SMART
SAN MIGUEL AUTHORITY for REGIONAL TRANSPORTATION

San Miguel Authority for Regional Transportation
Board of Directors Meeting Agenda
Thursday September 8th, 2022
3 p.m.

This meeting will be held virtually:

Please join the meeting from your computer, tablet or smartphone.

https://us02web.zoom.us/j/86864154207?pwd=UFNIMEdadTJnWjB0VWxkcy8wYldQUT09

Meeting ID: 868 6415 4207
Passcode: 566327
One tap mobile
+17193594580,,86864154207#,,,,*566327# US
+13462487799,,86864154207#,,,,*566327# US (Houston)

Item No.	Presenter	Item Type	Topic	Packet Page	Time (minutes)
1.	-	-	Public Comment	-	5
2.	Board	Meeting Resolution	Resolution 2022-14, Part 1a, regarding the Review and Approval of the September 8th, 2022, Agenda and Consent Items and Part 1b, regarding the Review and Approval of the August 11th Meeting Minutes	6	5
3.	Averill/Berry	Action	Resolution 2022-15 – Acceptance of FY21 Financial Audit and Report	7	10
4.	Averill	Discussion	Preliminary FY23 Budget discussion	-	10
5.	Averill	Discussion	SMART participation in gondola planning process	42	20
6.	Averill	Discussion	SMART Strategic Operating Plan – update and look forward	65	20
7.	Distefano	Report	August Operations Update	239	15
8.	Averill	Report	Executive Directors Report	245	10
9.	All	Report	Round Table Updates and Reports	-	5
10.	Averill	Executive Session	Executive Session pursuant to C.R.S. 24-6-402 4(a) and 4(e) (I), (Open Meetings	-	-

			Law) and Sections 6.09 (a) (1) and (a) (5) of the SMART Bylaws for the purpose of: determining positions that may be subject to negotiations, developing strategy for negotiations and instructing negotiators regarding possible acquisition of real property to discuss potential real estate transaction.		

GLOSSARY

5304	FTA program funding for multimodal transportation planning (jointly administered with FHWA) in metropolitan areas and States
5311	FTA program funding for rural and small Urban Areas (Non-Urbanized Areas)
5339	FTA program funding for buses and bus facilities
AAC	SMART Administrative Advisory Committee
ADA	Americans with Disabilities Act of 1990
AIS	Agenda Item Summary
CAAA	Clean Air Act Amendments of 1990 (federal)
CAC	SMART Community Advisory Committee
CDOT	Colorado Department of Transportation
CMAQ	Congestion Mitigation and Air Quality (a FHWA funding program)
DBE	Disadvantaged Business Enterprise
DOT	(United States) Department of Transportation
DTR	CDOT Division of Transit & Rail
FAST ACT	Fixing America's Surface Transportation Act (federal legislation, December 2015
FASTER	Funding Advancements for Surface Transportation and Economic Recovery (Colorado's S.B. 09-108)
FHWA	Federal Highway Administration
FTA	Federal Transit Administration
FY	Fiscal Year (October – September for federal funds; July to June for state funds; January to December for local funds)
FFY	Federal Fiscal Year
HOV	High Occupancy Vehicle
HUTF	Highway Users Tax Fund (the State's primary funding source for highways)
IGA	Inter-Governmental Agreement
ITS	Intelligent Transportation Systems
LRP or LRTP	Long Range Plan or Long Range Transportation Plan
MOA	Memorandum of Agreement
MOU	Memorandum of Understanding
NAA	Non-Attainment Area (for certain air pollutants)
NAAQS	National Ambient Air Quality Standards
NEPA	National Environmental Policy Act
PPP (also P3)	Public Private Partnership
R3 or R5	Region 3 or Region 5 of the Colorado Department of Transportation
RPP	Regional Priority Program (a funding program of the Colorado Transportation Commission)
RSH	Revenue Service Hour
RSM	Revenue Service Mile
RTP	Regional Transportation Plan
SOV	Single Occupant Vehicle
STAC	State Transportation Advisory Committee
STIP	Statewide Transportation Improvement Program
TA (previously TAP)	Transportation Alternatives program (a FHWA funding program)
TC	Transportation Commission of Colorado
TIP	Transportation Improvement Program
Title VI	U.S. Civil Rights Act of 1964, prohibiting discrimination in connection with programs and activities receiving federal financial assistance
TPR	Transportation Planning Region (state-designated)
TRAC	Transit & Rail Advisory Committee (for CDOT)
VMT	Vehicle Miles Traveled

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			Law) and Sections 6.09 (a) (1) and (a) (5) of the SMART Bylaws for the purpose of: determining positions that may be subject to negotiations, developing strategy for negotiations and instructing negotiators regarding possible acquisition of real property to discuss potential real estate transaction.

San Miguel Authority for Regional Transportation
Board of Directors Meeting August 11th, 2022 Regular Meeting
Virtual meeting minutes

Member Directors Present: San Miguel County – Kris Holstrom. Town of Mountain Village – Patrick Berry, Marti Prohaska, Harvey Mogensen. Town of Rico – Joe Dillsworth.

Staff Present: David Averill and Kari Distefano (SMART). Kelly Kronenberg (Telluride Express).

The meeting was called to order at 3:02 p.m.

Item 1: Public Comment
No public comment was offered.

Item 2: Resolution 2022-13 Part 1a, regarding the Review and Approval of the August 11th, 2022 Agenda and Consent Items and Part 1b, regarding the Review and Approval of June 9th, 2022 Meeting Minutes

Patrick Berry moved to adopt Resolution 2022-13, parts 1a and 1b.
Joe Dillsworth seconded the motion.

A unanimous vote approved the motion.

Item 3: FY22 2nd Quarter Performance Report
Averill provided an update on performance metrics for the second quarter of 2022. Discussion focused on overall ridership trends, costs per passenger metrics and rising fuel costs.

Item 4: FY22 2nd Quarter Financials Report
Averill provided an update on year-to-date revenues and expenditures. Discussion focused on how revenue continues to be strong this fiscal year which is helpful in the face of rising costs. SMART continues to be in a favorable financial position.

Item 7: June/July 2022 Operations Update
Distefano presented the Operations report for June and July. Updates included a report on the status of the Older Adults and Disabled Mobility Gaps Study, marketing efforts, anda ridership report.

Item 8: Executive Directors Report
Averill gave updates on grants, the Meadows Underpass design project, and progress on the FY21 Fiscal Audit.

Item 9: Round Table updates and reports
No round table updates or reports were offered.

10. Executive Session
Executive Session pursuant to C.R.S. 24-6-402 4(a) and 4(e) (I),(Open Meetings Law) and Sections 6.09 (a) (1) and (a) (5) of the SMART Bylaws for the purpose of: determining positions that may be subject to

negotiations, developing strategy for negotiations and instructing negotiators regarding possible acquisition of real property to discuss potential real estate transaction.

The meeting was adjourned at 3:41 p.m.

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE SAN MIGUEL AUTHORITY FOR REGIONAL TRANSPORTATION EVIDENCING ACTIONS TAKEN AT ITS SEPTEMBER 8TH, 2022 REGULAR MEETING

RESOLUTION NO. 2022-14

RECITALS:

WHEREAS, the San Miguel Authority for Regional Transportation ("SMART") was approved by the registered electors of the Town of Telluride, Town of Mountain Village, and that portion of the SMART combination that are within that part of the SMART boundaries located within unincorporated San Miguel County, pursuant to the Colorado Regional Transportation Authority Law, C.R.S. Title 43, Article 4, Part 6, at the general election held on November 8, 2016; and

WHEREAS, SMART is governed by the Colorado Regional Transportation Authority Law and SMART Intergovernmental Agreement ("SMART IGA") conditionally approved by each of the governing bodies of the Town of Telluride, Town of Mountain Village and San Miguel County pending approval by the registered electors at the November 8, 2016 general election; and

WHEREAS, the Board held a regular meeting on September 8th, 2022; and

WHEREAS, Section 3.09 of the SMART IGA requires all actions of the Board to be taken by written resolution; and

WHEREAS, the Board desires to take action on certain items set forth below in accordance with the SMART IGA.

NOW, THEREFORE BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE SAN MIGUEL AUTHORITY FOR REGIONAL TRANSPORTATION AS FOLLOWS:

1. At its September 8th, 2022regular meeting the Board took action on the following:
    a. Approval of the September 8th, 2022meeting agenda (Exhibit A)
    b. Approval of the Board meeting minutes for the August 11th, 2022 regular meeting (Exhibit B)

ADOPTED AND APPROVED BY THE BOARD OF DIRECTORS OF THE SAN MIGUEL AUTHORITY FOR REGIONAL TRANSPORTATION AT A REGULAR PUBLIC MEETING THIS SEPTEMBER 8TH, 2022.

_____

Kris Holstrom, Board Chair

ATTEST:

_____

David Averill, Executive Director

Click here to return to Agenda

AGENDA ITEM SUMMARY (AIS)

San Miguel Authority for Regional Transportation

SMART
SAN MIGUEL AUTHORITY for REGIONAL TRANSPORTATION

Meeting Date	Agenda Item	Submitted By
September 8th, 2022	3	D.Averill

Objective/Requested Action

Action is requested by the Board to acknowledge the receipt of the Audit Report for the FY21 financial audit, undertaken by CSD Certified Public Accountants.	Report Work Session Discussion **X Action**

Key Points

At its April 12th, 2018 meeting, SMART designated CSD Certified Public Accountants as its outside auditing firm for the purpose of undertaking required outside financial auditing services. Working over the previous several months of this year, CSD has recently completed an audit of SMARTs FY21 financials and prepared the final report. While the standard audit of our financial statements revealed no findings, the so called "Single Audit" of our Federal expenditures did reveal two material weaknesses related to classification of Federal funds in the accounting system that Staff and ASAP will work to resolve. At this time the Board is being asked to acknowledge the receipt of the FY21 Audit Report and approve its submission to the Office of the State Auditor.

Committee Discussion

NA

Supporting Information

NA

Fiscal Impact

NA

Advantages

Acknowledging receipt of the audit report, its recommendations, and the accompanying management letter through resolution allows the submittal of the audit report to the Office of the State Auditor, in accordance with relevant Colorado Statutes.

Disadvantages

None noted.

Analysis/Recommendation(s)

Staff recommends that the Board acknowledge the receipt of the FY21 Audit Report and its findings and direct the Executive Director submit the FY21 Audit Report to the Office of the State Auditor.

Attachments

Attachment A: FY21 Audited Financial Statements and Report

FINANCIAL STATEMENTS AND REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

December 31, 2021

C O N T E N T S

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
San Miguel Authority for Regional Transportation
Telluride, CO 81435

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, and each major fund of San Miguel Authority for Regional Transportation (SMART) as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise SMART's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, and each major fund of San Miguel Authority for Regional Transportation, as of December 31, 2021, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of SMART and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about SMART's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material

misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of SMART's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about SMART's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 4-6 and 18–19 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise SMART's basic financial statements. The accompanying combining and individual nonmajor fund financial statements and schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 1, 2022, on our consideration of SMART's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of SMART's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering SMART's internal control over financial reporting and compliance.

Chadwick, Steinkirchner, Davis & Co., P.C.
September 1, 2022

Management's Discussion and Analysis
San Miguel Authority for Regional Transportation
December 31, 2021

As Management of the San Miguel Authority for Regional Transportation (the "Authority"), we offer readers of the Authority's financial report this narrative summary for the fiscal year ended December 31, 2021.

Financial Highlights

- When looking at a short-term view, the General Fund had a change in net position of $2,637,253. This improvement was attributable to a cautious approach to expanding the services it offers and receipt of grant funding in the fiscal year.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Authority's basic financial statements. The Authority's basic financial statements are comprised of three components: 1) government wide financial statements, 2) financial statements; and 3) notes to the financial statements. These components are discussed below.

The *government-wide financial statements* are designed to provide readers with a broad overview of our finances in a manner similar to a private sector business

The statement of net position information on all assets, deferred outflows, liabilities, and deferred inflows with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether financial position is improving or deteriorating.

The statement of activities presents information showing how the net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods.

The *Fund Financial Statements* are designed to provide readers with an overview of the Authority's finances, from a short-term perspective. A fund is a group of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of expendable resources, as well as on balances of expendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements.

The 2021 Authority financial statements reports on one individual fund described as the Governmental Fund.

This General Governmental Fund accounts for the Administration and Transit Program activities of the Authority. The general Governmental fund provides administrative support services (the Administrative and public commuter transit services.

The Authority's financial statements can be found on pages 7-11 of this report.

The *Notes to the Financial Statements* provide a background of the entity, certain required statutes, and accounting policies utilized by the Authority. They also provide additional information that will aid in the interpretation of the financial statements.

The Notes to the Financial Statements can be found on page 11 of this report.

Supplementary Information concerning the Authority is also presented in addition to the basic financial statements and notes. This information can be found at page 18 of this report.

Financial Analysis of the Authority

Details regarding the Authority's assets and liabilities can be found on lysis.

The Authority receives revenues from various sources to fund the Administration, Transit and Trails Programs.

- Regional transit services are primarily funded through Sales and Property Tax and revenues.
- Grant revenues are provided at the Federal or State level and fund capital and operating expenditures; the Authority received $1,365,747.00 in operating and capital grants in FY21.;

Details regarding the Authority's revenue sources can be found on page 8.

Details regarding the Authority's expenditures can be found on page 19.

Major Capital Asset events

The Authority purchased 5 vehicles (4 buses and one van) in 2021 at a cost of $703,518.

Major Debt events

The Authority experienced no major debt events in 2021.

Long term Financial Plan

The Authority's long-term goal is to be financially sustainable by maintaining operating and capital reserves in accordance with Management's policies and to maintain a long-range financial forecast to communicate and plan for future opportunities and issues.

The Authority uses fund accounting to ensure and demonstrate compliance with accounting and related legal requirements.

Request for Information

This financial report is designed to provide a general overview of the Authority's finances. Questions concerning any of the information provided in this report or requests for additional information should

be addressed to: San Miguel Authority for Regional Transportation, Attention: Executive Director, PO Box 3140, Telluride Colorado, 81435.

San Miguel Authority for Regional Transportation

STATEMENT OF NET POSITION

December 31, 2021

	Governmental Activities
ASSETS	
Cash and investments	$ 3,986,043
Cash with County Treasurer	277,402
Receivables	
Property tax	705,330
Sales tax	205,558
Accounts receivable	9,304
Grants receivable	515,857
Prepaid fuel	500
Total current assets	5,699,994
Note receivable	40,000
Capital assets, net of accumulated depreciation	3,154,389
Total non-current assets	3,194,389
Total assets	8,894,383
LIABILITIES	
Accounts payable	126,153
Compensated absences	17,152
Total liabilities	143,305
DEFERRED INFLOWS	
Property taxes	705,330
Total deferred inflows	705,330
NET POSITION	
Restricted for emergency reserves - TABOR	134,434
Investment in capital assets	3,154,389
Unrestricted	4,756,924
Total net position	$ 8,045,748

The accompanying notes are an integral part of this statement.

San Miguel Authority for Regional Transportation

STATEMENT OF ACTIVITIES

Year ended December 31, 2021

Function/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Governmental Activities, Net
Governmental activities:					
General government	$ 351,155	$ 111,337	$ -	$ -	$ (239,818)
Transportation	1,492,723	10,692	218,039	2,315,806	1,051,813.64
Total governmental activities	$ 1,843,878	$ 122,029	$ 218,039	$ 2,315,806	811,996
General revenues:					
Property taxes					655,035
Sales taxes					1,170,086
Unrestricted investment earnings					140
Total general revenues					1,825,261
Change in net position					2,637,257
Net position at beginning of year					5,408,491
Net position at end of year					$ 8,045,748

The accompanying notes are an integral part of this statement.

San Miguel Authority for Regional Transportation

BALANCE SHEET - GOVERNMENTAL FUND

December 31, 2021

ASSETS		
Cash and investments		$ 3,986,043
Cash held by County Treasurer		277,402
Receivables		
Property tax		705,330
Sales tax		205,558
Accounts receivable		9,304
Grants receivable		515,857
Notes		40,000
Prepaid fuel		500
	Total assets	5,739,994
LIABILITIES		
Accounts payable		126,153
	Total liabilities	126,153
DEFERRED INFLOWS		
Property taxes		705,330
Long-term receivables		40,000
	Total deferred inflows	745,330
FUND BALANCES		
Nonspendable		500
Restricted for emergencies - TABOR		134,434
Assigned for capital purchases		1,109,623
Unassigned		3,623,954
	Total fund balance	$ 4,868,511
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Total fund balance - governmental funds		$ 4,868,511
In the funds, purchases of capital assets are recognized as capital outlay expenditures, but in the government-wide statements they are recognized as assets and depreciated over time.		3,154,389
In the funds, receivables are deferred until earned but in the government wide statements they are recognized as long term notes receivable and the associated activity was recognized at the time the note was established.		40,000
Accrued compensated absences payable are not due and payable in the current year and, therefore, are not reported in the fund		(17,152)
Net position of governmental activities		$ 8,045,748

The accompanying notes are an integral part of this statement.

San Miguel Authority for Regional Transportation

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - GOVERNMENTAL FUND

Year ended December 31, 2021

Revenues	
Property tax	$ 655,035
Sales tax	1,170,086
Fees for service	10,692
Intergovernmental	901,239
Interest income	140
Rental income	111,331
Grants	1,632,606
Total revenue	4,481,129
Expenditures	
Adminstrative and personnel	356,004
Professional	132,371
Transportation	1,050,606
Lawson Hill	37,011
Facility	34,898
Capital	813,956
Total expenditures	2,424,846
Change in fund balance	2,056,283
Fund balance, beginning	2,812,228
Fund balance, ending	$ 4,868,511
Amounts reported for governmental activities in the Statement of Activities are different because:	
Net change in fund balance - governmental fund	$ 2,056,283
Capital assets are recognized as capital outlay expenditures in the funds but are capitalized and depreciated over their useful lives in the government-wide funds. This is the amount that capital outlay ($706,926) exceeds depreciation expense ($130,807) for the year.	576,119
Compensated absences are recognized as an expenditure in the fund when they are determined to be payable from current financial resources. This is the amounts by which compensated absences changed in the current year.	4,849
Change in Net Position of Governmental Activities	$ 2,637,251

The accompanying notes are an integral part of this statement.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. Organization

San Miguel Authority for Regional Transportation (SMART) was established in November 2016 through an intergovernmental agreement between the Town of Mountain Village, Colorado, the Town of Telluride, Colorado, and San Miguel County, Colorado. SMART was created to provide bus service, shuttles, trails, roads, and related transit infrastructure. SMART's services are supported by dedicated sales tax collections by governments within the service area, a voter approved property tax mill levy, real estate transfer tax, grants, and contributions from the governments included in the intergovernmental agreement. SMART is governed by a Board of Directors comprised of six directors and three alternates appointed from each of its local government members.

The accompanying statements have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP) as applicable to governmental units. The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). The financial statements include all activities and functions that comprise SMART. Component units are legally separate entities for which the governmental entity is financially accountable. Financial accountability is defined as the ability to appoint a voting majority of the organization's governing body and either (1) the government's ability to impose its will over the organization or (2) the potential that the organization will provide a financial benefit to, or impose a financial burden on, the governmental entity. Using these criteria, SMART has no component units.

2. Financial Statements

Measurement focus

SMART's financial statements include both government-wide (reporting the Authority as a whole) and fund financial statements (reporting SMART's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental (normally supported by taxes and intergovernmental revenues) or business (relying to a significant extent on fees and charges for support) type activities.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when they become available and measurable. Available means collectible within the current period or soon enough thereafter to pay current liabilities. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current period. Intergovernmental revenues received as reimbursements for specific purposes or projects, are recognized based upon the expenditures recorded. Expenditures are recorded when the liability is incurred.

Government-wide financial statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the activities of SMART.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to those who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes or other items not properly included among program revenues are reported instead as general revenues.

Fund financial statements

The financial statements are reported in individual funds in the fund financial statements. Each fund is a separate set of self-balancing accounts that comprises its assets, liabilities, deferred inflows and outflows, fund balance, revenues, and expenditures. At December 31, 2021, SMART only has a general fund that accounts for all of the activities of the government.

3. Capital assets

Property and equipment are reported as governmental activities in the government-wide financial statements. Capitalized assets are defined by SMART as assets that have a useful life of one or more years, and for which the initial value equals or exceeds $5,000. All purchased assets are valued at cost. Donated assets are valued at their estimated fair market value on the date received. The cost of normal maintenance and repairs that does not add to the value of an asset or materially extend asset life is not capitalized. Depreciation on all assets is provided on the straight-line basis over the following estimated useful lives:

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Asset Class	Useful life
Vehicles	5-12 years
Buildings	30 years

4. Receivables

   Receivables are reported net of any allowance for doubtful accounts. No allowance for uncollectible accounts has been established, as SMART considers all accounts to be collectible at December 31, 2021. San Miguel Authority for Regional Transportation recognized $515,857 in grants receivable for the current fiscal year in addition to rental income receivable, and taxes receivable.

5. Accrued liabilities for compensated absences

   SMART allows employees to accumulate earned but unused vacation and sick pay benefits. A liability for accrued, unused vacation or sick leave is recorded in the government-wide statement of activities. In the governmental fund statements, vacation or sick leave is reported as an expenditure and liability to the fund when used.

6. Deferred inflows of resources

   Deferred inflows of resources represent an acquisition of net position that applies to a future period and so will be not be recognized as an inflow of resources (revenue) until that time. Unavailable revenue from property taxes are reported in the government balance sheet and statement of net position as a deferred inflow of resources. Property taxes levied in one year and collected the next, are deferred and recognized as an inflow of resources in the period that the property taxes become available.

7. Estimates

   The preparation of financial statements in accordance with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

8. Net position

   Net position represents the difference between assets and liabilities. The net position category of net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition or construction of improvements on those assets. Net position is reported as restricted when there are limitations imposed on their use

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

either through enabling legislation adopted by SMART or through external restrictions imposed by creditors, grantors, laws or regulations of other governments.

9. Fund Balance

Governmental fund balances are classified as follows:

- *Non-spendable fund balance* - The portion of fund balance that cannot be spent because it is either not in spendable form (such as prepaid expense) or is legally or contractually required to be maintained intact.
- *Restricted fund balance* - The portion of fund balance constrained to being used for a specific purpose by external parties (such as grantors or bondholders), constitutional provisions or enabling legislation.
- *Committed fund balance* - The portion of fund balance constrained for specific purposes according to limitations imposed by SMART's highest level of decision making authority, the Board, prior to the end of the current fiscal year. The constraint may be removed or changed only through formal action of the Board.
- *Assigned fund balance* - The portion of fund balance set aside for planned or intended purposes. The intended use may be expressed by the Board or other individuals authorized to assign funds to be used for a specific purpose.
- *Unassigned fund balance* - The residual portion of fund balance that does not meet any of the above criteria. SMART will only report a positive unassigned fund balance in the General Fund.

Unrestricted fund balance will be used in the following order: committed, assigned, and unassigned.

10. Property Taxes

Property taxes are certified by the Board and collected by San Miguel County. Property taxes are remitted to SMART by the 10th day of the month following collection. Property taxes receivable represents 2021 taxes that will be collected in 2022.

Property taxes attach as an enforceable lien on property as of January 1 of the year in which they are payable. Taxes are payable either in full on or before April 30 or one half on or before February 28 and the remaining half on or before June 15.

NOTE B – BUDGETARY INFORMATION

SMART conforms to the following procedures in compliance with Colorado Revised Statutes in establishing the budgetary data reflected in the financial statements:

In the fall of each year, the SMART Board of Directors prepares a proposed operating budget for the fiscal year commencing the following January 1. The operating budget for the funds includes proposed expenses and the means of financing them.

A public hearing is held at a Board of Directors meeting to obtain taxpayer input. Prior to December 15, the budget is legally enacted through passage of a budget resolution. The Board of Directors can modify the budget by line item within the total appropriation without notification. The appropriation can only be modified upon completion of notification and publication requirements.

NOTE C – CASH AND INVESTMENTS

Deposits

The Colorado Public Deposit Protection Act ("PDPA") requires that all units of local government deposit cash in eligible public depositories with eligibility determined by state regulators. Amounts on deposit in excess of federal insurance levels must be collateralized. The eligible collateral is determined by the PDPA, which allows the institution to create a single collateral pool for all public funds. The pool is to be maintained by another institution or held in trust for all the uninsured public deposits as a group. The market value of the collateral must be at least equal to 102% of the uninsured deposits. Deposits at December 31, 2021, consisted of the following:

Deposits	$ 2,575,628
Money market funds	1,410,415
Cash and investments per statement of net position	$ 3,986,043

Custodial credit risk

This is the risk that, in the event of failure of SMART's depository financial institution, deposits will not be able to be recovered. At December 31, 2021, the bank balance of SMART's deposits was $3,983,843. Of this balance, $250,000 was insured by FDIC and the remaining $3,733,843 was covered by PDPA.

Investments

Colorado statutes specify investment instruments meeting defined rating and risk criteria in which local government entities may invest:

NOTE C – CASH AND INVESTMENTS - CONTINUED

- Obligations of the United States and certain U.S. government agency securities
- Certain international agency securities
- General obligation and revenue bonds of U.S. local government entities
- Bankers acceptances of certain banks
- Commercial paper
- Local government investment pools
- Written repurchase agreements collateralized by certain authorized securities
- Certain money market funds
- Guaranteed investment contracts

NOTE D – NOTES RECEIVABLE

The Authority has a long-term note receivable for $40,000 dated February 1, 2018 with the executive director of SMART to assist in purchasing a home. The proceeds of the note were used to finance a portion of the down payment, closing costs and prepaid items directly related to the purchase. This is an interest free note which is not due and payable unless there is a default as described in the note, or the property is sold or transferred. If there is not a sale or transfer within 10 years of the note, the full amount of the principal and a share of the appreciation of the home will be due and payable to SMART. The share of appreciation is based on the amount of the assistance as a percentage of the original sales price of the home.

NOTE E – LONG-TERM LIABILITES

Changes in long-term liabilities for the year ended December 31, 2021, were as follows:

	December 31, 2020	Increases	Decreases	December 31, 2021
Compensated absences	$ 22,004	$ –	$ 4,852	$ 17,152

NOTE F – INTERGOVERNMENTAL AGREEMENT

SMART was formed by an intergovernmental agreement, dated November 9, 2016 after a ballot measure was approved by the voters in Town of Mountain Village, Town of Telluride, and San Miguel County. SMART was created pursuant to Colorado Revised Statutes, [Title 43, Article 4, Part 6] known as the Colorado Rural Transportation Authority Law. The voters approved a .25% sales tax and an additional .75 mills on all taxable property located within the territory of SMART. The new taxes commenced on January 1, 2017. The intergovernmental agreement also allows for contributions from each of its members to support operating and capital expenses of SMART.

NOTE F – INTERGOVERNMENTAL AGREEMENT – CONTINUES

A funding agreement between the Town of Mountain Village and the San Miguel Authority for Regional Transportation, was entered into, for the service term of April 1st, 2021 through November 20th, 2021. The agreement is in regard to the off-season scope of services, and includes language asserting the Town will continue to provide regional transit services along established routes and at the levels of services that are conventional and agreed on between the two entities. The agreement also decrees a contribution rate to be recognized and is based on operating hours, with a total contribution that will cap at $139,890.

NOTE G – RISK MANAGEMENT

SMART is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

SMART is a member of the Colorado Intergovernmental Risk Sharing Agency ("CIRSA"), CIRSA provides liability, worker's compensation, and property insurance. The insurance is provided through joint self-insurance, insurance and reinsurance, or any combination of thereof. CIRSA's rate setting policies are established by the Board of Directors in consultation with independent actuaries. SMART is subject to a supplemental assessment in the event of deficiencies and may receive credit on future contributions in the event of surplus.

NOTE H – TAX, SPENDING AND DEBT LIMITATIONS

In November 1992, Colorado voters passed an amendment to the State Constitution, Article X, Section 20, commonly known as the Taxpayer's Bill of Rights (TABOR). TABOR contains revenue, spending, tax, and debt limitations that apply to the State of Colorado and its local governments. In November 2016, the voters of San Miguel County, Town of Mountain Village, and Town of Telluride approved a ballot measure to allow SMART to retain all revenues in excess of TABOR revenue limits.

TABOR requires local governments to establish an emergency reserve to be used for declared emergencies. These reserves are required to be 3% of fiscal year spending. As required by TABOR, SMART has restricted $134,797 of its fund balance.

TABOR is complex and subject to interpretation, however, SMART believes it is in compliance with the financial provisions of TABOR.

NOTE I – CAPITAL ASSETS

At December 31, 2021, capital asset transactions and balances include the following:

	Beginning Balance	Increases	Decreases	Ending Balance
Non Depreciable assets				
Land	$ 933,445	$ –	$ –	$ 933,445
Depreciable assets				
Vehicles	203,011	706,926	–	909,937
Building	1,567,776	–	–	1,567,776
Total depreciable capital assets	1,770,787	706,926	–	2,477,713
Less accumulated depreciation for:				
Vehicles	(115,075)	(78,548)	–	(193,623)
Buildings	(10,887)	(52,259)	–	(63,146)
Total accumulated depreciation	(125,962)	(130,807)	–	(256,769)
Total net depreciable capital assets	1,644,825	576,119	–	2,220,944
Total capital assets, net	$ 2,578,270	$ 576,119	$ –	$ 3,154,389

NOTE I – CAPITAL ASSETS

The building and land purchased on October 12, 2020 for a total of $2,501,221, was purchased with the assistance of a grant from the Colorado Department of Transportation (CDOT) in the amount of $1,800,000. In compliance with the grant agreement, the funds were used to purchase a building and land for a transit operations facility to support the goals of the Statewide Transit Plan. SMART will use the property for maintenance and storage of its fleet of buses and vans, and the property may also be used by partner agencies under the direction of SMART. SMART is required to list CDOT on the deed to the property as a tenant-in-common within 90 days of the purchase of the property and to maintain the property primarily as a transit operations facility for the next thirty years and to comply with all reporting requirements included in its agreement with CDOT during that time. If SMART fails to comply with the terms of the grant agreement, CDOT will require a return of its interest in the property.

San Miguel Authority for Regional Transportation

SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GENERAL FUND

Year ended December 31, 2021

	Original Budget	Final Budget	Actual	Variance with Final Budget Favorable (Unfavorable)
Tax revenues				
Property tax	$ 626,884	$ 626,884	$ 655,035	$ 28,151
Sales tax	548,990	548,990	1,170,086	621,096
Fees for service	34,500	7,500	10,692	3,192
Intergovernmental revenue	125,000	125,000	901,239	776,239
Interest income	-	-	140	140
Rental income	100,000	90,000	111,331	21,331
Grants	458,280	1,188,280	1,632,606	444,326
Total revenues	1,893,654	2,586,654	4,481,129	1,894,475
Expenditures				
Personnel expenses				
Salaries and wages	195,000	207,000	201,656	5,344
Retirement, benefits, and tax	78,000	78,000	46,442	31,558
Operating expenses				
Rent	-	-	621	(621)
Other	35,250	35,250	107,285	(72,035)
Professional services				
PR/Marketing	50,000	50,000	53,448	(3,448)
Attorney	15,000	15,000	1,974	13,026
Accounting	5,200	5,200	14,962	(9,762)
Consulting	41,800	41,800	41,374	426
Mileage reimbursement	2,600	2,600	2,019	581
Treasurer's fees	19,000	19,000	18,594	406
Transit & Transportation Services				
Down Valley/Norwood/Rico	543,000	543,000	560,228	(17,228)
Mountain Village shuttles	68,000	68,000	-	68,000
Offseason	256,000	256,000	286,534	(30,534)
San Miguel County shuttle	14,000	14,000	5,835	8,165
Medical Shuttles	15,000	15,000	16,760	(1,760)
Maintenance & insurance	17,000	35,000	12,706	22,294
Parts Allowance	115,000	130,000	91,369	38,631
Vehicle licences and fees	-	-	90	(90)
Covid 19 supplementary service	150,000	150,000	77,084	72,916
Lawson Hill intercept parking lot				
Maintenance	12,500	12,500	12,560	(60)
Utilities	2,500	2,500	6,240	(3,740)
Services	23,000	23,000	12,825	10,175
Supplies	3,200	3,200	2,423	777
Other	-	-	2,963	(2,963)
Facility Maintenance				
Landscape	3,580	3,500	4,634	(1,134)
Utilities	4,500	6,000	16,126	(10,126)
Services	13,880	13,880	14,138	(258)
Bike Share Program	25,000	-	-	-
Capital expenditures	-	-	813,956	(813,956)
Total expenditures	1,708,010	1,729,430	2,424,846	(695,416)
Change in fund balance	185,644	857,224	2,056,283	1,199,059
Fund balance - beginning	2,812,228	2,812,228	2,812,228	-
Fund balance - ending	$ 2,997,872	$ 3,669,452	$ 4,868,511	$ 1,199,059

San Miguel Authority for Regional Transportation

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

December 31, 2021

RSI NOTE A – BUDGETARY INFORMATION

The budget for the general fund is adopted on the modified accrual basis of accounting. The operating budget includes proposed expenditures and the means of financing them. The Board of Directors must approve increases to a fund's budget.

RSI NOTE B – EXPENDITURES/EXPENSES IN EXCESS OF APPROPRIATION

State Statute requires that expenditures and transfers for a fund cannot exceed the appropriations for that fund. Appropriations for a fund may be increased provided unanticipated resources offset them.

The legal level of appropriation is within the fund. In 2021, the District did not have any budget violations

San Miguel Authority for Regional Transportation

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the year ended December 31, 2021

Program Title	Federal Assistance Listing	Pass-through Number	Award Expenditures
US Department of Transportation			
Passed-through Colorado Department of Transportation			
Statewide and Non-Metropolitan Planning and Research Program (FTA-5304 Section)			
5304 Fleet Electrification Feasibility Study & Roadmap	20.505	20-HTR-ZL-03195	$ 33,106
Formula Grants for Rural Areas Program			
5311 Admin and Operating	20.509	21-HTR-ZL-00264	182,160
Formula Grants for Rural Areas Program			
5311 ADA Gas Van Replacement	20.509	21-HTR-ZL-03271	60,532
Formula Grants for Rural Areas Program			
5311 30' ADA Diesel Bus Replacement	20.509	21-HTR-ZL-03264	241,261
Formula Grants for Rural Areas Program			
2020 CARES Act 5311 A/O Award	20.509	21-HTR-ZL-03212	137,718
Formula Grants for Rural Areas Program			
Coronavirus Response and Relief Supplemental Appropriations Act (CRRSAA) & Winter Surge Admin & Operating	20.509	21-HTR-ZL-00309	710,970
Total 20.509			1,332,641
Total US Department of Transportation of Federal Expenditures			$ 1,365,747

San Miguel Authority for Regional Transportation

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

December 31, 2021

NOTE A – BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of San Miguel Authority for Regional Transportation (SMART) under programs of the federal government for the year ended December 31, 2021. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of SMART, it is not intended to and does not present the financial position, or changes in net assets of SMART.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Indirect Cost Rate
SMART has elected not to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Board of Directors
San Miguel Authority for Regional Transportation
Telluride, Colorado

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, and each major fund of San Miguel Authority for Regional Transportation (SMART), as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise SMART's basic financial statements, and have issued our report thereon dated September 1, 2022.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered SMART's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of SMART's internal control. Accordingly, we do not express an opinion on the effectiveness of SMART's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements, on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as item 2021-001 and 2021-002, which we consider to be a material weakness.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether SMART's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with

those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Chadwick, Steinkirchner, Davis & Co., P.C.
September 1, 2022

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

To the Board of Directors
San Miguel Authority for Regional Transportation
Telluride, Colorado

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited San Miguel Authority for Regional Transportation's (SMART) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of SMART's major federal programs for the year ended December 31, 2021. SMART's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, SMART complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2021.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of SMART and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of SMART's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to SMART's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on SMART's compliance based on our audit. Reasonable assurance is a high level of

assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about SMART's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding SMART's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of SMART's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of SMART's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Other Matters

The results of our auditing procedures disclosed no instances of noncompliance to be reported in accordance with the Uniform Guidance. Our opinion on each major federal program is not modified with respect to these matters.

Government Auditing Standards requires the auditor to perform limited procedures on SMART's response to the noncompliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. SMART's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal

program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Chadwick, Steinkirchner, Davis & Co., P.C.
September 1, 2022

San Miguel Authority for Regional Transportation

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year ended December 31, 2021

SECTION I - SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued:	Unmodified Opinion			
Internal control over financial reporting:				
Material weakness(es) identified?	✓	yes		no
Significant deficiency(ies) identified not considered to be material weaknesses?		yes	✓	none reported
Noncompliance material to financial statements noted?		yes	✓	no

Federal Awards

Internal Control over major programs:				
Material weakness(es) identified?		yes	✓	no
Significant deficiency(ies) identified not considered to be material weaknesses?		yes	✓	none reported
Type of auditor's report issued on compliance for major programs:	Unmodified Opinion			
Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance 2 CFR 200.516?		yes	✓	no

Identification of major programs:

CFDA Number(s)	Name of Federal Program or Cluster
20.509	Formula Grants for Rural Areas

Dollar threshold used to distinguish between Type A and Type B programs:	$ 750,000			
Auditee qualified as low-risk auditee?		yes	✓	no

San Miguel Authority for Regional Transportation

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year ended December 31, 2021

SECTION II - FINDINGS UNDER GENERALLY ACCEPTED GOVERNMENT AUDITING STANDARDS

Material Weakness in Internal Controls.

2021-001
Type of Finding: Material Weakness in Internal Control

Criteria: The Uniform Guidance states that an entity is responsible for establishing and maintaining a system of internal control that will prevent, detect and correct errors in the financial statements in a timely manner to safeguard assets and allow for timely, accurate and properly classified information over financial reporting. It requires that charges to Federal awards are adequately documented. These records must be supported by a system of internal control which provides reasonable assurance that the charges are accurate, allowable, and properly allocated and classified.

Condition: For the year ended December 31, 2021, SMART had several material adjustments to properly classify and accurately reflect federal revenue and accounts receivable balances.

Effect: Balances and disclosures in the financial statements could be misstated due to errors not being detected and corrected on a timely basis.

Cause: SMART has a very limited number of employees working in the administration office which creates a lack of segregation of duties in the review process. To mitigate this, they utilize a third party accounting company. For fiscal year 2021, there was miscommunication between the executive director and the third party, with regard to classifications and accounts that were being journaled to recognize federal revenues.

Recommendations: We recommend that SMART creates a processes where there is clear communication and documentation of expectations from the executive director, to the third party accountant, with regard of the fund source i.e. federal program receipts and requests for funds; the Executive Director and third party accountant should be regularly updating each other on the chart of accounts and classifications, as well as the funding sources and awards, to properly track and report the activity of federal grants.

View of responsible officials: Management is in agreement

2021-002
Type of Finding: Material Weakness in Internal Control

Criteria: The Uniform Guidance states that the auditee must prepare a schedule of expenditures of federal awards (SEFA) for the periods covered by the financial statements, and one that includes accurate assistance listing numbers, balances of expended awards, pass through entity identifying numbers, sub recipients, and the federal grantor or cluster title.

San Miguel Authority for Regional Transportation

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year ended December 31, 2021

Condition: For the year ended December 31, 2021, SMART did not have a system in place to successfully compile an accurate and complete SEFA as described above.

Effect: Balances and disclosures in the financial statements could be misstated due to errors not being detected and corrected on a timely basis. Major program determination and coverage of testing could be inaccurate due to an incomplete SEFA.

Cause: SMART has a very limited number of employees working in the administration office which creates a lack of segregation of duties in the review process. To mitigate this, they utilize a third party accounting company. For fiscal year 2021, there was miscommunication between the executive director and the third party, with regard to classifications and accounts that were being journaled to recognize federal revenues. This is also SMART's first fiscal year receiving federal revenues over scope permitting the requirement of a yellow book audit.

Recommendations: We recommend that SMART creates a process that is designed and implemented in a manner that can be documented appropriately, and provide for an adequate maintenance of records in the accounting software. This system should enable SMART to compile a complete set of information with regard to federal expenditures, which will aid in the completion of an accurate SEFA given the requirement of a single audit for future fiscal years.

View of responsible officials: Management is in agreement

SECTION III - FINDINGS AND QUESTIONED COSTS UNDER THE UNIFORM GUIDANCE

There were no findings or questions costs noted under the Uniform Guidance.

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE SAN MIGUEL AUTHORITY FOR REGIONAL TRANSPORTATION ACKNOWLEDGING THE RECEIPT OF THE 2021 FINANCIAL AUDIT AND REPORT

RESOLUTION NO. 2022-15

RECITALS:

WHEREAS, the SMART Board of Directors have retained CSD Certified Public Accountants to serve as independent auditors and to provide audited financial statements for the year ending December 31, 2021; and

WHEREAS, the SMART Executive Director has filed with the SMART Board of Directors copies of the completed audit report for the Fiscal Year, which ended December 31, 2021 at the Regular Meeting of the SMART Board held September 8th, 2022;

NOW, THEREFORE BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE SAN MIGUEL AUTHORITY FOR REGIONAL TRANSPORTATION:

1. **THAT**, the SMART Board of Directors hereby acknowledges receipt of the audit report which includes the audited financial statements prepared by CSD Certified Public Accountants for the fiscal year which ended December 31, 2021.
2. **THAT**, the Management Letter submitted by CSD Certified Public Accountants is hereby accepted along with a request that the Board review the recommendations contained therein and staff responses thereto and provide a recommendation to the Board on those items.
3. **FURTHER, THAT**, the SMART Executive Director is hereby authorized and directed to take such administrative steps necessary to file a copy of the 2021 financial audit report with the Office of the State Auditor; to place a copy of the 2021 audit report on file for public inspection in its offices; and to publish the same on SMARTs website.

ADOPTED AND APPROVED BY THE BOARD OF DIRECTORS OF THE SAN MIGUEL AUTHORITY FOR REGIONAL TRANSPORTATION AT A REGULAR PUBLIC MEETING THIS 8TH DAY OF SEPTEMBER, 2022.

_____

Kris Holstrom, Board Chair

ATTEST:

_____

David Averill, Executive Director

I, the Secretary of the Board of Directors (the "Board") of the San Miguel Authority for Regional Transportation (the "Authority"), do hereby certify that (a) the foregoing Resolution was adopted by the Board at a meeting held September 8th, 2022; (b) the meeting was open to the public; (c) the Authority provided at least 48 hours' written notice of such meeting to each Director and Alternate Director of the Authority and to the Governing Body of each Member of the Authority; (d) the Resolution was duly moved, seconded and adopted at such meeting by the affirmative vote of at least two-thirds of the Directors then in office who were eligible to vote thereon voting; and (e) the meeting was noticed, and all proceedings relating to the adoption of the Resolution were conducted in accordance with the San Miguel Authority for Regional Transportation Intergovernmental Agreement, dated as of November 9, 2016, all applicable bylaws, rules, regulations and

resolutions of the Authority, the normal procedures of the Authority relating to such matters, all applicable constitutional provisions and statutes of the State of Colorado and all other applicable laws.

WITNESS my hand this 8th day of September 2022.

_____

Patrick Berry, Secretary to the Board

Click here to return to Agenda

AGENDA ITEM SUMMARY (AIS)

San Miguel Authority for Regional Transportation

SMART
SAN MIGUEL AUTHORITY for REGIONAL TRANSPORTATION

Meeting Date	Agenda Item	Submitted By
September 8th, 2022	5	D.Averill

This is an update on gondola planning efforts and a discussion regarding SMARTs role moving forward. Miles Graham of GBSM will give a brief presentation (attached) to update the Board on the planning effort to date and then Staff will facilitate a discussion regarding SMARTs role currently and moving forward.	Report Work Session **X Discussion** Action

Key Points

The Gondola Leadership Committee has indicated that it would like SMART to take on a lager role in the Gondola planning process. To that end, it is a good time to revisit the SMART Governing IGA and what it specifically says about SMART vis a vis gondola system planning, operations, and maintenance. The end goal of this discussion is to move towards a resolution for the Board to consider at some future date acknowledging that it accepts the enhanced role in the gondola planning process and also clearly articulates SMARTs commitments moving forward within the bounds of the current Governing IGA.

Section 6.02 of the SMART Governing IGA identifies SMARTs specific responsibilities. Subsection (f) touches more specifically on SMART participation in gondola related activities. The language of Section 6.02(f) is included in its entirety here for reference.

6.02(f) Aerial Tramway (Gondola). The Authority may plan for transitioning operations, maintenance, capital improvements, and the funding required for such functions of the Telluride-Mountain Village Gondola system (the "Gondola") to the Authority by December 31, 2027.

1) Capital Expenses. The Authority may fund capital expenditures that have a useful life that extends beyond December 31, 2027. In such an event the Authority would fund the portion of the capital expense that is projected to extend beyond December 31, 2027. This limitation, however, shall not preclude individual Member contributions and/or Authority contributions for capital expenditures for enhanced Gondola operations prior to December 31, 2027 above the legal minimum service standards as established under the legal requirements of the First Amended and Restated Gondola Operating Agreement dated July 28, 1999.

2) Operational Expenses. The Authority may aggregate funds from Members related to the operation for the Gondola prior to December 31, 2027, but the Authority may not expend such funds for operations prior to December 31, 2027. This limitation, however, shall not preclude individual Member contributions and/or Authority contributions for enhanced Gondola operations above the legal minimum service standards as established under the legal requirements of the First Amended and Restated Gondola Operating Agreement dated July 28, 1999, nor shall this limitation preclude the Authority from expending local, state or federal grants for the operation of the Gondola.

Nothing in this Section 6.02(f)(2) shall be construed as obligating Authority tax revenue to fund operational expenses up to the legal minimum service standards of the Gondola prior to December 31, 2027.

Notwithstanding any of the foregoing, it is an objective of the Authority to assure the ongoing operation of the Gondola beyond December 31, 2027.

The language in Section 6.02(f) is relatively straight forward and clearly allows SMART to plan for a transition of the gondola to SMART by 12/31/27. It also allows for SMART to fund capital improvements and operations with some stipulations. The IGA (like many governing documents) is lacking in detail as to how this might be achieved given SMARTs current capacity – both from an organizational and financial standpoint. Staff sees a need to identify details regarding expectations and future steps that SMART may be called on to undertake.
Committee Discussion
NA
Supporting Information
NA
Fiscal Impact
None at this time.
Advantages
Taking the time to adequately articulate SMARTs intent and commitments with regards to the gondola planning effort will provide a clear statement to SMARTs partners and the public about its roles and responsibilities.
Disadvantages
None noted.
Analysis/Recommendation(s)
Staff is recommending that SMART start to iron out some of the details with our partners so that we can best position SMART to build on the previous success of the gondola planning effort. It is staff's opinion that ultimately the Board should adopt a resolution expressing its intent and commitments in this regard. If the Board agrees, staff will begin that work with our partners and bring forth a resolution at a future date.
Attachments
NA

Gondola Long-Term Planning Update

San Miguel Authority for Regional Transportation (SMART)

September 8, 2022

Gondola Timeline

- **1982:** San Miguel County approves the Mountain Village Planned Unit Development (PUD) with gondola provisions to reduce traffic impacts
- **1992:** Construction of the gondola begins
- **1996:** Gondola opens to the public
- **2006:** Three-year, $6.7M, upgrade begins
- **2018:** Gondola reaches three-million annual riders
- **December 31, 2027:** The end of the current operating agreement and there are no plans for the system's future

Gondola Facts and Figures

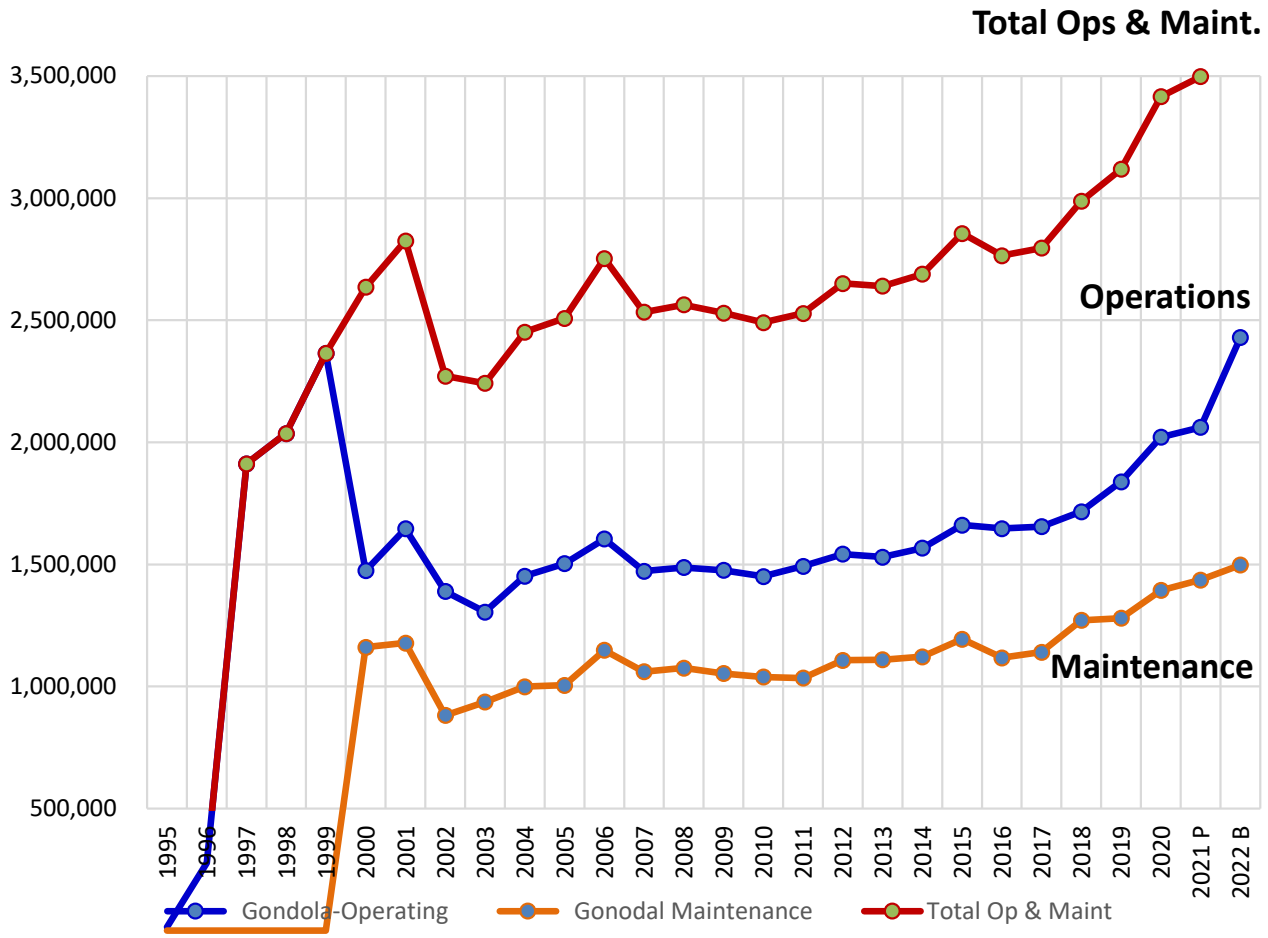
- **25 years** in operation (started November 1996)
- **1st** and only FREE transportation system of its kind in the US
- **3** million trips per year
- **20,000+** riders per day during peak seasons: one of CO's busiest transit lines
- **32.5%** increase in ridership between 2011 and 2019
- **~4 million** projected riders in 2037 but current system is at capacity
- **127,000+ hours** in operation since it was installed (more than any other comparable system in the world)

Funding and Operation Basics

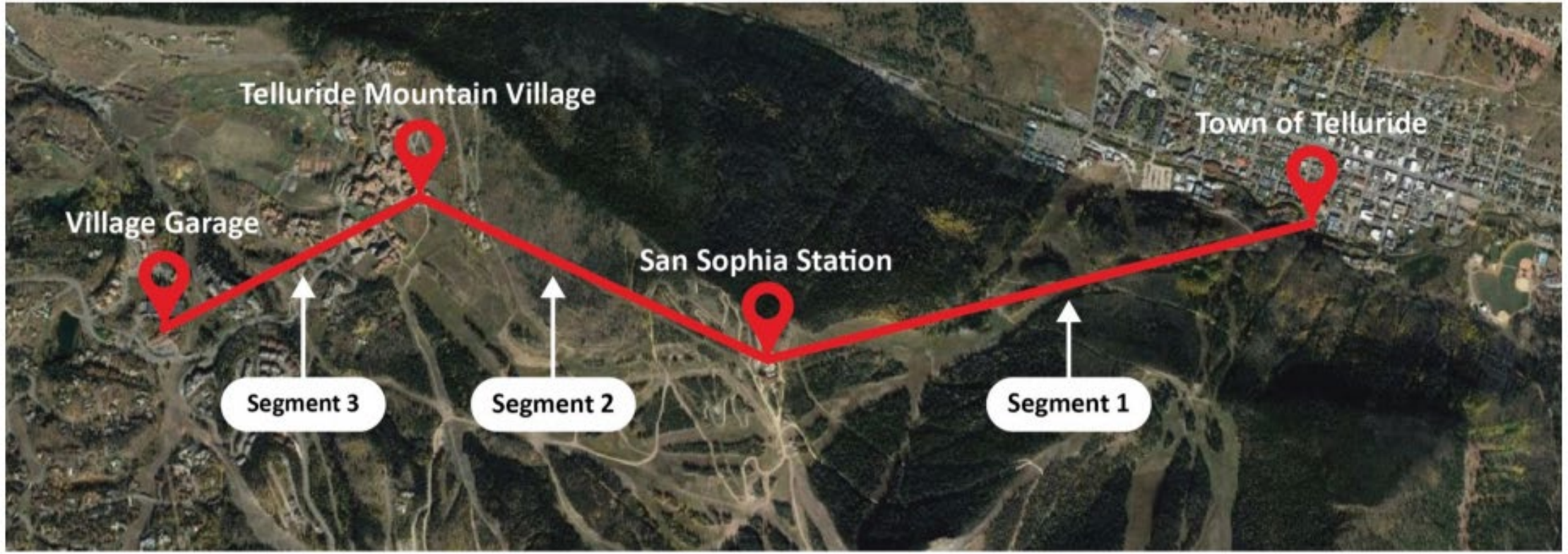
- TMV owns and operates the asset – originally purchased for $16M by Telski and Mountain Village Metro Services
- Majority of O&M funding contractually provided by TMVOA through 3% TMV real estate transfer assessment
- 1% of lift ticket sales by TSG (~$200K/yr)
- ToT funds extended hours contributions & event operation funding
- Operating Agreement expires 12/31/2027 with following no longer required:
  - Operate & maintain Gondola system; provide buses during gondola shutdown (TMV)
  - Pay for operations, maintenance, capital (TMVOA)
  - Pay 1% of lift ticket (TSG)

Annual Costs

- Operations & Maintenance **(~$3.5M)**

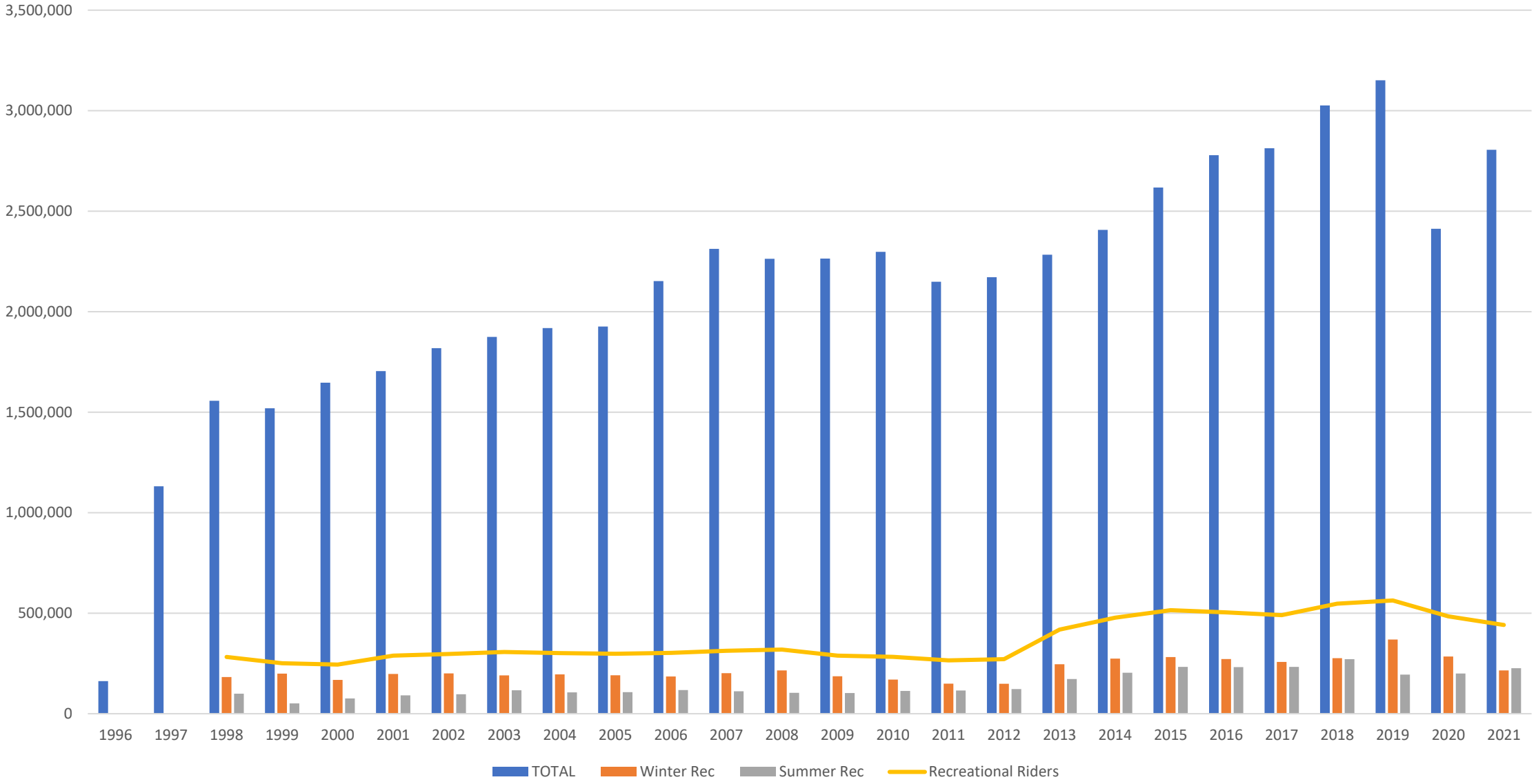


Economic Impact & Ridership Study



- Three physical segments, six trip segments
  - Ridership is measured by the total number of “exits” (persons leaving the system) that occur at all six exit options.
  - BBC Economic Impact Analysis Final Report (10.5.18)

