



Legislation Text

File #: 18-0469, **Version:** 1

TO:

Honorable Mayor and Members of the City Council

THROUGH:

Bruce Moe, City Manager

FROM:

Steve S. Charelian, Finance Director
Mark Leyman, Parks and Recreation Director
Eve Kelso, Recreation Services Manager

SUBJECT:

Budgeted Purchase of Proposition A Transportation Funds from the City of Diamond Bar (Finance Director Charelian).

ADOPT RESOLUTION NO. 18-0163

RECOMMENDATION:

City staff recommends that the City Council adopt Resolution No. 18-0163 approving the purchase of Budgeted Proposition A transportation funds from the City of Diamond Bar, and the Proposition A Local Return Fund Exchange Agreement.

FISCAL IMPLICATIONS:

Funds to effect this exchange are budgeted in the Parks and Recreation Administration budget using General Fund dollars. The exchange rate is seventy cents (\$0.70) for each \$1 of Proposition A funds. As a result, the City will receive \$230,000 in Proposition A funds at a cost of \$161,000 in General Fund moneys.

The amount to be exchanged is based on the projected shortfall of Proposition A funds in the FY 2018-19 budget (approximately \$230,000). This exchange relieves the prior imbalance which was being made up with Measure R transportation funds, which are now being used to fund Public Works projects.

The current year's transportation budget for the City is \$945,978. Dial-A-Ride services are budgeted at \$868,971. The FY 2018-19 Adopted Budget included an exchange of Proposition A funds with City of Manhattan Beach general funds.

BACKGROUND:

Earlier this year, during the biennial budget approval process, the City Council authorized staff to exchange General Fund dollars for Proposition A funds to supplement the transportation budget.

The FY 2018-19 Proposition A budget includes \$719,298 in revenue and \$945,978 in expenditures, resulting in a deficit of \$226,680. As a result, an exchange of approximately \$230,000 in Proposition

A funds at an exchange rate of approximately 70 cents on the dollar, or \$161,000 in general funds, was included in the Budget adopted by the City Council.

The transportation budget includes Dial-A-Ride, bus pass subsidies, recreation bus trips and funding for Beach Cities Transit. Historically, Measure R funds were used to help fund transportation services but these funds are now being used for Public Works transportation projects.

DISCUSSION:

City staff reached out to cities in Los Angeles County to survey and negotiate the best exchange rate for Proposition A funds. The City of Diamond Bar had the best overall exchange rate. The City of Diamond Bar agreed to transfer \$230,000 in Proposition A funds to the City of Manhattan Beach at an exchange rate of 70 cents on the dollar or \$161,000 in general fund monies. Diamond Bar's City Council approved the attached Proposition A Local Return Fund Exchange Agreement on September 18, 2018.

PUBLIC OUTREACH/INTEREST:

After analysis, staff determined that public outreach was not required for this issue.

LEGAL REVIEW

The City Attorney has reviewed this report and determined that no additional legal analysis is necessary.

Attachments:

1. Resolution No. 18-0163
2. Agreement - City of Diamond Bar