

**PUBLIC TRANSIT SERVICES AGREEMENT  
BEDFORD TOWNSHIP - LETC**

This “Public Transit Services Agreement - Bedford Township - LETC”, (hereafter, the “Agreement”), made and entered into as of this \_\_\_\_\_ day of \_\_\_\_\_, 2015, which is the effective date, is by and between the Township of Bedford, a general law township municipal corporation located in Monroe County, Michigan, (hereafter, “Bedford”), whose address is 8100 Jackman Road, P.O. Box H, Temperance, Michigan 48182, and the Lake Erie Transportation Commission, a/k/a Lake Erie Transit, an intergovernmental organization created by law and contract between the City of Monroe, a city in the County of Monroe, Michigan, and the Charter Township of Frenchtown, a charter township in the County of Monroe, Michigan, (hereafter, “LETC”), whose address is 1105 West Seventh Street, Monroe, Michigan 48161.

PRELIMINARY RECITATIONS:

WHEREAS, LETC was created by an interlocal agreement between the City of Monroe, a city in the County of Monroe, Michigan, and the Charter Township of Frenchtown, a charter township in the County of Monroe, Michigan, and also by arrangement with the Suburban Mobility Authority for Regional Transportation (SMART) for grants and assistance, to provide public transit services to the citizens of the County of Monroe, Michigan; and

WHEREAS, Bedford has requested and agreed to receive public transit services from LETC in return for Bedford paying LETC for those public transit services serving the citizens of Bedford; and

WHEREAS, Bedford has been contracting with LETC without written agreement for said public transit services from LETC, and paying LETC on a monthly basis for said services, for several years; and

WHEREAS, Bedford has levied a public transit services millage pursuant to an authorized vote of the citizens of Bedford for many years, and said millage monies have been used to pay for said public transit services given to Bedford by LETC; and

WHEREAS, it was determined by the parties that a formal written agreement should be made between the parties to memorialize the ongoing arrangement for public transit services and the payment for same going forward.

AGREEMENT:

1. Public Transit Services. LETC and Bedford acknowledge that public transit services have been provided by LETC to the citizens of Bedford in the past, and that the providing of said public transit services will continue pursuant to this Agreement. The providing of said public transit services by LETC to Bedford shall continue hereafter until this Agreement is terminated or terminates.

2. Type of Public Transit Services Provided. LETC shall provide public transit services to Bedford and its citizens primarily through the Bedford Dial-A-Ride system, which shall be a demand responsive, radio dispatched, door to door transportation service. There shall be no fixed routes provided. As of August 1, 2015, the Bedford Dial-A-Ride system shall operate with two (2) buses, each operating for eight (8) hours per day. The system shall operate Monday through Friday, with normal holidays off. One (1) bus will operate beginning at 7:30 a.m. in the Bedford Township area, and operate until 3:00 p.m. The second (2<sup>nd</sup>) bus will operate beginning at 9:00 a.m. in the Bedford Township area, and operate until around 5:00 p.m., or until there is time for the bus to return to the LETC terminal in Monroe, Michigan by 5:30 p.m. There shall be a half hour off for lunch for each driver, which shall not be taken at the same time as the other driver's lunch break.

The Bedford Dial-A-Ride system shall operate in the designated service area. The designated service area shall be Whiteford Center Road on the West, with certain times extending to U.S. 23; and Rauch Road on the North; Dixie Highway (M-125) on the East; and the Ohio State Line on the South.

The service by the system shall be curb to curb transportation between any two points in the service area. Prescheduled trips to the Westfield Shopping area in Toledo, Ohio, with transfers to the Toledo Area Rapid Transit Authority (TARTA) shall be made possible. Service to the Westfield Shopping area shall be scheduled around 10:30 a.m. and 2:00 p.m.

Drivers will provide passengers with curb to curb service, including minor physical assistance for packages and minor (arm) support for embarking and disembarking a service vehicle. Response time shall be monitored. It is expected that the response time will be sixty (60) minutes or under.

