

City of Alexandria, Virginia

MEMORANDUM

DATE: APRIL 16, 2014
TO: THE HONORABLE MAYOR AND MEMBERS OF CITY COUNCIL
THROUGH: RASHAD M. YOUNG, CITY MANAGER 
FROM: NELSIE L. SMITH, DIRECTOR, OFFICE OF MANAGEMENT AND BUDGET 
SUBJECT: BUDGET MEMO #22: SENIOR TAXI

This memorandum responds to questions from Vice Mayor Silberberg and Councilwoman Pepper related to the Senior Taxi. The responses to these questions have been consolidated here.

Can we fund Senior Taxi out of the Transportation Improvement Program (TIP)?

City staff feels that the Senior Taxi service could be funded with TIP proceeds based on the revised TIP definition presented to City Council during the FY 2015 budget development process. To fund Senior Taxi out of the TIP, \$164,000 in transportation expenditures programmed in the TIP for FY 2015 would need to be eliminated to accommodate the Senior Taxi service.

What is the possibility that SSA or other local nonprofits could handle Senior Taxi for far less than if the city handles it for \$165,000?

In FY 2014 a local cab company was issued a six-year contract starting February 15, 2013 and ending February 14, 2019. Two additional two-year renewal options are available, which could extend the contract until February 13, 2023. Under the contract, the Division of Aging and Adult Services purchases Yellow Cards (similar to debit cards) for eligible Senior Taxi riders, distributes the cards to the riders, and riders directly call the transportation provider for reservations. Though the contract could be terminated for non-appropriation of funds, it is not possible to terminate the contract to find a less expensive vendor. In addition, the management fees paid to the current transportation provider are 5%, compared to 22% that was paid to SSA in FY 2013.

How did SSA administer the Senior Taxi program? Why did this program shift from SSA to the city's responsibility?

The Senior Taxi program was established by the DCHS Division of Aging and Adult Service in the early 1980's and has always been the Department's responsibility to manage. When transportation costs have exceeded the budget, the Department has historically funded the difference by shifting funding from other programs within the department's budget.

Senior Services of Alexandria (SSA) was responsible for coordinating reservations and paying appropriate invoices directly to the transportation provider from 1984 to 2013. During FY 2013, the final year of this arrangement, the City paid SSA \$303,350. Of this total, SSA retained \$67,571 for compensation for the reservations and other management functions. The remaining \$235,779, reimbursed SSA for payments made to the transportation provider. Significant changes were made in FY 2014 to streamline costs to make the program operate more efficiently. More stringent income eligibility requirements were implemented and a cap was placed on the amount riders could spend, up to \$360, in a calendar year. In addition, by eliminating administrative costs paid to SSA for their management functions and by transferring the reservations component to the transportation provider, the Department was able to reduce the budget of the program by \$91,883.

What the current eligibility criteria for Senior Taxi?

This program is available to individuals age 60 or older who live in the City of Alexandria and whose annual household income is \$48,508 or below.

What is the number of clients between ages 61-64 who have used Senior Taxi in FY14? What would the implications of increasing the age to 65? How would this impact the cost?

In FY 2014 there are roughly 20 individuals between the ages of 61 to 64 who are utilizing the Senior Taxi Yellow Card program. Based on the spending for this age group, there would be a savings of approximately \$5,000 if the age eligibility was raised to 65.

What has been the impact of the senior taxi income restriction on participation in FY 2014?

While developing the FY 2014 Senior Taxi model, which included new income eligibility requirements, staff did not have access to household income. Staff therefore, estimated 550 riders (out of the approximate 700 riders in FY 13) would be eligible for the revised program. A quarterly cap of \$90 per rider was instituted based on the number of estimated riders to ensure the program stayed within budget. So far this fiscal year, 408 riders have participated in the program. Based on current ridership, the program is projecting to spend \$85,000 out of its \$165,000 budget in FY 2014. The projected balance of \$80,000 is due to fewer riders in the program (408 as opposed to the projected 550). If the program were to continue in FY 2015 it is expected that the department would see similar levels in ridership.