



Colorado Springs El Paso County Manitou Springs Green Mountain Falls Ramah

MEMORANDUM

DATE: March 10, 2010
TO: Pikes Peak Rural Transportation Authority Board of Directors
FROM: Rick Sonnenburg, Program/Contracts Manager
THROUGH: Robert MacDonald, Secretary to the Board *RFM*
SUBJECT: Maintenance of Effort Presentation from the City of Manitou Springs

ACTION REQUESTED: Approval

The Pikes Peak RTA Establishing IGA requires the following: “It is the intent of the Parties that funding from the PPRTA will not be used to substitute for or reduce Colorado Springs’ funding to the existing transit system, or to substitute for or reduce any Party’s funding for maintenance activities.” This has been called the Maintenance of Effort provision. The Pikes Peak RTA Citizen Advisory Committee Bylaws state that the CAC “...will review local government budgets as submitted to the specific PPRTA member governments to ensure...” the Maintenance of Effort provision (stated above).

At the February 3, 2010 meeting, the CAC approved two recommendations to the Board. First, was a recommendation that the City of Colorado Springs and the City of Manitou Springs be found not in compliance with the Maintenance of Effort provision, but should be recognized for their respective efforts to comply with the provision within the limitations of their funding situations. Second, was a recommendation that El Paso County, the Town of Green Mountain Falls, and the Town of Ramah be found in compliance with the Maintenance of Effort provision.

At the February 10, 2010 Board meeting, the Board postponed taking action on the City of Manitou Springs’ submittal and referred the issue back to the CAC for further review, a presentation by City of Manitou Springs representatives, and a recommendation by the CAC.

At its March 3, 2010 meeting, the Pikes Peak RTA CAC heard a presentation from the City staff of Manitou Springs, discussed the issue, and developed a recommendation to the Board. The City’s supplemental information is attached for the Board’s review.

RECOMMENDATION TO THE BOARD:

The Pikes Peak RTA CAC recommends that the Board find that the City of Manitou Springs has met the intent of the Maintenance of Effort provision with regard to its 2010 budget submittal.

Attachment:

1. Letter from the City of Manitou Springs



February 22, 2010

Mrs. Sallie Clark, Chairwoman of the Board
Pikes Peak Rural Transportation Authority
15 South 7th Street
Colorado Springs, CO 80905

RE: Annual Certification Concerning Maintenance of Effort for the City of Manitou Springs

Dear Chairwoman Clark:

The City of Manitou Springs certifies that it has substantially maintained its level of local entity financial effort concerning operational expenditures for its street maintenance duties as required by the Comprehensive Intergovernmental Agreement and the Ballot Question. Further, the City requests permission to modify its 2004 base calculation defining "Maintenance of Effort". The City seeks to remove components comprising capital equipment debt service and lease/purchase payments from the calculation.

The City presented an "Annual Certification Concerning Maintenance of Effort" for fiscal year 2010 to the PPRTA Citizens Advisory Committee (CAC) in the month of February, and the CAC ruled that the City of Manitou Springs was not in compliance.

The City has sought, over the last several years, to retire and therefore decrease annual debt payment related to capital equipment. That reduction has been achieved while the City continues to enjoy the use of the equipment purchased with the loans.

Subsequently, the total of expenditure in FY2010 is \$18,023 less than the base line total expenditure of FY2004; however, the City has budgeted to spend \$65,684 more in roadway maintenance for operating costs than it did in FY2004. Excluding debt service payments, the City has budgeted to spend \$415,364 for roadway maintenance in FY2010 compared to \$349,680 in FY2004. Since FY2004, the City's corresponding annual debt payments have decreased from \$118,061 to \$34,354 per annum.

The City would also note that the City's fiscal year 2009 Certification of "Maintenance of Effort" presented a similar situation – an increase in operational funding but an overall decrease in total funding due to decreased capital equipment debt payment. The CAC and Board of Directors ruled that the City achieved substantial compliance without any

attached qualifications in this similar situation last year. I have included a copy of the 2009 Certification for your review.

In hind-sight, components comprising capital equipment debt service and lease/purchase payments should not have been included in the FY2004 baseline computation. The City has not used PPRTA funding to purchase capital equipment in the past, nor does it intend to do so in the future. The equipment attributed to the debt service and lease/purchase payments remain within its useful life with the city and contributes to the City's overall street maintenance efforts, however the need for additional or replacement equipment does not exist.

