



City of Grand Forks  
Staff Report  
Committee of the Whole – N/A  
City Council – February 2, 2026

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**Agenda Item:** Section 5339: Bus and Bus Facility Formula Additional Funds

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**Submitted by:** Kristi Slominski, Public Transportation Division Director

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**Staff Recommended Action:** Approve Cities Area Transit (CAT) request for additional federal funds for Section 5339: Bus and Bus Facility Formula Funds projects in the total amount of \$152,096.

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**January 26, 2026 – Committee Recommended Action:** N/A

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**February 2, 2026 – Council Action:**

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**BACKGROUND:**

Cities Area Transit (CAT) is in the process of receiving four replacement buses for fixed route service. Due to the fixed route buses manufacturing starting in Canada and then moving to the United States for completion, CAT has incurred higher bus prices due to various manufacturer increases and tariff charges. Also, CAT is in the process of receiving four replacement paratransit vans and the price of the vans have increased, which does not cover the cost of video cameras. The North Dakota Department of Transportation (NDDOT) has suballocated 5339 funds from the Federal Transit Administration (FTA) to assist with covering the additional noted manufacturing costs. City staff recommends approval of the additional FTA funds of \$152,096.

**ANALYSIS AND FINDINGS OF FACT:**

**1. Additional Funding for 4 large Diesel Bus**

The four current 2010 32-foot Diesel buses have exceeded their useful life of 12 years or 500,000 miles. The vehicles at the time of funding release and application were \$635,000 per vehicle and are now at \$695,617 per vehicle due to price increases and tariff charges. The request is for an additional \$145,094 FTA share and \$25,605 local share for total additional funds of \$170,699 at an 85/15 share.

**2. Additional Funding for Video Cameras**

The video cameras are needed for installation in four new paratransit vans that have exceeded their useful life of 4 years and 100,000 miles. As CAT transitions to the new vans, the camera systems are outdated and not

supported with new updates. With the current increase in the price of the four vans, the cost of cameras is no longer within the current budget without the additional FTA funds. The request is for an additional \$7002 in FTA share and \$1,750 local share for total additional funds of \$8,752 at an 80/20 share.

**SUPPORT MATERIALS:**

- NDDOT Suballocation letter

January 28, 2026

Mr. David Beckhouse  
Deputy Regional Administrator  
Federal Transit Administration, Region 8  
1961 Stout Street, Suite 13-301  
Denver, CO 80294-3007

RE: Suballocation of FY 24 Section 5339 – Bus and Bus Facility Formula Funds

Dear Mr. Beckhouse,

The ND Department of Transportation, the Designated Recipient, authorizes a suballocation of FFY2024 Section 5339 formula funds to the Direct Recipient named herein to apply directly to the Federal Transit Administration (FTA) for the funds.

Suballocation Breakdown:

Agency	FY24 Formula Funds	Suballocation Amount (federal)
City of Grand Forks/Cities Area Transit	FY24 5339 - Buses	\$145,094
City of Grand Forks/Cities Area Transit	FY24 5339 - Equip	\$7,002
	TOTAL	\$152,096

The federal match rate is 85/15 for buses and 80/20 for equipment.

The undersigned agree to the amounts suballocated/reassigned to the Direct Recipient. The Direct Recipient is responsible for its grant application to the FTA to receive such funds and assumes the responsibilities associated with any grant award for these funds.

If you have any questions, please contact Becky Hanson at 701-328-2542 or [bhanson@nd.gov](mailto:bhanson@nd.gov).

Sincerely,



Chad M. Orn  
Deputy Director for Planning

CC: Ranae Tunison, FTA Pre-Award Manager  
Andrea Farley, FTA  
Kristi Slominski, Cities Area Transit  
Derek Pfeifer, NDDOT  
Becky Hanson, NDDOT