

City of Culver City, California
City Council Agenda Item Report

Meeting Date: 11/10/08		Item Number: <u>C-5</u>	
AGENDA ITEM: Approval of an Exchange of Federal Surface Transportation Program – Local Funds (STPL) for Flexible Los Angeles County Metropolitan Transportation Authority STP-L Local Transportation Funds			
Contact Person/Dept.: Mate Gaspar/PW		Phone Number: 310-253-5602	
Fiscal Impact: Yes ☒ No ☐		General Fund: Yes ☐ No ☒	
Public Hearing: ☐		Action Item: ☐ Attachments: ☒	
Public Notification: Master E-Mail Notification List on (November 5, 2008) and via e-mail to Los Angeles County Metropolitan Transportation Authority on (November 5, 2008).			
Department Approval: Charles D. Herbertson 10/30/2008		City Attorney Approval: Carol Schwab (by H. Baker) (11/05/08)	
Chief Financial Officer Approval: Jeff Muir (by M. Noller) (11/05/08)		City Manager Approval: Jerry B. Fulwood (11/05/08)	
<u>RECOMMENDATION:</u> Staff recommends the City Council approve the exchange of Federal Surface Transportation Funds (STPL) for flexible Los Angeles County Metropolitan Transportation Authority STP-L Transportation Funds. <u>BACKGROUND/DISCUSSION:</u> The Federal Highway Reauthorization Bill became Federal law in 2005. A portion of the highway bill provides local agencies allotments of federal transportation funds for pavement rehabilitation projects. The Federal Highway Administration entrusts Caltrans to manage these federal funds. In order to obligate the funds for construction, agencies are required to identify a project and submit an application to Caltrans. The preparation of the application is lengthy and can take many hours to complete the process. After the federal funds are obligated for construction, Caltrans' project administration and closeout requirements are rigorous and take considerable amount of staff and consultant time. Finally, the reimbursement and audit process is lengthy and can take over one year to complete. The purpose of these stringent requirements is to ensure that federal funds are not being inappropriately used by agencies. These requirements have been in effect since the 1930's. The Los Angeles County Metropolitan Transportation Authority (Metro) has provided an opportunity for agencies to exchange Federal STPL funds for flexible Metro STPL funds. According to the attached agreement, the flexible Metro funds can only be used on transportation capital projects as would be used for the federal funds, however, without the federal procurement process. The Metro STPL funds then can be used for street paving projects just as a state or local city funded project. Metro			

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is requiring a 2% administrative fee be deducted from the funds when they are exchanged. The Metro funds can be directly deposited to the City bank account in several weeks.

The total amount of Federal STPL funds allotted to Culver City is \$712,572. The administrative charge of 2% is \$14,251. The net amount of Metro STPL funds to be exchanged to Culver City would therefore be \$698,321.

Staff believes that the 2% administrative charge of \$14,251 for the exchange would be less costly than the aforementioned procurement process. Staff recommends that the City Council approve the exchange of the federal STPL funds for Metro STPL funds.

FISCAL ANALYSIS:

It is proposed that the funds be deposited in a new revenue account titled Metro flexible STPL funds. This account will be created dependent upon City Council action this evening. Staff will propose to spend these funds with a list of street paving projects in February 2009.

ATTACHMENT:

1. Exchange agreement and assignment of federal surface transportation program local funds.

MOTIONS:

1. Approve the exchange of Federal Surface Transportation Program – Local Funds (STPL) for Flexible Los Angeles County Metropolitan Transportation Authority STP-L Local Transportation Funds; and
2. Authorize the City Attorney to review/prepare the necessary documents; and,
3. Authorize the City Manager to execute such documents on behalf of the City.