

MEMORANDUM

TO: Roger L. Stancil, Town Manager

FROM: K. Stephen Spade, Transit Director
Kenneth C. Pennoyer, Director of Business Management

SUBJECT: Budget Ordinance Amendments to Correct and Adjust Various Transit Fund Budgets

DATE: June 22, 2009

PURPOSE

The attached budget amendments reflect changes in conditions, correction of errors and budget adjustments for the Transit Fund, the Grant Fund, the Transit Grant Fund and the Transit Capital Reserve Fund.

BACKGROUND AND DISCUSSION

Transit Fund

During development of the FY2008-2009 budget, two operating grants were budgeted in the transit fund to support new transit services. Due to delays at the Metropolitan Planning Organization and the North Carolina Department of Transportation, the Town did not receive the grant funds in FY2008-2009 and the implementation of the new services was postponed until FY2009-2010. A budget amendment is needed to carry these projects forward to FY2009-2010 and to budget the full amounts into the multi-year transit grant fund to enable them to be funded for multiple years.

A portion of the 2008 Job Access and Reverse Commute grant to provide service to Rogers Road was budgeted in the operating fund. This amendment will remove that \$7,000 from the transit funds and budget the full amount of \$169,936 in the Grant Fund.

A portion of the 2008 New Freedom grant to provide services for the elderly and disabled population throughout Orange County was budgeted in the operating fund. This amendment will remove that \$7,500 from the transit fund and budget the full amount of \$97,600 in the Grant Fund.

The Job Access and Reverse Commute grant and the New Freedom grant each require a 50% local match, which is available in the Transit Fund.

The American Recovery and Reinvestment Act of 2009 will allow for an additional \$500,000 in preventive maintenance funds to be received in FY2009. A budget amendment is needed to accept these funds in the current fiscal year.

Transit Grant Fund

On June 9, 2008 the Council enacted a project ordinance to purchase two 60' hybrid electric buses. The federal portion of the allocation was \$1,360,000 (80%), State \$170,000 (10%) and local matching funds required were \$170,000 (10%). In March, 2009 Transit staff was notified that the two buses had been approved for Congestion Mitigation and Air Quality Fast-Tracked funding which are awarded at 100% federal funding. These are federal funds administered by the North Carolina Department of Transportation and were "fast-tracked" in an effort to expend a balance of allocations in jeopardy of being lost. A budget amendment is needed to adjust the project to reflect the 100% federal participation and to reduce both State and local participation to 0%. The Town received the grant award on May 27, 2009.

Transit Capital Reserve

Surface Transportation Program funds were awarded to the Town in June, 2008 to purchase five lift-equipped replacement vans for the E-Z Rider service. The funds are being transferred from the Federal Highway Division to the Federal Transit Administration, a process that can take a couple of months. The Town has not yet received the funds and a transfer is required from the Transit Capital Reserve Fund to cover the cost of the vans. The total needed is \$342,535. The funds will be returned to the Capital Reserve Fund when the transfer is made and the funds are received.

At the close of the prior fiscal year, the Transit Partners agreed to contribute their FY2008 refunds to assist the Transportation Department in rebuilding the Transit Capital Reserve Fund. A budget amendment approved by the Council on March 23, 2009 moved only the University's refund. The attached budget amendment will move the Town of Carrboro's refund of \$41,422 and \$427,143 from the Transit Fund's fund balance to the Transit Capital Reserve.

RECOMMENDATION

That the Council enact the attached budget amendments to make adjustments to the Transit Fund, the Grant Fund, the Transit Grant Fund and the Transit Capital Reserve Fund.