

RESOLUTION 2019 - 76

A RESOLUTION OF THE BOARD OF COUNTY COMMISSIONERS OF ST. JOHNS COUNTY, FLORIDA, AUTHORIZING THE COUNTY ADMINISTRATOR OR HIS DESIGNEE TO TRANSFER FUNDS FOR THE PUBLIC TRANSPORTATION SYSTEM FROM GENERAL FUND RESERVES TO THE FISCAL YEAR 2019 BUDGET

WHEREAS, St. Johns County (County) is a recipient of Federal Transit Administration (FTA) 5307 grant funds and Florida Department of Transportation (FDOT) block funds; and

WHEREAS, the County is required to provide matching funds in support of the public transportation system in St. Johns County; and

WHEREAS, revenue sources have continued to decline as costs have steadily increased, resulting in a projected budget shortfall in fiscal year 2019; and

WHEREAS, the projected shortfall for the 2019 fiscal year is \$102,000, therefore the requested funds would require a transfer from the General Fund reserves; and

WHEREAS, the County and Council on Aging staff are working to identify alternative funding methods for the 2020 fiscal year.

NOW THEREFORE, BE IT RESOLVED by the Board of County Commissioners of St. Johns County:

1. The above recitals are incorporated by reference into the body of this Resolution and such Recitals are adopted as findings of fact.
2. The Board hereby authorizes the County Administrator, or his designee, to transfer funds to continue public transportation services to the County. The Board further authorizes the transfer of \$102,000 from the General Fund reserves to be appropriated in the Fiscal Year 2019 budget.
3. To the extent that there are typographical or administrative errors that do not change the tenor, or concept of this Resolution, this Resolution may be revised without the subsequent approval of the Board of County Commissioners.

PASSED AND ADOPTED by the Board of County Commissioners of St. Johns County, State of Florida, this 19 day of March 2019.

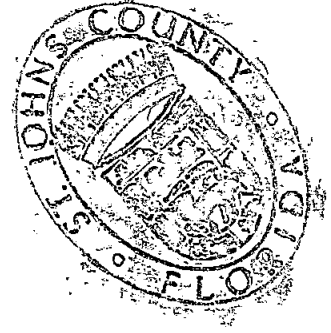
BOARD OF COUNTY COMMISSIONERS
OF ST. JOHNS COUNTY, FLORIDA

By: Paul M. Waldron
Paul M. Waldron, Chair

ATTEST: Hunter S. Conrad, Clerk

By: Sam Halteman
Deputy Clerk

RENDITION DATE 3/21/19





St. Johns County

Council On Aging

180 Marine Street, St. Augustine, FL 32084
904-209-3700 Fax: 904-209-3654

February 19, 2019

Honorable St Johns County Board of County Commissioners:

The revenue sources for the St Johns County Public Transportation System operated by Council on Aging have changed in many ways over the past five years, as expenses have risen. Increases in costs, and losses in revenue, have resulted in a funding shortfall that can no longer be solved by borrowing from future grant cycles, as we have done for the past two years, or with FDOT reserves, as they are not available this year.

The Medicaid funding that came into the system in 2013 was \$509,000 annually. By 2018 that amount had declined to \$0. Funds from other contract income, (FTA) 5316, 5310 and JTA were reallocated, diminished or discontinued over the same five-year period. As these funding sources declined, we billed more to the Transportation Disadvantaged Fund where allowable, and to the 5311 rural fund when applicable.

More and more we billed heavily to (FTA) 5307 and (FDOT) Block grant to support our county's public transportation system, causing us to spend those two funds faster and faster with each passing year of diminished funding from other sources and increased expenses. We now bill these two, Block and 5307, at nearly double the amount that we did five years ago. 5307 and Block grant funding are invoiced by listing all transit related expenses, minus any contract income received- contract income including the above mentioned Medicaid, 5316, 5310, JTA as well as TD, 5311 and fare box revenue. When there is less contract income to report, the amount billed to 5307 and Block grant increase, thus spending these grants at a rate that diminished the funds before the year is out and another grant cycle begins.

