

SERVICE AGREEMENT

This agreement, made and entered into this _____ day of _____, 20____ by and between the CITY OF RACINE, WISCONSIN, hereinafter referred to as City, and the VILLAGE OF CALEDONIA, WISCONSIN, hereinafter referred to as Caledonia.

WHEREAS, the City owns and operates a public mass transportation system herein referred to the Belle Urban System (BUS); and

WHEREAS, the City has received authority from the Wisconsin Department of Transportation to operate its mass transportation system outside of its corporate limits, including the Village of Caledonia; and

WHEREAS, the mass transportation system is expected to operate at a deficit; and

WHEREAS, both the Federal Transit Administration of the U.S. Department of Transportation and the State of Wisconsin Department of Transportation will assist in the subsidization of the operating deficit under formula grant programs; and

WHEREAS, Caledonia has approached the City and expressed a desire to have bus service provided by the City to the Village of Caledonia; and

WHEREAS, Caledonia is willing to pay its local share of the operating deficit for 2014 based on a fixed amount not to exceed \$26,500.

WITNESSETH

The City agrees that it will run regularly scheduled bus service connecting Caledonia to Racine, Mount Pleasant, Sturtevant and the Grandview Industrial Park during the period from January 2, 2014 through December 31, 2014. Complimentary para-transit service within three quarters of a mile of any non-express BUS route is also provided to Caledonia and in 2014 a record of all paratransit origins and destinations within the village will be provided. A cost of \$1.28 per origin and/or destination in the village will be assessed but those costs will be rolled into your contract cap amount of \$26,500.

1. The City will provide bus service along Douglas Avenue from the Racine City Limits to the Greentree Shopping Center in Caledonia Mondays through Saturdays on Route 5. Additional service to Greentree Shopping Center will be provided on Route 1 on weekday evenings beginning with the first arrival at 6:47pm, a Saturday evening trip with an arrival 5:47pm, and on Sundays between 10:47am and 5:47pm.
2. All services will be provided to Caledonia as described above with the exception of May 26, July 4, September 1, November 21 and December 25.

3. Hours of service are generally the same as those for the entire Belle Urban System. Frequency of service on weekdays shall be every thirty (30) to sixty (60) minutes. Frequency of service on Saturdays and Sundays shall be every sixty (60) minutes. Changes in service will take place only when changes are made in the entire system or at the request of Caledonia after sufficient notice to the City is provided.
4. Expense Reimbursement
 - A. Caledonia agrees to pay its 2014 local share of the operating expenses for fixed route and DART transit services for an amount not to exceed \$26,500.
 - B. The City shall bill Caledonia for its local share of the operating deficit on or after March 31, 2014 and each succeeding quarter thereafter. In the event payment is not made, the City may, at its option, terminate this agreement and the bus service provided herein by written notice delivered to the Village Clerk of the Village of Caledonia ten (10) days before the termination date. As specified in item 10 below, the maximum financial commitment on the part of the Village of Caledonia in 2014 is \$26,500.
 - C. Caledonia agrees to pay its local share of the operating expenses for service pursuant to the methodology as set forth in Exhibit A, attached hereto, and by reference hereby made a part of this agreement. The methodology essentially projects the Caledonia share of expected expenses based on the scheduled miles of fixed route service in Caledonia as a percentage of total projected system fixed route miles. After an audit of actual expenses is completed and an actual number of total system miles is verified any excess fixed route payment will be calculated. At that time DART per ride costs will be added to the figure and that shall serve as the total cost for 2014. If total fixed route costs based on mileage and actual DART rides is less than \$26,500 the balance will be refunded to the Village.
5. The City of Racine agrees that monthly bus passes may be sold in Caledonia, at safe and secure outlets to be determined by the both parties.
6. It is agreed and recognized by both parties that the Wisconsin Department of Transportation has regulatory authority over routes, fares and service, and as such, any regulations imposed by the Wisconsin Department of Transportation are hereby made a part of this agreement.
7. Caledonia shall have the right to inspect the City's transit ledgers at any reasonable time. However, the audit report as accepted by the Wisconsin Department of Transportation shall be considered final and binding.
8. The City shall purchase and keep in effect insurance insuring the buses used on the routes in Caledonia to the same extent as buses used to provide mass transit service in the City. If deemed necessary by Caledonia, the City shall cause Caledonia to be named as an additional insured on such policy.

9. The City shall have sole and ultimate authority and responsibility for the operation, control and direction of the mass transit service extended to Caledonia pursuant to this agreement, and in accordance with the terms herein.

10. In the event of the discontinuation or substantial reduction of Federal or State operating subsidies, both parties recognize the limitations of the Village of Caledonia and the City of Racine's financial capability. Upon request of Caledonia or the City, action shall be taken to begin termination or reduction of such service. The City recognizes that Caledonia has only budgeted \$26,500 for transit services in 2014 and this contract will not exceed that amount but could be less based on audit.

EXHIBIT A

CALEDONIA PROJECTED AND FINAL SHARE OF EXPENSES METHODOLOGY

As a basis for determining an equitable distribution of transit operating costs the following methodology will apply: Note: Total "Local Share" of Expenses = Total Transit System Expenses less all system revenues less all Federal and State operating subsidies. *(From Exhibit I - "Sharing of Projected Deficit", 'WisDOT 2014 State Transit Operating Assistance Application'.)*

- The PROJECTED Caledonia portion of the "Local Share" shall be determined by taking the 2014 State of Wisconsin Operating Assistance Grant Application's projected total "Local Share" Belle Urban System (BUS) Operating Expenses (*Exhibit I - "Sharing of Projected Deficit", 'WisDOT 2014 State Transit Operating Assistance Application'.*) multiplied by the 2014 scheduled percentage of Total Fixed Route service miles provided to Caledonia as referenced in Exhibit J of the 2014 state application.
- The FINAL Caledonia portion of the "Local Share" shall be determined by the Audited 2014 Fixed Route Operating Expenses multiplied by the 2014 percentage of scheduled Total Fixed Route service miles provided to Caledonia based on the 2014 Total Year-end Actual Miles as reported on form DT 1489 (*WisDOT Urban Bus Operations Report*) PLUS a charge of \$1.28 per DART service origin and/or destination within the Village limits. Final total costs for 2014 will not exceed \$26,500.
- The FINAL Caledonia payment will not exceed the PROJECTED payment.

Witnessed

Anthony A. Borchers

VILLAGE OF CALEDONIA

BY: [Signature]
President

ATTEST: [Signature]
Clerk ~~Treasurer~~

CITY OF RACINE

BY: _____
Mayor

ATTEST: _____
City Clerk

Provision has been made to pay any liability which may accrue from this agreement.

Finance Director

Approved as to form:

City Attorney