

REPORT TO CITY COUNCIL

Approved by:

Anthony R. Forestiere

Department Director

Arnoldo Rodriguez

Arnoldo Rodriguez, City Manager

Council Meeting of: February 16, 2022

Agenda Number: D-3

SUBJECT:

Coordination of Ongoing Federal Transportation Administration Funded Activities for the Madera Urbanized Area

RECOMMENDATION:

Adopt a resolution approving the Memorandum of Understanding between the City and County Regarding Coordination of Ongoing Federal Transportation Administration (FTA) Funded Activities for the Madera Urbanized Area

SUMMARY:

The City and County are part of the federally designated Madera Urbanized Area (MUA) as designed by the U.S. Census Bureau (Exhibit A). Eligible Federal Transit Administrative (FTA) projects and activities proposed by the City and County are included in Madera County Transportation Commission (MCTC) transit planning and programming documents. As of the 2000 U.S. Census, the MUA population exceeded 50,000 allowing the City and County to access FTA small-urbanized area funds.

The Caltrans Division of Rail and Mass Transportation is the “Designated FTA Recipient” that receives and apportions small-urbanized area Sections 5307 and 5339 and other federal transit funds available to eligible recipients in the MUA. The said MUA funds are to assist transit agencies with the annual expense accrued at a 50/50 rate for Operation Assistance and Preventative Maintenance, and an 80/20 rate for Capital Improvements. Currently only the City is a “Direct FTA Recipient” and in being so, is eligible to apply for and receive up to 100% of all MUA funds. However, because the MUA population is made of both City and County residents, per the FY 2018 – 2020 TDA Triennial Performance Audit, the County is entitled to a portion of the MUA funds as well.

The proposed MOU will allow both the City and County to become “Direct FTA Recipients” allowing each respective jurisdiction to separately apply for their share of MUA funds. The percentage of shared funds were determined by the MUA Population Data (Exhibit B). Both agencies agreed that the MUA Population Data is to be the reference of use when determining the shared apportionment per agency for all Section 5307 and 5339 funds current and proposed to come.

DISCUSSION:

The California Public Utilities Code requires all recipients of the Transit Development Act (TDA) Article 4 funding to undergo an independent performance audit in a three-year cycle to maintain funding eligibility. The City does not receive funding under Article 4; therefore a Triennial Performance Audit is not required. However, in 2017, at the request of MCTC, the City agreed to participate in a TDA Triennial Performance Audit. In 2020, MCTC selected Moore & Associates, Inc. to prepare the FY 2018 – 2022 TDA Triennial Performance Audit. This audit is designed to be an independent and objective evaluation of the City as a public transit operator. In addition to assuring legislative and governing bodies that resources are being economically and efficiently utilized, the audit fulfills the requirement of Public Utilities Code (PUC) Section 99246(a) which requires the RTPA designate an entity other than itself to conduct a performance audit of public transit operator activities.

As a result of the 2018-2020 TDA Triennial Performance Audit, two functional findings were noted as detailed in Table 1.

Table 1: Reference page 3 of the TDA Triennial Performance Audit, FY 2018 – FY 2020
The audit team has identified two functional findings. While these findings are not compliance findings, the auditor feels they are significant enough to be addressed within this audit: <ol style="list-style-type: none">1. The City of Madera does not pass through the share of FTA Section 5307 (urbanized area) funding to which the County of Madera is entitled.2. The City does not report performance data consistently on internal and external reports.

Consequently, County and City staff began discussing the County’s eligibility to receive a portion of Section 5307, 5339 and “other non-related FTA (MUA Funds) funds”. Other non-related FTA funds can be categorized as one-time grant apportionments such as the CARES Act, the Bus and Bus Facilities Grant, or the American Rescue Plan Act Grant. At present, the City is the sole Direct FTA Recipient of MUA funds. City and County staff discussed the possibility of the County acting as a subrecipient; however, this idea was later considered unfavorable as it would result in additional auditing requirements for the City. Following numerous discussions, City and County staff consulted with the FTA Region IX representative requesting assistance in determining the County’s eligibility to receive a portion of the MUA funds. The FTA Region IX representative clarified the County is entitled to receive a portion of MUA funds and would be considered eligible upon becoming a Direct FTA Recipient. City and County staff have agreed this is the most efficient

allocation of MUA funds. The proposed Memorandum of Understanding between County and the City describes how the allocation of MUA funds will be distributed. If approved, MCTC will submit a “Split Letter” to the FTA summarizing the agreement and how the funds will be shared.