Meanwhile, expenses of operating the transportation system increased, in some cases dramatically. Notably, vehicle and liability insurance went from \$200,362 in 2013 to \$278,063 in 2017, and was \$380,866 in 2018. This increase was driven largely by loss of sovereign immunity status in the insurance industry for Councils on Aging across the state. That status had previously held insurance costs down, with a maximum liability of \$300,000 per incident. The increase in liability caused by the loss of that protected status, combined with the replacement of some of the aging fleet with new vehicles that by the nature of being new drive insurance rates higher, have created the nearly doubling of insurance costs. Other examples of rising costs include payroll costs, which went from \$1,798,234 in 2013 to \$2,197,927 in 2017. With austerity measures enacted, we cut payroll back to \$1,970,693 in 2018, but further cuts would result in lost or reduced service and could impact safety as well. Vehicle maintenance costs were also



The Council On Aging is a private 501(c)(3) non-profit corporation sponsored by the Federal Older Americans Act, ElderSource, the State of Florida, Department of Elder Affairs, St. Johns County Board of County Commissioners, United Way of St. Johns County, and Private Donations.





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rising in those same five years, reflecting both increases in prices of parts and supplies and maintenance of the aging portion of our fleet.

You may know that the county match, required to bring in the state and federal dollars needed to fund our county's transportation system, has been flat at \$276,000 per year for over 11 years now.

The combination of reduced funding sources and increased expenses have caused us to bill our remaining funding, 5307 and Block, at a monthly rate that surpasses 1/12th of the annual granted amount, and will create a shortfall this April of \$80,420 per month.

County staff is working along with us to identify increased revenue options. We are not looking solely to the county general revenue but looking broadly at all options to narrow the funding gap- options such as increasing the fare box, bidding out advertising on both paratransit and fixed route buses, seeking additional funding from the FTA, and approaching JTA for capital assistance. However, even if all of these revenue enhancements are pursued, given the time to implement they may help balance future year funding constraints, but will not help us avoid the immediate shortfall coming in April.

Our request is for \$102,000 that will fund the transportation operating expenses through the shortfall period, if we have a preaward of 5307 funds. Opening the next cycle of grants early will, however, put us back in this situation of a gap in funding next year in February 2020.

Additionally, unless the root cause of insufficient funding is resolved, the situation will likely recur in 2020 and beyond. We will need to seek additional state and federal funding which will require additional local match money. Therefore we are requesting an increase in transportation match from the county from \$276,000 annually to \$490,491 going forward to avoid future shortfalls resulting in eliminated or reduced service to our residents.

The public transportation system in St Johns County provided more than 350,000 rides to our county residents in 2018- 294,000+ on the Sunshine Bus, and 60,000 door to door Paratransit trips.

For many of the most pressing issues St Johns County faces, public transportation is part of the solution. For example, traffic congestion is reduced when 294,000+ rides are lifted from individual automobiles and moved to bus travel. For those residents who are asset limited, income constrained employed, the Sunshine Bus provides an inexpensive means to get back and forth to work. Likewise, the homeless population struggling to return to the workforce relies on the Sunshine Bus. Those residents attempting to deal



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with drug abuse and addiction issues use the Sunshine Bus to travel to rehab counseling, mental health services and oral replacement therapy clinics. The elderly, disabled, and transportation disadvantaged rely upon public transportation, including paratransit, to continue to live independently while undergoing ongoing medical treatment.

There is an obvious need for public transportation in our community, and any reduction in service would be a tremendous burden to the segments of the population that are dependent on it to get to work, doctor and medical appointments, shopping and other necessary activities. We hope that you will see the value to our community of a safe, reliable public transportation system and consider favorably this funding request.

Sincerely,

Becky Gianni
Executive Director
St Johns County Council on Aging