

EXECUTIVE SUMMARY



To: Bob Vitas, City Manager

From: Norman Whitaker, Director / KWDoT

NW

Date: January 30, 2014

Subject: Joint Participation Agreement – Section 5311 Funding - FY2014

Action Statement:

This resolution is a request for approval and authorization to execute the enclosed Joint Participation Agreement (JPA) documents from the Florida Department of Transportation (FDOT) in the amount of \$1,084,904 to provide up to 50% reimbursement in the amount of \$542,452 for operating costs for the fixed route public transportation system in the City of Key West.

Project History:

The City of Key West Department of Transportation is tasked with the responsibility of identifying and securing grant funding assistance each year to subsidize the cost of providing a public transit system. Key West is fortunate to maintain Section 5311 status as it applies to operating expenses for repair and maintenance.

The Section 5311 Funds are awarded annually by FDOT and are continued funds until the applicant no longer applies, or ceases to provide similar service. KWT applies for and receives Section 5311 Funding on annual basis – the amount is determined by FDOT in Five (5) Year periods and work program. The amount allocated for FY2013 – 2014 is \$542,452.00 which is 50% of the total project cost estimate of \$1,084,904.00

Option #1:

Option #1 would see the City approve this resolution to accept, authorize and execute the FDOT joint participation agreement (JPA) for Section 5311 Grant funding assistance for operating expenses of a fixed route bus transit system in Key West during FY 2013 – 2014 period in an amount not to exceed \$542,452.00

Advantages / Disadvantages:

Advantages of Option #1 – include but are not limited to:

- Funding assistance of up to 50% with a maximum reimbursement amount of \$542,452.00, which reduces the City's share of expenses. Please note that while reference is made to a 50/50% match ratio of funding – that does not represent the actual cost of operations; it does reduce the local share, and provides assistance at the maximum level of grant subsidy participation under the Section 5311 Grant program.
- The City is eligible for other program funds with regard to capital and operating assistance as a public transit provider who meets all compliance issues relative to public transit services.
- The City is required to provide a level of service as it relates to maintenance of maximum safety and accountability which is required of all grant funding programs with regard to safety sensitive positions, system safety of operations and hazard / security program plans mandates.

- The City continues to improve and enhance public transit services while maintaining the least impact to local governments and residents by securing Federal and State funding assistance.

There are no disadvantages at this time. In fact, State and Federal funding assistance is absolutely necessary to continue operation of public transit services in Key West.

Fiscal Impact:

Option #1 would provide for shared costs with the State and local government in that the City could receive reimbursement of expenses of up to 50% maximum on related bus service operational costs for fixed route bus transit system in Key West, or participation of \$542,452.00.

It is important to note that with grant funding the percentage of match ratio referred to in discussion and agreements do not represent all costs to provide the services. The match reference and dollar value of reimbursement pertains only to each grant program; it is not the total of operating expenses for all services.

Option #2:

Option #2 would be to not approve the resolution and not accept the JPA offered by FDOT / D6.

Advantages / Disadvantages:

There are no advantages to this option as it does not allow for a share costs associated with public services in general but more specific here for public transportation of residents and visitors in Key West and Stock Island areas. It would require the city fund the services completely from the general fund budget or discontinue providing bus service.

The disadvantage would be that by not approving and executing this agreement, it would require an increase of local funding via gas or sales tax subsidies (or other dedicated funding) by the City (via general budget funds) to supplement the funding of all public transit costs of operation.

Fiscal Impact:

By relying on local funding, the City would be providing 100% of the operating expenses.

Recommendation:

Key West Transit staff recommends Option #1, to approve the attached joint participation agreement so as to realize our reimbursements as soon as possible for this fiscal year.