to check a bus as if getting ready for a typical day’s operation. Points are awarded for each planned problem found.
- **Driving Competition** – Contestants drive through a course set up with specific driving problems. Drivers are scored on individual problems and allowed a specified amount of time to complete the course. Points are deducted for exceeding the time limit (Exhibit XI-6). While the Roadeo course is being driven, an on-board judge evaluates the contestant with regard to safety habits and operational techniques.

Awards are presented to the ten contestants who accumulate the greatest number of total points. In the spirit of friendly competition, all transit systems receive individual recognition and a certificate of participation.

A handbook on preparing for the small bus Roadeo can be obtained from the Bus Transit Division.
Application
For Employment

Applicants are considered for all positions without regard to race, color, religion, sex, national origin, age, marital or veteran status, or the presence of a non-job-related medical condition or handicap.

(PLEASE PRINT)

Date of Application _______________________

Position(s) Applied For _______________________

Referral Source:  □ Advertisement □ Friend □ Relative □ Walk-In
□ Employment Agency □ Other _______________________

Name _______________________

Address _______________________

Telephone _______________________

If employed and you are under 18, can you furnish a work permit? □ Yes □ No

Have you filed an application here before? □ Yes □ No  If Yes, give date _______________________

Have you ever been employed here before? □ Yes □ No  If Yes, give date _______________________

Are you employed now? □ Yes □ No  May we contact your present employer? □ Yes □ No

Are you prevented from lawfully becoming employed in this country because of Visa or Immigration Status? □ Yes □ No
(Proof of citizenship or immigration status may be required upon employment.)

On what date would you be available for work? _______________________

Are you available to work □ Full Time □ Part-Time □ Shift Work □ Temporary

Are you on a lay-off and subject to recall? □ Yes □ No

Can you travel if a job requires it? □ Yes □ No

Have you been convicted of a felony within the last 7 years? □ No □ Yes

If Yes, please explain ________________________________________________________________

AN EQUAL OPPORTUNITY EMPLOYER M/F/V/H
Exhibit XI-1 (cont’d)

Veteran of the U.S. military service? □ Yes □ No If Yes, Branch __________________________

Do you have any physical, mental or medical impairment or disability that would limit your job performance for the position for which you are applying? □ Yes □ No

If Yes, please explain ________________________________________________________________

Are there workplace accommodations which would assure better job placement and/or enable you to perform your job to your maximum capability? □ Yes □ No

If Yes, please indicate: ______________________________________________________________

Indicate what foreign languages you speak, read, and/or write.

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<thead>
<tr>
<th>FLUENTLY</th>
<th>GOOD</th>
<th>FAIR</th>
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List professional, trade, business or civic activities and offices held. (Exclude those which indicate race, color, religion, sex or national origin): ____________________________________________________________

Give name, address and telephone number of three references who are not related to you and are not previous employers.

__________________________________________________________

__________________________________________________________

__________________________________________________________

Special Employment Notice to Disabled Veterans, Vietnam Era Veterans, and Individuals With Physical Or Mental Handicaps.

Government contractors are subject to Section 402 of the Vietnam Era Veterans Readjustment Act of 1974 which requires that they take affirmative action to employ and advance in employment qualified disabled veterans and veterans of the Vietnam Era, and Section 503 of the Rehabilitation Act of 1973, as amended, which requires government contractors to take affirmative action to employ and advance in employment qualified handicapped individuals.

If you are a disabled veteran, or have a physical or mental handicap, you are invited to volunteer this information. The purpose is to provide information regarding proper placement and appropriate accommodation to enable you to perform the job in a proper and safe manner. This information will be treated as confidential. Failure to provide this information will not jeopardize or adversely affect any consideration you may receive for employment.

If you wish to be identified, please sign below:

□ Handicapped Individual □ Disabled Veteran □ Vietnam Era Veteran

Signed ____________________________________________
### Employment Experience

Start with your present or last job. Include military service assignments and volunteer activities. Exclude organization names which indicate race, color, religion, sex or national origin.

<table>
<thead>
<tr>
<th>Employer</th>
<th>Dates Employed</th>
<th>Work Performed</th>
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<td>Job Title</td>
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<td>Supervisor</td>
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<td>Reason for Leaving</td>
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If you need additional space, please continue on a separate sheet of paper.

### Special Skills and Qualifications
Summarize special skills and qualifications acquired from employment or other experience

---

225
## Education

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<tr>
<th>School Name</th>
<th>Elementary</th>
<th>High</th>
<th>College/University</th>
<th>Graduate/Professional</th>
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### Years Completed
- (Circle) 4 5 6 7 8 9 10 11 12 1 2 3 4

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Describe Course Of Study:

Describe Specialized Training, Apprenticeship, Skills, and Extra-Curricular Activities

Honors Received:

State any additional information you feel may be helpful to us in considering your application.

## Agreement

I certify that answers given herein are true and complete to the best of my knowledge.

I authorize investigation of all statements contained in this application for employment as may be necessary in arriving at an employment decision.

In the event of employment, I understand that false or misleading information given in my application or interview(s) may result in discharge. I understand, also, that I am required to abide by all rules and regulations of the Company.

Signature of Applicant Date

## For Personnel Department Use Only

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<th>No</th>
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<tr>
<td>Hourly Rate/ Salary</td>
<td>Department</td>
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By Name and Title Date

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This Application for Employment and Applicant Data Record is sold for general use throughout the United States. Amsterdam Printing and Litho Corp. assumes no responsibility for the inclusion in said form of any questions which, when asked by the employer of the job applicant, may violate State and/or Federal Law.
### PHYSICAL EXAMINATION FORM
(MEETS DEPARTMENT OF TRANSPORTATION REQUIREMENTS)

**To Be Filled In By Examining Physician (Please Print):**

- **Date of Examination**
- **New Certification**
- **Recertification**

**Driver’s Name**

**Soc. Sec. No.**

**Date of Birth**

**Age**

**Health History:**

<table>
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<tr>
<th>Yes</th>
<th>No</th>
<th>Asthma</th>
<th>Yes</th>
<th>No</th>
<th>Nervous stomach</th>
<th>Yes</th>
<th>No</th>
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<th></th>
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<th>Rheumatic fever</th>
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<th>Seizures, fits, convulsions, or fainting</th>
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<th>Gastrointestinal ulcer</th>
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*If answer to any of the above is yes, explain:*

**General appearance and development:**

**Vision:**

- For Distance: Right 20/400, Left 20/400
- Evidence of disease or injury: Right, Left
- Color Test: Horizontal field of vision: Right, Left

**Hearing:**

- Right ear: Decibel loss at 500 Hz __, at 1,000 Hz __, at 2,000 Hz __
- Decibel loss at 500 Hz __, at 1,000 Hz __, at 2,000 Hz __

**Audiometric test:** (if audiometer is used to test hearing)

**Throat:**

- Heart: __
- If organic disease is present, is it fully compensated? __
- Blood pressure: Systolic __, Diastolic __
- Pulse: Before exercise __, Immediately after exercise __

**Thorax:**

- Lungs: __
- Disease or injury: __

**Abdomen:**

- Scars: __
- Abnormal masses: __
- Tenderness: __
- Hernia: Yes __, No __
- If so, where? __
- Is truss worn? __

**Gastrointestinal:**

- Ulceration or other diseases: Yes __, No __
- Urethral discharge: __
- Normal __, Increased __, Absent __

**Genito-Urinary:**

- Scars: __
- Urine: Spec. Gr. __, Alb. __, Sugar __, Sugar __
- Normal __, Increased __

**Reflexes:**

- Rhomberg __
- Pupillary Light: R __, L __
- Accommodation: Right __, Left __
- Knee jerks: Right __, Normal __, Increased __, Absent __
- Left: Normal __, Increased __, Absent __

**Extremities:**

- Upper __, Lower __
- Spec. Gr __, Alb __, Sugar __
- Spine __

**Laboratory and Other Special:**

- Other Laboratory Data (Serology, etc.) __
- Radiological Data __
- Electrocardiograph __

**Findings:**

**General Comments:**

**Date of Examination** __________

**Name of Examining Doctor (Print):**

**Address of Examining Doctor:**

**MEDICAL EXAMINER’S CERTIFICATE TO BE COMPLETED ONLY IF DRIVER IS FOUND QUALIFIED**

MEDICAL EXAMINER’S CERTIFICATE (I certify that I have examined)

(Driver’s name (Print))

(Driver’s name (Print))

(Date of examination) __________

(Name of examining doctor (Print))

(Date of examination) __________

(Signature of examining doctor)

(Signature of driver)

(Address of driver)

The following will be completed only when the visual test is conducted by a licensed ophthalmologist or optometrist:

(Certification Number)

(Signature of Optometrist)

(Signature of Optometrist)

ADDRESS EXHIBIT XI-2

INSTRUCTIONS ON REVERSE SIDE
INSTRUCTIONS FOR PERFORMING AND RECORDING PHYSICAL EXAMINATIONS

The examining physician should review these instructions before performing the physical examination. Answer each question yes or no where appropriate.

The examining physician should be aware of the rigorous physical demands and mental and emotional responsibilities placed on the driver of a commercial motor vehicle.

A person is physically qualified to drive a motor vehicle if—

(1) There is no loss of a foot, leg, arm, hand, or an arthritic or other condition that requires the assistance of a brace or support. The examining physician is required to certify that the driver does not have any physical, mental, or organic defect of such a nature as to affect the driver’s ability to operate safely a commercial motor vehicle.

(2) There is no impairment of the use of a foot, leg, arm, hand, or any other structural defect that would interfere with the ability to control and safely drive a motor vehicle.

(3) There is no abnormality of the heart, large blood vessel, lung, kidney, liver, or brain requiring corrective medication.

(4) There is no current diagnosis of myocardial infarction, angina pectoris, coronary insufficiency, or pulmonary or renal disease requiring corrective medication.

(5) There is no history of epilepsy or any condition that may affect the driver’s ability to operate a motor vehicle safely.

(6) There is no current diagnosis of hypertension requiring corrective medication.

(7) There is no history of angina pectoris, coronary insufficiency, or any other condition that would affect the driver’s ability to operate a motor vehicle safely.

(8) There is no current diagnosis of high blood pressure likely to interfere with the driver’s ability to operate a motor vehicle safely.

(9) There is no history of ankle or foot disease or condition likely to interfere with the driver’s ability to operate a motor vehicle safely.

(10) There is no history of ankle or foot disease or condition likely to interfere with the driver’s ability to operate a motor vehicle safely.

(11) There is no history of ankle or foot disease or condition likely to interfere with the driver’s ability to operate a motor vehicle safely.

(12) There is no history of ankle or foot disease or condition likely to interfere with the driver’s ability to operate a motor vehicle safely.

(13) There is no current diagnosis of alcoholism.

General information. The purpose of this history and physical examination is to detect the presence of physical, mental, or organic defects of such a character and extent as to affect the applicant’s ability to operate a motor vehicle safely. The examining physician should make a careful history and physical examination. The examination should be made carefully and at ease as complete as indicated by the attached form. History of certain defects may be required for rejection or consideration for making certain laboratory tests or a further, and more stringent, examination. Defects may be recorded which do not, because of their character or degree, indicate that medical fitness is not completely maintained. However, these defects should be discussed with the applicant and he should be advised to take the necessary steps to improve his condition. Defects, when necessary, should lead to a condition likely to affect his ability to drive safely.

General appearance and development. Note marked overweight. Note any posture defect, perceptible limp, tremor, or other defects that might be caused by alcohol, thyroid, intoxication, or other illnesses.

The Federal Motor Carrier Safety Regulations provide that no driver shall use a hearing aid or other aid forming drug.

Head-eyes. When other than the Snellen chart is used, the results of such tests must be expressed in values comparable to Snellen’s vision and recorded.

Note any defects in the hearing aid or other aid forming drug.

Hearing test. When using 500 Hz, 1,000 Hz, and 2,000 Hz audiometers, determine which of the applicant’s ears is affected.

Hearing loss at 2,000 Hz is to be noted when not obtained.

The examining physician must date and sign his findings upon completion of the examination.

The medical examination shall be performed by a licensed doctor of medicine or osteopathy. A licensed optometrist or ophthalmologist may perform examinations pertaining to visual acuity, field of vision, and ability to recognize colours.

If the medical examiner finds that the person he examined is physically qualified to drive a motor vehicle he shall complete the Medical Examiner’s Certificate and furnish a copy to the person examined and one copy to the motor carrier employer.
DRIVER KNOWLEDGE TEST

Procedure: TRUE or FALSE

1. When entering a highway from a driveway, private road, or alley, you must reduce speed and proceed with caution.

2. After you have stopped for a school bus loading or unloading passengers, you may proceed after the alternating red rights have been turned off and/or the bus resumes motion.

3. Small bus emergency equipment should be inspected by the bus driver when it has to be used.

4. Small bus emergency equipment includes three red-burning fuses and three bi-directional reflective triangles.

5. If the speed limit is not posted in a business or residential area, you may drive 30 mph.

6. In Michigan, if not prohibited by a sign, it is legal to turn left on a red traffic signal from a one-way or two-way street onto a one-way street.

7. After passing another vehicle, you should move back into the right lane when you can see the front bumper or grill of the vehicle you're passing in your rearview (outside) mirror.

8. A "Pass with Care" sign marks the end of a no-passing zone.

9. When overtaking a stopped school bus with alternating red flashers on, I must stop, then proceed when the driver signals with a hand signal.

10. It is illegal to pass another vehicle when there is a solid yellow line in your lane.

11. A bus driver must yield to pedestrians only at stop signs and signals.

12. If the rear of your bus begins to skid, concentrate on braking.

13. The driver of a vehicle, when approached by an authorized emergency vehicle displaying flashing lights and an audible siren, must move to the right lane or portion of the roadway, but may continue to travel.

14. Any change of direction from a straight line, turning, or lane changing requires the driver to signal and observe.

15. The maximum speed limit where highway construction, roadwork, or surveying has blocked all or part of a lane, is 45 mph.

