City of Culver City, California

Agenda Item Report

Meeting Date: 01/24/2011	Item Number: C-7
CITY COUNCIL AGENDA ITEM: Adoption of a Resolution Authorizing the Execution of the Certifications and Assurances for the Public Transportation Modernization, Improvements and Service Enhancement Account Bond Program	
Contact Person/Dept.: Crystal Alexander, Transportation	Phone Number: 310-253-6543
Fiscal Impact: Yes [X] No []	General Fund: Yes [] No [X]
Public Hearing: [] Action Item: []	Attachments: [X]
Commission Action Required: Yes [] No [x]	Date: ________________
Public Notification): (E-Mail) Meetings and Agendas – City Council (1/19/11); (E-Mail) Ongoing Topics – Culver CityBus (1/19/11)	
Department Approval: Art Ida (xx/xx/xx)	City Attorney Approval: Carol Schwab (by H. Baker) (01/18/11)
Chief Financial Officer Approval: Jeff Muir (by M. Noller) (01/19/11)	City Manager Approval: John M. Nachbar (01/19/11)

RECOMMENDATION:

Staff recommends the City Council adopt a Resolution authorizing the execution of the certifications and assurances for the Public Transportation Modernization, Improvements and Service Enhancement Account (PTMISEA) Proposition 1B Bond Program.

BACKGROUND:

The California State Treasurer sold bonds on November 23, 2010. However, the amount being allocated to the PTMISEA Prop 1B Program for transportation projects is considerably less than anticipated. Based on the allocation requests processed prior to the November bond sale, the projected need was $350 million for PTMISEA.

Although the exact amount available to the PTMISEA program is still being determined, the $77 million now expected compared to the $350 million originally requested means the sales were not at a level high enough to fund all of the pending PTMISEA allocation requests. Criteria are being developed to determine how the limited funds should be distributed to various transit agencies statewide.

To meet State Auditor requirements, CalTrans' Division of Mass Transportation has updated their guidelines and developed a Certifications and Assurances document (see attachment). Beginning in January 2011, each PTMISEA Project Sponsor will be required to sign the Certification and Assurances document prior to receiving an allocation of Fiscal Year 2010/2011 funds or later.

DISCUSSION:

The Certification and Assurances document contains general conditions of the PTMISEA program, which are already stated in the guidelines, as well as some additional cost principles and record retention requirements that are standard for other State funded projects. This level of accountability is becoming standard for grant funded projects. Each agency only needs to sign and submit the document once for the remainder of the PTMISEA program.

The City must return a signed copy of the document, along with the City Council Resolution, by February 15, 2011.

The State Controller's Office will be sending out the annual letter identifying each agencies' formulated share in the next few weeks. CalTrans will then begin accepting new allocation requests using the remaining balances from Fiscal Year 2008/2009 and Fiscal Year 2009/2010, and beginning to use the Fiscal Year 2010/2011 funds.

FISCAL ANALYSIS:

The financial impact to the Transportation Department is substantial. Presently, funding requests of $1,406,824 for Fiscal Year 2007/2008 through Fiscal Year 2009/2010 were made for purchase of twenty new CNG transit buses and for partial payment of the Expo Light Rail Aerial Station. As is typical for Transportation Department capital projects, matching fund sources from other federal, state and local funds will be applied to these projects as well. PTMISEA requests for Fiscal Year 2010/2011 through Fiscal Year 2016/2017 are estimated to be greater than $2.5 million to fund future CNG bus purchases and transit modernization projects.

ATTACHMENTS:

A. Proposed Resolution
B. Certifications and Assurances Document

MOTION:

That the City Council:

Adopt a Resolution authorizing the execution of the certifications and assurances for the PTMISEA Proposition 1B Bond Program.