FINANCIAL IMPACT:

This agreement is to determine the share use of Madera Urbanized Area funds and will impact the annual apportionment the City is eligible to receive for transit operation and capital expenses.

Table 2: MUA Apportionment – City as sole Direct FTA Recipient (Pre-agreement)		
	<i>Fund 5307</i>	<i>Fund 5339</i>
Available Funding	\$2,282,467	\$193,397
City share	100%	100%
County Share	0%	0%

Table 3: MUA Apportionment – City & County as Direct FTA Recipients (Post-agreement)		
	<i>Fund 5307</i>	<i>Fund 5339</i>
Available Funding	\$2,282,467	\$193,397
City share	79.2% or \$1,807,714	79.2% or \$153,171
County Share	20.8% or \$474,753	20.8% or \$40,226

Table 4: Other Non-Related FTA (One-Time Apportionment) Funds		
	<i>Apportionment %</i>	<i>Funding Amount</i>
City	79.2%	TBD
County	20.8%	TBD

CONSISTENCY WITH THE VISION MADERA 2025 PLAN:

This agreement supports the Vision Madera 2025 Plan as follows:

- Strategy 121:
 - Multi-modal transportation: Develop a city-wide multi-modal transportation plan to ensure safe, affordable and convenient transportation modes for residents and businesses within Madera.
- Strategy 407:
 - Promote and expand existing services, supportive services, case management, and self-sufficiency for Madera residents to maintain independent lifestyles.
- Strategy 431.1:
 - Continue and expand use of low emission or alternative energy source vehicles for all public jurisdictions.

ALTERNATIVES:

As an alternative, Council may:

1. Request for additional information on Madera Urbanized Area Federal funds.
2. Request staff to renegotiate the share percentage of funds.

ATTACHMENTS:

1. Resolution approving the MOU between the City and County
 - a. Attachment A – Memorandum of Understanding
 - i. Exhibit A – Madera Urbanized Area (MUA) Map
 - ii. Exhibit B – Madera Urbanized Area (MUA) Population Data

RESOLUTION NO. 22-_____

**A RESOLUTION APPROVING THE MEMORANDUM OF UNDERSTANDING
BETWEEN THE CITY OF MADERA AND MADERA COUNTY REGARDING
COORDINATION OF ONGOING FEDERAL TRANSPORTATION ADMINISTRATION
(FTA) FUNDED ACTIVITIES FOR THE MADERA URBANIZED AREA**

WHEREAS, the Madera Urbanized Area population exceeded 50,000 allowing the City of Madera and Madera County to access FTA small-urbanized area funds; and

WHEREAS, the City is currently the sole Madera Urbanized Area – “Direct FTA Recipient” eligible to receive Federal Transit Administrative (FTA) Section 5307 and 5339 and other federal transit funds; and

WHEREAS, the City and County have mutually agreed to establish a Memorandum of Understanding (MOU) for the shared use of Federal Transit Funds; and

WHEREAS, the County will complete the required process to also become a “Direct FTA Recipient” eligible to receive FTA Section 5307 and 5339 and other federal transit funds; and

WHEREAS, both parties agree to the language and term of the MOU.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF MADERA HEREBY the City Council of the City of Madera finds, determines, resolves and orders as follows:

1. The above recitals are true and correct.
2. The Council approves the Memorandum of Understanding between the City of Madera and Madera County Regarding Coordination of Ongoing Federal Transportation Administration (FTA) Funded Activities for the Madera Urbanized Area which is attached as Exhibit A and incorporated by reference.
3. This resolution is effective immediately upon adoption.