17. A flashing yellow traffic signal at an intersection means you should stop and yield to cross traffic.

18. The total braking distance of a bus only depends upon vehicle weight, speed, and tire condition.

19. On the yellow light after a green light, you must stop before entering the intersection if you can safely do so.

20. A "no-passing strip" may be crossed when making a proper left turn.

21. If two vehicles arrive at an uncontrolled intersection at the same time the driver on the right yields to the driver on the left.

22. While driving a bus in traffic, the space you can best control is in front of your bus.

23. At an intersection controlled by four-way stop signs, you should stop and yield to vehicles that reach the intersection before you.

24. When preparing to exit from a freeway, you should slow down before entering the deceleration lane.

25. If after a radio transmission the dispatch responds with "10-4" that means repeat the message.

26. If the dispatcher requests your "10-20," you should respond with "My location is . . . ."

27. When approaching a railroad crossing with gates down and red lights flashing, but no train in sight, you may proceed around the gate after a complete stop.

28. If your brakes fail, you should pump the brake pedal, shift to a lower gear, apply parking brake slowly and look for an escape route.

29. Traffic entering the freeway has the right of way.

30. When stopping for the purpose of loading and unloading passengers, the bus driver should always open the passenger door before placing the gear shift lever in park.

31. The small round "convex" mirrors on the outside of the bus make objects appear closer than they really are.

32. The most important items you should check before starting the engine are the water and oil levels.

33. Passing on the right is legal when two or more lanes of traffic are moving in the same direction.

34. When approaching an intersection with a "yield right of way" sign, the driver of a bus must stop before entering the intersection.
35. The driver of a bus may drive at the maximum posted speed only when vehicle, road, and weather conditions are ideal.

36. The term "blind-spot" refers to any area which is blocked from the driver's view.

37. Whenever you park and leave your vehicle unattended, Michigan law requires you to turn off the engine and set the parking brake.

38. If your accelerator pedal sticks or jams, while you are driving, do not reach down to pull it loose with your hand.

39. If you run off the road onto an unpaved shoulder, which is much lower than the pavement, you should reduce speed to 5-10 mph, grip steering wheel firmly, and turn sharply back onto the pavement.

40. You need NOT stop for a school bus loading or unloading passengers when approaching from the opposite direction on a divided highway.

41. When driving down a steep grade, it is dangerous and unlawful for a bus driver to put the vehicle in neutral and coast.

42. If a radio transmission from dispatch is not clearly understood, you should respond with "10-9 base. . . ."

43. It is the responsibility of the bus driver to make sure the vehicle is in safe running condition.

44. You are most likely to be driving in another driver's blind spot when you are passing.

45. Skids are generally caused by driving too fast for conditions.

46. When approaching a stop sign when there are no crosswalks, adjacent sidewalks, or stop lines painted, you should stop at the point nearest the intersection roadway where you can see approaching traffic.

47. A bus, for the purpose of taking on or discharging passengers, may be stopped in front of a public or private driveway.

48. Michigan law requires a paid bus driver to have a valid chauffeur's license and a class 3 endorsement.

49. Regulations require the driver of a disabled bus to place warning devices any place the driver thinks the devices will be seen by traffic approaching from the front and rear.

50. Railroad crossings require that a bus driver slow to 10 mph, when the warning lights are not flashing and/or the crossing gate is not down.
TEST II

Answer Sheet

NAME: ___________________________ Date: ___________________

SYSTEM: ___________________________ Score: ___________________

Instructions:

1. Indicate if the statement is True or False by placing an "X" through the corresponding T or F on the answer sheet. Example: T  F

2. Place all answers on the answer sheet.

3. Upon completion of the quiz please return the answer sheet and test booklet to the instructor.

4. You will have 30 minutes to complete the quiz . . . .

"GOOD LUCK"

1. T  F
2. T  F
3. T  F
4. T  F
5. T  F
6. T  F
7. T  F
8. T  F
9. T  F
10. T  F
11. T  F
12. T  F
13. T  F
14. T  F
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SMALL BUS TRAINING PROGRAM

Driver Evaluation

Driver's Name: __________________________
Chauffeur's License No.: __________________
Classified Endorsement: __________________
License Expiration Date: _________________

A. DRIVER PREPARATION:
1. Seat Adjustment/Seat Belt
2. Mirror Adjustments/Check
3. Instruments/Gauge Controls
4. Hands on Steering Wheel

B. ACCELERATION/BRAKING/BACKING:
5. Acceleration
6. Braking Procedures
7. Stopping Distance
8. Backing Techniques (L/R)

C. VISUAL SKILLS:
9. Driving Perception
10. Mirror Use
11. Vehicle Orientation/Blind Spots

D. SIGNALLING:
12. Turns (R & L)
13. Lane changes/Passing
14. Passenger Stops
15. Railroad Crossings

E. PASSENGER STOP PROCEDURE
16. Observe Traffic/Check Mirrors
17. Reduce Speed
18. Activate Four-Way Flashers
19. Stop/Distance to Curb
20. Place Gear Shift in Park
21. Passengers Seated
22. Visual Check/Mirrors
23. Deactivate Four-Way Flashers
24. Signal/Check Traffic
25. Safely Re-enter Traffic Flow

F. RADIO/DISPATCH:
10-Codes
Driver Log

RECOMMENDATIONS:

G. RAILROAD CROSSINGS:
28. Observe Traffic/Check Mirrors
29. Reduce Speed
30. Activate Four-Way Flashers
31. Pull to the Right (as applicable)
32. Stop (10–50 foot of nearest rail)
33. Look and Listen (equip. shut down)
34. Proceed Cautionly Across Tracks
35. Observe Traffic/Check Mirrors
36. Deactivate Four-Way Flashers
37. Safely Re-enter Traffic Flow/Signal

H. LANE USE/TURNING:
38. Correct Speed/Conditions
39. Multiple Lane Use
40. Lane Change/Visual/Signal
41. Following Distance
42. Approach Lane/Turning (L/R)
43. Completion Lane/Turning (L/R)
44. Right of Way

I. TRAFFIC CONTROLS:
45. 3-Phase
46. Flashing Signal (yellow/red/arrow)
47. Stop/Yield/Uncontrolled
48. School/Pedestrian Crossing Zone
49. Crosswalk/Stop Line
50. Turn on Red (L/R)

J. EXPRESSWAY: (when applicable)

Merging:
51. Visual Check/Mirrors
52. Signal
53. Acceleration Lane
54. Speed
55. Lane Change/Passing
56. Following Distance

Exiting:
57. Visual Check/Mirrors
58. Signal
59. Deceleration Lane
60. Exit Ramp/Speed

Project: __________________________
Date: ____________________________
Pass __________ Fail __________
Instructor: _______________________

Observe Traffic/Check Mirrors
Reduce Speed
Activate Four-Way Flashers
Stop / Distance to Curb
Look and Listen (equip. shut down)
Proceed Cautionly Across Tracks
Observe Traffic/Check Mirrors
Deactivate Four-Way Flashers
Safely Re-enter Traffic Flow/Signal

Correct Speed/Conditions
Multiple Lane Use
Lane Change/Visual/Signal
Following Distance
Approach Lane/Turning (L/R)
Completion Lane/Turning (L/R)
Right of Way
3-Phase
Flashin Signal (yellow/red/arrow)
Stop/Yield/Uncontrolled
School/Pedestrian Crossing Zone
Crosswalk/Stop Line
Turn on Red (L/R)
Visual Check/Mirrors
Signal
Acceleration Lane
Speed
Lane Change/Passing
Following Distance
Visual Check/Mirrors
Signal
Deceleration Lane
Exit Ramp/Speed
# Exhibit XI-5

## CLASSIFIED ENDORSEMENT WAIVER

**EVIDENCE OF DRIVING EXPERIENCE OR TRAINING**

Pursuant to Section 257.312f. (1) of the Michigan Vehicle Code, this form is an application for a classified endorsement road test waiver.

### Part 1

<table>
<thead>
<tr>
<th>APPLICANT'S NAME</th>
<th>BIRTH DATE</th>
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<tr>
<th>ADDRESS</th>
<th>CITY</th>
<th>MI.</th>
<th>ZIP</th>
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<thead>
<tr>
<th>MICHIGAN DRIVER LICENSE NO.</th>
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</table>

### Part 2

The applicant drives the following type(s) of vehicle:

- [ ] A single vehicle weighing over 24,000 lbs. gross vehicle weight (Class 1)
- [ ] A vehicle towing a vehicle weighing over 10,000 lbs. gross vehicle weight (Class 2)
- [ ] A combination of vehicles weighing over 24,000 lbs. gross vehicle weight (Class 2)
- [ ] A bus or school bus (Class 3)

### Part 3

In my opinion, ___________________________ (applicant's name) is fully qualified to safely operate the type of vehicle or combination of vehicles indicated above having been:

- [ ] given a road test under my supervision on ______________ 19__ consisting of ____ miles in a ____________________________ make of power unit ________ tailer

- [ ] employed for this principal purpose from _______________ to ______________ (minimum 30 days).

<table>
<thead>
<tr>
<th>Business name and address:</th>
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<thead>
<tr>
<th>Signature of Examiner or Employer</th>
<th>Date</th>
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<tr>
<th>Title</th>
<th>Telephone No. (Area Code)</th>
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### Part 4

I hereby declare and affirm that, to the best of my knowledge and belief, the information furnished hereon is true and correct.

<table>
<thead>
<tr>
<th>Signature of Applicant</th>
<th>Date</th>
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<tbody>
<tr>
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</table>

### Part 5

(To be completed only by the Department of State)

- [ ] YEAR __________ MAKE ______________ OF POWER UNIT LICENSE PLATE NO.

- [ ] A VALID DRIVER LICENSE ISSUED BY THE STATE OF LICENSE NO. __________ CLASS __________

- [ ] ATTACHED IS A COPY OF CERTIFICATE OF DRIVER'S DOT OR MPSC ROAD TEST ISSUED WITHIN THE LAST THREE YEARS.

---

DE-5 (7/80) MICHIGAN DEPARTMENT OF STATE

—Station Stamp—
1984 ROADEO LAYOUT

5 TRACKS

4 TURN IN

3 PASSENGER PICKUP CURBING

6 PARKING PARALLEL

7 DIMINISHING CLEARANCE

8 JUDGMENT STOP

2 SERPENTINE

START

1 LEFT TURN
For most people, there is no material reward without hard work. You will find that your employment with City-County Transit (CCT) does not constitute an exception to this rule. It is, however, hoped that you will find that the service you provide is an honorable one which is worthy of your best effort.

The services provided by the CCT shall be performed in an efficient, business-like, helpful, and courteous manner. The persons employed to render this service shall exemplify these characteristics.

CCT recognizes and acknowledges its responsibilities to promote, defend, and protect the rights and opportunities of all present and future employees. As is consistent with such recognition and acknowledgment, CCT will not discriminate against any employee or applicant for employment because of race, color, sex, age, handicap, religious preference, ancestry, marital status, national origin, or place of birth.
## CHAPTER I: LEAVE POLICY

- **Overview** .................................................................................................................. 241
- **Purpose** ......................................................................................................................... 241
- **Scope** ............................................................................................................................ 241
- **Definitions** .................................................................................................................... 241
- **Employee** ........................................................................................................................ 241
  - **Regular Employee** ....................................................................................................... 241
  - **Temporary Employee** .................................................................................................. 241
  - **Full-Time Employee** ................................................................................................... 241
  - **Part-Time Employee** .................................................................................................... 241
  - **Casual Employee** ........................................................................................................ 241
- **Vacations** ........................................................................................................................ 241
- **Compensated Sick Leave** ............................................................................................... 242
- **Holidays** ......................................................................................................................... 242
- **Emergency Leave** .......................................................................................................... 243
- **Jury Duty** ....................................................................................................................... 243
- **Hospital & Medical Insurance** ....................................................................................... 243
- **Hiring Pay Schedule** ..................................................................................................... 243
- **Hire Date/Anniversary** .................................................................................................. 243
- **Order of Layoff** ............................................................................................................. 243

## CHAPTER II: EMPLOYMENT RULES

- **Personal Conduct Rules** ............................................................................................... 245
- Use of CCT Equipment, Vehicles, and/or Facilities ......................................................... 245
CHAPTER III: PURCHASING POLICIES

<table>
<thead>
<tr>
<th>Topic</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Purchase Order System</td>
<td>247</td>
</tr>
<tr>
<td>Purpose</td>
<td>247</td>
</tr>
<tr>
<td>Policy</td>
<td>247</td>
</tr>
<tr>
<td>Procedure</td>
<td>247</td>
</tr>
<tr>
<td>Petty Cash</td>
<td>247</td>
</tr>
<tr>
<td>Purpose</td>
<td>247</td>
</tr>
<tr>
<td>Policy</td>
<td>247</td>
</tr>
<tr>
<td>Disbursements</td>
<td>248</td>
</tr>
</tbody>
</table>

CHAPTER IV: TRAVEL POLICY

<table>
<thead>
<tr>
<th>Topic</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reimbursement for Travel Expenses</td>
<td>249</td>
</tr>
</tbody>
</table>

CHAPTER V: MILITARY SERVICE

<table>
<thead>
<tr>
<th>Topic</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Military Service</td>
<td>251</td>
</tr>
</tbody>
</table>

CHAPTER VI: MISCELLANEOUS

<table>
<thead>
<tr>
<th>Topic</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Work Schedules</td>
<td>253</td>
</tr>
<tr>
<td>Work Hours</td>
<td>253</td>
</tr>
<tr>
<td>Overtime</td>
<td>253</td>
</tr>
<tr>
<td>Inclement Weather-System Closing</td>
<td>254</td>
</tr>
<tr>
<td>Grievance Procedure</td>
<td>254</td>
</tr>
<tr>
<td>Grievance Form</td>
<td>255</td>
</tr>
<tr>
<td>Grievance Investigations</td>
<td>256</td>
</tr>
<tr>
<td>Receipt for Rules and Policies</td>
<td>257</td>
</tr>
<tr>
<td>Exceptions to this Policy</td>
<td>258</td>
</tr>
</tbody>
</table>

All policies and rules contained in this publication are effective as of ______________, and this manual supersedes all previous policies covering the subject matters addressed herein.
CHAPTER 1

LEAVE POLICY

Overview

Purpose

To establish and maintain a procedure for the accrual and usage of Annual Leave, Compensated Sick Leave, Holidays, and other types of leave.

