



December 4, 2013

To: Fox Cities Transit Commission

From: Deborah Wetter
General Manager

Subject: Approval for a Four Month Temporary Extension to the Agreement with Running, Inc. to Provide Connector Services

Valley Transit has had an agreement with Running, Inc. since April 2009 to provide Connector demand-responsive employment transportation services. The first option year for the Running, Inc. contract should begin on January 2014. However, at this time we are unsure whether there will be sufficient funding for the Connector next year as it is currently operating.

Due to the changes in federal funding under MAP-21, the Job Access Reverse Commute (JARC) program no longer exists. Some of the funds that were available under the JARC program were transferred into federal transit operating funds (5307), but not in the amount that we had previously gotten by competitive bid. In addition, for several of the years that the Connector has operated, Valley Transit was able to get Wisconsin Employment Transportation Assistance Program (WETAP) funding which consisted of the JARC funds plus state funds set aside for employment transportation assistance. Under the WETAP program, Valley Transit could receive up to 75% of the operating costs of the service paid for by the state and federal funds. Neither JARC nor WETAP funds are available in 2014. As a result, the most that will be paid with state and federal funds is 60% (with a budgeted amount of 56.4%). That means that significantly more local share dollars will be required.

United Way has informed us that they are interested in a plan to reduce their involvement over the next several years with the ultimate goal of no longer providing the local funding for the Connector. Their involvement in the Connector was for the purpose of allowing Valley Transit to take the risk of piloting a new type of service and determining if it was effective in providing transportation to second and third shift workers who would otherwise not be able to get to work. Their goal has always been to eventually have either the municipalities or others pay the local share. Over the last five years, United Way has contributed \$50,000 per year and has assisted Valley Transit staff in finding other funding partners to make up the difference – between \$15,000 and \$25,000 each year. Under the new funding formula for 2014, United Way and their funding partners would have to raise almost \$120,000 in local share money for the Connector. They do not believe they will be able to contribute at that level and finding additional funding partners to help offset the increased cost will be difficult.

Valley Transit staff has been discussing alternatives with the United Way for the Connector service. At this time, we don't have consensus on what the course of action should be but believe that we will be in a position in January to make a recommendation

to United Way and to the Transit Commission on how we propose to change the Connector operation to fit the funding constraints.

Because the Connector has been very successful at getting workers to jobs who would not otherwise be able to get there, everyone involved would like to see the service continue. A study on the estimated benefits of The Connector was conducted in March by an Assistant Professor of Economics at University of Wisconsin-Oshkosh. The study revealed the Connector's benefit to individuals, firms and the communities it serves is \$1,206,099 per year. However, because the trips are individual demand responsive trips early in the morning, late at night and in areas not served by Valley Transit, the service continues to be expensive to operate.

We have discussed the options with Running, Inc. and have gotten agreement to extend the current contract for four months with no increase in costs. Running, Inc. understands that we may have to discontinue all or some of the Connector service in 2014 as a result of funding constraints but is willing to extend the contract for four months so we will have time to revise the service and put it back out to bid – or discontinue all or part of the service. As part of our analysis, we have been working with Trapeze to modify the NOVUS paratransit data system to allow us to determine the number of trips originating or ending in each municipality. This information has not been available to us in the past and should assist in our discussions with municipalities on the potential and value to them of gradually absorbing the cost of the Connector into the fixed route funding mechanism.

Recommendation: Approve a four month extension to the agreement between Valley Transit and Running, Inc. to provide Connector demand-responsive employment transportation services at the same rate and terms and conditions as is currently in place.