

CHAPTER 1

Project Prioritization, Programming & Funding

Overview

This chapter provides an overview of the programming process used in the preparation of the City's five year Transportation Capital Improvement Program, and guidelines on the prioritization and funding of projects.

The process for including projects in the City's 5-Year Transportation Capital Improvement program generally begins with listing and prioritizing the project in the City's Transportation Programming Guide, assessing funding availability and eligibility, and working with the various stakeholders to define the project. The Department's recommendation on the prioritization and programming of projects is developed through its Fund Status Report (FSR) committee which reviews CIP balances, need for funding, and develops an overall strategy on the use of available funds. The Department's recommendation is forwarded to the City Council for approval during budget hearings usually held in May, or on a case by case basis as appropriate.

Requests for additional funding for an existing CIP project or program are managed through the Division's Funding and Project Development Section (F&PD). The Section reviews the need for additional funds, identifies fund sources, and approves the request for processing.

The following topics are covered within this chapter:

- Transportation Programming Guide (TPG)
- Capital Improvement Projects and Programs
- Funding Types & Eligibility
- Grant Funding
- Transportation Fund Status
- Funding Requests

SECTION 1-1

Transportation Programming Guide (TPG)

PURPOSE

This section establishes policies and procedures for updating, publishing, and using the Transportation Programming Guide.

DEFINITIONS / ABBREVIATIONS

- BACBicycle Advisory Committee
- CACCommunity Advisory Committee
- CIPCapital Improvement Program
- TPGTransportation Programming Guide
- WG.....Working Group

For additional abbreviations, please see the Abbreviations section at the end of this Manual.

POLICY

The TPG is a comprehensive document that outlines and prioritizes the City of Sacramento's transportation programs and projects. It is used by City staff and the City Council as a guide when making funding recommendations and decisions regarding transportation projects and when developing the annual transportation CIP.

It is the policy of the Department of Transportation to update the TPG on a regular basis to reflect the most recent scope, cost, and prioritization of transportation projects.

AUTHORITY

The City Council approves both the scoring criteria used in evaluating projects and the scored and ranked project lists. Neither the BAC nor the CAC has approval authority over

the development of the TPG. Rather, their role is advisory in nature and designed to ensure that stakeholder input is included in the TPG process.

RESPONSIBILITIES

Funding and Project Development, Supervising Engineer

The Funding and Project Development, Supervising Engineer is responsible for overseeing the development of the TPG. The Supervising Engineer is responsible for review of the final draft of the TPG, City Council communications and correspondence, City Council staff reports, and attending City Council briefings and meetings. The Supervising Engineer is to be consulted on any proposed changes to the scoring criteria and whether criteria changes will be made in a particular year. The decision on whether to modify criteria in a particular year is the responsibility of the Supervising Engineer in consultation with the Engineering Services Manager.

TPG Project Manager (Senior Engineer)

The TPG Project Manager oversees and supervises the TPG Coordination Team. Duties include: reviewing and approving the TPG schedule, reviewing agendas and minutes for the CAC and TPG WG meetings, attending meetings, reviewing draft deliverables prior to publication, and reviewing correspondence with the public and other agencies. The TPG Project Manager also responds to City Council inquiries, provides City Council briefings, writes the necessary City Council staff reports, and presents the scoring criteria and the scored and ranked lists to the City Council for approval.

TPG Coordination Team

The TPG Coordination Team is comprised of Funding and Project Development staff which reports directly to the TPG Project Manager for the development of the TPG. Roles and responsibilities assigned by the TPG Project Manager to the coordination team include the following:

- Development of the TPG schedule.
- Coordination and administrative activities involving the CAC and WG.
- Maintenance of the CAC Roster, attendance, and tracking of stipends.
- Assistance with public outreach.
- Preparation of draft responses to comments on the TPG.
- Preparation of draft criteria for the WG and the CAC review.
- Maintenance of distribution lists.
- Publication and distribution of the final document.

Working Group

The WG is an inter-departmental team which serves as an advisory team to the Department on the formulation of criteria for scoring and ranking of projects. The WG reviews draft criteria prepared by the TPG Coordination Team and evaluates input from the public outreach and the CAC. The WG helps screen and compile the project lists and helps apply the City Council approved criteria to generate the scored and ranked lists. The WG reviews the entire text of the final document prior to publication.

Community Advisory Committee

The CAC provides citizen feedback throughout the development of the TPG and advises City staff on the weighting criteria and project nominations.

Bicycle Advisory Committee

The role of the BAC is to review and recommend approval for the bicycle related portions of the TPG.

TPG OVERVIEW

The TPG is a comprehensive document that outlines and prioritizes the City of Sacramento's transportation programs and projects. It is comprised of ten primary program areas including:

- Major Street Improvements
- Street Maintenance
- Street Reconstruction
- Traffic Signals
- Alternate Modes
- Bridge Replacement and Rehabilitation
- Streetscape Enhancements
- Sidewalks to Schools
- Speed Humps
- Train Horn Quiet Zones

It also includes a Development Driven Section, which lists transportation projects that are to either be delivered by private development, or are to be delivered by DOT in conjunction with private development activities within the City. These projects are an integral part of the City's overall transportation system, and their inclusion in the TPG helps provide a comprehensive picture of the City's transportation needs and priorities.

WORKING COMMITTEES

Community Advisory Committee

The CAC is a body of eleven (11) members appointed by the Mayor and confirmed by the City Council as follows: eight (8) members [one (1) from each council district] recommended by the respective Councilmember, one (1) at-large member recommended by the Mayor, one (1) member

representing the Sacramento Area Bicycle Advocates Association, and one (1) member representing the American Lung Association. The City Clerk opens the application period for seating on the CAC. When appointments are confirmed by Mayor and City Council, members are seated on the committee. Membership on the CAC is for a three-year term with a two-term limit upon reappointment. The TPG CAC meets as needed for the update of the document, approximately five times per year. There is a stipend of \$25 per meeting per the City's Compensation Commission (November 17, 2003).

Working Group

The WG consists of staff from the Planning Department, the Development Services Department, the Economic Development Department, the Sacramento Housing and Redevelopment Agency, and staff from the Department of Transportation. The WG is the technical committee that considers changes to the scoring and weighting criteria and makes recommendations to the City Council. The WG also serves as the technical advisory committee to the CAC.

