City Council Meeting
05-11-26
Item 1.B.5.

Council Agenda Report

To: Mayor Silverstein and the Honorable Members of the City Council

Prepared by: Nathaniel McLean, Assistant Engineer

Reviewed by: Tatiana Holden, Interim Public Works Director/City Engineer

Approved by: Joseph D Irvin, City Manager

Date prepared: April 22, 2026 Meeting date: May 11, 2026

Subject: Fulfillment Agreement for Unprogrammed Surface Transportation Program-Local (STP-L)

RECOMMENDED ACTION: Authorize the City Manager to execute the Fulfillment Agreement for Unprogrammed Surface Transportation Program-Local (STP-L).

FISCAL IMPACT: Los Angeles County Metropolitan Transportation Authority (LACMTA) determined the City's Annual Street Maintenance Project is eligible to use Proposition C funds. The City has a balance of $32,126 of unprogrammed STP-L Funds. To use these funds, the City would need to enter into a Fulfillment Agreement with the LACMTA. Additionally, the City was authorized to reallocate un-used STPL funding in the amount of $200,000 for the Annual Street Maintenance Project. No action is needed to move these funds into the City's Annual Street Maintenance Project. LACMTA will move these funds upon completion of the Fulfillment Agreement.

Amended Budget FY25-26	**Amount**	**Project Estimate**	**Amount**
Proposition C – Local Return	$200,000	Design	$0
Measure R – Local Return	$160,000	Construction	$1,264,388
Measure M – Local Return	$160,000		
Road Maintenance and Rehab	$280,000		
General Fund	$200,000		
Proposition C	*$32,126*		
Surface Transportation Program – Local	*$232,262*		
Total Estimated Budget	**$1,264,388**	**Total**	**$1,264,388**

STRATEGIC PLAN IMPLEMENTATION: N/A.

DISCUSSION: Los Angeles County Metropolitan Transportation Authority (LACMTA) historically apportioned approximately $31 million annually in Federal Surface Transportation Block Grant (STBG) funds to agencies throughout Los Angeles County through the STP-L funding program, based on population.

In 2021 and 2022, the federal government issued corrective actions to Caltrans and the Southern California Association of Governments (SCAG), respectively, determining that the population-based allocation methodology for STP-L funds did not comply with federal STBG requirements. As a result, effective July 1, 2023, the corrective action was applied to the Federal Transportation Improvement Program (FTIP), which prevented local agencies from programming and accessing any unprogrammed STP-L balances through the FTIP.

On April 24, 2025, the LACMTA Board of Directors met and approved the use of Proposition C funds to fulfill the balance of $32,126 of unprogrammed STP-L balance for the City. Under the terms of LACMTA's action, only eligible project activities occurring on or after April 24, 2025, would be eligible to use these funds.

The proposed Fulfillment Agreement between the City and LACMTA formalizes the City's allocation of $32,126 to be used for the City's Annual Street Maintenance Project.

The City has a balance of unused STP-L funds of $232,262. These funds will also be allocated to the Annual Street Maintenance Project. No action is required by the City to re-allocate these funds.

Staff will use these additional funds for the Annual Street Maintenance Project. The Annual Street Maintenance Project will include constructing asphalt berms, speed bumps, utility cover adjustments, cold milling, pavement repairs, placement of 2" asphalt-rubber hot mix overlay on Portshead Road, Boniface Drive, Grayfox Street, and Wildlife Road, and placement of slurry seal overlay on Selfridge Drive and Wildlife Road.

The Annual Street Maintenance Project is anticipated to be constructed during the Summer 2026.

Staff is recommending that City Council authorize the City Manager to execute the Fulfillment Agreement for Unprogrammed Surface Transportation Program-Local (STP-L). This will allow the City to use these funds on its Annual Street Maintenance Project.

ATTACHMENTS: Fulfillment Agreement for Unprogrammed Surface Transportation Program-Local (STP-L)

FULFILLMENT AGREEMENT FOR UNPROGRAMMED SURFACE TRANSPORTATION PROGRAM-LOCAL (STP-L)

This Fulfillment Agreement of Proposition C Funds ("AGREEMENT"), is made and entered into as of December 1, 2025, by and between the City of Malibu ("CITY") and the Los Angeles County Metropolitan Transportation Authority ("LACMTA").

RECITALS:

LACMTA had historically apportioned, on an annual basis, $31 million of Federal Surface Transportation Block Grant (STBG) funds to agencies in Los Angeles County based on population through the STP-L funding program.