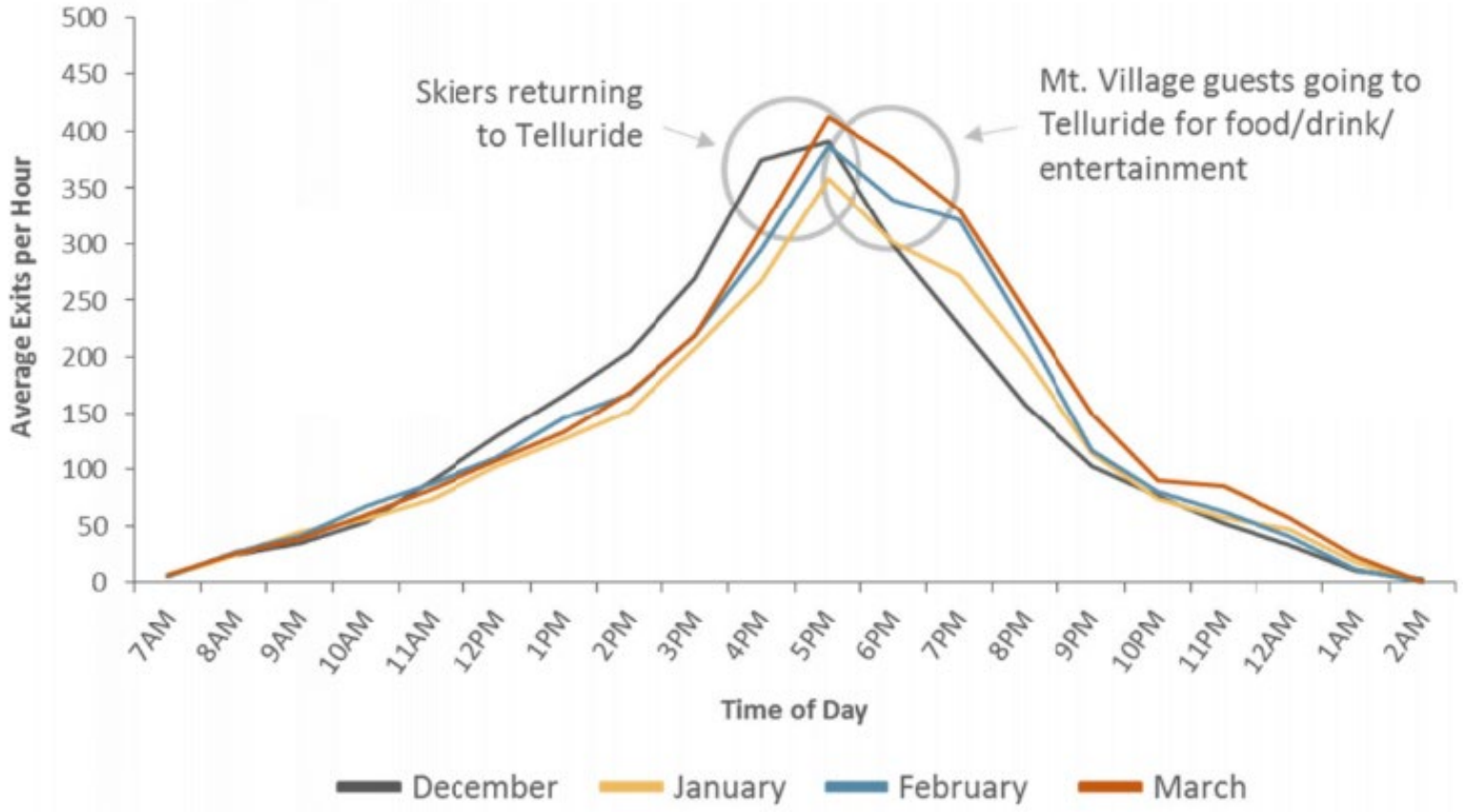
Annual Gondola Ridership Data

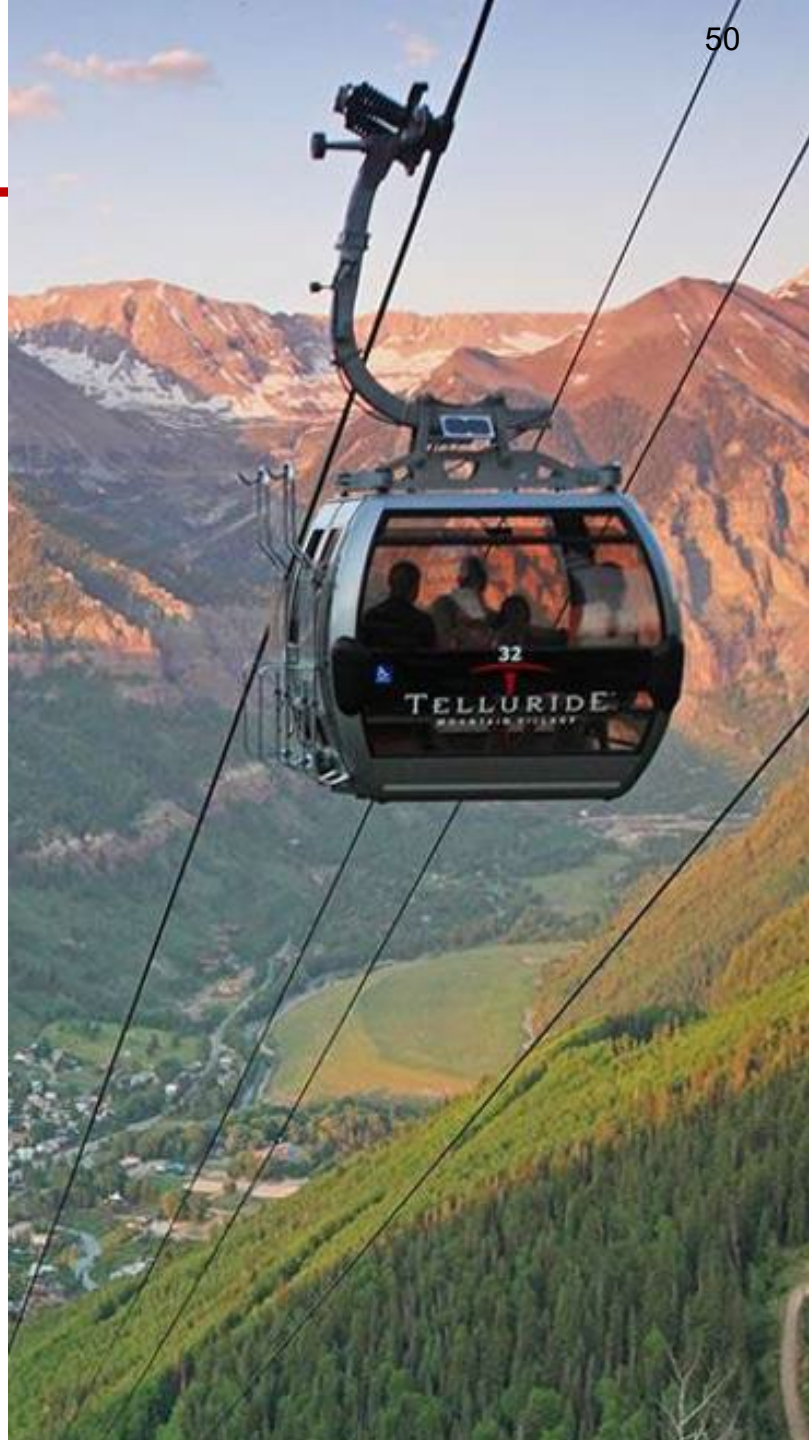


**Recreational riders based on Angle Station exit counts*

Economic Impact

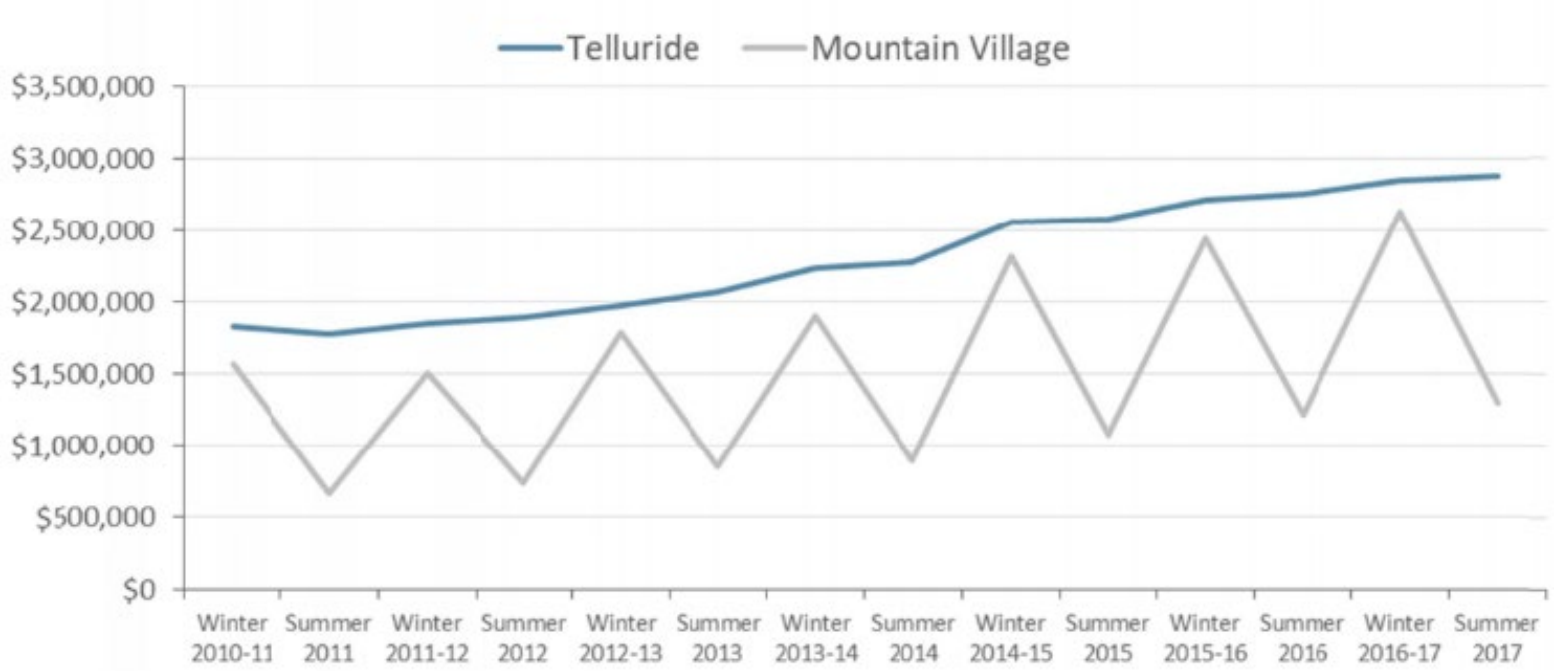
2016-17 Ski Season: Town of Telluride Exits (Average hourly exits by month and time of day)



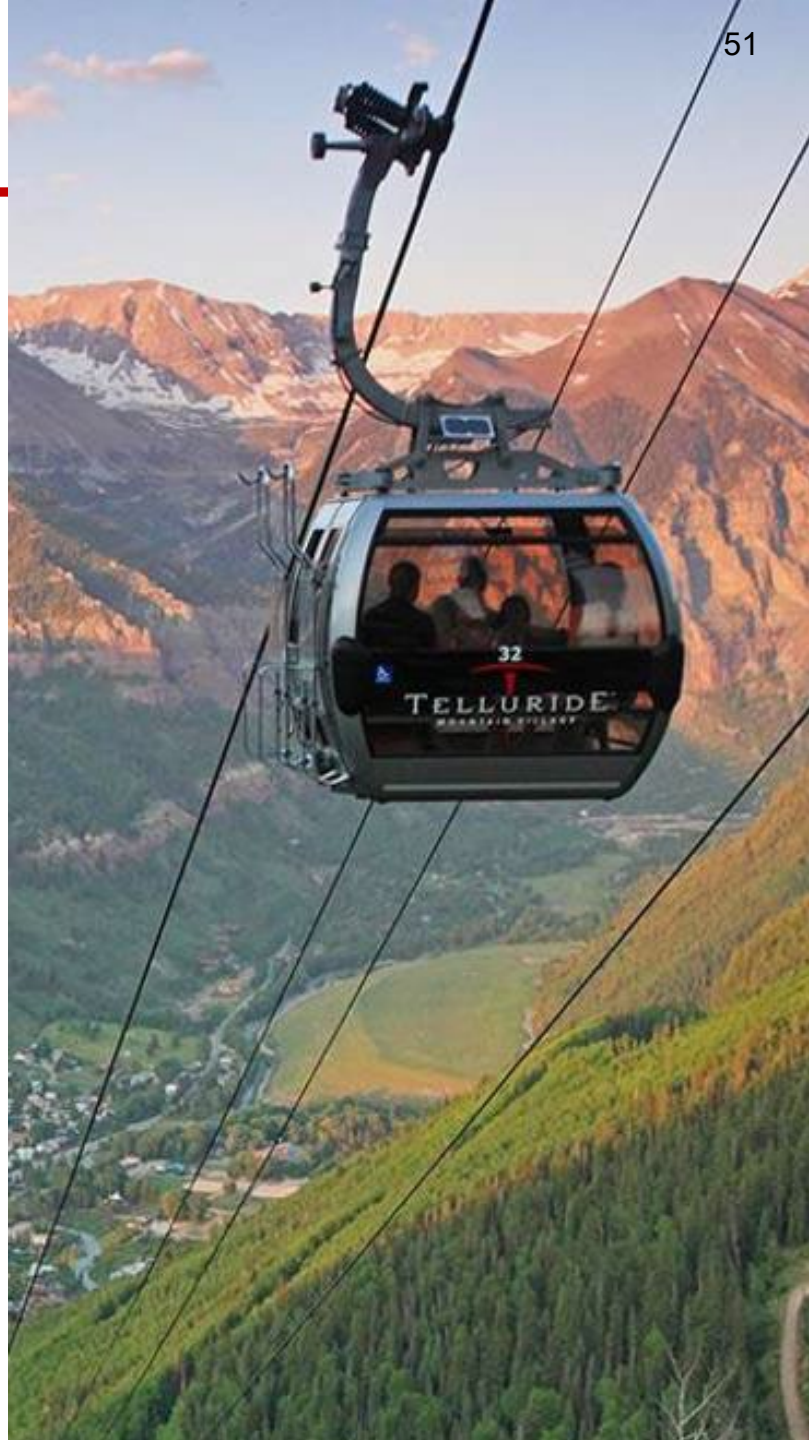


Economic Impact

Year Over Year Sales Tax Comparison, 2010 - 2017

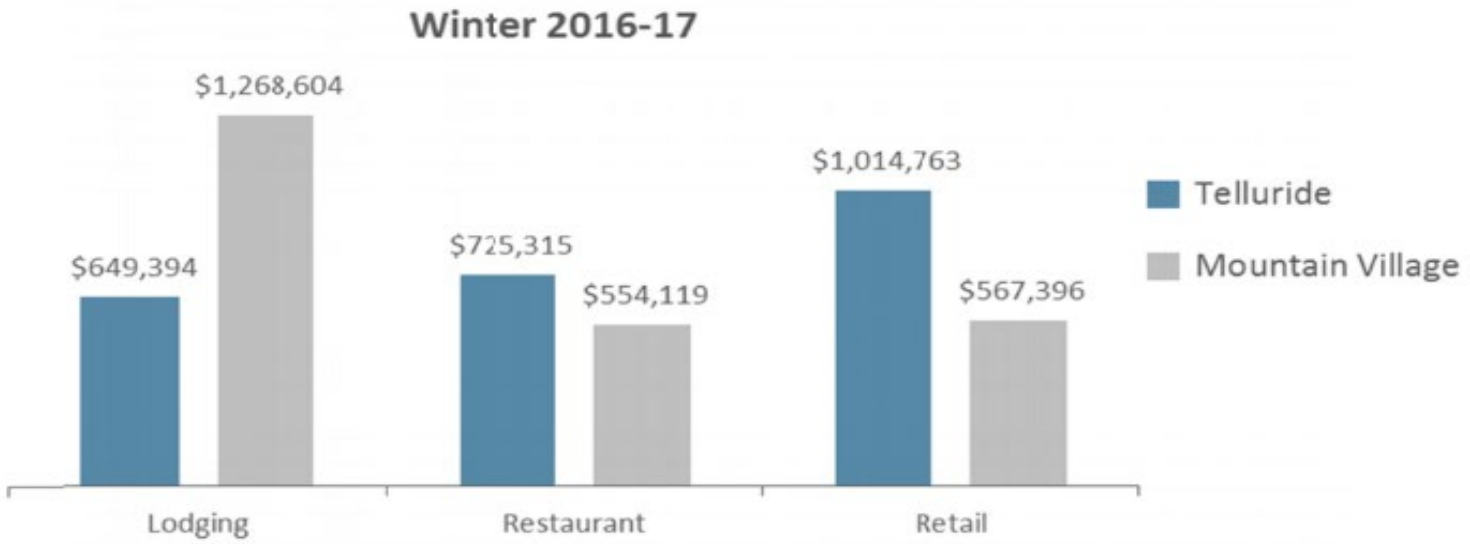


Source: Telluride Tourism Board.

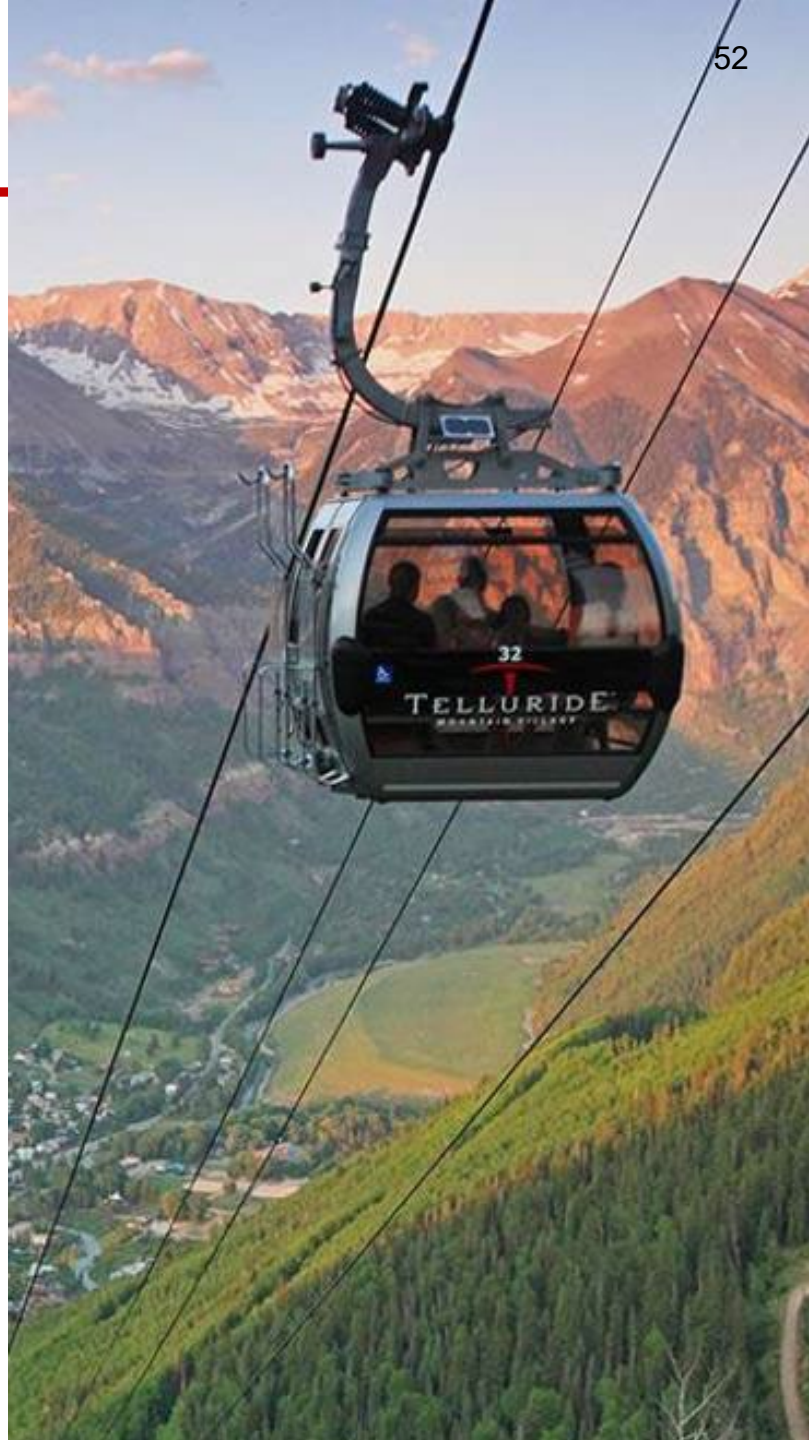


Economic Impact

Sales Tax Revenue by Season and Sales Category, 2016/17



Source: Telluride Tourism Board.

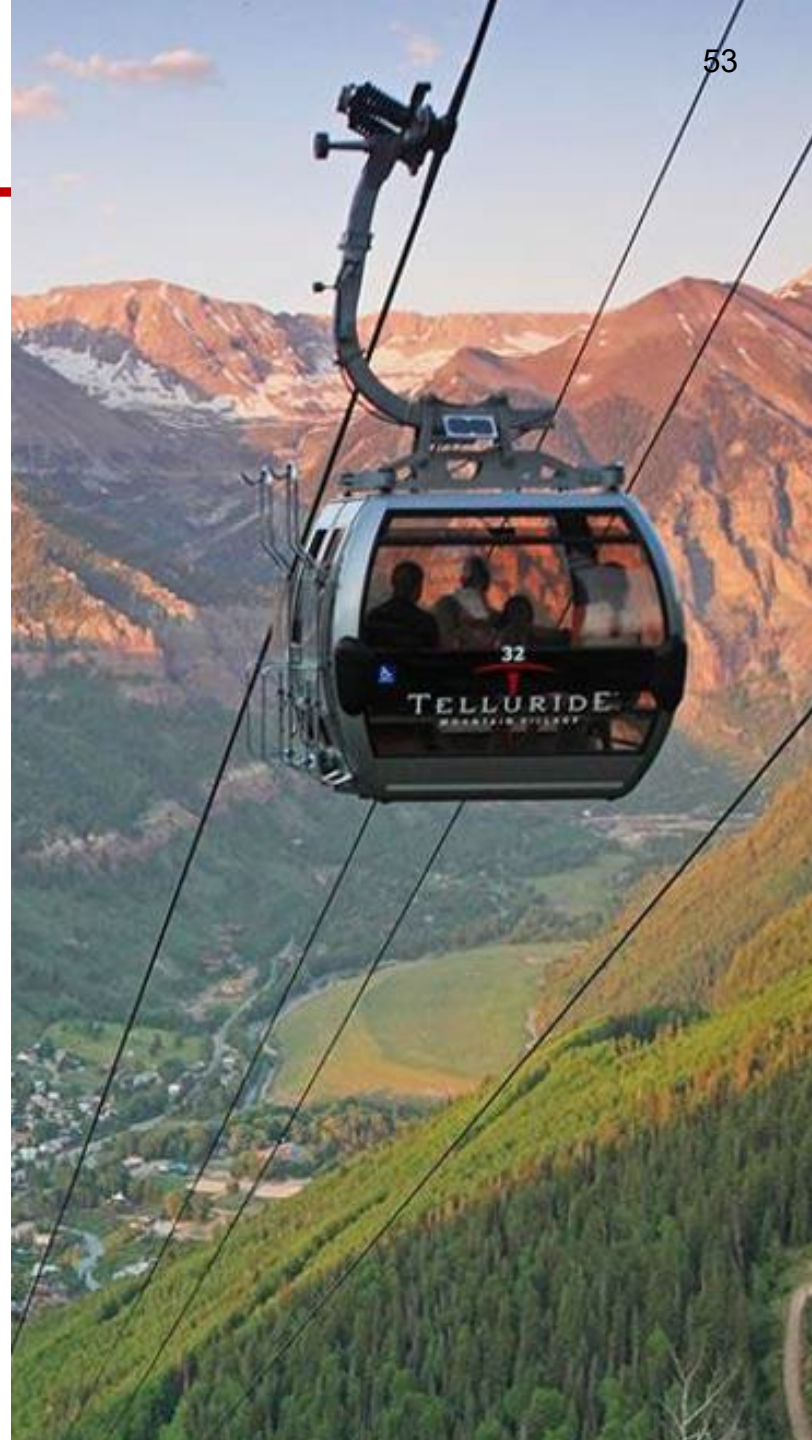


Gondola Benefits

Economic: 3 million riders per year (up to 20k per day) benefits ToT and TMV businesses.

Environmental: One of Colorado's busiest transit lines; reduces traffic and GHG emissions.

Quality of Life: First and only free transportation system of its kind in the U.S.



Key Milestones & Decisions To-Date

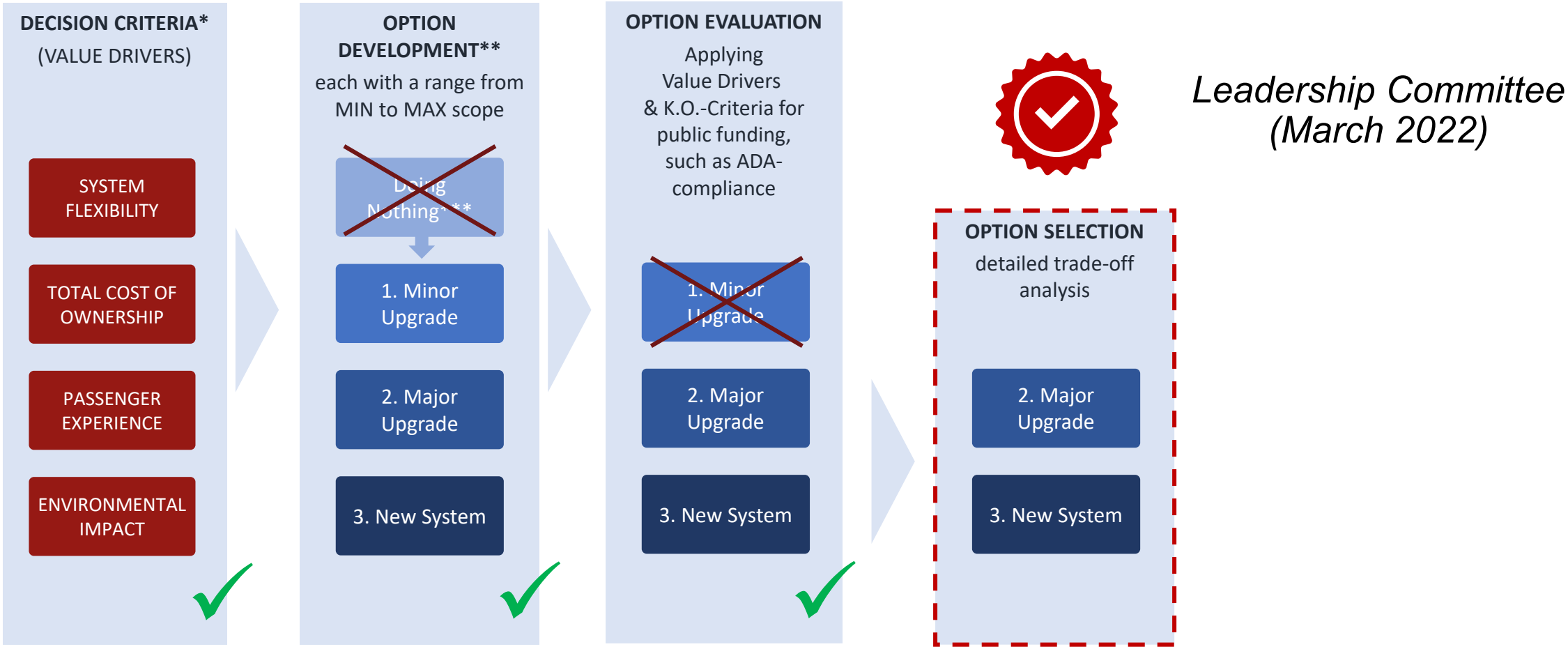
November 2021 – July 2022

Establish Guiding Principles (November 2021)

1. Over the past 25 years, the gondola has proven to be a regional asset and amenity
2. All involved parties want to see the gondola continue to operate after 2027
3. **Doing nothing is not our answer:** We should work together to determine the best path forward and develop a long-term plan

Leadership Committee (November 2021)

Options Evaluation: From 4 to 2 (March 2022)



*consensually elaborated between ToT, TMV, Ski Resort, San Miguel County.
**DIMENSIONS: Station Locations & Design; Gondola Technology; Cabin Features; Downtime
***Doing Nothing is not an Option anymore, as it ends up in a minor upgrade

Locally Preferred Alternative: New System (June 2022)

Option 3: Replace the Current Gondola with a New System			
	Benefits	**Drawbacks**	**Key Questions**
Gondola Subcommittee Recommendation (April 2022) *Leadership Committee Confirmed (June 2022)*	**Maximize system capacity** and reliability. Minimize operational risk	Slightly higher capital cost than major upgrade **(offset by total cost of ownership)**	Funding strategy: Local contributions and outside grants/assistance?
	Low operational and maintenance costs (Best-in-class)		What features are most important to prioritize/upgrade?
	Minimize lines. Maximize safety, ADA accessibility and passenger satisfaction		Station planning: Community and local government preferences?
	Greatest environmental benefit (less emissions and vehicle miles traveled)		
	Greatest station area potential for multimodal integration and transit-oriented development		

Project Sponsorship (July 2022)

Key Question #1:

Post-2027 Project Sponsor & Direct Recipient: Which entity will act as the project sponsor and direct recipient of project funding (after the current operating agreement expires in 2027)?

Leadership Committee: July 2022

San Miguel Authority for Regional Transportation (SMART)

**Initiates Gondola Subcommittee due diligence phase to explore SMART capacity and program management needs*

Long-Term Funding Strategy

Key Unanswered Questions:

1) Direct Recipient: Which entity will act as the project sponsor and direct recipient of project funding (after the current operating agreement expires in 2027)? ***SMART***

2) Local Funding: If a local match is required (as is the case for most grant programs), will the match be available once the funds are awarded? And, if so, what is the source/s?

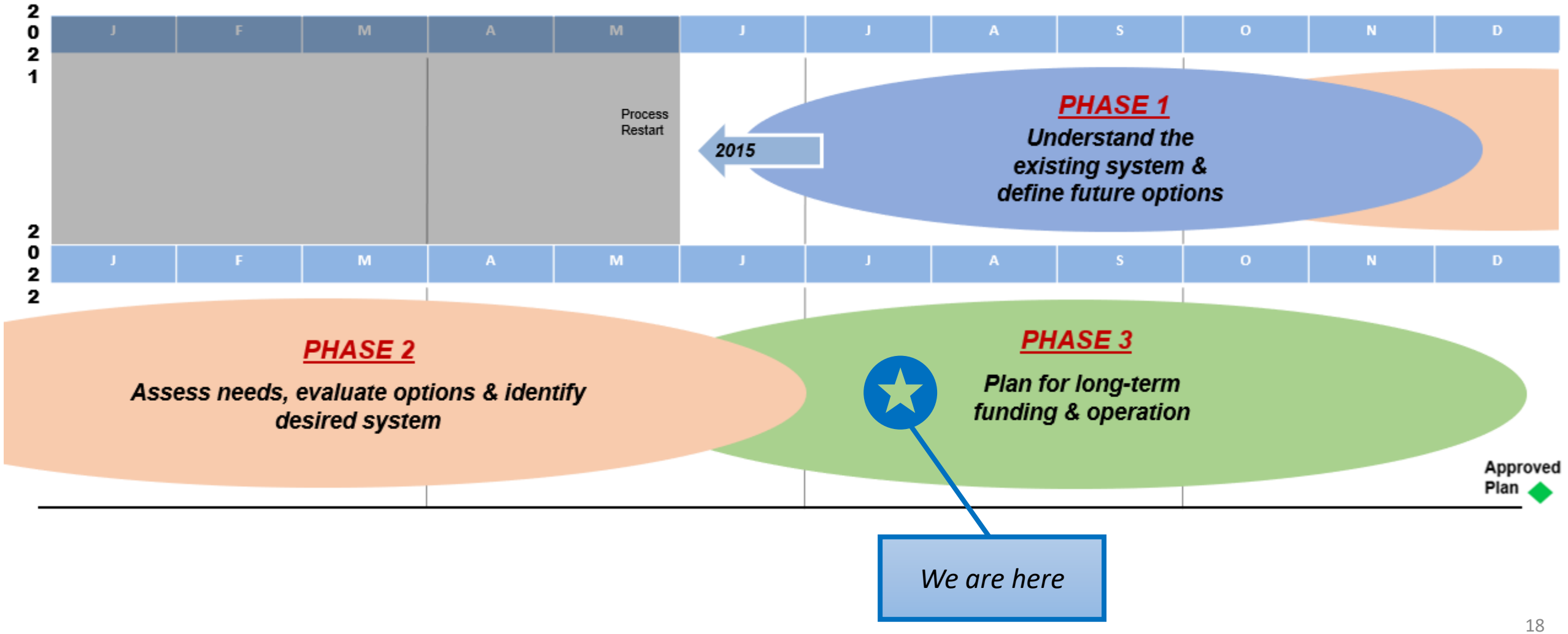
3) O&M Plan: What is our long-term operations and maintenance plan? And how will interim transportation be funded during construction?

4) Funding Allocation: Who owns the asset, what will the requested funds be allocated towards specifically and what grant programs are the best fit?

Planning Roadmap

Integrated Timeline (2022-2027+)

Initial Planning Roadmap (2015 – 2022)



Detailed Schedule (2015 – 2022)

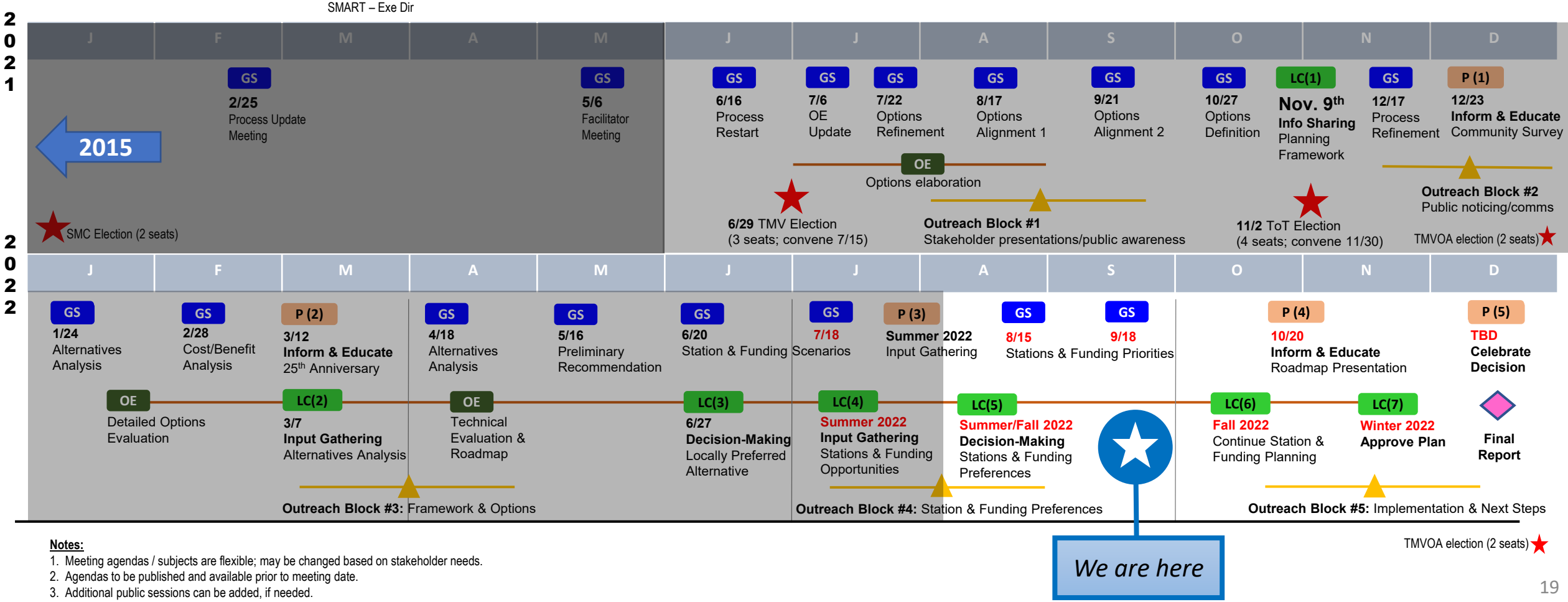
GS **Gondola Subcommittee**
Updated July 2021 – 10 members
TMVOA (2) SMC (2)
TMV (3) TSG (1)
ToT (2) SMART (1)

LC **Leadership Committee**
All members of following governments & organizations
TMVOA Board, CEO
TMV Town Council
ToT Town Council
SMC Commissioners
TSG – Mgt, Mtn Ops
SMART – Exe Dir

OE **Outdoor Engineers**

P **Public Presentations**

Dates in red are proposed



Notes:
1. Meeting agendas / subjects are flexible; may be changed based on stakeholder needs.
2. Agendas to be published and available prior to meeting date.
3. Additional public sessions can be added, if needed.

Planning Components (2023 – 2027+)

Key topics to be addressed in future planning phases:

- Existing Gondola
  - Operating Agreement Post 2027 (if needed)
  - Deconstruction & Salvage Plan

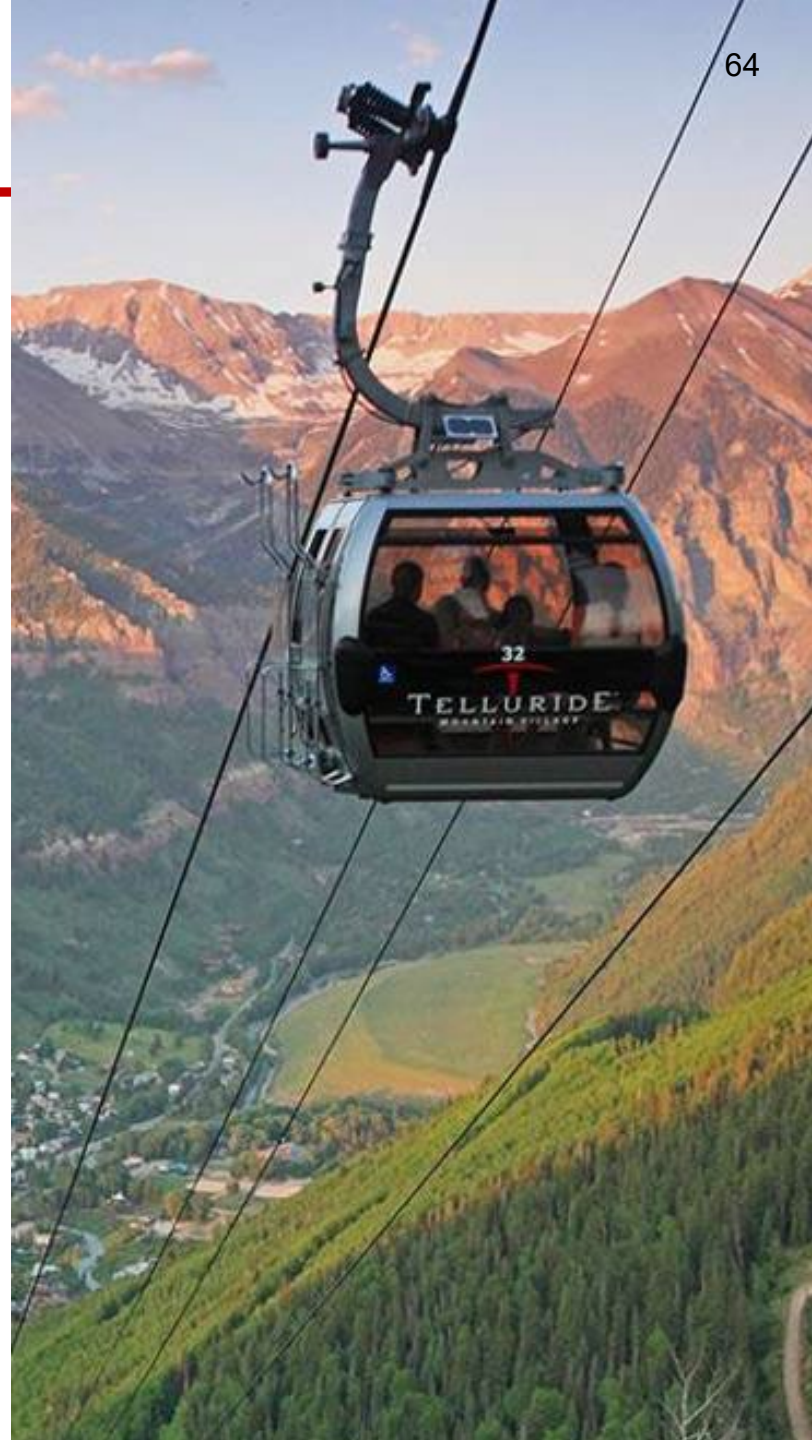
- New System
  - Long-Term Intergovernmental Planning
  - CapEx & OpEx Funding Plan > Ballot Initiative/s
  - Localized Station Planning > Conceptual Design
  - Preliminary Engineering > Final Design
  - Interim Transportation Plan (during construction downtime)

Next Steps

- **Monthly Leadership Committee Meetings:**
  Recurring on fourth Mondays, 3:00 – 4:30pm

Next Meeting:
September 26 at 3pm
Mountain Village Town Hall

More Information at www.OurGondola.org



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AGENDA ITEM SUMMARY (AIS)

San Miguel Authority for Regional Transportation

SMART
SAN MIGUEL AUTHORITY for REGIONAL TRANSPORTATION

Meeting Date	Agenda Item	Submitted By
September 8th, 2022	6	D. Averill

This is a discussion item to recap progress made on implementation of the SMART Strategic Operating Plan and start a conversation about what the next iteration of that plan may look like.	Report Work Session **X Discussion** Action

Key Points

SMART adopted a 5-year Strategic Operating Plan (SOP) in December of 2019. This plan identified an actionable set of changes and enhancements to the SMART transit system, identified capital needs, and made recommendations for the overall organization of SMART in future years.

Key service enhancements and modifications that were identified in that plan included:

- Extending service to the Illium industrial area and Two Rivers residential area
- Later night service for Down Valley and Lawson year-round
- Year-round consistency for Lawson Hill, as well as filling the midday gap in service
- Formalizing commuter shuttles into standard vanpool model with evaluation of new routes for areas currently not served, such as Ophir, or additional Montrose or Cortez vans
- Fixed-route commuter service for Montrose and/or Ridgway
- Year-round connectivity between Lawson Hill and Mountain Village directly
- Weekly fixed medical shuttle trip, operated by All Points, between Telluride and Montrose/Grand Junction
- Extension of Norwood Route to Naturita
- Coordination with Bustang and other regional services

The plan also identified recommendations for capital (fundamentals like rolling stock and facilities) and administrative needs. The plan recommends a phased approach to expanding services and provides guidance in relation to if/when it may make sense to bring operations “in-house”, vs. the contracted services model we currently operate under.

The SMART Board elected to halt service expansion projects during the height of the pandemic from roughly February of 2020 until May of 2021. Despite hitting pause on expansion projects for that time period SMART has been able to catch up considerably with actions that the plan called out for years 1-3. With just a few exceptions, most of the aforementioned expansion projects have been completely implemented or are on schedule for implementation in the next 3 to 18 months. At the same time SMART has increased its fleet size by 12 vehicles (4 buses and 8 vans) and made steady progress towards meeting its facility needs.

Given the progress on implementing the current plan and the dynamic region that SMART operates in, and also recognizing that it took 18 months to complete the last effort (from grant application to adoption by the SMART Board) it seems like the right time to start thinking about the next iteration of a five year plan for SMART. Staff believes that by starting the conversation now we will have time to identify the most pressing issues and have time to properly scope the next planning effort. To that end, some preliminary issues that Staff is recommending to be included in the next version of the SOP:

- Evaluating the current SMART fare structure (for both fixed route services and vanpool) in relation to our peer agency and equity across the region, including a discussion of the pros/cons of potentially making SMART a "fare free" system, much like our local transit systems in the area.
- Potential service expansion projects that may be timely with the development of more housing dispersed throughout the region, major activity center development, demand on existing routes, etc.
- An analysis of how "micro-transit" might be suitable for certain parts of the SMART service area that are difficult to serve through traditional fixed route services.
- A route optimization analysis that looks at corridors where there is potential overlap of SMART services that could be served more efficiently.
- Consideration of the implications of a growing role in gondola operations in the future.

Staff offers these ideas as a conversation starter only and we hope that Board members will come forward with ideas of their own in the coming months. Our intent is to apply for grant funds to support the planning effort this fall. Final scoping of the project will take place much further down the road (potentially 6 months from now) if we are fortunate enough to receive a planning grant.

Committee Discussion

Staff anticipates discussing the scope of the next iteration of the operating plan with both the AAC and CAC sometime this fall.

Supporting Information

The adopted SMART 5-year Strategic Operating Plan is included as an attachment to this item.

Fiscal Impact

Staff anticipates that the next iteration of the Strategic Operating Plan will cost about the same as the last effort - ~$50,000.

Advantages

Beginning the discussion about plan scope now gives us time to refine our needs and expectations moving forward.

Disadvantages

None noted

Analysis/Recommendation(s)

None at this time.

Attachments

Attachment A: SMART 5-year Strategic Operating Plan

SMART Strategic Operating Plan

TRANSPORTATION CONSULTANTS, INC.

SMART
SAN MIGUEL AUTHORITY for REGIONAL TRANSPORTATION

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SMART Strategic Operating Plan

Final Report

Prepared for:
San Miguel Authority for Regional Transportation
137 Society Drive, Unit B
Telluride, CO 81435

Prepared by:
LSC Transportation Consultants, Inc.
545 East Pikes Peak Avenue, Suite 210
Colorado Springs, CO 80903
(719) 633-2868

LSC #185100

December 6, 2019

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Chapter I

TRANSPORTATION
CONSULTANTS, INC.

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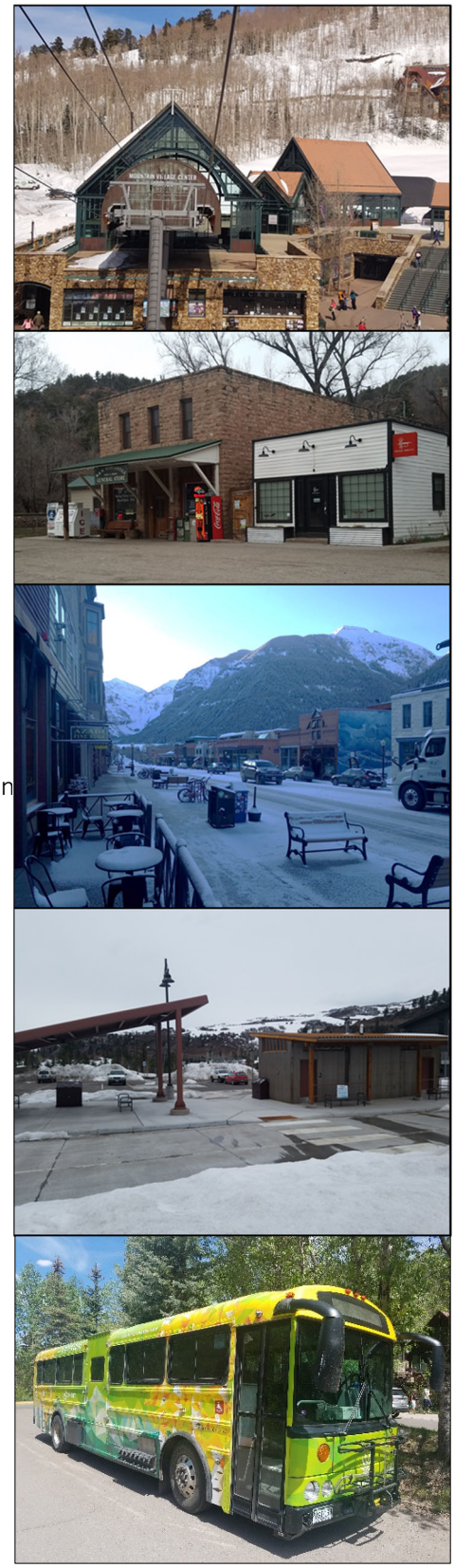
Chapter I: Introduction

Through its issuance of Request for Proposals (RFP) 2018-2 for Consultant Services in Support of the Development of a Strategic Operating Plan (SOP), issued on October 15, 2018, the San Miguel Authority for Regional Transportation (SMART) sought a qualified consultant to assist with the development of a strategic operating plan that assesses current and future needs and creates a path for service and organizational development for the next five years.

LSC Transportation Consultants, Inc. (LSC) was selected by SMART to complete this work and started this study with a kick-off meeting and community familiarization tour on April 1-2, 2019. The entire project has taken approximately eight months, with delivery of the final report in December 2019.



PURPOSE

SMART's stated SOP purpose is to evaluate current transit needs, plan to optimize existing services and resources, and plan for future service demand and expansion.

LSC understands that SMART is at a critical phase in its evolutionary development as a regional transportation authority. As the newest public transportation provider and authority in Colorado, SMART has accomplished much since its formation in late 2016 and this SOP will ensure that the organizational success, impact, and influence continues to increase.

STUDY ISSUES AND CONTEXT

SMART's initial service plan included in its founding intergovernmental agreement calls for consolidating existing regional services that had previously been funded separately by the Town of Telluride, Town of Mountain Village, and San Miguel County under the SMART "umbrella." This SOP study will use this initial service plan vision as a foundation to:

- Define and plan new service expansion opportunities
- Analyze route options and service delivery models
- Develop associated costs and considerations
- Evaluate capital and infrastructure needs for the next five to ten years

- ➔ Indicate how and when SMART should consider taking service operations in-house
- ➔ Create a step-by-step implementation playbook
- ➔ Incorporate community and stakeholder input throughout the process

LSC understands the local context for this study and how important it is to get it right. We understand the challenges that the Telluride, Mountain Village, and eastern San Miguel County communities have to expand and provide adequate and reliable transportation services. Issues such as the lack of affordable housing, traffic and congestion, and a desire to balance transportation access with quality of life and visitor experience must all be addressed. We understand that fostering collaboration and coordination of transportation services between a central resort town and the surrounding rural communities is critical, and we are sensitive to the political cooperation and compromises necessary for success.

As part of the project kickoff, LSC met with the Administrative Advisory Committee (AAC), the Community Advisory Committee (CAC), and the SMART Board of Directors. These discussions covered a variety of questions to be considered as part of the SOP including:

- How, where, when, and at what cost are service expansions and enhancements considered?
- What role does SMART play in gondola operations long-term?
- Where should a maintenance and vehicle storage facility be developed?
- Can service develop along an incremental path where a service might start as a vanpool and grow into a fixed route over time?
- How are local Telluride and Mountain Village needs balanced against regional transportation needs?
- How does a limited parking inventory influence this plan?
- When should battery electric buses be considered and planned for?
- Is there a marketing and ridership opportunity to market a car-free Telluride-Mountain Village experience?
- What are the opportunities to incorporate the local business and non-profit community into the SOP development process?
- How are non-transit modes and infrastructure, such as park-and-ride lots, crosswalks, and bike paths, incorporated into the plan?

As we move through the planning process, LSC will keep these questions in mind and remain mindful of these study issues and stakeholder interests.

STUDY OUTCOME AND APPROACH

SMART expects this SOP to result in the development of "an actionable strategic operating plan driven by community input that includes a robust financial and resource analysis, recommendations for service sustainability and key service expansion opportunities, and a final report."

LSC has organized a series of tasks to achieve the desired outcome that includes:

- Task 1: Project Administration and Coordination

  All management of the project including ongoing updates and communication, and meetings such as the kickoff, committee discussions, and board meetings.

- Task 2: Public Engagement

  Stakeholder meetings and interviews, service options workshop, and the prioritized service option open house.

- Task 3: Financial and Resource Analysis

  Analysis of the current operations and potential financial and organizational resources that SMART can utilize to grow; incorporates the operational and capital needs, and determines transit infrastructure requirements.

- Task 4: Develop and Analyze Service Options

  In-depth analysis that incorporates performance, characteristics, demographics, and connectivity of existing services. From this baseline information, development of a wide range of service options for consideration as the service options workshop.

- Task 5: Prioritized Service Options and Phased Implementation Plan

  Based on input and direction from Task 4, creation of a preferred service option and associated phased implementation plan, prioritized and scheduled over the next 1-5 years.

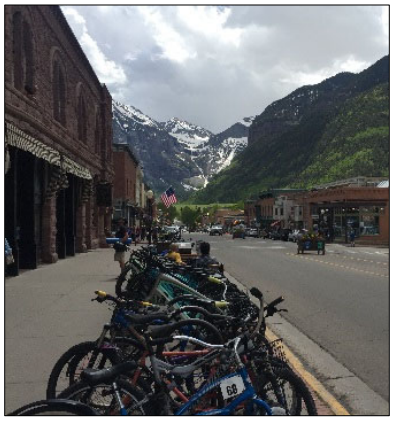
- Task 6: Organizational Capacity Analysis

  Focused on determining if, when, and how SMART should consider taking service "in-house" versus the current contracted model for regional services, creation of a tool to use in deciding if, when, and how provision of service could be moved in-house.

- Task 7: Prepare and Present Draft and Final SOP

  Final SOP including a detailed service plan, financial plan, capital and infrastructure plan, provision of service delivery plan, and implementation playbook for the coming five years.

As LSC moves through this study, each step in the process will be informed by the previous steps and associated deliverables in a way that builds towards the final report and its recommendations. The intent is to create a process that is clear and incremental. The SMART board is responsible for study oversight and final approval, but the CAC and AAC serve as advisors to provide input and feedback as the study progresses, including reviewing progress reports and Interim Reports, as well as providing direction for the development of the final report.



REPORT CONTENTS

This Report includes 13 chapters in total, including:

- Chapter II presents the demographics of the study area, transit demand estimations, and local travel patterns, including commuter travel.
- Chapter III reviews past plans and studies with transportation focuses or relevant ancillary insights.
- Chapter IV provides a current organizational overview of SMART.
- Chapter V contains an overview of the existing transportation services operated by SMART and/or funded by SMART, as well as other relevant transportation services within the study area.
- Chapter VI presents the possible service options along with estimated costs, performance, and service characteristics for each option.
- Chapter VII summarizes input from the SMART Board of Directors on potential service options, determining evaluation criteria for the potential service options, results of a budgeting exercise, and comments received.
- Chapter VIII presents an initial preferred alternative for each of the SMART routes and services.
- Chapter IX describes SMART's current and future administrative needs.
- Chapter X considers the implications for taking services in-house, with SMART employing drivers directly, versus the current model of procuring a private-sector contractor to manage the day-to-day operations of SMART transit services.
- Chapter XI presents an updated cost allocation model to more accurately reflect incremental costs of adding new service or expanding existing services, based on assumptions about how SMART will manage and operate transit services in the next five years.
- Chapter XII describes organizational policies and partnerships SMART should develop in support of implementation of the SOP.
- Chapter XIII presents the final preferred alternative and service plan, as well as the recommended phasing for implementation of the preferred system for SMART.

OVERVIEW OF THE SMART FINAL SOP SYSTEM

The final SOP system plan is intended to serve as the blueprint for SMART and incorporates 10 recommended SOP changes for SMART to implement over the coming five to six years. The changes are grouped into three phases: Phase 1 (Years 1-3), Phase 2 (Years 3-4), and Phase 3 (Years 5 and beyond). Figure I-1, presented on the following page, includes an overview of the SOP system plan.

