

CITY OF HESPERIA STAFF REPORT



DATE: August 15, 2017
TO: Mayor and City Council Members
FROM: Nils Bentsen, City Manager
BY: Brian D. Johnson, Assistant City Manager/Management Services
George Pirsko, Senior Financial Analyst
SUBJECT: Local Transportation Fund – Article 8a Claim

RECOMMENDED ACTION

It is recommended that the City Council adopt Resolution No. 2017-39, authorizing the City Manager to file the FY 2016-17 Local Transportation Fund – Article 8a claim in the amount of \$2,209,696 with San Bernardino County Transportation Authority (SBCTA).

BACKGROUND

The California Transportation Development Act (TDA) of 1971 provides a funding mechanism to local government for transit services. This mechanism consists of the collection and allocation of one-fourth cent of each sales tax transaction to the State Local Transportation Fund. Called Local Transportation Funds (LTF), these monies are annually allocated to local governments based on population. In our region, SBCTA is the governing authority over these funds. In FY 2016-17, the total allocation of LTF to the City of Hesperia was approximately \$4,471,953 which includes \$93,483 excess funds from the FY 2014-15 close-out reconciliation.

LTF may be used for street and road improvements if any monies remain after providing for local transit needs. These road and street monies, should they be available, are designated as LTF – Article 8a funds, and must be officially claimed by the agency as such. This claim must be made to SBCTA.

Annually, the Victor Valley Transit Authority (VVTA) holds public hearings to determine the unmet transit needs. Based upon information from those hearings and established state and federal requirements, VVTA determines the total cost of all transit services in the High Desert. The City contributes LTF to this budget in proportion to its share of participants in the various VVTA programs offered. As a member of the VVTA, the City of Hesperia has met its constituents' FY 2016-17 transit needs through the expenditure of a major portion of allocated LTF.

The City's portion of the VVTA budget for FY 2016-17 was estimated to be \$2,262,257 by SBCTA. The City's monies are allocated to the following areas: VVTA administration and related capital purchases; the interconnected Victor Valley regional route system and related capital purchases; pickup service and transportation for ADA clients; and the Hesperia Community Route.

Distribution of Article 8a funds for FY 2016-17 occurs upon completion of the annual audit of these funds and the Measure I funds. For FY 2015-16, the audit was completed in December 2016.

ISSUES/ANALYSIS

Since all City transit needs have been met for FY 2016-17 through participation in the VVTA programs cited above, SBCTA has notified the Management Services Department that the balance of the City's LTF allocation of \$2,209,696 (which includes \$93,483 excess funds from FY 2014-15 close-out reconciliation) can now be claimed as Article 8a monies and used for street and road improvements.

Adoption of the Resolution No. 2017-39 and submission of that Resolution with the required claim form will fulfill SBCTA requirements for the City to claim the residual LTF as Article 8a monies for street and road improvements.

FISCAL IMPACT

The Article 8a allocation of \$2,209,696 is more than the FY 2016-17 Budget of \$2,113,262 by \$96,434.

ALTERNATIVE(S)

Provide alternative direction to staff.

ATTACHMENTS

1. Resolution No. 2017-39