

EXECUTIVE SUMMARY



To: Jim Scholl, Interim City Manager
From: Norman Whitaker, Director / KWDoT
Date: September 4, 2014
Subject: Supplemental No. 2 - Section 5311 / Contract #ARB19 for Operating Expenses

Action Statement:

This is a request for approval of Supplemental No. 2 in the amount of \$109,046.00, to Supplemental No. 1 of the Joint Participation Agreement (SJPA) previously approved by Resolution 14-124.

The Florida Department of Transportation (FDOT) D6 was able to recover the above funding for FY 2014-2015. This will bring the total to \$542,452.00 as was approved originally per Resolution 14-049.

Project History:

Project history for the Section 5311 funds remains the same.

As you recall, there were miscommunications and fund transfer issues between Florida Department of Transportation D6 and Central Office in Tallahassee which decreased the original joint participation agreement by \$109,046.00 and presented as SJPA #1, approved by Resolution 14-124. In the agreement, FDOT agreed to recover the \$109,046.00 by the end of this year.

Option #1: Advantage / Disadvantages

The City Commission approves SJPA #2 to contract ARB19, increasing the amount of operating funds from FDOT, D6 from \$433,406.00 to a total maximum participation of \$542,452.00.

The advantage of approving the requested amount to the resolution is that FDOT can finalize and execute SJPA #2 and will not affect the billing cycle.

There are no disadvantages to approving this agreement. This is a simple housekeeping task.

Option #2: Advantages / Disadvantages

Option #2 would see the City Commission not approve the Supplement to Agreement (No. 2) and reject the funding for the operating expenses.

There are no advantages that can be identified.

The disadvantage is that it would prevent the City from being able to request additional funding if needed to cover the cost for eligible operating expenses.

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 and authorize any necessary budget adjustments to increase the FY14-15 budget.

Please 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, the City will be relying on local funding to cover the operating expense.

Recommendation:

Key West Transit staff recommends Option #1, as noted above.