

CITY OF GARDEN GROVE

INTER-DEPARTMENT MEMORANDUM

To: Matt Fertal
From: Keith G. Jones
Dept: City Manager
Dept: Public Works
Subject: RECOMMENDATION TO EXECUTE COUNTY OF ORANGE CITY AID PROGRAM AGREEMENT FOR FISCAL YEAR 08/09
Date: January 22, 2007

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.

DISCUSSION

The City of Garden Grove will receive \$579,805.00 in the FY 08/09 based on our population percentage of 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 08/09 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 CAP allocation(s) by June 30, 2010, on Prop 42 eligible projects or return CAP allocations to the County of Orange; and 3) provide the County of Orange with FY 08/09 CAP expenditure certification by August 31, 2010.

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

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allocations will be made to cities on a first come first serve basis, with the submittal of *proof of project award* documentation and city invoice(s). It must also be noted that successful implementation of the CAP is dependent on the County receiving its programmed Prop. 42 funding from the State for the FY 08/09. 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 April 2008.

FINANCIAL IMPACT

There is no general fund impact associated with this action. However, CAP allocations shall be returned to the County of Orange if allocations are not expended (paid to contractors) by June 30, 2010.

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:

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

KEITH G. JONES
Public Works Director

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

Attachment: County Proposition 42 FY 08/09 CAP Agreement (3 originals)