



County of El Dorado

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Legislation Text

File #: 09-0432, Version: 1

Transportation Department recommending the Board approve a Budget Transfer increasing appropriations and revenue in the Department's Federal Emergency Management Agency (FEMA) and Office of Emergency Services (OES) Special Revenue funds, noting funding is for reimbursement of emergency repairs on several roads damaged in the 2005/2006 storms. (4/5 vote required)

FUNDING: FEMA and OES.

BUDGET SUMMARY:		
Total Estimated Cost		\$1,104,000
Funding		
Budgeted	\$	
New Funding	\$1,104,000	
Savings	\$	
Other	\$	
Total Funding Available	\$1,104,000	
Change To Net County Cost		\$ 0

Fiscal Impact/Change to Net County Cost: There is no change in Net County Costs. The receipt of these Federal and State revenues replenishes the fund balance in the Road Fund.

Background: On May 23, 2006 your Board authorized the department to proceed to immediately stabilize and repair roads severely damaged by the winter storms of 2005/2006 including Mosquito, Church Mine and Cosumnes Mine Roads. Road Fund reserves and savings would fund the costs while the department was in the process of seeking FEMA and OES reimbursement.

On December 5, 2006 the Department of Transportation submitted the Final Report/Termination of Emergency Contracting Authority for the 2005/2006 storms to your Board. In this final report it was stated that final costs for two large projects associated with this disaster, Mosquito Road and Church Mine Road, had exceeded the preliminary estimated costs made by FEMA/OES by approximately \$1M, and so were not guaranteed full reimbursement of the costs. Mosquito Road in particular had a significant estimated cost overage. FEMA/OES funding was approved up to the preliminary estimates. The additional project costs were paid by the road fund out of fund balance.

Reason for Recommendation: The final expenses and justifications were submitted to FEMA/OES to be considered for additional funding. The department worked with FEMA/OES representatives for a period of time and was successful in obtaining additional funding of \$1.1M for these projects.

Because the potential receipt of and timing for reimbursement was unknown, the appropriation and funding was not included in the FY 2008-09 budget. Approval of this budget transfer will allow for funds to be transferred from the FEMA and OES Special Revenue Funds to the Road Fund to allow for reimbursement of road repairs completed for Mosquito, Church Mine, and Cosumnes Mine Roads in 2006.

This transfer of funds to the Road Fund will increase available fund balance at the end of FY 2008-09 which will be used to support department operations in FY 2009-10. Current projections indicate that at the end of FY 2009-10, the Road Fund will have a fund balance of approximately \$3.5M. The Government Finance Officers Association (GFOA) has made a recommendation that at a minimum, a fund should maintain unreserved fund balance of no less than 5 to 15 percent of regular operating revenues, or no less than two months of regular operating expenditures. For the Road Fund this equates to a minimum fund balance between \$2.5 - \$5.0M.

Action to be taken following Board approval: Chairman will sign the attached budget transfer and the Board Clerk will forward to the Auditor's Office for processing.

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Department of Transportation