



AGENDA REPORT

Meeting Date: December 16, 2008
Item Number: F-11
To: Honorable Mayor & City Council
From: Ara Maloyan, Deputy City Engineer
Subject: APPROPRIATION OF 2008/2009 PROPOSITION 1B ALLOCATION & SUBSEQUENT APPROVAL OF THE PROP 1B LIST OF STREETS TO BE REHABILITATED UTILIZING THESE FUNDS

Attachments:

1. 2008/2009 Prop 1B List of Streets
2. Project Location Map

RECOMMENDATION

Staff recommends that the City Council move to: 1) Approve appropriation of funds in the amount of \$536,437.08 related to the receipt of 2008/2009 Proposition 1B (Prop 1B) Local Streets and Roads funding for a new 2008/2009 street improvement project, and 2) Approve the attached "2008/2009 Prop 1B List of Streets", which identify the streets proposed for rehabilitation utilizing these funds.

FROM	TO
\$536,437.08 Intergovernmental Revenues Proposition 1B (1205101-42381)	\$536,437.08 Streets & Highways State Gas Tax (35120195-85040)

INTRODUCTION

This report is a request for City Council approval to appropriate the City's 2008/2009 Prop 1B allocation in the amount of \$536,437.08, and approval of a list of streets, which will be rehabilitated this Fiscal Year utilizing these funds.

DISCUSSION

Under Prop 1B, \$2 billion was provided for cities and counties to fund the maintenance and improvement of local transportation facilities. The 2008 Budget Act and Chapter 269, Statutes of 2008 (AB88), specify that \$187 million be appropriated to cities in

12/16/08

2008/2009 on a first come first served basis. The share that each city is allocated is determined by the State Controller's Office (SCO) and is based on population, with each city receiving a minimum of \$400,000.

To receive these funds, each city council must approve a list of projects expected to be funded with bond funds pursuant to an adopted local budget. On November 10, 2008, when staff first received notification of the 2008/2009 allocation, the City had already budgeted, designed and opened construction bids for the City's FY 2008/2009 street rehabilitation project (of which 2 of the project streets being rehabilitated will utilize the City's 2007/2008 Prop 1B allocation as approved by City Council at their August 8, 2008 meeting). Consequently, staff now has to obtain approval from Council on the appropriation and subsequent use of this latest 2008/2009 Prop 1B allocation.

Upon approval by Council of the appropriation of these latest Prop 1B funds and their expenditure on the rehabilitation of the attached list of streets, staff must submit an electronic plan to the State's Department of Finance to trigger the allocation. Project expenditure reporting must occur on an annual basis at the end of each fiscal year until all bonds are exhausted. The accuracy and completeness of information provided to the State Department of Finance is the responsibility of the City and is subject to audit. All agencies are requested to provide a Web site or email address where citizens can get additional information or ask questions about individual projects. The purpose of submitting the plans in electronic format to the state is, so that they can be easily understood by the public who will be using the state's bond accountability website.

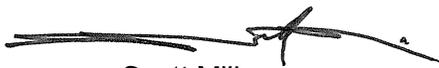
The language contained in Proposition 1B is very broad with respect to eligible uses of the Local Streets and Roads Account (LSR) bond proceeds. The bond language states that the proceeds can be used for projects within the "right-of-way" that will assist in reducing local traffic congestion and further deterioration, improve traffic flows or increase traffic safety such as:

- Street and highway pavement maintenance
- Rehabilitation, installation, construction and reconstruction of necessary associated facilities such as drainage and traffic control devices or
- Maintenance, rehabilitation, installation, construction and reconstruction of facilities that expand ridership on transit systems
- Safety projects to reduce fatalities or
- As a local match to obtain state or federal transportation funds for similar purposes

Lastly, the State Department of Finance has asked cities to remain cognizant of the fact that these are bond monies and useful life should be considered for prudent use of the funds.

FISCAL IMPACT

Funding for this street project is the result of Proposition 1B, and the City of Beverly Hills will receive \$536,437.08 in their 2008/2009 Prop 1B allocation. These funds will be used for the street project as identified in Attachment 1 and 2.



Scott Miller
Finance Approval



David Gustavson
Approved By

