



City of Fayetteville

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Legislation Text

File #: 18-391, **Version:** 1

TO: Mayor and Members of City Council

THRU: Jay Reinstein, Assistant City Manager

FROM: Randy Hume, Transit Director
Tracey Broyles, Budget & Evaluation Director

DATE: August 27, 2018

RE:
Appropriation of 2018 Transit Grant Award NC-2018-045-00 for Various Capital Items and Planning Activities (Capital Project Ordinance 2019-15 and Special Revenue Fund Project Ordinance 2019-2)

COUNCIL DISTRICT(S):
All

Relationship To Strategic Plan:

Goal IV: Desirable Place to Live, Work and Recreate

Objective D: To develop and maintain public transportation investments with high quality transit and airport services

Executive Summary:

The Federal Transit Administration (FTA) has awarded Transit Grant NC-2018-045-00 to provide federal funding for eligible projects in support of the City's transit activities.

Capital Project Ordinance (CPO) 2019-15 will appropriate \$738,650 for capital items including paratransit vehicles (replacement and expansion), radio equipment, bus shelters and benches, and construction of Americans with Disabilities Act accessible bus stops. This project ordinance will be funded by a \$605,220 grant from the FTA and a \$133,430 transfer from the Transit Operating Fund.

Special Revenue Fund Project Ordinance (SRO) 2019-2 will appropriate \$140,000 for various transit planning activities and employee training, and will be funded by \$112,000 from the FTA grant and \$28,000 to be transferred from the Transit Operating Fund.

The grant also includes \$2,452,000 in FTA grant funds to reimburse the City for preventive maintenance, limited ADA paratransit services and operating activities that were incurred during FY 2018. These revenues were appropriated as a part of the fiscal year FY 2018 annual operating

budget.

Background:

The Transit Department has received its annual grant for capital, planning and operating assistance from the FTA (Grant NC-2018-045-00) for expenditures planned for FY 2018. The expected award of the grant was delayed by the FTA and was received on August 3, 2018.

There are several components of the recently awarded grant as described below:

- This grant provides \$1,352,000 in federal reimbursement for preventive maintenance, \$300,000 for ADA paratransit services, and \$800,000 for other operating expenditures incurred from July 1, 2017 through June 30, 2018. These funds along with the required local matching funds were included in the FY2018 annual operating budget.
- The grant also funds several capital items, including four (4) replacement small buses or light transit vehicles for *FASTTRAC!*, three (3) smaller vans for *FASTTRAC!* that can be operated by non-CDL drivers, radio replacements, bus shelters and benches, and construction of more ADA accessible bus stops along transit routes. FTA provides 80% grant funding for all items except for the replacement buses where the grant provides 85% of the cost. Capital Project Ordinance 2019-15 will appropriate \$605,220 in federal grant funds and transfer \$133,430 from the Transit Operating Fund for these capital items.
- The grant also provides 80% FTA funding for transit planning, training and grant administration activities. Most of these funds reimburse the City for salary and benefit costs of Transit staff while conducting these activities. Special Revenue Fund Project Ordinance 2019-2 will appropriate \$112,000 of FTA grant funds and a \$28,000 transfer from the Transit Operating Fund for the local match.

The NC Department of Transportation (NCDOT) may participate in this grant in the future by matching a portion of the vehicle replacement project. Should the NCDOT award matching funds, staff will recommend budget action by Council to reflect the award of state funds and reimburse the City's local match by an equal amount.

Issues/Analysis:

FTA provided pre-award authority for this grant which means that the federal grant revenues to reimburse eligible FY2018 operating expenditures incurred prior to the actual grant award and execution will be recorded as FY2018 revenues.

Budget Impact:

A total of \$154,108 was funded in the FY2018 Transit Operating Budget to provide the local match for grants and it remained available at the close of the fiscal year. It is anticipated that that amount will be assigned in General Fund fund balance as of June 30, 2018 to be re-appropriated in FY2019. That process is expected to move forward in early October, following the close of financial records for FY2018. The FY2019 Transit Operating Fund budget includes sufficient funding to provide the total

required local capital match pending the appropriation of the FY2018 local match funding. The \$7,322 remaining balance of the required local match for these grants is available from prior transfers to the Transit Capital Project fund which were unspent at the close out of the grant projects.

Options:

- 1) Adopt Capital Project Ordinance 2019-15 and Special Revenue Fund Project Ordinance 2019-2.
- 2) Do not adopt Capital Project Ordinance 2019-15 and Special Revenue Fund Project Ordinance 2019-2 and provide further direction to staff.

Recommended Action:

Staff recommends that Council move to adopt Capital Project Ordinance 2019-15 and Special Revenue Fund Project Ordinance 2019-2 as presented.

Attachments:

Capital Project Ordinance 2019-15
Special Revenue Fund Project Ordinance 2019-2