Chapter 4. Alternatives for Administration and Oversight

Experience in other cities suggests that for a small transit operation such as the Sedona Shuttle, there should be only one administrative entity. In addition, one oversight body allows various service stakeholders, such as local business leaders, local and visiting shuttle users and the service operator, to have a single focal point for mediating service problems.

The primary administrative responsibilities for the "lead agency" are as follows:

- **Manage and monitor the operating contract.** This includes operator contract oversight responsibilities, evaluation of contractor performance and assessing whether incentive payments or sanctions apply.
- **Market the shuttle.** All services require an effective public information and marketing campaign. This includes developing brochures, creating a distribution network and preparing other marketing materials and informational pieces.
- **Apply for and coordinate funding.** There are a number of opportunities for securing public and private funding sources to help finance the shuttle, as described in the Financial Plan Applying for funds; coordinating with other local agencies and businesses; following through with funding requests; and securing funding agreements, are major responsibilities of the lead agency.
- **Refine schedule and make routing adjustments.** The proposed shuttle service would require periodic schedule adjustments as new development projects are built, land uses change and existing uses are updated.

Identifying an Appropriate Administrative Organization

A number of different possible lead agencies were considered for oversight of a shuttle service in Sedona, including current participants in the Shuttle Feasibility Study (Yavapai and Coconino Counties, the City of Sedona, the US Forest Service), and outlying cities, local organizations, etc. In addition, consideration was given to the formation of a new agency – based on a Joint Powers Agreement (JPA) or in a District - that combines these various entities. To refine the list of potential administrators, three areas were evaluated: (1) administration, (2) accountability, and (3) ease of implementation. These areas for evaluation, and the various administrative alternatives, are illustrated in Figure 4-1.

Administration

An appropriate lead agency will be able to assume administrative responsibility for a shuttle service and reduce duplication of current administrative functions. A number of organizations and entities have an administrative structure that would be capable of absorbing a shuttle service in the Sedona area. Only two nearby jurisdictions, the City of Cottonwood and the City of Flagstaff, operate their own transit services and would possibly have the experience and capabilities to add administering a shuttle system to their list of responsibilities (although additional staffing may be required).

The objective in selecting a lead agency with administrative experience is that administration of the shuttle can become one of many responsibilities related to the current activities of the organization. For example, only current transit operators and the Northern Arizona Council of Governments (NACOG) have experience with the grants and funding applications required for transit services, as well as transit administration requirements and regulations. Nevertheless, the City of Sedona, Yavapai and Coconino Counties, the US Forest Service and some local agencies all have administrative capabilities. Only the Adult Community Center of Sedona (ACCS) has direct experience administering and operating passenger services in the City of Sedona. Their familiarity with transit operations and transit funding might suggest they may be an appropriate lead agency. However, given the scope of the shuttle service compared to ACCS's current operations, the ADA-required service may be more appropriate.

The other key consideration in finding a suitable lead agency to administer the shuttle is finding one that can limit costs. Ideally, there would be an administrator who can easily add the new shuttle administrative responsibilities to current responsibilities without a significant increase in their current administrative costs. While Cottonwood has some of the mechanisms in place for administering transit services, the proposed shuttle represents something very different from the current service Cottonwood administers.

Accountability

Sedona's political environment makes accountability an essential element in the identification of a suitable lead agency. The lead agency must appropriately represent the interests of all parties involved in the shuttle. For example, local interests speak to issues and concerns of residents of the City of Sedona. Citizen interests would be well represented if the City assumes the administrative oversight responsibility for a shuttle. If one of the counties or the Forest Service were to act as the lead agency, their interests may be less well represented. Sedona residents may be even more skeptical if a neighboring city such as Cottonwood were to administer the service. Because NACOG has a regional role, Sedona residents may view it as a more appropriate lead agency. Likewise, the formation of a Joint Powers Authority (JPA) with its own administrative staff may represent the highest levels of perceived accountability.

The shuttle is a cooperative effort involving multiple jurisdictions and interests. It will be important for all shuttle participants and funders to perceive that the lead agency

represents county and tourist interests. If the City of Sedona were to administer the shuttle service, there is the risk that county interests or Forest Service interests would not be well represented. Any human services-focused nonprofit would inevitably find the administration of a shuttle that serves tourists to fall outside of its organizational mission.

