



# Sierra Vista Metropolitan Planning Organization Memorandum

**To:** Cochise County Board of Supervisors  
**From:** Karen L. Lamberton, AICP, SVMPO Administrator  
**Date:** October 15, 2020  
**Subject:** **Sierra Vista Metropolitan Planning Organization: Regional Match Agreement**

---

The 2010 decennial Census identified an urbanized area of over 50,000 people in southwestern Cochise County: this resulted in a federal mandate to form a regional government to coordinate transportation improvements. In March of 2013, the City of Sierra Vista and Cochise County formed the Sierra Vista Metropolitan Planning Organization, known as the SVMPO. This agency was formally designated by Governor Brewer in May of 2013.

## SVMPO Boundary Expansion

In January of 2018, the SVMPO expanded its boundaries to include a third jurisdiction: the Town of Huachuca City. Boundaries were expanded to the Pima County/Santa Cruz County lines to the west, to the international border to the south, along the San Pedro River Valley to the east and to the Benson jurisdiction boundary to the north. *See SVMPO Regional Map with Supervisor Districts*

## SVMPO Operating and Transportation Improvement Activities

There are two different regional transportation activities that are funded by the SVMPO.

1. The first is the operation of the regional agency, planned to meet mandated federal tasks, and these are described in the adopted **SVMPO Work Program**. Funding is provided by the Federal Highway Administration, Federal Transit Administration, Arizona Department of Transportation (ADOT) and member jurisdiction match funds. Those match amounts typically range from 5.7 percent to 20 percent.

These match amounts are required annually. These funds are not jurisdiction specific and are typically shared among the member jurisdictions to ensure that regional transportation concerns are addressed. Projects tied more specifically to one jurisdiction usually then has professional and technical staff from that jurisdiction supporting that effort, thereby raising their direct In-Kind match contributions towards that planning effort.

2. The second is funding regionally significant transportation improvements, and these are described in the adopted **Transportation Improvement Program (TIP)**. Funding is provided by Surface Transportation Block Grants, and other awarded grant funds that are competitively applied for, through the MPO, by member jurisdictions. Match is typically 5.7 percent, but may be as low as zero, or overmatched to make a project more competitive or include other funding partners.

These match amounts are tied specifically to awarded projects and required at the time of each project phase, as per an adopted Intergovernmental Agreement with ADOT. The jurisdiction awarded the project is solely responsible for their match requirements, as per the fund source that they have received.

### **SVMPO Match Agreement for Operating Expenses**

Over the past year, the SVMPO Board of Directors has discussed in several Work Sessions and Board meetings the implications on funding the operations of this new MPO. Until 2018, only 10 percent of the SVMPO was unincorporated Cochise County. As the majority of the land mass and population was within the City of Sierra Vista, the City took on the task of ensuring that the SVMPO was formed and had adequate funding to complete mandated regional activities and tasks.

The SVMPO initially covered its entire match requirements using In-Kind commitments of member jurisdiction staff towards regional activities. During the early start-up days of the MPO this proved to be adequate for the activities planned by the SVMPO. However, once the expansion occurred, the Work Program budget and activities increased, the City began to make up shortfalls in needed match amounts. The SVMPO Board agreed to formalize agreements for meeting operational match funds for regional activities.

Various formulas were discussed and then SVMPO By-Laws amended to set a match formula, for operating expenses, that included two factors:

1. Population: as defined by the decennial Census and the mid-decade Dept. of Commerce adjustments. Population is one measure of transportation needs of the region.
2. Federal Functional Classified Roadways: as defined and shown by ADOT and approved by Federal Highway Administration, adjusted every five years with the population count numbers or, by Board action, if significant changes occurred. Classified roadways are one measure of the regionally significant roadways eligible for federal funds in the region.

Both of these measures adjust over time, and the SVMPO Board can also adjust match requirements should boundaries change, annexations occur, major adjustments made to the classified road miles or other factors that might substantively change match amount needs.

### **FY21 Work Program Match Amounts Needed**

The **FY21 Work Program Budget total is \$837,043** and reflects two unusual factors:

1. There is an unusually high carry forward of unexpended funds due to a) few planning activities undertaken during 2017 and 2018 and b) a need to compile sufficient planning funds to undertake the mandated regional long-range transportation plan update; and
2. For the first time, ADOT, FHWA and FTA entered into an Agreement allowing a two-year regional Work Program, which then also allowed the MPO to carry forward unexpended In-Kind Match funds. As a result, this MPO was able to hold the County harmless for match on the planned LIDAR flight and to lower the total regional match requirements for all member jurisdictions.

