



Legislation Text

File #: R-1920-20, **Version:** 1

RESOLUTION R-1920-20: A RESOLUTION OF THE COUNCIL OF THE CITY OF NORMAN, OKLAHOMA, ESTABLISHING A NEW SPECIAL REVENUE FUND, "PUBLIC TRANSPORTATION AND PARKING FUND"; ACCEPTING FEDERAL TRANSPORTATION ADMINISTRATION FUNDS WHEN RECEIVED, TRANSFERRING \$1,135,500 FROM THE GENERAL FUND, AND APPROPRIATING \$4,080,323 FROM THE GENERAL FUND FOR THE IMPLEMENTATION OF EXPANDED CITY PUBLIC TRANSIT OPERATIONS.

BACKGROUND: The University of Oklahoma has historically worked with the City of Norman to provide public transportation services to the citizens of Norman. In August, 2018, the University informed the City of Norman that they would terminate their administration of public transit services to the larger City area, effective on June 30, 2019. The City Council made clear its intent to continue public transit services, and appropriated funds within the fiscal year 2019-2020 (FYE 2020) General Fund budget to absorb the estimated costs of these services.

Staff has been diligently working on arrangements to continue public transportation services to the Norman community under administration by the City or by contractual services with third-party service operators. Several public hearings and Council study sessions have been held related to this topic.

The City's administration of continued public transit service will be implemented through a series of proposed Council actions, including an Interlocal Agreement with the Central Oklahoma Transportation and Parking Authority (Contract K-1920-30); a Lease Agreement with The University of Oklahoma for maintenance facilities (Contract K-1920-32); and an amended Contract With the University of Oklahoma Board of Regents for Para-Transit Services (Contract K-1819-150).

DISCUSSION: To properly budget and account for the City of Norman's administration of the public transportation system, a new accounting fund is required to collect and record the financial transactions of this service.

The City Council appropriated \$1,135,500 to pay for public transportation services within the FYE 2020 Budget that is available for transfer to the new fund.

Staff anticipates receipt of approximately \$2,000,000 in Federal Transportation Administration grant funds during FYE 2020, which are proposed to be recorded to the General Fund and transferred to the new fund.

As discussed in Attachment A, costs for FYE 2020 public transportation services are estimated at \$5,215,823. As stated above, \$1,135,500 is available for transfer from the General Fund. The estimated \$2,000,000 in FTA funding will be deposited into the General Fund and transferred to the new Public Transportation Fund, and an additional \$2,080,323 is proposed to be appropriated from the General Fund at this time to establish the Public Transportation and Parking Fund with a positive

balance. It is anticipated that the actual additional appropriation of General Fund balance will be approximately the \$2,080,323 in estimated costs above the anticipated FTA grant reimbursements. Future City and Council actions may be taken to identify additional revenue sources to offset the costs of public transportation services. Council may consider recording future transit-related revenues to the General Fund to offset these “start-up” public transit costs.

RECOMMENDATION: Staff recommends establishing a new special revenue fund, the “Public Transportation and Parking Fund” (Fund 27; also to be known as the “Public Transit Fund”) within the City’s general ledger accounting system to record public transportation activity. Staff also recommends transferring \$1,135,500 from Miscellaneous Services / CART (account 010-1001-411.47-66) from the General Fund to the new Public Transit Fund. Staff further recommends Council acceptance of FYE 2020 Federal Transportation Administration funds in the approximate amount of \$2,000,000 and allocating the funds as required. Finally, staff recommends the appropriation of \$4,080,323 from the General Fund Balance (account 010-0000-253.20-00) to be transferred to the Public Transit Fund and allocating the funds as required within the Public Transit Fund, as set forth in Attachment A.