

# EXECUTIVE SUMMARY



**To:** Bob Vitas, City Manager

**From:** Norman Whitaker, Director / KWDoT

**Date:** May 15, 2014

**Subject:** Joint Participation Agreement – Section 5311 Funding - FY2014

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## **Action Statement:**

A resolution to approve execution of the Joint Participation Agreement (JPA) with the State of Florida Department of Transportation (FDOT) via Annual Section 5311 Grant Program Funding assistance in an amount not to exceed the total project cost of \$2,590,666.00, or reimbursement of up to \$2,072,532.00 (80%), in Capital Assistance to purchase buses.

## **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 was fortunate to obtain Section 5311 status as it applies to capital purchases for Bus Fleet Replacement.

The Section 5311 Funds are awarded as needed, by request, or with assistance of the Transit Development Plan (TDP). KWT applies for and receives Section 5311 funding on an annual basis if posted on the FDOT Five (5) Year Transportation work program plan and the amount is determined by the plan. The amount allocated for FY2013 – 2014 is \$2,072,532.00 which is 80% of the total project cost estimate of \$2,590,666.00

## **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 during FY 2013 – 2014 period in an amount not to exceed \$2,072,532.00

## **Advantages / Disadvantages:**

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

- Funding assistance of up to 80% with a maximum reimbursement amount of \$2,072,532.00 with a 20% match with toll revenue credits. The City's share of expenses is zero.
- 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 Federal and State, with no cost to the City and authorize any necessary budget adjustments to account for actual cost / reimbursements.

The new vehicles will be delivered with extended coverage warranties for issues that might arise during the warranty period as the vehicles age. This will also alleviate the high maintenance costs of the current bus fleet which has outlived its useful life.

**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 to purchase, replace, and maintain the current bus fleet.

**Fiscal Impact:**

By relying on local funding, the City would be providing 100% of the bus fleet purchase and maintenance expense for the current bus fleet and authorize any necessary budget adjustments to account for actual cost / reimbursements.

**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.