Scope

All employees of City-County Transit.

Definitions

Employee: All persons employed on an hourly or salaried basis by CCT.

Regular Employee: Any employee who has completed a six-months probationary period.

Temporary Employee: Any employee who has not completed a six months probationary period, or who has been hired to perform for a specified period of time.

Full-Time Employee: Three independent criteria must be simultaneously and continuously met in order for an employee to be considered as a full-time employee. These criteria are:

1. The employee's position must be designated by CCT's Board as a full-time position.
2. The position must involve an average work week of at least 35 hours.
3. Full-time employees must be available to work up to 45 hours per week.

Part-Time Employee: Any regular employee whose position fails to meet one or more of the criteria necessary to establish the position as having full-time status.

Casual Employee: Any employee who is employed for less than one month.

Vacations

1. Each regular full-time employee shall accrue one vacation day with pay for each month worked. Employees, on completion of their probation, will be credited with six days' accrual.

   • Employees with five or more years of consecutive service shall accrue 1.25 days of vacation per month.
   • Employees with ten or more years of consecutive service shall accrue 1.5 vacation days per month.
   • Employees starting on or before the fifteenth of the month, get vacation and sick leave for that first month; starting after the fifteenth, they get one day in the following month.
2. Vacation days earned may be accumulated to a maximum of 24 days. Vacation days must be used. Employees may not receive payment in lieu of vacation.

3. Vacation days used shall be charged against an employee in units of not less than one day.

4. Vacation shall be used as determined by the employee's department head with due regard for the wishes of the employee and particular regard for the department. If requested by the department head in writing to delay a vacation, an employee may possibly accrue vacation in excess of the stated maximum.

5. Any employee who is terminated prior to completing six months of service shall receive no vacation pay.

6. Any employee who has served six months or more will, upon termination, receive payment for any unused vacation at the regular hourly rate.

7. Holidays falling within any employee's vacation period shall not be charged as vacation.

8. Sick leave may not be used until an employee shall have completed six months of service. At that time he/she shall be credited with three days accrual.

9. Sick leave is to be considered a grant, not a right. Sick leave shall only be allowed in cases of necessity.

10. Sick leave shall only be allowed in cases of necessity. Employees must notify their department head prior to, or within, two hours after the regular starting time for their department, to be eligible for sick leave. The Transportation Manager will determine if an employee is eligible for sick leave.

11. When absence, due to illness, is for more than ten working days, the employee shall file a Physician's Certificate signifying his/her fitness to perform his/her duties prior to returning to work.

12. Unused sick days may be accumulated to a total of not more than 120 days (i.e., 24 work weeks).

13. An employee on sick leave, who simultaneously receives compensation under Worker's Compensation Laws, shall receive, for the duration of such compensation, but not to exceed six months, only that portion of his/her regular salary or wages which will, together with such compensation, equal his/her regular weekly salary or monthly wage. Such additional payment shall not be paid for injuries sustained because of negligence on the part of the employee insured.

If an employee is injured during the course of his/her duties and is unable to perform, the time off, due to the injury, will not be charged to his/her accumulated Sick Leave.

8. Employees must report within 24 hours any injury sustained by him. Failure to do so shall create the presumption that such resulted from his/her own negligence.

9. If an employee is taken ill while on vacation, he/she may report this fact to the Executive Director and may be allowed to change to sick leave, the vacation time lost due to illness.

10. An employee separated from CCT employment, either voluntarily or for cause, shall not be paid for unused sick leave.

11. The CCT Office shall keep a record of employees accumulated Sick Leave Days.

12. Sick leave shall be charged against employees in units of not less than one-half days.

13. An employee injured during any other gainful employment, outside of CCT employment, shall not be eligible for sick leave.

14. Any employee found to be abusing the sick leave privilege shall be subject to disciplinary action.

15. Temporary employees shall not be granted any sick leave except as noted in item 1 regarding probationary employees.

16. Employees on unpaid leave of absence shall accrue no sick leave days for the duration of their leave.

17. In case of a prolonged absence due to illness or injury to the employee, CCT shall carry his/her hospitalization insurance for a period not to exceed 90 days. Beyond 90 days, continued insurance coverage shall be at the employee's own expense.

Compensated Sick Leave

1. Compensated sick leave shall be granted to each regular full-time employee at the rate of one-half of a day for each month worked, beginning with their date of hire. Employees on completion of their probation will be credited with three days accrual.

2. Sick leave may not be used until an employee shall have completed six months of service. At that time he/she shall be credited with three days.

3. Sick leave is to be considered a grant, not a right. Sick leave shall only be allowed in cases of necessity.

4. Employees must notify their department head prior to, or within, two hours after the regular starting time for their department, to be eligible for sick leave. The Transportation Manager will determine if an employee is eligible for sick leave.

5. When absence, due to illness, is for more than ten working days, the employee shall file a Physician's Certificate signifying his/her fitness to perform his/her duties prior to returning to work.

6. Unused sick days may be accumulated to a total of not more than 120 days (i.e., 24 work weeks).

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17. In case of a prolonged absence due to illness or injury to the employee, CCT shall carry his/her hospitalization insurance for a period not to exceed 90 days. Beyond 90 days, continued insurance coverage shall be at the employee's own expense.

Holidays

1. The following shall be considered paid holidays for all full-time employees. Paid holidays (as well as sick days and vacation days) shall be based on standard full work days with the understanding that these days will not exceed eight hours.

- New Year's Day
- Memorial Day (Last Monday in May)
- Independence Day (July 4th)
- Labor Day (First Monday in September)
- Thanksgiving Day (Fourth Thursday in November)
- Christmas Day (December 25th)

TOTAL = six days
2. If any holiday falls on Saturday, the paid holiday shall be the preceding day, or Friday. If any holidays fall on Sunday, the paid holiday shall be the day following, or Monday.

- To be eligible for a paid holiday, an employee must have worked the entire last scheduled work day preceding the holiday and the entire scheduled work day following the holiday, or have been on an approved paid leave of absence if absent on either of said days.
- Casual and part-time employees are not eligible for paid holidays.

**Emergency Leaves**

1. In case of death in his/her immediate family, a regular employee shall be granted a leave of absence with pay for the work days falling within the period between the time of death and the day of the funeral. Such leave is not to exceed three days.

2. "Immediate Family" is defined as mother, father, sister, brother, grandfather, grandmother, father-in-law, mother-in-law, husband, wife, child, grandfather-in-law, grandmother-in-law, brother-in-law, sister-in-law, and grandchildren or relative residing in the employee's household.

**Jury Duty**

A regular full-time employee who is called for jury duty may serve as required. He is expected to be at work at all hours when not serving as a juror.

Leave of absence for jury duty is with full pay, less the amount received by the employee for such jury duty.

**Hospital and Medical Insurance**

CCT carries and pays premiums for each regular full-time employee for Michigan Blue Cross/Blue Shield, or an equivalent, hospital and medical insurance. Our present policy is termed "Michigan Variable Fee I" and includes Major Medical and $2 copayment Prescription Rider. The policy is for single persons, two person families, or families in excess of two persons.

In addition to the above, children who have attained the age of 19 may be carried on a special rider at the employee's expense, if they meet the criteria of Michigan Hospital Service. Coverage of these children is not automatic. Employees must come to the CCT Office to enroll such children in a family continuation plan.

**Hiring Pay Schedule**

New employees will be paid at a rate of ten percent less than the standard wage for the department in which he/she shall work, for a probation period of six months.

**Hire Date/Anniversary**

The first day of paid employment with CCT will be your date of hire and your anniversary date for each consecutive year of employment. All vacations and sick leaves will begin to accrue on that date.

**Order of Layoff**

In the event that circumstances or conditions mandate layoffs, seniority within the affected department (as opposed to seniority within the system) shall be the seniority criteria used to determine the order of layoffs.

Employees on layoff by CCT, and designated by CCT as eligible for re-hire, will retain their seniority for a period of 180 calendar days.
CHAPTER II

EMPLOYMENT RULES

Personal Conduct Rules

The purpose of these rules and regulations is not to restrict the rights of anyone, but to define these rights, to protect the rights of all, and to ensure cooperation. Committing any of the following violations will be sufficient grounds for disciplinary action ranging from reprimand to immediate discharge.

1. Absence without reasonable cause (Absence must be reported to the supervisor or CCT Office no later than two hours after starting time.)
2. Reporting late for work (Anticipated lateness must be reported not later than starting time to the supervisor or CCT Office.)
3. Leaving the job during working hours without permission
4. Failure to wear presentable dress and/or uniform if required
5. Creating or contributing to unsanitary conditions
6. Possession of weapons on CCT premises, unless authorized
7. Refusal to obey orders of supervisor
8. Refusal or failure to do job assignment
9. Threatening, intimidating, coercing, or interfering with employees, supervisors, or customers
10. Gambling on CCT premises
11. Abusive language to employees, supervisors, etc.
12. Fighting on premises
13. Theft or misappropriation of property of employees or of the CCT, or any business or residence where you may be working in the name of CCT
14. Possession of, or drinking of, liquor or any alcoholic beverage on the CCT premises at any time (Includes possession or use of illegal drugs.)
15. Reporting for work under the influence of alcohol or other illegal drugs
16. Sabotage of CCT building, equipment, or operational status
17. Immoral conduct or indecency

Use of City-County Transit Equipment, Vehicles, and/or Facilities

1. Anyone operating CCT vehicles will be responsible for checking the oil and coolant levels, condition of the tires, brakes, lights, horn, and other safety equipment including hydraulic controls, etc., prior to, during and after operating such equipment.
2. Any mechanical problem discovered during these
checks will be reported to your supervisor, in writing, immediately upon noticing the problem.

3. CCT equipment is to be operated at all times in a courteous and safe manner and operator is to obey all traffic laws strictly.

4. No CCT vehicle will be used for private purposes, such as transportation from CCT garage for coffee breaks, lunch, shopping, or personal errands.

5. No CCT employee will use the CCT garage or other CCT building for private purposes either during the work day or outside of working hours.

6. Due to the dangers to individual physical well-being inherent in any maintenance facility, individuals who are not CCT employees or CCT Board members will not be allowed to visit the CCT maintenance facility.

There are only two exceptions to this rule. The exceptions are:

1. Salespersons representing suppliers, when accompanied by CCT management personnel

2. The designated representatives of entities which the facility serves (These designated representatives must be accompanied by CCT management personnel when in the shop area.)
CHAPTER III

PURCHASING POLICIES

Purchase Order System

Purpose
To originate and establish a purchase order system and to define the approval requirements and distribution of purchase orders for CCT.

Policy
The purchase order will be the document used by all departments to obtain goods and services essential to CCT operations.

Procedure
Any employee wishing to purchase goods or services for CCT business will complete a purchase order. He/she will then have the purchase order approved by his/her department head. The original copy shall be sent (or taken) to the vendor. The first carbon shall be forwarded to the CCT treasurer's office. The second carbon shall be retained by the CCT department head for checking against the shipment.

A. Authorization for signature:
1. Department head – $5 to $250
   Authorized department heads are:
   Operations Managers
   Office Manager
2. Executive Director – Over $250

B. Purchases of less than $5 will be handled through Petty Cash unless ordered from outside the transportation office. In this case, the above procedure will be followed.

Petty Cash

Purpose
To define the methods for disbursement of funds through Petty Cash.

Policy
An imprest Petty Cash fund, operated by the CCT's office, will be maintained for payment of miscellaneous expenditures of less than $5 by employees in connection with CCT business.
Disbursements

1. The business office will disburse funds only upon presentation of a properly prepared Petty Cash Reimbursement Voucher with appropriate receipts attached.

2. Employee submits one copy of the Petty Cash Reimbursement Voucher, prepared as follows:
   - Employee name, department, job title, and date voucher is submitted
   - The date the expenditure was made
   - The reason for the expenditure (Attach all receipts.)
   - The amount of each expenditure, normally, less than $5
   - Cash and authorization to be picked up by: the printed name of the person who will receive the money
   - Signed: the signature of the person who made the expenditure
   - Cash received by: the signature of the person who actually received the money from the Petty Cash custodian
CHAPTER IV

TRAVEL POLICY

Reimbursement for Travel Expenses

Travel expenses will be reimbursed by CCT under the following conditions.

1. In order for travel expenses to be eligible for reimbursement, they must have prior authorization by either the Transportation Manager or the CCT Board.

2. Meals, lodging, and public carrier transit will be reimbursed for actual expenses incurred.

3. Authorized use of an employee's personal vehicle will be reimbursed at a rate approved by the CCT board (___ cents per mile).

4. A properly prepared travel voucher with attached receipts and/or documentation must be presented within five working days after completion of the trip.

Cash advances for authorized travel may be issued at the Transportation Manager's discretion.
CHAPTER V

MILITARY SERVICE

Employees who leave CCT employment for active service in one of the regular United States military or naval units shall be entitled to those re-employment rights as prescribed by federal laws and regulations.

Employees who are members of the National Guard, Army Reserve, Marine Corps Reserve, Air Corps Reserve, or Coast Guard Reserve and are called to active duty for an annual training period, not in excess of two weeks, shall be entitled to an unpaid leave of absence, for said two weeks, in addition to their annual vacation leave from their respective duties.
CHAPTER VI

MISCELLANEOUS

Work Schedules

Schedules will be based on the convenience of the CCT system, not the employee. To meet the needs of passenger transportation, all employees must be available to work 45 hours per week should it be necessary. Shift assignments will be based on the best use of personnel during peak service hours. Scheduling preference will be given to qualified regular full-time employees.

Office - CCT

Start at 9 a.m.
Stop at 5 p.m.

No definite coffee breaks. One hour paid lunch period, to be taken in shifts in order to keep the office open at all times.

Maintenance

Shifts as scheduled.

Operation Managers and Assistant Managers

Shifts as scheduled, with a one hour paid lunch period

Dispatch

Shifts as scheduled

Operators

Shifts as scheduled

Overtime

All hourly employees will be paid 1.5 times their rate of pay for hours worked in excess of 40 per week, which currently begins at 12 a.m. Monday and ends at 11:59 p.m. the following Sunday.

