

REPORT TO THE CITY COUNCIL



DATE: July 7, 2020

TITLE: Resolution Amending the Fiscal Year 2020-2021 Budget to Include Projects to be Funded by Senate Bill 1 (SB1)

Prepared by: Daniel Porras, Public Works Director

RECOMMENDATION

Adopt a Resolution of the City Council amending the budget for Fiscal Year 2020-2021 to incorporate the list of projects to be funded by Senate Bill 1 (SB 1) - Road Maintenance Rehabilitation Account (RMRA) Funds with an estimated amount of \$502,727

DISCUSSION

On April 28, 2017, the Governor signed Senate Bill 1 (SB 1) the Road Repair and Accountability Act of 2017 into law. SB1 provides funds used to address road maintenance, rehabilitation and critical safety needs on both the state highways and bridges, and local streets and road system. SB 1 utilizes the per gallon fuel excise taxes; diesel fuel sales taxes and vehicle registration fees; and provides for inflationary adjustments to tax rates in future years.

A percentage of this 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 these 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 2020-2021 for the City of Desert Hot Springs is \$502,727. This projected revenue was provided on May 15, 2020. The estimates are subject to change based on actual taxes received including any economic impact from the covid-19 epidemic.

Staff has reviewed all eligible projects per the SB1 program requirements, including our proposed Capital Improvement Program (CIP) for Fiscal Year 2020-21, and our current Pavement Management Plan, and based on all of the criteria Staff is recommending to amend the 2020-2021 Budget to include the following list of projects and each corresponding amount as being funded SB1 funds for Fiscal Year 2020-2021.

- Palm Drive Bicycle Traffic Signal and Street Light Safety Project (\$100,000)
- Palm Drive Bike Lane Project (\$150,000)
- Hacienda Ave Improvement Project ATP4 (\$126,000)
- 2020-2021 City-wide Asphalt Grind and Overlay/Slurry/Road Reconstruction Project (\$126,727)

If approved, an estimated total of \$502,727 will be funded through SB1 - RMRA funds.

Staff recommends that City Council adopt a Resolution amending the budget for Fiscal Year 2020-2021 to incorporate the list of projects to be funded by SB1 - RMRA with an estimated total allocation of \$502,727.

FISCAL IMPACT

With City Council approval, the Capital Funds Budget will be authorized to use the SB1-RMRA funding in the amount of \$502,727 for the above listing projects for Fiscal Year 2020-2021.

EXHIBIT(S)

- 1) SB1 Resolution - DRAFT
- 2) Pavement Management Plan