



STAFF REPORT
10/9/2019

TO: Honorable Mayor and City Council Members
FROM: Jonathan Hoy, P.E., Assistant City Manager/City Engineer
SUBJECT: Gas Tax Account Budget Adjustment

STAFF RECOMMENDATION:

Authorize an appropriation in fiscal year 18/19 in the amount of \$669,000.00 to be established in the Street DIF and reduce the appropriation in the Gas Tax Fund for that same amount.

BACKGROUND:

In the 2018/19 fiscal year, the City completed two pavement rehabilitation projects, ST-70 and ST-77. These improvements included the resurfacing of local streets in twelve neighborhoods and three arterial streets. The total cost for these improvements was \$2,582,950.00. This work was paid for by Gas Tax, Measure A, SB1 and Streets and Transportation Development Impact Fees(Street DIF).

DISCUSSION/ANALYSIS:

During a recent review of the Gas Tax fund, staff discovered that the Gas Tax Fund had a negative fund balance of \$669,000.00. The original budget should have come from the Streets DIF account. In the past with the Development Impact Fee funds the City has loaned funds to the affected accounts to complete projects. However Gas Tax is not a source that the General Fund would advance funds. Therefore, to correct this error, staff is recommending that a budget adjustment be made in the amount of \$669,000.00 to the Street DIF and a reduction of the same amount from the Gas Tax Fund.

FISCAL IMPACT:

Establish an additional appropriation in fiscal year 18/19 of \$669,000.00 in the Street DIF and reduce the appropriation in the Gas Tax Fund for the same amount.