

ORDINANCE NO. 21-108

AN ORDINANCE AUTHORIZING AND DIRECTING THE CITY MANAGER TO ENTER INTO A THIRD AMENDMENT TO THE TRANSPORTATION SERVICES AGREEMENT BETWEEN THE CITY OF SANDUSKY AND FIRST TRANSIT, INC., OF CINCINNATI, OHIO, IN RELATION TO THE SANDUSKY TRANSIT SYSTEM; AND DECLARING THAT THIS ORDINANCE SHALL TAKE IMMEDIATE EFFECT IN ACCORDANCE WITH SECTION 14 OF THE CITY CHARTER.

WHEREAS, the City of Sandusky is the designated recipient of Federal Transportation Administration (FTA) funding under Chapter 49, Section 5307 of the Code of Federal Regulations and the Sandusky Transit System serves the residents within the City of Sandusky, and Erie County; and

WHEREAS, the City Commission approved a Transportation Services Agreement with First Transit, Inc., in relation to the Sandusky Transit System by Ordinance No. 17-045, passed on February 27, 2017, which was effective April 1, 2017; and

WHEREAS, the City Commission approved a First Amendment to the Transportation Services Agreement with First Transit, Inc., in relation to the Sandusky Transit System by Ordinance No. 19-021, passed on February 11, 2019, to expand service hours, routes and schedules, and rates by offering Sunday service on the Blue Line, along with the creation of a Yellow Line to operate from April 1 through November 1 of each year; and

WHEREAS, this City Commission approved a Second Amendment to the Transportation Services Agreement with First Transit, Inc., in relation to the Sandusky Transit System by Ordinance No. 19-218, passed on December 20, 2019, to expand service hours, routes and schedules, and rates to provide a greater service to transit riders and included the creation of an Orange route connecting Sandusky with BGSU Firelands campus; and

WHEREAS, due to an extreme shortage of bus drivers and lack of qualified applicants for open positions, the City and First Transit, Inc. desire to amend the Transportation Services Agreement to allow for a \$1.50 per hour wage increase for all drivers and hourly staff positions to be more competitive and attract more qualified applicant to meet the needs of the Sandusky Transit System; and

WHEREAS, this proposed third amendment will increase the Cost Per Vehicle Hour of Services from \$32.21 to \$35.04 and increase the Fixed Fee Per Month from \$29,064.50 to \$30,866.83 for a total adjusted cost increase of approximately \$100,205.57 for the period of July 18, 2021, through March 31, 2022, and the additional costs will be paid with Transit Funds and reimbursed through increased grant funding through the ODOT 5311, 5339, and OTP2 programs, contract revenue, passenger fares, General Funds, and CARES Act Funds; and

WHEREAS, this Ordinance should be passed as an emergency measure under suspension of the rules in accordance with Section 14 of the City Charter in order to immediately execute the Third Amendment and allow the increased service rates to become effective July 18, 2021; and

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WHEREAS, in that it is deemed necessary in order to provide for the immediate preservation of the public peace, property, health, and safety of the City of Sandusky, Ohio, and its citizens, and to provide for the efficient daily operation of the Municipal Departments, including the Sandusky Transit System, of the City of Sandusky, Ohio, the City Commission of the City of Sandusky, Ohio finds that an emergency exists regarding the aforesaid, and that it is advisable that this **Ordinance** be declared an emergency measure which will take immediate effect in accordance with Section 14 of the City Charter upon its adoption; and NOW, THEREFORE,

BE IT ORDAINED BY THE CITY COMMISSION OF THE CITY OF SANDUSKY, OHIO, THAT:

Section 1. This Commission hereby approves the Third Amendment to Transportation Services Agreement between the City of Sandusky and First Transit, Inc., and authorizes and directs the City Manager to execute the Third Amendment to Transportation Services Agreement on behalf of the City in substantially in the same form as reflected in Exhibit "1" which is attached and specifically incorporated as if fully rewritten herein together with such revisions or additions as are approved by the Law Director as not being substantially adverse to the City and being consistent with the objectives and requirements of this Ordinance and with carrying out the City's public purposes.

Section 2. If any section, phrase, sentence, or portion of this Ordinance is for any reason held invalid or unconstitutional by any Court of competent jurisdiction, such portion shall be deemed a separate, distinct, and independent provision, and such holding shall not affect the validity of the remaining portions thereof.

Section 3. This City Commission finds and determines that all formal actions of this City Commission concerning and relating to the passage of this Ordinance were taken in an open meeting of this City Commission and that all deliberations of this City Commission and of any of its committees that resulted in those formal actions were in meetings open to the public in compliance with the law.

Section 4. That for the reasons set forth in the preamble hereto, this Ordinance is hereby declared to be an emergency measure which shall take immediate effect in accordance with Section 14 of the City Charter after its adoption and due authentication by the President and the Clerk of the City Commission of the City of Sandusky, Ohio.