3. Fares to Be Charged. The users of the public transit services shall be charged fares consistent with what similar users are charged by LETC for other public transit services provided in other areas of Monroe County.

4. Federal and State Grants. LETC and Bedford agree to cooperate, on their own and with each other, and with other regional transit authorities or entities, to seek transportation grants to assist in paying for public transit services being provided for in this Agreement.

5. Subsidy Payments for Public Transit Services. The parties agree that the user fares and grant monies are insufficient to pay for the cost of LETC providing the public transit services to Bedford and its citizens, and as a result, there shall be additional subsidy charges paid by Bedford to LETC to subsidize and pay for the cost of LETC providing said public transit services in Bedford.

6. Determination of Charges for Providing the Public Transit Services. The Bedford Dial-A-Ride system is part of a larger public transit service system operated by LETC. Bedford is to be charged based generally on the cost of LETC operating Bedford's portion of the larger public transit service system operated by LETC. The costs of the entire system of the larger public transit service shall be allocated to Bedford on a State of Michigan approved allocation formula. The total expenses are broken down and those for Bedford are assessed to Bedford. Part of the allocation for operating expenses is based on the hours of operating Bedford's portion of the system. Maintenance expenses shall be allocated based on miles run in Bedford. Administration expenses will also be allocated.

7. Billing and Payment of Subsidy Payments. LETC shall bill Bedford on a monthly basis, after the public transit services have been provided, for the cost of those services during the preceding month, less the fares and grants received by LETC. Bedford agrees to make payment to LETC for the charges billed for those public transit services within forty-five (45) days after the date of said billing statement from LETC to Bedford. LETC agrees to submit and to mail or deliver the billing statement to Bedford no later than three (3) days after the date of the billing statement. LETC agrees to work with Bedford, and Bedford agrees to work with LETC, to produce an annual budget pursuant to paragraph 9 of this Agreement, and to provide the services agreed to on an annual basis for the agreed upon budget established by LETC and Bedford. As part of its monthly billing, LETC agrees to provide Bedford with a calculation of how the monthly charges were computed. Such things as the allocation of operating, maintenance, and administration expenses, and how they were calculated, shall be shown.

8. Term of this Agreement. The term of this Agreement be indefinite, and shall remain in effect on an indefinite basis, unless terminated by the provisions of this Agreement, or in writing by either LETC or Bedford upon no less than sixty (60) calendar days advance written notice to the other party. Upon giving said sixty (60) calendar days advance written notice, either LETC or Bedford may terminate this Agreement, and terminate the public transit services and the payment for same pursuant to this Agreement, in either of their sole

discretions, and at any time. Unless otherwise agreed to in writing, and only if this Agreement was not previously terminated, as of the end of June 30 of any budget year where there is no LETC millage or sufficient grants or a next year's budget for LETC services in effect in Bedford to pay for the next budget year going forward, this Agreement shall automatically terminate, and no sixty (60) days advance written notice shall be required. This does not prohibit Bedford from providing written notice to LETC that it desires to continue on with the Agreement despite the lack of a LETC millage or grants or a budget being in place.

