

**COUNCIL ACTION
EXECUTIVE SUMMARY SHEET
CITY OF SAN DIEGO**

DATE ISSUED: October 26, 2011
ATTENTION: Budget and Finance Committee
ORIGINATING DEPARTMENT: Public Works - Engineering and Capital Projects
SUBJECT: TransNet Local Street/Road Program – 2010 Audit
COUNCIL DISTRICT(S): Citywide
STAFF CONTACT: James Nagelvoort/619-533-3616
Myrna Dayton/619-533-6671

REQUESTED ACTION:

City Council approval is requested to bring the City into compliance with the SANDAG Audit.

STAFF RECOMMENDATION:

Approve the resolutions.

1. Authorizing the Chief Financial Officer to make adjustments to Transnet funded projects according to Attachment A, transferring funds from completed projects to other Transnet eligible projects, to comply with the SANDAG Board Policy No. 031; and
2. Authorizing the Chief Financial Officer to request SANDAG to carry forward previously programmed project funds, as noted in Attachment B, in SANDAG's Projecttrak accounting system to comply with SANDAG Board Policy 31 #17 Section III B(4); and
3. Authorizing the Chief Financial Officer to increase Transnet Funds for MPOID SD176, Street Maintenance, as noted in Attachment B, to comply with SANDAG Board Policy 31 #17 Section III B(4).

EXECUTIVE SUMMARY:

SANDAG, as the Metropolitan Planning Organization and the Regional Transportation Planning Agency, is required by state and federal laws to develop, adopt, and manage a Regional Transportation Improvement Program (RTIP). The RTIP is a multi-billion dollar, multi-year program of proposed projects for major highway, arterial, transit, and bikeway projects including the TransNet Program of Projects.

In 1987, San Diego County voters recognized the challenge to keep San Diego residents, visitors, and commerce on the move, and they approved TransNet; a regional half-cent sales tax collected to finance transportation improvements. That initial 20-year TransNet program generated approximately \$3.3 billion between 1988 and 2008. SANDAG, which administers TransNet funds, distributed the money in equal thirds among transit, highway, and local road projects. In addition, \$1 million was earmarked annually for bicycle paths and facilities. The program also funded seven innovative Walkable Community Demonstration Projects.

In November 2004, voters approved a Transnet Extension Ordinance extending TransNet funding 40 years, and creating more than \$14 billion for future transportation improvements. The Ordinance also created the Independent Taxpayer Oversight Committee (ITOC) to monitor the expenditure of the Transnet funds. The TransNet Extension Ordinance requires recipients of TransNet funds to comply with the requirement for an independent annual fiscal and compliance

audit. The ITOC is responsible for issuing an annual audit statement on each jurisdiction's compliance with this requirement. The fiscal and compliance audit report for the year ending June 30, 2010, is attached.

Fiscal Year 2010 was the second year recipient agencies were required to comply with the Transnet Extension Ordinance. Based on the results all recipient agencies including the City of San Diego were generally compliant, with the following exceptions for the City of San Diego.

There were 8 projects that required fund transfers, but did not receive proper approvals by the end of the fiscal year 2010, as required by SANDAG Board Policy. This action will allow the City to amend these projects, according to Attachment A, by transferring funds from completed projects to other Transnet eligible projects in SANDAG's Projecttrak accounting system in compliance with SANDAG Board Policy No. 031, below.

"... any transfer of funds from one project to another requires the local agency to provide documentation that its governing body consents to the transfer proposed prior to or concurrent with the final issuance of the fiscal year audit. Such documentation shall consist of a signed staff report or resolution. Transfers that require an amendment to the RTIP must follow the amendment process outlined in Rule #7"

The City did not provide a detailed general ledger for TransNet revenues and expenditures for SANDAG's review in a timely manner as required by SANDAG Board Policy. This action will authorize the Chief Financial Officer to request SANDAG to carry forward \$36,585,149 of previously programmed project funds, including carrying forward of Transnet Funds for MPOID SD176, Street Maintenance, in the amount \$14,312,040 as noted in Attachment B, in SANDAG's Projecttrak accounting system, to comply with SANDAG Board Policy No. 031, Rule #17, Section III B(4) below.

if the auditor is unable to complete the audit because an agency was not ready or did not provide the required information or reviews in a timely manner, then the agency will be deemed in non compliance of the Ordinance. SANDAG will withhold future TransNet payments (except for required debt service payments) until the audit draft is completed"

All Transnet revisions to SANDAG's Projecttrak accounting system related to this action have been programmed for Capital Improvement Projects and are detailed on the attached Program of Projects. Following City Council approval, the attached list of projects will be entered into the SANDAG's ProjectTrak system to revise the existing 2010 RTIP and the drawdown will take place.

FISCAL CONSIDERATIONS:

There is no Fiscal impact.

EQUAL OPPORTUNITY CONTRACTING (IF APPLICABLE):

This action does not authorize entering into any contract or agreement; however, future contracts or agreements associated with action will be subject to the City's Equal Opportunity Contracting (San Diego Ordinance No. 18173, Section 22.2701 through 22.2708) and Non-Discrimination in Contracting Ordinance (San Diego Municipal Code Sections 22.3501 through 22.3517).

