

**INTERLOCAL AGREEMENT
FOR
COUNTYWIDE TRANSIT SYSTEM**

This Interlocal Agreement ("this Agreement") is made and entered into, as of the 1st day of October, 2024 by and between Polk County, a political subdivision of the State of Florida (the "County"), and the Lakeland Area Mass Transit District, an independent special district (the "District").

WITNESSETH:

WHEREAS, the Polk Transit Authority was created under Chapter 2007-275, Laws of Florida, with the stated purpose to provide for the consolidation of transit services in Polk County and to provide for the transition to a countywide transit system; and

WHEREAS, the District is a public transportation operator in the Lakeland Urbanized Area and elsewhere in Polk County; and

WHEREAS, the District operates and manages all transit services in Polk County; and

WHEREAS, the District has the power to contract with federal, state, and local governmental agencies, private companies, and individuals concerning the establishment, operation, and maintenance of public mass transportation systems; and

WHEREAS, the District and the County previously entered into an Interlocal Agreement for the transition of the operation and management of all transit services from the County to the District; and

WHEREAS, the County has successfully transferred all beneficial interest in any and all transit grants it previously received to the District, as the new beneficiary; and

WHEREAS, many federal and state grants that provide funding for transit services require local governments to contribute funds as a condition for awarding the grants; and

WHEREAS, for the October 1, 2024 - September 30, 2025 fiscal year (the "Agreement Year") the County has agreed to provide the District an aggregate amount not to exceed \$4,178,000 to be used as the local government contribution toward those Services the District will provide as described in Section 2, below;

NOW, THEREFORE, in consideration of the mutual covenants, promises, and representations herein, the parties agree as follows:

1. Recitals. The foregoing recitals are true and correct and are incorporated herein by reference.
2. Management and Operation of Transit Services. The District shall manage and operate transit routes within Polk County, Florida pursuant to the routes, service hours, frequency, miles, and vehicle assignments the District determines (collectively, the "Services"). The District and the County recognize the importance of transit agencies providing assistance during crisis situations. The District agrees to be the lead agency identified in the Polk County Comprehensive Emergency Management plan to perform vital services such as transportation of special needs clients, evacuation of victims, and transport of emergency personnel. The District will continue to have access to the County's Public Safety Radio System for transit operations. The County will provide the District with radio technical support for the Emergency Management Division radio services program as more fully described in prior County resolutions addressing the matter.
3. County Funding for Management and Operation of Transit Services.
 - a. The County agrees to pay the District an amount not to exceed \$4,178,000 (the "Contract Funds") as further specified in Attachment A, attached hereto and incorporated herein by reference. The Contract Funds represent the total actual costs (collectively, the "Services Costs") the District anticipates are required during the Agreement Term for the following: (i) the local matching funds for the state and federal grants for transit services within the unincorporated areas of Polk County not lying within the District's boundaries, (ii) certain mutually agreed transit routes, and (iii) an amount, not to exceed twenty percent (20%) of the aggregate amount the County provides the District for the local matching funds and mutually agreed routes, for the actual administrative expenses the District incurs to provide the transit services formerly provided by the County. The Contract Funds will be provided to the District on October 11, 2024.
 - b. The District shall submit to the County within 30 days after the end of each quarter, starting in January 2025, documentation of grant submittals to any grantors for which County provides cash match (FDOT, FTA) for expense reimbursements. Documentation shall include grantor approval and/or proof of reimbursement.
 - c. The District shall not now, or in the future expend or retain any funds provided by the

County under this Agreement for accrued pension liabilities, or, except as stated in this Section 3. c. for an expense that does not represent an actual disbursement of funds. If at the end of an Agreement Year there are unspent Contract Funds (the “Excess County Funds”) because the total actual Services Costs were less than the amount the District anticipated when entering this Agreement, then subject to the account balance amount limitation described in this section, the District may deposit and retain the Excess County Funds in a separate reserve account (the Services Costs Reserve Account”) dedicated solely to paying any Services Costs shortfalls the District incurs during future Agreement Years. If it deposits any Excess County Funds into the Services Costs Reserve Account, then the District shall deliver written notice of the deposit to the County within thirty (30) days after doing so. The Services Costs Reserve Account balance shall not exceed one hundred fifty thousand dollars (\$150,000.00) at any time. If the deposit of any portion of Excess County Funds from an Agreement Year would increase the Services Costs Reserve Account balance over the one hundred fifty thousand dollar (\$150,000.00) limit, then the District shall refund that portion of the Excess County Funds to the County no later than the date stated in Section 3. d., below.