Pay checks will be available every two weeks, approximately five days after the close of the pay period.
Inclement Weather—System Closing

When weather and road conditions warrant closing the system before the first shift begins, all employees and both radio stations will be notified.

Should the system be in operation when the decision to close is made, all employees will be paid only for the hours worked. A minimum of two hours will be paid, should the hours worked be less.

Grievance Procedure

A grievance procedure generally is recognized as an institutionalized means of resolving a legitimate conflict of opinion. The act of filing is not necessarily regarded as a negative action. In fact, a well considered grievance can have a positive result for the individual and/or the system as a whole.

If a problem arises during employment with CCT and an employee has a grievance, the following steps are recommended:

The employee should request a grievance form and explain, in writing, the nature of the grievance. This form is to be presented to the Transportation Manager within one working day of the occurrence. Within five days, the Transportation Manager and the employee will discuss the matter and hopefully come to an amicable solution. If such a solution is not found, the employee will be provided with the opportunity to present his/her grievance to the CCT Board. Referral to the CCT Board may be the result of a written request initiated either by the employee or by the Transportation Manager.

The check list for grievance investigations should be used by the transportation manager during the grievance procedure to keep a record of his/her actions.
Employee Grievance Form

Name: ___________________________________________________________

Statement of Grievance:

Recommended Solution:

Date Given to Transportation Manager: ________________________________

Results of Decision:

______________________________________________________________

Employer’s Signature

Date

Employee’s Signature

Date

255
Check List for Grievance Investigations

1. Receive the Grievance Appropriately. Did I:
   a. Give the employee a hearing?
   b. Ask questions?
   c. Give the employee my full attention?
   d. Ask him/her to repeat the facts as he/she sees them?
   e. Repeat essentials in my own words?
   f. Assure him/her of an answer according to the collective bargaining agreement or policy?

2. Get the Facts. Did I:
   a. Get all the facts?
   b. Check the collective bargaining agreement for all applicable provisions?
   c. Check company policy?
   d. Examine employee’s record?
   e. Talk with all individuals concerned?

3. Weigh and Decide. Did I:
   a. Fit all facts together?
   b. Consider their bearing on each other?
   c. Weigh alternative actions?
   d. Consider objective and effect on individual, group, and company?

4. Take Action. Did I:
   a. Take appropriate corrective action if employee is correct?
   b. Explain my position?
   c. Maintain my position if employee is misinformed?
   d. Communicate facts to my supervisor?

5. Follow Up. Did I:
   a. Make a written record of action taken?
   b. Ensure action was carried out?
   c. Correct conditions if necessary which caused grievance?
   d. Watch for changes in output and attitudes?
   e. Make a judgment in the best interests of the employee, other employees, and the office?
Policies, procedures, regulations, and/or compensation adjustments are subject to change without prior notice by CCT. Such changes, however, cannot be made without CCT Board action and/or approval. If any changes are made, current CCT employees will be provided with a written addendum, stating the changes. Each addendum is to be attached to existing copies of the employee policy manual which have not yet been distributed.

Receipt for Rules and Policies

I have received a copy of the City-County Transit's Rules and Policies.

I will read and become familiar with them. If I have any questions, I will request additional information from my department head or the City-County Transit office.

________________________________________________________________________

Date

________________________________________________________________________

SIGNATURE
CHAPTER XII

MONITORING AND EVALUATION

Overview ........................................................................................................... 261
Goals and Objectives ......................................................................................... 261
Operations .......................................................................................................... 262
  Monthly Operation Summary ..................................................................... 262
  Dispatcher and Driver Logs ...................................................................... 262
  Measuring System Effectiveness ............................................................. 262
  Measuring System Efficiency .................................................................. 263
  Productivity Standards ............................................................................. 263
  Fleet Size Determination Factors .......................................................... 263
Maintenance ..................................................................................................... 263
  Monthly Maintenance Summary ............................................................. 263
Finance ............................................................................................................. 264
  Monthly Cost/Revenue Summary ............................................................. 264
Management ................................................................................................... 264
  Questions for Self-Evaluation ................................................................. 264
  Surveys ....................................................................................................... 264
  Manager's Intuition ..................................................................................... 264
Appendix M – Surveys ..................................................................................... 265
Overview

Preceding chapters have discussed the many aspects of system management. As the system manager, it is your responsibility to pull all of these together to form an efficient, well-run organization. It is necessary to continually monitor and evaluate the system's operation. The reason is that the service is people-oriented. You provide transportation service to the people in your community for a wide variety of trip purposes. These trip purposes and the people making the trips are constantly changing. In order for you to be sure that these transportation needs are served, you must be constantly looking at your service to be sure that it is doing just that--serving your clients.

Monitoring your system's operational data is something you do on a daily, weekly, monthly, and yearly basis. The data you collect from your drivers' logs, financial books, maintenance records, and your general view of the system provides you with information about how the system is functioning.

Evaluating your system involves examining and judging the data you have collected to determine if your system is performing below, at, or even possibly above what it is expected to do. Based on your goals and objectives, performance standards and operational data, you should evaluate your system's operation. Your evaluation may lead you to then make changes to improve system performance.

You must continually monitor system operations in order to maintain a data base about the system, and then evaluate the system to be certain that it is performing in a timely and efficient manner. To do this you will want to look at four aspects of your system: operations, maintenance, finance, and management. And, you will need to evaluate these areas in light of your goals and objectives for your system.

Goals and Objectives

As the person ultimately responsible for how well the transit system operates, the manager needs to have operational goals and objectives so that you can accomplish your mission. Your goals are the purposes toward which your service is directed. A system's goals are usually established by the agency or board that oversees the system.

An objective is a standard based on observable phenomena used to measure whether or not the goal is being met. For example, a goal and its objectives for a small transit system may be:

- **GOAL:** To promote public transportation service for the residents of the community in a timely and useful manner.
- **OBJECTIVES:** To provide transit service based on a 20-minute response time.
  - To provide transit service that is within 3 minutes of scheduled pickup time 95 percent of the time.
  - To provide service that is 98 percent reliable (less than 2 percent missed calls).

Your system may have one or more goals, with associated objectives, already established to guide your system's operations. On the other hand, do not be surprised if you have a single goal; "to serve the public." If you have a set of goals and objectives, evaluate your service to see how well these are being met. Make any necessary changes to improve on...
how these goals and objectives are being satisfied. Goals and objectives should be reviewed and revised at least once a year.

**Operations**

A system's operational statistics are indicators of how well a system is accomplishing its mission. As system manager, you oversee the development and reporting of the statistics generated by your system. In fact, one of your important tasks is the consolidation of the system statistics into monthly reports and summaries. These information sources contribute immeasurably to your monitoring activity. The following reports and summaries should be done by each small bus system.

**Monthly Operation Summary**

The monthly operation summary is easily computed from the end of day summary sheets (Exhibits III-15 and III-14). This summary contains a wealth of important information about your system's productivity. This report should be used to provide information about the following:

- **Ridership data on a daily and monthly basis for each month**
  
  The seven passenger columns allow the manager to collect data on seven different categories of transit riders: regular adult passengers, senior citizens, handicappers, school children, work trippers, college students, and site specific, high trip generators such as factories. While you should not inundate yourself in collecting data, the opportunity should be used to identify the prominent transit rider groups. Important information shown on this report may indicate that some days of the week or some parts of the month show greater or lesser usage than other times.

  Other facts important to the manager may be deduced from this report. For example, if large numbers of senior citizens use the system on a given weekday, this may be the result of senior citizen social clubs or nutritional site services. An important item that can be drawn from this summary is high and low volume periods. It may be more productive for the manager to schedule more service during the high use periods and perhaps less during the low demand times.

- **Comparative data on ridership from month to month and for one month to the same month of the previous year**
  
  This trend may indicate increasing, decreasing, or stable ridership trends. With either trend, the manager should examine possible reasons as to why the trend is the way it is. In addition, seasonal fluctuations in ridership may emerge. For example, a tourist area system may double in ridership during the high recreation months, whereas a college town may double during school sessions. These compare with communities that do not have special trip generators which may experience constant ridership year round.

- **Ridership trends which indicate areas for special marketing efforts**

  Consider a community that has little or no senior citizen ridership, yet the manager knows that a large retirement center is located in his service area. Or perhaps the manager is aware of senior citizen weekly meetings, yet, on those days, the senior citizen ridership is very light. Or consider a community that is the county seat. Though these are usually county social service areas, there are few trips made to those offices. Specifically, the manager must look at ridership groups to be sure that what is expected is actually showing up on the operation sheets. If not, the manager should consider changes in marketing or services to meet ridership needs.

**Dispatcher and Driver Logs**

- **Driver Log**

  The driver records all pickup and destination locations and the times for each. Also included is the fare paid by each client, as well as identifying senior citizens and handicappers (Exhibit III-13). Analysis of this data may be useful for identifying high ridership locations, high and low trip purposes, and high use demand locations such as work sites, social or recreational attractors, and high demand areas such as medical, dental, and shopping locations. It is a good idea to monitor the drivers' logs to better understand where passengers are coming from, the time of day the trips are being made, and the intended destinations of those passengers. It may be possible to consolidate passengers and cut down the number of trips necessary to accommodate the same number of people.

  In order to maximize productivity, it may be necessary to reduce the number of vehicles on the road at any one time. This will increase ride time. Radical increases in travel time should be avoided because passenger dissatisfaction may result. However, if a pattern can be determined from a certain location to a known destination, moderate increases in travel time may very well lead to reasonable increases in vehicle productivity.

- **Comparison of Dispatcher Records and Driver Logs**

  will indicate the accuracy of the dispatcher's estimated time of arrival (ETA) in relation to the actual time of arrival (ATA). For example, if the dispatcher tells a client to expect the bus in 30 minutes, the bus should not arrive 50 minutes later. Errors of this magnitude will frustrate passengers because they may miss appointments which must often be scheduled a month or so in advance.

**Measuring System Effectiveness**

System effectiveness can be defined as how well the system is meeting needs of the consumer. High productivity means the buses are operating at or near capacity much of the time. Low productivity results in excess buses and poor use of the work force. The monthly operations summary provides data that can be used to calculate effectiveness. The following are measures of system effectiveness:
• Passengers per Vehicle Mile (PVM)
  Total number of passengers counted divided by total vehicle miles

• Passengers per Vehicle Hour (PVH)
  Total number of passengers divided by total vehicle hours

• Load Factor
  The sum of the distance for all trips by all passengers divided by the sum of the seat miles provided by all vehicles (seat miles are calculated by multiplying the number of passenger seats times the miles the vehicle traveled.)

• Occupancy Ratio
  Total passengers per peak hours divided by total available seating capacity per peak hours

• Utilization Ratio
  Actual vehicle hours divided by the total number of vehicle hours available

• Annual Passengers per Service Area Population
  The number of passengers divided by the population of the service area

Measuring System Efficiency

System efficiency can be defined as the relationship between the system’s output (the transit service) and the system’s input (the resources put into the system). If your system is running efficiently, the result should be low cost factors. Here are some means of measuring cost efficiency:

• Cost per Passenger Trip (One-Way)
  Total system eligible costs divided by the number of passenger trips. Cost and trips must be recorded over the same period.

• Cost per Vehicle Mile
  Total system eligible costs divided by the total distance traveled by all vehicles in the system

• Cost per Vehicle Hour
  Total system eligible costs divided by the sum, for all vehicles, of the number of hours that each vehicle is operated

Productivity Standards

As a system manager, you may find yourself wondering what productivity standards or values should be applied. The bottom line is quality of service versus system costs. The manager may put enough buses in service to pick everyone up in five minutes (high level of service), but this would result in very low productivity and very high costs per passenger. On the other hand, the manager may reduce the in-service vehicles to provide pickups in 60 minutes (low level of service) resulting in high productivity and low cost per passenger. Neither is satisfactory, and it is up to the manager to find the middle ground which will provide reasonable pickup times (15-30 minutes) at a reasonable cost per passenger. Appendix B contains the Financial Summary and the Operations Summary of Michigan’s 70 outstate systems. This appendix displays ridership/cost factors of Michigan’s small bus systems, which may provide guidelines for your own system.

Fleet Size Determination Factors

A number of factors need to be taken into consideration when evaluating the size of your fleet. Many of them – operating effectiveness and efficiency, ridership needs, and financial condition – are discussed in this chapter. In addition, the following factors need to be considered:

• Peak demand requirements refer to the maximum number of vehicles on the road during peak time, which is usually early morning and late afternoon.

• Reserve needs are the number of reserve buses needed to guarantee that peak demand periods can be met. For fixed-route service, 10 to 15 percent back-ups are considered reasonable. For demand-response systems which utilize small buses, the number of back-ups may range from 15 to 20 percent, depending on vehicle condition and service demands.

• Condition and age of the fleet help determine fleet size. Preventive maintenance and inside bus storage will result in a reduced need for reserve vehicles.

• Driving conditions that influence the size fleet needed include the fleet daily mileage, road conditions, geography, and weather conditions.

• Accessibility needs also affect fleet size. The need for the number of lift buses for handicappers is determined in accordance with an accessibility plan.

• Coordinating or consolidating transportation services with human service agencies also affects fleet size. As these types of contracts increase, the demands on the fleet expand also.

Maintenance

Monthly Maintenance Summary

Vehicle maintenance is a key item for a successful system. Without a strong maintenance program that keeps your vehicles in good serviceable condition, your passengers will desert you. The monthly maintenance summary provides you with the maintenance activity performed on each vehicle (Exhibit VIII-8). It gives a clear indication of whether or not preventive maintenance is being performed and may be a clue to poor driving habits, e.g., continuous transmission problems, frequent brake work, or too frequent tune-ups which may be attributed to a particular driver. Sometimes a manager may not take maintenance seriously. But
you must consider that your vehicles are totally mechanical. It is a matter of typical operations that the more a vehicle is used, the more its moving parts will wear out and need replacement.

