

TOWN OF DAVIE
OFFICE OF THE TOWN ADMINISTRATOR

MEMORANDUM

TO: Bob Rawls, Interim Town Administrator
FROM: Will Allen, Programs Administrator *Will Allen*
DATE: July 14, 1999
SUBJECT: Agenda Item 14.2- Consideration of Resolution Endorsing
Second One Cent Gas Tax For Mass Transit

Item 14.2 on the July 21, 1999 Town Council Agenda under Old Business is consideration of a resolution endorsing an additional one cent gas tax to be used for the purpose of expanding the mass transit system within Broward County. The consideration of such a resolution is an item which will need to be scheduled for a future meeting.

The County Commission adopted an additional one cent gas tax which is to be dedicated for mass transit purposes. There is not a requirement to share this revenue with cities. This tax required the County Commission to adopt an ordinance prior to July 1, 1999 which was done and the tax will start being collected on January 1, 2000.

A second one cent local option gas tax was not approved prior to the July 1 deadline. This second one cent tax is required to be shared with the cities either by an interlocal agreement or by a default formula which is set forth in the statute. The recommendation had been to use the funding to expand the shuttle bus service by increasing the financial assistance to communities which provide shuttle bus service. Rather than adopting a second one cent gas tax, the County Commission approved the formation of a special committee to develop recommendations for an equitable distribution of proceeds from this tax. This committee is to craft an agreement over the summer months on how to share the revenue from the additional one cent tax. Since the tax was not approved by the July 1 deadline the tax cannot be collected until January of 2001. There have been discussions that should an agreement be adopted by October 1, 1999 that the program could be started in January of 2000.

Information supplied by Broward County Transit is attached. This information indicates that an additional one cent gas tax generates \$6.5 million dollars annually. The amount of this which Davie and other communities would receive is the matter to be negotiated. The interlocal

agreements which are in place for the first nine cents of the local option gas tax indicate the communities receive 38% of the funds. The default formula in the statute indicates cities receive 26% of the funds. If this were to follow for the additional one cent then by interlocal agreement the cities would divide \$2,470,000 while the default formula by statute would mean that cities would share \$1,690,000.

Broward County Transit is recommending that the funding from the additional one cent tax be used for expanding the shuttle services within the various communities of the county. The concept is that \$3 million of the revenues generated by the additional gas tax be dedicated toward the increased shuttle service along with an additional \$480,000 from the Mass Transit budget to make a total of \$3,480,000 available for the shuttle bus program. The assumptions as shown on the attached page 12 are that 50 such shuttle vehicles would operate. These vehicles would receive \$20 per hour of operation. Assuming these vehicles operate 60 hours per week then each vehicle would receive an average annual subsidy of \$62,400. With 50 vehicles this amounts to \$3,120,000 per year. An additional \$360,000 would be provided for other cities. Davie currently has two such shuttle services which serve the SFEC and the downtown area during lunch time. Davie and the SFEC receive \$20,000 per year for each of the two shuttle vehicles. This amounts to about \$9.60 per hour based on a 40 hour week or \$6.41 per hour based on a 60 hour week.

As stated earlier, a committee comprised of city and county officials will be meeting over the summer to draft an agreement and attempt to have communities sign off on agreement by October 1, 1999 on how to equitably distribute the proceeds from an additional one cent local option gas tax.

PREVIOUS ITEM

NEXT ITEM

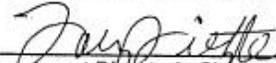
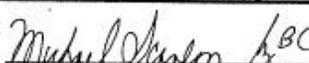
AGENDA REPORT

TO

MEETING DATE
6/18/99 4:15

AGENDA ITEM
53-45

THE BROWARD COUNTY BOARD OF COUNTY COMMISSIONERS

Requested Action	
<p>DISCUSSION: Creation of a special committee to develop recommendations for an equitable distribution of proceeds from a one-cent local option gas tax, to be used and shared with cities for the expansion and improvement of public transportation services.</p>	
Summary Explanation and Background	
<p>COMMUNITY SERVICES DEPARTMENT/MASS TRANSIT DIVISION</p> <p>Pursuant to Section 336.025, Florida Statutes, the Board of County Commissioners has the discretion to distribute proceeds of the additional one-cent local option gas tax by interlocal agreement with municipalities representing a majority of the incorporated population within the county; or, in the absence of an interlocal agreement, by default formula set forth in the statute.</p> <p>Staff of Mass Transit Division has advanced a proposal to expand community shuttle service in partnership with the cities, by providing increased financial assistance with a portion of the revenues generated by the additional penny.</p> <p>In an effort to craft an agreement, prior to October 1, 1999, that is mutually acceptable to all parties, staff is recommending the establishment of a special committee to include, at a minimum: a user of community bus service chosen by the Community Involvement Roundtable, a representative of the Broward County Commission, a representative of the League of Cities, a representative of the City Managers Association, the County Administrator or his designee, a representative from the business community, and any others as designated by the County Commission.</p>	
Recommended By:	
Larry Lietzke	 Department Director's Signature
	6/1/99 Date
Source of Additional Information:	
Michael J. Scanlon	 Division Director's Signature
	357-8361 Phone
Exhibits Attached for Board	
Documents for Document Control only	
Board Action for Document Control only	