d. The District shall make financial records available to the County staff, the Inspector General's Office of the Clerk of the Circuit Court, or a mutually agreed upon external audit firm hired by the County, for review upon reasonable request by the County. The County or an external audit firm hired by the County may also conduct site or remote monitoring visits, audits, and interview District staff to ensure the County Contract Funds are being used in accordance with this Agreement. The District will comply with requests for information and will make all financial records available for review within a reasonable amount of time after receiving a request to do so. In the event the County or an external audit firm hired by the County discovers that any funds provided hereunder, or under any prior agreements with the District, have either been held in reserves except as stated in Section 3. c., above, or as prior year carry-over, or were used to defray expenses not directly related to the Services Costs, then upon receipt of notice the District shall immediately pay the County any such amounts so discovered. In all cases, internal control measures must be in place to provide reasonable assurance that the financial records are accurate. If at the end of an Agreement Year there are

Excess County Funds which the District elects not to deposit in the Services Costs Reserve Account or cannot do so because of the Services Costs Reserve Account balance limit, then the District shall refund such Excess County Funds to the County within thirty (30) days after the completion of the District's annual audited financial statements, but not later than June 30, 2025.

4. The district finished the FY 22/23 with a surplus of \$147,064. The District and County agreed that the District could keep \$43,381 bringing their Services Costs Reserve Account to the cap of \$150,000. The district returned the other \$103,682 of surplus to the County. Funding Emergency. District and County agree that in the event federal or state funds are temporarily or permanently unavailable the District shall fund the operations within the District boundaries and the County may, in its sole discretion, fund all operations outside of the District's territory.
5. New or Increased Grant Opportunities. District agrees to utilize and maintain current grants, and seek and obtain approval from County prior to the application for any new transit grants or additional funding under existing grants for the Services to the extent District will be seeking matching contributions from the County for the same. The County shall not be obligated to provide matching funds for any transit grant opportunities unless the same is approved by the County in advance of the District submitting the grant application. In all instances, the District must timely submit all reimbursement requests to the applicable grantor agency, and to all requests for additional information, in order to receive grant funds within a reasonable period of time. If the District has not timely submitted such information, the County may suspend its payment under this Agreement until such time that the District has become current on all such grant reimbursement requests.
6. Facilities, and Supplemental Agreements. The District shall pay the pro-rated amount of utilities, based upon the occupied space in the County's Frank B. Smith building. The utility cost of the District's occupied space will be based upon the square footage of the occupied space. The District and the County may enter into supplemental agreements for the management and provision of applicable services related to transit facilities. Such agreements shall be coterminous with this Agreement.
7. Insurance Requirements. The District shall maintain at all times during the term of this contract, the following insurance policies, with an insurance company(ies) that has (have)

a minimum rating of A VIII by A.M. Best, and that is (are) authorized to do business in the State of Florida.

a. Such insurance policies shall insure the District against any and all claims, demands, or causes of action whatsoever for injuries received or damage to property relating to the performance of duties, services, and/or obligations of the District under the terms and provisions of the contract.

i. Workers' Compensation insurance in accordance with Chapter 440, Florida Statutes, and/or any other applicable law requiring workers' compensation (federal, maritime, etc.).

ii. Employers Liability insurance with the following minimum limits and coverage:

1. Each Accident	\$1,000,000
2. Disease-Each Employee	\$1,000,000
3. Disease-Policy Limit	\$1,000,000

iii. General Liability insurance, without restrictive endorsements, with the following minimum limits and coverage:

1. Each Occurrence/General Aggregate	\$1,000,000 / 2,000,000
2. Products-Completed Operations	\$2,000,000
3. Personal & Advertising Injury	\$1,000,000
4. Fire Damage	\$50,000
5. Medical Expense	\$5,000

iv. Auto Liability insurance, including owned, non-owned, and hired autos, including Pollution Liability due to accident or overturn, with the following minimum limits:

1. Combined Single Limit	\$1,000,000
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v. Auto Physical Damage insurance based upon the replacement cost, or other valuation basis to which the County has agreed, of each vehicle. The County shall be listed as a loss payee as response auto physical damage insurance for the County's vehicles that are subject of this contract.

vi. Pollution Liability covering fuel handling and operations, both on and off any scheduled premises. With the following minimum limits:

1. Per Pollution Event	\$1,000,000
2. Annual Aggregate	\$2,000,000

b. All policies shall have no greater than a \$25,000 deductible or self-insured retention, without approval of the County.

c. Polk County, a political subdivision of the State of Florida, shall be named as an additional insured on the General Liability, Auto Liability, and Pollution Legal

Liability insurance policies.

- d. The General Liability, Auto Liability, Workers' Compensation, and Pollution Liability policies shall contain a waiver of subrogation provision in favor of the County, shall be primary and noncontributory to any insurance that may be available to the County, and shall include a cross Liability or Severability of Interests provision.
 - e. The certificate(s) of insurance shall provide for a minimum of sixty (60) days prior written notice to the County of any change, cancellation, or nonrenewal of the provided insurance.
 - f. If it is not possible for the District to certify compliance on the certificate of insurance with all of the above requirements, then the District shall provide a copy of the actual policy endorsement(s) providing the required coverage and notification provisions. The County has the right the request copies of the policies and review all policies prior to the inception of this contract.
 - g. Certificate(s) of Insurance shall be issued to: Polk County, C/O Risk Management, P. O. Box 9005, Drawer AS06, Bartow, FL 33830.
 - h. The District shall be responsible for subcontractors and their insurance. Subcontractors are to provide certificates of insurance to the District evidencing coverage and limits in accordance with the District's requirements.
 - i. All deductibles and self-insured retentions shall be shown on the Certificate(s) of Insurance. The County shall be exempt from, and in no way liable for any sums of money which may represent a deductible or self-insured retention in any insurance policy. The payment of such deductible or self-insured retention shall be the sole responsibility of the District and/or subcontractor providing such insurance.
 - j. Neither approval, nor failure to disapprove insurance provided by the District shall relieve the District from liability. Failure to obtain and maintain such insurance as set out above will be considered a breach of contract.
8. Term. The term of this Agreement shall be October 1, 2024 through September 30, 2025.
 9. Termination. At any time during the term of this Agreement, this Agreement may be terminated for any reason, with or without cause, in whole or in part, by either party, upon written notice given at least thirty (30) days in advance of the effective date of termination,

subject to compliance with FTA and FDOT requirements.

10. Interlocal Agreement. This Agreement shall be an "Interlocal Agreement" within the meaning of the Florida Interlocal Cooperation Act of 1969 and shall become effective upon being filed with the Clerk of the Circuit Court of Polk County, Florida.
11. Attorney's Fees and Expenses. If a dispute arises between the parties hereto in connection with this Agreement, each party shall bear their own attorney's fees, costs, and expenses, including any paralegal's fees and any fees and expenses in connection with any appellate proceedings.
12. No Personal Liability. No provision, representation, covenant, or agreement contained in this Agreement, or any obligation herein or therein imposed upon the County or the District, or the breach thereof, shall constitute or give rise to or impose any personal liability upon any officer or employee of the County or the District.
13. Entire Agreement. This Agreement constitutes the entire agreement between the parties pertaining to the subject matter hereof, and supersedes all prior and contemporaneous agreements, understandings, negotiations, and discussions of the parties, whether oral or written, and there are no warranties, representations, or other agreements between the parties in connections with the subject matter hereof, except as specifically set forth herein.
14. Amendments, Assignments, and Waivers. No amendment, supplement, modification, assignment, or waiver of this Agreement shall be binding unless executed in writing by both parties hereto. No waiver of any of the provisions of this Agreement shall be deemed or shall constitute a waiver of any other provision of this Agreement, whether or not similar, unless otherwise expressly provided. Each such amendment, supplement, modification, assignment, or waiver of this Agreement shall be filed with the Clerk of the Circuit Court of Polk County, Florida.
15. Public Records. Each party shall comply with Florida's public records law to specifically include without limitation keeping and maintaining public records, and ensuring that those public records (or applicable portions thereof) which are exempt from disclosure are not disclosed except as authorized by law.
16. Notices. All notices, certificates, or other communications hereunder shall be sufficiently given and shall be deemed given when hand delivered or mailed by registered or certified mail, postage prepaid with return receipt requested, to the parties at the following

