

REPORT TO CITY COUNCIL

DATE: DECEMBER 10, 2008

TO: HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL

FROM: GREG RAMIREZ, CITY MANAGER

BY: RAMIRO ADEVA, CITY ENGINEER

SUBJECT: APPROVE A BUDGET AMENDMENT AND ACCEPT A SECOND ALLOCATION OF PROPOSITION 1B FUNDS INTO THE TRAFFIC CONGESTION RELIEF FUND

Under Proposition 1B, known as the Highway Safety, Traffic Reduction, Air Quality, and Port Security Bond Act of 2006, the State of California's Department of Finance disburses an annual allocation of funds to local governments which can be spent on projects aimed at repairing/rehabilitating the condition of local public streets (ie: overlays), reduce local traffic congestion, and improve traffic flow and traffic safety. The amount of funds allocated is determined on a per capita basis. Based on the City's total population, the City received its first disbursement of \$400,000, which was used to fund a portion of the FY 2008-09 overlay project. Recently, the City unexpectedly received good news that the State was going to be disbursing a second allocation to local agencies this fiscal year. The amount of the City's second disbursement is \$323,766. Because the State funds are limited for this second round, the funds will be available on a first-come-first-serve basis, therefore, it is important to promptly request the City's second allocation following Council approval.

With Council approval, staff will immediately file a formal request to the State for the City's second disbursement, and upon receiving said funds, shall deposit the total amount of \$323,766 into the Traffic Congestion Relief Fund, with the intent of using this additional allocation as one of the funding sources for the FY 2009-10 annual overlay.

RECOMMENDATION

Staff respectfully recommends the City Council:

1. Approve a budget amendment to allow the second allocation of \$323,766 of Proposition 1B monies to be deposited as additional revenue into the Traffic Congestion Relief Fund; and
2. Approve the additional funds to be spent on the FY 2009-10 overlay project, tentatively scheduled to go out to bid in June 2009.