9. Annual Budgets. The annual budget year for Bedford shall be twelve (12) months long, from July 1 to the next June 30 (of the next year). LETC and Bedford agree that Bedford and LETC will cooperate and work together towards agreeing upon an annual budget for each budget year (July 1 to the next June 30) for the public transit services to be provided to Bedford's citizens. Both parties agree to begin negotiating and working on said annual budget no later than March 1 preceding the next July 1, for that budget year to begin on that July 1, and further agree to continue negotiating and working on said annual budget to have it approved prior to July 1. In order to be effective, Bedford must agree to said budget and Bedford must approve of said budget as part of its Township-wide fiscal year budget for the same budget year of July 1 to the next June 30. Each year, both LETC and Bedford must sign off on an agreed annual budget for the LETC services to be provided for the next budget year of July 1 to June 30, in order for the agreed upon LETC budget to be in effect as an approved budget. If LETC and Bedford do not agree on a LETC budget for the next July 1 to June 30 year, Bedford may budget for said LETC service as part of its Township-wide fiscal year budget as it deems fit. LETC shall then have its rights under this Agreement and Bedford agrees to continue to negotiate with LETC. Whatever annual budget is approved by Bedford shall then be made a part of Bedford's annual Township budget. Notwithstanding the budget for the public transit services for the ensuing year, either LETC or Bedford may cancel this Agreement during the budget year and cease said public transit services, all pursuant to the terms of this Agreement. Nothing herein shall be construed to require Bedford to accept, adopt, or include in its general Township-wide budget any particular annual budget for the public transit services for the ensuing year, but if any such budget is not accepted, adopted, or included, the public transit services provided by LETC shall terminate as of the close of June 30 prior to July 1 of the next annual budget year, unless earlier terminated. If not already approved by Bedford and LETC, Bedford and LETC shall negotiate an annual budget for the public transit services to be provided by LETC to Bedford and its citizens for the budget year beginning July 1, 2015 and ending June 30, 2016, or earlier, as the budget permits. If already approved by Bedford, that shall be the annual budget for public transit services provided by LETC for the budget year beginning July 1, 2015 and ending June 30, 2016. In addition, Bedford and LETC may negotiate or consider a budget for the remainder of the calendar year 2016, that being July 1, 2016 to December 31, 2016, and into 2017, which negotiation or consideration could be near the time of this Agreement or in March of 2016, when required, or at any time in between.

10. Millage. Bedford intends to pay its subsidy payments for the LETC public transit services with a Township public transit services millage. There is a current Township millage in effect through December 31, 2015. A collection will be made on the millage with the winter tax bills being issued in December 2015. That will be the final collection on the current Township millage for public transit services. It is intended that the public transit services millage collections for winter 2015 will be utilized to provide funding into 2016. Bedford shall have the option to provide for a new public transit services millage to first be collected with the winter tax bills in 2016, and for any other millages thereafter. This Agreement shall stand separate from any millages that Bedford may approve and collect, but unless agreed to by Bedford, at such time as when the millage monies are exhausted, this Agreement shall terminate and the services shall terminate as well, unless the parties both agree otherwise. Nothing herein shall be construed to prohibit Bedford from agreeing with LETC to provide funding for the continuation of the Agreement other than through millage monies. If not so agreed, however, when millage monies are exhausted, this Agreement and the services to be provided under this Agreement shall immediately be terminated.

11. Records. All of LETC's records pertaining to the public transit services provided by LETC to Bedford and its citizens shall be available to Bedford at any and all reasonable times.

12. Quarterly Meetings. LETC and Bedford agree to meet quarterly at a minimum to review the actual service and charging provided for in this Agreement. Meetings shall be at Bedford's office. The General Manager or his designee shall represent LETC, and the Supervisor or Clerk or Treasurer of Bedford shall represent Bedford.

13. Compliance with Law. LETC agrees that it shall comply with all applicable federal, state, and local laws and regulations pertaining to the public transit services being provided to Bedford and its citizens.

14. LETC Insurance and Indemnification. LETC shall carry public liability insurance, vehicular insurance, and property liability insurance in amounts and types of coverage comparable to that in force in the public transportation industries in Michigan, but in no event, shall said insurance be in an amount that is less than \$5,000,000.00 in coverage per occurrence for death or personal injury, or less than \$2,000,000.00 for property damage. Further, LETC agrees to defend, indemnify, and save harmless the Township and its officials, agents, employees, and attorneys from any claims, demands, payments, suits, actions, recoveries and judgments of every kind and description brought against Bedford relating to LETC providing public transit services in Bedford. LETC will provide proof of all insurance coverages to Bedford on an annual basis at the beginning of each budget year which shows a paid for premium in advance for the budget year, or the declaration sheet or the policy shall provide that there should be no termination of coverage without at least thirty (30) days

advance written notice to Bedford. LETC agrees to provide advance written notification to Bedford of any termination or changes in insurance coverage. Bedford shall have no obligation with respect to the payment for any of said insurance, but shall have the right to make payment, at its sole discretion, if payment is not being properly paid by LETC, and then may reduce any payment for billing charges submitted by LETC to Bedford to reimburse Bedford for its payment of said insurance. LETC shall maintain workers compensation coverage covering all of LETC's employees.