addresses:

COUNTY: Polk County
Attn: Deputy County Manager, Support Services and
Human Services
P.O. Box 9005, Drawer CA01
330 W. Church Street
Bartow, Florida 33830-9005

DISTRICT: Lakeland Area Mass Transit District
Attn: Tom Phillips, Executive Director
1212 George Jenkins Boulevard
Lakeland, Florida 33815

Either of the parties may, by written notice given to the other, designate any further or different addresses to which subsequent notices, certificates, or other communications may be sent. Any notice shall be deemed given on the date such notice is actually delivered or attempted delivery is refused.

17. Severability. If any provision of this Agreement or the application thereof to any person or circumstance is held by a court of competent jurisdiction to be partially or wholly invalid or unenforceable for any reason whatsoever, any such invalidity, illegality, or unenforceability shall not affect other provisions or applications of this Agreement which can be given effect without the invalid provision or application and to this end the provisions of this Agreement are declared severable.
18. Rights Cumulative. All rights, powers, and remedies of the County and the District hereunder shall be cumulative and not alternative and shall be in addition to all rights, powers, and remedies given to the County or the District by law.
19. Controlling Law and Venue. This Agreement shall be construed and interpreted under the laws of the State of Florida. Any suit brought to enforce this Agreement shall be in the state courts in and for Polk County, Florida.
20. Parties in Interest. This Agreement shall insure to the benefit of the County and the District. It is not the purpose of this Agreement to render any other party a third party beneficiary hereof.
21. Nothing contained herein shall operate or be construed as a waiver of the District's or the County's limit of liability as set forth in § 768.28 of the Florida Statutes regardless of whether such claims are based in tort, contract, statute, strict liability, and negligence, product liability or otherwise.

22. Recitals. The recitals set forth at the beginning of this Agreement are hereby incorporated by reference into the body of this Agreement as if set forth herein.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed by their duly authorized officers as of the respective dates specified below.

POLK COUNTY, a political subdivision of
the State of Florida

LAKELAND AREA MASS TRANSIT
DISTRICT, an independent special district

By: _____
W. C. Braswell, Chairman
Board of County Commissioners

By: _____
Printed Name: _____

Title: _____

Date: _____

Date: _____

ATTEST:
Stacy M. Butterfield, Clerk

Witness: _____

Printed Name: _____

By: _____
Deputy Clerk

Witness: _____

Reviewed as to form and legal sufficiency:

Printed Name: _____

County Attorney's Office

ATTACHMENT "A"

1212 GEORGE JENKINS BLVD., LAKELAND, FL 33815 | 855-POLKBUS (765-5287) | WWW.RIDECITRUS.COM

Date: June 12, 2024

To: Todd Bond, Deputy County Manager, Polk County
Christia Johnson, Budget and Management Services Director, Polk County

From: Tom Phillips, Executive Director

Subject: Proposed FY 2024-25 Operating and Capital Budget for Polk County Transit Services

The District is proposing the FY 2024-25 Operating Budget for the Polk County Transit Services totaling \$11,105,400 an increase of \$425,992 or 3.99%, compared to a 6.4% increase in FY2023-24.