Expand Community Service Partnerships

Current Program

County provides cities with vehicle(s) or a capital allowance

Must provide a minimum of 40 service hours per week per vehicle

County provides administrative support, operator training, route and scheduling assistance, design and printing of timetables, and bus stop signs

County provides operating stipend in the amount of \$20,000 annually per vehicle (maximum of \$9.61 per hour)

No minimum ridership standards

Requires public hearing prior to any fare charges

Proposed Program

SAME

SAME

SAME

County provides \$20.00 per revenue hour of service

Must serve a minimum of five passengers per revenue hour, effective after the first six months of transit services

Maximum fare of 25 cents

10

City / County Partnerships

The Concept

Cities and county agree to dedicate \$3 million from the shared penny of gas tax

County adds \$480,000 from FY 2000 Mass Transit budget

Cities have option to participate or take their share under the default formula per Florida Statute 336.025

County will continue to realign and provide cross county service on main arteries

City / County Partnerships

The Assumptions

Cities will operate a total of 50 vehicles

Each vehicle will average 60 revenue hours per week

Each vehicle will require an average annual subsidy of \$62,400

This level of participation would require \$3,120,000 annually leaving \$360,000 for cities that choose not to participate

This level of participation would provide an additional 156,000 annual service hours

A minimum of 780,000 annual passenger trips would be provided at \$20 per hour as opposed to the current level of nearly \$54 per hour in marginal costs

Adjustments may be required depending upon degree of participation

Plan A Budget with 2 cents



PLAN A - Two Cents

Operating Expenses

Improvement	Annualized Cost	Operating Revenue	Net Operating Cost	New Buses/Trucks	Annual Passenger Trips	Capital Requirements	Source of Capital
Maintain grant funded service	\$2,850,000	\$276,000	\$2,574,000	34	878,000	none	reb
Expand Community Shuttle Program (1)	\$1,400,000	0 (2)	\$1,400,000	0	760,000	20 vehicles @ \$2,800,000	Federal block grants/ CMAA's fare funds
Increase frequency on weekday 18, 34, and 72	\$2,241,000	\$606,000	\$1,635,000	34	1,016,000	17 vehicles @ \$2,410,000	Federal & secondary or block grants
Service expansion: routes 27, 14, 24, 34, 31, 34, 35, 60, 88	\$2,538,000	\$851,000	\$1,687,000	37	1,022,000	24 vehicles @ \$2,810,000	Federal & secondary or block grants
Weekday/Saturday later evening service, 18 routes	\$760,000	\$50,000	\$710,000	10	181,000	none	reb
Accommodate increased potential demand	\$1,428,000	reb	\$1,428,000	0	180,000	\$528,000 in capital allowance	Federal block grants
Public Education and Marketing Program	\$254,000	reb	\$254,000	0	reb	reb	reb
Total	\$10,066,000	\$1,748,000	\$8,318,000	107	4,057,000	\$12,788,000	

Operating Revenues

Source	Revenue
fare box	\$12,800,000
Fare reduced fare Max Transit FY1990 fare budget	\$400,000
Savings from routing efficiencies	\$840,000
Total	\$14,040,000

(1) Expansion would require operating costs of \$3,120,000 annually leaving \$360,000 for cities who choose to take their share under the default distribution formula.

(2) Cities would retain any fares to offset operating costs.

(3) Assumes a combination of met and mid buses, some alternative

Plan B Budget with 1 cent



PLAN B - One Cent

Operating Expenses

Improvement	Annualized Cost	Operating Revenue	Net Operating Cost	New Employees	Annual Passenger Trips	Capital Requirements	Source of Capital
Maximize grant-funded services	\$2,886,000	\$279,300	\$2,617,000	24	578,000	1000	n/a
Increase frequency on routes 10, 16, 20 & 72	\$2,341,900	\$508,300	\$1,833,600	24	1,016,000	12 vehicles \$1,430,000	Federal discretionary or block grants
Extend route 7 to US 27	\$622,000	\$105,000	\$517,000	13	270,000	4 vehicles \$1,140,000	Federal discretionary or block grants
Extend route 20 to 775	\$227,000	\$45,900	\$181,100	4	91,900	1 vehicle 220,000	Federal discretionary or block grants
Saturday late evening service on routes	\$201,000	\$15,900	\$185,100	5	40,000	n/a	n/a
Accommodate increased passenger demand	\$1,212,800	n/a	\$1,212,800	0	86,000	\$440,000	Federal block grants
Public Education and Marketing Program	\$47,000	n/a	\$47,000	0	n/a	n/a	n/a
Total	\$7,307,800	\$949,500	\$6,358,300	60	2,082,900	\$6,250,000	

Operating Revenues

Source	Revenue
Gas tax	\$6,500,000
Total	\$6,500,000