

EXECUTIVE SUMMARY



To: Bob Vitas, City Manager
From: Norman Whitaker, Director / KWDoT
Date: December 6, 2013
Subject: Joint Participation Agreement – Block Grant FY2014

Action Statement:

A resolution to approve execution of the Joint Participation Agreement (JPA) with the State of Florida Department of Transportation (FDOT) via Annual Block Grant Program Funding assistance in an amount not to exceed 50% of the total project cost at \$439,170.00, or reimbursement of up to \$219,585.00, in operating assistance.

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 Block Grant status as it applies to operating expenses for repair and maintenance.

The State Block Grant Funds are awarded annually by the FDOT and are continued funds until the applicant no longer applies, or ceases to provide similar service. KWT applies for and receives Block Grant 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 \$219,585.00 which is 50% of the total project cost estimate of \$439,170.00

Option #1:

Option #1 would see the City approve this resolution to accept, authorize and execute the FDOT joint participation agreement (JPA) for State Block Grant funding assistance during FY 2013 – 2014 period in an amount not to exceed \$219,585.00

Advantages / Disadvantages:

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

- Funding assistance of up to 50% with a maximum reimbursement amount of \$219,585.00, 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 Block 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, or participation of \$219,585.00 in fiscal year 2013-2014.

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 not 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.