The Revenues are summarized on the attached page with the FY 2024-25 projections. The amount for each revenue source for the grants is reflected in this report. The District anticipates an increase in FDOT block grant of 9.0% and a decrease in FDOT rural grant of 66.0% due to the sunseting of CARES, ARPA, and CRRSAA funds.

The Operating Expenses totaled \$11,105,400 with the following assumptions.

CBA Salaries	4.0% increase
Admin Emp.-Salaries and wages	2.5% increase
FRS Rate	13.63% (up from 13.57%)
Health Insurance Premiums	8% Increase
Administrative Fees	20% of the Polk Transit Contract which is in agreement with the contract rather than 20% of the full cost of administrative fees
Operating Expenses	Based on the current fiscal year operating and maintenance costs for the County

Capital Budget: The District is not requesting capital funds for this fiscal year.

Reserve fund: This district finished the FY22/23 fiscal year with a surplus of \$147,064. We are requesting to retain \$43,381 of those funds toward a reserve fund. These funds, in addition to the current reserve of \$106,619, will bring the total reserve to \$150,000 in alignment with our contracted maximum allowable reserve. The district will return \$103,682 back to BoCC no later than June 30, 2024 (\$147,064 surplus for FY22/23, less \$43,381)

As noted above, The FY 2024-25 Proposed Operating Budget includes an anticipated 4% increase for the Contract Bargaining Agreement Employees (year two of a 3-year contract). Administrative employees are receiving a 2.5% increase.

The County Grants revenues are decreasing as noted in the revenue summary, and all prior year grants have been utilized. The expenses are estimated on the current level of transit services consistent with the Lakeland Area Mass Transit District operating estimates for both fixed and variable costs.

Staffing:

Total personnel for FY 2024-25 will increase from 65.0 to 74.0 FTE for two reasons:

1. Some positions previously funded with expiring CARES funds need to be absorbed in the regular operating budget. 10 positions were impacted by this, however, only 5 are being absorbed into the county portion of the operating budget.
2. Various downtown Squeeze programs require additional part-time drivers, with the cost being borne by the respective municipalities.

County Funding:

Source	FY23-24	FY24-25	\$ Change	% Change
Grants Match	\$2,399,579	\$2,715,000	\$315,421	13.1%
Budget Subsidy	1,309,355	1,463,000	153,645	11.7%
Total	3,708,934	4,178,000	469,066	12.6%
Refund surplus from prior year			-103,682	
Total increase to BoCC			365,384	9.85%

Capital Budget:

The District is not requesting capital funds for this fiscal year.

Reserve Fund:

The District is requesting to retain \$43,381 of the \$147,064 surplus toward the reserve fund. The district will refund the BoCC the remaining \$103,682.

Please let me know if you need additional information on the proposed budget for the FY 2024-25 Proposed Budget.

Attachments: FY 2024-25 Budget Document and Schedules.

- cc: Bill Beasley, Polk County Manager
 Mark Biddinger, CFO
 Nicole McCleary, Director of Strategic Planning & Innovation
 Lisa Harris, Grants & Contracts Manager
 Rhonda Carter, Associate Director of Finance & Controller

Polk County Contract

FY2024-25

Proposed Budget

Revenue

	2022 Actual	2023 Actual	2024 Budget	2024 Actual Thru 03.31.23	FY24-25 Request
County Match	\$ 2,095,808	\$ 2,198,753	\$ 2,399,579	\$ 2,399,579	\$ 2,715,000
County Contribution - PCTS	\$ 933,454	\$ 933,454	\$ 1,309,355	\$ 1,309,355	\$ 1,463,000
City Contribution	\$ 593,149	\$ 616,163	\$ 658,554	\$ 817,682	\$ 711,000
Fare Revenue	\$ 29,643	\$ 36,082	\$ 49,000	\$ 14,195	\$ 50,000
Other Revenue	\$ 42,051	\$ 56,901	\$ -	\$ 20,875	\$ 241,200
Grant Income:					
Operating Grant FDOT Block	\$ 668,460	\$ 704,093	\$ 704,093	\$ -	\$ 765,000
Operating Grant - FDOT - Rural	\$ 642,603	\$ 2,188,167	\$ 1,342,000	\$ (208,102)	\$ 450,000
OPERATING GRANT FDOT- SUNRAIL	\$ 151,036	\$ 199,309	\$ 249,740	\$ 43,868	\$ 240,200
OPERATING GRANT -FEDERAL 5307	\$ 2,981,717	\$ 2,505,877	\$ 3,795,440	\$ 1,142,404	\$ 3,850,000
Capital Grant - Federal	\$ -	\$ -	\$ 171,647	\$ -	\$ 620,000
Total	\$ 8,137,921	\$ 9,438,799	\$ 10,679,408	\$ 5,539,855	\$ 11,105,400

