



City Council Staff Report

DATE: December 1, 2010

CONSENT CALENDAR

SUBJECT: AB 2766

FROM: David H. Ready, City Manager

BY: Public Works & Engineering

SUMMARY

Staff is seeking authorization from Council to continue the employee rideshare reimbursement program using available Air Quality Management funds in the Special Programs account and directing staff to budget for the program in future years using another funding source.

RECOMMENDATION:

1. Authorize continuation of the Rideshare Reimbursement Program using remaining Air Quality Management funds.
2. After all Air Quality Management funds are used, direct staff to propose using an alternative funding source for the program in future year's budgets.
3. Approve the AB2766 Memorandum of Understanding with CVAG allocating the AB2766 Motor Vehicle Registration Fee Assessments to CVAG for the Coachella Valley Regional PM10 Street Sweeping Program.
4. Authorize the City Manager to execute all necessary documents.

STAFF ANALYSIS:

Over the last 2 decades the City has maintained a rideshare program whereby City employees who carpooled to or from work were paid an additional \$2 per day as an incentive. The funds from this came from the City's share of funds authorized by Assembly Bill 2766, signed into law in 1990. CVAG was granted 45% of the City's share of these funds each year to fund regional programs that reduce PM10 emissions.

In April of 2010, the CVAG Executive Committee approved a modification of the AB 2766 formula from 45% to 100% to provide sustainable funding of the regional PM10 Street Sweeping Program since Federal CMAQ funds were no longer eligible for use on that program.

The City would no longer receive a disbursement of AB 2766 from AQMD as CVAG would get it all until /unless the 100% formula was reconsidered.


ITEM NO. 2.K.

The City paid \$11,588 for the Rideshare program in FY 2009/10. The cost has averaged \$15,000 annually in recent years. As of September 30, 2010 the Special Programs account had sufficient funds remaining in it to fund Rideshare for about 2 years. After that, if the Rideshare Program were to continue, another funding source must be found to replace the AB 2766 funds. Although it is possible for the City to eliminate the program, the City Attorney has advised that stopping the Rideshare program is a "meet and confer" issue with the bargaining groups.


It is recommended that Council direct staff to propose a budget using an alternative funding source to continue the program after next Fiscal Year.

FISCAL IMPACT:

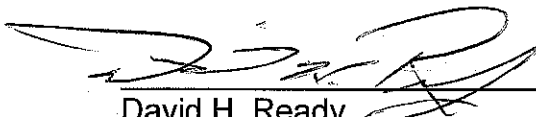
Sufficient funds exist in account 149-4609-43880 to continue the Rideshare Program through FY 2011/12.



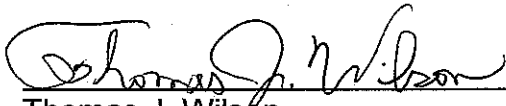
Geoffrey Kiehl
Director of Finance



David J. Barakian
Director of Public Works/City Engineer



David H. Ready
City Manager



Thomas J. Wilson
Assistant City Manager

Attachment: CVAG AB2766 MOU

**AB2766 MEMORANDUM OF UNDERSTANDING (MOU)
BETWEEN THE
COACHELLA VALLEY ASSOCIATION OF GOVERNMENTS
AND THE
CITY OF PALM SPRINGS**

JULY 1, 2010

This Memorandum of Understanding (MOU) is made and entered into by and between the Coachella Valley Association of Governments (CVAG) and the City of Palm Springs. The purpose of this MOU is to document the parties' understanding of and responsibilities for the allocation of the funds received by the City of Palm Springs from revenues derived from the AB2766 Motor Vehicle Registration Fee Assessments program to CVAG for the Coachella Valley Regional PM10 Street Sweeping Program and other air quality programs.

BACKGROUND

On-road motor vehicles, including cars, trucks and buses make up the most significant courses of air pollution in the South Coast Air Basin. Vehicle emissions contribute to unhealthful levels of ozone, toxic air contaminants and particulate matter from diesel exhaust. To protect public health, Assembly Bill 2766 was signed into law in September 1990. The Bill authorizes a motor vehicle registration fee surcharge to fund the implementation of programs designed to reduce air pollution from motor vehicles and to implement the California Clean Air Act of 1988. These funds are collected by the Department of Motor Vehicles and subvended to the South Coast Air Quality Management District (AQMD) which then disburses the AB2766 revenues to local governments quarterly based on an established formula.

PM10 air quality, unlike ozone-related pollution that is primarily transported to the Coachella Valley, is more directly related to local sources of pollution (e.g., paved road dust). The Regional PM10 Street Sweeping Program targets emission reductions from one of the largest PM10 source categories and is an important part of this region's comprehensive efforts to meet the requirements of the Coachella Valley's State Implementation Plan (CVSIP) for PM10. The Program is intended to mitigate blow sand and its resultant PM10 through routine street sweeping.