PREVIOUS COUNCIL and/or COMMITTEE ACTION:

- City Council Resolution R-305177, dated July 8, 2009, authorized the Fiscal Year 2010 American Recovery and Reinvestment Act (ARRA) Exchange and RTIP Amendment
- City Council Resolution R-305752, dated April 13, 2010, approved the Regional Transportation Congestion Improvement Program (RTCIP) and associated fees
- City Council Resolution R-305885, dated June 24, 2010, authorized the City of San Diego's submission of the 2010 Regional Transportation Improvement Program (RTIP)
- City Council Resolution R-306784, dated April 26, 2011, approved the Regional Transportation Congestion Improvement Program (RTCIP) and associated fees
- City Council Resolution R-306848, dated June 9, 2011, authorized the City of San Diego's submission of the 2010 Regional Transportation Improvement Program (RTIP)

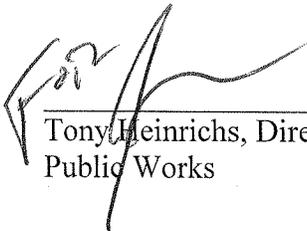
COMMUNITY PARTICIPATION AND PUBLIC OUTREACH EFFORTS:

KEY STAKEHOLDERS AND PROJECTED IMPACTS:

Citywide communities



Kip Sturdevan, Interim Director
Transportation & Storm Water



Tony Heinrichs, Director
Public Works

Attachments: Attachment A – Schedule A - Project Fund Transfers for SANDAG Annual Audit
Attachment B – Schedule B - Re-Authorize Projects for SANDAG Drawdown

Attachment A

Transfer From MPO ID	wbs	Project Name	\$ Amount	Transfer To MPO ID	wbs	Project Name(s)
SD163	500924	La Jolla Museum Traffic	\$89,863	SD09	AIK00001/AIK00003	Various (1)
SD44	closed	Reconfigure La Jolla Shore	\$1,404	SD10	500875	Ocean Front Walk - San Fernando to Ventura
SD22	AID00001	Underground City Utilities - AA	\$33,274	SD104	500829	Paradise Hill Revitalization
SD43	closed	Lisbon Street; Imperial Avenue to 217 Ft East of 71 St	\$40,712	SD104	500829	Paradise Hill Revitalization
SD44	closed	Reconfigure La Jolla Shore	\$270,091	SD104	500829	Paradise Hill Revitalization
SD44	closed	Reconfigure La Jolla Shore	\$238,027	SD112	500856	Via de La Valle, San Andreas Rd to El Cammino Real
SD163	500924	La Jolla Museum Traffic	\$70,040	SD114	500945	Rose Creek Bikeway
SD01	500894	Alvarado Canyon Realignment	\$63,195	SD132	500896	Bird Rock Coastal Traffic Flow Improvement
SD180	500980	Hollister Street Widening	\$197,063	SD132	500896	Bird Rock Coastal Traffic Flow Improvement
SD44	closed	Reconfigure La Jolla Shore	\$272,795	SD132	500896	Bird Rock Coastal Traffic Flow Improvement
SD83	500851	SD 163 @ Frars Road	\$310,768	SD132	500896	Bird Rock Coastal Traffic Flow Improvement
SD163	500924	La Jolla Museum Traffic	\$367,271	SD136	500949	Ocean Beach/Hotel Circle
SD163	500924	La Jolla Museum Traffic	\$35,710	SD173	500930	38th Street Improvements (ARRA)
SD124	closed	Fiesta Island Drive	\$67,206	SD181	500979	Soledad Mtn Road Emergency
SD44	closed	Reconfigure La Jolla Shore	\$8,610	SD181	500979	Soledad Mtn Road Emergency
SD74	closed	Sunset Cliffs Erosion Project	\$8,081	SD181	500979	Soledad Mtn Road Emergency
SD163	500924	La Jolla Museum Traffic	\$45,552	SD31	500859	Carmel Valley Road
SD163	500924	La Jolla Museum Traffic	\$149,909	SD32	500841	Carroll Glyn Rd Sorrento Valley Rd to I-805
SD163	500924	La Jolla Museum Traffic	\$25,969	SD86	500605	Famosa Slough Salt Marsh Restoration
SD90	500905	SR 163/Clairmont Mesa Blvd Interchange	\$2,094,548	SD90	500905	Clairmont Mesa/SR163

(1) Americans with Disabilities Improvements (ARRA); New Walkways (ARRA); Grove Street Sidewalk - Southside; No. & So. Side Ridgeway Ct Sidewalk; Sidewalk Replacement and Repair - AA

Attachment B

Projects to Re-authorize and Carry forward budget for SANDAG Drawdown purposes

MP/ID	WBS	Project Title	RTIP Fund Type	Carry-over to Re-authorize
SD127	S-00941	Shoal Creek Pedestrian Bridge - Phase I	Transnet - LSI	\$2,500,000
SD130	S-00912	Skyline Drive - Street Enhancement	Transnet - LSI	\$325,000
SD136	S-00949	Ocean Beach Bike Path/Hotel Circle North Bikeway Design	Transnet - Bike	\$150,000
SD114	S-00946	Rose Creek Beach Bikeway	Transnet - LSI	\$5,350,000
SD136	S-00949	Ocean Beach Bike Path/Hotel Circle North Bikeway Design	Transnet - LSI	\$518,884
SD139	S-00939	Laurel Street Bridge Over Highway 163	Transnet - LSI	\$326,000
SD173	S-00930	38th Street Improvements	Transnet - LSI	\$2,000,000
SD176		Maintenance	Transnet - LSI	\$14,312,040 *
SD180	S-00980	Hollister Street Improvements	Transnet - LSI	\$200,000
SD186		Administrative Expenses	Transnet - LSI	\$348,225
SD197	S-00001	Imperial Ave Bus Stop and Trolley Station Enhancements	Transnet - LSI	\$315,000
SD32	S-00841	Carroll Canyon Road	Transnet - LSI	\$10,000,000
SD92		Streetscape Improvements Projects	Transnet - LSI	\$240,000
Total				\$36,585,149 **

*Note \$6,050,400 of SD176 is from ARRA Funds
 **Note Total has no fiscal impact to City of San Diego, the listed funds are solely to gain full access to Transnet funds programmed in