

DATE: November 12, 2008  
TO: Mayor and City Council Members  
FROM: Public Works Department  
SUBJECT: **RESOLUTION NO. 8405 – A RESOLUTION AUTHORIZING THE EXPENDITURE OF FY 08-09 PROPOSITION 1B FUNDS ON THE FOLSOM LAKE CROSSING, SUBMISSION OF THE PROJECT PLAN TO THE STATE DEPARTMENT OF FINANCE, AND APPROPRIATION OF FUNDS**

**BACKGROUND / ISSUE**

Proposition 1B (Prop 1B) provided \$19.925 billion in bond funds for a variety of transportation priorities, including \$2 billion for cities and counties to fund the maintenance and improvement of local transportation facilities. The 2007 Budget Act and Chapter 181, Statutes of 2007 (SB 88), appropriate a total of \$950 million of these Prop 1B funds in FY 07-08. Of this amount, Chapter 314, Statutes of 2007 (AB 196), specifies that \$550 million be allocated to cities and \$400 million be allocated to counties. On September 18, 2008, the City passed and adopted Resolution 8368 authorizing the use of the first disbursement of Prop 1B funds in the amount of \$1,139,332.75 for the ongoing Folsom Lake Crossing construction. The second allocation of Prop 1B funds is now available on a first come, first served basis. The City's allocation for the FY 08-09 Prop 1B funds is \$1,053,057.34.

**POLICY / RULE**

Financial agreements with outside agencies require City Council approval.

**ANALYSIS**

The City Council approved a Plan for Use of the FY 07-08 Prop 1B funding for the Folsom Lake Crossing, which includes a resolution by the City Council authorizing the use of funds on the project(s), as well as:

1. A list of projects expected to be funded with bond funds pursuant to an adopted local budget.
2. A description and location of each project.
3. The amount spent on each project.
4. The completion date of each project.
5. The useful life of each project

A similar Plan for Use is required for the second disbursement of Prop 1B funds. The City will also be required to submit updated plans to the Department of Finance once a year, including project completions and project status.

The State Department of Finance notified Cities that the FY 08-09 disbursement of Prop 1B funds must be encumbered by July 1, 2009. There is also a three-year use it or lose it provision that specifically requires the Prop 1B funds to be expended within three fiscal years after the fiscal year in which the Controller makes the allocation, requiring that the FY 08-09 Prop. 1B

monies must be expended by June 30, 2012. The Folsom Lake Crossing is planned to be completed in spring 2009, which will comply with the Prop 1B guidelines.

The Public Works Department has determined that the most urgent use of Prop 1B funds is for the completion of the Folsom Lake Crossing. The City's contribution to this project includes \$37.5 million from Measure A funds through the Sacramento Transportation Authority (STA) and \$6 million in Regional Surface Transportation Program funds via the Sacramento Area Council of Governments (SACOG). The addition of the Prop 1B funds will bring the City's contribution to this project to approximately \$46 million.

### **FINANCIAL IMPACT**

An additional \$1,053,057.34 will need to be appropriated for the Folsom Lake Crossing along with a corresponding increase in current year revenue in the Transportation Fund (Fund 446).

### **ENVIRONMENTAL REVIEW**

The Folsom Lake Crossing's Environmental Document was adopted on October 15, 2006.

### **ATTACHMENT(S)**

Resolution No. 8405 – A Resolution Authorizing the Expenditure of FY 08-09 Proposition 1B Funds on the Folsom Lake Crossing, Submission of the Project Plan to the State Department of Finance and Appropriation of Funds.

### **RECOMMENDATION/CITY COUNCIL ACTION**

The Public Works Department recommends that the City Council pass and adopt Resolution No. 8405 - A Resolution Authorizing the Expenditure of FY 08-09 Proposition 1B Funds on the Folsom Lake Crossing, Submission of the Project Plan to the State Department of Finance and the Appropriation of Funds.

Submitted

  
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Richard J. Loretz, PUBLIC WORKS DIRECTOR/CITY ENGINEER

**RESOLUTION NO. 8405**

**A RESOLUTION AUTHORIZING THE EXPENDITURE OF FY 08-09 PROPOSITION 1B FUNDS ON THE FOLSOM LAKE CROSSING, SUBMISSION OF THE PROJECT PLAN TO THE STATE DEPARTMENT OF FINANCE, AND APPROPRIATION OF FUNDS**

**WHEREAS**, Proposition 1B provided \$19.925 billion in bond funds for a variety of transportation priorities, including \$2 billion for cities and counties to fund the maintenance and improvement of local transportation facilities; and,

**WHEREAS**, the City of Folsom's FY 07-08 allocation of Proposition 1B funds was \$1,139,332.75; and,

**WHEREAS**, the City of Folsom's FY 08-09 allocation of Proposition 1B funds was \$1,053,057.34; and,

**WHEREAS**, the City Council passed and adopted resolution 8368, authorizing the use of FY 07-08 Proposition 1B funds for the Folsom Lake Crossing; and,

**WHEREAS**, staff has determined that the greatest need for the Proposition 1B funds is for the completion of the Folsom Lake Crossing:

**NOW, THEREFORE, BE IT RESOLVED** that the City Council of the City of Folsom authorizes the expenditure of FY 08-09 Proposition 1B funds on the Folsom Lake Crossing and submission of the project plan to the State Department of Finance, and,

**NOW, THEREFORE, BE IT FURTHER RESOLVED** that the Finance Department is directed to appropriate an additional \$1,053,057.34 to the Transportation Fund (Fund 446) and to increase the revenue budget in the Transportation Fund (Fund 446) by an equal amount

**PASSED AND ADOPTED** on this 18<sup>th</sup> day of November, 2008, by the following roll-call vote:

AYES: Council Member(s):

NOES: Council Member(s):

ABSENT: Council Member(s):

ABSTAIN: Council Member(s):

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Eric S. King, MAYOR

ATTEST:

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Christa Schmidt, CITY CLERK

Resolution No. 8405

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