Using alternative fuel sweepers and other alternative fuel equipment, the Regional Program sweeps the major arterials and medians in the Coachella Valley removing visible roadway dust from these roadway segments. Existing control measures, such as this Program, play a significant role in reducing PM10 in the Coachella Valley. With funding sources depleted, a sustainable funding source must be established to show the Valley's commitment. A discontinuation of this Program could have serious implications on the Coachella Valley's PM10 attainment effort and current Redesignation Request to the Environmental Protection Agency.

At their April 26, 2010 meeting, the Executive Committee approved a modification of CVAG's AB2766 formula from 45% to 100% to provide sustainable funding of the Regional PM10 Street Sweeping Program *for up to one year or upon receiving a commitment of matching funds, at which time the commitment would be re-calculated and reconsidered.*

RESTRICTIONS

The funds accruing to CVAG from this MOU are designated for the operations of the Regional PM10 Street Sweeping Program. The funds will also be used for the regional administration of the Regional PM10 Street Sweeping Program and consultants relative to the Regional Program and other PM10 categories, preparation of grant applications, adherence to grant requirements such as quantifying emission benefits, etc.

CURRENT PROCEDURE

In 1991 each CVAG jurisdiction passed an ordinance adopting the AB2766 Program, setting up a separate account from which to disburse and subsequently monitor and audit these revenues. Revenues are distributed quarterly by the SCAQMD, based on each jurisdiction's proportionate number of registered motor vehicles. Effective July 1, 2010, and for each quarter thereafter, the City of PALM SPRINGS shall forward an amount equal to 100% of AB2766 revenues to CVAG. CVAG shall likewise deposit all monies received as a result of this MOU in a separate account.

Local agencies will be notified of any changes in this procedure and this MOU will be amended accordingly to reflect such changes.

CANCELLATION CLAUSE

This MOU shall continue in effect until or unless the AB2766 Motor Vehicle Registration Fee Assessments program is discontinued, or the Coachella Valley Regional PM10 Street Sweeping Program or CVAG's administration of its air quality programs shall be discontinued or CVAG for whatever reason, is dissolved or otherwise disbanded, or according to CVAG Executive Committee action of April 26, 2010: *The 100% AB2766 commitment is for up to one year or upon receiving a commitment of matching funds, at which time the commitment would be re-calculated and reconsidered; whichever shall occur sooner.*

EXHIBIT A: Increase in current formula to jurisdictions

COACHELLA VALLEY ASSOCIATION OF GOVERNMENTS

By: Stephen P. Purgitt

Title: Chairman

CITY OF PALM SPRINGS

By: _____

Title: _____

COACHELLA VALLEY ASSOCIATION OF GOVERNMENTS

**PM10 AIR QUALITY PROGRAM
 AB 2766 Funds Received from Member Jurisdictions
 Vehicle Registration Revenue
 Fiscal Year 7/1/08 - 6/30/09
 ACCOUNTING TABLE - EXHIBIT A**

**Following CVAG Executive Committee Action on April 26, 2010
 Agenda Item 10A - Regional PM10 Street Sweeping Program**

Jurisdictions	AQMD Disbursement 2008/2009	45%	100%
Cathedral City	\$60,788.84	\$27,354.98	\$60,788.84
Coachella	\$46,965.79	\$21,134.61	\$46,965.79
Desert Hot Springs	\$29,136.26	\$13,111.32	\$29,136.26
Indian Wells	\$5,713.21	\$2,570.94	\$5,713.21
La Quinta	\$49,782.19	\$22,401.99	\$49,782.19
Palm Desert	\$58,980.28	\$26,541.13	\$58,980.28
Palm Springs	\$54,731.81	\$24,629.31	\$54,731.81
Rancho Mirage	\$19,681.06	\$8,856.48	\$19,681.06
River. Co. Unincorp.*	\$549,926.09	\$33,878.20	\$75,284.88
TOTALS	\$875,705.53	\$180,478.95	\$401,064.32

*Population Adjustment Formula For Riverside County: $A/B \times 45\% \times C = D$
 A = Population Coachella Valley Unincorporated = 84,478 (County Projected for 2010)
 B = Population Riverside County Unincorporated = 617,241 (County Projected for 2010)
 C = Revenues (AB2766) Riverside County = \$550,000 (County Estimated for 2010)
 D = Revenues (AB2766) Coachella Valley = \$33,874 (County Estimated for 2010)

EXHIBIT A