



City of Grand Island

Tuesday, March 8, 2022

Council Session

Item G-5

#2022-55 - Approving Public Transit Service Agreement Budget Amendment

Staff Contact: John Collins, P.E. - Public Works Director

Council Agenda Memo

From: Charley Falmlen, Transit Program Manager

Meeting: March 8, 2022

Subject: Approving Public Transit Service Agreement Budget Amendment

Presenter(s): John Collins PE, Public Works Director

Background

The City of Grand Island became eligible for receipt of funds for public transit services from the Federal Transit Administration as a result of the City's status as a metropolitan statistical area. Commencing July 1, 2016, public transportation trips originating or terminating within the urbanized area of the City of Grand Island must be funded utilizing urban transportation funds from the Federal Transit Administration.

On June 25, 2019, via Resolution No. 2019-197, City Council approved an agreement with Senior Citizens Industries, Inc. for Public Transit Services. The initial agreement provided for services to June 30, 2022, with the City having the option of renewing the agreement on an annual basis for a two (2) year period, at which time proposals will be solicited. Compensation was approved at the following maximum annual rate:

July 1, 2019- June 30, 2020- \$697,213.17
July 1, 2020- June 30, 2021- \$718,129.57
July 1, 2021- June 30, 2022- \$739,673.46
July 1, 2022- June 30, 2023- \$761,863.66
July 1, 2023- June 30, 2024- \$784,719.57

Discussion

At this time Senior Citizens Industries, Inc. has requested a contract amendment for the remainder of their fiscal year, which ends June 30, 2022; as well as to their FY 2022/2023.

The request for the remainder of FY 2021/2022 (March 1, 2022- June 30, 2022) results in an increase of \$67,404.64, for a revised total amount of \$807,078.10. FY 2022/2023 (July 1, 2022- June 30, 2023) results in an increase of \$174,108.61, for a revised total amount of \$935,972.27.

The Covid-19 Pandemic has created significant challenges for transit systems across the United States, including CRANE Public Transit. Staffing shortages, drastically fluctuating ridership, and inflation have had a consequential impact on the resources necessary for Senior Citizens Industries to carry out transit service. Per the written request from Senior Citizens Industries, Inc., the increase request is based on the considerable rise in fuel costs, bus maintenance, office supplies, etc. The job market has also been affected, which necessitates an increase in base starting pay to attract and retain quality employees. Without provision of the necessary funding, CRANE Public Transit could face a reduction in service due to limited resources and exacerbated staffing issues.

The American Rescue Plan (ARP) provided funding to the City of Grand Island specifically for transit operations to address the impact of Covid-19. The total allocation of ARP funding was \$149,273 and these funds will be used to offset the contract amendment amount.

Alternatives

It appears that the Council has the following alternatives concerning the issue at hand. The Council may:

1. Move to approve
2. Refer the issue to a Committee
3. Postpone the issue to future date
4. Take no action on the issue

Recommendation

City Administration recommends that the Council approve the Public Transit Service Provider agreement budget amendment with Senior Citizens Industries, Inc. of Grand Island, Nebraska.

Sample Motion

Move to approve the resolution.



304 E. 3rd St.
Grand Island, NE 68801
308-385-5308

January 28, 2022

City of Grand Island
Attn: Charley Falmlen
1016 Diers Ave., Suite 119
Grand Island, NE 68803

Dear Charley:

This letter represents a formal request for a contract amendment for the remainder of FY 21/22 and for FY 22/23. Senior Citizens Industries' FY 21/22 current urban contracted amount is \$739,673.46 and projected urban expenses for FY 21/22 are \$807,078.10, for an operating deficit of \$67,404.64. Senior Citizens Industries' FY 22/23 urban contracted amount is \$761,863.66 and projected urban expenses are \$935,972.27, for an operating deficit of \$174,108.61. After analysis of the current operating budget, it has become apparent that the amendment is necessary to maintain the high level of public transit service currently being provided.

Because of the considerable rise in inflation, all operational costs have increased. Transit fuel costs, for example, have increased significantly. Using the pre-covid period of July-December 2019 compared to the post-covid period of July-December 2021, transit fuel costs have risen 47.5% while ridership has risen 21%. Due to this unexpected rate of increase, all aspects of operations, from bus maintenance to office supplies, are being affected.

Another reason for the budget modification request is due to the severe impact COVID has had on the job market. As the economic climate throughout the state reflects an overall increase in base starting pay, this increase is necessary to continue to attract and retain quality employees.

Thank you for your consideration,

A handwritten signature in black ink that reads 'Pamela Lancaster'. The signature is written in a cursive, flowing style.

Pamela Lancaster
Board President
Senior Citizens Industries, Inc.



PUBLIC TRANSIT SERVICE AGREEMENT BUDGET AMENDMENT

CONTRACTOR: Senior Citizens Industries, Inc.
AMOUNT OF CONTRACT: July 1, 2021- June 30, 2022- \$739,673.46
July 1, 2022- June 30, 2023- \$761,863.66
CONTRACT DATE: June 25, 2019

Per the written request from Senior Citizens Industries, Inc., the increase request is based on the considerable rise in inflation affecting fuel costs, bus maintenance, office supplies, etc. The job market has also been affected, which necessitates an increase in base starting pay to attract and retain quality employees.

July 1, 2021- June 30 2022-

Contract Price Prior to this Change Order.....	\$739,673.46
Net Increase/Decrease Resulting from this Change Order.....	\$ 67,404.64
Revised Contract Price Including this Change Order.....	\$807,078.10

July 1, 2022- June 30, 2023-

Contract Price Prior to this Change Order.....	\$761,863.66
Net Increase/Decrease Resulting from this Change Order.....	\$174,108.61
Revised Contract Price Including this Change Order.....	\$935,972.27

The Above Change Order Accepted:

Senior Citizens Industries, Inc.

By _____ Date _____

Approval Recommended:

By _____ Date _____
John Collins PE, Public Works Director/City Engineer

Approved for the City of Grand Island, Nebraska

By _____ Date _____
Mayor

Attest _____
City Clerk

RESOLUTION 2022-55

WHEREAS, On June 25, 2019, via Resolution No. 2019-197, City Council approved an agreement with Senior Citizens Industries, Inc. for Public Transit Services. The initial agreement provided for services to June 30, 2022, with the City having the option of renewing the agreement on an annual basis for a two (2) year period, at which time proposals will be solicited. Compensation was approved at the following maximum annual rate:

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July 1, 2021- June 30, 2022- \$739,673.46
July 1, 2022- June 30, 2023- \$761,863.66
July 1, 2023- June 30, 2024- \$784,719.57; and

WHEREAS, at this time Senior Citizens Industries, Inc. has requested a contract amendment for the remainder of their fiscal year, which ends June 30, 2022; as well as to their FY 2022/2023; and

WHEREAS, the request for the remainder of FY 2021/2022 (March 1, 2022- June 30, 2022) results in an increase of \$67,404.64, for a revised total amount of \$807,078.10; and

WHEREAS, FY 2022/2023 (July 1, 2022- June 30, 2023) results in an increase of \$174,108.61, for a revised total amount of \$935,972.27.

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND COUNCIL OF THE CITY OF GRAND ISLAND, NEBRASKA, that the Transit Provider Agreement Budget Amendment by and between the City and Senior Citizens Industries, Inc. for the provision of public transit services should be, and hereby is, approved.

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Adopted by the City Council of the City of Grand Island, Nebraska, March 8, 2022.

Roger G. Steele, Mayor

Attest:

RaNae Edwards, City Clerk

Approved as to Form	☐ _____
March 4, 2022	☐ City Attorney