15. Taxes and Fees. LETC shall be exclusively obligated to pay any and all taxes and governmental fees associated with LETC providing public transit services to Bedford and its citizens pursuant to this Agreement. Bedford shall have no obligation or responsibility with respect to any taxes or fees.

16. Independent Contractor Status. In furnishing the public transit services hereunder, nothing contained in this Agreement, and nothing in the manner of LETC providing said services to Bedford and its citizens shall be construed to constitute LETC as a joint party or an agent, or a collaborator of Bedford. LETC and its employees shall not be construed as receiving any wages, salaries, benefits, or any other compensation for the services to be provided hereunder, from Bedford. Bedford's sole obligation shall be as a separate contracted with entity obligated to pay on a contract only basis, for the public transit services to be billed monthly and budgeted annually as provided for in this Agreement. LETC shall at all times during the term of this Agreement, or during any time after this Agreement when public transit services are being provided to Bedford and its citizens, be that of a separate independent contractor from Bedford. Bedford shall not be obligated to process any taxes or insurance or authorizations for LETC relating to LETC or its employees in the provision of the public transit services being provided to Bedford and its citizens by LETC. LETC shall be responsible for all of LETC's expenses, including but not limited to employee salaries, wages, taxes, and insurance, and any other expenses of LETC in providing the public transit services to be provided to Bedford and its citizens.

17. Contact Parties. The general manager of LETC shall be the contact person for Bedford to contact LETC, and the Supervisor of Bedford shall be the contact person for LETC to contact Bedford. In the absence of the Supervisor for Bedford, the Clerk of Bedford shall be the contact person for Bedford, and in the Clerk's absence or unavailability, the Treasurer of Bedford shall be the contact person. For LETC, if the general manager is not available, then it shall be the assistant or other designee to the general manager of LETC to be the contact person for LETC to be contacted by Bedford.

18. Complete Agreement. This Agreement constitutes the complete expression of the relationship between Bedford and LETC and there are no other oral or written agreements or understandings between the parties concerning or affecting this relationship. This

Agreement shall only be modified or amended by a subsequent written addendum duly approved and executed by or at the direction of Bedford and LETC. This Agreement shall be binding on all parties and their successors and assigns.

19. Governing Law and Continued Enforcement of the Agreement. This Agreement shall be construed in accordance with and governed by the laws of the State of Michigan. If any term or provision of this Agreement is determined to be invalid, it shall not affect the validity and enforcement of the remaining terms and provisions of this Agreement.

EXECUTION:

IN WITNESS WHEREOF, LETC has caused this Agreement to be executed on this \_\_\_\_\_ day of \_\_\_\_\_, 2015.

SIGNED IN PRESENCE OF:

\_\_\_\_\_

SIGNED BY:

Lake Erie Transportation Commission

By: \_\_\_\_\_  
Joseph Lybik, Chairperson

By: \_\_\_\_\_  
Mark Jagodzinski, General Manager

IN WITNESS WHEREOF, Bedford has caused this Agreement to be executed on this \_\_\_\_\_ day of \_\_\_\_\_, 2015.

SIGNED IN PRESENCE OF:

\_\_\_\_\_

SIGNED BY:

Bedford Township, a general law township located in Monroe County, Michigan

By: \_\_\_\_\_  
Greg W. Stewart, Supervisor

By: \_\_\_\_\_  
Trudy L. Hershberger, Clerk