Figure I-1: SMART SOP System

SMART
SAN MIGUEL AUTHORITY for REGIONAL TRANSPORTATION

SOP System Overview

Phase 1

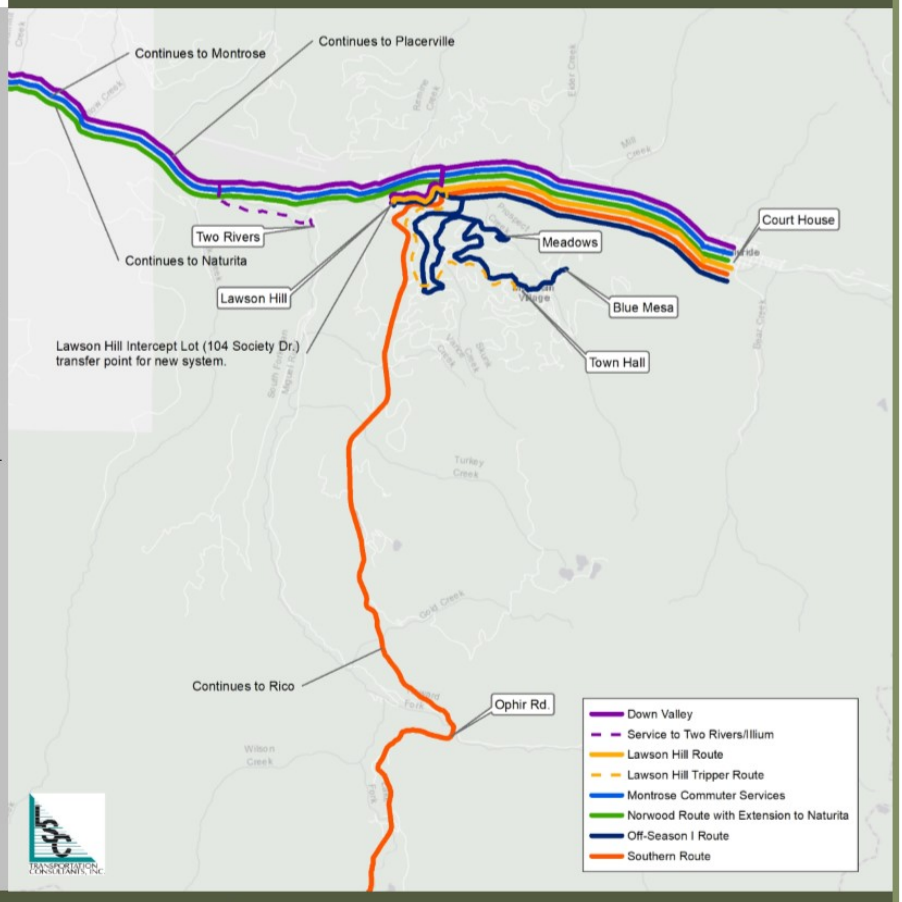
- *Southern Route:* New stop at Ophir Rd.
- *Down Valley Route*: New stop at Illium/Two Rivers
- *Norwood Route:* Extend route to Naturita with one bus
- *SMC Commuter Options*: Add a second van departing from Montrose
- *Lawson Hill:* Expand existing service to year round

Phase 2

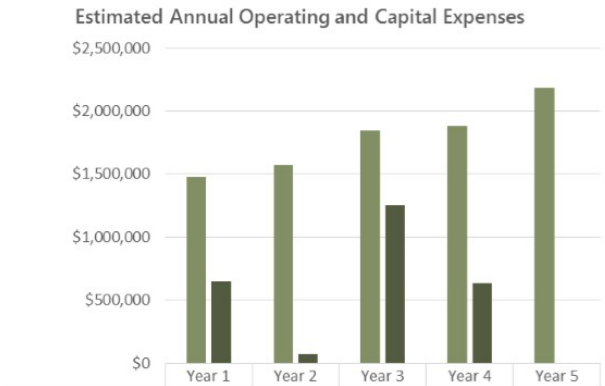
- *Norwood Route:* Extend route to Naturita with two buses
- *SMC Commuter Options*: New weekday commuter fixed-route service from Montrose to Telluride
- *Lawson Hill:* New tripper service between the Lawson Hill Intercept Lot and TMV
- *Off-Season Route:* Eliminate Off-Season II (Express) Route

Phase 3

- *Norwood Route:* Additional midday trip with service to Naturita on weekdays
- *Lawson Hill:* Fill in midday service gap during peak seasons



Budget Overview



	Year 1	Year 2	Year 3	Year 4	Year 5
Operating Expenses	$1,475,296	$1,572,248	$1,842,431	$1,878,658	$2,183,242
Capital Expenses	$650,900	$71,818	$1,256,440	$632,374	$0

Performance Highlights

	Service Description	Cost per Passenger	Passengers per Hour
SOP Change #1	Southern Route: Add a new bus stop at Ophir Rd.	--	--
SOP Change #2	Down Valley Route: Add a new stop at Ilium/Two Rivers.	$33.87	4.4
SOP Change #3	Norwood Route: Route extension to Naturita (schedule times for Norwood would stay the same and buses would remain based out of Norwood with deadhead to Naturita). Start with one of the Norwood buses in Phase 1 and then have both buses start in Naturita in Phase 2.	$28.01	6.6
SOP Change #4	Norwood Route: Additional weekday midday trip to/from Norwood, also serving Down Valley Route, departing Telluride at 11:00 a.m. and departing Norwood at 12:30 p.m. arriving back in Telluride at 1:30 p.m.	$18.40	9.5
SOP Change #5	SMC Commuter Options: Add a second van departing from Montrose.	$5.67	5.3
SOP Change #6	SMC Commuter Options: Add a new commuter fixed-route service from Montrose to Telluride, stopping in Ridgway, with one roundtrip per weekday.	$7.55	23.8
SOP Change #7	Lawson Hill: Expand the current Lawson Hill route to year round service operating during both the fall and spring off-season periods. Operate current Lawson Hill schedule, but end service at 7:30 p.m.	$17.09	8.9
SOP Change #8	Lawson Hill: New Lawson Hill tripper service between the Lawson Hill Intercept Lot and TMV operating year round on express between 7:00-9:00 a.m. and 4:00-6:00 p.m.	$15.93	8.9
SOP Change #9	Lawson Hill: Fill in midday service gap during peak seasons to maintain a 30-minute frequency for the entire day from 7:00 a.m. until 10:00 p.m.	$16.90	9.5
SOP Change #10	Off Season Routes: Eliminate Off-Season II (Express) Route, which is replaced by the new Lawson Hill tripper service (SOP Change #8).	--	--

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Chapter II

TRANSPORTATION
CONSULTANTS, INC.

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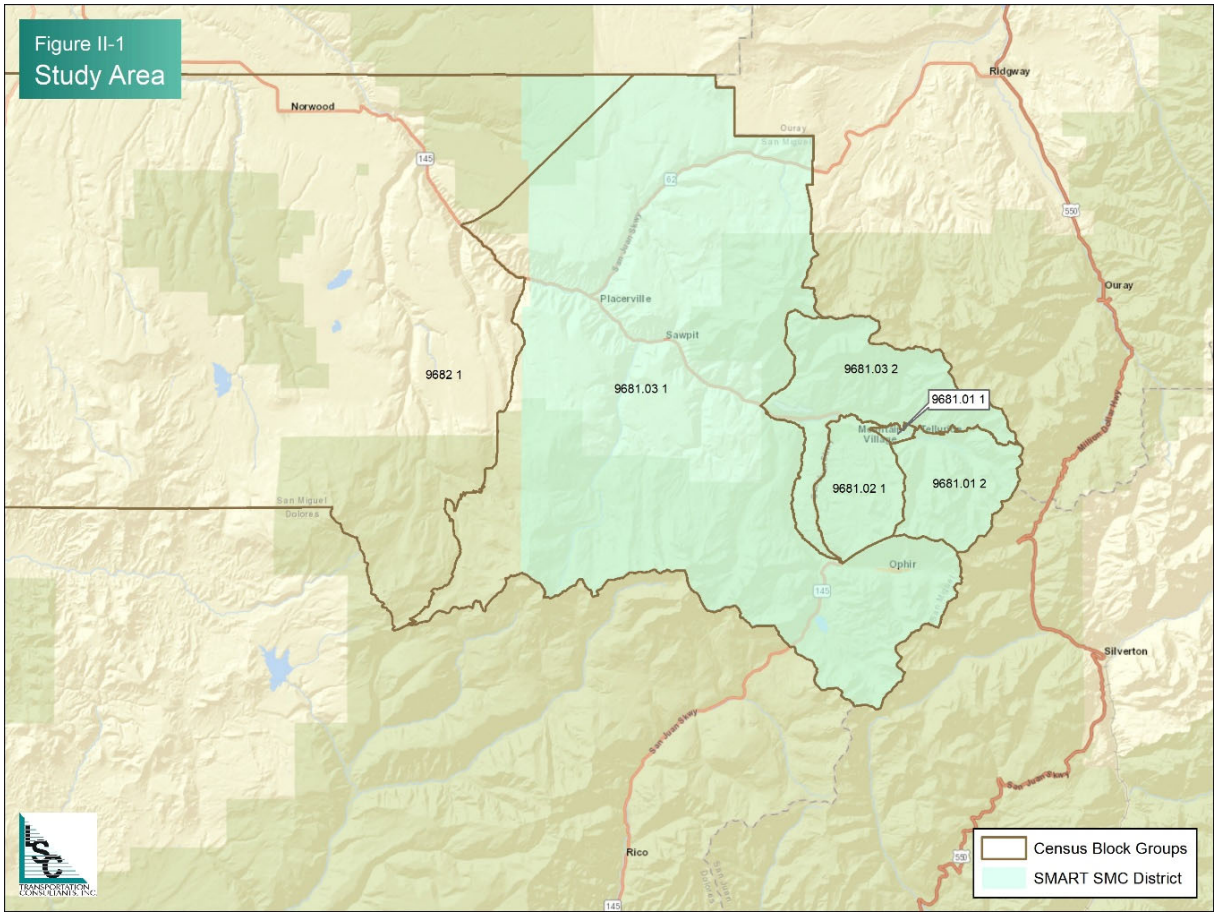
INTRODUCTION

Chapter II presents the community conditions, demographics, select local travel patterns for the SMART service area, as well as transit demand information. Where appropriate, figures and tables are used for illustration.

San Miguel county is located in south west Colorado and is home to the Telluride/Mountain Village ski area. Telluride is the county seat of San Miguel county and is connected to Mountain Village via a free gondola at the base of the ski areas. In addition to being a ski destination, people travel to the area to see fall colors and hike on several nearby trails. Bridal Veil Falls is also a popular destination within the canyon surrounding Telluride. The San Miguel Authority for Regional Transportation – San Miguel County (SMART SMC) District includes the eastern portion of the county. The demographic analysis was done by block group, which is a census-defined boundary. These boundaries do not necessarily denote neighborhoods or communities, but rather act as a standardized means for analysis. The study area with block group and SMART SMC District boundaries is shown in Figure II-1.



DEMOGRAPHIC CHARACTERISTICS

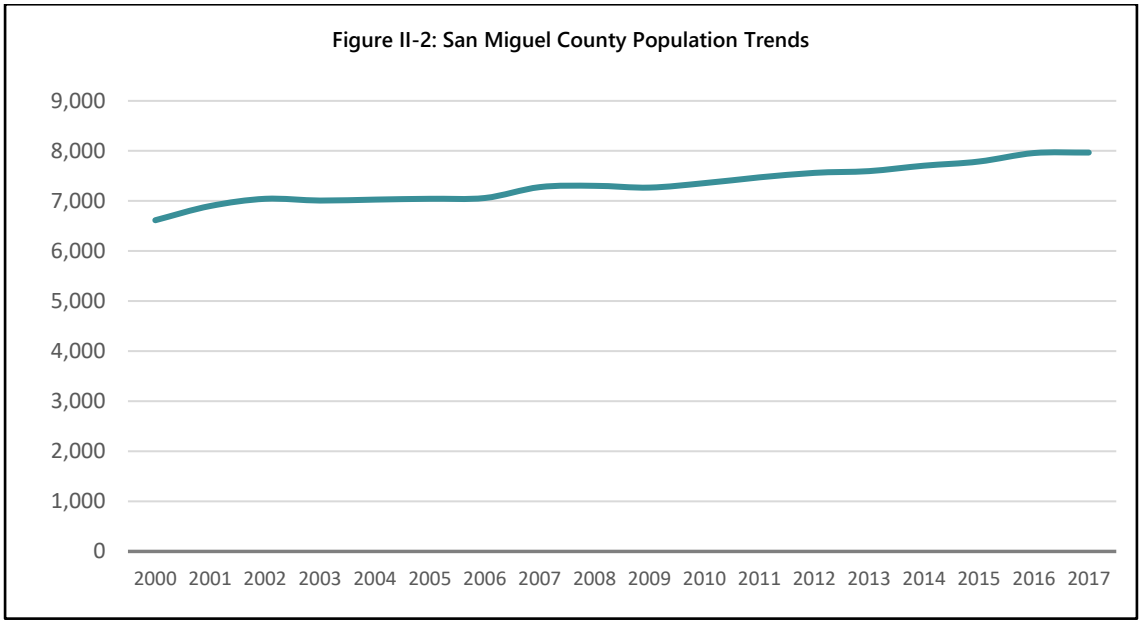
Demographics

Unless noted otherwise, all data listed in this chapter are from the 2013-2017 U.S. Census American Community Survey (2017 ACS) five-year estimates. According to the 2017 ACS, the total population of the study area municipalities is 7,804.

Population Trends

Using data from the Colorado State Demographer, population trends for the last ten years for each of the four municipalities were collected. Figure II-2 shows the population trend for San Miguel County over a ten year period from 2007 to 2017. As shown in the figure, the population of San Miguel County has been increasing and is currently at the highest point of the past 10 years.

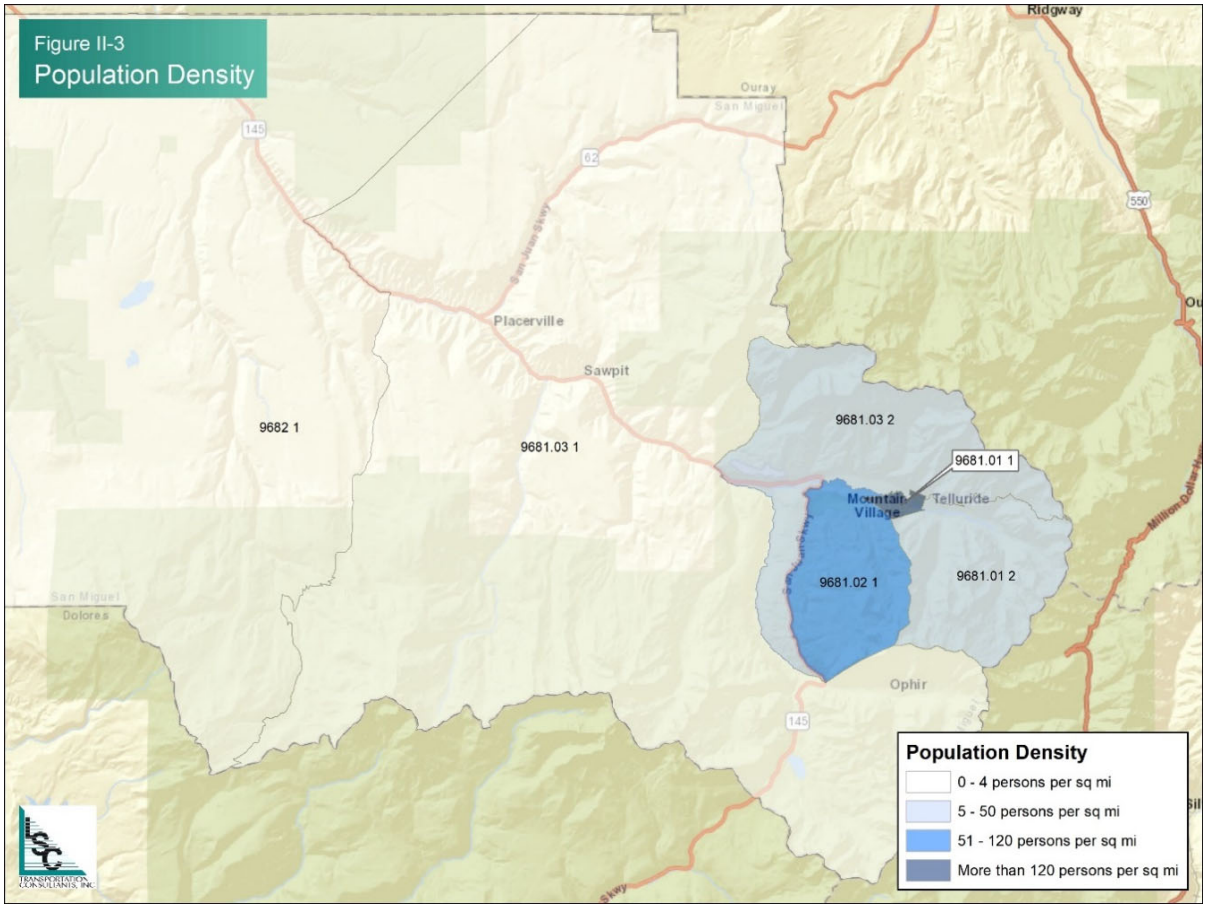
Figure II-2: San Miguel County Population Trends



Population Density

Population density is used to determine where population is concentrated. The size of the census blocks skews the location of population concentrations. Transit is generally more successful in areas with greater concentrations of population. Population densities for the study area are shown in Figure II-3 – the area including downtown Telluride and the core of Mountain Village has the highest population density, followed by the area to the west of Mountain Village. For reference:

- Census Block 9682.1 contains the western part of the SMART district, including Norwood
- Census Block 9682.03.1 contains Sawpit, Placerville, and Ophir
- Census Block 9681.01.1 contains downtown Telluride and the core of Mountain Village
- Census Block 9681.01.2, 9681.02.1, and 9681.03.2 are the areas immediately surrounding Telluride and Mountain Village



Transit-Dependent Population Characteristics

This section provides information on those individuals considered by the transportation profession to be dependent upon public transit. The four types of limitations that preclude people from driving, therefore making them more likely to be dependent upon public transit, are physical limitations, financial limitations, legal limitations, and self-imposed limitations. Physical limitations may include temporary disabilities (i.e., acute illnesses and head injuries) to permanent disabilities (i.e., frailty, blindness, paralysis, or developmental disabilities). Financial limitations include people who are unable, due to lack of sufficient financial resources, to purchase or rent a vehicle. Legal limitations include being too young to drive or having no driver's license. Self-imposed limitations refer to people who choose not to own or drive a vehicle (some or all of the time) for reasons other than those listed in the first three categories.

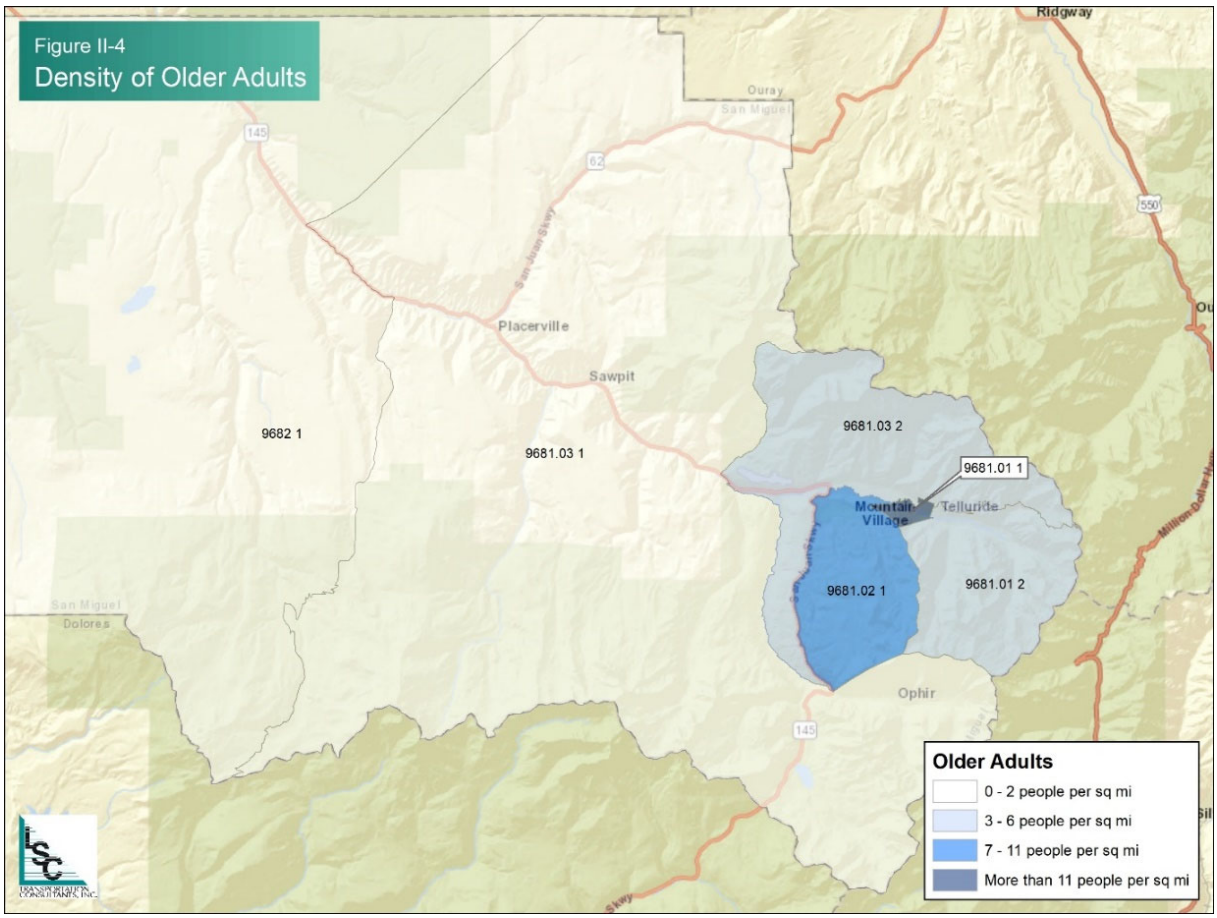
The U.S. Census is generally capable of providing information about the first three categories of limitation. The fourth category of limitation represents a relatively small portion of transit ridership in areas with low density. Table II-1 presents the study area's statistics on transportation dependent populations, as well as the statistics for the state of Colorado.

Table II-1: Estimated Population Characteristics for SMART Study Area														
Census Tract	Census Block Group	Total Population	Land Area (sq. miles)	Total Households	Zero-Vehicle Households		Older Adult Population (65 and Over)		Youth Population (10-19)		Ambulatory Disabled Population		Low-Income Population	
					#	%	#	%	#	%	#	%	#	%
9681.01	1	957	0.90	412	54	13.1%	34	3.6%	64	6.7%	3	0.3%	94	9.8%
	2	964	19.76	374	14	3.7%	103	10.7%	123	12.8%	3	0.3%	95	9.8%
9681.02	1	1,963	16.39	823	75	9.1%	171	8.7%	291	14.8%	21	1.1%	299	15.2%
9681.03	1	1,008	285.15	515	0	0.0%	168	16.7%	57	5.7%	60	6.0%	50	5.0%
	2	1,007	35.07	432	0	0.0%	113	11.2%	40	4.0%	60	6.0%	50	5.0%
9682	1	1,905	929.34	745	11	1.5%	293	15.4%	215	11.3%	173	9.1%	227	11.9%
Totals		**7,804**	**1,287**	**3,301**	**154**	**4.7%**	**882**	**11.3%**	**790**	**10.1%**	**320**	**4.1%**	**815**	**10.4%**
Colorado Totals		**5,436,519**	**104,185**	**2,082,531**	**110,143**	**5.3%**	**707,396**	**13.0%**	**705,436**	**13.0%**	**266,234**	**4.9%**	**612,143**	**11.3%**

Source: US Census Bureau, American Community Survey - 2017, LSC 2019.

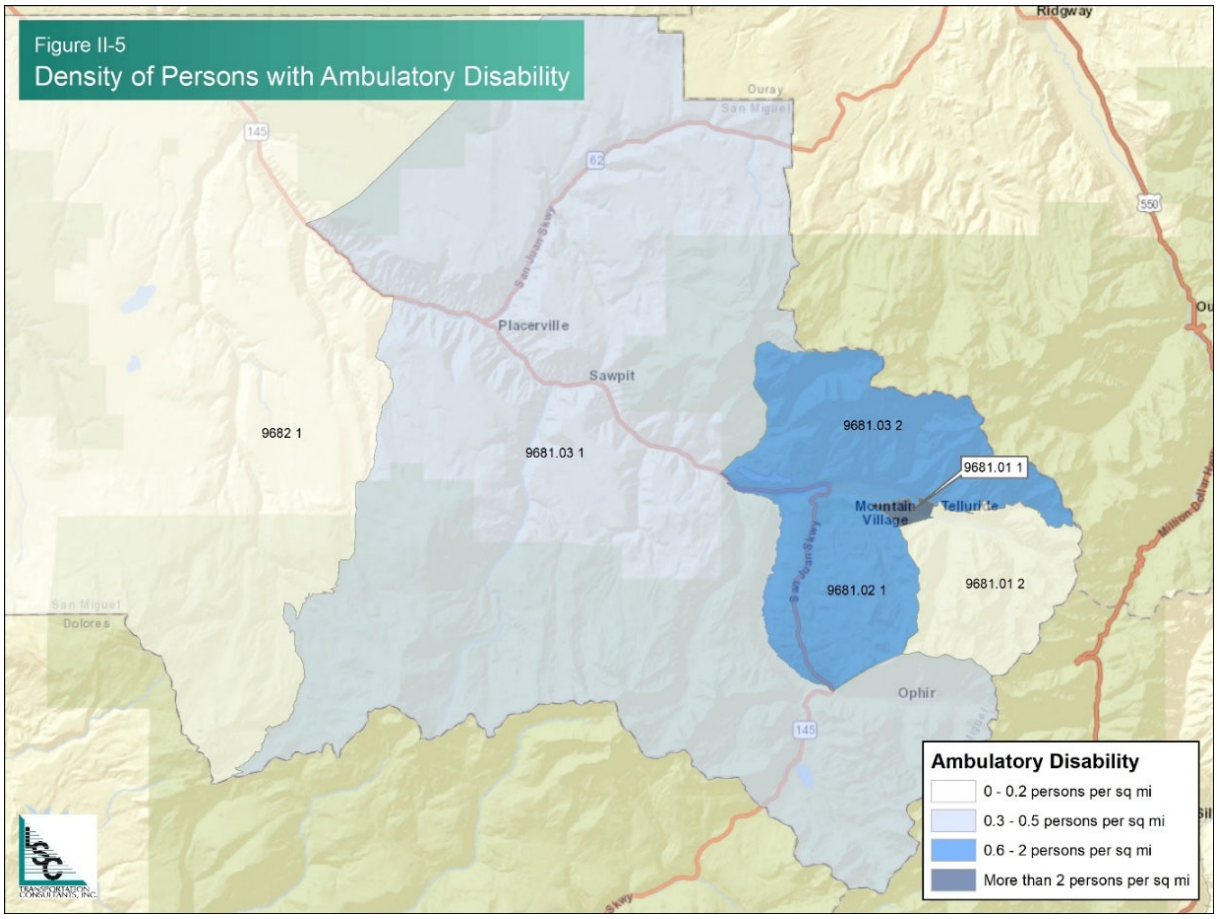
Older-Adult Population

The older-adult population, defined by the U.S. Census Bureau as people 65 years of age or older, represents a significant number of the national transit-dependent population and represents 11.3 percent of the total population in San Miguel county. This is less than the percentage of older adults in the state of Colorado (13 percent). As shown in Figure II-4, the densities of older adults are similar to population densities seen in Figure II-3. The area between Telluride and Mountain Village has the highest density of older adults, followed by the area to the west of Mountain Village.



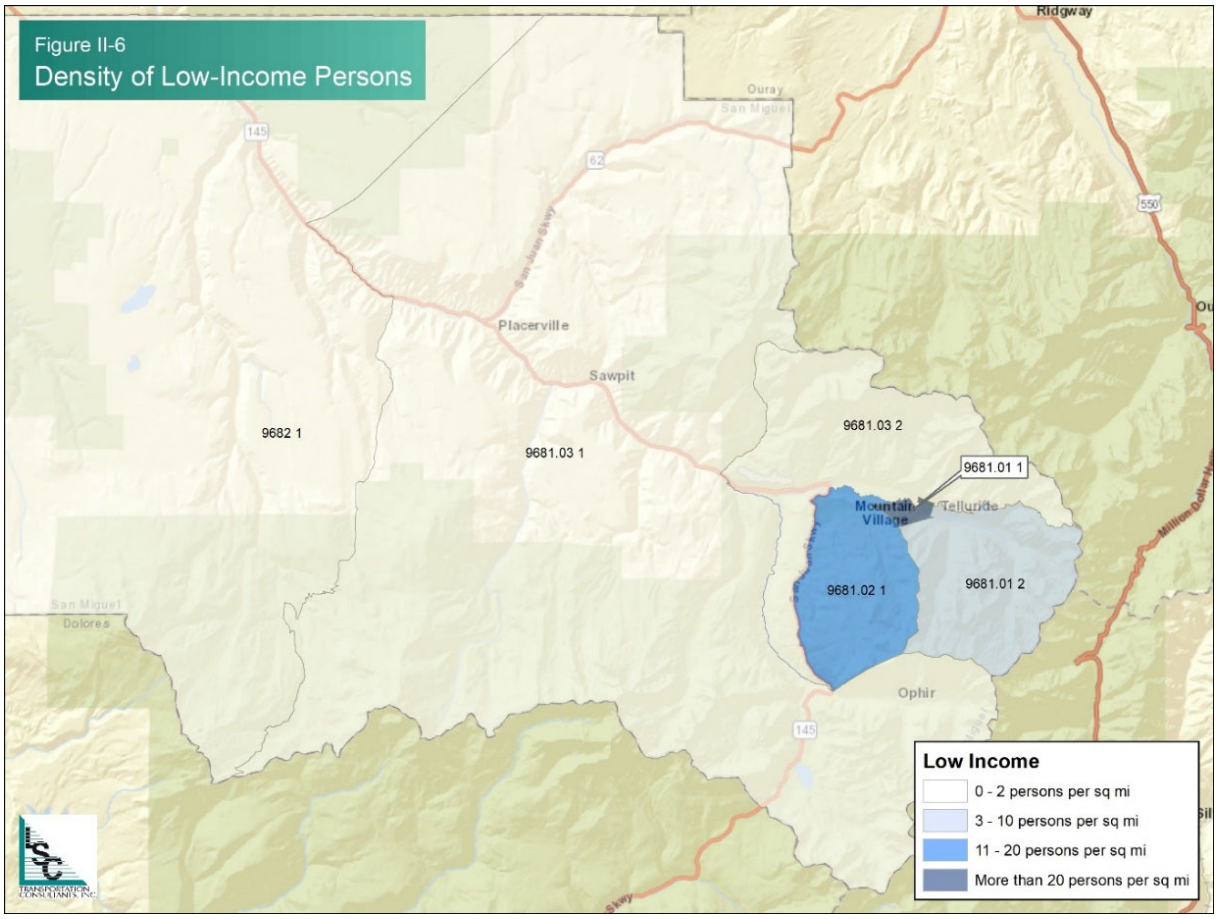
Population of Persons with an Ambulatory Disability

An individual is classified as having an "ambulatory disability" if they have serious difficulty walking or climbing stairs. Approximately four percent of the population in San Miguel county has some type of ambulatory disability. This is similar to the percentage of persons with an ambulatory disability in the state of Colorado (approximately five percent). As shown in Figure II-5, the areas with the highest densities of older adults are in the area between Telluride and Mountain Village. Although this is the area with the highest density, there are only just over three persons per square mile in this block group who have an ambulatory disability. The areas with the next highest densities are the areas to the north and west of Mountain Village and Telluride. The densities are lower than most rural communities, but are consistent with other rural resort communities.



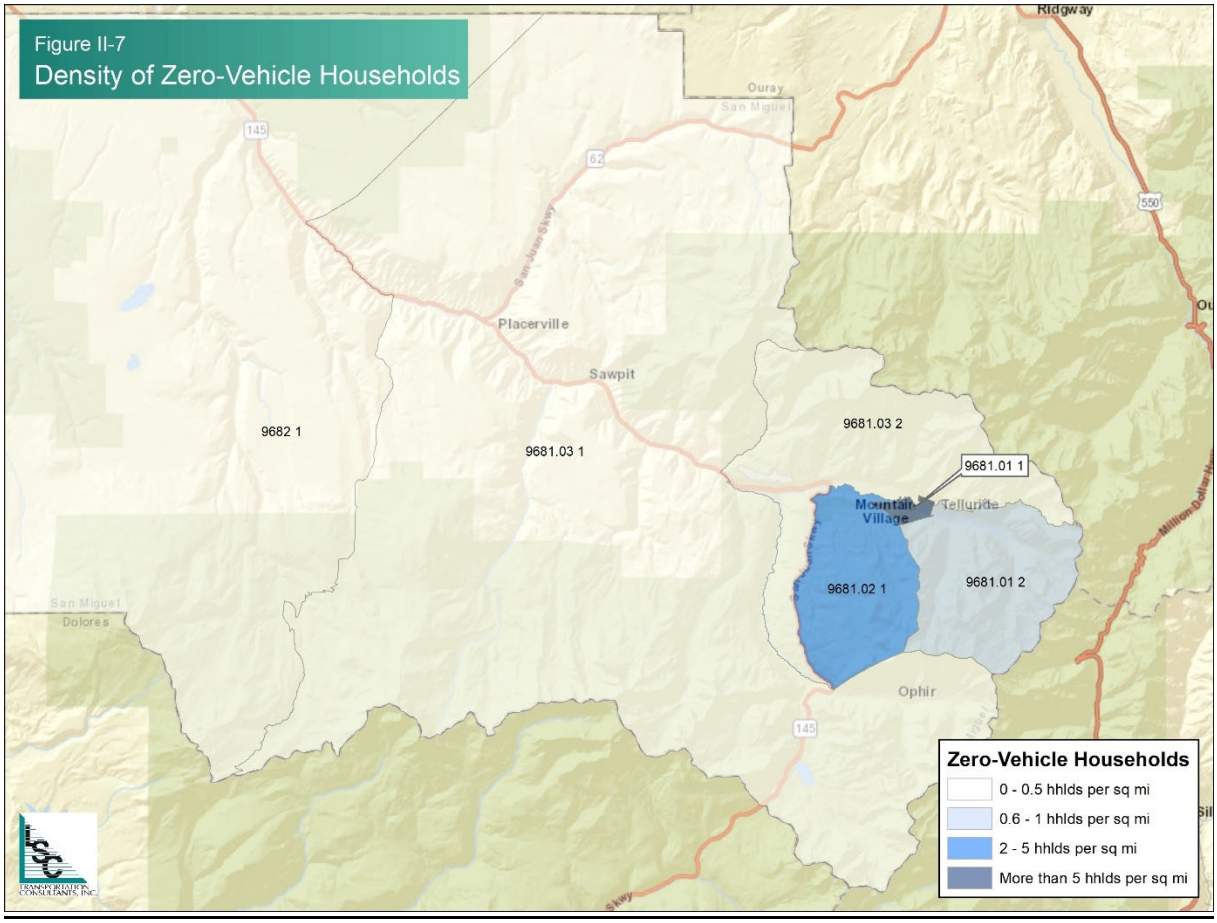
Low-Income Population

Low-income population, as defined by the Federal Transit Administration (FTA), includes persons whose household income is at or below the Department of Health and Human Services' poverty guidelines. The low-income population listed in the tables and GIS maps includes people who are living below the poverty line using the U.S. Census Bureau's poverty threshold. Approximately 10.4 percent of the population of San Miguel county are considered low income while the percentage of persons considered low income for the state of Colorado is less than half (11.3 percent). As shown in Figure II-6 the densities of low-income persons are similar to population density. The area between Telluride and Mountain Village has the highest density of low-income persons, followed by the area to the west of Mountain Village.



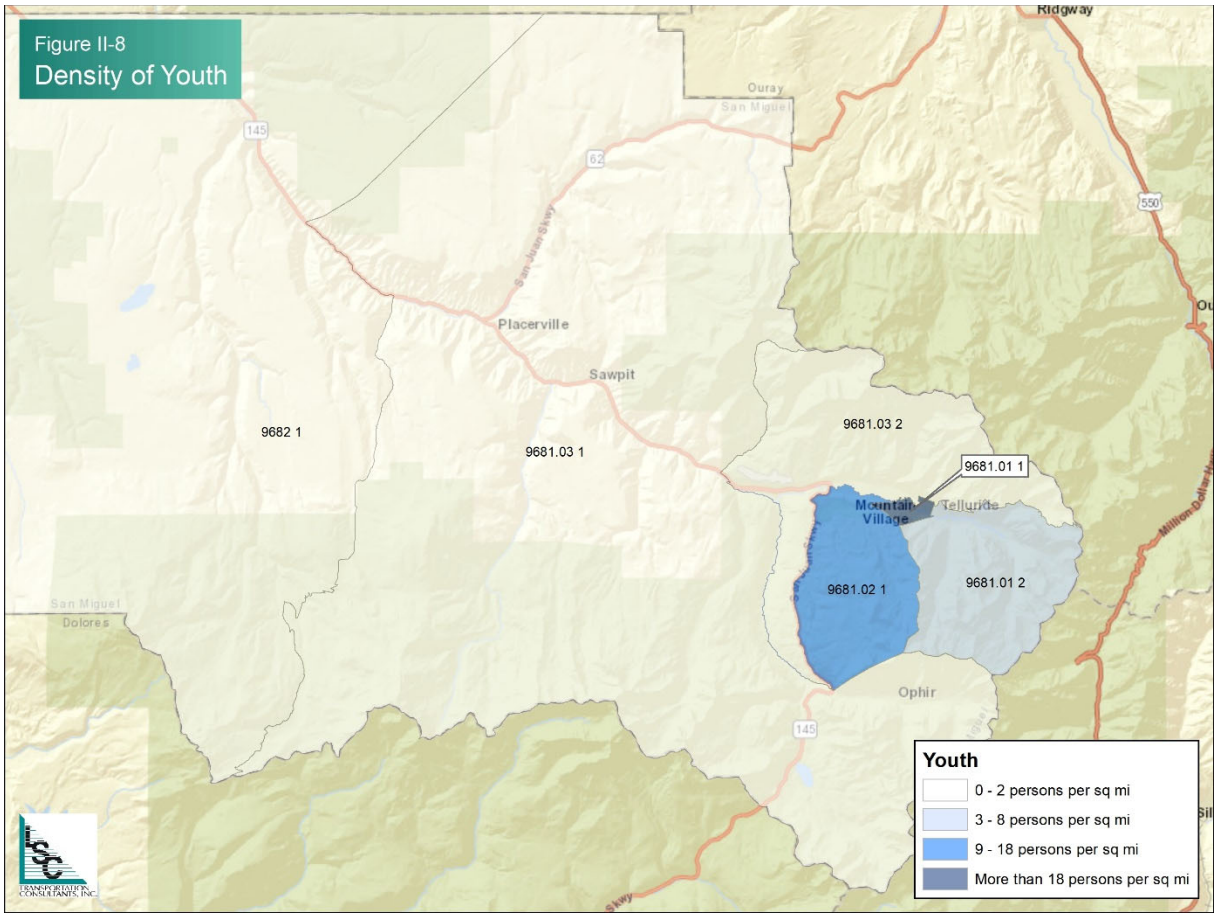
Zero-Vehicle Households

Individuals residing in zero-vehicle households are generally transit-dependent as they do not have access to a private vehicle. The ranges for the density of zero-vehicle households are quite low due to the size of the block groups, combined with the small number of zero-vehicle households in the study area. Approximately 5.3 percent of Colorado's households reported no vehicle available for use while approximately five percent of households in San Miguel county reported having no vehicle available for use. As shown in Figure II-7, the densities of zero-vehicle households are similar to population density. The area between Telluride and Mountain Village has the highest density of zero-vehicle households, followed by the area to the west of Mountain Village.



Youth Population

Approximately 10 percent of the population of San Miguel county are youth (10-19 years of age), this is slightly less than the state of Colorado (13 percent). As shown in Figure II-8, the densities of youth are similar to population density. The area between Telluride and Mountain Village has the highest density of youth, followed by the area to the west of Mountain Village.



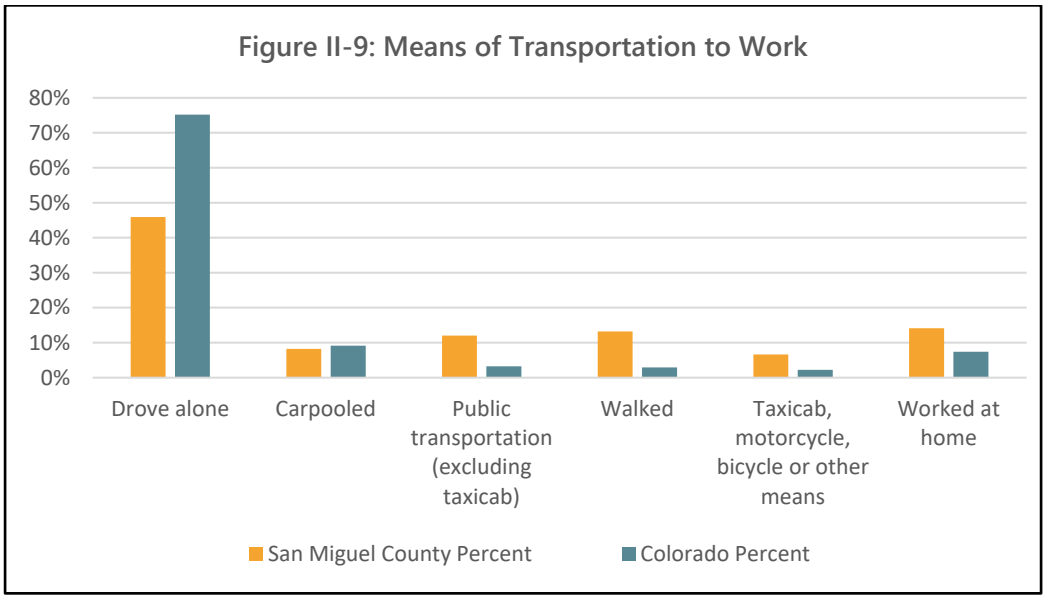
TRAVEL PATTERNS

Work Transportation Mode

The 2017 ACS yields information about the means of transportation to work for the study area's employed residents. Table II-2 shows the number of people in San Miguel county's workforce, as well as the state of Colorado's, and their modes of travel. These data were tabulated for employees 16 years of age and older who were employed when the ACS was completed. Figure II-9 shows this information in a visual format. Approximately half of employees (46 percent) drove alone to work in San Miguel county, this is less than the state of Colorado (75 percent). Excluding those who work at home and do not travel to work, the next highest mode of transportation in San Miguel county is walking (13 percent), followed by public transportation (12 percent). This is a direct contrast to the state of Colorado where only three percent walked or took public transportation to work.

Table II-2: Means of Transportation to Work				
	San Miguel County		Colorado	
Means of Transportation	Workers	Percent	Workers	Percent
Drove alone	2,145	46%	2,062,986	75%
Carpooled	382	8%	249,838	9%
Public transportation (excluding taxicab)	561	12%	86,517	3%
Walked	615	13%	78,198	3%
Taxicab, motorcycle, bicycle, or other means	306	7%	61,673	2%
Worked at home	660	14%	202,939	7%
Total	**4,669**	**100%**	**2,742,151**	**100%**

Note: Workers 16 years and over
Source: U.S. Census Bureau, 2013-2017 American Community Survey 5-Year Estimates



Commuter Patterns

Commuter patterns were analyzed for Telluride and Mountain Village using Longitudinal Employer-Household Dynamics (LEHD) data. In the absence of a better source of commuter pattern data, it is worthwhile to include these data as a general indicator of commuter patterns in the study area. However, it should be noted that LEHD data represent estimates of commuter patterns, synthesized from several sources of US Census residential locations, business locations, and commute data. This data excludes federal, railroad, retired, disabled, unemployed and self-employed employees. As such, these data should be used to provide only a general commuting pattern.

Table II-3 shows the top-ten reported places where Telluride residents are employed. Approximately 36 percent of Telluride residents work within Telluride, followed by approximately 25 percent working in Mountain Village and approximately three percent in Denver. Table II-4 shows where Telluride workers live. Approximately 13 percent of Telluride workers live in Telluride, approximately 12 percent live in Mountain Village, and 5.3 percent live in Montrose.

Table II-3: Employment Location of Telluride Residents		
	Residents	
Area of Work	#	%
Telluride, CO	203	36.1%
Mountain Village, CO	143	25.4%
Denver, CO	15	2.7%
Grand Junction, CO	9	1.6%
Aurora, CO	6	1.1%
Norwood, CO	6	1.1%
Colorado Springs, CO	5	0.9%
Durango, CO	5	0.9%
Farmington, NM	5	0.9%
Westminster, CO	4	0.7%
All Other Locations	161	28.6%
Source: LEHD; LSC, 2019		

Table II-4: Residence Location of Telluride Workers		
	Workers	
Area of Residence	#	%
Telluride, CO	203	12.7%
Mountain Village, CO	185	11.6%
Montrose, CO	84	5.3%
Denver, CO	54	3.4%
Durango, CO	24	1.5%
Ophir, CO	22	1.4%
Fort Collins, CO	19	1.2%
Norwood, CO	19	1.2%
Aurora, CO	18	1.1%
Ridgway, CO	17	1.1%
All Other Locations	951	59.6%
Source: LEHD; LSC, 2019		

Table II-5 shows the top-ten reported places where Mountain Village residents are employed. Approximately half of Mountain Village residents work within Mountain Village, followed by approximately 24 percent working in Telluride and approximately two percent working in Farmington, NM. Table II-6 shows where Mountain Village workers live. Approximately 26 percent of Mountain Village workers live in Mountain Village, approximately 10 percent live in Telluride, and approximately six percent live in Montrose.

Table II-5: Employment Location of Mountain Village Residents		
	Residents	
Area of Work	#	%
Mountain Village, CO	394	50.0%
Telluride, CO	185	23.5%
Farmington, NM	14	1.8%
Grand Junction, CO	12	1.5%
Montrose, CO	8	1.0%
Norwood, CO	5	0.6%
Ridgway, CO	5	0.6%
Commerce City, CO	4	0.5%
Denver, CO	4	0.5%
Durango, CO	4	0.5%
All Other Locations	153	19.4%
Source: LEHD; LSC, 2019		

Table II-6: Residence Location of Mountain Village Workers		
	Workers	
Area of Residence	#	%
Mountain Village, CO	394	26.2%
Telluride, CO	143	9.5%
Montrose, CO	88	5.9%
Ouray, CO	32	2.1%
Denver, CO	29	1.9%
Loghill Village, CO	18	1.2%
Norwood, CO	16	1.1%
Ridgway, CO	16	1.1%
Colorado Springs, CO	13	0.9%
Ophir, CO	10	0.7%
All Other Locations	744	49.5%
Source: LEHD; LSC, 2019		

Given observed commuter patterns and traffic data, this LEHD data appears to underestimate the true commuter patterns for San Miguel County and may be of limited use. LEHD data has limitations, especially in resort areas such as Telluride and Mountain Village.

TRANSIT DEMAND MODELS

One tool to help develop and evaluate transit services is analysis of the mobility needs of various segments of the population and estimating the demand of potential transit riders. There are several factors that affect demand, not all of which can be forecast. Demand estimation can help develop a transportation plan, but it shouldn't dictate the plan.

This section presents an analysis of the demand for transit services in the study area based upon standard estimation techniques that make use of demographic and community conditions data. These methodologies are standard approaches for estimating transit needs and demand. Some may be more appropriate for San Miguel county than others, given that resort area transit demand is much different than typical rural or small urban areas. The nature of the service economy, large influxes of visitors, and more propensity of residents to use transit, if convenient, create challenges for accurate demand estimation using existing models. LSC uses its experience to apply given demand estimation tools appropriately to given service options, in combination with qualitative data from stakeholders, riders, and the community. Some of the models and formulas used to help quantify transit need and demand include:

- Mobility Gap
- Greatest Transit Need
- General Public Rural Non-Program Demand
- Commuter Transit Demand based on Traffic Counts
- Ridership Elasticity based on Service Changes
- Service Estimations based on Current Ridership and Performance

Each of these approaches helps to show the patterns that are likely to arise regarding transit needs within the study area. Estimating demand for services is not an exact science and therefore must be carefully evaluated.

Mobility Gap

The mobility gap methodology is used to identify the amount of service required to provide equal mobility to households that have access to vehicles and those that do not. The National Household Travel Survey (NHTS) provides data that allow for calculations to be made relating to trip rates. Separate trip rates are generated for various regions throughout the United States to help account for any locational inequities. Trip rates are also separated by general density and other factors, such as age. This methodology was updated using the most recent NHTS data available (2009).

Colorado is part of the U.S. Census Mountain Division which has a trip rate of 5.2 daily trips for rural zero-vehicle households and a trip rate of 6.0 daily trips for rural households with at least one vehicle. The mobility gap is calculated by subtracting the daily trip rate of zero-vehicle households from the daily trip rate of households with at least one vehicle. Thus, the mobility gap is represented as 0.8 household trips per day. This mobility gap is lower than the national average of 1.5 for rural households. To calculate the transit need for each block group in the study area, the number of zero-vehicle households is multiplied by the mobility gap number.

Table II-7 shows the mobility gap analysis broken out by block group. In total, 123 daily trips need to be provided by transit to make up for the gap in mobility. This calculates to an annual transit need of approximately 44,968 trips, assuming 365 days of service. The majority of trips (114 daily trips) are

needed in the area around Telluride and Mountain Village with only nine trips per day needed in the surrounding county.

This analysis is limited to just those households without access to a vehicle and doesn't account for choice riders and those with access to a car who may not want to drive or be able to drive anymore, such as seniors aging in place.

Table II-7: Mobility Gap Transit Need

Census Tract	Census Block Group	Total Number of Households	Zero-Vehicle Households	Mobility Gap	Transit Need (Daily Trips)
9681.01	1	412	54	0.8	43
	2	374	14	0.8	11
9681.02	1	823	75	0.8	60
9681.03	1	515	0	0.8	0
	2	432	0	0.8	0
9682	1	745	11	0.8	9
	TOTAL:	**3,301**	**154**		**123**

Source: US Census Bureau, American Community Survey - 2017, LSC 2019.

Greatest Transit Needs Index

The "greatest transit need" is defined as those areas in the study area with the highest density of zero-vehicle households, older adults, people with ambulatory disabilities, and low-income populations. This information will also be used in the development of service alternatives and the identification of appropriate service constraints later in the planning process.

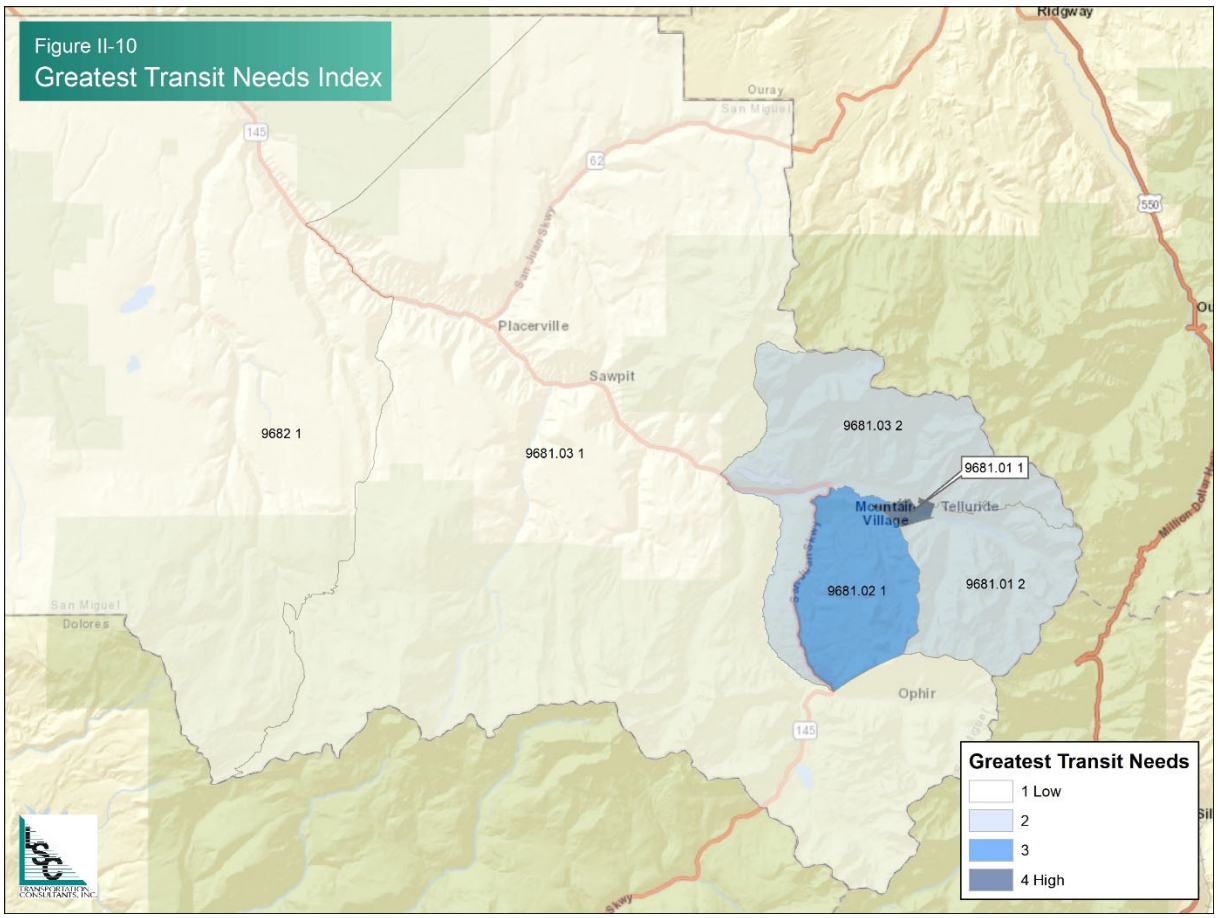
Methodology and Results

The categories used for calculation of the greatest transit need were zero-vehicle households, older adult population, ambulatory disability population, and low-income population. Using these categories, LSC developed a "transit need index" to determine the greatest transit need. The density of the population for each municipality within each category was calculated, placed in numerical order, and divided into four segments. Four segments were chosen to reflect a reasonable range, with each segment corresponding to a municipality.

The block groups with the lowest densities were given a score of one. The block groups in the segment with the next lowest densities were given a score of two, and so on, until the block groups in the segment with the highest densities were given a score of four. This scoring was completed for each of the categories (zero-vehicle households, older adult population, ambulatory disability population, and low-income population). After each of the block groups were scored for the four categories, all of the scores were added to achieve an overall score. Table II-8 presents the rank for each municipality in the study area. The scores range from four (lowest need) to 16 (highest need). As shown in Table II-8, the greatest transit need is located in the block group between Telluride and Mountain Village followed by the block group surrounding the southeast side of Telluride. The greatest transit need index is shown in Figure II-10.

Table II-8: Greatest Transit Need Model																		
					Zero-Vehicle Households			Older Adult Population (65 and Over)			Ambulatory Disability Population			Low-Income Population			Overall Score (4-16)	Final Ranking (1-4)
Census Tract	Census Block Group	Land Area (sq. miles)	Total Population	Total Households	#	Density (hhlds per sq. mile)	Rank	#	Density (persons per sq. mile)	Rank	#	Density (persons per sq. mile)	Rank	#	Density (persons per sq. mile)	Rank		
9681.01	1	0.90	957	412	54	60.2	4	34	37.9	4	3	3.3	4	94	104.9	4	16	4
	2	19.76	964	374	14	0.7	2	103	5.2	2	3	0.2	1	95	4.8	2	7	2
9681.02	1	16.39	1,963	823	75	4.6	3	171	10.4	3	21	1.3	2	299	18.2	3	11	3
9681.03	1	285.15	1,008	515	0	0.0	1	168	0.6	1	60	0.2	1	50	0.2	1	4	1
	2	35.07	1,007	432	0	0.0	1	113	3.2	2	60	1.7	3	50	1.4	2	8	2
9682	1	929.34	1,905	745	11	0.0	1	293	0.3	1	173	0.2	1	227	0.2	1	4	1
TOTAL:		**1,286.61**	**7,804**	**3,301**	**154**	**0.1**		**882**	**0.7**		**320**	**0.2**		**815**	**0.6**			

Source: US Census Bureau, American Community Survey - 2017, LSC 2019.



General Public Rural Non-Program Demand

TCRP Report 161: Methods for Forecasting Demand and Quantifying Need for Rural Passenger Transportation provides a method of estimating general public rural transit demand. The analysis procedure considers transit demand in two major categories:

- Program demand, which is demand that is generated by transit ridership to and from specific social service programs; and
- Non-program demand, which is demand that is generated by the other mobility needs of the elderly, disabled, and general public (including youth and tourists). Examples of non-program trips may include shopping, employment, recreation, and medical trips.

This methodology applies transit-dependent population statistics and trip rates to estimate the annual demand for non-program and overall general public rural transportation. The general public rural non-program demand estimation technique described in TCRP Report 161 is calculated by the following formula:

Annual Demand = (2.20 x Population Age 60+) + (5.21 x Mobility Limited Population Age 18-64) + (1.52 x Residents of Households Having No Vehicle)

Annual Demand Calculation = (2.20 x 320) + (5.21 x 177) + (1.52 x 261)

As calculated above, transit demand in the study area is estimated at approximately 4,600 passenger-trips annually.

Commuter Transit Demand

There are several ways to estimate commuter transit demand. One technique established in TCRP Report 161 to estimate commuter demand between places using census Longitudinal Employer-Household Dynamics (LEHD) data; however, when LSC ran this model it significantly underestimated commuter demand. As a result, LSC decided to apply another technique, using traffic volumes.

The commuter transit demand model using traffic volumes takes recent 2017 or 2018 Colorado Department of Transportation Average Annual Daily Traffic (AADT) segment volumes on State Highways (SH) 62 and 145 and applies a mode split range, which is an estimation of the percentage of travelers are likely to take transit based on transit use in other similar communities. In this case, LSC estimated this transit mode split range to be between two and four percent. Table II-9 shows the associated demand estimates. The highest levels of commuter demand using this model occur on SH 145 between Mountain Village Blvd. and the roundabout just north of Society Dr.

Table II-9: Commuter Transit Demand

Roadway Segment	AADT	Annual Transit Demand Range, 2-4% transit modal split *(one-way trips)*
SH 62 between Ridgway and SH 145 intersection	3,600	26,280 – 52,260
SH 145 between Placerville and roundabout just north of Society Dr.	5,500	40,150 – 80,300
SH 145 between Norwood and SH 62 intersection	1,900	13,870 – 27,740
SH 145 between Ophir turn-off and Mountain Village Blvd. turn-off	3,200	23,360 – 46,720
SH 145 between Mountain Village Blvd. and roundabout north of Society Dr.	7,500	54,750 – 109,500

Source: CDOT, LSC 2019.

Similar to other models, these estimations are limited by factors including the inability to break apart specific origin-destination patterns, the cumulative effect of traffic in certain corridors, and lack of average vehicle occupancy data.

Other Models Used

Ridership Elasticity based on Service Changes

There are several transit industry studies that have been done on the impact of service changes on ridership. These studies have analyzed and developed the ridership elasticity, or measure of the responsiveness of ridership to changes in service frequency. For example, according to a study on transit elasticity from the Victoria Transport Policy Institute, an improvement in transit service hours or headway (frequency) can result in a short-term elasticity of 0.50 to 0.7 and a long-term of elasticity of 0.7 to 1.1.

