

CITY OF GARDEN GROVE

INTER-DEPARTMENT MEMORANDUM

To: Matt Fertal
Dept: City Manager
Subject: RECOMMENDATION TO EXECUTE
COUNTY OF ORANGE CITY AID
PROGRAM AGREEMENT FOR
FISCAL YEAR 09/10

From: Keith G. Jones
Dept: Public Works
Date: April 28, 2009

OBJECTIVE

To execute the City Aid Program (CAP) agreement between the County of Orange and the City of Garden Grove.

BACKGROUND

On July 31, 2007, the Orange County Board of Supervisors adopted Resolution No. 07-109, which allows a portion of the County's Proposition 42 (Prop. 42) funds to be shared with Orange County cities, and approved an allocation of \$10M for the City Aid Program (CAP) for the Fiscal Year (FY) 08/09. The CAP has been formulated to provide Orange County cities with additional funds for city roadway maintenance projects.

Due to the recent economic downturn, the County's Prop. 42 allocation from the State was lower than anticipated for FY 08/09, and may be lower for FY 09/10 as well. For this reason the CAP allocation is reduced for FY 09/10. The County has tentatively identified \$7M for the CAP, should Prop. 42 allocations come through as anticipated.

DISCUSSION

The City of Garden Grove has been allocated to receive \$403,928 for FY 09/10. This amount is based on our population percentage as indicated in the County's CAP program (attachment). Further, the County's CAP grant funds are in addition to the Prop. 42 programmed funds the City is to receive in FY 09/10 directly from the State.

The Prop. 42 CAP agreement requires the City of Garden Grove to commit to the following: 1) to maintain its existing "Maintenance of Effort" by further use of local funds for street and highway, maintenance, rehabilitation, reconstruction and storm damage repair; 2) to expend (pay to contractors) its FY 09/10 CAP allocations by June 30, 2011, on Prop. 42 eligible projects or return CAP allocations to the County of Orange; and 3) provide the County of Orange with FY 09/10 CAP expenditure certification by August 31, 2011.

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The County of Orange will distribute CAP allocations to the City of Garden Grove upon the County of Orange receiving Prop. 42 funding from the State, and approval of the attached CAP agreement by the Board of Supervisors. Distribution of CAP allocations will be made to cities on a first-come, first-served basis, with the submittal of *proof of project award* documentation and city invoices. Any delay or change to the State's Prop. 42 grant program may directly impact CAP implementation. The County of Orange's tentative schedule to approve the CAP agreements is June 2, 2009.

FINANCIAL IMPACT

There is no general fund impact associated with this action. However, FY 09/10 CAP allocations shall be returned to the County of Orange if allocations are not expended (paid to contractors) by June 30, 2011.


COMMUNITY VISION IMPLEMENTATION


Per the Strategic Plan adopted by City Council, execution of the attached agreement will help maintain and enhance the City's infrastructure assets to maximize its value, longevity, and usefulness for the community.

RECOMMENDATION

It is recommended that the City Council:

- Approve the Proposition 42 City Aid Program Agreement.
- Authorize the City Manager and the City Clerk to execute the attached three (3) original agreements as required for participation in the County's Proposition 42 City Aid Program.


KEITH G. JONES
Public Works Director

BY: 
A.J. Holmon III
Environmental/Streets Division Manager

Recommended for Approval


Matthew Feral
City Manager

Attachments: 1) County Proposition 42 FY 09/10 CAP Agreement
 2) CAP Allocation to Cities