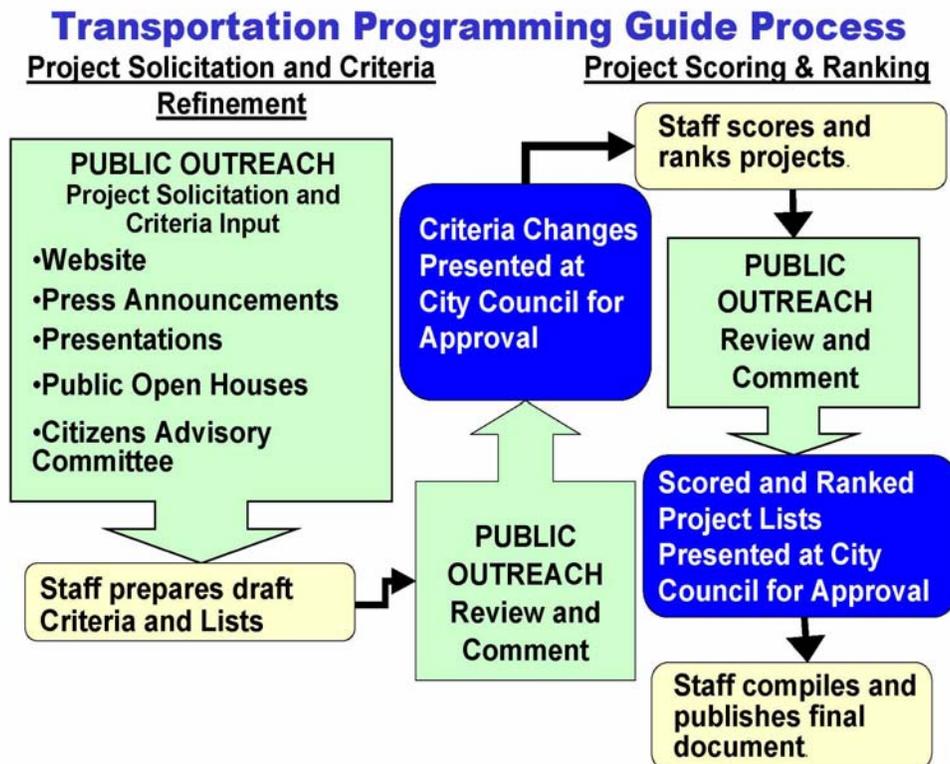
Bicycle Advisory Committee

The BAC is a joint City-County body of twelve (12) members, six (6) of whom are appointed by the Mayor and confirmed by the City Council. The remaining six (6) members are County appointed.

TPG PROCESS

Overview of TPG Process

The TPG is a document that is developed in three phases; criteria modification and project lists development, project scoring and ranking, and compilation of the final document. It is usually updated on an annual basis, although in some years it may not include modifications to the scoring criteria. Final approval of the scored and ranked project lists is typically in November of each year so that the rankings can be used for the development of the Measure A Expenditure Plan and the annual CIP. Development of the document involves input and feedback from multiple stakeholders including City Council members, the general public, staff from other departments, and Department of Transportation staff.



Outreach Process

City staff conducts an outreach program, which is intended to maximize the opportunity for community input throughout the update of the TPG. The outreach process is comprised of several tasks that are listed below:

- Meeting with Council Members: Council offices are contacted for briefings twice during the development of the TPG; first prior to the criteria presentation to Council for approval, and second prior to the scored and ranked lists presentation to Council for approval. These meetings provide the opportunity for Council members to give input, review draft deliverables, and hear highlights of input received from the community.
- Website: The TPG web page is updated frequently to allow input from the community and to provide draft deliverables for public review. Draft criteria and draft scored and ranked lists are posted on the website at least 30 days prior the City Council public hearing for approval of these items.
- Press Announcements: Press announcements are used to announce the kick-off of the TPG, availability of deliverables and review periods, and meeting dates.
- Public Open House: Early in the process of the TPG, City staff holds at least one public open house. The purpose of the open house is to educate the public on the TPG and solicit input from the community on criteria, process, and project ideas. Members of the WG from Traffic Engineering, Street Maintenance, and Funding & Project Development, as well as the Planning Department attend the open house to answer questions and hear the stakeholders' transportation concerns.
- Presentations to BAC & Planning Commission: Presentations are given to

the BAC and the Planning Commission for input.

- Presentations/Announcements to Neighborhood Service Area (NSA) Leadership Meetings: With the assistance of the NSA directors, presentations are given to the NSA Leadership. Announcements are made at these meetings regarding availability of deliverables and review periods and meetings dates.

Criteria Development

The TPG Project Manager and Coordination Team evaluate whether criteria modifications are necessary in a particular year and make a recommendation to the Funding and Project Development, Supervising Engineer. Generally, criteria changes are needed if results of individual scoring criterion do not reflect the original intent, or if new City policies have been adopted that should be incorporated in the TPG.

If criteria changes are not needed, the WG is notified of the decision. The City Council is also informed by way of an off agenda memorandum and given approximately two weeks to provide feedback on the decision.

If criteria changes are needed in a particular year, the WG, with input from the public outreach process, develops preliminary draft criteria. The draft criteria are then presented to the CAC for review and comment. The Alternate Modes Section criteria are presented to the BAC for recommended approval. The WG then evaluates the comments from the CAC and BAC and develops the final draft criteria. Draft criteria are then posted on the website for public review. City Council offices are contacted for briefings regarding the draft criteria. The criteria for the program areas are then presented to City Council for approval.

Project List Development

Concurrent with criteria development, the TPG WG also compiles the project lists for the various program areas. Transportation projects to be included generally result from current

transportation studies, planning documents, and economic development opportunities. Additionally, project ideas for all program areas, with the exception of the Street Reconstruction, Street Maintenance, and Bridges Sections, are solicited from the Mayor and City Council, the Planning Commission, City staff, CAC, the general public, City Manager's Office and Neighborhood Services. The WG screens suggested projects with eligibility criteria published in the respective area of the TPG and adds them to the lists, if appropriate. The Street Reconstruction and Street Maintenance lists come from the Street Maintenance, Pavement Management Application. The Bridge list is derived from bridge inspections performed by Caltrans.

Scoring and Ranking Process

Once the scoring criteria are approved by the City Council, the WG applies the project scoring criteria to the project lists. This involves collection and evaluation of data such as; project cost, demographic data, land use data, traffic volumes, collision data, roadway capacity, infill and economic development area boundaries, and other information about the existing condition of the project area. With two exceptions, data used for scoring is to be current. The following are the two exceptions: 1) traffic volumes should be no more than three years old, and 2) collision data should include the last complete (12 months) calendar year.