Ease of Implementation

The degree of difficulty for an agency to assume shuttle oversight responsibility must also be addressed. Although appropriate political and administrative structures may already be in place at some organizations, transitioning them to assume the administrative responsibilities for the shuttle may be a challenge.

It is assumed that a private contractor would operate the new service. The City of Sedona has a structure in place for administering contracts, as do Yavapai and Coconino Counties, NACOG and the other cities in the region. The City of Sedona and the Forest Service have been the most active in the design and development of a shuttle system. They would have the greatest familiarity with shuttle system issues, which may ease the assumption of administrative responsibilities by either of these entities. Given the myriad of roles and responsibilities of a lead agency, it would be difficult to identify a nonprofit organization that has both experience and interest in managing a shuttle service although one of the advantages of a nonprofit may be the potential to secure labor at below-market rates.

Alternative Administrative Organizations

Based on the selection criteria discussed in the previous section, as well as the peer review and the potential benefits and challenges of various lead agency structures, the team narrowed the possible alternatives for lead administrative down to the following four:

- Joint Powers Authority
- City of Sedona
- US Forest Service
- Northern Arizona Council of Governments

The advantages and disadvantages of assigning short-term lead responsibility to each entity are discussed below. This discussion is also summarized in Figure 4-1.

Figure 4-1 Sedona-Area Shuttle Lead Agency Alternatives

	Lead Agency Alternatives	Areas of Evaluation		
		Administration	Accountability	Ease of Implementation
Best Short-Term Alternatives	New Agency – JPA	Very Good – Is expected to be most appropriate because staff focus is strictly transit	Very Good – Very accountable because agency would be funded by multiple parties	Most challenging – Would require new structure and coordinated transit service plan
	City of Sedona	Good – Has skill and knowledge of local service administration	Good – Would be best representative of City's needs	Relatively easy – May require additional staffing but has capabilities in-house
	US Forest Service	Good – Has experience administering other programs	Good – As a key shuttle player, would be a good representative of Forest service issues, many of which are shared by City of Sedona	Relatively easy – May require additional staffing but has capabilities in-house
	NACOG	OK – Has experience contracting and good knowledge of transit funding, but no direct services administration	Good – With regional emphasis and experience	Challenging – May require significant organizational change
Other Alternatives	Yavapai County	Challenging – Has experience contracting but no direct services administration	Challenging – Unlikely to be viewed as accountable to major interested parties	Challenging – Would require significant organizational change and multi-jurisdictional coordination
	Coconino County	OK – Has experience contracting and administering Mountain Line Transit	Challenging – Unlikely to be viewed as accountable to major interested parties	Challenging – Would require significant organizational change and multi-jurisdictional coordination

	Nonprofit Organization	Good – Depends on organization. ACCS has direct transportation administration experience	OK – Depends on organization. ACCS or Chamber of Commerce are known and respected locally	Challenging – Assumption of services and oversight could be complicated
	City of Cottonwood	Very good – Has direct experience administering local transit services	Challenging – Unlikely to be viewed as accountable to major interested parties	OK – May require additional staffing but has capabilities in-house. Would require involvement in shuttle study

Joint Powers Authority

A new agency organized as a JPA — or a transit district — would assume responsibility for transit administration and operation within the region. Since a shuttle would represent the efforts of several jurisdictions, a new lead agency would take transit out of the purview of any single entity, solidifying the shuttle as a multijurisdictional regional effort between the counties, the Forest Service and the City of Sedona. It could be enhanced further to encompass an even greater "regional focus" if Cottonwood were a participant. As a JPA, this agency would provide benefits for Sedona and Cottonwood residents and employers, as well as persons living outside of these incorporated areas. Thus, identifying an appropriate administrative structure for the Sedona-area shuttle would also require the consideration of any new coordinated services or jointly funded services that will be required between Cottonwood, Yavapai County and the City of Sedona.

The advantage of a regional administrative agency is that one entity administers and oversees a coordinated transit service with a single budget and dedicated funding from all members of the JPA.

The disadvantage is that such an arrangement would require some significant organizational changes and the hiring of a new administrative staff.

While this arrangement has some significant advantages, the development of a JPA with Cottonwood will require thorough regional negotiation and reorganization. Efforts to establish the JPA would therefore need to be initiated early in the implementation process. Without Cottonwood as a participant, a JPA-led shuttle could be very effective but would still require the development of a new organizational structure with dedicated staff.

