

**South Portland City Council**  
***Position Paper of the City Manager***

***Subject:***

**RESOLVE #10-17/18 – Approving an Appropriation Resolve for FY 2017 for Bus Service Vehicle Maintenance. Passage requires majority vote.**

***Position:***

The total FY 2017 municipal budget will end the year with an expenditure surplus. Each of the department head manage their budgets taking into account priorities and emergencies that will come up throughout the year. This past year the City experienced such an issue for the bus service that resulted in expenditures that exceeded their budget. As discussed during the FY18 budget process and further discussed below, changes at the State level resulted in a cost shift that impacted this budget.

The City of South Portland operates a fixed-route bus transit service within South Portland and portions of Scarborough and Portland. The City, as a “Designated Recipient”, receives financial assistance from the U.S. Department of Transportation, Federal Transit Administration (FTA) to cover a portion of the operating costs of the bus service. Under the provisions of the Americans with Disabilities Act (ADA), the City is required to provide complementary paratransit service within its bus service area. The City receives an 80% reimbursement from FTA for the costs of providing that service. The City contracts with the Regional Transportation Program, Inc., (RTP) of Portland, Maine, to provide this service.

The State’s Department of Health and Human Services (DHHS) subsidizes transportation for persons with disabilities through its transportation broker, Logisticare. Prior to July 2016, Logisticare purchased monthly passes for its clients, which provided revenue for the bus service. For the fiscal year beginning July 1, 2016 (FY17), Logisticare changed its policy and re-categorized all of its eligible disabled clients as ADA riders and billed RTP accordingly. That action resulted in a dramatic increase in billing from RTP to the City from the previous monthly billing of \$5,944 to an average of \$12,000 per month. This change was implemented after the budget estimated for this account was submitted and for which \$81,364 was budgeted. Bus staff alerted the Finance Director of this dramatic change in August 2016 and it was agreed to let the year play out and a budget adjustment would be made after all FY17 costs were received so an exact budget revision could be calculated. The following table summarizes the financials as well as the amount to be received retroactively from FTA for the over-budget amount.

**Financial Summary:**

Financial Summary - ADA Paratransit Service - FY 17								
	FY 17 Expenses	FY 17 Budgeted	Additional Appropriation Required	Eligible for FTA Funding	FTA Grant Amount Allowable at 80%	FTA Funding Received	FTA Receivable	Local Match from City
<b>Totals</b>	<b>150,322</b>	<b>81,364</b>	<b>68,958</b>	<b>149,947</b>	<b>119,957</b>	<b>57,060</b>	<b>62,897</b>	<b>15,724</b>

The resolve addresses the additional costs required and the offsetting additional federal revenue at 80% reimbursement. At present the overall Bus service budget is approximately over budget by \$60,000. For budget purposes we will recognize the additional revenue of \$62,897 with a corresponding increase to the expenditures. We are recommending a budget amendment that increases the approved budget for Bus Services "Contracted Services" by \$62,897 with funding from the additional FTA revenue of \$62,897.

Bus Director Art Handman and Finance Director Greg L'Heureux will be at your meeting to answer any questions you may have.

***Requested Action:***

Council passage of Resolve #10-17/18.



City Manager



CITY OF SOUTH PORTLAND

PATRICIA A. SMITH  
Mayor

SCOTT T. MORELLI  
City Manager

EMILY F. SCULLY  
City Clerk

SALLY J. DAGGETT  
Jensen Baird Gardner & Henry

District One  
CLAUDE V. Z. MORGAN

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District Two  
PATRICIA A. SMITH

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District Three  
EBEN C. ROSE

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District Four  
LINDA C. COHEN

\_\_\_\_\_

District Five  
BRAD FOX

\_\_\_\_\_

At Large  
MAXINE R. BEECHER

\_\_\_\_\_

At Large  
SUSAN J. HENDERSON

**IN CITY COUNCIL  
RESOLVE #10-17/18**

**RESOLVE, that THE COUNCIL OF THE CITY OF SOUTH  
PORTLAND HEREBY RESOLVES,**

That as a result of the significant increase in paratransit transports required by the Bus Service Department for the fiscal year ended June 30, 2017 and the additional estimated revenue to be received from the Federal Transit Administration, that an additional \$62,897 be and hereby is recognized as estimated revenue for the fiscal year ending June 30, 2017 and that such amount be appropriated to the FY16/17 Bus Service Contracted Services appropriation.

Fiscal Note: \$62,897

Dated: September 6, 2017