

0220-00210-0274

TRANSMITTAL

TO
City Council

DATE
03/05/21

COUNCIL FILE NO.

FROM
The Mayor

COUNCIL DISTRICT
All

**Department of Transportation
Transportation Grant Fund Report for Fiscal Year 2020-21**

Transmitted for your consideration. See the
City Administrative Officer report attached.



MAYOR

(Ana Guerrero for)

RHL:RC:06210066t

REPORT FROM

OFFICE OF THE CITY ADMINISTRATIVE OFFICER

Date: January 29, 2021

CAO File No. 0220-00210-0274

Council File No. -

Council District: All

To: The Mayor

From: Richard H. Llewellyn, Jr., City Administrative Officer

Reference: Department of Transportation 2020-21 Transportation Grant Fund Report dated November 12, 2020; referred by Mayor for report on December 2, 2020

Subject: **TRANSPORTATION GRANT FUND REPORT FOR FISCAL YEAR 2020-21**

RECOMMENDATIONS

That the City Council, subject to the approval of the Mayor:

1. Authorize the Controller to establish new appropriations in the amount of \$33,444,170 within the Transportation Grant Fund No. 655 for the projects and the amounts listed in Attachment One;
2. Authorize the Department of Transportation (LADOT) to receive grant funds to reimburse the Transportation Grant Fund No. 655 for expenditures made directly from the Transportation Grant Fund;
3. Authorize LADOT to annually reimburse the General Fund for its costs associated with Fringe Benefits, Central Services, and Department Administration using proceeds that the Department has collected from grantors;
4. Authorize LADOT to annually reimburse the Proposition C Anti-Gridlock Transit Fund No. 540 for its cost associated with the City staff salaries, overtime, compensated time off, and any other expenditures directly incurred by the Proposition C Anti-Gridlock Transit Fund No. 540 and associated with grant projects;
5. Authorize LADOT to increase appropriations within the Transportation Grant Fund No. 655 by up to 25 percent of any project budget listed in the attachments or any other project accounts, not to exceed \$100,000, subject to the review and approval of the Office of the City Administrative Officer;
6. Instruct all Departments and/or Bureaus to closely monitor their projects and schedules to ensure that the expenditures of funds are for the purposes of each of the projects and that the expenditures of funds are correctly recorded and reported as such, and that the expenditure of funds do not exceed the cost of the project authorized by City Council;
7. Direct LADOT to decrease and/or close out project appropriations for completed projects that have been accepted by the Board of Public Works, projects where the City Council has made a determination to cancel the project, and/or projects wherein the grant funding has

- lapsed or has been deobligated; and,
8. Authorize LADOT to make any technical adjustments as necessary and consistent with the Mayor and City Council actions on administrative and technical matters, subject to the approval of the CAO, and request the Controller to implement these instructions.

SUMMARY

The 2020-21 Transportation Grants Fund report reflects a total of \$123.1 million in transportation grants that were awarded to the City. The Department's initial transmittal dated November 12, 2020 included a request to establish new appropriations for 14 new projects totaling \$25.1 million within the Transportation Grant Fund No. 655 (TG Fund). In January 2020, the Department subsequently updated its request to increase the new appropriation for one project (ATSAC Enhancements for an Advanced Transportation Infrastructure) to reflect the full grant amount for the project due to a mandated grant expenditure timeline over the next two years. In total, the Department is requesting a total of \$33.4 million in new appropriations for 14 projects within the TG Fund. See Attachment One for more details.

The cash balance in the TG Fund was \$71.4 million at the end of January 2021, with \$371.3 million in anticipated receivables, for a total of \$442.7 million. The TG Fund is a revolving fund and the balance changes daily based on grant reimbursements received and/or expenditures made. The \$442.7 million total cash balance and anticipated receivables are sufficient to cover the \$400.1 million in total appropriations, consisting of \$366.7 million in existing appropriations (\$327.5 million unencumbered and \$39.2 million encumbered) plus the requested \$33.4 million in new appropriations. Similarly, the grants receivables associated with the proposed projects in this report are sufficient to cover the new project appropriations. Therefore, this request is compliant with the City's Financial Policies as sufficient funds exist to support anticipated expenditures.

