SUBJECT: AUTHORIZATION TO TRANSFER LOCAL TRANSPORTATION FUNDS (LTF) TO THE TRANSIT BUDGET

SOURCE: Administration

COMMENT: As a result of the 2000 decennial census, the City of Porterville has been designated as an urbanized area (population between 50,000 and 200,000), and is now eligible to receive Federal funding for transit-related purposes. We have recently been notified that the sum of $750,531 has been appropriated for the City of Porterville. These funds can be used for such areas as planning, engineering design and evaluation of transit projects and other technical transportation-related studies; capital investments in buses; security equipment; construction of maintenance and passenger facilities; and transit operations. A 20% local match is required on capital projects, and a 50% match is required if the Federal funds are used for operations. In order to be eligible to file the City’s initial application, numerous requirements must first be met which include the filing of technical documents relating to a Transit Database Program, Civil Rights Certificate, Disadvantaged Business Enterprise, Equal Employment Opportunity and Americans with Disabilities Act Plan, all of which will require significant staff and consultant time and expertise. Since these documents are required to be filed prior to any formal application approval, it is in the City’s best interest to compile these documents timely. The current transit budget does not have sufficient funds to cover the costs associated with the compilation and preparation of the technical documents, and a minimum of $33,000 will be required to cover these costs. The City has been notified that the County of Tulare has a total of $17,000 in Federal funds which they will appropriate to assist us in the preparation of these documents, which will require a 12% match from the City. Since $17,000 is the maximum we can expect to receive from the County during this fiscal year, that leaves a balance to be paid by the City in the sum of $16,000. In succeeding years, the City of Porterville will be eligible for Section 5303 planning money, approximately $25,000 in Federal funds each year, which will be distributed from the County of Tulare and be available to cover the costs associated with transit studies and technical planning documents. With the City’s required match, approximately $28,000 each year will be available for transit planning. Now that the additional Federal funds will be available to the City of Porterville, transit expenditures, especially for capital purchases, can rely heavily on this funding, and ease the Local Transportation Funds account in order to provide additional money for local street projects. Once the initial technical documents have been filed,
updates, and the costs associated therewith, should be very manageable with the planning funds that will be available each year to our transit account.

Family Healthcare Network: Contrary to TCAG’s opinion, the State Department of Housing and Transportation has made a determination that Fixed Route transportation to and from the Family Healthcare Network is an unmet need which is reasonable to meet. This determination requires that the City of Porterville and the County of Tulare must provide Fixed Route transportation to the Family Healthcare Network, which service will commence January 2, 2003, as Route No. 6. There will be additional costs associated with adding a new route to the system, although the exact amount of the increase at the present time is difficult to calculate. We will be decreasing the number of Demand-Response vehicles available for service in an effort to compensate for the additional vehicle revenue hours required to implement the additional Fixed Route. Staff will monitor the vehicle revenue hourly costs each month in order to minimize the impact. We are anticipating with the increase in Demand-Response fares effective January 2, 2003, ridership will shift to the Fixed Route system, which is the more cost-effective option; and somewhat ease the additional costs associated with the implementation of Route No. 6.

Staff anticipates that additional funds will also be required to reconcile the difference between the projected revenue to be received from the City’s transportation agreement with the County of Tulare for FY 2002/03. Negotiations are still pending, but a review of the County’s latest proposal indicates that additional City funding will be required to balance this fiscal year’s budget.

Additional funding will be required to carry out the service needs, as outlined above, for the remainder of Fiscal Year 2002/03. Local transportation funds (LTF) are available to cover these additional costs. The Lime Street Project, Acct. No. 89-9158-88, has been deferred, and this account has a balance of $187,500 available. Since Local Transportation Funds are required, and designated, as funding to meet local transportation needs, Staff is requesting the transfer of these funds to the Transit account.

RECOMMENDATION: That the City Council:

1. Approve the implementation of Fixed Route No. 6; and

2. Authorize the transfer of Local Transportation Funds in the amount of $187,500 from Acct. No. 89-9158-88 to the Transit account.