

TO: James L. App, City Manager

FROM: Jim Throop, Director of Administrative Services

SUBJECT: North County Operators agreement for FTA 5307 administration

DATE: August 5th, 2008

Needs: For the City Council to consider approval of the North County Operators agreement for FTA 5307 Administration.

Facts:

1. As a result of the 2000 census, the Paso Robles, Atascadero and San Luis Obispo County area, along the Highway 101 corridor, including Templeton and Santa Margarita have been designated an "urbanized area" (UZA).
2. With this designation came eligibility for Federal Transit Administration (FTA) section 5307 funding
3. By the requirements of the FTA, a single sub-recipient must be identified. In 2003, the transit operators in the North County that were eligible for 5307 funding, the Cities of Paso Robles & Atascadero, and San Luis Obispo Regional Transportation Authority (SLORTA), agreed that Paso Robles would be the designated grantee recipient, and this designation was approved by the City councils of both cities and the SLORTA board.
4. As the designated sub-recipient, the administrative funding, for which Paso Robles was eligible was set at \$25,000 per year maximum.
5. The first triennial audit by the FTA, required of 5307 grant recipients, was conducted in August 2007. The quantity of staff time by the City of Paso Robles spent in preparation for the audit and follow-up measures to insure compliance demonstrated that the \$25,000 designated for administrative costs was inadequate to cover those costs.
6. The FTA rules allow up to 10% of the 5307 allocation to be designated for administrative expenses, and the \$25,000 amount previously allocated fell well below that threshold. City of Paso Robles staff calculated that \$45,000 annually would be needed by the City to cover 5307 administrative costs.
7. This issue of increasing the 5307 administrative amounts was discussed by the North County Transit Operators Technical advisory Committee.

8. The Committee devised a new administrative plan for the 5307 grant administration, in which SLORTA would become the new grantee recipient, with administrative costs set at \$35,000 per year. SLORTA is currently the recipient of funds from another Federal grant program, 5311, and consolidating the two grant programs under SLORTA administration would allow for economy of scale.

Analysis &
Conclusion:

SLORTA will be the new grantee recipient for FTA 5307 funding. With this designation, SLORTA will assume the responsibility to file applications for FTA 5307 funding for all transit operators, administer grant funds and undertake financial reporting requirements. The specific responsibilities of SLORTA and the other transit operators are indentified in an "operator's agreement"

Fiscal
Impact:

The City will no longer receive \$25,000 in 5307 funds for administrative purposes. However, almost all City staff time previously devoted to the administration of the 5307 grant program will be freed for other endeavors.

Options:

- a. That the Council adopt resolution No. 08-xxx approving the new Operators Agreement and authorizing the Mayor to execute such agreement, or
- b. Amend, modify of reject the above option

RESOLUTION NO. 08-XXX
A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PASO ROBLES
APPROVING A NEW OPERATORS AGREEMENT FOR THE NORTH
COUNTY, DESIGNATING SLORTA AS THE GRANTEE RECIPIENT FOR
THE FEDERAL 5307 GRANT PROGRAM FOR THE NORTH COUNTY.

WHEREAS, the major populations of the Cities of Atascadero and Paso Robles and certain limited populations of northern San Luis Obispo County are designated as an “urbanized area” based upon the results of the 2000 census; and

WHEREAS, the Transit Operators and San Luis Obispo Council of Governments have previously entered into a Memorandum of Understanding relative to the governance and transit planning needs of the urbanized area as they relate to Federal Transportation Administration (FTA) 5307 eligibility; and

WHEREAS, the Transit Operators and San Luis Obispo Council of Governments are eligible to apply for and receive FTA 5307 funding for capital, operating, and planning assistance for their respective agencies; and,

WHEREAS, the FTA requires that there be a single “grantee recipient” (GR); and,

WHEREAS, the GR will perform grant administration activities for the benefit of all transit operators included herein; and

WHEREAS, the San Luis Obispo Regional Transit Authority is willing to undertake the role of GR for the benefit of all transit operators, per the 2008/2009 transition plan (Attached); and

NOW THEREFORE, BE IT HEREBY RESOLVED that the City Council of the City of El Paso de Robles approves, and authorizes the mayor to execute, the Operators Agreement between the San Luis Obispo Council of Governments, the San Luis Obispo Transit Authority, and the City of Atascadero and the City of Paso Robles.