Service Estimations based on Current Ridership and Performance

Based on historical route performance data, LSC can use productivity projections and adjustments for contemplated service changes to the existing base level of service. For example, if a current route performs at an average of six passengers per hour and an extension of late night hours is contemplated, a rate of 50 percent of the current productivity, or three passengers per hour, might be used as a productivity estimate given that late night ridership is typically 50 percent of average daily ridership in comparable resort systems.

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Chapter III

TRANSPORTATION
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Chapter 3: Review of Past Plans and Studies

INTRODUCTION

This chapter provides a review of relevant plans and local studies on transit, transportation, traffic and safety, tourism, economic development, recreation, and environment issues in the study area. The documents included in this literature review were selected for their relevance to this study.

REVIEW OF PAST PLANS AND STUDIES

Gunnison Valley Regional Transit Plan

Prepared by: *Felsburg Holt & Ullevig*
Prepared for: *Colorado Department of Transportation (CDOT) Division of Transit and Rail and the Gunnison Valley Transportation Planning Region*
Date: *December 2014*

The Gunnison Valley Transportation Planning Region Regional Coordinated Transit & Human Services Plan was prepared by Felsburg Holt & Ullevig for the Colorado Department of Transportation (CDOT) Division of Transit and Rail and the Gunnison Valley Transportation Planning Region in order to identify projects and strategies for improving mobility in the region for populations who rely on public transit or human services transportation. The study also sought to minimize the duplication of federally-funded services as well as to leverage limited funds. The study outlined an implementation plan based on five identified regional goals:

- Regional Goal 1: Preserve, maintain, and enhance existing services.
- Regional Goal 2: Provide additional public transit service within and between communities.
- Regional Goal 3: Improve and promote transportation options.
- Regional Goal 4: Increase transit funding through public and private mechanisms.
- Regional Goal 5: Integrate general public and human transit services.

Financial Summary

2030 Projected Annual Operating/Administrative Costs	
Status Quo – Maintain Existing Service Levels	$11.5 million
Growth – Implement High Priority Strategies	$2.7 million
Total - Status Quo and Growth Costs	**$14.2 million**
2030 Anticipated Revenues	$9.4 million
Shortfall	**($4.8 million)**
Values in 2030 dollars	
2014-2030 Projected Capital Costs	
Growth – Implement High Priority Strategies	$2.4 million in 2013 dollars $3.8 million in 2030 dollars

In order to prioritize and fund projects within these goals, several high priority strategies were identified. These strategies were based primarily on input from transit providers, human services transportation providers, and the public, as well as on needs and gaps in service. The high priority strategies included, but were not limited to, the following:

- Continue operation of existing transit services
- New Gunnison-Montrose general public transit service along US Hwy 50
- Additional Delta-North Fork Valley general public transit service
- Additional City of Montrose human services transportation
- New Ouray County combined general public/human services transportation
- Establish TDM Programs (including rideshare/vanpool/carpool programs, bike promotion)
- Implement centralized call center

The study evaluated the cost, over a 15-year period, of maintaining the existing system as well as the cost of implementing the high priority strategies in order to reach each of the regional goals. It was determined that an additional $2.4 million, beyond the cost of maintaining status quo levels of service, would be needed to implement the proposed high priority strategies. It is anticipated that expenses will not be met through existing sources and new funding will need to be secured in order to address these funding gaps.

Montrose - Telluride Transit Feasibility Study

Prepared by: *Robert N. Joseph*
Prepared for: *The Town of Mountain Village, The Town of Telluride, The City of Montrose*
Date: *May 2014*

The purpose of this study was to determine the feasibility and method of implementing a cross-county public transit system that would serve the residents of Mountain Village, Telluride, and Montrose. The study primarily used a survey sent to both employers and employees within the three communities. The results of the survey indicated there was significant individual and business support for the proposed program.

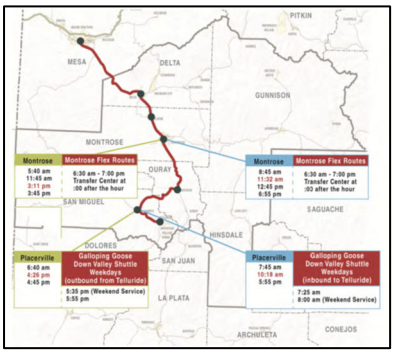
Some of the main concerns indicated by survey takers were both the length of time routes take and the lack of sufficient options for those needing transportation at irregular or non-standard hours. The geographic landscape of the region, is a major also obstacle to cost-effective, safe and dependable public transit system for the region as a whole. While other regions in the state are showing increasing trends within the younger population towards relying solely on public transportation in lieu of private vehicles, this trend is not materializing on the Western Slope.

The study investigated various solutions to the above-mentioned issues and ultimately recommended a two-step program, establishing first an intergovernmental task force to develop an implementation plan, followed by the establishment of an intergovernmental transit agency to execute the program. The task force would develop a plan for a pilot program, set to begin in early 2015. The task force would determine performance measures, recommend an operational framework for the proposed system, identify how to efficiently integrate existing services, and identify route services for the new system, inter alia. The intergovernmental transit agency would be expected to establish communication with other similar regional agencies in order to gain insight into their experiences.

The study concluded that this type of combined effort would result in a much more efficient and cost-effective solution that would benefit the businesses and residents of all three communities. Furthermore, the proposed system was expected to increase tourism and economic development in the study area.

Region 10 Transit Implementation Plan

Prepared by: *Felsburg Holt & Ullevig*
Prepared for: *Region 10 League for Economic Assistance and Planning*
Date: *October 2015*



The Region 10 Transit Implementation Plan is an extension of two previous plans, namely *Four County Transit Study Update* (April 2013) and *Gunnison Valley Transportation Planning Region Regional Coordinated Transit & Human Services Plan* (December 2014). Region 10, also known as the Gunnison Valley planning region, includes six counties: Delta, Gunnison, Hinsdale, Montrose, Ouray, and San Miguel. The purpose of this study was to summarize previous studies done for the study area, then determine transit needs and develop a prioritized project list. Finally, the study identified strategies for improved transit service and implementation steps towards additional services, with the vision of uniting all of the transit services within Region 10, as depicted in the figure below.

The study analyzed various current and projected demographics such as age, households with and without vehicles, population growth, percentage of population at or below poverty level, etc. The study also provided a synopsis of existing public, private and human services transit providers within the region. The study then set about determining a list of High Priority Strategies in order to achieve the five Regional Goals developed for the study. An online survey was developed to gather input from Coordinating Council members with the goal of determining the highest priority for projects. The results of the survey indicated five routes with the highest priority. The study then developed an implementation plan for moving forward with each of the top five projects.

Mountain Village Comprehensive Plan - Revised June 2017

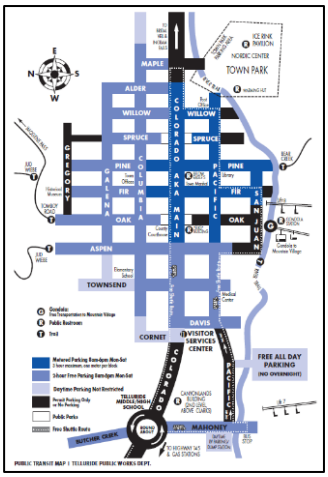
Date: *June 2017*

The purpose of this study was to outline the long-term strategic plan for the development of Mountain's Village's incorporation. The goal of the plan was to create a long-term strategy toward a sustainable year-round economy, a vibrant and connected community, and the preservation and enhancement of the aesthetic nature of the town.

The study determined that certain key issues needed to be addressed, including the vision for the town's infrastructure. Transportation and parking for the town should be low-impact and environmentally friendly. Regional mass transit needs should be considered and the existing gondola should be improved to preserve the unique inter-town system that connects Mountain Village to Telluride. Parking terminals should be expanded, including storage room for the gondola cabins. Van, bus or limousine service options should be required of all new hotbed sites to provide transportation for guests from nearby airports as well as for employees who live in the surrounding communities. The plan also recommended exploring the feasibility of passenger rail service between Montrose and Grand Junction.

These recommendations, while not legally binding, seek to set forth a long-term vision for preserving the unique flavor of the community while improving the economic future for the town and its citizens for years to come.

Telluride Master Plan – Revised June 2012 Plan



The purpose of this study was to create a framework that would guide decision making as regards physical, social, economic and environmental development within the Telluride community. It was recognized within the plan that parking poses a significant problem, primarily during peak hours. The plan sought to develop an integrated system of strictly enforced intercept, permit, and pay-to-park areas supported by adequate transit service to popular destinations within the community.

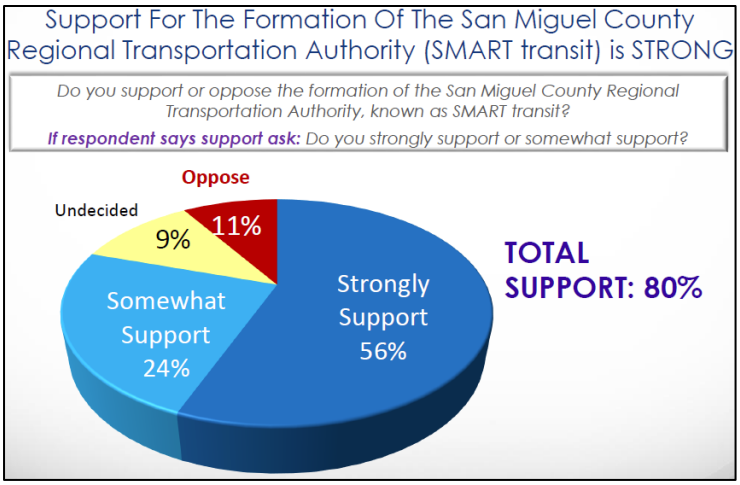
Telluride prides itself on being a community wherein a personal automobile is unnecessary and the plan seeks to maintain and enhance this unique quality of the town. The policies and actions recommended within the plan to maintain this unique community characteristic are centered around various public transit services. These policies include, but are not limited to the following:

- Continued and improved operation of the Mountain Village Gondola, including longer hours of operation over a longer operating season
- Providing public transit services for all areas annexed to the Town, including regular and convenient transportation from parking lots to the gondola, Main Street and other popular destinations
- Providing regional transit services, and considering the formation a Regional Transit Authority
- Expansion of the existing transit system as demand increases

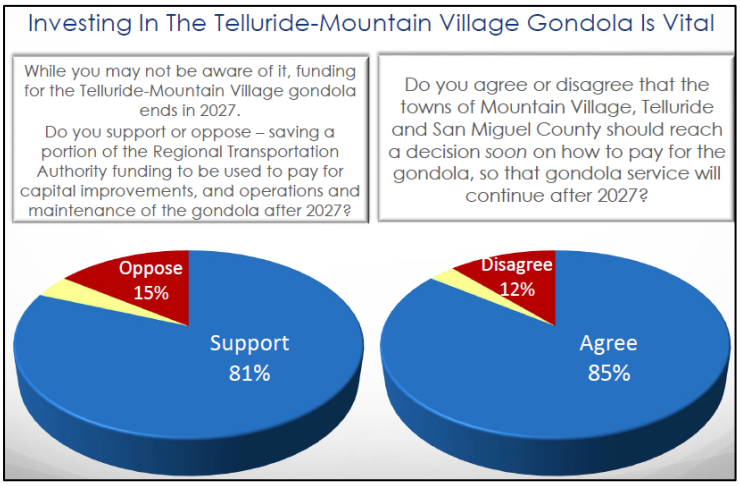
SMART 2016 Transportation Survey Key Findings Presentation

Date: *May 2016*

This presentation details the findings of a community survey conducted in order to determine the level of community support for SMART, community willingness to fund SMART through various tax increases, and the importance of various public transportation issues to the community.



While 82% of respondents currently use a private vehicle as their main source of transportation, the survey found that 80% of respondents supported the overall formation of SMART. Issues shown to be of significant importance to respondents were new parking infrastructure and trail maintenance, each being ranked as very or extremely important by 58% of respondents. Expansion of workforce shuttle services was seen as very or extremely important by 55% of respondents. The survey also indicated very strong support, by over 70% of respondents, for increased sales or property taxes to fund the formation of SMART. An overwhelming percentage of respondents also indicated they felt that investing in the Telluride-Mountain Village Gondola was vital to the future of the two communities.



Telluride Alternative Futures – May 2010

This study set out to forecast and assess the future development patterns for the Telluride region, namely for San Miguel County and portions of Montrose and Ouray counties. The study presented nine alternatives based on various configurations of assumed population growth.

The study concluded that without significant intervention, the use of private vehicles will continue to grow in the Telluride region. The existing traffic problem in the region will only become worse if the use of private vehicles is not stemmed through the implementation of affordable, frequent and efficient public transit options. While no specific strategy or solution was offered, the study emphasized the urgency of establishing a regional public transit system.

OTHER STUDIES REVIEWED

Other studies reviewed included:

- *San Miguel County Housing Needs Assessment* assessed the lack of affordable employee housing within the region.
- *San Miguel County Comprehensive Development Plan* outlined a series of guidelines to ensure the existing communities are preserved, while aiding growth. Ultimately, the study recommended implementing legislative zoning amendments to regulate land use and growth within the county.

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Chapter IV

TRANSPORTATION
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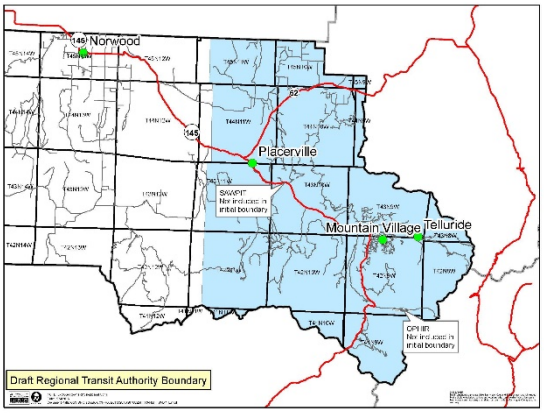
Chapter IV: Agency Overview

This Chapter provides an overview of SMART, how it is structured and governed, the agreements and partnerships it has in place, its current funding and budget, and its organizational assets. The information provided herein gives a "snapshot" of where SMART is today.

BACKGROUND

SMART is a Regional Transportation Authority as defined under Colorado Regional Transportation Law, Title 43, Article 4, Part 6, Colorado Revised Statutes. SMART is the newest public transit provider in the state of Colorado and was formed in November of 2016 by a vote of the residents of Telluride, Mountain Village, and the R1 School District in San Miguel County (the areas shaded in blue on the map shown here) – these three initial signatories make up the RTA. SMART is currently funded by a .25 cent sales tax and .75 mil levy collected in these jurisdictions.



As part of the SMART Intergovernmental Agreement (IGA) outlining SMART's responsibilities, an initial service plan (Appendix A) has been developed, which primarily consists of consolidating existing regional services that had previously been funded separately by the Town of Telluride, Town of Mountain Village, and San Miguel County under the SMART "umbrella." Between its formation in November of 2016 and fall of 2018, SMART was funding services operated by other agencies such as the Town of Telluride, Town of Mountain Village, and San Miguel County.

As of November of 2019, SMART has taken over the operations and management of many routes and services, which represents an evolution of the organization. This consolidation of regional routes and services is anticipated to continue in the next five years and will be determined by many of the recommendations of this SOP.

Table IV-1: SMART Organizational Snapshot

Year Formed	2016
Type of Organization	Voter-approved Regional Transportation Authority of eastern San Miguel County, Town of Mountain Village, and Town of Telluride
Services Operated	Commuter fixed route, van shuttles (vanpool)
Annual Ridership* (2018)	46,503
Annual Operating Expenses (2019 Budget)	$1,492,750
Number of Vehicles	7 total (4 buses and 3 vans)

** For Norwood, Down Valley, and Rico Routes only. Source: SMART data 2019, LSC 2019.*

GOVERNANCE AND STRUCTURE

SMART is governed by a Board of Directors consisting of two politically appointed Directors from the Town of Telluride, Town of Mountain Village, and San Miguel County, and one representative of the Town of Rico, which joined the SMART jurisdiction in November of 2019. In addition to the regular Directors, each Member organization appoints one Alternate Director who is deemed to be a Regular Director when a Member's Regular Director is absent from a board meeting.

According to the SMART IGA, each of the Directors and Alternate Directors "appointed by a Member shall both be elected officials of the Governing Body of such Member and shall be appointed as a Director or Alternate Director by the elected officials of the Governing Body of such a member." Each Director serves on the board until a successor is appointed or the Director ceases to serve as an elected official of the Governing Body of the appointing Member. The SMART Board elects officers including a Chair, Vice Chair, Secretary, and Treasurer.

Staff

SMART currently has two employees: the Executive Director, who supervises SMART day-to-day activities and ensures that the will of the Board is carried out, and a new Operations Manager/ Planner.

Committees

SMART has two primary committees that provide guidance, input, and feedback for SMART operations, development, and community relations. Current committee membership includes representatives from:

Administrative Advisory Committee (AAC)	Community Advisory Committee (CAC)
• San Miguel County • Town of Telluride • Town of Mountain Village • Telluride Ski Resort	• Town of Mountain Village • Telluride Ski Resort • Town of Telluride • County • Local lodging and business community • Tri-County Health Network, human and social services

Although the membership representation is similar between the AAC and CAC, the types of individuals on each committee are very different – the AAC consists of staff members from the representative organizations that are responsible for overseeing or directly operating transportation services, while the CAC consists of community members that represent the needs of specific community stakeholder groups. The AAC typically looks at the "nuts and bolts" of operating public transportation services, while the CAC is more concerned about how the community, and particular constituents who need transportation, are served by public transportation, and are impacted by service development.

AGREEMENTS AND PARTNERSHIPS

In addition to its governing IGA that defines the organization itself, SMART has many agreements and partnerships in place to help define roles, services, and funding arrangements necessary to operate regional transportation services. These agreements include:

- **2019 IGA for Transportation Services between San Miguel County and SMART**
  - Date and term: 2019
  - Description: This IGA covers many aspects of regional transportation, as well as SMART operations, including: minimal levels of service for the Norwood, Down Valley, Lawson Hill regional bus routes; management of the County shuttle vans from Montrose and Ridgway; management of the Lawson Hill intercept park-and-ride lot; use of the Fairgrounds parking lot for commuter parking and a bus stop; use of the Norwood Road and Bridge shop as a bus barn for SMART; use of County-owned fueling stations and invoicing process; collection and assignment of the Real Estate Transfer Assessment (RETA) to SMART; financial support by SMART for the All Points Transit services within San Miguel County; and the process for notifying the County of complaints, accidents, and legal issues.
- **2019 IGA for Transit Service between the Town of Rico and SMART**
  - Date and term: 2019
  - Description: This IGA outlines the service SMART is responsible for providing between Rico and Telluride with one round-trip per weekday, year-round for 2019. Rico agrees to pay $10,000 to support this service. Also outlined in this IGA is a commitment by Rico to put an initiative on the November 2019 ballot seeking voter approval for formal acceptance into the SMART district.
- **Funding Agreement between the Town of Telluride and SMART**
  - Date and term: 5/22/19 through 12/31/19
  - Description: This agreement covers the provision of the Lawson Hill routes by the Town of Telluride on behalf of SMART. In this agreement, the Town is responsible for operating the Lawson Hill route, and SMART is responsible for reimbursing Telluride at $67 per hour of service.
- **2019 Funding Agreement between the Town of Mountain Village and SMART**
  - Date and term: 2019
  - Description: This funding agreement covers the provision of transit services by Mountain Village on behalf of SMART. In this agreement, the Town is responsible for operating commuter van shuttles from Norwood/Nucla/Naturita, Montrose/Ridgway, and Cortez/Rico; and Telluride-Mountain Village I and II off-season bus routes, and SMART is responsible for reimbursing Mountain Village for the costs of operating these routes.
- **Transportation Service Agreement between Telluride Express and SMART**
  - Date and term: November 2018 to November 2019 with a renewal term of five years
  - Description: This agreement covers the contracted delivery of SMART commuter bus routes by Telluride Express. In this agreement, Telluride Express agrees to operate the Norwood, Down Valley, Lawson Hill, and Rico routes for SMART using SMART-owned vehicles with Telluride Express-owned vehicles as back-ups. Telluride Express also agrees to provide routine preventative maintenance as part of the agreement with additional charge for unscheduled, major bus maintenance. For required

insurance, SMART is required to reimburse Telluride Express for the costs of carrying insurance on SMART-owned buses, and fuel expenses are SMART's responsibility for SMART-owned vehicles.

Upon review of these agreements, it is apparent that SMART has well-defined funding, operating relationships, and service responsibilities.

Other Relationships and Partnerships

In addition to these written agreements SMART has excellent working relationships with a variety of partner organizations that help support efficient and effective SMART operations including:

- Town of Telluride's Galloping Goose transit service staff and management
- Town of Mountain Village transportation department staff and management, including gondola operations
- All Points Transit in Montrose and the operations of medical trips within San Miguel County to Montrose
- Telluride Ski and Golf Company staff and management

CURRENT FUNDING AND BUDGET

SMART's operating and capital budgets have stable revenue sources and sound fund balances that can support the sustainability and growth of SMART.

Operating Budget

Since SMART is such a young agency, its operations have been changing significantly since its formation in November of 2016. For 2017 and much of 2018, SMART didn't operate services directly, so comparing 2019 to past budget years can be misleading. In Table IV-2, the SMART operating budget for 2018 (final budget, as of 12/1/18) and 2019 (adopted budget) are both shown and compared. Operating budget highlights include:

- Revenue growth of 10.4% from 2018 to 2019
- Operating expenses of $1,472,950 from 2018 to 2019
- Transit and transportation services growth of 63.6% from 2018 to 2019, as SMART took over route operations
- The 2019 Budget includes personnel costs for an additional staff position
- A service expansion pool of $150,000 was established and included in the 2019 Budget to earmark funding for new or expanded services
- SMART now receives 5311 federal rural operating funding from FTA, managed by CDOT

For 2020 and beyond, there will continue to be growth and changes in the operating budget, but the 2019 budget does provide a reasonable baseline for operating expenses.

Table IV-2: SMART Operating Budget Overview: 2018 and 2019			
Budget Item	2018	2019	% Change 2019 vs. 2018
Operating Expenses			
Personnel	$185,000	$251,900	36.2%
Professional Services and Operations	$105,000	$103,000	-1.9%
Association Dues and Training	$0	$8,450	--
Subtotal General Expenditures	*$290,000*	*$363,350*	25.3%
Down Valley / Norwood Bus Service	$249,909	$315,000	26.0%
Fuel for Norwood/Down Valley	$0	$33,600	--
San Miguel County Commuter Shuttle	$9,500	$10,000	5.3%
Mtn. Village Shuttles	$120,000	$150,000	25.0%
Off-Season Service (Town of Telluride Portion)	$60,813	$135,000	122.0%
Southern Route	$12,000	$12,000	0.0%
Medical Shuttles - Allpoints	$10,000	$10,000	0.0%
Lawson Hill Service	$195,814	$225,000	14.9%
Service Expansion Pool	$0	$150,000	--
Maintenance/Insurance/Other Costs New Van(s)	$12,000	$15,000	--
Parts Allowance	$0	$12,000	--
Lawson Hill Intercept Lot Expenses	$8,000	$42,000	425.0%
Subtotal Transit and Transportation Services	$678,036	$1,109,600	63.6%
TOTAL OPERATING EXPENSES	**$968,036**	**$1,472,950**	**52.2%**
Operating Revenues			
Sales Tax	$499,200	$514,000	3.0%
Property Tax	$575,000	$515,000	-10.4%
Subtotal Taxes	*$1,074,200*	*$1,029,000*	-4.2%
San Miguel County Contribution (RETA)	$180,000	$150,000	-16.7%
Subtotal Intergovernmental	*$180,000*	$150,000	-16.7%
Fares - Norwood/ Down Valley Routes	$30,000	$30,000	0.0%
Fares - Southern Route	$3,500	$3,500	0.0%
Subtotal Fees for Services	*$33,500*	*$33,500*	0.0%
CDOT Operating (5311)	*$0*	$165,695	--
CDOT Planning (5304)	*$0*	$40,000	--
CDOT CMAQ	$0	$3,840	--
Subtotal Grants	$0	$209,535	--
TOTAL REVENUES	**$1,287,700**	**$1,422,035**	**10.4%**
NET INCOME	**$319,664**	**-$50,915**	**-115.9%**
Source: SMART data 2018, 2019.			

A more detailed analysis of SMART expenses and revenues, as well as a cost allocation model, are included in Chapter 5 of this report.

Capital Budget

For 2019, SMART does not have any budgeted capital expenses.

Fund Balances

At the beginning of 2019, the Operating Fund balance was $775,000. As part of the 2019 Budget, this fund balance was used to transfer:

- ➔ $360,000 to a Capital/Operating Reserve Fund to provide a three-month operating reserve account
- ➔ $150,000 to the Service Expansion Pool for service enhancements

The remaining Operating Fund balance after these transfers is $265,000, which is the budgeted fund balance at the end of 2019.

ASSETS AND RESOURCES

Vehicle Fleet

As it has taken on route operations in the past year, SMART has needed to develop a fleet quickly and therefore, has bootstrapped together a fleet by purchasing available used buses, inheriting buses already in operation, and purchasing one new bus. This strategy has allowed SMART to respond to service needs and keep routes running, but SMART will need to replace some of these vehicles in the coming years, as well as add new vehicles to its fleet for potential service expansions. The current SMART fleet is shown in Table IV-2.

Table IV-3: SMART Fleet

Asset Description	VIN	Type	Seating Capacity	Wheelchair Positions	Current Mileage	Condition	Target Replacement Year	Estimated Replacement Cost
2012 Thomas Saf-T-Liner bus	1T7YR2E2XD1156550	40' transit bus	40	2		Adequate	2022	$800k if electric, $600k if diesel
2012 Thomas Saf-T-Liner bus	1T7YR2E23D1156549	40' transit bus	40	2		Adequate	2022	$800k if electric, $600k if diesel
2009 Gillig Low Floor Transit bus	15GGE271091091426	29' low floor transit bus	28	2		Marginal	2020	$800k if electric, $600k if diesel
2005 Dodge Sprinter	WD8PD644555784810	Passenger van	9	0		Marginal	2010	$40k
2017 Terra Transit Turtle Top	1FDXE4FS8HDC10359	Mid-duty cutaway bus	25	2		Excellent	2025	$250k if electric, $120k if diesel
2016 Ford Transit	1FBAX2CG7GKA29826	Passenger van	15	0		Good	2021	$45,000 for all wheel drive
2016 Ford Transit	1FBAX2CG9GKA29827	Passenger van	15	0		Good	2021	$45,000 for all wheel drive.

Source: SMART, 2019.

With many of SMART's buses operating relatively low annual mileage per bus, some of SMART's buses will age quicker by year than by mileage. Better daily bus utilization going forward will help SMART's fleet age more evenly by miles and years, which could allow SMART to be more competitive in future competitive grant applications.

Facilities

SMART currently doesn't own any facilities, but it does operate a variety of facilities, as shown in Table IV-3. SMART's various IGAs spell out the terms of the operation of these facilities and the use of these facilities is included in the agreement with San Miguel County.

Table IV-4: SMART Facilities				
Facility	**Address**	**Approximate Size**	**Ability to Expand**	**Ownership**
SMART Administrative Office	137 Society Drive, Telluride	750sq. ft.	No	Privately owned but leased to SMART
Lawson Intercept Lot	130 Society Drive, Telluride	120 spaces	No	San Miguel County
Norwood Bus Barn	39595 Hwy 145, Norwood	2 heated bus bays	Yes, possible to add one more bus bay	San Miguel County
SMC Fairgrounds park-n-ride	1165 Summit Street	?	Possibly	San Miguel County
Source: SMART, 2019.				

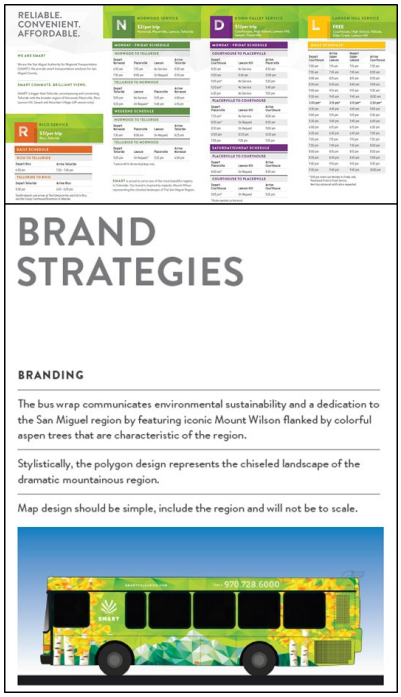
A facility challenge for SMART moving forward is the need for a centralized maintenance facility that includes larger administrative offices and some bus storage. Finding an appropriate site and budgeting for this project will be a part of the SOP development process and incorporated into the final plan.

Human Resources

SMART has two full-time employees, an Executive Director who has a depth of experience in public transportation and has been on the job since late 2017 and an Operations Manager that began employment with SMART in September of 2019.

Marketing and Public Outreach

In the past year, SMART has hired a marketing and graphic design company with experience in public transit to help SMART brand its buses, create bus stop signage that stands out, develop a new printed schedule brochure, and update the SMART website. To date, the bus branding, bus stop signage, and printed schedule and website revamp are complete. Shown here on the right is a draft of SMART's new bus schedule, the brand strategies, and the new bus wrap graphic.



The new SMART identity is distinctive, easy to identify, bright and colorful, and reflects the character of the SMART service area. SMART plans to continue to leverage this new brand in all of its public outreach efforts and should see benefits of better brand recognition, improved rider understanding of the system, and positive community sentiment about using and supporting SMART.

All of these elements are part of a comprehensive SMART Communications Plan, which includes an interesting analysis of demographic groups based on behavior, using the Claritas Prizm.

CONCLUSIONS

In the analysis of all of SMART's resources and assets, as well as the consideration of SMART's challenges and liabilities, LSC has concluded that SMART is in an excellent position to sustain current operations and to expand and enhance services over the next five years.

SMART has many strengths and is currently working on additional issues that should soon develop into strengths in the future. As shown in Figure IV-1 below, the only issues of concern that need to be considered as part of the SOP development are fleet needs and the lack of maintenance facility.

Figure IV-1 SMART Comprehensive Analysis

Chapter V

TRANSPORTATION
CONSULTANTS, INC.

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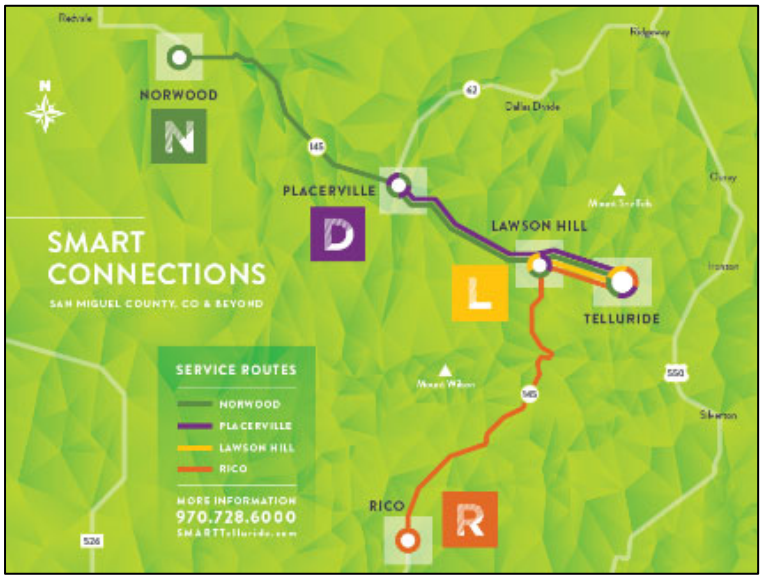
Chapter V: Current Transportation Services

INTRODUCTION

This chapter provides an evaluation of current transportation services, including SMART funded and operated routes, SMART funded routes, and other area services.

Figure V-1: SMART Transportation Services (Source: SMART, 2019)



SMART FUNDED AND OPERATED ROUTES

SMART funds and oversees the operations of three commuter fixed routes, operated under a service contract with Telluride Express, and two commuter shuttle routes. It also funds and oversees operations of the Lawson Hill route.

Overview of Commuter Fixed Routes

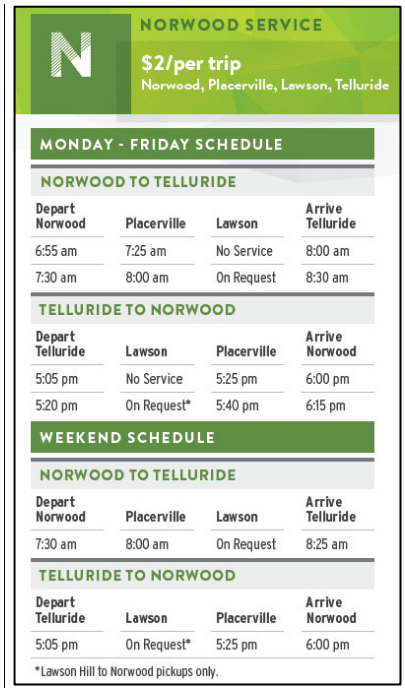
This section includes analysis of the following commuter routes that are funded by SMART and are operated by SMART through a private contractor (Telluride Express):

- SMART Norwood Route
- SMART Down Valley Route
- SMART Rico Route

Norwood Route

SMART's Norwood Route operates on weekdays and on weekends according to the schedule shown in Figure V-2. On weekdays, the Norwood Route has two a.m. departures from Norwood to Telluride and in the evenings the Norwood Route has two p.m. departures from Telluride to Norwood. On weekends, the Norwood Route has one a.m. departure from Norwood to Telluride and in the evening the Norwood Route has one p.m. departure from Telluride to Norwood. The Norwood Route costs $2.00 per passenger trip.

Figure V-2: Norwood Shuttle Schedule (Source: SMART, 2019)



NORWOOD SERVICE

$2/per trip

Norwood, Placerville, Lawson, Telluride

MONDAY - FRIDAY SCHEDULE

NORWOOD TO TELLURIDE

Depart Norwood	Placerville	Lawson	Arrive Telluride
6:55 am	7:25 am	No Service	8:00 am
7:30 am	8:00 am	On Request	8:30 am

TELLURIDE TO NORWOOD

Depart Telluride	Lawson	Placerville	Arrive Norwood
5:05 pm	No Service	5:25 pm	6:00 pm
5:20 pm	On Request*	5:40 pm	6:15 pm

WEEKEND SCHEDULE

NORWOOD TO TELLURIDE

Depart Norwood	Placerville	Lawson	Arrive Telluride
7:30 am	8:00 am	On Request	8:25 am

TELLURIDE TO NORWOOD

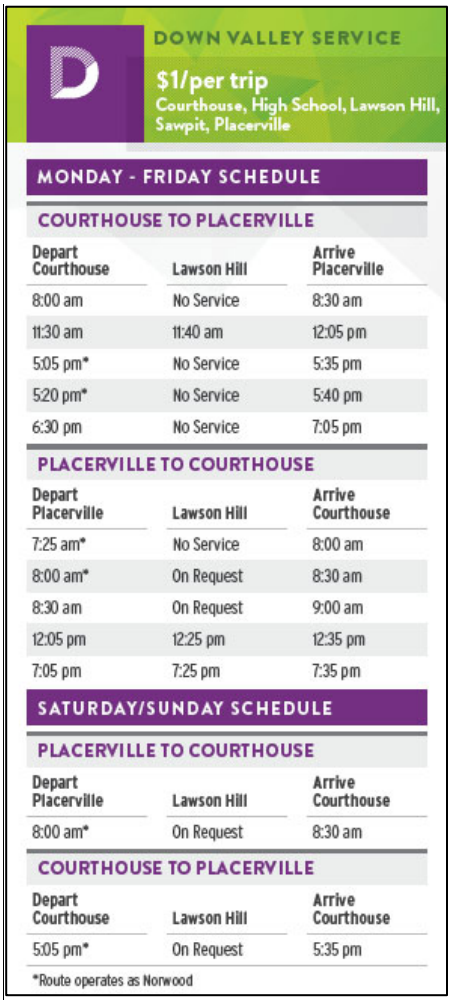
Depart Telluride	Lawson	Placerville	Arrive Norwood
5:05 pm	On Request*	5:25 pm	6:00 pm

*Lawson Hill to Norwood pickups only.

Down Valley Route

SMART's Down Valley Route operates on weekdays and on weekends according to the schedule shown in Figure V-3. On weekdays, the Down Valley Route has five departures from the Courthouse to Placerville and five departures from Placerville to the Courthouse throughout the day. On weekends, the Down Valley Route has one a.m. departure from Placerville to the Courthouse and one p.m. departure from the Courthouse to Placerville. The Down Valley Route costs $1.00 per passenger trip.

Figure V-3: Down Valley Route Schedule (Source: SMART, 2019)



DOWN VALLEY SERVICE

$1/per trip

Courthouse, High School, Lawson Hill, Sawpit, Placerville

MONDAY - FRIDAY SCHEDULE

COURTHOUSE TO PLACERVILLE

Depart Courthouse	Lawson Hill	Arrive Placerville
8:00 am	No Service	8:30 am
11:30 am	11:40 am	12:05 pm
5:05 pm*	No Service	5:35 pm
5:20 pm*	No Service	5:40 pm
6:30 pm	No Service	7:05 pm

PLACERVILLE TO COURTHOUSE

Depart Placerville	Lawson Hill	Arrive Courthouse
7:25 am*	No Service	8:00 am
8:00 am*	On Request	8:30 am
8:30 am	On Request	9:00 am
12:05 pm	12:25 pm	12:35 pm
7:05 pm	7:25 pm	7:35 pm

SATURDAY/SUNDAY SCHEDULE

PLACERVILLE TO COURTHOUSE

Depart Placerville	Lawson Hill	Arrive Courthouse
8:00 am*	On Request	8:30 am

COURTHOUSE TO PLACERVILLE

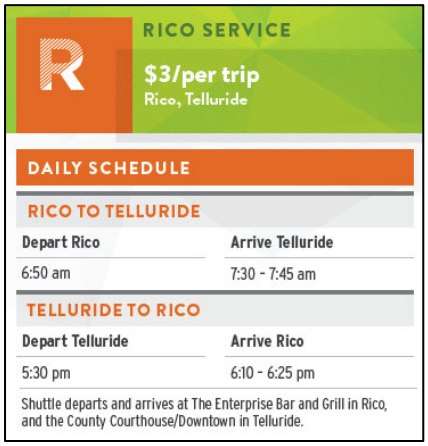
Depart Courthouse	Lawson Hill	Arrive Courthouse
5:05 pm*	On Request	5:35 pm

*Route operates as Norwood

Rico Route

SMART's Rico Route operates on weekdays, departing the Enterprise Bar and Grill in Rico at 6:50 a.m. and arriving in downtown Telluride between 7:30 a.m. and 7:45 a.m., as shown in Figure V-4. In the evening, the Rico Route departs Telluride from the County Courthouse (located at 305 W. Colorado Ave.) at 5:30 p.m. and arrives in Rico between 6:10 p.m. and 6:25 p.m. The Rico Route costs $3.00 per passenger trip and a 10-day punch card is available for $20.00 at the Rico Town Hall.

Figure V-4: Rico Route Schedule (Source: SMART, 2019)



RICO SERVICE

$3/per trip

Rico, Telluride

DAILY SCHEDULE

RICO TO TELLURIDE

Depart Rico	Arrive Telluride
6:50 am	7:30 - 7:45 am

TELLURIDE TO RICO

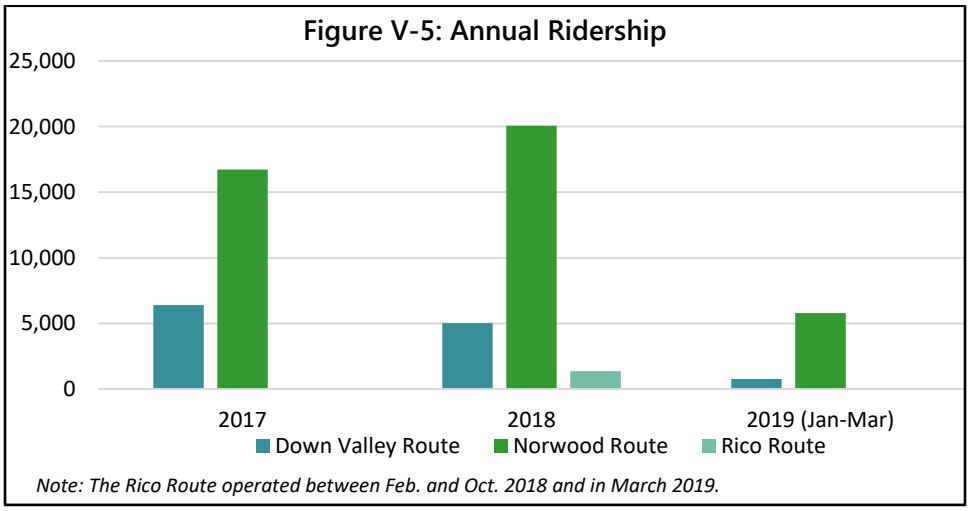
Depart Telluride	Arrive Rico
5:30 pm	6:10 - 6:25 pm

Shuttle departs and arrives at The Enterprise Bar and Grill in Rico, and the County Courthouse/Downtown in Telluride.

Ridership

Annual Ridership

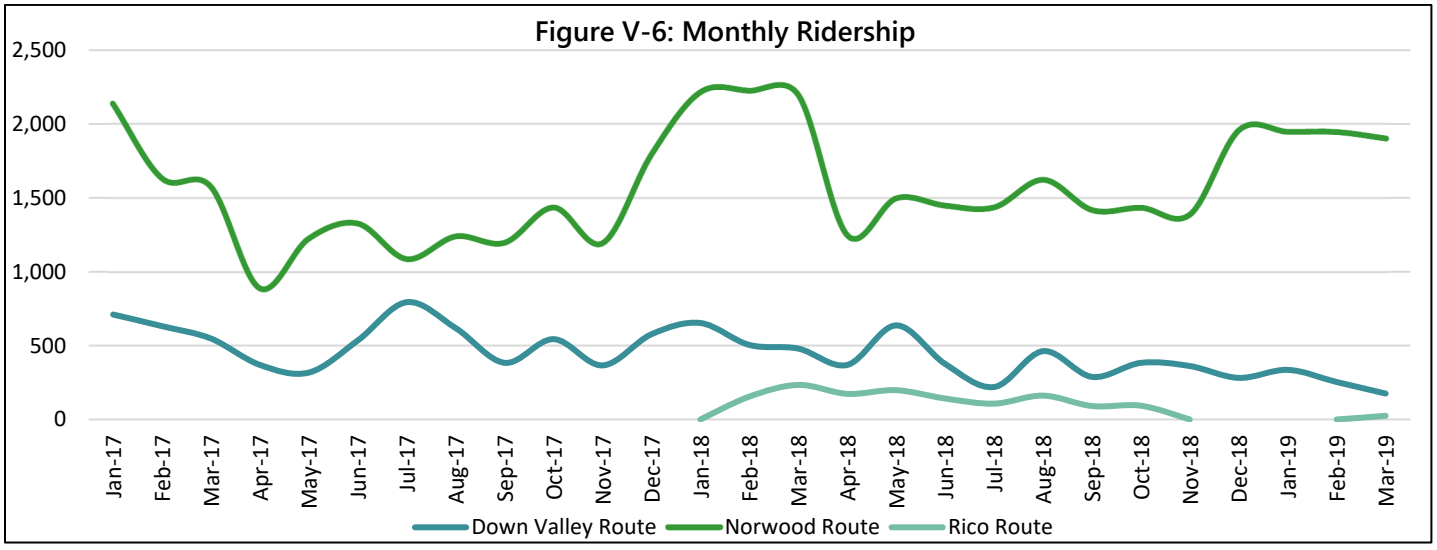
Annual ridership data was provided for 2017, 2018, and 2019 (January through March). Figure V-5 shows the annual ridership trend of the aforementioned years by route.



Ridership on the Down Valley Route declined by approximately 22 percent between 2017 and 2018, from approximately 6,400 annual passenger trips in 2017 to approximately 5,000 annual passenger trips in 2018. On the other hand, ridership on the Norwood Route increased by approximately 20 percent between 2017 and 2018, from approximately 16,700 annual passenger trips in 2017 to approximately 20,000 annual passenger trips in 2018. In 2018, the Rico Route provided approximately 1,400 annual passenger trips.

Monthly Ridership

It is important to look closely at recent ridership trends as this can help identify ridership changes based upon a variety of events such as route changes, economic influences such as gas price increases, or increases in things such as unemployment or overall economic downtown, or community changes in development. Figure V-6 illustrates monthly ridership on the three routes between January 2017 and March 2019.



Monthly ridership on the Down Valley Route was highest in July 2017 with approximately 800 passenger trips and lowest during March 2019 with approximately 200 passenger trips. Monthly ridership on the Norwood Route was highest in February 2018 with approximately 2,200 passenger trips and lowest during April 2017 with approximately 900 passenger trips. The Rico Route has limited historic ridership data, but in the time it has been operating, it has provided the greatest number of passenger trips during March 2018.

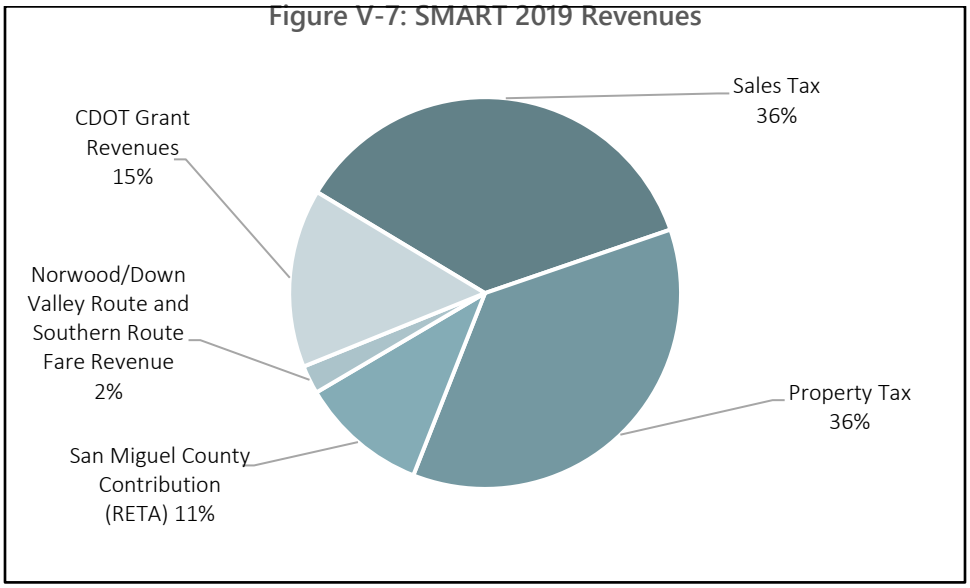
Financial Analysis

One important aspect of operating and sustaining transit services is a review of the financial characteristics of the system presented in this section.

Revenues

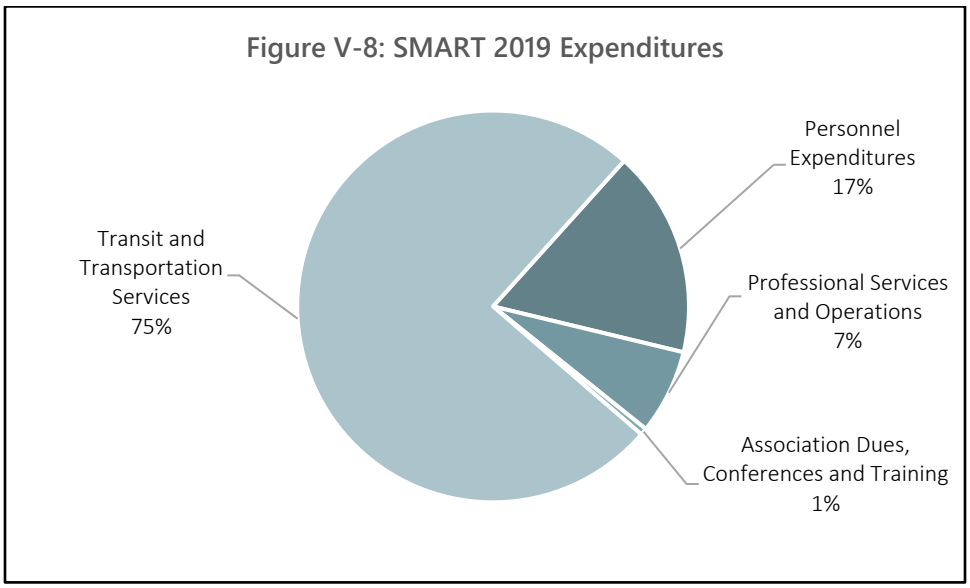
In 2019, SMART's expected revenues total approximately $1,422,000. As shown in Figure V-7, the majority of SMART's revenues are expected to come from property taxes (36 percent) and sales taxes (36 percent), followed by CDOT grants (15 percent), a contribution of RETA from San Miguel County (11 percent), passenger fares on the Norwood, Down Valley, and Southern Routes (two percent).

Figure V-7: SMART 2019 Revenues



Expenditures

In 2019, SMART's expenditures are expected to total approximately $1,473,000. As shown in Figure V-8, approximately 75 percent of SMART's 2019 expenditures are for transit and transportation services, followed by personnel expenditures (17 percent), professional services and operations expenditures (seven percent), and association dues, conferences, and training expenditures (one percent).



Cost Allocation Model

Financial, ridership, and service information can be used to develop internal evaluation tools for SMART. A cost allocation model provides base information by which current operations can be judged and is useful for estimating the cost ramifications of any proposed service changes. Budgeted cost information from FY 2019 was used to develop a variable cost allocation model of current SMART operations. In order to develop such a model, each cost line item is allocated to variable or fixed costs. Fixed costs are those costs that are identified as being constant and do not increase or decrease based on the level of service.

Incremental costs such as the extension of service hours or service routes are evaluated using the variable costs:

Incremental Costs = ($139.32 x Revenue-Hours) + ($0.54 x Vehicle Revenue-Miles)

For example, if daily service on a route was expanded by two hours per day with an increase of 15 miles per hour, the following calculation would be used to calculate the incremental cost of operating the expanded service:

Incremental Cost of Increased Service = ($139.32 x (2*365)) + ($0.54 x (15*2*365)
Incremental Cost of Increased Service = ($101,704) + ($5,913) = $107,617

LSC also created a fixed cost allocation model to evaluate SMART's existing service performance, which includes the costs for the Lawson Hill Route and the Off-Season Route.

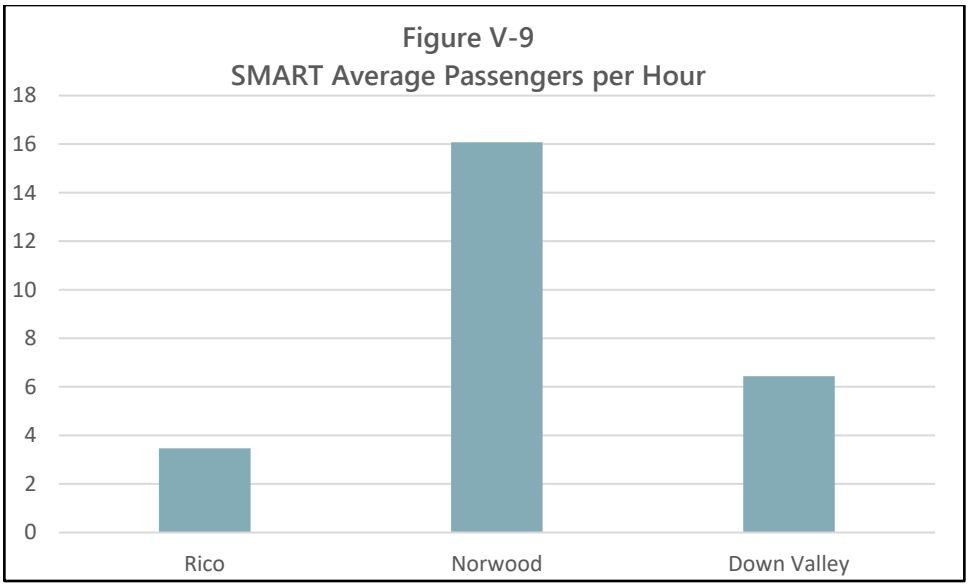
Fixed-Cost Factor = 1.55

Performance

Operating effectiveness and financial efficiency of the transit system are two important factors to the success of the entire system. The operating effectiveness is the ability of the transit system to generate ridership, while the financial efficiency is the ability of the transit system to provide service and offer passenger-trips in a cost-efficient manner.

Passengers per Hour

As shown in Figure V-9, during 2018 the Norwood Route had the highest average number of passengers per hour (16.1 passengers per hour), followed by the Down Valley Route (6.4 passengers per hour) and the Rico Route (3.5 passengers per hour). Actual ridership data were used for the Norwood and Down Valley Routes, and estimated 2019 ridership were used for the Rico Route.



Cost per Passenger Trip

In 2018, using actual ridership data along with the operating cost per route and the fixed cost factor, the Norwood and Down Valley Routes had an average cost per passenger trip of $19.42. Estimating the individual costs for the Norwood and Down Valley Routes, the Norwood Route had an average cost per passenger trip of $14.94 and the Down Valley Route had an average cost per passenger trip of $37.32. The Rico Route had a higher average cost per passenger trip of $34.37.

Cost per Mile

In 2018, using estimated mileage data along with the operating cost per route and the fixed cost factor, the Norwood and Down Valley Routes had an average cost per mile of $6.60. Estimating the individual costs for the Norwood and Down Valley Routes, the Norwood Route had an average cost per mile of $6.34 and the Down Valley Route had an average cost per mile of $7.07. The Rico Route had a lower average cost per mile of $3.97.

San Miguel County (SMC) Commuter Shuttles

SMART also operates and funds commuter shuttle routes previously operated by San Miguel County. The service is operated with two 15-passenger vans that SMART purchased from SMC, and the primary riders of the vans are SMC and service industry employees.

Currently, one van comes from Montrose to Telluride, departing Montrose at 6:40 a.m. each weekday to Telluride and departing Telluride at 5:05 p.m. for the return trip to Montrose. The other van departs from Ridgway at 6:50 a.m. each weekday to Telluride and departing Telluride at 5:05 p.m. for the return trip to Ridgway.

Fares are $2.00 each way or $25.00 per month. One-way fares are based on availability – as of winter of 2019, the Montrose van is full with a waitlist, while the Ridgway van has space available.

Performance

For 2018, based on available data and LSC estimates, the SMC Commuter Shuttles operated at:

- 11,620 one-way rides
- 1,300 hours
- 55,120 miles
- $12,000 in direct costs (approximately $12,608 using the fixed-cost factor)

Based on these 2018 data and using the 2018 reported ridership, the SMC Commuter Route performance metrics are calculated as:

- Passengers per hour = 8.9
- Cost per passenger = $1.09
- Cost per mile = $0.23

SMART FUNDED ROUTES OPERATED BY ANOTHER ENTITY

In addition to the routes that SMART funds and operates directly, there are a number of routes and services that SMART financially supports, but is not responsible for the management of daily operations, including:

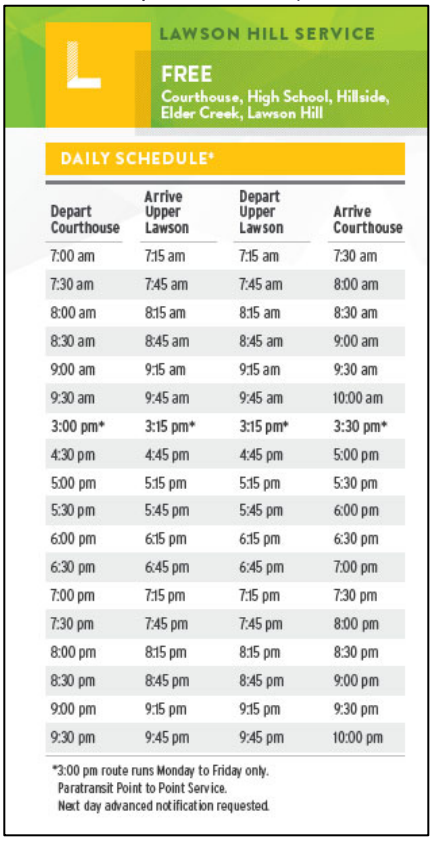
- ➔ Lawson Hill Route
- ➔ Town of Mountain Village (TMV) off-season bus routes
- ➔ TMV commuter shuttles
- ➔ Medical shuttles from San Miguel County to Montrose and Grand Junction

Lawson Hill Fixed Route

The Lawson Hill Route is funded by SMART and until recently (November of 2019) was operated by the Town of Telluride as one of Galloping Goose fixed routes. The route is seasonal, operating daily during the winter and summer seasons only. The Lawson Hill Route is free and connects downtown Telluride at the courthouse to the Lawson Hill area, including the Lawson Intercept Lot and intermediate stops at Eider Creek and Hillside, as shown in Figure V-10. The route operates between 7:00 a.m. and 10:00 a.m. and between 4:30 p.m. and 10:00 p.m. with 30-minute headways (the time between departures). There is also an extra departure from the courthouse at 3:00 p.m. on weekdays only.

This route is now operated funded by SMART and operated by Telluride Express. No changes to the schedule or operations have been made to date.

