

REPORT TO THE CITY COUNCIL AND SUCCESSOR AGENCY



DATE: May 1, 2018

TITLE: Resolution Amending the Fiscal Year 2018-2019 Budget to Include the Various List of Projects to be Funded by Senate Bill 1 (SB1)

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RECOMMENDATION

Adopt a Resolution of the City Council amending the budget for Fiscal Year 2018-2019 to incorporate the various list of projects to be funded by Senate Bill 1 (SB 1) - Road Maintenance Rehabilitation Account (RMRA) Funds with an estimated amount of \$483,419.00

DISCUSSION

On April 28, 2017, the Governor Signed Senate Bill 1 (SB1) the Road Repair and Accountability Act of 2017 into law. SB1 will increase funds used to address road maintenance, rehabilitation and critical safety needs on both the state highways and bridges, and local streets and road system. SB1 increases the per gallon fuel excise taxes, increases diesel fuel sales taxes and vehicle registration fees, and provides for inflationary adjustments to tax rates in future years. Beginning November 1, 2017, the State Controller will deposit various portions of this new funding into the newly created Road Maintenance Rehabilitation Account (RMRA).

A percentage of this new RMRA funding will be apportioned by formula to eligible cities and counties for basic road maintenance, rehabilitation, and critical safety projects on the local streets and roads system. It is important to note that all new revenues received through the increased Gas Tax must be dedicated to capital improvement projects and cannot be used for personnel or other administrative costs. Cities and counties receiving RMRA funds must comply with all relevant federal and state laws, regulations, policies, and procedures. SB1 established the following requirements for the program:

- Cities are required to submit to the California Transportation Commission (CTC) a list of projects proposed to be funded with SB1 funds. All projects proposed to receive funding must be included in a city or county budget that is adopted by the City Council at a regular public meeting.
- The list of projects must include the description and location of each proposed project, a proposed schedule for the project's completion, and the estimated useful life of the improvement.
- For each fiscal year in which RMRA funds are received and expended, cities and counties must submit documentation to the Commission that includes the description and location of each completed project, the amount of funds expended on the project, the completion date, and the estimated useful life of the improvements.

Based on the latest State Department of Finance projections, the projected revenue for RMRA funds for Fiscal Year 2018-2019 for the City of Desert Hot Springs is \$483,419.

Staff has reviewed all eligible projects per the SB1 program requirements, including our proposed Capital Improvement Program (CIP) for Fiscal Year 2018-2019, and our current Pavement Management Plan, and based on all the criteria Staff is recommending amending the 2018-2019 Budget to include the following list of projects and each corresponding amount as being funded SB1 funds for Fiscal Year 2018-2019.

- Palm Drive Traffic Signal and Street Light Project - \$320,000.
- Desert View Sidewalk Project - \$100,000.
- Re-striping of Mission Lakes Blvd and Two Bunch Palms Trail - \$30,000.
- 2018-2019 City-wide Asphalt Grind and Overlay/Slurry/Road Reconstruction Project - \$33,419.

If approved a total of \$483,419 will be funded through SB1 – RMRA funds.

Staff recommends that City Council adopt a Resolution amending the budget for Fiscal Year 2018-2019 to incorporate the list of projects to be funded by SB1 – RMRA with an estimated total allocation of \$483,419.

FISCAL IMPACT

Funds are being appropriated in the Capital Improvement Program (CIP) for fiscal year 2018-2019 for the specific projects listed above under Fund (142) in the amount of \$483,719. Upon City Council approval, contracted expenses in an amount not to exceed each corresponding amount for each project will be charged to Fund (142-5071-5020) by specific projects.

EXHIBIT(S)

1) Draft Resolution