PASSED AND ADOPTED by the City Council of the City of El Paso de Robles at a regular meeting of said Council held on the 5th day of August 2008 by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

Frank R. Mecham, Mayor

ATTEST:

Deborah Robinson, Deputy City Clerk

**OPERATOR'S AGREEMENT
BETWEEN THE
SAN LUIS OBISPO COUNCIL OF GOVERNMENTS AND
THE SAN LUIS OBISPO REGIONAL TRANSIT AUTHORITY AND
CITY OF ATASCADERO AND CITY OF PASO ROBLES**

“Regarding the Administration of Federal Transit Administration 5307 Funds for the Transit Providers in the North County Urbanized Area”.

This Operator’s Agreement (OA) is entered into between the SAN LUIS OBISPO COUNCIL OF GOVERNMENTS, hereinafter referred to as (SLOCOG), the CITY OF ATASCADERO, CITY OF PASO ROBLES, AND SAN LUIS OBISPO REGIONAL TRANSIT AUTHORITY, hereinafter referred to as “Transit Operators”. The purpose of this OA is to:

- 1) Identify the “grantee recipient”;and,
- 2) Identify the responsibilities of the “grantee recipient; and,
- 3) Identify the responsibilities of the non-grantee recipients of this OA.

WITNESSES THAT:

WHEREAS, the major populations of the Cities of Atascadero and Paso Robles and certain limited populations of northern San Luis Obispo County are designated as an “urbanized area” based upon the results of the 2000 census; and

WHEREAS, the Transit Operators and San Luis Obispo Council of Governments have previously entered into a Memorandum of Understanding relative to the governance and transit planning needs of the urbanized area as they relate to Federal Transportation Administration (FTA) 5307 eligibility; and

WHEREAS, the Transit Operators and San Luis Obispo Council of Governments are eligible to apply for and receive FTA 5307 funding for capital, operating, and planning assistance for their respective agencies; and,

WHEREAS, the FTA requires that there be a single “grantee recipient” (GR); and,

WHEREAS, the GR will perform grant administration activities for the benefit of all transit operators included herein; and

WHEREAS, the San Luis Obispo Regional Transit Authority (RTA) is willing to undertake the role of GR for the benefit of all transit operators, per the 2008/2009 transition plan (Attached); and

NOW THEREFORE, in consideration of the mutual benefits to the parties hereto, and in consideration of the covenants and conditions herein contained, the parties agree as follows:

SECTION 1: Application to Federal Transportation Administration (FTA)

1.1 All Transit Operators and SLOCOG agree to prepare and submit project requests in an electronic form, as provided by GR. All requests should be presented in a form that is compatible with FTA requirements. All operators are also responsible for authoring accurate and complete progress reports (milestones) with supporting documents to the GR quarterly. These shall be submitted to in MS Word or other electronic format (such as for tables and maps) compatible for electronic transfer into the TEAM system. Said requests shall be submitted to the “grantee recipient” (GR) for compilation and presentation to the North County Transit Technical Committee (NCC), as defined by the MOU. Requests submitted to the GR must be received from each Transit Operator by June 1 each year. Information to be included in project request(s) includes:

- a. Project Description; scope of each project with justification consistent with FTA eligibility rules, and separate descriptions and cost itemization for safety and security components of projects
- b. Project Budget, including local match commitment and source(s) of local match
- c. Project timeline(milestones), and whether project is new or a continuation of a previous year’s project, and status of previous years projects at the time of the grant application
- d. Environmental Findings
- e. Fleet Status; including spare ratio, for any vehicle procurement projects
- f. Itemized fare revenues for the operational projects being funded to show eligible project costs

Information required in the Quarterly Milestone reports to the GR shall include:

- a. Written progress reports on the status of each project
- b. Operating and Ridership Summaries, by mode, with data from the most recent quarter, and compared to the same quarter in the previous year.
- c. Explanation of recent operational performance trends (productivity)
- d. Status of implementation of new services, equipment and capital projects,
- e. Environmental findings.
- f. Marketing activities for Operations projects, and
- g. Fleet status for Capital projects
- h. Financial reports (FSR’s)

1.2 Operators and SLOCOG shall submit their individual project requests to GR (including draft scopes, schedules and budgets) in early June.

