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| AGENDA ITEM NO.          |
| COUNCIL MEETING 05-14-09 |
| <i>APPROVED BY</i>       |
| DEPARTMENT DIRECTOR      |
| CITY MANAGER             |

May 14, 2009

FROM: KENNETH P. HAMM, Director of Transportation

SUBJECT: AUTHORIZE THE DEPARTMENT OF TRANSPORTATION/FRESNO AREA EXPRESS TO APPLY FOR LOCAL TRANSPORTATION FUND (LTF) AND STATE TRANSIT ASSISTANCE (STA) FOR FISCAL YEAR 2009

**KEY RESULT AREA**

Financial Management, Customer Satisfaction, Employee Satisfaction

**RECOMMENDATION**

It is recommended that Council authorize the submission of the annual Transportation Funding Claim for Fresno's Local Transportation Fund (LTF) and State Transit Assistance (STA) entitlement in the amount of \$21,316,913, plus any additional funds made available during FY2009, and authorize the Director of Transportation to execute all claim documents on behalf of the City.

**EXECUTIVE SUMMARY**

The Council is being requested to approve the submission of the annual Transportation Funding Claim for Fresno's Local Transportation Fund (LTF) and State Transit Assistance (STA) entitlement in the amount of \$21,316,913, including \$1,034,539 in surplus FY2008 revenues, plus any additional LTF and STA funds that may become available in FY2009. Of the total \$21,316,913 in LTF and STA funds currently available, \$19,651,570 would be allocated to support ongoing transit operations. This amount is \$1,492,830 less than anticipated in the Department's FY2009 budget. This amount will not impact the Department's operating budget, but will reduce the amount available in the Department's operating reserve.

The remaining balance of \$1,665,343 will be allocated to other regional agencies and projects, including Public Works for bicycle and pedestrian improvements, Council of Fresno County Governments (COFCG) for regional planning, and the Consolidated Transportation Service Agency for community transit services.

**KEY OBJECTIVE BALANCE**

The authorization of the submission of the annual Transportation Funding balances the key objectives of Customer Satisfaction, Financial Management, and Employee Satisfaction. This Transportation Funding Claim contains funding that will allow the Department to fund ongoing operating costs and match capital grants. The Department will receive the resources needed to provide our customers with improved comfort, convenience and safety, and continued excellent customer service. Employee satisfaction is strengthened by providing employees with the tools, environment, and resources needed to allow them to provide services in the most efficient, effective manner.

**BACKGROUND**

The Council of Fresno County Governments (COFCG) has informed the Department of Transportation/Fresno Area Express (FAX) that the City of Fresno's annual Local Transportation Fund (LTF), under SB 325, and State Transit Assistance (STA), under SB 620, entitlement is \$21,316,913 for FY2009, including \$1,034,539 in FY2008 surplus. The FY2009 LTF and STA revenues and the FY2008 surplus revenues were anticipated and recognized in the Department's FY2009 budget. The total LTF/STA entitlement amount also includes a claim against the County of Fresno's entitlement in the amount of \$1,654,764 as reimbursement for transit

services within the County's jurisdiction, and \$211,031 from the City of Clovis for transit services for the period from July 1, 2008, through June 30, 2009.

Of the total LTF and STA funds allocated, \$19,651,570 will be used to reimburse the Department of Transportation/Fresno Area Express (FAX) for expenses associated with providing public transportation services. The remaining balance of \$1,665,343 will be allocated to other regional projects as described under "Fiscal Impact of Recommendations."

The amount received in the FY2009 annual Transportation Funding Claim for Fresno's Local Transportation Fund (LTF) and State Transit Assistance (STA) entitlement is \$1,492,830 less than the Department anticipated in the FY2009 budget. This amount will not impact the Department's operating budget, but will result in a decrease in the amount available in the Department's operating reserve.

The Council's authorization to submit the annual Transportation Funding Claim for Fresno's LTF and STA entitlement in the amount of \$21,316,913, plus any additional funds made available during FY2009, is consistent with the Department's FY2009 budget.

#### **FISCAL IMPACT**

The submission of the annual Transportation Funding Claim will result in the receipt of \$21,316,913 in revenues for the City of Fresno for Fiscal Year 2009 as follows:

- \$19,651,570 available to the Department of Transportation/Fresno Area Express to fund transit operations and capital.
- \$343,191 available to the Public Works Department to fund bicycle and pedestrian improvements.
- \$479,267 available to the Council of Fresno County Governments (COFCG) for the City's portion of Regional Transportation Planning activity expenses.
- \$842,885 available to the Consolidated Transportation Service Agency for community transit services.

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Attachment

**Attachment**

**Available FY 2009 LTF and STA Funding**

|   |                      |
|---|----------------------|
| (LTF) Local Transportation Funds - Articles 4 and 8.....                              | \$ 15,496,228        |
| (STA) State Transit Assistance.....   | 1,255,008            |
| (LTF) County of Fresno .....  | 1,654,764            |
| (LTF) City of Clovis.....   | 211,031              |
| Subtotal - Fiscal Year 2009 LTF/STA Funds For Transit Services.....                   | \$ 18,617,031        |
| (LTF) Local Transportation Funds – FY 2008 Surplus Funds For Transit Services.....    | 1,034,539            |
| <b>Total Funds Available In Fiscal Year 2009 For Transit Services.....</b>            | <b>\$ 19,651,570</b> |
| (LTF) Local Transportation Funds - Article 3 - Bicycle and Pedestrian Facilities..... | 343,191              |
| (LTF) Local Transportation Funds - Regional Transportation Planning.....              | 479,267              |
| (LTF) Local Transportation Funds - CTSA Article 4.5 Funds .....                       | 842,885              |
| <b>Total Claim.....</b>   | <b>\$ 21,316,913</b> |