Figure V-10: Lawson Hill Route Map and Schedule (Source: Town of Telluride, 2019)



LAWSON HILL SERVICE

FREE

Courthouse, High School, Hillside, Elder Creek, Lawson Hill

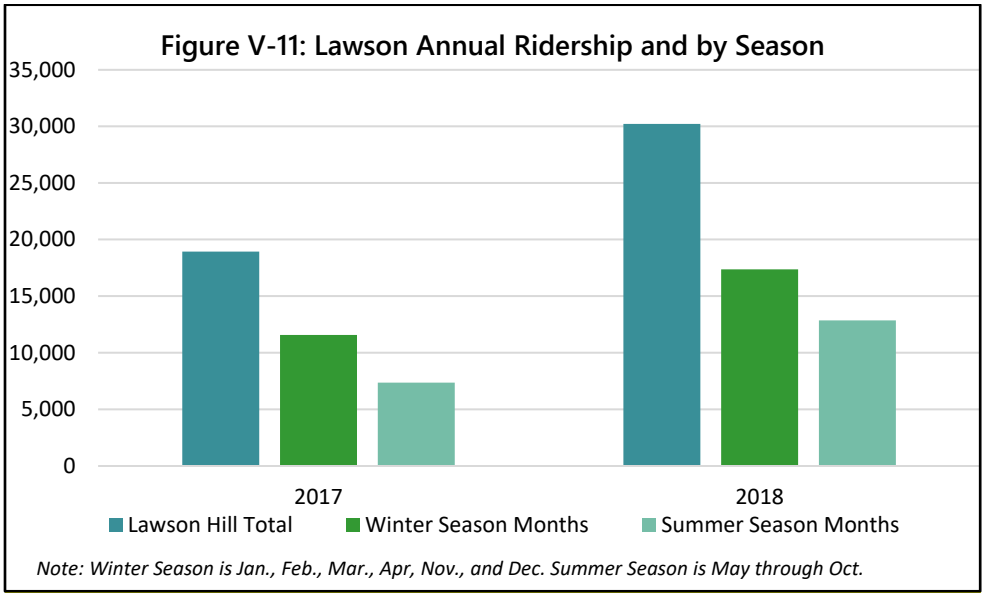
DAILY SCHEDULE*

Depart Courthouse	Arrive Upper Lawson	Depart Upper Lawson	Arrive Courthouse
7:00 am	7:15 am	7:15 am	7:30 am
7:30 am	7:45 am	7:45 am	8:00 am
8:00 am	8:15 am	8:15 am	8:30 am
8:30 am	8:45 am	8:45 am	9:00 am
9:00 am	9:15 am	9:15 am	9:30 am
9:30 am	9:45 am	9:45 am	10:00 am
3:00 pm*	3:15 pm*	3:15 pm*	3:30 pm*
4:30 pm	4:45 pm	4:45 pm	5:00 pm
5:00 pm	5:15 pm	5:15 pm	5:30 pm
5:30 pm	5:45 pm	5:45 pm	6:00 pm
6:00 pm	6:15 pm	6:15 pm	6:30 pm
6:30 pm	6:45 pm	6:45 pm	7:00 pm
7:00 pm	7:15 pm	7:15 pm	7:30 pm
7:30 pm	7:45 pm	7:45 pm	8:00 pm
8:00 pm	8:15 pm	8:15 pm	8:30 pm
8:30 pm	8:45 pm	8:45 pm	9:00 pm
9:00 pm	9:15 pm	9:15 pm	9:30 pm
9:30 pm	9:45 pm	9:45 pm	10:00 pm

*3:00 pm route runs Monday to Friday only.
Paratransit Point to Point Service.
Next day advanced notification requested.

Ridership

As shown in Figure V-11, the Lawson Hill Route annual ridership was 30,218 in 2018 compared to 2017 ridership of 18,926. This growth of 60 percent in total Lawson ridership was due in part to the addition of service into the evening hours from 7:00 p.m. until 10:00 p.m., which occurred in late 2017. This evening service expansion accounted for 5,221 additional riders in 2018.



Cost

SMART provides the funding for the Lawson Hill Route, which is operated by the Town of Telluride through an IGA. For 2019, SMART has budgeted $225,000 in direct operating reimbursement costs for the Lawson Hill Route, compared to SMART funding of $195,814 in 2018 for Lawson Hill.

As part of the 2019 IGA with the Town of Telluride, SMART reimburses the Town at a rate of $67 per route hour, which is inclusive of all of the Town of Telluride's administrative, operating, and capital depreciation costs. It doesn't include SMART's overhead and administrative costs.

Performance

For 2018, based on available data and LSC estimates, the Lawson Hill Route operated at:

- 2,542 hours
- 35,588 miles
- $225,000 in direct costs (approximately $347,975 using the fixed-cost factor)

Based on these 2018 data and using the 30,218 reported ridership, the Lawson Route performance metrics are calculated as:

- Passengers per hour = 11.9
- Cost per passenger = $11.52
- Cost per mile = $9.78

Off-Season Fixed Route between TMV and Town of Telluride (TOT)

The Off-Season TOT/TMV Fixed Route is a free fixed-route connection between the two towns that operates only when the gondola is not in operation in the spring and fall, which is approximately from the second week of April until the third week of May and from the second week of October until the third week of November. It is funded by SMART but operated by the TMV. Service is provided seven days per week through two versions of the route.

As shown in Figure V-12, Telluride-Mountain Village I serves Shandoka, the Telluride Post Office, the Telluride Courthouse, Lawson Hill, TMV Meadows Post Office, Market Plaza, and Blue Mesa. On weekdays Telluride-Mountain Village I operates from 6:35 a.m. until 9:45 p.m. with 45-minute headways, plus an additional trip at 10:30 p.m. from Telluride to Mountain Village. On weekends, the route operates with 90-minute headways from 6:35 a.m. until 11:20 p.m.

As shown in Figure V-13, Telluride-Mountain Village II is an express route with limited stops between the two towns that operates Monday through Friday with four roundtrips in the morning hours, between 6:45 a.m. and 10:15 a.m., and two roundtrips between 5:00 p.m. and 6:35 p.m.

Figure V-12: Telluride-Mountain Village Off-Season I Route Schedule for Spring 2019 (Source: TMV 2019)

TELLURIDE/MOUNTAIN VILLAGE

April 8 - May 23
8 de Abril hasta el 23 de Mayo

MONDAY - FRIDAY
el lunes al viernes

DEPART: PARTA: SHANDOKA	DEPART: PARTA: TELLURIDE POST OFFICE	DEPART: PARTA: TELLURIDE COURTHOUSE	DEPART: PARTA: LAWSON HILL	DEPART: PARTA: MEADOWS POST OFFICE	DEPART: PARTA: TOWN HALL PLAZA	DEPART: PARTA: BLUE MESA BUS STOP	DEPART: PARTA: TOWN HALL PLAZA	DEPART: PARTA: MEADOWS POST OFFICE	DEPART: PARTA: LAWSON HILL
→	→	→	→	→	→	→	→	→	→
				6:35 AM	6:45 AM	6:50 AM	7:00 AM	7:10 AM	7:20 AM
6:45 AM	6:50 AM	7:00 AM	7:10 AM	7:20 AM	7:30 AM	7:35 AM	7:45 AM	7:55 AM	8:05 AM
7:30 AM	7:35 AM	7:45 AM	7:55 AM	8:05 AM	8:15 AM	8:20 AM	8:30 AM	8:40 AM	8:50 AM
8:15 AM	8:20 AM	8:30 AM	8:40 AM	8:50 AM	9:00 AM	9:05 AM	9:15 AM	9:25 AM	9:35 AM
9:00 AM	9:05 AM	9:15 AM	9:25 AM	9:35 AM	9:45 AM	9:50 AM	10:00 AM	10:10 AM	10:20 AM
9:45 AM	9:50 AM	10:00 AM	10:10 AM	10:20 AM	10:30 AM	10:35 AM	10:45 AM	10:55 AM	11:05 AM
10:30 AM	10:35 AM	10:45 AM	10:55 AM	11:05 AM	11:15 AM	11:20 AM	11:30 AM	11:40 AM	11:50 AM
11:15 AM	11:20 AM	11:30 AM	11:40 AM	11:50 AM	12:00 PM	12:05 PM	12:15 PM	12:25 PM	12:35 PM
12:00 PM	12:05 PM	12:15 PM	12:25 PM	12:35 PM	12:45 PM	12:50 PM	1:00 PM	1:10 PM	1:20 PM
12:45 PM	12:50 PM	1:00 PM	1:10 PM	1:20 PM	1:30 PM	1:35 PM	1:45 PM	1:55 PM	2:05 PM
1:30 PM	1:35 PM	1:45 PM	1:55 PM	2:05 PM	2:15 PM	2:20 PM	2:30 PM	2:40 PM	2:50 PM
2:15 PM	2:20 PM	2:30 PM	2:40 PM	2:50 PM	3:00 PM	3:05 PM	3:15 PM	3:25 PM	3:35 PM
3:00 PM	3:05 PM	3:15 PM	3:25 PM	3:35 PM	3:45 PM	3:50 PM	4:00 PM	4:10 PM	4:20 PM
3:45 PM	3:50 PM	4:00 PM	4:10 PM	4:20 PM	4:30 PM	4:35 PM	4:45 PM	4:55 PM	5:05 PM
4:30 PM	4:35 PM	4:45 PM	4:55 PM	5:05 PM	5:15 PM	5:20 PM	5:30 PM	5:40 PM	5:50 PM
5:15 PM	5:20 PM	5:30 PM	5:40 PM	5:50 PM	6:00 PM	6:05 PM	6:15 PM	6:25 PM	6:35 PM
6:00 PM	6:05 PM	6:15 PM	6:25 PM	6:35 PM	6:45 PM	6:50 PM	7:00 PM	7:10 PM	7:20 PM
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8:15 PM	8:20 PM	8:30 PM	8:40 PM	8:50 PM	9:00 PM	9:05 PM	9:15 PM	9:25 PM	9:35 PM
9:00 PM	9:05 PM	9:15 PM	9:25 PM	9:35 PM	9:45 PM	9:50 PM	10:00 PM	10:10 PM	10:20 PM
9:45 PM	Route ends La ruta termina								
10:30 PM	10:35 PM	10:45 PM	10:55 PM	11:05 PM	11:15 PM	11:20 PM	Route ends La ruta termina		

SATURDAY & SUNDAY
el sábado y el domingo

DEPART: PARTA: SHANDOKA	DEPART: PARTA: TELLURIDE POST OFFICE	DEPART: PARTA: TELLURIDE COURTHOUSE	DEPART: PARTA: LAWSON HILL	DEPART: PARTA: MEADOWS POST OFFICE	DEPART: PARTA: TOWN HALL PLAZA	DEPART: PARTA: BLUE MESA BUS STOP	DEPART: PARTA: TOWN HALL PLAZA	DEPART: PARTA: MEADOWS POST OFFICE	DEPART: PARTA: LAWSON HILL
→	→	→	→	→	→	→	→	→	→
				6:35 AM	6:45 AM	6:50 AM	7:00 AM	7:10 AM	7:20 AM
7:30 AM	7:35 AM	7:45 AM	7:55 AM	8:05 AM	8:15 AM	8:20 AM	8:30 AM	8:40 AM	8:50 AM
9:00 AM	9:05 AM	9:15 AM	9:25 AM	9:35 AM	9:45 AM	9:50 AM	10:00 AM	10:10 AM	10:20 AM
10:30 AM	10:35 AM	10:45 AM	10:55 AM	11:05 AM	11:15 AM	11:20 AM	11:30 AM	11:40 AM	11:50 AM
NOON	12:05 PM	12:15 PM	12:25 PM	12:35 PM	12:45 PM	12:50 PM	1:00 PM	1:10 PM	1:20 PM
1:30 PM	1:35 PM	1:45 PM	1:55 PM	2:05 PM	2:15 PM	2:20 PM	2:30 PM	2:40 PM	2:50 PM
3:00 PM	3:05 PM	3:15 PM	3:25 PM	3:35 PM	3:45 PM	3:50 PM	4:00 PM	4:10 PM	4:20 PM
4:30 PM	4:35 PM	4:45 PM	4:55 PM	5:05 PM	5:15 PM	5:20 PM	5:30 PM	5:40 PM	5:50 PM
6:00 PM	6:05 PM	6:15 PM	6:25 PM	6:35 PM	6:45 PM	6:50 PM	7:00 PM	7:10 PM	7:20 PM
7:30 PM	7:35 PM	7:45 PM	7:55 PM	8:05 PM	8:15 PM	8:20 PM	8:30 PM	8:40 PM	8:50 PM
9:00 PM	9:05 PM	9:15 PM	9:25 PM	9:35 PM	9:45 PM	9:50 PM	10:00 PM	10:10 PM	10:20 PM
10:30 PM	10:35 PM	10:45 PM	10:55 PM	11:05 PM	11:15 PM	11:20 PM	Route ends La ruta termina		

Route operated by Mountain Village - Busses are Silver ph. 970-369-6444
operada por Mountain Village - autobus es plata - numero telefonico 970-369-6444

Route operated by the Town of Telluride - Busses are Gold ph. 728-5700
La ruta operada por Telluride - autobus es oro - numero telefonico 728-5701

GENERAL INFORMATION / Información general

1. Watches are seldom in agreement - be at your stop early.
   Los relojes no son siempre de acuerdo - sea temprano.
2. Please wait for passengers to disembark before boarding.
   Por favor, espere a los pasajeros a desembarcar antes de embarcar.
3. Smoking or the consumption of alcoholic beverages on bus is prohibited.
   El fumar o el consumo de bebidas alcohólicas en el autobús está prohibida.
4. Loading and unloading bicycles is the responsibility of passengers. Town of Telluride and Town of Mountain Village are not liable for any damage to bicycles.
   Carga y descarga de las bicicletas es la responsabilidad de los pasajeros. Ciudad de Telluride y de Ciudad de Mountain Village no son responsables por cualquier daño a las bicicletas.
5. Road and weather conditions may cause delays; your patience is appreciated. / Las condiciones del camino pueden causar demoras; su paciencia es apreciada.
   Las condiciones del camino pueden causar demoras; su paciencia es apreciada.

Figure V-13: Telluride-Mountain Village Off-Season II Express Route Schedule for Spring 2019 (Source: TMV 2019)

TELLURIDE/MOUNTAIN VILLAGE EXPRESS ROUTE

April 8 - May 23
8 de Abril hasta el 23 de Mayo
MONDAY - FRIDAY
el lunes al viernes

DEPART: PARTA:	ARRIVE: PARTA:	DEPART: PARTA:	DEPART: PARTA:	DEPART: PARTA:	DEPART: PARTA:	DEPART: PARTA:	DEPART: PARTA:	DEPART: PARTA:	DEPART: PARTA:
TELLURIDE COURTHOUSE	BLUE MESA BUS STOP						BLUE MESA BUS STOP	TOWN HALL	TELLURIDE COURTHOUSE
6:45 AM	7:05 AM						7:10 AM	7:12 AM	7:30 AM
7:35 AM	7:55 AM						8:00 AM	8:02 AM	8:20 AM
8:25 AM	8:45 AM						8:50 AM	8:52 AM	9:10 AM
9:30 AM	9:50 AM						9:55 AM	9:57 AM	10:15 AM
5:00 PM	5:20 PM						5:25 PM	5:27 PM	5:45 PM
5:50 PM	6:10 PM						6:15 PM	6:17 PM	6:35 PM

Route operated by the Town of Telluride - Busses are Gold ph. 728-5700
La ruta operada por Telluride - autobus es oro - numero telefonico 728-5701

GENERAL INFORMATION / Información general

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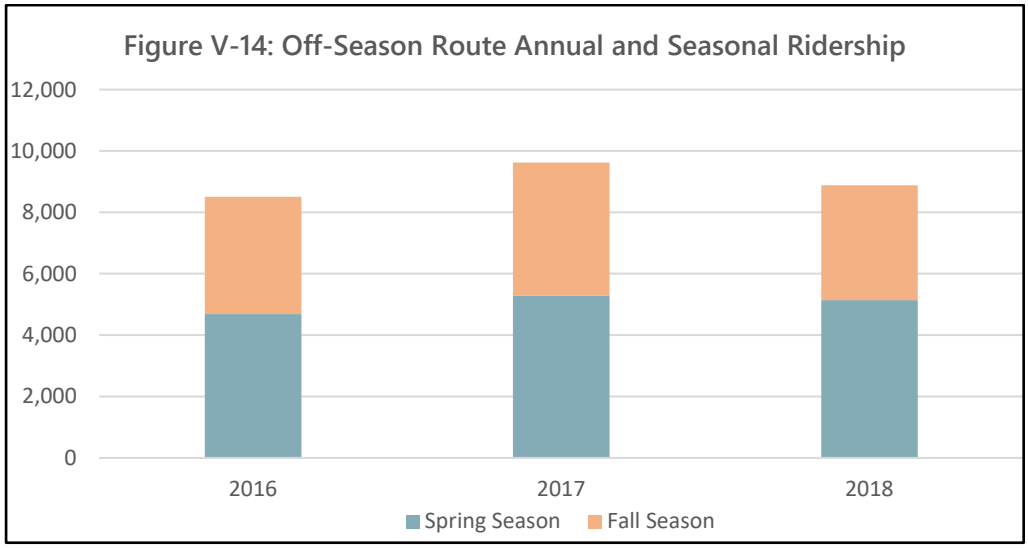
5. Road and weather conditions may cause delays; your patience is appreciated. / Las condiciones del camino pueden causar demoras; su paciencia es apreciada.
   Las condiciones del camino pueden causar demoras; su paciencia es apreciada.

Ridership

Figure V-14 shows the Off-Season Route annual ridership totals and by season. Between 2016 and 2018, annual Off-Season Route averaged 9,002 rides per year, with the highest ridership in 2017 with 9,623 one-way rides and a low of 8,505 in 2016. During 2018, the seasonal share for spring averaged 58 percent of all trips, while the seasonal share for fall averaged 42 percent. Spring ridership grew by three percent between 2016 and 2018, while the fall season ridership fell by three percent in that same time period.



Cost

SMART provides the funding for the Off-Season Route as part of an IGA with the Town of Mountain Village. For 2019, SMART has budgeted $135,000 in direct operating reimbursement costs for the Lawson Hill route, compared to SMART funding of $60,813 in 2018 for Off-season.

As part of the 2019 IGA with the TMV, SMART reimburses the Town at a rate of $62.22 per route hour, which is inclusive of all of the TMV's administrative, operating, and capital depreciation costs. It doesn't include SMART's overhead and administrative costs.

Performance

In 2018, based on available data, LSC estimates that the Off-Season Routes operated at:

- 2,607 hours
- 43,802 miles
- $135,000 in direct costs (approximately $198,406 using the fixed-cost factor)

Based on this 2018 data, the Off-Season Route performance metrics were:

- Passengers per hour = 6.8
- Cost per passenger = $10.47
- Cost per mile = $4.24

TMV Commuter Shuttles

The TMV operates commuter shuttles for employees who work in the TMV and live in outlying communities. As most of the riders are lift operators for the gondola and other ski lifts, the TMV shuttles depart very early in the morning in order to arrive well ahead of when the gondola and ski lifts start running.

The commuter shuttles are open to the public but operate much like a vanpool with a TMV commuter driving the shuttle and the same riders using the service on a daily basis. General public rides are rare due to the early departure times. The current fare is $2.00 each way for all routes, and new riders must coordinate with the driver before 5:00 p.m. the day before the desired trip to confirm availability.

For the winter 2018-2019 season, there were eight 15-passenger vans in operation:

- One from Cortez/Rico
- Four from Montrose/Ridgway
- Three from Norwood/Nucla/Naturita

For 2019, SMART has budgeted $150,000 to reimburse the TMV for the net operating costs (after fares are deducted) of the TMV commuter shuttles. This compares to $120,000 in costs for 2018.

Performance

In 2018, the TMV commuter shuttles operated:

- 4,633 hours
- 217,479 miles
- $150,000 in direct costs (LSC's estimation; approximately $189,127 using LSC's fixed-cost factor)

The TMV commuter shuttles performance metrics were:

- Passengers per hour = 3.2
- Cost per passenger = $12.56
- Cost per mile = $0.87

All Points Medical Shuttles

All Points Transit is a public transportation provider based in Montrose that operates a medical shuttle from San Miguel County to Montrose in order to transport citizens of San Miguel County to medical appointments in Montrose and Grand Junction. The service is operated in partnership with Tri-County Health Network, the Telluride Foundation, and SMART. Those with medical needs take priority, but the shuttle is open to general public passengers when space is available, who may use it for shopping trips and other errands. The shuttle is scheduled around appointments on a first come, first served basis.

Within SMC, the shuttle picks up at specific locations in Naturita, Nucla, Norwood, Telluride, and Placerville and can pick up individuals with disabilities and residents with no ability to access the designated sites closer to their homes. The monthly schedule varies but includes a monthly trip to Grand Junction and weekly trips to Montrose, as shown in Figure V-14.

Figure V-14: All Points Medical Shuttle Monthly Schedule (Source: All Points Transit, 2019)

Where can I go REGIONALLY?

Regional Medical Shuttle. ***Call for details!***

	MON	TUE	WED	THU	FRI
WEEK 1	One Monday to Grand Junction	Montrose			Montrose
WEEK 2		Montrose	Montrose		
WEEK 3		Montrose	Montrose		
WEEK 4			Montrose		

For individuals with medical appointments, the service is free, but a $5.00 donation per round-trip is suggested. The general public fare is $10.00 per round-trip.

For 2019, SMART has budgeted $10,000 to support the operation of this service between SMC and Montrose/Grand Junction. This is the same funding amount as was provided in the 2018 SMART budget.

OTHER LOCAL AND REGIONAL TRANSPORTATION SERVICES

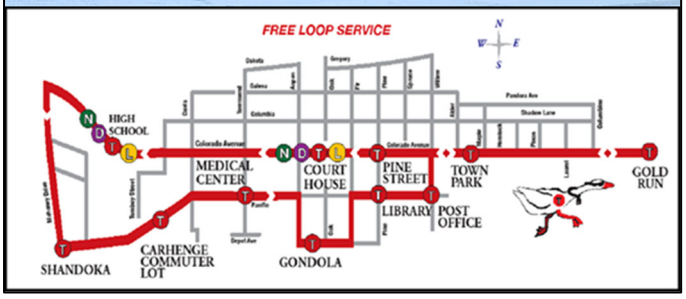
In addition to those public transportation services that SMART funds or operates, there are additional public and private transportation services within San Miguel County.

Galloping Goose Town Loop

The Town of Telluride operates and funds the Galloping Goose Town Loop, a year-round circulator fixed-route connecting destinations within the Town. It is a free route and has varying headways, depending on the time of year.

During the winter season, the Town Loop operates every 10 minutes from 7:00 a.m. until 7:00 p.m., every 15 minutes from 7:00 p.m. until 10:00 p.m., and every 20 minutes from 10:00 p.m. until midnight. During the summer season, the route operates every 15 minutes from 7:00 a.m. until 10:00 p.m., every 10 minutes from 10:00 p.m. until midnight, plus additional late-night service until 1:00 a.m. or 2:00 a.m. during the five large summer festivals.

The total annual Town Loop route ridership was 247,736 in 2017 and 254,086 in 2018.



Gondola and Chondola

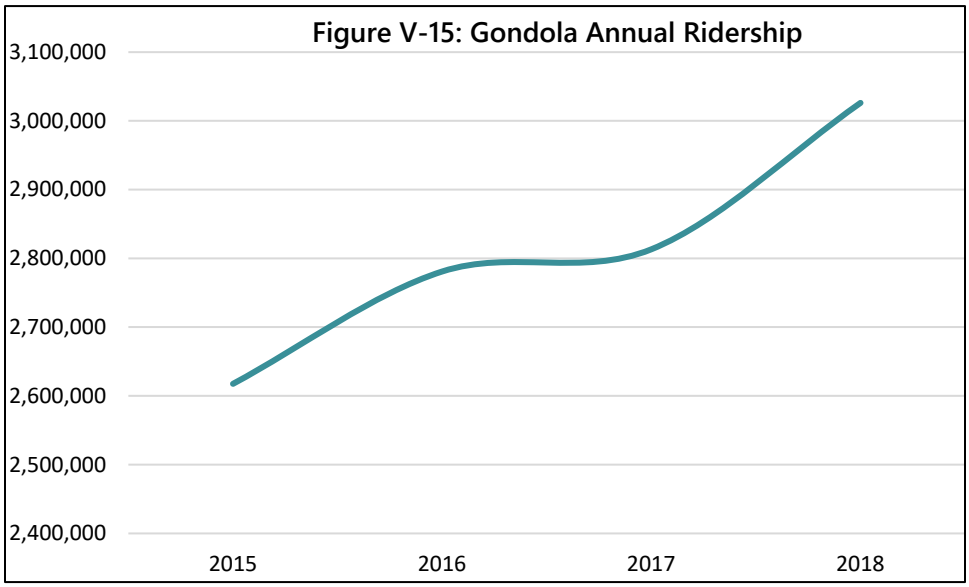
The most unique transportation services in the Telluride-Mountain Village area are the gondola and chondola (a ski lift that has both chairs and gondola cabins on the same lift) that provide transportation linkages between the Town of Telluride and TMV during the winter and summer seasons.

The gondola, the first and only free public transportation of its kind in the United States, opened in 1996 and was initially built to help improve air quality while expanding the ski area. The gondola connects Telluride Station at Oak Street Plaza in Telluride with the Mountain Village Center and another separate, shorter gondola line connects Mountain Village Center with Market Plaza.

The winter operating dates are typically the third week of November until the first week of April, and summer operating dates are typically the third week of May until the third week of October. The gondola shuts down in the off-season so that maintenance and repairs can be made. The Off-season Routes are operated in lieu of the gondola. The operating hours are 6:30 a.m. until midnight, seven days a week, with extended service until 2:00 a.m. on Fridays and Saturday during the busiest months.

The chondola is a condensed version of a gondola cabin supporting four passengers at a time during the ski season months only and providing access between Mountain Village Center and the Meadows neighborhood. The chondola also services the Meadows Parking Lot at the bottom of the chondola. The cabins are free to the public, whereas skiers and boarders are required to have a lift ticket. The operating hours of the chondola are 6:30 a.m. until midnight seven days a week with extended service until 2:00 a.m. on Fridays and Saturdays.

As shown in Figure V-15, gondola ridership has been steadily increasing in the past four years, with an average annual ridership of 2,809,477 between 2015 and 2018. This trend has continued into the first quarter of 2019 with ridership up 16 percent over the first three months of 2018.



TMV Meadows Bus Route and Paratransit

The TMV operates the Meadows fixed route service from the third week of May until the third week of October to coincide with the summer gondola season, when the gondola is operating but the chondola is not operating. The Meadows Route provides connectivity similar to what the chondola provides in the winter.

Complementary paratransit is also provided by the TMV for those qualifying under the Americans with Disabilities Act (ADA).

Telluride Mountain Village Owners Association (TMVOA) Dial-a-Ride

The TMVOA, through a contract with a local shuttle company, offers a free dial-a-ride service for TMVOA member residents and their visitors to and from most locations within TMV. There is a limit of 200 trips per residence (from November 2018 through October 2019). Once this has been exceeded, TMVOA will charge $15.00 per trip.

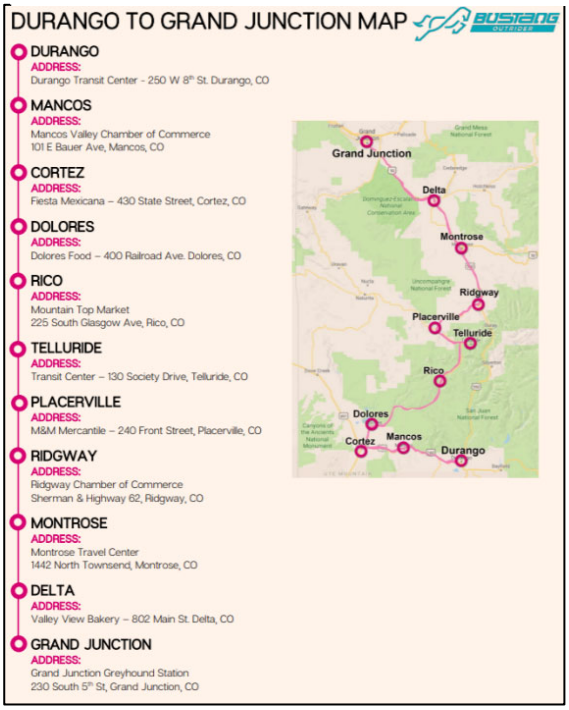
Dial-a-Ride operates seven days a week during the winter and summer seasons but does not operate during the spring and fall off-seasons. Hours of operations are Sunday through Thursday from 6:30 a.m. to 12:30 a.m. and Friday through Saturday from 6:30 a.m. to 2:30 a.m. Dial-a-Ride hours are occasionally extended in conjunction with extended gondola hours.

CDOT Bustang

The Colorado Department of Transportation (CDOT) operates statewide intercity bus service as part of a system known as Bustang. The routes linking rural communities with amenities and services found in the larger communities of Colorado are known as Bustang Outrider. As shown in Figure V-16, the route serving eastern San Miguel County is the Outrider Durango – Grand Junction Route. This route stops at the Lawson Hill Transit Center and Intercept Lot, as well as stopping in Rico, Placerville, and Ridgway.

There is a daily north and southbound trip that allows riders to connect to Montrose and Grand Junction to the north and Durango to the south. The northbound trip departs Lawson Hill at 9:40 a.m., and the southbound trip departs Lawson Hill at 4:42 p.m. The one-way fare from Telluride to Grand Junction is $22.00, while the one-way fare from Telluride to Durango is $21.00.

Figure V-16: Bustang Durango to GJ Route (Source: CDOT)



Private Taxis and Shuttles

There is a variety of private transportation services for visitors and commuters operated by local taxi and shuttle companies, hotels, and employers. Some examples of the larger private operators of transportation include Telluride Express operating airport shuttles into Telluride from both the Montrose Airport and Telluride Airport, as well as group charters; and Telluride Ski and Golf Co. contracting for commuter van shuttle service for its employees.

SUMMARY

Table V-1 summarizes all of the services funded by SMART, including those operated by SMART and those operated by partner organizations. The service characteristics (passengers, hours, miles, cost) and the performance measures (passengers per hour, cost per passenger, cost per mile) are shown. Some highlights include:

- SMART funded and/or operated commuter fixed routes saw a total of 7,567 hours, 164,930 miles, and 57,101 one-way ridership in 2018
- The Norwood Route is the most productive route at 16.1 passengers per hour
- The Southern Route has the lowest cost per mile of the commuter fixed-route services, but the second highest cost per passenger and lowest productivity, which is not surprising for a new route
- The Down Valley Route has the highest cost per passenger and second lowest productivity
- The Lawson Hill Route has the second-best productivity
- The Off-Season Route has the lowest cost per mile and lowest cost per passenger of all the fixed route services
- The commuter shuttles, or vanpools, are the most efficient in terms of costs

Table V-1
Existing Service Summary

Route	Annual Passengers	Annual Hours	Annual Miles	Annual Cost	Passengers per Hour	Cost per Passenger	Cost per Mile
Rico Route	1,800	520	15,600	$61,862	3.5	$34.37	$3.97
Norwood Route	20,062	1,248	47,320	$299,794	16.1	$14.94	$6.34
Down Valley Route	5,021	780	26,520	$187,371	6.4	$37.32	$7.07
Lawson Hill Route	30,218	2,542	35,588	$347,975	11.9	$11.52	$9.78
Off-Season Route	17,756	2,607	43,802	$185,866	6.8	$10.47	$4.24
San Miguel County Commuter Shuttles	11,620	1,300	55,120	$12,608	8.9	$1.09	$0.23
TMV Commuter Shuttles	15,053	4,633	217,479	$189,127	3.2	$12.56	$0.87

Note: SMART's budget groups the Norwood and Down Valley Routes together so individual route costs are approximated based on the percentage of hours operated.
Source: SMART, 2019.

Chapter VI

TRANSPORTATION
CONSULTANTS, INC.

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Chapter VI: Service Options

This chapter considers possible service options for SMART for the next five years.

SUMMARY OF KICKOFF MEETINGS

Jason Miller from LSC traveled to San Miguel County April 1st and 2nd 2019 to kick-off the project and conduct initial community familiarization, outreach, and engagement. During that trip, a variety of community members and stakeholders participated, and various community meetings and events were attended.

Discussion on Service Options

The SOP and potential service options to consider as part of the plan were discussed at-length with the Administrative Advisory Committee, the Community Advisory Committee, the SMART Board of Directors, and representatives from SMART's contractor Telluride Express.

These discussions yielded valuable input and insight into service needs and considerations, with several common themes emerging around potential service options:

- Service for Ilium Rd. and Two Rivers
- Later night service for Down Valley and Lawson year-round
- Year-round consistency for Lawson Hill, as well as filling the midday gap in service
- Formalizing commuter shuttles into standard vanpool model with evaluation of new routes for areas currently not served, such as Ophir, or additional Montrose or Cortez vans
- Fixed-route commuter service for Montrose and/or Ridgway
- Year-round connectivity between Lawson Hill and Mountain Village directly
- Weekly fixed medical shuttle trip, operated by All Points, between Telluride and Montrose/Grand Junction
- Extension of Norwood Route to Naturita
- Keeping in touch with how Bustang develops

As these various service options are considered and measured against limited resources, stakeholders and board members wanted to know:

"How do we balance local vs. regional needs?"

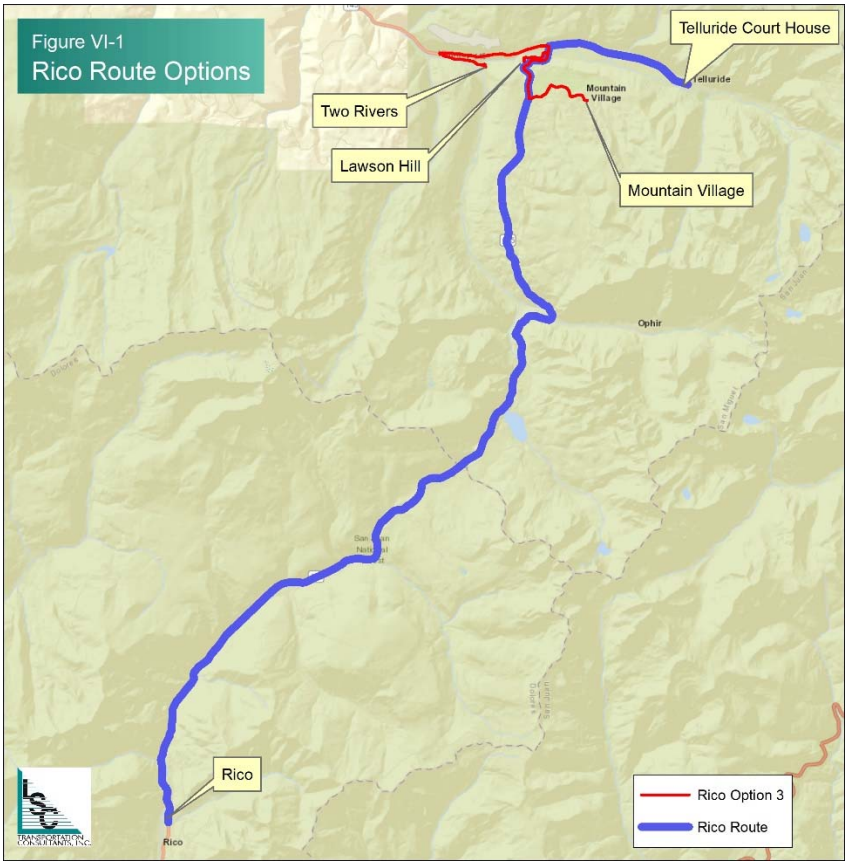
"What triggers the start of a new route or expansion of an existing service? We need to have phasing and timing defined."

"SMART should tell the story to the community and funding partners of how tax-payer money is being put to work."

"Is participation by communities outside of the SMART boundary possible?"

SOUTHERN ROUTE OPTIONS

As shown in Figure VI-1, the Southern Route connects Rico with downtown Telluride and is a commuter fixed-route service operating one roundtrip per weekday.



The current Southern Route operates with:

- One bus
- One roundtrip per day
- Service five days per week (weekdays)

The service options for the Southern Route include adding a new bus stop, adding a new day of service, and adding morning and afternoon service between Two Rivers/Ilium and Mountain Village in between the inbound and outbound trips of the Southern Route. The service options for the Southern Route are presented in Table VI-1.

Option 1

Option 1 maintains the status quo service of one roundtrip per weekday, but adds a new stop at Ophir Road. Option 1 highlights include:

- Same single bus as currently required
- Maintains current Rico service with the same days and hours of operation
- Increases ridership without increasing operating cost

Table VI-1: Transit Service Options - Southern Route												
Service Description		# of Vehicles Required	Total Daily		Total Annual		Annual Operating Days	Annual Operating Cost	Incremental Operating Cost	Ridership	Cost per Passenger	Passengers per Hour
			Revenue - Miles	Revenue - Hours	Revenue - Miles	Revenue - Hours						
Southern Route (Rico)												
Status Quo - Commuter fixed-route service operating 1 roundtrip per day, 5 days per week: Connects Rico with downtown Tellurid. Bus departs Rico at 6:50 a.m. and departs Telluride at 5:30 p.m.		1	60	2	11,700	520	260	$61,862	--	1,800	$34.37	3.5
Option 1	Add a new bus stop at Ophir Rd.	1	0	0	0	0	260	--	$0	300	n/a	n/a
Option 2	New Saturday service operating 1 roundtrip per day.	1	60	2	3,120	104	52	--	$16,185	180	$132.15	1.7
Option 3	New Ilium/2 Rivers/Lawson to Mountain Village Route operating 2 roundtrips between 8:00 a.m. and 10:00 a.m., and 2 run roundtrips between 3:00 p.m. and 5:00 p.m.	1	72	4	18,720	1,040	260	--	$155,070	6,695	$34.04	6.4

Note: Performance metrics include incremental and fixed costs.
Source: LSC 2019.

Option 2

Option 2 maintains the status quo service of one roundtrip per weekday, and adds new Saturday service consisting of one roundtrip per day. Option 2 highlights include:

- Same single bus as currently required
- Expands service to six days per week
- Annual incremental operating cost of $16,185

Option 3

Currently, the Southern Route bus sits unused during the day. For Option 3, on weekdays after the status quo Southern Route arrives into Telluride in the morning, the bus would switch over to a new route operating between Two Rivers/Ilium and Mountain Village. The bus would complete two roundtrips between Two Rivers/Ilium and Mountain Village between 8:00 a.m. and 10:00 a.m. and two roundtrips between 3:00 p.m. and 5:00 p.m. before resuming as the Southern Route and returning back to Rico. Option 3 only includes the cost for the new mid-day service. Option 3 highlights include:

- Same single bus as currently required
- Maintains current Rico service with the same days and hours of operation
- Adds new mid-day service between Two Rivers/Ilium and Mountain Village
- Annual incremental operating cost of $155,070

DOWN VALLEY ROUTE OPTIONS, INCLUDING ILIUM/2 RIVERS

As shown in Figure VI-2, the Down Valley Route connects Sawpit and Placerville with downtown Telluride and is a commuter fixed-route service operating three roundtrip per weekday. In addition, the Norwood Route provides additional service including two weekday roundtrips and one roundtrip per day on weekends.

The current Down Valley Route operates with:

- One bus
- Three roundtrips per day
- Service five days per week (weekdays)

The service options for the Down Valley Route include adding a new bus stop at Ilium/Two Rivers, adding extra roundtrips per day, and eliminating the route in favor of having other routes pick-up and supplement the Down Valley service. The service options for the Down Valley Route are presented in Table VI-2.

Option 4

Option 4 maintains the status quo service of three roundtrips per weekday, but adds a new stop at Ilium/Two Rivers. Option 4 highlights include:

- Same single bus as currently required
- Maintains current level of Down Valley service
- Annual incremental operating cost of $57,727

Option 5

Option 5 adds one additional roundtrip per day, either mid-morning or mid-afternoon, and operates seven days per week. Option 5 includes service to the new Ilium/Two Rivers bus stop, as well as service to (Town of Mountain Village) TMV and Lawson Hill. Option 5 highlights include:

- Same single bus as currently required
- Adds one extra roundtrip on weekdays
- Begins new weekend service with one roundtrip per day
- Annual incremental operating cost of $84,610

Option 6

Option 6 adds two additional roundtrips per day, one during the morning commute and one later in the evening, and operates seven days per week. Option 6 includes service to the new Ilium/Two Rivers bus stop, as well as service to TMV and Lawson Hill. Option 6 highlights include:

- Same single bus as currently required
- Adds two extra roundtrips on weekdays
- Begins new weekend service with two roundtrips per day
- Annual incremental operating cost of $169,221

Option 7

Option 7 eliminates the Down Valley Route in lieu of having other routes pick-up and supplement the Down Valley service, such as improved Norwood service, potential for Rico bus to run some Down Valley service during the day, or new Montrose commuter fixed-route service. Option 7 highlights include:

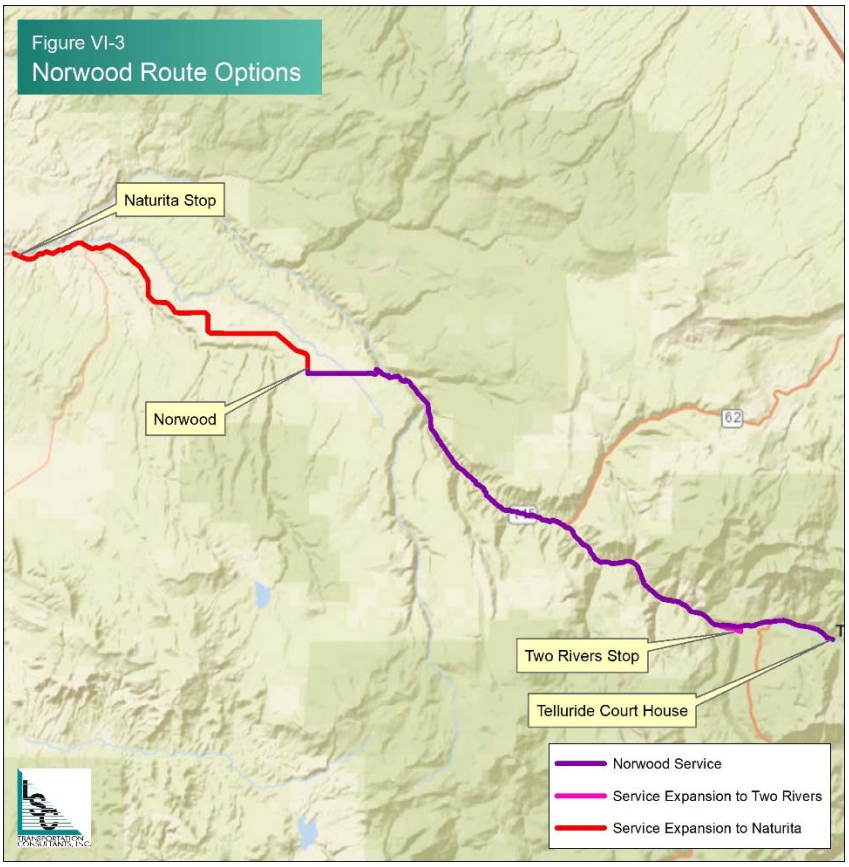
- Operationally, eliminating the route frees up a bus to do something else
- Financial savings could be used to operate other services

Table VI-2: Transit Service Options - Down Valley Route												
	Service Description	# of Vehicles Required	Total Daily Revenue - Miles	Total Daily Revenue - Hours	Total Annual Revenue - Miles	Total Annual Revenue - Hours	Annual Operating Days	Annual Operating Cost	Incremental Operating Cost	Ridership	Cost per Passenger	Passengers per Hour
Down Valley Route, including possible Ilium/2 Rivers and connection to TMV												
	Status Quo - Commuter fixed-route service operating 3 rountrips per weekday (The Norwood Route provides additional service including 2 aditional weekday roundtrips and 1 roundtrip per day on weekends): Connects Sawpit and Placerville with downtown Telluride. Bus operates 1 morning, 1 mid-day, and 1 evening roundtrip.	1	102	3	26,520	780	260	$187,371	--	5,021	$37.32	6.4
Option 4	Add a new stop at Ilium/2 Rivers for the existing service.	1	24	1.5	6,240	390	260	--	$57,727	1,731	$49.03	4.4
Option 5	Add 1 Down Valley roundtrip per day (either mid-morning or mid-afternoon) operating 7 days per week. Includes service to the new Ilium/2 Rivers bus stop, as well as service to TMV and Lawson Hill stop.	1	42	1.5	15,330	548	365	--	$84,610	2,429	$51.19	4.4
Option 6	Add 2 Down Valley roundtrips per day (one a.m. commute, one later in p.m.) operating 7 days per week. Includes service to the new Ilium/2 Rivers bus stop, as well as service to TMV and Lawson Hill stop.	1	84	3	30,660	1,095	365	--	$169,221	4,859	$51.19	4.4
Option 7	Eliminate Down Valley route in lieu of having other routes pick-up and supplement Down Valley service, such as improved Norwood, potential for Rico bus to run some Down Valley service, or new Montrose commuter fixed-route service.	-1	-102	-3	-26,520	-780	-260	--	-$123,084	n/a	n/a	n/a

Note: Performance metrics include incremental and fixed costs.
Source: LSC 2019.

NORWOOD ROUTE OPTIONS

As shown in Figure VI-3, the Norwood Route connects Norwood, Sawpit, and Placerville with downtown Telluride. The Norwood Route is a commuter fixed-route service operating seven days per week, with two roundtrips per day on weekdays and one roundtrip per day on weekends.



The current Norwood Route operates with:

- Two buses
- Service seven days per week
- Two roundtrips per day on weekdays and one roundtrip per day on weekends

The service options for the Norwood Route include extending the route to Naturita, adding an additional roundtrip on weekdays, and adding Down Valley service after the first Norwood Route bus arrives in Telluride. The service options for the Norwood Route are presented in Table VI-3.

Option 8

Option 8 maintains the status quo service, but extends the route to Naturita. Option 8 highlights include:

- Same two buses as currently required
- Maintains current level of Norwood service
- Expands service area to Naturita
- Annual incremental operating cost of $100,502

Table VI-3: Transit Service Options - Norwood Route												
Service Description		# of Vehicles Required	Total Daily		Total Annual		Annual Operating Days	Annual Operating Cost	Incremental Operating Cost	Ridership	Cost per Passenger	Passengers per Hour
			Revenue - Miles	Revenue - Hours	Revenue - Miles	Revenue - Hours						
Norwood Route, including possible Naturita extension												
Status quo - Commuter fixed-route, service operating 7 days per week with 2 roundtrips per day on weekdays and 1 roundtrip per day on weekends: Connects Norwood, Sawpit, and Placerville with downtown Telluride. Bus operates 2 morning departures and 2 evening departures.		2	130	3	47,320	1,248	365	$299,794	--	20,062	$14.94	16.1
Option 8	Route extension to Naturita (schedule times for Norwood would stay the same and buses would remain based out of Norwood with deadhead to Naturita).	2	68	2	24,960	624	365	--	$100,502	3,285	$44.96	5.3
Option 9	Add 1 new roundtrip/weekday to status quo route with departure from Norwood at 8:15 a.m. and return from Telluride at 6:00 p.m.	1	76	2	19,760	520	260	--	$83,186	4,180	$29.25	8.0
Option 10	After Norwood 1 bus arrives in Telluride, have bus switch over to a Down Valley bus and run one a.m., one mid-day, and one p.m. roundtrip, including service to the new bus stop at Ilium/2 Rivers.	1	161	6	41,860	1,430	260	--	$221,981	6,345	$51.42	4.4

Note: Performance metrics include incremental and fixed costs.
Source: LSC 2019.

Option 9

Option 9 for the Norwood Route adds one extra roundtrip on weekdays. The new roundtrip would depart from Norwood at 8:15 a.m. and would return from Telluride at 6:00 p.m. Option 9 highlights include:

- One additional bus would be needed
- Expands current level of Norwood service by adding one additional roundtrip on weekdays
- Incremental operating cost of $83,186

Option 10

For Option 10, after the existing first Norwood Route bus arrives into Telluride in the morning, the bus would switch over to the Down Valley Route and would complete one a.m., one mid-day, and one p.m. roundtrip. This route would also stop at the new bust stop at Ilium/Two Rivers. Option 10 only includes the cost for the new a.m., mid-day, and p.m. service. Option 10 highlights include:

- Same number of vehicles as currently required
- Maintains current Norwood service with the same days and hours of operation
- Adds new mid-day Down Valley Route service, including the new stop at Two Rivers/Ilium
- Incremental operating cost of $221,981

SAN MIGUEL COUNTY RIDGWAY-MONTROSE COMMUTER OPTIONS

As shown in Figure VI-4, The San Miguel County Ridgway-Montrose commuter shuttles currently operate on weekdays, with one van operating from Montrose to Telluride and a second van operating from Ridgway to Telluride.

The current Ridgway and Montrose commuter shuttles operates with:

- Two vans
- Service five days per week
- One roundtrip per day per van

The commuter service options include adding a second van departing from Montrose, retaining the existing vans and adding a new commuter fixed-route service, and eliminating the existing vans and operating a new commuter fixed-route service. The service options for the San Miguel County Ridgway-Montrose commuter shuttles are presented in Table VI-4.

Option 11

Option 11 includes adding a second van departing from Montrose to Telluride. Option 11 highlights include:

- Requires one additional van
- Expands current level of service between Montrose and Telluride
- Incremental operating cost of $18,698

Option 12

Option 12 adds a new commuter fixed-route service from Montrose to Telluride, stopping in Ridgway. The new fixed-route service would operate on weekdays, with one roundtrip per day. Option 12 could be operated in conjunction with the existing status quo service or could replace the status quo service altogether. If the status quo service is removed, SMART would need to transition existing riders to using a fixed-route service, which would require use of current vanpool funding in order to support the fixed-route service. Option 12 highlights include:

- Requires one additional vehicle
- Adds a new fixed-route service between Montrose and Telluride

Needs to Formalize as Vanpool

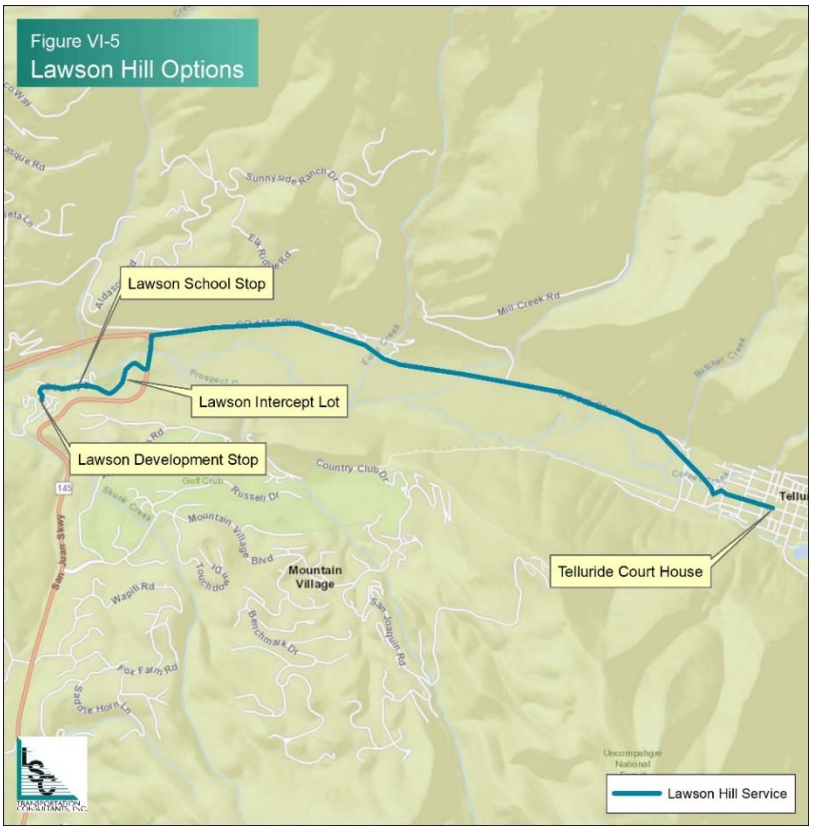
For all the commuter shuttles, there is a need to formalize the shuttles under a traditional vanpool model that has the characteristics of monthly subscription by the seat, driver as a volunteer who gets a free fare in exchange for driving, and fares that split all (or almost all) of the direct operating costs of the van. Currently, SMART operates these as if they were commuter fixed routes, with the ability of one-way riders to jump on if there is space. The need for published schedules and timetables, as well as accessible vehicles, may develop over time with the current model, if it isn't converted to a more traditional vanpool model.

Table VI-4: Transit Service Options - San Miguel County Ridgway-Montrose Commuter Options												
Service Description		# of Vehicles Required	Total Daily Revenue - Miles	Total Daily Revenue - Hours	Total Annual Revenue - Miles	Total Annual Revenue - Hours	Annual Operating Days	Annual Operating Cost	Incremental Operating Cost	Ridership	Cost per Passenger	Passengers per Hour
San Miguel County Ridgway-Montrose Commuter Options												
Status quo - Vanpool/shuttle operating 5 days per week (weekdays): One van operates from Montrose to Telluride and one van operates from Ridgway to Telluride.		2	212	5	55,120	1,300	260	$12,608	--	11,620	$1.09	8.9
Option 11	Add a second van departing from Montrose.	1	132	3	34,320	780	260	--	$18,698	4,160	$5.67	5.3
Option 12	Retain existing vans and add a new commuter fixed-route service from Montrose to Telluride, stopping in Ridgway, with 1 roundtrip per weekday.	1	132	3	34,320	780	260	--	$127,322	18,533	$10.10	23.8

Note: Performance metrics include incremental and fixed costs.
Source: LSC 2019.

LAWSON HILL ROUTE OPTIONS

As shown in Figure VI-5, the Lawson Hill Route connects downtown Telluride with the Lawson Hill neighborhood, including the Lawson Hill Intercept Lot and the Telluride Mountain School. The service options for the Lawson Hill Route are presented in Table VI-5.



All Lawson Hill route options envision keeping the routing and timing of the route the same as it currently operates with variations on filling in the midday gap and running the route consistently year-round. The current Lawson Hill route operates with:

- One bus
- 17 to 18 roundtrips per day (depending if the 3:00 p.m. trip operates)
- 30-minute headways between 7:00 a.m. and 10:00 a.m. and 4:30 p.m. and 10:00 p.m.
- Service seven days a week, only when the gondola is running

Option 13

During the winter and summer peak seasons, the Lawson Hill route has a mid-day gap between 10:00 a.m. and 4:00 p.m. Filling this midday gap would boost ridership and increase convenience for riders. Option 13 envisions running 30-minute headways throughout the day with no mid-day gap. This option would retain the same seasonality of service, operating only when the gondola is running. Option 13 highlights are:

- Same single bus as currently required
- Total of 30 roundtrips per day
- Same seasonality of service as existed currently
- Incremental operating cost of $273,294

Table VI-5: Transit Service Options - Lawson Hill Route												
	Service Description	# of Vehicles Required	Total Daily		Total Annual		Annual Operating Days	Annual Operating Cost	Incremental Operating Cost	Ridership	Cost per Passenger	Passengers per Hour
			Revenue - Miles	Revenue - Hours	Revenue - Miles	Revenue - Hours						
Lawson Hill Route												
Status Quo - Fare-free fixed-route service operating 7 days per week during the summer and winter seasons: Connecting downtown Telluride with Lawson Hill. Operates at a 30-minute frequency between 7 a.m. to 10 a.m. and between 4:30 p.m and 10 p.m.		1	115	8	35,588	2,542	310	$347,975	--	30,218	$11.52	11.9
Option 13	Expand current summer and winter season service to a 30-minute frequency to entire day (fill midday gap).	1	84	6	26,040	1,860	310	--	$273,294	22,111	$18.17	11.9
Option 14	Expand current service to be year-round with current daily schedule	1	115	8	6,314	451	55	--	$66,266	2,681	$36.33	5.9
Option 15	Expand current service to be year-round at a 30-minute frequency (combination of options 13 and 14)	1	206	15	39,529	2,824	365	--	$414,863	25,173	$24.22	8.9

Note: Performance metrics include incremental and fixed costs.
Source: LSC 2019.

Option 14

The Lawson Hill area receives uneven service due to the change to the schedule in the shoulder seasons when the regular Lawson Hill route stops running, and Lawson Hill is served by the Off-Season route between Mountain Village and Telluride that operates when the gondola isn't in operation. This option would have the route operate year-round under the current schedule. Option 14 highlights are:

- Same single bus as currently required, but it would run year-round
- Same number of roundtrips per day
- Consistent year-round operation under current schedule
- Incremental operating cost of $66,266

Option 15

Option 15 essentially combines Options 13 and 14 by both filling the midday gap and running this higher level of service consistently year-round. This option would result in the highest level of convenience and ridership growth, but it costs the most to implement. The incremental operating cost for this option is $414,863.

MOUNTAIN VILLAGE-TELLURIDE OFF-SEASON ROUTE OPTIONS

As shown in Figure VI-6, the Towns of Mountain Village and Telluride are connected by the Off-season routes – one route, Off-season 1 serves Shandoka, Telluride Post Office, Telluride Courthouse, Lawson Hill, Meadows Post Office, Mountain Village Town Hall Plaza, and Blue Mesa; while the other, Off-season 2, operates as an express route and connects only Telluride Courthouse, Blue Mesa, and Town Hall. The service options for the Mountain Village Off-Season Route are presented in Table VI-6.