WHEREAS, in 2021 and 2022, the federal government issued a Corrective Action to Caltrans and the Southern California Association of Governments (SCAG), respectively, finding that the practice of allocating STP-L by population was out of compliance with STBG requirements; and

WHEREAS, on July 1, 2023, the Corrective Action took effect on the Federal Transportation Improvement Program (FTIP) and prevented agencies from programming and accessing their unprogrammed STP-L balance through the FTIP; and

WHEREAS, the LACMTA Board of Directors at its April 24, 2025, meeting approved using Proposition C funds to fulfill $32,126 of unprogrammed STP-L balance for the City of Malibu; and

WHEREAS, eligible project activities must occur on or after the LACMTA Board of Directors April 24, 2025, approval date; and

NOW THEREFORE, in consideration of the mutual benefits to be derived by CITY and LACMTA, and of the promises contained herein, it is hereby agreed as follows:

AGREEMENT:

1. LACMTA hereby provides a fulfillment of $32,126 of Proposition C funds (the “Funds”) to the City of Malibu for use on eligible project(s), to be determined by LACMTA. This assignment shall be automatically effective upon full execution of this AGREEMENT without the necessity of the execution, delivery or recording of any further instrument whatsoever. Notwithstanding the foregoing, at LACMTA's request, CITY shall execute and deliver such documents and instruments as may be required to evidence such assignment of the Funds.

2. CITY must complete and submit an Automated Clearing House (ACH) form (Attachment A) through LACMTA's website to allow LACMTA to make disbursements electronically. Disbursements via ACH will be made at no cost to CITY. If electronic disbursements are not the preferred method of disbursement, CITY may request an

Attachment 1

exception in writing.

3. CITY shall expend the Funds on eligible project(s), consistent with the Statement of Work, Schedule and Budget provided in Attachment B.

4. For the purposes of this AGREEMENT, the term "Eligible Project" shall mean the transportation activities described in the Proposition C Guidelines.

5. CITY must use the LACMTA Funds in the most cost-effective manner. If CITY intends to use a consultant or contractor to implement all or part of the Eligible Project, LACMTA requires that such activities be procured in accordance with CITY's contracting procedures and be consistent with State law as appropriate. CITY will also use the LACMTA Funds in the most cost-effective manner when the LACMTA Funds are used to pay "in-house" staff time. CITY staff or consultants with project oversight roles may not award work to companies in which they have a financial or personal interest. This effective use of funds provision will be verified by LACMTA through on-going project monitoring and through any LACMTA interim and final audits.

6. CITY shall submit Quarterly Progress and Expenditure Reports (Attachment C) to LACMTA that cover all activities related to the project, including deliverables, milestones, and costs incurred. The reports are due to LACMTA one month after the close of each quarter on October 31, January 31, April 30, and July 31. In cases where there are no activities to report, or problems causing delays, clear explanation, including actions to remedy the situation, must be provided.

7. LACMTA, and/or its designee, shall have the right to conduct audits of CITY's use of the LACMTA Funds, as deemed appropriate, such as financial and compliance audits; interim audits; pre-award audits, performance audits, and final audits. CITY agrees to establish and maintain proper accounting procedures and cash management records and documents in accordance with Generally Accepted Accounting Principles (GAAP). CITY's records shall include, without limitation, any supporting evidence deemed necessary by LACMTA to substantiate CITY's use of LACMTA Funds. These records must be retained by CITY for five years following CITY's last use of the LACMTA Funds. CITY shall reimburse LACMTA for any expenditure not in compliance with the Scope of Work and/or not in compliance with other terms and conditions of this AGREEMENT. The eligibility of costs for CITY's own expenditures submitted to LACMTA for the Eligible Project shall be in compliance with Office of Management and Budget (OMB) Circular A-87 (relocated to Title 2 in the Code of Federal Regulations, Subtitle A, Chapter II, part 225). The eligibility of costs for CITY's contractors, consultants, and suppliers' expenditures submitted to LACMTA through CITY's Quarterly Progress and Expenditure Reports shall be in compliance with OMB Circular A-87 (as relocated) or Federal Acquisition Regulation (FAR) Subpart 31 (whichever is applicable). Findings of the LACMTA audit are final. When LACMTA audit findings require CITY to return monies to LACMTA, CITY agrees to return the monies within thirty (30) days after the final audit is sent to CITY.

8. The terms of this AGREEMENT shall commence on the date that this AGREEMENT

is fully executed and shall terminate once CITY has expended all the LACMTA Funds and all LACMTA audit and reporting requirements have been satisfied.