Nevertheless, this is the highest annual budget and required match amount ever needed by the SVMPO, in part due to increased boundaries and operating funds, but also because the MPO had to bring forward unexpended planning funds that did not have matching dollars associated with it. Based on the adopted SVMPO Work Program, and the adopted By-Law formula for member jurisdiction match, and the allowed carry forward amount of \$30,958, **the match portion of the total \$837,043 FY21 annual budget needed from member jurisdictions is as follows:**

<b>SVMPO Region</b>	<b>Population Dept. of Commerce (as of Jan 2018 Expanded Boundaries)</b>	<b>Fed Functionally Classified Roadways (Dec 2019)</b>	<b>Combined Factor Percent Totals (Rounded)</b>	<b>Formula Driven FY21 Match with Estimated Carry Forward</b>
Cochise County	23,296	73.45	42.5%	\$33,493.20
Sierra Vista	45,359	64.9	55.0%	\$47,727.81
Huachuca City	1,791	2.73	2.5%	\$2,511.99
<b>TOTALS</b>	70,446.00	141.08		<b>\$83,733.00</b>

The City of Sierra Vista has committed to a cash contribution. The Town of Huachuca City has committed to make a decision each budget cycle on how they plan to provide match, and to provide that information to the SVMPO by the end of each fiscal year (In FY21 the Town is providing 100 percent In-Kind/the Town has two active projects this year).

---

*Cochise County has not yet decided on how they wish to proceed in regard to their match requirements for the SVMPO operating work activities.*

---

### Meeting Regional Match Requirement Options

The federal process of calculating match is different for cash funds vs In-Kind contributions. Both have pros and cons. The advantage to cash match is that your regional program can actually spend those funds on non-federally eligible activities in behalf of approved regional projects and that we can carry forward those funds into future fiscal years. The advantage to In-Kind match is that a jurisdiction can leverage existing staff skills and resources to partner with the MPO to accomplish regional activities and reimbursement is then 100 percent of any actual expenditures for those approved regional activities. However, In-Kind match does not carry forward for FHWA funded projects. (recent guidance has allowed for limited carry forward of In-Kind contributions on FTA funded projects and limited carry forward for FHWA on two-year Work programs).

There are no federal or state requirement that all member jurisdiction make the same agreement with the SVMPO. Some MPO's front all payments at the beginning of each fiscal year, others split these costs throughout year and still others invoice for any amounts not covered by In-Kind contributions at the end of the fiscal year. There is no best practice for how match is covered other than this: estimated match requirements are set out in the approved annual MPO Work Program

and that the member jurisdictions partner together to meet that regional match requirement for operating expenses.

Cochise County can opt to provide cash match, provide staff resources toward In-Kind documentation, through services or provision of equipment, or a combination of these options. Staff resources may include activities like providing traffic count data; GIS mapping and data; staff attendance at Technical Advisory Meetings or Public Outreach meetings. The drafted County Match Agreement is like the Town of Huachuca City's: it allows flexibility each year on how the County provides their match. The County may wish to consider language to specify when they make contributions e.g. quarterly and/or make a provision that if staff contributions are falling short, the SVMPO may invoice the County for the balance of needed match funds. To the extent possible, our regional partnership is one of shared *informal* understanding and trust as we work towards common strategic goals related to connected transportation infrastructure.

### Future Year Match Amount Expectations

It is not expected that future years will see this level of needed member jurisdiction match levels. However, it is also important to note that carry forward of In-Kind will only be applicable to FTA funds during the next cycle. Typically, the annual operating budget will be about half of the anticipated FY21 budget (the exception being years in which the SVMPO needs to carry forward funds for planned higher cost consultant services e.g. mandated Long-Range Transportation Plan updates).

During the development of the regional Work Program, estimates will be made of the MPO Budget and Match Requirements, per the adopted formula, and provided to each jurisdiction for their budget cycles in early Spring.

### Overpayment of Match Funds

The SVMPO Board also discussed the potential of overpayment of match funds. Two key issues are important to consider regarding the potential accumulation of a balance of match funds transferred to the SVMPO.

