



DATE: August 10, 2007

TO: Pikes Peak Rural Transportation Authority (PPRTA) Board of Directors
Pikes Peak Rural Transportation Authority Citizen Advisory Committee (CAC)

FROM: *Ronald L. Mitchell*
Ronald L. Mitchell, Public Works Director
Sherre Ritenour, Transit Services Division Manager

SUBJECT: Request for Line Item Funds Transfer

In a presentation to City Council and the PPRTA Board in December 2006, Transit Services Division (TSD) staff outlined the funding sources for the 19 new FREX buses. Of the \$7.9 million allocated for the buses, \$6.32 million is from State Senate Bill 1 (SB1) funds. The 20% match for the SB1 funds is being paid from local sources per the SB1 funding guidelines.

One of the sources of those local funds is from the sale of the old FREX buses, anticipated at \$329,000. Sale of some of the FREX buses to date has yielded approximately \$149,000. The sale of the remaining five MCI FREX buses is expected to yield the remaining \$180,000. However, because the buses were purchased with Congestion Mitigation and Air Quality (CMAQ) funds, any proceeds from the sale of any bus over \$5,000 must be returned to a grant for capital expenditures only. As stated, SB1 funds cannot be matched with federal funds.

In order to pay the \$329,000 in matching funds, TSD will charge expenses associated with the maintenance of the operation of the PPRTA-funded fixed route operation directly to a grant. This means there will be \$329,000 less expensed in the PPRTA operating line item. It is important to point out that there will be no affect on the level of service provided.

With concurrence from the PPRTA Finance Manager, a new line item will be created specifically for SB1 match dollars in the Capital section of the 2007 budget. The \$329,000 from the operating line time will then be transferred into it for use as matching dollars.

TSD seeks concurrence from the Board to move \$329,000 in operating funds to the newly created SB1 Grant Match Capital line item.