The scored and ranked project lists are reviewed by the TPG WG, the TPG Project Manager, the BAC and the CAC to ensure that the criteria were applied correctly and that the proposed projects were of sufficient merit for inclusion in the TPG. Draft scored and ranked lists are then posted on the website for public review. City Council offices are contacted for briefings regarding the draft scored and ranked lists. The scored and ranked lists are then presented to City Council for approval, typically in the month of November.

Final Document Compilation and Publication

After the City Council has approved the scored and ranked lists, the TPG Coordination Team compiles the final TPG document. This includes preparing the introductory and summary text for all sections, preparing the maps for the sections, and formatting all of the project lists, text and graphics for publication. The TPG Coordination Team also works with the Development Services Department to prepare text, project lists and graphics for the Development Driven Section. The document is then reviewed by the TPG WG and other City staff. After review, the final document is posted to the webpage in PDF format, and printed and distributed.

SECTION 1-2

Capital Improvement Projects and Programs

PURPOSE

This section describes the approval process for establishing a new CIP program or project, either through the annual CIP budget process, or by a separate Council Report.

DEFINITIONS / ABBREVIATIONS

CIPCapital Improvement Program.
A category of projects, such as transportation projects, which is funded on an annual basis, and from which subprograms or individual projects are funded for implementation.

CIP Project.....Capital Improvement Program Project. A specific project with a defined purpose, scope, and budget.

FSR.....Fund Status Report

SFASupervising Financial Analyst

TSPM.....FileMaker Pro Project Management Database

For additional abbreviations, please see the Abbreviations section at the end of this Manual

POLICY

It is the policy of the Engineering Services Division that, in compliance with Resolution 2006-444 (June 13, 2006), the establishment of CIP programs and projects require City Council approval.

Establishment of a CIP program or project is not to be requested until proper approvals have

been obtained, in accordance with the project initiation process (Sections 2-1 and 2-2), and the project has been reviewed by the FSR Committee. (See Section 1-5).

All financial actions taken with respect to the establishment of new CIP programs or projects, or amending the budgets of existing CIP programs or projects are to be carried out in strict compliance with the City's Financial Policy Instructions.

AUTHORITY

City Council

The City Council approves the establishment of CIP programs and projects during the annual budget cycle process or by a separate action recommended by a Department. (See Chapter 9).

Budget Office

Upon City Council approval, the Director of Finance is authorized to set up the CIP program or project and establish all appropriate expenditure and revenue budgets.

Engineering Services Manager

The Director of the Department of Transportation has delegated authority to the Engineering Services Manager to determine the need and justification for a CIP program or project.

RESPONSIBILITIES

Project Manager

- Completes the requirements of the Project Initiation process (Chapter 2) prior to requesting approval of a project by the City Council.
- Prepares a Council Report (Chapter 9) to seek Council's approval if the establishment of a new project is to be approved outside of the scope of the annual Capital Improvement Program budget process.
- Updates the project status information within the CIP project tracking system (currently TSPM) once a project is approved.

PM's Section Manager

- Reviews the PM's request for establishing a new CIP project and ensures that the Project Initiation (Chapter 2) process has been completed.
- Proposes the project to the FSR Committee.

Administrative Officer

- Coordinates the FSR Committee meeting and schedules review of proposed projects and funding eligibility.
- Coordinates with the PM and Section Manager proposing to establish the CIP project.
- Ensures that the CIP project is initially set up within the TSPM CIP project tracking system and the Budget Office's tracking system (CIPMaker in FileMaker Pro).
- Ensures that all of the appropriate accounting paperwork is completed and submits the completed Council submission packet to the SFA for review and approval.

Supervising Financial Analyst

- Reviews recommended funding sources for the new CIP program or project.
- Responds to Budget Office and Accounting Office inquiries.
- Reviews the completed Budget and Accounting Office paper work and Council submission packet prior to forwarding to the Budget Office for approval.

F&PD Section Manager

- Reviews the need for a new CIP program or project with Engineering Division Manager and obtains authorization to proceed.
- Develops justification and recommendation to the City Council for the need to establish a new CIP program or project.
- Determines whether the program or project should be approved with the annual budget process or by separate Council Report.
- Reviews and approves the proposed CIP program or project for submission to the Budget Office, the City Manager's Office and the City Council.
- Maintains overall responsibility for the FSR Committee and the Capital Improvement Program and related approvals.

FSR Committee

- Reviews all programs and projects proposed for funding.
- Reviews fund balances, confirms fund sources to be used, and directs staff to adjust fund balances in the FSR.

ESTABLISHMENT OF A NEW CIP OR PROJECT

A new CIP program or project is typically initiated in response to a City Council request to fund a new program or project which is not listed in the City's 5-Year Approved Capital Improvement Program. New programs or projects may also be initiated at the request of other City departments, such as the Economic Development Department, the Sacramento Housing and Redevelopment Agency, or the City Manager's Office.

If the activity is to be funded on a continuous basis, then a program is established with a specific annual funding allocation within the 5-Year CIP which is then used to fund individual projects. The individual projects may be established at a later time, after they have been fully scoped and estimated.

When establishing a new program, consideration should be given to the City's ability to fund it for the foreseeable future without impacting existing programs or projects.