1. Match funds are always tied to federal or state funds assigned to specific regional projects. If those projects are only partially completed, or have not yet begun, or require a larger amount of funds than is available in one single year, both those funds **and** the match for those funds need to carry forward. The MPO has been able to operate with less match, because we have not accomplished the full Work Program. But that has now resulted in a larger need for match in this Fiscal Year because previous match contributions have not kept pace with previous annual budgets.
2. At this time, all MPO funds are fronted entirely by the City of Sierra Vista and then refunded by the SVMPO. The question has been raised if this is an inequitable burden on one member jurisdiction and if funds should be raised, either through a one-time contribution, or through an on-going accumulation of contributions, to separately fund the SVMPO with an available pool of non-federal dollars. The SVMPO Board has not taken a formal position on this yet but has indicated that if the cash contribution from

the City could be buffered by additional In-Kind support from all member jurisdictions, including the City as overmatch, eventually it may be possible to wean the MPO off of the City funds and be operating, as are all other MPO's in the State, off their own regional funding account.

Once this MPO is fully established with their own funding line, and account balances are sufficient to meet project needs, then future match requirements would be adjusted accordingly each year (just as we did this year to adjust for allowable In-Kind carry-forward credits). The MPO has no desire or intention to hold funds with no planned purpose. They are budgeted funds to be used only for approved transportation investments in the region.

### Rural Transportation Advocacy Council Dues

The SVMPO covers 70% of member jurisdiction dues to the Rural Transportation Advocacy Council (RTAC). Member jurisdictions receive an invoice for the remaining 30% of RTAC dues, identified as potential lobbying activity/ineligible for MPO funding sources, as a distinctly separate cost from all other MPO work activities. This practice is mirrored by SEAGO, for all their member jurisdictions, including the balance of the County's dues. Cochise County's RTAC dues total \$22,384 (based on the RTAC Board approved rate of 9.8 cents per capita) and of that, SEAGO pays roughly \$19,836 and the SVMPO pays roughly **\$4,832 in behalf of the County**.

There is no requirement for regional governments to cover dues to this regional advocacy group; however, this Council provides a critical informational and educational service on federal, state, regional and local transportation issues and advocates directly for rural transportation funds. This is a separate, direct invoice to Cochise County from both SEAGO and the SVMPO.

### SVMPO Benefits and Return on Investments

The intent of regional governments is to create communication and collaboration: to form partnerships so that together we can accomplish larger tasks than can be undertaken by one single jurisdiction. It is also to leverage limited resources: not only limited funds but also limited staff resources. Both SEAGO and SVMPO link Cochise County to our federal and state partners for transportation (as well as social services, housing, economic development) funding and projects.

Yes, it does take longer to use state or federal funds through a regional process. But when funds are limited, planning for future needs can leverage available funds by forming partnerships so that phased projects slowly move from a challenge to a solution.

Most activities are matched by 20 percent or less. Some grants have no match, other than the provision of your own staff resources to manage the project. Other projects are taken on by our state partners directly, after advocacy and support from the regional government, at no cost to the County.

Examples include:

- ❖ Development of the Cochise County Road Design & Construction Standards and

Specifications – Highest Priority project from the County’s Long-Range Transportation Plan and paid for entirely by funds from the SVMPO. \$89,092

- ❖ Origin and Destination Study supporting Port of Entry and Economic Development goals - \$99,766
- ❖ There are 16 agencies receiving federal transit funds through the 5310-funding program in Cochise County to provide rides to elderly and disabled; including agencies like VICaP and the Douglas Food Bank. SVMPO is working with the Town of Huachuca City to leverage their \$50,000 Legacy Grant to develop a connected transit route into the City of Sierra Vista budgeting \$60,000 towards meeting the federal requirements of a small, rural transit system. The transit plans completed by the SVMPO brings in roughly \$1.2 million a year to the City for transit services.
- ❖ ADOT completed, at no cost to the County, pedestrian access improvements at Ramsey Rd./Ramsey Canyon at Highway 90 at the request of SVMPO Board member Borer and advocacy to ADOT by the SVMPO.
- ❖ ADOT is supporting with technical assistance and provision of signs and maintenance an emergency pre-emption signal project for the Whetstone Fire Dept. at Camino de Manana, and within the Town of Huachuca City at School Drive on Highway 92. Funding support of \$191,551.
- ❖ Pending project to scope improvements to a joint City/County roadway in the Fry Township on Theater Drive; initial funding support estimated to be \$65,000.
- ❖ The recent direct funding transfer of \$120,000 to the County for the LIDAR flight.

The purpose of this Work Session is not to dive into the details of what the regional governments, and specifically the SVMPO, provides to the County. However, that is a topic we would like to re-engage with the County at a later time and strengthen both the understanding of the return on the investment that is brought to the community by our partnership with you and share the accomplishments that have been done, and are planned for this part of the County.

Our regional website, [www.SVMPO.org](http://www.SVMPO.org) links you to active project information, approved Work Program, approved Transportation Improvement Program, data on traffic and demographics.

**Attachments:** SVMPO Map with District Boundaries