Finance

Monthly Cost/Revenue Summary

In addition to passenger transportation, the manager must also balance the books. You simply are not allowed to spend more than you have. Consequently, the manager must continually be aware of the financial condition of the system. Line item cost actually spent must be compared to the amounts budgeted for these line items. This should be done monthly. (For a sample Cost/Revenue Summary, see Exhibit II-2). Along with your monthly cost comparison, you should bring forward system accumulated cost to date for comparison to budgeted cost to date. This allows the manager to know where the budget is in relationship to the fiscal year. On a monthly basis, the board that you report to should receive a financial summary. The Finance Chapter provides detailed information for keeping accurate, up-to-date books.

In addition, Appendix B contains the Financial Summary for all of the current Michigan outstate bus systems. This exhibit will provide you with comparative data on such financial areas as revenue, cost per hour, cost per mile, and cost per passenger of all the small bus systems. These figures may provide some guidelines for your own system.

Management

In addition to recording and evaluating data about the operations, maintenance, and finances of your system, you will need to keep a clear view of the overall management of your system. As manager, then, you will need to engage in self-evaluation. The following provide some ways of looking at your system.

Questions for Self-Evaluation

First of all, ask yourself questions about your system and the decisions you make regarding it.

• Employees

Are employees being used effectively? Could some employees be trained to do more than one job or a different job? Would a different scheduling system work better? How could employees be encouraged to make contributions to the improvement of the system?

• Marketing

What groups currently not using the system might benefit from it? What marketing strategies would be most useful in reaching that group? What changes in the community—new businesses, community centers, human service agencies—might call for a change in your transit system? What new marketing strategies might reach potential riders?

• Relationship with Governing Board

What expertise do board members have which might be of use to you in performing your managerial duties? What additional information might you provide to the board to increase their understanding of the system’s strengths and needs? What public relations efforts might you make to improve relationships with the board?

Surveys

Although not done on a regular basis, surveys are useful in finding out how your service is viewed and used by the public and the riders you serve. The first reason for conducting a survey is to determine how the public thinks about your service. This type of survey is called an attitude or perception survey. Keep in mind that many people have not used your service themselves. However, they probably have family members, neighbors, and relatives who have either used the service occasionally or depend on the service for primary transportation. The second reason for conducting a survey is to ascertain how well the service meets the needs of those people who actually ride on the system. Those people actually surveyed ride the buses, and as your clients, are the best source of information about the effectiveness of the service. Surveys may be very effective in assessing the community’s willingness to approve a millage for transit.

There are a variety of types of surveys you can conduct to gather data about your system from the public. Appendix M provides you with information about how to conduct surveys and includes several samples of surveys that have been used in the field.

Manager’s Intuition

The purpose of this handbook is to provide a guide to the manager for operating a small bus system. However, it is virtually impossible to include every solution to every problem that may occur. Also, solutions that may work well in one community may not work at all in another. "Manager’s intuition" is something that only you can bring to the job. Consider that after you have evaluated your operational statistics and your goals and objectives, and some problem still occurs. You do not know exactly what it is but you have a “hunch.” This gut level feeling or a feeling from within we call manager’s intuition. Do not disregard this simply because you don’t have a statistical basis for it. It comes from many years of experience and from a true sense of personal desire to do the job well. By all means, use it.
Surveys of your public—both riders and nonriders—are useful for evaluating the image and the effectiveness of your system and for making decisions about marketing efforts. The first important step in developing your survey is to know what you want to find out, why you are conducting the survey. It is not wise to run a survey just to have one on hand. Rather, you should have a need to find out something about your system's status within the community. The following are some things you may want to know:

- the riders' customary frequency of use.
- the purpose for which riders are using the system.
- riders' immediate travel alternatives.
- levels of satisfaction and/or complaints.
- whether riders possess driver's licenses.
- total number of persons in their households.
- total number of unlicensed drivers in their households.
- whether riders feel they have "saved" a car trip by using the service.
- motivations of system use for frequent and infrequent riders.
- riders' ages and sexes.
- the original source of information about the system.
- how riders intend to complete the return leg of the trip.

**Preparation**

After you have determined what you want to know, prepare your survey. The following is a general outline of the areas that should be contained on your survey:

**Heading**

Name and address of your system.

**Time/Date Information**

Day of the week.

**Operational Information**

In this section, address those questions that give insight into why the person may be using the system. Examples are: number of vehicles in household; trip purpose; average number of trips per day, week; transit service rating scheme.

**Demographic/Socio-Economic Information**

Important to any survey is some knowledge about who is completing the survey. Here, ask questions about age, sex, employment status, handicapper status, origin-destination, number of people in household, and family income. Ask only questions that will be helpful to you. These questions should be asked near the end of the survey because they are of a sensitive nature.

**Comments and Suggestions**

Always include space to comment in case you have not included something that is important to the respondent. This is always a good way to solicit ideas for service improvement.

Included at the end of this appendix are some samples of surveys used by small transit systems in Michigan.

After the questionnaire is prepared, always run a short test
on a small group of people to be sure that the questions are easily understood and provide the kind of data that will be helpful to you. Once you are satisfied with the questionnaire, have it printed in sufficient quantities to meet survey requirements.

To test questions for telephone surveys, interview up to 25 people from the phone book and tell them that you are testing a questionnaire. Ask them to indicate which questions they cannot follow, which are repetitive, which instructions are unclear. Use this information to finalize your questionnaire and eliminate the poor questions.

Printing

If your survey is one which will be printed, consider the following ways in which it may be made usable and attractive:

- Have your survey printed on stock that incorporates the system colors. For instance, if the colors are blue and white, use a light blue colored stock with standard black ink. The only extra charge is for the colored stock.
- If your system has a logo, use it on one or two corners to help personalize the form.
- Always use heavy stock rather than regular paper. It is easier to write on while riding on the bus and it is more durable if mailed.
- If the survey is intended to be filled in and returned while on the bus, always provide pencils.
- Use large enough type so that seniors can read the form.

Administering a Survey

There are several ways in which you can get your answers from the people you wish to survey. Consider the following:

- Ridership Survey

  This technique involves distribution of your questionnaires to all passengers boarding your buses on a given day. Have a person, either the bus driver or a volunteer, hand the survey to the passengers as they board the bus. Because many trips may be too short to complete the questionnaire, provide some options for returning the completed form. These options include mail back to the transit office, return to the bus driver at a later time, and return to the driver when disembarking. (Exhibits M-1 and 2 are samples of surveys administered using this technique.)

- Telephone Survey

  In order to do a random sampling of people in your community, you will need to do a Systematic Sampling. To do so, two things are needed:
  - A Sampling Interval
  - A Random Start

  To determine the sampling interval, divide the number of households in the community (for example 15,000) by the number of persons to be interviewed (500). The sampling interval would be 30 (15,000 divided by 500 = 30), so every 30th household should be included in the survey.

  To obtain a random start, choose any two digit number which is not the same as your sampling interval. After the first number (household) is chosen, mark every 30th household (the sampling interval in this case) in the phone book.

  Legibly print the name and phone number for each selected household on the first page of each of your questionnaires. This will save your interviewers time when they start calling.

  Interviewers should ask to talk to the adult head of the household. If that person is not available, the interviewer should find out when that person will be available. Then, thank the person who answered the telephone and call back later. Indicate this information on the questionnaire.

  Another method of survey is to interview persons calling for transit information. This has the advantage of eliminating responses from persons who have no intention of using the service, since everyone calling for information is a probable user. (See Exhibit M-3 for an example of a phone survey questionnaire.)

- Newspaper Interview

  This survey is included as a part of your ad in the newspaper. Ask readers to clip the questionnaire, complete it, and return it by mail. Another method is to have a flyer inserted into the newspaper which, when completed by the respondent, may be folded to form a business reply envelope with your address printed on it.

- Mail-back Survey

  This is similar to the newspaper survey above. The questionnaire may be circulated by means other than a newspaper ad, with request for the respondent to mail it back. A business reply card is a good device for such a questionnaire. It may be disseminated through mailing lists, bulletin boards, at supermarkets, at bus stops, or included in the monthly city utility bills.

- Personal “Drop-Off” Interview

  The interviewer visits the respondent with questionnaire in hand. The interview may be conducted at this point on a person-to-person basis, if the respondent so desires. Otherwise, the questionnaire is left with the respondent to be completed and picked up by the interviewer later.

- Human Service Agency

  Agencies in your area which are providing or purchasing transportation for clients should receive questionnaires from the system. These may be conducted as a personal or telephone interview, or questionnaires may be mailed back to you (Exhibit M-4).

- Expense

  The entire process of conducting a survey can be an expensive venture but it does not have to be. Because your budget for surveying is probably small, you will
probably want to use available resources and volunteers. The following list contains ideas for completing your survey while keeping costs at a minimum.

- Use on-duty bus drivers.
- Use a local volunteer group to pass out surveys and do interviews. Examples are senior citizen groups, a friends-of-transit volunteer group, a local nonprofit organization, local church groups or youth groups, high school journalism classes, local boy/girl scout troops.
- Local newspaper and radio stations sometimes will provide free printing and advertising.
- The local welcome wagon might see this as a valuable community service and be willing to distribute surveys related to attitudes or needs for transit service.
- Ask local political leaders who openly support public transit to give their aid.
- College students in your area may be willing to undertake surveying as a class project.
- Local labor unions with print shops may give low cost or free service.
- Ask local print shops if they might exchange services for advertising on the buses.

Because your budget is small, do not feel that a survey is impossible. As you can see from the above list, a little salesmanship can go a long way.
1. **Day of the week this trip is made:**
   (1) Monday  (2) Tuesday  (3) Wednesday  (4) Thursday  (5) Friday

2. **Sex:**
   (1) Male  (2) Female

3. **Age:**
   (1) 18 or under  (2) 19-24  (3) 25-54  (4) 55-59  (5) 60-64

4. **Employment Status:**
   (1) Employed Full Time  (2) Employed Part Time  (3) Unemployed  (4) Homemaker  (5) College Student  (6) Other Student  (7) Retired  (8) Other

5. **Are you Handicapped?**
   (1) Yes  (2) No  (3) Yes, Require a Wheelchair Lift

6. **Origin-Destination:**
   Where did this trip begin? ____________________________ (Nearest Intersection, Business, Place)
   Where will this trip end? ____________________________ (Nearest Intersection, Business, Place)

7. **How many people are in your household?** _____________

8. **What is your family income range (before taxes)?**
   (1) Under $10,000  (2) $10,000 - $19,999  (3) $20,000 - $29,999  (4) $30,000 - $39,999  (5) $40,000 - $49,999  (6) $50,000 or more

9. **How many operating cars, vans or light trucks are in your household?**
   (1) None  (2) One  (3) Two or more

10. **What is the purpose of this trip?**
    (1) Work  (2) College  (3) School (other)  (4) Medical/Dental  (5) Personal Business  (6) Recreational  (7) Visit Friends/Relatives  (8) Shopping  (9) Workshop/Senior Center  (10) Other

11. **How many one-way trips a week do you usually make by transit?** ________

12. **Please rate your transit service regarding the following:**
    (1) Operating Hours  (2) Frequency of Service  (3) Waiting Time/On Time  (4) Availability of Information  (5) Announcement of Schedule Changes  (6) Condition of Transit Vehicles  (7) Fare Structure  (8) Acceptance of System by Community  (9) Courtesy of System Employees

13. **Comments/Suggestions:** ____________________________________________

14. **Is intercity bus service (Greyhound) available in your community?**
    (1) Yes  (2) No  (3) Don’t Know

15. **How often do you use intercity bus service?**
    (1) Not at all  (2) Once a Year  (3) 2-6 Times a Year  (4) Once a Month  (5) More than Monthly

16. **If intercity bus service is not available to you, how often would you use it if it served your community?**
    (1) Not at all  (2) Once a Year  (3) 2-6 Times a Year  (4) Once a Month  (5) More than Monthly
INSTRUCTIONS:
The City of Mount Pleasant Transportation Department is conducting this survey to help evaluate our community’s present Dial-A-Ride service and past route service. Your answers to these questions will aid us in improving your transportation service. All data will be kept in strictest confidence and used only for statistical analysis. No names are needed.

IF YOU HAVE PREVIOUSLY COMPLETED THIS QUESTIONNAIRE YOU NEED ONLY ANSWER QUESTIONS 1-5.