New Appropriations

Attachment One identifies the new 2020-21 TG Fund projects awarded from various grantors and identifies the \$33.4 million in new appropriations needed for design and construction for these projects over the next few years. The match requirements are typically satisfied by direct labor costs provided to departments through the Proposition C Anti-Gridlock Fund as part of the annual budget process, as well as previously identified special purpose fund appropriations when available. The Department will seek on-going reimbursements for eligible expenditures from grantors throughout the term of the projects which will be reimbursed to the appropriate special fund. The summary of the new project appropriations in Attachment One are as follows:

- Seven State Route 710 North Corridor Mobility Improvement Projects \$ 12,425,000
- Three CRA/LA Excess Non-Housing Bond Proceeds \$ 1,438,708
- One South Bay Cities Council of Governments Measure M Multi-Year Subregional Program Grant \$ 175,000
- One Metro Call for Project Grant \$ 547,212

• One Sustainable Transportation Planning Grant	\$ 497,250
• One Traffic Light Synchronization Program Grant	\$ 18,361,000
TOTAL	<u>\$ 33,444,170</u>

Authority to Increase Current Appropriations

Intermittently the Department requires the ability to increase project appropriations within the Transportation Grant Fund to accommodate design or construction contracting needs in cases where it has been decided that City staff will no longer perform the work. Currently these requests are handled on a case by case basis through the CAO's Construction Project Reports, the annual TG Fund report, or through a Motion. To facilitate these types of requests where there are no budget increases, the Department requests authority to increase appropriations by up to twenty-five percent of a project's appropriation within the Council authorized budget, not to exceed \$100,000. This Office concurs, provided that the proposed increase is also reimbursable through a grant award. This Office further recommends that these transactions be subject to the review and approval of the CAO, and that all increases also be reported to the Mayor and Council in the annual Transportation Grant Fund report.

Hiring Freeze Exemptions

In accordance with the Mayor's Cost Containment Memo dated June 24, 2020, and the City Council's actions as part of the 2020-21 Budget (C.F. 20-0600), a Hiring Freeze is in effect for 2020-21. In addition to the new project appropriation requests in the TG Fund, LADOT also requested continuous exemptions from the Hiring Freeze for five Accounting-related positions (one Principal Accountant II, two Senior Accountant IIs, and two Accountants) to facilitate and maintain the billing and reimbursement processes related to the Transportation Grant Fund No. 655.

As part of the Managed Hiring process, the Managed Hiring Committee authorized exceptions for LADOT in December 2020 to hire one Principal Accountant II and two Senior Accountant II positions through the transfer process. In late December 2020, the Mayor concurred with the Council's approval of the Second Financial Status Report (C.F. 20-0600-S84), which included a Hiring Moratorium effective immediately. LADOT may still look to fill the one Principal Accountant II and the two Senior Accountant IIs through the transfer process, as these were approved prior to the Hiring Moratorium. The requests for the other two Accountants will not be reviewed until the Hiring Moratorium is lifted.

FISCAL IMPACT STATEMENT

There is no General Fund impact. The Transportation Grant Fund is a revolving fund established to receive grant reimbursements for transportation grant funded programs. A total of \$123.1 million in grants were awarded to the City, of which \$33.4 million require the establishment of new appropriations in the Transportation Grant Fund at this time.

FINANCIAL POLICIES STATEMENT

These recommendations are in compliance with the City's Financial Policies in that onetime revenues (grants) are used for one-time expenditures.

RHL:RC:06210066

Attachments

- 1 – 2020-21 Transportation Grant Fund – New Appropriations
- 2 – LADOT Report to the Mayor's Office dated November 12, 2020

ATTACHMENT 1 - NEW APPROPRIATIONS (FY 2020-21 TGF)