The City interprets the purpose of the annual certification as a demonstration that PPRTA funds are not being used to supplant those operating funds existing for roadway maintenance at the time the PPRTA was established in 2004. The City believes that it is complying with that requirement.

Please contact me with any questions.

Sincerely,



Michael A. Leslie
Deputy City Administrator

Enc. City of Manitou Springs FY2010 Maintenance of Effort Schedule
City of Manitou Springs FY2009 Maintenance of Effort Schedule

CITY OF MANITOU SPRINGS
Maintenance of Efforts for FY2010

Expenditures Related to Street Maintenance

	FY2004 Budgeted	FY2010 Budgeted
General Fund		
Wages & Benefits - Public Services	\$268,420.00	\$286,576.00
Professional Services - Engineering	\$5.00	\$4,000.00
Property Casualty Insurance	\$6,642.00	\$14,200.00
Vehicle Insurance	\$4,305.00	\$5,600.00
Street Cleaning	\$481.00	\$7,000.00
Street Materials/Supplies	\$23,508.00	\$34,000.00
Traffic Services (Signs and Traffic control)	\$10,899.00	\$15,000.00
Public Services - Overlay (Cap Improve Fund)	\$35,420.00	\$48,988.00
Total of Street Maintenance Operating Funding	<u>\$349,680.00</u>	<u>\$415,364.00</u>

Debt Service / Capital Equipment (Request removal from 2004 base calculation)

Capital Improvements Fund		
Cap Improv Debt Service	\$61,632.00	Retired
Master Lease Refinance	\$34,539.00	Retired
MSG Lease - Dump Truck	\$10,399.00	\$10,399.00
Lease - Streetsweeper/Asphalt Zipper	\$11,491.00	Retired
Lease - Public Services portion of FY 2010 Lease/Purchase program	\$0.00	\$23,955.00
Public Works Equipment and Vehicles	\$0.00	\$0.00
	<u>\$118,061.00</u>	<u>\$34,354.00</u>



January 20, 2009

Mr. Larry Small, Chairman of the Board
Pikes Peak Rural Transportation Authority
15 South 7th Street
Colorado Springs, CO 80905

RE: Annual Certification Concerning Maintenance of Effort for the City of Manitou Springs

Dear Chairman Small:

The City of Manitou Springs certifies that it has maintained its level of local entity financial effort concerning operational expenditures for its street maintenance duties as required by the Comprehensive Intergovernmental Agreement and the Ballot Question. The City has consciously decreased its level of debt over the last several years and subsequently, its annual lease/purchase debt payments have also decreased as these debts have been paid and the purchased equipment remains operational. Consequently, the total of expenditure in FY2009 is \$23,845 less than the amount of the base of \$467,741 established in FY2004, however, the City is spending \$59,862 more for those items not related to debt, in FY2009 than it did in FY2004.

The City of Manitou Springs has not used any PPRTA funding for personnel, supplies or the purchase of equipment. All capital projects in the City of Manitou Springs are being performed in accordance with their designated funding sources and no PPRTA capital allocation funding is being used to supplant other funding in any capital improvement project.

Please contact me with any questions.

Sincerely,

Michael A. Leslie
Deputy City Administrator

Enc. City of Manitou Springs FY2009 Maintenance of Effort Schedule
Selected City of Manitou Springs FY2009 Budget Pages

City of Manitou Springs
Maintenance of Effort for FY2009

Expenditures Related to Streets Maintenance	FY2004	FY2009
General Fund		
Wages and Benefits - Public Services	\$ 268,420	\$ 266,576
Professional Services - Engineering	5	4,000
Property Casualty Insurance	6,642	9,817
Vehicle Insurance	4,305	6,266
Street Cleaning	481	7,000
Streets Materials/Supplies	23,508	34,000
Traffic Services (Signs and Traffic Control Devices)	10,899	15,000
Capital Improvements Fund		
Public Services - Overlays	35,420	48,883
Debt Service		
Cap Improve Debt Service	61,632	Retired
Master Lease Refinance	34,639	Retired
MSG Lease - Dump Truck	10,399	10,399
Lease - Streetsweeper/Asphalt Zipper	11,491	Retired
Lease - Public Services portion of FY2009 Lease/Purchase Program	0	23,956
Public Works Equipment and Vehicles	0	0
Total of Expenditures Related to Streets Maintenance	\$ 467,741	\$ 443,896