



Memorandum

To: Livingston County Board of Commissioners
From: Greg Kellogg, Transportation Director
Date: 11/30/2020
Re: Resolution Authorizing Sub-recipient Agreement for Transportation Services between Livingston County (LETS) and People's Express of Whitmore Lake for FY 2021 and Amendment to FY 2020 Agreement - LETS

LETS entered into a sub-recipient, or "pass-through," agreement with People's Express of Whitmore Lake in October 2019 in an effort to improve transit service in the southeastern portion of the County, which has traditionally been difficult for LETS to serve because of the distance from its facility in Howell Township. The agreement has proven successful with an additional 31,348 passenger trips provided in FY 2020 beyond those provided directly by LETS. Both parties wish to renew the agreement for FY 2021.

In FY 2020 Livingston County began receiving state and federal funding from the Section 5311 Rural Operating Assistance program to support public transportation services in non-urbanized areas of the County. The transportation services provided by People's Express are also eligible to receive the operating assistance, but People's Express, as a 501(c)3 non-profit operated by Northfield Human Services, is not eligible to receive the funds directly. By partnering with People's Express, LETS can use the funding to supplement its service in a previously underserved area and do so more efficiently than adding additional vehicles and drivers.

The sub-recipient agreement assigns LETS a fiduciary role that includes applying for the grant funds on behalf of People's Express, reporting quarterly expenses and service activity to MDOT, and receiving and distributing the grant funds. The pass-through payments are issued to People's Express on a reimbursement basis after MDOT approves the expense reports and LETS receives the funds. With pass-through funding no revenues or expenses are recorded on the County General Ledger.

The estimated state and federal funding available for the FY 2021 agreement is \$164,600 based on eligible expenses of \$200,000. This includes state funds of 37.6%, regular federal 5311 funds of 18%, and additional federal funds of 26.7% from CARES Act funding allocated to the 5311 program. The term of the agreement will be October 1, 2020 through September 30, 2021.

Finally, as a result of CARES Act funding allocated to the 5311 program in FY 2020, People's Express is eligible to receive an additional \$106,749 for the service provided between October 1, 2019 and September 30, 2020. The original agreement provided for funding "not to exceed \$56,000" and will therefore need to be amended for LETS to pass through the additional funds.

As always, please do not hesitate to contact me at 517-540-7843 if you have any questions.