



# City of Grand Island

Tuesday, March 14, 2023

Council Session

## Item I-1

**#2023-70 - Consideration of Approving Public Transit Service Agreement Budget Amendment for Fiscal Year 2023 and 2024**

Staff Contact: Keith Kurz PE, Interim Public Works Director

# **Council Agenda Memo**

**From:** Charley Falmlen, Transit Program Manager

**Meeting:** March 14, 2023

**Subject:** Approving Public Transit Service Agreement Budget Amendment for Fiscal Year 2023 and 2024

**Presenter(s):** Keith Kurz PE, Interim 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. 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

On March 8, 2022, via Resolution No. 2022-55, City Council approved a budget amendment with Senior Citizens Industries, Inc. for Public Transit Services. The amendment provided for an increase of \$67,404.64 for a portion of FY 2021/2022 (March 1, 2022- June 30, 2022), resulting in a revised total amount of \$807,078.10. The amendment also increased FY 2022/2023 (July 1, 2022- June 30, 2023) by \$174,108.61, for a revised total amount of \$935,972.27.

## **Discussion**

It is being proposed at this time to enter into the FY 2023/2024 option available in the contract on a month-to-month basis. The City of Grand Island would give Senior Citizens Industries, Inc. a minimum of 90-day notice before the end of service provision.

Additionally, Senior Citizens Industries, Inc. has requested a contract amendment for both FY 2022/2023 and 2023/2024 for provision of services in the Urbanized Area of Grand Island. The request for the remainder of FY 2022/2023 (March 1, 2023- June 30, 2023) results in an increase of \$295,885.00, for a revised total amount of \$1,231,857.27. FY 2023/2024 (July 1, 2023- June 30, 2024) results in an increase of \$719,971.43, for a revised total amount of \$1,504,691.00. The FY 2023/2024 change to contract price would be administered on a monthly basis instead of an annual basis.

Senior Citizens Industries, Inc. (SCI) cites two (2) major reasons for their request; overall inflation and a 46% increase in ridership during the first six (6) months of FY 2022/2023 compared to the same period last year. Per SCI, ridership alone has increased their average hours worked per pay period by 17%. It is also noted that fuel, maintenance, and administrative costs have risen accordingly.

This budget amendment will not advance any funds to Senior Citizens Industries, Inc., it will simply allow the budget authority should the increased ridership and associated costs continue to trend upward. Acquisition of capital equipment remains difficult, and it is anticipated that ridership will not continue to grow at previous rates due to this hindrance. The City will work closely with SCI to remain in budget as capital equipment is delivered.

No additional City funding will need to be allocated for the FY 2022/2023 budget amendment, as CARES funding will be used to cover the associated expenses. CARES reimburses operational expenses at 100%. The FY 2023/2024 City match will be presented in the budget proposal for that fiscal year, with CARES funding being an option for aiding in reimbursement.

## **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.



## 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  
July 1, 2023- June 30, 2024- \$784,719.57

**CONTRACT DATE:** June 25, 2019

Senior Citizens Industries, Inc. (SCI) cites two (2) major reasons for their request; overall inflation and a 46% increase in ridership during the first six (6) months of FY 2022/2023 compared to the same period last year. Per SCI ridership, alone, has increased their average hours worked per pay period by 17%. It is also noted that fuel, maintenance, and administrative costs have risen accordingly.

The FY 2023/2024 option will be available in the contract on a month-to-month basis. The City of Grand Island would give Senior Citizens Industries, Inc. a minimum of 90-day notice before the end of service provision.

July 1, 2021- June 30 2022-

Contract Price Prior to this Change Order.....	\$739,673.46
Net Increase Resulting from Amendment No. 1.....	\$ 67,404.64
Revised Contract Price Including this Amendment.....	\$807,078.10

July 1, 2022- June 30, 2023-

Contract Price Prior to this Change Order.....	\$ 761,863.66
Net Increase Resulting from Amendment No. 1.....	\$ 174,108.61
Net Increase Resulting from Amendment No. 2.....	\$ 295,885.00
Revised Contract Price Including this Amendment.....	\$1,231,857.27

July 1, 2023- June 30, 2024-

Contract Price Prior to this Change Order.....	\$ 784,719.57
Net Increase Resulting from Amendment No. 1.....	\$ 0.00
Net Increase Resulting from Amendment No. 2.....	\$ 719,971.43
Revised Contract Price Including this Amendment.....	\$1,504,691.00

**The Above Change Order Accepted:**

Senior Citizens Industries, Inc.

By \_\_\_\_\_ Date \_\_\_\_\_

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**Approval Recommended:**

By \_\_\_\_\_ Date \_\_\_\_\_  
Keith Kurz PE, Interim Public Works Director/City Engineer

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**Approved for the City of Grand Island, Nebraska**

By \_\_\_\_\_ Date \_\_\_\_\_  
Mayor

Attest \_\_\_\_\_  
City Clerk

## RESOLUTION 2023-70

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. 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; and

WHEREAS, on March 8, 2022, via Resolution No. 2022-55, City Council approved a budget amendment with Senior Citizens Industries, Inc. for Public Transit Services; and

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

WHEREAS, the amendment further provided an increase to FY 2022/2023 (July 1, 2022- June 30, 2023) by \$174,108.61, for a revised total amount of \$935,972.27; and

WHEREAS, at this time the FY 2023/2024 option of the contract is being and entered into on a month-by-month basis; and

WHEREAS, at this time Senior Citizens Industries, Inc. has requested another contract amendment for FY 2022/2023, which ends June 30, 2023; as well as to their FY 2023/2024; and

WHEREAS, the request for the remainder of FY 2022/2023 (March 1, 2023- June 30, 2023) results in an increase of \$295,885.00, for a revised total amount of \$1,231,857.27; and

WHEREAS, FY 2023/2024 (July 1, 2023- June 30, 2024) results in an increase of \$719,971.43, for a revised total amount of \$1,504,691.00.

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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Approved as to Form	March 10, 2023	City Attorney
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Adopted by the City Council of the City of Grand Island, Nebraska, March 14, 2023.

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Roger G. Steele, Mayor

Attest:

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Jill Granere, Deputy City Clerk