

CITY OF SHEBOYGAN

REQUEST FOR TRANSIT COMMISSION CONSIDERATION

ITEM DESCRIPTION: 7. Approval to Purchase Paratransit Buses using CARES Act Funds

REPORT PREPARED BY: Derek Muench, Director of Transit & Parking

REPORT DATE: 5/11/22

MEETING DATE: 5/17/22

FISCAL SUMMARY:

Budget Line Item:	N/A
Budget Summary:	N/A
Budgeted Expenditure:	N/A
Budgeted Revenue:	N/A

STATUTORY REFERENCE:

Wisconsin	N/A
Statutes:	
Municipal Code:	N/A

BACKGROUND / ANALYSIS:

Shoreline Metro received almost \$3.5M in funding through the CARES Act, directly allocated to the City of Sheboygan and Shoreline Metro for use in offsetting losses in revenue or increases in expenses associated with operations as a result of the COVID-19 pandemic. Shoreline Metro's operations were not impacted as significantly as originally forecasted.

Local support funding also was allocated appropriately which helped decrease the use and dependency on CARES Act funds. The use of these funds is time-sensitive. Since Shoreline Metro did not furlough or lay off employees during the pandemic, Shoreline Metro is eligible to use these funds for capital projects. In a grant application to FTA, this project and the funds associated have been approved and will be ready to use. CARES Act funds cover 100% of eligible expenses meaning this project would not require a local match by the City of Sheboygan.

STAFF COMMENTS:

The Director of Transit & Parking recommends using CARES Act funds to purchase at least five (5) paratransit buses for the use in demand responsive services provided by Metro Connection. Each vehicle is estimated at \$130,000. Costs have increased significantly since the pandemic due to labor shortages and supply chain issues.

Metro Connection's fleet is currently 30 percent past useful life (7 years/150,000 miles). The fleet will be at 50 percent past useful life in a couple years. There is a strong need to replace these buses as soon as possible. However, demand and shortage of these vehicles will pose challenges including availability to purchase and extensive delivery dates. The time to plan and purchase is now.

Shoreline Metro will still have a healthy CARES Act balance as well as unused American Recovery Plan Act (ARPA) funds in the amount of \$1.4M.

ACTION REQUESTED:

Staff recommends approval to use CARES Act funds to purchase at least five (5) demand response revenue service vehicles for use by Metro Connection and funded at 100 percent.

ATTACHMENTS:

- I. No attachment.