



## Legislation Text

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**File #:** 16-4511, **Version:** 1

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### **Draft Interlocal Agreement with City of Longview for Public Transportation Services**

#### **SUMMARY STATEMENT:**

After formation of the Cowlitz Public Transportation Benefit Area (PTBA) in 1987, the Cowlitz Transit Authority (CTA) executed an interlocal agreement with the City of Longview to provide public transportation services on behalf of the PTBA. The current interlocal agreement expires December 31, 2016.

Other than revisions to references and some other minor revisions, the major revision in the draft new agreement is a change to the ownership of assets provisions in section 5. Longview received a 2014 state audit finding for failing to comply with the Federal Funding Accountability and Transparency Act (FFATA) requiring reporting of grant subawards. The state auditor determined that placing title of new buses in the name of the CTA represented a subaward for which Longview had not reported.

However, the FTA has certain requirements for subawards of federal grants, and there is uncertainty the CTA qualifies as a sub-recipient to receive a subaward. Longview requested an opinion from the FTA, and the FTA is required to intervene to resolve audit findings regarding FTA grants. After considerable time attempting to obtain an FTA opinion or guidance on this matter, the FTA has recommended the interlocal agreement be revised to specify assets acquired with FTA funds remain owned by Longview (the grant recipient). There are other potential solutions, such as the CTA becoming the grant recipient or a qualified sub-recipient, but that would take considerable time and likely require a change in the governance structure for providing public transit service. Section 5 of the draft agreement contains proposed language addressing ownership of assets without changing the governance structure. This draft revised interlocal agreement is currently being reviewed by legal counsel for the CTA and Longview.

#### **FINANCIAL SUMMARY:**

This interlocal agreement would continue the financial relationship between the CTA and City of Longview. No changes are anticipated in the cost of providing transit service due to this proposed agreement.

#### **RECOMMENDED ACTION:**

Discussion and direction to staff.