RICHARD R. BRADY
PRESIDENT OF THE CITY COMMISSION



ATTEST:

MCKENZIE E. SPRIGGS
CLERK OF THE CITY COMMISSION

Passed: July 12, 2021

THIRD AMENDMENT TO TRANSPORTATION SERVICES AGREEMENT BETWEEN CITY OF SANDUSKY AND FIRST TRANSIT

THIS AMENDMENT is made and entered into as of the ___ day of _____, 2021 by and between THE CITY OF SANDUSKY, with principle offices at 240 Columbus Avenue, Sandusky OH 44870 (the “City”) and First Transit, Inc. with its national headquarters at 600 Vine Street, Suite 1400, Cincinnati, OH 45202 and local business offices for purposes of this Agreement located at 2581 Washington Road, Suite 223, Pittsburgh PA 15241 (“FT” and, collectively, the “Parties”).

WITNESSETH

WHEREAS, effective March 31, 2017, the City and FT made and entered into a Transportation Services Agreement for the operation of the Sandusky Transit System in Sandusky, Ohio (the “Transportation Services Agreement”); and

WHEREAS, effective February 1, 2019, the City and FT amended the Transportation Services Agreement (the “First Amendment”); and

WHEREAS, effective December 20, 2019, the City and FT further amended the Transportation Services Agreement (the “Second Amendment”); and

WHEREAS, the Parties desire to amend certain portions of the Transportation Services Agreement to allow for a \$1.50 per hour wage increase for all drivers and hourly staff positions;

NOW, THEREFORE, the Parties mutually agree as follows:

1. **RATES: Exhibit C Rates** shall be amended as follows to reflect the following rate changes:

Effective Date July 18, 2021

Cost Per Vehicle Hour of Service \$35.04

Fixed Fee Per Month \$30,866.83

The revised cost summary pages of the Transportation Services Agreement detailing the above rates are hereby incorporated into and attached hereto as **Attachment A**.

2. **NOTICE TO PARTIES** All notices to be given by the parties to the Transportation Services Agreement shall be in writing and serviced by depositing same in the United States Mail, certified mail.

Notices to THE CITY shall be addressed to:

City of Sandusky
Attention: Thomas Horsman, Transit Administrator
240 Columbus Avenue
Sandusky, OH 44870

With a copy to:

City of Sandusky
Attention: Brendan Heil, Law Director
240 Columbus Avenue
Sandusky, OH 44870

Notices to FT shall be addressed to:

General Counsel
FirstGroup America, Inc.
600 Vine Street
Suite 1400
Cincinnati, OH 45202

Except as amended herein, all other terms and conditions of the Transportation Services Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, this Amendment has been signed and executed in duplicate on behalf of the Parties hereto by persons duly authorized on the day and year first written above.

THE CITY OF SANDUSKY

FIRST TRANSIT, INC.

By: _____

By: _____

Title: _____

Title: _____

ATTEST:

ATTEST:

By: _____

By: _____

Attachment A

**Current Pricing Per Second Amendment to Contract
Executed December 20, 2019**

OPTION 2 PRICING - Blue & Yellow routes running 5AM to 12AM

Blue route running every 1/2 hour, 7 days per week

Yellow route running every hour, 7 days per week

Green, Purple and Orange routes running 6AM to 10PM

Green and Purple routes running every hour, 6 days per week (no Sunday svc)

Orange route running every hour - Monday thru Friday only

Red route running every hour, from 6AM to 10PM, 7 days per week

COST SUMMARY FOR YEAR	2019	2020	2021
Revised Prices Effective	1/1/2020	4/1/2020	4/1/2021
ASSUMPTIONS:			
VEHICLE HOURS OF SERVICE	69,625	69,625	69,625
VEHICLE MILES OF SERVICE	1,038,141	1,038,141	1,038,141
PASSENGER TRIPS	200,000	200,000	200,000
FAREBOX REVENUE	\$200,000	\$200,000	\$200,000
Fixed Fee Per Month	\$30,123.17	\$28,420.67	\$29,064.50
Annual Fixed Fee	\$361,478.04	\$341,048.04	\$348,774.00
Cost Per Vehicle Hour of Service	\$29.14	\$31.09	\$32.21
Annual Cost Per Vehicle Service Hours	\$2,028,873	\$2,164,641	\$2,242,621
Total Cost	\$2,390,351	\$2,505,689	\$2,591,395