Expenses

	2022 Actual	2023 Actual	2024 Budget	2024 Actual Thru 03.31.23	FY24-25 Request
Labor	\$ 3,735,150	\$ 4,064,633	\$ 5,247,949	\$ 2,081,976	\$ 5,431,400
Contract	\$ 1,561,932	\$ 2,258,715	\$ 2,458,193	\$ 935,281	\$ 2,575,000
Operating	\$ 2,734,220	\$ 2,926,387	\$ 2,973,266	\$ 1,087,246	\$ 3,099,000
Capital	\$ -	\$ 42,000	\$ -	\$ -	\$ -
Total	\$ 8,031,302	\$ 9,291,735	\$ 10,679,408	\$ 4,104,503	\$ 11,105,400

Change in Financial Position \$ 106,619 \$ 147,064 \$ - \$ 1,435,352 \$ -

**Polk County Budget
 FY October 1, 2024, thru September 30, 2025**

Revenues:

City Contributions – The municipalities in Polk County other than the City of Lakeland are required to contribute their fare share for transit services. For the next fiscal year this cost for Transit Services is \$9.63 per revenue mile. The annual revenues for the next fiscal year are estimated at \$711,000 based on the previous year’s rate.

Fares – The Fare Revenues are for the Transit Riders for the cost of Transit Services. The District is utilizing the Avail System and the Smart Phone to enable Customers to manage and utilize electronic fare purchases in addition to the Customer Service Centers. The estimated fares totaled \$50,000.

Grants – The County annual Grant Allocation is for the following Grants.

Operating Grant Federal 5307	\$3,850,000	Estimated
Operating Grant FDOT Block	765,000	Estimated
Operating Grant FDOT Rural*	450,000	Estimated
Operating Grant FDOT Sunrail	240,200	Estimated
Capital Grant - Federal	620,000	Estimated

** The District anticipates a decrease in FDOT rural grant due to the sunseting of CARES, ARPA, and CRRSAA funds*

Grants Match – The schedule in this revenue section represents the required grants match (cash) to match the County Grants. The estimated total for the next fiscal year is \$2,715,000.

County subsidy to balance the Budget – The budget is balanced with estimated revenues equal to planned expenses. However, because the estimated revenues do not match the expenses there is a County Subsidy needed of \$1,463,000.

Overall increase to the BoCC (grants match, plus subsidy, less surplus payback is \$365,384, or 9.85%)

Polk County Budget
FY October 1, 2024, thru September 30, 2025

Expenses: Total Operating Budget \$11,105,400

Labor Cost \$5,431,400

- Labor and Fringe expenses are increasing by \$183,451 or 3.5% as described in the transmittal letter.

Operating Contract Expenses \$2,575,000

- Anticipating contract expenses are increasing by \$116,807 or 4.8% due to the additional outsourcing of routes on the east side of the County to Transitions.

Operating Expenses \$3,099,000

- Operating expenses are increasing by \$125,734 or 4.2% due to an anticipated increase in fuel expenses along with management's focus on maintaining expenses as the current level as well understanding the need for inflation.

Capital Budget:

- The District is not requesting capital funds for this fiscal year.

Reserve Fund:

- The District is requesting to retain \$43,381 of the \$147,064 surplus toward the reserve fund. The district will refund the BoCC the remaining \$103,682.

Total operating expenses are increasing by \$425,992, or 3.99%.