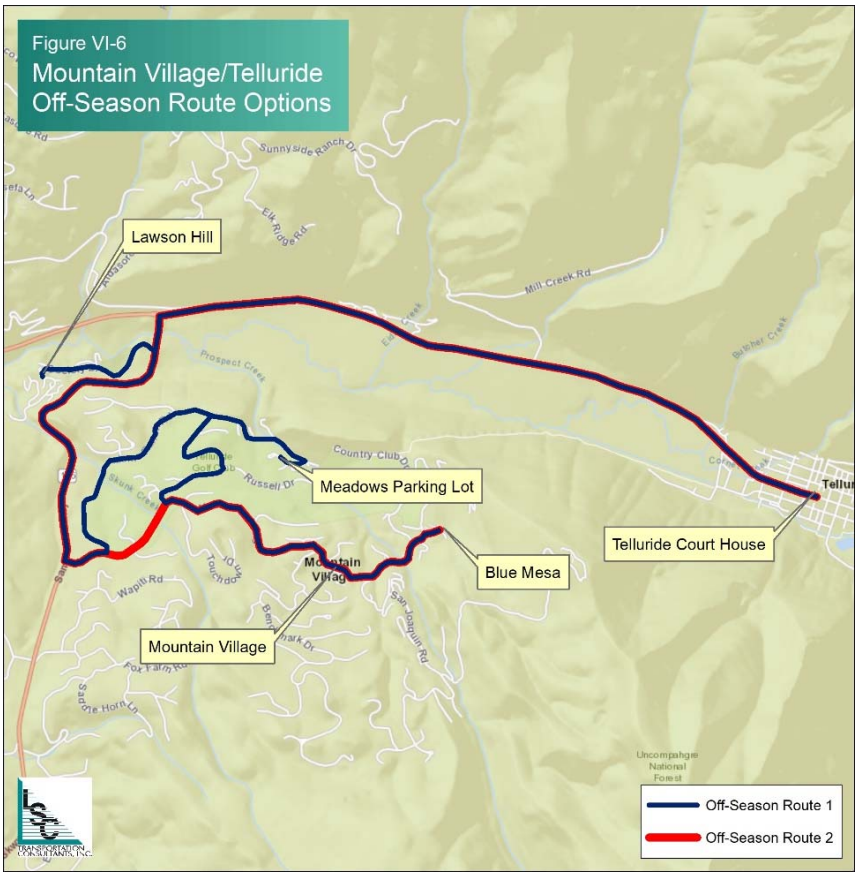


Table VI-6: Transit Service Options - Mountain Village-Telluride Off-Season Route												
		# of	Total Daily		Total Annual		Annual	Annual	Incremental			
Service Description		Vehicles Required	Revenue - Miles	Revenue - Hours	Revenue - Miles	Revenue - Hours	Operating Days	Operating Cost	Operating Cost	Ridership	Cost per Passenger	Passengers per Hour
Mountain Village-Telluride Off-Season Route												
Status Quo - Fare-free fixed-route service operating 7 days per week during the off-season only (when gondola isn't running): Connecting TMV with Telluride with service to Lawson Hill on weekdays. Operates at a 45-minute frequency on weekdays and a 90-minute frequency on weekends.		3	548	33	43,802	2,607	80	$198,406	--	17,756	$11.17	6.8
Option 16	Run as an express service, like off-season II schedule, for all trips (skip Lawson) but operate on 45-minute weekday headway and 90-minute weekend headway, likely would be done in combination with possible change to DV and/or Lawson services (should result in $ savings, but lower ridership)	2	312	28	24,940	2,233	80	--	$324,665	15,209	$31.37	6.8
Option 17	Expand current service to midnight. Adds five roundtrips on weekdays and one round trip on weekends.	3	439	13	35,100	1,053	80	--	$165,782	3,586	$67.94	3.4

Note: Performance metrics include incremental and fixed costs.
Source: LSC 2019.

The current Off-season service operates with:

- Three buses, all currently operated by the TMV
- 21 roundtrips per day per weekday and 12 roundtrips per day on weekends for Off-season 1
- Six roundtrips per day for Off-season 2 Express
- Operation approximately 12 to 13 weeks out of the year, when gondola is not in operation

Option 16

If the Lawson Hill route were to expanded to run year-round, or possibly be served in the shoulder seasons by a combination of other routes, the Off-season route could skip Lawson Hill and run as an express, like the current Off-season II, for all trips. This option combines the frequency of Off Season I, but with the route of Off Season II. Option 16 highlights are:

- Reduction by one bus in vehicle needs
- More direct connection for Mountain Village and Telluride riders

Option 17

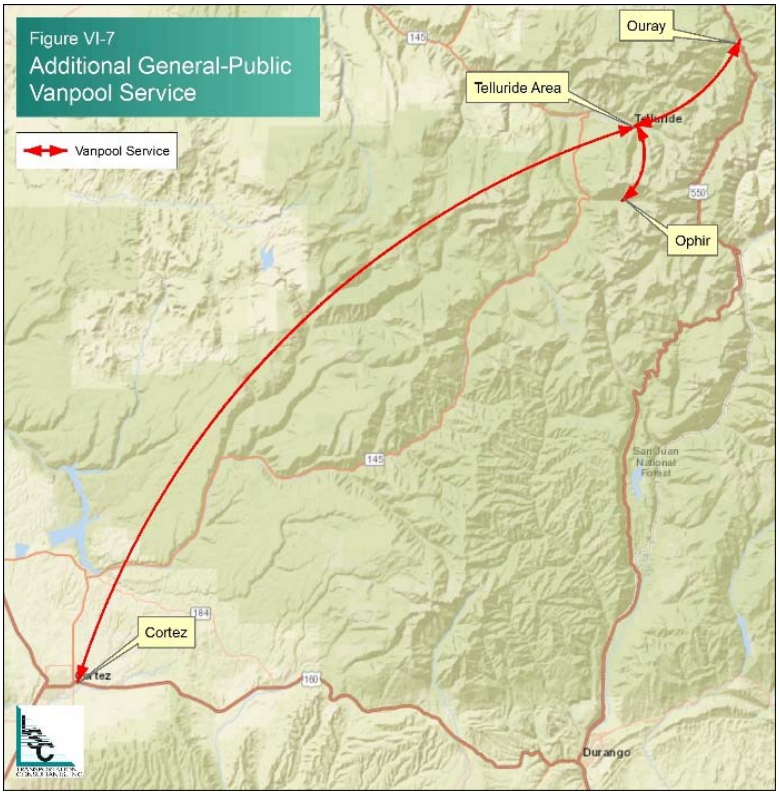
Given that Telluride and Mountain Village services, employment, and nightlife require later night service, Option 17 envisions improving the evening bus service to midnight consistently. Option 17 highlights are:

- Additional five roundtrips per weekday night to retain 45-minute headway until midnight
- Additional roundtrip per weekend night to retain 90-minute headway until midnight
- Incremental operating cost of $165,782

OTHER SERVICE OPTIONS

Additional General Public Vanpools

One option that was discussed during our kick-off meetings was the need for more general public vanpool routes throughout the SMART service area and beyond. As shown in Figure VI-7, potential new general public vanpools could come from communities such as Ophir, Cortez, or Ouray.



Each new vanpool route added would require a vehicle and perhaps a small amount of operating subsidy, but vanpools operate very cost efficiently and could be added as demand is identified in one or more of these communities. Typically, it makes sense to start a vanpool when you have identified eight or more

commuters who can coordinate work schedules and are interested in riding the van. A good model to consider would be to focus on a particular employer and their commuters as the base ridership for a new van and then build additional riders.

If operated under a traditional vanpool model with suggested minimum passenger loads, each new van added would likely require $5,000 or less in operating subsidy per year and should yield new ridership per van per year of 4,160 one-way rides.

Weekly Medical Trip from Telluride to Montrose/Grand Junction

The need for access to medical services is critical for a rural area like San Miguel County (SMC), so SMART should consider building on its existing partnership with All Points Transit to establish a regularly scheduled weekly medical shuttle from eastern SMC communities to Montrose and Grand Junction to access medical care.

The shuttle would operate the same day and schedule every week, without a required minimum number of passengers – a consistent weekly trip would help build ridership with riders being able to count on it and schedule medical appointments reliably. The trip would leave in the morning from SMC and return from Grand Junction in the early afternoon. It would allow riders 4-5 hours in Montrose and 2-3 hours in Grand Junction for medical appointments.

This service would be operated by All Points with support from SMART and other community partners who have clients or stakeholders who need better medical access. This may require an increase in funding from SMART to All Points, depending on the final service parameters and other potential funding partners.

Bike Share Program

SMART has secured funding from a CDOT air quality mitigation grant to start a new bike share program within Mountain Village and Telluride. The grant supports - 80 percent of the start-up capital cost of $150,000 to establish a 30-bike system with three stations, likely located at the gondola station in Telluride, the Lawson Intercept Lot, and Mountain Village. This program is planned for implementation in summer of 2021.

Once established, this program will have operating and maintenance costs that must be budgeted in future years. These costs are estimated to be:

- $500 per month in SMART administrative costs for six months of operation = $3,000
- $200 per season per bike in maintenance costs = $6,000
- $400 per season per bike in depreciation/replacement costs = $12,000
- $750 per month in technology licensing and connectivity for six months of operation = $4,500
- TOTAL Bike Share ongoing annual costs = $25,500 per year

If successful, the program may also require additional bikes or even electric scooters to grow. New grants or community partnerships could help support additional, future capital costs.

Multimodal Infrastructure

Within SMART's mission is a desire to support integrated, multimodal mobility such as bike pathways, walkways, and sidewalks. Since SMART doesn't own or operate any bike paths or sidewalks, SMART's role in any new bicycle and/or pedestrian infrastructure development projects will be to help support the planning, funding, and implementation in a partnership role.

This may require some of SMART's administrative time and staff expertise, but it shouldn't be significant enough to impact the budget. Any bicycle or pedestrian project will require local funding, at least in the form of local match. This funding will likely come from the city's individual budgets, but SMART may be called on to develop additional partnerships and potential funding sources, including state and federal grants.

Some of the multimodal infrastructure needs identified as part of the kickoff meetings include adding a bike lane on Lawson Hill and a new tunnel under State Highway 145 to connect the lower parts of TMV with the Lawson Hill area and Telluride.

SUMMARY OF OPTIONS AND SYSTEM INTEGRATION

This chapter has presented 17 different service options to consider as expansions to or enhancements of the existing commuter fixed-route and commuter shuttle (vanpools) that SMART operates and supports. Additional commuter, medical, and multimodal transportation options were also presented.

These options do not represent all of the potential options available for SMART to consider, but they do meet the identified needs and gaps, at least in part. LSC selected the options based on ability to best meet these identified needs. The options could be changed, refined, or added to – all of the various option variations will be discussed and considered during the service option workshop.

It should also be noted that individual options do not make a transit system – they are a menu of potential options that must be combined to make a transit system. Individual options don't reflect the interplay and interdependence of the various routes that make up a transit system. Each route is usually dependent on the operations of at least one other route, in order to maximize efficiency and potential ridership. Building a transit system is the ultimate goal of this SOP, the details of which will be included in the draft and final implementation plan.

To provide food for thought for how a system may be developed out of the various options, we have created a few conceptual transit systems with particular focuses, as shown in Table VI-7.

Regional Commuter-Focused System

One of the potential examples for a retooled system under the SOP might be to focus on longer distance commuters as the top priority. This would require more resources to routes such as Norwood, a new Montrose commuter fixed route, potential new vanpool services, and the Southern Rico route. Fewer resources may be available for Down Valley or Lawson expansion under this model.

Table VI-7: Examples of Transit System Combinations					
REGIONAL COMMUTER EMPHASIS SYSTEM		DOWN VALLEY/ILIUM EMPHASIS SYSTEM		LAWSON AND TMV/ToT CONNECTIVITY EMPHASIS SYSTEM	
Option	Description	Option	Description	Option	Description
1	Add a new bus stop at Ophir Rd.	3	New Ilium/2 Rivers/Lawson to Mountain Village Route operating 2 roundtrips between 8:00 a.m. and 10:00 a.m., and 2 run roundtrips between 3:00 p.m. and 5:00 p.m.	7	Eliminate Down Valley route in lieu of having other routes pick-up and supplement Down Valley service, such as improved Norwood, potential for Rico bus to run some Down Valley service, or new Montrose commuter fixed-route service.
2	New Saturday service operating 1 roundtrip per day.	4	Add a new stop at Ilium/2 Rivers for the existing service.	13	Expand current summer and winter season service to a 30-minute frequency to entire day (fill midday gap).
7	Eliminate Down Valley route in lieu of having other routes pick-up and supplement Down Valley service, such as improved Norwood, potential for Rico bus to run some Down Valley service, or new Montrose commuter fixed-route service.	6	Add 2 Down Valley roundtrips per day (one a.m. commute, one later in p.m.) operating 7 days per week. Includes service to the new Ilium/2 Rivers bus stop, as well as service to TMV and Lawson Hill stop.	14	Expand current service to be year-round with current daily schedule
8	Route extension to Naturita (schedule times for Norwood would stay the same and buses would remain based out of Norwood with deadhead to Naturita).	9	Add 1 new roundtrip/weekday to status quo route with departure from Norwood at 8:15 a.m. and return from Telluride at 6:00 p.m.	16	Run as an express service, like off-season II schedule, for all trips (skip Lawson) but operate on 45-minute weekday headway and 90-minute weekend headway, likely would be done in combination with possible change to DV and/or Lawson services (should result in $ savings, but lower ridership)
12	Retain existing vans and add a new commuter fixed-route service from Montrose to Telluride, stopping in Ridgway, with 1 roundtrip per weekday.	10	After Norwood 1 bus arrives in Telluride, have bus switch over to a Down Valley bus and run one a.m., one mid-day, and one p.m. roundtrip, including service to the new bus stop at Ilium/2 Rivers.	17	Expand current service to midnight. Adds five roundtrips on weekdays and one round trip on weekends.

Source: LSC, 2019.

Down Valley-Ilium Emphasis System

Another possibility for a retooled transit system would be to emphasize service along the Down Valley corridor, including new connectivity between Ilium/Two Rivers and Telluride. This system may not perform as well as other possible options, given lower population densities and historical route performance.

Telluride-Mountain Village Lawson Hill Connectivity Emphasis System

Under this potential system, the focus would be on services in and around the Town of Telluride and Town of Mountain Village, including the Off-season route and Lawson Hill Route. This option could require additional resources than SMART currently has to support, as many of the options require significant additional operating funds. This scenario also includes new connectivity between Ilium/Two Rivers and TMV.

Chapter VII

TRANSPORTATION
CONSULTANTS, INC.

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Chapter VII: Service Option Board Workshop Results

INTRODUCTION

LSC held a work session with SMART's Board of Directors on Thursday, June 13, 2019. SMART's Board of Directors includes six members with two representatives from the Town of Telluride, two representatives from the Town of Mountain Village, and two representatives from San Miguel County. The goal of the meeting was to update SMART's Board of Directors on LSC's progress with the Strategic Operation Plan, including discussion of potential service options, determining evaluation criteria for the potential service options, and a budgeting exercise.

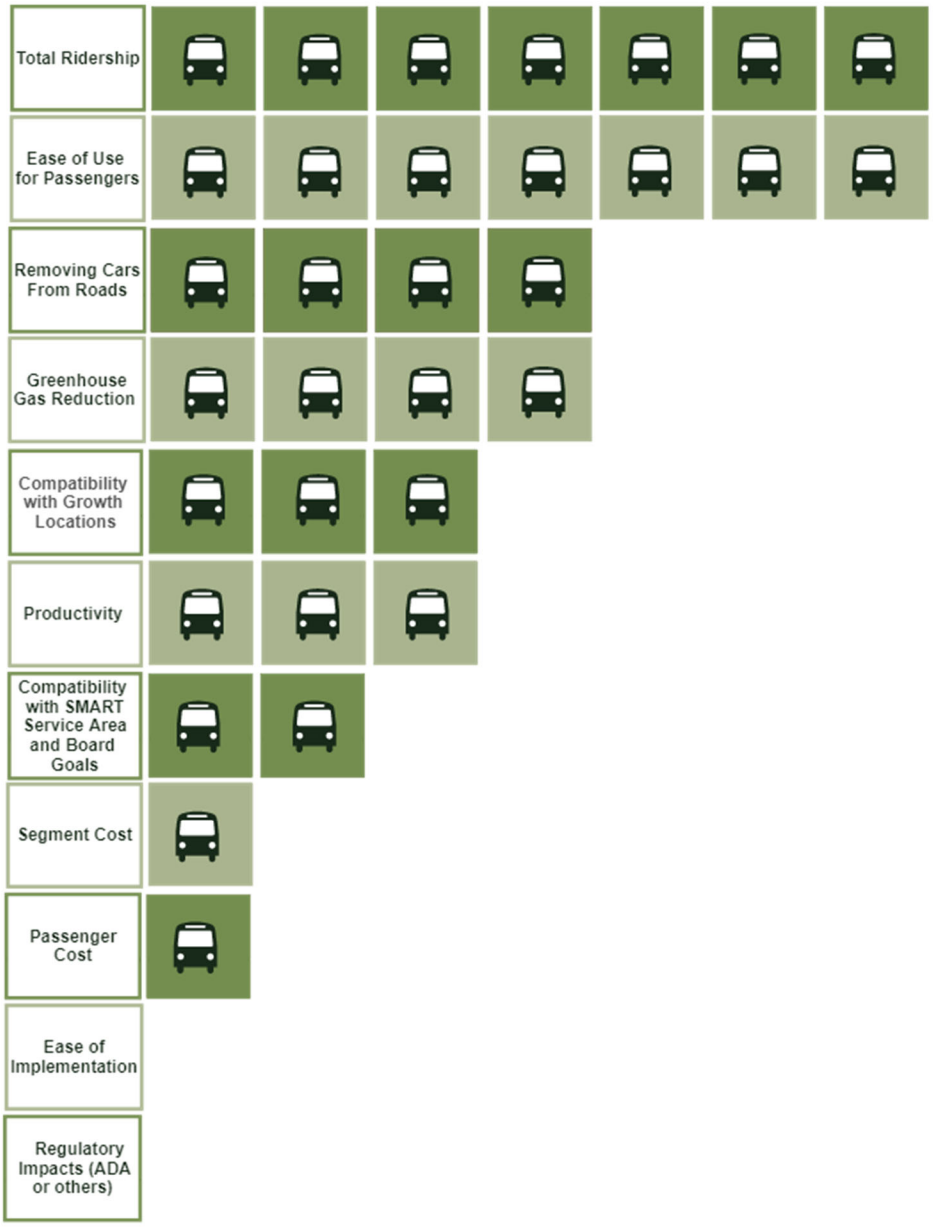
CRITERIA FOR SERVICE EVALUATION

As part of the work session with the SMART Board, LSC conducted an interactive activity to prioritize evaluation criteria. The goal of the activity was to collectively understand the organizational priorities of the group and create a basis for evaluating each of the service alternatives. Each participant received four dot stickers that they could allocate to a variety of evaluation criteria, including:

- Total Ridership
- Productivity
- Segment Cost
- Passenger Cost
- Compatibility with SMART Service Area and Board Goals
- Ease of Use for Passengers
- Ease of Implementation
- Regulatory Impacts (ADA or others)
- Other, participants wrote in:
    - Removing Cars from Routes
    - Greenhouse Gas Reduction
    - Compatibility with Growth Location

The results are presented in Figure VII-1. The criteria with the most dots were total ridership and ease of use for passengers (seven dots each), followed by removing cars from routes and greenhouse gas reduction (four dots each), compatibility with growth locations and productivity (three dots each), compatibility with SMART service area and board (two dots), and segment cost and passenger cost (one dot each). Ease of implementation and regulatory impacts (ADA or others) did not receive any votes.

Figure VII-1: Evaluation Criteria Results



BUDGETING EXERCISE

In order to help prioritize service options and understand service option priorities, LSC also developed a budgeting game that allowed participants to "fund" the services they consider most important. Due to limited remaining time during the work session with SMART's Board of Directors, participants were asked to take the activity home with them to complete.

For the activity, each participant was tasked with spending 12 coins for Phase I service that approximate funds available to enhance and expand SMART transit services in the region. For Phase 2, each participant was given two bonus coins representing additional funds available for future enhancements in years four and five of the plan. Each participant was asked to fill out a form according to their top service priorities. An example budget allocation is presented in Table VII-1.

Table VII-1: Service Options Workshop - Budgeting Game Example			
Options	Cost in Coins	Group Plan for 12 Coins on Phase 1 Service Options	2 Bonus Coins for Phase 2
1 – SR: Stop at Ophir & SH 145	0	0	
2 – SR: Saturday service	1	1	1
3 – SR: Switch to Ilium/2 Rivers service	7		
4 – DV: Ilium/2 Rivers stop	3		
5 – DV: Add 1 roundtrip	4		
6 – DV: Add 2 roundtrips	8		
7 – DV: Eliminate route	- 6	-6	
8 – NW: Extend to Naturita	5		
9 – NW: Add 1 new roundtrip	4		
10 – NW: Switch to DV-Ilium for 3 roundtrips	11		
11 – SMC: Add 2nd van from Montrose	1		
12 – SMC: Retain vans and add commuter route	6	6	
13 – LH: 30-min headway all day	13		1
14 – LH: Year-round service on current schedule	3	3	
15 – LH: 30-min headway plus year-round service	20		
16 – OS: Run all trips as Off-season II	16		
17 – OS: Expand late night service	8	8	
	TOTALS	**12**	**2**

Rules of the Game

To help guide the exercise, the following rules were established:

- For Phase 1, no partial funding of options is allowed. You must fully fund each option, except those that cost more than the coins available. If Options 13, 15, or 16 happens to be your top option, place all your coins in this option.
- For Phase 2, you can partially fund options. The two coins can both be placed on one option or split between multiple options.
- Having unused coins is okay – if you are able to fund all of your top priorities in less than 12 coins, note a lower total.

Questions to Consider During the Game

In addition, the following questions were posted to help guide the exercise:

- Did you have a service philosophy you used to help guide funding decisions?
- What other options do you wish you had?
- Are there existing services you would have reduced to free up more coins? (such as Option 7)
- Any other thoughts or issues you identified through the process?

Results

A total of five responses were received for the budget exercise and the results are presented in Table VII-2. The service options with the most votes included *Option 1 – SR: Stop at Ophir & SH 145* (four respondents for Phase I), *Option 11 – SMC: Add 2nd Van from Montrose* (three respondents for Phase I and one respondent for Phase II), and *Option 15 – LH: 30-min Headway Plus Year-Round Service* (three respondents for Phase I and one respondent for Phase II).

Table VII-2: Service Options Workshop - Budgeting Game Results

Options	Cost in Coins	Phase I	Phase II
1 – SR: Stop at Ophir & SH 145	0	4 Respondents	
2 – SR: Saturday service	1	1 Respondent	
3 – SR: Switch to Ilium/2 Rivers service	7	1 Respondent	
4 – DV: Ilium/2 Rivers stop	3	1 Respondent	
5 – DV: Add 1 roundtrip	4		
6 – DV: Add 2 roundtrips	8		1 Respondent
7 – DV: Eliminate route	- 6	2 Respondents	
8 – NW: Extend to Naturita	5	2 Respondents	
9 – NW: Add 1 new roundtrip	4		
10 – NW: Switch to DV-Ilium for 3 roundtrips	11		
11 – SMC: Add 2nd van from Montrose	1	3 Respondents	1 Respondent
12 – SMC: Retain vans and add commuter route	6	2 Respondents	1 Respondent
13 – LH: 30-min headway all day	13	1 Respondent	
14 – LH: Year-round service on current schedule	3	1 Respondent	
15 – LH: 30-min headway plus year-round service	20	3 Respondents	1 Respondent
16 – OS: Run all trips as Off-season II	16	1 Respondent	
17 – OS: Expand late night service	8		

SERVICE OPTION RATING FORM

The final exercise from the work session with SMART's Board of Directors was a rating form to evaluate each of the potential service options. Keeping the service evaluation criteria in mind, participants were asked to rate each potential service option from 1 (very low) to 5 (very high). The service options rating form is presented in Table VII-3.

Table VII-3: Service Options Workshop - Options Rating Form					
	How would you rate this option?				
Service Option	Very Bad 1	Bad 2	OK 3	Good 4	Very Good 5
Southern (Rico) Route Options					
Option 1: Add a new bus stop at Ophir Rd.	1	2	3	4	5
Option 2: New Saturday service operating 1 roundtrip per day.	1	2	3	4	5
Option 3: New Ilium/2 Rivers/Lawson to Mountain Village Route operating 2 roundtrips between 8:00 a.m. and 10:00 a.m., and 2 run roundtrips between 3:00 p.m. and 5:00 p.m.	1	2	3	4	5
Down Valley Route Options					
Option 4: Add a new stop at Ilium/2 Rivers for the existing service.	1	2	3	4	5
Option 5: Add 1 Down Valley roundtrip per day (either mid-morning or mid-afternoon) operating 7 days per week. Includes service to the new Ilium/2 Rivers bus stop, TMV, and Lawson Hill stop.	1	2	3	4	5
Option 6: Add 2 Down Valley roundtrips per day (one a.m. commute, one later in p.m.) operating 7 days per week. Includes service to the new Ilium/2 Rivers bus stop, TMV, and Lawson Hill stop.	1	2	3	4	5
Option 7: Eliminate Down Valley route in lieu of having other routes pick-up and supplement Down Valley service, such as improved Norwood, potential for Rico bus to run some Down Valley service, or new Montrose commuter fixed-route service.	1	2	3	4	5
Norwood Route Options					
Option 8: Route extension to Naturita (schedule times for Norwood would stay the same and buses would remain based out of Norwood with deadhead to Naturita).	1	2	3	4	5
Option 9: Add 1 new roundtrip/weekday to status quo route with departure from Norwood at 8:15 a.m. and return from Telluride at 6:00 p.m.	1	2	3	4	5
Option 10: After Norwood 1 bus arrives in Telluride, have bus switch over to a Down Valley bus and run one a.m., one mid-day, and one p.m. roundtrip, including service to the new bus stop at Ilium/2 Rivers.	1	2	3	4	5
San Miguel County Ridgway-Montrose Commuter Options					
Option 11: Add a second van departing from Montrose.	1	2	3	4	5
Option 12: Retain existing vans and add a new commuter fixed-route service from Montrose to Telluride, stopping in Ridgway, with 1 roundtrip per weekday.	1	2	3	4	5
Lawson Hill Route Options					
Option 13: Expand current summer and winter season service to a 30-minute frequency to entire day (fill midday gap).	1	2	3	4	5
Option 14: Expand current service to be year-round with current daily schedule.	1	2	3	4	5
Option 15: Expand current service to be year-round at a 30-minute frequency (combination of options 13 and 14).	1	2	3	4	5
Mountain Village-Telluride Off-Season Route					
Option 16: Run as an express service, like off-season II schedule, for all trips (skip Lawson) but operate on 45-minute weekday headway and 90-minute weekend headway, likely would be done in combination with possible change to DV and/or Lawson services (should result in $ savings, but lower ridership).	1	2	3	4	5
Option 17: Expand current service to midnight. Adds five roundtrips on weekdays and one round trip on weekends.	1	2	3	4	5

Results

A total of five responses were received and the average score was calculated for each potential service option. The results are presented in Table VII-4. The potential service options with the highest score (4.6) were *Option 4: Add a new stop at Ilium/2 Rivers for the existing service* and *Option 10: After Norwood 1 bus arrives in Telluride, have bus switch over to a Down Valley bus and run one a.m., one mid-day, and one p.m. roundtrip, including service to the new bus stop at Ilium/2 Rivers*. This was followed by *Option 13: Expand current summer and winter season service to a 30-minute frequency to entire day (fill midday gap)* (average score of 4.5), *Option 1: Add a new bus stop at Ophir Rd.* (average score of 4.4), and *Option 11: Add a second van departing from Montrose* (average score of 4.4).

Table VII-4: Service Options Workshop - Options Rating Results

Service Options	Average Score
Option 4: Add a new stop at Ilium/2 Rivers for the existing service.	4.6
Option 10: After Norwood 1 bus arrives in Telluride, have bus switch over to a Down Valley bus and run one a.m., one mid-day, and one p.m. roundtrip, including service to the new bus stop at Ilium/2 Rivers.	4.6
Option 13: Expand current summer and winter season service to a 30-minute frequency to entire day (fill midday gap).	4.5
Option 1: Add a new bus stop at Ophir Rd.	4.4
Option 11: Add a second van departing from Montrose.	4.4
Option 6: Add 2 Down Valley roundtrips per day (one a.m. commute, one later in p.m.) operating 7 days per week. Includes service to the new Ilium/2 Rivers bus stop, TMV, and Lawson Hill stop.	4.2
Option 12: Retain existing vans and add a new commuter fixed-route service from Montrose to Telluride, stopping in Ridgway, with 1 roundtrip per weekday.	4.2
Option 3: New Ilium/2 Rivers/Lawson to Mountain Village Route operating 2 roundtrips between 8:00 a.m. and 10:00 a.m., and 2 run roundtrips between 3:00 p.m. and 5:00 p.m.	4.0
Option 15: Expand current service to be year-round at a 30-minute frequency (combination of options 13 and 14).	3.8
Option 14: Expand current service to be year-round with current daily schedule.	3.8
Option 5: Add 1 Down Valley roundtrip per day (either mid-morning or mid-afternoon) operating 7 days per week. Includes service to the new Ilium/2 Rivers bus stop, TMV, and Lawson Hill stop.	3.6
Option 8: Route extension to Naturita (schedule times for Norwood would stay the same and buses would remain based out of Norwood with deadhead to Naturita).	3.6
Option 9: Add 1 new roundtrip/weekday to status quo route with departure from Norwood at 8:15 a.m. and return from Telluride at 6:00 p.m.	3.6
Option 16: Run as an express service, like off-season II schedule, for all trips (skip Lawson) but operate on 45-minute weekday headway and 90-minute weekend headway, likely would be done in combination with possible change to DV and/or Lawson services (should result in $ savings, but lower ridership).	3.6
Option 7: Eliminate Down Valley route in lieu of having other routes pick-up and supplement Down Valley service, such as improved Norwood, potential for Rico bus to run some Down Valley service, or new Montrose commuter fixed-route service.	3.4
Option 2: New Saturday service operating 1 roundtrip per day.	3.0
Option 17: Expand current service to midnight. Adds five roundtrips on weekdays and one round trip on weekends.	2.6

The potential service options with the lowest scores included *Option 17: Expand current service to midnight. Adds five roundtrips on weekdays and one round trip on weekends* (average score of 2.6) and *Option 2: New Saturday service operating 1 roundtrip per day* (average score of 3.0).

Comments

The rating form also provided space for participants to leave their thoughts on any of the potential service options or any other service options that should be considered. The following comments were received:

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Chapter VIII

TRANSPORTATION
CONSULTANTS, INC.

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Chapter VIII: Preliminary System Alternative

INTRODUCTION

This chapter presents the preliminary system alternative concept for SMART that incorporates the menu of individual service options presented in Interim Report #1 into an integrated transit system that meets the long-term goals of SMART, its riders, and the communities it serves. This preliminary system alternative will be refined, adjusted, and fully defined in Chapter XIII of this Final SOP.

Key elements of the preliminary system alternative include:

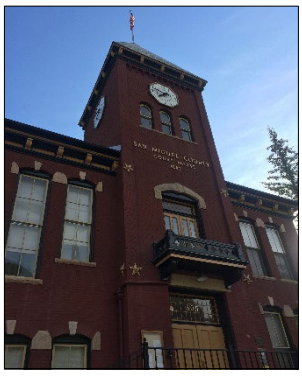
- More consistent connectivity between the Town of Telluride, Lawson Hill, and the Town of Mountain Village
- Growth in the reach of SMART regional commuter services with incremental opportunities for the future
- Connections to currently unserved areas
- Maintenance of existing multimodal and special needs services through partnerships
- Overall improved efficiency of resources, higher ridership, and increased productivity

Each aspect of the preliminary alternative is presented, along with options and considerations. This preliminary system alternative was presented and discussed as part of public open houses, the SMART August 2019 board meeting, and stakeholder group presentations.

It should be noted that this preliminary alternative uses the initial cost allocation model, which likely overstates costs and will be replaced with a new cost model in Chapter XII for the finalized alternative.

LAWSON HILL, OFF-SEASON, AND DOWN VALLEY ROUTES

As there is much overlap, coordination, and opportunity among the routes that serve the immediate areas in and around the Town of Telluride and the Town of Mountain Village (TMV), LSC has grouped the Down Valley, Lawson Hill, and Off-Season Routes together in a preliminary alternative scenario.



These options currently operate independently from one another, but the discussions to date have yielded some significant opportunities to provide:

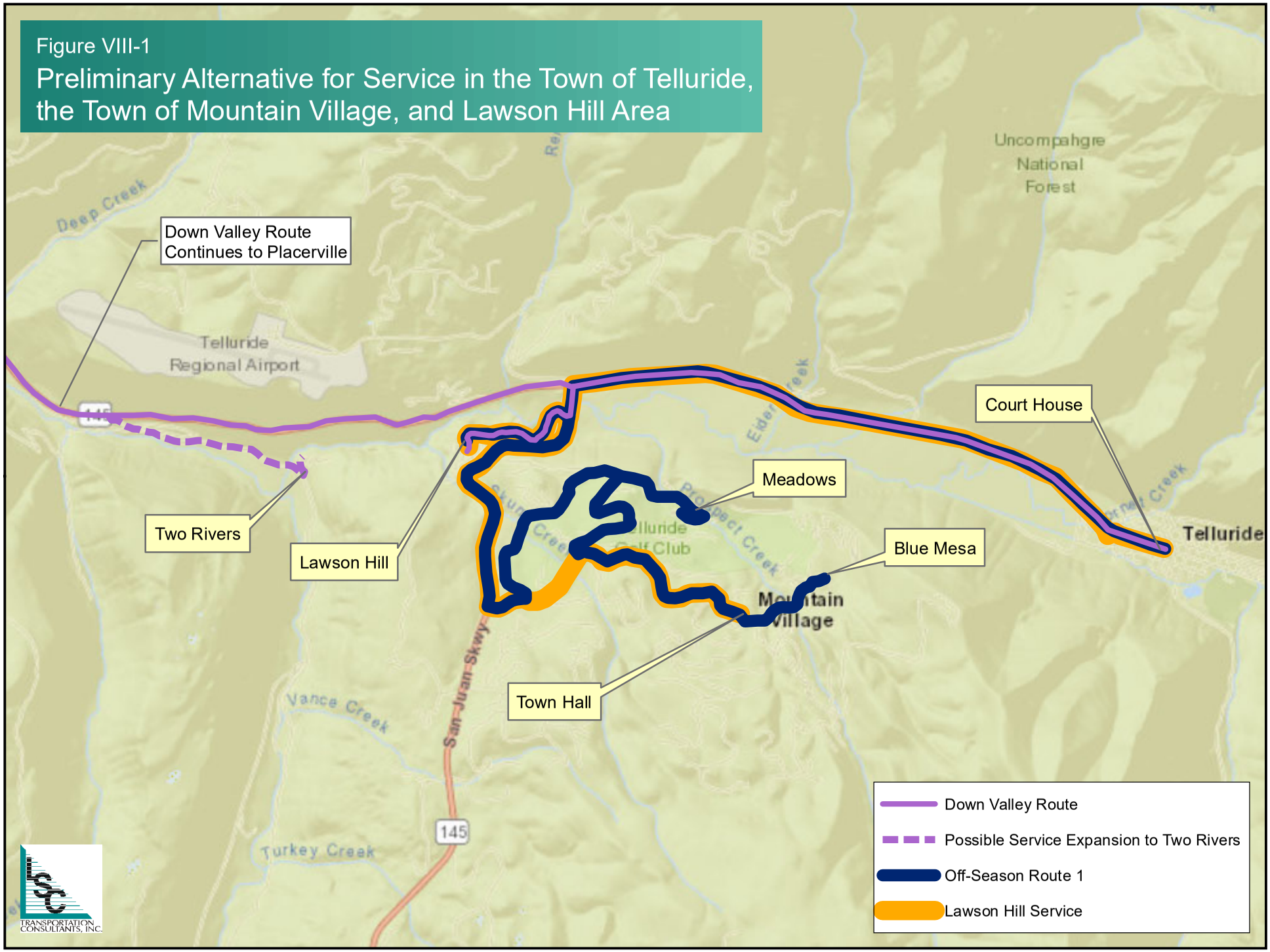
- A Lawson Hill Route that extends to the TMV with schedule variants to consider
- A reduction in requirements of the Off-Season Route as the new version of the Lawson Hill Route with the TMV connection is developed
- Maintaining the existing Down Valley Route with a possible connection to the Ilium Road/Two Rivers area with a long-term evaluation of appropriate service level
- Transfer connections via the Lawson Hill Park and Ride stop for regional route

Figure VIII-1 shows the long-term vision for how the SMART routes that connect the Town of Telluride, Town of Mountain Village, and Lawson Hill Area change and grow over the course of the SOP.

A presentation and analysis of the preliminary alternative for each route follows.

Figure VIII-1

Preliminary Alternative for Service in the Town of Telluride, the Town of Mountain Village, and Lawson Hill Area



Lawson Hill Route Preliminary alternative

Discussions with the SMART board and stakeholders have pointed towards a new route option for Lawson Hill that would have it connect to TMV, as shown in Figure VIII-2. This new option provides consistent, year-round service without seasonal variation to enhance the connection to the TMV.

This new version of the Lawson Hill Route allows the Off-Season Route to be reduced, and possibly eliminated over time, as the new route is implemented and service is increased. The Lawson Hill Route Preliminary alternative is based on new Options 14A and 15A, which are similar to Options 14 and 15 of the Interim Report #1. The Lawson Hill Preliminary alternative has service and performance characteristics, as shown in Table VIII-1.

Route Schedule Variations for Consideration

As this is a new concept, not previously discussed, consideration needs to be given as to the best schedule that meets the needs of the community and is operationally feasible. As shown in Table VIII-2, there are three variants of this new Lawson Hill Route to consider, each with pros and cons.

Once input has been gathered, a final route timing and schedule will be established in the Chapter XIII Implementation Plan of this Final SOP.

Off-Season Routes Preliminary alternative

As shown in Table VIII-3, two new Options, 18 and 19, have been developed and are coordinated with the Lawson Hill Options:

- Off-Season Option 18 is dependent on implementation of Lawson Hill Option 14A
- Off-Season Option 19 is dependent on implementation of Lawson Hill Option 15A

The Off-Season Preliminary alternative concept is for overall service to be reduced, as the new Lawson Hill Route is implemented. Under this concept, the Off-Season would be reduced from its current three buses, to two buses, and finally to one bus, which shifts operating and capital resources away from Off-Season to the new Lawson Hill Route.

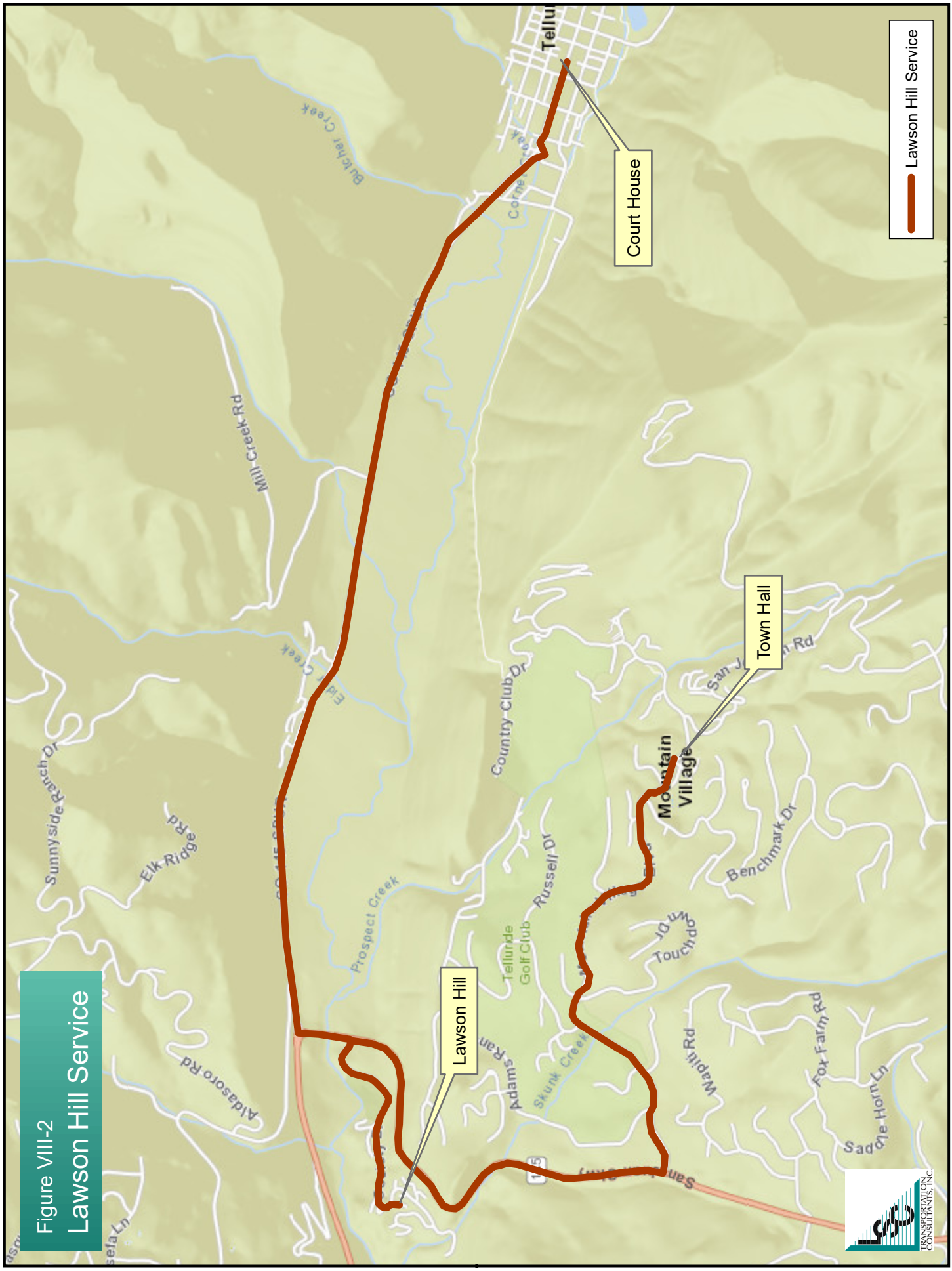


Figure VIII-2
Lawson Hill Service

Table VIII-1: Preliminary Preferred Service Alternative - Lawson Hill Route													
Service Description		# of Vehicles Required	Total Daily Revenue - Miles	Total Daily Revenue - Hours	Total Annual Revenue - Miles	Total Annual Revenue - Hours	Annual Operating Days	Annual Operating Cost	Incremental Operating Cost	Ridership	Cost per Passenger	Passengers per Hour	Phasing
Lawson Hill Route													
Status Quo - Fare-free fixed-route service operating 7 days per week during the summer and winter seasons: Connecting downtown Telluride with Lawson Hill. Operates at a 30-minute frequency between 7 a.m. to 10 a.m. and between 4:30 p.m and 10 p.m.		1	115	8	35,588	2,542	310	$347,975	--	30,218	$11.52	11.9	
Option 14A	Extend Lawson Hill Route to year round service and extend the route structure to the Town Hall in Mountain Village. Route runtime is one hour and operates nine roundtrips per day between 7:00 a.m. to 10:00 a.m. and 4:00 p.m. to 10:00 p.m.	1	162	9	8,910	495	55	--	$73,807	2,942	$36.87	5.9	Phase 1
Option 15A	Extend Lawson Hill Route to year round service, extend the route structure to the Town Hall in Mountain Village, and fill in mid-day service gap year round. Route runtime is one hour and operates 15 roundtrips per day between 7:00 a.m. and 10:00 p.m.	1	270	15	48,330	2,685	365	--	$400,349	23,938	$24.58	8.9	Phase 3

Note: Performance metrics include incremental and fixed costs.
Source: LSC 2019.

Table VIII-2: Schedule Variants of Potential New Lawson Route Configuration					
Variant 1		Variant 2		Variant 3	
Bus Stop Location	*Bus Stop Time*	*Bus Stop Location*	*Bus Stop Time*	*Bus Stop Location*	*Bus Stop Time*
Town of Telluride (Courthouse)	:00	Town of Telluride (Courthouse)	:00	Town of Telluride (Courthouse)	:00
Lawson Hill	:15	Lawson Hill	:10	Lawson Hill	:15
Town of Mountain Village (Town Hall)	:30	Town of Telluride (Courthouse)	:20	Town of Telluride (Courthouse)	:30
Lawson Hill	:45	Lawson Hill	:30	Lawson Hill	:45
Town of Telluride (Courthouse)	:00	Town of Mountain Village (Town Hall)	:40	Town of Mountain Village (Town Hall)	:00
		Lawson Hill	:50	Lawson Hill	:15
		Town of Telluride (Courthouse)	:00	Town of Telluride (Courthouse)	:30
				Lawson Hill	:45
				Town of Telluride (Courthouse)	:00
Direction	*Service Frequency*	*Direction*	*Service Frequency*	*Direction*	*Service Frequency*
Town of Telluride (Courthouse) to Lawson Hill	:00, every hour	Town of Telluride (Courthouse) to Lawson Hill	:00, :20 every hour	Town of Telluride (Courthouse) to Lawson Hill	:00 every other hour and :30 every hour
Lawson Hill to Town of Telluride (Courthouse)	:45, every hour	Lawson Hill to Town of Telluride (Courthouse)	:10, :50 every hour	Lawson Hill to Town of Telluride (Courthouse)	:45 every other hour, :15 every hour
Lawson Hill to Town of Mountain Village (Town Hall)	:15, every hour	Lawson Hill to Town of Mountain Village (Town Hall)	:30, every hour	Lawson Hill to Town of Mountain Village (Town Hall)	:45, every other hour
Town of Mountain Village (Town Hall) to Lawson Hill/Town of Telluride (Courthouse)	:30, every hour	Town of Mountain Village (Town Hall) to Lawson Hill/Town of Telluride (Courthouse)	:40, every hour	Town of Mountain Village (Town Hall) to Lawson Hill/Town of Telluride (Courthouse)	:00, every other hour
Pros	*Cons*	*Pros*	*Cons*	*Pros*	*Cons*
Consistent 60 minute headway everywhere, easy to maintain operationally	Loses current Lawson Hill 30 minute headway and would require a second bus to achieve a 30 minute headway	Maintains 2 trips per hour for Town of Telluride (Courthouse) to Lawson Hill connection	Tight schedule operationally	Maintains some 30 minute headways between Town of Telluride (Courthouse) and Lawson Hill	Confusing, only every hour service to/from Town of Mountain Village (Town Hall), only 30 minute service every other hour
Hours of service: 7:00 a.m. - 10:00 p.m. with schedule like current peak Lawson Hill Route. Seasonality: Same year round.					
Source: LSC, 2019.					

Table VIII-3: Preliminary Preferred Alternative - Mountain Village-Telluride Off-Season Route													
Service Description		# of Vehicles Required	Total Daily Revenue - Miles	Total Daily Revenue - Hours	Total Annual Revenue - Miles	Total Annual Revenue - Hours	Annual Operating Days	Annual Operating Cost	Incremental Operating Cost	Ridership	Cost per Passenger	Passengers per Hour	Phasing
Mountain Village-Telluride Off-Season Route													
Status Quo - Fare-free fixed-route service operating 7 days per week during the off-season only (when gondola isn't running): Connecting TMV with Telluride with service to Lawson Hill on weekdays. Operates at a 45-minute frequency on weekdays and a 90-minute frequency on weekends.		3	548	33	43,802	2,607	80	$198,406	--	8,878	$22.35	3.4	
Option 18	Eliminate Off-Season II (Express) Route. This option is dependent on implementation of Lawson Hill Option 14A.	-1	-253	-13	-5,568	-290	22	--	-$43,430	-2,003	--	--	Phase 1
Option 19	Eliminate Off-Season I red bus (Mon.-Sun.) and Off-Season II (Express) (Mon.-Fri.) route. This option is dependent on implementation of Lawson Hill Option 15A.	-1	-479	-27	-27,808	-1,590	58	--	-$236,637	-5,860	--	--	Phase 3

Note: Performance metrics include incremental and fixed costs.
Source: LSC 2019.

Down Valley Route Preliminary alternative

Based on SMART Board and stakeholder input, the Down Valley Preliminary alternative shown in Table VIII-4 is largely a "status quo" option that maintains the existing three weekday roundtrips plus the additional trips provided currently by the Norwood Route.

The Down Valley Preliminary alternative does retain the possibility of implementation of a new deviation and stop to serve Ilium Road and Two Rivers, but may be dependent on additional funding from a new partnership, possibly with the Telluride Ski and Golf Co. (TSG), to support this.

A consideration for Down Valley is ongoing review of the performance and effectiveness of the route. If other regional commuter fixed routes are developed, such as a new Montrose Route, there may be sufficient service for Placerville and Sawpit as intermediate stops on the farther-reaching commuter routes that run along State Highway 145 between Placerville and Telluride. Morning and afternoon Down Valley commuter trips could possibly be eliminated in lieu of regional service increases.

REGIONAL COMMUTER ROUTES

Throughout the public input process, the importance of SMART continuing to build regional services has been consistently stated. This includes two distinct goals for the regional route: build on the existing routes AND expand the reach of commuter routes and services.

The preliminary alternative for regional, commuter services, as shown in Figure VIII-3, includes:

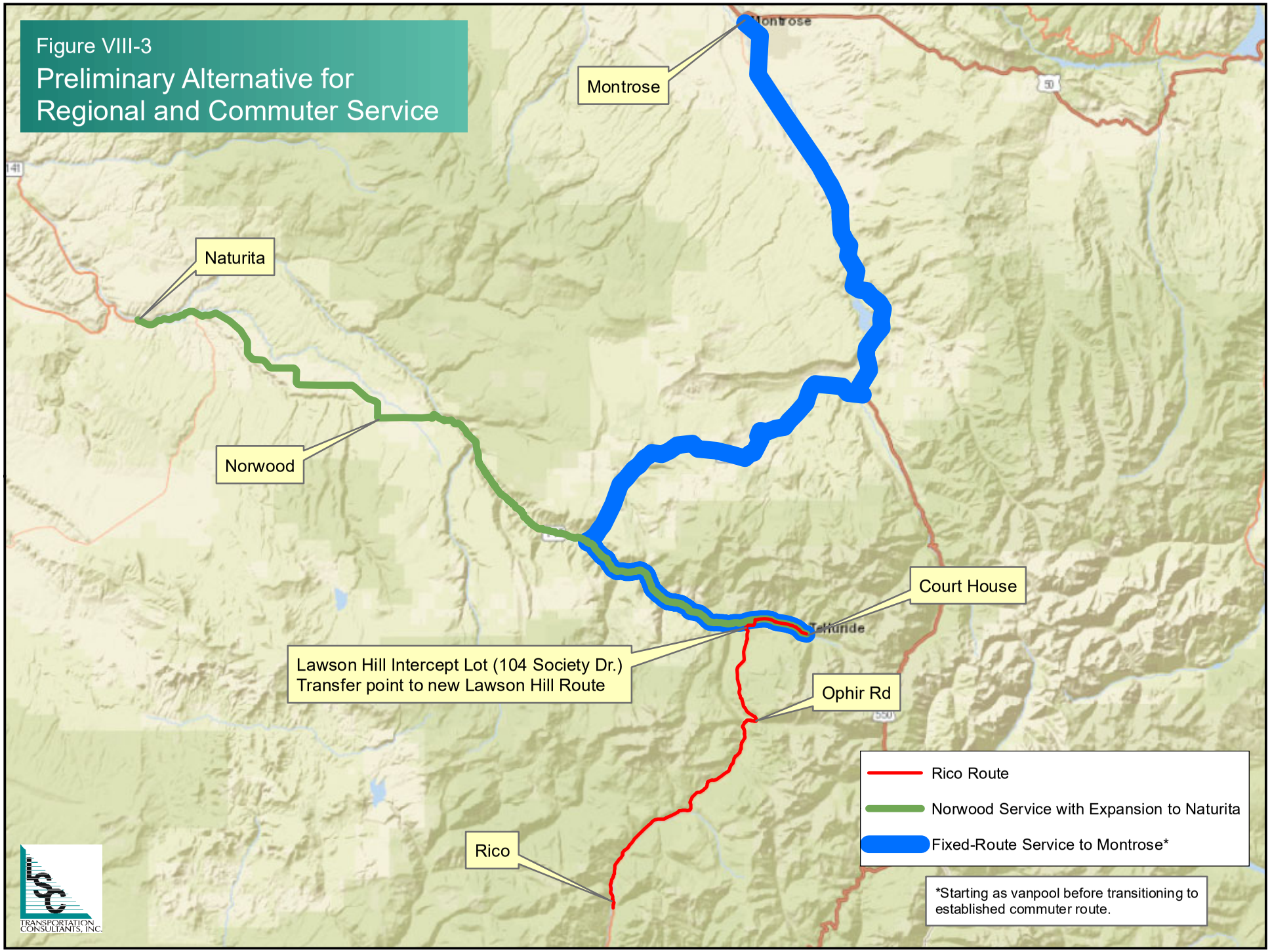
- ➔ An extension of the Norwood Route to Naturita
  - Option 8 of previously presented service options in Chapter VI
- ➔ New commuter fixed route bus from Montrose
  - Starting out as vanpool as shown in Option 11 from Chapter VI and moving to an established commuter route as shown in Option 12
- ➔ Addition of Ophir stop to the Southern Route
  - Option 1 from Chapter VI
- ➔ Possibility of additional vanpool routes

Table VIII-4: Preliminary Preferred Service Alternative - Down Valley Route													
Service Description		# of Vehicles Required	Total Daily Revenue - Miles	Total Daily Revenue - Hours	Total Annual Revenue - Miles	Total Annual Revenue - Hours	Annual Operating Days	Annual Operating Cost	Incremental Operating Cost	Ridership	Cost per Passenger	Passengers per Hour	Phasing
Down Valley Route, including possible Ilium/2 Rivers and connection to TMV													
Status Quo - Commuter fixed-route service operating 3 rountrips per weekday (The Norwood Route provides additional service including 2 aditional weekday roundtrips and 1 roundtrip per day on weekends): Connects Sawpit and Placerville with downtown Telluride. Bus operates 1 morning, 1 mid-day, and 1 evening roundtrip.		1	102	3	26,520	780	260	$187,371	--	5,021	$37.32	6.4	Maintain status quo
Option 4	Add a new stop at Ilium/2 Rivers for the existing service.	1	24	1.5	6,240	390	260	--	$57,727	1,731	$49.03	4.4	Phase 1

Note: Performance metrics include incremental and fixed costs.
Source: LSC 2019.

Figure VIII-3

Preliminary Alternative for Regional and Commuter Service



Southern Route Preliminary Alternative

Based on SMART Board and stakeholder input, the Southern/Rico preliminary alternative shown in Table VIII-5 maintains the existing Southern Route with the addition of a no-cost option of a new stop at Ophir Road and State Highway 145.

Given that the Southern Route is one of the newest SMART services, route performance should be monitored over time to ensure that ridership is growing and productivity is increased. If the Southern Route grows, it may be necessary to add a new vanpool option as a second departure, possibly combined with a new general public vanpool originating from Cortez and serving Rico.

Norwood Route Preliminary Alternative

Support for an extension of the Norwood Route to Naturita was indicated and is the preliminary alternative for the Norwood Route, as shown in Table VIII-6. Initially just one of the current Norwood buses would start in Naturita, but both buses would start in Naturita as ridership increased, likely in Year 3 or 4 of the SOP.

Montrose-Ridgway Commuter Route Preliminary Alternative

As shown in Table VIII-7, the two existing San Miguel County commuter vans are slated to grow first with the addition of another commuter vanpool and then evolving into a regular commuter fixed-route operating with one departure per weekday.

Implementing the Montrose-Ridgway Commuter Route will require new partnerships with entities outside of the current SMART authority boundary. Beyond 2025, this new route will likely require additional departures, based on demand estimates, with three roundtrips per day.

Table VIII-5: Preliminary Preferred Service Alternative - Southern Route													
Service Description		# of Vehicles Required	Total Daily Revenue - Miles	Total Daily Revenue - Hours	Total Annual Revenue - Miles	Total Annual Revenue - Hours	Annual Operating Days	Annual Operating Cost	Incremental Operating Cost	Ridership	Cost per Passenger	Passengers per Hour	Phasing
Southern Route (Rico)													
Status Quo - Commuter fixed-route service operating 1 roundtrip per day, 5 days per week: Connects Rico with downtown Telluride. Bus departs Rico at 6:50 a.m. and departs Telluride at 5:30 p.m.		1	60	2	11,700	520	260	$61,862	--	1,800	$34.37	3.5	Maintain throughout
Option 1	Add a new bus stop at Ophir Rd.	1	0	0	0	0	260	--	$0	300	n/a	n/a	Phase 1

Note: Performance metrics include incremental and fixed costs.
Source: LSC 2019.

Table VIII-6: Preliminary Preferred Service Alternative - Norwood Route													
		# of	Total Daily		Total Annual		Annual	Annual	Incremental				
Service Description		Vehicles Required	Revenue - Miles	Revenue - Hours	Revenue - Miles	Revenue - Hours	Operating Days	Operating Cost	Operating Cost	Ridership	Cost per Passenger	Passengers per Hour	Phasing
Norwood Route, including possible Naturita extension													
Status quo - Commuter fixed-route, service operating 7 days per week with 2 roundtrips per day on weekdays and 1 roundtrip per day on weekends: Connects Norwood, Sawpit, and Placerville with downtown Telluride. Bus operates 2 morning departures and 2 evening departures.		2	130	3	47,320	1,248	365	$299,794	--	20,062	$14.94	16.1	
Option 8	Route extension to Naturita (schedule times for Norwood would stay the same and buses would remain based out of Norwood with deadhead to Naturita). Start with one of the Norwood buses in Phase 1 and 2 and then both buses starting in Naturita in Phase.	2	68	2	24,960	624	365	--	$100,502	3,285	$44.96	5.3	Phase 1 for 1 bus, Phase 2 for both buses

Note: Performance metrics include incremental and fixed costs.
Source: LSC 2019.

Table VIII-7: Preliminary Preferred Service Plan - Montrose-Ridgway Commuter Options													
Service Description		# of Vehicles Required	Total Daily Revenue - Miles	Total Daily Revenue - Hours	Total Annual Revenue - Miles	Total Annual Revenue - Hours	Annual Operating Days	Annual Operating Cost	Incremental Operating Cost	Ridership	Cost per Passenger	Passengers per Hour	Phasing
San Miguel County Ridgway-Montrose Commuter Options													
Status quo - Vanpool/shuttle operating 5 days per week (weekdays): One van operates from Montrose to Telluride and one van operates from Ridgway to Telluride.		2	212	5	55,120	1,300	260	$12,608	--	11,620	$1.09	8.9	Maintain throughout
Option 11	Add a second van departing from Montrose.	1	132	3	34,320	780	260	--	$18,698	4,160	$5.67	5.3	Phase 1
Option 12	Retain existing vans and add a new commuter fixed-route service from Montrose to Telluride, stopping in Ridgway, with 1 roundtrip per weekday.	1	132	3	34,320	780	260	--	$127,322	18,533	$10.10	23.8	Phase 2

Note: Performance metrics include incremental and fixed costs.
Source: LSC 2019.

