

AGENDA ITEM SUMMARY

June 1, 2021

City Council

STAFF

Drew Brooks, Director of Transit
Claire Havelda, Legal

SUBJECT

First Reading of Ordinance No. 073, 2021, Making Supplemental Appropriations of American Rescue Plan (ARP) Act and Coronavirus Response and Relief Supplemental Appropriations Act (CRRSAA) Funding.

EXECUTIVE SUMMARY

The purpose of this item is to appropriate grant revenue allocated to Transfort by the Federal Transit Agency (FTA). Transfort was awarded \$1,509,248 and will net the amount of \$1,284,514 in Section 5307 and 5310 CRRSAA Funding. Additionally, Transfort was awarded \$8,964,773 and will net the amount of \$7,626,773 in ARP Section 5307 and 5310 Funding through FTA apportionments to urbanized areas. Both CRRSAA and ARP funding is provided at a 100-percent federal share, with no local match required, and is available to support capital, operating, and other expenses to prepare for and respond to COVID-19. Transfort plans to use these funds to pay for what has been previously allocated from the General Fund for operating assistance, preventative maintenance, capital projects, contracted service costs, and enhancing mobility for seniors and those with disabilities.

STAFF RECOMMENDATION

Staff recommends adoption of the Ordinance on First Reading.

BACKGROUND / DISCUSSION

On December 27, 2020, President Trump signed the CRRSAA into law. The CRRSAA provided emergency appropriations to support Executive Branch agency operations during the COVID-19 pandemic. The FTA allocated \$14 billion to recipients of urbanized area and rural area formula funds, with \$13.27 billion allocated to large and small urban areas.

CRRSAA funding was disbursed through FTA apportionments to its Urbanized Area (Section 5307 and 5310) Formula program. Transfort's apportionment of Section 5307 funding is \$1,477,651, and Section 5310 funding is \$31,597. Because Transfort is the designated, or primary, recipient for the geographical Transportation Management Area (TMA), Transfort is responsible for allocating dedicated funds to smaller transit agencies and metropolitan planning organizations in the TMA. After Transfort distributes the appropriate allocations to Berthoud Area Transportation System (BATS) in the amount of \$26,063 in 5307 funds and \$557 in 5310 funds, and the North Front Range Metropolitan Planning Organization (NFRMPO) in the amount of \$193,966 Section 5307 funds and \$4,148 in 5310 funds, Transfort will receive \$1,257,622 in 5307 funds and \$26,892 in 5310 funds.

On March 22, 2021, President Biden signed the American Rescue Plan Act of 2021 (ARP) into law. The ARP included \$30.5 billion in federal funding to support the nation's public transportation systems as they continue to respond to the COVID-19 pandemic.

ARP funding was disbursed through FTA apportionments to its Urbanized Area (Section 5307 and 5310) Formula program. Transfort's apportionment of Section 5307 funding is \$8,933,175, and Section 5310 funding is \$31,598. After Transfort distributes the appropriate allocations to BATS in the amount of \$157,934 in 5307 funds and \$557 in 5310 funds, and the NFRMPO in the amount of \$1,175,361 Section 5307 funds and \$4,148 in 5310 funds, Transfort will receive \$7,599,880 in 5307 funds and \$26,893 in 5310 funds.

Through existing FTA-approved agreements with BATS and NFRMPO, the City retains 38% of BATS' and NFRMPO's funding allocation to exchange their respective federal share with local funds. This exchange relieves BAT and NFRMPO from federal compliance responsibilities.

Operating expenses incurred beginning on January 20, 2020 for all rural and urban recipients are eligible, including operating expenses to maintain transit services as well as paying for administrative leave for transit personnel due to reduced operations during an emergency.

Transfort seeks to repay portions of its prior 2021 budget allocation with these FTA funds, less a portion reserved to provide local match for upcoming grants. These FTA funds will repay previously appropriated Transfort costs as described below.

1. Transfort will use the Section 5307 funds to continue provision of fixed route service. The Fort Collins area has seen significant impacts from COVID-19 and has taken measures to ensure social distancing and mask compliance when providing public transportation. Additionally, CRRSAA and ARP Section 5307 funds will be used for preventative maintenance activities and capital projects for rolling stock, facilities, and IT equipment. Regular, scheduled, preventative maintenance will continue to allow Transfort to realize the benefits of a safe, reliable, and well-maintained fleet in support of its services.
2. Section 5307 CRRSAA and ARP funds will also be used to fund Transfort's complimentary ADA paratransit service, Dial A Ride, which is provided by a contractor, satisfying ADA requirements of providing paratransit services for eligible clients. As a result of the COVID-19 pandemic, Transfort temporarily reduced service effective April 18, 2020. To ensure that citizens can still access essential services, Transfort began offering a taxi service option, performed by a contractor, allowing riders to schedule a trip from a bus stop along a suspended route, to or from another linked bus stop or transit center. CARES funds will also be used to provide this contracted Demand Response Service.
3. Section 5310 CRRSAA and ARP funds will be used for programs that improve mobility for seniors and individuals with disabilities, including the Dial A Taxi program that provides additional, more flexible service for Dial A Ride passenger. Section 5310 funding can also be used towards capital projects that will improve mobility for seniors and individuals with disabilities.