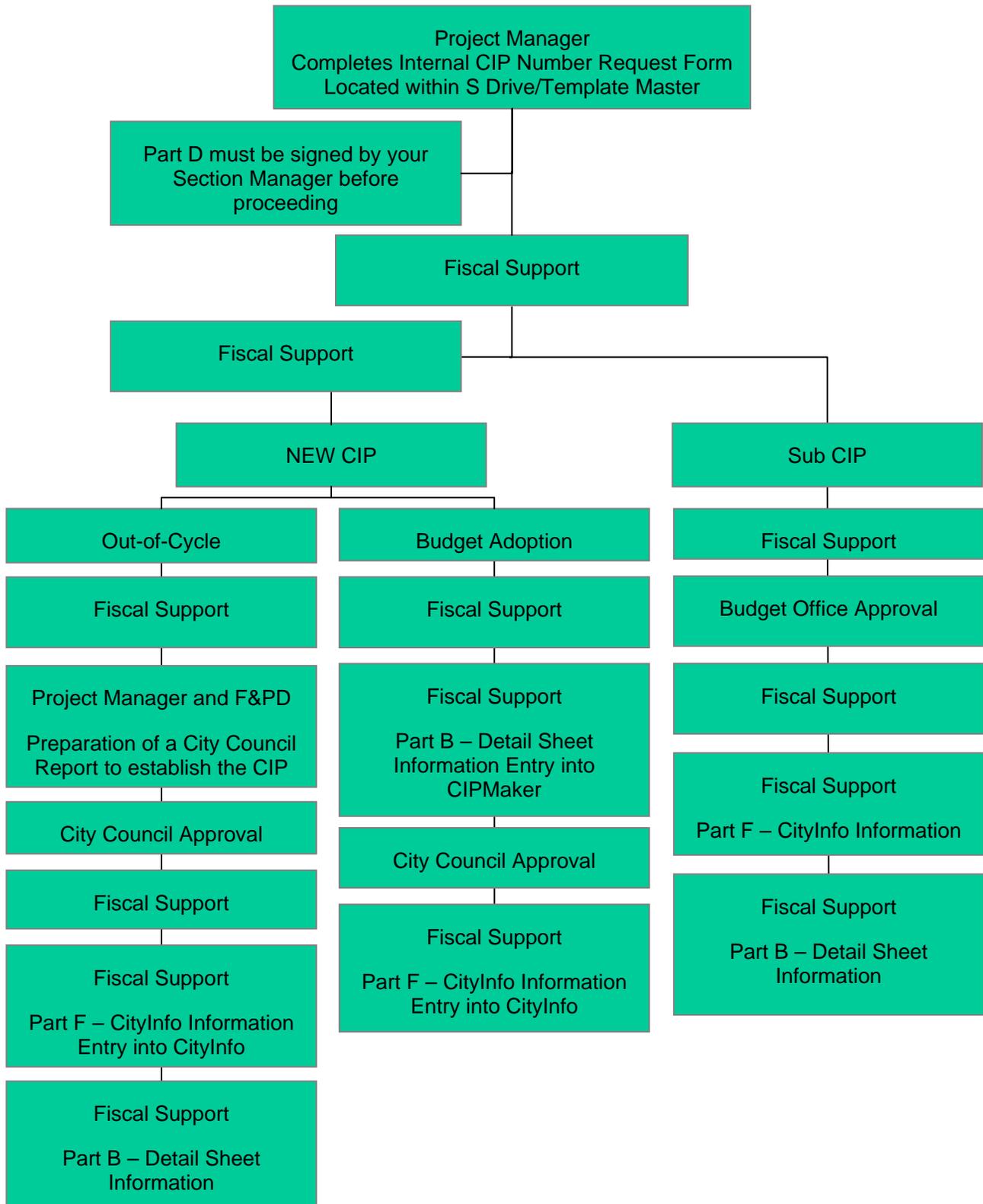
CIP PROCESS

The budget and accounting processes for establishing CIPs and sub-CIPs, and projects is shown in Attachment 1.

ATTACHMENT

Attachment 1: Establishing a New Project and/or Program Flow Chart

Establishing a New Project and/or Program Flow Chart



SECTION 1-3 Funding Types & Eligibility

PURPOSE

This section provides guidelines on the eligible uses of transportation funds for CIP projects.

DEFINITIONS / ABBREVIATIONS

Caltrans	State Department of Transportation
CIP	Capital Improvement Program
CMAQ	Congestion Mitigation and Air Quality
CTEP	Countywide Transportation Expenditure Plan
FHWA	Federal Highway Administration
FRI	Funding Request Information
F&PD	Funding and Project Development
GFM	Grant Funding Manager
HBP	Highway Bridge Program
PM	Project Manager
RSTP	Regional Surface Transportation Program
STA	Sacramento Transportation Authority
STIP	State Transportation Improvement Program

For additional abbreviations, please see the Abbreviations section at the end of this Manual.

POLICY

Funds are to be expended in strict conformance with their eligibility requirements and approved uses set forth in inter-agency agreements or statutory law.

AUTHORITY

The California Transportation Commission has the authority to allocate State and Federal funds to transportation projects. Caltrans is the designated administrative authority by FHWA to administer all funding transactions and requirements for federally funded projects.

All revenue and expenditure appropriations to City CIPs must be approved by City Council.

The STA is the agency authorized to allocate and administer the County ½ Cent Sales Tax (Measure A) to City projects.

The Director of Finance has the responsibility and authority to approve all City budget transactions.

The Engineering Services Manager has delegated authority to the F&PD Section Manager to review and approve all funding requests.

RESPONSIBILITIES

Caltrans

Caltrans is responsible for ensuring Local Agency compliance with the provisions of the Local Assistance Procedures Manual for the administration of State and Federal funds.

Grant Funding Manager

The GFM is responsible for reviewing funding options for projects eligible for Federal and/or State funding. In addition, the GFM determines the local match requirements based on the Federal and State funding requirements.

F&PD Section Manager

The F&PD Section Manager is responsible for ensuring the Division's compliance with City policy, and State and Federal regulations on the use and administration of transportation funds.

Project Manager

The PM is responsible for ensuring that all project expenditures comply with eligible uses and all applicable regulatory requirements.

SFA

The SFA is responsible for providing accounting support on the use of funds on a project.

OVERVIEW OF FUNDING SOURCES

DOT receives a variety of funds to deliver transportation projects including funds from local, State and Federal sources, and other City Departments and outside agencies. Each source of funds has strict requirements on the eligible uses and administration of funds. These are more specifically discussed in Attachment 1.

ATTACHMENTS

- Attachment 1: Funding Types and Funding Eligibility
- Attachment 2: Gas Tax Allocation Methodology

Funding Types and Funding Eligibility

LOCAL TRANSPORTATION FUNDS

Measure A (Funds 201 and 207)

The voters of Sacramento County approved Measure A, a half cent increase in local sales tax in 1988 under the State Local Transportation Authority and Improvement Act of 1987. It took effect on March 1, 1989 and expires on March 31, 2009. Within the scope of Measure A, the City receives a yearly allocation of funds from the Sacramento Transportation Authority (STA). STA administers the Measure A funds and the STA Board has final authority on the eligibility of funds.

In January of each year, the City submits an annual expenditure plan to STA for review and approval. As part of the annual expenditure plan process, two public hearings are held (April and May of each year) and the expenditure plan is usually adopted in June.