- 1.3 NCC shall review and adopt the next year's POP by early July.
- 1.4 GR shall submit project requests (program of projects – POP) to SLOCOG for final determination of compatibility with the Federal Transit Improvement Program (FTIP) in late July or early August.
- 1.5 SLOCOG shall forward to GR a formal letter of concurrence on the adopted POP including compatibility with RTP and Federal Transportation Improvement Program in January each year.
- 1.6 Operators and SLOCOG will provide GR with electronic versions (as provided by GR) of their final projects and budgets for input into TEAM (FTA's grant management system) by mid-August.
- 1.7 GR shall submit FTA 5307 application to FTA by September 1, or at another date in accordance with their requirements.

SECTION 2: Grant Financial/Budget Administration

- 2.1 GR shall submit quarterly financial and budgetary data to FTA in accordance with their requirements, beginning with federal fiscal year 2009
- 2.2 In order for GR to satisfy FTA reporting requirements, Transit Operators shall provide financial and budgetary data to GR in a format satisfactory to the GR by the 20th day of the following month after the close of the calendar quarter.
- 2.3 Unless specifically called out in the approved FTA application, all projects shall be completed and officially "closed-out" annually. GR shall undertake close out activities on behalf of each Transit Operator in accordance with FTA requirements. However, Transit Operators shall provide GR similar financial and budgetary data as noted in 2.2 above by the 45th day following the end of the federal fiscal year (September 30).

SECTION 3: Program Reporting

- 3.1 Transit Operators agree that, at a minimum, monthly operating data shall be maintained on a basis equivalent to the requirements of the National Transit Database (NTD) and/or any requirements of the FTA as the result of their receipt of 5307 funds.
- 3.2 Operating data as noted above in 3.1 shall be provided to the GR in electronic form as provided by the GR.
- 3.3 Operating data shall be provided to the GR on a quarterly basis and shall be submitted by the 20th day of the month immediately following the close of each calendar quarter.

- 3.4 Recipients shall provide information to address any request from the FTA Regional Administrator on Project scope and budget in a in a timely manner.
- 3.5 Recipients shall provide assistance to the GR in addressing any questions on programs raised by FTA triennial auditors

SECTION 4: Distribution of Funds

- 4.1 The GR shall make timely requests to FTA for reimbursement of expenditures made by Transit Operators.
- 4.2 Should any Transit Operator require reimbursement more often than quarterly in accordance with 2.2 above, the Transit Operator shall provide said financial data to the GR no later than the last day of the following month.
- 4.3 Upon receipt of 5307 funds, the GR will distribute funds within fifteen (15) working days to Transit Operators.

SECTION 5: Cooperation

The parties to this OA agree to cooperate fully with the GR in performance of the agreement and comply fully with any and all FTA regulations and requirements as recipients of 5307 funds including but not limited to:

- a. Drug free workplace regulations and testing
- b. Procurement practices
- c. Meet any matching fund requirements, and
- d. All areas within the jurisdiction of the FTA triennial audit

Recipients also agree to comply fully with any State and/or local regulations and requirements as recipients of 5307 funds.

SECTION 6: Special Requirements

Transit Operators shall maintain compliant Civil Rights status as required by FTA, including but limited to:

- a. Equal Employment Opportunity (EEO)
- b. Title VI (non-discrimination in projects)
- c. Disadvantaged Business Enterprise (DBE)
- d. Americans with Disabilities Act (ADA)

SECTION 7: Grant Administration Activities

GR shall accurately track staff time spent in grant administration activities and shall report to the Operators and SLOCOG annually.

