

AGENDA ITEM SUMMARY

City Council



STAFF

Annabelle Phillips, Transfort Assistant Director
Carisa Clinton, Grants Administration Manager
Joshua Ma, Grant Administrator

SUBJECT

First Reading of Ordinance No. 071, 2026, Authorizing Transfers of Appropriations Between Lapsing and Non-Lapsing Accounts in the Transit Services Fund For Federal Transit Administration Section 5307 Awards.

EXECUTIVE SUMMARY

The purpose of this item is to transfer the associated local match between lapsing and non-lapsing accounts resulting from the exchange of project activities between two existing Federal Transit Administration (“FTA”) Section 5307 grants, and to adjust prior appropriations to reflect final award amounts.

STAFF RECOMMENDATION

Staff recommends adoption of the Ordinance on First Reading.

BACKGROUND / DISCUSSION

FTA Section 5307 grants provide federal funding for transit capital and operating assistance and transportation-related planning. Transfort is amending its Fiscal Year (FY) 2021 American Rescue Plan (ARP) Section 5307 Grant and will program its FY2025 Section 5307 Grant to exchange eligible project activities between the two awards. This is a capital project to make major improvements to the Transfort Maintenance Facility (“TMF”) currently programmed under the FY2021 ARP Section 5307 Grant and will be moved to the FY2025 Section 5307 Grant, allowing the remaining FY2021 ARP Section 5307 Grant funds to be utilized for eligible operating activities. This approach ensures better alignment of available funding sources with the timing of expenditures while supporting continued progress on both transit operations and the TMF renovation project.

This item results in the following actions involving FTA Section 5307 awards.

1. Authorizing the Transfer of Local Match Appropriations

The exchange of project activities requires corresponding adjustments to local matching funds. The FY2021 ARP Section 5307 Grant provides funding at a 100 percent federal share and does not require a local match. The FY2025 Section 5307 Grant provides funding at varying local match rates depending upon eligible activity type.

As a result, previously appropriated local matching funds must be transferred to align with the revised project budgets and funding structure. This action also authorizes transfers between lapsing and non-lapsing accounts within the Transit Services Fund. No additional local match is being requested.

2. Adjustment to FY2025 Section 5307 Grant Appropriation

This item also adjusts existing FY2025 Section 5307 Grant appropriations to reflect final FTA apportionment amounts. The original appropriations were based on the best available estimates of anticipated FTA apportionments during the 2025-2026 Budgeting for Outcomes (BFO) process due to timing differences between the BFO cycle and the release of FTA apportionments. Since that time, final FTA apportionments have been released, and this adjustment aligns the appropriations associated with the FY2025 Section 5307 Grant with the actual federal award and local match amounts.

- FY2021 ARP Section 5307 was previously appropriated through Ordinance No. 073, 2021.
- FY2025 Section 5307 was previously appropriated through Ordinance No. 163, 2024.

CITY FINANCIAL IMPACTS

1. This Ordinance authorizes the transfer of \$2,236,764 in appropriations of local match funding associated with the FY2025 Section 5307 Grant from a non-lapsing account to a lapsing account within the Transit Services Fund. The transfer is an accounting adjustment only and does not change the purpose of the funds or impact service levels.
2. This Ordinance also transfers \$299,971 from the existing FY2025 Section 5307 Grant appropriations to align with the actual federal award and local match amounts.

BOARD / COMMISSION / COMMITTEE RECOMMENDATION

None.

PUBLIC OUTREACH

None.

ATTACHMENTS / LINKS

1. Ordinance No. 071, 2026