OTHER PROGRAMS AND SERVICES

In addition to changes to the SMART bus routes and vanpool services previously described in this chapter, there are other services, programs, and partnerships for inclusion in this preliminary SOP alternative.

Additional Medical Shuttles

LSC suggests that an additional $5,000 be included in the budget in support of an expansion of contracted medical transportation services through All Points Transportation from San Miguel County to Montrose County and Mesa County. The need for access to medical services is vital to the residents of San Miguel County and is something that SMART has been supporting.

The funding for this expansion doesn't have to come from existing SMART funds – new community partnerships, donations, or Medicaid are all possible funding sources to support the existing partnership and the expansion recommended in this preliminary alternative

Bikeshare Program

SMART has secured the capital funding to start a new 30 bike system, possibly with electric bicycles. However, the program will likely require ongoing operating subsidy. The experience of other mountain resort communities has been that bikeshare user fees do not come close to meeting the ongoing operating costs and capital replacement costs.

We suggest including an operating subsidy of $25,500 starting in year two of the preliminary alternative and carrying forward. If the bikeshare program is expanded, this subsidy would need to be increased.

Multimodal Integration

SMART transit services will not be as successful without continued planning and development of pedestrian and bicycle infrastructure. This preliminary alternative doesn't include any direct costs for these needs, as it is assumed SMART will use existing staff resources and budget to help support the efforts to build new and improved bicycle and pedestrian facilities. These costs will likely be a part of the municipal budgets, but SMART can provide guidance, support, and involvement in these efforts.

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Chapter IX

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Chapter IX: Administrative Needs

This chapter describes current and future administrative needs for SMART.

CURRENT STAFFING

Since its inception, SMART has been staffed by an Executive Director, who has served as the sole full-time employee of the organization until recently. The Executive Director is responsible for:

- Developing and drafting a phased plan for managing operation and administration of the interjurisdictional transit services
- Procuring and managing contracted operations
- Developing short- and long-range plans for SMART's regional transportation services and infrastructure improvements with the input of advisory committees and other regional stakeholders
- Administering regular and special meetings of SMART Board including agendas, noticing, and minutes. Following up on directions and formal resolutions from the Board
- Administering the statutory requirements of SMART formation and reporting, maintaining records, and providing all required reports and filings for SMART with Colorado State agencies
- Developing annual budgets for SMART Board review and approval, and managing and reporting on budget throughout the year
- Developing comprehensive administrative and organizational policies for SMART Board review and adoption
- Meeting with Board-appointed Administrative and Advisory Committees and performing necessary administration related to these, including reporting back to the Board on their activities and recommendations
- Researching, applying for, and administering federal, state, and local grants
- Cultivating direct working relationships, partnerships, and coordination with regional transit, human service agencies, and community stakeholders
- Hiring and managing personnel
- Directing the marketing and public outreach activities of SMART

Realizing that the Executive Director role has been overburdened as the sole employee with a significantly wide scope of duties, SMART budgeted for a new position for 2019 to help support the organizational activities.

Operations Manager/Senior Planner

During the summer of 2019, SMART recruited and hired for the newly created position of Operations Manager/Senior Planner – a new person started in this role in early September of 2019. This new role has essential job functions that include:

- ➔ Oversight, monitoring, and reporting of contractor(s) providing day-to-day transit operations for SMART regional transit services
- ➔ Supporting the grant activities of SMART, in particular helping with federal grant applications, management, and associated procurement of federally funded activities

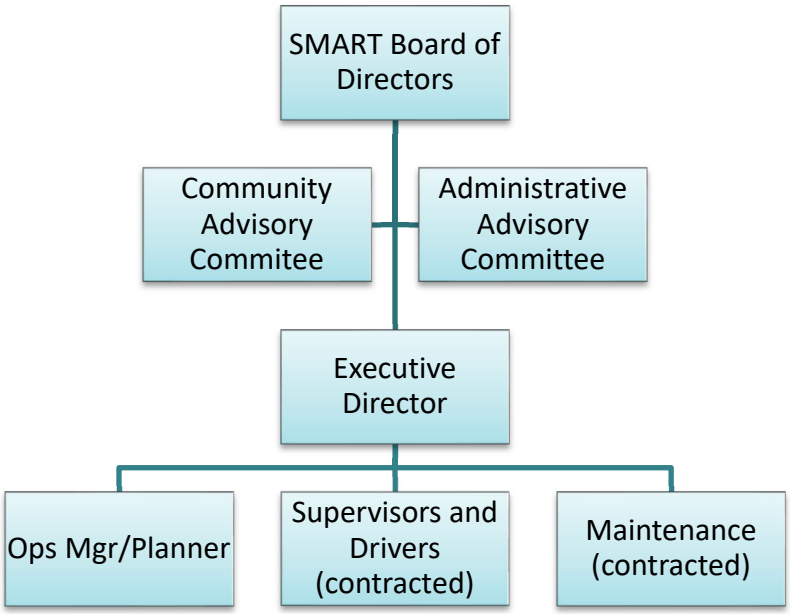
- Day-to-day assistance in support of transit operations and facility maintenance/upkeep
- Recommending transit operational improvements
- Assisting the Executive Director in the development of plans, policies, work plans, budgets, and procedures for implementing and maintaining a viable regional public transit service for the SMART region and beyond, including coordination of all transit activities and functions with our local transit agency partners
- Maintaining an accurate database of transit ridership, vehicles, pass programs, capital assets, etc.
- Helping prepare and submit annual and quarterly state and federal statistical information, Disadvantaged Business Enterprise reporting, Title VI program updates, and other Colorado Department of Transportation or Federal Transit Administration-related reporting requirements
- Communicate information about SMART services to the general public through marketing efforts, response to customer service inquiries, and public outreach efforts

This position has been developed to help relieve the Executive Director of some day-to-day activities and allow for better focus on the high-level strategy, planning, and development priorities for SMART.

Organizational Structure

As shown in Figure IX-1, the current organizational structure of SMART, with the hiring of the new Operations Manager/Senior Planner, will support the administrative needs of SMART for the first three to four years of SOP implementation, assuming the current operating model with a contractor providing day-to-day operations of transit services.

Figure IX-1: SMART Current Organizational Chart



FUTURE STAFFING

As SMART continues to grow and implement aspects of this SOP, there will be a need to consider additional support staff in the fourth or fifth year of this SOP. LSC recommends that SMART consider adding a part-time position to support financial activities and grant management. This Business Manager position would be half-time, either as an employee or as an independent contractor, with duties including:

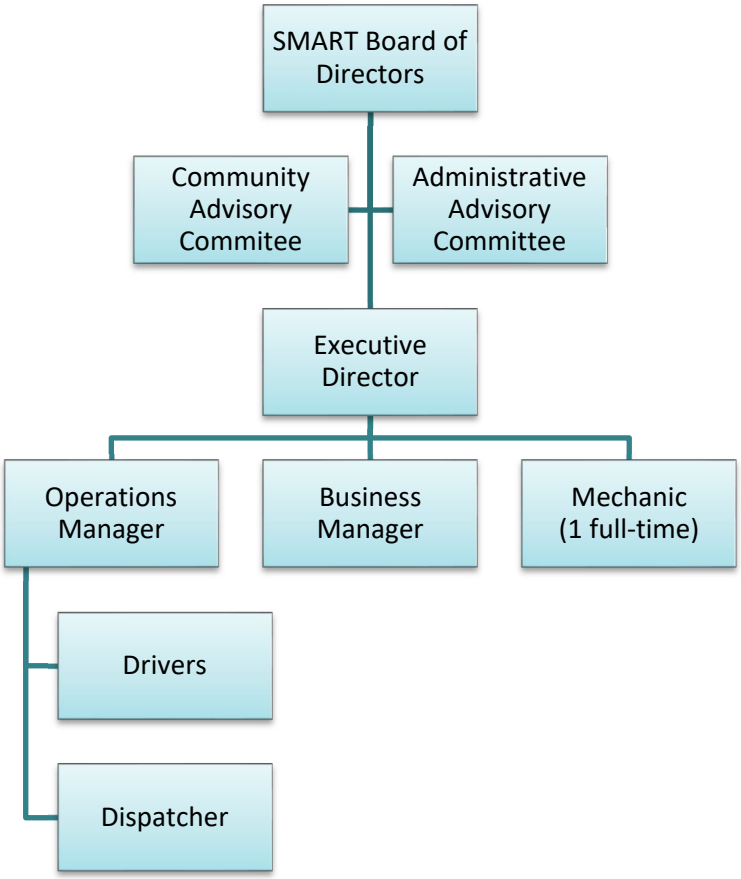
- Policy and procedure updating, development, and implementation assurance
- Monthly financial reconciliation and reporting
- Grant reimbursements
- Payroll, receivables, and payables
- Support for the annual audit and budget development

Given that this would be a part-time position and that some of these tasks are already a part of the current SMART budget, the financial implication would be minimal and will be considered as part of the final implementation plan that will be included in the final SOP report.

Organizational Structure for In-house Operations

If SMART were to take transit service operations in-house, which is fully considered in Chapter X of this report, the organizational structure would need to be developed to support this, as shown in Figure IX-2.

Figure IX-2: Organizational Structure, In-house Transit Operations



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Chapter X

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Chapter X: Considerations for Taking Operations In-house

This chapter considers the implications for taking services in-house, with SMART employing drivers directly, versus the current model of procuring a private-sector contractor to manage the day-to-day operations of SMART transit services.

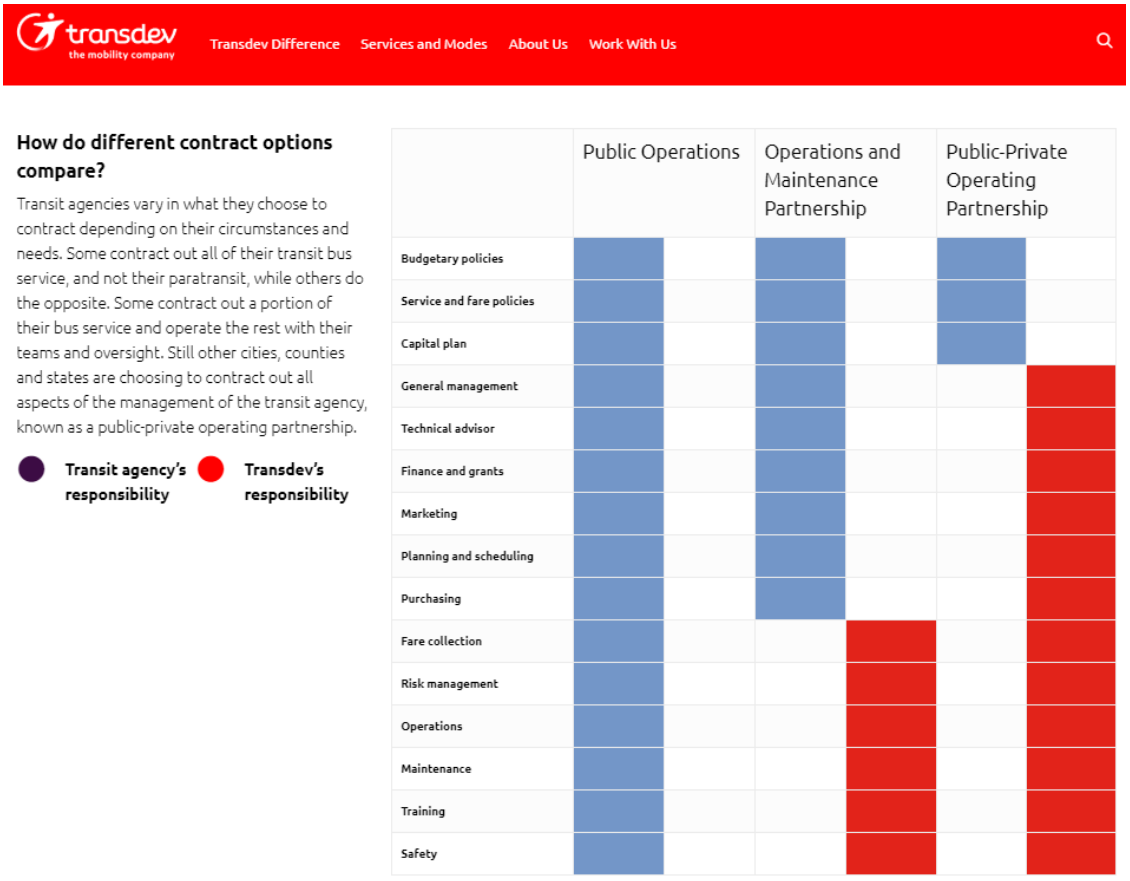
TYPES OF PUBLIC TRANSPORTATION OPERATING MODELS

There are several types of operating models, including:

- In-house operations by the public transportation agency
  - SMART would manage and operate all aspects of delivering service directly with agency employees as drivers, supervisors, and dispatchers
- Contracted service for operations and maintenance with management, financial, technical, and planning staff provided by the agency
  - This is the current model with SMART contracting with Telluride Express for Norwood, Rico, and Down Valley Routes operations
- Public-private partnership with all aspects of the agency contracted
  - SMART would only exist as a Board of Directors with all management and operations contracted out

Figure X-1 compares the three models and is sourced from one of the larger private transit contractors providing contracted service to public agencies in the United States, Transdev North America.

Figure X-1: Operating Models (source: Transdev North America, Inc.)



Given that SMART has staff in place and is not contemplating a full public-private operating arrangement, we will focus on comparing SMART's current model of an operations and maintenance contract with the possibility of SMART operating all agency transit services directly.

Comparison of In-house Operations Versus Contracted Operations

There are many good reasons why public agencies choose to contract out some or all of their transit operations to a private contractor. Conversely, there are a number of reasons why an agency may choose to operate services directly. Each of these two options comes with benefits and drawbacks that an agency must weigh to make the best decision, given unique conditions, goals, needs, and preferences.

SMART Agency Operations of All Services	SMART Contracted Operations and Maintenance (current model)
BENEFITS •Complete control of safety and quality •Flexibility to adapt service easily and quickly •Consistent staffing •Can save money, depending on benefit structure	**BENEFITS** •Clearly defined roles and responsbilities •Knowledge and existing infrastructure of experienced contractor •Allows agency to focus on higher level activities and longer-term priorities •Accountability/performance standards •May be more cost-effective when capital requirements are considered
DRAWBACKS •Requires significant administration and overhead •Must have enough vehicles, including spares, and facilities to operate •Hiring in local markets with low unemployment is challenging	**DRAWBACKS** •Lack of quality control, possible inconsistency over time •Potentially slower response time to new or changing service needs •Qualified contractor pool (competition) may be limited

DECISION FACTORS FOR OPERATING SERVICE DIRECTLY

As SMART considers possible direct operations of all transit services through its own resources, employees, equipment, and facilities, there are several decision factors to weigh.

Current Transit Service Contractor

In late 2018 SMART began contracting the Norwood, Down Valley, and Southern (Rico) Routes to Telluride Express, as a result of a Request for Proposal (RFP) process, whereby SMART developed a scope of work and solicited to potential qualified bidders through a defined process required by state and federal procurement rules.

The current contract with Telluride Express runs from November 2018 to November 2019 with a renewal term of five years. Under this operating agreement, Telluride Express is contracted for the Norwood, Down Valley, and Rico routes for SMART using SMART-owned vehicles, with Telluride Express-owned vehicles as back-ups. Telluride Express agrees to provide routine preventative maintenance as part of the agreement with additional charge for unscheduled, major bus maintenance. For required insurance, SMART is required to reimburse Telluride Express for the costs of carrying insurance on SMART-owned buses, and fuel expenses are SMART's responsibility for SMART-owned vehicles.

Based on several factors including route observations by LSC, SMART staff and board comments, and community feedback, it appears that Telluride Express is providing professional, responsive, and quality service delivery for the SMART routes, in accordance with the contract between SMART and Telluride Express. As SMART considers possible operations of Lawson Hill and Off-season routes, Telluride Express has indicated a willingness and ability to scale up operations as necessary, as well as be a partner for future growth in operating service.

Equipment and Facility Resources

Under the current contracted operations model, SMART is able to utilize the existing capital equipment and maintenance/administration facilities of its contractor. SMART does not have a facility that would allow for direct operations of its routes to support vehicle storage, maintenance and repair, and office space for additional staff. If SMART wanted to directly operate service, it would have to secure a facility through lease, purchase, or construction.

Adequate vehicle fleet is another need that SMART would have to address prior to considering taking operations in-house. SMART owns enough vehicles to operate the Down Valley, Norwood, and Rico Routes, but it doesn't have enough spare vehicles or any vehicles to allow for growth of operations or to take over operating Lawson Hill or Off-season Routes. SMART would need to fund and acquire these additional vehicles before it could consider taking operations in-house.

Staffing and Capabilities

With only two employees, SMART doesn't have adequate staffing resources. As outlined in Chapter IX of this report, SMART would need to add additional operational staff (drivers and dispatch function), maintenance staff, and business management staff.

Additionally, these new staff positions would likely need training and mentoring to build public transportation industry knowledge, and this takes time and effort. SMART would have a learning curve to overcome with new staff – under the current model of contracted service, the contractor has already developed its staff knowledge and expertise.

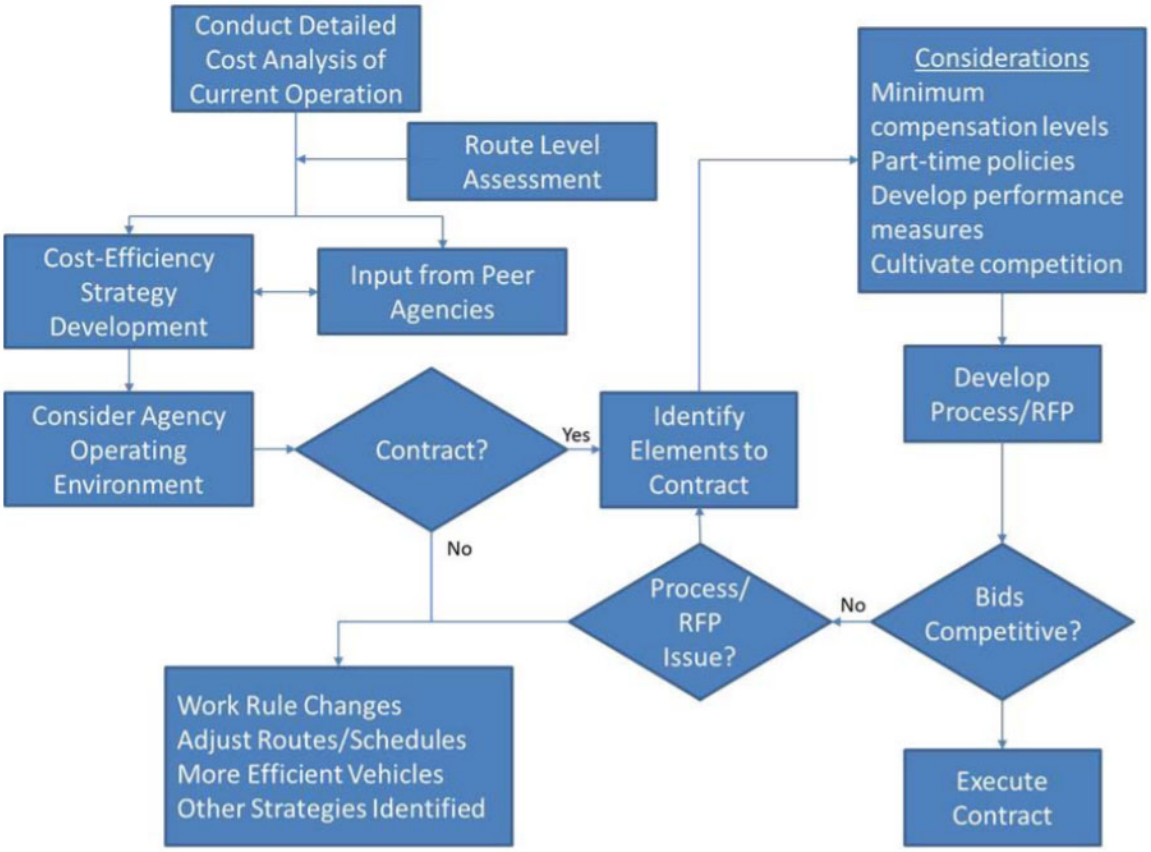
Financial Constraints

SMART has a financial funding model combined with a fair contractor agreement that allows for sustainable operations. If SMART's funding or contractor terms (through solicitation of a new service contractor after the current contract expires) were to significantly change, it might necessitate in-house operations. If SMART could address the capital equipment and facility needs, it is possible that operating service directly could save SMART funding, assuming that it could find drivers at a competitive pay rate.

DECISION-TREE

According to the National Center for Transit Research (NCTR) at the University of South Florida in their report titled *Analysis of Transit Contracting Models and Proper Incentives for Long-Term Success* (November 2013), the decision to contract or not starts with a detailed cost analysis of operations to determine the cost impacts of contracting, as shown in Figure X-2.

Figure X-2: Decision Tree for Contracted Operations (source: NCTR Report: Analysis of Transit Contracting Models and Proper Incentives for Long-Term Success, Nov. 2013)



For SMART, the decision to operate transit services directly may come down to the answers to these critical questions:

- Does SMART have a facility in which to base operations?
- Does SMART have enough spare vehicles to adequately cover route needs and unforeseen circumstances?
- Does SMART believe it can find drivers, a dispatcher, and maintenance personnel at a competitive wage rate with the right experience?
- Does SMART believe it can save money and/or improve the quality and safety of the operations by taking them in-house?

If the answers to all of these questions are "yes," then SMART should move towards operating services directly through an in-house model. If not, SMART should reconsider in-house operations.

FEASIBILITY ANALYSIS AND RECOMMENDATION

Given that SMART doesn't have the required resources to operate service directly and that there is a qualified contractor in place under a fair contract arrangement, LSC recommends that SMART use its existing contracted model for the time period covered by this SOP. In five years, SMART should reevaluate its service delivery model using the tools outlined in this chapter.

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Chapter XI

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Chapter XI: Updated Cost Allocation Model

This chapter provides an updated cost allocation model to more accurately reflect incremental costs of adding new service or expanding existing services, based on assumptions about how SMART will manage and operate transit services in the next five years.

COST ALLOCATION MODELS

Previous Model

As part of Interim Report #1 and Chapter V of this SOP, LSC developed an initial cost allocation model to reflect current SMART operations, based on available historical data, and determine the incremental operating cost of a variety of service alternatives. A separate cost allocation model was developed for the commuter and vanpool options.

The cost allocation models were developed using historical financial data and cost information from the 2019 budget, but applied in a way that assumed SMART would operate all of the commuter fixed routes. In order to develop such a model, each cost line item is allocated to variable or fixed costs. Fixed costs are those costs that are identified as being constant and do not increase or decrease based on the level of service. This is a valid assumption for the short term, although fixed costs could change over the long term (more than one or two years).

Given limited historical data and a variety of operating agreements, in which services were costed differently, the previous cost allocation model from Chapter V overstated the incremental costs of adding new services or enhancing existing services.

New Model

With additional information and insights provided by SMART staff and the SMART Board, we were able to refine our cost allocation model to better reflect current SMART operations and the likely future operating model for SMART transit services. The new cost allocation model is presented in Table XI-1 and the separate cost allocation model for the commuter services is presented in Table XI-2.

Assumptions

The new cost allocation model is based on several assumptions, including:

- SMART will assume operations of the Lawson Hill and Off-Season routes under a contract with Telluride Express, in addition to the existing routes SMART is operating under a contract with Telluride Express. These routes are currently operated by the Town of Telluride (Lawson Hill) and Town of Mountain Village (Off-season).
- 2019 costs and administrative budget were used to develop this model and they include the salary for the newly hired Planner/Ops Coordinator position.
- The fuel, maintenance, and parts per mile allowances are based on current miles and hours for the Down Valley, Norwood, Lawson Hill, Off Season, and Rico/Southern routes.
- The additional costs for deadhead hours and bus washes were added as they were not included in the original 2019 budget.
- A capital equipment contribution was added to account for vehicle depreciation.

Table XI-1: Updated Cost Allocation Model				
PROPOSED ACCOUNT	Based on current spend/costs	Vehicle-Hours	Vehicle-Miles	Fixed Costs
Personnel Expenditures	$251,900			$251,900
Professional Services and Operations	$97,000			$97,000
Association Dues, Conferences, and Training	$8,450			$8,450
Lawson Hill Intercept Lot Expenses	$42,000			$42,000
Contracted Services (Down Valley, Norwood, Rico, Lawson, Off-Season) - Hourly Bus Service Base Rate	$663,866	$663,866		
Contracted Services (Down Valley, Norwood, Rico, Lawson, Off-Season) - Fuel cost ($0.38 per mi.)	$62,673		$62,673	
Maintenance/Insurance reimbursement to contractor/other costs ($0.17 per mi.)	$28,038		$28,038	
Parts allowance for large buses ($0.12 per mi.)	$19,792		$19,792	
Contribution to Capital Equipment Fund	$30,000			$30,000
TOTAL OPERATING COSTS	**$1,203,719**	**$663,866**	**$110,503**	**$429,350**
Service Variable Quantities		veh-hrs	veh-mls	Fixed-Cost Factor
Used for Planning Purposes		7,697	164,930	
		$86.25	**$0.67**	**1.55**

Note: Assumes SMART operates all commuter fixed routes.
Source: LSC and SMART, 2019.

Table XI-2: Vanpool and Commuter Cost Allocation Model				
PROPOSED ACCOUNT	Budget 2019	Vehicle-Hours	Vehicle-Miles	Fixed Costs
Administrative Costs (10%)	$41,735			$41,735
San Miguel County Commuter Shuttle	$10,000		$10,000	
Mtn. Village Shuttles	$150,000		$150,000	
TOTAL OPERATING COSTS	**$201,735**	**$0**	**$160,000**	**$41,735**
Service Variable Quantities		veh-hrs	veh-mls	Fixed-Cost Factor
Used for Planning Purposes		*0*	*293,680*	
		$0.00	**$0.54**	**1.26**

Source: LSC, 2019.

Comparison

Table XI-3 presents a comparison of the costs for each of the options in the preliminary service alternative using the old and new cost allocation models. It should be noted that the preliminary service alternative is refined and adjusted in the Final Service and Implementation Plan, detailed in Chapter XIII of this Final SOP.

Table XI-3: Comparison of Old and New Cost Allocation Models

Preliminary Alternatives		Incremental Cost Using: Old Cost Allocation Model	Incremental Cost Using: New Cost Allocation Model	Percent Change
Option 14A	Extend Lawson Hill Route to year-round service and extend the route structure to the Town Hall in Mountain Village. Route runtime is one hour and operates nine roundtrips per day between 7:00 a.m. to 10:00 a.m. and 4:00 p.m. to 10:00 p.m.	$73,807	$48,663	-34%
Option 15A	Extend Lawson Hill Route to year-round service, extend the route structure to the Town Hall in Mountain Village, and fill in mid-day service gap year round. Route runtime is one hour and operates 15 roundtrips per day between 7:00 a.m. and 10:00 p.m.	$400,349	$263,962	-34%
Option 18	Eliminate Off-Season II (Express) Route. This option is dependent on implementation of Lawson Hill Option 14A.	-$43,430	-$28,743	-34%
Option 19	Eliminate Off-Season I red bus (Mon.-Sun.) and Off-Season II (Express) (Mon.-Fri.) route. This option is dependent on implementation of Lawson Hill Option 15A.	-$236,637	-$155,769	-34%
Option 4	Add a new stop at Ilium/Two Rivers for the existing service.	$57,727	$37,818	-34%
Option 1	Add a new bus stop at Ophir Road.	$0	$0	0%
Option 8	Route extension to Naturita (schedule times for Norwood would stay the same and buses would remain based out of Norwood with deadhead to Naturita). Start with one of the Norwood buses in Phase 1 and then both buses starting in Naturita in Phase 2.	$100,502	$70,543	-30%
Option 11	Add a second van departing from Montrose.	$18,698	$18,698	0%
Option 12	Retain existing vans and add a new commuter fixed-route service from Montrose to Telluride, stopping in Ridgway, with one roundtrip per weekday.	$127,322	$90,269	-29%
Other	Bikeshare operating costs	$25,500	$25,500	0%
Other	Additional medical shuttle support	$5,000	$5,000	0%

Source: LSC, 2019.

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Chapter XII

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Chapter XII: Policies and Partnerships

This chapter describes organizational policies and partnerships SMART should develop in support of the SOP implementation.

VANPOOL MODEL

SMART currently operates vanpool routes from Montrose and Ridgway, originally started by San Miguel County. According to the Federal Transit Administration (FTA), a vanpool is defined as:

VANPOOL: A transit mode comprised of vans, small buses and other vehicles operating as a ride sharing arrangement, providing transportation to a group of individuals traveling directly between their homes and a regular destination within the same geographical area. The vehicles shall have a minimum seating capacity of seven persons, including the driver.

Vanpool Characteristics

Since SMART is operating a vanpool program as part of its public transportation services and the vanpool is planned to grow under this SOP, it is important to review the key characteristics that vanpools should have in order to meet the definition of vanpool and not fall under other public transportation definitions, such as commuter route or fixed route. These key characteristics include:

- A group of individuals who agree to share the ride to work each workday with payment through a weekly or monthly subscription that is fixed, based on the agency cost model, and is paid by each rider, regardless of how often the rider chooses to ride during the subscription period.
- A route and schedule that is based on the work needs of the vanpool riders, but isn't fixed in exact time or route – a vanpool may make small adjustments to its route and schedule, if all of the subscribed riders are in agreement.
- The vanpool driver is a trained volunteer from within the group using the van for transportation to/from work who is compensated with a free ride on the van in exchange for driving and is compensated otherwise.
- All vanpools must be open to the public and advertised to the public – availability is first come, first served.
- All vanpools must comply with the Americans with Disabilities Act and be able to provide requested vanpool service to those with disabilities, if a seat is available on the van for the subscription period requested.
- Vanpools must be marketed to potential riders and the community at-large.

SMART's current vanpools have most of these characteristics, but the subscription requirement is one that should be instituted.

Policies and Procedures for the Vanpool

As SMART considers strengthening and expanding the vanpool, there are several policies and procedures to implement:

- Comprehensive application and vanpool driver orientation process
- Established vanpool volunteer driver selection and retention criteria
- Complaint and safety concern process
- Clearly written guidelines for vanpool daily operation, including pre-trip inspections, accident/incident emergency procedures, subscription collection, and reporting (mileage, hours, rider count)
- Regular refresher training of volunteer vanpool drivers
- Participant manual for all riders on rules, expectations, and responsibilities

SMART should also consider internal policies and strategies for farebox recovery goals, capital replacement planning, backup driver continuity of operations, and key indicators for vanpool performance. Vanpool routes that grow over time may need to be transitioned to fixed route commuter service.

Resources

There are many vanpool programs throughout the country that have been operated for decades and have developed comprehensive operating policies, procedures, and guidelines. Some online resources include:

1. Utah Transit Authority Vanpool Operations Manual
    a. http://rideuta.com/-/media/Files/Rider-Info/Vanpool/November-2017/UTA_Vanpool_Operations_Manual_November_2017.ashx?la=en
2. King County Metro Commuter Van Program Participant Manual
    a. http://metro.kingcounty.gov/tops/van-car/pdf/cv-programManual.pdf
3. Pierce Transit Vanpool Participant Reference Manual
4. GO Triangle Vanpool Manual
    a. http://gotriangle.org/sites/default/files/vanpool_manual_2017_updatedsept6.pdf
5. Mason Transit Vanpool Rider Handbook
    a. http://www.masontransit.org/wp-content/uploads/2018/08/2018-Vanpool-Handbook-082018.pdf

These resources can help SMART adapt its current commuter shuttles to a more traditional and compliant vanpool model.

PARTNERSHIPS

SMART will need creative partnerships with new entities to help support the implementation of the SOP through marketing, funding, ridership development, and operational agreements.

New Government Partnerships

As SMART considers the possible expansion of service to Naturita for the Norwood Route and a new commuter route for employees that connects the City of Montrose and Ridgway with Telluride and Mountain Village, new partnerships with both Montrose County and the City of Montrose will be critical for success and long-term financial sustainability of these new services.

These partnerships may start out as relatively modest in terms of financial contributions, but an incremental approach combined with long-term commitment can work well for new funding arrangements and governmental cooperative agreements. These partnerships should include:

- Clear definition of funding requirements and how the amount of funding was calculated
- Recognition of in-kind support and approximate value
- Performance measures for tracking progress and reporting requirements
- Well-defined roles and responsibilities

In addition, SMART should work at developing relationships with Dolores and Ouray Counties.

The SMART Board of Directors has indicated a willingness to consider service outside of its defined transportation authority boundaries if appropriate partnerships can be developed. If benefit can be shown and value can be agreed upon, new regional services can thrive.

New Business Partnerships

SMART will need business support and private-sector partnerships to help implement key aspects of the SOP. These include partnerships with:

- Telluride Ski and Golf
  - For support of a new connection to the Two Rivers area, where many employees live and more housing may be developed
  - This partnership may include financial and in-kind support
- Local hotels and service industry employers
  - For increased purchase of bus passes of employees and promotion of SMART services
- Local bike shops
  - For maintenance and repairs of bikeshare bikes
- Lawson Hill Property Owners
  - For ongoing coordination of service development needs and bus stop development in the Lawson Hill area

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Chapter XIII

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Chapter XIII: Final System Service Plan and Implementation

This chapter describes all the necessary aspects of implementing the SMART SOP including:

- Service Plan
  - Routes
  - Incremental Costs
  - Operational Considerations, such as driver utilization
  - Estimated Performance
- Implementation Phasing
- Capital Plan
  - Vehicles
  - Infrastructure, such as bus stop improvements
  - Facilities, including maintenance and administration facility
- Financial Plan
- Monitoring Plan

The final SOP system plan herein provides the blueprint for SMART for the next five years and beyond – it is intended to be an actionable and practical toolkit.

PUBLIC OUTREACH AND STAKEHOLDER INPUT

The preliminary SMART system alternative, described in detail by route in Chapter VIII, was taken to the public through a series of meetings, presentations, and workshops designed to solicit input and gather feedback to inform the final system service plan.

SMART Board of Directors

SMART's Board of Directors reviewed the preliminary service alternative at their August 8, 2019 board meeting. Comments received included:

- Consider moving the Ilium Road/Two Rivers connection to Phase 1 of the plan.
- We need an updated cost allocation to be able to fully understand the financial implications.
- Is there a way to have a contingency plan if revenues don't match estimates?
- Partnerships with jurisdictions outside of the SMART defined authority boundary are critical for expanding routes to new areas such as Naturita and Montrose.
- Is it necessary to connect a new Lawson Hill route configuration to the Town of Mountain Village every trip? Perhaps it should only operate for a few trips during the commute times to provide connectivity among the various commuter routes?
- Safety is paramount when considering any new bus stop locations.
- We need clear and concise vanpool policies/guidelines, especially if the vanpool is to continue to be a tool for developing or supplementing commuter fixed routes.

Stakeholder and Public Input

There were six open houses help to discuss the Draft Preliminary System Alternative throughout the region between August 27 and September 5, 2019. LSC led the open houses on August 27 and 28, and SMART staff led the remainder of meetings and open houses. Meetings were advertised in the Daily Planet newspaper, on the SMART website, and on the KOTO local radio station. The meetings included:

- August 26 - Administrative Advisory Committee
- August 27 - Mountain Village Open House
- August 28 - Telluride Open House #1
- August 29 - Placerville Open House
- September 3 - Telluride Open House #2
- September 4 - Norwood Open House
- September 5 - Community Advisory Committee
- September 5 - Rico Open House.

While meeting attendance was relatively light, there were many productive conversations about the plan that took place at these meetings. In general, there is broad support for the concepts as presented with some suggested changes to the proposed link between Lawson Hill and Mountain Village. Staff also met with the Lawson Hill Owners Association to discuss changes to the Lawson service and need for a link to Mountain Village. That group was also in support of the proposed changes in the Draft preliminary alternative, again with some tweaks to the proposed Lawson-Mountain Village service.

FINAL SERVICE PLAN

The final service plan is shown in Table XIII-1 and incorporates 10 recommended SOP changes for SMART to implement over the coming five to six years. These changes are summarized in Figure XIII-1, as an overview, and in Figure XIII-2, as the Final SOP System Map.

Table XIII-1: Final Service Plan														
		# of	Total Daily		Total Annual		Annual	Annual	Incremental	Current			
	Service Description	Vehicles Required	Revenue - Miles	Revenue - Hours	Revenue - Miles	Revenue - Hours	Operating Days	Operating Cost	Operating Cost	or Est. Ridership	Cost per Passenger	Passengers per Hour	Phasing
Southern Route (Rico)													
Status Quo - Commuter fixed-route service between Rico and Telluride operating one roundtrip per weekday. Bus departs Rico at 6:50 a.m. and departs Telluride at 5:30 p.m.		1	60	2	11,700	520	260	$61,862	--	1,800	$34.37	3.5	Maintain throughout
SOP Change #1	Add a new bus stop at Ophir Rd.	1	0	0	0	0	260	--	$0	300	--	--	Phase 1
Down Valley Route													
Status Quo - Commuter fixed-route service between Sawpit, Placerville, and Telluride operating three rountrips per weekday - one in the morning, one midday, and one in the evening. (The Norwood Route provides additional service including two aditional weekday roundtrips and one roundtrip per day on weekends).		1	102	3	26,520	780	260	$187,371	--	5,021	$37.32	6.4	Maintain throughout
SOP Change #2	Add a new stop at Ilium/Two Rivers.	1	24	1.5	6,240	390	260	--	$37,818	1,731	$33.87	4.4	Phase 1
Norwood Route													
Status Quo - Commuter fixed-route service between Norwood, Sawpit, Placerville, and Telluride operating seven days per week with two roundtrips per day on weekdays (two morning and two evening departures) and one roundtrip per day on weekends.		2	130	3	47,320	1,248	365	$299,794	--	20,062	$14.94	16.1	Maintain throughout
SOP Change #3	Route extension to Naturita (schedule times for Norwood would stay the same and buses would remain based out of Norwood with deadhead to Naturita). Start with one of the Norwood buses in Phase 1 and then have both buses start in Naturita in Phase 2.	2	67	1	24,336	499	365	--	$59,361	3,285	$28.01	6.6	Phase 1 for 1 bus, Phase 2 for both buses
SOP Change #4	Additional weekday midday trip to/from Norwood, also serving Down Valley Route, departing Telluride at 11:00 a.m. and departing Norwood at 12:30 p.m. arriving back in Telluride at 1:30 p.m.	1	66	2	17,160	442	260	--	$49,620	4,180	$18.40	9.5	Phase 3
San Miguel County Ridgway-Montrose Commuter Options													
Status Quo - Vanpool/shuttle operating on weekdays with one van operating from Montrose to Telluride and one van operating from Ridgway to Telluride.		2	212	5	55,120	1,300	260	$12,608	--	11,620	$1.09	8.9	Maintain throughout
SOP Change #5	Add a second van departing from Montrose.	1	132	3	34,320	780	260	--	$18,698	4,160	$5.67	5.3	Phase 1
SOP Change #6	Add a new commuter fixed-route service from Montrose to Telluride, stopping in Ridgway, with one roundtrip per weekday.	1	132	3	34,320	780	260	--	$90,269	18,533	$7.55	23.8	Phase 2
Lawson Hill Route													
Status Quo - Fare-free fixed-route service connecting Telluride with Lawson Hill operating seven days per week during the summer and winter seasons. Operates on a 30-minute frequency between 7:00-10:00 a.m. and 4:30-10:00 p.m.		1	115	8	35,588	2,542	310	$347,975	--	30,218	$11.52	11.9	Maintain throughout with expansions
SOP Change #7	Expand the current Lawson Hill route to year round service operating during both the fall and spring off-season periods. Operate current Lawson Hill schedule, but end service at 7:30 p.m.	1	117	6.5	6,435	358	55	--	$35,146	3,187	$17.09	8.9	Phase 1
SOP Change #8	New Lawson Hill tripper service between the Lawson Hill Intercept Lot and TMV operating year round on express between 7:00-9:00 a.m. and 4:00-6:00 p.m.	1	32	4	11,680	1,460	365	--	$133,751	13,017	$15.93	8.9	Phase 2
SOP Change #9	Fill in midday service gap during peak seasons to maintain a 30-minute frequency for the entire day from 7:00 a.m. until 10:00 p.m.	1	108	6	48,330	1,860	310	--	$192,806	17,689	$16.90	9.5	Phase 3
Mountain Village-Telluride Off-Season Route													
Status Quo - Fare-free fixed-route service operating seven days per week during the off-season only, when the gondola is not running. Connects TMV with Telluride and service to Lawson Hill on weekdays. Operates on a 45-minute frequency on weekdays and a 90-minute frequency on weekends.		3	548	33	43,802	2,607	80	$198,406	--	8,878	$22.35	3.4	Maintain Off-Season I throughout
SOP Change #10	Eliminate Off-Season II (Express) Route, which is replaced by the new Lawson Hill tripper service (SOP Change #8).	-1	-253	-13	-5,568	-290	22	--	-$28,743	-2,003	--	--	Phase 2

Note: Performance metrics include incremental and fixed costs.
Source: LSC 2019.

Figure XIII-1: Overview of Final SOP Recommended Changes

SOP Change 1	**Add new bus stop at Ophir Rd. (Option 1 from Preliminary Service Options)**
SOP Change 2	**Add service extension and new bus stops for Ilium and Two Rivers area on Down Valley Route (Option 4 from Preliminary Service Options)**
SOP Change 3	**Extend existing Norwood Route to Naturita, while keeping Norwood departure time same as current. Extend one of existing Norwood buses in Phase 1 and then extend both buses in Phase 2 (Option 8 from Preliminary Service Options)**
SOP Change 4	**New midday trip for Norwood Route for non-traditional work trips (similar to Option 9 of Preliminary Service Options, except midday)**
SOP Change 5	**Add a second commuter vanpool van from Montrose (Option 11 from Preliminary Service Options)**
SOP Change 6	**Start a new Montrose to Telluride commuter fixed route bus with one roundtrip per weekday, while retaining existing vanpool shuttles**
SOP Change 7	**Expand the current Lawson Hill Route to year round service running during both fall and spring off-season periods. Operate current Lawson Hill schedule except have it end at 7:30 p.m. (this is based on Option 14A but without TMV leg)**
SOP Change 8	**New Lawson Hill Intercept Lot to Town of Mountain Village tripper service year round. Operates between LH and TMV on express between 7:00 a.m. - 9:00 a.m. and 4:00 p.m. - 6:00 p.m. (this is a new option)**
SOP Change 9	**Fill in mid-day service gap during peak seasons to have 30-minute frequency for the entire day from 7:00 a.m. until 10:00 p.m. (similar to Option 15 except with current LH schedule and routing)**
SOP Change 10	**Eliminate Off-Season II (Express) Route - this service is replaced by the new Lawson Hill to TMV tripper (Option 18 from Preliminary Service Options)**

Phase 1

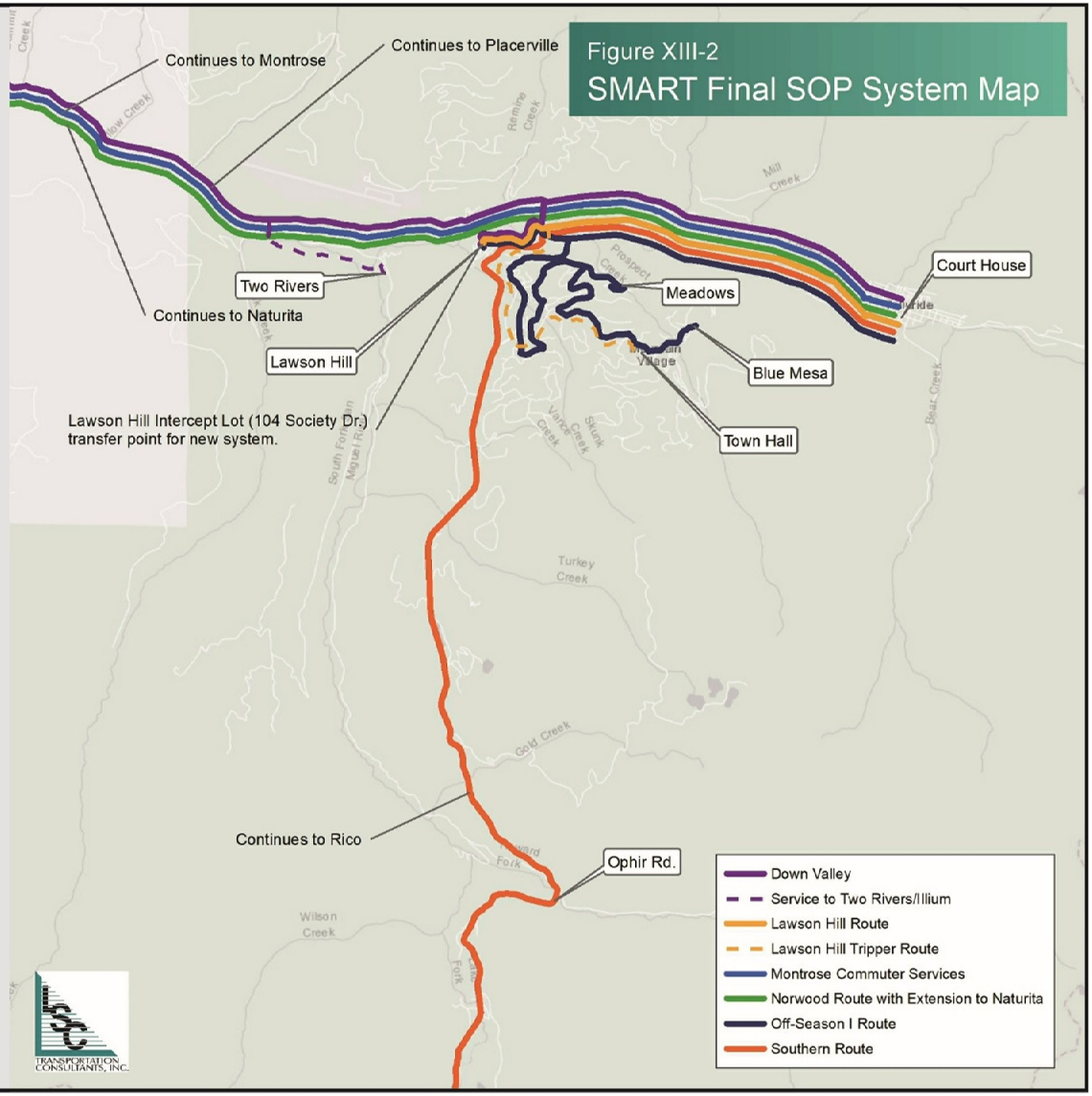
- *Southern Route:* New stop at Ophir Rd.
- *Down Valley Route*: New stop at Illium/Two Rivers
- *Norwood Route:* Extend route to Naturita with one bus
- *SMC Commuter Options*: Add a second van departing from Montrose
- *Lawson Hill:* Expand existing service to year round

Phase 2

- *Norwood Route:* Extend route to Naturita with two buses
- *SMC Commuter Options*: New weekday commuter fixed-route service from Montrose to Telluride
- *Lawson Hill:* New tripper service between the Lawson Hill Intercept Lot and TMV
- *Off-Season Route:* Eliminate Off-Season II (Express) Route

Phase 3

- *Norwood Route:* Additional midday trip with service to Naturita on weekdays
- *Lawson Hill:* Fill in midday service gap during peak seasons



Lawson Hill Fixed-Route Details

The recommended SOP changes to Lawson Hill include having Lawson Hill operate year-round with service similar to the existing peak season schedule, except with less later night service, as shown in Table XIII-2.

Table XIII-2: Schedule for Lawson Hill Route for Spring and Fall Off-Season (SOP Change #7)

TOWARDS LAWSON HILL			TOWARDS TELLURIDE		
Town of Telluride (Courthouse)	Lawson Hill Intercept Lot	Upper Lawson Hill	Upper Lawson Hill	Lawson Hill Intercept Lot	Town of Telluride (Courthouse)
7:00 a.m.	7:10 a.m.	7:15 a.m.	7:15 a.m.	7:20 a.m.	7:30 a.m.
7:30 a.m.	7:40 a.m.	7:45 a.m.	7:45 a.m.	7:50 a.m.	8:00 a.m.
8:00 a.m.	8:10 a.m.	8:15 a.m.	8:15 a.m.	8:20 a.m.	8:30 a.m.
8:30 a.m.	8:40 a.m.	8:45 a.m.	8:45 a.m.	8:50 a.m.	9:00 a.m.
9:00 a.m.	9:10 a.m.	9:15 a.m.	9:15 a.m.	9:20 a.m.	9:30 a.m.
9:30 a.m.	9:40 a.m.	9:45 a.m.	9:45 a.m.	9:50 a.m.	10:00 a.m.
3:00 p.m.	3:10 p.m.	3:15 p.m.	3:15 p.m.	3:20 p.m.	3:30 p.m.
4:30 p.m.	4:40 p.m.	4:45 p.m.	4:45 p.m.	4:50 p.m.	5:00 p.m.
5:00 p.m.	5:10 p.m.	5:15 p.m.	5:15 p.m.	5:20 p.m.	5:30 p.m.
5:30 p.m.	5:40 p.m.	5:45 p.m.	5:45 p.m.	5:50 p.m.	6:00 p.m.
6:00 p.m.	6:10 p.m.	6:15 p.m.	6:15 p.m.	6:20 p.m.	6:30 p.m.
6:30 p.m.	6:40 p.m.	6:45 p.m.	6:45 p.m.	6:50 p.m.	7:00 p.m.
7:00 p.m.	7:10 p.m.	7:15 p.m.	7:15 p.m.	7:20 p.m.	7:30 p.m.

Source: LSC, 2019.

In the original options developed as part of the Preliminary Service Alternative in Chapter IV, an option was developed for Lawson Hill to extend up to the Town of Mountain Village (TMV) Town Hall on every trip. Through discussions and public input, this option has been changed to a standalone tripper route that would connect Lawson Hill with TMV only during the commute times, as shown in Table XIII-3. This route is envisioned to run year-round for consistency and connectivity with the new Lawson Hill year-round service. Essentially, SOP Changes #7 and #8 work together to provide seamless year-round connectivity between Telluride, Lawson Hill, and Mountain Village.

Off-Season Route Implications

This new Lawson Hill to TMV tripper route provides connectivity to the growing Lawson Hill area that may include a new future medical clinic, and is also the location of the Lawson Hill Intercept Lot which will allow for connections to/from regional commuter routes year-round. Having this connection year-round is important for overall connectivity and consistency, especially with the existing Lawson Hill Route being expanded to year-round service. This new tripper route also allows for the Off-Season II Express route to be eliminated with the savings going towards this tripper route. Given SOP Change #8, SMART and the Town of Mountain Village may find that the Off-Season I Route can also be reduced from two buses to just one bus that perhaps only runs when the new Tripper doesn't run.

Table XIII-3: Schedule for New Lawson Hill to Town of Mountain Village Tripper Route (SOP Change #8)					
TOWARDS MOUNTAIN VILLAGE			TOWARDS LAWSON HILL		
Upper Lawson Hill	Lawson Hill Intercept Lot	Town of Mountain Village	Town of Mountain Village	Lawson Hill Intercept Lot	Upper Lawson Hill
6:45 a.m.	6:50 a.m.	7:00 a.m.	7:00 a.m.	7:10 a.m.	7:15 a.m.
7:15 a.m.	7:20 a.m.	7:30 a.m.	7:30 a.m.	7:40 a.m.	7:45 a.m.
7:45 a.m.	7:50 a.m.	8:00 a.m.	8:00 a.m.	8:10 a.m.	8:15 a.m.
8:15 a.m.	8:20 a.m.	8:30 a.m.	8:30 a.m.	8:40 a.m.	8:45 a.m.
8:45 a.m.	8:50 a.m.	9:00 a.m.	9:00 a.m.	9:10 a.m.	9:15 a.m.
4:15 p.m.	4:20 p.m.	4:30 p.m.	4:30 p.m.	4:40 p.m.	4:45 p.m.
4:45 p.m.	4:50 p.m.	5:00 p.m.	5:00 p.m.	5:10 p.m.	5:15 p.m.
5:15 p.m.	5:20 p.m.	5:30 p.m.	5:30 p.m.	5:40 p.m.	5:45 p.m.
5:45 p.m.	5:50 p.m.	6:00 p.m.	6:00 p.m.	6:10 p.m.	6:15 p.m.
6:15 p.m.	6:20 p.m.	6:30 p.m.	6:30 p.m.	6:40 p.m.	6:45 p.m.
Source: LSC, 2019.					

Down Valley Commuter Route Details

The Down Valley Route remains largely the same as it operates today with three roundtrips per weekday, plus the Norwood Route service. The biggest change to Down Valley is SOP Change #2 which establishes a connection to the Two Rivers and Ilium area, slated for Year One of the plan. Down Valley also benefits from the additional midday Norwood service. An updated schedule is shown in Table XIII-4.

Table XIII-4: Schedule for Weekday Down Valley with New Stops at Ilium/Two Rivers (SOP Change #2)							
TOWARDS TELLURIDE				TOWARDS PLACERVILLE			
Placerville	Two Rivers (Ilium Rd.)	Lawson Hill Intercept Lot	Town of Telluride (Courthouse)	Town of Telluride (Courthouse)	Lawson Hill Intercept Lot	Two Rivers (Ilium Rd.)	Placerville
7:25 a.m.*	-	7:50 a.m.	8:00 a.m.	7:50 a.m.	-	8:00 a.m.	8:20 a.m.
8:00 a.m.*	-	8:20 a.m.	7:30 a.m.	9:30 a.m.**	9:40 a.m.	-	10:00 a.m.
8:20 a.m.	8:40 a.m.	8:50 a.m.	9:00 a.m.	11:40 a.m.	11:50 a.m.	12:00 p.m.	12:20 p.m.
11:00 a.m.**	-	11:20 a.m.	11:30 a.m.	5:05 p.m.*	5:15 p.m.	-	5:35 p.m.
12:20 p.m.	12:40 p.m.	12:50 p.m.	1:00 p.m.	5:20 p.m.*	5:30 p.m.	-	5:50 p.m.
7:05 p.m.	7:25 p.m.	7:35 p.m.	7:45 p.m.	6:25 p.m.	6:35 p.m.	6:45 p.m.	7:05 p.m.
** Operated as Norwood-Naturita Route* *** Operated as new Norwood midday trip* *- = No Service* *Source: LSC, 2019.*							

It should be noted that a new bus stop will need to be established in the lower parking lot of the Two Rivers neighborhood. Another stop along Ilium Rd., possibly at the entrance of Vance Dr. for the light industrial area. These stops will require bus pull-out areas, stop signage, and

possibly passenger benches. All bus stop improvements must ensure safety and accessibility.

In addition, service to the Two Rivers neighborhood will also need to be coordinated with Telluride Ski and Golf's plans for a shuttle once all of the units have been built.

Norwood-Naturita Commuter Route Details

The existing Norwood Route has two recommended changes, as part of SOP Changes #3 and #4, that provide for a route extension to Naturita and a new midday trip. The new Norwood weekday schedule is shown in Table XIII-5.

Rico Commuter Route Details

The Rico Route, also known as the Southern Route, is SMART's newest service and is in its infancy. As such, no major changes are recommended for this route. The only SOP recommendation is the creation of a bus stop at Ophir Rd. and SH 145.

This area is challenging due to site restrictions, vehicle speeds, and winter snow storage. A possible location for this stop could be at the highway pull-out area on SH 145, just south of the Ophir Rd. junction, as shown in the picture below. This area has enough space for a bus to pull in and out of, but pedestrian access is an issue and must be investigated more.

Two small considerations for the existing Rico Route are: 1) the possibility of adjusting the route timing to facilitate a transfer at Lawson Hill to the new Lawson Hill-Mountain Village Tripper Route so that Rico passengers who work in Mountain Village can get to work quicker, and 2) changing the bus stop location in Rico to the courthouse to eliminate safety concerns of the existing stop on Rt. 145.

Montrose-Ridgway Services Details

Incorporating SOP Changes #5 and #6, the Montrose-Ridgway services are planned to be improved significantly with the addition of a new vanpool route and the creation of an entirely new commuter fixed route service to connect Montrose and Ridgway with Telluride for weekday service for an 8:00 a.m. to 5:00 p.m. work shift.

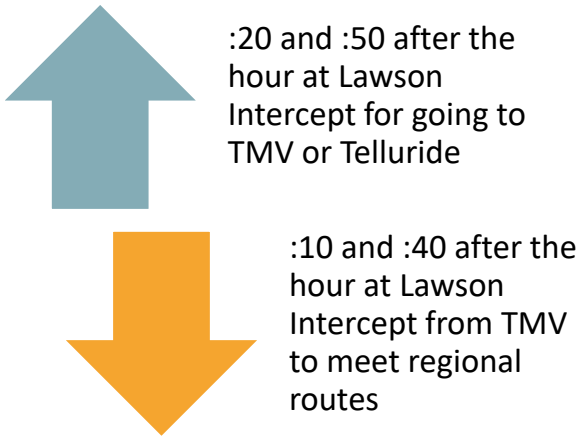
It is likely that this service will grow into multiple departures serving non-traditional work shifts, as well as weekend service, but this growth is anticipated to happen beyond the five-year period of this SOP. As this route grows over time, it may be possible to operate less commuter vanpool service, in lieu of the new commuter fixed route.

Table XIII-5: Schedule for Weekday Norwood Route with Extension to Naturita and Additional Midday Trip (SOP Changes #3 and #4)									
TOWARDS TELLURIDE					TOWARDS NORWOOD-NATURITA				
Naturita	Norwood	Placerville	Lawson Hill Intercept Lot	Town of Telluride (Courthouse)	Town of Telluride (Courthouse)	Lawson Hill Intercept Lot	Placerville	Norwood	Naturita
6:30 a.m.	6:55 a.m.	7:25 a.m.	7:45 a.m.	8:00 a.m.	9:30 a.m.	9:40 a.m.	10:00 a.m.	10:30 a.m.	-
7:05 a.m.	7:30 a.m.	8:00 a.m.	8:20 a.m.	8:30 a.m.	5:05 p.m.	5:15 p.m.	5:35 p.m.	6:05 p.m.	6:30 p.m.
-	10:30 a.m.	11:00 a.m.	11:20 a.m.	11:30 a.m.	5:20 p.m.	5:30 p.m.	5:50 p.m.	6:20 p.m.	6:45 p.m.