The renewal of Measure A was approved by the voters on November 2, 2004 and extends the half cent local sales tax for an additional 30 years, effective April 1, 2009. The new Measure A reallocates the funding methodology for "Measure A – Construction" and "Measure A – Maintenance" therefore giving the City less flexibility to fund various programs and projects.

Measure A – Construction (Fund 201)

Construction funds are used for new construction and rehabilitation of existing public highways, bridges, local streets, and roads. These funds need to be used within the public right of way and may not be used for general operating costs. The projects and/or programs must be in the approved Countywide Transportation Expenditure Plan (CTEP) before Measure A funds may be programmed to a project or program.

In addition to construction, eligible work includes environmental review and mitigation, engineering, design inspection, and acquisition of rights of way or property interests. Traffic signs, traffic signals, bicycle lanes, medians, landscaping, curbs, gutters, and sidewalks are all eligible project components within the Highway/Road program.

Measure A – Maintenance (Fund 207)

Maintenance funds are used for street maintenance and must be spent on right-of-way maintenance. Most of the Maintenance funds are allocated to the Street Overlay Seals Program (RH31).

Gas Tax (Funds 202, 203 and 204)

Gas Tax revenue is generated from the \$0.18 per gallon state tax on fuel used to propel a motor vehicle or aircraft. Approximately 30% of Gas Tax revenues are allocated to cities and counties as directed by the Streets and Highways Code Sections 2105, 2106, 2107, and 2107.5. Gas Tax funds tend to be the City's least restricted transportation funding source.

Gas Tax funds are allocated to the City on a quarterly basis from the State Controller's Office and the methodology is further detailed on the Attachment 2.

Gas Tax funds can be used for research, planning, construction, improvements, maintenance, and operations of public streets and highways and public mass transit guide ways.

Traffic Safety (Fund 208)

Traffic Safety funds are generated from traffic school fees and traffic tickets.

The revenues are included in the operating budget to cover labor and other operating costs related to Traffic Engineering, traffic signage, and other traffic markings. The uses of these revenues include the following:

- Acquisition of land and interest in land.
- Construction, reconstruction, replacement, widening, modification, or alteration of existing and proposed streets, which includes, but is not limited to: separation structures; bridges; culverts for streets; traffic control; and lighting.
- These revenues cannot be used for maintenance or repairs of streets if the work completed makes the street the same useable and safe condition and does not increase the capacity (volume of vehicular traffic or weight).

Major Street Construction (Fund 209)

Tax revenues are collected at the time of the Building Permit Issuance at a rate of \$0.008 of the valuation of the structure (pursuant to Title 15 of the Sacramento City Code). This tax is due and payable at the time the building permit is issued. This tax is in addition to all other applicable building taxes and fees.

If the number of square feet in the building or structure is increased, then the tax shall be pro-rated based on the ratio the increase bears to the original number of square feet.

This tax shall not apply to work on an existing building or structure where the work to be done pursuant to the permit does not increase the area of the building or structure. In addition, the tax shall not apply to any building permit for reconstruction or repair due to earthquake, fire, flood or any other cause outside of the control of the owner.

Major Street Construction funds are restricted to construction replacement, or alteration of roadways, traffic control, and lighting; use for maintenance and/or operations is not permitted.

Transportation Development Act (Fund 235)

These funds are generated from a portion of the state sales tax. Most of the funds attributed to the City are automatically transferred by SACOG (the administering agency) to Regional Transit. Two percent of the funds are received by the City for bicycle and pedestrian purposes.

Historically the funds have been used strictly for off-street bike trail planning, maintenance and local match to federal and state construction projects, as there are no other local transportation sources of funding for off-street bike trails.

This fund is administered and programmed by the Parks Department in consultation with the Alternate Modes Coordinator and the Grant Funding Manager.

FEDERAL TRANSPORTATION FUNDS

There are generally four different programs that the City can receive federal funds from. Each program is a part of Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU), the federal transportation authorization act. All programs come with its own eligibility criteria and matching fund requirements. The City may also receive Earmarks as described below.

Regional Surface Transportation Program (RSTP)

These funds can be used for transportation studies, interchanges, road widening, extensions, reconstruction, overlays, streetscaping, bike/pedestrian projects, and signals. These are the most flexible of the federal funds. This program requires an 11.47% match.

Congestion Mitigation and Air Quality (CMAQ)

Projects must reduce congestion and create a quantifiable air quality benefit. The City uses these funds for bicycle and pedestrian projects, and in some cases traffic signal projects. Roundabouts have also been eligible.

STIP – Transportation Enhancements (TE)

Projects must provide enhancements to the basic transportation system, such as, streetscaping and bike and pedestrian projects. STIP TE funds are a mixture of state and federal funds. The federal funds within this program are matched with state funds.

Highway Bridge Program (HBP)

This is a Federal program to rehabilitate or replace public vehicular bridges with deficiencies related to structural adequacies or functional obsolescence. Bridges eligible for federal funding are listed on FHWA's "eligible bridge list". This program requires an 11.47 % match.

Earmarks, Demonstration (Demo) Projects, High Priority Projects

These are all names for federal funding that is received as a result of a specific request of the City's congressional representative(s). Use is defined in the application when the fund request is submitted to Congress. There are various programs under SAFETEA-LU that the City has received earmarks. Examples include:

- Surface Transportation Program (STP)
- Transportation Community System Preservation (TCSP)
- National Corridor Planning and Development (NCPD Program)

The City has an opportunity to request earmarks as part of the transportation authorization act (approximately once every 6 years) and as part of the annual appropriations bill. The match required and the administrative process varies (from 0 to 20 percent) with the program that the earmark came from.

STATE TRANSPORTATION FUNDS

State Transportation Improvement Program (STIP)

While funds can technically be used for projects similar to those under RSTP, the California Transportation Commission strongly discourages any project that is not capacity increasing. Interchange projects have been more difficult to program than roadway capacity. They encourage projects on the State Highway System. These funds are a mixture of state and federal funds. The federal funds within this program are matched with state funds.

Bicycle Transportation Account (BTA)

This is an annual State program that the City applies directly to Caltrans for bicycle projects. The City is successful every few years in receiving a grant. Grants are typically for less than \$500,000. This program requires a 10% local match.

Safe Routes to School (SR2S)

The City applies directly to Caltrans for this program. The purpose of the program is to make bicycle and pedestrian safety improvements for school-related travel. The maximum grant amount is \$450,000. The funding could be either state or federal funds. This program requires a 10% match.