No.	Council District(s)	Lead Dept	Project Title	Council File	Grant Amount	Staff Labor (Local Match Prop C)	Project Budget	Appropriation Request
SR-710 N Corridor MIP								
1	14	StreetsLA	Eagle Rock Bl Multi-Modal Transportation Improvements - LAMIP101	19-1566	\$ 16,362,000	\$ -	\$ 16,362,000	\$ 1,500,000
2	14	StreetsLA	El Sereno Active Transportation & Transit Connectivity Enhancements - LAMIP105	19-1566	\$ 6,000,000	\$ -	\$ 6,000,000	\$ 950,000
3	14	StreetsLA	Northeast Los Angeles Active Transportation & Transit Connectivity Enhancements - LAMIP106	19-1566	\$ 5,000,000	\$ -	\$ 5,000,000	\$ 875,000
4	14	BOE	Eastern Ave Multi-Modal Transportation Improvement - LAMIP102	19-1566	\$ 16,388,000	\$ -	\$ 16,388,000	\$ 1,800,000
5	14	BOE	Valley Blvd Multi-Modal Transportation Improvement - LAMIP103 *	19-1566	\$ 34,100,000	\$ -	\$ 34,100,000	\$ 1,800,000
6	14	BOE	Huntington Dr Multi-Modal Transportation Improvement - LAMIP104 *	19-1566	\$ 17,000,000	\$ -	\$ 17,000,000	\$ 1,500,000
7	14	BOE	Soto St Bridge Widening over Valley Blvd - LAMIP100	19-0110	\$ 4,000,000	\$ -	\$ 4,000,000	\$ 4,000,000
			SUBTOTAL		\$ 98,850,000	\$ -	\$ 98,850,000	\$ 12,425,000
CRA/LA Excess Non-Housing Bond Proceeds								
8	1	DOT	CRA/LA SRTS Esperanza Elementary and Charles White SRTS Plan Improvements	14-1174-S76	\$ 728,338	\$ -	\$ 728,338	\$ 582,671
9	13	DOT	CRA/LA SRTS Union Avenue SRTS Plan Improvements	14-1174-S41	\$ 534,891	\$ -	\$ 534,891	\$ 427,913
10	1	DOT	CRA/LA SRTS Magnolia Avenue SRTS Plan Improvements	14-1174-S77	\$ 535,155	\$ -	\$ 535,155	\$ 428,124
			SUBTOTAL		\$ 1,798,384	\$ -	\$ 1,798,384	\$ 1,438,708
South Bay Cities COG (SBCCOG) Measure M MSP								
11	8	DOT	Wilmington Neighborhood Street Improvements	20-0101	\$ 3,000,600	\$ -	\$ 3,000,600	\$ 175,000
Metro's Call For Project (CFP)								
12	CW	DOT	Interactive Bicycle Board Demo Project (Eco Counters) - LAF7708	12-1866	\$ 547,212	\$ 136,803	\$ 684,015	\$ 547,212
Sustainable Transportation Planning Grant								
13	CW	StreetsLA	2028 Olympic Legacy Street improvements Plan	20-1004	\$ 497,250	\$ 111,750	\$ 609,000	\$ 497,250
Traffic Light Synchronization Program (TLSP)								
14	CW	DOT	ATSAC Enhancements for an Advanced Transportation Infrastructure	08-0616	\$ 18,361,000	\$ 400,000	\$ 18,761,000	\$ 18,361,000
			TOTAL		\$ 123,054,446	\$ 648,553	\$ 123,702,999	\$ 33,444,170

* Front funds for these projects are for project development and design only. Construction phase will require a different front fund source due to the anticipated size of the project.

CITY OF LOS ANGELES
INTER-DEPARTMENTAL MEMORANDUM

Date: November 12, 2020

To: The Honorable Mayor Eric Garcetti
Office of the Mayor
Attention: Heleen Ramirez, Legislative Coordinator

From: Seleta J. Reynolds, General Manager 
Department of Transportation

Subject: **FISCAL YEAR 2020-2021 TRANSPORTATION GRANT FUND REPORT**

SUMMARY

The Los Angeles Department of Transportation (LADOT) submits an annual Transportation Grant Fund Report to establish new appropriations and adjust existing appropriations for awarded grants within the Transportation Grant Fund. This report is for Fiscal Year (FY) 2020-2021.