- = No Service
Source: LSC, 2019.

Lawson Hill Intercept Lot Transfers

A key element of the SOP is to better utilize the Lawson Hill Intercept Lot as a multimodal transportation hub and park and ride facility. Route timing has been built around facilitating timed transfers at Lawson Hill to and from regional commuter routes, such as Rico, Norwood, and Down Valley. The timing is built around:



There may be more efficiencies that SMART discovers as the SOP options are implemented and new travel patterns and transfer opportunities are identified – these patterns will change seasonally and will require all the SOP changes to operate for at least a year.

Other Services

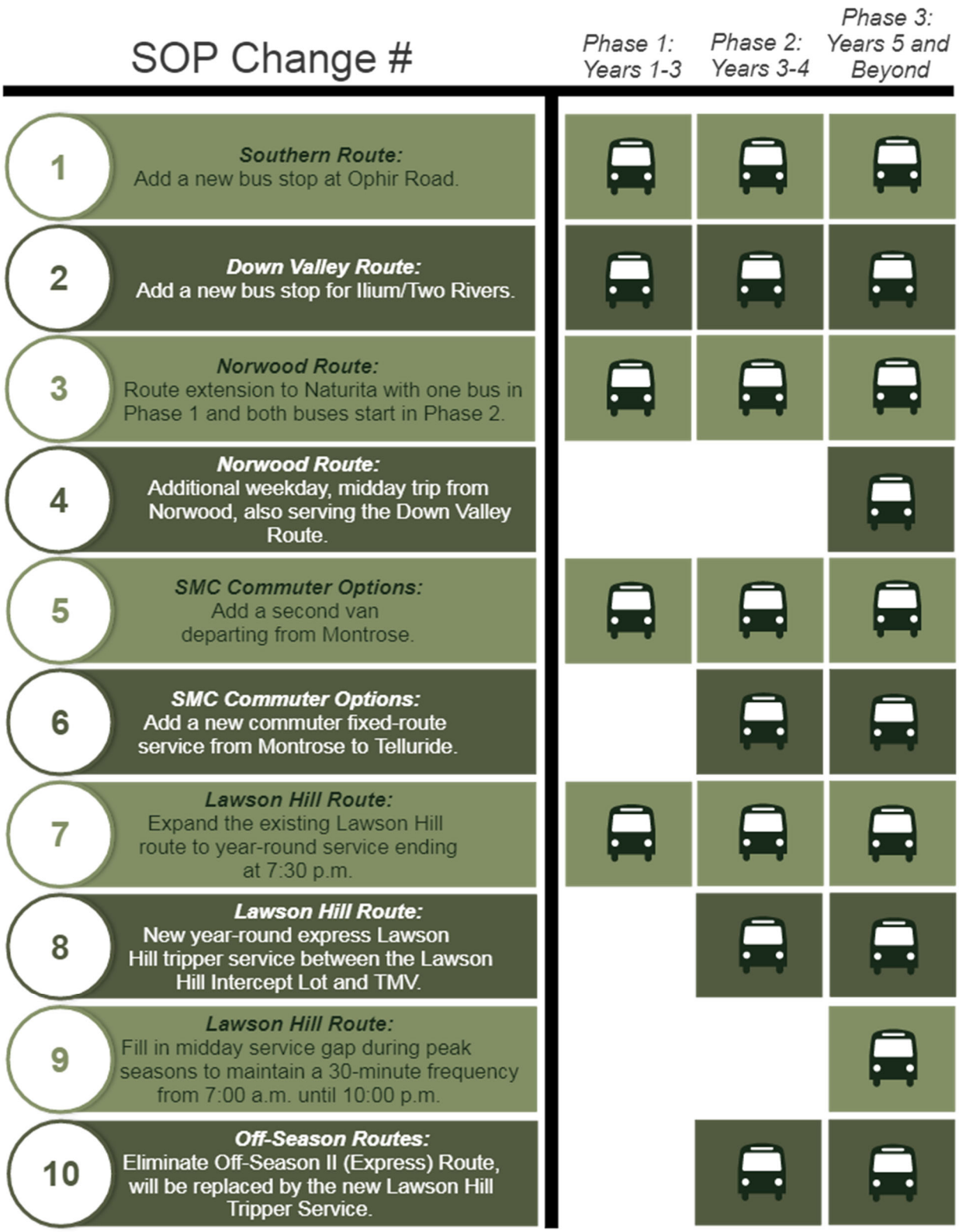
As previously described in Chapter VIII of the SOP, other multimodal and special transportation services including:

- Additional Medical Shuttles
  - LSC suggests that an additional $5,000 be included in the budget in support of an expansion of contracted medical transportation services through All Points Transportation from San Miguel County to Montrose County and Mesa County.
- Bikeshare Program
  - LSC recommends an operating subsidy of $25,500 to support bikeshare operations.
- Multimodal Integration
  - SMART should continue help support the towns and county in the development of pedestrian and bicycle infrastructure.

IMPLEMENTATION

The SMART Final SOP System would be introduced incrementally through a phased approach, as shown in Figure XIII-3.

Figure XIII-3: Implementation Phasing



CAPITAL NEEDS

SMART will need capital equipment, infrastructure, and facilities to support the implementation of the SOP. This section outlines these important capital needs.

Vehicles

Three types of vehicles are recommended for SMART services.

- 40-foot heavy-duty buses for commuter routes such as Norwood and Montrose that can accommodate 34-40 passengers, depending on configuration.
- A range of Mid-duty buses for Lawson Hill, the new Tripper Route, and the Rico Route that can accommodate 15-25 passengers.
- Full-size passenger vans for commuter vanpool services that can accommodate 12-15 passengers including the driver.


The buses incorporated into the Financial Plan and Table XIII-6 are priced as diesel-powered for the heavy-duty buses and gasoline-powered for the mid-duty buses and vans. An option for SMART to consider, should funding come available, would be battery electric buses (BEB) with either overnight charging or a fast charging station located at the Lawson Hill Intercept Lot. BEBs are becoming very popular for their environmental benefits, reduced maintenance and operating costs, and ability to meet local energy reduction goals, but they do come with a higher upfront capital cost. SMART should pursue the potential of BEBs in the future.

To support both ongoing vehicle replacements and expansion vehicles for new routes and service expansions, the Financial Plan shown in Table XIII-6 calls for vehicle investments of:

- ➔ $2,278,104 in heavy-duty buses (diesel)
- ➔ $111,000 (each) in mid-size cutaway buses
- ➔ $186,427 in commuter vanpool vans
- ➔ TOTAL of $2,575,532 in capital equipment over the course of the SOP

If the heavy-duty buses were to be BEB, this cost for buses would rise to approximately $3,400,000 ($850,000 each) and require additional infrastructure of $50,000 to $200,000, depending on the type of charging equipment and facility upgrades. Much of this additional cost, if not all, could be made up in maintenance and fuel savings over the life of the buses.

Infrastructure

SMART will need to continue to invest in supporting infrastructure such as bus stop shelters and benches, bus stop lighting, bus landing zones and pull-out areas, and other passenger amenities. Safe access to and from bus stops is critical to overall transit operations and building ridership. As most of these improvements will be built in the public right-of-way, SMART will need to work with appropriate municipal partners to continue to expand and improve this infrastructure.

Technology

During the course of the SOP, SMART should pursue transit technology software and hardware solutions that can help make riding the bus easier, through real-time bus location info on a smartphone app and on the SMART website, as well as provide more robust reporting and system analytics. These technologies should be developed in partnership with the operating contractor of SMART services and should allow for internal software-based vehicle dispatch.

Facilities

A major needed capital investment for SMART is the development of a vehicle maintenance and storage facility. The transit facility should accommodate bus storage, as well as provide administration office space, and should be located in the Telluride-Mountain Village vicinity.

Example of 7,500 square foot Transit Facility

The ideal facility would have the following characteristics:

- 2500-3000 square feet of office space, including a conference room, driver break room, and bathrooms
- Two bays for routine and unscheduled maintenance with potential for vehicle hoist, as well as parts storage room and tire storage area (approx. 1200-1500 square feet)
- Indoor storage bays for up to four buses (approx. 2000-3000 square feet)
- Outdoor storage for up to six regional buses and vans that are out of service during the day (half to one-acre site)

After a thorough review of potential locations for a new facility, it is our recommendation to pursue a location in the Lawson Hill light industrial area. This location is most central to bus operations and the Lawson Hill Intercept park and ride lot, which will serve as the critical hub to the SOP recommendations. There are existing buildings, as well as vacant parcels, that could be developed into a SMART transit facility, but the opportunities are limited. If an appropriate site cannot be found in this area, the next best option would be the Ilium Valley Industrial Park.

SMART should maintain its relationships for overnight vehicle storage for Norwood buses and the Rico buses. Given operations in rural communities covering a large area of land, it isn't possible to store all buses at a central location, and these routes will continue to require bus storage and may need development and maintenance of improved storage facilities.

FINANCIAL PLAN

To support this SOP a financial plan with projected expenditures and required revenues for both operating and capital expenses has been defined and is shown in Table XIII-6. Inflation is assumed at two percent annually every year from year one.

The financial plan is comprehensive and includes all costs detailed by route or type of improvement – assumptions are noted about revenue sources. Capital costs for vehicles to operate the core routes are based on diesel buses. Use of battery electric buses would have higher up-front costs as discussed earlier, but lower operating and maintenance costs.

Table XIII-6: Financial Plan (2% Annual Inflation)					
	Year 1	Year 2	Year 3	Year 4	Year 5
EXPENSES					
Operating Expenses					
Status Quo Serivce	*$1,417,650*	*$1,446,003*	*$1,474,923*	*$1,504,422*	*$1,534,510*
Phase 1					
SOP Change #1 - Southern (Rico) Route: Add a new bus stop at Ophir Road.		$0	$0	$0	$0
SOP Change #2 - Down Valley Route: Add a new stop at Illium/Two Rivers for the existing service.	$38,574	$39,346	$40,133	$40,935	$41,754
SOP Change #3 - Norwood Route: Route extension to Naturita with one bus.		$30,880	$31,497	$32,127	$32,770
SOP Change #5 - San Miguel County Ridgway-Montrose Commuter Options: Add a second van departing from Montrose.	$19,072	$19,453	$19,842	$20,239	$20,644
SOP Change #7 - Lawson Hill Route: Expand the current route to year-round service running during both fall and spring off-season periods, ending at 7:30 p.m.		$36,566	$37,297	$38,043	$38,804
Phase I Subtotal	$57,646	$126,245	$128,770	$131,345	$133,972
Phase 2					
SOP Change #3 - Norwood Route: Route extension to Naturita with second bus.			$31,497	$32,127	$32,770
SOP Change #6 - San Miguel County Ridgway-Montrose Commuter Options: Add a new commuter fixed-route service from Montrose to Telluride.			$95,794	$97,710	$99,664
SOP Change #8 - Lawson Hill Route: New tripper route between Lawson Hill and TMV operating year round during commuting hours.			$141,938	$144,776	$147,672
SOP Change #10 - Off-Season Route: Eliminate Off-Season II Express Route, replaced by SOP Change #8.			-$30,491	-$31,722	-$33,004
Phase II Subtotal	$0	$0	$238,738	$242,891	$247,102
Phase 3					
SOP Change #4 - Norwood Route: Additional midday trip to Norwood on weekdays.					$54,784
SOP Change #9 - Lawson Hill Route: Fill in midday service gap during peak season.					$212,873
Phase III Subtotal	$0	$0	$0	$0	$267,658
Other Options *(Not Included in Operating Expenses Subtotal)*					
Bikeshare Operating Costs		$26,530	$27,061	$27,602	$28,154
Additional Medical Shuttle Support	$5,100	$5,202	$5,306	$5,412	$5,520
Operating Expenses Subtotal	$1,475,296	$1,572,248	$1,842,431	$1,878,658	$2,183,242
Capital Expenses					
Heavy-duty bus fleet replacements for existing fleet (assume diesel)	$550,000		$572,220	$583,664	
Van shuttle replacements for existing fleet	$45,900	$46,818		$48,709	
SOP Change #1 - Add new bus stop and improved pull-out at Ophir Rd.		$25,000			
SOP Change #2 - Add new bus stops with shelters at Ilium/Two Rivers	$10,000				
SOP Change #3 - Add new bus stop with bench in Naturita			$1,000		
SOP Change #5 - New van for additional vanpool	$45,000				
SOP Change #6 - New large, heavy-duty bus for new Montrose commuter route			$572,220		
SOP Change #8 - New mid-size cutaway for new Lawson Hill to TMV tripper route			$111,000		
Capital Expenses Subtotal	$650,900	$71,818	$1,256,440	$632,374	$0
Total Expenses	$2,126,196	$1,644,066	$3,098,871	$2,511,032	$2,183,242
REVENUES					
Operating Revenues					
Sales Tax	$535,500	$546,210	$557,134	$568,277	$579,642
Property Tax	$523,000	$533,460	$544,129	$555,012	$566,112
San Miguel County Contribution	$150,000	$153,000	$156,060	$159,181	$162,365
Fares - Norwood/ Down Valley/Rico Routes	$40,000	$40,800	$41,616	$42,448	$43,297
Fares - Montrose/Ridgway Vanpools	$10,000	$10,200	$10,404	$10,612	$10,824
Fares - New Montrose Commuter Route			$30,000	$30,600	$31,212
CDOT Operating (5311)	$165,600	$165,600	$165,600	$165,600	$165,600
CDOT Planning (5304)	$35,200				
CDOT CMAQ		$102,000			
Additional Required Revenue (new governmental or private sector)	$15,996	$20,978	$337,488	$346,927	$624,189
Operating Revenues Subtotal	$1,475,296	$1,572,248	$1,842,431	$1,878,658	$2,183,242
Capital Revenues					
CDOT/FTA 5311 Capital Grant Funding**	$520,720	$57,454	$1,005,152	$505,899	
Local Match	$130,180	$14,364	$251,288	$126,475	
Capital Revenues Subtotal	$650,900	$71,818	$1,256,440	$632,374	$0
Total Revenues	$2,126,196	$1,644,066	$3,098,871	$2,511,032	$2,183,242

*** Assume FTA/CDOT would pay 80% of capital expenses for vehicles and bus stop improvements.*

Source: LSC, 2019.

Fares

As SMART moves forward with implementation of new services and service expansions, it is important to have a consistent fare structure that has similar fares for trips of similar distance. Having a consistent fare structure allows for SMART to balance demand with need for farebox revenue, especially important for a new route such as the Montrose Commuter Route, where demand is estimated to be high and the distance is relatively far. A recommended fare structure is presented in Table XIII-7.

Table XIII-7: SMART SOP Fare Structure

Commuter Route	Longest One-way Distance (miles)	Current One-way Fare	Recommended SOP One-way Fare
Rico	28	$3.00	$3.00
Norwood	33	$2.00	$3.00
Naturita	52	n/a	$5.00
Down Valley	16	$1.00	$1.50
Lawson Hill (incl. new TMV tripper)	8	Free	Free
Montrose (new)	66	n/a	$6.00
Ridgway (new)	40	n/a	$4.00

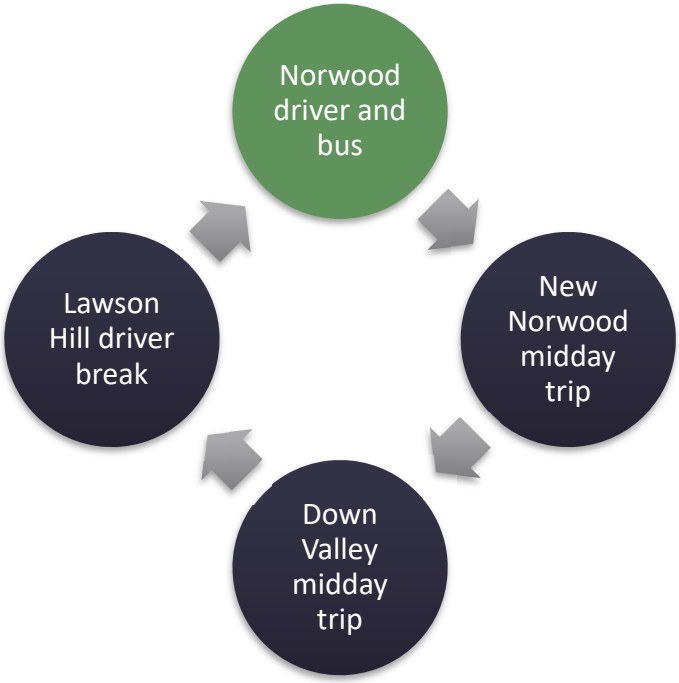
Source: SMART and LSC, 2019.

Any fare changes need to be contemplated carefully so as not to negatively impact ridership, and SMART can utilize multi-ticket passbooks, monthly passes, employer purchase of passes, and other business discounts to help mitigate the impact of any fare increases.

RESOURCE UTILIZATION

Once the SOP is fully implemented, a multitude of new opportunities for better utilization of drivers and buses will become available. With service operating throughout the day and throughout the year, it will be possible to schedule buses and drivers on more routes and more services.

As one example of how this could work, a driver and bus on one of the Norwood departures could arrive into Telluride at 8:30 a.m., take a short break, switch over to the new midday Norwood trip departing Telluride at 9:30 a.m., complete that trip, and be back in Telluride by 11:30 a.m. in time to do the midday Down Valley trip. This driver and vehicle could then have their lunch break and then relieve the Lawson Hill driver for an afternoon break before finally heading back to Norwood on one of the evening return trips.



Having more full-time work shifts available for drivers and higher vehicle use will allow SMART to create more consistency in its overall operations and ensure vehicle miles and age are accruing at similar rates, which helps with vehicle replacement planning and grant funding.

MONITORING PLAN

LSC recommends closely monitoring SMART's transit system performance and quality. A monitoring program is essential to determine the efficiency and effectiveness of the service being provided. Quarterly reports (including information on productivity measures and cost information) should be created and presented to the SMART Board and possibly the Administrative Advisory Committee. In addition, a rider survey should be conducted at a minimum every other year.

Metrics to track could include:

- Miles by bus and by route reported daily
- Hours by bus and by route reported daily
- One-way passenger-trips by bus, by route, and by passenger type
- Fares collected by bus, by route, and by fare type
- Vehicle breakdowns that require a road call or vehicle replacement
- Accidents and incidents

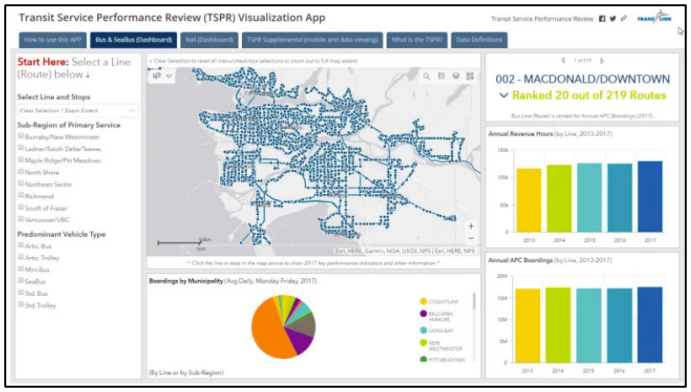
Productivity measures should indicate the number of passengers per revenue hour and passengers per revenue-mile by service area. The actual productivity should be compared with system standards. In order to monitor productivity, it is essential that passenger ridership data continue to be collected on an ongoing basis.

Data should be segmented by fare category, route, seasonality, and time (peak hours and off-peak hours). Cost information should include the cost per passenger, cost per revenue-hour, ridership, and average fare. The data should be collected and tracked based on each SMART route.

SMART Initial Performance Measures

Realizing this is important, SMART staff and board have recently worked to develop performance measures and started tracking this as of the second quarter of 2019. These performance measures were developed to focus on key categories important to the long-term success of SMART, with specific quantifiable measurements per category:

1. Category: Service Delivery
    - Revenue hours provided
    - Ridership by route
    - Productivity (passengers per revenue service hour)
2. Category: Safety and Security
    - Accidents
    - Incidents
    - Road calls for assistance
3. Category: Maintenance
    - Vehicle MPG
    - Repair for non-routine maintenance per vehicle mile (by individual bus and for the fleet)
4. Category: Economic
    - Cost per passenger trip
    - Fare revenue by route
    - Farebox recovery ratio (fares/expenditures)
5. Category: Passenger Comfort
    - Number of passenger complaints received



Example of transit dashboard

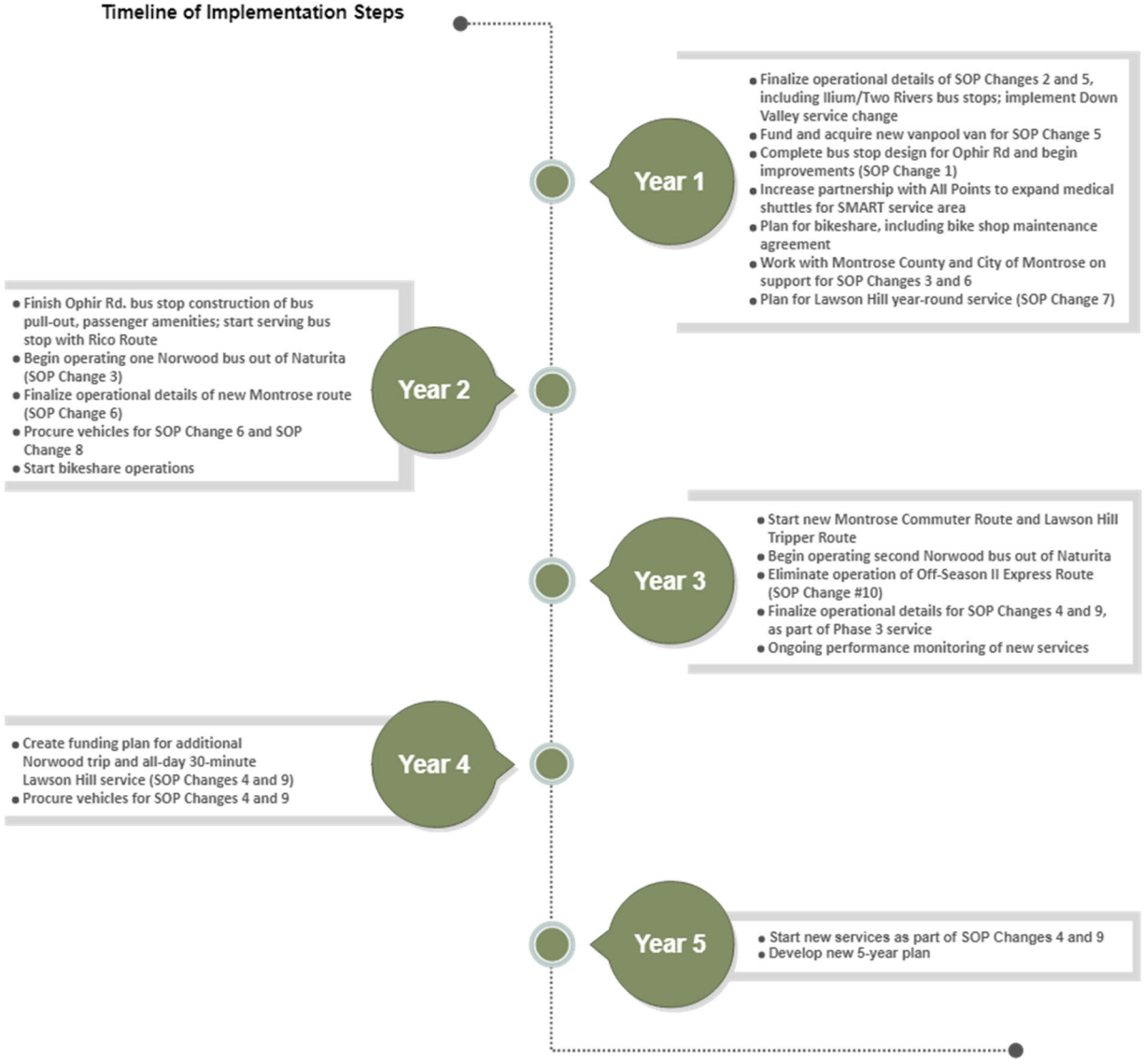
These measures are being manually captured and presented in a spreadsheet format. If SMART chooses to implement transit technology for capturing ridership through an onboard tablet and having real-time bus location information available for passengers, data and reports could be pulled out of such a software system. For presentation to the Board or other stakeholders, it would be helpful to have a dashboard style graphical representation of the data – the ability to create dashboard style report templates that allow easy and appealing visual representation of the performance data is often a part of transit technology software solutions.

Over the long-term operations of routes (over a period of one year or more), the compilation of these data will help to analyze ridership patterns, service quality, vehicle state of good repair, and operating cost trends and can be used to determine if transit system changes are needed.

TIMELINE

The five-year timeline for implementation of the SOP is shown in Figure XIII-4.

Figure XIII-4
Timeline of Implementation Steps



SAN MIGUEL AUTHORITY FOR REGIONAL TRANSPORTATION

SMART

Operation's Manager's Report, August 2022
September 1st, 2022

- **Senior & Disabled Transit Service Roadmap**

We have begun to receive responses to the Specialized Transportation Survey that we have been distributing among members of the community. We have used both internet and paper surveys. The paper surveys went to attendees of the Senior Lunch programs in Norwood and Telluride and the internet surveys went to the community at large. We have received 16 paper survey responses and 65 internet responses. Of the 65 internet responses, 50 respondents were not included in our target population. In other words they were under 65 and did not have mobility challenges.

So far, among our target audience, we have seen the following responses to the survey questions: It is important to note that not everyone answered all questions.

Improvements to and/or expansion of existing services:

- *Standardize the Tri-County Health Medical Shuttle schedule* – this question received a favorable rating among 75% of respondents and a somewhat favorable rating among 25% of respondents.
- *Increase Medical Shuttle frequency* - this question received a favorable rating among 52.94% of respondents and a somewhat favorable rating among 47.06% of respondents.
- *Increase the availability of the West End Dial-a-Ride* - this question received a favorable rating among 73.33% of respondents and a somewhat favorable rating among 13.33% of respondents.

New Services

- *Provide vehicles and implement a West End community based volunteer driver program* - this question received a favorable rating among 61.11% of respondents and a somewhat favorable rating among 22.22% of respondents.
- *Bring back pre-COVID Senior Lunch services and food banks pick-ups* - this question received a favorable rating among 75% of respondents, a somewhat favorable rating by 20% of respondents and a somewhat unfavorable rating by 5% of respondents.

Marketing, Promotion & Customer Information

- *Train volunteers to help people utilize existing transit services* - this question received a favorable rating among 70.59% of respondents, a somewhat favorable rating by 23.53% of respondents, and a somewhat unfavorable rating by 5.88%
- *Provide user friendly information regarding transportation, social service providers and healthcare workers in community gathering places* - this question received a favorable rating among 80% of respondents and a somewhat favorable rating by 20% of respondents
- *Create a brochure and a website that contains comprehensive information about existing services* - this question received a favorable rating among 76.19% of respondents, a somewhat favorable rating by 19.05% of respondents and a somewhat unfavorable rating among 4.76% of respondents

Our last question asked where people lived. Of the target respondents, 20% live in the Town of Telluride, 16% live in Lawson Hill, 16% live Down Valley, 20% live in Norwood, 8% live in Redvale and 20% did not answer that question.

We are going to leave the survey open for two more weeks and endeavor to reach an audience that is more likely to be in our target population. Our goal is to engage at least 50 members of the community that are either 65 and older or are experiencing mobility challenges.

Next steps:

By the next SMART Board meeting, we will have final results of the survey collected and compiled and Fehr and Peers will have preliminary cost estimates for the improvements to the system.

SAN MIGUEL AUTHORITY FOR REGIONAL TRANSPORTATION

Operation's Manager's Report, August 2022
September 1st, 2022

- **August "Zero Fare for better Air" program**

August is the month in which ozone levels in Colorado typically reach their peak. In an effort to reduce these levels, State Senate Bill 22-180 created a grant program through the Colorado Energy Office to encourage the use of public transportation and thus reduce August ozone levels. The outcome of that program was that CDOT offered grants to offset revenue loss by agencies that are participating in the Zero Fare August program.

SMART chose to take part in the program, partly to support the goal of reducing air pollution, but also as a thank you to our existing customers, for their dedicated ridership.

Total ridership during August on the routes for which we charge (Rico, Norwood and Down Valley) was up in 2022 by 1146 riders from 2021. It is important to note though, SMART did not charge fares in August of last year due to COVID so it difficult to determine whether or not the program elevated ridership .

- **Proposed Lawson Hill to Mountain Village expansion**

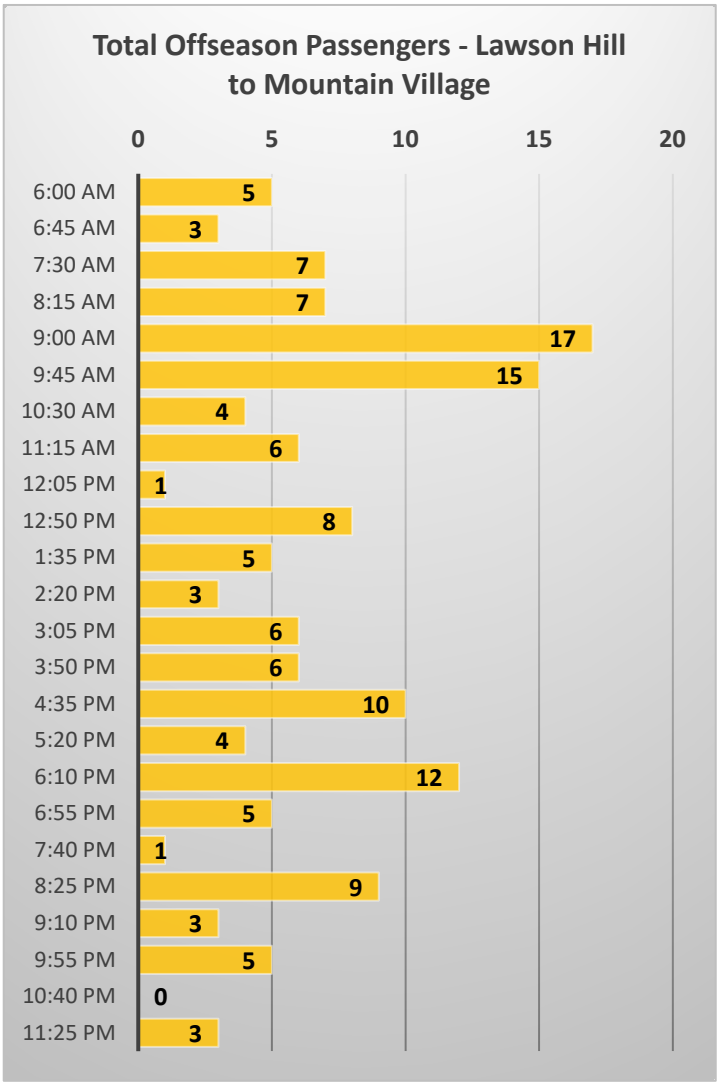
SMART is contemplating a service expansion that would provide a route between Lawson Hill and the Mountain Village. The route would not only serve Lawson Hill and Mountain Village residents, but also provide a link between the Norwood and Down Valley routes to the Mountain Village. That connection would be made at the Lawson Hill Park and Ride.

We used available offseason ridership data to help inform a proposal to add a route that would fulfill perceived needs.

The accompanying offseason ridership graph is based on the assumption that passengers were intentionally traveling between Lawson and Mountain Village and did not just get on the bus at the wrong time.

Graphs of offseason ridership patterns offer interesting data but they are not necessarily indicative of annual ridership since many of the businesses in Mountain Village are closed during offseason. Graphs do, however, illustrate a steady, if small need for transportation between Lawson Hill and the Mountain Village.

We also believe that there is a demand by people that live in Nucla, Naturita, Norwood and Down Valley to get to their workplaces in Mountain Village without having to take a bus into Telluride and then ride the gondola to the Mountain Village.



- **Proposed Lawson Hill to Mountain Village expansion continued**

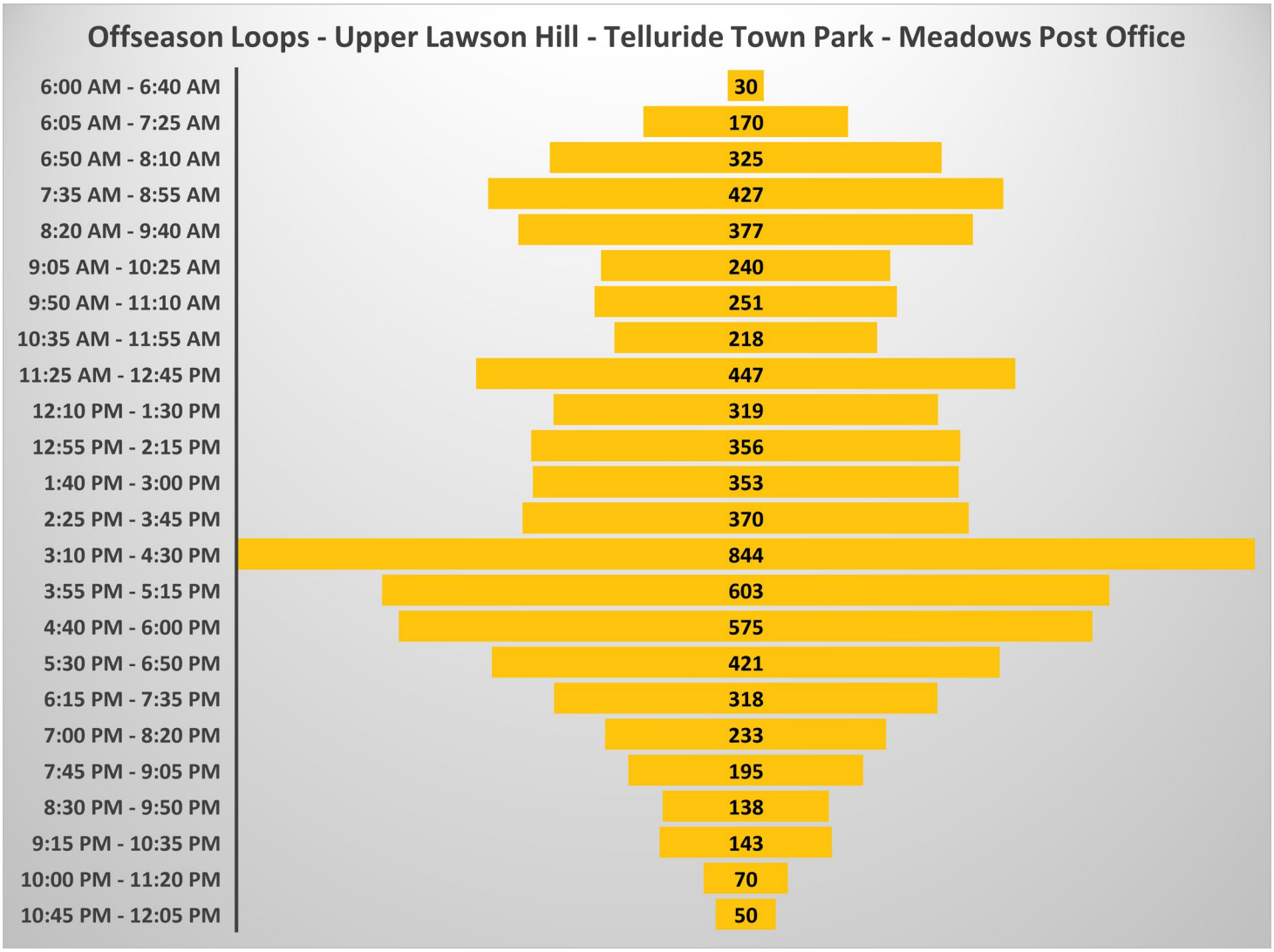
Offseason user patterns show the heaviest use on the 3:10 PM to 4:30 PM loop with a gradual decline toward the end of the day. There is also an uptick at midday and the typical peak commuter time between 7:35 AM and 8:55 AM. The Lawson Hill/Mountain Village route that we are proposing would cover the peak commuter times of 7:00 AM – 9:00 AM and 4:00 PM – 6:00 PM

We are in the process of evaluating whether or not to include the Meadows area in the proposed route. We have looked into the pros and cons of both options and welcome Board feedback.

On the pro side: The Meadows area represents a significant population base that includes many of the fulltime residents in the Mountain Village. The existing Mountain Village bus service offers rides from the Meadows Post office to Market Plaza, Blue Mesa and the Centrum Building every 45 minutes. If we are to maintain the Offseason scheduled times, which would be necessary to connect with the Norwood and Down Valley services, there would be additional time options for people seeking a ride from Meadows to Market Plaza and the Village Core.

On the con side: The additional ten or so minutes that it takes the bus to drive to the Meadows area and then to the Village Core could offer a disincentive for Lawson Hill commuters.

This option to enter the Meadows area would also be slightly more expensive since it represents a longer drive time for the route.



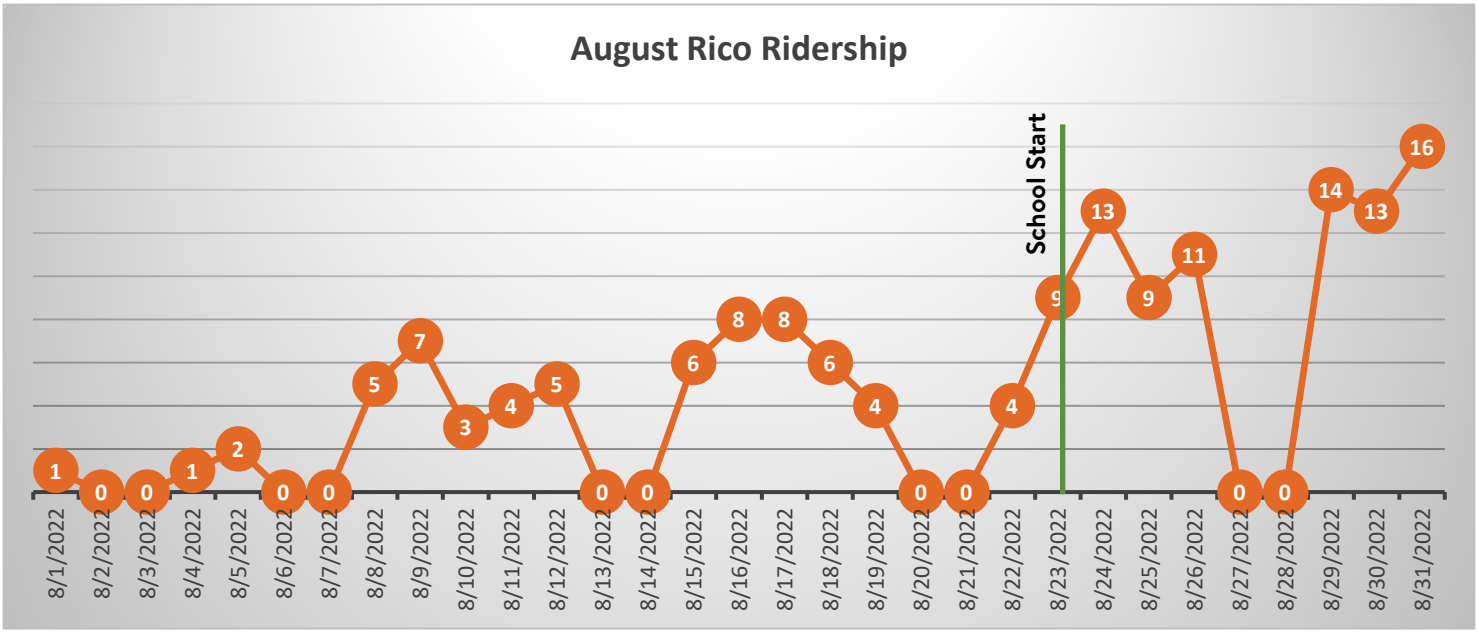
SAN MIGUEL AUTHORITY FOR REGIONAL TRANSPORTATION

Operation's Manager's Report, August 2022
September 1st, 2022

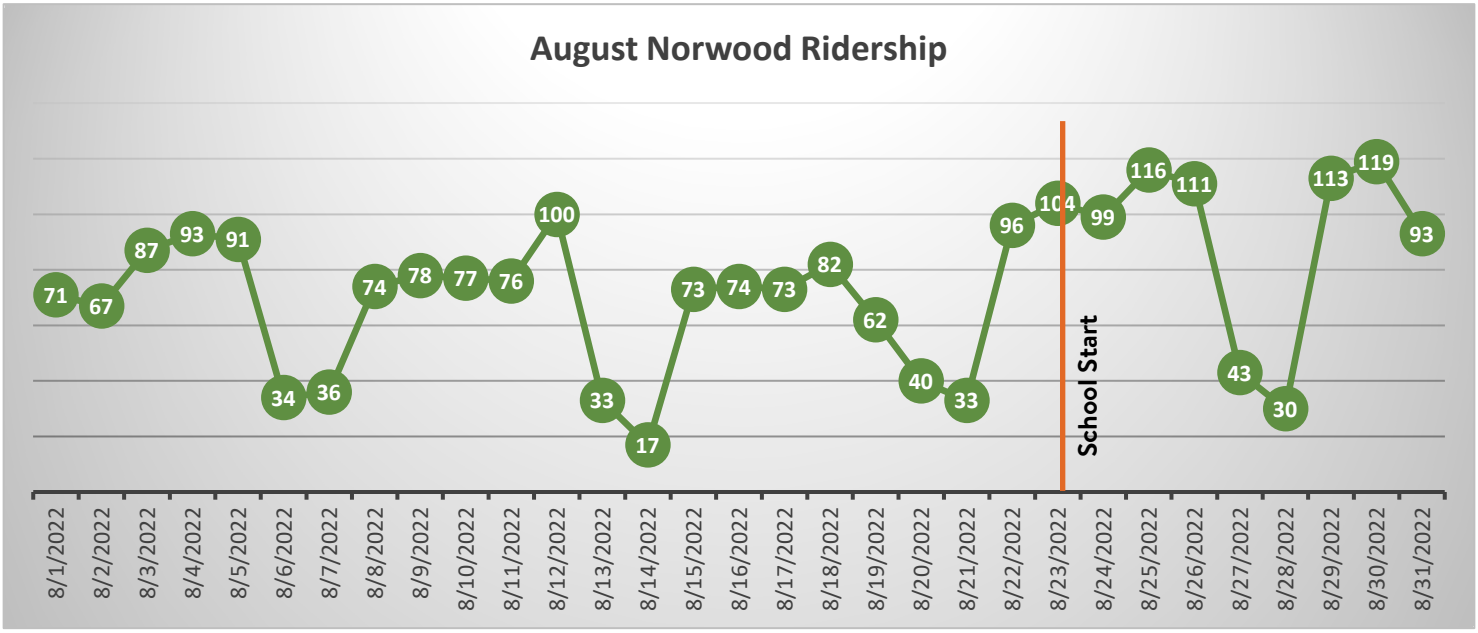
- **Ridership**

Ridership continues to be strong in August. The school year started on August 23rd and has had a particular impact on bus usage. Early school year data shows a weekday average ridership jump from the July monthly average of 97.1 riders to 182.9. The impacts are noticeable on all routes.

The Rico route runs only on weekdays. The zeros on the graph represent weekends. The weekday monthly average jumped from 5.56 in August prior to school start to 30.14 subsequent to the school start.

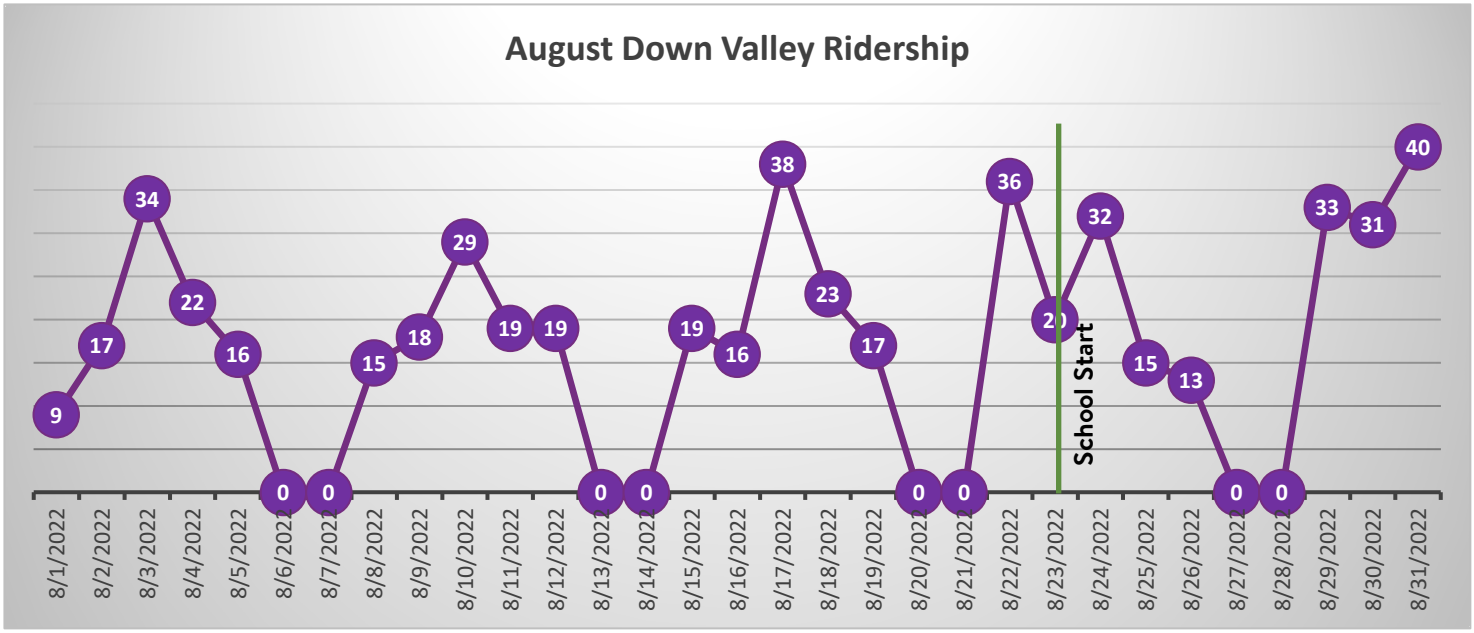


We see a similar increase in Norwood ridership. The weekday monthly average for the Norwood routes jumped from 73.19 to 410.86 after school started. This may change over the course of the year, but if anything ridership will increase in the winter. It is worth keeping an eye on capacity in the 6:55 AM Norwood bus. Four out of the eight days that school has been in session, ridership on this bus has exceeded 30 passengers. The bus has seating for 40 people, and although our policy does allow standing on the bus, it would be uncomfortable for the duration of the trip from Norwood to Telluride.

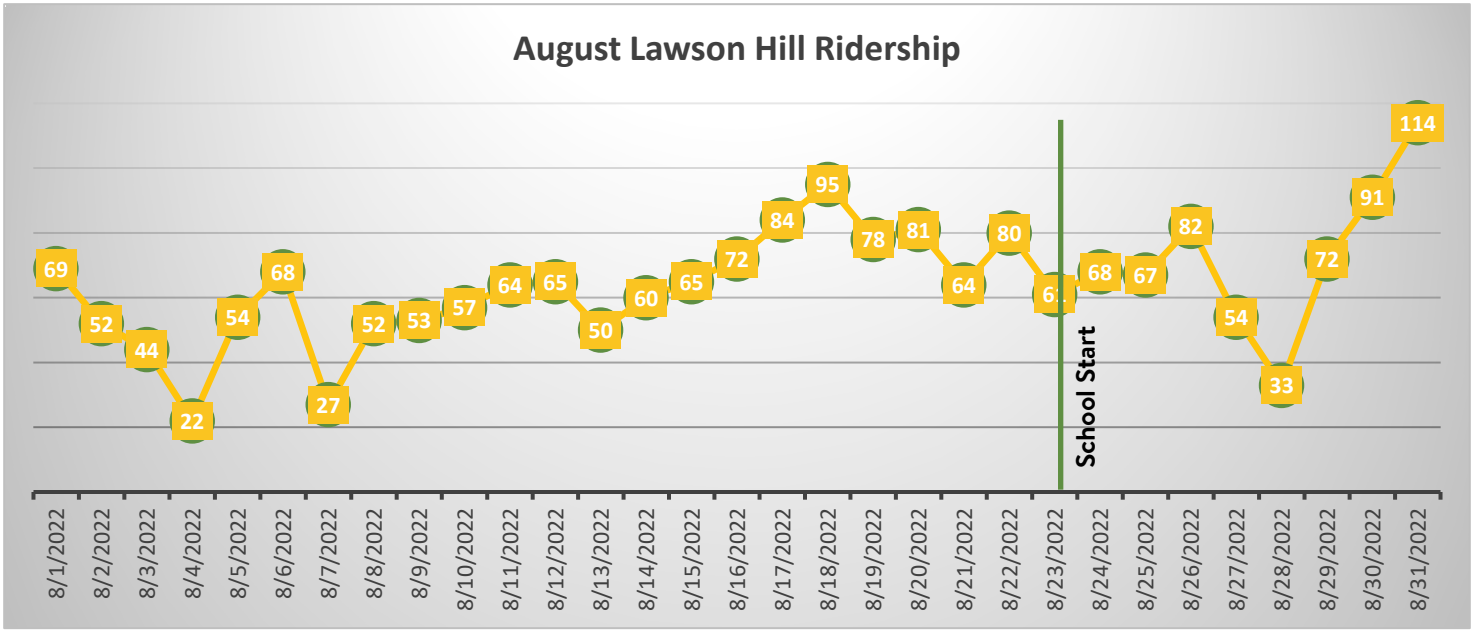


- **Ridership Continued**

The Down Valley route, like Rico runs only on weekdays. Again, the zeros on the graph represent weekends. The monthly weekday average jumped on the Down Valley route from 18.00 in August prior to school start to 94.57 subsequent to school start. The Bivi has a strong impact on Down Valley ridership and that ridership will probably lessen as summer vacation ends for most people.

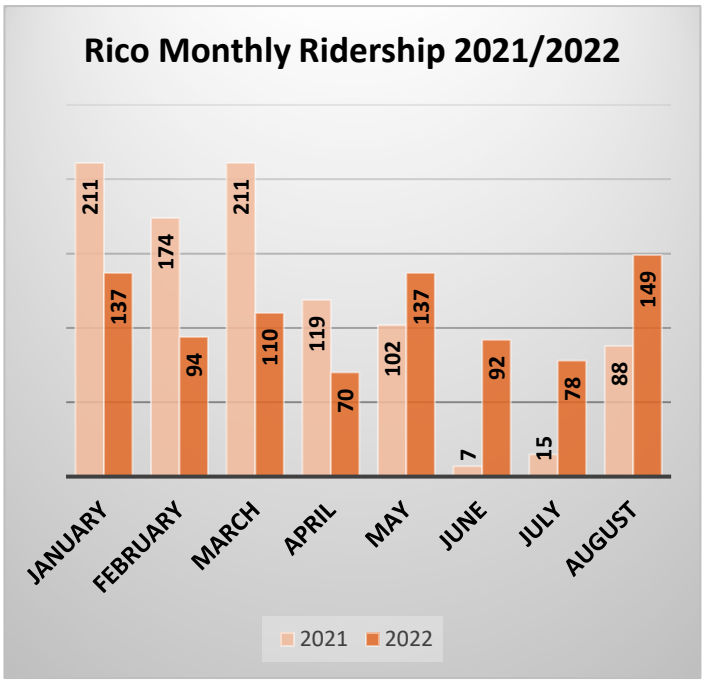


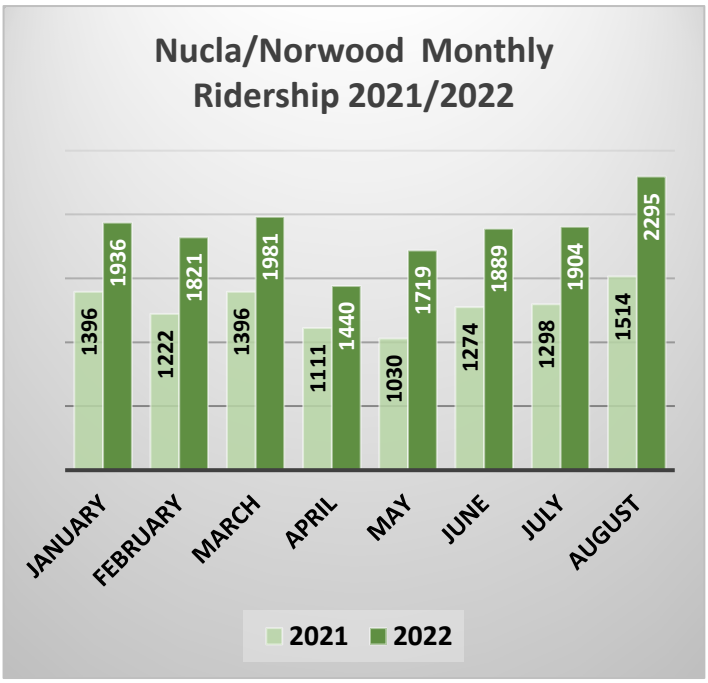
The monthly weekday average jumped on the Lawson Hill route from 62.5 in August prior to school start to 353.43 subsequent to the school start. Across the board, these jumps could reflect not only the school beginning, but also fewer people being on vacation and more people's schedules becoming more consistent.

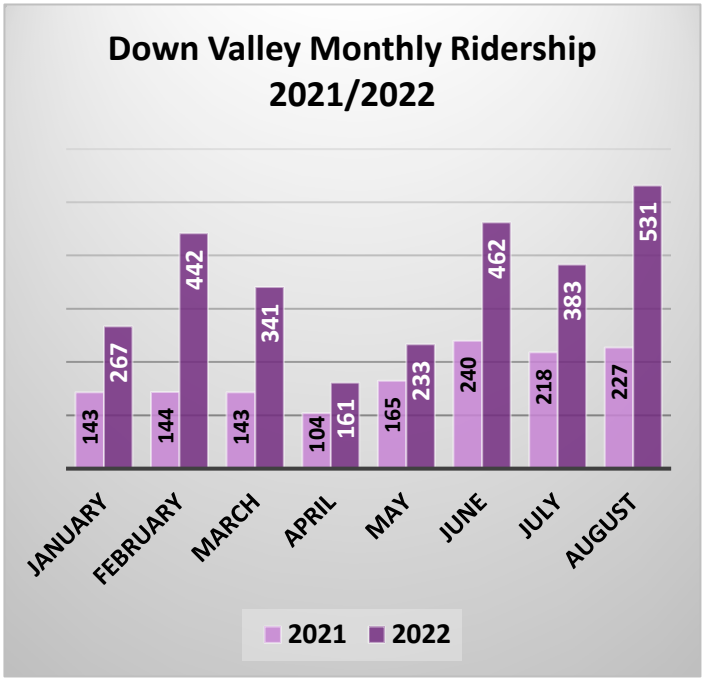


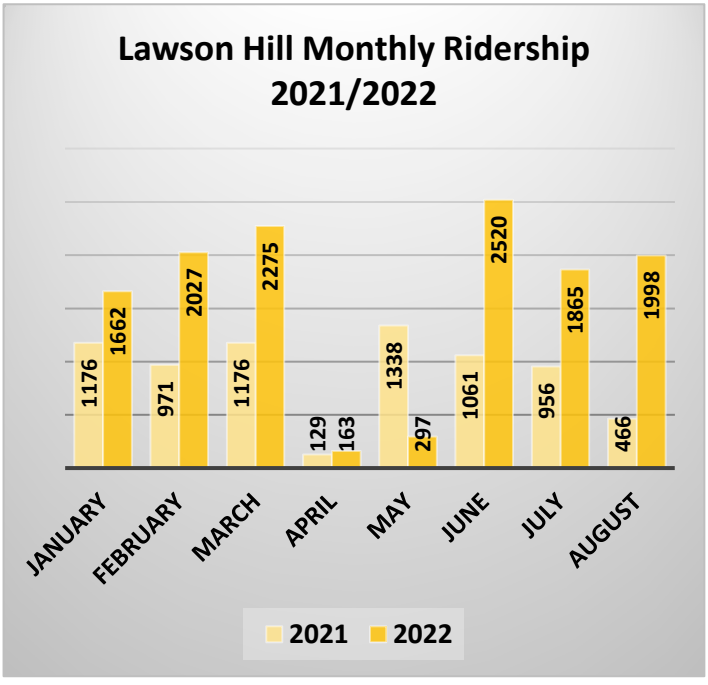
- **Ridership Continued**

Monthly ridership is up from 2021 on all routes in July and August. Rico, which had been lagging through April has now exceeded last year's ridership significantly. Added times on the Norwood and Lawson route have contributed to ridership on these routes.









SMART Executive Director report – September 8th, 2022

Grants: We were successfully awarded our full request amount ($2,568,000) for the 5339 Bus and Bus Facilities grant. These funds will go towards the purchase of 4 40' transit buses, 1 cutaway bus (14 passenger) and 3 vanpool vehicles. CDOT has extended pre award authority to us for this grant we are working on procuring all of the vehicles as quickly as possible. The FY23 5311 Admin. and Operating application was submitted and we do not anticipate any changes with that funding. I will be putting together a grant application for the next iteration of the Strategic Operating Plan by the end of this month.

CIRSA risk audit: We had our annual CIRSA risk audit for both the Workers Compensation and Property/Casualty policies in recent weeks. There are no major findings to report and we do not anticipate any rate increases as a result of the audit.

Meadows Underpass project: No update at this time we are waiting for CDOT to add the additional funds that were awarded to the project before proceeding any further.

Outside meetings/conferences: Kari and I will be attending the CASTA Annual Fall Conference in Snowmass September 27th through 30th. Kari will also be attending one day of training at the Colorado APA conference in Vail. I will be participating in a panel discussion at that same conference.