During the 2021 budget, sufficient appropriations were provided to cover Transfort operating costs, which can now be partially re-funded with ARP and CRRSAA funds. Transfort is requesting an appropriation of \$1.2M of these funds to be used as a source of local funds grant matches for additional opportunities that may arise throughout the fiscal year. Transfort frequently applies for discretionary, or competitive, grants throughout the year that require a committed local match and has received feedback from the FTA that some discretionary grant applications are not considered as competitive as other applications due to the appropriation process post award. Article V, Section 10 of the City Charter authorizes the City Council, upon recommendation of the City Manager, to transfer unexpended and unencumbered appropriated amount or portions of one fund or capital project to another fund or capital project when appropriate. The City Manager finds it appropriate and recommends the transfer of \$1,200,000 from the Transfort operating budget (in the Transit Services Fund) to the new established Transfort budget (also in the Transit Services Fund) to be used specifically as local matching funds for grants that Transfort.

Transfort recognizes that public transit is an essential service and that many transit-dependent members of the community rely on public transit to get to and from work, buy groceries and other essentials, and receive medical care or care for loved ones. Transfort has seen a significant drop in ridership and revenue during the COVID-19 pandemic. The CRRSAA and ARP funding received will greatly benefit the safety, quality, and levels of service that Transfort is able to provide during this time.

CITY FINANCIAL IMPACTS

The following is a summary of the project funding using CRRSAA and ARP funds. These funds are provided at a 100-percent federal share and no local match is required.

Funds Provided by FTA	
FY21 CRRSAA 5307 Funds	\$ 1,477,651.00
FY21 CRRSAA 5310 Funds	\$ 31,597.00
FY21 ARP 5307 Funds	\$ 8,933,175.00
FY21 ARP 5310 Funds	\$ 31,598.00
Total Funding Provided	\$ 10,474,021.00
Less local dollars pass through to NFRMPO	\$ (1,377,623.00)
Less local dollars pass through to BATS	\$ (185,111.00)
Net City Financial Impact	<u>\$ 8,911,287.00</u>

Though total grant revenues are anticipated at \$8.9M, Transfort is only requesting \$1.2M of supplemental appropriations. During the 2021 budget, sufficient appropriations were provided to cover operating costs. This supplemental appropriation will cover the operating costs, while previously appropriated local funds will be used as a source of grant matches for additional opportunities that may arise throughout the year. Appropriations of these funds are necessary due to City Code Article V, Part I, Section 4.

Note that the funding provided by the FTA takes the place of General Fund and Transportation Fund monies that would have been the basis for Transit spending during the fiscal year.

ORDINANCE NO. 073, 2021
OF THE COUNCIL OF THE CITY OF FORT COLLINS
MAKING SUPPLEMENTAL APPROPRIATIONS OF AMERICAN RESCUE
PLAN (ARP) ACT AND CORONAVIRUS RESPONSE AND RELIEF SUPPLEMENTAL
APPROPRIATIONS ACT (CRRSA) FUNDING

WHEREAS, the City’s Transportation Department received federal funding from the American Rescue Plan Act of 2021 (“ARP”) and 2021 Corona Virus Response and Relief Supplemental Appropriations Act (“CRRSAA”) for Transfort operation assistance, preventative maintenance, contracted services costs, and mobility for seniors and individuals with disabilities related to preparation for and response to the COVID-19 pandemic; and

WHEREAS, the City’s Transfort Department is also the designated recipient of these funds for the geographical Transportation Management Area (“TMA”), and thus, is responsible for allocating dedicated funds to smaller transit agencies and metropolitan planning organizations in the TMA; including the Berthoud Area Transportation System (“BATS”) and the North Front Range Metropolitan Planning Organization (“NFRMPO”); and

WHEREAS, the City’s Transfort Department received total Federal Transit Authority (“FTA”) grant revenue in the following amounts:

- \$1,509,248 in CRRSAA Section 5307 & 5310 funding;
- \$8,964,773 in ARP Section 5307 and 5310 funding; and

