



## Legislation Text

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

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**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**

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**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