

MPTA Interlocal Agreement

COMMITTEE UPDATE

JANUARY 5, 2026



Overview

- **PAVE Act imposes a number of requirements that MPTA must fulfil no later than July 2026, such as establish Board governance policies, develop financial and operational policies, create Human Resources and Information Technology plans, and create an asset acquisition timeline and plan, etc.**
- **MPTA must have resources at its disposal to accomplish these required tasks and deliverables**
- **The planned interlocal agreement for the \$4.3M, sourced from existing sales tax funds, provides resources to enable MPTA to fund eligible administrative and startup costs**

Staff support to the MPTA Board of Trustees

- The city will assign staff to support the logistics, organization, and documentation of MPTA Board meetings to ensure the proper conduct of public meetings.
- These staff will work directly with the Board Chair, Vice Chair, or their designee and will provide administrative and legal support limited to public meeting operations and legal procedural guidance.

Funding and Budget Coordination

- **The City will make available up to \$4.3 million in Article 43 funds (half cent sales tax funds) to the Authority in the form of an Interlocal Agreement (ILA) for eligible administrative and startup costs, which may include:**
 - Legal services
 - Accounting and auditing
 - Meeting and administrative expenses
 - Required studies and regulatory filings
 - Directors and Officers / Public Officials insurance
 - Consultants and advisory services
 - Other reasonable and necessary administrative expense
- **This budget allocation is based on six months of CATS' current fiscal year budget for similar administrative services provided by the city on their behalf.**

Operational Continuity

- **To ensure uninterrupted transit service and protect the City's financial and investor obligations, existing CATS executive leadership will continue to manage operations within the City's organizational structure and report through the City Manager's Office.**
- **The City will work with the Authority to develop a mutual indemnification agreement and other required legal instruments.**