9. CITY shall fully indemnify, defend and hold LACMTA and its officers, agents, and employees harmless from and against any liability and expenses, including, without limitation, defend costs, any costs or liability on account of bodily injury, death or personal injury of any person, or for damages of any nature whatsoever arising out of (i) a breach of CITY's obligations under this AGREEMENT; or (ii) any act or omission of CITY or its officers, agents, employees, contractors, or subcontractors in the use of the LACMTA Funds.

10. LACMTA shall fully indemnify, defend and hold CITY and its officers, agents, and employees harmless from and against any liability and expenses, including, without limitation, defend costs, any costs or liability on account of bodily injury, death or personal injury of any person, or for damages to or loss of risk of property, any environmental obligations, any legal fees and any claims for damages of any nature whatsoever arising out of (i) a breach of LACMTA's obligations under this AGREEMENT; or (ii) any act or omission of LACMTA or its officers, agents, employees, contractors, or subcontractors in the use of CITY's Funds.

11. This AGREEMENT may be amended or modified only by mutual written consent of LACMTA and CITY.

12. Any correspondence, communication, or contact concerning this AGREEMENT shall be directed to the following:

CITY OF MALIBU
Tatiana Holden
Assistant Public Works Director/Assistant City Engineer
23825 Stuart Ranch Road
Malibu, CA 90265
Email: tholden@malibucity.org

LACMTA
Mercedes Meneses
Principal Transportation Planner
Countywide Planning and Development
One Gateway Plaza (Mail Stop: 99-23-3)
Los Angeles, California 90012-2952
Email: menesesm@metro.net

13. This AGREEMENT shall be interpreted and governed by the laws of the State of California.

14. This AGREEMENT constitutes the entire understanding between the parties with respect to the subject matter herein.

IN WITNESS WHEREOF, the parties hereto have caused this AGREEMENT to be executed by their respective officers as of the date stated below.

LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY

By: _____
Stephanie Wiggins
Chief Executive Officer

APPROVED AS TO FORM:

DAWYN R. HARRISON
County Counsel

By: _____
Deputy

Digitally signed by: 4dd8a4b6-a104-429a-9907-9b6d6de7c696
DN: CN = 4dd8a4b6-a104-429a-9907-9b6d6de7c696
Date: 2026.04.17 09:29:24 -08'00'

CITY OF MALIBU

By: _____
Marianne Riggins
Mayor

APPROVED AS TO FORM:

TREVOR RUSIN
Interim City Attorney

THIS DOCUMENT HAS BEEN REVIEWED BY THE CITY ATTORNEY'S OFFICE

By: _____
Interim City Attorney

AUTOMATED CLEARING HOUSE (ACH) PAYMENT AUTHORIZATION

SECTION I: *Supplier Information*		
Supplier Number:		
Company Name:		
Payment Address:		
City:	State: CA	Zip Code:
Contact Name:		Contact Phone Number:
Email Address:		
SECTION II: *Banking Information*		
Tax ID:		
Bank Name (Required):		
Account Name:		
Account Type (Required): ☐ Checking ☐ Savings		
Account Number (Required):		
Routing Number (Required):		
Print Name of Authorized Person:		
Print Title :		
Phone Number:		
Signature of Authorized Person:		
Date:		
SECTION IV: ***Approval*** *- Metro Use Only*		
Approved by:		Date:
Entered by:		Date:

AUTOMATED CLEARING HOUSE (ACH) PAYMENT AUTHORIZATION

Field	Description
Supplier Number	If you know the supplier number, please enter. If not, not required.
Company Name	Enter name of company doing business with L.A. Metro.
Payment Address	Enter address where payment may be mailed in accordance with Metro records.
Contact Name	Enter name of person from your company that Metro may contact for more information if required.
Contact Phone Number	Enter number where contact person may be reached.
Email Address	Enter the email address where payment detail information can be sent (i.e., information to include payment amount, payment date, description of invoices paid, etc.)
Tax ID Number	Enter company's tax identification number.
Bank Name	Enter the bank name where payments are to be sent (i.e. Bank of America, Washington Mutual, etc.)
Routing Number	Enter the first 9 numbers of the account to which you would like funds sent. This information is located on your check for the account. Do not use information from a deposit slip.
Account Name	Enter the official name of the account.
Account Number	Enter the account number to which funds are to be sent.
Account Type	Check the appropriate account type
Authorized Person & Title	Enter name and title of person of your company authorized to approve ACH transactions.
Signature	Must be a wet signature
Phone Number	Enter phone number where authorized person may be contacted.

