

December 2, 2010

TO: MAG Transit Committee

FROM: Jorge Luna, Transit Planner III

SUBJECT: 5307 URBANIZED AREA FORMULA FUNDS DISTRIBUTION SCENARIOS FOR PREVENTIVE MAINTENANCE

The request to address the distribution of 5307 Urbanized Area Formula funds for preventive maintenance (PM) came from a July 28, 2010 Regional Council action which approved "the Draft FY2011-2015 MAG TIP contingent on a finding of conformity. . . and that the programming of preventive maintenance be reviewed for potential amendments/administrative modifications no later than December 2010."

#### **BACKGROUND**

On October 14, 2010, the Transit Committee was presented with a multi-part programming item regarding the distribution of \$11.7 million of 5307 FY2011 federal funds for PM and methodologies for distributing those funds in the MAG region. At the meeting, the committee recommended approval of evenly distributing the \$11.7 million for PM between FY 2011 and FY2012. In order to even out funds between fiscal years, bus purchases in FY2012 were forwarded to FY2011, this allowed for approximately \$12.4 and \$12.5 million being available for PM in the region for FY2011 and FY2012, respectively.

Regarding the distribution methodologies, the Transit Committee was presented with three options for distributing the funds. At the meeting, the committee requested that staff research potential impacts, peer region best practices, and return with additional methodologies for the next meeting. On November 9, 2010 the Transit Committee was presented with five methodologies; the committee requested that transit operators in the region meet to review and discuss the methodologies. Transit operators met on November 17, 2010 and again December 1, 2010. The consensus from the operators was to distribute 5307 federal funds for PM, only for FY2011, based on the locally developed ARRA unspent funds operating assistance distribution methodology for bus and rail (see Attachment 1). The methodology maintains the current PM allocation as shown in the TIP for FY2011 and distributes the additional PM funds in the region between modes (bus and rail) using percentages. The percentages are based on 2009 NTD reported data, for the modes (bus and rail) based on operating expense and for bus operators based on revenue miles. The group recommended reconvening to identify future year allocations and methodologies.

#### **RECOMMENDATION**

This item is on the agenda for information, discussion, and possible recommendation for a preventative maintenance distribution methodology for 5307 funds in fiscal year 2011, recommend modifying/amending the FY2011-2015 MAG TIP appropriately, and a distribution methodology of preventive maintenance for future years be developed.

Please feel free to contact myself or Jorge Luna at 602.254.6300 or eyazzie@azmag.gov, jluna@azmag.gov with questions or comments.

ATTACHMENT I (CORRECTED)

The total amount to be distributed for FY2011 is \$12,424,886 using the locally developed ARRA unspent funds operating assistance distribution methodology for bus and rail. Of the \$12,424,886, \$6,546,883 will be distributed as identified in the FY2011 TIP (see Table 1); the additional funding, \$5,878,003, will be distributed first between modes bus (94.7%) and rail (5.3%), with the bus allocation to be apportioned to bus operators based on revenue miles (see Table 2).

<b>Table 1</b>		
	<b>FY2011 TIP Amount</b>	
	<b>%</b>	<b>\$</b>
City of Glendale	1.87%	\$122,508
Peoria Transit	0.63%	\$41,336
City of Phoenix	83.45%	\$5,463,344
RPTA	11.17%	\$731,118
City of Scottsdale	0.00%	\$ -
Surprise DAR	0.08%	\$5,476
METRO	0.00%	\$ -
City of Tempe	2.80%	\$183,101
<b>TOTAL</b>	<b>100%</b>	<b>\$6,546,883</b>

<b>Table 2</b>		
<b>Transit Modes</b>	<b>Distribution</b>	<b>FY2011 PM</b>
	<b>Percentages</b>	<b>Allocation</b>
Bus	94.70%	\$5,566,469
Rail	5.30%	\$311,534
<b>TOTAL</b>	<b>100.00%</b>	<b>\$5,878,003</b>
<b>Bus Portion Distribution Based on Revenue Miles</b>		
	<b>Distribution</b>	<b>FY2011 PM</b>
	<b>Percentages</b>	<b>Allocation</b>
City of Glendale	1.26%	\$70,138
Peoria Transit	0.52%	\$28,946
City of Phoenix	59.84%	\$3,330,974
RPTA	20.28%	\$1,128,880
City of Scottsdale	1.00%	\$55,665
Surprise DAR	0.19%	\$10,576
City of Tempe	16.91%	\$941,290
<b>TOTAL</b>	<b>100.00%</b>	<b>\$5,566,469</b>

<b>Table 3</b>	
	<b>Table 1 + Table 2 = Table 3</b>
	<b>FY2011 Apportionment</b>
City of Glendale	\$192,646
Peoria Transit	\$70,282
City of Phoenix	\$8,794,318
RPTA	\$1,859,998
City of Scottsdale	\$55,665
Surprise DAR	\$16,052
METRO	\$311,534
City of Tempe	\$1,124,391
<b>TOTAL</b>	<b>\$12,424,886</b>