City of Sedona

Although the City does not have experience operating shuttles, the City's Community Development, Parks and Recreation or Public Works Departments could oversee this potential new service. Since each of these departments operates with a lean staff, additional funding will most likely be required to support at least a part-time employee to oversee shuttle operations.

There are many advantages for the City of Sedona to assume the management oversight function. First, many of the potential sources to fund the service require that a public agency apply for and receive funds, an area in which the City has experience. The City's funding stability and its prior experience managing various contracts are other major advantages for Sedona to assume this management role.

Possible disadvantages of having the City of Sedona serve as the sole lead agency include the fact that oversight by the City may limit participation from businesses, neighborhood groups and community associations, resulting in much of the decision-making resting solely with the City. These concerns could be mitigated by maintaining a Shuttle Advisory Committee consisting of the major shuttle stakeholders and users.

Based on the evaluation, in the short run, the City of Sedona may be the most effective lead agency for a local transit and shuttle system, and it may remain so over the long term.

US Forest Service

Coconino National Forest may be another suitable lead agency for a shuttle service, especially since a significant proportion of shuttle vehicle miles would be on or adjacent to USFS land. While the proposed shuttle addresses a number of local needs identified by the City of Sedona, it strongly serves the interests of the USFS. In addition, the National Forest has experience with parking and facilities management, including the Red Rock Pass.

The USFS has administered shuttle services elsewhere. For example, Inyo National Forest is the lead agency for a local shuttle service outside of Mammoth Lakes, CA. The Reds Meadow Road in this Forest is one of the most heavily used roads in the National Forest System. Due to the high number of vehicles, Inyo National Forest implemented a summer shuttle service in 1979. The shuttle serves a population recreation area in the National Forest. The shuttle operation is contracted to a local operator and is funded by USFS fees as well as fees from Devils Postpile National Monument. The shuttle was designed to reduce environmental damage that was occurring from too many cars traveling and parking in the valley.

The advantages of the USFS administering the shuttle are that the service is designed to address many of the issues that are of foremost concern to the agency, such as congestion and environmental degradation. The USFS's mission is management and administration, and it has a proven record of success. As the lead agency, the USFS

may have access to additional funding sources, including non-transit-focused sources and user fees that may not be available to the City or other lead agencies.

One of the major disadvantages of the USFS as the lead agency is political skepticism on the part of the Sedona residents. In administering services that are designed not only to serve USFS lands but also local activity centers in Sedona, the USFS may be seen as overstepping its role. Decentralized staffing and a large bureaucratic structure that require some decisions to be made at the regional or national level may also present hindrances to the ease of implementation, as well as effective day-to-day management and oversight of a shuttle system.

Northern Arizona Council of Governments

Taking a holistic approach to community transportation issues is part of the mandate of regional agencies and organizations. Neither Yavapai nor Coconino County directly administers a transit operation, but individual jurisdictions within the two counties, including Flagstaff and Cottonwood, administer their own systems. Because the proposed Sedona shuttle would serve both counties, incorporated and unincorporated communities, a State Park and National Forest land, an organization with a more regional focus may be an appropriate lead agency.

The Northern Arizona Council of Governments (NACOG), based in Flagstaff, is involved in regional transit planning efforts and has the staff to coordinate and review transit funding applications. NACOG is responsible for coordinating the application process for 5310 and 5311 funds, and ensuring that transit planning efforts are consistent with the Regional Transit Development Plan.

Councils of Government administer transit systems in communities throughout the United States. While these services are typically regional services (providing intercity connections), the proposed Sedona shuttle has some characteristics of a regional service.

Although NACOG may not be the best lead agency, it has one thing in common with a JPA in that it would provide a regional focus, allowing it to coordinate services currently provided within individual jurisdictions.

There remain, however, several disadvantages of a NACOG-led shuttle. First, the organization has not expressed interest in taking a lead in the provision of this transit system. Furthermore, NACOG has limited experience administering a transit system, and could be a more appropriate lead agency after a Sedona-area shuttle has matured. In the long-term, for example, demand for intercity services and coordination between Flagstaff, Sedona and Cottonwood services may become a more important issue. This may require a regional organization for effective organization and coordination.

Importance of Coordination

A JPA would be the only option that would formalize the administrative coordination of a shuttle service. Nevertheless, under one of the other administrative options, the lead agency is encouraged to develop written agreements regarding coordination of services, as well as any joint services or jointly funded services that are developed. For example, even without a JPA, it may be appropriate for Cottonwood and Sedona to share the costs of providing transit services between the communities. The operators would be encouraged to develop a strategy for equitably sharing in the cost of this valuable regional service.