1. MY HOME ADDRESS IS:
   (STREET NUMBER) (STREET NAME) (CITY)

2. I CAME FROM:
   (STREET NUMBER AND NAME OR BUILDING NAME)

3. I CAME FROM: (CHECK THE SINGLE BEST ANSWER)
   1 ☐ HOME
   2 ☐ WORK
   3 ☐ SHOPPING
   4 ☐ SCHOOL (College)
   5 ☐ SCHOOL (Other Than College)
   6 ☐ SOCIAL/RECREATIONAL
   7 ☐ MEDICAL
   8 ☐ PERSONAL BUSINESS
   9 ☐ SOCIAL SERVICE AGENCY
   10 ☐ DINING
   11 ☐ OTHER ________ (PLEASE SPECIFY)

4. I AM GOING TO: (CHECK THE SINGLE BEST ANSWER)
   1 ☐ HOME
   2 ☐ WORK
   3 ☐ SHOPPING
   4 ☐ SCHOOL (College)
   5 ☐ SCHOOL (Other Than College)
   6 ☐ SOCIAL/RECREATIONAL
   7 ☐ MEDICAL
   8 ☐ PERSONAL BUSINESS
   9 ☐ SOCIAL SERVICE AGENCY
   10 ☐ DINING
   11 ☐ OTHER ________

5. I AM GOING TO: (RECORD FINAL DESTINATION)
   (STREET NUMBER AND NAME OR BUILDING NAME)

IF YOU HAVE PREVIOUSLY COMPLETED THIS QUESTIONNAIRE YOU NEED NOT COMPLETE QUESTIONS 6-19.
THANK YOU FOR YOUR ASSISTANCE.
6. APPROXIMATELY HOW MANY TIMES PER WEEK DO YOU USE DIAL-A-RISE?
   (A ROUND TRIP WOULD COUNT AS 2 TIMES) __________

7. WHY ARE YOU USING DIAL-A-RISE FOR THIS TRIP? (CHECK THE SINGLE BEST ANSWER)
   1. SAVE TIME
   2. SAVE MONEY
   3. DRIVING IS NOT ENJOYABLE
   4. CAN'T PARK CLOSE TO MY DESTINATION
   5. NO CAR AVAILABLE
   6. NO DRIVERS LICENSE
   7. NORMAL RIDE NOT AVAILABLE
   8. ONLY TRANSPORTATION AVAILABLE
   9. TO SUPPORT PUBLIC TRANSIT
   10. OTHER __________

8. HOW WOULD YOU MAKE THIS TRIP IF DIAL-A-RISE WAS NOT AVAILABLE?
   1. WOULDN'T MAKE TRIP
   2. DRIVE CAR
   3. WOULD HAVE SOMEONE ELSE DRIVE ME
   4. WALK
   5. BICYCLE
   6. OTHER __________

9. WHAT IS YOUR SEX?  
   1. MALE
   2. FEMALE

10. WHAT IS YOUR AGE?
   1. 17 OR UNDER
   2. 18-24
   3. 25-54
   4. 55-64
   5. 65 OR OVER

11. HOW MANY OPERATING CARS ARE THERE IN YOUR HOUSEHOLD? __________

12. HOW MANY PERSONS ARE THERE IN YOUR HOUSEHOLD? __________

13. HOW MANY LICENSED DRIVERS ARE THERE IN YOUR HOUSEHOLD? __________

14. WHAT IS YOUR OCCUPATION?
   1. CRAFTSMAN
   2. LABORER
   3. MANAGERIAL OR ADMINISTRATOR
   4. OFFICE OR CLERICAL
   5. PROFESSIONAL
   6. SALES
   7. SERVICE
   8. STUDENT (College)
   9. STUDENT (Other Than College)
   10. HOMEMAKER
   11. RETIRED
   12. OTHER __________

15. WHAT IS YOUR APPROXIMATE FAMILY INCOME RANGE (BEFORE TAXES)?
   1. LESS THAN $6,000
   2. $6,000 - $8,999
   3. $9,000 - $11,999
   4. $12,000 - $14,999
   5. $15,000 - $24,999
   6. $25,000 OR MORE

16. IS THIS ONE-WAY TRIP PART OF A ROUND TRIP BY DIAL-A-RISE?
   1. YES
   2. NO

A. IF NOT, HOW WAS THE OTHER PORTION OF THE TRIP MADE?
   1. DRIVING A CAR
   2. BEING PICKED UP AND DRIVEN IN A CAR
   3. WALK
   4. BICYCLE
   5. CAB
   6. OTHER __________

B. IF THIS TRIP IS NOT PART OF A ROUND TRIP BY DIAL-A-RISE, WHAT CHANGES IN SERVICE WOULD ENCOURAGE YOU TO MAKE THE OTHER PORTION OF THE TRIP BY DIAL-A-RISE?

   __________
17. BETWEEN JULY 1, 1975 AND SEPTEMBER 30, 1975, MOUNT PLEASANT OPERATED A COMBINED ROUTE AND DIAL-A-RIDE SYSTEM. DID YOU RIDE ON THE SYSTEM DURING THIS PERIOD?

□ YES * □ NO

* IF YES, PLEASE ANSWER BOTH PARTS A AND B; IF NO, ANSWER JUST PART A.

A. HOW DO YOU RATE THE PRESENT DIAL-A-RIDE SYSTEM?

<table>
<thead>
<tr>
<th></th>
<th>POOR</th>
<th>FAIR</th>
<th>GOOD</th>
<th>VERY GOOD</th>
<th>DON'T KNOW</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 FARES</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2 EASE OF MAKING TELEPHONE CONTACT</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3 WAITING TIME TOO LONG</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4 EVENING SERVICE</td>
<td></td>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>5 SATURDAY SERVICE</td>
<td></td>
<td></td>
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<td></td>
</tr>
<tr>
<td>6 EASE OF OBTAINING INFORMATION ABOUT THE SERVICE</td>
<td></td>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>7 EASE OF BOARDING OR GETTING OFF VEHICLE</td>
<td></td>
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<td></td>
</tr>
<tr>
<td>8 CONDITION AND CLEANLINESS OF VEHICLE</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>9 LENGTH OF TRIP (Time)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>10 DRIVER COURTESY</td>
<td></td>
<td></td>
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<td></td>
<td></td>
</tr>
</tbody>
</table>

B. HOW DO YOU RATE THE FORMER COMBINED ROUTE/DIAL-A-RIDE SYSTEM? (JULY 1 THROUGH SEPTEMBER 30, 1975)

<table>
<thead>
<tr>
<th></th>
<th>POOR</th>
<th>FAIR</th>
<th>GOOD</th>
<th>VERY GOOD</th>
<th>DON'T KNOW</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 FARES</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2 BUS ROUTES WHERE YOU NEED THEM</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3 WAITING TIME TOO LONG</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4 VEHICLES RUNNING ON TIME</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5 EVENING SERVICE</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6 SATURDAY SERVICE</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>7 EASE OF READING SCHEDULES AND ROUTE MAPS</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>8 EASE OF OBTAINING INFORMATION ABOUT THE SERVICE</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>9 ANNOUNCEMENT OF CHANGES IN SCHEDULES AND ROUTES</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>10 EASE OF BOARDING OR GETTING OFF VEHICLE</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>11 CONDITION AND CLEANLINESS OF VEHICLE</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>12 LENGTH OF TRIP (Time)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>13 DRIVER COURTESY</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

18. WHICH HOURS OF SUNDAY DIAL-A-RIDE SERVICE DO YOU PERFER?

1 □ 9 - 1:00 PM  2 □ 1 - 5:00 PM  3 □ 9 - 5:00 PM  4 □ NONE

19. ARE YOU AWARE OF OUR VAN EQUIPPED TO TRANSPORT THE MOBILITY-HANDICAPPED?

1 □ YES  2 □ NO

PLEASE WRITE ANY ADDITIONAL COMMENTS OR SUGGESTIONS IN THE SPACE BELOW

THANK YOU FOR YOUR ASSISTANCE IN COMPLETING THIS FORM AND FOR SUPPORTING MOUNT PLEASANT DIAL-A-RIDE.
CRAWFORD COUNTY PUBLIC TRANSIT
PHONE SURVEY

1st 2nd 3rd 4th 5th 6th

OCTOBER 1977

RESPONDENT: ____________________________ REFUSAL: ______________

PHONE NUMBER: ____________________________ COMPLETION: __________

3-5 STREET ADDRESS: ____________________________ DAY: _______ START: ___

INTERVIEWER INITIALS: ______________ END: _______

* * * * * INSTRUCTIONS TO INTERVIEWERS * * * * *

RESCHEDULE:

1. __________________________________
2. __________________________________
3. __________________________________

* * * * * * * * * * * * * * * * * * * * * * * * * * * * * * * * * * * * * * *

EACH TIME YOU TRY A PHONE NUMBER, NOTE IN THE BOXES (UPPER LEFT CORNER THIS SHEET) WHETHER IT'S FRI (F) OR SAT (S) AND THE HOUR (EXAMPLES 10a OR 2p). IF NO ONE ANSWERS, GO ON TO THE NEXT PERSON TO BE CALLED. IF THE PHONE IS ANSWERED, BUT THE R NAMED ABOVE IS NOT THERE, TRY TO FIND OUT THE BEST TIME TO CALL AGAIN AND NOTE THAT TIME AND DAY IN THE RESCHEDULE BOX (MID RIGHT OF THIS SHEET).

IF R DOES ANSWER, INTRODUCE YOURSELF AS A REPRESENTATIVE OF CRAWFORD COUNTY PUBLIC TRANSIT AND SAY . . .

We are interested in finding out what county residents think about public transportation. We've selected the names of several hundred residents and your name was one of them. We'd like to interview you so your views will be represented. Of course, everyone's answers will be confidential. The interview will take only a few minutes. Is this a convenient time for your interview?

R NOW CAN DO SEVERAL THINGS REFUSE . . . (MARK REFUSAL BOX) OR INDICATE A BETTER TIME . . . (MARK RESCHEDULE BOX APPROPRIATELY) . . . OR SAY "YES." IF "YES," PROCEED ON. NEXT PAGE.
1. DETERMINE (WITHOUT ASKING) IF R IS:
   MALE ___  FEMALE ___

2. You may have heard or read about the Crawford County bus system. The system provides door-to-door bus service in Grayling and throughout the rest of the county. To use it a person living within a five-mile radius of Grayling simply calls the dispatch center 30 to 45 minutes before they wish to leave. A person outside that five-mile radius calls the day before they wish to make their trip.

   Have you or anyone in your household ever used CCPT services?
   YES ___  NO ___  NOT SURE ___
   CONTINUE BELOW & #3  GO TO #4  GO TO #4

   R ___
   OTHERS ___

3. About how often do you (or they) ride it?
   ONCE OR TWICE PER DAY ___  ONCE OR TWICE PER WEEK ___
   3 OR 4 TIMES PER WEEK ___  LESS THAN ONCE PER WEEK ___

4. How many persons including yourself are there in your household?
   ___ MEMBERS
   PUT NUMBER HERE.

5. How many are licensed to drive a car?
   ___ DRIVERS
   PUT NUMBER HERE.
I will now read some statements people have made about public transportation to you. Please categorize your own feelings about the statement as follows... Strongly Agree, Agree, Disagree, Strongly Disagree, or Don't Know...

(REPEAT CATEGORIES FOR R)

6. Public transportation is inconvenient and time-consuming to use.
7. Public transportation is mostly for old persons.
8. Public transportation is fast and dependable transportation.
9. Public transportation is only for large cities.
10. Public transportation is needed in Crawford County.
11. Public transportation costs too much.
12. Public transportation saves gasoline.

IF R SAID "YES TO USING CCPT READ THE QUESTIONS ON THE LEFT SIDE ON THE FOLLOWING SHEET (QUESTIONS #13 AND #14) ... IF R SAID "NO" OR "NOT SURE" TO USING CCPT READ THE QUESTIONS ON THE RIGHT SIDE OF THE FOLLOWING SHEET (QUESTIONS #15 AND #16).
CRAWFORD COUNTY P.T. USERS

13. Do trips on CCPT ever replace any trips that would otherwise be made by car?
YES ___ NO ___

14. Are there any improvements or additional services that you would like to see CCPT offer the public?
NO __________________
(COMMENTS, IF ANY)

YES __________________

CRAWFORD COUNTY PT NONUSERS

15. How do you and your family normally get around town or the country?
DRIVE ___
WALK/HITCH ___
FRIEND DRIVES ___
CARPOOL ___
COMMERCIAL CARRIER (GREYHOUND) ___
SENIOR CIT. BUS ___
OTHER __________________________
(SPECIFY)

16. Are there some changes in CCPT service which would cause you to begin using it?
NO __________________
(REASON, IF GIVEN)

YES __________________

Well, this is the end of my questions and thank you so much for your time!!

Goodbye . . .
SPECIAL TRANSPORTATION STUDY QUESTIONNAIRE

Name of Organization: ____________________________________________

Address: ________________________________________________________

Contact Person: _________________________________________________

Phone Number: _________________________________________________

1. Service Area. List the county(ies) in which special transportation service is provided.

(7) (20)

______________________________________________________________

______________________________________________________________

______________________________________________________________

______________________________________________________________

______________________________________________________________

2. Contractual Arrangements. Is a majority of your organization's special transportation service provided by another public or private organization?

YES ___ NO □

If yes, what is the name(s) of the organization? (21)

______________________________________________________________

Does your organization provide special transportation service for another organization?

YES ___ NO □

If yes, what is the name(s) of the other organization? (22)

______________________________________________________________

3. Organizational Type. Indicate the organizational category which best fits either your organization or your sponsoring organization (CHECK ONLY ONE CATEGORY).

□ (23)

Public agency

Religious

Public school district

Other private non-profit

Private school

Other (please explain)

4. Clientele Group. Special transportation service is provided to the (CHECK ALL THAT APPLY).

(24) ______ Physically handicapped (27) ______ Low income

(25) ______ Mentally handicapped (26) ______ Youth

(28) ______ Elderly (29) ______ Other (please explain)

5. Trip Purpose. Special transportation service is provided for the following trip purposes (CHECK ALL THAT APPLY).

(30) ______ Work (36) ______ Counseling

(31) ______ Shopping (37) ______ Meetings

(32) ______ Medical/dental (38) ______ Rehabilitation services

(33) ______ Social activities (39) ______ Nutritional programs

(40) ______ Personal business (41) ______ Other (please explain)

(34) ______ Special education (42) ______ Pre-school

(35) ______
6. Vehicle Characteristics. Special transportation service is provided by (enter the number of vehicles in each category).

<table>
<thead>
<tr>
<th>Agency owned vehicles</th>
<th>Volunteer vehicles</th>
<th>Leased vehicles</th>
<th>Transit authority vehicles</th>
<th>Private company vehicles</th>
<th>Other</th>
</tr>
</thead>
<tbody>
<tr>
<td>(2)</td>
<td>(14)</td>
<td>(28)</td>
<td>(38)</td>
<td>(50)</td>
<td>(62)</td>
</tr>
<tr>
<td>(4)</td>
<td>(16)</td>
<td>(30)</td>
<td>(42)</td>
<td>(52)</td>
<td>(63)</td>
</tr>
<tr>
<td>(6)</td>
<td>(18)</td>
<td>(32)</td>
<td>(44)</td>
<td>(54)</td>
<td>(64)</td>
</tr>
<tr>
<td>(8)</td>
<td>(20)</td>
<td>(34)</td>
<td>(46)</td>
<td>(56)</td>
<td>(64)</td>
</tr>
<tr>
<td>(10)</td>
<td>(22)</td>
<td>(36)</td>
<td>(48)</td>
<td>(58)</td>
<td>(66)</td>
</tr>
<tr>
<td>(12)</td>
<td>(24)</td>
<td>(40)</td>
<td>(50)</td>
<td>(60)</td>
<td>(67)</td>
</tr>
</tbody>
</table>

* Please explain

7. Operational Features. Indicate the operational features of your special transportation service.

- Scheduled service on a regular basis
- Service provided upon call. How much advance notice is required? ___ Hours
- Other (please explain) __________________________________________________________________________

8. Operating Characteristics. Check all of the periods in which you provide service including periods of high demand on weekdays.