Gas Tax Allocation Methodology

Gas Tax funds are allocated to the City on a quarterly basis from the State Controller's Office based on the following formulas:

Section 2105 Funds (Fund 202):

These funds are based on 11.5% of the tax revenues in excess of 9 cents per gallon, based on population. These funds can be used for any street or road expenses.

Section 2106 Funds (Fund 202):

These funds are based on the following: a monthly apportionment of \$400 to each city and \$800 to each County; an annual transfer to the State's Bicycle Transportation Account; and the residual is apportioned to each County based on registered vehicles. These funds can be used for any street or road expenses.

Section 2107 Funds (Fund 203):

These funds are based on the following: each City with snow removal costs in excess of \$5,000 shall be allocated 50% of the cost exceeding \$5,000; and the remainder is allocated to cities based on population. These funds can be used for any street or road expenses. In addition, even though construction expenses may be an allowable cost within the scope of Section 2107, the City's budget office does not allow the use of these funds for construction related expense.

Section 2107.5 Funds (Fund 204):

These funds are allocated to cities in a fixed amount based on population, ranging from \$1,000 for cities with populations less than 5,000 to \$20,000 for cities with populations over 500,000. These funds are to be used exclusively for engineering costs and administrative expenses related to city streets.

SECTION 1-4 Grant Funding

PURPOSE

This section describes the State, Federal and other grant funding opportunities available for transportation projects and the process for applying for and securing grant funds.

DEFINITIONS / ABBREVIATIONS

CTC	California Transportation Commission
CMAQ	Congestion Mitigation and Air Quality
DOT	Department of Transportation
F&PD	Funding and Project Development Section
GFM.....	Grant Funding Manager
HBP	Highway Bridge Program
MTP	Metropolitan Transportation Plan
MTIP	Metropolitan Transportation Improvement Plan
RSTP	Regional Surface Transportation Program
SACOG	Sacramento Area Council of Governments
STA.....	Sacramento Transportation Authority
STIP.....	State Transportation Improvement Program
TPG	Transportation Programming Guide

For additional abbreviations, please see the Abbreviations section at the end of this Manual

POLICY

State and Federal grant funding is to be pursued for projects whenever opportunities arise. Utilizing local funds to leverage State and Federal funds maximizes transportation funding available to the City.

All grant funds are to be used in a timely way and all grant source requirements are to be fully complied with.

AUTHORITY

The City Council has the authority to prioritize and approve project nominations for State, Federal and other grant funds.

RESPONSIBILITIES

Grant Funding Manager

- Monitors and tracks State and Federal grant application submissions and deadlines.
- Solicits project nominations from staff.
- Identifies top priority project nominations utilizing the TPG.
- Collaborates with the F&PD Section Manager and Engineering Services Manager on the projects to be recommended to City Council for approval.
- Coordinates with appropriate staff to prepare grant applications.
- Prepares a City Council Report to approve the project nominations.
- Upon approval by City Council, submits the applications to the appropriate agencies.

F&PD Section Manager

- In collaboration with the Engineering Services Manager and F&PD Grant Funding Manager, submits the recommended project(s) for City Council approval.
- Reviews grant applications prior to submission for agency consideration and approval.

STATE GRANTS - STIP

Proposed projects on the State Highway System require an approved Project Study Report (PSR) before they are eligible for STIP funding. For projects not on the State Highway System, a PSR equivalent is to be prepared.

Project applications for STIP funds are submitted to the STA which makes County of Sacramento programming recommendations to SACOG for approval. The SACOG Board approves the projects on a regional basis and submits its recommendations to the CTC for final approval. The CTC generally meets every two months.

New program funding is available every three to five years. New projects, if approved, are added on the end of the programmed list.

A call for project nominations occurs in Spring/Summer of odd years with approval by the CTC in April of the even years.

FEDERAL GRANTS

RSTP and CMAQ

Project applications for RSTP and CMAQ funds are submitted to the STA which makes County of Sacramento programming recommendations to SACOG for approval. The SACOG Board gives final approval of RSTP and CMAQ funding for projects.

SACOG's policy for approving RSTP funds is to fund "regionally significant projects" over all others.

A call for project nominations for RSTP and CMAQ funding occurs every two years but varies depending on the funds available.

Federal Earmarks

Federal earmarks are approved for specific projects and are appropriated by the Federal government, through the region's congressional representatives, at the beginning of a new Transportation Funding Act and to a smaller degree on an annual basis with the Federal transportation appropriations bill.

In order to receive a Federal earmark, the City Council must approve a Transportation Legislative Agenda, which includes the City's largest and highest priority transportation projects.

When opportunities are presented to request a Federal earmark, the City Council approves the specific project(s) from the Agenda and a specific funding amount.

Applications are submitted to the City's congressional representatives.

Highway Bridge Program

The HBP provides funding to rehabilitate and replace bridges which meet certain structural or geometric deficiency criteria.

The City submits applications to Caltrans on an as-needed basis.

SACOG COMMUNITY DESIGN GRANT AND BIKE/PEDESTRIAN GRANT FUNDS

These are set-aside funds from the region's RSTP, CMAQ and STIP funds.

SACOG has established a selection process, which includes a broad cross-section of local agency representatives to evaluate, score, rank and make recommendations to the SACOG Board based on pre-approved criteria.

OTHER GRANTS

Following are other grant funds available to the City:

- Safe Routes to Schools
- Hazardous Elimination and Safety
- Community Based Transportation Planning
- Environmental Justice – Context Sensitive Planning
- Bicycle Transportation Account

The City usually submits one or two projects applications for each of these grants, which are much smaller than the other grants discussed in this section.

Project applications are submitted to Caltrans which scores and ranks projects and then submits recommendations to the Business, Transportation and Housing Agency for a final decision.

Grant cycles are annual or bi-annual.

SECTION 1-5 Transportation Fund Status

PURPOSE

This section sets forth policy on updating and using the Fund Status Report.

DEFINITIONS / ABBREVIATIONS

CIP	Capital Improvement Program
FSR	Fund Status Report
F&PD	Funding & Project Development
PAAF	Project Approval and Authorization Form
SE	Supervising Engineer
SFA	Supervising Financial Analyst
AO	Administrative Officer

For additional abbreviations, please see the Abbreviations section at the end of this Manual

POLICY

The FSR is to be kept current on a continuous basis and is to reflect the City's transportation fund revenues and planned CIP expenditures for each fiscal year of the five year programming period.