RECOMMENDATIONS

That the City Council, subject to the approval of the Mayor:

1. Authorize the LADOT to:
 - a. Receive grant funds to reimburse the Transportation Grant Fund No. 655 for expenditures made directly from the Transportation Grant Fund.
 - b. Annually reimburse the General Fund for its costs associated with Fringe Benefits, Central Services, and Department Administration using proceeds that the Department has collected from grantors.
 - c. Annually reimburse the Proposition C Anti-Gridlock Transit Fund No. 540 for its costs associated with the City staff salaries, overtime, compensated time off, and any other expenditures directly incurred by the Proposition C Anti-Gridlock Transit Fund No. 540.
 - d. Increase appropriations within the Transportation Grant Fund No. 655 by up to 25 percent of any project budget listed in the attachments or any other project accounts, not to exceed \$100,000.
2. Instruct all Departments and/or Bureaus to closely monitor their projects and schedules to ensure that the expenditures of funds are for the purposes of each of the projects and that the expenditure of funds are correctly recorded and reported.
3. Authorize the LADOT to make any technical adjustments as necessary and consistent with the Mayor and Council actions on administrative and technical matters, subject to the approval of the CAO, and request the Controller to implement these instructions.

4. Direct the LADOT to decrease and/or close out project appropriations for completed projects accepted by the Board of Public Works, projects where the City Council made a determination to cancel the project, and/or projects wherein the grant funding lapsed or has been deobligated.
5. Authorize the appropriation request of \$25,083,170 within the Transportation Grant Fund No. 655 for the new projects and the amounts listed in Attachment 1.
6. Exempt LADOT from the Mayor's FY 2020-21 Cost Containment memorandum or any subsequent management hiring process for classifications in quantities listed in Table 1.

BACKGROUND

The Transportation Grant Fund (TGF) provides front-funding for grant awarded transportation projects from the competitive transportation grant funding process. LADOT prepared this TGF report to request City Council's approval for using TGF's cash balance to establish new appropriations and to adjust existing appropriations. There are sufficient revolving funds available in the TGF to finance the transportation grant awards described in this report.

DISCUSSION

New Appropriations

LADOT staff, in association with the Bureaus of Engineering and Street Services, identified 14 projects with grant funds awarded by various transportation grant programs that require initial appropriations (Attachment 1). To ensure sufficient liquidity in the TGF reserves, LADOT recommends a total of \$25,083,170 in new appropriations within the TGF to fund these projects' contractor costs for only the next two fiscal years, FY 2020-21 and FY 2021-22. The City's local match for the implementation of these new projects is \$648,553 to come from staff salaries by the respective lead City department.

Due to the budgetary size of the following projects, these new appropriations will only front fund project development and design. Bureau of Engineering staff will seek an alternative front fund source for the construction phase.

- Valley Blvd Multi-Modal Transportation Improvement - LAMIP103
- Huntington Dr Multi-Modal Transportation Improvement - LAMIP104

Cost Containment Exemption

The Transportation Grant Fund No. 655 operates on a billing and reimbursement process that relies heavily on accounting staff to perform cost tracking, reporting, reconciliation, and auditing services. All of these functions affect cash reimbursements to the fund and require a minimum of one Principal Accountant, two Senior Accountants, and two Accountants to support the fund's operations. LADOT currently employs one acting Principal Accountant II and one acting Senior Accountant to administer the fund. LADOT will not be able to sustain the additional accounting work created by the 710 MIP projects, which can further exacerbate the cash flow due to delayed billings and reimbursements. LADOT requests exemption, on a continuous basis, from the hiring freeze policy stipulated in Mayor Eric Garcetti's FY 2020-21 Cost Containment memorandum, or any subsequent managed hiring process, for the classifications in quantities listed below in order to facilitate and maintain the billing and reimbursement processes that affect cash flow within the TGF and any front funding sources of funds:

TABLE 1

Department	Classification	Quantity	Class Code
LADOT	Principal Account II	1	1525-2
LADOT	Sr Accountant II	2	1523-2
LADOT	Accountant	2	1513

FINANCIAL IMPACT

There will be no impact on the General Fund. For the grant-funded projects in this report, LADOT already identified the City staff cost and the required staff resources through the annual budget process.

AM:cr

Attachment

c: Richard H. Llewellyn Jr., City Administrative Officer

ATTACHMENT 1 - NEW APPROPRIATIONS (FY2020-21 TGF)

No.	Council District(s)	Lead Dept	Project Title	Council File	Grant Amount	Staff Labor (Local Match Prop C)	Project Budget	Appropriation Request	Purpose of Appropriation
SR-710 N Corridor MIP									
1	14	StreetsLA	Eagle Rock Bl Multi-Modal Transportation Improvements - LAMIP101	19-1566	\$ 16,362,000	\$ -	\$ 16,362,000	\$ 1,500,000	Contract and Materials Procurement
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