<table>
<thead>
<tr>
<th>Weekday</th>
<th>Weekdays</th>
<th>High Demand Periods</th>
<th>Saturday</th>
<th>Sunday</th>
</tr>
</thead>
<tbody>
<tr>
<td>6-9 A.M.</td>
<td>(7)</td>
<td>(8)</td>
<td>(9)</td>
<td>(10)</td>
</tr>
<tr>
<td>9-12 Noon</td>
<td>(11)</td>
<td>(12)</td>
<td>(13)</td>
<td>(14)</td>
</tr>
<tr>
<td>12-3 P.M.</td>
<td>(15)</td>
<td>(16)</td>
<td>(17)</td>
<td>(18)</td>
</tr>
<tr>
<td>3-6 P.M.</td>
<td>(19)</td>
<td>(20)</td>
<td>(21)</td>
<td>(22)</td>
</tr>
<tr>
<td>6-9 P.M.</td>
<td>(23)</td>
<td>(24)</td>
<td>(25)</td>
<td>(26)</td>
</tr>
<tr>
<td>9-12 Mid-night</td>
<td>(27)</td>
<td>(28)</td>
<td>(29)</td>
<td>(30)</td>
</tr>
</tbody>
</table>

9. Fare Structure. What is the average fare that you charge your riders? __________

10. Ridership Levels. Indicate the typical number of one-way trips, persons served and vehicle miles traveled.

<table>
<thead>
<tr>
<th>Period</th>
<th>One-Way Person Trips</th>
<th>Persons Served</th>
<th>Vehicle Miles Traveled</th>
</tr>
</thead>
<tbody>
<tr>
<td>Weekday</td>
<td>(2) (5)</td>
<td>(6) (9)</td>
<td>(10) (13)</td>
</tr>
<tr>
<td>Week Night</td>
<td>(14) (17)</td>
<td>(18) (21)</td>
<td>(22) (25)</td>
</tr>
<tr>
<td>Saturday</td>
<td>(20) (29)</td>
<td>(30) (33)</td>
<td>(34) (37)</td>
</tr>
<tr>
<td>Sunday</td>
<td>(38) (40)</td>
<td>(41) (42)</td>
<td>(44) (46)</td>
</tr>
<tr>
<td>Monthly</td>
<td>(47) (50)</td>
<td>(51) (54)</td>
<td>(55) (58)</td>
</tr>
<tr>
<td>Annual</td>
<td>(59) (62)</td>
<td>(63) (66)</td>
<td>(67) (70)</td>
</tr>
</tbody>
</table>

11. Wheelchair Lifts. How many of your vehicles are equipped with wheelchair lifts?

- Number of vehicles

- How many persons in wheelchairs are served during an average day and how many one-way trips are made?

- Number of persons served
- Number of one-way person trips
12. Funding. Estimate your average annual funding sources for providing special transportation services.

Federal $ (8) (14)
State $ (15) (21)
Local $ (22) (28)
Donations $ (29) (35)
Other $ (36) (42)
User Revenues $ (43) (49)
Total $ (50) (56)

13. Budget. Estimate the average annual costs actually incurred for the following special transportation budget items.

(25) $ (8) Driver Wages
(9) $ (15) Maintenance
(23) $ (22) Gas and Oil
(30) $ (29) Garage Facilities
(37) $ (36) Other Operating Costs
(40) $ (43) Vehicle Costs (annualized)
(44) $ (50) Administrative Costs
(51) $ (57) TOTAL (should be consistent with the total in question 12 above)

14. Are there any unmet transportation needs of your clientele? Any other comments you have are also welcomed.

THANK YOU. YOUR COOPERATION IS GREATLY APPRECIATED!
GLOSSARY

ACCESSIBILITY
The adaptation of buses and facilities for passengers in wheelchairs and passengers with other special needs.

ALLOCATION
A method of separating expenses and revenues attributable to different programs. Also, a method of determining the cost of shared facilities and services.

ANNUAL APPLICATION
The yearly application required of all transit systems for state and federal operating and capital funds.

BACKUP BUSES
Buses used for temporary replacement in case of breakdowns or maintenance.

BRAKE RETARDER
Optional bus equipment which assists the brakes and extends brake life.

CENTRAL TRANSFER
A convenient place at the center of the service area where riders can be transferred for dropoff in other zones.

CHARTER SERVICE
Transportation provided to members of a group, to a single destination. Buses are operated full, usually at a profit to the transit agency.

CHECKPOINT SERVICE
A bus driver periodically stops in a busy area (e.g., shopping mall, downtown) and picks up all waiting passengers.

CLASS 3 ENDORSEMENT
A Department of State Endorsement on a chauffeur's license that qualifies a driver to operate a bus.

DE-5 WAIVER FORM
A Michigan Department of State form which must be signed by the transit manager or driving instructor before a driver can receive a Class 3 endorsement.

DEADHEAD TIME/MILEAGE
Vehicle hours and miles spent in waiting for dispatches and returns to the garage or transfer point.

DEMAND-RESPONSE
A bus operating plan in which the riders telephone for pickup at a particular address.

DEMAND-RESPONSE FEEDER
A small community or center of activity which requires frequent pickup.

DEMONSTRATION PERIOD
The first three years of a transit system's operation.

DISPATCH
To assign passenger pickups and route changes to the bus drivers by radio.

DRIVER LOG
A driver's daily record of pickup and destination addresses, passenger categories, fares, and operating information.

END OF DAY SUMMARY
A daily form used to summarize ridership statistics, fares, tickets, mileage, and hours of operation for the fleet.

FARE
The fee charged for a bus ride.
FAREBOX
The device for collecting bus fares. Also, the term used to describe revenues from passenger fares and local services.

FARE POLICY
Policies developed by the transit agency to regulate fares in accordance with the need for local revenues.

FARE STRUCTURE
The relationship between full adult fares and other fare categories such as demand-response, seniors, handicappers, and students.

FLEET
All buses belonging to a transit system.

FUNDING FORMULA
The funding percentages used to determine federal, state, and local contributions to transit system operating funds.

GROUP SERVICE
The transit agency provides buses for a trip to a single destination. The trip may be planned for a particular group (e.g., senior citizens) but it is open to the general public.

HEADWAY
The time-lapse between buses running on the same route.

INTERMODAL FACILITY
A building that serves the needs of more than one transportation company—such as a local transit company and an intercity bus line or passenger rail line.

JITNEY
Buses move along a fixed route with no time schedule, picking up riders wherever they are waiting. Headways between buses must be very short.

LIMITED DEMAND-RESPONSE
Demand-response bus service on a part-time basis or restricted to areas near a fixed route.

LINE-HAUL SERVICE
Buses travel along a fixed route and make scheduled stops.

LOANER VEHICLES
Buses temporarily assigned to a transit agency while other buses are out of service.

LOCAL ADVISORY COUNCIL
A state-mandated council including seniors, handicappers, and other community members, formed to assure that bus accessibility needs are met.

LOCAL SHARE
The portion of a transit system's operating costs contributed by local government.

MAINTENANCE AND COST SUMMARY
A monthly report of preventive maintenance, repairs, and fuel consumption for each bus.

MICHIGAN SMALL BUS ROADEO
An annual event co-sponsored by Michigan Department of Transportation and the Michigan Public Transit Association in which qualified drivers compete in three categories: written test, pretrip inspection, and driving competition.

OFF-PEAK HOURS
Hours when passenger demand and vehicle use is low, usually in the middle of the day and in the evening.

OPEN-DOOR SERVICE
Bus services available to the general public.

OPERATING ASSISTANCE REPORT
The monthly report of revenues, expenses, and operating statistics required for all transit systems.

OPERATION SUMMARY
A form used to summarize monthly ridership statistics, fares, mileage, and hours of operation for the transit system.

PEAK DEMAND REQUIREMENTS
The maximum number of vehicles on the road during peak hours, usually in the early morning and late afternoon.

PEAK HOURS
The hours of service with heaviest ridership and maximum use of buses, usually in the early morning and late afternoon.

PRETRIP INSPECTION
A daily mechanical inspection of buses performed by drivers.

PREVENTIVE MAINTENANCE SCHEDULE
A list of bus maintenance activities and when they must be performed.

PREVENTIVE MAINTENANCE WORKSHEET
A report on the monthly maintenance inspection of each bus.

PRIME CONTRACT
A contract between MDOT and the local transit agency for transportation services or other transit projects.

PROJECT MANAGER
An official in the Bus Transit Division assigned to advise and oversee the local transit systems in a geographical area.

REPAIR CODE
The number assigned to each maintenance task for use in the computerized preventive maintenance program.

RESERVE NEEDS
The numbers and types of buses needed to guarantee that full service can be provided when buses break down.

RIDERSHIP
The numbers and types of passengers using a public transit system.

ROUTE DEVIATION
Buses move along a fixed route on schedule and also pick up demand-response riders who live near the route.

ROUTE DEVIATION CORRIDOR
The area near a fixed route where the driver will pick up demand-response passengers.

STARTUP SYSTEMS
New small bus systems during the first three years.

SUBSCRIPTION
Passengers have a standing order for rides, usually to work, school, or daily programs.
SURVEYS
A means of gathering information from the general public and from the transit users about how the transit system is perceived and used by the respondents.

SYSTEM EFFECTIVENESS
The ability of the transit system to meet the needs of the consumer.

SYSTEM EFFICIENCY
The cost-effectiveness of the transit system or the relationship between input (funds) and output (service).

SYSTEM IDENTITY
The image people in the community have of the transit system when they think, hear, or read about it.

TACHOGRAPH
An optional bus device which records bus speed continuously on a graph.

THIRD-PARTY CONTRACT
A contract between the local transit agency and a third-party for products or services.

TRANSPORTATION ADVISORY COMMITTEE
A committee created by local government to advise and assist the transit system manager.

TRIP GENERATOR
A high traffic area (e.g., hospital, downtown, shopping mall) which requires frequent bus service.

REVENUE RECOVERY RATIO
A percentage of total operating costs which the system plans to recover from farebox revenues.

WORK TRIP SERVICE
A standing order for rides to and from work.

ZONE
A portion of the service area. Demand-response buses operate within the zone and transfer passengers at the boundaries.
ABBREVIATIONS

APTA: American Public Transit Association
ATA: Actual Time of Arrival
CAA: Community Action Agency
COA: Council on Aging
CPA: Certified Public Accountant
CTF: Comprehensive Transportation Fund
DART: Dial-A-Ride Transportation
DBE/MBE/WBE: Disadvantaged/Minority/Woman Business Enterprises
ETA: Estimated Time of Arrival
FCC: Federal Communications Commission
FHWA: Federal Highway Administration
LAC: Local Advisory Council
MDOT: Michigan Department of Transportation
MPSO: Michigan Public Service Commission
OSHA: Occupational Safety and Health Administration
MPTA: Michigan Public Transit Association
PTA: Public Transit Association
RFP: Request for Proposal
RFQ: Request for Quotation
UMTA: Urban Mass Transit Administration
UPTRAN: Bureau of Urban and Public Transportation
INDEX

A

Absentee ballots, millage 119
Act 7, transportation authority 42, 46
Act 35, intergovernmental contractors 46
Act 51, public acts of 1951 3, 21-31
Act 55, Transportation Authority 42
Act 94, revenue bond (direct operation) 45
Act 204, metropolitan transportation authority 42, 45
Act 279, home rule (direct operation) 41, 45
Act 312, metropolitan transportation authority 46
Accessibility
  bus garage 189
  LAC 36, 155
  legal requirements 30, 155, 263
  plan 155
Accidents
  insurance 69-70
  report form 59-60
  reporting 55
Account conversion chart 147-152
Accrual accounting 128
Acoustics, garage 188
Administrative structure 38, 41
Advance reservation 49, 54
Advance reservation card 54
Advertising 197
  agency services 109
  budget 194-195
  direct mail 198
  for bids 68, 73
  for insurance bids 70
  millage 112, 118
  newspaper 197, 211-214
  on buses 109, 110-111
  radio 198, 207-210
  sales agreement 109, 110-111
  television 198
Affirmation of equal employment 70
Affirmation of equal opportunity 70
Affirmative action 70-71
Age, condition of fleet 156, 263
Allocations 131
Annual application 20, 36, 38, 66, 221
  budget 66-67
Annual passengers per service area population 263
Annual physical exam, drivers 221, 227-228
Application and interview process 219, 220, 223-226
Application form 220, 223-226
Application questions 219
Applicants, search for 220
Architect, bus garage 189
Architectural and engineering services, bid 59
Asset accounts, general ledger 131, 136, 143-144
Asset register 131
Attitude survey 114, 264
Audit 38, 136
“Audit Guide for Transportation Authorities in Michigan” 136
Availability of records 136
Awards Banquet 222
Awareness of services 194

B

Backup/Reserve needs 156
Bad publicity 197
Balance sheet 136, 142
Ballot language, millage 112, 113
Barrier free standards, bus facility 189
Behavioral statistics 193
Behind-the-wheel driving test 221, 233
Bidders' mailing lists 69
Bidders' qualifications 75
Billboards 198
Body repair and paint room, garage 186
Brochures
  millage 114-117
  service information 196, 200-206
Budget
- advertising 194-195
- local appropriations 109, 112
- hearings 112
- planning 20, 66, 127
- projections 36, 37, 136, 141
- work session 112
- worksheet 66, 135

Building renovations 66, 183-184

Bus
- advertising on 109
- component reports, computerized 177
- equipment 156, 157
- selection 155

Bus garage
- cost savings 184
- fund application 183, 189
- new 183, 184
- planning 36, 183-189
- renovated 183-184

