



Date: 4/8/2026
To: City Commission
From: Kalla Langston-Weiss, City Clerk
Subject: Discussion of Dial-A-Ride Millage Renewal, Agreement Extension, and Potential Rate Reduction

Overview

At prior meetings, the City Commission postponed action on the attached resolution to allow additional time for the City to work with the City of Niles and the Niles Dial-A-Ride Transportation System (DART) on an addendum to the Buchanan Service Agreement. The purpose of the addendum was to confirm the continued provision of public transportation services for Buchanan residents and to allow the City to review whether a reduced millage rate would be appropriate before asking voters to consider renewal of the millage.

The addendum has now been worked out with the City of Niles and extends the Buchanan Service Agreement through December 31, 2030. With that agreement in place, Administration is bringing this item back to the City Commission for consideration and recommends moving forward with a reduced millage rate of **0.80 mill**.

Background

The City of Buchanan has historically levied a millage to fund public transportation services, ensuring residents have access to essential mobility options, including transportation for medical appointments, employment, shopping, and other daily activities. This service is currently provided through the Niles Dial-A-Ride system.

The public transportation millage was previously being considered at 1.00 mill, which was projected to generate approximately \$120,049 annually. However, the current estimated annual service cost is approximately \$90,000. Now that the service agreement addendum with Niles has been completed, staff has reviewed the projected revenue needs and believes a reduced rate of 0.80 mill would more closely align with the anticipated cost of service while still providing a reasonable margin for continued public transportation operations.

Proposal Details

Staff worked with the City of Niles and DART regarding an addendum to the Buchanan Service Agreement for continued public transportation services. The addendum extends the agreement through December 31, 2030, unless earlier terminated in accordance with the terms of the agreement. The scope of services, compensation, fees, and

payment terms remain governed by the original agreement unless otherwise amended in writing by mutual agreement of the parties.

With the addendum now in place, Administration recommends that the City Commission proceed with updated ballot language for a Dial-A-Ride public transportation millage renewal at a reduced rate of 0.80 mill.

Projected annual revenues at alternative millage rates are as follows:

- 1.00 mill → approximately \$120,049
- 0.90 mill → approximately \$108,044
- 0.85 mill → approximately \$102,041
- 0.80 mill → approximately \$96,039
- 0.75 mill → approximately \$90,036, approximately break-even
- 0.70 mill → approximately \$84,034, below current estimated cost

A rate of 0.80 mill is projected to generate approximately \$96,039 annually, compared to the current estimated annual service cost of approximately \$90,000. This rate would reduce the proposed millage from the previously considered 1.00 mill while still supporting continued Dial-A-Ride services for Buchanan residents.

Ballot Language

Because the proposed millage rate has been revised from 1.00 mill to 0.80 mill, the ballot language and estimated revenue figures should be updated before final Commission consideration. The updated ballot language should reflect the revised rate of 0.80 mill and the estimated first-year revenue of approximately \$96,039.

Recommendation

Administration recommends that the City Commission approve the addendum to the Buchanan Service Agreement with the City of Niles, extending the agreement through December 31, 2030, and proceed with updated ballot language placing a Dial-A-Ride public transportation millage renewal before the voters at a reduced rate of **0.80 mill**. For the November 3rd, 2026, Ballot.