



TO: Mayor and City Council

FROM: Jennifer Ferrer-Santa Ines, Director of Finance and Budget

DATE: February 16, 2022

RE: Ordinance creating a Street Overlay and Reconstruction Fund 346

In August 2013, members of the community approved Proposition 1 to establish a fund dedicated to street overlay and reconstruction. The City's General Fund Budget provides contributions towards this purpose totaling \$2 million per year adjusted annually by consumer price index (CPI).

To date, the funds have been used to pay annual debt service payment towards the 2014 Street Improvement project and the 2018 Street Resurfacing project. These amounts total \$1,650,250 and \$399,664 respectively. The remainder is deposited in a Capital Projects Fund that includes other revenue from vehicle license fees and property tax.

For the reasons stated above, Staff is recommending a formal adoption of the Street Overlay and Reconstruction Fund 346 as indicated in the proposition approved by the community in 2013. Having this separate fund and establishing a separate Transportation Benefit District fund will ensure that the revenue for each will be utilized towards intended purposes for those funds.