



CITY OF POMONA COUNCIL REPORT

October 18, 2021

To: Honorable Mayor and Members of the City Council

From: James Makshanoff, City Manager

Submitted By: Rene Guerrero, Public Works Director

SUBJECT: APPROVAL OF MEMORADNUM OF AGREEMENT (MOA) BETWEEN THE CITY OF POMONA AND THE LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY (LACMTA) ESTABLISHING A PROPOSITION C CAPITAL RESERVE FUND

RECOMMENDATION: It is recommended that the City Council approve the Memorandum of Agreement (MOA) with the Los Angeles County Metropolitan Transportation Authority (LACMTA) establishing a Proposition C Capital Reserve Fund for “Major Street Rehabilitation – 2015 Metro Call,” Project No. 428-2590-XXXXX-67918.

EXECUTIVE SUMMARY: Given the size and scope of “Major Street Rehabilitation – 2015 Metro Call,” Project No. 428-2590-XXXXX-67918 (Project), and the fact that the Project will continue over multiple Fiscal Years, the establishment of the City of Pomona (City) Capital Reserve account for the Project is the best way to secure prior, current, and future Proposition C (Prop C) funds for the City’s share of the project. City Staff coordinated the development of an MOA with LACMTA (Attachments 1 and 2) to establish a reserve fund for a portion of the City’s yearly Proposition C distribution. The City will establish and control the reserve account with oversight by the LACMTA.

FISCAL IMPACT: Approval of the MOU will allow the City to reserve \$6,000,000 of prior, current, and future fiscal years’ Proposition C funding to pay the City’s share of the Project. All interest accumulated on funds placed in the capital reserve shall accrue to that fund and be used for this Project.

PREVIOUS RELATED ACTION: On December 16, 2002, City Council approved a MOA between the City of Pomona and Los Angeles County Metropolitan Transportation Authority establishing a Proposition C Capital Reserve Fund for the Mission/71 Grade Separation Project.

On November 14, 2014, the City Council authorized the submittal of an infrastructure improvement project application for the 2015 Call for Projects to the LACMTA; authorized pledging \$2,100,000 of matching funds for FY 2016-17 through FY 2018-19 (\$700,000 per year for 3 years); and authorized pledging \$3,600,000 of non-matching Proposition C Funds, FY 2016-17 through FY 2018-19 (\$1.2M per year for 3 years).

On March 2, 2020, the City Council authorized an exception to the dollar threshold limits in Section 2-1002(3) of the Pomona Municipal Code for engagement of RKA Consulting Group for Professional Construction Management Services associated with this project.

On June 1, 2020, unappropriation of General Fund, Gas Tax, Measure R, and SCAQMD funds took place from four CIP projects. Under this Project, General, Gas Tax, and SCAQMD funds totaling \$207,673 were unappropriated due to the uncertainty of COVID-19 related funding impacts. As a result, these funds were released back to the original funding source.

On June 29, 2020, the City Council adopted Resolution No. 2020-94 to approve the FY 2020-21 CIP Budget, which included an appropriation of \$2,840,678 Metro Call grant and \$744,111 of Prop C funding to this Project.

On November 16, 2020, the City Council awarded a contract to All American Asphalt and appropriated \$819,359 to this Project.

DISCUSSION: Under LACMTA’s Prop C funding guidelines, local agencies are required to expend Proposition C funds within three (3) years of receiving them or alternatively to request the establishment of a Proposition C Capital Reserve Fund. If a local agency cannot spend or reserve these funds within the 3 years, by law, the funds, must be returned to LACMTA and redistributed to other jurisdictions. As a result, in August 2020, staff requested the establishment of a City of Pomona Capital Reserve Fund (CRF) for “Major Street Rehabilitation – 2015 Metro Call,” Project No. 428-2590-XXXXX-67918. This Project has a total estimated project cost of \$16,589,702.

Starting in FY 2016-17, the City had appropriated most of its Prop C funding to the Project. However, due to the necessity to spend Bond proceeds quickly, on May 21, 2018, \$4,023,669 of Prop C funding was moved from this project to another Capital Improvement Program (CIP) project and replaced with Series AX/AI Bond Proceeds. By the end of FY 2020-21, the City has spent \$1,068,709.59 of Prop C funds so far on this project. The City requested that the LACMTA Board approve the establishment of a CRF for this Project. Given the size and scope of the project, the City is estimating an eventual capital reserve fund of \$6,000,000.

On June 24, 2021, the MTA Board of Director’s approved the City’s request to establish a City of Pomona Capital Reserve fund for “Major Street Rehabilitation – 2015 Metro Call,” Project No. 428-2590-XXXXX-67918 and directed LACMTA staff to prepare an MOA with the City. The MOA had to be finalized by the MTA and was received by City Staff September 27, 2021 with an effective retroactive date of June 30, 2021.

Prepared by:

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Senior Management Analyst

Attachment No. 1 – MOA with LACMTA
Attachment No. 2 – Exhibit A to the Agreement