

The following section supplements the terms and conditions contained in the City Commission memorandum, as follows:

NEW HOURLY OPERATING RATES

The City and LSF are in the process of negotiating new hourly operating rates, based upon the possible ranges of reduced service levels (i.e. scheduled hours of operation of the combined fleet) up to the level of service in the current agreement of 13,471 scheduled hours per month.

The new hourly operating rates for reduced levels of service going forward will be higher than the current contract rates given that LSF must recoup its fixed costs while operating fewer service hours. Should the City resume the level of service in the current agreement, the current hourly rate (Rate 1) in the current agreement will apply. The hourly rate will depend on the cumulative number of all scheduled service hours for operation of the combined fleet for the month, regardless of vehicle distribution along the routes, and would be as follows per vehicle service hour:

- Rate 1 (current rate, between 10,777 and 16,165 scheduled hours): \$77.35 for a low-floor and \$65.81 for a high-floor trolley vehicle.
- Rate 2 (reduced level rate, between 8,757 and 10,776 scheduled hours): \$84.03 for a low-floor and \$72.49 for a high floor trolley vehicle.
- Rate 3 (reduced level rate, between 6,736 and 8,756 scheduled hours): \$89.75 for a low-floor and \$78.21 for a high floor trolley vehicle.
- Rate 4 (reduced level rate, between 4,715 and 6,735 scheduled hours): \$100.39 for a low-floor and \$88.85 for a high floor trolley vehicle.
- Rate 5 (reduced level rate, between 2,694 and 4,714 scheduled hours): \$126.97 for a low-floor and \$115.43 for a high floor trolley vehicle.

Any scheduled hours for the combined fleet which exceed the pre-COVID-19 monthly level of service in the current agreement will first be applied toward the number of hours which LSF lost during the suspension period to help reduce the fixed cost balance owed to LSF. Once LSF has made been whole for the lost service hours during the suspension period, the surplus hours will be used to determine if any rate adjustment is needed to lower the hourly operating rate.

Should the City ever resume to service level in the current agreement, the current hourly rate would apply.