Alternatively, the two transit providers could formalize a more comprehensive operator agreement through the development of a consortium. A consortium between neighboring transit providers would facilitate the joint procurement of vehicles, developing and implementing a region-wide marketing project or providing a new service. The advantage of a consortium including Cottonwood and Sedona transit services is that staff responsibilities for a project can be shared so that no one agency needs to carry the entire burden. A consortium should have a written agreement to outline its primary function. It would serve as a guideline to clearly identify the purpose of the consortium and the responsibilities of both participants.

If a JPA is not selected as an appropriate lead agency at the initiation of shuttle service, it should certainly be considered over the long term. As the Sedona Shuttle matures and there is a greater understanding of the administrative requirements and service needs, more serious consideration of a consolidated service between Cottonwood and Sedona is encouraged. At that time it would be appropriate to establish a JPA and bring the administration of all of the regional transit services under one roof.

Policy and Oversight

In addition to the day-to-day administrative responsibilities outlined above, assigning decision-making responsibility is necessary. Policy-making responsibility for a transit system or shuttle service typically rests with a group of elected or appointed political, business, and community leaders representing all components of the service area and/or all organizations funding the service. Considering the array of political, economic, social service and environmental interests that the proposed shuttle is anticipated to address, determining the appropriate oversight body may be one of the greatest challenges in developing a new shuttle system in the Sedona Area. Nevertheless, funding will probably play a determining factor in the makeup of the oversight group.

The steering committee for this project consists of representatives from the City of Sedona, the USFS, the Arizona Department of Transportation, Yavapai County, Coconino County, and the Action Coalition for Transportation Solutions. Would this committee be the appropriate policy oversight group or possibly an advisory committee

that could be expanded depending on the shuttle participants? Depending on the final funding program for the shuttle system, the policy group could be the Sedona City Council or a new group comprised of a limited number of representatives from various participating organizations/jurisdictions.

Sedona City Council

The Sedona City Council could be the entity responsible for all decision-making regarding the proposed shuttle services. Shuttle issues could be presented directly to the Council or a transit subcommittee that oversees the shuttle. Based on the potential for funding and service provided to multiple jurisdictions, it is unlikely the City Council alone would be the appropriate governing structure for the shuttle. Only if the shuttle is administered by the City of Sedona and significantly financed by the City, with little financial participation by other agencies or organizations, would the City Council constitute an appropriate policy board.

A New Policy Board

If funding and support for the shuttle comes from a variety of entities and jurisdictions, a policy board that better reflects contributors and ridership groups is recommended. This new policy board could be organized to work with the shuttle lead agency and represent the array of political, environmental and financial interests that the shuttle itself would represent. For example, assuming a JPA or service beyond the minimal operable scenario, likely participants in decision-making would include the City of Sedona, Yavapai County, Coconino County, the City of Cottonwood, Chamber of Commerce and the USFS. If hotel owners were to contribute to the shuttle service, they would expect to have a representative on the policy board.

If the City of Sedona is the primary contributor to the shuttle service, local political leaders will expect to have a greater level of representation on this shuttle policy board than the other jurisdictions. However, the size and composition of the policy board will require careful consideration because the policy board could be developed based on any number of models:

- **Based on percentage of total financial contribution to the shuttle.** Under this scenario, if Yavapai County provides 30 percent of the dedicated financial support, the County would be represented by 30 percent of the board members or would have a weighted vote that represents 30 percent.
- **Based on proportion of service provided.** Under this scenario, if 50 percent of vehicle revenue miles are driven within Sedona City limits, Sedona might expect a comparable proportion of representation on the policy board. Structuring a policy board based on the level of service provided would likely have implications as a basis for determining funding contribution levels.
- **Based on ridership markets.** Persons making trips within USFS land may be considered part of the "USFS market." Passengers boarding at hotels might

represent a "lodging market." Trips with one end in the Village of Oak Creek could be included in the "County market." Policy board representation — and potentially funding contributions — could be determined based on the proportion of ridership represented by each of the participating markets.

- **Based on a combination of factors.** Assuming a funding solution is developed that is deemed equitable and mutually agreeable, the funders may agree to a decision-making body based on a combination of factors, such as contributions, ridership, population, vehicle miles, etc.

Identifying the appropriate administrative and policy board structures will be important components of the implementation process. The Implementation Process is described in the next chapter.

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