WHEREAS, through existing FTA-approved agreements with BATS and NFRMPO, the City retains 38% of BATS’ and NFRMPO’s funding allocation to exchange their federal share with local funds; and

WHEREAS, as the TMA manager, the City’s Transfort Department is obliged to pass along the remaining 62% of the grant funding through allocations as follows:

- \$1,377,623 to NFRMPO;
- \$185,111 to BATS; and

WHEREAS, the City’s net grant revenue is:

- \$1,284,514 in CRRSAA Section 5207 & 5310 funding;
- \$7,626,773 in ARP Section 5307 and 5310 funding; and

WHEREAS, the City Council recognizes that its Transfort Department has been competitively disadvantaged when seeking grant funding due primarily to not having funds appropriated for local match at the time grant applications are submitted; and

WHEREAS, City Council finds it appropriate to allow \$1.2M of the net \$8,911,287 FTA funding to be designated as local funds to be used as a source of Transfort grant matches for additional opportunities that may arise throughout the fiscal year; and

WHEREAS, Council finds it appropriate to allocate the remainder of the net CRRSAA and ARP funds to repay a portion of the funds previously budgeted and appropriated in the 2021 Transfort budget for:

- continuation of fixed route services, including preventative maintenance activities;
- capital projects for rolling stock;
- facilities;
- IT equipment;
- Contracted services costs;
- to support Transfort's ADA paratransit services;
- programs that improve mobility for seniors and individuals with disabilities;

WHEREAS, these appropriations benefit the public health, safety and welfare of the residents of Fort Collins and serves the public purpose of supporting the essential transportation services that many transit-dependent members of the community rely on to get to and from work, buy groceries and other essentials, to receive medical care, and to care for family or friends; and

WHEREAS, Article V, Section 9, of the City Charter permits the City Council, upon recommendation of the City Manager, to make supplemental appropriations by ordinance at any time during the fiscal year, provided that the total amount of such supplemental appropriations, in combination with all previous appropriations for that fiscal year, does not exceed the current estimate of actual and anticipated revenues and all other funds to be received during the fiscal year; and

WHEREAS, the City Manager has recommended the appropriation described herein and determined that this appropriation is available and previously unappropriated from the Transit Services Fund and will not cause the total amount appropriated in the Transit Services Fund to exceed the current estimate of actual and anticipated revenues and all other funds to be received in that fund during this fiscal year; and

WHEREAS, Article V, Section 10 of the City Charter authorizes the City Council, upon recommendation by the City Manager, to transfer by ordinance any unexpended and unencumbered appropriated amount or portion thereof from one fund or capital project to another fund or capital project, provided that the purpose for which the transferred funds are to be expended remains unchanged, the purpose for which the funds were initially appropriated no longer exists, or the proposed transfer is from a fund or capital project in which the amount appropriated exceeds the amount needed to accomplish the purpose specified in the appropriation ordinance; and

WHEREAS, the City Manager has recommended the transfer of \$1,200,000 from the Transfort operating budget in the Transit Services Fund to a newly established Transfort budget, also in the Transit Services Fund, to be used specifically as local match funding for grants that Transfort will apply for in the future, and has determined that the proposed transfer is from a budget in which the amount appropriated exceeds the amount needed to accomplish the purpose specified in the appropriation ordinance.

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF FORT COLLINS as follows:

Section 1. That the City Council hereby makes and adopts the determinations and findings contained in the recitals set forth above.

Section 2. That there is hereby appropriated from unanticipated grant revenue in the Transit Services Fund the sum of TEN MILLION FOUR HUNDRED SEVENTY-FOUR THOUSAND TWENTY-ONE DOLLARS (\$10,474,021) for expenditure from the Transit Services Fund for operating assistance, preventative maintenance, contracted service costs, mobility for seniors and individuals with disabilities related to preparation for and response to the COVID-19 pandemic (\$8,911,287), grant match local funding (\$1,200,000) and to cover pass through money due to NFRMPO (\$1,377,623) and BATS (\$185,111).

Section 3. That the unexpended and unencumbered appropriated amount of ONE MILLION TWO HUNDRED THOUSAND DOLLARS (\$1,200,000) is hereby authorized for transfer from the Transfort operating budget to a newly established Transfort budget to be used specifically as local match funding for grants that Transfort will apply for in the future and appropriated therein.

Introduced, considered favorably on first reading, and ordered published this 1st day of June, A.D. 2021, and to be presented for final passage on the 15th day of June, A.D. 2021.

Mayor

ATTEST:

City Clerk

Passed and adopted on final reading on the 15th day of June, A.D. 2021.

Mayor

ATTEST:

City Clerk