Bus prices 156, 157

Bus rehabilitation
- application 161-162
- program description 159

Bus sizes 156, 157, 158

Bus washing, garage 186

Bus transit accounting specialist 127

Bus transit computer maintenance program 168, 174, 178-179

Bus transit computer program 44

Bus Transit Division 7

Bus transit equipment specialist 165

Bus transit goals 35

Bus transit specialists 7, 127

Businesses, relationships 108, 196

Cable television, advertising 198

Capital program 19, 66

Capital requests 67, 155, 156

Cash disbursements journal 127, 128, 129, 135

Cash flow analysis 136, 141

Cash receipts journal 128, 129

Categories of expense 135

Ceiling height, garage 188

Central transfer 51

Charter service 49, 55

Charter
- billing 55, 62
- legal restrictions 55
- request form 55, 61
- costs 55
- cost allocations 55, 134
- rates 134

Chauffeurs' license 218, 221

Checkbook 127, 128

Checkpoint service 51

Citizens' committee, marketing 193

Class 3 endorsement 218, 221

Closing the books 136

Collision, upset insurance 70

Combination facilities 189

Communications specialist 159

Communications systems 159

Community needs 36

Community events 196

Competitive bids 42

Complaints 195

Compliment/complaint card 195

Comprehensive insurance 70

Comprehensive Transportation Fund 3

Computer
- applications 43
- buying 43-44
- leasing 43-44
- maintenance program 168
- transit management 42

Condition of fleet 156, 263

Conference room, garage 186

Consolidation of services 38, 263

Construction contracts 68

Construction supervision 69

Contract approval 38, 67-68

Continuation budget 67

Contract procedures
- local 67
- state 67-68

Contracting Opportunities' worksheet, DBE/WBE 71

Contracts 67, 99-103

Contracts Division, UPTRAN 68, 70

Coordination/consolidation of services 38, 263

Cost
- per passenger trip 263
- per vehicle hour 38, 156, 263
- per vehicle mile 38, 156, 263

Cost allocations 131

Cost principle 134

Cost/revenue summary 264

Cost/ridership factors, Michigan systems 11-18

Council on aging 42, 109

CPA audit 136

CTF administrative rules, draft 65, 79-96

DBE, definition 103

DBE/MBE/WBE
- certification 71
- contracting goals 71-72, 103-104
- contracting opportunities 71-72, 103-104
- contracting requirements 71, 103-104
- lists 69, 72
- policies 71, 103-104
- reporting requirements 38
- quarterly report 38, 71-72, 78-79

DE-5 waiver form 221, 234

Deductible levels, insurance 70

Delivery, packages 50

Demand-response card 54

Demand-response service 49, 54
size 184
work areas 184-185
Gasoline, internal control 135
General election, millage 112
General journal 128, 129, 131, 136
General ledger 128, 131, 136
General ledger accounts 131, 132, 136, 143-146
Geographical studies 193
Goals/objectives
marketing 194
operations 38, 261
planning 35, 108
surveys 193, 194
Grant allocations 134
Grant, for garage
federal 183
state 183
Group service 49
Grant-in-aid contract procedures 68

---H---

Handicapper fares 107
Heating, garage 186
Hoists, pits, garage 185
Holiday promotions 198
Hourly maintenance cost 168, 171, 174
Human services agency contract 49, 111
billing 55, 109
fares 109
sample contract 99-101
search for 109, 121-123
Human services agency survey 276-278

---I---

Identification, transit system 195
Image, system 194
Increasing ridership 194
Information
brochures 196, 200-206
centers 195
kit, marketing 196
on vehicle 195
phones 194
racks 195
Inspection of records 126, 159
Insulation, garage 186
Insurance
bids for 70
bus garage 189
required levels 69-70
reducing costs 70
specifications 70
Insurance company, driver training 222
Intermediate school district 109
Intermodal facilities 189
Internal control 135
Interpreting ridership statistics 262, 263
Interview questions 219
interview techniques 220
Inventories 135
Invitation to bid 69

---J---

Jitney 52
Job
applicant search 220
application and interview process 219, 220, 223-226
descriptions 217-219
interview format 220
interview techniques 219, 220

---L---

Labor costs, maintenance 168, 171, 174
Labor negotiations 220
LAC, Local Advisory Council 36, 155
committee makeup 36
rights and responsibilities 36
role in marketing 193
Letters to editor, millage 118
Liability accounts, general ledger 131, 136, 145-146
Liability insurance 70
License
chauffeur's 218, 221
suspension, revocation 221
Licensing, communications system 159
Life cycle cost standards 168
Lift operation film 222
Lighting, garage 188
Limited demand-response 52
Load factor 263
Loaneer vehicles, maintenance 168
Local Advisory Council, LAC 36, 155
Local funding sources 107, 108-112
Local government appropriations 109, 112
Local Public Transit Revenue and Expense Manual 134, 136
Local transportation program 66
annual application 66
application budget 66-67
Log, driver 55, 56, 136, 194, 262
Logo 194, 195
Loop 51

---M---

Maintenance
bays, garage 184-185
bulletins 165, 168, 173
computerized program 168
costs 127, 171
equipment requests 67, 185-186
labor cost 168, 171
of loaner vehicles 168
printouts 168, 174, 178-179
program evaluation 168
record keeping 165
service allocations 134, 171
schedule 165, 166
work area, garage 184-185
"Making Michigan Move", film 196
Management evaluation 264
Manager
attributes 218
duties 217
Manager's intuition 264
Master planning bid 69
Marketing Public Transit 193
Marketing activities
budget 194, 195
goals, objectives 194, 198
new system 199
survey 193
MDOT structure 3, 7, 8
MDOT chart of accounts 128, 135, 147-152
Measures of system
effectiveness 262-263
efficiency 263
productivity 263
Mechanic
attributes 219
duties 219
qualifications 219
Media 196-198
Medical exam, driver 218, 221, 227-228
MESC affirmative action information report 70
Merchandising 199
Michigan Public Transit Association 9
Michigan Small Bus Roadeo 222
Millage 112
ballot language 112, 113
brochures 114-117
committee 112
election 112
eligible expenses 114
fund raising 114
newspaper articles 118
posters 117
renewals 112
surveys 114
volunteer workers 114, 118, 119
Minority and female status report 70, 76
Minority and female utilization analysis 70
Monitoring, definition 261
Monthly fleet maintenance report, computerized 174, 179
Monthly maintenance and cost summary 174, 175, 263
Monthly operating assistance report 36, 38, 128, 131, 135, 137-140
Monthly operations summary 55, 194, 262
Monthly passes 199
Monthly preventive maintenance worksheet 165, 168
Monthly vehicle maintenance report, computerized 174, 175, 178
Negotiation method, procurement 68, 69
New services
application 38, 65-66
budget 38-41, 66
contract 38
public information 199
New small bus services 19, 38, 65-66
News value, transit articles 196
Newsletter, employees 197
Newspaper advertising 197, 211-214
Newspaper articles
millage 118
publicity 196
Noise requirements, garage 184
Nonfinancial operating data 136, 139
Northeast Michigan Managers Association 9
Objectives, goals
marketing 194
operations 38, 261
planning 35
surveys 193, 194
Occupancy levels 156
Occupancy ratio 263
Office of Small Business Liaison, MDOT 70
Offices, garage 186
Open door transportation 109, 111
Open-house, transit facility 199
Operating
costs 38, 156
efficiency 263
plans 50
Operating Assistance Report 36, 38, 128, 131, 135, 137-140
Operation/financial summaries, Michigan 11-18
Operation summary 11-13, 17-18, 55, 58
Operational statistics 55, 262, 265
Operations
forms 54
record keeping 54-62
Optional bus equipment 54-62
Outdoor advertising 156, 157
Outstate systems 5
Package delivery 50
Paid bill files 128
Parking space, garage 184
Parts room, garage 186
Part-time service 52
Payroll journal 128, 131
Payroll taxes 128
Passenger categories 55, 262
count 4
loads 263
Passenger stops/railroad crossings film 222
Passengers per vehicle hour 263
per vehicle mile 263
per service area population 263
Peak demand requirements 155-156, 263
Peak demand, backup needs 156, 263
Peak hours 155, 156
Perception survey 114
Periodic inventory 135
Permissible questions, job interview 219
Perpetual inventory 135
Persistent maintenance problems 177
Personal injury protection insurance 70
Personnel
application and interview process 219, 220, 223-226
interview techniques 219, 220
selection process 219
search 220
Petty cash, internal control 135
Phone, information 194
Pits, hoists, garage 185
Planning
facility 183-189
new system 38-39
system 35-36
Points limit, drivers 221
Policies and procedures manual, employees 217, 237-258
Preaward surveys 69
Preschool riders 109
Press relations 196-197
Pretrip inspection and maintenance report 165, 167
Pretrip inspection/maintenance film 222
Preventive maintenance
schedule 165, 166
worksheet 169
Prime contracts 67-68
Private for profit contractor 42
Private nonprofit contractor 42
Procurement procedures 68
Productivity 55, 156, 262
Productivity standards 156, 263
Project manager 7
Promotions 198-199
Property protection insurance 70
Property tax millage 4, 112
Protection of employees, federal assistance guidelines 220-221
Psychographic studies 193
Public information kit 196
Public relations
bad publicity 197
media 196-199
Public speaking, schools 196
Public Transit Association 9
Publicity film 196
Purchasing program 160
Pure demand-response 50

Questions, job interview 219

Radio
advertising 198, 207-210
dispatching procedures film 222
licensing 159
operation 160
systems 159
types 159
Reducing insurance costs 70
Rehabilitation program, buses 159, 161-162
References, job applicants 220
Renovation contracts 68
Rent allocations 134, 135
Repair code 168, 174, 176
Repair Type/Task List Coding Sheet 174, 176
Reporting Requirements 38
Reports to local government 38, 264
Request for proposal 69, 74
Request for quotation 69
Required reports 38
Reserve needs 156, 263
Residual bodily injury liability insurance 70
Retraining program, drivers 221-222
Revenue
accounts, general ledger 131, 132, 136, 146
local 107
projections 38
recovery ratio 108
Ridership
effects of fare increase 108
increased 194
projections 155
statistics 36, 55, 262
trends 262
Ridership/cost factors, Michigan systems 11-18, 263
Route deviation 51-52
Route deviation corridors 53
Route promotions 198
Roadeo, small bus 222
activities 222
driver qualifications 222
handbook 222
purposes 222
sample course 235
selecting participants 222
Role-playing, labor negotiations 220
Rural operating plans 52-53
Rural Transportation Employee Protection Guidebook 221
Safety
awards, drivers 70, 222
inspections 165, 168, 172
record 70, 197
requirements, garage 189
Sample funding formula 20
School presentations 196
Seasonal campaigns 198
Seasonal fluctuations, ridership 198, 262
Secretary/bookkeeper
attributes 219
duties 218-219
qualifications 219
Section 3, UMTA 20, 38, 66, 183
application 183, 189
Section 16(b)(2), UMTA 20, 38, 42, 66
Section 18, UMTA 20, 66-67, 71, 221
application 66
contract 67
DBE/WBE policy 103-104
Section 504, UMTA 155
Selection, personnel 219
Selection, roadeo contestants 222
Self-evaluation, manager 264
Senior citizen, handicapper service statistics 55
Senior services
fares 107
tours 198
Service awareness 194
Service changes, public information 195
Sign brackets 109
Signs on buses 109
Site selection, facility 183-184
Slide presentation 196
Small Bus Safety Inspection Check list 165, 168, 172
Small bus
driver knowledge test 218, 221, 229-232
rehabilitation program 159, 161-162
roadeo 222
Small community operations 50-52
Small Bus Program: Operator's Manual 55, 221, 222
Soil requirements, garage 184
Southwest Michigan Transit Managers Association 9
Speaker services 196
Special election, millage 112
Special events, transportation for 50
Special interest groups 196
Specialized services 4, 6, 19, 66, 97-98
Standardized vehicle replacement schedule 168
State office of purchasing 160
State funding formula 20
State Transportation Commission 68, 71
State Uniform Chart of Accounts 128, 147-152
Statement of expense 36, 37
Statutory Operating Assistance 19, 66
Startup marketing activities 199
Structural requirements, garage 188
Subscription
  card 54
  service 49, 54
Subsidiary ledgers 128, 131
Surveys 36, 108, 264, 265-278
attitude 114, 264
human services agency 276, 278
interview 266
mail-back 266
marketing 193
newspaper 266
mileage 114
printing 266
sampling 266
telephone 266, 272-275
test run 266
Suspension of license 221
System manager
attributes 3, 218
duties 217
marketing 196
mileage 112, 119
operations record keeping 55, 57
System
effectiveness 262-263
identity 194, 195
image 194
information 194
planning 35-36

Telephone
campaigning, millage 119
information service 194
survey 272-275
survey, millage 114
Television advertising 198
10 codes, radio 160
10(e)(19) plan 30, 155
Third-party transportation contracts 41, 42, 68, 99-103
Third-party contracts 68
Title VI 70-71, 221
package 70
required reports 38, 70-71, 76
status determination 71
Tokens, tickets, internal control 135
Tool boards, garage 188
Tours of facility 199
Tours, special trips 198
Traffic patterns, garage 184
Training films, drivers 222
Transportation advisory board 41, 264
Transportation Authority 41
Transportation advisory committee 36
Transportation coordinator 42
Transportation week 199
Trends in ridership 262
Trial balance 136
Twenty-four hour advance reservation 52
UMTA organization 7, 9
UMTA Act of 1964 46
UMTA requirements, garage 184-186
Under-the-threshold 71
Unions, labor negotiation 220
Uniform Chart of Accounts, Michigan 128, 147-152
UPTRAN organization 3, 7
Urban programs section, MDOT 38, 70
Utility services, garage 188
Utilization ratio 263

Vehicle
information 195
maintenance report, computerized 168, 174,
productivity 156
replacement schedule 168
Ventilation, garage 186
Vocational rehabilitation, client transportation 42
Volunteer workers, millage 119

absentee ballots 119
brochure distribution 118
drivers 119
telephone campaign 114, 119

Wage allocations 134
Wage and tax statements 128
Walk-in job applicants 220
Walkways, garage 188
Waiver form 234
Washing area, garage 186
Washroom/locker rooms, garage 186
WBE, definition 103
Work areas, garage 184-185
Work order 165, 168, 170

Year-end maintenance summary 174, 177
Yearly audit requirements 136

Zonal demand-response 50
with central transfer 51
with fixed route connectors 51
Zone to zone transfer 50
Zones 55