

**Meeting Date:** 3/11/2014

**Report Type:** Consent

**Report ID:** 2014-00149

**Title: Appropriation of Proposition 1B Local Streets and Roads Program Fund Interest**

**Location:** Citywide

**Recommendation:** Pass a Resolution 1) approving the appropriation of \$110,648 (Fund 2028) from Proposition 1B Local Streets and Roads fund balance to the FY13/14 Department of Public Works Maintenance Division Operating Budget; and 2) amending the FY13/14 Department of Public Works Maintenance Division Operating Budget Interfund Reimbursement Accounts by replacing \$110,648 in Gas Tax funds with Proposition 1B Local Streets and Roads funds.

**Contact:** Lucinda Willcox, Program Manager, (916) 808-5052; Nicholas Theocharides, Engineering Services Manager, (916) 808-5065, Department of Public Works

**Presenter:** None

**Department:** Public Works Department

**Division:** Engineering Services Admin

**Dept ID:** 15001111

**Attachments:**

1-Description/Analysis

2-Background

3-Resolution

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### **City Attorney Review**

Approved as to Form

Gerald Hicks

2/24/2014 2:31:58 PM

### **Approvals/Acknowledgements**

Department Director or Designee: Jerry Way - 2/21/2014 8:18:47 AM

## Description/Analysis

**Issue:** In order to ensure interest on grant funds is spent in a timely manner, staff is recommending that the FY13/14 Department of Public Works Maintenance Division Operating Budget Interfund Reimbursement Accounts be amended to replace Gas Tax with Proposition 1B Local Streets and Roads Funds. This transfer swaps eligible transportation funds and helps meet expenditure requirements.

**Policy Considerations:** This action is consistent with the City's State Proposition 1B Local Streets and Roads Program accountability requirements.

### Environmental Considerations:

**California Environmental Quality Act (CEQA):** The subject of this report does not involve a project that requires compliance with the California Environmental Quality Act (CEQA), inasmuch as it does not involve an activity that may cause a direct or indirect change in the environment (Public Resources Code Section 21065).

**Sustainability Considerations:** Not applicable

**Other:** None.

**Commission/Committee Action:** None.

**Rationale for Recommendation:** The adjustment to the FY13/14 Department of Public Works Maintenance Division Operating Budget will fully expend accrued interest in the Proposition 1B Local Streets and Roads fund on eligible expenditures.

**Financial Considerations:** Staff recommends that the FY13/14 Department of Public Works Maintenance Division Operating Budget Interfund Reimbursement accounts be amended to replace Gas Tax (Fund 2003) in the amount of \$110,648 with Proposition 1B Local Streets and Road funds (Fund 2028). The transfer swaps eligible transportation funds and will ensure compliance with bond requirements.

As of February 5, 2014, the Proposition 1B fund has a balance of \$110,648 in unobligated funds. This will result in \$110,648 in Gas Tax reserves being available for future project expenditures.

**Local Business Enterprise (LBE):** Not applicable.

## **Background:**

The State Proposition 1B Local Streets and Road Program provides state bond funds to be used for improvements to transportation facilities that will assist in reducing local traffic congestion and further deterioration, improving traffic flows, or increasing traffic safety. This includes street and highway pavement maintenance, rehabilitation, installation, construction, and reconstruction.

The City was allocated funds in two rounds of programming and fully expended all funds within required deadlines. The interest accrued is required to be spent on eligible activities as expeditiously as feasible.

The City has \$110,648 in Proposition 1B funds in interest earnings on Proposition 1B Local Streets and Roads funds received from the State of California in 2012 and 2013.

The City has eligible expenses in pavement materials within the Public Work's Maintenance Division's operating budget, currently budgeted with Gas Taxes.

Staff is recommending that the FY13/14 Department of Public Works' Maintenance Division Operating Budget Interfund Reimbursement Accounts be amended to replace Gas Tax with Proposition 1B Local Streets and Roads Program funds. These transfers swap eligible transportation funds and will ensure the City meets bond expenditure requirements.

## **RESOLUTION NO.**

Adopted by the Sacramento City Council

### **APPROPRIATION OF PROPOSITION 1B LOCAL STREETS AND ROADS PROGRAM FUND INTEREST**

#### **BACKGROUND**

- A. The State Proposition 1B Local Streets and Road Program funds are to be used for improvements to transportation facilities that will assist in reducing local traffic congestion and further deterioration, improving traffic flows, or increasing traffic safety, including street and highway pavement maintenance, rehabilitation, installation, construction, and reconstruction.
- B. The City was allocated Proposition 1B Local Streets and Road funds in two rounds of programming and fully expended all funds within required deadlines. The interest accrued is required to be spent on eligible activities as expeditiously as feasible.
- C. The City has \$110,648 in Proposition 1B funds in interest earnings on Proposition 1B Local Streets and Roads funds received from the State of California in 2012 and 2013.
- D. The City has eligible expenses in pavement materials within the Public Work's Maintenance Division's operating budget, currently budgeted with Gas Taxes.

#### **BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE CITY COUNCIL RESOLVES AS FOLLOWS:**

- Section 1. \$110,648 (Fund 2028) is appropriated from Proposition 1B Local Streets and Roads fund balance to the FY13/14 Department of Public Works Maintenance Division Operating Budget.
- Section 2. The FY13/14 Department of Public Works Maintenance Division Operating Budget Interfund Reimbursement Accounts are amended by replacing Gas Tax (Fund 2003) in the amount of \$110,648 with Proposition 1B Local Streets and Roads Fund (Fund 2028).

