



CITY OF LODI

COUNCIL COMMUNICATION

AGENDA TITLE: Adopt a Resolution Certifying that the City will Sustain Its Level of Expenditures for Transportation Purposes for the Allocation of Funds from the State Under Assembly Bill 2928

MEETING DATE: January 17, 2001

PREPARED BY: Public Works Director

RECOMMENDED ACTION: That the City Council adopt a resolution certifying that the City of Lodi will sustain its level of expenditures for transportation purposes for the allocation of funds from the State under Assembly Bill (AB) 2928.

BACKGROUND INFORMATION: In October 2000, the City received a check in the amount of \$412,949.21 from the State allocating the City's share (in one lump sum) of the money provided by AB 2928. Along with this remittance came a Remittance Advice that places certain requirements on the handling of this money.

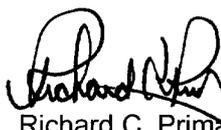
These new monies must be used only for street and highway pavement maintenance, rehabilitation and reconstruction of necessary associated facilities, such as drainage and traffic control devices. Rehabilitation or reconstruction may include widening to bring the roadway width to the desirable minimum pavement width consistent with accepted design standards for local streets, but does not include widening for increasing the traffic capacity of a street.

The new revenue for local streets subventions is to be used for specific maintenance and repair purposes, and imposes a Maintenance of Effort (MOE) provision which requires cities to maintain their current level of city general fund expenditures for transportation purposes. The MOE will be based on averaging the street expenditures for the last three fiscal years (1997/98, 1998/99, and 1999/00). This is the same approach used to calculate the MOE required for Measure K funds although the base years are different. The MOE requirement will be \$2,478,715.00 according to the Finance Department.

Complying with the MOE requirement is essential to be eligible for future funding under AB 2928. Future funding is expected to be equivalent to approximately \$100 million annually over the next five years and is to be split 50% to cities and 50% to counties.

AB 2928 also contains a "use it or lose it" provision which requires that the monies be expended by June 30 of the following fiscal year in which it was received. This money must be expended by June 30, 2002. If this money isn't expended by that date, it must be returned to the State Controller to be redistributed to compliant jurisdictions.

FUNDING: Not applicable.


Richard C. Prima, Jr.
Public Works Director

Prepared by Sharon Blaufus, Management Analyst
RCP/SB/lm

cc: Randy Hays, City Attorney
Wally Sandelin, City Engineer
Paula Fernandez, Associate Traffic Engineer
Carlos Tobar, Transportation Manager

APPROVED: 
H. Dixon Flynn -- City Manager

RESOLUTION NO. 2001-07

A RESOLUTION OF THE LODI CITY COUNCIL CERTIFYING THAT
THE CITY OF LODI WILL SUSTAIN ITS LEVEL OF EXPENDITURES
FOR TRANSPORTATION PURPOSES FOR THE ALLOCATION OF
FUNDS FROM THE STATE UNDER ASSEMBLY BILL 2928

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WHEREAS, in October 2000, the City received funds from the State allocating the City's share of the money provided by AB 2928, along with certain requirements on the handling of these funds; and

WHEREAS, these funds may only be used for street and highway pavement maintenance, rehabilitation and reconstruction of necessary associated facilities, such as drainage and traffic control devices; and

WHEREAS, rehabilitation or reconstruction may include widening to bring the roadway width to the desirable minimum pavement width consistent with accepted design standards for local streets, but does not include widening for increasing the traffic capacity of a street; and

WHEREAS, the new revenue for local streets subventions is to be used for specific maintenance and repair purposes, and imposes a Maintenance of Effort (MOE) provision which requires cities to maintain their current level of City general fund expenditures for transportation purposes; and

WHEREAS, the MOE will be based on averaging the street expenditures for the last three fiscal years (1997/98, 1998/99, and 1999/00). According to Finance Department records, the MOE requirement will be \$2,478,715.00; and

WHEREAS, complying with the MOE requirement is essential to be eligible for future funding under AB 2928, as future funding is expected to be equivalent to approximately \$100 million annually over the next five years and is to be split 50% to cities and 50% to counties; and

WHEREAS, AB 2928 contains a "use it or lose it" provisions which requires that the monies be expended by June 30, 2002, and if not used must be returned to the State Controller for redistribution.

NOW, THEREFORE, BE IT RESOLVED, that the Lodi City Council hereby certifies that the City of Lodi will sustain its level of expenditures for Transportation purposes for the allocation of funds from the State under Assembly Bill 2928.

Dated: January 17, 2001

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I hereby certify that Resolution No. 2001-07 was passed and adopted by the Lodi City Council in a regular meeting held January 17, 2001 by the following vote:

AYES: COUNCIL MEMBERS – Hitchcock, Howard, Land, Pennino and
Mayor Nakanishi

NOES: COUNCIL MEMBERS – None

ABSENT: COUNCIL MEMBERS – None

ABSTAIN: COUNCIL MEMBERS – None



SUSAN J. BLACKSTON
City Clerk