

# Agenda Report

**TO:** City Council

April 17, 2001

**THROUGH:** Legislative Committee

**FROM:** City Manager

**SUBJECT:** Oppose Senate Bill 829 (Karnette) *Transportation: Funding*.

## **RECOMMENDATION**

It is recommended that the City Council:

1. Oppose Senate Bill 829 (Karnette) *Transportation: Funding* unless amended to ensure the increase in transit dollars goes to local cities; and
2. Authorize the Mayor to send letters to the appropriate authorities stating Pasadena's position

## **BACKGROUND**

On July 7, 2000, the Governor signed AB 2928 which transferred approximately \$6.8 billion over the next five years from the State General Fund to the Transportation Investment Fund for transportation purposes. Cities and counties will receive approximately \$1 billion of this money for preservation, maintenance and rehabilitation of the local street and road system. This money must be used to enhance existing preventative maintenance programs. In October of 2000, the City of Pasadena received the first year allotment of \$1,025,000. The proposed FY 2002 – 2006 Capital Improvement Program budget recommends that these funds will be used to enhance the City's preventative maintenance program for alleys and streets. The City will receive approximately \$434,000 per year over the next four years.

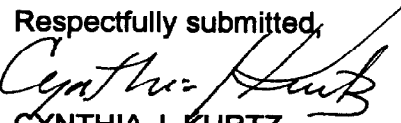
Senate Bill 829 by Senator Karnette would extend indefinitely the period during which the transfer of money from the State General Fund to the Transportation Investment Fund would take place. This is similar to Assembly Bill 227 (Longville) – *Transportation Funding* which the City Council voted to support on April 2, 2001. However, unlike AB 227 that would indefinitely extend the transfer at the current distribution, SB 829 will change the agreed-upon formula for distribution to increase the transit portion and reduce the STIP, city and county portions. Under this bill the cities' portion would drop from 20 percent to 16.5 percent.

Transit funding is a top priority to the city. However, it is unclear how the increased transit dollars will be distributed and there is no guarantee these funds would go to meet local transit needs. Staff recommends the City advocate to include language in this bill to guarantee a portion of the increased transit dollars benefit local transit issues. Until an amendment to this effect takes place, staff recommends the City oppose SB 829.

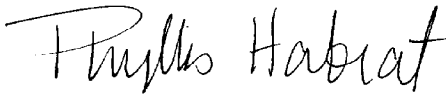
The League of California Cities opposes this bill because it takes away scarce transportation dollars from local governments and would further exacerbate the shortfalls on the city street and county road system. The Senate Transportation Committee will hear this bill on April 17, 2001.

**FISCAL IMPACT:**

Passage of Senate Bill 829 would permanently reduce transportation revenue directly to Pasadena and all other cities and counties in the state for the maintenance of local streets and roads.

Respectfully submitted,  
  
CYNTHIA J. KURTZ  
City Manager

Prepared by:



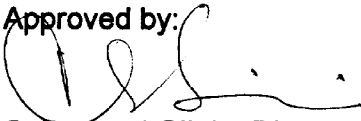
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