AUTOMATED CLEARING HOUSE (ACH) PAYMENT AUTHORIZATION

Please mail your completed form along with a copy of a *voided check* to:

Metro Accounts Payable
P.O. Box 512296
Los Angeles, CA 90051

Questions? Please feel free to contact the AP hotline at:

213-922-6811 option 3

Attachment B

STATEMENT OF WORK

Project Title:
Annual Street Maintenance Project

Project Description:
The project includes constructing asphalt berms, speed bumps, utility cover adjustments, cold milling, pavement repairs, placement of 2" asphalt-rubber hot mix overlay on Portshead Road, Boniface Drive, Grayfox Street, and Wildlife Road, and placement of slurry seal overlay on Selfridge Drive and Wildlife Road.

Project Schedule:

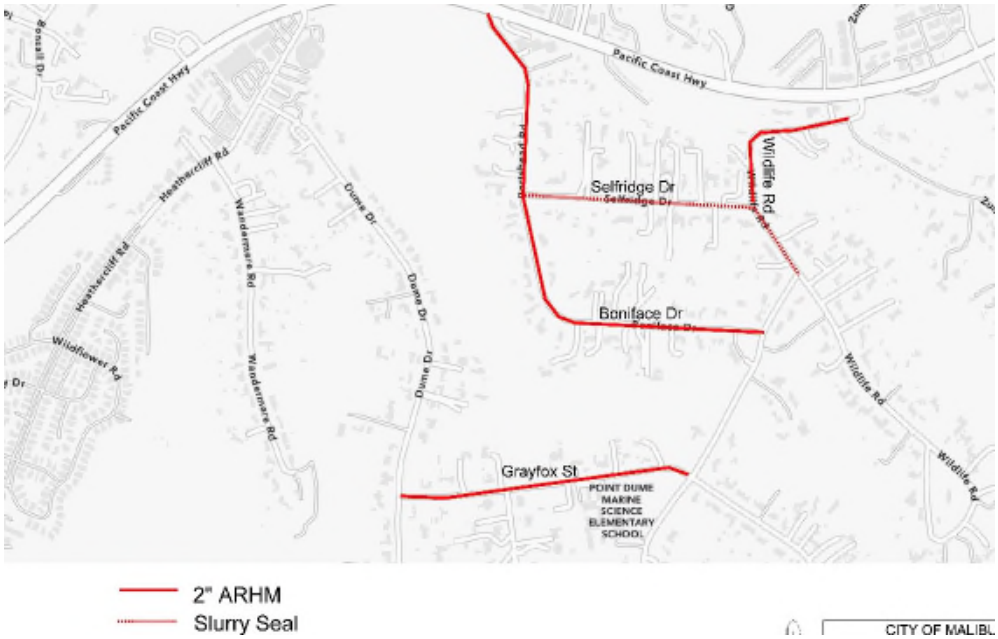
Advertise	December 2025
Award Contract	January 2026
Start Construction	February 2026
Complete Construction	May 2026

Project Funding:

Metro Prop C (Fulfillment Funds)	$32,126
Proposition C – Local Return	$200,000
Measure R Local Return	$160,000
Measure M Local Return	$160,000
Road Maintenance and Rehabilitation	$280,000
City 2023 Exchange Funds	$232,262
Total Project Budget	**$1,064,388**

Project Map:
See next page.

Project Map:


Pacific Coast Hwy
Heathercliff Rd
Wanderemere Rd
Dune Dr
Selfridge Dr
Wildlife Rd
Boniface Dr
Wildflower Rd
Grayfox St
POINT DUME MARINE SCIENCE ELEMENTARY SCHOOL
2" ARHM
Slurry Seal
CITY OF MALIBU

Attachment C

QUARTERLY PROGRESS REPORT

Project Title: _____

Report Date: _____

Submitted by: _____

Submitted for Fiscal Year: _____

Quarter: Jul-Sep ☐ Oct-Dec ☐ Jan-Mar ☐ Apr-Jun ☐

Project Budget: _____

Fulfillment Amount: _____

1. **Project-to-Date Expenditure**

   % of Project Budget Expended to Date: _____

   % of Project Completion: _____

2. **Milestones**

Description	Start Date	End Date
Environmental Clearance		
Design Bid & Award		
Design		
Right-of-Way		
Construction Bid & Award		
Construction		

3. **List tasks or milestones accomplished and progress made this quarter.**

4. **If project is delayed, describe reasons for delay.**