The FSR is to be managed by the FSR Committee to ensure that all Divisions within the Department have detailed knowledge of funding constraints and planned appropriations, and have a say in the formulation of the City's five year transportation priorities and expenditure plan.

The FSR is to be balanced over a five year period so that expenditures equal revenues.

No excess funds are to be left in individual projects or programs, including the State and Federal match program. Excess funds are to be kept in the unobligated FSR balance and re-spread to each fiscal year within the five-year CIP so that they can be programmed for timely use.

Changes to FSR information are to be made in consultation with the FSR Committee and are to be based on Department of Transportation's Guiding Principles. (See Attachment 1).

AUTHORITY

City Council – All appropriation increases, decreases, and fund transfers, unless otherwise delegated by the City Council to the Director of Finance, are to be approved by City Council.

Director of Finance – The City Council has delegated to the Director of Finance the authority to make appropriations and fund transfers up to \$100,000.

F&PD Section Manager – The Engineering Services Manager has delegated authority to the F&PD Section Manager to approve revisions to the FSR.

RESPONSIBILITIES

Administrative Officer

- Maintains, updates, and distributes the FSR to FSR Committee members on a monthly basis.
- Facilitates FSR Committee meetings and prepares meeting agendas and minutes.

- Prepares and updates a planning FSR to be used in the annual development of the CIP.
- Develops revenue projections for review and approval by the FSR Committee.
- Works in consultation with the FSR Committee members to ensure that information is both current and accurately reflected.

Supervising Financial Analyst

- Supervises the AO in the development and maintenance of the FSR.
- Reviews the work of the AO prior to publishing of the FSR.

F&PD Section Manager

- Provides oversight in the development and maintenance of the FSR.
- Reviews the FSR prior to publishing and distribution of the FSR.

FSR Committee

- Reviews the FSR to ensure that funding needs and planned expenditures within individual member's areas of responsibility are accurately addressed.
- Provides recommendations and approves proposed FSR changes.

FUND STATUS REPORT COMMITTEE

The FSR Committee meets on a regular basis in order to develop the FSR and recommend changes to the FSR. This information is used to develop the City's five year Transportation CIP including the Measure A Expenditure Plan, and operating budget.

The FSR Committee is comprised of representatives from the following sections/divisions:

- Engineering Services Manager
- Traffic Engineering
- Funding and Project Development
- Civil and Electrical Design
- Administration/Fiscal Support
- Street Services
- Office of the Director

ATTACHMENT

Attachment 1: Fund Status Report Guiding Principles

Fund Status Report Guiding Principles

Funding appropriation recommendations are to be consistent with the following Department of Transportation's priorities:

1. The five year FSR is to be balanced by fund on a continuous basis.
2. Maintaining adequate resources to provide services is DOT's number one priority; therefore, operating budgets are to have funding priority over all other funding needs and are to be adjusted to keep up with inflation and population/infrastructure growth.
3. All public safety and maintenance needs are to have higher priority over other programs and activities.
4. Sustaining on-going programs and previously funded projects is to have higher priority over new programs and projects.
5. Leveraging local funds with State and Federal funds is to have higher priority over using local funds only.
6. New projects.

SECTION 1-6 Funding Requests

PURPOSE

This section describes the request and approval process for the appropriation of additional funds to CIP programs and projects to cover budget shortfalls.

DEFINITIONS / ABBREVIATIONS

CIP	Capital Improvement Program
FRI	Funding Request Information
F&PD	Funding & Project Development
PAAF	Project Approval and Authorization Form
SE	Supervising Engineer
SFA	Supervising Financial Analyst
AO	Administrative Officer

For additional abbreviations, please see the Abbreviations section at the end of this Manual.

POLICY

All CIP programs and projects are to be delivered within the budget line items set forth in the PAAF. Budgets are to be closely monitored to assure that there are no budget overruns. In the event a PM projects a budget overrun, he/she is to review the project scope, schedule, delivery costs, and other factors to identify cost savings and/or efficiencies prior to requesting additional funds.

In the event an FRI is needed to amend the project budget, the FRI is to be approved and executed well in advance of when the funds are

needed. Upon approval of an FRI, the PM is to determine whether an amendment to the PAAF needs to be circulated for approval. (See Section 3-1, Project Management Standards).

AUTHORITY

City Council – All appropriation increases and fund transfers, unless otherwise delegated by the City Council to the Budget Office by Resolution, must be approved by City Council.

Budget Office – City Council has delegated to the Director of Finance the authority to transfer appropriations up to \$100,000.

F&PD Section Manager – The Engineering Services Manager has delegated authority to the F&PD Section Manager to approve the FRI requesting funds to offset a project shortfall.

Supervising Financial Analyst – The Engineering Services Manager has delegated authority to the SFA to identify and recommend the fund source to cover the project shortfalls.

RESPONSIBILITIES

Project Manager

The PM is responsible for completing the FRI sheet and the Budget Analysis Report in support of the additional funding request. If a Council Report is needed for the appropriation of funds, the PM is responsible for preparing the Council Report. (See Attachments 1 and 2).

Supervising Engineer

The PM's Section SE is responsible for reviewing and signing off on proposed FRI's. The final FRI is to be signed by the SE in

F&PD. If the FRI is not approved, the SE is to work with the PM to look at other options.

Administrative Officer

The AO reviews funding options based on the proposed FRI and recommends funding options to the Supervising Financial Analyst.

Supervising Financial Analyst

The SFA reviews the recommendations from the AO and finalizes a recommendation to the F&PD Section Manager.

F&PD Section Manager

The F&PD Section Manager is responsible for reviewing the FRI packet, approving and signing the FRI sheet, and returning the signed packet to the AO. If the FRI request is not approved, the F&PD Section Manager is to return the FRI packet to the SFA with a request to develop other funding options.

FUNDING DOCUMENTATION

All FRI's are to be accompanied by a current CityInfo report and an updated Budget Analysis form. (See Attachments 1 and 2). All information is to be current, accurate, and complete.

Projects are typically funded with various funding sources, each having different constraints. A decision on how to respond to additional funding requests must factor in the eligibility and type of funding to be used. In such cases, the CIP Project Budget Analysis Form is to be supplemented with a breakdown showing the interrelationship of the various fund sources (i.e., State and Federal match requirements), allowable indirect costs associated with each fund source, and other pertinent factors.

ATTACHMENTS

Attachment 1: Fund Request Information (FRI) Sheet

Attachment 2: CIP Project Budget Analysis Form

FRI BUDGET DETAIL

Date: _____ CIP/JN #: _____ Project Name: _____

Project Manager: _____ Phone Number _____

The CityInfo (Combined Summary Report) report used to prepare this report must be attached.