**Current Pricing Per Second Amendment to Contract
Cost Detail**

COST SUMMARY FOR YEAR	2019	2020	2021
ASSUMPTIONS:			
VEHICLE HOURS OF SERVICE	69,625	69,625	69,625
VEHICLE MILES OF SERVICE	1,038,141	1,038,141	1,038,141
PASSENGER TRIPS	200,000	200,000	200,000
FAREBOX REVENUE	\$200,000	\$200,000	\$200,000
VARIABLE EXPENSES			
DISPATCHING	2.60	2.64	2.69
ROAD SUPERVISOR	0.58	0.60	0.61
DRIVERS	17.19	18.33	18.98
FRINGE BENEFITS	5.23	5.78	6.07
INSURANCE	1.12	1.14	1.16
CORPORATE SUPPORT	1.16	1.24	1.28
FEE (PROFIT)	1.16	1.24	1.28
SAFETY/TRAINING EXPENSES	0.10	0.12	0.12
VARIABLE EXPENSES PER HOUR	\$29.14	\$31.09	\$32.21
TOTAL VARIABLE EXPENSES	\$2,028,873	\$2,164,641	\$2,242,621
FIXED EXPENSES			
MANAGEMENT (GM and Ops Mgr)	146,182	149,105	152,087
MAINTENANCE (Bus Shelter Cleaner)	5,253	5,253	5,253
FRINGE BENEFITS	38,903	41,362	42,863
OFFICE SUPPLIES	8,250	8,456	8,667
OPERATIONS EXPENSES	36,761	37,765	38,874
CUSTODIAL	2,522	2,585	2,649
MISCELLANEOUS*	36,818	37,729	38,664
TAXES	4,455	4,656	4,865
CORPORATE SUPPORT	14,710	13,871	14,182
FEE (PROFIT)	14,710	13,871	14,182
DEPRECIATION	21,569	21,778	21,778
START UP EXPENSE	26,821	-	-
VEHICLE LICENSE FEES	4,526	4,616	4,709
TOTAL FIXED EXPENSES	\$361,478	\$341,048	\$348,774
TOTAL ANNUAL COST	\$2,390,351	\$2,505,689	\$2,591,395

Revised Pricing Submitted June 18, 2021						
Same Service Levels as Second Amendment						
Increase Driver and Hourly Staff Wages \$1.50 Per Hour						
COST SUMMARY FOR YEAR						
Revised Prices Effective				2019	2020	2021
				1/1/2020	4/1/2020	4/1/2021
ASSUMPTIONS:						
VEHICLE HOURS OF SERVICE				69,625	69,625	69,625
VEHICLE MILES OF SERVICE				1,038,141	1,038,141	1,038,141
PASSENGER TRIPS				200,000	200,000	200,000
FAREBOX REVENUE				\$200,000	\$200,000	\$200,000
Fixed Fee Per Month				\$30,123.17	\$28,420.67	\$30,866.83
Annual Fixed Fee				\$361,478.04	\$341,048.04	\$370,401.96
Cost Per Vehicle Hour of Service				\$29.14	\$31.09	\$35.04
Annual Cost Per Vehicle Service Hours				\$2,028,873	\$2,164,641	\$2,439,660
Total Cost				\$2,390,351	\$2,505,689	\$2,810,062
Cost Increase				\$0	\$0	\$218,667 X
X This is annualized calculation, as change would be effective 7/4/21 would not impact entire year. Also trip counts remain down due to COVID and driver shortage, currently only running about 85% of planned service hours.						
Adjusted Cost Increase Contract Year 2021						
				Increase Does Not Impact Apr, May & Jun		\$49,259.69
				Anticipate reduced service hours through Aug		\$60,991.50
Total adjusted cost increase Contract year 2021						<u>\$108,415.52</u>

Revised Pricing Submitted June 18, 2021

Cost Detail

COST SUMMARY FOR YEAR				2019	2020	2021
ASSUMPTIONS:						
VEHICLE HOURS OF SERVICE				69,625	69,625	69,625
VEHICLE MILES OF SERVICE				1,038,141	1,038,141	1,038,141
PASSENGER TRIPS				200,000	200,000	200,000
FAREBOX REVENUE				\$200,000	\$200,000	\$200,000
VARIABLE EXPENSES						
DISPATCHING				2.60	2.64	2.86
ROAD SUPERVISOR				0.58	0.60	0.62
DRIVERS				17.19	18.33	20.91
FRINGE BENEFITS				5.23	5.78	6.51
INSURANCE				1.12	1.14	1.16
CORPORATE SUPPORT				1.16	1.24	1.41
FEE (PROFIT)				1.16	1.24	1.41
SAFETY/TRAINING EXPENSES				0.10	0.12	0.16
VARIABLE EXPENSES PER HOUR				\$29.14	\$31.09	\$35.04
TOTAL VARIABLE EXPENSES				\$2,028,873	\$2,164,641	\$2,439,660
FIXED EXPENSES						
MANAGEMENT (GM and Ops Mgr)				146,182	149,105	152,087
MAINTENANCE (Bus Shelter Cleaner)				5,253	5,253	21,321
FRINGE BENEFITS				38,903	41,362	46,286
OFFICE SUPPLIES				8,250	8,456	8,667
OPERATIONS EXPENSES				36,761	37,765	39,095
CUSTODIAL				2,522	2,585	2,649
MISCELLANEOUS				36,818	37,729	38,664
TAXES				4,455	4,656	4,865
CORPORATE SUPPORT				14,710	13,871	15,140
FEE (PROFIT)				14,710	13,871	15,140
DEPRECIATION				21,569	21,778	21,778
START UP EXPENSE				26,821	-	-
VEHICLE LICENSE FEES				4,526	4,616	4,709
TOTAL FIXED EXPENSES				\$361,478	\$341,048	\$370,402
TOTAL ANNUAL COST				\$2,390,351	\$2,505,689	\$2,810,062