Ivins City Staff Report
City Council Meeting 07/17/2025

Agenda Item: Discuss and consider approval of an updated Interlocal Agreement between the City of St George and Ivins City for the provision of Public Transit Service

Submitted by: Charles R. Gillette, P.E., Public Works Director/City Engineer

Recommended City Council Action:
Approve updated Interlocal Agreement between the City of St George and Ivins City for the provision of Public Transit Service

BACKGROUND:

Ivins City has provided bus service to the residents of Ivins since 2013. The agreement was last updated in 2020. When the State passed the Local Option Sales and Use Tax for Transportation Act in 2023, it increased revenue to Ivins City, which is required to be put towards transit. As a result, Ivins City worked with the City of St George to upgrade the service from an 80-minute frequency route to a 40-minute frequency route.

The agreement needs to be updated to reflect increased costs associated with the increased service. The operational costs have essentially doubled, and there is also the cost of the bus itself. For the original route, Ivins City had to purchase half of a bus because, with an 80-minute route, the bus was used in Ivins only 50 percent of the time. Now that we are providing the 40-minute route, Ivins City needs to cover the cost of another 50 percent of a bus, essentially paying for the entire cost of the bus.

FINDINGS AND ANALYSIS:

St George has slightly modified the 2020 agreement and attached a new Exhibit A that shows how the costs are broken down between operations and bus purchases.

These costs are broken down in operations costs, replacement bus costs, and then the Year 1 costs of $60,600 for the purchase of 50% of a bus.

SUPPORT MATERIALS:

- Interlocal Agreement between the City of St George and Ivins City for the Provision of Public Transit Service
- Exhibit "A" Estimated Annual Cost for Ivins Transit Service

FINANCIAL IMPACT:

The table below summarized the three-year costs shown in the Exhibit "A" of the agreement.

	Year 1	Year 2	Year 3
Operations	$ 197,687	$ 205,585	$ 213,809
Equipment Replacement	$ 19,214	$ 19,983	$ 20,782
Reimbursement for Bus Purchase	$ 60,500	$ -	$ -
Totals	$ 277,401	$ 225,568	$ 234,591

This agreement has a net zero cost impact to Ivins City since the City receives income from the Local Option Sales and Use Tax for Transportation Act of 2023. Ivins City is fortunate, because only cities that had transit service qualified to receive the funds. In FY25 Ivins City received $338,000 and depending on sales tax may even generate more income next FY. This is higher than our Year 1 expected costs and even more less than our Year 2 costs. The City should consider other ways to spend this money since it should not be spent on anything that is not transit related. It may want to consider building out shelters along the bus route and other ways to enhance the transit service.

Respectfully Submitted:

Charles R. Gillette, P.E., Public Works Director/City Engineer

Content Review:

Dale Coulam, City Manager