Preliminary Engineering (inc. consultants, R/W engineering, direct and indirect staff costs, environmental)

Current Expenditures: _____
 Remaining Expenses: _____
 Total PE Expenses: _____
 Ineligible State and Federal Expenses* _____
 (included in total above)

Right of Way

Current Expenditures: _____
 Remaining Expenses: _____
 Total ROW Expenses: _____
 Ineligible State and Federal Expenses* _____
 (included in total above)

Construction (includes contract, contingency, construction engineering and direct and indirect staff costs)

Current Expenditures: _____
 Remaining Expenses: _____
 Total Construction Expenses: _____
 Ineligible State and Federal Expenses* _____
 (included in total above)

Estimated total project cost to complete all phases _____
 (transfer to Fund Request Information Sheet)

Current Budget:	Fund Source	Total Budget
	_____	_____
	_____	_____
	_____	_____
	_____	_____

Approved Future Budget (programmed funds)	Fund Source	Total Budget
	_____	_____
	_____	_____
	_____	_____
	_____	_____

Total approved budget _____
 Total project shortfall to complete all phases _____

This total will be shown split between current shortfall and future shortfall sections for the Fund Request Information Sheet)

*Common examples for Ineligible costs are expenses incurred prior to the authorization date; water, sewer and storm drain expenses, but storm drain expenses required for roadway are eligible; consultant agreements that do not follow Caltrans requirements, such as DBE requirements and pre-award audits.

CIP Project Budget Analysis Form

PROJECT INFORMATION	C.I.P. PROJECT BUDGET ANALYSIS FORM																																																										
	<p>Project Name _____</p> <p>JN or PN No.: _____ #### _____</p> <p>Date: _____ Date _____</p> <p>Project Manager: _____ P.M. _____</p>																																																										
CONTRACT AMOUNT	<p style="text-align:center;">Engineer's Estimate: _____ OR Low Bid: _____</p> <p style="text-align:center;">CONSTRUCTION CONTRACT:</p> <p>Approved Change Orders _____</p> <p>Proposed Change Orders _____</p> <p style="text-align:center;">TOTAL CONSTRUCTION CONTRACT _____</p>																																																										
EXPENDITURES (Design, Enviro., R/W, Const. Inspection, Remaining construction costs, Etc.)	<table style="width:100%; border-collapse: collapse;"> <tr> <td style="width:60%;">* Contingencies (10% +/-)</td> <td style="width:10%; text-align:right;">10%</td> <td style="width:10%; text-align:right;">\$0.00</td> <td style="width:20%;"></td> </tr> <tr> <td>* Materials Test (2% +/-)</td> <td style="text-align:right;">2%</td> <td style="text-align:right;">\$0.00</td> <td></td> </tr> <tr> <td>* Staking and Inspection (10% +/-)</td> <td style="text-align:right;">10%</td> <td style="text-align:right;">\$0.00</td> <td></td> </tr> <tr> <td colspan="2" style="text-align:right;">SUBTOTAL:</td> <td style="text-align:right;">\$0.00</td> <td></td> </tr> <tr> <td>** Current Direct Expenditures (LABOR)</td> <td></td> <td style="text-align:right;">\$0.00</td> <td style="text-align:right;">(4880)</td> </tr> <tr> <td>** Current Direct Expenditures (BENEFITS)</td> <td style="text-align:right;">Check: (~30% of Labor)</td> <td style="text-align:right;">\$0.00</td> <td style="text-align:right;">(4881)</td> </tr> <tr> <td>** Current Indirect and Overhead Costs</td> <td style="text-align:right;">Check: (~150% of Labor)</td> <td style="text-align:right;">\$0.00</td> <td style="text-align:right;">(4831)</td> </tr> <tr> <td>** Consultant (Encumbrances & Expended)</td> <td></td> <td style="text-align:right;">\$0.00</td> <td style="text-align:right;">(4802)</td> </tr> <tr> <td>** Other Expenditures (from City info)</td> <td></td> <td style="text-align:right;">\$0.00</td> <td style="text-align:right;">(4213)</td> </tr> <tr> <td>** City furnished Materials</td> <td></td> <td style="text-align:right;">\$0.00</td> <td style="text-align:right;">()</td> </tr> <tr> <td>*** Remaining unencumbered non-construction costs and Project Closeout costs</td> <td></td> <td style="text-align:right;">\$0.00</td> <td style="text-align:right;">Other</td> </tr> <tr> <td colspan="2" style="text-align:right;">SUBTOTAL:</td> <td style="text-align:right;">\$0.00</td> <td></td> </tr> <tr> <td colspan="3" style="text-align:right;">TOTAL ESTIMATED PROJECT COST:</td> <td style="text-align:right;">\$0.00</td> </tr> <tr> <td colspan="4"><i>Comments:</i> _____</td> </tr> </table>			* Contingencies (10% +/-)	10%	\$0.00		* Materials Test (2% +/-)	2%	\$0.00		* Staking and Inspection (10% +/-)	10%	\$0.00		SUBTOTAL:		\$0.00		** Current Direct Expenditures (LABOR)		\$0.00	(4880)	** Current Direct Expenditures (BENEFITS)	Check: (~30% of Labor)	\$0.00	(4881)	** Current Indirect and Overhead Costs	Check: (~150% of Labor)	\$0.00	(4831)	** Consultant (Encumbrances & Expended)		\$0.00	(4802)	** Other Expenditures (from City info)		\$0.00	(4213)	** City furnished Materials		\$0.00	()	*** Remaining unencumbered non-construction costs and Project Closeout costs		\$0.00	Other	SUBTOTAL:		\$0.00		TOTAL ESTIMATED PROJECT COST:			\$0.00	<i>Comments:</i> _____			
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APPROVALS	<p style="text-align:center;">Reviewed by: _____ Senior Engineer</p> <p style="text-align:center;">Approved by: _____ Supervising Engineer</p> <p><i>Comments:</i> _____</p>																																																										
	<p>* Percentages based on contract price. ** Figures furnished by Public Works Project Accounting Section. *** Figures furnished by Project Manager and Right-of-Way Section. **** To be furnished by Supervising Engineer</p>	<p style="text-align:center;">Attachments:</p> <p style="text-align:center;">City Info. _____ Council Letter _____ Other: _____</p>																																																									