



CITY OF COMMERCE AGENDA REPORT

TO: Honorable City Council

Item No. _____

FROM: City Administrator

SUBJECT: A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COMMERCE, CALIFORNIA, ADOPTING RESOLUTION ALLOCATING SENATE BILL 1: STATE OF GOOD REPAIR FUNDING ALLOCATION FOR FISCAL YEAR 2017-2018

MEETING DATE: FEBRUARY 6, 2018

RECOMMENDATION:

Adopt Resolution allocating Senate Bill 1 State of Good Repair 2017-2018 Funding Allocation to be used towards preventative maintenance and spare parts within the City's transit fleet.

BACKGROUND:

On April 28, 2017, Governor Brown signed Senate Bill (SB) 1 known as the Road Repair and Accountability Act of 2017. SB 1 will provide new on-going funding under several programs for a variety of transportation purposes. These include approximately \$105 million annually to transit operators for eligible transit maintenance, rehabilitation and capital projects under the State of Good Repair (SGR) Program. This program is funded from a new Transportation Improvement Fee on vehicle registrations that are due on or after January 1, 2018.

ANALYSIS:

The SGR Program is funded from a portion of a new Transportation Improvement Fee on vehicle registrations due on or after January 1, 2018. A portion of the fee will be transferred to the State Controller's Office (SCO) for the SGR program. The SCO will allocate SGR funds under the State Transit Assistance Program formula, to eligible agencies pursuant to Public Utilities Code (PUC) Section 99312.1. Half of the funds will be allocated according to population under PUC Section 99313, and half will be allocated according to transit operator revenues under PUC Section 99314.

The criteria for SGR eligible projects falls into three major areas:

1. Replacement or rehabilitation of:
 - Rolling stock
 - Passenger stations and terminals

- Security equipment and systems
- Maintenance facilities and equipment
- Ferry vessels
- Rail

2. Preventive maintenance

3. New facilities or maintenance equipment for transit fleet

After reviewing the eligible project guidelines, staff has determined the most effective use of these funds is for preventive maintenance of the City's transit fleet of CNG-powered buses.

ALTERNATIVES:

1. Approve staff recommendation
2. Reject staff recommendation
3. Provide staff with further direction

FISCAL IMPACT:

Based on the SGR funding estimate (see attachment) that was released by the State Controller's Office on October 20, 2018, The City of Commerce will be eligible for \$44,580 of SGR funds for FY 2017-2018.

RELATIONSHIP TO 2016 STRATEGIC GOALS:

This agenda item relates to the 2016 strategic planning goal: "review and update services and activities to increase efficiency," as this transit security subsidy will assist in mitigating transportation's operating and capital costs for the City.

Recommended by: Claude McFerguson, Director of Transportation
 Fiscal impact reviewed by: Vilko Domic, Director of Finance
 Approved as to form: Noel Tapia, Special Legal Counsel
 Respectfully submitted: Edgar P. Cisneros, City Administrator