

TO: City Council

FROM: Randy Pesses, Public Works Director

DATE: November 3, 2005

**SUBJECT: SUBMITTAL OF A CLAIM TO THE EL DORADO COUNTY
TRANSPORTATION COMMISSION (EDCTC) IN THE AMOUNT OF
\$418,000 AS PART OF THE CITY'S ALLOCATION OF FISCAL YEAR
2005/2006 REGIONAL SURFACE TRANSPORTATION PROGRAM
EXCHANGE FUNDS**

Recommendation

That the City Council adopt a resolution authorizing the City Finance Director to submit a claim in the amount of \$418,000 to the EDCTC as part of the City's allocation of fiscal year 2005/2006 Regional Surface Transportation Program (RSTP) exchange funds.

Background

The EDCTC has programmed, on behalf of the City of Placerville, funding under the Regional Surface Transportation Program for the purpose of providing for road rehabilitation project on various streets throughout the city. Principal among those projects is the "Upper Main Street Rehabilitation Project" that was approved earlier this year by your Council, the EDCTC and SACOG. Design of the project is complete and the project has been approved by the Caltrans Office of Local Assistance, and \$1.285 million of federal funding has been obligated for this project. It is anticipated that this project will go out to bid this winter, and will begin construction in the spring of 2006.

Discussion

The agreement with SACOG for advancing federal funding for this project requires a reimbursement to SACOG over four years from other funds available to the city. Reimbursement is to begin in fiscal year 05/06 and is to adhere to the following schedule:

| YEAR | AMOUNT |
|--------------------------|------------------|
| <i>Fiscal year 05/06</i> | <i>\$340,000</i> |
| <i>Fiscal year 06/07</i> | <i>\$315,000</i> |
| <i>Fiscal year 07/08</i> | <i>\$315,000</i> |
| <i>Fiscal year 08/09</i> | <i>\$315,000</i> |

In addition, this project requires an 11.47% local match, which is approximately \$166,000. The City's anticipated source of this local match is the RSTP exchange program whereby Caltrans exchanges federal RSTP funds for state funds and distributes this exchange money to local transportation planning agencies for use on local transportation projects, or to be used as the local match on federally funded projects.

The City has already received \$200,000 from the Commission in RSTP exchange funds. \$111,154 was utilized for the consultant contract to design the project, leaving a balance of approximately \$88,000 to be utilized towards the local match requirement. The remaining \$78,000 to make the local match, plus the \$340,000 first year reimbursement to SACOG totals the \$418,000 claim amount.

The EDCTC has programmed \$1,082,000 for City projects for fiscal year 05/06, but currently, has only received \$800,000 from the State under this program for disbursement to both the City and El Dorado County. It is important to note that the total funds received by the Commission are less than the amount programmed for both City and County projects, and the amount that the City actually receives is subject to an action by the EDCTC Board. The EDCTC Board did consider and approve the City's concept of a funding advance through SACOG to construct the upper Main Street Project, with repayment from future transportation dollars.

The City's local match requirement and first-year reimbursement amount totals \$418,000. Receipt of these funds from the Transportation Commission will allow the city to move forward with the construction phase of this project, and meet our first-year reimbursement obligations to SACOG.

Fiscal Impact

The Council authorized a \$200,000 claim from the EDCTC RSTP Exchange Account for the Upper Main Street Rehabilitation project on April 26, 2005 (Resolution number 7261). Staff has filed the claim with EDCTC and deposited a check in the amount of \$200,000. The Council also authorized an original contract and one addendum with Stantec Consulting Services Incorporated in the amount of \$111,154 for project design services. The \$200,000

RSTP net of the \$111,154 contract with Stantec leaves approximately \$88,000 that may be applied toward the City's local match to SACOG, which is \$166,000. In other words, the City needs an additional \$78,000 (\$166,000 - \$88,000) for the local match to SACOG.

The City will also have to payback SACOG \$340,000 as an installment for the advanced Federal transportation funding the City will receive for the Upper Main Street Rehabilitation project in Fiscal Year 2005/2006. So, the \$340,000 installment and the \$78,000 remaining local match total \$418,000.

The City receives approximately \$225,000 in Gas Tax revenue annually which is much less than the \$418,000 required for the project in 2005/2006. Due to the City's limited transportation revenue streams and the fact that EDCTC has recently received \$800,000 in RSTP Exchange funds that could potentially be ear-marked for the Upper Main Street Rehabilitation project, it would be wise for the City to submit a claim to the EDCTC for the \$418,000 soon. Therefore, Staff respectfully requests the Council to authorize a \$418,000 claim to the EDCTC for the RSTP funds.

Respectfully Submitted,

Reviewed for fiscal impact:

Randy Pesses
Public Works Director

David Warren
Finance Director

Approved for Submittal to City Council:

John Driscoll, City Manager/City Attorney