

June 20, 2011

MEMORANDUM

TO: Mayor and City Council

FROM: David B. Vahaun, City Manager

SUBJECT: **Re-Approval of Demand Response Transportation Services Contract Renewal**

At your May 23rd meeting, you were presented with a contract renewal with the York County Council on Aging (YCCOA) for the continuation of our existing Demand Response Transportation Program. This program provides a transit option to residents for meeting both basic mobility needs as well as providing a ride-to work option during morning and afternoon peak periods Monday through Friday.

At that meeting, you approved a new contract that included an increase in the per passenger mile rate – the basis on which the City compensates the YCCOA for providing this service - from \$2.00 to \$2.05. Following this meeting, staff realized that a miscommunication had taken place and the new rate actually proposed by YCCOA was \$2.10. The additional \$0.05 will result in a maximum additional cost to the City of \$1,225.

However, this change will not have a budgetary impact on the City. Since May, we have been advised that a City request to the Federal Transit Administration has been granted and approximately \$30,000 in remaining ARRA operating assistance will be able to be used on this program for FY 2011-2012. This means that the City's 25% match will be covered for \$7,500, or the equivalent of approximately 5 months of the City's portion of the ride-to-work program.

Although staff regrets having to bring this item back to you for reconsideration, we are pleased to be able to share the availability of these ARRA funds to help support this program and provide some budgetary relief to the City. We are recommending that City Council re-approve this agreement as revised.