**ATTACHMENT A
MEMORANDUM OF UNDERSTANDING
between
MADERA COUNTY
and the
CITY OF MADERA**

**"Regarding Coordination of Ongoing Federal Transportation Administration (FTA)
Funded Activities for the Madera Urbanized Area"**

This Memorandum of Understanding (MOU) is entered into between Madera County, hereinafter referred to as "County," and the City of Madera, hereinafter referred to as "City," this _____ day of _____ 2022.

This MOU is made with reference to the following recitals:

1. Located in Madera County, the County and City are part of the federally-designated Madera Urbanized Area (MUA) as designated by the U.S. Census Bureau (see Exhibit A). Eligible FTA projects and activities proposed by the County and City are included in Madera County Transportation Commission (MCTC) transit planning and programming documents.
2. As of the 2000 U.S. Census, the MUA population exceeded 50,000 allowing the County and City to access FTA small urbanized area funds.
3. MCTC is the Metropolitan Planning Organization for the Madera County region and oversees and coordinates FTA funds ensuring that procedures and expenditures comply with FTA requirements.
4. The Caltrans Division of Rail and Mass Transportation is the "designated FTA recipient" that receives and apportions small urbanized area Sections 5307 and 5339 and other federal transit funds available to eligible recipients in the MUA.
5. The County and City of Madera will be "direct FTA recipients" allowing each respective jurisdiction to separately apply for their share of MUA funds.
6. As required by the FTA, the County and City must enter into an agreement and provide a split letter to FTA and the MCTC reflecting agency shares of available funds along with a description of the roles and responsibilities of each entity.
7. The County and City mutually agree that the responsibilities outlined in this MOU foster healthy collaboration for the purpose of transit planning and programming of federal funds within the MUA.

NOW, THEREFORE, in consideration of the mutual covenants, promises, and agreements therein contained, the parties hereto mutually agree as follows:

I. TERM

The term of this MOU shall commence upon execution of this MOU by each agency authorizing entry into this MOU and shall continue until terminated by any party according to the termination provisions contained herein or five years whichever occurs first.

II. DISTRIBUTION OF FUNDS

All parties agree that the County and City share of the MUA apportionments of FTA Sections 5307 and 5339, and other relevant federal transit MUA funds shall be based on the following:

1. MUA County and City of Madera population data will be used to allocate FTA MUA funds to the County and City (see Exhibit B).
2. The County and City will utilize the most current MUA population figures available from the U.S. Census Bureau as of October 1 and confirmed annually in writing by the MCTC.

III. PRINCIPLES

The County and City will be responsible for complying with requirements pertaining to the MUA that include but are not limited to the following:

1. FTA funds will be apportioned annually based on official or published apportionments.
2. FTA funds will be apportioned when availability is announced by Caltrans and/or FTA.
3. The County and City will be separate direct recipients and will individually manage and participate in the FTA grants management electronic grants process.

IV. REVISIONS, ADDENDUM

Revisions to the basic framework of this MOU shall be by mutual written agreement of the parties. Supplements to this MOU may be by numeric addendums executed by each party and attached to the original of this MOU.

V. TERMINATION

Either party may terminate this MOU at the end of any federal fiscal year. In the event of termination, the parties shall consult prior to the date of termination to ensure termination occurs on the most equitable terms; however, such consultation shall not prohibit or restrict either party from exercising its right to terminate.

VI. SETTLEMENT OF DISPUTES

Disagreement between the parties arising under or relating to this MOU, as amended, and supplemented, shall be resolved only by consultation between the parties and not referred to any other person or entity for settlement unless mutually agreed in writing.

IN WITNESS WHEREOF, the foregoing MOU is executed on the day and year first written above.

ATTEST:

CITY OF MADERA:

Alicia Gonzales, City Clerk

Santos Garcia, Mayor

Approved as to Legal Form:

Hilda Cantu Montoy, City Attorney

COUNTY OF MADERA

Chairman of Board of Supervisors

County Clerk

Approved as to Legal Form:
COUNTY COUNSEL

By _____

Approved as to Accounting Form:
COUNTY AUDITOR-CONTROLLER

By _____

Approved as to Form:
COUNTY ADMINISTRATIVE OFFICER

By _____

ACCOUNT NUMBERS:

EXHIBIT A MADERA URBANIZED AREA (MUA) MAP

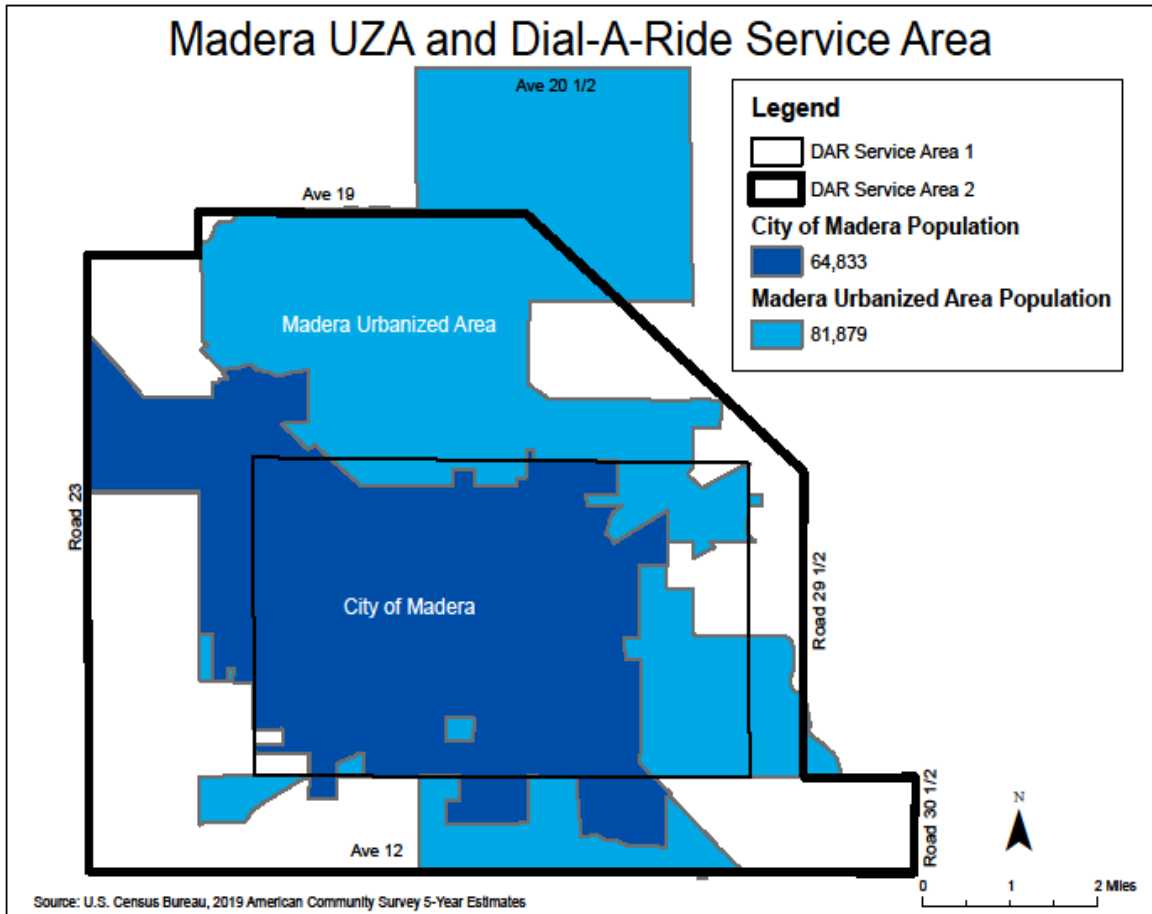


EXHIBIT B
MADERA URBANIZED AREA (MUA)
POPULATION DATA

U.S. Census Bureau population data for the County and City of Madera will be used to allocate eligible federal transit MUA funds to the County and City. The County and City will utilize the most current MUA population figures available from the U.S. Census Bureau as of October 1 and confirmed annually in writing by the MCTC.

Agency	MUA Population	Percentage
City of Madera	64,833	79.2%
Madera County	17,046	20.8%
Total	81,879	100.0%

Source: U.S. Census Bureau, 2012-2016 American Community Survey 5-Year Estimates.